



Spin-Off of SPX's Flow Business
Resulting in Two Independent, Publicly Traded Companies





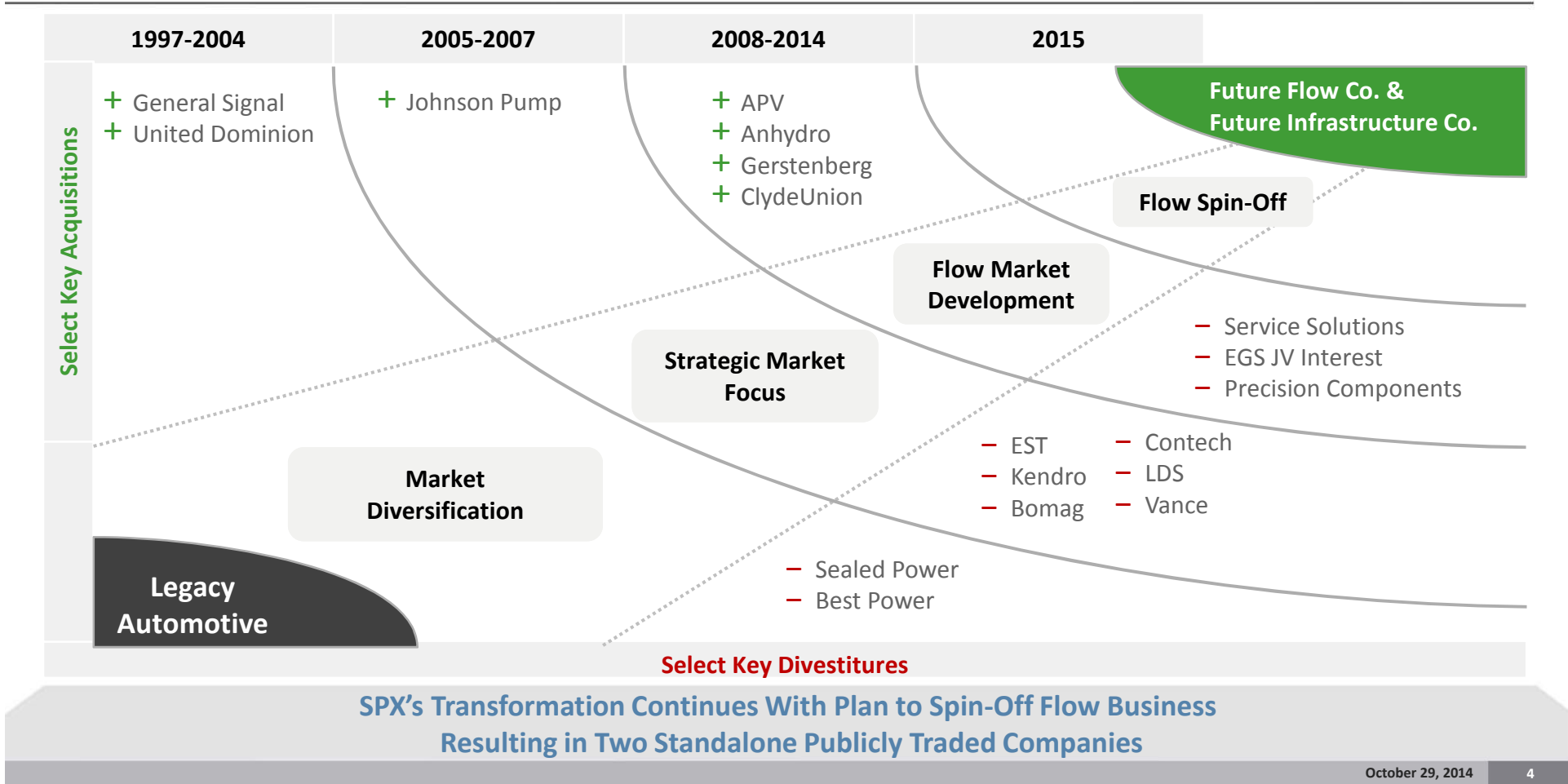
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 - This presentation includes non-GAAP financial measures. A copy of this presentation, including a reconciliation of the non-GAAP financial measures with the most comparable measures calculated and presented in accordance with GAAP, is available on our website at www.spx.com.
 - The 2014 earnings per share guidance is on an adjusted basis to exclude the gain on sale of our EGS joint venture interest, early extinguishment of debt charges, non-service cost pension items and costs associated with the planned spin-off transaction. The 2014 free cash flow guidance is also on an adjusted basis to exclude tax payments associated with gains on asset sales.
 - Unless otherwise indicated, amounts in this presentation relate to continuing operations.
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Strategic Rationale

