PARTICIPANTS

Corporate Participants

Sherry Lauderback – VP-Investor Relations & Global Communications
David M. Wathen – President, Chief Executive Officer & Director
A. Mark Zeffiro – Chief Financial Officer

Other Participants

Joe R. Bess – Analyst, ROTH Capital Partners LLC
Robert A. Kosowsky – Analyst, Sidoti & Co. LLC
R. Scott Graham – Analyst, Jefferies & Co., Inc.
Steve Barger – Analyst, KeyBanc Capital Markets

MANAGEMENT DISCUSSION SECTION

Operator: Good day and welcome to the TriMas Corporation's Fourth Quarter and Full Year 2012 Earnings Conference Call. Today's conference is being recorded.

At this time, it is my pleasure to turn the conference over to your host today, Ms. Sherry Lauderback. Please go ahead, ma'am.

Sherry Lauderback, VP-Investor Relations & Global Communications

Thank you, and welcome to the TriMas Corporation's fourth quarter and full year 2012 earnings call. Participating on the call today are Dave Wathen, TriMas' President and CEO; and Mark Zeffiro, our Chief Financial Officer.

Dave and Mark will review TriMas' fourth quarter and full year 2012 results, as well as provide our 2013 outlook. After our prepared remarks we will then open the call up to your questions. In order to assist with your review of our results we've included the press release and PowerPoint presentation on our company website www.trimascorp.com under the Investor section. In addition, a replay of this call will be available later today by calling 888-203-1112 with a replay code of 2416665.

Before we get started, I would like to remind everyone that our comments today which are intended to supplement your understanding of TriMas may contain forward-looking statements that are inherently subject to a number of risks and uncertainties. Please refer to our Form 10-K for a list of factors that could cause our results to differ from those anticipated and any such forward-looking statements. Also we undertake no obligation to publicly update or revise any forward-looking statements except as required by law. We would also direct your attention to our website where considerably more information may be found.

At this point, I would like to turn the call over to Dave Wathen, TriMas' President and CEO. Dave?

David M. Wathen, President, Chief Executive Officer & Director

Thanks, Sherry, and good morning to everyone on the call. A special thanks to the TriMas people on the call. 2012 was a year of accomplishment and milestone for TriMas. It's always a team effort with all of us working together to achieve our objectives. Our company is significantly stronger and more capable now than it was in the past.

Our agenda today is that, I'll provide an overview of 2012 in the current environment, then Mark will discuss financial metrics and some details by segment, and I'll finish by discussing our 2013 outlook. Then we'll gladly take your questions.

You've likely seen our press release this morning discussing our fourth quarter and full year results. Let me start with some highlights on slide four.

TriMas achieved many positive results in 2012. Revenue increased 17% compared to 2011, for a three-year revenue CAGR of approximately 18%. EPS excluding special items was up 16% on a 9% increase in shares, for a three-year EPS CAGR of more than 60%.

Interest costs were reset down to competitive levels. We established five new factories, which are already delivering growth and productivity benefits and our seven bolt-on acquisitions are all performing well. We spent more cash both in CapEx and working capital on revenue growth and acquisitions than we had originally planned, but we believe these investment decisions will definitely pay off.

A few businesses experienced some growing pains with incremental revenue requiring extra costs to produce and to serve our customers, but we all learned and improved from these experiences. My own goal is to get better the timing decisions between revenue growth and capacity additions. TriMas is in businesses where capacity adds should always come after the revenue growth is confirmed. The science is in shrinking the time and cost spreads.

I hear plenty of questions about how the slow growth, choppy business environment is affecting a diversified industrial company like TriMas? So I'll address that in a couple of ways. First, with our strategic aspiration chart on slide five, our results continue to confirm our ability to outgrow the economy and to deliver earnings growth through leverage and cost reduction. We've invested in growth in Brazil, Thailand, China and South Africa. We've de-leveraged our balance sheet and earned much improved financing costs, and we work hard to communicate with, involve and reward the people who work here including getting TriMas stock into a more and more employees' hands. I believe that we achieved our strategic aspirations in 2012 and we'll continue with these goals in 2013.

Next I will address a few specifics on the current environment on slide six. On the positive side, we continue to benefit from increasing aircraft build rates, ongoing investments in petrochemical plants and refineries, growth in the construction and agriculture end markets, although slower market growth than we'd like, relatively stable currencies and globalization by our customers through our looking for global suppliers with local plants. Markets in Brazil and China are still growing, also a little slower than we'd like.

Industrial activity in the U.S. has stabilized some, following the ups and downs around fourth quarter elections, the fiscal cliff and tax changes. Headwinds still include the European downturn, inflation in China, rising plastic resin prices and a slowing of natural gas drilling. Although there is some uncertainty in the global economy, we at TriMas keep focused on the bright spots and strive to react fast to both risks and opportunities.

Overall, TriMas had another strong year in 2012. We are financially and operationally stronger than ever and well prepared to continue to achieve our strategic aspirations.

Before I turn it over to Mark, I want to comment on two recent acquisitions that took place this January and are in clear support of our strategic aspirations. First, Martinic Engineering is exactly the type of business we look for when adding to our portfolio. A well run business with products that are highly engineered and difficult to manufacture. This acquisition complements our growth strategies for our Aerospace and Defense segment by providing additional OE and aftermarket opportunities. This also gives us the ability to offer a broader product portfolio and provides a platform for future growth with current and new customers. The owner of Martinic saw these same opportunities in combining with Monogram and was willing to conclude this transaction at a multiple that was quite attractive for us both.

