ABOUT THE GENERAL ELECTRIC DIVIDEND SLASH (a quote from the Financial Times thanks to prof.Franco Quilico)

Dividends are a narcotic. For as long as they keep flowing, the intoxication keeps tough questions from being asked. General Electric's corporate machinations since the financial crisis have been headspinning. It jettisoned much of its risky banking operation and made pricey bets on oil, gas and power equipment. The ebbs and flows that resulted, however, made GE's financials largely indecipherable, with multiple methods of profits and cash flow provided by the company. This was largely tolerated as long as the sacrosanct dividend rose and the company could find someone to fund the $8 billion annual cash payout. But disastrous acquisitions and poor execution this year — particularly in the power division — have finally exposed how mediocre the core company is. New chief executive John Flannery confirmed the obvious at an investor meeting yesterday, announcing that GE would halve its payout. Withdrawal symptoms are never pleasant… Mr Flannery says GE will concentrate upon three core industries: power, healthcare, and aviation. So far he has committed to divestitures worth $20 billion though that number will probably grow with a possible sale of a majority stake in Baker Hughes. But just as crucial on GE's road to recovery is a further demystifying of its financial reporting. With its prized dividend slashed, the scrutiny is intense.

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