



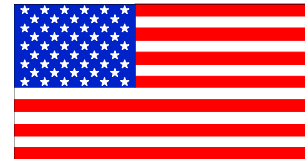
ISTMA-AMERICAS BUSINESS CONDITIONS REPORT

**For the 6-Month Period Ending
December 31, 2008**

Data Provided by the Members of:



CANADA
Canadian Tooling
& Machining
Association (CTMA)



USA
National Tooling
& Machining
Association (NTMA)

Results Compiled by:
National Tooling & Machining Association

ISTMA-AMERICAS BUSINESS CONDITIONS REPORT
(For the Period Ending June 30, 2008)

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RESULTS FROM UNITED STATES OF AMERICA

All Sectors Combined 5

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Precision Machining Sector (excluding Aerospace) 7

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**ISTMA-AMERICAS BUSINESS CONDITIONS REPORT
(For the Period Ending December 31, 2008)**

EXECUTIVE SUMMARY - CANADA

The number of Canadian companies submitting data to the survey has again increased for this period - which is the only positive feature of this report.

The average work week and the amount of work that is currently on companies' order books both show declines. Overall, current business conditions show an increase in those reporting poor conditions from 28% last June to 45% this period. Most of the other results show a downward trend of the Current Business Conditions compared with the third quarter of 2008.

The Tool, Die & Fixture sector is certainly weaker this period; and it appears to be much the same for the Precision Machining sector; the Mould sector is showing the largest decline; however, we see a slight improvement for the Special Machines sector. The number of companies reporting data in the Cutting Tool sector continues to grow.

The most urgent issue facing the Canadian MTDM sector currently is Liquidity and Cash Flow. Canada's Export Development Corporation (EDC) has stopped insuring tooling receivables for the Detroit 3 automotive OEM's, thereby placing tooling suppliers at even greater risk than usual. Many member companies are rejecting large tooling packages being offered by GM, Chrysler or Ford at the same time that the industry is in contraction - this is not good.

The CTMA is working to ensure that any Canadian government funding support for the automotive sector contains a clause that ensures small tooling suppliers get paid in a reasonable time frame for work that has already been manufactured and shipped.

Sincerely,

Les Payne, Executive Director
Canadian Tooling & Machining Association

EXECUTIVE SUMMARY – USA

Not surprisingly, given the severe recessionary economy, business conditions have fallen precipitously for NTMA member companies over the past six months according to the Business Conditions Report. The NTMA report covers the second half of 2008 and is a geographical "snapshot" of business trends and conditions in the special tooling and machining industry.

Only 42% of member companies reported business conditions as good, very good, or excellent for the second half of 2008 – down from seventy percent for the first half of the year. And 79% of survey respondents' projected business levels in their companies to either remain the same or decrease during the first six months of 2009.

Business conditions were particularly distressed for those member companies in the tooling sectors. Seventy-six percent of companies providing tools, dies, fixtures and molds reported 2nd half 2008 conditions as fair or poor. Business levels were a bit more positive for those companies providing machining services (particularly aerospace machining & fabrication).

Despite accelerating layoffs and unemployment throughout industry those NTMA members that participated in the January, 2009 survey reported only a three percent decline in employment from June, 2008 levels.

