

*Positioned for  
Global Growth*



# Columbus McKinnon

## *Investor Presentation*

*December 2011*

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*Vice President - Finance  
& Chief Financial Officer*



## Safe Harbor Statement

*These slides contain (and the accompanying oral discussion will contain) “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of the Company to differ materially from the results expressed or implied by such statements, including general economic and business conditions, conditions affecting the industries served by the Company and its subsidiaries, conditions affecting the Company’s customers and suppliers, competitor responses to the Company’s products and services, the overall market acceptance of such products and services, the integration of acquisitions and other factors disclosed in the Company’s periodic reports filed with the Securities and Exchange Commission. Consequently such forward looking statements should be regarded as the Company’s current plans, estimates and beliefs. The Company does not undertake and specifically declines any obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect any future events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.*



# Columbus McKinnon Corporation

**NASDAQ: CMCO**

<b>Founded</b>	<b>1875</b>
<b>Publicly traded</b>	<b>1996</b>
<b>Market Capitalization</b>	<b>\$237.8 million</b>
<b>Shares Outstanding</b>	<b>19.4 million</b>
<b>52 Week High-Low</b>	<b>\$22.25 - \$9.84</b>
<b>Recent Price</b>	<b>\$12.26</b>
<b>Average Daily Volume (3 mos.)</b>	<b>77,891</b>
<b>Book Value per Share</b>	<b>\$8.77</b>
<b>Institutional Ownership</b>	<b>91.6%</b>
<b>Insider Ownership</b>	<b>5.3%</b>
<b>Employee Count (approx.)</b>	<b>2,500</b>
<b>Fiscal Year End</b>	<b>March 31</b>

*Market data as of 12/2/11; book value and employee count as of 9/30/11; ownership as of most recent filing*



# Columbus McKinnon VISION

Become THE Material Handling Champion of the World





# Strategy for Profitable Growth





# Growth Strategy

**Expand International Market Opportunities**  
Invest in developing industrial markets



**Develop New Products & Create End-user Pull Through**



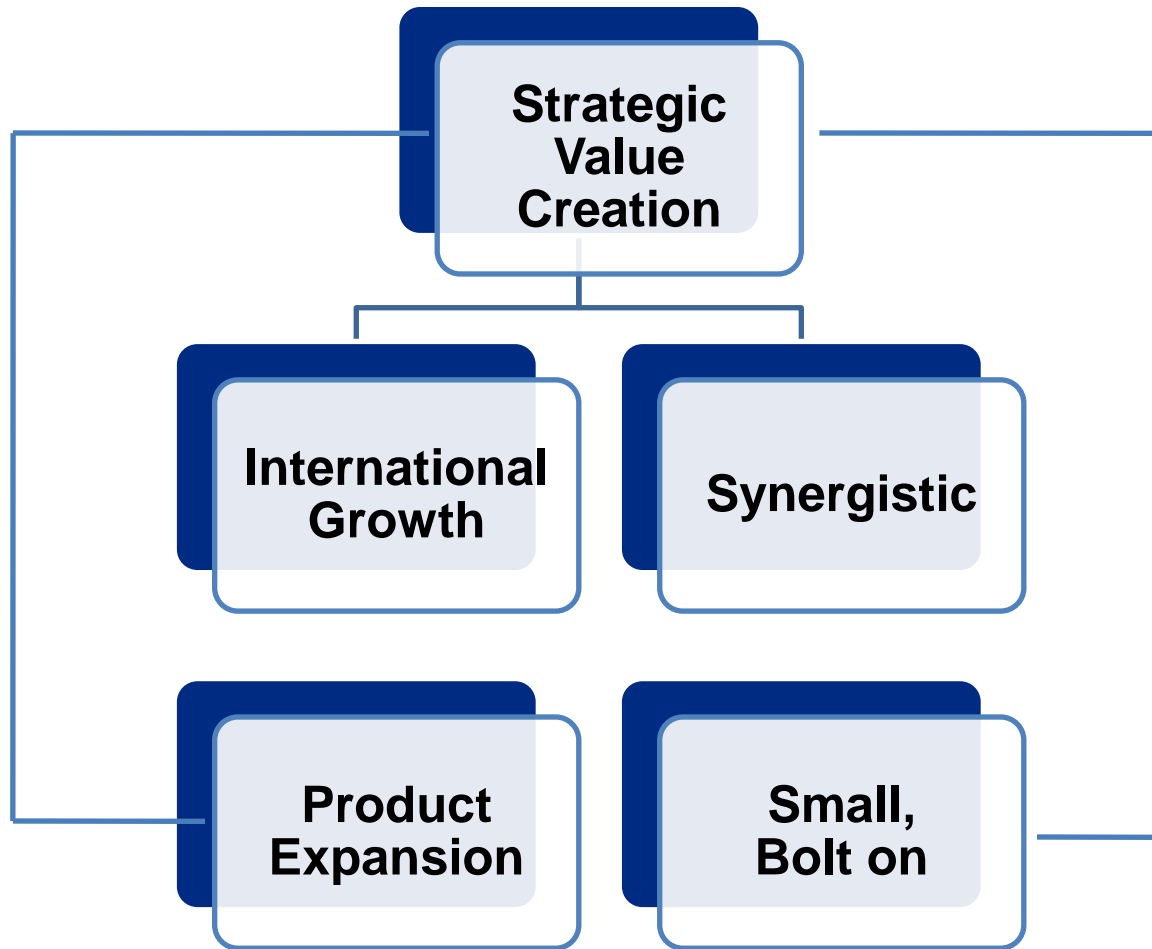
**Operational Excellence**





# Growth Strategy

## Acquisitions & Strategic Alliances





# Competitive Advantages

## Most Comprehensive Product Offering

- ✓ *One-stop shopping*
- ✓ *No SKU > 1% of sales*

## Broad & Growing Global Presence in Sales & Operations

- ✓ *Developed markets*
- ✓ *Emerging markets – China, Latin America, Eastern Europe*

