PARTICIPANTS

Corporate Participants

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

Other Participants

Rob Kosowsky – Analyst, Sidoti & Co. LLC
Alexander Walsh – Analyst, KeyCorp Investment Banking
Tom Klamka – Analyst, Credit Suisse (United States)

MANAGEMENT DISCUSSION SECTION

Operator: Good day, ladies and gentlemen and welcome to today's TriMas Corporation Third Quarter Earnings Conference Call. Please note today's conference is being recorded.

I would now like to turn the conference over to Ms. Sherry Lauderback. Please go ahead, ma'am.

Sherry Lauderback, VP-Investor Relations & Communications

Thank you and welcome to the TriMas Corporation third quarter 2011 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's third quarter results, as well as provide some additional details on our 2011 outlook. After our prepared remarks, we'll then open the call up to your questions.

In order to assist with the review of our results, we've included a press release and PowerPoint presentation on our company website, www.trimascorp.com under the Investors section. In addition, a replay of this call will be available later today by calling 888-203-1112 with the replay passcode of 4995221.

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 in 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 thanks to all of you who have joined us on this call. We appreciate your ongoing support.

Our agenda today is that I'll provide my overview of our third quarter. Then Mark will discuss our financial metrics and details by segment. We will finish the presentation by discussing our outlook for the remainder of 2011 and then we'll gladly take your questions.

I will start on slide four, or messages today are simple and consistent starting with a reminder of [ph] our play block (2:16). Number one our TriMas operating processes are in place and working well to help us produce the results that all of you expect and deserve from us. We react fast to the changing environment and take actions to keep our businesses on track and serving our customers well.

Number two, we continue to fund and implement programs that drive continuous improvement. We have a combination of new product and new geography programs to keep dragging revenue growth. We have ongoing and new cost [ph] on (2:50) projects to keep reducing our costs and we continue our focus on cash generation.

Number three, we continue to make the strategic moves to rebalance our portfolio of businesses and improve TriMas for the long-term. This includes acquisitions will like Innovative Molding completed in August which expanded our packaging product portfolio and just recently a [ph] ring (3:15) joint gasket manufacturer in India to lower our costs and expand our footprint in our energy segment. We've also just completed an acquisition of a small towing products company in South Africa to serve as a foundation to generate more sales in that region.

I'm convinced the key to continuous improvement of TriMas value requires our constant attention and proper balancing of these three activities. Strong fundamental operating processes, strong program execution and strategic balance in our portfolio of businesses. All of us at TriMas stay focused on these divers of our success. Third quarter adds quarter order that I believe reinforces the message that TriMas businesses and people can perform well despite the difficult uncertain economy as evidenced by our results.

We've achieved our seventh consecutive quarter of sales growth, delivered via our continued attention to new product innovation, market share gains, geographic expansion and leveraging of our bolt-on acquisitions. We've also achieved operating profit margin expansion in energy, engineer components at Cequent Asia Pacific through our continued attention to productivity and lean initiatives throughout TriMas factories and offices.

You'll know that we've moved two businesses within our engineered component segment into discontinued operations. This reflects a rebalancing of our business portfolio in line with our TriMas strategic imperatives. Hi-Vol Products and Precision Tool Companies are solid, well run, well performing businesses but are not in markets where we have chosen to spend our growth capital. Proceeds will be targeted at acquisitions for our growth platform businesses for debt reduction and our ongoing restructurings as appropriate.

I remain upbeat about TriMas's ability to perform well despite weak economies and markets. We saw some softness in packaging in Q3 and we responded quickly to it. We see strength in the aircraft and energy markets. Our previous acquisitions are performing well and productivity and cash flow this quarter remain strong.

Now Mark will provide more information on third quarter results and each reporting segment of TriMas and then I'll close with a discussion of our outlook.

A. Mark Zeffiro, Chief Financial Officer

Thank you, Dave, and good morning. Let's start with the summary of our third quarter results on slide six.

