

## 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
- Power Generation
- Petrochemical

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

Over the past 72 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:*

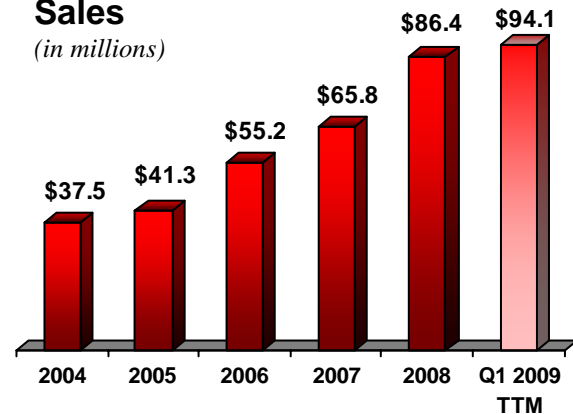
- Maintaining strong North American presence
- Growing aftermarket revenue
- Winning in emerging growth markets, such as Asia and the Middle East and cultivating new markets, such as gas to liquids
- Maintaining margins with engineering and manufacturing operational efficiency improvements
- Improving 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 robust diversified markets: oil refining, petrochemical/chemical and power generation
- Top and bottom line growth with record bookings and backlog
- No long-term debt, cash reserves of \$44.9 million and continued reductions in the cash conversion cycle
- Experienced, talented management team

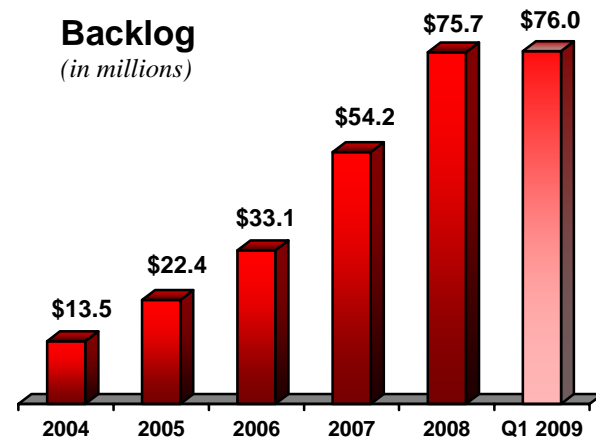
## Sales

(in millions)

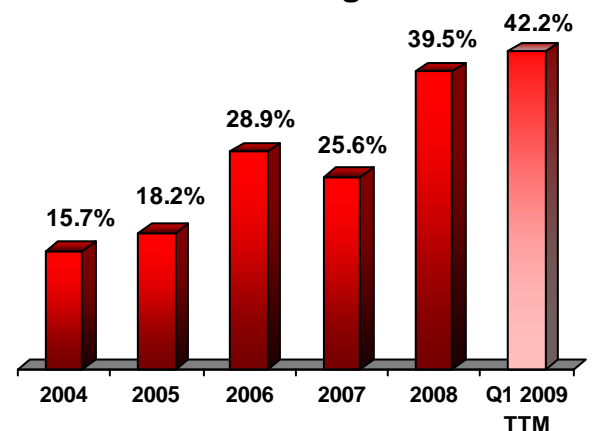


## Backlog

(in millions)



## Gross Profit Margin



## Market Data (as of August 7, 2008) & Financial Highlights

Common Shares Outstanding (millions)	5.0	Price to Earnings (TTM)	27.7x
Market Cap (millions)	\$506	Gross Margin (Q1 09 TTM)	42.2%
Avg. Daily Volume (3 mos)	217,289	Operating Margin (Q1 09 TTM)	27.5%
Recent Price	\$100.50	Net Margin (Q1 09 TTM)	19.2%
52-Week Range	\$105.66 – \$24.00	EPS (Q1 09 TTM)	\$3.56

## Investor Relations Contact

Deborah Pawlowski / Tammy Poblete  
 Kei Advisors LLC  
 12 Fountain Plaza  
 Buffalo, NY 14201  
 Ph 716.843.3908 / 716.843.3853  
 Fax 716.856.0432  
 dpawlowski@keiadvisors.com  
 tpoblete@keiadvisors.com

## Financial Highlights

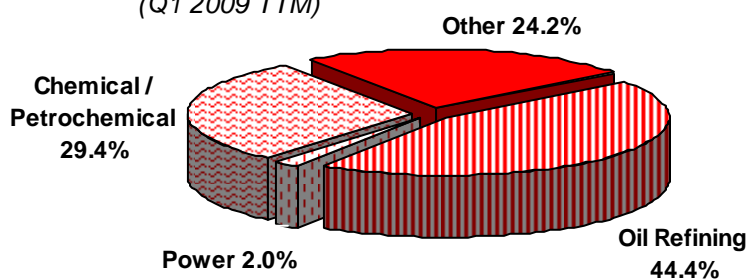
(in thousands except per share data)

