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

Robert Kosowsky – Analyst, Sidoti & Co. LLC
Walter S. Liptak – Analyst, Barrington Research Associates, Inc.
Mark Tobin – Analyst, ROTH Capital Partners LLC
Steve Barger – Analyst, KeyBanc Capital Markets
R. Scott Graham – Analyst, Jefferies & Co., Inc.
Greg M. Macosko – Partner & Portfolio Manager, Lord, Abbett & Co. LLC

MANAGEMENT DISCUSSION SECTION

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

At this time, I would like to turn the conference over to Sherry Lauderback. Please go ahead.

Sherry Lauderback, VP-Investor Relations & Global Communications

Thank you, and welcome to the TriMas Corporation third quarter 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' third quarter results, as well as provide some additional details on our 2012 outlook. After our prepared remarks, we'll then open the call up to your questions.

In order to assist with your review of our results, we have included the press release and PowerPoint presentation on our company website, at 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 a replay code of 4056170.

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 good morning. We always appreciate your interest and attention, as all of us at TriMas continue to grow and improve our businesses. Our agenda today is that, I'll provide an overview of the third quarter and the current environment, then Mark will discuss financial metrics and some details by segment, and I'll finish by discussing our outlook, then we'll gladly take your questions.

You've likely seen our press release this morning discussing our third quarter results. Let me add some highlights on slide four.

Third quarter 2012 results confirm that our ongoing efforts to grow revenue and earnings are successful with revenue in the quarter up 21%, operating profit up 8%, income up 18%, and EPS up 4% on a 13% increase in shares, all excluding special items. We have also just completed a refinancing that significantly reduces our interest expense with the full effect positively impacting us in 2013.

As usual, at TriMas earnings time, Mark and I had just finished visiting each of our businesses for quarterly operating reviews. This was a satisfying set of reviews that encouragingly, that our planning and execution processes are working well for growth programs and for productivity.

An important point that I want you to understand, I am definitely making choices to accelerate growth programs that we see are working well. My sense is that some competitors are in go-slow mode, and this is leaving opportunities for us to capitalize on, which means a little more spending, a few more hires of key people, more working capital investment, et cetera.

We are accelerating on successful opportunities that we understand well, while still mitigating and controlling risks. Overall, you can see the results of these decisions in our growth rates.

I have listed a few examples here on slide five, which provides an overview of our current environment. Increasing aircraft build rates are helping us, but we also now have a second $2 million order from Chinese OEMs as a result of our investment there.

Arrow is doubling up on efforts to grow our [indiscernible] (04:32) parts business. In Lamons we mainly talk about footprint expansions, but in the background, we are adding new higher-spec, higher-margin products like Kammpro gaskets and fasteners with built-in torque indicators.

Norris Cylinder is working on new fire suppression designs. Cequent has launched an upgraded carbon forged trailer connector to replace a standard product that has become commoditized.

At Rieke, we are doing catch up, adding capacity to support our wins in Asia and we've decided to accelerate work on the next round of new products for growth in future years.

So we have plenty of positive opportunities in trends. The trick is to more than offset the headwinds. It is no surprise that we are battling a handful of these as well.

The European recession directly affects Rieke, particularly our higher-margin industrial packaging businesses there. We are seeing the secondary effect of European-based competitors becoming aggressive in the U.S. market. As Norris and Lamons see examples of this, it is likely to continue.

Our new businesses in Brazil are seeing good demand levels, but we are doing a controlled ramp up there as we address some of the previous business practices at our acquisitions that we knew going in need correction.

And we continue to absorb additional costs as we add capacity in Monogram and Rieke, integrate acquisitions, and implement quite a few CapEx machinery projects for productivity and yield improvements.

But again, our job is to optimize the upsides and minimize the effects of the downsides. And I believe our operating results reinforce our continuing success at accomplishing this.

An operational comment, overall inventory turns are flat, but we are seeing some higher levels of working capital in several businesses with just revenue growth would cost. This is due to several upward pressures resulting from decisions we are making to serve specific customers or geographies, launching new products or acquiring businesses.

An example is Boeing just switched Monogram to a min-max stocking program, and we will intentionally carry higher inventories through this transition to avoid ever being short on a part they need.

Longer-term direct ordering tends to be a positive for us. Arrow is adding many new SKUs of MRO parts, and our new plants at Rieke, Monogram and Cequent Australia tend to add inventory to the system as they ramp up.

As you can probably tell, I am upbeat about TriMas' performance and our upsides. The state of the economy and the fiscal cliff, et cetera, are out of our control. What is in our control is our operations, our emphasis on finding bright spots to grow and our decisions to accelerate our growth efforts at investments where we find opportunities.

Mark will now share some financial and segment information with you, as well as the results of our refinancing.

I will then look forward and we'll close with your questions. Mark?

A. Mark Zeffiro, Chief Financial Officer

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

Our third quarter sales were $336 million, a 21% increase compared to third quarter 2011. This was our tenth consecutive quarter of double-digit year-over-year sales increases with growth in each of our six segments.

Our organic growth efforts focused on new products, growing end markets and market share gains represent almost half of our growth so far this year. In addition, our recent bolt-on acquisitions are performing as expected. Across the company, the successful execution of our growth strategies is driving positive results. We are making disciplined decisions today to invest in opportunities for future, long-term growth and productivity.

Third quarter 2012 income from continuing operations attributable to TriMas was $18.7 million. Excluding special items related to restructuring cost associated with Cequent's manufacturing footprint optimization, third quarter 2012 income from continuing operations would have been $20.1 million, an increase of 18% compared to Q3 of 2011.

