



2010 Second 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.
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- 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.



Introductory Comments

Q2 Financial Results



(\$ millions, except per share data)

	<u>Q2 2009</u>	<u>Q2 2010</u>	<u>2010 vs. 2009</u>
Revenue	\$1,194	\$1,190	2% organic decline
Segment Income	\$136	\$136	flat
Segment Income Margin	11.4%	11.4%	flat
Earnings Per Share Q2 2010 EPS adjusted	\$0.80	\$1.00 ⁽¹⁾	+25%
Free Cash Flow	\$32	\$36	+11%

⁽¹⁾ Adjusted EPS excludes \$0.40 of tax benefits related to audits of 2006 and 2007 U.S. income tax returns

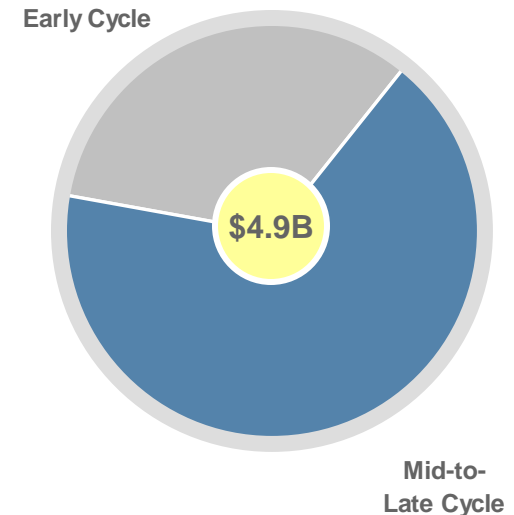
Note: Data from continuing operations; See appendix for non-GAAP reconciliations

25% Earnings Per Share Growth

- Early cycle businesses in various stages of recovery:
 - General industrial
 - Diagnostic tools & equipment for vehicle service
 - Food & beverage: components

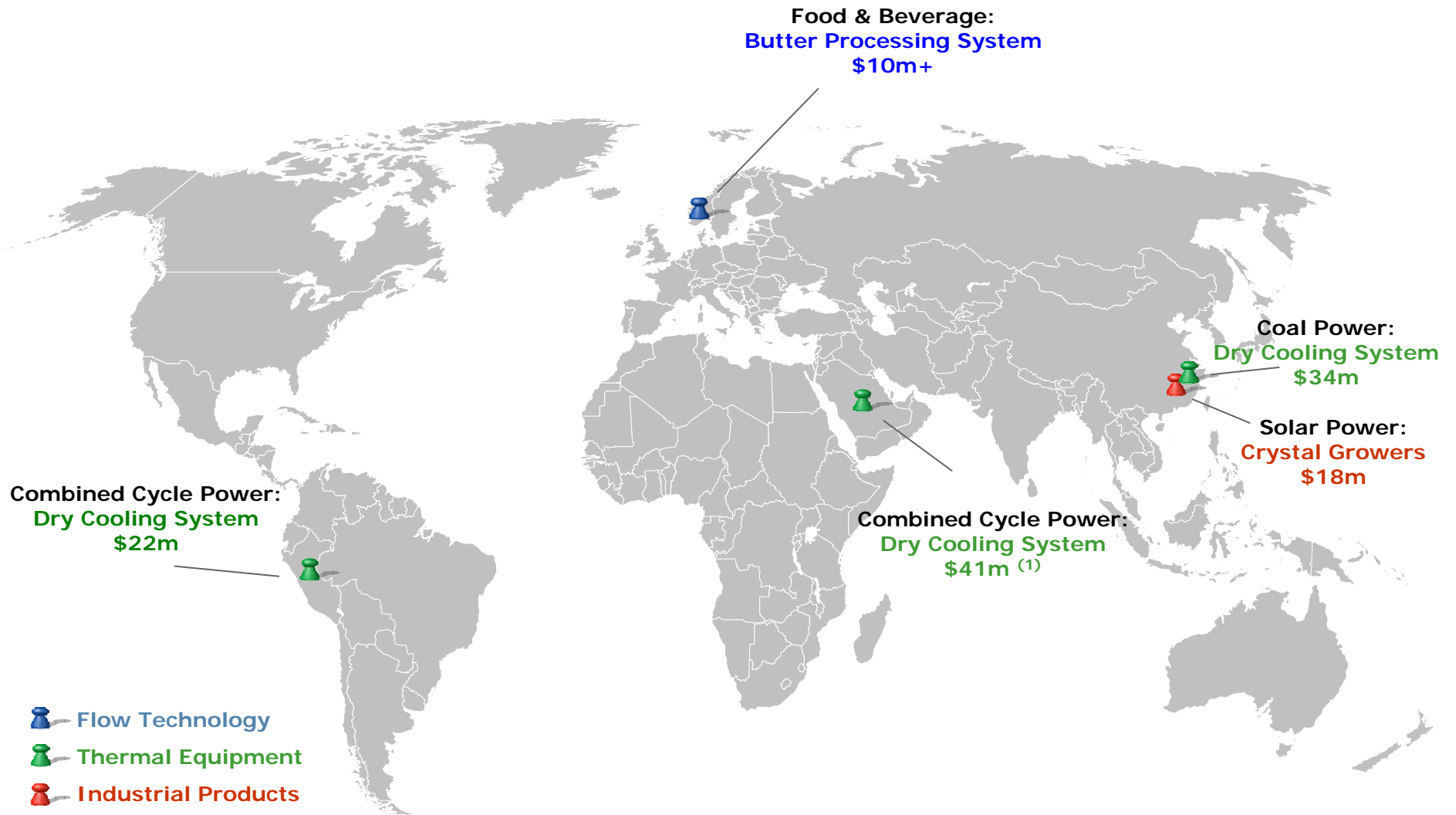
- Mid-to-late cycle businesses remain depressed:
 - Power generation
 - Power transmission & distribution
 - Oil & gas
 - Food & beverage: systems

2010E Revenue



**Seeing Recovery in Early Cycle Markets;
Timing and Pace of Mid-to-Late Cycle Markets Recovery Less Certain**

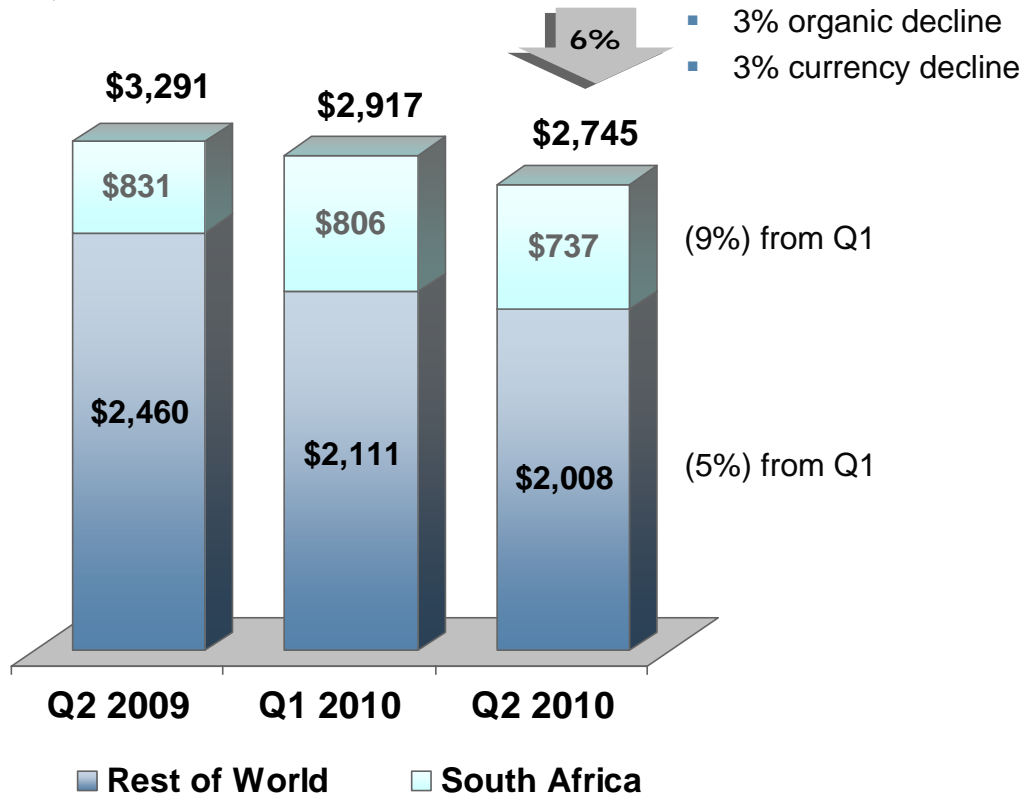
Notable New Large Contracts > \$10m



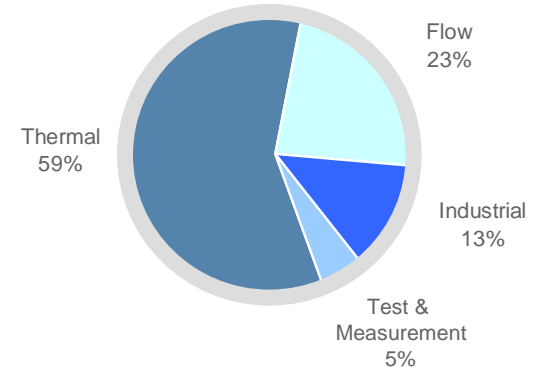
⁽¹⁾ Order received in Q3 2010; not included in Q2 2010 ending backlog

