



Actuant Corporation

2012 Investor Day

October 2, 2012
New York, NY



Safe Harbor

Statements in this presentation that are not historical are considered “forward-looking statements” and are subject to change based on various factors and uncertainties that may cause actual results to differ significantly from expectations. Those factors are contained in Actuant’s Securities and Exchange Commission filings.

All estimates of future performance are as of September 27, 2012. Actuant’s inclusion of these estimates or targets in the presentation is not an update, confirmation, affirmation or disavowal of the estimates or targets.

In this presentation certain non-GAAP financial measures may be used. Please see the supplemental slides at the end of this presentation or visit the Investors section of Actuant’s website (www.actuant.com) for a reconciliation to the appropriate GAAP measure.

Agenda

Time	Activity	Participants	Detail
10:00	Kick-Off Introduction	Bauer Arzbaecher	Welcome/Format Opening Remarks
10:30-12:00	ATU Updates	Bauer Various Wozniak Goldstein	ATU “Misconceptions” G+I At Work Acquisition Strategy / Update Op Ex in Focus
12:00-12:30	Break and Lunch	All	Break and Buffet Lunch
12:30-12:55	Table 1 Rotation	All	Segment Q&A
1:00 – 1:25	Table 2 Rotation	All	Segment Q&A
1:30 – 1:55	Table 3 Rotation	All	Segment Q&A
2:00 – 2:25	Table 4 Rotation	All	Segment Q&A
2:30- 3:00	Summary and Wrap-Up Q&A	Lampereur Arzbaecher	

Table Attendees / Guests

Rotational Table Assignments Provided to Each Attendee (with name badge)

Industrial

Brian Kobylinski
Ted Wozniak

Electrical

David Scheer
Andy Lampereur

Energy

Jan de Koning
Mark Goldstein

Engineered Solutions

Bill Blackmore
Bob Arzbaeher

Also, Compensation Committee Chair Dennis Williams



Opening Remarks

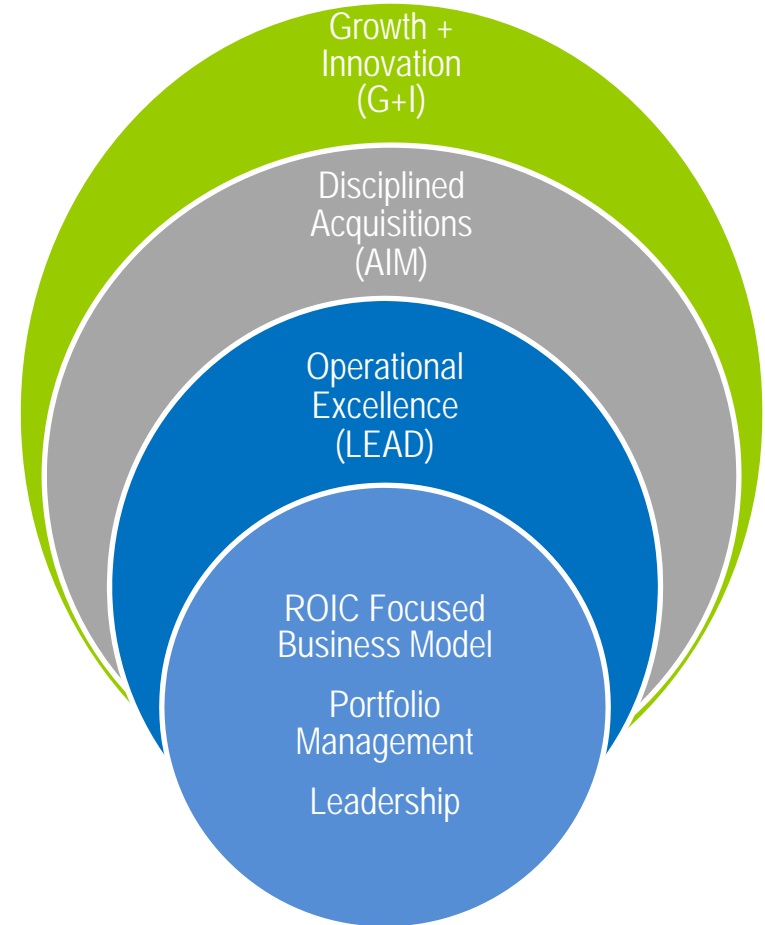
Bob Arzbaeher - CEO

Vision

To grow Actuant's revenue and improve profit margins across a diverse group of market leading businesses. We will be known as a **growth** company that is **operationally excellent**.

On the Right Path...

- ...to becoming a **growth** company that is **operationally excellent**
- Evolutionary change - enhancing capabilities and institutionalizing processes
- Moving away from cyclical to focus on more attractive secular markets
- Improving Voice of the Customer
- Investing in people / processes
- Today you will hear about “G+I At Work” through examples



On The Right Path to Strengthening Our Culture

Executing Longstanding Business Model

Business Model



Long-Term Metrics

1.5-2.0X
GDP

Deploy
FCF

+ 25-50 BPS
Base
Margins

>100% FCF
Conversion

On the Right Path - Consistently Generating Strong Cash Flow

Fiscal 2012 Highlights

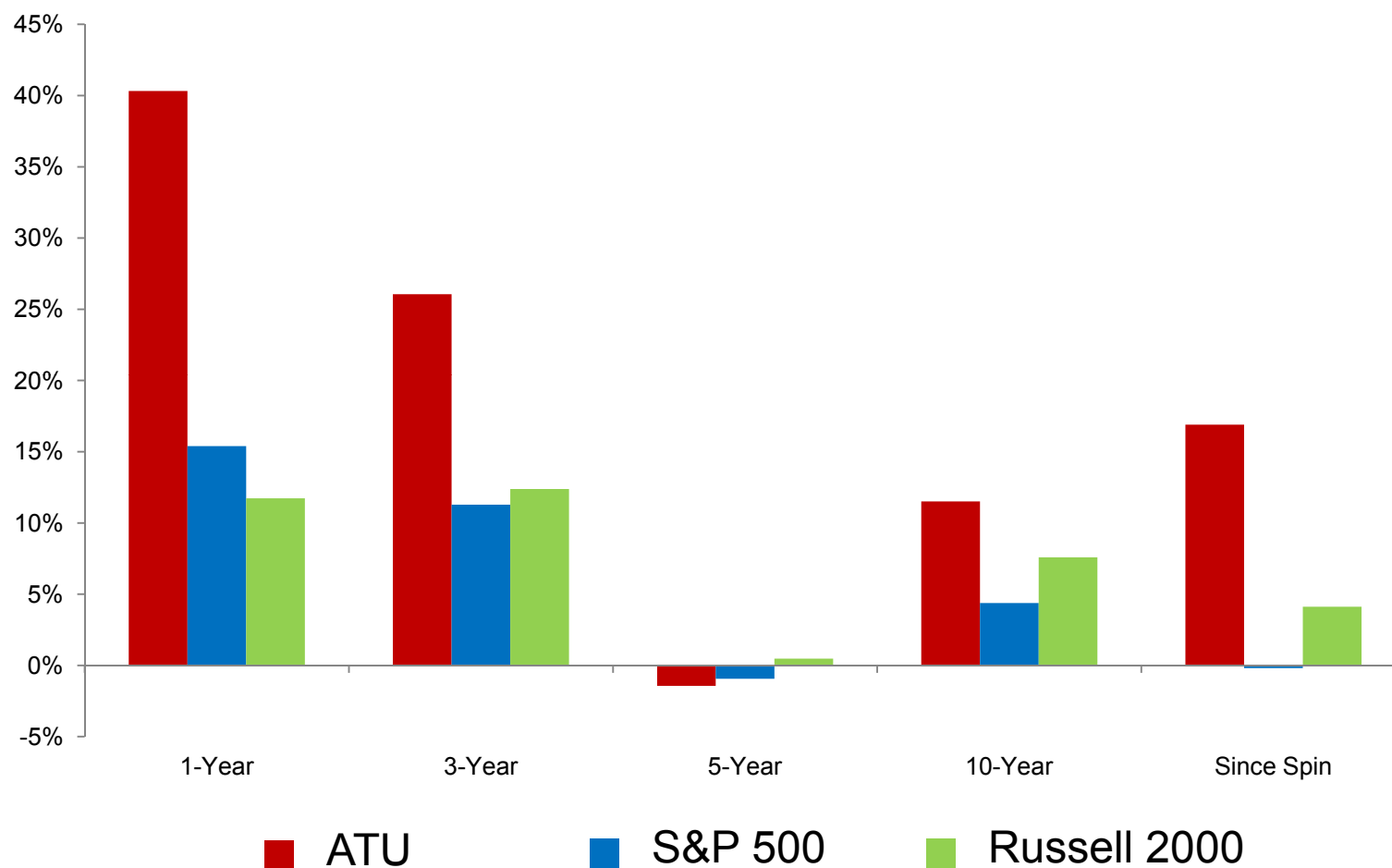
- Core growth of 5%
- Significant progress on Growth + Innovation cultural transformation
- Robust free cash flow - \$196 million representing 126% conversion of net earnings
- Generated 24% increase in EPS from continuing operations to \$2.08 ⁽¹⁾
- Improved operating margins – up 110 basis points year-over-year ⁽¹⁾
- Attractive capital allocation
 - Acquisition capital deployment of \$70 million into secular growth markets
 - \$63 million in share repurchases



Financial Results Reinforce We Are on the Right Path

(1) From continuing operations, excluding impairment charge and debt refinancing costs.

Investment Performance (stock return CAGR)



Strong Investment Performance in Fiscal 2012

Represents TSR CAGR through August 31, 2012

In Summary...

- Consistent strategy & strong execution drive shareholder returns
- Expect similar macro to 2012 but experienced and agile team prepared if environment changes
- Today's key messages:
 - We continue to build growth capabilities and are seeing results
 - Secular growth trends provide a broad array of opportunity – both core and acquisition
 - Strong talent and depth in organization
 - Embedded culture of continuous improvement
 - Cash flow / capital deployment to deliver shareholder value



On the right path to becoming a **growth** company that is **operationally excellent**

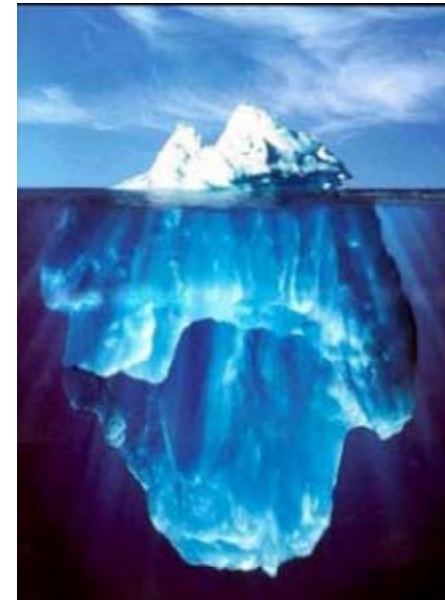
Common Actuant Misconceptions

Karen Bauer - IR

“What the Street Doesn’t Get”

Virtually Every Investor Meeting We Hold Ends With....

