

Investor Presentation

SULZER**Strong foundation for long-term sustainable success****SULZER**

**THE SAFE HARBOR STATEMENT UNDER THE US PRIVATE
SECURITIES LITIGATION REFORM ACT 1995**

This presentation may contain forward-looking statements, including but not limited to, projections of financial developments, market activities or future performance of products and solutions, containing risks and uncertainties. These forward-looking statements are subject to change based on known or unknown risks and various other factors, which could cause the actual results or performance to differ materially from the statements made herein.

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SULZER

Content

- Introduction to Company**
- Our Divisions
- Financial Performance
- Outlook and Summary

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Investment highlights

- Strong financial performance post downturn
- Order intake growth of 9% in first quarter 2012
- Investment highlights:
 - Well balanced and managed portfolio
 - Strong positions in attractive end markets
 - Truly global network with over 170 production and service locations
 - High focus on innovations
 - Well positioned in emerging markets
 - High service content
 - Solid balance sheet allowing for further external growth
- Sulzer became a leading player in the water industry with a large strategic acquisition
- Based on leading market positions, a focused strategy, and continued operational improvements, Sulzer is well positioned for long-term success



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Sulzer's vision and mission

Vision

Sulzer's vision is to be a recognized leader in innovative, sustainable, engineered, and customer-focused solutions for **performance-critical applications** in six main markets and selected industries

Mission

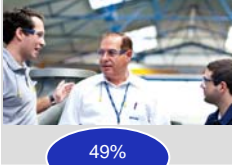





Sulzer aims to be

- a **multi-industry** company with a strong brand
- a **provider of solutions** that combine products, services, engineering, and customer-application expertise
- **close to the customer** by being primarily direct-sales driven
- an engineering, innovation, and technology driven firm
- an attractive employer where employees can excel
- a company that **creates value** for its shareholders

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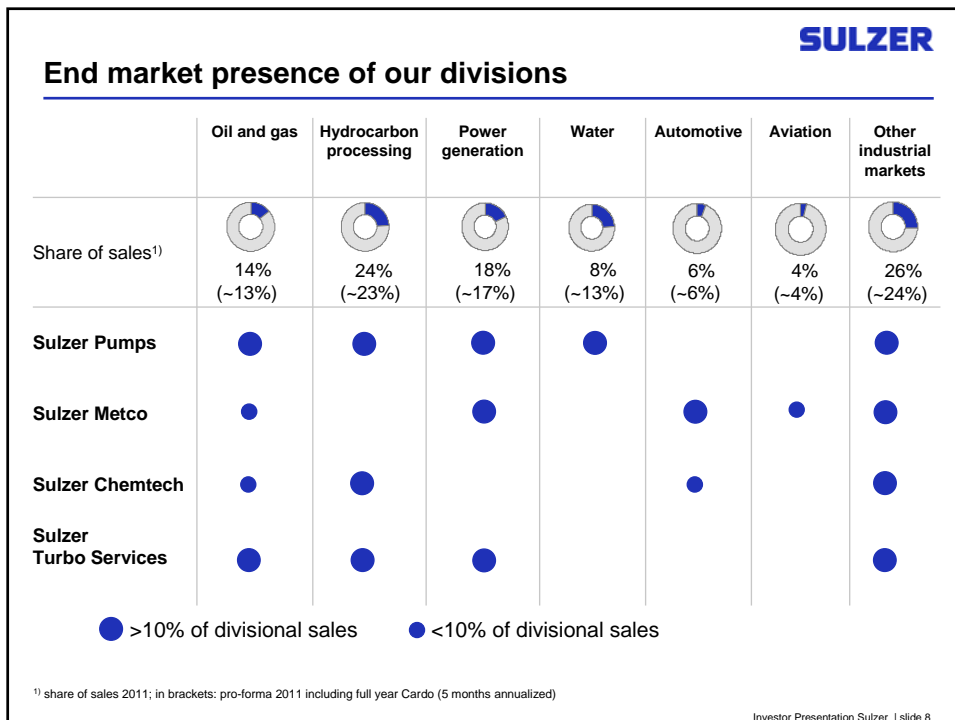
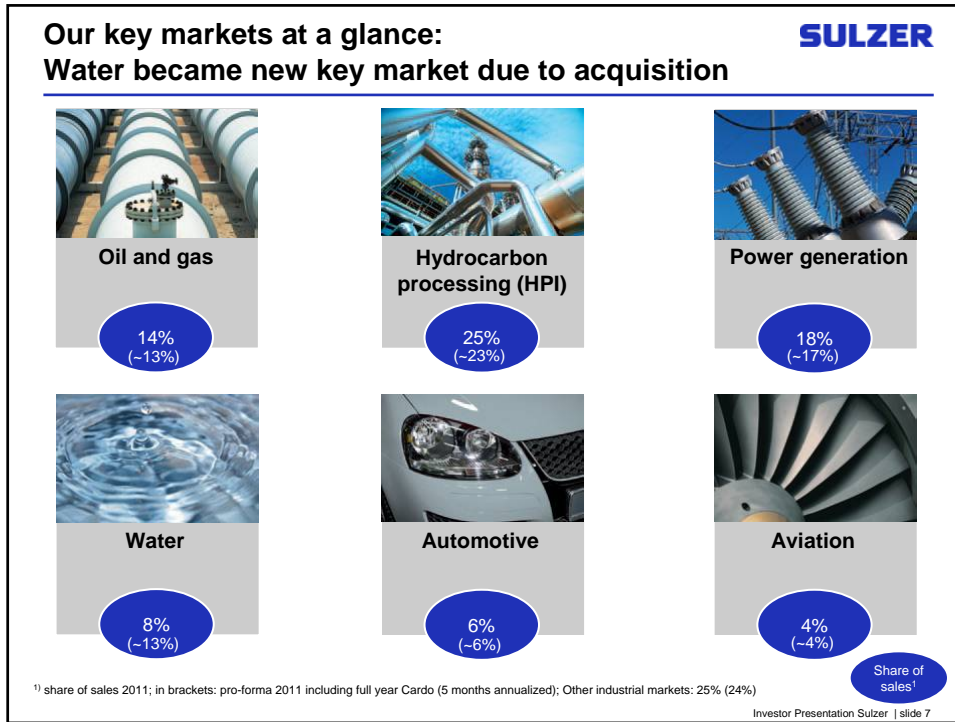
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Our portfolio: Four divisions and Sulzer Innotec

<div style="background-color: #f0f0f0; padding: 5px; margin-bottom: 10px;"> <p>Sulzer Pumps Market leader in pump technology and solutions</p>  <p style="background-color: #0056b3; color: white; border-radius: 50%; padding: 5px; display: inline-block;">49% (~52%)</p> </div>	<div style="background-color: #f0f0f0; padding: 5px; margin-bottom: 10px;"> <p>Sulzer Metco Market leader in surface technology</p>  <p style="background-color: #0056b3; color: white; border-radius: 50%; padding: 5px; display: inline-block;">19% (~17%)</p> </div>	<div style="background-color: #f0f0f0; padding: 5px; margin-bottom: 10px;"> <p>Sulzer Chemtech Market leader for separation, mixing and service solutions</p>  <p style="background-color: #0056b3; color: white; border-radius: 50%; padding: 5px; display: inline-block;">19% (~18%)</p> </div>
<div style="background-color: #f0f0f0; padding: 5px;"> <p>Sulzer Turbo Services Leading independent service provider for rotating equipment</p>  <p style="background-color: #0056b3; color: white; border-radius: 50%; padding: 5px; display: inline-block;">13% (~13%)</p> </div>	<div style="text-align: center;">  </div>	<div style="background-color: #f0f0f0; padding: 5px;"> <p>Sulzer Innotec Central R&D unit</p>  <p style="background-color: #0056b3; color: white; border-radius: 50%; padding: 5px; display: inline-block;">Share of sales¹⁾</p> </div>

¹⁾ share of sales 2011; in brackets: pro-forma 2011 including full year Cardo (5 months annualized)

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Key figures Sulzer:		Solid performance considering a large acquisition			SULZER	
in millions of CHF	2011	2010	Δ %	Δ % adj. ¹⁾		
Order intake	3 566.1	3 288.7	+8.4%	+13.7%	Strong double-digit growth of orders and sales	
Order backlog (Dec 31)	1 864.0	1 799.8	+3.6%			
Sales	3 577.9	3 183.7	+12.4%	+17.2%		
EBITDA	482.7	511.0	-5.5%			
EBITDA in % of sales	13.5%	16.1%			Solid financial results despite acquisition effects	
EBIT	364.1	406.4	-10.4%	+3.5%		
ROS (EBIT/sales)	10.2%	12.8%				
ROCE (EBIT/capital employed)	18.8%	28.1%				
Net income attr. to shareholders	279.8	300.4	-6.9%			
EPS (in CHF)	8.25	8.92	-7.5%			
Free cash flow	82.4	149.5	-44.9%		Free cash flow positive	
Net liquidity (Dec 31)	-336.8	552.8	-		From net cash to net debt	
Employees (Dec 31) thereof added from acquisitions	17 002 2 321	13 740	+23.7%		FTE's up due to acquisitions and growth	

