



Axis

Our World Revolves Around Our Customers

Q2 2007

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ROD PRICES FORCE FULL CAPACITY

In the world of supply and demand – and we do mean *world* in the literal sense - rod costs are registering their highest prices with no apparent reprieve in the forecast. With the stroke of a governmental pen, the once government-subsidized Chinese rod market is now running neck and neck with our own domestic high-carbon rod.

To address the concern of world trade partners, which was spiking as high as the upward trend of Chinese export rod, the Chinese government initiated an export tax. Effective June 1, all carbon steel rod exported from China became subject to a 10% tax. But in no way did this technicality thwart China's production bonanza. Instead, it caused a two-fold result - diminished

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export shipping, and secondly, prices on the export rod have become higher than our domestic prices. The ripple effect has the highly sought after domestic rod now being pursued by a wider range of North American manufacturers driving the prices and supply to the extremes. In short – capacity is maxed-out both in North America and China.

WRCA has always maintained the highest quality of carbon steel rod to produce the products you have come to expect. As you can see by the brief summary above, this quality comes at an ever growing price. Be assured, every day we monitor the way we do business so YOUR business can be profitable.

A Note From Ira

The Q2 issue of Axis continues where our inaugural issue left off - informing you of the ongoing changes at WRCA. Not only do I hope you enjoy keeping up with our progress, but that you equally enjoy the benefits from the results of our efforts. Also, we are distributing Axis both in hardcopy as well as electronically via our website, www.wrca.com. Please feel free to pass this hardcopy or link to your colleagues and coworkers. It's good reading no matter which medium you prefer!

Just as important as the above mentioned improvements, are the changes outside WRCA that impact our markets and your business. Our lead article discusses the actions taken by the Chinese government regarding steel exports. The worldwide steel market has felt the increase in prices coming from China due to the removal of export incentives of basic steel products. With Chinese rod prices at or above domestic levels, U.S. and Mexican rod mills have been filling their capacity and raising prices.

We hope this situation will level out through the balance of the year, but in the meantime, WRCA has minimized the impact of this demand shift through our strong supplier relationships. Know that we are doing everything we can to keep the cost of doing business contained.

Thank you for your support of WRCA!

PERFORMANCE IMPROVEMENT TEAMS

One of the key agenda items for the Performance Improvement Teams this year has been to improve our delivery responsiveness. A series of actions have been taken, but one of the most significant tasks related to on-time performance in our manufacturing locations. We measure on-time performance using three metrics – percent on time, number of jobs late and not complete (LANC) and total number of days late of all jobs which we call the "severity rate". With the efforts of the manufacturing team, tremendous progress has been made on all three fronts.

Among the changes we improved the tracking and coordination of wire flow and logistics throughout our manufacturing system resulting in large reductions in downtime due to wire shortages. Our on-time performance has consistently risen and our LANC and severity rate have dropped dramatically. All this means more inventory available for immediate shipment and shorter, more reliable lead times for items coming from production. We hope you have noticed!



LoadStar™

with PowerSteel® Technology

When LoadStar™ made its debut, the days of the container crane industry settling on general purpose rope became a thing of the past. Utilizing WRCA's exclusive *Power Steel® Technology*, our engineers developed a rope that exceeded even our own demanding standards. LoadStar™ has not only become the preferred rope for container cranes, but also for any equipment requiring multi-sheave and repetition-intensive operations. But don't take our word for it - the proof is in the actual performance! Rather than the traditional 6 x 36 rope, LoadStar™ is the rope of choice in such applications as overhead hoists and saw mill carriage ropes. Additionally, LoadStar™ has demonstrated its diversity and longevity when used in winch applications.

**LIFT IN SERVICE LIFE
GUARANTEE**

When tested against the standard 6 x 36 rope, relative breaking strength comparisons show LoadStar™ maintains 103% strength - a 46% increase at the time the standard rope

failed. Even more impressive were the relative rope life comparisons. The term comparison being loosely used here, as there is none! While the others (illustrated right) suffered fatigue failure, LoadStar™ continued at full integrity.

To find out how to make LoadStar™ your workhorse, contact your district sales manager today.

TUF-STRAND™ LITERATURE

As WRCA has become the standard that all others are measured by for quality components in the structural construction arena, we have also established the same perfection when it comes to comprehensive marketing materials.

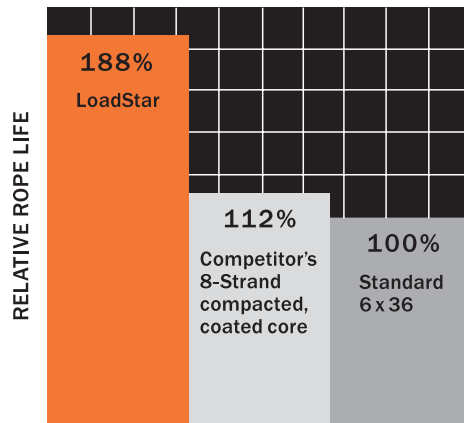
Giving credence to that reputation is the latest publication issued by the WRCA Marketing Department. This past Spring saw the unveiling of the Tuf-Strand™ Structural Products brochure (Form 2005a). Contained within its covers is another collection of color photographs that have come to signify the quality of WRCA literature. As aesthetically pleasing as the literature looks and feels, the bread and butter of the publication is in the illustrations and tables detailing pertinent information necessary for designers and project managers to refer to when specifying their structural needs.



Pictured above: The new Tuf-Strand™ Structural Products brochure.

