

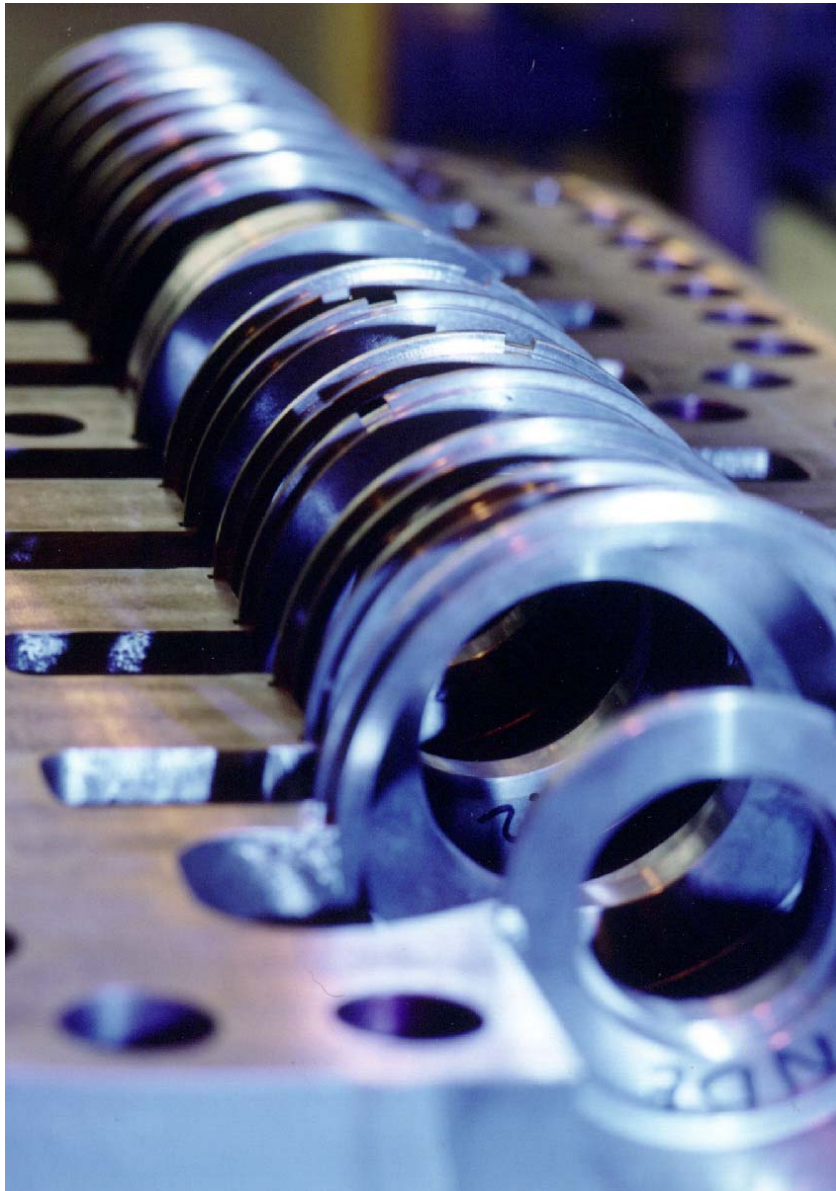
A close-up, high-speed photograph of a Sulzer pump's internal components. The image shows a central rotor with several curved vanes, surrounded by a stator with corresponding slots. The entire assembly is filled with a liquid, likely water, which is being pumped. The lighting is dramatic, with a strong blue tint and bright highlights on the moving parts, creating a sense of motion and power. The Sulzer logo is visible in the top right corner.

