

FLUID HANDLING INDUSTRY MARKET REPORT

M&A TRANSACTIONS Q1 AND Q2 2012

Market Report Mid-Year 2012

July 2012

This is a mid-year report on announced pump industry merger and acquisition transactions for the first and second quarters of 2012 compiled by Global Equity Consulting, LLC and City Capital Advisors.

Deal Activity Level

This graph shows that deal activity increased significantly in Q3 2010 and remained steady or slightly higher through 2011. While the activity level in Q1 2012 was relatively consistent with the levels for the previous three quarters there has been a downward trend since Q3 2011 through Q2 2012.

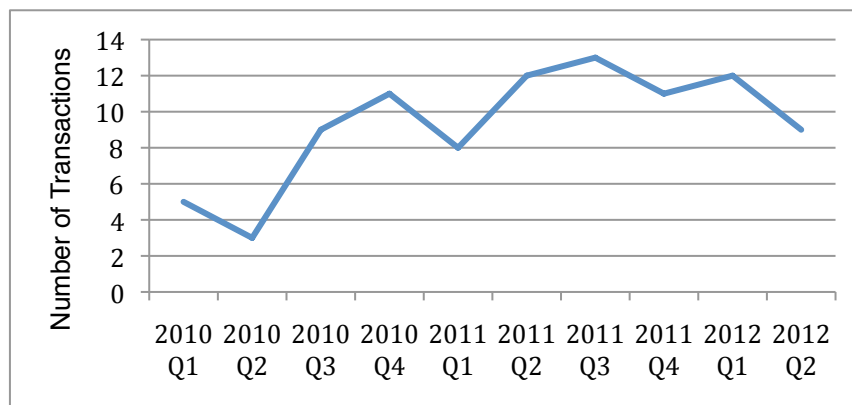


Figure 1: Announced Pump Industry Transactions

Most Active - acquirers in Q1 and Q2 2012 with multiple announced transactions:

- Dover Pump Solutions Group
- DXP Enterprises
- Indutrade
- National Oilwell Varco

Transformational Deals – transactions that appear to fundamentally change the size, market scope or the nature of the core business:

- DXP Enterprises' acquisitions of HSE and Industrial Paramedic Services.
- Pentair merger with Tyco Flow Control

Other Notable Transactions

- Dover acquisition of Maag (\$285 million)
- National Oilwell Varco acquisition of CE Franklin (\$238 million)
- Weir Group acquisition of Novatech (\$176 million)

Announced Transactions Q1 and Q2 of 2012

Company	Deal	Date (2012)	Comments	Terms	Estimated Value
Advanced Pumps International	Torishima Pump and Fluid Equipment Development Co. LLC (FEDCO) form Joint Venture	June	<p>Torishima Pump Mfg Co Ltd of Osaka Japan and Fluid Equipment Development company of Monroe Michigan have announced a 50/50 joint venture to focus on the development, manufacture and service of pumping equipment for the oil & gas industries.</p> <p>The joint venture is expect to start operations in August 2012 and will be based in Detroit Michigan.</p>		
Best PumpWorks	Acquires American Pump Technology, Inc.	June	<p>Based in Shreveport Louisiana, American Pump Technology, Inc. provides repairs, complete rebuilds, hydraulic rerates and metallurgical upgrades on any make, model, or type of centrifugal pump.</p> <p>The acquisition enhances Best PumpWorks' capability to provide these services to the industrial, power generation and oil & gas markets.</p>		
Dover Corp., Pump Solutions Group	Acquires Quattroflow Fluid Systems	January	<p>Based in Germany, Quattroflow produces Sealless positive displacement pumps incorporating four-piston diaphragm technology primarily the pharmaceutical and biotech industries that require high containment, purity and cleanability.</p>		
Dover Corp., Pump Solutions Group	Acquiring the Maag Group from Clyde Blowers Capital and CGS Management	February	<p>Based in Zurich Switzerland, Maag manufacturers gear pumps, pelletizers and filtration systems for the plastics, chemicals, extrusion and rubber industries.</p> <p>This acquisition is consistent with the Dover PSG strategy of expanding its portfolio of positive displacement pump and related technologies within their core markets – in this case chemicals and petrochemicals. In 2011 Maag had sales of approximately €130 million (\$174 million) and employs more than 500 people.</p>		\$285 million
DXP Enterprises, Inc.	Acquires three distribution companies: Pump & Power Inc, Aledco Inc. and Force Engineered Products Inc.	April	<p>Pump and Power is located in Lenexa KS. They distribute and service pumps as well as related products and systems for the industrial, municipal and sanitary market.</p> <p>Aledco is based in Allentown PA and is a distributor of industrial, sanitary, and oilfield pumps as well as other related process equipment in Central and Eastern PA, Southern NJ, Delaware, Maryland, West Virginia and Virginia.</p> <p>Force, located in Homer NY, represents a select group of industrial & sanitary pumps and equipment.</p> <p>The three companies had sales of approximately \$12 million for the Last twelve months (LTM) ending January 31, 2012 and EBITDA of \$2 million.</p>		
DXP Enterprises, Inc.	Acquires HSE Integrated Ltd.	May	<p>HSE Integrated Ltd. Is Canada's largest industrial safety services company with annual sales of approximately Cdn \$98 million and EBITDA of Cdn \$13 million.</p> <p>HSE provides DXP with a meaningful presence in Canada and expansion of their Safety Services division and Service Center operations.</p>	Cash and assume debt	Cdn \$84 million (\$85 million)
DXP Enterprises, Inc.	Acquires Industrial Paramedic Services	May	<p>Industrial Paramedic Services is a leading provider of industrial medical and clinical services to industrial clients operating in remote locations and large facilities in Western Canada.</p> <p>IPS sales for the last twelve (LTM) months ending April 30, 2012 were approximately \$21 million with an EBITDA of \$4 million.</p>	Cash, seller note and stock	

