

NYSE Amex: GHM

SUPPLEMENTAL SLIDES

THIRD QUARTER FISCAL 2011 EARNINGS CALL



PUTTING OUR BRAND TO WORK



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JIM LINES

PRESIDENT AND CHIEF EXECUTIVE OFFICER



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HIGHLIGHTS OF 3Q FY2011



Orders: Driven by international markets

- Refinery pipeline solid
- Hydrocarbon processing opportunities
- Canadian oil sands



Sales: Sequential and comparable period growth



Margins: In line with expectations



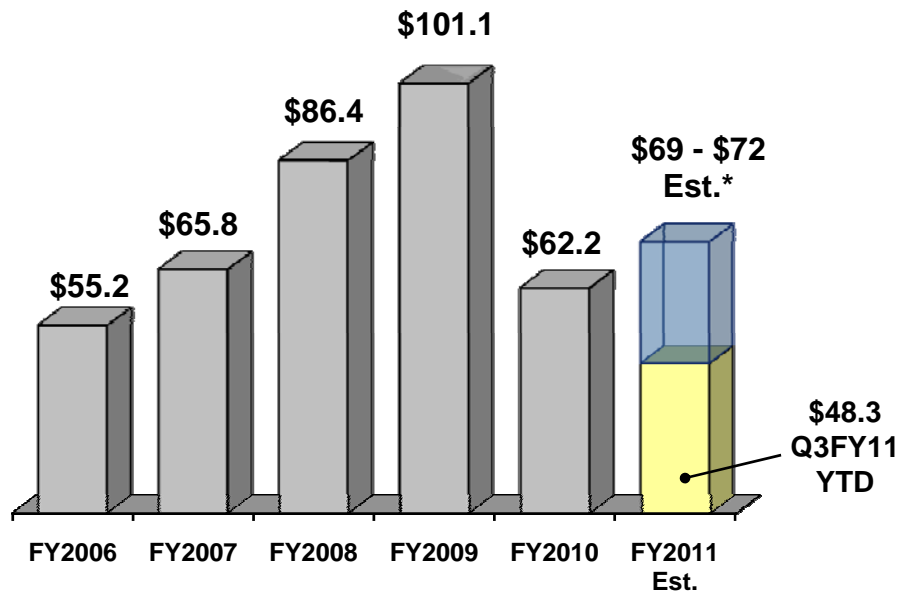
Energy Steel Acquisition: Excellent strategic fit

EXPANDING REVENUE

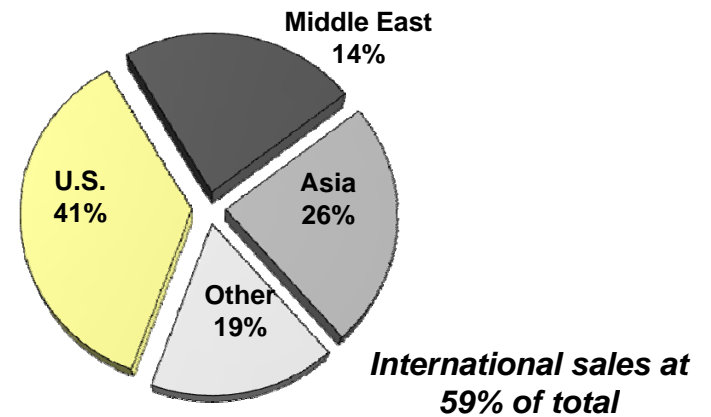
Q3 FY11 YTD Revenue: \$48.3 million

12-Month Revenue

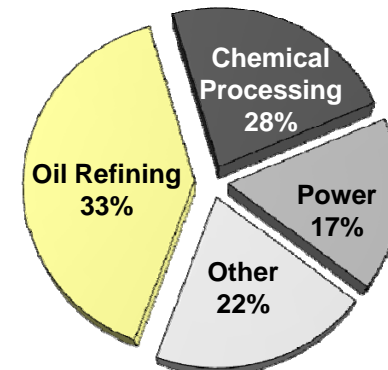
(\$ in millions)



Sales by Region



Sales by Market



Great progress on integration

Acquisition costs expensed: \$0.05/share impact to Q3 2011 net income

Opportunities:

- Increase market penetration with existing nuclear power plants
- Integrate engineering and design expertise with certified manufacturing process
- New power plant designs: 4-6 new plants expected by 2018*
- Significant addressable opportunities per plant

