

**LUFKIN**



**RAYMOND JAMES**

**29<sup>th</sup> Annual Institutional Investors Conference  
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This presentation may contain certain forward-looking statements including, by way of illustration and not of limitation, statements relating to liquidity revenues, expenses and margin. The company strongly encourages investors to note that some of all the assumptions upon which these forward-looking statements are based are beyond the company's ability to control or estimate precisely and may in some cases be subject to rapid and material changes.

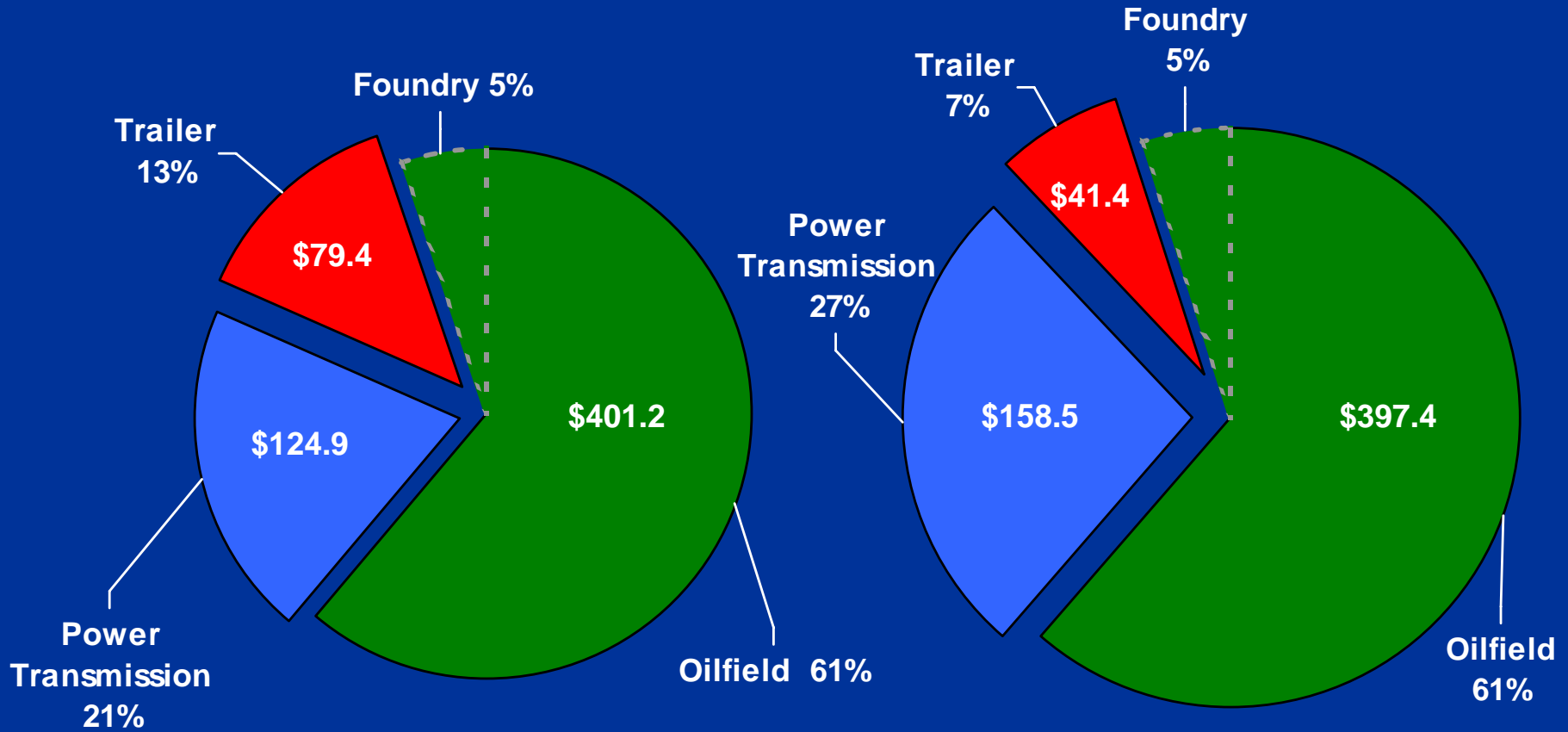
- Operations Overview
- Division Review
- Order Book
- Questions

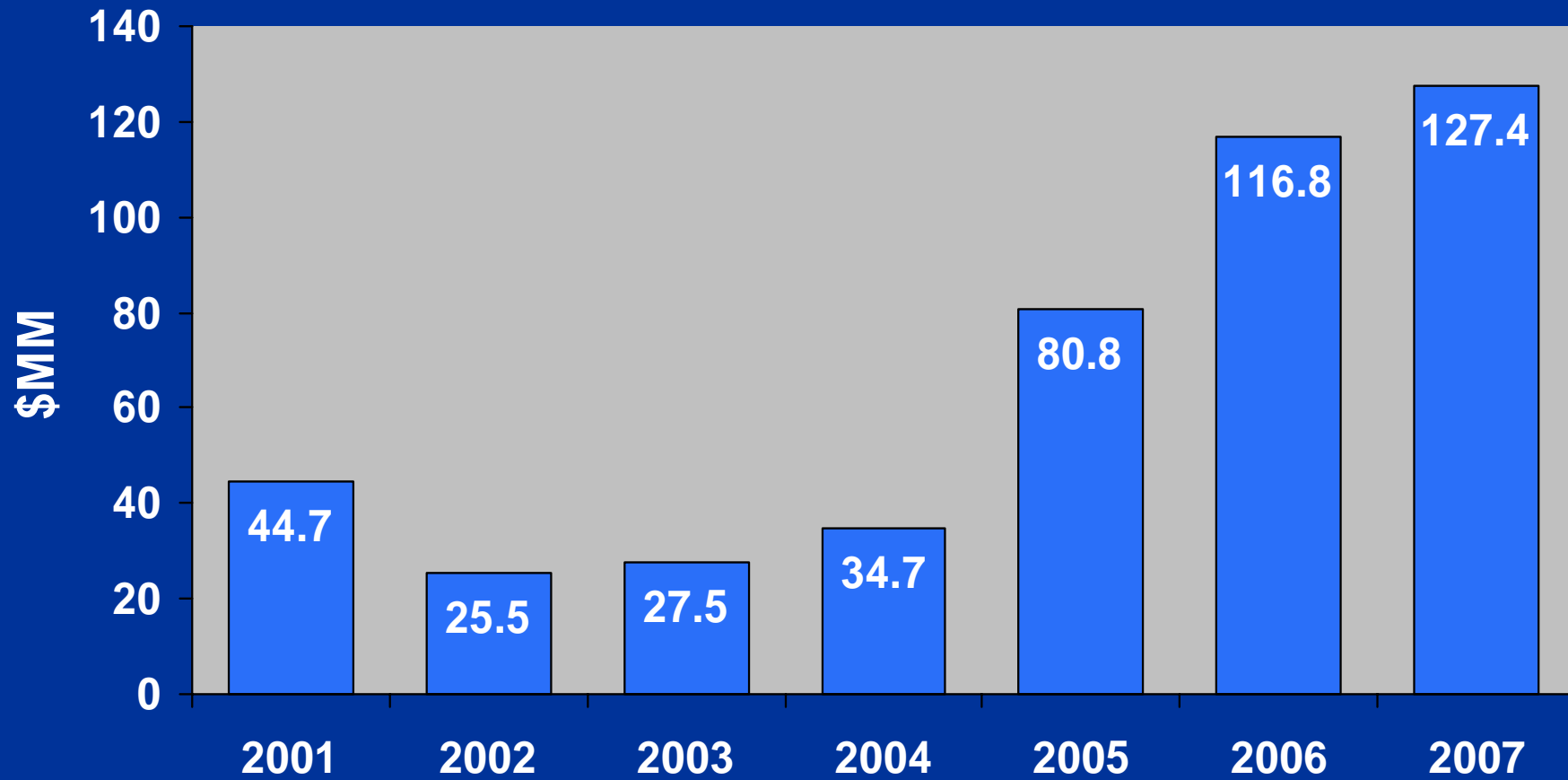
- Revenue Down 1.4%
- Earnings Growth Continues
- Power Transmission Replacing Trailer = Stronger Bottom Line

