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

Rick W. Hoss MBA – Senior Research Analyst, ROTH Capital Partners LLC
Rob Kosowsky – Analyst, Sidoti & Co. LLC
Alexander Walsh – Equity Research Analyst, KeyCorp Investment Banking

MANAGEMENT DISCUSSION SECTION

Operator: Good day, ladies and gentlemen and welcome to the TriMas Corporation Second Quarter 2011 Earnings Conference Call. At this time, all participants are in a listen-only mode. Later, we will conduct a question-and-answer session and instructions will follow at that time. [Operator Instructions] As a reminder, this conference call is being recorded.

I would now like to introduce your host for today's presentation, Ms. Sherry Lauderback, Vice President of Investor Relations. Ms. Lauderback, you may begin ma'am.

Sherry Lauderback, VP-Investor Relations & Communications

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

In order to assist you 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 888-211-2648 with an access code of 1542923.

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 like to turn the call over to Dave Wathen, TriMas President and CEO

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

Thanks, Sherry and good morning and thanks to all of you listening for your interest in TriMas. We certainly appreciate it.

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

We're sharing the results of another quarter that I believe reinforces the message that TriMas is well on the road to being a sustained growth company, despite the headwinds of a bumpy uncertain economy.

If you are following our charts, I'll start on Slide 4 with my overview. During second quarter of 2011, our combination of TriMas businesses set a quarterly record of almost 300 million in sales, with all segments attaining growth. In previous calls, I've discussed our intent to implement programs focused on new products and activities to grow our revenues, despite whatever is happening in the economies we serve.

Our businesses are successfully executing these actions required to capture new and incremental revenues. In particular, our decision a year ago to get serious about selling more of our products in non-US markets is proving to be effort well spent, with very encouraging customer interest. There is much more opportunity for us in the future in these faster growing markets.

We are willing to carefully spend our resources for these sales gains, so [ph] we'll be (03:34) making some decisions including putting some inventory in the new markets, spending to launch new products, making sure we are fastest responding to our customer's need and of course capitalizing on the upsize of our acquisitions completed in 2010.

We also intend to hold on to these revenue gains so we are paying close attention to our customer service metrics like response times and [ph] fill (03:58) rates. Our final comment on the topic of increased revenue, growth is expensive and we are capturing business in some new markets where our costs are still too high and with new products that require some expensive outsourcing. But we know full well how to bring these costs down over time so we continue to have margin upside.

In addition to our quarterly sales levels, second quarter EPS excluding special items was also a record at $0.56 per share, up 27% versus last year. We did spend $0.07 per share to refinance some of our debt and we believe this will pay back next year.

During the quarter, we've also made some upgrades in our ongoing pursuit of the productivity needed to fund growth initiatives and enhanced margins. We've hired a handful of great operating people in several of our businesses to accelerate our lean initiatives. And we continue to carefully invest including making the bolt-on acquisition that we announced this morning for our packaging business that I'll describe in more detail in the next slide.

Innovative Molding fits our strategy in packaging perfectly, unique solutions, strong intellectual property protection, a track record of continuous growth and people who are innovative, dedicated and good at their jobs. For Rieke, it increases the content in food applications which is a growing end market and we have the ability to leverage Rieke's global footprint and manufacturing costs. We are very happy to have these folks joining us. We believe this acquisition would be neutral to EPS in 2011 and accretive for 2012. Overall, you can tell that I'm encouraged by our second quarter results and our potential going forward.

Now, I'll ask Mark to share our financial highlights with you. Mark.

A. Mark Zeffiro, Chief Financial Officer

Thank you, Dave and good morning. Let's start with the summary of our second quarter results on Slide 7.

Our second quarter sales were almost $300 million, a record quarter for TriMas and our sixth consecutive quarter of sales growth. Net sales increased 19% compared to second quarter of 2010 led by 39% sales growth in energy, 24% sales growth in aerospace and defense and 51% sales growth in engineered components. This growth was a result of gains in market share, new products, new markets, the successful integration of our 2010 acquisitions and continued demand in [ph] permit (06:39) across our businesses. Our strategies are working and our investments are paying off.

