

**MEDIA RELEASE**

Winterthur, April 16, 2009

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**Sulzer Ltd**  
Corporate Communications  
Investor Relations  
8401 Winterthur, Switzerland  
Phone +41 52 262 72 72  
Fax +41 52 262 00 25

First quarter 2009: order intake decrease by 22.2% adjusted<sup>1</sup>

**Order Intake of CHF 839 Million**

**In the first quarter of 2009, Sulzer received orders for CHF 839.3 million. This was an adjusted<sup>1</sup> decrease of 22.2% (nominal decline 26.0%) compared with the very strong first quarter of the previous year. As projected, market demand was clearly below last year's level and negative currency translation effects continued. For the coming months, Sulzer expects order intake to remain clearly below the high level of 2008.**

Order intake in the first quarter of 2009 was clearly below the very strong first quarter of the previous year. In the first three months of 2009, the oil and gas (upstream), power generation and aviation markets remained relatively active. The hydrocarbon processing industry (oil and gas downstream) was substantially below the high levels of the first quarter 2008. The general weakness in the automotive industry also affected Sulzer. The pulp and paper market remained weak. Negative currency translation effects continued, while acquisitions had only a minor effect. All regions showed lower demand. Activities in several emerging economies, particularly China and Brazil remained stronger than in North America and Europe. Sulzer was successful in defending its strong market position despite the economical downturn affecting all of its markets.

**Order intake by division**

Orders received by **Sulzer Pumps** totaled CHF 489.4 million. This was an adjusted<sup>1</sup> decrease of 14.1% (nominally -21.3%). The order intake was supported by the power generation segment. The hydrocarbon processing market showed clear signs of weakening. The pulp and paper segment continued to be weak. Geographically, Asia and South America remained rather active, while Europe and North America declined. The first quarter still contained some large projects, which are anticipated to further reduce in number going forward. Compared to the previous year, the order intake levels are expected to be notably lower.

**Sulzer Metco** recorded an order intake of CHF 145.0 million. On an adjusted<sup>1</sup> basis this was -21.4% compared to the previous year's first quarter (nominally -23.5%). Demand weakened especially in the automotive and general industries segment. The demand in the aviation segment as well as in the power segment remained stable. In the coming months, Sulzer Metco expects continuous demand in the power generation market. Activity in the automotive and general industry sectors is expected to

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<sup>1</sup> Adjusted for currency effects as well as acquisitions

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remain low. In the aviation segment a decreasing demand is anticipated later this year.

**Sulzer Chemtech** reported an order intake for the first quarter of CHF 129.1 million. The decrease of –46.2% (adjusted<sup>1</sup>) respectively –44.9% (nominal) compared to the previous year's first quarter is mainly caused by a significant weakening in the hydrocarbon processing industry. All regions were below the levels of the first three months in 2008. Order intake levels are not expected to significantly improve in the near future and will therefore be clearly below prior year's level.

**Sulzer Turbo Services** posted an order intake of CHF 73.3 million, a decrease of 13.8% (adjusted<sup>1</sup>) respectively 11.8% (nominal) compared to the strong previous year's first quarter. The division benefited from comparably stable market conditions, with the exception of the Middle East, which softened. Sulzer Turbo Services expects further reductions of activity levels in its markets in the next months. This leads to an expected order intake below the level of the previous year.

**Outlook**

As expected, the significant weakening of the market conditions toward the end of 2008 continued in the first quarter of 2009. The general economic environment and the uncertainties in the financial markets make forward projections challenging. The company actively and carefully monitors the development of its markets and adjusts its capacity and cost structure accordingly.

Order intake levels for 2009 are expected to be clearly below the previous year's levels, especially as the extraordinary number of major orders from Sulzer Pumps in 2008 is unlikely to be repeated and significant negative currency translation effects are expected to continue. Overall, the oil and gas upstream and the power generation segments are expected to remain comparatively strong, although below the extraordinary levels of 2008. The hydrocarbon processing industry is expected to show clearly lower activity than the high levels realized in the last two years. The order backlog in the aviation industry should support the development in this segment, but demand is projected to decrease later this year as a result of the decreasing passenger mileages flown. The general weakness in the automotive markets is expected to continue for some time and the pulp and paper market will most likely remain weak throughout the year. While all regions are expected to be below previous year's levels, activities in Asia and South America are projected to remain somewhat stronger than in North America and Europe.

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**Order Intake for the First Quarter 2009 (January to March)**

(millions of CHF)

	1Q 2009	1Q 2008	Δ	Δ adjusted <sup>1</sup>
<b>Divisions</b>	<b>836.8</b>	1 128.7	-25.9%	-22.0%
Sulzer Pumps	<b>489.4</b>	621.9	-21.3%	-14.1%
Sulzer Metco	<b>145.0</b>	189.5	-23.5%	-21.4%
Sulzer Chemtech	<b>129.1</b>	234.2	-44.9%	-46.2%
Sulzer Turbo Services	<b>73.3</b>	83.1	-11.8%	-13.8%
<b>Other</b>	<b>2.5</b>	5.9	–	–
<b>Total</b>	<b>839.3</b>	1 134.6	-26.0%	-22.2%

Sulzer was founded in 1834 in Winterthur, Switzerland, and today is active in machinery and equipment manufacturing and surface engineering at over 120 locations worldwide. The divisions are global leaders in their respective customer segments, which include the oil and gas, hydrocarbon processing, power generation, pulp and paper, aviation and automotive industries. [www.sulzer.com](http://www.sulzer.com)

Sulzer celebrates its 175 years anniversary in 2009. [www.sulzer.com/175](http://www.sulzer.com/175)

**Inquiries:**

Media Relations: Verena Gölkel, Media Spokesperson

Phone +41 52 262 26 82, Fax +41 52 262 00 25, [news@sulzer.com](mailto:news@sulzer.com)

Investor Relations: Philippe Dewitz, Head of Investor Relations

Phone +41 52 262 20 22, Fax +41 52 262 00 25, [investor.relations@sulzer.com](mailto:investor.relations@sulzer.com)

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