



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

Over the past 71 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.

Investment Considerations

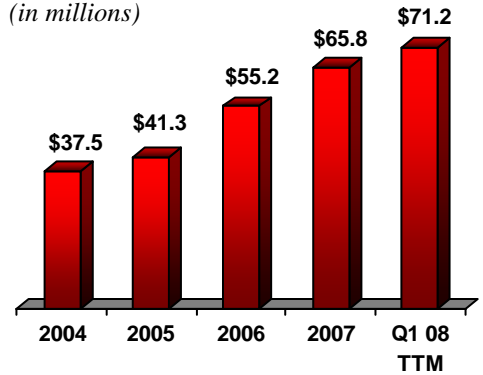
- Well-respected global brand
- Strong reputation for engineering know-how and solutions-oriented problem solving
- Significant global position: oil refining, electrical power generation and chemical processing markets
- Established sales and engineering operations in Asia
- Customers rely on Graham's product consistency and reliability
- Experienced, talented team

Strategy

- Expand sales and engineering operations to serve emerging economies, especially Asia and the Middle East.
- Enlarge engineering and manufacturing capacity through automation, efficiency and outsourcing.
- Leverage global strength to develop a broader international footprint.

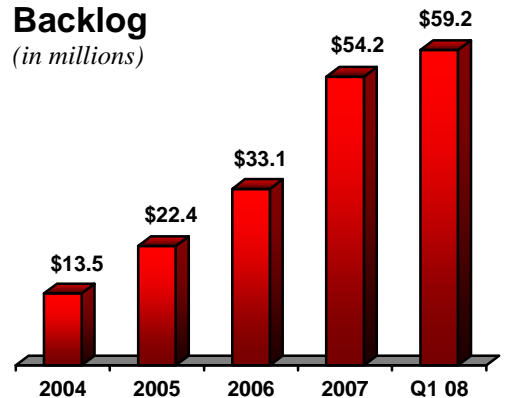
Sales

(in millions)



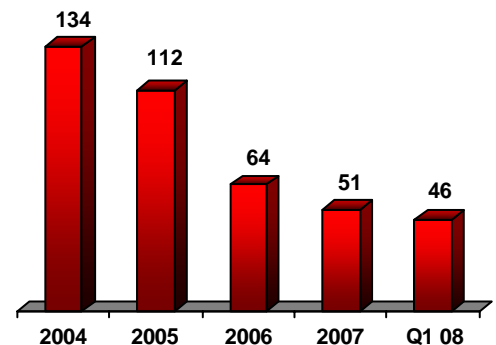
Backlog

(in millions)



Cash Conversion Cycle

(in days)



Market Data (as of August 10, 2007) & Financial Highlights

Common Shares Outstanding (millions).....	3.9	Price to Earnings (TTM).....	22.4x
Market Cap (millions).....	\$124	Gross Margin (Q1 FY 08).....	33.4%
Avg. Daily Volume (3 mos).....	80,917	Operating Margin (Q1 FY 08).....	19.2%
Recent Price.....	\$31.75	Net Margin (Q1 FY 08).....	13.3%
52-Week Range.....	\$12.55 – \$38.64	EPS (Q1 FY 08).....	\$0.66

Investor Relations Contact

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Financial Highlights

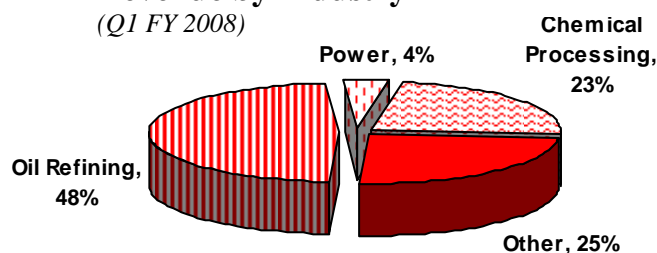
(in thousands except per share data)