Our gross profit and operating profit both improved approximately 16% compared to Q2 2010. Our productivity savings continue to fund our growth initiatives and offset commodity inflation. We experienced a slight margin decline primarily as a result of sales mix of our segments as two of our lower margin segments once again experienced significant sales growth during the quarter. Continuous productivity remains a priority and our lower cost structure will leverage well with expected margin expansion for the year.

Second quarter 2011 income from continuing operations was $17.1 million or $0.49 per diluted share including a $0.07 per share impact related to debt extinguishment costs associated with our recent refinancing.

Excluding the Special item, our income from continuing operations would have been $19.6 million or $0.56 a share, a 27% increase compared to the second quarter of 2010 and another quarterly record for us. While increased sales volumes contributed to this increase, our interest expense reduction of approximately $1.5 million also contributed during the quarter.

We generated $15 million worth of free cash flow during the quarter compared to $33 million during Q2 2010 while funding new CapEx and working capital needs to support our current and future growth. We believe we have strong cash flow businesses even in periods of significant growth and we plan to generate $50 million to $60 million in free cash flow for the full year.

Moving on to Slide 8, during the quarter we made the decision to increase inventory in a couple of our businesses to ensure increased customer satisfaction, enhanced fill rates and incremental business as well as serve our customers in new markets. As you've seen 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 a Q2, 2011 ratio of 16.9% compared to 15% in Q2 2010. Our long-term working capital target remains at approximately 13% of sales at year-end, although we do recognize that significant growth and global expansion does add complexity to our supply chain. Improvement here continues to be a focus for the company.

On Slide 9, we ended the quarter with approximately $478 million in total debt, a decrease of almost $22 million compared to a year ago and a reduction of $16 million compared to year-end.

During the second quarter, our strong financial performance afforded us the opportunity to continue to proactively manage our capital structure and reduce our future interest cost by refinancing our term loan and revolving credit. Under the transaction we reduced the amount outstanding on the term loan from $233 million to $225 million, lowered our interest margin and LIBOR [ph] points (9:48) by 175 basis points respectively and extended our maturity to June 2017. In addition we were able to increase our revolver commitments from $75 million to $110 million, lower the interest margin by 75 basis points and extend the revolver maturity from December 2013 to June 2016.

Overall, we believe this refinance will save us approximately $4 million annually in future interest costs. We're pleased by our strong support from both existing and new lenders. We believe our new facilities provide us with the operational and financial flexibility to continue executing on our long-term growth objectives and strategies.

As a result we ended the quarter with a leverage ratio of 2.82 times, the lowest level we've experienced here at TriMas. In addition, TriMas ended the quarter with $162 million of cash in aggregate availability under our revolving credit and accounts receivables facilities.

At this point, I would like to shift gears and review of our performance by reportable segment beginning with packaging on Slide 11.

Packaging sales grew 5.2% compared to the second quarter of 2010 as a result of increased industrial closure sales and favorable currency exchange partially offset by lower sales of our specialty dispensing products.

Gross profit margin increased 250 basis points as a result of capital, productivity and lean initiatives as well as our ability to capture price to cover increased commodity costs. Operating profit increased nearly 12% with operating margin increasing 190 basis points.

We are excited about the growth prospects for this segment as we continue to launch new dispensing products into growing end markets such as medical, pharma, food and beverage and personal care as well as our initiatives to focus on geographic expansion and product extension. We continue to invest in packaging demonstrated our increases in SG&A as we supported their growth initiatives. We're also excited about our acquisition of Innovative Moulding with this proprietary products and customer base that compliments Rieke's growth strategies.

Moving on to slide 12, Energy. Energy sales increased 39% for the second quarter compared to the year-ago period resulting from multiple initiatives including increased demand for gasket and bolts in our fourth quarter of 2010 acquisition of South Texas Bolt & Fitting. This acquisition contributed $5.2 million in sales for the quarter and its performance continue to exceed our expectations.

Energy is also continuing to benefit from our newer Lamons branches opened in Rotterdam, Salt Lake City, Edmonton and United Kingdom as well as a new branch opened in Melbourne [ph], Michigan during the quarter.