## Efficient Operations with Low Cost Structure

- ✓ *Driving Lean manufacturing culture*

## Strong Brands Built on Quality and Reliability

- ✓ *Large and growing installed base*



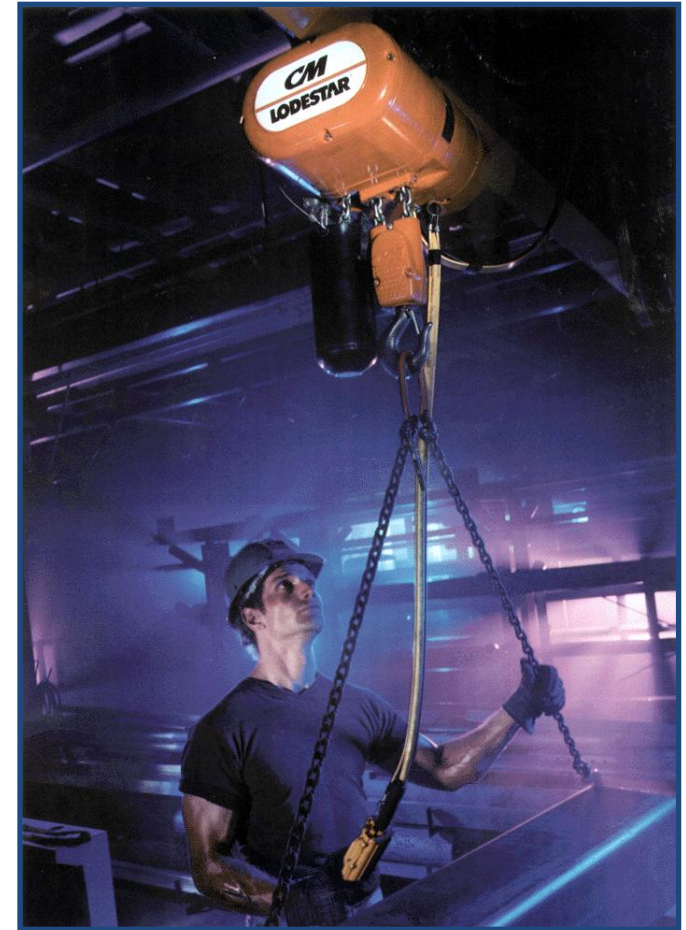
## Long U.S.-Based History



**61% of net U.S. sales into markets where  
CMCO has a #1 position**

**Largest installed base of hoists in North  
America**

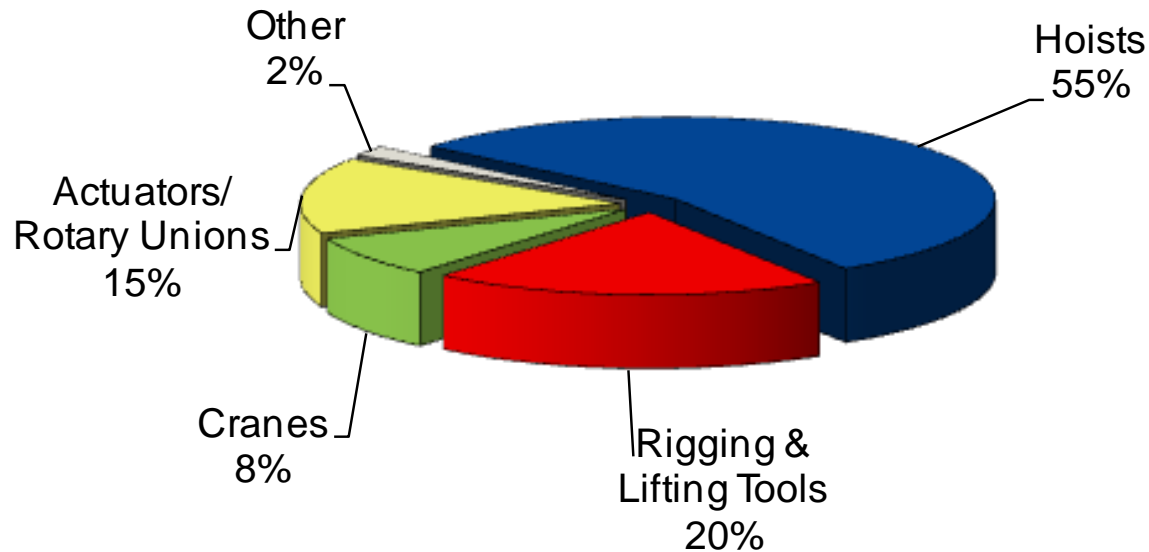
**In excess of 80% of sales from products  
priced under \$5K: MROP**





# Broad Product Offering

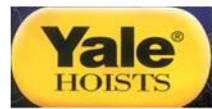
Q2 FY12 TTM Net Sales:  
\$562.3 million



- ✓ *“One-Stop” shop for distributors and customers*
- ✓ *No single product SKU comprises more than 1% of sales*



