

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:

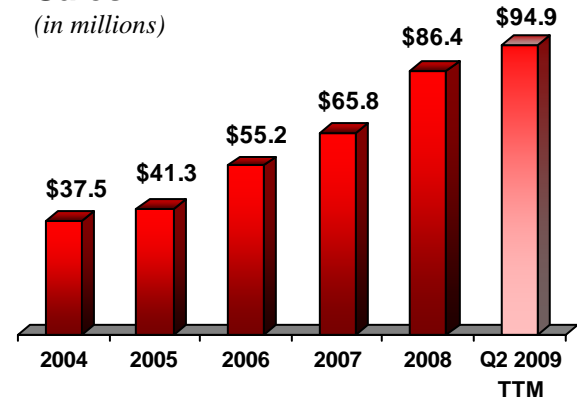
- Maintaining strong North American presence
- Growing aftermarket revenue
- Winning in emerging growth markets, such as Asia and the Middle East and cultivating new markets, such as gas to liquids
- Maintaining margins with engineering and manufacturing operational efficiency improvements
- Improving 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 \$42.9 million and continued reductions in the cash conversion cycle
- Experienced, talented management team

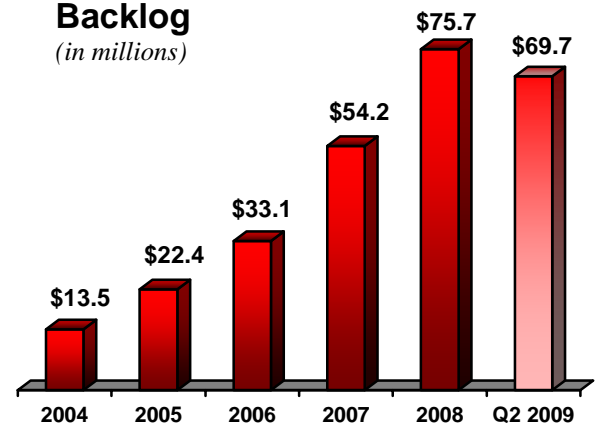
Sales

(in millions)

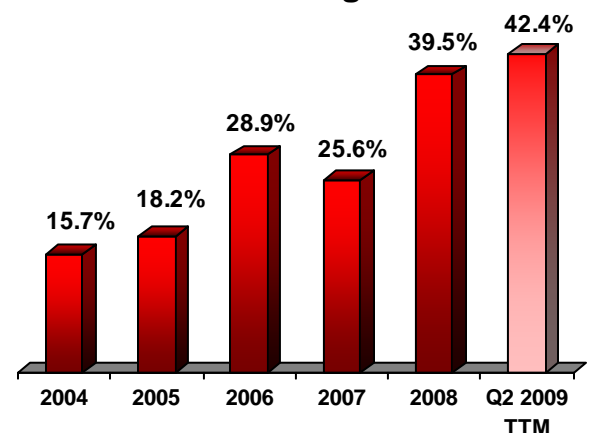


Backlog

(in millions)



Gross Profit Margin



Market Data (as of October 23, 2008) & Financial Highlights

Common Shares Outstanding (millions)	10.1	Price to Earnings (TTM)	10.3x
Market Cap (millions)	\$184	Gross Margin (Q2 09 TTM)	42.4%
Avg. Daily Volume (3 mos)	483,389	Operating Margin (Q2 09 TTM)	27.4%
Recent Price	\$18.25	Net Margin (Q2 09 TTM)	19.0%
52-Week Range	\$54.91 – \$12.50	EPS (Q2 09 TTM)	\$1.77

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Financial Highlights

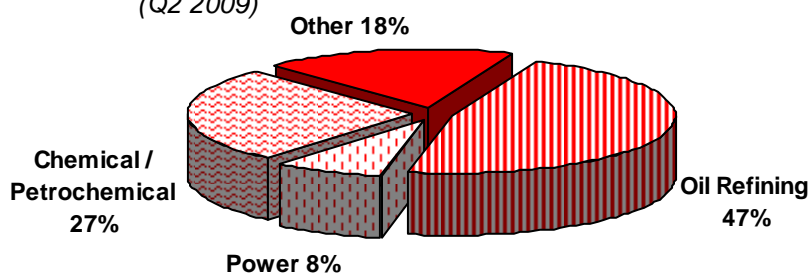
(in thousands except per share data)

