

## **FOR IMMEDIATE RELEASE**

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### **THERMADYNE HOLDINGS CORPORATION ANNOUNCES 2009 SECOND-QUARTER RESULTS**

**ST. LOUIS, MO – July 28, 2009** – Thermadyne Holdings Corporation (NASDAQ: THMD) today reported results for the three and six months ended June 30, 2009.

#### **OVERVIEW**

(\$ millions except EPS)	<u>Periods ended June 30,</u>					
	<u>Three months</u>			<u>Six months</u>		
	<u>2009</u>	<u>2008</u>	<u>Inc (Dcr)</u> <u>vs 2008</u>	<u>2009</u>	<u>2008</u>	<u>Inc (Dcr)</u> <u>vs 2008</u>
Net sales	\$84.8	142.1	(40.3%)	\$168.1	272.9	(38.4%)
Net income (Loss)- continuing operations	\$0.6	6.2	(\$5.6)	(\$1.9)	11.0	(\$12.9)
Earnings (Loss) per share – continuing operations	\$0.04	\$0.47	(\$0.43)	(\$0.14)	\$0.82	(\$0.96)
Cash provided by operating activities	\$18.9	\$17.2	\$1.7	\$21.9	\$20.1	\$1.8

#### **Financial Review for the Second Quarter Ended June 30, 2009**

Net sales in the second quarter of 2009 were \$ 84.8 million, a decrease of 40.3% as compared to the second quarter of 2008. Excluding the impact of foreign currency translations, net sales decreased 36% across both the U.S. markets and markets outside the U.S.

Gross margin, as a percentage of 2009 second quarter sales, was 29.4% compared to 33.2% of net sales in the prior year second quarter. Excluding the effects of the LIFO inventory accounting method, gross margin was 27.9% and 33.9% in the second quarter of 2009 and 2008, respectively. The 6.0 percentage point decline in gross margin, excluding LIFO effect, is primarily associated with the leverage inefficiencies arising from reduced production volumes in 2009. The gross margin, excluding LIFO effects, of 27.9% in the second quarter of 2009 is an increase of 3.5 percentage points over the first quarter of 2009. Production volumes increased almost 15% in the second quarter improving leverage efficiencies as compared to 2009 first quarter levels. In addition, the impact of raw materials on costs of sales declined during the second quarter of 2009 as compared to the first quarter of 2009.

Selling, general and administrative (SG&A) costs were \$18.3 million, or 21.5% of sales, in the second quarter of 2009 compared to \$29.7 million, or 20.9% of sales, in last year's second quarter.

Interest costs were \$4.9 million and \$5.3 million in the second quarter of 2009 and 2008, respectively. The average effective interest rate of 9.3% in the second quarter of 2009 was 50 basis points lower than the second quarter of 2008 due to the reduced proportion of Second Lien indebtedness and a lower LIBOR. In the second quarters of 2009 and 2008, the Special Interest adjustment applicable to the Company's \$175 million Senior Subordinated Notes was 0.75%. Effective July 1, 2009, through December 31, 2009, this adjustment is 1.25% as determined based on the Company's debt-to-EBITDA leverage ratio.

For the 2009 second quarter, the income tax expense represented an effective income tax rate of 32% as compared to an income tax expense in the prior year at an effective rate of 44%. The difference in effective tax rates is primarily due to a change in accounting principles that allows the Company to recognize the benefits of a portion of its net operating loss carryovers to offset deferred U.S. income tax expenses recorded on certain foreign earnings without the recognition of the related benefit of foreign tax credits.

For the three months ended June 30, 2009, net income from continuing operations was \$0.6 million, or \$0.04 per diluted share, compared to \$6.2 million, or \$0.47 per diluted share, for the comparable period of 2008. Discontinued operations recognized a gain of \$1.9 million, or \$0.14 per share, for the three months ended June 30, 2009, as compared to a loss of \$0.3 million, or \$0.03 per share, for the three months ended June 30, 2008. The second quarter of 2009 included a gain realized from final settlement of the balance due to the Company in connection with the sale in May 2007 of its South African businesses. For the three months ended June 30, 2009, net income was \$2.5 million, or \$0.18 per diluted share, compared to net income of \$6.0 million, or \$0.44 per diluted share, for the second quarter of 2008.

### **Financial Review of Continuing Operations for Six Months Ended June 30, 2009**

Net sales for the six months ended June 30, 2009, were \$168.1 million, a decrease of 38.4% from the net sales of \$272.9 million in first six months of 2008. Excluding the impact of foreign currency translations, net sales decreased 33% with 35% in the U.S. markets and 30% in markets outside the U.S.

