

**MEDIA RELEASE**

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December 1, 2016

**Sulzer to Acquire Control of Rotec's Gas Turbine Service Business**

**On November 30, 2016, Sulzer signed an agreement to acquire control of Rotec's gas turbine maintenance business (Rotec GT). Rotec GT, headquartered in Moscow and majority-controlled by Renova, is mainly active in the Russian market. Through this transaction, Sulzer becomes a sizable player in the Russian gas turbine service market with revenues of about CHF 40 million.**

Sulzer is buying control of the assets of Rotec GT, the gas turbine maintenance division of the Rotec group. Rotec GT is headquartered in Moscow and has a refurbishment center for gas turbine components in Ekaterinburg. With around 50 employees, it achieved 2015 revenues of about CHF 35 million and an EBITDA margin of slightly above 20%.

The other activities of the Rotec group, in steam turbine manufacturing and EPC projects, are not part of the transaction.

Rotec GT will be combined with Sulzer Russia's service activities (revenues of about CHF 5 million) to create a leading independent gas turbine service provider for Russia and the CIS countries, with domestic revenues of about CHF 40 million. Renova, the current majority owner of Rotec, will remain an investor with a 49% stake in the combined entity, which will be under the sole management control of Sulzer. The combined entity will operate under the Sulzer brand and will be fully consolidated by Sulzer.

The transaction between Sulzer and Renova has been agreed on arms-length terms. The enterprise value of Rotec GT, at a multiple of 4x EBITDA, has been backed by an independent valuation report.

Daniel Bischofberger, President of Sulzer's Rotating Equipment Services division, said, "Sulzer is excited to have Renova as a partner. Together we are taking our combined service business in Russia to the next level."

*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 creates reliable and sustainable solutions for its key markets: oil and gas, power, and water. Sulzer serves customers around the world through a network of over 170 production and service sites, and it has a strong footprint in emerging markets. In 2015, the company achieved sales of roughly CHF 3 billion with around 14 000 employees. [www.sulzer.com](http://www.sulzer.com)*

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November 16, 2016

Sulzer to Acquire Majority of Rotec

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*Please note: As of December 1, 2016, Sulzer will have new central phone and fax numbers. The new main phone and fax number for Sulzer's headquarters in Switzerland will be:*

*Sulzer headquarter (phone): +41 52 262 30 00*

*Sulzer headquarter (fax): +41 52 262 31 00*

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