Ampio Pharmaceuticals, Inc.
Form 424B5
August 30, 2016
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Filed pursuant to Rule 424(b)(5)
Registration No. 333-193096

PRELIMINARY PROSPECTUS SUPPLEMENT

(To Prospectuses Dated January 22, 2014)

5,000,000 Shares

Common Stock

Warrants to Purchase up to

5,000,000 Shares

We are offering directly to an institutional investor 5,000,000 shares of our common stock, par value $0.0001 per share, and warrants to purchase up to 5,000,000 shares of our common stock. The common stock and warrants will be sold in units, with each unit consisting of one share of common stock and a warrant to purchase one share of common stock. The warrants have an exercise price of $1.00 per share. Each unit will be sold to the investor in this offering at a negotiated price of $0.75 per unit. The shares of common stock and warrants will be issued separately but can only be purchased together in this offering.

Our common stock is listed on NYSE MKT under the symbol AMPE. The last reported sale price of our common stock on the NYSE MKT on August 26, 2016 was $0.91 per share. There is no established trading market for the warrants and we do not expect a market to develop. In addition, we do not intend to list the warrants on the NYSE MKT, any other national securities exchange or any other nationally recognized trading system.

Investing in our securities involves significant risks. Please read the information contained in or incorporated by reference under the heading Risk Factors beginning on page S-9 of this prospectus supplement, and under similar headings in other documents filed after the date hereof and incorporated by reference into this prospectus supplement and the accompanying prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is

truthful or complete. Any representation to the contrary is a criminal offense.

	Per Unit	**Total**
Offering price	$ 0.750	$ 3,750,000
Placement agent fee	$ 0.045	$ 225,000
Proceeds, before expenses, to us(1)	$ 0.705	$ 3,525,000

(1) The amount of the offering proceeds to us presented in this table does not give effect to any exercise of the warrants being issued in this offering.

Delivery of the shares and warrants will take place on or about September 1, 2016, subject to the satisfaction of certain conditions.

The date of this prospectus supplement is August 29, 2016.

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Prospectus Supplement

Prospectus

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is part of the registration statement that we filed with the Securities and Exchange Commission, or the SEC, using a shelf registration process and consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. Generally, when we refer only to the prospectus, we are referring to both parts combined. This prospectus supplement may add to, update or change information in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement or the accompanying prospectus.

If information in this prospectus supplement is inconsistent with the accompanying prospectus or with any document incorporated by reference that was filed with the SEC before the date of this prospectus supplement, you should rely on this prospectus supplement. This prospectus supplement, the accompanying prospectus and the documents incorporated into each by reference include important information about us, the securities being offered and other information you should know before investing in our securities. You should also read and consider information in the documents we have referred you to in the sections of this prospectus supplement entitled Where You Can Find Additional Information and Incorporation of Certain Information by Reference.

You should rely only on this prospectus supplement, the accompanying prospectus, the documents incorporated or deemed to be incorporated by reference herein or therein and any free writing prospectus prepared by us or on our behalf. We have not authorized anyone to provide you with information that is in addition to or different from that contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. We are not offering to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus supplement, the accompanying prospectus or any free writing prospectus, or incorporated by reference herein, is accurate as of any date other than as of the date of this prospectus supplement or the accompanying prospectus or any free writing prospectus, as the case may be, or in the case of the documents incorporated by reference, the date of such documents regardless of the time of delivery of this prospectus supplement and the accompanying prospectus or any sale of our securities. Our business, financial condition, liquidity, results of operations and prospects may have changed since those dates.

All references in this prospectus supplement or the accompanying prospectus to the Company, our company, we, us, or our mean Ampio Pharmaceuticals, Inc., unless we state otherwise or the context otherwise requires.

No action is being taken in any jurisdiction outside the United States to permit a public offering of the securities or possession or distribution of this prospectus supplement or the accompanying prospectus in that jurisdiction. Persons who come into possession of this prospectus supplement or the accompanying 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 supplement or the accompanying prospectus applicable to that jurisdiction.

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WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-3 (File No. 333-193096) under the Securities Act of 1933, as amended, or the Securities Act, with respect to the securities offered by this prospectus supplement and the accompanying prospectus. This prospectus supplement and the accompanying prospectus filed as part of the registration statement do not contain all the information set forth in the registration statement and its exhibits and schedules. For further information about us, we refer you to the registration statement and to its exhibits and schedules.

We file annual, quarterly and current reports and other information with the SEC. You may read and copy any materials we file at the SEC s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about the Public Reference Room. The SEC also maintains an internet website at www.sec.gov that contains periodic and current reports, proxy and information statements, and other information regarding registrants that file electronically with the SEC. Our common stock is listed on NYSE MTK, and reports, proxy statements and other information concerning us can also be inspected at the offices of the NYSE, 20 Broad Street, New York, New York 10005.

These documents are also available, free of charge, through the investor relations section of our website, which is located at www.ampiopharma.com. Information contained on or accessible through our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus and you should not consider information on or accessible through our website to be part of this prospectus supplement or the accompanying prospectus.

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INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC allows us to incorporate by reference the information we file with it, which means that we can disclose important information to you by referring you to those documents instead of having to repeat the information in this prospectus supplement and the accompanying prospectus. The information incorporated by reference is considered to be part of this prospectus supplement and the accompanying prospectus, and later information that we file with the SEC prior to the completion of this offering will automatically update and supersede this information. We incorporate by reference the documents listed below that we have filed with the SEC:

- description of our common stock contained in our Registration Statement on Form 8-A, filed on June 6, 2013;
- our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, filed on February 26, 2016;
- our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016 and June 30, 2016, filed on May 6, 2016 and August 2, 2016, respectively;
- our Current Reports on Form 8-K filed on February 10, 2016, March 7, 2016, June 30, 2016 and August 29, 2016; and
- our Proxy Statement on Schedule 14A filed on November 12, 2015 (solely to the extent specifically incorporated by reference into our Annual Report on Form 10-K for the year ended December 31, 2015).

We also incorporate by reference into this prospectus supplement and the accompanying prospectus all documents (other than current reports furnished under Item 2.02 or Item 7.01 of Form 8-K and exhibits filed on such form that are related to such items) that are filed by us with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, after the date of this prospectus supplement until we sell all of the securities covered by this prospectus supplement and the accompanying prospectus or the sale of securities by us pursuant to this prospectus supplement and the accompanying prospectus is terminated.

A statement contained in a document incorporated by reference into this prospectus supplement and the accompanying prospectus shall be deemed to be modified or superseded for purposes of this prospectus supplement and the accompanying prospectus to the extent that a statement contained in this prospectus supplement and the accompanying prospectus or in any other subsequently filed document which is also incorporated in this prospectus supplement and the accompanying prospectus modifies or replaces such statement. Any statements so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement and the accompanying prospectus.

You may request a copy of these documents, orally or in writing, which will be provided to you at no cost by contacting:

Ampio Pharmaceuticals, Inc.

373 Inverness Parkway, Suite 200,

Englewood, Colorado 80112

Attention: Chief Financial Officer

Telephone: (720) 437-6500

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Forward-looking statements are those that predict or describe future events or trends and that do not relate solely to historical matters. You can generally identify forward-looking statements as statements containing the words believe, expect, may, will, anticipate, intend, estimate, project, plan, assume or other similar expr all forward-looking statements contain these identifying words. All statements contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein regarding our future strategy, plans and expectations regarding clinical trials, future regulatory approvals, our plans for the manufacturing and commercialization of our products, future operations, projected financial position, potential future revenues, projected costs, future prospects, and results that might be obtained by pursuing management s current plans and objectives are forward-looking statements. Forward-looking statements include, but are not necessarily limited to, those relating to:

r expectations related to the use of proceeds, if any, from this offering;

- our need for, and ability to raise, additional capital;
- the results and timing of our clinical trials;
- the regulatory review process and any regulatory approvals that may be issued or denied by the Food and Drug Administration (FDA), the European Medicines Agency (EMA), or other regulatory agencies;
- our manufacturing plans;
- our need to secure collaborators to license, manufacture, market and sell any products for which we receive regulatory approval in the future;
- the results of our internal research and development efforts; the commercial success and market acceptance of any of our product candidates that are approved for marketing in the United States or other countries;
- the safety and efficacy of medicines or treatments introduced by competitors that are targeted to indications which our product candidates have been developed to treat;
- the acceptance and approval of regulatory filings;

- our current or prospective collaborators compliance or non-compliance with their obligations under our agreements with them, or decisions by our collaborators to discontinue clinical trials and return product candidates to us;
- our plans to develop other product candidates; and
- other factors discussed elsewhere in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference herein and therein.

You should not place undue reliance on our forward-looking statements because the matters they describe are subject to known and unknown risks, uncertainties and other unpredictable factors, many of which are beyond our control. Our forward-looking statements are based on the information currently available to us and speak only as of the date on the cover of this prospectus supplement. New risks and uncertainties arise from time to time, and it is impossible for us to predict these matters or how they may affect us. We have included important factors in the cautionary forward-looking statements included in this prospectus supplement, particularly in the section of this prospectus supplement entitled Risk Factors, which we believe over time, could cause our actual results, performance or achievements to differ from the anticipated results, performance or achievements that are expressed or implied by our forward-looking statements. We have no duty to, and do not intend to, update or revise the forward-looking statements in this prospectus supplement after the date of this prospectus supplement except to the extent required by the federal securities laws. You should consider all risks and uncertainties disclosed in our filings with the Securities and Exchange Commission, or the SEC, described in the sections of this prospectus supplement entitled Where You Can Find More Information and Incorporation of Certain Information by Reference and the sections of the accompanying prospectuses entitled Incorporation of Certain Information by Reference and Where You Can Find Additional Information, all of which are accessible on the SEC s website at www.sec.gov.

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SUMMARY

This summary highlights selected information contained elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus. This summary does not contain all the information that you should consider before investing in our securities. You should read the entire prospectus supplement and the accompanying prospectus carefully, including Risk Factors contained in this prospectus supplement and the financial statements incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment decision.

Company Overview

Ampio Pharmaceuticals, Inc. is a biopharmaceutical company focused primarily on the development of therapies to treat prevalent inflammatory conditions for which there are limited treatment options. Our two lead product candidates in development are Ampion for osteoarthritis of the knee and Optina for diabetic macular edema.

Background

Our product portfolio is primarily based on the work of Dr. David Bar-Or, the Director of Trauma Research LLC for both the Swedish Medical Center located in Englewood, Colorado and St. Anthony Hospital located in Lakewood, Colorado. For over two decades, while directing these two trauma research laboratories, Dr. Bar-Or and his staff have built a robust portfolio of product candidates focusing on inflammatory conditions. Ampio s initial clinical programs were selected from Dr. Bar-Or s research based on certain criteria, particularly the ability to advance the candidates rapidly into late-stage clinical trials. The benchmarks used to build our pipeline were products with: (i) potential indications to address large underserved markets; (ii) strong intellectual property protection and the potential for market and data exclusivity; and (iii) a well-defined regulatory path to marketing approval.

We are primarily developing compounds that decrease inflammation by (i) inhibiting specific pro-inflammatory compounds by affecting specific pathways at the protein expression and at the transcription level; (ii) activating specific phosphatase or depleting available phosphate needed for the inflammation process; and (iii) decreasing vascular permeability.

Business Overview

Our Product Pipeline

AMPION

Ampion for Osteoarthritis and Other Inflammatory Conditions

Ampion is a sub 5,000 molecular weight fraction of commercial human serum albumin, or HSA. The primary constituent ingredient is aspartyl-alanyl diketopiperazine, or DA-DKP, an endogenous immunomodulatory molecule derived from the N-terminus of HSA. Based on our published in-vitro findings, DA-DKP appears to play a significant role in the homeostasis of inflammation. DA-DKP is believed to reduce inflammation by suppressing pro-inflammatory cytokine production in T-cells. Ampion also contains other known small molecules that confer anti-inflammatory effects to complement the activity of DA-DKP and derive in-vitro and in-vivo effects. We believe the non-steroidal, low molecular weight, anti-inflammatory biologic has the potential to be used in a wide variety of acute and chronic inflammatory conditions as well as immune-mediated diseases. We are currently developing Ampion as an intra-articular injection to treat osteoarthritis of the knee.

Ampion is manufactured as the low molecular weight filtration product of commercial human serum albumin containing DA-DKP, N-acetyltryptophan, caprylate, and other small molecules either contained in HSA or added to HSA during the processing and production of commercial HSA products. DA-DKP, the primary constituent ingredient contained in Ampion, is a locally generated molecule formed as a physiological result of the cleavage and cyclization of the N-terminal aspartic acid and alanine residues of human albumin. The molecule was originally discovered in the blood and cerebrospinal fluid of patients several days after suffering severe closed head juries. A high concentration of DA-DKP has also been detected in biofilms found on endotracheal tubes recovered from intubated patients and on implanted orthopedic plates and screws. Together these findings suggest a mechanism by which DA-DKP contributes to the ability to reduce the body s inflammatory response following insult or injury.

DA-DKP is believed to reduce inflammation through the activation of Ras-related protein 1, or Rap1. Rap1 interrupts the kinase cascade by regulating the amount of rapidly accelerated fibrosarcoma, or Raf, kinases available for interaction with Ras, inhibiting antigen-specific Ras activation. This decrease disrupts the mitogen-activation protein kinase, or MAPK, cascade and results in decreased immunoinflammatory cytokine gene transcription. The clinical results which are detailed below also suggest an effect other than anti-inflammatory properties are at work and imply more prolonged healing-like effects.

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We have published several scientific papers on Ampion. Most recently in June 2015 we announced three peer-reviewed publications, The Low Molecular Weight Fraction of Commercial Human Serum Albumin (LMWF5A-Ampion) Induces Morphologic and Transcriptional Changes of Bone Marrow-Derived Mesenchymal Stem Cells and Anti-Inflammatory Activity in the Low Molecular Weight Fraction of Commercial Human Serum Albumin (LMWF5A) and Inflammatory pathways in knee osteoarthritis: potential targets for treatment .

Ampion Clinical Development

We have completed multiple clinical trials in the development of Ampion. Clinical trial development began in 2011 with a PHASE I/II study. In 2013, we announced the results of the single injection PHASE III Spring study, which met its primary endpoint, and was deemed by the United States Food and Drug Administration, or the FDA, as one of the two pivotal trials required to support a Biologics License Application, or BLA. Results of the Spring study have been published. Multiple injection clinical investigations were evaluated in the first and second quarter of 2015. The multiple injection PHASE II Strut study demonstrated a 64% reduction in pain over baseline at 20 weeks. The PHASE III multiple injection Stride study did not reach its primary endpoint, though it did demonstrate a significant reduction in pain over baseline at 20 weeks. In July 2015, we announced that we had a meeting with the FDA where a single injection clinical trial and a Special Protocol Assessment, or SPA, was recommended by the FDA as the second pivotal trial for the BLA. An SPA is a process by which the FDA provides written agreement on the design and size of a clinical protocol for the purpose of BLA filing. An SPA can significantly de-risk the path to market due to insufficient data or unexpected safety concerns. In September of 2015, we announced that the FDA had awarded us a SPA for the second PHASE III pivotal trial of Ampion (PIVOT study). The PIVOT study, which included 480 patients, was a randomized, double-blind, saline-controlled, PHASE III clinical study conducted at 20 sites across the US to examine the safety and efficacy of Ampion intra-articular injection in patients with pain due to osteoarthritis of the knee. The clinical stage of osteoarthritis of knee severity is defined by the Kellgren Lawrence scale, or KL. In March 2016, we announced that enrollment in the PIVOT study was complete. The results stating the PIVOT study did not meet its primary endpoint were announced in June 2016. The primary endpoint was the change in WOMAC A pain score at week 12 as compared to saline. Although the PIVOT study did not meet its primary endpoint, it did show a large reduction in pain from Baseline over 12 weeks. Ampion improved (reduced) WOMAC A pain scores significantly over baseline in all KL grades (reductions in pain: KL 2: 52%, KL 3: 36%, and KL 4: 33%). Additional analyses included adverse events, Patient Global Assessment, and responder status defined as 20% improvement in pain at week 12. Ampion was demonstrated to be safe and well-tolerated with no drug-related serious adverse events and an overall adverse event rate that was similar in both the Ampion and saline groups. We observed the largest differentiation between Ampion and saline in the most severe osteoarthritis of the knee patients (KL 4), where no available non-surgical therapy exists. KL 4 patients have been historically excluded from osteoarthritis of the knee trials because of the advanced stage of their condition. We are pleased with the consistent effect Ampion has demonstrated in all of our clinical trials. We are meeting with the FDA in September 2016 to present our data in support of Ampio in the KL 4 population.

In May of 2016, we announced that patient dosing had begun in the exploratory, PHASE I clinical trial evaluating the safety of a single intra-articular injection of Ampion in adults with pain due to osteoarthritis of the hand, specifically of the first carpo-metacarpal joint of the thumb (basal thumb joint). This trial is a randomized, double-blind, placebo-controlled, single-center study in one of the largest hand surgery clinics in the US.

Ampion Manufacturing Facility

In December 2013, we entered into a ten-year lease of a multi-purpose facility containing approximately 19,000 square feet. This facility includes an FDA compliant clean room to manufacture Ampion, research laboratories and our corporate offices.

We moved into our new manufacturing facility in the summer of 2014. Since that time we have implemented a quality system, validated the facility for human-use products and produced the product used in the PIVOT study clinical trial. We presented on single use technology in manufacturing at the 24th Annual Aseptic Processing Technology Conference for the International Society for Pharmaceutical Engineers in February of 2015. We are now producing the FDA required registration batches and have begun to manufacture product that could potentially be used commercially. We believe that these steps could shorten our regulatory timelines and significantly reduce our time to commercialize Ampion. The facility was fully placed in service during the first quarter of 2016. We manufactured the Ampion drug and placebo (saline) for the second PHASE III Ampion trial in our facility.

Future Development

We intend to study Ampion for therapeutic applications outside of osteoarthritis of the knee. We are investigating the possible use of Ampion for pain due to osteoarthritis of the hand and as a potential relief for ocular conditions. These additional formulations and potential therapeutic indications will supplement the Ampion clinical portfolio, and will enable clinical applications in large therapeutic markets where there are significant unmet needs.

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OPTINA

Optina for Diabetic Macular Edema

Optina is a low-dose formulation of danazol that we are developing to treat diabetic macular edema, or DME. Danazol is a synthetic derivative of modified testosterone ethisterone, and we believe it affects vascular endothelial cell linkage in a biphasic manner. At low doses, danazol decreases vascular permeability by increasing the barrier function of endothelial cells. The lipophilic low-molecular-weight weak androgen has the potential to treat multiple angiopathies. Steroid hormones control a variety of functions through slow genomic and rapid non-genomic mechanisms. Danazol immediately increases intracellular cyclic adenosine monophosphate through the rapid activation of membrane-associated androgen, steroid binding globulin, and calcium channel receptors. At lower concentrations such as Optina, danazol binds to androgen and steroid binding globulin receptors stimulating the formation of a cortical actin ring. At higher concentrations, activation of the calcium channels shift the balance towards stress fiber formation and increase vascular permeability.

When organized into a cortical ring, filamentous actin increases the barrier function of endothelial cells by tethering adhesion molecule complexes to the cytoskeleton. In this orientation, increased cortical actin improves tight junctions which strengthen cell-to-cell adhesions. Formation of the cortical actin ring thereby restricts leakage across the cell membrane.

Optina Clinical Development

During 2014 and 2015, we conducted the OptimEyes multicenter, placebo-controlled, randomized, dose ranging trial to evaluate the safety and efficacy of oral Optina, which included 355 patients. The trial showed Optina was safe and well tolerated with no drug related adverse events and no differences in side effect rates between placebo and Optina groups. The trial did not meet its primary endpoint for all patients, however we believe we have successfully identified an optimal dose for a body mass index subgroup of patients who are refractory to currently available therapies and also utilize RAS inhibitors as a medication. As more than 70% of all DME patients are utilizing RAS inhibitors to control their blood pressure, we believe this combination of drugs shows promise as a painless, safe and efficacious oral treatment for DME, and a rescue medication following anti-vascular endothelial growth factor therapy failure. These patients showed a +6.2 letter improvement in visual acuity at three months. We presented these results at the World Ophthalmology Congress in February 2016 and at The Association for Research in Vision and Ophthalmology Conference in May 2016. We also plan to present these results at the 49th Annual RETINA Society Meeting in September 2016.

Corporate Information

Our predecessor, DMI Life Sciences, Inc., or Life Sciences, was incorporated in Delaware in December 2008. In March 2010, Life Sciences was merged with a subsidiary of Chay Enterprises, Inc. As a result of this merger, Life Sciences stockholders became the controlling stockholders of Chay Enterprises. Following the merger, we reincorporated in Delaware as Ampio Pharmaceuticals, Inc. in March 2010.

Our principal executive offices are located at 373 Inverness Parkway, Suite 200, Englewood, Colorado 80112, and our telephone number is (720) 437-6500. Additional information about us is available on our website at *www.ampiopharma.com*. The information contained on or that may be obtained from our website is not, and shall not be deemed to be, a part of this prospectus supplement.

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THE OFFERING

The following is a brief summary of some of the terms of the offering and is qualified in its entirety by reference to the more detailed information appearing elsewhere in this prospectus supplement and the accompanying prospectus. For a more complete description of the terms of our common stock and the warrants, see the Description of Securities section in this prospectus supplement and the Description of Capital Stock section in the accompanying prospectus.

Common stock we are offering	5,000,000 shares.
Common stock to be outstanding after this offering	57,016,432 shares.
Warrants we are offering	We are offering warrants to purchase 5,000,000 shares of common stock. Each warrant has an exercise price of $1.00 per share, is exercisable immediately upon issuance and will expire on September 1, 2021. This prospectus supplement also relates to the offering of the shares of common stock issuable upon exercise of the warrants. There is currently no market for the warrants and none is expected to develop after this offering. We do not intend to list the warrants on any national securities exchange or other trading market. See Description of Securities for additional information.
NYSE MKT Symbol	Our common stock is quoted on the NYSE MKT under the symbol AMPE.
Use of Proceeds	We estimate that the net proceeds from this offering, after payment of estimated offering expenses payable by us, will be approximately $3.4 million. We intend to use the net proceeds from this offering for general corporate purposes as well as advacing the BLA for Ampion for its future clinical trials. See Use of Proceeds.
Risk Factors	Investing in our securities involves significant risks. Please read the information contained in or incorporated by reference under the heading Risk Factors beginning on page S-9 of this prospectus supplement, and under similar headings in other documents filed after the date hereof and incorporated by reference into this prospectus supplement and the accompanying prospectus.

The number of shares of common stock shown above to be outstanding after this offering is based on 52,016,432 shares outstanding as of June 30, 2016 and excludes:

- 6,845,832 shares of our common stock issuable upon the exercise of stock options outstanding as of June 30, 2016, at a weighted average exercise price of $3.78 per share;

3,441,647 shares of our common stock reserved for future issuance under our 2010 Stock Incentive Plan as of June 30, 2016;

498,576 shares of our common stock issuable upon the exercise of warrants outstanding as of June 30, 2016, at a weighted average exercise price of $3.24 per share;

5,000,000 shares of our common stock issuable upon the exercise of warrants offered hereby; and

150,000 shares of our common stock issuable upon the exercise of the warrants being granted to the placement agent in this offering (See Plan of Distribution beginning on page S-19 of this prospectus supplement).