For the six months ended June 30, 2009, gross margin was 27.5% of net sales, as compared to 32.8% of net sales for first half of 2008. Excluding LIFO effects, gross margin was 26.2% and 33.4% in the six months ending June 30, 2009, and 2008, respectively. The decrease in gross margin for 2009 as compared to the prior-year period reflects the leverage inefficiencies arising from reduced production volumes.

SG&A expenses were \$37.7 million, or 22.4% of net sales, and \$57.1million, or 20.9% of net sales, for the six months ended June 30, 2009, and 2008, respectively. The SG&A expenses for

the first quarter of 2009 include \$1.3 million of severance charges payable to employees who elected to participate in an early retirement program implemented in January 2009.

Interest costs of \$9.5 million decreased \$1.2 million during the six-month period ended June 30, 2009, as compared to the first six months of 2008. The effective interest rate declined approximately 90 basis points during the first six months of 2009 as compared to 2008 due to the reduced proportion of Second Lien indebtedness and lower LIBOR.

For the six months ended June 30, 2009, the Company recognized an income tax benefit at an effective income tax rate of 31%, as compared to an income tax expense at an effective rate of 44% for the comparable 2008 period. The difference in effective tax rates is primarily due to a change in accounting principles that allows the Company to recognize the benefits of a portion of its net operating loss carryovers to offset deferred U.S. income tax expenses recorded on certain foreign earnings without the recognition of the related benefit of foreign tax credits.

For the six months ended June 30, 2009, the Company incurred a net loss from continuing operations of \$1.9 million, or \$0.14 per diluted share, as compared to net income from continuing operations of \$11.0 million, or \$0.82 per diluted share, for the comparable period of 2008. Discontinued operations recognized a gain of \$1.9 million, or \$0.14 per share, as compared to a net loss of \$0.5 million, or \$0.04 per share, for the six months ended June 30, 2009, and 2008, respectively. For the six months ended June 30, 2009, net income was \$0.02 million compared to net income of \$10.5 million, or \$0.78 per diluted share for the comparable period of 2008.

### **Cash Flows From Operating Activities and Liquidity**

Operating activities provided \$18.9 million of cash in the second quarter of 2009 with \$3.1 million from operational income and \$15.8 million primarily from collections of customer receivables and reduced inventory levels. For the six months ended June 30, 2009, operating activities provided \$21.9 million of cash primarily from collections of customer receivables and reduced inventory levels.

Inventory levels represented approximately four months supply at June 30, 2009, as compared to approximately three months in June 2008. As of June 30, 2009, with the ongoing payment of supplier payables and the reduced volume of new purchases, supplier trade financing had declined to 26% of inventories as compared to 47% in June 2008 and 30% at December 31, 2008.

As of June 30, 2009, combined cash and availability under the Company's Working Capital Facility was \$45 million. The Company's indebtedness, net of cash, was \$199.5 million as of June 30, 2009, compared to \$222.1 million at December 31, 2008.

On June 15, 2009, the Company amended its Working Capital Facility with General Electric Capital Corporation increasing the interest rate to 90-day LIBOR plus 4.00%, reducing the fixed charge coverage ratios for 2009, and, at the Company's request, reducing the commitment from

\$100 million to \$70 million. The Company is also finalizing the amendment of its Second Lien Facility, which it expects to complete in early August 2009. The amendments are expected to extend the maturity of the facility from November 2010, to November 2012, and increase the borrowings to \$25 million.

### **Operating EBITDA, As Adjusted**

In the second quarter of 2009, “Operating EBITDA, as adjusted”, was \$7.4 million compared to \$21.4 million from continuing operations in the second quarter of 2008.

### **Outlook for 2009**

Paul Melnuk, Thermadyne’s Chairman and Chief Executive Officer, stated, “While down approximately 40% from last year, we are pleased that sales levels were relatively steady throughout the second quarter as compared to the first quarter of this year. We are optimistic that the worst of the downturn is behind us as recent reports are indicating increasing global steel consumption. We are also seeing some early indications of increased demand for our products in the market place. However, we do not yet foresee significant changes in our sales volumes through the remainder of 2009. We expect to continue to reduce inventory levels during the remainder of this year while maintaining our production volumes at the levels of the second quarter to ensure proper supply for faster moving items.