¹⁾ Adjusted for currency effects as well as acquisitions and divestitures
 Note: Newly acquired Cardo Flow Solutions consolidated as of August 1, 2011 (five months)

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Order intake first quarter 2012: good start into the year		SULZER		
in millions of CHF	Q1-2012	Q1-2011	Δ %	Δ Adj. ¹⁾
Divisions	998.8	915.5	+9.1%	+0.8%
Sulzer Pumps	484.1	430.8	+12.4%	-7.6%
Sulzer Metco	188.7	182.0	+3.7%	+8.0%
Sulzer Chemtech	185.0	167.6	+10.4%	+9.4%
Sulzer Turbo Services	141.0	135.1	+4.3%	+7.2%
Other	2.1	2.3	-	-
Total Sulzer	1 000.9	917.8	+9.1%	+0.8%

- Strong start into 2012 compared with high base of previous year
- Good contributions from the acquired businesses in Sulzer Pumps
- Negative currency translation effects continued

¹⁾ Adjusted for currency translation effects and acquisitions/divestitures

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Steady pace of acquisitions in recent years; in 2011 we made a strategic step into the water industry

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- In 2011, Sulzer has acquired
 - **Cardo Flow Solutions: strategic entry in the global water industry**
 - Hidrotecar S.A.: strengthening position in water market
 - Two smaller service-related acquisitions, of which one in Brazil
- Smooth execution, integration and track record of value creation, generating additional growth under the Sulzer umbrella

2007	2008	2009	2010	2011	Continued focus on further acquisitions
<ul style="list-style-type: none"> ■ Mixpac (end 2006) ■ Knitmesh 	<ul style="list-style-type: none"> ■ Capime 	<ul style="list-style-type: none"> ■ TowerTech ■ Freeze Tech ■ Kühni ■ Select Transmission ■ Borg Warner assets ■ SAB ■ Preu 	<ul style="list-style-type: none"> ■ Sulzer India (taken private) ■ Dentaco ■ Dowding & Mills ■ DLC from Bekaert 	<ul style="list-style-type: none"> ■ Black Magic Crew (BMC) ■ C.L. Engenharia ■ Cardo Flow Solutions (Cardo) ■ Hidrotecar S.A. (closed on Jan 10, 2012) 	

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A strong set of values that served us well: Values that drive behavior and results

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Our values



Customer Partnership

We exceed the expectations of our customers with innovative and competitive solutions.

- We are reliable partners,
- We provide a high level of service,
- We make our customers more competitive.



Operational Excellence

We perform on the basis of structured work processes and LEAN principles.

- We focus on results,
- We take initiative and work within established processes,
- We act safely.

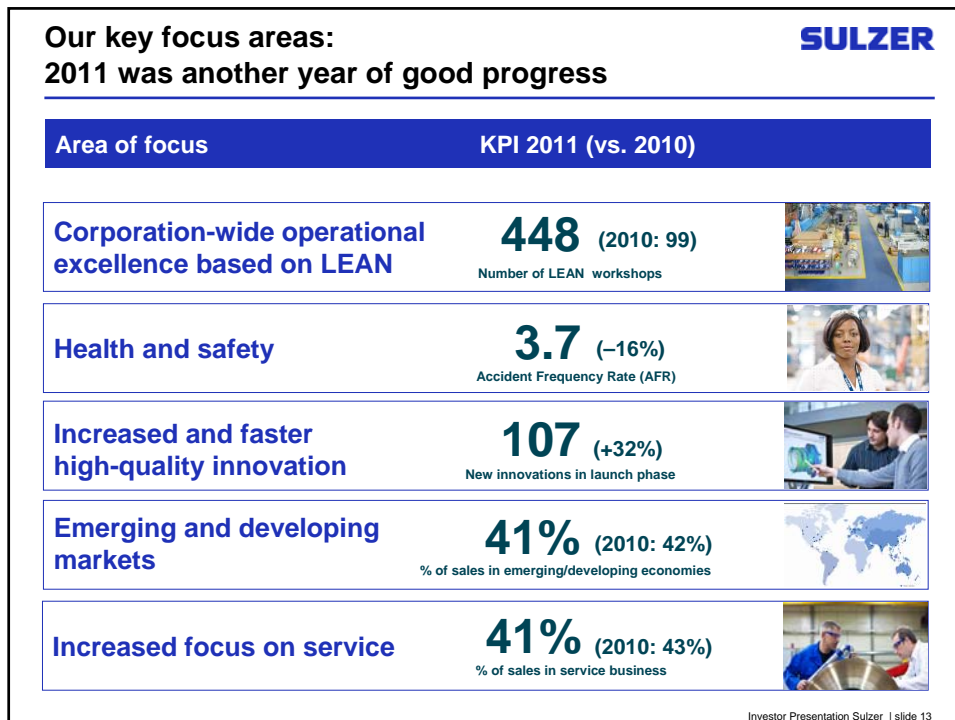


Committed People

We are committed to high standards and show respect for people.


- We drive accountability,
- We are open and transparent,
- We are team players.

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Sustainability: we measure the impact of our operations and products

We are committed to improve continuously and aim to reduce our ecological footprint




Environmental impact of operations

- Environmental management systems
- We measure and disclose data (KPI's etc.)
- Internal and external audits


Product Life Cycle

- Product life cycle analysis to assess environmental impact of our products
- Environmental Product Declaration (EPD)





Innovative sustainable solutions

- Biofuels
- Bioplastics
- CO₂ capture and storage
- Concentrated Solar Power
- etc.




Dow Jones Sustainability Indexes
Member 2011/12







MEMBER OF THE INVESTMENT REGISTER
ETHICAL EXCELLENCE



Corporate Responsibility Prime
rated by oekom research




FTSE4Good



SARASIN

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We implemented EPD's: setting a new standard in our industry



EPD[®]

Environmental Product Declaration (EPD)

Environmental and economic life cycle performance including climate-related data

Environmental Product Declaration (EPD)

ME 250-350 High Pressure Stage Casing Pump

The pump characterized in this EPD is inherently configurable. Configuration and efficiency depends on customer specification. The data given below are illustrative and only valid for the defined parameters (see chapter Life cycle, coverage, assumptions, and exclusions).

Main applications: power generation, i.e. boiler feed in fossil fired power stations.

Type: horizontal, radially split, centerline mounted, multi-stage ring section pump. Pump configured according to customer requirements.

Rated power: 10 700 kW

Manufacturer: Sulzer Pumpen (Deutschland) GmbH, Germany


CPC classification: 43220

Components included in EPD: Pump including casing, baseplate, shaft, impeller, bearings.

Electricity mix considered for usage: Europe (UCTE)

Key economic and environmental advantages





- High availability of more than 98%
- Life-time of 30 years
- High efficiency of the pump means lower energy consumption and emissions
- Frequency inverter allows flexible and energy-efficient adaptation to the effective power used
- Comprehensive training and professional service enable customers to operate the pump cost- and energy-efficiently
- Retrofit service to re-establish the best efficiency point if operating conditions change
- Simply to dismantle, well suited for recycling due to high quantity of high alloyed steels (~95% by weight) that easily can be separated; metal parts are marked to identify composition.



Our EPD's have been externally verified

Find more: www.sulzer.com/epd

Key economic and environmental indicators over life cycle of 30 years

Costs	Energy consumption	CO ₂ emissions	Weight & composition
213 million €	19.4 million GJ-Eq 1.812 GJ-Eq / kW	899 725 tons CO ₂ -Eq 84 tons CO ₂ -Eq / kW	12 575 kg 1.18 kg / kW
			
<ul style="list-style-type: none"> ■ Procurement/ Manufacturing: 0.6% ■ Usage: 99.1% ■ Electricity: 99.9% ■ Service: 0.3% 	<ul style="list-style-type: none"> ■ Procurement: 0.004% ■ Manufacturing: 0.001% ■ Usage: 99.99% 	<ul style="list-style-type: none"> ■ Procurement: 0.004% ■ Manufacturing: 0.001% ■ Usage: 99.99% 	<ul style="list-style-type: none"> ■ Cast iron: 33% ■ Steel (high alloyed): 62% ■ Oil: 4% ■ others¹⁾: 1% <p>¹⁾ e.g. varnishes, seals</p>

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Our global footprint:
Adding new locations to capture future growth

Sulzer has a network of over 170 locations and around 17000 employees

Added in 2011:

- Cardo pump sites added
- Water pump company in Spain acquired
- New service centers in China, Colombia and Russia
- New service companies acquired in Brazil and Canada

● Major production and service locations

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Sulzer Pumps

Market leader in pump technology and solutions


- Oil and gas (upstream and downstream)
- Water (production and transport, wastewater)
- Power generation