	First Quarter Ended June 30,		Fiscal Year Ended Mar. 31,		
	2008	2007	2008	2007	2006
Sales	\$ 27,647	\$ 19,987	\$ 86,428	\$ 65,822	\$ 55,208
Gross profit	12,218	6,679	34,162	16,819	15,959
Selling, general and administrative	3,822	3,078	13,074	10,806	10,505
Income before taxes	8,526	3,825	22,104	6,519	5,753
Net income (loss)	5,684	2,658	15,034	5,761	3,586
Diluted earnings (loss) per share – cont. ops	\$ 1.11	\$ 0.53	\$ 2.98	\$ 1.17	\$ 0.77
Weighted average shares outstanding – diluted	5,102	5,015	5,042	4,925	4,668
Gross margin	44.2%	33.4%	39.5%	25.6%	28.9%
Operating margin	30.4%	18.0%	24.4%	9.1%	9.9%
Net margin	20.6%	13.3%	17.4%	8.8%	6.5%

(in thousands)	June 30, 2008	Mar. 31, 2008	Mar. 31, 2007	Mar. 31, 2006
Current assets	\$ 66,325	\$ 57,370	\$ 36,739	\$ 27,395
Other assets	12,564	13,341	12,139	13,161
Total assets	78,889	70,711	48,878	40,556
Current liabilities	22,097	20,372	16,620	10,616
Capital lease obligations	50	36	56	30
Other liabilities	1,518	1,767	1,548	2,803
Stockholders' equity	55,224	48,536	30,654	27,107
Total liabilities and stockholders' equity	78,889	70,711	48,878	40,556
Book value per share	\$ 10.96	\$ 9.73	\$ 6.31	\$ 5.66
Return on average assets (TTM)	27.7%	25.1%	12.9%	9.7%
Return on average equity (TTM)	40.7%	38.0%	19.9%	16.4%

### Revenue by Industry

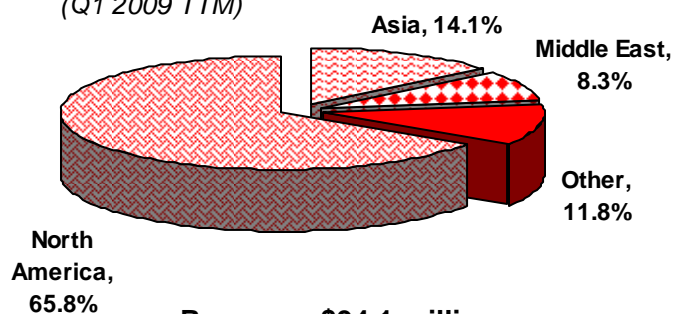
(Q1 2009 TTM)



Revenue: \$98.1 million

### Revenue by Geographic Market

(Q1 2009 TTM)



Revenue: \$94.1 million

## First Quarter Fiscal Year 2009 Highlights

- Net sales for the first quarter of fiscal 2009 were \$27.6 million, a 38.3% increase compared with net sales of \$20.0 million in the first quarter of fiscal 2008. Higher sales of condensers, aftermarket equipment and pump packages drove net sales in the first quarter.
- Net income more than doubled to \$5.7 million, or \$1.11 per diluted share, in the first quarter of fiscal 2009 compared with \$2.7 million, or \$0.53 per diluted share, in the same period the prior fiscal year.
- Gross profit in the first quarter of fiscal 2009 was \$12.2 million, or 44.2% of sales, compared with \$6.7 million, or 33.4% of sales, in the first quarter of fiscal 2008. Higher aftermarket sales, improved product mix and operating efficiencies contributed to the gain.
- Operating margin was 30.4% in the first quarter of fiscal 2009 compared with 18.0% in the same period the prior fiscal year. Higher sales and operating leverage gains contributed to the improvement.
- Orders received in the first quarter of fiscal 2009 were \$27.8 million, a 12% increase compared with \$24.8 million in the same period the prior fiscal year.
- Backlog was \$76.0 million as of June 30, 2008, up 28% compared with backlog of \$59.2 million as of June 30, 2007.
- Cash, cash equivalents and investments at June 30, 2008 were \$45.0 million compared with \$36.8 million as of March 31, 2008. Net cash provided by operating activities was \$6.9 million in the first quarter of fiscal 2009.

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