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Stephens Investment Conference

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RBC
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Safe Harbor Statement

This presentation contains “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995.

Forward-looking statements represent our management’s judgment regarding future events. In many cases, you can identify forward-looking statements by terminology such as “may,” “will,” “plan,” “expect,” “anticipate,” “estimate,” “believe,” or “continue” or the negative of these terms or other similar words. Actual results and events could differ materially and adversely from those contained in the forward-looking statements due to a number of factors, including: actions taken by our competitors and our ability to effectively compete in the increasingly competitive global electric motor, power generation and mechanical motion control industries; our ability to develop new products based on technological innovation and the marketplace acceptance of new and existing products; fluctuations in commodity prices and raw material costs; our dependence on significant customers; issues and costs arising from the integration of acquired companies and businesses, including the timing and impact of purchase accounting adjustments; our dependence on key suppliers and the potential effects of supply disruptions; infringement of our intellectual property by third parties, challenges to our intellectual property, and claims of infringement by us of third party technologies; increases in our overall debt levels as a result of acquisitions or otherwise and our ability to repay principal and interest on our outstanding debt; product liability and other litigation, or the failure of our products to perform as anticipated, particularly in high volume applications; unanticipated costs or expenses we may incur related to product warranty issues; economic changes in global markets where we do business, such as reduced demand for the products we sell, currency exchange rates, inflation rates, interest rates, recession, foreign government policies and other external factors that we cannot control; unanticipated liabilities of acquired businesses; cyclical downturns affecting the global market for capital goods; difficulties associated with managing foreign operations; and other risks and uncertainties including but not limited to those described in Item 1A-Risk Factors of the Company’s Annual Report on Form 10-K filed on March 2, 2011 and from time to time in our reports filed with U.S. Securities and Exchange Commission. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the applicable cautionary statements. The forward-looking statements included in this presentation are made only as of their respective dates, and we undertake no obligation to update these statements to reflect subsequent events or circumstances.



Non-GAAP Financial Measures

We prepare financial statements in accordance with accounting principles generally accepted in the United States (GAAP). We also disclose adjusted diluted earnings per share (EPS), adjusted gross profit, adjusted gross profit as a percentage of net sales, adjusted operating profit, adjusted operating profit as a percentage of net sales, and free cash flow which are non-GAAP financial measures. We use these measures in our internal performance reporting and for reports to the Board of Directors. We also disclose these measures in our quarterly earnings releases, on investor conference calls, and in investor presentations and similar events. We believe that adjusted diluted EPS, adjusted gross profit, adjusted gross profit as a percentage of net sales and free cash flow are useful measures for providing investors with additional insight into our operating performance. This additional information is not meant to be considered in isolation or as a substitute for our results of operations prepared and presented in accordance with GAAP. Adjusted diluted earnings per share, adjusted gross profit and adjusted gross profit as a percentage of net sales exclude the effects of certain items that are not comparable from one period to the next. Free cash flow is defined as net cash provided by operating activities less additions to property, plant and equipment.

Overview

- **Getting to Know Regal Beloit**
- **Best in Class Industrial Performance**
- **Growth Catalysts**
- **Financial Consistency**

Building a Premier Global Enterprise

Overview

- **Getting to Know Regal Beloit**
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Building a Premier Global Enterprise

Regal Beloit Corporation Overview

Founded 1955
Beloit, WI

Revenues (PF)
\$3B +

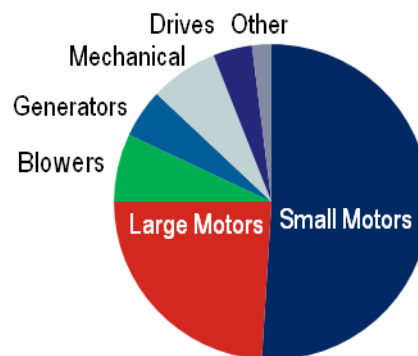
Employees
~25,800

Four CEOs

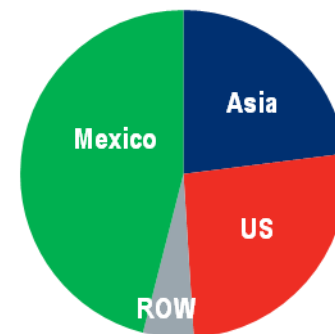
Revenue Growth
10-Year CAGR
17.6%

Total Shareholder Returns
7-Year CAGR
142%

Sales by Product/Platform



Production by Region



Transformation

- A Mid Cap Diversified Industrial
- A Truly Global Manufacturer
- A Lean Six Sigma Continuous Improvement Culture
- A Company Innovating Around Energy Efficiency
- A Consistent and Successful Acquirer
- A Top Tier Team of Global Industrial Talent



