



Investor Presentation



Forward-Looking Statements and non-GAAP Financial Information

The information provided at the meeting today will include forward-looking statements relating among other things to our sales, income from operations, capital expenditures, depreciation and amortization, our worldwide markets, our growth in relation to end markets we serve and reinvestment of the proceeds of the sale of our precision components segment. Forward-looking statements are based on management's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Hawk and which could cause actual results to differ materially from such statements. We do not assume any obligation to update these forward-looking statements.

Investment Highlights

- Worldwide leader of friction products to diverse industrial markets
- 80% of sales derived from specific sole-sourced applications
- Approximately 50% of sales generated from stable OE service and direct aftermarket due to “wear-part” quality nature of product
- Long standing blue chip customer relationships: 20+ years
- Strong Balance sheet with \$81.0 million in cash and marketable securities at December 31, 2007
- \$22.9 million debt reduction in August 2007
- Significant management ownership: 32% of common shares

Hawk serves some of the world's best known companies

CATERPILLAR®

ABSC
AIRCRAFT BRAKING SYSTEMS CORPORATION

EAT•N

GOODRICH

Parker

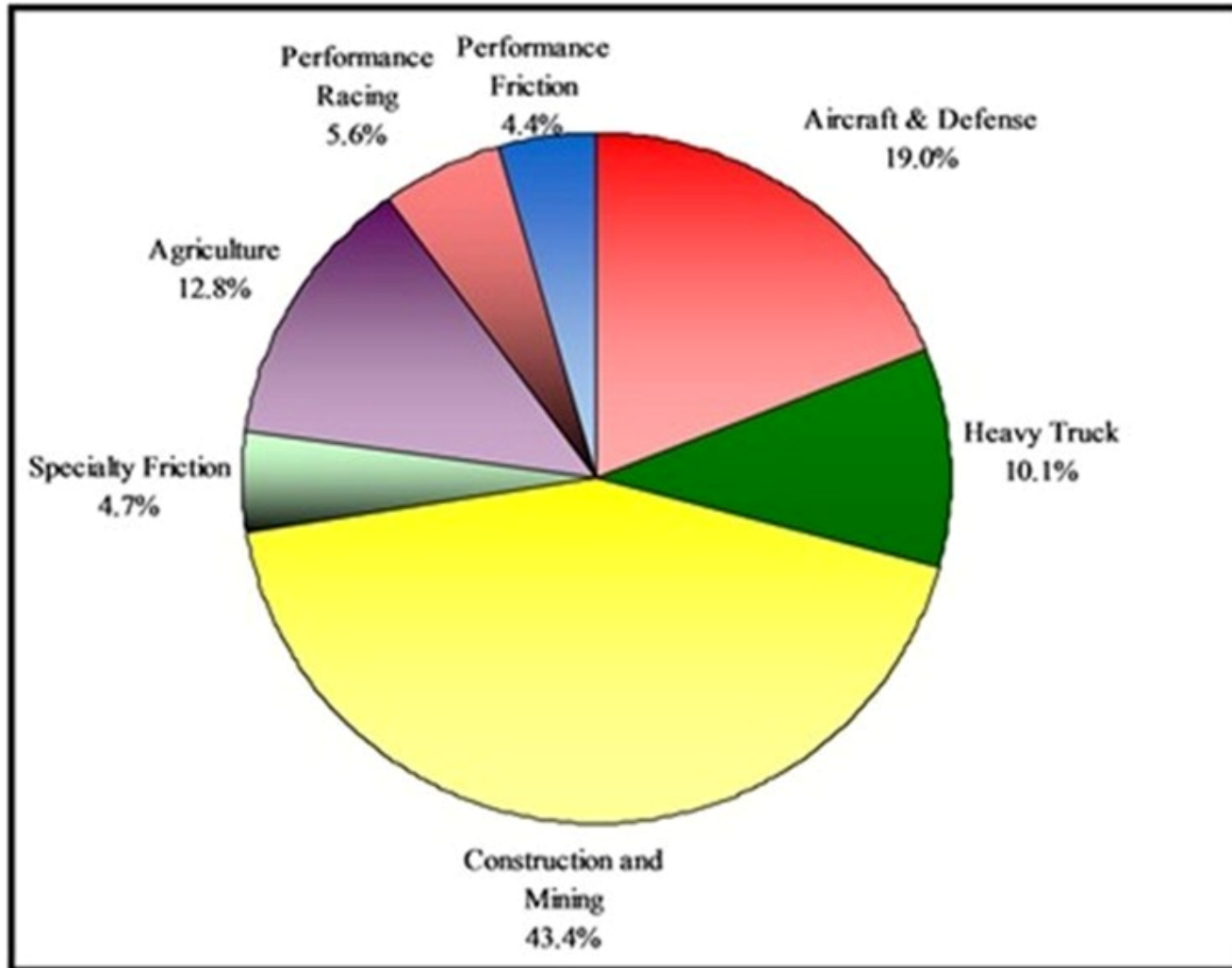


CARRARO


JOHN DEERE

CNH

Revenues by Market YTD 12/31/2007



Manufacturing Initiatives

- Operations leadership changes provided clear focus on manufacturing excellence
- Productivity levels continue to strengthen at all facilities
 - *Cost controls taking effect*
 - *Scrap levels continue to decline*
 - *Past due levels declining*
 - *On-time delivery metrics improving*
- Continued focus on lean manufacturing strategy
 - *Quality*
 - *Processes*

Technology Initiatives

- Current material customer development and product line extensions
- Fuel Cell development
