

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON D.C. 20549

FORM 10-Q

(MARK ONE)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the Quarterly Period Ended September 30, 2005

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the Transition Period from \_\_\_\_\_ to \_\_\_\_\_.

Commission File Number 333-100351

**TRIMAS CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**38-2687639**

(IRS Employer  
Identification No.)

**39400 Woodward Avenue, Suite 130  
Bloomfield Hills, Michigan 48304**

(Address of principal executive offices, including zip code)

**(248) 631-5450**

(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No .

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12 6-2 of the Exchange Act). Yes  No .

As of November 14, 2005, the number of outstanding shares of the Registrant's common stock, \$.01 par value, was 20,010,000 shares.

**TriMas Corporation**

**Index**

|  | <u>Page No.</u> |
|--|-----------------|
| Forward-Looking Statements   | 2               |
| <b>Part I. Financial Information</b>   |                 |
| Item 1. Financial Statements   | 4               |
| Consolidated Balance Sheet – September 30, 2005 and December 31, 2004                                | 4               |
| Consolidated Statement of Operations for the Three and Nine Months Ended September 30, 2005 and 2004 | 5               |
| Consolidated Statement of Cash Flows for the Nine Months Ended September 30, 2005 and 2004           | 6               |

|   |   |
|---|---|
| Consolidated Statement of Shareholders' Equity for the Nine Months Ended September 30, 2005 | 7 |
|---|---|

|  |   |
|--|---|
| Notes to Consolidated Financial Statements | 8 |
|--|---|

|   |    |
|---|----|
| Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations | 26 |
|---|----|

|  |    |
|--|----|
| Item 3. Quantitative and Qualitative Disclosures about Market Risk | 45 |
|--|----|

|                                 |    |
|---------------------------------|----|
| Item 4. Controls and Procedures | 45 |
|---------------------------------|----|

|   |    |
|---|----|
| <b>Part II. Other Information and Signature</b> | 47 |
|---|----|

---

## Forward-Looking Statements

This report contains forward-looking statements (as that term is defined by the federal securities laws) about our financial condition, results of operations and business. You can find many of these statements by looking for words such as "may," "will," "expect," "anticipate," "believe," "estimate" and similar words used in this report.

These forward-looking statements are subject to numerous assumptions, risks and uncertainties. Because the statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by the forward-looking statements. We caution readers not to place undue reliance on the statements, which speak only as of the date of this report.

The cautionary statements set forth above should be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue. We do not undertake any obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statement to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events.

Risks and uncertainties that could cause actual results to vary materially from those anticipated in the forward-looking statements included in this report include general economic conditions in the markets in which we operate and industry-related and other factors such as:

- Our businesses depend upon general economic conditions and we serve some customers in highly cyclical industries. As a result, we are subject to the risk of downturn and loss of sales due to recession, which could negatively affect us;
- Our products are typically highly engineered or customer-driven and, as such, we are subject to risks associated with changing technology and manufacturing techniques, which could place us at a competitive disadvantage;
- In the past, we have grown primarily through acquisitions. If we are unable to identify attractive acquisition candidates, successfully integrate acquired operations or realize the intended benefits of our acquisitions, we may be adversely affected;
- Increases in our raw material or energy costs or the loss of a substantial number of our suppliers could adversely affect our profitability and other financial results;
- We may be unable to successfully implement our growth strategies. Our ability to realize our growth opportunities, apart from acquisitions and related cost savings, may be limited;
- We depend on the services of key individuals and relationships, the loss of which could materially harm us;
- We may incur material losses and costs as a result of product liability, recall and warranty claims that may be brought against us;
- Our business may be materially and adversely affected by compliance obligations and liabilities under environmental and other laws and regulations;
- We may be subject to work stoppages and further unionization at our facilities or our customers or suppliers may be subjected to work stoppages, which could seriously impact the profitability of our business;
- Our healthcare costs for active employees and retirees may exceed our projections and may negatively affect our financial results;
- Many of the markets we serve are highly competitive, which could limit the volume of products that we sell and reduce our operating margins;
- A growing portion of our sales may be derived from international sources, which exposes us to certain

risks which may adversely affect our financial results and impact our ability to service debt;

- We have significant goodwill and intangible assets. Future impairment of our goodwill and intangible assets could have a material negative impact on our financial results;

2

- 
- We have substantial debt and interest payment requirements that may restrict our future operations and impair our ability to meet our obligations;
  - We have significant operating lease obligations. Failure to meet those obligations could adversely affect our financial condition;
  - Restrictions in our debt instruments and accounts receivable facility limit our ability to take certain actions and breaches thereof could impair our liquidity;
  - We have not yet completed implementing our current plans to improve internal controls over financial reporting and may be unable to remedy certain internal control weaknesses identified by our management and take other actions to meet our 2007 compliance deadline for Section 404 of the Sarbanes-Oxley Act of 2002; and
  - The disclosure of the restatement of our financial results for the quarters ended March 31, 2004 and June 30, 2004 and weakness in our disclosure controls and procedures may adversely impact the confidence of those with whom we have commercial or financial relationships. Our conclusions and actions relative to the restatement and our control weakness is subject to scrutiny in the future, including review by the Securities and Exchange Commission in connection with its ordinary course review of our public filings and disclosure or otherwise.

We disclose important factors that could cause our actual results to differ materially from our expectations under Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this report. These cautionary statements qualify all forward-looking statements attributed to us or persons acting on our behalf. When we indicate that an event, condition or circumstance could or would have an adverse effect on us, we mean to include effects upon our business, financial and other condition, results of operations, prospects and ability to service our debt.

3

---

## Part I. Financial Information

### Item 1. Financial Statements

**TriMas Corporation**  
**Consolidated Balance Sheet**  
**September 30, 2005 and December 31, 2004**  
**(Unaudited — dollars in thousands, except for share amounts)**

|   | September 30,<br>2005 | December 31,<br>2004 |
|---|-----------------------|----------------------|
| <b>Assets</b>                               |                       |                      |
| Current assets:                             |                       |                      |
| Cash and cash equivalents                   | \$ 2,240              | \$ 3,090             |
| Receivables, net                            | 119,050               | 93,390               |
| Inventories, net                            | 164,030               | 180,040              |
| Deferred income taxes                       | 17,530                | 17,530               |
| Prepaid expenses and other current assets   | 7,470                 | 8,450                |
| Total current assets                        | 310,320               | 302,500              |
| Property and equipment, net                 | 188,890               | 198,610              |
| Goodwill                                    | 652,210               | 657,980              |
| Other intangibles, net                      | 293,580               | 304,910              |
| Other assets                                | 56,480                | 58,200               |
| Total assets                                | <u>\$ 1,501,480</u>   | <u>\$ 1,522,200</u>  |
| <b>Liabilities and Shareholders' Equity</b> |                       |                      |
| Current liabilities:                        |                       |                      |
| Current maturities, long-term debt          | \$ 2,890              | \$ 2,990             |

|  |              |              |
|--|--------------|--------------|
| Accounts payable   | 116,840      | 135,230      |
| Accrued liabilities  | 73,800       | 68,180       |
| Due to Metaldyne   | 3,290        | 2,650        |
| Total current liabilities  | 196,820      | 209,050      |
| Long-term debt   | 726,160      | 735,030      |
| Deferred income taxes  | 131,670      | 133,540      |
| Other long-term liabilities  | 38,670       | 35,160       |
| Due to Metaldyne   | 4,260        | 4,260        |
| Total liabilities  | 1,097,580    | 1,117,040    |
| Commitments and contingencies (Note 8)   |              |              |
| Preferred stock \$0.01 par: Authorized 100,000,000 shares; Issued and outstanding: None            | —            | —            |
| Common stock, \$0.01 par: Authorized 400,000,000 shares; Issued and outstanding: 20,010,000 shares | 200          | 200          |
| Paid-in capital  | 396,630      | 399,450      |
| Retained deficit   | (33,640)     | (40,430)     |
| Accumulated other comprehensive income   | 40,710       | 45,940       |
| Total shareholders' equity   | 403,900      | 405,160      |
| Total liabilities and shareholders' equity   | \$ 1,501,480 | \$ 1,522,200 |

The accompanying notes are an integral part of these consolidated financial statements.

4

**TriMas Corporation**  
**Consolidated Statement of Operations**  
**For the Three and Nine Months Ended**  
**September 30, 2005 and 2004**  
(Unaudited — dollars in thousands, except for per share amounts)

|   | Three Months Ended<br>September 30, |            | Nine Months Ended<br>September 30, |            |
|---|-------------------------------------|------------|------------------------------------|------------|
|   | 2005                                | 2004       | 2005                               | 2004       |
| Net sales   | \$ 270,940                          | \$ 257,100 | \$ 858,320                         | \$ 802,210 |
| Cost of sales                                     | (210,800)                           | (196,370)  | (663,470)                          | (602,130)  |
| Gross profit                                      | 60,140                              | 60,730     | 194,850                            | 200,080    |
| Selling, general and administrative expenses      | (42,140)                            | (39,800)   | (125,810)                          | (128,130)  |
| Operating profit                                  | 18,000                              | 20,930     | 69,040                             | 71,950     |
| Other expense, net:                               |                                     |            |                                    |            |
| Interest expense                                  | (18,840)                            | (17,430)   | (55,790)                           | (50,020)   |
| Foreign exchange gain (loss)                      | (340)                               | 170        | (2,470)                            | 690        |
| Other, net  | (1,260)                             | (230)      | (2,970)                            | (1,430)    |
| Other expense, net                                | (20,440)                            | (17,490)   | (61,230)                           | (50,760)   |
| Income (loss) before income tax benefit (expense) | (2,440)                             | 3,440      | 7,810                              | 21,190     |
| Income tax benefit (expense)                      | 2,670                               | (1,270)    | (1,020)                            | (7,840)    |
| Net income  | \$ 230                              | \$ 2,170   | \$ 6,790                           | \$ 13,350  |
| Basic earnings per share                          | \$ 0.01                             | \$ 0.11    | \$ 0.34                            | \$ 0.67    |
| Diluted earnings per share                        | \$ 0.01                             | \$ 0.11    | \$ 0.34                            | \$ 0.67    |
| Weighted average common shares — basic            | 20,010,000                          | 20,010,000 | 20,010,000                         | 20,010,000 |
| Weighted average common shares — diluted          | 20,010,000                          | 20,010,000 | 20,010,000                         | 20,010,000 |

The accompanying notes are an integral part of these consolidated financial statements.

5

**TriMas Corporation**  
**Consolidated Statement of Cash Flows**  
**For the Nine Months Ended**  
**September 30, 2005 and 2004**  
**(Unaudited — dollars in thousands)**

|   | <u>Nine Months Ended September 30,</u> |                  |
|---|--|------------------|
|   | <u>2005</u>                            | <u>2004</u>      |
| <b>Cash Flows from Operating Activities:</b>  |  |                  |
| Net income  | \$ 6,790                               | \$ 13,350        |
| Adjustments to reconcile net income to net cash provided by (used for) operating activities, net of acquisition impact: |  |                  |
| (Gain) loss on dispositions of property and equipment   | 390                                    | (120)            |
| Depreciation and amortization   | 31,400                                 | 30,590           |
| Amortization of debt issue costs  | 3,720                                  | 3,470            |
| Non-cash compensation expense   | 240                                    | 410              |
| Net proceeds from sale of receivables and receivables securitization  | 400                                    | 7,780            |
| Payment to Metaldyne to fund contractual liabilities  | (330)                                  | (4,610)          |
| Increase in receivables   | (26,060)                               | (37,690)         |
| (Increase) decrease in inventories  | 16,010                                 | (40,650)         |
| Increase in prepaid expenses and other assets   | (910)                                  | (4,160)          |
| Increase (decrease) in accounts payable and accrued liabilities   | (12,900)                               | 30,640           |
| Other, net  | 1,000                                  | (1,730)          |
| Net cash provided by (used for) operating activities, net of acquisition impact   | <u>19,750</u>                          | <u>(2,720)</u>   |
| <b>Cash Flows from Investing Activities:</b>  |  |                  |
| Capital expenditures  | (15,010)                               | (35,620)         |
| Proceeds from sales of fixed assets   | 3,490                                  | 450              |
| Acquisition of businesses, net of cash acquired   | —                                      | (5,500)          |
| Net cash used for investing activities  | <u>(11,520)</u>                        | <u>(40,670)</u>  |
| <b>Cash Flows from Financing Activities:</b>  |  |                  |
| Repayments of borrowings on senior credit facility  | (2,160)                                | (2,170)          |
| Proceeds from borrowings on revolving credit facility   | 722,580                                | 593,300          |
| Repayments of borrowings on revolving credit facility   | (729,400)                              | (543,300)        |
| Payments on notes payable   | (100)                                  | (8,030)          |
| Net cash (used for) provided by financing activities  | <u>(9,080)</u>                         | <u>39,800</u>    |
| <b>Cash and Cash Equivalents:</b>   |  |                  |
| Decrease for the period   | (850)                                  | (3,590)          |
| At beginning of period  | 3,090                                  | 6,780            |
| At end of period  | <u>\$ 2,240</u>                        | <u>\$ 3,190</u>  |
| Supplemental disclosure of cash flow information:   |  |                  |
| Cash paid for interest  | <u>\$ 40,310</u>                       | <u>\$ 36,020</u> |
| Cash paid for taxes   | <u>\$ 8,400</u>                        | <u>\$ 8,710</u>  |

The accompanying notes are an integral part of these consolidated financial statements.

**TriMas Corporation**  
**Consolidated Statement of Shareholders' Equity**  
**For the Nine Months Ended September 30, 2005**  
**(Unaudited — dollars in thousands)**

|                              | Common<br>Stock | Paid-in<br>Capital | Retained<br>Deficit | Accumulated<br>Other<br>Comprehensive<br>Income (Loss) | Total      |
|------------------------------|-----------------|--------------------|---------------------|--|------------|
| Balances, December 31, 2004  | \$ 200          | \$ 399,450         | \$ (40,430)         | \$ 45,940  | \$ 405,160 |
| Comprehensive income (loss): |                 |                    |                     |  |            |
| Net income                   | —               | —                  | 6,790               | —  | 6,790      |
| Foreign currency translation | —               | —                  | —                   | (5,230)  | (5,230)    |

|  |        |            |             |           |            |
|--|--------|------------|-------------|-----------|------------|
| Total comprehensive income (loss)  | —      | —          | 6,790       | (5,230)   | 1,560      |
| Net adjustment in settlement of contractual obligations assumed from Metaldyne | —      | (3,060)    | —           | —         | (3,060)    |
| Non-cash compensation expense  | —      | 240        | —           | —         | 240        |
| Balances, September 30, 2005   | \$ 200 | \$ 396,630 | \$ (33,640) | \$ 40,710 | \$ 403,900 |

The accompanying notes are an integral part of these consolidated financial statements.

7

**TRIMAS CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

**1. Basis of Presentation**

TriMas Corporation ("TriMas" or the "Company"), through its subsidiaries, is a global manufacturer of products for commercial, industrial and consumer markets. The Company is principally engaged in four business segments with diverse products and market channels. Rieke Packaging Systems is a leading source of closures and dispensing systems for steel and plastic industrial and consumer packaging applications. Cequent Transportation Accessories produces vehicle hitches and receivers, sway controls, weight distribution and fifth-wheel hitches, hitch mounted accessories, roof racks, trailer couplers, winches, jacks, trailer brakes and lights and other vehicle and trailer accessories and components that are distributed through independent installers and retail outlets. The Industrial Specialties segment produces flame-retardant facings and jacketing and insulation tapes used in conjunction with fiberglass insulation, pressure-sensitive specialty tape products; high-pressure and low-pressure cylinders for the transportation, storage and dispensing of compressed gases; metallic and nonmetallic industrial gaskets; specialty precision tools such as center drills, cutters, end mills, reamers, master gears, gages and punches; specialty engines and service parts and specialty ordnance components and weapon systems. The Fastening Systems segment produces a wide range of large and small diameter standard and custom-designed ferrous, nonferrous and special alloy fasteners used in automotive and industrial applications, and highly engineered specialty fasteners for the global aerospace industry.

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries and in the opinion of management, contain all adjustments, including adjustments of a normal and recurring nature, necessary for a fair presentation of financial position and results of operations. Results of operations for interim periods are not necessarily indicative of results for the full year. The accompanying consolidated financial statements and notes thereto should be read in conjunction with the Company's 2004 Annual Report on Form 10-K.