Once again, we have added another resource that is a must-have for any architect, engineer or anyone that is needing reliable information specifically on structural strand for their building projects. For your copy of this and any other WRCA literature, ask your district sales manager or email your request to info@wrca.com.

LoadStar™ FATIGUE LIFE COMPARISON



CAPITAL INVESTMENTS FOR MEXICO FACILITIES

WRCA has made significant capital improvements in Mexico investing in several new pieces of equipment. This new machinery will allow a wider array of production possibilities while increasing the speed and efficiency at the Mexican facilities.

Three drawing machines, two of which have been installed and a third will be completed in July, will produce wire ranging in 0.008mm to 0.036mm. Six high speed re-spoolers will be arriving in the coming weeks and should be fully installed and operating by mid August. To go along with this new purchase, we also allotted for new steel reels that will feed the product to the re-spoolers.

With an aggressive company-wide capital investment plan well underway, 40% of the plan has been earmarked for Mexico improvements. To date, these projects are progressing rapidly and successfully.

CHANGING OF THE GUARD

WRCA will witness the passing of the torch at the end of July when Sales Director Wayne Anderson turns over his duties to Jeff Steimer. Anderson has been involved in the wire rope industry for 38 years, and his career and integrity can be characterized as nothing short of exceptional. We wish Wayne and his wife, Judy, a wonderful and well deserved retirement.



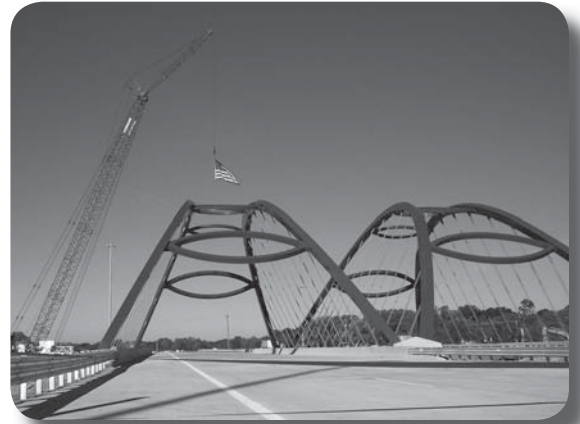
*Retiring Director of Sales
- Wayne Anderson*

As mentioned above, Jeff Steimer, will become the new Sales Director for the Oilfield, Logging and Marine groups. Jeff's impressive 24-year wire rope industry background includes ten years of extensive oilfield experience in the Houston area, coinciding with industry accolades leading to manager and director capacities.

With Steimer shifting to his new duties, John Embrey has been promoted from the Midwest District Sales Manager to Sales Director of General Purpose products. His 30 years of combined wire rope manufacturing and sales expertise make John a perfect fit to oversee this industry group.

A GRACEFUL REPLACEMENT — DETROIT'S GATEWAY BRIDGE

When the time comes to replace an old highway structure, it is also an opportunity to build something as artistic as it is functional. A stretch of a Michigan interstate has undergone such a transformation. As part of a \$55 million upgrade to I-94 between downtown Detroit and the airport, the Gateway Bridge replaced a previous 4-span structure. The graceful arches soar 70' above a concrete deck that links east and west abutments with a single 246' span. WRCA supplied the hanger assemblies consisting of 1-5/8" and 1-1/2" ASTM A586 structural strand with Class C coated wires throughout.

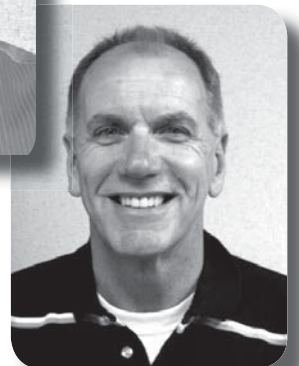


Pictured above: The Gateway Bridges between downtown Detroit and the airport.

DISTRICT SALES MANAGERS NAMED

Retirements and promotions have allowed our organization to make some excellent additions to our sales force. These men bring years of field expertise that add even more value to doing business with WRCA.

Jeff Loose has joined the EMC sales force bringing ten years of oilfield experience to the electromechanical field. Marlo Schlomer has assumed the Casper territory. He also has an extensive background in oilfield operations. And finally, Greg Smith, 11-year WRCA Safety Coordinator, will round out the additions to the sales field filling the Kansas City position vacated by the promotion of John Embrey to Sales Director.



Pictured from top to bottom are: Jeff Loose, Marlo Schlomer and Greg Smith.

TRAFFORD SERVICE CENTER SETS THE STANDARD

When Trafford Service Center Manager, Mark Dillner, speaks of his staff and operations, it is with a great sense of accomplishment. Month after month, our northeast service center consistently combines first-rate customer service with outstanding on-time shipping resulting in an impressive one-to-two day turn around on most rope orders.

The customer service department, consisting of Marci Dillner, Melissa Magdic, Dana Patz and Sheri Robbins, have an extensive background in working with customers and their wire rope needs. The WRCA customer service department is your key



Front row left to right: Manager - Mark Dillner, Sheri Robbins, Dana Patz, Melissa Magdic, Marci Dillner and Gino Chiovitti. Center row left to right: Kenneth Sekanic, John Marcincak, Robert Lahosky, Debbie Mansfield and Joseph Vojtecky. Back row left to right: Fedjad Salkovic, Mark Prunty, John Sanner, Gordan Stoves, John Jack and Aaron Hobough.

to getting your pertinent information to initiate the manufacturing process efficiently and accurately.

Once your order is placed, the fabrication team works to produce it to your specifica-

tions and just as important - on time.

Whether the order is delivered to a local customer or being shipped to Guam, all logistics are arranged in-house for a smooth shipping process.