- What is the street missing with your story?
- What common misperceptions do you hear most from investors?
- What do you think investors “don’t get” about Actuant?



“What the Street Doesn’t Get”

Using Your Voting Tool – We Will Go Through Top Things the Street “Doesn’t Get” About Actuant

1. I’ll ask a question
2. Using your voting tool, select your preferred answer (*but WAIT until timer begins to count down*)
3. Results will display instantly
4. I’ll address the question / responses



“What the Street Doesn’t Get”

- Actuant’s diversity makes it complex to manage
 - *A* *Agree*
 - *B* *Neutral*
 - *C* *Disagree*
 - *D* *Don’t know*

Actuant Is Not That Complex to Manage

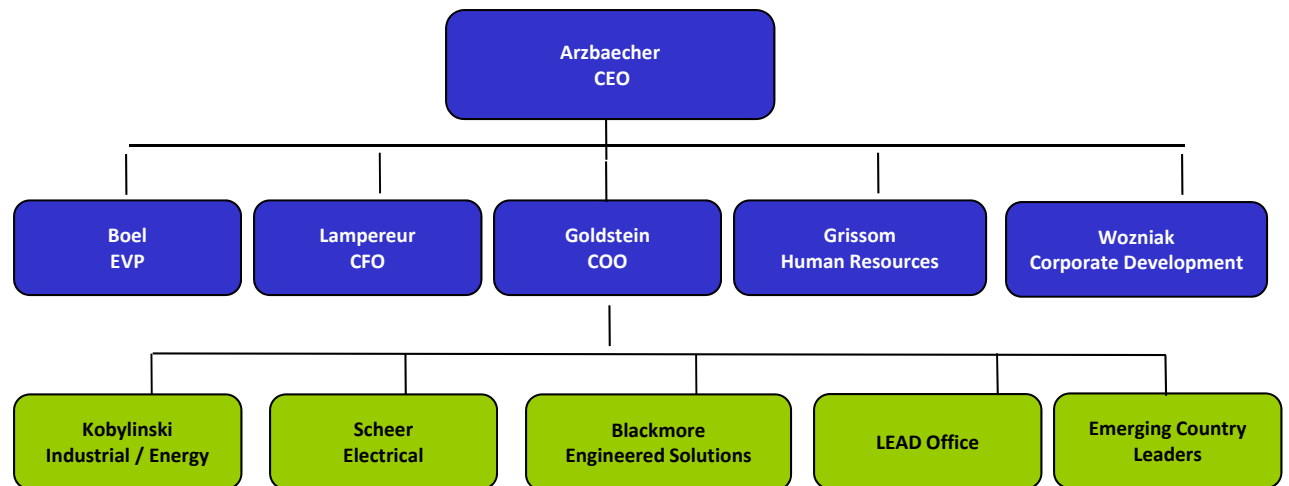
- Highly scalable organization structure - segment leaders serve as “mini” COO’s
- Knowledgeable and engaged business leaders drive:
 - Entrepreneurial “front end”– marketing, engineering, sales, etc
 - Leveraged “back end” – standardization & simplification, LEAD (G+I and OpEx), LCC sourcing, emerging market assembly operations, shared services
- Simplified via consolidation of small businesses (e.g. Specialty Power Transmission, Global Power-Packer, North American Electrical)

2008 – 18 Businesses with 22 Leadership Team Members
2012 - 9 Businesses with 17 Leadership Team Members ⁽¹⁾

(1) Includes China and India Country Leaders and G+I Leader

Leadership Updates

- New Leadership Team Members/Roles
 - Steve Rennie – Specialty Power Transmission (Weasler/Elliott) Business Leader
 - John Thomas – VP LEAD Office
 - Kathy Johnston – Cortland Business Leader



Continue to Strengthen Management & Support Teams

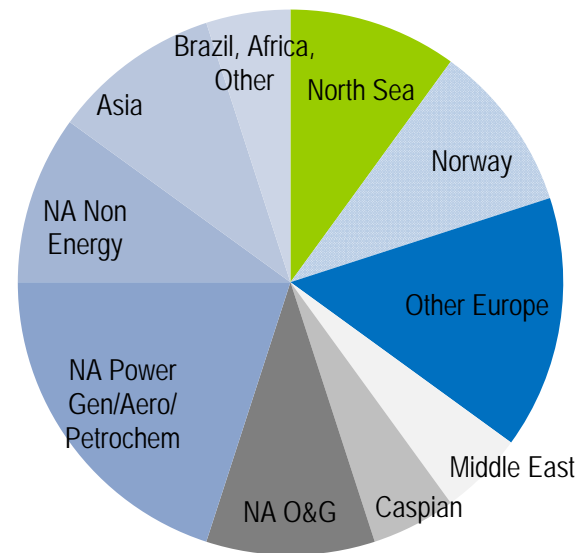
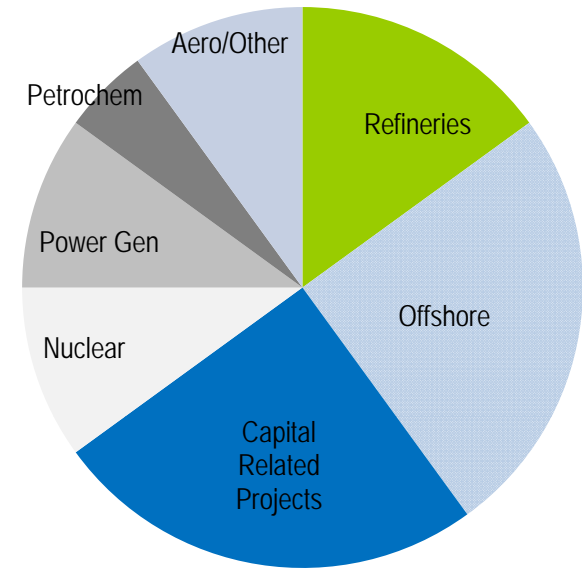
“What the Street Doesn’t Get”

- The energy segment performance is primarily tied to?
 - *A Oil prices*
 - *B Rig counts*
 - *C Drilling activity*
 - *D North Sea activity*
 - *E Maintenance*

Energy Segment Drivers

MRO to a diverse group of Energy end markets is the primary driver

- But “all of the above” are relevant in some way
 - Oil prices represent “confidence” indicator for capital and maintenance spending
 - Rig counts – ATU leveraged more to offshore, not land
 - Drilling activity – small and mostly related to tool purchases
 - North Sea – “origin” of business but represents ~10% today given continued diversification



“What the Street Doesn’t Get”

- For acquisitions, you primarily compete against other multi-industry strategics who are bigger and can outbid you
 - A *Agree*
 - B *Disagree*
 - C *Don't know*

M&A Competitive Environment

- Given niche market focus, competition seldom involves other multi-industry public companies
 - Two thirds represent individual negotiation
 - Auction represents remaining third – competition split evenly between PEG and strategic buyers
 - Strategic buyers are rarely multi-industry peers
- In several cases our business model, strategic direction, acquisition track record, integration process and/or certainty of close trumps a higher price

Acquisitions Since 2009

Auction



Private Negotiation



“What the Street Doesn’t Get”

- Actuant is too diverse and the acquisitions simply add to that diversity
 - *A* *Agree*
 - *B* *Neutral*
 - *C* *Disagree*
 - *D* *Don’t Know*

Focused on Growth Platforms

- Actuant has a focused growth strategy centered around four primary secular trends
- Filter for capital deployment and portfolio management decisions
- Will remain diversified, but clear categories of growth laneways

