



## 2010 Third Quarter Results

GLOBAL INFRASTRUCTURE X PROCESS EQUIPMENT X DIAGNOSTIC TOOLS

# Forward Looking Statements



- Certain statements contained in this presentation that are not historical facts, including any statements as to future market conditions, results of operations and financial projections, are forward-looking statements and are thus prospective. These forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements.
- Particular risks facing SPX include economic, business and other risks stemming from its international operations, legal and regulatory risks, cost of raw materials, pricing pressures, pension funding requirements, integration of acquisitions and changes in the economy. More information regarding such risks can be found in SPX's SEC filings.
- Although SPX believes that the expectations reflected in its forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. In addition, estimates of future operating results are based on the company's current complement of businesses, which is subject to change.
- Statements in this presentation are only as of the time made and SPX does not intend to update any statements made in this presentation except as required by applicable law or regulation.
- This presentation includes non-GAAP financial measures. A copy of this presentation, including a reconciliation of the non-GAAP financial measures with the most comparable measures calculated and presented in accordance with GAAP, is available on our website at [www.spx.com](http://www.spx.com).



# Introductory Comments

GLOBAL INFRASTRUCTURE X PROCESS EQUIPMENT X DIAGNOSTIC TOOLS

# Q3 Financial Results



(\$ millions, except per share data)

	<u>Q3 2009</u>	<u>Q3 2010</u>	<u>2010 vs. 2009</u>
Revenue	\$1,174	\$1,290	7% organic growth
Segment Income	\$156	\$158	+1%
Segment Income Margin	13.3%	12.2%	(110) points
Earnings Per Share	\$0.98	\$1.11 <sup>(1)</sup>	+13%
Q3 2010 EPS adjusted			

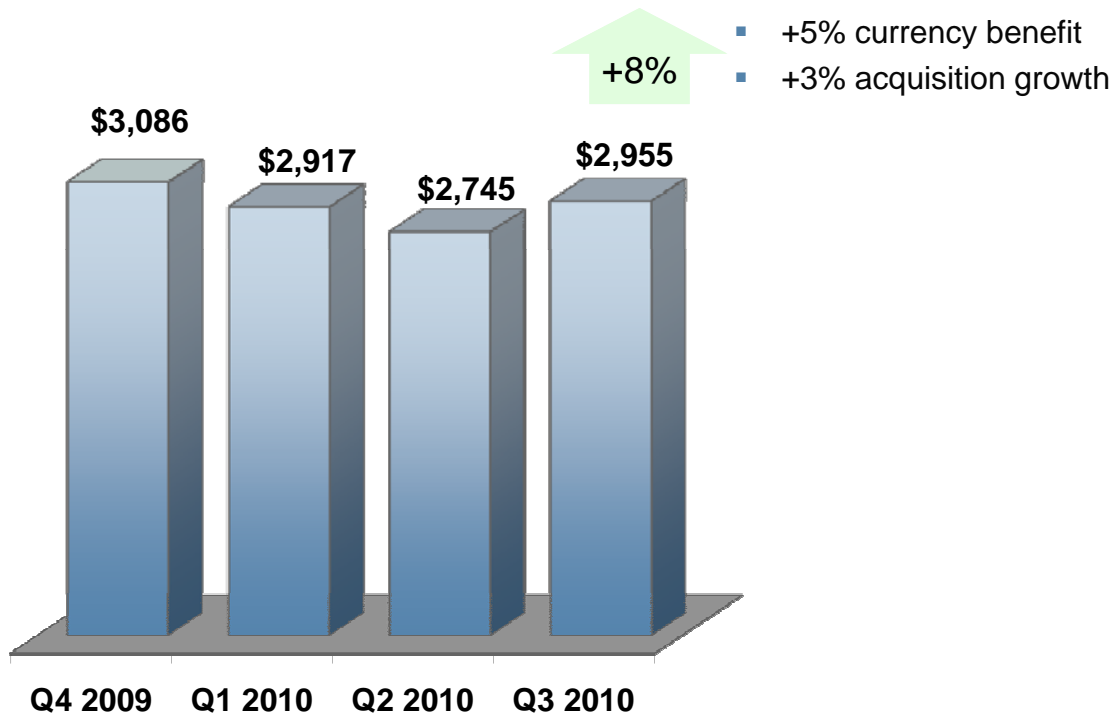
<sup>(1)</sup> Adjusted EPS excludes \$0.33 per share of one-time charges associated with the early termination of debt and related interest rate swap agreements

Note: Data from continuing operations; See appendix for non-GAAP reconciliations

**7% Year-Over-Year Organic Revenue Growth;  
13% Year-Over-Year Increase in Earnings Per Share**

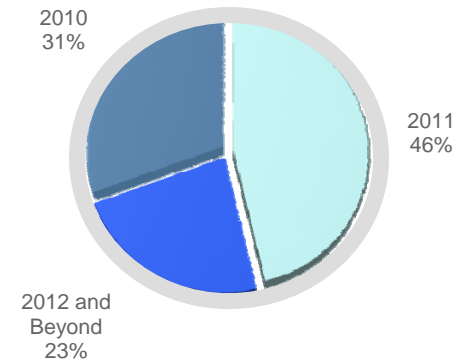
## Quarterly Backlog

(\$ millions)

