

GE Hungary has detailed its involvement in the transfer of some activities of its parent company's power generation services to the headquarters of Alstom's energy business in Switzerland in a report posted on the Ministry of Justice's company information website. The transfer generated revenue of HUF 2.36 trillion and extraordinary profit of HUF 1.861 tln for the company last year, a supplementary annual report filed by the company on Tuesday shows.

GE Hungary booked HUF 3.551 tln in after-tax profit on revenue of HUF 4.396 tln last year, the company's profit and loss statement shows. In 2014, the company had a HUF 14.2 bln loss on revenue of HUF 1.524 tln.

All of the 2015 profit, together with HUF 99.1 bln in profit reserves, was paid as dividends. In the supplementary report, GE Hungary said that, following its parent company's acquisition of Alstom's energy business in November 2015, GE decided to move similar functions of its own energy business to the headquarters of Alstom's business in Switzerland. In the framework of the move, global coordination of GE's supply chain and access to the global gas turbine parts market - with the exception of the market in the United States - was transferred from GE Hungary to GE Energy Switzerland.

The transfer involved GE Hungary's acquisition of GE Energy Switzerland from GE unit GEEE BV for a "consideration appropriate to the amount of CHF 40,000". Afterward, GE Hungary provided access and rights to clients and technologies of the energy business and transferred, in kind, inventories and the rights to future power generation services businesses. The final step in the transaction was GE Hungary's sale of GE Energy Switzerland, at market price, back to GEEE BV. The settlement of the purchase price took place with the transfer of receivables.

GE Hungary's balance sheet shows a sharp rise in receivables from related parties to HUF 5.046 tln at the end of 2015 from HUF 593.2 bln a year earlier.

Revenue of the power generation services business will not be generated at GE Hungary from 2016, the report noted.

source: bbj.hu