Necessary and Innovative Products

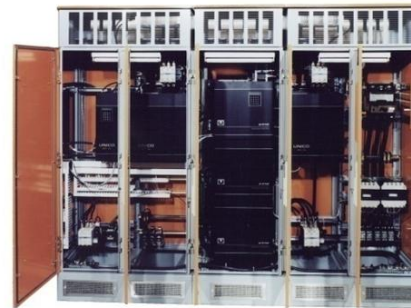
Electric Motors



Electric Generators



Custom Electric Drives

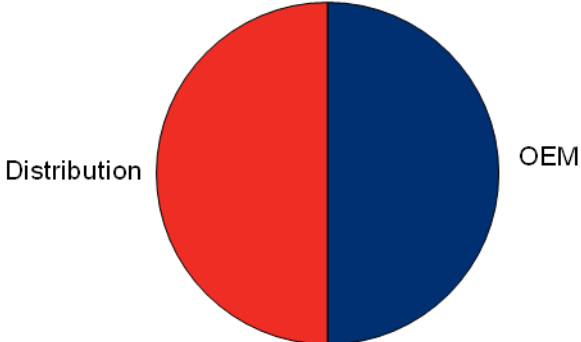


Power Transmission

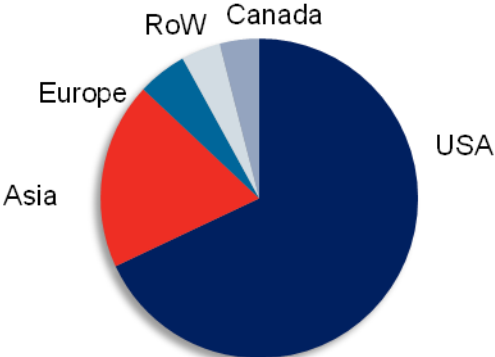


Well Balanced, Well Diversified Business Model

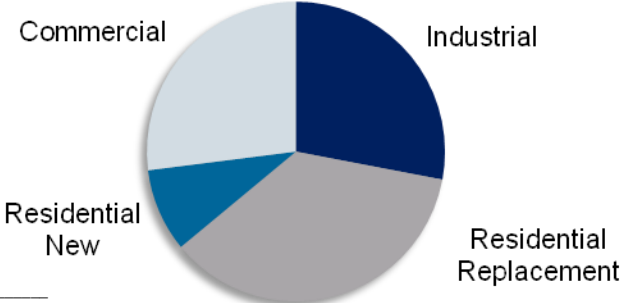
Revenues by Channel



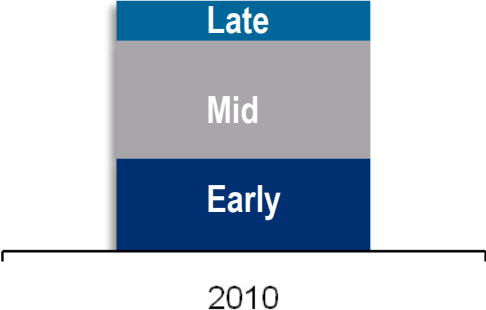
Revenues by Geography



Revenues by End Markets



Cyclicality



Management Estimates

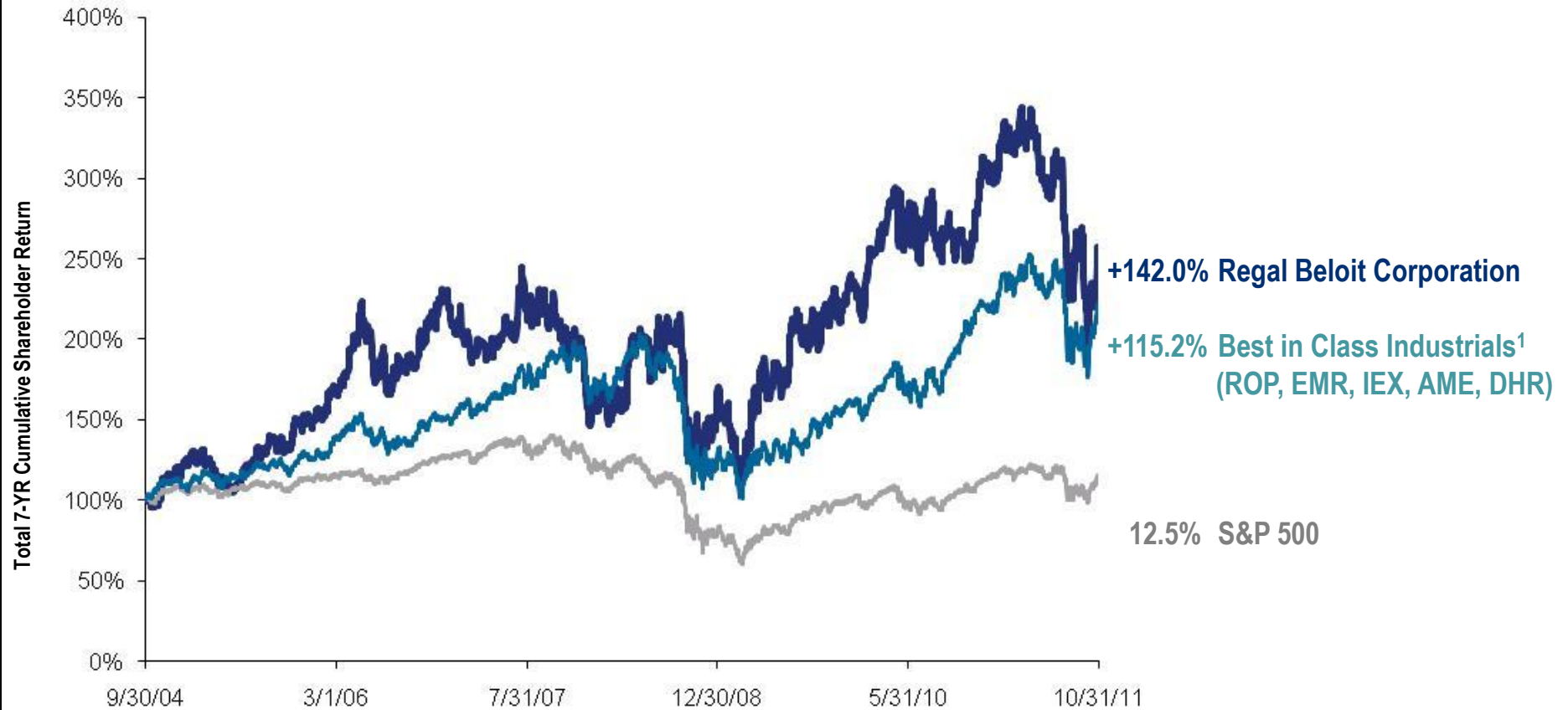


Overview

- Getting to Know Regal Beloit
- **Best in Class Industrial Performance**
- Growth Catalysts
- Financial Consistency