“We expect gross margin, excluding LIFO, to improve further and exceed 30% throughout the second half of 2009 primarily due to further declines in our material costs as higher cost purchase commitments have flowed through the supply chain. Further, as a result of our cost savings programs implemented earlier this year and ongoing efforts to reduce expenses, we anticipate SG&A expenses will be less than 22% of sales for the remainder of the year, ” Mr. Melnuk added.

Mr. Melnuk continued, “Throughout the year, we have responded decisively to realign our cost structure with the lower sales volumes resulting from the drastic global slowdown and we will continue to reduce costs as necessary. We have accomplished this while maintaining our commitment to providing industry leading products and improving service to our customers. For example, demand for the new low cost inverter welding machine we introduced in the U.S. during the second quarter is exceeding our expectations. This product has been very popular with customers in our Asia Pacific Region since its introduction there last year. We also introduced an automated gas box this year which completes our range of automated plasma cutting systems that have been selling well globally. In September, we will launch an innovative redesign of the gas flow regulator. Finally, our sales team has done a good job of maintaining coverage of our customers despite our cut backs.

“This has been an extremely demanding period and we are pleased with the manner in which our team has quickly responded to the formidable challenges of a 40% reduction in sales. Not only have we realigned our cost structure and launched new products, we have improved efficiency in manufacturing, improved customer service levels and generated free cash flow from inventory

reductions. As a result, we are confident in a future of increasing profitability and cash flows and an expanding presence in the market place. We are gratified that our lenders are also confident in our future and have provided us with enhanced financial strength to pursue our plans,” concluded Mr. Melnuk.

### **Use of Non-GAAP Measures**

Our discussions of operations include reference to “Operating EBITDA, as adjusted.” While a non-GAAP measure, management believes this measure enhances the reader’s understanding of underlying and continuing operating results in the periods presented. The Company defines “Operating EBITDA, as adjusted,” as earnings before interest, taxes, depreciation, amortization, LIFO adjustments, stock-based compensation expense, minority interest, post-retirement benefit expense in excess of cash payments and the nonrecurring items of severance accruals and restructuring costs. The presentation of “Operating EBITDA, as adjusted” facilitates the reader’s ability to compare current period results to other periods by isolating certain unusual items of income or expense, such as those detailed in an attached schedule. “Operating EBITDA, as adjusted,” for certain unusual items is reflective of management measurements which focus on operating spending levels and efficiencies and less on the non-cash and unusual items believed to be nonrecurring. Additionally, non-GAAP measures such as “Operating EBITDA” and “Operating EBITDA, as adjusted,” are commonly used to value the business by investors and lenders.

A schedule is attached which reconciles Net Income (Loss) as shown in the Consolidated Statements of Operations to “Operating EBITDA” and “Operating EBITDA, as adjusted.”

Non-GAAP measurements such as “Operating EBITDA” and “Operating EBITDA, as adjusted” are not recognized in accordance with GAAP and should not be viewed as an alternative to GAAP measures of performance. Use of “Operating EBITDA” and “Operating EBITDA, as adjusted,” has material limitations, and therefore management provides reconciliation for the reader, of “Operating EBITDA” and “Operating EBITDA, as adjusted,” to Net Income.

The financial statement information presented in accordance with generally-accepted accounting principles (GAAP) and the non-GAAP measure have not been reviewed by an independent, registered public accounting firm.

### **Conference Call**

Thermadyne will hold a teleconference on Wednesday, July 29, 2009, at 10:00 a.m. Eastern.

To participate via telephone, please dial:

- U.S. and Canada: 1-800-857-9861 (Conference ID THERMADYNE)
- International 1-312-470-7286

Those wishing to participate are asked to dial in ten minutes before the conference begins. For those unable to participate in the live conference call, a recording of the conference will be available from July 29, 2009, at 12:59 p.m. Eastern until August 5, 2009, at 11:59 p.m. Eastern by dialing U.S. and Canada (888) 296-6944; International 1-203-369-3027. Enter conference ID 3031 to listen to the recording.

### **About Thermadyne**

Thermadyne, headquartered in St. Louis, Missouri, is a leading global manufacturer and marketer of metal cutting and welding products and accessories under a variety of leading premium brand names including Victor®, Tweco® / Arcair®, Thermal Dynamics®, Thermal Arc®, Stody®, TurboTorch®, Firepower® and Cigweld®. Its common shares trade on the NASDAQ under the symbol THMD. For more information about Thermadyne, its products and services, visit the Company's web site at [www.Thermadyne.com](http://www.Thermadyne.com).