Second, Gasket Vedações, or GVT, further expands our global footprint and product portfolio in Brazil, serving the rapidly growing energy market. GVT is a recognized and approved manufacturer and supplier of ring type joint gaskets for the onshore and offshore drilling markets and a distributor of additional gasket types for the refining and petrochemical markets.

During 2012, we acquired CIFAL in Brazil, a manufacturer and supplier of specialty fasteners and bolts. GVT now allows us to broaden our product offerings in country to include gaskets, and offers additional opportunities for continued growth, while expanding our footprint in Brazil to be closer to our customers.

A comment on acquisitions in 2013, we have a good pipeline of potential acquisitions that we are pursuing. We're staying on course with our acquisition strategy of small to mid-size friendly transactions that bolt-on to our existing businesses and that our management teams understand well.

Now I'll turn it over to Mark, to provide more details about our financial results. Then I'll be back to share our 2013 outlook for TriMas. Mark?

A. Mark Zeffiro, Chief Financial Officer

Thank you, Dave and good morning. Let's start with a brief summary of our fourth quarter results on slide nine. Our fourth quarter sales were $301 million, a 16% increase compared to the fourth quarter of 2011, with growth in five of our six segments. This was our 11th consecutive quarter of double digit year-over-year sales increases. Our organic growth efforts focused on new products, growing end markets and market share gains represent more than 40% of our growth. In addition, our recent bolt-on acquisitions are performing. Across the company we are successfully executing on our growth strategies. We are making disciplined decisions today to invest in opportunities for future long term growth and productivity.

Fourth quarter 2012 income from continuing operations attributable to TriMas would have been $13 million excluding special items related to our debt extinguishment costs, restructuring cost associated with Cequent's manufacturing footprint optimization and tax restructuring. This represents an increase of almost 49% compared to Q4 of 2011.

Fourth quarter margins were tempered by recent acquisitions, investments in growth and temporary costs and inefficiencies driven by our long-term productivity efforts. We have plans in place to enhance these margin levels and continue to be committed to productivity and lean initiatives.

For the quarter, we achieved a diluted EPS of $0.33, excluding special items, an increase of 32% compared to Q4 2011, while absorbing the effect of 13% more shares as a result of our May equity offering. We remain focused on cash flow and our results reflect our increases in CapEx and decisions to carry more working capital as a result of acquisitions, actions to support our customers, new product inventory levels and geographic expansion.

Moving onto slide 10, 2012 full year results. Overall, we are pleased with our 2012 performance with 17% sales growth and 27% income growth, excluding special items. We achieved record sales in 2012 with growth in five of our six segments. Our organic growth rate was in the high single-digit range, in line with our strategic aspirations.\

2012 operating profit was $139 million, a record level for TriMas. Our efforts to grow and improve company performance in the long-term come with costs in the short term, which compressed margins in 2012, including acquisition costs, acquisition margin rates and our restructuring efforts.

2012 income and EPS, both excluding special items, increased 27% and 17% respectively, primarily due to increased sales levels and lower interest expense and taxes. Income from continuing operations would have been $70 million, $1.84 share or 16.5% EPS growth, which was at the high end of our previously provided EPS outlook range of $1.75 to $1.85. This increase in EPS includes the impact of more than 9% higher weighted average shares outstanding compared to 2011 and the incremental cost associated with seven acquisitions during the year, including purchase accounting adjustments related to the transactions.

In regard to free cash flow, 2012 was a year where we committed substantial funding to capital expenditures and other investments in support of growth, including working capital investments, supporting our customers in new markets and new programs. With free cash flow of $27 million, we spent approximately $90 million on acquisitions, $46 million on CapEx primarily in support of future growth and productivity opportunities and reduced debt by more than $47 million. We expect higher levels of cash flow in 2013.

On slide 11, capitalization. We ended the year with approximately $422 million in total debt, a 10% decrease from December 31, 2011. As a result, we ended the year with a leverage ratio of 2.3 times compared to 2.67 times at December 31, 2011. We remain disciplined in our balance of growth, indebtedness and liquidity as we ended the year with $251 million of cash in aggregate availability. We also continued to make significant improvements in our capital structure as evidenced by our refinance during the fourth quarter in which we retired all remaining 9.75% senior notes and amended our credit facilities to reduce our borrowing rates, extend maturities and enhance our flexibility. We reduced interest expense by $8.7 million in 2012, as compared to 2011. As a result of the refinance and the reduction in borrowing rates, we estimate annual cash interest savings of approximately $14 million on a pro forma basis. As with all aspects of our business we are focused on continuous improvement while working to improve our profitability and drive value.

At this point, I would like to review our business performance by segment, beginning with our packaging segment on slide 13. 2012 packaging sales grew 48% compared to 2011 with a 54% sales growth in the fourth quarter, primarily as a result of Arminak and the Innovative Molding acquisitions. These acquisitions added almost $90 million in sales to the year and are performing better than expected. Our specialty systems product sales unrelated to the acquisitions increased due to additional demand from our North American dispensing customers, which more than offset a decline in European dispensing sales. Industrial product sales also declined in Europe.

Packaging operating profit increased during the year and quarter, primarily as a result of higher sales and ongoing productivity initiatives. While the Innovative and Arminak acquisitions historically have lower margins, we are achieving the synergies and our improvement plans are being implemented. Purchase accounting adjustments also had a negative impact on margins.

We are in production at our new Ohio facility, built in 2012, with full production expected next quarter. Our sales efforts in Asia continue to gain traction. A combination of Rieke, Arminak and Innovative has enabled us to advance our targeted growth initiatives more quickly and we continue to receive positive customer responses. We believe in the end market growth prospects for this segment and continue to support the launch of new dispensing and closure products.