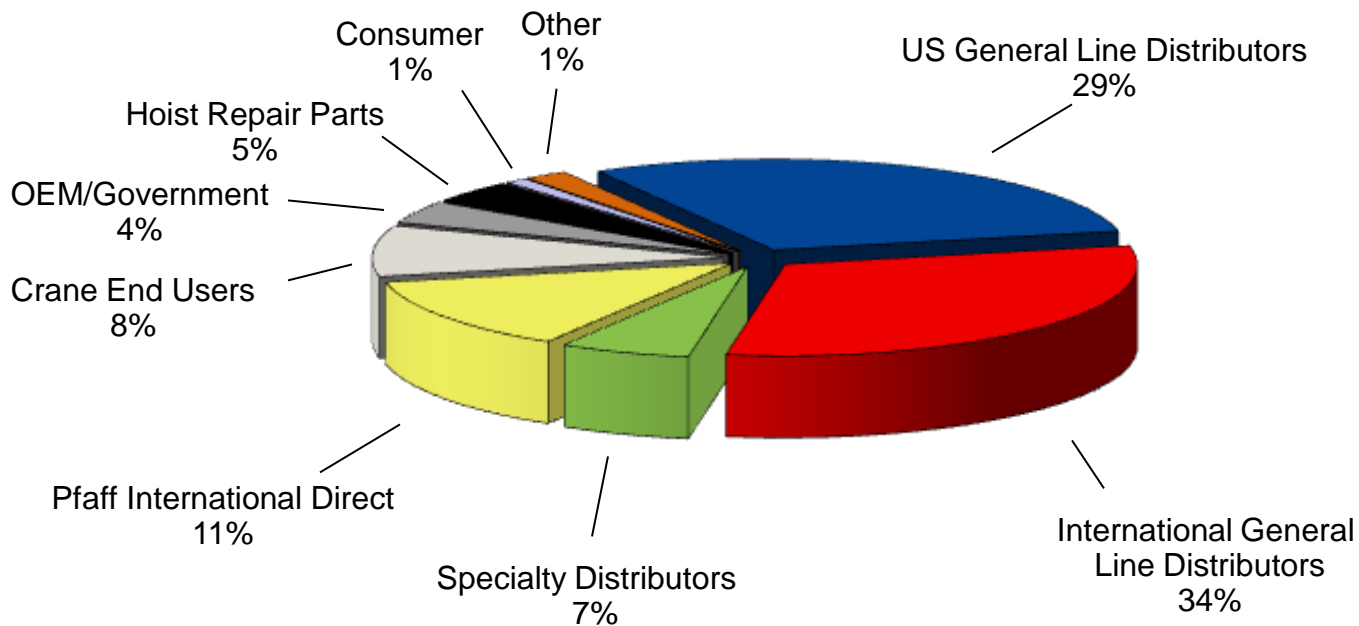
# Strong Brand Recognition





# Extensive Distribution Channels

Q2 FY12 TTM Net Sales:  
\$562.3 million



**Extensive Distribution Channels**

**15,000+ distributors  
& end-user customers**



# Leading U.S. Market Positions

**61% of U.S. Sales are Products Where  
CMCO has #1 Market Position**

	U.S. MARKET SHARE	MARKET POSITION	% OF U.S. SALES <sup>(6)</sup>	KEY COMPETITORS
Powered Hoists	45% <sup>(1)</sup>	#1	22%	Kito – Harrington, Konecranes, Demag Cranes
Manual Hoists & Trolleys	55% <sup>(1)</sup>	#1	12%	
Forged Attachments	30% <sup>(1)</sup>	#1	6%	Crosby, Cooper Industries (BT)
Lifting & Sling Chains	46% <sup>(1)</sup>	#1	4%	Peerless Chain, Cooper Industries (Campbell Chain)
Hoist Parts	50% <sup>(2)</sup>	#1	10%	Kito – Harrington, Konecranes, Demag Cranes
Mechanical Actuators	43% <sup>(3)</sup>	#1	5%	Joyce Dayton, Nook
Tire Shredders	80% <sup>(4)</sup>	#1	1%	Mac-Saturn
Jib Cranes	25% <sup>(5)</sup>	#1	1%	Gorbel, Spanco, Demag Cranes
		<b>Total</b>	<b>61%</b>	

(1) Estimates derived from industry association data.

(2) Estimates based on hoist estimates derived from industry association data.

(3) Estimates based on comparison of our sales to that of competitors' sales and estimates of total market from trade associations.

(4) Estimates based on the number of our tire shredders in use and their capacity and the total number of tires shredded as published by a trade association.

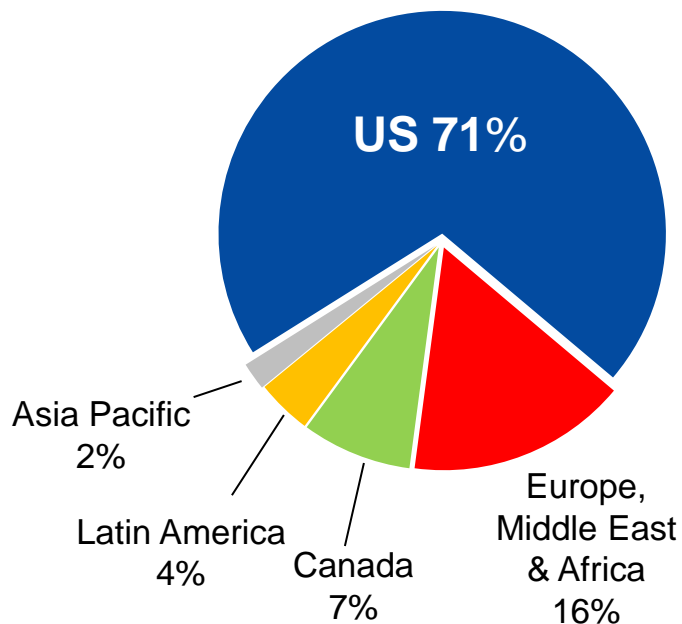
(5) Estimates based on the number of bids won as a percent of the total projects for bids submitted and from estimates of our competitors' positions.

(6) As of December 31, 2010.



