

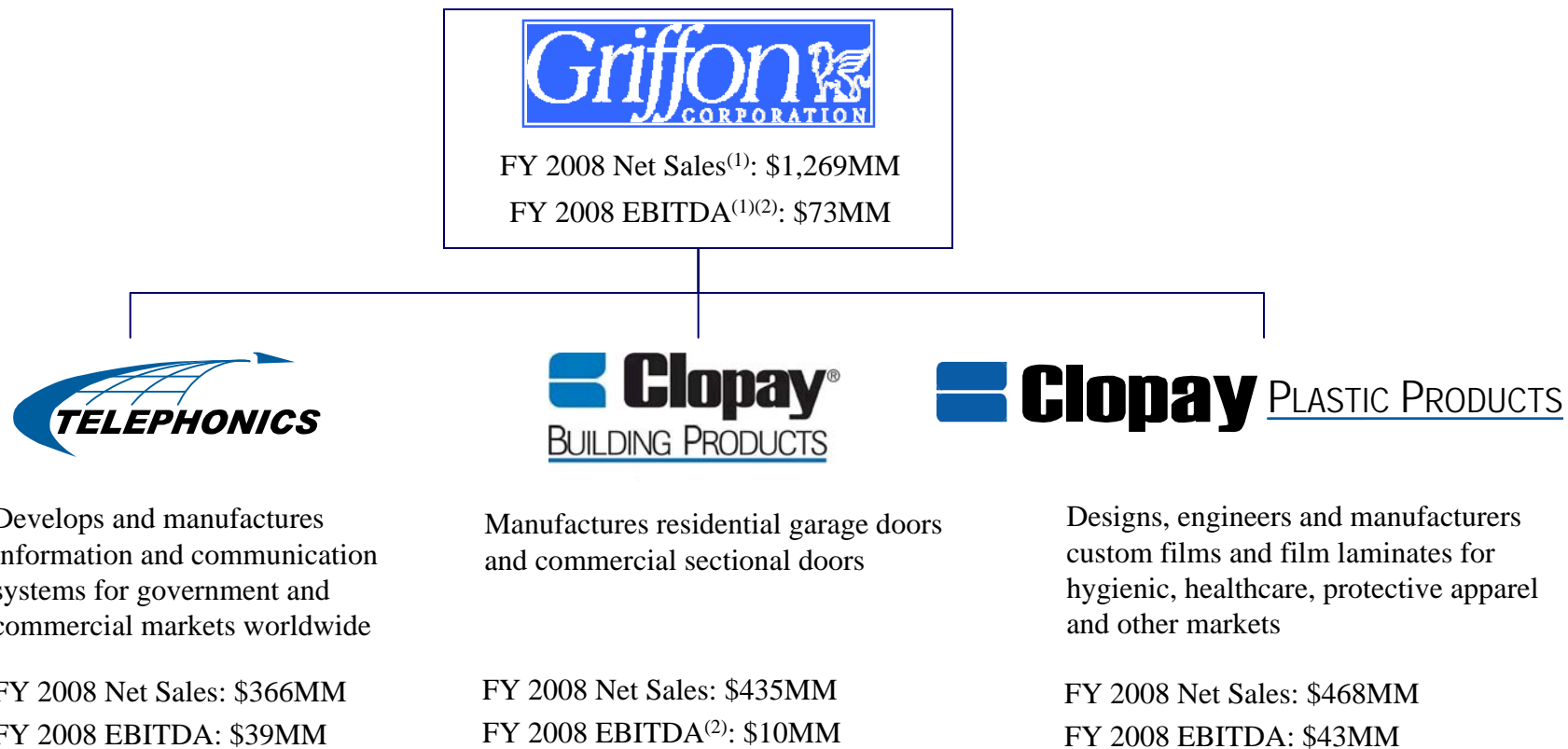


December 2008

# Forward-Looking Statements

*All statements other than statements of historical fact included in this presentation, including without limitation statements regarding the company's financial position, business strategy and the plans and objectives of the company's management for future operations, are forward-looking statements. When used in this presentation, words such as "anticipate", "believe", "estimate", "expect", "intend", and similar expressions, as they relate to the company or its management, identify forward-looking statements. Such forward-looking statements are based on the beliefs of the company's management, as well as assumptions made by and information currently available to the company's management. Actual results could differ materially from those contemplated by the forward-looking statements as a result of certain factors, including, but not limited to, business, financial market and economic conditions, including, but not limited to, the credit market, the housing market, results of integrating acquired businesses into existing operations, the results of the company's restructuring and disposal efforts, competitive factors and pricing pressures for resin and steel, and capacity and supply constraints. Such statements reflect the views of the company with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the operations, results of operations, growth strategy and liquidity of the company as previously disclosed in the company's SEC filings. Readers are cautioned not to place undue reliance on these forward-looking statements. The company does not undertake to release publicly any revisions to these forward-looking statements to reflect future events or circumstances or to reflect the occurrence of unanticipated events.*

# Business Overview



(1) Net sales and EBITDA exclude discontinued operations. In May 2008, Griffon's Board of Directors approved a plan to exit all operating activities of the Company's installation services unit.

