General Capabilities Presentation

The New Metal Seal
Bigger, Stronger & Better Than Ever!

- More Customers
- More Engineers
- More Equipment
- More Experience
- More Capabilities
- More Financial Stability
I. Who We Are... The New Metal Seal
II. Why We Merged
III. How This Merger Benefits You
IV. What Makes Us Different... Better
V. How We Add Value
VI. Markets & Products
VII. How We’re Structured
VIII. Our Vision For The Future
IX. What’s The Process/Timeline?
X. In Conclusion
I. Who We Are

The New Metal Seal...

- A world class manufacturer of precision metal components formed via a merger of two strong competitors in 2011... Arrow Manufacturing and Metal Seal & Products, Inc.
- Headquartered in Mentor, OH
- Sales of $30 million to more than 50 customers in 22 states, in 12 countries on 3 continents
- More than 300 pieces of equipment and 156,000 sq. ft. of production capacity
- One of just a few North American companies with in-house prototyping and anodizing under one roof
II. Why We Merged?

- Precision Turned parts is an industry undergoing dramatic consolidation as customers demand broader capabilities from fewer and fewer vendors

- Take Ford Motor Company for example:
  - In 2004, Ford had 3,300 suppliers
  - By 2008 this number was reduced to 1,600 suppliers
  - By the end of 2011, the goal is to get this down to 750 suppliers

- The same thing is happening at just about every OEM and Tier One supplier:
  - In 1990 there were 30,000 automotive suppliers
  - By 2000, there were only 10,000
  - By the end of 2011, there were only about 5,000 suppliers to the auto industry
II. Why We Merged?

• To be one of the 5,000 suppliers to survive, we had to broaden our capabilities via the acquisition of a well-managed company with an industry-wide reputation for quality and strong customer relationships.

• Metal Seal & Products, Inc. a strong, well-respected competitor for more than 30 years, was that company.

• By merging our two organizations, we’ve:
  • Expanded our ability to manufacture precision machined parts and mechanical assemblies
  • Added in-house prototyping capabilities & anodizing
  • Broadened our core competencies
  • Tripled our Engineering staff
  • Doubled our capacity
II. Why We Merged?

In Other Words:

• This merger has produced a world class machining company that has:
  • More Customers
  • More Equipment
  • More Capabilities
  • More People
  • More Experience
  • More Financial Stability
II. Why We Merged?

More Customers

- As a result of the merger, we now work with a broad range of sophisticated customers:
II. Why We Merged?

More Equipment

- As a result of the merger, we now have more than 300 pieces of equipment including:

**Rotary Transfer Machines**
10 - Hydromat Mdl. HB32/45 12-station Precision Rotary Transfer

**Screw Machines**
14 - Schuttes
2 - Tournos-Bechler 6 spindles
1 - Euroturn 6 spindle
4 - Gildemeister GM35
65 - Acme-Gridley (RB6, RB8, BRT6)
18 - New Britain 51,52, 60,62, 817
8 - Davenports ¾ inch oversize w/auto loaders
5 - SNM Automatic 6 spindle
4 - Brown & Sharpe Auto screw machines
II. Why We Merged?

More Equipment

• As a result of the merger, we now have more than 300 pieces of equipment including:

**Grinding**
- 2 - Brown & Sharpe No.13 grinders
- 3 - Royal Centerless grinders
- 3 - Cinco Centerless Grinders
- 1 - Studor CNC Cylindrical Grinding Machine

**CNC Milling**
- 1 - NTC 2V4000
- 2 - Brother TC-32A
- 1 - Miyano TSV35
- 1 - Miyano TSV31-1
- 1 - Miyano TSV33
- 1 - Amera-Seiki MC2242 w/pallet changer
- 1 - Amera-Seiki MC1624 w/pallet changer
II. Why We Merged?