# Operations Overview

2006 - \$605 MM

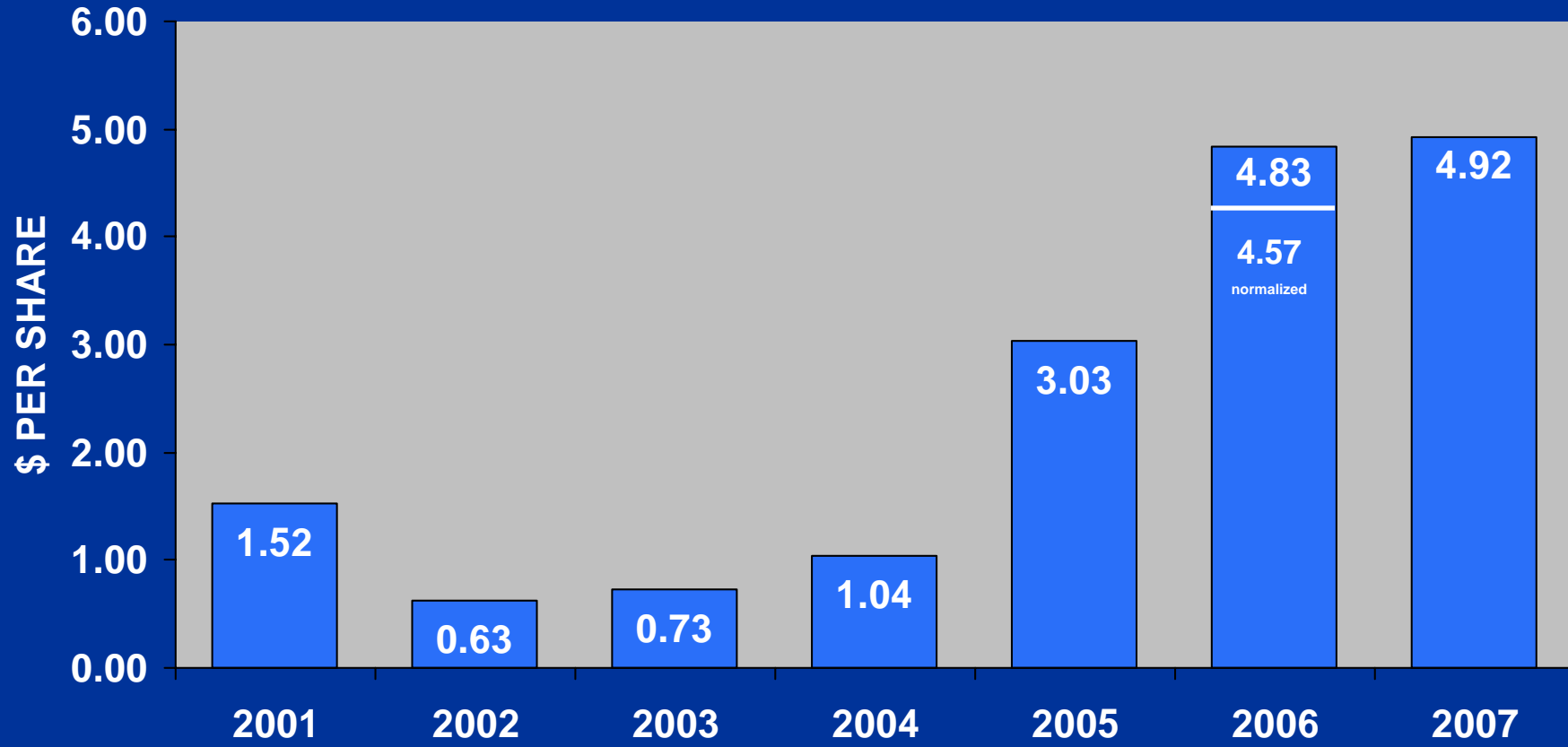
2007 - \$597 MM





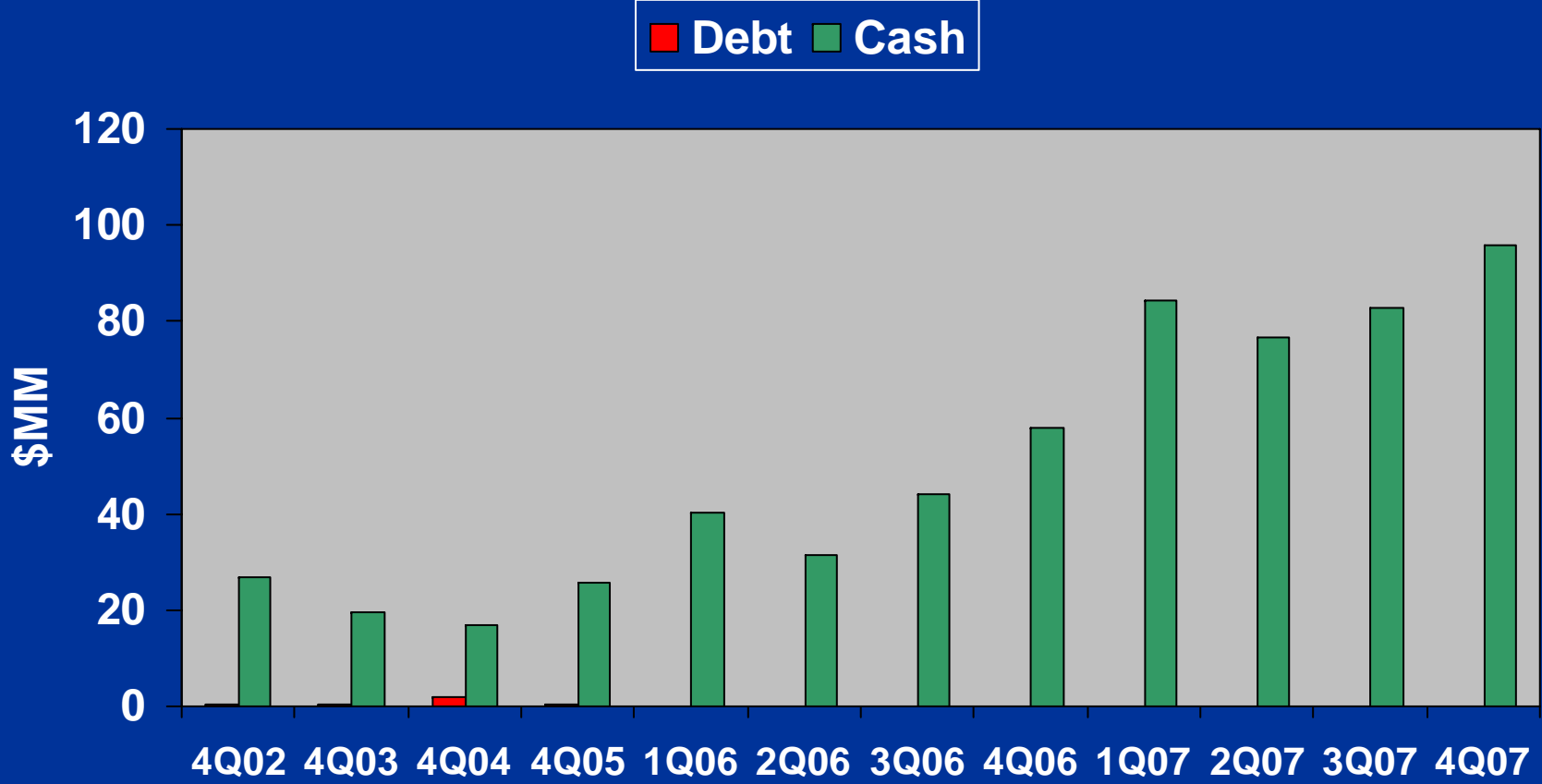


# Earnings Per Share

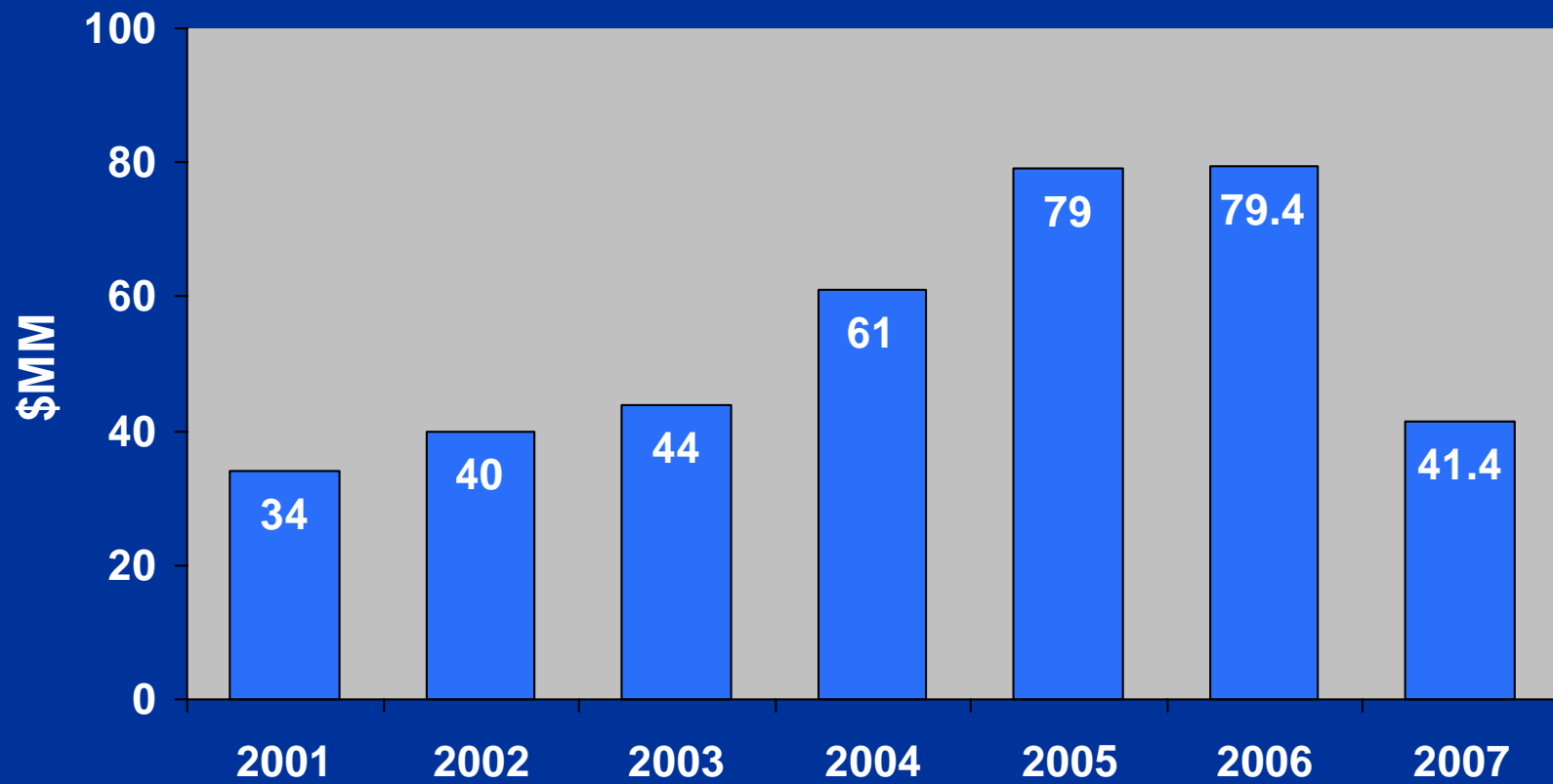


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# Lufkin