

BARNES GROUP INC.

MANUFACTURING AND
DISTRIBUTION EXCELLENCE.



Founded in 1857, and headquartered in Bristol, Connecticut, U.S.A., Barnes Group Inc. is a diversified international manufacturer of precision metal components and assemblies and a distributor of industrial supplies, serving a wide range of markets and customers. Barnes Group consists of three businesses with 2005 sales of \$1.1 billion.

Barnes Group is built on a tradition of **superior engineering solutions and innovation**, with a culture of continuous improvement and commitment to the highest standards of ethical business practice. Barnes Group has over 6,000 employees around the world in more than 60 locations.

The common stock of Barnes Group is traded on the New York Stock Exchange under the ticker symbol B. To learn more about us, visit our Web site at www.barnesgroupinc.com.



BARNES GROUP INC.

Balanced, Sustainable, Profitable Growth.



ASSOCIATED SPRING

Innovation and Engineering at Work

Associated Spring is one of the world's largest manufacturers of precision mechanical springs and nitrogen gas products, and a global supplier of specialty products, such as retaining rings, reed valves, shock discs, and injection-molded plastic components. We are focused on highly engineered custom products and solutions. Associated Spring's Product Development Center provides joint development, rapid prototyping and extensive testing of new products and materials shortening our customers' lead times to production. Our specialty operations, which include Nitrogen Gas Products, Seeger-Orbis Retaining Rings and Barnes Precision Valve are leaders in their respective markets and are well positioned for strong growth.

BARNES AEROSPACE

Superior Solutions

Barnes Aerospace is a manufacturer and repairer of highly engineered assemblies and components for commercial and military aircraft engines, airframes, and land-based industrial gas turbines. Barnes Aerospace is a specialized manufacturer and after-market repairer of engineered components and assemblies. We produce critical engine components and airframe parts through technically advanced processes for original equipment manufacturers. Barnes Aerospace's expertise includes machining large complex parts, and fabrications using special processes such as super-plastic forming of metals including titanium, inconel, cobalt and other difficult alloys. Aftermarket repair and overhaul work specializes in the refurbishment and repair of engine components for the world's largest airlines and the U.S. military.

BARNES DISTRIBUTION

The Preferred Choice in Industrial Distribution

Barnes Distribution is an international, full-service distributor of maintenance, repair, operating and production supplies. It is one of the largest industrial products distributors in North America and includes operations in 33 countries. Barnes Distribution is a market leader in vendor managed inventory. The vendor managed inventory (VMI) model provides outsourced inventory management, monitors inventory levels, tracks usage, replenishes stock, and provides inventory reporting with limited customer involvement. Barnes Distribution has widely recognized brands and strong private label product. Barnes Distribution has approximately 1,500 direct sales personnel.

FINANCIAL HIGHLIGHTS

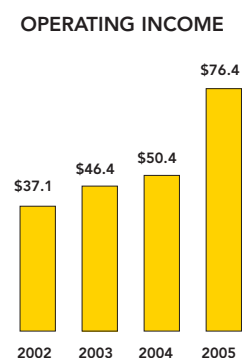
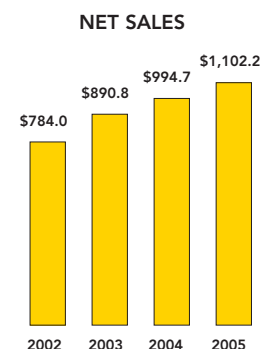
ANNUAL RESULTS

CONSOLIDATED STATEMENT OF INCOME RESTATED¹

(Dollars in thousands, except per share data)



