

Annual Report 2007
Diskont und Kredit AG
Disko Leasing GmbH



Important data in overview

Diskont und Kredit AG, Disko Leasing GmbH*

		2007	2006	2005	2004	2003	2002
Portfolio**	in EUR million	3,774	3,583	3,267	3,029	2,808	2,605
Total equity and liabilities	in EUR million	2,895	2,725	2,448	2,266	2,090	1,980
Result of ordinary business activity	in EUR million	-22.3	3.6	8.8	13.8	12.5	11.8
Net retained earnings	in EUR million	0.0	1.1	5.0	8.7	7.6	7.5
Equity	in EUR million	73.2	70.4	70.4	70.4	70.4	70.4
Employees***	in Number	398	369	367	364	368	343
Branches	in Number	16	16	17	18	18	18

* summed values

** historical costs or loan volumes

*** without short-term employment relationships

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PREFACE

Ladies and gentlemen,

As one of the leading companies on the German finance and leasing market, DISKO Part of GE Capital Solutions supports the growth of SMEs and industry clients with innovative finance solutions, enhancing their competitiveness.

DISKO Part of GE Capital Solutions can boast 80 years of providing financing expertise independently of banks and manufacturers, combined with all the opportunities afforded by a global player such as General Electric, with its global industry and financing experience and AAA rating.

The 2007 financial year was all about integration, a process that has now been largely and successfully completed.

Both DISKO companies are now part of GE Capital Solutions, which in turn belongs to the global group General Electric (GE), which provides investment, sales and inventory financing for its customers.

DISKO is helping GE to significantly expand its market position in Germany. This is increasing its competitiveness and enabling it to substantially boost its presence on the German market.

The company has 17 sites in Germany, providing a dense branch network where the focus is on accessibility, customer proximity and direct, personal contact. The decentralized structure means that DISKO Part of GE Capital Solutions can handle credit and leasing decisions quickly and efficiently. With more than 50,000 customers, the company enjoys excellent standing in the market, and it can boast more than 80 years' experience in its core business, investment finance. A neutral, representative survey carried out indicated a high level of customer satisfaction: nine out of ten respondents said they would choose DISKO for a long-term partnership.

GE Capital Solutions perfectly complements DISKO's broad spectrum of services and customers. As well as contributing new financing products (e.g. Operate Leasing and inventory finance) and efficiently serving the small ticket market, GE Capital Solutions also brings to the relationship pan-

European program partners from the fields of information technology and office equipment.

The joint venture has been trading on the German market as DISKO Part of GE Capital Solutions since the beginning of 2007.

DISKO Part of GE Capital Solutions focuses not only on its traditionally strong core businesses, particularly the transport industry, but also serves manufacturing industry, the service sector and retail. Business activities in specialist industries such as energy, watercraft and aircraft are also being systematically expanded. Continued expansion of distribution partnerships and sales finance programs also provides another important building block for future growth.

The integration of DISKO Part of GE Capital Solutions into the GE group is providing a valuable boost to growth in new business. For example, GE's activities in the areas of wind, bio- and solar energy, the manufacture of gas engines and block-type thermal power stations for power generation, security and surveillance technology and medical technology, can be combined with appropriate financing by DISKO.

For this, DISKO Part of GE Capital Solutions utilizes its business-specific expertise in different sectors and projects, from commercial vehicles to mechanical engineering products and aircraft to information and communications technology. From investment finance to sales finance for program partners and distribution partners, the company offers the full spectrum of financing solutions (leasing, lease purchase, investment credit).

The amalgamation of these two companies is creating valuable synergies for customers. The opportunities afforded by a triple A rated global player like General Electric with worldwide industry experience are combined with DISKO's regional consulting expertise and experience, broad product and service range and strong presence on the German market.

With an asset portfolio worth nearly EUR 3.8 billion, just under 400 staff, and more than 50,000 customers in total, the joint business enjoys a sound footing.

Düsseldorf, May 2008

Board of Directors and Management



Hackemesser



Helfrich



Rauschenbach



Weber



Weidenbach

The development of important items

The balance sheet of Diskont und Kredit AG since 1970

in TEUR	2007/II	2007/I	2006	2005	2000	1995	1990	1980	1970
Accounts receivable due from banks	0	75	0	0	694	938	932	1,736	6,895
Customer receivables	1,261,764	1,264,988	1,269,644	1,135,742	713,496	588,803	497,444	271,212	83,058
Shareholdings, shares in associated companies	11,460	11,461	11,460	11,480	9,121	9,126	4,201	7,009	902
Intangible and tangible fixed assets	494	365	384	168	293	588	597	828	818
Other assets	1,986	281	360	466	4	1,172	171	42	20
Others	146	241	348	79	38	257	672	176	182
Bank borrowings	87,666	171,088	673,996	778,804	633,539	504,127	424,772	246,947	80,088
Accounts payable to customers	1,047,295	983,015	486,954	248,447	1,688	13,050	31,769	2,391	1,016
Other liabilities	7,954	2,289	1,844	1,138	239	770	150	4,526	266
Provisions	22,010	23,520	22,345	21,739	18,881	15,748	12,294	5,153	3,694
Special reserve item	2,594	2,656	2,677	2,760	3,343	4,305	-	-	-
Subordinated liabilities	30,684	30,684	30,684	30,684	-	-	-	-	-
Equity	64,159	64,159	63,696	64,364	65,956	62,851	35,023	21,986	6,775
Subscribed capital	24,000	24,000	24,000	24,000	23,008	23,008	12,782	9,203	5,113
Capital reserve	27,300	27,300	27,300	27,300	27,354	27,354	12,015	-	-
Revenue reserves	12,859	12,396	10,100	10,100	10,992	10,993	8,181	12,782	1,662
Net retained earnings	0	463	2,296	2,964	4,602	1,496	2,045	-	-
Deferred income	13,488	-	-	-	-	33	9	1	36
Total equity and liabilities	1,275,850	1,277,411	1,282,197	1,147,936	723,646	600,884	504,017	281,003	91,875

The income statement of Diskont und Kredit AG since 1970

in TEUR	2007 total	2007/II	2007/I	2006	2005	2000	1995	1990	1980	1970
Interest income	77,136	58,600	18,536	69,553	63,011	47,912	50,177	42,026	25,212	8,988
Current revenues	1	1	0	1	1	1,356	385	1,039	2,594	-
Interest expense	50,630	38,370	12,260	41,751	34,914	27,083	30,482	29,493	19,441	5,683
Net interest income	26,507	20,231	6,276	27,803	28,098	22,185	20,080	13,572	8,365	3,305
Commissions balance	-1,992	-1,452	-540	-1,937	-1,576	-2,465	-1,264	-133	823	113
Personnel expenses	30,977	23,890	7,087	29,641	28,095	18,720	16,337	10,897	6,242	2,154
Other administrative expenses including depreciation on property, plant and equipment	6,831	5,467	1,364	5,719	4,976	3,058	4,341	3,506	2,345	991
Other operating results	15,382	11,132	4,250	18,114	17,334	11,377	8,490	7,049	1,604	547
Risk provision	2,904	2,037	867	4,977	6,194	1,898	4,287	950	416	154
Result of ordinary business activity	-815	-1,483	668	3,644	4,592	7,421	2,341	5,135	1,789	666
Taxes	-1,278	-1,483	205	1,433	1,673	2,819	845	2,067	173	666
Profits transfer	-	-	-	-	-	-	-	-	1,105	-
Net profit for the year	463	0	463	2,212	2,919	4,602	1,496	3,068	511	-

The balance sheet of Disko Leasing GmbH since 1970

in TEUR	2007/II	2007/I	2006	2005	2000	1995	1990	1980	1970
Intangible fixed assets	530	534	645	573	127	60	35	951	-
Tangible fixed assets	1,778	1,153	1,232	1,225	1,769	1,006	59	25	2
Leasing assets	1,365,009	1,297,129	1,280,507	1,168,366	831,749	485,976	349,989	188,425	17,654
Financial assets	15,459	513	513	564	545	1,661	1,615	-	-
Receivables from rental purchase agreements	199,563	159,512	144,846	113,468	41,456	17,990	41,538	1,974	-
Trade receivables	9,768	10,203	7,508	8,828	6,777	3,739	2,227	-	-
Receivables due from associated companies	21,149	0	2,425	1,683	10,338	4,709	3,154	-	-
Other assets	6,171	7,327	3,612	2,355	1,231	210	1,106	6,913	82
Others	6	513	1,396	2,651	123	160	1,422	410	226
Equity	7,275	7,275	7,795	11,065	10,438	6,660	2,785	5,330	1,074
Subscribed capital	6,000	6,000	6,000	6,000	5,113	5,113	5,113	5,113	1,023
Capital reserve	200	200	200	200	207	207	207	217	51
Revenue reserves	2,800	2,800	2,800	2,800	2,761	4	10	-	-
Net retained earnings	-1,725	-1,725	-1,205	2,065	2,357	1,335	-2,546	-	-
Provisions	1,219	731	805	970	6,687	4,437	803	669	482
Bank borrowings	103,293	129,245	647,744	599,713	433,409	114,345	87,752	84,744	15,947
Trade liabilities	2,931	2,671	3,444	6,612	8,154	7,483	13,970	15,281	352
Liabilities to associated companies	906,786	605,564	1,325	1,507	11,982	75,347	129,738	9	-
Other liabilities	9,105	5,741	4,972	8,557	3,248	3,266	6,859	1,207	5
Accruals and deferrals	588,824	725,656	776,595	671,284	420,178	303,126	158,855	89,218	104
Others	0	1	2	4	19	847	383	2,240	-
Total equity and liabilities	1,619,433	1,476,884	1,442,682	1,299,712	894,115	515,511	401,145	198,698	17,964

Income statement of Disko Leasing GmbH since 1970

in TEUR	2007 total	2007/II	2007/I	2006	2005	2000	1995	1990	1980	1970
Revenue	531,498	404,694	126,804	501,944	471,406	321,385	216,989	131,271	78,392	5,517
Other operating revenues	3,686	2,790	896	2,633	2,664	1,863	7,009	588	6,429	39
Expenses for the leasing business	476,514	365,208	111,306	444,147	415,488	278,847	191,859	108,756	64,197	4,200
Other operating expenses including depreciation on property, plant and equipment and personnel expenses	39,401	31,607	7,794	34,305	32,020	22,267	19,078	8,415	3,832	359
Revenues from profit transfer agreements	0	0	0	0	0	498	-	403	-	-
Other interest and similar revenues	1,849	1,541	308	1,239	1,165	557	768	256	1,166	5
Interest and similar expenses	42,418	33,396	9,022	27,441	23,533	19,138	11,688	16,971	15,273	883
Result of ordinary business activity	-21,299	-21,185	-114	-77	4,195	4,051	2,141	-1,624	2,685	119
Taxes	324	-82	406	1,153	2,187	1,705	777	113	118	292
Profits transfer	-	-	-	-	-	-	-	-	2,567	-
Net profit for the year	-520	0	-520	-1,230	2,008	2,346	1,364	-1,737	0	-173

Supervisory Board of Diskont und Kredit AG in 2007

Roman Oryschuk
Chairman
President & Chief Executive Officer
GE Capital Solutions Europe
Hounslow, UK

Joachim Secker
1. Deputy Chairman
Chief Executive Officer
Heller Bank AG
Mainz, Germany

Sylvain Girard
2. Deputy Chairman
Chief Financial Officer
GE Capital Solutions Europe
Hounslow, UK

Dr. Andreas Hoffmann
General Counsel
GE Capital Solutions
Munich, Germany

Carsten Braunert
Diskont und Kredit AG
Düsseldorf, Germany

Andreas Oppermann
Diskont und Kredit AG
Düsseldorf, Germany

Management Board of Diskont und Kredit AG

Karl-Heinz Helfrich
Chief Executive Officer

Gerhard H. Hackemesser

Thomas Rauschenbach

Felix Weidenbach

Management of Disko Leasing GmbH

Karl-Heinz Helfrich
Spokesperson

Gerhard H. Hackemesser

Thomas Rauschenbach

Christian Weber

Felix Weidenbach

Diskont und Kredit AG

Management report

for the shortened financial year from April 1 to December 31, 2007

A. General remarks

In legal terms, Diskont und Kredit AG is an "Aktiengesellschaft", i.e. a stock corporation, the registered office of which is in Düsseldorf. It is entered under number HRB 110 in the commercial register of Düsseldorf district court.

In the course of an extraordinary General Meeting held on November 7, 2007, it was resolved that, in future, the financial year should coincide with the calendar year. Therefore, for the period from April 1 to December 31, 2007, there will be a shortened financial year.

To facilitate a comparison of the data with those of the previous annual financial statements, in the comments – where appropriate – the accumulated values for the 2007 calendar year have been shown next to the figures for the concluded shortened financial year.

B. Development of business

I. Development of the sector and of the German economy in the 2007 calendar year

The German economy continued to be in good health in 2007. Even the increase in VAT that was introduced on January 1, was unable to prevent the upturn. The gross domestic product increased by 2.5 percent. In a situation of consistently rising foreign demand, this development was encouraged still further by a rise in domestic demand. Thus, for example, the upturn in the German employment market led, on the one hand, to increased tax income that created scope for public investments – including in the construction sector, and, on the other hand, to the enhancement of private consumption that lent the industry high levels of capacity utilization and consistently large volumes of orders, subsequently enabling the expansion of investments in production plant and production sites. In 2007, spending on plant and equipment was associated with pull-in effects as a result of the ending of depreciation benefits connected with the imminent corporate taxation reform.

In 2007, equipment investments increased by 8.2 percent in comparison with the previous year (source: German Federal Statistics Authority). This also had a positive effect on the business situation of Diskont und Kredit AG.