**2. Goodwill and Other Intangible Assets**

Changes in the carrying amount of goodwill for the nine months ended September 30, 2005 are as follows:

| (in thousands)  | Rieke<br>Packaging<br>Systems | Cequent<br>Transportation<br>Accessories | Industrial<br>Specialties | Fastening<br>Systems | Total      |
|---|-------------------------------|--|---------------------------|----------------------|------------|
| Balance, December 31, 2004  | \$ 178,250                    | \$ 359,260                               | \$ 67,860                 | \$ 52,610            | \$ 657,980 |
| Reversal of restructuring reserves established in purchase accounting, net of tax and other adjustments | —                             | (390)                                    | —                         | —                    | (390)      |
| Foreign currency translation  | (6,350)                       | 810                                      | 160                       | —                    | (5,380)    |
| Balance, September 30, 2005   | \$ 171,900                    | \$ 359,680                               | \$ 68,020                 | \$ 52,610            | \$ 652,210 |

8

**TRIMAS CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**(unaudited)**

The gross carrying amounts and accumulated amortization of the Company's other intangibles as of September 30, 2005 and December 31, 2004 are summarized below. The Company amortizes these assets over periods ranging from 1 to 40 years.

| Intangible Category by Useful Life (in thousands) | As of September 30, 2005 |             | As of December 31, 2004 |             |
|---|--------------------------|-------------|-------------------------|-------------|
|   | Gross                    | Accumulated | Gross                   | Accumulated |

|  | Carrying<br>Amount | Amortization       | Carrying<br>Amount | Amortization       |
|--|--------------------|--------------------|--------------------|--------------------|
| <b>Customer relationships:</b>           |                    |                    |                    |                    |
| 6 – 12 years                             | \$ 26,500          | \$ (12,680)        | \$ 26,500          | \$ (10,710)        |
| 15 – 25 years                            | 104,580            | (21,230)           | 104,190            | (16,970)           |
| 40 years                                 | 101,520            | (13,110)           | 101,520            | (11,230)           |
| <b>Total customer relationships</b>      | <b>232,600</b>     | <b>(47,020)</b>    | <b>232,210</b>     | <b>(38,910)</b>    |
| <b>Technology and other:</b>             |                    |                    |                    |                    |
| 1 – 15 years                             | 27,990             | (15,360)           | 28,160             | (12,690)           |
| 17 – 30 years                            | 39,150             | (8,500)            | 38,720             | (7,140)            |
| <b>Total technology and other</b>        | <b>67,140</b>      | <b>(23,860)</b>    | <b>66,880</b>      | <b>(19,830)</b>    |
| Trademark/Trade names (indefinite-lived) | 69,030             | (4,310)            | 68,840             | (4,280)            |
|  | <b>\$ 368,770</b>  | <b>\$ (75,190)</b> | <b>\$ 367,930</b>  | <b>\$ (63,020)</b> |

Amortization expense related to technology and other intangibles was \$1.3 million and \$4.1 million for the three and nine month periods ended September 30, 2005, respectively, and was \$1.4 million and \$4.3 million for the three and nine month periods ended September 30, 2004, respectively. These amounts are included in cost of sales in the accompanying consolidated statement of operations. Amortization expense related to customer intangibles was \$2.7 million and \$8.1 million for the three and nine month periods ended September 30, 2005, respectively, and was \$2.8 million and \$8.3 million for the three and nine month periods ended September 30, 2004, respectively. These amounts are included in selling, general and administrative expenses in the accompanying consolidated statement of operations.

### 3. Restructurings

During 2005, 2004 and 2003, the Company adopted restructuring plans and established purchase accounting and restructuring reserves at certain of its business units. Activity related to these plans and spending against such reserves in the nine months ended September 30, 2005 is summarized below:

| (in thousands)                | Severance     | Closure Costs<br>and Other | Total         |
|-------------------------------|---------------|----------------------------|---------------|
| Reserve at December 31, 2004  | \$ 1,020      | \$ 530                     | \$ 1,550      |
| Establishment of reserves     | 720           | —                          | 720           |
| Non-cash reversal of reserves | (180)         | (130)                      | (310)         |
| Cash payments                 | (1,280)       | (140)                      | (1,420)       |
| Reserve at September 30, 2005 | <u>\$ 280</u> | <u>\$ 260</u>              | <u>\$ 540</u> |

Of the \$0.7 million in reserves established during the nine months ended September 30, 2005, approximately \$0.1 million and \$0.6 million is included in cost of sales and selling, general and administrative expenses, respectively.

During the second quarter of 2005, the Company's Cequent Transportation Accessories segment rationalized certain back office engineering, marketing and general and administrative support

**TRIMAS CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**(unaudited)**

personnel at certain of its locations, resulting in the elimination of approximately 30 positions as of September 30, 2005. The severance costs have been fully paid as of September 30, 2005.

During the second quarter of 2004, the Company adopted a plan to cease manufacturing operations at a facility within the Cequent Transportation Accessories segment and convert the facility into a distribution center. The manufacturing operations were consolidated into an existing facility. This action resulted in the elimination of approximately 70 positions. The severance and facility costs are expected to be fully paid by the end of the second quarter of 2006.

During the second quarter of 2003, in conjunction with the acquisition of Fittings, the Company adopted a plan to close one additional manufacturing facility within its Fastening Systems segment and consolidate those operations into Fastening Systems' remaining three manufacturing facilities. These actions resulted in the elimination of approximately 160 positions. Additional severance amounts were added to the restructuring reserve during 2004 and 2005 as certain employees earned additional severance benefits based on contingency arrangements in their severance agreements. The remaining severance amounts are expected to be paid by the end of 2005.

Also during the second quarter of 2003, the Company's Industrial Specialties segment adopted a plan to centralize certain gasket applications and distribution activities within a single facility. In addition, the group rationalized the back office general and administrative support within certain of its branch service centers. These actions resulted in the elimination of approximately 70 positions during 2003. The remaining severance amounts are expected to be paid through the first quarter of 2006.

In addition, during the second quarter of 2005, the Company fulfilled all obligations arising from its restructuring plan resulting from the acquisition of Metaldyne by Heartland in November 2000. As a result, the Company recorded a non-cash reduction in its restructuring reserve of approximately \$0.3 million. The Company also recorded a non-cash reduction of approximately \$0.3 million in the purchase accounting restructuring reserve related to the acquisition of HammerBlow, which was acquired in the first quarter of 2003. The after-tax amount of each of these non-cash reductions in reserves was recorded as a reduction to goodwill.

#### 4. Accounts Receivable Securitization

As part of the June 2002 financing transactions, TriMas established a receivables securitization facility and organized TSPC, Inc. ("TSPC"), a wholly-owned subsidiary, to sell trade accounts receivable of substantially all domestic business operations. Prior to June 2002, TriMas sold certain of its accounts receivable to MTSPC, Inc. ("MTSPC"), a wholly owned subsidiary of Metaldyne.

TSPC from time to time may sell an undivided fractional ownership interest in the pool of receivables up to approximately \$125.0 million to a third party multi-seller receivables funding company. The net proceeds of sales are less than the face amount of accounts receivable sold by an amount that approximates the purchaser's financing costs, which amounted to a total of \$2.2 million and \$1.4 million for the nine months ended September 30, 2005 and 2004, respectively. As of September 30, 2005 and December 31, 2004, the Company's funding under the facility was approximately \$24.9 million and \$48.0 million, respectively, with an additional \$24.3 million and \$0.2 million, respectively, available but not utilized. When the Company sells receivables under this arrangement, the Company retains a subordinated interest in the receivables sold. The retained interest in receivables sold is included in receivables in the accompanying balance sheet and approximated \$83.0 million and \$70.1 million at September 30, 2005 and December 31, 2004, respectively. The usage fee under the facility is 1.35%. In addition, the Company is required to pay a fee of 0.5% on the unused portion of the facility. The initial three year term of this facility expired in June 2005 and was subsequently renewed under substantially the same terms and conditions, with an amended expiration date of December 2007.

The financing costs are determined by calculating the estimated present value of the receivables sold compared to their carrying amount. The estimated present value factor is based on historical

---

**TRIMAS CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**(unaudited)**

collection experience and a discount rate representing a spread over LIBOR as prescribed under the terms of the securitization agreement. As of September 30, 2005 and 2004, the financing costs were based on an average liquidation period of the portfolio of approximately 1.5 months and 1.3 months and an average discount rate of 3.3% and 3.5% at September 30, 2005 and 2004, respectively.

In the three months ended September 30 and June 30, 2005, the Company sold an undivided interest in approximately \$3.0 million and \$3.7 million, respectively, of accounts receivable under a factoring arrangement at three of its European subsidiaries. These transactions were accounted for as a sale and the receivables were sold at a discount from face value approximating 2.6% and 2.3%, respectively.

In addition, in the first quarter of 2005, the Company sold an undivided interest in approximately \$17.0 million of accounts receivable of one of its businesses not a party to the receivables securitization facility to a third party. The transaction was accounted for as a sale and the receivables were sold at a discount from face value approximating 1.25%. Costs associated with the transaction were approximately \$0.3 million and are included in other, net in the accompanying consolidated statement of operations.

#### 5. Inventories, Net

Inventories consist of the following components:

| (in thousands)    | September 30,<br>2005 | December 31,<br>2004 |
|-------------------|-----------------------|----------------------|
| Finished goods    | \$ 82,680             | \$ 87,010            |
| Work in process   | 24,050                | 25,810               |
| Raw materials     | 57,300                | 67,220               |
| Total inventories | <u>\$ 164,030</u>     | <u>\$ 180,040</u>    |

#### 6. Property and Equipment, Net

Property and equipment consists of the following components:

| (in thousands)             | September 30,<br>2005 | December 31,<br>2004 |
|----------------------------|-----------------------|----------------------|
| Land and land improvements | \$ 4,140              | \$ 6,110             |
| Buildings                  | 53,870                | 62,270               |
| Machinery and equipment    | 223,680               | 217,960              |

|                                |                   |                   |
|--------------------------------|-------------------|-------------------|
|                                | 281,690           | 286,340           |
| Less: Accumulated depreciation | 92,800            | 87,730            |
| Property and equipment, net    | <u>\$ 188,890</u> | <u>\$ 198,610</u> |

Depreciation expense was approximately \$6.3 million and \$19.1 million for the three and nine month periods ended September 30, 2005, respectively, and was \$6.4 million and \$18.2 million for the three and nine month periods ended September 30, 2004, respectively.

**TRIMAS CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**(unaudited)**

**7. Long-term Debt**

The Company's long-term debt at September 30, 2005, net of the unamortized discount of \$2.2 million and unamortized premium of \$0.7 million from the face value of the Company's 9 7/8% senior subordinated notes, is as follows:

| (in thousands)                           | September 30,<br>2005 | December 31,<br>2004 |
|--|-----------------------|----------------------|
| Bank debt                                | \$ 292,720            | \$ 301,710           |
| 9 7/8% subordinated notes, due June 2012 | 436,330               | 436,210              |
| Other                                    | —                     | 100                  |
|  | <u>729,050</u>        | <u>738,020</u>       |
| Less: Current maturities, long-term debt | 2,890                 | 2,990                |
| Long-term debt                           | <u>\$ 726,160</u>     | <u>\$ 735,030</u>    |

The Company is a party to a credit facility ("Credit Facility") with a group of banks which consists of a \$335.0 million term loan facility, an uncommitted incremental term loan of \$125.0 million and a senior revolving credit facility of up to \$150.0 million, including up to \$100.0 million for one or more permitted acquisitions, which matures December 31, 2007. The Credit Facility allows the Company to issue letters of credit, not to exceed \$45.0 million in aggregate, against revolving credit facility commitments. At September 30, 2005 and December 31, 2004, the Company had amounts outstanding under its revolver of \$6.0 million and \$12.8 million, respectively, and had letters of credit of approximately \$36.2 million and \$27.1 million, respectively, issued and outstanding. The effective interest rate on the Credit Facility borrowings was 7.2% and 5.7% at September 30, 2005 and December 31, 2004, respectively.

The bank debt is an obligation of the subsidiaries of the Company. Although the Credit Facility does not restrict the Company's subsidiaries from making distributions to it in respect of the exchange notes, it does contain certain other limitations on the distribution of funds from TriMas Company, LLC, the principal subsidiary, to the Company. The restricted net assets of the guarantor subsidiaries, estimated to be approximately \$825.3 million and \$812.8 million at September 30, 2005 and December 31, 2004, respectively, are presented in the financial information in Note 15. The Credit Facility contains negative and affirmative covenants and other requirements affecting the Company and its subsidiaries, including among others: restrictions on incurrence of debt, except for permitted acquisitions and subordinated indebtedness, liens, mergers, investments, loans, advances, guarantee obligations, acquisitions, asset dispositions, sale-leaseback transactions greater than \$90.0 million if sold at fair market value, hedging agreements, dividends and other restricted junior payments, stock repurchases, transactions with affiliates, restrictive agreements and amendments to charters, by-laws, and other material documents. The Credit Facility also requires the Company and its subsidiaries to meet certain restrictive financial covenants and ratios computed quarterly, including a leverage ratio (total consolidated indebtedness plus outstanding amounts under the accounts receivable securitization facility over consolidated EBITDA, as defined), interest expense ratio (consolidated EBITDA, as defined, over cash interest expense, as defined) and a capital expenditures covenant.

On September 29, 2005, the Company amended the Credit Facility to modify certain financial and non-financial covenant requirements. The amended terms include: 1) increasing the permitted borrowings on letters of credit from \$40 million to \$45 million, 2) increasing the borrowing margin by 0.25%, 3) modifying the interest expense ratio to 2.00 to 1.00 for the quarter ended September 30, 2005 and increasing the threshold over time to 2.50 to 1.00 for the quarter ended March 31, 2007 and thereafter, and 4) modifying the leverage ratio to 5.65 to 1.00 for the quarter ended September 30, 2005 through the first quarter of 2006, and reducing the leverage ratio over time to 3.25 to 1.00. The Company was in compliance with its covenants at September 30, 2005.

**TRIMAS CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**(unaudited)**

The 9 7/8% senior subordinated notes due 2012 ("Notes") indenture contains negative and affirmative covenants and other requirements that are comparable to those contained in the Credit Facility. At September 30, 2005, the Company was in compliance with all such covenant requirements.

**8. Commitments and Contingencies**

A civil suit was filed in the United States District Court for the Central District of California in December 1988 by the United States of America and the State of California against more than 180 defendants, including us, for alleged release into the environment of hazardous substances disposed of at the Operating Industries, Inc. site in California. This site served for many years as a depository for municipal and industrial waste. The plaintiffs have requested, among other things, that the defendants clean up the contamination at that site. Consent decrees have been entered into by the plaintiffs and a group of the defendants, including us, providing that the consenting parties perform certain remedial work at the site and reimburse the plaintiffs for certain past costs incurred by the plaintiffs at the site. We estimate that our share of the clean-up costs will not exceed \$500,000, for which we have insurance proceeds. Plaintiffs had sought other relief such as damages arising out of claims for negligence, trespass, public and private nuisance, and other causes of action, but the consent decree governs the remedy. While, based upon our present knowledge and subject to future legal and factual developments, we do not believe that this matter will have a material adverse effect on our financial position, results of operations or cash flows. Future legal and factual developments may result in materially adverse expenditures.

As of September 30, 2005, we were a party to approximately 1,470 pending cases involving an aggregate of approximately 19,000 claimants alleging personal injury from exposure to asbestos containing materials formerly used in gaskets (both encapsulated and otherwise) manufactured or distributed by certain of our subsidiaries for use in the petrochemical refining and exploration industries. In addition, we acquired various companies to distribute our products that had distributed gaskets of other manufacturers prior to acquisition. We believe that many of our pending cases relate to locations at which none of our gaskets were distributed or used. Total settlement costs for all such cases (exclusive of defense costs), some of which were filed over 13 years ago, have been approximately \$3.0 million. All relief sought in the asbestos cases is monetary in nature. We do not have significant primary insurance to cover our settlement and defense costs. We believe that significant coverage under excess insurance policies of former owners is available to us, but such coverage may be disputed by the insurance carriers and such insurance may ultimately not be available. Further, we may be subjected to significant additional claims in the future, the cost of settling cases may increase for cases in which product identification can be made, and we may be subjected to further claims in respect of the former activities of our acquired gasket distributors. We are unable to make a meaningful statement concerning the monetary claims made in the asbestos cases given that, among other things, claims may be initially made in some jurisdictions without specifying the amount sought or by simply stating the requisite or maximum permissible monetary relief, and may be amended to alter the amount sought. In addition, relatively few of the claims have reached the discovery stage and even fewer claims have gone past the discovery stage. Based on the settlements made to date and the number of claims dismissed or withdrawn for lack of product identification, the Company believes that the relief sought (when specified) does not bear a reasonable relationship to the Company's potential liability. Based upon our experience to date and other available information (including the availability of excess insurance), we do not believe that these cases will have a material adverse effect on our financial condition or future results of operations and cash flows.

The Company has provided reserves based upon its present knowledge and, subject to future legal and factual developments, does not believe that the ultimate outcome of any of the aforementioned litigations will have a material adverse effect on its consolidated financial position and

---

**TRIMAS CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**(unaudited)**

future results of operations and cash flows. However, there can be no assurance that future legal and factual developments will not result in a material adverse impact on our financial condition and future results of operations.

The Company is subject to other claims and litigation in the ordinary course of business, but does not believe that any such claim or litigation will have a material adverse effect on the Company's financial position or future results of operations.

**9. Related Parties**

*Metaldyne Corporation*

Prior to June 6, 2002, the Company was wholly-owned by Metaldyne Corporation ("Metaldyne") and participated in joint activities including employee benefits programs, legal, treasury, information technology and other general corporate activities.

Effective January 1, 2004, the Company entered into an agreement with Metaldyne whereby TriMas reimbursed Metaldyne approximately \$0.4 million primarily for certain software licenses maintained by Metaldyne under an existing agreement. The agreement expired on June 30, 2004.

In connection with the June 2002 common stock issuance and related financing transactions, TriMas assumed approximately \$37.0 million of liabilities and obligations of Metaldyne, mainly comprised of contractual obligations to former TriMas employees, tax related matters, benefit plan liabilities and reimbursements to Metaldyne for normal course payments to be made on TriMas' behalf. During the nine months ended September 30, 2005, payments of approximately \$0.3 million were made with respect to these obligations. The remaining assumed liabilities of approximately \$7.6 million are payable at various dates in the future and are reported as Due to Metaldyne in the accompanying consolidated balance sheet at September 30, 2005.

Subject to certain limited exceptions, Metaldyne, on the one hand, and we, on the other hand, retained the liabilities associated with our respective businesses. Accordingly, we will indemnify and hold harmless Metaldyne from all liabilities associated with us and our subsidiaries and our respective operations and assets, whenever conducted, and Metaldyne will indemnify and hold Heartland and us harmless from all liabilities associated with Metaldyne and its subsidiaries (excluding us and our subsidiaries) and their respective operations and assets, whenever conducted. In addition, we agreed with Metaldyne to indemnify one another for our allocated share (42.01%) of liabilities not readily associated with either business, or otherwise addressed including certain costs related to the November 2000 acquisition. There are also indemnification provisions relating to certain other matters intended to effectuate other provisions of the agreement. These indemnification provisions survive indefinitely and are subject to a \$50,000 deductible.

During the third quarter 2005, under the provisions of the aforementioned indemnification agreement, Metaldyne requested the Company to indemnify it for the cost of certain post-retirement benefit plans for retired employees of former operations attributed to the Company. As a result, as of September 30, 2005, the Company recorded a \$0.9 million liability due to Metaldyne as reimbursement for amounts previously paid and an additional \$3.9 million long-term liability for amounts expected to be paid in future periods. These liabilities were recorded as a \$3.1 million charge (net of related tax benefits of \$1.7 million) to paid-in capital.

