

# Barnes Group Inc.



## Overview

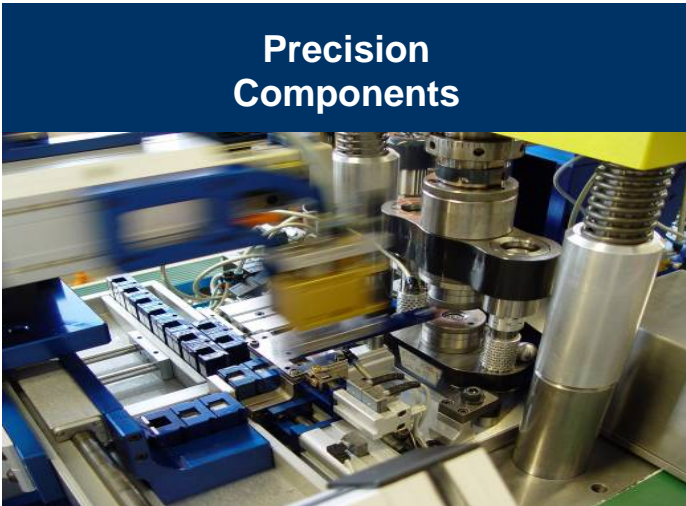


# Barnes Group Overview

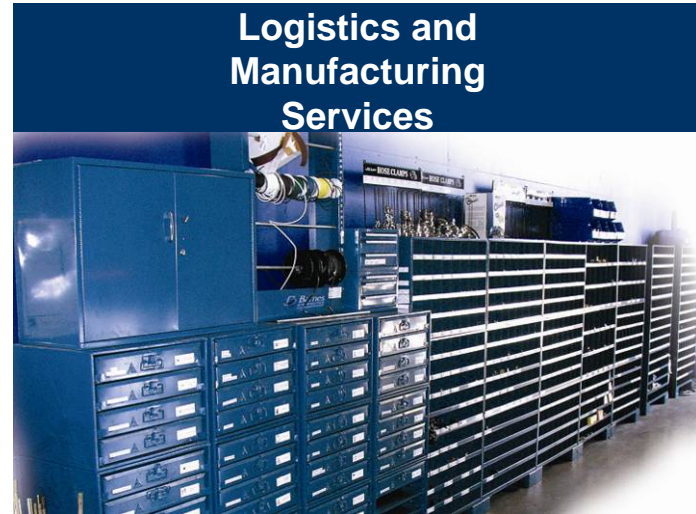


- Founded 1857
- Based in Bristol, Connecticut, USA
- NYSE: B (Public Since 1946)
- 2008 Sales of \$1.36 billion
- Over 5,200 employees
- 60 Global locations
- Composed of two business segments

Precision Components



Logistics and Manufacturing Services



# Precision Components



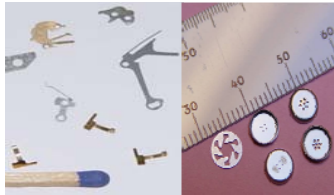
## Manufacturing of precision mechanical components

**Aerospace  
OEM**



**Singapore, USA**

**Heinz Hänggi**



**Switzerland**

**Seeger-Orbis**



**Germany**

**Associated Spring**



**Brazil, Canada, China,  
Mexico, U.K., USA**

**Nitrogen Gas  
Products**



**Sweden, USA**

# Logistics & Manufacturing Services



**Distribution of maintenance supplies, aftermarket spares and aerospace components repair**

**Aerospace  
Aftermarket**



**Singapore, USA**

**Barnes Distribution  
North America**



**Canada, USA**

**Barnes Distribution  
Europe**



**Belgium, France,  
Germany, Italy,  
Spain, U.K.,  
Holland, Denmark**

**AS Raymond**



**Brazil, China,  
Canada, France,  
Mexico, Singapore,  
Spain, U.K., USA**

# Barnes Distribution Europe



- **Headquarters:**
  - Lausanne, Switzerland
- **President:**
  - Rick Barnhart
- **Locations:**
  - Brussels, Belgium
  - Dusseldorf, Germany
  - Edinburgh, U.K.
  - Lille & Paris, France
  - Madrid, Spain
  - Turin, Italy