According to investigations by the German Central Bank, mid-term company loans went up in 2007 by 13.6 percent to a total amount of 142 billion euros (2006: 125 billion euros). The market share that private loan banks held in the mid-term investment loan sector was 16 billion euros on December 31, 2007, corresponding to 11 percent (December 31, 2006: 10 percent).

II. Business developments

1. New business in the shortened financial year from April 1 to December 31, 2007

Position of the company within the sector

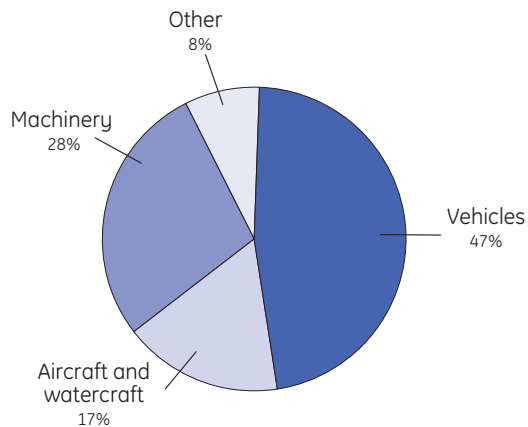
In new business, Diskont und Kredit AG financed a volume of around EUR 465 million during the shortened financial year, representing a robust continuation of the development that had begun in the previous shortened financial year (first quarter of 2007: EUR 159 million).

In the 2007 calendar year, the bank thus achieved an increase of just under 23 percent in new business volume compared to the 2006 calendar year. With a total of 624 million euros in new business in 2007, Diskont und Kredit AG held just under 4 percent of the market share of mid-term company loans held by private business banks.

Vehicles and machinery the leaders in objects

With 47 and 28 percent respectively, vehicles and machinery continued to be the leaders in commercial property over the past shortened financial year. Aircraft and watercraft accounted for the third largest share of objects overall, at 17 percent.

New business II-IV/2007 of Diskont und Kredit AG according to objects in %

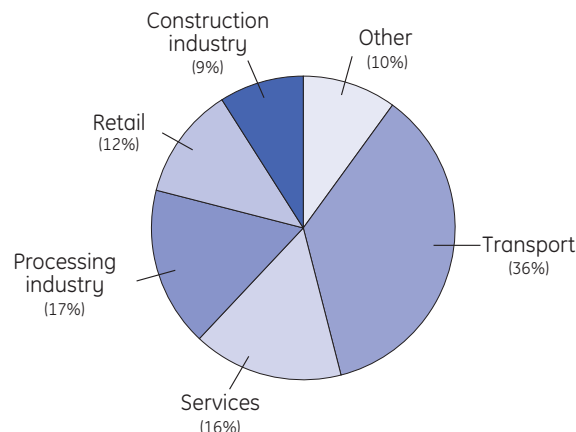


The object configuration within new business largely corresponded to that of the previous shortened financial year and of the fiscal year 2006.

Transport: the most important sector

On a sector basis, – as in previous years – transport continued to account for the largest share of new business in the shortened financial year from April 1 to December 31, 2007. The share reduction of 7 percentage points as against the previous shortened financial year was compensated for, in particular, by the processing industry sector, which increased its share from 13 to 17 percentage points, thus progressing to become the second largest sector. In third place is the service sector with 16 percent (previous year: 14 percent). The trade and construction sectors contributed 12 percent and 9 percent to new business respectively. With low percentages, the remaining shares are accounted for by various other sectors such as agriculture and forestry, fishing, mining and the supply of energy and water inter alia.

New business II-IV/2007 of Diskont und Kredit AG according to sectors in %



In a comparison between calendar years 2006 and 2007, as against a comparison of the shortened financial years from January 1, to March 31, 2007 and April 1 to December 31, 2007, only marginal shifts emerge in the shares accounted for by the individual sectors (as a percentage: transport: 2006 36/2007 36, services: 2006 16/2007 16, processing industry: 2006 16/2007 17, trade: 2006 15/2007 12, construction: 2006 8/2007 9, other: 2006 9/2007 10).

2. Sales structure

a) Branch system

Diskont und Kredit AG is represented by 16 branches throughout Germany. The branches that are currently operating are:

Berlin-Brandenburg, Bremen, Dortmund, Erfurt, Hamburg, Hanover, Koblenz, Mannheim, Munich, Nuremberg, Rhineland (in Düsseldorf), Rhine-Main (in Liederbach near Frankfurt am Main), Saarbrücken, Saxony (in Chemnitz and Dresden), Staßfurt and Ulm/Stuttgart.

This decentralized arrangement guarantees a short route to and for the customer and a method of processing contracts regionally which is thus very customer-oriented.

In the run-up period to the merger of GE Capital Solutions GmbH & Co. KG, Cologne, and the affiliate Disko Leasing GmbH, which was completed on January 1, 2008, with the subsequent merging of the sales structures, most of

GE's sales employees were transferred to the specialist bank and integrated into its existing structure during the shortened financial year. In this process, individual branches were reinforced in terms of personnel by the addition of object specialists from the GE ranks.

b) Sales partners

The cooperation of the specialist bank and its sales partners was intensified in the shortened financial year.

Allianz Group

The cooperation between the Dresdner Bank AG and its 100-percent subsidiary Oldenburgische Landesbank AG is the most important of Diskont und Kredit AG's partnerships. In comparison to the 2006 calendar year, there was a considerable increase (approximately 60 percent) in financing transactions brokered by both partners to Diskont und Kredit AG in 2007.

In the 2007 calendar year there was a decrease of about 12 percent in the number of financing transactions brokered by the representatives of Allianz, compared to the calendar year 2006. The focus of the brokerage activities carried out by representatives of Allianz for the DISKO group in the 2007 calendar year was on leasing contracts which were brokered to Disko Leasing GmbH.

Business was also brokered by Diskont und Kredit AG to Allianz Group. Here, the focus was on the brokering of commercial insurance.

Vendor Finance and International Business

Once again, in the shortened financial year, the DISKO Group's Vendor Finance and International Business area was one of our strongest growing divisions, increasing its new business appreciably for the fourth consecutive year. Diskont und Kredit AG functions in this respect as the German sales financier for well-known manufacturers and dealers (vendors) of capital goods that integrate the vendor finance program into their strategy as a sales-promoting measure which complements their services.

Consultancy is provided for questions relating to financing abroad, in each instance through the national company owned by the GE Group. In countries where there are no GE

companies, the specialist bank serves as a broker between vendors and leading foreign financial services providers, with whom the bank has either its own cooperation ventures or contacts via the International Finance and Leasing Association (IFLA).

DISKO Vendor Web is a user-friendly online financing tool that was introduced last year, enabling vendor partners to give their customers a calculation for all the financing options offered by the DISKO Group for the investment being proposed. It has certainly proven its worth, and is being deployed mainly in small-volume investment business.

In medium and large-volume vendor financing business in the area of vendor finance and international business, our consultancy and customer service are of the highest quality. Together with the fast, competent processing afforded by our business customer consultants who operate via the existing national network of branches, this level of service has contributed to the strong growth and high degree of customer satisfaction that have been achieved.

New cooperation ventures within the General Electric group association

After the bank had been integrated into the GE Group, in the shortened financial year, cooperation in sales activities was initiated with other GE companies in various branches of business that are located in Germany. To this end, Diskont und Kredit AG primarily acted as a sales financing partner or object financing specialist for customers of these GE companies.

c) Competence center

DISKO Ship Lease & Finance

The DISKO Group combines its activities in commercial shipping under the DISKO Ship Lease & Finance brand. Cooperation ventures are in existence with ship companies, shipbrokers and other market players. The contracts principally relate to finance arrangements for freight and passenger vessels in inland shipping, which is marked out by an increasingly active level of interest on the part of investors.

DISKO WassersportFinanz

The DISKO WassersportFinanz business division specializes in financing watersports craft, i.e. yachts and boats. In the shortened financial year, the DISKO Group once again exhibited at the three largest German trade fairs and enhanced its reputation in the market. It was possible for further cooperation agreements with sales partners to be prepared and signed. All in all, this market is growing.

Cooperation continued with the Allianz-owned esa EuroShip Assekuradeurgesellschaft mbH & Co. KG, a specialist insurer for ships and yachts.

AERO FINANZ

Under the brand name of AERO FINANZ, Diskont und Kredit AG conducts financing business for "General Aviation" aircraft.

In the calendar year 2007, AERO FINANZ achieved significant growth in comparison to the year before. Growth was stimulated by increasing demand for business travel aircraft in both aerospace company business and corporate business.

Renewable energy

In the energy competence center's second year of operations, in addition to the expansion of marketing activities, we have witnessed a strengthening of sales part. Specific training courses have been organized for the branch offices and they are becoming increasingly involved in acquisition for the purpose of financing energy facilities. Further, promising partnerships were forged in the area of vendor financing for biogas facilities, combined vegetable oil heat and power plants and solar generators (photovoltaics), and these are now yielding revenue for the first time.

Because of the preparations for the Renewable Energies Act amendment and the global losses sustained in agricultural yields for the third year running, investments diminished markedly in the German market for biogas facilities and combined vegetable oil heat and power plants.

The networking with other group companies opened up potential that already resulted in first sales in the shortened financial year.

III. Personnel

Number of employees (and workforce structure)

At the end of 2007, 398 members of staff were employed at the bank.

The workforce had the following structure as of the reporting date:

Number	Dec 31, 2007	Mar 31, 2007
Board of directors	4	4
Directors	1	1
Authorized representatives	15	11
Full-time salaried employees	325	297
Part-time employees	34	33
Trainees	19	17
Total	398	363

Since March 31, 2007, Diskont und Kredit AG has exhibited a rise of at least 9.6 percent in the number of employees it has. This is attributable to two factors: Firstly, a number of vacancies that had previously been kept open in the interests of integration have now been filled. Secondly, because of a partial transfer of business, the branch system had already gained reinforcements during the second half of 2007 in the form of individual members of the sales staff of GE Capital Solutions GmbH & Co. KG.

In the shortened financial year, the average number of employees was 358 (excluding 20 trainees), thus slightly exceeding the level of the previous calendar year, i.e. 377 staff members. On December 31, 2007, the proportion of female employees was 42 percent (March 31, 2007: 46 percent).

Personnel costs were partly transferred to Disko Leasing GmbH due to the union of personnel and locations as part of cost distribution.

In the past shortened financial year, it was also possible to achieve some significant agreements with the employee representatives, aimed at harmonizing conditions (decisions were reached regarding company agreements on working hours and time recording, among other things), in particular, against the backdrop of the restructuring of the company following the change of shareholder that took

place in January 2007. Cooperation was constructive and characterized by a trusting approach.

Remuneration and pensions

Diskont und Kredit AG is subject to the collective wage agreements for the private banking sector and public banks.

The specialist bank offers its staff the possibility of participating in an occupational pension scheme. With this in mind, it is a member of the BVV, the pension organization of the financial services sector, and it assumes responsibility for its share of the contributions in question.

In addition, there is a wide variety of employer-financed pension-plan models among the alternatives which are co-financed by the government. The bank takes on the task of processing these cases for its employees.

Integration into the GE Group

The shortened financial year was marked by integration activities which partly are also continuing during the current financial year, 2008.

A wide variety of measures were taken to promote cultural integration into the GE Corporation. For example, new communication processes have been introduced and the teambildung process that operates through special workshops at management and employee level has also been enhanced.

In order to create a common *modus operandi*, fundamental employer/works council agreements applying to all staff concerning, for example, working time and the recording of hours worked, were harmonized in constructive cooperation with the employee representatives.

It was against the background of possible synergy effects that could be gained from a reduction in staff numbers that a redundancy program was agreed upon, containing well thought-out and socially responsible terms and conditions.

Organizational integration of the sister company GE Capital Solutions GmbH & Co. KG

The organizational integration of the sister company GE Capital Solutions GmbH & Co. KG into the DISKO Group, which had already begun in the course of the shortened

financial year, was completed on January 1, 2008 with the business transfer to the bank of all the sister company staff who were employed as of that reporting date. As far as possible, the conditions applying to staff had previously been standardized in collaboration with the workers' councils of both companies.

Professional training involving further qualifications

A total of 19 trainees were in our company as of December 31, 2007, training to become bank employees and information executives. As of the autumn of 2008, we are planning a further increase in the number of trainees.

In the summer of 2007, four trainees at the Düsseldorf headquarters and one trainee at each of our branches in Berlin and Ulm completed their training successfully. In the first quarter of 2008, the first trainee at our Bremen branch will be completing his training and a further six will be sitting their final examination in the summer of 2008.

Nearly all DISKO Group trainees study business and management economics alongside their training at an academy of administration and business, professional academy or college of higher education. The training is also supported at all locations by experienced cooperation partners.

In the first half of 2007, the specialist bank's Düsseldorf trainees passed a further examination enabling them to obtain a qualification in "bank management economics for trainees". The examination had been adopted for the first time in 2007 by Düsseldorf Chamber of Industry and Commerce. This further qualification had been developed in order to give office employees and office communications executives in banking a solid basic knowledge of banking management to add to their own expertise. Diskont und Kredit AG participated in the project aimed at introducing this further qualification. In the first half of 2008, five more trainees will be taking this examination.

Continuing professional development for our employees

In the shortened financial year, the standard specialist training that is delivered was supplemented by a range of team workshops on the subject of "culture and integration", which are being continued during the first quarter of 2008.

In addition, a total of seven compliance courses were run across Germany, providing training for all headquarters and branch staff.

IV. Important events in the shortened financial year

The shortened financial year from April 1 to December 31, 2007 witnessed the following procedures during the integration process.