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RISK FACTORS

Investing in our securities involves a high degree of risk. In addition to the other information contained in this prospectus supplement and in the documents we incorporate by reference, you should carefully consider the risks discussed below and under the heading Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 before making a decision about investing in our securities. The risks and uncertainties discussed below and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 are not the only ones facing us. Additional risks and uncertainties not presently know to us may also harm our business. If any of these risks occur, our business, financial condition and operating results could be harmed, the trading price of our common stock could decline and you could lose part or all of your investment.

Risks Related to Our Common Stock and the Warrants

Our stock price has been and could remain volatile, which could further adversely affect the market price of our stock, our ability to raise additional capital and/or cause us to be subject to securities class action litigation.

The market price of our common stock has historically experienced and may continue to experience significant volatility. In addition, in recent years, the stock market has experienced significant price and volume fluctuations. This volatility has affected the market prices of securities issued by many companies for reasons unrelated to their operating performance and may adversely affect the price of our common stock. Such market price volatility could adversely affect our ability to raise additional capital. In addition, we may be subject to securities class action litigation as a result of volatility in the price of our common stock, which could result in substantial costs and diversion of management s attention and resources and could harm our stock price, business, prospects, results of operations and financial condition.

The warrants may never have any value.

The warrants comprising part of the units being sold in this offering, which have an exercise price of $1.00 per whole share of

common stock will expire on September 1, 2021. In the event our common stock price does not exceed the per share exercise price of the warrants during the period when the warrants are exercisable, the warrants will not have any value.

There is no public market for the warrants to purchase common stock being offered in this offering.

There is no established public trading market for the warrants being offered in this offering, and we do not expect a market to develop. In addition, we do not intend to apply for listing of the warrants on any national securities exchange or other trading market. Without an active market, the liquidity of the warrants will be limited.

Holders of our warrants will have no rights as a common stockholder until such holders exercise their warrants and acquire our common stock.

Until you acquire shares of our common stock upon exercise of your warrants, you will have no rights with respect to the shares of our common stock underlying such warrants. Upon exercise of your warrants, you will be entitled to exercise the rights of a common stockholder only as to matters for which the record date occurs after the exercise date.

The market price of our common stock may be adversely affected by market conditions affecting the stock markets in general, including price and trading fluctuations on the NYSE MTK.

Market conditions may result in volatility in the level of, and fluctuations in, market prices of stocks generally and, in turn, our common stock and sales of substantial amounts of our common stock in the market, in each case being unrelated or disproportionate to changes in our operating performance. Concerns over global stability and economic conditions in the United States and abroad have contributed to the extreme volatility of the markets which may have an effect on the market price of our common stock.

Future sales of common stock or warrants by existing stockholders could cause our stock price to decline and adversely impact the trading price of our common stock.

If our existing stockholders sell, or indicate an intent to sell, substantial amounts of our common stock or warrants in the public market, the trading price of our common stock or warrants could decline significantly and may be adversely impacted. We cannot predict the effect, if any, that future public sales of these securities or the availability of these securities for sale will have on the market and trading price of our securities. If our existing stockholders sell substantial amounts of our common stock or warrants in the public market, or if the public perceives that such sales could occur, this could have an adverse impact on the market and trading price of our securities, even if there is no relationship between such sales and the performance of our business.

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In the future, we may sell additional shares of our common stock to raise capital, issue stock in connection with acquisitions or issue stock or options as compensation. In addition, a substantial number of shares of our common stock are reserved for issuance upon the exercise of warrants and stock options. We cannot predict the size of future issuances or the effect, if any, that they may have on the market price for our common stock. The issuance and sale of substantial amounts of common stock, or the perception that such issuances and sales may occur, could adversely affect the market price of our common stock or warrants and impair our ability to raise capital through the sale of additional equity securities.

You will experience immediate and substantial dilution in the net tangible book value per share of the common stock you purchase.

Since the offering price per unit of the securities being offered is substantially higher than the net tangible book value per share of our common stock, you will suffer substantial dilution in the net tangible book value of the common stock you purchase in this offering. Based on the offering price of $0.75 per unit and attributing no value to the warrants, if you purchase units in this offering, you will suffer immediate and substantial dilution of $0.46 per share in the net tangible book value of the common stock. In the event that you exercise your warrants, you will experience additional dilution to the extent that the exercise price of those warrants is higher than the book value per share of our common stock. See the section entitled Dilution below for a more detailed discussion of the dilution you would incur if you purchase securities in this offering.

Management will have broad discretion as to the use of the proceeds from this offering, and we may not use the proceeds effectively.

Our management will have broad discretion as to the use of the net proceeds from any offering by us and could use them for purposes other than those contemplated at the time of this offering. Accordingly, you will be relying on the judgment of our management with regard to the use of these net proceeds, and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. It is possible that the proceeds will be invested in a way that does not yield a favorable, or any, return for our company.

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USE OF PROCEEDS

We estimate that the proceeds from this offering will be approximately $3.4 million, after deducting estimated offering expenses payable by us. This amount does not include the proceeds that we may receive in connection with any exercise of the warrants issued in this offering. We intend to use the net proceeds from this offering for general corporate purposes as well as advacing the BLA for Ampion for its future clinical trials. We have not determined the amounts we plan to spend on the areas listed above or the timing of these expenditures. As a result, our management will have broad discretion to allocate the net proceeds from this offering. Pending application of the net proceeds as described above, we intend to invest the net proceeds of this offering in short-term, investment-grade, interest-bearing securities.

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DILUTION

If you purchase units in this offering, you will experience dilution to the extent of the difference between the public offering price of the units (attributing no value to the warrants) and the net tangible book value per share of our common stock immediately after this offering.

Our net tangible book value as of June 30, 2016 was approximately $13.1 million, or $0.25 per share of common stock. Net tangible book value per share is equal to our total tangible assets minus total liabilities, all divided by the number of shares of common stock outstanding as of June 30, 2016.

After giving effect to the sale of 5,000,000 units at a price of $0.75 per unit, and after deducting offering expenses payable by us, and attributing no value to the warrants, our as adjusted net tangible book value would have been approximately $16.6 million, or approximately $0.29 per share of common stock, as of June 30, 2016. This represents an immediate increase in net tangible book value of approximately $0.04 per share to existing stockholders and an immediate dilution of approximately $0.46 per share to new investors. The following table illustrates this calculation on a per share basis:

Offering price per unit		$ 0.75
Net tangible book value per share as of June 30, 2016	$ 0.25	
Increase in net tangible book value per share attributable to new investors	$ 0.04	
As adjusted net tangible book value per share after giving effect to this offering		$ 0.29
Dilution per share to investors in this offering		$ 0.46

The number of shares of common stock shown above to be outstanding after this offering is based on 52,016,432 shares outstanding as of June 30, 2016 and excludes:

6,845,832 shares of our common stock issuable upon the exercise of stock options outstanding as of June 30, 2016, at a weighted average exercise price of $3.78 per share;

3,441,647 shares of our common stock reserved for future issuance under our 2010 Stock Incentive Plan as of June 30, 2016;

498,576 shares of our common stock issuable upon the exercise of warrants outstanding as of June 30, 2016, at a weighted average exercise price of $3.24 per share;

5,000,000 shares of our common stock issuable upon the exercise of warrants offered hereby; and

150,000 shares of our common stock issuable upon the exercise of the warrants being granted to the placement agent in this offering (See Plan of Distribution beginning on page S-19 of this prospectus supplement).

The above illustration of dilution per share to investors participating in this offering assumes no exercise of outstanding options to purchase our common stock or outstanding warrants to purchase shares of our common stock. The exercise of outstanding options and warrants having an exercise price less than the offering price will increase dilution to new investors. In addition, we may choose to raise additional capital depending on market conditions, our capital requirements and strategic considerations, even if we believe we have sufficient funds for our current or future operating plans. To the extent that additional capital is raised through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our stockholders.

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PRICE RANGE OF COMMON STOCK

On June 17, 2013, our common stock began trading on the NYSE MKT under the ticker symbol AMPE . It was previously quoted on the NASDAQ Capital Market under the same ticker symbol AMPE . The following table sets forth the high and low last reported sale price information for our common stock for the periods indicated.

	High	Low
Year ending December 31, 2016		
1st Quarter	$ 3.31	$ 1.90
2nd Quarter	$ 4.21	$ 1.29
3rd Quarter (through August 26, 2016)	$ 1.31	$ 0.87
Year ended December 31, 2015		
1st Quarter	$ 7.60	$ 3.68
2nd Quarter	$ 7.38	$ 1.79
3rd Quarter	$ 3.12	$ 2.00
4th Quarter	$ 3.28	$ 2.51
Year ended December 31, 2014		
1st Quarter	$ 9.73	$ 5.70
2nd Quarter	$ 8.35	$ 5.44
3rd Quarter	$ 8.59	$ 3.33
4th Quarter	$ 4.16	$ 3.25
Year ended December 31, 2013		
1st Quarter	$ 4.89	$ 3.65
2nd Quarter	$ 6.72	$ 4.63
3rd Quarter	$ 7.79	$ 5.27
4th Quarter	$ 10.55	$ 6.62

On August 29, 2016, the last reported sale price for our common stock on the NYSE MTK was $0.91 per share. As of August 29, 2016, there were of record approximately 267 holders of our common stock.

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DIVIDEND POLICY

We have never declared or paid cash dividends on our capital stock. We currently intend to retain our future earnings, if any, for use in our business and therefore do not anticipate paying cash dividends in the foreseeable future. Payment of future dividends, if any, will be at the discretion of our board of directors after taking into account various factors, including our financial condition, operating results, current and anticipated cash needs and plans for expansion.

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DESCRIPTION OF SECURITIES

In this offering, we are offering 5,000,000 shares of common stock and warrants to purchase up to 5,000,000 shares of common stock. This prospectus supplement also relates to the offering of shares of our common stock upon the exercise, if any, of the warrants issued in this offering.

Common Stock

Pursuant to our certificate of incorporation, we are currently authorized to issue 100,000,000 shares of common stock, par value $0.0001 per share. As of June 30, 2016, there were 52,016,432 shares of our common stock outstanding.

The material terms and provisions of our common stock are described under the caption Description of Capital Stock starting on page 8 of the accompanying prospectus.

Warrants

The material terms and provisions of the warrants to purchase 5,000,000 shares of common stock being offered pursuant to this prospectus supplement and the accompanying prospectus are summarized below. This summary is subject to and qualified in its entirety by the form of warrant, which will be provided to the investor in this offering and will be filed on a Current Report on Form 8-K in connection with this offering.

General Terms of the Warrants

The warrants to be issued in this offering represent the rights to purchase up to 5,000,000 shares of common stock at an initial exercise price of $1.00 per share. Each warrant may be exercised at any time beginning September 1, 2016 and from time to time thereafter through and including the fifth year anniversary of the initial exercise date.

Exercisability

The warrants will be exercisable upon issuance and will expire on the five-year anniversary of issuance. The warrants will be exercisable, at the option of each holder, in whole or in part by delivering to us a duly executed exercise notice and payment in full of the exercise price within one trading day in available funds for the number of shares of common stock purchased upon such exercise. If a registration statement registering the resale of the shares of common stock underlying the warrants under the Securities Act of 1933, as amended, or the Securities Act, is not available, the holder may, in its sole discretion, elect to exercise the warrant through a cashless exercise, in which case the holder would receive upon such exercise the net number of shares of common stock determined according to the formula set forth in the warrant certificate. No fractional shares of common stock will be issued in connection with the exercise of a warrant. In lieu of fractional shares, we will issue a number of shares of our common stock rounded up to the nearest whole number.

Failure to Timely Deliver Shares

If we fail to to deliver to the holder a certificate representing shares issuable upon exercise of a warrant or to credit the holder s balance account with Depository Trust Company for such number of shares of common stock to which the holder is entitled upon the holder s exercise of the warrant, in each case, by the delivery date set forth in the warrant, and if on or after such date the holder purchases the shares of our common stock to deliver in satisfaction of a sale by the holder of the underlying warrant shares that the holder anticipated receiving from us, then, within three business days of receipt of the holder s request, we, at the holder s discretion, will either (i) pay cash to the holder in an amount equal to the holder s total purchase price (including brokerage commissions, if any) for the shares of common stock purchased, or the buy-in price, at which point our obligation to deliver the underlying common stock will terminate, or (ii) promptly honor our obligation to deliver to the holder a certificate or certificates representing the underlying common stock or credit the holder s balance account with Depository Trust Company and pay cash to the holder in an amount equal to the excess (if any) of the buy-in price over the product of (A) the number of shares of common stock, times (B) the closing bid price on the date of exercise.

Exercise Limitation

In general, a holder will not have the right to exercise any portion of the warrant if the holder (together with its affiliates) would beneficially own in excess of 4.99% of the number of shares of our common stock outstanding immediately after giving effect to the

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exercise, as such percentage ownership is determined in accordance with the terms of the warrant certificate. However, any holder may increase or decrease such percentage to any other percentage not in excess of 9.99% upon notice to us, provided that any increase in this limitation will not be effective until 61 days after such notice from the holder to us and such increase or decrease will apply only to the holder providing such notice.

Certain Adjustments

The exercise price and the number of shares of common stock purchasable upon the exercise of the warrants are subject to adjustment upon the occurrence of specific events, including sales of additional shares of common stock, stock dividends, stock splits, combinations and reclassifications of our common stock.

Transferability

Subject to applicable laws, the warrants may be offered for sale, sold, transferred or assigned. There is currently no trading market for the warrants and a trading market is not expected to develop.

Fundamental Transactions

If a fundamental transaction (as defined below) occurs, then the successor entity will succeed to, and be substituted for us, and may exercise every right and power that we may exercise and will assume all of our obligations under the warrants with the same effect as if such successor entity had been named in the warrant itself. Additionally, upon consummation of a fundamental transaction pursuant to which holders of shares of our common stock are entitled to receive securities or other assets with respect to or in exchange for shares of our common stock, we will make appropriate provision to insure that the holder will thereafter have the right to receive upon an exercise of the warrant at any time after the consummation of the fundamental transaction but prior to the expiration date of the warrant, in lieu of shares of our common stock (or other securities, cash, assets or other property) purchasable upon the exercise of the warrant prior to such fundamental transaction, such shares of stock, securities, cash, assets or any other property whatsoever (including warrants or other purchase or subscription rights) which the holder would have been entitled to receive upon the happening of such fundamental transaction had the warrant been exercised immediately prior to such fundamental transaction. If holders of our common stock are given a choice as to the securities, cash or property to be received in a fundamental transaction, then the holder shall be given the same choice as to the consideration it receives upon any exercise of the warrant following such fundamental transaction. These provisions apply similarly and equally to successive fundamental transactions and other corporate events described in the warrant certificate and will be applied without regard to any limitations on the exercise of the warrant. In the event of certain fundamental transactions, at the request of the holder, we or the successor entity shall purchase the unexercised portion of the warrant from the holder by paying to the holder, within second trading days after such request (or, if later, on the effective date of the fundamental transaction), cash in an amount equal to the Black-Scholes Value (as defined below) of the remaining unexercised portion of the warrant on the date of such fundamental transaction.

Definitions

Black-Scholes Value means the value of the unexercised portion of the warrant remaining on the date of the Holder s request to us to repurchase the warrant (the Request Date), which value is calculated using the Black-Scholes Option Pricing Model obtained from the OV function on Bloomberg utilizing:

(i) an underlying price per share equal to the greater of:

(1) the highest closing sale price of our common stock during the period beginning on the trading day immediately preceding the announcement of the applicable Fundamental Transaction (or the consummation of the applicable Fundamental Transaction, if earlier) and ending on the trading day of the Request Date; and

(2) the sum of the price per share being offered in cash in the applicable Fundamental Transaction (if any) plus the value of the non-cash consideration being offered in the applicable Fundamental Transaction (if any);

(ii) a strike price equal to the exercise price in effect on the Request Date;

(iii) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the greater of:

(1) the remaining term of the warrant as of the Request Date; and

(2) the remaining term of this Warrant as of the date of consummation of the applicable Fundamental Transaction or as of the Request Date if such request is prior to the date of the consummation of the applicable Fundamental Transaction;

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(iv) a zero cost of borrow; and

(v) an expected volatility equal to the greater of 75% and the 30 day volatility obtained from the HVT function on Bloomberg (determined utilizing a 365 day annualization factor) as of the Trading Day immediately following the earliest to occur of:

(1) the public disclosure of the applicable Fundamental Transaction;

(2) the consummation of the applicable Fundamental Transaction; and

(3) the date on which the Holder first became aware of the applicable Fundamental Transaction.

Fundamental Transaction means:

(i) that we shall, directly or indirectly:

(1) consolidate or merge with or into (whether or not we are the surviving corporation) another entity;

(2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of our properties or assets; or

(3) make, or allow one or more entities to make (the Subject Entities), or allow us to be subject to or have our common stock be subject to or party to one or more Subject Entities making, a purchase, tender or exchange offer that is accepted by the holders of at least either:

(x) 50% of our outstanding shares;

(y) 50% of our outstanding shares calculated as if any shares of our common stock held by the Subject Entities making such purchase, tender or exchange offer were not outstanding; or

Repayments of borrowings on revolving credit facilities (268,580) (260,950)

Retirement of senior subordinated notes

(100,000)

Net cash (used for) provided by financing activities

(1,820) 12,150

Cash and Cash Equivalents:

Increase (decrease) for the period

2,060 (880)

At beginning of period

4,800 3,600

At end of period

$6,860 $2,720

Supplemental disclosure of cash flow information:

Cash paid for interest

$27,100 $34,510

Cash paid for taxes

$5,330 $5,010

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

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TriMas Corporation

Consolidated Statement of Shareholders' Equity

Six Months Ended June 30, 2008

(Unaudited dollars in thousands)

	Common Stock	Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
Balances, December 31, 2007	$ 330	$ 525,960	$ (373,970)	$ 56,170	$ 208,490
Comprehensive income:					
Net income			17,320		17,320
Amortization of defined benefit plan deferred losses (net of tax of $0.06 million) (Note 16)				110	110
Foreign currency translation				6,690	6,690
Change in fair value of cash flow hedge (net of tax of $0.05 million) (Note 10)				80	80
Total comprehensive income					24,200
Non-cash compensation expense		880			880
Balances, June 30, 2008	$ 330	$ 526,840	$ (356,650)	$ 63,050	$ 233,570

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

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TRIMAS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

1. Basis of Presentation

TriMas Corporation ("TriMas" or the "Company"), and its consolidated subsidiaries, is a global manufacturer and distributor of products for commercial, industrial and consumer markets. The Company is principally engaged in five business segments with diverse products and market channels. Packaging Systems is a manufacturer and distributor of steel and plastic closure caps, drum enclosures, rings and levers, dispensing systems for industrial and consumer markets, as well as specialty laminates, jacketings and insulation tapes used with fiberglass insulation as vapor barriers in commercial and industrial construction applications. Energy Products is a manufacturer and distributor of a variety of engines, engine replacement parts and other well site products for the oil and gas industry as well as metallic and non-metallic industrial gaskets and fasteners for the petroleum refining, petrochemical and other industrial markets. Industrial Specialties designs and manufactures a diverse range of industrial products for use in niche markets within the aerospace, industrial, automotive, defense, and medical equipment markets. These products include highly engineered specialty fasteners for the aerospace industry, high-pressure and low-pressure cylinders for the transportation, storage and dispensing of compressed gasses, spinal and trauma implant products for the medical industry, specialty fasteners for the automotive industry, specialty precision tools such as center drills, cutters, end mills, reamers, master gears, punches, and specialty ordnance components. RV & Trailer Products is a manufacturer and distributor of custom-engineered trailer products, brake control solutions, lighting accessories and roof racks for the recreational vehicle, agricultural/industrial, marine, automotive and commercial trailer markets. Recreational Accessories manufactures towing products, functional vehicle accessories and cargo management solutions including vehicle hitches and receivers, sway controls, weight distribution and fifth-wheel hitches, hitch-mounted accessories, and other accessory components which are distributed through independent installers and retail outlets.

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries and in the opinion of management, contain all adjustments, including adjustments of a normal and recurring nature, necessary for a fair presentation of financial position and results of operations. Results of operations for interim periods are not necessarily indicative of results for the full year. The accompanying consolidated financial statements and notes thereto should be read in conjunction with the Company's 2007 Annual Report on Form 10-K.

2. Initial Public Offering

During the second quarter of 2007, the Company completed the sale of 12,650,000 shares of common stock to the public pursuant to an effective registration statement at a price of $11.00 per share. Gross proceeds from the common stock offering were $139.2 million. Net proceeds from the offering, after deducting underwriting discounts and commissions of $9.7 million and offering expenses of $3.0 million, totaled approximately $126.5 million. The net proceeds of $126.5 million, together with approximately $10.1 million of cash on hand and revolving credit borrowings, were utilized to retire $100.0 million of senior subordinated notes, to early terminate $21.7 million of operating leases, to terminate the Company's advisory services agreement with Heartland Industrial Partners ("Heartland") for $10.0 million and for the call premium of $4.9 million associated with the retirement of the senior subordinated notes.

TRIMAS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(unaudited)

3. Discontinued Operations and Assets Held for Sale

During the fourth quarter of 2007, the Company committed to a plan to sell its rocket launcher and property management lines of business, both of which were part of the Industrial Specialties operating segment. The Company sold the assets of the rocket launcher business in December 2007.

During the fourth quarter of 2005, the Company committed to a plan to sell three operating locations within its industrial fastening business. Two of the operating locations were sold in December 2006 and the third, the Frankfort operating location, was sold in February 2007.

The results of the Frankfort operating location, the rocket launcher business and the property management business are reported as discontinued operations for all periods presented.

Results of discontinued operations are summarized as follows:

	Three months ended June 30,		Six months ended June 30,	
	2008	2007	2008	2007
	(dollars in thousands)		(dollars in thousands)	
Net sales	$730	$3,160	$1,660	$11,960
Income from discontinued operations before income tax expense	$ 90	$1,400	$ 230	$ 1,160
Income tax expense	(20)	(530)	(80)	(990)
Income from discontinued operations, net of income tax expense	$ 70	$ 870	$ 150	$ 170

Assets and liabilities of the discontinued operations held for sale are summarized as follows:

	June 30, 2008	December 31, 2007
	(dollars in thousands)	
Receivables, net	$ 360	$ 940
Inventories, net		60
Property and equipment, net	2,400	2,330
Total assets	$2,760	$ 3,330
Accounts payable	$ 30	$ 60
Accrued liabilities and other	1,140	1,390
Total liabilities	$1,170	$ 1,450

4. Huntsville Plant Closure

In October 2007, the Company announced plans to close its manufacturing facility in Huntsville, Ontario, Canada and consolidate its operations into the Company's Goshen, Indiana manufacturing facility. These actions were substantially complete as of December 31, 2007. As a result of these actions, the Company recorded a pre-tax charge within its Recreational Accessories segment of approximately $9.0 million in the fourth quarter of 2007, of which approximately $5.6 million related to cash costs incurred as a part of the closure as determined under the provisions of Statement of

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TRIMAS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(unaudited)

4. Huntsville Plant Closure (Continued)

Financial Accounting Standards ("SFAS") No. 146, "Accounting for Costs Associated with Exit or Disposal Activities," primarily relating to severance benefits to approximately 160 employees terminated as a part of the closure. The remaining $3.4 million of the pre-tax charge related to impairment of assets recorded in accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," to reduce the book value of the building and building improvements and certain machinery and equipment assets that the Company will no longer utilize to management's estimate of net realizable value. As of June 30, 2008, the Company has paid approximately $5.2 million of the cash costs of the facility closure, with the remaining $0.4 million expected to be paid during 2008.

