



MEDIA RELEASE

GE Money proposes expansion of online and telephone sales channels and branch closures as part of long-term success strategy

2 March 2009

GE Money has today announced a proposal to close its branch distribution channel as part of an ongoing strategy to position the company for long-term success in New Zealand.

GE Managing Director New Zealand, Greg White said there would be no change to the GE Money products on offer and it will remain the country's leading non-bank lender, servicing more than 370,000 New Zealanders.

"GE Money will continue to sell personal loans and insurance via telephone and internet, using the scale and efficiency of our existing Direct Channel, which we propose growing to more than 150 staff," Mr White said.

The proposal would see a net reduction of 40 roles, as 70 positions would become redundant across the 17 branches, while 30 positions would be created in Auckland and Christchurch to grow the direct sales channels.

GE Money employs 675 of GE's 916 staff in New Zealand in total.

"What has traditionally been a good distribution model for us is, unfortunately, no longer competitive against a more productive, more scalable, more cost-effective model," Mr White said.

"The Direct Channel, involving far less fixed cost than the branch network, is also well-regarded by customers and is a more competitive option for GE. In addition, the global financial crisis, high cost of funds and the domestic recession have added to the pressure on the branch business at a time when GE has to be more selective in its allocation of capital.

"In this environment, the GE Money branch channel is not able to generate the required returns for the business. We are currently consulting with staff regarding this proposal, which is no reflection on the tremendous work and loyalty of the branch management and employees.

"We would redeploy staff wherever possible and are proposing opportunities in Auckland as well as Christchurch, with the expansion of the capability in our Montreal St office to incorporate a direct sales team.

"Any impacted staff will be fully supported with appropriate redundancy arrangements and career transition support," Mr White said.

Mr White added that GE Money's Retail Finance business remains a core focus for the company.



GE Money
New Zealand

“Our GE CreditLine card is a superior product offering, and we have great partners and the strongest distribution in this segment,” Mr White said.

Separately, the global financial crisis has prompted a review of processes and resources across all parts of GE’s financial services business. Fifteen roles in the Network Solutions channel within GE’s Custom Fleet business are under review along with approximately 15 operational support roles in GE Money.

GE’s commitment to its other businesses in New Zealand - Commercial Finance, NBC and Infrastructure businesses in energy, water, healthcare, aviation, industrial, security and technology- remains unchanged.

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About GE Money

GE Money Australia and New Zealand is part of the global GE Money business, which operates in 55 countries around the world. GE Money offers a broad range of innovative finance products in Australia and New Zealand – personal loans, credit cards, insurance and interest-free promotional and retail offers. More information can be found online at www.gemoney.co.nz

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