Margins were tempered by temporary cost and inefficiencies driven by our long-term productivity efforts, including plant consolidations and capacity improvements in certain businesses. Also, affecting the Q3 margin were the in-period effects of acquisitions in Brazil and New Zealand to support our longer-term strategic plans.

We've achieved record Q3 diluted EPS of $0.51, excluding special items, while observing several headwinds. Our Q3 acquisitions reduced EPS by approximately $0.03 in the quarter, primarily due to purchase accounting and diligence-related charges. Also, due to higher-than-expected customer demand at several of our new facilities, we incurred several cents related to short-term production inefficiency.

Finally, we also absorbed the effect of 13% more shares compared to Q3 2011. Favorably, interest expense reductions and effective tax structure management contributed to the quarter.

We remain focused on cash flow, and our results to date reflect our increases in CapEx and decisions to carrying more working capital as a result of acquisitions, actions to support our customers, new product inventory levels, and geographic expansion. We have strong cash flow businesses, which are generating cash even during this time of significant growth enabling our current reinvestments.

A couple of comments on our nine-month results, which are consistent with our third quarter. Year-to-date sales increased 18% with high single-digit organic growth. Our Q3 year-to-date diluted EPS, excluding special items, would have been $1.52, an increase of 14% when compared to the prior year EPS of $1.33 despite having approximately 8% more shares outstanding. Today, we are pleased with our record sales and earnings for the company.

On slide eight, the capitalization, we ended the quarter with approximately $430 million in total debt, a 10% decrease from September 30 of 2011. During the past nine months, we also funded approximately $85 million in acquisitions and spent approximately $36 million on CapEx, primarily used to generate future growth and productivity.

As a result, we ended the quarter with a leverage ratio of 2.29 times compared to 2.65 times at September 30, 2011. We remain disciplined in our balance of growth, indebtedness and liquidity as we ended the quarter with $217 million of cash and aggregate availability.

We also continued to make significant improvements at our capital structure as evidenced by our recent refinance, which I will discuss in greater detail in the next slide, slide nine. October 11 we closed our amended and restated credit facilities comprised of a $250 million senior secured revolving credit facility, a $200 million senior secured Term Loan A facility and a $200 million senior secured Term Loan B facility.

We had the opportunity to refinance with terms that were not only better than our existing facilities, but also better than expected at the time of our launch of the refinance. This is due to our strong financial performance and attractive financial markets. We're extremely pleased with this outcome and the support we received from our existing lenders, new lenders and the ratings agencies.

As a result of the refinance, the reduction in borrowing rates, we estimate annual cash interest savings of approximately $14 million on a pro forma basis. We were also able to extend maturities and increase our flexibility.

As a result of the cash interest savings and timing of the close, we estimate a $0.04 reduction in cash interest expense for the fourth quarter. As with all aspects of our business, we are focused on continuous improvement, looking to improve our profitability and drive value. We will continue to monitor interest rates and may enter into swap contracts to fix a portion of our variable rates.

At this point, I would like to review our business performance by reportable segment beginning with our Packaging segment on slide 11. Q3 2012 Packaging sales grew 68% compared to Q3 2011 primarily as a result of Innovative Molding and Arminak acquisitions, which added approximately $28 million in sales to the quarter and are performing better than expected.

Our specialty system sales – systems products sales, excuse me, unrelated to the acquisitions increased due to additional demand from our North American dispensing customers. Industrial product sales were up slightly as the increase in North America more than offset the decline in Europe.

This segment remains the hardest hit by the downturn in the European economy. Packaging operating profit increased significantly in Q3, primarily as a result of higher sales. While the Innovative and Arminak acquisitions historically have lower margins, we are getting the planned synergies and our improvement plans are being implemented.

We are now in production at our new Ohio facility with full production expected by the beginning of 2013. Our sales efforts in Asia continue to gain traction. The combination of Rieke, Arminak and Innovative have enabled us to advance our targeted growth initiatives more quickly and we are receiving 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.

Moving on to slide 12, Energy. Energy sales increased 6.5% for Q3 compared to a year ago. The sales growth was a result of multiple growth initiatives, including market share wins within our highly engineered product line, our July acquisition of CIFAL in Brazil and new branches to support Lamons global customers.

We are integrating CIFAL and executing on our plans to further support customers in Brazil, given the expected growth in the region's energy sector. Energy's operating profit decreased as the impact of higher sales was more than offset by unfavorable product mix given the new branch sales increases and the cost related to the acquisition. If the acquisition in Brazil and its related cost were not included, Energy's operating profit would have improved compared to Q3 2011. We will continue to expand our footprint in support of our global customers in new markets and maximize our supply chain and operational efficiencies for improved cost and delivery.

On slide 13, Aerospace & Defense sales increased approximately 2% in Q3 2012 compared to Q3 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 14% increase in sales compared to Q3 2011, including new sales into Asia. We continued to experience higher order activity which resulted in growing backlogs.

Q3 2012 continued the trend of increasing operating profit in this segment with a 230 basis point improvement in margin percentage compared to Q3 2011, primarily due to the increased sales levels in Aerospace, which has significantly higher margins than the Defense business. This improvement includes additional costs associated with the startup of a new facility in Tempe, Arizona where we will manufacture our new products for our key customers.

In total, we expect this business to show revenue growth and margin expansion from increasing aircraft build rates, our efforts to obtain new product qualifications and our expanded geographic coverage.

Moving on to slide 14, Engineered Components. Both businesses in this segment, Arrow Engine and Norris Cylinder experienced continued growth. Q3 2012 segment sales were up 13%, 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 $4.8 million compared to Q3 2011. Operating profit was impacted due to less favorable product sales mix and unfavorable fixed cost absorption in our engine business.