Cash and Debt



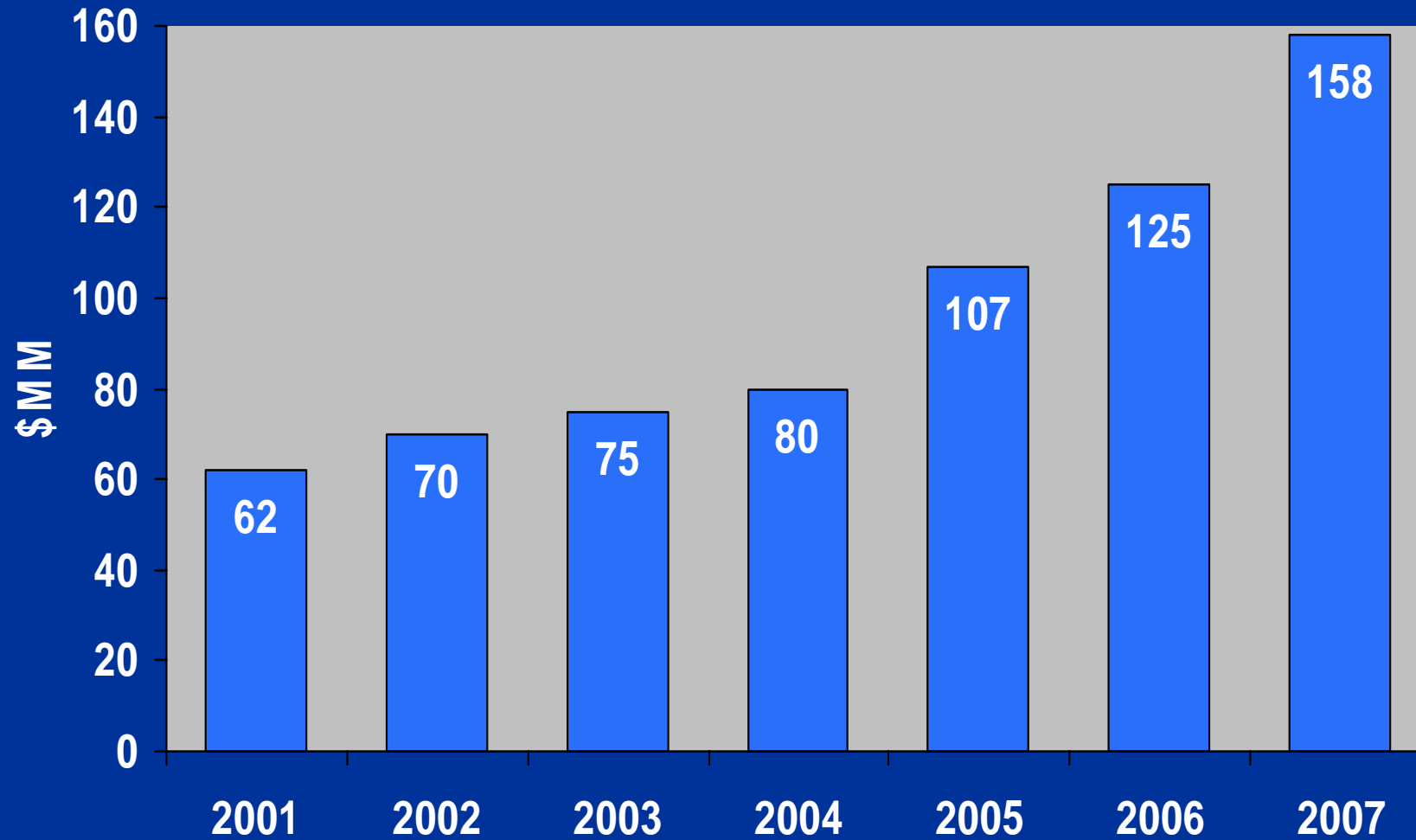
- Suspended Trailer Market Participation
  - End Production Q2 2008
- Industry Demand for Flat Beds and Dump Trailers Historic Lows
- Focus on Core Energy Markets