Partial business transfer of the sister company

GE Capital Solutions GmbH & Co. KG

As part of the business transfer, in the second half of 2007, 13 sales staff members from the sister company GE Capital Solutions GmbH & Co. KG were taken on by Diskont und Kredit AG.

Profit-transfer agreement concluded

A profit-transfer agreement was concluded between the bank and its sole shareholder, General Electric Vierzehnte Beteiligungs GmbH, Neu-Isenburg, as the controlling company, on October 22-23, 2007. It applied for the first time to the shortened financial year that ended on December 31, 2007.

Taking over of financing contracts from

GE Capital Solutions GmbH & Co. KG

As of November 30, 2007, Diskont und Kredit AG acquired from its sister company GE Capital Solutions GmbH & Co. KG financing contracts that had hitherto been operated by the latter and had originated in the portfolio of the former WTB Westdeutsche Kreditbank GmbH & Co. KG. None of these existing agreements is a defaulting agreement, and they will run their course with the specialist bank.

Integration into the group network

In December 2007, Diskont und Kredit AG signed an agreement with various companies of the GE Capital Solutions Europe Group. This governs the provision and settlement of services amongst GE group companies. It primarily deals with support services such as services in the areas of management, business development, quality assurance, risk management, law, sales, finance and IT. The bank will be

charged for these support services through a cost transfer process in accordance with the relevant costs.

A separate contract exists which regulates the invoicing/offsetting of services costs between Diskont und Kredit AG and its affiliated company Disko Leasing GmbH.

C. The Company's position

I. Net assets and financial situation

Balance sheet structure

The breakdown of the balance sheet figures is as follows:

in € Mill.	Dec 31, 2007	Mar 31, 2007	Dec 31, 2006	Change Dec 31, 2007 until Dec 31, 2006
Assets				
Customer receivables	1,262	1,265	1,270	-8
Investments and shares in affiliated companies	11	11	11	0
Irrevocable credit commitments	47	50	31	16
Other assets	3	1	1	2
Business volume	1,323	1,327	1,313	10
Liabilities				
Bank borrowings	88	171	674	-586
Liabilities to affiliated companies (from refinancing)	632	524	0	632
Other accounts payable to customers	415	459	487	-72
Irrevocable credit commitments	47	50	31	16
Provisions	22	24	22	0
Deferred income	13	0	0	13
Other liabilities	11	4	5	6
Subordinated liabilities	31	31	31	0
Subscribed capital and reserves	64	63	61	3
Net retained earnings	0	1	2	-2
Business volume	1,323	1,327	1,313	10
Irrevocable credit commitments	-47	-50	-31	-16
Total equity and liabilities	1,276	1,277	1,282	-6

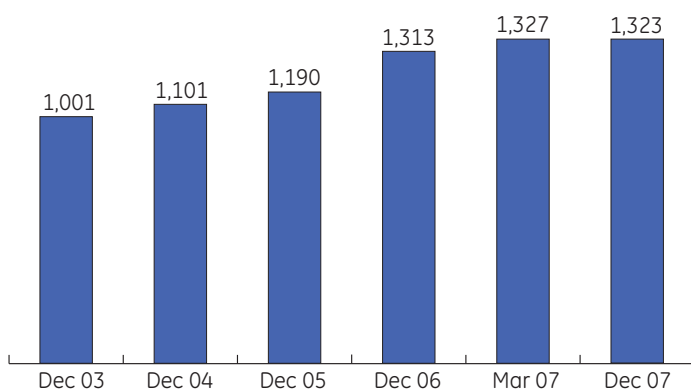
The business volume and the balance sheet total have remained at the levels recorded in previous years.

The business volume

The greater part of the business volume as of December 31, 2007 (EUR 1,262 million = 95.4 percent) is accounted for by customer receivables, thus exhibiting a value that is virtually unchanged as against that of March 31, 2007. It must be noted that, in the short financial years in 2007, the bank ceased purchasing the leasing receivables from its sister company, Disko Leasing GmbH.

The configuration of the overall portfolio in terms of commercial property and sectors largely corresponds to that of the specialist bank's new business.

Development of the business volume of Diskont und AG (in EUR million)



Refinancing

In the past short financial year the configuration of refinancing was characterized primarily by the inclusion of Diskont und Kredit AG in the refinancing system of the new shareholder, General Electric. Almost all the new additions were effected via the Group. For example, at EUR 632 million, Group funds amounted to a share of around 54 percent of the outside funds that were available overall (EUR 1,166 million) as of the reporting date, December 31, 2007.

The funds raised from current ABS transactions amounted to EUR 412 million as of the reporting date (March 31, 2007: EUR 456 million). These are backed by appropriate interest-rate swaps.

Foreign currency loans existed in US dollars and Swiss francs. These were refinanced in the same currency and

with the same term (5.4 million US dollars and 8.0 million Swiss francs; this corresponds to a total of EUR 8.5 million).

Equity

As of the reporting date, the bank had equity in the form of subscribed capital and reserves amounting to EUR 64.2 million in total. This corresponds to an equity ratio of 5.03 percent (March 31, 2007: 5.02 percent). The amount of the capital reserve remained unchanged in comparison with the previous year's figure. In accordance with a resolution passed at the AGM on November 27, 2007, the full amount of the net income achieved in the short financial year from January 1 to March 31, 2007 was allocated to other revenue reserves.

Liable equity capital as per Paragraph 10 of the German Banking Act (Kreditwesengesetz) amounted to EUR 84.2 million as of December 31, 2007 (March 31, 2007: EUR 80.5 million). The solvency ratio was 9.6 percent (March 31, 2007: 9.7 percent) as of December 31, 2007.

II. Results of operation

The breakdown of the items in the income statement for the short financial year from April 1 to December 31, 2007 shows the following whereby, to facilitate a comparison, the values for the previous shortened financial year from January 1 to March 31, 2007 have been shown in greater detail and the overall value for 2007 has been entered in a separate column:

Interest income for the 2007 calendar year rose by 10.9 percent to EUR 77.1 million, which was commensurate with the rise in interest rates that had taken place as against 2006. In the same period of time, the interest expense item was posted at EUR 50.6 million, representing an increase of 21.3 percent, even attributable to the restructuring of our refinancing arrangements, and so the net interest income diminished by EUR 1.3 million, i.e. 4.7 percent, to EUR 26.5 million.

	Shortened financial year from April 1 to Dec 31, 2007	Shortened financial year from Jan 1 to Mar 31, 2007	2007	2006	Change in result
	€ Mill.	€ Mill.	€ Mill.	€ Mill.	€ Mill.
Net interest income	20.2	6.3	26.5	27.8	-1.3
Commission result	-1.5	-0.5	-2.0	-1.9	-0.1
Personnel expenses	-23.9	-7.1	-31.0	-29.6	-1.4
Materials and other expenses	-5.3	-1.4	-6.7	-5.6	-1.1
Cost reimbursement via Disko Leasing	15.3	4.3	19.6	18.0	1.6
Cost allocation to GE Capital Solutions	-4.3	0.0	-4.3	0.0	-4.3
Valuation result	-2.0	-0.9	-2.9	-5.0	2.1
Other earnings	-0.2	0.0	-0.2	-0.1	-0.1
Result of ordinary business activity	-1.7	0.7	-1.0	3.6	-4.6
(Reimbursed) income tax	1.5	-0.2	1.3	-1.4	2.7
Revenues from assumption of losses	0.2	0.0	0.2	0.0	0.2
Net profit for the year	0.0	0.5	0.5	2.2	-1.7

The personnel expenses figure rose by EUR 1.4 million, to EUR 31 million. This rise is largely attributable to the increase in staff numbers brought about by the taking on of sales staff members from GE Capital Solutions GmbH & Co. KG.

Materials and other expenses rose by EUR 1.1 million, to EUR 6.7 million, because of increased consultancy and auditing expenses that were incurred by various projects (e.g. Basel II and the Sarbanes-Oxley Act).

As part of the process set up for the transferring of costs to companies within the GE Capital Solutions Europe Group, for the first time Diskont und Kredit AG was invoiced for services with which it had been provided by the companies concerned during the short financial year from April 1 to December 31, 2007.

The valuation result improved, stricter risk criteria being applied and the incidence of risk events diminishing by EUR 2.1 million, to EUR 2.9 million.

A negative result was recorded for ordinary business activities for the shortened financial year from April 1 up to December 1, 2007; the total was EUR 1.7 million.

On account of the arrangement for consolidated trade and corporation tax filing that has existed with General Electric Vierzehnte Beteiligungs GmbH since April 1, 2007, as the controlling company, the writing back of the provision for latent corporation tax at the bank was possible, with the consequence that, in the final balance, no charge with income tax resulted.

The negative result for the shortened financial year, of EUR 0.2 million was absorbed by shareholder, under the profit-transfer agreement that has been concluded.

D. Risk report

Diskont und Kredit AG's business is characterized by few and calculable risks. The liquidity and strategic risks to which it is exposed are minimal. Risks from foreign currency transactions are hedged completely using refinancing that is congruent in terms of term and currency. Because most business activities are carried on within the country, country risks are insignificant.

The most important risks to which the specialist bank is exposed – measured by their potential for loss – are credit risks and risks resulting from changes in interest rates, as well as operating risks.

Reliable tools with which to counteract credit risks

Counterparty default risks are managed at portfolio level. The basis for this is the risk-taking capability of Diskont und Kredit AG, as calculated, which takes into account its equity backing and profitability. At individual transaction level, Diskont und Kredit AG's risk classification procedures form the basis for every individual credit decision. If commitments exceed the volume that is determined by a prescribed amount, we aim to achieve sub-participation by third parties. In relation to the bank's overarching risk strategy, other tools of control such as, for example, preferred business areas and distribution channels, are prescribed.

The new financing business risk is reported and managed at portfolio level. In line with the commitment volume, scoring and rating systems are also used; each involves a credit and transaction analysis.

Clearly defined competencies govern the extension of loans, whereby the assessment of the credit rating of the potential recipient of a loan is subject to normal banking criteria and criteria that are specific to the specialist bank's business structures.

The loans portfolio, which is classified using the scoring and rating systems that are applied to new business, is subject to ongoing analysis with respect to the overall business-related credit risk, using a procedure based on risk costs as well as a calculation of the commercial capital on the basis of a value-at-risk-model. In order to ensure that the database that is created is reliable, existing commitments are rated again as soon as any new, significant information is obtained. Portfolio commitments above a certain level are subject to a rating review that takes place at least once a year. For purposes of risk analysis, the current loans portfolio is evaluated regularly.

The process is rounded out by an automatic, contract-related collection procedure which the bank uses to monitor credit risks and to operate an early-warning system.

The risk from changes in interest rates is limited

The bank quantifies the interest rate change risk on a cyclical basis by reporting on the same, using various standardized interest-rate scenarios. A gap analysis based on future cash flows is applied, utilizing average positions and interest rates. Comments are submitted concerning the results of this cashflow-orientated calculation.

In order to limit the interest rate change risk, Diskont und Kredit AG always ensures adequate congruence with respect to the term of the loan in question. For the purpose of financing the specialist bank, the shareholder provides refinancing funds that demonstrate the optimum level of congruency with respect to the term. In addition, interest-rate swaps exist with a company within the GE Group, the aim being to hedge the interest rate change risk incurred in ABS transactions.

Solvency always guaranteed

Diskont und Kredit AG hedges its liquidity risk by means of prompt liquidity management procedures. The prevailing principle is that liquidity reserves in the form of free refinancing lines should not exceed an appropriate minimum

level. Besides lines that are confirmed in writing, from German banks and finance companies within the GE Group, via the Group, the bank has access to funds through cash-pooling. Thus, sufficient refinancing funds are available at all times. Adequate funds were guaranteed throughout the short financial year.

In-depth controls applied to operating risks

Litigation risks, cost risks, fraud risks and IT risks comprise the principal operating risks for Diskont und Kredit AG. In order to prevent these risks from being realized, Diskont und Kredit AG has introduced comprehensive integrated controls, checks by the Internal audit department and ongoing cost structure analyses. A wide-ranging set of regulations is used to manage the modus operandi in emergencies. A range of insurances is in force to counter risk events that come about, the objective being loss minimization.

Strategic risks

By means of regular market, environment and portfolio analyses, the bank assesses its strategic risks, which take the form of positioning risks, business structure risks and changes in the legal environment.

Diskont und Kredit AG implemented the appropriate procedures that are necessary for the managing, monitoring and controlling of risk, as well as for the establishment of an early-warning system. The risks that have been discussed will not impair the future development of the specialist bank to any great extent.

The Forecast Report for Diskont und Kredit AG will comment on factors that constitute potential strategic risks for the specialist bank's future development.

E. The bank's forecast report

Macroeconomic conditions in Germany

For the current year 2008, the Federal government forecasted an increase in gross domestic product of around 1.7 percent in its spring projection (as per 04/2008).

Admittedly, the order books are very full for 2008, but such orders constitute "overspill" from 2007 as opposed to

new orders that have been placed in 2008. The considerable increases in the cost of living that have occurred have had a detrimental effect on private consumption. And Germany, too, has now been swept up in the wake of the crisis in the financial markets, which has emerged as being much more extensive and deep-seated than at first thought. The consequence of this is that companies are once again becoming reluctant to invest both at home and abroad and, in the current year, this will slow down the upturn achieved in 2007.

Business development

Our assessment is that the market which interests the Diskont und Kredit AG, the market for mid-term company loans, will continue to grow, although the growth will be slower than in previous years. The bank is well positioned, now as in the past, and it has increased opportunities due to its integration into the GE Corporation. The company's integration into the GE Group means that it is in a secure position with regards to possible hazards resulting from the crisis in financial markets.