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Capital Market Day 2005

Sulzer Pumps

Ton Büchner, Division President



■ Products and Services

- Development, production, and sale of centrifugal pumps (customized and configured) for both new and replacement installations
- Provision of service, maintenance, retrofits, upgrades, and spare parts

■ Customer Benefits

- Sulzer pumps are key reliability components for many industrial processes
- Global customer support network including over sixty service centers ensure constant support
- Leading technology provider regularly rolls back application limits for focus market production processes

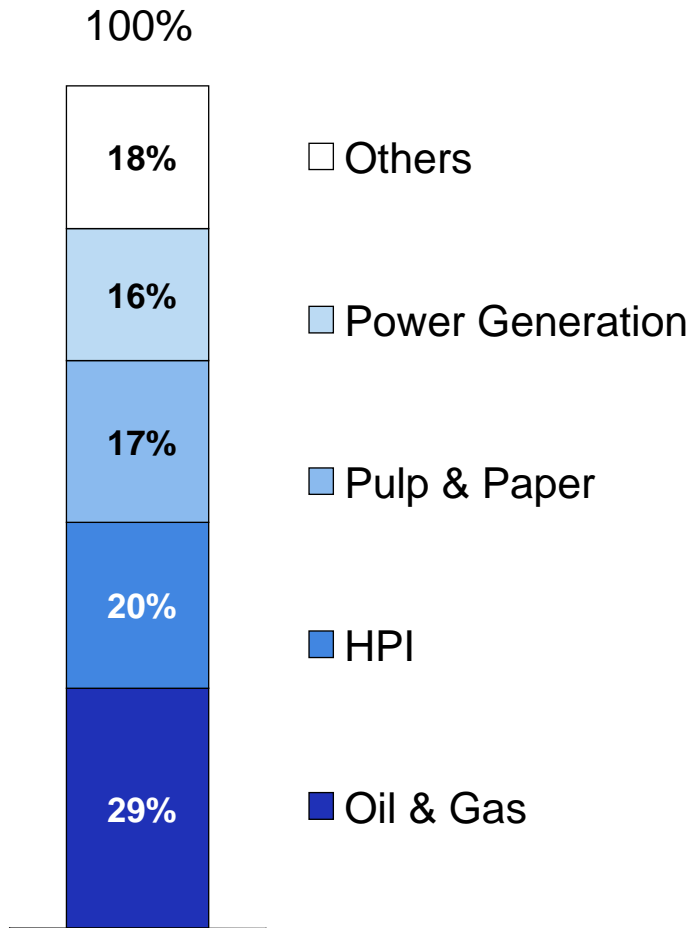
■ Key Figures 2004 (in million CHF)

- | | |
|--|-------|
| ■ Orders received | 1 073 |
| ■ Net sales | 1 002 |
| ■ Operating income (EBITA) | 64 |
| ■ Personnel employed (number as per 12/31) | 4 983 |

