PARTICIPANTS

Corporate Participants

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

Other Participants

Rob Kosowsky – Analyst, Sidoti & Co. LLC
Shivangi Tipnis – Analyst, Barrington Research Associates, Inc.
R. Scott Graham – Analyst, Jefferies & Co., Inc.
Mark Tobin – Analyst, ROTH Capital Partners LLC
Wayne Joseph Archambo – Founder, Monarch Partners Asset Management LLC
DeForest R. Hinman – Analyst, Walthausen & Co. LLC

MANAGEMENT DISCUSSION SECTION

Operator: Good day and welcome to the TriMas Corporation Second Quarter 2012 Earnings Conference Call. Today's conference is being recorded. I would now like to turn the call over to Ms. Sherry Lauderback. Please go ahead.

Sherry Lauderback, VP-Investor Relations & Communications

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

In order to assist with your review of our results, we've included the press release and PowerPoint presentation on our company website, www.trimascorp.com under the Investors section. In addition, a replay of this call will be available later today by calling 888-203-1112 with a replay code of 7687244.

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'd like to turn the call over to Dave Wathen, TriMas' President and CEO. Dave?

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

Thanks, Sherry. Good morning, and thanks to all of you listening, for your interest in TriMas. Today, we are sharing the results of another quarter that demonstrates our continued performance improvement. We continue to stick to our plan, balancing revenue and earnings growth to maximize the value of this company.

To outperform the economy, our job is to find the bright spots, where we can capture growth for our businesses and execute fast and well on our new product programs and our geographic expansion projects that target these bright spots. In parallel, our job is to be cost effective so that we achieve strong returns on our investments, continuously reduce our cost to stay competitive and are able to keep investing. This quarter's top and bottom line results demonstrate good progress on these TriMas imperatives.

Our agenda today is that I'll provide an 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. You've likely seen our press releases this morning discussing our Q2 results and recent bolt-on acquisition agreements.

Let me add some highlights on slide four. Our 17.5% sales growth comes from concentrating on what I'm calling the bright spots, places where we can solve a problem for our customer; new products that add features and benefits that our customers' are willing to pay for; participating as a part of the supply chain in faster growing markets and identifying and executing our compelling bolt-on acquisitions. I share some examples of our recent successes when I go to the next slide.

During Q2, we achieved a record $0.61 per share of earnings excluding special items. Within the $0.61, we also absorbed acquisition-related costs and the effects of 10% more shares related to issuance of 4 million shares earlier in the quarter. Growth has to be profitable be – to be considered successful, so we keep after all aspects of cost so that we keep meeting our 3% total productivity target. We're also adding resources and continuing our emphasis on lean initiatives to fuel future productivity.

We are adding capacity in our packaging, aerospace and energy businesses to serve the customer demands accompanying our growth initiatives. We're also expanding our low-cost facilities in Thailand and Mexico for ongoing productivity. And we are executing on the plan we communicated for use of proceeds from a recent equity offering. Mark will share details of this with you.

Now on slide five, I'll share some business highlights that demonstrate some of the actions driving TriMas' revenue and earnings growth. Rieke Packaging won several new global contracts a year ago, and now all the fine tuning and approvals required to actually begin shipping to those customers, local plants in Asia that kicked in. The acquisitions of Innovative Molding and Arminak expanded our product offering, such that we expected cross-selling synergies, which are now delivering new sales. We also knew these two acquisitions would mix our margins down, but we told you we would improve those over time. Product margins at Innovative Molding are improving nicely since joining us a year ago. Mark will show you more about the improving performance of our Packaging segment.

Our main focus at Lamons continues to be building out our branch network through new greenfield branches and bolt-on acquisitions. But in the background, we keep concentrating on growing our higher-margin engineered product sales and adding fasteners to our existing gasket contracts, which is a competitive advantage for us. Our new product pipeline is encouraging too.

Monogram added a sales office in China a year ago and now has $2 million in orders for shipment in Q3. Monogram's new facility near Phoenix is building parts for approval by our key customer, and we expect to achieve incremental sales by fourth quarter. Monogram's growth is exceeding the aircraft build rates due to our concentration on new products, aircraft content and enhanced geographic coverage like China and Brazil.

Aero's investments in new products are proving to be bright spots, as gas products are up 15%, compression products are up 60%, and the parts business is up 27% year-to-date. The product mix is in constant flux with the shifting demands between oil, gas, shale and fracing, but our team in Tulsa is used to this and responds fast to the changing demand.

Norris is capitalizing well on the new antidumping duties on large cylinders from China, plus all of the team's work on improving the small, high pressure cylinder product that we make in Huntsville has grown sales in this category more than 40% versus first half 2011.

I was in Melbourne in June when our new consolidated plant there officially opened. It has upgraded equipment for both productivity and enhanced product features that are helping us gain new customer contracts. In addition, Cequent North America achieved a 14% operating profit margin while its new plants in Mexico are still just in startup mode. This bodes well for the future.

Now I'd like to comment on the bolt-on acquisitions we just announced, with information on the next two slides. We told you that Brazil is an attractive market for us, particularly in energy with all their new oil supply and especially due to all the new petrochemical plants being built. The large energy and oil processing companies that we currently serve in other parts of the world are expected to invest multiple billions of dollars for multiple years into the future.

The acquisition of CIFAL establishes our initial energy footprint in Brazil and allows us to expand on the strategy of providing special fasteners, similar to the fastener hub created by our South Texas Bolt & Fitting's acquisition in 2010. This is step one in Brazil. We'll add capability for larger product sizes and more features at CIFAL. Plus, this will be a Lamon's hub so that we can have branches providing gaskets and fasteners adjacent to all the new refiners and plants.

