TRIMAS CORP
Form 424B4
May 21, 2007

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Registration No. 333-136263

P R O S P E C T U S

11,000,000 Shares

TriMas Corporation

Common Stock

This is our initial public offering. We are offering 11,000,000 shares to be sold in this offering.

Since January 1998, there has been no public market for our common stock. Our common stock has been approved for listing on the New York Stock Exchange under the symbol "TRS."

Investing in the common stock involves risks that are described in the "Risk Factors" section beginning on page 10 of this prospectus.

	Per Share	Total
Public offering price	$ 11.00	$ 121,000,000
Underwriting discounts and commissions	$ 0.77	$ 8,470,000
Proceeds, before expenses, to us	$ 10.23	$ 112,530,000

The underwriters will have an option for a period of 30 days to purchase up to 1,650,000 additional shares of TriMas Corporation common stock from us on the same terms and conditions set forth above to cover overallotments, if any.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about May 23, 2007.

Goldman, Sachs & Co. **Merrill Lynch & Co.**
Credit Suisse **JPMorgan**
Banc of America Securities LLC **Jefferies & Company** **KeyBanc Capital Markets**

The date of this prospectus is May 17, 2007.

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You should rely only on the information contained in this prospectus or in any related free writing prospectus. We have not authorized anyone to provide you with information different from that contained in this prospectus, as supplemented by any related free writing prospectus. We are offering to sell, and seeking offers to buy shares of our common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common stock.

No action is being taken in any jurisdiction outside the United States to permit a public offering of the common stock or possession or distribution of this prospectus in that jurisdiction. Persons who come into possession of this prospectus in jurisdictions outside the United States are required to inform themselves about and to observe any restrictions as to this offering and the distribution of this prospectus applicable to those jurisdictions.

MARKET AND INDUSTRY DATA

Due to the variety of our products and the niche markets that we serve, there are few published independent sources for data related to the markets for many of our products. To the extent we are able to express our belief on the basis of data derived in part from independent sources, we have done so. To the extent we have been unable to do so, we have expressed our belief solely on the basis of our own internal analyses and estimates of our and our competitors' products and capabilities. Industry publications and surveys and forecasts that we have utilized generally state that the information contained therein has been obtained from sources believed to be reliable. Although we believe that the third-party sources are reliable, we have not independently verified any of the data from third-party sources nor have we ascertained the underlying assumptions or basis for any such information. In general, when we say we are a "leader" or a "leading" manufacturer or make similar statements about ourselves, we are expressing our belief that we formulated principally from our estimates and experiences in, and knowledge of, the markets in which we compete. In some cases, we possess independent data to support our position, but that data may not be sufficient in isolation for us to reach the conclusions that we have reached without our knowledge of our markets and businesses.

Use of Trademarks

Arrow®, Bargman®, Bulldog®, Compac , Composi-Lok®, Composi-Lok® II, Draw-Tite®, Englass®, FlexSpout®, Fulton®, Hidden Hitch®, Highland "*The Pro's Brand*"®, Keo®, Lamons , LEP , OSI-Bolt®, Poly-ViseGrip , Radial-Lok®, Reese®, Reese Outfitter®, Reese Towpower , Rieke®, ROLA®, Stolz®, Tekonsha®, Tow Ready , ViseGrip®, Visu- Lok®, Visu-Lok® II and Wesbar® are among our registered trademarks. This prospectus also includes other registered and unregistered trademarks of ours. All other trademarks, trade names and service marks appearing in this prospectus are the property of their respective owners.

PROSPECTUS SUMMARY

This summary highlights the material information contained elsewhere in this prospectus. You should read this entire prospectus carefully, including "Risk Factors" and our financial statements and the notes to those financial statements included elsewhere in this prospectus. Unless the context otherwise requires, the terms "we," "our," "us" and "the Company" refer to TriMas Corporation and its subsidiaries.

Our Company

We are a manufacturer of highly engineered products serving niche markets in a diverse range of commercial, industrial and consumer applications. Most of our businesses share important characteristics, including leading market shares, strong brand names, broad product offerings, established distribution networks, relatively high operating margins, relatively low capital investment requirements, product growth opportunities and strategic acquisition opportunities. We believe that a majority of our 2006 net sales were in markets in which our products have the number one or number two market position within their respective product categories. In addition, we believe that in many of our businesses, we are one of only a few manufacturers in the geographic markets where we currently compete.

Our broad product portfolio and customer base, as well as diverse end-markets reduce our dependence on any one product, customer, distribution channel, geographic region or industry segment. We are led by an experienced management team that pursues the highest level of customer satisfaction. Our operating system allows us to build on the strengths of each of our operating segments and across our businesses as a whole. Our businesses are organized into five operating segments, each of which represents a distinct business platform: Packaging Systems, Energy Products, Industrial Specialties, RV& Trailer Products and Recreational Accessories.

Packaging Systems. We believe Packaging Systems is a leading designer, manufacturer and distributor of specialty, highly engineered closure and dispensing systems for a range of niche end markets, including steel and plastic industrial and consumer packaging applications. We also manufacture specialty laminates, jacketings and insulation tapes used with fiberglass insulation as vapor barriers in commercial and industrial construction applications. Our brands include Rieke® and Compac .

Energy Products. We believe Energy Products is a leading designer, manufacturer and distributor of a variety of engines and engine replacement parts and accessory products for the oil and gas industry as well as metallic and non-metallic industrial sealant products and fasteners for the petroleum refining, petrochemical and other industrial markets. We are the largest gasket supplier to the domestic petroleum industry. Our brands include Lamons® and Arrow®.

Industrial Specialties. We believe Industrial Specialties is a leading designer, manufacturer and distributor of a diverse range of industrial products for use in niche markets within the aerospace, industrial, defense and medical equipment markets. This segment's products include highly engineered composite aerospace fasteners, high-pressure and low-pressure cylinders for the transportation, storage and dispensing of compressed gases, precision tools, and military ordnance components and steel cartridge cases. Our brands include Monogram Aerospace Fasteners, Norris Cylinder, Keo® Cutters and Richards Micro-Tool.

RV & Trailer Products. We believe RV & Trailer Products is a leading designer, manufacturer and distributor of a wide variety of high-quality, custom-engineered trailer products, lighting accessories and roof racks for the trailer original equipment manufacturers, recreational vehicle, agricultural/utility, marine and commercial trailer markets. We believe it is also the market leader in brake control solutions. Our brands include Bargman®, Bulldog®, Fulton®, Wesbar® and Tekonsha®.

Recreational Accessories. We believe Recreational Accessories is a leading designer, manufacturer and distributor of a wide range of aftermarket cargo management products, towing and hitch systems and accessories and vehicle protection products used to outfit and accessorize light trucks, sport utility vehicles and passenger cars. Our brands include Draw-Tite®, Reese®, Hidden Hitch®, Tow Ready , ROLA and Highland "*The Pro's Brand*"®.

Our Strategy

Guided by our experienced senior management team and a disciplined operating approach, we have pursued and intend to continue to pursue the following strategies:

Continued Product Innovation. Product development and expanded market and product line offerings have historically driven and will continue to drive organic growth initiatives. We currently have a significant number of pending product initiatives across all of our business segments.

Pursue International Growth Opportunities. We have launched initiatives to expand sales and product lines outside of our traditional NAFTA-based markets across all businesses in our portfolio. We are currently focusing on growth in Asia, Western Europe and South America.

Pursue Lower-Cost Manufacturing and Sourcing Initiatives. We continue to focus on lean manufacturing, global sourcing and selectively shifting manufacturing capabilities to countries with lower production costs. For example, we recently launched two lower-cost manufacturing facilities in China and one in Thailand, and have also expanded our Mexican operations.

Pursue Strategic Niche Acquisitions on a Disciplined Basis. We have completed and integrated over 30 acquisitions since 1986, including seven since June 2002. We have acquired and our current acquisition strategy targets, companies with engineered products and strong market positions and, in our opinion, sustainable organic growth prospects.

Risks Related to Our Strategies

You should also consider the many risks we face that could mitigate our competitive strengths and limit our ability to implement our business strategies, including:

we may be unable to maintain or enhance our competitive positions if we are unable to address technological advances, implement new and more cost effective manufacturing techniques or introduce new or improved products;

we face the risk of lower cost foreign manufacturers competing in the markets for our products and we may be adversely impacted;

our ability to improve or sustain operating margins as a result of cost-savings may be limited and may be further impacted by increases in steel, resins and other material commodities or energy costs to the extent we are unable to offset any such cost increases with price increases on a timely basis;

in the past, we have grown through acquisitions and we may be unable to identify attractive acquisition candidates, successfully integrate acquired operations or realize the intended benefits of our acquisitions;

as of March 31, 2007 we had approximately $723.5 million of outstanding debt and would have had $625.8 million of outstanding debt after giving effect to this offering and the use of proceeds therefrom as described under "Use of Proceeds"; after this offering, we will continue to have substantial principal and interest payment obligations; and

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as we expand our international operations we may be subjected to risks not present in the U.S. markets such as foreign and U.S. government regulations and restrictions, tariffs and other trade barriers, foreign exchange risks and other risks related to political, economic and social instability.

Our Executive Offices and Structure

TriMas Corporation is a Delaware corporation. Our principal executive offices are located at 39400 Woodward Avenue, Suite 130, Bloomfield Hills, Michigan 48304. Our telephone number is (248) 631-5450. Our web site address is www.trimascorp.com. Information contained on our web site is not a part of this prospectus.

TriMas Corporation is a holding company with no material assets of its own other than 100.0% of the capital stock of an intermediate holding company, TriMas Company LLC. TriMas Company LLC directly or indirectly owns our domestic and foreign operating subsidiaries, which represent the primary source of all of our revenues and are the primary owners of all of our operating assets. All of our senior credit facility and public debt are issued or guaranteed by TriMas Corporation, TriMas Company LLC and our domestic subsidiaries (other than our receivables financing subsidiary).

As of December 31, 2006, we employed approximately 5,100 people, 19% of which were located outside the United States. We operate 15 domestic manufacturing facilities and 12 manufacturing facilities located outside the United States. Our foreign manufacturing facilities are located in Australia, Canada, China, the United Kingdom, Italy, Thailand, Germany and Mexico.

Company Background and Our Principal Stockholder

We operated as an independent public company from 1989 through 1997. In 1998, we were acquired by Metaldyne Corporation (formerly MascoTech, Inc.) ("Metaldyne") and in November 2000 Metaldyne was acquired by an investor group led by Heartland Industrial Partners, L.P. ("Heartland") and Credit Suisse. On June 6, 2002, an investor group led by Heartland acquired 66.0% of our fully diluted common equity from Metaldyne for cash with the objective of permitting us to independently pursue growth opportunities.

On January 11, 2007, Metaldyne merged into a subsidiary of Asahi Tec Corporation ("Asahi") whereby Metaldyne became a wholly-owned subsidiary of Asahi. In connection with the consummation of the merger, Metaldyne dividended the 4,825,587 shares of our common stock that it owned on a pro rata basis to the holders of Metaldyne's common stock at the time of such dividend. This dividend of our common stock is referred to herein as the "Metaldyne Dividend." As part of the Metaldyne Dividend, Heartland, Credit Suisse and Masco Corporation were distributed 2,413,193, 1,186,276 and 280,701 shares of our voting common equity, respectively and upon consummation of this offering will beneficially own 47.5%, 3.7% and 7.7%, respectively of our fully diluted common equity (valued in aggregate at $166.0 million, $13.0 million and $27.0 million, respectively) assuming no exercise of the over-allotment option. As a result of the merger, Metaldyne and we are no longer related parties. See "Related Party Transactions." See "Principal Stockholders."

Our Principal Stockholder and Other Significant Stockholders & Relationships

Heartland. Heartland currently owns approximately 72.7% of our outstanding voting common equity. After giving effect to this offering (assuming no exercise of the over-allotment option) Heartland will own 47.5% of our outstanding voting common equity. One of our directors is the Managing Member of Heartland's General Partner. Entities affiliated with our Chairman also own limited liability company interests in Heartland Additional Commitment Fund, LLC which is a limited partner in Heartland.

Masco Corporation. Masco Corporation, both directly and through its wholly-owned subsidiary, Masco Capital Corporation, currently owns approximately 11.8% of our outstanding voting common equity. After giving effect to this offering (assuming no exercise of the over-allotment option) Masco Corporation together with Masco Capital Corporation would beneficially own 7.7% of our outstanding voting common equity. Our Chairman is also the President and Chairman of Masco Capital Corporation.

Credit Suisse. Credit Suisse currently owns 1,186,276 shares of our outstanding voting common equity as a result of the Metaldyne Dividend. After giving effect to this offering (assuming no exercise of the over-allotment option) Credit Suisse will own approximately 3.7% of our outstanding voting common equity.

We, Heartland, Masco Capital Corporation, Masco Corporation and Credit Suisse are party to a shareholders agreement relating to the ownership of our common equity. See "Related Party Transactions Shareholders Agreements." We are not aware of any additional agreements or understandings between or among Heartland, Masco Capital Corporation, Masco Corporation, Credit Suisse and any of our directors or officers concerning our common equity.

Heartland and those of our directors associated with Heartland will realize certain direct and indirect costs and benefits from this offering, including the following: (1) all pre-offering owners of our common stock will benefit from the creation of a public market for our common stock although Heartland, Masco Capital Corporation, Masco Corporation and Credit Suisse will be subject to lock-up agreements described elsewhere in this prospectus; (2) Heartland will continue to own, and as a result one of our directors will continue to control, shares representing 47.5% of our voting stock (valued in aggregate at $166.0 million); Heartland originally acquired 66% of our fully diluted common equity from Metaldyne at an aggregate cost of $265.0 million; (3) Heartland is agreeing to a contractual settlement of its right to receive an annual monitoring fee of $4.0 million in exchange for a $10.0 million payment, but subject to approval on a case by case basis by the disinterested members of our Board of Directors, may continue to earn fees not to exceed 1.0% of the transaction value for services provided in connection with certain future financings, acquisitions and divestitures by us; and (4) Heartland will suffer a reduction in its percentage of share ownership and will have reduced representation on our Board of Directors and its committees, although Heartland will continue to control 47.5% of our shares immediately following this offering, as indicated above, and as a result of our Shareholders Agreement, Heartland will continue to have the ability to elect a majority of our Board of Directors.

At the time of the June 2002 transactions, we, Metaldyne and Heartland entered into a number of agreements pertaining to, among other things, Heartland's investment, the dividend to Heartland, our respective ongoing relationships and the allocation of certain liabilities that might arise. We subsequently repurchased some of our common stock from Metaldyne in April 2003 at the same price as originally paid by Heartland. See "Related Party Transactions." Consequently, there are continuing ongoing relationships that will exist between us, on the one hand, and Heartland, Metaldyne and certain of our officers and directors, on the other hand. See "Management," "Principal Stockholders," "Related Party Transactions Benefits of This Offering to Certain Related Parties" and the relevant portions of the section captioned "Risk Factors." None of these matters are specific to this offering.

The Offering

Common stock offered by us	11,000,000 shares
Shares to be outstanding after the offering	31,759,500 shares
Use of proceeds	We estimate that our net proceeds from this offering after underwriting discounts and estimated offering expenses, will be approximately $109.1 million. We intend to use a portion of these net proceeds to redeem approximately $100.3 million in aggregate principal amount of our senior subordinated notes (plus a $5.0 million call premium) and the remainder of these proceeds, along with $6.2 million of cash on hand and revolving credit borrowings, to make a $10.0 million payment to terminate the annual fee paid to Heartland under the Advisory Agreement.
Dividend policy	We do not anticipate paying any cash dividends in the foreseeable future.
Risk factors	Please read "Risk Factors" and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in shares of our common stock.

We have been approved to list the shares on the New York Stock Exchange under the symbol "TRS."

Unless we specifically state otherwise, all information in this prospectus:

- assumes no exercise of the over-allotment option granted by us in favor of the underwriters; and

- excludes 2,222,000 shares of common stock reserved for issuance under our long-term equity incentive plan including, as of May 4, 2007, 2,011,268 shares of common stock issuable upon the exercise of outstanding stock options under the long-term equity incentive plan at exercise prices of $20.00 per share and $23.00 per share, of which 1,183,429 and 207,931 options were vested, respectively.

Summary Financial Data

The following table sets forth our summary financial data for the three years ended December 31, 2006 and the three months ended March 31, 2007 and 2006, as well as summary pro forma balance sheet data as of March 31, 2007. The summary financial data for the fiscal years ended December 31, 2006, 2005 and 2004 have been derived from our audited financial statements and notes to those financial statements included elsewhere in this prospectus. The financial statements for the years ended December 31, 2006, 2005 and 2004 have been audited by KPMG LLP. The summary information for the three months ended March 31, 2007 has been derived from our unaudited interim financial statements and the notes to those financial statements included elsewhere in this prospectus, which, in the opinion of management, include all adjustments which are normal and recurring in nature and necessary for the fair presentation of that data for such periods.