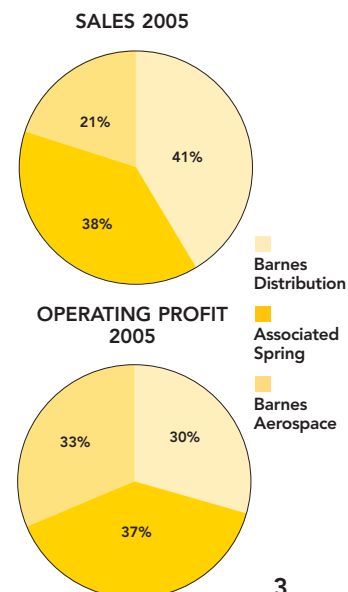
| | 2005 | 2004 | 2003 | 2002 |
|---|----------------|----------------|----------------|----------------|
| Net Sales | \$ 1,102,174 | \$ 994,709 | \$ 890,818 | \$ 784,036 |
| Cost of Sales | 705,488 | 652,904 | 577,001 | 530,572 |
| S&A | <u>320,301</u> | <u>291,373</u> | <u>267,467</u> | <u>216,317</u> |
| | 1,025,789 | 944,277 | 844,468 | 746,889 |
| Operating Income | 76,385 | 50,432 | 46,350 | 37,147 |
| Operating Margin | 6.9% | 5.1% | 5.2% | 4.7% |
| Other Income | 10,449 | 2,145 | 3,337 | 3,651 |
| Interest Expense | 17,551 | 15,390 | 15,840 | 14,823 |
| Other Expenses | <u>1,132</u> | <u>1,310</u> | <u>1,129</u> | <u>557</u> |
| Income Before Income Taxes | 68,151 | 35,877 | 32,718 | 25,418 |
| Income Taxes | <u>13,609</u> | <u>5,851</u> | <u>3,643</u> | <u>2,998</u> |
| Income Before Cumulative Effect of a Change in Accounting Principle | 54,542 | 30,026 | 29,075 | 22,420 |
| Cumulative Effect of a Change in Accounting Principle | (391) | — | — | — |
| Net Income | \$ 54,151 | \$ 30,026 | \$ 29,075 | \$ 22,420 |
| Per Common Share: ² | | | | |
| Net Income: | | | | |
| Basic | \$ 1.15 | \$ 0.65 | \$ 0.68 | \$ 0.60 |
| Diluted | \$ 1.10 | \$ 0.63 | \$ 0.66 | \$ 0.58 |
| Average Common Shares Outstanding: ² | | | | |
| Basic | 47,197,650 | 46,211,706 | 42,950,672 | 37,500,884 |
| Diluted | 49,018,382 | 47,935,268 | 44,209,660 | 38,370,664 |



FINANCIAL RESULTS BY SEGMENTS RESTATED¹

(Dollars in millions)

| | 2005 | 2004 | 2003 | 2002 |
|-------------------------|------------|----------|----------|----------|
| Revenue | | | | |
| Barnes Distribution | \$ 453.8 | \$ 424.8 | \$ 400.7 | \$ 286.7 |
| Associated Spring | 422.4 | 373.5 | 333.1 | 321.7 |
| Barnes Aerospace | 235.4 | 205.9 | 165.7 | 183.0 |
| Intersegment Sales | (9.4) | (9.5) | (8.7) | (7.4) |
| Total Company | \$ 1,102.2 | \$ 994.7 | \$ 890.8 | \$ 784.0 |
| Operating Profit | | | | |
| Barnes Distribution | \$ 22.6 | \$ 10.8 | \$ 14.1 | \$ 4.5 |
| Associated Spring | 28.6 | 20.8 | 24.7 | 25.3 |
| Barnes Aerospace | 25.5 | 19.9 | 9.6 | 8.9 |
| Operating Margin | | | | |
| Barnes Distribution | 5.0% | 2.5% | 3.5% | 1.6% |
| Associated Spring | 6.8% | 5.6% | 7.4% | 7.9% |
| Barnes Aerospace | 10.8% | 9.7% | 5.8% | 4.9% |



¹Restated to reflect the change in accounting for Stock-based Compensation in accordance with Statement of Financial Accounting Standard No. 123R.

²Restated to reflect the two for one stock split in June 2006.

FINANCIAL HIGHLIGHTS

THIRD QUARTER 2006 — BARNES GROUP INC.

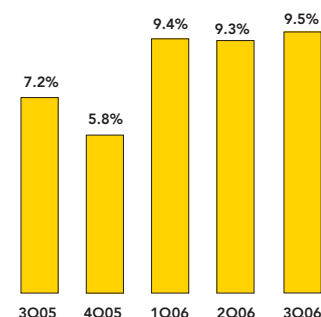
CONSOLIDATED STATEMENT OF INCOME

(Dollars in thousands, except per share data)