On slide 14, Energy. Energy sales increased approximately 14% for Q4 and 2012, compared to a year ago. The sales growth was a result of multiple growth initiatives, including market share wins totaling almost $9 million within our highly engineered bolt product line, our July acquisition of CIFAL in Brazil, and incremental sales from new branches to support Lamons' global customers. We continue to leverage CIFAL and are executing our plans to further support customers in Brazil given the expected growth in the region's energy sector.

Energy's operating profit decreased in both periods as a result of higher sales – as the impact of higher sales was more than offset by a less favorable product sales mix, cost related to the branch build-out and acquisitions, and the impact of purchase accounting adjustments.

In support of customers, we will continue to expand the engineering product line and our global footprint in support of customers, as demonstrated by our newer branches in Spain and Singapore and the January acquisition of GVT adding gasket capability in Brazil. We are focused on improving margins in this segment over time and will continue to maximize our supply chain and operational efficiencies for improved cost and delivery.

On slide 15, Aerospace and Defense sales increased approximately 12% in the fourth quarter and was relatively flat for the year compared to 2011. As improved demand for our blind bolts and temporary fasteners from aerospace customers offset the sales decline in the defense business.

Monogram, our aerospace business, continues to show positive sales momentum with a double-digit increase in sales to both prior periods, including new sales into Asia. We continue to experience higher order activity which resulted in record backlog at year-end.

2012 continued to be a trend of increasing operating profit by 12% and a 280 basis point improvement compared to 2011, primarily due to the increased sales levels in aerospace. This improvement absorbs incremental costs for long-term growth in this segment including associated start-up costs for the new Tempe, Arizona facility where we will manufacture new products for our key customers. Installations of new equipment in 2012 for planned productivity gains, diligence costs related to the Martinic acquisition in January 2013. We're excited about the addition of Martinic to our aerospace product portfolio. We expect this business to continue to grow, show revenue growth as a result of increasing aircraft build rates, our efforts to obtain new product qualifications and our expanded geographic coverage.

Moving on to slide 16, Engineered Components, both businesses in this segment, Arrow Engine and Norris Cylinder experienced continued growth for the year with 2012 segment sales up 14%, primarily due to improved demand for engines, compressors, and other well-site products. Increased oil drilling activity and new products benefited Arrow Engine with sales up $17 million compared to 2011. Sales in our industrial gas cylinders business increased by $7 million in 2012, primarily due to market share gains which we believe are partially aided by the May 2012 imposition of anti-dumping duties on imported high-pressure steel cylinders. Both businesses experienced some softness in the fourth quarter as Arrow was impacted by a reduced number of natural gas well completions and Norris had some customers delay orders until 2013.

Operating profit in both periods was impacted by a less favorable product sales mix and fixed cost absorption in our engine business and continued investments in growth initiatives. Surpassing $200 million in revenue in 2012, Engineered Components has almost doubled its sales levels of 2010 and continues to focus on maintaining its mid-teen margin levels despite natural cyclicality in the Arrow business. We continue to develop new products and expand our international sales efforts in this segment.

On slide 17, we show the performance of Cequent split into two segments. Overall, Cequent Americas sales increased approximately 4% in 2012 and the fourth quarter as a result of higher sales levels from the auto OE, industrial, and aftermarket channels. We continue to outperform the economy as a result of market share gains, new product introductions, and the July acquisition in

Brazil. Cequent Americas operating profit and margin remained at solid levels, increasing in 2012, even while incurring incremental costs related to acquisitions and investments in growth.

As evidenced by our continued footprint optimization, we continue – we remain focused on making these businesses more efficient. As we mentioned on last quarter's call, we made the decision to close our Cequent Performance Products facility in Goshen, Indiana and to relocate these manufacturing operations to a Cequent Performance Products facility in Reynosa, Mexico during 2013. We are pleased to report the company and labor union have signed an executed plant closure agreement that contains a joint stipulation to dismiss the pending arbitration. This move will drive productivity in the business.

Also in 2012, Cequent Americas acquired Engetran, a Brazilian manufacturer of towing products, which is allowing us to leverage our full line of products in this rapidly growing market, as well as better serving our global customers. We also added to our product lines during 2012 in the retail channel.

Cequent Asia Pacific sales increased 36% when compared to 2011, primarily due to almost $20 million in higher sales in Thailand as a result of new customer program awards. Sales also benefited from the acquisitions in New Zealand in July and South Africa in Q4 2011. The significant increase in business volume, combined with our transition to new facilities, brought temporary production inefficiencies affecting the margins during the year, given higher than expected customer demand. We expect this will be mitigated going forward as we digest the new level of business volume and enhance productivity in the new facilities. We remain focused on productivity, product leverage, and regional expansion in the Cequent segments. We are focused on achieving both cost and sales synergies from the recent acquisitions in New Zealand and Brazil.

At this point, I would like to summarize 2012 on slide 18. During 2012 we invested in growth and took advantage of areas where we saw real opportunities to capture share or watch new products. We are nimble, reacting with speed to better support our customers' needs. These actions are benefiting us now, most notably in the top-line, and we'll continue to do so, plus generate margin improvement in the future. In addition to our organic growth, we completed several bolt-on acquisitions during the year to expand our geographic footprint and product lines. We have a track record of targeting, acquiring, and integrating complementary businesses that increase stakeholder value. We remain focused on productivity and lean initiatives and we have plans in place to optimize our footprint and improve margins over time.

Through two strategic moves, the issuance of 4 million shares and the debt refinancing, we have substantially improved the long-term capital structure of TriMas. We have greater operational and strategic flexibility at a significantly lower cost. And finally, we have established a track record of consistent performance with 11 consecutive quarters of the double-digit sales and income growth.