In addition, the Company expects to incur approximately $0.7 million in estimated costs and expenses in 2008 resulting from completion of the consolidation into the Goshen facility and recording severance and other benefits for approximately 10 key employees remaining with the Company until the closure is finalized. The Company recorded approximately $0.1 million and $0.6 million, respectively, of such charges during the three and six month periods ended June 30, 2008.

5. Acquisitions

In January 2008, the Company acquired Parkside Towbars, Pty. Ltd. ("Parkside"), located in Western Australia, strengthening the Company's position in international markets and expanding the Company's towing and truck accessory product offering. Parkside is included in the Company's RV & Trailer Products segment.

During the third quarter of 2007, the Company completed two acquisitions. On July 12, 2007, the Company acquired certain assets from Quest Technologies LLC, expanding the Company's fifth-wheel product offerings in its Recreational Accessories segment. In addition, on August 1, 2007, the Company acquired all of the capital stock of DEW Technologies, Inc., a manufacturer of specialty, high-precision spinal and trauma implant products serving the orthopedic device industry. DEW Technologies is included in the Company's Industrial Specialties segment and broadens the Company's product offerings in the medical device industry.

The allocation of purchase price for the these acquisitions is subject to refinement of management estimates. The purchase price for these acquisitions is also subject to adjustments resulting from earn-out clauses based on future operating results, for which the Company paid the former owners of these businesses a combined approximately $3.9 million during 2008 (see Note 6). These earn-out clauses extend up to five years.

The results of operations of the aforementioned acquisitions are not significant compared to the overall results of operations of the Company.

TRIMAS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(unaudited)

6. Goodwill and Other Intangible Assets

Changes in the carrying amount of goodwill for the six months ended June 30, 2008 are summarized as follows:

	Packaging Systems	Energy Products	Industrial Specialties	RV & Trailer Products	Recreational Accessories	Total
			(dollars in thousands)			
Balance, December 31, 2007	$190,690	$46,050	$64,950	$42,190	$33,460	$377,340
Goodwill from acquisitions			3,380	470	80	3,930
Foreign currency translation and other	2,900	(150)		250		3,000
Balance, June 30, 2008	$193,590	$45,900	$68,330	$42,910	$33,540	$384,270

SFAS No. 142, "Goodwill and Other Intangible Assets," requires the completion of an impairment test for goodwill and other indefinite-lived intangible assets as of an annual date, and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. The Company's accounting policy was to conduct the annual impairment test as of December 31st, with the most recent annual impairment test completed as of December 31, 2007. Effective in the second quarter of 2008, the Company changed its accounting policy to conduct the annual impairment test as of October 1st, with the testing to be conducted during the fourth quarter of each year. This change is preferable as it provides the Company additional time to complete the required testing and evaluate the results prior to the yearend closing and reporting activities and better enables the Company to comply with required reporting dates as an accelerated filer. The change in impairment test dates had no impact on the Company's financial results or financial position for any period presented.

The gross carrying amounts and accumulated amortization of the Company's other intangibles as of June 30, 2008 and December 31, 2007 are summarized below. The Company amortizes these assets over periods ranging from 1 to 30 years.

	As of June 30, 2008		As of December 31, 2007	
Intangible Category by Useful Life	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
		(dollars in thousands)		
Customer relationships:				
6 12 years	$ 29,910	$ (19,080)	$ 27,980	$ (17,910)
15 25 years	169,190	(53,790)	169,190	(49,190)
Total customer relationships	199,100	(72,870)	197,170	(67,100)
Technology and other:				
1 15 years	27,360	(19,960)	26,630	(18,190)
17 30 years	41,220	(13,660)	40,830	(12,690)
Total technology and other	68,580	(33,620)	67,460	(30,880)
Trademark/Trade names (indefinite life)	52,540	(4,410)	51,990	(4,350)
	$320,220	$ (110,900)	$316,620	$ (102,330)

TRIMAS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(unaudited)

6. Goodwill and Other Intangible Assets (Continued)

Amortization expense related to technology and other intangibles was approximately $1.0 million for each of the three months ended June 30, 2008 and 2007, respectively, and $2.0 million and $2.1 million for the six months ended June 30, 2008 and 2007, respectively. These amounts are included in cost of sales in the accompanying consolidated statement of operations. Amortization expense related to customer intangibles was $2.9 million and $2.8 million, and $5.8 million and $5.7 million for the three and six months ended June 30, 2008 and 2007, respectively. These amounts are included in selling, general and administrative expenses in the accompanying consolidated statement of operations.

7. Accounts Receivable Securitization

TriMas is party to a receivables securitization facility through TSPC, Inc. ("TSPC"), a wholly-owned subsidiary, to sell trade accounts receivable of substantially all of the Company's domestic business operations. The Company renewed this facility in February 2008, with the most significant changes being reducing the committed funding from $125.0 million to $90.0 million and reducing the usage fee from 1.35% to 1.05%. Renewal costs approximated $0.3 million.

TSPC from time to time may sell an undivided fractional ownership interest in the pool of receivables up to approximately $90.0 million to a third party multi-seller receivables funding company. The net proceeds of sales are less than the face amount of accounts receivable sold by an amount that approximates the purchaser's financing costs, which amounted to a total of $0.6 million and $1.1 million, and $1.3 million and $1.9 million for the three and six months ended June 30, 2008 and 2007, respectively. Such amounts are included in other, net in the accompanying consolidated statement of operations. As of June 30, 2008 and December 31, 2007, the Company's funding under the facility was approximately $33.0 million and $41.5 million, respectively, with an additional $27.0 million and $5.0 million, respectively, available but not utilized. When the Company sells receivables under this arrangement, the Company retains a subordinated interest in the receivables sold. The retained interest in receivables sold is included in receivables in the accompanying balance sheet and approximated $73.0 million and $34.1 million at June 30, 2008 and December 31, 2007, respectively. The usage fee under the facility is 1.05%. In addition, the Company is required to pay a fee of 0.5% on the unused portion of the facility. This facility expires on February 20, 2009.

The financing costs are determined by calculating the estimated present value of the receivables sold compared to their carrying amount. The estimated present value factor is based on historical collection experience and a discount rate representing a spread over a commercial paper-based rate as prescribed under the terms of the securitization agreement. As of June 30, 2008 and 2007, the financing costs were based on an average liquidation period of the portfolio of approximately 1.3 months and 1.2 months, respectively, and an average discount rate of 2.3% and 3.1%, at June 30, 2008 and 2007, respectively.

In the three and six months ended June 30, 2008 and 2007, the Company sold an undivided interest in approximately $4.9 million and $4.1 million, and $8.9 million and $8.0 million, respectively, of accounts receivable under a factoring arrangement at three of its European subsidiaries. These transactions were accounted for as a sale and the receivables were sold at a discount from face value approximating 2.1% and 1.9%, and 2.1% and 1.8%, respectively. Costs associated with these transactions were approximately $0.10 million and $0.08 million, and $0.18 million and $0.14 million, respectively, and are included in other, net in the accompanying consolidated statement of operations.

TRIMAS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(unaudited)

8. Inventories

Inventories consist of the following:

	June 30, 2008	December 31, 2007
	(dollars in thousands)	
Finished goods	$ 109,160	$ 117,680
Work in process	30,490	28,310
Raw materials	46,550	44,600
Total inventories	$ 186,200	$ 190,590

9. Property and Equipment, Net

Property and equipment consists of the following:

	June 30, 2008	December 31, 2007
	(dollars in thousands)	
Land and land improvements	$ 5,780	$ 5,430
Buildings	47,540	45,430
Machinery and equipment	289,250	273,410
	342,570	324,270
Less: Accumulated depreciation	144,730	129,150
Property and equipment, net	$ 197,840	$ 195,120

Depreciation expense was $7.0 million and $5.7 million, and $13.8 million and $11.6 million for each of the three and six months ended June 30, 2008 and 2007, respectively.

10. Long-term Debt

The Company's long-term debt consists of the following:

	June 30, 2008	December 31, 2007
	(dollars in thousands)	
U.S. bank debt	$ 255,450	$ 257,410
Non-U.S. bank debt and other	23,910	21,610
$9^7/_8$% senior subordinated notes, due June 2012	337,040	336,970
	616,400	615,990
Less: Current maturities, long-term debt	9,900	8,390
Long-term debt	$ 606,500	$ 607,600

TRIMAS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(unaudited)

10. Long-term Debt (Continued)

U.S. Bank Debt

The Company is a party to a credit facility consisting of a $90.0 million revolving credit facility, a $60.0 million deposit-linked supplemental revolving credit facility and a $260.0 million term loan facility (collectively, the "Credit Facility"). Under the Credit Facility, the revolving credit facilities mature on August 2, 2011, while the term loan matures on August 2, 2013 (or February 28, 2012 if the Company's existing senior subordinated notes are still outstanding as of that date). Under the Credit Facility, the Company is also able to issue letters of credit, not to exceed $65.0 million in aggregate, against its revolving credit facility commitments. At June 30, 2008 and December 31, 2007, the Company had letters of credit of approximately $33.1 million and $35.5 million, respectively, issued and outstanding. The weighted average interest rate on borrowings under the Credit Facility was 5.64% and 7.84% at June 30, 2008 and December 31, 2007, respectively.

At June 30, 2008, the Company had no outstanding balance under its revolving credit facility and had $116.9 million potentially available after giving effect to the $33.1 million letters of credit issued and outstanding. However, including availability under its accounts receivable facility and after consideration of leverage restrictions contained in the Credit Facility, the Company had approximately $143.9 million of capacity available to it under its revolving credit facility and receivables securitization for general corporate purposes.

During 2008, the Company entered into an interest rate swap agreement to fix the LIBOR-based variable portion of its interest rate on $125.0 million notional amount of its term loan facility at 2.73%. The swap extends through October 2009. The Company has designated this swap agreement as a cash flow hedge and accounts for it in accordance with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," whereby the effective portion of the hedge gains and losses are deferred in accumulated other comprehensive income (loss) until the hedged transactions occur, at which time the deferred gains or losses are reclassified into earnings to match the change in cost of the transaction. The Company believes the cash flow hedge is "effective" as defined in SFAS No. 133, as changes in the cash flows of the interest rate swap are expected to exactly offset the changes in the cash flows of variable rate debt attributable to fluctuation in the LIBOR rate. The fair value of this swap agreement at June 30, 2008 was approximately $0.1 million.

The bank debt is an obligation of the Company and its subsidiaries. Although the terms of the Credit Facility do not restrict the Company's subsidiaries from making distributions to it in respect of its $9^7/_8$% senior subordinated notes, it does contain certain other limitations on the distribution of funds from TriMas Company LLC, the principal subsidiary, to the Company. The restricted net assets of the guarantor subsidiaries, of approximately $559.9 million and $528.4 million at June 30, 2008 and December 31, 2007, respectively, are presented in the financial information in Note 18, "*Supplemental Guarantor Condensed Consolidating Financial Information*." The Credit Facility also contains various negative and affirmative covenants and other requirements affecting the Company and its subsidiaries, including: restrictions on incurrence of debt, except for permitted acquisitions and subordinated indebtedness, liens, mergers, investments, loans, advances, guarantee obligations, acquisitions, asset dispositions, sale-leaseback transactions greater than $90.0 million if sold at fair market value, hedging agreements, dividends and other restricted junior payments, stock repurchases, transactions with affiliates, restrictive agreements and amendments to charters, by-laws, and other material documents. The Credit Facility also requires the Company and its subsidiaries to meet certain restrictive financial

TRIMAS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(unaudited)

10. Long-term Debt (Continued)

covenants and ratios computed quarterly, including a leverage ratio (total consolidated indebtedness plus outstanding amounts under the accounts receivable securitization facility over consolidated EBITDA, as defined), interest expense ratio (consolidated EBITDA, as defined, over cash interest expense, as defined) and a capital expenditures covenant. The Company was in compliance with its covenants at June 30, 2008.

Principal payments required on the Credit Facility term loan are: $0.7 million due each calendar quarter through June 30, 2013, with $242.5 million due on August 2, 2013 (which may be changed to February 2012 if the Company's senior subordinated notes are still outstanding at that time).

Non-U.S. bank debt

In Italy, the Company's subsidiary is party to a loan agreement for a term of seven years, at a rate 0.75% above EURIBOR (Euro Interbank Offered Rate), and is secured by land and buildings of the subsidiary. At June 30, 2008, the balance outstanding under this agreement was $2.7 million at an interest rate of 5.48%. At December 31, 2007, the balance outstanding under this agreement was approximately $4.0 million at an interest rate of 5.5%.

In Australia, the Company's subsidiary is party to a debt agreement which matures December 31, 2010 and is secured by substantially all the assets of the subsidiary. At June 30, 2008, the balance outstanding under this agreement was $20.6 million at a weighted average interest rate of 7.38%. At December 31, 2007, the balance outstanding under this agreement was approximately $17.5 million at an interest rate of approximately 7.1%.

In Mexico, the Company's subsidiary is party to an unsecured loan agreement which matures July 3, 2008. At June 30, 2008, the balance outstanding under this agreement was $0.5 million at an interest rate of 10.2%. At December 31, 2007, there was no balance outstanding under this agreement.

Notes

During the second quarter of 2007, the Company utilized approximately $104.9 million of the proceeds from its initial public offering of common stock to retire $100.0 million of face value 9$^{7}/_{8}$% senior subordinated notes due 2012 (Notes), paying a $4.9 million call premium to effect the retirement.

The Notes indenture contains negative and affirmative covenants and other requirements that are comparable to those contained in the Credit Facility. At June 30, 2008, the Company was in compliance with all such covenant requirements.

11. Commitments and Contingencies

A civil suit was filed in the United States District Court for the Central District of California in December 1988 by the United States of America and the State of California against more than 180 defendants, including us, for alleged release into the environment of hazardous substances disposed of at the Operating Industries, Inc. site in California. This site served for many years as a depository for municipal and industrial waste. The plaintiffs have requested, among other things, that the defendants clean up the contamination at that site. Consent decrees have been entered into by the plaintiffs and a

11. Commitments and Contingencies (Continued)

group of the defendants, including us, providing that the consenting parties perform certain remedial work at the site and reimburse the plaintiffs for certain past costs incurred by the plaintiffs at the site. We estimate that our share of the clean-up costs will not exceed $500,000, for which we have insurance proceeds. Plaintiffs had sought other relief such as damages arising out of claims for negligence, trespass, public and private nuisance, and other causes of action, but the consent decree governs the remedy. Based upon our present knowledge and subject to future legal and factual developments, we do not believe that this matter will have a material adverse effect on our financial position, results of operations or cash flows.

As of June 30, 2008, we were a party to approximately 817 pending cases involving an aggregate of approximately 7,704 claimants alleging personal injury from exposure to asbestos containing materials formerly used in gaskets (both encapsulated and otherwise) manufactured or distributed by certain of our subsidiaries for use primarily in the petrochemical refining and exploration industries. The following chart summarizes the number of claimants, number of claims filed, number of claims dismissed, number of claims settled, the average settlement amount per claim and the total defense costs, exclusive of amounts reimbursed under our primary insurance, at the applicable date and for the applicable periods:

	Claims pending at beginning of period	Claims filed during period	Claims dismissed during period	Claims setttled during period	Average settlement amount per claim during period	Total defense costs during period
Fiscal year ended December 31, 2007	10,551	619	1,484	142	$ 9,243	$4,982,000
Six months ended June 30, 2008	9,544	415	2,208	47	$ 2,509	$2,161,000

In addition, we acquired various companies to distribute our products that had distributed gaskets of other manufacturers prior to acquisition. We believe that many of our pending cases relate to locations at which none of our gaskets were distributed or used.

We may be subjected to significant additional asbestos-related claims in the future, the cost of settling cases in which product identification can be made may increase, and we may be subjected to further claims in respect of the former activities of our acquired gasket distributors. We note that we are unable to make a meaningful statement concerning the monetary claims made in the asbestos cases given that, among other things, claims may be initially made in some jurisdictions without specifying the amount sought or by simply stating the requisite or maximum permissible monetary relief, and may be amended to alter the amount sought. The large majority of claims do not specify the amount sought. Of the 7,704 claims pending at June 30, 2008, 174 set forth specific amounts of damages (other than those stating the statutory minimum or maximum). 141 of the 174 claims sought between $1.0 million and $5.0 million in total damages (which includes compensatory and punitive damages) , 31 sought between $5.0 million and $10.0 million in total damages (which includes compensatory and punitive damages) and two sought over $10.0 million (which includes compensatory and punitive damages) . Solely with respect to compensatory damages, 145 of the 174 claims sought between $50,000 and $600,000, 27 sought between $1.0 million and $5.0 million and two sought over $5.0 million. Solely with respect to punitive damages, 142 of the 174 claims sought between $0 and $2.5 million, 31 sought between $2.5 and $5.0 million and one sought over $5.0 million. In addition, relatively few of the claims have reached the discovery stage and even fewer claims have gone past the discovery stage.

TRIMAS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(unaudited)

11. Commitments and Contingencies (Continued)

Total settlement costs (exclusive of defense costs) for all such cases, some of which were filed over 20 years ago, have been approximately $5.2 million. All relief sought in the asbestos cases is monetary in nature. To date, approximately 50% of our costs related to settlement and defense of asbestos litigation have been covered by our primary insurance. Effective February 14, 2006, we entered into a coverage-in-place agreement with our first level excess carriers regarding the coverage to be provided to us for asbestos-related claims when the primary insurance is exhausted. The coverage-in-place agreement makes coverage available to us that might otherwise be disputed by the carriers and provides a methodology for the administration of asbestos litigation defense and indemnity payments. The coverage in place agreement allocates payment responsibility among the primary carrier, excess carriers and the Company's subsidiary.

Based on the settlements made to date and the number of claims dismissed or withdrawn for lack of product identification, we believe that the relief sought (when specified) does not bear a reasonable relationship to our potential liability. Based upon our experience to date and other available information (including the availability of excess insurance), we do not believe that these cases will have a material adverse effect on our financial position and results of operations or cash flows.

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

12. Related Parties

Metaldyne Corporation

In connection with the Company's reorganization in June 2002, TriMas assumed approximately $37.0 million of liabilities and obligations of Metaldyne Corporation ("Metaldyne"), mainly comprised of contractual obligations to former TriMas employees, tax related matters, benefit plan liabilities and reimbursements to Metaldyne for normal course payments made on TriMas' behalf. The remaining contractual obligations to Metaldyne were approximately $6.2 million and $6.0 million at June 30, 2008 and December 31, 2007, respectively, and are classified as accrued liabilities in the accompanying consolidated balance sheet.

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 the Company's common stock that it owned on a pro rata basis to the holders of Metaldyne's common stock at the time of such dividend. As a result of the merger, Metaldyne and the Company are no longer related parties. In addition, as a result of the merger, it has been asserted that Metaldyne may be obligated to accelerate funding and payment of actuarially determined amounts owing to seven former Metaldyne executives under a supplemental executive retirement plan ("SERP"). Under the stock purchase agreement between Metaldyne and Heartland, TriMas is required to reimburse Metaldyne, when billed, for its allocated portion of the amounts due to certain Metaldyne SERP participants, as defined. At June 30, 2008, TriMas has accrued an estimated liability to Metaldyne on its reported balance sheet of approximately $5.1 million (included in the remaining $6.2 million of contractual obligations above), However, if Metaldyne is required to accelerate funding of the SERP liability, TriMas may be obligated to

TRIMAS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(unaudited)

12. Related Parties (Continued)

reimburse Metaldyne up to approximately $7.5 million, which could result in future charges to the Company's statement of operations of up to $2.4 million. The Company is currently reviewing the validity of these assertions.

Heartland Industrial Partners

In connection with the Company's initial public offering of common stock in the second quarter of 2007, the Company paid Heartland $10.0 million to terminate its existing advisory services agreement. The advisory services had been provided for an annual fee of $4.0 million plus expenses. Heartland was paid $1.0 million and $2.1 million for the three and six months ended June 30, 2007, respectively, for advisory services provided under this agreement prior to its termination. Such amounts are included in selling, general and administrative expenses in the accompanying consolidated statement of operations.

13. Segment Information

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

Packaging Systems Steel and plastic closure caps, drum enclosures, rings and levers, and dispensing systems for industrial and consumer markets, as well as flame-retardant facings, jacketings and insulation tapes used with fiberglass insulation as vapor barriers in commercial, industrial, and residential construction applications.

Energy Products Engines and engine replacement parts for the oil and gas industry as well as metallic and non-metallic industrial gaskets and fasteners for the petroleum refining, petrochemical and other industrial markets.

Industrial Specialties A diverse range of industrial products for use in niche markets within the aerospace, industrial, automotive, defense, and medical equipment markets. Its products include highly engineered specialty fasteners for the aerospace industry, high-pressure and low-pressure cylinders for the transportation, storage and dispensing of compressed gases, specialty fasteners for the automotive industry, spinal and trauma implant products for the medical industry, specialty precision tools such as center drills, cutters, end mills, reamers, master gears, punches, and specialty ordnance components.

RV & Trailer Products Custom-engineered trailer products including trailer couplers, winches, jacks, trailer brakes and brake control solutions, lighting accessories and roof racks for the recreational vehicle, agricultural/utility, marine, automotive and commercial trailer markets.

Recreational Accessories Towing products, functional vehicle accessories and cargo management solutions including vehicle hitches and receivers, sway controls, weight distribution and fifth-wheel hitches, hitch-mounted accessories, and other accessory components.

