

**Having Completed a Restructuring to Survive the Great Recession of 2009,  
Altra Holdings, Inc. is Now Well Positioned to Take Advantage of  
the Growth Opportunities Ahead of Them**

**Industrial Goods  
Industrial Electrical Mechanical  
(AIMC-NASDAQ)**



**Carl R. Christenson  
President, CEO and Director**

**BIO:**

Carl R. Christenson, has been a director since July 2007 and our President and Chief Executive Officer since January 2009. Prior to his current position, Mr. Christenson served as our President and Chief Operating Officer from January 2005 to December 2008. From 2001 to 2005, Mr. Christenson was the President of Kaydon Bearings, a manufacturer of custom-engineered bearings and a division of Kaydon Corporation. Prior to joining Kaydon, Mr. Christenson held a number of management positions at TB Wood's Corporation (now a subsidiary of Altra) and several positions at the Torrington Company. Mr. Christenson holds M.S. and B.S. degrees in Mechanical Engineering from the University of Massachusetts and an M.B.A. from Rensselaer Polytechnic.

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**Company Profile:**

Altra is a leading multinational designer, producer and marketer of a wide range of mechanical power transmission products. We sell our products in over 70 countries throughout the world. Our products are frequently used in critical applications, such as fail-safe brakes for elevators, wheelchairs and forklifts.

Altra also provides products for use in a wide variety of high-volume manufacturing processes, where the reliability and accuracy of our products are critical in both avoiding costly down time and enhancing the overall efficiency of manufacturing operations.

Our products are marketed under a variety of well recognized and established manufacturing brand names. These leading brands are Ameridrives, Bauer Gear Motor, Boston Gear, Warner Electric, Formsprag Clutch, TB Wood's Incorporated, Industrial Clutch, Kilian Manufacturing, Marland Clutch, Nuttall Gear, Stieber Clutch, Twiflex Ltd, Huco Dynatork, Bibby Transmissions, Matrix International, Inertia Dynamics, Delroyd Worm Gear, Warner Linear and Wichita Clutch.

The Altra product portfolio includes industrial clutches and brakes, gear drives, couplings, machined-race bearings, belted drives, linear actuators and other related products. Our customers operate in a diverse group of industries, including automotive, general industrial, material handling, aggregate and mining, marine, power

generation, oil and gas, transportation and turf and garden.

**Interview conducted by:  
Lynn Fosse, Senior Editor  
CEOCFOinterviews.com**

**CEOCFO:** Mr. Christenson, you have been CEO for a couple of years now, how has Altra changed under your leadership?

**Mr. Christenson:** When I took over the company, we were just entering the great recession of 2009. So the first thing that was necessary was to restructure the company and make sure that we were positioned to survive the global economic downturn and then coming out of the recession, invest and rebuild the organization so that we were prepared to take advantage of all the growth opportunities we have in front of us.

**CEOCFO:** Would you describe Altra today?

**Mr. Christenson:** I will first have to give you a background on our company. Altra is a company that is emerging from a roll-up of twenty-plus independent businesses, is a global organization that serves a global customer base and has undergone quite a transition during the past six years. We now have five business platforms. We make industrial electro-mechanical power transmission products, which are the devices that go between a motor and a machine. Gearing, flexible couplings, clutches and brakes are our primary products. We are a public company traded on the Nasdaq and AIMC is the ticker symbol. We had revenues of \$520 million in 2010, and we just closed on the acquisition of a gearing company

where we will add about \$100 million of revenues. After the acquisition we will have approximately 3,300 employees around the world with 70% of our sales being generated in North America, 20% in Europe and 10% in Asia and the rest of the world.

**CEOCFO:** Do you see that geographic mix changing?

**Mr. Christenson:** We have a goal to expand our global geographic presence. In the next three to five years I would like to see that rest of the world piece I mentioned grow to 15% of our revenues.

**CEOCFO:** Will that come through additional sales of current products or by acquisitions of foreign companies; what is Altra's strategy?

**Mr. Christenson:** Yes, there is a lot of opportunity in our states with the current product offerings we have. We have both organic growth and growth through acquisition opportunities. Five years from now if we could look back and achieve 50% of that growth organically and 50% of growth through acquisition primarily through product line extensions, we would be very happy.

**CEOCFO:** Has the industry itself been consolidating or is it something that Altra has taken on as the best plan for you?

**Mr. Christenson:** The industry has been consolidating in North America for quite some time. However, it is still fragmented in Europe as well as in other parts of the world and there is still a great opportunity to make strategic acquisitions that meet our criteria outside of the United States.

**CEOCFO:** What is Altra's secret to having so many employees in so many locations and making it work smoothly?

**Mr. Christenson:** We are an engineered niche products company with a very small corporate staff. We have five product platforms with strong managers running each who are responsible for those businesses around the world. The key is having very

good leadership for each one of our platforms.