Orders Received Split by Segment and Market Area

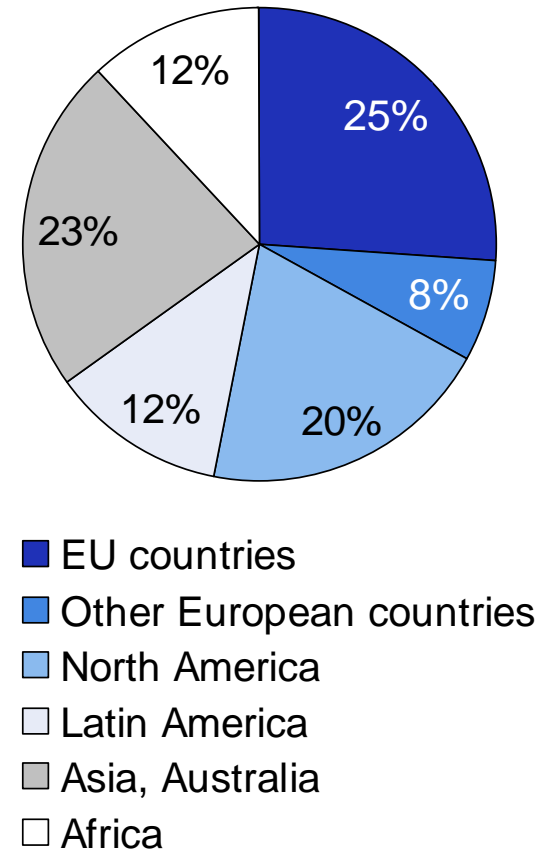
Orders received 2004 by segment

Total CHF 1,073 million



Orders received 2004 by market area

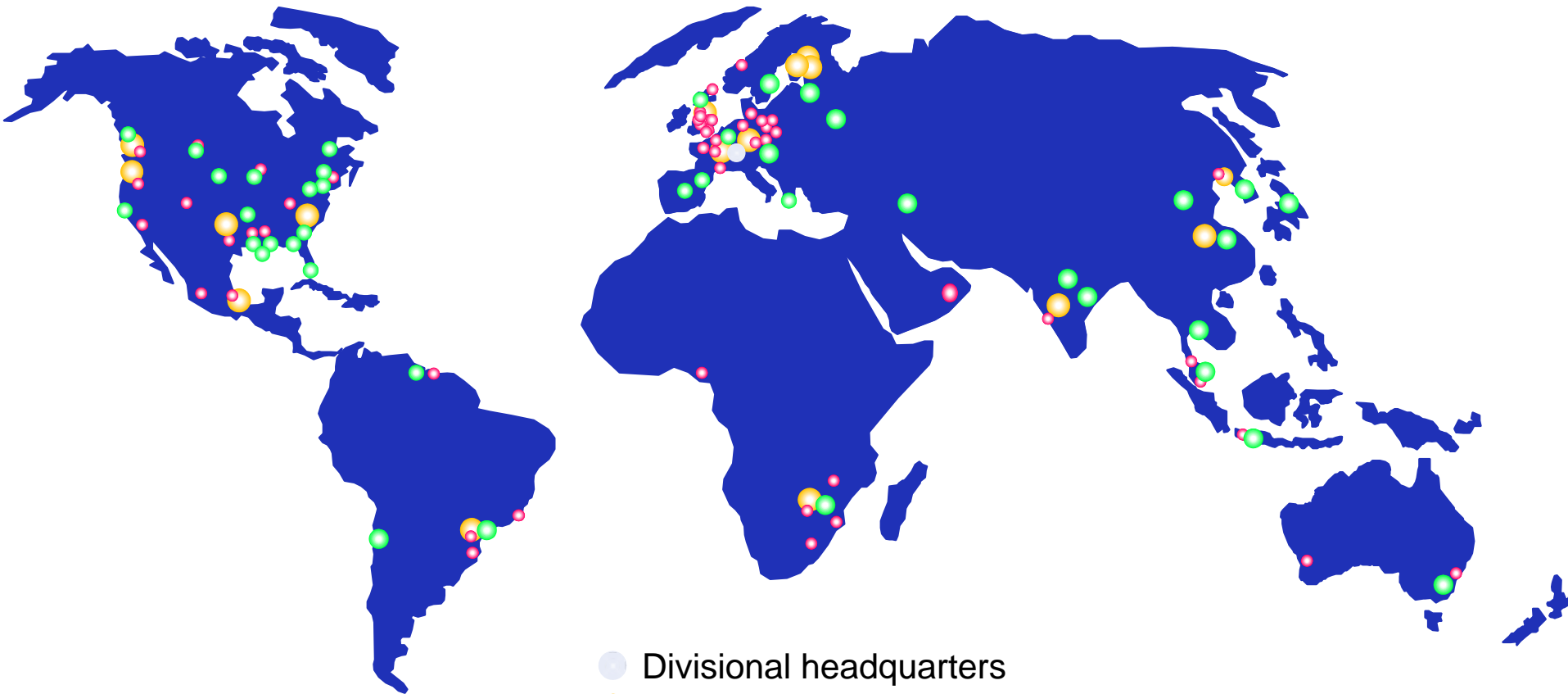
Total CHF 1,073 million



Truly Global Operations and Service Network Expanded by Acquisition and Organically

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Sulzer Pumps



- Divisional headquarters
- Manufacturing facilities 14
- Customer support service centers 56
- Sales offices 36

