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GE Aviation

GE Aviation announces a recommended public cash offer to the shareholders of Arcam

Stockholm, September 6, 2016. GE Sweden Holdings AB ("GE"), a Swedish company within the GE Aviation operating unit and an indirectly wholly-owned subsidiary of General Electric Company¹, hereby announces a recommended public offer to acquire all ordinary shares² in Arcam Aktiebolag (publ) ("Arcam") listed on Nasdaq Stockholm (the "Offer") in cash.

The Offer in brief

- Arcam's strategy and offerings align to GE Group's vision of building its own expertise and capabilities in Additive Manufacturing to serve customers in the global industrial community.
- GE offers SEK 285 per ordinary share in Arcam in cash, assuming no dividend or other value transfers by Arcam. The total value of the Offer amounts to approximately SEK 5.86 billion.³

¹ General Electric Company, together with its subsidiaries, are referred to as "GE Group".

² The Offer also includes a public offer to tender to GE all American depositary shares (each an "ADS"), each ADS representing the right to receive one ordinary share in Arcam; it being understood that such underlying share cannot be tendered separately in the Offer.

³ Based on the total of 20,546,585 outstanding ordinary shares in Arcam.

- The Offer represents a premium of approximately 53.23 per cent to the closing price of SEK 186.0 per Arcam ordinary share on Nasdaq Stockholm on September 5, 2016, the last trading day prior to the announcement of the Offer, and a premium of approximately 67.35 per cent to the volume weighted average price of approximately SEK 170.3 per Arcam ordinary share on Nasdaq Stockholm over the 30 trading days up to and including September 5, 2016.
- The Board of Directors of Arcam has unanimously resolved to recommend Arcam's shareholders to accept the Offer.
- The acceptance period of the Offer is expected to commence on or around September 7, 2016, and expire on or around October 14, 2016.

Background and reasons for the Offer

GE Group believes Additive Manufacturing is the next step in GE Group's development as a Digital Industrial company. Arcam is a respected player in the additive space as the inventor of EBM[®] technology (Electron Beam Melting). Arcam's strategy and offerings align to GE Group's vision of building its own expertise and capabilities in Additive Manufacturing to serve customers in the global industrial community, by providing greater productivity and enabling lower manufacturing cost.

GE Group is committed to growing Arcam's business, and plans to retain and expand Arcam's current customer base. GE Group will provide resources and technologies to further develop Arcam's technology, expand its business, and to market and sell its products and services.

GE Group intends to maintain Arcam's current operations and locations. GE Group believes the locations of all of Arcam's operations provide strong business, operating and engineering talent as well as government and community support. GE Group plans to retain and develop Arcam's current and valuable management and employees. GE Group further desires to amplify the speed and energy of Arcam's entrepreneurial culture with GE Group's world-class engineering and operational capabilities. GE Group does not intend to make any material changes for Arcam's employees, including their terms of employment and the locations of business.

The Offer*General and Offer value*

GE offers SEK 285 per ordinary share in Arcam in cash. The total value of the Offer amounts to SEK 5,855,776,725.⁴

GE offers SEK 285 per ADS in cash.

Offer consideration adjustment, etc.

The offer consideration will be reduced accordingly should Arcam, prior to the settlement of the Offer, make any dividend or other value transfers.

No commission will be charged in connection with the Offer.

Premium

The Offer represents a premium of approximately 53.23 per cent to the closing price of SEK 186.0 per Arcam share on Nasdaq Stockholm on September 5, 2016, the last trading day prior to the announcement of the Offer, and a premium of approximately 67.35 per cent to the volume weighted average price of approximately SEK 170.3 per Arcam share on Nasdaq Stockholm over the 30 trading days up to and including September 5, 2016.

Recommendation by the Board of Directors of Arcam

The Board of Directors of Arcam has unanimously resolved to recommend Arcam's shareholders to accept the Offer. The Board of Directors' recommendation will be announced today by Arcam in a separate press release.

Conditions to the Offer

Completion of the Offer is conditional upon:

1. the Offer being accepted by shareholders to an extent such that their shares in Arcam, together with any shares in Arcam owned by GE, represent more than 90 per cent of the outstanding shares in Arcam on a fully diluted basis;
2. with respect to the Offer and completion of the acquisition of Arcam, the receipt of all necessary regulatory, governmental or similar clearances,

⁴ Based on the total of 20,546,585 outstanding ordinary shares in Arcam.

approvals and decisions and the resolution of any investigations of or proceedings challenging the transaction, including from competition authorities, in each case on terms which, in GE's opinion, are acceptable, and that no proceedings challenging or seeking to restrain, limit, or prohibit the transaction are pending or are threatened;