We also announced the acquisition of Trail Com, the leading distributor of towing accessories and trailer components in New Zealand. As successful and profitable as Cequent is in Australia, we were weaker in the New Zealand market. We now have opportunity to cross-sell our products in New Zealand and strengthen our retail and trade presence in Australia as a result of this acquisition. Also, these recently announced acquisitions have attractive sales and cost synergies for us.

At this point, I'd like to turn the call over to Mark to share financial and segment information with you.

A. Mark Zeffiro, Chief Financial Officer

Thank you, Dave and good morning. Let's start with a quick summary of our second quarter results on slide nine. Our second quarter sales were $338 million, a record quarterly sales level for TriMas and a 17.5% increase compared to the second quarter of 2011. This was our ninth consecutive quarter of double-digit year-over-year sales increases with growth in five of our six segments.

We continue to generate growth on many fronts. Our organic growth efforts focused on new products, growing end markets and market share gains represent approximately 50% of our growth for the quarter and the year. Our bolt-on acquisitions are generating expected or better than expected results. In addition, our sales increases were partially offset by a $3.3 million of unfavorable currency exchange. Across the company, our strategies and our execution are driving positive results.

Q2 operating profit improved approximately 13% compared to Q2 2011, excluding special items, primarily as a result of higher sales. Our operating profit margin declined 60 basis points, as margins were impacted by lower European packaging sale, business sales mix including the acquisitions, and higher cost related to the expansion in energy. Our productivity efforts more than offset the economics in the quarter, and as expected, continue to fund our growth initiatives.

Second quarter 2012 income from continuing operations attributable to TriMas was $16.7 million. Excluding special items related to debt extinguishment and restructuring costs associated with the manufacturing footprint optimization, second quarter 2012 income from continuing operations would have been $23 million, an increase of 25% compared to Q2 2012.

During Q2, we achieved a record quarterly diluted EPS of $0.61 while absorbing acquisition-related costs and the effects of more shares. Interest expense reductions and effective tax structure management also contributed during the quarter.

We remain focused on cash flow and our results today are in line with our expectations. We plan to generate $40 million to $50 million in free cash flow for the year. We believe we have strong cash flow businesses, and expect them to generate cash even in times of growth.

During Q2, we also issued 4 million shares of common stock for net proceeds of $79 million. These proceeds were used to redeem $50 million of our 9.75% senior secured notes, lowering our debt balance to $421 million, a 12% reduction from a year ago. We also committed $23 million in cash for the bolt-on acquisitions Dave discussed that expand out footprint into Brazil and New Zealand and provides significant opportunities for synergies.

A couple of comments on our six-month results which are consistent to Q2. Year-to-date sales increased more than 16% with high single-digit organic growth. Our Q2 year-to-date diluted EPS, excluding special items would have been $1.01, an increase of more than 20% when compared to the prior year EPS of $0.84. To-date, we are pleased with our record sales and earnings for the company.

On Slide 10. As I mentioned, we entered the quarter with approximately $421 million in total debt, a 12% increase from June 30, 2011. During the last 12 months, we also funded approximately $93 million in acquisitions and spent $45 million on CapEx, primarily used to generate future growth and productivity. As a result, we ended the quarter with a leverage ratio of 2.19 times compared to 2.82 times at June 30, 2011. We remain disciplined in our balance of growth and indebtedness. Our progress was recently recognized by ratings agencies with May upgrades from both Moody's and S&P.

Lastly, we ended the quarter with $221 million of cash and aggregate availability under our revolving credit and accounts receivable facilities. We will continue to focus on deleveraging the balance sheet, generating cash flow, and lowering working capital as a percentage of sales.

At this point, I would like to review our business performance by reportable segment beginning with our Packaging segment on slide 12.

Q2 2012 Packaging sales grew 48% compared to Q2 2011, primarily as a result of Innovative Molding and Arminak acquisitions, which added a little more than $26 million in sales to the quarter. The segment has been hardest hit by the downturn in the European economy, which represented nearly a $0.03 per share negative effect on our performance. Our specialty systems product sales, unrelated to the acquisition, increased as North America's gains offset the European economic challenges.

We also shipped our first products to our large consumer packaged goods customer in Asia. Packaging operating profit increased 10% in the quarter, primarily due to higher sales levels. Packaging, one of the highest margin segments in the company, was impacted by unfavorable sales product mix, as Innovative and Arminak synergies and improvement plans are still coming on-line. The lower level of industrial closure sale also had a negative impact on margin levels.

Packaging incurred approximately $1 million of intangible asset amortization costs related to the acquisitions in Q2 as well.

Significant end market growth prospects for this segment continue to support our launches of new dispensing and closure products. The powerful combination of Rieke, Arminak, and Innovative has enabled us to more quickly advance our targeted growth initiatives. We are beginning some sales force integration and expect a positive customer response.

Moving on to Slide 13, Energy. Energy sales increased 12% for Q2 compared to a year ago. The sales growth was the result of multiple growth initiatives including market share wins within our highly-engineered bolt product line, geographic expansion and increased demand. Approximately $1.4 million of this growth was due to our enhanced specialty bolt capabilities, while new branches support, their global customers, contributed an additional $1.7 million. As evidenced by today's announcement of our agreement to acquire CIFAL, we are executing our plans to further support customers in Brazil, given the growth in the energy sector expected in the region in the years to come.