Our third quarter sales were $278 million a record sales level for the third quarter and our sixth consecutive quarter of double-digit sales growth. Net sales increased 17% compared to the third quarter of 2010. All six segments grew year-over-year. The growth was led by 35% sales growth in energy, 51% sales growth in Engineered Components and 42% sales growth in Cequent Asia-Pacific. This growth was a result of market share gains, new product sales, geographic expansion and the successful integration of our recent acquisitions. Across the company our strategies are working and our investments in growth projects are paying off. Our gross profit and operating profit improved around 13% compared to Q3, 2010. Our productivity savings continue to fund growth initiatives and help to offset commodity inflation.

We continued to experience a slight margin decline primarily as a result of sales mix of our segments as two of our lower margin segments experienced significant sales growth during the quarter. In addition, our Q3 margins were negligibly impacted by the impact of purchase accounting adjustments and additional costs related to our Innovative Molding acquisition completed in August. Overall, we continue to manage SG&A as a percentage of sales, down 30 basis points for the quarter. Third quarter 2011, income from continuing operations was $17 million or $0.49 per diluted share as compared to $12 million and $0.35 in Q3, 2010.

As Dave mentioned, during the quarter we classified precision cutting tool and specialty fitting line of businesses both previously in Engineered Component segments as discontinued operations and asset held for sale. Therefore to be consistent with our expectations and previous results, I'd like to point out that the company net income per diluted share was $0.52, an increase of more than 40% as compared to $0.37 in the third quarter of 2010.

Our capital structure improvements helped lower interest expense by $1.8 million compared to third quarter of 2010. We've generated nearly $31 million of free cash flow during the third quarter compared to $24 million during Q3 2010. While funding new CapEx and working capital needs to support our current and future growth. We plan to generate approximately $15 million in free cash flow for the full year.

Moving on to slide seven. During the quarter we continued to increase inventory in a couple of our businesses to support share gains and enhance still rates as well as serve our customers in new markets. As you can see by our growth figures we were successful in securing this additional business. As a result of these decisions we did see a temporary increase in working capital as a percentage of sales with Q3 2011 ratio of 16.4% compared to 15% in Q3 2010.

Our long term working capital target remains at approximately 13% of sales, although we do recognize significant growth in global expansion does add complexity to our supply chain. Improvement here continues to be a focus across the company.

On slide eight, we ended the quarter with approximately $476 million in total debt, a decrease of more than $23 million compared to a year ago, while funding more than $28 million in acquisitions year-to-date. During the third quarter our continued strong financial performance afforded us the opportunity to amend our accounts receivable facility with improved pricing of LIBOR plus 150 basis points versus LIBOR plus 300 basis points as of September 30 2010 while also expanding the maturity to 2015 and increasing our capacity by $15 million. These amendments in conjunction with our recent refinance of our U.S. credit facilities has significantly reduced our interest costs and extended our maturities. We will continue to proactively manage our capital structure and look for opportunity to reduce our interest cost. These recent activities provide us with the operational and financial flexibility to continue executing our long-term growth objectives and strategies.

As a result of our increased profitability and lower debt levels, we ended the quarter with the leverage ratio of 2.65 times, the lowest level we've experienced here at TriMas. In addition, TriMas ended the quarter with $163 million of cash and aggregate availability under its revolving credit and accounts receivable facilities.

At this point, I would like to shift gears and review our business performance by reportable segment beginning with our packaging segment on slide 10. Packaging sales grew 3.6% compared to third quarter 2010 as result of the Innovative Molding acquisition completed in August, which added a little more than $6 million in sales in the quarter. We remain optimistic about the future growth prospects in packaging, but we did see some end market demand softening during the quarter.

Our customers took action to actively manage their inventory levels in industrial closures and specialty systems in Q3 in response to the economic uncertainty. Q4 order rates have shown improvement versus the Q3 levels. We're gaining share abroad with [indiscernible] (11:34) customers and we've been pleased with the opportunities that exist as a result of adding Innovative Molding to our company.

