

## IMPORTANT NOTICE

**THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QIBS UNDER RULE 144A OR (2) NON-U.S. PERSONS OUTSIDE OF THE U.S.**

**IMPORTANT: You must read the following before continuing.** The following applies to the Prospectus following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Prospectus. In accessing the Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

**Confirmation of your Representation:** In order to be eligible to view this Prospectus or make an investment decision with respect to the securities, investors must be either (1) Qualified Institutional Buyers ("**QIBs**") (within the meaning of Rule 144A under the Securities Act) or (2) non-U.S. persons (within the meaning of Regulation S under the Securities Act). This Prospectus is being sent at your request and by accepting the e-mail and accessing this Prospectus, you shall be deemed to have represented to us that (1) you and any customers you represent are either (a) QIBs or (b) non-U.S. persons and that the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the U.S. and (2) that you consent to delivery of such Prospectus by electronic transmission.

You are reminded that this Prospectus has been delivered to you on the basis that you are a person into whose possession this Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver this Prospectus to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriter or any affiliate of the underwriter is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriter or such affiliate on behalf of the issuer in such jurisdiction.

The securities may not be offered or sold in the United Kingdom other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the securities would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by us. In addition, no person may communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the securities other than in circumstances in which Section 21(1) of the FSMA does not apply to us.

This Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Lehman Brothers International (Europe), Deutsche Bank AG, Goldman Sachs International, Morgan Stanley & Co. International plc, Barclays Bank PLC, HSBC Bank plc, J.P. Morgan Securities Ltd. and The Royal Bank of Scotland plc (the "**Managers**") or any person who controls a Manager, nor any director, officer, employee or agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version available to you on request from the Managers.

PROSPECTUS

## General Electric Capital Corporation

*(Incorporated under the laws of the State of Delaware, United States of America)*

**€1,500,000,000 5.500% Fixed to Floating Rate EUR Subordinated Debentures due 2067  
and  
£600,000,000 6.500% Fixed to Floating Rate GBP Subordinated Debentures due 2067**

This Prospectus has been approved by the Financial Services Authority in its capacity as competent authority under Part VI of the Financial Services and Markets Act 2000 (the "**FSMA**") (the "**UK Listing Authority**"). Application is being made for the €1,500,000,000 5.500% Fixed to Floating Rate EUR Subordinated Debentures due 2067 (the "**Euro Debentures**") and the £600,000,000 6.500% Fixed to Floating Rate GBP Subordinated Debentures due 2067 (the "**Sterling Debentures**", and, together with the Euro Debentures, the "**Debentures**") issued by General Electric Capital Corporation ("**GE Capital**") to be admitted to the official list maintained by the UK Listing Authority (the "**Official List of the UK Listing Authority**") and to the London Stock Exchange plc (the "**London Stock Exchange**") for the Debentures to be admitted to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market. The London Stock Exchange's Gilt Edged and Fixed Interest Market is a regulated market for the purposes of Directive 93/22/EC (the "**Investment Services Directive**").

The Euro Debentures will bear interest at an annual rate of 5.500% up to but excluding September 15, 2017 and thereafter at a floating rate equal to an annual rate of 3-month EURIBOR plus 2.000% (200 basis points). The Sterling Debentures will bear interest at an annual rate of 6.500% up to but excluding September 15, 2017 and thereafter at a floating rate equal to an annual rate of 3-month Sterling LIBOR plus 2.000% (200 basis points). Interest on the Euro Debentures will be payable annually in arrears on September 15 of each year, commencing September 15, 2008 until and including September 15, 2017. Interest on the Sterling Debentures will be payable semi-annually in arrears on March 15 and September 15 of each year, commencing March 15, 2008 until and including September 15, 2017. Thereafter interest on the Debentures will be payable quarterly in arrears on March 15, June 15, September 15 and December 15 of each year, commencing December 15, 2017, unless interest is deferred as described under "Description of Debentures — Option to Defer Interest Payments".

Each series of Debentures is subject to redemption at the option of GE Capital (i) in whole but not in part, at any time prior to September 15, 2017 at the applicable make-whole redemption amount set forth under "Description of the Debentures — Redemption", (ii) in whole but not in part after the occurrence of a Tax Event prior to September 15, 2017 at the applicable make-whole redemption amount set forth under "Description of the Debentures — Redemption" or (iii) in whole or in part from time to time beginning on September 15, 2017, at a redemption amount equal to 100% of the principal amount of the Debentures of such series so redeemed plus accrued and unpaid interest, including Additional Interest, if any. The Debentures are not subject to repayment at the option of the holders.

The Debentures are subordinated to GE Capital's Senior Indebtedness, including GE Capital's Subordinated Notes, as and to the extent described herein under "Description of the Debentures — Subordination".

The consummation of the offering of the Euro Debentures and the Sterling Debentures are not conditioned upon each other.

*See "Risk Factors" on page 9 for a discussion of certain risks that should be considered in connection with an investment in the Debentures.*

The Debentures have not been registered and will not be registered under the U.S. federal securities laws or the securities laws of any other jurisdiction. The Debentures are being offered and sold in the United States only to qualified institutional buyers in reliance on Rule 144A of the U.S. Securities Act of 1933 (the "**Securities Act**"), and in transactions outside the United States in accordance with Regulation S under the Securities Act. Please see the sections entitled "Notice to Investors" and "Plan of Distribution" for additional information about eligible offerees and transfer restrictions.

DEUTSCHE BANK

GOLDMAN SACHS  
INTERNATIONAL

LEHMAN BROTHERS

MORGAN STANLEY

*(Joint Bookrunners)*

BARCLAYS CAPITAL

HSBC

JPMORGAN

THE ROYAL BANK OF  
SCOTLAND

*(Co-managers)*

The date of this Prospectus is August 31, 2007

## IMPORTANT INFORMATION ABOUT THIS PROSPECTUS

This prospectus (the "**Prospectus**") comprises a prospectus in accordance with the prospectus rules (the "**Prospectus Rules**") made under section 73A of the FSMA and is a single prospectus for the purposes of Article 5.3 of Directive 2003/71/EC (the "**Prospectus Directive**").

All information contained or incorporated by reference herein which relates to or refers to General Electric Company, the ultimate parent company of GE Capital, has been extracted from reports and other information filed with the United States Securities and Exchange Commission (the "**Commission**" or the "**SEC**"). GE Capital confirms that all such information has been accurately reproduced and that, so far as GE Capital is aware, and is able to ascertain from information published by General Electric Company, no facts have been omitted which would render such information inaccurate or misleading in any material respect.

GE Capital accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of GE Capital (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not contain any omission likely to affect the import of such information.

You should not assume that the information contained in this Prospectus is accurate as of any date other than the date of this Prospectus. The business, financial condition, results of operations and prospects of GE Capital and its subsidiaries may have changed since that date. This Prospectus is a document that we are providing only to prospective purchasers of the Debentures. Each prospective purchaser is authorized to use this Prospectus solely for the purpose of considering the purchase of the Debentures described herein. You should read this Prospectus before making a decision whether to purchase the Debentures. You must not:

- use this Prospectus for any other purpose;
- make copies of any part of this Prospectus or give a copy of it to any other person; or
- disclose any information in this Prospectus to any other person.

You are responsible for making your own examination of GE Capital and your own assessment of the merits and risks of investing in the Debentures. You should consult with your own advisors as needed to assist you in making your investment decision and to advise you whether you are legally permitted to purchase the Debentures. By purchasing the Debentures, you will be deemed to have acknowledged that:

- you have reviewed this Prospectus;
- this Prospectus relates only to offers and sales with respect to the Debentures;
- you have had an opportunity to request all additional information that you need from us;
- the Managers are not responsible for, and are not making any representation to you concerning GE Capital's future performance or the accuracy or completeness of this Prospectus; and
- no person is authorized to give any information or to make any representation not contained in this Prospectus in connection with the issue and sale of the Debentures, and any information or representation not contained herein must not be relied upon as having been authorized by or on behalf of GE Capital.

The Debentures have not been nor will be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States or to or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Debentures are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S and within the United States to "qualified institutional buyers" ("**QIBs**") in reliance on Rule 144A under the Securities Act ("**Rule 144A**"). Prospective purchasers are hereby notified that the sellers of the Debentures may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain other restrictions on offers, sales and transfers of the Debentures and the distribution of this Prospectus, see "Plan of Distribution" and "Notice to Investors".

**The Debentures have not been approved or disapproved by the Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.**

The Debentures are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws pursuant to registration thereunder or exemption therefrom. You should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

This Prospectus does not constitute an offer to sell or an invitation to subscribe for or purchase any of the Debentures in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. Laws in certain jurisdictions may restrict the distribution of this document and the offer and sale of the Debentures. Persons into whose possession this Prospectus or any of the Debentures are delivered must inform themselves about and observe those restrictions. Each prospective purchaser of the Debentures must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the Debentures or possesses or distributes this document, and must obtain any consent, approval or permission required under any regulations in force in any jurisdiction to which it is subject or in which it purchases, offers or sells the Debentures.

We have summarized certain documents and other information, but we refer you to the actual documents for a more complete understanding of what we discuss in this document. You should not consider any information in this document to be legal, business or tax advice. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding an investment in the Debentures. In making an investment decision, you must rely on your own examination of the business of GE Capital and the terms of this offering and the Debentures, including the merits and risks involved.

We reserve the right to withdraw this offering of the Debentures at any time. We and the Managers also reserve the right to reject any offer to purchase the Debentures in whole or in part for any reason or no reason and to allot to any prospective purchaser less than the full amount of Debentures sought by it.

**Lehman Brothers International (Europe), Deutsche Bank AG, London Branch, Goldman Sachs International and Morgan Stanley & Co. International plc (in such capacity each a "Stabilizing Manager") or persons acting on their behalf may over-allot the Debentures (provided that the aggregate principal amount of Debentures allotted does not exceed 105% of the aggregate principal amount of the Debentures) or effect transactions with a view to supporting the market price of the Debentures at a level higher than that which might otherwise prevail. However, there is no assurance that a Stabilizing Manager (or persons acting on behalf of a Stabilizing Manager) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Debentures is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Debentures (the "Issue Date") and 60 days after the date of their allotment. Any stabilization action must be conducted by the relevant Stabilizing Manager (or persons acting on behalf of a Stabilizing Manager) in accordance with all applicable laws and rules.**

## NOTICE PURSUANT TO TREASURY CIRCULAR 230

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, EACH HOLDER OF A DEBENTURE IS HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY A HOLDER FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON SUCH HOLDER UNDER THE U.S. INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY GE CAPITAL OF THE DEBENTURES; AND (C) A HOLDER OF A DEBENTURE SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

## NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421.B OF THE NEW HAMPSHIRE REVISED STATUTES, ANNOTATED, 1955, AS AMENDED, ("RSA 421-B") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATION OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE OR CAUSE TO BE MADE TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

### Definitions

References in this Prospectus to "\$" and "U.S.\$" and "dollars" are to the currency of the United States of America; references to "£" and "pounds sterling" are to the currency of the United Kingdom; references to "€", and "euro" are to the currency of the European Union. Unless otherwise indicated, references to "days" are to calendar days.

Unless otherwise indicated or unless the context requires otherwise, all references in this Prospectus to "GE Capital", "we", "us", or "our", or similar references, mean General Electric Capital Corporation.

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## OVERVIEW

The following information concerning GE Capital and the Debentures summarizes, and should be read in conjunction with, the information contained in this Prospectus.

### The Offering

Issuer.....	General Electric Capital Corporation (" <b>GE Capital</b> "), a corporation incorporated in the state of Delaware, U.S.A. GE Capital offers diversified financing and services primarily in North America, Europe and Asia. GE Capital operates in four operating segments of General Electric Company: GE Commercial Finance, GE Money, GE Industrial and GE Infrastructure.
Securities Offered .....	<p>The €1,500,000,000 5.500% Fixed to Floating Rate EUR Subordinated Debentures due 2067 (the "<b>Euro Debentures</b>") will bear interest at an annual rate of 5.500% up to but excluding September 15, 2017 (the "<b>Fixed Rate Period</b>") and thereafter (the "<b>Floating Rate Period</b>") at a floating rate equal to an annual rate of 3-month EURIBOR plus 2.000% (200 basis points).</p> <p>The £600,000,000 6.500% Fixed to Floating Rate GBP Subordinated Debentures due 2067 (the "<b>Sterling Debentures</b>") will bear interest at an annual rate of 6.500% during the Fixed Rate Period up to but excluding September 15, 2017 and thereafter during the Floating Rate Period at a floating rate equal to an annual rate of 3-month Sterling LIBOR plus 2.000% (200 basis points).</p> <p>The Euro Debentures and the Sterling Debentures each constitute a separate series of debt securities under the Indenture described herein. The Euro Debentures together with the Sterling Debentures are herein referred to as the "<b>Debentures</b>".</p>
Issue Date .....	September 5, 2007.
Maturity Date.....	September 15, 2067, subject to earlier redemption.
Trustee .....	The Bank of New York (successor to JPMorgan Chase Bank, N.A.) is the trustee (the " <b>Trustee</b> ") for the Debentures pursuant to an Indenture for Subordinated Debentures (the " <b>Indenture</b> "), entered into with GE Capital as of September 1, 2006, and supplemental indenture for the Debentures (the " <b>Supplemental Indenture</b> "), to be entered into with GE Capital as of September 5, 2007.
Interest Payments.....	In each case subject to deferral as described below under "— Option to Defer Interest Payments", interest on the Debentures will accrue from and including the Issue Date and will be payable, with respect to (i) the Euro Debentures during the Fixed Rate Period, annually in arrears on September 15 of each year (or the next succeeding Business Day if not a Business Day, without any interest or other payment in respect of such delay), commencing September 15, 2008 until and including September 15, 2017, and (ii) the Sterling Debentures during the Fixed Rate Period, semi-annually in arrears, in equal installments, on March 15 and September 15 of each year (or the next succeeding Business Day if not a Business Day, without any interest or other payment in respect of such delay), commencing March 15, 2008 until and including September 15, 2017. There will

be a long first Interest Period from and including the Issue Date to but excluding (i) September 15, 2008 for the Euro Debentures and (ii) March 15, 2008 for the Sterling Debentures. With respect to the Floating Rate Period, interest on the Debentures will be payable in respect of each Interest Period (as defined below) quarterly in arrears on March 15, June 15, September 15 and December 15 of each year (or the next succeeding Business Day if not a Business Day unless such Business Day is in the next calendar month in which case such Interest Payment Date shall be the Business Day immediately preceding such day), commencing December 15, 2017.

The term "**Business Day**" means any day other than a Saturday or Sunday or any other day on which banking institutions are generally authorized or obligated by law or regulation to close in The City of New York or London, England and, in the case of the Euro Debentures, is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open.

The term "**Interest Period**" means each period from and including the most recent Interest Payment Date (as defined herein) (or, prior to the first Interest Payment Date, the Issue Date) to but excluding the next Interest Payment Date (without regard to any permitted deferral as described below under "— Option to Defer Interest Payments") or other date on which interest is due and payable in accordance with the terms of the Debentures by redemption, acceleration, or maturity.

Option to Defer Interest Payments .....

Under the terms of each series of Debentures, provided that no Event of Default (as defined in the Indenture) has occurred and is continuing, we, in our sole discretion, may determine to defer interest payments on the Debentures for a period (an "**Extension Period**") effective for interest accruing as of the first day of any Interest Period (the "**Start Date**") and extending not longer than the earlier of (a) the tenth anniversary of the Start Date, and (b) the Maturity Date for the Debentures (such final date being referred to as the "**Maximum Extension Date**").

Interest may be so deferred by the giving of notice thereof by us to the Trustee, not less than five nor more than fifteen days before the Interest Payment Date relating to the first Interest Period in the Extension Period during which interest will be deferred. The notice will specify the Start Date and the last day of the Extension Period (the "**End Date**"), which End Date may not be later than the Maximum Extension Date; provided that our failure to pay interest in full on any End Date or any Interest Payment Date thereafter that falls prior to the Maximum Extension Date will be deemed to be a further deferral of interest payments to the earlier of the next Interest Payment Date and the Maximum Extension Date.

Notwithstanding the foregoing, in the event that we do not pay interest in full on any Interest Payment Date and an Extension Period on the Debentures has not otherwise been commenced in accordance with the notice provisions described above, such non-payment shall, if continuing for five days after notice from the Trustee, be deemed to commence an Extension Period that shall continue until the earlier of the next succeeding Interest Payment Date and the Maximum Extension Date and shall not constitute an Event of Default with

	<p>respect to such Debentures.</p> <p>To the extent permitted by applicable law, interest on deferred amounts will accrue during an Extension Period from the first Interest Payment Date following the Start Date and will be compounded on subsequent Interest Payment Dates (annually or semi-annually during the Fixed Rate Period, as applicable, or quarterly during the Floating Rate Period), at the then applicable rate of interest on the Debentures. On the Interest Payment Date falling on the End Date, the redemption date for all outstanding Debentures, or the Maturity Date, as applicable, we will be obligated to pay all accrued and unpaid interest, including Additional Interest.</p> <p>Interest that is not paid on any Debentures on the applicable Interest Payment Date will bear additional interest ("<b>Additional Interest</b>") at the then applicable rate per annum for such Debentures, compounded annually or semi-annually, as applicable, during the Fixed Rate Period and quarterly during the Floating Rate Period.</p>
Additional Amounts .....	<p>Subject to certain exceptions and limitations, we will pay additional amounts ("<b>Additional Amounts</b>") on the Debentures with respect to any beneficial owner of the Debentures that is a non-U.S. person to ensure that each net payment to that non-U.S. person on Debentures that it beneficially owns will not be less, due to the payment of U.S. withholding tax, than the amount then otherwise due and payable. We will not be obligated to make additional payments that exceed the amount required to do so. For this purpose, a "<b>net payment</b>" on a Debenture means a payment by us or any paying agent, including payment of principal and interest, after deduction for any present or future tax, assessment, or other governmental charge of the U.S. Additional Amounts will constitute interest on the Debentures.</p>
GE Capital Dividend Restriction .....	<p>We have agreed that if:</p> <ul style="list-style-type: none"> <li>• we shall have, or shall be deemed to have, exercised our option to defer payments of interest on a series of Debentures, as described above under "— Option to Defer Interest Payments", or</li> <li>• there shall have occurred and be continuing an Event of Default under the Indenture,</li> </ul> <p>then we will not, and will not permit any Subsidiary (as defined herein) to:</p> <ul style="list-style-type: none"> <li>(i) declare or pay dividends or distributions on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of GE Capital's capital stock (which includes common and preferred stock);</li> <li>(ii) make any payment of principal of or interest or premium on or repurchase or redeem any other subordinated indebtedness of GE Capital that ranks <i>pari passu</i> with or junior in interest to the Debentures; or</li> <li>(iii) make any guaranty payments with respect to any subordinated guarantee of GE Capital of the indebtedness of any Subsidiary of GE Capital if such guaranty ranks <i>pari passu</i> with or junior</li> </ul>

in interest to the Debentures;

*provided*, however, that during any period, including an Extension Period, we shall be permitted to: (a) declare or pay dividends or distributions in Common Stock (as defined herein) of GE Capital, (b) declare a dividend in connection with the implementation of a stockholders' rights plan or issue stock under any such plan in the future or redeem or purchase any such rights pursuant thereto, and (c) purchase Common Stock related to the issuance of Common Stock or rights under any of GE Capital's benefit plans for its directors, officers or employees; and *provided further* that where debt securities of different series issued under the Indenture containing a deferral feature similar to the deferral feature of the Debentures are subject to Extension Periods terminating at different times or in other circumstances where the payment of deferred interest cannot be made simultaneously on all such debt securities (including the Debentures) subject to an Extension Period, we will be permitted to make payments of interest due on particular debt securities of each such series (including the Debentures) at the end of the Extension Period with respect thereto, but only if the amounts (not yet due and payable) that will be required to be paid at the close of an Extension Period with respect to all other series of such debt securities have been deposited with the Trustee and held for application when such amounts become due and payable.

In connection with the issuance of the Debentures, General Electric Company ("**GE Company**") will covenant that, if GE Capital declares, pays or makes any dividends, distributions or other payments to GE Company or any of its Subsidiaries during an Extension Period or when an Event of Default has occurred and is continuing, in either case in violation of the restrictions described above, for so long as such restrictions are in effect and are applicable to outstanding debt securities issued under the Indenture, GE Company shall promptly return, or cause the return, to GE Capital of all such dividends, distributions, and other payments.

Events of Default .....