Because the whole of the GE Group has a very good rating ("Triple-A") Diskont und Kredit AG has access to the capital market at all times, even in present conditions, which have clearly been worsened by the crisis in the financial markets. However, the GE Group and thus, indirectly, the bank, is affected by the rise in prices brought about by the crisis in the financial markets.

Another event that is exerting an influence on the current business situation is the change in Diskont und Kredit AG's corporate strategy: it has introduced stricter conditions to counteract the prevailing margin erosion caused by the fierce competition that is currently operating. One has had to make a point of accepting the consequence of this policy, i.e. that market share will be lost.

Furthermore, a burden on the results for 2008 is becoming apparent due to the insolvencies of two major customers in 2008. The resulting loss can be put at EUR 2.8 million as per the key date of March 31, 2008.

Forecast

In the current financial year, the challenging environment of the global and domestic economy, as well as our new corporate strategy, will affect the Diskont und Kredit AG business situation in such a way that the volume of new business is expected to diminish.

Taking into account all the influences mentioned above – notably also in the light of the continuing high level of integration costs – the bank's Management Board is anticipating a negative result for the 2008 financial year, exceeding the result of the shortened financial year, which will be absorbed for via the profit-transfer agreement that is in force.

F. Key events following the reporting date

The reader is referred to the two events that have already been mentioned in the forecast report, i.e. the insolvency of two of our major customers and our new corporate strategy, aimed at the realization of greater margin revenue.

As of January 1, 2008, as part of a business transfer, 119 staff members from the sister company GE Capital Solutions GmbH & Co. KG were taken on by Diskont und Kredit AG.

G. Other information

Shareholder relationships

The sole shareholder of Diskont und Kredit AG in the shortened financial year was General Electric Vierzehnte Beteiligungs GmbH, the registered office of which is in Neu-Isenburg.

Düsseldorf, May 23, 2007

Diskont und Kredit AG

Hackemesser Helfrich Rauschenbach Weidenbach

The balance sheet of Diskont und Kredit AG

as of December 31, 2007

ASSETS	EUR	EUR	Mar 31, 2007 TEUR	Dec 31, 2006 TEUR
Cash reserve				
a) Cash in hand	3,362.11		3	6
b) Central bank credits	<u>1,000.00</u>		<u>1</u>	<u>1</u>
of which: at the Deutsche Bundesbank		4,362.11	4	7
EUR 1,000.00			(1)	(1)
Accounts receivable due from banks		0.00	75	0
other receivables				
Customer receivables		1,261,764,034.10	1,264,988	1,269,644
including:				
secured by mortgages				
EUR 8,102,031.13			(8,536)	(8,632)
Public sector loans				
EUR 1,202,876.18			(1,434)	(1,509)
Investments		25,564.59	26	26
including:				
to credit institutions				
EUR 25,564.59			(26)	(26)
to financial service institutions				
EUR 0			(0)	(0)
Shares in affiliated companies		11,434,917.65	11,435	11,435
including:				
to credit institutions				
EUR 0			(0)	(0)
to financial service institutions				
EUR 0			(0)	(0)
Intangible fixed assets		435,928.90	295	310
Tangible fixed assets		57,849.09	70	75
Other assets		1,985,724.78	281	359
Prepaid expenses		141,964.00	237	341
Total assets		1,275,850,345.22	1,277,411	1,282,197

LIABILITIES	EUR	EUR	Mar 31, 2007 TEUR	Dec 31, 2006 TEUR
Bank borrowings				
a) Demand	32,101,246.25		50,008	25,003
b) With agreed maturity or notice period	<u>55,564,402.43</u>		<u>121,080</u>	<u>648,993</u>
		87,665,648.68	171,088	673,996
Accounts payable to customers				
Other liabilities				
a) Demand	68,734,599.46		2,878	2,548
b) With agreed maturity or notice period	<u>978,560,069.66</u>		<u>980,137</u>	<u>484,406</u>
		1,047,294,669.12	983,015	486,954
Other liabilities		7,953,721.77	2,289	1,844
Deferred income		13,488,582.08	0	0
Provisions				
a) Provisions for pensions and similar obligations	15,956,397.00		14,929	14,791
b) Tax provisions	485,315.94		1,939	1,938
c) Other provisions	<u>5,568,384.03</u>		<u>6,652</u>	5,617
		22,010,096.97	23,520	<u>22,346</u>
Special tax-allowable reserve		2,593,954.00	2,656	2,677
Subordinated liabilities		30,684,378.22	30,684	30,684
Equity				
a) Subscribed capital	24,000,000.00		24,000	24,000
b) Capital reserve	27,300,000.00		27,300	27,300
c) Revenue reserves				
ca) Legal reserve	400,000.00		400	400
cb) Other revenue reserves	<u>12,459,294.38</u>		<u>11,996</u>	<u>9,700</u>
	12,859,294.38		12,396	10,100
d) Net retained earnings	<u>0.00</u>		<u>463</u>	<u>2,296</u>
		64,159,294.38	64,159	63,696
Total liabilities and shareholders' equity		1,275,850,345.22	1,277,411	1,282,197
1. Contingent liabilities				
Liabilities under guarantees and other indemnity agreements		225,271.30	215	230
2. Other obligations				
Irrevocable credit commitments		47,199,200.24	50,053	30,528

Income statement of Diskont und Kredit AG

for the period between April 1 and December 31, 2007

EXPENSES	EUR	EUR	Jan 1, 2007	Jan 1, 2006
			- Mar 31, 2007	- Dec 31, 2006
			TEUR	TEUR
Interest expense		38,369,748.58	12,260	41,751
Commission expenses		1,474,565.11	548	1,971
General administration expenses				
a) Personnel expenses				
aa) Salaries	19,258,368.35		5,796	23,928
ab) Social contributions and pension and benefit expenses	<u>4,631,942.09</u> 23,890,310.44		<u>1,291</u> 7,087	<u>5,712</u> 29,640
including: for pensions EUR 1,986,532.05			(493)	(2,169)
b) other administration expenses	<u>5,339,031.05</u>		<u>1,328</u>	<u>5,639</u>
		29,229,341.49	8,415	35,279
Amortization/depreciation and write-downs to intangible and tangible fixed assets		128,352.02	36	80
Other operating expenses		6,167,776.60	70	337
Amortization and write-downs to receivables and certain securities as well as additions to provisions in the loan business		2,037,407.65	867	4,976
Reimbursed taxes on income (in prior years, taxes on income)		-1,484,528.64	205	1,432
Other taxes, to the extent not included among "Other operating expenses"		834.00	0	1
Net profit for the year		0.00	463	2,212
Total expenses		75,923,496.81	22,864	88,039

INCOME	EUR	Jan 1, 2007 – Mar 31, 2007 TEUR	Jan 1, 2006 – Dec 31, 2006 TEUR
Interest income from lending and money market transactions	58,600,500.77	18,536	69,553
Current income from investments	960.00	0	1
Commission income	22,121.32	8	34
Other operating income	17,062,419.56	4,299	18,368
Income from release of special tax-allowable reserve	62,078.00	21	83
Income from assumption of loss	175,417.16	0	0
Total income	75,923,496.81	22,864	88,039

Diskont und Kredit AG

Notes to the accounts

for the shortened financial year from April 1 to December 31, 2007

I. General disclosures

These financial statements have been prepared according to the provisions of the German Commercial Code (HGB) in combination with the German Banking Accounting Principles (RechKredV) and taking into account the regulations of the Stock Corporation Act (AktG).

We have utilized the option of making disclosures in the notes to the accounts rather than in the balance sheet.

At the extraordinary general meeting held on November 7, 2007 it was decided to end the financial year on December 31, instead of March 31. This resulted in a shortened financial year from April 1 to December 31, 2007.

References to the previous year relate to the shortened financial year that ran from January 1 to March 31, 2007.

To make it easier to compare the asset, financial and earnings positions, the balance sheet, income statement and notes to the accounts contain not only the figures for the previous year, but also the corresponding figures for the financial year that ran from January 1 to December 31, 2006.

Shareholder relationships

Diskont und Kredit AG is part of General Electric Company, Fairfield (U.S.A). It is a wholly owned subsidiary of General Electric Vierzehnte Beteiligungs GmbH, Neu-Isenburg.

Notes to the consolidated accounts

The annual financial statements of Diskont und Kredit AG are included in the consolidated accounts and group management report of GE Deutschland Holding GmbH, Neu-Isenburg for the first time for the year to December 31, 2007. Diskont und Kredit AG therefore invokes the exemption provisions of Section 291 Paragraphs 1 and 2 of the German Commercial Code and does not compile its own consolidated financial statements or group management report. The consolidated financial statements of GE Deutschland Holding GmbH are published electronically in the Federal Gazette (Bundesanzeiger).

The consolidated financial statements for the largest numbers of companies are prepared by General Electric Company, 3135 Easton Turnpike, Fairfield, Connecticut 06431, U.S.A, and are available from there.

II. Accounting principles

Foreign currency positions are converted using the mid-rate applicable on the reporting date.

Cash positions and other assets are recognized at nominal value.

We report customer receivables at nominal value minus specific and general bad debt charges and minus provisions. When interruptions occur to payments, we form specific bad debt charges using standard criteria and taking into account any security available for each identifiable individual case. We calculate general value impairments in line with tax regulations for latent risks applying to the receivables book.

We report investments and shares in affiliated companies at cost.

Intangible assets (software) are capitalized at cost and amortized on a straight-line basis over their normal operating life in line with tax rules. Tangible fixed assets are also capitalized at cost, and depreciated pro rata temporis using the declining balance method over its useful economic life and in line with tax rules. Economic assets of minor value are written off fully in the year of acquisition.

Prepaid items are reported under prepaid expenses or deferred income.

Liabilities are recognized using repayment amounts.

Pension provisions are formed using actuarial valuation methods as per Section 6a of the Income Tax Act (EStG). Tax provisions and other provisions take account of all discernible risks and uncertain liabilities. They reflect the extent of the prospective claim.

The formation of the special tax-allowable reserve in accordance with Section 6b of the Income Tax Act (EStG) resulted from the sale of a building; the release of this provision is performed in correspondence with the fiscal supplementary accounts.

Interest rate swaps were undertaken to hedge the interest rate change risk arising from asset-backed securities transactions and customer receivables. In the event of interest rate changes, the market value of the interest rate swaps and the market value of interest payments from the asset-backed securities transactions balance each other out. Interest rate swaps, asset-backed securities transactions and customer receivables therefore form a separate valuation unit. Accordingly, interest rate swaps with a negative market value are not included in the financial statements.

III. Notes to the balance sheet

Residual maturities

We report balance sheet items using residual maturities in accordance with Section 340d of the German Commercial Code (HGB) in connection with Section 9 of the German Banking Accounting Principles (RechKredV).

Customer receivables

This item contains uncertificated claims from affiliated companies of

TEUR	8,102
(previous year TEUR	9,853;
December 31, 2006 TEUR	9,832)

Of the afore-mentioned receivables are secured through mortgages in an amount of TEUR 8.102 (previous year: TEUR 8.536; December 31, 2006 TEUR 8.632).

This item includes foreign currency receivables of TEUR 8,530 (previous year: TEUR 8,396; December 31, 2006 TEUR 13,587).

The item can be categorized according to residual maturities as follows:

a) up to three months	TEUR	131,290
(previous year	TEUR	124,903)
(December 31, 2006	TEUR	120,791)
b) between three months and one year	TEUR	312,418
(previous year	TEUR	301,978)
(December 31, 2006	TEUR	301,930)
c) more than one year and up to five years	TEUR	769,729
(previous year	TEUR	795,025)
(December 31, 2006	TEUR	804,801)
d) more than five years	TEUR	48,327
(previous year	TEUR	43,082)
(December 31, 2006	TEUR	42,122)
a) includes receivables with indeterminate maturities	TEUR	729
(previous year	TEUR	867)
(December 31, 2006	TEUR	851)

Fixed assets

The development of this item is as follows:

Statement of changes in assets

	Original equipment costs	Addition	Disposal	Depreciation		Book values	
	April 1, 2007	EUR	EUR	cumulative	Financial year	Dec 31, 2007	Mar 31, 2007
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Investments	25,564.59	0.00	0.00	0.00	0.00	25,564.59	25,564.59
Shares in affiliated companies	11,434,917.65	0.00	0.00	0.00	0.00	11,434,917.65	11,434,917.65
Intangible fixed assets	473,315.57	244,824.99	0.00	282,211.66	104,222.36	435,928.90	295,326.27
Tangible fixed assets	800,998.06	12,172.83	8,655.16	746,666.64	24,129.66	57,849.09	69,805.92
Total	12,734,795.87	256,997.82	8,655.16	1,028,878.30	128,352.02	11,954,260.23	11,825,614.43

Investments

We have reported our shareholding in Liquiditäts-Konsortialbank GmbH, Frankfurt/Main, which lies below 20 percent.

In accordance with Section 26 of the Limited-Companies Act (GmbHG), an obligation to pay an additional premium

of TEUR 200 resulted as of the reporting date from this shareholding, as well as a limited joint liability for the obligation to pay an additional premium on the part of members of the Banking Trade Association (Bankenfachverband e. V.), Berlin, in accordance with Section 5 Paragraph 4 of the shareholder agreement of the limited company.

Shares in affiliated companies

Shareholding disclosures in accordance with Section 285 Numbers 11 and 11a of the German Commercial Code (HGB)

	Equity ¹⁾ TEUR	Share of capital %	Earnings (full year) TEUR
1. GE Auto Service-Leasing GmbH, Oberhaching ²⁾	13,352	35 ⁵⁾	5 (Jan 1, 07 – Mar 31, 07)
2. QUANTA Grundstücks-Verwaltungs- gesellschaft mbH & Co. oHG, Neu-Isenburg ³⁾	-1,750 ⁴⁾	93.1 ⁶⁾	223 (Jan 1, 07 – Dec 31, 07)

1) equity capital concept corresponding to Section 266 of the German Commercial Code (HGB)

2) formerly: ASL Auto Service-Leasing GmbH, Oberhaching

3) formerly: Grünwald

4) There are no actual negative assets on the part of the company.