**Orders for Large Projects Increased Sequentially in Q2;
Quoting Remains Active, However, Order Placement Continues to be Delayed**

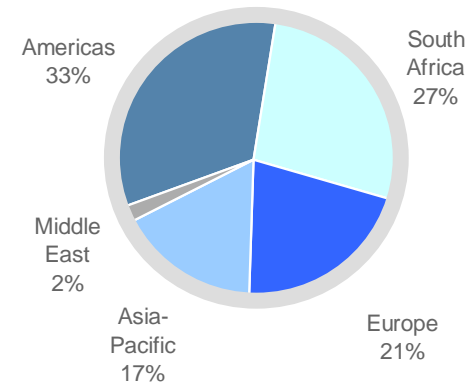
(\$ millions)



Q2 2010 Backlog by Segment



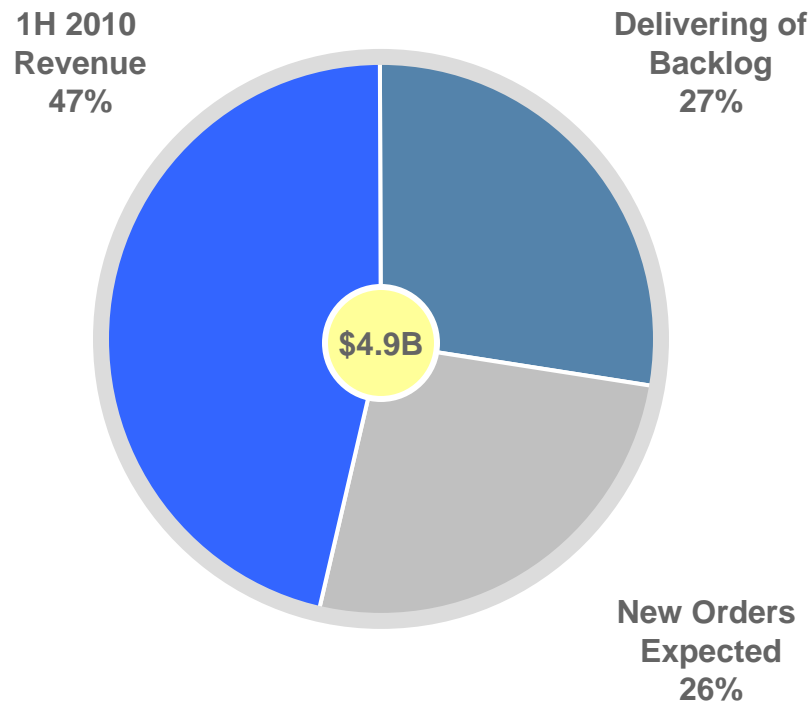
Q2 2010 Backlog by Geography



Note: Data from continuing operations

3% Organic Decline in Backlog from Q1 to Q2

2010E Revenue



- 74% of 2010E revenue has been booked or is in order backlog

Note: Data from continuing operations

**Visibility to 2010E Revenue Improving;
2H Revenue Remains Sensitive to Short Cycle Order Trends**

2010E EPS Guidance Bridge

Earnings Per Share:

Previous: \$3.00 to \$3.30

Updated: \$3.30 to \$3.50 ⁽¹⁾

Free Cash Flow:

\$180m to \$220m

Previous Guidance Mid-Point \$3.15

- Segment Income:

- Operations \$0.22

- Foreign currency (\$0.10)

- Tax Rate \$0.06

- Other items, net \$0.07

Adjusted EPS Guidance Mid-Point \$3.40 ⁽¹⁾

⁽¹⁾ Adjusted EPS excludes \$0.40 of tax benefits related to audits of 2006 and 2007 U.S. income tax returns

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

**Increased 2010E EPS Guidance Mid-Point 8% to \$3.40;
Primarily Driven by Q2 Operating Results**

Balance Sheet and Debt Ratios

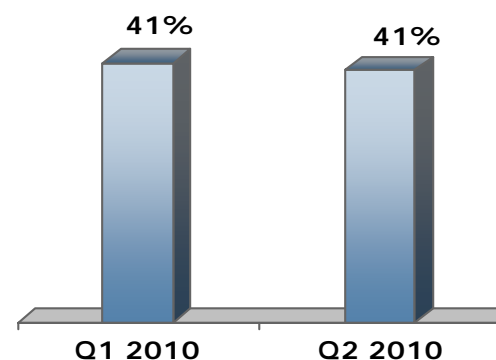


(\$ millions)

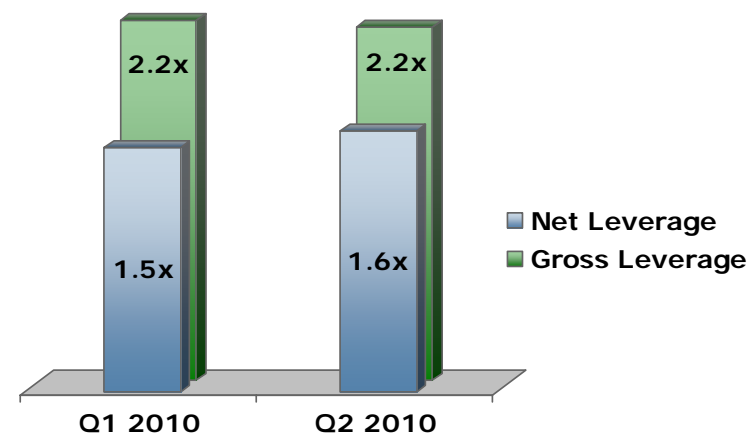
Key Balance Sheet Accounts

	<u>4/3/10</u>	<u>7/3/10</u>
Cash	\$464	\$408
Total Assets	\$5,662	\$5,558
Total Debt	\$1,313	\$1,282
Total Equity	\$1,847	\$1,837

Debt to Capital



Debt to Bank EBITDA ⁽¹⁾



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

**Debt Ratios Remained Stable;
\$408m of Cash on Hand at the End of Q2**



Q2 Financial Analysis

Q2 2010 Adjusted EPS

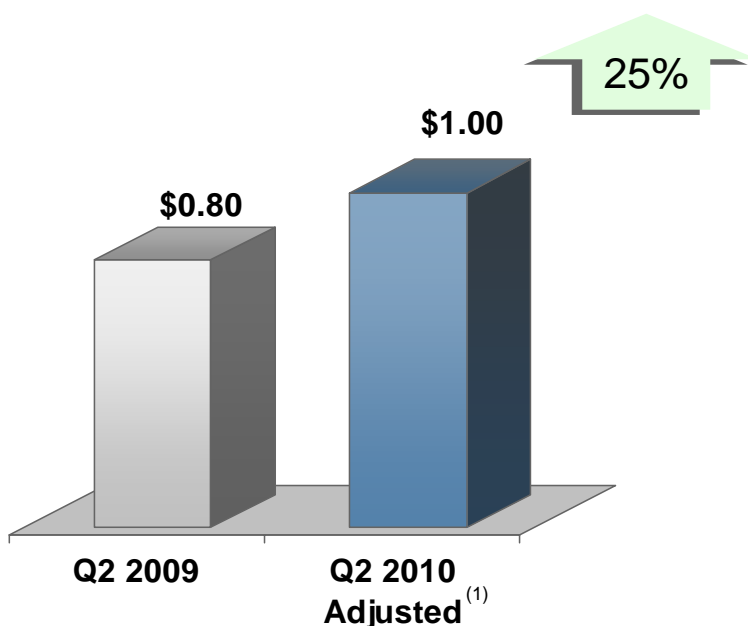


	<u>Q2 2010</u>
GAAP EPS from continuing operations	\$ 1.40
Q2 tax benefits	<u>(0.40)</u>
Adjusted EPS from continuing operations	<u><u>\$ 1.00</u></u>