If, at any time, an Event of Default as defined herein occurs and is continuing under a series of the Debentures, then, unless the principal of such series of Debentures shall already be due and payable, the Trustee or the holders of not less than 25% in an aggregate principal amount of the outstanding Debentures of such series will have the right to declare the principal amount of all the Debentures of such series, together with accrued interest, including any Additional Interest, to be due and payable immediately. Events of Default in respect of a series of Debentures are limited with respect to such series of Debentures to (i) default in the payment of any installment of interest, including any Additional Interest, due and payable (subject to deferral during any Extension Period) and the continuance of such non-payment for 30 days, (ii) default in the payment of principal of any Debenture of such series upon the Maturity Date for such series and (iii) certain events involving the bankruptcy, insolvency, or reorganization of GE Capital. See "Description of the Debentures — Events of Default, Waiver and Notice" herein.

Optional Redemption.....

Each series of Debentures will be redeemable for cash, at our option, (i) in whole but not in part, at any time prior to September 15, 2017 at the applicable make-whole redemption amount set forth under

	<p>"Description of the Debentures — Redemption", or (ii) in whole or in part from time to time beginning on September 15, 2017, at a redemption amount equal to 100% of the principal amount of the Debentures of such series so redeemed plus accrued and unpaid interest, including Additional Interest, if any; provided that if the Debentures of a series are not redeemed in whole, at least £50,000,000 in the case of the Sterling Debentures, or at least €50,000,000 in the case of the Euro Debentures, in aggregate principal amount (excluding Debentures held by us or any of our affiliates) must remain outstanding immediately after any such partial redemption.</p> <p>Notwithstanding the foregoing, redemption at the option of GE Capital is not permitted during an Extension Period, except on an End Date on which all accrued and unpaid interest (including Additional Interest) has been paid in full.</p> <p>Neither series of Debentures is repayable at any time at the option of the holders thereof.</p>
Tax Event Redemption .....	<p>We may redeem the Debentures of a series prior to September 15, 2017, in whole but not in part, within 90 days following the occurrence of a Tax Event at the applicable make-whole redemption amount. A Tax Event will generally occur if there is more than an insubstantial risk that (i) all or any portion of the interest payable by GE Capital with respect to the Debentures of such series is not, or will not be, deductible as accrued by GE Capital for U.S. federal income tax purposes, or (ii) GE Capital would be required to pay Additional Amounts with respect to such series on the next Interest Payment Date for such series. Notwithstanding the foregoing, a Tax Event Redemption (as defined herein) is not permitted during an Extension Period, except on an End Date on which all accrued and unpaid interest (including Additional Interest) has been paid in full. See "Description of the Debentures — Redemption" herein.</p>
Replacement Covenant .....	<p>Prior to or concurrent with the initial issuance of the Debentures, we will enter into a Replacement Covenant (as more fully described under "Certain Terms of the Replacement Covenant") in which we will covenant for the benefit of holders of certain eligible indebtedness that neither we nor any of our Subsidiaries will repay, redeem or purchase a Debenture at our option or as a result of a Tax Event on or before September 15, 2037 except to the extent that (a) the applicable redemption or purchase price does not exceed (i) 200% of the amount of the aggregate of proceeds from the sale of Common Stock and rights to acquire Common Stock and the market value of any Common Stock issued in connection with the conversion or exchange of certain securities; <i>plus</i> (ii) 100% of the proceeds from the sale of mandatorily convertible preferred stock and certain debt that is exchangeable for equity of GE Capital; <i>plus</i> (iii) 100% of the proceeds from the sale of qualifying debt securities or qualifying preferred stock of GE Capital or (b) the Debentures are exchanged for (i) at least an equal aggregate principal amount of qualifying debt securities or aggregate liquidation preference of qualifying preferred stock or mandatorily convertible preferred stock and/or (ii) consideration that includes Common Stock with a market value equal to 50% of Debentures that are exchanged. For purposes of the Replacement Covenant, the term "repay" includes the defeasance of</p>

	<p>the Debentures by us as well as the satisfaction and discharge of our obligations under the Indenture with respect to the Debentures. The Replacement Covenant is not intended for the benefit of holders of the Debentures, may not be enforced by them, and is not a term of the Indenture or the Debentures. The Replacement Covenant will have no effect on the absolute and unconditional nature of our obligation to pay the principal amount of (and any accrued and unpaid interest on) the Debentures on the stated Maturity Date or any earlier date of redemption.</p>
Ranking.....	<p>Each series of Debentures will rank <i>pari passu</i> with the other series of Debentures and with each other series of debt securities established under the Indenture (unless otherwise provided with respect to such series of debt securities), including our €950,000,000 4.625% Fixed to Floating Rate EU Subordinated Debentures due 2066 and our £400,000,000 5.500% Fixed to Floating Rate GBP Subordinated Debentures due 2066 issued on September 15, 2006.</p> <p>Our obligations under the Debentures are subordinated to all of our Senior Indebtedness (as defined herein), including, without limitation, our Subordinated Notes, each as defined herein. As of June 30, 2007, our consolidated long-term indebtedness that would have been senior to the Debentures aggregated approximately \$278,962 million (including \$4,960 million of Subordinated Notes, as defined herein).</p>
Form of Debentures.....	<p>Each series of the Debentures will be represented by one or more global securities registered in the name of a common depository for Euroclear Bank S.A./N.V. ("<b>Euroclear</b>"), and Clearstream Banking, <i>société anonyme</i> ("<b>Clearstream</b>"), or their nominees. In order to own a beneficial interest in the Debentures, you must be an organization that participates, directly or indirectly, in Euroclear or Clearstream. Neither series of Debentures will be eligible to trade through the facilities of The Depository Trust Company. See "Global Clearance and Settlement".</p>
Transfer Restrictions.....	<p>There are restrictions on the offer, sale and transfer of the Debentures in the United States, the United Kingdom and such other restrictions as may be required in connection with the offering and sale of the Debentures in a particular jurisdiction. See "Notice to Investors" and "Plan of Distribution".</p>
Use of Proceeds .....	<p>The net proceeds of the sale of the Debentures will be used for general corporate purposes.</p>
U.S. Federal Income Tax Consequences .....	<p>In connection with the issuance of the Debentures, Cahill Gordon &amp; Reindel LLP, our special tax counsel, will provide us with an opinion generally to the effect that, although the matter is not free from doubt and there is no authority directly on point, the Debentures will be treated as indebtedness for U.S. federal income tax purposes. That opinion will be subject to certain customary conditions. By investing in the Debentures, each holder agrees to treat the Debentures as indebtedness for all U.S. tax purposes.</p> <p>Payments of interest on the Debentures should be taxable to a U.S. holder as ordinary interest income at the time the payments are accrued or received, in accordance with such holder's method of accounting for U.S. federal income tax purposes. If we defer payment</p>

	of interest on the Debentures, a U.S. holder will be required to include stated interest on the Debentures in income as original issue discount on an economic accrual basis, regardless of such holder's regular method of tax accounting. See "Certain U.S. Federal Income Tax Consequences".
ERISA Considerations.....	The Debentures generally may be purchased by employee benefit plans subject to the Employee Retirement Income Security Act of 1974, as amended (" <b>ERISA</b> "), and by plans subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the " <b>Code</b> "), subject to the conditions and limitations discussed in "ERISA Considerations" herein.
Listing.....	We have applied to the UK Listing Authority for the Debentures to be admitted to the Official List of the UK Listing Authority and to the London Stock Exchange for the Debentures to be admitted to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market, which is a regulated market, as defined in Article 1(13) of Directive 93/22/EEC.
<b>Ratings of Securities</b>	
Standard & Poor's Ratings Group has assigned a rating to the Debentures of "AA+" and Moody's Investors Service, Inc. has assigned a rating to the Debentures of "Aa1".	
An explanation of the significance of ratings may be obtained from the rating agencies. Generally, rating agencies base their ratings on such material and information, and such of their own investigations, studies and assumptions, as they deem appropriate. A credit rating of a security is not a recommendation to buy, sell or hold securities. There is no assurance that any rating will apply for any given period of time or that a rating may not be adjusted or withdrawn.	

## AVAILABLE INFORMATION

GE Capital is subject to the informational reporting requirements of the United States Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and in accordance therewith files reports and other information with the Commission. Such reports and other information can be viewed, and copies can be obtained at, the Public Reference Room of the Commission at 100 F Street, N.E., Room 1580, Washington, D.C. 20549, U.S.A. at prescribed rates. The Commission maintains a website at <http://www.sec.gov> containing reports, proxy and information statements and other information regarding registrants that file electronically with the Commission, including GE Capital. Reports and other information concerning GE Capital (including those documents incorporated by reference herein (see "Documents Incorporated by Reference")) can also be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005, U.S.A., on which certain of GE Capital's securities are listed, or on the internet at [www.ge.com/investors/financial\\_reporting/sec\\_filings/index.html](http://www.ge.com/investors/financial_reporting/sec_filings/index.html). Copies are also available, without charge, from GE Corporate Investor Communications, 3135 Easton Turnpike, Fairfield, CT 06828-0001, U.S.A. For the avoidance of doubt, the information referred to in this paragraph (other than those documents incorporated by reference herein) is not incorporated by reference into, and does not form part of, this Prospectus.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published and filed with the Commission, or which are published simultaneously with this Prospectus and which, in each case, have been approved by the Financial Services Authority or filed with it, shall be deemed to be incorporated in, and to form part of, this Prospectus:

- (a) the Annual Report on Form 10-K of GE Capital for the fiscal year ended December 31, 2006 filed with the Commission on February 27, 2007 ("Form 10-K") (excluding the documents listed as Exhibits in Part IV, Item 15, on pages 76-79 of such Form 10-K); and
- (b) the Quarterly Reports on Form 10-Q of GE Capital filed with the Commission on April 27, 2007 and July 27, 2007.

Unless otherwise specified in any supplement to this Prospectus, any document incorporated by reference herein excludes exhibits or any other documents incorporated by reference into such document.

Any statement contained in a document, all or a portion of which is deemed to be incorporated by reference herein, shall be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained herein modifies or supersedes such statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Subject to the above, investors in the Debentures shall be deemed to have notice of all information contained in such documents as if all such information were included in this Prospectus. GE Capital hereby undertakes to provide free of charge to each person, including any beneficial owner of the Debentures, to whom a copy of this Prospectus has been delivered, on the written or oral request of such person, a copy of any or all of the documents referred to above which have been incorporated by reference herein. All such documents incorporated by reference in this Prospectus may be obtained free of charge. Such requests should be directed to the office of the Trustee, The Bank of New York, at One Canada Square, London E14 5AL, United Kingdom.

## **RISK FACTORS**

We believe that the following factors may affect our ability to fulfill our obligations under the Debentures. All of these factors are contingencies which may or may not occur and we are not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risk associated with the Debentures are also described below.

We believe that the factors described below represent the principal risks inherent in investing in the Debentures, but our inability to pay interest, principal or other amounts on or in connection with the Debentures may occur for other reasons and we do not represent that the statements below regarding the risks of holding Debentures are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus or incorporated by reference herein and reach their own views prior to making any investment decision to invest in the Debentures.

Prospective investors should consult their own financial and legal advisors as to the risks entailed by an investment in the Debentures. The Debentures may not be an appropriate investment for investors who are unsophisticated.

### **Risks Associated with the Debentures**

*We may, in our sole discretion, defer interest on the Debentures. If you are subject to U.S. federal income taxation, you may have to include interest on the Debentures in your taxable income before you receive payments.*

We may, in our sole discretion, elect to defer interest payments on the Debentures and interest payments on the Debentures may be deemed to be deferred as a result of our failure to pay such interest, all as described herein, for periods of up to 10 consecutive years. If you are subject to U.S. federal income taxation and we defer interest payments on the Debentures, you may nevertheless have to accrue and report as original issue discount for United States federal income tax purposes your proportionate share of deferred interest on the Debentures during the deferral period. As a result, you will have to include that accrued interest, together with any Additional Interest, in your gross income for U.S. federal income tax purposes before you receive any cash payments. You also will not be entitled to receive payment of the accrued and unpaid interest or Additional Interest following the deferral period if you sell the Debentures before the record date for the payment of the deferred interest, even if you held the Debentures on the date that the payments would have been paid but for the deferral.

Currently, we do not intend to defer interest payments on the Debentures. However, if we exercise or are deemed to have exercised our deferral right, the market price of the Debentures may be adversely affected. If you sell your Debentures during a deferral period, you may not receive the same return on your investment as someone who continues to hold the Debentures. In addition, because of our ability to defer interest payments, the market price of the Debentures may be more volatile than the market prices of other securities not subject to interest deferrals.

*The Debentures are effectively subordinated to substantially all of our other debt.*

Our obligations under the Debentures are subordinate and junior in right of payment to all of our existing and future Senior Indebtedness (including our outstanding Subordinated Notes as defined herein). As of June 30, 2007, our consolidated long-term indebtedness that would have been senior to the Debentures aggregated approximately \$278,962 million (including \$4,960 million of Subordinated Notes). The obligations under the Debentures will be effectively subordinated to all existing and future liabilities of our subsidiaries.

Due to the subordination provisions described in "Description of the Debentures — Subordination", in the event of our insolvency, funds which would otherwise be available to pay the holders of the Debentures will be used to pay the holders of Senior Indebtedness to the extent necessary to pay the Senior Indebtedness in full. As a result of those payments, the holders of our Senior Indebtedness may recover more, ratably, than the holders of the Debentures.

There are no terms in the Indenture or the Debentures that limit our ability to incur additional indebtedness, liabilities and obligations that would constitute Senior Indebtedness, and we expect that most of our indebtedness issued in the future will be Senior Indebtedness.

*The Debentures may be redeemed prior to their Maturity Date.*

We may redeem the Debentures prior to their Maturity Date as discussed under "Description of the Debentures — Redemption". If we redeem the Debentures, then-existing market conditions may prevent you from reinvesting the money you receive upon redemption at a rate equal to or higher than the rate of return on the Debentures. In addition you may recognize gain or loss upon redemption of the Debentures as described under "Certain U.S. Federal Income Tax Consequences — U.S. Holders — Sale, Exchange, Redemption or Retirement of Debentures" and "Certain U.S. Federal Income Tax Consequences — Non-U.S. Holders — Sale, Exchange, Redemption or Retirement of Debentures".

*An active trading market for the Debentures may not develop.*

The Debentures have not been registered under the Securities Act and will be subject to significant restrictions on resale. See "Notice to Investors". The Debentures will be a new issue of securities with no established trading market. The Debentures may be held or transferred only in denominations of €50,000 or £50,000, as applicable, or any amount in excess thereof which is an integral multiple of €1,000 or £1,000, as applicable. As a result, the trading market for the Debentures may be less active than markets for securities that may be held or transferred in smaller denominations and the Debentures may be less liquid.

Although we have applied to the UK Listing Authority for the Debentures to be admitted to the Official List and to the London Stock Exchange for the Debentures to be admitted to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market, it is not possible to predict how the Debentures will trade in the secondary market, or whether that market will be liquid or illiquid. We do not intend to list the Debentures on any other securities exchange. Even if a trading market for the Debentures does develop, we cannot provide any assurance as to the depth of that market or the ability of holders to sell their Debentures.

*Holders of the Debentures have limited rights to accelerate payment of the Debentures under the Indenture.*

Holders of the Debentures of a series or the Trustee may accelerate payment of principal of, and accrued and unpaid interest on, the Debentures of such series only upon the occurrence of Events of Default under the Indenture with respect to the Debentures of such series, subject to the terms of the Indenture. Events of Default with respect to a series of Debentures allowing acceleration generally would include any non-payment of interest, including any Additional Interest, on such series (subject to deferral during any Extension Period) and the continuance of such non-payment for 30 days, non-payment of principal on such series upon the Maturity Date of the Debentures of such series, and certain events of bankruptcy, insolvency or reorganization of GE Capital. See "Description of the Debentures — Events of Default, Waiver and Notice" herein. Events of Default do not include failure to comply with or breach of our other covenants in the Indenture applicable to the Debentures, including the covenant not to pay dividends or distributions under the circumstances described in "Description of the Debentures — Restriction on Certain Payments".

Accordingly, our failure to comply with such other covenants will not result in the acceleration of payment of the Debentures. Although failure to comply with such other covenants could give rise to a claim against us relating to the specific breach, the remedy of holders of the Debentures may be limited to direct monetary damages (if any). In general, holders of the Debentures may not themselves institute a proceeding against GE Capital on account of any such breach unless, among other things, the Trustee fails to institute such a proceeding, subject to the terms of the Indenture. However, the holders of a majority in principal amount of the Debentures may direct the Trustee to bring such a proceeding, subject to the terms of the Indenture, which in certain circumstances allows the Trustee to require that it receive an indemnity before taking action under the Indenture. The Indenture will not require the Trustee to take any action in case of such a breach (other than to give notice of default under specified circumstances) unless so directed by holders and, possibly, indemnified. Holders may, however, institute a proceeding themselves upon a failure by us to pay an amount of principal or interest on the Debentures that has

become due as a result of an acceleration of the Debentures or otherwise. See "Description of the Debentures — Events of Default, Waiver and Notice".

*The trading price of the Debentures may be less than their value and more volatile than that of other securities.*

We have no current intention of deferring interest payments on the Debentures and believe that the possibility of such deferral is remote. However, if such payments are deferred or the market perceives that the likelihood of deferral is increasing, the Debentures may trade at a price that does not fully reflect the value of such payments. If you sell the Debentures during a deferral period, you may not receive the same return on investment as someone else who continues to hold the Debentures. In addition, because interest payments on the Debentures may be deferred, the Debentures may be more volatile than other securities that do not have these terms.

*The interest rate of the Debentures will fluctuate when the fixed rate period ends and may, from time to time, decline below the fixed rate.*

At the conclusion of the Fixed Rate Period for the Debentures on September 15, 2017, the Debentures will begin to accrue interest at a floating rate. The floating rate may be volatile over time and could be substantially less than the fixed rate, which could reduce the value of the Debentures in any available after-market, apart from the reduction in current interest income.

*Government policy can adversely affect currency exchange rates and an investment in the Debentures.*

The Debentures are denominated in euro and pounds sterling. Currency exchange rates either can float or be fixed by sovereign governments. Governments or governmental bodies, including the Bank of England or the European Central Bank, may intervene in their economy to alter the exchange rates or exchange characteristics of their currency. For example, a central bank may intervene to devalue or revalue a currency or to replace an existing currency. In addition, a government may impose regulatory controls or taxes to affect the exchange rate of its currency. As a result, the yield or payout on the Debentures could be affected significantly and unpredictably by governmental actions. Changes in exchange rates could affect the value of the Debentures as participants in the global currency markets move to buy or sell pounds sterling or euros in reaction to these developments.

If a governmental authority imposes exchange controls or other conditions, such as taxes on the transfer of pounds sterling or euros, there may be limited availability of pounds sterling or euros for payment on the Debentures at their maturity or on any other payment date. If a governmental authority replaces an existing currency, payments on the Debentures at their maturity or on any other payment date may be made in such replacement currency. In addition, the ability of a holder to move currency freely out of the country in which payment in the currency is received or to convert the currency at a freely determined market rate could be limited by governmental actions.

*In a lawsuit for payment on a Debenture, you may bear currency exchange risk.*

Depending on the applicable U.S. federal or state court where an action is brought, you may not be able to obtain judgment in a specified currency other than U.S. dollars. For example, a judgment for money in an action based on the Debentures in many U.S. federal or state courts ordinarily would be enforced in the United States only in U.S. dollars. The date used to determine the rate of conversion of pounds sterling or euros into U.S. dollars will depend upon various factors, including which court renders the judgment.

*Holders in some jurisdictions may not receive payment of gross-ups for amounts withheld in order to comply with the EU Directive on the taxation of savings income.*

On July 1, 2005, a new European Union (the "EU") directive regarding the taxation of savings income (the "Directive") became effective. The Directive requires a member state of the EU (a "Member State") to provide to the tax authorities of another Member State details of payments of interest or other similar income payments made by a person within its jurisdiction for the immediate benefit of an individual or to certain non-corporate entities resident in that other Member State (or for certain payments secured for their benefit). However, Austria, Belgium, and Luxembourg have opted out of the reporting requirements and are instead applying a special withholding tax for

a transitional period in relation to such payments of interest, deducting tax at rates increasing over time to 35%. This transitional period began on July 1, 2005 and will terminate at the end of the first fiscal year following agreement by certain non-EU countries regarding the exchange of information relating to those payments.