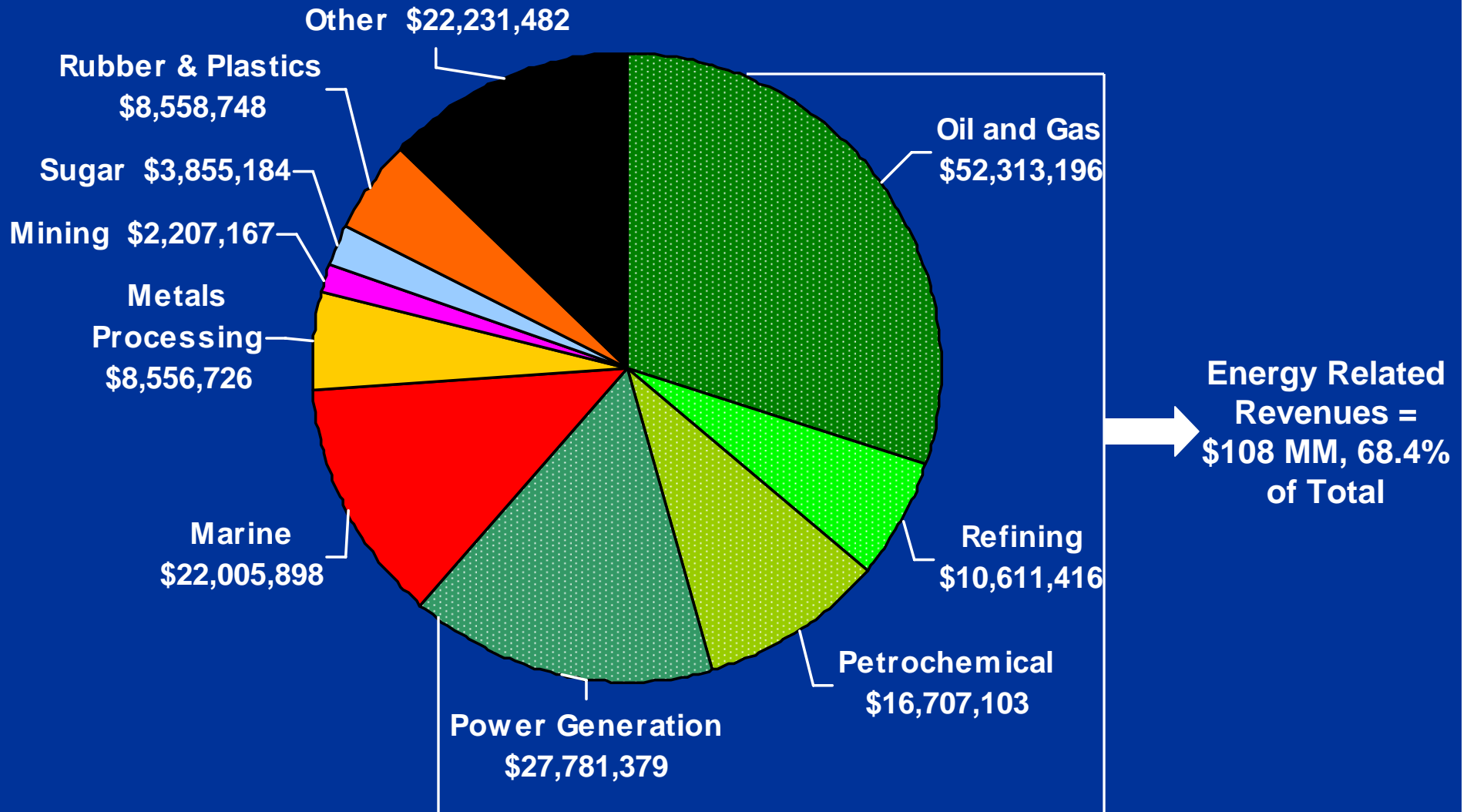
- Another Record Year for Growth
  - 4<sup>th</sup> in a row
- Strong Global Demand
- Competitive Advantages
  - Engineering = Recognized Global Leader
  - Manufacturing Lead Times
  - Product Performance
  - Geographic Support