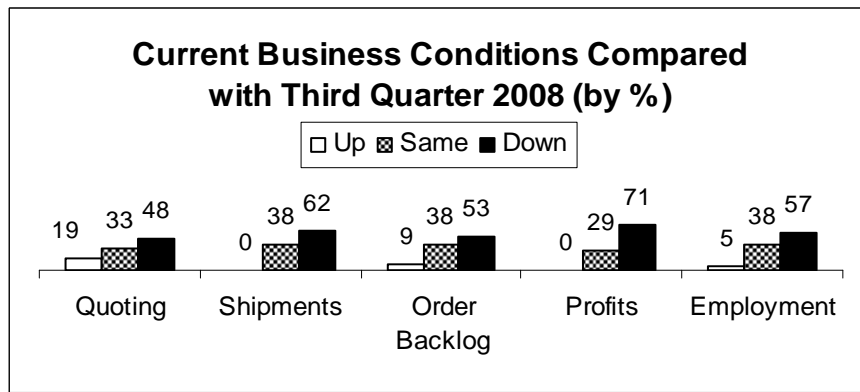
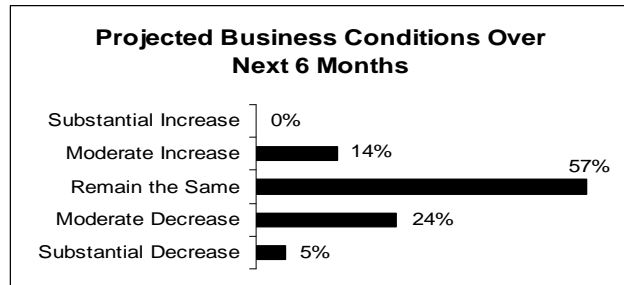
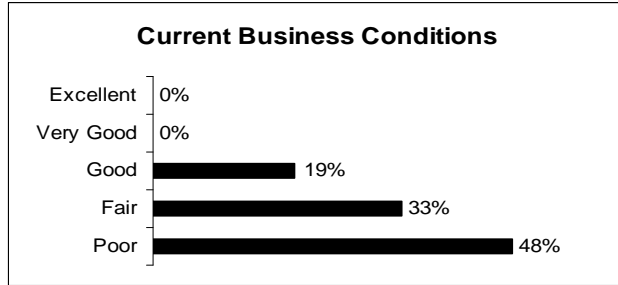
Sincerely,

Tom Garcia
Director, Business Development
National Tooling & Machining Association

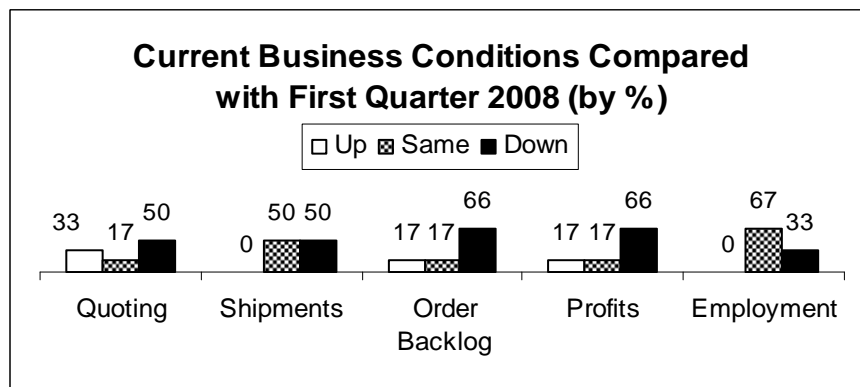
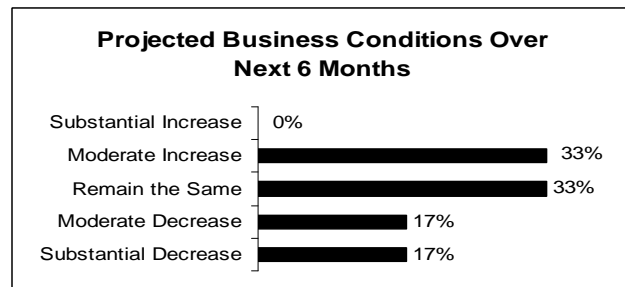
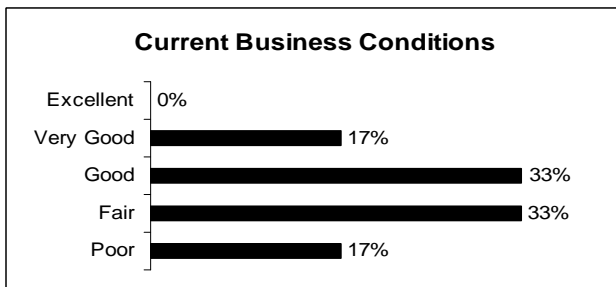
ISTMA-AMERICAS BUSINESS CONDITIONS REPORT
 (For the Period Ending December 31, 2008)

TOOL, DIE & FIXTURE SECTOR
 (21 survey responses)

CANADA



MOULD SECTOR
 (6 survey responses)

