

Prepared March 2009
(for the period ending 12/31/2008)

Overall Survey Results
Results by Industry Segment
Results by Geographic Region
Member Comments by Industry Segment



National Tooling & Machining Association

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March 2009

Dear Member:

Not surprisingly, given the severe recessionary economy, business conditions have fallen precipitously for NTMA member companies over the past six months according to the March 2009 NTMA 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 70 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.

Thanks to the 419 NTMA member companies (25.6% of membership) that participated in the January, 2009 NTMA Business Conditions Survey

Sincerely,

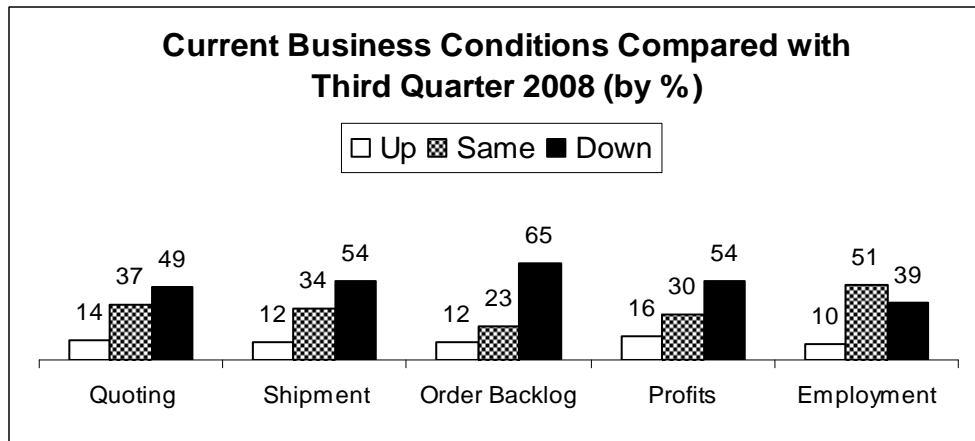
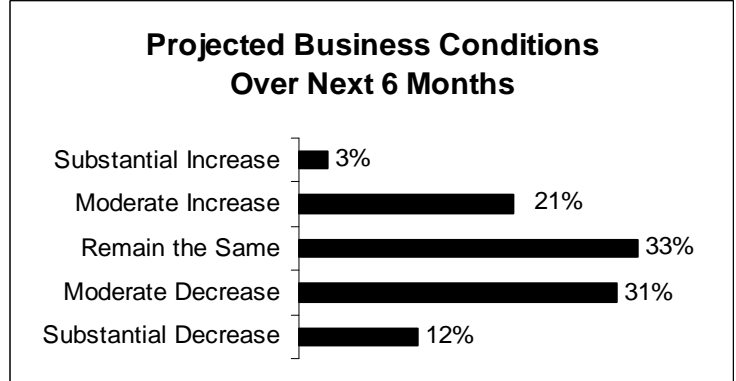
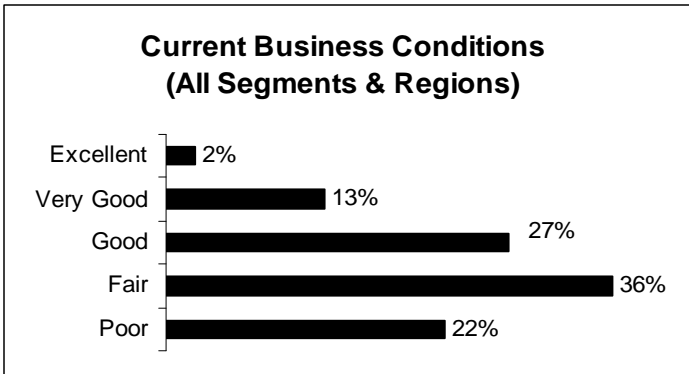
A handwritten signature in black ink, appearing to read 'Thomas H. Garcia', written over a horizontal line.

Thomas H. Garcia
Director, Business Development



December 2008 NTMA Business Conditions Report

The December 31, 2008 reports from 419 NTMA member companies (25.6% of total membership).



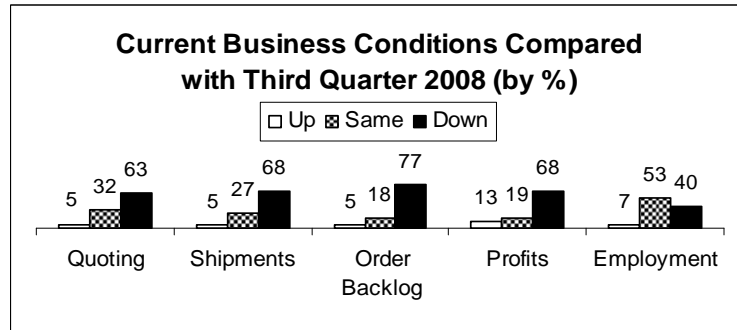
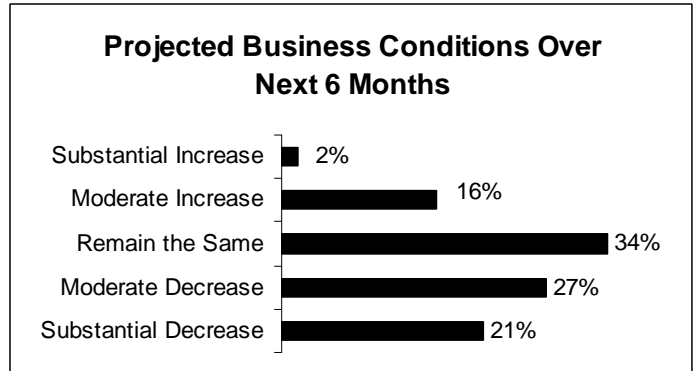
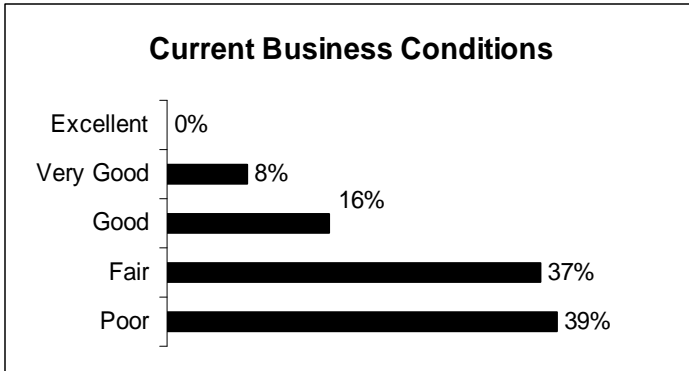
Future Work on Books (Average): 13.3 Weeks