# Power Transmission Revenue

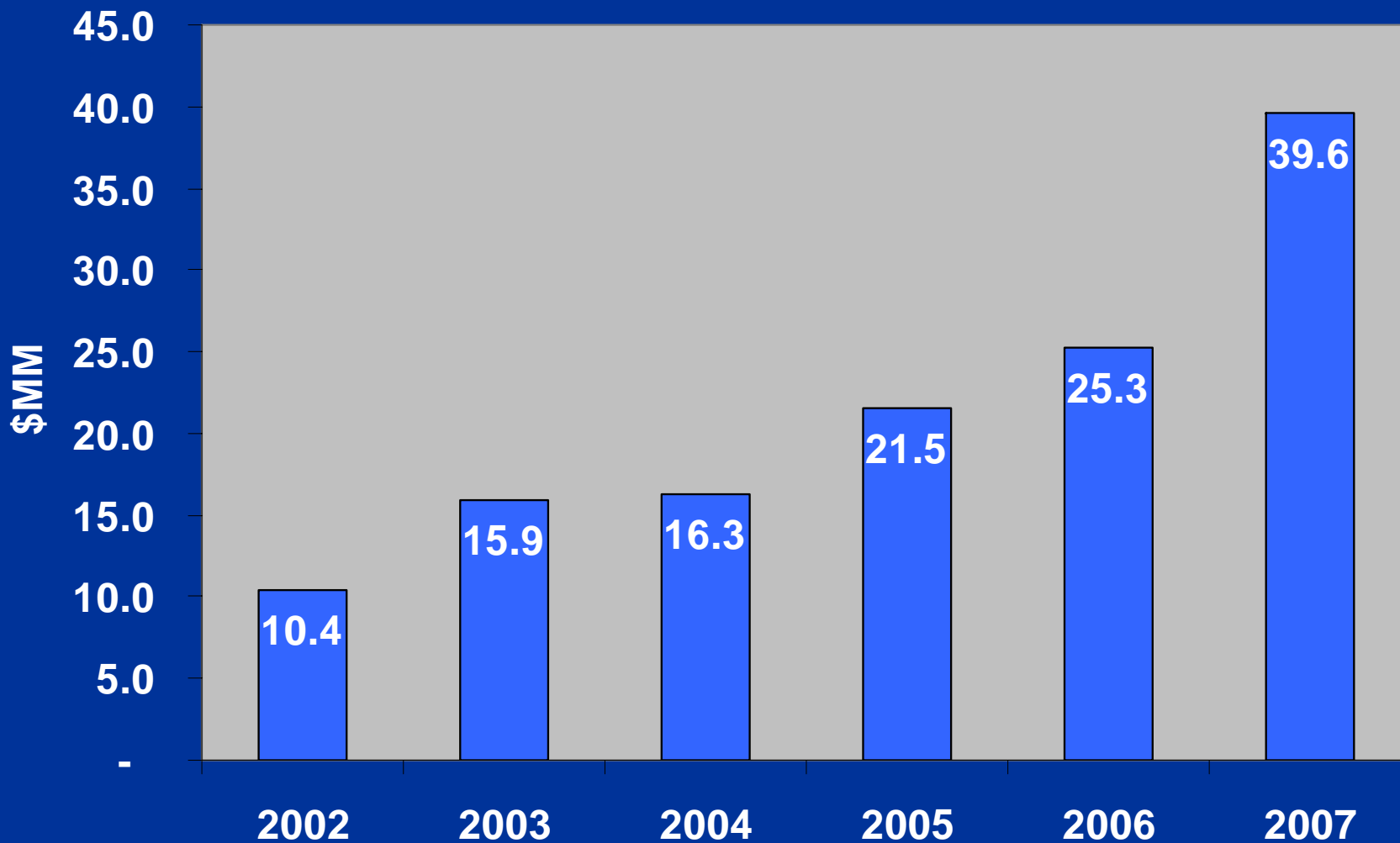


## 2007 Revenue by Product Line - \$158 MM

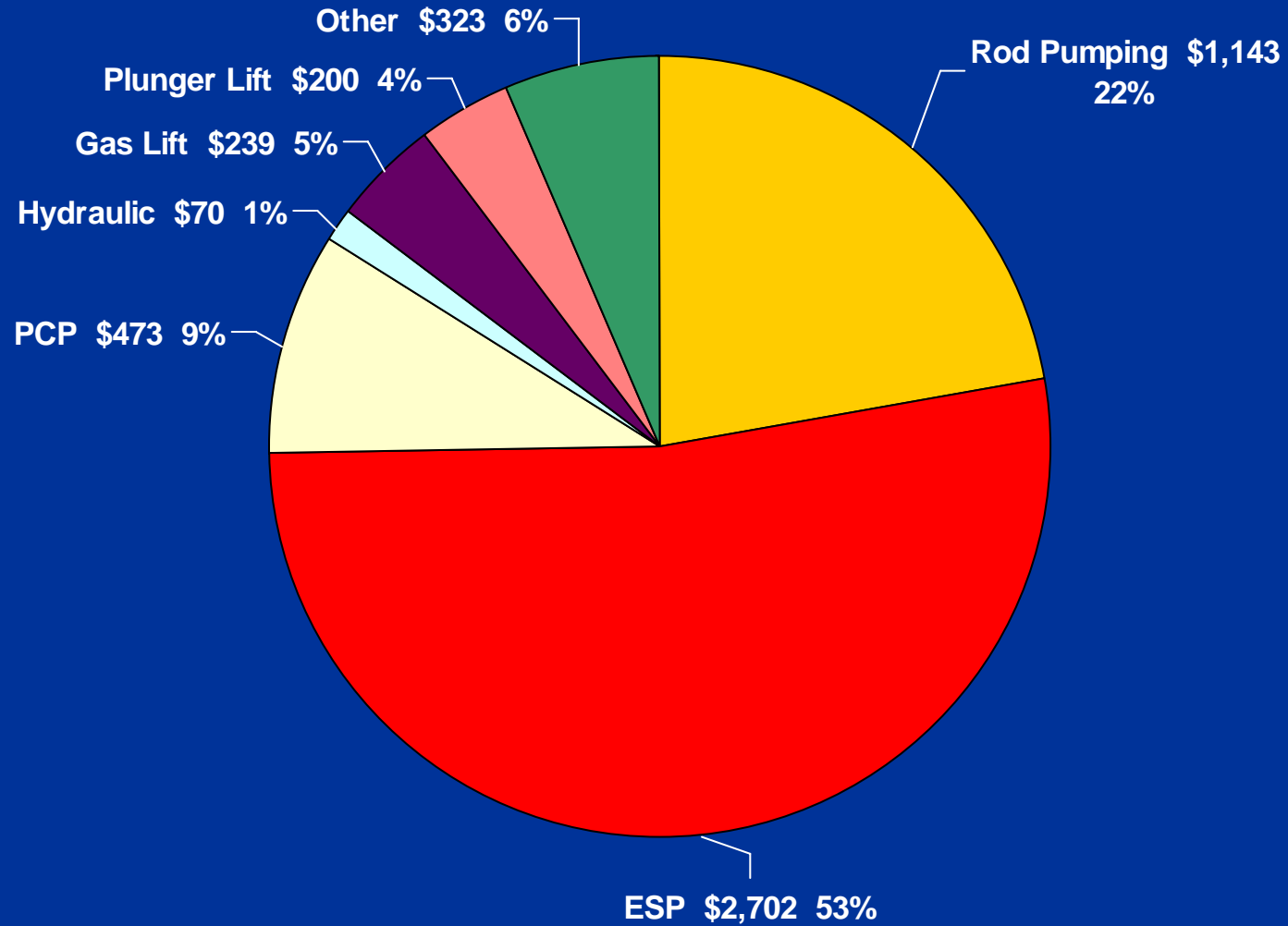




# Lufkin France Revenue

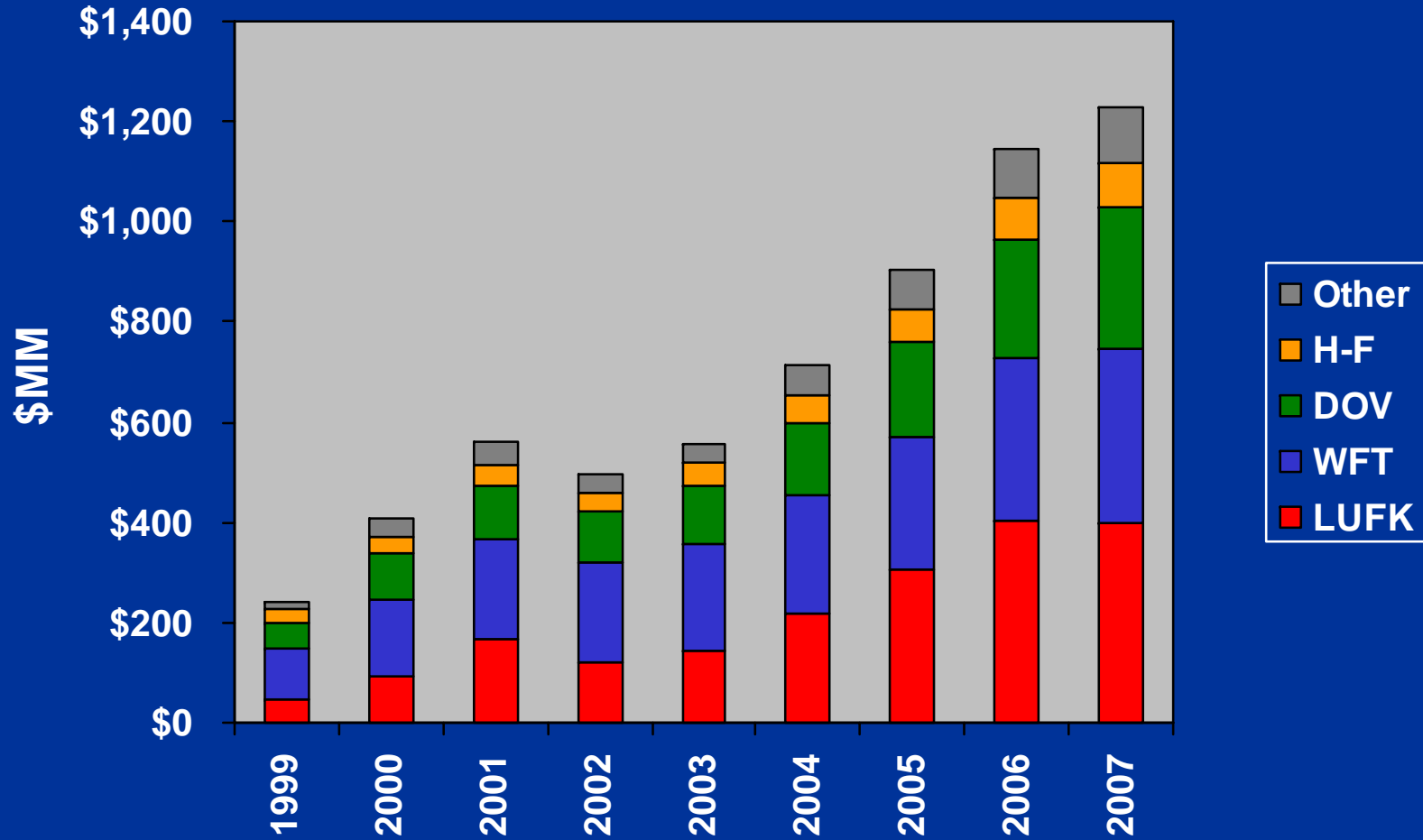


## Artificial Lift Market - \$5.1 B



Source: Spears & Associates, Inc. *Oilfield Market Intelligence* report

## Rod Lift Sales

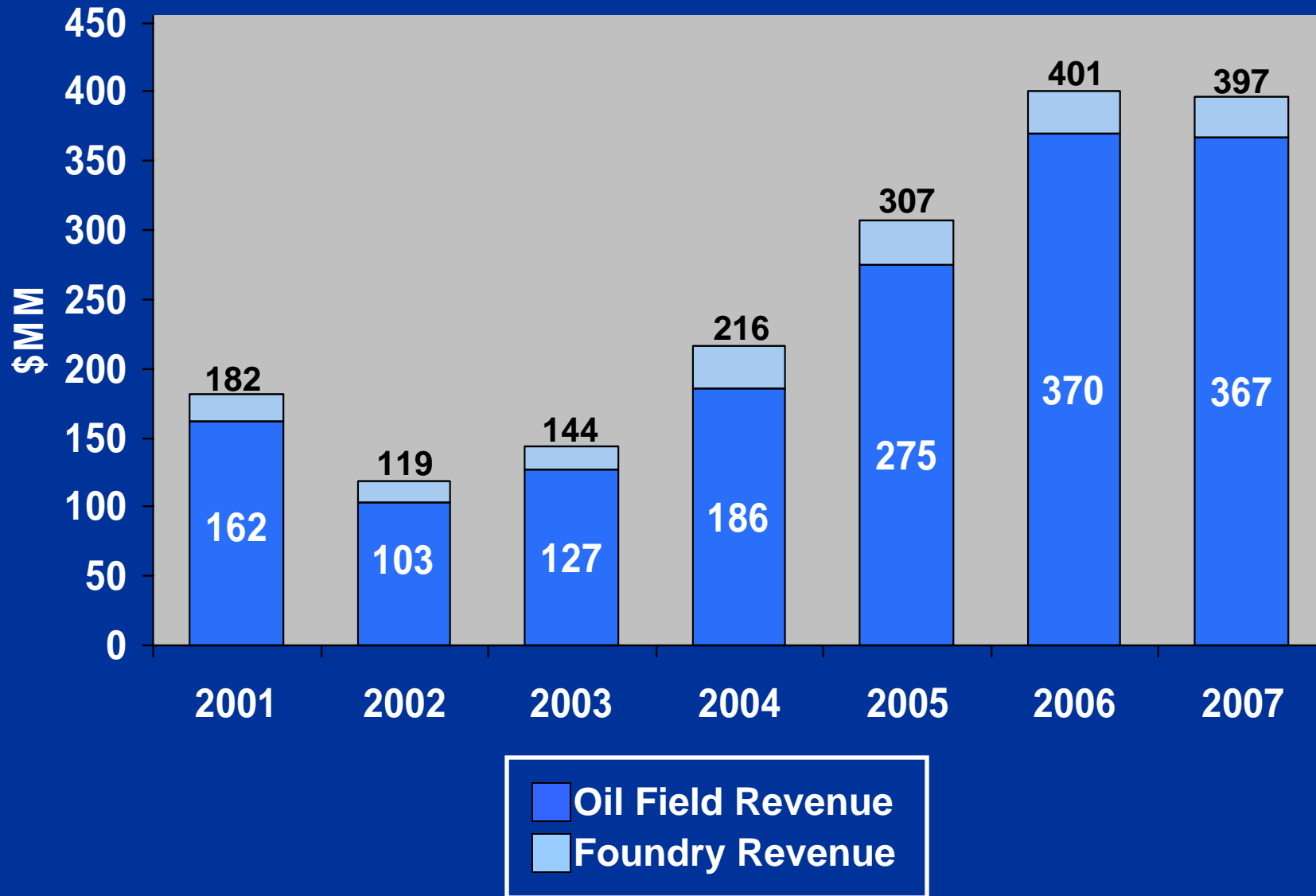