- Significant progress has been made over the last several years to simplify and strengthen SPX
- Following a thorough review of strategic options, management and the Board have decided to pursue a spin-off of SPX's Flow business
- The spin-off will result in two independent, publicly traded companies with increased strategic flexibility:
 - **“Future Flow Company”**: Pure-play flow company with diversified end market exposure
 - **“Future Infrastructure Company”**: Diversified global infrastructure platform with market leading positions
- We believe this will create significant value for shareholders, customers and employees:
 - ❑ Allows each company to pursue a more focused strategy that leverages its strengths
 - ❑ Enables a capital allocation strategy appropriate for each company
 - ❑ Can be achieved in a tax efficient manner

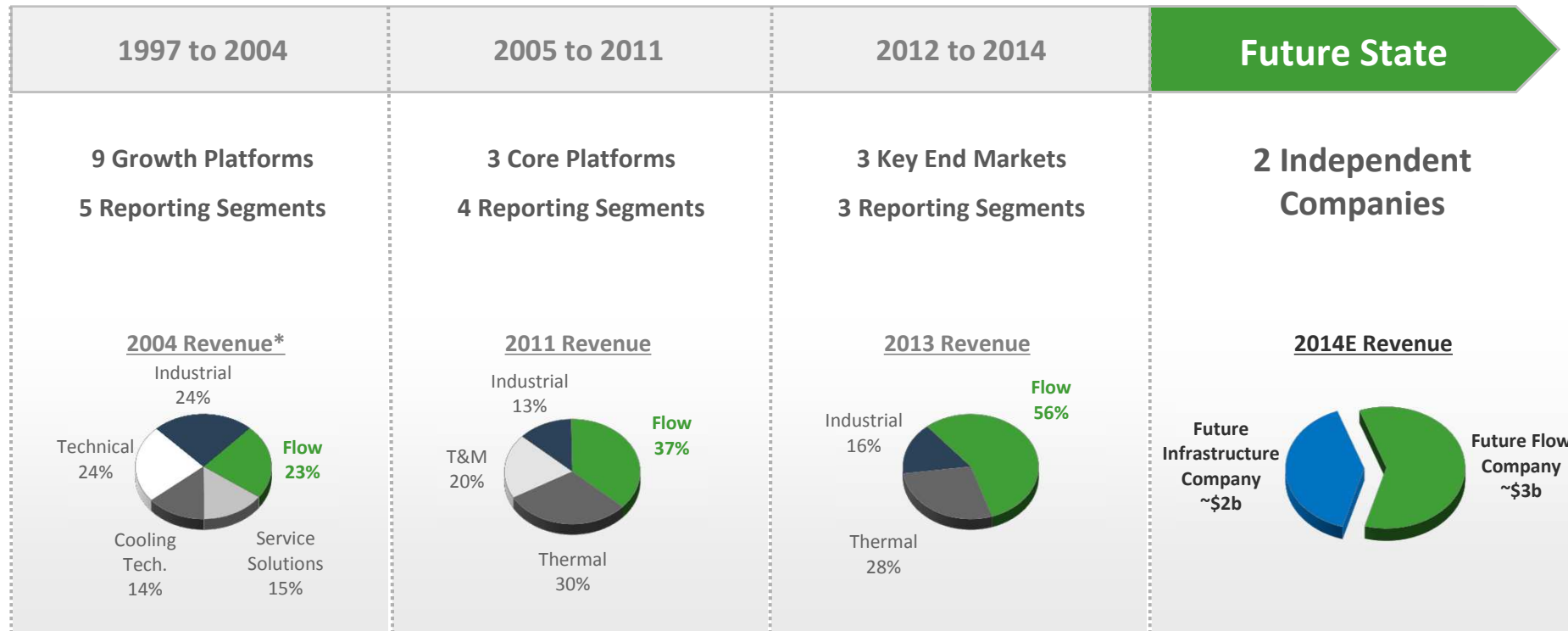
**We Believe a Tax-Free Spin-Off of Our Flow Business Will Accelerate
Our Strategic Transformation and Create Value for Shareholders, Customers and Employees**

SPX's Strategic Transformation Continues



SPX's Transformation Continues With Plan to Spin-Off Flow Business Resulting in Two Standalone Publicly Traded Companies

