

# Gleason Corporation Acquires The Pfauter Group

Gleason Corporation has announced that agreement has been reached on all terms to acquire for approximately \$36 million in cash the Hermann Pfauter Group, including, among other operations, Hermann Pfauter GmbH & Co., a privately held leading producer of gear equipment based in Ludwigsburg, Germany; its 76% interest in Pfauter-Maag Cutting Tools, a leading cutting tool manufacturer based in Loves Park, IL; and Pfauter-Maag management's 24% ownership interest in that company. The acquisition includes all assets and liabilities, including the assumption of approximately \$56 million in bank debt.

The acquisition will move Gleason into the number one worldwide position in overall gear production equipment and related technology.

The Pfauter acquisition is a major step forward in Gleason's strategic plan, begun in the early 1990s, to complement its acknowledged leadership in bevel gearing by building its presence in the cylindrical gearing market. In 1995, Gleason acquired another German machine and tooling manufacturer, Hurth Maschinen und Werkzeuge GmbH of Munich.

The Pfauter Group, founded in 1900, with operations in Germany, Italy and the U.S., manufactures the world's most comprehensive line of gear cutting machinery for the production

of cylindrical gears. Pfauter employs more than 1,000 people and generated 1996 sales of approximately \$175 million and earnings before special charges, interest, taxes, depreciation and amortization of approximately \$17 million. Gleason said it expects to retain the Pfauter trade name and key members of Pfauter management in their existing positions.

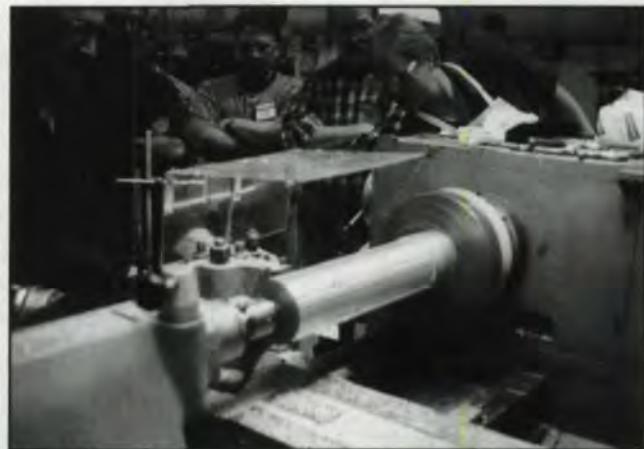
The acquisition will be funded through syndicated bank financing led by Chase Manhattan Bank. Regulatory approvals in Germany and the U.S. have been granted.

#### McCarthy Wins E. P. Connell Award

Dave McCarthy, P. E., was presented the E. P. Connell Award at the annual AGMA meeting in Tucson, AZ, this spring. McCarthy is the Vice President, Engineering, of the Dorris Company, Inc. and Chairman of the Gear Rating Committee of AGMA. The award is a memorial to Edward P. Connell, presented to candidates who bring about important advancements in the gear industry.

#### Oak Ridge Offers New Metrology Service

The Metrology Center of the Dept. of Energy's Oak Ridge Centers for Manufacturing Technology (ORCMT) is now offering lead master calibration service. Using the lead master and the involute master, manufacturers can test in-house gear measuring



*Superabrasives technologists train at North Central Technical College.*

devices for performance accuracy. The center uses a Leitz Precision Measuring Machine to do the testing.

The service is the second in a series offered through an alliance between AGMA, NIST, ASME, ORCMT and Pennsylvania State University. ORCMT anticipates expanding its services with the calibration of index, pin and other gear masters.

#### Industrial Diamond Assn. Launches New Training Program

The Industrial Diamond Association of America has completed the first session of its new Superabrasives Technologist Certification Program at North Central Technical College in Mansfield, OH. Twelve students, including technical college faculty, field sales people and machine operators, graduated from the week-long course devoted to precision metalworking with diamond and cubic boron nitride tooling. At the end of the course, each student received certification and a

designation as "technologist" for his or her work.

The course was developed as an outgrowth of the Partnership for Manufacturing Productivity, an educational program originally developed by GE Superabrasives. The Partnership is now a division of the Industrial Diamond Association.

More information about the course is available from the association headquarters at 704-684-1986. ☀

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