3. no other party announcing an offer to acquire shares in Arcam on terms that are more favourable to the shareholders of Arcam than the Offer;
4. neither the Offer nor the acquisition of Arcam being wholly or partly prevented or materially adversely affected by any legislation or other regulation, any decision of court or public authority, or similar circumstance, which is actually or can reasonably be anticipated to be, outside the control of GE and which GE could not reasonably have foreseen at the time of announcement of the Offer;
5. no circumstances, other than any circumstances that GE had knowledge of or could have reasonably anticipated at the time the Offer was announced, having occurred that have or could be reasonably expected to have a material adverse effect upon Arcam's sales, results, liquidity, solidity, equity or assets;
6. no information made public by Arcam or disclosed by Arcam to GE Group being materially inaccurate, incomplete or misleading, and Arcam having made public all information which should have been made public by it; and
7. Arcam not taking any measure that typically is intended to impair the prerequisites for the implementation of the Offer.

GE reserves the right to withdraw the Offer in the event that it is clear that any of the above conditions is not satisfied or cannot be satisfied. However, with regard to conditions included in items 2–7 above, the Offer may only be withdrawn provided that the non-satisfaction of such condition is of material importance to GE's acquisition of Arcam.

GE reserves the right to waive, in whole or in part, one or more of the conditions set out above, including, with respect to condition included in item 1 above, to complete the Offer at a lower level of acceptance. The failure by GE at any time to assert any of the foregoing rights will not constitute a waiver of any such right.

Rights under Arcam's incentive program

The Offer does not include any rights granted by Arcam to its employees under any incentive program implemented by Arcam. GE intends to procure fair

treatment in connection with the transaction for participants in such programs. The Offer does hence not include the preference shares of Class C in Arcam held by Arcam as hedge for delivery under Arcam's incentive programs.

GE's ownership in Arcam

At the time of this announcement, neither GE nor any other company within GE Group own or control any shares in Arcam or has acquired any shares in Arcam during the last six months prior to this announcement. At the time of this announcement, neither GE nor any other company within GE Group own or control any financial instruments in Arcam that provide a financial exposure equivalent to a holding of shares in Arcam.

In accordance with, and subject to the restrictions under, applicable laws, rules and regulations, GE Group and any advisor, broker or other person acting as the agent for, or on behalf of, GE Group may make arrangements to purchase shares in Arcam, including purchases in the open market at prevailing prices or in private transactions at negotiated prices. Such purchases or arrangements to purchase may be made through the expiry of the acceptance period and following completion of the Offer. Any such purchases will be made in compliance with applicable laws, rules and regulations.

Financing of the Offer

The Offer will not be subject to any financing condition. GE Group will finance the acquisition through cash on hand and existing credit facilities.

GE Group has undertaken to provide GE with necessary funds to settle the Offer.

Due diligence

After approval by the Board of Directors of Arcam, GE Group conducted a limited, confirmatory due diligence review of certain business, financial and legal information relating to Arcam. Arcam has informed GE that no information has been disclosed during this process to GE Group that has not already been made public and that can reasonably be expected to affect the price of the Arcam's shares.

Statement from the Swedish Securities Council

The Swedish Securities Council has in a ruling on August 29, 2016 (ruling 2016:23) confirmed that the preference shares of Class C may be excluded from the Offer.

Indicative timetable

The offer document regarding the Offer is expected to be published on or around September 6, 2016. The acceptance period of the Offer is expected to commence on or around September 7, 2016, and expire on or around October 14, 2016.

Subject to the Offer being declared unconditional no later than on or around October 19, 2016, the preliminary date for settlement is expected to be October 24, 2016.

GE reserves the right to extend the acceptance period as well as the right to defer the date for settlement.

The acquisition of Arcam requires clearance from the relevant competition authorities. GE will seek to obtain the necessary clearances prior to the end of the acceptance period.

Compulsory acquisition and de-listing

In the event that GE, whether in connection with the Offer or otherwise, obtains more than 90 per cent of the shares of Arcam, GE intends to commence a compulsory acquisition procedure under the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) to acquire all remaining shares in Arcam. In connection therewith, GE intends to promote a de-listing of the Arcam shares from Nasdaq Stockholm.

Applicable law and disputes

In accordance with the Swedish Act on Public Takeovers on the Stock Market (Sw. *lag (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*), GE has on September 5, 2016, undertaken towards Nasdaq Stockholm to comply with Nasdaq Stockholm's rules regarding public offers on the stock market (February 1, 2015) (the "**Takeover Rules**"), the Swedish Securities Council's rulings regarding interpretation and application of the Takeover Rules, and, where applicable, the Swedish Securities Council's rulings regarding interpretation and application of the Swedish Industry and Commerce Stock Exchange Committee's former rules on public offers on the stock market, and submit to the sanctions that Nasdaq Stockholm may decide upon in event of infringement of the Takeover Rules. GE informed the Swedish Financial Supervisory Authority about the Offer and the above mentioned undertaking on September 6, 2016.