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Franklin Electric Co.	Acquires controlling interest (70% up from 35%) in Pioneer Pump Holdings, Inc.	March	<p>Pioneer manufacturers large, engine-driven centrifugal pumps for dewatering in oil and gas, municipal, construction and mining applications. The Pioneer pump group had consolidated sales of approximately \$70 million in 2011.</p> <p>The acquisition is said to further Franklin's strategy of expanding sales of differentiated packaged systems products to generate higher revenue per installation. Pioneer's presence in the oil and gas market will also compliment Franklin's initiative to introduce submersible pumping systems in this market.</p>		
Grundfos	Acquires Enaqua	June	<p>Based in San Diego, California, Enaqua provides water purification solutions based on UV disinfection and membrane separation technologies.</p> <p>The purchase is a step toward Grundfos' objective to derive one third of its future revenue from sources other than pumps and to be a leader in water technology.</p>		
Hertz Equipment Rental Corp. (HERC)	Acquires DW Pumps	January	<p>Based in San Leandro, California, DW Pumps is a pump rental company that provides large submersible, diesel auto priming and high-pressure pumps to industrial, municipal and construction customers on the US West coast.</p> <p>DW was founded in 2003 and is expected to add approximately \$6 million in new revenue for HERC in 2012</p>		
HMS Group	Acquiring an additional 11% of share capital to gain controlling interest in Dimitrovgradkhim mash (DGHM)	February	<p>Founded in 1931 DGHM manufactures equipment, including pumps, for oil refineries, chemical, petrochemical and gas processing plants. Sales revenue in 2011 was approximately \$53 million.</p>		\$6.9 million
IDEX Corp.	Acquires ERC from MH Capital Partners II, L.P.	April	<p>Located in Kawaguchi Japan, ERC is a leader in the manufacture of gas liquid separators and detection solutions for the life sciences, analytical instrumentation and clinical chemistry markets. ERC has annual revenues of approximately ¥2.14 billion (\$26.9 million)</p>	Cash	¥1.65 billion (\$20.8 million)
Indutrade AB	Acquires Rostfria VA-System I Storfors AB	January	<p>Swedish Rostfria manufactures corrosion resistant pump stations and pipe systems. Their annual sales are approximately SEK15 million (\$2.2 million)</p>		
Indutrade AB	Acquires Eco Analytics	March	<p>Based in Switzerland Eco Analytics expertise is in gas detection. They offer a complete line of fixed point gas detectors for the pharmaceutical, chemical, power and food industries. Annual sales are approximately SEK 22 million (\$3.3 million)</p>		
KSB	Acquires 80% interest in T Smedegaard A/S	February	<p>Based in Copenhagen, Smedegaard manufactures circulating pumps for heating systems. Smedegaard pumps will be part of KSB's building services pump offering.</p> <p>The acquisition is aimed at securing KSB's building services project business in the area of HVAC.</p>		

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National Oilwell Varco	Acquires Wilson distribution business from Schlumberger	April	Wilson is a leading distributor of pipe, valves and fittings, as well as mill, tool and safety products and services to the international energy business and to other industrial customers.	Cash	
National Oilwell Varco	Acquiring CE Franklin	May	CE Franklin distributes pipe, valves, flanges, fittings, production equipment, tubular products and other general oilfield supplies, including progressing cavity pumps, to oil & gas producers in Canada as well as to the oil sands, refining, heavy oil, petrochemical, forestry and mining industries		C\$240 million (\$238 million)
Pentair	Merges with Tyco Flow Control	March	The transaction is said to align with Pentair's strategy to expand globally, invest in high growth platforms and leverage the Pentair Integrated Management System. The combination is expected to generate substantial synergies. Tyco Flow Control manufactures valves and controls for the energy, mining and water markets. It also designs and installs heat management systems for the energy and general process industries.	All stock	\$4.9 billion
Sany Heavy Industry Co Ltd (China) and CITIC PE Advisors (Hong Kong)	Acquiring Putzmeister Holding GmbH	February	Based in Aichtal Germany Putzmeister manufactures construction machinery, particularly concrete pumps for the building and mining industries, as well as for tunnel construction and large scale industrial projects. 2011 sales were approximately €570 million (\$762 million) and they have 3000 employees.		
Weir Group plc	Acquiring Novatech LLC	January 2012	Based in Dallas Texas, Novatech is a manufacturer of well service pump valves and valve seats for upstream oil and gas applications	Cash	\$176 million
WPIL International Pte Ltd (Singapore subsidiary of India based WPIL Ltd)	Acquiring the pump business of PSV Holdings Ltd including APE Pumps, Mather + Platt, PSV Properties, PSV Services and PSV Zambia.	February	The pump business of PVS manufactures mainly in South Africa and Zambia. They supply aftermarket services, pumps and valves to water and mining operations throughout Africa. The PVS pump product line includes: vertical turbine, split-case, end-suction, vertical sump and API 610 pumps as well as internal gear pumps.	Cash	R54 million (\$6.4 million)

Note: Amounts shown as \$ are USD unless noted otherwise. Currency conversions are done at the average exchange rate for the month in which the transaction is announced.

Sources: Capital IQ, Elsevier Pump Industry Analyst, Company Announcements, SEC Filings

Global Equity Consulting and City Capital Advisors

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