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GE Aviation

## **GE Aviation increases the offer price and lowers the minimum acceptance condition in its recommended public cash offer to the shareholders of Arcam**

Stockholm, October 27, 2016. GE Sweden Holdings AB ("GE"), a Swedish company within the GE Aviation operating unit and an indirectly wholly-owned subsidiary of General Electric Company<sup>1</sup>, increases the consideration in its recommended public cash offer (the "Offer") to acquire all ordinary shares<sup>2</sup> in Arcam Aktiebolag (publ) ("Arcam") to SEK 300 per ordinary share in cash and lowers the minimum acceptance condition to at least 75 per cent. GE declares that the consideration in the Offer of SEK 300 per ordinary share in Arcam is final. GE further extends the acceptance period up to and including 17.00 CET on November 10, 2016.

### **Summary**

- GE increases the consideration in the Offer from SEK 285 to SEK 300 per ordinary share in Arcam in cash, assuming no dividend or other value

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

<sup>2</sup> 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.

transfers by Arcam.<sup>3</sup> The total value of the Offer amounts to approximately SEK 6.2 billion.<sup>4</sup> The consideration of SEK 300 per ordinary share in Arcam is final and GE will not further increase the consideration in the Offer.<sup>5</sup>

- GE lowers the minimum acceptance condition so that completion of the Offer is conditional upon 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 at least 75 per cent of the outstanding shares in Arcam on a fully diluted basis.
- The increased Offer represents a premium of approximately 61.29 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 76.16 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.
- AMF Fonder, Sand Grove Opportunities Master Fund and Water Island Capital, representing an aggregate of approximately 5.70 per cent of the total number of outstanding shares and votes in Arcam, on a fully diluted basis,<sup>6</sup> have entered into irrevocable undertakings with GE to accept the increased Offer and Första AP-fonden and Handelsbanken Fonder, representing an aggregate of approximately 13.87 per cent of the total number of outstanding shares and votes in Arcam, on a fully diluted basis, who have previously accepted the Offer, have entered into irrevocable undertakings with GE not to withdraw their acceptances of the Offer. The mentioned undertakings are conditional upon that no competing offer is announced at a price which is at least 10 per cent higher than the price under the Offer, which GE decides not to match.

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<sup>3</sup> GE also increases the offer price from SEK 285 to SEK 300 per ADS in cash.

<sup>4</sup> Based on the total of 20,546,585 ordinary shares in Arcam (*excluding* 200,000 preference shares of Class C held by Arcam).

<sup>5</sup> This apply also to ADSs.

<sup>6</sup> Based on 20,746,585 shares and votes in Arcam (*including* 152 ordinary shares and 200,000 preference shares of Class C held by Arcam).

- The ordinary shares in Arcam tendered during the initial acceptance period of the Offer, as announced on October 18, 2016, together with the ordinary shares in Arcam acquired by GE outside of the Offer and ordinary shares in Arcam subject to irrevocable undertakings to accept the Offer, corresponds to approximately 46.12 per cent of the total number of outstanding shares and votes in Arcam on a fully diluted basis.
- The Board of Directors of Arcam has unanimously resolved to recommend to Arcam's shareholders to accept the Offer.
- GE further extends the acceptance period up to and including 17.00 CET on November 10, 2016.

### **The revised Offer**

#### *Increased Offer value*

GE increases the consideration in the Offer from SEK 285 to SEK 300 in cash per ordinary share in Arcam. The total value of the increased Offer amounts to approximately SEK 6.2 billion. GE is confident that the increased consideration in the Offer of SEK 300 per ordinary share in Arcam should be compelling to Arcam's shareholders. GE therefore declares that the consideration in the Offer of SEK 300 per ordinary share in Arcam is final and GE will not further increase the consideration in the Offer.

#### *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 increased Offer represents a premium of approximately 61.29 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 76.16 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.

#### *Already tendered ordinary shares*

Shareholders who have tendered their ordinary shares in Arcam at SEK 285 in cash per ordinary share in Arcam will automatically benefit from the increased

consideration in the Offer of SEK 300 in cash per ordinary share in Arcam without further action.<sup>7</sup>

*Conditions to the Offer*

Completion of the Offer was originally conditional upon, *inter alia*, 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.

GE now lowers the minimum acceptance condition so that completion of the Offer is conditional upon 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 at least 75 per cent of the outstanding shares in Arcam on a fully diluted basis.

As announced by GE on October 10, 2016, antitrust clearance by the Austrian Competition Authority has been received and therefore, completion of the Offer is no longer conditional upon regulatory, governmental or similar clearances.

The terms and conditions of the Offer, as set forth in the offer document relating to the Offer published on September 6, 2016 (the “**Offer Document**”), otherwise remain unchanged. GE reserves the right to withdraw the Offer as well as to waive, in whole or in part, one or more of the conditions to completion of the Offer which have not been satisfied, as set forth in the Offer Document, including to complete the Offer at a lower level of acceptance (such decision lies solely under the control of GE once the final result of the Offer is known and will be communicated together with the final result of the Offer).

*Supplement to the Offer Document*

Following the information in this press release, GE will prepare and make public a supplement to the Offer Document.