(2) Adjusted for \$12.9mm write-off of goodwill and \$2.6mm of restructuring charges.



# Installation Services - Discontinued Ops

- Clopay Service Co. was a subcontractor to the new residential housing industry
- Multi-location, primarily in the Southeast and Southwest
- Major products installed were garage doors, appliances, manufactured fireplaces, cabinets and flooring
- Housing downturn resulted in operating losses in FY2007 & 2008
- Griffon Board approved an exit plan in 2008, and segment was reported as discontinued operations beginning in Q3 of fiscal 2008
- Aggregate disposal costs of approximately \$43 million in fiscal 2008, primarily non-cash, with only wind-down activities expected in 1H of fiscal 2009



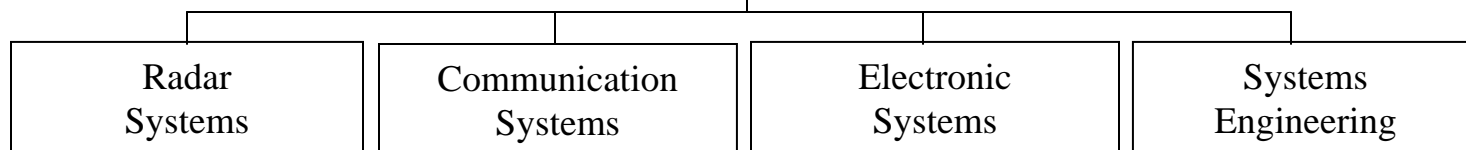
# Telephonics Overview

Develops mission critical electronic equipment for intelligence, surveillance, reconnaissance and communications applications, primarily for US Department of Defense programs

- Key customer relationships include: Lockheed Martin, Northrop Grumman, Boeing, General Dynamics, Honeywell, SRC, US Marine Corps, Army, Navy, Air Force and Coast Guard



- Joseph Battaglia, President
- >1,300 FTEs, including >700 engineering
- State-of-the-art manufacturing in 8 locations



## KEY PRODUCTS

- |   |  |  |  |
|---|--|--|--|
| <ul style="list-style-type: none"> <li>▪ Surveillance radar</li> <li>▪ Weather radar</li> <li>▪ Search radar</li> </ul> | <ul style="list-style-type: none"> <li>▪ Digital / analog communication mgmt</li> <li>▪ Digital / audio distribution &amp; control</li> <li>▪ Wireless products</li> </ul> | <ul style="list-style-type: none"> <li>▪ Air traffic control</li> <li>▪ Ground surveillance</li> <li>▪ Tactical landing systems</li> </ul> | <ul style="list-style-type: none"> <li>▪ Engineering and Systems development for US Navy and Missile Defense Agency</li> </ul> |
|---|--|--|--|

