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REGULATORY AUTH.

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EXECUTIVE SECRETARY

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April 6, 2001

VIA FEDERAL EXPRESS

K. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

01-00322

Re: Application of GE Capital Communication Services Corporation and GE
Capital Telemanagement Services Corporation For Authority to
Reorganize and For Approval of Related Transactions.

Dear Mr. Waddell:

Enclosed please find an original and thirteen (13) copies of the Application of GE Capital Communication Services Corporation and GE Capital Telemanagement Services Corporation For Authority to Reorganize and For Approval, as necessary, of Related Transactions, for filing with the Tennessee Regulatory Authority. Also enclosed is a check in the amount of twenty five (25) dollars to cover the requisite filing fee.

Enclosed please also find a duplicate copy of this filing and a self-addressed, stamped envelope. Please date-stamp the duplicate upon receipt and return it in the envelope provided. Please do not hesitate to call me at (202) 332-0732 if you have any questions.

Respectfully submitted,



Nicholaus G. Leverett*

Enclosures

*Admitted in Virginia only, not admitted in D.C.

**Before the
TENNESSEE REGULATORY AUTHORITY**

Application of	)	
	)	
GE CAPITAL COMMUNICATION SERVICES	)	
CORPORATION and GE CAPITAL	)	
TELEMANAGEMENT SERVICES	)	
CORPORATION	)	
	)	Docket/Case No. _____
For Authority to Reorganize and For Approval	)	
of Related Transactions	)	

APPLICATION

GE Capital Communication Services Corporation ("GECCS") and GE Capital Telemanagement Services Corporation ("GECTS") (together, the "Applicants"), by their attorneys and pursuant to T.C.A. 65-4-113 hereby respectfully request authority from the Tennessee Regulatory Authority ("Authority"), for an internal reorganization whereby GECCS's intrastate customer base and authority to provide resold long distance telecommunications services in Tennessee will be transferred to GECTS, a wholly owned subsidiary of GECCS. The reorganization involves GECCS merging downward into GECTS, with GECTS being the surviving entity and holding the state telecommunications authorizations currently held by GECCS. Immediately after the merger, GECTS will change its name to "GE Business Productivity Solutions, Inc." ("GEBPS").¹

Due to the timing of the Applicants' business plans, it is respectfully requested that the Authority issue an order, as required, approving this application on or before *May 1, 2001*.

¹ With regard to existing residential and prepaid calling card customers, in order to avoid confusion, GEBPS will operate under the d/b/a GE Capital Communication Services upon completion of the merger. With regard to business customers, GEBPS will operate under the GEBPS name and will provide an explanation regarding the merger. Because

In support of this Application, the Applicants provide the following information:

I. The Applicants.

GECCS is a Georgia corporation headquartered at 6540 Powers Ferry Road, Atlanta, Georgia 30339. GECCS is a wholly owned subsidiary of General Electric Capital Corporation, which in turn, is a wholly owned subsidiary of General Electric Capital Services, Inc., which in turn, is a wholly owned subsidiary of General Electric Company ("GE"). GE, a publicly held New York corporation, is one of the largest and most diversified industrial corporations in the world. GECCS is authorized to provide and is providing resold long distance telecommunications services to business and residential customers throughout Tennessee and in every state in the United States, except Alaska. GECCS is authorized to provide resold local telecommunications services in approximately eleven states, including Tennessee, and currently provides local service in Connecticut and Massachusetts. GECCS also has an international Section 214 authorization from the Federal Communications Commission to provide international resold switched services. In Tennessee, the Authority authorized GECCS to provide resold long distance service on October 13, 1995 in Case Number 95-03180, and authorized GECCS to provide resold local service on October 10, 1996 in Case Number 96-01430.

GECTS, a Georgia corporation, is a wholly owned subsidiary of GECCS and is not currently authorized to provide telecommunications services in any state. GECTS is qualified to conduct business in Tennessee as a foreign corporation. As noted above, after the merger, GEBPS will be the new corporate name for GECTS. Because the new name will not be adopted until after the merger, copies of GECTS's Amended Articles of Incorporation and qualifying

the surviving entity providing the service is an affiliate of General Electric Company ("GE"), there should not be any customer confusion.

document to transact business in Tennessee as a foreign corporation (reflecting the new name and d/b/a) will be forwarded to the Authority as *Exhibits A* and *B*, respectively.

II. Designated Contacts.

The designated contact for questions concerning this Application are:

Nicholaus G. Leverett, Esq.
Melissa Smith Conway, Esq.
KELLEY DRYE & WARREN LLP
1200 19th Street, N.W., Suite 500
Washington, D.C. 20036
Tel. (202) 955-9600
Fax (202) 955-9792

Copies of any correspondence also should be sent to the following designated representative of the Applicants:

Meredith H. Gifford
GE CAPITAL COMMUNICATION SERVICES CORPORATION
6540 Powers Ferry Road
Atlanta, Georgia 30339
Tel. (770) 644-7774
Fax (770) 644-7752

III. Description of Proposed Transaction

Essentially, by means of an intracorporate merger, the Applicants propose to have GECTS take over GECCS's intrastate customer base and business of providing resold interexchange telecommunications services in Tennessee. After this internal reorganization, GECTS (renamed as GEBPS) will assume GECCS's operations and provide telecommunications services to GECCS's customers in Tennessee under identical tariffs, using both the GEBPS name and its d/b/a GE Capital Communication Services.²

² Please see *Exhibit C* appended hereto for corporate organizational charts before and after the reorganization.

Pursuant to the contemplated merger, GECCS will merge into GECTS and the latter will be the surviving entity, renamed as GEBPS. GECCS will cease to exist as a separate corporate entity. As part of the merger and upon receipt of the required regulatory approvals, the telecommunications authorizations currently held by GECCS will be transferred to GECTS, which, as mentioned above, will be renamed as GEBPS. Where required, affected customers will be given appropriate and adequate notice of the merger and the resulting change of their telecommunications service provider. By using the d/b/a GE Capital Communication Services for residential and prepaid calling card customers, the carrier name will remain essentially the same for those customers; for all customers, the services and rates provided will remain the same. In addition, GECTS will adopt the Small and Minority Owned Telecommunications Business Participation Plan currently in effect for GECCS.

Because GECCS and GECTS are managed by essentially the same team of experienced telecommunications personnel, day-to-day operations will continue to function as they have in the past. Brief biographies of the management team that has served GECCS and will continue to serve GECTS after the merger are appended hereto as *Exhibit D*. The contact person for Authority inquiries will remain: Meredith H. Gifford at (770) 644-7774. Customer service functions will be provided by the same team of qualified consumer representatives. For customer inquiries, the toll-free customer service number will remain 1-800-775-4322. In addition, to facilitate a seamless transfer, GEBPS will file a new tariff, as required, that will incorporate all of GECCS's services at the same rates, terms and conditions as are currently available. Thus, the proposed transfer to GECTS, renamed as GEBPS, will be transparent to consumers in Tennessee and will, except for the slight name change for business customers, be transparent to GECCS's customers in Tennessee and will have no adverse impact on them, as

those customers will continue to receive high quality services from the same qualified personnel, at the same rates and under the same terms and conditions.

