



## Generac to Acquire Ottomotores Businesses

November 20, 2012

### ***Acquisition of leading Latin American generator manufacturers accelerates global expansion efforts – Businesses provide an enhanced platform and immediate scale for future international growth***

WAUKESHA, Wis.--(BUSINESS WIRE)--Nov. 20, 2012-- Generac Holdings Inc. (NYSE: GNRC), a leading designer and manufacturer of back-up power generation products, announced today that one of its subsidiaries has signed a definitive share purchase agreement to acquire from a subsidiary of TT electronics plc all of the shares of Ottomotores UK Limited and its affiliates, including the operations of Ottomotores Mexico and Ottomotores Brazil, (collectively "Ottomotores") for \$46.5 million in cash, subject to certain closing net asset adjustments.

Founded in 1950 and headquartered in Mexico City, Ottomotores Mexico is a leading manufacturer of power generation equipment in Mexico and other parts of Latin America. Ottomotores Brazil, located in Curitiba, recently entered the Brazilian market and has been steadily gaining traction in one of Latin America's fastest growing markets. The combined Ottomotores businesses have more than 500 employees and generated revenues of \$81.6 million in fiscal 2011.

"Ottomotores is a terrific strategic fit for Generac's business, providing immediate scale for our international expansion efforts," said Aaron Jagdfeld, President and Chief Executive Officer of Generac. "This acquisition is directly in line with our Powering Ahead strategic plan and positions Generac to participate in the significant global market that exists for commercial and industrial backup power generation by offering products tailored to the needs of customers in individual international markets."

The acquisition of Ottomotores provides a platform for future growth in additional markets outside North America through Ottomotores' broad product offering of higher output power products and strong, established distribution network.

"We at Ottomotores are very excited about this transaction," said Francisco Haro, Managing Director of Ottomotores Mexico. "With both companies having a long history in their own markets and deep expertise in the backup power generation business, we believe that there are many synergies and opportunities to grow with the combination of these companies."

"We welcome the entire Ottomotores team to the Generac family," said Jagdfeld. "We are looking forward to working closely together with such an experienced management team to create a formidable backup power generation company serving global markets."

Following the close of the transaction, Ottomotores' management team will continue to lead the company and Generac will maintain the Ottomotores brand name in the market place. It is expected that the transaction will close before the end of January 2013 pending receipt of all customary and required regulatory approvals. The combined companies will employ more than 2,800 people globally.

#### **Generac company news is available**

**24 hours a day, on-line at: <http://www.generac.com>.**

#### **About Generac (NYSE: GNRC)**

Since 1959, Generac has been a leading designer and manufacturer of a wide range of generators and other engine powered products. As a leader in power equipment serving residential, light commercial, industrial and construction markets, Generac's power products are available through a broad network of independent dealers, retailers, wholesalers and equipment rental companies. The Company markets and distributes its products primarily under its Generac and Magnum brand names.

#### **About Ottomotores UK Limited**

Ottomotores is a leader in the manufacture of generating sets in Mexico and Latin America with exports to Middle East, Far East, and Africa. Manufacturing generator sets in the range of 15kW up to 250kW for standby application as well as prime power or continuous running, Ottomotores has a broad product offering to meet any application or specification. For more information on Ottomotores, please visit <http://www.ottomotores.com.mx>.

#### **Forward-looking Information**

Certain statements contained in this news release, as well as other information provided from time to time by Generac Holdings Inc. or its employees, may contain forward looking statements that involve risks and uncertainties that could cause actual results to differ materially from those in the forward looking statements. Forward-looking statements give Generac's current expectations and projections relating to the Company's financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "anticipate," "estimate," "expect," "forecast," "project," "plan," "intend," "believe," "confident," "may," "should," "can have," "likely," "future" and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events.

Any such forward looking statements are not guarantees of performance or results, and involve risks, uncertainties (some of which are beyond the Company's control) and assumptions. Although Generac believes any forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect Generac's actual financial results and cause them to differ materially from those anticipated in any forward-looking statements, including:

- demand for Generac products;
- frequency and duration of major power outages;

- availability, cost and quality of raw materials and key components used in producing Generac products;
- the impact on our results of the substantial increases in our outstanding indebtedness and related interest expense due to the dividend recapitalization completed in May 2012;
- the possibility that the expected synergies, efficiencies and cost savings of the acquisition of the Magnum Products business in October 2011, or any future acquisitions, will not be realized, or will not be realized within the expected time period;
- the risk that the Magnum Products business or other acquisitions that we make will not be integrated successfully;
- competitive factors in the industry in which Generac operates;
- Generac's dependence on its distribution network;
- Generac's ability to invest in, develop or adapt to changing technologies and manufacturing techniques;
- loss of key management and employees;
- increase in product and other liability claims; and
- changes in environmental, health and safety laws and regulations.

Should one or more of these risks or uncertainties materialize, Generac's actual results may vary in material respects from those projected in any forward-looking statements. A detailed discussion of these and other factors that may affect future results is contained in Generac's filings with the U.S. Securities and Exchange Commission ("SEC").

Any forward-looking statement made by Generac in this press release speaks only as of the date on which it is made. Generac undertakes no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

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