Current Average Workweek Per Skilled Employee (hours per week): 43.5

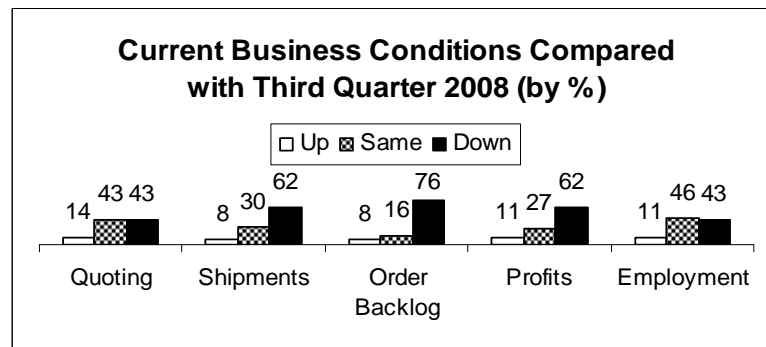
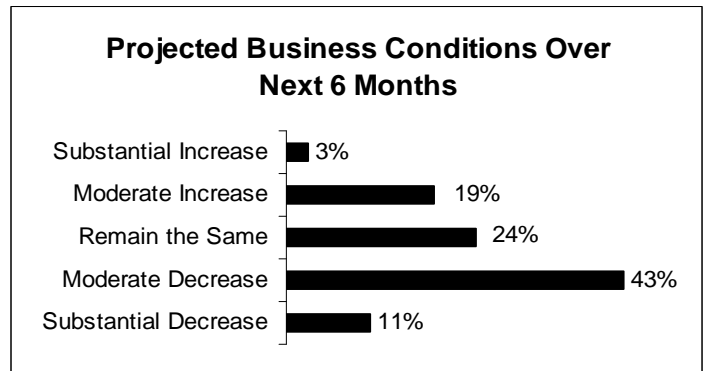
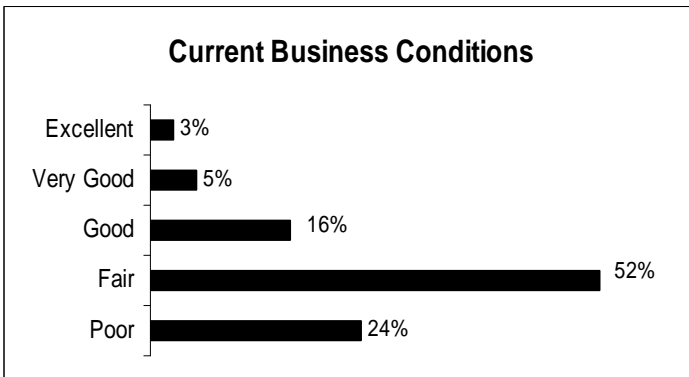
Total number of employees as of June 30, 2008 = 20,171

Total number of employees as of December 31, 2007 = 19,553

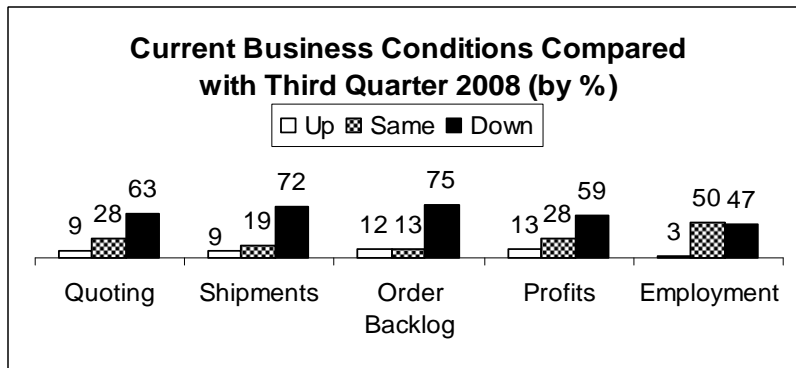
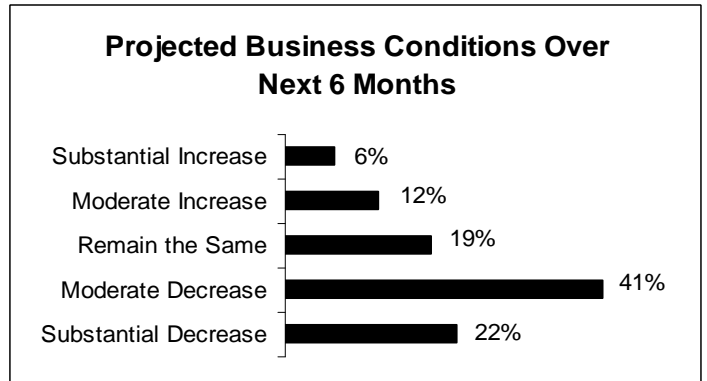
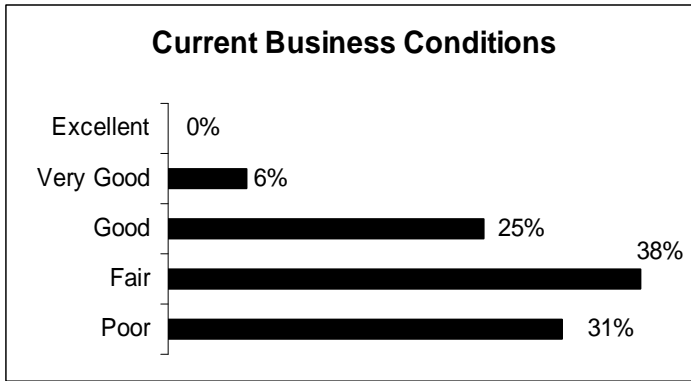
BUSINESS CONDITIONS (By Industry Segment)
TOOLS, DIES & FIXTURES
 (62 responses)