TRIMAS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(unaudited)

13. Segment Information (Continued)

The Company's management uses Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") as a primary indicator of financial operating performance and as a measure of cash generating capability. Adjusted EBITDA is defined as net income (loss) before cumulative effect of accounting change, interest, taxes, depreciation, amortization, non-cash asset and goodwill impairment write-offs and non-cash losses on sale-leaseback of property and equipment. Segment activity is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2008	2007	2008	2007
	(dollars in thousands)			
Net Sales				
Packaging Systems	$ 57,410	$ 56,700	$111,980	$110,450
Energy Products	53,160	41,020	101,960	82,600
Industrial Specialties	56,210	52,850	109,680	103,440
RV & Trailer Products	49,730	53,070	100,400	106,480
Recreational Accessories	80,570	84,030	152,620	169,140
Total	$297,080	$287,670	$576,640	$572,110
Operating Profit				
Packaging Systems	$ 9,150	$ 10,820	$ 18,030	$ 19,820
Energy Products	8,590	5,660	16,500	12,070
Industrial Specialties	11,480	11,220	22,640	22,440
RV & Trailer Products	2,060	6,010	4,810	12,470
Recreational Accessories	6,490	7,360	9,120	12,500
Corporate expenses and management fees	(7,920)	(20,690)	(13,140)	(26,630)
Total	$ 29,850	$ 20,380	$ 57,960	$ 52,670
Adjusted EBITDA				
Packaging Systems	$ 12,780	$ 14,100	$ 25,670	$ 26,390
Energy Products	9,190	6,260	17,820	13,360
Industrial Specialties	12,960	12,350	25,600	24,500
RV & Trailer Products	3,940	7,840	8,470	16,360
Recreational Accessories	8,860	9,680	13,910	17,420
Corporate expenses and management fees	(8,320)	(21,350)	(14,440)	(28,230)
Subtotal from continuing operations	39,410	28,880	77,030	69,800
Discontinued operations	190	1,460	430	1,270
Total company	$ 39,600	$ 30,340	$ 77,460	$ 71,070

TRIMAS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(unaudited)

13. Segment Information (Continued)

The following is a reconciliation of the Company's net income (loss) to Adjusted EBITDA:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
	(dollars in thousands)			
Net income (loss)	$ 9,450	$ (3,190)	$ 17,320	$ 3,860
Income tax expense (benefit)	5,270	(1,870)	9,750	3,110
Interest expense	13,930	18,340	28,690	37,200
Debt extinguishment costs		7,440		7,440
Depreciation and amortization	10,950	9,620	21,700	19,460
Adjusted EBITDA, total company	$ 39,600	$ 30,340	$ 77,460	$ 71,070
Adjusted EBITDA, discontinued operations	190	1,460	430	1,270
Adjusted EBITDA, continuing operations	$ 39,410	$ 28,880	$ 77,030	$ 69,800

14. Equity Awards

2006 Plan

The TriMas Corporation 2006 Long Term Equity Incentive Plan (the "2006 Plan") provides for the issuance of equity-based incentives in various forms for up to an aggregate of 1,200,000 shares of the Company's common stock, of which up to 500,000 shares may be granted as incentive stock options. In general, stock options and stock appreciation rights have a fungible ratio of one-to-one (one granted option/appreciation right counts as one share against the aggregate available to issue), while other forms of equity grants, including restricted shares of common stock, have a fungible ratio of two-to-one. No shares issued under the 2006 Plan were excercisable as of June 30, 2008.

During the second quarter of 2008, the Company granted 381,000 restricted shares of its common stock to certain employees, which vest ratably over three years from date of grant but are contingent upon certain service and performance conditions. Of the 381,000 restricted shares granted, 111,500 shares are subject to a service provision, where the only condition to the share vesting is that the employee remains with the Company for the vesting period. The remaining 269,500 shares granted are subject to both a service provision (same as above) and a performance provision. These shares vest in the same manner as the service provision grants only if the Company attains and/or exceeds a certain EBITDA target for the year ended December 31, 2008.

In September 2007, the Company granted 390,610 restricted shares of its common stock to certain employees, which vest ratably over three years from date of grant but were contingent upon certain service and performance conditions. Of the 390,610 restricted shares granted, 145,750 shares were subject to a service provision, where the only condition to the share vesting was that the employee remained with the Company for the vesting period. The remaining 244,860 shares granted were subject to both a service provision (same as above) and a performance provision, where these shares would vest in the same manner as the service provision-only grants if the Company attained and/or exceeded a certain EBITDA target for the year ended December 31, 2007, or would otherwise be cancelled. The

TRIMAS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(unaudited)

14. Equity Awards (Continued)

Company did not meet or exceed this EBITDA target, resulting in the cancelation of 244,860 restricted shares of its common stock.

The Company recognized approximately $0.6 million and $0.8 million of stock-based compensation expense related to the 2006 Plan during the three and six months ended June 30, 2008, respectively.

Information related to the 2006 Plan at June 30, 3008 is as follows:

	Number of Unvested Restricted Shares	Weighted Average Grant Date Fair Value	Average Remaining Vesting Period (Years)	Aggregate Intrinsic Value
Outstanding at January 1, 2008	142,145	$ 12.26		
Granted	381,000	6.28		
Exercised				
Cancelled	(61,971)	8.30		
Outstanding at June 30, 2008	461,174	$ 7.85	1.6	$ 2,762,432

As of June 30, 2008, there was approximately $2.4 million of unrecognized compensation cost related to unvested shares granted under the 2006 Plan.

2002 Plan

The TriMas Corporation 2002 Long Term Equity Incentive Plan (the "2002 Plan"), provides for the issuance of equity-based incentives in various forms, of which a total of 2,022,000 stock options have been approved for issuance under the Plan. As of June 30, 2008, the Company has 1,728,706 stock options outstanding, each of which may be used to purchase one share of the Company's common stock. The options have a 10-year life and the exercise prices range from $20 to $23. Eighty percent of the options vest ratably over three years from the date of grant, while the remaining twenty percent vest after seven years from the date of grant or on an accelerated basis over three years based upon achievement of specified performance targets, as defined in the Plan. The options become exercisable upon the later of: (1) the normal vesting schedule as described above, or (2) upon the occurrence of a qualified public equity offering as defined in the Plan, one half of the vested options become exercisable 180 days following such public equity offering (November 14, 2007), and the other one half of vested options become exercisable on the first anniversary following consummation of such public offering (May 14, 2008). As of June 30, 2008, 1,314,256 stock options were exercisable under the 2002 Plan.

The Company accounts for these stock options under SFAS No. 123R, "Share-Based Payment," using the Modified Prospective Application ("MPA") method, which requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values.

The Company recognized stock-based compensation expense related to the 2002 Plan of $0.02 million and $0.05 million for the three and six months ended June 30, 2008, respectively, and $0.06 million and $0.1 million for the three and six months ended June 30, 2007, respectively. The stock-based compensation expense is included in selling, general and administrative expenses in the

TRIMAS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(unaudited)

14. Equity Awards (Continued)

accompanying statements of operations. The fair value of options which vested during the three and six months ended June 30, 2008 was $0.1 million and $0.4 million, respectively. The fair value of options which vested during the three and six months ended June 30, 2007 was $0.1 million and $0.4 million, respectively. As of June 30, 2008, the Company had $0.1 million of unrecognized compensation cost related to stock options that is expected to be recorded over a weighted average period of 1.2 years.

Information related to stock options at June 30, 2008, is as follows:

	Number of Options	Weighted Average Option Price	Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding at January 1, 2008	2,000,481	$ 20.89		
Granted				
Exercised				
Cancelled	(271,775)	20.55		
Outstanding at June 30, 2008	1,728,706	$ 20.94	5.1	$

15. Earnings per Share

The Company reports earnings per share in accordance with SFAS No. 128, "Earnings per Share." Basic and diluted earnings per share amounts were computed using weighted average shares outstanding for the three and six months ended June 30, 2008 and 2007, respectively. Diluted earnings per share for the three and six months ended June 30, 2008 included 220,549 shares of restricted stock granted under the 2006 Plan. Options to purchase approximately 1,728,706 and 2,011,268 shares of common stock were outstanding at June 30, 2008 and 2007, respectively, but were excluded from the computation of net income per share because to do so would have been anti-dilutive for the periods presented.

16. Defined Benefit Plans

Net periodic pension and postretirement benefit costs for TriMas' defined benefit pension plans and postretirement benefit plans, covering foreign employees, union hourly employees and certain salaried employees include the following components for the three and six months ended June 30, 2008 and 2007:

	Pension Plans			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
	(dollars in thousands)			
Service costs	$ 140	$ 140	$ 270	$ 280
Interest costs	420	410	840	810
Expected return on plan assets	(460)	(490)	(920)	(970)
Amortization of net loss	80	110	160	220
Net periodic benefit cost	$ 180	$ 170	$ 350	$ 340

TRIMAS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(unaudited)

16. Defined Benefit Plans (Continued)

	Other Postretirement Benefits			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
	(dollars in thousands)			
Service costs	$ 20	$ 20	$ 40	$ 40
Interest costs	100	110	210	210
Gain on settlement of postretirement plan		(190)		(190)
Amortization of net loss	10	20	20	50
Net periodic benefit cost	$ 130	$ (40)	$ 270	$ 110

The Company contributed approximately $0.5 million and $1.0 million to its defined benefit pension plans during the three and six months ended June 30, 2008, respectively. The Company expects to contribute approximately $1.9 million to its defined benefit pension plans for the full year 2008.

17. New Accounting Pronouncements

In December 2007, the Financial Accounting Standards Board ("FASB") issued SFAS No. 141(R), "Business Combinations," which revises the current accounting practices for business combinations. Significant changes as a result of issuance of SFAS No. 141(R) include a revised definition of a business, expensing of acquisition-related transaction costs, and a change in how acquirers measure consideration, identifiable assets, liabilities assumed and goodwill acquired in a business combination. SFAS No. 141(R) is effective for business combinations occurring in fiscal years beginning after December 15, 2008, and may not be retroactively applied. There is no impact on the Company's current consolidated financial statements as a result of this pronouncement.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements," which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles ("GAAP"), and expands disclosures about fair value measurements. For financial assets and liabilities, this statement is effective for fiscal periods beginning after November 15, 2007 and does not require new fair value measurements. In February 2008, the FASB released Staff Position No. 157-2, which delayed the effective date of SFAS No. 157 to fiscal years ending after November 15, 2008 for nonfinancial assets and liabilities, except for items that are recognized or disclosed at fair value in the Company's financial statements on a recurring basis (at least annually), which was effective for the Company effective January 1, 2008. The adoption of SFAS No. 157 did not have a material effect on the consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities Including an Amendment of FASB Statement No. 115," which permits entities to choose to measure certain financial instruments and other items at fair value. This statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, including interim periods within that fiscal year. The Company did not elect the fair value option for any of its existing financial instruments as of June 30, 2008 and the Company has made no determination whether or not it will elect this option for financial instruments it may acquire in the future.

TRIMAS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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17. New Accounting Pronouncements (Continued)

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements," which establishes requirements for identification, presentation and disclosure of noncontrolling interests, and requires accounting for such non-controlling interests as a separate component of shareholder's equity. SFAS No. 160 is effective prospectively for fiscal years beginning after December 15, 2008. However, the presentation and disclosure requirements are required to be retrospectively applied to comparative financial statements. There is no impact on the Company's current consolidated financial statements as a result of this pronouncement.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133." SFAS No. 161 amends and expands the disclosure requirements of SFAS No. 133 to provide users of financial statements with an enhanced understanding of derivative instruments, how they are accounted for and their impact on a company's financial position and performance. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. The Company is currently assessing the impact of the adoption of SFAS No. 161 on its consolidated financial statements.

In May 2008, the FASB issued SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles," which is intended to improve financial reporting by identifying a consistent hierarchy for selecting accounting principles to be used in preparing financial statements that are prepared in conformance with generally accepted accounting principles. The statement is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, "The Meaning of Present Fairly in Conformity with GAAP." There is no impact on the Company's current consolidated financial statements as a result of this pronouncement.

18. Supplemental Guarantor Condensed Consolidating Financial Information

Under an indenture dated September 6, 2002, TriMas Corporation ("Parent"), issued $9^7/_8$% senior subordinated notes due 2012 in a total principal amount of $437.8 million (face value), of which $100.0 million was subsequently retired in the second quarter of 2007 in connection with the Company's initial public offering. The remaining outstanding Notes are guaranteed by substantially all of the Company's domestic subsidiaries ("Guarantor Subsidiaries"). All of the Guarantor Subsidiaries are 100% owned by the Parent and their guarantee is full, unconditional, joint and several. The Company's non-domestic subsidiaries and TSPC, Inc. have not guaranteed the Notes ("Non-Guarantor Subsidiaries"). The Guarantor Subsidiaries have also guaranteed amounts outstanding under the Company's Credit Facility.

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

TRIMAS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(unaudited)

18. Supplemental Guarantor Condensed Consolidating Financial Information (Continued)

Supplemental Guarantor
Condensed Financial Statements
Consolidating Balance Sheet
(dollars in thousands)

	June 30, 2008				
	Parent	Guarantor	Non-Guarantor	Eliminations	Consolidated Total
Assets					
Current assets:					
Cash and cash equivalents	$	$ 1,920	$ 4,940	$	$ 6,860
Trade receivables, net		98,100	29,370		127,470
Receivables, intercompany			320	(320)	
Inventories, net		156,640	29,560		186,200
Deferred income taxes		18,010	850		18,860
Prepaid expenses and other current assets		4,820	1,460		6,280
Assets of discontinued operations held for sale		2,760			2,760
Total current assets		282,250	66,500	(320)	348,430
Investments in subsidiaries	559,920	152,530		(712,450)	
Property and equipment, net		140,290	57,550		197,840
Goodwill		295,460	88,810		384,270
Intangibles and other assets	12,080	222,240	6,380	(6,130)	234,570
Total assets	$ 572,000	$ 1,092,770	$ 219,240	$ (718,900)	$ 1,165,110
Liabilities and Shareholders' Equity					
Current liabilities:					
Current maturities, long-term debt	$	$ 2,630	$ 7,270	$	$ 9,900
Accounts payable, trade		116,910	23,530		140,440
Accounts payable, intercompany		320		(320)	
Accrued liabilities	1,390	52,740	9,820		63,950
Liabilities of discontinued operations		1,170			1,170
Total current liabilities	1,390	173,770	40,620	(320)	215,460
Long-term debt	337,040	252,890	16,570		606,500
Deferred income taxes		72,190	7,890	(6,130)	73,950
Other long-term liabilities		34,000	1,630		35,630
Total liabilities	338,430	532,850	66,710	(6,450)	931,540
Total shareholders' equity	233,570	559,920	152,530	(712,450)	233,570
Total liabilities and shareholders' equity	$ 572,000	$ 1,092,770	$ 219,240	$ (718,900)	$ 1,165,110

TRIMAS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(unaudited)

18. Supplemental Guarantor Condensed Consolidating Financial Information (Continued)

Supplemental Guarantor
Condensed Financial Statements
Consolidating Balance Sheet
(dollars in thousands)

	December 31, 2007				
	Parent	Guarantor	Non-Guarantor	Eliminations	Consolidated Total
Assets					
Current assets:					
Cash and cash equivalents	$	$ 550	$ 4,250	$	$ 4,800
Trade receivables, net		69,760	19,610		89,370
Receivables, intercompany			1,700	(1,700)	
Inventories, net		162,800	27,790		190,590
Deferred income taxes		17,960	900		18,860
Prepaid expenses and other current assets		5,870	1,140		7,010
Assets of discontinued operations held for sale		3,330			3,330
Total current assets		260,270	55,390	(1,700)	313,960
Investments in subsidiaries	528,420	139,880		(668,300)	
Property and equipment, net		139,580	55,540		195,120
Goodwill		291,990	85,350		377,340
Intangibles and other assets	18,430	230,430	4,430	(11,720)	241,570
Total assets	$ 546,850	$ 1,062,150	$ 200,710	$ (681,720)	$ 1,127,990
Liabilities and Shareholders' Equity					
Current liabilities:					
Current maturities, long-term debt	$	$ 3,300	$ 5,090	$	$ 8,390
Accounts payable, trade		102,920	18,940		121,860
Accounts payable, intercompany		1,700		(1,700)	
Accrued liabilities	1,390	58,820	11,620		71,830
Liabilities of discontinued operations		1,450			1,450
Total current liabilities	1,390	168,190	35,650	(1,700)	203,530
Long-term debt	336,970	254,210	16,420		607,600
Deferred income taxes		77,890	7,110	(11,720)	73,280
Other long-term liabilities		33,440	1,650		35,090
Total liabilities	338,360	533,730	60,830	(13,420)	919,500
Total shareholders' equity	208,490	528,420	139,880	(668,300)	208,490
Total liabilities and shareholders' equity	$ 546,850	$ 1,062,150	$ 200,710	$ (681,720)	$ 1,127,990

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TRIMAS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(unaudited)

18. Supplemental Guarantor Condensed Consolidating Financial Information (Continued)

Supplemental Guarantor
Condensed Financial Statements
Consolidating Statement of Operations
(dollars in thousands)

	Three Months Ended June 30, 2008				
	Parent	Guarantor	Non-Guarantor	Eliminations	Total
Net sales	$	$ 239,730	$ 71,330	$ (13,980)	$ 297,080
Cost of sales		(175,130)	(57,180)	13,980	(218,330)
Gross profit		64,600	14,150		78,750
Selling, general and administrative expenses		(42,890)	(5,900)		(48,790)
Gain (loss) on dispositions of property and equipment		(140)	30		(110)
Operating profit		21,570	8,280		29,850
Other income (expense), net:					
Interest expense	(8,780)	(4,650)	(450)		(13,880)
Other, net		1,000	(2,340)		(1,340)
Income (loss) before income tax (expense) benefit and equity in net income (loss) of subsidiaries	(8,780)	17,920	5,490		14,630
Income tax (expense) benefit	3,060	(6,620)	(1,690)		(5,250)
Equity in net income (loss) of subsidiaries	15,170	3,800		(18,970)	
Income (loss) from continuing operations	9,450	15,100	3,800	(18,970)	9,380
Income from discontinued operations		70			70
Net income (loss)	$ 9,450	$ 15,170	$ 3,800	$ (18,970)	$ 9,450

TRIMAS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(unaudited)

18. Supplemental Guarantor Condensed Consolidating Financial Information (Continued)

Supplemental Guarantor
Condensed Financial Statements
Consolidating Statement of Operations
(dollars in thousands)

	Three Months Ended June 30, 2007				
	Parent	Guarantor	Non-Guarantor	Eliminations	Total
Net sales	$	$ 238,700	$ 64,100	$ (15,130)	$ 287,670
Cost of sales		(170,840)	(52,310)	15,130	(208,020)
Gross profit		67,860	11,790		79,650
Selling, general and administrative expenses		(39,200)	(6,120)		(45,320)
Advisory services agreement termination fee		(10,000)			(10,000)
Costs for early termination of operating leases		(4,230)			(4,230)
Gain on dispositions of property and equipment		270	10		280
Operating profit		14,700	5,680		20,380
Other income (expense), net:					
Interest expense	(10,680)	(6,850)	(810)		(18,340)
Debt extinguishment costs	(7,440)				(7,440)
Other, net	(410)	190	(840)		(1,060)
Income (loss) before income tax (expense) benefit and equity in net income (loss) of subsidiaries	(18,530)	8,040	4,030		(6,460)
Income tax (expense) benefit	7,070	(3,060)	(1,610)		2,400
Equity in net income (loss) of subsidiaries	8,270	2,420		(10,690)	
Income (loss) from continuing operations	(3,190)	7,400	2,420	(10,690)	(4,060)
Income from discontinued operations		870			870
Net income (loss)	$ (3,190)	$ 8,270	$ 2,420	$ (10,690)	$ (3,190)

TRIMAS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(unaudited)

18. Supplemental Guarantor Condensed Consolidating Financial Information (Continued)

Supplemental Guarantor
Condensed Financial Statements
Consolidating Statement of Operations
(dollars in thousands)

	Six Months Ended June 30, 2008				
	Parent	Guarantor	Non-Guarantor	Eliminations	Total
Net sales	$	$ 471,420	$ 131,220	$ (26,000)	$ 576,640
Cost of sales		(347,150)	(103,400)	26,000	(424,550)
Gross profit		124,270	27,820		152,090
Selling, general and administrative expenses		(81,920)	(11,990)		(93,910)
Gain (loss) on dispositions of property and equipment		(310)	90		(220)
Operating profit		42,040	15,920		57,960
Other income (expense), net:					
Interest expense	(17,530)	(10,170)	(890)		(28,590)
Other, net		1,630	(4,160)		(2,530)
Income (loss) before income tax (expense) benefit and equity in net income (loss) of subsidiaries	(17,530)	33,500	10,870		26,840
Income tax (expense) benefit	6,130	(12,390)	(3,410)		(9,670)
Equity in net income (loss) of subsidiaries	28,720	7,460		(36,180)	
Income (loss) from continuing operations	17,320	28,570	7,460	(36,180)	17,170
Income from discontinued operations		150			150
Net income (loss)	$ 17,320	$ 28,720	$ 7,460	$ (36,180)	$ 17,320

TRIMAS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(unaudited)

18. Supplemental Guarantor Condensed Consolidating Financial Information (Continued)

Supplemental Guarantor
Condensed Financial Statements
Consolidating Statement of Operations
(dollars in thousands)

	Six Months Ended June 30, 2007				
	Parent	Guarantor	Non-Guarantor	Eliminations	Total
Net sales	$	$ 478,550	$ 124,800	$ (31,240)	$ 572,110
Cost of sales		(343,370)	(102,330)	31,240	(414,460)
Gross profit		135,180	22,470		157,650
Selling, general and administrative expenses		(79,300)	(11,560)		(90,860)
Advisory services agreement termination fee		(10,000)			(10,000)
Costs for early termination of operating leases		(4,230)			(4,230)
Gain (loss) on dispositions of property and equipment		130	(20)		110
Operating profit		41,780	10,890		52,670
Other income (expense), net:					
Interest expense	(21,570)	(13,970)	(1,660)		(37,200)
Debt extinguishment costs	(7,440)				(7,440)
Other, net	3,910	(5,290)	(840)		(2,220)
Income (loss) before income tax (expense) benefit and equity in net income (loss) of subsidiaries	(25,100)	22,520	8,390		5,810
Income tax (expense) benefit	8,870	(8,070)	(2,920)		(2,120)
Equity in net income (loss) of subsidiaries	20,090	5,470		(25,560)	
Income (loss) from continuing operations	3,860	19,920	5,470	(25,560)	3,690
Income from discontinued operations		170			170
Net income (loss)	$ 3,860	$ 20,090	$ 5,470	$ (25,560)	$ 3,860

TRIMAS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(unaudited)

18. Supplemental Guarantor Condensed Consolidating Financial Information (Continued)

Supplemental Guarantor
Condensed Financial Statements
Consolidating Statement of Cash Flows
(dollars in thousands)

	Six Months Ended June 30, 2008				
	Parent	**Guarantor**	**Non-Guarantor**	**Eliminations**	**Total**
Cash Flows from Operating Activities:					
Net cash provided by (used for) operating activities	$(16,680)	$ 32,200	$ 7,740	$	$ 23,260
Cash Flows from Investing Activities:					
Capital expenditures		(10,600)	(2,930)		(13,530)
Acquisition of businesses, net of cash acquired		(3,460)	(2,730)		(6,190)
Net proceeds from disposition of businesses and other assets		200	140		340
Net cash used for investing activities		(13,860)	(5,520)		(19,380)
Cash Flows from Financing Activities:					
Repayments of borrowings on senior credit facilities		(1,300)	(1,630)		(2,930)
Proceeds from borrowings on term loan facilities			490		490
Proceeds from borrowings on revolving credit facilities		263,110	6,090		269,200
Repayments of borrowings on revolving credit facilities		(263,800)	(4,780)		(268,580)
Intercompany transfers to (from) subsidiaries	16,680	(14,980)	(1,700)		
Net cash provided by (used for) financing activities	16,680	(16,970)	(1,530)		(1,820)
Cash and Cash Equivalents:					
Increase for the period		1,370	690		2,060
At beginning of period		550	4,250		4,800
At end of period	$	$ 1,920	$ 4,940	$	$ 6,860

TRIMAS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(unaudited)

18. Supplemental Guarantor Condensed Consolidating Financial Information (Continued)

Supplemental Guarantor
Condensed Financial Statements
Consolidating Statement of Cash Flows
(dollars in thousands)

	Six Months Ended June 30, 2007				
	Parent	Guarantor	Non-Guarantor	Eliminations	Total
Cash Flows from Operating Activities:					
Net cash provided by (used for) operating activites	$ (21,890)	$ 44,570	$ 3,260	$	$ 25,940
Cash Flows from Investing Activities:					
Capital expenditures		(10,880)	(3,980)		(14,860)
Acquisition of leased assets		(29,960)			(29,960)
Net proceeds from disposition of businesses and other assets		5,850			5,850
Net cash used for investing activities		(34,990)	(3,980)		(38,970)
Cash Flows from Financing Activities:					
Proceeds from sale of common stock in connection with the Company's initial public offering, net of issuance costs	126,460				126,460
Repayments of borrowings on senior credit facilities		(1,300)	(430)		(1,730)
Proceeds from borrowings on revolving credit facilities		243,510	4,860		248,370
Repayments of borrowings on revolving credit facilities		(254,300)	(6,650)		(260,950)
Retirement of senior subordinated notes	(100,000)				(100,000)
Intercompany transfers to (from) subsidiaries	(4,570)	2,300	2,270		
Net cash provided by (used for) financing activities	21,890	(9,790)	50		12,150
Cash and Cash Equivalents:					
Decrease for the period		(210)	(670)		(880)
At beginning of period		460	3,140		3,600
At end of period	$	$ 250	$ 2,470	$	$ 2,720

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

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

Introduction

We are an industrial manufacturer of highly engineered products serving niche markets in a diverse range of commercial, industrial and consumer applications. We 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 initial public offering ("IPO") in May 2007 and expenses related thereto, and previous consolidation, integration and restructuring efforts in several of our business operations.

