

## **SPX Announces Definitive Agreement to Sell its Service Solutions Business to Robert Bosch GmbH for \$1.15 Billion**

January 24, 2012 6:31 AM ET

### **SPX Also Announces its Intent to Allocate at Least \$350 Million to Share Repurchases and Approximately \$350 Million to Debt Reduction**

CHARLOTTE, N.C., Jan. 24, 2012 /PRNewswire/ -- SPX Corporation (NYSE: SPW) today announced that it has entered into a definitive agreement to sell its Service Solutions business to Robert Bosch GmbH for \$1.15 billion in cash.

This sale is subject to normal closing conditions, regulatory and other approvals and is expected to be completed in the first half of 2012. Upon completion, SPX expects to record an after-tax book gain of approximately \$450 million dollars or \$8.65 per share.

"The sale of Service Solutions represents the latest significant development in the transformation of SPX," said Chris Kearney, SPX Chairman, President and CEO. "This divestiture narrows our strategic focus and enhances our ability to build out our Flow Technology segment. Flow Technology is the foundation of our company and we now expect that segment to represent more than 50 percent of our revenue going forward."

Kearney also said, "We anticipate after-tax proceeds of approximately \$1 billion which will significantly increase our liquidity and financial flexibility. With respect to capital allocation, we plan to commit approximately \$350 million to debt reduction, including the funding of our 2013 debt maturities, and de-lever into our target gross leverage range of 1.5 to 2.5 times during 2012. We also intend to enter into a plan, subject to the terms of our credit agreements, to repurchase a minimum of \$350 million of equity. After these actions, we expect to have approximately \$1.5 billion of liquidity in 2012 and will evaluate additional strategic acquisitions and/or share repurchases consistent with our capital allocation methodology."

David Kowalski, SPX segment president said, "We are proud that we transformed Service Solutions from a domestic hard tool manufacturer into a global supplier of diagnostic solutions, hard tools and repair information services. Bosch is dedicated to the automotive service sector and has strong relationships with vehicle original equipment manufacturers worldwide. We believe Service Solutions is a very good strategic fit with Bosch."

Credit Suisse Securities (USA) LLC acted as a financial advisor to SPX on the Service Solutions transaction.

### **2012 Financial Reporting**

Management expects the sale of Service Solutions, subsequent uses of capital and other potential actions related to this divestiture to have a material impact on its 2012 financial results. Additionally, management cannot at this time accurately predict the timing of the completion of this divestiture or the planned uses of capital because of the required regulatory reviews and other conditions.

In conjunction with this transaction, management is also reassessing its global initiatives and cost structure, which could result in additional actions in 2012.

Due to these factors, SPX is withdrawing its 2012 guidance. Rather than issue revised guidance, SPX will provide a pro forma modeling framework for 2012 earnings from continuing operations to assist analysts and investors. This information will be included in the webcast slide presentation referred to below.

SPX plans to begin reporting Service Solutions as a discontinued operation in Q1 2012 and will no longer report the Test and Measurement segment. The other businesses previously included in the Test and Measurement segment will be reported in the Industrial Products and Services segment beginning in Q1 2012.

### **Conference Call**

SPX management will hold a conference call at 9:00 am Eastern time on Tuesday, January 24, 2011 to discuss the details of this announcement. Those interested in participating in the conference call should dial in five minutes prior to the start of the call. The call will be simultaneously webcast via the company's website at <http://www.spx.com/> and the slide presentation will be available in the Investor Relations section of the site.

Dial in: 1-866-510-0707

From outside the United States: +1 617-597-5376

Participant code: 76704469

The replay of the web cast will be available on SPX's website through Tuesday February 7th.

A replay of the call will be available by telephone through Tuesday January 31st.

To listen to a replay of the call

Dial in: 888-286-8010

From outside the United States: +1 617-801-6888

Participant code: 86045493

## **About SPX**

Based in Charlotte, North Carolina, SPX Corporation (NYSE: SPW) is a global Fortune 500 multi-industry manufacturing leader with over \$5 billion in annual revenue, operations in more than 35 countries and over 18,000 employees. The company's highly-specialized, engineered products and technologies are concentrated in three areas: Flow Technology, infrastructure, and vehicle service solutions. Many of SPX's innovative solutions are playing a role in helping to meet rising global demand for electricity, processed foods and beverages and vehicle services, particularly in emerging markets. The company's products include food processing systems for the food and beverage industry, power transformers for utility companies, cooling systems for power plants; and diagnostic tools and equipment for the automotive industry. This description of SPX does not contemplate the pending sale of the Service Solutions business. For more information, please visit [www.spx.com](http://www.spx.com).

Certain statements in this press release, including any statements relating to consummation of the contemplated transaction or intentions relating to use of capital, may be forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and are subject to the safe harbor created thereby. Please refer to our public filings for a discussion of certain important factors that relate to forward-looking statements contained in this press release. The word "expect," "believe," "planned" and similar expressions may identify forward-looking statements. Although the company believes that the expectations reflected in its forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. Statements in the press release speak only as of the date of this press release, and SPX disclaims any responsibility to update or revise such statements.

## **SOURCE SPX Corporation**

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