Energy Demand



Global Infrastructure



Food/Farm Productivity

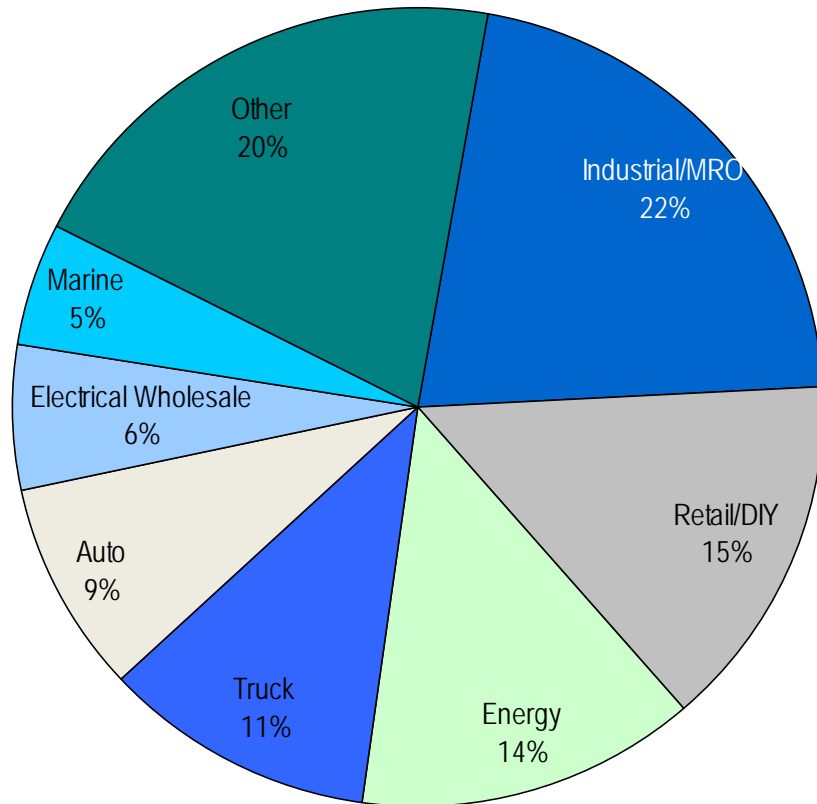


Natural Resources / Sustainability

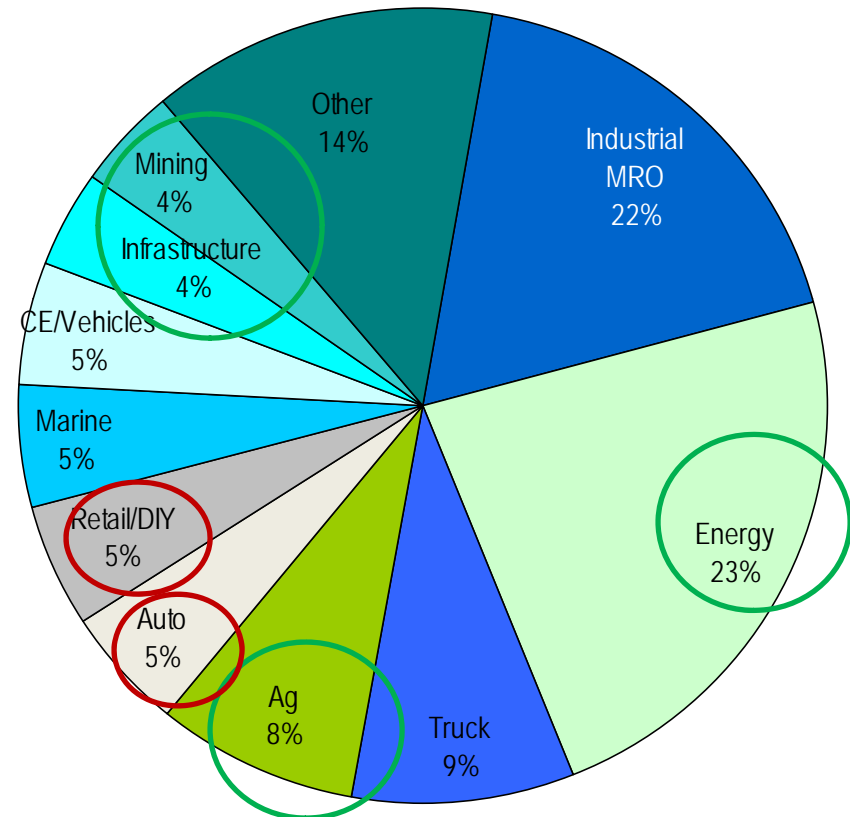


End Market Transformation Since Recession

2008



2012



Increased Exposure to Identified Secular Growth Markets

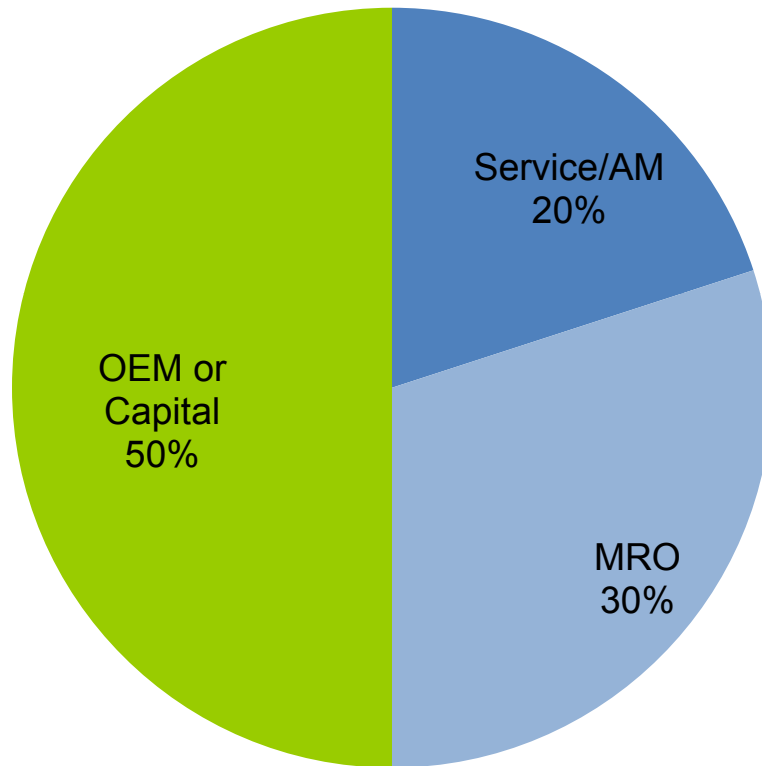
Both periods represent \$1.6B in revenue, with 2008 as initially reported including subsequently divested European Electrical business

“What the Street Doesn’t Get”

- Actuant revenues are cyclical and tied to OEM builds and capital expenditures. Aftermarket / MRO account for only what percent of Actuant’s revenue?
 - *A* ~5%
 - *B* ~15%
 - *C* ~25%
 - *D* ~50%

Sizable and Growing Maintenance/Aftermarket

Actuant Revenue by Category



- Increasing since 2008/2009 recession
- Acquisition and organic growth criteria
- G+I - moving beyond products to add services and new go-to-market strategies

Service/Aftermarket/MRO Driver for Half of ATU Revenue

Service/Aftermarket revenue includes Hydratight service/rental, Weasler aftermarket, Marine aftermarket, DelCity

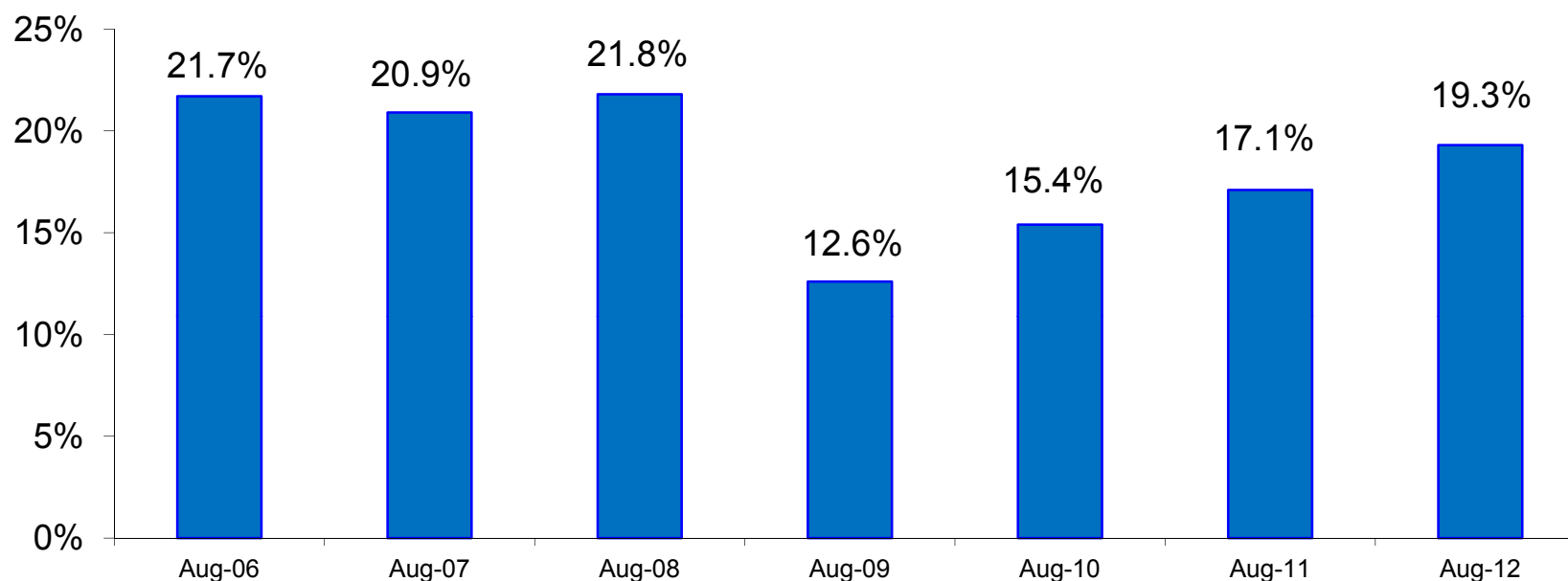
MRO includes Enerpac & Hydratight tools for MRO applications, NA retail/DIY consumables, portion of Cortland Energy

“What the Street Doesn’t Get”

- Your growth strategy, which includes acquisitions, has resulted in declining ROIC.
 - *A* *Agree*
 - *B* *Neutral*
 - *C* *Disagree*
 - *D* *Don't Know*

Improving ROIC Trend

Pre-tax ROIC



$$\text{ROIC} = \frac{\text{EBITA}}{\text{Net Debt} + \text{Book Equity}}$$

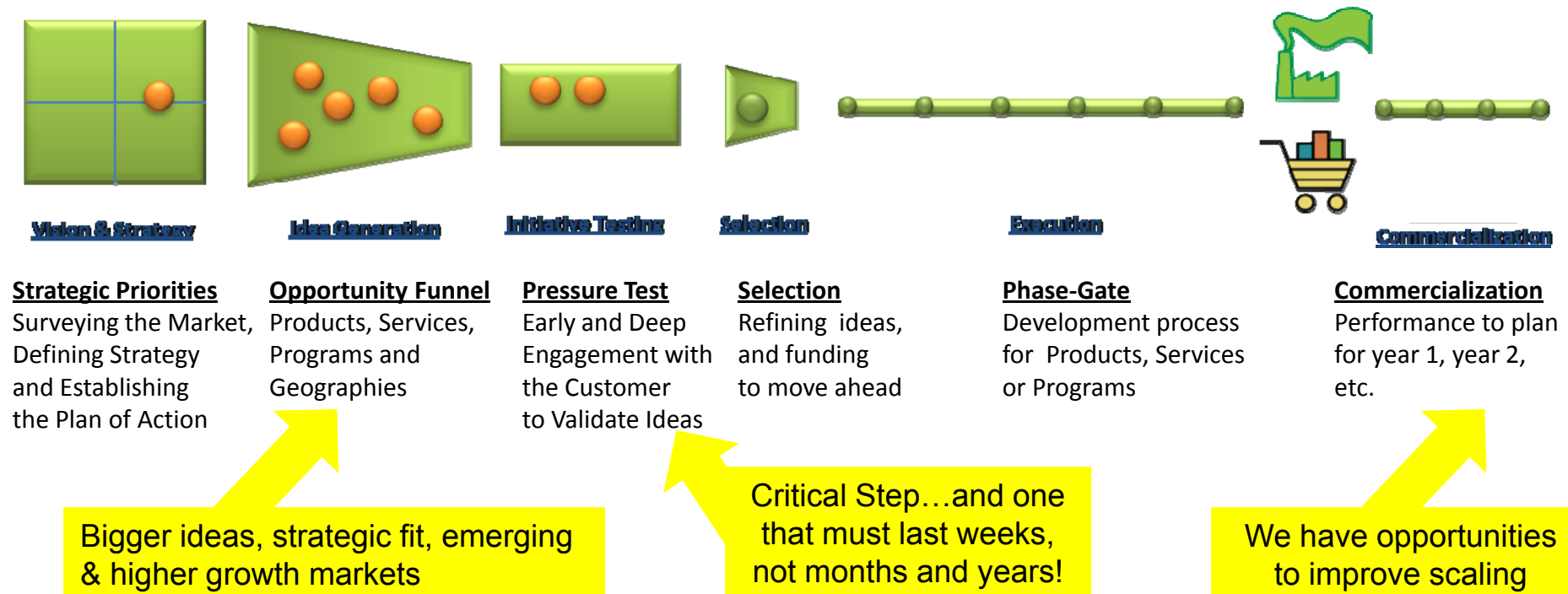
ROIC in Similar Range Despite Approx. \$1 Billion of Capital Deployed Since 2006

EBITA is pro forma to provide full LTM of profit for acquisitions and excludes restructuring, impairment and other special items.