Sulzer Pumps

Pumping solutions and services





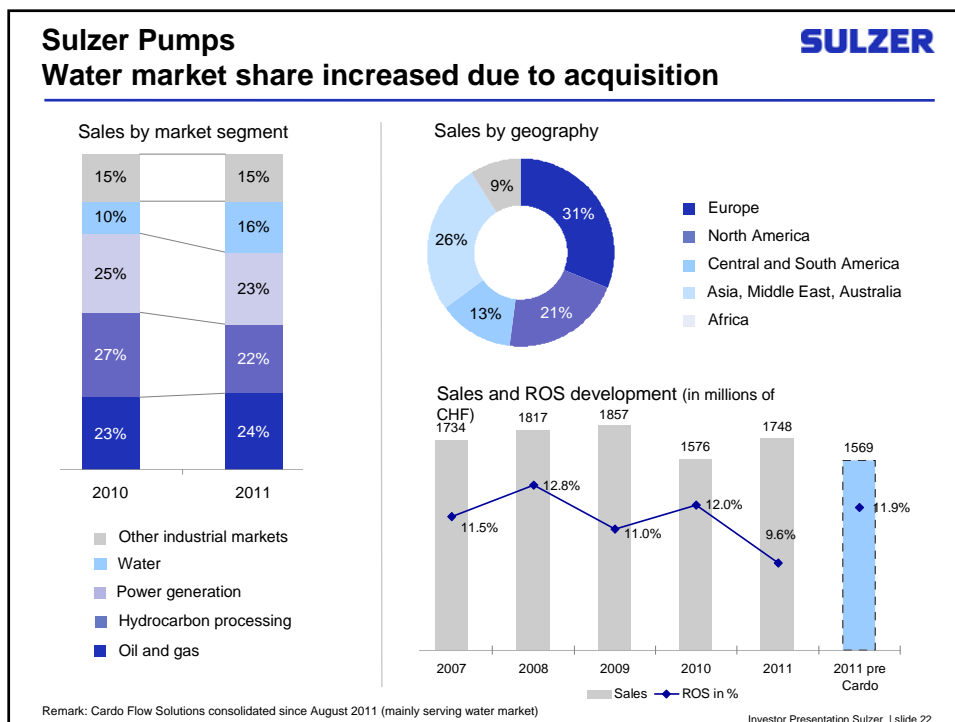
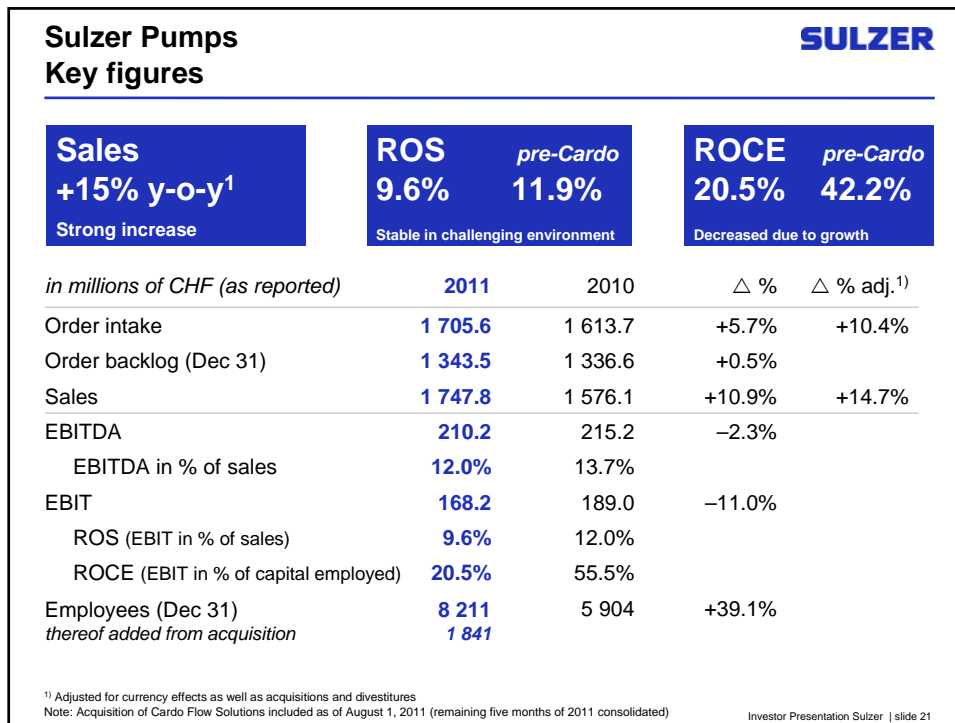
Products and services

- Pumping solution provider through the development, production, and sale of centrifugal pumps for both new and replacement installations
- Provider of customer support services, including maintenance, retrofits, upgrades, and spare parts


Customer benefits


- Sulzer pumps are key to reliability in many industrial processes
- High efficiency of units aids in reducing carbon presence and energy consumption
- Best production and test facilities in the world
- 60+ service centers provide local and constant support worldwide

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Cardo update¹⁾: Integration process well on track





Integration process



According to expectations, well on track, first phase to be concluded in Q2-2012; China expansion ongoing

Business update
(Aug-Dec 2011 – 5 months)

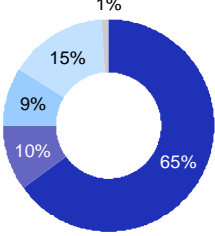
CHF 160 million order intake
CHF 179 million sales

Operational performance

EBITDA-margin 14% before acquisition related expenses; slightly below 2010 record levels, but in line with expectations when considering the early stage of integration (synergies)

Sales by geography
(Aug-Dec 2011)



Geography	Percentage
Europe	65%
North America	15%
Central and South America	10%
Asia, Middle East, Australia	9%
Africa	1%

¹⁾ Acquired in 2011; consolidated as of August 1, 2011
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Major strategic acquisition and further expansion of global network



Highlights in 2011:

- Strong growth of order intake and sales based on recovery of some end markets
- Healthy level of profitability despite challenging environment
- Major strategic acquisition of Cardo Flow Solutions
- Global footprint further strengthened
 - Water pump company Hidrotecar acquired (closed Jan 10, 2012)
 - New service centers opened in China, Colombia, and Russia

Next steps/actions:

- Continued development of end market positions, in particular water
- Development beyond BRIC's
- Increased focus on Operational Excellence

Outlook 2012:

Order intake increase of over 10% expected




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Sulzer Metco

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Market leader in surface solutions

- Coating materials (thermal spray)
- Coating systems (thermal spray)
- Coating services



Sulzer Metco

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Market leader in surface solutions



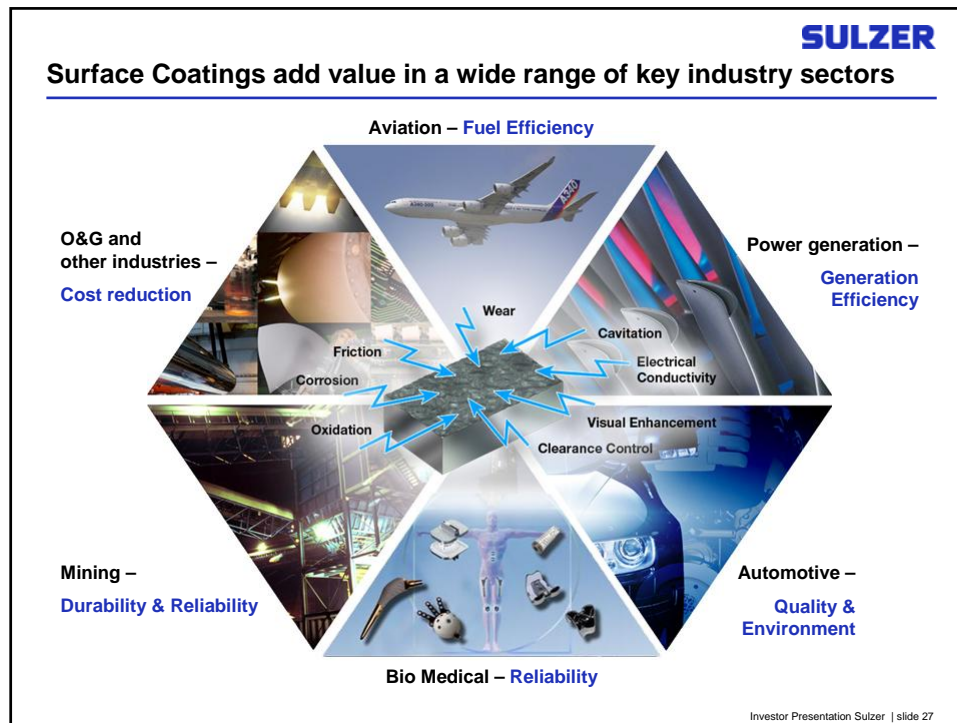
Products and services

High-end solutions and products for critical technical surface applications:

- Surface technology equipment and materials
- Thermal spray, PVD, and DLC coating services
- Plasma heat treatment services
- Industrial gas turbine and aero engine components
- Synchronizer rings for automotive transmissions

Customer benefits

- Higher profitability through better performance, longer product life, and environmentally friendly solutions
- Safety and security through protection of critical components against wear and corrosion, e.g., aircraft engine parts



