



Axis

Our World Revolves Around Our Customers

Q1 2007

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Investing In Your Future

While we have expanded through our joint venture in China and our acquisition of Wireline Works, we made significant investments in our operations in the U.S. and Mexico. These capital expenditures were made to increase capacity, improve productivity and/or enhance quality. Some of the key capital expenditures made in 2006 included:

Late in the year, we installed two new 14 die wire drawing benches – one for our Chillicothe wire mill and one for our Cuautitlan wire mill. These state of the art drawing machines improve our ability to draw wire more productively and eliminate breakdown processes in a range of critical wire diameters. These machines support our high carbon wire and wire rope businesses.

In conjunction with the new drawing equipment, we also purchased multiple high speed respoolers for all our plants. These respooling stations allow us to produce more wire in bulk and reduces overall wire inventory tied up on spe-

cific dimension spools. We can better control the spool packages as well, reducing wire breaks in stranding.

We moved 3 unused stranders from the U.S. to Vallejo which expanded our capacity to meet the growing demand for wire rope in the Mexican market.

We also relocated two rotary swagers to Vallejo for the production of swaged logging ropes sold primarily in the northwestern U.S. under the WRCA International brand.

Last fall, we installed a new mid-sized buncher in St. Joseph – this style of stranding equipment provides additional capacity for several critical product lines which has helped us strengthen our inventory positions.

As you read this, we have already started implementing our 2007 capital plan which will include more high speed wire drawing and stranding equipment. This equipment will be installed in our plants in Mexico, Texas and Missouri.

**2006 CAPITAL PLANS
INCLUDED HIGH SPEED
WIRE DRAWING
AND STRANDING
EQUIPMENT**

A Note From Ira

Dear Customers,
In response to information gathered through our market survey last year, we are excited to send you our new quarterly newsletter – WRCA Axis.

In the survey, you suggested that we needed to communicate more with you, so this is one way we are trying to do it. We will publish Axis quarterly to tell you about our progress, our plans, market developments and major jobs. We may even brag a little.

We are excited about our future and want you to know what we are doing to become the best supplier in the market. You will be updated on major projects, key marketing plans, acquisitions and capital investments. Axis will cover the global scope of WRCA, yet focus on key issues that relate to you.

We hope you will enjoy reading Axis each quarter. Since we created it for you, we want to know if there are any specific topics you want included. If so, please let us know by mentioning them to a member of our sales team or submit comments at our website - www.wrca.com.

Thank you for your business and the support of WRCA.

Cordially,

Ira Glazer
CEO

Performance Improvement Teams

Last summer, we enlisted the services of a marketing research firm to assess how we were performing for our customers in the United States. The results of this survey were very positive overall, but you helped us to identify some areas that we could continue to improve. So, we formed Performance Improvement Teams (PIT Crews) to focus on these issues.

The PIT Crews were composed of staff members from all areas...finance, sales, manufacturing, marketing. At our International Sales Meeting last fall, we also asked our sales and service team for additional input. Based on all this work, nearly 50 initiatives were identified to help us improve our deliveries, our re-

sponse times and our communication for you.

We are constantly tracking and monitoring our progress on these initia-

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tives and many of them have been completed. One example of a PIT initiative relates to our quotation re-

sponsiveness. On any non-standard item, we have had a product evaluation process involving engineering, costing, production, product management and customer service. Needless to say, this process takes time, but is very accurate. However, as we studied the issue, we realized that many of these quotes do not need this level of accuracy. So, we developed some shortcuts to the process with guidelines that our product managers can use to estimate costs. This change was just implemented following training of personnel but is resulting in faster responses to you!

In future issues of Axis, we will highlight other improvements kicked off by the PIT Crews.

New CD Catalog Released

THE CALCULATORS ON THIS CD ARE VALUABLE TOOLS

The 2007 version of WRCA's interactive catalog CD has been released. This updated edition has information on our new products including XLT⁴, LoadStar, PowerMax, PowerMax MD and Apex, plus new and improved calculators and expanded information on product usage and applications. In addition, a Search feature and a site map have been incorporated.

Virtually all of the information in our printed literature is included in the CD. There are several videos, including a Virtual Manufacturing Tour which illustrates each step of our manufacturing

process from rope design to finished wire rope. The calculators on this CD are valuable tools which assist users in metric conversions, determining drum capacity, sling loads, block stability and more. The wire rope application section provides a list of wire rope selection alternatives to help users choose the rope that's right for their application.

To request copies of the WRCA Interactive Catalog, please email wirerope@wrca.com.



Pictured above is the new 2007 version of the WRCA Interactive Catalog.

WRCA Innovation

Among the many items featured in your quarterly issue of *Axis*, we will showcase recently introduced products. In this debut edition, the article below will acquaint you with TUF-MAX[™], a product that benefits from the application of PowerSteel Technology[®]. This exclusive process incorporates all phases of wire rope design and manufacturing into a single unified system. From application analysis, to engineering design, state of the art metallurgy, innovative manufacturing techniques and control, and even to product handling, we evaluate, monitor and record each step to assure the highest standards of quality and performance.

WRCA Develops Enhanced TUF-MAX Shovel Hoist Rope

Just a couple of years ago, we introduced a new shovel hoist rope, TUF-MAX, to the international mining market. Today, this product line has become a market leader, setting performance records and increasing service life around the world.