During the quarter, our packaging margins were impacted by the acquisition of Innovative. While contributed till the top line, operational earnings did not flow through the bottom line due to the effect of purchase accounting adjustments, additional acquisition related cost and inefficiencies related to Innovative's move to a more efficient manufacturing facility.

In total, Innovative's results negatively impacted gross margins by 480 basis points. And it's important to know, gross profit margins on the legacy business actually increased a 100 basis points despite the sales reduction as a result of our productivity initiatives. Significant end market growth prospects with large end market spaces for this segment continue to support our launches of new dispensing products serving the medical, pharmaceutical, food and beverage and personal care markets. Our initiatives focus on geographic expansion continuing to gain momentum and the acquisition of Innovative Molding with its proprietary products and customer base will complement [indiscernible] (12:47) growth strategies.

Moving on the slide 11, Energy. Energy sales increased nearly 35% for the third quarter compared to the year ago period equating to the largest sales quarter in Lamons' history, the sales growth was the result of multiple growth initiatives including geographic expansion the fourth quarter 2010 acquisition of South Texas Bolt & Fitting and increased demand. The acquisition contributed $5.7 million sales to the third quarter, its performance continues to exceed our expectations and sales related to South Texas Bolt & Fitting are on track to double the pre-acquisition level.

Lamons has also continued to benefit from newer branches opened in Rotterdam, Salt Lake City, Edmonton and the United Kingdom as well as newer branches opened in Midland Michigan and Singapore. In September we also expanded the sales and manufacturing footprint of this business into India with a small purchase of X-Cel India, which specializes in the manufacturing of ring joint gaskets.

Operating profit increased 47% as a result of higher sales volume with margins improving 90 basis points despite a less favorable sales mix related to increasing sales at [ph] Euro (14:04) branches, which have initially lower margins and increased SG&A cost in support of the branch expansion. We will continue to expand our footprint in support of our global customers in new markets.

On slide 12, Aerospace & Defense sales increased 6% in Q3 2011 compared to Q3 2010 due to improved demand for our blind bolts and temporary fasteners from the aerospace distribution customers marking the firth quarter in a row of higher order activity and increased backlogs. Monogram, our aerospace business, continues to show positive sales momentum with a $5 million sales increase compared to Q3 2010. On the other hand, our small defense business continues to be negatively impacted by the decreased activity associated with managing the relocation and establishment of the U.S. army's new defense facility. We are in the process of bidding on future production of ammunition casings and we will keep you posted as to the results.

Third quarter gross profit increased more than 20% compared to the prior year quarter and related margin improved 570 basis points primarily due to higher sales levels in aerospace and more favorable product sales mix in Q3 2011. Operating profit increased slightly as the increase in gross profit was significantly offset by higher SG&A levels in support of growth. We're well positioned to take advantage of the trend to build composite structure aircraft and our plans support increases in our content per aircraft. We expect this business to share revenue growth and margin expansion as aircraft build rates increased in our expanded geographic coverage generates results.

Moving on to slide 13, engineered components, third quarter's 2011 sales increased 51% compared to a year ago period primarily due to improved demand for industrial cylinders, engines, compressors and other well-site products. We continue to gain market share in these businesses as well as experience additional sales from new product introductions.

Third quarter operating profit more than doubled and operating profit margin improved 630 basis points compared to the prior year period due to higher sales levels, increased absorption of fixed cost and productivity savings. The company continues to develop new products and expand its international sales efforts in this segment.

On slide 14, we show the performance of Cequent, split into two segments. Cequent North America sales increased 3% for the quarter as a result of increased demand from the retail and industrial channels, primarily due to market share gains and new customers. Cequent North America's operating profit decreased due to temporary manufacturing inefficiencies which we're in the process of addressing. Sales higher cost inventory and higher SG&A expenses primarily for advertising and promotional items which are aiding our new customer sales.

