

Third Quarter 2009 Results

ALTRA HOLDING, INC.

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Safe Harbor Statement

All statements, other than statements of historical fact included in this release are forward-looking statements, as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, any statement that may predict, forecast, indicate or imply future results, performance, achievements or events. Forward-looking statements can generally be identified by phrases such as “believes,” “expects,” “potential,” “continues,” “may,” “should,” “seeks,” “predicts,” “anticipates,” “intends,” “projects,” “estimates,” “plans,” “could,” “designed”, “should be,” and other similar expressions that denote expectations of future or conditional events rather than statements of fact. Forward-looking statements also may relate to strategies, plans and objectives for, and potential results of, future operations, financial results, financial condition, business prospects, growth strategy and liquidity, and are based upon financial data, market assumptions and management’s current business plans and beliefs or current estimates of future results or trends available only as of the time the statements are made, which may become out of date or incomplete. Forward-looking statements are inherently uncertain, and investors must recognize that events could differ significantly from our expectations. These statements include, but may not be limited to, those comments regarding customer destocking and inventory efforts, expectations related to the results of cost-reduction efforts, plans to focus on generating cash and decreasing borrowing levels and our ability to achieve those results, expectations for free cash flow for 2009, and our guidance relating to free cash flow, net sales, earnings per share, capital expenditures, and depreciation and amortization.

In addition to the risks and uncertainties noted in this release, there are certain factors that could cause actual results to differ materially from those anticipated by some of the statements made. These include: (1) competitive pressures, (2) changes in economic conditions in the United States and abroad and the cyclical nature of our markets, (3) loss of distributors, (4) the ability to develop new products and respond to customer needs, (5) risks associated with international operations, including currency risks, (6) accuracy of estimated forecasts of OEM customers and the impact of the current global economic environment on our customers, (7) fluctuations in the costs of raw materials used in our products, (8) product liability claims, (9) work stoppages and other labor issues, (10) changes in employment, environmental, tax and other laws and changes in the enforcement of laws, (11) loss of key management and other personnel, (12) changes in pension and retirement liabilities, (13) the ability to achieve business plans, including with respect to an uncertain economic environment, (14) the ability to successfully execute, manage and integrate key acquisitions and mergers, (15) failure to obtain or protect intellectual property rights, (16) risks associated with impairment of goodwill or intangibles assets, (17) failure of operating equipment or information technology infrastructure, (18) risks associated with our debt leverage and operating covenants under our debt instruments, (19) risks associated with the global recession and volatility and disruption in the global financial markets, (20) our ability to complete cost reduction actions and risks associated with such actions, and (21) other risks, uncertainties and other factors described in the Company's quarterly reports on Form 10-Q and annual reports on Form 10-K and in the Company's other filings with the U.S. Securities and Exchange Commission (SEC) or in materials incorporated therein by reference. Except as required by applicable law, Altra Holdings, Inc. does not intend to, update or alter its forward looking statements, whether as a result of new information, future events or otherwise.

Summary Financial Results

3rd Quarter:

- Sales \$104.8 million down 34.3% from same quarter of last year
- Improvement in incoming order rate – Positive Book to Bill ratio
- Operating margin of 7.4%
- Operating cash flow of \$24.3 million for the quarter
- Working capital reduction of \$12.1 million
- Debt reduction of \$16 million during the quarter

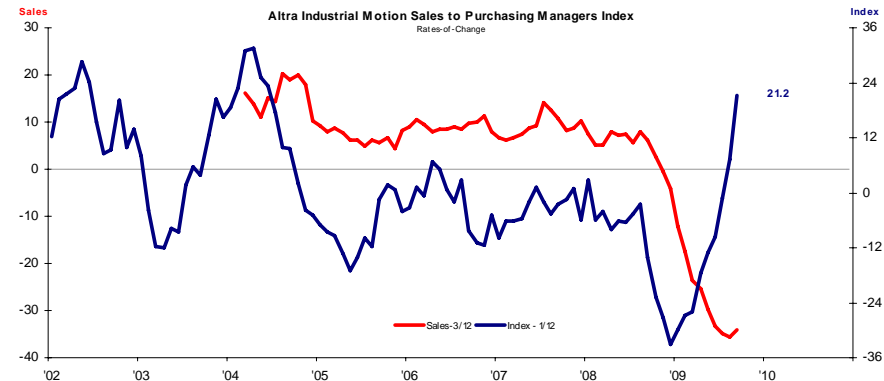


Cost Reductions On Target

- 2009 - \$60 million
- Annualized - \$77 million
 - Payroll, Procurement and Other - \$70 million
 - Site consolidations - \$7 million
- Permanent - \$10 to \$12 million
- Significant operating leverage when sales rebound

Business Environment

- Net sales decreased approximately 34.3% from \$159.4 million to \$104.8 million
- Currency unfavorable by approximately 280 bps
- Gross profit improved 100 bps from second quarter
- Pricing has been relatively stable
- Distributor inventory reductions beginning to taper off
- PMI: three consecutive months above “50”; November 55.7 highest since June 2007