SPX's Strategic Transformation Continues



*2004 revenue includes EST, Kendro and Bomag

We Believe Both Future Companies Will Be Well Positioned for Success

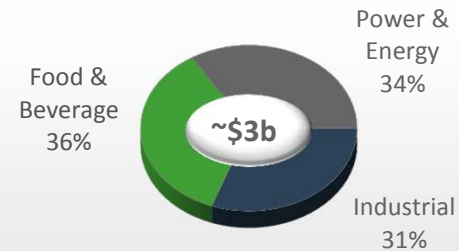
Future Company Profiles



Future Flow Company

- 2014E Pro Forma* revenue: ~\$3b
- **2014E Pro Forma* EBITDA: ~\$365m**
- Future Chairman, President and CEO: Chris Kearney
- “Future Flow Company” to include:
 - ❑ Current Flow Technology segment
 - ❑ Hydraulic Technologies business (currently reported in the Industrial segment)

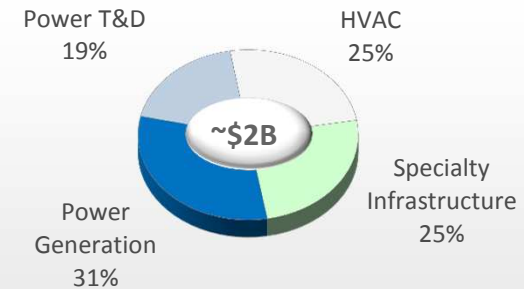
2014E Revenue by End Market



Future Infrastructure Company

- 2014E Pro Forma* revenue: ~\$2b
- **2014E Pro Forma* EBITDA: ~\$130m**
- Future Chairman: Michael Mancuso
- Future President and CEO: Gene Lowe
- “Future Infrastructure Company” to include:
 - ❑ Current Thermal segment
 - ❑ Power transformer, Radiodetection, Genfare & communication businesses

2014E Revenue by End Market



*Pro Forma defined as 2014 estimated revenue and EBITDA categorized in the proposed future structure and inclusive of estimated stand alone costs; see appendix for reconciliations to non-GAAP metrics

Business Strengths

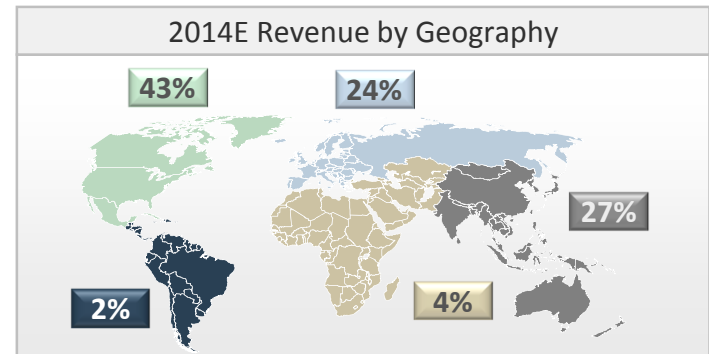
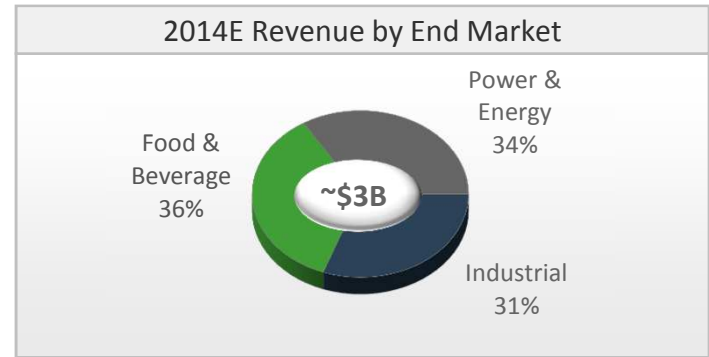
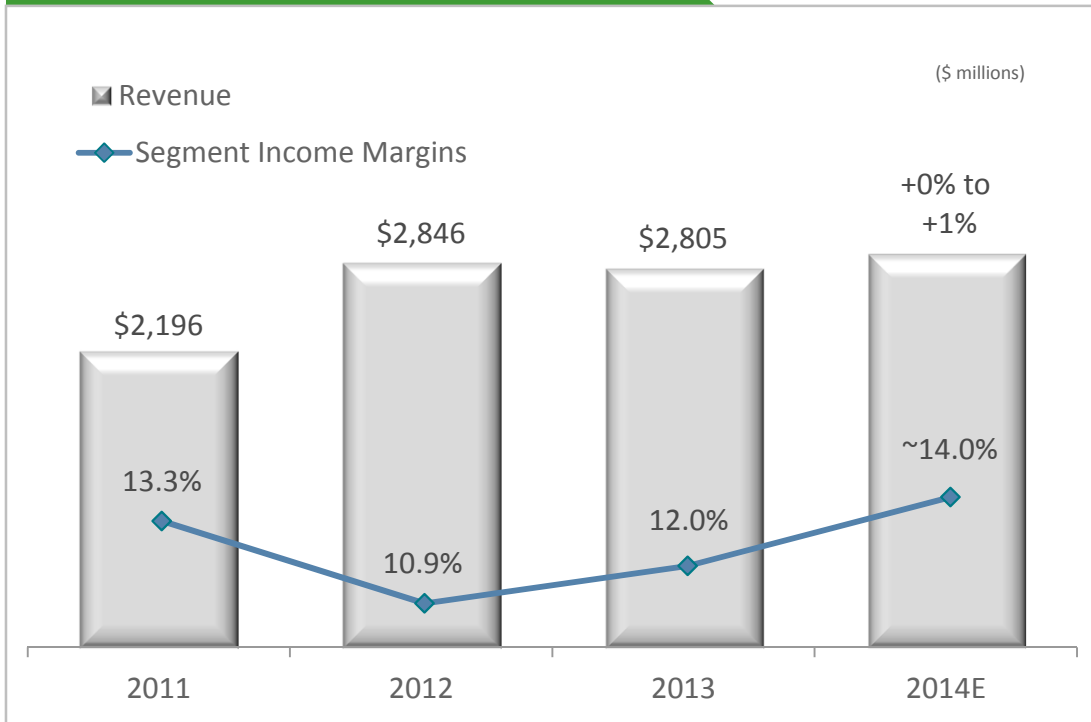
- Pure-play flow company, well positioned in attractive end markets with diverse, global customer base
- Broad product offering of highly engineered flow products and well-recognized brands
- Strong organic revenue growth potential through market share gains and end market growth
- Highly attractive aftermarket opportunity with large installed base and significant opportunity to expand customer service footprint and capabilities
- Advanced engineering capabilities focused on new product development and innovation
- Initiatives underway to optimize footprint and supply chain and drive continuous improvement