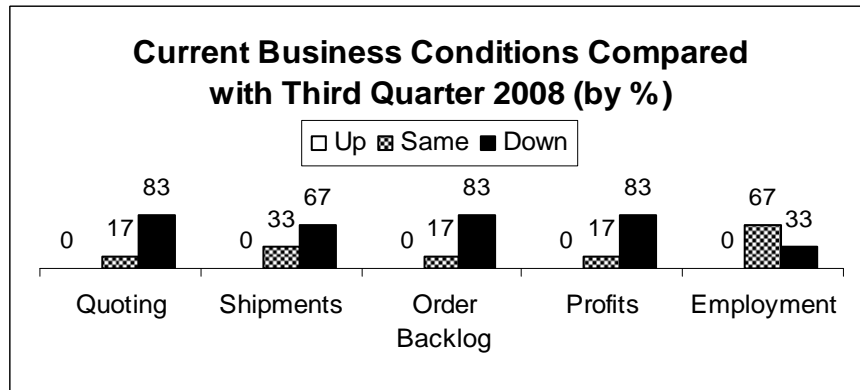
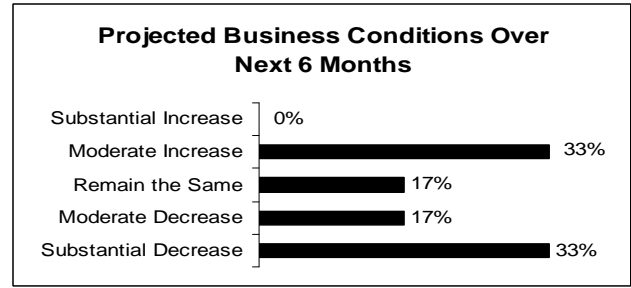
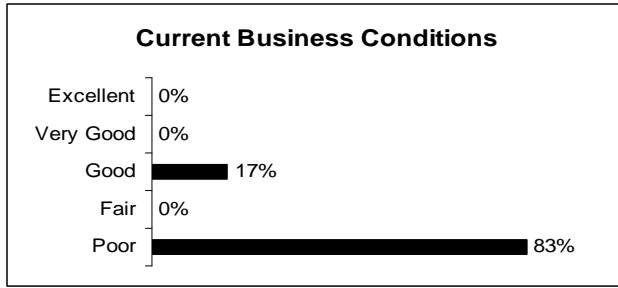


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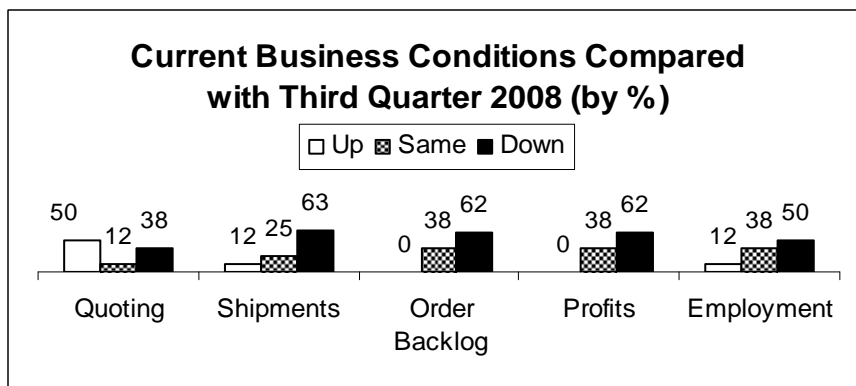
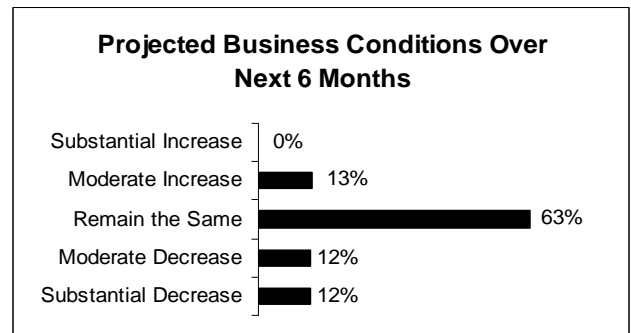
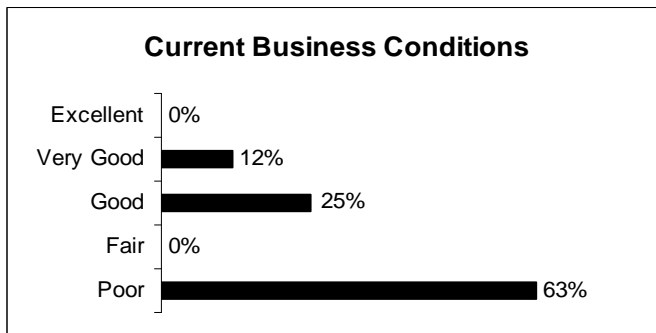
CANADA