Operating profits increased 23% as a result of higher sales volumes with margin declining due to a less favorable sales mix related to increasing sales at newer branches which have initially lower margins due to aggressive market pricing and additional launch cost and selling and general administrative cost in the support of branch expansion. We expect that these margins will improve overtime. We will continue to expand our footprint as we remain committed to supporting our global customers in new markets.

On Slide 13, Aerospace & Defense. Sales increased nearly 24% in Q2 2011 compared to Q2 2010 due to improved demand for our blind bolts and temporary fasteners from aerospace distribution customers marking Q2 as the fourth quarter in a row of higher order activity and increasing backlogs. Our small defense business continues to be negatively impacted by decreased activity associated with managing the relocation of the establishment of the U.S Army's new defense facility. Second quarter operating profit increased 28% compared to the prior year quarter and related margin improved 70 basis points as the higher sales volume and more profitable sales mix in Q2 2011 more than offset higher levels of SG&A.

As we move forward, we feel we are well-positioned to take advantage of the trend to build composite aircraft and our planned support increase in our content per aircraft. We expect this business to show revenue growth and margin expansion as aircraft build rates increased and our expanded geographic coverage generates results.

Moving on to Slide 14, Engineered Components. Second quarter 2011 sales increased 51% compared to the year-ago period primarily due to improved demand for industrial cylinders, engines and other well-site products and compressors. Of the sales increase $3.5 million was due to cylinder acquisition completing during second quarter of 2010, with specialty fittings and precision cutting tools businesses also experienced improved demand primarily resulting from new product offerings and an upturn in the domestic economy.

Second quarter operating profit increased 60% and the operating profit margin improved 80 basis points compared to the prior year period due to higher sales level, increase absorption of fixed costs, productivity initiatives partially offset by higher SG&A supporting our growth initiatives. The company continues to develop new products and expand its international sales efforts in this segment.

On Slide 15, we show the performance of Cequents split into two segments to provide more transparency. Cequent North America sales increased 7% for the quarter as a result of increased demand from OEM, retail and aftermarket channels. Market share gains in new product launches and improved end market all drove the sales increase. Cequent North America's operating profit increased 13% with margins up 60 basis points when compared to Q2 2010.

Cequent Asia-Pacific sales increased nearly 17% when compared to Q2 2010 due to favorable currency exchange and new business awards in Thailand. This increase was partially offset by continued lower sales in Australia mainly as a result of reduced vehicle availability due to the Japanese tsunami and continued impact of the first quarter flooding of Queensland. We see the effects of these events as temporary in nature and expect the business to rebound as the distribution chain normalizes.

Cequent Asia-Pacific's operating profit and related margin level declined due to startup costs incurred during the quarter due to a new customer award for which production has not yet begun. As a result of the effects of lower volume in Australia, we also saw some lower levels of absorption. We will continue to focus on productivity, product leverage and regional expansion in the Cequent segments.

In summary, on Page 16, we are truly pleased with our first half results driven by our ongoing strategic initiatives. We have record quarterly sales driven by strong organic growth and successful integration of bolt-on acquisition. And either with our investments in growth in future – and future growth during the quarter, we also have record earnings levels from continuing operations. Our strong performance afford us the opportunity to refinance in the second quarter and we demonstrated our ongoing commitment to lower our interest expense and reduce our debt level to a TriMas low during the second quarter. We expect improvements in working capital efficiency driven by lean projects across the company, which focus on improving supply chain processes. Continuous productivity in every functional area every year will remain a focus priority. As we proceed we'll continue to pursue opportunities to drive long-term earnings growth and enhanced shareholder value for the future.

That concludes my comments. Now Dave will discuss our enhanced expectations for 2011. Dave?

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

Thanks Mark. Now I'll look forward and provide you with an update to TriMas's outlook.

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Turning to slide 18, we are updating an increasing our full year 2011 outlook. We now expect sales growth of 13% to 16% for the year, despite the slow growth of the US economy. We see our growth programs working well. We have over 125 [ph] majored (18:34) programs underway in our businesses focused on new products, geographic growth and share gains of existing customers.