**A “Pure-Play” Flow Company Well Positioned for
Organic Revenue Growth and Operating Margin Expansion Opportunities**

“Future Flow Company” Profile



Revenue and Segment Income %



Note: All data is pro Forma, defined as 2014 estimated revenue per guidance categorized in the proposed future structure; see appendix for reconciliations to non-GAAP metrics

Focused on Expanding Presence in Key End Markets and Continued Operational Improvement

“Future Flow Company” Key Product Offerings



Food & Beverage



Key Products

- Reciprocating and centrifugal pumps technologies
- Various valve technologies
- Plate Heat Exchangers
- Mixers
- Dispersion & Separation
- Filtration & Dehydration
- Drying & Evaporation
- Full-Line Systems

Power & Energy



Key Products

- Centrifugal Pumps
- Reciprocating Pumps
- Oil Pipeline Valves
- Nuclear & Conventional Power Valves
- Hydraulic Technologies
- Plate Heat Exchangers
- Filtration
- Chemical Injection Skids

Industrial Flow



Key Products

- Air Treatment Technologies
- Industrial Mixers
- Hydraulic Technologies
- Plate Heat Exchangers
- Centrifugal Pumps

“Future Flow Company” Will Have a Broad Product Offering in All Three Key Markets

“Future Flow Company” Market Demand Drivers



Food & Beverage

- Regulated, global industry in which customers demand highly engineered, turn-key solutions
- Key demand drivers:
 - ❑ Consumer dairy consumption
 - ❑ Emerging market capacity expansion
 - ❑ Sustainability & productivity
 - ❑ Customer product innovation
 - ❑ Food safety

Power & Energy

- Global energy consumption
- North American oil & gas pipeline and storage investments
- Offshore exploration and new FPSO investments
- Nuclear power new builds and safety retrofits
- Conventional power generation investment

Industrial Flow

- Global GDP growth
- Manufacturing expansion and industrial capital spending
- Key end markets:
 - Chemical Processing
 - Air Treatment
 - Marine / Shipbuilding
 - Mining
 - Water

Well Positioned in Attractive Growth Markets

“Future Flow Company” Strategic Initiatives



Growth

- Expand aftermarket footprint
- Leverage combined product offering
- Key account management and channel development
- Localize and expand further in emerging markets
- Strategic acquisitions in fragmented industry