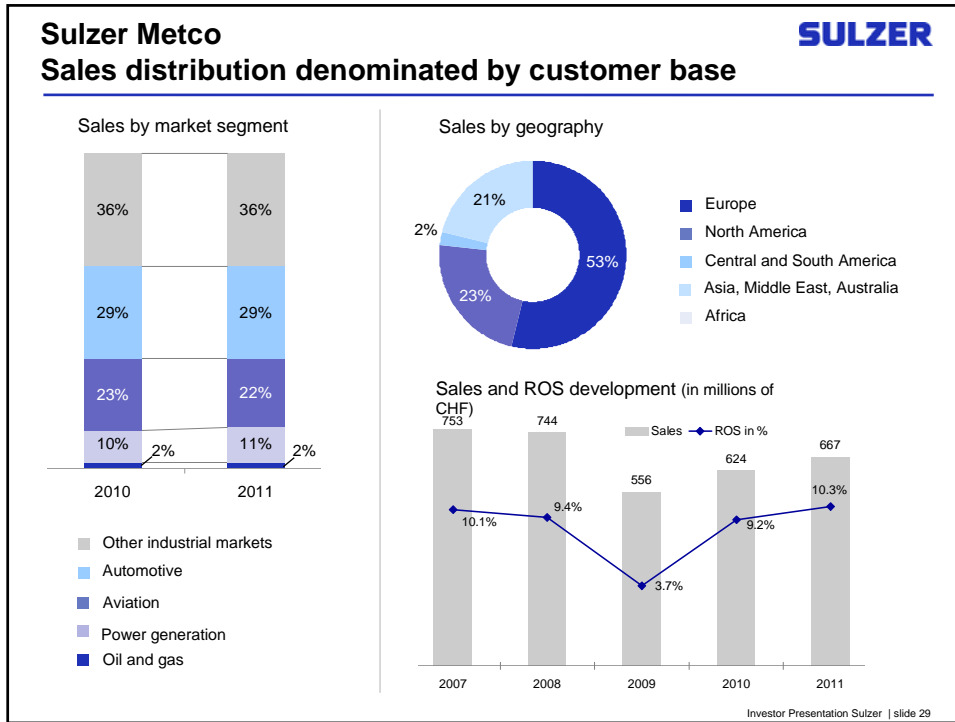
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Sulzer Metco Key financials

	Sales +18% y-o-y¹ Strong increase	ROS 10.3% Further improved	ROCE 18.2% Improved, value-creating	
<i>in millions of CHF (as reported)</i>			Δ %	Δ % adj. ¹⁾
Order intake	673.6	643.1	+4.7%	+15.3%
Order backlog (Dec 31)	77.4	71.3	+8.6%	
Sales	667.3	623.5	+7.0%	+17.8%
EBITDA	91.9	81.5	+12.8%	
EBITDA in % of sales	13.8%	13.1%		
EBIT	68.7	57.1	+20.3%	
ROS (EBIT in % of sales)	10.3%	9.2%		
ROCE (EBIT in % of capital employed)	18.2%	14.6%		
Employees (Dec 31)	2 259	2 045	+10.5%	

¹⁾ Adjusted for currency effects as well as acquisitions and divestitures

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Higher sales and double-digit profitability

Highlights in 2011:

- Strong growth of order intake and sales based on continued growth in main markets
- Restructuring charge included for Dutch facility; ROS before restructuring was 11.0%
- New coating equipment and new coating materials launched
- A new web-based sales platform went online

Next steps/actions:

- Chinese and German operations expansion to address further growth
- Launch of new innovations
- Build on partnership with the CCAM¹

Outlook 2012:

Moderate growth of order intake expected




¹ Commonwealth Center for Advanced Manufacturing, Virginia, USA (www.ccam-va.com)

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Sulzer Chemtech

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Market leader for separation, mixing and service solutions

- Separation solutions
- Separation tower services
- Two component mixing and dispensing systems



Sulzer Chemtech

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Market leader in separation, mixing and service solutions



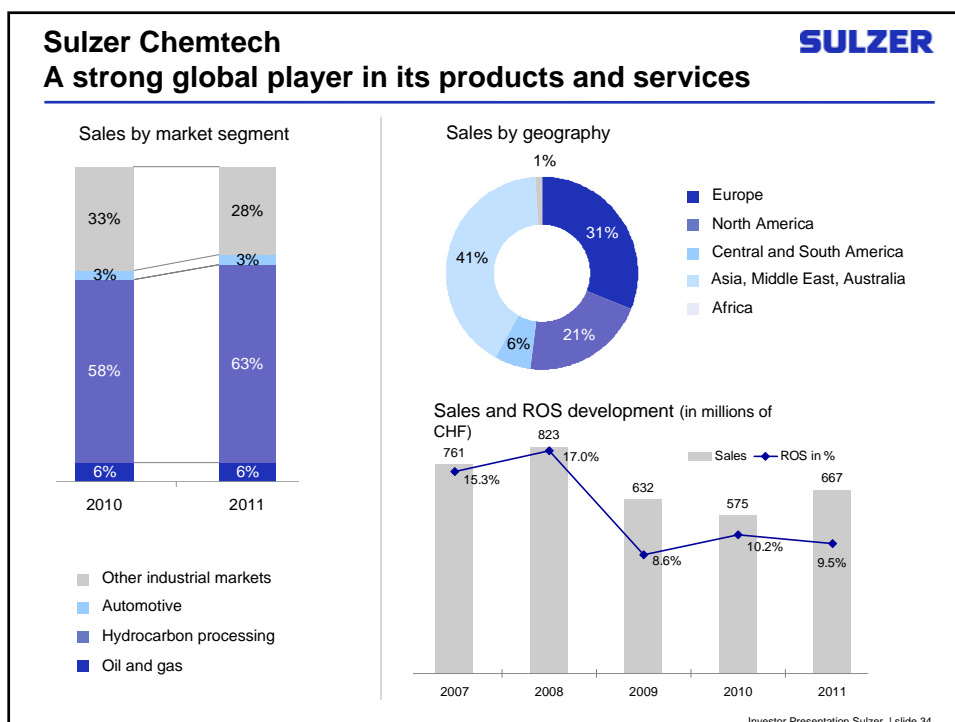
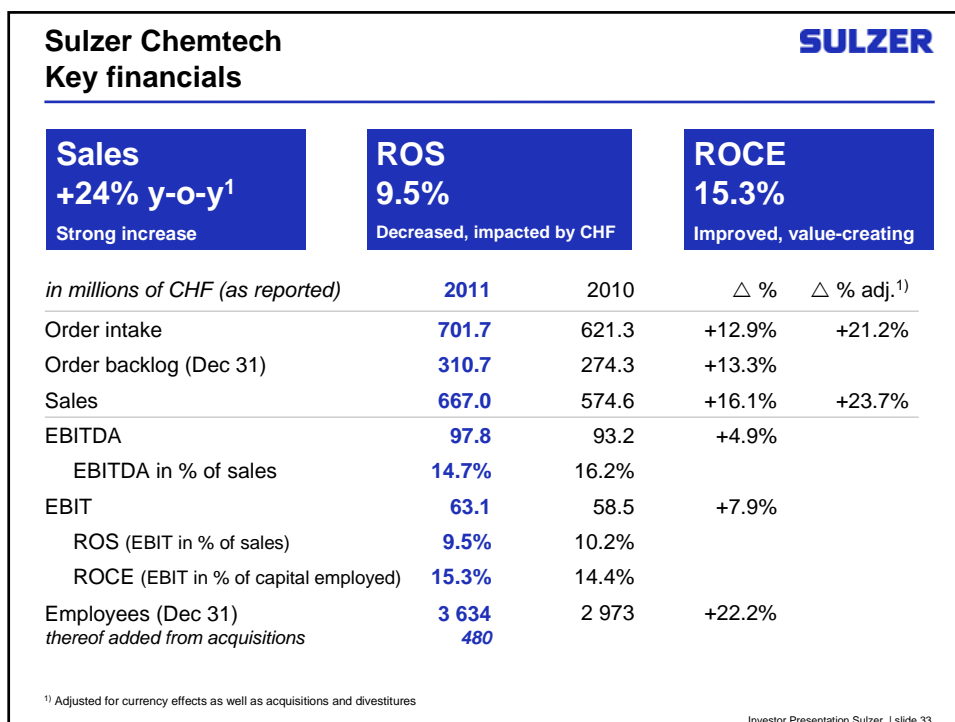
Products and services

- Tower internals for distillation, separation, absorption, and reactive distillation processes; crystallization, evaporators, and membrane applications
- Complete skid-based separation units
- Polymerization technology
- Mixing and dispensing systems
- Associated services: engineering, piloting, tower field service

Customer benefits

- High reliability and process efficiency as single-source provider for engineering, design, equipment, and services
- Profound process know-how for a wide range of applications lead to low total cost
- Cost-effective solutions through innovation
- Multiple manufacturing and engineering sites ensure closeness to markets on a global basis

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Substantially higher orders and sales

Highlights in 2011:

- Substantial increase of orders and sales
 - HPI stabilized
 - Some larger order in mass transfer technology
 - Substantial increase of process technology orders
- Double-digit ROS excluding effects from strong Swiss franc
- Two service acquisitions in Brazil and Canada; service footprint further strengthened
- Expansion of test center for process technology
- New industrial scale bioplastic test plant

Next steps/actions:

- Further leverage of strong field service business
- Expansion of BRIC presence to capture growth
- Capture growth potential for EPS/PLA (polymer) applications

Outlook 2012:

Moderate growth of order intake expected



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Sulzer Turbo Services

Leading independent service provider for rotating equipment


- Industrial gas and steam turbines
- Turbo compressors
- Generators and motors






Sulzer Turbo Services

Leading independent service provider for rotating equipment



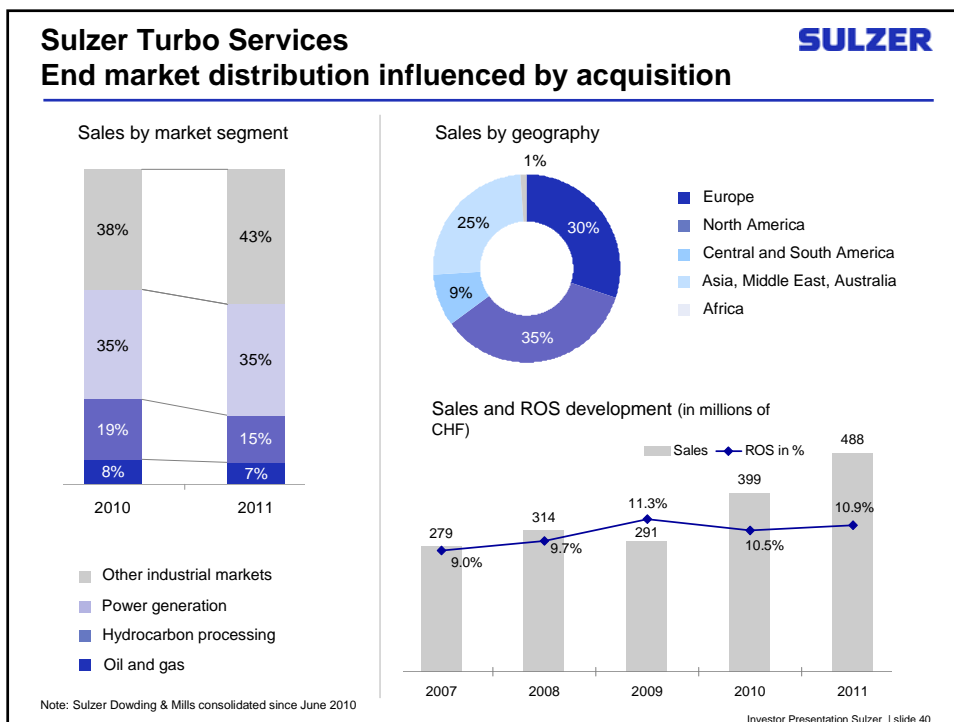
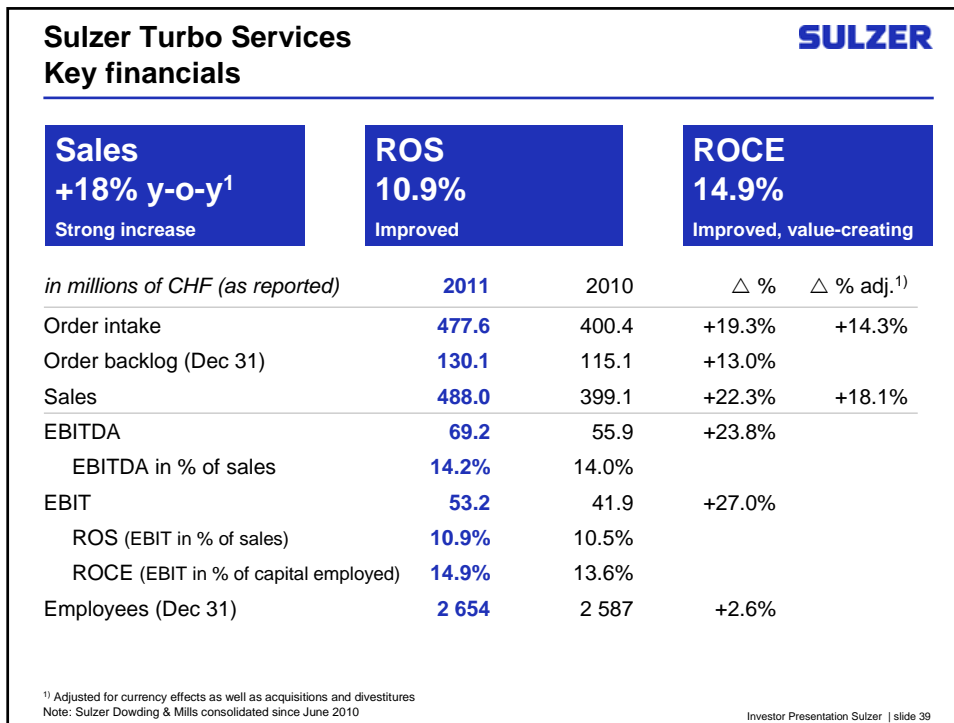


Products and services

- Repair and maintenance of land-based turbines, compressors, generators, and motors
- Transactional and contractual relationships
- Global network

Customer benefits

- High reliability and lower operational cost
- Generations of experience and innovation on a wide base of technologies
- Repair rather than replace: life extension and improvements
- Superior turnaround speed: flexibility of production
- Transparency and partnership with the client



Strong growth driven by acquisition and large orders

Highlights in 2011:

- Strong increase of orders and sales driven by organic growth and supported by acquisition
- Profitability increased
- Acquisition of electro-mechanical business allowed for significant sales synergies
- Capacity and capability expansion at several locations in order to meet higher market demand and efficiency improvements

Next steps/actions:

- Geographical focus on BRIC's
- Further strengthening of long-term service (LTSA) business
- Exploration of new service sectors such as rail, mining, marine, etc.

Outlook 2012:

Moderate increase in order intake expected



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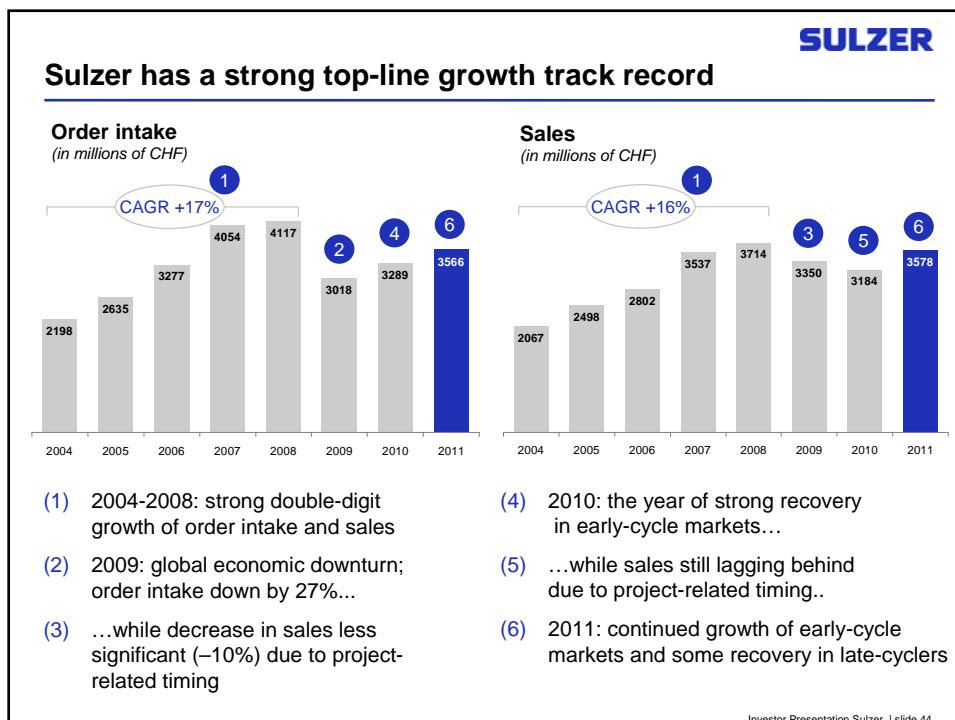
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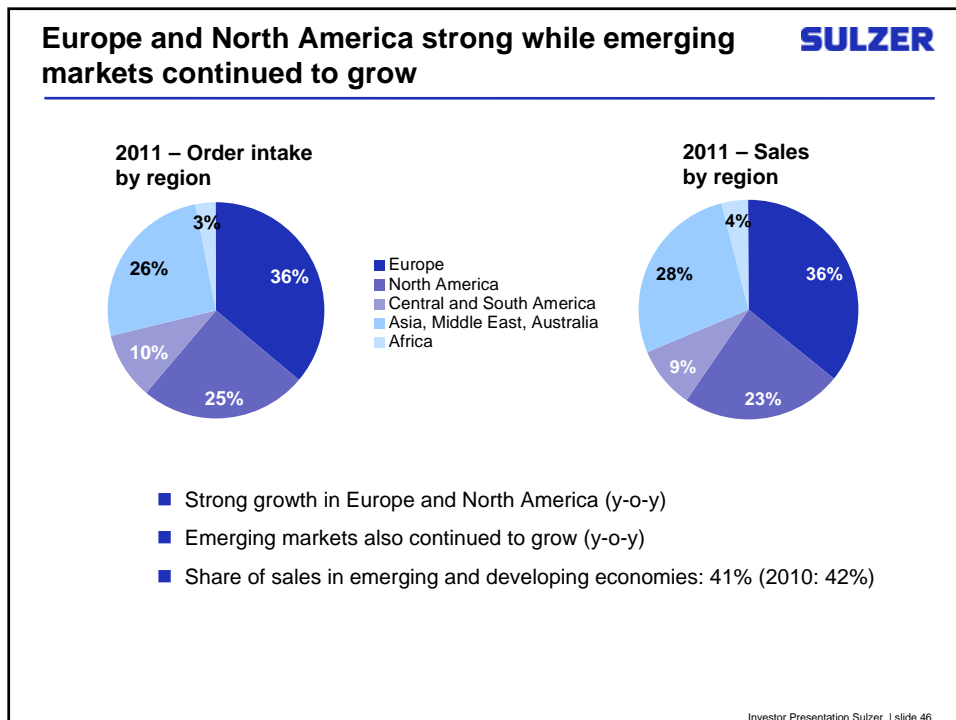
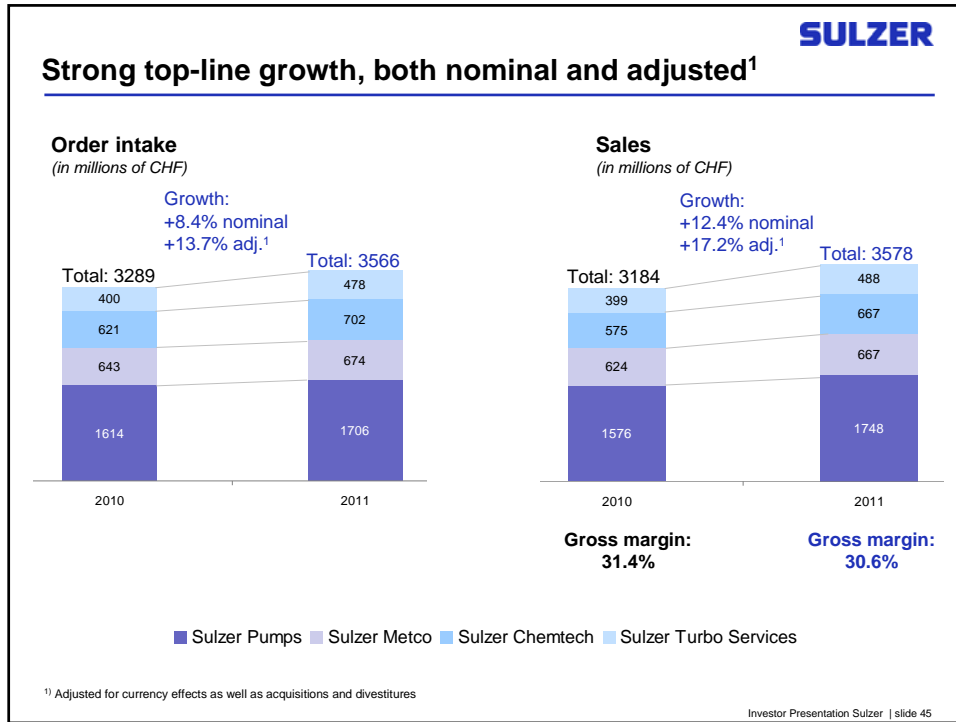
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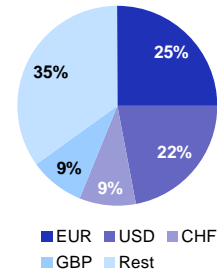
Significant negative effect of strong Swiss franc on nominal figures