**CEOCFO:** As far as the proposed acquisition and additional ones; what is it that Altra is looking for?

**Mr. Christenson:** We are very focused on industrial electro-mechanical power transmission products. As I said, it is a fragmented industry, so we believe that the best opportunities for us will be in our main products, which are gearing, flexible couplings and clutch brakes. We intend to stay focused on those areas. Additionally, we concentrate on acquisitions that help us leverage our fixed costs, are accretive to earnings, and have improvement opportunities that align with Altra's strengths.

**CEOCFO:** Are there new technologies and manufacturing techniques that Altra is able to take advantage of?

**Mr. Christenson:** There are always

**The products that we make can be used in virtually anything that moves, including lawn mowers, elevators, forklifts, conveyer systems and wind turbines. - Carl R. Christenson**

continuous improvements in manufacturing techniques. Our businesses have been around at least fifty years (and over 150 years in some cases) and there are always incremental improvements in manufacturing processes and in materials. Therefore, our engineers stay abreast of current technology and evaluate ways to use this technology to adapt our products to better serve customer applications. However, there are no real significant game-changing steps forward; there is mostly incremental improvement. The other area that we continue to improve our processes is through our Lean Manufacturing initiatives, which we call the Altra Business System.

**CEOCFO:** What is an example of what Altra has done that has been most effective in changing the processing?

**Mr. Christenson:** The way that we try to differentiate ourselves is by working very closely with our customers to help them solve problems and develop new products. We help them reduce their costs and we are one of

the only companies in the world that is really focused on a broad based portfolio of electro-mechanical industrial power transmission products. This has enabled us to out-execute other companies in our industry and truly provide superior service for our customers by helping them create better products.

**CEOCFO:** Do you do a lot of customization, and do you need to maintain a large inventory?

**Mr. Christenson:** About a third of our business is a standard product that is sold out of a catalog or our website. About a third is a modified product, (there is modification to that standard product) and then a third would be a clean sheet of paper custom designed product, specifically for a customer application. That is where we really excel - developing those new products for our customers. We work in a wide variety of end markets, a mix of late cycle and early cycle markets.

For example, the products that we make can be used in virtually anything that moves, including lawn mowers, elevators, forklifts, conveyer systems and wind turbines.

**CEOCFO:** Altra had a very good quarter; how do you continue along the path?

**Mr. Christenson:** We were early to recognize that we were heading into the downturn and took aggressive action to make sure that we performed well for the downturn. As we saw things start to stabilize, we took action to make sure that we were prepared as the economy started to improve. That preparation work that we did such as hiring people early and buying equipment during the downturn enabled us to have the capacity and capability to handle this and out-perform as things improved. Our delivery performance has remained very strong as rate of growth picked up and it has enabled us to earn some new business. We also did not reduce our developmental activities during the downturn. We continued to work with our customers and internally on new product initiatives. We are also working on market focused initiatives and expanding into new markets. Acceler-

ating these activities has helped us as the economy has recovered.

**CEOCFO:** Do people care that it is an Altra product or is it the particular brand-name that they are familiar with?

**Mr. Christenson:** It is really the individual brand-names that are important. They are very well established around the world and well respected for reliability, engineering support, and good operating performance.

**CEOCFO:** What is the plan going forward the next year or two?

**Mr. Christenson:** The plan is to continue to drive the areas where we have been successful. We have a solid growth strategy where we are expanding into new markets. We try to focus our resources on selected target end markets where we think we can carve out a sustainable competitive advantage. Then, as a manufacturing company, we have to remain focused on cost and work internally to

improve our productivity, efficiency and reduce the cost of our products. Our plan is to achieve half of our growth from internal activities like market development, new products and new geographic expansion. We plan to supplement these organic growth initiatives with growth through acquisitions. We would be very pleased to get to this optimal 50/50 split I mentioned earlier.

**CEOCFO:** Do you do much investor outreach?

**Mr. Christenson:** We do. We attend three to four investor conferences a year and we also participate in non-deal road shows and meet with current and potential investors frequently.

**CEOCFO:** Why should potential investors consider Altra today, and what might they miss that they should understand about the company?

**Mr. Christenson:** We are a young public company; we went public in

2006. We are a roll-up that has now matured into a well established business. We have executed very well and done what we said we were going to do with the business. When I look at the end markets that we serve they have very good long-term growth prospects. We are also one of the only companies in this space that is focused on electro-mechanical power transmission products, and through that focus we will be able to outperform our competition.

**CEOCFO:** Final thoughts, what should people remember most about Altra?

**Mr. Christenson:** We have an excellent management team that is fully capable of running a much larger organization and we are very excited about going out and growing the business.

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