** Source: World Nuclear Association, Nuclear Power in the USA, 12/28/10*

STRATEGIC ACTIONS TO DRIVE GROWTH

Expand market opportunities: larger addressable market

- Naval Nuclear Propulsion Program (NNPP)
- Nuclear Power
 - Energy Steel acquisition
 - Undergoing certification process for Batavia Operations
- Renewable energy

Broaden subcontractor network: greater flexibility, shorter supply chain

- North America – added 3 subcontractors in 2010
- International subcontractors: 3 in South Korea; 2 in China; 2 in India
- Expand variable cost model

Strengthen core business for margin retention

- Shortened load times
- Reduced errors
- IT improvements in production and office
- Continuous improvement process (CIP)

Investments in personnel to expand capability and capacity

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JEFF GLAJCH

VICE PRESIDENT AND CHIEF FINANCIAL OFFICER



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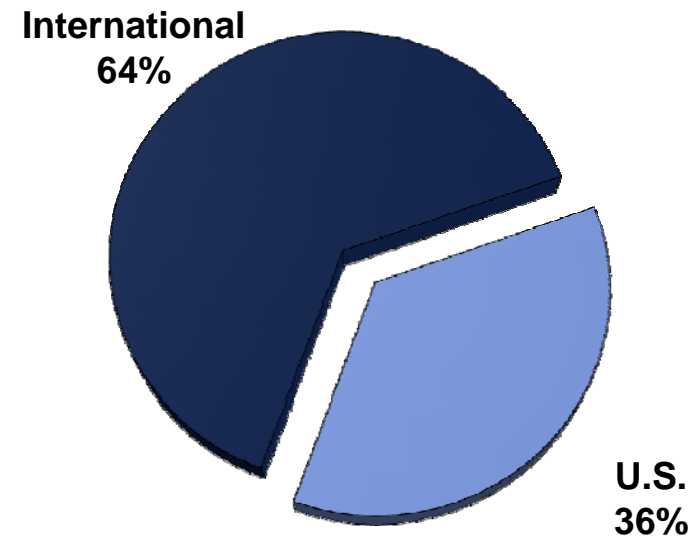
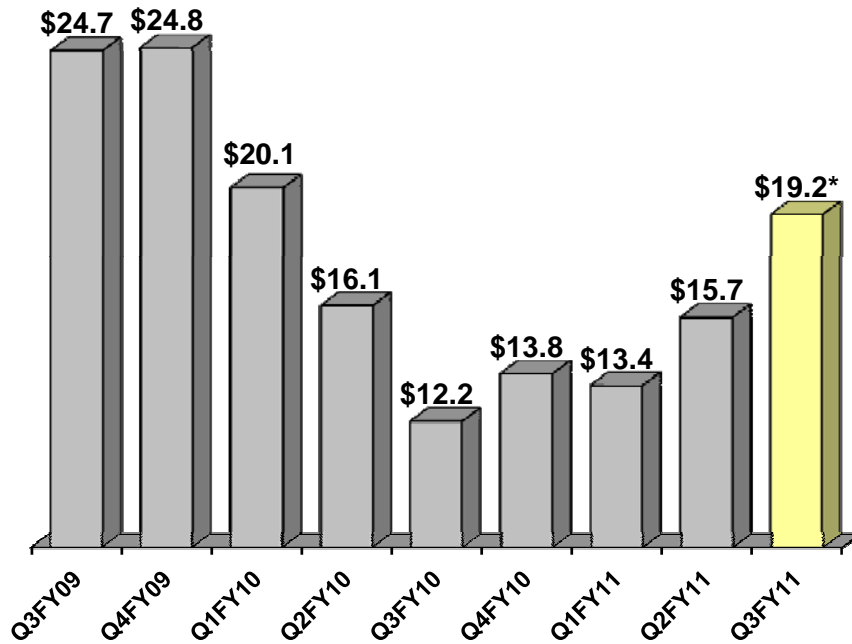


