

Company Profile

With world-renowned engineering expertise in vacuum and heat transfer technology, Graham Corporation is a designer, manufacturer and global supplier of ejectors, pumps, condensers, vacuum systems and heat exchangers. Sold either as components or complete system solutions, the principal markets for the Company's equipment include:

- Oil Refining
- Petrochemical
- Power Generation

Graham equipment can also be found in diverse product applications such as:

- Refrigeration
- Metal Refining
- Pulp and Paper Processing
- Desalination
- Water Heating
- Food Processing
- Shipbuilding

For over 70 years, Graham Corporation has built a reputation for top quality, reliable products and high-standards of customer service. Its equipment is installed in facilities from North and South America to Europe, Asia, Africa and the Middle East.

Graham Vision and Strategy

Our goal is to be a world-class leader in the design and manufacture of engineered-to-order products for the process industries by:

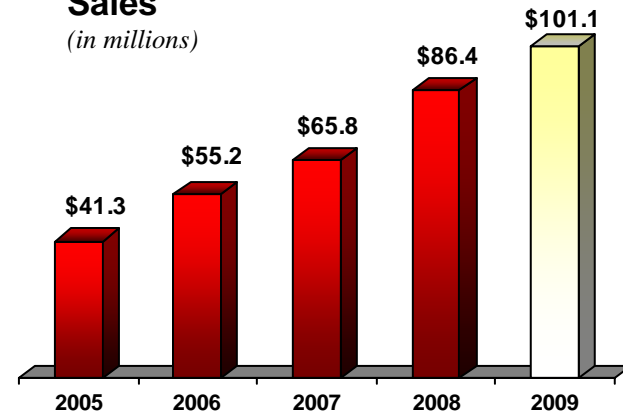
- Maintaining strong North American presence while diversifying sales into emerging growth markets, such as Asia and the Middle East
- Growing aftermarket revenue
- Winning and cultivating new markets, such as gas-to-liquids
- Maintaining margins with engineering and manufacturing operational efficiency improvements
- Improving capital usage through aggressive cash management

Investment Considerations

- Well-respected global brand with strong reputation for engineering know-how and solutions-oriented problem solving
- Significant global position in diversified markets: oil refining, petrochemical/chemical and power generation
- No long-term debt, cash reserves of \$46.2 million and continued reductions in the cash conversion cycle
- Experienced, talented management team

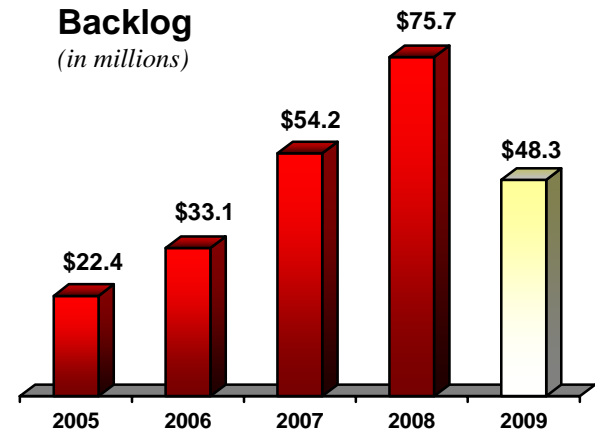
Sales

(in millions)

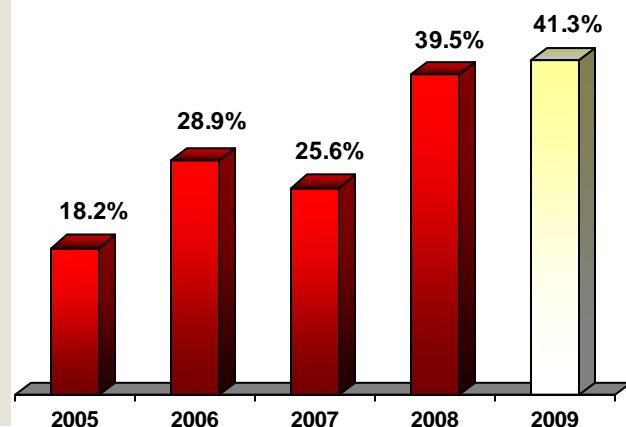


Backlog

(in millions)



Gross Profit Margin



Market Data (as of June 2, 2009) & Financial Highlights

Common Shares Outstanding (millions)	9.9	Price to Earnings (TTM)	7.69x
Market Cap (millions)	\$133	Gross Margin (FY 2009)	41.3%
Avg. Daily Volume (3 mos)	220,953	Operating Margin (FY 2009)	26.0%
Recent Price	\$13.17	Net Margin (FY 2009)	17.3%
52-Week Range	\$54.91 – \$6.85	EPS (FY 2009)	\$1.71
Dividends per Share (annualized)	\$0.08		

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Financial Highlights

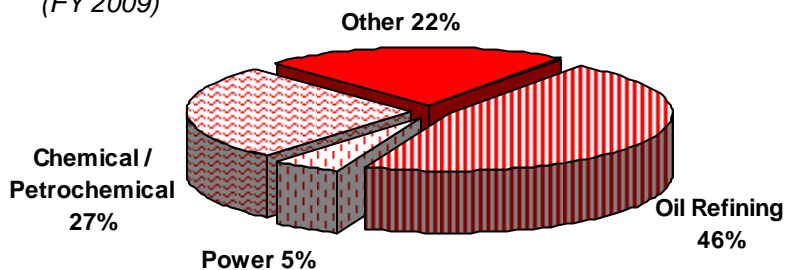
(in thousands except per share data)