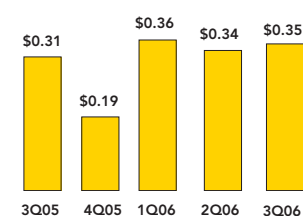


| | Three months ended September 30 | | Nine months ended September 30 | |
|---|---------------------------------|-------------------------------|--------------------------------|-------------------------------|
| | 2006 | Adjusted ¹ 2005 | 2006 | Adjusted ¹ 2005 |
| Net Sales | \$ 322,048 | \$ 271,518 | \$ 930,826 | \$ 825,768 |
| Cost of Sales | 203,493 | 172,070 | 592,496 | 526,572 |
| S&A | <u>87,989</u> | <u>79,998</u> | <u>250,939</u> | <u>238,768</u> |
| | 291,482 | 252,068 | 843,435 | 765,340 |
| Operating Income | 30,566 | 19,450 | 87,391 | 60,428 |
| Operating Margin | 9.5% | 7.2% | 9.4% | 7.3% |
| Other Income ² | (21) | 533 | 856 | 10,065 |
| Interest Expense | 6,768 | 4,387 | 16,906 | 12,892 |
| Other Expenses | <u>309</u> | <u>174</u> | <u>694</u> | <u>716</u> |
| Income Before Income Taxes | 23,468 | 15,422 | 70,647 | 56,885 |
| Income Taxes | 4,607 | 27 | 15,306 | 12,430 |
| Net Income | \$ 18,861 | \$ 15,395 | \$ 55,341 | \$ 44,455 |
| Earnings per Share Diluted ³ | \$0.35 | \$0.31 | \$1.06 | \$0.91 |

OPERATING MARGIN



DILUTED EPS



FINANCIAL RESULTS BY SEGMENTS

(Dollars in thousands)

| | Three months ended September 30 | | Nine months ended September 30 | |
|-------------------------|---------------------------------|---------------------------|--------------------------------|---------------------------|
| | 2006 | Note ¹ 2005 | 2006 | Note ¹ 2005 |
| Net Sales | | | | |
| Barnes Distribution | \$ 135,417 | \$ 113,959 | \$ 385,316 | \$ 340,906 |
| Associated Spring | 111,951 | 100,249 | 335,059 | 321,283 |
| Barnes Aerospace | 77,185 | 59,301 | 218,048 | 171,237 |
| Intersegment Sales | <u>(2,505)</u> | <u>(1,991)</u> | <u>(7,597)</u> | <u>(7,658)</u> |
| Total Net Sales | \$ 322,048 | \$ 271,518 | \$ 930,826 | \$ 825,768 |
| Operating Profit | | | | |
| Barnes Distribution | \$ 9,175 | \$ 7,373 | \$ 26,999 | \$ 18,391 |
| Associated Spring | 10,069 | 5,536 | 29,912 | 24,096 |
| Barnes Aerospace | 11,326 | 6,590 | 30,494 | 18,149 |
| Operating Margin | | | | |
| Barnes Distribution | 6.8% | 6.5% | 7.0% | 5.4% |
| Associated Spring | 9.0% | 5.5% | 8.9% | 7.5% |
| Barnes Aerospace | 14.7% | 11.1% | 14.0% | 10.6% |

KEY STATISTICS

(as of September 30, 2006)

| NYSE | B |
|----------------------------------|----------|
| Price — Close | \$ 17.56 |
| 52-Week High | \$ 23.98 |
| 52-Week Low | \$ 15.28 |
| 52-Week Return | -2.0% |
| 52-Week Avg. Volume | 336,000 |
| Market Capitalization (millions) | \$ 910 |
| Shares Outstanding (millions) | 51.8 |
| Annual Dividend | \$ 0.50 |
| Dividend Yield | 2.8% |

¹See note 1 on page 3.

²Other income in 2005 includes the \$8,892 gain (\$4,030 after tax, or \$0.08 diluted EPS) on the April sale of the NASCO investment.

³Restated to reflect the two for one stock split in June 2006.





GLOBAL MANUFACTURING, SALES AND DISTRIBUTION CAPABILITIES

BARNES DISTRIBUTION

Domestic Locations

Atlanta, Georgia
 Cleveland, Ohio
 Dallas, Texas
 Edison, New Jersey
 Elizabethtown, Kentucky
 Hanover Park, Illinois
 Reno, Nevada
 Shelbyville, Kentucky

International Locations

Beamsville, Ontario,
 Canada
 Corsham, England
 Edinburgh, Scotland
 Edmonton, Alberta,
 Canada
 Elancourt, France
 Flers, France
 Mississauga, Ontario,
 Canada
 Moncton, New Brunswick,
 Canada

RAYMOND

Domestic Locations

Bristol, Pennsylvania
 Buena Park, California
 Corry, Pennsylvania
 Maumee, Ohio
 Ypsilanti, Michigan

International Locations

Burlington, Ontario,
 Canada
 Campinas, Brazil
 Evesham, England
 Monterrey, Mexico
 Trappes, France
 Shanghia, China
 Republic of Singapore
 Vitoria, Spain