INTERNATIONAL SALES DRIVING RECOVERY



Quarterly Revenue

\$19.2 million
3Q FY2011 Revenue



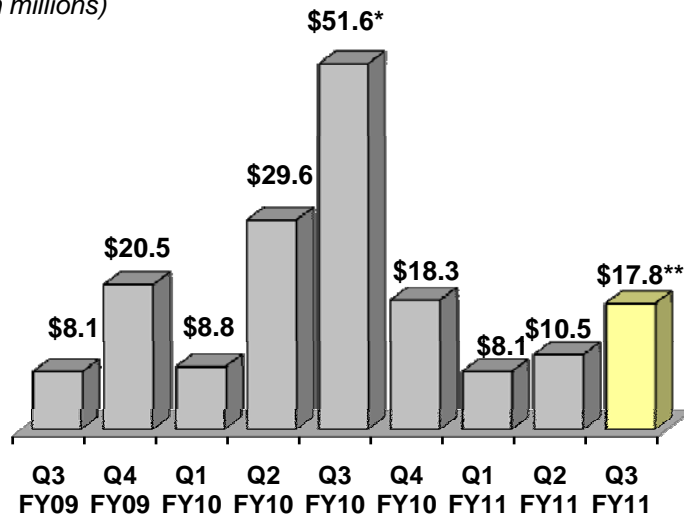
- ✓ Emerging economies driving next cycle: Asia (China), Middle East, South America
- ✓ Sales rebounded after four-quarter trough
- ✓ Capital intense projects tend to lag general economic cycle

RECOVERING ORDER TREND AND STRONG BACKLOG



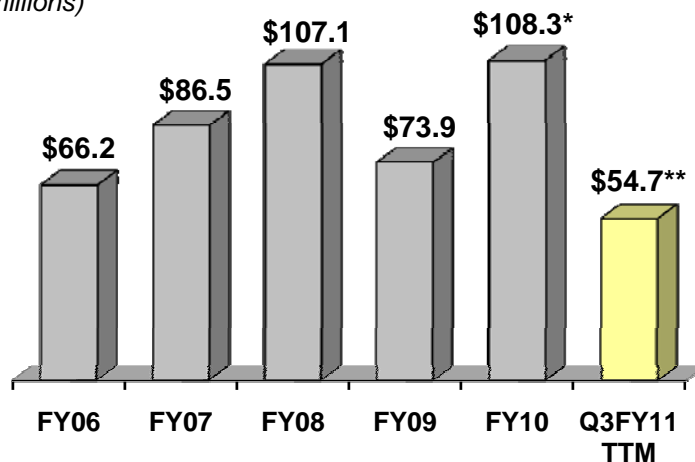
Quarterly Orders

(In millions)



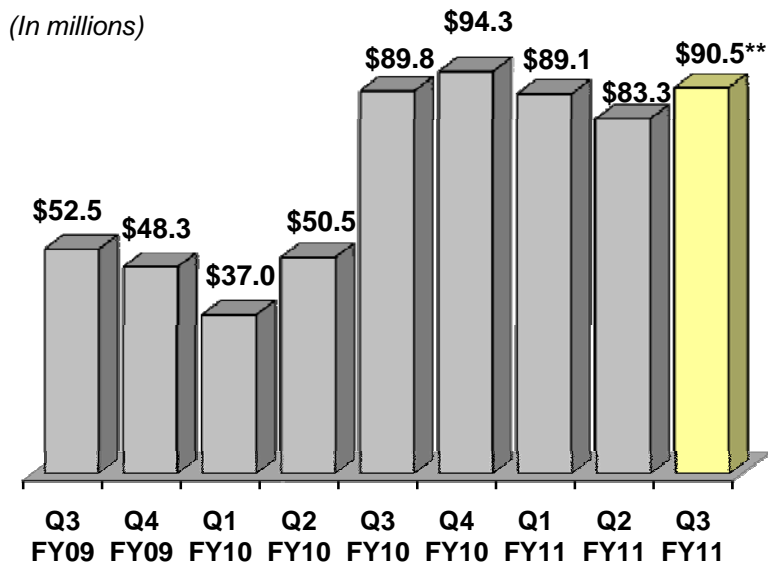
Annual Orders

(In millions)



Backlog

(In millions)