We have added some people and invested money in these programs and expect ongoing revenue growth. Our update to our EPS guidance is now a tighter range and has been increased to $1.60, $1.70 per share excluding special items compared to our previous guidance of a $1.45 to $1.60 per share. As a reminder, the midpoint of this 2011 outlook is a 49% increase in EPS compared to the 2010 EPS of $1.11 which would exclude the benefit of one-time tax adjustment in 2010.

We like the returns we are seeing on our growth initiatives, so we will continue to make these investments through other businesses. We are maintaining our cash flow outlook at $50 million to $60 million reflecting those ongoing investments.

I'll close with a reminder of our consistent ongoing strategic aspirations on Slide 19, these are new of course, but these are the priorities we keep returning to as we make decision to TriMas. Every quarter each of our businesses does a six quarter rolling forecast, laying out programs, revenues, productivity and risk and opportunities in a nicely structured process. So we now have our first look at how we are looking for 2012. The good news is we are on track to meet or exceed these strategic aspirations in 2012. At TriMas we are all committed to taking the actions to continue growing shareholder value and we sure appreciate all of your support in this ongoing endeavor.

Now we're glad to take your questions.

QUESTION AND ANSWER SECTION

Operator: [Operator Instructions]. Our first question or comment comes from the line of Rick Hoss from Roth Capital, your line is open.

<Q – Rick Hoss – ROTH Capital Partners LLC>: Hi, Dave, Mark, Sherry. Good morning.

<A – David Wathen – President, Chief Executive Officer & Director>: Good morning, Rick.

<Q – Rick Hoss – ROTH Capital Partners LLC>: A question first with Packaging, it looks like you've captured a majority of the input inflation maybe through price increases. Is this accurate?

<A – David Wathen – President, Chief Executive Officer & Director>: Yes, there were price increases in the quarter. And now there were price increases in the first half that impacted the quarter.

<Q – Rick Hoss – ROTH Capital Partners LLC>: Right. But I think the operating margin where it is today, it look likes you – would you characterize it as you've captured the majority if not all of the input inflation at this point or is there still more to go?

<A – David Wathen – President, Chief Executive Officer & Director>: Essentially, yes, there is always a little lag on some price increase affecting this but essentially, yes.

<Q – Rick Hoss – ROTH Capital Partners LLC>: Okay. And then the growth as it compares to – the [ph] seasonal (21:41) growth of the segment which is if I recall is above 30% type of CAGR, it's been lagging the last couple of quarters. I know we had the [ph] difficult H1N1 (21:53) comparison. Is there anything else? Can you share some additional insight into why it seems to be lower than it should be?

<A – A. Zeffiro – Chief Financial Officer>: Rick, let me add upon clarity to your question. The 30% growth that we saw was in really the specialty dispensing side of business, not for the holistic view of that Packaging enterprise. But I would say that growth with some of our bigger customers has been longer in terms of implementation. The business continues to work through those opportunities but it takes longer to implement some of these larger initiatives that we have in front us.

Dave, would you want to add any additional color?

<A – David Wathen]:> I would add that I mean we've – our operating reviews, we've sorted through the list of the big programs we want to go after and as Mark says, a few of them will take a little longer on the customer side than we might have anticipated, but it's us shifting towards trying to capture some bigger programs, a lot of them in non-traditional countries for us. So I'm not concerned about the business overall, great programs. But you learn how to – as you really get intensified growth, you learn sometimes that the offset is a little longer than you thought but we are happy with the business and the way they are running it and obviously supported by the decision to do an acquisition that they will do a great job with.

<Q – Rick Hoss – ROTH Capital Partners LLC>: Sure. I think it is just interesting that the two segments, the Packaging and Aero were kind of positioned as more of the [ph] growthy (23:31) segments and Cequent, Engineered Components for more of the slower growth and in the last 12 months that has completely flip-flopped.

<A – David Wathen – President, Chief Executive Officer & Director>: Well, it's a good point. It winds up being mixed between the businesses. Some of it is – those are attractive market segments with high margins and they are tougher to grow in for sure. On the other hand – I give

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credit to the managers of all the businesses for really embracing our turn towards growth and I've had some pleasant surprises by the opportunities we've seen in some of the other segments and I'm all for it. We're about growing revenues and growing EPS and it's working.