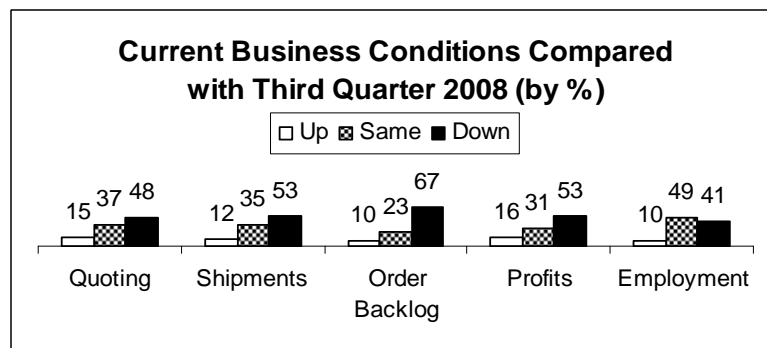
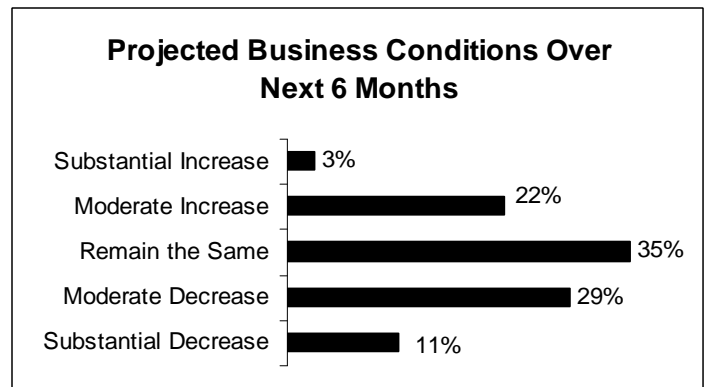
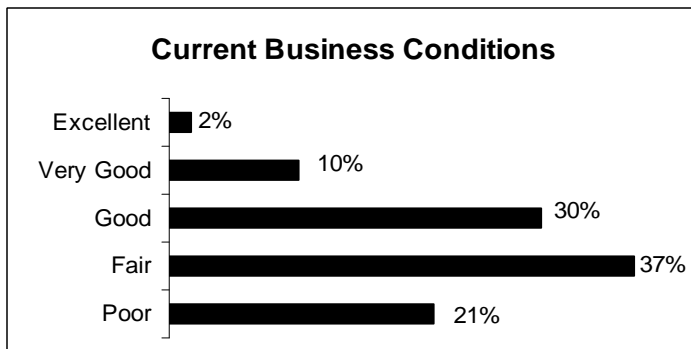
MOLDS
 (37 responses)



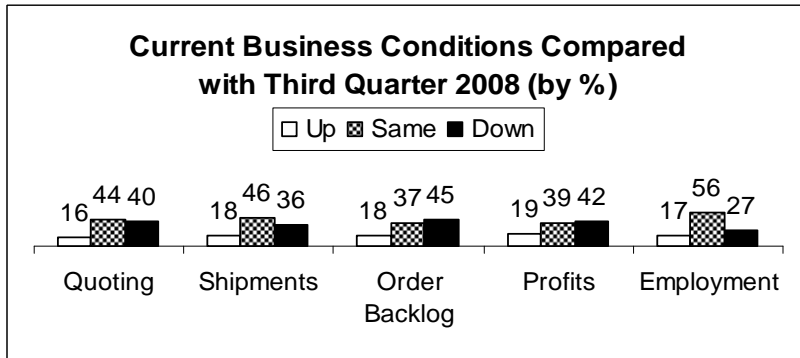
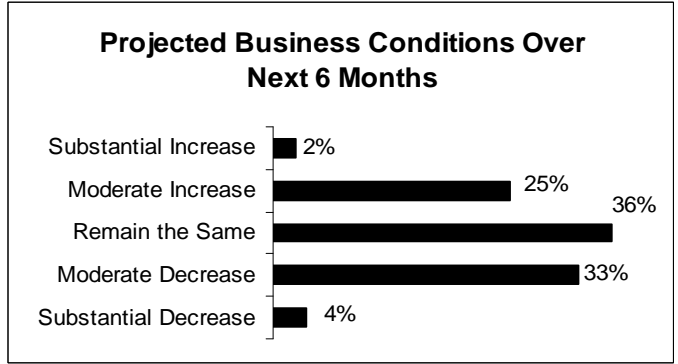
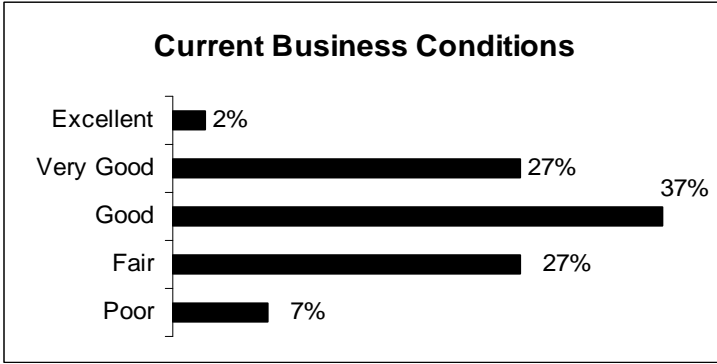
SPECIAL MACHINES
(32 responses)