#### Cautionary Statement Regarding Forward-Looking Statements:

*This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements reflect management's current expectations and involve a number of risks and uncertainties. Actual results may differ materially from such statements due to a variety of factors that could adversely affect the Company's operating results. These risks and factors are set forth in documents the Company files with the Securities and Exchange Commission, specifically in the Company's most recent Annual Report on Form 10-K and other reports it files from time to time.*

THERMADYNE HOLDINGS CORPORATION  
 FINANCIAL HIGHLIGHTS  
 (In thousands, except share data)  
**UNAUDITED**

**Schedule 1**

**Condensed Consolidated Statements of Operations**

	Three Months Ended June 30,				Six Months Ended June 30,			
	2009	% of Sales	2008	% of Sales	2009	% of Sales	2008	% of Sales
Net sales	\$ 84,805	100.0%	\$ 142,135	100.0%	\$ 168,116	100.0%	\$ 272,902	100.0%
Cost of goods sold	59,860	70.6%	94,968	66.8%	121,811	72.5%	183,456	67.2%
Gross margin	24,945	29.4%	47,167	33.2%	46,305	27.5%	89,446	32.8%
Selling, general and administrative expenses (including \$1,300 of severance charges in 2009)	18,263	21.5%	29,674	20.9%	37,701	22.4%	57,125	20.9%
Amortization of intangibles	672	0.8%	669	0.5%	1,343	0.8%	1,336	0.5%
Net periodic postretirement benefits	5	0.0%	52	0.0%	9	0.0%	104	0.0%
Operating income	6,005	7.1%	16,772	11.8%	7,252	4.3%	30,881	11.3%
Other income (expenses):								
Interest	(4,911)	(5.8)%	(5,323)	(3.7)%	(9,544)	(5.7)%	(10,657)	(3.9)%
Amortization of deferred financing costs	(237)	(0.3)%	(234)	(0.2)%	(473)	(0.3)%	(468)	(0.2)%
Other	-	0.0%	(69)	(0.0)%	-	0.0%	(121)	(0.0)%
Income (loss) from continuing operations before income tax provision and discontinued operations	857	1.0%	11,146	7.8%	(2,765)	(1.6)%	19,635	7.2%
Income tax provision (benefit)	275	0.3%	4,901	3.4%	(851)	(0.5)%	8,673	3.2%
Net income (loss) from continuing operations	582	0.7%	6,245	4.4%	(1,914)	(1.1)%	10,962	4.0%
Income (loss) from discontinued operations, net of tax	1,933	2.3%	(283)	(0.2)%	1,933	1.1%	(475)	(0.2)%
Net income	<u>\$ 2,515</u>	<u>3.0%</u>	<u>\$ 5,962</u>	<u>4.2%</u>	<u>\$ 19</u>	<u>0.0%</u>	<u>\$ 10,487</u>	<u>3.8%</u>
Basic and diluted net income (loss) per share :								
Continuing operations	\$ 0.04		\$ 0.47		\$ (0.14)		\$ 0.82	
Discontinued operations	0.14		(0.03)		0.14		(0.04)	
Net income (loss)	<u>\$ 0.18</u>		<u>\$ 0.44</u>		<u>\$ -</u>		<u>\$ 0.78</u>	

The financial statement presentations reflect the reclassification of the Company's discontinued operations