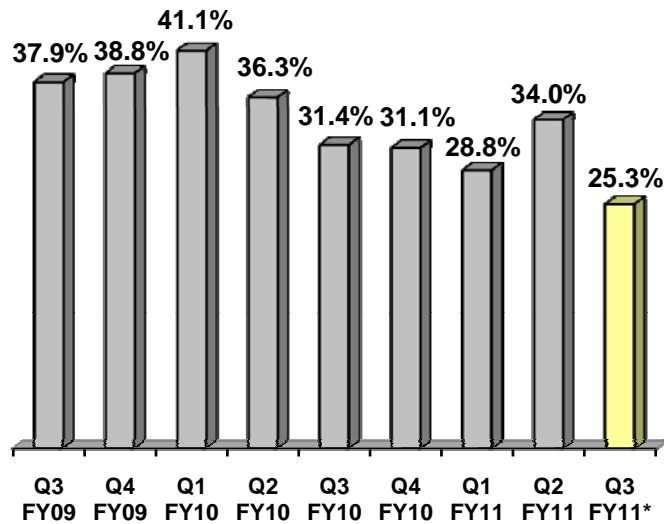
*GHM won an order in Q3 FY10 from Northrup Grumman for a US Navy carrier program in excess of \$25 million

** Energy Steel contributed \$0.8 million in orders to the quarter since its acquisition on Dec. 14, 2010, and had \$8.6 million in backlog at Dec. 31, 2010.

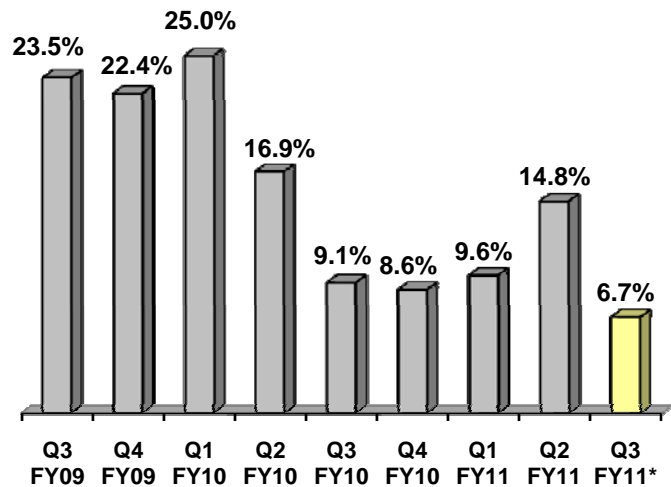
OPERATIONAL REVIEW: Q3 FY2011



Gross Margin

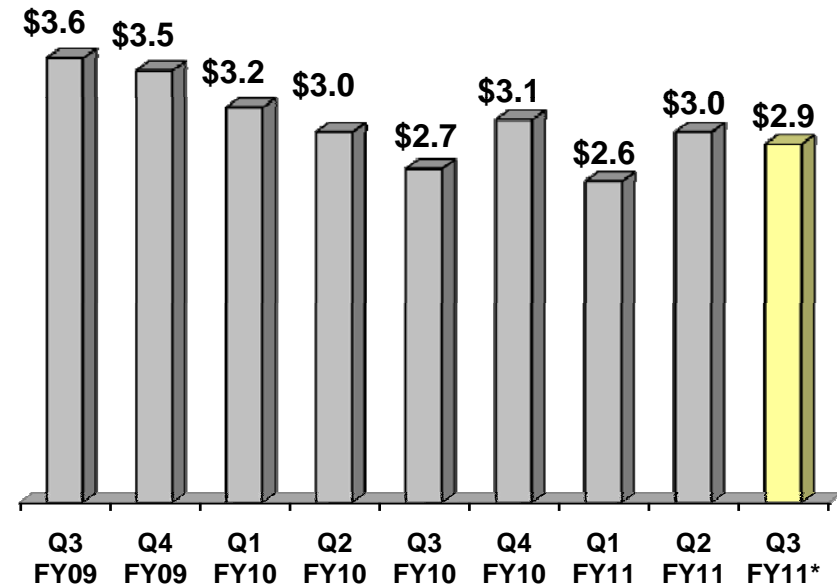


Operating Margin



SG&A

(\$ in millions)



% of sales:

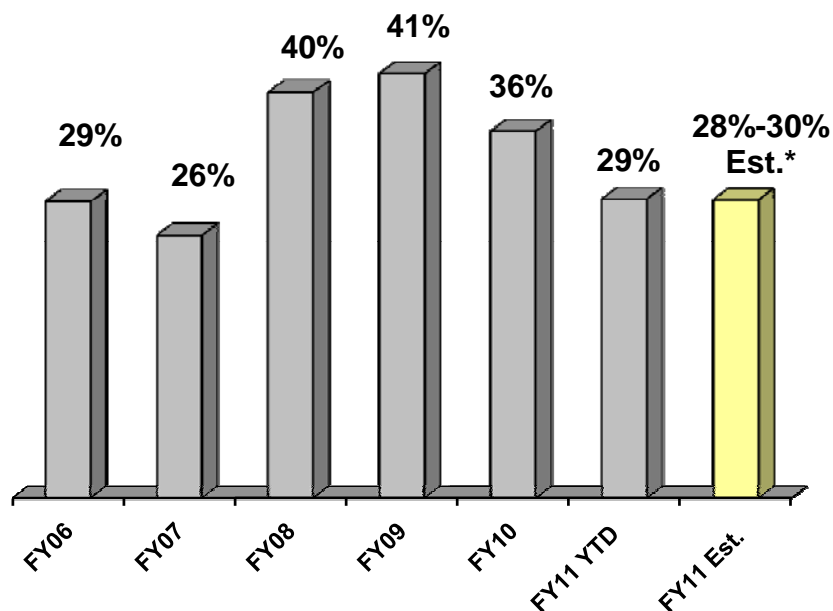
14.4% 14.1% 16.1% 18.8% 22.3% 22.5% 19.2% 19.2% 18.6%

* Excludes \$0.7 million in transaction costs related to the acquisition of Energy Steel on December 14, 2010.

FINANCIAL REVIEW: OUTLOOK

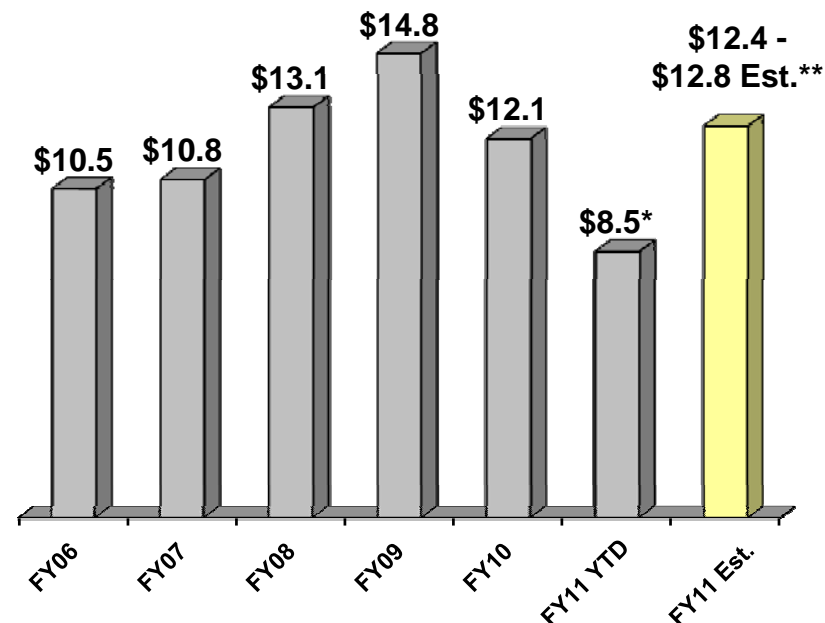


Gross Margin



SG&A

(In millions)



- ✓ Estimates based on full year fiscal 2011 guidance of revenue between \$69 and \$72 million and gross margin between 28% and 30%
- ✓ Margins impacted by orders won in more competitive pricing environment
- ✓ At the peak of the next business cycle GHM expects margins in the mid- to- high 30% range

