

## **GE to Bring High-Efficiency Energy Solutions to Telecommunications and Datacenter Industries with Acquisition of Lineage Power from The Gores Group**

*Explosive Growth Of Mobile Internet, Cloud Computing, and Datacenters Drives Demand For Efficient and Reliable DC Power To Expand Network Capacity and Reduce Energy Costs.*

**ATLANTA, GA** —January 13, 2011— GE (NYSE: GE) today announced it has signed an agreement to acquire privately-held Lineage Power Holdings, Inc., from The Gores Group, LLC. Lineage Power is a leading global provider of high-efficiency power conversion infrastructure technology and services for the telecommunications and datacenter industries. The deal will open the door for GE Energy technology to be deployed in the \$20 billion per year power conversion space, where the demand for reliable, high quality power is driven by the growth in cloud computing and mobile internet voice, video and data applications.

Lineage Power had revenues of approximately \$450 million in 2010. The transaction is valued at approximately \$520 million or eight times enterprise value on 2011 EBITDA basis. The deal is expected to close in the first quarter of 2011, subject to customary closing conditions, including receipt of regulatory approval. Lineage Power is headquartered in Plano, Texas and has nearly 2,300 employees, with manufacturing operations in China, Mexico and India.

The deal is the latest in a series of announcements that will expand GE's \$40 billion energy portfolio of solutions for customers in vital industries. In October 2010, GE announced the signing of a contract to acquire Dresser Inc., a Dallas-based energy infrastructure company. Last month, the company announced its intention to make an offer for 100% of Wellstream Holdings PLC, a British oil pipe manufacturer.

"According to recent studies, there will be 1.1 billion smartphones sold globally by 2013," said Dan Heintzelman, GE Energy Services President & CEO. "Every new mobile device plugs into an infrastructure that requires an ever increasing amount of high-quality power. The growth in high-bandwidth mobile internet applications and cloud computing is accelerating that demand.

A globally networked planet needs a lot of power to keep spinning. Customers want efficient, reliable means to manage that power.”

Heintzelman adds, “As the data-driven economy grows, the addition of Lineage Power’s business platform continues the expansion of GE Energy’s offerings from the electric grid to datacenters, cell towers, routers, servers and circuit board electronics.”

Lineage Power complements GE because it is based on technology leadership, deep customer relationships, proven domain expertise of its employees, a strong services business, and a global growth strategy. It is right within GE’s core expertise – managing electricity. GE’s technology investments and resources, and global reach and scale, is expected to help grow this business around the world and across industries.

Lineage Power CEO Craig Witsoe said, “Joining GE will enhance our company’s resources to provide best-in-class energy technologies to our telecommunications and data communications customers. Our leadership in high-efficiency power conversion solutions has positioned us to serve the explosive growth in mobile internet demand driven by 3G and 4G/LTE wireless networks that enable the Amazon® Kindle™, Apple® iPhone® and iPad™, Google® Android™ smart phones, and other mobile devices. We are also bringing to GE exciting new solutions for high-efficiency datacenter architecture, data storage and cloud computing. Rooted in our Bell Labs heritage, our employees have built an innovative and customer-centric company. We look forward to building upon our foundation of technology leadership, and strong, long-term customer relationships with GE.”

“We were confident in the significant potential for Lineage Power when we acquired the company three years ago,” said Ryan Wald, managing director of The Gores Group. “Through the addition of Craig Witsoe and the efforts of a distinguished global management team with decades of experience in the industrial, technology, power and electronics sectors, the company was stabilized, returned to profitable growth, and built into the business it is today. The Gores Group is proud to have provided the financial and operational support as part of that process. The company has a bright future with GE and we know Lineage Power customers,

partners and employees can benefit from GE's global relationships, resources and brand equity."

Deutsche Bank is the exclusive financial advisor to GE on the transaction. Morgan Stanley & Co. Incorporated acted as exclusive financial advisor to Lineage Power and The Gores Group on the transaction.

### **About GE**

GE (NYSE: GE) is a diversified infrastructure, finance and media company taking on the world's toughest challenges. From aircraft engines and power generation to financial services, health care solutions and television programming, GE operates in more than 100 countries and employs about 300,000 people worldwide. For more information, visit the company's website at [www.ge.com](http://www.ge.com).

GE serves the energy sector by developing and deploying technology that helps make efficient use of natural resources. With nearly 85,000 global employees and 2009 revenues of \$40 billion, GE Energy [www.ge.com/energy](http://www.ge.com/energy) is one of the world's leading suppliers of power generation and energy delivery technologies. The businesses that comprise GE Energy—GE Power & Water, GE Energy Services and GE Oil & Gas—work together to provide integrated product and service solutions in all areas of the energy industry including coal, oil, natural gas and nuclear energy; renewable resources such as water, wind, solar and biogas; and other alternative fuels.

### **About Lineage Power**

Lineage Power, a Gores Group company, traces our nearly 100 year heritage of innovation to Bell Labs and Western Electric. We deliver reliable and intelligent power conversion solutions for cloud computing and mobile internet infrastructure with energy-efficient AC-DC power supplies, DC-DC circuit board mounted power modules, telecom energy systems, DC datacenters, and custom power products backed by local field expertise in 25+ locations worldwide. Designed for decades of non-stop operation, the high-availability DC power conversion solutions enable voice, video and data communications while assuring investment protection, total system efficiency, and significantly reduced total cost of ownership. Our customers include leading U.S. telecom service providers, such as AT&T, Verizon Wireless and Verizon, and leading global OEMs, such as Alcatel-Lucent, Cisco, Ericsson, Hewlett Packard, Huawei, Juniper Networks and Oracle. More information about Lineage hardware, software, services and training is available at [www.lineagepower.com](http://www.lineagepower.com).

## **About The Gores Group, LLC**

The Gores Group LLC is a private equity firm focused on acquiring controlling interests in mature and growing businesses which can benefit from the firm's operating experience and flexible capital base. The firm combines the operational expertise and detailed due diligence capabilities of a strategic buyer with the seasoned M&A team of a traditional financial buyer. The Gores Group, LLC, which was founded in 1987 by Alec E. Gores, has become a leading investor having demonstrated over time a reliable track record of creating substantial value in its portfolio companies alongside management. The firm's current private equity funds have committed equity capital of over \$3 billion. Headquartered in Los Angeles, The Gores Group, LLC maintains offices in Boulder, CO, and London. For more information, please visit [www.gores.com](http://www.gores.com).

### **Contacts:**

Michael McCulloch

Edelman PR

404-832-6782

[Michael.McCullough@edelman.com](mailto:Michael.McCullough@edelman.com)

Anne Eisele

GE, Investor Relations

203-373-3071

[anne.eisele@ge.com](mailto:anne.eisele@ge.com)

Frank Stefanik

The Gores Group

310-209-3010

[fstefanik@gores.com](mailto:fstefanik@gores.com)