Source: Spears & Associates, Inc. *Oilfield Market Intelligence* report

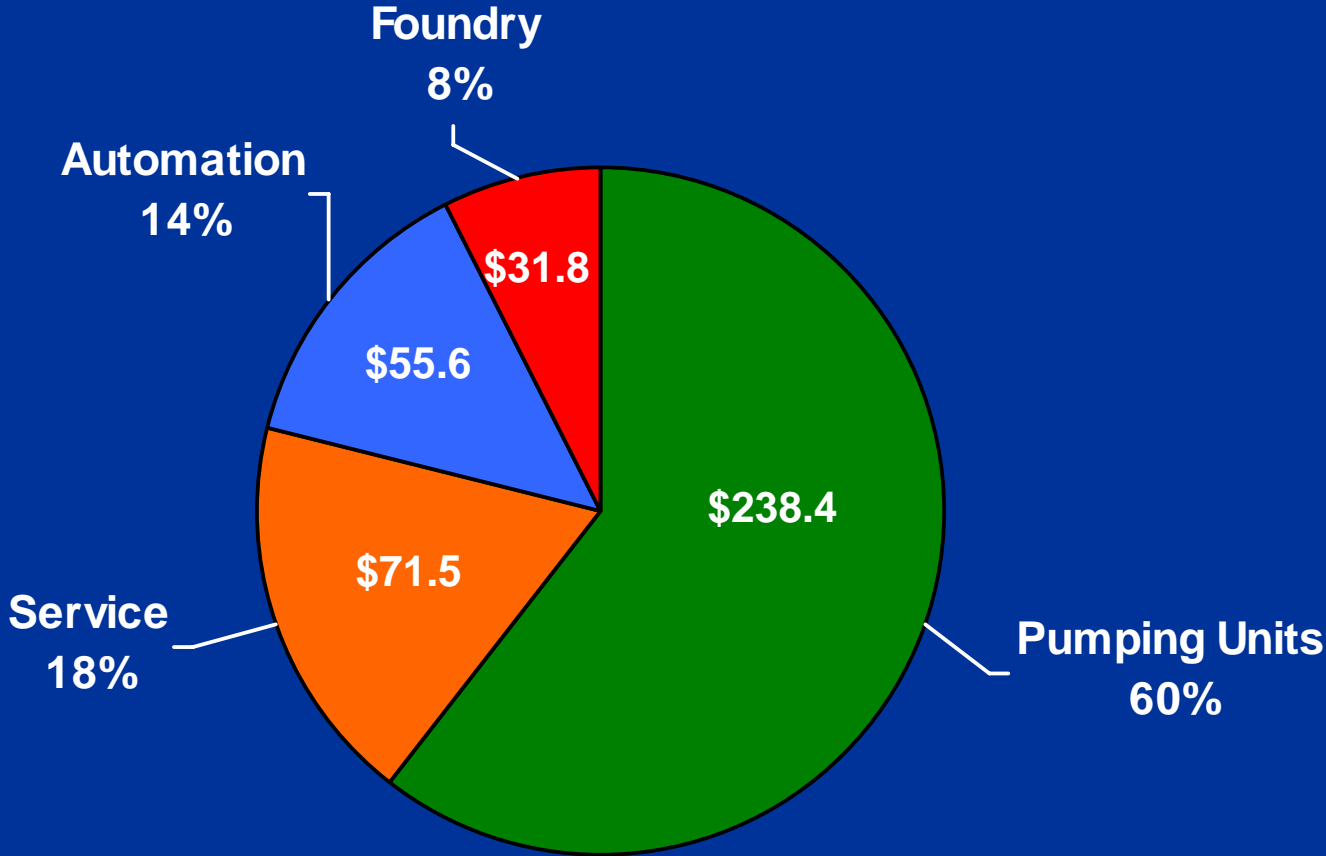
- North American Market
  - Weak in Q2 and Q3 2007, Strengthened in Q4 2007
- Strong International Growth
- Competitive Advantages
  - Synergies with Service and Automation
  - Manufacturing Lead Times
  - Product Performance
  - Geographic Support Network



