



## Generac Provides Update on Credit Facility Refinancing

May 21, 2013

WAUKESHA, Wis.--(BUSINESS WIRE)--May. 21, 2013-- Generac Holdings Inc. (NYSE: GNRC, the "Company"), a leading designer and manufacturer of generators and other engine powered products, provided an update today on its previously announced credit facility refinancing in conjunction with its proposed special cash dividend to shareholders.

The Company has received commitments from a syndicate of lenders to provide \$1.2 billion of senior secured term loans to replace its existing term loan facilities. Subject to execution of definitive documentation and customary closing conditions, the new term loans are expected to mature in 2020 and bear interest at an initial rate of LIBOR plus 2.75%, with a LIBOR floor of 0.75%. It is expected that, beginning in the second quarter of 2014, the spread to LIBOR can be reduced to 2.50% once the Company's net debt leverage ratio falls below 3.0 times. At current LIBOR interest rates, the new term loans are expected to result in a 275 basis point reduction in interest rate as compared to the Company's current term loan facility, which currently has an outstanding balance of approximately \$785 million and accrues interest at LIBOR plus 5.0% with a LIBOR floor of 1.25%.

Additionally, subject to execution of definitive documentation and customary closing conditions, the Company has obtained commitments to extend its existing \$150 million senior-secured, asset-based revolving credit facility by one year. As a result, the revolving credit facility is now expected to terminate in 2018, and will continue to accrue interest on drawn proceeds at the same rate using an availability-based pricing grid starting at LIBOR plus 2.0%.

As previously announced, subject to closing of the credit facilities, the Company intends to use a portion of the proceeds from the new term loans to fund a special cash dividend to its stockholders of up to \$5.00 per share, or approximately \$342 million in the aggregate. After paying off the outstanding principal and accrued interest on the existing term loan facilities, the remaining funds from the new term loans will be used for working capital, capital expenditures and other general corporate purposes, and to pay related financing fees and expenses.

The closing of the new senior secured credit facilities and related borrowings thereunder is expected to take place on or around May 31, 2013. Upon the successful closing, the Company plans to issue a press release updating its guidance for interest expense for the remainder of 2013. In addition, at that time the Company expects to provide further details on the special cash dividend confirming the specific amount along with timing of the date of record, payment date and ex-dividend date.

### 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," "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, 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 cause outcomes to differ materially from those anticipated in any forward-looking statements. With respect to the forward-looking statement regarding future interest rates, one such factor is an unexpected increase in LIBOR. In addition, regarding the timing and committed terms of the new credit facility, another factor is an unanticipated disruption in the credit markets that would cause the closing not to occur or to occur on modified terms.

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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