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Major currency exchange rates

in CHF	Average rates		Delta in %
	2011	2010	
1 EUR	1.23	1.38	-11%
1 GBP	1.42	1.61	-12%
1 USD	0.89	1.04	-14%
100 SEK	13.66	14.48	-6%
1 BRL	0.53	0.59	-10%
1 CAD	0.90	1.01	-11%
100 CNY	13.71	15.40	-11%

Sales 2011 – Currency split



- Strong translation effect in order intake and earnings; nominal growth rates distorted; adjusted growth reported for comparison reasons
- Global presence is a natural hedge against material impacts on profitability

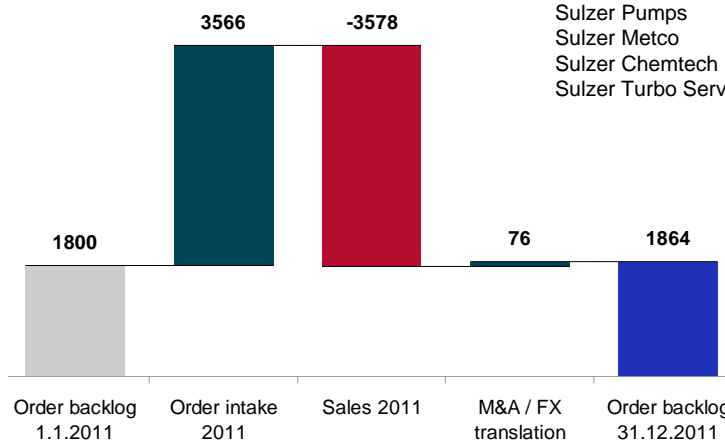
Note: Sulzer's presentation currency is Swiss francs; Balance sheet translated into CHF by using closing rates; P&L and Cash Flow Statements translated by using average rates

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Order backlog remained high, providing good visibility into 2012 in project-related businesses

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Backlog bridge 2011 (in millions of CHF)

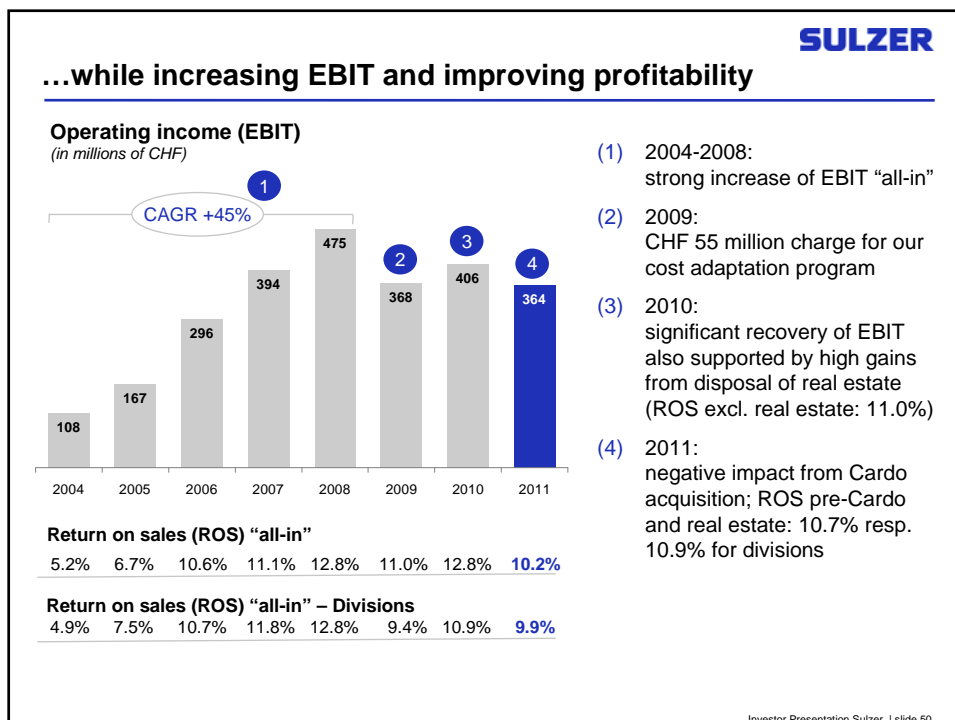
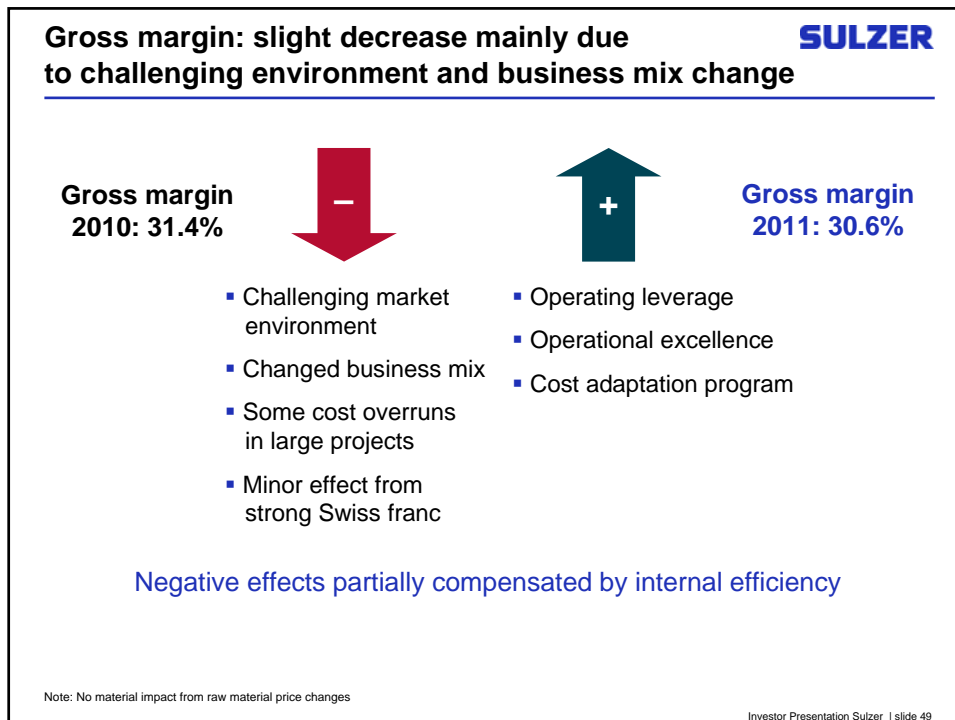


