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Qingdao Haier Will Acquire GE Appliances Business

Transaction Creates a Global Leader in the Appliances Industry, Which Will Benefit all Stakeholders

GE Appliances Will Continue to be Headquartered in Louisville, Kentucky and Run by Its Current Management Team

Qingdao Haier Will Be Licensed to Use the GE Brands for Appliances for Forty Years, Inclusive of Extensions

Haier is Committed to Investing to Further Grow the U.S. Business

QINGDAO, China – January 15, 2016 – Haier Group (“Haier”) and General Electric (NYSE: GE; “GE”), today announced a Memorandum of Understanding (“MoU”) to cooperate globally and jointly pursue growth projects in focus areas where both companies can increase business competitiveness such as Industrial Internet, healthcare, and advanced manufacturing. This strategic cooperation framework agreement brings together two highly complementary world-class enterprises and establishes a model for cross-border investment and cooperation between China and the United States.

In addition, Qingdao Haier Co., Ltd. (SHA: 600690; “Qingdao Haier”), a Shanghai stock exchange listed company that is 41% owned by Haier, will acquire the GE Appliances business (“GE Appliances”). Qingdao Haier acquired all overseas operations of Haier Group in June 2015, as part of the expansion of Haier’s global business. The coming together of Qingdao Haier and GE Appliances will further enhance Qingdao Haier’s global competitiveness. GE Appliances has more than 100 years of brand heritage, a loyal mid- to high-end customer base, a highly experienced and accomplished management team, a distinctive corporate culture, a strong white goods portfolio, an extensive self-owned logistics and distribution network in the North American market, and an established quality control system.

Mr. Zhang Ruimin, Chairman and CEO of Haier Group, commented: “This strategic alliance provides a new starting point for both Haier and GE and I am confident that this partnership will deliver enhanced value to the stakeholders of both companies. Further, we share common goals that we hope to achieve together: enhancing the value of the Haier and GE brands and developing our employees by encouraging autonomous innovation and cooperation.”

Mr. Jeff Immelt, CEO of GE, commented: “We are pleased to be selling our Appliances business to Haier and to launch this new partnership. Haier has a stated focus to grow in the U.S., build their manufacturing presence here, and to invest further in the business. Innovation, new product introduction, and brand management are fundamental to their overall strategy. GE Appliances provides Haier with great products, state-of-the-art manufacturing facilities, and a talented team. In addition, we see the opportunity to work together to build the GE brand in China.”

GE Appliances is headquartered in Louisville, Kentucky and is a leading home appliances company in North America. The business has nine manufacturing plants across five states in the U.S. and has built world-class logistics and distribution capabilities as well as strong customer relationships in both the retail and contract channels. In 2014, GE Appliances had approximately US\$5.9 billion in revenue and \$0.4 billion in EBITDA. The company employs approximately 12,000 employees globally, 96% of whom are based in the United States.

The acquisition of GE Appliances is an important investment in expanding Haier’s presence in the U.S. and in the Western hemisphere. GE Appliances will remain headquartered in Louisville, Kentucky. The business will continue to be operated independently under the direction of a local board with the participation of GE’s current senior management team, who will guide the strategy and operations of the business. Haier is committed to investing in the continued growth of the U.S. business.

This transaction will create immediate and long-term value not only for the communities in which both companies operate, but also for employees, customers, business partners, and shareholders. Haier and GE Appliances will support and have access to consumers and suppliers in Haier’s and GE’s respective and complementary regions. In particular, this transaction will provide GE Appliances access to the demand for its high-quality products in the China market and position the company for further international growth. Furthermore, by creating a larger, more global company, the transaction will provide increased opportunities for all employees.

Mr. Liang Haishan, Chairman of Qingdao Haier Co., Ltd., commented: “Qingdao Haier and GE Appliances are leading appliance businesses in the Eastern and Western hemispheres. The alliance of both parties will lead to a great deal of

mutual benefit. Qingdao Haier and GE Appliances are highly complementary businesses, particularly in the areas of brand, market, product innovation, and supply chain and quality management. This coming together will further enhance both the Haier and GE brands. GE Appliances' highly-experienced and successful management team will continue to guide the direction of the business and will be involved in the governing board. In addition, Qingdao Haier will provide support and employee development opportunities within our global operating platform. We benefit from KKR's experience and extensive network, which have really added value to this acquisition."

Transaction Details

As part of the acquisition, GE will receive a cash consideration from Qingdao Haier of \$5.4 billion. The transaction is structured primarily as an asset purchase. Net of certain expected benefits, the transaction value represents an 8.2x multiple based on GE Appliances' estimated 2015 EBITDA, which was up nearly 50% from levels two years ago.