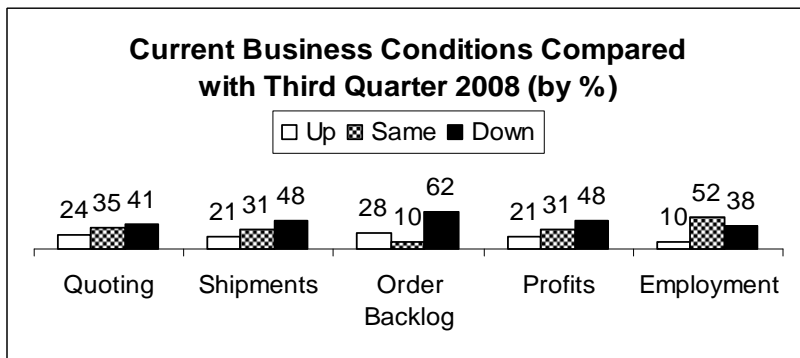
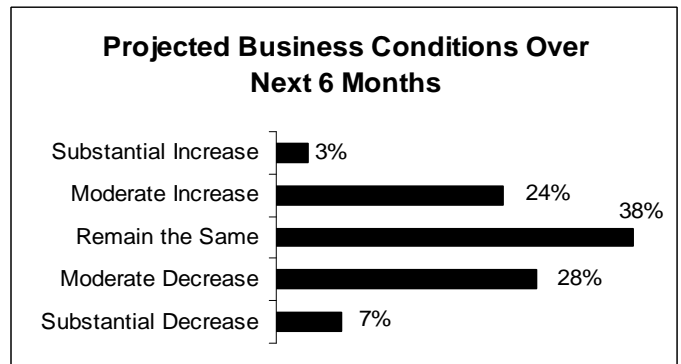
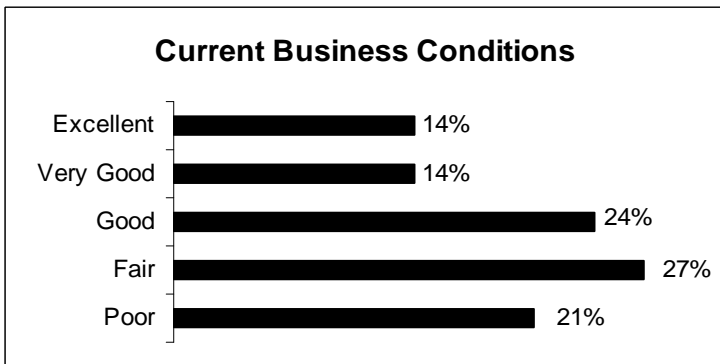
PRECISION MACHINING (excluding Aerospace)
(176 responses)



AEROSPACE MACHINING & FABRICATION
(83 responses)

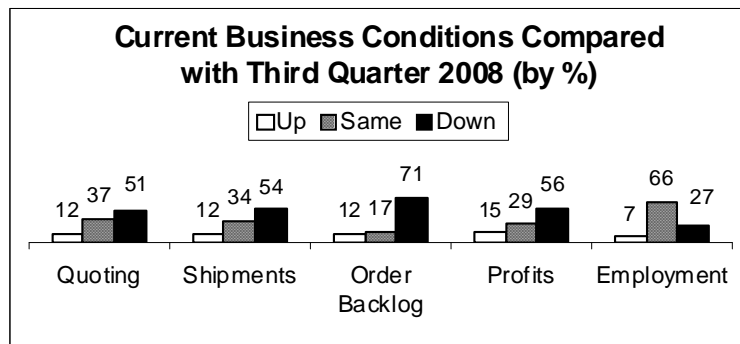
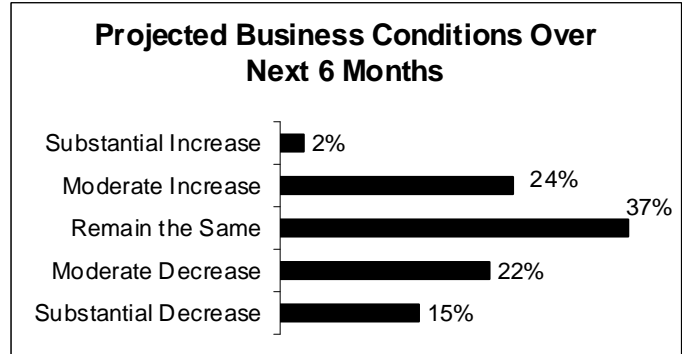
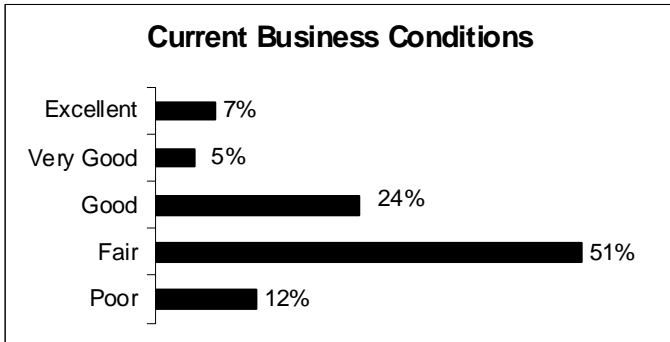


METAL FABRICATION & STAMPING
(29 responses)

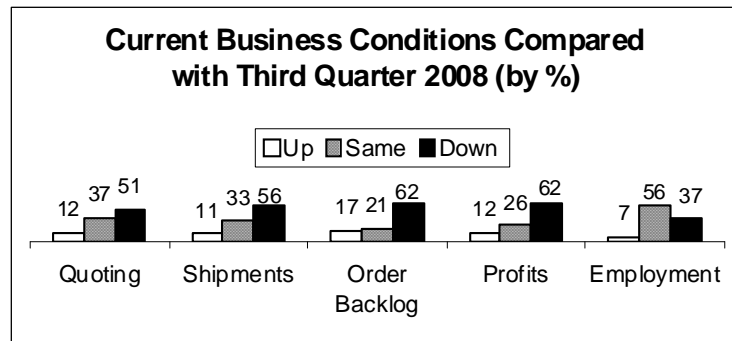
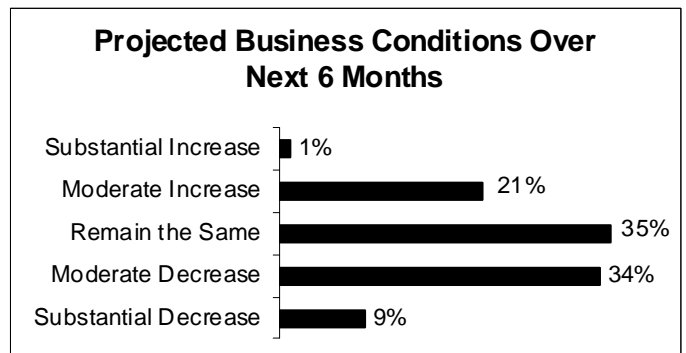
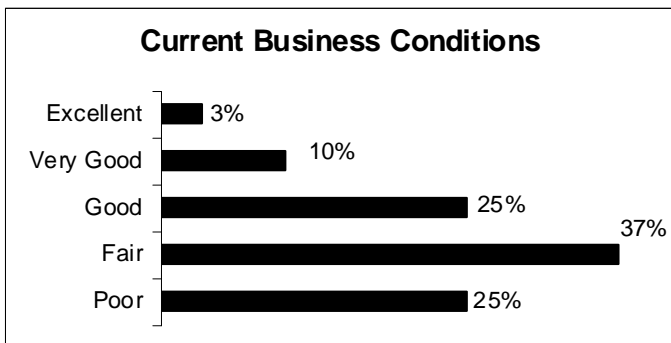