Backlog share by division (in %)

Sulzer Pumps	72%
Sulzer Metco	4%
Sulzer Chemtech	17%
Sulzer Turbo Services	7%

Thereof Cardo:
CHF 80 million

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Operating income: healthy levels, strongly affected by acquisition and currency translation

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Operating income (EBIT)

in millions of CHF

	2011	2010	△ %	△ % adj. ¹
Sulzer Pumps pre-Cardo	186.0	189.0	-1.6%	
Sulzer Pumps Cardo	-18.0	-	-	
Sulzer Pumps as reported	168.2	189.0	-11.0%	
Sulzer Metco	68.7	57.1	+20.3%	
Sulzer Chemtech	63.1	58.5	+7.9%	
Sulzer Turbo Services	53.2	41.9	+27.0%	
Total Divisions	353.2	346.5	+1.9%	+16.9%
Others ²	10.9	59.9	-	
Total Sulzer	364.1	406.4	-10.4%	+3.5%

Improved on adjusted¹ basis

¹ Adjusted for currency translation effects and acquisitions as well as divestitures

² Including contribution from former real estate activities (sold in 2010): CHF 18 million in 2011 and CHF 57 million in 2010

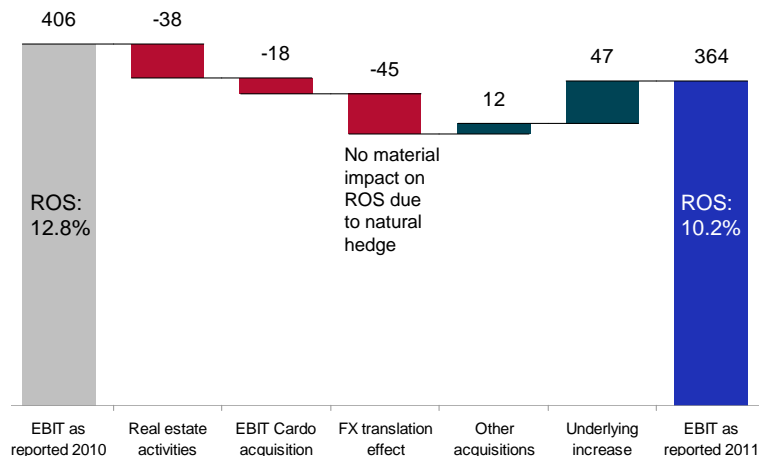
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Operating income: underlying operating income increased

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EBIT bridge 2010 to 2011

(in millions of CHF)



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Others: final contribution from real estate disposals; **SULZER** increase of trademark fee to Divisions from 2012

Operating income CHF 10.9 million (2010: CHF 59.9 million)

Real estate activities:

- Successful conclusion of long-term strategy regarding disposal of real estate activities in 2010 (EBIT gains: CHF 57 million)
- Gain of signed sales contracts for properties (pending sales) amounted to CHF 18 million in 2011
- **No further contribution to EBIT from pending sales to come**

Sulzer Innotec:

- Central research & development site mainly working for the four Sulzer divisions
- Systematic management of R&D projects; high-potential and cross-divisional projects; EBIT 2011: break-even

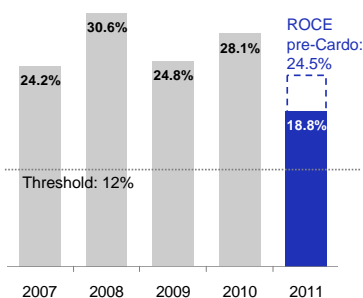
Corporate Center:

- Includes corporate center costs and consolidation adjustments
- Concept: corporate expenses covered by trademark fees charged to divisions
- **From 2012: trademark fee charges to divisions increased by 0.5 percentage points (impact on EBIT of the divisions; EBIT-neutral on Corporate level)**

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Return on capital maintained at value-creating level despite large acquisition

ROCE – Return on capital employed
(in %)



All four divisions above value-creating threshold¹⁾:

Division	ROCE	ROCE pre-Cardo
Sulzer Pumps	20.5%	42.2%
Sulzer Metco	18.2%	
Sulzer Chemtech	15.3%	
Sulzer Turbo Services	14.9%	
Divisions	18.0%	23.3%
Total Sulzer	18.8%	24.5%

Return on capital as reported strongly influenced by acquisition of Cardo in 2011

¹⁾ Sulzer's financial value creating threshold, which refers to the pre-tax weighted average cost of capital: 12%

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From EBIT to net income: EPS 2011 slightly diluted by acquisition

SULZER

in millions of CHF	2011	2010	Δ %
Operating income (EBIT)	364.1	406.3	-10.4%
Financial income, net	5.3	-4.3	-
Income bef. income tax expenses (EBT)	369.4	402.0	-8.1%
Income tax expenses	-89.4	-97.7	+8.5%
<i>Tax rate in % (EBT)</i>	24.2%	24.3%	
Net income	280.0	304.3	-8.0%
Attributable to shareholders of Sulzer	279.8	300.4	-6.9%
Attributable to non-controlling interests	0.2	3.9	-
EPS in CHF	8.25	8.92	-7.5%
EPS in CHF before acquisition of Cardo	8.66	8.92	-2.9%

- Financial income benefiting from the optimization of the Cardo shareholding scheme (currency gains)
- Tax rate benefiting from favorably taxed items: real estate gains, gains from Cardo optimization, and released tax provisions (no longer used)

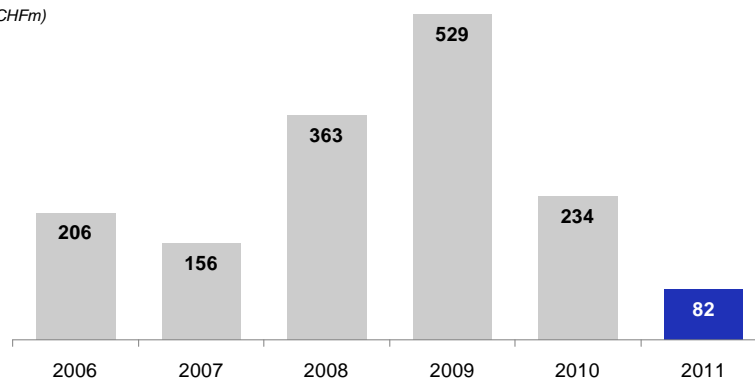
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Free cash flow generation was strong in recent years; below average in 2011

SULZER

Free cash flow (FCF)¹⁾

(in CHFm)



- 2011: FCF below average because of higher net working capital requirements due to business growth, higher raw material prices, and requirements for larger projects
- Measures and actions initiated to reduce net working capital

¹⁾ FCF = Cash flow from operating activities less purchase of PP&E and plus sales of PP&E;
2010: CHF 84.5 million real estate disposals restated for comparison reasons

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Cash flow impacted by higher net working capital and cash out for acquisitions

SULZER

in millions of CHF	2011	2010	Δ %
CF from operating activities	188.6	254.2	-25.8%
Capital expenditure	-113.2	-118.1	+4.2%
Sale of PP&E and intangible assets	6.9	13.4	-48.5%
Free cash flow	82.3	149.5	-45.0%
Acquisitions and divestitures	-815.4	-113.5	-
Purchase/sale of fin. assets/mark. securities	4.1	26.2	-84.4%
CF from operating and investing activities	-729.0	62.2	-

- Operating cash flow mainly decreased due to higher net working capital requirements
- Acquisition-related payments significantly higher than in previous year; vast majority spent for Cardo, rest for remaining smaller transactions

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Capital expenditure: stable levels, new investments higher than depreciation

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in millions of CHF	2007	2008	2009	2010	2011
Capital expenditure	134.8	116.0	112.2	118.1	113.2
Depreciation	89.4	83.9	84.7	80.0	78.5
Amortization	18.4	16.9	26.5	24.6	40.2

2011: amortization higher due to acquisitions (first full year of Sulzer Dowding & Mills as well as first 5 months of Cardo)

