

MEDIA RELEASE

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Closing of Paco Divestiture

The Sale of the Paco pumps business has been completed this week. In January, Sulzer announced the transfer to the Grundfos Group, which supports the focus on Sulzer Pumps core activities.

On January 10, 2006, Sulzer announced the sale of its Paco pumps business, which was part of an acquisition in 2004, to the Grundfos Group. The sale has been completed on February 28, 2006.

Paco was bought by the Grundfos Group for USD 23.5 million (approximately CHF 30 million). The Paco business is active in the heating, ventilation, and air conditioning (HVAC) market, not a core activity of Sulzer Pumps. The Paco pump brand was part of the Precision Castparts Corp. (PCC) acquired by Sulzer in November 2004 and recorded sales of about USD 39 million (approximately CHF 50 million) for the first 11 months in 2005. The operation has approximately 225 employees in the US and China.

Johnston and Crown, also part of the PCC acquisition in November 2004, will continue to expand under Sulzer's ownership. The two successfully integrated product lines are core to the Sulzer Pumps division and enhance its presence in vertical pumps for the power, process, and water industry segment.

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