



Generac to Acquire Generator Business from Baldor Electric Company, a Subsidiary of ABB Group

October 7, 2013

Significant expansion of industrial product offering to increase Generac's addressable market

WAUKESHA, Wis.--(BUSINESS WIRE)--Oct. 7, 2013-- Generac Holdings Inc. (NYSE: GNRC) (the "Company" or "Generac"), a leading designer and manufacturer of generators and other engine powered products, announced today the signing of a purchase agreement with Baldor Electric Company ("Baldor"), a wholly-owned subsidiary of ABB Group, to acquire substantially all of the assets of Baldor's generator products division ("Baldor Generators").

Located in Oshkosh, Wisconsin, Baldor Generators offers a complete line of portable, mobile, standby and prime power generators ranging from 3kW to 2.5MW throughout North America. For almost 50 years, Baldor Generators and its predecessors have served the power generation market with a comprehensive, reliable product offering and flexible operating environment.

"Acquiring Baldor Generators is a great strategic fit for Generac's business, providing us immediate access to a larger industrial product line to better support the North American and global power generation markets," said Aaron Jagdfeld, President and Chief Executive Officer of Generac. "By offering additional power solutions up to 2.5MW, this acquisition improves our competitive position in the marketplace by increasing the addressable market that our distribution partners can serve."

Jagdfeld continued, "Investing in the Baldor Generator business accelerates our organic efforts to increase our share of the commercial and industrial power generation market while also adding significant production and test capacity for future growth. With our enhanced scale and focus, we believe we can execute on the meaningful revenue and cost synergies that we have identified to date."

Following the close of the transaction, the employees of Baldor Generators will become employees of Generac and the Oshkosh, WI facility will become part of Generac's manufacturing footprint. Although the Baldor brand name is not included past a transitional period, Generac will continue to support Baldor Generator's existing customers and distribution network going forward. The acquisition is expected to close in the fourth quarter of 2013, pending standard closing conditions. The terms of the transaction were not announced.

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 internationally through a broad network of independent dealers, retailers, wholesalers and equipment rental companies.

About Baldor Electric Company

Baldor Electric Company markets, designs and manufactures industrial electric motors, mechanical power transmission products and drives. Baldor, a member of the ABB Group, is headquartered in Fort Smith, Arkansas.

Forward-looking Information

Certain statements contained in this news release, as well as other information provided from time to time by Generac 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 transactions completed in May 2012 and 2013;
- the possibility that the expected synergies, efficiencies and cost savings of our completed acquisitions will not be realized, or will not be realized within the expected time period;
- the risk that our completed acquisitions will not be integrated successfully;
- difficulties Generac may encounter as its business expands globally;
- 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.

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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