<Q – Rick Hoss – ROTH Capital Partners LLC>: On the Aerospace business this sequential [ph] uptick (24:22) is this something that continues? You talked about the backlog is very strong right now and I know it's a lagging type of growth trajectory. So are we starting to pick up on this as we've been more in this [ph] through take (24:41) in 2010?

<A – A. Zeffiro – Chief Financial Officer>: What I say Rick is that first quarter actually represented kind of the first quarter in a while that we saw orders in-house to be able to deliver the first quarter results. Second quarter was only amplified in that respect. What I tell you is we are starting to see the pull or the demand that would naturally happen as [ph] training (25:07) activity increases in its velocity through the sales of temporary fasteners which are a little lower margin for us but that anticipates what's going to happen with the rest of the product set and we expect to see continued growth and continued margin expansion through the rest of the year.

<Q – Rick Hoss – ROTH Capital Partners LLC>: Okay, that makes sense. And the last question from me on the Asia-Pacific Cequent, how much did this new startup program you talked about, how much did that dilute operating margin as well as if you can somehow normalize the impact of the Australian flooding and back out these headwinds and kind of give us an appreciation for where the operating profit would have been?

<A – A. Zeffiro – Chief Financial Officer>: Pretty complex three-part question. Let me try with, the startup costs were about $700,000 and you can see how much volume was done in this business. It's what's called a [ph] circa (26:02) $20 million business for the quarter. So you can obviously complete the map there in terms of the implication on a bps basis. I would also tell you that if you look at the absorption effects in that business, let's call about a 10% fixed cost business with pretty sizable declines in the Australian market. We are seeing that negative effect hit. So it's about as close as I can get you right off the top of my head.

<Q – Rick Hoss – ROTH Capital Partners LLC>: Okay. Okay, that does it for me. Thanks, guys.

<A – David Wathen – President, Chief Executive Officer & Director>: Yeah. Thanks, Rick.

Operator: Our next question or comment comes from the line of Mr. Robert Kosowsky from Sidoti & Capital. Your line is open.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Yeah, good morning, Mark, Dave and Sherry. How you're doing?

<A – David Wathen – President, Chief Executive Officer & Director>: Great, Rob.

<A – A. Zeffiro – Chief Financial Officer>: Hi, Rob.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: I was just wondering if you have any leads or in any potential economic weakness you might be seeing whereby impacting the business.

<A – David Wathen – President, Chief Executive Officer & Director>: It still feels flat. I mean we are still operating under the same mode, I mean there's no tailwind out there, but watching order rates and activity levels and that sort of things, they're okay. We are all desperately watching for either an up or a down, but it just feels flat.

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

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<A – David Wathen – President, Chief Executive Officer & Director>: Which in a way, it's encouraging given all the [ph] press stuff (27:23)

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay. And then I guess on the new specialty dispenser side, is it just that the customers are taking longer to bring these new products to market, is that kind of the [ph] cause (27:33) of the delay right now?

<A – David Wathen – President, Chief Executive Officer & Director>: Yes. I mean its approval times, it's us taking product into new markets and having to setup, stocking warehouses and that kind of thing. It's all good stuff, but it's taking a while.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay. When do you think there could be like a meaningful increase in revenues, is it kind of like late in second half or is it like a push in the – like 2012 [ph] pretty much it will (27:59)

<A – David Wathen – President, Chief Executive Officer & Director>: [ph] Oh, I would comment (28:00) All the second half.

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

<A – David Wathen – President, Chief Executive Officer & Director>: I mean it's not in our control, but that's what it feels like.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay. Can you give a little bit more detail on Innovative that there – you commented on the margin profile, but is there kind of a similar specialty product like you have in the dispensing side and [ph] it doesn't have to (28:20) be a substantial increase in accounting right up to [ph] say some (28:25) on the acquisition that's going to kind of dilute the margin profile for a little while?

