



Philadelphia Gear's new facility is well-maintained and requires only interior renovations to retrofit West Coast operations.

Philadelphia Gear Invests in New Santa Fe Springs Facility **Layout will Include State-of-the-Art Equipment for Military Marine Programs**

Despite a struggling U.S. economy, Philadelphia Gear has remained strong and is investing in its future by making the commitment to relocate its Western Regional Service Center (RSC) from Lynwood, California to a new facility in nearby Santa Fe Springs. The growth of the aftermarket business at Philadelphia Gear's

Western RSC and the acquisition of General Electric's non-nuclear marine reduction gear product lines, which will be manufactured in Santa Fe Springs, helped drive the need for a new facility.

After a comprehensive search, Philadelphia Gear signed a long-term lease in August 2009 to take possession and renovate an existing facility in Santa Fe Springs.

The 120,000-square-foot building is

conveniently located near existing infrastructure and will have combined crane capacity of 75 tons. Building permits have been obtained and renovations have already begun with new offices, assembly areas, machining cells and temperature-controlled grinding rooms under construction. "Moving to Santa Fe Springs will allow us to design a smarter, leaner facility that will not only be well-suited for our aftermarket business, but help pave the way for future marine program business," said Tony Tartaglio, General Manager of Philadelphia Gear's Western Region.

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The renovated building will feature a designated area requiring specialized governmental security clearance for military marine projects. Philadelphia Gear has a long history in marine programs for both the U.S. Navy and U.S. Coast Guard, including manufacturing the main reduction gears for the Navy's Amphibious Transport Docks (LPD); providing shaft couplings for Virginia Class submarines; and designing the main reduction gears for the Coast Guard's fleet of buoy tenders and ice breakers. The General Electric acquisition expands this portfolio to include main reduction gears for Guided Missile Destroyers (DDG), Littoral Combat Ships (LCS) and Amphibious Assault Ships (LHA).

“The investment and subsequent move of Lynwood operations represents one of the largest projects — in both scope and budget — in Philadelphia Gear's history,” said Carl Rapp, President of Philadelphia Gear. We have an excellent opportunity to create a lean, state-of-the-art facility from the ground up, which will be designed to PGC specifications that will streamline our business for customers and give our Western team a better work environment. Carl continued, “With this project, we were also able to retain all of our employees, since the new facility is only 20 minutes from Lynwood, which was a top priority when we began investigating new possible locations.”

The upgrades for the Santa Fe Springs facility are targeted for completion in the third quarter of 2010 with the goal of opening aftermarket operations by August 30.