



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 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.

Expansion Cycle Strategy

- Maintain strong North American presence
- Grow aftermarket revenue
- Win in growing, emerging markets, such as Asia and the Middle East
- Cultivate new markets, such as gas to liquids and biodiesel
- Improve margins with higher production throughput and improved operational efficiency
- Improve capital usage through aggressive cash management

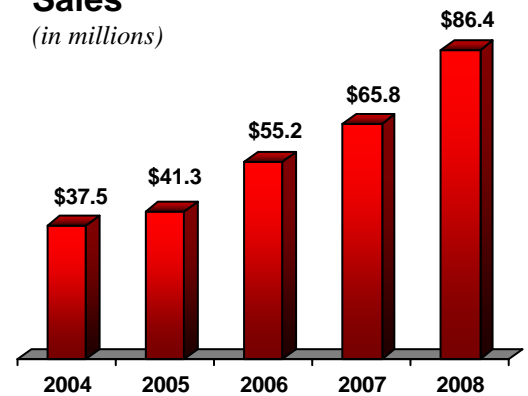
Investment Considerations

- 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 \$36.8 million and continued reductions in the cash conversion cycle
- Experienced, talented management team

Investor Fact Sheet – Fiscal Year 2008

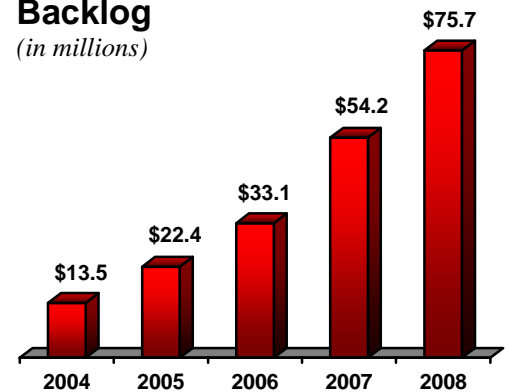
Sales

(in millions)



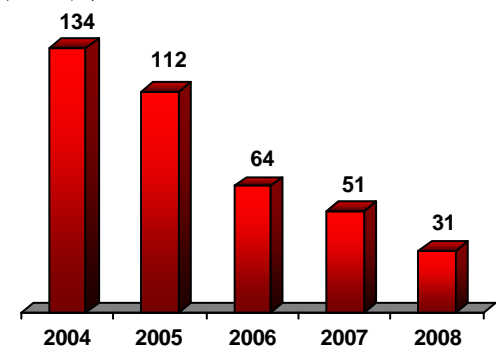
Backlog

(in millions)



Cash Conversion Cycle

(in days)



Market Data (as of May 9, 2008) & Financial Highlights

Common Shares Outstanding (millions)	5.0	Price to Earnings (TTM)	20.4x
Market Cap (millions)	\$302	Gross Margin (FY 08)	39.5%
Avg. Daily Volume (3 mos)	102,719	Operating Margin (FY 08)	24.4%
Recent Price	\$60.84	Net Margin (FY 08)	17.4%
52-Week Range	\$13.45 – \$64.89	EPS (FY 08)	\$2.98

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

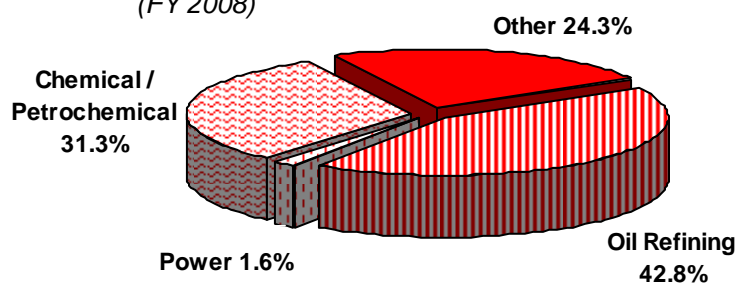
(in thousands except per share data)

	Fourth Quarter Ended Mar. 31,		Year Ended Mar. 31,		
	2008	2007	2008	2007	2006
Sales	\$ 22,756	\$ 20,811	\$ 86,428	\$ 65,822	\$ 55,208
Gross profit	8,939	6,087	34,162	16,819	15,959
Selling, general and administrative	3,318	3,365	13,074	10,806	10,505
Income before taxes	5,847	2,880	22,104	6,519	5,753
Net income (loss)	4,191	3,416	15,034	5,761	3,586
Diluted earnings (loss) per share – cont. ops	\$ 0.83	\$ 0.69	\$ 2.98	\$ 1.17	\$ 0.77
Weighted average shares outstanding – diluted	5,078	4,936	5,042	4,925	4,668
Gross margin	39.3%	29.2%	39.5%	25.6%	28.9%
Operating margin	24.7%	13.1%	24.4%	9.1%	9.9%
Net margin	18.4%	16.4%	17.4%	8.8%	6.5%

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

Revenue by Industry

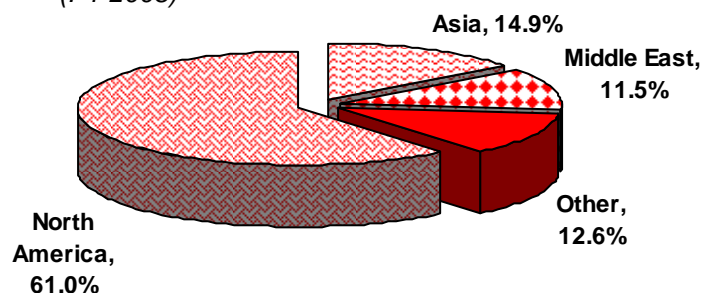
(FY 2008)



Revenue: \$86.4 million

Revenue by Geographic Market

(FY 2008)



Revenue: \$86.4 million

Fourth Quarter & Fiscal Year 2008 Highlights

- Revenue for the fourth quarter of fiscal 2008 was \$22.8 million, compared with revenue of \$20.8 million in the fourth quarter of fiscal 2007. Revenue for fiscal 2008 was \$86.4 million, a 31.3% increase compared with revenue of \$65.8 million for fiscal 2007.
- Fourth quarter fiscal 2008 net income was \$4.2 million, or \$0.83 per diluted share, compared with net income of \$3.4 million, or \$0.69 per diluted share, in the same period the prior year. For the full year, net income was \$15.0 million, or \$2.98 per diluted share, in fiscal 2008 compared with \$5.8 million, or \$1.17 per diluted share, in fiscal 2007. Included in fourth quarter fiscal 2007 net income was the recognition of an out-of-period research and development tax credit of \$1.4 million, or \$0.28 per diluted share.
- Backlog was at a record level of \$75.7 million as of March 31, 2008, up 40% compared with backlog of \$54.2 million as of March 31, 2007, and up 20% compared with \$63.0 million in backlog as of December 31, 2007.
- Operating margin was 24.7% in the fourth quarter of fiscal 2008 compared with 13.1% in the same period the prior year. Fiscal 2008 operating margin was 24.4% compared with 9.1% in fiscal 2007. Higher sales and operating leverage gains contributed to the improvement quarter-over-quarter and year-over-year.
- Cash, cash equivalents and investments at March 31, 2008 were \$36.8 million compared with \$15.1 million as of March 31, 2007.

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.