Energy's operating profit decreased, as an impact of higher sales was more than offset by a less favorable product mix, increased sales at newer branches with lower margins and some operational inefficiencies due to significant growth. 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 14, aerospace and defense sales decreased approximately 9% in Q2 2012 compared to Q2 2011 as improved demand for blind bolts and temporary fasteners from the Aerospace business customers was more than offset by the sales decline in the defense business. Our defense business continues to be negatively impacted by the increasing activity – excuse me, by the decreased activity with managing the relocation and establishment of the new defense facility. We're in the process of bidding future production of ammunition casings and will keep you posted as to the results.

On the other hand, Monogram, our aerospace business, continues to show positive sales momentum with a 10% increase in Q2 2012 sales compared to Q2 2011, including new sales into Asia. We continue to experience higher order activity, which resulted in growing backlogs. In Q2, operating profit was relatively flat with a 210 basis point improvement in margin percentage compared to Q2 2011, primarily due to the increased sales levels in aerospace which has significantly higher margins than the defense business, and as a result of productivity initiatives. We expect this business to show revenue growth and margin expansion, as aircraft build rates increase and our expanded geographic coverage generates results.

Moving on to Slide 15, Engineered Components. Both businesses in this segment, Arrow Engine and Norris Cylinder experienced continued growth on top of record 2011 sales levels. Q2 2012 segment sales were up 20%, primarily due to improved demand for engines, compressors, and other well-site products and industrial cylinders. Increased oil drilling activity benefited Arrow, with sales up $6.6 million compared to Q2 2011. Arrow not only increased its core product sales in Q2 but also successfully introduced more than 1.6 million of new products to add well-site content.

During the quarter, Norris Cylinder sales increased by $2.2 million due to market share gains. Norris also continued to successfully leverage large cylinder assets to meet the cylinder assets purchased during 2010. As a result of these sales increases, second quarter 2012 operating profit increased almost 30% and operating profit margin expanded more than 16%. These improvements were a result of higher sales levels and higher operating leverage at Arrow. Engineered Products is off to a great start for the first half of the year, but [ph] comps to (19:36) get harder in the back half. We continue to develop new products and expand our international sales efforts in this segment.

On Slide 16, we show the performance of Cequent split into two segments. Cequent North America sales increased 8% as a result of higher sales levels from all of our channels, including OE, industrial, aftermarket, retail and international. Sales increases were the result of market share gains and new product introductions. Cequent North America's operating profit and margin level increased, primarily due to the higher sales level and lower SG&A costs, excluding those costs incurred to relocate certain production to lower-cost countries.

As evidenced by our continued footprint rationalization, we remain focused on making these businesses more efficient. We will also opportunistically pursue new areas of profitable growth. Cequent Asia-Pacific sales increased 32% when compared to Q2 2011 due to new customer program awards in Thailand and the benefits from the acquisition in South Africa completed in Q4 2011, partially offset by unfavorable impact of currency exchange.

Cequent Asia-Pacific's operating profit increased due to the increased sales levels and continued productivity efforts, excluding costs related to the consolidation and move to a new manufacturing facility in Australia completed in Q2. We remain focused on productivity, product leverage, regional expansion in the Cequent segment. We are focused on achieving both sales and cost synergies from the recent Trail Com acquisition in New Zealand.

That concludes my comments. Now Dave will summarize the first half of 2012 and provide some additional comments on our 2012 outlook. Dave?

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

Thanks, Mark. Now I'll close with a summary and look forward. I believe that TriMas' second quarter results confirm that our strategies work for us and that our people execute projects well. We are now at nine consecutive quarters of year-over-year sales and earnings growth, meeting our strategic aspirations. We continue to find attractive or [ph] pretty (21:58) bolt-on acquisitions. Our tactic to follow and support our existing customers as they grow in global markets is proving to work well for us. And the targeted countries that we identified two years ago remain attractive for growth.

Our productivity tactics change but our savings continue to fund our growth investments. Our manufacturing expansions are in the right locations for growth and cost-out. And in parallel with investing for growth, we continue to improve our balance sheet. A debt-to-EBITDA ratio below 2.2% is an important milestone for us.

Concerning our outlook for the balance of 2012 on Slide 19, the update is that we are reaffirming our 2012 EPS guidance while raising our sales growth outlook, driven by our strong organic growth to-date and our recent acquisitions. Our earnings guidance remains in the $1.75 to $1.85 per share after adding 4 million shares and including our projected acquisition integration and purchase accounting related costs. CapEx will still be within our original range, but likely to be close to 4% of sales, and growing some in absolute terms to support the top line.

We certainly plan to continue to invest in bolt-ons, CapEx, and people to achieve our growth aspirations. Growth is particularly difficult when there are no tailwinds from the economy. We see the same headwinds everybody does. U.S. GDP at 1% or 2%, growth in emerging markets may be slowing, pressure in Europe, unfavorable currency effects, etcetera. So cost control, ongoing cost reduction, and being poised to react with deeper cuts on short notice are vital. Our management of risks and opportunities, with our structured process to respond quickly to changes is one of our key tactics to maximize TriMas business results.

I'll close with a reminder of our strategic aspirations on Slide 20. Our top line growth is on track. You have heard us discuss new orders and new sales, new facilities and investments in multiple faster-growing end markets, ranging from aircraft and energy, to Thailand and Brazil. We continue to achieve our target productivity levels, and several new low-cost plants will help our ongoing productivity objectives. We continue to grow earnings and our leverage ratio is getting near our target range.

A company is really about its people, and we continue to strive to be a great place to work. We owe everyone at TriMas the best working conditions possible. One metric is safety. We now have two facilities recognized this quarter for their safety achievements. I would like to personally thank our employees and leaders for all their efforts to make this happen.