The pro forma summary balance sheet data reflects the impact of this offering and the use of proceeds therefrom as if it had occurred as of March 31, 2007. The following data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Unaudited Pro Forma Financial Information" and our financial statements and the notes thereto, each included elsewhere in this prospectus.

	Three months ended March 31,		Year ended December 31,		
	2007	2006	2006	2005	2004
	(unaudited)	(unaudited)			
	(dollars and shares in thousands, except per share data)				
Statement of Operations Data:					
Net sales	$ 286,690	$ 273,030	$ 1,020,530	$ 1,000,860	$ 931,400
Gross profit	79,290	73,340	273,520	246,990	256,530
Impairment of goodwill			(116,500)		
Operating profit (loss)	33,340	28,660	(13,620)	84,320	88,520
Income (loss) from continuing operations(1)	8,390	4,940	(108,180)	1,010	13,910
Basic Earnings (Loss) Per Share Data(2):					
Continuing operations	$ 0.40	$ 0.25	$ (5.35)	$ 0.05	$ 0.70
Weighted average shares for basic EPS	20,760	20,010	20,230	20,010	20,010
Diluted Earnings (Loss) Per Share Data(2):					
Continuing operations	$ 0.40	$ 0.24	$ (5.35)	$ 0.05	$ 0.67
Weighted average shares for diluted EPS	20,760	20,760	20,230	20,760	20,760

(1) For the year ended December 31, 2006, includes a non-cash, after-tax charge of $115.3 million ($5.70 per share) related to impairment of goodwill and a substantially non-cash, after-tax charge of $5.4 million ($0.27 per share) for debt extinguishment costs related to the refinancing of our senior secured credit facilities.

(2) In September 2006, a warrant to purchase 750,000 shares of our stock was exercised on a cashless basis into 749,500 shares.

	Three months ended March 31,		Year ended December 31,		
	2007	**2006**	**2006**	**2005**	**2004**
	(unaudited)	**(unaudited)**			
	(dollars and shares in thousands, except per share data)				
Statement of Cash Flows Data:					
Cash flows provided by (used for)					
operating activities	$ 26,940	$ 11,010	$ 15,880	$ 29,890	$ 42,620
investing activities	(15,480)	(4,650)	(22,160)	(16,640)	(46,840)
financing activities	(11,160)	(8,380)	6,150	(12,610)	530
Other Financial Data:					
Depreciation and amortization(3)(4)	$ 9,840	$ 9,920	$ 38,520	$ 37,090	$ 36,190
Capital expenditures(4)	6,580	5,040	25,640	20,300	36,110
Adjusted EBITDA(5)(6)	40,730	35,620	122,690	113,140	117,470

	As of March 31, 2007	
	Actual	**Pro Forma(7)**
	(unaudited)	
	(dollars in thousands)	
Balance Sheet Data:		
Cash and cash equivalents	$ 3,900	$
Current assets	328,080	324,180
Goodwill and other intangibles, net	765,680	765,680
Total assets	1,300,150	1,293,900
Current liabilities	217,300	217,300
Total debt	723,520	625,830
Shareholders' equity	239,320	337,450

(3) Includes non-cash charges of $0.4 million and $0.6 million in 2005 and 2004, respectively, to write off customer relationship intangibles as we no longer maintain a sales relationship with several customers. See Note 7 to the audited financial statements included elsewhere in this prospectus.

(4) Reflects amounts attributable to continuing operations.

(5) In evaluating our business, our management considers and uses 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, before interest, taxes, depreciation, amortization, non-cash asset and goodwill impairment charges and write-offs, non-cash losses on sale-lease back of property and equipment and write-off of equity offering costs. 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 we may undertake new consolidation, restructuring and integration efforts in the future as a result of our acquisition activity, our management separately considers these costs in evaluating underlying business performance. Caution must be exercised in considering 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. 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 eliminating 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

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No. 142 (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 or 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 GAAP. These limitations are discussed under "Management's Discussion and Analysis of Financial Condition and Results of Operations." 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.

The following is a reconciliation of our Adjusted EBITDA to net income (loss) before cumulative effect of accounting change and cash flows from operating activities:

	Three months ended March 31,		Year ended December 31,		
	2007	2006	2006	2005	2004
			(dollars in thousands)		
Net income (loss) before effect of cumulative accounting change	$ 7,050	$ 3,600	$ (128,910)	$ (45,460)	$ (2,190)
Income tax expense (benefit)(a)	4,980	2,170	(6,520)	(30,580)	(4,290)
Interest expense(b)	18,860	19,920	78,510	75,210	67,650
Debt extinguishment costs			8,610		
Impairment of assets(c)			15,760	73,220	10,650
Impairment of goodwill(d)			116,500		
Write-off of deferred equity offering costs					1,140
Depreciation and amortization(e)	9,840	9,930	38,740	40,750	44,510
Adjusted EBITDA	$ 40,730	$ 35,620	$ 122,690	$ 113,140	$ 117,470
Interest paid	(6,630)	(5,280)	(69,880)	(70,550)	(61,650)
Taxes paid	(2,260)	(4,930)	(14,050)	(12,630)	(10,220)
Legacy stock award payments					(5,400)
Loss on disposition of plant and equipment	380	100	3,530	300	790
Payments to Metaldyne to fund contractual liabilities			(4,340)	(2,900)	(4,610)
Receivables sales and securitization, net	28,750	25,120	(14,120)	(9,580)	47,960
Net change in working capital and other, net	(34,030)	(39,620)	(7,950)	12,110	(41,720)
Cash flows provided by operating activities	$ 26,940	$ 11,010	$ 15,880	$ 29,890	$ 42,620

(a) Includes income tax benefit related to discontinued operations of approximately $0 and $0.9 million for the three months ended March 31, 2007 and 2006, respectively, and $9.3 million, $32.6 million and $10.2 million in 2006, 2005 and 2004, respectively. See Note 5, "Discontinued Operations and Assets Held for Sale," to the financial statements included elsewhere in this prospectus for further information.

(b) Includes $0.5 million reduction in interest expense in the fourth quarter of 2006 related to asset retirement obligations of discontinued operations.

(c) Includes asset impairments related to continuing operations of approximately $0.5 million, $3.0 million and $2.4 million in 2006, 2005 and 2004, respectively. Also includes impairment charges of $15.3 million, $70.3 million and $8.3 million in 2006, 2005 and 2004, respectively, related to our industrial fastening business which is reported as discontinued operations.

(d) Goodwill impairment charge of $97.5 million and $19.0 million in our RV & Trailer Products and Recreational Accessories segments, respectively, in the fourth quarter of 2006.

(e) Includes depreciation and amortization related to discontinued operations in the amounts of $0.2 million, $3.7 million, and $8.3 million in 2006, 2005 and 2004, respectively.

The following details certain items relating to our consolidation, restructuring and integration efforts that are included in the determination of net income (loss) under GAAP and are not added back to net income (loss) in determining Adjusted EBITDA, but that we separately consider in evaluating our Adjusted EBITDA:

	Three months ended March 31,		Year ended December 31,		
	2007	2006	2006	2005	2004
	(dollars in thousands)				
Facility and business consolidation costs(a)	$ 110	$ 20	$ 200	$ 200	$ 280
Business unit restructuring costs(b)		90	430	1,130	6,250
Acquisition integration costs(c)		290	970	1,290	1,510
	$ 110	$ 400	$ 1,600	$ 2,620	$ 8,040

(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.

(6) Adjusted EBITDA herein includes discontinued operations. See "Management's Discussion and Analysis of Financial Condition and Results of Operations Segment Information and Supplemental Analysis."

(7) The pro forma consolidated balance sheet data as of March 31, 2007 gives effect to this offering and the use of proceeds therefrom as described under "Use of Proceeds" and "Unaudited Pro Forma Financial Information."

RISK FACTORS

You should carefully consider each of the risks described below, together with all of the other information contained in this prospectus, before deciding to invest in shares of our common stock. As a result of any of the following risks, our business, results of operations or financial condition could be materially adversely affected, the market price of your shares could decline and you may lose all or part of your investment.

Risks Related to Our Business

We have a history of net losses.

We incurred net losses of $128.9 million, $45.9 million and $2.2 million for the years ended December 31, 2006, 2005 and 2004, respectively. The loss in 2006 principally resulted from a non-cash goodwill impairment charge of $116.5 million and the loss from discontinued operations of $20.7 million. The losses in 2005 and 2004 principally resulted from the loss from discontinued operations. In addition, high interest expense associated with our highly leveraged capital structure, non-cash expenses such as depreciation and amortization of intangible assets and other asset impairments also contributed to our net losses. We may continue to experience net losses in the future.

Our businesses depend upon general economic conditions and we serve some customers in highly cyclical industries; as such we are subject to the loss of sales and margins due to an economic downturn or recession.

Our financial performance depends, in large part, on conditions in the markets that we serve in both the U.S. and global economies. Some of the industries that we serve are highly cyclical, such as the automotive, construction, industrial equipment, energy, aerospace and electrical equipment industries. We may experience a reduction in sales and margins as a result of a downturn in economic conditions or other macroeconomic factors. Lower demand for our products may also negatively affect the capacity utilization of our production facilities, which may further reduce our operating margins.

Many of the markets we serve are highly competitive, which could limit the volume of products that we sell and reduce our operating margins.

Many of our products are sold in competitive markets. We believe that the principal points of competition in our markets are product quality and price, design and engineering capabilities, product development, conformity to customer specifications, reliability and timeliness of delivery, customer service and effectiveness of distribution. Maintaining and improving our competitive position will require continued investment by us in manufacturing, engineering, quality standards, marketing, customer service and support of our distribution networks. We may have insufficient resources in the future to continue to make such investments and, even if we make such investments, we may not be able to maintain or improve our competitive position. We also face the risk of lower-cost foreign manufacturers located in China, Southeast Asia and other regions competing in the markets for our products and we may be driven as a consequence of this competition to increase our investment overseas. Making overseas investments can be highly complicated and we may not always realize the advantages we anticipate from any such investments. Competitive pressure may limit the volume of products that we sell and reduce our operating margins.

Increases in our raw material or energy costs or the loss of critical suppliers could adversely affect our profitability and other financial results.

We are sensitive to price movements in our raw materials supply base. Our largest material purchases are for steel, copper, aluminum, polyethylene and other resins and energy. Prices for these products fluctuate with market conditions and we have experienced sporadic increases recently. We may be unable to completely offset the impact with price increases on a timely basis due to outstanding commitments to our customers, competitive considerations or our customers resistance to accepting such price increases and our financial performance may be adversely impacted by further price increases. A failure by our suppliers to continue to supply us with certain raw materials or component parts on commercially reasonable terms, or at all, would have a material adverse effect on us. To the extent there are energy supply disruptions or material fluctuations in energy costs, our margins could be materially adversely impacted.

We may be unable to successfully implement our business strategies. Our ability to realize our business strategies may be limited.

Our businesses operate in relatively mature industries and it may be difficult to successfully pursue our growth strategies and realize material benefits therefrom. Even if we are successful, other risks attendant to our businesses and the economy generally may substantially or entirely eliminate the benefits. While we have successfully utilized some of these strategies in the past, our growth has principally come through acquisitions.

Our products are typically highly engineered or customer-driven and we are subject to risks associated with changing technology and manufacturing techniques that could place us at a competitive disadvantage.

We believe that our customers rigorously evaluate their suppliers on the basis of product quality, price competitiveness, technical expertise and development capability, new product innovation, reliability and timeliness of delivery, product design capability, manufacturing expertise, operational flexibility, customer service and overall management. Our success depends on our ability to continue to meet our customers' changing expectations with respect to these criteria. We anticipate that we will remain committed to product research and development, advanced manufacturing techniques and service to remain competitive, which entails significant costs. We may be unable to address technological advances, implement new and more cost-effective manufacturing techniques, or introduce new or improved products, whether in existing or new markets, so as to maintain our businesses' competitive positions or to grow our businesses as desired.

We depend on the services of key individuals and relationships, the loss of which would materially harm us.

Our success will depend, in part, on the efforts of our senior management, including our Chief Executive Officer. Our future success will also depend on, among other factors, our ability to attract and retain other qualified personnel. The loss of the services of any of our key employees or the failure to attract or retain employees could have a material adverse effect on us. In addition, our largest stockholder, Heartland, has provided us with valuable strategic, financial and operational support pursuant to arrangements that will terminate in connection with this offering. The loss of such services could adversely affect us.

We have substantial debt and interest payment requirements that may restrict our future operations and impair our ability to meet our obligations.

We continue to have indebtedness that is substantial in relation to our shareholders' equity. As of March 31, 2007, we have approximately $723.5 million of outstanding debt and approximately $239.3 million of shareholders' equity. Approximately 39.7% of our debt bears interest at variable rates and we may experience material increases in our interest expense as a result of increases in interest rate levels generally. Our debt service payment obligations in 2006 were approximately $72.5 million and based on amounts outstanding as of March 31, 2007 a 1% increase in the per annum interest rate for our variable rate debt would increase our interest expense by approximately $2.9 million annually. Our degree of leverage and level of interest expense may have important consequences, including:

- our leverage may place us at a competitive disadvantage as compared with our less leveraged competitors and make us more vulnerable in the event of a downturn in general economic conditions or in any of our businesses;
- our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate may be limited;
- our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, business development efforts, general corporate or other purposes may be impaired;
- a substantial portion of our cash flow from operations will be dedicated to the payment of interest and principal on our indebtedness, thereby reducing the funds available to us for other purposes, including our operations, capital expenditures, future business opportunities or obligations to pay rent in respect of our operating leases; and
- our operations are restricted by our debt instruments, which contain material financial and operating covenants, and those restrictions may limit, among other things, our ability to borrow money in the future for working capital, capital expenditures, acquisitions, rent expense or other purposes.

Our ability to service our debt and other obligations will depend on our future operating performance, which will be affected by prevailing economic conditions and financial, business and other factors, many of which are beyond our control. Our business may not generate sufficient cash flow, and future financings may not be available to provide sufficient net proceeds, to meet these obligations or to successfully execute our business strategies. See "Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources."

Restrictions in our debt instruments and accounts receivable facility limit our ability to take certain actions and breaches thereof could impair our liquidity.

Our credit facility and the indenture governing our senior subordinated notes contain covenants that restrict our ability to:

- pay dividends or redeem or repurchase capital stock;
- incur additional indebtedness and grant liens;
- make acquisitions and joint venture investments;
- sell assets; and
- make capital expenditures.

Our credit facility also requires us to comply with financial covenants relating to, among other things, interest coverage and leverage. Our accounts receivable facility contains covenants similar to those in our credit facility and includes additional requirements regarding our receivables. We may not be able to satisfy these covenants in the future or be able to pursue our strategies within the constraints of these covenants. Substantially all of our assets and the assets of our domestic subsidiaries (other than our special purpose receivables subsidiary) are pledged as collateral pursuant to the terms of our credit facility. A breach of a covenant contained in our debt instruments could result in an event of default under one or more of our debt instruments, our accounts receivable facility and our lease financing arrangements. Such breaches would permit the lenders under our credit facility to declare all amounts borrowed thereunder to be due and payable, and the commitments of such lenders to make further extensions of credit could be terminated. In addition, such breach may cause a termination of our accounts receivable facility. Each of these circumstances could materially and adversely impair our liquidity.

We may face liability associated with the use of products for which patent ownership or other intellectual property rights are claimed.

We may be subject to claims or inquiries regarding alleged unauthorized use of a third party's intellectual property. An adverse outcome in any intellectual property litigation could subject us to significant liabilities to third parties, require us to license technology or other intellectual property rights from others, require us to comply with injunctions to cease marketing or using certain products or brands, or require us to redesign, reengineer, or rebrand certain products or packaging, any of which could affect our business, financial condition and operating results. If we are required to seek licenses under patents or other intellectual property rights of others, we may not be able to acquire these licenses on acceptable terms, if at all. In addition, the cost of responding to an intellectual property infringement claim, in terms of legal fees and expenses and the diversion of management resources, whether or not the claim is valid, could have a material adverse effect on our business, results of operations and financial condition.

We may be unable to adequately protect our intellectual property.