More Equipment

• As a result of the merger, we now have more than 300 pieces of equipment including:

CNC Machines/ Turning Centers/Tapping Centers

7 - Tsugami Swiss SS32
3 - Fuji ANW30T - Two Spindle
2 - Fuji ANW-4100 Two Spindle
1 - Cincinnati Milacron Talon 210
1 - Ameri-Seiki TC-2L
1 - Ameri-Seiki GT-32
2 - Miyano LP-21W 2-spindle
1 - Miyano BNC-34T W/Fanuc CNC Controls
3 - Hardinge Cobra Turning Center
5 - Hardinge Conquest T42SP
2 - Emco 325 Turning Centers (3 W/CNC Controls)
1 - Emco 420MC Turning Center
1 - Emco 665 Hyperturns
II. Why We Merged?

More Equipment

- As a result of the merger, we now have more than 300 pieces of equipment including:

**Secondary Machinery**

11 - Drill Presses
4 - Kingsbury- 7-Station
1 - Ohio vertical broaching Mdl.
4 - Parts washing systems (Graymill, Rotary, Turbo, Crest Ultrasonic)
8 - Tapping centers (3-Snows,
   (1-Miyano TSV-32, 1-TS-V35,
   1-TSV-33, 2-Brothers TC-32A)
1 - CNC Laser Marking system
2 - Hardinge Lathe w/CNC (one super precision C0-GT)
4 - Broaching (B&H, Miles -48, Miles 24,
   MBLD 10-30-120R, XL-12)
II. Why We Merged?

More Equipment

• As a result of the merger, we now have more than 300 pieces of equipment including:

**Tool Room**

1. Haring Hand feed surface grinder
2. ANCA GXC CNC tool and cutter grinder
3. Oliver drill grinders
4. Wickman optical profile grinder
5. Norton Grinder
6. Hybco Tool Cutter
7. Surface Grinders
8. Clausing Colchester Lathe
9. Monarch Lathe
10. Enterprise Lathe
11. Bridgeports
12. Mitsubishi wire EDM
II. Why We Merged?

More Equipment

• As a result of the merger, we now have more than 300 pieces of equipment including:

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<thead>
<tr>
<th>Quality Assurance</th>
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<tr>
<td>1 - Pratt &amp; Whitney Super Micrometer</td>
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<td>1 - Federal Surface Analyzer 5000</td>
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<td>1 - Datastar</td>
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<td>6 – Comparators</td>
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<td>1 - Zeiss Contourecord 2660D Trace Machine</td>
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<td>1 – Mitutoy Profilometer Surftest</td>
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<td>2 - Wilson 3JR hardness tester</td>
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<td>1 - Zeiss Contura coordinate measuring machines</td>
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<tr>
<td>2 - Brown &amp; Sharp Global Coordinate Measurement Machines</td>
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<td>1 - Genesis (Data collection units wired to Anstat SPC Computer)</td>
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<td>1 - Sunnen Mdl. MBC 1804 precision hone</td>
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<td>1 - Sunnen Mdl. MBC 1802 precision hone</td>
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The combined skills of the new Metal Seal provides FAS with a broad range of metal working capabilities including:

- Precision Turning
- Grinding & Milling
- Automated Assembly & Inspection
- Semi-Automated & Manual Assembly
- Wire EDM
- CNC Machining
- Swiss Machining
- In-house Prototyping
- Machining Ranges Of 3mm To 66mm
- Material Neutral Machining (Metal, Copper, Brass, Aluminum, Stainless Steel)
- In-house Anodizing
II. Why We Merged?

More Engineers

With this merger we have more than tripled the number of engineers available to:

- Help support You with technical issues and challenges
- Conduct Design for Manufacturability assessments to drive cost out projects at the design stage
- Build our own equipment and machinery to meet specialized needs
II. Why We Merged?

More Experience

• As a result of the merger, when you source components to the New Metal Seal you will be working with:
  • A company with nearly 100 years of combined experience in the manufacture of precision metal components and subassemblies
  • Proven machining and assembly experts who can help you gain a competitive edge by:
    • Getting to market faster
    • Driving cost out the manufacturing process
II. Why We Merged?