Cequent Asia-Pacific sales increased to 42% when compared to Q3 2010 due to new customer program awards in Thailand and Australia and the impact of favorable currency exchange. Cequent Asia-Pacific's operating profit increased with an operating profit margin of 20%, a significant rebound from previous quarter due to the increased sales levels and continued productivity effort, as well as an agreement to reimburse start up cost expensed during the prior quarter associated with the new customer award. We'll continue to focus on productivity, product leverage and regional expansion in the Cequent segments.

In summary, on slide 15, we're pleased with our year-to-date results driven by our ongoing strategic initiatives. Year-to-date sales grew 19% driven by significant organic growth and the successful integration of bolt-on acquisitions. We also had strong earnings levels while continuing commitment to future growth. Our performance afforded us the opportunities to lower our cost of borrowing with interest savings based upon our new rates of approximately $4 million to $5 million a year.

We enhance our long-term capital position and structure in our leverage ratios at a TriMas low and we plan on continuing to lower. Continuous productivity in every functional area every year will remain a focus priority including working capital. Our operating model is in place and allows us to see trends, react quickly and take advantage of market conditions. We're pursuing opportunities to drive long-term earnings growth and enhance value to our shareholders in the future across the TriMas enterprise. That concludes my comments. Now Dave will discuss our expectations for the remainder of the 2011. Dave?

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

Thanks, Mark. Now, I'll look forward and discuss our outlook for the full year 2011. Slide 17 shows the progression of our full year outlook through each quarter of 2011. Our growth programs are achieving the results we are at. Programs ranging from adding sales engineers in Asia, for Monogram and Richey, new compressor assembly and gas product offering to Europe for use in shale fields, our acquisition of the Huntsville plant and product line for Norris, expanded heavy-duty fifth-wheel products in our Reese brand and expanding our branch network at Lehman's are all contributing factors to our revenue growth. We expect sales growth for the year at 16% to 17% above 2010. Our outlook for EPS from continuing operations is now $1.52 to $1.57 per share. Or you can do maths to get a $1.65 to $1.70 if the discontinued operations were included on an apples-to-apples comparison.

We expect free cash of approximately $50 million for 2011. We are looking to carry some safety stock inventories for our customers with particularly choppy demand, so we can capture opportunistic sales upsides during the next couple of quarters.

Now turning to our strategic aspirations on slide 18. These of course remain consistent. Although we do shift our emphasis given the external environment. Our own business is rolling forecast and are identifying [indiscernible] (20:45) assuming no economic tailwinds so that we have to earn every bit of growth we achieve. And earnings improvement comes from productivity, a situation with which we've all become familiar.

The cost position of our businesses must allow us to compete globally. So you will see us continue to engage in restructuring and get [ph] warranted (21:11). We'll invest in growth programs for new products and geographic expansion and continue to seek attractive bolt-on acquisitions. I remain upbeat about TriMas's ability to perform well despite weak economies and soft markets. We are well positioned to execute on our strategic imperatives throughout the remainder of 2011 and achieve double digit EPS growth in 2012.

Now we welcome your questions.

QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] We'll take our first question Robert Kosowsky with Sidoti.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Hi, good morning guys. Hi, Sherry, how are doing?

<A – Sherry Lauderback – TriMas Corp.>: Good, thanks.

<A – David Wathen – TriMas Corp.>: Good morning, Rob.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: I was wondering Mark, can you can give us may be the revenue and earning numbers for Q1 and Q2 from continuing operations.

<A – A. Zeffiro – TriMas Corp.>: Yes, I think I can do that for you and it's also obviously going to be released with our K later on today. You know Rob?

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Yes.

<A – A. Zeffiro – TriMas Corp.>: I don't have that immediately in front of me.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Well, if it's in the K, I can just look it up then.

<A – A. Zeffiro – TriMas Corp.>: Exactly.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay and I guess could you maybe talk a little bit more about the trends you've been seeing I guess by month or so in the closures business in North America and Europe. Just trying to get a sense of what you guys think this leading indicator is telling us.