While we believe that our patents, trademarks and other intellectual property have significant value, it is uncertain that this intellectual property, or any intellectual property acquired or developed by us in the future, will provide a meaningful competitive advantage. Our patents or pending applications may be challenged, invalidated or circumvented by competitors or rights granted thereunder may not provide meaningful proprietary protection. Moreover, competitors may infringe on our patents or successfully avoid them through design innovation. Policing unauthorized use of our intellectual property is difficult and expensive, and we may not be able to, or have the resources to, prevent misappropriation of our proprietary rights, particularly in countries where the laws may not protect such rights as fully as in the United States. An adverse outcome in any intellectual property litigation could subject us to significant liabilities to third parties, require us to license technology or other intellectual property rights from others, require us to comply with injunctions to cease marketing or using certain products or brands, or require us to redesign, reengineer or rebrand certain products or packaging. Further, we may incur costs in terms of legal fees and expenses, whether or not the claim is valid, to respond to intellectual property infringement claims. These or other liabilities or claims may increase or otherwise have a material adverse effect on our financial condition and future results of operations.

We may incur material losses and costs as a result of product liability, recall and warranty claims that may be brought against us.

We are subject to a variety of litigation incidental to our businesses, including claims for damages arising out of use of our products, claims relating to intellectual property matters and claims involving employment matters and commercial disputes.

We currently carry insurance and maintain reserves for potential product liability claims. However, our insurance coverage may be inadequate if such claims do arise and any liability not covered by insurance could have a material adverse effect on our business. Although, we have been able to obtain insurance in amounts we believe to be appropriate to cover such liability to date, our insurance premiums may increase in the future as a consequence of conditions in the insurance business generally or our situation in particular. Any such increase could result in lower net income or cause the need to reduce our insurance coverage. In addition, a future claim may be brought against us that could have a material adverse effect on us. Any product liability claim may also include the imposition of punitive damages, the award of which, pursuant to certain state laws, may not be covered by insurance. Our product liability insurance policies have limits that if exceeded, may result in material costs that would have an adverse effect on our future profitability. In addition, warranty claims are generally not covered by our product liability insurance. Further, any product liability or warranty issues may adversely affect our reputation as a manufacturer of high-quality, safe products, divert management's attention, and could have a material adverse effect on our business.

In addition, one of our Energy Products segment subsidiaries is a party to lawsuits related to asbestos contained in gaskets formerly manufactured by it or its predecessors. Some of this litigation includes claims for punitive and consequential as well as compensatory damages. We are not able to predict the outcome of these matters given that, among other things, claims may be initially made in jurisdictions without specifying the amount sought or by simply stating the minimum or maximum permissible monetary relief, and may be amended to alter the amount sought. Of the 10,229 claims pending at March 31, 2007, 156 set forth specific amounts of damages (other than those stating the statutory minimum or maximum). 128 of the 156 claims sought between $1.0 million and $5.0 million in total damages (which includes compensatory and punitive damages) and 28 sought between $5.0 million and $10.0 million in total damages (which includes compensatory and punitive damages). Solely with respect to compensatory damages, 135 of the 156 claims sought between $50,000 and $600,000 and 21 sought between $1.0 million and $5.0 million. Solely with respect to punitive damages, 128 of the 156 claims specifying damages sought between $1.0 million and $2.5 million and 28 sought $5.0 million. Total defense costs from January 1, 2003 to March 31, 2007 were approximately $20.4 million and total settlement costs (exclusive of defense costs) for all asbestos cases since inception have been approximately $4.4 million. To date, approximately 50% of our costs related to defense and settlement of asbestos litigation have been covered by our primary insurance. However, in the future we may incur significant litigation costs in defending these matters and we may be required to pay damage awards or settlements or become subject to equitable remedies that could adversely affect our businesses. See "Business Legal Proceedings" for a discussion of these matters.

Our business may be materially and adversely affected by compliance obligations and liabilities under environmental laws and regulations.

We are subject to federal, state, local and foreign environmental laws and regulations which impose limitations on the discharge of pollutants into the ground, air and water and establish standards for the generation, treatment, use, storage and disposal of solid and hazardous wastes, and remediation of contaminated sites. We may be legally or contractually responsible or alleged to be responsible for the investigation and remediation of contamination at various sites, and for personal injury or property damages, if any, associated with such contamination. We have been named as potentially responsible parties under CERCLA (the federal Superfund law) or similar state laws in several sites requiring clean-up related to disposal of wastes we generated. These laws generally impose liability for costs to investigate and remediate contamination without regard to fault and under certain circumstances liability may be joint and several resulting in one responsible party being held responsible party being held responsible for the entire obligation. Liability may also include damages to natural resources. We have entered into consent decrees relating to two sites in California along with the many other co-defendants in these matters. We have incurred substantial expenses for all these sites over a number of years, a portion of which has been covered by insurance. See "Business Legal Proceedings" for a discussion of these matters. In addition to the foregoing, our businesses have incurred and likely will continue to incur expenses to investigate and clean up existing and former company-owned or leased property, including those properties made the subject of sale-leaseback transactions for which we have provided environmental indemnities to the lessors. Additional sites may be identified at which we are a potentially responsible party under the federal Superfund law or similar state laws. We must also comply with various health and safety regulations in the U.S. and abroad in connection with our operations.

We believe that our business, operations and facilities are being operated in compliance in all material respects with applicable environmental and health and safety laws and regulations, many of which provide for substantial fines and criminal sanctions for violations. Based on information presently known to us and accrued environmental reserves, we do not expect environmental costs or contingencies to have a material adverse effect on us. The operation of manufacturing plants entails risks in these areas, however, and we may incur material costs or liabilities in the future that could adversely affect us. There can be no assurance that we have been or will be at all times in substantial compliance with environmental health and safety laws. Failure to comply with any of these laws could result in civil, criminal, monetary and non-monetary penalties and damage to our reputation. In addition, potentially material expenditures could be required in the future. For example, we may be required to comply with evolving environmental and health and safety laws, regulations or requirements that may be adopted or imposed in the future or to address newly discovered information or conditions that require a response.

Historically, 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.

Historically, one of our principal growth strategies has been to pursue strategic acquisition opportunities. A substantial portion of our historical growth has been derived from acquisitions. Since our separation from Metaldyne in June 2002, we have completed seven acquisitions. Each of these acquisitions required integration expense and actions that negatively impacted our results of operations and that could not have been fully anticipated beforehand. In addition, attractive acquisition candidates may not be identified and acquired in the future, financing for acquisitions may be unavailable on satisfactory terms or at all and we may be unable to accomplish our strategic objectives in effecting a particular acquisition. We may encounter various risks in acquiring other companies, including the possible inability to integrate an acquired business into our operations, diversion of management's attention and unanticipated problems or liabilities, some or all of which could materially and adversely affect our business strategy and financial condition and results of operations.

We have significant operating lease obligations and our failure to meet those obligations could adversely affect our financial condition.

We lease many of our manufacturing facilities and certain capital equipment. As of December 31, 2006, our annualized rental expense under these operating leases approximated $20.4 million. A failure to pay our rental obligations would constitute a default allowing the applicable landlord to pursue any remedy available to it under applicable law, which would include taking possession of our property and, in the case of real property, evicting us. These leases are categorized as operating leases and are not considered indebtedness for purposes of our debt instruments.

We have significant goodwill and intangible assets, and future impairment of our goodwill and intangible assets could have a material negative impact on our financial results.

At March 31, 2007 our goodwill and intangible assets were approximately $765.7 million, and represented approximately 58.8% of our total assets. Our net loss of $128.9 million for the year ended December 31, 2006 included a charge of $116.5 million for impairment of goodwill in our RV & Trailer Products and Recreational Accessories segments. The 2006 net loss also included a charge of $15.3 million related to the further impairment of property and equipment within our industrial fastening business which is held for sale and is reported as discontinued operations. If we continue to experience declines in sales and operating profit in our RV & Trailer Products and Recreational Accessories segments, we may be subject to future goodwill impairments. Because of the significance of our goodwill and intangible assets, any future impairment of these assets could have a material adverse effect on our financial results.

We may be subject to further unionization and work stoppages at our facilities or our customers may be subject to work stoppages, which could seriously impact the profitability of our business.

As of March 31, 2007, approximately 18% of our work force in our continuing operations was unionized under several different unions and bargaining agreements. If our unionized workers or those of our customers or suppliers were to engage in a strike, work stoppage or other slowdown in the future, we could experience a significant disruption of our operations. In addition, if a greater percentage of our work force becomes unionized, our labor costs and risks associated with strikes, work stoppages or other slowdowns may increase. On July 19, 2006 approximately 150 workers at our Monogram Aerospace Fasteners business unit commenced a strike, which lasted until July 27, 2006. Many of our direct or indirect customers have unionized work forces. Strikes, work stoppages or slowdowns experienced by these customers or their suppliers could result in slowdowns or closures of assembly plants where our products are included. In addition, organizations responsible for shipping our customers' products may be impacted by occasional strikes or other activity. Any interruption in the delivery of our customers' products could reduce demand for our products and could have a material adverse effect on us.

Our healthcare costs for active employees and future retirees may exceed our projections and may negatively affect our financial results.

We maintain a range of healthcare benefits for our active employees and a limited number of retired employees pursuant to labor contracts and otherwise. Healthcare benefits for active employees and certain retirees are provided through comprehensive hospital, surgical and major medical benefit provisions or through health maintenance organizations, all of which are subject to various cost-sharing features. Some of these benefits are provided for in fixed amounts negotiated in labor contracts with the respective unions. If our costs under our benefit programs for active employees and retirees exceed our projections, our business and financial results could be materially adversely affected. Additionally, foreign competitors and many domestic competitors provide fewer benefits to their employees and retirees, and this difference in cost could adversely impact our competitive position.

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.

Approximately 17.3% of our net sales for the fiscal year ended December 31, 2006 were derived from sales by our subsidiaries located outside of the United States. We may significantly expand our international operations through internal growth and acquisitions. Sales outside of the United States, particularly sales to emerging markets, and foreign manufacturing are subject to various other risks which are not present within U.S. markets, including governmental embargoes or foreign trade restrictions such as antidumping duties, changes in U.S. and foreign governmental regulations, tariffs and other trade barriers, the potential for nationalization of enterprises, foreign exchange risk and other political, economic and social instability. In addition, there are tax inefficiencies in repatriating cash flow from non-U.S. subsidiaries that could affect our financial results and reduce our ability to service debt.

Risks Related to Our Common Stock

Our common stock may not trade actively, which may cause our common stock to trade at a discount and make it difficult for you to sell your stock.

This is our initial public offering, which means that our common stock currently does not trade in any market. Upon the consummation of this offering, our common stock may not trade actively. You may not be able to sell your shares at or above the offering price, which will be determined by negotiations between representatives of the underwriters and us and which may not be indicative of prices that will prevail in the trading market. An illiquid market for our common stock may result in price volatility and poor execution of buy and sell orders for investors.

Investors in this offering will suffer immediate and substantial dilution.

The initial public offering price of our common stock will be substantially higher than the net tangible book value per share of our common stock. Purchasers of our common stock in this offering will experience immediate and substantial dilution in net tangible book value of $(24.85) per share of the common stock from the initial public offering price of $11.00 per share. Our issuance of shares pursuant to options will cause investors to experience further dilution if the market price of our common stock exceeds the exercise price of these securities.

Future sales of our common stock in the public market could cause our stock price to fall.

Sales of a substantial number of shares of our common stock in the public market after this offering, or the perception that these sales might occur, could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. After this offering, we will have 400,000,000 shares of common stock authorized for issuance under our certificate of incorporation and 31,759,500 shares of common stock outstanding. There will be 33,409,500 shares outstanding if the underwriters exercise their over-allotment option in full. Restrictions under the securities laws and the lock-up agreements described in "Underwriting" limit the number of shares of common stock that can be sold immediately following the public offering. All of the shares of common stock sold in this offering will be freely tradeable without restrictions or further registration under the Securities Act, except for any shares purchased by our affiliates as defined in Rule 144 under the Securities Act. In addition to the 11,000,000 shares offered hereby, an additional 2,027,335 shares will be freely transferrable without material contractual or legal restriction upon consummation of this offering. There are 18,732,165 shares that are subject to lock-up agreements that will expire, as described in "Shares Eligible for Future Sale," 180 days after the consummation of this offering. Of these shares, we believe that 3,640,890 shares will then become freely transferable without limitations and that 15,091,275 shares owned by Heartland will be freely transferable subject to the limitations imposed by Rule 144 of the Securities Act of 1933, as amended, because it is an affiliate of ours. See "Shares Eligible for Future Sale." Heartland will have the ability to require us to register the resale of its shares 180 days after the consummation of this offering pursuant to its registration rights. In addition, the parties to our shareholders agreement, other than those who became party to the agreement in connection with the Metaldyne Dividend, have the right, subject to the limitations in the shareholders agreement, to exercise certain piggyback registration rights in connection with other registered offerings. Substantial sales by Heartland or the perception that these sales will occur may materially and adversely affect the price of our common stock.

If we sell or issue additional shares of common stock to finance future acquisitions, your stock ownership could be diluted.

Part of our growth strategy is to expand into new markets and enhance our position in existing markets through acquisitions. In order to successfully complete acquisitions we may target or fund our other activities, we may issue additional equity securities that could be dilutive to our earnings per share and to your stock ownership. The timing and quantity of the shares of our common stock that will be sold may have a negative impact on the market price of our common stock. Sales of substantial amounts of our common stock (including shares issued upon the exercise of stock options or in connection with acquisition financing), or the perception that such sales could occur, may materially and adversely affect prevailing market prices for our common stock.

Possible volatility in our stock price could negatively affect our stockholders.

The trading price of our common stock may be volatile in response to a number of factors, many of which are beyond our control, including actual or anticipated variations in quarterly financial results; changes in financial estimates or recommendations by securities analysts; changes in accounting standards, policies, guidance, interpretations or principles; sales of common stock by us or members of our management team; and announcements by our competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments. In addition, our financial results may be below the expectations of securities analysts and investors. If this were to occur, the market price of our common stock could decrease, possibly significantly.

In addition, the U.S. securities markets have experienced significant price and volume fluctuations. These fluctuations often have been unrelated to the operating performance of companies in these markets. Broad market and industry factors may negatively affect the price of our common stock, regardless of our operating performance. In the past, following periods of volatility in the market price of an individual company's securities, securities class action litigation often has been instituted against that company. The institution of similar litigation against us could result in substantial costs and a diversion of our management's attention and resources, which could negatively affect our financial results.

Heartland will own 47.5% of our voting common equity and can substantially influence all matters requiring the approval of our stockholders, and Heartland's interests in our business may be different than yours.

After this offering, Heartland will beneficially own approximately 47.5% of our outstanding voting common equity assuming no exercise of the over-allotment option. As a result, Heartland will have the power to substantially influence all matters submitted to our stockholders, exercise significant influence over our decisions to enter into any corporate transaction and any transaction that requires the approval of stockholders regardless of whether other stockholders believe that any such transactions are in their own best interests. For example, Heartland could cause us to make acquisitions that increase the amount of our indebtedness, sell revenue-generating assets or cause us to undergo a "going private" transaction with it or one of our affiliates based on its ownership immediately following the consummation of this offering without a legal requirement of unaffiliated shareholder approval. In addition, as a result of our Shareholders Agreement, Heartland will have the power to control the election of a majority of our Directors. So long as Heartland continues to own a significant amount of the outstanding shares of our common stock, it will continue to be able to strongly influence or effectively control our decisions. Its interests may differ from yours and it may vote in a way with which you disagree. In addition, this concentration of ownership may have the effect of preventing, discouraging or deterring a change of control, which could depress the market price of our common stock. One of our directors is the Managing Member of Heartland's general partner. See "Related Party Transactions."

We are party to certain transactions with Heartland and its affiliates which may continue in the future.

While we have no current plans with respect to additional related party transactions with Heartland or its affiliates, apart from those existing and ordinary course matters summarized or referred to under "Related Party Transactions," we may enter into such transactions in the future. Our debt instruments currently require that, principles of corporate law may recommend that and we intend to, enter into such transactions only on arm's length third party terms. However, we cannot assure you that, should we enter into any such transactions, they would not be detrimental to us and to shareholders other than the relevant affiliated party or that there will be relevant arm's length third party transactions to which we may compare.

Provisions of Delaware law and upon the consummation of this offering, our certificate of incorporation and by-laws, could delay or prevent a change in control of our company, which could adversely impact the value of our common stock.