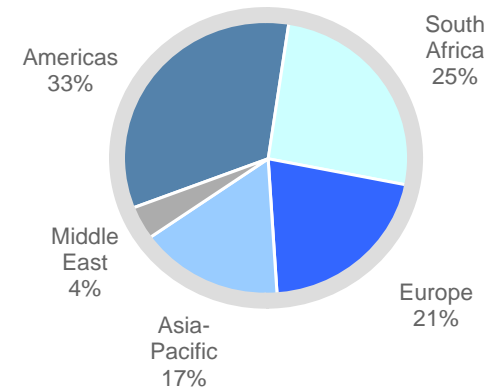


Note: Data from continuing operations

## Q3 2010 Backlog Aging

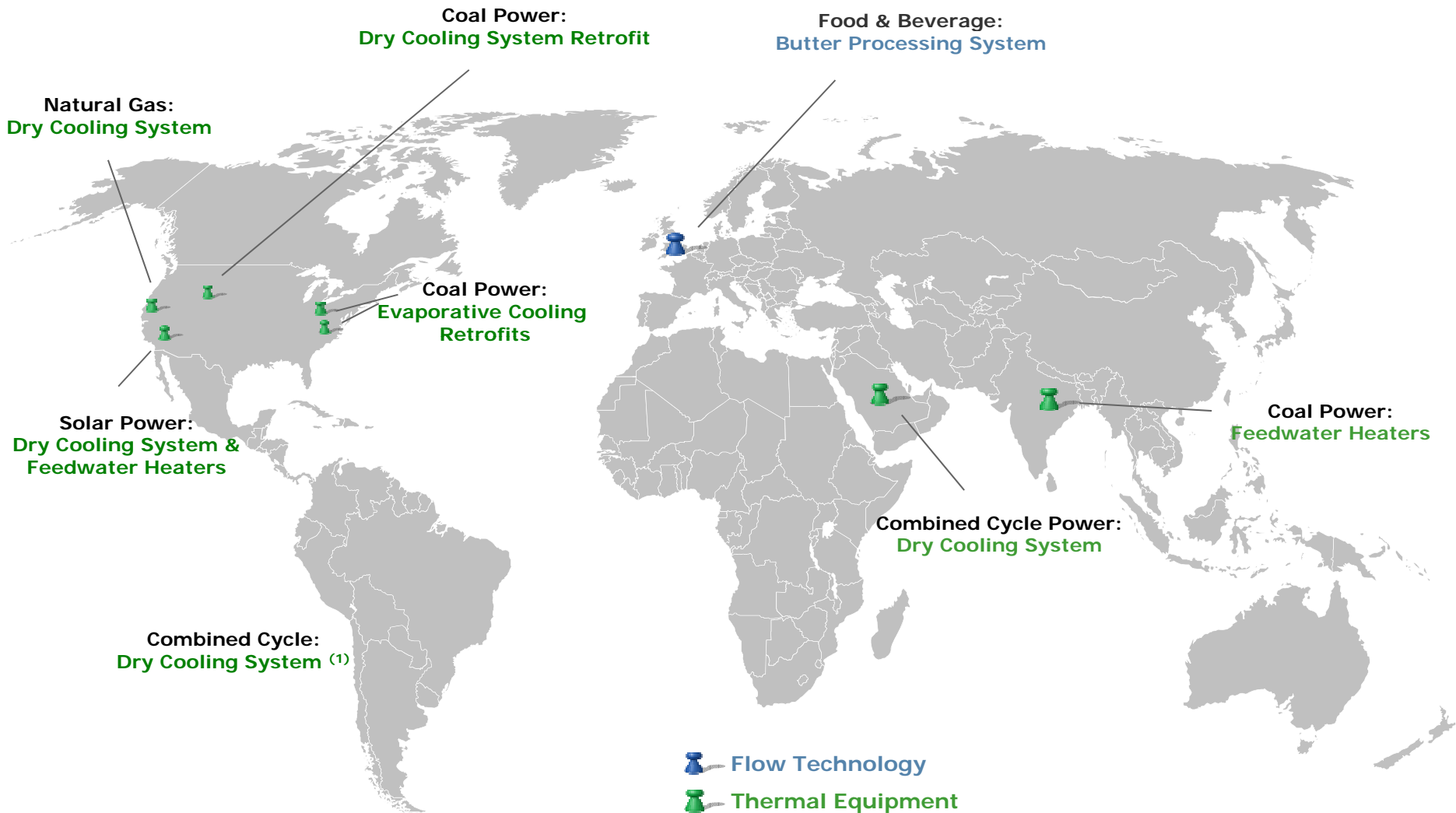


## Q3 2010 Backlog by Geography



**Q3 2010 Backlog Increased 8% Sequentially**

# Projects > \$15m Awarded in 2H 2010



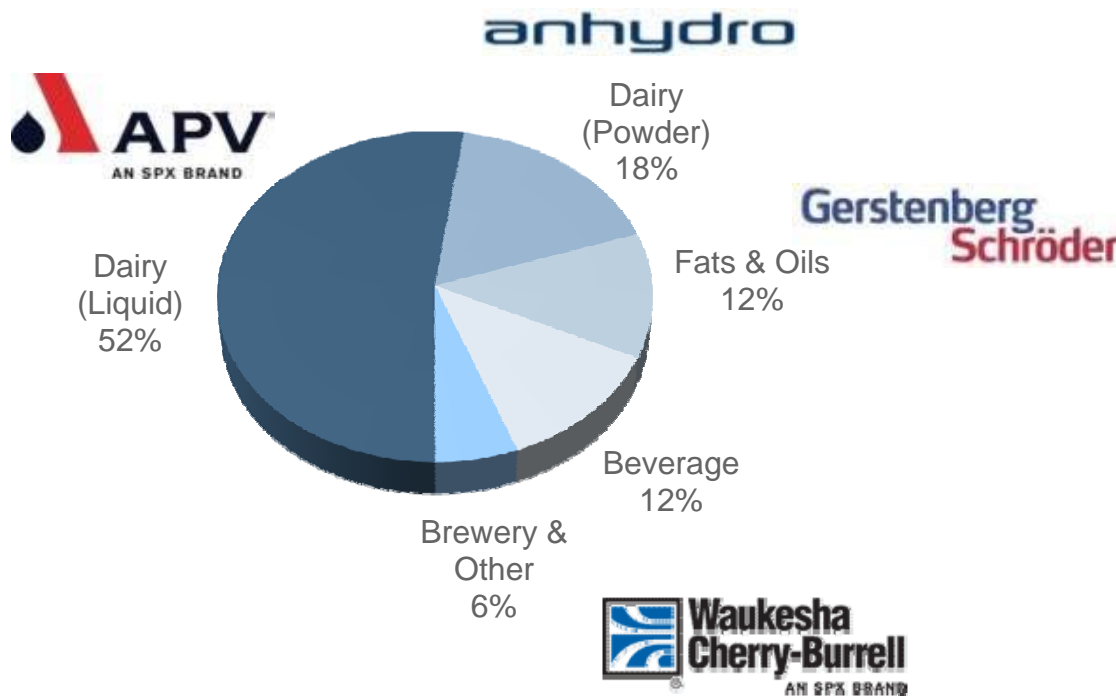
<sup>(1)</sup> Contract awarded in Q4 2010, not included in Q3 ending backlog

**Average Size of Large Project Awards was ~\$25m  
Awarded 5 Large Power Project Orders in North America in Q3**

# Food & Beverage System Overview



## 2010E SPX Food & Beverage System Revenue



*Continuous Butter Making Machine*



*Butter Blend System*

Note: Data from continuing operations and pro forma for acquisitions; 2010E as of 11/3/2010

**The 2010 Acquisitions of Gerstenberg Schroder and Anhydro Have Increased SPX's Food & Beverage Processing Capabilities**

## 2010E Adjusted EPS Guidance Bridge

Adjusted Earnings Per Share:

Previous: \$3.30 to \$3.50

Updated: \$3.45 to \$3.60

Adjusted Free Cash Flow:

\$180m to \$220m

Previous adjusted EPS mid-point guidance \$3.40

- Segment Income:
  - Operations \$0.11
  - Foreign currency \$0.08
- Other expense (\$0.10)
- Other items, net \$0.03

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Updated adjusted EPS mid-point guidance \$3.52

Note: Data from continuing operations; See appendix for non-GAAP reconciliations

**Increased Adjusted EPS Guidance Mid-Point by 4%**



# Balance Sheet and Debt Ratios

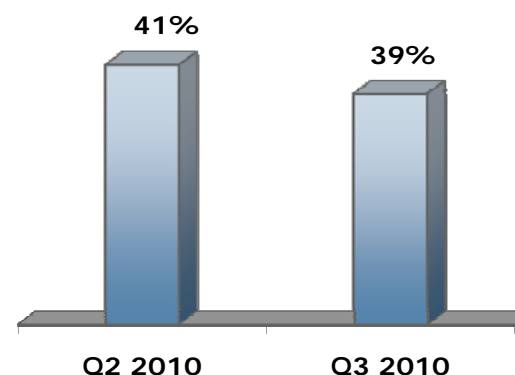


(\$ millions)

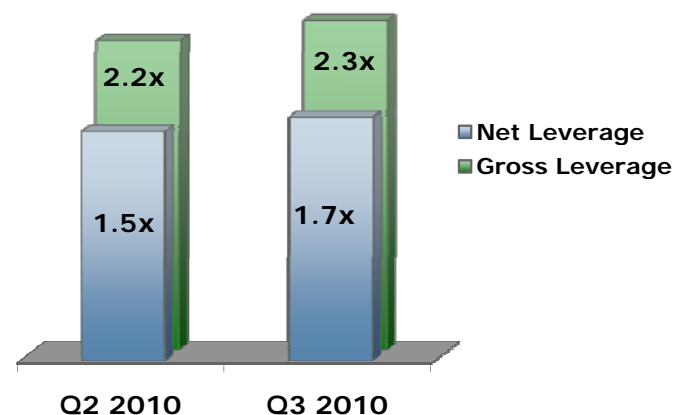
## Key Balance Sheet Accounts

	<u>7/3/10</u>	<u>10/2/10</u>
Cash	\$408	\$391
Total Assets	\$5,558	\$5,912
Total Debt	\$1,282	\$1,310
Total Equity	\$1,845	\$2,034