<A – David Wathen – TriMas Corp.>: I mean what I would tell you it's kind of confirmation what they're hearing in all that. We – during third quarter we saw quite a bit of drop off in industrial closures in Europe, first, early in the quarter. Some drop off in the U.S and of course that kind of tracks industrial shipments of patent chemicals and all that. So more in Europe, a little less, but still a drop off in the U.S. It would certainly, we see it as leading indicator and we saw it and looking across all of TriMas and all of us got together and talked through that.

Now looking back on it, still down some in Europe, but, I'm talking industrial closures. And in the U.S. kind of come back up to a little lower than it was in the first half, but it feels okay. The specialty dispenser business also dropped off and Mark used the word inventory correction, and ultimately that's what it looked like. It was a drop off early in the quarter that has come back and it's, winds up looking flat and that's what we're presuming the markets are going to look like, is flat.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay. That's helpful and then any thoughts on...

<A – David Wathen – TriMas Corp.>: And then – we also, we can keep track of new products and new customers and new activities in Asia and all that. So we've got – of course that's all, [ph] winds up being an upside (24:25) for us.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Yes, sure.

<A – David Wathen – TriMas Corp.>: The underlying markets are flat.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay. That's helpful, and can you talk about maybe some of the pace of the new product launches on the specialty dispensing side, kind of where those stand right now?

<A – David Wathen – TriMas Corp.>: There is a substantial amount of, it happens to be both new products and new customers that we've been pursuing in Asia. They are new for us in Asia. We serve the same customers say in the U.S. Those are going through the process. They – they obviously went over faster for us, but you got to respect their timelines for approvals and changeovers and tests and all that. So...

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay. So is it basically...

<A – David Wathen – TriMas Corp.>: So, they're still coming. We are not getting them yet.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Yes. They just seem like they keep getting pushed out to the right a little bit.

<A – David Wathen – TriMas Corp.>: Well, it feels like that sometimes.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay. And then just also just curious about the manufacturing issues in Cequent that you talked about and also do you see any impact of Thailand in the Asia-Pacific business?

<A – David Wathen – TriMas Corp.>: We had in the Cequent North America business particularly in the non-consumer distribution channels, we have a lot of I was talking about order rate choppiness where there is orders and then drop offs and accelerates and all that. And that was hard on our facilities. Now I always prefer that our facilities be able to respond fast, but realistically there it puts a lot of stress on us. The supply chain for some of that product is made in Asia that we sell in the U.S. and that supply chain is tough too, the timing coming through ports and all. So we are working on all that pretty extensively, but it's -- and it's forcing us to take on extra costs and ultimately in business number one is serve your customers, and its cost us some, but we've made those choices.

Thailand, we've had no direct effect because our operations are inland. The industrial parts that were in are fine. Indirectly though we've had some customers take some time out because of other supply problems. So actually the quarter would have been strong without that. So no direct issue on this, but we are seeing some customers be effected and therefore gets us indirectly.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay, so it will be fair to assume some negative impact in the fourth quarter too.

<A – David Wathen – TriMas Corp.>: It will go on some, it's going to be – you'd notice that we did an acquisition in South Africa that was partly for a staging area for the production we're shipping into those assembly plants now.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay.

<A – David Wathen – TriMas Corp.>: So it will be, I will say [indiscernible] (27:22), it will be offset by some increases going on.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay. And then as far as the Cequent North America production issues that basically just, you got the orders left and it's just hard to change over your machinery and you might have to add some overtime to get the [indiscernible] (27:33).

<A – David Wathen – TriMas Corp.>: Yes. Overtime – we have overtime and extra cost and or you built something in the U.S. plant that you would – might have chosen to build in a different plant. The costs are higher, but again you do it for your customer because it's fixable.