That concludes my remarks. Dave will now provide some comments on our 2013 outlook. Dave?

David M. Wathen, President, Chief Executive Officer & Director

Thanks, Mark. First, let me share a summary of our current playbook for 2013, on slide 20. There are several ongoing strategic drivers that I'll comment across many of our businesses: globalization, and emphasis on the environment, and the growing middle class. We are making sure we capitalize on every opportunity.

Let me share some examples. Globalization is a positive driver in each of our segments. In Packaging, global customers are shrinking the number of suppliers and need a global partner around the world who has local capabilities. They're also commonizing dispensing designs globally, with the biggest positive for us so far in Asia. In Energy, we have multiple global contracts and continue to build out our branch network to support our customers in close proximity to their plants and refineries.

In Aerospace and Defense, aircraft usage climbed with globalization; a trend that promote aircraft build rates and usage of our products with both current and new manufacturers. At Norris Cylinder, our ability to meet global specifications helps the export side of the business. And in Cequent, globalization of our customers means our customers build the same pickup trucks in Thailand, South Africa, Mexico and Brazil, and need our products globally.

Another strategic driver is environmental concerns, which also affects each of our segments. In Packaging, environmental concerns are driving product designs to allow for recycling and less waste. And customers are looking for partners to aid them in developing innovative dispensers and green solutions, for example, when they get a request to replace steel springs and plastic dispensers to assist with recycling.

In Energy, plentiful natural gas means customer plants are converting from oil to gas as feedstock, and concerns about leakage or environmental hazards help increase sales of higher spec seals, gaskets, and fasteners.

In Aerospace and Defense, environmental concerns for fuel economy drive new aircraft designs, redesigns of existing platforms, and substitution of lighter weight fasteners and parts, all areas we focus on. Norris Cylinder used in – are used in environmental applications. Arrow Engines and compressors are seeing more fracking and shale gas applications and a future growth driver will be environmental-driven retrofits to existing engines.

In the environmentally-driven downsizing of vehicles for fuel economy is expanding our new product opportunities in Cequent. A third strategic driver is the growing middle class in emerging economies like China, Thailand, Brazil and others which affects our Packaging, Aerospace and Defense, and Cequent segments. In Packaging, the growing markets for pharmaceuticals and cosmetics, in markets we focus on, grow with middle class expansion. Growing middle class populations tend to fly more too. Cequent's products also tend to grow to the middle class consumer.

My priorities for TriMas in 2013 are listed here as well. Certainly, ongoing growth of revenue and earnings is number one. We used to be a highly leveraged turn-around story. Now we are fully committed to sustained growth. Our margins declined in 2012, mostly due to acquisitions and investments in growth and we are committed to improvement in 2013. Two weeks ago, I attended the report-out sessions from a group meeting of all of our business unit manufacturing leaders and I can assure you, we have action plans in each business for margin improvements.

Balancing spending on capacity, adds – capacity adds versus timing and location is a new priority. Getting it right will also deliver higher margins and improve customer fulfillment. Cash management is an ingrained priority at TriMas. What's new with our more normal balance sheet is our ability to use working capital and cash as competitive weapons. And maybe, most importantly how we involve, train, communicate with and compensate and treat our people is always a high priority.

The tools and tactics we employ aren't new or unique. We do believe that we execute well, measure and understand our performance and continuously improve all we do. Our productivity and lean initiatives continue to gain traction.

All of these factors lead us to our outlook for 2013 on slide 21. We expect revenue to grow at high single-digits, despite expected slow economic growth. We project 2013 EPS to be between $2.15 to $2.25 per share with the mid-point representing a 19% EPS growth on more average shares outstanding compared to 2012.

A reminder on fourth quarter EPS expectations, this is the last quarter where we face a significantly higher share count versus 2012, as a result of our May 2012 equity offering. Therefore, we expect relatively flat EPS for Q1 compared to the prior year and a greater lift in second through fourth quarters. For 2013 free cash flow looks like $40 million to $50 million even with CapEx spending for capacity being up in 2013 at approximately 4% of sales overall.

I'll close my comments with a reminder of our value proposition on slide 22 to reinforce how all of us at TriMas intend to keep increasing the value of our enterprise.

Thanks again for all your support and now we'll gladly take your questions.

QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] Our first question will come from Joe Bess with ROTH Capital Partners.

<Q – Joe Bess – ROTH Capital Partners LLC>: Good morning.

<A – Dave Wathen – TriMas Corp.>: Good morning, Joe.

<A – Mark Zeffiro – TriMas Corp.>: Good morning, Joe.

<Q – Joe Bess – ROTH Capital Partners LLC>: In your opening remarks you mentioned a process to penetrate markets like Brazil, take a bit of time. Can you walk me through some of what the key remaining steps are over the next couple of years to really get to a point of having meaningful customer relationships there?

<A – Dave Wathen – TriMas Corp.>: Two things. One, there are some new customers, particularly the drilling companies who are putting in a lot of infrastructure and use our kinds of products. We have to get ourselves qualified and accepted by them. That is going on. Certainly, the acquisition we made in January was about – partly about acquiring a set of approvals that – because the specs are just different enough, we've decided we're better off acquiring the approvals. So, there's a set of getting the approvals from new customers that we haven't been dealing with. The other customers, I'll say current customers that we deal with globally, is a more normal process for us. It's just – it's a matter of having a site close geographically and convincing that site that we are the supplier of choice. We're used to that. It takes a little while.

