

GE 1Q Profit falls 12 Percent But Tops Estimates

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NEW YORK (AP) — General Electric's first-quarter net income topped Wall Street expectations on a strong performance from the conglomerate's industrial businesses.

GE said Friday that net income fell 12 percent to \$3.03 billion, or 29 cents per share. Excluding charges, GE earned 34 cents in the quarter, a penny better than Wall Street estimates.

The industrial and financial giant said its primary manufacturing operation has rebounded after posting weak results following the global recession. Operating profit at its industrial businesses, which include transportation, health care and energy infrastructure, rose by 10 percent on a 14 percent gain in revenue.

That's an improvement from 2011, when GE was able to grow revenue in the industrial segment but operating profit remained flat.

The Fairfield, Conn., company has a stake in almost every sector of the economy, from light bulbs and credit cards to windmills.

Altogether, GE reported earnings of \$3.03 billion for the first quarter. That compares with \$3.4 billion, or 31 cents per share, for the same part of 2011.

Revenue slipped by 8 percent to \$35.2 billion. That topped Wall Street's forecast of \$34.8 billion. Stripping out revenue from NBC Universal from last year's quarter, revenue rose 4 percent. GE sold its stake in NBC last year.

GE said profit increased 10 percent in energy infrastructure, its largest industrial business by revenue. Profit also rose 48 percent in its transportation segment, 10 percent in health care, and 2 percent in aviation. The only decline came in the home and business solutions segment.

On top of the strong operating profit, orders for locomotives, aircraft engines and other industrial equipment grew by double-digit rates for the quarter.

"I'm encouraged by the industrial side of GE," said Nicholas Heymann, an analyst with William Blair & Co. "It performed very well. Orders are up."

The company's GE Capital lending reported a profit increase of 6 percent.

Shares of GE rose 25 cents to \$19.39 in premarket trading. Citi analyst Deane Dray expects GE shares to increase by "a low single digit percentage" on the results. She has a \$24 price target for the shares.

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