

PMFG, Inc. (Parent of Peerless Mfg. Co.) Agrees to Acquire Combustion Components Associates, Inc. and Expands Air Pollution Control Solution

DALLAS, March 18, 2014 (GLOBE NEWSWIRE) -- PMFG, Inc. (the "Company") (Nasdaq:PMFG) today announced it has reached a definitive agreement to acquire substantially all of the assets of Combustion Components Associates, Inc. ("CCA"), a leading provider of in-furnace and post-combustion control technologies. The acquisition is subject to customary closing conditions and is expected to close by April 30, 2014. The purchase price is approximately \$8.9 million in cash plus performance-based contingent payments and will be funded with cash on hand.

Located in Monroe, Connecticut, CCA is an industry leader in combustion control technologies used to reduce NO_x, particulate matter (PM), unburned carbon and CO emissions at variety of facilities including utility power plants, paper & pulp mills, chemical plants, oil refineries, and ethanol plants. CCA employs approximately 30 employees and had 2013 revenue of approximately \$14 million. As of November 30, 2013, CCA's order backlog was approximately \$3 million.

With its substantial knowledge of combustion and NO_x formation processes, CCA designs, engineers, and installs highly efficient, cost-effective systems for combustion modification, fuel conversions and post-combustion NO_x control for both new and existing sources. CCA also supplies the patented TRIM-NOX[®] urea-based SCR technology, as well as SNCR products designed to reduce NO_x emissions on stationary combustion sources. In addition to system installations, CCA provides combustion optimization services such as airflow and fuel flow testing and balancing. CCA also provides diagnostic testing, boiler tuning and consulting services.

CCA has an extensive customer base, principally in the United States, with systems installed on over 275 units burning a variety of fuels, including coal, fuel oil, waste fuels, biomass and natural gas.

Peter Burlage, PMFG's Chairman and Chief Executive Officer, commented, "We are proud to bring CCA into the Peerless family and further expand our industry leading energy technology portfolio. Peerless is a recognized leader in the reduction of NO_x emissions through the use of selective catalytic reduction ('SCR') systems. These systems are critical components used to convert NO_x emissions into environmentally friendly nitrogen and water. NO_x emissions are harmful byproducts generated by the combustion of hydrocarbon fuels such as coal, gasoline, natural gas, wood, grass and grain. With over 800 Peerless SCR systems installed around the world, we believe we are one of the largest suppliers of these products. With the addition of CCA, we gain a strong presence in the combustion modification market with technical solutions for both pre- and post-combustion. CCA will be combined with our existing Environmental Systems business and will expand our capabilities beyond natural gas applications. This is also part of our global growth strategy given that outside of the United States emissions control standards for natural gas combustion aren't as stringent and CCA's products will broaden the opportunity for our Environmental Systems division."

Giff Broderick, President of CCA, stated, "We are excited to be joining an organization with such a significant presence in the air pollution control market. With the financial, technical, manufacturing and marketing strengths that Peerless has to offer, particularly in international markets, we believe the potential to serve our customers and grow our business is significantly enhanced."

Mr. Burlage concluded, "As we have stated previously, select acquisitions are an integral part of our growth strategy and we are continually evaluating opportunities. CCA is solid step for our Company as we build an even stronger business for shareholders on the strength of our industry leading technology in Environmental Systems and Process Products for use in key growth markets such as power generation, the petrochemical and refining industries and the natural gas value chain."

About PMFG

PMFG is a leading provider of custom-engineered systems and products designed to help ensure that the delivery of energy is safe, efficient and clean. PMFG primarily serves the markets for power generation, natural gas infrastructure and petrochemical processing. Headquartered in Dallas, Texas, PMFG markets its systems and products worldwide.

Safe Harbor under the Private Securities Litigation Reform Act of 1995

Certain statements contained in this press release that are not historical facts are forward-looking statements that involve a number of known and unknown risks, uncertainties and other factors that could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievement expressed or implied by such forward-looking statements. The words "anticipate," "expect," "believe," "intend" and similar expressions identify forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for such forward-looking statements. In order to comply with the terms of the safe harbor, the Company notes that a variety of factors could cause actual results and experience to differ materially from the anticipated results or other expectations expressed in such forward-looking statements. Forward-looking statements included in this press release include completing the CCA acquisition, the ability to integrate the CCA business with the existing Peerless business, the future performance of the combined business, and the other anticipated benefits to the Company of the CCA acquisition. Other important information regarding factors that may affect the Company's future performance is included in the public reports that the Company files with the SEC, including the information under Item 1A. "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended June 29, 2013. The Company undertakes no obligation to revise any forward-looking statements or to update them to reflect events or circumstances occurring after the date of this release, or to reflect the occurrence of unanticipated events, except as required by law. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The inclusion of any statement in this release does not constitute an admission by the Company or any other person that the events or circumstances described in such statement are material.

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