The advantage in Brazil, in particular, is the ramp up of the industry is so fast, that we do get a leg up. And so we're seeing pretty decent growth rates. It was an important ingredient to get that acquisition done in January, though, to get some approvals into our camp. And it makes it easier now for us to start bringing in the rest of our product line, for those customers. Other than that, it's a global feeling market. Customers in Brazil are similar to customers every place else. And so, you'll see pretty decent [indiscernible] (33:17). In the Cequent business that was also really about approvals, in country, so that we have products that meet the local specs. And importantly meet the approval agencies' requirements. So, we're seeing that ramp pretty nice too.

<Q – Joe Bess – ROTH Capital Partners LLC>: Thank you for that insight. And then think about the leverage ratio, Mark. Are we still sort of targeting a 1.6 times leverage ratio or how should we start to think about that now with the debt levels where they are and the growth initiatives that you really have to increase EBITDA going forward?

<A – Mark Zeffiro – TriMas Corp.>: That's – thank you for the question, Joe. The goal of the company is still to continue our relative leverage ratio. Sub-two is exactly where we're headed. The 1.5 to 1.75 level is kind of what feels where we should be as a company long term. There's obviously the opportunistic view towards acquisitions we've had, so I think we will continue to prioritize cash use with high shareholder, stakeholder value accretion through these acquisitions, at least for the immediate term.

<Q – Joe Bess – ROTH Capital Partners LLC>: Okay. And then, thinking about inventory levels, is it a little higher this quarter on a percent of sales basis? Should we think about that as being just some of the redundancies with some of the facilities that you're consolidating? Or is that just sort of a level?

<A – Dave Wathen – TriMas Corp.>: No, you're right on that. That's the big driver.

<Q – Joe Bess – ROTH Capital Partners LLC>: Okay. So we should see that kind of come down going forward?

<A – Dave Wathen – TriMas Corp.>: Yeah, that's part of the check list as you're moving facilities around that you, to take care of your customers you make sure you've got a, I don't like the word bank of inventory, but it's descriptive.

<Q – Joe Bess – ROTH Capital Partners LLC>: Okay.

<A – Mark Zeffiro – TriMas Corp.>: And Joe, I would add one thing there. There's obviously pushes and pulls with everything in business. With the gain of certain regional and global customer opportunities we've added inventory in those spaces. But we also knew we had, if you will, transitions to new facilities and like that have temporary effects associated with inventory. So there's growing consideration in terms of customer needs and then there's obviously the temporary considerations associated with continued investment in our footprint optimization.

<Q – Joe Bess – ROTH Capital Partners LLC>: Okay. And then last question, and then I'll get back in the queue. Thinking about the Martinic acquisition, is there opportunities for us to penetrate existing programs that you guys already have or is this really a function of getting new customers in new programs like with customers in Europe [ph] and stuff (35:59)?

<A – Dave Wathen – TriMas Corp.>: It's important to know Martinic's main customers are not the first tier aircraft manufacturers.

<Q – Joe Bess – ROTH Capital Partners LLC>: Okay.

<A – Dave Wathen – TriMas Corp.>: It's the, call it OEM suppliers who make big sub-assemblies for the aircraft manufacturers. Martinic machines titanium parts exactly what we're used to. But they're used more in the customer channel of these big suppliers. And so it gives us that opportunity to go into those people that we haven't served as much. Commercially though it allows us to take their products to the customers we know best. This is one of those pretty neat two-way synergy ones. And we're happy to have made a connection with them.

<Q – Joe Bess – ROTH Capital Partners LLC>: All right. Thank you for that.

Operator: Thank you. We'll take our next question from Robert Kosowsky with Sidoti.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Hello. Good morning guys and Sherry. How are you doing?

<A – Sherry Lauderback – TriMas Corp.>: Hi.

<A – Dave Wathen – TriMas Corp.>: Good. How are you, Rob?

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Doing pretty good. Mark, I was wondering, if you look year-over-year the – for full-year, the operating margin was down 130 basis points, 140 basis points, and I was wondering if you could bucket that into acquisition accounting impacts, product mix, inefficiencies from all these new plants going on, other growth initiatives, just to kind of give us a little bit of more clarity into what the margin degradation was?

<A – Mark Zeffiro – TriMas Corp.>: Yeah, if you think about it there is nearly $3 million in purchase accounting effect within the year. You've got just sub-$3 million in duplicative costs not considered in that special items, namely [ph] you fill (37:38) duplicative costs in plant consolidations. And also, Rob, I would tell you, product mix was a big number for us as well. And that was more in the neighborhood of about $8 million in terms of relative margin pressure that we felt as a company.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay. That's very helpful. And then, what did you see in the fourth quarter on the industrial closures business and how is that trending in the first quarter? Kind of was there a dive in demand in December like what you've seen with other industrials?

<A – Dave Wathen – TriMas Corp.>: Yes. It's, if you had Lynn Brooks on the phone and then the folks in that business, they'd tell you that they almost attributed it to the news cycle about fiscal cliff and all that you know? And it turned back on after we got through that whole mess. And it's, it turned back on as in it went back to the rates that it was earlier in the year. But December was pretty discouraging. Europe is still just up and down and if you step back far enough and smooth it over a few months, it's fairly level at the lower levels we've been running at. But, yeah, we definitely saw industrial closures. We probably saw some of it in the other industrial business like Norris. We saw some of the effect from the stuff going on in Washington, D.C. People just didn't backorder. No backorders was best you can tell.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay. Given that we should see a decent snapback in the profitability on the packaging side in the first quarter so given that December might have been a pretty poor month?