TriMas is a strong team of people in each of our businesses, who know their businesses and customers well, have solid plans for revenue and earnings growth, know how to achieve good returns on investments, and enjoy competing with technology and speed. We also have structured short-term and long-term incentive systems that reward our people for execution. This is straightforward and it produces results. We intend to stay focused in achieving all of our strategic aspirations.

Now we'll gladly take your questions.

QUESTION AND ANSWER SECTION

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

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

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

<A – David Wathen – TriMas Corp.>: [ph] All right (26:02).

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Hi, yes, I was wondering if you could just dive a little bit more to the margin weakness in energy and kind of what you see as kind of a sustainable margin level that this – kind of unusual amount of negative's going against it this quarter versus say what we saw on like first quarter or second quarter last year?

<A – Mark Zeffiro – TriMas Corp.>: Yes, Rob. I'll put it in context. This business has grown sizably in the last year and we're still ironing out, as with any growth environment those operational factors to make sure that we're as efficient as possible. Plus also in the quarter, we did incur some sizable amounts associated with the acquisition in Brazil and obviously the disruption associated with that and the cost associated with that. So, to that end that's really the effect.

Long term, we remain committed to kind of a team's level worth of operating profit for – out of this business, and we're starting to see the improvement in other areas of the business but it's been more than offset by some of the ramp-up costs associated with those new branches, acquisition, and frankly some of the inefficiencies that we've just experienced as a result of those growing pains.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay, that makes sense. And then could you maybe just map out a little more about what the growth strategy in Brazil is now? Do you have a [indiscernible] (27:24) there? I know Dave, you touched on a little bit in the prepared remarks, but kind of – and you've some more, I guess idea of like how long it's going to take to fully ramp up and kind of like what the next major steps are?

<A – David Wathen – TriMas Corp.>: Yes. We – of course, the end game is pretty clear. We need to have branches close to their customers, those – you can put pins on the map around the coast of Brazil as to where all the new plants are going on in. Short term, there's more opportunity I'll say with Petrobras because – I mean, they're building something like 50-plus platforms, which because they're in deep drilling sites take more corrosion-proofing on the fasteners and more special gaskets and all that. So, stage 1 is make sure we can serve that. And believe me, we've had plenty of meetings with them, where they've made it clear that they need us to bring our technology to Brazil. So it feels pretty good. And obviously, we're capitalizing on that.

So short term, it's, I'll say, serve more the supply oil side and the – some of the existing refineries which we make sure we know. And then you'll see us spotting branches near the – all the new construction sites. And that's a multi-year thing; several years before that's all built out. So we'll obviously stage it in such a way that we can capture some of the build and really – of course, we're in – we're into the ongoing MRO and aftermarket and rebuild kind of business and so there's not a need to be on the ground in four, five, or six, or seven sites right now. We'll, within a few years.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay, that's helpful. And then...

<A – David Wathen – TriMas Corp.>: And clearly, both fasteners and gaskets. CIFAL is fasteners, but I've been there, it's a facility that's a year old. We got training centers and all that which is important to us because we tend to train our customer engineers, but also room to put it into the high-end seals and gaskets and that sort of thing.

<Q – Robert Korowsky>: Okay. So that's like, over the next two years, you're going to be like expanding like the products offering down there?

<A – David Wathen – TriMas Corp.>: Yes, pretty fast on the product offering.

<Q – Robert Korowsky>: Okay. That's good to hear.

<A – David Wathen – TriMas Corp.>: Lower on the footprint.

<Q – Robert Korowsky>: Okay, that's good to hear. And then as far as the Aerospace segment, it seemed like there was a decent headwind in the second quarter last year. Was it similar this year? I mean, I chanced to look at the Q, and kind of just your general outlook for margins in that segment as well because it seemed like you'd take a little step down from what it was in 1Q.

<A – Mark Zeffiro – TriMas Corp.>: Yes, Rob, they – you got the same kind of pressure as a result of the NI business in its final step down in terms of activity year-on-year from a comp perspective. So that's really what's driving the top line pressure. And NI at this point in time is still in that in-between phase of deciding what the future business is. So that's yet ahead of us to decide and act on that obviously, supporting our customers' in that specific space.

In terms of the Monogram business, no, there isn't a step back in profitability. And in fact, they grew nicely in the quarter, as I may – mentioned, 10% top line growth with continued addition to the backlog. So the business is operating very well.

<Q – Robert Korowsky>: Okay, and then finally, Dave, what are you seeing as far as like demand in the industrial closures business from Europe and North America? Is Europe getting a little bit weaker or has it kind of stabilized? Just kind of your perspective on that.

<A – David Wathen – TriMas Corp.>: It's – I'm going to say stabilized. Europe stabilized at a lower rate but we're watching it all the time. And Mark shared with you – I mean, that's been an expensive step down for us because that's a pretty high margin business for us. We've absorbed it but – the US is okay. I mean the 1% or 2% GDP number is – was pretty accurate in a business like this that follows GDP, the industrial side of the Rieke business. To predict it's – that's the trouble, what's going to happen in the second half and all. It feels like it's staying flat. And everything we can say is, see it's flat. And that's just what – that's what we got to live with. I'm – say it over and over. The only way you grow in these flat economies is you take it away from somebody else and you go some place that's growing faster. Obviously, we're doing both of those things.

<Q – Robert Korowsky>: Okay. That's helpful. And then just to back up on aerospace, one last question. It looks like it was a 27% operating margin in the first quarter and it stepped down about 25%. Was there any kind of – anything going on there? Was it just kind of product mix?

<A – Mark Zeffiro – TriMas Corp.>: Just product mix.

<Q – Robert Korowsky>: Okay. Thank you very much. Good luck, guys.

