

ABERDEEN, Scotland, Oct. 9, 2013 /PRNewswire/ -- *John Wood Group PLC ("Wood Group" or the "Group") is an international energy services company employing over 43,000 people worldwide and operating in over 50 countries. The Group provides a range of engineering, production support, maintenance management and industrial gas turbine overhaul and repair services to the oil & gas, and power generation industries worldwide.*

Executive summary

- Wood Group and Siemens AG ("Siemens") have entered into an agreement to form a joint venture ("JV") consisting of the Maintenance and Power Solutions businesses of Wood Group GTS ("GTS") (excluding its Rolls Wood Group, TransCanada Turbines and Sulzer Wood joint ventures)

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, and Siemens' TurboCare business unit ("TurboCare") which provides aftermarket gas turbine, steam turbine and generator design, repair and manufacturing services

- The Board believes that the establishment of the JV will improve the future prospects of Wood Group's gas turbine activities, which have typically delivered stronger performance when differentiated by a relationship with an original equipment manufacturer ("OEM")

- The JV will bring together two organisations with complementary strengths, customers and geographic exposure and will benefit from certain OEM know-how. The JV is expected to deliver annual net synergies to Wood Group of around \$15m by year three

- The shareholding of the JV will be split 51%:49% Wood Group:Siemens. Wood Group currently expects that a further payment of up to approximately \$70m will be due from the JV to Wood Group

- Completion is subject to a range of approvals and is expected in the first quarter of 2014

- The divisional CEO of GTS, Mark Dobler, will transfer to and lead the new JV on completion and leaves the Wood Group board

- On completion, all Wood Group's predominantly opex related gas turbine activities will be in joint ventures and will be reported within the Wood Group PSN division

Bob Keiller, CEO of Wood Group said:

"Today's announcement is an important step in the ongoing development of the Group's strategy. The JV with Siemens will bring together two complementary businesses and create a

differentiated service offering for a global customer base. Our joint ventures with OEM relationships typically deliver stronger performance, and, as we look ahead, we see good potential for the JV."

Mark Dobler, CEO Wood Group GTS said:

"The JV will bring together Wood Group's capabilities in the areas of asset operations, maintenance, risk management & life-cycle optimization with the aftermarket design, repair & manufacturing capabilities of TurboCare to deliver greater flexibility, greater market reach and an expanded footprint to service customers. The JV will be a significant integrated rotating equipment service provider to the global power generation, oil & gas and industrial sectors. I look forward to leading the JV which will have approximately \$1bn of revenue and around 4,500 employees around the world."

Wood Group GTS www.woodgroupgts.com **TurboCare** www.turbocare.com

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