THERMADYNE HOLDINGS CORPORATION  
FINANCIAL HIGHLIGHTS  
(In thousands)  
**UNAUDITED**

Schedule 2

Condensed Consolidated Cash Flow Data

	Three Months Ended		Six Months Ended	
	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008
<b>Cash flows from continuing operations</b>				
Cash flows from operating activities:				
Net income	\$ 2,515	\$ 5,962	\$ 19	\$ 10,487
Adjustments to reconcile net income to net cash used in operating activities:				
(Income) loss from discontinued operations	(1,933)	283	(1,933)	475
Depreciation and amortization	3,201	3,162	6,203	6,280
Deferred income taxes	(623)	2,633	(1,893)	4,484
Net Periodic post-retirement benefits	5	52	9	104
	3,165	12,092	2,405	21,830
Changes in operating assets and liabilities:				
Accounts receivable	7,184	(1,902)	18,034	(8,035)
Inventories	9,706	(6,959)	21,861	(5,151)
Prepays	755	(741)	1,283	(805)
Accounts payable	(1,468)	7,626	(9,809)	11,780
Accrued and other liabilities	(1,583)	3,837	(9,088)	1,226
Accrued interest	4,383	3,998	695	(762)
Accrued taxes	(2,805)	(625)	(2,937)	257
Other long-term liabilities	(405)	(195)	(513)	(384)
Other, net	-	69	-	121
	15,767	5,108	19,526	(1,753)
Net cash provided by (used in) operating activities	18,932	17,200	21,931	20,077
Cash flows from investing activities:				
Capital expenditures	(1,735)	(3,135)	(3,973)	(4,632)
Proceeds from sales of assets	-	-	-	500
Purchase of outside interest in joint venture	-	(2,169)	-	(3,013)
Other, net	(79)	(300)	(134)	(348)
	(1,814)	(5,604)	(4,107)	(7,493)
Net cash provided by (used in) investing activities	(1,814)	(5,604)	(4,107)	(7,493)
Cash flows from financing activities:				
Borrowings under Working Capital Facility	-	1,964	8,923	16,145
Repayments of Working Capital Facility	(22,195)	(6,901)	(29,388)	(11,616)
Borrowings under other debt	-	-	75	-
Repayments of other debt	283	(15,456)	(235)	(22,689)
Advances to discontinued operations	1,897	(1,936)	1,933	(3,062)
Termination payment on derivative	-	-	2,313	-
Other, net	(481)	1,508	(1,204)	1,752
	(20,496)	(20,821)	(17,583)	(19,470)
Net cash provided by (used in) financing activities	(20,496)	(20,821)	(17,583)	(19,470)
Effect of exchange rate changes on cash and cash equivalents	1,193	626	905	1,194
Net cash provided by (used in) continuing operations	\$ (2,185)	\$ (8,599)	\$ 1,146	\$ (5,692)
<b>Cash flows from discontinued operations</b>				
Net cash provided by (used in) operating activities	\$ 940	\$ (1,488)	\$ 1,040	\$ (2,382)
Net cash provided by (used in) investing activities	-	-	-	500
Net cash provided by (used in) financing activities	(1,764)	1,451	(1,558)	1,581
Effect of exchange rates on cash and cash equivalents	142	11	150	26
	\$ (682)	\$ (26)	\$ (368)	\$ (275)
Net cash provided by (used in) discontinued operation	\$ (682)	\$ (26)	\$ (368)	\$ (275)
Total increase (decrease) in cash and cash equivalents	\$ (2,867)	\$ (8,625)	\$ 778	\$ (5,967)
Total cash and cash equivalents beginning of period (including cash of discontinued operations)	16,146	19,093	12,501	16,435
Total cash and cash equivalents end of period (including cash of discontinued operations)	\$ 13,279	\$ 10,468	\$ 13,279	\$ 10,468

The financial statement presentations reflect the reclassification of the Company's discontinued operations

THERMADYNE HOLDINGS CORPORATION  
FINANCIAL HIGHLIGHTS  
(In thousands)

**Schedule 3**

	<u>June 30, 2009</u>	<u>December 31, 2008</u>
	<b>UNAUDITED</b>	
<b>ASSETS</b>		
Cash and cash equivalents	\$ 13,062	\$ 11,916
Accounts receivable, net	56,287	72,044
Inventories	83,170	102,479
Prepaid expenses and other	4,535	5,443
Deferred tax assets	2,277	2,277
Assets held for sale	<u>638</u>	<u>916</u>
Total current assets	159,969	195,075
Property, plant and equipment, net	48,045	47,501
Goodwill	186,109	184,043
Intangibles, net	59,574	60,783
Other assets	<u>4,103</u>	<u>6,967</u>
Total assets	<u>\$ 457,800</u>	<u>\$ 494,369</u>

**LIABILITIES AND SHAREHOLDERS' EQUITY**

Working capital facility	\$ 12,066	\$ 32,531
Current maturities of long-term obligations	2,652	2,060
Accounts payable	21,365	30,823
Accrued and other liabilities	19,974	28,295
Accrued interest	7,253	6,558
Income taxes payable	103	2,849
Deferred tax liabilities	3,253	3,253
Liabilities applicable to assets held for sale	<u>5,530</u>	<u>5,266</u>
Total current liabilities	72,196	111,635
Long-term obligations, less current maturities	197,881	199,454
Deferred tax liabilities	47,915	47,292
Other long-term liabilities	17,714	17,685
Total shareholders' equity	<u>122,094</u>	<u>118,303</u>
Total liabilities and shareholders' equity	<u>\$ 457,800</u>	<u>\$ 494,369</u>