<A – David Wathen – TriMas Corp.>: We are building a new plant in – near Phoenix.

<Q – Robert Korowsky>: Okay. Got you. Thank you.

<A – David Wathen – TriMas Corp.>: Low cost for that.

Operator: And we'll take our next question from Shivangi Tipnis with Barrington Research Associates.

<Q – Shivangi Tipnis – Barrington Research Associates, Inc.>: Hello?

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

<Q – Shivangi Tipnis – Barrington Research Associates, Inc.>: Hi. This is Shivangi for Walt Liptak. A great quarter, guys. Congratulations. My first question is for the acquisition front, the CIFAL and Trail Com. Do we expect the synergies from the CIFAL to help uplift the operating margin for the energy segment to at least some extent? And – okay, you can go ahead.

<A – David Wathen – TriMas Corp.>: Yes. CIFAL makes specialty fasteners, which is kind of what we call the engineered-products kind of thing. So it mixes us up into the higher margin products right away.

<Q – Shivangi Tipnis – Barrington Research Associates, Inc.>: Okay. So right away in the sense, do we expect it to be a – tentative in the second half or then 2013?

<A – David Wathen – TriMas Corp.>: It will take longer than that. I mean that's – the second half is more about adding new products to that business.

<A – Mark Zeffiro – TriMas Corp.>: We've also got obviously at – the ramp down costs associated with inventory and the step-up associated with that, etcetera. So that will largely by – be digested for the first six months. And you should see a step-up in terms of relative effects in that in 2013. Now, I believe you also asked a question about Trail Com...

<Q – Shivangi Tipnis – Barrington Research Associates, Inc.>: Right.

<A – Mark Zeffiro – TriMas Corp.>: Dave you want to comment on that?

<A – David Wathen – TriMas Corp.>: Go ahead.

<A – Mark Zeffiro – TriMas Corp.>: Trail Com is – and if you put it in the context of our Asia-Pacific Cequent business which is very profitable and doing very well, this just adds a retail component associated with that business. And there are significant purchasing synergies, given the total TriMas leverage that we have in that space. So we expect to be able to see those margins improve over time as well.

<Q – Shivangi Tipnis – Barrington Research Associates, Inc.>: Okay. And what added acquisition costs do we expect for this year and what – any pipeline of acquisitions that you have planned for the second half of the year?

<A – David Wathen – TriMas Corp.>: Yes. We of course have modeled our acquisition integration costs and all that into our second half in our guidance. The pipeline is pretty decent. In a bumpy economy, sometimes these opportunities come because of that. And of course we intend to do friendly acquisitions where we know the owners and all that. Yes, the pipeline feels pretty good right now.

And we've got some capacity, but we're also careful about making sure we've got financial capacity. My concern is more about making sure we've got the people capacity to do the integration. So we're thoughtful about that.

<Q – Shivangi Tipnis – Barrington Research Associates, Inc.>: Okay, sounds good. My other question, with some of the pricing pressures, do you see the pricing pressures? How do they look like for the – euro problems especially? And did TriMas undertake any price increases during this quarter?

<A – David Wathen – TriMas Corp.>: I'm sorry, could you repeat the question?

<Q – Shivangi Tipnis – Barrington Research Associates, Inc.>: Yes, I'm sorry. How do you see the pricing pressures, especially in Europe, and that you guys take any price increases during the quarter?

<A – Mark Zeffiro – TriMas Corp.>: Well not – it doesn't relate obviously solely to Europe. Our businesses do obviously take price when the economics otherwise will warrant in – and otherwise, they would like to reposition in the market space. We did take price on a net basis up within Q2, and it was across different businesses and different geographies. Didn't relate specifically to Europe, but it did relate to the economics that otherwise we experienced from an inflation perspective.

<Q – Shivangi Tipnis – Barrington Research Associates, Inc.>: Okay. Okay, that's helpful. Just my last question, can you comment on the normalized annual tax rate for 2012?

<A – Mark Zeffiro – TriMas Corp.>: Our planning rate in terms of 2012 is approximately 33%.

<Q – Shivangi Tipnis – Barrington Research Associates, Inc.>: Okay. Sounds good. Thanks, I'll get back in line. Thank you.

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

Operator: And we'll take our next question from Scott Graham with Jefferies.

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

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

<Q – Scott Graham – Jefferies & Co., Inc.>: Congratulations on a good quarter.

<A – David Wathen – TriMas Corp.>: Thanks, Scott.

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

<Q – Scott Graham – Jefferies & Co., Inc.>: Several questions for you. Someone mentioned, in the Q – I haven't seen it, so Mark, if you could help me kind of square up some model stuff. The Cequent sales dollars, acquisitions and the sales line, could you tell us what that was?

<A – Mark Zeffiro – TriMas Corp.>: If you think about the acquisition, in terms of Asia-Pacific Trail Com closing, it's about a $12 million run rate revenue business.

<Q – Scott Graham – Jefferies & Co., Inc.>: Wasn't there an acquisition in the number as well?

<A – Mark Zeffiro – TriMas Corp.>: Yes. The South African number is about $1 million. Scott, it's not a big number, so...

<Q – Scott Graham – Jefferies & Co., Inc.>: Okay. Okay, nothing. Okay.

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

<Q – Scott Graham – Jefferies & Co., Inc.>: And could you also tell us what the FX was in the Packaging and Cequent's businesses?

<A – Mark Zeffiro – TriMas Corp.>: Yes, FX in terms of the effect within the business itself – give me one second here, I'm digging around. The packaging business, from a sales perspective, up $2 million.

<A – David Wathen – TriMas Corp.>: Earnings up like $0.03.