In addition, as reflected on the attached organizational charts in *Exhibit C*, upon completion of the merger, the ownership of GEBPS will be identical to the current ownership of GECCS. Thus, there should be no question about the qualifications of GEBPS and its parents to operate in the public interest as the merger will not cause any meaningful change in the ownership, financial condition or services of the utility entity.³

IV. Public Interest Analysis.

The proposed corporate reorganization and transfer of operating authority is in the public interest. As noted, the reorganization will be transparent to GECCS's residential and prepaid calling card customers and will have no adverse impact on any of GECCS's customers. This proposed consolidation will simplify the GE companies' corporate structure, eliminating administrative redundancy and improving their overall efficiency, thereby also enhancing GEBPS's ability to compete in Tennessee and elsewhere. Over time, consumers in Tennessee will benefit from a greater number of product and service options as well as more efficient prices resulting from the enhanced competitive ability of the streamlined company.

Moreover, because the public interest is served by assuring the presence of numerous telecommunications competitors in Tennessee it is important to provide such competitors with the flexibility to arrange and rearrange their structures in the manner they deem most appropriate to carry on their business so long as there is no adverse impact on the public. To deny such

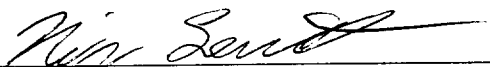
³ The most recent SEC Form 10-Q for the period ended September 30, 2000 of the Applicants' ultimate corporate parent, GE, reflects that its net earnings increased 20% to a record \$3.180 billion, and its revenues for the third quarter increased to a record \$32.0 billion. Cash from GE's operating activities during the first nine months of 2000 was a record \$9.9 billion. A copy of GE's SEC Form 10-Q is appended hereto as *Exhibit E*.

flexibility would discourage new competitors from entering the state and would encourage existing competitors in this state to seek a more favorable regulatory environment elsewhere, neither of which would enhance the public interest.

WHEREFORE, the Applicants respectfully request that the Authority grant them authority, to the extent necessary, to reorganize, as described herein, and for such other and further relief as may be necessary to carry out such reorganization, on or before *May 1, 2001*.

Respectfully submitted,

GE CAPITAL COMMUNICATION SERVICES
CORPORATION and GE CAPITAL
TELEMANAGEMENT SERVICES CORPORATION

By: 

Brad E. Mutschelknaus
Melissa S. Conway
Nicholaus G. Leverett
Kelley Drye & Warren LLP
1200 19th Street, N.W., Suite 500
Washington, D.C. 20036
Tel. (202) 955-9600

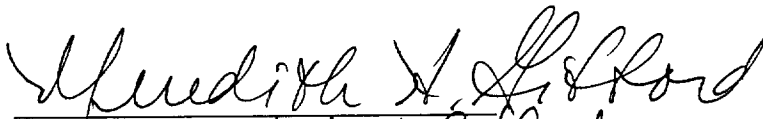
Its Attorneys

Dated: April 6, 2001

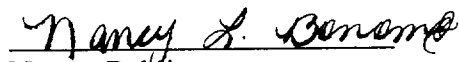
GEBPS, as a wholly owned indirect subsidiary of GE, will have access to GE's financial, technical and managerial resources.

VERIFICATION

I, Meredith H. Gifford, am authorized to represent GE Capital Communication Services Corporation and its affiliates, including GE Capital Telemanagement Services Corporation, and to make this verification on their behalf. The statements in the foregoing document relating to GE Capital Communication Services Corporation and its affiliates, except as otherwise specifically attributed, are true of my own knowledge, except as to matters that are stated herein on information or belief, and as to those matters, I believe them to be true. I declare under penalty of perjury that the foregoing is true and correct.


Name Meredith H. Gifford
Title Assist. Sec.

Subscribed and sworn to before me on this 30th day of March, 2001.


Notary Public

Notary Public, Cherokee County, Georgia
My Commission Expires September 18, 2002

My commission expires: _____

EXHIBIT A

Articles of Incorporation of GE Capital Telemanagement Services Corporation

**[BEING AMENDED TO REFLECT NAME CHANGE TO
GE BUSINESS PRODUCTIVITY SOLUTIONS, INC.]**

TO BE LATE-FILED

EXHIBIT B

Qualification to Transact Business as a Foreign Corporation of GE Capital Telemanagement Services Corporation

**[BEING AMENDED TO REFLECT NAME CHANGE TO GE BUSINESS
PRODUCTIVITY SOLUTIONS, INC.]**

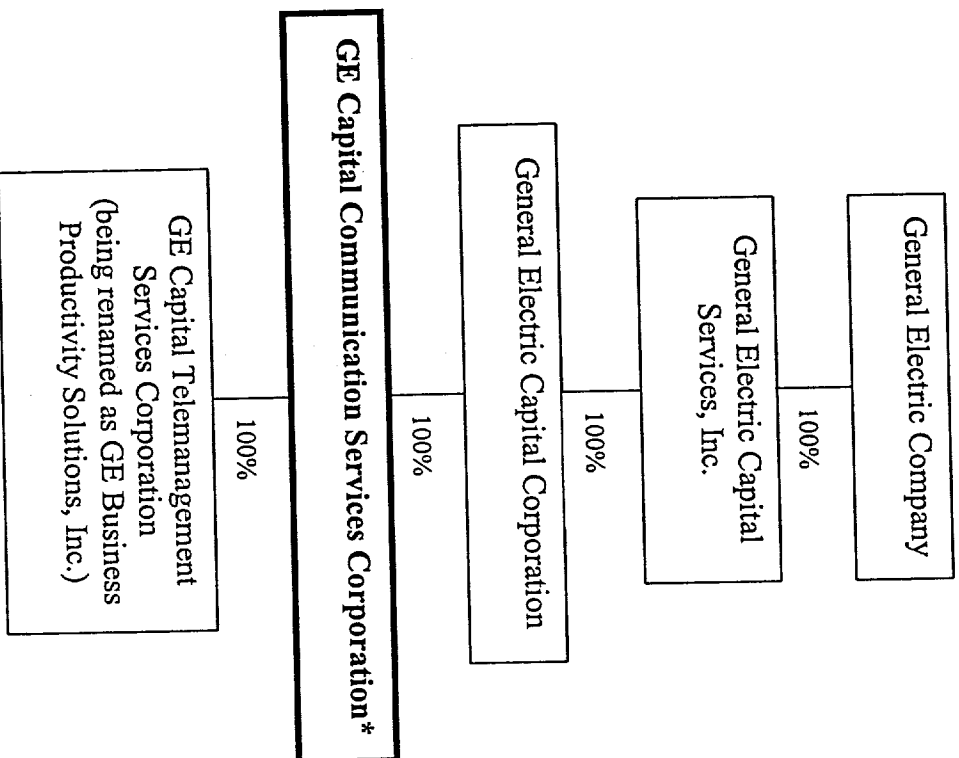
TO BE LATE-FILED

EXHIBIT C

GE Corporate Organizational Charts

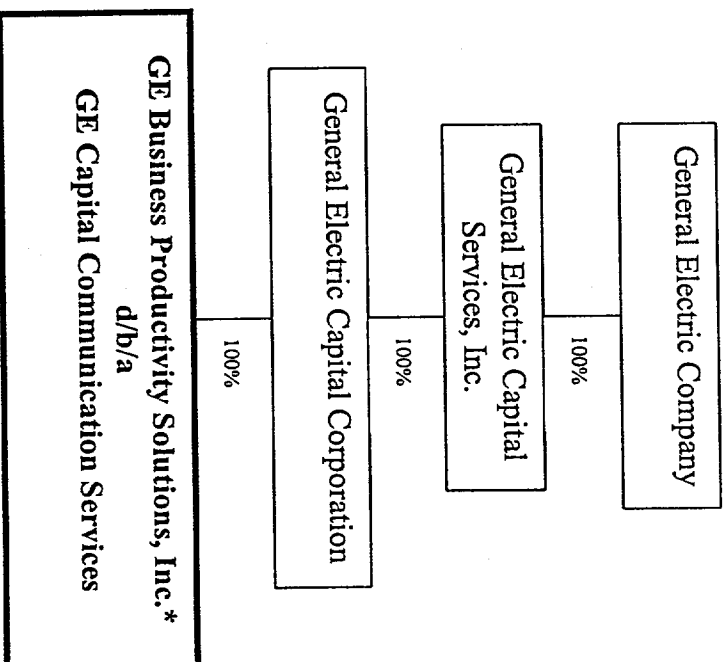
- **Pre-reorganization**
- **Post-reorganization**