Upon the consummation of this offering, our certificate of incorporation and by-laws will contain provisions that could make it more difficult for a third party to acquire us, even if doing so might be beneficial to our shareholders. Upon the consummation of this offering, provisions of our certificate of incorporation and by-laws will impose various procedural and other requirements, which could make it more difficult for shareholders to effect certain corporate actions. For example, our certificate of incorporation will authorize our Board of Directors to determine the rights, preferences, privileges and restrictions of an unissued series of preferred stock, without any vote or action by our shareholders. Thus, our Board of Directors will be able to authorize and issue shares of preferred stock with voting or conversion rights that could adversely affect the voting or other rights of holders of our common stock. Additional provisions include the sole power of our Board of Directors to fix the number of directors, limitations on the removal of directors, the sole power of our Board of Directors to fill any vacancy on our board, whether such vacancy occurs as a result of an increase in the number of directors or otherwise, and the inability of shareholders to act by written consent to call special meetings. These rights may have the effect of delaying or deterring a change of control of our company. In addition, a change of control of our company may be delayed or deterred as a result of our having three classes of directors. These provisions could limit the price that certain investors might be willing to pay in the future for shares of our common stock. See "Description of Capital Stock."

We have no plans to pay regular dividends on our common stock, so you may not receive funds without selling your common stock.

We have not declared or paid cash dividends on our common stock since becoming a stand-alone entity in June 2002 and we do not anticipate paying any cash dividends on our common stock in the foreseeable future. In addition, restrictions in our credit facility and our indenture governing our senior subordinated notes restrict our ability to pay dividends. We currently intend to retain future earnings, if any, to finance our business and growth strategies. Any decision to declare and pay dividends in the future will be made at the discretion of our Board of Directors and will depend on, among other things, our results of operations, cash requirements, financial condition, contractual restrictions and other factors that our Board of Directors may deem relevant.

FORWARD-LOOKING INFORMATION

This prospectus contains forward-looking statements about our financial condition, results of operations and business, and our plans, objectives, goals, strategies, future events, revenue or performance, capital expenditures, financing needs, plans or intentions concerning acquisitions and business trends and other nonhistorical information. Many of these statements appear under the headings "Prospectus Summary," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business." When used in this prospectus, the words "estimates," "expects," "anticipates," "projects," "plans," "intends," "believes," "forecasts," or future or conditional verbs, such as "will," "should," "could," or "may," and variations of such words or similar expressions are intended to identify forward-looking statements. All forward-looking statements, including, without limitation, management's examination of historical operating trends and data are based upon our current expectations and various assumptions. Our expectations, beliefs and projections are expressed in good faith and we believe there is a reasonable basis for them. However, there can be no assurance that management's expectations, beliefs and projections will be achieved.

Forward-looking statements are subject to numerous assumptions, risks and uncertainties and accordingly, 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 prospectus.

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 statements to reflect events or circumstances after the date of this prospectus 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 prospectus include general economic conditions in the markets in which we operate and industry-related 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 loss of sales and margins due to an economic downturn or recession, which could negatively affect us;

- Many of the markets we serve are highly competitive, which could limit the volume of products that we sell and reduce our operating margins. We also face the risk of lower cost foreign manufacturers located in China, Southeast Asia and other regions competing in the markets for our products, and we may be adversely impacted;

- Increases in our raw material or energy costs or the loss of critical suppliers could adversely affect our profitability and other financial results;

- We may be unable to successfully implement our business strategies. Our ability to realize benefits from our business strategies may be limited;

- 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;

- We depend on the services of key individuals and relationships, the loss of which would materially harm us;

- We have substantial debt and interest payment requirements that may restrict our future operations and impair our ability to meet our obligations;

- Restrictions in our debt instruments and accounts receivable facility limit our ability to take certain actions and breaches thereof could impair our liquidity;

- We may be unable to protect our intellectual property or face liability associated with the use of products for which intellectual property rights are claimed;

- 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 including environmental and other laws and regulations;

- Historically, 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;

- We have significant operating lease obligations. Failure to meet those obligations could adversely affect our financial condition;

- We have significant goodwill and intangible assets. We incurred a significant impairment of our goodwill in 2006. Future impairment of our goodwill and intangible assets could have a material adverse impact on our financial results;

- 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; and

- 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.

We disclose important factors that could cause our actual results to differ materially from our expectations under "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this prospectus. These cautionary statements qualify all forward-looking statements attributable 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.

USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately $109.1 million from the sale of shares of our common stock in this offering, after deducting underwriting discounts and commissions and estimated offering expenses.

We intend to use a portion of the net proceeds from this offering to redeem approximately $100.3 million in aggregate principal amount of our senior subordinated notes plus associated call premiums of approximately $5.0 million. Our senior subordinated notes mature in June 2012 and bear interest at a rate of $9^7/_8$% per annum. We intend to use the remaining $3.8 million of the net proceeds from this offering, together with approximately $6.2 million in cash on hand and revolving credit borrowings, to make a $10.0 million payment to terminate the annual fee paid to Heartland under the Advisory Agreement. See "Unaudited Pro Forma Financial Information."

DIVIDEND POLICY

We have not declared or paid cash dividends on our common stock since becoming a stand-alone entity in June 2002 and we do not anticipate paying any cash dividends on our common stock in the foreseeable future. In addition, restrictions in our credit facility and our indenture governing our senior subordinated notes restrict our ability to pay dividends. We currently intend to retain future earnings, if any, to finance our business and growth strategies. Any decision to declare and pay dividends in the future will be made at the discretion of our Board of Directors and will depend on, among other things, our results of operations, cash requirements, financial condition, contractual restrictions and other factors that our Board of Directors may deem relevant.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of March 31, 2007 on an actual and a pro forma basis to reflect:

- the sale by us of approximately 11,000,000 shares of our common stock in this offering at a public offering price per share of $11.00. We estimate that we will receive net proceeds of approximately $109.1 million, after deducting underwriting discounts and estimated offering expenses; and

- the assumed repayment of $100.3 million in principal amount of our outstanding debt plus approximately $5.0 million in associated call premiums, the one-time $10.0 million payment to terminate the $4.0 million annual fee paid to Heartland under the Advisory Agreement and the use of approximately $6.2 million in cash on hand and revolving credit borrowings in connection therewith.

You should read this table in conjunction with our historical financial statements and the notes to those financial statements, our unaudited pro forma financial information and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

	As of March 31, 2007	
	Actual	Pro Forma(1)
	(dollars in thousands)	
Cash and cash equivalents	$ 3,900	$
Long-term debt (including current maturities):		
Credit facility(2)	$ 264,340	$ 266,650
Senior subordinated notes(3)	436,580	336,580
Other	22,600	22,600
Total long-term debt	723,520	625,830
Shareholders' equity:		
Preferred stock: par value $0.01 per share; 100,000,000 shares authorized; no shares issued and outstanding; pro forma 100,000,000 shares authorized; pro forma no shares issued and outstanding		
Common stock: par value $0.01 per share; 400,000,000 shares authorized; 20,759,500 shares issued and outstanding; pro forma 400,000,000 shares authorized; pro forma 31,759,500 shares issued and outstanding	210	320
Paid-in capital	399,140	508,090
Accumulated deficit(4)	(208,290)	(219,220)
Accumulated other comprehensive income	48,260	48,260
Total shareholders' equity	239,320	337,450
Total capitalization	$ 962,840	$ 963,280

(1) See "Unaudited Pro Forma Consolidated Balance Sheet" and the notes thereto.

(2)

At March 31, 2007, our credit facility was comprised of a $90.0 million revolving credit facility, a $60.0 million deposit-linked supplemental revolving credit facility, each of which will mature in August 2011 and a $260.0 million term loan facility that matures in August 2013, subject to certain conditions that could result in the term loans maturing in February 2012. As of March 31, 2007, we had outstanding borrowings of $264.3 million and utilized approximately $35.7 million of the letter of credit capacity under our revolving credit facility to support certain lease obligations and our ordinary course needs. In addition, our receivables facility provides us with up to $125.0 million of availability of eligible accounts receivable through December 31, 2007, of which $44.4 million was outstanding at March 31, 2007. See "Description of Our Debt."

(3) At March 31, 2007, actual face value of the senior subordinated notes was $437.8 million and the pro forma face value would have been $337.5 million. See Note 8 to our unaudited financial statements included elsewhere in this prospectus.

(4) Reflects adjustments, net of related tax benefits, for a $2.6 million net expense related to the write-off of deferred debt issuance costs and net unamortized discount/premium at March 31, 2007, an assumed $5.0 million call premium associated with the retirement of $100.3 million face value of senior subordinated notes and a $10.0 million payment to terminate the $4.0 million annual fee paid under the Heartland Advisory Agreement.

DILUTION

If you invest in our common stock, your interest will be diluted to the extent of the difference between the initial public offering price per share of our common stock and the net tangible book value per share of our common stock after this offering.

Our net negative tangible book value as of March 31, 2007 was approximately $(540.2) million, or $(26.02) per share of common stock. Net tangible book value per share represents total tangible assets less total liabilities, divided by the number of shares of common stock outstanding as of March 31, 2007. After giving effect to the issuance and sale of 11,000,000 shares of our common stock in this offering at an initial public offering price of $11.00 per share, and after deducting the underwriting discounts and estimated offering expenses that we will pay, our net negative tangible book value as of March 31, 2007 would have been approximately $(439.8) million, or $(13.85) per share of common stock. This represents an immediate increase in net tangible book value of $12.17 per share to existing shareholders and an immediate dilution of $24.85 per share to new investors purchasing shares of common stock in this offering.

The following table illustrates this per share dilution:

Initial public offering price per share	$	11.00
Net tangible book value per share as of March 31, 2007	$	(26.02)
Increase per share attributable to this offering	$	12.17
Net tangible book value per share after this offering	$	(13.85)
Dilution per share to new investors	$	(24.85)

Assuming the underwriters exercise in full their over-allotment option to purchase 1,650,000 shares additional shares of common stock, our net negative tangible book value as of March 31, 2007 would have been $(426.5) million or $(12.77) per share. This represents an immediate increase in the net tangible book value of $13.25 per share to existing shareholders and an immediate dilution of $(23.77) per share to new investors participating in this offering.

The following table summarizes, as of March 31, 2007, the total number of shares of common stock purchased or to be purchased from us for cash during the past five years by existing shareholders, by holders of options or warrants and the total consideration paid or to be paid us and the average price per share paid or to be paid by them and by new investors purchasing shares of common stock in this offering, before deducting the underwriting discounts and estimated offering expenses that we will pay:

	Shares purchased		Total consideration		
	Number	Percent of total shares	Amount	Percent	Average price per share
Existing shareholders	1,760,000	16.0%	$ 35,200,000	22.5%	$ 20.00
New investors	11,000,000	84.0%	$ 121,000,000	77.5%	$ 11.00
Total	12,760,000	100.0%	$ 156,200,000	100.0%	13.10

The tables and calculations above (other than the last table above) assume no exercise of outstanding options. None of these options will be exercisable prior to 180 days after the consummation of this offering. As of May 4, 2007, there were 2,011,268 shares of our common stock issuable upon exercise of outstanding options at exercise prices of $20.00 per share and $23.00 per share. See "Management Director and Executive Officer Compensation Long Term Equity Incentive Plan."

SELECTED HISTORICAL FINANCIAL DATA

The following table sets forth our selected historical financial data for the five years ended December 31, 2006 and the three months ended March 31, 2007 and 2006. The financial data for the fiscal years ended December 31, 2006, 2005 and 2004 have been derived from our audited financial statements and notes to those financial statements included elsewhere in this prospectus. The financial statements for the years ended December 31, 2006, 2005, 2004 and 2003 have been audited by KPMG LLP. The financial data for the fiscal years ended December 31, 2003 and 2002 have been derived from our consolidated financial statements for the years ended December 31, 2003 and 2002 that are not included in this prospectus. The selected information for the three months ended March 31, 2007 has been derived from our unaudited interim financial statements and the notes to those financial statements included elsewhere in this prospectus, which, in the opinion of management, include all adjustments which are normal and recurring in nature, necessary for the fair presentation of that data for such periods.

In reviewing the following information, it should be noted that on June 6, 2002, Metaldyne issued approximately 66.0% of our then fully diluted common equity to an investor group led by Heartland. We did not establish a new basis of accounting as a result of this common equity issuance due to the continuing contractual control by Heartland. Our combined financial information for the periods prior to June 6, 2002 includes allocations and estimates of direct and indirect Metaldyne corporate administrative costs attributed to us, which are deemed by management to be reasonable but are not necessarily reflective of the costs which we thereafter incurred or may incur on an ongoing basis. Prior to June 6, 2002, we were wholly-owned by Metaldyne.

In addition, we acquired three significant businesses during 2003: (1) HammerBlow Acquisition Corp. on January 30, 2003, (2) Highland Group Corporation on February 21, 2003 and (3) an automotive manufacturing business from Metaldyne, which we refer to as the Hi-Vol acquisition, on May 9, 2003. The historical financial information for 2003 includes the results of the HammerBlow and Highland businesses subsequent to the date of their acquisition. The Hi-Vol acquisition was accounted for as a reorganization of entities under common control because of Heartland's interests in Metaldyne and us at that time. As a result, historical periods have been revised to include the effects of the Hi-Vol acquisition as if Hi-Vol had been owned by us for all periods presented. The following data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and the notes thereto, each included elsewhere in this prospectus.

	Three months ended March 31,		Year ended December 31,				
	2007	**2006**	**2006**	**2005**	**2004**	**2003**	**2002**
	(unaudited)	**(unaudited)**					**(unaudited)**
			(dollars and shares in thousands)				
Statement of Operations Data:							
Net sales	$ 286,690	$ 273,030	$ 1,020,530	$ 1,000,860	$ 931,400	$ 807,330	$ 647,660
Gross profit	79,290	73,340	273,520	246,990	256,530	227,820	190,040
Impairment of goodwill			116,500			7,600	
Operating profit (loss)	33,340	28,660	(13,620)	84,320	88,520	51,170	74,270
Income (loss) from continuing operations	8,390	4,940	(108,180)	1,010	13,910	(17,170)	5,670
Per Share Data:							
Basic:							
Continuing operations	$ 0.40	$ 0.25	$ (5.35)	$ 0.05	$ 0.70	$ (0.85)	
Weighted average shares	20,760	20,010	20,230	20,010	20,010	20,047	
Diluted:							
Continuing operations	$ 0.40	$ 0.24	$ (5.35)	$ 0.05	$ 0.67	$ (0.85)	
Weighted average shares	20,760	20,760	20,230	20,760	20,760	20,047	
Statement of Cash Flows Data:							
Cash flows provided by (used for)							
operating activities	$ 26,940	$ 11,010	$ 15,880	$ 29,890	$ 42,620	$ 41,360	$ (22,000)
investing activities	(15,480)	(4,650)	(22,160)	(16,640)	(46,840)	(161,280)	(39,090)
financing activities	(11,160)	(8,380)	6,150	(12,610)	530	26,260	157,750
Balance Sheet Data:							
Total assets	$ 1,300,150	$ 1,440,140	$ 1,286,060	$ 1,428,510	$ 1,522,200	$ 1,500,030	$ 1,426,060
Total debt	723,520	719,340	734,490	727,680	738,020	735,980	696,180
	765,680	896,960	769,850	900,000	925,280	938,550	751,800

Goodwill and other intangibles, net	

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UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following unaudited pro forma financial information has been derived from our audited and unaudited historical financial statements, adjusted to give pro forma effect to:

- this offering;
- the redemption of $100.3 million aggregate principal amount of our outstanding $9^{7}/_{8}$% senior subordinated notes due 2012, an assumed $5.0 million call premium and an approximate $0.3 million charge for unamortized discount/premium;
- $10.0 million expense related to discontinuation of the $4.0 million annual fee paid to Heartland under the Advisory Agreement funded in part with cash on hand and revolving credit borrowings; and
- the payment of $11.9 million in estimated fees and expenses related to the underwriting discount and other fees and expenses associated with this offering (collectively, the "Transactions").

The unaudited pro forma statements of operations do not reflect any charges related to (i) the expected loss of approximately $7.6 million on extinguishment of debt resulting from the repayment of the above-referenced debt, or (ii) the one-time $10.0 million fee paid to Heartland in connection with the termination of the Advisory Agreement fee described above, in each case because such charges are non-recurring in nature. Further, the unaudited pro forma statements of operations do not reflect the impact of our plans to utilize up to $23.2 million of revolving credit borrowings to reacquire machinery and equipment assets through the early termination of additional operating leases subsequent to the offering.

The unaudited pro forma statement of operations for the three months ended March 31, 2007 and the unaudited pro forma statement of operations for the year ended December 31, 2006 give effect to the Transactions as if they had occurred on January 1, 2006.

The unaudited pro forma financial information referred to above is presented for informational purposes only and does not purport to represent what our results of operations or financial position would actually have been had the Transactions occurred at such time or to project our results of operations for any future period or date.

The pro forma adjustments are based upon available information and various assumptions that we believe are reasonable. The pro forma adjustments and certain assumptions are described in the accompanying notes. Other information included under this heading has been presented to provide additional analysis.