## Debt to Capital



## Debt to Bank EBITDA <sup>(1)</sup>



<sup>(1)</sup> Net and Gross Debt to EBITDA as defined in the credit facility, see appendix for reconciliation

**Stable Balance Sheet and Financial Position;  
Refinanced a Significant Portion of Outstanding Debt During Q3**

# Q3 Refinancing



(\$ millions)

## Re-Financing Actions:

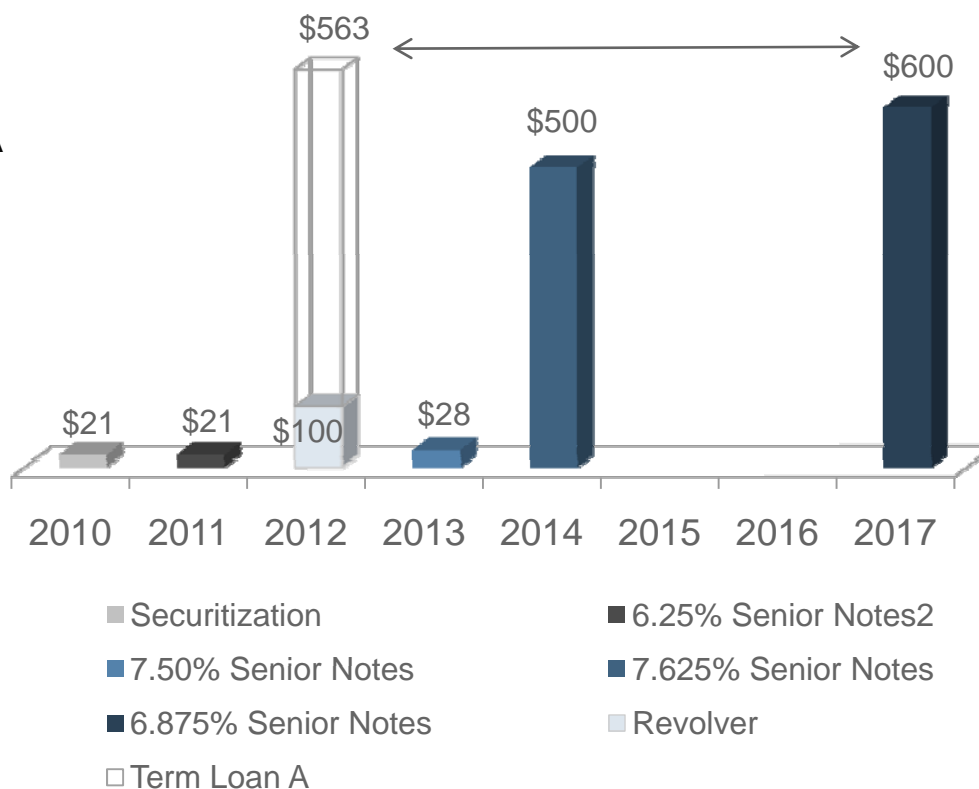
- Completed issuance of \$600, 7-year U.S. Senior Notes at 6.875%
- Net proceeds used to repay \$563 Term Loan A and unwind interest rate swap agreements
- Recorded a \$27 charge and made cash payments totaling \$25 in connection with the early termination of debt

## Benefits Achieved:

- Extended maturity of core debt from 2012 to 2017
- Eliminated ~\$200 of mandatory debt payments through 2012

## Debt Repayment Schedule

Term Loan A paid down with proceeds of 6.875% senior notes



**Q3 Refinancing Addressed 2012 Debt Maturity  
And Improved Financial Flexibility**

## Q3 2010 Adjusted EPS

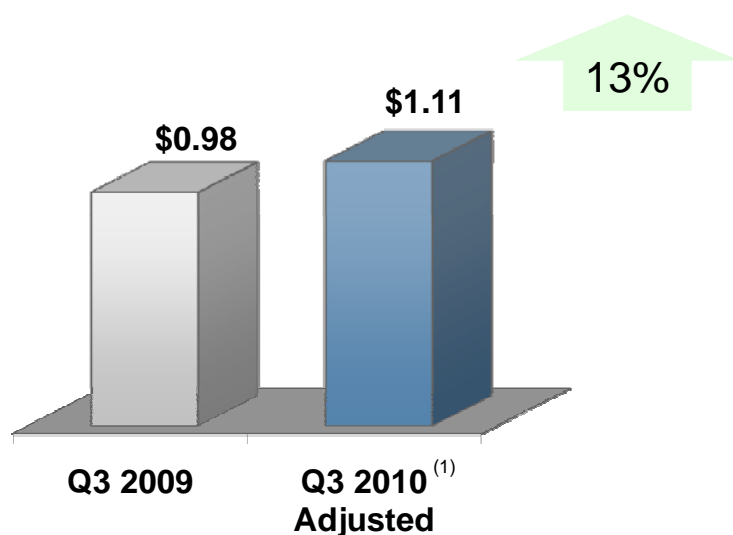


	<u>Q3 2010</u>
GAAP EPS from continuing operations	\$ 0.78
Q3 Refinancing Charges	<u>0.33</u>
Adjusted EPS from continuing operations	<u><u>\$ 1.11</u></u>

Note: Q3 refinancing charges relate to \$26m of one-time charges associated with the early termination of debt and related interest rate swap agreements

**Q3 2010 Adjusted EPS Excludes One-Time Charges of  
\$0.33 Per Share Related to the Early Termination of Debt**

## Q3 EPS



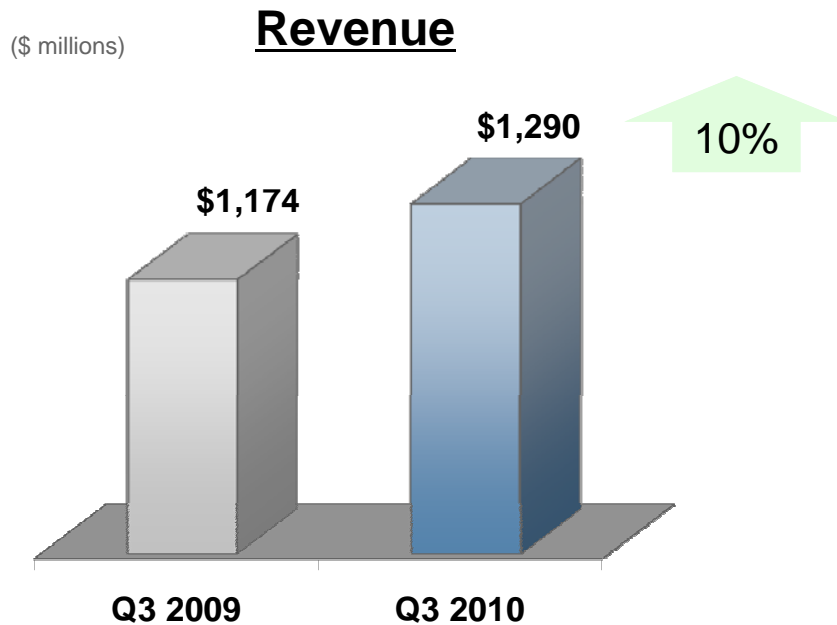
## Year-Over-Year Changes to EPS

▪ Q3 2009 EPS	\$0.98
▪ Segment Income <i>(excluding income from transformers)</i>	\$0.26
▪ Power transformer operating profit	(\$0.24)
▪ Lower restructuring expense	\$0.13
▪ Other items, net	(\$0.02)
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▪ Q3 2010 Adjusted EPS	\$1.11 <sup>(1)</sup>