<Q – Scott Graham – Jefferies & Co., Inc.>: So just $2 million...

<A – Mark Zeffiro – TriMas Corp.>: And then...

<Q – Scott Graham – Jefferies & Co., Inc.>: ...negative in Packaging. And what was it in Cequent?

<A – Mark Zeffiro – TriMas Corp.>: Cequent's about $0.5 million – little more than that.

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

<A – Mark Zeffiro – TriMas Corp.>: Sales numbers.

<Q – Scott Graham – Jefferies & Co., Inc.>: And last one like that. The Packaging margins without the acquisitions?

<A – Mark Zeffiro – TriMas Corp.>: Packaging margin without the acquisitions.

<Q – Scott Graham – Jefferies & Co., Inc.>: Yes, the base business.

<A – Mark Zeffiro – TriMas Corp.>: Scott, I don't have that usually at my fingertips.

<Q – Scott Graham – Jefferies & Co., Inc.>: It's okay, we just circle back on that.

<A – Mark Zeffiro – TriMas Corp.>: But I would tell you that the core margins in that business remain pretty stable and in fact slightly up year-on-year due to productivity efforts.

<Q – Scott Graham – Jefferies & Co., Inc.>: All right, that's what I was looking for. Okay.

<A – David Wathen – TriMas Corp.>: And it was – packaging was one other business in – we got some price in.

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

<A – David Wathen – TriMas Corp.>: And so, yes, the margins – the margins feel pretty good in the base business. It's got – the work is in the acquisitions and the synergies and all that.

<Q – Scott Graham – Jefferies & Co., Inc.>: Yup, all right, thanks. I can see that. So two maybe broader questions here. The acquisition of the Australian businesses, I guess it's a little curious from my standpoint, because in past conversations, I just got the impression that it was – the M&A pipeline was going to be more skewed and more focused on the other businesses. Could you kind of walk me through your thinking on adding to Cequent?

<A – David Wathen – TriMas Corp.>: I kind of put acquisitions in strategic push for them, find them bucket, and opportunistic. When [ph] Carol (39:15) and crew who run that business told me that – I had learned that we were actually fairly weak in New Zealand – as strong as we are – we have very high share throughout Australia, we were fairly weak in New Zealand and the owners of the biggest distribution – the distributor in New Zealand were ready to retire or whatever. I call it opportunistic. That said, here's a way to take everything we do in a business that has very attractive margins and growth rates and just add to it at a quite attractive multiple. So call it the opportunistic kind. And we will continue to do those. We've got the – I'd say, the test is, do we have the financial and the people horsepower? This is also one where we add the people horsepower to tuck it into the existing business. So we're going to – we're going to like the results.

<Q – Scott Graham – Jefferies & Co., Inc.>: Okay. So Cequent is kind of back on for acquisitions. I just – I guess I thought we were heading in the other direction on that. So perhaps I was mistaken. The...

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

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

<A – Mark Zeffiro – TriMas Corp.>: I would say though, if you look at the return on capital propositions associated with that acquisition, we're all going to like the outcomes. And when you put it in that context, it's about opportunistic. We've – had a guy retiring that was looking to sell the business. Why do you want to increase it, have another competitor in that space? So in terms of the total dollars, if you'll allocate it to it – I tell you, it's – and the way you just characterize it isn't that it's back on, it's end markets that makes sense, with returns that makes sense and a multiple that made sense in terms of buying that acquisition.

<Q – Scott Graham – Jefferies & Co., Inc.>: That's a fair characterization. I get that. So the pipeline, now, if we were to look forward – and obviously, we're not asking what's in it, but could you give us an idea, Dave, on where the pipeline is strongest, which segment and kind of – are there anything – is there anything closer to the finish line?

<A – David Wathen – TriMas Corp.>: We continue the – the pipeline that we – I'm visualizing the chart in my head. It's clearly packaging, energy and aerospace. And while in a way, I would dismiss aircraft because the multiples – I've got – we got a new management team in that business. There's the retirement. We guys have run it for a long time. Sometimes, somebody new brings you some new ideas. So I'm actually more encouraged by some of the opportunities we're seeing for acquisitions in that aircraft space. So we're keeping after those, because you know how attractive they are strategically.

Energy is – we got the footprint and if we have to make the choice about, is it better to do by acquisition or by greenfield, and so it comes down to condition and price and existing business and how long, although we're going to be busy for a while now in Energy with CIFAL.

Packaging, there are – the pipeline feels pretty good. And again, we're busy, and it's a people choice thing so you'd only – we're more likely to only go after their well-run businesses that – as opposed to a turnaround kind of situation. But they're out there. The other big question mark, and you've heard me say this before is, there is a lot of technology in Europe that's attractive in packaging but it's – Europe's a tough place right now. And – but we'll keep our ears and eyes open because there are going to be ones that make sense.

<A – Mark Zeffiro – TriMas Corp.>: Maybe if I'd add one – and Scott, I'd add one thing, and that is Brazil.

<A – David Wathen – TriMas Corp.>: Yes. Brazil is attractive in multiple markets, and as I'd say, that cuts across TriMas.

<Q – Scott Graham – Jefferies & Co., Inc.>: The Brazil acquisitions, I think that's strategically perfect for what we have coming up with Petrobras. So where are the multiples on these things as a function of EBITDA? Are they under 10?

<A – Mark Zeffiro – TriMas Corp.>: Oh, yes for certain. I mean we...

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

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

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

<A – David Wathen – TriMas Corp.>: We're responsible to our shareholders. Our board reminds us of that. Yes, we are – you wouldn't rule it out, but no, that – it's a lot – a heck of a lot easier being accretive if you're down [indiscernible] (43:47).