During the quarter, Norris Cylinder sales increased more in line with GDP with improved margin levels. Engineered Components had a very strong start to the year with record levels of sales and profit and is now facing tougher comps in the back half. We continue to develop new products and expand our international sales efforts in this segment.

On slide 15, we show the performance of Cequent split into two segments. During the third quarter we changed the name of Cequent North America to Cequent Americas to better reflect the expanding geography covered by this business.

Earlier in the quarter Cequent Americas acquired Engetran, a Brazilian manufacturer of towing products. It allows us to leverage our full line of products in this rapidly growing market, as well as to better support our global customers.

Overall, Cequent Americas sales increased 7% during the quarter as a result of higher sales levels from the OE and retail channels. We continue to outperform the economy as a result of market share gains, new product introductions and the recent acquisition in Brazil.

Cequent Americas operating profit and margin level remained at solid levels even while incurring incremental costs related to the acquisition. As evidenced by our continued footprint rationalization, we remain focused on making these businesses more efficient.

Last week we also announced a preliminary recommendation to close our Cequent Performance Products facility in Goshen, Indiana and to relocate these manufacturing operations to Cequent Performance Products facilities in Reynosa, Mexico during 2013. This is a preliminary recommendation and we'll provide additional updates as they become available.

Cequent Asia Pacific sales increased 44% when compared to Q3 2011, primarily due to new customer program awards. The significant increase of business volume combined with our transition to new facilities [indiscernible] (21:28) temporary production inefficiencies affecting the margins in the quarter given the higher-than-expected customer demand.

We expect this will be mitigated going forward as we digest a new level of business volume and enhance productivity in our new facilities. Sales also benefited from the acquisitions in New Zealand in July, in South Africa in Q4 2011.

We remain focused on productivity, product leverage and regional expansion in the Cequent segments. We're focused on achieving both the cost and sales synergies around the recent acquisitions in New Zealand and Brazil.

At this point I would like to summarize, I'm leaving with three key messages. First, there are 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 significantly lower cost.

Second, we're investing in growth and taking advantage of areas where we see real opportunities to capture share or launch new products. We are nimble, reacting with speed to better support our customers' needs. These actions are benefiting us now, most notably on the top line and we'll continue doing so plus generate margin improvement in the future.

And finally, we have established a track record of consistent performance with 10 consecutive quarters of double-digit sales and income growth. That concludes my comments.

Now, Dave will summarize and provide some additional thoughts and comments on our 2012 outlook. Dave?

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

Thanks, Mark. Now I'll close with a summary and a look forward on slide 17. We've accomplished another quarter, a solid growth in sales and income. I continue to be encouraged by the results of our combination of growth programs, productivity projects and management processes that keep us on track improving value.

TriMas' people continue to find great ideas for improvement and we work to provide the resources to implement these ideas. I believe that our growth rate demonstrates that our organic projects and acquisition integrations are going well.

We are selective in which faster growing countries we choose to invest our efforts. We've had recent wins in China and Brazil that reinforce the attractiveness of these markets for several of our businesses.

Our growth rate does tend to challenge margin rates with most of our new business, whether organic or via acquisition, tending the mixes down. So I watch underlying margins on continuing business, which continue to be attractive and also the margin ramp up on new business and how well we execute improvement plans. I'm satisfied we have good line of sight on our ongoing margin improvement for all of our new revenue.

And allow me to mention our new and refreshing capital structure one more time. The combination of issuing shares in the second quarter and refinancing this month have delivered a major improvement for us. It's been a long journey for way too much debt and high interest costs through our current, highly competitive metrics for cost of capital. We will utilize this wisely to increase shareholder value.

Turning to 2012 outlook on slide 18, we are increasing our sales outlook to be up 15% to 17% compared to 2011 based on the recent success of our growth programs. And we are reaffirming our previous EPS range of $1.75 to $1.85. We are expecting 2012 free cash flow to be lower primarily due to increases in CapEx and working capital, as we accelerate several growth, capacity and productivity programs and then integrate our acquisitions.

One EPS outlook comparison on a flat level of shares outstanding of $1.75 per share would exceed 2011 by approximately 20% on a comparable basis.

I'll close with a reminder. Our strategic aspirations are consistent and take the long view. Our intent is to accomplish these aspirations regardless of the state of the global economy such that TriMas continues to grow, improve and increase value for all of us.

Next earnings call we'll provide guidance for 2013, we intend to put a check mark beside each of our aspirations. Now we'll gladly take your questions.

QUESTION AND ANSWER SECTION

Operator: Thank you, sir. [Operator Instructions] Our first question will come from Robert Kosowsky of Sidoti.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Hi, good morning. How are you doing?

<A – Dave Wathen – TriMas Corp.>: We're all right, Rob.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Hi. I was wondering first off, could you give kind of like your sense of what the general economy is looking like, Dave? What are you seeing right now in industrial closures over in Europe and kind of how far is European sales, European closure sales down this quarter versus, say, two years ago?

<A – Dave Wathen – TriMas Corp.>: Well, specifically we see the industrial business in Europe down 20%. And of course, that's linked to paints and chemicals and that kind of thing. And I don't see an improvement on our near horizon anyplace. We're fortunate we don't have a much larger mix of our business in Europe.

The rest of the world, I see – I don't have anything different than you hear from everybody else. The fast-growing markets in Asia, in Brazil, for example, and South America are growing slower, but for us it's all upside. So it still feels pretty good.