#### *Heartland Industrial Partners*

The Company is party to an advisory services agreement with Heartland Industrial Partners ("Heartland") at an annual fee of \$4.0 million plus expenses. Heartland was paid \$1.0 million and \$3.2 million for the three and nine month periods ended September 30, 2005, respectively, and \$1.1 million and \$3.3 million for the three and nine month periods ended September 30, 2004, respectively, for

---

**TRIMAS CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**(unaudited)**

such fees and expenses under this agreement. Such amounts are included in selling, general and administrative expenses in the accompanying consolidated statement of operations.

#### *Related Party Sales*

The Company sold fastener products to Metaldyne in the amount of approximately \$0.3 million in the nine month period ended September 30, 2005, and \$0.1 million and \$0.3 million during the three and nine month periods ended September 30, 2004, respectively. The Company also sold fastener products to affiliates of a shareholder in the amount of approximately \$2.0 million and \$6.0 million in the three and nine month periods ended September 30, 2005, respectively, and \$1.8 million and \$5.7 million in the three and nine month periods ended September 30, 2004, respectively. These amounts are included in net sales in the accompanying consolidated statement of operations.

## **10. Segment Information**

TriMas' reportable operating segments are business units that provide unique products and services. Each operating segment is independently managed, requires different technology and marketing strategies and has separate financial information evaluated regularly by the Company's chief operating decision maker in determining resource allocation and assessing performance. TriMas has four operating segments involved in the manufacture and sale of products described below. Within these operating segments, there are no individual products or product families for which reported revenues accounted for more than 10% of the Company's consolidated revenues.

**Rieke Packaging Systems** — Closures and dispensing systems for steel and plastic industrial and consumer packaging applications.

**Cequent Transportation Accessories** — Vehicle hitches and receivers, sway controls, weight distribution and fifth-wheel hitches, hitch mounted accessories, roof racks, trailer couplers, winches, jacks, trailer brakes and lights, brake controls, cargo tie-downs, ramps and other vehicle and trailer accessories.

**Industrial Specialties** — Flame-retardant facings and jacketing and insulation tapes used in conjunction with fiberglass insulation, pressure-sensitive specialty tape products, high-pressure and low-pressure cylinders for the transportation, storage and dispensing of compressed gases, metallic and nonmetallic industrial gaskets,

specialty precision tools such as center drills, cutters, end mills, reamers, master gears, gages and punches, specialty engines and service parts and specialty ordnance components and weapon systems.

**Fastening Systems** — Large and small diameter standard and custom-designed ferrous, nonferrous and special alloy fasteners, specialized fittings and cold-headed parts used in automotive and industrial applications, and highly engineered specialty fasteners for the domestic and international aerospace industry.

The Company's management uses Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") as a primary indicator of financial operating performance and as a measure of cash generating capability. Adjusted EBITDA is defined as net income (loss) before cumulative effect of accounting change and before interest, taxes, depreciation, amortization, non-cash asset and goodwill impairment write-offs, non-cash losses on sale-leaseback of property and equipment and legacy restricted stock award expense. For the periods presented, there were no adjustments between EBITDA and Adjusted EBITDA.

**TRIMAS CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**(unaudited)**

Segment activity is as follows:

| (in thousands)                         | Three Months Ended<br>September 30, |                   | Nine Months Ended<br>September 30, |                   |
|--|-------------------------------------|-------------------|------------------------------------|-------------------|
|  | 2005                                | 2004              | 2005                               | 2004              |
| <b>Net Sales</b>                       |                                     |                   |                                    |                   |
| Rieke Packaging Systems                | \$ 34,320                           | \$ 33,070         | \$ 103,640                         | \$ 98,160         |
| Cequent Transportation Accessories     | 126,660                             | 125,120           | 409,690                            | 405,210           |
| Industrial Specialties                 | 70,870                              | 59,780            | 222,620                            | 184,060           |
| Fastening Systems                      | 39,090                              | 39,130            | 122,370                            | 114,780           |
| Total                                  | <u>\$ 270,940</u>                   | <u>\$ 257,100</u> | <u>\$ 858,320</u>                  | <u>\$ 802,210</u> |
| <b>Operating Profit</b>                |                                     |                   |                                    |                   |
| Rieke Packaging Systems                | \$ 7,060                            | \$ 8,830          | \$ 22,850                          | \$ 24,100         |
| Cequent Transportation Accessories     | 7,980                               | 12,660            | 30,740                             | 49,390            |
| Industrial Specialties                 | 7,140                               | 5,570             | 25,690                             | 20,040            |
| Fastening Systems                      | 1,730                               | (1,450)           | 5,550                              | (5,800)           |
| Corporate expenses and management fees | (5,910)                             | (4,680)           | (15,790)                           | (15,780)          |
| Total                                  | <u>\$ 18,000</u>                    | <u>\$ 20,930</u>  | <u>\$ 69,040</u>                   | <u>\$ 71,950</u>  |
| <b>Adjusted EBITDA</b>                 |                                     |                   |                                    |                   |
| Rieke Packaging Systems                | \$ 9,310                            | \$ 10,620         | \$ 28,100                          | \$ 30,680         |
| Cequent Transportation Accessories     | 12,240                              | 17,500            | 43,890                             | 63,580            |
| Industrial Specialties                 | 8,950                               | 7,410             | 31,190                             | 25,470            |
| Fastening Systems                      | 3,400                               | 290               | 10,270                             | (820)             |
| Corporate expenses and management fees | (7,130)                             | (4,870)           | (18,450)                           | (17,110)          |
| Total                                  | <u>\$ 26,770</u>                    | <u>\$ 30,950</u>  | <u>\$ 95,000</u>                   | <u>\$ 101,800</u> |

**11. Stock Options and Awards**

In September 2003, the Company's Board of Directors approved the TriMas Corporation 2002 Long Term Equity Incentive Plan (the "Plan"), which provides for the issuance of equity-based incentives in various forms. A total of 2,222,000 stock options have been approved for issuance under this Plan. As of September 30, 2005, the Company has 1,714,614 stock options outstanding, each of which may be used to purchase one share of the Company's common stock. The options have a ten-year life and the exercise prices range from \$20 to \$23. Eighty percent of the options vest ratably over three years from the date of grant, while the remaining twenty percent vest after seven years from the date of grant or on an accelerated basis over three years based upon achievement of specified performance targets, as defined in the Plan. The options become exercisable upon the later of: (1) the normal vesting schedule as described above, or (2) upon the occurrence of a qualified public equity offering as defined in the Plan, one half of the vested options become exercisable 180 days following such public equity offering, and the other one half of vested options become exercisable on the first anniversary following consummation of such public offering.

The Company recorded approximately \$0.1 million and \$0.2 million during the three and nine month periods ended September 30, 2005, respectively, and \$0.2 and \$0.4 million during the three and nine month periods ended September 30, 2004, respectively, in non-cash compensation expense related to stock options issued during the first quarter of 2004 with exercise prices below the Company's estimate of fair value of the underlying stock. This non-cash compensation expense is included in selling, general and administrative expenses in the accompanying consolidated statement of operations.

**TRIMAS CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**(unaudited)**

During the first nine months of 2005, the Company issued 263,330 options with a weighted average fair value at the date of grant of \$5.06 per option. The fair value of these options at the grant date was estimated using the Black-Scholes option pricing model using the following weighted average assumptions: expected life of 6 years, risk-free interest rate of 4%, and expected volatility of 30%.

The Company has elected to apply the provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB No. 25"). The following table illustrates the effect on net income and earnings per share if the Company had adopted the fair value recognition provisions of Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation" ("SFAS No. 123"), to stock-based employee compensation:

| (in thousands except for per share amounts)   | Three Months Ended<br>September 30, |          | Nine Months Ended<br>September 30, |           |
|---|-------------------------------------|----------|------------------------------------|-----------|
|   | 2005                                | 2004     | 2005                               | 2004      |
| Net income attributed to common stock, as reported  | \$ 230                              | \$ 2,170 | \$ 6,790                           | \$ 13,350 |
| Add: Stock-based employee compensation expense included in reported net income, net of related tax effects                                  | 50                                  | 100      | 150                                | 260       |
| Deduct: Total stock-based employee compensation expense determined under fair-value based method for all awards, net of related tax effects | (220)                               | (310)    | (900)                              | (870)     |
| Pro-forma net income attributed to common stock   | \$ 60                               | \$ 1,960 | \$ 6,040                           | \$ 12,740 |
| Net income per share:   |                                     |          |                                    |           |
| Basic, as reported  | \$ 0.01                             | \$ 0.11  | \$ 0.34                            | \$ 0.67   |
| Basic, pro-forma for stock-based compensation   | \$ —                                | \$ 0.10  | \$ 0.30                            | \$ 0.64   |
| Diluted, as reported  | \$ 0.01                             | \$ 0.11  | \$ 0.34                            | \$ 0.67   |
| Diluted, pro-forma for stock-based compensation   | \$ —                                | \$ 0.10  | \$ 0.30                            | \$ 0.64   |

**12. Earnings per Share**

The Company reports earnings per share in accordance with SFAS No. 128, "Earnings per Share." Basic and diluted earnings per share amounts were computed using weighted average shares outstanding for the three and nine months ended September 30, 2005 and 2004, respectively. All outstanding stock options and common stock warrants were excluded from the earnings per share calculations for the three and nine month periods ended September 30, 2005 as they would have been antidilutive.

**TRIMAS CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**(unaudited)**

**13. Defined Benefit Plans**

Net periodic pension and postretirement benefit costs for TriMas' defined benefit pension plans and postretirement benefit plans, covering foreign employees, union hourly employees and certain salaried employees includes the following components for the three and nine months ended September 30, 2005 and 2004:

| (in thousands)                 | Pension Plans                       |        |                                    |         |
|--------------------------------|-------------------------------------|--------|------------------------------------|---------|
|                                | Three Months Ended<br>September 30, |        | Nine Months Ended<br>September 30, |         |
|                                | 2005                                | 2004   | 2005                               | 2004    |
| Service costs                  | \$ 150                              | \$ 170 | \$ 450                             | \$ 520  |
| Interest costs                 | 420                                 | 390    | 1,260                              | 1,170   |
| Expected return on plan assets | (460)                               | (410)  | (1,380)                            | (1,220) |
| Amortization of net loss       | 90                                  | 60     | 270                                | 150     |
| Net periodic benefit cost      | \$ 200                              | \$ 210 | \$ 600                             | \$ 620  |

**Other Postretirement Benefit Plans**

(in thousands)

|                                | Three Months Ended<br>September 30, |        | Nine Months Ended<br>September 30, |        |
|--------------------------------|-------------------------------------|--------|------------------------------------|--------|
|                                | 2005                                | 2004   | 2005                               | 2004   |
| Service costs                  | \$ 20                               | \$ 30  | \$ 60                              | \$ 80  |
| Interest costs                 | 90                                  | 70     | 270                                | 280    |
| Expected return on plan assets | —                                   | —      | —                                  | —      |
| Amortization of net loss       | 20                                  | —      | 60                                 | 70     |
| Net periodic benefit cost      | \$ 130                              | \$ 100 | \$ 390                             | \$ 430 |

The Company expects to contribute approximately \$1.5 million to its pension plans in 2005 of which \$1.1 million was contributed during the first nine months of 2005 and \$0.4 million will be contributed during the 4th quarter 2005.

#### 14. Income Taxes

##### *Repatriation of Dividends*

In October 2004, the American Jobs Creation Act of 2004 (the "Act") was signed into law. The Act creates a temporary incentive for U.S. corporations to repatriate foreign earnings by providing an 85% deduction for certain eligible dividends received from controlled foreign corporations. During the third quarter of 2005, the Company recorded a net tax provision of \$0.8 million related to the planned repatriation of \$61.7 million of foreign earnings during the fourth quarter of 2005. The Company previously had provided for applicable Federal taxes of \$3.1 million on foreign earnings anticipated to be remitted.

18

**TRIMAS CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**(unaudited)**

#### 15. Supplemental Guarantor Condensed Combining and Consolidating Financial Information

Under an indenture dated June 6, 2002, TriMas Corporation, the parent company ("Parent"), issued 9 7/8% Senior Subordinated Notes due 2012 in a total principal amount of \$437.8 million (face value). These Notes are guaranteed by substantially all of the Company's domestic subsidiaries ("Guarantor Subsidiaries"). All of the Guarantor Subsidiaries are 100% owned by the Parent and their guarantee is full, unconditional, joint and several. The Company's non-domestic subsidiaries and TSPC, Inc. have not guaranteed the Notes ("Non-Guarantor Subsidiaries"). The Guarantor Subsidiaries have also guaranteed amounts outstanding under the Company's Credit Facility.

The accompanying supplemental guarantor condensed, combining or consolidating financial information is presented on the equity method of accounting for all periods presented. Under this method, investments in subsidiaries are recorded at cost and adjusted for the Company's share in the subsidiaries' cumulative results of operations, capital contributions and distributions and other changes in equity. Elimination entries relate primarily to the elimination of investments in subsidiaries and associated intercompany balances and transactions.

19

**TRIMAS CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**(unaudited)**

**Supplemental Guarantor**  
**Condensed Financial Statements**  
**Consolidated Balance Sheet**  
**(in thousands)**

| Assets                    | As of September 30, 2005 |           |               |              |          | Consolidated<br>Total |
|---------------------------|--------------------------|-----------|---------------|--------------|----------|-----------------------|
|                           | Parent                   | Guarantor | Non-Guarantor | Eliminations |          |                       |
| Current assets:           |                          |           |               |              |          |                       |
| Cash and cash equivalents | \$ —                     | \$ —      | \$ 4,600      | \$ (2,360)   | \$ 2,240 |                       |
| Receivables, net          | —                        | 85,700    | 33,350        | —            | 119,050  |                       |
| Receivables, intercompany | —                        | 6,510     | 3,420         | (9,930)      | —        |                       |
| Inventories, net          | —                        | 145,610   | 18,420        | —            | 164,030  |                       |
| Deferred income taxes     | —                        | 17,100    | 430           | —            | 17,530   |                       |

|   |                   |                     |                   |                       |                     |
|---|-------------------|---------------------|-------------------|-----------------------|---------------------|
| Prepaid expenses and other current assets | —                 | 6,230               | 1,240             | —                     | 7,470               |
| <b>Total current assets</b>               | <b>—</b>          | <b>261,150</b>      | <b>61,460</b>     | <b>(12,290)</b>       | <b>310,320</b>      |
| Investments in subsidiaries               | 825,270           | 138,880             | —                 | (964,150)             | —                   |
| Property and equipment, net               | —                 | 139,950             | 48,940            | —                     | 188,890             |
| Goodwill                                  | —                 | 544,350             | 107,860           | —                     | 652,210             |
| Intangibles and other assets              | 27,690            | 365,840             | 22,020            | (65,490)              | 350,060             |
| <b>Total assets</b>                       | <b>\$ 852,960</b> | <b>\$ 1,450,170</b> | <b>\$ 240,280</b> | <b>\$ (1,041,930)</b> | <b>\$ 1,501,480</b> |

### Liabilities and Shareholders' Equity

Current liabilities:

|   |                   |                     |                   |                       |                     |
|---|-------------------|---------------------|-------------------|-----------------------|---------------------|
| Current maturities, long-term debt                | \$ —              | \$ 2,890            | \$ —              | \$ —                  | \$ 2,890            |
| Accounts payable, trade                           | —                 | 90,980              | 25,860            | —                     | 116,840             |
| Accounts payable, intercompany                    | —                 | 3,450               | 6,480             | (9,930)               | —                   |
| Accrued liabilities                               | 12,730            | 53,440              | 7,630             | —                     | 73,800              |
| Due to Metaldyne                                  | —                 | 3,290               | —                 | —                     | 3,290               |
| <b>Total current liabilities</b>                  | <b>12,730</b>     | <b>154,050</b>      | <b>39,970</b>     | <b>(9,930)</b>        | <b>196,820</b>      |
| Long-term debt                                    | 436,330           | 292,810             | 50,360            | (53,340)              | 726,160             |
| Deferred income taxes                             | —                 | 135,170             | 11,010            | (14,510)              | 131,670             |
| Other long-term liabilities                       | —                 | 38,610              | 60                | —                     | 38,670              |
| Due to Metaldyne                                  | —                 | 4,260               | —                 | —                     | 4,260               |
| <b>Total liabilities</b>                          | <b>449,060</b>    | <b>624,900</b>      | <b>101,400</b>    | <b>(77,780)</b>       | <b>1,097,580</b>    |
| Total shareholders' equity                        | 403,900           | 825,270             | 138,880           | (964,150)             | 403,900             |
| <b>Total liabilities and shareholders' equity</b> | <b>\$ 852,960</b> | <b>\$ 1,450,170</b> | <b>\$ 240,280</b> | <b>\$ (1,041,930)</b> | <b>\$ 1,501,480</b> |

20

**TRIMAS CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**(unaudited)**

**Supplemental Guarantor**  
**Condensed Financial Statements**  
**Consolidated Balance Sheet**  
**(in thousands)**

|   | As of December 31, 2004 |                     |                   |                       | Consolidated<br>Total |
|---|-------------------------|---------------------|-------------------|-----------------------|-----------------------|
|   | Parent                  | Guarantor           | Non-Guarantor     | Eliminations          |                       |
| <b>Assets</b>                             |                         |                     |                   |                       |                       |
| Current assets:                           |                         |                     |                   |                       |                       |
| Cash and cash equivalents                 | \$ —                    | \$ 520              | \$ 2,570          | \$ —                  | \$ 3,090              |
| Receivables, net                          | —                       | 70,530              | 27,010            | (4,150)               | 93,390                |
| Receivables, intercompany                 | —                       | 5,270               | —                 | (5,270)               | —                     |
| Inventories, net                          | —                       | 154,390             | 25,650            | —                     | 180,040               |
| Deferred income taxes                     | —                       | 17,210              | 320               | —                     | 17,530                |
| Prepaid expenses and other current assets | —                       | 7,360               | 1,090             | —                     | 8,450                 |
| <b>Total current assets</b>               | <b>—</b>                | <b>255,280</b>      | <b>56,640</b>     | <b>(9,420)</b>        | <b>302,500</b>        |
| Investments in subsidiaries               | 812,820                 | 133,010             | —                 | (945,830)             | —                     |
| Property and equipment, net               | —                       | 147,350             | 51,260            | —                     | 198,610               |
| Goodwill                                  | —                       | 544,270             | 113,710           | —                     | 657,980               |
| Intangibles and other assets              | 30,470                  | 376,670             | 22,760            | (66,790)              | 363,110               |
| <b>Total assets</b>                       | <b>\$ 843,290</b>       | <b>\$ 1,456,580</b> | <b>\$ 244,370</b> | <b>\$ (1,022,040)</b> | <b>\$ 1,522,200</b>   |