<A – Dave Wathen – TriMas Corp.>: No, there'll be some improvement, but there's – we've got a heavy load impacting new product launches and we're getting going big time in Asia on capacity adds. But yeah, the margin improvement – I will give a quarter answer, but we're on the margin improvement track actually in each of our businesses because we – yeah. We're on the margin improvement track for sure.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: All right. Thank you very much.

<A – Mark Zeffiro – TriMas Corp.>: Thanks, Rob.

Operator: Thank you. We'll go next to Scott Graham with Jefferies.

<A – Mark Zeffiro – TriMas Corp.>: Morning, Scott.

<Q – Scott Graham – Jefferies & Co., Inc.>: Good morning. Sorry. Had to unmute myself here. So, I kind of have the same question as the prior question, but maybe with a little bit more specifics on each segment. Could you tell us how the purchase accounting numbers parsed out between the segments, Packaging and Energy in particular, I guess, for the larger ones?

<A – Mark Zeffiro – TriMas Corp.>: Just for everybody, that'll obviously be in the K. The purchase accounting effects obviously affected the Packaging business most notably and the Energy business also and I would tell you that they weren't terribly dissimilar between the two.

<Q – Scott Graham – Jefferies & Co., Inc.>: Okay. Okay.

<A – Mark Zeffiro – TriMas Corp.>: The $3 million is not – I mean it's $3 million, Scott. I mean it's between probably – it's just sub-$1.5 million for our friends in Packaging and the rest of it obviously is largely in Energy. There's obviously a couple other nits and nats but the biggest effect was Packaging.

<Q – Scott Graham – Jefferies & Co., Inc.>: Okay. And then kind of similar, you were kind enough to give us the $8 million hit on mix. Two questions on that: where did you see that the most in the segments? And was any part of that $8 million from pricing?

<A – Mark Zeffiro – TriMas Corp.>: No. We separate from pricing from mix, Scott, in terms of pure analytics. I would tell you we saw very much effect obviously the Energy business with the launch of new branches. We saw it effect Packaging business with some of the new product launches and Engineered Components as well in terms of some of the new products that were really most notable out of our Arrow Engines business.

<Q – Scott Graham – Jefferies & Co., Inc.>: Okay. That's great. Two other questions and this one maybe is more directed towards you, Dave. I know that sales spending is extremely targeted with you guys and it certainly it has worked. You pick a spot. You spend it and sales come through the next quarter. So, it looks to me like the fourth quarter, there was a fair amount of that heading into 2013. I was just kind of wondering two things on this. Number one, where was that sales spending kind of the most and maybe identify a couple of the things that you're pursuing if you would? And then secondly on the productivity side, the productivity is supposed to fund the sales spending. Did that happen this quarter and the decline in the margin was from these other factors? Just curious.

<A – Dave Wathen – TriMas Corp.>: Well, the last question I would say they were in balance. The productivity did offset the spending that we took on. The targeted spending, Brazil was certainly – is a focus and will continue to be. Asia in the broadest sense for Packaging and Aerospace and Cequent and it is paying off. I would say the science in it is to get the capacity adds at the right time and we're trying real hard to make sure we get that right. China, I could go on and on about, but the dilemma in China of all the stuff with plants that have export duties and import duties and all – and the Chinese government recognizing the issues and changing the rules around and us trying to find – in our favor and us trying to find the most opportune way to do it. And – we think we've sorted that out and you'll see some pretty decent positives coming out of all that. I wouldn't list any broader sales efforts they really have been regional.

There's a few specific things in the U.S. by – in a couple of the business. Norris has had a couple of special things that are look like they're paying off for us. And in Arrow, Arrow has the customer complexion in Arrow because of shale and fracking and all that kind of thing is moving fast. We had a – the quick story I'll tell is we've got one engine design in Arrow that has proven to be extremely popular as in way past any kind of capacity and we've actually – we've had air freight components and all that kind of thing, but it's good, and we've raised prices a couple of times too. So, we're still chasing – when you say mix, mix isn't always bad. A lot of times it's a positive, but you're chasing it to get yourself lined up with it and we had that kind of a year. That's the way of the world, ever faster and we keep getting faster to respond.

<Q – Scott Graham – Jefferies & Co., Inc.>: Okay. Mark, back to you for one last one. The mix is $8 million, I forgot to ask, does that include acquisitions mix went the other way?

<A – Mark Zeffiro – TriMas Corp.>: No. That is existing product mix.

<Q – Scott Graham – Jefferies & Co., Inc.>: Got it. Thank you.

<A – Mark Zeffiro – TriMas Corp.>: You bet.

Operator: Thank you. [Operator Instructions] We'll go to Steve Barger with KeyBanc Capital Markets.

<Q – Steve Barger – KeyBanc Capital Markets>: Hi. Good morning.

<A – Dave Wathen – TriMas Corp.>: Hey, Steve.

<A – Mark Zeffiro – TriMas Corp.>: Hi, Steve.

<Q – Steve Barger – KeyBanc Capital Markets>: First question for Mark. How much of that 6% to 8% revenue growth is from acquisitions you completed last year? Or what are you thinking about in terms of pure organic growth this year?

<A – Mark Zeffiro – TriMas Corp.>: Pure organic growth. We've only got really the Martinic acquisition which will obviously add acquisition top line, GVT is not a material number in terms of total company, and you'll have the first quarter associated with Arminak. So, you put all those three things together, you're talking about $20 million – $13 million plus another $20 million, actually probably more like $15 million. So, probably about $30 million in total will be acquisition growth, Steve.

<Q – Steve Barger – KeyBanc Capital Markets>: Okay. And do you expect positive organic growth in every segment in 2013 based on how you're planning the year right now?

<A – Dave Wathen – TriMas Corp.>: Yes. The organic would include driven by new product programs and that sort of thing, but yes.