The U.S. is flat and while there are specific, I call them bright spots, that are energy related and you've heard me say we've got – Lamons has got refineries switching from oil to natural gas, there's things like that that go on and the trick is to jump on those and capitalize on it. But overall, it feels flat and it's hard for me to see much improvement for a while.

The last comment I'll make is I certainly have heard from a few of our division presidents the premise that they hear from customers that, you know, we got to get this election over, and then the premise being there might be some people holding back some decisions. We'll see. We'll see. We'll see.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay. Was the industrial business down versus two years ago or was that the year-over-year comp in Europe, the 20% number?

<A – Mark Zeffiro – TriMas Corp.>: That was the year-on-year comp.

<A – Dave Wathen – TriMas Corp.>: So you could say 30% which is a couple of years ago.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay. Well, it's pretty big. And then also can you maybe elaborate a little bit more on some of the [indiscernible] (29:22) competitive pressures you're seeing and kind of just how aggressive are they getting with pricing?

<A – Dave Wathen – TriMas Corp.>: In Norris, there's two manufacturers of cylinders in Europe. And they definitely see those companies trying partly to displace the Chinese competitor that lost the antidumping suit.

And while we would tend to have long-term contracts for big customers, some of the distributors tend to do a purchase order by a purchase order ordering. And that we're seeing more aggressive quotes from several of those competitors.

Yeah, I mean that said, we've still got the basic advantage of being in the U.S. and [indiscernible] (30:06) and all that, but we're definitely seeing that.

The German manufacturers [indiscernible] (30:15) are German, German and French manufacturers of gas gets that go against Lamons are – some of them are trying to do acquisitions in the U.S., that kind of thing.

So there is no doubt if you're sitting there in Europe, the U.S. looks more attractive than your home market. And so we're seeing them come after us. No surprise, but it's definitely happening.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay, that's helpful. And then also I was wondering it looks like corporate expenditures were up or corporate spending was up pretty significantly in the quarter. I was wondering if you can elaborate on that.

And then kind of more broadly, it's been probably I think almost five of the past six quarters or six of the past seven quarters that we've seen very strong revenue growth in excess of operating income growth. And when do you see the inflection point where you're going to start generating kind of more meaningful incremental margins on the revenue gains?

<A – Dave Wathen – TriMas Corp.>: The inflection point is driven by how successful we are at some acquisitions and growth programs. And I mean that's a – I would like to think we can keep our growth rates going via the way – the way we do it.

When the growth rate slows down a little, you'll see the margins starting to come up. It's a – it's mix in the classic sense. We tend to find acquisitions that are lower margin growth programs while the end game of that growth program, that new product or whatever or new branch in another country, the end game is solid margins. There is a ramp-up cost and we are building a lot of that right now. So I'm not giving you a specific answer because it depends a little on that mix question and what our markets do.

Mark, I'll let you address the spending corporate.

<A – Mark Zeffiro – TriMas Corp.>: Yeah, the corporate – the corporate spending increase if you look on run rate basis is largely related to stock compensation associated with the programs we have at TriMas in total. So you're starting to see the effects on a flattening out run rate basis of those costs.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay. So the $10 million is kind of a sustainable level for the corporate spending?

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

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay, thank you very much.

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

Operator: Our next question will come from Walt Liptak with Barrington Research.

<Q – Walt Liptak – Barrington Research Associates, Inc.>: All right, thanks. Good morning, everyone.

<A – Dave Wathen – TriMas Corp.>: Hi, Walt.

<Q – Walt Liptak – Barrington Research Associates, Inc.>: All right. The first one I wanted to ask about is, the interest expense, I wonder if we could get a number from you about what interest expense would look like for the fourth quarter.

<A – Mark Zeffiro – TriMas Corp.>: My comments says at about a $0.04 decline, if you will, quarter-one-quarter in terms of that relative expense, Walt, and that should be about it when you do the math between $1.5 million and $2 million.

<Q – Walt Liptak – Barrington Research Associates, Inc.>: Okay, of the savings, got it. Okay. In the cash flow statement there was a redemption fee, did that flow through the income statement?

<A – Mark Zeffiro – TriMas Corp.>: It's part and part of the debt extinguishment cost, yes. Walt, you'd see that directly in the P&L.

<Q – Walt Liptak – Barrington Research Associates, Inc.>: Okay, so that number was included in your expense items?

<A – Mark Zeffiro – TriMas Corp.>: No, it's basically considered a special item, it's part and parcel of the debt extinguishment, but you'd see on a GAAP reported basis, you'd see that the baseline cost, that fall through to P&L.

<Q – Walt Liptak – Barrington Research Associates, Inc.>: Okay. Okay, maybe we can follow up on that one, okay? I wonder if I could skip to revenue, can we break out the revenue by organic, foreign currency and acquisitions.

<A – Mark Zeffiro – TriMas Corp.>: Yes, for certain. When you look at the organic growth and if you're talking in the quarter about 40% of the growth in the quarter, 50% of the – approximately 50% of the growth for the year is organic. And when you talk about FX, it's really not a material effect within the quarter, a couple of million bucks namely about three in terms of within the quarter, which was a negative effect in the quarter.

<Q – Walt Liptak – Barrington Research Associates, Inc.>: Okay, and the remainder acquisitions, obviously. Okay. Some of these smaller acquisitions that were – like in Brazil and New Zealand, I wonder if we can get a revenue run rate for them?

<A – Mark Zeffiro – TriMas Corp.>: The reality is, in the K that will follow today, it's about a $25 million run rate [indiscernible] (35:18) revenue uptick, that was the baseline for the businesses and it's probably even a bit more than that if you think about all the pieces that being CIFAL, Arminak, Trail Com, [indiscernible] (35:34) and Engetran, it's probably a little above $25 million in terms of run rate sales.