SPECIAL MACHINES SECTOR
(6 survey responses)



PRECISION MACHINING
(8 survey responses)

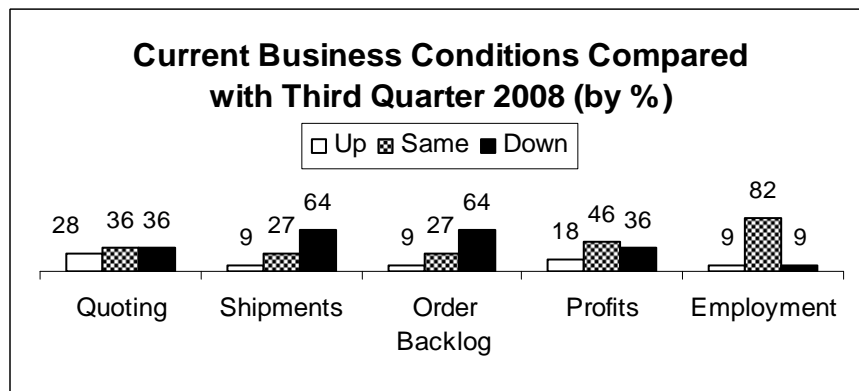
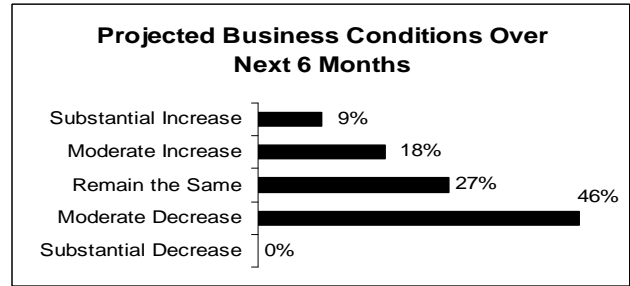
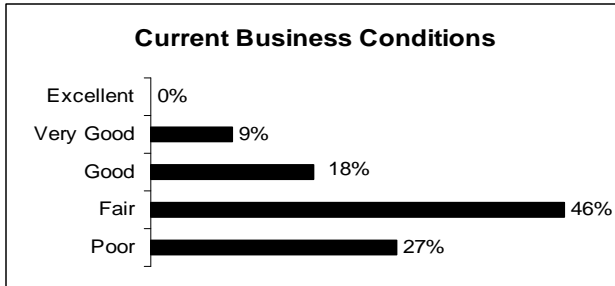


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CANADA

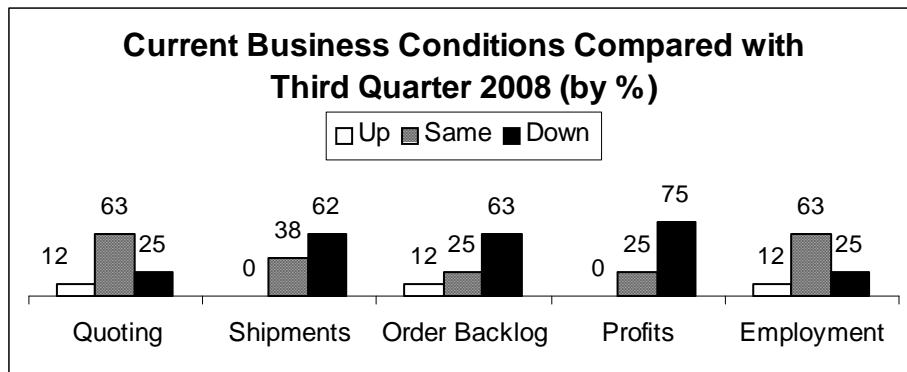
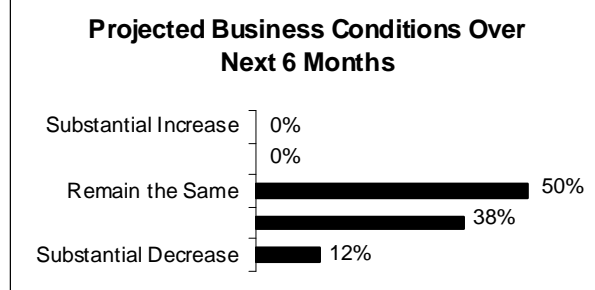
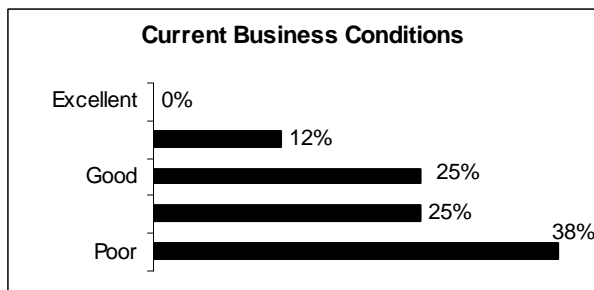