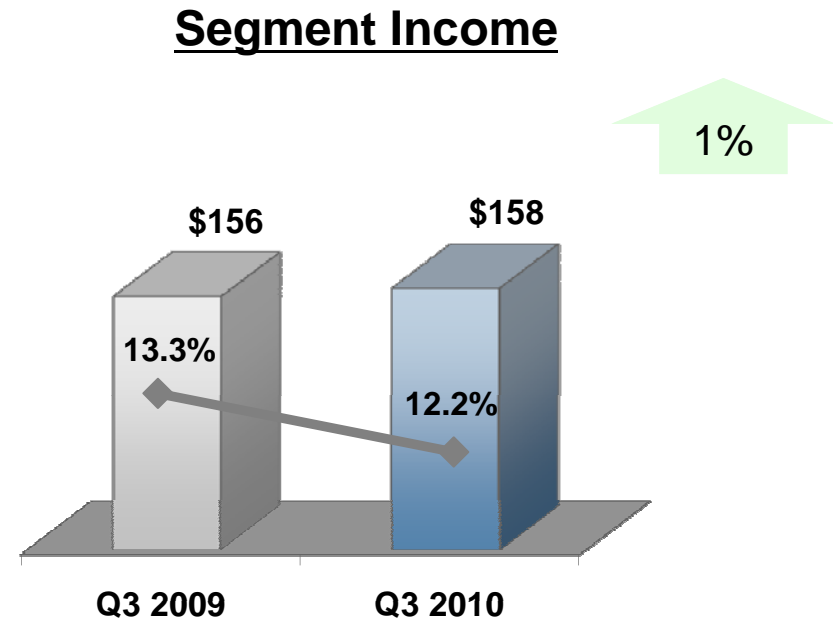
<sup>(1)</sup> Adjusted EPS excludes \$0.33 per share of one-time charges associated with the early termination of debt and related interest rate swap agreements  
 Note: Data from continuing operations; see appendix for non-GAAP reconciliations

**Improved Operating Performance and Lower Restructuring Expense  
 Offset Declines Due to Lower Pricing on Transformer Shipments**

# Q3 Consolidated Results



- 7% organic growth
- 5% acquisition growth
- (2%) currency impact



- Margin decline due to:
  - Lower pricing on transformer shipments
  - Dilution from acquisitions: 40 points

Note: Data from continuing operations; see appendix for non-GAAP reconciliations

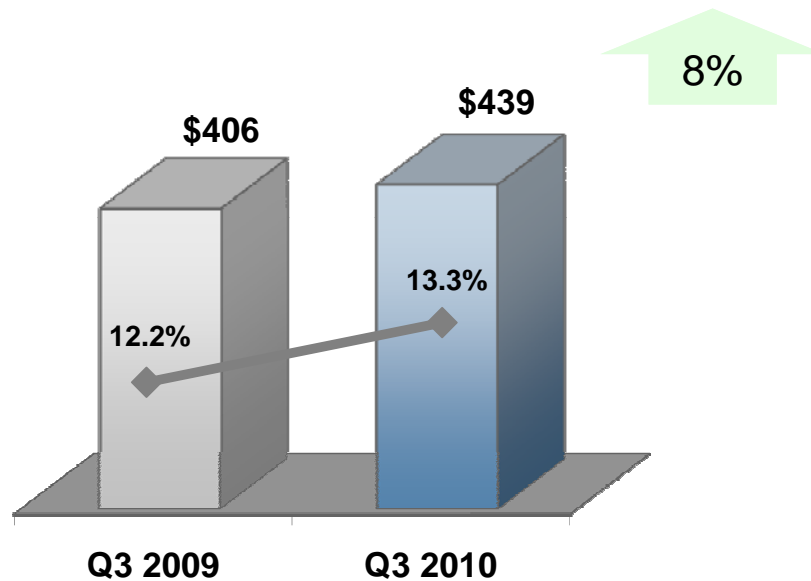
**7% Organic Growth and 5% Acquisition Growth;  
Margins Impacted by Transformer Pricing and Lower Margin Acquisitions**

# Flow Technology Q3 Financial Results



(\$ millions)

## Q3 Revenue and Segment Income Margins



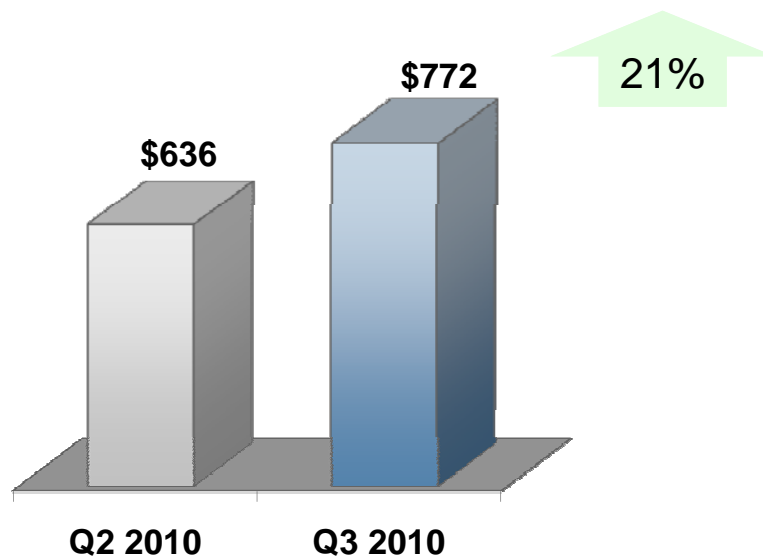
- 8% acquisition growth:
  - Gerstenberg Schroeder & Anhydro
- 1% organic revenue growth
- (1%) currency impact
- 110 points of margin expansion:
  - Execution on highly complex engineering projects
  - Benefits from restructuring actions and Lean initiatives
  - Net of 80 points of margin dilution from acquisitions

Note: Data from continuing operations; see appendix for non-GAAP reconciliations

**8% Revenue Growth;  
110 Points of Margin Expansion in Q3**

(\$ millions)

## Sequential Backlog



- 12% increase from Anhydro acquisition
- 5% organic backlog growth:
  - Short cycle aftermarket orders increased :
    - Industrial markets
    - Food & Beverage components
  - Modest increase in food & beverage system orders
- 4% currency benefit

Note: Data from continuing operations

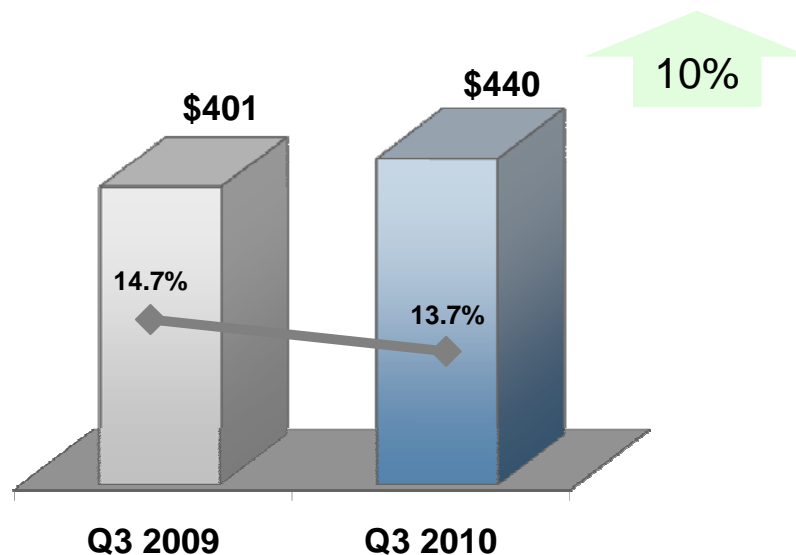
**Backlog Increased 21% Sequentially**

# Thermal Q3 Financial Results



(\$ millions)