Note: Data from continuing operations

**Adjusted Q2 EPS Excludes \$0.40 per Share of Tax Benefits
Related to Audits of 2006 and 2007 U.S. Income Tax Returns**

Q2 EPS



Year-Over-Year Changes to EPS

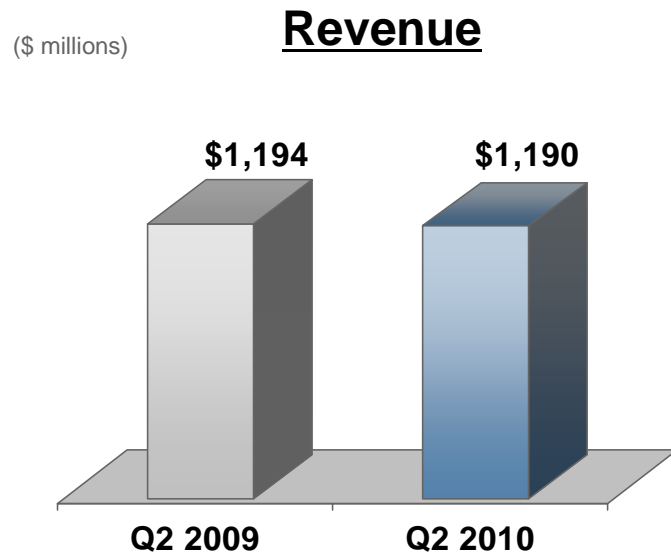
Q2 2009 EPS	\$0.80
<ul style="list-style-type: none"> ▪ Thermal segment income \$0.28 ▪ Lower restructuring expense \$0.25 ▪ Test & Measurement segment income \$0.14 ▪ Power transformer operating profit (\$0.46) ▪ Other items, net (\$0.01) 	
Q2 2010 Adjusted EPS	\$1.00 ⁽¹⁾

⁽¹⁾ Adjusted EPS excludes \$0.40 of tax benefits related to audits of 2006 and 2007 U.S. income tax returns

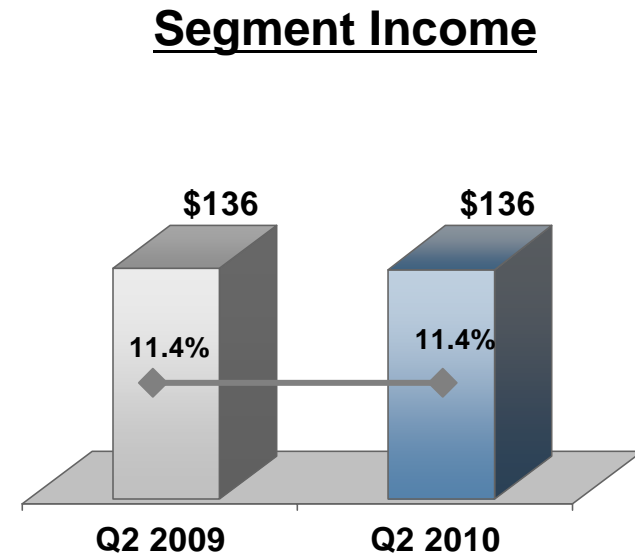
Note: Data from continuing operations

Improved Operating Performance and Lower Restructuring Expense Offset Declines Due to Weakness in U.S. Power Transformer Market

Q2 Consolidated Results



- 3% growth from acquisitions
- 2% organic decline
- 2% currency decline



- Operating improvement in Thermal Equipment and Test & Measurement segments offset declines in Industrial segment

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

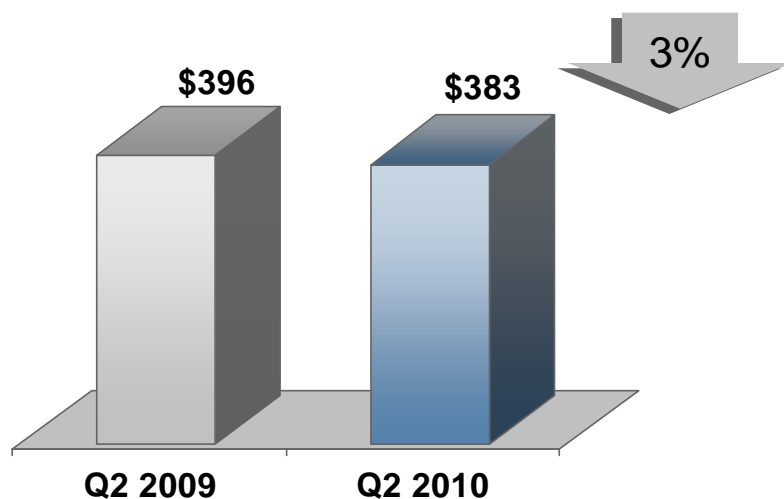
Consolidated Revenue and Segment Income Flat Year-Over-Year

Flow Technology: Q2 Financial Results



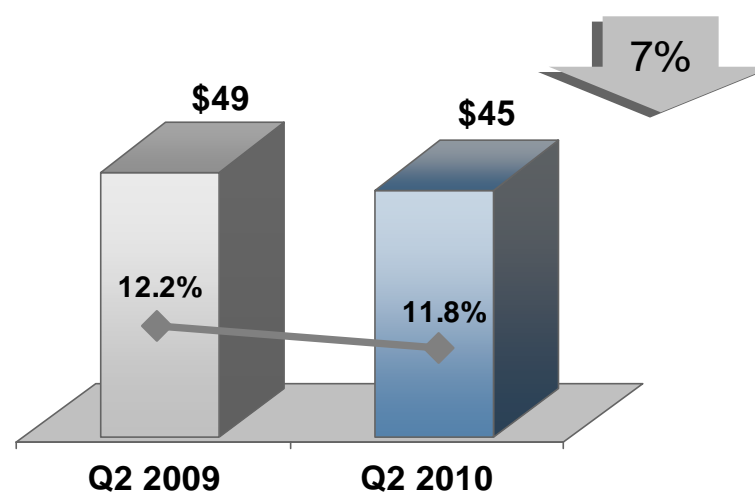
(\$ millions)

Revenue



- 6% organic decline:
 - Sales into the oil & gas market declined
 - Sales of food & beverage systems declined
- 4% acquisition growth
- 1% currency decline

Segment Income



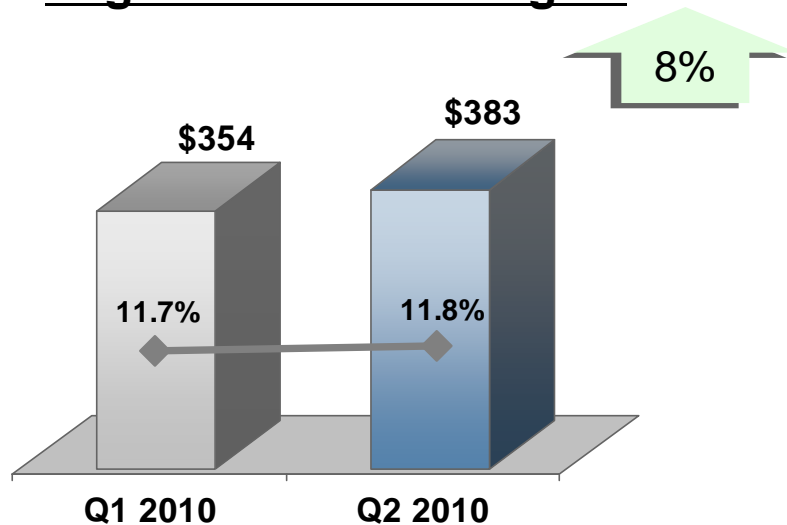
- 7% decline in segment income:
 - Organic revenue decline
- 40 points of margin contraction:
 - Gerstenberg Schroeder acquisition was 60 pts dilutive to margins