**GE CORPORATE STRUCTURE
(PRE-REORGANIZATION)**



* Currently Authorized Utility

**GE CORPORATE STRUCTURE
(POST-REORGANIZATION)**



*** Authorized Utility**

EXHIBIT D

Management Biographies

MANAGERIAL QUALIFICATIONS

Gregg L. Haddad: Chairman of the Board of Directors and President

Mr. Haddad has been President of GE Capital Communication Services Corporation ("GECCS") since October 1994 and President of GE Capital Commercial Direct ("GECCD"), which is the division of General Electric Capital Corporation ("GE Capital") under which GECCS operates, since January 1996. Prior to joining GECCS, he held a variety of management and executive positions with GE Capital and its subsidiaries for six years, starting in July of 1988. From that date until April 1989, Mr. Haddad was a Finance Projects Manager at GE Capital's headquarters at Stamford, Connecticut. He then served for a year as Vice President, Sales Projects for GE Capital Mortgage Insurance in Raleigh, North Carolina, and then was Manager, Marketing and Business Strategy at GE Capital Vendor Financial Services in Danbury, Connecticut from June 1990 to December of 1992. In January 1993, Mr. Haddad became Vice President and Operations Manager at GE Capital Vendor Services EKCC in Rochester, New York, an assignment which he performed until his current assignment. From 1983 to 1986, Mr. Haddad was a Senior Accountant at Peat, Marwick, Mitchell & Co. in Toledo, Ohio. Mr. Haddad is a graduate of the University of Chicago Graduate School of Business and of the University of Michigan School of Business Administration, and is a Certified Public Accountant in the State of Ohio.

Victor A. Allums: Senior Vice President, Secretary, and General Counsel; Member, Board of Directors

Mr. Allums joined GECCS and GECCD as Senior Vice President and General Counsel in June 1996, and subsequently was appointed Secretary of GECCS. Prior to joining GECCS and GECCD, Mr. Allums was Assistant Division Counsel of the information systems division of ALLTEL Corporation and its predecessors (since January 1989) where he was responsible for all aspects of in-house representation of the business. From 1985 to 1988, he was an associate at the Atlanta, Georgia law firm of Troutman Sanders LLP, where he specialized in general corporate matters, including mergers and acquisitions, and software licensing and trademarks. He holds both a law degree and a Master of Business Administration degree from Emory University in Atlanta, and is also a graduate of Auburn University. He is admitted to practice law in the State of Georgia.

MANAGERIAL QUALIFICATIONS

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Brian P. Andrews: Senior Vice President, Sales Productivity Services

Mr. Andrews has been Senior Vice President, Sales Productivity Services of GECCS and GECCD since February 2000. Prior to that, he held positions at GECCS and GECCD involving product development and sales of prepaid calling card products, and as Vice President, Quality, beginning in January 1995. Mr. Andrews joined GECCS and GECCD from GE Capital Vendor Financial Services EKCC, where he was responsible for customer service operations for equipment lessees. Prior to that, he was employed by the Eastman Kodak Company beginning in 1987 and held various positions in information systems and customer service. Mr. Andrews holds a B.S. in Computer Science from Alfred University.

Timothy P. Dowd: Executive Vice President, GE Prepaid

Mr. Dowd's title is being changed to Executive Vice President, GE Prepaid. Since January 1998, Mr. Dowd has been Executive Vice President, Calling Card Services for GECCS and GECCD. Prior to that, he held several sales and marketing positions beginning in October 1992 with GECCS and GECCD, including managing telemarketing, agent, field sales, and similar activities involving the resale of telecommunications products and other business products and services. Prior to joining GECCS and GECCD, Mr. Dowd was employed by GE Information Services beginning in 1986, where he held several marketing and sales positions. He also is a graduate of General Electric Company's ("GE's") Information Systems Management Program. Mr. Dowd holds a bachelors degree in economics from Assumption College and a bachelors degree in industrial engineering from Worcester Polytechnic Institute. He received a Master of Business Administration Degree from Emory University in 1999.

Michael N. Draskovic: Senior Vice President, Direct Sales

Mr. Draskovic's title is being changed to Senior Vice President, Direct Sales. Since May 2000, Mr. Draskovic has been Senior Vice President, Telemanagement Services of GECCS and GECCD. Prior to that, he held several positions with GECCS and GECCD since May 1994 involving the management of operations and customer servicing functions for telecommunications and other products. Mr. Draskovic joined GE in 1971, and held a number of financial positions with the company from that time until he joined GECCS and GECCD. He is a graduate of GE's Financial Management Program. Mr. Draskovic is a graduate of Lewis University with a Bachelor of Business Administration degree.

Meredith H. Gifford: Assistant Vice President, Regulatory Affairs, and Assistant Secretary

Ms. Gifford has been Assistant Vice President, Regulatory Affairs and Assistant Secretary of GECCS and GECCD since 1996. Ms. Gifford practiced law as an attorney specializing in corporate and securities law in New York City from 1986 to 1990. Subsequently, Ms. Gifford was Assistant Counsel for Confederation Life Insurance Company in Atlanta, Georgia, from 1990 to 1992, and a Senior Attorney with the Resolution Trust Company beginning in 1993. In both positions, Ms. Gifford's areas of expertise were general corporate law and securities law. She is admitted to practice law in five states (Georgia, New York, Rhode Island, Massachusetts and Pennsylvania) and clerked for the Supreme Court of Rhode Island following her graduation from the Catholic University School of Law in 1984.

Barbara J. Macholl: Senior Vice President, Chief Financial Officer, and Treasurer

Ms. Macholl has been Senior Vice President, Chief Financial Officer, and Treasurer of GECCS and GECCD since May 2000. Prior to joining GECCS and GECCD, she held the position of Senior Vice President, Marketing Finance of GE Capital Aviation Services from April 1996. Previous to that, Ms. Macholl held a variety of financial management positions with GE Lighting beginning in 1977. She holds a Bachelor of Science degree from John Carroll University and a Master of Business Administration degree from Case Western Reserve University.

David M. O'Neill: Executive Vice President, Business Communication Services; Member, Board of Directors

Mr. O'Neill has been Executive Vice President, Business Communication Services of GECCS and GECCD since September 1999. Prior to that, he held a number of positions in the billing, customer service, and operational management of telecommunications products and services for GECCS and GECCD beginning in July 1994. Prior to that, Mr. O'Neill joined GE Plastics in 1992, later moving to GE Power Systems, and graduating from GE's Manufacturing Management Program. Prior to his GE employment, he worked for Hamilton Standard as a Project Engineer for three years. Mr. O'Neill holds a Bachelor of Science in Mechanical Engineering from the University of Notre Dame, and a Master of Business Administration degree from the University of Connecticut.