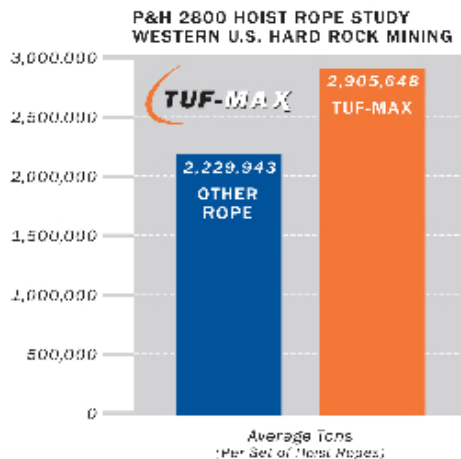
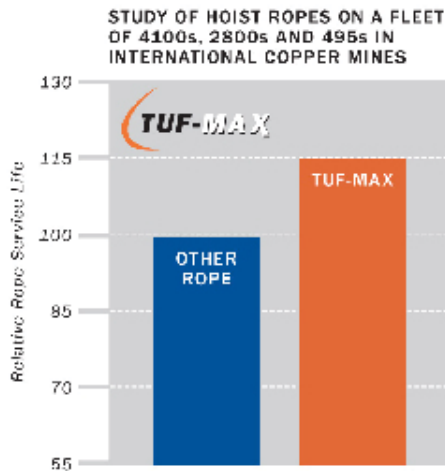
Manufactured to stand up under the most rigorous conditions, TUF-MAX has proven itself in the field. In a study in the western United States on P&H 2800 shovels, TUF-MAX hoist ropes outperformed a leading competitor in average tons moved by 30%. Other TUF-MAX field tests showed similar results. A copper mining company in South America saw a 20+% increase in service life on their P&H 4100s. Another



mining company in the western U.S. experienced a 50% increase in P&H 4100 rope service life with TUF-MAX compared to 6-strand uncoated hoist ropes.

At WRCA, we custom-make TUF-MAX to the specified length in diameter sizes from 1-3/4" through 3". We also provide the full support of the most experienced engineers and technical advisors in the industry and on-time delivery.

Even though TUF-MAX is the best performing product on the market, we are continuing to explore ways to improve our service life. These changes are generally invisible to the user, but continue to help us raise the bar on wire rope service life on shovels.



Monterrey Subway Undergoes Much Needed Expansion



It comes as no surprise that Monterrey is booming and transportation has been key to keep up with the growth of this dynamic city in northern Mexico. The subway has proved to be an excellent means of transportation due to its efficiency and low environmental impact. Recently the City of San Nicolas (Monterrey) undertook the expansion of the system by adding 6.6 kilometers of elevated subway systems including six stations in one of the most important avenues.

WRCA supplied more than 1,700 tons of pre-stressed concrete strand (bare as well as extruded). Using steel strand allowed taller and thinner concrete structures that translate into receiving more natural light and improved aesthetics.

The prefabricator - VSL, a global leader in reinforcement systems, worked with WRCA to ensure the highest specifications for the job. This important expansion should be completed in August 2007.



609 North Second | St. Joseph, MO 64502

WRCA Acquires Wireline Works

WRCA has added a new member to our family. We have acquired privately-held Wireline Works, the North American market leader in electro-mechanical data logging cables used in cased hole applications.

Ira Glazer, CEO, stated, "We are very excited to add Wireline Works to our family of WRCA brands. Their technical expertise, great quality and outstanding service make them a perfect fit with the strategic direction of our company."

Canadian-based Wireline Works, which was founded in 2003, has built a strong reputation throughout Canada and the western United States for excellent quality and service for its single conductor logging cables.

Beyond its strong technology orientation, Wireline Works has built professional sales and operations teams which have allowed the company to expand rapidly during a strong oil and gas exploration market.

Wireline Works has focused on the cased hole segment of the market, which is after a well is drilled and cased. This application is not as technically demanding as the open hole segment so they typically use a single conductor cable. One of the more interesting services performed is perforating the well. In this operation, specialized explosives are deployed to the depth location of the oil or gas where they are set off to punch a hole in the casing to allow for flow of the oil or gas.

Through our market-leading Camesa brand of EM cable, WRCA serves both markets with single conductor and the more sophisticated multi-conductor cables used in open hole data logging. In this application, the well is drilled and then specialized instrumentation is lowered into the hole to map the down-hole geology, identify potential oil/gas production zones, determine formation porosity and permeability and detect

the hydrocarbons.

The existing Wireline Works management and sales team will remain in place. Rejean Lavoie has been named as vice president of Operations. Augusto Hoyos, who has managed the manufacturing operations since the Wireline Works began, will continue in his role as General Manager of the Calgary facility.

Commenting on the transaction, Lavoie stated, "Wireline Works will continue to seek the best solutions for the oil field servicing industry in specific areas of expertise such as product innovation, manufacturing and customer care. Joining a dynamic, progressive organization like WRCA will only strengthen our company and allow us to accelerate our plans for growth."

Our new owners, Fox Paine Capital Fund III, LP, played a key role in facilitating the acquisition and arranging the financing to close this transaction.