November 3, 2009

3rd Quarter 2009 Financial Highlights

	<u>Q3 2009</u>	<u>Q3 2008</u>	<u>% Change</u>
	(\$ millions)		
Net Sales	\$104.8	\$159.4	-34.3%
Gross Profit	\$28.6	\$45.8	-37.6%
<i>% of Revenues</i>	27.3%	28.7%	
SG&A	\$19.3	\$25.7	-24.9%
<i>% of Revenues</i>	18.4%	16.1%	
Income from operations	\$6.3	\$18.5	-65.9%
<i>% of Revenues</i>	6.0%	11.6%	
Recurring Net Income	\$1.7	\$9.1	-81.9%
<i>% of Revenues</i>	1.6%	5.7%	
Recurring Earnings Per Share:			
Diluted	\$0.06	\$0.35	-81.9%
Weighted Average Common Shares Outstanding:			
Diluted	26,213	26,157	0.2%

3rd Quarter 2009 Recurring Net Income

Q3 2009 Recurring Net Income from Continuing Operations

	<u>Q3 2009</u>	<u>Q3 2008</u>
Reported Net Income from continuing operations	\$0.6	\$8.6
Restructuring charges, net of tax	0.7	0.1
Other post employment benefit plan settlement gain, net of tax	-	(0.1)
Premium and deferred financing expense eliminated on the redeemed debt, net of tax	<u>0.3</u>	<u>0.5</u>
Recurring Net Income	\$1.7	\$9.1

Strong Free Cash Flow

Free Cash Flow
(in millions)

<u>Year-to-Date</u>	<u>YTD 2009</u>	<u>YTD 2008</u>
Operating Cash Flow	\$ 52.1	\$ 31.6
Capital Expenditures	<u>(5.1)</u>	<u>(12.2)</u>
Free Cash Flow	\$ 47.0	\$ 19.4
<u>Quarter-to-Date</u>	<u>Q3 2009</u>	<u>Q3 2008</u>
Operating Cash Flow	\$ 24.3	\$ 25.0
Capital Expenditures	<u>(1.3)</u>	<u>(4.6)</u>
Free Cash Flow	\$ 23.0	\$ 20.4

Q3 2009

Debt Reduction & Working Capital

Q3 2009 Debt Reduction (in millions):

9% Senior Secured Notes	14.0
TB Wood's Term Loan	<u>2.0</u>
Total Debt Reduction	\$ 16.0

Operating Working Capital (in millions):

	<u>Q3 2009</u>	<u>Q2 2009</u>	<u>Q4 2008</u>	<u>Q3 2008</u>
Accounts Receivable	\$ 58.6	\$ 62.3	\$ 72.2 *	\$ 89.2 *
Inventories	72.3	79.4	98.4	106.4
Accounts Payable	<u>(25.8)</u>	<u>(24.5)</u>	<u>(33.9)</u>	<u>(42.9)</u>
Operating Working Capital	\$ 105.1	\$ 117.2	\$ 136.7	\$ 152.7

*Certain prior period amounts have been reclassified to conform with the current period presentation

Balance Sheet Highlights

Balance Sheet Highlights (\$ millions)

	<u>Q3 2009</u>		<u>Q3 2008</u>	
Cash	\$71.9		\$49.8	
Debt:				
Line of Credit	\$3.0		\$6.0	
9% Notes	220.3		242.5	
11 1/4% Notes	-		6.0	
Capitalized Leases	2.0		2.6	
IRB's	5.3		5.3	
Mortgages	<u>3.3</u>		<u>2.4</u>	
Total Debt	\$233.9		\$264.8	
Net Debt	\$162.0	53.6%	\$215.0	55.8%
Shareholders' Equity	\$140.3	46.4%	\$170.6	44.2%
Total Capitalization	\$302.3	100.0%	\$385.6	100.0%



Narrowed 2009E Outlook

- \$440 - \$450 Million in sales
- \$0.20 - \$0.25 Diluted earnings per share
- \$8.0 - \$9.0 Million in capital expenditures
- \$21.5 - \$22.5 Million in depreciation and amortization



Discussion of Non-GAAP Measures

As used in this news release and the accompanying slides posted on the company's website, non-GAAP recurring diluted earnings per share, non-GAAP recurring income from operations and non-GAAP recurring net income are each calculated using either net income from continuing operations or income from continuing operations that excludes premiums, discounts and interest expense associated with the extinguishment of debt, other post employment benefit plan settlement gains, restructuring costs, inventory adjustments due to the economic downturn and other income or charges that management does not consider to be directly related to the company's core operating performance. Non-GAAP recurring diluted earnings per share is calculated by dividing non-GAAP recurring net income by GAAP weighted average shares outstanding (diluted).

As used in this news release and the accompanying slides posted on the company's website, non-GAAP free cash flow is calculated as cash flow from operations less capital expenditures.

Altra believes that the presentation of non-GAAP recurring net income, non-GAAP recurring income from operations, non-GAAP recurring diluted earnings per share and free cash flow provides important supplemental information to management and investors regarding financial and business trends relating to the company's financial condition and results of operations.