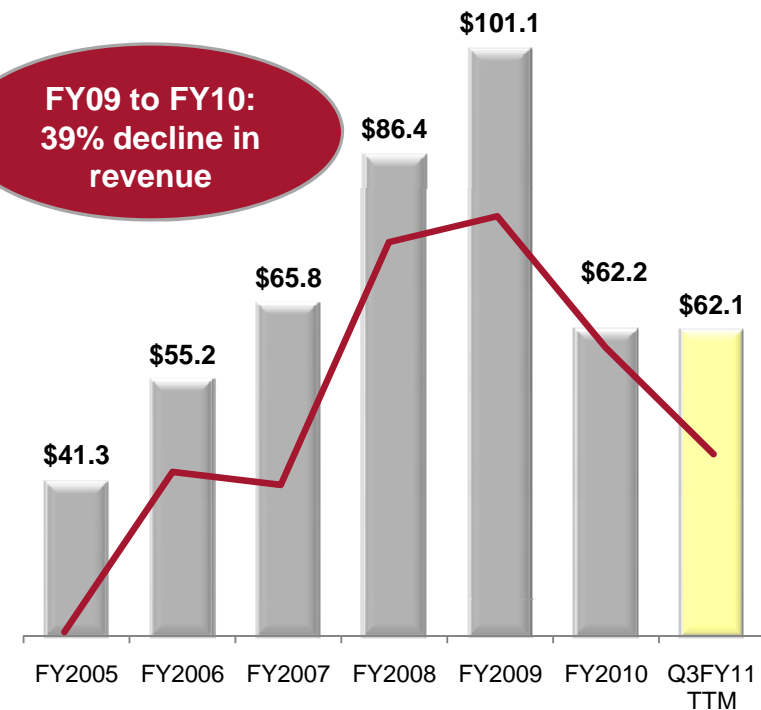
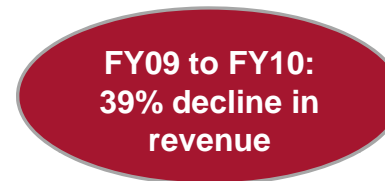
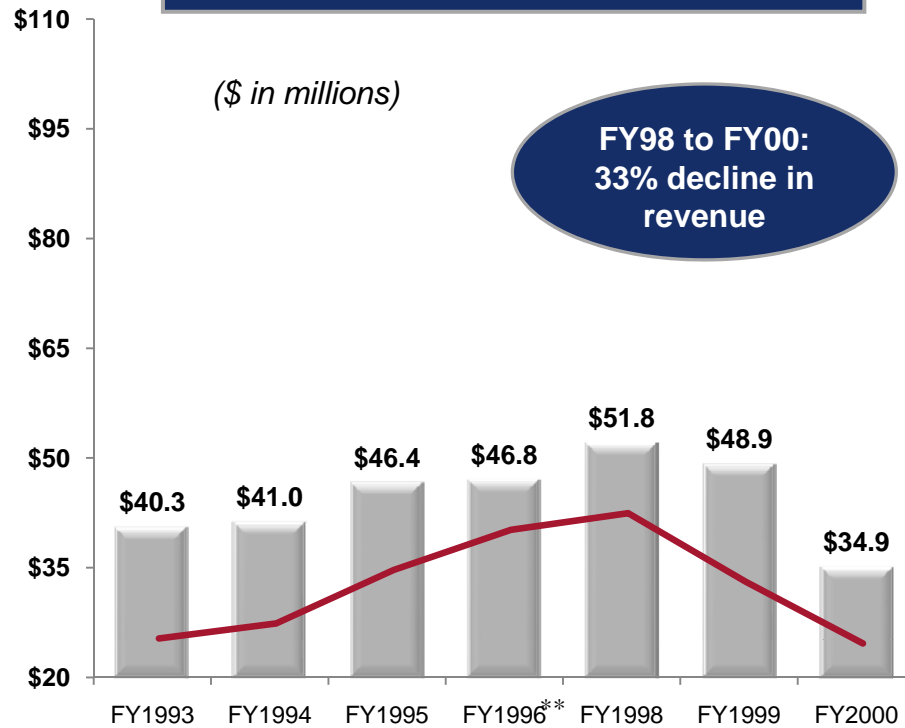
*Guidance provided as of February 4, 2011 and includes Energy Steel which was acquired 12/14/10

** Excludes \$0.7 million in transaction costs related to the acquisition of Energy Steel on December 14, 2010

RAISED THE FLOOR ON MARGINS

Previous Cycle: FY1993 to 2000*

Current Cycle: FY2005 to Present



Margin **3.6%** **4.5%** **7.7%** **10.1%** **11.1%** **7.0%** **3.3%**

1.4% **11.3%** **10.5%** **25.5%** **27.1%** **19.0%** **12.4%**

* Data from FY1993 though FY2000 excludes discontinued operations.

