



MEDIA RELEASE

GE Capital announces plans for its Australia and New Zealand business and reiterates commitment to the market as an integral part of its regional and global operations

4 February 2009

MELBOURNE: GE Capital today outlined its long-term growth plans for its Australia and New Zealand business with the aim of becoming the 'smart alternative' to the big four banks for a variety of consumer and commercial finance needs. GE Capital is integrating the operations of GE's two main finance businesses – GE Money and GE Commercial Finance – to leverage the scale and the strengths of a combined business.

President and CEO of GE Capital Australia and New Zealand, Steve Sargent explained, "GE Capital announced the integration of these two businesses in December last year and the changes we make will position the business for long-term sustainable growth in Australia and New Zealand."

"GE Capital will utilize its scale and expertise in product manufacturing such as the white-labeling of personal loans, leasing and fleet management, and credit cards to manufacture at a scale that exceeds the capability of most local banks," Mr Sargent said. "And we will use our very strong risk management and regulatory compliance expertise to effectively underpin the business as it prepares for the expected increased regulation across the industry."

"We also will reduce areas of duplication - without impacting customer service. Unfortunately this will inevitably mean removing roles and we expect a loss of approximately 400 positions throughout 2009, in addition to the 335 announced in GE Money in Oct 08."

"This will leave about 4600 people at GE Capital at the end of 2009. The job reductions will largely come from the sale of Wizard, the gradual wind down of auto and home lending as well as the integration of other business units and functional support operations in GE Money and GE Commercial Finance. The details of where the impacts will be felt are still to be worked through and we will keep our people fully informed as decisions are made."

In 2008 GE Capital's global net income was US \$8.6Bn, more than the top-200 US banks combined, and is one of the most profitable financial services companies in the world. No financial institution has so far announced a higher profit for last year.

Mr Sargent said, "Australia and NZ is an important market for us and we are committed to continue our growth here. Despite the economic challenges, GE Capital Australia & NZ grew net income 16.8% in 2008 making it the third largest GE Capital market in the world behind the US and UK."



“Locally, GE Capital is a leading provider of credit cards; personal loans; and fleet management and leasing; corporate and structured finance; supply chain finance; aircraft leasing and commercial real estate finance. We have scale, strong partnerships, and deep product and industry expertise in these businesses,” he added.

The company has improved its gearing with global debt-to-equity ratio being reduced to 7:1 from 8:1 last year and it will be 6:1 by the end of 2009. Because GE Capital moved quickly to raise extra capital last year, it has already funded 65 percent of its long-term debt needs for 2009.

“There have been more changes in financial services in the last eight months than there were in the last 80 years. What made companies successful as little as a year ago could sink you in 2009 if you do not change the way you operate. The integration of GE’s two main finance businesses allows us to create more liquidity, reduce leverage and reduce duplication,” Mr Sargent said.

“GE has always embraced change. Change is an opportunity, which is why the company has dynamically evolved as market operating conditions have changed over 130 years. Therefore we are positioning to our strengths, creating stronger efficiency and simplifying some internal processes.

“By making changes we are planning now, GE Capital will be in a position of strength when financial services markets rebound.

“We will be better able than others to focus squarely on customers service because of key differentiators: product expertise, low leverage; a diverse portfolio; be fully match-funded; and have no exposure to ‘toxic assets’ like SIV’s, CDS’ or CDO’s,” Mr Sargent explained. ““We think financial services will be a terrific market to compete in as we navigate through to the other side of this current environment,” Mr Sargent added.

The market brands of GE Money and businesses under GE Commercial Finance remain in place for now.

Quick Facts

<p>GE Capital – global</p> <ul style="list-style-type: none"> • 2008 revenue: US \$67B • Operations in 55 countries to 131 million customers • 2008 profit: US \$8.6B • Debt-to-equity ratio 7:1 (aiming for 6:1 by end '09) • Resizing to between 30 than 40 percent of GE earnings (from 47 percent in 2008) 	<p>GE Capital in Australia & New Zealand</p> <ul style="list-style-type: none"> • GE Capital in Aus and NZ is the 3rd largest GE Capital business in the world – behind US and UK • GE Capital has more than 3 million customers in Australia and New Zealand • GE Capital has \$43B in assets in Australia and New Zealand
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GE Capital Australia and New Zealand

Media contact

Tristan Everett
Media Relations Manager
P: 03 9921 6851
M: 0414 191 645
E: tristan.everett@ge.com

About GE Capital

In Australia and New Zealand

GE Capital in Australia and New Zealand is part of the global GE Capital business, which operates in 55 countries around the world. Its GE Money brand offers a broad range of innovative finance products in Australia and New Zealand – personal loans, credit cards, personal insurance and interest-free promotional and retail offers and is proud to be Money Magazine's Finance Company of the Year, 2005 and 2006. Its Commercial Finance divisions offer distribution, supply chain finance, insurance, real estate finance and fleet management and leasing. More information can be found online at www.gemoney.com.au and www.ge.com.au

Globally

Headquartered in Norwalk, Connecticut, GE Capital offers consumers and businesses around the globe an array of financial products and services. For over 1 million businesses, we provide real estate, equipment and inventory financing; fleet services; working capital; and funds for corporate acquisitions, refinancings and restructurings. For our 130 million consumer customers, we offer credit cards, retail sales finance programs, home, car and personal loans and credit insurance.