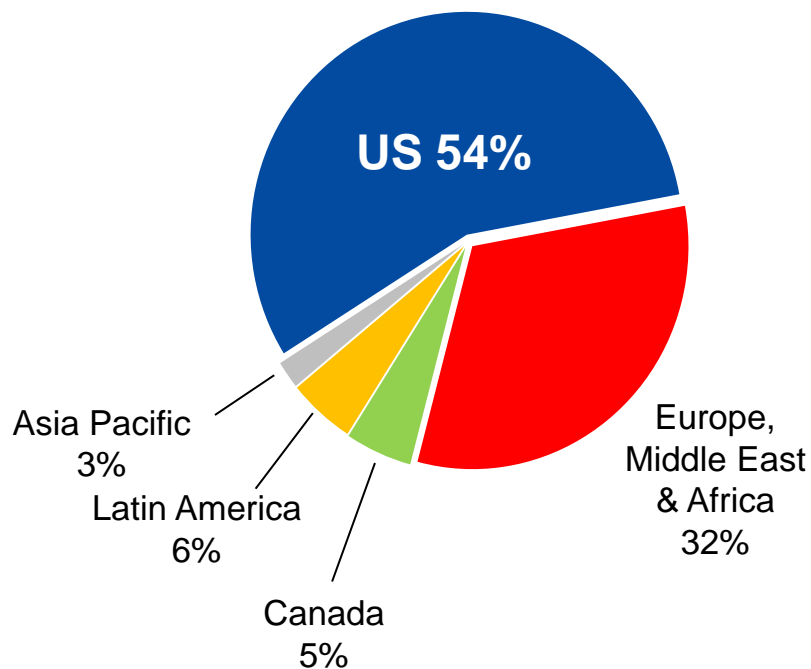
# Continued International Expansion

**FY 2007**



**International 29%**

**FY 2011**



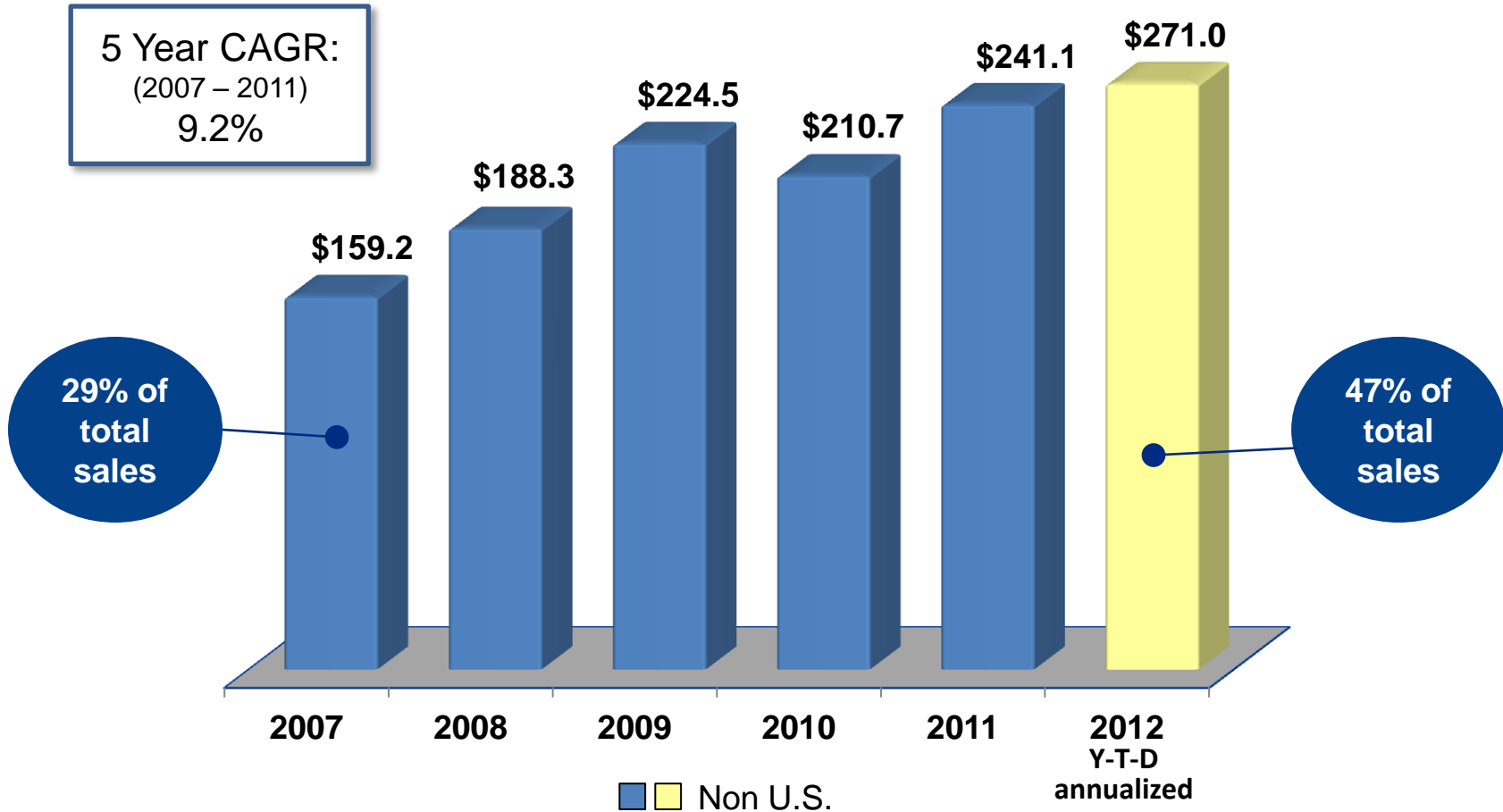
**International 46%**

Note: Restated for Univeyor Discontinued Operations, divested July 2008.



# Strategic Focus: International Market Penetration

(\$ in millions)



Note: Restated for Univeyor Discontinued Operations, divested July 2008.