### Liabilities and Shareholders' Equity

Current liabilities:

|                                    |              |                |               |                |                |
|------------------------------------|--------------|----------------|---------------|----------------|----------------|
| Current maturities, long-term debt | \$ —         | \$ 2,990       | \$ —          | \$ —           | \$ 2,990       |
| Accounts payable, trade            | —            | 102,280        | 32,950        | —              | 135,230        |
| Accounts payable, intercompany     | —            | —              | 5,270         | (5,270)        | —              |
| Accrued liabilities                | 1,920        | 59,030         | 11,380        | (4,150)        | 68,180         |
| Due to Metaldyne                   | —            | 2,650          | —             | —              | 2,650          |
| <b>Total current liabilities</b>   | <b>1,920</b> | <b>166,950</b> | <b>49,600</b> | <b>(9,420)</b> | <b>209,050</b> |

|  |                   |                     |                   |                       |                     |
|--|-------------------|---------------------|-------------------|-----------------------|---------------------|
| Long-term debt                             | 436,210           | 299,440             | 50,360            | (50,980)              | 735,030             |
| Deferred income taxes                      | —                 | 138,100             | 11,250            | (15,810)              | 133,540             |
| Other long-term liabilities                | —                 | 35,010              | 150               | —                     | 35,160              |
| Due to Metaldyne                           | —                 | 4,260               | —                 | —                     | 4,260               |
| Total liabilities                          | 438,130           | 643,760             | 111,360           | (76,210)              | 1,117,040           |
| Total shareholders' equity                 | 405,160           | 812,820             | 133,010           | (945,830)             | 405,160             |
| Total liabilities and shareholders' equity | <u>\$ 843,290</u> | <u>\$ 1,456,580</u> | <u>\$ 244,370</u> | <u>\$ (1,022,040)</u> | <u>\$ 1,522,200</u> |

21

**TRIMAS CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**(unaudited)**

**Supplemental Guarantor**  
**Condensed Financial Statements**  
**Consolidated Statement of Operations**  
**(in thousands)**

|   | For the Three Months Ended September 30, 2005 |                 |                 |                   |               |
|---|---|-----------------|-----------------|-------------------|---------------|
|   | Parent  | Guarantor       | Non-Guarantor   | Eliminations      | Total         |
| Net sales   | \$ —  | \$ 242,510      | \$ 46,960       | \$ (18,530)       | \$ 270,940    |
| Cost of sales   | —   | (193,210)       | (36,120)        | 18,530            | (210,800)     |
| Gross profit  | —   | 49,300          | 10,840          | —                 | 60,140        |
| Selling, general and administrative expenses  | —   | (36,570)        | (5,570)         | —                 | (42,140)      |
| Operating profit  | —   | 12,730          | 5,270           | —                 | 18,000        |
| Other income (expense), net:  |   |                 |                 |                   |               |
| Interest expense  | (10,820)                                      | (7,480)         | (520)           | (20)              | (18,840)      |
| Other income (expense), net   | (520)   | (10)            | (1,090)         | 20                | (1,600)       |
| Income (loss) before income tax (expense) benefit and equity in net income (loss) of subsidiaries | (11,340)                                      | 5,240           | 3,660           | —                 | (2,440)       |
| Income tax (expense) benefit  | 6,180   | (2,100)         | (1,410)         | —                 | 2,670         |
| Equity in net income (loss) of subsidiaries   | 5,390   | 2,250           | —               | (7,640)           | —             |
| Net income (loss)   | <u>\$ 230</u>                                 | <u>\$ 5,390</u> | <u>\$ 2,250</u> | <u>\$ (7,640)</u> | <u>\$ 230</u> |

|   | For the Three Months Ended September 30, 2004 |                 |                 |                    |                 |
|---|---|-----------------|-----------------|--------------------|-----------------|
|   | Parent  | Guarantor       | Non-Guarantor   | Eliminations       | Total           |
| Net sales   | \$ —  | \$ 211,210      | \$ 54,970       | \$ (9,080)         | \$ 257,100      |
| Cost of sales   | —   | (164,030)       | (41,420)        | 9,080              | (196,370)       |
| Gross profit  | —   | 47,180          | 13,550          | —                  | 60,730          |
| Selling, general and administrative expenses  | —   | (33,000)        | (6,800)         | —                  | (39,800)        |
| Operating profit  | —   | 14,180          | 6,750           | —                  | 20,930          |
| Other income (expense), net:  |   |                 |                 |                    |                 |
| Interest expense  | (11,100)                                      | (5,840)         | (490)           | —                  | (17,430)        |
| Other income (expense), net   | 140   | (280)           | 80              | —                  | (60)            |
| Income (loss) before income tax (expense) benefit and equity in net income (loss) of subsidiaries | (10,960)                                      | 8,060           | 6,340           | —                  | 3,440           |
| Income tax (expense) benefit  | 3,630   | (2,750)         | (2,150)         | —                  | (1,270)         |
| Equity in net income (loss) of subsidiaries   | 9,500   | 4,190           | —               | (13,690)           | —               |
| Net income (loss)   | <u>\$ 2,170</u>                               | <u>\$ 9,500</u> | <u>\$ 4,190</u> | <u>\$ (13,690)</u> | <u>\$ 2,170</u> |

22

**TRIMAS CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**(unaudited)**

**Supplemental Guarantor**  
**Condensed Financial Statements**  
**Consolidated Statement of Operations**  
**(in thousands)**

|   | For the Nine Months Ended September 30, 2005 |                  |                 |                    |                 |
|---|--|------------------|-----------------|--------------------|-----------------|
|   | Parent                                       | Guarantor        | Non-Guarantor   | Eliminations       | Total           |
| Net sales   | \$ —   | \$ 750,330       | \$ 135,490      | \$ (27,500)        | \$ 858,320      |
| Cost of sales   | —  | (588,460)        | (102,510)       | 27,500             | (663,470)       |
| Gross profit  | —  | 161,870          | 32,980          | —                  | 194,850         |
| Selling, general and administrative expenses  | —  | (107,180)        | (18,630)        | —                  | (125,810)       |
| Operating profit  | —  | 54,690           | 14,350          | —                  | 69,040          |
| Other income (expense), net:  |  |                  |                 |                    |                 |
| Interest expense  | (31,840)                                     | (19,540)         | (4,510)         | 100                | (55,790)        |
| Other income (expense), net   | (550)  | (780)            | (4,010)         | (100)              | (5,440)         |
| Income (loss) before income tax (expense) benefit and equity in net income (loss) of subsidiaries | (32,390)                                     | 34,370           | 5,830           | —                  | 7,810           |
| Income tax (expense) benefit  | 14,510                                       | (13,750)         | (1,780)         | —                  | (1,020)         |
| Equity in net income (loss) of subsidiaries   | 24,670                                       | 4,050            | —               | (28,720)           | —               |
| Net income (loss)   | <u>\$ 6,790</u>                              | <u>\$ 24,670</u> | <u>\$ 4,050</u> | <u>\$ (28,720)</u> | <u>\$ 6,790</u> |

|   | For the Nine Months Ended September 30, 2004 |                  |                  |                    |                  |
|---|--|------------------|------------------|--------------------|------------------|
|   | Parent                                       | Guarantor        | Non-Guarantor    | Eliminations       | Total            |
| Net sales   | \$ —   | \$ 664,450       | \$ 158,220       | \$ (20,460)        | \$ 802,210       |
| Cost of sales   | —  | (508,490)        | (114,100)        | 20,460             | (602,130)        |
| Gross profit  | —  | 155,960          | 44,120           | —                  | 200,080          |
| Selling, general and administrative expenses  | —  | (112,050)        | (16,080)         | —                  | (128,130)        |
| Operating profit  | —  | 43,910           | 28,040           | —                  | 71,950           |
| Other income (expense), net:  |  |                  |                  |                    |                  |
| Interest expense  | (33,070)                                     | (15,830)         | (1,120)          | —                  | (50,020)         |
| Other income (expense), net   | (1,090)                                      | (380)            | 730              | —                  | (740)            |
| Income (loss) before income tax (expense) benefit and equity in net income (loss) of subsidiaries | (34,160)                                     | 27,700           | 27,650           | —                  | 21,190           |
| Income tax (expense) benefit  | 10,970                                       | (9,420)          | (9,390)          | —                  | (7,840)          |
| Equity in net income (loss) of subsidiaries   | 36,540                                       | 18,260           | —                | (54,800)           | —                |
| Net income (loss)   | <u>\$ 13,350</u>                             | <u>\$ 36,540</u> | <u>\$ 18,260</u> | <u>\$ (54,800)</u> | <u>\$ 13,350</u> |

23

**TRIMAS CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**(unaudited)**

**Supplemental Guarantor**  
**Condensed Financial Statements**  
**Consolidated Statement of Cash Flows**  
**(in thousands)**

|  | For the Nine Months Ended September 30, 2005 |           |               |              |           |
|--|--|-----------|---------------|--------------|-----------|
|  | Parent                                       | Guarantor | Non-Guarantor | Eliminations | Total     |
| <b>Cash Flows from Operating Activities:</b>                             |  |           |               |              |           |
| Net cash provided by (used for) operating activities, net of acquisition | \$ (21,620)                                  | \$ 27,400 | \$ 16,320     | \$ (2,350)   | \$ 19,750 |

impact

| <b>Cash Flows from Investing Activities:</b>          |             |             |                 |                   |                 |
|---|-------------|-------------|-----------------|-------------------|-----------------|
| Capital expenditures                                  | —           | (11,100)    | (3,910)         | —                 | (15,010)        |
| Proceeds from sales of fixed assets                   | —           | 3,490       | —               | —                 | 3,490           |
| Net cash used for investing activities                | —           | (7,610)     | (3,910)         | —                 | (11,520)        |
| <b>Cash Flows from Financing Activities:</b>          |             |             |                 |                   |                 |
| Repayments of borrowings on senior credit facility    | —           | (2,160)     | —               | —                 | (2,160)         |
| Proceeds from borrowings on revolving credit facility | —           | 722,580     | —               | —                 | 722,580         |
| Repayments of borrowings on revolving credit facility | —           | (729,400)   | —               | —                 | (729,400)       |
| Payments on notes payable                             | —           | (100)       | —               | —                 | (100)           |
| Intercompany transfers (to) from subsidiaries         | 21,620      | (11,230)    | (10,390)        | —                 | —               |
| Net cash provided by (used for) financing activities  | 21,620      | (20,310)    | (10,390)        | —                 | (9,080)         |
| <b>Cash and Cash Equivalents:</b>                     |             |             |                 |                   |                 |
| Increase for the period                               | —           | (520)       | 2,020           | (2,350)           | (850)           |
| At beginning of period                                | —           | 520         | 2,570           | —                 | 3,090           |
| At end of period                                      | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 4,590</u> | <u>\$ (2,350)</u> | <u>\$ 2,240</u> |

24

**TRIMAS CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**(unaudited)**

**Supplemental Guarantor**  
**Condensed Financial Statements**  
**Consolidated Statement of Cash Flows**  
**(in thousands)**

|   | <b>For the Nine Months Ended September 30, 2004</b> |                  |                      |                     |                 |
|---|---|------------------|----------------------|---------------------|-----------------|
|   | <b>Parent</b>                                       | <b>Guarantor</b> | <b>Non-Guarantor</b> | <b>Eliminations</b> | <b>Total</b>    |
| <b>Cash Flows from Operating Activities:</b>                                    |   |                  |                      |                     |                 |
| Net cash provided by (used for) operating activities, net of acquisition impact | \$ (21,620)   | \$ 930           | \$ 17,970            | \$ —                | \$ (2,720)      |
| <b>Cash Flows from Investing Activities:</b>                                    |   |                  |                      |                     |                 |
| Capital expenditures  | —   | (28,910)         | (6,710)              | —                   | (35,620)        |
| Proceeds from sales of fixed assets   | —   | 450              | —                    | —                   | 450             |
| Acquisition of businesses, net of cash acquired                                 | —   | (5,500)          | —                    | —                   | (5,500)         |
| Net cash used for investing activities  | —   | (33,960)         | (6,710)              | —                   | (40,670)        |
| <b>Cash Flows from Financing Activities:</b>                                    |   |                  |                      |                     |                 |
| Repayments of borrowings on senior credit facility                              | —   | (2,170)          | —                    | —                   | (2,170)         |
| Proceeds from borrowings on revolving credit facility                           | —   | 593,300          | —                    | —                   | 593,300         |
| Repayments of borrowings on revolving credit facility                           | —   | (543,300)        | —                    | —                   | (543,300)       |
| Payments on notes payable   | —   | (8,030)          | —                    | —                   | (8,030)         |
| Intercompany transfers (to) from subsidiaries                                   | 21,620  | (10,950)         | (10,670)             | —                   | —               |
| Net cash provided by (used for) financing activities                            | 21,620  | 28,850           | (10,670)             | —                   | 39,800          |
| <b>Cash and Cash Equivalents:</b>   |   |                  |                      |                     |                 |
| Increase (decrease) for the period  | —   | (4,180)          | 590                  | —                   | (3,590)         |
| At beginning of period  | —   | 4,180            | 2,600                | —                   | 6,780           |
| At end of period  | <u>\$ —</u>   | <u>\$ —</u>      | <u>\$ 3,190</u>      | <u>\$ —</u>         | <u>\$ 3,190</u> |

---

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

*The following discussion and analysis of our financial condition contains forward-looking statements regarding industry outlook and our expectations regarding the performance of our business. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described under the heading "Forward Looking Statements," at the beginning of this report. Our actual results may differ materially from those contained in or implied by any forward-looking statements. You should read the following discussion together with the Company's reports on file with the Securities and Exchange Commission.*

### Introduction

We are an industrial manufacturer of highly engineered products serving niche markets in a diverse range of commercial, industrial and consumer applications. We have four operating segments: Rieke Packaging Systems ("Rieke"), Cequent Transportation Accessories ("Cequent"), Industrial Specialties and Fastening Systems. In reviewing our financial results for the past several years, consideration should be given to certain critical events, particularly our separation from Metaldyne in June 2002, subsequent acquisitions and recent consolidation, integration and restructuring efforts.

**Key Factors and Risks Affecting our Reported Results.** Critical factors affecting our ability to succeed include: our ability to successfully pursue organic growth through new product development, cross-selling and product bundling and our ability to quickly and cost effectively introduce new products; our ability to acquire and integrate companies or products that will supplement existing product lines, add new distribution channels, expand our geographic coverage or enable us to absorb overhead costs; our ability to manage our cost structure more efficiently through improved supply base management, internal sourcing and/or purchasing of materials, selective out-sourcing and/or purchasing of support functions, working capital management, and greater leverage of our administrative and overhead functions. If we are unable to do any of the foregoing successfully, our financial condition and results of operations could be materially and adversely impacted.

Our results of operations depend upon general economic conditions and we serve some customers in highly cyclical industries that are highly competitive and themselves adversely impacted by unfavorable economic conditions. There is some seasonality in our Cequent segment business as well. Sales of towing and trailer products within Cequent are generally stronger in the second and third quarters as trailer OEMs, distributors and retailers acquire product for the spring/summer selling season. No other operating segment experiences significant seasonal fluctuation in its business. We do not consider backlog orders to be a material factor in our business. A growing portion of our sales may be derived from international sources, which exposes us to certain risks, including currency risks.

Historically, we have not experienced significant fluctuations in raw materials costs which materially impacted our profitability. However, we are sensitive to price movements in our raw materials supply base. Our largest raw material purchases are for steel, polyethylene and other resins. During 2004 and 2005, we have experienced increasing costs of steel and polyethylene resins and we are continuing to work with our suppliers to manage cost pressures and disruptions in supply. Additionally, we have initiated pricing programs to pass increased steel and resin costs on to customers, although we have experienced a delay in our ability to implement price increases and recover fully such increased costs. We will continue to take actions as necessary to manage risks associated with increasing steel and resin costs. However, we may experience continued increasing costs or disruptions in supply throughout 2005 or longer and we may not be able to pass along such higher costs to our customers in the form of price increases. Such increased costs may adversely impact our earnings. We have substantial debt, interest and lease payment requirements that may restrict our future operations and impair our ability to meet our obligations and, in a rising interest rate environment, our performance may be adversely affected by our degree of leverage.

**Our June 2002 Recapitalization and Separation from Metaldyne.** On June 6, 2002, we undertook a recapitalization that resulted in our separation from Metaldyne. Heartland and other investors invested approximately \$265.0 million in us and acquired approximately 66% of our fully diluted common stock. Metaldyne retained or received approximately 34% of our fully diluted common stock.

---

As part of this recapitalization: (1) we entered into a new credit facility that then consisted of a \$150.0 million revolving credit facility and a \$260.0 million term loan facility; (2) we entered into a new \$125.0 million receivables securitization facility, and; (3) we issued approximately \$352.8 million in aggregate principal amount of 9 7/8% senior subordinated notes due 2012. We used the proceeds from these financings to pay a cash dividend to Metaldyne that had been declared immediately prior to the recapitalization and to repay our obligations in respect of Metaldyne financing arrangements. These obligations included borrowings attributed to our subsidiaries under the Metaldyne credit agreement, debt that our subsidiaries owed to Metaldyne and its other subsidiaries and outstanding balances related to receivables that we originated and sold under the Metaldyne

receivables facility. In sum, we declared and paid a cash dividend to Metaldyne equal to \$840.0 million, less the aggregate amount of such debt repayment and receivables repurchase.