Building a Premier Global Enterprise

Total Shareholder Returns



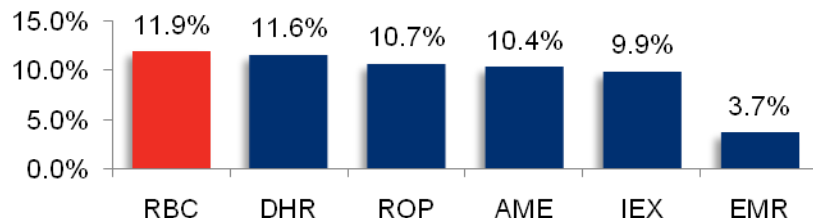
Performance Consistent With Best in Class Industrials

(1) Best In Class Industrials includes Ametek, Inc., Danaher Corporation, Emerson Electric Co., IDEX Corporation, and Roper Industries, Inc.

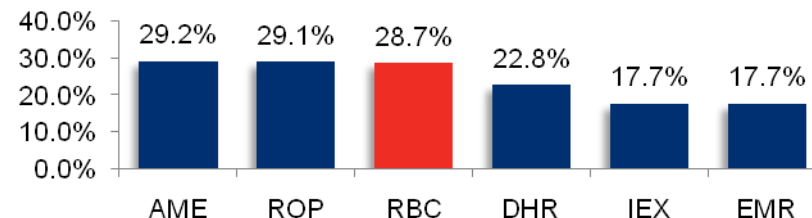


Relative Performance Profile

5-Year Sales CAGR

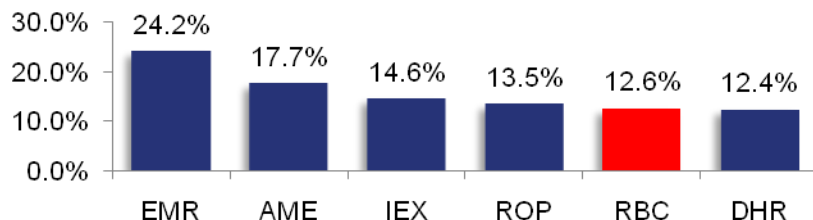


5-Year EPS CAGR ⁽²⁾

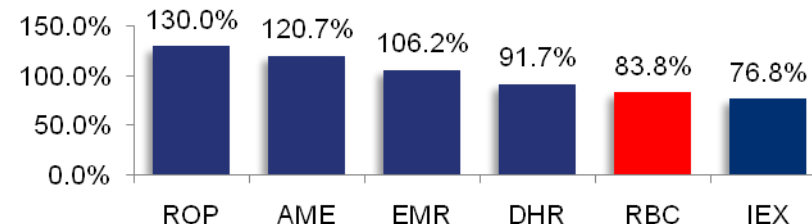


Total Debt / LTM EBITDA ⁽¹⁾	AME	ROP	RBC	DHR	IEX	EMR
	1.9x	1.7x	2.4x	2.3x	2.4x	1.1x

ROIC ⁽³⁾



FCF / NI



Performance Consistent With Best In Class Industrials

Source: Capital IQ and Bloomberg

Note: CAGR represents cumulative annual growth rate for the 2006 – 2011E calendar periods. 2011E revenue estimates represent the median analyst estimate per Capital IQ.

(1) EBITDA is computed as income from operations plus depreciation and amortization. RBC figures include the EPC transaction.

(2) 2011 estimates represent midpoint of Company guidance per StreetAccount. Median analyst estimate as of August 29, 2011.

(3) ROIC defined as LTM EBIT divided by the average of the last four quarters total capital. Total Capital equals (Total Assets – Cash) – (Current Liabilities – Current Debt).



Regal Beloit Compass Operating System

Lean Six Sigma Tools

- Quality
- Cost
- Delivery
- Cap Ex
- Cash Cycle
- New Products



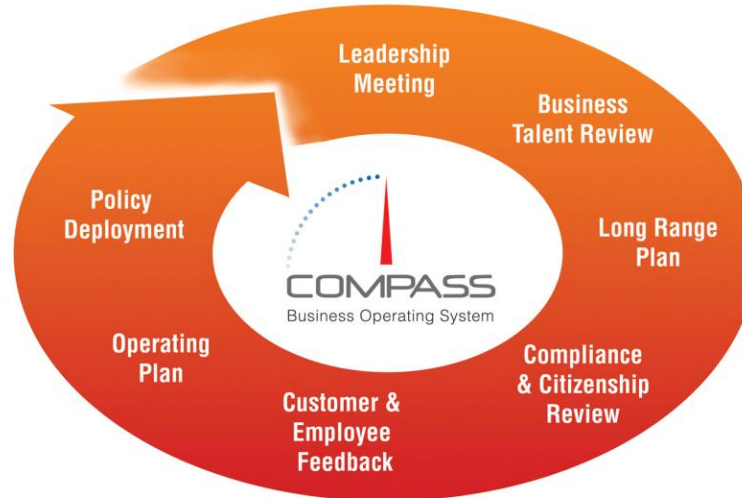
Near Term Income Statement

Leadership Tools

- Talent Management
- Long Range Plans
- Compliance/Safety
- Risk Management
- Customer Care
- Integrations



