

## **Flow signs option agreement to acquire OMAX Corporation**

**Kent, Wash., USA, December 5<sup>th</sup>, 2007** – Flow International Corporation (Nasdaq: FLOW), the world's leading developer and manufacturer of industrial waterjet machines used for cutting and cleaning applications around the world, announced that it has signed an exclusive option agreement to negotiate the acquisition of OMAX Corporation. OMAX is a Kent, WA-based privately held provider of precision-engineered, computer-controlled, abrasive waterjet systems. Under the terms of the agreement, Flow and OMAX will work to negotiate a definitive agreement for Flow to acquire OMAX. Upon closing, Flow would pay approximately \$109 million in cash and stock (including the amounts paid for the option agreement) with the potential for a contingent earn-out in two years of up to \$26 million in either stock or cash at Flow's option. A transaction to combine the two companies is subject to completion of all due diligence, execution of a definitive agreement, Hart-Scott-Rodino anti-trust clearance, and customary closing conditions.

“We believe a combination of the two companies presents a unique opportunity to enhance the global growth of waterjet solutions, which represent a relatively small but rapidly growing part of the overall market for cutting solutions,” said Charley Brown, Flow's President and Chief Executive Officer. “While there are many synergies that make this merger a natural fit between waterjet pioneers, each company brings a unique set of intellectual property, engineering strength, and market focus, including OMAX's unique distribution channels worldwide, that makes this accretive combination so financially compelling and operationally attractive.”

Dr. John Cheung, Chairman of OMAX, commented, “Our two companies share similar histories, passion, vision, and are quite literally neighbors in Kent. Together I believe we will be better able to foster the innovation necessary to continue introducing the superiority of the waterjet to a large and growing marketplace.”

Assuming that a definitive agreement is reached and regulatory approval is received, the transaction would be expected to close in approximately six months. Upon closing, all litigation between Flow and OMAX would be settled.

**Picture 1** Flow's international headquarters based in Kent, Washington, USA

All pictures courtesy of Flow Europe GmbH

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Flow International Corporation is the world's leading developer and manufacturer of ultrahigh-pressure waterjet cutting technology to industries including automotive, aerospace, job shop, surface preparation, and more.

Flow Europe is a subsidiary of Flow International Corporation, USA, and European Headquarters for all products relating to ultrahigh-pressure waterjet cutting technology. Flow Europe has subsidiaries in France, Italy, Spain, and the UK.

Visit us in the internet: [www.flowcorp.com](http://www.flowcorp.com)

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