The unaudited pro forma financial information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical financial statements and the related notes to such financial statements included elsewhere in this prospectus.

Unaudited Pro Forma Statement of Operations
For the Three Months Ended March 31, 2007
(dollars in thousands, except per share amounts)

	TriMas Historical	Pro Forma Adjustments	Pro Forma
Net sales	$ 286,690	$	$ 286,690
Cost of sales	(207,400)		(207,400)
Gross profit	79,290		79,290
Selling, general and administrative expenses	(45,780)	1,000 (a)	(44,780)
Loss on dispositions of property and equipment	(170)		(170)
Operating profit	33,340	1,000	34,340
Other expense, net:			
Interest expense	(18,860)	2,930 (b)	(15,930)
Other, net	(1,160)		(1,160)
Other expense, net	(20,020)	2,930	(17,090)
Income from continuing operations before income tax expense	13,320	3,930	17,250
Income tax expense	(4,930)	(1,490)(c)	(6,420)
Income from continuing operations	$ 8,390	$ 2,440	$ 10,830
Earnings per share basic(d):			
Continuing operations	$ 0.40		$ 0.34
Weighted average common shares basic	20,759,500		31,759,500
Earnings per share diluted(d):			
Continuing operations	$ 0.40		$ 0.34
Weighted average common shares diluted	20,759,500		31,759,500

See notes to Unaudited Pro Forma Financial Information.

Unaudited Pro Forma Statement of Operations
For the Year Ended December 31, 2006
(dollars in thousands, except per share amounts)

	TriMas Historical	Pro Forma Adjustments	Pro Forma
Net sales	$ 1,020,530	$	$ 1,020,530
Cost of sales	(747,010)		(747,010)
Gross profit	273,520		273,520
Selling, general and administrative expenses	(170,170)	4,000 (a)	(166,170)
Gain on dispositions of property and equipment	40		40
Impairment of assets	(510)		(510)
Impairment of goodwill	(116,500)		(116,500)
Operating profit (loss)	(13,620)	4,000	(9,620)
Other expense, net:			
Interest expense	(79,060)	10,800 (b)	(68,260)
Debt extinguishment costs	(8,610)		(8,610)
Other, net	(4,150)		(4,150)
Other expense, net	(91,820)	10,800	(81,020)
Income (loss) from continuing operations before income tax expense	(105,440)	14,800	(90,640)
Income tax expense	(2,740)	(5,630)(c)	(8,370)
Income (loss) from continuing operations	$ (108,180)	$ 9,170	$ (99,010)
Earnings (loss) per share basic(d):			
Continuing operations	$ (5.35)		$ (3.17)
Weighted average common shares basic	20,229,716		31,229,716
Earnings (loss) per share diluted(d):			
Continuing operations	$ (5.35)		$ (3.17)
Weighted average common shares diluted	20,229,716		31,229,716

	TriMas Historical	Pro Forma Adjustments	Pro Forma

See notes to Unaudited Pro Forma Financial Information.

TRIMAS CORPORATION
NOTES TO UNAUDITED PRO FORMA STATEMENT OF OPERATIONS

Pro Forma Adjustments

(a) Reflects adjustment to eliminate the $4.0 million annual monitoring fee paid to Heartland that will be terminated in connection with consummation of this offering.

(b) Reflects adjustment to reduce interest expense and amortization of debt issuance costs associated with retirement of $100.3 million in aggregate principal amount of $9^7/_8$% senior subordinated notes due 2012, net of $2.3 million of revolving credit borrowings used to make a payment to terminate the annual fee paid to Heartland under the Advisory Agreement. Includes the impact of a 0.50% per annum reduction in interest rates ($0.5 million from August 2, 2006, the date of the credit agreement refinancing) pursuant to our credit agreement, which reduction will occur automatically upon the occurrence of (a) the consummation of this offering, (b) the payment of at least $100.0 million in aggregate principal amount of term loans and/or senior subordinated notes and (c) the credit facilities being rated B+ (with a stable outlook) or better by S&P and B1 (with a stable outlook) or better by Moody's.

(c) To reflect the estimated tax effect of the above adjustments at an effective tax rate of 38%.

(d) Options to purchase approximately 2,007,268 and 2,008,201 shares of common stock, with exercise prices from $20 to $23 per share, were outstanding at March 31, 2007 and December 31, 2006, respectively, but were excluded from the computation of diluted earnings per share because to do so would have been anti-dilutive for the periods presented. In addition, a warrant to purchase 750,000 shares of common stock was exercised on September 15, 2006, increasing the number of shares of common stock by 749,500. The warrant was considered in basic and diluted earnings per share for the entire three months ended March 31, 2007, and in the basic and diluted earnings per share for the year ended December 31, 2006 from the exercise date through December 31, 2006. The diluted earnings per share calculation for the year ended December 31, 2006 excludes the impact of the warrant outstanding from January 1, 2006 through September 14, 2006, as to do so would have been anti-dilutive to the loss from continuing operations.

UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET
March 31, 2007
(dollars in thousands, except share amounts)

	TriMas Historical	Pro Forma Adjustments	Pro Forma
Assets			
Current assets:			
Cash and cash equivalents	$ 3,900	$ (3,900)(d)	$
Receivables, net	122,700		122,700
Inventories	170,240		170,240
Deferred income taxes	24,300		24,300
Prepaid expenses and other current assets	6,940		6,940
Total current assets	328,080	(3,900)	324,180
Property and equipment, net	166,890		166,890
Goodwill	529,130		529,130
Other intangibles, net	236,550		236,550
Other assets	39,500	(2,350)(a)	37,150
Total assets	$ 1,300,150	$ (6,250)	$ 1,293,900
Liabilities and Shareholders' Equity			
Current liabilities:			
Current maturities, long-term debt	$ 8,230	$	$ 8,230
Accounts payable	131,770		131,770
Accrued liabilities	77,300		77,300
Total current liabilities	217,300		217,300
Long-term debt	715,290	(97,690)(b)	617,600
Deferred income taxes	89,260	(6,690)(c)	82,570
Other long-term liabilities	38,980		38,980
Total liabilities	1,060,830	(104,380)	956,450
Preferred stock, $0.01 par: Authorized 100,000,000 shares; Issued and outstanding: None; Pro forma authorized 100,000,000 shares; Pro forma issued and outstanding: None			
Common stock, $0.01 par: Authorized 400,000,000 shares; Issued and outstanding: 20,759,500 shares; Pro forma authorized 400,000,000 shares; Pro forma issued and outstanding: 31,759,500 shares	210	110	320
Paid-in capital	399,140	108,950 (d)	508,090
Accumulated deficit	(208,290)	(10,930)(e)	(219,220)
Accumulated other comprehensive income	48,260		48,260
Total shareholders' equity	239,320	98,130	337,450
Total liabilities and shareholders' equity	$ 1,300,150	$ (6,250)	$ 1,293,900

See notes to Unaudited Pro Forma Financial Information.

TRIMAS CORPORATION
NOTES TO UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET

Pro Forma Adjustments

(a) Reflects adjustment to eliminate deferred debt issuance costs associated with retirement of $100.3 million aggregate principal amount of $9^7/_8$% senior subordinated notes due 2012 using proceeds of the offering.

(b) Reflects adjustment for retirement of $100.3 million aggregate principal of $9^7/_8$% senior subordinated notes due 2012, net of $0.3 million unamortized discount and premium, and net of $2.3 million of increased revolving credit borrowings used to partially fund a payment to terminate the annual fee paid to Heartland under the Advisory Agreement.

(c) Reflects adjustment for a reduction in estimated income taxes at 38% of costs and charges discussed in note (e) below.

(d) Adjustment to reflect impact of gross proceeds of the offering of $121.0 million, net of related underwriting discounts and commissions and estimated offering expenses of approximately $11.9 million.

(In thousands)

Sources:		
Proceeds from this offering	$	121,000
Cash on hand		3,900
Revolving credit borrowings		2,310
Total Sources		127,210
Uses:		
Retirement of $9^7/_8$% senior subordinated notes, due 2012	$	100,270
Underwriting discounts and commissions and other fees and expenses associated with this offering		11,940
Advisory services agreement termination fee		10,000
Call premium associated with retirement of senior subordinated notes		5,000
Total uses	$	127,210

(e) Reflects the impact of the use of proceeds for retirement of senior subordinated notes (debt extinguishment costs of $7.6 million (adjustments (1), (2) and (3) below) and payment of Heartland termination fee (adjustment (4) below) as follows:

(In thousands)

Accumulated deficit, as reported	$	(208,290)
Elimination of deferred debt issuance costs(1)		(1,460)
Net unamortized discount related to retirement of senior subordinated notes(2)		(170)
Retirement of senior subordinated notes(3)		(3,100)
Heartland termination fee(4)		(6,200)

(In thousands)

Pro forma accumulated deficit	$	(219,220)

(1) Represents write-off of deferred debt issuance costs associated with retirement of $100.3 million aggregate principal amount of $9^{7}/_{8}$% senior subordinated notes, tax effected at 38%.

(2) Represents write-off of net unamortized discount and premium associated with retirement of $100.3 million aggregate principal amount of $9^{7}/_{8}$% senior subordinated notes, tax effected at 38%.

(3) Represents call premium expense associated with retirement of $100.3 million aggregate principal amount of $9^{7}/_{8}$% senior subordinated notes, tax effected at 38%.

(4) Represents expense associated with payment of Heartland termination fee, tax effected at 38%.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations covers periods subsequent to our separation from Metaldyne and the acquisition of HammerBlow, Highland and Hi-Vol. In addition, the statements in the discussion and analysis regarding industry outlook, our expectations regarding the performance of our business and the other non-historical statements in the discussion and analysis are forward-looking statements. 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 Information," elsewhere in this prospectus. 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 sections entitled "Risk Factors," "Selected Historical Financial Data," "Unaudited Pro Forma Financial Information" and our historical consolidated financial statements included elsewhere in this prospectus.

Introduction

We are an industrial manufacturer of highly engineered products serving niche markets in a diverse range of commercial, industrial and consumer applications. During the first quarter of 2006, we realigned our operating segments and management structure to better focus our various businesses' product line offerings by industry, end customer markets and related channels of distribution. We currently have five operating segments: Packaging Systems, Energy Products, Industrial Specialties, RV & Trailer Products and Recreational Accessories. In reviewing our financial results, consideration should be given to certain critical events, particularly our separation from Metaldyne in June 2002, and 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 product development, cross-selling and extending product-line offerings, 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 better 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 outsourcing 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 businesses and 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 the business of our Recreational Accessories and RV & Trailer Products operating segments as well. Sales of towing and trailering products within these operating segments are generally stronger in the second and third quarters, as trailer original equipment manufacturers (OEMs), distributors and retailers acquire product for the spring and summer selling seasons. No other operating segment experiences significant seasonal fluctuation in its business. We do not consider sales order backlog 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. The demand for some of our products, particularly in the Recreational Accessories and RV & Trailer Products segments, is influenced by consumer sentiment, which could be negatively impacted by increased costs to consumers as a result of higher interest rates and energy costs, among other things.

We are sensitive to price movements in our raw materials supply base. Our largest material purchases are for steel, copper, aluminum, polyethylene and other resins and energy. We have experienced increasing costs of steel and resin and have worked with our suppliers to manage cost pressures and disruptions in supply. We have also initiated pricing programs to pass increased steel, copper, aluminum and resin costs to customers. Although we have experienced delays in our ability to implement price increases, we generally recover such increased costs. Although disruptions in the supply of steel abated in 2005, we may experience disruptions in supply in the future and we may not be able to pass along higher costs associated with such disruptions to our customers in the form of price increases. We will continue to take actions as necessary to manage risks associated with increasing steel or other raw material costs. However, such increased costs may adversely impact our earnings.

We report shipping and handling expenses associated with Recreational Accessories' sales distribution network as an element of selling, general and administrative expenses in our consolidated statement of operations. As such, gross margins for the Recreational Accessories segment may not be comparable to other companies which include all costs related to their distribution network in cost of sales.

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 66.0% of our fully diluted common stock. Metaldyne retained or received approximately 34.0% of our fully diluted common stock. As part of this recapitalization: (1) we entered into a 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 $125.0 million receivables securitization facility; and (3) we issued approximately $352.8 million in aggregate principal amount of senior subordinated notes. 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. In total, 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.

See the information under the headings "Description of Our Debt" for information on our current credit facility terms and "Related Party Transactions" for additional information concerning the June 2002 transactions.

We operated as an independent public company from 1989 through 1997. In 1998, we were acquired by Metaldyne (formerly MascoTech, Inc.) and in November 2000 Metaldyne was acquired by an investor group led by Heartland. In early 2001, we hired a new senior management team to increase our operating efficiency and develop a focused growth strategy.

Our Prior Acquisitions. Since our separation from Metaldyne in June 2002, we have completed seven acquisitions. The most significant of these were the HammerBlow, Highland and Hi-Vol 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.

On January 30, 2003, within our RV & Trailer Products and Recreational Accessories segments, we acquired all of the capital stock of HammerBlow Acquisition Corp., a manufacturer and distributor of towing, trailer and other vehicle accessories throughout North America, for a purchase price of approximately $145.2 million. Of this amount, $7.2 million of the purchase price was deferred and paid in January 2004.

On February 21, 2003, within our Recreational Accessories segment, we acquired all of the capital stock of Highland Group Corporation, a manufacturer of cargo management and vehicle protection products, for a purchase price of approximately $73.5 million.

On May 9, 2003, within our Industrial Specialties segment, we acquired an automotive fasteners manufacturing business from Metaldyne, a related party at the time, for approximately $22.7 million on a debt-free basis (Hi-Vol Acquisition). In connection with the Hi-Vol Acquisition, we agreed to sublease Metaldyne's Livonia, Michigan facility, at which the acquired business was and continues to be located.

Because we and Metaldyne were under the common control of Heartland at the time of the acquisition, this transaction was accounted for as a reorganization of entities under common control and, accordingly, we did not establish a new basis of accounting in the assets or liabilities of Hi-Vol. Our reported results for prior periods have been revised to include the financial results of Hi-Vol, including the allocation of certain charges to Hi-Vol by Metaldyne. Examples of such allocations include amounts charged or allocated by Metaldyne for corporate-level services and interest expense attributed to Hi-Vol. See "Certain Relationships and Related Transactions."

Recent 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 were essentially completed as of December 31, 2004. In addition to these major projects, there were also a series of other smaller initiatives to eliminate duplicative and excess manufacturing and distribution facilities, sales forces, and back office and other support functions, some of which extended into 2005 and 2006 in order to continue to optimize our cost structure in response to competitor actions and market conditions. The aggregate costs of these actions for 2006, 2005 and 2004 were approximately \$1.6 million, \$2.6 million and \$8.0 million, respectively. In 2004, we completed the establishment of our stand-alone corporate office.

The key elements of our completed consolidation, integration and other cost-savings programs are summarized below:

In 2002, our electrical products manufacturing plant in Indiana within the RV & Trailer Products segment was closed and consolidated into an existing lower-cost contract manufacturing plant in Mexico. In addition, as part of an integration and consolidation plan that was executed in the second half of 2002 within the Recreational Accessories segment, two towing products manufacturing facilities, each with its own separate master distribution warehouse, were consolidated into a single manufacturing and master warehouse facility in Goshen, Indiana. We finalized these actions, including receipt of proceeds from real estate disposals of the closed facilities, during 2003.

In 2003, we began integrating facilities that were acquired from HammerBlow and Highland. In the third quarter of 2003, within the Recreational Accessories segment we closed one of the HammerBlow towing products manufacturing facilities and consolidated its operations into our Goshen, Indiana plant. Within RV & Trailer Products, we began consolidating the HammerBlow trailer products manufacturing facility in Wausau, Wisconsin into our Mosinee, Wisconsin facility during the fourth quarter of 2003 and completed this action in the third quarter of 2004.

In 2003, we began to consolidate two Compac facilities within the Packaging Systems segment that manufacture pressure-sensitive tape and insulation products into a single facility, and we initiated a capital expenditure program to modernize and provide expansion room for certain projected product growth. We completed these actions during the fourth quarter of 2004.

In the first of quarter 2004, the Recreational Accessories segment opened a new distribution center in South Bend, Indiana to further consolidate distribution activities and better serve our retail and aftermarket installer, wholesale and distributor customers. Recreational Accessories completed the consolidation of distribution activities in South Bend, Indiana during the fourth quarter of 2004. Also, in May 2004, Recreational Accessories announced its decision to cease manufacturing in Oakville, Ontario, and consolidated distribution activities for all Canadian customers in that location. The manufacturing operations were 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.

In the second quarter of 2005, the Recreational Accessories and RV & Trailer Products segments 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 were fully paid as of September 30, 2005.