**Extended acceptance period**

GE announced the Offer on September 6, 2016 and the last day of the initial acceptance period was October 14, 2016. On October 18, 2016, GE announced the

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<sup>7</sup> This apply also to holders of ADSs who have tendered their ADSs at SEK 285 per ADS.

results of the initial acceptance period and extended the acceptance period up to and including 17.00 CET on November 1, 2016.

GE further extends the acceptance period for the Offer up to and including 17.00 CET on November 10, 2016. Subject to the Offer being declared unconditional no later than on or around November 14, 2016, settlement is expected to begin on or around November 17, 2016. GE reserves the right to, at one or several occasions, further extend the acceptance period for the Offer, as well as the right to postpone the date for settlement.

#### **Undertakings from shareholders**

AMF Fonder, Sand Grove Opportunities Master Fund and Water Island Capital, representing an aggregate of approximately 5.70 per cent of the total number of outstanding shares and votes in Arcam, on a fully diluted basis, have entered into irrevocable undertakings with GE to accept the increased Offer. Further, Första AP-fonden and Handelsbanken Fonder, representing an aggregate of approximately 13.87 per cent of the total number of outstanding shares and votes in Arcam, on a fully diluted basis, who have previously accepted the Offer, have entered into irrevocable undertakings with GE not to withdraw their acceptances of the Offer. The above mentioned undertakings are conditional upon no other party announcing a competing offer for all outstanding ordinary shares in Arcam at a price which is at least 10 per cent higher than the price under the Offer before the expiry of the acceptance period, which GE decides not to match within ten business days.

#### **Tendered ordinary shares and GE's ownership and in Arcam**

As announced on October 18, 2016, the ordinary shares in Arcam tendered during the initial acceptance period of the Offer ending on October 14, 2016, corresponded to approximately 24.48 per cent of the total number of outstanding shares and votes in Arcam on a fully diluted basis. GE has after announcement of the Offer acquired ordinary shares in Arcam, outside of the Offer, corresponding to approximately 15.94 per cent of the total number of outstanding shares and votes in Arcam on a fully diluted basis. The tendered ordinary shares in Arcam, as announced on October 18, 2016, and the ordinary shares in Arcam acquired by GE outside of the Offer, together with the ordinary shares in Arcam subject to irrevocable undertakings to accept the Offer, correspond to approximately 46.12 per cent of the total number of outstanding shares and votes in Arcam on a fully diluted basis.

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 extended acceptance period and following completion of the Offer.

#### **Recommendation by the Board of Directors of Arcam**

As announced by the Board of Directors of Arcam on September 6, 2016, the Board of Directors of Arcam has unanimously resolved to recommend to Arcam's shareholders to accept the Offer.

#### **Additional information**

The information was submitted for publication on October 27, 2016 at 8.00 am CET.

For additional information about the Offer, including the Offer Document, please visit [www.geaviation.com/additive](http://www.geaviation.com/additive). All media inquiries should be directed to:

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

#### **Important information**

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

*The Offer has not been, and will not be, submitted to the review or registration procedures of the U.S. Securities and Exchange Commission or any other regulator outside of Sweden. The Offer has not been approved or recommended by any governmental securities regulator.*

*The Offer is being made in the United States in compliance with Regulation 14E under the U.S. Securities Exchange Act of 1934, as amended, and in reliance on the Tier II exemption from certain requirements of the U.S. Securities Exchange Act of 1934. The Offer, including the extension of it as contemplated by this press release, is principally governed by the regulations and procedures of Sweden, which are different from those of the United States, including with regard to extension, withdrawal rights and timing of payments. To the extent that the Offer is subject to the U.S. securities laws, they apply only to holders of shares in Arcam in the United States and no other person has any claims under such laws.*

*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 is made in the U.S. pursuant to the U.S. Offer to Purchase, dated September 6, 2016, as may be amended or supplemented from time to time (the “U.S. Offer Document”).*

*Following the publication of this press release, GE will prepare and make public an amended U.S. Offer Document (and a supplement to the Swedish Offer Document). Shareholders of Arcam resident in the U.S. are advised to read the U.S. Offer Document, because such document contains important information about the Offer and the parties thereto.*

*Investors and shareholders may obtain free copies of the U.S. Offer Document and the Swedish Offer Document, as may be amended or supplemented from time to time, at the website of GE Aviation, [www.geaviation.com/additive](http://www.geaviation.com/additive). Free copies of the Swedish Offer Document may also be obtained at the website of Handelsbanken Capital Markets, [www.handelsbanken.se/investeringserbjudande](http://www.handelsbanken.se/investeringserbjudande).*

**Other important information**

*The Offer 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 in or 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 statements***

*This press release contains "forward-looking statements" – that is, statements related to future events that by their nature address matters that are, to different degrees, uncertain. For details on the uncertainties that may cause GE Group's actual future results to be materially different than those expressed in the forward-looking statements, see the Offer Document at [www.geaviation.com/additive](http://www.geaviation.com/additive) and GE Group's website at <http://www.ge.com/investor-relations/disclaimer-caution-concerning-forward-looking-statements> as well as GE Group's annual reports on Form 10-K and quarterly reports on Form 10-Q. GE Group do not undertake to update the forward-looking statements. This press release may also include certain forward-looking projected financial information that is based on current estimates and forecasts. Actual results could differ materially.*