<A – A. Zeffiro – Chief Financial Officer>: There is – well, that's a good question. If you think about their Rikie business being high 20% operating profits, this business is going to be a bit lower than that in its nature and there's synergies that obviously we are going to work on over time to improve its overall profile. But I would tell you this is that of course you are going to have a step up in assets, you are going to have a step up in inventory in terms of your normal purchase accounting activities. That will depress the profits here that come out of that business out of Q3 and possibly into a better Q4. Hence, like Dave's comment around it's likely to be dilutive, but it's also not going to be accretive in the back half of the year. So you'll see incremental revenues, I think the press release said it was about $28 million business in top-line, you can annualize that it's a fairly normalized business to get a sense as to what kind of volume uptake you'd expect in the back half.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay. And then, just one last question, the interest expense [ph] I guess good job you're not (29:30) refinancing done, is that [ph] formally (29:33) in the annual interest expense, could you look at that off of like 1Q's interest expense rate kind of a $4 million savings versus 1Q, is that kind of [ph] how you're (29:43) looking at it?

<A – A. Zeffiro – Chief Financial Officer>: Yeah, you also have to put in our normal seasonality Rob, as you think through when we borrow most. So it's probably more heavily weighted towards the front half of the year by almost 55, 45 in terms of front half, back half.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay, but if [ph] you run (29:59), say first quarter like $12 million of interest expense?

<A – A. Zeffiro – Chief Financial Officer>: We should expect to see a little more than $1 million down tick.

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

<A – A. Zeffiro – Chief Financial Officer>: You bet.

Operator: Our next question or comment comes from the line of Mr. Steve Barger from KeyBanc Capital. Your line is open.

<Q – Alexander Walsh – KeyCorp Investment Banking>: Hi, this is actually Alex Walsh sitting in for Steve. I just had a couple of quick questions, some [ph] of my best (30:21) covered but I was kind of curious, I know you guys have talked about increasing content per plane, I was wondering if you could provide a little bit more detail on the difference between the content on some of the more composite oriented planes versus what's being produced right now.

<A – David Wathen – President, Chief Executive Officer & Director>: Well, we're up 3 to 5 times on the composite aircraft. If we look through a list of what its actual cost, use 3 or 4 and a couple of them where our contact goes way up. We also tend – the new re-designs like the A320 redesigned. We're doing wing changes, engine mounting changes. Those tend to drive our content up too because [ph] they ordered (31:03) composite structures in the aircraft. I mean we know we have a content increase going on plus the line rate increase is going on at Boeing and Airbus over time and as you could imagine – I have said it before that all is good for us. It means we're going to be adding capacity and we've added a team in the business to make sure we've got the horsepower to get it done. But I am quite bullish on that business.

<Q – Alexander Walsh – KeyCorp Investment Banking>: Okay, that was really helpful. I guess sticking with the same segment, any update on the relocation [ph] of munitions (31:44) facility and I guess the timing on what the outlook is there?

<A – David Wathen – President, Chief Executive Officer & Director>: The equipment is moved. We're at the stage that we are actually starting to quote on some new orders for the shelves and the equipment that can be produced there. I'm in a – would stay tune to [ph] quote (32:10) on that on what will come from it. Like I've said before though we've – it's not like we're facing any kind of problem in the future, it's just would be upside if we got orders. So we're at this stage that we're starting to quote. We did a small technical JV with a company called Solidica that would – could go into the same facility effect but it's a pure development thing right now. So there is a variety of things that could click in that but I would call them all – it's going to feel like upside to me if any of them click.

<Q – Alexander Walsh – KeyCorp Investment Banking>: Okay. So it doesn't seem like it's kind of built in at this point, but I mean if that were to be an upside I mean and likely to fall on 2012 I guess?

<A – David Wathen – President, Chief Executive Officer & Director>: Yeah, it would be 2012.

<Q – Alexander Walsh – KeyCorp Investment Banking>: Got it. And then I guess coming over to the Packing segment, I think this has been covered pretty extensively, we're just curious on the order progression through the quarter within the industrial closes business and I guess what are you guys have been seeing thus far in 3Q?

<A – David Wathen – President, Chief Executive Officer & Director>: Again the order rates are feeling flat, which is kind of the new normal, it's okay with me. I mean we do – I [ph] preach this (33:26) but it mean it feels to me like every bit of revenue we upside we get is good, we have to earn it with new products and programs and all that, because the economy is just not there, the tailwinds is just not there. But I know everybody is desperately watching for a downturn and I'm not seeing it.

