Global Equity Consulting, LLC
Investment Banking & Business Development

FLUID HANDLING INDUSTRY MARKET REPORT

Market Outlook Report Q3 2012 September 2012

Fluid Handling Industry

State of the Industry and Outlook Report

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State of the Industry and Outlook Report

The following industry information has been compiled by Global Equity Consulting, LLC and City Capital Advisors, investment banking advisors to the Fluid Handing Industry (FHI). The report is a compilation of year-to-date performance and outlook information reported by a select group of fluid handling industry leading companies as well as estimates by financial analysts. We also provide information on the stock performance of each company compared to the S&P 500 for last twelve months as well as industrial production and manufacturing capacity utilization information for selected U.S. industrial segments.

Our purpose is to provide an overview of the state of the industry and outlook in a single report for FHI business owners and managers.

Forward-Looking Statements and Disclaimer

This report contains forward-looking statements based on information published by the companies and independent analysts. The information in this report is not intended for investment purposes. The forward-looking statements involve risk and uncertainties that could cause actual results to differ materially from those expressed or implied in such forward-looking statements. These factors include but are not limited to factors detailed in each company's reports filed with the U.S. Securities and Exchange Commission or other regulatory agencies. Comments or statements are valid only as of the date they were made public (which may be different then the date of this report). Global Equity Consulting, LLC and City Capital Advisors disclaim any duty to update the information contained in this report.

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Colfax Corporation

Primary Markets Served: Marine, Mining, Power Generation, Oil, Gas & Petrochemical, General Industrial & Other

YTD Performance 1st Half 2012 vs. Prior YTD	Revenue Outlook* 2012	Revenue Outlook* 2013
Sales (existing businesses): ↑9.9%[1]	↑$3.9 to $4.0 billion (Initial guidance was $4.0 to $4.1) vs. $3.8 billion 2011 Pro Forma[2]	↑5.50%
Orders (existing businesses): ↑2.6%[1]		

[1] Excludes the impact of foreign exchange rate fluctuations and acquisitions, thus providing a measure of growth due to factors such as price, product mix and volume.

[2] Projected as if recent acquisitions had been included for the full year of 2011

Comments:

Marine Market Perspective
Organic Sales & Order Growth (Decline)

	Q2 2012 vs. Q2 2011	YTD thru Q2 2012 vs. Prior YTD
Sales	(9.0%)	(5.3%)
Orders	7.4%	1.8%

- Primarily served by Colfax Fluid Handling (see www.cofaxcorp.com for product information)
- Comprised of commercial marine and government, or defense customers
- New ship build is down from 2011 peak
- Q2 orders strong for supply vessels and European OEMs
- Q2 sales decline largely Howden fans shipped in 2011 quarter not repeated; pump sales essentially flat

Mining Market Perspective
Organic Sales & Order Growth (Decline)

	Q2 2012 vs. Q2 2011	YTD thru Q2 2012 vs. Prior YTD
Sales	61.4%	41.4%
Orders	(14.1%)	(0.9)%

- Primarily served by Howden (see www.cofaxcorp.com for product information)
- Includes centrifugal and axial fans, providing mine ventilation
- Driven by demand of mined resources, including: coal, iron ore, copper, gold, rare earths, nickel and potash
- Orders slowed due to expectations of reduced capital expenditures and Chinese demand

***Revenue outlook is assumed to be total revenue of continuing operations including acquisitions and the impact of foreign exchange unless otherwise noted.**

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Colfax Corporation

Oil, Gas and Petrochemical Market Perspective Growth; Organic Sales & Orders		
	Q2 2012 vs. Q2 2011	YTD thru Q2 2012 vs. Prior YTD
Sales	6.6%	12.1%
Orders	(11.5)%	(13.5)%

- Served by Howden and Colfax Fluid Handling
- Slowdown in refinery projects from the multi-national oil companies
- National oil companies in Latin America and Russia expanding production and refinery capacity.
- Russia has made commitments to upgrade refineries for low sulfur fuel and invest to modernize existing refineries and add over 50 new ones
- Thomassen Compressor application increases presence in this market

Power Market Perspective Growth; Organic Sales & Orders		
	Q2 2012 vs. Q2 2011	YTD thru Q2 2012 vs. Prior YTD
Sales	15.1%	21.8%
Orders	48.5%	22.2%

- Served by both Howden and Colfax Fluid Handling (see **www.cofaxcorp.com**)
- Driven by global fundamental undersupply of electricity
- Growth is strong in China, South Africa, Southeast Asia and the Middle East