	First Quarter Ended June 30,		Year Ended Mar. 31,		
	2007	2006	2007	2006	2005
Sales	\$ 19,987	\$ 14,608	\$ 65,822	\$ 55,208	\$ 41,333
Gross profit	6,679	4,118	16,819	15,959	7,540
Selling, general and administrative	2,848	2,293	10,338	9,818	7,691
Income (loss) from continuing operations before taxes	3,825	1,821	6,519	5,753	359
Net income (loss)	2,658	1,116	5,761	3,586	(2,906)
Diluted earnings (loss) per share – cont. ops	\$ 0.66	\$ 0.28	\$ 1.46	\$ 0.96	\$ 0.09
Weighted average shares outstanding – diluted	4,012	3,929	3,940	3,735	3,433
Gross margin	33.4%	28.2%	25.6%	28.9%	18.2%
Operating margin	19.2%	12.5%	10.1%	11.1%	(0.4)%
Net margin	13.3%	7.6%	8.8%	6.5%	(7.0)%

(in thousands)	June 30, 2007	Mar. 31, 2007	Mar. 31, 2006
Current assets	\$ 40,464	\$ 36,739	\$ 27,395
Other assets	10,932	12,139	13,161
Total assets	51,396	48,878	40,556
Current liabilities	16,310	16,620	10,616
Long-term debt	50	56	30
Other liabilities	1,548	1,548	2,803
Stockholders' equity	33,488	30,654	27,107
Total liabilities and stockholders' equity	51,396	48,878	40,556
Book value per share	\$ 8.56	\$ 7.89	\$ 7.07
Return on average assets (TTM)	15.5%	12.9%	9.7%
Return on average equity (TTM)	23.8%	19.9%	16.4%

Revenue by Industry

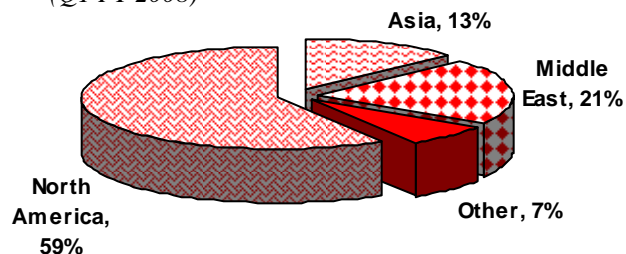
(Q1 FY 2008)



Revenue: \$20.0 million

Revenue by Geographic Market

(Q1 FY 2008)



Revenue: \$20.0 million

First Quarter Fiscal Year 2008 Highlights

- Net sales for the first quarter were \$20.0 million, up \$5.4 million, or 37%, compared with the first quarter of the prior year. The increase in sales primarily resulted from products shipped to Asia, Canada and South America.
- Net income grew to \$2.7 million compared with \$1.1 million in the prior year's first quarter. On a diluted per share basis, first quarter earnings grew 136% to \$0.66 compared with \$0.28 in last year's first quarter.
- At June 30, 2007, backlog reached an all-time high of \$59.2 million compared with \$38.6 million at June 30, 2006.
- Cash, cash equivalents and investments at June 30, 2007 were \$20.2 million compared with \$15.1 million at March 31, 2007. Net cash provided by operating activities was \$5.0 million for the fiscal 2008 first quarter compared with \$2.5 million of cash used by operating activities the prior year.
- Gross margin for the first quarter of fiscal 2008 was 33.4%, an increase from 28% during the same period in the prior year. The improvement in gross margin was related to higher volume, the capture of high quality opportunities, material cost and price management, and improving productivity through automation, process and equipment upgrades, and outsourcing.
- Operating margin for the first quarter of fiscal year 2008 expanded on higher sales and was up 670 basis points to 19.2%. First quarter operating margin improved sequentially by 490 basis points from 14.3% in the fourth quarter of fiscal year 2007, ended March 31, 2007.
- Orders for the first quarter of fiscal year 2008 were \$24.8 million, a 24% increase from \$20.0 million in the first quarter the prior fiscal year.

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.