

MEDIA RELEASE

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Sulzer to expand offering to full range of rotating equipment services in the Houston bay area

Sulzer Acquires Grayson Armature, One of the Largest Independent Electromechanical Service Providers in Houston

On June 13, Sulzer agreed to acquire both Grayson Armature businesses—Grayson Armature Large Motor Division, Inc. (Houston) and Grayson Armature Orange Texas, Inc.—for an enterprise value of USD 42 million (CHF 38 million). Through this acquisition, Sulzer will become one of the largest independent providers of electromechanical services in the Houston bay area. Grayson Armature expects revenues of USD 35 million (CHF 31 million) in 2014. Grayson Armature will add electromechanical capabilities to Sulzer's Rotating Equipment Services division, complementing its range of services for rotating equipment.

Closing is scheduled to take place early next month.

Founded in 1980, Grayson Armature offers electro-mechanical repair services (at an in-house machine shop), re-manufacturing, re-design, upgrades, and modifications as well as other additional services. The main facility is located in Pasadena, Texas, USA, and a second facility is located in Orange, Texas, USA. Grayson Armature has an outstanding reputation with its customers—all major players in the oil and gas and power markets, two of Sulzer's three key markets.

Grayson will scale up Sulzer's electromechanical service capabilities in North America. The full integration will start immediately after closing and will result in a combined offering, especially of pumps and electromechanical services, to Sulzer's customers and further increase the company's ability to service the whole train of rotating equipment. Peter Alexander, Division President of Rotating Equipment Services, says, "Grayson Armature greatly enhances our electromechanical service competences in the Houston Bay Area. The acquisition will allow us to offer a full range of rotating services to the benefit of our customers. In addition, we expect both cost and sales synergies from relocating our existing pumps service center in Houston to the Grayson site."

Sulzer, headquartered in Winterthur, Switzerland, since 1834, specializes in pumping solutions, rotating equipment maintenance and services as well as separation, reaction, and mixing technology. The company is a leading provider in its key markets: oil and gas, power, and water. Sulzer serves clients around the world through a network of over 150 production and service sites, and it has a strong footprint in emerging markets. In 2013,

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the company achieved sales of over CHF 3.2 billion with around 15 000 employees. www.sulzer.com

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