5) A further shareholding of 50.33 percent is held by General Electric Vierzehnte Beteiligungs GmbH, Neu-Isenburg, and 14.67 percent by DISKO Auto-Leasing GmbH, Düsseldorf.

6) shareholder with unlimited liability

Quanta Grundstücks-Verwaltungsgesellschaft mbH & Co. oHG, Neu-Isenburg, is a real estate company, for which the only significant asset reported is the administration building leased to Diskont und Kredit AG, reported on its balance sheet at a book value of TEUR 6,316 as of December 31, 2007, which is financed by Diskont und Kredit AG.

Intangible and tangible fixed assets

Intangible assets consist of standard software and downpayments on standard software. Tangible fixed assets comprise all operating and office equipment.

Other assets

This item consists principally of TEUR 1,612 (previous year and December 31, 2006 TEUR 0) in affiliated company receivables. It also includes, for the first time, a shareholder claim of TEUR 175 in relation to the profit transfer agreement.

Bank borrowings

This item includes foreign-currency liabilities of TEUR 8,526 (previous year: TEUR 8,392, December 31, 2006 TEUR 13,582).

The sub-item "with agreed maturity or notice period" is broken down according to residual maturities as follows:

a) up to three months	TEUR	17,064
	(previous year TEUR	25,859)
	(December 31, 2006 TEUR	267,243)
b) between three months and one year	TEUR	29,250
	(previous year TEUR	56,721)
	(December 31, 2006 TEUR	194,076)
c) more than one year and up to five years	TEUR	9,250
	(previous year TEUR	38,500)
	(December 31, 2006 TEUR	187,674)
d) more than five years	TEUR	0
	(previous year TEUR	0)
	(December 31, 2006 TEUR	0)

Accounts payable to customers

This item contains TEUR 632,421 (previous year TEUR 524,015; December 31, 2006 TEUR 93) of liabilities to affiliated companies.

The cash inflow from asset-backed securities transactions to securitize financial instruments is reported under Accounts payable to customers. These commitments stood at TEUR 410,534 on the reporting date. Since significant credit risks from the receivables sold remained with the bank, these receivables continue to be regarded from an economic perspective as loan receivables from customers that have been assigned as collateral. Therefore these receivables are included as usual in customer receivables.

The sub-item "with agreed maturity or notice period" is broken down according to residual maturities as follows:

a) up to three months	TEUR	89,404
	(previous year TEUR	114,852)
	(December 31, 2006 TEUR	57,436)
b) between three months and one year	TEUR	249,724
	(previous year TEUR	219,304)
	(December 31, 2006 TEUR	149,054)
c) more than one year and up to five years	TEUR	633,982
	(previous year TEUR	633,344)
	(December 31, 2006 TEUR	276,807)
d) more than five years	TEUR	5,450
	(previous year TEUR	12,636)
	(December 31, 2006 TEUR	1,109)

Other liabilities

This item includes, for the first time, TEUR 3,645 in obligations to affiliated companies arising from cost allocations. It also contains liabilities to the local tax office for value added tax still to be paid and for corporation tax payable based on the notification received totalling TEUR 2,145.

Deferred income

As of December 31, 2007 this item contains a compensatory payment which the bank received during the shortened financial year in connection with the early termination of a swap transaction. The item is written back on a straight-line basis over the original term of the swap transaction.

Provisions

The deferred tax item in accordance with Section 274 paragraph 1 of the German Commercial Code (HGB) of TEUR 1,759 (previous year TEUR 1,759; December 31, 2006 TEUR 1,759) contained in the tax provisions was completely released during the shortened financial year.

Other provisions as of December 31, 2007 mainly contain provisions for management bonuses and annual bonuses, uncertain liabilities and deferred holiday entitlements.

Special tax-allowable reserve

The special reserve item is a tax-free reserve in accordance with Section 6b of the Income Tax Act (EStG) arising from the sale of the bank's former administration building. The book profit at the time of the sale was transferred to the property provided by QUANTA Grundstücks-Verwaltungsgesellschaft mbH & Co. oHG, Neu-Isenburg (formerly Grünwald).

Subordinated liabilities

All subordinated liabilities concern shareholders' equity in the sense of Section 10 Paragraph 5a of the German Banking Act (KWG). Interest expenses of TEUR 1,406 were incurred in the shortened financial year (previous year TEUR 464; December 31, 2006 TEUR 1,809) for the subordinated liabilities.

Amounts raised exceeding 10 percent of the total amount of the subordinated liabilities occurred on the following terms:

Amount	Currency	Interest rate (in %)	Maturity
7,669,378.22	EUR	6.76	Sept 21, 2011
8,000,000.00	EUR	6.49	Oct 10, 2011
5,115,000.00	EUR	5.16	Mar 18, 2013
5,000,000.00	EUR	6.18	Jan 20, 2014
4,900,000.00	EUR	7.09	Dec 17, 2014

An obligation to make early repayment is not possible. The loans can be repaid only after the satisfaction of all unsubordinated creditors in the instance of insolvency or liquidation.

Equity

The subscribed capital (issued share capital) amounts to TEUR 24,000 and consists of 48,000 ordinary bearer shares each with a nominal amount of EUR 500.00.

All shares in the company are owned by General Electric Vierzehnte Beteiligungs GmbH, Neu-Isenburg.

The capital reserve is unchanged on the previous year at TEUR 27,300; the revenue reserves amount to TEUR 12,859 after the transfer of the net income of TEUR 463 for the shortened financial year from January 1, 2007 to March 31, 2007 to other revenue reserves following the decision taken at the annual general meeting held on November 27, 2007.

Contingent liabilities

The contingent liabilities of TEUR 225 (previous year TEUR 215; December 31, 2006 TEUR 215) relate to rental guarantees provided by the bank for an affiliated company.

Other obligations

As in previous years, partial loan amounts that have not yet been paid to customers are reported as irrevocable credit commitments and are correspondingly disclosed with Other obligations.

IV. Notes to the income statement

Income

Income generated in the shortened financial year was attributable almost exclusively to Germany.

Other operating expenses

Other operating expenses for the first time contain TEUR 5,520 of expenses for cost reimbursements to affiliated companies.

Reimbursed taxes on income

Reimbursed taxes on income contain earnings from the release of tax provisions netted off against tax expenses for previous years.

Other operating income

This item mainly comprises personnel and material cost reimbursements of TEUR 15,276 (previous year: TEUR 4,267; December 31, 2006 TEUR 18,053) made by Disko Leasing GmbH.

Expenses and income related to another financial year

In December 2007, the agency contract between the bank and Disko Leasing GmbH was revised with effect from January 16, 2007. This results in a recalculation of the cost allocation agreed between the companies, of which TEUR 274 goes on the previous year. Other income unrelated to the accounting period amounts to TEUR 1,107 (previous year TEUR 388; December 31, 2006 TEUR 1,803). This arises mainly from the release of provisions and risk provisioning. Income unrelated to the accounting period was also generated from the release of deferred tax provisions.

V. Other disclosures

Other financial obligations

Financial obligations arising from the renting of business offices and of operating and office equipment up to the earliest possible cancellation date amounted to TEUR 1,208 (previous year: TEUR 925; December 31, 2006 TEUR 1,221), of which TEUR 1,165 (previous year: TEUR 874; December 31, 2006 TEUR 1,165) was attributable to affiliated companies.

Supervisory Board

Roman Oryschuk
Chairman
President & CEO of GE Capital Solutions, Europe
Hounslow, United Kingdom

Sylvain Girard
Deputy Chairman
CFO of GE Capital Solutions, Europe
Hounslow, United Kingdom

Joachim Secker
Deputy Chairman
Heller Bank AG
Mainz, Germany

Dr. Andreas Hoffmann
General Counsel of GE Commercial Finance
München, Germany
(until March 31, 2008)

Carsten Braunert
Diskont und Kredit AG
Düsseldorf, Germany

Andreas Oppermann
Diskont und Kredit AG
Düsseldorf, Germany

A provision of TEUR 16 was formed for the shortened financial year for Supervisory Board remuneration.

Management Board

Karl-Heinz Helfrich
(Spokesman)

Gerhard H. Hackemesser
(until May 23, 2008)

Thomas Rauschenbach

Felix Weidenbach

TEUR 227 was paid to former members of the Management Board and their surviving dependants. A total provision of TEUR 2,771 has been created for pension obligations to earlier members of the Management Board and their surviving dependants. We have not disclosed the remuneration of members of the Management Board in accordance with Section 286 Paragraph 4 of the German Commercial Code (HGB).

Employees

The bank employed 161 women and 197 men as an average over the shortened financial year. The total workforce as a result comprised 358 members of staff as well as five female and fifteen male trainees.

Derivative financial instruments

During the shortened financial year, to hedge against interest rate change risks, the bank concluded interest rate swaps serving solely for hedging purposes. The market values of the swaps were calculated by discounting future cash flows at current market interest rates. These derivative transactions are off-balance sheet deals for which only the deferred interest is reported.

Details of the derivative financial instruments, in accordance with Section 285 Clause 1 No. 18 of the German Commercial Code (HGB) are as follows as of the reporting date:

Nominal values	TEUR	666,000
Positive market values	TEUR	422
Negative market values	TEUR	1,890

Income for the year

During the shortened financial year, a profit transfer agreement was concluded between Diskont und Kredit AG as the controlled company and the sole shareholder with effect from March 31, 2007.

The loss for the shortened financial year of EUR 175,417.16 was absorbed by the shareholder on the basis of this agreement.

Düsseldorf, May 23, 2008

Diskont und Kredit AG

Hackemesser Helfrich Rauschenbach Weidenbach

Auditor's Report

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of the Diskont und Kredit AG, Düsseldorf, for the short business year from April 1, 2007 to December 31, 2007. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § [Article] 317 HGB [„Handelsgesetzbuch“: „German Commercial Code“] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with [German] principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with [German] principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Düsseldorf, May 23, 2008

KPMG Deutsche Treuhand-Gesellschaft
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

signed (Kügler)	signed (Lehnen)
Wirtschaftsprüfer	Wirtschaftsprüferin

Report of the Supervisory Board

In the shortened financial year from April 1 to December 31, 2007, the Supervisory Board has performed the duties assigned to it, including duties stemming from laws regulating the credit system. It has received information from the Board of Directors regarding the bank's situation and development, as well as regarding significant business events, on a regular basis, including between meetings. The business transactions which required the Supervisory Board's consent were checked and dealt with in cooperation with the Board of Directors.

The annual financial statement and the management report of the Board of Directors for the shortened financial year from April 1 to December 31, 2007 have been audited using the bookkeeping records by the auditor selected by the General Meeting, KPMG Deutsche Treuhandgesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft. In their unqualified audit certificate, the auditor stated that the bookkeeping and the annual financial statement have been prepared in accordance with the legal guidelines, and that the annual financial statement conveys a true and fair view of the net worth, financial position, and results of operations corresponding to actual circumstances, and that the management report harmonizes with the annual financial statements. The Supervisory Board approved the results of the audit.

Following the concluding result of the audit of the annual financial statement and of the management report, no objections have been raised. The Supervisory Board has approved the annual financial statement dated December 31, 2007 as submitted by the Board of Directors, and the management report. As a consequence, the annual financial statements are established in their final form.

Düsseldorf, June 9, 2008

The Supervisory Board
Roman Oryschuk
Chairman

Disko Leasing GmbH

Management report

for the shortened financial year from April 1 to December 31, 2007

A. General remarks

In legal terms, Disko Leasing GmbH is a "Gesellschaft mit beschränkter Haftung", i.e. a company with limited liability, the registered office of which is in Düsseldorf. It is entered under number HRB 11506 in the commercial register of Düsseldorf district court.

On November 7, 2007, the shareholders' meeting adopted a new version of the articles of incorporation to the effect that, in future, the financial year should coincide with the calendar year. Therefore, for the period from April 1 to December 31, 2007, there will be a shortened financial year.

To facilitate a comparison of the data with those of the previous annual financial statements, in the comments – where appropriate – the accumulated values for the 2007 calendar year have been shown next to the figures for the concluded shortened financial year.

levels of capacity utilization and consistently large volumes of orders, subsequently enabling the expansion of investments in production plant and production sites. In 2007, spending on plant and equipment was associated with pull-in effects as a result of the ending of depreciation benefits connected with the imminent corporate taxation reform.

Equipment investments increased compared to the prior year by 8.2 percent (Federal Statistical Office).

This boom in investments also reached the German leasing sector. Leasing investments rose by approximately 10 percent. Leasing of movable good – the sphere of activity in which Disko Leasing GmbH operates – actually grew by just under 12 percent. Thus the leasing ratio for movable goods rose once again, to 23.3 percent (previous year: 22.5 percent). Disko Leasing GmbH was also able to benefit from this.