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

**3% Revenue Decline in Q2;
40 Points of Margin Contraction**

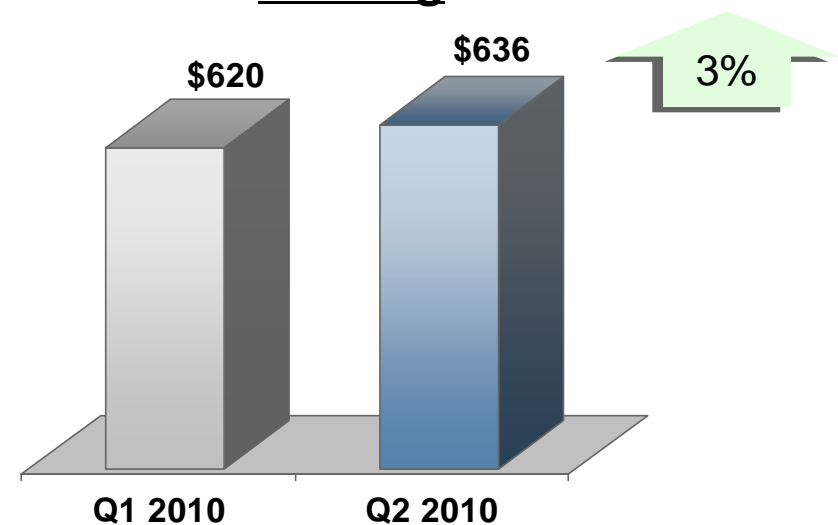
(\$ millions)

Revenue and Segment Income Margins



- 8% increase in revenue
- 10 points of margin expansion

Backlog



- 5% organic increase in backlog:
 - Increased orders in Asia-Pacific
 - \$10m+ butter processing system order
- (3%) currency impact

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

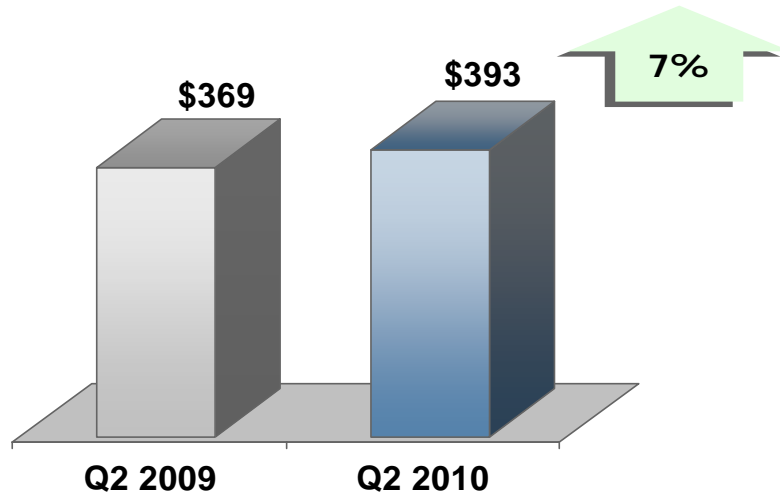
**Backlog Increased for the Second Consecutive Quarter;
Q2 Orders Increased Sequentially and Year-Over-Year**

Thermal: Q2 Financial Results



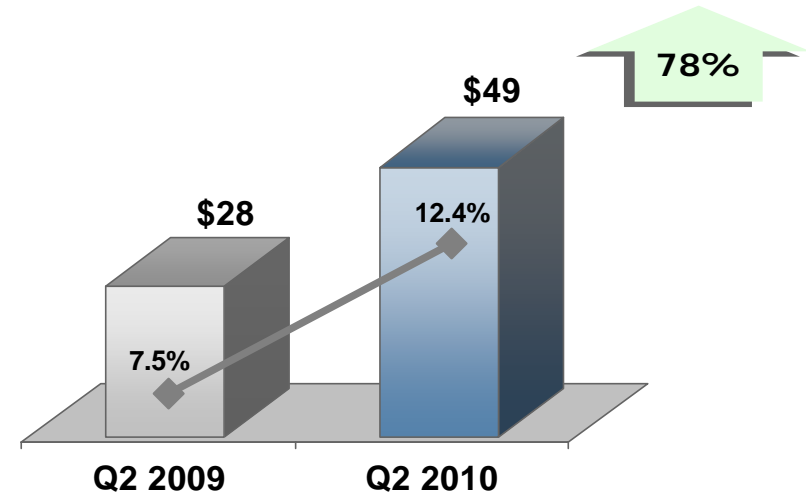
(\$ millions)

Revenue



- 3% organic growth:
 - Increased sales of power generation equipment into China and South Africa
- 6% acquisition growth:
 - SPX Heat Transfer Inc. acquisition (Yuba)
- 3% currency decline

Segment Income



- 490 points of margin expansion:
 - Improved project execution
 - Favorable project mix:
 - Increase in dry cooling revenue
 - Increase in evaporative cooling retrofit revenue

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

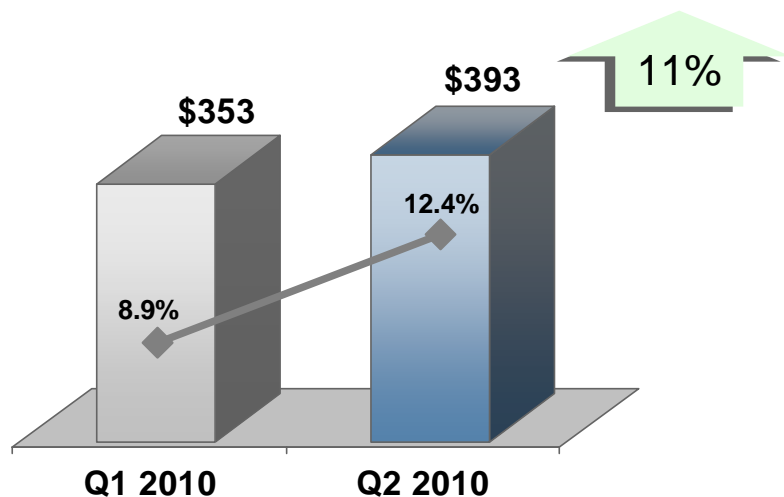
**7% Revenue Growth;
490 Points of Margin Expansion**

Thermal: Sequential Analysis



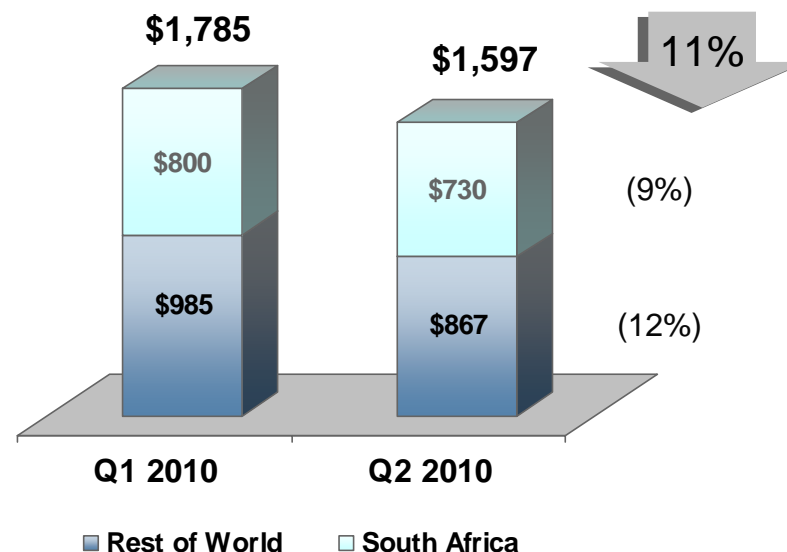
(\$ millions)

Revenue and Segment Income Margins



- 11% revenue growth:
 - Project timing
 - Increase in retrofit revenue
- 350 points of margin expansion

Backlog



- 7% organic decline:
 - Orders improved sequentially, however, remain depressed from 2009 levels
- (4%) currency impact