 - *Partnership with UTC in development of next generation fuel cell technology*
 - *Recipient of \$1.0 million grant from State of Ohio for Fuel Cell development work*
- Carbon composite based friction technology development
- Other composite material development

Friction Products Group




Friction materials used in brakes, clutches and transmissions

| Products | Markets |
|----------------------|---------------------------------------|
| Friction Materials - | Construction & Mining |
| Metallic | Aircraft |
| Cellulose "Paper" | Military |
| Carbon composites | Agriculture |
| | Truck |
| | Recreation and performance automotive |

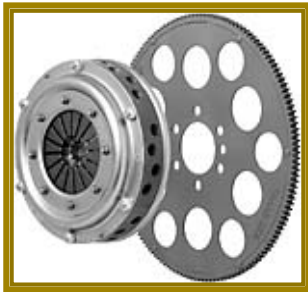
Friction technology improvements offering longer life, better friction qualities, lighter weight

FPG Market Position

(\$ in Millions)

| Market | Total Market Size | 2007 Hawk Sales | 2006 Hawk Sales | 2005 Hawk Sales | Competition | Customers |
|-------------------------|-------------------|----------------------|---------------------|-----------------|---|--|
| Off-Highway | \$350 | \$128.5 Up 15.8% | \$111.0 Up 27.3% | \$87.2 | <ul style="list-style-type: none"> Raytech Dynax Borg-Worner | <ul style="list-style-type: none"> Caterpillar Deere Carraro ZF Sachs Volvo CNH |
| Aircraft & Defense | \$110 | \$43.3 Up 5.6% | \$41.0 Up 24.2% | \$33.0 | <ul style="list-style-type: none"> Honeywell | <ul style="list-style-type: none"> Goodrich ABSC Parker |
| On-Highway | \$180 | \$23.2 Down 18.0% | \$28.3 Up 9.3% | \$25.9 | <ul style="list-style-type: none"> Miba | <ul style="list-style-type: none"> Eaton Sachs |
| Specialty & Perf. Brake | \$190 | \$20.8 Up 6.1% | \$19.6 Down 6.7% | \$21.0 | <ul style="list-style-type: none"> Miba Carbonne Toshiba |   |

Hawk Racing



Gears, bearings, driveshafts, bellhousings and starters

| Products | Markets |
|--------------------------------------|--|
| Gear boxes, Transmissions & Clutches | Motorsport - NASCAR, ALMS, SCCA and street performance |

Manufacturer of high performance clutch and drive train components for motorsport applications