B. Development of business

I. Development of the sector and of the German economy in the 2007 calendar year

The German economy continued to be in good health in 2007. Even the increase in VAT that was introduced on January 1 was unable to prevent the upturn. The gross domestic product increased by 2.5 percent. In a situation of consistently rising foreign demand, this development was encouraged still further by a rise in domestic demand. Thus, for example, the upturn in the German employment market led, on the one hand, to increased tax income that created scope for public investments – including in the construction sector, and, on the other hand, to the enhancement of private consumption that lent the industry high

II. Business developments

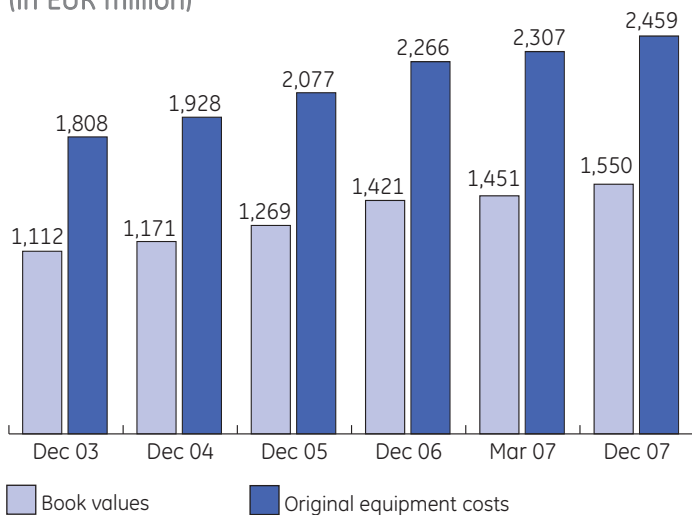
1. New business in the shortened financial year from April 1 to December 31, 2007

Position of the company within the sector

In 2007, movable goods worth EUR 50.3 billion were leased in Germany, according to the industry federation BDL. Disko Leasing GmbH achieved a new business volume (leasing and hire purchase business) of around EUR 522 million during the shortened financial year from April 1 to December 31, 2007. In the 2007 calendar year, an increase in new business as against the previous year was achieved, i.e. 2 percent.

By the reporting date, the company's leasing and hire purchase assets at acquisition values had increased by EUR 152 million (+6.6 percent) as against the figure for the previous reporting date, March 31, 2007.

Development of the original equipment costs (1) and book values (1) of Disko Leasing GmbH (in EUR million)

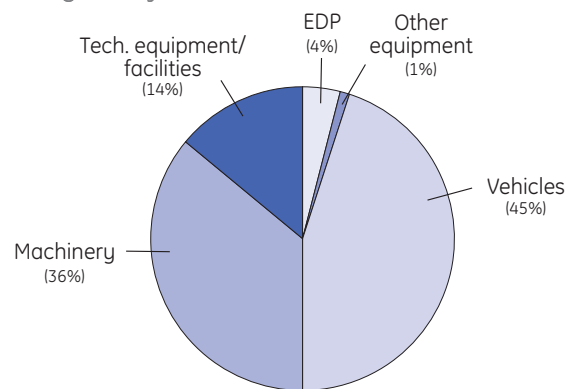


(1) incl receivables due from hire purchase agreements

Vehicles and machinery the leaders in objects

With 45 and 36 percent respectively, vehicles and machinery continued to be the leaders in objects in new business over the past shortened financial year from April 1 to December 31. Technical equipment and installations accounted for the third largest share of objects overall, at 14 percent, and are therefore shown separately for the first time.

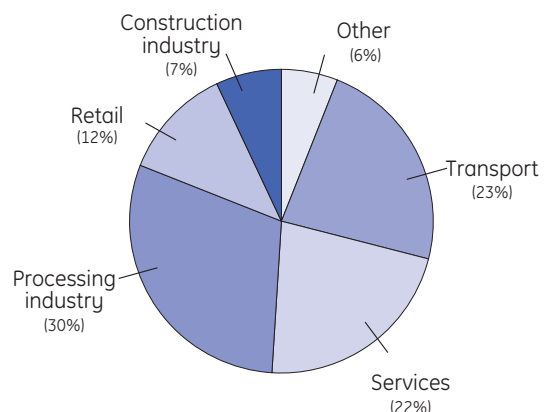
New business II-IV/2007 of Disko Leasing GmbH according to objects in %



As against the 2006 calendar year, for the 2007 calendar year, a definite shift can be observed between the object categories vehicles and machinery. Whereas the share of the vehicle category rose from 36 percent in the 2006 calendar year to 45 percent in 2007, over the same period, the share of the machinery category fell from 40 percent to 36 percent.

The processing industry continues to be the most important sector

New business II-IV/2007 of Disko Leasing GmbH according to sectors in %



As in previous years, the processing industry continued to account for the largest share of new business in the shortened financial year from April 1 to December 31, 2007. The transport and services sectors, with shares of 23 percent and 22 percent respectively, ranked second and third. The retail and construction sectors contributed 12 percent and 7 percent to new business respectively. With low percentages, the remaining shares are accounted for by various other sectors such as agriculture and forestry, fishing, mining and the supply of energy and water inter alia.

In a comparison between calendar years 2006 and 2007, the retail sector, in particular, loses shares of five percentage points to other sectors.

III. Sales structure

a) Branch system

Disko Leasing GmbH is represented by 16 branches throughout Germany. The branches that are currently operating are:

Berlin-Brandenburg, Bremen, Dortmund, Erfurt, Hamburg, Hanover, Koblenz, Mannheim, Munich, Nuremberg, Rhineland (in Düsseldorf), Rhine-Main (in Liederbach near Frankfurt am Main), Saarbrücken, Saxony (in Chemnitz and Dresden), Staßfurt and Ulm/Stuttgart.

This decentralized arrangement guarantees a short route to and for the customer and a method of processing contracts regionally which is thus very customer-oriented. In the run-up to the accretion of GE Capital Solutions GmbH & Co. KG, Cologne, to the parent company Disko Leasing GmbH, on January 1, 2008, and the resulting combining of sales structures with those of Diskont and Kredit AG, in the course of the shortened financial year, the majority of GE's sales employees were taken on by Diskont und Kredit AG and integrated into the existing structures. In this process, individual branches were reinforced in terms of personnel by the addition of object specialists from the GE ranks.

b) Sales partners

The leasing company's collaboration with its sales partners meant that it was possible to achieve satisfactory new business in the shortened financial year.

Allianz Group

Our cooperation with Dresdner Bank AG and its 100-percent subsidiary, Oldenburgische Landesbank AG, is the most important of Disko Leasing GmbH's partnerships. Overall, a satisfactory new business was achieved in the calendar year 2007. However, at approx. minus 28 percent at Dresdner Bank AG, it was significant below the exceptionally high level of the 2006 financial year, which was influenced by certain large transactions. New business with the Oldenburgische Landesbank AG sank by 13 percent compared to the prior year.

In the calendar year 2007, it was also possible for Disko Leasing GmbH to increase the leasing business brought in via the Allianz representative offices by approx. 43 percent as against the calendar year 2006.

Business was also brokered by the leasing company to Allianz Group. Here, the focus was on the brokering of commercial insurance.

Vendor Finance and International Business

Once again, in the shortened financial year, the DISKO Group's Vendor Finance and International Business area was one of our strongest growing divisions, increasing its new business for the fourth consecutive year. Disko Leasing GmbH functions in this respect as the German vendor financier for well-known manufacturers and dealers (vendors) of capital goods that integrate the vendor finance program into their strategy as a sales-promoting measure which complements their services.

Consultancy is provided for questions relating to financing abroad, in each instance through the national company owned by the GE Group. In countries where there are no GE companies, the leasing company serves as a broker between vendors and leading foreign financial services providers, with whom the company has its own coopera-

tion ventures or contacts via the International Finance and Leasing Association (IFLA).

DISKO Vendor Web is a user-friendly online financing tool that was introduced last year, enabling vendor partners to give their customers a calculation for all the financing options offered by the DISKO Group for the investment being proposed. It has certainly proven its worth, and is being deployed mainly in small-volume investment business.

In medium and large-volume vendor financing business in the area of vendor finance and international business, our consultancy and customer service are of the highest quality. Together with the fast, competent processing afforded by our business customer consultants who operate via the existing national network of branches, this level of service has contributed to the strong growth and high degree of customer satisfaction that have been achieved.

New cooperation ventures within the General Electric group association

After the leasing company had been integrated into the GE Group, in the shortened financial year, cooperation in vendor activities was initiated with other GE companies in various branches of business that are located in Germany. To this end, Disko Leasing GmbH primarily acted as the sales financing partner or object financing specialist for customers of these GE companies.

c) Competence center

DISKO Ship Lease & Finance

The DISKO Group combines its activities in commercial shipping under the DISKO Ship Lease & Finance brand. Cooperation ventures are in existence with ship companies, shipbrokers and other market players. The contracts principally relate to finance arrangements for freight and passenger vessels in inland shipping, which is marked out by an increasingly active level of interest on the part of investors.

DISKO WassersportFinanz

The DISKO WassersportFinanz business division specializes in financing watersports craft, i.e. yachts and boats. Once again in 2007, the DISKO Group exhibited at the three largest German trade fairs and enhanced its reputation in the market. It was possible for further cooperation agreements with sales partners to be prepared and signed. All in all, this market is growing.

Cooperation continued with the Allianz-owned esa EuroShip Assekuradeurgesellschaft mbH & Co. KG, a specialist insurer for ships and yachts.

AERO FINANZ

Under the brand name of AERO FINANZ, the DISKO Group conducts financing business for "General Aviation" aircraft.

Renewable energy

In the energy competence center's second year of operations, in addition to the expansion of marketing activities, we have witnessed a strengthening of sales part. Specific training courses have been organized for the branch offices and they are becoming increasingly involved in acquisition for the purpose of financing energy facilities.

Further, promising partnerships were forged in the area of vendor financing for biogas facilities, combined vegetable oil heat and power plants and solar generators (photovoltaics), and these are now yielding revenue for the first time.

Because of the preparations for the amendment to the Renewable Energies Act and the global losses sustained in agricultural yields for the third year running, investments diminished markedly in the German market for biogas facilities and combined vegetable oil heat and power plants. It was pleasing that, in the acquisition and conclusion of financing contracts, Disko Leasing GmbH was able to buck this trend in both segments. The networking with other group companies opened up potential that already resulted in first sales in the shortened financial year.

IV. Personnel

Disko Leasing GmbH does not employ staff of its own. It has entered into an arrangement to share personnel and offices with its sister company Diskont und Kredit AG. All the costs incurred are divided between the two companies through a cost transfer process.

V. Important events in the shortened financial year

The shortened financial year from April 1 to December 31, 2007 witnessed the following procedures during the process of Disko Leasing GmbH's integration into the structures of GE.

Control-and-profit-transfer agreement signed

A controlling and profit transfer agreement was concluded between Disko Leasing GmbH, as the controlling company, and its sole shareholder, General Electric Vierzehnte Beteiligungs GmbH, Neu-Isenburg, on October 22-23, 2007. It applied for the first time to the shortened financial year that ended on December 31, 2007.

Integration into the group network

In December 2007, Disko Leasing GmbH signed an agreement with various companies of the GE Capital Solutions Europe Group. This governs the provision and settlement of services amongst GE group companies. It primarily deals with support services such as services in the areas of management, business development, quality assurance, risk management, law, sales, finance and IT. Disko Leasing GmbH will be charged for these support services through a cost transfer process in accordance with the relevant costs.

A separate agreement exists specifically for the settlement of services between Disko Leasing GmbH and its sister company Diskont und Kredit AG.

C. Company position

I. Net assets and financial position

Balance sheet structure

in € Mill.	Dec 31, 2007	Mar 31, 2007	Dec 31, 2006	Change from Dec 31, 2007 until Mar 31, 2007
Leasing assets	1,365	1,297	1,281	68
Receivables from hire purchase agreements	200	160	145	40
Liabilities to bank	103	129	648	-26
Liabilities to affiliated companies	907	606	1	301
Deferred income	589	726	777	-137
Total assets/ Total equity and liabilities	1,619	1,477	1,443	142

Leasing assets

In the shortened financial year from April 1 to December 31, 2007, the leasing company saw its leasing assets increase by 5.2 percent, while the balance sheet total rose by 9.6 percent. This means that leasing assets, which consist principally of investment financing, account for around 84 percent of the balance sheet total.

The volume of receivables financed by means of hire purchase agreements grew by 25 percent to EUR 200 million.

Refinancing

In the past short financial year the configuration of refinancing was characterized primarily by the inclusion of Disko Leasing GmbH in the refinancing system of the new shareholder, General Electric. All the new additions were effected via the Group. Group funds amounted to EUR 901 million, a share of around 89.7 percent of the funding that were available overall (EUR 1,005 million) as of the reporting date, December 31, 2007.

In accordance with GE Group strategy, all Group funds are provided on a variable interest rate basis. This means that overall, Disko Leasing GmbH faces an interest rate risk, which is cushioned by being integrated into the Group.

Given the new refinancing opportunity, the forfeiting of leasing receivables to Diskont und Kredit AG was halted in the shortened financial year.

Equity

The subscribed capital and reserves of Disko Leasing GmbH continue to amount to EUR 9.0 million. However, there was a charge on equity of EUR 1.7 million as a result of accumulated losses brought forward.

II. Results of operation

The breakdown of the items in the income statement for the short financial year from April 1 to December 31, 2007 shows the following whereby, to facilitate a comparison, the values for the previous short financial year from January 1 to March 31, 2007 have been shown and the overall value for 2007 has been entered in a separate column:

Key income statement items

in TEUR	Shortened financial year from April 1 to Dec 31, 2007	Shortened financial year from Jan 1 to Mar 31, 2007	Calendar year 2007	Calendar year 2006	Change 2006/ 2007
Gross earnings from leasing and hire purchase business	7,344	6,801	14,145	30,721	-16,576
Administrative and risk expenses	-29,290	-7,073	-36,363	-31,067	-5,307
Result of ordinary business activity	-21,185	-114	-21,299	-77	-21,222
Income tax	82	-406	-324	-1,153	829
Revenues from assumption of losses	21,103	0	21,103	0	21,103
Net profit/loss for the year	0	-520	-520	-1,230	710

Sales for the 2007 financial year as a whole rose by EUR 29.6 million to EUR 531.5 million. Gross income from leasing and hire purchase business fell by EUR 16.6 million year-on-year, on a full-year basis, to EUR 14.1 million. The main reason for this reduction was the declining-balance depreciation of additions to leasing assets in the shortened financial year. This resulted in expenses EUR 24.6 million

higher than would have been the case with straight-line depreciation. Higher interest rates and the reorganization of refinancing arrangements also led to higher interest expense.