- **Brands:**

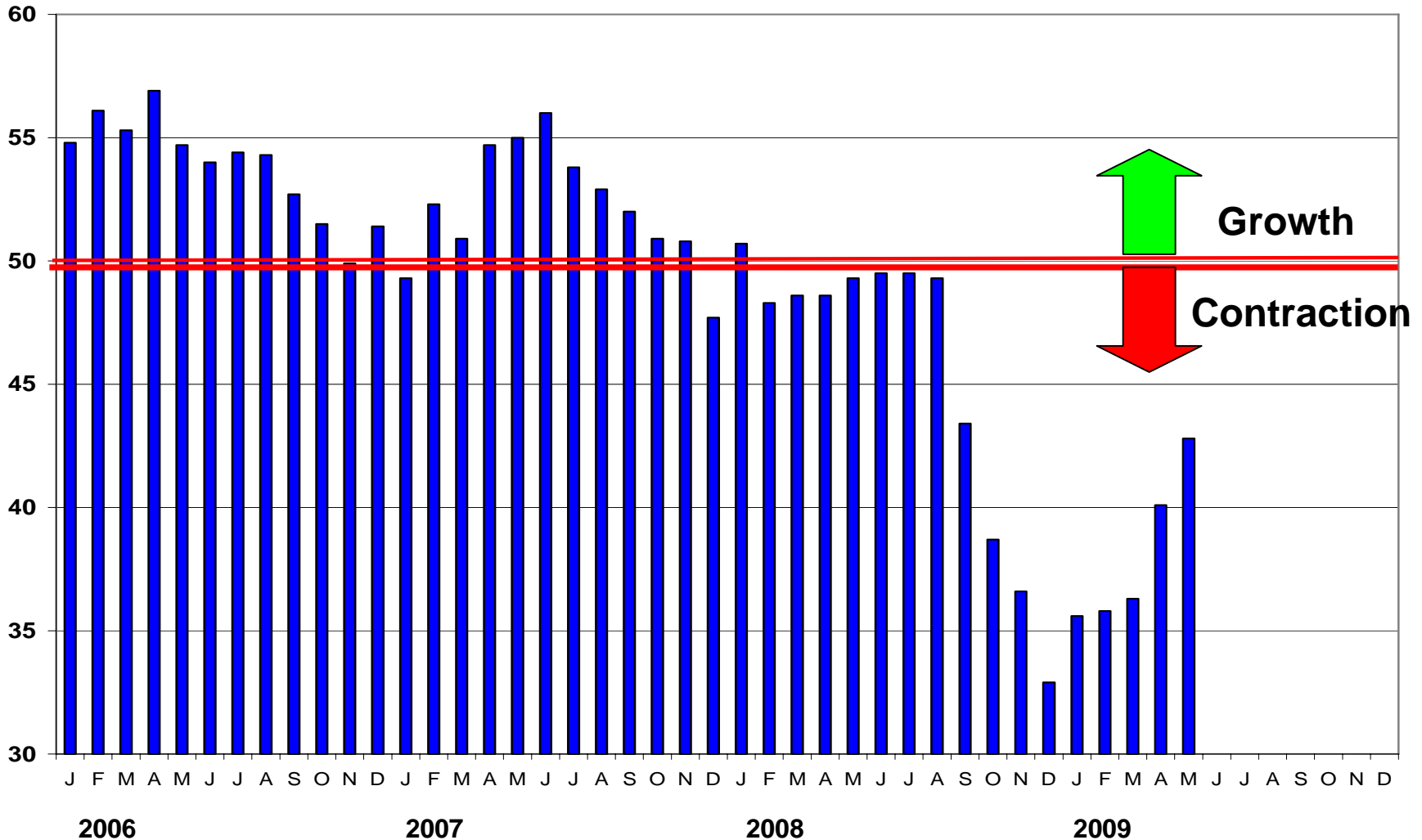


# U.S. Market- Overview



- Recession started in September 2008.
- Industrial activity has declined dramatically and rapidly.
- Although all segments of the economy have been affected– some have been impacted greater than others.
- Therefore, the impact on Industrial distributors varies significantly.

# U.S. Purchasing Mgr. Index



Index above 50 indicates economy is expanding. Index below 50 indicates economy is contracting.