Long Term Growth



Overview

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Building a Premier Global Enterprise

Strategic Rationale to Acquire EPC

Offers New Technology and Products

- Combined Energy Efficient Technology Provides Ability To Deliver Additional Value To Customers
- Complementary Product Offerings
- Commercial And Residential Hermetic

Offers Stronger Global Footprint

- Strengthens Presence In High Growth Regions
- Augments Low Cost Manufacturing Locations
- Talented Global Management

Delivers Value

- \$35 Million Annual Synergies Building Over Four Years
- Synergies From Facility Rationalization & Material Consolidation
- Accretive in the First Full Year
- Tax Benefits Expected To Be Approximately \$46 Million

EPC Acquisition Consistent With Regal Beloit's Strategic Objectives



EPC Broad Product Platform

	Commercial HVAC&R	Residential HVAC&R	Pump	Distribution	General Industry
	25%	26%	16%	24%	9%
Key Applications					
				 <i>Keeping Industry in Motion</i>	
					
					

Management Estimates



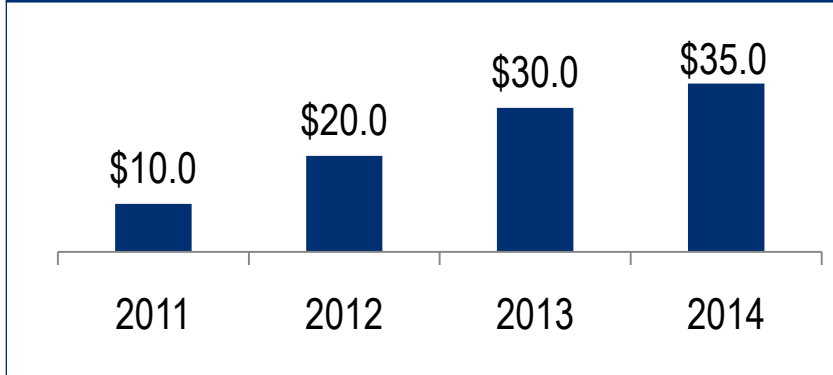
Integration Summary

- **EPC Leadership Team in Key Management Positions**
- **Integration Mechanics Have Gone Smoothly: IT, Payroll, Benefits, Finance, etc**
- **Now Focusing on Customers, Products, Markets and Synergies**
 - Customer: Face to Face Meetings and Customer Survey
 - Products: New Product Rationalization and Platform Consolidation
 - Markets: Cross Selling and Value Add Opportunities
 - Synergies: Input Materials, Transportation and Rationalization
- **Excellent Team Work With Significant Detail**