In the fourth quarter of 2005, the RV & Trailer Products segment completed the integration of its Elkhart, Indiana plastics operation into our Goshen, Indiana facility and relocated its Albion, Indiana wiring operation to our facilities in Reynosa, Mexico. The Recreational Accessories segment also closed its Sheffield, Pennsylvania distribution/manufacturing facility and consolidated distribution activities in our South Bend, Indiana distribution center and outsourced the manufacturing activities.

In the fourth quarter of 2006, the RV & Trailer Products segment opened a lower cost manufacturing facility in the Phanthong District of Thailand and began the process of closing its Wakerley, Australia plant. The plant closure is expected to be completed in the middle of 2007. Also, in the fourth quarter of 2006, RV & Trailer Products ceased plating operations at its facility in Schofield, Wisconsin and began sourcing plating services to third-party suppliers.

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, interest, taxes, depreciation, amortization, non-cash asset and goodwill impairment charges and write-offs, non-cash losses on sale-leaseback of property and equipment and write-off of equity offering costs. 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 we may undertake new consolidation, restructuring and integration efforts in the future as a result of our acquisition activity, our management separately considers these costs in evaluating underlying business performance. Caution must be exercised in considering 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 consideration of Adjusted EBITDA together with a careful review of our results reported under GAAP is the best way to analyze 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 FASB Statement of Financial Accounting Standards No. 142 (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 GAAP. Some of these limitations are:

- it does not reflect our cash expenditures for capital equipment or other 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 capital expenditure requirements for such replacements;

- it does not reflect changes in, or cash requirements for, our working capital needs;

- it does not reflect the significant interest expense or the cash requirements necessary to service interest or principal payments on our indebtedness;

- it does not reflect certain tax payments that may represent a reduction in cash available to us;

- 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 and as the number of differences in the way two different companies calculate these measures increases, the degree of their usefulness as a comparative measure correspondingly decreases.

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.

The following is a reconciliation of our Adjusted EBITDA to net loss before effect of cumulative accounting change, and cash flows from operating activities:

	Three months ended March 31,		Year ended December 31,		
	2007	2006	2006	2005	2004
			(dollars in thousands)		
Net income (loss) before effect of cumulative accounting change	$ 7,050	$ 3,600	$ (128,910)	$ (45,460)	$ (2,190)
Income tax expense (benefit)(1)	4,980	2,170	(6,520)	(30,580)	(4,290)
Interest expense(2)	18,860	19,920	78,510	75,210	67,650
Debt extinguishment costs			8,610		
Impairment of assets(3)			15,760	73,220	10,650
Impairment of goodwill(4)			116,500		
Write-off of deferred equity offering costs					1,140
Depreciation and amortization(5)	9,840	9,930	38,740	40,750	44,510
Adjusted EBITDA	$ 40,730	$ 35,620	$ 122,690	$ 113,140	$ 117,470
Interest paid	(6,630)	(5,280)	(69,880)	(70,550)	(61,650)
Taxes paid	(2,260)	(4,930)	(14,050)	(12,630)	(10,220)
Legacy stock award payments					(5,400)
Loss on disposition of plant and equipment	380	100	3,530	300	790
Payments to Metaldyne to fund contractual liabilities			(4,340)	(2,900)	(4,610)
Receivables sales and securitization, net	28,750	25,120	(14,120)	(9,580)	47,960
Net change in working capital and other, net	(34,030)	(39,620)	(7,950)	12,110	(41,720)
Cash flows provided by operating activities	$ 26,940	$ 11,010	$ 15,880	$ 29,890	$ 42,620

(1) Includes income tax benefit related to discontinued operations of approximately $0 and $0.9 million for the three months ended March 31, 2007 and 2006, respectively, and $9.3 million, $32.6 million and $10.2 million in 2006, 2005 and 2004, respectively. See Note 5, "Discontinued Operations and Assets Held for Sale," to the financial statements included elsewhere in this prospectus for further information.

(2) Includes $0.5 million reduction in interest expense in the fourth quarter of 2006 related to asset retirement obligations of discontinued operations.

(3) Includes asset impairments related to continuing operations of approximately $0.5 million, $3.0 million and $2.4 million in 2006, 2005 and 2004, respectively. Also includes impairment charges of $15.3 million, $70.3 million and $8.3 million in 2006, 2005 and 2004, respectively, related to our industrial fastening business which is reported as discontinued operations.

(4) Goodwill impairment charge of $97.5 million and $19.0 million in our RV & Trailer Products and Recreational Accessories segments, respectively, in 2006.

(5) Includes depreciation and amortization related to discontinued operations in the amounts of $0.2 million, $3.7 million, and $8.3 million in 2006, 2005 and 2004, respectively.

The following details certain items relating to our consolidation, restructuring and integration efforts that are included in the determination of net income (loss) under GAAP and are not added back to net income (loss) in determining Adjusted EBITDA, but that we separately consider in evaluating our Adjusted EBITDA:

	Three months ended March 31,		Year ended December 31,		
	2007	**2006**	**2006**	**2005**	**2004**
	(dollars in thousands)				
Facility and business consolidation costs(a)	$ 110	$ 20	$ 200	$ 200	$ 280
Business unit restructuring costs(b)		90	430	1,130	6,250
Acquisition integration costs(c)		290	970	1,290	1,510
	$ 110	$ 400	$ 1,600	$ 2,620	$ 8,040

(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.

The following table summarizes financial information of continuing operations (except as noted) for our five operating segments for the three months ended March 31, 2007 and 2006:

	Three Months Ended March 31,			
	2007	**As a Percentage of Net Sales**	**2006**	**As a Percentage of Net Sales**
	(dollars in thousands)			
Net Sales:				
Packaging Systems	$ 53,750	18.8%	$ 51,100	18.7%
Energy Products	41,580	14.5%	39,950	14.6%
Industrial Specialties	52,840	18.4%	44,440	16.3%
RV & Trailer Products	53,410	18.6%	55,860	20.5%
Recreational Accessories	85,110	29.7%	81,680	29.9%
Total	$ 286,690	100.0%	$ 273,030	100.0%
Gross Profit:				
Packaging Systems	$ 16,240	30.2%	$ 14,500	28.4%
Energy Products	12,620	30.4%	12,190	30.5%
Industrial Specialties	16,740	31.7%	12,800	28.8%
RV & Trailer Products	12,510	23.4%	13,640	24.4%
Recreational Accessories	21,180	24.9%	20,210	24.7%

	Three Months Ended March 31,			
Total	$ 79,290	27.7%	$ 73,340	26.9%
Selling, General and Administrative:				
Packaging Systems	$ 7,120	13.2%	$ 6,340	12.4%
Energy Products	6,200	14.9%	6,120	15.3%
Industrial Specialties	4,460	8.4%	4,320	9.7%
RV & Trailer Products	6,000	11.2%	5,420	9.7%
Recreational Accessories	16,060	18.9%	16,040	19.6%
Corporate expenses and management fees	5,940	N/A	6,260	N/A
Total	$ 45,780	16.0%	$ 44,500	16.3%

Operating Profit:				
Packaging Systems	$ 9,000	16.7%	$ 8,190	16.0%
Energy Products	6,410	15.4%	5,920	14.8%
Industrial Specialties	12,270	23.2%	8,410	18.9%
RV & Trailer Products	6,460	12.1%	8,260	14.8%
Recreational Accessories	5,140	6.0%	4,140	5.1%
Corporate expenses and management fees	(5,940)	N/A	(6,260)	N/A
Total	$ 33,340	11.6%	$ 28,660	10.5%
Adjusted EBITDA:				
Packaging Systems	$ 12,290	22.9%	$ 11,740	23.0%
Energy Products	7,100	17.1%	6,540	16.4%
Industrial Specialties	13,250	25.1%	9,810	22.1%
RV & Trailer Products	8,520	16.0%	10,090	18.1%
Recreational Accessories	7,740	9.1%	6,870	8.4%
Corporate expenses and management fees	(6,880)	N/A	(7,250)	N/A
Subtotal from continuing operations	42,020	14.7%	37,800	13.8%
Discontinued operations	(1,290)	N/A	(2,180)	N/A
Total company	$ 40,730	14.2%	$ 35,620	13.0%

The following table summarizes financial information of continuing operations (except as noted) for our five operating segments for the years ended December 31, 2006, 2005 and 2004:

	Year ended December 31,					
	2006	As a Percentage of Net Sales	2005	As a Percentage of Net Sales	2004	As a Percentage of Net Sales
	(dollars in thousands)					
Net Sales:						
Packaging Systems	$ 204,230	20.0%	$ 189,910	19.0%	$ 183,470	19.7%
Energy Products	156,990	15.4%	131,020	13.1%	103,010	11.1%
Industrial Specialties	182,030	17.8%	164,700	16.4%	133,620	14.3%
RV & Trailer Products	190,700	18.7%	209,030	20.9%	196,990	21.1%
Recreational Accessories	286,580	28.1%	306,200	30.6%	314,310	33.8%
Total	$ 1,020,530	100.0%	$ 1,000,860	100.0%	$ 931,400	100.0%
Gross Profit:						
Packaging Systems	$ 59,780	29.3%	$ 54,510	28.7%	$ 57,000	31.1%
Energy Products	45,690	29.1%	35,420	27.0%	28,250	27.4%
Industrial Specialties	54,810	30.1%	47,580	28.9%	36,800	27.5%
RV & Trailer Products	38,700	20.3%	48,200	23.1%	49,110	24.9%
Recreational Accessories	74,540	26.0%	61,300	20.0%	85,440	27.2%
Allocated/Corporate expenses		N/A	(20)	N/A	(70)	N/A
Total	$ 273,520	26.8%	$ 246,990	24.7%	$ 256,530	27.5%

Selling, General and Administrative:						
Packaging Systems	$ 26,010	12.7%	$ 23,810	12.5%	$ 26,330	14.4%
Energy Products	22,720	14.5%	20,180	15.4%	19,080	18.5%
Industrial Specialties	16,250	8.9%	15,880	9.6%	14,960	11.2%
RV & Trailer Products	20,200	10.6%	20,520	9.8%	22,920	11.6%
Recreational Accessories	60,540	21.1%	56,610	18.5%	59,060	18.8%
Corporate expenses and management fees	24,450	N/A	22,020	N/A	21,930	N/A
Total	$ 170,170	16.7%	$ 159,020	15.9%	$ 164,280	17.6%
Impairment of Goodwill and Other Assets:						
Packaging Systems	$	0.0%	$	0.0%	$ 2,280	1.2%
RV & Trailer Products	98,010	51.4%	310	0.2%	100	0.1%
Recreational Accessories	19,000	6.6%	2,650	0.9%		0.0%
Total	$ 117,010	11.5%	$ 2,960	0.3%	$ 2,380	0.3%
Operating Profit (Loss):						
Packaging Systems	$ 33,770	16.5%	$ 30,590	16.1%	$ 27,940	15.2%
Energy Products	22,790	14.5%	15,210	11.6%	9,160	8.9%
Industrial Specialties	38,830	21.3%	31,650	19.2%	21,810	16.3%
RV & Trailer Products	(79,650)	-41.8%	26,790	12.8%	25,560	13.0%
Recreational Accessories	(4,910)	-1.7%	2,120	0.7%	26,050	8.3%
Corporate expenses and management fees	(24,450)	N/A	(22,040)	N/A	(22,000)	N/A
Total	$ (13,620)	-1.3%	$ 84,320	8.4%	$ 88,520	9.5%
Adjusted EBITDA:						
Packaging Systems	$ 46,680	22.9%	$ 40,350	21.2%	$ 41,370	22.5%
Energy Products	25,070	16.0%	17,550	13.4%	11,700	11.4%
Industrial Specialties	43,510	23.9%	36,660	22.3%	26,490	19.8%
RV & Trailer Products	26,050	13.7%	34,280	16.4%	33,370	16.9%
Recreational Accessories	24,540	8.6%	14,930	4.9%	36,880	11.7%
Corporate expenses and management fees	(28,110)	N/A	(25,490)	N/A	(22,680)	N/A
Subtotal from continuing operations	$ 137,740	13.5%	$ 118,280	11.8%	$ 127,130	13.6%
Discontinued operations	(15,050)	N/A	(5,140)	N/A	(9,660)	N/A
Total	$ 122,690	12.0%	$ 113,140	11.3%	$ 117,470	12.6%

Results of Operations

Three Months Ended March 31, 2007 Compared with Three Months Ended March 31, 2006

The principal factors impacting us during the three months ended March 31, 2007 compared with the three months ended March 31, 2006, were:

- continued economic expansion and a strong industrial economy which impacted end user demand across our Packaging Systems, Energy Products and Industrial Specialties business segments; and,

- the continued impact of soft end-market demand and significant competitive pricing pressures within our Recreational Accessories and RV & Trailer Products segments;

Overall, net sales increased $13.7 million, or approximately 5.0%, for the three months ended March 31, 2007 as compared with the three months ended March 31, 2006. Of this increase, approximately $2.3 million was due to currency exchange, as our reported results in U.S. dollars were positively impacted by stronger foreign currencies. Packaging Systems' net sales increased $2.7 million, or approximately 5.3%, primarily as a result of an approximate 27% increase in our specialty dispensing and new product sales. Net sales within Energy Products increased $1.6 million, or approximately 4.0%, as our specialty gasket business benefited from continued high levels of activity at petroleum refineries and petrochemical facilities. Net sales within Industrial Specialties increased $8.4 million, or approximately 18.9%, due to continued strong demand in the majority of businesses in this segment, most notably within our aerospace fastener, industrial cylinder and defense businesses. Net sales within RV & Trailer Products decreased $2.5 million, or approximately 4.5%, as this segment experienced reduced sales across all market channels, due principally to soft market demand and downward market pricing pressures. Recreational Accessories' net sales increased $3.4 million to $85.1 million for the three months ended March 31, 2007, as compared to $81.7 million for the three months ended March 31, 2006, which was primarily as a result of new programs in our retail channel, partially offset by continued soft demand in our installer and distributor customer groups.

Gross profit margin (gross profit as a percentage of sales) approximated 27.7% and 26.9% for the three months ended March 31, 2007 and 2006, respectively. Packaging Systems' gross profit margin increased to 30.2% for the three months ended March 31, 2007, from 28.4% for the three months ended March 31, 2006, as this segment's margin benefited primarily from higher sales volumes between years and improved material margins. Energy Products' gross profit margin remained relatively flat at 30.4% for the three months ended March 31, 2007, compared to 30.5% for the three months ended March 31, 2006. Gross profit margin within Industrial Specialties increased to 31.7% for the three months ended March 31, 2007, from 28.8% in the three months ended March 31, 2006, due principally to the increase in sales levels year-over-year and a more favorable product sales mix in the first quarter of 2007. RV & Trailer Products' gross profit margin decreased to 23.4% for the three months ended March 31, 2007, from 24.4% for the three months ended March 31, 2006, due to competitive market pricing pressures and inefficiencies related to our Australian operation's planned closure of one facility and start-up of the new facility in Thailand. Recreational Accessories' gross profit margin increased to 24.9% for the three months ended March 31, 2007, from 24.7% for the three months ended March 31, 2006, due primarily to the increased sales volume.

Operating profit margin (operating profit as a percentage of sales) approximated 11.6% and 10.5% for the three months ended March 31, 2007 and 2006, respectively. Operating profit increased $4.6 million, or 16.1%, to $33.3 million for the quarter ended March 31, 2007, from $28.7 million for the quarter ended March 31, 2006. Packaging Systems' operating profit margin was 16.7% and 16.0% in the three months ended March 31, 2007 and 2006, respectively. Operating profit increased $0.8 million, or approximately 9.8%, for the three months ended March 31, 2007, as compared with the three months ended March 31, 2006, due to margin earned on higher sales levels between years and improved material margin and other operational improvements. Energy Products' operating profit margin was 15.4% and 14.8% for the three months ended March 31, 2007 and 2006, respectively. Operating profit increased $0.5 million, or approximately 8.4%, for the three months ended March 31, 2007, as compared with the three months ended March 31, 2006, due primarily to increased sales levels in our specialty gasket business. Industrial Specialties' operating profit margin was 23.2% and 18.9% for the three months ended March 31, 2007 and 2006, respectively. Operating profit increased $3.9 million, or approximately 46.4%, for the three months ended March 31, 2007 as compared with the three months ended March 31, 2006, due primarily to increased margins due to higher sales levels between years and a more favorable product sales mix. RV & Trailer Products' operating profit margin declined to 12.1% for the quarter ended March 31, 2007, from 14.8% for the quarter ended March 31, 2006. Operating profit decreased $1.8 million in the three months ended March 31, 2007, as compared with the three months ended March 31, 2006, due primarily to the sales volume decline between years and the inefficiencies in our Australian operations due to the planned closure of one facility and start-up of the new facility in Thailand. Recreational Accessories' operating profit margin was 6.0% and 5.1% in the three months ended March 31, 2007 and 2006, respectively. Operating profit increased $1.0 million in the three months ended March 31, 2007, compared with the three months ended March 31, 2006, primarily due to the increased sales volume.