Growth + Innovation In Action

On the right path to becoming a growth company that is operationally excellent

Actuant Growth Process



Numerous internal metrics measured by businesses but proof will be in the reported numbers

**2004-2008
ATU Average
Core Growth ~4.5%**



**Cycle
Average
+200-300 bps**

G+I At Work – What You'll Hear

- Stories of G+I at various stages of the process
- Macro themes
- Emerging markets

Kobylinski

Blackmore
de Koning

Scheer
Goldstein

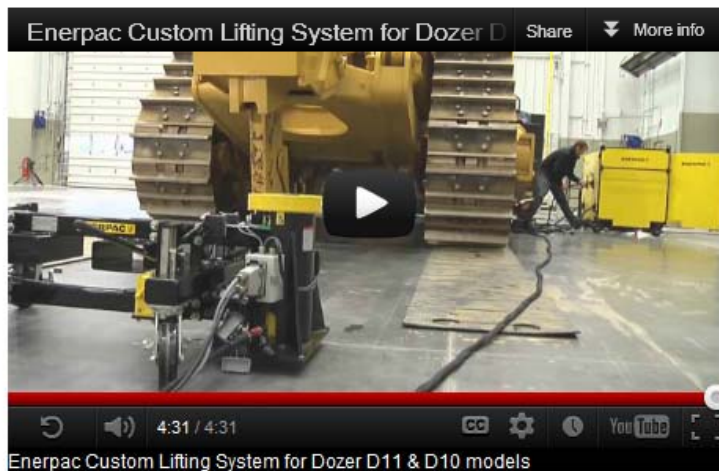
- CAT Dozer Lift System
- Enerpac Integrated Solutions
- Commercial Marine Actuation
- Gorgon – One Year Update
- Hydratight Service Playbook
- Marine Electric Propulsion
- Emerging Markets
- Global Customers



CAT Dozer Lift System



- VOC identified need – safe / speed in D11 dozer maintenance
- Design solution to promote safety / productivity / uptime of equipment
- Embedded engineer at CAT - custom design/lift points ensures safety



- Targeted revenue opportunity = \$10 million by 2015

Enerpac Integrated Solutions

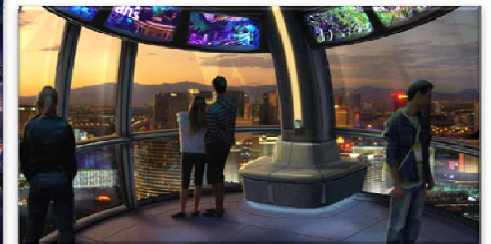


- IS approx. \$60 million segment of Enerpac
- G+I activities
 - Proactive project generation
 - Improved processes and visibility (risk management, quotations, operations)
 - Building emerging market business
 - Linked to vertical market initiatives
- 8/31/12 backlog 3X prior year level
- Improving margins

Chernobyl Encapsulation



Las Vegas Wheel



Commercial Marine Actuation



- Power-Packer end market extension – commercial marine cargo/door
- Current solutions involve extensive hosing, multiple activation points and unsafe locations
- Developed “Self Contained Unit” after in depth VOC
 - Reduce cost (installation and maintenance)
 - Less weight
 - Increase efficiency
 - Environmental benefits



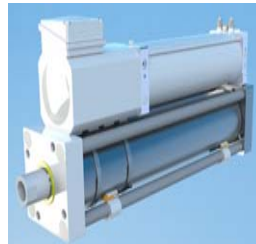
Marine Actuation - Differentiated Solution

- Pressure Test –European customers



- Product refined –new modular design to use on multiple vessels

- DNV approval in process (Norske Veritas)



- Patent protected

- First order shipped

- Target revenue approx. \$10 million by 2015



Figure 1: Shell Door locking system with hydraulic tubes



Figure 2: Current application powered by a central hydro-aggregate

Gorgon – Year One Update



- Consultancy built on Hydratight technical authority
- Entry at early point in project lifecycle
- Clear safety/environmental agenda
- Compliance & auditing - assured result
- Initial contract of \$10 million, now expected to increase to \$40–45 million over 5 years (up to ~250,000 joints!)



Gorgon – Closer Look

- Infrastructure built at various locations across the globe
- Pre and post site inspection of joints
- Results to date - leak free with no re-work
- Future opportunity for follow-on maintenance

Excerpt from Chevron Gorgon website

Pre-assembled rack modules, constructed at various global locations, arrive on Barrow Island. From here they are offloaded and undergo a thorough quarantine inspection. In total, 53 module shipments will arrive at the plant site.



Hydratight Service Playbook



- Market Launch Playbook – “process” for cross-selling or launching of technologies
 - Develop future vision for global growth for the capability
 - Value proposition of capability identified in home market
 - Build rapid launch playbook for testing and rapidly scaling market entry
 - Selectively target and sequence regions/countries for market entry based on opportunity attractiveness
 - Local adaptations & cultural variances
 - Four initial capabilities:



Leak Sealing Weld Inspection
Hot Tapping Flange Facing

Marine Electric Propulsion



- Electric propulsion – similar to vehicles (hybrid or full electric)
- Emissions regulations and rising fuel costs underlying demand driver – also boat OEM desire for differentiation
- Technology uses intelligent electronics with reserve energy to run onboard electronics
- Both currently in VOC testing
- Total estimated market size – \$300 million

Full electric motor propulsion system



GPX-E compact unit combining generator, battery charger and inverter.



Emerging Markets



Commercial

- Global Customers
- 'Inside Out' Strategy
- Market Mapping
- Vertical Market Focus

Manufacturing

- DPATS Model
- Supply Chain
- Distribution
- Logistics

Center of Excellence

- Engineering
- Global Sourcing
- IT
- M&A

- Oil & gas / energy
- Construction / infrastructure
- Agriculture
- Mining
- Industrial MRO
- Truck

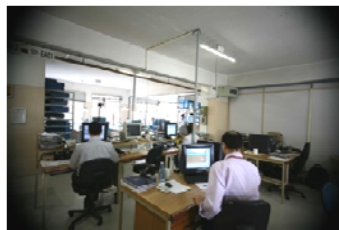


Brazil

- Leverage Turotest infrastructure (e.g. back office)
- Localize content/sourcing
- Extend to other ATU businesses (Weasler, Power-Packer, etc)
- Grow local and global customer relationships (CAT, Komatsu, AGCO, CNH, BP, Chevron)
- Build local customer relationships (Petrobras)
- Access to Mercosur
- Build acquisition funnel

Turotest Capabilities

Engineering Development



Market Driven Products



Manufacturing & Assembly



Warehousing & Logistics



India

- Built-out experienced management team
- Market entry ease utilizing existing ATU infrastructure
 - Enerpac / Hydratight presence
 - Power-Packer truck facility
- Low-cost manufacturing base
- Shared services for savings and technological advancement – e.g. LCC Engineering
- Acquisitions



Preparing Today For Exponential Middle-Class Growth

Global Customers



- Trusted business partner – less focus on price and annual line reviews
- Leverage investment and research to gain access to other similar accounts
- Pressure test - potential expansion to other common global accounts examples include:



Example: CAT Supplier Fair

- Global Supplier Fair – Theme
- Unique, technology collaboration event
- CAT has stated a technology strategy to develop world-class customer value by collaborating with strategic suppliers

Concept Brochure



Identified Potential Revenue = From \$15 million to >\$200 million

Growth via Acquisitions

Ted Wozniak – EVP Corporate Development

On the right path to becoming a **growth** company that is **operationally excellent**