CUTTING TOOL SECTOR
(11 survey responses)



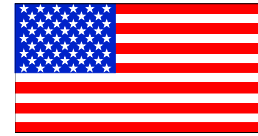
METAL FABRICATION SECTOR
(too few responses to report)

All Others
(8 survey responses)



ISTMA-AMERICAS BUSINESS CONDITIONS REPORT
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USA

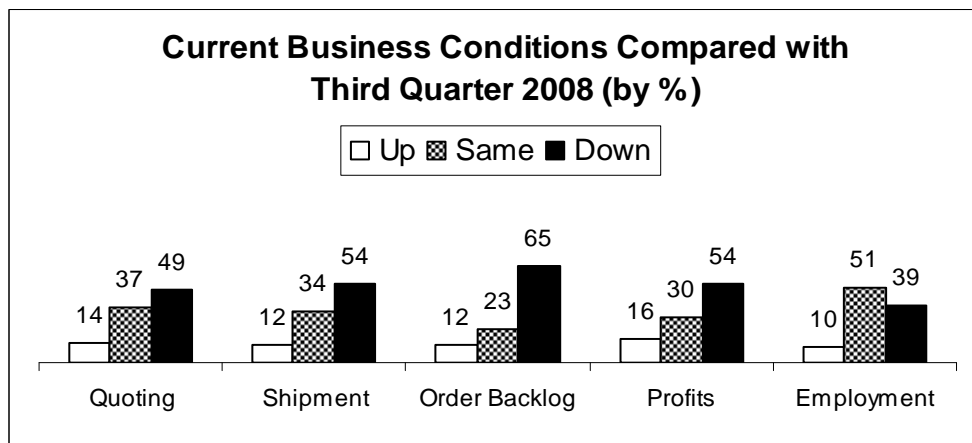
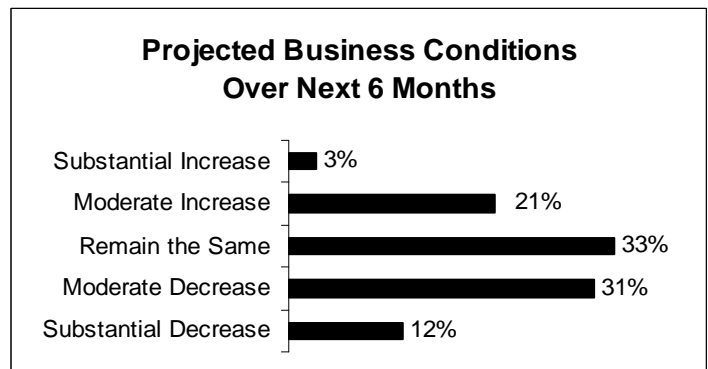
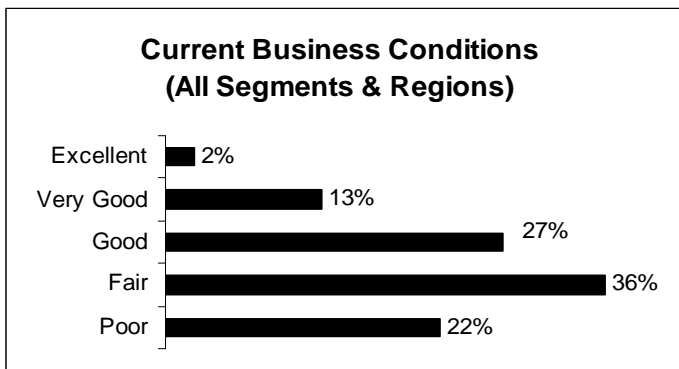


ALL SECTORS
 (419 survey responses ... 25.6% of NTMA membership)