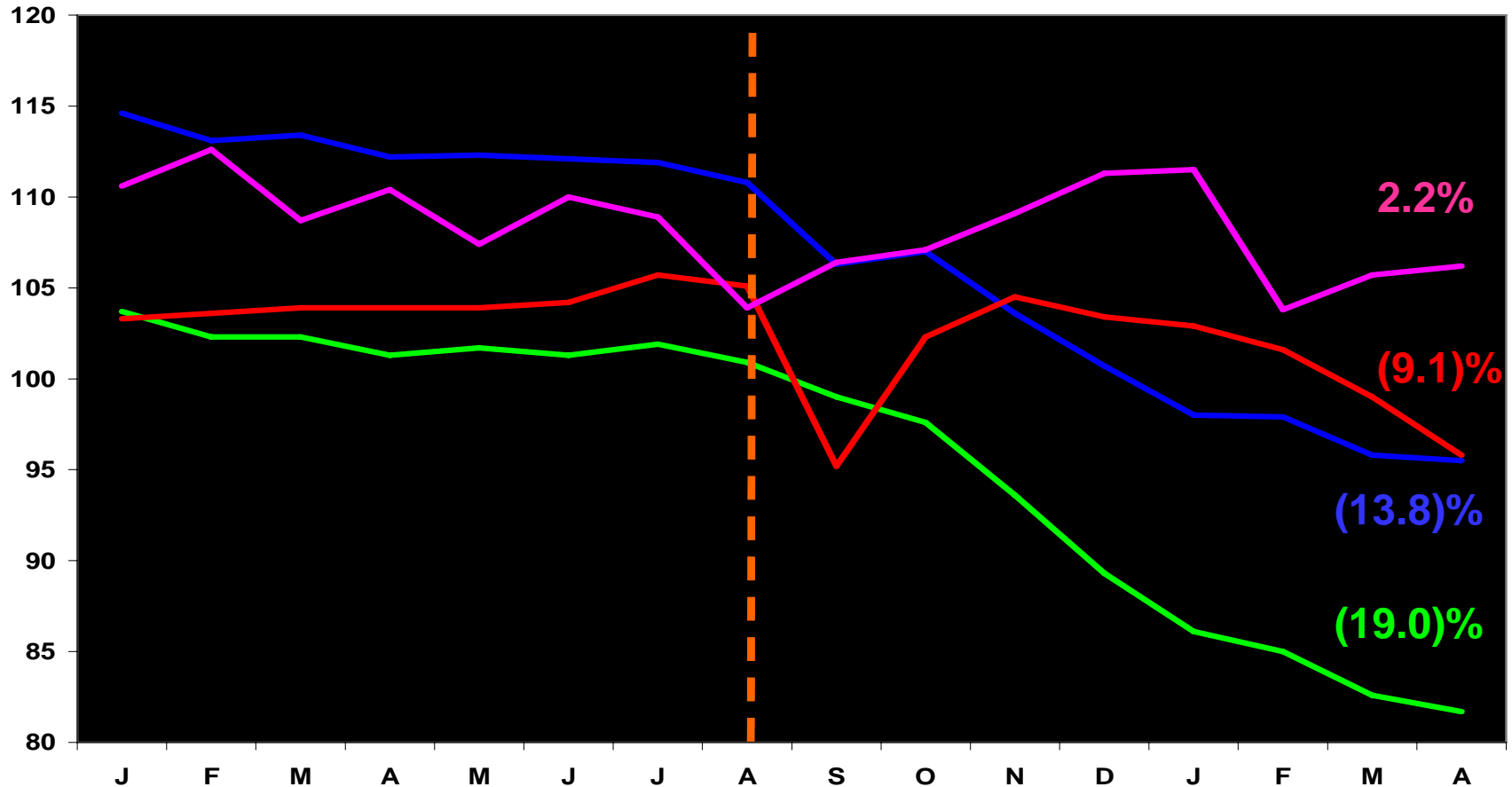
Source: Institute of Supply Management

# U.S. Industrial Production: Major Industry Groups



Industrial  
Production  
Index

— Manufacturing — Construction — Mining — Utilities



2.2%