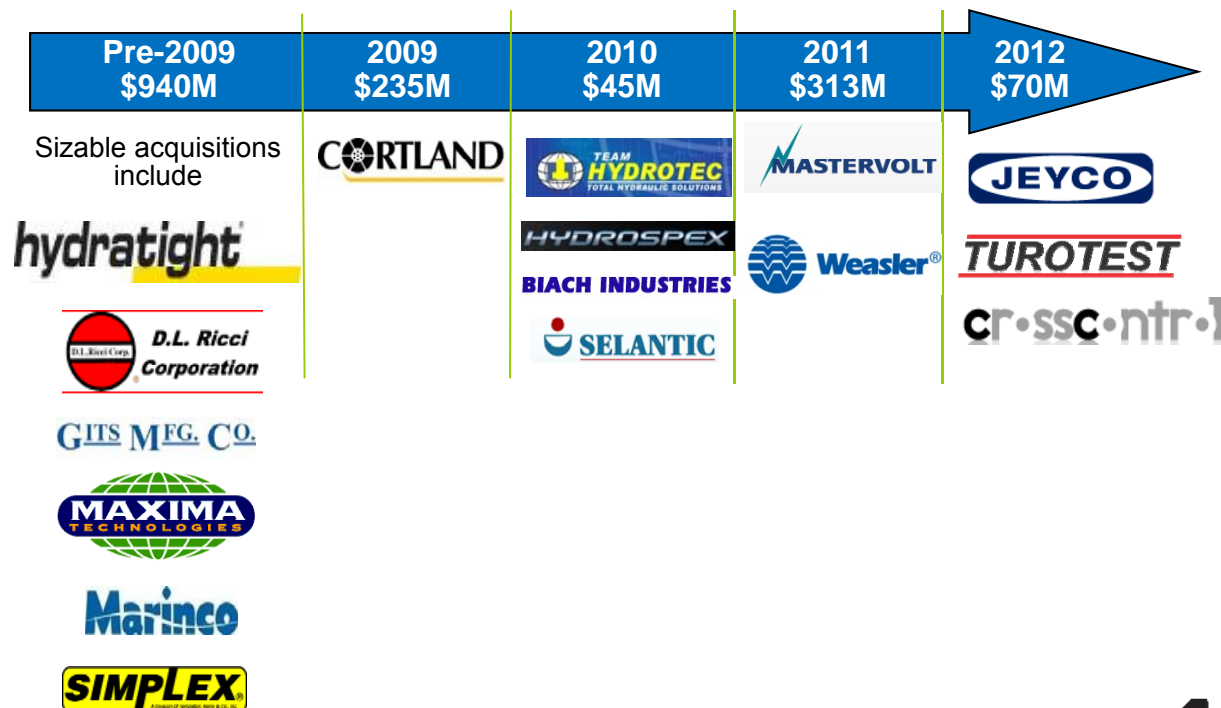
Acquisitions Remain Key Growth Driver

Objectives

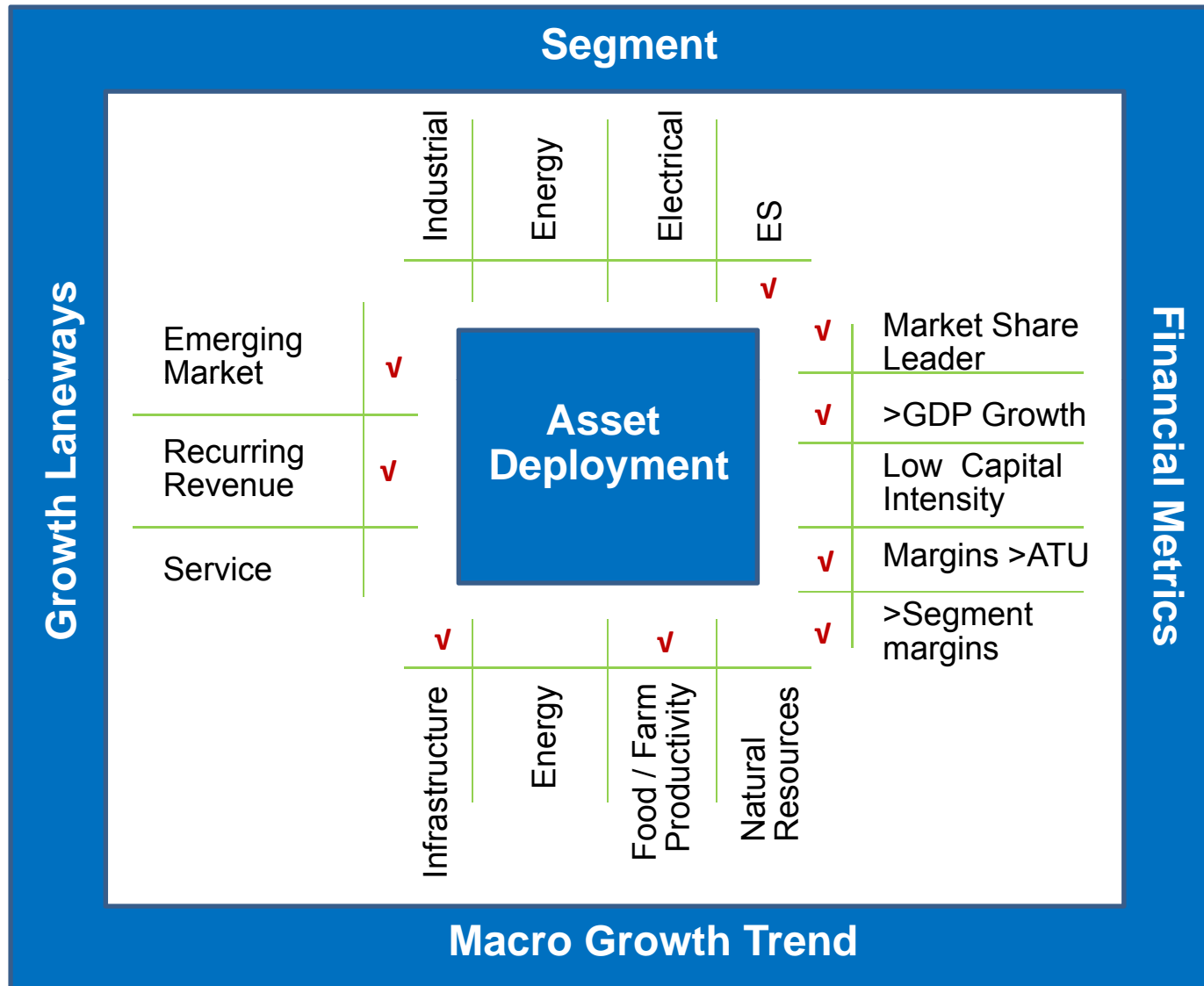
Deploy Annual Free Cash Flow – On Average

Maintain leverage within 1.5-2.5X Net Debt / EBITDA range

Track Record



Criteria Example: Weasler Acquisition Assessment



Strategy: Platform Build-Outs

- Focused around major growth themes
- Extend capabilities / leverage end market / expand geographically
- Classic Example: Hydratight



- Two more recent build-outs:

— Cortland



— Maxima



Rope and Cable Platform - Themes

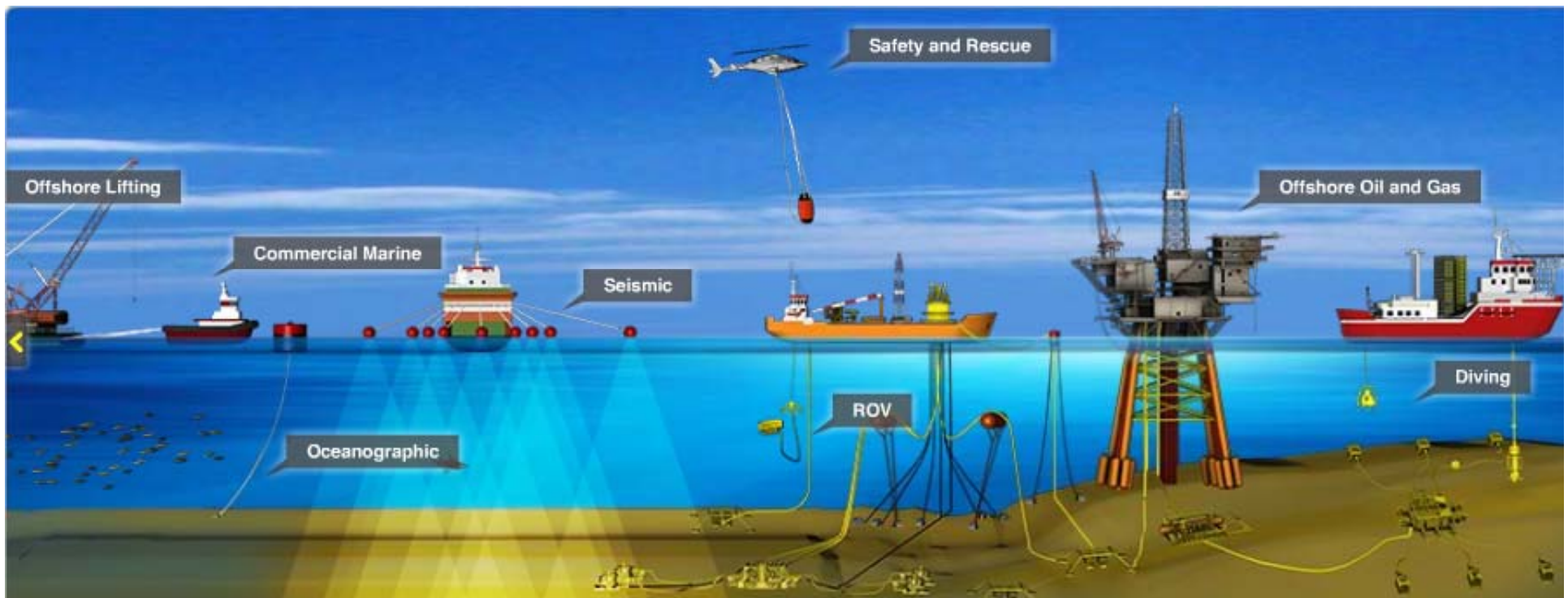
- Globalization of deep water capabilities
- Migration from wire rope to synthetic
- System sell with slings, anchors, etc.
- Mooring systems
- Enerpac Integrated Solutions (heavy lifting applications) leverage

CORTLAND

CORTLAND

SELANTIC

JEYCO



Instrumentation & Controls - Themes

- Multi-tiered product portfolio
- Opportunities within all four strategic growth platforms
- Geographic and global customer coverage
- Technology systems development expertise



TUROTEST

cr·ssc·ntr·l



M&A Market Update

- Pipeline active
- Multiples vary significantly by asset
- No discernible impact of potential US capital gains tax law changes
- Acquisition focus & discipline
 - “Targeting process” in place in all segments and businesses
 - Focus on
 - Higher growth end markets tied to attractive secular drivers
 - Long-term higher growth regions
 - Cultivating larger deals
 - Tailored acquisition integration plans built upon core AIM process
 - Discipline around transactions meeting ROIC hurdles
 - We have walked away from several transactions this year because of price, strategic fit, or growth profile considerations

Maintaining Operational Excellence Focus

Mark Goldstein - COO

On the right path to becoming a **growth** company that is **operationally excellent**

Acquisition Integration Synergies

- Weasler – One Year Later
 - Working capital constant despite nearly 10% top line growth
 - Expanded capacity with no capital – OEE and continued outsourcing of components
 - Reduced lead times / safety stock with SIOP (sales, inventory & operations planning)



5S in the Small Clamp Cell



Created capacity for PPK truck assembly



- Turotest – 90 Day Report Out
 - Safety and Key Business Metrics
 - Absorbing Power-Packer truck operation
 - Sourcing and safety stock improvements

Activities Driving Margin Expansion

- Facility Optimization/Upgrades
 - New Enerpac facility
 - “Ideal state” layout enables flow and SIOP
 - Configurable to expand for future consolidations/acquisition integration
 - Continued LCC opportunities
 - Regional LCC facilities include Mexico, Turkey and China
 - Business relocations via “quiet” restructuring
- LCC sourcing
- Back office simplification



Existing, compartmentalized facility in Columbus established in 1959.