Beginning July 1, 2005, a number of non-EU countries and certain dependent or associated territories of Member States have adopted similar measures (either provision of information or transitional withholding) in relation to payments of interest or other similar income payments made by a person in that jurisdiction for the immediate benefit of an individual or to certain non-corporate entities in any Member State. The Member States have entered into reciprocal provision of information or transitional special withholding tax arrangements with certain of those dependent or associated territories. These apply in the same way to payments by persons in any Member State to individuals or certain non-corporate residents of those territories.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither GE Capital, any paying agent, or any other person would be obliged to pay additional amounts with respect to any Debenture as a result of the imposition of such withholding tax. If a withholding tax is imposed on a payment made by a paying agent following implementation of the Directive, GE Capital will be required to maintain a paying agent in a Member State that would not be obliged to withhold or deduct tax pursuant to the Directive.

## **Risks Relating to GE Capital's Business**

### *Global Risk Management*

A disciplined approach to risks is important in a diversified organization such as GE Capital's in order to ensure that it is executing according to its strategic objectives and that GE Capital only accepts risks for which it is adequately compensated. It is necessary for GE Capital to manage risk at the individual transaction level, and to consider aggregate risk at the customer, industry, geography and collateral-type levels, where appropriate.

GE Capital's Board of Directors oversees the risk management process as it affects GE Capital, including the approval of all significant acquisitions and dispositions and the establishment of borrowing and investment approval limits delegated to the Investment Committee of the Board, the Chairman, the Chief Financial Officer and the Chief Risk Officer. All participants in the risk management process must comply with these approval limits.

The Chief Risk Officer is responsible, through the Corporate Risk Function, for establishing standards for the measurement, reporting and limiting of risk; for managing and evaluating risk managers; for approving risk management policies and for reviewing major risk exposures and concentrations across the organization. GE Capital's Corporate Risk Function analyzes certain business risks and assesses them in relation to aggregate risk appetite and approval limits set by GE Capital's Board of Directors.

Threshold responsibility for identifying, quantifying and mitigating risks is assigned to GE Capital's individual businesses. Because the risks and their interdependencies are complex, GE Capital applies a Six Sigma-based analytical approach to each major product line that monitors performance against external benchmarks, proactively manages changing circumstances, provides early warning detection of risk and facilitates communication to all levels of authority. Other corporate functions such as Financial Planning and Analysis, Treasury, Legal and GE Capital's Corporate Audit Staff support business-level risk management. Businesses and subsidiaries that, for example, hedge risk with derivative financial instruments must do so using GE Capital's centrally-managed Treasury function, providing assurance that the business strategy complies with GE Capital's corporate policies and achieves economies of scale. GE Capital reviews risks periodically with business-level risk managers, senior management and its Board of Directors.

GE Capital and its subsidiaries employ about 18,000 dedicated risk professionals, including 11,400 involved in collection activities and 680 specialized asset managers who evaluate leased asset residuals and remarket off-lease equipment.

GE Capital and its subsidiaries manage a variety of risks including liquidity, credit, market and event risks.

Liquidity risk is the risk of being unable to accommodate liability maturities, fund asset growth and meet contractual obligations through access to funding at reasonable market rates.

Credit risk is the risk of financial loss arising from a customer or counterparty's failure to meet its contractual obligations. GE Capital faces credit risk in its lending and leasing activities and derivative financial instruments activities.

Market risk is the potential loss in value of investment and other asset and liability portfolios, including financial instruments, caused by changes in market variables, such as interest and currency exchange rates and equity and commodity prices. GE Capital is exposed to market risk in the normal course of its business operations as a result of its ongoing investing and funding activities. GE Capital attempts to mitigate the risks to its various portfolios arising from changes in interest and currency exchange rates in a variety of ways that often include offsetting positions in local currencies or use of derivatives. See "Derivatives and Hedging" below.

Event risk is that body of risk beyond liquidity, credit and market risk. Event risk includes the possibility of adverse occurrences both within and beyond GE Capital's control. Examples of event risk include natural disasters, availability of necessary materials, guarantees of product performance and business interruption. This type of risk is often insurable, and success in managing this risk is ultimately determined by the balance between the level of risk retained or assumed and the cost of transferring the risk to others. The decision as to the appropriate level of event risk to retain or cede is evaluated in the framework of business decisions.

#### *Derivatives and Hedging*

Exchange rate and interest rate risks are managed with a variety of straightforward techniques, including match funding and selective use of derivatives. GE Capital uses derivatives to mitigate or eliminate certain financial and market risks because it conducts business in diverse markets around the world and local funding is not always efficient. In addition, GE Capital uses derivatives to adjust the debt it is issuing to match the fixed or floating nature of the assets it is acquiring. GE Capital applies strict policies to manage each of these risks, including prohibitions on derivatives trading, derivatives market-making or other speculative activities.

#### *Regulations and Competition*

GE Capital's activities are subject to a variety of U.S. federal and state regulations including, at the federal level, the Consumer Credit Protection Act, the Equal Credit Opportunity Act and certain regulations issued by the Federal Trade Commission. A majority of states have ceilings on rates chargeable to customers on retail time sales transactions, installment loans and revolving credit financing. GE Capital's insurance operations are regulated by various state insurance commissions and non-U.S. regulatory authorities. GE Capital is a unitary diversified savings and loan holding company by virtue of owning a federal savings bank in the U.S.; as such, it is subject to holding company supervision by the Office of Thrift Supervision, which is also its consolidated supervisor under the EU Financial Conglomerates Directive. GE Capital's global operations are subject to regulation in their respective jurisdictions. To date, compliance with such regulations has not had a material adverse effect on GE Capital's financial position or results of operations.

The businesses in which GE Capital engages are highly competitive. GE Capital is subject to competition from various types of financial institutions, including banks, thrifts, investment banks, broker-dealers, credit unions, leasing companies, consumer loan companies, independent finance companies, finance companies associated with manufacturers and insurance and reinsurance companies.

#### *Business and Economic Conditions*

GE Capital's businesses are generally affected by general business and economic conditions in countries in which it conducts business. When overall economic conditions deteriorate in those countries, there generally are adverse effects on its operations, although those effects are dynamic and complex. For example, a downturn in employment or economic growth in a particular national or regional economy will generally increase the pressure on customers, which generally will result in deterioration of repayment patterns and a reduction in the value of

collateral. However, in such a downturn, demand for loans and other products and services GE Capital offers may actually increase. Interest rates, another macro-economic factor, are important to GE Capital's businesses. In the lending and leasing businesses, higher real interest rates increase GE Capital's cost to borrow funds, but also provide higher levels of return on new investments. For GE Capital's operations, such as the insurance operations, that are linked less directly to interest rates, rate changes generally affect returns on investment portfolios.

#### *Litigation Risk*

As previously reported, since January 2005, the SEC staff has been conducting an investigation of the use of hedge accounting for derivatives by GE Company and GE Capital. That staff has also requested information about other accounting policies and practices at GE Company, including items related to certain pre-2004 transactions in its Rail business. The Audit Committee of the GE Company Board of Directors, with the assistance of independent counsel, determined that immaterial GE Company revenues that should have been recognized in the first quarters of 2001, 2002, 2003 and 2004 were inappropriately recognized in the immediately preceding fourth quarters. GE Company management and the Audit Committee of the GE Company Board of Directors do not believe that the errors resulted from a material weakness in internal control over financial reporting.

As previously disclosed, in August 2006, the New Jersey Department of Environmental Protections (the "**DEP**") issued an Administrative Order seeking a penalty of \$142,000 for violations of the Clean Air Act at GE Capital's Linden, New Jersey facility. The DEP alleged that emissions from the facility exceeded thresholds established in the site's permit. GECC has agreed with DEP to settle the matter for \$71,000.

For further information about governmental, legal or arbitration proceedings affecting GE Capital, see "General Information — Litigation".

## DESCRIPTION OF GE CAPITAL

### General Information

GE Capital was incorporated in 1943 in the State of New York under the provisions of the New York Banking Law relating to investment companies, as successor to General Electric Contracts Corporation, which was formed in 1932. Until November 1987, the name of GE Capital was General Electric Credit Corporation. On July 2, 2001, GE Capital changed its state of incorporation to the State of Delaware under the Delaware General Corporation Law (Title 8). All outstanding common stock of GE Capital is owned by General Electric Capital Services, Inc. ("**GE Capital Services**"), formerly General Electric Financial Services, Inc., the common stock of which is in turn wholly-owned, directly or indirectly, by GE Company.

GE Capital's principal offices are located at 901 Main Avenue, Norwalk, Connecticut, 06851-1187. GE Capital also maintains executive offices at 3135 Easton Turnpike, Fairfield, Connecticut 06828-0001

Pursuant to its Certificate of Incorporation, the corporate purpose of GE Capital is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

### Business Overview

GE Capital's services are offered primarily in North America, Europe and Asia. Financing and services offered by GE Capital are diversified, a significant change from the original business of GE Capital, which was, financing the distribution and sale of consumer and other GE Company products. Currently, GE Company manufactures few of the products financed by GE Capital.

GE Capital operates in four operating segments of GE Company: GE Commercial Finance, GE Money, GE Industrial and GE Infrastructure. These operations are subject to a variety of regulations in their respective jurisdictions.

At December 31, 2006, GE Capital employed approximately 81,000 persons.

### Subsidiaries

At December 31, 2006, GE Capital had approximately 6,700 subsidiaries. The principal subsidiaries of GE Capital are GE Capital Financial Holdings USA, Inc., GE Capital International Holdings Corporation and GE Capital Global Financial Holdings, Inc., each of which is a financial services holding company holding shares of financial services subsidiaries.

### Management

The directors of GE Capital, their respective business addresses, their position in GE Capital or its affiliates and their principal activities are:

<u>Name</u>	<u>Business Address</u>	<u>Principal Activities</u>
Charles E. Alexander	30 Berkeley Square London W1J 6EW	President - GE Capital Europe
Jeffrey S. Bornstein	GE Commercial Finance 901 Main Avenue Norwalk, CT 06851	Chief Financial Officer
Kathryn A. Cassidy	GE Capital Corporation 201 High Ridge Road Stamford, CT 06927	Senior Vice President, Corporate Treasury and Global Funding Operation

<b><u>Name</u></b>	<b><u>Business Address</u></b>	<b><u>Principal Activities</u></b>
James A. Colica	GE Capital Corporation 260 Long Ridge Road Stamford, CT 06927	Senior Vice President, Global Risk Management
Pamela Daley	General Electric Company 3135 Easton Turnpike Fairfield, CT 06828	Senior Vice President, Corporate Business Development
Brackett B. Denniston, III	GE Company 3135 Easton Turnpike Fairfield, CT 06828	Senior Vice President, General Counsel
Jeffrey R. Immelt	General Electric Company 3135 Easton Turnpike Fairfield, CT 06828	Chairman and Chief Executive Officer
James W. Ireland	GE Asset Management 3003 Summer Street Stamford, CT 06904	President and Chief Executive Officer
John Krenicki, Jr.	GE Energy 4200 Wildwood Parkway Atlanta, GA 30339	President and Chief Executive Officer
Michael A. Neal	GE Commercial Finance 901 Main Avenue Norwalk, CT 06851	President and Chief Executive Officer
David R. Nissen	GE Money 777 Long Ridge Road Stamford, CT 06902	President and Chief Executive Officer
Ronald R. Pressman	GE Real Estate 901 Main Avenue Norwalk, CT 06851	President and Chief Executive Officer
Deborah M. Reif	GE Equipment Services 120 Long Ridge Road Stamford, CT 06927	President and Chief Executive Officer
John G. Rice	GE Infrastructure 4200 Wildwood Parkway Atlanta, GA 30339	President and Chief Executive Officer
John M. Samuels	General Electric Company 3135 Easton Turnpike Fairfield, CT 06828	Vice President and Senior Tax Counsel, Corporate Taxes
Keith S. Sherin	General Electric Company 3135 Easton Turnpike Fairfield, CT 06828	Senior Vice President, Finance, and Chief Financial Officer
Lloyd G. Trotter	GE Industrial 3135 Easton Turnpike Fairfield, CT 06828	President and Chief Executive Officer
Robert C. Wright	General Electric Company 3135 Easton Turnpike Fairfield, CT 06828	Vice Chairman

All of the directors of GE Capital are officers of GE Capital, GE Capital Services or GE Company. The Secretary of GE Capital is Craig T. Beazer, whose business address is 3135 Easton Turnpike, Fairfield, CT 06828-0001.

There are no existing or potential conflicts of interest between any duties to GE Capital and their private interests or other duties of the directors of GE Capital.

### **Audit Committee**

As a consolidated affiliate of GE Company, oversight of audit functions at GE Capital is carried out by the Audit Committee of the Board of Directors of GE Company (the "**GE Company Board**"). In this section "**GE Company**" means General Electric Company and its consolidated subsidiaries. The following independent directors of GE Company are members of the GE Company Audit Committee:

Douglas A. Warner III (Chairman)  
James I. Cash, Jr.  
Claudio X. Gonzalez

Robert W. Lane  
Robert J. Swieringa

The GE Company Board has determined that Messrs. Gonzalez, Lane, Swieringa and Warner are "audit committee financial experts", as defined under Commission rules. The GE Company Board has also determined that although Mr. Gonzalez currently sits on the audit committees of more than three public companies, these relationships do not impair his ability to serve effectively on GE Company's Audit Committee.

The Audit Committee is primarily concerned with the integrity of GE Company's financial statements, GE Company's compliance with legal and regulatory requirements, the independence and qualifications of the independent auditor and the performance of GE Company's internal audit function and independent auditor.

The Audit Committee's duties include: (1) selecting and overseeing the independent auditor; (2) reviewing the scope of the audit to be conducted by them, as well as the results of their audit; (3) overseeing GE Company's financial reporting activities, including its annual report, and the accounting standards and principles followed; (4) approving audit and non-audit services provided to GE Company by the independent auditor; (5) reviewing the organization and scope of GE Company's internal audit function and its disclosure and internal controls; and (6) conducting other reviews relating to compliance by employees with GE Company policies and applicable laws. The Audit Committee met 15 times during 2006.

### **Corporate Governance**

The GE Company Board, through its Nominating and Corporate Governance Committee, operates corporate governance practices in accordance with U.S. federal and state legislation.

#### *Governance Principles*

All of GE Company's governance materials, including the Governance Principles and board committee charters and key practices, are published in the Citizenship section of GE Company's website ([www.ge.com/company/citizenship](http://www.ge.com/company/citizenship)). The GE Company Board regularly reviews corporate governance developments and modifies its Governance Principles, committee charters and key practices as required. Details of any such modifications will be reflected on GE Company's website.

#### *Director Independence*

With 11 independent directors out of 15, the GE Company Board has satisfied its objective that at least two-thirds of the GE Company Board should consist of independent directors. For a director to be considered independent, the Board must determine that the director does not have any direct or indirect material relationship with GE Company. The GE Company Board has established guidelines to assist it in determining director independence, which conform to, or are more exacting than, the independence requirements in the New York Stock

Exchange listing standards. GE Company's independence guidelines are set forth in Section 4 of its Governance Principles. In addition to applying these guidelines, the GE Company Board will consider all relevant facts and circumstances in making an independence determination.

All members of GE Company's Audit, Management Development and Compensation, and Nominating and Corporate Governance Committees must be independent directors as defined by GE Company's Governance Principles. Members of the Audit Committee must also satisfy a separate independence requirement imposed by the Commission, which provides that they may not accept directly or indirectly any consulting, advisory or other compensatory fees from GE Company or any of its subsidiaries other than their directors' compensation. In addition, as a matter of policy, the GE Company Board has determined to apply a separate, heightened independence standard to members of both the Management Development and Compensation Committee and the Nominating and Corporate Governance Committee. No member of either committee may be a partner, member or principal of a law firm, accounting firm or investment banking firm that accepts consulting or advisory fees from GE Company or any of its subsidiaries. This additional voluntary independence requirement for members of the Management Development and Compensation and Nominating and Corporate Governance Committees is intended to remove even the appearance of a conflict of interest.

#### *Code of Conduct*

All directors, officers and employees of GE Company (including all of its consolidated subsidiaries) must act ethically at all times and in accordance with the policies comprising GE Company's code of conduct set forth in the company's integrity manual, *The Spirit & the Letter*, which is published in the Citizenship section of GE Company's website. Under the GE Company Board's Governance Principles, the GE Company Board will not permit any waiver of any ethics policy for any director or executive officer. If an actual or potential conflict of interest arises for a director, the director will promptly inform the CEO and the presiding director. If a significant conflict exists and cannot be resolved, the director should resign. All directors are required to excuse themselves from any discussions or decisions affecting their personal, business or professional interests.

#### **Principal Investments**

Since December 31, 2006, there have been no principal investments made by GE Capital.

#### **Share Capital**

As at December 31, 2006 the authorized share capital of GE Capital comprised 33,000 shares of variable cumulative preferred stock of par value of U.S.\$100, with a liquidation preference U.S.\$100,000 per share, of which 26,000 shares were held in treasury, and 4,166,000 shares of common stock of U.S.\$14.00 par value, of which 3,985,403 shares were outstanding and fully paid up.

All outstanding common stock of GE Capital is owned by GE Capital Services, the common stock of which is in turn wholly owned, directly or indirectly, by GE Company.

#### **Selected Financial Information**

The selected financial data set forth below has been extracted from and should be read in conjunction with the Annual Report of GE Capital on Form 10-K, for the fiscal year ended December 31, 2006, copies of which may be obtained as described under "Documents Incorporated By Reference".

As set out in the section entitled "General Electric Capital Corporation and consolidated affiliates Statement of Earnings" on page 36 of GE Capital's Annual Report on Form 10-K for the fiscal year ended December 31, 2006, net earnings for GE Capital and consolidated subsidiaries for the fiscal year ended December 31, 2006 equaled U.S.\$10,386 million and for the fiscal year ended December 31, 2005 equaled U.S.\$ 9,926 million.

**General Electric Capital Corporation and Consolidated Affiliates**  
**Statement of Financial Position**

At December 31 (In millions, except share amounts)

	<u>2006</u>	<u>2005</u>
<b>Assets</b>		
Cash and equivalents	\$ 9,849	\$ 5,996
Investment securities <sup>1</sup>	21,345	18,467
Inventories	54	159
Financing receivables – net <sup>2</sup>	329,586	284,567
Other receivables	36,059	25,250
Buildings and equipment – net <sup>3</sup>	58,162	50,936
Intangible assets – net <sup>4</sup>	25,243	23,086
Other assets <sup>5</sup>	63,367	49,507
Assets of discontinued operations <sup>6</sup>	–	17,291
Total assets	<u>\$ 543,665</u>	<u>\$ 475,259</u>
<b>Liabilities and equity</b>		
Short-term borrowings <sup>7</sup>	\$ 168,896	\$ 149,679
Accounts payable	15,556	14,345
Long-term borrowings <sup>7</sup>	256,817	206,206
Investment contracts, insurance liabilities and insurance annuity benefits <sup>8</sup>	12,418	12,094
Other liabilities	20,486	16,269
Deferred income taxes <sup>9</sup>	10,727	11,069
Liabilities of and minority interest in discontinued operations <sup>10</sup>	172	13,195
Total liabilities	<u>485,072</u>	<u>422,857</u>
Minority interest in equity of consolidated affiliates <sup>11</sup>	<u>2,008</u>	<u>2,212</u>
Variable cumulative preferred stock, \$100 par value, liquidation preference \$100,000 per share (33,000 shares authorized; 26,000 shares held in treasury at December 31, 2006 and 700 shares issued and outstanding and 25,300 shares held in treasury at December 31, 2005)	–	–
Common stock, \$14 par value (4,166,000 shares authorized at December 31, 2006 and 2005, and 3,985,403 shares issued and outstanding at December 31, 2006 and 2005)	56	56
Accumulated gains (losses) – net		
Investment securities	481	744
Currency translation adjustments	4,809	2,343
Cash flow hedges	(199)	(367)
Benefit plans	(278)	(147)
Additional paid-in capital	14,088	12,055
Retained earnings	37,628	35,506
Total shareowner's equity <sup>12</sup>	<u>56,585</u>	<u>50,190</u>
Total liabilities and equity	<u>\$ 543,665</u>	<u>\$ 475,259</u>

The sum of accumulated gains (losses) on investment securities, currency translation adjustments, cash flow hedges and benefit plans constitutes "Accumulated nonowner changes other than earnings," as shown in note 15, and was \$4,813 million and \$2,573 million at December 31, 2006 and 2005, respectively.

The notes to consolidated financial statements on pages 39-73 of GE Capital's Annual Report on Form 10-K are an integral part of this statement.

<sup>1</sup> See note 5 of the Notes to Consolidated Financial Statements on form 10-K as set out on page 46 thereof.

<sup>2</sup> See notes 6 and 7 of the Notes to Consolidated Financial Statements on form 10-K as set out on pages 48 and 51 thereof.

<sup>3</sup> See note 8 of the Notes to Consolidated Financial Statements on form 10-K as set out on page 53 thereof.