Daniel E. Rabin: Executive Vice President, Expense Management Services

Mr. Rabin has been Executive Vice President, Expense Management Services of GECCD since June 1998, and was previously Operations Manager for GECCS from July 1993. Prior to that, Mr. Rabin held various management and supervisory positions with various GE divisions, including Ordnance Systems in Pittsfield, Massachusetts, and GE Drive Systems in Sales, Virginia, and culminating in his successful tenure as Mid-Atlantic Region Service Manager for GE Medical Systems in Hanover, Maryland, from October 1989 to July 1993. He joined GE in 1973 and is a graduate of the Manufacturing Management Program. Mr. Rabin holds a B.S. in Industrial Engineering and a B.A. in Business Administration from Rutgers University. He has a Master of Business Administration degree from the University of Massachusetts in Amherst.

Merritt L. Saunders: Senior Vice President, Human Resources

Mr. Saunders has been Senior Vice President, Human Resources of GECCD since October 1999. Prior to that, he held human resources management positions with GE Capital Transport International Pool since November 1995. Mr. Saunders was associated with Pepsico from 1988 to 1995, holding progressively more senior human resources positions at Frito-Lay and the Pepsi-Cola Company. Mr. Saunders holds a Bachelor of Science in Psychology from the University of Wisconsin, and a Master of Industrial & Labor Relations degree from the University of West Virginia.

EXHIBIT E

Most Recent SEC Form 10-Q of General Electric Company

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended **September 30, 2000**

or

☐ Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission file number 1-35

GENERAL ELECTRIC COMPANY

(Exact name of registrant as specified in its charter)

New York
(State or jurisdiction of incorporation
or organization)

14-0689340
(I.R.S. Employer Identification No.)

3135 Easton Turnpike, Fairfield, Conn.
(Address of principal executive offices)

06431-0001
(Zip Code)

(Registrant's telephone number, including area code) **(203) 373-2211**

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

There were 9,908,802,000 shares with a par value of \$0.06 per share outstanding at September 30, 2000.

General Electric Company

Part I. Financial Information

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Part I. Financial Information

Item 1. Financial Statements

Condensed Statement of Earnings

General Electric Company and consolidated affiliates

Third quarter ended September 30 (Unaudited)						
	Consolidated		GE		GECS	
	2000	1999	2000	1999	2000	1999
<i>(Dollars, except per-share amounts, in millions)</i>						
Sales of goods	\$ 13,311	\$ 11,846	\$ 10,919	\$ 9,495	\$ 2,392	\$ 2,352
Sales of services	4,609	3,669	4,659	3,733	-	-
Earnings of GECS	-	-	1,478	1,262	-	-
GECS revenues from services	13,981	11,597	-	-	14,052	11,650
Other income	113	88	133	95	-	-
Total revenues	32,014	27,200	17,189	14,585	16,444	14,002
Cost of goods sold	9,663	8,536	7,456	6,412	2,207	2,124
Cost of services sold	3,396	2,661	3,447	2,725	-	-
Interest and other financial charges	2,859	2,455	148	191	2,765	2,291
Insurance losses and policyholder and annuity benefits	3,731	2,764	-	-	3,731	2,764
Provision for losses on financing receivables	463	227	-	-	463	227
Other costs and expenses	7,262	6,647	2,096	1,879	5,202	4,802
Minority interest in net earnings of consolidated affiliates	110	92	54	43	56	49
Total costs and expenses	27,484	23,382	13,201	11,250	14,424	12,257
Earnings before income taxes	4,530	3,818	3,988	3,335	2,020	1,745
Provision for income taxes	(1,350)	(1,165)	(808)	(682)	(542)	(483)
Net earnings	\$ 3,180	\$ 2,653	\$ 3,180	\$ 2,653	\$ 1,478	\$ 1,262
Net earnings per share (a)						
Diluted	\$ 0.32	\$ 0.27				
Basic	\$ 0.32	\$ 0.27				
Dividends declared per share (a)	\$ 0.13%	\$ 0.11%				

(a) Adjusted to reflect the three-for-one stock split effective on April 27, 2000.

See notes to condensed consolidated financial statements. Consolidating data are shown for "GE" and "GECS." Transactions between GE and GECS have been eliminated from the "consolidated" columns.

Condensed Statement of Earnings
General Electric Company and consolidated affiliates

	Nine months ended September 30 (Unaudited)					
	Consolidated		GE		GECS	
	2000	1999	2000	1999	2000	1999
<i>(Dollars, except per-share amounts, in millions)</i>						
Sales of goods	\$ 39,852	\$33,335	\$32,829	\$27,382	\$ 7,030	\$5,953
Sales of services	13,356	11,400	13,533	11,608	-	-
Earnings of GECS	-	-	3,965	3,386	-	-
GECS revenues from services	41,345	33,644	-	-	41,565	33,810
Other income	319	396	371	438	-	-
Total revenues	94,872	78,775	50,698	42,814	48,595	39,763
Cost of goods sold	28,800	23,916	22,292	18,474	6,515	5,441
Cost of services sold	9,326	8,005	9,503	8,213	-	-
Interest and other financial charges	8,655	7,122	660	595	8,146	6,641
Insurance losses and policyholder and annuity benefits	10,513	8,088	-	-	10,513	8,088
Provision for losses on financing receivables	1,405	1,048	-	-	1,405	1,048
Other costs and expenses	22,430	19,180	6,157	5,468	16,394	13,807
Minority interest in net earnings of consolidated affiliates	305	254	146	122	159	132
Total costs and expenses	81,434	67,613	38,758	32,872	43,132	35,157
Earnings before income taxes	13,438	11,162	11,940	9,942	5,463	4,606
Provision for income taxes	(4,288)	(3,534)	(2,790)	(2,314)	(1,498)	(1,220)
Net earnings	\$ 9,150	\$ 7,628	\$ 9,150	\$ 7,628	\$ 3,965	\$3,386
Net earnings per share (a)						
Diluted	\$ 0.91	\$ 0.76				
Basic	\$ 0.93	\$ 0.78				
Dividends declared per share (a)	\$ 0.41	\$ 0.35				

(a) Adjusted to reflect the three-for-one stock split effective on April 27, 2000.

See notes to condensed consolidated financial statements. Consolidating data are shown for "GE" and "GECS." Transactions between GE and GECS have been eliminated from the "consolidated" columns.