<Q – Walt Liptak – Barrington Research Associates, Inc.>: Okay, $25 million combined for [indiscernible] (35:43)?

<A – Mark Zeffiro – TriMas Corp.>: Right.

<Q – Walt Liptak – Barrington Research Associates, Inc.>: Okay. And the Arminak revenue number, I thought I heard you say that that contributed $27 million during the quarter, is that right or did I hear that wrong?

<A – Mark Zeffiro – TriMas Corp.>: No, I talked about it in total that being both Innovative and Arminak. If you look at it, the Packaging, Arminak acquisition was about $23 million in the quarter and Innovative about $5 million.

<Q – Walt Liptak – Barrington Research Associates, Inc.>: Okay. So Arminak is running significantly ahead of where it was when you purchased it, is that right?

<A – Mark Zeffiro – TriMas Corp.>: Both of them are, yes.

<Q – Walt Liptak – Barrington Research Associates, Inc.>: They both are.

<A – Dave Wathen – TriMas Corp.>: And, Walt, they're working in the sense that both of those brought new products to the total of Rieke to sell in other places, but also customers of Innovative and Arminak have now got access to the full Rieke line, so we kind of get – we get the sales synergies both directions and it's clearly working. It's encouraging to me that what – it's always encouraging to have things like that occur. I mean going in you think it might happen, but I never count on it until we see it happening and it's going well.

<Q – Walt Liptak – Barrington Research Associates, Inc.>: Right. You don't count it. Okay, good. And if I can skip once more to, during your commentary and in the press release, you kind of alluded to different costs that are in your numbers, acquisition-related costs that weren't pulled out, I guess relating to purchase accounting, new product and productivity programs. I wonder if you can give us a number that kind of quantifies all those expenses that are non-operating I guess that flow through the quarter.

<A – Mark Zeffiro – TriMas Corp.>: Yes, that we did in special item.

<Q – Walt Liptak – Barrington Research Associates, Inc.>: Yes, that we could add there.

<A – Mark Zeffiro – TriMas Corp.>: If you think about the effects associated with acquisitions, it's about $0.03 a share, just about $0.03 a share and I – my comment was several cents in the context of inefficiencies and that's kind of where we are. The number that it probably makes, anyway it's several cents.

<Q – Walt Liptak – Barrington Research Associates, Inc.>: Okay. Okay, thanks very much guys.

<A – Mark Zeffiro – TriMas Corp.>: Certainly, Walt.

Operator: Next we go to Mark Tobin with ROTH Capital Partners.

<Q – Mark Tobin – ROTH Capital Partners LLC>: Hi, thanks for taking my questions.

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

<Q – Mark Tobin – ROTH Capital Partners LLC>: We talked about the – a bit about the margin improvement and I guess the investments that you're making now. Can you walk us through maybe the next couple of years or how does it phase and how should we look at segment by segment, where does the margin improvement kick in earlier, where does it kick in later and what drives that?

<A – Mark Zeffiro – TriMas Corp.>: You want to try it?

<A – Dave Wathen – TriMas Corp.>: Yes, go ahead and try it.

<A – Mark Zeffiro – TriMas Corp.>: If you look at the Rieke business, the core business we're not really pressing them for margins, the reality is what Lynn Brooks had said is, he expects the acquisitions to be 25% operating profit and the run rate of that is happening, as we speak. So that's probably nearer term in terms of the relative improvement there.

Counter to that, obviously, is the effects of Europe. Europe is very profitable for us and it's quite painful the volume off – the volume challenges that they've had, but [indiscernible] (39:13) underlying margins, that's what you should expect to see.

Lamons is a couple year plan that you'll see continue with our productivity improvement over time, as well as the – as the new facilities continue to improve in terms of their mix of their sales or it's just being opening price point related content. So that's a couple year window.

Monogram unto itself is a very good margin rate and quite frankly, the efforts there [ph] are not really driving (39:45) margin rate, Mark, as you know. It's about making sure that we continue to gain scale, scope and continue to maintain margins as best we can.

The Cequent businesses, I would tell you that this is a – between the Cequent Americas structure with our preliminary announcement, that's obviously in the future in terms of additional efficiencies there. But the Asian numbers will continue to show improvement here over the next three, six – basic three to four quarters you should see continued improvement.

<Q – Mark Tobin – ROTH Capital Partners LLC>: Okay, that's helpful. And then with these investments and the new product development and so forth, you had historically talked about high single-digit revenue growth, which I think in rough terms we used to talk about that in terms of half of that being organic and half being through M&A. Do you view that differently now with the investments that you're making or how do you view the long-term growth, I guess target model for the whole company?

<A – Dave Wathen – TriMas Corp.>: The strategic aspiration of high single-digit growth remains for sure. I am getting more convinced that we have the ability to develop organic programs that get us into that range, 6%, 7%, 8% kind of range and then acquisitions on top of that.

And I – you know that I prefer not to forecast acquisitions and so – I mean, part of this is I'm seeing more opportunity. We are – it might be because your competitor is going slow. There's plenty of competitors that seem to be holding back and that could change.

But also we're seeing product changes coming, we're seeing that the geographic growth being quite attractive, so that's kind of a long answer to say, I am getting more convinced we can get to our strategic – stay in our strategic aspiration most of the time organically. I'm always going to be a little soft on trying to say, I'm sure of that. But growth rates are climbing and our – my confidence in our ability is climbing.