## KEY PROGRAMS

- |   |   |  |   |
|---|---|--|---|
| <ul style="list-style-type: none"> <li>▪ LAMPS MMR Helicopter</li> <li>▪ CP-140 Aurora Aircraft</li> <li>▪ Maritime Helicopter Project (MHP)</li> <li>▪ AWACS Aircraft</li> </ul> | <ul style="list-style-type: none"> <li>▪ C-17 Transport Aircraft</li> <li>▪ SDI UH-60M Blackhawk Helicopter</li> <li>▪ TruLink Short Range Radio</li> </ul> | <ul style="list-style-type: none"> <li>▪ SBInet Ground Surveillance Radar</li> <li>▪ Mobile Surveillance Systems (Dept. of Homeland Security)</li> <li>▪ Macau Tower Air Traffic Management</li> </ul> | <ul style="list-style-type: none"> <li>▪ AEGIS Ballistic Missile Threat Analysis</li> </ul> |
|---|---|--|---|



# Key Near-Term Opportunities



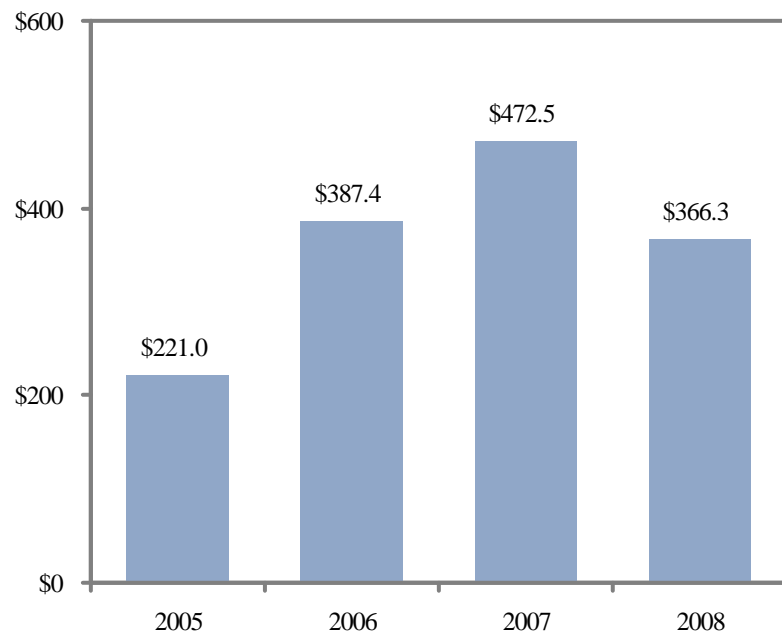
- Vehicle Intercommunication System-Extended (VIS-X) Program
  - IDIQ contract with potential \$3.5B value for new production and refurbished/upgraded vehicles (reset programs)
- U.S. Army and USMC JLTV Intercommunication Systems and USMC Up-Armored HUMVEE program
  - Up to 144,000 vehicles
- USCG upgrades of Surveillance and Search and Rescue radar systems for H-60, H-65 helicopters, and Fire Scout and Predator UAVs
  - Up to 150 Helicopters and greater than 60 UAVs
- Increasing role in Secure Borders Initiative with sensor and system integration for Homeland Security