Meeting/Exceeding Integration Expectations

Synergy Capture

Anticipated Gross Synergies¹



Anticipated Integration Capital and Expense



Explanation of Synergies

■ Procurement Synergies

- Select Favorable Materials Pricing
- Materials Specification Consolidation

■ Logistics Synergies

- Truck Route Consolidation
- Load Consolidations

■ Manufacturing Synergies

- Facility Rationalization
- Design Platform Consolidation

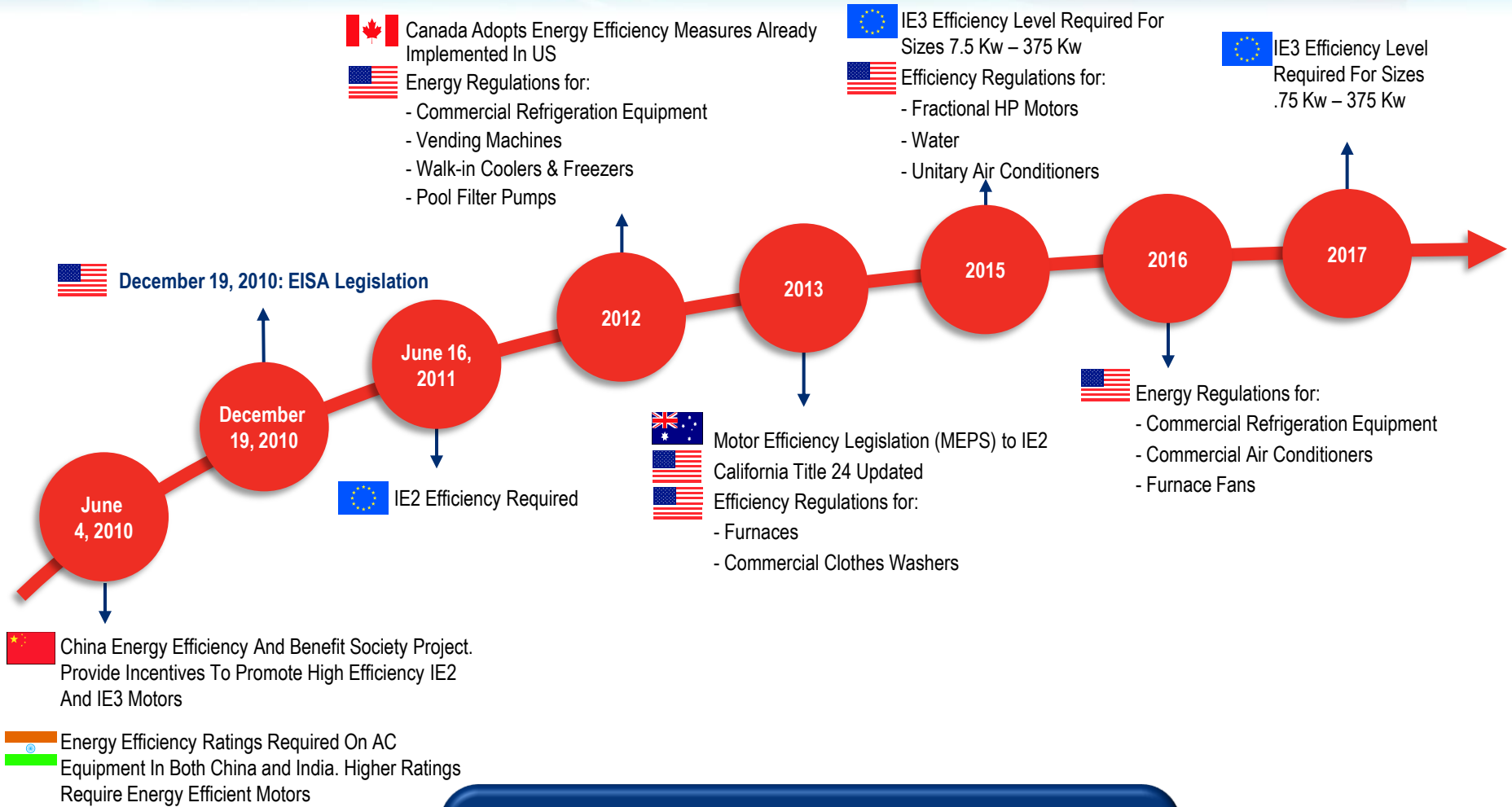
■ Revenue Synergies

- New Energy Saving Products
- Existing Products Through New Channels

¹ A Cumulative Run Rate Excluding Revenue Synergies

Synergies Support Strategic Rationale For EPC

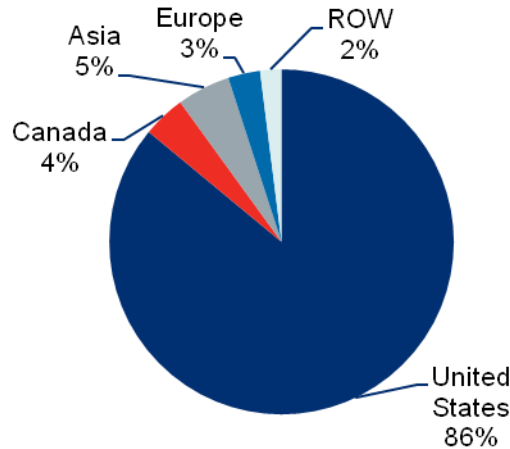
Global Energy Efficiency Regulations



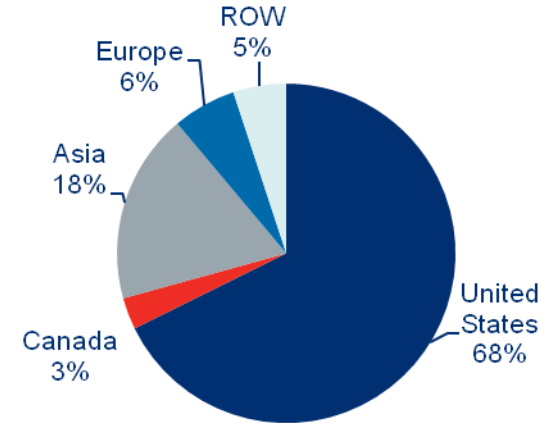
Continuing Catalyst for Growth

Increasing Global Presence

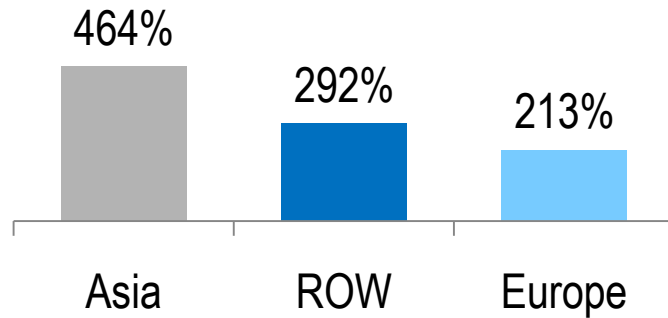
2005 Sales



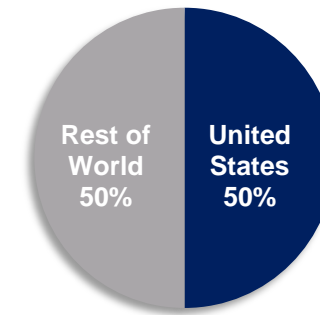
2011 Proforma Sales



Five Year Growth Rate



2015 Sales Target



Expanding in Higher Growth Regions

Management Estimates



Technology Leader

Regal Beloit Technology Leadership

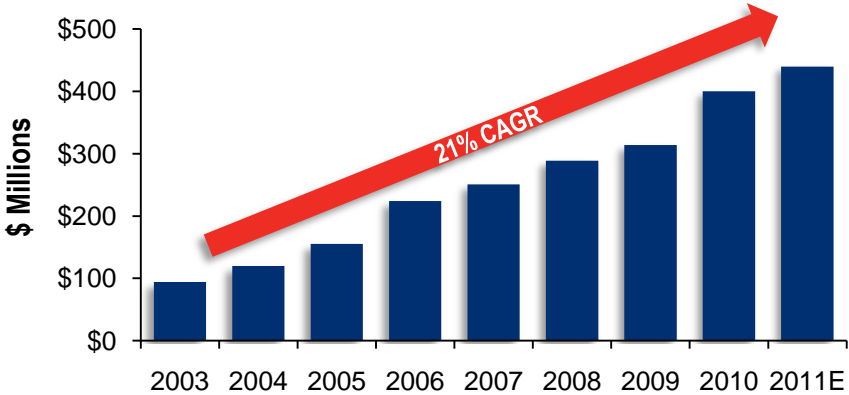
High Efficiency More Effective Use of Power