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 businesses 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 confidence, which could be negatively impacted by increased costs to consumers as a result of an uncertain credit market and nterest rate environment 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. Historically, we have experienced increasing costs of steel and resin and have worked with our suppliers to manage cost pressures and disruptions in supply. More recently, we have also experienced increasing costs for freight and products sourced to lower-cost countries. We have initiated pricing programs to pass increased steel, copper, aluminum, resin and foreign-sourced costs to customers. Although we may experience delays in our ability to implement price increases, we generally are able to recover such increased costs. Although there have been no significant disruptions in the supply of steel since 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, other raw material, and foreign-sourced 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.

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 and non-cash losses on sale-leaseback of property and equipment. 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 Company. 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 net income to Adjusted EBITDA and cash flows from operating activities for the three and six months ended June 30, 2008 and 2007:

	Three months ended June 30,		Six months ended June 30,	
	2008	**2007**	**2008**	**2007**
	(dollars in thousands)			
Net income	$ 9,450	$ (3,190)	$ 17,320	$ 3,860
Income tax expense	5,270	(1,870)	9,750	3,110
Interest expense	13,930	18,340	28,690	37,200
Debt extinguishment costs		7,440		7,440
Depreciation and amortization	10,950	9,620	21,700	19,460
Adjusted EBITDA, total company	$ 39,600	$ 30,340	$ 77,460	$ 71,070
Interest paid	(21,170)	(27,880)	(27,100)	(34,510)
Taxes paid	(2,940)	(2,750)	(5,330)	(5,010)
(Gain) loss on dispositions of property and equipment	(20)	(310)	90	70
Receivables sales and securitization, net	(22,460)	4,580	(3,630)	33,330
Net change in working capital	20,560	(4,980)	(18,230)	(39,010)
Cash flows provided by (used for) operating activities	$ 13,570	$ (1,000)	$ 23,260	$ 25,940

The following details certain items relating to our consolidation, restructuring and integration efforts and the costs and expenses incurred in connection with our initial public offering and use of proceeds therefrom that are included in the determination of net income under GAAP and are not added back to net income in determining Adjusted EBITDA, but that we would consider in evaluating the quality of our Adjusted EBITDA:

	Three months ended June 30,		Six months ended June 30,	
	2008	2007	2008	2007
	(dollars in thousands)		(dollars in thousands)	
Facility and business consolidation costs(a)	$	$ 260	$ 720	$ 370
Business unit restructuring costs(b)	2,260		2,260	
Advisory services agreement termination fee(c)		10,000		10,000
Costs for early termination of operating leases(d)		4,230		4,230
	$ 2,260	$ 14,490	$ 2,980	$ 14,600

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

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

(c) Expense associated with the termination of our advisory services agreement with Heartland.

(d) Costs associated with the early termination of operating leases and purchase of underlying machinery and equipment assets.

Segment Information and Supplemental Analysis

The following table summarizes financial information of continuing operations for our five business segments for the three months ended June 30, 2008 and 2007:

	Three Months Ended June 30,			
	2008	As a Percentage of Net Sales	2007	As a Percentage of Net Sales
	(dollars in thousands)			
Net Sales:				
Packaging Systems	$ 57,410	19.3%	$ 56,700	19.7%
Energy Products	53,160	17.9%	41,020	14.3%
Industrial Specialties	56,210	18.9%	52,850	18.4%
RV & Trailer Products	49,730	16.8%	53,070	18.4%
Recreational Accessories	80,570	27.1%	84,030	29.2%
Total	$297,080	100.0%	$287,670	100.0%
Gross Profit:				
Packaging Systems	$ 16,910	29.5%	$ 17,450	30.8%
Energy Products	15,500	29.2%	11,790	28.7%
Industrial Specialties	16,520	29.4%	15,590	29.5%
RV & Trailer Products	8,320	16.7%	12,010	22.6%
Recreational Accessories	21,500	26.7%	22,810	27.1%
Total	$ 78,750	26.5%	$ 79,650	27.7%
Selling, General and Administrative:				
Packaging Systems	$ 7,800	13.6%	$ 6,950	12.3%
Energy Products	6,920	13.0%	6,120	14.9%
Industrial Specialties	4,960	8.8%	4,370	8.3%
RV & Trailer Products	6,180	12.4%	5,980	11.3%
Recreational Accessories	15,010	18.6%	15,430	18.4%
Corporate expenses and management fees	7,920	N/A	6,470	N/A
Total	$ 48,790	16.4%	$ 45,320	15.8%
Operating Profit:				
Packaging Systems	$ 9,150	15.9%	$ 10,820	19.1%
Energy Products	8,590	16.2%	5,660	13.8%
Industrial Specialties	11,480	20.4%	11,220	21.2%
RV & Trailer Products	2,060	4.1%	6,010	11.3%
Recreational Accessories	6,490	8.1%	7,360	8.8%
Corporate expenses and management fees	(7,920)	N/A	(20,690)	N/A
Total	$ 29,850	10.0%	$ 20,380	7.1%
Adjusted EBITDA:				
Packaging Systems	$ 12,780	22.3%	$ 14,100	24.9%
Energy Products	9,190	17.3%	6,260	15.3%
Industrial Specialties	12,960	23.1%	12,350	23.4%
RV & Trailer Products	3,940	7.9%	7,840	14.8%
Recreational Accessories	8,860	11.0%	9,680	11.5%
Corporate expenses and management fees	(8,320)	N/A	(21,350)	N/A
Subtotal from continuing operations	39,410	13.3%	28,880	10.0%
Discontinued operations	190	N/A	1,460	N/A

Total company	$ 39,600	13.3%	$ 30,340	10.5%

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The following table summarizes financial information of continuing operations for our five business segments for the six months ended June 30, 2008 and 2007:

	Six Months Ended June 30,			
	2008	As a Percentage of Net Sales	2007	As a Percentage of Net Sales
	(dollars in thousands)			
Net Sales:				
Packaging Systems	$111,980	19.4%	$110,450	19.3%
Energy Products	101,960	17.7%	82,600	14.4%
Industrial Specialties	109,680	19.0%	103,440	18.1%
RV & Trailer Products	100,400	17.4%	106,480	18.6%
Recreational Accessories	152,620	26.5%	169,140	29.6%
Total	$576,640	100.0%	$572,110	100.0%
Gross Profit:				
Packaging Systems	$ 32,840	29.3%	$ 33,690	30.5%
Energy Products	30,030	29.5%	24,410	29.6%
Industrial Specialties	32,360	29.5%	31,040	30.0%
RV & Trailer Products	17,390	17.3%	24,520	23.0%
Recreational Accessories	39,470	25.9%	43,990	26.0%
Total	$152,090	26.4%	$157,650	27.6%
Selling, General and Administrative:				
Packaging Systems	$ 14,880	13.3%	$ 14,070	12.7%
Energy Products	13,530	13.3%	12,320	14.9%
Industrial Specialties	9,630	8.8%	8,590	8.3%
RV & Trailer Products	12,480	12.4%	11,980	11.3%
Recreational Accessories	30,250	19.8%	31,490	18.6%
Corporate expenses and management fees	13,140	N/A	12,410	N/A
Total	$ 93,910	16.3%	$ 90,860	15.9%
Operating Profit:				
Packaging Systems	$ 18,030	16.1%	$ 19,820	17.9%
Energy Products	16,500	16.2%	12,070	14.6%
Industrial Specialties	22,640	20.6%	22,440	21.7%
RV & Trailer Products	4,810	4.8%	12,470	11.7%
Recreational Accessories	9,120	6.0%	12,500	7.4%
Corporate expenses and management fees	(13,140)	N/A	(26,630)	N/A
Total	$ 57,960	10.1%	$ 52,670	9.2%
Adjusted EBITDA:				
Packaging Systems	$ 25,670	22.9%	$ 26,390	23.9%
Energy Products	17,820	17.5%	13,360	16.2%
Industrial Specialties	25,600	23.3%	24,500	23.7%
RV & Trailer Products	8,470	8.4%	16,360	15.4%
Recreational Accessories	13,910	9.1%	17,420	10.3%
Corporate expenses and management fees	(14,440)	N/A	(28,230)	N/A
Subtotal from continuing operations	77,030	13.4%	69,800	12.2%
Discontinued operations	430	N/A	1,270	N/A
Total company	$ 77,460	13.4%	$ 71,070	12.4%

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Results of Operations

The principal factors impacting us during the three and six months ended June 30, 2008 compared with the three and six months ended June 30, 2007, were:

- strong demand in certain industrial sectors, most notably energy and aerospace, impacting our specialty gasket and engine businesses in the Energy Products operating segment and the aerospace fastener business in our Industrial Specialties operating segment;

- continued declines in end-market demand across most market channels in our Recreational Accessories and RV & Trailer Products operating segments as a result of reduced consumer discretionary spending due to unfavorable economic conditions including higher fuel prices, uncertain credit market and interest rate environment and diminished consumer confidence;

- inflationary increases in raw material prices, most notably for steel and resin, and increases in costs and freight related to foreign-sourced products, which began to impact our businesses in the second quarter of 2008, and for which we are pursuing recovery from our customers via sales price increases or surcharges;

- declines in the value of the U.S. dollar as compared to the currencies in countries where we operate; and

- completion of our initial public offering of our common stock in May 2007, the use of proceeds therefrom to retire $100.0 million face value of senior subordinated notes, to effect early termination of operating leases and acquire underlying machinery and equipment assets and to terminate an advisory services agreement, and the related cost savings from such retirements/terminations;

Three Months Ended June 30, 2008 Compared with Three Months Ended June 30, 2007

Overall, net sales increased $9.4 million, or approximately 3.3%, for the three months ended June 30, 2008 as compared with the three months ended June 30, 2007. Of this increase, approximately $4.1 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 $0.7 million, or approximately 1.3%, primarily as a result of increases in sales of our closure and specialty dispensing products, which were partially offset by decreases in our laminate and insulation product sales. Net sales within Energy Products increased $12.2 million, or approximately 29.6%, as our specialty gasket business benefited from continued high levels of activity at petroleum refineries and petrochemical facilities and our engine business benefited from increased engine orders to complete previously drilled wells. Net sales within Industrial Specialties increased $3.4 million, or approximately 6.4%, due primarily to continued strong demand in our aerospace fastener, industrial cylinder and defense businesses,which was partially offset by declines in sales of our specialty fittings business. Net sales within RV & Trailer Products decreased $3.4 million, or approximately 6.3%, primarily due to reduced sales in our electrical and trailer products businesses due to continued weak end-market demand and the uncertain economic conditions in North America, which were partially offset by increased sales in our Australian business. Recreational Accessories' net sales decreased $3.4 million, or 4.1%, primarily as a result of lower sales in our retail business, partially offset by increases in new product sales in our towing products business.

Gross profit margin (gross profit as a percentage of sales) approximated 26.5% and 27.7% for the three months ended June 30, 2008 and 2007, respectively. Packaging Systems' gross profit margin decreased to 29.5% for the three months ended June 30, 2008, from 30.8% for the three months ended June 30, 2007, due primarily to lower absorption of fixed costs associated with the decrease in laminate and insulation product sales and due to increased steel and resin costs. Energy Products' gross profit margin increased to 29.2% for the three months ended June 30, 2008, from 28.7% for the three months ended June 30, 2007, due to improved operating leverage resulting from the increased demand for specialty gasket and engine products. Gross profit margin within Industrial Specialties remained relatively flat at 29.4% for the three months ended June 30, 2008, compared to 29.5% in the three months ended June 30, 2007, as operating leverage gained in our aerospace business primarily offset a decrease in margin resulting from lower absorption of fixed costs in our specialty fittings business. RV & Trailer Products' gross profit margin decreased to 16.7% for the three months ended June 30, 2008, from 22.6% for the three months ended June 30, 2007, due to a less favorable product sales mix and lower absorption of fixed costs resulting from reduced production volumes to manage inventories to the lower demand levels. Recreational Accessories' gross profit margin decreased to 26.7% for the three months ended June 30, 2008, from 27.1% for the three months ended June 30, 2007, due primarily to lower sales volumes, which were partially offset by the cost savings realized as a result of the closure of the Huntsville, Ontario, Canada facility in the fourth quarter of 2007.

Operating profit margin (operating profit as a percentage of sales) approximated 10.0% and 7.1% for the three months ended June 30, 2008 and 2007, respectively. Operating profit increased $9.4 million, or 46.5%, to $29.8 million for the quarter ended June 30, 2008, from $20.4 million for the quarter ended June 30, 2007, primarily due to the impact of the use of IPO proceeds in the second quarter of 2007, including payment of a $10.0 million fee to Heartland for agreeing to a contractual settlement of its right to receive a $4.0 million annual fee under its advisory services agreement and $4.2 million of costs and expenses related to the early termination of operating leases. Packaging Systems' operating profit margin was 15.9% and 19.1% in the three months ended June 30, 2008 and 2007, respectively. Operating profit decreased $1.7 million, or approximately 15.4%, for the three months ended June 30, 2008, as compared with the three months ended June 30, 2007, due to lower sales volumes of our laminate and insulation products, reduced absorption of fixed costs and higher raw material costs including resin, adhesives and foil. Energy Products' operating profit margin was 16.2% and 13.8% for the three months ended June 30, 2008 and 2007, respectively. Operating profit increased $2.9 million, or approximately 51.8%, for the three months ended June 30, 2008, as compared with the three months ended June 30, 2007, due primarily to increased sales volumes in our specialty gasket and engine businesses, which were partially offset by severance and other costs incurred in connection with the separation of the former Group President of this segment. Industrial Specialties' operating profit margin was 20.4% and 21.2% for the three months ended June 30, 2008 and 2007, respectively. Operating profit increased $0.3 million, or approximately 2.3%, for the three months ended June 30, 2008 as compared with the three months ended June 30, 2007, due primarily to higher sales volumes, which were partially offset by lower aborption of fixed costs in our specialty fittings business and severance and other costs incurred in connection with the separation of the former Group President of this segment. RV & Trailer Products' operating profit margin declined to 4.1% for the quarter ended June 30, 2008, from 11.3% for the quarter ended June 30, 2007. Operating profit decreased $3.9 million in the three months ended June 30, 2008, as compared with the three months ended June 30, 2007, due primarily to the sales volume decline, lower absorption of fixed costs between years in our electrical and trailering products businesses and a less favorable product sales mix, which were partially offset by increased sales levels in our Australian business. Recreational Accessories' operating profit margin was 8.1% and 8.8% in the three months ended June 30, 2008 and 2007, respectively. Operating profit decreased $0.9 million in the three months ended June 30, 2008, compared with the three months ended June 30, 2007, primarily due to declines in sales volumes, which were partially offset by cost savings from the Huntsville facility closure in the fourth quarter of 2007 and lower costs associated with reducing our towing products distribution network.

Adjusted EBITDA margin (Adjusted EBITDA as a percentage of sales) approximated 13.3% and 10.0% for the three months ended June 30, 2008 and 2007, respectively. Adjusted EBITDA increased $10.5 million for the three months ended June 30, 2008, as compared to the three months ended June 30, 2007. The increase in Adjusted EBITDA is consistent with the change in operating profit between years after consideration of higher net foreign currency transaction losses of $0.6 million in the second quarter of 2008 as compared to the second quarter of 2007, which were offset by approximately $1.4 million of increased depreciation expense primarily as the result of the acquisition of previously leased assets with the use of proceeds from our IPO in May 2007 and $0.3 million of lower costs associated with our accounts receivable securitization facility in the second quarter of 2008 as compared to the second quarter of 2008.

Packaging Systems. Net sales increased $0.7 million, or approximately 1.3%, to $57.4 million in the three months ended June 30, 2008, as compared to $56.7 million in the three months ended June 30, 2007. Overall, sales increased approximately $1.6 million due to currency exchange, as our reported results in U.S. dollars were positively impacted as a result of stronger foreign currencies. In addition, sales of our specialty dispensing products increased approximately $0.3 million and sales of our industrial closures, rings and levers increased approximately $1.3 million in the three months ended June 30, 2008 as compared to the three months ended June 30, 2007. These increases in sales were partially offset by decreases in sales of our laminates and insulation products of approximately $2.5 million as a result of lower levels of commercial construction activity.

Packaging Systems' gross profit decreased approximately $0.5 million to $16.9 million, or 29.5% of sales, in the three months ended June 30, 2008, as compared to $17.4 million, or 30.8% of sales, in the three months ended June 30, 2007. The decrease in gross profit between years is primarily attributed to lower sales volumes in our laminates and insulation products and increased steel and resin costs. These decreases in gross profit were partially offset by favorable currency exchange.

Packaging Systems' selling, general and administrative expenses increased approximately $0.8 million to $7.8 million, or 13.6% for the three months ended June 30, 2008, as compared to $7.0 million or 12.3% of sales, in the three months ended June 30, 2007. The increase is attributable to compensation and other related expenses incurred to support sales growth initiatives.

Packaging Systems' operating profit decreased $1.7 million to $9.1 million, or 15.9% of sales, in the three months ended June 30, 2008, as compared to $10.8 million, or 19.1% of sales, in three months ended June 30, 2007, as increased sales of industrial closures, rings and levers and the favorable impact of currency exchange were more than offset by the lower sales volumes in our laminates and insulation products, increases in raw material costs and the expenses incurred to support sales growth initiatives.

Packaging Systems' Adjusted EBITDA decreased $1.3 million to $12.8 million, or 22.3% of sales, in the three months ended June 30, 2008, as compared to $14.1 million, or 24.9% of sales, in the three months ended June 30, 2007. The decrease in Adjusted EBITDA is consistent with the change in operating profit between years after consideration of increased foreign currency transaction losses of $0.2 million in the second quarter of 2008 as compared to the second quarter of 2007, which were offset by approximately $0.7 million of increased depreciation expense primarily as the result of the acquisition of previously leased assets with the use of proceeds from our IPO in May 2007.

Energy Products. Net sales for the three months ended June 30, 2008 increased $12.2 million, or 29.6%, to $53.2 million, as compared to $41.0 million in the three months ended June 30, 2007. Sales of specialty gaskets and related fastening hardware increased approximately $3.3 million as a result of increased demand from existing customers due to continued high levels of turn-around activity at petrochemical refineries and increased demand for replacement parts as refineries continue to operate at capacity. Sales of slow speed engines and compressors and related products increased approximately $8.9 million, primarily due to increased demand for single cylinder engines in both the U.S. and Canadian markets, driven by completion of previously drilled wells and strong demand for new engine builds in advance of emissions law changes which became effective on July 1, 2008.

Gross profit within Energy Products increased $3.7 million to $15.5 million, or 29.2% of sales, in the three months ended June 30, 2008, as compared to $11.8 million, or 28.7% of sales, in the three months ended June 30, 2007. Gross profit increased approximately $3.5 million primarily as a result of the increased sales levels between years. Additionally, both businesses in this group experienced expansion of gross profit margins as compared to the prior year, primarily resulting from increased operating efficiencies resulting from higher production volumes.

Selling, general and administrative expenses within Energy Products increased $0.8 million to $6.9 million, or 13.0% of net sales, in the three months ended June 30, 2008, as compared to $6.1 million, or 14.9% of net sales, in the three months ended June 30, 2007. This increase was due to higher compensation and commission expenses in support of our sales growth in base products, investments in compressor and gas processing equipment product lines and severance and other charges associated with the separation of the former Energy Products and Industrial Specialties Group President.

Overall, operating profit within Energy Products increased $2.9 million to $8.6 million, or 16.2% of sales, in the three months ended June 30, 2008, as compared to $5.7 million, or 13.8% of sales, in the three months ended June 30, 2007, due principally to higher sales volumes, which were partially offset by the impact of investments made in 2008 in support of our sales growth initiatives and costs associated with the separation of the former Group President of this segment.

Energy Products' Adjusted EBITDA increased $2.9 million to $9.2 million, or 17.3% of sales, in the three months ended June 30, 2008, as compared to $6.3 million, or 15.3% of sales, in the three months ended June 30, 2007, consistent with the improvement in operating profit between years.

Industrial Specialties. Net sales for the three months ended June 30, 2008 increased $3.4 million, or 6.4%, to $56.2 million, as compared to $52.8 million in the three months ended June 30, 2007. Net sales increased 7.0% in our aerospace fastener business, as we continued to benefit from market share gains as well as strong overall market demand. Sales in our industrial cylinder business improved by 3.2%, primarily as a result of higher sales of our domestic DOT cylinder. Net sales in our defense business improved by 7.8% as our customer continues to build its inventory of cartridge cases in advance of the relocation of the facility. Our precision cutting tool business' sales declined 1.5% as a result of weakening industrial markets and an inventory rationalization, as our largest customer acquired another significant customer and has since limited its orders to reduce its inventory value on hand. Sales within our specialty fittings business declined approximately 17.6% in the second quarter of 2008 as compared to the second quarter of 2007 due to weak domestic automotive market demand. Finally, this segment benefited from approximately $2.0 million of sales in our medical device business, which was acquired in the third quarter of 2007.

Gross profit within Industrial Specialties increased $0.9 million to $16.5 million, or 29.4% of sales, in the three months ended June 30, 2008, from $15.6 million, or 29.5% of sales, in the three months ended June 30, 2007. This increase in gross profit was primarily a result of the increase in sales levels between years and improved material margins in our industrial cylinder business, which were partially offset by increased operating costs in our specialty fittings business, due primarily to lower absorption of fixed costs as a result of lower production and sales levels.