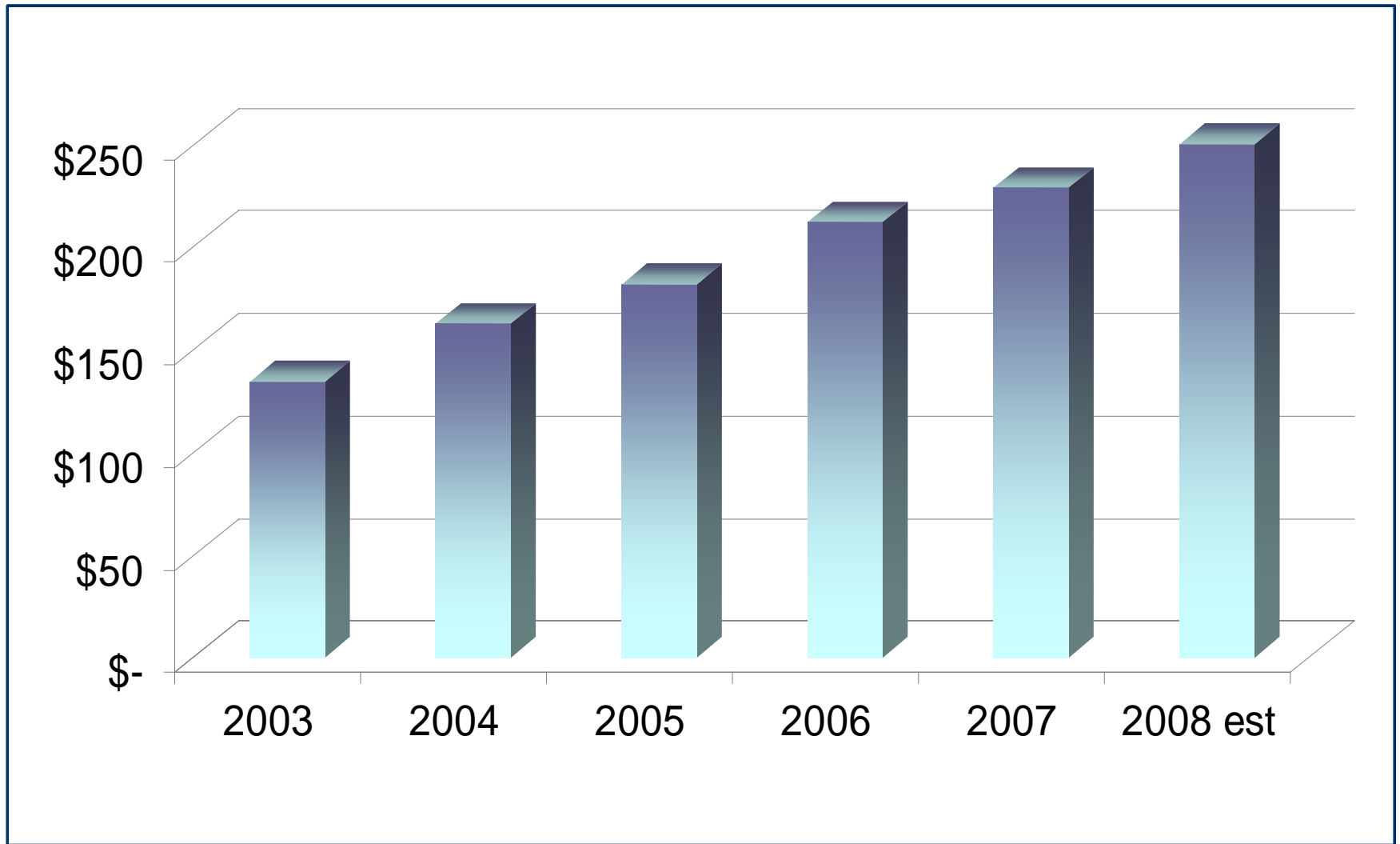
Racing Developments

- Improving internal competencies required by high tech racing teams
- Participating in NASCAR's "Car of Tomorrow" initiative
- Opportunities to gain multi-car teams for 2008 race season and beyond
- Increasing presence in 2nd tier racing circuits