# Oil Field Revenue w/Foundry

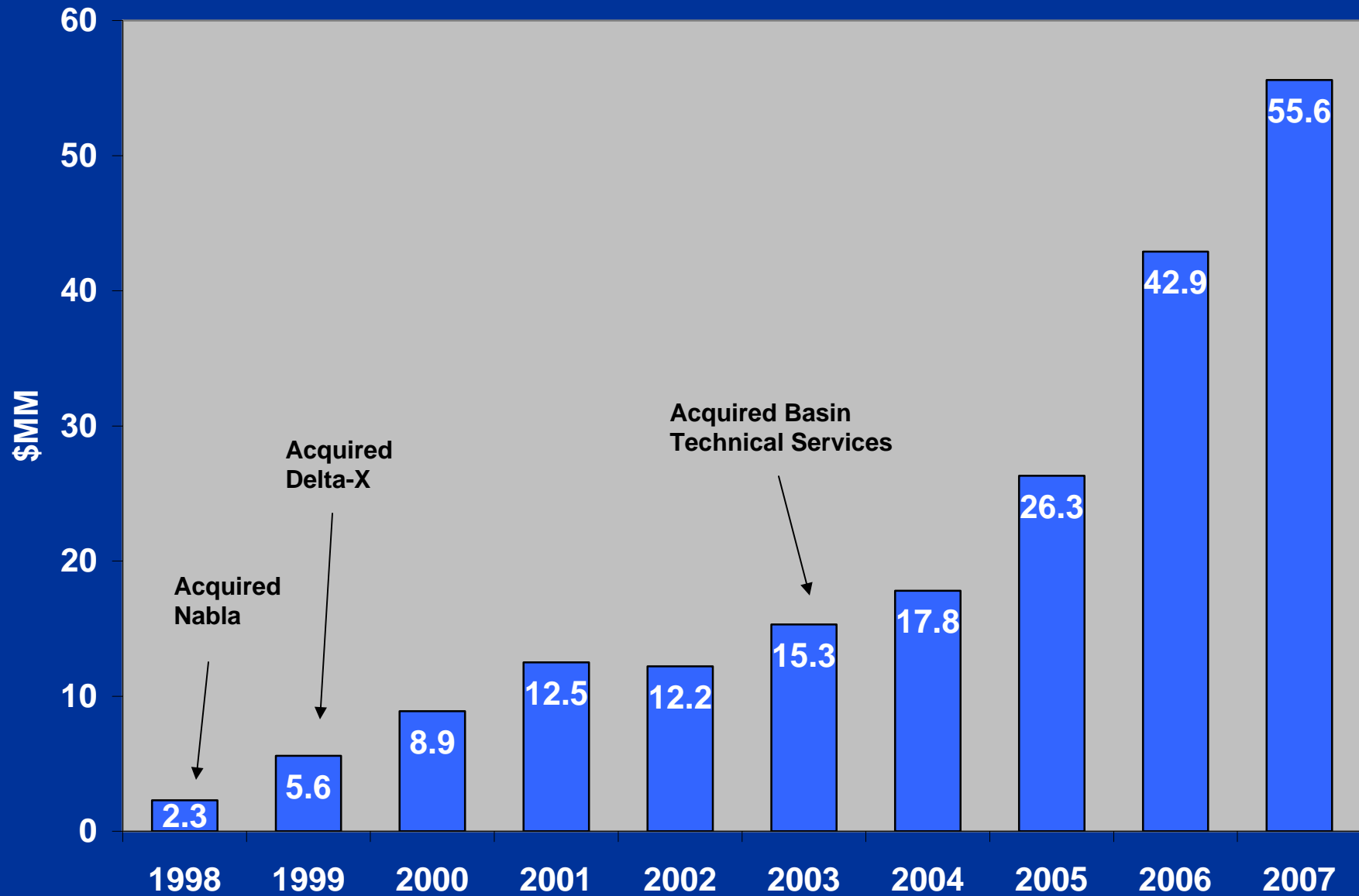


**2007 Revenue by Product Line - \$397.4 MM**



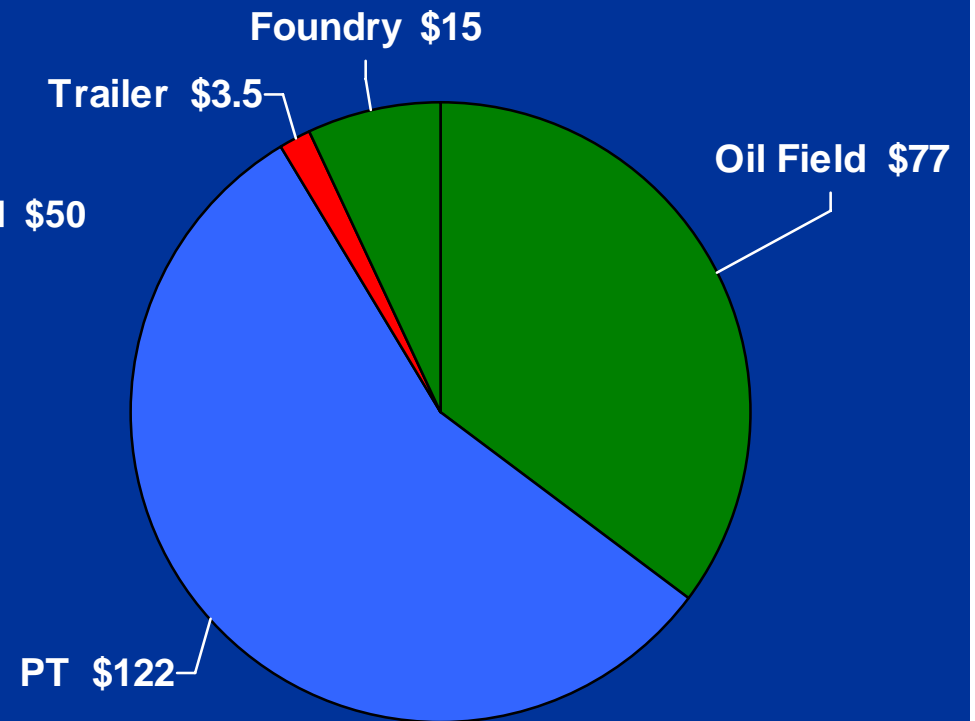
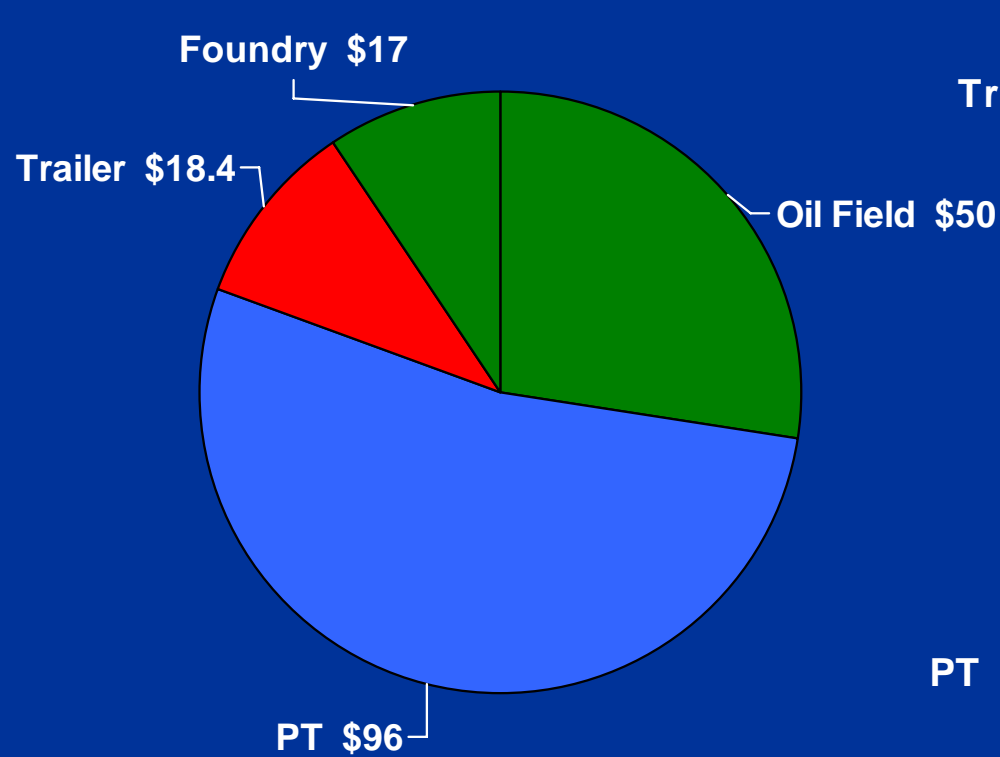