# Financial Highlights

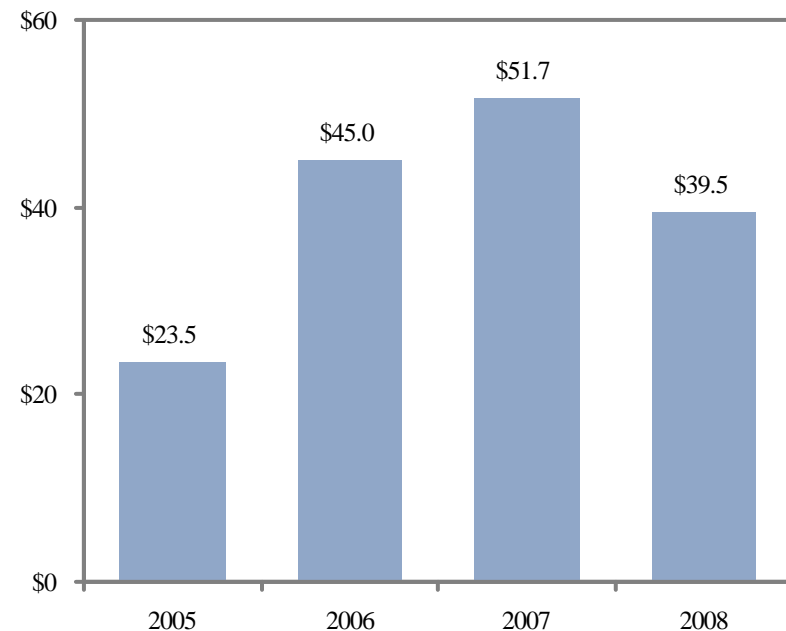
*(\$ in millions)*

**Telephonics' 2005-2007 growth in net sales and EBITDA was primarily driven by its contract with Syracuse Research Corp. Excluding the impact of the SRC contracts in the respective fiscal year periods, Telephonics' core business sales grew approximately \$66.4mm or 24% in 2008.**