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

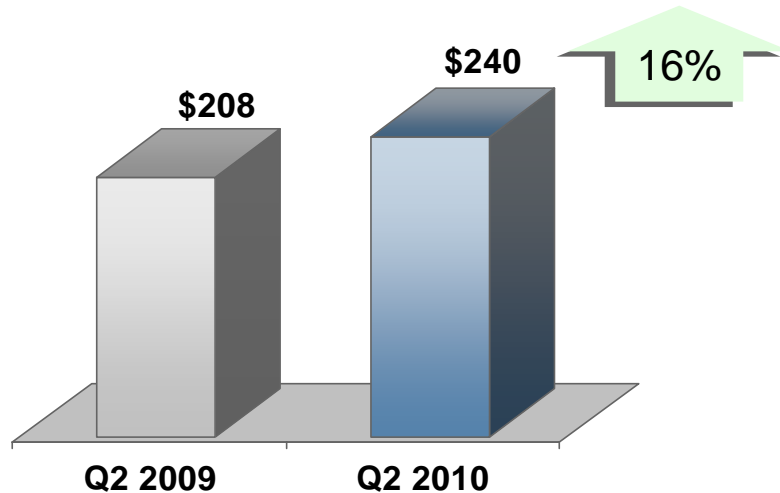
Thermal Segment Revenue and Backlog Development is Largely Impacted by Timing of Large Contracts

Test & Measurement: Q2 Financial Results



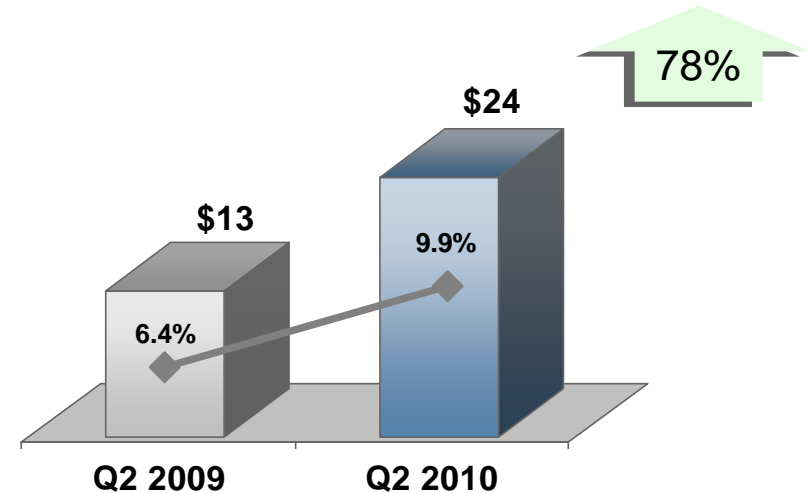
(\$ millions)

Revenue



- 18% organic growth:
 - Increased sales to OEMs and dealership networks
 - Increased sales of fare collection systems
- 2% currency decline

Segment Income



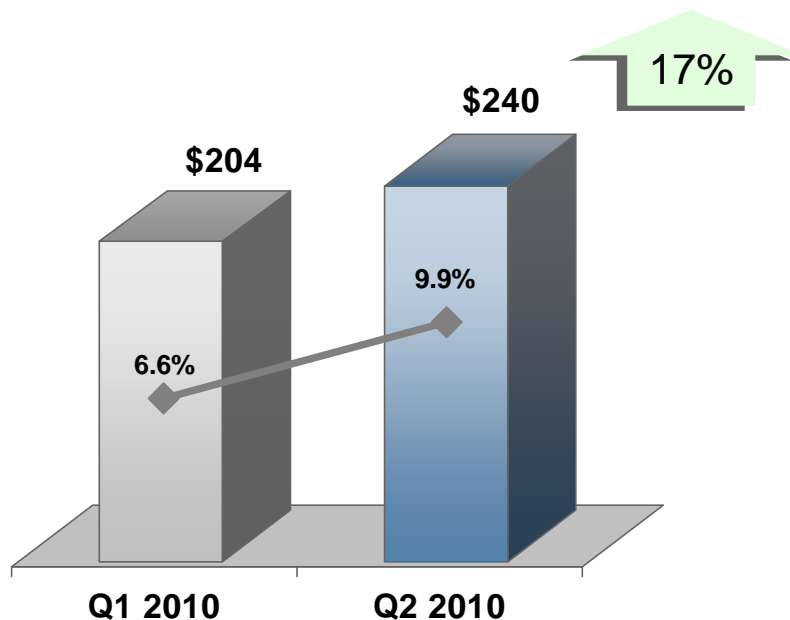
- 350 points of margin expansion:
 - Leverage on organic revenue growth
 - Restructuring savings
 - Increase in higher margin fare collection system revenue

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

**18% Organic Revenue Growth in Q2;
350 Points of Margin Expansion**

(\$ millions)

Revenue and Segment Income Margins



- 17% revenue growth:
 - Increased sales to OEMs and dealership networks
 - Increased sales of fare collection systems
- 330 points of margin expansion:
 - Leverage on organic growth
 - Increase in higher margin fare collection system revenue

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

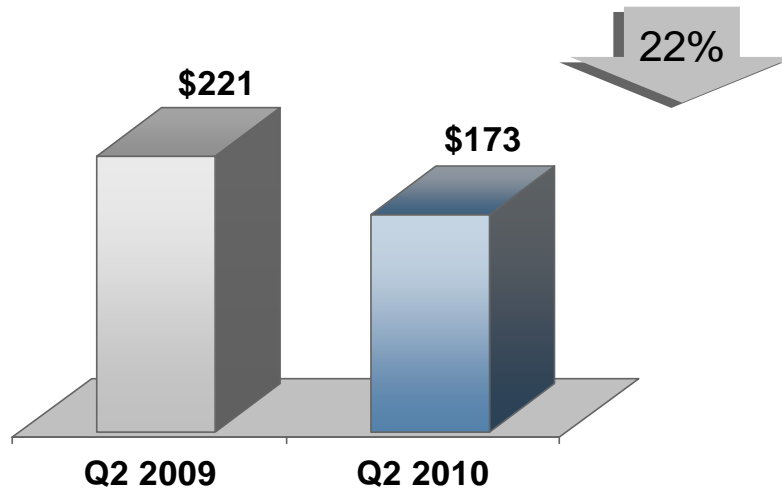
Sequential Margin Improvement Driven by Organic Revenue Growth

Industrial: Q2 Financial Results



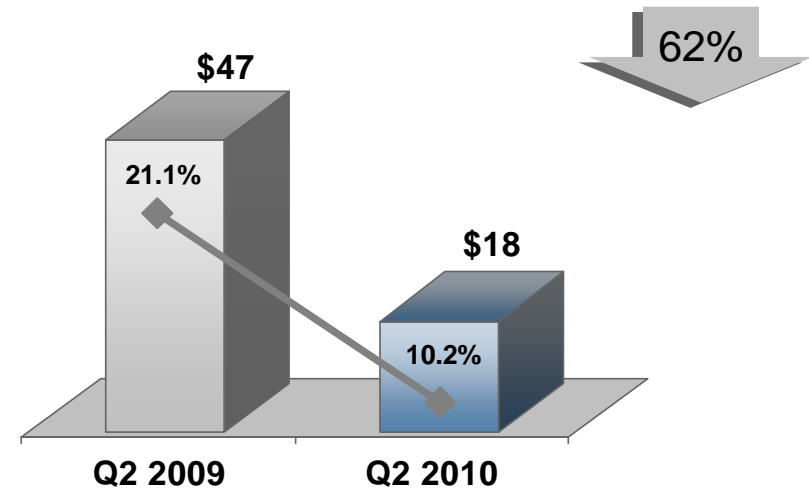
(\$ millions)

Revenue



- 22% organic decline:
 - Reduced volume and price of power transformers shipments