	Fourth Quarter Ended March 31,		Fiscal Year Ended March 31,		
	2009	2008	2009	2008	2007
Sales	\$ 24,848	\$ 22,756	\$ 101,111	\$ 86,428	\$ 65,822
Gross profit	9,633	8,939	41,712	34,162	16,819
Selling, general and administrative Other expense	3,505	3,318	14,825	13,074	10,806
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Income before taxes	5,598	5,847	26,739	22,104	6,519
Net income (loss)	3,581	4,191	17,467	15,034	5,761
Diluted earnings (loss) per share – cont. ops	\$ 0.35	\$ 0.41	\$ 1.71	\$ 1.49	\$ 0.58
Weighted average shares outstanding – diluted	10,116	10,156	10,195	10,085	9,850
Gross margin	38.8%	39.3%	41.3%	39.5%	25.6%
Operating margin	22.4%	24.7%	26.0%	24.4%	9.1%
Net margin	14.4%	18.4%	17.3%	17.4%	8.8%

(in thousands)	Mar. 31, 2009	Mar. 31, 2008	Mar. 31, 2007	Mar. 31, 2006
Current assets	\$ 72,742	\$ 57,370	\$ 36,739	\$ 27,395
Other assets	14,182	13,341	12,139	13,161
Total assets	86,924	70,711	48,878	40,556
Current liabilities	23,195	20,372	16,620	10,616
Capital lease obligations	31	36	56	30
Other liabilities	2,587	1,767	1,548	2,803
Stockholders' equity	61,111	48,536	30,654	27,107
Total liabilities and stockholders' equity	86,924	70,711	48,878	40,556
Book value per share	\$ 6.21	\$ 4.86	\$ 3.15	\$ 2.83
Return on average assets (TTM)	22.2%	25.1%	12.9%	9.7%
Return on average equity (TTM)	31.9%	38.0%	19.9%	16.4%

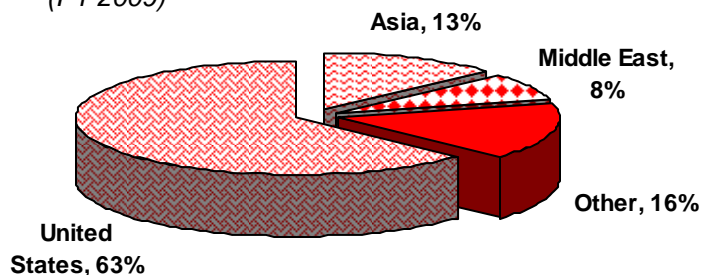
Revenue by Industry

(FY 2009)



Revenue by Geographic Market

(FY 2009)



Revenue: \$101.1 million

Fourth Quarter Fiscal Year 2009 Highlights

- Net income in the fourth quarter was \$3.6 million, or \$0.35 per diluted share, a decline of 14.6% compared with net income of \$4.2 million, or \$0.41 per diluted share, in the prior year's fourth quarter. Net income in fiscal 2009 was \$17.5 million, up \$2.4 million, or 16.2%, over net income of \$15.0 million in fiscal 2008. On a per diluted share basis, net income in fiscal 2009 was \$1.71 compared with \$1.49 in fiscal 2008, a 14.8% improvement.
- Gross profit was \$9.6 million, or 38.8% of sales, in the fourth quarter, compared with \$8.9 million, or 39.3% of sales, in the same period of the prior fiscal year, but improved over gross margin in the trailing third quarter of 37.9%.
- Fiscal 2009 sales increased in all product categories compared with fiscal 2008. Sales of condensers advanced 8.2% to \$22.9 million and ejector sales increased 5.0% to \$38.5 million. The remaining product lines (aftermarket, heat exchangers, and pump packages) increased 38.9% to \$39.7 million.
- Orders during the fourth quarter of fiscal 2009 were \$20.5 million, below \$35.1 million in orders received in the prior year's fourth quarter, but measurably improved over the \$8.1 million in orders received in the trailing third quarter.
- Graham's backlog was \$48.3 million at March 31, 2009, down 36.2% compared with \$75.7 million at March 31, 2008. During fiscal 2009, Graham was notified by customers that three projects with a value of \$3.3 million were cancelled and five orders with a value of \$4.4 million were placed on hold (suspended) pending further evaluation.
- Net cash provided by operating activities for the fourth quarter was \$3.6 million compared with \$3.7 million in the prior year's fourth quarter. For fiscal 2009, net cash provided by operating activities was \$11.0 million, compared with \$19.7 million in fiscal 2008. The year-over-year decrease was a result of higher working capital requirements due to greater sales volume, an increase in income taxes paid and a larger contribution to Graham's defined benefit pension plan.

This fact sheet contains "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements concerning future revenue, earnings and cost debt reduction, involve known and unknown risks, uncertainties and other factors that could cause the actual results of the Company to differ materially from the results expressed or implied by such statements, including general economic and business conditions, conditions affecting the industries served by the Company and its subsidiaries, conditions affecting the Company's customers and suppliers, competitor responses to the Company's products and services, the overall market acceptance of such products and services, the Company's ability to renegotiate its senior debt, and other factors disclosed in the Company's periodic reports filed with the Securities and Exchange Commission. The Company assumes no obligation to update the forward-looking information.