More Financial Stability

• The merger has created a financially sound company that:
  • Has the financial resources to invest in your business
  • Is capable of hiring and retaining the very best people in the business
  • You can count on to be there when you need us most
  • Will be here today... and tomorrow
III. How This Benefits FAS

- **Metal Seal Precision** is even more attractive as a supplier because we can provide you with:
  - New product development support including in-house prototyping to get to market faster
  - Expanded capabilities
  - More equipment & capacity
  - In-house anodizing
  - Deep brass, aluminum, steel and stainless steel expertise
  - Automated assembly & inspection
  - Enhanced engineering support
  - A financially stable supplier with the cap/ex needed to support your growth
IV. What Makes Us Different

Here’s how the new Metal Seal is different and better than the competition:

- Our unique blend of capabilities, core competencies, equipment and people enable us to bring high volume production efficiencies to every project.
- We can provide everything from prototyping to production in-house under one roof... with single source responsibility.
- We’ll help you get to market faster and drive cost out of the manufacturing process... making you more competitive.
- We’ve got access to the cap/ex needed for new projects... we’ll be there when you need us.
Here’s Five Ways The New Metal Seal Will Add Value On Every Job

• We’ll make your job easier with one stop shopping and single source responsibility
• We continually drive cost out of the manufacturing process with lean manufacturing and continuous improvement programs
• We will not hesitate to invest in your business
• We’ll be there when you need us most... to rescue troubled projects and suppliers
• We will produce precision metal components better and faster than our competitors and always at the lowest total cost
VI. Primary Markets/Products

Market Focus

We work with customers in a wide variety of markets, but our primary focus is on these 12 markets:
VI. Primary Markets/Products

Product Focus

While we will work with you on any project where we are needed, we are most interested in projects that have:

- Tight tolerances and are difficult to manufacture
- High value add
- Low material content (less than 20%)
- Mid-to-high volumes
- A total project value of at least $1 million
VI. Primary Markets/Products

Some Good Fit Products

We have the capabilities to work with customers to develop highly engineered components such as:

- Engines & Transmissions
- Emission control systems
- Suspension systems
- Electrical components
- Air conditioning systems
- Turbochargers
- Steering systems
- Braking systems
- Hydraulic pumps
- Shafts
- Housings
- Bushings
- Fuel Injection systems
- And more...
VII. Our New Structure

• Here’s how our new company is organized:

![Organizational Chart](organizational_chart.png)
VIII. Our Strategic Vision For MSP?

By 2015, Our Strategic Goal is to grow Metal Seal Precision into a world-class company that:

- Has sales of at least $50 Million by 2015
- Has an overall ship-to-customer PPM under 25
- Has a diversified customer base where not more than 33% of our revenue comes from any one single customer
- Is honest, fair and always operates in an ethical manner with the highest integrity
- Is a company that puts its customers’ goals ahead of its own... not for altruistic reasons, but because only by doing so will we achieve our goals.
In other words, by 2015 we want Metal Seal Precision to be the kind of company that:

- Other machining companies want to emulate
- Trade publications want to feature and quote
- The best people in the business want to work for
- Customers want to do business with
- When customers tour our plant they walk away thinking...

“Wow!”
IX. Process/Timeline?

1. Deal Closed: 11-1-11
2. Building layout Completed: 3-1-12
3. Complete Upgrades to Building: 6-31-12
4. Begin Moving Equipment: 7-1-12
5. Move to New Bldg Complete: 9-31-12
In Conclusion:

“Our goal is to serve you by producing precision metal components better, faster and cheaper than you can make them yourselves... allowing you to focus your internal resources on more critical tasks”
X. In Conclusion

• This past year, at Arrow Manufacturing, our overall PPM to customers was 14 and our on-time deliveries were just over 99%
• And, while we’re proud of this performance... we are not satisfied.
• **Our promise**... we will do everything possible to provide you with high quality parts and on-time delivery, at the lowest total cost in the industry.
• How can we serve you better?