ASSOCIATED SPRING

Domestic Locations

Ansonia, Connecticut
 Brecksville, Ohio
 Bristol, Connecticut
 Central Lake, Michigan
 Corry, Pennsylvania
 Milwaukee, Wisconsin
 Plymouth, Michigan
 Saline, Michigan
 Sterling Heights, Michigan
 Syracuse, New York

International Locations

Bettlach, Switzerland
 Burlington, Ontario,
 Canada
 Campinas, Brazil
 Königstein, Germany
 Mexico City, Mexico
 Monterrey, Mexico
 Republic of Singapore
 Tranäs, Sweden
 Tianjin, China
 Bangkok, Thailand
 Hoddesdon, England

BARNES AEROSPACE

Domestic Locations

East Granby, Connecticut
 Lansing, Michigan
 Ogden, Utah
 Phoenix, Arizona
 West Chester, Ohio
 Windsor, Connecticut

International Locations

Derby, England
 Republic of Singapore (3)
 Vitoria, Spain

BUSINESS INITIATIVES

By maintaining our focus on executing the basics, improve our foundation for profitable growth and create value through the implementation of our long-term strategic plan.

GENERATE GROWTH AND PROFITABILITY THROUGH WORLDWIDE SERVICE.

Providing the right products and services to meet our customers' needs is essential for building lasting value. We seek to provide the necessary worldwide service capabilities to our customers through our geographically dispersed manufacturing and distribution facilities, and our strategic international alliances and acquisitions. Our commitment to providing full-service distribution capabilities and precision manufactured components and assemblies worldwide, and procuring raw material and products from global suppliers at competitive prices, is intended to provide the right products and services for our customers. Our worldwide presence and commitment to continue expanding internationally help solidify our position with our customers as their supplier or distributor of choice.



PURSUE ACQUISITIONS AND STRATEGIC RELATIONSHIPS.

We continue to invest in strategic acquisitions and in business alliances. These investments have expanded the scope of our operations, added complementary products or product lines, increased our customer base and expanded our geographic presence. We will continually seek acquisition opportunities in each of our three businesses that will add customers, product offerings, technology or geographic reach to our existing base of business and increase profitability. We will also continue to seek business arrangements which foster long-term business relationships.

EXPAND GLOBAL PRESENCE AND CAPABILITIES.

Our customer base is global in nature and we are committed to continuing to expand our global presence and capabilities to meet our customers' needs. As of September 30, 2005, we distributed products in 31 countries, and we had more than 60 manufacturing, sales and distribution sites across four continents. In the past four years, we have added manufacturing operations in such places as Mexico and Singapore. We intend to continue to take advantage of lower labor and production costs associated

with international manufacturing and global sourcing capabilities. Additionally, we continue to invest in our global sales and marketing functions to position ourselves to reach new customers and to increase our sales to existing customers.

PROMOTE CONTINUOUS IMPROVEMENT INITIATIVES.

We continuously undertake initiatives in each of our three businesses to improve our processes, strengthening our competitive advantage. At Barnes Distribution, our initiatives focus on decreasing order processing costs and optimizing inventory levels for our customers. In our Associated Spring and Barnes Aerospace businesses, our initiatives are heavily focused on lean manufacturing strategies and techniques. We aggressively promote a culture where process improvements are encouraged and implemented throughout all levels of the organization as part of daily operations.

MANAGING WITH OUR STRENGTHS

Our executive management team possesses extensive operational, sales, finance and marketing experience in distribution, manufacturing or aerospace organizations.

Further, this team has extensive experience in identifying acquisition candidates, structuring acquisitions and rapidly integrating acquired businesses. Our executive management team and employees are significant holders of our common stock. Additionally, annual cash incentive targets for our management are set through measures similar to an economic value added measure, or through targets for sales and earnings per share growth.



Greg Milzcik, President & CEO
Joined BGI: 1999
Previous Exp: Associated Spring, Barnes Aerospace, Lockheed Martin, AAR Corp.



Tom Fodell, President, Sales,
Associated Spring
Joined BGI: 1979
Previous Exp: Gilco Inc.