<Q – Alexander Walsh – KeyCorp Investment Banking>: Okay, that's helpful. And then I guess just from a housekeeping perspective, I know you guys talked about higher tax rate in the back half I guess 2011, I was just kind of curious what your update was there or what you guys are using?

<A – A. Zeffiro – Chief Financial Officer>: If you look at full year tax rate we're probably a little more of a 36, but less than 37.5 is kind of our outlook right now.

<Q – Alexander Walsh – KeyCorp Investment Banking>: Got it, all right. I appreciate the time guys.

<A – A. Zeffiro – Chief Financial Officer>: You bet.

Operator: [Operator Instructions]. We have a follow-up from Mr. Robert Kosowsky from Sidoti & Company. Your line is open.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Yeah, hi, just two follow-on questions. First off, could you give some more detail as to how Arrow Engine performed in the quarter and [ph] have some of those (34:28) new products are I guess are [ph] pretty in traction (34:30)?

<A – David Wathen – President, Chief Executive Officer & Director>: Yeah, you can tell within engine [ph] for motors (34:33) for the 50% revenue increase, Arrow is a big of piece of that so it's enormous – the compressors that go to what you'd call shale applications where we're taking our compressors and putting them into systems are going very well. We did some capacity adds and a new assembly building in Tulsa and its [ph] good (34:57) which is mighty encouraging. And there is as you can imagine lots of turnover in the new products, new ideas. Last time I was in Tulsa, they were shipping a – what you call a portable compressor system where it had jacks on it, where it could be put some place, use for a while then move someplace else and relevel. And number one, the folks in Tulsa are very good at that kind of thing fast new designs, new applications. And the base business of engines and parts and that sort of thing is also real strong, I mean the activity in the oil and gas fields is mighty high as you can imagine, so yeah, pretty encouraged at Arrow.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay, then just another question on maintenance just kind of the outlook that you see for kind of refinery cash utilization or maybe just turn around activity? And then secondly, how you are finding the turns on some of those new facilities you have out there?

<A – David Wathen – President, Chief Executive Officer & Director>: Well, the activity levels are high. There are some markets that are – we've talked about Brazil, Brazil is really going strong. We are full blast on making sure we capture our share or more of the business in Brazil. So, I'm – there is – we'll be busy for several years, building out the footprint yet because of the all of the – either the new or the places we are underserved on the refineries and petrochem plants.

I think the second of your question is how the margins look? It's exactly what we expect when we go to some place we intend to sell more standard products to start until we get the local plants used to the – in fact we really can deliver special product really fast. And then the margin start coming up as we get more where bring in more of the – the specialty bolts are proven to be good margins too. And again it's a matter of walking the line between how fast can we build out and get the revenue and – but recognizing the margin is going to be low for the first year.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay. Do you finally [ph] hold to the territory (37:14) that you might have like – do you compete on kind of like a lower costs, low cost events or is it more – [ph] on those products, product and breadth (37:21)

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<A – David Wathen – President, Chief Executive Officer & Director>: Our whole model is about service and teaching and really convincing the local facility managers that we can deliver special product in hours and there are skeptics at first.

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

<A – A. Zeffiro – Chief Financial Officer>: Rob, I'd add, I think you also say something product breadth. If you're looking at our typical competitor and say, it's either A they provide gaskets or B they provide bolts. Our positioning there is obviously a broader positioning which if you remember our conversations and things that we said publicly is the standards that Dave talks to them, those are obviously lower profitability items for us in the initial phase. But where you get the real margin expansion as you earn your credibility locally to deliver on those specialty items and this is the normal – the normal integration process that you'd expect at any new branch.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay, thanks. That's really helpful. Good luck with the second half.

<A – A. Zeffiro – Chief Financial Officer>: Thanks Rob.

Operator: I'm showing no additional audio questions at this time.

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

Okay. Well, thanks everybody. We appreciate your continuing support. We are as you can tell intensely focused on growth and earnings per share growth and so we will keep at it and we appreciate your inputs and thoughts. Thank you.

Operator: Ladies and gentleman, thank you for participating in today's conference. This concludes the program. You may now disconnect. Everyone have a wonderful day.

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