

GE acquires LM Wind Power

GE is announcing its intent to acquire LM Wind Power, a leading independent supplier of wind turbine blades to the wind industry. The transaction is valued at \$1.65B (€1.5B), which represents a valuation multiple of 8.3x EBITDA (2016 estimate), and will be accretive to earnings in 2018.

As demand for wind power grows globally, the LM Wind Power acquisition offers an opportunity for GE to integrate blade design and production into our wind turbine business and better compete in a fast growing segment of renewable power generation. LM Wind Power's existing management will run it as a separate business within GE Renewable Energy.

STATE OF THE INDUSTRY

The cost of electricity from renewable sources is declining

In 2015, the world invested \$430 billion in power generation capacity, of which ~70% was for renewable energy.



Wind is the fastest growing segment of power generation, and demand is growing globally

In 2015, 50% of all new electricity capacity additions were from renewable sources, with wind representing 35% of that growth.



WHO IS LM WIND POWER?

LM Wind Power is a leading supplier of wind turbine blades for the wind turbine industry, offering blade development, manufacturing, service and logistics.



LM Wind Power blades help replace approximately

147 millions tons of CO₂ every year



They have produced

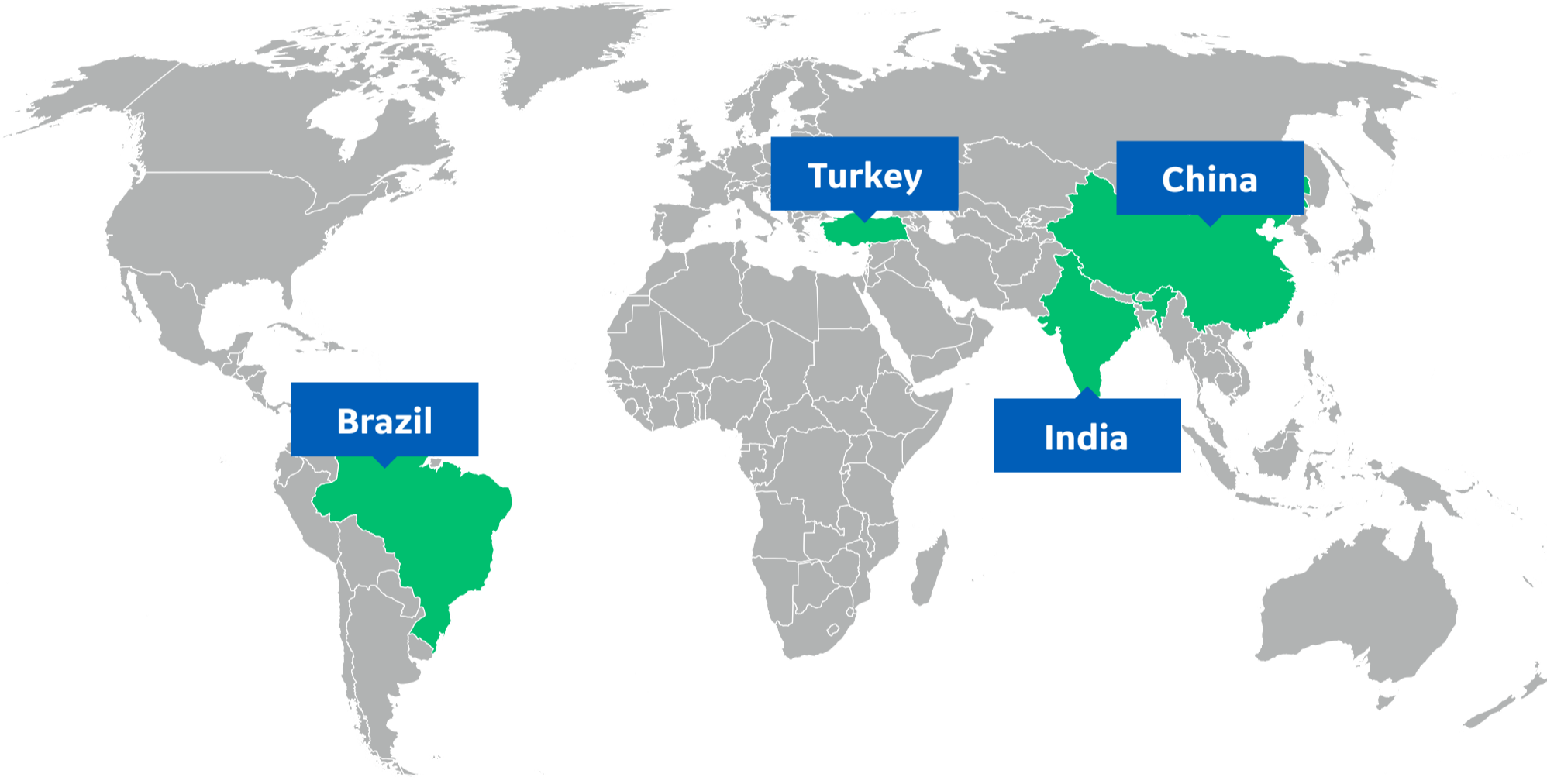
more than 185,000 blades, enabling 77GW of installed wind capacity



LM Wind Power currently has

9,000 employees across 10 countries

Particularly impacted for the better will be key international markets including:



WHY THIS ACQUISITION?

Together we will be able to work on the overall design of the turbine to increase electricity output and accelerate its work in blade design for both GE's Onshore and Offshore wind businesses. LM Wind Power's blade design is significant for GE because wind turbine innovation is driven by system design, materials science and analytics—all elements of the GE Store.



GE will in-source production by integrating LM Wind Power's blade design and production into their turbines, which make up for significant portion of a turbine's overall costs



Blades capture the wind that drives power production; the better the blade design and integration with the drivetrain, the better the power output.



LM Wind Power will allow GE to offer customers total windfarm packages that reduce the cost of energy and improve returns on their investment.



LM Wind Power will continue to be a leading supplier to industry original equipment manufacturers.

WHO IS GE RENEWABLE ENERGY?

GE Renewable Energy is a \$9 billion start-up that brings together one of the broadest product and service portfolios of the renewable energy industry. Combining onshore and offshore wind, hydro and innovative technologies such as concentrated solar power, GE Renewable Energy has installed more than 370 gigawatts capacity globally to make the world work better and cleaner. With 13,000 employees present in more than 55 countries, GE Renewable Energy is backed by the resources of the world's first digital industrial company. Our goal is to demonstrate to the rest of the world that nobody should ever have to choose between affordable, reliable, and sustainable energy.