

GE's 3Q Profit Jumps 18 Percent

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NEW YORK (AP) — General Electric Co.'s third-quarter profit rose 18 percent as its lending business continued to rebound.

GE is a barometer of the economy because it reaches so many industries. It builds everything from jet engines to refrigerators, and its GE Capital lending arm is involved in a variety of businesses including credit cards and real estate.

The Fairfield, Connecticut-based company said it benefited most from GE Capital, which boosted segment earnings 79 percent to \$1.47 billion in the quarter. Its industrial orders grew 16 percent.

The industrial and financial giant reported overall net income of \$2.34 billion for the three-month period ended Sept. 30. That compared with \$1.98 billion a year earlier. Per-share earnings rose to 22 cents per share from 18 cents per share.

With its lending business increasingly healthy, GE decided in September to buy back preferred shares from Warren Buffett's Berkshire Hathaway Inc. for \$3.3 billion. Buffett's investment in GE stabilized the company's finances during the U.S. financial meltdown in October 2008.

Excluding the large dividend payout to Berkshire Hathaway, GE's profit rose 57 percent to \$3.22 billion or 31 cents per share, matching Wall Street expectations. Revenue was flat at \$35.4 billion.

"We continue to successfully navigate a volatile global economy," said GE CEO Jeff Immelt, who expects a double-digit percentage increase in GE operating earnings next year.

Among GE's other businesses, aviation profit increased 7 percent to \$862 million, health care grew 5 percent to \$608 million and transportation increased 94 percent to \$196 million. But profit declined 9 percent to \$1.5 billion at its energy infrastructure business.

GE said its industrial businesses were driven by strong growth in Brazil, Russia and China, among others. Revenue grew in the U.S. as well.

Other large industrial companies have announced mixed results. Earlier in the week, United Technologies, which makes jet engines, elevators and other aerospace and building systems components, said third-quarter profits rose 11 percent to \$1.32 billion while Danaher reported a 19 percent decline to \$523.4 million.

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