General Industrial & Other Market Perspective Growth; Organic Sales & Orders		
	Q2 2012 vs. Q2 2011	YTD thru Q2 2012 vs. Prior YTD
Sales	13.8%	11.5%
Orders	0.8%	(2.5)%

- Includes both Howden and Colfax Fluid Handling (see **www.cofaxcorp.com** for product information)
- Represents a variety of industrial fans and compressors, tunnel ventilation and pumps serving various industrial needs
- Sales were driven by industrial fans and compressors, and fluid handling's distribution, waste water and chemical processing submarkets

Sources: Colfax Corporation Second Quarter 2012 Earnings Conference Call Presentations dated February 7, 2012 and July 27, 2012; Colfax form 10-Q filed 08/07/12; Analysts estimates as shown in Yahoo! Finance on 4 September 2012.

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Dover Corporation

Primary Markets Served by the Energy and Engineered Systems business segments: Oil and Gas, Chemical, Hygienic, Water and Wastewater, Transport, Military/Marine

YTD Performance 1st Half 2012 vs. Prior YTD	Revenue Outlook* 2012	Revenue Outlook* 2013
Sales: Total ↑11%; Organic ↑6%	Total revenue: ↑8% to 10% Organic revenue: ↑3% to 5%	↑7%
Orders: Total ↑8%		

Note: The segments of the Dover Corporation business that are most directly related to the Fluid Handling Industry are Dover Energy and Dover Engineered Systems (see www.dovercorporation.com for details on products and markets served). The Fluid Solutions Group is part Dover Engineered Systems segment.

The following is information available for those segments:

Revenue 1st Half 2012

Segment	Organic	Acquisitions	Currency	Total
Energy	19%	4%	(1%)	22%
Engineered Systems	8%	4%	(1%)	11%

Revenue Guidance for Full Year 2012

Segment	Organic	Acquisitions	Currency	Total
Energy	10% to 11%	5%	-	15% to 16%
Engineered Systems	3% to 4% (Reduction of roughly 1.5 points from previous guidance)	6%	-	9% to 10%

Comments:

Sequentially, in 2012 bookings were down in Q2 vs. Q1 for both Dover Energy and Engineered systems by 9% and 3%, respectively. Fluid Solutions bookings were up 10% Q2 vs. Q1.

- Revenue in the Fluids Solutions platform was less then anticipated in Q2 with a strong start for Maag Pump (acquired in Q1 2012) being offset by a weaker Europe and China.
- Expect that U.S. industrial markets should be rather stable in the second half.

Sources: Dover Corporation Second Quarter 2012 Earnings Conference Call Presentation and Transcript July 18, 2012; SEC filings; Analysts' estimates as shown in Yahoo! Finance on 5 September 2012.

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Flowserve Corporation

Primary Markets Served: Oil and Gas, Power, Chemical, Mining

YTD Performance 1st Half 2012 vs. Prior YTD	Revenue Outlook* 2012	Revenue Outlook* 2013
Sales: ↑ 6.6%	↑5% to 7%	↑6.0%
Orders: ↑3.3%		

Comments:

Industry Outlook

Oil & Gas

- Outlay of $10-20 billion per year required in U.S. over next 20 years to build pipelines, terminals and storage facilities to bring new oil and gas to market
- Refinery expansions in the Middle East, Asia and Latin America threaten smaller, older, less complex facilities in OECD countries
- Refinery capital and maintenance spend going up with changes made to comply with environmental regulations
- Industry foresees continued high level of CAPEX in unconventional production, including oil sands (W. Canada), subsea and shale.

Power

- Economic development and environmental regulations remain primary drivers for investment in the global power sector
- Interest in renewable energy is growing in new areas; solar picking up in the middle East, China and North Africa
- Nuclear market advances another step forward as China approves Nuclear Safety Plan after nine month review process

Chemical

- Shale gas driving boom in petrochemical sector continues to gain momentum in U.S. with further project announcements and EPC awards
- China accounts for biggest share of petrochemical CAPEX over next few years, with U.S., Middle East and Latin America also very active

Mining

- Project size continues to grow as companies deal with escalating costs by leveraging economies of scale
- Sustained growth anticipated in Australia and Latin America mining though changing economic and regulatory factors may moderate investment
- Major mining companies in South Africa remain reluctant to invest as talks of nationalization of mines continue