This Offer is, and any tender, purchase, acceptance or delivery of shares or ADS will be, principally governed by and construed in accordance with the laws of

Sweden and the laws of the U.S., as applicable. The Takeover Rules, the Swedish Securities Council's rulings regarding interpretation and application of the Takeover Rules, and, where applicable, the Swedish Securities Council's rulings regarding interpretation and application of the Swedish Industry and Commerce Stock Exchange Committee's former rules on public offers on the stock market, are applicable to the Offer. Without prejudice to any jurisdiction of a U.S. court to hear claims in respect of the Offer brought under applicable U.S. laws, the district court of Stockholm (Sw. *Stockholms tingsrätt*) and its appellate courts have exclusive jurisdiction to settle any disputes which might arise out of or in connection with any tender, purchase, acceptance or delivery of shares or ADS, including, but not limited to, related disputes as they may apply to the Offer. Accordingly, such legal action or proceedings must be brought exclusively before such courts.

Advisors

Morgan Stanley & Co. LLC and its affiliates, including without limitation, Morgan Stanley & Co. International plc, is acting as exclusive financial advisor and Handelsbanken Capital Markets is acting as transaction advisor to GE Group in relation to the transaction and Gernandt & Danielsson Advokatbyrå KB is acting as legal advisor to GE Group in relation to the transaction.

Additional information

The information was submitted for publication on September 6, 2016, at 8.00 am CET.

For additional information about the Offer, please visit www.geaviation.com/additive. All media inquiries should be directed to:

Rick Kennedy, Executive, GE Aviation Communication, +1 513 607 0609.

GE Group in brief

General Electric Company ("**Parent**") is a public company incorporated in New York, with its registered office at 41 Farnsworth Street, Boston, Massachusetts 02210, United States.

In the U.S., Parent's common stock is listed on the New York Stock Exchange (NYSE), its principal market. It also is listed on certain non-U.S. exchanges, including the London Stock Exchange, Euronext Paris and the Frankfurt Stock Exchange.

Parent was founded in 1879 and operates today in the following business segments: Aviation, Renewable Energy, Lighting, Energy Connections, Healthcare, Oil & Gas, Power, Digital, Capital as well as Transportation. Parent has locations in more than 180 countries with approximately 333,000 employees worldwide as of year-end 2015. Parent's total revenues in 2015 amounted to USD 117.4 billion with continuing operation earnings of USD 13.1 billion. Parent's industrial margin in 2015 was 15.3 per cent. During the second quarter of 2016, Parent's total revenues amounted to USD 33.5 billion, Parent's continuing operation earnings amounted to USD 3.3 billion and Parent's industrial margin was 16.1 per cent.

GE Aviation, an operating unit of GE Group, is a leading provider of jet and turboprop engines and components, integrated digital, avionics, electrical power and mechanical systems for commercial, military, business and general aviation aircraft. GE Aviation has a global service network to support these offerings.

GE Sweden Holdings AB, registration number 559072-8431, is indirectly wholly owned by General Electric Company. The company is domiciled in Stockholm, Sweden, and its registered address is Vendevägen 89, SE-182 32 Danderyd, Sweden. GE was registered with the Swedish Companies Registration Office (*Sw. Bolagsverket*) on August 16, 2016. GE has never conducted, and at present does not conduct, any business and its principal business purpose is to make the Offer and take all actions to complete the Offer and operate as parent of Arcam.

For more information, see www.ge.com and www.geaviation.com.

Arcam in brief

Founded in 1997 and inventor of the proprietary EBM-technology, Arcam is today a leading supplier in metal Additive Manufacturing.

Arcam provides Electron Beam Melting (EBM) systems through Arcam in Sweden, powder metals through AP&C in Canada and implant contract manufacturing through DiSanto in the USA. In addition to the three manufacturing sites, the Arcam group operates sales and support entities in the US, UK, Italy, Germany and China.

Arcam's EBM systems are a hub in the offering to the market with metal powders and contract manufacturing being important supplementary products, broadening the offering to the market and providing recurring sales.

Customers include major orthopaedic companies as well as most of the leading companies in the aerospace industry.

In 2015, Arcam had a turnover of SEK 576 million and EBIT of SEK 50 million.

Arcam has about 320 employees worldwide.

Important information*Important Information for U.S. persons*

This press release is not an offer to purchase or a solicitation of an offer to sell shares and ADSs of Arcam. The solicitation and the offer to purchase shares and ADSs of Arcam will be made pursuant to a U.S. offer document.