### Historical Net Sales



### Historical EBITDA





**Clopay**<sup>®</sup>  
BUILDING PRODUCTS

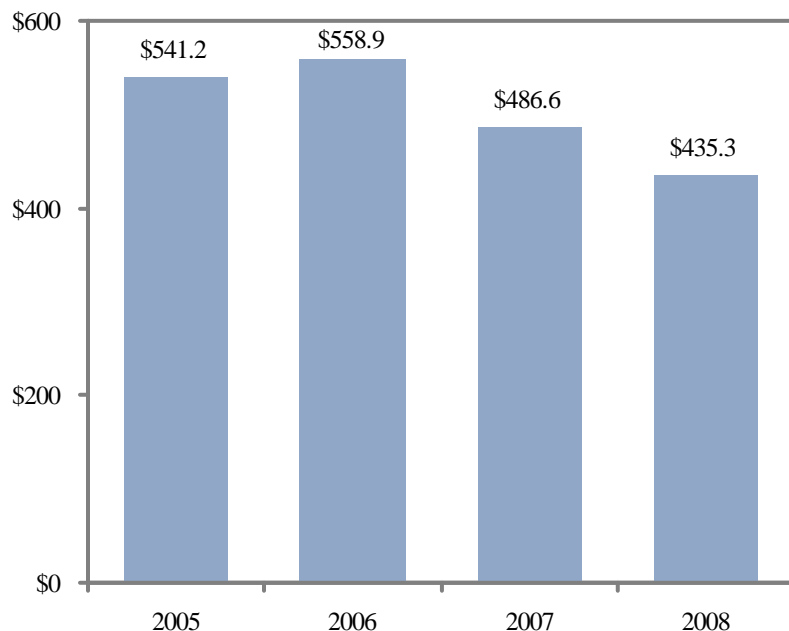


# Financial Highlights

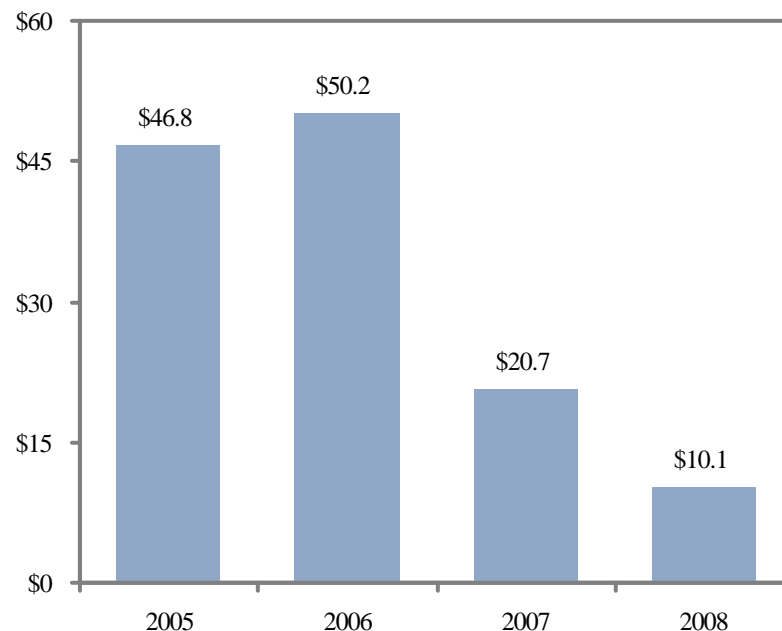
(\$ in millions)

In response to the recent downturn in the housing markets, management initiated a restructuring plan in late fiscal 2007 to reduce costs and consolidate manufacturing.

### Historical Net Sales



### Historical EBITDA <sup>(1)</sup>



(1) EBITDA adjusted for \$12.9mm write-off of goodwill in 2008 and \$2.5mm and \$2.6mm of restructuring charges in 2007 and 2008, respectively.



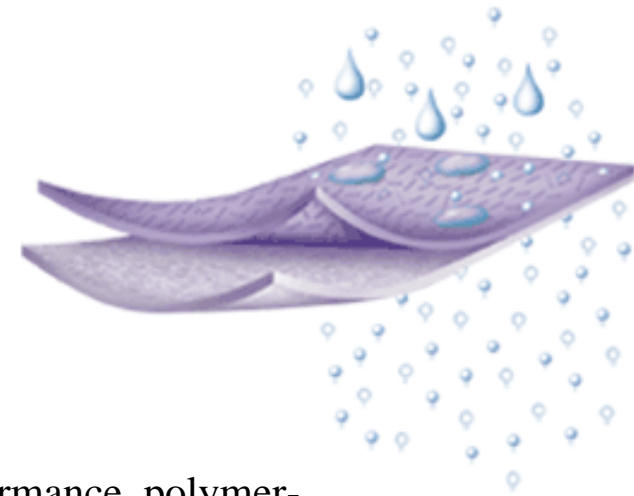


 **Clipay** PLASTIC PRODUCTS

# Clopay Plastic Products

Global supplier of plastic films and laminates for use in infant diapers, adult incontinence, feminine hygiene, surgical products, patient care, protective apparel and industrial products

- Global leader in the development and supply of high-performance, polymer-based film and composite structures for use in personal care and healthcare applications
- Long, established history of high quality products and new innovations
- Leading supplier of diaper backsheet and other technical film and composite materials to Procter & Gamble
- Key customers include: P&G, 3M, Kimberly-Clark, Johnson & Johnson, SCA, Ontex, and Avery Dennison
- Substantial capital equipment expansion program in 2003-2005 to increase manufacturing capacity and capture opportunities with P&G and other personal care products companies
- Recent expansion into Brazil hygiene product market
- Gary Abyad, President; ~1,200 full-time employees
- Five manufacturing plants in three regional business units: North America (~45% of sales), Europe (~45% of sales) and Latin America (~10% of sales)