Variable Speed Broad Variation of Speed During Use

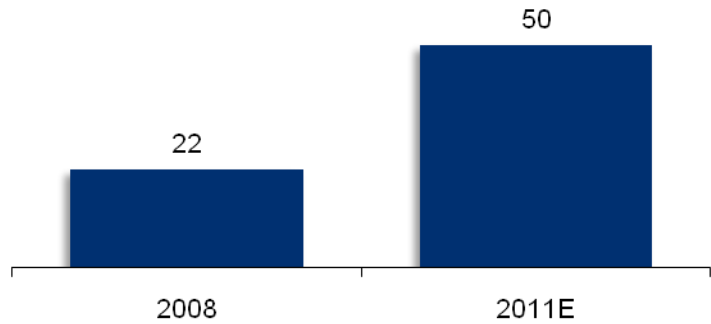
Embedded Intelligence Electronic "Smarts" Built Into Products

Lower Operating Costs Reduced Lifetime Costs to Operate

Energy Efficient Product Sales



New Product Introductions



Management Estimates



Successful Acquirer and Integrator

■ Acquisition Strategy

- Technology and Energy Efficiency
- Expand Geographic Footprint
- Synergy Opportunities

■ Acquisition Pipeline Continues to Be Active

Consistent and Successful Acquirer

2011



HARGIL PTY.
DYNAMICS LTD.



RAMU INC

afmc
>> Fans & Blowers

ACSmith

2010

ELCO®

rotor b.v.