Segment Income



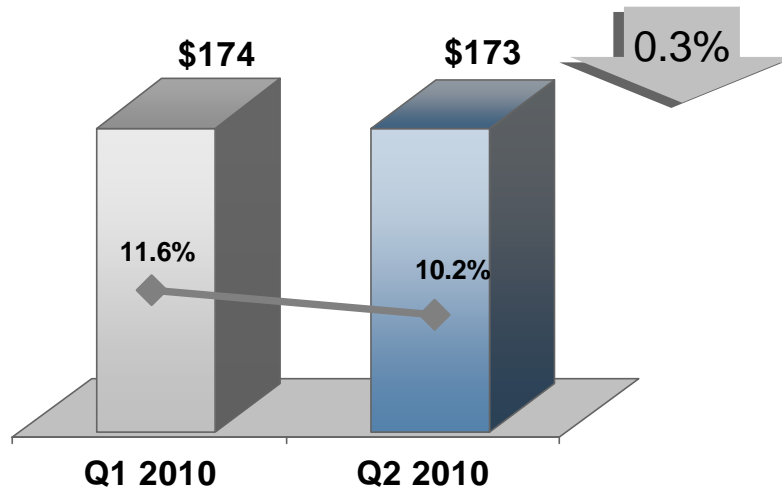
- 1,090 points of margin contraction:
 - Reduced volume and price of power transformer shipments

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

**22% Revenue Decline in Q2;
1,090 Points of Margin Contraction**

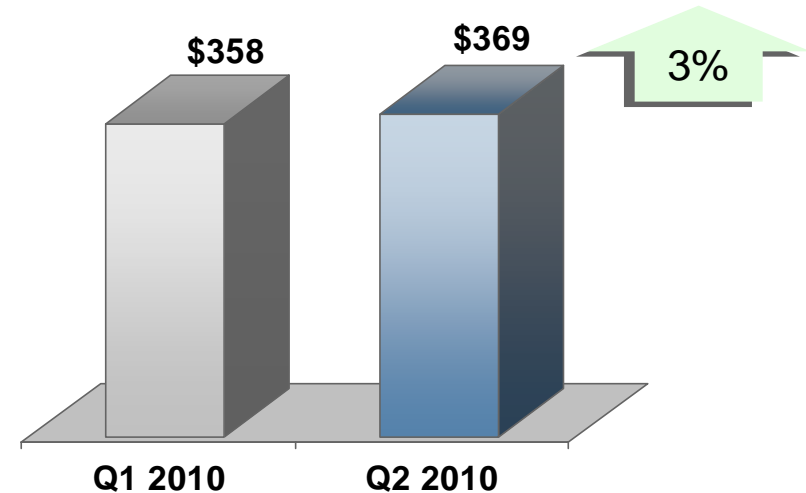
(\$ millions)

Revenue and Segment Income Margins



- Modest revenue decline
- 140 points of margin contraction:
 - Pricing on transformer shipments declined from Q1 to Q2

Backlog



- \$18m crystal grower contract
- Transformer backlog declined 6%:
 - Pricing on new transformers orders remains challenging

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

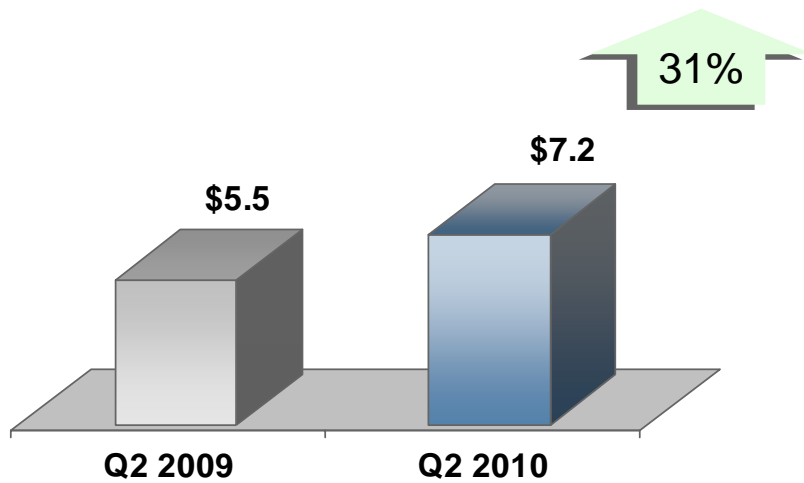
Transformer Order Volume Increased Modestly from Q1 to Q2; However, Pricing Remains Challenging and at Low Levels

Equity Earnings

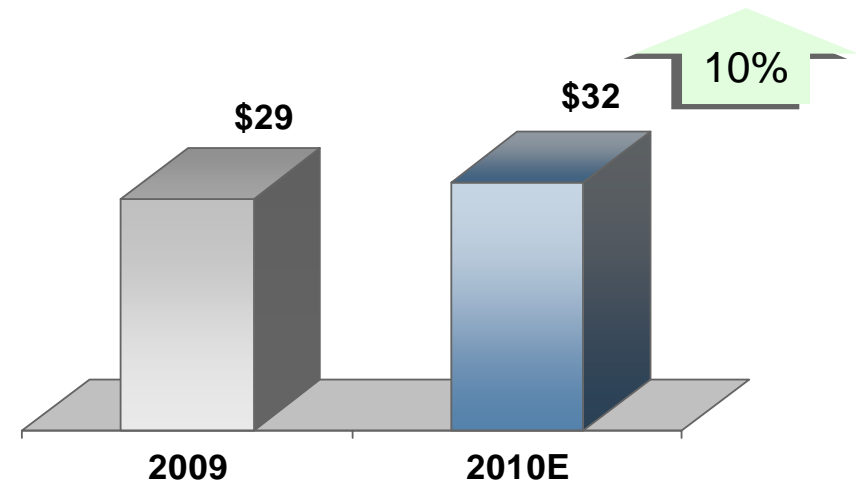


(\$ millions)

Q2 Equity Earnings



Full Year Equity Earnings



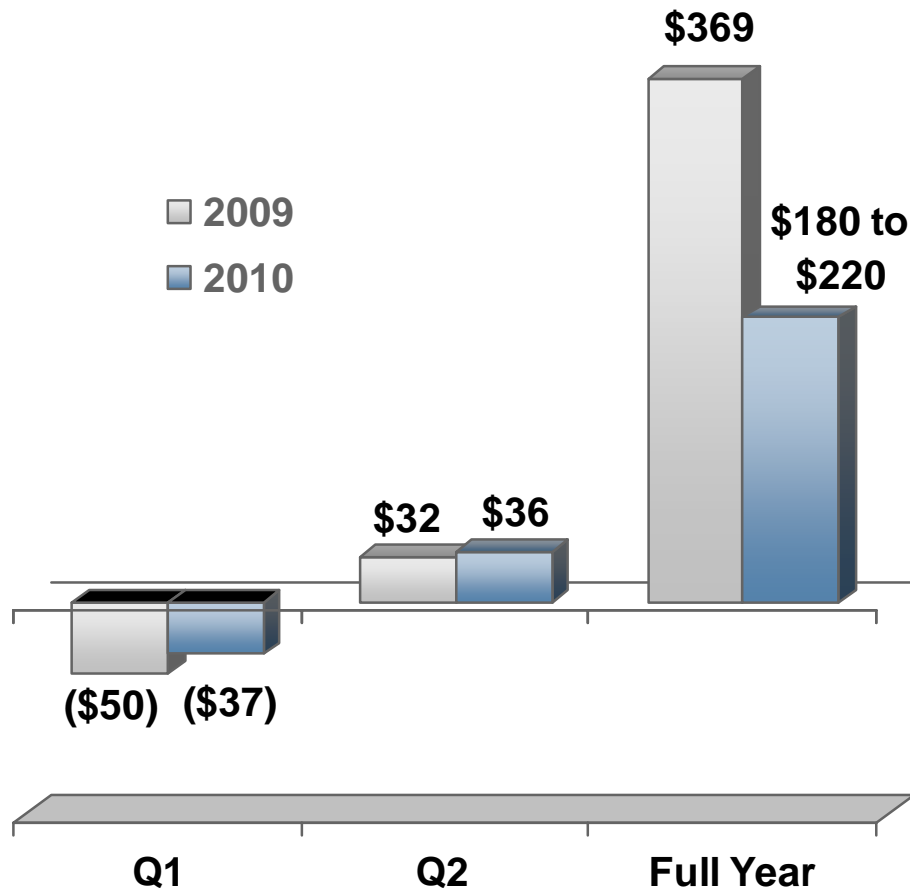
Note: SPX reports its portion of the EGS joint venture financial results on a one quarter lag

**The EGS Joint Venture Completed a Bolt-On Acquisition in Q2;
End Market Demand Improved During Q2**

Free Cash Flow



(\$ millions)



