



/C O R R E C T I O N -- Powell Industries, Inc./

HOUSTON, Aug 07, 2006 /PRNewswire-FirstCall via COMTEX News Network/ -- In the news release, Powell Industries (Nasdaq: POWL) Announces the Acquisition of GE Medium-Voltage ANSI Switchgear Product Line and Enters Into Long-Term Commercial Alliance, issued earlier today by Powell Industries, Inc. over PR Newswire, we are advised by a representative of the company that the first line of the table related to Projected Annualized EBITDA should read "Income from business acquired before income taxes" rather than "Income before interest, income taxes and minority interest" as originally issued inadvertently.

Powell Industries Announces the Acquisition of GE Medium-Voltage ANSI Switchgear Product Line and Enters Into Long-Term Commercial Alliance

Powell Industries, Inc. (Nasdaq: POWL), a leading manufacturer of equipment and systems for the management and control of electrical energy and other critical processes, today announced that it has purchased the medium-voltage ANSI (American National Standards Institute) switchgear product line and certain related assets from GE Consumer & Industrial of Louisville, KY for \$32 million in cash. The initial payment of \$8.5 million was paid at closing, and the balance will be paid in four installments ranging from \$5.5 million to \$6.25 million over the next 40 months. The transaction will be financed with a portion of Powell's existing cash and credit facility.

In connection with the transaction, Powell has entered into an exclusive long-term commercial alliance with GE Consumer & Industrial. Powell will supply all the medium-voltage ANSI switchgear needs for the GE Consumer & Industrial sales channel, which will open new markets for Powell and expose Powell products to a greater number of industries and customers. Powell will design, engineer, manufacture and sell the acquired medium-voltage ANSI switchgear products to GE. Additionally, Powell will supply GE with products to which GE has not previously had access, including equipment with extended ratings such as 38,000 volt switchgear and a complete line of arc-resistant electrical equipment.

Thomas W. Powell, Chairman and Chief Executive Officer of Powell, stated, "We are excited with this opportunity, which strengthens our strategic position in the electrical power products business. This agreement is clearly a win for both companies as it allows Powell to reach an even broader base of business and provides GE access to an expanded product portfolio. I want to assure our customers that as we grow, we are not going to change who we are. For our customers that have come to expect highly-engineered, customized solutions on our traditional Powell products, nothing will change. This acquisition allows us to provide Powell quality to a new set of customers. We will continue to work closely with our customers to provide solutions tailored to meet end-user requirements."

Powell will move the acquired GE product line to its facilities in Houston, TX. During the transition and product relocation, which is expected to take 12 to 18 months, GE will provide engineering and manufacturing support to Powell from its West Burlington, IA operations to ensure continuity of supply and service to customers.

Incremental revenues from this acquisition are anticipated to range between \$75 and \$85 million during the first 12 months of ownership. During the integration process the Company expects the earnings results to be anti-dilutive, and once the integration period has been completed, expects an annualized benefit from the acquisition to earnings before interest, taxes, depreciation and amortization (EBITDA) of approximately \$7 million to \$8 million. This acquisition will change Powell's historical financial comparisons primarily due to the impact of amortization of intangibles. Historically, Powell has had minimal depreciation and amortization expenses; therefore, the Company believes EBITDA should be presented because it a financial measure that is frequently used by third parties including investors and lenders. EBITDA is a non-GAAP financial measure, and a reconciliation of expected EBITDA from this transaction can be found at the end of this press release.

In connection with this acquisition and to expand its financing capacity, Powell also announced that it has amended its existing credit agreement with Bank of America, N.A. as administrative agent and with certain other financial institutions. This amended revolving line of credit increases Powell's existing senior credit facility to \$42 million, which expires on December 31, 2010.

The transaction advisor to Powell on this acquisition was Hayes Novus.

CONFERENCE CALL

Powell Industries will host a conference call on Wednesday, August 9, 2006 at 11:00 a.m. EDT (10:00 CDT) to discuss this acquisition. To participate in the call, dial (303) 262-2131 and ask for the Powell Industries call at least 10 minutes prior to the start time, or access it live over the Internet by logging onto the web at www.powellind.com. To listen to the live call on the web, please visit the website at least fifteen minutes before the call begins to register, download and install any necessary audio software. A replay of the call will be available approximately two hours after the live broadcast ends and will be accessible until August 18, 2006. To access the replay, dial (303) 590-3000 using a passcode of 11068008. For those who cannot listen to the live webcast, an archive will be available shortly after the call and will remain available for approximately 30 days at www.powellind.com.

Powell Industries, Inc., headquartered in Houston, TX, designs, manufactures and services equipment and systems for the management and control of electrical energy and other critical processes. Powell provides products and services to the transportation, environmental, industrial and utility industries. For more information, please visit www.powellind.com.

Non-GAAP Financial Measures

The following table represents a reconciliation of the expected incremental EBITDA to Powell anticipated to be derived after the integration by the Company from the business acquired today.

(In millions)	Projected Annualized EBITDA	
	Low Case	High Case
Income from business acquired before income taxes	\$ 3.2	\$ 4.2
Interest expense	1.8	1.8
Depreciation and amortization	2.0	2.0
Expected EBITDA	\$ 7.0	\$ 8.0

EBITDA represents net income before income tax expense, interest expense, depreciation, and amortization. Other companies may define EBITDA differently. EBITDA should not be considered an alternative to income from operations, net income or cash flows.

Any forward-looking statements in the preceding paragraphs of this release are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that such forward-looking statements involve risks and uncertainty in that actual results may differ materially from those projected in the forward-looking statements. In the course of operations, we are subject to certain risk factors, including but not limited to competition and competitive pressures, sensitivity to general economic and industrial conditions, international political and economic risks, availability and price of raw materials and execution of business and acquisition strategies. For further information, please refer to the Company's filings with the Securities and Exchange Commission, copies of which are available from the Company without charge.

Contacts: Don R. Madison, CFO
Powell Industries, Inc.
713-947-4422
Ken Dennard / ksdennard@drg-e.com
Karen Roan / kcroan@drg-e.com
DRG&E / 713-529-6600

SOURCE Powell Industries, Inc.

Don R. Madison, CFO,
Powell Industries, Inc., +1-713-947-4422;

or Ken Dennard,
ksdennard@drg-e.com,
or Karen Roan, kcroan@drg-e.com,

both of DRG&E,
+1-713-529-6600

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