Customer Experience

- Expand service capabilities and footprint
- Drive customer focused innovation and solutions
- Reduce lead times and increase throughput
- Improve project execution

Operational Performance

- Rationalize global manufacturing footprint
- Focus on repeatability in engineering design and manufacturing process
- Utilize standard systems
- Consolidate and globally manage supply chain
- Continued focus on operational improvement

Organizational Effectiveness

- Promote employee engagement & talent development
- Localize resources in growth regions
- Global alignment and accountability
- Strategic workforce planning

Spin-Off Better Positions Future Flow Company to Pursue Strategic Initiatives

Business Strengths

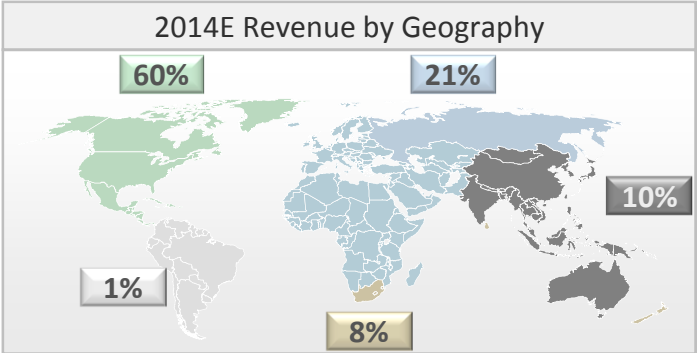
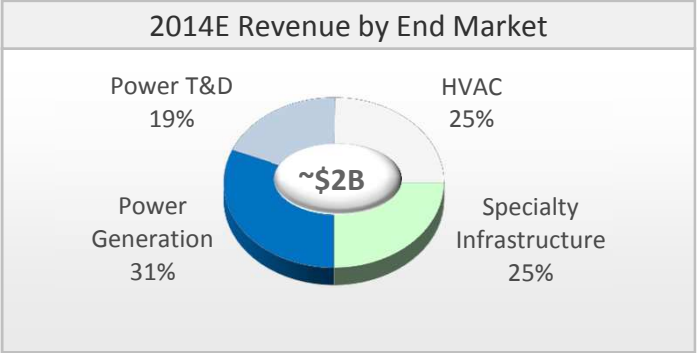
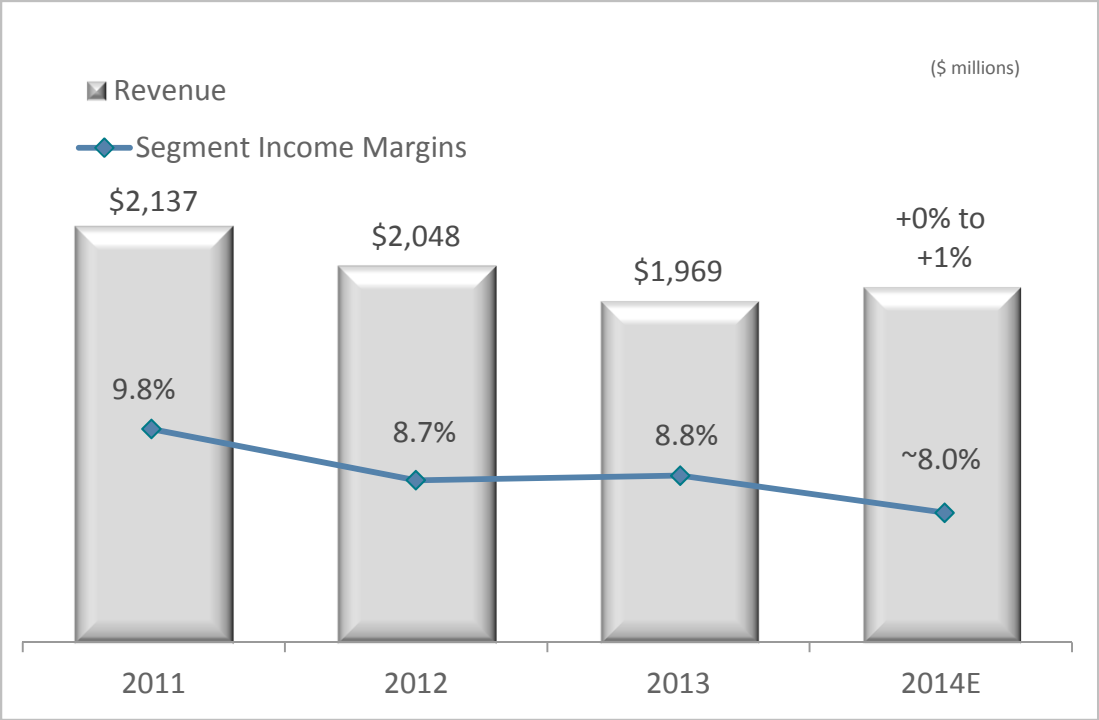
- A diversified global infrastructure platform with market leading positions
- Strong brand recognition driven by new product development and innovation
- Well positioned to benefit from power market recovery and global infrastructure investment
- Provides power generation technologies across nearly all fuel sources
- Significant margin expansion opportunities building off recent initiatives
- Multiple platforms for organic and acquisition growth