- 2010E Free Cash Flow:
 - 105% to 125% conversion of Net Income
 - Capital spending: \$90 to \$100
 - Restructuring spend: \$35 to \$45
- Decline in full year free cash flow due primarily to lower segment income and working capital investments

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

**First Half Free Cash Flow Performance In-Line with Historical Trends
Targeting 2010 Free Cash Flow at ~115% Conversion of Net Income**



2010 Financial Targets

Q3 2010 Targets



(\$ millions, except per share data)

	<u>Q3 2009</u>	<u>Q3 2010E</u>
Revenue	\$1,174	+8% to +13%
Segment Income \$	\$156	\$143 to \$153
Segment Income %	13.3%	11.2% to 11.7%
EPS	\$0.98	\$1.00 to \$1.10

Note: Data from continuing operations

Targeting Q3 EPS to be Between \$1.00 and \$1.10 Per Share

Full Year Segment Targets



	<u>Previous Targets</u>	<u>Updated Targets</u>
Flow Technology		
Revenue	0% to +4%	1% to +3%
Segment Income %	12.6% to 13.3%	12.6% to 13.0%
Thermal Equipment		
Revenue	0% to +4%	0% to +2%
Segment Income %	9.5% to 10.5%	10.7% to 11.1%
Test & Measurement		
Revenue	+5% to 9%	+6% to 8%
Segment Income %	7.4% to 8.1%	7.7% to 8.1%
Industrial Products		
Revenue	(13%) to (9%)	(12%) to (10%)
Segment Income %	10.5% to 11.5%	10.3% to 10.7%

Note: Data from continuing operations

**Narrowed Segment Targets for the Full Year;
Increase in Thermal Segment Income Margins Driven by Q2 Performance**

Consolidated 2010 Full Year Financial Targets



(\$ millions, except per share data)

	2010	
	<u>Target Range</u>	<u>Comments</u>
Revenue	(1%) to +2%	Organic: (3%) to (1%) FX: ~(2%) Acquisition: ~+4%
Segment Income Margin	10.8% to 11.2%	(130) to (90) points
Adjusted EPS	\$3.30 to \$3.50	(10%) to (15%) decline EPS Mid-Point: \$3.40
Free Cash Flow	\$180 to \$220	105% to 125% of NI
Capital Spending	\$90 to \$100	Depreciation is ~\$90

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

2010E Adjusted EPS Guidance Range is \$3.30 to \$3.50;
2010E Free Cash Flow Guidance is \$180m to \$220m

Adjusted EPS:

\$3.30 to \$3.50

Free Cash Flow:

\$180m to \$220m

Potential Positive Impacts

- Stronger organic revenue
- Lower tax rate
- Foreign exchange fluctuations
- Raw material cost changes
- Acquisitions / share repurchases

Potential Negative Impacts

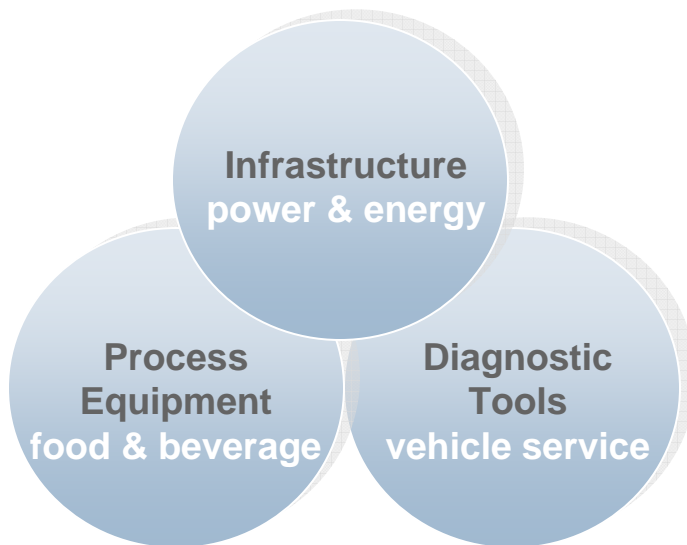
- Softer organic revenue
- Higher tax rate
- Foreign exchange fluctuations
- Raw material cost changes
- Disposals

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

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



Strategic Actions



- Infrastructure:
 - ❑ 50% expansion of North American power transformer manufacturing facility
 - ❑ Acquired Torque Tension Systems:
 - Leading global supplier of hydraulic torque tension tools with annual revenue of ~\$8m
 - ❑ EGS Joint Venture acquired Nutsteel

- Process Equipment:
 - ❑ Acquired Anhydro

- Diagnostic Tools:
 - ❑ Strategic alliance with Launch Tech.

Recent Strategic Actions Focused on Expanding Presence in 3 Core Markets

Power Transformer Plant Expansion



- Planned 140k square foot (~50%) expansion of Waukesha, WI facility:
 - Increases capability to manufacture transformers up to 1,200 MVA at 345kV
 - Provides structural support to manufacture transformers up to 1,200 MVA and 765 kV

- Estimated total investment: ~\$70m
 - Government subsidies: \$25m
 - **Estimated net investment: ~\$45m**

- 18 month construction period to begin in 2010

- Targeting first shipment in 2012:
 - Gradual ramp up over 3-4 years



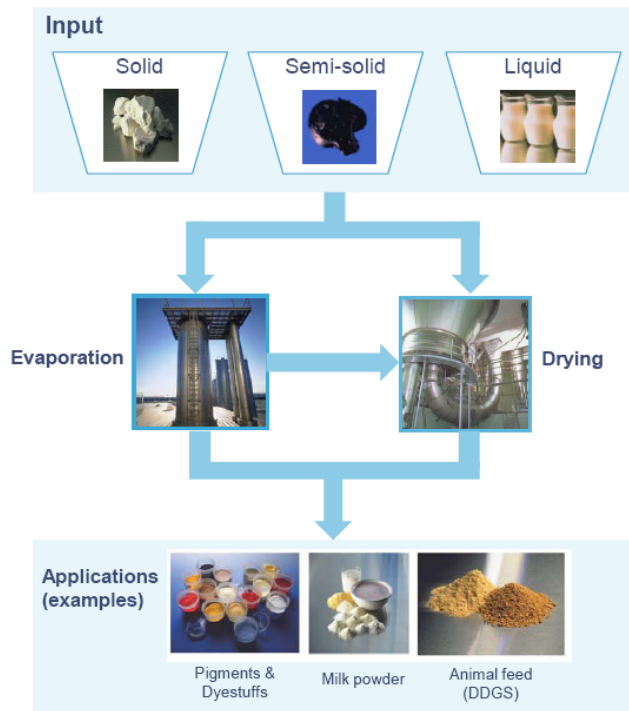
**Targeting Annual Production of 50 Units
With 250 MVA Average Ratings Over Time**