(9.1)%

(13.8)%

(19.0)%

2008

2009

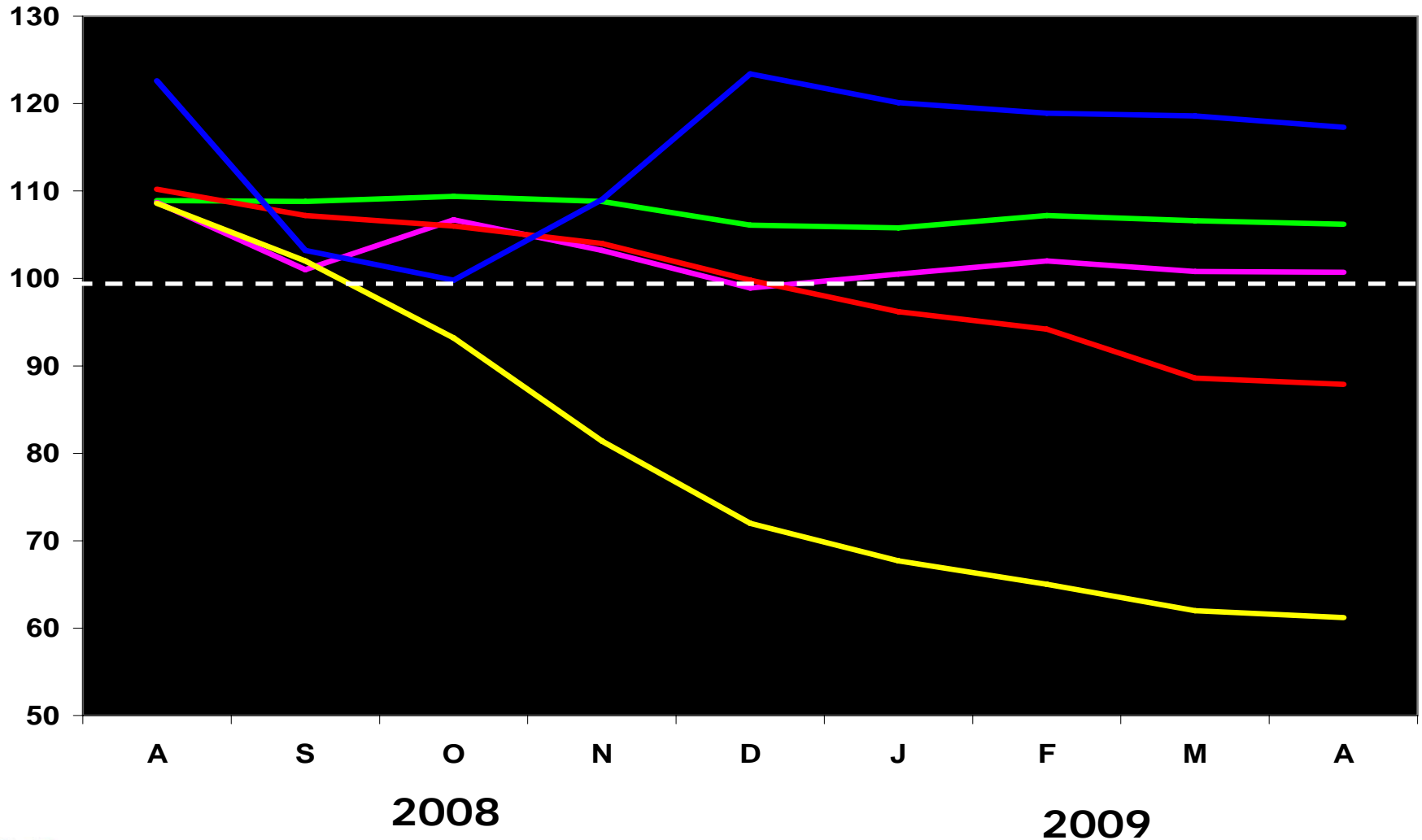
Source: U.S. Federal Reserve



# Key Manufacturing Segments



Index — Food/ Beverages — Chemicals — Primary Metal — Machinery — Aerospace Equip.