BUSINESS CONDITIONS (By Geographic Region)

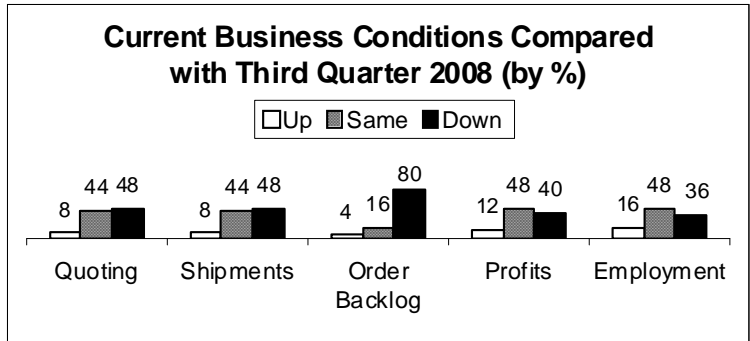
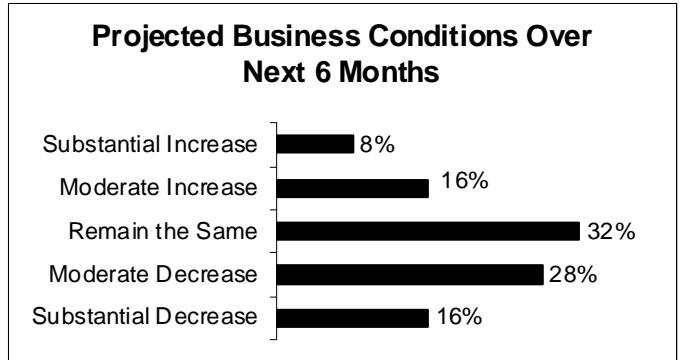
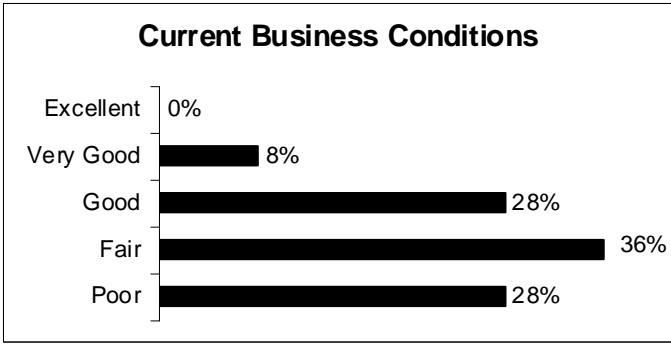
**NEW ENGLAND (ME, VT, RI, NH, MA, CT)
(41 responses)**



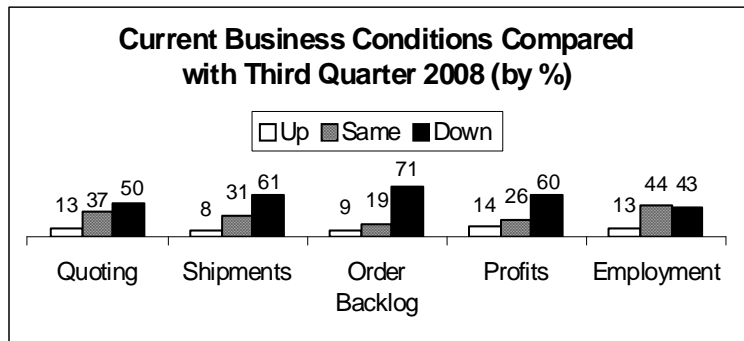
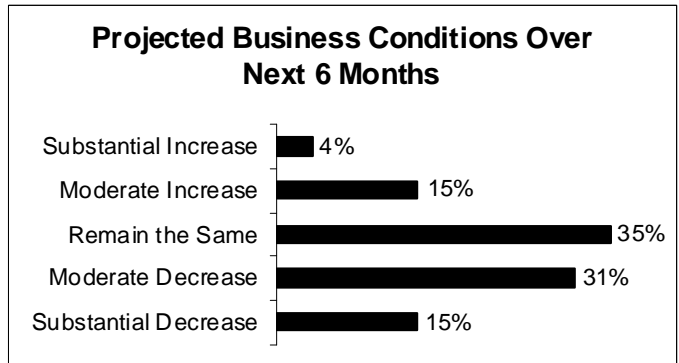
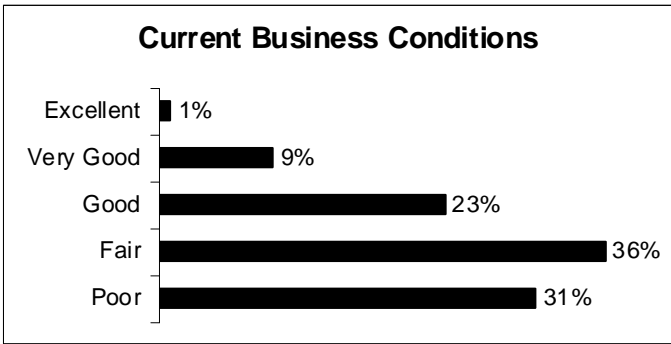
**NORTHEASTERN CENTRAL (DC, NY, PA, NJ, DE, MD, WV, VA)
(89 responses)**