John Arrington, SVP, HR
Joined BGI: 1998
Previous Exp: GE, U.S. West



Signe Gates, SVP, General Counsel and Secretary
Joined BGI: 1999
Previous Exp: Axel Johnson, General Signal



Frank Boyle, VP, Controller
Joined BGI: 1978
Previous Exp: Ernst & Young



Phil Goodrich, SVP, Corporate Development
Joined BGI: 1999
Previous Exp: AMETEK, General Signal



Jerry Burris, President, Associated Spring
Joined BGI: 2006
Previous Exp: General Electric



Patrick Dempsey, President, Barnes Aerospace
Joined BGI: 2000
Previous Exp: Pratt & Whitney, Interturbine



Joe DeForte, VP, Tax
Joined BGI: 1999
Previous Exp: Loctite, Sheraton



Larry O'Brien, VP, Treasurer
Joined BGI: 2001
Previous Exp: L-3 Communications



Bill Denninger, SVP, CFO
Joined BGI: 2000
Previous Exp: BTR Inc., ITT



Idelle Wolf, President, Barnes Distribution
Joined BGI: 2000
Previous Exp: Curtis Industries,
Point Group, Ernst & Young

BARNES GROUP INC. — A PROUD HISTORY

Barnes Group Inc. is a diversified international manufacturer of precision metal components and assemblies and a distributor of industrial supplies, serving a wide range of markets and customers.

Barnes Group enjoys an excellent reputation which has been earned over 150 years since our founding in 1857. This reputation is built on our commitment to the high standards of business conduct and ethics that we abide by in dealing with customers, suppliers, vendors, governmental authorities, local communities, the public and fellow employees.

We exist to serve our customers. We focus on those customers who recognize and reward superior quality and service. We focus on manufacturing and distributing products and services where we have or can gain a competitive advantage through innovation, technology, quality, and a customer-centric focus.

People are our most important resource. We foster an environment where each person is respected as an individual who can make a significant contribution to the success of the Company.

"Barnes Group insists that all of its directors, officers, employees, agents and representatives adhere to high ethical standards and behave lawfully when engaging in business conduct. This is a fundamental obligation of each Barnes Group director, officer and employee and is consistent with each individual's personal responsibility for helping to preserve and guard the Company's assets and reputation in the business community."

– The Barnes Group Inc. Code of Business Ethics and Conduct



BARNES GROUP INC. TIMELINE



- 1857** Wallace Barnes founds his own small company in Bristol, Connecticut making springs for clocks and hoop skirts, in partnership with E.L. Dunbar.
- 1921** Wallace Barnes Co., Ltd. is established in Hamilton, Ontario.
- 1922** Barnes-Gibson-Raymond, Inc., (BGR) founded in Detroit.
- 1923** BGR becomes the Associated Spring Corporation (ASC). Wallace Barnes Division purchases Dunbar Bros. Co.
- 1946** Associated Spring stock is offered for sale over the counter.
- 1953** Annual sales pass \$50 million.
- 1963** Associated Spring is listed on the New York Stock Exchange.
- 1964** ASC purchases Bowman Products of Cleveland, National Distribution of Repair and Replacement Parts.
- 1964** Three companies acquired in Mexico. Hap Barnes elected Chairman and Chief Executive Officer.
- 1968** Sales pass the \$100 million mark.
- 1970** Associated Spring is listed on the London Stock Exchange.
- 1976** Name changed from Associated Spring Corporation to Barnes Group Inc.
- 1981** Associated Spring opens facility in Singapore
- 1981** Company enters the aerospace field with the acquisition of Central Metal Products of East Windsor, Connecticut.
- 1982** Barnes Aerospace is formed with the acquisition of Windsor Manufacturing of Windsor, Connecticut.
- 1986** Barnes Aerospace acquires Jet Die and Engine of Lansing, Michigan.
- 1989** Annual sales exceed \$500 million.
- 1990** Windsor Airmotive enters Singapore.
- 1998** Edmund Carpenter named President and CEO.
- 1999** Teledyne Nitrogen Gas Springs acquired.
- 2000** Curtis Industries, a Distribution company, and Kratz-Wilde, an Aerospace company, are acquired.
- 2001** Two Distribution companies, Euro-Stock and Forward Industries, are acquired.
- 2002** Associated Spring acquires Seeger-Orbis in Germany and Spectrum Plastics in Connecticut.
- 2003** Kar Products is acquired for Barnes Distribution.
- 2004** De-Sta-Co Manufacturing is acquired for Associated Spring.
- 2005** Toolcom Supplies and Service Plus Industries are acquired for Barnes Distribution.
- 2005** Annual sales exceed \$1 billion.
- 2006** Heinz Hänggi acquired for Associated Spring.
- 2006** Barnes Distribution acquired KENT.

MANUFACTURING AND DISTRIBUTION EXCELLENCE.



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