	<u>June 30, 2009</u>	<u>December 31, 2008</u>
<b>Long-term Obligations</b>		
Working Capital Facility	\$ 12,066	\$ 32,531
Second-Lien Facility	14,000	14,000
Senior Subordinated Notes, due February 1, 2014, 9 1/4% interest payable semiannually on February 1 and August 1	175,000	175,000
Capital leases and other	<u>11,533</u>	<u>12,514</u>
	212,599	234,045
Current maturities and working capital facility	<u>(14,718)</u>	<u>(34,591)</u>
	<u>\$ 197,881</u>	<u>\$ 199,454</u>

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THERMADYNE HOLDINGS CORPORATION  
FINANCIAL HIGHLIGHTS  
(In thousands)

**Schedule 4**

**Working Capital Efficiency Information**

	2009		2008		
	June 30,	March 31,	December 31,	September 30,	June 30,
Accounts receivable, net	\$ 56,287	\$ 60,457	\$ 72,044	\$ 93,842	\$ 95,997
Inventories	83,170	89,493	102,479	109,539	99,576
Accounts payable	(21,365)	(22,182)	(30,823)	(47,857)	(47,235)
	<u>\$ 118,092</u>	<u>\$ 127,768</u>	<u>\$ 143,700</u>	<u>\$ 155,524</u>	<u>\$ 148,338</u>
% Annualized Sales	34.8%	38.3%	34.3%	27.9%	26.1%
DSO	59.7	65.3	62.0	60.6	60.8
Inventory Turns	2.88	2.77	3.08	3.49	3.81
DPO	32.1	32.2	35.1	45.1	44.8

Calculation Notes

% Annualized Sales = Net amount compared to annualized quarterly sales

DSO = Accounts receivable compared to related quarterly sales divided by 90

Inventory Turns = Quarterly cost of sales annualized divided by inventory

DPO = Accounts payable compared to related quarterly cost of sales divided by 90

The financial statement presentations reflect the reclassification of the Company's discontinued operations

THERMADYNE HOLDINGS CORPORATION  
FINANCIAL HIGHLIGHTS  
(In millions)

Schedule 5

**Reconciliations of Net Income (Loss) from continuing operations to Operating EBITDA (1) and Operating EBITDA, as adjusted**

	Three Months Ended June 30,	
	2009	2008
Net income (loss) from continuing operations	\$ 0.6	\$ 6.2
Plus:		
Depreciation and amortization including deferred financing fees	3.2	3.2
Interest expense	4.9	5.3
Interest income on contingent payment	(0.5)	-
Net periodic postretirement benefits in excess of cash payments	(0.1)	-
LIFO	(1.3)	1.1
Minority interest	-	0.1
Severance accrual	0.3	-
Stock compensation expense	-	0.6
Provision for income taxes	0.3	4.9
<b>Operating EBITDA, as adjusted, from continuing operations (1)</b>	<b>\$ 7.4</b>	<b>\$ 21.4</b>
	<i>8.7%</i>	<i>15.1%</i>
EBITDA from discontinued operations	1.9	(0.2)
<b>Operating EBITDA, as adjusted (1)</b>	<b>\$ 9.3</b>	<b>\$ 21.2</b>

*Percentage of Net Sales*

	Six Months Ended June 30,	
	2009	2008
Net income from continuing operations	\$ (1.9)	\$ 10.9
Plus:		
Depreciation and amortization including deferred financing fees	6.2	6.3
Interest expense	9.5	10.6
Interest income on contingent payment	(0.5)	-
Net periodic postretirement benefits in excess of cash payments	(0.1)	-
LIFO	(2.3)	1.6
Minority interest	-	0.2
Severance accrual	1.6	-
Stock compensation expense	(0.7)	0.8
Provision for income taxes	(0.8)	8.7
<b>Operating EBITDA, as adjusted, from continuing operations (1)</b>	<b>\$ 11.0</b>	<b>\$ 39.1</b>
	<i>6.5%</i>	<i>14.3%</i>
EBITDA from discontinued operations	1.9	(0.4)
<b>Operating EBITDA, as adjusted (1)</b>	<b>\$ 12.9</b>	<b>\$ 38.7</b>

*Percentage of Net Sales*

(1) A Non-GAAP measure

The financial statement presentations reflect the reclassification of the Company's discontinued operations