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27 July 2010

GE Announces Settlement of Oil-for-Food Matter

FAIRFIELD, Conn. – July 27, 2010 – General Electric Company (NYSE: GE) today announced that it had reached a settlement with the United States Securities and Exchange Commission (SEC) concerning the involvement in 2000-2003 of certain non-U.S. subsidiaries in the United Nations Oil-for-Food Program. This concludes the SEC's investigation and related Department of Justice review of GE regarding the Oil-for-Food Program.

In connection with the settlement, the SEC filed a civil complaint in the U.S. District Court for the District of Columbia alleging misconduct by two European subsidiaries of GE, and by subsidiaries of Amersham plc ("Amersham") and Ionics, Inc. ("Ionics") in 2000-2002, before GE acquired those businesses. Amersham was acquired by GE in 2004 and Ionics was acquired in 2005. The SEC alleges the conduct violated provisions of the Securities Exchange Act of 1934 that relate to keeping and maintaining accurate books and records and implementing sufficient controls to prevent inaccurate recording of transactions.

To resolve both the alleged liabilities of its own subsidiaries and the alleged pre-acquisition liabilities of the subsidiaries that GE acquired, GE has agreed to pay a \$1 million penalty and to disgorge the profits plus interest these subsidiaries are estimated to have earned on the transactions in the amount of \$22.5 million.

GE stated the following regarding the settlement:

"GE is committed to the highest standards of conduct in all transactions in all of the jurisdictions where we do business throughout the world. In this case, the SEC has identified 18 contracts under the Oil-for-Food Program that it alleges were not accounted for or controlled properly. Fourteen of these transactions involve businesses that were not owned by GE at the time of the transactions. The SEC alleges that, in acquiring these companies, GE acquired their liabilities as well as their assets. The other four transactions relate to GE Healthcare units in Europe. These units declined to make cash payments to the Iraqi Ministry of Health, but they acquiesced when their agent offered instead to make in-kind payments of computer equipment, medical supplies, and services to the Iraqi Health Ministry, and then failed to reflect the transactions accurately in their books and records. This conduct did not meet our standards, and we believe that it is in the best interests of GE and its shareholders to resolve this matter now, without admitting or denying the allegations, and put the matter behind us.

GE cooperated fully with the SEC in connection with the investigation.

GE has received confirmation from the U.S. Department of Justice that the Department has closed its investigation and will take no action relating to these matters.

GE is committed to the highest standards of integrity and transparency in our business practices. We constantly strive to improve in this regard, and we have already applied the lessons of this matter to help us further strengthen our policies and practices."



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