	Second Quarter Ended Sep. 30,		Fiscal Year Ended Mar. 31,		
	2008	2007	2008	2007	2006
Sales	\$ 23,915	\$ 23,060	\$ 86,428	\$ 65,822	\$ 55,208
Gross profit	10,499	9,897	34,162	16,819	15,959
Selling, general and administrative	3,931	3,438	13,074	10,806	10,505
Income before taxes	6,738	6,721	22,104	6,519	5,753
Net income (loss)	4,412	4,422	15,034	5,761	3,586
Diluted earnings (loss) per share – cont. ops	\$ 0.43	\$ 0.44	\$ 1.49	\$ 0.58	\$ 0.38
Weighted average shares outstanding – diluted	10,249	10,029	10,085	9,850	9,336
Gross margin	43.9%	42.9%	39.5%	25.6%	28.9%
Operating margin	27.5%	28.0%	24.4%	9.1%	9.9%
Net margin	18.4%	19.2%	17.4%	8.8%	6.5%

(in thousands)	Sep. 30, 2008	Mar. 31, 2008	Mar. 31, 2007	Mar. 31, 2006
Current assets	\$ 66,796	\$ 57,370	\$ 36,739	\$ 27,395
Other assets	16,522	13,341	12,139	13,161
Total assets	83,318	70,711	48,878	40,556
Current liabilities	19,890	20,372	16,620	10,616
Capital lease obligations	46	36	56	30
Other liabilities	2,814	1,767	1,548	2,803
Stockholders' equity	60,568	48,536	30,654	27,107
Total liabilities and stockholders' equity	83,318	70,711	48,878	40,556
Book value per share	\$ 5.98	\$ 4.86	\$ 3.15	\$ 2.83
Return on average assets (TTM)	26.1%	25.1%	12.9%	9.7%
Return on average equity (TTM)	36.6%	38.0%	19.9%	16.4%

Revenue by Industry

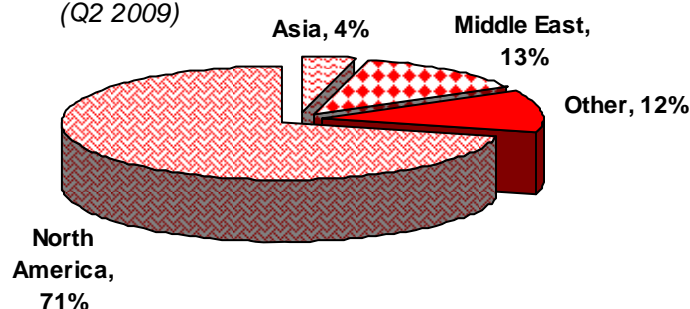
(Q2 2009)



Revenue: \$23.9 million

Revenue by Geographic Market

(Q2 2009)



Revenue: \$23.9 million

Second Quarter Fiscal Year 2009 Highlights

- Net sales for the second quarter of fiscal 2009 were \$23.9 million, a 4% increase compared with net sales of \$23.1 million in the second quarter of fiscal 2008. Higher sales of condensers, heat exchangers, pump packages and aftermarket products drove net sales in the second quarter.
- Gross profit was \$10.5 million, or 43.9% of sales, in the second quarter of fiscal 2009 compared with \$9.9 million, or 42.9% of sales, in the same period the prior fiscal year. Increased selectivity of orders accepted and improved operating leverage on higher sales from efficiencies gained on fixed costs such as direct labor and production overhead, contributed to the year-over-year profitability increase.
- Orders received in the second quarter of fiscal 2009 were \$17.5 million compared with orders of \$20.5 million in the same period the prior fiscal year. The decrease was primarily due to a sudden change by our customers in the rate at which they are releasing orders.
- Backlog was \$69.7 million as of September 30, 2008, up 23% compared with backlog of \$56.8 million as of September 30, 2007.
- Cash, cash equivalents and investments at September 30, 2008 were \$42.9 million compared with \$36.8 million at March 31, 2008 and \$45.0 million at June 30, 2008.

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.