Total Number of Skilled Employees: 20,171 (at June 30, 2008)
 19,553 (at December 31, 2008)

Current Average Work Week Per Skilled Employee: 43.5 hours

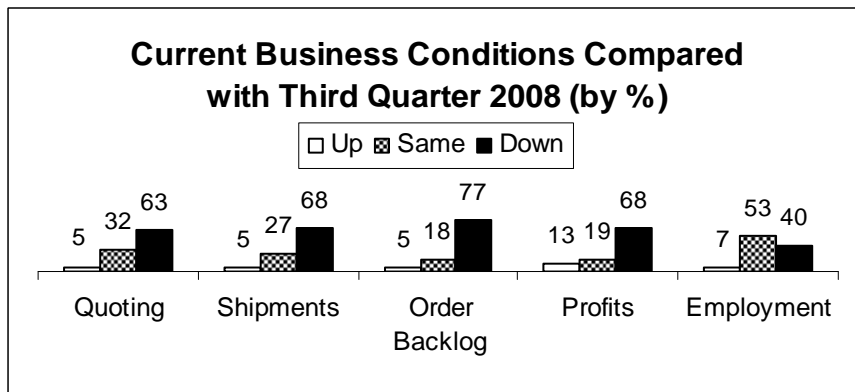
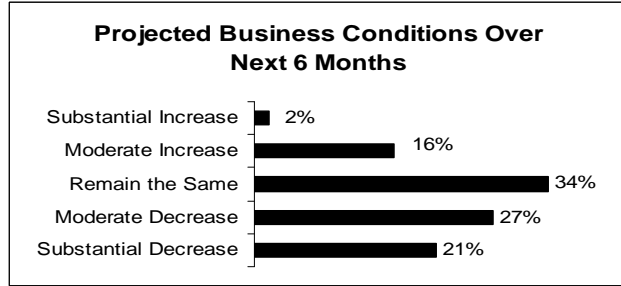
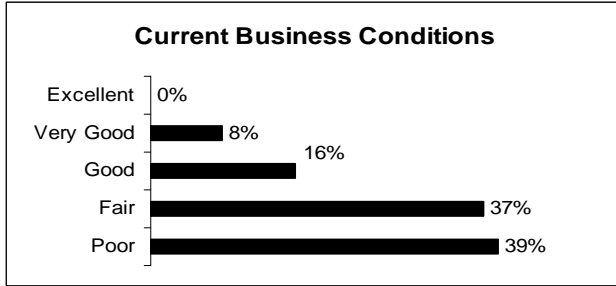
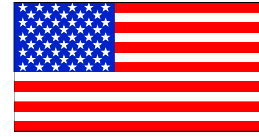
Average Future Work on Order Books: 13.3 weeks



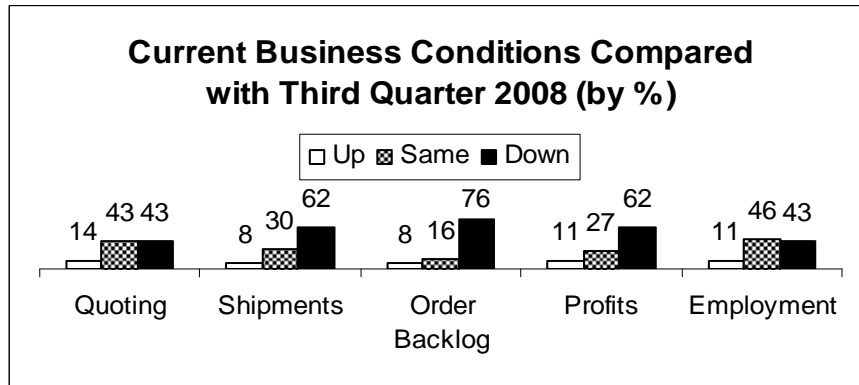
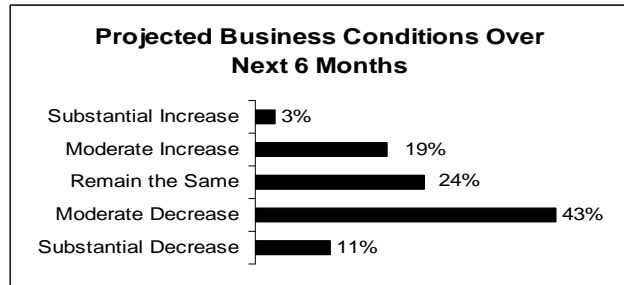
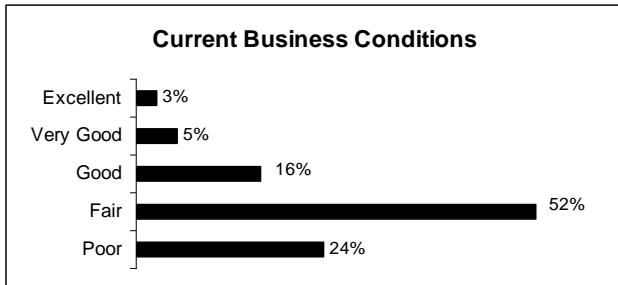
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USA