Concept drawing of new Enerpac facility



Break and Lunch Buffet

12:30 Begin Segment Q&A Roundtable
Rotations



Closing Remarks

Andy Lampereur – CFO

Bob Arzbaecher - CEO

Leveraging Investments

	F' 2011	F' 2012	Change
Sales	\$1,445	\$1,605	11%
Core Growth		5%	
EBITDA ⁽¹⁾	\$244	\$283	16%
Margins	16.9%	17.7%	80 bps
EPS ⁽¹⁾	\$1.68	\$2.08	24%
Headcount ⁽²⁾	6,175	6,300	2%

Investing in Growth + Innovation while Simplifying Operations and Back Office

(1) Continuing operations, excluding debt refinancing and impairment charges.

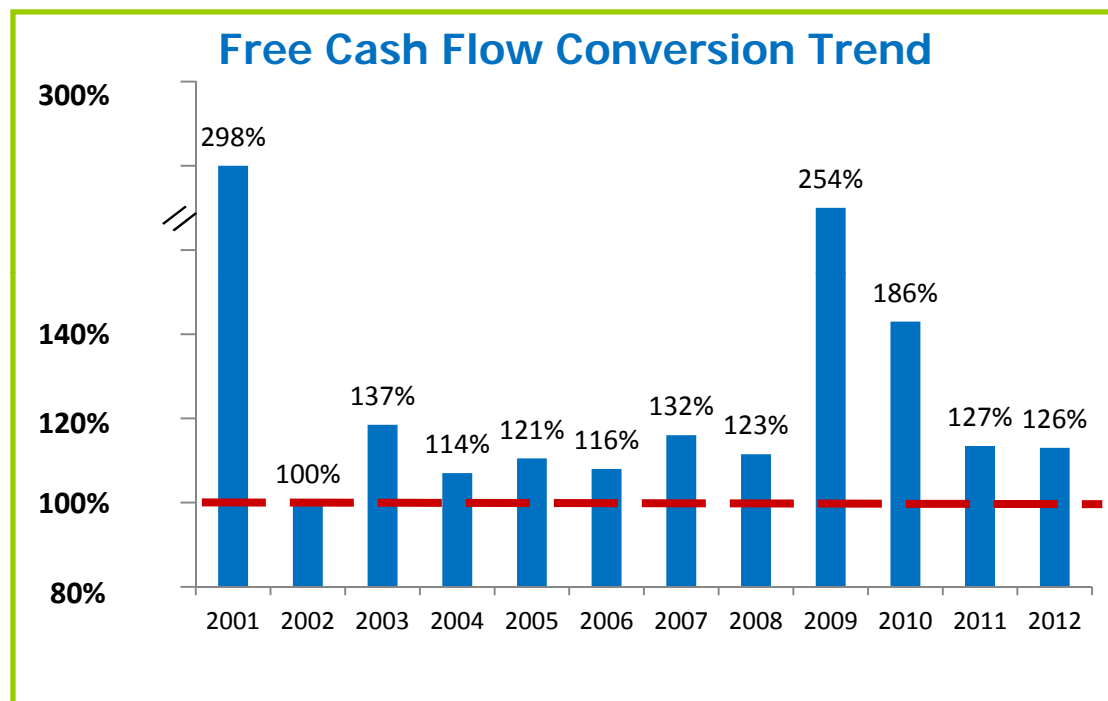
(2) Excluding fiscal 2012 acquisitions; including temporary labor.

Working Capital – Cash Flow Driver

	Aug 31, 2011	Aug 31, 2012
PWC	\$277 million	\$272 million
PWC % Sales	17.2%	16.8%

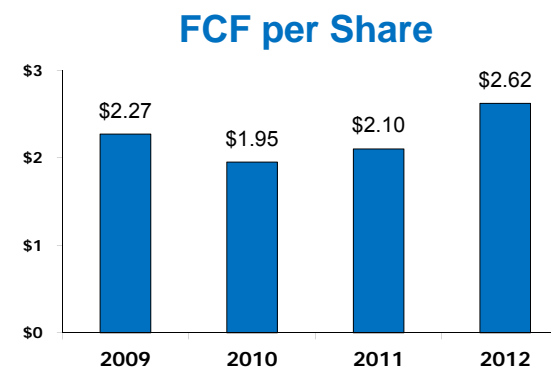
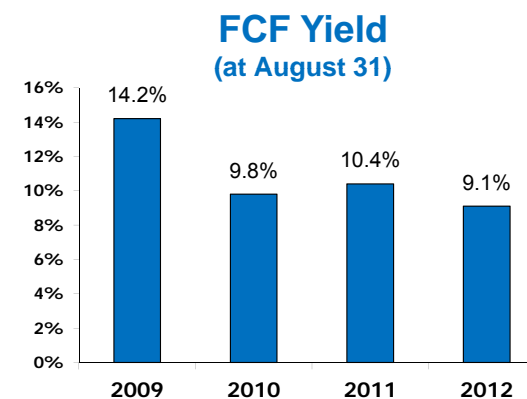
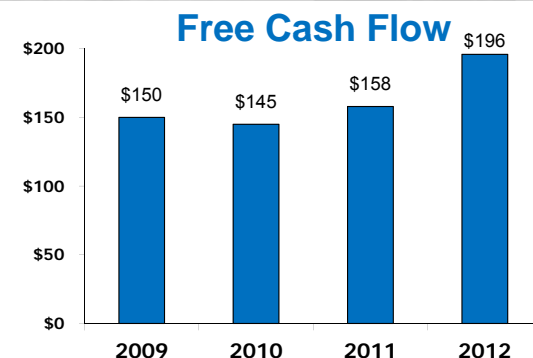
- Significant reductions in inventory, especially retail electrical and solar
 - Receivables aging best in company history
 - ROIC focus drives past and future PWC improvement
 - Acquisition opportunities
 - Business simplification
-
- *PWC (primary working capital) = gross receivables plus gross inventory less trade accounts payable*
 - *PWC % Sales = PWC / last three months sales annualized*