## Q3 Revenue and Segment Income Margins



- 7% organic revenue growth:
  - Increased sales of cooling systems and heat exchangers supporting new power generation expansion in emerging markets
- 5% acquisition growth:
  - SPX Heat Transfer Inc. acquisition (Yuba)
- (2%) currency impact
- 100 points of margin contraction:
  - 50 points of margin dilution from acquisition
  - Competitive market dynamics in package cooling business

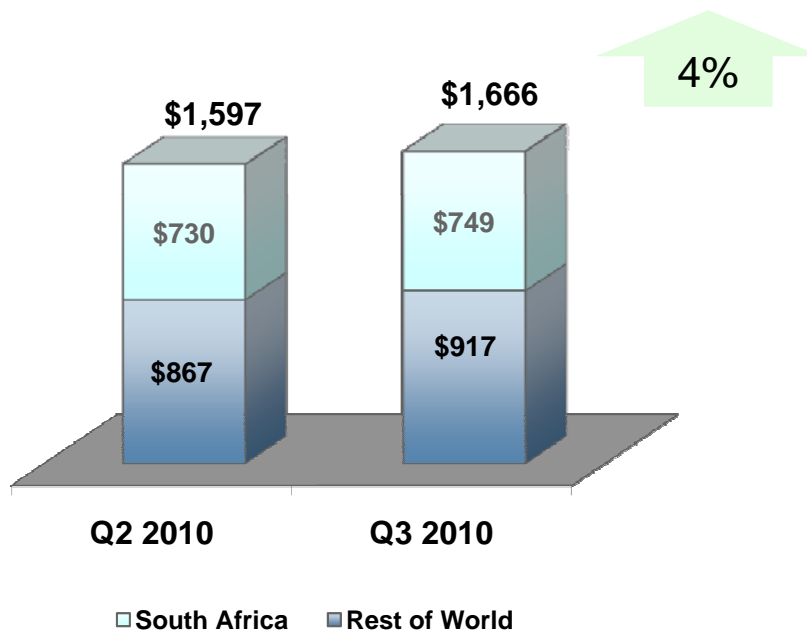
Note: Data from continuing operations; see appendix for non-GAAP reconciliations

**7% Organic Revenue Growth in Q3;  
100 Points of Margin Contraction**



(\$ millions)

## Sequential Backlog



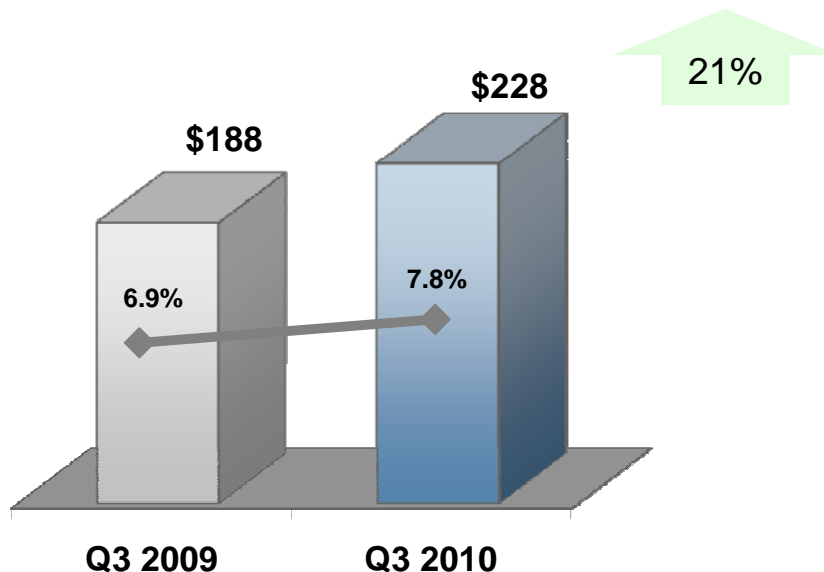
- 7% increase from currency:
  - Primarily the South African Rand
- 3% organic decline:
  - Backlog execution during Q3
- Orders for large power projects increased

Note: Data from continuing operations

**Backlog Increased 4% Sequentially;  
Orders for Large Power Projects Increased**

(\$ millions)

## Q3 Revenue and Segment Income Margins



- 21% revenue growth:
  - 24% organic revenue growth:
    - Increased OEM program sales were the primary driver
    - Aftermarket sales also increased
  - (2%) currency impact
- 90 points of margin expansion:
  - Leverage on organic growth
  - Benefits from restructuring actions

Note: Data from continuing operations; see appendix for non-GAAP reconciliations

**24% Organic Revenue Growth in Q3;  
90 Points of Margin Expansion**

## SPX Charge Station



- SPX Service Solutions selected by GM as **home charging installation partner** for the new Chevrolet Volt
- In conjunction with this program, SPX is also introducing a new, 240 volt charging station

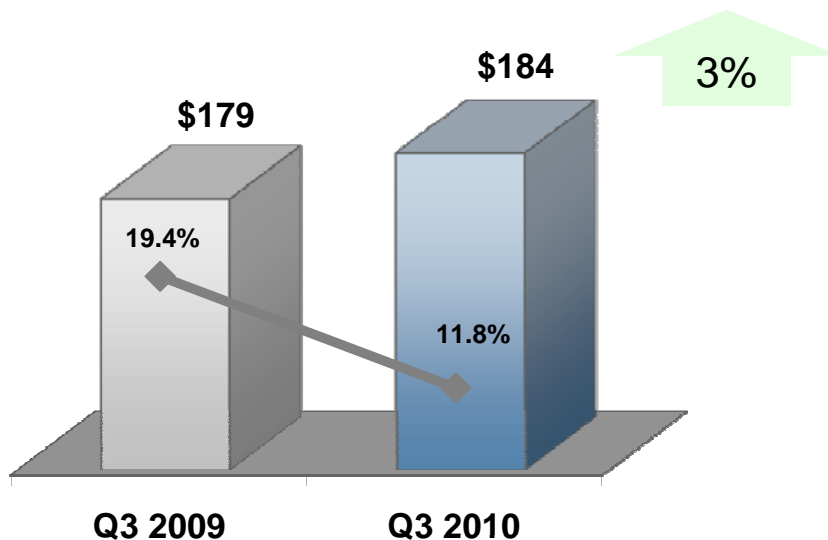
Role on Electric Vehicle Launch and New Product Introduction Underscore  
SPX's Focus on Innovation and Environmental Sustainability

# Industrial: Q3 Financial Results



(\$ millions)