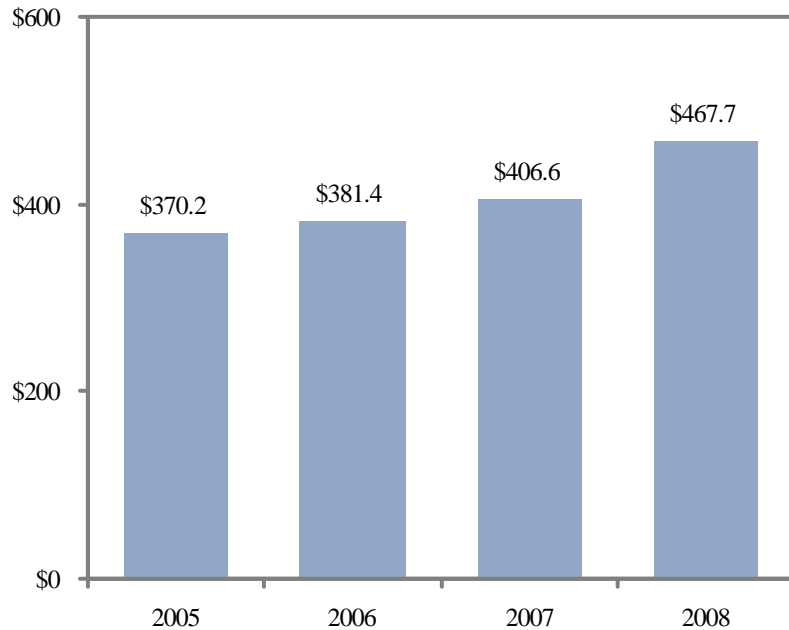


# Financial Highlights

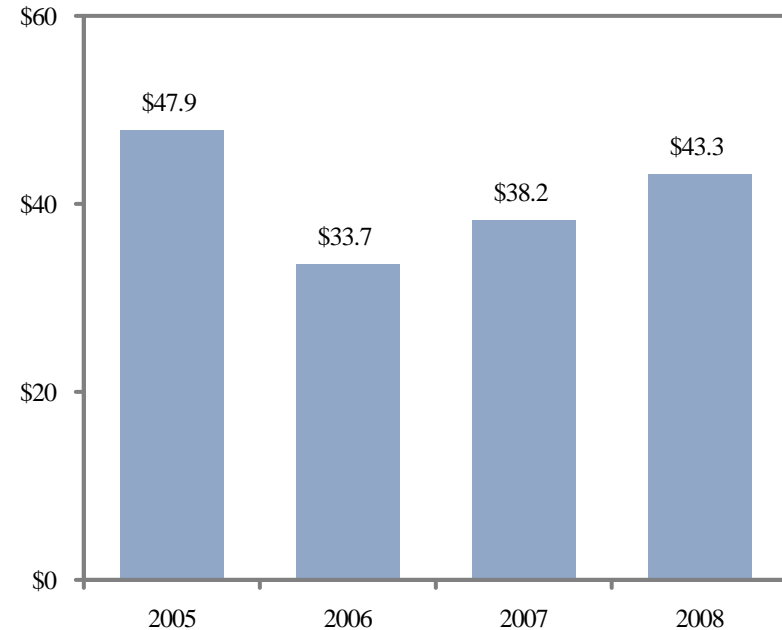
(\$ in millions)

Driven by capital investment of ~\$100mm from 2003-2005, Clopay Plastic Products has seen consistent net sales and EBITDA growth.