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Flowserve Corporation

Regional Outlook

Asia Pacific

- Drive for industrialization will continue to position region as global leader in announced investment activity in power and energy sectors
- China moving forward with investment in LNG as means to address long term energy needs and environmental concerns

Middle East

- Desire for industrial diversification driving Saudi's mega investment in power, refining/petrochemical and water sectors
- Investing to diversify power generation with addition of new gas-fired and renewable power; Middle East and North Africa investing in solar

Europe

- Downward pressure on investment given European debt crisis as well as structural changes in refining and power markets

North America

- Electric utility industry undergoing structural evolution as environmental regulations remain a primary motivation for investment
- Investment in pipelines, terminals and storage facilities on the rise to move new found oil and gas supplies
- [Subsequent to the FLS presentation with the above comments, the U.S. issued an executive order aimed at accelerating investment in industrial efficiency (White House press release dated 30 August 2012) which is expected to expand the use of combined heat and power (CHP) facilities in the U.S.]

Latin America

- Recent large oil and gas discoveries off the coast of Brazil are attracting increased investment activity to the region
- Long-term mining and mineral project activity in the region driven by demand from China and the rest of the Asia Pacific region.

Sources: Flowserve Corporation Q2 2012 Earnings Conference Call Presentation 31 July 2012, SEC filings, White House Press_Release 30 August 2012, Analysts' estimates as shown in Yahoo! Finance on 11 September 2012.

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SPX Corporation

Primary Markets Served: Power Generation, Oil & Gas, Industrial Processes (refining, chemical, biotechnology, mining and mineral processing), food and beverage, vehicle and transit. Infrastructure (HVAC, wastewater treatment, construction and manufacturing equipment)

YTD Performance 1st Half 2012 vs. Prior YTD	Revenue Outlook* 2012	Revenue Outlook* 2013
Sales: Total ↑14.3%; Organic ↑5%	Original Guidance: ↑9% to 14% with ↑1% to 5% organic growth Current Guidance ↓5% to 7%[1]	↑6.3%
Backlog Change from YE 2011: ↓3%		

[1]Assumes divestiture of Service Solutions

Note: The Flow Technology segment is the business segment of SPX that is most directly related to the Fluid Handling Industry. Products and services include engineered pumps, mixers, process systems, heat exchangers, valves, dehydration and drying technologies as well as aftermarket support services (see www.spx.com for detail product information).

The Flow Technologies segment was approximately 54% of total revenue for 1H 2012 (vs. 45% 1H 2011)

SPX announced on 22 December 2011 they had completed the acquisition of Clyde Union Pumps.

Comments:

- Flow Technology End Market Trends:
  - Strong year-over year order growth in oil and gas and food and beverage
  - High level of global demand for oil and gas components and aftermarket services with orders up double digits vs. prior year. Demand has been particularly strong in the U.S. and in the Middle East.
  - Food & Beverage: first half order growth driven by large system orders for add new capacity in Asia Pacific and improve efficiency & sustainability in Europe
  - Industrial market demand was down in Europe in 1H. However this was offset by demand growth in the Americas and Asia Pacific
  - Power & Energy: strong global demand for oil and gas components and aftermarket, particularly in the U.S. and Middle East. Demand in the power generation segment has been soft for ClydeUnion. However in the long term the power market globally is an attractive market (new build in developing markets and a strong need to replace existing infrastructure in Europe and the U.S.).
  - Industrial: Year-over-year order growth in the Americas and Asia Pacific offset by lower order intake in EMEA
  - Full year 2012 targeting 30% to 35% revenue growth. This assumes 3% negative impact from currency adjustments and about 30% growth from acquisitions (3% to 8% organic growth)
- Organic revenue growth in Flow Technology and Industrial segments more then offset organic decline in Thermal segment
- 1H 2012 organic revenue increase driven by strong growth in Asia Pacific (Americas +4%, Europe (5%), Middle East +6%, Asia Pacific +20%).
- Backlog grew in Q1 to $3.1 billion from $3.0 at YE 2011. Backlog declined to $2.9 billion at the end of Q2 due to Q2 revenue execution, currency rate movements and contract acceptance discipline

Sources: SPX 2012 Second Quarter Results presentation and conference call 1 August 2012, SPX announcement 18 January 2012, SPX announcement 16 February 2012, SEC filings, analysts' estimates as shown in Yahoo! Finance on 11 September 2012.