<sup>4</sup> See note 9 of the Notes to Consolidated Financial Statements on form 10-K as set out on page 54 thereof.

<sup>5</sup> See note 10 of the Notes to Consolidated Financial Statements on form 10-K as set out on page 55 thereof.

<sup>6</sup> See note 2 of the Notes to Consolidated Financial Statements on form 10-K as set out on page 43 thereof.

<sup>7</sup> See note 11 of the Notes to Consolidated Financial Statements on form 10-K as set out on page 56 thereof.

<sup>8</sup> See note 12 of the Notes to Consolidated Financial Statements on form 10-K as set out on page 58 thereof.

<sup>9</sup> See note 13 of the Notes to Consolidated Financial Statements on form 10-K as set out on page 58 thereof.

<sup>10</sup> See note 2 of the Notes to Consolidated Financial Statements on form 10-K as set out on page 43 thereof.

<sup>11</sup> See note 14 of the Notes to Consolidated Financial Statements on form 10-K as set out on page 60 thereof.

<sup>12</sup> See note 15 of the Notes to Consolidated Financial Statements on form 10-K as set out on page 61 thereof.

The selected financial data set forth below has been extracted from should be read in conjunction with the Quarterly Report of GE Capital on Form 10-Q, for the quarterly period ended June 30, 2007, a copy of which may be obtained as described under "Documents Incorporated By Reference".

As set out in the section entitled "General Electric Capital Corporation and consolidated affiliates Condensed Statement of Current and Retained Earnings (Unaudited)" on page 3 of GE Capital's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2007, net earnings for GE Capital and consolidated subsidiaries for the six months ended June 30, 2007 equaled U.S.\$4,687 million and for the six months ended June 30, 2006 equaled U.S.\$4,866 million.

**General Electric Capital Corporation and consolidated affiliates**  
**Condensed Statement of Financial Position**

(In millions)

	<b>June 30, 2007</b> <b>(Unaudited)</b>	<b>December 31, 2006</b>
<b>Assets</b>		
Cash and equivalents	\$ 12,989	\$ 9,849
Investment securities	21,953	21,345
Inventories	55	54
Financing receivables – net <sup>1</sup>	345,185	329,586
Other receivables	40,529	36,059
Buildings and equipment, less accumulated amortization of \$23,359 and \$22,528	62,909	58,162
Intangible assets – net <sup>2</sup>	27,476	25,243
Other assets	71,502	63,367
Total assets	<u>\$ 582,598</u>	<u>\$ 543,665</u>
<b>Liabilities and equity</b>		
Short-term borrowings <sup>3</sup>	\$ 182,419	\$ 168,896
Accounts payable	17,259	15,556
Long-term borrowings <sup>4</sup>	278,962	256,817
Investment contracts, insurance liabilities and insurance annuity benefits	12,354	12,418
Other liabilities	22,261	20,486
Deferred income taxes	9,008	10,727
Liabilities of discontinued operations <sup>5</sup>	155	172
Total liabilities	<u>522,418</u>	<u>485,072</u>
Minority interest in equity of consolidated affiliates	<u>1,109</u>	<u>2,008</u>
Capital stock	56	56
Accumulated gains (losses) – net		
Investment securities	466	481
Currency translation adjustments	5,832	4,809
Cash flow hedges	565	(199)
Benefit plans	(264)	(278)
Additional paid-in capital	14,084	14,088
Retained earnings	38,332	37,628
Total shareholder's equity	<u>59,071</u>	<u>56,585</u>
Total liabilities and equity	<u>\$ 582,598</u>	<u>\$ 543,665</u>

The sum of accumulated gains (losses) on investment securities, currency translation adjustments, cash flow hedges and benefit plans constitutes "Accumulated nonowner changes other than earnings," and was \$6,599 million and \$4,813 million at June 30, 2007 and December 31, 2006, respectively.

The notes to condensed, consolidated financial statements are an integral part of this statement.

<sup>1</sup> See note 5 of the Notes to Condensed, Consolidated Financial Statements on form 10-Q as set out on page 8 thereof.

<sup>2</sup> See note 6 of the Notes to Condensed, Consolidated Financial Statements on form 10-Q as set out on page 8 thereof.

<sup>3</sup> See note 7 of the Notes to Condensed, Consolidated Financial Statements on form 10-Q as set out on page 9 thereof.

<sup>4</sup> See note 7 of the Notes to Condensed, Consolidated Financial Statements on form 10-Q as set out on page 9 thereof.

<sup>5</sup> See note 2 of the Notes to Condensed, Consolidated Financial Statements on form 10-Q as set out on page 6 thereof.

### **USE OF PROCEEDS**

The net proceeds of the sale of the Debentures will be used for general corporate purposes.

## DESCRIPTION OF THE DEBENTURES

The Euro Debentures and the Sterling Debentures will each be issued pursuant to an indenture (the "**Indenture**"), dated as of September 1, 2006, as supplemented by a supplemental indenture (the "**Supplemental Indenture**"), to be dated as of September 5, 2007, between GE Capital and The Bank of New York (successor to JPMorgan Chase Bank, N.A.), as Trustee. You should read the Indenture and the Supplemental Indenture, including the forms of Euro Debentures and Sterling Debentures, as the case may be, for additional information before you purchase any Debentures. Copies of the Indenture and the Supplemental Indenture, including the forms of Euro Debentures and Sterling Debentures, will be available from the specified office of the Principal Paying Agent for the Debentures in London. The Bank of New York, acting through its London branch, will act as the Principal Paying Agent for the Debentures in London. See "General Information — Documents Available". All references in this section "Description of the Debentures" to "**GE Capital**", "**we**", "**us**" or "**our**", or similar references, mean General Electrical Capital Corporation excluding its subsidiaries.

The following summary is not intended to be complete and is subject to, and qualified in its entirety by reference to, the Indenture, the Supplemental Indenture and the forms of Debentures. References herein to the Indenture include, where appropriate, the Supplemental Indenture.

### General

The Euro Debentures will be unsecured, subordinated obligations of GE Capital in the aggregate principal amount of €1,500,000,000. The Sterling Debentures will be unsecured, subordinated obligations of GE Capital in the aggregate principal amount of £600,000,000. The Euro Debentures and the Sterling Debentures will each constitute a separate series of debt securities under the Indenture. Each series of Debentures will rank junior to our Senior Indebtedness, as defined herein, including our Subordinated Notes, as defined herein. See "— Subordination".

The entire principal amount of each series of Debentures will be due and payable, together with any accrued and unpaid interest, and interest on unpaid interest, if any, on September 15, 2067 (the "**Maturity Date**"). In certain circumstances, the Debentures may be redeemed by GE Capital prior to the Maturity Date. The Debentures are not subject to repayment at the option of the holders. There is no sinking fund for the Debentures.

The Euro Debentures will be issued in denominations of €50,000 and integral multiples of €1,000 in excess thereof. The Sterling Debentures will be issued in denominations of £50,000 and integral multiples of £1,000 in excess thereof.

Each series of Debentures will be issued in global registered form, registered in the name of, and deposited with, The Bank of New York Depository (Nominees) Limited, as nominee for The Bank of New York, acting through its London branch, as common depository (the "**Common Depositary**") for Euroclear and Clearstream.

We may from time to time, without the consent of the existing holders, create and issue additional Debentures of either series having the same terms and conditions as the Debentures of such series in all respects, except for issue date, issue price and, if applicable, the date from which interest shall accrue or first be paid. Such additional Debentures will be consolidated with and will form a single series with such series of Debentures.

Interest will accrue on the Debentures from and including the most recent Interest Payment Date (as defined below) (or, prior to the first Interest Payment Date, the Issue Date) to but excluding the next Interest Payment Date (without regard to any permitted deferral as described under "— Option to Defer Interest Payments") or other date on which interest is due and payable in accordance with the terms of the Debentures by redemption, acceleration, or maturity (each such period an "**Interest Period**").

## Interest on the Euro Debentures

### *Fixed Rate Period*

Interest on the Euro Debentures will accrue at a fixed rate per annum of 5.500% of the principal amount, commencing on the Issue Date and continuing to but excluding September 15, 2017 (the "**Fixed Rate Period**"). Subject to "— Option to Defer Interest Payments" and to the business day convention described under "— Interest Payments" below, interest on the Euro Debentures will be payable with respect to the Fixed Rate Period annually in arrears on September 15 of each year, commencing September 15, 2008 (each a "**Fixed Interest Payment Date**"). There will be a long first Interest Period from and including the Issue Date to but excluding September 15, 2008.

### *Floating Rate Period*

Commencing on September 15, 2017, interest on the Euro Debentures will accrue at a floating rate per annum equal to 3-month EURIBOR plus 2.000% (the "**Floating Rate Period**"). Subject to "— Option to Defer Interest Payments" and to the business day convention described under "— Interest Payments" below, interest on the Euro Debentures during the Floating Rate Period will be payable in respect of each Interest Period quarterly in arrears on March 15, June 15, September 15 and December 15 of each year commencing December 15, 2017 (each a "**Floating Interest Payment Date**"; each Floating Interest Payment Date or Fixed Interest Payment Date, as applicable, is referred to herein as an "**Interest Payment Date**").

"**3-month EURIBOR**", with respect to an Interest Period in the Floating Rate Period, will be the rate (expressed as a percentage per annum) for deposits in euro for a three-month period that appears on Reuters Page EURIBOR01 as of 11:00 a.m., Brussels time, on the second TARGET Settlement Day immediately preceding the first day of such Interest Period. If the Reuters Page EURIBOR01 does not include such a rate or is unavailable on such date, the Calculation Agent (as defined below) will request the principal London office of each of four major banks in the Euro-zone inter-bank market, as selected by the Calculation Agent (after consultation with GE Capital), to provide such bank's offered quotation (expressed as a percentage per annum) as of approximately 11:00 a.m., Brussels time, on such date, to prime banks in the Euro-zone inter-bank market for deposits in an amount in euro that is representative for a single transaction in such market and for a three-month period beginning on the day that is two TARGET Settlement Days after such date. If at least two such offered quotations are so provided, the rate for the Interest Period will be the arithmetic mean of such quotations. If fewer than two such quotation are so provided, the Calculation Agent will request each of three major banks in London, as selected by the Calculation Agent (after consultation with GE Capital), to provide such bank's rate (expressed as a percentage per annum), as of approximately 11:00 a.m., London time, on such date. Rates quoted will be for loans in euro to leading European banks for a three-month period beginning on the day that is two TARGET Settlement Days after such date based on a principal amount that is representative of a single transaction. If at least two such rates are so provided, the rate for the Interest Period will be the arithmetic mean of such rates. If fewer than two such rates are so provided then the rate for the Interest Period will be the rate in effect with respect to the immediately preceding Interest Period, or, in the case of the first Interest Period in the Floating Rate Period, 5.500% per annum.

The term "**Reuters Page EURIBOR01**" means the Capital Markets Report Screen EURIBOR01 of Reuters or any successor service or page for the purpose of displaying EURIBOR offered rates of major banks.

A "**Business Day**" is defined in the Indenture and the Debentures to mean any day other than a Saturday or Sunday or any other day on which banking institutions are generally authorized or obligated by law or regulation to close in The City of New York or London, England and, in the case of the Euro Debentures, is also a TARGET Settlement Day.

A "**TARGET Settlement Day**" means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open.

## Interest on the Sterling Debentures

### *Fixed Rate Period*

Interest on the Sterling Debentures will accrue at a fixed rate per annum of 6.500% of the principal amount, commencing on the Issue Date and continuing to but excluding September 15, 2017. Subject to "— Option to Defer Interest Payments" and to the business day convention described under "— Interest Payments" below, interest on the Sterling Debentures will be payable with respect to the Fixed Rate Period semi-annually in arrears, in equal installments, on March 15 and September 15 of each year, commencing March 15, 2008. There will be a long first Interest Period from and including the Issue Date to but excluding March 15, 2008.

### *Floating Rate Period*

Commencing September 15, 2017, interest on the Sterling Debentures will accrue at a floating rate per annum equal to 3-month Sterling LIBOR plus 2.000%. Subject to "— Option to Defer Interest Payments" and to the business day convention described under "— Interest Payments" below, interest on the Sterling Debentures during the Floating Rate Period will be payable in respect of each Interest Period quarterly in arrears on March 15, June 15, September 15 and December 15 of each year, commencing December 15, 2017.

**"3-month Sterling LIBOR"**, with respect to an Interest Period in the Floating Rate Period, means the rate (expressed as a percentage per annum) for deposits in pounds sterling for a three-month period that appears on Reuters Page LIBOR01 as of 11:00 a.m., London time, on the first day of such Interest Period. If 3-month Sterling LIBOR cannot be determined as described above, the rate for such Interest Period will be determined on the basis of the rates at which deposits in pounds sterling are offered by four leading banks selected by the Calculation Agent (after consultation with GE Capital), at approximately 11:00 a.m., London time, on the first day of such Interest Period to prime banks in the London interbank market for a period of three months commencing on the first day of such Interest Period. These quotations will be based upon a principal amount that is representative of a single transaction in pounds sterling in such market at the time. If two or more quotations are provided, 3-month Sterling LIBOR for the Interest Period will be the arithmetic mean of the quotations. If fewer than two quotations are provided, 3-month Sterling LIBOR will be the arithmetic mean of the rates quoted by major banks in London, selected by the Calculation Agent (after consultation with GE Capital), at approximately 11:00 a.m., London time, on the first day of such Interest Period. The rates quoted will be for loans in pounds sterling for a three-month period to leading European banks commencing on the first day of such Interest Period. Rates quoted must be based on a principal amount that is representative of a single transaction in pounds sterling in such market at the time. If fewer than three banks are quoting rates, 3-month Sterling LIBOR for the applicable period will be the same as for the immediately preceding Interest Period, or, in the case of the first Interest Period in the Floating Rate Period, the interest rate will be the rate of the preceding fixed rate period of 6.500% per annum.

The term **"Reuters Page LIBOR01"** means the Capital Markets Report Screen LIBOR01 of Reuters or any successor service or page for the purpose of displaying the London interbank offered rates of major banks.

### **Calculation Agent**

Calculations relating to 3-month EURIBOR and 3-month Sterling LIBOR for each series of Debentures will be made by a calculation agent (the **"Calculation Agent"**), an institution appointed by GE Capital as its agent for this purpose. The Calculation Agent initially will be The Bank of New York (successor to JPMorgan Chase Bank, N.A.), acting through its London branch. GE Capital may appoint a different institution to serve as Calculation Agent from time to time after the original Issue Date of the Debentures, pursuant to the calculation agent agreement (the **"Calculation Agreement"**) with respect to the Debentures, dated as of September 15, 2006, between GE Capital, and The Bank of New York (successor to JPMorgan Chase Bank, N.A.), acting through its London branch, as Calculation Agent for the Debentures, without the consent of holders and without notifying holders of the change. Absent manifest error, the calculations made pursuant to the Calculation Agreement will be binding on GE Capital and each holder of Debentures.

## Interest Payments

Subject to the right of GE Capital to defer the payment of interest, as described below under "— Option to Defer Interest Payments", interest on the Debentures will be payable on each Interest Payment Date to the holders of record on the regular record date therefor (the "**Record Date**"). The Record Date will be one Business Day before the relevant Interest Payment Date, except that in the event that either series of Debentures is issued in definitive fully registered form, the Record Date will be the fifteenth calendar day before the relevant Interest Payment Date.

With respect to interest accruing during the Fixed Rate Period, if any Fixed Interest Payment Date is not a Business Day, then payment of the interest payable on such date will be made on the next succeeding day that is a Business Day, without any interest or other payment as a result of the delay, with the same force and effect as if made on the date that payment was originally payable. If a redemption date falling during the Fixed Rate Period is not a Business Day, then payment of interest on such date will be made on the next succeeding Business Day with the same force and effect as it made on such redemption date (without any interest or other payment in respect of such delay).

With respect to interest accruing during the Floating Rate Period, if any Floating Interest Payment Date is not a Business Day, then the Floating Interest Payment Date will be the next succeeding Business Day unless such Business Day is in the next calendar month in which case such Floating Interest Payment Date shall be the Business Day immediately preceding such day. Notwithstanding the foregoing, if the Maturity Date or an earlier redemption date falling during the Floating Rate Period is not a Business Day, then payment of interest on such date will be made on the next succeeding Business Day with the same force and effect as if made on such Maturity Date or redemption date (without any interest or other payment in respect of such delay).

Interest that is not paid on any Debentures on the applicable Interest Payment Date will bear additional interest ("**Additional Interest**") at the then applicable rate per annum for such Debentures, compounded annually or semi-annually, as applicable, during the Fixed Rate Period and quarterly during the Floating Rate Period.

The amount of interest payable on each series of Debentures for any Interest Period during the Fixed Rate Period will be computed on the basis of the following:

(a) where an actual Interest Period in respect of which interest is being calculated for payment (the "**Calculation Period**") is equal to or shorter than the regular Interest Period (based on the originally specified September 15 and March 15 payment dates or September 15 payment date, as applicable, without any adjustment, such period being herein referred to as the "**Regular Interest Period**") during which it falls, the amount of interest payable will be computed on the basis of the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Interest Period and (2) the number of Regular Interest Periods normally ending in any year; and

(b) where the Calculation Period is longer than the Regular Interest Period, the amount of interest payable will be computed on the basis of the sum of:

(X) the actual number of days in such Calculation Period falling in the Regular Interest Period in which it begins divided by the product of (1) the actual number of days in such Regular Interest Period and (2) the number of Regular Interest Periods in any year; and

(Y) the actual number of days in such Calculation Period falling in the next Regular Interest Period divided by the product of (1) the actual number of days in such Regular Interest Period and (2) the number of Regular Interest Periods normally ending in any year.

The amount of interest payable on the Euro Debentures during the Floating Rate Period will be computed on the basis of the actual number of days in the Interest Period divided by 360. The amount of interest payable on the Sterling Debentures during the Floating Rate Period will be computed on the basis of the actual number of days in the Interest Period divided by 365 (or, if any proportion of that Interest Period falls in a leap year, the sum of (A) the

actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365).

The amount of interest calculated in the manner described above shall be rounded to the nearest sub-unit of the relevant currency, half of any such sub-unit being rounded upwards, or otherwise in accordance with applicable market convention. "**Sub-unit**" means, with respect to pounds sterling, one penny and, with respect to euro, one cent.

The term "**interest**" as used in this Prospectus includes annual, semi-annual or quarterly interest payments, together with interest on any annual, semi-annual or quarterly interest payment that is not paid on the applicable Interest Payment Date, compounded annually, semi-annually or quarterly, as applicable, and Additional Amounts (if any).

The interest rate on the Debentures will in no event be higher than the maximum rate permitted by New York law as the same may be modified by United States law of general application.

### **Option to Defer Interest Payments**

With respect to any series of Debentures, so long as no Event of Default applicable to the Debentures of such series has occurred and is continuing, we may defer all payment of interest on outstanding Debentures of such series for a period (an "**Extension Period**") effective for interest accruing as of the first day of any Interest Period (the "**Start Date**") and extending not longer than the earlier of (a) the tenth anniversary of the Start Date, and (b) the Maturity Date for such series of Debentures (such final date being herein referred to as the "**Maximum Extension Date**"). No Extension Period shall end on a date other than an Interest Payment Date or the Maturity Date; provided that in connection with a redemption of the Debentures in whole, we may elect to end an Extension Period on the applicable redemption date. Until the end of any Extension Period for a series (including any permitted extension thereof), no interest shall be due and payable on such series, except for interest due and payable on the Start Date with respect to the prior Interest Period. To the extent permitted by applicable law, interest on deferred amounts will accrue during an Extension Period from the first Interest Payment Date following the Start Date and will be compounded on subsequent Interest Payment Dates (annually or semi-annually, as applicable, during the Fixed Rate Period or quarterly during the Floating Rate Period), at the then applicable rate of interest on the Debentures. On the Interest Payment Date falling at the end of an Extension Period as determined below (the "**End Date**"), the redemption date for all outstanding Debentures, or the Maturity Date, as applicable, we will be obligated to pay all accrued and unpaid interest, including Additional Interest. Deferral for a new Extension Period (other than the extension of an existing Extension Period as described below) may occur only if all amounts due and payable on the Debentures (including Additional Interest) in respect of any previous Extension Period have been paid in full on or after the End Date for such Extension Period.