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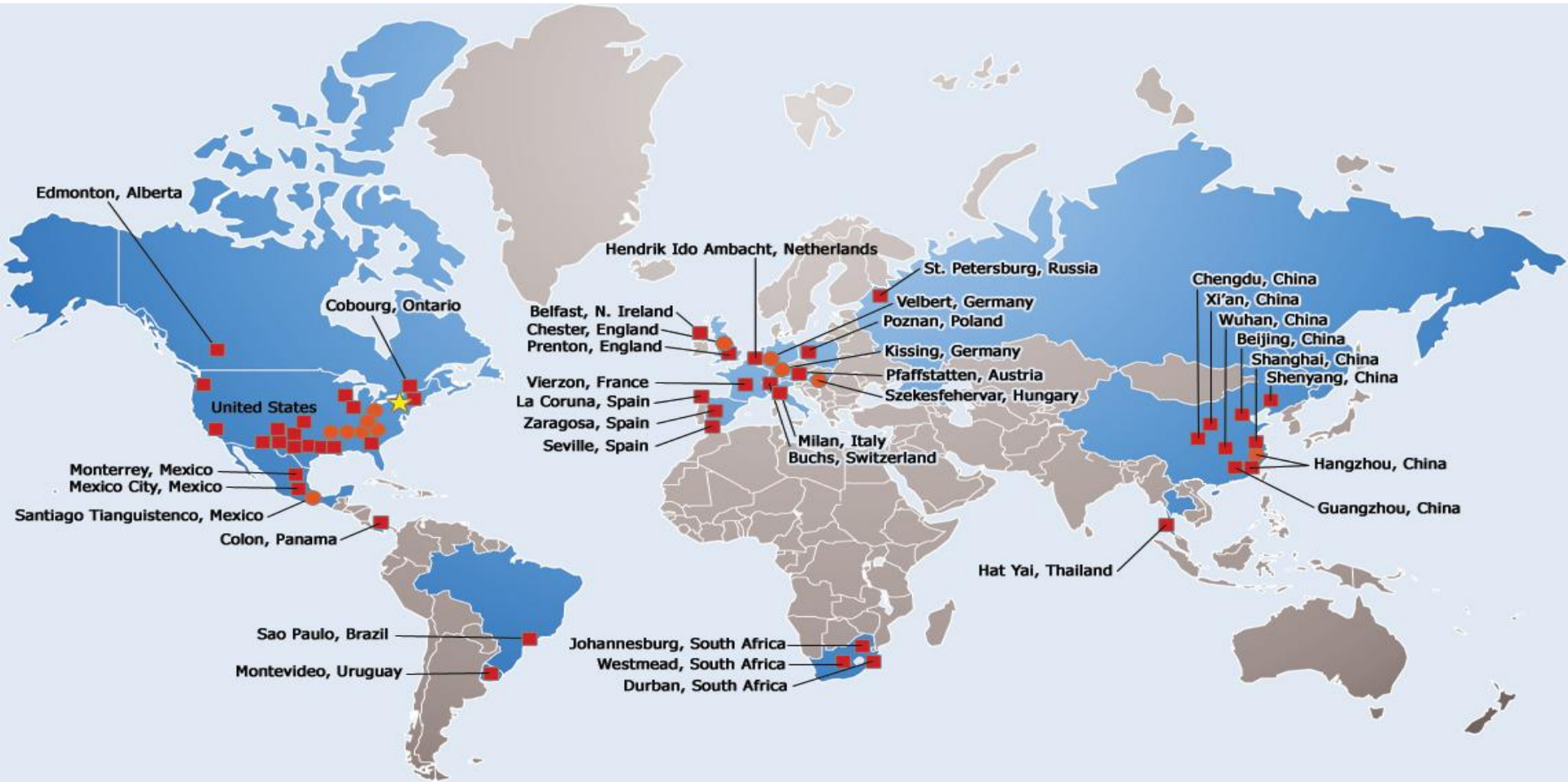


# Diversified End User Markets





# Worldwide Operations



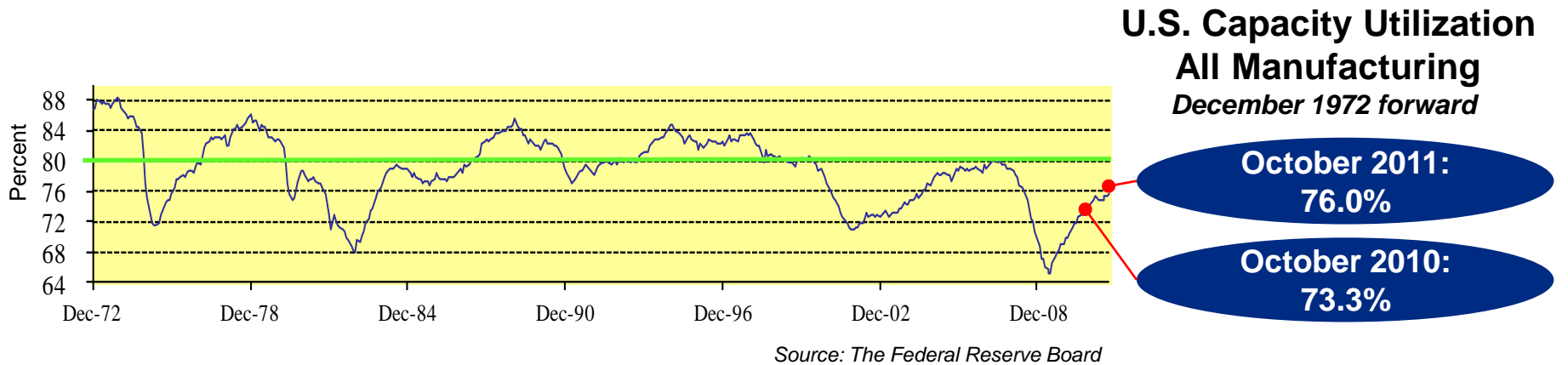
★ Headquarters

○ Manufacturing Facility  
(12 major facilities)