** 1997 was a three-month transition year and is excluded from this comparison; 1996 reflects a 12-month period.

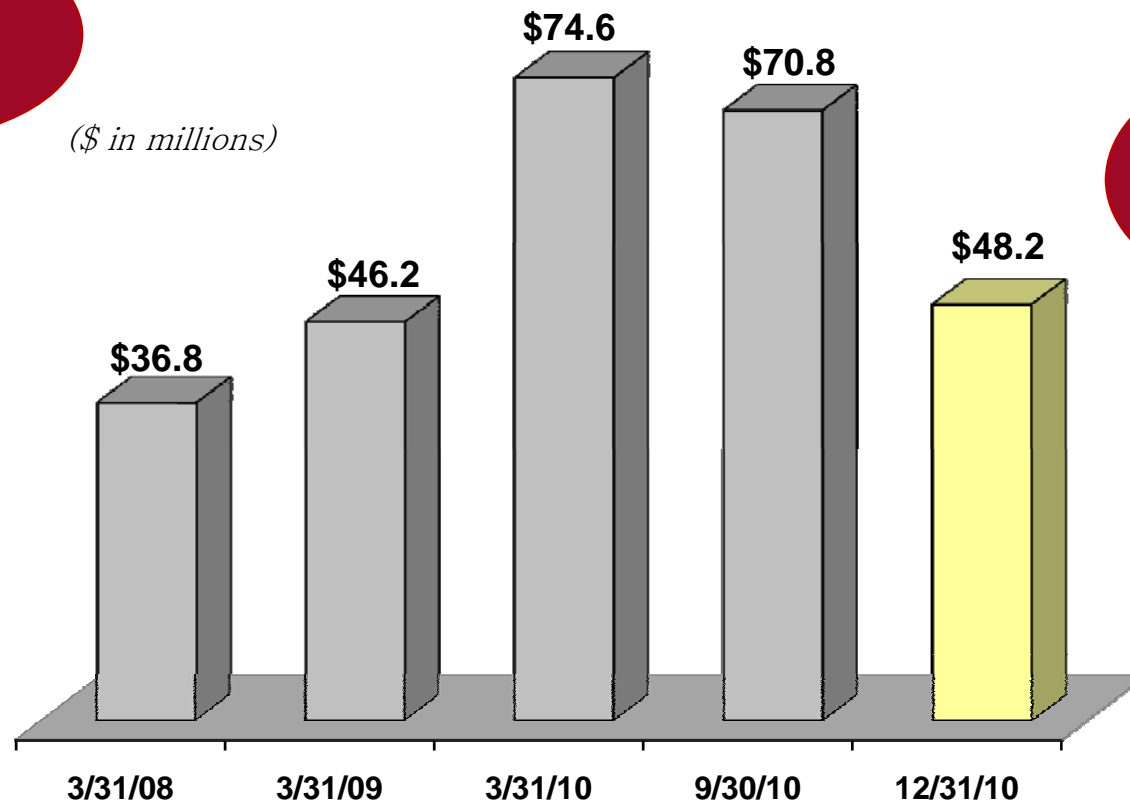
Note: See supplemental slides for EBITDA reconciliation.

STRONG CASH POSITION

Cash and Cash Equivalents

No bank
debt at
12/31/10

(\$ in millions)



Energy Steel:
all cash
\$18 million
acquisition

Includes above normal level of customer deposits: ~ \$14 - \$16 million at 3/31/10 & \$10 - \$12 million at 9/30/10; \$6 - \$8 million at 12/31/10

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EBITDA RECONCILIATION



<u>Current Cycle</u>	2005	2006	2007	2008	2009	2010	Q3FY11 TTM
GAAP operating profit	\$ (206)	\$ 5,454	\$ 6,013	\$ 21,088	\$ 26,328	\$ 10,042	\$ 6,074
Depreciation & amortization	780	793	887	989	1,111	1,797	1,640
EBITDA	\$ 574	\$ 6,247	\$ 6,900	\$ 22,077	\$ 27,439	\$ 11,839	\$ 7,714

<u>Previous Cycle</u>	2000*	1999*	1998*	1996*	1995*	1994*	1993*
GAAP operating profit	\$ 332	\$ 2,591	\$ 4,932	\$ 3,995	\$ 2,818	\$ 1,075	\$ 662
Depreciation & amortization	827	820	804	706	732	771	807
EBITDA	\$ 1,159	\$ 3,411	\$ 5,736	\$ 4,701	\$ 3,550	\$ 1,846	\$ 1,469

* Data from FY1993 though FY2000 excludes discontinued operations and is unaudited; 1997 was a three-month transition year and is excluded from this comparison; 1996 reflects a 12-month period.