Sulzer Pumps Service Covering All Brands

Spare Parts

- Genuine parts
- Service and overhaul kits
- Bearing units
- Exchange units
- Parts for non-Sulzer equipment

Field Service

- On-site repairs
- Installation services
- Inspections
- Start-up services
- Commissioning
- Training
- Remote monitoring
- Troubleshooting

Repairs

- Service center repairs
- Renewals
- Refurbishment

Major Retrofits

- Hydraulics
- Upgrades
- Coatings
- Engineering
- Cartridges

Long Term Contracts

- PBMA
- Consortium maintenance
- Inventory management
- Parts hotels



Major Customers

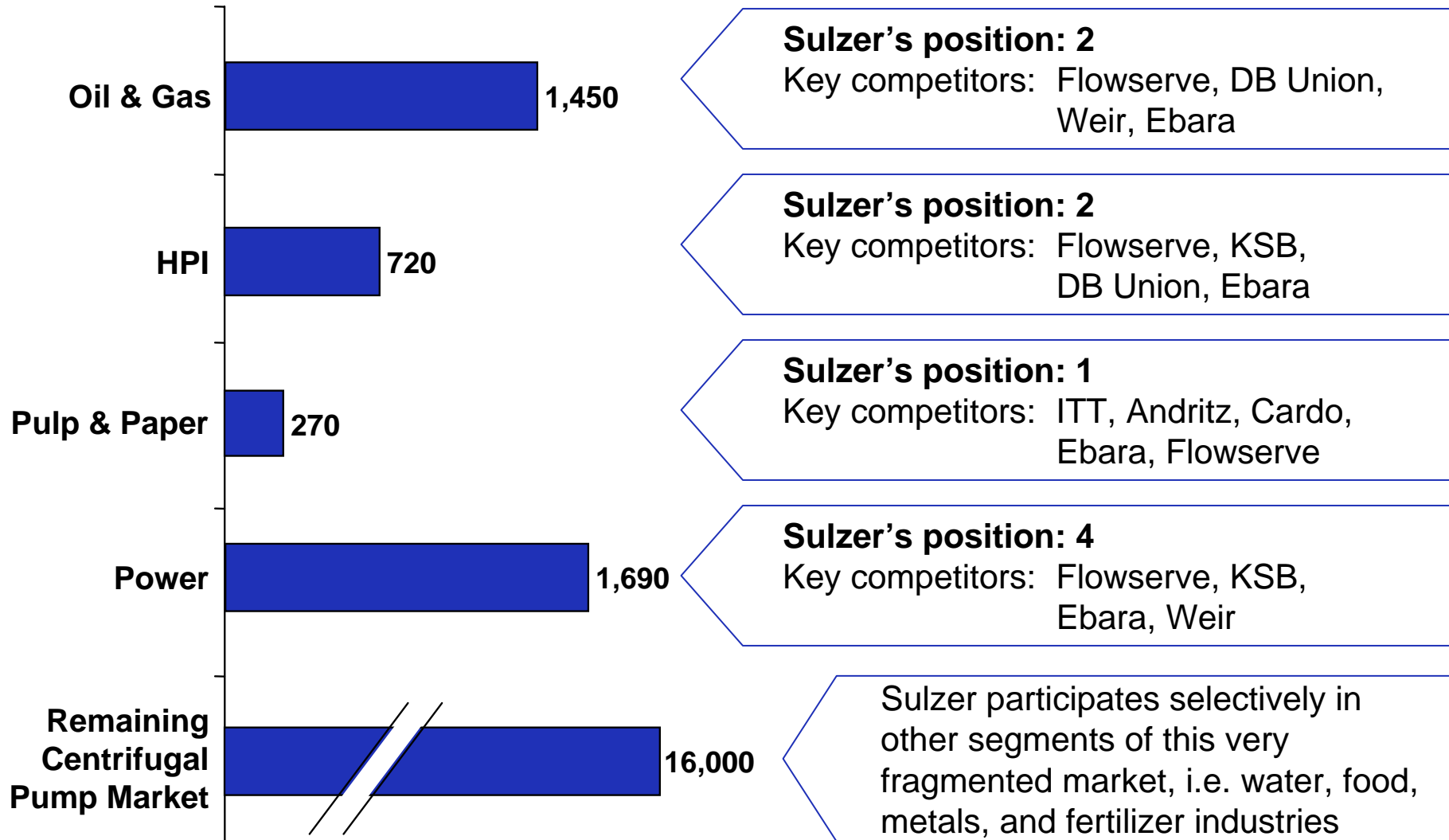
| Segment | Oil & Gas / HPI | Pulp & Paper | Power | Water |
|---------------------------------|--|---|---|---|
| Global Customers | | | | |
| End Users | <ul style="list-style-type: none"> ■ Exxon Mobil, Chevron, BP, ConocoPhillips, Shell, Total, BASF, etc. | <ul style="list-style-type: none"> ■ Int'l Paper, UPMK, Stora Enso, etc. | <ul style="list-style-type: none"> ■ RWE, Int'l Power etc. | <ul style="list-style-type: none"> ■ Veolia, ABB, Alstom, etc. |
| Contractors | <ul style="list-style-type: none"> ■ AkerKvaerner, Technip, Fluor, JGC, KBR, etc. | <ul style="list-style-type: none"> ■ Andritz, Voith, Metso, etc. | <ul style="list-style-type: none"> ■ Siemens, Ansaldo, Alstom, Bechtel | <ul style="list-style-type: none"> ■ Local water utilities, water ministries, etc. |
| Regional/Local Customers | <ul style="list-style-type: none"> ■ Petrobras, CNOOC, Sinopec, CNPC, Reliance, Aramco, etc. | <ul style="list-style-type: none"> ■ Veracel, IPP, Santa Fé, etc. | <ul style="list-style-type: none"> ■ SPEM, BHEL | |