## Q3 Revenue and Segment Income Margins



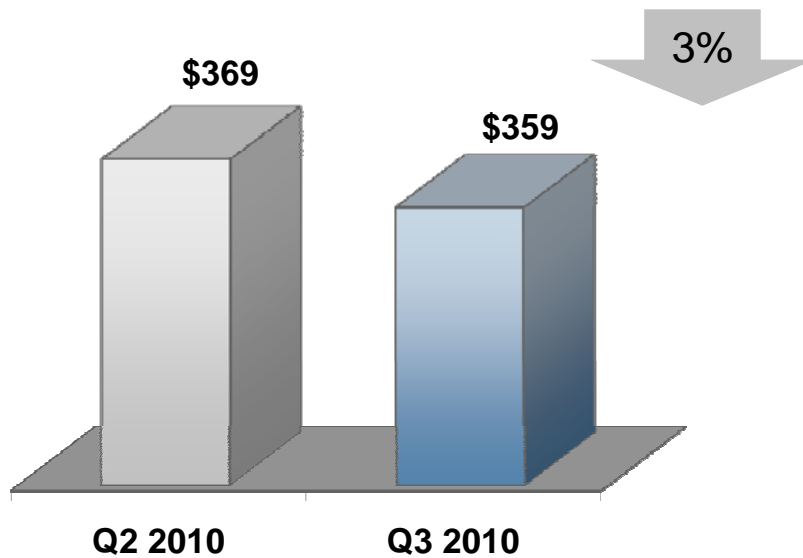
- 2% organic growth:
  - Execution of large orders for crystal growers and hi-tech communication equipment
  - Increased sales of hydraulic tools
- 1% acquisition growth:
  - Torque Tension Systems
- 760 points of margin contraction:
  - Lower pricing on power transformer shipments

Note: Data from continuing operations; see appendix for non-GAAP reconciliations

**2% Organic Revenue Growth in Q3;  
760 Points of Margin Contraction**

(\$ millions)

## Sequential Backlog



- 3% organic backlog decline:
  - Q3 large order execution
- 14% increase in transformer backlog:
  - Driven by increase in volume
  - Pricing remained challenging, but stable

Note: Data from continuing operations

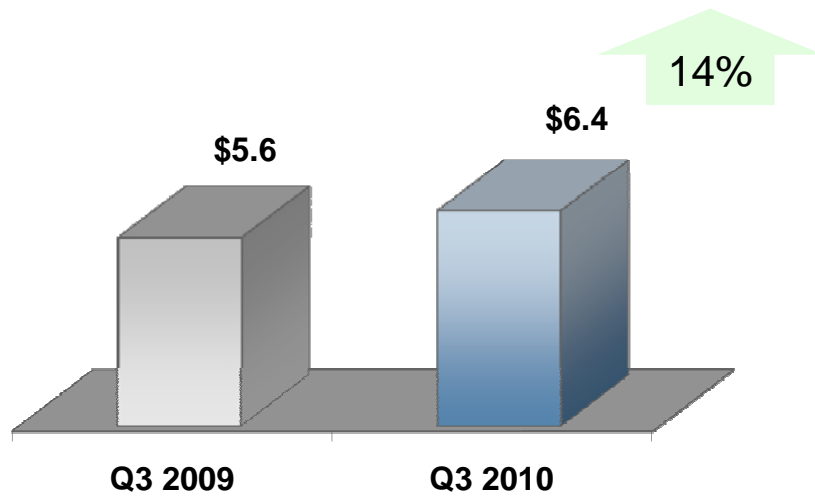
**14% Increase in Power Transformer Backlog**

# Equity Earnings

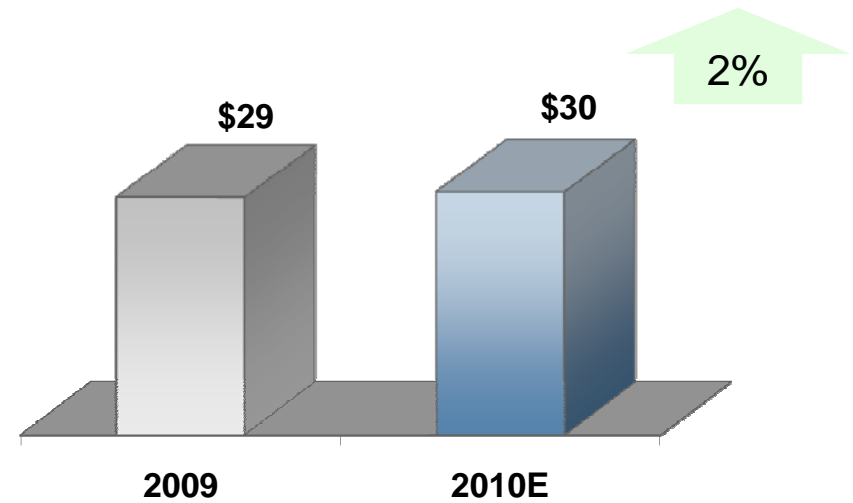


(\$ millions)