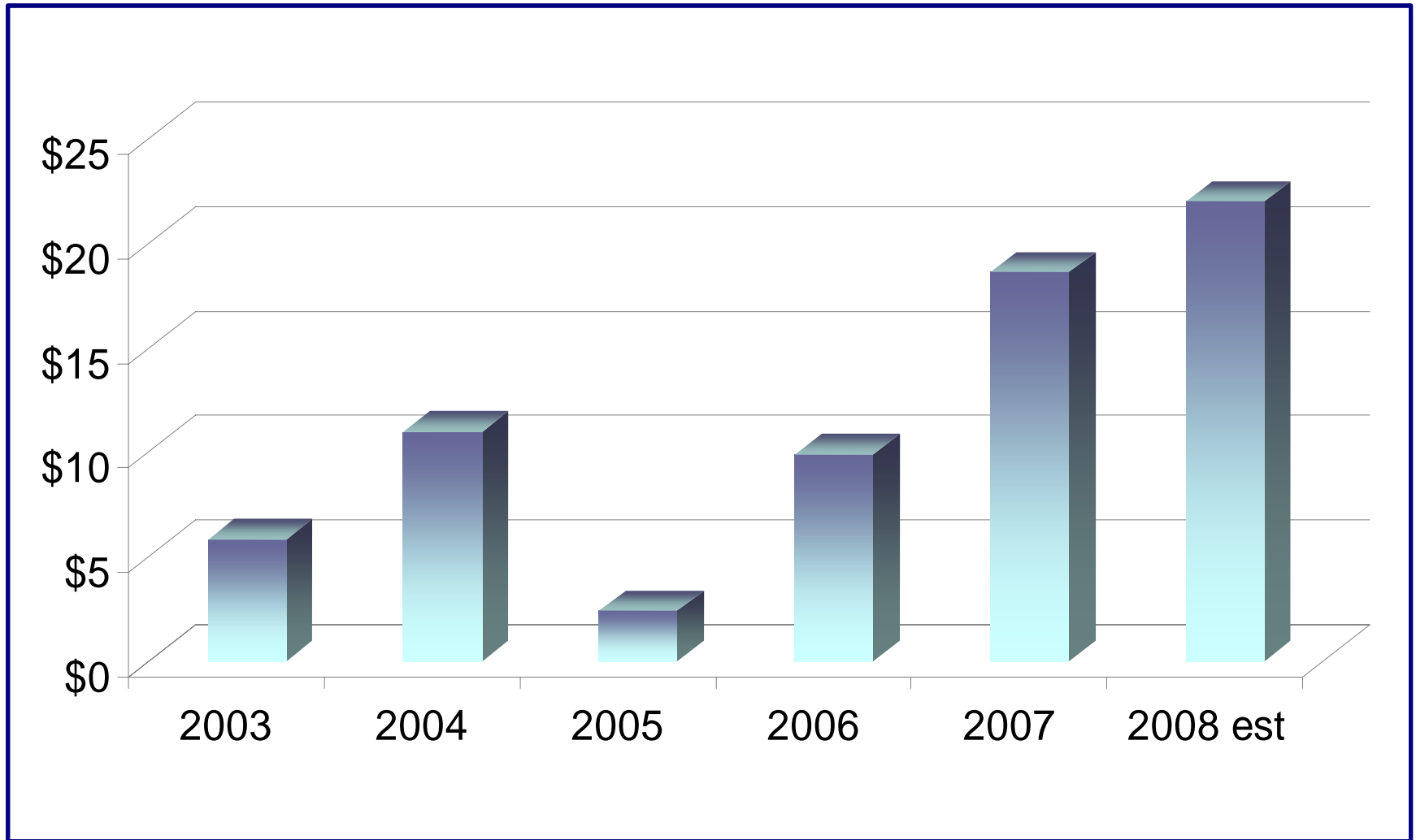
YTD Consolidated Income

| | 12/31/2007 | 12/31/2006 |
|--|------------|------------|
| Revenue | \$228.7 | \$212.1 |
| Gross profit | \$53.0 | \$46.7 |
| Gross profit % | 23.2% | 22.0% |
| Operating income | \$18.6 | \$9.9 |
| Operating income % | 8.1% | 4.7% |
| Income from continuing operations, after tax | \$7.2 | (\$2.0) |
| Discontinued operations, net of tax | \$10.1 | \$4.9 |
| Net income | \$17.3 | \$3.0 |
| Diluted EPS from continuing operations | \$0.75 | \$0.22 |
| Diluted EPS | \$1.83 | \$0.30 |

Net Sales



Operating Income



2008 Guidance

| | Estimated 12/31/2008 | Actual 12/31/2007 |
|--|------------------------------|----------------------|
| Net Sales | \$245.0 - \$250.0 million | \$228.7 million |
| Income from continuing operations | \$20.0 - 22.0 million | \$18.6 million |
| Effective tax rate | 43.4% | 43.4% |
| Capital Expenditures | \$15.0 million | \$7.9 million |
| Depreciation and amortization expense | \$8.0 million | \$7.6 million |

Investment Summary 2008

- Company focusing on strongest segment - Friction
- Assessing best way to redeploy assets
 - *Acquisitions, internal projects*
- Business base
 - *Red hot focus on operations*
 - *Steady, varied end-market growth*
 - *Lean-out manufacturing providing margin upside*
 - *Good business characteristics - wear parts, strong after-market, pricing control, long term customer relationships, strong technology development programs, global positioning*