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Xylem Incorporated

Primary Markets Served: Provide equipment and services related to the transport, treatment and testing of water and wastewater in the public utility and industrial markets as well as residential and commercial building services, general industry and agriculture.

YTD Performance 1st Half 2012 vs. Prior YTD	Revenue Outlook* 2012	Revenue Outlook* 2013
Sales: Total ↑1.6%; Organic ↑1.6% Orders: Total ↓0.1%; Organic orders were flat with prior year	Original Guidance ↑4% to 6% organic growth Current Guidance ↑1% to 3% organic growth (vs. 7% in 2011) As Reported Revenue Flat at $3.8 billion	↑4.0%

Comments:

- 1H 2012 Organic Revenue Performance

End Market (% of 2011 Revenue)	1H Organic Growth vs. PY	
Industrial (≈ 40%)	↑	Mid-single digits
Public Utility (≈ 36%)	Flat	
Commercial (≈12%)	↑	Low-single digits
Residential (≈9%)	↓	Low-single digits
Agriculture (3%)	↓	Mid-single digits

Major Geographic Region (% of 2011 Revenue)	1H Organic Growth vs. PY	
U.S. (≈ 36%)	↑	3%
+ Industrial & Residential		
+ Commercial up (Moderating)		
- Public Utility (Dewatering & Projects)		
Europe (≈ 37%)	↓	1%
- Industrial Down Slightly		
- Residential and Commercial Weakness		
= Public Utility Flat		
Emerging Markets (≈19%)	↑	11%
+ Up Across All Regions		

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Xylem Incorporated

- Full Year Outlook
  - Slower Growth in Developed Markets
  - Foreign Exchange Headwind
  - Accelerating Restructuring & Realignment Actions In Face of Economic Uncertainty
  - Delay in bookings from capital projects pushes revenue recognition into 2013

- Projected 2012 End Market Performance vs. 2011 and previous outlook
-

End Market	FY '12 vs. '11	Vs. Previous Outlook	2H Assumptions
Industrial	↑ low to mid single digits	↘	• Weaker Europe • Drought conditions continue • Moderate growth (2H vs. 1H)
Public Utility	Flat to ↑ low single digits	↘	• US/Europe MRO stable • Shippable 2012 project backlog down (CAPEX) • Moderate growth (2H vs. 1H)
Commercial	↑ low single digits	↘	• Energy efficient solutions • Flat to up slightly 2H vs. 1H
Residential	↑ low single digits	No change	• U.S. stable • Europe weaker • Flat to up slightly 2H vs. 1H
Agriculture	↓ low single digits to flat	No change	• Favorable U.S. conditions continue

Sources: Xylem Second Quarter 2012 Earnings Presentation dated 2 August 2012, Xylem Second Quarter 2012 Conference Call 2 August 2012, SEC filings, Analysts Estimates shown on Yahoo! Finance 18 September 2012.

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Applied Industrial Technologies

Primary Markets Served: MRO and OEM customers in a wide range of industrial segments in the U.S., Canada, Mexico and Puerto Rico.

YTD Performance (12 months ending 30 June 2012)	Revenue Outlook* 2012	Revenue Outlook* 2013 for Fiscal Year Ending 30 June 2013
Sales: Total ↑7.3%, ↑6.6% without acquisitions.	Not Reported	Total: ↑9% to 13% Organic: ↑6% to 10%
Orders: Not reported		

Notes: AIT has two reportable business segments: Service Center Based Distribution and Fluid Power Businesses. The Service Center Based Distribution segment provides solutions to maintenance, repair and original equipment manufacturing needs through the distribution of industrial products including bearings, power transmission components, industrial rubber products, linear motion products, safety products, general maintenance and a variety of mill supply products.

The Fluid Power Businesses segment distributes fluid power components and operates shops that assemble fluid power systems and components, performs equipment repair, and offers technical advice to customers.

For the fiscal year ending 30 June 2012 the Service Center Based Distribution segment accounted for 80% of total sales and the Fluid Power Businesses accounted for 20% of total sales.

The Company completed the acquisition of SKF Distribution in Australia and New Zealand on 1 August 2012. Management reports this acquisition has annual sales of approximately $83 million (USD) and was acquired for a purchase price described by management as being in the mid-thirty million-dollar range.