We shall give the Trustee, for distribution to Holders of Debentures as of the immediately preceding Record Date, notice that we have elected to commence an Extension Period, such notice to be given by us at least five but not more than fifteen days before the Interest Payment Date relating to the first Interest Period in the Extension Period during which interest will be deferred. Such notice shall specify the Start Date and an End Date not later than the Maximum Extension Date; provided that we may elect to modify any End Date to an earlier or later date prior to the Maximum Extension Date in accordance with the terms set in the Debenture by notice given to the Trustee for distribution to the Holders. Notwithstanding the foregoing, in the event that the amount of interest made available to the Paying Agent is not sufficient, or if no amount is made available, to pay interest then due on any Interest Payment Date (including the End Date of an Extension Period) that is not a Maximum Extension Date, no funds shall be applied to payment of such interest by the Paying Agent and if the required amount is not provided within five days after notice from the Trustee to us, the full amount of interest otherwise due and payable on such Interest Payment Date shall be (a) with respect to an Interest Payment Date that does not fall within an Extension Period, deemed deferred (without any prior notice of deferral) with the preceding Interest Payment Date being the Start Date of an Extension Period having as its End Date the earlier of the next succeeding Interest Payment Date after such deemed deferral and the Maximum Extension Date, or (b) with respect to an Interest Payment Date that is an End Date, deemed further deferred by an extension of the Extension Period (without any prior notice of modification of the Extension Period) to a new End Date that shall be the earlier of the next Interest Payment Date and the Maximum

Extension Date; *provided*, however, that the provisions of this sentence shall not apply to any interest that shall become due and payable solely by reason of a redemption of the Debentures. In the event of any deferral or extension pursuant to clauses (a) or (b) of the preceding sentence, notice shall be promptly given to the holders of the Debentures as of the close of business on the immediately preceding Record Date indicating the current amount and terms of any deferral, provided that the failure to give such notice shall not affect our rights hereunder, including, without limitation, our ability to defer interest as provided herein. In the event a sufficient amount of interest is not made available to the Paying Agent on a particular Interest Payment Date (other than the Maximum Extension Date) on which payment is otherwise due, and appropriate amounts are not provided in time to avoid initiating or extending an Extension Period, any partial amounts made available shall be delivered and held by the Trustee for application on the next date on which interest is due and payable under the terms of this Debenture or returned to us at our direction.

### **Payment of Additional Amounts**

Subject to the exemptions and limitations set forth below, we will pay additional amounts ("**Additional Amounts**") on the Debentures with respect to any beneficial owner of the Debentures that is a non-U.S. person to ensure that each net payment to that non-U.S. person on Debentures that it beneficially owns will not be less, due to the payment of U.S. withholding tax, than the amount then otherwise due and payable. We will not be obligated to make additional payments that exceed the amount required to do so. For this purpose, a "**net payment**" on a Debenture means a payment by us or any paying agent, including payment of principal and interest, after deduction for any present or future tax, assessment, or other governmental charge of the U.S. As used herein, "**U.S.**" means the United States of America, including each state of the United States and the District of Columbia, its territories, its possessions, and other areas within its jurisdiction. Additional Amounts will constitute interest on the Debentures.

We will not be required to pay Additional Amounts, however, in any of the circumstances described in items (1) through (14) below.

(1) Additional Amounts will not be payable if a payment on the Debentures is reduced as a result of any tax, assessment, or other governmental charge that is imposed or withheld solely by reason of the beneficial owner:

- having a relationship with the U.S. as a citizen, resident, or otherwise;
- having had such a relationship in the past; or
- being considered as having had such a relationship.

(2) Additional Amounts will not be payable if a payment on the Debentures is reduced as a result of any tax, assessment, or other governmental charge that is imposed or withheld solely by reason of the beneficial owner:

- being treated as present in or engaged in a trade or business in the U.S.;
- being treated as having been present in or engaged in a trade or business in the U.S. in the past;
- having or having had a permanent establishment in the U.S.; or
- having or having had a qualified business unit which has the U.S. dollar as its functional currency.

(3) Additional Amounts will not be payable if a payment on the Debentures is reduced as a result of any tax, assessment, or other governmental charge that is imposed or withheld solely by reason of the beneficial owner being or having been a:

- personal holding company;
- foreign personal holding company;
- foreign private foundation or other foreign tax-exempt organization;
- passive foreign investment company;
- controlled foreign corporation; or
- corporation that has accumulated earnings to avoid U.S. federal income tax.

(4) Additional Amounts will not be payable if a payment on the Debentures is reduced as a result of any tax, assessment, or other governmental charge that is imposed or withheld solely by reason of the beneficial owner

owning or having owned, actually or constructively, 10% or more of the total combined voting power of all classes of our stock entitled to vote.

(5) Additional Amounts will not be payable if a payment on the Debentures is reduced as a result of any tax, assessment, or other governmental charge that is imposed or withheld solely by reason of the beneficial owner being a bank extending credit under a loan agreement entered into in the ordinary course of business.

For purposes of items (1) through (5) above, "**beneficial owner**" includes a fiduciary, settlor, partner, member, shareholder, or beneficiary of the holder if the holder is an estate, trust, partnership, limited liability company, corporation, or other entity, or a person holding a power over an estate or trust administered by a fiduciary holder.

(6) Additional Amounts will not be payable to any beneficial owner of a Debenture that is:

- a fiduciary;
- a partnership;
- a limited liability company;
- another fiscally transparent entity; or
- not the sole beneficial owner of the Debenture, or any portion of the Debenture.

However, this exception to the obligation to pay Additional Amounts will apply only to the extent that a beneficiary or settlor in relation to the fiduciary, or a beneficial owner, partner, or member of the partnership, limited liability company, or other fiscally transparent entity, would not have been entitled to the payment of an additional amount had the beneficiary, settlor, beneficial owner, partner, or member received directly its beneficial or distributive share of the payment.

(7) Additional Amounts will not be payable if a payment on the Debentures is reduced as a result of any tax, assessment, or other governmental charge that is imposed or withheld by reason of the failure of the beneficial owner or any other person to comply with applicable certification, identification, documentation, or other information reporting requirements. This exception to the obligation to pay Additional Amounts will apply only if compliance with these reporting requirements is required as a precondition to exemption from such tax, assessment, or other governmental charge by statute or regulation of the U.S. or by an applicable income tax treaty to which the U.S. is a party.

(8) Additional Amounts will not be payable if a payment on the Debentures is reduced as a result of any tax, assessment, or other governmental charge that is collected or imposed by any method other than by withholding from a payment on the applicable security by us or any paying agent.

(9) Additional Amounts will not be payable if a payment on the Debentures is reduced as a result of any tax, assessment, or other governmental charge that is imposed or withheld by reason of a change in law, regulation, or administrative or judicial interpretation that becomes effective more than 15 days after the payment becomes due or is duly provided for, whichever occurs later.

(10) Additional Amounts will not be payable if a payment on the Debentures is reduced as a result of any tax, assessment, or other governmental charge that is imposed or withheld by reason of the presentation by the beneficial owner for payment more than 30 days after the date on which such payment becomes due or is duly provided for, whichever occurs later.

(11) Additional Amounts will not be payable if a payment on the Debentures is reduced as a result of any:

- estate tax;
- inheritance tax;
- gift tax;
- sales tax;
- excise tax;

- transfer tax;
- wealth tax;
- personal property tax; or
- any similar tax, assessment, withholding, deduction or other governmental charge.

(12) Additional Amounts will not be payable if a payment on the Debentures is reduced as a result of any tax, assessment, or other governmental charge required to be withheld by any paying agent from a payment of principal or interest on the applicable Debenture if that payment can be made without such withholding by any other paying agent.

(13) Additional Amounts will not be payable if a payment on the Debentures is reduced as a result of any tax, assessment, or other governmental charge that is required to be made pursuant to any EU Directive on the taxation of savings income or any law implementing or complying with, or introduced to conform to, any such Directive. See "European Union Savings Tax Directive".

(14) Additional Amounts will not be payable if a payment on the Debentures is reduced as a result of any combination of items (1) through (13) above.

Except as specifically provided under "— Payment of Additional Amounts", we will not be required to make any payment of any tax, assessment, or other governmental charge imposed by any government, political subdivision, or taxing authority of that government. In addition, the obligation to pay additional amounts will constitute a Tax Event and will allow for the redemption of the Debentures upon the terms described herein.

As used in this Prospectus a "**non-U.S. person**" is a person other than a U.S. person, as that term is defined in "Certain U.S. Federal Income Tax Consequences — U.S. Holders".

## Redemption

We have the right to redeem each series of the Debentures:

- (i) in whole but not in part, at any time prior to September 15, 2017 at the applicable make-whole redemption amount as described below;
- (ii) in whole but not in part prior to September 15, 2017 at the applicable make-whole redemption amount as described below, within 90 days following the occurrence of a Tax Event, except that to the extent a Tax Event occurs as a result of the requirement to pay Additional Amounts as described above, the requirement to act within 90 days does not apply and we may redeem the Debentures of such series at any time while such Tax Event is continuing (in each such case, a "**Tax Event Redemption**"); or
- (iii) in whole or in part from time to time beginning on September 15, 2017, at the redemption amount as described below; provided that if the Debentures of a series are not redeemed in whole, at least £50,000,000 in the case of the Sterling Debentures, or at least €50,000,000 in the case of the Euro Debentures, in aggregate principal amount (excluding Debentures held by us or any of our affiliates) must remain outstanding immediately after any such partial redemption.

Notwithstanding the foregoing, we may not redeem the Debentures of a series for any reason during an Extension Period for such series, other than a redemption in whole or in part on an End Date for such series on which all accrued and unpaid interest due and payable, including any Additional Interest, has been paid on all outstanding Debentures of such series for all Interest Periods terminating on or prior to the redemption date.

If less than all the Debentures of a series are to be redeemed, we will give the Trustee notice not less than 60 days prior to the redemption date as to the aggregate principal amount of Debentures of such series to be redeemed, and the Trustee shall select or cause to be selected, in such manner as in its sole discretion it shall deem appropriate

and fair, the Debentures or portions thereof to be redeemed. Debentures of a series may be redeemed in part only in a principal amount equal to an authorized denomination thereof.

#### *Redemption Amount*

In the case of a redemption prior to September 15, 2017, the redemption amount for the Debentures will be equal to the Euro Make-Whole Redemption Amount or the Sterling Make-Whole Redemption Amount, as applicable, plus accrued and unpaid interest, including Additional Interest, if any, plus (in the event of a Tax Event Redemption) Additional Amounts, if any, to the date of redemption. In the case of a redemption on or after September 15, 2017, the redemption amount will be 100% of the principal amount of the Debentures being redeemed, plus accrued and unpaid interest, including Additional Interest, if any, to the date of redemption.

For the purpose of determining the Euro Make-Whole Redemption Amount or the Sterling Make-Whole Redemption Amount, as applicable, in the event the Debentures are redeemed prior to September 15, 2017, the following definitions will apply:

**"Euro Make-Whole Redemption Amount"** means, in respect of the Euro Debentures, (a) the principal amount of such Debentures or, if higher, (b) the present value of all future payments of principal and interest (exclusive of interest accrued to the redemption date) on the Euro Debentures (assuming for this purpose that the Euro Debentures are to be redeemed at their principal amount on September 15, 2017) discounted at the then current yield on the 4.250% German Bundesobligationen due July 2017 (or, if such security is no longer in issue, such other German Bundesobligationen in issue on or about the Reference Date as an Independent Investment Bank may, with the advice of the Euro Reference Market Makers, determine to be appropriate by way of substitution for the 4.250% German Bundesobligationen due July 2017) plus (A) 0.550% in the case of a Tax Event Redemption and (B) 0.210% in all other cases, all as determined by an Independent Investment Bank;

**"Euro Reference Market Makers"** means three brokers or market makers of European government bonds selected by GE Capital;

**"Independent Investment Bank"** means one of the Euro Reference Market Makers or Sterling Reference Market Makers, as the case may be, selected by GE Capital, or if such firm is unwilling or unable to serve as such, an independent investment and banking institution of national standing appointed by GE Capital;

**"Reference Date"** means the date which is three Business Days prior to the date fixed for redemption;

**"Sterling Gross Redemption Yield"** means, with respect to a security for the purpose of determining the Sterling Make-Whole Redemption Amount, the gross redemption yield on such security (as calculated by an Independent Investment Bank on the basis set out in the United Kingdom Debt Management Office in the paper "Formulae for Calculating Gilt Prices from Yields" page 4, Section One: Price/Yield Formulae "Conventional Gilts; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date" (published on June 8, 1998 and updated on January 15, 2002 and as further updated or amended) on a semi-annual compounding basis (converted on an annualized yield and rounded up (if necessary) to four decimal places));

**"Sterling Make-Whole Redemption Amount"** means, in respect of the Sterling Debentures, (a) the principal amount of such Debentures or, if higher, (b) the present value of all future payments of principal and interest (exclusive of interest accrued to the redemption date) on the Sterling Debentures (assuming for this purpose that the Sterling Debentures are to be redeemed at their principal amount on September 15, 2017) discounted at the Sterling Gross Redemption Yield (determined by reference to the middle market price) at 11:00 a.m., London time, on the Reference Date of the Sterling Reference Bond plus (A) 0.640% in the case of a Tax Event Redemption, or (B) 0.240% in all other cases, all as determined by an Independent Investment Bank;

**"Sterling Reference Bond"** means the 4.000% Treasury Stock due September 2016, or if such stock is no longer in issue such other United Kingdom government stock with a maturity date as near as possible to September 15, 2017, as an Independent Investment Bank may, with the advice of the Sterling Reference Market Makers, determine to be appropriate by way of substitution for the 4.000% Treasury Stock due September 2016;

**"Sterling Reference Market Makers"** means three brokers or market makers of gilts selected by GE Capital;

**"Tax Action"** means any of (a) an amendment to, change in or announced proposed change in the laws (or any regulations thereunder) of the United States or any political subdivision or taxing authority thereof or therein, (b) a judicial decision interpreting, applying or clarifying such laws or regulations, (c) an administrative pronouncement or action that represents an official position (including a clarification of an official position) of the governmental authority or regulatory body making such administrative pronouncement or taking such action, or (d) a threatened challenge asserted in connection with an audit of GE Capital or any of GE Capital's affiliates, or a threatened challenge asserted in writing against any other taxpayer that has raised capital through the issuance of securities that have substantial similarities to the Debentures, which amendment or change is adopted or which proposed change, decision or pronouncement is announced or which action, clarification or threatened challenge occurs on or after the Issue Date; and

**"Tax Event"** means that GE Capital shall have requested and received an opinion of nationally recognized independent tax counsel experienced in such matters to the effect that as a result of a Tax Action there is more than an insubstantial risk that (a) all or any portion of the interest payable by GE Capital with respect to the Debentures is not, or will not be, deductible as accrued by GE Capital for United States federal income tax purposes, or (b) GE Capital would be required to pay Additional Amounts on the next Interest Payment Date with respect to the applicable series of Debentures. For purposes of this definition, the time when interest accrues shall be determined under the Internal Revenue Code of 1986, as amended, and the Treasury regulations thereunder, all as in effect as of the Issue Date.

## **Subordination**

The Debentures will rank *pari passu* among themselves and with each other series of debt securities established under the Indenture (unless otherwise provided with respect to such series of debt securities), including our €950,000,000 4.625% Fixed to Floating Rate EU Subordinated Debentures due 2066 and our £400,000,000 5.500% Fixed to Floating Rate GBP Subordinated Debentures due 2066 issued on September 15, 2006, and will be subordinated to all of our existing and future Senior Indebtedness, as defined below, including the Subordinated Notes, as defined below. This means that no payment of principal (including redemption payments), premium, if any, or interest on the Debentures may be made if:

- any principal, premium, interest, or any other payment due on any of our Senior Indebtedness has not been paid when due and that default continues; or
- the maturity of any of our Senior Indebtedness has been accelerated because of a default and the accelerated amount has not been paid.

Upon any distribution of our assets to creditors upon any dissolution, winding-up, liquidation, or reorganization of GE Capital, whether voluntary or involuntary or in bankruptcy, insolvency, receivership, or similar proceedings, all amounts due on all Senior Indebtedness must be paid in full before the holders of Debentures are entitled to receive or retain any payment.

If we violate the Indenture by making a payment to holders of the Debentures in violation of the provisions described above, then the holders of the Debentures will be deemed to have received the payments or distributions for the benefit of, and will have to pay or transfer the payments to, the holders of the Senior Indebtedness outstanding at the time.

Because of the subordination, if we become insolvent, holders of Senior Indebtedness may receive more, and holders of the Debentures having a claim thereunder may receive less, than our other creditors. This type of subordination will not prevent an Event of Default from occurring under the Indenture in connection with the Debentures.

After all Senior Indebtedness is paid in full and until the Debentures are paid in full, the rights of the holders of the Debentures will be subrogated to the rights of holders of our Senior Indebtedness to receive payments or distributions applicable to Senior Indebtedness. Senior Indebtedness will continue to be Senior Indebtedness and be entitled to the benefits of the subordination provisions regardless of any amendment, modification, or waiver of any term of such Senior Indebtedness.

Except as described below, the term "**Senior Indebtedness**" means, with respect to GE Capital:

- (i) the principal of, premium, if any, and interest on, all GE Capital's indebtedness for money borrowed, excluding the Debentures but including, without limitation, the Subordinated Notes;
- (ii) obligations of GE Capital arising from any guaranty, letter of credit or similar credit enhancement (including, without limitation, obligations arising from off-balance sheet guarantees and direct credit substitutes);
- (iii) obligations of GE Capital associated with derivative products such as interest rate and foreign exchange rate swaps, forward sales of interests in commodities, and similar arrangements; and
- (iv) obligations of GE Capital for purchased money,

in each case, whether outstanding on the date of execution of the Indenture or thereafter created, assumed or incurred, and any deferrals, renewals or extensions thereof *provided*, however, that Senior Indebtedness shall not include (A) any accounts payable or other liability to trade creditors (other than those obligations referenced in items (ii) and (iii) above) arising in the ordinary course of business (including instruments evidencing such liabilities), (B) any indebtedness, guarantee or obligation of GE Capital which is on parity in right of payment with or expressly subordinate or junior in right of payment to the Debentures, or (C) any obligations with respect to any capital stock (including, without limitation, common and preferred stock).

The term "**indebtedness for money borrowed**" as used herein shall include, without limitation, any obligation of GE Capital for the repayment of borrowed money, whether or not evidenced by bonds, debentures, notes or other written instruments, and any deferred obligation for the payment of the purchase price of property or assets.

The term "**Subordinated Notes**" means all securities issued under (a) the Seventh Amended and Restated Fiscal and Paying Agency Agreement dated as of July 1, 2005 among GE Capital, GE Capital Canada Funding Company, GE Capital Australia Pty Ltd., GE Capital European Funding, GE Capital UK Funding and JPMorgan Chase Bank, N.A., as fiscal and principal paying agent as supplemented by the Supplemental Fiscal and Paying Agency Agreement dated September 15, 2005, or (b) the Amended and Restated Subordinated Debt Indenture, dated as of July 15, 2005, between GE Capital and JPMorgan Chase Bank, N.A., as trustee thereunder, in each case as amended from time to time (provided that the terms of the subordination of payments on amounts due and payable from available funds in such documentation is not altered in any material respect), and other subordinated securities on parity in right of payment with such Subordinated Notes. As of June 30, 2007, our consolidated long-term indebtedness that would have been senior to the Debentures aggregated approximately \$278,962 million (including \$4,960 million of Subordinated Notes, as defined herein).

### **Restrictions on Certain Payments**

If (1) we shall have, or shall be deemed to have, exercised our option to defer payments of interest on a series of Debentures, as described above under the heading "— Option to Defer Interest Payments", or (2) Debentures of either series remain outstanding and there shall have occurred and be continuing an Event of Default under the Indenture then we will not, and will not permit any Subsidiary to:

- (i) declare or pay dividends or distributions on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of GE Capital's capital stock (which includes common and preferred stock);

(ii) make any payment of principal of or interest or premium on or repurchase or redeem any other subordinated indebtedness of GE Capital that ranks *pari passu* with or junior in interest to the Debentures; or

(iii) make any guaranty payments with respect to any subordinated guarantee of GE Capital of the indebtedness of any Subsidiary of GE Capital if such guaranty ranks *pari passu* with or junior in interest to the Debentures;

*provided*, however, that during any period, including an Extension Period, we shall be permitted to: (a) declare or pay dividends or distributions in Common Stock of GE Capital, (b) declare a dividend in connection with the implementation of a stockholders' rights plan or issue stock under any such plan in the future or redeem or purchase any such rights pursuant thereto, and (c) purchase Common Stock related to the issuance of Common Stock or rights under any of GE Capital's benefit plans for its directors, officers or employees; and *provided further* that where debt securities of different series issued under the Indenture containing a deferral feature similar to the deferral feature of the Debentures are subject to Extension Periods terminating at different times or in other circumstances where the payment of deferred interest cannot be made simultaneously on all such debt securities (including the Debentures) subject to an Extension Period, we will be permitted to make payments of interest due on particular debt securities of each such series (including the Debentures) at the end of the Extension Period with respect thereto, but only if the amounts (not yet due and payable) that will be required to be paid at the close of an Extension Period with respect to all other series of such debt securities have been deposited with the Trustee and held for application when such amounts become due and payable.