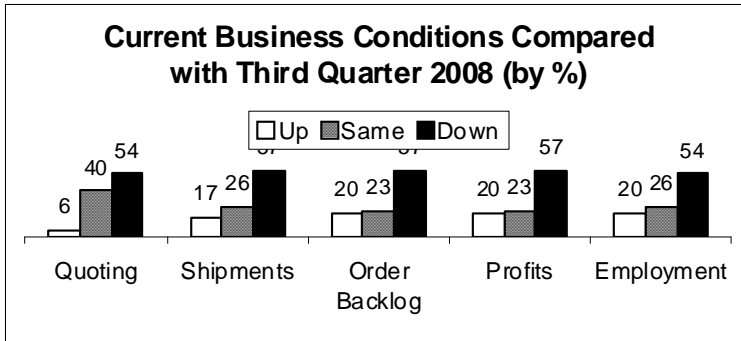
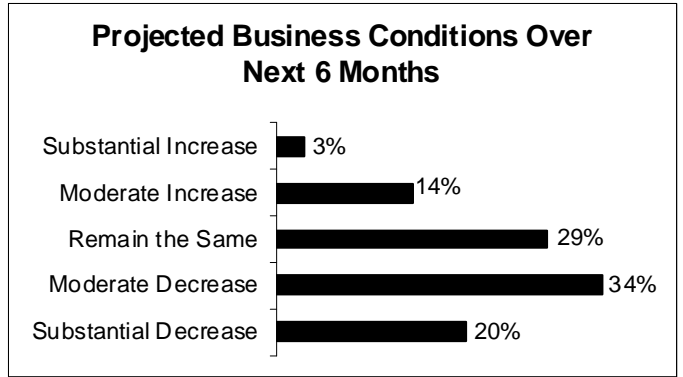
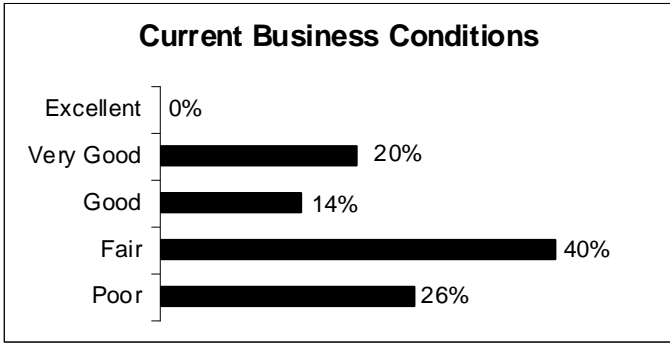
SOUTHEASTERN (FL, KY, NC, SC, TN, GA, AL, MS)
(25 responses)



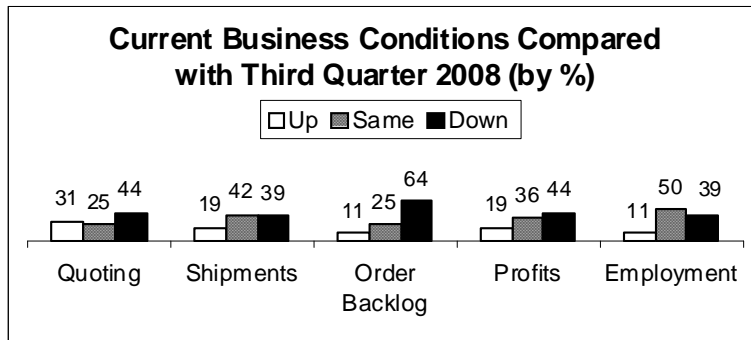
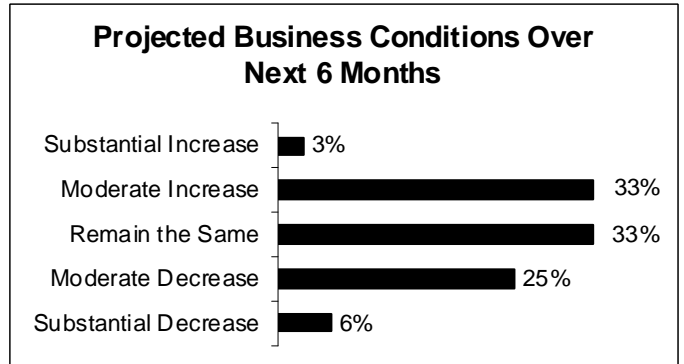
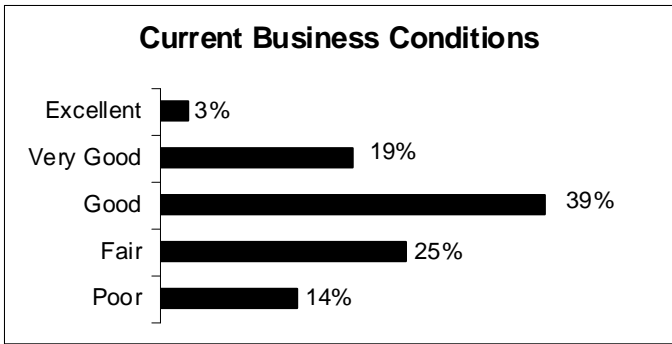
NORTH CENTRAL (OH, MI, IL, IN, WI)
(108 responses)



CENTRAL (IA, MO, NE, KS, MN)
(35 responses)



CENTRAL SOUTHWEST (AR, LA, OK, TX, NM, CO)
(36 responses)

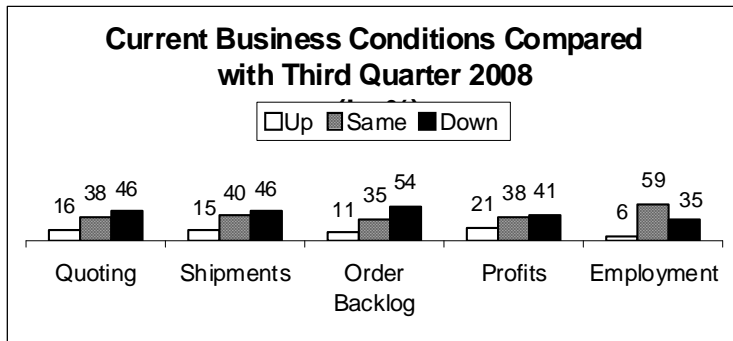
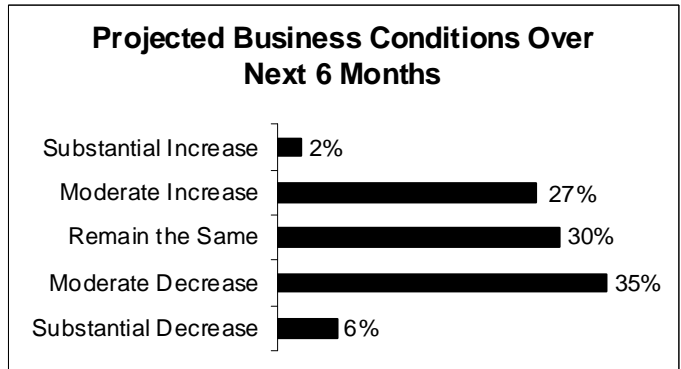
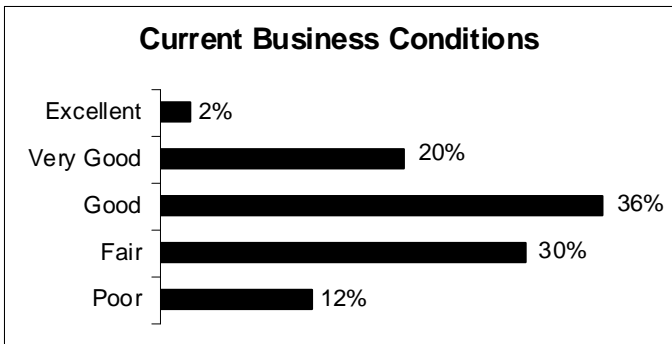