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

<A – David Wathen – TriMas Corp.>: It's mid-single digits.

<Q – Scott Graham – Jefferies & Co., Inc.>: Wow! Again, congratulations on a great quarter, particularly the Cequent margin which was pretty eye-popping. Thank you.

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

Operator: And we'll take our next question from Mark Tobin with ROTH Capital Partners.

<Q – Mark Tobin – ROTH Capital Partners LLC>: Hi, thanks for taking my questions. I think kind of following on to the pipeline question, can you talk about the packaging side, what you're seeing I guess from an opportunity standpoint? I know in that business, you tend to have some larger business that you worked on with the revenue contribution that comes down the road?

<A – Mark Zeffiro – TriMas Corp.>: Now, Mark, if you're talking the acquisition side of – this side of it, obviously we continue to mine that field very extensively. We've got an expert, very experienced leadership team that many of you have had the chance to meet with identifying the right kind of bolt-ons, both from a technical and a regional perspective. And they've been exceptionally busy with those shipments first headed up to Asia now, in terms of those – shipment to our customer in Asia, that consumer packaged goods company that I made mention of.

And with Arminak, I would tell you that with the addition of manufacturing capability in the United States here in the next six months, we're expecting some pretty sizable increases in revenues there almost unto itself like a separate little standalone acquisition. In terms of acquiring into a new market and new customer, that's going very well.

<A – David Wathen – TriMas Corp.>: The formula line in packaging is technology, because there's some technologies we want – we stay in the technical end of dispensers is our – in our business.

<Q – Mark Tobin – ROTH Capital Partners LLC>: Right.

<A – David Wathen – TriMas Corp.>: Then closure is a natural thing. And there certainly are some technologies that take a long, long time to develop. And we're finding that sometimes an acquisition is a better way to go. The other thing that could happen in packaging is a capacity-add. Sometimes it's easier to buy a, kind of a soft competitor for their capacity, because it's equipment we know well and all that. So we have our eyes open about that. We've had some good ones of those in the past and we're – I would – the team knows I'd like them to find a – the right one that absolutely – because we know the – how many new molding machines we need and all that to serve the volume, particularly in Asia. So there could be a deal to be had in that area too.

<Q – Mark Tobin – ROTH Capital Partners LLC>: Okay, that's helpful. And then on the – on your in-market commentary, to me it sounded pretty consistent with the commentary during last quarter's call as far as choppiness and uncertainty. Are there any differences that you could highlight between what you're seeing now versus what you saw three months ago?

<A – David Wathen – TriMas Corp.>: Yes, off the top of my head I would say that some of the shale, field stuff and all that in energy has slowed a little on the equipment side, but the compression business is up. Again, the team in Tulsa gets very high marks for jumping on where the opportunity is because they live right in the middle of that whole conversation.

I would say, in energy, for us – I mentioned corrosion-proof because of depth and all that. That industry is continuing to upgrade its safety and consistency. All of that is good for us on the higher end products, and we're – happen to make sure we're – we've got all the right things. So there's little tweaks that go on. No surprises really in aircraft, is just our content is good. We've got – well, I was pleasantly surprised by real orders in China that matter. China is a tough place to sell that kind of technology product because they really manufacture it themselves. And we feel good about proving we are the producer.

Norris is the – that pure industrial business, looked pretty flat out there. We're happened to – that business has happened to scramble for more applications in fire safety and that kind of thing. And it's – we all know though, it's a flat, tough door market in anything except the bright spots that we go after.

<Q – Mark Tobin – ROTH Capital Partners LLC>: Okay. That's helpful.

<A – David Wathen – TriMas Corp.>: I can't help you. It feels tough. And the trick is, find the right places to go after.

<Q – Mark Tobin – ROTH Capital Partners LLC>: Got it.

<A – David Wathen – TriMas Corp.>: I – and that's going to be that way for – that's the way we're running.

<Q – Mark Tobin – ROTH Capital Partners LLC>: I think so far you guys are doing a good job at it. I appreciate it. Thank you.

Operator: And we'll take our next question from Wayne Archambo with Monarch Partners.

<Q – Wayne Archambo – Monarch Partners Asset Management LLC>: Yes. I had a question on the pipeline but it sounds like you've answered this a number of times. So appreciate your expansion on that. Thank you.

<A – David Wathen – TriMas Corp.>: Okay.

Operator: And we'll take our next question from DeForest Hinman with Walthausen & Company.

<Q – DeForest Hinman – Walthausen & Co. LLC>: Hi, had a couple of questions. First on Europe, you talked about the weakness there in demand, but the euro was weak as well. Is there any export opportunities in that market or is it kind of captive in the sense, where, we produce there and we sell there as well?

<A – David Wathen – TriMas Corp.>: We generally produce in Europe at what we sell in Europe. There is some export businesses into Europe but not enough that we'd spell that out or something gorgeous. I will say, a caution I have is European companies exporting to the US because of currency. And we're watching that closely. An example of that would be – of course, there's only a few companies in the world that can make industrial gas cylinders. Two of them are in Europe. And with the euro weak, it makes it easier for them. Now on the other side of that whole equation, of course, the softness in Europe, the – I hate to be an exporter sitting in China and losing business in Europe and looking for places to sell and all that. So, it has made the companies in China that we do some business with more competitive – they've had to be.

<Q – DeForest Hinman – Walthausen & Co. LLC>: Okay.

<A – David Wathen – TriMas Corp.>: Because you know how it is. You know how it is. You just keep after the effects of it all and try to find the places to capitalize on it and don't let the pain hurt you too bad.