A Leading Provider of Engineered Solutions into Power and Infrastructure Markets

“Future Infrastructure Company” Profile



Revenue and Segment Income Profit %



Note: All data is pro Forma, defined as 2014 estimated revenue per guidance categorized in the proposed future structure; see appendix for reconciliations to non-GAAP metrics

Focused on Driving Growth in Across Key End Markets and on Continued Operational Improvement

“Future Infrastructure Company” Key Products and Brands



Power Generation



- Cooling systems
- Heat exchangers
- Pollution control systems
- Parts and services

> Marley®

> Balcke-Dürr®

Power T&D



- Medium power transformers
- Large power transformers
- Parts and services

> Waukesha®

HVAC



- Package cooling towers
- Residential and commercial boilers
- Comfort heating products

> Marley®



Specialty Infrastructure



- Underground locators and inspection equipment
- Fare collection systems
- Communication technologies

> Radiodetection®

> Genfare®

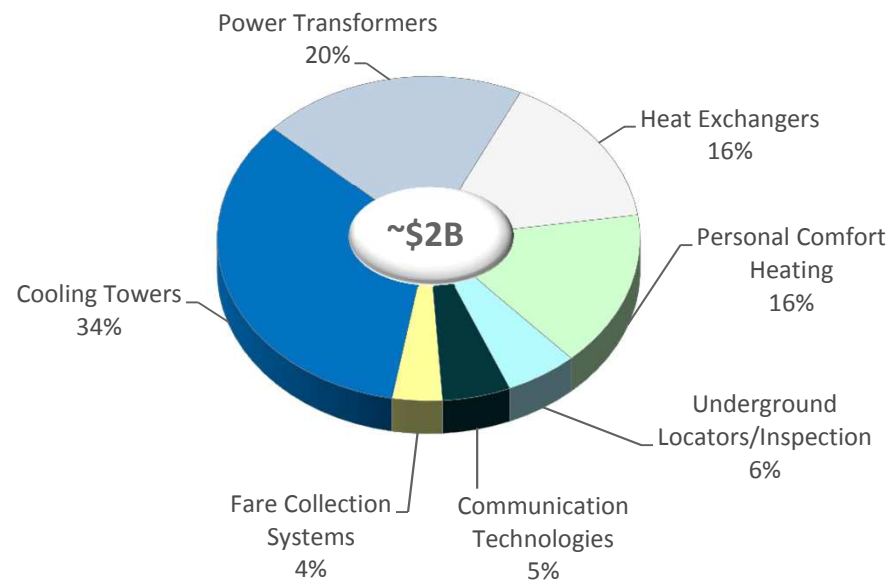
> TCI®

Diverse Offering of Highly Engineered Infrastructure Products

“Future Infrastructure Company” Product Offering



2014E Revenue by Product



- Balanced product portfolio
- ~45% short cycle products
- ~55% long cycle products (6-24 months)