In connection with the issuance of the Debentures, GE Company will covenant that, if GE Capital declares, pays or makes any dividends, distributions or other payments to GE Company or any of its Subsidiaries during an Extension Period or when an Event of Default has occurred and is continuing, in either case in violation of the restrictions described above, for so long as such restrictions are in effect and are applicable to outstanding debt securities issued under the Indenture, GE Company shall promptly return, or cause the return, to GE Capital of all such dividends, distributions, and other payments.

A "**Subsidiary**" shall mean (a) any corporation of which GE Capital directly or indirectly owns or controls at that time at least a majority of the outstanding stock having under ordinary circumstances (not dependent upon the happening of a contingency) voting power to elect a majority of the board of directors of such corporation or (b) any other person (other than a corporation) in which GE Capital directly or indirectly has at least a majority ownership interest and power to direct the policies, management and affairs thereof.

The term "**Common Stock**" means the common stock, currently having a par value of \$14 per share, of GE Capital.

### **Limitation on Mergers and Sales of Assets**

The Indenture generally permits a consolidation or merger between us and another entity. It also permits the sale or transfer by us of all or substantially all of our assets. These transactions are permitted if:

- the resulting or acquiring entity, if other than us, is organized and existing under the laws of the United States of America or a state thereof and expressly assumes all of our obligations under the Indenture including the due and punctual payment of the principal of, and premium, if any, and interest (including Additional Interest), if any, on all the Debentures outstanding; and
- immediately after the transaction, we or any successor company are not in default in the performance of any covenant or condition under the Indenture.

Upon any consolidation, merger, or transfer of this kind, the resulting or acquiring entity will be substituted for us in the Indenture with the same effect as if it had been an original party to the Indenture. As a result, the successor entity may exercise our rights and powers under the Indenture, and we will be released from further liabilities and obligations under the Indenture and under the Debentures.

## Events of Default, Waiver and Notice

The Indenture provides that the following events, if they have occurred and are continuing, are Events of Default relating to a series of Debentures:

- default in the payment of any installment of interest, including any Additional Interest, upon any Debenture of such series as and when the same shall become due and payable (subject to deferral during any Extension Period, and, for the avoidance of doubt, other than any interest that is due and payable solely by reason of a redemption of the Debentures of such series), and continuance of such default for a period of 30 days;
- default in the payment of principal of any Debenture of such series as and when the same shall become due and payable at its Maturity Date; or
- certain events involving the bankruptcy, insolvency, or reorganization of GE Capital.

If an Event of Default occurs and is continuing with respect to a series of Debentures, then, unless the principal of all of the Debentures of such series shall have already become due and payable, either the Trustee or the holders of not less than 25% in aggregate principal amount of the outstanding Debentures of that series may declare the principal of and all accrued but unpaid interest, including Additional Interest, on the Debentures of such series to be due and payable immediately. The holders of a majority in aggregate outstanding principal amount of that series of Debentures may annul such declaration in certain circumstances and waive the default.

Prior to any declaration accelerating the maturity of a series of Debentures, the holders of a majority in aggregate principal amount of such series of Debentures generally may waive on behalf of the holders of all of that series of Debentures any past default or Event of Default or non-compliance under the Indenture other than:

- a default or non-compliance in the payment of interest (including any Additional Interest), if any, on, or the principal of or premium, if any, on Debentures of such series or in the payment of any installment or analogous obligation with respect to such Debentures; or
- a default or non-compliance in respect of a covenant or provision of the Indenture that cannot be modified or amended without the consent of each holder of the Debentures affected.

The holders of a majority in aggregate principal amount of the Debentures of any outstanding series will have the right to direct the time, method, and place of conducting any proceeding for any remedy available to or exercising any power of the Trustee under the Indenture. However, the holders of those Debentures must offer to the Trustee reasonable indemnity against expenses and liabilities.

Subject to the subordination provisions, described above under the heading "— Subordination", the right of any holder of Debentures to receive payment of the principal of and premium, if any, and interest, including Additional Interest, on Debentures on or after the due dates therefor (whether upon redemption, by declaration, repayment or otherwise) or to institute suit for the enforcement of any of these payment provisions will not be impaired or affected without the consent of that holder, except in the case of a declaration, which may be annulled in certain circumstances, as mentioned above.

The Trustee is required to notify all holders of the Debentures of the occurrence of any Event of Default.

We are required to file an officers' certificate with the Trustee each year that states, to the knowledge of the certifying officer, whether or not any default, or non-compliance by the Company in the performance of any covenants or conditions in the Indenture, exists under the terms of the Indenture.

The Supplemental Indenture does not establish any Events of Default with respect to the Debentures in addition to the Events of Default under the Indenture described herein.

## **Modification of Indenture**

Under the Indenture, our rights and obligations and the rights of holders of the Debentures may be modified or amended with the consent of the holders of at least 66⅔% in aggregate principal amount of the outstanding debt securities of each series affected by the modification or amendment, each such series voting as one class. However, no modification or amendment may, without the consent of the holders of each Debenture affected:

- change the fixed maturity of any Debenture;
- reduce the rate or extend the time of payment of interest (including Additional Interest, if any) on that Debenture;
- reduce the principal amount or premium, if any, on any Debenture;
- make the principal of, or interest, if any, or premium, if any, on, the Debentures payable in any coin or currency other than that provided for in the Debentures;
- impair or affect the right of any holder of those Debentures to institute suit for the payment of those Debentures; or
- reduce the percentage in principal amount of outstanding Debentures of any series the holders of which are required to consent to a waiver, modification or amendment of the Indenture.

If the consent of the holder of each outstanding Debenture is required for the modification, the modification will not be effective until each such holder has consented to the modification.

We and the Trustee may enter into, without the consent of any holder of Debentures, any supplemental indenture under the Indenture, in order, among other reasons, to add to the covenants of GE Capital, to cure any ambiguity, to create any new series of debt securities to be issued under the Indenture, to make any change in or additions to the Indenture that generally do not materially adversely affect the interests of the holders of debt securities or to add a requirement that regulatory approval be required prior to any redemption of a series (including any already existing series) of debt securities issued under the Indenture (including the Debentures) that can be effected at the option of GE Capital.

## **Satisfaction and Discharge**

We may discharge most of our obligations under the Indenture if the Debentures have already been delivered to the Trustee for cancellation or the Debentures have either become due and payable or are by their terms due and payable within one year, or are to be called for redemption within one year. We discharge our obligations by depositing with the Trustee an amount sufficient to pay when due the principal of and premium, if any, and interest on all outstanding Debentures.

The obligations under the Indenture to register the transfer or exchange of Debentures, to replace stolen, lost, or mutilated Debentures and to maintain paying agents and hold monies for payment in trust will continue, even if we exercise our satisfaction and discharge option.

## **Book-Entry and Settlement**

Payment of principal of, premium, if any, or interest, if any, on Debentures in global form registered in the name of or held by the Common Depositary or its nominee will be made in immediately available funds to the Common Depositary or its nominee, as the case may be, as the registered holder of such global Debenture.

Book-Entry Interests in the Debentures owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional eurobonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream Holders on the Business Day following the

settlement date against payment for value on the settlement date. The Book-Entry Interests will trade through participants of Euroclear or Clearstream and will settle in same-day funds. See "Global Clearance and Settlement".

Except in limited circumstances, owners of beneficial interests in a global Debenture will not be entitled to receive physical delivery of Debentures in certificated form and will not be considered the holders, as defined in the Indenture, of that global security for any purpose under the Indenture.

A global Debenture is only exchangeable for another global Debenture of like denomination to be registered in the name of the Common Depository or its nominee or to a successor depository or its nominee. The global securities may not be transferred except by the depository to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository or to a successor depository or its nominee. This means that each beneficial owner must rely on the procedures of the depository, or if that beneficial owner is not a participant, on the procedures of the participant through which the person owns its interest, to exercise any rights of a holder under the Indenture.

### **Transfer and Exchange**

A holder may transfer or exchange Debentures in accordance with the Indenture. The registrar and the Trustee may require a holder of a Debenture, among other things, to furnish appropriate endorsements and transfer documents. No service charge will be imposed by GE Capital, the Trustee or the registrar for any registration of transfer or exchange of Debentures, but GE Capital may require a holder to pay a sum sufficient to cover any transfer tax or other governmental taxes and fees required by law or permitted by the Indenture. GE Capital is not required to transfer or exchange any Debenture selected for redemption. Also, GE Capital is not required to transfer or exchange any Debenture for a period of 15 days before a selection of Debentures to be redeemed.

Ownership of interests in the Debentures in global form and interests therein will be subject to restrictions on transfer and certification requirements summarized under "Notice to Investors".

### **Governing Law**

The Indenture, the Supplemental Indenture and the Debentures will be governed by, and construed in accordance with, the laws of the State of New York.

### **Notices**

Notices regarding the Debentures will be sent to a leading newspaper having general circulation in London (which is expected to be *The Financial Times*) and through the newswire service of Bloomberg (or if Bloomberg does not then operate, any similar agency). Additionally, in the event the Debentures are in the form of definitive Debentures, notices will be sent, by first-class mail, with a copy to the Trustee, to each holder at such holder's address as it appears on the registration books of the registrar. If and so long as such Debentures are listed on any securities exchange, notices will also be given in accordance with any applicable requirements of such securities exchange. If and so long as any Debentures are represented by one or more global Debentures and ownership of Book-Entry Interests therein are shown on the records of Euroclear, Clearstream or any successor clearing agency appointed by the Common Depository at the request of GE Capital, notices will be delivered to such clearing agency for communication to the owners of such Book-Entry Interests. Notices given by publication will be deemed given on the first date on which publication is made and notices given by first-class mail, postage prepaid, will be deemed given five calendar days after mailing.

### **The Trustee**

We and certain of our affiliates have from time to time maintained deposit accounts and conducted other banking transactions with the Trustee and its affiliated entities in the ordinary course of business. We expect to continue those business transactions. The Trustee also serves as trustee for a number of series of our outstanding indebtedness (including certain of our Senior Indebtedness) under other indentures.

Under the Indenture, we may remove the Trustee and appoint a successor trustee in certain circumstances relating to the Trustee's conflicts of interest or eligibility or ability to continue as Trustee. In addition, the holders of a majority in principal amount of a series of Debentures may remove the Trustee with respect to that series and nominate a successor trustee.

## **Reports**

GE Capital has agreed to file with the Trustee, within 15 days after filing the same with the Commission, copies of the annual reports and of the information, documents and other reports that GE Capital may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Exchange Act or pursuant to Section 314 of the Trust Indenture Act of 1939.

## CERTAIN TERMS OF THE REPLACEMENT COVENANT

We have summarized below certain terms of the replacement covenant that we will enter into around the time of the initial issuance of the Debentures (the "**Replacement Covenant**"). This summary is not a complete description of the Replacement Covenant and is qualified in its entirety by the terms and provisions of the full document.

We will covenant in the Replacement Covenant (x) on the date of the Replacement Covenant for the benefit of holders of our 4.125% Fixed Rate Subordinated Notes Due September 19, 2035 issued in the aggregate principal amount of €750,000,000, and (y) thereafter, for the benefit of persons that buy, hold or sell certain eligible indebtedness, that neither we nor any of our Subsidiaries will repay, redeem or purchase at our option or as a result of a Tax Event any series of Debentures on or before September 15, 2037 except to the extent that (a) the applicable redemption or purchase price does not exceed (i) 200% of the aggregate of proceeds from the sale of Common Stock and rights to acquire Common Stock and the market value of any Common Stock issued in connection with the conversion or exchange of certain securities; *plus* (ii) 100% of the proceeds from the sale of mandatorily convertible preferred stock and certain debt that is exchangeable for equity of GE Capital; *plus* (iii) 100% of the proceeds from the sale of qualifying debt securities or qualifying preferred stock of GE Capital or (b) the Debentures are exchanged for (i) at least an equal aggregate principal amount of qualifying debt securities or aggregate liquidation preference of qualifying preferred stock or mandatorily convertible preferred stock and/or (ii) consideration that includes Common Stock with a market value equal to 50% of the aggregate principal amount of Debentures that are exchanged. For purposes of the Replacement Covenant, the term "repay" includes the defeasance of the Debentures by us as well as the satisfaction and discharge of our obligations under the Indenture with respect to the Debentures.

Our covenants in the Replacement Covenant run only to the benefit of holders of the indebtedness designated as covered debt. The Replacement Covenant is not intended for the benefit of holders of the Debentures and may not be enforced by them, and the Replacement Covenant is not a term of the Indenture or the Debentures.

The Replacement Covenant will have no effect on the absolute and unconditional nature of our obligation to pay the principal amount of (and any accrued and unpaid interest on) the Debentures on the stated Maturity Date or any earlier date of redemption.

Our ability to raise proceeds from qualifying securities during the 180 days prior to any proposed repayment, redemption or repurchase of the Debentures will depend on, among other things, market conditions at that time as well as the acceptability to prospective investors of the terms of those qualifying securities.

Our obligations pursuant to the Replacement Covenant will remain in full force and effect until the earliest to occur of (i) September 15, 2037, (ii) the date on which the Debentures are otherwise paid, redeemed, defeased or purchased in full in compliance with the Replacement Covenant; (iii) the date, if any, on which the holders of a majority by principal amount of the then-outstanding covered debt consent to the termination of the Replacement Covenant and the obligations of GE Capital thereunder; (iv) the date on which GE Capital no longer has any series of outstanding eligible indebtedness covered by the Replacement Covenant; and (v) the date on which the Debentures are accelerated as a result of an event of default.

## CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

This section describes the material U.S. federal income tax consequences of the purchase, ownership and disposition of Debentures. It applies to you only if you acquire Debentures upon their original issuance at their original offering price, and you hold your Debentures as capital assets for tax purposes. This section does not apply to you if you are a member of a class of holders subject to special rules, such as:

- a dealer in securities or currencies;
- a trader in securities that elects to use a mark-to-market method of accounting;
- a bank;
- a life insurance company;
- a tax-exempt entity;
- a person that owns the Debentures as part of a hedge, straddle or conversion transaction; or
- a U.S. Holder (as defined below) whose functional currency for tax purposes is not the U.S. dollar.

This section is based on the Internal Revenue Code of 1986, as amended (the "**Code**"), Treasury regulations, Internal Revenue Service ("**IRS**") rulings and pronouncements, and judicial decisions, all as currently in effect, and all of which are subject to change at any time with retroactive effect.

If a partnership holds Debentures, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding Debentures should consult its tax adviser regarding the U.S. federal income tax treatment of an investment in the Debentures.

Prospective investors should consult their tax advisers to determine the specific tax consequences to them of purchasing, owning and disposing of Debentures, including the application of the U.S. federal income tax considerations discussed below to their particular circumstances, and the effect of any state, local or foreign tax laws.

*IRS Circular 230 Notice.* To ensure compliance with IRS Circular 230, prospective investors are hereby notified that: (a) any discussion of U.S. federal tax issues contained or referred to in this Prospectus or any document referred to herein is not intended or written to be used, and cannot be used by prospective investors for the purpose of avoiding penalties that may be imposed on them under the Code; (b) such discussion was written in connection with the promotion or marketing of the transactions or matters addressed herein; and (c) prospective investors should seek advice based on their particular circumstances from an independent tax adviser.

### Classification of the Debentures

The determination of whether an instrument should be classified as debt or equity for U.S. federal income tax purposes is based on all relevant facts and circumstances. No statutory, judicial or administrative authority directly addresses the U.S. federal income tax treatment of an instrument similar to the Debentures. Based upon an analysis of the relevant facts and circumstances, Cahill Gordon & Reindel LLP, special tax counsel to us, will provide us with an opinion generally to the effect that, although the matter is not free from doubt and there is no authority directly on point, the Debentures will be treated as indebtedness of GE Capital for U.S. federal income tax purposes. That opinion will be based on then current law and representations provided by us and certain other persons. That opinion will also assume full compliance with the terms of the Indenture, the Supplemental Indenture and certain other documents. We, and by acceptance of a Debenture, each holder, covenant to treat the Debentures as indebtedness for all U.S. tax purposes.

An opinion of tax counsel is not binding on the IRS or the courts. No rulings have been or are expected to be sought from the IRS regarding the Debentures, and no assurance can be given that the IRS will not take a position contrary to any of those described in this summary. Moreover, no assurance can be given that the opinion expressed in this summary will not be challenged by the IRS or, if challenged, will be sustained. Unless otherwise indicated, the remainder of this discussion assumes that the Debentures will be characterized as indebtedness for U.S. federal income tax purposes.

## U.S. Holders

This subsection describes the tax consequences to a "U.S. Holder". You are a U.S. Holder if you are a beneficial owner of a Debenture and are a U.S. person. For purposes of this discussion, a U.S. person is:

- a citizen or resident of the U.S.;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the U.S., any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if (a) a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorized to control all substantial decisions of the trust, or (b) the trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

As used in this summary, the term "**Non-U.S. Holder**" means a beneficial owner of Debentures that is not a U.S. Holder. If you are a Non-U.S. Holder, this subsection does not apply to you, and you should refer to "— Non-U.S. Holders" below.

### *Interest Income and Original Issue Discount*

Under applicable Treasury regulations, a "remote" contingency that stated interest will not be timely paid will be ignored in determining whether a debt instrument is issued with original issue discount ("**OID**"). We believe that the likelihood of our exercising our option to defer payments of interest on the Debentures is remote within the meaning of the regulations. As a result, although the matter is not free from doubt, we believe that the Debentures will not be considered to be issued with OID. Accordingly, interest paid on the Debentures should be taxable to a U.S. Holder as ordinary interest income when it accrues or is received, in accordance with such U.S. Holder's method of accounting for U.S. federal income tax purposes. No assurance can be given, however, that the IRS or a court will agree with this position.

If the possibility of interest deferral were determined not to be remote, or if interest were in fact deferred, the Debentures would be treated as issued with OID at the time of issuance or such deferral, as the case may be. All interest payable on the Debentures after original issuance or such a deferral, as the case may be, would thereafter be treated as OID as long as the Debentures remained outstanding. If the Debentures were treated as issued with OID, a U.S. Holder would be required to include stated interest on the Debentures in income on an economic accrual basis, regardless of such holder's regular method of tax accounting, and actual payments of interest would not be reported as taxable income but would reduce the holder's tax basis in the Debentures. Consequently, a U.S. Holder would be required to include OID in gross income during an Extension Period even though the holder would not receive any cash payments during that period.

No rulings or other interpretations have been issued by the IRS that address the meaning of the term "remote" as used in the applicable Treasury regulations, and it is possible that the IRS could take a position contrary to the interpretation above. The remainder of this discussion assumes that the Debentures will not be issued with OID.

If you use the cash method of tax accounting, the amount of interest income that you will realize will be the U.S. dollar value of the euros or pounds sterling that you receive based on the exchange rate in effect on the date of receipt, regardless of whether you convert the payment into U.S. dollars.

If you are an accrual basis taxpayer, the amount of interest income that you will realize will be based on the average exchange rate in effect during the interest accrual period. Alternatively, as an accrual basis taxpayer, you may elect to translate all interest income at the spot rate in effect on (a) the last day of an accrual period, or the last day of the taxable year within such accrual period if the period spans more than one taxable year, or (b) the date that you receive the interest payment if that date is within five business days of the end of the accrual period. If you make this election, you must apply it consistently to all debt instruments from year to year, and you cannot change the election without the consent of the IRS. If you use the accrual method of tax accounting, you will recognize foreign currency gain or loss on the receipt of an interest payment in euros or pounds sterling if the exchange rate in

effect on the date that you receive the payment differs from the rate applicable to a previous accrual of that interest income. The foreign currency gain or loss will be treated as ordinary income or loss, but generally will not be treated as an adjustment to interest income received on the Debenture.

#### *Sale, Exchange, Redemption or Retirement of Debentures*

Upon the sale, exchange, redemption or retirement of a Debenture, you will generally recognize gain or loss equal to the difference between the amount realized on the sale, exchange, redemption or retirement and your adjusted tax basis in the Debenture. For these purposes, the amount realized does not include any amount attributable to accrued but unpaid interest, which will be taxable as ordinary income if not previously included in income.

The adjusted tax basis of a Debenture will generally be the U.S. dollar value of the purchase price on the date of purchase calculated at the spot rate of exchange on that date. Upon the disposition of a Debenture, the amount realized will be the U.S. dollar value of the euro or pounds sterling received calculated at the spot rate of exchange on the date of disposition.