CENTRAL NORTHWEST (ND, SD, MT, WY)
(1 response)

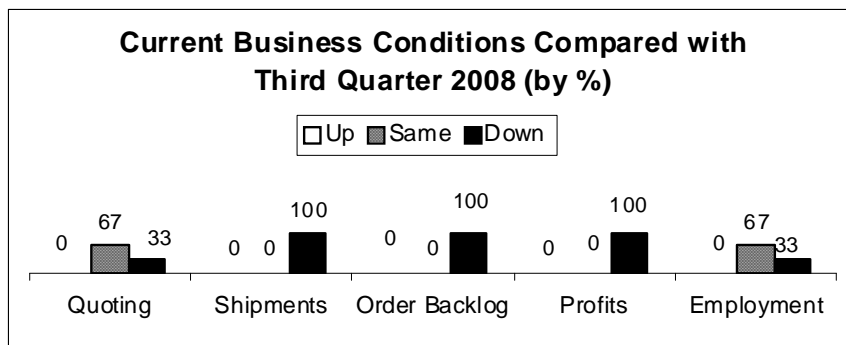
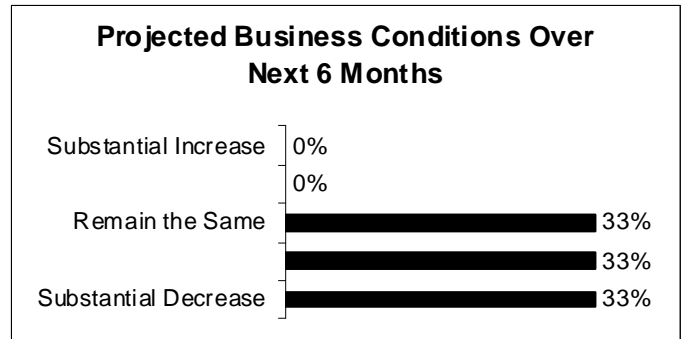
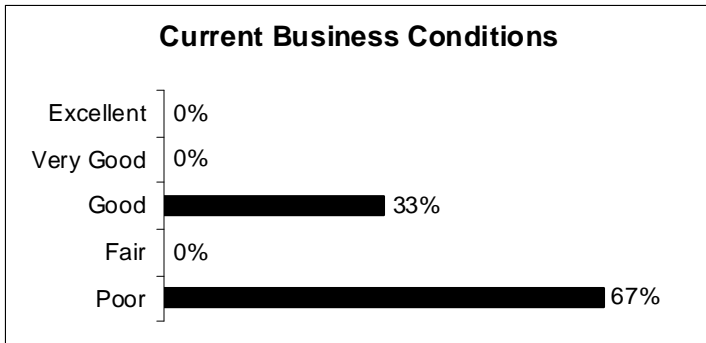
Current Business Conditions: Good
Projected Business Conditions Over Next 6 Months: Moderate Decrease
Current Business Conditions Compared with Third Quarter 2008:

Quoting: Same
Shipments: Down
Order Backlog: Down
Profits: Down
Employment: Down

GREATER PACIFIC SOUTHWEST (CA, NV, AZ, UT)
(81 responses)



GREATER PACIFIC NORTHWEST (ID, WA, OR)
(3 responses)



MEMBER COMMENTS

(By Industry Sector)

Aerospace Machining & Fabrication

2008 will be strongest year ever. 2009 is uncertain. Incoming orders are always slow at year end. The next 6 weeks will tell us alot about 2009. (New England; 66 Employees)

Banks are useless.
(Greater Pacific Southwest; 10 Employees)

Business flat to slightly down.
(New England; 203 Employees)

Business has remained surprisingly strong for the beginning of the year.
(Greater Pacific Southwest; 24 Employees)

Concerned about second half of 2009.
(New England; 73 Employees)

Feeling good about today, but worried for 2010.
(Central; 525 Employees)

Future work does not include long term contracts.
(Greater Pacific Southwest; 52 Employees)

I read it in the news somewhere and it made me mad: "the exodus of manufacturing..."
(Greater Pacific Southwest; 14 Employees)

Now is the time to continue to invest in productivity projects.
(Greater Pacific Southwest; 79 Employees)

Our business is 50% Aerospace & 50% Commercial. While our backlog is down from last year, we're anticipating it to improve significatnly soon.
(Central Southwest; 25 Employees)

Our customers say the slowdown will happen soon. (Greater Pacific Southwest; 25 Employees)

Semiconductor is dead; will not pick up for 12 months.
(Greater Pacific Southwest; 250 Employees)

Significant pricing pressures from customers.
(North Central; 160 Employees)

We are expecting a steady decline over the next year and a half to two years. During this cycle we expect 20% of our competitors to go out of business.
(Central; 120 Employees)

Would classify business conditions as "excellent" if credit was more easily available.
(Central; 58 Employees)

Metal Fabrication & Stamping

All we get is small run jobs. I wish some of the long running jobs could somehow return although that won't happen.
(New England; 15 Employees)

Building dies still very good. Design backlog down, stampings down as well as production machining and plastic molding.
(Central; 123 Employees)

Business could go either way. Current projections are optimistic, however, we have seen a number of order delays and cancelations.
(Central Southwest; 125 Employees)

Looks bad.
(Central Southwest; 13 Employees)

The business climate across all of our sectors is just very slow and the outlook is not good.
(Greater Pacific Southwest; 14 Employees)

We have gone into survival mode because of the bail out of this Administration and the next Administration will raise taxes on small business. (Central Southwest; 9 Employees)

Molds

Auromotive slow down is having a dramatic affect. (Northeastern Central; 30 Employees)

Business is very slow. We would work 24 hours/5 days per week. Now we are working one shift 5 days per week.
(Central Southwest; 19 Employees)