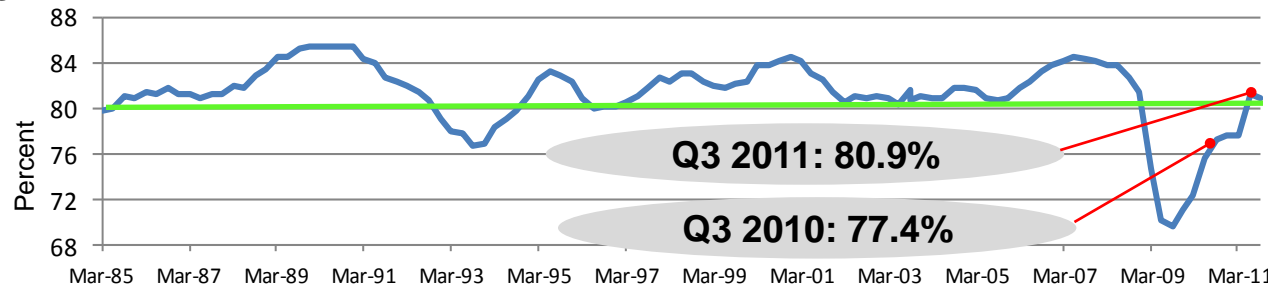
■ Warehouse/Sales/Service Office



# Sales Correlated to Industrial Capacity Utilization



### Eurozone Capacity Utilization All Manufacturing Q1 1985 forward



Source: European Commission, September 2011

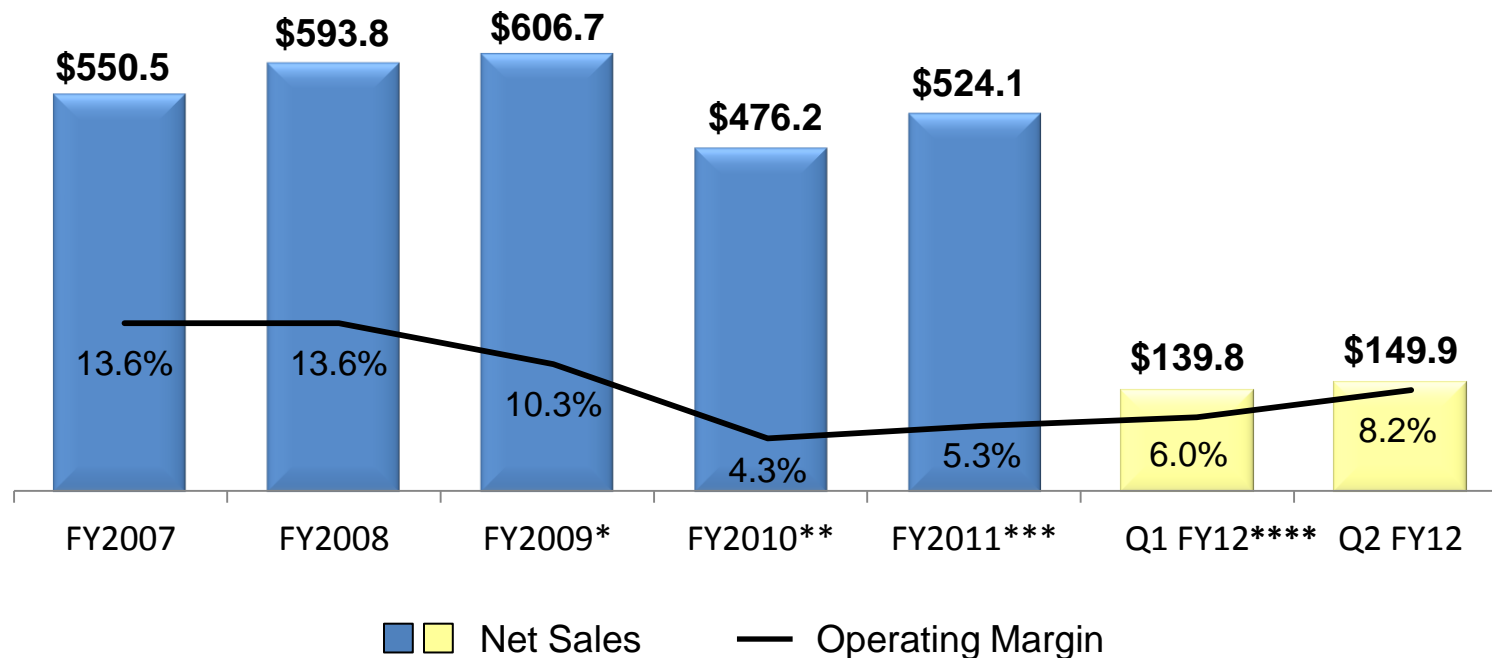
— 80% is generally considered to be the point where total industrial capacity approaches a level of constraint.



# FY 2012: Early Stages of Slow Recovery

## Well-Positioned for Growth and Margin Expansion

(\$ in millions)



Note: Restated for Univeyor Discontinued Operations, divested July 2008

\* 2009 margin excludes \$107.0 million goodwill impairment charge and \$1.9 million in restructuring and other special charges

\*\* 2010 margin excludes \$21.0 million restructuring-related costs and \$3.5 million of other special charges

\*\*\* 2011 margin excludes \$6.2 million restructuring-related costs and \$2.9 million of unusual product liability claims

\*\*\*\* Q1-2012 margin excludes \$1.2 million pension curtailment charge



# FY 2010-2011 Restructuring

## Facility Consolidation & Headcount Reduction

Total Invested \$21 - \$23 MM

Current Annualized Run-Rate Savings \$8 MM

Chain and Hoist Complete  
Forge Progressing

Est. Annualized Savings \$13 - \$15 MM

Facility Closure	Chain	October 2009
Timing:	Forge	December 2009
	Hoist	June 2010

Total Square Footage Reduced 500,000 (25%)

Total Headcount Reduction FTE down 150

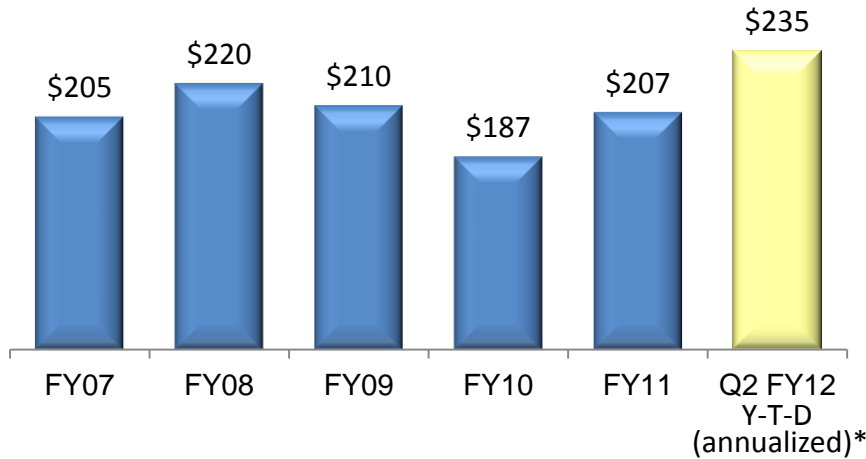
Challenges	Forge	Upgraded Management Focus on customer service Facility productivity
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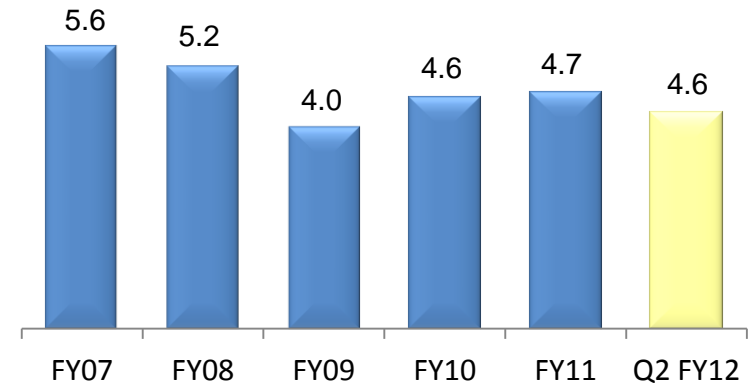
# Emphasis on Productivity and Cash