Consistency of Cash Flow Generation

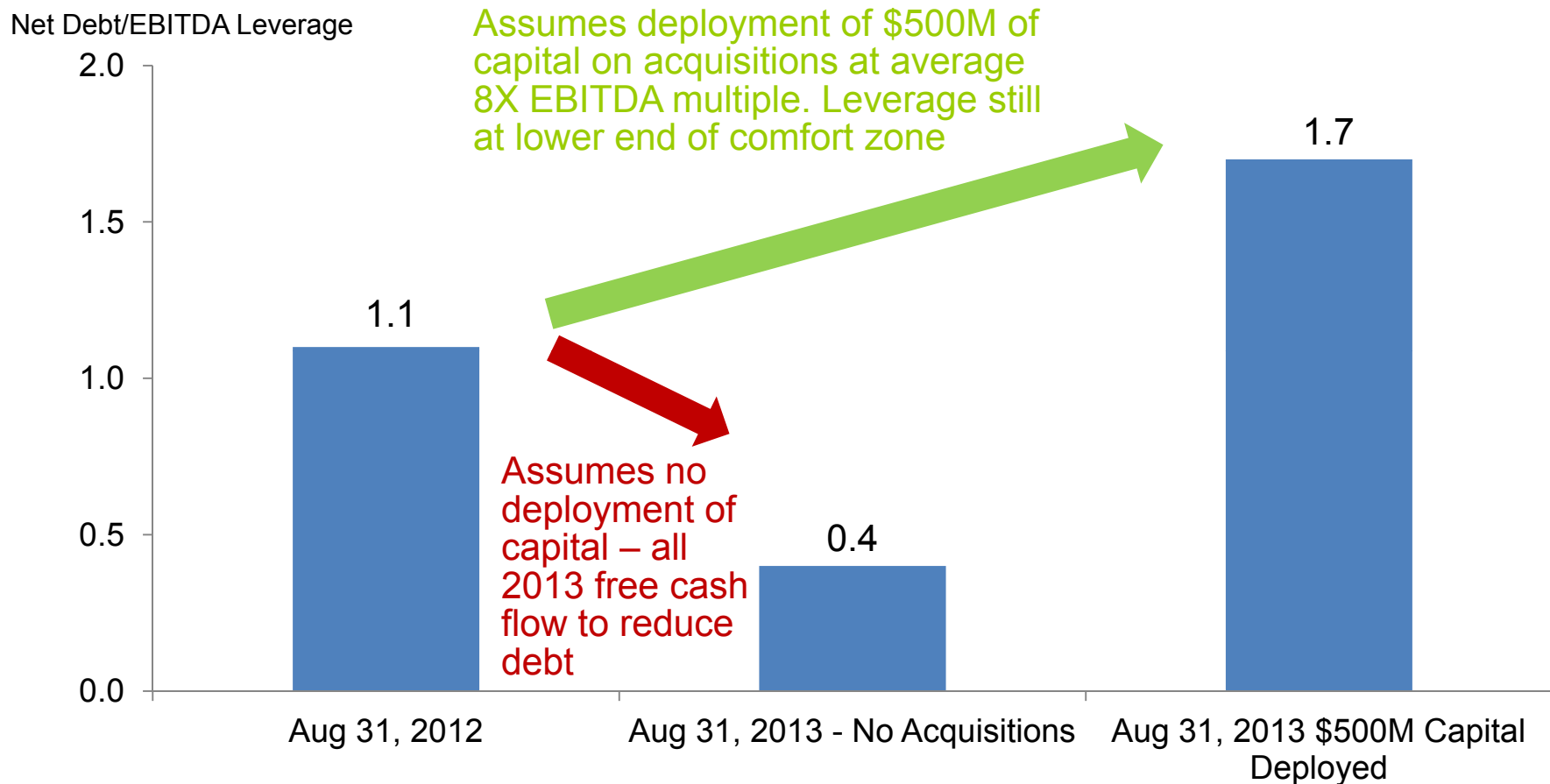


FCF Yield – Cash Flow/Market Cap

FCF/Share – FCF / FD Weighted Average Shares Outstanding



Record Level of Capital Availability



Ample Capacity to Fund Growth

Assuming acquisition price of 8X EV/EBITDA

Actuant Business Model

Business Model



Long-Term
Metrics

1.5-2.0X
GDP

Deploy
FCF

+ 25-50 BPS
Base
Margins

>100% FCF
Conversion

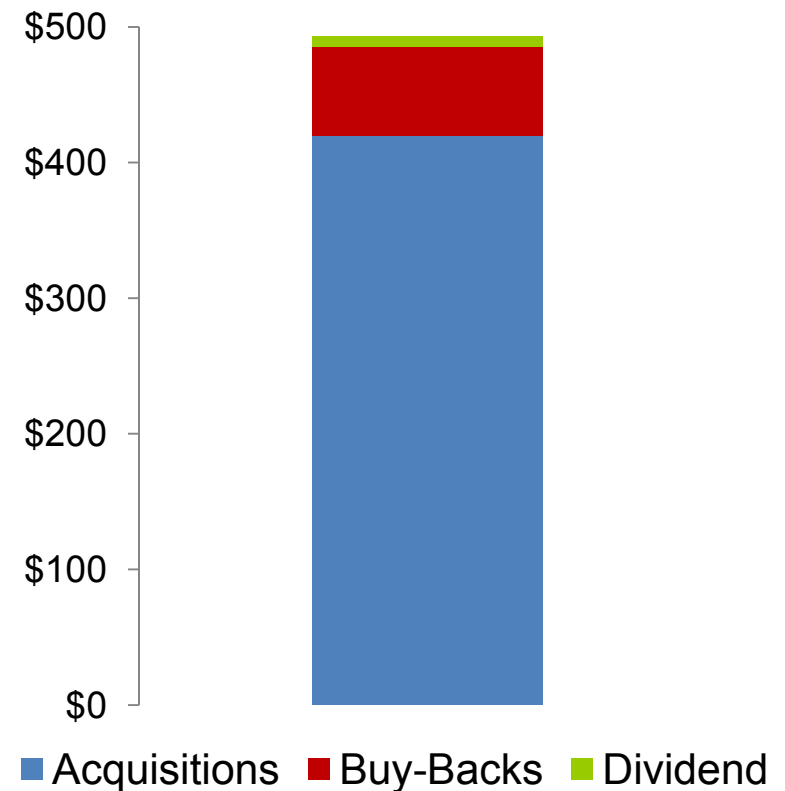
Execution of Model Means Doubling of Business
Every Five Years

Capital Allocation Priorities

- Growth
 - Organic
 - Acquisitions...tuck-ins and larger transactions/platforms
- Share Repurchases – opportunistic
- Dividend – no change

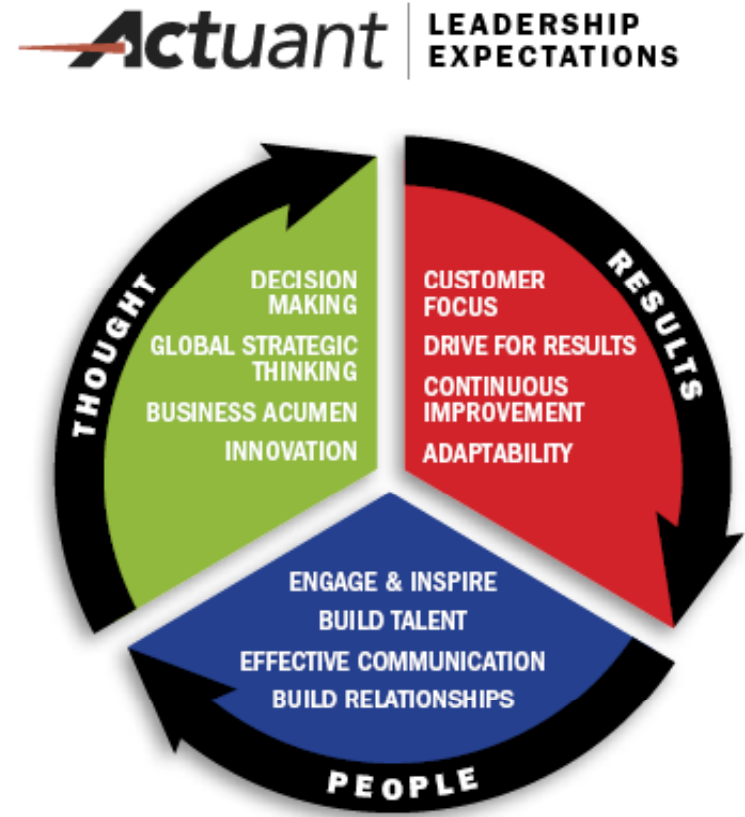
F'12 shares repurchased 2.7M
Average price \$23.70

Three Year (F2010-2012) Free Cash Flow Deployment



Critical to Achieve Vision - People

- Continuous improvement in succession planning
- Key talent additions to supplement internal learning & development
- Actuant Leadership Expectations (ALE) – defined behaviors at all organization levels
- Management Development Programs (MDP) – college rotational program for various disciplines
- Robust employee development processes



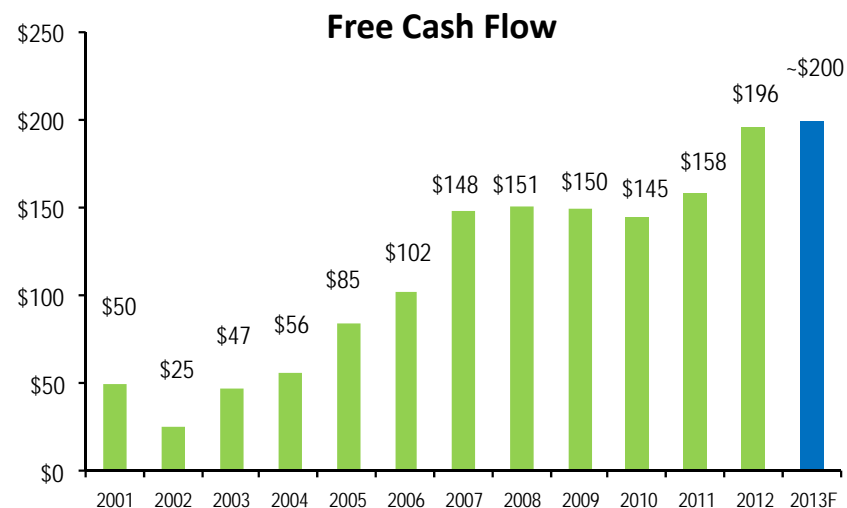
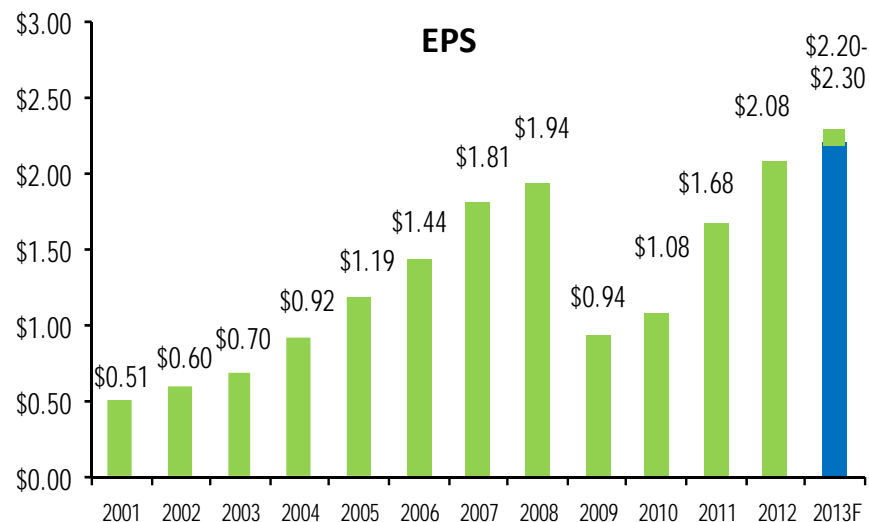
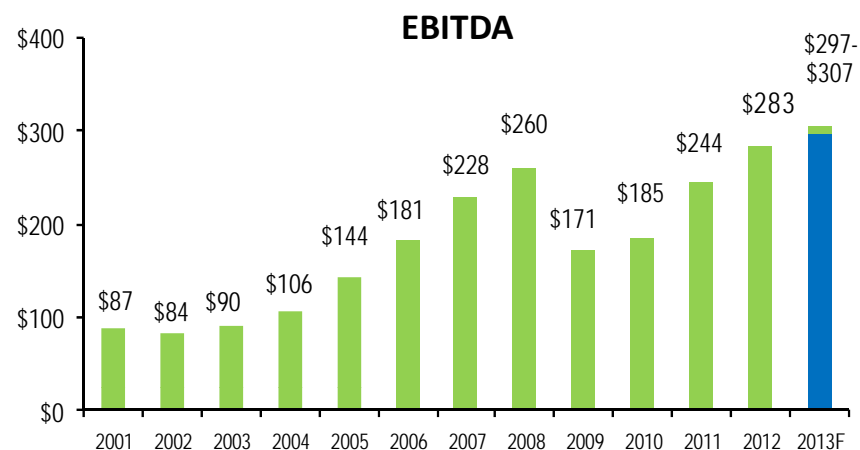
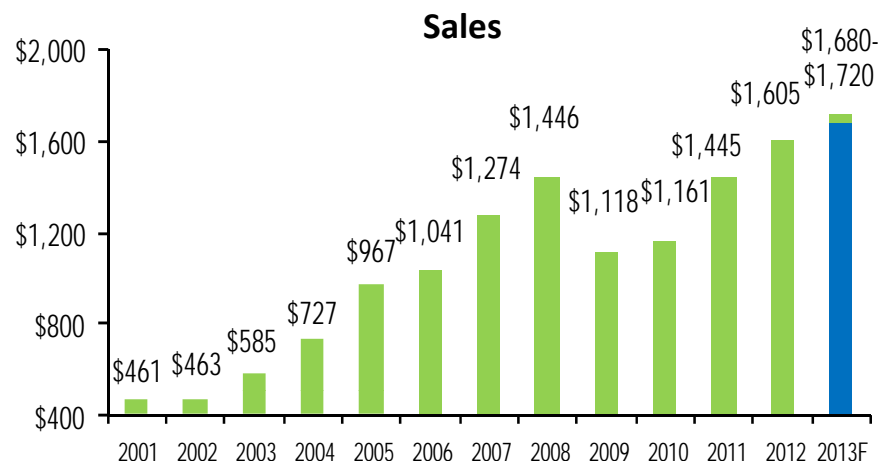
Focused Board and Management Team

- Diverse & complementary backgrounds
- Continually developing / acquiring leadership talent
- Incentive compensation objectives strongly aligned with shareholder interests
- Acting decisively for shareholders
- Insider stock ownership (management/employees) represents ~ 11%



On the Right Path to Achieving Vision

(\$ in millions except per share data. Fiscal years ended August 31)



(2006-2011 reflect discontinued operations for European Electrical; 2013 Guidance as of September 27, 2012)

Note: EBITDA, EPS and FCF exclude discontinued operations, cumulative effect of changes in accounting, extraordinary charges, refinancing/debt extinguishment, net gains on business divestitures, tax gains and other special items. EBITDA and EPS also exclude impairment and restructuring charges.