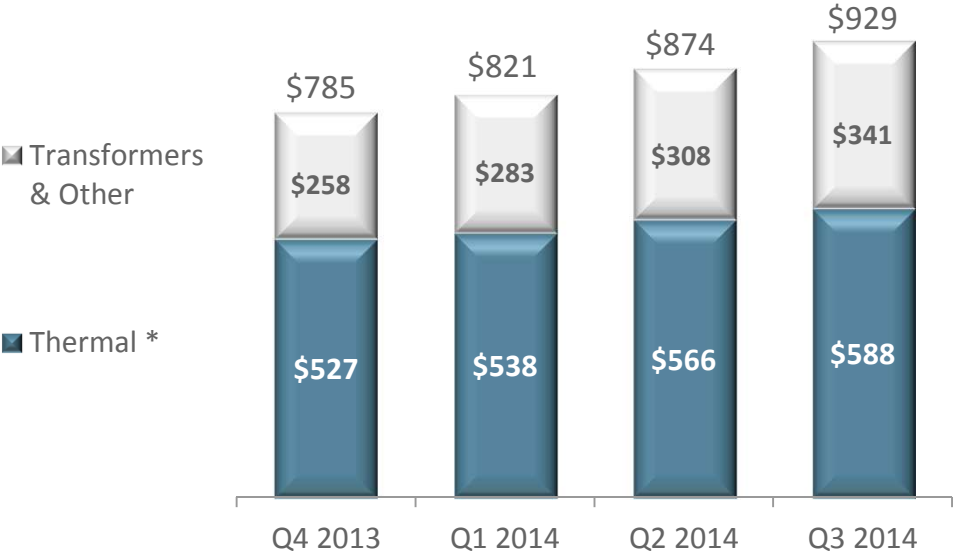
Diversified, Highly Engineered Product Offering with a Balanced Mix of Short and Long Cycle Products

“Future Infrastructure Company” Backlog Development



Sequential Backlog Analysis

(\$ millions)



*Excludes South Africa backlog of \$101m

- Solid revenue visibility
- Steady sequential backlog growth driven by commercial initiatives and new product introductions
- Q3 backlog up 18% since year end and approaching \$1b

Backlog Growth has Provided Significant Visibility to 2015 Revenue in Our Longer Cycle Businesses

“Future Infrastructure Company” Market Demand Drivers



Power Infrastructure

Power Generation:

- Electricity demand
- New power generation build in emerging markets
- Replacement / retrofit demand of aged infrastructure in the U.S. and Western Europe
- Alternative energy investments
- Environmental regulations

Power T&D (North America):

- Electricity demand
- Replacement demand for power transformers
- New power stations
- New home builds and commercial construction

HVAC & Specialty Infrastructure

HVAC:

- Residential and commercial construction
- Seasonal demand for heating products

Specialty Infrastructure:

- Data center expansion
- Chemical processing investments
- Global telecommunications infrastructure and commercial construction investments
- U.S. transportation funding
- U.S. and U.S. allies government and military communications investment

Well Positioned for Global Power Recovery and Infrastructure Investment

“Future Infrastructure Company” Strategic Initiatives



Revenue Growth

- Commercialize new products and technologies
- Further develop sales and distribution channels
- Expand current offering into adjacent markets
- Develop adjacent product and service categories
- Evaluate strategic acquisitions and partnerships

Customer Experience

- Expand service capabilities
- Drive customer focused innovation and solutions
- Reduce lead times and increase throughput
- Improve project execution

Operational Performance

- Focus on repeatability in engineering design and manufacturing process
- Further reduce cost and focus on continuous improvement initiatives to drive operating margins
- Establish a lean corporate structure
- Evaluate incremental restructuring actions

Organizational Effectiveness

- Promote employee engagement and talent development
- Reorganized management team
- Strategic workforce planning

Spinoff Better Positions Future Infrastructure Company To Drive its Strategic Initiatives



Planned Transaction Overview



Overview of Planned Spin-Off Transaction



<p>Transaction details</p>	<ul style="list-style-type: none"> ▪ Anticipate completing the transaction by distributing all of the shares of the Future Flow Company, a new, independent publicly traded company, to SPX shareholders, who will initially own 100% of the Future Flow Company ▪ Expect the transaction to be tax-free to SPX's U.S. shareholders
<p>Timing and Approvals</p>	<ul style="list-style-type: none"> ▪ Expect to complete spin-off transaction within 12 months ▪ Completion is subject to certain customary conditions, including effectiveness of SEC filings and final approval of the spin-off by the SPX Board of Directors ▪ No shareholder approval is necessary to complete the transaction
<p>Separation/ Standalone Costs and Effective Tax Rates</p>	<ul style="list-style-type: none"> ▪ Expect after-tax, one-time separation costs to be in the range of \$60 to \$80 million ▪ Management focused on minimizing incremental standalone costs ▪ Estimated tax rates for both companies in the mid-high 20% range

Expect Transaction to be Completed Within 12 Months

<p>Planned Debt Actions</p>	<ul style="list-style-type: none"> ▪ SPX intends to refinance its existing credit facilities ▪ SPX's 6.875% Senior Notes due 2017 to be assumed by the "Future Flow Company" subject to receipt of a clarifying consent from the existing bondholders
<p>Planned Capital Structures</p>	<ul style="list-style-type: none"> ▪ Expect the leverage ratios and credit ratings of both companies to be relatively consistent with SPX's current financial position ▪ Expect both companies to be well capitalized with sufficient financial flexibility to pursue future growth opportunities
<p>Capital Allocation Policy</p>	<ul style="list-style-type: none"> ▪ Expect both companies to maintain a disciplined approach to capital allocation with the focus on highest return opportunities ▪ Intend to maintain current dividend policy through effective date