Market Situation and Outlook

| Segment | Present Situation | Outlook 2006/07 |
|--|--|--|
| Oil & Gas | Strong activity in Oil and gas | Market strong in 2005 overall, probably softening in Q2/Q3 2006 into 2007 |
| Hydrocarbon Processing Industry | Economic recovery impacts project activity. Opportunities in Iraq; support for hurricane damage | Outlook is cautiously optimistic. Middle East activity level is rather high on large projects. Western world may restart upgrades and expansions (due to shortage) |
| Pulp & Paper | Relatively strong in pulp; weaker in paper | Outlook: moderate level of activity; investments mainly from Asia and South America. Softening overall expected |
| Power | Initial activity visible. Expecting growth after long period of low activity in the West | Improvement expected. Opportunities in the Asia Pacific region already active. Europe and North America expected to strengthen |

Industry Structure

Estimated three year average market size for new pumps, million CHF



Competitive Picture

| Main Competitors | Sulzer | ITT | Flow-serve | KSB | Weir | DB Union | Cardo/ABS |
|--|--------|-----|------------|-----|------|----------|-----------|
| Oil & Gas | ■ | | ■ | | ■ | ■ | |
| HPI | ■ | ■ | ■ | | | ■ | |
| Pulp & Paper | ■ | ■ | ■ | | | | ■ |
| Power | ■ | | ■ | ■ | ■ | | |
| Food, Metals, Fertilizer ¹⁾ | ■ | ■ | ■ | | ■ | | |
| Water and Sewage ¹⁾ | | ■ | ■ | ■ | ■ | | ■ |
| Chemical Industry ¹⁾ | | ■ | ■ | ■ | | | |
| General Industry ¹⁾ | | ■ | ■ | ■ | | | |

¹⁾ Others

Announced

December 16, 2003

Sulzer Pumps
Operational
Excellence
Program

Global initiatives

- Net working capital
- Overhead optimization
- Design to cost
- Lean manufacturing
- Pricing and project management

Factory network optimization

- Reduction of “Western” facilities (incl. real estate sales)
- Expansion of “Eastern” facilities
- Rationalization and layout changes.