## Sales per Employee

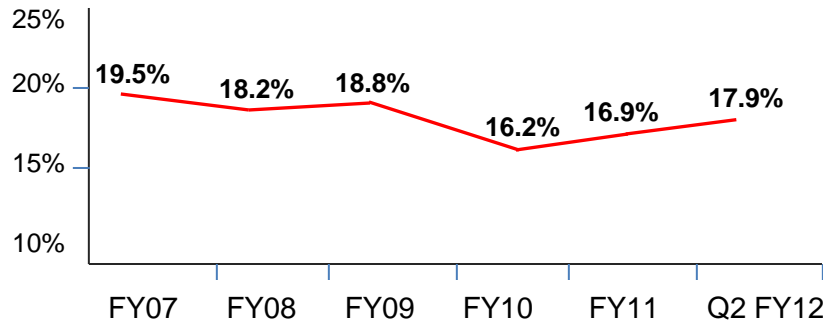
(\$ in thousands)



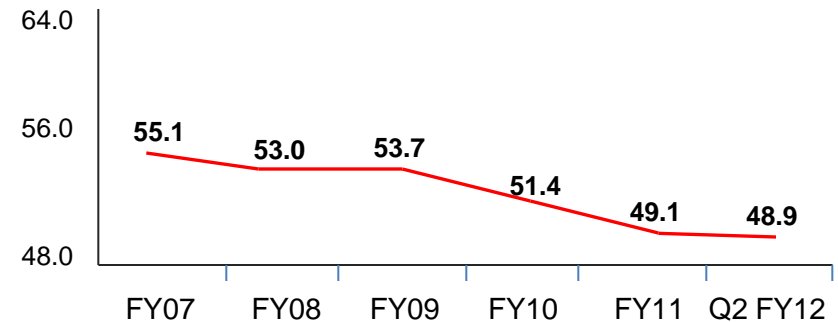
## Inventory Turnover



## Working Capital as a Percent of Sales



## Receivable Days Outstanding

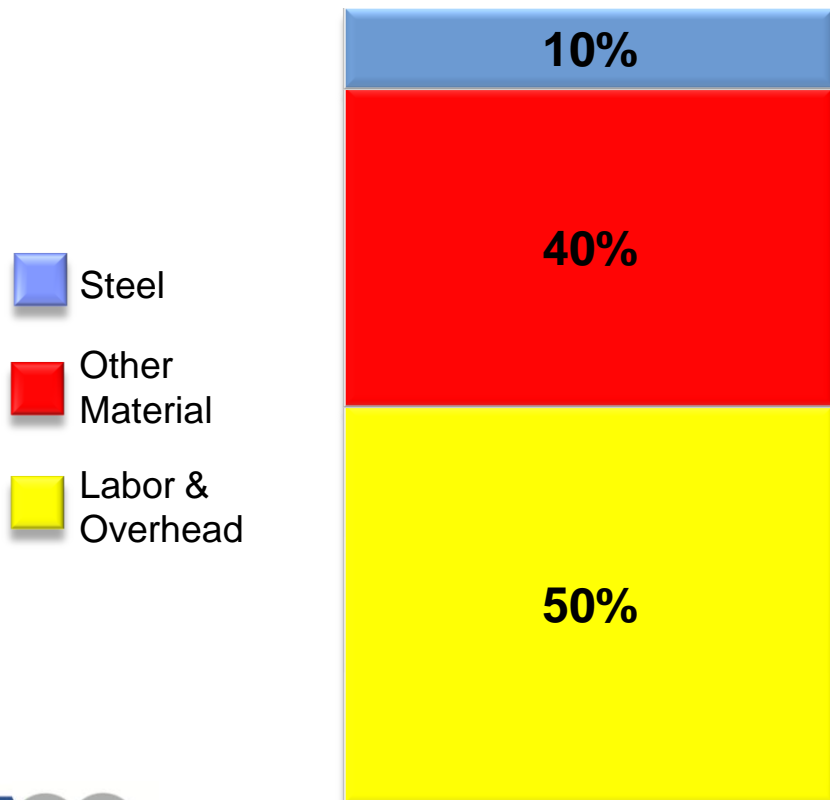


\* Q2-FY12 Y-T-D x 2



# Managing Material Costs

Cost of Sales:  
FY11 \$398.0 million



- ✓ Purchasing Council manages major negotiations on pricing
- ✓ Generally annual price increases to remain margin neutral



# Financial Flexibility

(\$ in millions)

at September 30, 2011

Cash	<u>\$ 78.7</u>
Total Long Term Debt**	153.7
Shareholder Equity	<u>170.2</u>
Total Book Capitalization	<u><u>\$ 323.9</u></u>
Net Debt	<u><u>\$ 75.0</u></u>

## Credit Ratings

(Corporate)

S & P      BB-

Moody's      Ba3

Total Debt / Total Capitalization	47.5%
Net Debt / Total Capitalization	30.6%
Net Debt / TTM EBIT*	2.1x