CMG

AIR-CON TECHNOLOGY™



2004 – 2009

HWADA



MARATHON POWER
TECHNOLOGY

ALSTOM

CMT

jakel
Inc.
the new standard of excellence

morrillmotors®

FASCO



GE CAC

By Regal-Beloit

SinYa 新亚电机
ELECTROMOTOR

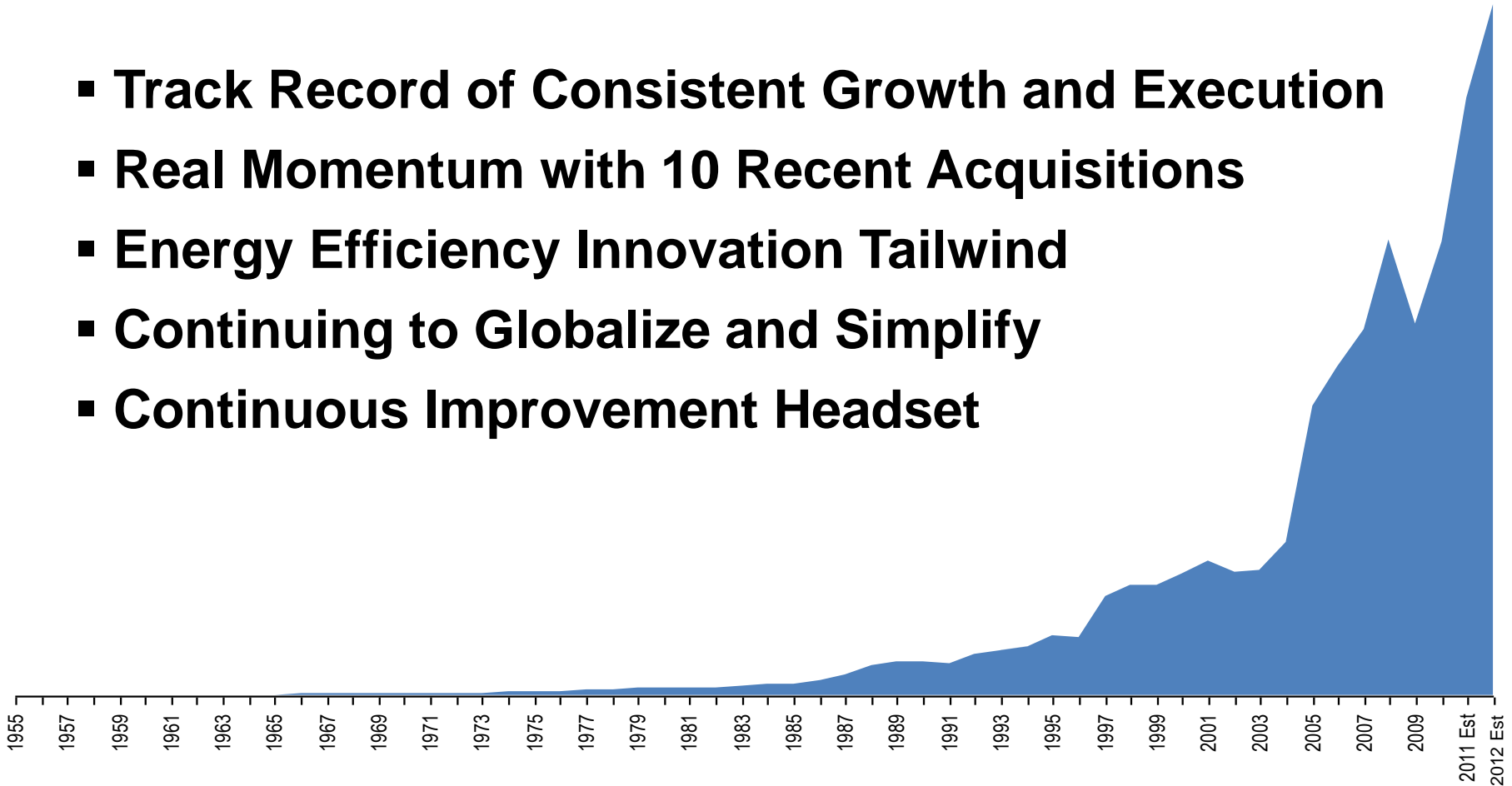


GE HVAC

By Regal-Beloit

Record of Strong, Continuous Growth

- Track Record of Consistent Growth and Execution
- Real Momentum with 10 Recent Acquisitions
- Energy Efficiency Innovation Tailwind
- Continuing to Globalize and Simplify
- Continuous Improvement Headset



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Building a Premier Global Enterprise