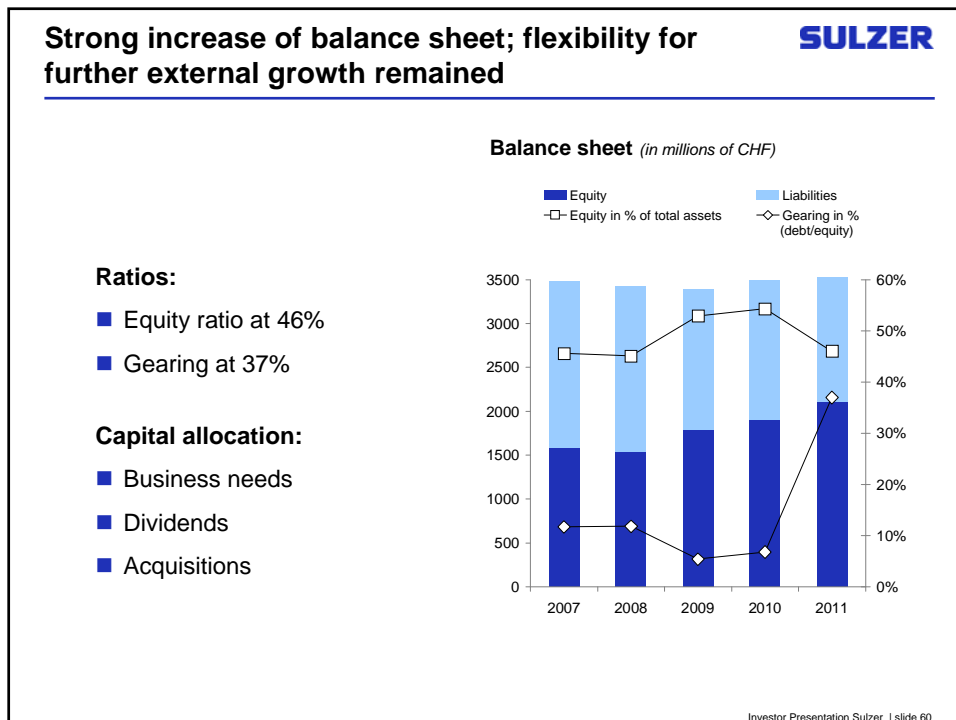
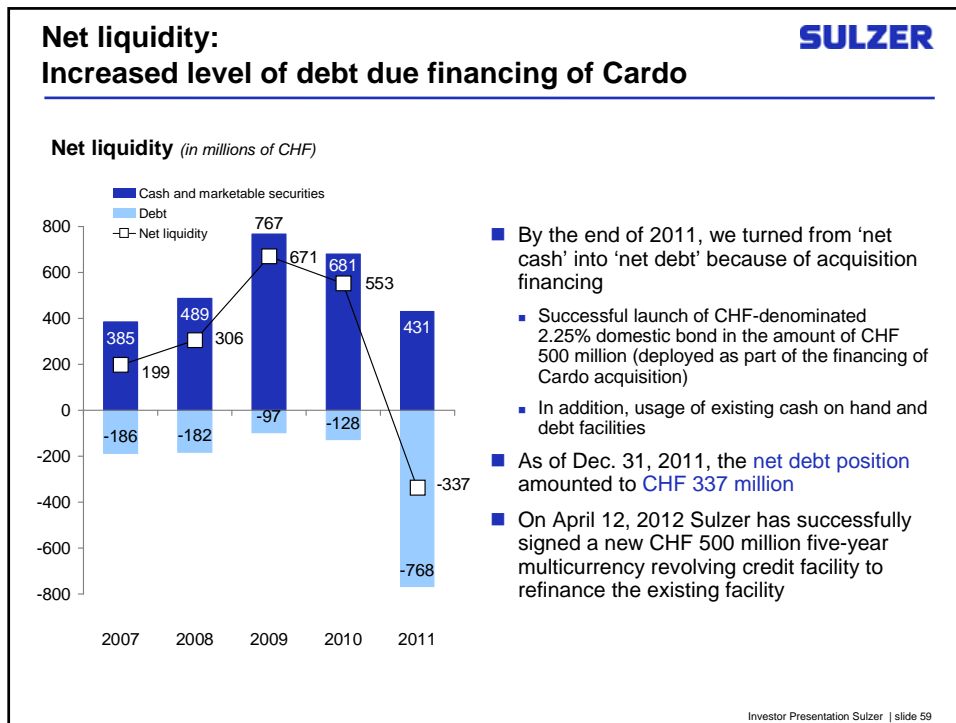


New factory in Suzhou, China (opened in November 2010)



Opening of new service centers in various regions

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General dividend policy

Payout ratio reported: approximately **one-third of net income** with due consideration to liquidity and funding requirements as well as continuity

in CHF	2005	2006	2007	2008	2009	2010	2011
EPS	3.60	6.23	8.35	9.59	8.06	8.92	8.25
Dividend ¹⁾	1.40	2.30	2.80	2.80	2.80	3.00	3.00
Ratio	39%	37%	34%	29%	35%	34%	36%
Yield	2.0%	1.7%	1.7%	4.7%	3.5%	2.1%	3.0%

In addition in
2006-2007:
share buyback of
CHF 300 million

¹⁾ Dividend / share price 12/31

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SULZER

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Our five key topics of focus remain valid: we strive for further improvements **SULZER**

Areas of focus

Corporation-wide operational excellence based on LEAN	
Health and safety	
Increased and faster high-quality innovation	
Emerging and developing markets	
Increased focus on service	

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End market assessment for 2012 **SULZER**


		Share of sales in 2011 ¹	Market conditions in 2011	Assessment for 2012 ²
	Oil and gas (upstream)	~13%	Growth	Stable (at high levels)
	Hydrocarbon processing	~23%	Stable (at low level)	Stable (at current levels)
	Power generation	~17%	Stable (at low level)	Further stabilization with growth potential
	Water	~13%	Reduced activity levels	Growth
	Automotive	~6%	Modest growth	Stable (at high levels)
	Aviation	~4%	Growth	Stable (at high levels)


¹) represents share of sales 2011 on a pro-forma combined basis incl. a full year of Cardio Flow Solutions (5 months of 2011 annualized)
²) published on January 12, 2012, based on current macro environment with a certain downside risk if the uncertainties in financial markets persist


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New midrange targets¹ issued: Underlying basic assumptions









Macro assumptions

- Based on current macro environment
- Sovereign debt crisis curtailed by political and monetary actions
- Commodity prices stable
- Stable currencies

Other assumptions

- Portfolio as of Dec. 31 2011
- Organic
- No major restructuring program considered
- Trademark fees increased by 0.5 percentage points and charged to divisions (starting from 2012)

Midrange targets 2015


- Sales growth CAGR over 4 years
- Return on sales (ROS)
- Return on capital employed (ROCE)
- Base year: 2011
- Period: 2012-2015 (4 full years)
- Corridor method by division

¹) published on February 23, 2012; based on current macro environment with a certain downside risk if the uncertainties in financial markets persist

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Sulzer's new midrange targets at a glance

Issued: February 23, 2012



Midrange targets 2012-2015	Sulzer Pumps		Sulzer Metco		Sulzer Chemtech		Sulzer Turbo Services		Total Divisions	
	FY 2011	Target corridor	FY 2011	Target corridor	FY 2011	Target corridor	FY 2011	Target corridor	FY 2011	Target corridor
Sales growth ¹	+14.7% (y-o-y)	6-8%	+17.8% (y-o-y)	5-7%	+23.7% (y-o-y)	6-8%	+18.1% (y-o-y)	5-7%	+17.4% (y-o-y)	6-8%
EBIT margin (ROS) ²	11.3%	11-13%	10.3%	11-13%	9.5%	12-14%	10.9%	12-14%	10.7%	11-13%
Return on capital (ROCE) ³	24.2%	>20%	18.2%	>20%	15.3%	>20%	14.9%	>18%	19.5%	>20%

1) Compound annual growth rate in %; base year 2011; organic; portfolio as of December 31, 2011; constant FX

2) EBIT before major non-recurring items such as major restructuring, M&A related expenses (step ups, integration, transaction costs), etc over sales; from 2012 including 0.5 percentage points higher trademark fees charged to divisions compared with 2011 achievements

3) EBIT before any major one-offs such as restructuring, M&A related expenses (step ups, integration & transaction costs) over average capital employed (incl. goodwill and other intangible assets)

Midterm targets

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Summary: **SULZER**
Sulzer is well positioned for sustainable future success

Strategy	Clear, built on leading positions in attractive markets, innovations, new acquisitions, leveraging long-term trends, and strong position in emerging markets
Financials	Healthy situation, strong balance sheet, focus on value creation and further improvement of our key performance indicators and net working capital
People/ Organization	Well experienced, “seen it all”, committed to “go for more”, based on strong values
Operations	Focus on further improvements, lots of substance, “execution” of projects remains key success factor

The future


Well positioned for sustainable future success

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Annual Report 2011


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Contacts and event calendar

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Key reporting dates in 2012:

April 17 Order intake release for Q1-2012 (media release)
July 20 Publication of Midyear Results 2012 (media release, conference call for analysts)
October 12 Order intake release First Nine Months of 2012 (media release)
November 2 Sulzer Capital Market Day 2012, Zurich, Switzerland

Sulzer Ltd is listed on SIX Swiss Exchange:

Identifier	Number	Number of shares issued:	Largest shareholders (>3%):
SIX (security number)	3838891	34 262 370	Renova Group 31.2%
ISIN	CH 003 838891 1		
Ticker Symbol	SUN		
Bloomberg	SUN SW		
Reuters	SUN.S		