TOOL, DIE & FIXTURE SECTOR
 (62 survey responses)

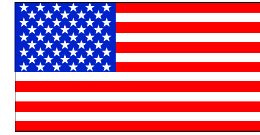


MOLD SECTOR
 (37 survey responses)

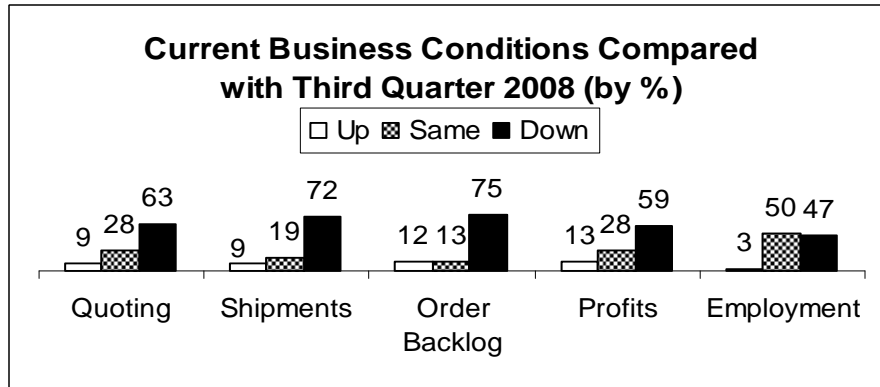
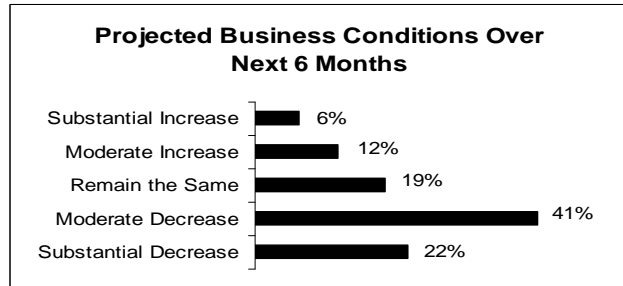
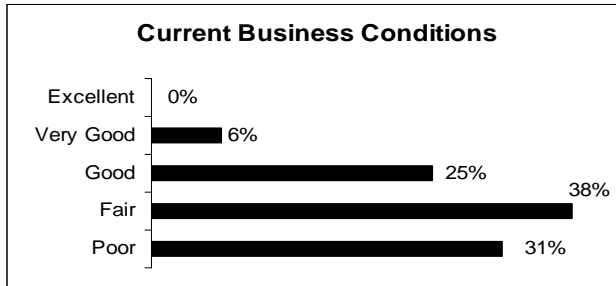