<Q – Steve Barger – KeyBanc Capital Markets>: Sure. But right, just so, and you don't see any areas of weak – sorry. Go ahead.

<A – Dave Wathen – TriMas Corp.>: No, I mean the – we've got markets modeled at the – I'd call it we'd try to do it on the low end. But I still think the U.S. is a 2% GDP in 2013. And Europe is flat, et cetera. There's some people think Europe might be up a 1%, but not enough you can feel it. No, I think we're – we've got – you know us. We've got product programs and customer programs identified and so, when we give you a sales guidance we know what it is and we've got risk factors applied to it. The trick then is to find some more to add on top.

<Q – Steve Barger – KeyBanc Capital Markets>: Right. So just as you think about the various segments is, I'm guessing, just given on the aerospace build rate, A&D could have double digit organic growth, but is there anything else in there that could approach high singles or are you thinking more low single digit for all the segments?

<A – Dave Wathen – TriMas Corp.>: You're right about A&D because the D part has gotten small enough now. We don't have to keep making or trying to explain that. The Packaging has got some strong sales programs. The Asian part of Packaging, we keep talking about it, that is really helping and there is some kind of neat new products that are adding in Packaging. Energy will be pretty decent, but it's being driven by more branches.

<Q – Steve Barger – KeyBanc Capital Markets>: Right. So, the margin profile may not be there but the top line...

<A – Dave Wathen – TriMas Corp.>: The top line will come through, yes.

<Q – Steve Barger – KeyBanc Capital Markets>: Okay. What do you expect the impact of working cap is going to be this year?

<A – Mark Zeffiro – TriMas Corp.>: It'll be – as we're growing and the like we're expecting obviously to be use where we closed the year in the higher teens than what we have historically been, 12% to 13%. But the reality is we're looking at about 15% working capital as a percent of sales. So, it'll be a slight use.

<Q – Steve Barger – KeyBanc Capital Markets>: Right. Okay.

<A – Mark Zeffiro – TriMas Corp.>: In dollars...

<Q – Steve Barger – KeyBanc Capital Markets>: And, say that again? Sorry?

<A – Mark Zeffiro – TriMas Corp.>: In dollars, but on a percentage basis we should see slight improvement.

<Q – Steve Barger – KeyBanc Capital Markets>: Right, in the use in dollars though. Yeah. And CapEx looks like its mid $50 million range. Can you break that out between maintenance and growth and talk about how you're framing up your return profile expectations on the growth part?

<A – Mark Zeffiro – TriMas Corp.>: Yeah. Let me deal with the bifurcation of the two elements here. Our maintenance CapEx hasn't really moved drastically all that much and it's been about in the mid teens in terms of on millions of dollars a year. The rest of it obviously very much focused on growth and productivity for us as a company. So there's really three pieces, right, Steve? And that is productivity, that investment has been kind of a two year or less kind of payback investment. I think growth capital has obviously had some shorter, some longer, but on average, it's been about a two year payback.

<A – Dave Wathen – TriMas Corp.>: If you were sitting in an operating review, you'd recognize that we have – we are pursuing more CapEx driven productivity, which is a way to go after margins. TriMas had been pretty starved on that kind of stuff and I could take you around and show you banks of machine tools and that sort of thing that are really paying off and four of them sitting in Monogram that the obvious next step is eight more. So, we've got some – within the CapEx spending, we've got some of those kinds of things going on and it's another one of those getting benefits in TriMas for me is that when it's been starved so long, the upside for [indiscernible] (50:37) a little bit on some of that kind of productivity CapEx is great. We're not replacing machines that are 5 or 10 years old. We're replacing machines that are a couple of decades old that have come a long, long way in not just cost of running the machine. It's about throughput and quality levels and all that. We've got a whole push going on throughput and first passing yield and all that. Some of the basics and I like it; it'll do us a lot of good.

<Q – Steve Barger – KeyBanc Capital Markets>: Well, I guess I'll take it one step further then since you have these good things going on. If there's $40 million plus or minus of growth CapEx, of growth and productivity, will you tell us the split between how much of that is on the productivity side, the machine investments that you're making and how much of it's on growth?

<A – Dave Wathen – TriMas Corp.>: I don't want to get that precise on it because there's a little spillover between them too.

<Q – Steve Barger – KeyBanc Capital Markets>: Okay.

<A – Dave Wathen – TriMas Corp.>: Yeah.

<Q – Steve Barger – KeyBanc Capital Markets>: I understand.

<A – Mark Zeffiro – TriMas Corp.>: Sometimes you've got a growth investment that's also productivity. So, it's kind of hard to separate those two.

<Q – Steve Barger – KeyBanc Capital Markets>: Okay. And Dave, you talked about waiting for confirmed revenue growth before you add capacity. Which segments are up against constraints right now and really need the expansion and where are you maybe over capacitized or you just don't need the investment right now?

<A – Dave Wathen – TriMas Corp.>: Well, we certainly in Packaging are up against in our capacity and we're happy to run higher cost ways of making products and so we can get some things online. So Packaging definitely needs capacity adds. We are – we have our capacity ramp going on in Monogram as you can imagine that we will be on for a while. Unless something changes dramatically in those markets, we'll be on a capacity ramp for a while in that business. There is – we have a fastener capacity issue within Energy as in the big fasteners that we make at South Texas Bolt and all that and we need more of that capacity because we're happy to outsource things and pay way more than we could manufacture for. I would – I kind of put those at the top of the list. There's a few tight spots in certain kinds of cylinder sizes in Huntsville and things like that, but we know how to address them.