Condensed Statement of Financial Position
General Electric Company and consolidated affiliates

(Dollars in millions)	Consolidated		GE		GECS	
	9/30/00	12/31/99	9/30/00	12/31/99	9/30/00	12/31/99
Cash and equivalents	\$ 8,781	\$ 8,554	\$ 4,377	\$ 2,000	\$ 7,132	\$ 6,931
Investment securities	89,241	81,758	1,084	1,273	88,157	80,485
Current receivables	9,494	8,531	9,664	8,743	-	-
Inventories	8,466	7,007	6,824	5,798	1,642	1,209
Financing receivables – net	134,111	134,215	-	-	134,111	134,215
Other GECS receivables	38,079	33,122	-	-	39,468	34,095
Property, plant and equipment (including equipment leased to others) – net	40,907	41,022	12,520	12,381	28,387	28,641
Investment in GECS	-	-	22,361	20,321	-	-
Intangible assets – net	27,136	26,010	11,938	11,262	15,198	14,748
All other assets	74,926	64,981	23,515	20,805	51,904	44,694
Total assets	\$431,141	\$405,200	\$92,283	\$82,583	\$365,999	\$345,018
Short-term borrowings	\$121,897	\$130,346	\$ 1,210	\$ 2,245	\$124,071	\$129,259
Accounts payable, principally trade accounts	14,610	13,676	5,177	5,068	10,875	9,749
Other GE current liabilities	21,295	17,194	21,295	17,013	-	-
Long-term borrowings	75,813	71,427	750	722	75,076	70,766
Insurance liabilities, reserves and annuity benefits	107,183	86,776	-	-	107,183	86,776
All other liabilities	28,802	28,772	14,725	13,872	14,018	14,801
Deferred income taxes	8,918	9,238	459	283	8,459	8,955
Total liabilities	378,518	357,429	43,616	39,203	339,682	320,306
Minority interest in equity of consolidated affiliates	4,878	5,214	922	823	3,956	4,391
Accumulated unrealized gains (losses) on investment securities – net (a)	144	626	144	626	(104)	170
Accumulated currency translation adjustments (a)	(2,428)	(1,370)	(2,428)	(1,370)	(713)	(384)
Common stock (9,908,802,000 and 9,854,528,000 shares outstanding at September 30, 2000, and December 31, 1999, respectively) (b)	669	594	669	594	1	1
Other capital	14,230	10,790	14,230	10,790	2,752	2,682
Retained earnings	59,575	54,484	59,575	54,484	20,425	17,852
Less common stock held in treasury	(24,445)	(22,567)	(24,445)	(22,567)	-	-
Total share owners' equity	47,745	42,557	47,745	42,557	22,361	20,321
Total liabilities and equity	\$431,141	\$405,200	\$92,283	\$82,583	\$365,999	\$345,018

(a) The sum of accumulated unrealized gains (losses) on investment securities-net and accumulated currency translation adjustments constitutes "Accumulated nonowner changes other than earnings," and was \$(2,284) million and \$(744) million at September 30, 2000 and December 31, 1999, respectively.

(b) Adjusted to reflect the three-for-one stock split effective on April 27, 2000.

See notes to condensed consolidated financial statements. Consolidating data are shown for "GE" and "GECS." September data are unaudited. Transactions between GE and GECS have been eliminated from the "consolidated" columns.

Condensed Statement of Cash Flows
General Electric Company and consolidated affiliates

(Dollars in millions)	Nine months ended September (Unaudited)					
	Consolidated		GE		GECS	
	2000	1999	2000	1999	2000	1999
Cash flows – operating activities						
Net earnings	\$ 9,150	\$ 7,628	\$ 9,150	\$ 7,628	\$ 3,965	\$ 3,386
Adjustments to reconcile net earnings to cash provided from operating activities						
Depreciation and amortization of property, plant and equipment	3,846	3,602	1,365	1,302	2,481	2,300
Amortization of goodwill and other intangibles	1,913	1,255	366	408	1,547	847
Earnings retained by GECS	–	–	(2,573)	(2,118)	–	–
Deferred income taxes	493	96	469	538	24	(442)
Decrease (increase) in GE current receivables	(698)	301	(656)	403	–	–
Decrease (increase) in inventories	(962)	(355)	(529)	(518)	(433)	163
Increase (decrease) in accounts payable	2,242	(500)	(38)	(49)	2,581	602
Increase (decrease) in insurance liabilities, reserves and annuity benefits	(1,892)	2,830	–	–	(1,892)	2,830
Provision for losses on financing receivables	1,405	1,048	–	–	1,405	1,048
All other operating activities	(4,236)	225	2,389	(170)	(6,673)	(188)
Cash from operating activities	11,261	16,130	9,943	7,424	3,005	10,546
Cash flows – investing activities						
Additions to property, plant and equipment (including equipment leased to others)	(9,748)	(8,629)	(1,865)	(1,070)	(7,883)	(7,559)
Net increase in GECS financing receivables	(3,175)	(6,356)	–	–	(3,175)	(6,356)
Payments for principal businesses purchased	(1,085)	(7,845)	(682)	(1,171)	(403)	(6,674)
All other investing activities	(9,798)	601	56	106	(9,978)	394
Cash used for investing activities	(23,806)	(22,229)	(2,491)	(2,135)	(21,439)	(20,195)
Cash flows – financing activities						
Net change in borrowings (maturities 90 days or less)	3,650	(5,889)	(941)	(774)	6,819	(5,339)
Newly issued debt (maturities longer than 90 days)	27,655	27,677	546	459	27,061	27,147
Repayments and other reductions (maturities longer than 90 days)	(27,426)	(10,343)	(727)	(588)	(26,699)	(9,755)
Net dispositions (purchases) of GE shares	93	(742)	93	(742)	–	–
Dividends paid to share owners	(4,046)	(3,440)	(4,046)	(3,440)	(1,392)	(1,268)
Cash received upon assumption of Toho Mutual Life Insurance Company insurance liabilities	13,177	–	–	–	13,177	–
All other financing activities	(331)	631	–	–	(331)	631
Cash from (used for) financing activities	12,772	7,894	(5,075)	(5,085)	18,635	11,416
Increase in cash and equivalents	227	1,795	2,377	204	201	1,767
Cash and equivalents at beginning of year	8,554	4,317	2,000	1,175	6,931	3,342
Cash and equivalents at September 30	\$ 8,781	\$ 6,112	\$ 4,377	\$ 1,379	\$ 7,132	\$ 5,109

See notes to condensed consolidated financial statements. Consolidating data are shown for "GE" and "GECS." Transactions between GE and GECS have been eliminated from the "consolidated" columns.

Summary of Operating Segments
General Electric Company and consolidated affiliates

(Dollars in millions)	Third quarter ended September 30 (Unaudited)		Nine months ended September 30 (Unaudited)	
	2000	1999	2000	1999
Revenues				
GE				
Aircraft Engines	\$ 2,580	\$ 2,659	\$ 7,770	\$ 7,727
Appliances	1,495	1,449	4,451	4,126
Industrial Products and Systems	2,777	2,802	8,599	8,226
NBC	1,895	1,076	5,244	4,038
Plastics	1,970	1,690	5,845	5,046
Power Systems	3,521	2,464	10,469	6,507
Technical Products and Services	1,902	1,601	5,556	4,721
Eliminations	(522)	(477)	(1,547)	(1,248)
Total GE segment revenues	15,618	13,264	46,387	39,143
Corporate items	93	59	346	285
GECS net earnings	1,478	1,262	3,965	3,386
Total GE revenues	17,189	14,585	50,698	42,814
GECS segment revenues	16,444	14,002	48,595	39,763
Eliminations -a)	(1,619)	(1,387)	(4,421)	(3,802)
Consolidated revenues	<u>\$32,014</u>	<u>\$27,200</u>	<u>\$94,872</u>	<u>\$78,775</u>
Segment profit				
GE				
Aircraft Engines	\$614	\$536	\$1,781	\$1,527
Appliances	159	137	503	475
Industrial Products and Systems	497	491	1,614	1,424
NBC	292	265	1,321	1,143
Plastics	487	390	1,443	1,255
Power Systems	670	397	1,875	1,104
Technical Products and Services	439	316	1,192	912
Total GE operating profit	3,158	2,532	9,729	7,840
GECS net earnings	1,478	1,262	3,965	3,386
Total segment profit	4,636	3,794	13,694	11,226
GE interest and other financial charges	(148)	(191)	(660)	(595)
GE provision for income taxes	(808)	(682)	(2,790)	(2,314)
Corporate items and eliminations	(500)	(268)	(1,094)	(689)
Consolidated net earnings	<u>\$ 3,180</u>	<u>\$ 2,653</u>	<u>\$ 9,150</u>	<u>\$ 7,628</u>

(a) Principally the elimination of GECS net earnings.