<Q – Mark Tobin – ROTH Capital Partners LLC>: Okay, that's helpful. And then one quick, housekeeping on the balance sheet for Mark. Can you give us an idea of what your – post refinance your debt balance is – is it in the $470 million range? Is that the right number to use?

<A – Mark Zeffiro – TriMas Corp.>: Yes, basically if you go to subsequent events that you'll see in the K that – some of the key that comes out today, basically we put the cost of the refinance, so to speak, on the revolver which is circa about an uptick of about $40 million.

<Q – Mark Tobin – ROTH Capital Partners LLC>: Okay. And your – the $14 million cash cost reduction, is that on an equal debt level basis or does that – that also consider the increased debt level?

<A – Mark Zeffiro – TriMas Corp.>: That's on a pro forma basis of the current year. So it assumes the same – the same basic performance levels.

<Q – Mark Tobin – ROTH Capital Partners LLC>: Okay, got it. That's helpful. Thanks for taking my questions.

<A – Mark Zeffiro – TriMas Corp.>: Absolutely, Mark.

Operator: And our next question comes from Steve Barger with KeyBanc Capital Markets.

<Q – Steve Barger – KeyBanc Capital Markets>: Hey, good morning, guys.

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

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

<Q – Steve Barger – KeyBanc Capital Markets>: Dave, I want to go back to your comment about things being on hold until the election. It is consistent with what we're hearing from other companies around destocking this quarter.

Which of your segments, if any, might be seeing some destocking or selling and purchasing or said another way which of the segments might see some pent-up demand unlocked post election if this is actually occurring?

<A – Dave Wathen – TriMas Corp.>: I heard that in Packaging. I heard that in Norris. I heard it for sure in Cequent. So that's the places I heard it. And it's – we all struggle with knowing how true it is and we'll see is the answer. But it – there is a rationale for that. There's plenty of things to be concerned about coming at us regardless of how the election turns out.

<Q – Steve Barger – KeyBanc Capital Markets>: Right, which kind of goes to the next question, just making a quick run at the implied guidance for 4Q, it seems like revenue won't be up year-over-year, but you don't really expect that much operating income growth. Does that go back to that mix issue with more of the revenue growth coming from acquired or from acquisitions or is that more common on end market and margin pressure that comes from that or how are you thinking about that?

<A – Dave Wathen – TriMas Corp.>: There is some effect from that acquisition mix for sure. The growth tends to be at lower margins until it settles in at where it ought to be. But there is – it's – I mean demand is still choppy for sure. The European which – I'm pessimistic about Europe. We've got – and we've got the cost of the acquisition integrations. I only want to get those done faster and faster all the time and so we'll absorb those costs.

But it's the – it's my – the general concern about Europe, ups and downs in Asia, we've even got - we've got a couple of business units that have some price actions. And sometimes we see big ordering ahead in those kinds of times, sometimes you don't. My style is to not count it until we can see it actually happening, so we'll hold them back on counting on any of those things.

<Q – Steve Barger – KeyBanc Capital Markets>: Right. Now I know there's always pricing actions that you're taking and which your vendors are taking against you. Is there anything unusual just broadly speaking given the environment? Does it seem like that's accelerating or is it fairly normal?

<A – Dave Wathen – TriMas Corp.>: I'd say it's fairly normal if anything. I mean you have to have very powerful story about price to be able to raise price, resin cost, steel cost, things like that [indiscernible] (46:22). I mean other than that, you don't have much chance of it. We, of course, have some of that and so we do raise prices where we have good justification.

<Q – Steve Barger – KeyBanc Capital Markets>: Okay. And, Mark, the $0.04 tailwind that you mentioned for 4Q, that presumably wasn't in the prior guidance. So does that just provide – by maintaining the guidance, does that just give you a little bit of cushion against some of the end market puts and takes or the acquisition ramping cost that you were talking about?

<A – Mark Zeffiro – TriMas Corp.>: Yes.

<Q – Steve Barger – KeyBanc Capital Markets>: Okay. And one – I guess two more. Over the last couple of years, free cash flow has exceeded net income pretty consistently. It's going to be maybe half this year it looks like. Is it your expectation that that goes back towards 100% or better, whether it's 2013, 2014? Is that a target that you're striving to get back to?

<A – Dave Wathen – TriMas Corp.>: Yes. Now, of course, like everybody we're working on 2013 right now. I am likely – I use the term accelerated growth programs and accelerated productivity programs. I am likely – I'm in the mode of being willing to spend a little more CapEx, kind of on the high end of our range partly because we're seeing great opportunities, machines that improve yield and all of that, partly because industrial equipment is kind of still a [ph] bargain (47:58). Demand is low and the suppliers are aggressive. And it's a good time to buy equipment. And so we'll capitalize on that some. So I would say 2013 I'm not ready yet to say how – but my mindset is, let's make some big improvements to the underlying business.

<Q – Steve Barger – KeyBanc Capital Markets>: Got it, okay. And last one and I'll get back in line. The mix that you talked about in the Energy business, I think it was on the build-out or something, is that going to persist or is that more temporary in nature? I guess the question is, should we think about 3Q as kind of the run rate margin going forward for a while?

<A – Mark Zeffiro – TriMas Corp.>: No. Steve, the real effect really is the acquisition at CIFAL. Operating profits would have been up absent the acquisition, purchase accounting, as well as those related costs within that segment itself. So if you are to look at that, you'd see a more normalized margin rate.

<Q – Steve Barger – KeyBanc Capital Markets>: Got it. Okay, thanks very much.

<A – Mark Zeffiro – TriMas Corp.>: Absolutely.

Operator: [Operator Instructions] We go now to Scott Graham with Jefferies.