<A – A. Zeffiro – TriMas Corp.>: Yes, to add a little context there. Remember that we started with obviously that forward facing consolidation of that set of businesses and the restructuring back in early 2009, throughout 2009 and quite frankly we are still working on the backend of it as well. So there are things that we know how to fix. We know how to fix year-on-year and the team is obviously very much focused on. So we got the pieces there. Here, Rob, what I can give you on the question around the discussion around [ph] Tisco (28:25) and the effects associated with it, you'll see obviously in the coming K in the second footnote. They'll give you $34.7 million in sales and $3.4 million in income from discontinued operations net of tax expense so you can start to back into your model numbers waiting for the quarter-by-quarter breakout. So that should help you and that's comparison basis of $30.7 million in 2010 for the nine months ended and $8.2 million in income from discontinued operations net of tax expense. So that's kind of where we are.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay. It was $34.7 also for 3Q like 130, 3Q right?

<A – A. Zeffiro – TriMas Corp.>: Exactly year-to-date basis. That's correct.

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

Operator: [Operator Instructions] We'll go to our next question from Alexander Walsh with KeyBanc Capital.

<Q – Alexander Walsh – KeyCorp Investment Banking>: Good morning, guys. Just had a couple of quick questions. First you mentioned you got a 100 basis point in margin expansion in packaging. I was wondering if you could just kind of go into a little detail on the breakout where that was kind of coming from, whether packaging – I mean whether closures or specialty?

<A – A. Zeffiro – TriMas Corp.>: Well, actually when we saw the beginning of some customer changes in terms of inventory levels, we take actions pretty quickly in that business and I tell you it affected both specialty dispensing and industrial side of the house, not disproportionate on one side or the other, margin rates remain fairly consistent between those two segments.

<A – David Wathen – TriMas Corp.>: Yes, it's – I'll add that the business has a long list of productivity programs, everything from multiple machines per person, different kind of feeder systems, vision inspection systems, speeding up lines, so all those kind of things that of course I enjoy and – but there is also an ongoing improvement in the mix of re-grind and the resins and things like that, kind of recycling. And that goes across that business. That business gets good solid productivity and sometimes as it works out when you see a little bit of slowdown you can jump on some things and get them done faster and that Lynn Brooks and the crew that runs that business, I can give them enough credit, they don't need me to tell them what to do, they do it and the results speak for themselves.

<Q – Alexander Walsh – KeyCorp Investment Banking>: Okay. And obviously there is going to be a lot of noise with Innovative, but how are you thinking about the margin run rates going forward in that segment? I mean are these productivity initiatives going to be enough to offset the impact of Innovative or just any color that you could provide would be helpful.

<A – A. Zeffiro – TriMas Corp.>: What we say this is that when we buy Innovative, we indicated that the margin rates were less than the legacy business. So we are going to see some headwind there at least initially as we integrate that business in, the first step obviously was getting them into new and professional and efficient new facility which was in the 30 days to 60 days with effort. So initially we'll have some headwind and margin rates but it'll continue to improve overtime. What we haven't done is and we didn't offer up, it was the margin rates in the actual acquisition. So that's not something I can talk to you directly here.

<Q – Alexander Walsh – KeyCorp Investment Banking>: Okay, and then just kind of taking the same frame of thoughts to the Monogram business, you are talking about improving sales mix in terms of the product lines there. I was wonder if you kind of go into some detail around the margin differential between some of your products in that segment whether it would be blind bolts of expenses?

<A – A. Zeffiro – TriMas Corp.>: Well, the blind bolts versus the historical maybe what I'd consider more commodity esk kind of products that have a different kind of shelf life in the sense of – they are part of the assembly process. Probably about you have 15% less profitable, but still very profitable business for us between those two segments. So, that should give you sense as to Q2 to Q3 we saw significantly more blind bolts in Q3 than we did in Q2 as permanent fasteners were required for the assembly and the ultimate assembly of the new aircraft in terms of the mix of the business.

<Q – Alexander Walsh – KeyCorp Investment Banking>: Okay. So as we go into 2012 am I hearing you that the mix is going to improve or...

<A – A. Zeffiro – TriMas Corp.>: It should continue to improve. Q2 was probably, we had an improvement over Q1 and Q3 is probably more consistent with the historical run rates in 2008 levels.

<Q – Alexander Walsh – KeyCorp Investment Banking>: Okay.