The new plants in Reynosa for Cequent North America are – do add some capacity because we can see the product mix. But they're totally driven for productivity. So, we generally have enough capacity in the rest of the businesses.

<Q – Steve Barger – KeyBanc Capital Markets>: Okay.

<A – Dave Wathen – TriMas Corp.>: I'll have a few division presidents reminded me that I had this saying about me running a press room third shift Sunday night. And I get called on that once in a while.

<Q – Steve Barger – KeyBanc Capital Markets>: And last question, I'll get back in line. You talked about being up against capacity in Packaging and also in Energy. Are those the first initiatives that you're pursuing with the $40 million in growth and productivity CapEx? And do you expect that those capacity constraints can be broken to some degree in the first half of your year?

<A – Dave Wathen – TriMas Corp.>: Generally, yes.

<Q – Steve Barger – KeyBanc Capital Markets>: So, we should start to see the margin?

<A – Dave Wathen – TriMas Corp.>: Yeah, and it's about margin. Again it's – we're the kind of company that we can find a way to build it, though we build at a higher cost. But we outsource a component and that sort of thing, so it's not like we're going after the revenue, it's going after margin.

<Q – Steve Barger – KeyBanc Capital Markets>: Right. Okay. Thanks so much. I'll get back in line.

Operator: Thank you. [Operator Instructions] We'll take a follow-up from Robert Kosowsky.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Yeah, just a couple of follow-ups. First off on Cequent North America, do you – are you baking in much growth in that segment given the rebound that we're seeing in housing?

<A – Dave Wathen – TriMas Corp.>: There is – yes. Housing, the rebound in housing is driving, we see it in construction, we see it – you might even see a secondary effect because of people's house values feeling a little better and them spending more money on the recreational side of that business, but directly in the construction part of the business. Yes. We're seeing it. How you're going to be – we don't tend to think, we don't tend to talk housing as a driver for TriMas, but at least in that segment, it will be good for us for a while here.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay. So I imagine there's going to be a good amount of...

<A – Dave Wathen – TriMas Corp.>: Heads up. You run into a math problem because of the size of construction within Cequent and within TriMas so it's not a huge change but, yup, it's definitely a positive. And it tends to be the heavy duty products which are higher margin for us.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay. And are these some of the products that you're moving from Goshen to Mexico? And kind of how are you dealing with that, I guess risk if demand does come back?

<A – Dave Wathen – TriMas Corp.>: Well, some of it we build inventory for. We have been, of course Goshen is a union facility. We had a lot of issues with potential injunctions and things like that which have now settled out with us going to the employees and agreeing on severance and that sort of thing. I always say we – I strongly believe in treating people well. You can't fix every problem for them, but in a time like this, we treat people well. We are doing that and they voted for what we wanted. So now, we have a situation where people know what their exit package is and all that kind of thing and so we're doing okay building. There's always a chance of issues with it. But I think we've got it covered with some dual capacity, with some inventory built. We've done this kind of thing before and we certainly know how, and so we've got good people working on it.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay. That's helpful.

<A – Dave Wathen – TriMas Corp.>: We're not skimping. We're not skimping. We'll show you a showplace plant in Reynosa someday.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Cool. And then you talked a lot about the short-term hand that you're feeling on margins right now and I was wondering longer-term what the margin potential is you see down the road?

<A – Mark Zeffiro – TriMas Corp.>: Are you talking in general or in a specific segment, Robert?

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Just company-wide. You mentioned a lot of kind of short-term hand this year and I'm just wondering what you see, five years down the road as kind of some margin potential targets?

<A – Mark Zeffiro – TriMas Corp.>: Well let's talk immediate term because, obviously, there is – we recognize the pressure that we saw in 2012. We did everything possible to offset those pressures in 2012. You never stand still and we're expecting to see margin expansion in 2013 as a company. We haven't given guidance on what that expansion will look like, but it's not going to be all the way back, but we're going to recover a good portion of it in 2013.

The realities of it are the investments that you hear us talking about in terms of packaging as well as our friends in Cequent are clearly going to add margin opportunity for us as a company. You can do your own mathematics associated with that with respect to the move to the Goshen facility and get a sense as to what that means to your own model.

But we will continue to expand margins because, quite frankly, as we're growing earnings faster than top line, we're going to – you're going to naturally see that happen. So, in terms of a target here, we internally continue to think of it in terms of kind of a 15% operating target that as a threshold for us as a company. And that's what we're running to. Now, I'm not going to get in and say it's five years or three years, but I'll tell you, that's where we're headed.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay. That's helpful. And then also, any thoughts about return of cash to shareholders?

<A – Mark Zeffiro – TriMas Corp.>: It's interesting, Rob, that for the first time with this most recent re-finance, that's not a restricted payment as under the credit agreement. It's not something that immediately is ahead of us simply because we have a very robust acquisition pipeline. So, I think that the return on capital is there for us to continue down the path.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: All right. Thank you very much and good luck.

<A – Mark Zeffiro – TriMas Corp.>: You bet.

Operator: Thank you. [Operator Instructions] It appears that we have no further questions.

David M. Wathen, President, Chief Executive Officer & Director

Okay. Well, we sure appreciate everyone's attention and interest and suggestions. We've come a long way. We've got a long ways to go yet and we understand our priorities. We know how to continuously improve. We know that when we need to turn the dials heavier one direction than another. We know how to do that. In spite of kind of ugly economies and markets and that sort of thing, I think we've got bright spots identified and focused on them. And we look forward to continuing to increase the value of this place. So, thank you for your support. Stay in touch.

Operator: Thank you. Ladies and gentlemen, this does conclude today's presentation. You may now disconnect.