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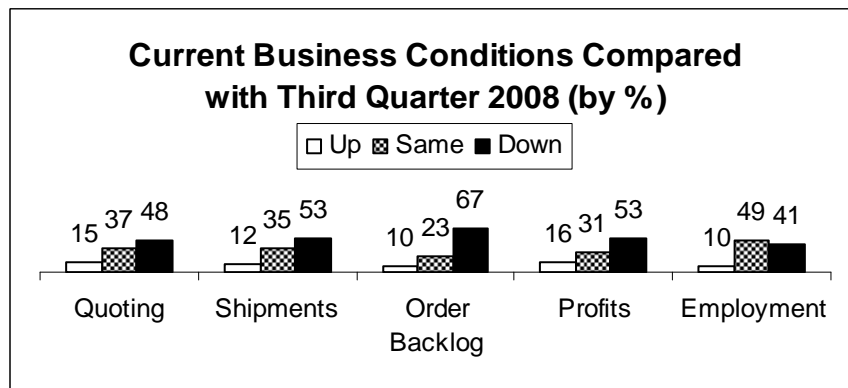
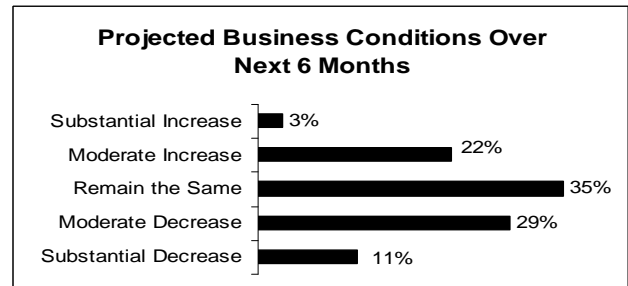
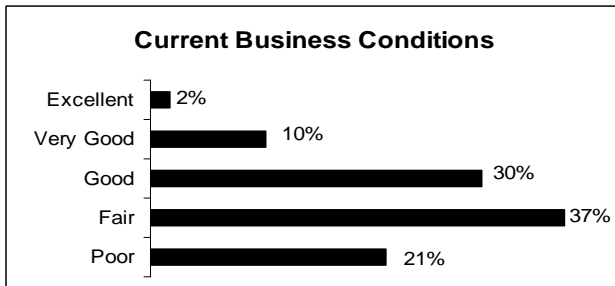
USA



SPECIAL MACHINES SECTOR
(32 survey responses)



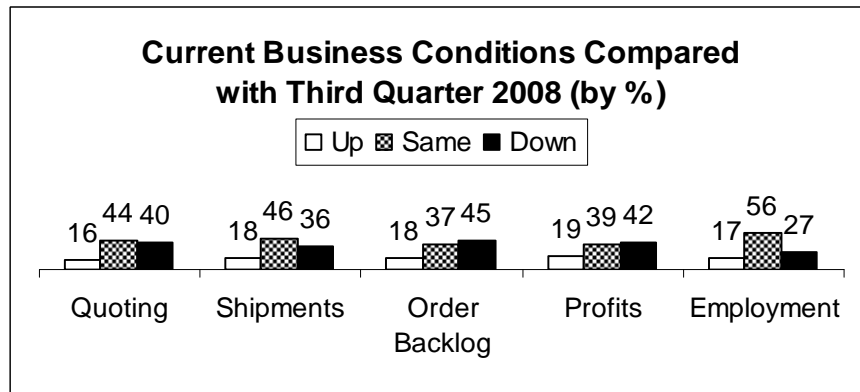
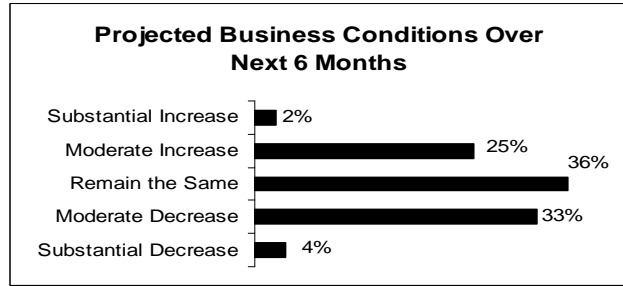
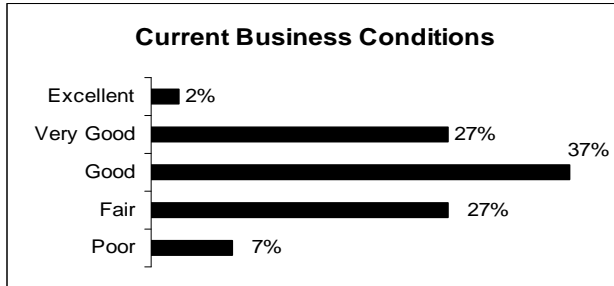
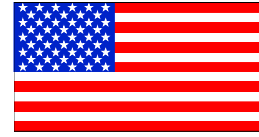
PRECISION MACHINING SECTOR (excluding Aerospace)
(176 survey responses)



ISTMA-AMERICAS BUSINESS CONDITIONS REPORT
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USA

AEROSPACE MACHINING & FABRICATION SECTOR
 (83 survey responses)



METAL FABRICATION & STAMPING
 (29 survey responses)