### Historical Net Sales



### Historical EBITDA



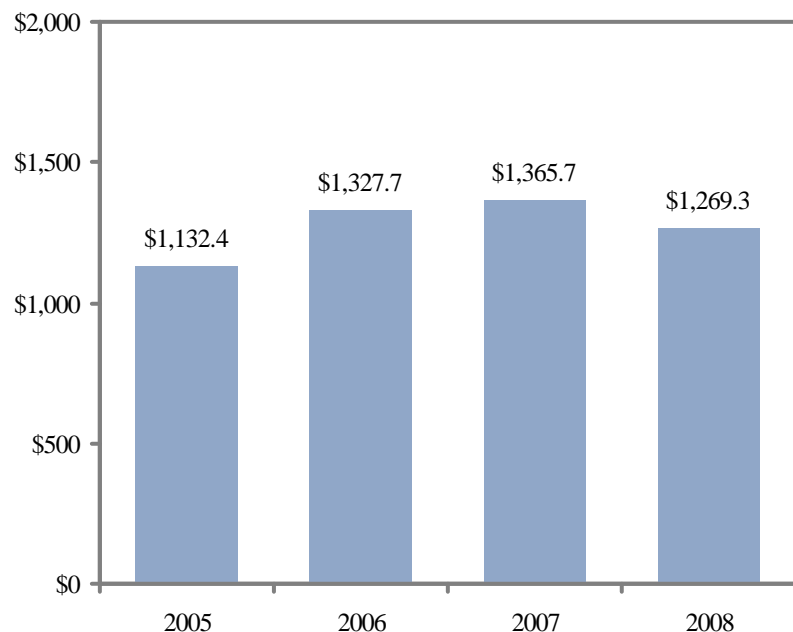
# Consolidated Financial Highlights

# Net Sales and EBITDA

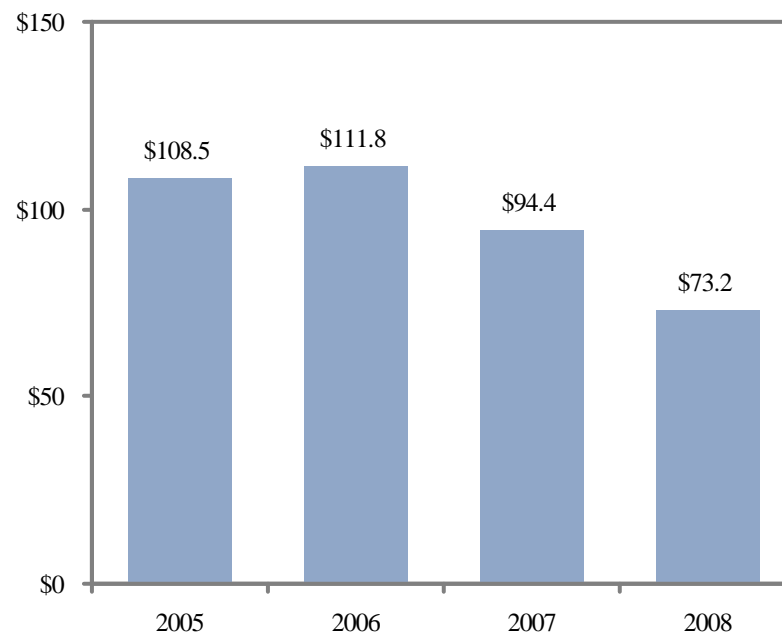
(\$ in millions)

**2008 was a transformational year for Griffon. Through the closure of Clopay Installation Services, restructuring of Clopay Building Products and raising of funds through the rights offering, management has positioned the company for maximum flexibility and growth potential.**

### Historical Net Sales



### Historical EBITDA <sup>(1)</sup>



(1) EBITDA adjusted for \$12.9mm write-off of goodwill in 2008 and \$2.5mm and \$2.6mm in restructuring charges in 2007 and 2008, respectively.



# Capitalization

*(\$ and shares outstanding in millions)*

	<u>As of 9/30/2008</u>	<u>As of 9/30/2007</u>
Cash and Equivalents	\$311.9	\$44.7
Total Debt	\$233.2	\$232.8
Stockholders' Equity	\$659.7	\$466.9
Shares Outstanding	59.7	29.9
Net Debt to EBITDA <sup>(1)</sup>	(1.1x)	2.0x
Debt to Total Capitalization	26%	33%

(1) EBITDA from continuing operations excluding non-recurring items.

# Investment Highlights

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- Diversified portfolio
- Strong, loyal customer base
- Innovative R&D and product development capabilities
- Stabilized operating performance poised for future growth
- Enhanced financial flexibility through rights offering
- Strong, experienced management team



*Griffon*   
CORPORATION