Refer to Note 7, "*Long-term Debt*," in the notes to consolidated financial statements for information on our current credit facility terms and Note 9, "*Related Parties*" for additional information concerning other transactions with Metaldyne.

**Our Recent Acquisitions.** Since our separation from Metaldyne in June 2002, we have completed seven acquisitions. The most significant of these were the HammerBlow, Highland and Fittings acquisitions. We also completed four smaller acquisitions: Haun Engine in August 2002, Cutting Edge Technologies in January 2003, Chem-Chrome in October 2003 and Bargman in January 2004.

**Recent and Anticipated Consolidation, Integration and Restructuring Activities.** We have undertaken significant consolidation, integration and other cost savings programs to enhance our efficiency and achieve cost reduction opportunities arising from our acquisitions. These programs, which were essentially completed as of December 31, 2004, involved a number of major projects and other smaller initiatives to eliminate duplicative and excess manufacturing and distribution facilities, sales forces, and back office and other support functions. The aggregate costs of these actions for the nine months ended September 30, 2005 and 2004, were approximately \$3.5 million and \$13.3 million, respectively. We estimate that we will incur approximately \$0.7 million of additional costs during the remainder of 2005 to finalize all actions associated with these programs. We believe all of these costs are warranted by the anticipated future benefits of these actions. In 2004, we completed the establishment of our stand-alone corporate office. We now handle internally the legal, tax, benefit administration and environmental, health and safety services formerly provided by Metaldyne. We have hired an internal audit director, a tax director, a director of environmental, health and safety and established a stand-alone human resources compensation and benefits function.

During the second quarter of 2005, Cequent implemented an initiative to further rationalize back office engineering, marketing and general administrative support personnel at certain of its locations. This action resulted in the elimination of 30 positions as of June 30, 2005. The associated severance costs have been fully paid as of September 30, 2005.

During May 2004, in connection with our consolidation, integration and other cost-savings programs within Cequent, we announced our decision to cease manufacturing in Oakville, Ontario, and plan to consolidate distribution activities for all Canadian customers in that location. The manufacturing operations have been consolidated into our existing facility located in Goshen, Indiana as of the end of the third quarter of 2004, and we completed consolidation of the distribution activities for all Canadian customers during the second quarter of 2005.

**Key Indicators of Performance.** In evaluating our business, our management considers Adjusted EBITDA as a key indicator of financial operating performance and as a measure of cash generating capability. We define Adjusted EBITDA as net income (loss) before cumulative effect of accounting change and before interest, taxes, depreciation, amortization, non-cash asset and goodwill impairment write-offs, non-cash losses on sale-leaseback of property and equipment and legacy restricted stock award expense. In evaluating Adjusted EBITDA, our management deems it important to consider the quality of our underlying earnings by separately identifying certain costs undertaken to improve our results, such as costs related to consolidating facilities and businesses in an effort to eliminate duplicative costs or achieve efficiencies, costs related to integrating acquisitions and restructuring costs related to expense reduction efforts. Although our consolidation, restructuring and integration efforts

---

are continuing and driven in part by our acquisition activity, our management eliminates these costs to evaluate underlying business performance. Caution must be exercised in eliminating these items as they include substantially (but not necessarily entirely) cash costs and there can be no assurance that we will ultimately realize the benefits of these efforts. Moreover, even if the anticipated benefits are realized, they may be offset by other business performance or general economic issues.

Management believes that Adjusted EBITDA is the best indicator (together with a careful review of the aforementioned items) of our ability to service and/or incur indebtedness, as we are a highly leveraged company. We use Adjusted EBITDA as a key performance measure because we believe it facilitates operating performance comparisons from period to period and company to company by excluding potential differences caused by variations in capital structures (affecting interest expense), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses), and the impact of purchase accounting and SFAS No. 142, "*Goodwill and Other Intangible Assets*" (affecting depreciation and amortization expense). Because Adjusted EBITDA facilitates internal comparisons of our historical operating performance on a more consistent basis, we also use Adjusted EBITDA for business planning purposes, to incent and compensate our management personnel, in measuring our performance relative to that of our competitors and in evaluating acquisition opportunities. In addition, we believe Adjusted EBITDA and similar measures are widely used by investors, securities analysts, ratings agencies and other interested parties as a measure of financial performance and debt-service capabilities. Our use of Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under Generally Accepted Accounting Principles ("GAAP"). Some of these limitations are:

- it does not reflect our cash expenditures for capital equipment or contractual commitments;
- although depreciation, amortization and asset impairment charges and write-offs are non-cash charges,

the assets being depreciated, amortized or written-off may have to be replaced in the future, and Adjusted EBITDA does not reflect cash requirements for such replacements;

- it does not reflect changes in, or cash requirements for, our working capital needs;
- it does not reflect the interest expense or the cash requirements necessary to service interest or principal payments on our indebtedness;
- it includes amounts resulting from matters we consider not to be indicative of underlying performance of our fundamental business operations, as discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations," and;
- other companies, including companies in our industry, may calculate these measures differently than we do, limiting their usefulness as a comparative measure.

Because of these limitations, Adjusted EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business. We compensate for these limitations by relying primarily on our GAAP results and using Adjusted EBITDA only supplementally. We carefully review our operating profit margins (operating profit as a percentage of net sales) at a segment level, which are discussed in detail in our year-to-year comparison of operating results.

28

For the periods presented, there were no adjustments between EBITDA and Adjusted EBITDA. The following is a reconciliation of our Adjusted EBITDA to net income and cash flows from operating activities for the three and nine months ended September 30, 2005 and 2004:

| (in thousands)   | Three Months Ended<br>September 30, |             | Nine Months Ended<br>September 30, |            |
|--|-------------------------------------|-------------|------------------------------------|------------|
|  | 2005                                | 2004        | 2005                               | 2004       |
| Net income   | \$ 230                              | \$ 2,170    | \$ 6,790                           | \$ 13,350  |
| Income tax expense (benefit)                           | (2,670)                             | 1,270       | 1,020                              | 7,840      |
| Interest expense                                       | 18,840                              | 17,430      | 55,790                             | 50,020     |
| Depreciation and amortization                          | 10,370                              | 10,080      | 31,400                             | 30,590     |
| Adjusted EBITDA  | 26,770                              | 30,950      | 95,000                             | 101,800    |
| Interest paid  | (6,550)                             | (4,950)     | (40,310)                           | (36,020)   |
| Taxes paid   | (2,650)                             | (2,240)     | (8,400)                            | (8,710)    |
| Legacy stock award expense paid                        | —                                   | —           | —                                  | (5,400)    |
| (Gain) loss on dispositions of plant and equipment     | 260                                 | (300)       | 390                                | (120)      |
| Payments to Metaldyne to fund contractual liabilities  | —                                   | —           | (330)                              | (4,610)    |
| Receivables sales and securitization, net              | (24,040)                            | (40,500)    | 400                                | 7,780      |
| Net change in working capital                          | 11,730                              | 6,850       | (27,000)                           | (57,440)   |
| Cash flows provided by (used for) operating activities | \$ 5,530                            | \$ (10,190) | \$ 19,750                          | \$ (2,720) |

The following details certain items relating to our consolidation, restructuring and integration efforts not eliminated in determining Adjusted EBITDA, but that we would consider in evaluating the quality of our Adjusted EBITDA:

| (in thousands)                                | Three Months Ended<br>September 30, |          | Nine Months Ended<br>September 30, |           |
|---|-------------------------------------|----------|------------------------------------|-----------|
|   | 2005                                | 2004     | 2005                               | 2004      |
| Facility and business consolidation costs (a) | \$ 170                              | \$ 1,490 | \$ 1,580                           | \$ 6,430  |
| Business unit restructuring costs (b)         | 400                                 | 1,930    | 1,050                              | 5,420     |
| Acquisition integration costs (c)             | —                                   | 120      | 900                                | 1,470     |
|   | \$ 570                              | \$ 3,540 | \$ 3,530                           | \$ 13,320 |

(a) Includes employee training, severance and relocation costs, equipment move and plant rearrangement costs associated with facility and business consolidations.

(b) Principally employee severance costs associated with business unit restructuring and other cost reduction activities.

(c) Includes equipment move and other facility closure costs, excess and obsolete inventory reserve charges related to brand rationalization, employee training, and other organization costs associated with the integration of acquired operations.

29

## Segment Information and Supplemental Analysis

The following table summarizes financial information for our four operating segments for the three months ended September 30, 2005 and 2004:

|  | Three Months Ended September 30, |                                    |                   |                                    |
|--|----------------------------------|------------------------------------|-------------------|------------------------------------|
|  | 2005                             | As a<br>Percentage<br>of Net Sales | 2004              | As a<br>Percentage<br>of Net Sales |
| (\$ in thousands)                                    |                                  |                                    |                   |                                    |
| <b>Net Sales</b>                                     |                                  |                                    |                   |                                    |
| Rieke Packaging Systems                              | \$ 34,320                        | 12.7%                              | \$ 33,070         | 12.9%                              |
| Cequent Transportation Accessories                   | 126,660                          | 46.7%                              | 125,120           | 48.7%                              |
| Industrial Specialties                               | 70,870                           | 26.2%                              | 59,780            | 23.2%                              |
| Fastening Systems                                    | 39,090                           | 14.4%                              | 39,130            | 15.2%                              |
| Total  | <u>\$ 270,940</u>                | <u>100.0%</u>                      | <u>\$ 257,100</u> | <u>100.0%</u>                      |
| <b>Gross Profit:</b>                                 |                                  |                                    |                   |                                    |
| Rieke Packaging Systems                              | \$ 11,670                        | 34.0%                              | \$ 12,790         | 38.7%                              |
| Cequent Transportation Accessories                   | 25,530                           | 20.2%                              | 31,590            | 25.2%                              |
| Industrial Specialties                               | 15,800                           | 22.3%                              | 14,190            | 23.7%                              |
| Fastening Systems                                    | 6,680                            | 17.1%                              | 1,860             | 4.8%                               |
| Corporate expenses and management fees               | 460                              | —                                  | 300               | —                                  |
| Total  | <u>\$ 60,140</u>                 | <u>22.2%</u>                       | <u>\$ 60,730</u>  | <u>23.6%</u>                       |
| <b>Selling, General and Administrative Expenses:</b> |                                  |                                    |                   |                                    |
| Rieke Packaging Systems                              | \$ 4,620                         | 13.5%                              | \$ 3,960          | 12.0%                              |
| Cequent Transportation Accessories                   | 17,540                           | 13.8%                              | 18,930            | 15.1%                              |
| Industrial Specialties                               | 8,660                            | 12.2%                              | 8,620             | 14.4%                              |
| Fastening Systems                                    | 4,950                            | 12.7%                              | 3,310             | 8.5%                               |
| Corporate expenses and management fees               | 6,370                            | —                                  | 4,980             | —                                  |
| Total  | <u>\$ 42,140</u>                 | <u>15.6%</u>                       | <u>\$ 39,800</u>  | <u>15.5%</u>                       |
| <b>Operating Profit:</b>                             |                                  |                                    |                   |                                    |
| Rieke Packaging Systems                              | \$ 7,060                         | 20.6%                              | \$ 8,830          | 26.7%                              |
| Cequent Transportation Accessories                   | 7,980                            | 6.3%                               | 12,660            | 10.1%                              |
| Industrial Specialties                               | 7,140                            | 10.1%                              | 5,570             | 9.3%                               |
| Fastening Systems                                    | 1,730                            | 4.4%                               | (1,450)           | -3.7%                              |
| Corporate expenses and management fees               | (5,910)                          | —                                  | (4,680)           | —                                  |
| Total  | <u>\$ 18,000</u>                 | <u>6.6%</u>                        | <u>\$ 20,930</u>  | <u>8.1%</u>                        |

30

The following table summarizes financial information for our four operating segments for the nine months ended September 30, 2005 and 2004:

|  | Nine Months Ended September 30, |                                    |                   |                                    |
|--|---------------------------------|------------------------------------|-------------------|------------------------------------|
|  | 2005                            | As a<br>Percentage<br>of Net Sales | 2004              | As a<br>Percentage<br>of Net Sales |
| (\$ in thousands)                      |                                 |                                    |                   |                                    |
| <b>Net Sales</b>                       |                                 |                                    |                   |                                    |
| Rieke Packaging Systems                | \$ 103,640                      | 12.1%                              | \$ 98,160         | 12.2%                              |
| Cequent Transportation Accessories     | 409,690                         | 47.7%                              | 405,210           | 50.5%                              |
| Industrial Specialties                 | 222,620                         | 25.9%                              | 184,060           | 22.9%                              |
| Fastening Systems                      | 122,370                         | 14.3%                              | 114,780           | 14.3%                              |
| Total                                  | <u>\$ 858,320</u>               | <u>100.0%</u>                      | <u>\$ 802,210</u> | <u>100.0%</u>                      |
| <b>Gross Profit:</b>                   |                                 |                                    |                   |                                    |
| Rieke Packaging Systems                | \$ 36,240                       | 35.0%                              | \$ 36,940         | 37.6%                              |
| Cequent Transportation Accessories     | 88,980                          | 21.7%                              | 111,700           | 27.6%                              |
| Industrial Specialties                 | 51,460                          | 23.1%                              | 45,530            | 24.7%                              |
| Fastening Systems                      | 17,740                          | 14.5%                              | 5,870             | 5.1%                               |
| Corporate expenses and management fees | 430                             | —                                  | 40                | —                                  |
| Total                                  | <u>\$ 194,850</u>               | <u>22.7%</u>                       | <u>\$ 200,080</u> | <u>24.9%</u>                       |

**Selling, General and Administrative Expenses:**

|  |                   |              |                   |              |
|--|-------------------|--------------|-------------------|--------------|
| Rieke Packaging Systems                | \$ 13,400         | 12.9%        | \$ 12,840         | 13.1%        |
| Cequent Transportation Accessories     | 58,240            | 14.2%        | 62,310            | 15.4%        |
| Industrial Specialties                 | 25,770            | 11.6%        | 25,490            | 13.8%        |
| Fastening Systems                      | 12,190            | 10.0%        | 11,670            | 10.2%        |
| Corporate expenses and management fees | 16,210            | —            | 15,820            | —            |
| Total                                  | <u>\$ 125,810</u> | <u>14.7%</u> | <u>\$ 128,130</u> | <u>16.0%</u> |

**Operating Profit:**

|  |                  |             |                  |             |
|--|------------------|-------------|------------------|-------------|
| Rieke Packaging Systems                | \$ 22,850        | 22.0%       | \$ 24,100        | 24.6%       |
| Cequent Transportation Accessories     | 30,740           | 7.5%        | 49,390           | 12.2%       |
| Industrial Specialties                 | 25,690           | 11.5%       | 20,040           | 10.9%       |
| Fastening Systems                      | 5,550            | 4.5%        | (5,800)          | -5.1%       |
| Corporate expenses and management fees | (15,790)         | —           | (15,780)         | —           |
| Total                                  | <u>\$ 69,040</u> | <u>8.0%</u> | <u>\$ 71,950</u> | <u>9.0%</u> |

**Results of Operations**

The principal factors impacting us during the three and nine months ended September 30, 2005, compared with the three and nine months ended September 30, 2004, were:

- (1) reduced demand in our Cequent Transportation Accessories business segment and continued severe competitor pricing pressure in the retail channel, and to a lesser degree in the installer, wholesaler and distributor channels;
- (2) continued economic expansion, particularly in industrial sectors of the economy, which increased customer demand, most notably in our Industrial Specialties business segment;
- (3) increased transportation and materials costs, notably steel, resins, yarns, asphalt, foil and other purchased components, which impacted our material margins; and
- (4) completion of major restructuring and consolidation initiatives related to certain businesses in our Fastening Systems and Industrial Specialties segments.

**Three Months Ended September 30, 2005 Compared with Three Months Ended September 30, 2004**

Net sales increased \$13.8 million, or approximately 5.4%, for the three months ended September 30, 2005 as compared with the three months ended September 30, 2004. Of this amount, approximately \$11.6 million, or 4.5%, is due to organic growth and \$2.2 million is due to currency exchange as our reported results in U.S. dollars benefited from stronger foreign currencies. Overall, the amount of steel cost increases recovered from customers during the third quarter 2005 was comparable to the same period a year ago. Rieke's net sales increased \$1.2 million, or approximately 3.8%, for the three months ended September 30, 2005 as compared with the three months ended September 30, 2004, due primarily to a \$2.0 million increase in sales of specialty dispensing products, offset in part by a reduction in sales of core products of approximately 2.6%. Cequent's net sales increased \$1.6 million, or approximately 1.2%, for the third quarter of 2005 as compared with the third quarter of 2004. After consideration of the favorable impacts of currency exchange (\$2.0 million) and steel price increases recovered from customers (\$1.6 million), net sales decreased \$2.0 million between years. This decrease is due to lower demand compared to the year-ago period and the impact of customer inventory adjustments, primarily within our towing and trailer products business units. Net sales within our Industrial Specialties segment increased \$11.1 million, or approximately 18.6%, for the third quarter of 2005 as compared with the third quarter of 2004 due to continued strong demand across all businesses in this segment and recovery of substantially all steel cost increases, most notably within our industrial cylinder and precision tools businesses. Net sales within our Fastening Systems segment were approximately flat between years as improved demand for aerospace fasteners were offset by lower sales volumes and less recovery of steel cost increases via pricing on industrial fastener products compared to the year ago period.