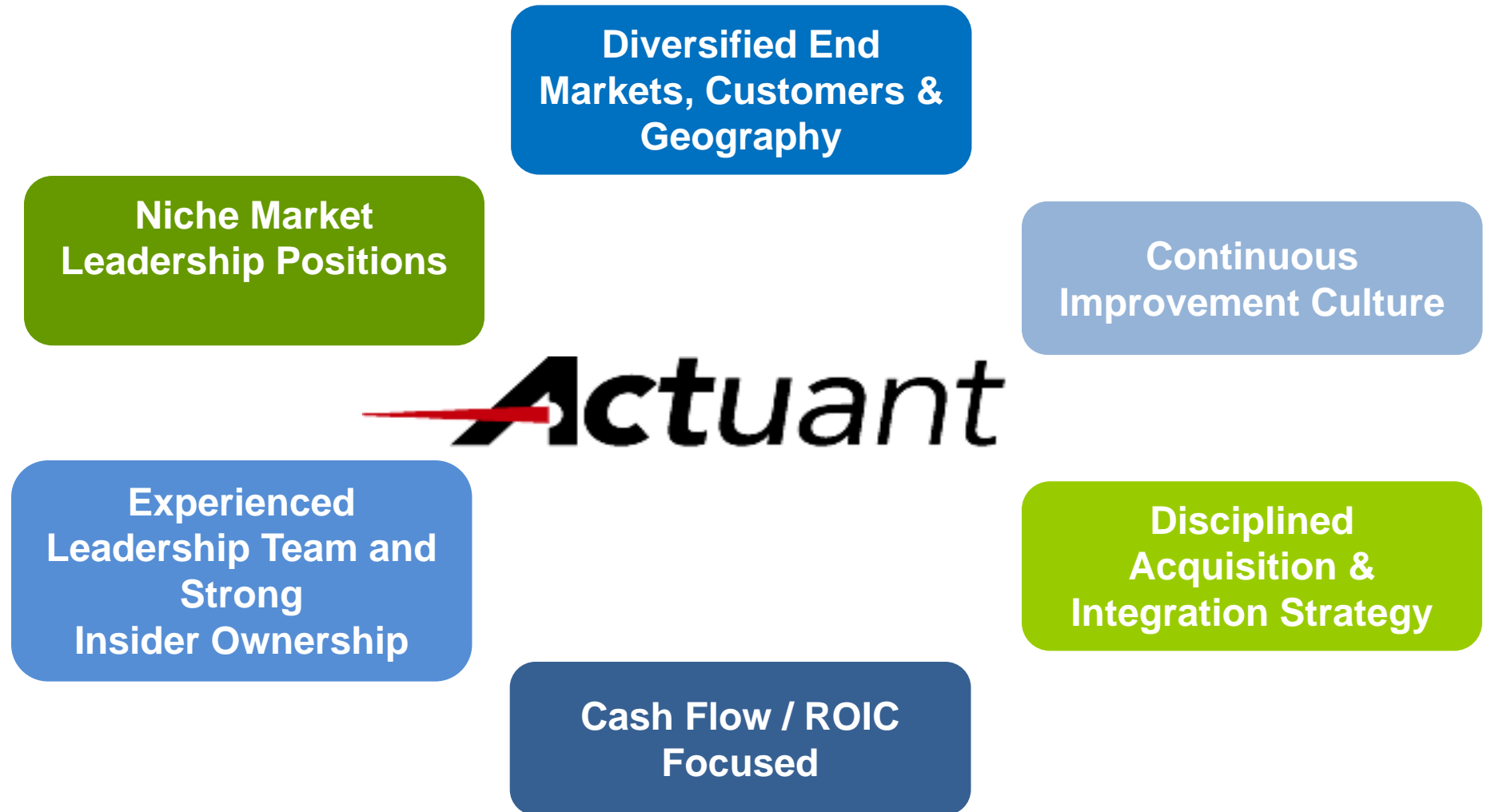
In Summary...

Actuant Remains a Strong Investment Opportunity

- ▶ Proven management team
- ▶ Improving cash flow / ROIC business model
- ▶ Clear strategy and goals
- ▶ Secular growth markets provide a broad array of core and acquisition opportunities
- ▶ Positioned to deliver profitable, sustainable growth & shareholder value

On the right path to becoming a **growth** company that is **operationally excellent**

Final Q&A





Supplemental Information

EBITDA Reconciliation

(US\$ in millions)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EBITDA												
Net Earnings	\$24	(\$3)	\$29	\$35	\$71	\$96	\$114	\$126	\$26	\$70	\$124	\$87
Net Financing Costs	49	33	21	14	17	26	33	36	42	32	32	46
Income Tax Expense	16	8	16	15	35	33	47	56	1	19	35	33
Depreciation & Amortization	17	12	15	17	22	26	34	42	50	47	53	54
Minority Interest			0	0	(1)							
Change In Accounting Principle		7										
Discontinued Operations	1	10			(1)							
EBITDA	\$107	\$68	\$82	\$80	\$144	\$181	\$228	\$260	\$119	\$168	\$244	\$220
Adjustments To EBITDA:												
Non-Continuing Businesses	(7)			(11)								
Debt Extinguishment		16	2	37								
Net Gain On Business Divestitures	(15)											
Restructuring Charge	2								21	17		
Impairment Charges									31			63
Litigation Matters Related to Businesses												
Divested Prior To The Spin-Off Of APW Ltd.	0		6									
Adjusted EBITDA	\$87	\$84	\$90	\$106	\$144	\$181	\$228	\$260	\$171	\$185	\$244	\$283

Actuant has presented non-GAAP measures such as free cash flow, EBITDA and EPS from continuing operations before special items because many of our investors and lenders use these non-GAAP measures to monitor the company's performance. Figures prior to 2006 have not been restated for discontinued operations for the European Electrical Divestiture.

Diluted Earnings Per Share Excluding Special Items

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Diluted Earnings per Share (EPS)	\$ 0.71	\$ (0.06)	\$ 0.59	\$ 0.66	\$ 1.21	\$ 1.56	\$ 1.83	\$ 1.98	\$ 0.43	\$ 0.97	\$ 1.68	\$ 1.17
Net of Tax Adjustments:												
Change in Accounting Principal		0.17										
Discontinued Operations	0.03	0.24		(0.19)	(0.01)							
Debt Extinguishment Costs		0.25	0.03	0.45					0.02			0.15
Net Gain on Business Divestitures	(0.27)											
Restructuring Charge	0.03								0.20	0.16		
A/R Securitization Establishment	0.01											
Litigation Matters Related to Businesses Divested Prior to the Spin-off of APW, Ltd.			0.08									
Impairment Charge									0.29			0.76
Tax Adjustment					(0.01)	(0.12)	(0.02)	(0.04)		(0.05)		
DILUTED EPS EXCLUDING SPECIAL ITEMS	\$ 0.51	\$ 0.60	\$ 0.70	\$ 0.92	\$ 1.19	\$ 1.44	\$ 1.81	\$ 1.94	\$ 0.94	\$ 1.08	\$ 1.68	\$ 2.08

Actuant has presented non-GAAP measures such as free cash flow, EBITDA and EPS from continuing operations before special items because many of our investors and lenders use these non-GAAP measures to monitor the company's performance. Figures prior to 2006 have not been restated for discontinued operations for the European Electrical Divestiture.

Free Cash Flow / Cash Flow Conversion

(US\$ in millions)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total EBITDA	\$87	\$84	\$90	\$106	\$145	\$181	\$228	\$260	\$171	\$185	\$244	\$283
Cash Interest	(47)	(30)	(20)	(12)	(15)	(23)	(28)	(35)	(36)	(27)	(26)	(26)
Cash Taxes	(9)	(14)	(18)	(21)	(16)	(28)	(36)	(48)	(20)	(7)	(23)	(55)
Capital Expenditures	(5)	(7)	(13)	(11)	(15)	(20)	(31)	(44)	(21)	(20)	(23)	(23)
PWC/Other	24	(8)	8	(6)	(14)	(8)	15	18	56	14	(14)	17
Free Cash Flow	\$50	\$25	\$47	\$56	\$85	\$102	\$148	\$151	\$150	\$145	\$158	\$196
Net Earnings (1)	\$17	\$25	\$34	\$49	\$70	\$88	\$112	\$123	\$59	\$78	\$124	\$155
Free Cash Flow Conversion	298%	100%	137%	114%	121%	116%	132%	123%	254%	186%	127%	126%

(1) Net earnings excluding special items - excludes restructuring and impairment charges, discontinued operations, debt extinguishment charges and non-recurring income tax gains.

Focused on Underlying Secular Growth Trends



Key Trends

Energy Demand

- Global power generation and oil & gas maintenance
- New installations
- Demanding technology & methods (deep water, oil sands, natural gas)
- Alternative energy (nuclear, wind, solar)

Global Infrastructure

- Emerging market build-out
- Transportation
- Bridges, tunnels
- Rail
- Construction equipment

Food/Farm Productivity

- Population growth
- Affluence / protein diets
- Biofuels
- Agriculture equipment
- Efficient seeding technology

Natural Resources / Sustainability

- Mining / resources
- Emission reduction solutions
- Renewables (solar, wind)
- Energy efficiency

Key Products / Technology

- Joint Integrity solutions
- Nuclear maintenance tools
- Pipeline connectors
- Heavy lift rope / slings
- Seismic exploration cables

- Integrated solutions – heavy lift technologies
- Hydraulic cylinders
- Concrete tensioning
- Truck cab-tilt & latch

- Instrumentation & controls
- PTO drivelines
- Flexible shafts

- Solar inverters
- EGR and other air flow
- Mining safety & productivity
- High efficiency transformers