GE to Bring High-Efficiency Energy Solutions to Telecommunications and Datacenter Industries with Acquisition

ATLANTA -- (BUSINESS WIRE) -- GE 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 percent 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, are 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.”

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