Gross profit margins (gross profit as a percentage of sales) approximated 22.2% and 23.6% for the three months ended September 30, 2005 and 2004, respectively. Rieke's gross profit margin declined from approximately 38.7% for the three months ended September 30, 2004 to 34.0% for the three months ended September 30, 2005 due primarily to the impact of resin, steel and other material cost increases not able to be fully recovered from customers. Cequent's gross profit margin declined from approximately 25.2% in the third quarter of 2004 to approximately 20.2% in the third quarter of 2005. The decrease between years is due to reduced sales volumes of towing and trailer products in the higher margin wholesale distributor and installer channels, significant competitive pricing pressures in all market channels, but especially retail, and insufficient recovery of steel and other material cost increases via pricing. Gross profit margins within our Industrial Specialties segment declined slightly in the third quarter of 2005 to 22.3% compared to 23.7% in the third quarter of 2004 due primarily to steel and other material cost increases not able to be fully recovered from customers. Gross profit margins within our Fastening Systems segment increased to 17.1% in the third quarter of 2005 compared to 4.8% in the same period a year ago. This improvement is the result of increased sales of higher

---

Operating profit margins (operating profit as a percentage of sales) approximated 6.6% and 8.1% for the quarters ended September 30, 2005 and 2004, respectively. Operating profit at Rieke decreased \$1.8 million for the third quarter of 2005 as compared with the third quarter of 2004 consistent with decline in gross profit and due to higher selling, general and administrative expense in third quarter 2005 compared to the year-ago period. Within Cequent, operating profit decreased \$4.7 million for the third quarter of 2005 as compared with the third quarter of 2004 consistent with the decline in gross profit, offset by reduced variable selling, general and administrative expenses of approximately \$1.4 million during the third quarter of 2005 as compared to the year-ago period. Within the Industrial Specialties segment, operating profit increased \$1.5 million for the third quarter of 2005 as compared with the third quarter of 2004 as businesses in this segment benefited from significantly increased sales levels between years with only a nominal increase in related selling and other fixed costs required to generate such sales pull-through. Within Fastening Systems, operating profit improved \$3.2 million to \$1.7 million in the third quarter of 2005 compared to an operating loss of \$1.5 million in the third quarter of 2004. This is a direct result of operational improvements related to integration activities completed in 2004. In addition, the year-ago period includes approximately \$1.8 million of costs related to the consolidation of two manufacturing facilities, which was completed by fourth quarter of 2004.

**Rieke Packaging Systems.** Net sales increased \$1.2 million, or approximately 3.8%, to \$34.3 million for the quarter ended September 30, 2005 compared to \$33.1 million for the quarter ended September 30, 2004. Of the \$1.2 million increase in sales, approximately \$2.0 million was due to sales of new specialty dispensing products offset by an approximate \$0.7 million or 2.6% decrease in core product sales of industrial closures, rings and levers compared to the year-ago period.

Rieke's gross profit margin declined to approximately 34.0% for the quarter ended September 30, 2005 from 38.7% for the quarter ended September 30, 2004. The decrease in gross profit between years of \$1.1 million was primarily due to the impact of resin, steel and other material cost increases in the third quarter of 2005 not able to be fully recovered from customers. Rieke also incurred \$0.2 million in increased energy costs compared to the same period a year ago.

Rieke's selling, general and administrative costs increased approximately \$0.6 million to \$4.6 million during the quarter ended September 30, 2005 as compared to \$4.0 million in the third quarter of 2004, primarily as a result of increased selling and promotional expenses related to specialty pump dispensing products and overall slightly higher compensation and benefit-related costs.

Overall, Rieke's operating profit margin declined to approximately 20.6% for the quarter ended September 30, 2005 from 26.7% for the third quarter of 2004, as the positive impact of increased sales during the quarter were more than offset by aforementioned material cost increases not able to be recovered from customers, increased energy costs and increased transportation costs due to higher fuel prices and increased selling expenses.

**Cequent Transportation Accessories.** Net sales increased \$1.6 million, or approximately 1.2%, to \$126.7 million for the quarter ended September 30, 2005 compared to \$125.1 million for the third quarter of 2004. After consideration of the favorable impacts of currency exchange (\$2.0 million) and steel price increases recovered from customers (\$1.6 million), net sales decreased \$2.0 million between years. This decrease between years resulted from lower overall end market demand and the impact of customer inventory adjustments principally within our towing and trailer products business units.

Cequent's gross profit decreased \$6.1 million to \$25.5 million, or 20.2% of net sales, for the quarter ended September 30, 2005 from approximately \$31.6 million, or 25.2% of net sales, in the third quarter of 2004. Of this decline in gross profit, we estimate \$0.5 million is attributed to the decrease in sales levels between years. However, our gross profit margins were significantly reduced due to severe competitive pricing pressures in all market channels, but especially in the retail channel and in our towing products business, as well as insufficient recovery of steel and other material cost increases via pricing.

Cequent's selling, general and administrative expenses decreased approximately \$1.4 million during the third quarter 2005 compared to the third quarter of 2004 as Cequent reduced these costs in

---

response to reduced sales levels and lower gross profits between years. Selling, general and administrative expense as a percent of sales approximated 13.8% and 15.1% in the third quarter of 2005 and 2004, respectively.

Overall, Cequent's operating profit declined \$4.7 million from approximately \$12.7 million for the third quarter of 2004 to \$8.0 million in the third quarter of 2005, which represented a decrease in operating profit margin from approximately 10.1% to approximately 6.3%. The decline in operating profit between years is the result of lower sales levels, principally in the towing and trailer products businesses and margin erosion in all market channels due to severe competitor pricing pressures and inability to fully recover steel and other material cost increases. These negative impacts to operating profit were partially offset by a reduction in selling, general and administrative expenses in response to lower levels of sales activity.

**Industrial Specialties.** Net sales during the quarter ended September 30, 2005, increased \$11.1 million, or approximately 18.6% compared to the third quarter of 2004. The \$11.1 million increase in sales is a result of increasing demand for our products in the energy and petro-chemical, general industrial, commercial construction, and defense markets due to marketshare gains, new products, and economic expansion. We estimate that steel cost increases recovered from customers via pricing during third quarter 2005, principally within our industrial cylinder, precision tool and specialty gasket businesses, was comparable to the same period a year ago.

Gross profit within our Industrial Specialties segment increased \$1.6 million from \$14.2 million in the third quarter of 2004 to \$15.8 million in the third quarter of 2005. Gross profit margins at Industrial Specialties were approximately 22.3% for the quarter ended September 30, 2005 compared to 23.7% for the quarter ended September 30, 2004, as higher gross profits on the increase in sales volumes between years was mostly offset by steel and other material cost increases incurred not able to be fully recovered from customers.

Selling, general and administrative expenses at \$8.7 million remained approximately flat between years or 12.2% of sales in the third quarter of 2005 compared to 14.5% of sales in the third quarter of 2004. In the quarter ended September 30, 2005, asbestos litigation defense costs increased \$0.6 million in our specialty gasket business and overall selling, general and administrative expense increased net \$0.8 million. These increases in costs between years were offset by approximately \$1.4 million in costs from the quarter ended September 30, 2004, that did not recur in the current year as a result of Compac's facilities consolidation largely being completed by the fourth quarter of 2004.

Operating profit in the third quarter of 2005 increased \$1.5 million to \$7.1 million from \$5.6 million in the third quarter 2004. Operating profit margins at Industrial Specialties improved to 10.1% for the three months ended September 30, 2005 compared to 9.3% from the year-ago period primarily due to the increased sales volumes across all businesses and reduced costs resulting from the completion of Compac's facility consolidation in fourth quarter 2004, partially offset by the impact of increased steel and other raw material costs incurred not able to be recovered from customers and the charge recorded related to increased asbestos litigation defense costs.

**Fastening Systems.** Net sales for the quarter ended September 30, 2005, approximated \$39.1 million and were flat compared to the quarter ended September 30, 2004. Our aerospace fastener business continues to experience strong market demand, with a sales increase of approximately 44.2% over the same period a year ago, due principally to an overall increase in the commercial and business jet build rates in 2005. This increase in sales was offset by a decline in sales of industrial fasteners of approximately \$2.4 million in third quarter 2005 compared to the third quarter 2004 and \$1.4 million of steel cost decreases passed through to customers during third quarter 2005 compared to the same period a year ago.

Gross profit margins at Fastening Systems increased to approximately 17.1% in the quarter ended September 30, 2005 from approximately 4.8% for the quarter ended September 30, 2004. This improvement is a result of a change in product mix as a result of increased sales of higher margin aerospace fasteners and improved gross margins earned on industrial fasteners due to operational efficiencies achieved as a result of plant consolidation activities completed in the fourth quarter of

---

2004. Also, the third quarter of 2004 included approximately \$1.1 million of costs related to the aforementioned plant consolidation activities that did not recur in third quarter 2005.

Selling, general and administrative expenses in the third quarter 2005 increased \$1.6 million compared to the same period a year ago. During the third quarter 2005, Lake Erie Products provided approximately \$1.5 million in reserves for uncollectible accounts receivable due to bankruptcy filings by two customers.

Overall, operating profit within Fastening Systems improved \$3.2 million between years to \$1.7 million in the quarter ended September 30, 2005 as compared to an operating loss of \$1.5 million in the quarter ended September 30, 2004. The improvement within the Fastening Systems segment between years is primarily due to proportionately greater sales of higher margin aerospace fasteners during the third quarter of 2005 relative to the comparable period a year ago and operational improvements related to plant consolidation activities which were completed by the end of 2004. In addition, the year-ago period included approximately \$1.4 million of increased costs related to the aforementioned plant consolidation activities which were largely completed by the fourth quarter of 2004.

**Corporate Expenses and Management Fees.** Corporate office expenses and management fees increased approximately \$1.2 million to \$5.9 million for the three months ended September 30, 2005 as compared to \$4.7 million for the three months ended September 30, 2004. The increase between years is due primarily to increased legal and audit costs of \$0.3 million; increased costs associated with the Company's self-insured group medical and workers compensation insurance plans of \$0.3 million; and increased employee compensation and management incentive program costs of \$0.4 million.

**Other Expense, Net.** Interest expense increased approximately \$1.4 million to \$18.8 million for the three months ended September 30, 2005 as compared to \$17.4 million for the three months ended September 30, 2004. The increase is primarily the result of an increase in our weighted average interest rate from approximately 5.2% during the third quarter 2004 to approximately 6.9% during third quarter 2005. During the three months ended September 30, 2005, other, net increased \$1.5 million to \$1.6 million as compared to \$0.1 million for the three months ended September 30, 2004. Of this amount, \$0.5 million is due to net losses on transactions denominated in foreign currencies. The remaining amount of the increase between years is due to \$0.6 million of higher expenses incurred as a result of increased use of the Company's receivables securitization facility to fund working

capital needs and \$0.6 million of expenses incurred in connection with renewal of the Company's receivables securitization facility in July 2005.

**Income Taxes.** The effective income tax rates for the three months ended September 30, 2005 and 2004 were 109.4% and 36.9%, respectively. During the third quarter 2005, the Company's estimate of its full year effective tax rate decreased from 36.3% to 3.4% and the impact of this change is recorded in the three months ended September 30, 2005. In the quarter ended September 30, 2005, the Company reported foreign pre-tax income of approximately \$4.8 million and domestic pre-tax loss of approximately \$7.3 million. The domestic pre-tax loss included approximately \$18.8 million of interest expense incurred on debt that is the obligation of U.S.-domiciled companies. In the quarter ended September 30, 2004, the Company reported foreign pre-tax income of approximately \$6.9 million compared to a reported domestic pre-tax loss of \$3.5 million. The domestic pre-tax loss included approximately \$17.4 million of interest expense incurred on debt that is the obligation of U.S.-domiciled companies.

#### **Nine Months Ended September 30, 2005 Compared with Nine Months Ended September 30, 2004**

Net sales increased \$56.1 million, or approximately 7.0%, to \$858.3 million for the nine months ended September 30, 2005 as compared to \$802.2 million for the nine months ended September 30, 2004. Of this amount, \$25.6 million is due to organic growth and \$6.9 million is the result of currency exchange as our reported results in U.S. dollars benefited from stronger foreign currencies. Also, we estimate approximately \$23.6 million represents recovery of steel cost increases passed through to customers. Rieke's net sales increased \$5.4 million, or approximately 5.6%, for the nine months ended September 30, 2005 as compared to the same period a year ago as a result of increasing sales of new

---

specialty dispensing products, the favorable effects of currency exchange, and recovery of steel cost increases passed through to customers. Cequent's net sales increased \$4.5 million, or approximately 1.1%, for the nine months ended September 30, 2005 as compared with the nine months ended September 30, 2004. After consideration of the favorable impacts of currency exchange (\$5.2 million) and steel price increases recovered from customers (\$14.9 million), Cequent's net sales decreased approximately \$15.6 million between years. This decrease is due to lower demand compared to the year-ago period and the impact of customer inventory adjustments, primarily within our towing and trailer products business units, as well as significant price competition in all market channels, but especially retail. Net sales within our Industrial Specialties segment increased \$38.6 million, or approximately 20.9%, for the nine months ended September 30, 2005 as compared with the nine months ended September 30, 2004 due to continued strong demand across all businesses in this segment and recovery of steel cost increases, most notably within our industrial cylinder business. Net sales within our Fastening Systems segment increased \$7.6 million, or approximately 6.6%, for the nine months ended September 30, 2005 as compared with the nine months ended September 30, 2004 due to improved demand for aerospace fasteners and recovery of steel cost increases charged by steel suppliers on industrial fastener products, offset by lower sales volumes of industrial fastener products due to market demand factors and customer inventory adjustments.

Gross profit margins (gross profit as a percentage of sales) approximated 22.7% and 24.9% for the nine months ended September 30, 2005 and 2004, respectively. Most notably, Cequent's gross profit margin declined from approximately 27.6% in the nine months ended September 30, 2004 to approximately 21.7% in the nine months ended September 30, 2005, due principally to reduced sales volumes of towing and trailer products in the higher margin wholesale distributor and installer channels, significant competitive pricing pressures in all market channels, but especially retail, and insufficient recovery of steel and other material cost increases via pricing. Rieke's gross profit margin declined from 37.6% in the first nine months of 2004 to 35.0% in the first nine months of 2005. The decline in gross profit margins is due principally to the impact of resin cost increases, steel cost recovery issues related to certain products in Europe and other cost increases not able to be fully recovered from customers. Gross profit within Industrial Specialties increased \$5.9 million in the first nine months of 2005 compared to the same period a year ago due to higher sales levels. However, gross profit as a percent of sales declined to approximately 23.1% for the nine months ended September 30, 2005 from approximately 24.7% for the nine months ended September 30, 2004 primarily as a result of steel cost increases incurred not able to be recovered from customers and increases in non-steel material costs including foil, yarn, asphalt and other oil-based products, which further eroded material margins. Within Fastening Systems, gross profit margins improved from approximately 5.1% for the nine months ended September 30, 2004 to approximately 14.5% for the nine months ended September 30, 2005. This improvement is due to increased sales of higher margin aerospace fasteners, improved material margins on non-steel related items, and operational efficiencies realized as a result of completing the consolidation of the Lakewood, Ohio facility into our Frankfort, Indiana facility during the fourth quarter 2004.

Operating profit margins (operating profit as a percentage of sales) approximated 8.0% and 9.0% for the nine months ended September 30, 2005 and 2004, respectively. The decline in operating profit margins is due principally to Cequent. Within Cequent, operating profit decreased \$18.7 million for the nine months ended September 30, 2005 compared to the nine months ended September 30, 2004 as this business segment reduced variable selling and other fixed costs by approximately \$4.2 million during the first nine months of 2005 compared to the year-ago period in response to reduced sales levels and overall lower gross profits. Operating profit margins at Rieke decreased to 22.0% for the nine months ended September 30, 2005 from 24.6% for the nine months ended September 30, 2004 as Rieke encountered steel, resin and other material cost increases not able to be recovered from customers as compared to the year ago period, and more recently, increased energy and transportation costs due to higher fuel prices. Within the Industrial Specialties segment, operating profit increased

\$5.7 million for the nine months ended September 30, 2005 as compared with the nine months ended September 30, 2004 as businesses in this segment benefited from significantly increased sales levels between years with only a nominal increase in related selling and other fixed costs required to

---

generate such sales pull-through. Also, in the first half of 2004, Compac incurred higher costs and operational inefficiencies associated with the consolidation of its manufacturing activities into its new Hackettstown, New Jersey facility which was completed during the fourth quarter 2004. Within Fastening Systems, operating profit improved approximately \$11.4 million during the first nine months of 2005 from an operating loss of \$5.8 million for the nine months ended September 30, 2004 to an operating profit of \$5.6 million for the nine months ended September 30, 2005. The year-ago period included approximately \$6.1 million of costs related to the consolidation of our Lakewood, Ohio plant into remaining facilities in Frankfort, Indiana, and Wood Dale, Illinois, which was completed by fourth quarter of 2004.

**Rieke Packaging Systems.** Net sales increased \$5.4 million, or approximately 5.6%, to \$103.6 million for the nine months ended September 30, 2005 compared to \$98.2 million for the nine months ended September 30, 2004. Of this amount, \$7.5 million relates to increased sales of new specialty dispensing products, \$1.3 million is due to the favorable impact of foreign currency exchange as a result of a weaker U.S. dollar, and we estimate \$0.6 million is attributed to steel cost increases recovered from customers. These increases were partially offset by an approximate \$2.0 million decrease in sales of core products, including industrial closures, rings and levers, compared to the year-ago period.

Rieke's gross profit margins declined to approximately 35.0% for the nine months ended September 30, 2005 from 37.6% for the nine months ended September 30, 2004, and gross profit earned was \$0.7 million less than the comparable year ago period. The beneficial impact of higher sales levels and the favorable impact of currency exchange were more than offset by increased resin, steel and other materials cost increases not able to be recovered from customers and higher energy costs, resulting in the decrease in gross profit margins between years.

Rieke's selling, general and administrative costs increased \$0.6 million to \$13.4 million from \$12.8 million for the nine months ended September 30, 2005 and 2004, respectively, as higher costs associated with launch activities of specialty pump dispensing products for consumer applications and more than offset costs incurred in the first half 2004 related to employee severance and maintaining compliance with various health and safety requirements at a European manufacturing facility.

Overall, Rieke's operating profit margins declined to approximately 22.0% for the nine months ended September 30, 2005 as compared with 24.6% for the nine months ended September 30, 2004. The impact of increased sales levels between years, the favorable effect of stronger foreign currencies on results reported in U.S. dollars, and certain employee-related and other regulatory health and safety costs that did not recur in the first nine months of 2005 were more than offset by increased resin, steel and other material cost increases not able to be fully recovered from customers. Operating margins were further impacted by increased costs associated with the launch of new specialty dispensing products and higher energy and transportation costs due to increased fuel prices.

