



AMSC Acquires 25 Percent Stake in Blade Dynamics Ltd.

-AMSC and Dow Venture Capital Finance Production Scale-up of Advanced Wind Turbine Blades -State of Louisiana Provides Incentive Package Worth up to \$30 Million for New Blade Dynamics Manufacturing Operation at NASA Facilities in New Orleans -AMSC's Customers to Have First Access to Advanced Blade Designs

DEVENS, Mass., Aug 17, 2010 (BUSINESS WIRE) --

American Superconductor Corporation (NASDAQ: AMSC), a global power technologies company, today announced that it has acquired a 25 percent ownership position in Blade Dynamics Ltd., a designer and manufacturer of advanced wind turbine blades based on proprietary materials and structural technologies. Founded in the United Kingdom in 2007, Blade Dynamics has developed wind turbine blade technologies designed to increase the efficiency and performance of very high power (multi-megawatt) wind turbines while also reducing costs. The Dow Chemical Company (NYSE: DOW), through its Venture Capital group, also made a minority equity investment in Blade Dynamics.

"Blade Dynamics has developed unique and proprietary structural designs and manufacturing methods aimed at overcoming critical barriers that are facing today's wind industry," said Blade Dynamics founder and Chief Executive Officer Paul Rudling. "Utilizing advanced manufacturing processes, innovative structural designs, proven composite materials and our advanced Bladeskyn[®] surface coatings, our wind turbine blades provide compelling performance and efficiency advantages for wind turbine manufacturers."

"We see tremendous potential for this technology and are delighted to work with AMSC and Dow," Rudling continued. "Blade Dynamics will now be able to utilize AMSC's unique wind turbine design capabilities and business model as well as Dow's global reach and composite materials to capitalize on the tremendous opportunities we see in front of us."

Today's 2 megawatt (MW) wind turbines require rotors that are more than 70 meters (230 feet) in diameter, and 5 MW wind turbines require rotors that are at least 120 meters (360 feet) in diameter. Rotor diameter is the diameter of the swept area of a wind turbine's blades. Ideally, these wind turbines would be equipped with even larger-diameter rotors to maximize power output. Yet cost, weight and transportation factors have historically limited the size of rotors, outweighing performance and efficiency benefits.

"The design and manufacturing processes for wind turbine blades have remained fundamentally unchanged for 20 years," said AMSC founder and Chief Executive Officer Greg Yurek. "Today, however, the market is migrating to higher wind turbine power ratings. Onshore wind turbines now exceed 2 MW in many locations, and offshore wind farm developers are increasingly seeking wind turbines with power ratings exceeding 5 MW. Blade Dynamics presents us - and the entire wind industry - with a game-changing wind turbine blade technology that enhances performance *and* reduces weight and cost for high power wind turbines. We view this as a compelling investment and expect many wind turbine manufacturers, including our own AMSC Windtec™ licensees, to quickly migrate to the Blade Dynamics solution to avail themselves of these competitive advantages. In fact, AMSC Windtec and Blade Dynamics engineers have already been working in close collaboration to optimize blades for AMSC Windtec turbine designs."

AMSC has acquired its 25 percent stake in Blade Dynamics for \$8 million in cash and will have one seat on the Blade Dynamics Board of Directors. In addition to providing AMSC Windtec licensees with a differentiated blade offering, AMSC expects that its investment could expand the company's sales opportunities with other wind turbine manufacturers around the world. AMSC also expects that Blade Dynamics technology will provide a compelling blade platform for the company's 10 MW SeaTitan™ superconductor wind turbines.

"Dow believes Blade Dynamics' technology has the potential to significantly improve the performance of wind power generation and transform the industry," said Monty Bayer, global business director, Dow Ventures & Business Development, Licensing and Venture Capital. "This investment is another example of Dow's commitment to supporting and accelerating the development of innovative technologies and alternative energy solutions."

New Orleans Welcomes Blade Dynamics

Louisiana Economic Development (LED) also announced today that it is providing an incentive package to help Blade Dynamics establish and operate a manufacturing facility in New Orleans. This incentive package is worth up to \$30 million and is contingent on the company meeting certain capital investment and job creation milestones. Located at the National Aeronautics and Space Administration's (NASA) Michoud Assembly Facility, the Blade Dynamics operation is expected to add at least 600 direct new jobs to the local economy over the next decade. Through Louisiana FastStart™, LED will also provide customized workforce support to Blade Dynamics, including assistance with employee recruitment, screening, training development, and training delivery, for up to two years during the company's employment ramp-up.

Louisiana Governor Bobby Jindal, LED representatives and other government figures will join leaders from Blade Dynamics, AMSC, Dow and NASA later today at the Michoud Assembly Facility to formally launch the initiative.

"This is a huge win for New Orleans and our whole state," said Governor Jindal. "By recruiting Blade Dynamics and its revolutionary wind power technologies to Louisiana, we are creating hundreds of high-paying new jobs in New Orleans while diversifying the economy of this region."