Notes to Condensed Consolidated Financial Statements (Unaudited)

1. The accompanying condensed quarterly financial statements represent the consolidation of General Electric Company and all companies which it directly or indirectly controls, either through majority ownership or otherwise. Reference is made to note 1 to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 1999. That note discusses consolidation and financial statement presentation. As used in this Report and in the Report on Form 10-K, "GE" represents the adding together of all affiliated companies except General Electric Capital Services, Inc. ("GECS"), which is presented on a one-line basis; GECS consists of General Electric Capital Services, Inc. and all of its affiliates; and "consolidated" represents the adding together of GE and GECS with the effects of transactions between the two eliminated.

2. The condensed consolidated quarterly financial statements are unaudited. These statements include all adjustments (consisting of normal recurring accruals) considered necessary by management to present a fair statement of the results of operations, financial position and cash flows. The results reported in these condensed consolidated financial statements should not be regarded as necessarily indicative of results that may be expected for the entire year. Certain prior year amounts have been reclassified to conform to the current year's presentation.

3. A summary of changes in share owners' equity that do not result directly from transactions with share owners is provided below.

<i>(Dollars in millions)</i>	Third quarter ended	
	9/30/00	9/30/99
Net earnings	\$ 3,180	\$ 2,653
Unrealized gains (losses) on investment securities – net	434	(563)
Foreign currency translation adjustments – net	(509)	54
Total	<u>\$ 3,105</u>	<u>\$2,144</u>
	Nine months ended	
	9/30/00	9/30/99
Net earnings	\$ 9,150	\$ 7,628
Unrealized losses on investment securities – net	(482)	(2,320)
Foreign currency translation adjustments – net	(1,058)	(480)
Total	<u>\$ 7,610</u>	<u>\$ 4,828</u>

4. The Financial Accounting Standards Board ("FASB") has issued, then subsequently amended, Statement of Financial Accounting Standards ("SFAS") No. 133, Accounting for Derivative Instruments and Hedging Activities, effective for GE on January 1, 2001. Upon adoption, all derivative instruments (including certain derivative instruments embedded in other contracts) will be recognized in the balance sheet at their fair values; changes in such fair values must be recognized immediately in earnings unless specific hedging criteria are met. Effects of qualifying changes in fair value will be recorded in equity pending recognition in earnings as offsets to the related earnings effects of the hedged items. Management estimates that, at September 30, 2000, the effects on its financial statements of adopting SFAS No. 133, as amended, would have been to reduce net earnings and share owner's equity by less than \$100 million and \$500 million, respectively. However, the transition effect as of January 1, 2001, cannot be estimated at this time because it is subject to the following unknown variables as of that date: (1) actual derivatives and related hedged positions, (2) market values of derivatives and hedged positions, and (3) further interpretation of SFAS No. 133 by the FASB.

5. Inventories consisted of the following:

<i>(Dollars in millions)</i>	At	
	9/30/00	12/31/99
GE		
Raw materials and work in process	\$ 4,170	\$ 3,438
Finished goods	3,319	3,054
Unbilled shipments	223	233
Revaluation to LIFO	(888)	(927)
	<u>6,824</u>	<u>5,798</u>
GECS		
Finished goods	<u>1,642</u>	<u>1,209</u>
Total	<u>\$ 8,466</u>	<u>\$ 7,007</u>

6. Property, plant and equipment (including equipment leased to others) consisted of the following:

<i>(Dollars in millions)</i>	At	
	9/30/00	12/31/99
Original cost		
GE	\$30,950	\$30,199
GECS	<u>38,663</u>	<u>38,160</u>
Total	<u>69,613</u>	<u>68,359</u>
Accumulated depreciation and amortization		
GE	18,430	17,818
GECS	<u>10,276</u>	<u>9,519</u>
Total	<u>28,706</u>	<u>27,337</u>
Property, plant and equipment – net		
GE	12,520	12,381
GECS	<u>28,387</u>	<u>28,641</u>
Total	<u>\$40,907</u>	<u>\$41,022</u>

7. GE's authorized common stock consisted of 13,200,000,000 shares, having a par value of \$0.06 each. Information related to the calculation of earnings per share follows.

	Third Quarter Ended			
	9/30/00		9/30/99	
	Diluted	Basic	Diluted	Basic
<i>(Dollar amounts and shares in millions; per-share amounts in dollars)</i>				
Consolidated operations				
Net earnings available to common share owners	\$3,180	\$3,180	\$2,653	\$2,653
Dividend equivalents – net of tax	3	–	2	–
Net earnings available for per-share calculation	\$3,183	\$3,180	\$2,655	\$2,653
Average equivalent shares				
Shares of GE common stock	9,906	9,906	9,839	9,839
Employee compensation-related shares, including stock options	162	–	160	–
Total average equivalent shares	10,068	9,906	9,999	9,839
Net earnings per share	\$ 0.32	\$ 0.32	\$ 0.27	\$ 0.27
	Nine Months Ended			
	9/30/00		9/30/99	
	Diluted	Basic	Diluted	Basic
Consolidated operations				
Net earnings available to common share owners	\$9,150	\$9,150	\$7,628	\$7,628
Dividend equivalents – net of tax	8	–	6	–
Net earnings available for per-share calculation	\$9,158	\$9,150	\$7,634	\$7,628
Average equivalent shares				
Shares of GE common stock	9,888	9,888	9,828	9,828
Employee compensation-related shares, including stock options	162	–	162	–
Total average equivalent shares	10,050	9,888	9,990	9,828
Net earnings per share	\$ 0.91	\$ 0.93	\$ 0.76	\$ 0.78

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition

A. Results of Operations — Third Quarter of 2000 Compared with Third Quarter of 1999

General Electric Company earnings per share increased 19% to \$.32, up from last year's \$.27, and net earnings increased 20% to \$3.180 billion. Both earnings per share and earnings were records for the quarter.

Revenues for the third quarter increased to a record \$32.0 billion, 18% above last year's quarter, reflecting continued growth from globalization and product services.

Excluding the effects of a third-quarter retirement benefit provision associated with the new labor agreement, GE's third-quarter operating margin was 17.6% of sales, up from last year's 16.7%, reflecting increasing benefits from GE's focus on product services, Six Sigma quality and e-Business initiatives. GE's reported third-quarter operating margin was 16.6%.

GE's industrial businesses achieved revenue growth of 18% above third quarter 1999. Operating profit for six of seven operating segments increased by double digits — led by Power Systems, Medical Systems, Plastics and Aircraft Engines.

GE Capital Services' third-quarter earnings rose to \$1.478 billion, 17% above last year's \$1.262 billion. These record results reflect the globalization and diversity of GE Capital's businesses, with strong double-digit increases in its Specialized Financing, Consumer Services, Equipment Management and Mid-Market Financing segments.

Cash generated from GE's operating activities during the first nine months was a record \$9.9 billion, up 34% from last year's \$7.4 billion. As part of the \$22 billion share repurchase program, GE purchased \$495 million of its stock during the third quarter to reach \$17.0 billion — 943 million shares — purchased since December 1994.

Segment Analysis:

The comments that follow compare revenues and operating profit by operating segment for the third quarters of 2000 and 1999.