Sulzer Pumps: Continued Innovative Strength. New Product Introductions 2004/2005

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Oil & Gas: 27 MW pumps

- 4 delivered in 2004 and 3 new ordered
- Still the world record (with large distance to No. 2)

Oil & Gas: LNG pumps

- Improved—reintroduced in 2004—first delivered
- Significant order intake achieved

Power: FGD pumps

- Reintroduced in 2004; active regular order intake

Pulp & Paper: new Ahlstar^{UP}

- Fully new product line introduced in 2005
- Focused at energy savings for the customer

Continued new
or updated product
introductions

Acquired Companies: Integration of Paco, Johnston, and Crown Product Lines



- The main manufacturing and assembly plant for both product lines is a 250,000 square foot facility in Brookshire, Texas



- The Wuxi facility in China is used for component sourcing and partial assembly of Paco pumps
- Complete pumps are also assembled for the local Chinese and regional market



Acquired Companies: Integration of Paco, Johnston, and Crown Product Lines



- Full Sulzer management
- Renamed to Sulzer
- Sulzer operational improvement program in execution
- Three service centers merged
- Sales force merged
- Operations newly laid out

- Management optimized
- Sales forces integrated in one location
- Growth of local supply significant
- Sourcing ability merged

Financial Performance January–June 2005

| in million CHF | 2005 | 2004 | △ |
|--|-------|-------|--------|
| ■ Orders received | 680.5 | 540.0 | 26.0 % |
| ■ Net sales | 546.9 | 461.9 | 18.4 % |
| ■ Order backlog | 693.1 | 508.2 | 36.4 % |
| ■ EBITDA | 54.4 | 36.0 | 51.1 % |
| ■ EBITA | 41.6 | 23.8 | 74.8 % |
| ■ ROS (EBITA/sales) | 7.6% | 5.2% | |
| ■ Personnel employed (in numbers as of June 30/December 31) | 5 135 | 4 983 | |

Midrange Targets

| in million CHF | 2003 | 2004 | Midterm Targets |
|--|--------------------|-------|------------------------|
| ■ Orders received | 951 | 1 073 | Organic growth 4–6% |
| ■ Net sales | 870 | 1 002 | |
| ■ Order backlog | 429 | 508 | |
| ■ EBITDA | 52 | 88 | |
| ■ EBITA | 48 ¹⁾ | 64 | |
| ■ ROS (EBITA/sales) | 5.5% ¹⁾ | 6.4% | ≥8% ROS |
| ■ ROCE (EBITA/capital employed) | 11.4 ¹⁾ | 17.1% | >16% ROCE |
| ■ Personnel employed (in numbers as of December 31) | 4 492 | 4 983 | |

¹⁾ without exceptional charges for restructuring of CHF 23 million

Sulzer Pumps in the Three-Step Model

External Growth

- Expand service and aftermarket activities
- Take advantage of acquisition opportunities (selectively)

Organic Growth

- Close to customer—further alliance building
- Strengthen position in attractive segments
- Technology leadership and new products

Operational Excellence

- Complete factory network optimization and integration
- Global initiatives: continued process improvements in new equipment and CSS
- Complete integration of Johnston, Paco, and Crown

Summary



- Focusing on long-term value creation
 - Goal is to increase operating margins to our peer group level and beyond
 - Grow organically and through selective acquisitions
 - Focus on strengthening position in attractive segments
 - Taking full advantage of technological leadership
- Strengthening operational performance

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Safe Harbor Statement

THE SAFE HARBOR STATEMENT UNDER THE US PRIVATE SECURITIES LITIGATION REFORM ACT 1995

This presentation contains forward-looking statements, including, but not limited to projections of future performance of materials and products, containing risks and uncertainties. These statements are subject to change based on known risks detailed from time to time in the company's relevant filings and other known and unknown risks and various other factors which could cause the actual results or performance to differ materially from the statements made herein.