Comments:

- Historically AIT performance correlates well with Manufacturing Capacity Utilization (MCU) index published by the Federal Reserve Board. The Company reports their sales tend to lag the MCU by up to six months.
- Industrial production in the U.S. increased at an annual rate of 1.4% in the second quarter of 2012
- In June, manufacturing capacity utilization moved up to 77.7%. This is 13.9 percentage points above its trough in June of 2009 but still 1.1 percentage points below its long-run average. [Editors note: see the capacity utilization information in this report for a capacity utilization rates by industrial segment]
- Net sales of the Service Center Based Distribution segment increased 7.6% in FY 2012 vs. FY 2011 (acquisitions accounted for 0.9% of the growth).
- Net sales of the Fluid Power Businesses segment increased 6.5% in FY 2012 vs. FY 2011. Management did not indicate any acquisition growth for this segment in FY 2012.
- The Company is optimistic about the U.S. industrial economy for their fiscal 2013. They foresee an industrial growth rate of 3% in 2013.

Sources: Applied Industrial Technologies Press Release 9 August 2012, Applied Industrial Technologies 2012 Annual Report, SEC 10-K filed 15 August 2012, Applied Industrial Technologies Earnings Conference Call 9 August 2012.

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DXP Enterprises, Incorporated

Primary Markets Served: General Manufacturing, Oil & Gas, Petrochemical, Mining, Food & Beverage, Pulp & Paper, Construction, Service & Repair, Wood Products, Chemical, Municipal.

YTD Performance (Six months ending 30 June 2012)	Revenue Outlook* 2012	Revenue Outlook* 2013
Sales: Total ↑35%; Organic ↑16.4%	Total: ↑35.5%	Total: ↑17.1%
Orders: Not Reported	The Company's objective for organic growth is 10%.	

Note: DXP Enterprises, Inc. is engaged in the business of distributing maintenance, repair and operating (MRO) products, equipment and service to industrial customers. The company is organized into three segments: Service Centers, Supply Chain Services (SCS) and Innovative Pumping Solutions (IPS).

The Company completed three acquisitions in Q2 2012 for a total transaction consideration of $36.9 million, which is six times acquisition EBITDA of $6.2 million

On 1 May 2012 the Company announced the purchase of HSE, a Canadian company that is one of the largest providers of industrial health and safety services in Canada with a focus on the oil and gas market. The total transaction value was approximately $85 million, including the assumption of approximately $4 million in debt and $3 million in transaction costs. Sales and EBITDA for HSE for the last twelve months ending 31 May 2012 were approximately $109 million and $19 million, respectively.

Comments:

- The YTD organic growth is due primarily to improvement in the oil and gas and manufacturing portions of the U.S. economy.
- The Company sees the U.S. oil and gas businesses as being very strong, particularly the mid-stream segment of the market with a lot of new pipelines being put in.
- The Company also sees strength in the U.S. chemical industry due to relatively low cost of gas.
- The mining industry is maintaining the status quo.
- They see the agriculture industry being soft due the drought conditions.
- There are uncertainties in the market and headwinds that are causing delays in end-market CAPEX projects.

Sources: DXP Enterprises, Inc. Earning Call 1 August 2012, DXP Enterprises, Inc. 10-K filed 8 August 2012, Analysts estimates as shown in Yahoo! Finance 15 September 2012, DXP Enterprises, Inc. Press Release 22 July 2012.

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Stock performance of selected U.S. based fluid handling manufacturing companies compared to the S&P 500 Index through 31 August 2012:

Stock performance of selected U.S. based fluid handling distribution and aftermarket service companies compare to the S&P 500 Index through 31 August 2012:

Source: Yahoo! Finance

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Percent change of industrial production for selected U.S. Industrial segments - seasonally adjusted

Item	NAICS	Annual Rate			Monthly Rate						Aug '11 To Aug '12
		2011	2012								
		Q4	Q1 (r)	Q2 (r)	Mar (r)	Apr (r)	May (r)	Jun (r)	Jul (r)	Aug (p)	
Total IP		5.1	5.9	2.6	-0.6	0.8	0.0	0.1	0.5	-1.2	2.8
Food Bev & Tobacco	311,2	2.1	4.0	-0.2	-1.3	1.0	-0.6	0.4	0.9	-0.1	2.6
Textile & Product Mills	313,4	5.2	9.4	-4.3	-1.6	0.6	-2.3	2.0	-1.1	-1.0	1.6
Paper	322	1.6	-0.3	-5.5	-1.9	0.8	-0.7	-2.4	-0.2	-0.3	-2.9
Petroleum and Coal	324	5.1	0.4	-8.9	-1.7	-2.5	0.8	-0.4	-0.1	0.5	-1.6
Chemicals	325	0.8	3.7	-4.8	-0.5	0.2	-1.3	0.0	-0.2	-0.3	-0.8
Plastics and Rubber	326	1.0	6.2	0.3	-0.7	0.6	-1.1	0.8	1.8	-1.6	2.3
Mining (includes O&G extraction)	21	15.7	0.5	0.2	-0.1	0.6	0.0	0.6	1.0	-1.8	3.0
Electric	2211	-13.1	-8.4	19.6	1.2	1.3	5.3	-3.9	1.5	-4.2	-5.0