Selling, general and administrative expenses increased $0.6 million to $5.0 million, or 8.8% of sales, in the three months ended June 30, 2008, as compared to $4.4 million, or 8.3% of sales, in the three months ended June 30, 2007, primarily due to the acquisition of our medical device business in the third quarter of 2007 and severance and other charges associated with the separation of the former Energy Products and Industrial Specialties Group President.

Operating profit improved by $0.3 million to $11.5 million for the three months ended June 30, 2008 as compared to $11.2 million in the second quarter of 2007. This increase relates to the benefit of higher sales levels between years, but was partially offset by lower absorption of fixed costs, primarily in our specialty fittings business, and increased selling and general and administrative expenses, primarily related to our newly acquired medical device business and costs associated with the separation of the former Group President.

Industrial Specialties' Adjusted EBITDA increased $0.6 million to $13.0 million, or 23.1% of sales, in the three months ended June 30, 2008, as compared to $12.4 million, or 23.4% of sales, in the three months ended June 30, 2007. After consideration of approximately $0.3 million of increased depreciation expense primarily as the result of the acquisition of previously leased assets with the use of proceeds from our IPO in May 2007, the change in Adjusted EBITDA is consistent with the increase in operating profit between years.

RV & Trailer Products. Net sales decreased $3.4 million to $49.7 million for the three months ended June 30, 2008, as compared to $53.1 million for the three months ended June 30, 2007. Net sales were favorably impacted by approximately $2.4 million of currency exchange, as our reported results in U.S. dollars were positively impacted as a result of a stronger Australian dollar. In addition, this segment benefited from increased sales in our legacy Australian business and from our Parkside Towbars acquisition,which was completed in the first quarter of 2008. However, these increases were more than offset by a decline in North American sales of approximately $7 million as a result of decreased demand in our end markets due to the current uncertain economic conditions, pricing pressure across certain of the markets served by our trailer products business, and reduced demand for our electrical products, primarily within the RV distributor and automotive OEM customer bases.

RV & Trailer Products' gross profit decreased $3.7 million to $8.3 million, or 16.7% of sales, for the three months ended June 30, 2008, from approximately $12.0 million, or 22.6% of sales, in the three months ended June 30, 2007. Of the decline in gross profit between years, $0.9 million is attributed to the decline in sales between periods. The remaining decrease in gross profit is due operating inefficiencies and higher operating costs due to lower absorption of fixed costs to manage inventories to the lower demand levels and a less favorable product sales mix, as our more profitable electrical products comprise a lower percentage of overall sales.

Selling, general and administrative expenses increased $0.2 million to $6.2 million, or 12.4% of sales, in the three months ended June 30, 2008, as compared to $6.0 million, or 11.3% of sales, in the three months ended June 30, 2007, due primarily to an increase of $0.5 million in spending related to growth initiatives within our Australian business, including our acquisition of the Parkside Towbars business, which were partially offset by approximately $0.3 million of reductions in the North American fixed and discretionary spending in response to reduced demand for our trailer and electrical products.

RV & Trailer Products' operating profit declined $3.9 million, to approximately $2.1 million, or 4.1% of sales, in the three months ended June 30, 2008, from $6.0 million, or 11.3% of net sales, in the three months ended June 30, 2007. Increases in sales and profit in our Australian business, including Parkside Towbars, were more than offset by the sales volume decline and lower absorption of fixed costs in our trailer and electrical products businesses and a less favorable product sales mix.

RV & Trailer Products' Adjusted EBITDA decreased $3.9 million to $3.9 million, or 7.9% of sales, for the three months ended June 30, 2008, from $7.8 million, or 14.8% of sales, for the three months ended June 30, 2007. The decrease in Adjusted EBITDA was consistent with the change in operating profit between years after consideration of higher foreign currency transaction losses of $0.2 million in the second quarter of 2008 as compared to the second quarter of 2007, which were offset by approximately $0.2 million of increased depreciation expense primarily as the result of the acquisition of previously leased assets with the use of proceeds from our IPO in May 2007.

Recreational Accessories. Recreational Accessories' net sales decreased $3.4 million to $80.6 million for the three months ended June 30, 2008, from $84.0 million in the three months ended June 30, 2007. Sales within our towing products business increased approximately $1.3 million in the second quarter of 2008 as compared to the second quarter of 2007, as increases in sales of new products more than offset declines in sales in the installer, distributor and original equipment channels, which lagged historical sales levels as a result of continued weak end-market demand. These increases were more than offset by an approximate $4.7 million decrease in sales in our retail business due primarily to the reduced end market demand and reductions in promotional sales programs with certain customers.

Gross profit within Recreational Accessories decreased $1.3 million to $21.5 million, or 26.7% of sales, for the three months ended June 30, 2008, as compared to $22.8 million, or 27.1% of sales, for the three months ended June 30, 2007. The decline in gross profit is related to the decrease in sales between periods, which was partially offset by cost savings realized as a result of the closure of the Huntsville, Ontario, Canada facility, which was closed in the fourth quarter of 2007.

Recreational Accessories' selling, general and administrative expenses decreased $0.4 million to $15.0 million, or 18.6% of sales, for the three months ended June 30, 2008, from $15.4 million, or 18.4% of sales, in the three months ended June 30, 2007. The decrease between years was due primarily to reductions in selling and distribution expenses in our towing business as a result of further consolidation of warehouses, lower discretionary spending corresponding with the decline in sales from historical levels in the installer and distributor channels and lower promotional spending in our retail business.

Recreational Accessories' operating profit decreased $0.9 million to approximately $6.5 million, or 8.1% of sales, in the three months ended June 30, 2008, from $7.4 million, or 8.8% of sales, in the three months ended June 30, 2007. The decrease in operating profit is as a result of the decline in sales, which was partially offset by cost savings due to the closure of the Huntsville facility, lower costs due to the further consolidation of the distribution network within our towing products business and lower discretionary spending in both our towing products and retail businesses corresponding with the decline in sales in certain end-markets.

Recreational Accessories' Adjusted EBITDA decreased $0.8 million to $8.9 million, or 11.0% of sales, for the three months ended June 30, 2008, from $9.7 million, or 11.5% of sales, for the three months ended June 30, 2007, consistent with the decline 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 June 30,	
	2008	2007
	(in millions)	
Corporate operating expenses	$ 3.3	$ 3.2
Employee costs and related benefits	4.6	2.2
Costs for early termination of operating leases		4.2
Management fees and expenses		11.1
Corporate expenses and management fees operating profit	$ 7.9	$ 20.7
Receivables sales and securitization expenses	0.6	0.9
Depreciation		
Other, net	(0.2)	(0.3)
Corporate expenses and management fees Adjusted EBITDA	$ 8.3	$ 21.3

Corporate expenses and management fees decreased approximately $12.8 million to $7.9 million for the three months ended June 30, 2008, from $20.7 million for the three months ended June 30, 2007. The decrease between years is primarily attributed to the impact of the use of IPO proceeds in the second quarter of 2007, including payment of a $10.0 million fee to Heartland for agreeing to a contractual settlement of its right to receive a $4.0 million annual fee under its advisory services agreement and $4.2 million of costs and expenses related to the early termination of operating leases. These decreases were partially offset by approximately $1.6 million of severance and other costs incurred in connection with our corporate office restructuring in the second quarter of 2008 and an increase in restricted stock and stock option compensation expense in the second quarter of 2008 as compared to the second quarter of 2007 of approximately $0.6 million.

Interest Expense. Interest expense, including debt extinguishment costs, decreased approximately $11.9 million, to $13.9 million, for the three months ended June 30, 2008, as compared to $25.8 million for the three months ended June 30, 2007. Debt extinguishment costs of $7.4 million were incurred in connection with the retirement of $100.0 million face value of senior subordinated notes in June 2007. In addition, the Company incurred approximately $2.5 million less in interest expense in the three months ended June 30, 2008 than in the three months ended June 30, 2007 due to aforementioned retirement of the $100.0 million senior subordinated notes in June 2007 in connection with the use of IPO proceeds. The remainder of the decrease is primarily the result of a decrease in our weighted average interest rate on variable rate U.S. borrowings to approximately 5.2% during the second quarter 2008, from approximately 8.1% during the second quarter of 2007. Weighted-average U.S. borrowings increased from approximately $292.3 million in the three months ended June 30, 2007 to approximately $298.5 million in the three months ended June 30, 2008.

Other Expense, Net. Other expense, net increased approximately $0.2 million to $1.3 million for the three months ended June 30, 2008, from $1.1 million for the three months ended June 30, 2007. In the three months ended June 30, 2008, we incurred approximately $0.6 million of expenses in connection with the use of our receivables securitization facility, and experienced approximately $0.6 million of losses on transactions denominated in foreign currencies. In three months ended June 30, 2007, we incurred approximately $0.9 million of expenses in connection with the use of our receivables securitization facility and $0.1 million of losses on transactions denominated in foreign currencies.

Income Taxes. The effective income tax rates for the three months ended June 30, 2008 and 2007 were 36% and 37%, respectively. In the quarter ended June 30, 2008, the Company reported domestic and foreign pre-tax income of approximately $9.8 million and $4.8 million, respectively. In the quarter ended June 30, 2007, the Company reported a domestic loss of approximately $10.5 million and foreign pre-tax income of approximately $4.0 million.

Discontinued Operations. The results of discontinued operations consist of our industrial fastening business through February 2007, when the sale of the business was completed, our N.I. Industries rocket launcher line of business through December 2007, when the sale of the business was completed, and our N.I. Industries property management line of business through June 30, 2008. The results of operations also include certain non-operating charges related to our industrial fastening businesses post-sale. Income from discontinued operations, net of income tax expense, was $0.1 million and $0.9 million for the three months ended June 30, 2008 and June 30, 2007, respectively. See Note 3, "*Discontinued Operations and Assets Held for Sale*," to our consolidated financial statements included in Part I, Item 1 of this report on Form 10-Q.

Six Months Ended June 30, 2008 Compared with Six Months Ended June 30, 2007

Overall, net sales increased $4.5 million, or approximately 0.8%, for the six months ended June 30, 2008 as compared with the six months ended June 30, 2007. Of this increase, approximately $8.4 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 $1.5 million, or approximately 1.4%, primarily as a result of an increase in sales of our specialty dispensing products and new product sales, as well increases in sales of industrial closures, rings and levers, which were partially offset by reduced sales of laminate and insulation products. Net sales within Energy Products increased $19.4 million, or approximately 23.4%, as our specialty gasket business benefited from continued high levels of activity at petroleum refineries and petrochemical facilities and our engine business benefited from completion of previously drilled wells. Net sales within Industrial Specialties increased $6.3 million, or approximately 6.0%, due primarily to continued strong demand in our aerospace fastener business, as well as due to the acquisition of our medical device business in August 2007. Net sales within RV & Trailer Products decreased $6.1 million, or approximately 5.7%, as this segment experienced reduced sales in its trailer and electrical products businesses due principally to weak market demand and downward market pricing pressures, which were partially offset by increased sales in our Australian business, including our acquisition of Parkside Towbars in January 2008. Recreational Accessories' net sales decreased $16.5 million, or 9.8%, due to continued soft demand in our installer and distributor customer groups in our towing business and as a result of certain 2007 promotional programs and one-time pipeline fills in our retail business that did not recur in 2008.

Gross profit margin (gross profit as a percentage of sales) approximated 26.4% and 27.6% for the six months ended June 30, 2008 and 2007, respectively. Packaging Systems' gross profit margin decreased to 29.3% for the six months ended June 30, 2008, from 30.5% for the six months ended June 30, 2007, as this segment's margin was unfavorably impacted by lower sales volumes in our laminates and insulation products and increased raw material costs. Energy Products' gross profit margin remained relatively flat at 29.5% for the six months ended June 30, 2008, compared to 29.6% for the six months ended June 30, 2007, as the incremental operating leverage from the increased sales demand offset certain costs in 2008 to move one of our specialty gasket branches to a new location. Gross profit margin within Industrial Specialties decreased to 29.5% for the six months ended June 30, 2008, from 30.0% in the six months ended June 30, 2007, as the benefits of improved operating leverage in our aerospace business was more than offset by higher operating costs in our specialty fittings business due to lower absorption of fixed costs due to reduced demand. RV & Trailer Products' gross profit margin decreased to 17.3% for the six months ended June 30, 2008, from 23.0% for the six months ended June 30, 2007, due to weak end-market demand in our trailer and electrical products businesses and a less favorable product sales mix. Recreational Accessories' gross profit margin remained relatively flat at 25.9% for the six months ended June 30, 2008, compared to 26.0% for the six months ended June 30, 2007, due primarily to cost savings from the closure of our Huntsville, Ontario, Canada facility in the fourth quarter of 2007 effectively offsetting decreased operating leverage resulting from reduced sales in our towing products and retail businesses.

Operating profit margin (operating profit as a percentage of sales) approximated 10.1% and 9.2% for the six months ended June 30, 2008 and 2007, respectively. Operating profit increased $5.3 million, or 10.0%, to $58.0 million for the quarter ended June 30, 2008, from $52.7 million for the six months ended June 30, 2007. Offsetting this increase in operating profit margin is the impact of the use of IPO proceeds in 2007, including payment of a $10.0 million fee to Heartland for agreeing to a contractual settlement of its right to receive a $4.0 million annual fee under its advisory services agreement and $4.2 million of costs and expenses related to the early termination of operating leases. Packaging Systems' operating profit margin was 16.1% and 17.9% for the six months ended June 30, 2008 and 2007, respectively. Operating profit decreased $1.8 million, or approximately 9.0%, for the six months ended June 30, 2008, as compared with the six months ended June 30, 2007, as the favorable impact of increases in sales of our specialty dispensing products and industrial closures, rings and levers was more than offset by lower sales of our laminates and insulation products and increased raw material costs. Energy Products' operating profit margin was 16.2% and 14.6% for the six months ended June 30, 2008 and 2007, respectively. Operating profit increased $4.4 million, or approximately 36.7%, for the six months ended June 30, 2008, as compared with the six months ended June 30, 2007, as a result of increased sales levels in our specialty gasket and engine businesses, which were partially offset by investments in 2008 in support of sales growth initiatives and costs associated with the separation of the formers Group President of this segment. Industrial Specialties' operating profit margin was 20.6% and 21.7% for the six months ended June 30, 2008 and 2007, respectively. Operating profit increased

$0.2 million, or approximately 0.9%, for the six months ended June 30, 2008 as compared with the six months ended June 30, 2007, due primarily to increased sales volumes between years, which was partially offset by lower absorption of fixed costs in our specialty fittings business, costs related to our medical device business acquired in the third quarter of 2007 and costs associated with the separation of the former Group President of this segment. RV & Trailer Products' operating profit margin declined to 4.8% for the six months ended June 30, 2008, from 11.7% for the six months ended June 30, 2007. Operating profit decreased $7.7 million in the six months ended June 30, 2008, as compared with the six months ended June 30, 2007, due primarily to the sales volume decline between years, a less favorable product sales mix and lower absorption of fixed costs in our trailer and electrical businesses. Recreational Accessories' operating profit margin was 6.0% and 7.4% in the six months ended June 30, 2008 and 2007, respectively. Operating profit decreased $3.4 million in the six months ended June 30, 2008, compared with the six months ended June 30, 2007, primarily due to the decline in sales, which was partially offset by cost savings from the closure of our Huntsville, Ontario, Canada facility in the fourth quarter of 2007 and lower discretionary spending in response to the decline in sales.

Adjusted EBITDA margin (Adjusted EBITDA as a percentage of sales) approximated 13.4% and 12.2% for the six months ended June 30, 2008 and 2007, respectively. Adjusted EBITDA increased $7.2 million for the six months ended June 30, 2008, as compared to the six months ended June 30, 2007. The increase in Adjusted EBITDA is consistent with the change in operating profit between years after consideration of higher foreign currency transaction losses of $0.5 million in the first half of 2008 as compared to the first half of 2007 and approximately $2.2 million of increased depreciation expense primarily as the result of the acquisition of previously leased assets with the use of proceeds from our IPO in May 2007.

Packaging Systems. Net sales increased $1.5 million, or approximately 1.4%, to $112.0 million in the six months ended June 30, 2008, as compared to $110.5 million in the six months ended June 30, 2007. Overall, sales increased approximately $3.4 million due to currency exchange, as our reported results in U.S. dollars were positively impacted as a result of stronger foreign currencies. In addition, sales of our specialty dispensing products and new product introductions increased by approximately $0.7 million and sales of our industrial closures, rings and levers increased by approximately $1.3 million in the six months ended June 30, 2008 compared to the six months ended June 30, 2007, and included pricing increases to recover higher steel and resin costs. These increases in sales were partially offset by decreases in sales of our laminates and insulation products of approximately $3.9 million as a result of lower levels of commercial construction activity.

Packaging Systems' gross profit decreased approximately $0.9 million to $32.8 million, or 29.3% of sales, in the six months ended June 30, 2008, as compared to $33.7 million, or 30.5% of sales, in the six months ended June 30, 2007. The decrease in gross profit between years is primarily attributed to lower sales volumes in our laminates and insulation products and increased steel and resin costs. These decreases in gross profit were partially offset by favorable currency exchange.

Packaging Systems' selling, general and administrative expenses increased approximately $0.8 million to $14.9 million, or 13.3% of sales, for the six months ended June 30, 2008, as compared to $14.1 million, or 12.7% of sales, in the six months ended June 30, 2007. The increase is primarily as a result of compensation and other related expenses incurred supporting support of sales growth initiatives.

Packaging Systems' operating profit decreased $1.8 million to $18.0 million, or 16.1% of sales, in the six months ended June 30, 2008, as compared to $19.8 million, or 17.9% of sales, in six months ended June 30, 2007, as sales increases of our specialty dispensing products, new product introductions and industrial closures, rings and levers, along with favorable currency exchange were more than offset by the lower sales volumes in our laminate and insulation products and increased raw material costs.

Packaging Systems' Adjusted EBITDA decreased $0.7 million to $25.7 million, or 22.9% of sales, in the six months ended June 30, 2008, as compared to $26.4 million, or 23.9% of sales, in the six months ended June 30, 2007. After consideration of approximately $1.2 million of increased depreciation expense primarily as the result of the acquisition of previously leased assets with the use of proceeds from our initial public offering in May 2007, the change in Adjusted EBITDA is consistent with the change in operating profit between years.

Energy Products. Net sales for the six months ended June 30, 2008 increased $19.4 million, or 23.4%, to $102.0 million, as compared to $82.6 million in the six months ended June 30, 2007. Sales of specialty gaskets and related fastening hardware increased approximately $7.3 million as a result of increased demand from existing customers due to continued high levels of turn-around activity at petrochemical refineries and increased demand for replacement parts as refineries continue to operate at capacity. Sales of slow speed engines and compressors and related products increased approximately $12.1 million, primarily due to increased single cylinder engine demand in both the U.S. and Canadian markets, driven by completion of previously drilled wells and heavy demand in advance of emissions law changes which were effective on July 1, 2008.

Gross profit within Energy Products increased $5.6 million to $30.0 million, or 29.5% of sales, in the six months ended June 30, 2008, as compared to $24.4 million, or 29.6% of sales, in the six months ended June 30, 2007. The increase in gross profit is primarily as a result of the increase in sales levels between years. This volume-related increase was partially offset by increased costs associated with the move to a new location for one of our specialty gasket branches and costs related thereto.

Selling, general and administrative expenses within Energy Products increased $1.2 million to $13.5 million, or 13.3% of net sales, in the six months ended June 30, 2008, as compared to $12.3 million, or 14.9% of net sales, in the six months ended June 30, 2007. This increase was due to increased compensation and commission expenses in support of our sales growth, investments in compressor and gas processing equipment product lines and severance and other charges associated with the separation of the former Energy Products and Industrial Specialties Group President.

Overall, operating profit within Energy Products increased $4.4 million to $16.5 million, or 16.2% of sales, in the six months ended June 30, 2008, as compared to $12.1 million, or 14.6% of sales, in the six months ended June 30, 2007, due principally to higher sales volumes, which were partially offset by the impact of investments made in 2008 in support of our sales growth initiatives and costs associated with the separation of the former Group President.

Energy Products' Adjusted EBITDA increased $4.4 million to $17.8 million, or 17.5% of sales, in the six months ended June 30, 2008, as compared to $13.4 million, or 16.2% of sales, in the six months ended June 30, 2007, consistent with the improvement in operating profit between years.

Industrial Specialties. Net sales for the six months ended June 30, 2008 increased $6.3 million, or 6.0%, to $109.7 million, as compared to $103.4 million in the six months ended June 30, 2007. Net sales increased 10.1% in our aerospace fastener business, as we continued to benefit from market share gains as well as strong overall market demand. Sales in our industrial cylinder business improved by 2.1% due to increases in sales of our exported ISO cylinder. Net sales in our defense business declined by 16.9% as the quantity of cartridge cases purchased by our customer declined on a year to date basis in 2008 versus 2007. The precision cutting tool businesses were able to hold its sales essentially flat compared to the prior year despite the weak industrial markets that it serves. Sales within our specialty fittings business declined approximately 13.8% due to weak domestic automotive market demand. Finally, this segment benefited from approximately $4.9 million of sales from our medical device business, which was acquired in the third quarter of 2007.

Gross profit within Industrial Specialties increased $1.4 million to $32.4 million, or 29.5% of sales, in the six months ended June 30, 2008, from $31.0 million, or 30.0% of sales, in the six months ended June 30, 2007. Gross profit increased approximately $1.9 million as a result of the increase in sales levels between years. This increase in gross profit was partially offset by increased operating costs in our specialty fittings business, due primarily to lower absorption of fixed costs as a result of lower production and sales levels.

Selling, general and administrative expenses increased $1.0 million to $9.6 million, or 8.8% of sales, in the six months ended June 30, 2008, as compared to $8.6 million, or 8.3% of sales, in the six months ended June 30, 2007, primarily due to the acquisition of our medical device business in the third quarter of 2007 and and severance and other charges associated with the separation of the former Energy Products and Industrial Specialties Group President.

Operating profit increased $0.2 million to $22.6 million, or 20.6% of sales, for the six months ended June 30, 2008 as compared to $22.4 million, or 21.7% of sales, in the six months ended June 30, 2007. This increase relates to the benefit of higher sales levels between years, which was partially offset by lower absorption of fixed costs in our specialty fittings business, and increased selling and general and administrative expenses, primarily related to our newly acquired medical device business in the third quarter of 2007 and costs associated with the separation of the former Group President.

Industrial Specialties' Adjusted EBITDA increased $1.1 million to $25.6 million, or 23.3% of sales, in the six months ended June 30, 2008, as compared to $24.5 million, or 23.7% of sales, in the six months ended June 30, 2007. After consideration of approximately $0.9 million of increased depreciation expense primarily as the result of the acquisition of previously leased assets with the use of proceeds from our IPO in May 2007, the change in Adjusted EBITDA is consistent with the increase in operating profit between years.

