



### January 2011

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### Power Transmission Headlines

**January 10, 2011 – Alcoa, Inc.** reported Q4 2010 earnings of \$0.21 cents per share compared to analysts' expectations of \$0.19 cents per share. The company projected aluminum demand to increase 12% in 2011, driven primarily by increases in automotive and aerospace manufacturing.

**January 10, 2011 – Caterpillar, Inc.** announced plans to construct a 645,000 square-foot manufacturing facility in Thailand. The facility will manufacture underground mining equipment to satisfy demand in developing countries. Production is expected to begin in late 2012.

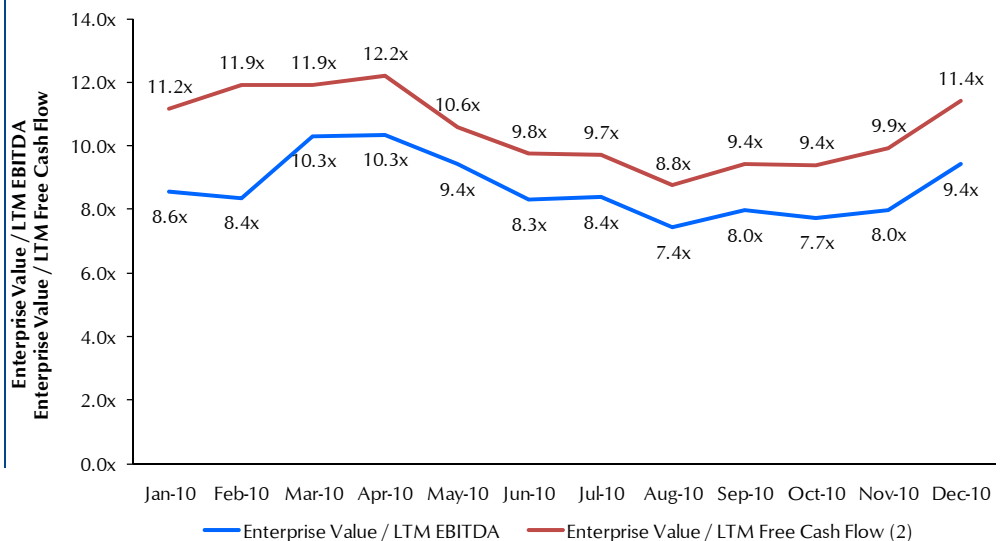
**January 7, 2011 –** Defense Secretary Robert Gates recommended cancellation of **General Dynamics'** \$15 billion Expeditionary Fighting Vehicle (EFV). Gates also announced that the Department of Defense would purchase 25% fewer F-35 fighter jets between 2011 and 2016. These actions are part of the Department of Defense's plan to eliminate \$178 billion from the defense budget over the next five years.

**December 27, 2010 – Dresser-Rand Group, Inc.** announced the award of approximately \$250 million of contracts for compressor and power generating equipment. The projects include turbomachinery installations at five offshore sites, ranging from Southeast Asia to the Gulf of Mexico.

**December 17, 2010 –** The U.S. House of Representatives approved a one-year extension of the **1603 Program**, an investment tax credit for renewable energy, including wind power.

**December 7, 2010 – Fairfield Manufacturing Company** announced a \$53.1 million capital investment over the next three years at its Lafayette, Indiana facility. The company also announced that Gary Lehman, CEO of Fairfield since 2003, would take over as CEO of **Oerlikon Drive Systems**.

### Power Transmission Trading Multiples<sup>(1)</sup>



(1) Based upon median of comparable companies, as defined on Page 3.  
 (2) Defined as EBITDA minus capital expenditures.