**Cequent Transportation Accessories.** Net sales increased \$4.5 million, or approximately 1.1%, to \$409.7 million for the nine months ended September 30, 2005 compared to \$405.2 million for the nine months ended September 30, 2004. After consideration of the favorable impacts of currency exchange (\$5.2 million) and steel cost increases recovered from customers (\$14.9 million), net sales decreased approximately \$15.6 million between years. This decrease is due to lower demand compared to the year-ago period and the impact of customer inventory adjustments, primarily within our towing and trailer products business units, as well as significant price competition in all market channels, but especially retail. Also, sales in our Consumer Products business were \$2.5 million lower during second quarter of 2005 as compared to the year-ago period due to a one-time pipeline fill for a significant retail customer and we believe sales during the second quarter of 2004 were unusually strong as customers bought ahead of steel-related price increases.

Cequent's gross profit decreased \$22.7 million to \$89.0 million, or 21.7% of net sales, for the nine months ended September 30, 2005, from \$111.7 million or 27.6% of net sales for the nine months ended September 30, 2004. Of this decline in gross profit, we estimate \$4.3 million is attributed to the decrease in sales levels between years, principally in our towing and trailer businesses. Cequent's gross profit was further reduced due to significant competitive pricing pressures in all market channels, but

---

especially retail, and insufficient recovery of steel and other material cost increases via pricing. We estimate gross profit margins in the first nine months of 2005 were approximately 220 basis points lower due to the impact of: (1) higher steel costs incurred but not recovered from customers, and (2) higher steel costs incurred and recovered from customers, but on which no gross profit was earned.

Cequent's selling, general and administrative expenses decreased \$4.1 million to \$58.3 million for the first nine months of 2005 from \$62.3 million for the first nine months of 2004. Cequent reduced selling, general and administrative expenses in response to reduced sales levels and lower gross profits between years. In first quarter

2004, Cequent incurred approximately \$1.2 million in higher costs related to the consolidation of certain businesses distribution activities in South Bend, Indiana, and ramp-up of that facility's operations. These costs did not recur in the first nine months of 2005. Selling, general and administrative expenses as a percent of net sales decreased between years from 15.4% in the first nine months of 2004 to 14.2% in the first nine months of 2005.

Overall, Cequent's operating profit decreased \$18.7 million to \$30.7 million, or 7.5% of net sales, for the nine months ended September 30, 2005 from \$49.4 million, or 12.2% of net sales, for the nine months ended September 30, 2004. The decline in operating profit between years is the result of lower sales levels, principally in the towing and trailer products businesses and margin erosion in all market channels due to severe competitor pricing pressures and inability to recover fully steel and other material cost increases via pricing. These negative impacts to operating profit were partially offset by a reduction in selling, general and administrative expenses in response to reduced levels of sales activity and lower gross profits.

**Industrial Specialties.** Net sales during the nine months ended September 30, 2005, increased \$38.6 million, or approximately 20.9% compared to the same period a year ago. Of this amount, approximately \$35.6 million is a result of increasing demand for our products in the energy and petrochemical, general industrial, commercial construction, and defense markets due to new products, market share gains, and economic expansion. We estimate \$3.0 million is due to additional recovery of steel cost increases passed through to customers, principally within our industrial cylinder and precision tooling businesses.

Gross profit within our Industrial Specialties segment increased \$6.0 million from \$45.5 million in the first nine months of 2004 to \$51.5 million in the first nine months of 2005 due to the significant increase in sales levels between years. Gross profit margins, however, decreased to 23.1% for the nine months ended September 30, 2005 from approximately 24.7% for the nine months ended September 30, 2004, as a result of steel and other material costs including foil, yarn, asphalt and other oil-based products, not able to be recovered from customers, which further eroded gross margins.

Selling, general and administrative expenses increased only slightly to \$25.8 million for the nine months ended September 30, 2005 from \$25.5 million for the comparable period in 2004. As a percent of sales, selling, general and administrative expenses declined to 11.6% in the first nine months of 2005 from 13.8% for the first nine months of 2004, as this segment's businesses benefited from increased sales volumes between years. In the first nine months of 2004, we incurred approximately \$3.4 million of costs in connection with the consolidation of Compac's Netcong and Edison, New Jersey facilities to a new facility in Hackettstown, New Jersey that was completed in fourth quarter 2004. However, the impact of this reduction was partially offset as a result of our specialty gasket business recording a \$1.5 million charge in the first nine months of 2005 related to asbestos litigation defense costs.

Operating profit for the nine months ended September 30, 2005 increased \$5.7 million to \$25.7 million, or 11.5% of net sales, from \$20.0 million, or 10.9% of net sales for the nine months ended September 30, 2004. The increase between years is primarily due to increased sales volumes across all of this segment's businesses and reduced costs resulting from the completion of Compac's facility consolidation in fourth quarter 2004, partially offset by the impact of steel and other material cost increases incurred that were not recovered from customers and the charge recorded related to increased asbestos litigation defense costs.

**Fastening Systems.** Net sales for the nine months ended September 30, 2005, increased by \$7.6 million, or 6.6%, compared to the nine months ended September 30, 2004. Our aerospace fastener

---

business continues to experience strong market demand with a sales increase of approximately 28.1% over the same period a year ago due principally to an overall increase in the commercial and business jet build rates in 2005. In addition, we estimate approximately \$5.1 million of the sales increase is due to steel cost increases recovered from our industrial fastener customers. These increases in sales were partially offset by a decline in the sales levels of industrial fasteners of \$4.8 million for the nine months ended September 30, 2005 versus the same period a year ago due to overall market demand and as a result of major industrial customers adjusting inventory levels.

Gross profit within our Fastening Systems segment increased \$11.9 million to \$17.7 million, or 14.5% of sales, for the nine months ended September 30, 2005 from \$5.9 million, or 5.1% of sales, for the nine months ended September 30, 2004. This improvement is the result of a more profitable product mix due to increased sales of higher margin aerospace fasteners, improved material margins on non-steel related items as well as increased gross margins on industrial fasteners due to operational improvements resulting from plant consolidation activities completed in the fourth quarter of 2004. Also, the first nine months of 2004 included approximately \$5.1 million of costs related to the aforementioned plant consolidation activities largely completed in the fourth quarter 2004.

Selling, general and administrative expenses at Fastening Systems increased \$0.5 million overall to \$12.2 million, or 10.0% of net sales for the nine months ended September 30, 2005, from \$11.7 million, or 10.2% of net sales, for the nine months ended September 30, 2004. During the third quarter 2005, Lake Erie Products provided \$1.5 million in reserves for uncollectible accounts receivable due to bankruptcy filings by two customers. The year-ago period included approximately \$1.1 million of costs related to the consolidation of our Lakewood, Ohio plant into remaining facilities in Frankfort, Indiana, and Wood Dale, Illinois, which was largely completed in the fourth quarter of 2004.

Overall, operating profit within Fastening Systems increased \$11.4 million to \$5.6 million for the nine months ended September 30, 2005, from an operating loss of \$5.8 million for the nine months ended September 30, 2004. The improvement within the Fastening Systems segment between years is due to proportionately

greater sales of higher margin aerospace fasteners during the first nine months of 2005 relative to the year ago period, operational improvements related to integration activities completed during the prior year, and approximately \$6.2 million of costs related to the consolidation of the Lakewood, Ohio manufacturing facilities in the nine months ended September 30, 2004, that did not recur in 2005.

**Corporate Expenses and Management Fees.** Corporate office expenses and management fees were \$15.8 million for the nine months ended September 30, 2005 and approximately flat compared to the same period a year ago. On a comparative year-to-date basis, decreases in employee compensation and management incentive program costs of \$0.5 million were approximately offset by higher spending related to the Company's group medical, workers compensation and retirement benefit programs.

**Other Expense, Net.** Interest expense increased approximately \$5.8 million for the nine months ended September 30, 2005 compared to the nine months ended September 30, 2004 due to an increase in our weighted average interest rate from approximately 5.3% to approximately 7.2% during the nine months ended September 30, 2004 and September 30, 2005 respectively, and a higher level of borrowings on our revolving credit facility during the first half of 2005 to fund increased working capital needs. During the nine months ended September 30, 2005, other net expense was \$5.4 million as compared to \$0.7 million for the nine months ended September 30, 2004, or an increase of \$4.7 million. Of this amount, \$1.3 million relates to higher expenses incurred as a result of increased use of the Company's receivables securitization facility and receivables factoring to fund working capital needs and \$0.6 million is due to expenses incurred in connection with renewal of the Company's receivables securitization facility in July 2005. The remaining increase between years is primarily due to net losses on transactions denominated in foreign currencies other than the local currency of the company subsidiary that is a party to the transaction of \$2.5 million, compared to net gains on foreign currency transactions of \$0.7 million in the same period a year ago.

**Income Taxes.** The effective income tax rate for the nine months ended September 30, 2005 was 13.0% compared to 37.0% for the nine months ended September 30, 2004. The change in effective rate in the nine months ended September 30, 2005 compared to the same period a year ago is due to a

---

shift in pre-tax income from higher to lower-taxed jurisdictions and the mix of pre-tax income or loss between U.S. and foreign jurisdictions. For the nine months ended September 30, 2005, the Company reported foreign pre-tax income of \$8.7 million and domestic pre-tax loss of \$0.9 million. The domestic pre-tax loss included \$55.8 million of interest expense incurred on debt that is the obligation of U.S.-domiciled companies and \$2.8 million of expense related to our receivables securitization facility. In the nine months ended September 30, 2004, the Company reported foreign pre-tax income of \$28.8 million and a domestic pre-tax loss of \$7.6 million. The domestic pre-tax loss included \$50.0 million of interest expense incurred on debt that is the obligation of U.S.-domiciled companies.

## **Liquidity and Capital Resources**

### **Cash Flows**

Cash provided by operating activities for the nine months ended September 30, 2005 was approximately \$19.8 million as compared to cash used for operations of \$2.7 million for the nine months ended September 30, 2004. The improvement between years is primarily the result of improved working capital management within the second and third quarters of 2005 through aggressive collection of receivables and reductions in inventory levels. Also, included in cash provided by operating activities during the first nine months of 2005 is a net reduction of \$23.1 million in amounts outstanding under our receivables securitization facility. For the nine months ended September 30, 2004, the impact of greater net income from operations was largely offset by the increased investment in working capital, principally inventory, to support higher sales levels within our Cequent Transportation Accessories segment for the spring/summer selling season.

Net cash used for investing activities for the nine months ended September 30, 2005 was approximately \$11.5 million as compared to \$40.7 million for the same period a year ago. During the first three quarters of 2004, capital expenditures were \$20.6 million greater than the first three quarters of 2005 as we essentially completed our major restructuring and consolidation activities during 2004. We also generated net proceeds from the sale of facilities of \$3.5 million during the first nine months of 2005. During the first three quarters of 2004, capital spending was \$35.6 million due primarily to planned expenditures for our Hangzhou, China and Hackettstown, New Jersey facilities, and investments related to new product launches, mainly within our Rieke Packaging Systems segment. During the first quarter of 2004, we also completed the acquisition of the Theodore Bargman Company within our Cequent Transportation Accessories segment.

Net cash used for financing activities for the nine months ended September 30, 2005 of approximately \$9.1 million was utilized to pay down amounts on our revolving credit facility compared to cash provided by financing activities of \$39.8 million for the nine months ended September 30, 2004. During the first nine months of 2004, we incurred additional borrowings on our revolving credit facility to fund capital expenditures and retire an acquisition note payable.

### **Our Debt and Other Commitments**

Our credit facility includes a \$150.0 million revolving credit facility and a \$335.0 million term loan facility, of which \$6.0 million and \$283.8 million were outstanding, respectively, as of September 30, 2005. Up to \$100.0 million of our revolving credit facility is available to be used for one or more permitted acquisitions. Our credit facility also provides for an uncommitted \$125.0 million incremental term loan facility that, subject to certain conditions, is available to fund one or more permitted acquisitions. Amounts drawn under our revolving credit

facility fluctuate daily based upon our working capital and other ordinary course needs. Availability under our revolving credit facility depends upon, among other things, compliance with our credit agreement's financial covenants. Our credit facility contains negative and affirmative covenants and other requirements affecting us and our subsidiaries, including among others: restrictions on incurrence of debt (except for permitted acquisitions and subordinated indebtedness), liens, mergers, investments, loans, advances, guarantee obligations, acquisitions, asset dispositions, sale-leaseback transactions, hedging agreements, dividends and other restricted junior payments, stock repurchases, transactions with affiliates, restrictive

agreements and amendments to charters, by-laws, and other material documents. The terms of our credit agreement require us and our subsidiaries to meet certain restrictive financial covenants and ratios computed quarterly, including a leverage ratio (total consolidated indebtedness plus outstanding amounts under the accounts receivable securitization facility over consolidated EBITDA, as defined), interest expense ratio (consolidated EBITDA, as defined, over cash interest expense, as defined) and a capital expenditures covenant, the most restrictive of which is the leverage ratio.

On September 29, 2005, we amended our credit facility to modify certain financial and non-financial covenant requirements. The amended terms include: 1) increasing the permitted borrowings on letters of credit from \$40 million to \$45 million; 2) increasing the borrowing margin by 0.25%; 3) modifying the interest expense ratio to 2.00 to 1.00 for the quarter ended September 30, 2005 and increasing the threshold over time to 2.50 to 1.00 for the quarter ended March 31, 2007 and thereafter, and; 4) modifying the leverage ratio to 5.65 to 1.00 for the quarter ended September 30, 2005 through the first quarter of 2006, and reducing the leverage ratio over time to 3.25 to 1.00 in first quarter 2007 and thereafter. The Company was in compliance with its covenants at September 30, 2005.

Another important source of liquidity is our \$125.0 million accounts receivable securitization facility, under which we have the ability to sell eligible accounts receivable to a third-party multi-seller receivables funding company. At September 30, 2005, we had \$24.9 million outstanding under our accounts receivable facility and \$24.3 million of available funding based on eligible receivables. At September 30, 2005, we also had \$6.0 million outstanding under our revolving credit facility and had an additional \$107.8 million potentially available after giving effect to approximately \$36.2 million of letters of credit issued to support our ordinary course needs. However, after consideration of leverage restrictions contained in our credit facility, we had approximately \$68.7 million of borrowing capacity available for general corporate purposes.

We also have \$437.8 million (face value) 9 7/8% senior subordinated notes which are due in 2012.

Principal payments required on the term loan are: \$0.7 million due each calendar quarter ending through June 30, 2009, \$134.0 million due on September 30, 2009 and \$141.8 million due on December 31, 2009.

Our credit facility is guaranteed on a senior secured basis by us and all of our domestic subsidiaries, other than our special purpose receivables subsidiary, on a joint and several basis. In addition, our obligations and the guarantees thereof are secured by substantially all the assets of us and the guarantors.

Our exposure to interest rate risk results from the variable rates under our credit facility. Borrowings under the credit facility bear interest, at various rates, as more fully described in Note 7 to the accompanying consolidated financial statements as of September 30, 2005. Based on amounts outstanding at September 30, 2005, a 1% increase or decrease in the per annum interest rate for our credit facility would change our interest expense by approximately \$2.9 million annually.

We have other cash commitments related to leases. We account for these lease transactions as operating leases and annual rent expense related thereto approximates \$25.6 million. We expect to continue to utilize leasing as a financing strategy in the future to meet future capital expenditure needs and to reduce debt levels.

We conduct business in several locations throughout the world and are subject to market risk due to changes in the value of foreign currencies. We do not currently use derivative financial instruments to manage these risks. The functional currencies of our foreign subsidiaries are the local currency in the country of domicile. We manage these operating activities at the local level and revenues and costs are generally denominated in local currencies; however, results of operations and assets and liabilities reported in U.S. dollars will fluctuate with changes in exchange rates between such local currencies and the U.S. dollar.

As a result of the financing transactions entered into on June 6, 2002, the additional issuance of \$85.0 million aggregate principal amount of senior subordinated notes, and recent acquisitions, we are

highly leveraged. In addition to normal capital expenditures, we may incur significant amounts of additional debt and further burden cash flow in pursuit of our internal growth and acquisition strategies.

We believe that our liquidity and capital resources, including anticipated cash flows from operations, will be sufficient to meet debt service, capital expenditure and other short-term and long-term obligations needs for the foreseeable future, but we are subject to unforeseeable events and risks.

## Off-Balance Sheet Arrangements

We are party to an agreement to sell, on an ongoing basis, the trade accounts receivable of certain business operations to a wholly-owned, bankruptcy-remote, special purpose subsidiary, TSPC, Inc. ("TSPC"). TSPC, subject to certain conditions, may from time to time sell an undivided fractional ownership interest in the pool of domestic receivables, up to approximately \$125.0 million, to a third party multi-seller receivables funding company, or conduit. The proceeds of the sale are less than the face amount of accounts receivable sold by an amount that approximates the purchaser's financing costs. Upon sale of receivables, our subsidiaries that originated the receivables retain a subordinated interest. Under the terms of the agreement, new receivables can be added to the pool as collections reduce receivables previously sold. The facility is an important source of liquidity. At September 30, 2005, we had \$24.9 million outstanding and \$24.3 million available under this facility.

The facility is subject to customary termination events, including, but not limited to, breach of representations or warranties, the existence of any event that materially adversely affects the collectibility of receivables or performance by a seller and certain events of bankruptcy or insolvency. The initial three year term of this facility expired in September 2005 and was subsequently renewed in July 2005 under substantially the same terms and conditions, with an amended expiration date of December 31, 2007. In future periods, if we are unable to renew or replace this facility, it could materially and adversely affect our liquidity.

## Impact of New Accounting Standards

In May 2004, FASB Staff Position FAS 106-2, "*Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003*," was issued to provide guidance on the accounting effects of the Act. Based upon the guidance of FAS 106-2, the Company estimates that the federal subsidy included in the Act resulted in an approximate \$0.4 million reduction in the post-retirement benefit obligation and does not significantly change the 2004 post-retirement expense.