RV & Trailer Products. Net sales decreased $6.1 million to $100.4 million for the six months ended June 30, 2008, as compared to $106.5 million for the six months ended June 30, 2007. Net sales were favorably impacted by approximately $4.6 million of currency exchange, as our reported results in U.S. dollars were positively impacted as a result of a stronger Australian dollar. In addition, this segment benefited from increased sales in our legacy Australian business and from our Parkside Towbars acquisition, which was completed in the first quarter of 2008. However, these increases were more than offset by a decline in North American sales of approximately $14 million as a result of continued weak demand in our end markets due to the current uncertain economic conditions, pricing pressure across end markets served by our trailer products business, and reduced demand for our electrical products, primarily within the RV distributor, horse and livestock and automotive OEM channels.

RV & Trailer Products' gross profit decreased $7.1 million to $17.4 million, or 17.3% of sales, for the six months ended June 30, 2008, from approximately $24.5 million, or 23.0% of sales, in the six months ended June 30, 2007. The decrease in gross profit is primarily due to the decrease in sales, operating inefficiencies and higher operating costs due to lower absorption of fixed costs to manage inventories in response to lower demand levels, and a less favorable product sales mix, as our more profitable electrical products comprised a lower percentage of overall sales. These decreases were partially offset by favorable currency exchange as a result of a stronger Australian dollar.

Selling, general and administrative expenses increased $0.5 million to $12.5 million, or 12.4% of sales, in the six months ended June 30, 2008, as compared to $12.0 million, or 11.3% of sales, in the six months ended June 30, 2007, due primarily to an increase of $1.2 million in spending related to growth initiatives within our Australian business, including our recently acquired Parkside Towbars business, which were partially offset by reductions in the North American fixed and discretionary spending in response to the difficult market conditions and reduced demand for our trailer and electrical products.

RV & Trailer Products' operating profit declined $7.7 million, to approximately $4.8 million, or 4.8% of sales, in the six months ended June 30, 2008, from $12.5 million, or 11.7% of net sales, in the six months ended June 30, 2007. Increases in sales and operating profit in our Australian business, including Parkside Towbars, were more than offset by the overall sales volume decline, lower absorption of fixed costs in our trailer and electrical products businesses and a less favorable product sales mix.

RV & Trailer Products' Adjusted EBITDA decreased $7.9 million to $8.5 million, or 8.4% of sales, for the six months ended June 30, 2008, from $16.4 million, or 15.4% of sales, for the six months ended June 30, 2007. The decrease in Adjusted EBITDA is consistent with the change in operating profit between years after consideration of increased foreign currency transaction losses of $0.6 million in the second quarter of 2008 as compared to the second quarter of 2007, which were offset by approximately $0.3 million of increased depreciation expense primarily as the result of the acquisition of previously leased assets with the use of proceeds from our IPO in May 2007.

Recreational Accessories. Recreational Accessories' net sales decreased $16.5 million to $152.6 million for the six months ended June 30, 2008, from $169.1 million in the six months ended June 30, 2007. Sales within our towing products business decreased approximately $1.6 million in the first two quarters of 2008 as compared to the first two quarters of 2007, as increases in sales of new products were more than offset by declines in sales in the installer, distributor and original equipment channels, as a result of continued weak end-market demand stemming from uncertain economic conditions. Sales in our retail business declined $14.9 million in the first two quarters of 2008 as compared to the first two quarters of 2007 due to the combination of lower sales volumes as a result of uncertain economic conditions and as a result of changes in certain promotional programs and one-time pipeline fills that did not recur in 2008.

Gross profit within Recreational Accessories decreased $4.5 million to $39.5 million, or 25.9% of sales, for the six months ended June 30, 2008, as compared to $44.0 million, or 26.0% of sales, for the six months ended June 30, 2007. The decrease in gross profit resulted primarily from the decrease in sales year-over-year. However, this segment was able to maintain its gross profit as a percentage of sales as a result of cost savings realized as a result of the closure of the Huntsville, Ontario, Canada facility, which was closed in the fourth quarter of 2007.

Recreational Accessories' selling, general and administrative expenses decreased by $1.2 million to $30.3 million, or 19.8% of sales, for the six months ended June 30, 2008, as compared to $31.5 million, or 18.6% of sales, for the six months ended June 30, 2007, due primarily to reductions in selling and distribution expenses in our towing business as a result of further consolidation of warehouses and lower discretionary spending in response to the decline in sales.

Recreational Accessories' operating profit decreased $3.4 million to approximately $9.1 million, or 6.0% of sales, in the six months ended June 30, 2008, from $12.5 million, or 7.4% of sales, in the six months ended June 30, 2007. The decrease in operating profit is as a result of the decline in sales, which was partially offset by cost savings due to the closure of the Huntsville facility, lower costs due to the further consolidation of the distribution network within our towing products business and continued lower discretionary spending in both our towing products and retail businesses in response to the decline in sales in certain end-markets.

Recreational Accessories' Adjusted EBITDA decreased $3.5 million to $13.9 million, or 9.1% of sales, for the six months ended June 30, 2008, from $17.4 million, or 10.3% of sales, for the six months ended June 30, 2007, consistent with the change 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:

	Six months ended June 30,	
	2008	**2007**
	(in millions)	
Corporate operating expenses	$ 6.2	$ 5.8
Employee costs and related benefits	6.9	4.5
Costs for early termination of operating leases		4.2
Management fees and expenses		12.1
Corporate expenses and management fees operating profit	$ 13.1	$ 26.6
Receivables sales and securitization expenses	1.6	1.9
Depreciation	(0.1)	(0.1)
Other, net	(0.2)	(0.2)
Corporate expenses and management fees Adjusted EBITDA	$ 14.4	$ 28.2

Corporate expenses and management fees decreased approximately $13.5 million to $13.1 million for the six months ended June 30, 2008, from $26.6 million for the six months ended June 30, 2007. The decrease between years is primarily attributed to the impact of the use of IPO proceeds in 2007, including payment of a $10.0 million fee to Heartland for agreeing to a contractual settlement of its right to receive a $4.0 million annual fee under its advisory services agreement termination fee and $4.2 million of costs and expenses related to the early termination of operating leases. These decreases were partially offset by approximately $1.6 million of severance and other costs incurred in connection with our corporate office restructuring in the second quarter of 2008 and an increase in restricted stock and stock option compensation expense in the first six months of 2008 as compared to the first six months of 2007 of approximately $0.8 million.

Interest Expense. Interest expense, including debt extinguishment costs, decreased approximately $16.0 million, to $28.6 million, for the six months ended June 30, 2008, as compared to $44.6 million for the six months ended June 30, 2007. Debt extinguishment costs of $7.4 million were incurred in connection with the retirement of $100.0 million face value of senior subordinated notes in June 2007. In addition, the Company incurred approximately $4.9 million less in interest expense in the six months ended June 30, 2008 than in the six months ended June 30, 2007 due to aforementioned retirement of the $100.0 million senior subordinated notes in June 2007 in connection with the use of IPO proceeds. The remainder of the decrease is primarily the result of a decrease in our weighted average interest rate on variable rate U.S. borrowings to approximately 5.6% during the first half of 2008, from approximately 8.1% during the first half of 2007. Weighted-average U.S. borrowings increased from approximately $300.0 million in the six months ended June 30, 2007 to approximately $305.5 million in the six months ended June 30, 2008.

Other Expense, Net. Other expense, net increased approximately $0.3 million to $2.5 million for the six months ended June 30, 2008, from $2.2 million for the six months ended June 30, 2007. In the first six months of 2008, we incurred approximately $1.5 million of expenses in connection with the use of our receivables securitization facility, and experienced approximately $0.6 million of losses on transactions denominated in foreign currencies. In the first six months of 2007, we incurred approximately $1.9 million of expenses in connection with the use of our receivables securitization facility and $0.1 million of losses on transactions denominated in foreign currencies.

Income Taxes. The effective income tax rates for the six months ended June 30, 2008 and 2007 were 36% and 37%, respectively. In the six months ended June 30, 2008, the Company reported domestic and foreign pre-tax income of approximately $17.1 million and $9.7 million, respectively. In the six months ended June 30, 2007, the Company reported a domestic pre-tax loss of approximately $2.6 million and foreign pre-tax income of approximately $8.4 million, respectively.

Discontinued Operations. The results of discontinued operations consist of our industrial fastening business through February 2007, when the sale of the business was completed, our N.I. Industries rocket launcher line of business through December 2007, when the sale of the business was completed, and our N.I. Industries property management line of business through June 30, 2008. The results of operations also include certain non-operating charges related to our industrial fastening businesses post-sale. Income from discontinued operations, net of income tax expense, was $0.2 million for each of the six months ended June 30, 2008 and June 30, 2007, respectively. See Note 3, "*Discontinued Operations and Assets Held for Sale*," to our consolidated financial statements included in Part I, Item 1 of this report on Form 10-Q.

Liquidity and Capital Resources

Cash Flows

Cash provided by operating activities for the six months ended June 30, 2008 was approximately $23.3 million as compared to $25.9 million for the six months ended June 30, 2007. The change between years is due to the increase in net income, which was more than offset by the reduction in net proceeds from the receivable securitization facility.

Net cash used for investing activities for the six months ended June 30, 2008 was approximately $19.4 million as compared to $39.0 million for the six months ended June 30, 2007. During the first six months of 2008, we incurred approximately $2.7 million for the acquisition of Parkside Towbars, net of cash acquired, and approximately $3.5 million in additional purchase price paid in connection with earn-out clauses related to prior year acquisitions. In 2007, using proceeds from our initial public offering, we purchased approximately $17.1 million of machinery and equipment subject to operating leases. In addition, also in 2007, we paid approximately $12.9 million for certain machinery and equipment subject to operating leases in connection with the disposition of our Frankfort, Indiana industrial fastening business, which was sold in February 2007. Capital expenditures were relatively flat year-over year at $13.5 million in the first half of 2008 versus $14.9 million in the first half of 2007.

Net cash used for financing activities was approximately $1.8 million for the six months ended June 30, 2008, as compared to net cash provided by financing activities of approximately $12.2 million for the six months ended June 30, 2007. During the second quarter 2008 the net cash used represents repayment of borrowings under our existing credit facilities. During the second quarter of 2007, we received net proceeds from the initial public offering of our common stock of approximately $126.5 million. We used these net proceeds, along with cash on hand and revolving credit borrowings, to retire $100.0 million face value of senior subordinated notes and fund the related $4.9 million call premium, to fund the $10 million advisory services agreement termination fee and for the payment to early terminate operating leases and acquire the underlying machinery and equipment. In addition, during the second quarter of 2007, we repaid approximately $14.3 million of borrowings under our existing credit facilities.

Our Debt and Other Commitments

Our credit facility is comprised of a $90.0 million revolving credit facility, a $60.0 million deposit-linked supplemental revolving credit facility and a $260.0 million term loan facility, of which $255.5 million was outstanding at June 30, 2008. Under the credit facility, up to $90.0 million in the aggregate of our revolving credit facility is available to be used for one or more permitted acquisitions subject to certain conditions and other outstanding borrowings and issued letters of credit. Our credit facility also provides for an uncommitted $100.0 million incremental term loan facility that, subject to

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certain conditions, is available to fund one or more permitted acquisitions or to repay a portion of our senior subordinated notes.

Amounts drawn under our revolving credit facilities fluctuate daily based upon our working capital and other ordinary course needs. Availability under our revolving credit facilities depends upon, among other things, compliance with our credit agreement's financial covenants. Our credit facilities contain negative and affirmative covenants and other requirements affecting us and our subsidiaries, including among others: restrictions on incurrence of debt (except for permitted acquisitions and subordinated indebtedness), liens, mergers, investments, loans, advances, guarantee obligations, acquisitions, asset dispositions, sale-leaseback transactions, hedging agreements, dividends and other restricted junior payments, stock repurchases, transactions with affiliates, restrictive agreements and amendments to charters, by-laws, and other material documents. The terms of our credit agreement require us and our subsidiaries to meet certain restrictive financial covenants and ratios computed quarterly, including a leverage ratio (total consolidated indebtedness plus outstanding amounts under the accounts receivable securitization facility over consolidated EBITDA, as defined), interest expense ratio (consolidated EBITDA, as defined, over cash interest expense, as defined) and a capital expenditures covenant. The most restrictive of these financial covenants and ratios is the leverage ratio. Our permitted leverage ratio under our amended and restated credit agreement is 5.25 to 1.00 for October 1, 2007 to June 30, 2008, 5.00 to 1.00 for July 1, 2008 to June 30, 2009, 4.75 to 1.00 for July 1, 2009 to September 30, 2009, 4.50 to 1.00 for October 1, 2009 to June 30, 2010, 4.25 to 1.00 for July 1, 2010 to September 30, 2011 and 4.00 to 1.00 from October 1, 2011 and thereafter. Our actual leverage ratio was 4.25 to 1.00 at June 30, 2008 and we were in compliance with our covenants as of that date.

The following is the reconciliation of net income, which is a GAAP measure of our operating results, to Consolidated Bank EBITDA, as defined in our credit agreement as in effect on June 30, 2008, for the twelve month period ended June 30, 2008.

	Year Ended December 31, 2007	**Less: Six Months Ended June 30, 2007**	**Add: Six Months Ended June 30, 2008**	**Twelve Months Ended June 30, 2008**
	(dollars in thousands)			
Net income (loss), as reported	$ (158,430)	$ 3,860	$ 17,320	$ (144,970)
Bank stipulated adjustments:				
Interest expense, net (as defined)	68,310	37,200	28,690	59,800
Income tax expense (benefit)(1)	(10,410)	3,150	9,750	(3,810)
Depreciation and amortization	41,350	19,460	21,700	43,590
Extraordinary non-cash charges(2)	178,450			178,450
Heartland monitoring fee and expenses(3)	12,000	12,000		
Interest equivalent costs(4)	4,230	2,060	1,480	3,650
Non-cash expenses related to stock option grants(5)	570	120	880	1,330
Other non-cash expenses or losses	4,450	1,040	2,130	5,540
Losses on early termination of operating leases from net proceeds of an IPO	4,230	4,230		
Non-recurring expenses or costs for cost savings projects(6)	6,630	370	2,190	8,450
Permitted dispositions(7)	240	(300)	140	680
Permitted acquisitions(8)	2,550	2,490	40	100
Debt extinguishment costs(9)	7,440	7,440		
Consolidated Bank EBITDA, as defined	$ 161,610	$ 93,120	$ 84,320	$ 152,810

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	June 30, 2008 (dollars in thousands)
Total long-term debt	$ 616,400
Aggregate funding under the receivables securitization facility	32,980
Total Consolidated Indebtedness, as defined	$ 649,380
Consolidated Bank EBITDA, as defined	$ 152,810
Actual leverage ratio	4.25x
Covenant requirement	5.25x

(1) Amount includes tax benefits associated with discontinued operations and cumulative effect of accounting change.

(2) Non-cash charges associated with tangible and intangible asset impairments, including goodwill.

(3) Represents management fees and expenses paid to Heartland pursuant to the former Advisory Services Agreement and Advisory Services Agreement termination.

(4) Interest-equivalent costs associated with the use of Company's receivables securitization facility.

(5) Non-cash expenses resulting from the grant of restricted shares of common stock and common stock options.

(6) Non-recurring costs and expenses relating to cost savings projects, including restructuring and severance expenses, not to exceed $50,000,000 in the aggregate

(7) EBITDA from permitted dispositions, as defined.

(8) EBITDA from permitted acquisitions, as defined.

(9) Includes approximately $4.9 million call premium, $2.3 million write-off of debt issue costs and $0.3 million accretion of net discount, all incurred in connection with the retirement of $100.0 million face value of our senior subordinated notes in the second quarter of 2007.

Three of our international businesses are also parties to loan agreements with banks, denominated in their local currencies. In Italy, we are party to a €5.0 million note agreement with a bank (approximately $2.7 million outstanding at June 30, 2008) with a term of seven years, which expires December 12, 2012 and is secured by land and buildings of our local business unit. In Australia, we are party to a debt agreement with a bank in the amount of $25 million Australian dollars (approximately $20.6 million outstanding at June 30, 2008) for a term of five years which expires December 31, 2010. Borrowings under this arrangement are secured by substantially all the assets of the local business which is also subject to financial ratio and reporting covenants. Financial ratio covenants include: capital adequacy ratio (tangible net worth over total tangible assets), interest coverage ratio (EBIT over gross interest cost). In addition to the financial ratio covenants there are other financial restrictions such as restrictions on dividend payments, U.S. parent loan repayments, negative pledge and undertakings with respect to related entities. Additionally, in Mexico, the Company's subsidiary is party to an unsecured loan with a bank in the amount of 5.0 million pesos (approximately $0.5 million outstanding at June 30, 2008) which matures on July 3, 2008. As of June 30, 2008, total borrowings in the amount of $23.8 million were outstanding under these arrangements.

Another important source of liquidity is our $90.0 million accounts receivable securitization facility, under which we have the ability to sell eligible accounts receivable to a third-party multi-seller receivables funding company. At June 30, 2008, we had $33.0 million utilized under our accounts receivable facility and $27.0 million of available funding based on eligible receivables and after consideration of leverage restrictions. At June 30, 2008, we had no balance outstanding under our revolving credit facility and had an additional $116.9 million potentially available after giving effect to approximately $33.1 million of letters of credit issued to support our ordinary course needs and after consideration of leverage restrictions. At June 30, 2008, we had aggregate available funding under our accounts receivable facility and our revolving credit facility of $143.9 million after consideration of the aforementioned leverage restrictions. The letters of credit are used for a variety of purposes, including to support certain operating lease agreements, vendor payment terms and other subsidiary operating activities, and to meet various states' requirements to self-insure workers' compensation claims, including incurred but not reported claims.

We also have $337.8 million (face value) $9^{7}/_{8}$% senior subordinated notes which are due in 2012.

Principal payments required under our amended and restated credit facility term loan are: $0.7 million due each calendar quarter through June 30, 2013, and $242.5 million due on August 2, 2013 (or February 28, 2012 if the Company's existing senior subordinated notes are still outstanding as of that date).

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

Our exposure to interest rate risk results from the variable rates under our credit facility. Borrowings under the credit facility bear interest, at various rates, as more fully described in Note 10, "Long-term Debt," to the accompanying consolidated financial statements as of June 30, 2008. Based on amounts outstanding at June 30, 2008, a 1% increase or decrease in the per annum interest rate for borrowings under our revolving credit facilities would change our interest expense by approximately $2.8 million annually.

We have other cash commitments related to leases. We account for these lease transactions as operating leases and annual rent expense related thereto approximates $15.4 million. We expect to continue to utilize leasing as a financing strategy in the future to meet capital expenditure needs and to reduce debt levels.

Market Risk

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

As a result of our credit facility and senior subordinated notes, we are highly leveraged. In addition to normal capital expenditures, we may incur significant amounts of additional debt and further burden cash flow in pursuit of our internal growth and acquisition strategies.

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

Credit Rating

We and certain of our outstanding debt obligations are rated by Standard & Poor's and Moody's. On May 23, 2007, following our initial public offering, Standard & Poor's upgraded our credit facilities, corporate credit and senior subordinated notes ratings to BB-, B+ and B-, respectively, from B+, B and CCC+, respectively, each with a stable outlook. These ratings remain in place as of June 30, 2008. As of June 30, 2008, Moody's has assigned our credit facilities, corporate credit and senior subordinated notes ratings of Ba2, B2 and B3, respectively, each with a stable outlook. If our credit ratings were to decline, our ability to access certain financial markets may become limited, the perception of us in the view of our customers, suppliers and security holders may worsen and as a result, we may be adversely affected. In connection with the consummation of our intial public offering in May 2007 and the use of proceeds therefrom, the applicable margin on all loans under our amended and restated credit agreement were reduced by 0.5% per annum based on the ratings assigned to our credit facilities by Standard & Poor's being and remaining at B+ (stable) or better and the ratings assigned to our credit facilities by Moody's being and remaining at B1 (stable) or better,.

Off-Balance Sheet Arrangements

We are party to an agreement to sell, on an ongoing basis, the trade accounts receivable of certain business operations to a wholly-owned, bankruptcy-remote, special purpose subsidiary, TSPC, Inc. ("TSPC"). TSPC, subject to certain conditions, may from time to time sell an undivided fractional ownership interest in the pool of domestic receivables, up to approximately $90.0 million, to a third party multi-seller receivables funding company, or conduit. The proceeds of the sale are less than the face amount of accounts receivable sold by an amount that approximates the purchaser's financing costs. Upon sale of receivables, our subsidiaries that originated the receivables retain a subordinated interest. Under the terms of the agreement, new receivables can be added to the pool as collections reduce receivables previously sold. The facility is an important source of liquidity. At June 30, 2008, we had $33.0 million utilized and $27.0 million available under this facility based on eligible receivables and after consideration of leverage restrictions.

The facility is subject to customary termination events, including, but not limited to, breach of representations or warranties, the existence of any event that materially adversely affects the collectability of receivables or performance by a seller and certain events of bankruptcy or insolvency. The facility expires on February 20, 2009. In future periods, if we are unable to renew or replace this facility, it could materially and adversely affect our available liquidity capacity.

Impact of New Accounting Standards

In December 2007, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 141(R), "Business Combinations," which revises the current accounting practices for business combinations. Significant changes as a result of issuance of SFAS No. 141(R) include a revised definition of a business, expensing of acquisition-related transaction costs, and a change in how acquirers measure consideration, identifiable assets, liabilities assumed and goodwill acquired in a business combination. SFAS No. 141(R) is effective for business combinations occurring in fiscal years beginning after December 15, 2008, and may not be retroactively applied. There is no impact on our current consolidated financial statements as a result of this pronouncement.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements," which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. For financial assets and liabilities, this statement is effective for fiscal periods beginning after November 15, 2007 and does not require new fair value measurements. In February 2008, the FASB released Staff Position No. 157-2, which delayed the effective date of SFAS No. 157 to fiscal years ending after November 15, 2008 for nonfinancial assets and liabilities, except for items that are recognized or disclosed at fair value in our financial statements on a recurring basis (at least annually), which was effective for us effective January 1, 2008. The adoption of SFAS No. 157 did not have a material effect on our consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities Including an Amendment of FASB Statement No. 115," which permits entities to choose to measure certain financial instruments and other items at fair value. This statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, including interim periods within that fiscal year. We did not elect the fair value option for any of its existing financial instruments as of March 31, 2008 and we have made no determination whether or not we will elect this option for financial instruments we may acquire in the future.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements," which establishes requirements for identification, presentation and disclosure of noncontrolling interests, and to account for such non-controlling interests as a separate component of stockholder's equity. SFAS No. 160 is effective prospectively for fiscal years beginning after December 15, 2008. However, the presentation and disclosure requirements are required to be retrospectively applied to comparative financial statements. There is no impact on our current consolidated financial statements as a result of this pronouncement.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133" ("SFAS No. 161"). SFAS No. 161 amends and expands the disclosure requirements of SFAS No. 133 to provide users of financial statements with an enhanced understanding of derivative instruments, how they are accounted for and their impact on a company's financial position and performance. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. We are currently assessing the impact of the adoption of SFAS No. 161 on our consolidated financial statements.

In May 2008, the FASB issued SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles," which is intended to improve financial reporting by identifying a consistent hierarchy for selecting accounting principles to be used in preparing financial statements that are prepared in conformance with generally accepted accounting principles. The statement is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, "The Meaning of Present Fairly in Conformity with GAAP." There is no impact our current consolidated financial statements as a result of this pronouncement.