The acquisition includes GE Appliances' 48.4% stake in Mabe, a Mexican appliance company that has operated a joint venture and has had a sourcing relationship with GE Appliances for 28 years.

As part of the transaction, under Qingdao Haier's ownership, GE Appliances will continue to market the current portfolio of GE brands for a period of 40 years (inclusive of two 10-year extensions).

Qingdao Haier expects the transaction to be accretive to EPS beginning the first year post-closing.

Commitment to Transaction Closing

The transaction is subject to customary regulatory filings in China and customary anti-trust clearances in relevant countries. In addition, the transaction is subject to approval by two-thirds of Qingdao Haier shareholders present to vote. Haier Group and KKR, who together own 50.8% of Qingdao Haier shares outstanding, are fully supportive of the transaction.

"GE's Appliances business has significant strategic value for Haier. The business' integration in to Haier, combined with Haier and GE's lasting, comprehensive partnership, lays a solid foundation for Haier's long-term growth. We fully support Haier's management team and are pleased to contribute to the company's ongoing success. The completion of this transaction and the cooperation between Haier and GE will bring Haier to its next stage of development," **said David Liu, Director of Qingdao Haier, Co-Head of KKR Asia Private Equity and CEO of KKR China.**

The companies expect the transaction to close in mid-2016.

Advisors

Bank of America Merrill Lynch and PWC Corporate Finance are acting as financial advisers to Qingdao Haier. PWC Corporate Finance ran project management for the transaction. White & Case is acting as overseas legal adviser to Qingdao Haier. Bank of America Merrill Lynch, China Development Bank, and China Construction Bank have committed to provide financing for the transaction. China International Capital Corporation Limited and King & Wood Mallesons are acting as independent financial advisers and domestic legal advisers to Qingdao Haier, respectively.

About Haier Group

Haier is the world's leading home appliance provider, with global revenues amounting to US\$ 32.6 billion and profits of US\$ 2.40 billion in 2014. Its mission is to create innovative home appliances that anticipate the fast-changing needs of consumers all around the world. Haier has been named the number one global home appliance brand every year for the last six years by Euromonitor International, a world leader in strategy research for consumer markets, and in 2012 the Boston Consulting Group named Haier one of the ten most innovative companies in the world as well as the most innovative company in the consumer and retail category. Its global headquarters are based in the Chinese city of Qingdao and it also has regional headquarters in both Paris and New York to serve its clients in Europe and America. Haier also has 5 R&D centers, 66 trading companies and 21 industrial parks worldwide.

About Qingdao Haier

Qingdao Haier Co., also a subsidiary of Haier Group, is listed on the Shanghai Stock Exchange (SHA: 600690) and focuses on driving innovation in smart home technologies.

About GE

GE (NYSE: GE) is the world's Digital Industrial Company, transforming industry with software-defined machines and solutions that are connected, responsive and predictive. GE is organized around a global exchange of knowledge, the "GE Store," through which each business shares and accesses the same technology, markets, structure and intellect. Each invention further fuels innovation and application across our industrial sectors. With people, services, technology and scale, GE delivers better outcomes for customers by speaking the language of industry. www.ge.com

About GE Appliances

GE Appliances is at the forefront of building innovative, energy-efficient appliances that improve people's lives. GE Appliances' products include refrigerators, freezers, cooking products, dishwashers, washers, dryers, air conditioners, water filtration systems and water heaters. General Electric (NYSE: GE) works on things that matter to build a world that works better. For more information on GE Appliances, visit www.ge.com/appliances.

Disclaimers

This press release, as Haier Group's introduction of this transaction, does not constitute any supplement, amendment or adjustment to any public announcement made by Qingdao Haier with respect to this transaction; for any information relating to Qingdao Haier and this transaction, please refer to the public announcements made by Qingdao Haier on Shanghai Stock Exchange. This press release does not constitute any representation, warranty, business performance commitment or guarantee of Haier Group or Qingdao Haier in respect of the target assets of this transaction, nor does it constitute any recommendation, offer or invitation, express or implied, for any individual or entity to purchase any securities of Qingdao Haier. Any forward-looking statement contained in this press release, which may involve the company's development strategy, finance, business performance and operation plan, is based on certain hypothesis and is subject to certain risks and uncertainties, many of which are beyond the company's control and are difficult to predict. Therefore, actual outcomes and results may be materially different from or even opposite to what is expressed or forecasted in such forward-looking statement. Such forward-looking statement does not constitute any commitment or binding obligation of Haier Group and Qingdao Haier, including any obligation to update any statement contained in this press release.

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