<Q – DeForest Hinman – Walthausen & Co. LLC>: Okay.

<A – Mark Zeffiro – TriMas Corp.>: One other thing that I would add – one of the things I would add there in terms of Europe is, the Rieke business, and which is really our largest concentration in Europe always looks at its make-make buy analysis in terms of its global footprint. So the flow of products is part and parcel of what they do in terms of thinking about what European supply could end up other places. So that's just normal course of events for us.

<Q – DeForest Hinman – Walthausen & Co. LLC>: Okay. And on the CIFAL acquisition, what's the actual multiple on that deal?

<A – Mark Zeffiro – TriMas Corp.>: We traditionally don't disclose that but it's consistent with our historical multiples that we paid...

<Q – DeForest Hinman – Walthausen & Co. LLC>: Okay.

<A – Mark Zeffiro – TriMas Corp.>: Which is less than10 kind of numbers, and if you look at historically, it's – they're in the rounded number, about six or a little more than six.

<Q – DeForest Hinman – Walthausen & Co. LLC>: Okay, and building on that, I think we were selling into Brazil if I'm not mistaken. How much revenue potentially could we ship from a import basis into Brazil and quickly flip it over to being produced at CIFAL to kind of avoid the import tariffs?

<A – Mark Zeffiro – TriMas Corp.>: Yes, the single customer that – if I understand your question about this is, really pre-existing customers on a global basis that we have there locally. It isn't a material amount that we've been shipping into Brazil. As you make note, those import duties and the like make it a make-in-Brazil-for-consumption-in-Brazil kind of market. So that's going to help us in terms of stepping forward there.

<A – David Wathen – TriMas Corp.>: But I – but I'll reinforce it with an anecdote. The management team at CIFAL is staying, because they see the upside of being part of Lamons – with being involved with Lamons. Pre-acquisition, that management team was identifying orders, and actually got some orders for product that they didn't traditionally have but Lamons could provide. So that really reinforced to those people how valuable the broad product line was going to be. It's – and it is not trivial amounts; it's enough that – we will have a – you'll see a nice ramp up in that business, but again it's not a matter of flipping production into it, it's really incremental sales due to the broader product line.

<Q – DeForest Hinman – Walthausen & Co. LLC>: Okay. And as of today, with this acquisition of CIFAL, do we see a need for more acquisitions on the gas kits and the bolts in Brazil or do we think this management team can kind of grow this business organically with capital from us?

<A – David Wathen – TriMas Corp.>: It's – we know we need multiple sites in Brazil, because our model is to be close to our customers' for fast turnaround. And it's – it comes down to – it's a lot faster to do it by acquisition, so if we can find the right price and the right product and all that, you have a right experience – well, it's really about the people. You'll see us doing more acquisitions in Brazil.

<Q – DeForest Hinman – Walthausen & Co. LLC>: Okay. Thank you.

Operator: [Operator Instructions] We'll take our – excuse me, we do have a follow up question from Robert Kosowsky with Sidoti.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Yes, just a couple other questions. First off, you mentioned in packaging – the specialty dispenser in North America that revenue growth is going well. I was wondering you can kind of give some more color as to where those exactly is being sold into and then also, more broadly, talk about the revamp of the sales force in the specialty dispensing side now that you have Arminak in the fold and then just kind of what the – where you're thinking about where you want to take that from kind of a higher level standpoint.

<A – David Wathen – TriMas Corp.>: Let me comment on the sales force, first. We know we need one global sales force. That's the end game. So we're – as you would expect, with a couple of fairly large acquisitions, we were heading that way. That's – we will do it fairly slowly because it's a business that pricing is vitally important; being with the right customers is vitally important, so it needs to be well thought out. So I'm not sure what else to say as far as – this isn't something that's going to happen in a month. It takes – it's going to take us a while. We're going to march down the road very, very carefully.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: All right, that's good to hear. Then also, just about the revenue opportunities in like the – I guess the legacy specialty dispensing business in North America?

<A – David Wathen – TriMas Corp.>: We – one of the advantages that Arminak brought is a much broader line of former products. And there's a lot of activity in that product line and it's exactly – they'll call it the integrated sales force. It's a sales force that didn't have the whole product line. They are having more now.

<A – Mark Zeffiro – TriMas Corp.>: I would also tell you that there are certain customers that are winning in the market that we happen to have excellent relationships with, and we've been afforded broader offerings with them as a result of that. I wouldn't say it's new customers, but it's pre-existing customers outside the acquisition discussion.

<A – David Wathen – TriMas Corp.>: Yes, because of the product line, we've been be able to offer more.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: That's good to hear. And then finally, in Norris, was there any kind of one-time pickups from the antidumping rules, or did anything mess around with the quarter in particular?

<A – Mark Zeffiro – TriMas Corp.>: Now, I tell you, Rob, this has been a year-long process whereby the chilling effect if you will, really, it's been experienced over the last 12 months as you have to make known that you're bringing a suit to market or suit in front of the – obviously the appropriate bodies. Now what I'll tell you is that there was a – an effect there that ultimately resulted in us gaining share over the last 12 months. It's not the quarter, it's been an ongoing effect.

<Q – Rob Kosowsky – Sidoti & Co. LLC>: Okay. Thank you very much and good luck for the back half of the year.

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

Operator: And we have no further questions in the queue at this time.

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

Okay. We appreciate your attention. I always appreciate the team at TriMas that pooled together and made – produced great results. So I'm proud of the group. So again, thanks for your attention, and obviously with follow-ups, you know, it's Sherry's one point.

Sherry Lauderback, VP-Investor Relations & Communications

Thank you.

Operator: And that does conclude today's conference. Thank you for your participation.