## Q3 Equity Earnings



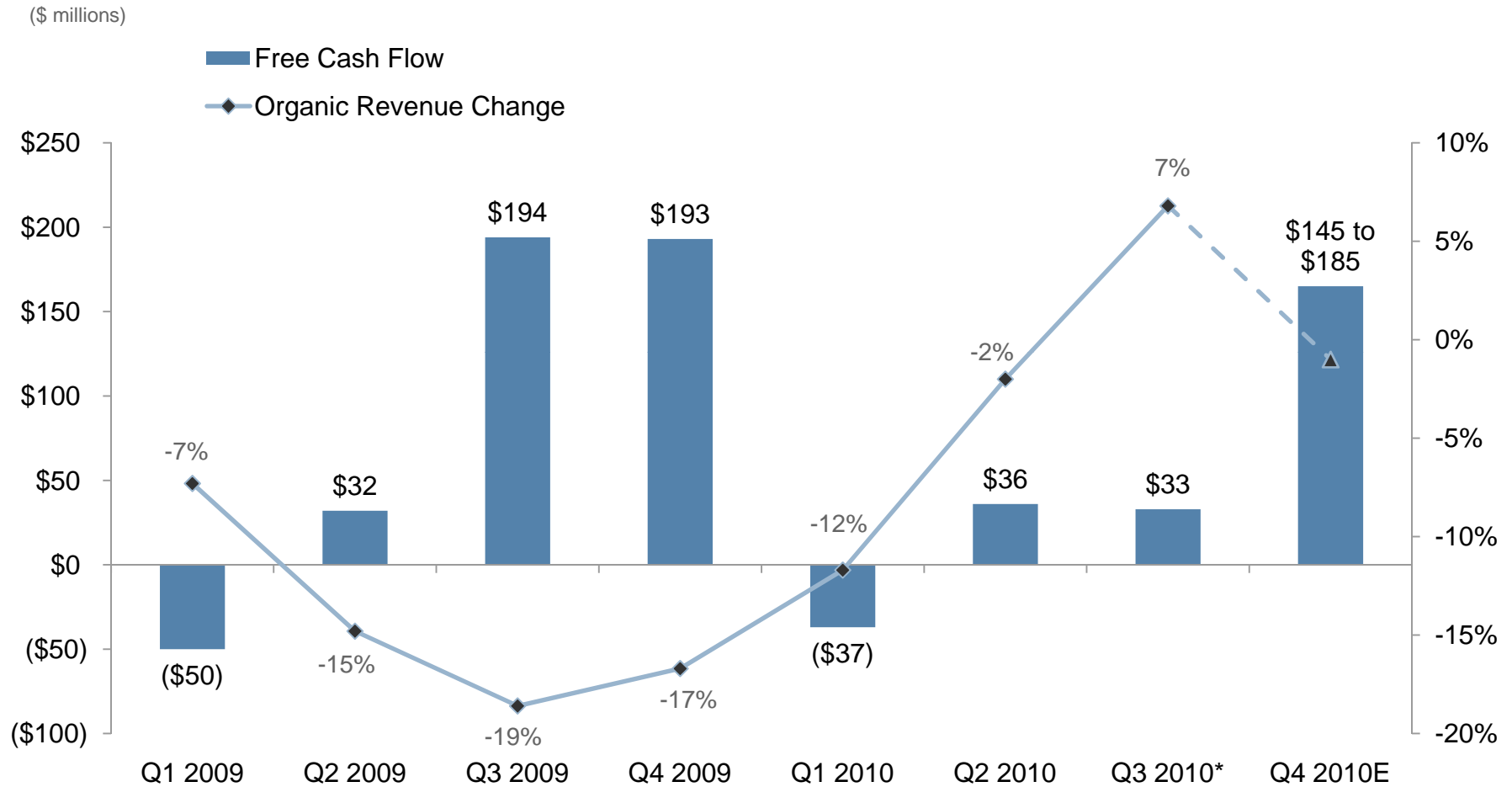
## Full Year Equity Earnings



Note: SPX reports its portion of the EGS joint venture financial results on a one-quarter lag

**Equity Earnings Represents ~10% of Consolidated Pre-tax Income**

# Free Cash Flow



\* Q3 2010 free cash flow adjusted to exclude \$25m of cash payments associated with the early termination of interest rate swap agreements

Note: See appendix for non-GAAP reconciliations

**Organic Revenue Change has Influenced Investment in Working Capital**



# 2010 Financial Targets

GLOBAL INFRASTRUCTURE X PROCESS EQUIPMENT X DIAGNOSTIC TOOLS



# Q4 2010 Targets



(\$ millions, except per share data)

	<u>Q4 2009</u>	<u>Q4 2010E</u>
<b>Revenue</b>	<b>\$1,324</b>	<b>0% to +4%</b>
<b>Segment Income \$</b>	<b>\$169</b>	<b>\$147 to \$157</b>
<b>Segment Income %</b>	<b>12.7%</b>	<b>11.0% to 11.5%</b>
<b>EPS</b>	<b>\$1.35 <sup>(1)</sup></b>	<b>\$0.95 to \$1.10</b>

<sup>(1)</sup> Q4 2009 EPS adjusted to exclude a \$3.39 per share non-cash asset impairment charge, \$0.43 per share of tax benefits and \$0.02 per share impact from anti-dilutive earnings  
Note: Data from continuing operations; see appendix for non-GAAP reconciliations

**Targeting Q4 2010 EPS to be Between \$0.95 and \$1.10 Per Share**

# Full Year Segment Targets



	<u>Previous Targets</u>	<u>Updated Targets</u>
<b>Flow Technology</b>		
Revenue	+1% to +3%	+2% to +3%
Segment Income %	12.6% to 13.0%	12.6% to 12.8%
<b>Thermal Equipment</b>		
Revenue	0% to +2%	+1% to +2%
Segment Income %	10.7% to 11.1%	11.7% to 11.9%
<b>Test &amp; Measurement</b>		
Revenue	+6% to +8%	+12% to +13%
Segment Income %	7.7% to 8.1%	8.1% to 8.3%
<b>Industrial Products</b>		
Revenue	(12%) to (10%)	(13%) to (12%)
Segment Income %	10.3% to 10.7%	9.9% to 10.1%

Note: Data from continuing operations

**Updated Full Year Segment Targets Reflect  
Q3 2010 Results and Revised Q4 Expectations**

# Consolidated 2010 Full Year Financial Targets



(\$ millions, except per share data)

	<b>2010 Target Range</b>	<b>Comments</b>
<b>Revenue</b>	<b>+1% to +2%</b>	Organic: (1%) to (3%) FX: ~(1%) Acquisition: +4%
<b>Segment Income Margin</b>	<b>11.1% to 11.3%</b>	<b>~(90) points vs. 2009</b>
<b>Adjusted EPS</b>	<b>\$3.45 to \$3.60</b>	<b>~(10%) vs. 2009</b> EPS Mid-Point: \$3.52
<b>Adjusted Free Cash Flow</b>	<b>\$180 to \$220</b>	<b>~113% of Net Income</b>
<b>Capital Spending</b>	<b>~\$90</b>	<b>~100% of depreciation</b>

Note: Data from continuing operations; see appendix for non-GAAP reconciliations

**2010E Adjusted EPS Guidance Range is \$3.45 to \$3.60;  
2010E Adjusted Free Cash Flow Guidance is \$180 to \$220**

Adjusted EPS:

**\$3.45 to \$3.60**

Adjusted Free Cash Flow:

**\$180m to \$220m**

## Potential Positive Impacts

- Stronger organic revenue
- Lower tax rate
- Foreign exchange fluctuations

## Potential Negative Impacts

- Softer organic revenue
- Higher tax rate
- Foreign exchange fluctuations

Note: Data from continuing operations; See appendix for non-GAAP reconciliations

**Certain Events Could Influence Actual Results;  
~\$750k of Operating Profit = \$0.01 Per Share**



# Executive Summary

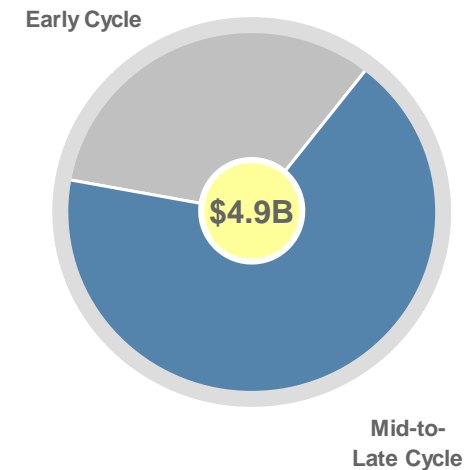
GLOBAL INFRASTRUCTURE X PROCESS EQUIPMENT X DIAGNOSTIC TOOLS

- Solid execution in the third quarter:
  - 7% organic revenue growth was broad-based across all four segments and major geographic regions
  - Adjusted EPS increased 13% year-over-year
  - Orders increased sequentially and year-over-year; backlog increased 8%
  
- Increased full year adjusted EPS guidance mid-point by \$0.12, a 4% increase
  
- Completed the acquisition of Anhydro, integration underway
  
- Refinanced a significant portion of outstanding debt; improved financial flexibility

**Focused on Q4 Execution and  
Continued Development of Long-Term Strategy**

- Early, short-cycle businesses growing at various levels:
  - Diagnostic tools & equipment for vehicle service
  - General industrial
  - Food & beverage: components
  
- Mid-to-late cycle businesses still depressed, however, showing modest signs of order recovery:
  - Power generation
  - Power transmission & distribution
  - Oil & gas
  - Food & beverage: systems

## 2010E Revenue



**Expect Mid-Late Cycle Markets to Recover in 2H 2011 and 2012;  
Confident in Long-Term Outlook for Key End Markets**



# Questions

GLOBAL INFRASTRUCTURE X PROCESS EQUIPMENT X DIAGNOSTIC TOOLS





# Appendix

GLOBAL INFRASTRUCTURE X PROCESS EQUIPMENT X DIAGNOSTIC TOOLS

# Full Year Mid-Point Target Financial Model



(\$ millions, except per share data)