Manufacturing Capacity Utilization rates for selected U.S. industrial segments – seasonally adjusted

Item	NAICS	Annual Rate			Monthly Rate									
		1972 - 2011 Avg.	1994 - 1995 High	2009 Low	2011 Q4	2012		2012 Monthly Rates						
						Q1	Q2	Mar (r)	Apr (r)	May (r)	Jun (r)	Jul (r)	Aug (p)	
Total Industry		80.3	85.0	66.8	77.9	78.7	78.9	78.4	79.0	78.9	78.9	79.2	78.2	
Food, Bev & Tobacco	311,2	81.1	86.1	75.7	79.0	79.7	79.3	80.2	79.0	79.7	79.2	79.1	79.4	
Textile & Product Mills	313,4	80.3	91.9	53.8	68.0	69.9	69.5	70.5	69.5	70.0	68.6	70.0	69.1	
Paper	322	86.9	92.6	71.8	81.5	81.8	81.2	82.5	81.1	82.0	81.6	80.1	80.4	
Petroleum and Coal	324	85.7	90.9	76.0	86.3	86.3	85.0	87.5	86.1	84.2	85.1	85.8	85.4	
Chemicals	325	77.7	81.9	65.0	77.7	78.2	77.1	78.1	77.5	77.5	76.8	77.1	76.9	
Plastics and Rubber	326	82.2	92.5	58.0	77.5	78.5	78.2	79.0	78.4	78.7	77.7	78.3	78.7	
Mining (includes O&G extraction)	21	87.3	88.6	78.5	90.2	89.8	89.3	89.4	89.0	89.3	89.2	89.5	90.4	
Electric	2211,2	86.3	93.3	79.1	75.6	72.5	75.5	72.9	72.3	73.9	77.7	74.9	75.7	

r = revised, p = preliminary
Source: Federal Reserve Board Industrial Production and Capacity Utilization G-17 Tables 1&7, dated 14 September 2012)

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Overview Commentary

- In general the U.S. based multi-national companies are reporting more headwinds then anticipated due to the weak economic conditions in Western Europe, a slow-down in growth in China and the strength of the U.S. dollar.
- As can be seen in the comments and the U.S. data, economic activity was softer in Q2 vs. Q1 2012 (and Q4 2011).
- While most companies see growth for the full year 2012 vs. 2011 the rate of growth has slowed substantially.
- The companies mostly see Q3 being +/- flat with Q2 and growth occurring in Q4 due to normal seasonality as well as improved market conditions (including reduced uncertainty) causing improvement in CAPEX project activity.
- In the U.S. market the only industrial segment with a capacity utilization rate above its long-term (1972-2011) average is the mining sector, which is most likely due to oil and gas extraction activity.
- Other U.S. industrial segments mentioned as having strong outlooks are mid-stream oil and gas, chemical and general manufacturing.
- Municipal water CAPEX projects in the U.S. are experiencing delays.
- Geographically the U.S. based multi-national companies are seeing the most growth occurring in the Asia Pacific, the Americas and the Middle East. These geographies are having project growth primarily in oil and gas and power although water and wastewater is expected to be a good long-term opportunity.
- The equity markets also seem to be rewarding companies who are taking advantage of the low cost of debt to aggressive pursue of acquisition opportunities to achieve market and product extensions and/or restructure their balance sheets to enhance returns to shareholders.
- The companies that have a significant exposure the to energy (mostly oil and gas but also power generation in the world growth areas) industrial segments or serving the U.S. industrial MRO and OEM market are being rewarded above the S&P 500 index.
- The Mcilvaine Company (news release dated August 2012) indicates the pump market will grow by 5% to 6% in 2013, which seems consistent with the outlook of the financial analysts who follow the multi-national companies covered by this report. This compares to a projected real growth rate in global GDP of 3.0%. (Source: World Bank Global Outlook June 2012).

Global Equity Consulting and City Capital Advisors

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