If the Debentures are traded on an established securities market, a U.S. Holder that uses the cash method of tax accounting, and if it so elects, a U.S. Holder that uses the accrual method of tax accounting, will determine the U.S. dollar value of the amount of euro or pounds sterling realized by translating that amount at the spot rate of exchange on the settlement date of the disposition. The election available to accrual basis U.S. Holders must be applied consistently to all debt instruments from year to year, and cannot be changed without the consent of the IRS.

Gain or loss realized on the sale, exchange, redemption or retirement of a Debenture will generally be capital gain or loss, and will be long-term capital gain or loss if the Debenture has been held for more than one year. Long-term capital gains of an individual are eligible for preferential rates. The deductibility of capital losses is subject to limitations.

Gain or loss on a disposition of a Debenture that is attributable to changes in exchange rates during the period in which you held the Debenture will generally be treated as ordinary income or loss. Such exchange gain or loss will be recognized, however, only to the extent of the total gain or loss realized on the disposition.

#### *Transactions in Euro and Pounds Sterling*

Euro or pounds sterling received as interest on, or on a disposition of, a Debenture will have a tax basis equal to their U.S. dollar value at the time such amounts are received. The amount of gain or loss recognized on the sale or other disposition of such euro or pounds sterling will be equal to the difference between (a) the amount of U.S. dollars, or the fair market value in U.S. dollars of other property received in such sale or other disposition, and (b) the U.S. Holder's tax basis in such euro or pounds sterling.

If you purchase a Debenture with euro or pounds sterling, you will generally recognize gain or loss in an amount equal to the difference between your tax basis in such euro or pounds sterling and the fair market value in U.S. dollars of such Debenture on the date of purchase. Any such gain or loss will generally be ordinary income or loss and will not be treated as interest income or expense. In general, if you convert U.S. dollars into euro or pounds sterling and immediately use those euros or pounds sterling to purchase a Debenture, you should not realize exchange gain or loss on the conversion of the U.S. dollars.

#### *Information Reporting and Backup Withholding*

Information reporting requirements generally apply to payments on the Debentures to, and the proceeds from a sale or other disposition of the Debentures by, a non-corporate U.S. Holder. A U.S. Holder will be subject to backup withholding tax on those payments if the U.S. Holder fails to provide its taxpayer identification number to the paying agent and comply with certain certification procedures, or otherwise establish an exemption from backup withholding. Any backup withholding from a payment to a U.S. Holder will be allowed as a credit against such U.S.

Holder's U.S. federal income tax liability and may entitle such U.S. Holder to a refund, provided the required information is furnished to the IRS.

## **Non-U.S. Holders**

### *U.S. Withholding Tax*

Assuming that the Debentures will be respected as indebtedness for U.S. federal income tax purposes, no withholding of U.S. federal income tax will apply to a payment on the Debentures to a Non-U.S. Holder under the "Portfolio Interest Exemption" provided that:

- that payment is not effectively connected with the Non-U.S. Holder's conduct of a trade or business in the U.S.;
- the Non-U.S. Holder does not actually or constructively own 10% or more of the total combined voting power of all classes of our stock entitled to vote;
- the Non-U.S. Holder is not a controlled foreign corporation that is related directly or constructively to us through stock ownership; and
- the Non-U.S. Holder provides to the withholding agent, in accordance with specified procedures, a statement to the effect that the holder is not a U.S. person.

If a Non-U.S. Holder cannot satisfy the requirements of the Portfolio Interest Exemption described above, payments on the Debentures to a Non-U.S. Holder should be subject to a 30% U.S. federal withholding tax, unless the holder provides the withholding agent with a properly executed statement (a) claiming an exemption from or reduction of withholding under an applicable U.S. income tax treaty; or (b) stating that the payment on the Debentures is not subject to withholding tax because it is effectively connected with that holder's conduct of a trade or business in the U.S.

If, contrary to the opinion of our special tax counsel, the Debentures were treated as equity, payments on the Debentures would generally be subject to U.S. withholding tax imposed at a 30% rate, or a lower rate under an applicable treaty.

### *U.S. Trade or Business*

If a Non-U.S. Holder is engaged in a trade or business in the U.S., or, if certain tax treaties apply, if the Non-U.S. Holder maintains a permanent establishment within the U.S., and the interest on the Debentures is effectively connected with the conduct of that trade or business, or permanent establishment, as applicable, that Non-U.S. Holder will be subject to U.S. federal income tax on the interest on a net income basis in the same manner as if that holder were a U.S. Holder. In addition, a Non-U.S. Holder that is a foreign corporation that is engaged in a trade or business in the U.S. might be subject to a branch profits tax at a 30% rate, or a lower rate under an applicable treaty.

### *Sale, Exchange, Redemption or Retirement of Debentures*

Any gain recognized on the sale, exchange, redemption or retirement of a Debenture generally will not be subject to U.S. federal income tax unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the U.S., or, if certain tax treaties apply, is attributable to a permanent establishment maintained by the Non-U.S. Holder within the U.S.; or
- the Non-U.S. Holder is an individual who is present in the U.S. for 183 days or more in the taxable year of the disposition and certain other conditions are met.

### *Information Reporting and Backup Withholding*

In general, information reporting and backup withholding will not apply to a payment of interest on a Debenture to, or proceeds from the disposition of a Debenture by, a Non-U.S. Holder, in each case, if the holder certifies under penalties of perjury that it is a Non-U.S. Holder and neither we nor our paying agent has actual knowledge to the contrary. Any amounts withheld under the backup withholding rules will be allowed as a credit against the Non-U.S. Holder's U.S. federal income tax liability, provided the required information is furnished to the IRS.

THE U.S. FEDERAL INCOME TAX DISCUSSION ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY NOT BE APPLICABLE DEPENDING UPON A HOLDER'S PARTICULAR SITUATION. HOLDERS SHOULD CONSULT THEIR TAX ADVISERS REGARDING THE TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF DEBENTURES, INCLUDING THE TAX CONSEQUENCES UNDER STATE, LOCAL, FOREIGN AND OTHER TAX LAWS.

## ERISA CONSIDERATIONS

Each fiduciary of a pension, profit-sharing or other employee benefit plan (a "**plan**") subject to the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), should consider the fiduciary standards of ERISA in the context of the plan's particular circumstances before authorizing an investment in the Debentures. Accordingly, among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the plan, and whether the investment would involve a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

Section 406 of ERISA and Section 4975 of the Code prohibit plans, as well as individual retirement accounts and Keogh plans subject to Section 4975 of the Code (also "**plans**") from engaging in certain transactions involving "plan assets" with persons who are "parties in interest" under ERISA or "disqualified persons" under the Code ("**parties in interest**") with respect to the plan or account. A violation of these prohibited transaction rules may result in civil penalties or other liabilities under ERISA and/or an excise tax under Section 4975 of the Code for those persons, unless exemptive relief is available under an applicable statutory, regulatory or administrative exemption. Certain employee benefit plans and arrangements including those that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA) ("**non-ERISA arrangements**") are not subject to the requirements of ERISA or Section 4975 of the Code but may be subject to similar provisions under applicable federal, state, local, non-U.S. or other regulations, rules or laws ("**similar laws**").

The acquisition of the Debentures by a plan with respect to which GE Capital or certain of its affiliates is or becomes a party in interest may constitute or result in a prohibited transaction under ERISA or Section 4975 of the Code, unless those Debentures are acquired pursuant to and in accordance with an applicable exemption. Certain exemptions under ERISA and certain prohibited transaction class exemptions, or "**PTCEs**", issued by the U.S. Department of Labor may provide exemptive relief if required for direct or indirect prohibited transactions that may arise from the purchase, holding, redemption or transfer of the Debentures. These exemptions are:

- (1) PTCE 84-14, an exemption for certain transactions determined or effected by independent qualified professional asset managers;
- (2) PTCE 90-1, an exemption for certain transactions involving insurance company pooled separate accounts;
- (3) PTCE 91-38, an exemption for certain transactions involving bank collective investment funds;
- (4) PTCE 95-60, an exemption for transactions involving certain insurance company general accounts;
- (5) PTCE 96-23, an exemption for plan asset transactions managed by in-house asset managers; and
- (6) The service provider exemption provided by new Section 408(b)(17) of ERISA and new Section 4975(d)(20) of the Code.

The Debentures may not be purchased or held by (1) any plan, (2) any entity whose underlying assets include "plan assets" by reason and to the extent of any plan's investment in the entity (a "**plan asset entity**") or (3) any person investing "plan assets" of any plan, unless in each case the purchaser or holder is eligible for the exemptive relief available under one or more of the exemptions listed above or another applicable similar exemption. Any purchaser or holder of the Debentures or any interest in the Debentures will be deemed to have represented by its purchase and holding of the Debentures that either (1) it is not a plan or a plan asset entity and is not purchasing those Debentures on behalf of or with "plan assets" of any plan or plan asset entity or (2) its purchase, holding and transfer or redemption of the Debenture or any interest in the Debenture is eligible for the exemptive relief available under any of the exemptions listed above or another applicable exemption. In addition, any purchaser or holder of the Debentures or any interest in the Debentures which is a non-ERISA arrangement will be deemed to have represented by its purchase and holding of the Debentures that its purchase, holding and transfer or redemption will not violate the provisions of any similar law.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is important that fiduciaries or other persons considering purchasing the Debentures on behalf of or with "plan assets" of any plan, plan asset entity or non-ERISA arrangement consult with their counsel regarding the availability of exemptive relief under any of the PTCEs listed above or any other applicable exemption, or the potential consequences of any purchase or holding under similar laws, as applicable. The sale of any Debentures to any plan investor is in no respect a representation by GE Capital or its affiliates or representatives that such an investment meets all relevant legal requirements with respect to investments by plan investors generally or any particular plan investor or that such an investment is appropriate for plan investors generally or any particular plan investor.

## **EUROPEAN UNION SAVINGS TAX DIRECTIVE**

Under the EU Council Directive 2003/48/EC on the taxation of savings income, each Member State of the EU is required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a paying agent within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries) unless the beneficiary opts for the exchange of information. A number of non-EU countries and territories, including Switzerland, have adopted similar measures (a withholding system in the case of Switzerland).

## GLOBAL CLEARANCE AND SETTLEMENT

Each series of Debentures sold to qualified institutional buyers in reliance on Rule 144A under the Securities Act will initially be represented by one or more global Debentures in registered form without interest coupons attached (each such Debenture, a **"Rule 144A Global Debenture"**). Each series of Debentures sold to non-U.S. persons outside the United States in reliance on Regulation S under the Securities Act will initially be represented by one or more global Debentures in registered form without interest coupons attached (each such Debenture, a **"Regulation S Global Debenture"** and, together with the Rule 144A Global Debentures, the **"Global Debentures"**). The Global Debentures will be deposited with a Common Depositary and registered in the name of a nominee of the Common Depositary for the accounts of Euroclear Bank S.A./N.V. (**"Euroclear"**) and Clearstream Banking, *société anonyme* (**"Clearstream"**).

Ownership of interests in each Rule 144A Global Debenture (the **"Restricted Book-Entry Interests"**) and ownership of interests in each Regulation S Global Debenture (the **"Unrestricted Book-Entry Interests"** and, together with, the Restricted Book-Entry Interests, the **"Book-Entry Interests"**) will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that hold interests through such participants. Euroclear and Clearstream will hold interests in the Global Debentures on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries. Except under the limited circumstances described below, Debentures will not be issued in definitive form.

Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream and their participants. The laws of some jurisdictions, including some states of the United States, may require that certain purchasers of securities take physical delivery of those securities in definitive form. The foregoing limitations may impair any such purchaser's ability to own, transfer or pledge Book-Entry Interests. In addition, while the Debentures are in global form, holders of beneficial interests in the Debentures will not be considered the legal owners of the Debentures for any purpose.

So long as the Debentures are held in global form, Euroclear and/or Clearstream, as applicable, or their respective nominees, will be considered the sole holder(s) of the Global Debentures for all purposes. In addition, participants must rely on the procedures of Euroclear and Clearstream and indirect participants must rely on the procedures of the participants through which they own Book-Entry Interests to transfer their interests or to exercise any rights as holders of the Debentures. Neither we nor the Trustee will have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests.

### Redemption of the Global Debentures

In the event any Global Debenture (or any portion thereof) is redeemed for any reason permitted under the Indenture, Euroclear and/or Clearstream, as applicable, will redeem an equal amount of the Book-Entry Interests in such Global Debenture from the amount received by it in respect of the redemption of such Global Debenture. Subject to the rules of the applicable book-entry system, the redemption amount payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by Euroclear and Clearstream as applicable, in connection with the redemption of such Global Debenture (or any portion thereof).

### Payments on Global Debentures

Payments of any amounts owing in respect of the Global Debentures (including principal, interest, Additional Interest and Additional Amounts, if any) will be made by us to the Common Depositary or its nominee for Euroclear and Clearstream. The Common Depositary or its nominee will distribute such payments to participants in accordance with their procedures. Payments of all such amounts will be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature except as may be required by law. We expect that payments by participants to owners of Book-Entry Interests held through those participants will be governed by standing customer instructions and customary practices. Under the terms of the Indenture, we will treat the registered holder of the Global Debentures (i.e., Euroclear or Clearstream or their respective nominees) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, neither we nor any of our agents has, or will have any responsibility or liability for:

- (1) any aspect of the records of Euroclear or Clearstream or of any participant or indirect participant relating to or payments made on account of a Book-Entry Interest, for any such payments made by Euroclear or Clearstream or any participant or indirect participant or for maintaining, supervising or reviewing the records of Euroclear or Clearstream or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest;
- (2) Euroclear or Clearstream or any participant or indirect participant; or
- (3) the records of the Common Depositary.

### **Currency of Payment for the Global Debentures**

The principal amount and interest payments on, and all other amounts payable in respect of the Euro Debentures will be paid to holders of interests in such Debentures through Euroclear or Clearstream in euro. The principal amount and interest payments on, and all other amounts payable in respect of the Sterling Debentures will be paid to holders of interests in such Debentures through Euroclear or Clearstream in pounds sterling.

### **Action by Owners of Book-Entry Interests**

Euroclear and Clearstream have advised us that they will take any action permitted to be taken by a holder of Debentures (including the presentation of Debentures for exchange as described above) only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Debentures are credited and only in respect of such portion of the principal amount of Debentures as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Debentures. However, if there is an Event of Default under the Debentures, Euroclear and Clearstream reserve the right to exchange the Global Debentures for definitive, registered Debentures ("**Definitive Registered Debentures**") in certificated form, and to distribute such Definitive Registered Debentures to its participants.

### **Transfers**

Transfers between participants in Euroclear and Clearstream will be effected in accordance with Euroclear's and Clearstream's rules and will be settled in immediately available funds. If a holder of Debentures takes physical delivery of Definitive Registered Debentures in the circumstances described below under "— Definitive Registered Debentures", such holder of Debentures must transfer its interest in the Global Debentures subject to and in accordance with the applicable procedures of Euroclear and Clearstream and in accordance with the procedures set forth in the Indenture.

The Global Debentures will bear a legend to the effect set forth in "Notice to Investors". Book-Entry Interests in the Global Debentures will be subject to the restrictions on transfers and certification requirements discussed under "Notice to Investors". Transfer of Restricted Book-Entry Interests to persons wishing to take delivery of Restricted Book-Entry Interests will at all times be subject to such transfer restrictions.

Restricted Book-Entry interests may be transferred to a person who takes delivery in the form of any Unrestricted Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 (if available) under the Securities Act. Prior to 40 days after the date of initial issuance of the Debentures, ownership of Unrestricted Book-Entry Interests will be limited to persons that have accounts with Euroclear or Clearstream or persons who hold interests through Euroclear or Clearstream, and any sale or transfer of such interest to U.S. persons shall not be permitted during such period unless such resale or transfer is made pursuant to Rule 144A. Unrestricted Book-Entry Interests may be transferred to a person who takes delivery in the form of Restricted Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in

accordance with the transfer restrictions described under "Notice to Investors" and in accordance with any applicable securities laws of any other jurisdiction.

Any Book-Entry Interest in one of the Global Debentures that is transferred to a person who takes delivery in the form of a Book-Entry Interest in the other Global Debenture will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Debenture and become a Book-Entry Interest in such other Global Debenture, and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Debenture for as long as it remains such a Book-Entry Interest.

### **Definitive Registered Debentures**

Under the terms of the Indenture, owners of the Book-Entry interests will receive Definitive Registered Debentures only:

- (1) if either Euroclear or Clearstream notifies us that it is unwilling or unable to continue to act and a successor is not appointed by us within 90 days;
- (2) if either Euroclear or Clearstream so requests following an Event of Default with respect to the Debentures; or
- (3) at any time if we, in our sole discretion, determine that all the Global Debentures should be exchanged for Definitive Registered Debentures.

### **Information Concerning Euroclear and Clearstream**

We understand as follows with respect to Euroclear and Clearstream:

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, as applicable. The following summaries of those operations and procedures are provided solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. Neither we nor any Manager is responsible for those operations or procedures.

Euroclear and Clearstream hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodian relationship with Euroclear or Clearstream participants, either directly or indirectly.

Because Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the Euroclear or Clearstream systems, or otherwise take actions in respect of such interest may be limited by the lack of a definitive certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through Euroclear or Clearstream systems will receive distributions attributable to the 144A Global Debentures only through Euroclear or Clearstream participants.

### **Trustee's Powers**

In considering the interests of the holders of the Debentures, while title to the Debentures is registered in the name of a nominee for a clearing system, the Trustee may have regard to, and rely on, any information provided to it

by that clearing system as to the identity (either individually or by category) of its accountholders with entitlements to Debentures and may consider such interests as if such accountholders were the holders of the Debentures.

## NOTICE TO INVESTORS

*You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Debentures offered hereby.*

The Debentures have not been and will not be registered under the Securities Act and, therefore, the Debentures may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, we are offering and selling the Debentures to the Managers for re-offer and resale only:

- in offers and sales that occur outside the United States to non-U.S. purchasers, (i.e., purchasers who are not U.S. persons (as defined in Regulation S)); and
- in the United States to "qualified institutional buyers", commonly referred to as "QIBs", as defined in Rule 144A in compliance with Rule 144A.

The term "non-U.S. purchasers" includes dealers or other professional fiduciaries in the United States acting on a discretionary basis for foreign beneficial owners, other than an estate or trust, in offshore transactions meeting the requirements of Rule 903 of Regulation S. We use the terms "offshore transaction", "U.S. person" and "United States" with the meanings given to them in Regulation S.

If you purchase Debentures, you will be deemed to have represented and agreed as follows:

- (1) You understand and acknowledge that the Debentures have not been registered under the Securities Act or any other applicable state securities laws and that the Debentures are being offered for resale in transactions not requiring registration under the Securities Act or any other state securities laws, including sales pursuant to Rule 144A, and, unless so registered, may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any other applicable state securities laws, pursuant to an exemption therefrom, or in a transaction not subject thereto, and in each case in compliance with the conditions for transfer set forth in paragraph (4) below.
- (2) You are not our "affiliate" (as defined in Rule 144A) and you are not acting on our behalf and you are either:
  - (a) not a "U.S. person" as defined in Regulation S or purchasing for the account or benefit of a U.S. person (other than a distributor) and you are purchasing the Debentures in an offshore transaction in accordance with Regulation S; or
  - (b) a QIB and are aware that any sale of the Debentures to you will be made in reliance on Rule 144A and such acquisition will be for your own account or for the account of another QIB.
- (3) You acknowledge that neither GE Capital nor the Managers, nor any person representing any of them has made any representation to you with respect to the offer or sale of any of the Debentures, other than the information contained in this Prospectus, which Prospectus has been delivered to you and upon which you are relying in making your investment decision with respect to the Debentures. You acknowledge that none of the Managers or any person representing the Managers makes any representation or warranty as to the accuracy or completeness of this Prospectus. You have had access to such financial and other information concerning GE Capital and the Debentures as you deemed necessary in connection with your decision to purchase any of the Debentures, including an opportunity to ask questions of, and request information from, GE Capital and the Managers.
- (4) You are purchasing the Debentures for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act, subject

to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and subject to your or their ability to resell the Debentures pursuant to Rule 144A, Regulation S or any other available exemption from registration under the Securities Act. You agree on your own behalf and on behalf of any investor account for which you are purchasing the Debentures, and each subsequent holder of these Debentures by its acceptance thereof will agree, to offer, sell or otherwise transfer such Debentures prior to (x) the date which is two years (or such shorter period of time as permitted by Rule 144(k) under the Securities Act or any successor provision thereunder) after the later of the date of the original issue of the Debentures and the last date on which we or any of our affiliates were the owner of such Debentures (or any predecessor thereto) or (y) such later date, if any, as may be required by applicable law (the "**Resale Restriction Termination Date**") only:

- (a) to us;
- (b) pursuant to a registration statement which has been declared effective under the Securities Act;
- (c) for so long as the Debentures are eligible for resale pursuant to Rule 144A, to a person you reasonably believe is a QIB that purchases for its own account or for the account of a QIB to whom you give notice that the transfer is being made in reliance on Rule 144A;
- (d) pursuant to offers and sales to non-U.S. persons occurring outside the United States within the meaning of Regulation S; or
- (e) pursuant to any other available exemption from the registration requirements of the U.S. Securities Act;

subject in each of the foregoing cases to any requirements of law that the disposition of your property or the property of your investor account or accounts be at all times within your or their control and in compliance with any applicable state securities laws.