Adjusted EBITDA margin (Adjusted EBITDA as a percentage of sales) approximated 14.7% and 13.8% for the three months ended March 31, 2007 and 2006, respectively. Adjusted EBITDA increased $4.2 million for the three months ended March 31, 2007, as compared to the three months ended March 31, 2006, which is consistent with the improvement in operating profit between years.

Packaging Systems. Net sales increased $2.7 million, or 5.3%, to $53.8 million for the quarter ended March 31, 2007, as compared to $51.1 million for the quarter ended March 31, 2006. The increase in sales is primarily due to approximately $1.3 million of favorable currency exchange as our reported results in U.S dollars were positively impacted as a result of stronger foreign currencies, and $1.6 million of higher sales of our specialty dispensing products and new product introductions. Sales of our specialty tapes, laminates and insulation products remained essentially flat while sales of our industrial closures, rings and levers decreased approximately $0.3 million.

Packaging Systems' gross profit increased approximately $1.7 million to $16.2 million, or 30.2% of sales, for the three months ended March 31, 2007, as compared to $14.5 million, or 28.4% of sales, for the three months ended March 31, 2006. Of the increase in gross profit between years, approximately $0.8 million is attributed to increased sales levels and approximately $0.9 million is attributed to higher material margins and other operating improvements.

Packaging Systems' selling, general and administrative costs increased approximately $0.8 million to $7.1 million, or 13.2% of sales, for the three months ended March 31, 2007, as compared to $6.3 million, or 12.4% of sales, for the three months ended March 31, 2006, primarily as a result of increased selling costs associated with sales growth initiatives.

Packaging Systems' operating profit increased $0.8 million to $9.0 million, or 16.7% of sales, for the three months ended March 31, 2007, as compared to $8.2 million, or 16.0% of sales, for the three months ended March 31, 2006, due primarily to higher sales levels between years, improved material margins and other operational improvements, which were partially offset by increased selling costs related to our sales growth initiatives.

Packaging Systems' Adjusted EBITDA increased $0.6 million to $12.3 million, or 22.9% of sales, for the three months ended March 31, 2007, from $11.7 million, or 23.0% of sales, for the three months ended March 31, 2006, which is consistent with the improvement in operating profit between years.

Energy Products. Net sales for the quarter ended March 31, 2007 increased $1.6 million, or 4.0%, to $41.6 million, compared to $40.0 million for the quarter ended March 31, 2006. Sales of specialty gaskets and related fastening hardware increased $3.0 million as a result of increased demand from existing customers due to continued high levels of turn-around activity at petrochemical refineries, incremental business with existing customers and increased demand for replacement parts as refineries continue to operate at capacity. Sales of slow speed and compressor engines and related products decreased $1.4 million in the first quarter of 2007, as compared to the first quarter of 2006, primarily due to the impact of lower commodity prices in the first quarter of 2007, and the resultant reductions in drilling activity, primarily by our Canadian customers.

Gross profit within Energy Products increased $0.4 million to $12.6 million, or 30.4% of sales, in the three months ended March 31, 2007, from $12.2 million, or 30.5% of sales, in the three months ended March 31, 2006. The increase in sales levels between years resulted in approximately $0.5 million in improved gross profit. In addition, an increase of approximately $0.2 million is attributed to a more profitable mix in our engine business, as engines comprised a lower percentage of sales relative to replacement parts and chemical pumps. These improvements were partially offset by $0.3 million of higher wage, benefit and launch costs related to new products in our engine business.

Selling, general and administrative expenses within Energy Products increased $0.1 million to $6.2 million, or 14.9% of net sales in the three monts ended March 31, 2007, from $6.1 million, or 15.3% of net sales, in the first three months of 2006. Of the increase, approximately $0.4 million relates to increased compensation and commission expenses, which were partially offset by a decrease of $0.3 million in asbestos litigation defense costs in our specialty gasket business relative to the first quarter of 2006.

Overall, operating profit within Energy Products increased $0.5 million to $6.4 million, or 15.4% of sales in the three months ended March 31, 2007, from $5.9 million, or 14.8% of sales, in the three months ended March 31, 2006, due principally to higher sales levels in our specialty gasket business.

Energy Products' Adjusted EBITDA increased $0.6 million to $7.1 million, or 17.1% of sales, for the quarter ended March 31, 2007, from $6.5 million, or 16.4% of sales, for the quarter ended March 31, 2006, which is consistent with the improvement in operating profit between years.

Industrial Specialties. Net sales during the three months ended March 31, 2007 increased $8.4 million, or approximately 18.9%, to $52.8 million, from $44.4 million in the three months ended March 31, 2006. Net sales in the three months ended March 31, 2007 increased 22.0% in our aerospace fastener business, as we continued to experience strong market demand, 28.2% in our industrial cylinders business, as demand for the new ISO cylinder continued to increase, 31.8% in our defense business, as our customers' built-up their inventory of cartridge cases in advance of the base closure and relocation slated for 2009, and 1.3% in our precision cutting tools business, as compared to the three months ended March 31, 2006. Sales within our specialty fittings business declined approximately 15.3% in the first quarter 2007 compared to first quarter 2006 due to softening market demand.

Gross profit within Industrial Specialties increased $3.9 million to $16.7 million, or 31.7% of sales, for the three months ended March 31, 2007, as compared to $12.8 million, or 28.8% of sales, for the three months ended March 31, 2006. Of the increase in gross profit, approximately $2.4 million is attributed to the sales level increase between years. The remainder of the increase is attributable to more favorable product mix and operational improvements, primarily in our aerospace fasteners business.

Selling, general and administrative expenses increased $0.2 million to $4.5 million, or 8.4% of sales, in the three months ended March 31, 2007, as compared to $4.3 million, or 9.7% of sales, in the three months ended March 31, 2006, as this segment was able to keep its selling, general and administrative expenses relatively flat even with increases in sales.

Operating profit for the three months ended March 31, 2007 increased $3.9 million to $12.3 million, or 23.2% of sales, as compared to $8.4 million, or 18.9% of sales, for the three months ended March 31, 2006, due primarily to higher sales levels between years, an increasingly favorable product mix and operational improvements in our aerospace fasteners business in the first quarter of 2007 compared to the first quarter of 2006.

Industrial Specialties' Adjusted EBITDA increased $3.4 million to $13.2 million, or 25.1% of sales, for the three months ended March 31, 2007, from $9.8 million, or 22.1% of sales, for the three months ended March 31, 2006, consistent with the improvement in operating profit between years.

RV & Trailer Products. Net sales decreased $2.5 million to $53.4 million for the three months ended March 31, 2007, as compared to $55.9 million for the three months ended March 31, 2006. Net sales were favorably impacted by approximately $1.1 million of currency exchange, as our reported results in U.S. dollars were positively impacted as a result of a stronger Australian dollar. However, this increase was more than offset by declines in the first quarter 2007 sales compared to first quarter 2006 due to continued soft demand in certain end-markets and pricing pressure across all market channels.

RV & Trailer Products' gross profit decreased $1.1 million to $12.5 million, or 23.4% of sales, for the three months ended March 31, 2007, from approximately $13.6 million, or 24.4% of sales, in the three months ended March 31, 2006. Of the decline in gross profit between years, $0.6 million is attributed to the decline in sales between periods. The remaining decrease in gross profit is due to slightly lower material margins resulting from continued pricing pressures, inefficiencies and duplication of costs in our Australian operations associated with the planned closure of one Australian facility and a corresponding increase in volume in our new Thailand facility and a less favorable sales mix in our Australian business.

Selling, general and administrative expenses increased $0.6 million to $6.0 million, or 11.2% of sales, in the three months ended March 31, 2007, as compared to $5.4 million, or 9.7% of sales, in the three months ended March 31, 2006, due primarily to increases in sales-related support activities associated with the start-up of our new Thailand facility.

RV & Trailer Products' operating profit declined $1.8 million, to approximately $6.5 million, or 12.1% of sales, in the three months ended March 31, 2007, from $8.3 million, or 14.8% of net sales, in the three months ended March 31, 2006. The decline in operating profit between years is primarily due to the sales volume decline, lower material margins as a result of commodity cost increases and competitive pricing pressures and the aforementioned inefficiencies in our Australian operations.

RV & Trailer Products' Adjusted EBITDA decreased $1.6 million to $8.5 million, or 16.0% of sales, for the three months ended March 31, 2007, from $10.1 million, or 18.1% of sales, for the three months ended March 31, 2006, consistent with the decline in operating profit between years.

Recreational Accessories. Recreational Accessories' net sales increased $3.4 million to $85.1 million for the three months ended March 31, 2007, from $81.7 million in the three months ended March 31, 2006, due primarily to sales of approximately $5.6 million associated with new programs in our retail business, partially offset by reduced sales in our installer and distributor customer groups due to the continued softening of end-customer markets within these customer groups. Net sales in the three months ended March 31, 2007 were also negatively impacted by approximately $0.1 million due to currency exchange as our reported results in U.S. dollars were lower due to a weaker Canadian dollar.

Recreational Accessories' gross profit margin increased to 24.9% for the three months ended March 31, 2007, from 24.7% for the three months ended March 31, 2006. The net change in gross profit between years of $1.0 million is primarily attributed to the increase in sales volume.

Recreational Accessories' selling, general and administrative expenses remained approximately flat at $16.1 million for the three months ended March 31, 2007, versus $16.0 million in the three months ended March 31, 2006. As a percentage of sales, selling, general and administrative expenses were 18.9% in the first quarter of 2007, versus 19.6% in the first quarter of 2006. In the quarter ended March 31, 2007, promotional expenses in our retail business increased by approximately $0.9 million as a result of our stock-lift of our competitors' products from certain of our customers' stores. This increase between years was principally offset by reductions in selling and distribution expenses in our towing business in the first quarter of 2007 as a result of further consolidation of warehouses and lower discretionary spending corresponding with the decline in sales in the installer and distributor customer groups.

Recreational Accessories' operating profit increased $1.0 million to approximately $5.1 million, or 6.0% of sales, in the three months ended March 31, 2007, from $4.1 million, or 5.1% of sales, in the three months ended March 31, 2006. The improvement in operating profit between years is primarily the result of increased sales volume.

Recreational Accessories' Adjusted EBITDA increased $0.9 million to $7.7 million, or 9.1% of sales, for the three months ended March 31, 2007, from $6.8 million, or 8.4% of sales, for the three months ended March 31, 2006, consistent with the improvement in operating profit between years.

Corporate Expenses and Management Fees. Corporate expenses and management fees included in operating profit and Adjusted EBITDA consist of the following:

	Three months ended March 31,			
	2007		2006	
	(in millions)			
Corporate operating expenses	$	2.6	$	2.8
Employee costs and related benefits		2.3		2.4
Management fees and expenses		1.0		1.1
Corporate expenses and management fees operating profit	$	5.9	$	6.3
Receivables sales and securitization expenses		1.0		1.1
Depreciation				(0.1)
Corporate expenses and management fees Adjusted EBITDA	$	6.9	$	7.3

Corporate expenses and management fees decreased approximately $0.4 million to $5.9 million for the three months ended March 31, 2007, from $6.3 million for the three months ended March 31, 2006. The decrease between years is primarily attributed to overall modest reductions in corporate operating expenses, employee costs and management fee expenses.

Interest Expense. Interest expense decreased approximately $1.0 million to $18.9 million for the three months ended March 31, 2007, as compared to $19.9 million for the three months ended March 31, 2006. The decrease is primarily the result of a decrease in our weighted average interest rate on variable rate borrowings to approximately 8.0% during the first quarter 2007 from approximately 8.1% during the first quarter of 2006, and a reduction in weighted average variable rate borrowings from approximately $334.6 million in the first quarter of 2006 to approximately $330.6 million in the first quarter of 2007.

Other Expense, Net. Other expense, net increased approximately $0.4 million to $1.2 million for the three months ended March 31, 2007, from $0.8 million for the three months ended March 31, 2006. In the first quarter of 2007, we incurred approximately $1.3 million of expenses in connection with the use of our receivables securitization facility and sales of receivables to fund working capital needs, and experienced no significant currency gains or losses on transactions denominated in foreign currencies. In the first quarter of 2006, we incurred approximately $1.1 million of expenses in connection with the use of our receivables securitization facility and sales of receivables to fund working capital needs, which were partially offset by gains on transactions denominated in foreign currencies of approximately $0.3 million.

Income Taxes. The effective income tax rates for the three months ended March 31, 2007 and 2006 were 37% and 38%, respectively.

Discontinued Operations. The results of discontinued operations consists of net activity at our Frankfort, Indiana industrial fastening business through February 2007, when the sale of this business was completed. See Note 2, "Discontinued Operations and Assets Held for Sale," to our consolidated financial statements included elsewhere in this prospectus.

Year Ended December 31, 2006 Compared with Year Ended December 31, 2005

The principal factors impacting us during the year ended December 31, 2006 compared with the year ended December 31, 2005 were:

- continued economic expansion and a strong industrial economy, which impacted end user demand across our Packaging Systems, Energy Products and Industrial Specialties business segments;

- the impact of significant competitive pricing pressures within the retail market channels of our Recreational Accessories and RV & Trailer Products segments, and reduced demand for trailering components within our RV & Trailer Products segment which, in conjunction with a cyclical market decline, resulted in a non-cash goodwill impairment charge of $97.5 million and $19.0 million in our RV & Trailer Products and Recreational Accessories segments, respectively; and

- the impact of varying raw material costs and availability of some commodities, between years and across segments, such as certain types of steel, aluminum, copper, and polyethylene and polypropylene resins.

Overall, net sales increased $19.7 million, or approximately 2.0%, in 2006 as compared with 2005. Of this increase, approximately $16.6 million is attributed to organic growth, and approximately $3.1 million is due to currency exchange as our reported results in U.S. dollars benefited from stronger foreign currencies. Packaging Systems' net sales increased $14.3 million, or approximately 7.5%, in 2006 as compared with 2005 due to increases in core product sales, new product sales and the favorable effects of currency exchange. Net sales within Energy Products increased $26.0 million, or 19.8%, in 2006 as compared with 2005 as businesses in this segment benefited from high levels of oil and gas drilling activity in North America due to elevated oil prices and higher levels of turnaround activity at petroleum refineries and petrochemical facilities. Net sales within our Industrial Specialties segment increased $17.3 million, or 10.5%, in 2006 as compared with 2005 due to improved demand across all businesses in the segment and recovery of steel cost increases, most notably in our industrial cylinder and precision tool businesses. RV & Trailer Products' net sales decreased $18.3 million, or approximately 8.8%, in 2006 as compared with 2005 due to decreased demand across most of its market channels and pricing pressure as a result of increased foreign competition. Recreational Accessories' net sales decreased $19.6 million, or approximately 6.4%, in 2006 as compared with 2005 due to reduced sales activity in our towing products business' early order program and reduced demand across its market channels due to high gasoline prices and a continued uncertain interest rate environment.

Gross profit margin (gross profit as a percentage of sales) approximated 26.8% and 24.7% for 2006 and 2005, respectively. Packaging Systems' gross profit margin increased to approximately 29.3% in 2006 from 28.7% in 2005 primarily due to higher sales volumes and reduced material costs. Energy Products' gross profit margin increased to 29.1% in 2006 compared to 27.0% in 2005 as this segment's margin benefited primarily from higher sales volumes between years. Gross profit margin within our Industrial Specialties segment increased in 2006 to 30.1% compared to 28.9% in 2005 due generally to higher sales volumes and proportionately greater sales of higher margin aerospace fasteners between years. RV & Trailer Products' gross profit margin decreased to 20.3% in 2006 from 23.1% in 2005 due primarily to the reduced sales levels, lower material margins, increased competitive pricing pressures and startup costs associated with our new manufacturing facility in Thailand. Recreational Accessories' gross profit margin increased to 26.0% in 2006 from 20.0% in 2005. The increase is due primarily to material margin improvements in our towing and retail sales channels, purchasing savings initiatives, additional manufacturing efficiencies and material management improvement initiatives. These improvements were partially offset by the decline in sales between years.