Goal is  
30%

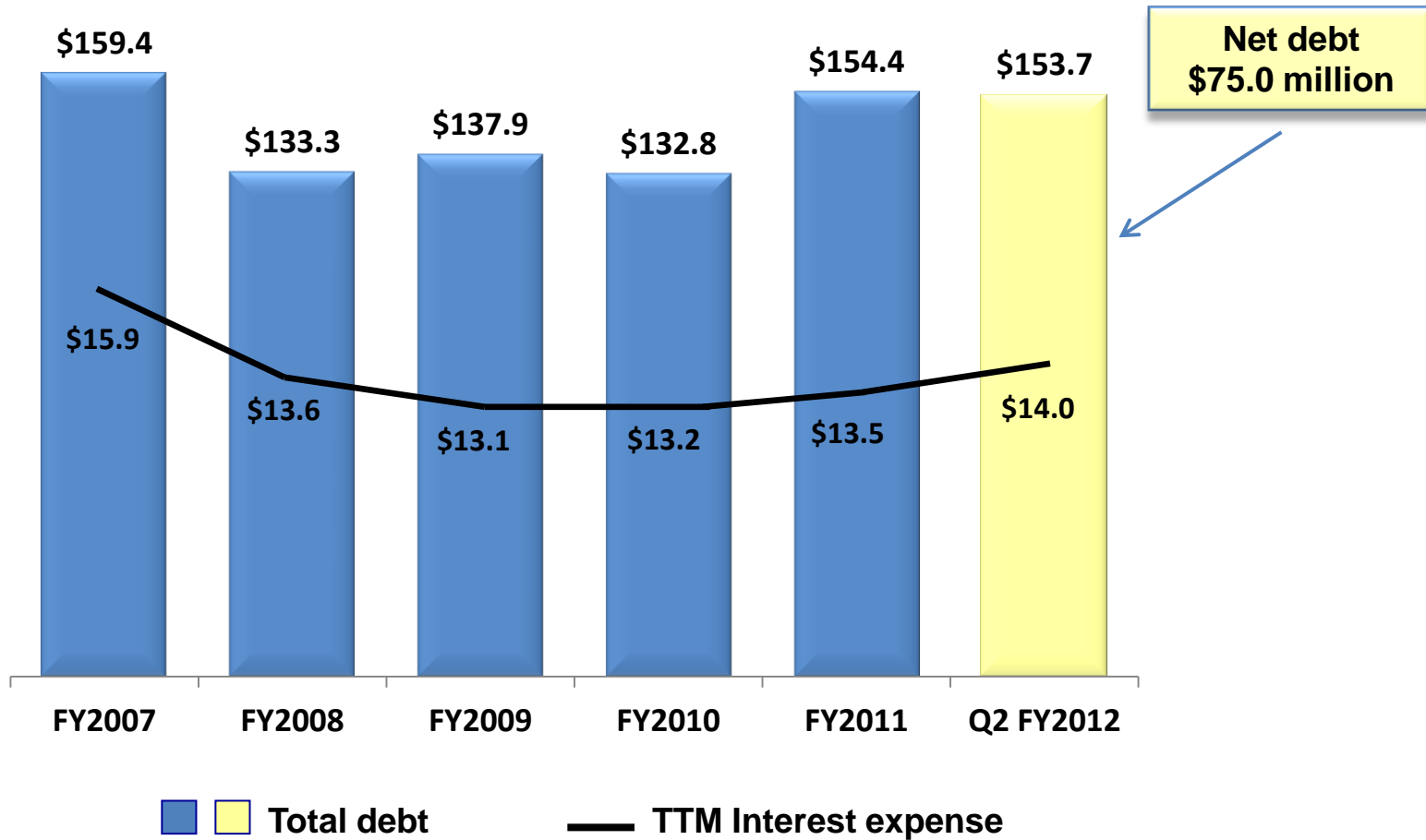
\* Excludes \$1.3 million restructuring-related costs and \$1.2 million pension curtailment charge

\*\* Includes \$150 million principal of 7 7/8% Senior Subordinated Notes due February 1, 2019



# Stable Debt Levels

(\$ in millions)



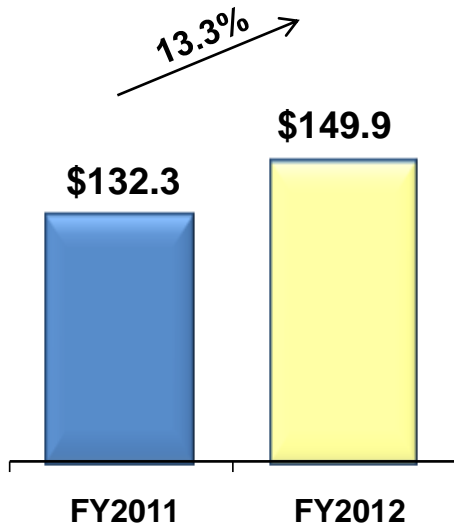
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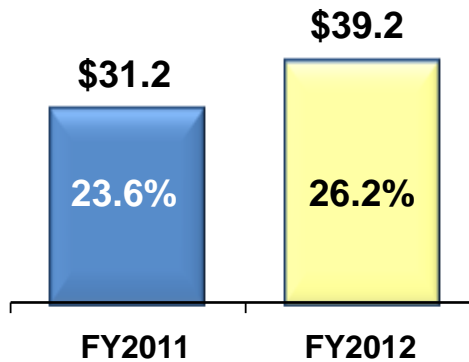
# FY 2012 Second Quarter Results

(\$ in millions)

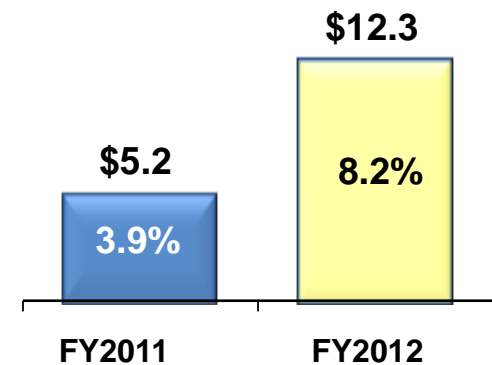
## Revenue



## Gross Profit



## Operating Income





## Fiscal 2012 Focus

### Leveraging Facilities

- Fine tune North American facility consolidation
- Realize benefits of FY10-11 investments

### Prudent Investing

- New market expansion, especially APAC, EMEA, and Latin America
- New product development
- Strategic acquisitions

### Growing Sales

- Vertical market focus
- Build brand and expertise in emerging markets



## Long-Term Goals

### Growth

- **Revenue: \$1 billion**
- √ 50/50 non-US / US
- √ Organic Growth:
  - US at GDP+ (on a trend line basis)
  - Non-US at 10%-11% (on a trend line basis)
- √ Acquisitions: \$200 - \$300 million
- √ New Products: 20% of sales

### Efficiency & Productivity

- **Operating Margin: 12% - 14%**
- Working Capital/Revenue: 15%
- Inventory turns: 6x – 7x
- DSO: < 50 days

### Financial Flexibility

- **Debt to Total Book Capitalization: 30%**
- √ Flex to 50% for acquisitions

*Global Resources in Place to Execute Plan*



# LIFT, POSITION, SECURE

