



PESCARMONA GROUP OF COMPANIES (PGC) ENTERS INTO AGREEMENT TO ACQUIRE GE ENERGY'S HYDRO BUSINESS

December 20, 2006. Pescarmona Group of Companies (PGC), announced it has signed a final agreement to acquire GE Energy's hydro business. PGC is a multinational privately-held group focused on the hydro industry, in which it has been operating for 100 years through its company, IMPSA. The terms of the agreement were not disclosed. The closing of the transaction is subject to customary conditions, including the receipt of regulatory approvals and discussions with Works Councils and other third parties, and is expected to occur in the first quarter of 2007.

This acquisition includes GE Energy's worldwide hydro business, excluding operations in Norway and Sweden. PGC has placed an offer to purchase said operations and it is under consideration and after due consultation of local works councils, could result in a subsequent acquisition agreement.

Besides having its main focus on the hydro industry, PGC maintains a presence in businesses such as wind power generation and equipment, port systems, automobile parts, control systems, environmental services and insurance, among others. It employs more than 6,000 people and operates in 27 countries. IMPSA is a global provider of integrated solutions for renewable energy generation through 160 projects in more than 40 countries. The Group maintains a presence in Argentina, Brazil, Ecuador, China, India, Malaysia, the Philippines, Colombia, USA, Spain, South Africa and Indonesia.

"Through this acquisition, PGC enhances its position as a global player within the hydro industry, with presence and production facilities in North and Latin America, Europe and Asia", said Enrique Pescarmona, Chairman of PGC. "Since GE's hydro business and IMPSA have complementary operational and technological footprints, they would be able to cooperate to serve clients in all major markets of the globe. This acquisition would benefit both companies as it would give them scale, an integrated team with some of the most qualified professionals available in the industry, a global low-cost production footprint, access to financing for growth and some of the best and most competitive available technology. New growth opportunities are expected in the Engineering, Procurement and Construction (EPC) and Build, Operate and Transfer (BOT) schemes, as well", he added.

John Krenicki, President and CEO of GE Energy stated: "We are pleased to enter into this agreement with PGC and believe this is a positive development for our hydro segment customers, our employees and our shareholders. The move positions PGC to provide additional value to hydro customers by combining the tremendous industry expertise of our hydro employees, as well as GE's hydro technology and assets with PGC's existing operations, through IMPSA."

"Although GE's hydro team has been delivering solid performance improvements, the business has re-evaluated the position of the hydro segment with respect to other growth opportunities. We believe the sale of



our hydro operations to PGC will position them to meet hydro customer needs, while structuring the operations for continued growth and stability over the coming years, and allow GE Energy to focus on other segments of the power generation industry”, added Krenicki.

GE Energy’s hydro segment employs approximately 2000 people in more than a dozen locations worldwide, including Lachine, Canada; Hangzhou, China and Sao Paolo, Brazil.

About PGC

PGC (Pescarmona Group of Companies) is a multinational group with presence in different business areas such as hydro electrical power generation and equipment, wind power generation and equipment, port systems, automobile parts, control systems, environmental services and insurance, among others. PGC employs more than 6,000 people and operates in 27 countries in the five continents. For further information, please visit PGC’s website at www.pgcsite.com.

About GE

GE (NYSE: GE) is a diversified technology and services company dedicated to creating products that make life better. From aircraft engines and power generation to financial services, medical imaging, television programming and plastics, GE operates in more than 100 countries and employs more than 300,000 people worldwide. For more information, visit the company's Web site at <http://www.ge.com>.

About GE Energy

GE Energy (www.ge.com/energy) is one of the world’s leading suppliers of power generation and energy delivery technologies, with 2005 revenue of \$16.5 billion. Based in Atlanta, Georgia, GE Energy works in all areas of the energy industry including coal, oil, natural gas and nuclear energy; renewable resources such as water, wind, solar and biogas; and other alternative fuels. Numerous GE Energy products are certified under ecomagination, GE’s corporate-wide initiative to aggressively bring to market new technologies that will help customers meet pressing environmental challenges.