- *Aircraft Engines* reported a 15% increase in operating profit despite revenues that were 3% lower compared with the third quarter of 1999. The decrease in revenues primarily reflected a higher proportion of small engines compared with last year, as well as lower product service revenues. The improvement in operating profit was primarily attributable to strong productivity and higher selling prices.
- *Appliances* revenues increased 3% over the third quarter of 1999, as higher volume more than offset lower selling prices. Operating profit increased 16% largely as a result of productivity and higher volume from new products which more than offset lower selling prices.
- *GE Capital Services* third-quarter earnings rose to \$1.478 billion, up 17% from last year's \$1.262 billion, with strong double-digit increases in its Specialized Financing, Consumer Services, Equipment Management and Mid-Market Financing activities. The overall improvement in earnings was largely attributable to the effects of continued asset growth, principally from acquisitions of businesses and portfolios, higher origination volume, and the inclusion of an after tax gain of \$226 million on the portion of the investment in PaineWebber common stock, which is classified as trading securities. These increases were partially offset by unusual after-tax charges of \$239 million for asset writedowns, employee severance and other facilities costs in connection with third quarter decisions to rationalize certain information technology and mortgage servicing operations.
- *Industrial Products and Systems* reported a 1% increase in operating profit on revenues that were 1% lower than a year ago. The decrease in revenues primarily reflected lower volume at Transportation Systems, which had a very strong 1999 quarter. The improvement in segment operating profit was primarily attributable to productivity and higher volume at Lighting and Industrial Systems, partially offset by the effects of lower selling prices across most businesses in the segment.
- *NBC* reported a 76% increase in revenues largely as a result of its coverage of the 2000 Summer Olympic Games, as well as continued growth in cable operations, particularly at CNBC. Operating profit increased 10% reflecting a strong marketplace, improved results in network operations, cable, and stations, which more than offset higher license fees associated with renewal of certain sports and prime-time programs.

- *Plastics* operating profit increased 25% on revenues that were 17% higher than a year ago. The increase in both revenues and earnings were primarily attributable to higher volume and improved selling prices.
- *Power Systems* revenues increased 43%, primarily as a result of sharply higher volume in gas turbines and continued growth in product services, including acquisitions. Operating profit rose 69%, reflecting the increase in volume as well as productivity.
- *Technical Products & Services* revenues increased 19% from the third quarter of 1999, principally as a result of sharply higher volume at Medical Systems, including acquired businesses. Operating profit grew 39%, reflecting volume growth at Medical Systems and productivity, which more than offset lower selling prices across the segment.

B. Results of Operations - First Nine Months of 2000 Compared With First Nine Months of 1999

Net earnings were \$9.150 billion in the first nine months of 2000, up 20% from \$7.628 billion in the first nine months of 1999. Earnings per share increased 20% to \$0.91 from \$0.76. Management indicated that it is comfortable with the First Call analysts' consensus estimate of \$1.27 per share for the full year 2000.

Consolidated revenues for the first nine months of 2000 aggregated \$94.9 billion, up 20% from \$78.8 billion in the first nine months of 1999. GE's sales of goods and services were 19% higher, led by Power Systems, NBC and Medical Systems. The improvement in sales was largely attributable to increases in the volume of goods and services sold, partially offset by the effects of lower selling prices overall.

Excluding the effects of a third-quarter retirement benefit provision associated with the new labor agreement, operating margin in the first nine months of 2000 was 18.5% of sales, an improvement over last year's 17.5%. The growth reflects increasing benefits from GE's focus on product services, Six Sigma quality and e-Business initiatives. GE's reported operating margin was 18.1%.

Segment Analysis:

The following comments compare revenues and operating profit by industry segment for the first nine months of 2000 with the same period of 1999.

- *Aircraft Engines* reported revenues that were 1% higher than a year ago, primarily as a result of higher military engine sales and slightly higher volume in product services. Operating profit increased 17%, reflecting productivity and growth in product services, which more than offset higher costs.
- *Appliances* revenues were up 8% compared with the first nine months of 1999, as volume increases more than offset lower selling prices. Operating profit increased 6% as productivity and higher volume more than offset the decrease in selling prices and increased spending on new products.
- *GE Capital Services* year-to-date earnings rose to \$3.965 billion, up 17% from last year's \$3.386 billion, reflecting strong double-digit increases in Consumer Services, Mid-Market Financing and Specialized Financing activities. The overall improvement in earnings was largely attributable to the effects of continued asset growth, principally from acquisitions of businesses and portfolios, higher origination volume, a higher level of asset gains, and the inclusion of an after-tax gain of \$226 million on the portion of the investment in PaineWebber common stock classified as trading securities. These increases were partially offset by unusual after-tax charges of \$239 million for asset writedowns, employee severance and other facilities costs in connection with third quarter decisions to rationalize information technology and mortgage servicing operations.

- *Industrial Products and Systems* reported a 13% increase in operating profit on revenues that were 5% higher than a year ago. The increase in revenues primarily reflected volume increases at Lighting and Industrial Systems. The improvement in operating profit was primarily attributable to productivity across the segment, which was partially offset by the effects of lower selling prices.

- *NBC* revenues increased 30%, primarily as a result of its coverage of the 2000 Summer Olympic Games, as well as continuing growth in cable operations, particularly at CNBC. Operating profit increased 16% reflecting growth in network, cable operations, and owned and operated stations, somewhat reduced by higher license fees associated with renewal of certain sports and prime-time programs.

- *Plastics* operating profit increased 15% on revenues that were 16% higher than a year ago. The increase in both revenues and earnings were primarily attributable to higher volume and improved selling prices.

- *Power Systems* revenues increased 61%, primarily as a result of sharply higher volume in gas turbines and continued growth in product services, including acquisitions. Operating profit rose 70%, reflecting productivity and the increase in volume.

- *Technical Products & Services* revenues increased 18% over last year, reflecting sharply higher volume at Medical Systems, including acquired businesses. Operating profit grew 31%, largely as a result of volume growth at Medical Systems which more than offset lower selling prices across the segment.

C. Financial Condition

With respect to the Condensed Statement of Financial Position, consolidated assets of \$431.1 billion at September 30, 2000, were \$25.9 billion higher than at December 31, 1999.

GE assets were \$92.3 billion at September 30, 2000, an increase of \$9.7 billion from December 31, 1999. The increase was primarily attributable to increases in cash (\$2.4 billion), normal seasonal increases in inventory (\$1.0 billion), earnings retained by GECS (\$2.6 billion) and all other assets (\$2.7 billion). The change in all other assets resulted primarily from an increase in the prepaid pension asset as well as increases in miscellaneous investments.

GECS assets increased by \$21.0 billion from the end of 1999. The increase in assets was largely attributable to the acquisition of certain assets and the assumption of liabilities of Toho Mutual Life Insurance of Japan (Toho), an entity that was insolvent when acquired. Under the terms of the acquisition, which was consummated in the first quarter, GECS acquired approximately \$13.2 billion in cash, as well as investment securities and other receivables in exchange for assuming Toho's existing insurance policyholder liabilities. The significant cash position of Toho at the date of acquisition reflected the liquidity needs of the business including significant policyholder redemptions that occurred through September 30, 2000.

GECS investment securities increased by \$7.7 billion from year-end 1999, largely as a result of the acquisition of Toho. Other assets increased \$7.2 billion, primarily reflecting growth in "separate accounts," which are investments controlled by policyholders, as well as acquired real estate ventures of Toho. GE Capital's financing receivables, which, net of the allowance for losses, aggregated \$134.1 billion at the end of the third quarter, decreased \$0.1 billion from year-end 1999. Management believes that GE Capital's allowance for losses of \$3.7 billion at September 30, 2000, is the best estimate of probable losses inherent in the portfolio given its strength and diversity and current economic circumstances.