"Today's announcement marks a big step forward for Louisiana into renewable energy and green manufacturing that will help us continue to grow our economy," Jindal continued. "Louisiana possesses a remarkable combination of assets that make our state an outstanding place in which to launch a green business. We have a low-cost manufacturing environment, well-established transportation and logistics networks, an experienced workforce in energy production and experience in rebuilding with green techniques. Indeed, renewable energy and green manufacturing is one of our target growth industries that will help to diversify our economy, attract more businesses to Louisiana and, most importantly, create more jobs for our people so they can find the same kinds of opportunities here that historically they have had to pursue in places like Dallas, Houston or Atlanta."

The Michoud Assembly Facility is an 832-acre site owned by NASA and located in eastern New Orleans. One of the largest manufacturing campuses in the world, NASA and Lockheed Martin have utilized this site for the construction of the Space Shuttle's external fuel tanks for more than 30 years. Michoud is now a multi-tenant complex for other government agencies, government contractors and commercial businesses, in addition to its core NASA work.

In addition to its presence in New Orleans, Blade Dynamics plans to eventually expand its operations in the United Kingdom as part of a long-term commitment to the offshore wind market in Europe.

"This is a momentous day for Blade Dynamics" said Rudling. "With strong support from the State of Louisiana and NASA and new allies in Dow and AMSC, our company is positioned for exciting growth in the years ahead."

[About Blade Dynamics Limited](#)

Blade Dynamics was founded in 2007 with the purpose of improving wind turbine rotor performance to lower the cost of wind energy. Located on the Isle of Wight, the company's principals have extensive experience in designing and manufacturing large, advanced wind turbine blades utilizing composite materials. The company's product development efforts center on high-performance composite structures that allow rotors to be lighter and improve aerodynamics. Blade Dynamics also has developed Bladeskyn, a revolutionary surface material that extends the lifetime and significantly lowers lifecycle costs for wind turbine blades. The company expects that its blade technology will enable the development of rotors that are approximately 200 metres in diameter. For more information, visit <http://www.bladedynamics.com>.

[About The Dow Chemical Company \(NYSE: DOW\)](#)

Dow combines the power of science and technology with the "Human Element" to passionately innovate what is essential to human progress. The Company connects chemistry and innovation with the principles of sustainability to help address many of the world's most challenging problems such as the need for clean water, renewable energy generation and conservation, and increasing agricultural productivity. Dow's diversified industry-leading portfolio of specialty chemical, advanced materials, agrosiences and plastics businesses delivers a broad range of technology-based products and solutions to customers in approximately 160 countries and in high growth sectors such as electronics, water, energy, coatings and agriculture. In 2009, Dow had annual sales of \$45 billion and employed approximately 52,000 people worldwide. The Company's more than 5,000 products are manufactured at 214 sites in 37 countries across the globe. References to "Dow" or the "Company" mean The Dow Chemical Company and its consolidated subsidiaries unless otherwise expressly noted. More information about Dow and Dow Venture Capital can be found at <http://www.dow.com>.

[About American Superconductor \(NASDAQ: AMSC\)](#)

AMSC offers an array of proprietary technologies and solutions spanning the electric power infrastructure - from generation to delivery to end use. The company is a leader in [renewable energy](#), providing proven, megawatt-scale wind turbine designs and electrical control systems. The company also offers a host of [Smart Grid](#) technologies for power grid operators that enhance the reliability, efficiency and capacity of the grid, and seamlessly integrate renewable energy sources into the power infrastructure. These include superconductor power cable systems, grid-level surge protectors and power electronics-based voltage

stabilization systems. AMSC's technologies are protected by a broad and deep intellectual property portfolio consisting of hundreds of patents and licenses worldwide. More information is available at <http://www.amsc.com>.

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Any statements in this release about future expectations, plans and prospects for the company, including our expectations regarding the future financial performance of the company and other statements containing the words "believes," "anticipates," "plans," "expects," "will" and similar expressions, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. There are a number of important factors that could materially impact the value of our common stock or cause actual results to differ materially from those indicated by such forward-looking statements. Such factors include: we have a history of operating losses, and we may incur losses in the future; our operating results may fluctuate significantly from quarter to quarter and may fall below expectations in any particular fiscal quarter; a significant portion of our revenues are derived from a single customer and revenues from this customer may decline in future periods; adverse changes in domestic and global economic conditions could adversely affect our business; changes in exchange rates could adversely affect our financial results; we may not realize all of the sales expected from our backlog of orders and contracts; we rely upon third party suppliers for the components and subassemblies of many of our products, making us vulnerable to supply shortages and price fluctuations; we have not manufactured our 344 superconductors in commercial quantities, and a failure to manufacture our 344 superconductors in commercial quantities at acceptable cost and quality levels would substantially limit our future revenue and profit potential; and our patents may not provide meaningful protection for our technology, which could result in us losing some or all of our market position. Reference is made to these and other factors discussed in the "Risk Factors" section of the company's most recent quarterly or annual report filed with the Securities and Exchange Commission. In addition, any forward-looking statements included in this press release represent the company's views as of the date of this release. While the company anticipates that subsequent events and developments may cause the company's views to change, the company specifically disclaims any obligation to update these forward-looking statements. These forward-looking statements should not be relied upon as representing the company's views as of any date subsequent to the date this press release is issued.

SOURCE: American Superconductor Corporation

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