

NEWS RELEASE

Issued on behalf of Flowtech Fluidpower PLC
Immediate Release (07.00hrs)

The information contained within this announcement is deemed by the Company to constitute inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

FLOWTECH FLUIDPOWER PLC

("Flowtech", the "Group" or "Company")

Acquisition of Orange County Limited

London: Monday, 10 July 2017: AIM listed specialist technical fluid power products supplier **Flowtech Fluidpower plc (LSE: symbol FLO)**, is pleased to announce the further strengthening of its **Process** division through acquisition of Orange County Limited ("OCL" or the "Acquisition").

ACQUISITION OF ORANGE COUNTY

On Friday, 7 July 2017, Flowtech completed the acquisition of the business and assets of OCL, an exclusive UK supplier and distributor of high-quality products for the storage and movement of fuels, liquids and gases.

OCL was founded in 1994 and holds a market leading position in the UK. The business employs in total 18 people at its site in Spennymoor, County Durham. OCL will operate as an independent sister company within the Flowtech Group and will continue to be managed by the current executive management team who have been in place for many years, reporting directly to Flowtech's CEO, Sean Fennon.

The Acquisition provides a further complementary business to the Group and establishes relationships with world-leading manufacturers of pipes, valves, gauges and leak detection equipment, including Brugg Pipesystems in Germany and Ebsray Pumps in Australia. It is focused on technical sales, provided by experienced sales engineers to a wide range of end users from fuel supply systems for the automotive industry to cooling systems on the London Underground, as well as large Data Centres across the UK.

For the year ended 31 December 2016, OCL achieved sales of £4.1 million producing EBIT of £1.0 million. Net assets excluding net cash at the same date were £0.8 million. As well as some immediate back office savings, the Group expects to deliver synergy opportunities over the medium term by exploiting the OCL offer across the Group's wider customer base, as well as enhancing internal supply arrangements.

The Acquisition is being funded from Flowtech's own resources and comprises £1.5m on completion with additional payments expected to be c£2.1m subject to an earn-out over the 24-month period to 30 June 2019. The maximum consideration payable is £9.0m. In addition, the Group will pay a sum of £1.7m equivalent to the net cash resources of OCL at the same date. With adjustments to the salary base for the management team post acquisition and current exchange rates reducing margins from previous highs, the Board expects OCL to contribute annual EBIT of c£0.6m in the short to medium term.

Sean Fennon, CEO Flowtech Fluidpower plc commented:

"OCL is the third acquisition we have made this year and we are delighted to expand our knowledge base, add complementary technical products and skilled engineers to the Group's already robust customer offering. We take this opportunity to welcome all new colleagues to the Group and see this momentum as an exciting opportunity for everyone.

We remain committed to our strategic objective of building a focused Fluid Power Group that serves a wide number of industry sectors."

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Note: Flowtech Fluidpower plc has also released a pre-close Trading update for the interim period ended 30 June 2017.

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EDITORS' NOTES

About Flowtech Fluidpower plc:

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Website: www.flowtechfluidpower.com

The business was founded as Flowtech in 1983, and is the UK's leading specialist supplier of technical fluid power products. The Flowtech Group has three divisions: Flowtechnology, Power Motion Control and Process. All three of the Group's divisions have overlapping product sets, allowing procurement synergies to be maximised.

The **Flowtechnology division** focuses on supplying distributors and resellers of industrial MRO (maintenance, repair and operation) products, primarily serving urgent orders rather than bulk offerings. It is formed from Flowtechnology UK, Flowtechnology Benelux and Indequip. It offers an unrivalled range of Original Equipment Manufacturer (OEM) and Exclusive Brand products to over 3,400 distributors and resellers and the catalogues are recognised as the definitive source for fluid power products, containing 100,000 individual product lines and are distributed to more than 80,000 industrial Maintenance, Repair and Overhaul end users (MRO). The **Power Motion Control division** specialises in the design, assembly and supply of engineering components and hydraulic systems and is further enhanced by a service and repair function. The division is formed from Primary Fluid Power, Nelson Hydraulics, TSL Fluidpower and HTL. The **Process division** focuses on the supply of industrial components to the process sectors.

The Group's **main distribution centre** is in Skelmersdale, Lancashire with further distribution centres in the Netherlands and China. The **Power Motion Control division** (PMC) has operations in Merseyside, Northern Ireland, the Republic of Ireland, Shropshire and Yorkshire; **Process** operates from the West Midlands & County Durham. In total, the business employs 318 people.