Consolidated liabilities of \$378.5 billion at September 30, 2000, were \$21.1 billion higher than the year-end 1999 balance of \$357.4 billion.

GE liabilities increased \$4.4 billion to \$43.6 billion. Total borrowings were \$2.0 billion (\$1.2 billion short term and \$0.8 billion long term) at September 30, 2000, a decrease of \$1.0 billion from December 31, 1999. The ratio of debt to total capital for GE at the end of the third quarter was 3.9% compared with 6.4% at the end of last year and 7.6% at September 30, 1999.

GECS liabilities increased \$19.4 billion to \$339.7 billion, compared with \$320.3 billion at the end of 1999. The increase was principally attributable to additions to insurance liabilities of \$20.4 billion from year-end 1999, primarily the assumption of policyholder liabilities of Toho, as well as increases in separate accounts and additions to reserves related to core growth. Short-term borrowings decreased \$5.2 billion from year-end 1999, while long-term borrowings increased by \$4.3 billion.

With respect to cash flows, consolidated cash and equivalents were \$8.8 billion at September 30, 2000, an increase of \$0.2 billion during the first nine months of 2000. Cash and equivalents were \$6.1 billion at September 30, 1999, an increase of \$1.8 billion since the beginning of the year.

GE cash and equivalents increased \$2.4 billion during the first nine months of 2000 to \$4.4 billion at September 30, 2000. Cash provided from 2000 operating activities was \$9.9 billion, an increase of 34% over the \$7.4 billion reported for the first nine months of 1999, reflecting continuing improvements in earnings and higher progress collections during the period. Cash used for investing activities (\$2.5 billion) principally represented investments in new plant and equipment for a wide variety of projects to lower costs and improve efficiencies. Cash used for financing activities (\$5.1 billion) included \$1.6 billion for repurchases of common stock under the share repurchase program and \$4.0 billion for dividends paid to share owners, a 17% increase in the per-share dividend rate compared with the first nine months of last year.

GE cash and equivalents increased \$0.2 billion during the first nine months of 1999 to \$1.4 billion at September 30, 1999. Cash provided from 1999 operating activities was \$7.4 billion, an increase of 25% over the \$5.9 billion reported for the first nine months of 1998, reflecting continuing improvements in earnings and higher progress collections during the period. Cash used for investing activities (\$2.1 billion) principally represented acquisition of businesses and investments in new plant and equipment for a wide variety of projects to lower costs and improve efficiencies. Cash used for financing activities (\$5.1 billion) included \$1.4 billion for repurchases of common stock under the share repurchase program and \$3.4 billion for dividends paid to share owners, a 17% increase in the per-share dividend rate compared with the first nine months of 1998.

GECS cash and equivalents increased \$0.2 billion during the first nine months of 2000. Cash provided from operating activities totaled \$3.0 billion, compared with \$10.5 billion for the first nine months of 1999. The decrease in cash from operating activities compared with last year was largely attributable to insurance policyholder redemptions associated with the Toho acquisition and a smaller decrease in mortgages held for resale. Cash from financing activities totaled \$18.6 billion, primarily as a result of insurance policyholder liabilities assumed in the Toho acquisition. The principal use of GECS cash during the period was for investing activities (\$21.4 billion), a majority of which was attributable to growth in financing receivables, property, plant and equipment and higher net purchases of investment securities, which are included in "all other" investing activities.

GECS cash and equivalents increased \$1.8 billion during the first nine months of 1999. Cash provided from operating activities totaled \$10.5 billion, compared with \$8.0 billion for the first nine months of 1998. Cash was used to fund business acquisitions (\$6.7 billion), the largest of which were the acquisitions of Japan Leasing, the

financial services business of AVCO and Pheonixcor; for additions to property, plant and equipment (\$7.6 billion), principally equipment that is provided to third parties on operating leases; and for additions to financing receivables (\$6.8 billion). Cash provided from financing activities resulted primarily from increased borrowings (\$12.1 billion) during the first nine months of 1999.

D. Pending Transaction

On July 12, 2000, Union Bank of Switzerland (UBS) and PaineWebber announced they had entered into a definitive merger agreement (the UBS merger agreement). Through GE Capital Services, GE holds 31,523,600 shares of PaineWebber common stock and has voted in favor of the merger. Fifty percent of the holdings of PaineWebber securities are classified as trading securities; the increase in the share price of those securities through September 30, 2000, has thus been recognized as a pre-tax gain of \$369 million. If the merger is completed under the terms of the UBS merger agreement, an additional pre-tax gain of approximately \$1.0 billion would be realized. The UBS merger agreement is subject to a number of conditions that are not within the control of GE, resolution of which will affect the amount and timing of proceeds realized from the transaction.

E. Subsequent Event

On October 22, 2000, General Electric and Honeywell announced that GE agreed to acquire Honeywell in a tax-free merger. The details of this transaction are discussed in the Company's 8-K filing dated October 23, 2000.

F. Forward Looking Statement

This quarterly report includes certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from these expectations due to changes in global economic, business, competitive, market and regulatory factors. More detailed information about those factors is contained in GE's 1999 Annual Report on Form 10-K.

Part II. Other Information

Item 6. Exhibits and Reports on Form 8-K

a. Exhibits

Exhibit 11	Computation of Per Share Earnings*
Exhibit 12	Computation of Ratio of Earnings to Fixed Charges
Exhibit 27	Financial Data Schedule

* Data required by Statement of Financial Accounting Standards No. 128, Earnings per Share, is provided in note 7 to the condensed consolidated financial statements in this report.

b. Reports on Form 8-K during the quarter ended September 30, 2000.

Report on Form 8-K (Item 5) filed on October 23, 2000, regarding merger agreement between General Electric and Honeywell.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

General Electric Company
(Registrant)

October 26, 2000

Date

/s/ Philip D. Ameen

Philip D. Ameen
Vice President and Comptroller
Duly Authorized Officer and Principal Accounting Officer

General Electric Company
Ratio of Earnings to Fixed Charges

(Dollars in millions)

	<u>Nine months ended September 30, 2000</u>
GE except GECS	
Earnings (a)	\$12,086
Less: Equity in undistributed earnings of General Electric Capital Services, Inc. (b)	(2,573)
Plus: Interest and other financial charges included in expense One-third of rental expense (c)	660
Adjusted "earnings"	<u>\$10,325</u>
Fixed Charges:	
Interest and other financial charges	\$ 660
Interest capitalized	1
One-third of rental expense (c)	152
Total fixed charges	<u>\$ 813</u>
Ratio of earnings to fixed charges	<u>12.70</u>
General Electric Company and consolidated affiliates	
Earnings (a)	\$13,743
Plus: Interest and other financial charges included in expense One-third of rental expense (c)	8,794 451
Adjusted "earnings"	<u>\$22,988</u>
Fixed Charges:	
Interest and other financial charges	\$ 8,794
Interest capitalized	91
One-third of rental expense (c)	451
Total fixed charges	<u>\$ 9,336</u>
Ratio of earnings to fixed charges	<u>2.46</u>

(a) Earnings before income taxes and minority interest.

(b) Earnings after income taxes, net of dividends.

(c) Considered to be representative of interest factor in rental expense.