Administration and risk expenses increased by EUR 5.3 million to EUR 36.4 million. While the risk situation eased compared with the previous year, administration costs went up. For the first time, as part of the cost allocation to companies belonging to the GE Capital Solutions Europe Group, Disko Leasing GmbH was charged for services provided to it by these companies during the shortened financial year from April 1, 2007 to December 31, 2007. In addition, various projects (data migration, and the Sarbanes-Oxley Act, among others) led to higher consulting and audit expenses.

The negative result for the short financial year, of EUR 21.1 million, was absorbed by shareholder under the control-and-profit-transfer agreement that has been concluded.

Income and expense developments typical of movable property leasing companies when using commercial law accounting principles do not allow for a meaningful assessment of the asset and earnings positions. A managerial ancillary account has consequently been developed in the leasing sector: the intrinsic value account. The intrinsic value account aims to reveal hidden reserves through taking into account future income and expenses arising from the lease assets existing on the balance sheet date. The income from the intrinsic value account combined with the commercial law income constitutes the operating income.

As of the balance sheet date of December 31, 2007, the intrinsic value rose sharply as a result of the change of depreciation method during financial year. This change meant that the negative commercial law earnings were absorbed and even outstripped, with the result that Disko Leasing GmbH reports positive operating income overall.

Administration expenses contain a transfer of personnel and materials costs from Diskont und Kredit AG of EUR 15.3 million for the shortened financial year from April 1 to December 31, 2007.

D. Risk report

Disko Leasing GmbH's business is characterized by few and calculable risks. Disko Leasing GmbH is exposed to risks typical of the sector: residual value risks at the end of lease term, liquidity risks, operational risks, portfolio liability risks, strategic risks as well as credit and interest-rate risks.

The most significant of these risks for the leasing company, in terms of their potential for damage, are credit risk (which also includes residual value risk at the end of lease term), interest-rate risk and operational risk.

Reliable tools with which to counteract credit risks

At individual transaction level, Diskont und Kredit AG's risk classification procedures form the basis for every individual credit decision. If commitments exceed the volume that is determined by a prescribed amount, we aim to sell receivables to third parties. In relation to the bank's overarching risk strategy, other tools of control such as, for example, preferred business areas and distribution channels, are prescribed. Due to the usual practice of adopting the processes of Diskont und Kredit AG for Disko Leasing GmbH as well, this also applies for the risk strategy.

The new financing business risk is reported and managed at portfolio level. In line with the commitment volume, scoring and rating systems are also used; each involves a credit and transaction analysis.

Clearly defined competencies govern the approval of leasing or hire purchase agreements, whereby the assessment of the credit rating of the clients is subject to normal sector criteria and criteria that are specific to the leasing company's business structures.

The leasing portfolio, which is classified using the scoring and rating systems that are applied to new business, is subject to ongoing analysis with respect to the overall business-related credit risk, using a procedure based on risk costs as well as a calculation of the commercial capital on the basis of a value-at-risk-model. In order to ensure that the database that is created is reliable, existing commitments are rated again as soon as any new, significant

information is obtained. Portfolio commitments above a certain level are subject to a rating review that takes place at least once a year. For purposes of risk analysis, the current loans portfolio is evaluated regularly.

The process is rounded out by an automatic, contract-related collection procedure which the bank uses to monitor credit risks and to operate an early-warning system.

The risk from changes in interest rates is limited

The bank quantifies the interest rate change risk on a cyclical basis by reporting on the same, using various standardized interest-rate scenarios. A gap analysis based on future cash flows is applied, utilizing average positions and interest rates. Comments are submitted concerning the results of this cashflow-orientated calculation.

Interest rate risk has increased significantly as a result of the change of shareholder and the consequent application of Group-wide rules relating to the provision of refinancing funds within the group of companies. The risk arising from the resulting negative impact on the income statement was taken into account with the signing of a control-and-profit-transfer agreement with the shareholder on October 22-23, 2007, which also obliges the shareholder to absorb losses.

Solvency always guaranteed

Disko Leasing GmbH hedges its liquidity risk by means of prompt liquidity management procedures. The prevailing principle is that liquidity reserves in the form of free refinancing lines should not exceed an appropriate minimum level. Besides lines that are confirmed in writing, from German banks and finance companies within the GE Group, via the Group, the leasing company has access to funds through cash-pooling (offsetting of the principal current account at the end of each day). Thus, sufficient refinancing funds are available at all times. Adequate funds were guaranteed throughout the short financial year.

In-depth controls applied to operating risks

Litigation risks, cost risks, fraud risks and IT risks comprise the principal operating risks for Disko Leasing GmbH. In order to prevent these risks from being realized, Disko Leasing GmbH has introduced comprehensive integrated controls, internal audit checks and ongoing cost structure

analyses. A wide-ranging set of regulations is used to manage the modus operandi in emergencies. A range of insurances is in force to counter risk events that come about, the objective being loss minimization.

Strategic risks

By means of regular market, environment and portfolio analyses, the leasing company assesses its strategic risks, which take the form of positioning risks, business structure risks and changes in the legal environment.

Disko Leasing GmbH implemented the appropriate procedures that are necessary for the managing, monitoring and controlling of risk, as well as for the establishment of an early-warning system. The risks that have been discussed will not impair the future development of the leasing company to any great extent.

The Forecast Report for Disko Leasing GmbH will comment on factors that constitute potential strategic risks for the leasing company's future development.

E. Leasing forecast report

Macroeconomic conditions in Germany

For the current year 2008, the Federal government forecasted an increase in gross domestic product of around 1.7 percent in its spring projection (as per 04/2008).

Admittedly, the order books are very full for 2008, but such orders constitute "overspill" from 2007 as opposed to new orders that have been placed in 2008. The considerable increases in the cost of living that have occurred have had a detrimental effect on private consumption. And Germany, too, has now been swept up in the wake of the crisis in the financial markets, which has emerged as being much more extensive and deep-seated than at first thought. The consequence of this is that companies are once again becoming reluctant to invest both at home and abroad and, in the current year, this will slow down the upturn achieved in 2007.

Business development

The leasing market for movable goods will grow further, if at a slower rate than in the previous years. The company is well positioned, now as in the past, and it has increased opportunities due to its integration into the GE Corporation. The company's integration into the GE Group means that it is in a secure position with regards to possible hazards resulting from the crisis in financial markets.

Because the whole of the GE Group has a very good rating ("Triple-A") Disko Leasing GmbH has access to the capital market at all times, even in present conditions, which have clearly been worsened by the crisis in the financial markets. However, the GE Group and thus, indirectly, the leasing company, is affected by the rise in prices brought about by the crisis in the financial markets.

Another event that is exerting an influence on the current business situation is the change in Disko Leasing GmbH's corporate strategy: it has introduced stricter conditions to counteract the prevailing margin erosion caused by the fierce competition that is currently operating. One has had to make a point of accepting the consequence of this policy, i.e. that market share will be lost.

Furthermore, a burden on the results for 2008 is becoming apparent due to the insolvencies of two major customers in 2008. The resulting loss can be put at EUR 4.3 million as per the key date of March 31, 2008.

Forecast

In the current financial year, the challenging environment of the global and domestic economy, as well as our new corporate strategy, will affect the Disko Leasing GmbH business situation in such a way that the volume of new business is expected to diminish.

Thus, for 2008, the Board of Directors of Disko Leasing GmbH is assuming that the volume of new business will fall short of the previous year's figure. However, it is anticipated that a greater margin will be realized.

Taking into account all the influences mentioned above – notably also in the light of the continuing high level of integration costs – the leasing company's Board of Man-

agement is anticipating a negative result for the 2008 financial year, exceeding the previous year's, which will be absorbed via the profit-transfer agreement that is in force.

F. Key events following the reporting date

The reader is referred to the two events that have already been mentioned in the forecast report, i.e. the insolvency of two of our major customers and our new corporate strategy, aimed at the realization of greater margin revenue.

Accretion of GE Capital Solutions GmbH & Co. KG

In addition, as of the reporting date of January 1, 2008, the remaining shares of GE Capital Solutions GmbH & Co. KG, Cologne, were taken over, the latter company thus accreting to Disko Leasing GmbH, which now has all the shares in its possession. As a result of the accretion, Disko Leasing GmbH is the universal successor of GE Capital Solutions GmbH & Co. KG. All assets and debts are being transferred to Disko Leasing GmbH. The leasing assets increased accordingly.

G. Other information

Shareholder relationships

The sole shareholder of Disko Leasing GmbH in the shortened financial year was General Electric Vierzehnte Beteiligungs GmbH, the registered office of which is in Neu-Isenburg.

Düsseldorf, May 23, 2008

Disko Leasing GmbH

Hackemesser Helfrich Rauschenbach Weber Weidenbach

The balance sheet of Disko Leasing GmbH

as of December 31, 2007

ASSETS	EUR	Mar 31, 2007 TEUR	Dec 31, 2006 TEUR
A. Fixed assets			
I. Intangible fixed assets			
Software	530,393.10	534	645
II. Tangible fixed assets			
Operating and office equipment	1,778,417.63	1,153	1,231
III. Leasing assets			
1. Leased property, plant and equipment	1,338,623,733.91	1,277,861	1,260,378
2. Prepayments	26,385,702.60	19,268	20,129
	<u>1,365,009,436.51</u>	<u>1,297,129</u>	<u>1,280,507</u>
IV. Long-term financial assets			
Shares in affiliated companies	15,458,570.11	513	513
	<u>1,382,776,817.35</u>	<u>1,299,329</u>	<u>1,282,896</u>
B. Current assets			
I. Receivables and other assets			
1. Receivables from hire purchase agreements	199,563,344.46	159,512	144,846
- of which with a term of more than one year			
EUR 137,241,902.91		(108,484)	(98,515)
2. Trade receivables	9,767,810.43	10,203	7,508
- of which with a term of more than one year			
EUR 0.00		(0)	(0)
3. Receivables from affiliated companies	21,148,677.39	0	2,425
- of which with a term of more than one year			
EUR 0.00		(0)	(0)
4. Other assets	6,170,703.86	7,327	3,611
- of which with a term of more than one year			
EUR 0.00		(0)	(0)
II. Cash in hand, bank balances	5,628.89	2	8
	<u>236,656,165.03</u>	<u>177,044</u>	<u>158,398</u>
C. Prepaid expenses			
	0,00	511	1,388
Total assets	1,619,432,982.38	1,476,884	1,442,682

EQUITY and LIABILITIES	EUR	Mar 31, 2007 TEUR	Dec 31, 2006 TEUR
A. Equity			
I. Subscribed capital	6,000,000.00	6,000	6,000
II. Capital reserve	200,000.00	200	200
III. Revenue reserves			
Other revenue reserves	2,800,000.00	2,800	2,800
IV. Accumulated losses brought forward (in 2006 retained profit)	-1,724,766.60	-1,205	25
V. Net loss for the financial year	0.00	-520	-1,230
	<u>7,275,233.40</u>	<u>7,275</u>	<u>7,795</u>
B. Special item for investment allowances for leased property, plant and equipment	0.00	1	2
C. Provisions			
1. Tax provisions	94,299.70	202	153
2. Other provisions	1,125,219.75	529	652
	<u>1,219,519.45</u>	<u>731</u>	<u>805</u>
D. Liabilities			
1. Liabilities to banks	103,293,068.53	129,245	647,744
- of which with a term of up to one year EUR 36,543,068.53		(56,245)	(510,719)
2. Trade payables	2,930,814.92	2,671	3,444
- of which with a term of up to one year EUR 2,930,814.92		(2,671)	(3,444)
3. Liabilities due to affiliated companies	906,785,789.90	605,564	1,325
- of which with a term of up to one year EUR 295,939,789.90		(99,664)	(1,325)
4. Other liabilities	9,104,728.20	5,741	4,972
- of which with a term of up to one year EUR 9,062,960.49		(5,584)	(4,783)
	<u>1,022,114,401.55</u>	<u>743,221</u>	<u>657,485</u>
E. Deferred income	588,823,827.98	725,656	776,595
Total liabilities and shareholders' equity	1,619,432,982.38	1,476,884	1,442,682

Income statement of Disko Leasing GmbH

for the period from April 1 to December 31, 2007

	EUR	Jan 1, 2007 – Mar 31, 2007 EUR	Jan 1, 2006 – Dec 31, 2006 EUR
1. Sales	404,694,384.15	126,804,012.20	501,944,436.49
2. Other operating income	2,790,449.62	895,549.02	2,632,685.58
3. Expenses for the leasing business	-365,208,103.04	-111,305,992.99	-444,147,245.27
4. Personnel expenses			
a) Salaries	-76,693.68	-25,564.56	-102,258.24
b) Social security, post-employment and other employee benefit costs of which: in respect of old age pensions EUR 0.00	0.00	0.00 (0.00)	-132.96 (0.00)
5. Depreciation of intangible fixed assets and of tangible fixed assets	-830,537.30	-236,645.53	-1,016,602.76
6. Other operating expenses	-30,699,941.67	-7,531,272.22	-33,185,957.83
7. Revenues from profit transfer agreements	0.00	0.00	366.99
8. Other interest and similar revenues of which: from affiliated companies EUR 0.00	1,541,179.58	308,220.57 (0.00)	1,238,630.66 (0.00)
9. Interest and similar expenses of which: to affiliated companies EUR -26,018,549.31	-33,295,665.04	-9,022,495.51 (-4,000,519.68)	-27,360,967.69 (-673.20)
10. Expenses from assumption of losses	-100,128.65	0.00	-79,948.71
11. Result from ordinary activities	-21,185,056.03	-114,189.02	-76,993.74
12. Reimbursed taxes on income (in prior years, taxes on income)	81,690.70	-406,000.00	-1,152,516.71
13. Revenues from assumption of losses	21,103,365.33	0.00	0.00
14. Net loss for the year	0.00	-520,189.02	-1,229,510.45

Disko Leasing GmbH

Notes to the accounts

for the shortened financial year to December 31, 2007

I. General disclosures

The annual financial statements of Disko Leasing GmbH have been prepared in accordance with the accounting principles of the German Commercial Code (HGB) for large stock corporations and of the Limited-Companies Act (GmbH-Gesetz). With respect to the sector-specific particularities of a leasing company, the presentation of the balance sheet and income statement was expanded to include items typical of the leasing business.