The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date. You acknowledge that we, the Trustee and the registrar reserve the right prior to any offer, sale or other transfer pursuant to clause (d) prior to the end of the 40-day distribution compliance period within the meaning of Regulation S or pursuant to clause (e) above prior to the Resale Restriction Termination Date of the Debentures to require the delivery of an opinion of counsel, certifications and/or other information satisfactory to us, the Trustee and the registrar.

Each purchaser acknowledges that each Debenture will contain a legend substantially in the following form:

In the case of Rule 144A Debentures:

"THIS DEBENTURE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR OTHER SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS DEBENTURE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION UNLESS THE TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THE HOLDER OF THIS DEBENTURE BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (2) AGREES THAT IT WILL NOT OFFER, SELL OR OTHERWISE TRANSFER THIS DEBENTURE EXCEPT (A) TO GENERAL ELECTRIC CAPITAL CORPORATION OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE DEBENTURES ARE ELIGIBLE FOR RESALE PURSUANT

TO RULE 144A UNDER THE SECURITIES ACT, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT, (D) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS DEBENTURE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND; PROVIDED THAT GENERAL ELECTRIC CAPITAL CORPORATION, THE TRUSTEE AND THE REGISTRAR SHALL HAVE THE RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (E) TO REQUIRE THAT AN OPINION OF COUNSEL, CERTIFICATIONS AND/OR OTHER INFORMATION SATISFACTORY TO GENERAL ELECTRIC CAPITAL CORPORATION, THE TRUSTEE AND THE REGISTRAR IS COMPLETED AND DELIVERED BY THE TRANSFEROR. AS USED HEREIN, THE TERMS "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

THE FAILURE TO PROVIDE GENERAL ELECTRIC CAPITAL CORPORATION, THE TRUSTEE AND ANY PAYING AGENT WITH THE APPLICABLE U.S. FEDERAL INCOME TAX CERTIFICATIONS (GENERALLY, AN INTERNAL REVENUE SERVICE FORM W-9 (OR SUCCESSOR APPLICABLE FORM) IN THE CASE OF A PERSON THAT IS A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(A)(30) OF THE CODE OR AN APPLICABLE INTERNAL REVENUE SERVICE FORM W-8BEN (OR SUCCESSOR APPLICABLE FORM) IN THE CASE OF A PERSON THAT IS NOT A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(A)(30) OF THE CODE) MAY RESULT IN U.S. FEDERAL BACKUP WITHHOLDING FROM PAYMENTS TO THE HOLDER IN RESPECT OF THIS DEBENTURE."

In the case of Regulation S Debentures:

"THIS DEBENTURE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND MAY NOT BE OFFERED, SOLD, OR DELIVERED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON, UNLESS THIS NOTE IS REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS THEREOF IS AVAILABLE."

In the case of Global Debentures only:

"THE DEBENTURE IS A GLOBAL DEBENTURE WITHIN THE MEANING OF THE INDENTURE FOR SUBORDINATED DEBENTURES HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A COMMON DEPOSITARY OR A NOMINEE THEREOF. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE COMMON DEPOSITARY, TO GENERAL ELECTRIC CAPITAL CORPORATION OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF THE COMMON DEPOSITARY OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE COMMON DEPOSITARY (AND ANY PAYMENT IS MADE TO THE COMMON DEPOSITARY OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE COMMON DEPOSITARY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, THE COMMON DEPOSITARY OR ITS NOMINEE, HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL DEBENTURE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO THE COMMON DEPOSITARY TO NOMINEES OF THE COMMON DEPOSITARY OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THE GLOBAL DEBENTURE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE

RESTRICTIONS SET FORTH IN THE INDENTURE FOR SUBORDINATED DEBENTURES REFERRED TO ON THE REVERSE HEREOF."

If you purchase Debentures, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in the Debentures as well as to holders of these Debentures.

- (5) You acknowledge that the registrar will not be required to accept for registration of transfer any Debentures acquired by you, except upon presentation of evidence satisfactory to us and the registrar that the restrictions set forth herein have been complied with.
- (6) You acknowledge that:
  - (a) GE Capital and the Managers and others will rely upon the truth and accuracy of your acknowledgments, representations and agreements set forth herein and you agree that, if any of your acknowledgments, representations or agreements herein cease to be accurate and complete, you will notify GE Capital and the Managers promptly in writing; and
  - (b) if you are acquiring any Debentures as a fiduciary or agent for one or more investor accounts, you represent with respect to each such account that: (i) you have sole investment discretion; and (ii) you have full power to make, and make, the foregoing acknowledgments, representations and agreements.
- (7) You agree that you will give to each person to whom you transfer these Debentures notice of any restrictions on the transfer of the Debentures.
- (8) If you are a purchaser in a sale that occurs outside the United States within the meaning of Regulation S, you acknowledge that until the expiration of the "distribution compliance period" (as defined below), you shall not make any offer or sale of these Debentures to a U.S. person or for the account or benefit of a U.S. person within the meaning of Rule 902 under the Securities Act. The "distribution compliance period" means the 40-day period following the issue date for the Debentures.
- (9) You understand that no action has been taken in any jurisdiction (including the United States) by GE Capital or the Managers that would permit a public offering of the Debentures or the possession, circulation or distribution of this Prospectus or any other material relating to GE Capital or the Debentures in any jurisdiction where action for such purpose is required. Consequently, any transfer of the Debentures will be subject to the selling restrictions set forth under "Plan of Distribution" herein.

## PLAN OF DISTRIBUTION

Pursuant to a Purchase Agreement relating solely to the Euro Debentures dated August 31, 2007 (the "**Euro Purchase Agreement**"), Lehman Brothers International (Europe) ("**Lehman Brothers**"), Deutsche Bank AG, London Branch, Goldman Sachs International, Morgan Stanley & Co. International plc, Barclays Bank PLC, HSBC Bank plc, J.P. Morgan Securities Ltd. and The Royal Bank of Scotland plc (each, a "**Euro Manager**"), have jointly and severally agreed with GE Capital, subject to the satisfaction of certain conditions, to subscribe for the Euro Debentures at the initial offering price of 99.229% of their aggregate principal amount. GE Capital has agreed to pay to the Euro Managers a combined management and underwriting commission of 0.75% of the aggregate principal amount of the Euro Debentures. The Euro Managers propose to offer the Euro Debentures at the initial offering price. After the Euro Debentures are released for sale, the Euro Managers may change the offering price and other selling terms. The Euro Purchase Agreement entitles the Euro Managers to terminate it in certain circumstances prior to payment being made to GE Capital. GE Capital has agreed to indemnify the Euro Managers against certain liabilities, including liabilities under the Securities Act. GE Capital will reimburse the Euro Managers certain fees and expenses relating to the offering of the Euro Debentures.

Pursuant to a Purchase Agreement relating solely to the Sterling Debentures dated August 31, 2007 (the "**Sterling Purchase Agreement**"), Lehman Brothers, Deutsche Bank AG, London Branch, Goldman Sachs International, Morgan Stanley & Co. International plc, Barclays Bank PLC, HSBC Bank plc, J.P. Morgan Securities Ltd. and The Royal Bank of Scotland plc (each, a "**Sterling Manager**" and together with the Euro Managers, the "**Managers**"), have jointly and severally agreed with GE Capital, subject to the satisfaction of certain conditions, to subscribe for the Sterling Debentures at the initial offering price of 99.236% of their aggregate principal amount. GE Capital has agreed to pay to the Sterling Managers a combined management and underwriting commission of 0.75% of the aggregate principal amount of the Sterling Debentures. The Sterling Managers propose to offer the Sterling Debentures at the initial offering price. After the Sterling Debentures are released for sale, the Sterling Managers may change the offering price and other selling terms. The Sterling Purchase Agreement entitles the Sterling Managers to terminate it in certain circumstances prior to payment being made to GE Capital. GE Capital has agreed to indemnify the Sterling Managers against certain liabilities, including liabilities under the Securities Act. GE Capital will reimburse the Sterling Managers certain fees and expenses relating to the offering of the Sterling Debentures.

Persons who purchase Debentures from the Managers may be required to pay stamp duty, taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the offering price set forth above.

In connection with the offering of the Debentures, the Stabilizing Managers may purchase and sell Debentures in the open market. These transactions may include short sales, over-allotments, stabilizing transactions and purchases to cover positions created by short sales or over-allotments. Short sales involve the sale by the Stabilizing Managers or their affiliates of a greater number of Debentures than they are required to purchase in the offering of the Debentures. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Debentures while the offering of the Debentures is in progress.

These activities by the Stabilizing Managers or their affiliates may stabilize, maintain or otherwise affect the market price of the Debentures. As a result, the price of the Debentures may be higher than the price that otherwise might exist in the open market. There is no obligation on the Stabilizing Managers or their affiliates to conduct these activities. If these activities are commenced, they may be discontinued by the Stabilizing Managers or their affiliates at any time. These transactions may be effected in the over-the-counter market or otherwise.

No action has been taken in any jurisdiction, including the United States, by GE Capital or the Managers that would permit a public offering of the Debentures or the possession, circulation or distribution of this Prospectus or any other material relating to GE Capital or the Debentures in any jurisdiction where action for the purpose is required. Accordingly, the Debentures may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisements in connection with the Debentures may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such

country or jurisdiction. This Prospectus does not constitute an offer to purchase or a solicitation of an offer to sell in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this Prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering of the Debentures, the distribution of this Prospectus and resales of the Debentures. Any reference to an agreement or representation by a Manager only relates to the series of Debentures that such Manager has agreed to purchase in the relevant purchase agreement.

The consummation of the offering of the Euro Debentures and the Sterling Debentures are not conditioned upon each other.

## **United States**

The Debentures have not been and will not be registered under the Securities Act. The Managers have agreed that they will only offer or sell the Debentures (1) outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S and (2) in the United States to qualified institutional buyers in reliance on Rule 144A. The terms used above have the meanings given to them by Regulation S and Rule 144A.

In connection with sales outside the United States, the Managers have agreed that they will not offer, sell or deliver the Debentures to, or for the account or benefit of, U.S. persons (1) as part of the initial distribution at any time or (2) otherwise until 40 days after the later of the commencement of this offering or the date the Debentures were originally issued. Each Manager will send to each dealer to whom it sells such Debentures during such 40-day period a confirmation or other notice setting forth the restrictions on offers and sales of the Debentures within the United States by a dealer or to, or for the account or benefit of, U.S. persons.

In addition, with respect to Debentures initially sold pursuant to Regulation S, until 40 days after the commencement of the offering of the Debentures, an offer or sale of such Debentures within the United States by a dealer that is not participating in the offering of the Debentures may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or pursuant to another exemption from registration under the Securities Act.

The Managers expect to make offers and sales both inside and outside the United States through their respective selling agents. Any offers and sales in the United States will be conducted by broker-dealers registered with the Commission.

## **United Kingdom**

Each Manager has represented and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of any Debentures in circumstances in which Section 21(1) of the FSMA does not apply to GE Capital; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Debentures in, from or otherwise involving the United Kingdom.

## **France**

Each Manager has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, Debentures to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the Debentures and such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs*

*qualifiés*), provided that those investors are acting for their own account, all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

## Hong Kong

Each Manager has represented and agreed that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Debentures other than (i) to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent); or (ii) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (ii) it has not issued or had in its possession for the purposes of the issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Debentures, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Debentures which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

## Italy

No Prospectus has been nor will be published in Italy in connection with the offering of the Debentures and such offering has not been cleared by the CONSOB (the Italian Securities and Exchange Commission) pursuant to Italian securities legislation and, accordingly, no Debentures may be offered, sold or delivered, directly or indirectly, in the Republic of Italy, nor may, or will, copies of this Prospectus or of any other document relating to the Debentures be distributed in the Republic of Italy, except:

(i) to professional investors (*operatori qualificati*), as defined in Article 31, second paragraph, of CONSOB Regulation No. 11522 of 1 July 1998, as amended in compliance with the terms and procedures provided therein ("**Regulation No. 11522**"); or

(ii) in circumstances which are exempted from the rules on solicitation of investments pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and its implementing CONSOB regulations, including Article 33, first paragraph, of CONSOB Regulation No. 11971 of 14 May 1999, as amended.

Any offer, sale or delivery of the Debentures or distribution of copies of this Prospectus or any other document relating to the Debentures in the Republic of Italy under (i) or (ii) above must be and will be made in accordance with all Italian securities, tax, exchange control and other applicable laws and regulations, and in particular will be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, Regulation No. 11522, Legislative Decree No. 385 of 1 September 1993, as amended (the Banking Act) and any other applicable laws and regulations; and

(b) in compliance with any other applicable laws and regulations including any relevant limitations which may be imposed by CONSOB or the Bank of Italy.

Any investor purchasing the Debentures in the offering is solely responsible for ensuring that any offer or resale of the Debentures it purchased in the offering occurs in compliance with applicable Italian laws and regulations.

## **Japan**

The Debentures have not been, and will not be, registered under the Securities and Exchange Law of Japan. Accordingly, each Manager has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Debentures in Japan or to, or for the benefit of, a resident of Japan or to others for reoffering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and other relevant laws and regulations of Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

## **Singapore**

Each Manager acknowledges that the Prospectus has not been registered as a prospectus with Monetary Authority of Singapore (the "MAS"). Accordingly, each Manager represents, warrants and agrees that it has not offered or sold any Debentures or caused the Debentures to be made the subject of an invitation for subscription or purchase and will not offer or sell any Debentures or cause the Debentures to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Debentures, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or to any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

## **Switzerland**

In connection with the initial placement of any Debentures in Switzerland, each Manager agrees that the Debentures will not be offered or sold in Switzerland save for to a limited group of persons within the meaning of Art. 652a(2) of the Swiss Code of Obligations of March 30, 1911.

## **GENERAL INFORMATION**

### **Listings**

Application has been made for the Debentures to be admitted to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market. It is expected that the Debentures will be admitted to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market on or about September 5, 2007, subject only to the issue of global Debentures initially representing the Debentures. It is estimated that the expenses incurred by GE Capital in relation to the admission of the Debentures to trading will be £3,025.

### **Auditors**

The auditors of GE Capital are KPMG LLP, an independent registered public accounting firm, of 3001 Summer Street, Stamford, Connecticut 06905, U.S.A.

The independent registered public accounting firm's report on GE Capital's financial statements for the year ended December 31, 2006, and management's assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting as of December 31, 2006, may be found on pages 34 and 35 of GE Capital's Annual Report on Form 10-K, for the fiscal year ended December 31, 2006, which is incorporated by reference herein (see "Documents Incorporated by Reference").

The report of KPMG LLP on the consolidated financial statements and schedule is dated February 9, 2007.

The report of KPMG LLP on the consolidated financial statements and schedule refers to a change in 2006 in the method of accounting for pension and other postretirement benefits. The aforementioned report also expresses an opinion that GE Capital did not maintain effective internal control over financial reporting as of December 31, 2006 because of the effect of a material weakness on the achievement of the objectives of the control criteria in that GE Capital did not have adequately designed procedures to designate each hedged commercial paper transaction with the specificity required by Statement of Financial Accounting Standards 133, Accounting for Derivative Instruments and Hedging Activities, as amended.

The condensed, consolidated financial statements of GE Capital for the quarterly periods ended March 31, 2007 and June 30, 2007 and the respective notes are unaudited and can be found in GE Capital's Quarterly Reports on Form 10-Q, for the quarterly periods ended March 31, 2007 and June 30, 2007 (see "Documents Incorporated by Reference").

### **Authorizations**

The issuance of the Debentures by GE Capital was authorized by resolutions adopted by the Board of Directors of GE Capital on March 15, 2007.

### **Litigation**

GE Capital is not, and has not been involved in, nor is it aware of, any governmental, legal or arbitration proceeding, nor any pending or threatened governmental, legal or arbitration proceeding, during a period covering the previous 12 months prior to the date of this Prospectus which may have, or has had in the recent past, a significant effect on the financial position or profitability of GE Capital and its subsidiaries.

### **Clearance and Settlement**

The Debentures, when issued, will be accepted for clearance through Euroclear and through Clearstream, Luxembourg (which are entities in charge of keeping records). The Euro Regulation S Global Debenture has been assigned Common Code No.: 031963923; and International Security Identification No.: XS0319639232. The Euro Rule 144A Global Debenture has been assigned Common Code No.: 031963974; and International Security

Identification No.: XS0319639745. The Sterling Regulation S Global Debenture has been assigned Common Code No.: 031964083; and International Security Identification No.: XS0319640834. The Sterling Rule 144A Global Debenture has been assigned Common Code No.: 031964172; and International Security Identification No.: XS0319641725.

The address of Euroclear is 3 Boulevard du Roi Albert III, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg.

#### **Documents Available**

Copies of the following documents will be available free of charge from the specified office of the Principal Paying Agent in London:

- (i) the audited annual consolidated financial statements of GE Capital for each of the years ended December 31, 2006 and December 31, 2005;
- (ii) the latest published interim accounts of GE Capital, which are published quarterly;
- (iii) this Prospectus;
- (iv) the Indenture;
- (v) the Supplemental Indenture, including the forms of Euro Debentures and Sterling Debentures; and
- (vi) any documents incorporated herein by reference.

#### **Material Adverse Change and Significant Change**

Since December 31, 2006, there has been no material adverse change in the prospects of GE Capital and its consolidated subsidiaries, and since June 30, 2007, there has been no significant change in the financial or trading position of GE Capital and its consolidated subsidiaries.

#### **Material Contracts**

GE Capital has not entered into any material contracts otherwise than in the ordinary course of its business.

**PRINCIPAL EXECUTIVE OFFICES OF GE CAPITAL**

901 Main Avenue  
Norwalk, Connecticut 06851  
U.S.A.

**PRINCIPAL PAYING AGENT AND  
TRANSFER AGENT**

The Bank of New York  
One Canada Square  
London E14 5AL  
United Kingdom

**TRUSTEE**

The Bank of New York  
101 Barclay Street, 8<sup>th</sup> Floor  
New York, New York 10286  
U.S.A.

**MANAGERS**

Deutsche Bank AG, London Branch  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

Goldman Sachs International  
Peterborough Court  
133 Fleet Street  
London EC4A 2BB  
United Kingdom

Lehman Brothers International (Europe)  
25 Bank Street  
London E14 5LE  
United Kingdom

Morgan Stanley & Co. International plc  
25 Cabot Square  
Canary Wharf  
London E14 4QA  
United Kingdom

Barclays Bank PLC  
5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

HSBC Bank plc  
8 Canada Square  
London E14 5HQ  
United Kingdom

J.P. Morgan Securities Ltd.  
125 London Wall  
London EC2Y 5AJ  
United Kingdom

The Royal Bank of Scotland plc  
135 Bishopsgate  
London EC2M 3UR  
United Kingdom

**LEGAL ADVISORS TO THE MANAGERS**

*As to United States Law:*

Davis Polk & Wardwell  
450 Lexington Avenue  
New York, New York 10017  
U.S.A.

*Special Counsel:*

Simpson Thacher & Bartlett LLP  
425 Lexington Avenue  
New York, New York 10017  
U.S.A.

**LEGAL ADVISORS TO GE CAPITAL**

*As to United States Law:*

Alan M. Green  
General Counsel-Corporate Treasury  
General Electric Capital Corporation  
260 Long Ridge Road  
Stamford, Connecticut 06927  
U.S.A.

*As to United States and English Law:*

Gide Loyrette Nouel MNP  
City Point  
1 Ropemaker Street  
London EC2Y 9HT  
United Kingdom

*As to United States Federal income tax matters:*

Cahill Gordon & Reindel LLP  
80 Pine Street  
New York, New York 10005  
U.S.A.

**AUDITORS OF  
GENERAL ELECTRIC CAPITAL  
CORPORATION:**

KPMG LLP  
3001 Summer Street  
Stamford, Connecticut 06905  
U.S.A.