



# KING NEWS

June 2006

**OUR PERFORMANCE IN MEETING YOUR NEEDS ENSURES OUR SUCCESS, AND HELPS YOU MAKE MORE MONEY.** The primary areas that we strive to excel in include:

- Providing molds that exceed your quality expectations
- Delivering the molds on time
- Reducing the lead time necessary to complete the required work
- Maintaining flexibility in our schedules to respond to changes in your schedules and designs

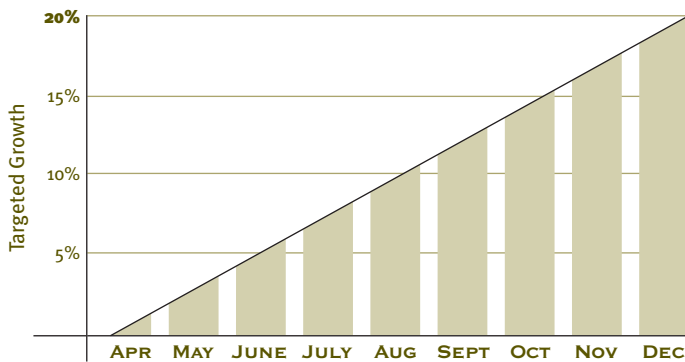
The King Companies are continuing to invest in machining capacity, technology, automation, and speed. This newsletter will provide you some information on the growth of King Machine of Charlotte, and King Machine of North Carolina, and how we are constantly evolving to be a better company.

## GROWTH

We continue to grow the King Machine of Charlotte new mold business and the King Machine of North Carolina mold and container repair business. We are targeting a 20% increase in capacity and output by year-end 2006.

We have placed into operation several important machines. We added one new CNC vertical turning center, two CNC letter engraving machines, as well as other machining mills. Simultaneous to our increase in machinery is the addition of skilled employees. We have trained several new employees as part of our objective to achieve our growth target.

### 2006 NEW MOLD AND REPAIR MOLD GROWTH



## COSTS

Today we are experiencing the most significant increases in raw material (aluminum, steel, carbide), tooling, and energy costs that we have seen in a decade. The increases in costs are placing tremendous pressure on our businesses. We are working diligently to reduce these increases whenever we find opportunities.



## OPEN INVITATION

I would like to extend an invitation to you to visit our Charlotte, NC plant. We feel that you will be most impressed by our operations here.

## TECHNOLOGY

At the core of our success is the implementation of technology whenever it makes good business sense. There are more than a dozen projects involving technology that we are studying currently. These projects range from enhancing machine automation, to new production management software.

## OUR OBJECTIVE

Our objective is to be recognized as the company that produces the highest quality tire molds, delivered more quickly, at competitive prices.

Sincerely,

Michael J. Wells  
President