# Oil Field Automation Sales



Year End 2006 - \$181.1 MM

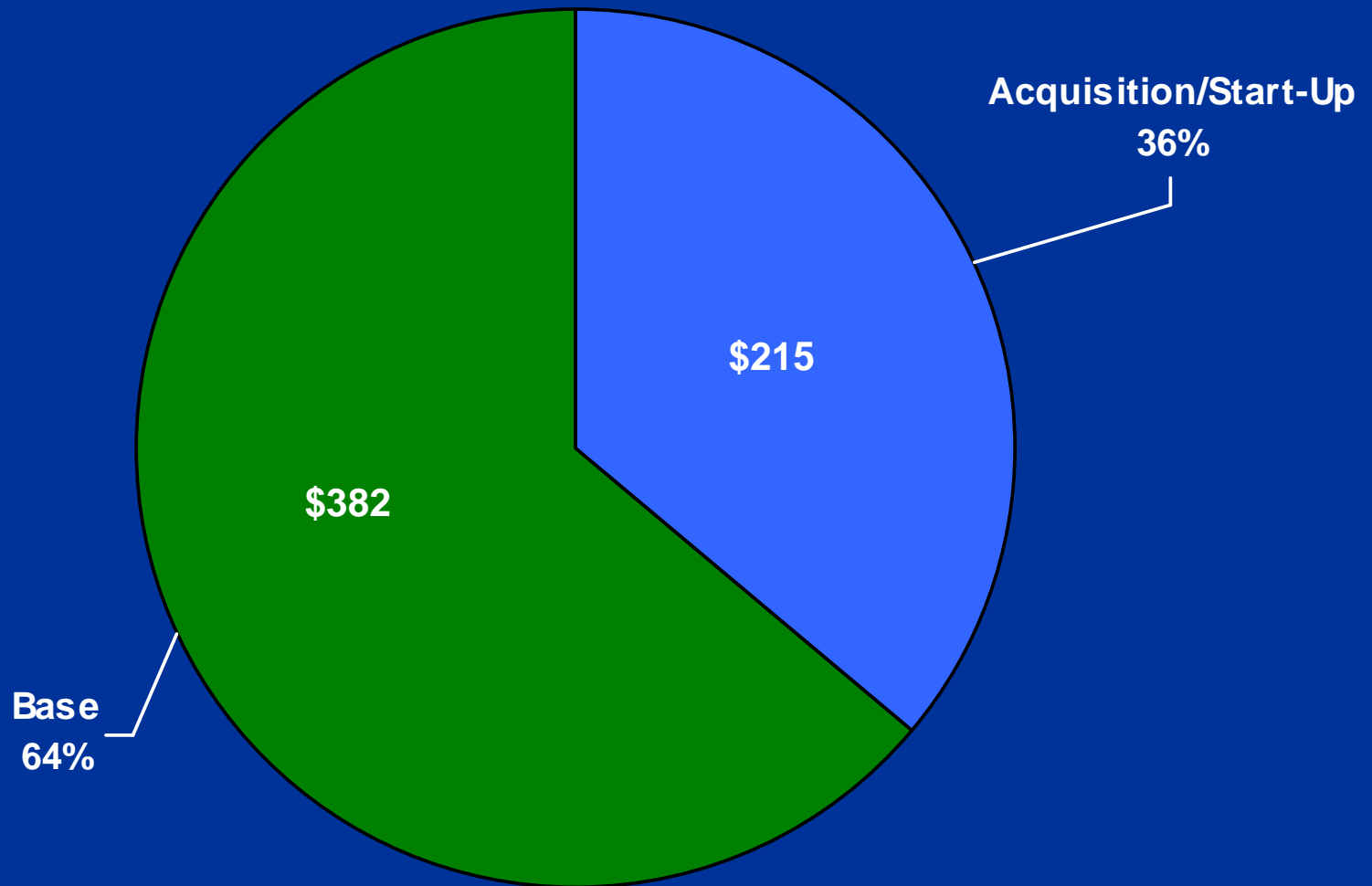
Year End 2007 - \$202.5 MM





# Revenue Impact by Source

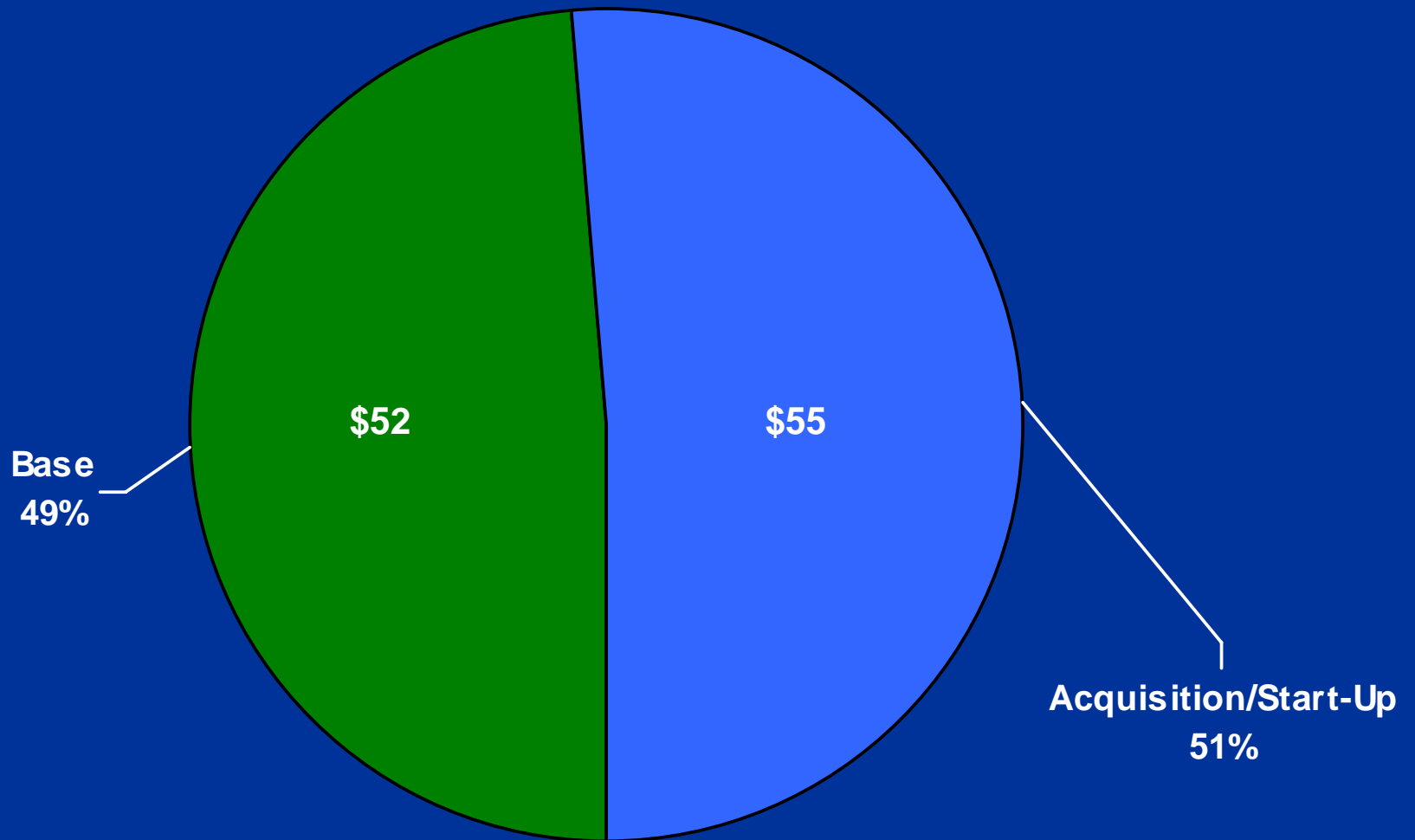
2007 Revenue - \$597 MM





# Operating Income by Source

2007 Operating Income - \$107 MM



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# Questions