At the extraordinary general meeting held on November 7, 2007 it was decided to end the financial year on December 31 instead of March 31. This resulted in a shortened financial year from April 1 to December 31, 2007.

References to the previous year relate to the shortened financial year that ran from January 1 to March 31, 2007.

The total cost method has been retained unchanged for the income statement. For better comparability of net assets, financial position and results of operating, the balance sheet, income statement and notes contain additionally corresponding figures for the financial year that ran from January 1 to December 31, 2006.

Shareholder relationships

Disko Leasing GmbH is part of General Electric Company, Fairfield (U.S.A). It is a wholly owned subsidiary of General Electric Vierzehnte Beteiligungs GmbH, Neu-Isenburg.

Notes to the consolidated accounts

The annual financial statements of Disko Leasing GmbH are included in the consolidated accounts of GE Deutschland Holding GmbH, Neu-Isenburg for the first time for the year to December 31, 2007. Disko Leasing GmbH therefore invokes the exemption provisions of Section 291 Paragraphs 1 and 2 of the German Commercial Code (HGB) and does not compile its own consolidated financial statements or group management report. The consolidated financial statements of GE Deutschland Holding GmbH are published electronically in the Federal Gazette (Bundesanzeiger).

The consolidated financial statements for the largest number of companies are prepared by General Electric Company, 3135 Easton Turnpike, Fairfield, Connecticut 06431, U.S.A, and are available from there.

Fixed assets of Disko Leasing GmbH

	Original equipment costs		
	01.04.2007 EUR	Additions EUR	Transfers EUR
I. Intangible fixed assets			
Software	2,805,566.50	128,158.18	133,500.00
II. Tangible fixed assets			
1. Operating and office equipment	4,668,746.00	1,069,918.23	0.00
2. Economic assets of minor value	0.00	120,551.40	0.00
	4,668,746.00	1,190,469.63	0.00
III. Leasing assets			
1. Leased property, plant and equipment	2,133,625,070.71	406,711,251.27	19,134,142.83
2. Prepayments	19,267,642.83	26,385,702.60	-19,267,642.83
	2,152,892,713.54	432,963,453.87	0.00
IV. Long-term financial assets			
Shares in affiliated companies	512,570.11	14,946,000.00	0.00
Sum	2,160,879,596.15	449,361,581.68	0.00

II. Accounting principles

Conversion is at the time of payment for foreign currency leasing assets. Conversions of short-term assets and debts denominated in foreign currencies are performed using the cash mid-rate applying on the reporting date.

Intangible assets (software) are capitalized at cost and amortized on a straight-line basis over its useful life in line with tax rules. Tangible fixed assets are also capitalized at cost, and depreciated pro rata temporis using the declining balance method over its useful life and in line with tax rules. Economic assets of minor value are written off fully in the year of acquisition.

Leased property, plant and equipment is capitalized at cost and depreciated on a straight-line basis or pro rate temporis using the declining balance method over its useful life in accordance with the tax depreciation tables. A switch to straight-line depreciation is made if this results in higher depreciation amounts. For major contracts, extraordinary write-downs are performed as of the reporting date for leasing contracts expiring in the next two years to reduce impending book losses at the end of the basic rental period. Extraordinary write-downs to the lower market value are performed on objects arising from distressed leasing agreements.

For additions to leased property, plant and equipment during the shortened financial year from April 1 to December 31, 2007, the depreciation method was changed so that only the declining balance depreciation method was chosen. New business in the 2006 financial year and in the shortened financial year from January 1 to March 31, 2007 was depreciated on a straight-line basis, as a matter of principle, with some large transactions depreciated on a declining balance basis. The change in the depreciation method is designed to reduce impending book losses at the end of the basic rental period. The declining-balance depreciation of additions to leased property, plant and equipment resulted in a depreciation figure for the shortened financial year from April 1 to December 31, 2007 that is TEUR 24,634 higher than for straight-line depreciation.

Long-term financial assets are measured at cost.

Receivables and other assets are recognized at nominal value except for hire purchase receivables that are entered in the accounts at present value. Identifiable default risks are reflected through specific provisions for bad debts.

For hire purchase deals, only the interest on lease purchase deals is recognized on a pro rata time-adjusted basis in the Income statement in order to provide a better insight into the income situation. At the start of the contractual term, the present values of the hire purchase

Disposals EUR	Total amount of Depreciation EUR	Depreciation Financial year EUR	Book values	
			31.12.2007 EUR	31.03.2007 EUR
0.00	2,536,831.58	264,988.03	530,393.10	533,722.95
4,880.42	3,955,366.18	444,997.87	1,778,417.63	1,153,642.24
120,551.40	0.00	120,551.40	0.00	0.00
125,431.82	3,955,366.18	565,549.27	1,778,417.63	1,153,642.24
312,355,337.44	908,491,393.46	288,175,340.92	1,338,623,733.91	1,277,861,081.36
0.00	0.00	0.00	26,385,702.60	19,267,642.83
312,355,337.44	908,491,393.46	288,175,340.92	1,365,009,436.51	1,297,128,724.19
0.00	0.00	0.00	15,458,570.11	512,570.11
312,480,769.26	914,983,591.22	289,005,878.22	1,382,776,817.35	1,299,328,659.49

instalments of TEUR 95,286 (previous year TEUR 28,971; December 31, 2006 TEUR 93,947) are not reported among "Sales" and the acquisition of the hire purchase object is not reported among "Expenses for the leasing business".

Provisions reflect the extent of the prospective claim and take account of all identifiable risks and uncertain liabilities.

Liabilities are recognized using repayment amounts.

Deferred income mainly contains deferred income from the sale of receivables and rental prepayments. This item is written back on a straight-line basis as a matter of principle over the duration of the forfeiting agreement in the case of sales of receivables, or over the basic rental period in the case of rental prepayments. The deferred income arising from the forfeiting of residual values is increased to the nominal value on a straight-line basis over the basic rental period.

III. Notes to the balance sheet

Fixed assets

The development of individual items of fixed assets according to Section 268 Paragraph 2 of the German Commercial Code (HGB) are shown on page 48 and 49.

The long-term financial assets contain all shares in

DISKO Auto-Leasing GmbH, Düsseldorf		
(Subscribed capital	TEUR	511
income before Profit transfer	TEUR	-100
Dec 31, 2006	TEUR	-80)

A profit transfer agreement is in place between DISKO Auto-Leasing GmbH as the controlled company and the sole shareholder since January 1, 1987.

Disko Leasing GmbH, through its shareholding in DISKO Auto-Leasing GmbH, Düsseldorf, indirectly holds a 14.67 percent share in GE Auto Service-Leasing GmbH, Oberhaching. A further 50.33 percent is held by General Electric Vierzehnte Beteiligungs GmbH, Neu-Isenburg, and 35 percent by Diskont und Kredit AG, Düsseldorf.

The addition to long-term financial assets concerns the acquisition of 94 percent of shares in GE Capital Solutions GmbH & Co. KG, Cologne (equity as of December 15, 2005: TEUR 46,587; income for financial year 2004/2005: TEUR 14,980). A further 5 percent is held by GE Capital Holding GmbH, Cologne, and 1 percent by GE Commercial Finance Investment II GmbH, Cologne.

Receivables from affiliated companies

Receivables from affiliated companies contains TEUR 21,103 in receivables from the shareholder on the basis of the control/subordination and profit transfer agreement concluded with effect from the start of the financial year.

Other assets

Other assets mainly comprise value-added tax, corporate income tax and trade tax reimbursement claims.

Provisions

Provisions are formed for trade tax from previous years.

Other provisions mainly comprise provisions for legal and consulting costs of TEUR 617 (previous year TEUR 0; December 31, 2006 TEUR 103) and for annual audit costs of TEUR 205 (previous year TEUR 203; December 31, 2006 TEUR 145).

Liabilities

There are no liabilities with a remaining term of more than five years. Bank borrowings still contain TEUR 12,000 for subordinated loans drawn down.

The usual reservations of ownership exist related to trade payables, which result mainly from the acquisition of leasing objects.

Liabilities to affiliated companies contain TEUR 898,629 of refinancing funds from the GE Group (previous year TEUR 603,800; December 31, 2006 TEUR 0) and TEUR 1,152 liabilities to banks (previous year TEUR 1,317; December 31, 2006 TEUR 1,200).

Other liabilities are mainly to forfeitists and include leasing payments to be passed on, and to lessees and object purchasers who made payments prior to maturity.

IV. Notes to the income statement

Sales

Sales are generated almost exclusively within Germany. It mainly results from the revenues of current lease agreements (including the write-back of deferred income for forfeited lease agreements) and from the sale of leased property, plant and equipment. An amount of TEUR 8,232 (previous year TEUR 2,335; December 31, 2006 TEUR 7,917) concerns interest on hire purchase contracts.

Revenue contains TEUR 1 (previous year TEUR 1; December 31, 2006 TEUR 2) from the release of the special item for investment allowances for leased property, plant and equipment.

Expenses for the leasing business

Expenses for the leasing business concern depreciations on leased property, plant and equipment and expenses from the disposal of leased property, plant and equipment at book value.

Extraordinary write-downs of TEUR 1,029 (previous year TEUR 393; December 31, 2006 TEUR 1,047) have been performed to leased property, plant and equipment to reduce the residual book values of defaulting agreements, as well as extraordinary write-downs of TEUR 1,313 (previous year TEUR 0; December 31, 2006 TEUR 1,222) to reduce losses on disposal.

Allowance for losses

Net expenses for allowance for losses on receivables arising from hire purchase agreements as well as on trade receivables amount to TEUR 393 for the shortened financial year (previous year TEUR 267; December 31, 2006 TEUR 2,587).

Expenses and income related to another financial year

Expenses related to another financial year have been incurred amounting to TEUR 141 (previous year TEUR 149; December 31, 2006 TEUR 581) arising from interest payments, commissions, as well as rental and purchase price reimbursements for previous years.

In December 2007, the service agreement between the company and Diskont und Kredit AG, Düsseldorf, was revised with effect from January 16, 2007. This results in a recalculation of the cost allocation of which TEUR 272 relates to the previous year.

Income related to another financial year has been generated amounting to TEUR 154 (previous year TEUR 6; December 31, 2006 TEUR 21) from the release of provisions and in an amount of TEUR 272 (previous year TEUR 56; December 31, 2006 TEUR 171) from the inflow of funds on receivables written down. In addition, a one-off income item related to another financial year is included of TEUR 164 from the reversal of a block refinancing transaction.

V. Other disclosures

Sale of receivables

Leasing assets of TEUR 578,108 financed via the sale of receivables have been pledged to banks as collateral (previous year TEUR 711,979; December 31, 2006 TEUR 766,617).

Other financial obligations

Other financial obligations arising from the renting of business premises and from lease agreements for vehicles, and office and operating equipment, as well as from maintenance agreements amounted to TEUR 4,781 (previous year TEUR 4,149; December 31, 2006 TEUR 4,293), of which amounts due to affiliated companies totaled TEUR 2,008 (previous year TEUR 1,463; December 31, 2006 TEUR 1,637).

Contingent liabilities

Contingent liabilities arising from joint and several liability for repayment claims relating to state subsidies amounted to TEUR 2,420 (previous year TEUR 2,232; December 31, 2006 TEUR 2,219).

Employees

Disko Leasing GmbH does not employ staff of its own. The company's business is managed as part of a personnel and location-sharing arrangement by Diskont und Kredit AG, Düsseldorf. Total costs incurred are allocated to the companies in accordance with the origin of the costs.

Management board

Karl-Heinz Helfrich
(Spokesman)

Gerhard H. Hackemesser
(until May 23, 2008)

Thomas Rauschenbach

Christian Weber
(since November 26, 2007)

Felix Weidenbach

Diskont und Kredit AG and the company paid remuneration to the management board of TEUR 77 (previous year TEUR 26; December 31, 2006 TEUR 102).

Profit for the year

During the shortened financial year, a control/subordination and profit transfer agreement was concluded between Disko Leasing GmbH as the controlled company and the sole shareholder with effect from March 31, 2007.

The loss for the shortened financial year of EUR 21,103,365.33 was absorbed by the shareholder on the basis of this agreement.

Düsseldorf, May 23, 2008
Disko Leasing GmbH

Hackemesser Helfrich Rauschenbach Weber Weidenbach

Auditor's Report

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of the Disko Leasing GmbH, Düsseldorf, for the short business year from April 1, 2007 to December 31, 2007. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § [Article] 317 HGB („Handelsgesetzbuch“: „German Commercial Code“) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with [German] principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with [German] principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Düsseldorf, May 23, 2008

KPMG Deutsche Treuhand-Gesellschaft
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

signed (Kügler) Wirtschaftsprüfer	signed (Lehnen) Wirtschaftsprüferin
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Presence across Germany

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