<Q – Scott Graham – Jefferies & Co., Inc.>: Hey, good morning.

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

<Q – Scott Graham – Jefferies & Co., Inc.>: So I was hoping you could – I know it's a small number, this $3 million in FX, but if you can kind of split that between the segments, that would be helpful. Additionally, kind of another housekeeper to the same end, I'm coming up a little short on the acquisition revenues. I'm sure I'm just missing something and if you can kind of tell me outside of Packaging kind of what the acquisition contributions were, so the couple of segments involved Cequent in particular?

<A – Mark Zeffiro – TriMas Corp.>: Certainly. Energy, CIFAL is a little more than $1 million. Cequent Asia Pacific, let's call, at about $4 million. And Cequent America is less than $1 million. Now the FX is obviously affected really just in two major segments, that being the Rieke Packaging segment and Cequent Asia Pacific.

<Q – Scott Graham – Jefferies & Co., Inc.>: Okay, that would be more heavily toward Rieke, right?

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

<Q – Scott Graham – Jefferies & Co., Inc.>: Okay. If we could just sort of maybe ask kind of – sort of a similar question that I think has being asked here, you guys have a business model where there's a lot of self-help involved where you generate productivity and then you turn around and spend a lot of that on sales growth initiatives and you refinance your debt.

So you look into 2013, that gives obviously some earnings visibility on some potential growth. I was just wondering two things. First, David, you could maybe give us an idea for 2013, I know in the absence of guidance which I'm not asking for, but when you say you're going to check off each of the boxes, are you saying that you're expecting both sales and earnings to grow in 2013?

<A – Dave Wathen – TriMas Corp.>: Oh yes.

<Q – Scott Graham – Jefferies & Co., Inc.>: Okay. And then secondly, the margin weakness in the quarter I know had a lot to do with some of these extraneous expenses that you'll get a return on, but maybe what are you more proactively doing in some of these markets where there are more competitive pressures that you're seeing?

Is it with smaller competitors? Is it with larger competitors? Is there – if it's the smaller ones in particular, is there a way to kind of bleed them out a little bit? Is this going to continue? I just kind of want to know what you guys are doing proactively on those fronts.

<A – Dave Wathen – TriMas Corp.>: Specifically that's one of the reasons I'm more likely to invest in capital equipment, it takes cost down. And we have been – we've got a lot of factories – I've spent my career in factories. We've got a lot of factories that have quite a bit of older equipment. It does just fine, but yield rates aren't where they can be.

I saw a bank of machine tools in one of the businesses. If one machining center replaces four steps, four separate operations in the past and you can imagine what that does for quality and yield. And – because every time you move from one – from trucking one and truck to the next, you've got a chance of missing a dimension.

And we have more of those kinds of opportunities. That takes cost out. And what am I saying is, I always like those kinds of projects because there it's all internal, [ph] you tend to got to (52:48) keep the cost out as opposed to sometimes on a redesign for a cost out, you wind up needing to share some of them with your customer.

So we are going after quite a few of those cost outs, specifically where we – and the best ones are where we need them the most, because of competitive pressures. And it causes a prioritization at the end of those businesses.

<Q – Scott Graham – Jefferies & Co., Inc.>: Understood. I guess my last question would be, Mark, what should we assume for tax rate going forward? The first couple of quarters this year have been a little bit up and down. So what should we use?

<A – Mark Zeffiro – TriMas Corp.>: Who's going to win the election? Sorry, I promised not to talk election.

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

<A – Mark Zeffiro – TriMas Corp.>: Yes, I know. I know.

<Q – Scott Graham – Jefferies & Co., Inc.>: Yes, that's a – I don't think that – I think that's kind of a scary question. Is there none of the above? I don't think that [ph] there is a slide (53:50) for none of the above, anyway.

<A – Mark Zeffiro – TriMas Corp.>: To the question, Scott, the [ph] deploying (53:57) rate that we'll run into is between 31% and 32%.

<Q – Scott Graham – Jefferies & Co., Inc.>: Very good. Thank you all.

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

Operator: Now we take a question from Greg Macosko with Lord Abbett.

<Q – Greg Macosko – Lord, Abbett & Co. LLC>: Hi, yes. Thank you. Most have been answered, but just with regard to Cequent in Asia, [ph] included the (54:20) – you talked about the margin impact there. I guess it was 180 basis points year-over-year. Do you see that recovery pretty quick within, I mean that's where the – I assume that's where the pressure has been. And then separately on...

<A – Dave Wathen – TriMas Corp.>: I was going to say, yes, fairly quick, now months, not years. And because you can imagine, the sales up 40% and we saw a lot of that coming and we ordered new, we added capacity, we ordered new equipment, at the same time, we're consolidating two factories into one, and it's really just a convergence of the inefficiencies of running 24/7 literally, 24/7 in the – some of the – in the factories, and also going through a plant move. And new machines aren't quite perfect and all that kind of thing. So yes – now that – again, you don't fix all that in a month, but you do fix it in a couple of quarters.

<Q – Greg Macosko – Lord, Abbett & Co. LLC>: And do you see the – I mean it was 12% plus in the past I guess, do you see that given the higher sales, or higher sales level that those margins will be higher than they have historically been?

<A – Dave Wathen – TriMas Corp.>: Yes, I mean it's a very attractive, high margin, high return on capital business. And yes, they will come back to those margins.

<Q – Greg Macosko – Lord, Abbett & Co. LLC>: Come back, but not exceed?