Shareholders and holders of ADSs of Arcam are advised to read the offer document (or, with respect to residents in the U.S., the U.S. offer document), as may be amended or supplemented from time to time, when it becomes available, before making any decision with respect to the Offer, because such document will contain important information about the Offer and the parties thereto.

Investors and shareholders may obtain, when available, free copies of the offer document, as may be amended or supplemented from time to time, at the website of GE Aviation at www.geaviation.com/additive and at the website of Handelsbanken Capital Markets at ww.handelsbanken.se/investeringserbudande.

Other Important Information

The Offer, pursuant to the terms and conditions presented in this press release, is not being made to, and acceptances are not approved from, persons (other than U.S. persons) whose participation in the Offer requires that an additional offer document is prepared or registration effected or that any other measures are taken in addition to those required under Swedish law, except where there is an applicable exemption.

This press release and any related offer documentation will not be distributed and must not be mailed or otherwise distributed or sent in or into any country in which the distribution or offering would require any such additional measures to be taken or would be in conflict with any law or regulation in such country – any such action will not be permitted or sanctioned by GE. Any purported acceptance of the Offer resulting directly or indirectly from a violation of these restrictions may be disregarded.

The Offer is not being made, directly or indirectly, by use of mail or any other means or instrumentality (including, without limitation, facsimile transmission, electronic mail, telex, telephone and the internet) in or into Australia, Hong Kong, Japan, Canada, New Zealand or South Africa, and the Offer cannot be accepted by any such use, means, instrumentality or facility of, or from within Australia, Hong Kong, Japan, Canada, New Zealand or South Africa. Accordingly, this press release and any related offer documentation are not being and should not be mailed or otherwise distributed, forwarded or sent in or into Australia, Hong Kong, Japan, Canada, New Zealand or South Africa.

GE will not deliver any consideration from the Offer into Australia, Hong Kong, Japan, Canada, New Zealand or South Africa.

This press release is not being, and must not be, sent to shareholders with registered addresses in Australia, Hong Kong, Japan, Canada, New Zealand or South Africa. Banks, brokers, dealers and other nominees holding shares for persons in Australia, Hong Kong, Japan, Canada, New Zealand or South Africa must not forward this press release or any other document received in connection with the Offer to such persons.

This press release has been published in English and Swedish. In the event of any discrepancy in content between the two language versions, the English version shall prevail.

Forward-looking information

This press release includes forward-looking statements – that is, statements related to future, not past, events. In this context, forward-looking statements often address GE Group’s expected future business and financial performance and financial condition, and often contain words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “see,” “will,” “would,” or “target.”

Forward-looking statements by their nature address matters that are, to different degrees, uncertain, and involve known and unknown risks and uncertainties, many of which are beyond GE Group’s control and all of which are based on GE Group management’s current beliefs and expectations about future events. These forward-looking statements include all matters that are not historical facts. Forward-looking statements may and often do differ materially from actual results. No assurance can be given that such future results will be achieved. These or other uncertainties may cause GE Group’s actual future results to be materially different than those expressed in GE Group’s forward-looking statements. GE Group does not undertake to update its forward-looking statements.

These risks, uncertainties and assumptions include, but are not limited to, the Offer being accepted by shareholders to an extent such that their shares in Arcam, together with any shares in Arcam owned by GE, represent more than 90 per cent of the outstanding shares in Arcam on a fully diluted basis, which is a condition to the consummation of the Offer, the ability of GE to obtain the requisite regulatory approvals required to complete the Offer, the satisfaction of the other conditions to the consummation of the proposed transaction, the timing of completion of the Offer, and the impact of the announcement or consummation of the proposed transactions on the relationships of GE Group and Arcam, including with employees, suppliers and customers. In addition, there can be no assurance that the Offer will result in the consummation of an acquisition of Arcam. These and other important factors, including those discussed under “Risk Factors” included in GE Group’s Consolidated Annual Report on Form 10-K for the year ended December 31, 2015, may cause GE Group’s actual events or results to differ materially from any future results, performances or achievements expressed or implied by the forward-looking statements contained in this press release. Such forward-looking statements contained in this press release speak only as of the date of this press release. GE Group expressly disclaims any obligation or undertaking to update these forward-looking statements contained in this press release to reflect any change in GE Group’s expectations or any change in events,

conditions, or circumstances on which such statements are based unless required to do so by applicable law.

More detailed information about these and other factors is set forth in the Annual Report on Form 10-K which is available on the GE Group's Investor Relations website at <http://www.ge.com/investor> and has also been filed with the U.S. Securities and Exchange Commission.