<A – A. Zeffiro – TriMas Corp.>: Which were kind of backed, I would call if you will quote peak levels. But obviously with productivity efforts that we put forth in that business, we expect more leverage out of the facility yet ahead of us.

<Q – Alexander Walsh – KeyCorp Investment Banking>: Okay, that's helpful. And then I know this will be broken out in the K, but did you have the top line discontinued ops in this quarter and maybe what you're including or expecting for next quarter, just to kind of get to your top line guidance?

<A – A. Zeffiro – TriMas Corp.>: In the foot – you'll see in the Q that's coming out yet later today, you'll see in the quarter $11.9 million in sales and on a year-to-date basis $34.7 million in sales.

<Q – Alexander Walsh – KeyCorp Investment Banking>: Okay, that's helpful. I appreciate the time.

<A – A. Zeffiro – TriMas Corp.>: Certainly.

Operator: Thank you. [Operator Instructions]. We do have a follow up at this time from Robert Kosowsky.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Yes. Just another question on the tax rate in the quarter. It was a little bit lower than the 38% I was modeling and I'm wondering if this is kind of sustainable going forward in this kind of 33%, 34% range and kind of what have you done to lower it if it permanently lower?

<A – A. Zeffiro – TriMas Corp.>: Part of the growth, it comes through where we're growing and it comes through obviously tax initiatives that we've put in place in terms of how we structure the company. I would tell you that Rob, it is sustainable at the 34% and our goals are continuing to obviously within the confines of what's appropriate and allowable, continue to press down further on that rate. But I'd tell you the 34% is kind of our planning levels at this point in time.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay, that's good to hear. And then on also as far as the balance sheet, what are your thoughts on, because I imagine the fourth quarter will be a big cash flow quarter. What do you – do you want to start to pay down some more debt, now that you have a lot of the capital structure refinancing in place or kind of what are your thoughts on leverage going forward?

<A – A. Zeffiro – TriMas Corp.>: Our long-term aspirations are obviously to break well into the twos and we're already there 265. They're still more deleveraging that we have ahead of us. Now the question becomes is obviously [ph] best and highest (35:35) use for that cash, Robin, and obviously we'll asses what to do with that as it becomes available to us.

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

<A – A. Zeffiro – TriMas Corp.>: Certainly, Rob.

Operator: [Operator Instructions] We'll take our next question from [indiscernible] (36:03) with Jefferies and Company.

<Q>: Hey. Good morning, guys. How are you?

<Q – David Wathen – TriMas Corp.>: Good morning.

<Q>: Just a question on – you guys have been talking about productivity initiatives especially on your legacy business. Could you give some like flavor on packaging and which particular segments you're focusing especially on the productivity side with, like the macro headwinds you guys talked about like customers are actually pulling back and all those kind of things?

<A – David Wathen – TriMas Corp.>: When you go far up to level of our strategic imperatives, we need three – over 3% or above of productivity on ongoing basis to produce enough income to turnaround, either bring it to the bottom line or invest it in growth programs. That's our long-term business model, and so the only way to run at those kinds of levels 3% to 5% is productivity from every area of the business. That's my professor view of productivity. [indiscernible] (37:19) where everybody else all around here about getting the offices and [indiscernible] (37:20). That said you of course go after the opportunities.

In packaging, we continue to work – they are separate kind of efforts. Especially the closures business is more of a steel based business and therefore the productivity is more about yield, higher, less scrap coming out of the die, machines that can run on their own and it's a global business and we find operations that have more opportunity. We've had a great run for example in Italy in that manufacturing plant improving the productivity. And part of it is kind of the [ph] true points (38:07) for copying processors that have been developed in other facilities. And so it's a yield and machine based kind of productivity and getting every plant up to the best practices.

In the specialty dispensary business, that a plastics driven business and there's a lot more design effort involved in that. Yes, there's activities in the machines, but you've seen molding machines. Molding machines sit [ph] in lawn (38:37) and as long as your uptime is high, it goes back to I'd call it a fundamental driver is design related. A dispensary that has 14 parts figuring out a way to do over 12 parts and it spends through that uses and more expensive mix of resin and one of those parts finding a way to do with the lower cost one, and so I call it design and engineering driven.