<A – Dave Wathen – TriMas Corp.>: Well, that's going to be the balance of the growth rate and how – for example, how fast do we choose to try to grow them in South Africa? South Africa is an attractive market, but it takes a while to come up to full margins. The underlying business has some of the – the underlying business will come back to its margins and improve some because of the new factories.

<A – Mark Zeffiro – TriMas Corp.>: That's right. That was the investment thesis we had in the new factory, Greg.

<A – Dave Wathen – TriMas Corp.>: The question is how fast – what leverage do we pull on choosing to grow faster in some other markets? And how long does it take to ramp up? But believe me, I wouldn't begin to make a choice to grow someplace like South Africa if we didn't see the end game being exactly right. But also recognize I've got to be – I have to recognize the ramp up costs.

<Q – Greg Macosko – Lord, Abbett & Co. LLC>: Right, understand. Okay. And if we just look at Cequent then, I mean as a division, it appears that we're committed here, and this is a part of the company on a longer-term basis.

<A – Dave Wathen – TriMas Corp.>: Yes, it's our most improved business, which is the past, and I can see a nice path for more improvement going on.

<Q – Greg Macosko – Lord, Abbett & Co. LLC>: And with regard to North America, margins were down a little bit on modest growth, but that business is, shall we say, stable?

<A – Dave Wathen – TriMas Corp.>: Yes, it's maybe even a little better than stable because there's some – we can continue to see competitors being kind of weak and we have to take advantage of that.

<A – Mark Zeffiro – TriMas Corp.>: And, Greg, I would add that within the quarter, we also absorbed obviously buying an opportunity in Brazil which obviously affected margins within the period. So obviously the underlying business still is showing nice performance.

<Q – Greg Macosko – Lord, Abbett & Co. LLC>: Okay. That's true, that's Americas that total – that total figure [indiscernible] (58:11).

<A – Mark Zeffiro – TriMas Corp.>: Yes, that's right. And if you think about Cequent Americas sales in the quarter up 7%, that's clearly taking share from somebody because – which is – this is a business that has shown more like GDP growth. So the business unit itself is doing a really fine job in terms of picking their slots.

<Q – Greg Macosko – Lord, Abbett & Co. LLC>: Okay. And then my last question is really regard just to the sales growth guidance. It basically almost doubled from the beginning of the year to now. If I look at core growth within that and you've talked seven high single digits as your goal, what is the core portion of that? I mean, clearly a lot of that is from acquisitions expected for the year. What's the kind of the core growth piece of that total, how has that changed over that same period?

<A – Mark Zeffiro – TriMas Corp.>: Yeah. Greg, one of the things that we do and we don't forecast obviously acquisitions when we enter a year, so the doubling effect in terms of that growth profile is largely the acquisitions.

Year-to-date, our balance of that growth which is, let's call it, 18% growth, about half of it's come through organic means and about half of it through acquisition. So very – from my perspective, very well balanced.

<A – Dave Wathen – TriMas Corp.>: Which goes back to my comment that I'm getting more confident we can generate that kind of growth organically.

<Q – Greg Macosko – Lord, Abbett & Co. LLC>: Okay. So the point is organic growth has pretty much remained on track from your original expectations?

<A – Mark Zeffiro – TriMas Corp.>: That's correct. We haven't, if you will, compensated through just buying companies to get to a target.

<Q – Greg Macosko – Lord, Abbett & Co. LLC>: Okay, very good. Thank you.

<A – Mark Zeffiro – TriMas Corp.>: Absolutely, Greg.

Operator: Now we'll take another question from Scott Graham with Jefferies.

<Q – Scott Graham – Jefferies & Co., Inc.>: Hi. As you were answering questions, I just went through some numbers in my model and another question sprung up. So the Packaging number, the organic number was a pretty good number reversed a couple quarters of declines. And I know you talked a little bit about industrial closures in Europe being, I think you said down 20. I [ph] would have (01:00:37) suggested that the Packaging business, the organic in North America had to be pretty good and I was just wondering is my math right, A, and B, what would have driven that?

<A – Dave Wathen – TriMas Corp.>: I recall it product driven. There is no doubt that Arminak – we were – my sense is we were a little behind in our product development portfolio. You've heard me say to do it all over we cut too deep back in 2009. Arminak got us ahead.

So we went from being behind to being ahead. And in my comments I said we're accelerating some others. There is now some other new product programs for the future that we are going to aggressively pursue. So that's an answer that says the organic growth rate in Packaging is mighty attractive because of new products.

<A – Mark Zeffiro – TriMas Corp.>: Yeah, absolutely. I have one just for perspective and that is related to our Asia sales in terms of the ramp up of those new product wins has actually helped the company a reasonable amount. And it's been a fair time coming in that context.

<A – Dave Wathen – TriMas Corp.>: And that really is new business. That's in Japan. That's in markets that we were not pursuing.

<Q – Scott Graham – Jefferies & Co., Inc.>: Okay. So a lot of this is long time coming stuff that you've been working on. But it does seem to be a little bit of benefit that you're getting from the sort of sale synergies from acquisitions, would you agree?

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

<A – Mark Zeffiro – TriMas Corp.>: Absolutely.

<Q – Scott Graham – Jefferies & Co., Inc.>: All right, very good. Thank you.

Operator: And there are no other questions in the queue. I'd like to turn the conference back over to our speakers for any additional or closing remarks.

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

Thank you everybody. We really appreciate the attention. We take this seriously as you know and we intend to keep improving. Some of you have helped us through this refinancing which is one more check the box item. Yeah, we are committed to driving value and you'll see us keep on adding. Thank you for the support.

Operator: Ladies and gentlemen, that concludes today's conference. Again, thank you everyone for participating.