	<b>2009 Adjusted Earnings</b>	<b>2010E Adjusted Earnings</b>
Revenue	\$4,851	\$4,913
Segment income margin	12.1%	11.2%
Corporate expense	(84)	(90)
Pension / PRHC	(38)	(53)
Stock-based compensation	(28)	(31)
Special charges	(73)	(35)
<b>Operating Income</b>	<b>\$365</b>	<b>\$342</b>
<i>% of revenues</i>	7.5%	7.0%
Interest expense, net	(85)	(82)
Other expense	(20)	(23)
Equity earnings in J/V	29	30
<b>Pre-Tax Income from Continuing Operations</b>	<b>\$290</b>	<b>\$267</b>
Income tax provision	(94)	(90)
<b>Income from Continuing Operations</b>	<b>\$196</b>	<b>\$178</b>
Less income attributable to noncontrolling interests, net of tax	(\$2)	(\$1)
<b>Net Income from continuing operations attributable to SPX</b>	<b>\$194</b>	<b>\$177</b>
Tax rate	33%	34%
Weighted average dilutive shares outstanding	50	50
<b>EPS Mid-Point from continuing operations</b>	<b>\$3.90</b>	<b>\$3.52</b>
<b>Bank EBITDA</b>	<b>\$607</b>	<b>\$545</b>

Note: Data from continuing operations; see appendix for non-GAAP reconciliations

**2010 Adjusted EPS Guidance Mid-Point is \$3.52**



# Non-GAAP Reconciliations

GLOBAL INFRASTRUCTURE X PROCESS EQUIPMENT X DIAGNOSTIC TOOLS

# Q3 2010 Organic Revenue Growth Reconciliation



Quarter Ended October 2, 2010

	Net Revenue Change	Acquisitions/ Divestitures	Foreign Currency	Organic
Flow	8.0%	8.3%	-1.5%	1.2%
Test	21.3%	0.0%	-2.2%	23.5%
Thermal	9.6%	5.1%	-2.1%	6.6%
Industrial	2.7%	0.8%	-0.3%	2.2%
Consolidated	9.9%	4.8%	-1.7%	6.8%

Note: Data from continuing operations

# Q3 Free Cash Flow Reconciliation



## SPX Corporation and Subsidiaries Free Cash Flow Reconciliation (unaudited)

(\$ millions)

	<u>Q3 2009</u>	<u>Q3 2010</u>
<b>Net cash from continuing operations</b>	<b>\$ 209</b>	<b>\$ 21</b>
Capital expenditures	<u>\$ (15)</u>	<u>\$ (12)</u>
<b>Free cash flow from continuing operations</b>	<b><u>\$ 194</u></b>	<b><u>\$ 8</u></b>
Add back: Payments on early termination of sw ap agreements	<u>\$ -</u>	<u>\$ 25</u>
<b>Adjusted free cash flow from continuing operations</b>	<b><u>\$ 194</u></b>	<b><u>\$ 33</u></b>

Note: Q3 2010 adjusted Free Cash Flow excludes \$24.3m of one-time cash payments associated with the early termination of interest rate swap agreements and \$0.2m related to an early termination fee

# Full Year Free Cash Flow Reconciliation



<b>SPX Corporation and Subsidiaries</b>		
<b>Free Cash Flow Reconciliation</b>		
<b>(unaudited)</b>		
(\$ millions)		
	<u>2009</u>	
	<u>2010E Guidance Range</u>	
<b>Net cash from continuing operations</b>	<b>\$ 462</b>	<b>\$ 246</b> to <b>\$ 286</b>
Capital expenditures	<u>\$ (93)</u>	<u>\$ (90)</u> to <u>\$ (90)</u>
<b>Free cash flow from continuing operations</b>	<b><u>\$ 369</u></b>	<b><u>\$ 156</u></b> to <b><u>\$ 196</u></b>
Add back: Payments on early termination of sw ap agreements		<u>\$ 25</u> to <u>\$ 25</u>
<b>Adjusted free cash flow from continuing operations</b>		<b><u>\$ 180</u></b> to <b><u>\$ 220</u></b>

Note: 2010E adjusted Free Cash Flow excludes \$24.3m of one-time cash payments associated with the early termination of interest rate swap agreements and \$0.2m related to an early termination fee

# Bank EBITDA Reconciliations



(\$ millions)	<u>2008</u>	<u>2009</u>	<u>LTM</u>	<u>2010E</u>
<b>Revenues</b>	<b>\$5,838</b>	<b>\$4,851</b>	<b>\$4,889</b>	<b>\$4,913</b>
<b>Net Income</b>	<b>\$248</b>	<b>\$33</b>	<b>\$69</b>	<b>\$177</b>
Income tax provision (benefit)	153	47	23	90
Interest expense	116	92	87	82
<b>Income before interest and taxes</b>	<b>\$517</b>	<b>\$172</b>	<b>\$179</b>	<b>\$349</b>
Depreciation and intangible amortization expense	105	106	109	117
<b>EBITDA from continuing operations</b>	<b>\$621</b>	<b>\$278</b>	<b>\$288</b>	<b>\$465</b>
<b>Adjustments:</b>				
Amortization and write-off of intangibles and organizational costs	123	195	195	0
Non-cash compensation expense	42	28	31	32
Extraordinary non-cash charges	(22)	16	15	14
Extraordinary non-recurring cash charges	13	62	55	35
Excess of JV distributions over JV income	11	0	(0)	(0)
Loss (Gain) on disposition of assets	12	10	(21)	0
Pro Forma effect of acquisitions and divestitures	(1)	19	(1)	(5)
Other	4	0	0	4
<b>Bank LTM EBITDA from continuing operations</b>	<b>\$803</b>	<b>\$607</b>	<b>\$561</b>	<b>\$545</b>

Note: EBITDA as defined in the credit facility

# Debt Reconciliations



(\$ millions)	<u>7/3/2010</u>	<u>10/2/2010</u>
Short-term debt	\$ 77	\$ 133
Current maturities of long-term debt	98	23
Long-term debt	1,107	1,155
<b>Gross Debt</b>	<b>\$ 1,282</b>	<b>\$ 1,310</b>
Less: Purchase card program and extended A/P programs	<u>\$ (32)</u>	<u>\$ (30)</u>
<b>Adjusted Gross Debt</b>	<b>\$ 1,250</b>	<b>\$ 1,280</b>
Less: Cash in excess of \$50	<u>\$ (358)</u>	<u>\$ (341)</u>
<b>Adjusted Net Debt</b>	<b><u>\$ 891</u></b>	<b><u>\$ 939</u></b>

Note: Debt as defined in the credit facility



## 2010E Adjusted EPS Guidance



### **2010E Adjusted EPS Guidance Range**

GAAP EPS from continuing operations	\$ 3.52	\$ 3.67
Q2 tax benefits	(0.40)	(0.40)
Q3 refinancing charges	<u>0.33</u>	<u>0.33</u>
Adjusted EPS from continuing operations	<u>\$ 3.45</u>	<u>\$ 3.60</u>

Note: Data from continuing operations

## 2009 Adjusted EPS



	<u>Q4 2009</u>	<u>FY 2009</u>
GAAP EPS from continuing operations	\$ (1.63) <sup>(1)</sup>	\$ 0.93
Q4 asset impairments	\$ 3.39	\$ 3.40
Q4 tax benefits	(0.43)	(0.43)
Q4 anti-dilutive earnings impact on share calculation	<u>0.02</u>	<u>-</u>
Adjusted EPS from continuing operations	<u>\$ 1.35</u>	<u>\$ 3.90</u>

<sup>(1)</sup> Diluted loss per share for the quarter is anti-dilutive and therefore has been adjusted to reflect the basic loss per share using 49.316 shares outstanding. The dilutive share count for the quarter was 49.843.

Note: Data from continuing operations

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