Critical Accounting Policies

The following discussion of accounting policies is intended to supplement the accounting policies presented in Note 3 to our 2007 audited financial statements included in our annual report filed on Form 10-K. Certain of our accounting policies require the application of significant judgment by management in selecting the appropriate assumptions for calculating financial estimates. By their nature, these judgments are subject to an inherent degree of uncertainty. These judgments are based on our historical experience, our evaluation of business and macroeconomic trends, and information from other outside sources, as appropriate.

Accounting Basis for Transactions. Prior to June 6, 2002, we were owned by Metaldyne. On November 28, 2000, Metaldyne was acquired by an investor group led by Heartland. On June 6, 2002, Metaldyne issued approximately 66% of our fully diluted common stock to an investor group led by Heartland. As a result of the transactions, we did not establish a new basis of accounting as Heartland was the controlling shareholder for both us and Metaldyne at the time and the transactions were accounted for as a reorganization of entities under common control.

Receivables. Receivables are presented net of allowances for doubtful accounts of approximately $5.0 million at June 30, 2008. We monitor our exposure for credit losses and maintain adequate allowances for doubtful accounts. We determine these allowances based on historical write-off experience and/or specific customer circumstances and provide such allowances when amounts are reasonably estimable and it is probable a loss has been incurred. We do not have concentrations of accounts receivable with a single customer or group of customers and do not believe that significant credit risk exists due to our diverse customer base. Trade accounts receivable of substantially all domestic business operations may be sold, on an ongoing basis, to TSPC.

Depreciation and Amortization. Depreciation is computed principally using the straight-line method over the estimated useful lives of the assets. Annual depreciation rates are as follows: buildings and buildings/land improvements, 10 to 40 years, and machinery and equipment, 3 to 15 years. Capitalized debt issuance costs are amortized over the underlying terms of the related debt securities. Customer relationship intangibles are amortized over periods ranging from 6 to 25 years, while technology and other intangibles are amortized over periods ranging from 1 to 30 years. See further discussion under "Goodwill and Other Intangibles" below.

Impairment of Long-Lived Assets and Finite-Lived Intangible Assets. In accordance with Statement of Financial Accounting Standards No. 144, (SFAS No. 144), "*Accounting for the Impairment or Disposal of Long-Lived Assets,*" the Company reviews, on a quarterly basis, the financial performance of each business unit for indicators of impairment. An impairment loss is recognized when the carrying value of an asset group exceeds the future net undiscounted cash flows expected to be generated by that asset group. The impairment loss recognized is the amount by which the carrying value of the asset group exceeds its fair value.

In connection with our review of other long-lived assets, we review definite-lived intangible assets on a quarterly basis, or more frequently if events or changes in circumstances indicate that their carrying amounts may not be recoverable. The factors considered by management in performing these assessments include current operating results, business prospects, customer retention, market trends, potential product obsolescence, competitive activities and other economic factors. Effective January 1, 2006, we reduced the estimated useful lives assigned to certain customer relationship intangibles as follows: 40 years to 25 or 20 years, 25 years to 20 years, and 15 years to 12 years. We determined that a reduction in estimated useful lives assigned to certain customer relationship intangibles was warranted as of that date to reflect our updated evaluation of the period of expected future benefit derived from these customer relationship intangibles. Customer relationship intangibles are amortized over periods ranging from 6 to 25 years, while technology and other intangibles are amortized over periods ranging from 1 to 30 years. The effect of this change increased amortization expense approximately $2.4 million annually.

Goodwill and Indefinite-Lived Intangibles. We test goodwill and indefinite-lived intangible assets for impairment on an annual basis as required by Statement of Accounting Standards No. 142, "Goodwill and Other Intangible Assets" (SFAS No. 142), by comparing the estimated fair value of each of our reporting units to their respective carrying values on our balance sheet. More frequent evaluations could become required under SFAS No. 142 if we experience changes in our business conditions. In assessing the recoverability of goodwill and indefinite-lived intangible assets, we estimate the fair value of each of our reporting units by calculating the present value of their expected future cash flows and other valuation measures. We then compare the estimates of fair value with the reporting unit's net asset carrying value on our balance sheet. If carrying value exceeds fair value, then a possible impairment of goodwill exists and further evaluation is performed.

The Company's accounting policy was to conduct the annual impairment test as of December 31st, with the most recent annual impairment test completed as of December 31, 2007. Effective in the second quarter of 2008, the Company changed its accounting policy to conduct the annual impairment test as of October 1st, with the testing to be conducted during the fourth quarter of each year. This change is preferable as it provides the Company additional time to complete the required testing and evaluate the results prior to the yearend closing and reporting activities and better enables the Company to comply with required reporting dates as an accelerated filer. The change in impairment test dates had no impact on the Company's financial results or financial position for any period presented.

Goodwill is evaluated for impairment annually using management's operating budget and internal five-year forecast to estimate expected future cash flows. Discounting future cash flows requires us to make significant estimates regarding future revenues and expenses, projected capital expenditures, changes in working capital and the appropriate discount rate. The projections also take into account several factors including current and estimated economic trends and outlook, costs of raw materials, consideration of our market capitalization in comparison to the estimated fair values of our reporting units determined using discounted cash flow analyses and other factors which are beyond our control. At December 31, 2007, fair values of our reporting units were determined based upon the expected future cash flows discounted at weighted average costs of capital ranging from 11% 17% and estimated residual growth rates ranging from 1% to 4%.

Future declines in sales and/or operating profit, declines in the Company's stock price, or other changes in our business or the markets for our products could result in further reductions in remaining useful lives for customer relationship intangibles or in impairments of goodwill and other intangible assets.

Pension and Postretirement Benefits Other than Pensions. We account for pension benefits and postretirement benefits other than pensions in accordance with the requirements of FASB Statement of Financial Accounting Standards No. 87 (SFAS No. 87), "*Employer's Accounting for Pensions,"* No. 88 (SFAS No. 88), *"Employer's Accounting for Settlements and Curtailments of Defined Benefit Plans and for Terminated Benefits,"* No. 106 (SFAS No. 106), *"Employer's Accounting for Postretirement Benefits Other Than Pension,"* No. 132 (SFAS No. 132), "*Employer's Disclosures about Pensions and Other Postretirement Benefits an amendment of FASB Statements Nos. 87, 88, and 106"* and No. 158, "*Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans An Amendment of FASB Statements No. 87, 88, 106 and 132(R)."* Annual net periodic expense and accrued benefit obligations recorded with respect to our defined benefit plans are determined on an actuarial basis. We, together with our third-party actuaries, determine assumptions used in the actuarial calculations which impact reported plan obligations and expense. Annually, we and our actuaries review the actual experience compared to the most significant assumptions used and make adjustments to the assumptions, if warranted. The healthcare trend rates are reviewed with the actuaries based upon the results of their review of claims experience. Discount rates are based upon an expected benefit payments duration analysis and the equivalent average yield rate for high-quality fixed-income investments. Pension benefits are funded through deposits with trustees and the expected long-term rate of return on fund assets is based upon actual historical returns modified for known changes in the market and any expected change in investment policy. Postretirement benefits are not funded and our policy is to pay these benefits as they become due. Certain accounting guidance, including the guidance applicable to pensions, does not require immediate recognition of the effects of a deviation between actual and assumed experience or the revision of an estimate. This approach allows the favorable and unfavorable effects that fall within an acceptable range to be netted.

Income Taxes. Income taxes are accounted for using the provisions of FASB Statement of Financial Accounting Standards No. 109, (SFAS No. 109), "*Accounting for Income Taxes,*" and FASB Interpretation No. 48, "*Accounting for Uncertainty in Income Taxes*." Deferred income taxes are provided at currently enacted income tax rates for the difference between the financial statement and income tax basis of assets and liabilities and carry- forward items. The effective tax rate and the tax bases of assets and liabilities reflect management's estimates based on then-current facts. On an ongoing basis, we review the need for and adequacy of valuation allowances if it is more likely than not that the benefit from a deferred tax asset will not be realized. We believe the current assumptions and other considerations used to estimate the current year effective tax rate and deferred tax positions are appropriate. However, actual outcomes may differ from our current estimates and assumptions.

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk

In the normal course of business, we are exposed to market risk associated with fluctuations in foreign currency exchange rates. We are also subject to interest risk as it relates to long-term debt. See Item 2, "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" for details about our primary market risks, and the objectives and strategies used to manage these risks. Also see Note 10, "*Long-term Debt,*" in the notes to the consolidated financial statements for additional information.

Item 4. Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that the Company files or submits under the Securities and Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

Evaluation of disclosure controls and procedures

As of June 30, 2008, an evaluation was carried out by management, with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as such term is defined in Rule 13a-15(e) and Rule 15d-15(e) of the Securities Exchange Act of 1934, (the "Exchange Act")) pursuant to Rule 13a-15 of the Exchange Act. Our disclosure controls and procedures are designed only to provide reasonable assurance that they will meet their objectives. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that as of June 30, 2008, the Company's disclosure controls and procedures are effective to provide reasonable assurance that they would meet their objectives.

Changes in disclosure controls and procedures

There have been no changes in the Company's internal control over financial reporting during the quarter ended June 30, 2008 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

TRIMAS CORPORATION

Item 1. Legal Proceedings

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

As of June 30, 2008, we were a party to approximately 817 pending cases involving an aggregate of approximately 7,704 claimants alleging personal injury from exposure to asbestos containing materials formerly used in gaskets (both encapsulated and otherwise) manufactured or distributed by certain of our subsidiaries for use primarily in the petrochemical refining and exploration industries. The following chart summarizes the number of claimants, number of claims filed, number of claims dismissed, number of claims settled, the average settlement amount per claim and the total defense costs, exclusive of amounts reimbursed under our primary insurance, at the applicable date and for the applicable period:

	Claims pending at beginning of period	Claims filed during period	Claims dismissed during period	Claims setttled during period	Average settlement amount per claim during period	Total defense costs during period
Fiscal year ended December 31, 2007	10,551	619	1,484	142	$ 9,243	$4,982,000
Six months ended June 30, 2008	9,544	415	2,208	47	$ 2,509	$2,161,000

In addition, we acquired various companies to distribute our products that had distributed gaskets of other manufacturers prior to acquisition. We believe that many of our pending cases relate to locations at which none of our gaskets were distributed or used.

We may be subjected to significant additional asbestos-related claims in the future, the cost of settling cases in which product identification can be made may increase, and we may be subjected to further claims in respect of the former activities of our acquired gasket distributors. We note that we are unable to make a meaningful statement concerning the monetary claims made in the asbestos cases given that, among other things, claims may be initially made in some jurisdictions without specifying the amount sought or by simply stating the requisite or maximum permissible monetary relief, and may be amended to alter the amount sought. The large majority of claims do not specify the amount sought. Of the 7,704 claims pending at June 30, 2008, 174 set forth specific amounts of damages (other than those stating the statutory minimum or maximum). 141 of the 174 claims sought between $1.0 million and $5.0 million in total damages (which includes compensatory and punitive damages) , 31 sought between $5.0 million and $10.0 million in total damages (which includes compensatory and punitive damages) and two sought over $10.0 million (which includes compensatory and punitive damages) . Solely with respect to compensatory damages, 145 of the 174 claims sought between $50,000 and

$600,000, 27 sought between $1.0 million and $5.0 million and two sought over $5.0 million. Solely with respect to punitive damages, 142 of the 174 claims sought between $0 and $2.5 million, 31 sought between $2.5 and $5.0 million and one sought over $5.0 million. In addition, relatively few of the claims have reached the discovery stage and even fewer claims have gone past the discovery stage.

Total settlement costs (exclusive of defense costs) for all such cases, some of which were filed over 20 years ago, have been approximately $5.2 million. All relief sought in the asbestos cases is monetary in nature. To date, approximately 50% of our costs related to settlement and defense of asbestos litigation have been covered by our primary insurance. Effective February 14, 2006, we entered into a coverage-in-place agreement with our first level excess carriers regarding the coverage to be provided to us for asbestos-related claims when the primary insurance is exhausted. The coverage-in-place agreement makes coverage available to us that might otherwise be disputed by the carriers and provides a methodology for the administration of asbestos litigation defense and indemnity payments. The coverage in place agreement allocates payment responsibility among the primary carrier, excess carriers and the Company's subsidiary.

Based on the settlements made to date and the number of claims dismissed or withdrawn for lack of product identification, we believe that the relief sought (when specified) does not bear a reasonable relationship to our potential liability. Based upon our experience to date and other available information (including the availability of excess insurance), we do not believe that these cases will have a material adverse effect on our financial position and results of operations or cash flows.

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

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part 1, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2007, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deemed to be immaterial also may materially adversely affect our business, financial position and results of operations or cash flows.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None of our securities have been issued or sold by us during the period covered by this report.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Submission of Matters to a Vote of Security Holders

We held our 2008 Annual Meeting of Shareholders on May 2, 2008. At the annual meeting, the shareholders voted on the following proposals:

1. The election of the nominees for the Board of Directors who will serve a term to expire at the 2011 Annual Meeting of Shareholders. The nominees Brian P. Campbell, Richard M. Gabrys and Eugene A. Miller were elected by a vote of the shareholders as follows:

	For	Withhold
Brian P. Campbell	30,605,819	117,789
Richard M. Gabrys	30,483,384	240,224
Eugene A. Miller	30,096,707	626,901

2. A proposal to ratify the appointment of KPMG LLP as independent registered public accounting firm for the Company for fiscal year 2008. The proposal was approved by a vote of shareholders as follows:

For	Against	Abstain
30,462,326	258,711	2,571

3. A proposal to approve the ratification of increase of shares reserved for issuance under the TriMas Corporation 2006 Long Term Equity Incentive Plan. The proposal was approved by a vote of shareholders as follows:

For	Against	Abstain	Broker non-votes
23,288,099	5,097,201	588	2,337,720

Item 5. Other Information

Not applicable.

Item 6. Exhibits.

Exhibits Index:

3.1(b)***	Fourth Amended and Restated Certificate of Incorporation of TriMas Corporation.
3.2(b)***	Second Amended and Restated By-laws of TriMas Corporation.
4.1(b)	Indenture relating to the $9^{7}/_{8}$% senior subordinated notes, dated as of June 6, 2002, by and among TriMas Corporation, each of the Guarantors named therein and The Bank of New York as trustee.
4.2(b)	Form of note (included in Exhibit 4.1(b)).
4.3(b)	Registration Rights Agreement relating to the $9^{7}/_{8}$% senior subordinated notes issued June 6, 2002 dated as of June 6, 2002 by and among TriMas Corporation and the parties named therein.
4.4(b)*	Registration Rights Agreement relating to the $9^{7}/_{8}$% senior subordinated notes issued December 10, 2002 dated as of December 10, 2002 by and among TriMas Corporation and the parties named therein.
4.5(d)	Supplemental Indenture dated as of March 4, 2003.
4.6(e)	Supplemental Indenture No. 2 dated as of May 9, 2003.
4.7(f)	Supplemental Indenture No. 3 dated as of August 6, 2003.
4.8(u)	Supplemental Indenture No. 4 dated as of February 28, 2008.
10.1(b)	Stock Purchase Agreement dated as of May 17, 2002 by and among Heartland Industrial Partners, L.P., TriMas Corporation and Metaldyne Company LLC.
10.2(b)	Amended and Restated Shareholders Agreement, dated as of July 19, 2002 by and among TriMas Corporation and Metaldyne Corporation.
10.3(o)	Amendment No. 1 to Amended and Restated Shareholders Agreement dated as of August 31, 2006.
10.4(m)	Credit Agreement dated as of June 6, 2002, as amended and restated as of August 2, 2006 among TriMas Corporation, TriMas Company LLC, JPMorgan Chase Bank, N.A., as Administrative Agent and Collateral Agent, and Comerica Bank, as Syndication Agent.
10.5(b)	Receivables Purchase Agreement, dated as of June 6, 2002, by and among TriMas Corporation, the Sellers party thereto and TSPC, Inc., as Purchaser.
10.6(b)	Receivables Transfer Agreement, dated as of June 6, 2002, by and among TSPC, Inc., as Transferor, TriMas Corporation, individually, as Collection Agent, TriMas Company LLC, individually as Guarantor, the CP Conduit Purchasers, Committed Purchasers and Funding Agents party thereto, and JPMorgan Chase Bank as Administrative Agent.
10.7(p)	Amendment dated as of June 3, 2005, to Receivables Transfer Agreement.
10.8(j)	Amendment dated as of July 5, 2005, to Receivables Transfer Agreement.
10.9(r)	Amendment dated as of December 31, 2007, to Receivables Transfer Agreement.

10.10(s)	Amendment dated as of February 22, 2008, to Receivables Transfer Agreement.

10.11(j)	TriMas Receivables Facility Amended and Restated Fee Letter dated July 1, 2005.
10.12(u)	TriMas Receivables Facility Amended and Restated Fee Letter dated February 22, 2008.
10.13(b)	Lease Assignment and Assumption Agreement, dated as of June 21, 2002, by and among Heartland Industrial Group, L.L.C., TriMas Company LLC and the Guarantors named therein.
10.14(b)	TriMas Corporation 2002 Long Term Equity Incentive Plan.
10.15(b)**	Stock Purchase Agreement by and among 2000 Riverside Capital Appreciation Fund, L.P., the other Stockholders of HammerBlow Acquisition Corp. listed on Exhibit A thereto and TriMas Company LLC dated as of January 27, 2003.
10.16(c)	Stock Purchase Agreement by and Among TriMas Company LLC and The Shareholders and Option Holders of Highland Group Corporation and FNL Management Corp. dated February 21, 2003.
10.17(e)	Asset Purchase Agreement among TriMas Corporation, Metaldyne Corporation and Metaldyne Company LLC dated May 9, 2003.
10.18(e)	Form of Sublease Agreement (included as Exhibit A in Exhibit 10.17 above).
10.19(g)	Form of Stock Option Agreement.
10.20	Annual Value Creation Program.
10.21(l)*	Form of Indemnification Agreement.
10.22(o)	Amendment No. 1 to Stock Purchase Agreement, dated as of August 31, 2006 by and among Heartland Industrial Partners, L.P., TriMas Corporation and Metaldyne Corporation.
10.23	Amendment No. 2 to Stock Purchase Agreement, dated as of November 27, 2006 by and among Heartland Industrial Partners, L.P., TriMas Corporation and Metaldyne Corporation.
10.24(o)	Advisory Agreement, dated June 6, 2002 between Heartland Industrial Partners, L.P. and TriMas Corporation.
10.25(p)	First Amendment to Advisory Agreement, dated as of November 1, 2006 between Heartland Industrial Group, L.L.C. and TriMas Corporation.
10.26(p)	Second Amendment to Advisory Agreement, dated as of November 1, 2006 between Heartland Industrial Group, L.L.C. and TriMas Corporation.
10.27(p)	Management Rights Agreement.
10.28(k)	Executive Severance/Change of Control Policy
10.29(q)	TriMas Corporation 2006 Long Term Equity Incentive Plan
10.30(q)	First Amendment to TriMas Corporation 2006 Long Term Equity Incentive Plan
10.31(q)	Second Amendment to TriMas Corporation 2006 Long Term Equity Incentive Plan.
10.32(t)	Separation Agreement dated April 10, 2008.
10.33(v)	Letter Agreement dated April 28, 2008.
10.34	Letter Agreement dated July 1, 2008

18.1	KPMG LLP Accounting principles letter dated August 6, 2008.
31.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(a) Incorporated by reference to the Exhibits filed with our Quarterly Report on Form 10-Q filed on May 14, 2003.

(b) Incorporated by reference to the Exhibits filed with our Registration Statement on Form S-4, filed on October 4, 2002 (File No. 333-100351).

(b)* Incorporated by reference to the Exhibits filed with Amendment No. 2 to our Registration Statement on Form S-4, filed on January 28, 2003 (File No. 333-100351).

(b)** Incorporated by reference to the Exhibits filed with Amendment No. 3 to our Registration Statement or Form S-4, filed on January 29, 2003 (File No. 333-100351).

(b)*** Incorporated by reference to the Exhibits filed with our Quarterly Report on Form 10-Q Quarterly Report, filed on August 3, 2007 (File No. 333-100351).

(c) Incorporated by reference to the Exhibits filed with our Form 8-K filed on February 25, 2003 (File No. 333-100351).

(d) Incorporated by reference to the Exhibits filed with our Annual Report on Form 10-K filed March 31, 2003 (File No. 333-100351).

(e) Incorporated by reference to the Exhibits filed with our Registration Statement on Form S-4, filed June 9, 2003 (File No. 333-105950).

(f) Incorporated by reference to the Exhibits filed with our Quarterly Report on Form 10-Q filed on August 14, 2003 (File No. 333-100351).

(g) Incorporated by reference to the Exhibits filed with our Quarterly Report on Form 10-Q filed on November 12, 2003 (File No. 333-100351).

(h) Incorporated by reference to the Exhibits filed with our Form 8-K filed on December 27, 2004 (File No. 333-100351).

(i) Incorporated by reference to the Exhibits filed with our Form 8-K filed on October 3, 2005 (File No. 333-100351).

(j) Incorporated by reference to the Exhibits filed with our Form 8-K filed on July 6, 2005 (File No. 333-100351).

(k) Incorporated by reference to the Exhibits filed with our Form 8-K filed on November 22, 2006 (File No. 333-100351).

(l) Incorporated by reference to the Exhibits filed with our Registration Statement on Form S-1, filed on March 25, 2004 (File No. 333-113917).

(l)* Incorporated by reference to the Exhibits filed with Amendment No. 3 to our Registration Statement on Form S-1, filed on June 29, 2004 (File No. 333-113917).

(m) Incorporated by reference to the Exhibits filed with our Form 8-K filed on August 3, 2006 (File No. 333-100351).

(n) Incorporated by reference to the Exhibits filed with our Quarterly Report on Form 10-Q filed on August 15, 2005 (File No. 333-100351).

(o) Incorporated by reference to the Exhibits filed with Amendment No. 1 to our Registration Statement on Form S-1, filed on September 19, 2006 (File No. 333-136263).

(p) Incorporated by reference to the Exhibits filed with Amendment No. 3 to our Registration Statement on Form S-1, filed on January 18, 2007 (File No. 333-136263).

(q) Incorporated by reference to the Exhibits filed with the Registration Statement on Form S-8, filed on August 31, 2007 (File No. 333-145815).

(r) Incorporated by reference to the Exhibits filed with our Form 8-K filed on January 4, 2008 (File No. 001-10716).

(s) Incorporated by reference to the Exhibits filed with our Form 8-K filed on February 26, 2008 (File No. 001-10716).

(t) Incorporated by reference to the Exhibits filed with our Form 8-K filed on April 10, 2008 (File No. 001-10716).

(u) Incorporated by reference to the Exhibits filed with our Annual Report on Form 10-K filed on March 13, 2008 (File No. 001-10716).

(v) Incorporated by reference to the Exhibits filed with our Form 8-K filed on June 2, 2008 (File No. 001-10716).

Signature

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

TRIMAS CORPORATION (Registrant)

Date: August 6, 2008

By: /s/ A. MARK ZEFFIRO

A. Mark Zeffiro
Chief Financial Officer

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