In May 2004, the FASB issued FASB Staff Position (FSP) No. FSP 109-2, "Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004," which provides guidance under SFAS No. 109, "Accounting for Income Taxes," with respect to recording the potential impact of the repatriation provisions of the American Jobs Creation Act of 2004 (the "Act") on enterprises' income tax expense and deferred tax liability. The Act was enacted on October 22, 2004. FSP 109-2 states that an enterprise is allowed time beyond the financial reporting period of enactment to evaluate the effect of the Jobs Act on its plan for reinvestment or repatriation of foreign earnings for purposes of applying SFAS No. 109. During the third quarter of 2005, the Company completed its analysis of foreign earnings able to be repatriated under the Act and expects to repatriate at least \$61.7 million of foreign earnings during the fourth quarter of 2005. The Company is performing further analysis to determine if it will be able to repatriate additional foreign earnings of up to \$15.0 million. The Company anticipates the associated tax on foreign earnings expected to be remitted to range from \$3.9 million to \$5.0 million. As of December 31, 2004, the Company has provided for applicable federal taxes of \$3.1 million on foreign earnings anticipated to be remitted. The Company recorded an additional \$0.8 million tax expense in the third quarter of 2005 to account for the anticipated repatriation.

In November 2004, the FASB issued SFAS No. 151, "*Inventory Costs – an amendment of Accounting Research Bulletin No. 43, Chapter 4*," which clarifies the accounting for abnormal amounts

---

of idle facility expense, freight, handling costs and wasted material (spoilage). Under SFAS No. 151, such items will be recognized as current-period charges. In addition, SFAS No. 151 requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. This statement will be effective for the Company for inventory costs incurred on or after January 1, 2006. The Company has not yet evaluated the potential impact the adoption of SFAS No. 151 will have on its financial position or results of operations.

In December 2004, the Financial Accounting Standards Board issued SFAS No. 123(R), "Share-Based Payment," which replaces SFAS No. 123 and supersedes APB No. 25. SFAS No. 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values. On April 14, 2005, the Securities and Exchange Commission ("SEC") approved a delay to the effective date of SFAS No. 123(R). Under the new SEC rule, SFAS No. 123(R) is effective for annual periods that begin after December 15, 2005. The pro forma disclosures previously permitted under SFAS No. 123 no longer will be an alternative to financial statement recognition. Under SFAS No. 123(R), the transition methods include prospective and retroactive adoption options. The Company is currently evaluating the requirements of SFAS No. 123(R) but has not yet determined the potential impact that the adoption of SFAS No. 123(R) may have on its financial position or results of operations.

In May of 2005, Statement No. 154, "Accounting Changes and Error Corrections—a replacement of APB Opinion No. 20 and FASB Statement No. 3," was issued which requires retrospective application to prior periods' financial statements for accounting for and reporting of voluntary changes in accounting principles. The Statement also requires that a change in depreciation, amortization, or depletion method for long-lived assets be accounted for as a change in accounting estimate. Application of this statement will be required for all changes made after December 15, 2005.

On March 30, 2005, the FASB issued FASB Interpretation No. 47, "*Accounting for Conditional Asset Retirement Obligations*," which clarifies the term conditional asset retirement obligation as used in FASB

Statement No. 143. The Interpretation is effective for TriMas no later than the end of fiscal 2006. The Company is currently evaluating the Interpretation, but has not yet determined what effect adoption will have on the consolidated financial statements.

### **Critical Accounting Policies**

The following discussion of accounting policies is intended to supplement the accounting policies presented in Note 3 to our 2004 audited financial statements. Certain of our accounting policies require the application of significant judgment by management in selecting the appropriate assumptions for calculating financial estimates. By their nature, these judgments are subject to an inherent degree of uncertainty. These judgments are based on our historical experience, our evaluation of business and macroeconomic trends, and information from other outside sources as appropriate.

**Receivables.** Receivables are presented net of allowances for doubtful accounts of approximately \$7.0 million at September 30, 2005. We monitor our exposure for credit losses and maintain adequate allowances for doubtful accounts. We determine these allowances based on historical write-off experience and/or specific customer circumstances and provide such allowances when amounts are reasonably estimable and it is probable a loss has been incurred. We do not have concentrations of accounts receivable with a single customer or group of customers and do not believe that significant credit risk exists due to our diverse customer base. Trade accounts receivable of substantially all domestic business operations may be sold, on an ongoing basis, to TSPC.

43

---

**Depreciation and Amortization.** Depreciation is computed principally using the straight-line method over the estimated useful lives of the assets. Annual depreciation rates are as follows: buildings and buildings/land improvements, ten to 40 years, and machinery and equipment, three to 15 years. Capitalized debt issuance costs are amortized over the underlying terms of the related debt securities. Customer relationship intangibles are amortized over periods ranging from six to 40 years, while technology and other intangibles are amortized over periods ranging from one to 30 years.

**Goodwill and Other Intangibles.** We test goodwill and indefinite-lived intangible assets for impairment on an annual basis, unless a change in business condition occurs which requires a more frequent evaluation. In assessing the recoverability of goodwill and indefinite-lived intangible assets, we estimate the fair value of each reporting unit using the present value of expected future cash flows and other valuation measures. We then compare this estimated fair value with the net asset carrying value. If carrying value exceeds fair value, then a possible impairment of goodwill exists and further evaluation is performed. Goodwill is evaluated for impairment annually as of December 31 using management's operating budget and five-year forecast to estimate expected future cash flows. However, projecting discounted future cash flows requires us to make significant estimates regarding future revenues and expense, projected capital expenditures, changes in working capital and the appropriate discount rate. While we believe our judgments and estimates are reasonable, if actual results differ significantly from our current estimates, we could experience an impairment of goodwill and other indefinite-lived intangibles that may be required to be recorded in future periods.

We review definite-lived intangible assets as events or changes in circumstances indicate that their carrying amounts may not be recoverable. The factors considered by management in performing these assessments include current operating results, business prospects, customer retention, market trends, potential product obsolescence, competitive activities and other economic factors. Future changes in our business or the markets for our products could result in impairments of other intangible assets that might be required to be recorded in future periods.

**Pension and Postretirement Benefits Other than Pensions.** We account for pension benefits and postretirement benefits other than pensions in accordance with the requirements of SFAS Nos. 87, 88, 106, and 132. Annual net periodic expense and accrued benefit obligations recorded with respect to our defined benefit plans are determined on an actuarial basis. We, together with our third-party actuaries, determine assumptions used in the actuarial calculations which impact reported plan obligations and expense. Annually, we and our actuaries review the actual experience compared to the most significant assumptions used and make adjustments to the assumptions, if warranted. The healthcare trend rates are reviewed with the actuaries based upon the results of their review of claims experience. Discount rates are based upon an expected benefit payments duration analysis and the equivalent average yield rate for high-quality fixed-income investments. Pension benefits are funded through deposits with trustees and the expected long-term rate of return on fund assets is based upon actual historical returns modified for known changes in the market and any expected change in investment policy. Postretirement benefits are not funded and our policy is to pay these benefits as they become due. Certain accounting guidance, including the guidance applicable to pensions, does not require immediate recognition or the effects of a deviation between actual and assumed experience or the revision of an estimate. This approach allows the favorable and unfavorable effects that fall within an acceptable range to be netted.

**Income Taxes.** Income taxes are accounted for using the provisions of SFAS No. 109 "Accounting for Income Taxes" ("SFAS 109"). Deferred income taxes are provided at currently enacted income tax rates for the difference between the financial statement and income tax basis of assets and liabilities and carry-forward items. The effective tax rate and the tax bases of assets and liabilities reflect management's estimates based on then-current facts. We continually review the need for and adequacy of valuation allowances if it is more likely than not that the benefit from the deferred tax asset will not be realized. We believe the current assumptions and other considerations used to estimate the current year effective tax rate and deferred tax positions are appropriate. However, actual outcomes may differ from our current estimates and assumptions.

44

---

**Other Loss Reserves.** We have other loss exposures related to environmental claims, asbestos claims and litigation. Establishing loss reserves for these matters requires the use of estimates and judgment in regard to risk exposure and ultimate liability. We are generally self-insured for losses and liabilities related principally to workers' compensation, health and welfare claims and comprehensive general, product and vehicle liability. Generally, we are responsible for up to \$0.5 million per occurrence under our retention program for workers' compensation, between \$0.3 million and \$2.0 million per occurrence under our retention programs for comprehensive general, product and vehicle liability, and have a \$0.3 million per occurrence stop-loss limit with respect to our self-insured group medical plan. We accrue loss reserves up to our retention amounts based upon our estimates of the ultimate liability for claims incurred, including an estimate of related litigation defense costs, and an estimate of claims incurred but not reported using actuarial assumptions about future events. We accrue for such items in accordance with SFAS No. 5 when such amounts are reasonably estimable and probable. We utilize known facts and historical trends, as well as actuarial valuations in determining estimated required reserves. Changes in assumptions for factors such as medical costs and actual experience could cause these estimates to change significantly.

#### **Other Matters**

On November 1, 2005, the Company's Board of Directors ("Board") appointed current Board Chairman Samuel Valenti III as Executive Chairman of the Board. In recognition of the additional commitment of time required of Mr. Valenti as Executive Chairman, including with respect to the strategic direction of the Company and significant business issues, the Board approved the following compensation package with effect from November 2, 2005: \$200,000 per annum payable in twelve equal monthly payments; and the issuance of 200,000 options to acquire shares of the Common Stock of the Company at an exercise price of \$23.00 per share pursuant to the terms of the Company's standard stock option agreement. Previously, Mr. Valenti received no compensation in his capacity as Board Chairman. Mr. Valenti continues to serve as a senior advisor to Heartland, but is no longer a Heartland Senior Managing Director.

#### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

In the normal course of business, we are exposed to market risk associated with fluctuations in foreign currency exchange rates. We are also subject to interest risk as it relates to long-term debt. See Item 2, "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" for details about our primary market risks, and the objectives and strategies used to manage these risks. Also see Note 7, "*Long-term Debt*," in the notes to the consolidated financial statements for additional information.

#### **Item 4. Controls and Procedures**

##### ***Evaluation of disclosure controls and procedures***

As of September 30, 2005, an evaluation was carried out by management, with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as such term is defined in Rule 13a-15(e) and Rule 15d-15(e) of the Securities Exchange Act of 1934, (the "Exchange Act")) pursuant to Rule 13a-15 of the Exchange Act. Our disclosure controls and procedures are designed only to provide reasonable assurance that they will meet their objectives. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that as of September 30, 2005, the Company's disclosure controls and procedures are effective to provide reasonable assurance that they will meet their objectives.

##### ***Changes in disclosure controls and procedures***

In connection with preliminary implementation activities to comply with the requirements of Sarbanes-Oxley Section 404, and as more fully disclosed in our Form 10-K for the year ended December 31, 2004, the Company identified certain control deficiencies at its Consumer Products

---

business unit within its Cequent Transportation Accessories segment. During the fourth quarter 2004, the Company initiated various actions to remediate the control deficiencies noted and continued their implementation during the quarterly period ended September 30, 2005. These actions included hiring a new controller, revising its monthly accounting and closing processes and controls, and the addition of supplemental financial resources to assist with effectively implementing the revised monthly accounting and control activities.

## Item 1. Legal Proceedings

A civil suit was filed in the United States District Court for the Central District of California in December 1988 by the United States of America and the State of California against more than 180 defendants, including us, for alleged release into the environment of hazardous substances disposed of at the Operating Industries, Inc. site in California. This site served for many years as a depository for municipal and industrial waste. The plaintiffs have requested, among other things, that the defendants clean up the contamination at that site. Consent decrees have been entered into by the plaintiffs and a group of the defendants, including us, providing that the consenting parties perform certain remedial work at the site and reimburse the plaintiffs for certain past costs incurred by the plaintiffs at the site. We estimate that our share of the clean-up will not exceed \$500,000, for which we have insurance proceeds. Plaintiffs had sought other relief such as damages arising out of claims for negligence, trespass, public and private nuisance, and other causes of action, but the consent decree governs the remedy. While, based upon our present knowledge and subject to future legal and factual developments, we do not believe that any of these litigations will have a material adverse effect on our financial position, results of operations or cash flows. Future legal and factual developments may result in materially adverse expenditures.

As of September 30, 2005, we were a party to approximately 1,470 pending cases involving an aggregate of approximately 19,000 claimants alleging personal injury from exposure to asbestos containing materials formerly used in gaskets (both encapsulated and otherwise) manufactured or distributed by certain of our subsidiaries for use in the petrochemical refining and exploration industries. In addition, we acquired various companies to distribute our products that had distributed gaskets of other manufacturers prior to acquisition. We believe that many of our pending cases relate to locations at which none of our gaskets were distributed or used. Total settlement costs (exclusive of defense costs) for all such cases, some of which were filed over 13 years ago, have been approximately \$3.0 million. All relief sought in the asbestos cases is monetary in nature. We do not have significant primary insurance to cover our settlement and defense costs. We believe that significant coverage under excess insurance policies of former owners is available to us, but we are in the process of reconstructing the documentation for these policies, and such insurance may not be available. Further, we may be subjected to significant additional claims in the future, the cost of settling cases may increase for cases in which product identification can be made, and we may be subjected to further claims in respect of the former activities of our acquired gasket distributors. We are unable to make a meaningful statement concerning the monetary claims made in the asbestos cases given that, among other things, claims may be initially made in some jurisdictions without specifying the amount sought or by simply stating the requisite or maximum permissible monetary relief, and may be amended to alter the amount sought. In addition, relatively few of the claims have reached the discovery stage and even fewer claims have gone past the discovery stage. Based on the settlements made to date and the number of claims dismissed or withdrawn for lack of product identification, the Company believes that the relief sought (when specified) does not bear a reasonable relationship to the Company's potential liability. Based upon our experience to date and other available information (including the availability of excess insurance), we do not believe that these cases will have a material adverse effect on our financial condition or future results of operations.

The Company has provided reserves based upon its present knowledge and, subject to future legal and factual development, does not believe that the ultimate outcome of any of the aforementioned litigations will have a material adverse effect on its consolidated financial position and future results of operations and cash flows. However, there can be no assurance that future legal and factual developments will not result in a material adverse impact on our financial condition and future results of operations.

We are subject to other claims and litigation in the ordinary course of our business, but do not believe that any such claim or litigation will have a material adverse effect on our financial position or results of operations.

---

## Item 2. Changes in Securities and Use of Proceeds.

None of our securities, which are not registered under the Securities Act, have been issued or sold by us during the period covered by this report.

## Items 3, 4 and 5.

Not applicable.

## Item 6. Exhibits and Reports on Form 8-K

### (a) Exhibits:

- 3.1 (a) Amended and Restated Certificate of Incorporation of TriMas Corporation.
- 3.2 (a) Amended and Restated By-laws of TriMas Corporation.
- 4.1 (a) Indenture relating to the 9 7/8% senior subordinated notes, dated as of June 6, 2002, by and among TriMas Corporation, each of the Guarantors named therein and The Bank of New York as trustee.
- 4.2 (a) Form of note (included in Exhibit 4.1(a)).

- 4.3 (a) Registration Rights Agreement relating to the 9 7/8% senior subordinated notes issued June 6, 2002 dated as of June 6, 2002 by and among TriMas Corporation and the parties named therein.
- 4.4 (b) Registration Rights Agreement relating to the 9 7/8% senior subordinated notes issued December 10, 2002 dated as of December 10, 2002 by and among TriMas Corporation and the parties named therein.
- 4.5 (c) Supplemental Indenture dated as of March 4, 2003.
- 4.6 (d) Supplemental Indenture No. 2 dated as of May 9, 2003.
- 4.7 (e) Supplemental Indenture No. 3 dated as of August 6, 2003.
- 10.1 Separation and Consulting Agreement dated as of May 20, 2005.
- 31.1 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- (a) Incorporated by reference to the Exhibits filed with our Registration Statement on Form S-4, filed on October 4, 2002 (File No. 333-100351).
- (b) Incorporated by reference to the Exhibits filed with Amendment No. 2 to our Registration Statement on Form S-4, filed on January 28, 2003 (File No. 333-100351).
- (c) Incorporated by reference to the Exhibits filed with our Annual Report on Form 10-K filed March 31, 2003 (File No. 333-100351).
- (d) Incorporated by reference to the Exhibits filed with our Registration Statement on Form S-4, filed June 9, 2003 (File No. 333-105950).
- (e) Incorporated by reference to the Exhibits filed with our Form 10-Q filed on August 14, 2003 (File No. 333-100351).

48

---

**Signature**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**TriMas Corporation  
(Registrant)**

Date: November 14, 2005

By: /s/ E.R. Autry  
E.R. Autry  
Chief Financial Officer and  
Chief Accounting Officer

49

---

**Certification**  
**Pursuant to Section 302 of The Sarbanes-Oxley Act of 2002**  
**(Chapter 63, Title 18 U.S.C. Section 1350(A) and (B))**

I, Grant H. Beard, certify that:

1. I have reviewed this quarterly report on Form 10-Q of TriMas Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2005

/s/ Grant H. Beard  
Grant H. Beard  
Chief Executive Officer

---

**Certification**  
**Pursuant to Section 302 of The Sarbanes-Oxley Act of 2002**  
**(Chapter 63, Title 18 U.S.C. Section 1350(A) and (B))**

I, E.R. Autry, certify that:

1. I have reviewed this quarterly report on Form 10-Q of TriMas Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2005

/s/ E.R. Autry

\_\_\_\_\_  
E.R. Autry  
Chief Financial Officer

---

**Certification Pursuant to  
18 U.S.C. Section 1350,  
As Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of TriMas Corporation (the "Company") on Form 10-Q for the period ended September 30, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Grant H. Beard, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2005

/s/ Grant H. Beard  
Grant H. Beard  
Chief Executive Officer

---

**Certification Pursuant to  
18 U.S.C. Section 1350,  
As Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of TriMas Corporation (the "Company") on Form 10-Q for the period ended September 30, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, E.R. Autry, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2005

/s/ E.R. Autry  
E.R. Autry  
Chief Financial Officer

---