2008

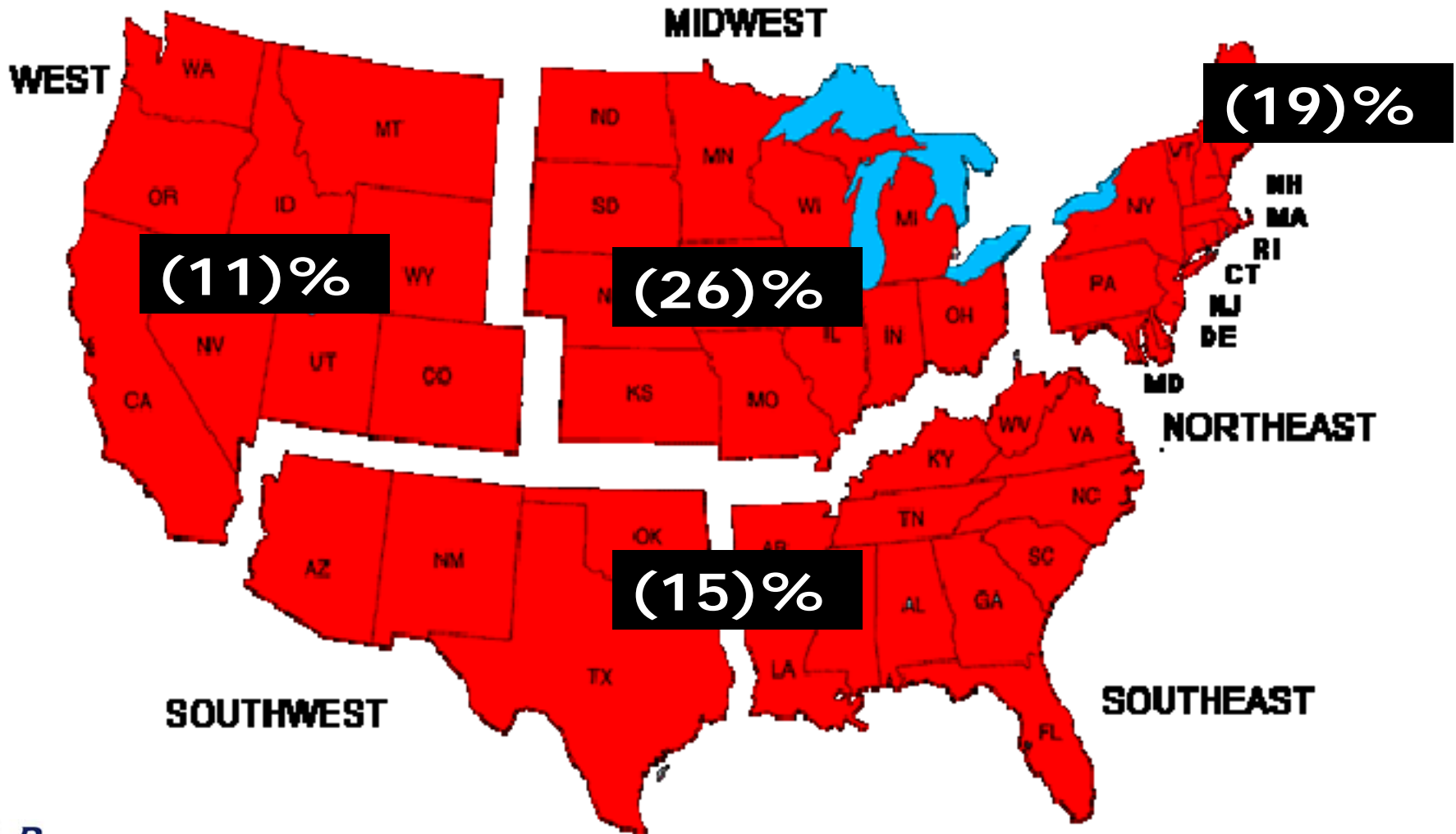
2009

Source: U.S. Federal Reserve

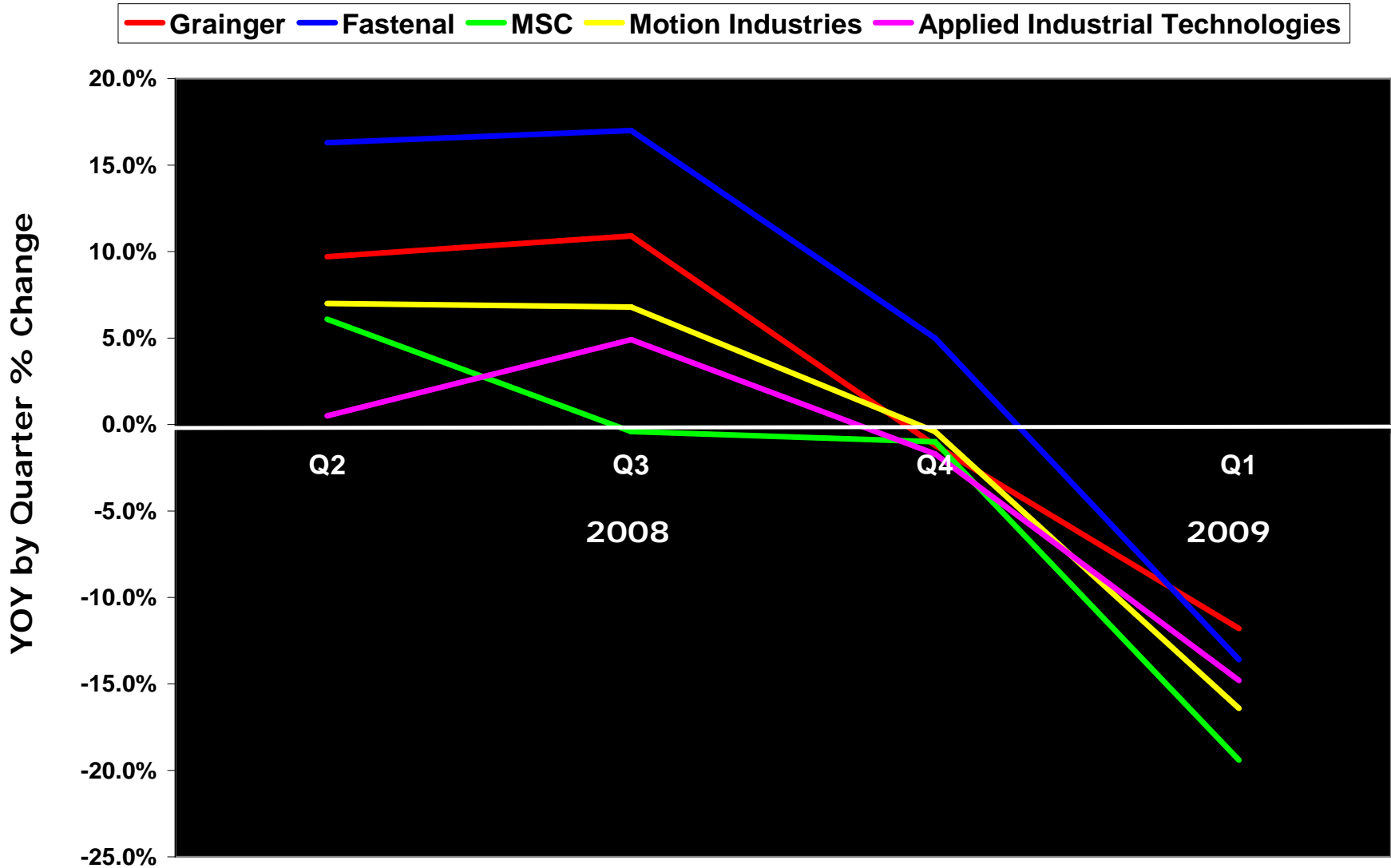
# Geographic Impact



## MSC Geographic Sales Results (Q1 2009 vs. Q1 2008)



# Leading Industrial Distributors

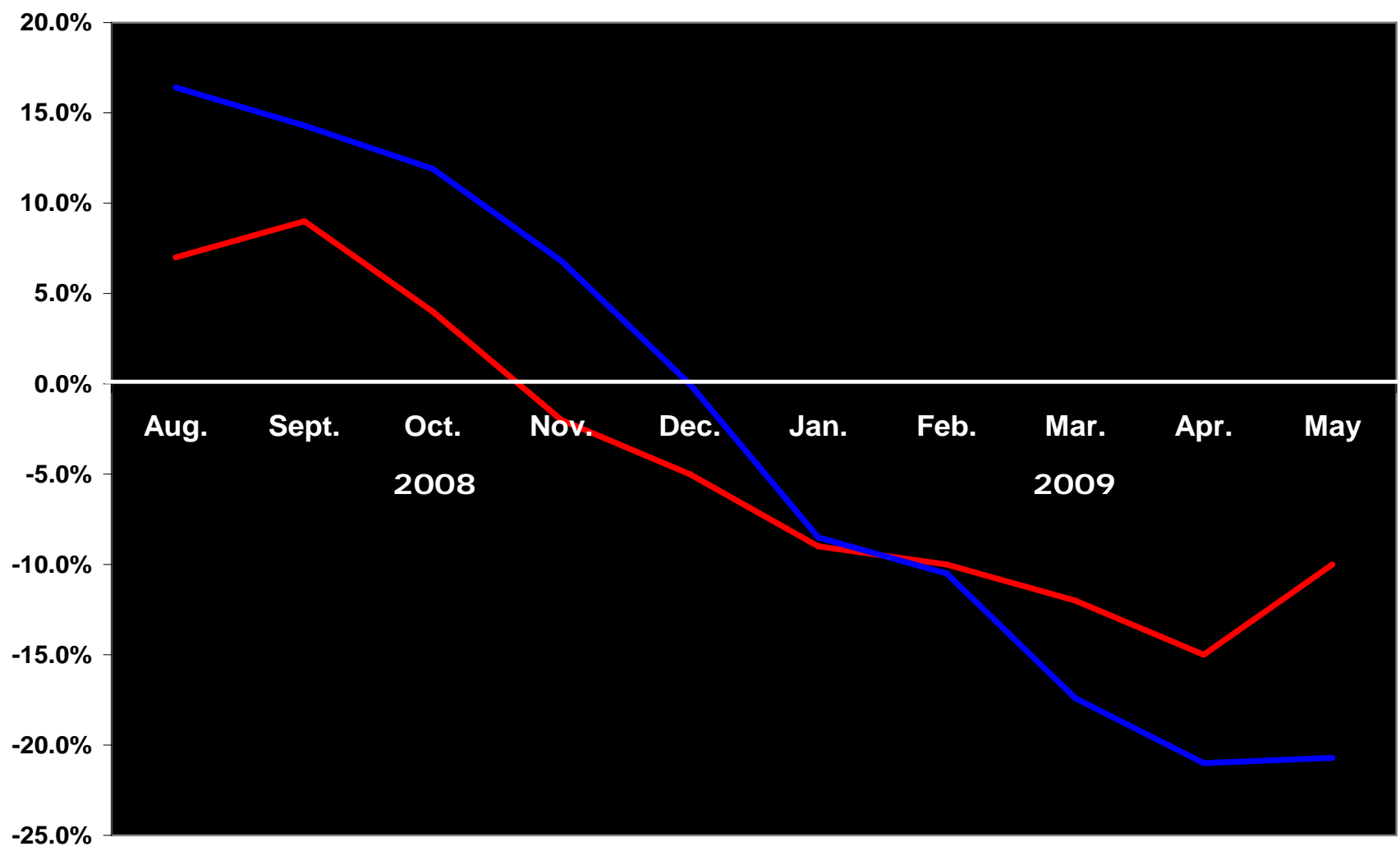


Source: Company Quarterly Reports

# Leading Industrial Distributors



— Grainger — Fastenal



# Analyst's Forecasts



Investment Analysts following Industrial Distributors are providing the following very broad guidance:

- Bottoming of the market in Q2 or Q3 2009
- A very slight recovery in Q4 2009
- A build in the recovery in H1 2010
- Moderate growth in H2 2010
- We will probably not see historical growth rates until later in 2011

# Summary



- Almost all industrial markets have declined since August 2008.
- The heavy industry and construction sectors have declined the most.
- The rate of sales decline for Industrial distributors depend on the industries served and their geographic location.
- A mild recovery is expected in 2010.
- The magnitude and speed of the recovery will be dictated by Q3 and Q4 2009 results.