Operating profit margin (operating profit as a percentage of sales) decreased from 8.4% in 2005 to (1.3)% in 2006. Operating profit declined approximately $97.9 million, to an operating loss of $13.6 million in 2006, compared to operating profit of $84.3 million in 2005. Of this decline,

$116.5 million was due to a non-cash goodwill impairment charge related to our RV & Trailer Products and Recreational Accessories segments, which is partially offset by $18.6 million of additional margin earned on increased sales and as a result of other operational improvements. Packaging Systems' operating profit margin was 16.5% and 16.1% in 2006 and 2005, respectively. Operating profit increased $3.2 million in 2006 as compared with 2005 due primarily to higher sales levels, improved material margins as a result of moderating raw material costs and flat selling and administrative costs as a percentage of sales between years. Energy Products' operating profit margin was 14.5% and 11.6% in 2006 and 2005, respectively. Operating profit improved $7.6 million in 2006 compared to 2005 as increases in margin earned due to higher sales levels and margin improvement in our specialty gasket business were partially offset by higher selling, general and administrative expenses, which principally increased due to $0.9 million of higher asbestos litigation defense costs. Industrial Specialties' operating profit margin was 21.3% and 19.2% in 2006 and 2005, respectively. Operating profit increased $7.2 million in 2006 compared to 2005 due to increased sales levels in all of the businesses in this segment and improved material margins, partially offset by higher selling, general and administrative expenses. RV & Trailer Products' operating profit decreased $106.4 million in 2006, from an operating profit of $26.8 million in 2005 to an operating loss of $79.6 million in 2006, principally due to a non-cash goodwill impairment charge of $97.5 million. The remaining decrease in operating profit of approximately $8.9 million is primarily the result of the decline in sales and lower material margins. Recreational Accessories' operating profit decreased $7.0 million in 2006, from an operating profit of $2.1 million to an operating loss of $4.9 million in 2006, principally due to the non-cash goodwill impairment charge of $19.0 million. The effect of the goodwill impairment charge was partially offset by approximately $12.0 million of additional operating profit resulting primarily from increased material margins, improved productivity and purchasing cost savings initiatives, partially offset by increased selling, general and administrative expenses, mainly in our retail advertising and promotional expenses.

Adjusted EBITDA margin (Adjusted EBITDA as a percentage of sales) approximated 13.5% and 11.8% in 2006 and 2005, respectively. The increase in Adjusted EBITDA margin was consistent with the increase in operating profit margin in our Energy Products and Industrial Specialties segments. The Adjusted EBITDA margin for Packaging Systems improved to 22.9% in 2006 from 21.2% in 2005. In addition to the improvement in operating profit margin, the increase in Packaging Systems' Adjusted EBITDA margin from 2005 to 2006 was partially due to $1.8 million in net losses on transactions denominated in foreign currencies in 2005 that did not recur in 2006. The Adjusted EBITDA margins in our RV & Trailer Products and Recreational Accessories segments were significantly higher than the operating profit margins due to the add-back of the non-cash goodwill impairment charges of $97.5 million and $19.0 million, respectively. Before consideration of these charges, the increase in Adjusted EBITDA margin in our Recreational Accessories segment and the decrease in Adjusted EBITDA margin in our RV & Trailer Products segment was consistent with the related changes in operating profit margin.

Packaging Systems. Net sales increased $14.3 million, or approximately 7.5%, to $204.2 million in 2006 compared to $189.9 million in 2005. Overall, the increase in sales is a result of strong demand for our products in the general industrial, commercial construction and metal building markets due to overall economic expansion and the introduction of new products. Of the increase in sales, approximately $4.4 million was due to increased sales of specialty tapes, laminates and insulation products, $5.2 million was due to increased sales of industrial closures, rings and levers and $4.2 million was due to increased sales of new consumer-oriented specialty dispensing products. In addition, the increase in sales included approximately $0.5 million of currency exchange gains.

Packaging Systems' gross profit increased approximately $5.3 million to $59.8 million, or 29.3% of sales, in 2006 from $54.5 million, or 28.7% of sales, in 2005. Of the increase in gross profit between years, approximately $4.1 million is attributed to the sales level increase between years and approximately $1.4 million is attributed to improved material margins as a result of moderating raw material costs, offset in part by higher period operating costs resulting from the increased sales levels.

Packaging Systems' selling, general and administrative costs increased approximately $2.2 million to $26.0 million, or 12.7% of sales, in 2006 as compared to $23.8 million, or 12.5% of sales, in 2005. The increase in selling, general and administrative expenses was consistent with the increase in sales.

Packaging Systems' operating profit increased $3.2 million to $33.8 million, or 16.5% of sales, in 2006 from $30.6 million, or 16.1% of sales, in 2005. The increase in operating profit is due primarily to higher sales levels, improved material margins as a result of moderating raw material costs and flat selling and administrative costs as a percentage of sales between years.

Packaging Systems' Adjusted EBITDA increased $6.3 million to $46.7 million, or 22.9% of sales, in 2006 from $40.5 million, or 21.2% of sales, in 2005. Of this amount, approximately $3.2 million is consistent with the improvement in operating profit. Of the remaining change, $1.9 million of the increase resulted from changes in foreign currency gains and losses, as there was a $0.1 million gain on transactions denominated in foreign currencies in 2006 compared to $1.8 million in losses on such similar transactions in 2005. In addition, there was approximately $0.8 million higher amortization of customer intangible assets in 2006 than in 2005.

Energy Products. Net sales for 2006 increased $26.0 million, or 19.8%, to $157.0 million compared to $131.0 million in 2005. Of this amount, approximately $11.8 million represents increased demand from existing customers for slow speed and compressor engines and related products, as a result of continued favorable market conditions for oil and gas producers in the United States and Canada, and approximately $3.7 million represents market share gains due to extended product line offerings of existing engine models, principally in Canada, and expanded replacement parts offerings internationally. Sales of specialty gaskets increased $10.2 million as a result of increased demand from existing customers due to continued high levels of turn-around activity at petrochemical refineries, incremental business with existing customers and increased demand for replacement parts as a result of severe weather in the United States Gulf Coast region in the second half of 2005. In addition, $0.3 million is due to increased international sales of specialty gaskets, principally in Latin America, the Far East and Europe.

Gross profit within Energy Products increased $10.3 million to $45.7 million, or 29.1% of sales in 2006, from $35.4 million, or 27.0% of sales in 2005. Of this amount, approximately $7.0 million is attributed to the sales level increase between years. The remaining improvement is due to improved material margins in both businesses, which in our engine business relates to on-going efforts to source slow speed and compressor engine products to suppliers in lower cost manufacturing countries, and better absorption of fixed overhead costs, given the increased sales volumes in 2006 as compared to 2005.

Selling, general and administrative expenses within Energy Products increased $2.5 million to $22.7 million, or 14.5% of net sales in 2006, from $20.2 million, or 15.4% of net sales in 2005. Of the increase, approximately $1.2 million relates to increased sales compensation and commission expenses, consistent with the increase in sales and $0.9 million is due to increased asbestos litigation defense costs in our specialty gasket business. Energy Products achieved higher sales levels with only a modest increase in selling and administrative costs due to the relatively fixed cost nature of this segment's existing distribution network, particularly with respect to sales of specialty gaskets.

Overall, operating profit within Energy Products increased $7.6 million to $22.8 million, or 14.5% of sales in 2006, from $15.2 million, or 11.6% of sales, in 2005 due principally to significantly higher sales levels.

Energy Products' Adjusted EBITDA increased $7.5 million to $25.1 million or 16.0% of sales for the year ended December 31, 2006 from $17.6 million, or 13.4% of sales, for the year ended December 31, 2005, consistent with the improvement in operating profit between years.

Industrial Specialties. Net sales in 2006 increased $17.3 million, or approximately 10.5%, to $182.0 million from $164.7 million in 2005. The increase in sales is a result of strong demand for our products in the general industrial, aerospace and automotive markets due to market share gains, new products, and economic expansion. Notably, our aerospace fastener business continues to experience strong market demand, with a sales increase of approximately 14.2% in 2006 as compared to 2005 due to continued strong commercial and business jet build rates. As compared to 2005, 2006 sales within our industrial cylinders business increased 14.5%, sales of specialty automotive fittings improved 3.2% and sales of precision cutting tools improved 5.7%, while sales within our defense business were slightly above 2005 levels. We estimate that steel cost increases recovered from customers via pricing increases during 2006, principally within our industrial cylinder and precision tool businesses, were comparable to 2005.

Gross profit within Industrial Specialties increased $7.2 million to $54.8 million, or 30.1% of sales, in 2006 as compared to $47.6 million, or 28.9% of sales, in 2005. Of the increase in gross profit, approximately $5.0 million is attributed to the sales level increase between years. The remainder of the increase is attributed to operational improvements which resulted in reductions in material, labor and overhead costs as a percentage of sales, with increased material margins comprising the majority of the improvement at approximately $1.2 million.

Selling, general and administrative expenses increased $0.4 million to $16.3 million, or 8.9% of sales, in 2006 as compared to $15.9 million, or 9.6% of sales, in 2005, due primarily to increases in professional fees and certain personnel expenses.

Operating profit increased $7.2 million to $38.8 million, or 21.3% of sales, in 2006 as compared to $31.6 million, or 19.2% of sales, in 2005, due primarily to increased sales levels in each of the businesses in this segment and improved material margins, which were offset in part by slightly higher selling, general and administrative spending.

Industrial Specialties' Adjusted EBITDA increased $6.8 million to $43.5 million, or 23.9% of sales, in 2006 from $36.7 million, or 22.3% of sales, in 2005, consistent with the improvement in operating profit between years.

RV & Trailer Products. Net sales decreased $18.3 million, or 8.8%, to $190.7 million in 2006, from $209.0 million in 2005. This decrease is due principally to reduced demand across all market channels and market pricing pressures which resulted from increased foreign competition, particularly in the agriculture and industrial markets. In addition, approximately $0.7 million of the decrease in sales is due to currency exchange rates, as our reported results in U.S. dollars were reduced as a result of a weaker Australian dollar.

RV & Trailer Products' gross profit decreased $9.5 million to $38.7 million, or 20.3% of net sales in 2006, from $48.2 million, or 23.1% of net sales, in 2005. Of the decrease in gross profit, approximately $4.2 million is attributed to the sales level decrease between years and approximately $4.3 million is attributed to lower product margins as a result of competitive pricing pressures, higher commodity costs and a less favorable mix of product sales, primarily in our Australian business. In addition, approximately $1.0 million is attributed to startup costs incurred in 2006 associated with our new manufacturing facility in Thailand.

RV & Trailer Products' selling, general and administrative expenses decreased $0.3 million to $20.2 million, or 10.6% of sales in 2006, from $20.5 million, or 9.8% of sales in 2005, as selling, general and administrative spending and expenses decreased due to lower sales levels.

RV & Trailer Products' operating profit decreased $106.4 million in 2006, from an operating profit of $26.8 million in 2005 to an operating loss of $79.6 million in 2006, principally due to the non-cash goodwill impairment charge of $97.5 million. The remaining decrease in operating profit of approximately $8.9 million is primarily related to the decline in sales and lower material margins.

RV & Trailer Products' Adjusted EBITDA decreased $8.2 million to $26.1 million, or 13.7% of sales in 2006, from $34.3 million, or 16.4% of sales, in 2005, which, after considering the effect of the goodwill impairment charge, is consistent with the decline in operating profit margin between years.

Recreational Accessories. Net sales decreased $19.6 million, or approximately 6.4%, to $286.6 million in 2006, from $306.2 million in 2005. The net decrease in sales between years was principally the result of reduced consumer demand due to high gasoline prices, a continued uncertain interest rate environment and an effort by the installer and distributor customer groups to reduce inventory levels due to the softening of end-consumer markets. These decreases were offset by approximately $2.8 million due to currency exchange as our reported sales in U.S. dollars benefited from stronger foreign currencies during 2006.

Recreational Accessories' gross profit increased $13.2 million to $74.5 million, or 26.0% of net sales in 2006, from $61.3 million, or 20.0% of net sales in 2005. Of this increase in gross profit, approximately $5.7 million is attributed to material margin improvements in our retail sales channel as a result of sourcing initiatives and $5.2 million is attributed to savings resulting from the decision to purchase certain products that we previously manufactured. An additional $5.0 million is attributed to material margin improvements in our towing products business due to pricing actions and net favorable material usage variances at our Goshen, Indiana manufacturing facility, resulting from manufacturing efficiency and material management improvement initiatives. Gross profit was also favorably impacted by savings associated with cost reduction initiatives implemented at our Goshen, Indiana manufacturing facility in 2006. These improvements were offset by $3.9 million in lower gross profit attributed to the decline in sales between years.

Recreational Accessories' selling, general and administrative expenses increased approximately $3.9 million to $60.5 million, or 21.1% of sales in 2006, from $56.6 million, or 18.5% of sales in 2005. The increase in selling and administrative expenses between years is due to increased advertising and promotion expenses which were necessary to support our retail channel sales activities, costs associated with the closure of our Sheffield, Pennsylvania operations and increased distribution costs from our South Bend facility associated, in part, with the exit from our Sheffield operations.

Recreational Accessories' operating profit decreased $7.0 million in 2006, from an operating profit of $2.1 million to an operating loss of $4.9 million in 2006, principally due to the non-cash goodwill impairment charge of $19.0 million. The effect of the goodwill impairment charge is partially offset by approximately $12.0 million of additional operating profit as a result of increased material margins, improved productivity and purchasing cost savings initiatives, which were partially offset by increased promotion costs in our retail channel, increased costs associated with closure of our Sheffield operation and increased distribution costs from our South Bend distribution facility.

Recreational Accessories' Adjusted EBITDA increased $9.6 million to $24.5 million, or 8.6% of sales in 2006, from $14.9 million, or 4.9% of sales, in 2005, which, after considering the effect of the goodwill impairment charge, is consistent with the increase in operating profit margin between years.

Corporate Expenses and Management Fees. Corporate expenses and management fees included in operating profit and Adjusted EBITDA consist of the following:

	Year ended December 31,	
	2006	2005
	(dollars in millions)	
Corporate operating expenses	$ 11.4	$ 10.4
Employee costs and related benefits	8.9	7.4
Management fees and expenses	4.1	4.2
Corporate expenses and management fees operating profit	24.4	22.0
Receivables securitization expenses	4.1	4.2
Depreciation	(0.1)	(0.2)
Other, net	(0.3)	(0.5)
Corporate expenses and management fees Adjusted EBITDA	$ 28.1	$ 25.5

Corporate expenses and management fees approximated $24.4 million and $22.0 million in 2006 and 2005, respectively. The increase in corporate operating expenses is primarily the result of increased professional fees for services utilized in 2006. The increase in employee costs and related benefits is due primarily to increased incentive stock compensation expense as a result of implementation of SFAS No. 123R, "Accounting for Stock-Based Compensation."

Interest Expense. Interest expense increased approximately $3.9 million to $79.1 million in 2006 from $75.2 million in 2005. The increase is primarily the result of an increase in our weighted average interest rate on variable rate borrowings to approximately 8.2% in 2006 from approximately 6.9% in 2005, which was partially offset by a reduction in weighted average variable rate borrowings of approximately $324.9 million during 2006 from approximately $357.6 million during 2005.

In connection with the refinancing of our credit facilities in August 2006, we incurred debt extinguishment costs of $8.6 million, of which $7.9 million was a non-cash charge due to the write-off of debt issuance costs.

Other Expense, Net. Other expense, net decreased approximately $1.9 million to $4.2 million in 2006 from $6.1 million in 2005. The decrease is principally due to a gain in 2006 of approximately $0.1 million on transactions denominated in foreign currencies other than the local currency of the subsidiary that is a party to the transaction as compared to a loss on such transactions in 2005 of approximately $2.3 million.

Income Taxes. The effective income tax rate for 2006 was (2.6)% compared to 66.6% for 2005. In 2006, we reported foreign pre-tax income of approximately $16.2 million and a domestic pre-tax loss of approximately $121.6 million. The loss in 2006 is primarily the result of a goodwill impairment charge of $116.5 million, for which we received an income tax benefit of only $1.2 million. In 2006, we also recorded a tax benefit of approximately $0.5 million in accordance with SFAS 109 due to the change in the Texas tax law signed into effect on May 19, 2006, recorded a valuation allowance of $1.7 million against certain deferred tax assets associated with a dual consolidated tax loss, certain state NOL's and a foreign tax credit carryforward, and recorded a tax benefit of $0.6 million related to extraterritorial income exclusions (ETI). The ETI tax deduction is based on the amount of export sales by domestic entities and has minimal relationship with net income (loss). In 2005, foreign operations reported pre-tax income of approximately $10.6 million compared to a reported domestic pre-tax loss of $7.6 million. In 2005, we recorded a valuation allowance of $2.2 million against certain deferred tax assets associated with a dual consolidated tax loss, certain state NOL's and a foreign tax credit carryforward and recorded a tax benefit of $1.0 million related to extraterritorial income exclusions (ETI). In add