Expect Transaction to be Completed Within 12 Months

Key Investor Messages

- Actions taken over the past two years have simplified our organization, improved our operational performance and aligned us more closely to our customers:
 - New operational alignment and restructuring actions
 - Divestitures of non-core businesses
 - Share repurchases
 - Pension actions
 - Debt reduction

- Six consecutive quarters of consolidated segment margin improvement:
 - Flow segment income margins up 230 points to 13.5% over the last twelve months

- Spin-off of Flow business is next step in the transformation of SPX and expected to create value for shareholders, customers and employees

Actions Taken Over the Past Two Years Have Simplified and Improved Our Business and Positioned SPX to Take the Next Step in Our Strategic Transformation



Appendix



Pro Forma Future Company Reconciliations



NOTE: Pro Forma 2014 estimates for revenue and EBITDA are based on SPX's 2014 mid-point EPS guidance model as categorized in the proposed future structure and inclusive of estimated stand alone costs

	<u>Future Flow Company</u>		<u>Future Infrastructure Company</u>
Revenue		Revenue	
Current Flow Segment	\$2,640	Current Thermal Segment	\$1,351
Hydraulic Technologies	\$170	Other Industrial businesses ⁽²⁾	\$634
Total 2014E Pro Forma Revenue	<u>\$2,810</u>	Total 2014E Pro Forma Revenue	<u>\$1,985</u>
EBITDA		EBITDA	
Segment Income and % margin	\$392 14.0%	Segment Income and % margin	\$158 8.0%
Depreciation & Amortization	\$71	Depreciation & Amortization	\$40
Net Standalone Corporate/Other Costs ⁽¹⁾	<u>(\$98)</u>	Net Standalone Corporate/Other Costs ⁽¹⁾	<u>(\$68)</u>
Total 2014E Pro Forma EBITDA	<u>\$365</u>	Total 2014E Pro Forma EBITDA	<u>\$130</u>
Total 2014E Pro Forma Bank EBITDA ⁽³⁾	\$410	Total 2014E Pro Forma Bank EBITDA ⁽³⁾	\$160

⁽¹⁾ Estimated net standalone costs include Corporate Expense, Stock Based Compensation, Pension Expense, Special Charges, Equity Earnings, Other Income and Expense and Minority Interest

⁽²⁾ Other Industrial Businesses include: power transformers, Radiodetection, Genfare, TCI and Flash Technologies

⁽³⁾ Bank EBITDA as defined by SPX's current credit facilities

Executive Biographies for Future Infrastructure Company



Chairman of Future Infrastructure Company



Michael J. Mancuso: Current SPX Board Member

Michael J. Mancuso retired as Vice President and Chief Financial Officer of Computer Sciences Corporation, a provider of information technology and business process outsourcing and information technology and professional services, in May 2012. He was previously Senior Vice President and Chief Financial Officer of General Dynamics Corporation, until his retirement in June 2006. He joined General Dynamics in 1993 as Vice President and Chief Financial Officer for General Dynamics Land Systems, Inc., and was promoted to Vice President and Chief Financial Officer in 1994. Before joining General Dynamics, Mr. Mancuso spent seven years with United Technologies. His background also includes 21 years with General Electric. Within the past five years, Mr. Mancuso has been a director of CACI International, Inc., the Shaw Group and LSI Logic Corporation. Mr. Mancuso has been a director of SPX since 2005.

President and CEO of Future Infrastructure Company



Gene Lowe: Current President of SPX's Thermal Segment

Gene Lowe was named segment president, Thermal Equipment and Services in February 2013. He joined SPX as the vice president of marketing and business development for the Thermal Equipment and Services segment in 2008 and has been the president of the Global Evaporative Cooling business since 2010. Prior to joining SPX, Mr. Lowe held positions with Milliken, Bain & Company and Lazard Technology Partners. He received his MBA from Dartmouth's Tuck School with distinguished honors and his B.S. in management science from Virginia Tech.

Upon Completion of the Spin Transaction, The Future Infrastructure Company will be Led by Michael Mancuso as Chairman of the Board and Gene Lowe as President and CEO

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