

REXNORD
Fourth Quarter 2010
Earnings Release

May 26, 2010



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Cautionary Statement Under the Private Securities Litigation Reform Act

This presentation and discussion may contain certain forward-looking statements that are subject to the Safe Harbor language contained in the press release we filed today as well as in our filing with the Securities and Exchange Commission.

Q4 FY '10 Performance Summary



<i>\$ in millions</i>	Q4 '10	Q4 '09	\$ change	% change
Net sales	\$ 406.7	\$ 432.2	\$ (25.5)	(5.9)%
Adj. EBITDA ⁽¹⁾	\$ 87.1	\$ 87.2	\$ (0.1)	(0.1)%
% of sales	21.4%	20.2%		+120 bps
Adj. EBITDA ex-pension ⁽²⁾	\$ 90.1	\$ 84.4	\$ 5.7	6.8%
% of sales	22.2%	19.5%		+270 bps
Free cash flow	\$ 8.0	\$36.9	\$ (28.9)	(78.3)%

(1) As defined in the Form 8-K filed with the Securities and Exchange Commission on May 25, 2010

(2) Excludes \$3.0 million of pension expense in Q4 '10 and \$2.8 million of pension income in Q4 '09

Solid operating results as EBITDA ex-pension expands \$5.7M YoY and margins increase +270 bps

Process & Motion Control Segment



<i>\$ in millions</i>	Q4 '10	Q4 '09	\$ change	% change
Net sales	\$ 284.5	\$ 311.9	\$ (27.4)	(8.8)%
- core				(11.6)%
- currency				2.8%
Adj. EBITDA ⁽¹⁾	\$ 70.5	\$ 68.7	\$ 1.8	2.6%
% of sales	24.8%	22.0%		+280 bps
Adj. EBITDA ex-pension ⁽²⁾	\$ 72.8	\$ 70.1	\$ 2.7	3.9%
% of sales	25.6%	22.5%		+310 bps

(1) As defined in the Form 8-K filed with the Securities and Exchange Commission on May 25, 2010

(2) Excludes \$2.3 million of pension expense in Q4 '10 and \$1.4 million of pension expense in Q4 '09

End-market recovery continues EBITDA increases \$1.8M YoY and margin expands +280 bps

Water Management Segment



<i>\$ in millions</i>	Q4 '10	Q4 '09	\$ change	% change
Net sales	\$ 122.2	\$ 120.3	\$ 1.9	1.6%
- core				0.1%
- currency				1.5%
Adj. EBITDA ⁽¹⁾ ⁽²⁾	\$ 22.8	\$ 17.0	\$ 5.8	34.1%
% of sales	18.7%	14.1%		+450 bps

(1) As defined in the Form 8-K filed with the Securities and Exchange Commission on May 25, 2010

(2) Includes pension expense of \$0.5 million in Q4 '10 and \$0.6M of pension expense in Q4 '09

Share gains and municipal water diversity mitigating impact of commercial and residential end-market declines ... margins expand +450 bps year-over-year

Capital Structure



RBS Global <i>\$ in millions</i>	3/31/10	3/31/09
Free Cash Flow (fiscal YTD)	\$135.0	\$ 117.0
Cash	\$ 263.2	\$ 277.5
Total Debt	\$ 2,129.2	\$ 2,140.5
Total Net Debt	\$ 1,866.0	\$ 1,863.0
Net debt leverage ratio ⁽¹⁾	6.7x	5.0x
Total Liquidity	\$ 471.0	\$ 373.7

Rexnord Holdings <i>\$ in millions</i>	3/31/10	3/31/09
Total Net Debt	\$ 1,951.6	\$ 2,238.2
Net debt leverage ratio ⁽¹⁾	7.0x	6.1x

(1) Defined as total debt less cash divided by the last 12 months of adjusted EBITDA, pro forma for acquisitions

Financial flexibility with substantial liquidity and “patient” capital structure