

WEG to Acquire Electric Machinery Unit of GE's Converteam Business

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WEG announced on 3rd November 2011 that it has signed an agreement with GE Energy to acquire the Electric Machinery unit of Converteam. The acquisition is expected to close before the end of the year and is subject to customary closing conditions and approval by the US Department of Justice. Financial terms were not disclosed. WEG's acquisition of Electric Machinery follows the acquisition of Converteam by GE on Sep 2nd, 2011. As part of the merger review process prior to the acquisition, GE agreed with the US Department of Justice to divest the Electric Machinery unit of Converteam after closure.

Electric Machinery, founded in 1891 and based in Minneapolis, MN, custom designs and manufactures motors, generators and brushless exciters that serve thousands of customers worldwide primarily in the oil & gas and power generation industries. The business also provides a complete range of aftermarket services including installation, field support, parts, repairs, upgrades, stator rewinds, high-speed balancing and technical support.

EM has an installed base of more than 5,500 units in operation and is a technological leader in the development of high value added products, such as 2-pole turbo generators and slow speed synchronous motors. Revenues in 2011 are estimated to reach US\$ 56 million.

"We are very excited with this acquisition. EM has 100 years of history in large machines, strong reputation for high quality products and great brand recognition in key market segments, such as oil & gas and power generation" said Mr. Harry Schmelzer Jr., WEG's CEO. "From a global perspective, this acquisition complements WEG's offering, with state of art products and technology. In addition, our production platform in North America now combines the plant in Minneapolis with our plants in Mexico, allowing us unsurpassed flexibility on providing integrated solutions in the region" said Mr. Schmelzer.