Current appraisal of where this economy is heading based on Obama payoffs this country is on its way down like no other. Common sense has long escaped!
(Northeastern Central; 15 Employees)

Looks very poor over the next several months. We are a high percent in Automotive.
(Northeastern Central; 80 Employees)

Most customers working less than 4 days per week. (North Central; 99 Employees)

Our good fortune maybe be related to the fact that we have very little automotive related products or customers. (Central; 44 Employees)

This is for our tooling division only . We are a contract manufacture. (Northeastern Central; 25 Employees)

Very bleak conditions...maybe we should send more work overseas.
(North Central; 14 Employees)

Worst conditions I have ever seen. Large companies are not spending money and small companies will suffer.
(North Central; 40 Employees)

Precision Machining (excluding Aerospace)

2 weeks backlog is normal. I do expect a slowdown sometime in 2009. We are keeping a positive attitude and seeking out new work everyday. (Central; 13 Employees)

2008 best year in our 50 year history. 2009 we guess will be off 10 to 20 %, but we really can't tell. (North Central; 87 Employees)

2008 revenue 2% less than 2007. Profitability down slightly from 2007. Purchased new CNC large lathe to provide new capability, expand markets. (North Central; 18 Employees)

4th quarter significantly down from previous three. Q1 2009 looking more like Q3 2008, better than 4th, but not good.
(Northeastern Central; 21 Employees)

All Customers are having major issues.
(North Central; 19 Employees)

All sectors, oil and gas, aerospace, power gen are weakening. Customers asking for price concessions. (New England; 270 Employees)

All is okay.
(Central Southwest; 10 Employees)

Auto work is slow, military is strong.
(North Central; 160 Employees)

Employees on shared work program.
(Northeastern Central; 48 Employees)

Energy continues to place orders (majority of backlog). Large durable equipment orders slowing. Selling replacement parts no large projects. (Central Southwest; 22 Employees)

I am seeing the purchasing of contracts being pushed out one to two months.
(North Central; 127 Employees)

Ironically, 2008 will be our best year ever in 16 yrs, but 4th qtr was a disaster. This slowdown came the fastest & most severe we have ever seen. (Southeastern; 15 Employees)

Keeping an eye on cash flow, and making cuts to all areas of the business, as well as working to increase sales. (North Central; 19 Employees)

Lower revenue being replaced with new work to offset downturn. (North Central; 130 Employees)

Lowest backlog in 15 years.
(Northeastern Central; 23 Employees)

Orders are smaller and more urgent.
(North Central; 13 Employees)

Seems like the orders just dropped of a cliff.
(Greater Pacific Southwest; 2 Employees)

Some customers down 40% or more...with more joining the ranks. (Central; 25 Employees)

The future is a total unknown.
(Central; 50 Employees)

This is the most significant down turn that I have seen in 35 years in the business. There is very little work available. Hope it improves soon. (North Central; 37 Employees)

We are adding 2 or 3 new substantial new customers. The new work is based on a renewed emphasis on sales and service.
(Greater Pacific Southwest; 27 Employees)

We are hearing that things are going to improve sometime midway through the first quarter. And hoping that is the case. It has been hard.
(New England; 5 Employees)

We have yearly forecasts from most of our customers that are filled daily or weekly. This makes it difficult to come up with a number for # 9 (backlog).
(Northeastern Central; 35 Employees)

We will need to cut staff early in 2009 based upon current and projected business for the first half of the year. (North Central; 19.5 Employees)

Special Machines

Capital equipment market is collapsing rapidly. Poor expectation for 2009.
(North Central; 180 Employees)

Capital spending was put on hold which stopped our projects. (North Central; 24 Employees)

Could always be better, but happy with the quoting activity, and backlog.
(North Central; 84 Employees)

Customers are expecting continuing slow down thur 3rd quarter 2009.

(Greater Pacific Southwest; 6 Employees)
It's tough right now.
(North Central; 6 Employees)

Our vinyl siding industry has been hit hard from both ends. (Central; 15 Employees)

Phones are not ringing...attitude right after the new year will dictate pace for next 3 months.
(New England; 30 Employees)

Poorest conditions in years
(North Central; 18 Employees)

There is work out there. It's just much harder to find it. (Greater Pacific Southwest; 18 Employees)

Tough, ugly, cut throat, scary, Darwinian conditions....say a prayer for us and let's hope the stimulus package gets some check books opened up. (Northeastern Central; 25 Employees)

Typical turnaround is 3-5 days in my shop - laser marking. (Greater Pacific Southwest; 6 Employees)

We are hopeful for 2009. It looks like a rebirth of manufacturing in the U.S. Say no to government intervention. Freedom to fail is essential. (Greater Pacific Southwest; 24 Employees)

Tools, Dies & Fixtures

Activity is low because our primary customer changed to a new accounting system. We are getting our shop rate and making a profit.
(Greater Pacific Southwest; 6 Employees)

Business sucks. (North Central; 42 Employees)

Customers are generally positive, with good incoming orders and backlog. Looking for stabilization and then modest improvement.
(North Central; 725 Employees)

Day to day work with customers closed during holidays and Jan. partially. (Southeastern; 8 Employees)

Worse business in 23 years.
(Northeastern Central; 12 Employees)

Diversified Tooling Group continues to Program Manage our customers stamping dies in China due to Global Pricing.
(North Central; 240 Employees)

Future looks encouraging.
(North Central; 18 Employees)

How many ways can you say Lousy! While there's still someone left working, we need to get someone in Washington who gives a damn about manufacturing!
(New England; 10 Employees)

It's a whole lot more comfortable having my trust in Christ rather than in the economy
(Greater Pacific Southwest; 14 Employees)

Just left a die shop that sent 100 tools to China.
(North Central; 7 Employees)

Our concern for 2009 is not just getting work, but getting paid for the work that we do. Are our customers going to be around? Bank credit tightening. (North Central; 31 Employees)

Outlook dimming
(North Central; 196 Employees)

The economy is certainly putting a crunch on us. (Northeastern Central; 21 Employees)

This is the slowest I've ever seen business.
(Northeastern Central; 3 Employees)

Very slow. Have had several projects put on hold due to overall slowdown of automotive and the economy. (North Central; 23 Employees)

We are hoping to stay open. Outlook not good.
(North Central; 3 Employees)

We don't need another trillion dollar infusion into the economy. The previous infusion(s) will probably overheat things given time to take root.
(North Central; 21 Employees)