Anhydro Acquisition Overview

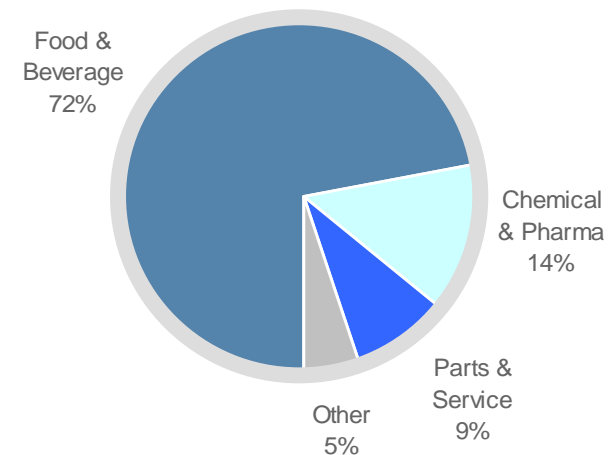


- Anhydro's core competencies are in evaporation and drying technologies

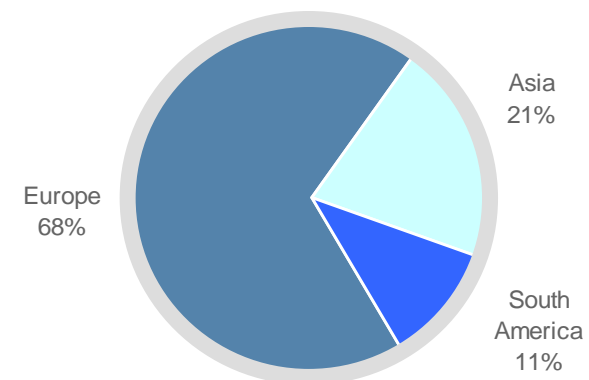
Basic framework for Anhydro solutions



2009 Revenue by End Market



2009 Revenue by Region

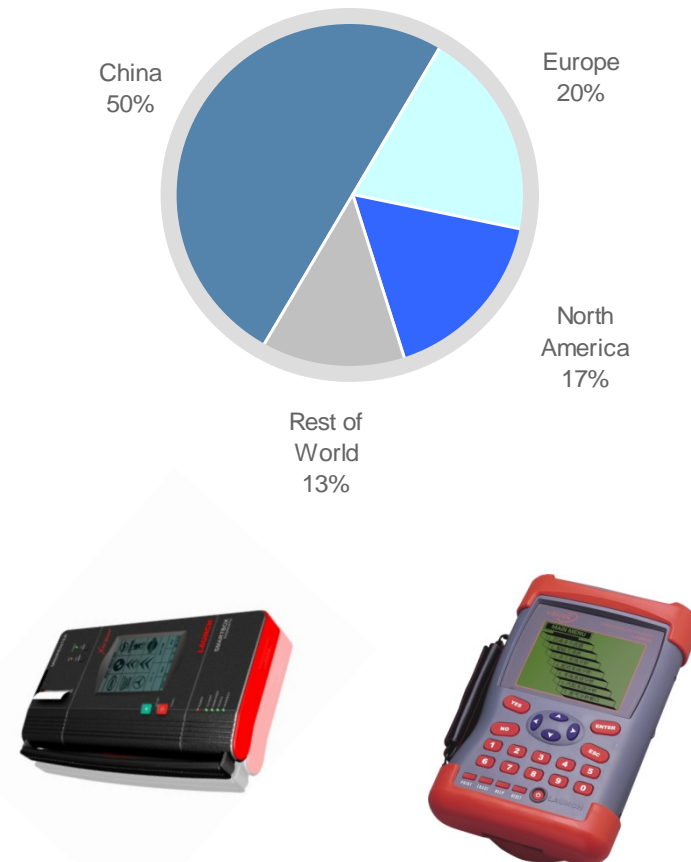


**Annual Revenue is ~\$100m;
Expands SPX's Process Equipment Systems Business**

LAUNCH

- 2009 revenue: \$68m
- China-based manufacturer of aftermarket automotive diagnostic equipment
- Products include scan tools, wheel balancers, lifts, engine analyzers, wheel aligners, tire changers
- Leading provider of aftermarket products throughout Asia and other emerging regions of the world

2009 Revenue by Region



Strategic Alliance with Launch Tech is Expected to Expand SPX's Presence in the World's Fastest Growing Auto Markets

- SPX businesses recovery in various stages:
 - Early cycle markets at various stages of recovery
 - Mid-to-late cycle markets remain depressed

- Q2 EPS exceeded prior year and our guidance

- Raised full year EPS guidance by \$0.25, an 8% increase:
 - 2010E adjusted EPS Mid-Point: \$3.40
 - 2010E Free Cash Flow Mid-Point: \$200m

- Confident in long-term outlook for our three core markets

Continue to Focus on Executing Long-Term Strategy



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)

	2009 Adjusted Earnings	2010E Adjusted Earnings
Revenue	\$4,851	\$4,890
Segment income margin	12.1%	11.0%
Corporate expense	(84)	(90)
Pension / PRHC	(38)	(52)
Stock-based compensation	(28)	(32)
Special charges	(73)	(35)
Operating Income	\$365	\$329
<i>% of revenues</i>	7.5%	6.7%
Interest expense, net	(85)	(83)
Other expense	(22)	(16)
Equity earnings in J/V	29	31
Pre-Tax Income from Continuing Operations	\$288	\$260
Income tax provision	(94)	(87)
Income from Continuing Operations	\$194	\$173
Less income attributable to noncontrolling interests, net of tax	\$0	(\$2)
Net Income from continuing operations attributable to SPX	\$194	\$171
Tax rate	33%	34%
Weighted average dilutive shares outstanding	50	50
EPS Mid-Point from continuing operations	\$3.90	\$3.40
Bank EBITDA	\$607	\$535

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

2010 EPS Guidance Mid-Point is \$3.40



Non-GAAP Reconciliations

GLOBAL INFRASTRUCTURE X PROCESS EQUIPMENT X DIAGNOSTIC TOOLS

Q2 2010 Organic Revenue Growth Reconciliation



Quarter Ended July 3, 2010

	Net Revenue Change	Acquisitions/ Divestitures	Foreign Currency	Organic
Flow	-3.2%	3.8%	-1.0%	-6.0%
Test	15.6%	0.0%	-2.2%	17.8%
Thermal	6.6%	5.9%	-2.6%	3.3%
Industrial	-21.5%	0.6%	-0.2%	-21.9%
Consolidated	-0.3%	3.2%	-1.5%	-2.0%

Note: Data from continuing operations

Q2 Free Cash Flow Reconciliation



SPX Corporation and Subsidiaries Free Cash Flow Reconciliation (unaudited)

(\$ millions)	<u>Q2 2009</u>	<u>Q2 2010</u>
Net cash from continuing operations	\$ 62	\$ 48
Capital expenditures	<u>\$ (30)</u>	<u>\$ (12)</u>
Free cash flow from continuing operations	<u>\$ 32</u>	<u>\$ 36</u>

Full Year Free Cash Flow Reconciliation



SPX Corporation and Subsidiaries Free Cash Flow Reconciliation (unaudited)

(\$ millions)	<u>2009</u>	<u>2010E Guidance Range</u>	
Net cash from continuing operations	\$ 462	\$ 280	\$ 310
Capital expenditures	<u>\$ (93)</u>	<u>\$ (100)</u>	<u>\$ (90)</u>
Free cash flow from continuing operations	<u>\$ 369</u>	<u>\$ 180</u>	<u>\$ 220</u>

Bank EBITDA Reconciliations



(\$ millions)	<u>2008</u>	<u>2009</u>	<u>2010E</u>
Revenues	\$5,856	\$4,851	\$4,890
Net Income	\$248	\$33	\$173
Income tax provision (benefit)	153	47	87
Interest expense	116	92	83
Income before interest and taxes	\$517	\$172	\$343
Depreciation and intangible amortization expense	105	106	115
EBITDA from continuing operations	\$621	\$278	\$458
Adjustments:			
Amortization or write-off of intangibles and organizational costs	127	195	0
Non-cash compensation expense	42	28	32
Extraordinary non-cash charges	(22)	16	9
Extraordinary non-recurring cash charges	13	62	35
Excess of JV distributions over JV income	11	0	(3)
Loss (Gain) on disposition of assets	12	10	0
Pro Forma effect of acquisitions and divestitures	(1)	19	2
Other	0	0	3
Bank LTM EBITDA from continuing operations	\$803	\$607	\$535

Note: EBITDA as defined in the credit facility

Debt Reconciliations



(\$ millions)	<u>4/3/2010</u>	<u>7/3/2010</u>
Short-term debt	\$ 102	\$ 77
Current maturities of long-term debt	76	98
Long-term debt	<u>1,135</u>	<u>1,107</u>
Gross Debt	\$ 1,313	\$ 1,282
Less: Purchase card program and extended A/P programs	<u>\$ (29)</u>	<u>\$ (32)</u>
Adjusted Gross Debt	\$ 1,284	\$ 1,250
Less: Cash in excess of \$50	<u>\$ (414)</u>	<u>\$ (358)</u>
Adjusted Net Debt	<u>\$ 870</u>	<u>\$ 891</u>

Note: Debt as defined in the credit facility

Adjusted EPS



	<u>2009</u>	<u>2010E Guidance Range</u>	
GAAP EPS from continuing operations	\$ 0.93	\$ 3.70	\$ 3.90
Q4 2009 asset impairments	\$ 3.40	\$ -	\$ -
Tax benefits	(0.43)	(0.40)	(0.40)
	<u>-</u>	<u>-</u>	<u>-</u>
Adjusted EPS from continuing operations	<u>\$ 3.90</u>	<u>\$ 3.30</u>	<u>\$ 3.50</u>

Note: Data from continuing operations; 2010E as of 8/4/2010

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