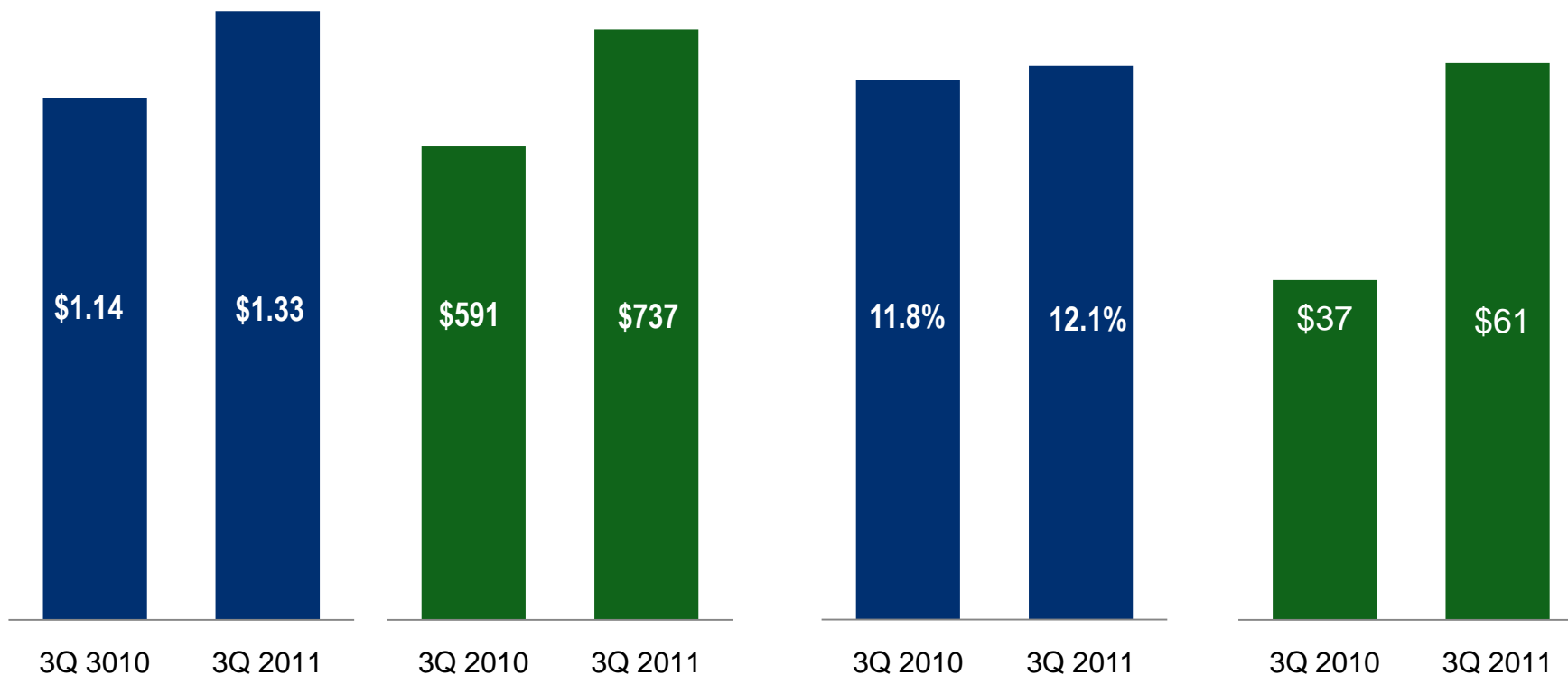
Third Quarter Financial Highlights

Adjusted Diluted EPS
+17%

Revenue (\$M)
+25%

Adjusted Operating
Profit Margin
+30 bps

Free Cash Flow (\$M)
+64%



Strong Third Quarter Performance



Sales and EPS Growth

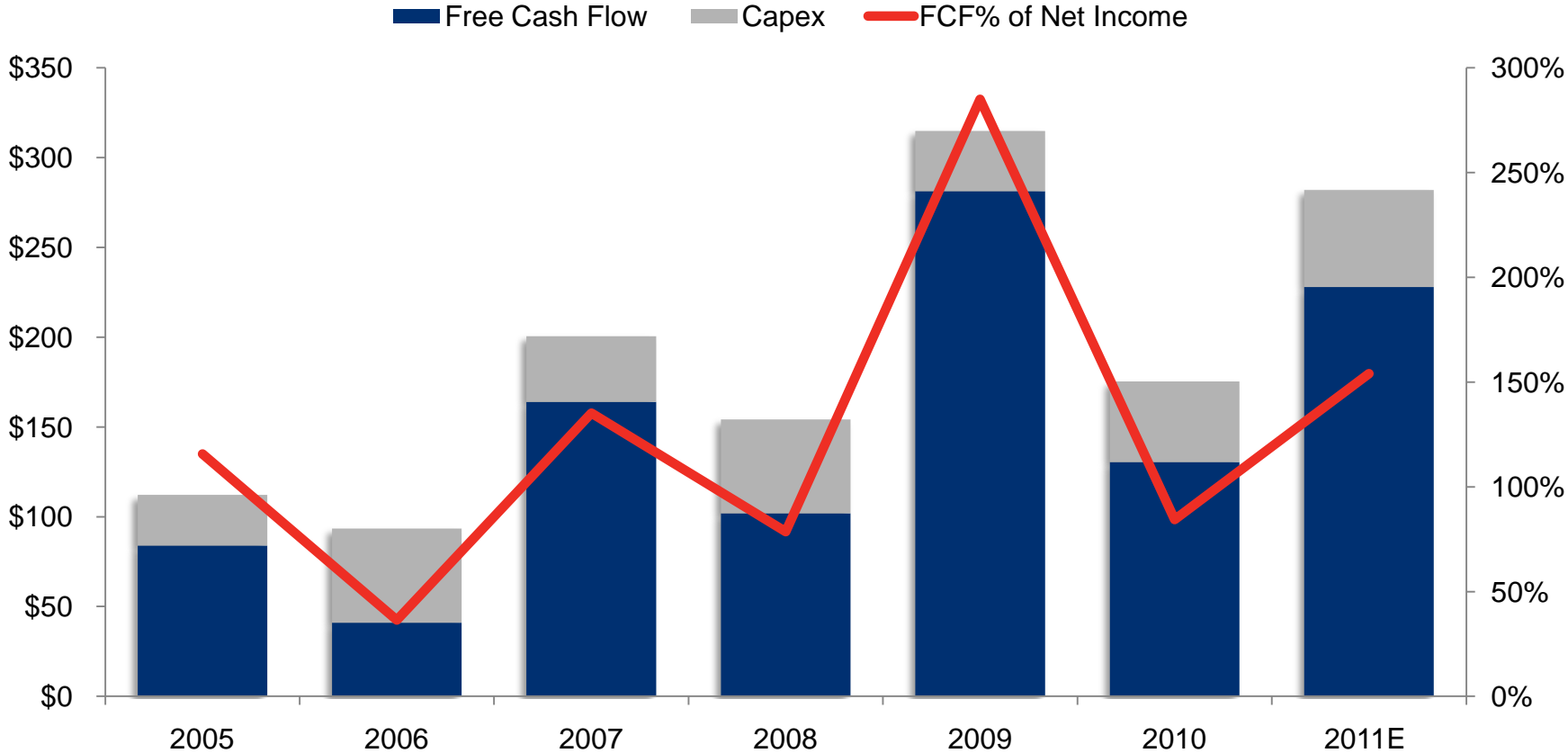


Strong Track Record of Growth

Source: Capital IQ and StreetAccount.
 Note: 2011E sales and EPS estimates based on midpoint of consensus analyst guidance per Reuters.



Consistent Cash Flow While Investing for Growth



Cash Div (\$M)	\$14.7	\$16.6	\$18.1	\$19.4	\$21.6	\$25.1	\$26.8
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Note: 2011E free cash flow, capex and Net Income estimates based on midpoint of consensus analyst guidance per Reuters



Investment Thesis

Well Positioned Global Business Model

- Performance Consistent with Best in Class Industrials
- Leadership in Necessary, Innovative Products
- RBC Operating System Drives Results

Accelerating Growth Drivers

- EPC Adds 2011 Revenue Growth and Longer Term Synergy Opportunities
- Increasing Global Presence and Alignment with High Growth Economies
- Energy Efficiency Technology Leadership
- Consistent and Successful Acquirer and Integrator

Consistent Financial Performance

- Ten Year Sales Growth \approx 17.3%, Continues with EPC
- Seven Year TSR \approx 142%
- Consistent Record of Strong Cash Flow



Thank you



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APPENDIX – Non GAAP Measures

	Three Months Ended Oct. 1, 2011
GAAP Diluted Earnings Per Share	\$ 1.13
Gain on Divestiture	(0.10)
EPC Purchase Accounting Adjustments and Acquisition Costs	0.30
Adjusted Diluted Earnings Per Share	<u>\$ 1.33</u>
GAAP Income From Operations	\$ 78,144
EPC Purchase Accounting Adjustment	17,403
Gain on Divestiture	(6,529)
Adjusted Operating Profit	<u>\$ 89,018</u>
Adjusted Operating Profit as a Percentage of Net Sales	12.1%
GAAP Net Cash Provided by Operating Activities	\$ 66,690
Additions to Property Plant and Equipment	(5,864)
Free Cash Flow	<u>\$ 60,826</u>

Appendix

Reconciliation of Historic Free Cash Flow

(Data in \$ Millions)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011 E¹</u>
Cash Flow from Operation	\$112.2	\$93.5	\$200.6	\$154.2	\$314.9	\$175.4	\$282.0
Capital Expenditures	<u>(28.3)</u>	<u>(52.5)</u>	<u>(36.6)</u>	<u>(52.2)</u>	<u>(33.6)</u>	<u>(45.0)</u>	<u>(54.0)</u>
Free Cash Flow	\$83.9	\$41.0	\$164.0	\$102.0	\$281.3	\$130.4	\$228.0

E¹ Three Quarters Actual, Fourth Quarter Consensus Estimate