I don't know if that helps you, but that's – I'd say that's the way to go at it. The team is very good at those things and again it shows in the numbers. It's [ph] equivalent (39:14) kind of results though. It's a 3% plus kind of results.

<A – A. Zeffiro – TriMas Corp.>: What's interesting, [indiscernible] (39:18) is that when you start to look at it, obviously material is a big spend for us, labor is a good spend for us and overhead is a good spend for us. And the teams are incentivized to look across every single spend area, because we give them credit whether it's back-office spend in terms of either A, reducing or automating their financial processes or whether or not it's the things that Dave pointed to that being engineering and old material driven. So, it's every area of spend.

<Q>: Okay. So I guess like what you said on large materials, labor and overhead, those are some of the big buckets where you've been?

<A – A. Zeffiro – TriMas Corp.>: Well absolutely.

<A – David Wathen – TriMas Corp.>:Absolutely, absolutely.

<Q>: Okay. Okay. Thanks a lot guys.

<A – David Wathen – TriMas Corp.>: Thank you.

Operator: We'll take our next question from Tom Klamka with Credit Suisse.

<Q – Tom Klamka – Credit Suisse (United States)>: Good morning.

<A>: Good morning.

<A>: Good morning, Tom. How are you?

<Q – Tom Klamka – Credit Suisse (United States)>: Good. I may have missed the answer here, but in the packaging segment the negative impact on margin you talked about a few things, but as far as the actual purchase accounting adjustments in the acquisition cost, just those have you quantified those or is that the $3.5 million that's in the appendix?

<A – A. Zeffiro – TriMas Corp.>: We haven't quantified those, when you think about the effects we – what we do talk is the margin rate in the segment, which was affected by more than 400 basis points down period-on-period, but the legacy business was up a 100 bips. So, you can kind of back into the overall effectiveness or the mathematics associated with that amount.

<Q – Tom Klamka – Credit Suisse (United States)>: So, that's for – even just because innovative is a lower margin business that includes the purchase accounting adjustments and all of that?

<A – A. Zeffiro – TriMas Corp.>: Exactly right.

<A – David Wathen – TriMas Corp.>: And we took the business on knowing it was starting a move from an old facility to a new facility.

<Q – Tom Klamka – Credit Suisse (United States)>: All right.

<A – David Wathen – TriMas Corp.>: And we could have chosen to let them do all the work, and actually we'll end up realizing we were better off get involved and so we've had accrual of TriMas Rieke people involved in finishing that move off. Great new facility, great new facility, you'll see a video floating around with that on it.

<Q – Tom Klamka – Credit Suisse (United States)>: Okay. Okay and as far as the inefficiencies at Cequent, you see those going away in the quarter coming up or it's going to take a little longer?

<A – A. Zeffiro – TriMas Corp.>: It's probably over that couple of quarters Tom, and the reason why I say that is that you got obviously the normal ramp down of volume here going to Q4. So, you'll start to see some of those changes here in Q4 and Q1 as we test to ramp the cycle again for next season. So, that's where I think it'll recover over time.

<Q – Tom Klamka – Credit Suisse (United States)>: All right. Thank you.

<A – A. Zeffiro – TriMas Corp.>: Certainly.

Operator: [Operator Instructions] And at this time we have no further questions in the queue. I'll turn the conference back over to our speakers for any additional or closing remarks.

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

Thanks again. We sure appreciate your attention and interest. We are – everyone of us at TriMas is fully dedicated to continuing to drive the value of the company and we think we have a playbook and a set of plans to keep ourselves moving. There is always a thousand things to work on and many things that can get better, but we know how to do it and again – we appreciate your support as we keep at it. Thanks again.

Operator: Thank you. And that does conclude our conference for today. We thank you for your participation you may now disconnect.