



URGENT
PLASTIC
SERVICES

Tool and Die Collaborative

2008

Objective

To provide the Honorable members of the City Council and the Mayor of Rochester Hills, Michigan with information regarding Urgent Plastic Services' (UPS) request for a Tool and Die designation under the Michigan Renaissance Zone Act, Public Act 376 of 1996.

UPS Facts

- Located at 2777 Product Drive
- Rochester Hills City taxpayer for 15 years
- Currently employ 68 people
- A tool and die manufacturer of plastic and metal tooling and components
- Servicing the automotive industry and several other emerging markets such as alternative energy and renewable energy

Operations

- The auto industry comprises approximately 50-60% of our customer base.
- The majority of automotive work is through Tier I & Tier II suppliers.
- Many of these companies in turn, work directly with the OEM's.

Operations

- In order of highest % to lowest, the OEMs that UPS supports are: GM & Related, Ford & Related, Chrysler & Related.
- UPS also sources work from non-domestic automotive manufacturers which include:
 - Honda
 - Nissan
 - Toyota
 - Daimler

Operations

- The auto industry, historically, has accounted for 75% - 80% of revenue.
- UPS has experienced an erosion of market share to lower cost suppliers (i.e. off-shore) and non-traditional sources (i.e. production houses).

Operations

- To replace the loss of revenue from the auto industry, Urgent Plastic Services has successfully engaged non-automotive industries which include:
 - Farming
 - Furniture
 - Aerospace
 - Telecommunications
 - Government/DOD contracting

Operations

- UPS is also a key supplier to the emerging sectors of alternative energy and renewable energy.
- This includes the design and development of fuel-cells and Lithium-Ion batteries.

Financial Performance

- From 2003-2007, Yearly Sales have fluctuated from a high of \$14.8 M to a low of \$7.5 M.
- The majority of this fluctuation is attributed to a reliance upon the auto industry.
- Net profits have ranged from a high of \$494,000 to a low of \$56,000.

Financial Performance

- UPS has seen some challenges in its work force.
- Today, UPS has 68 employees, down 10% from 2 years ago.

Financial Performance

- UPS has been forced to
 - Eliminate the company match for the 401(k) plan.
 - Temporarily reduce hourly wages.
 - Place restrictions on the number of hours for all employees.

Investment

- UPS has never approached the city of Rochester Hills for assistance.
- UPS has had to limit recent capital investment due to uncertainty in the current economy.

Investment

- If granted a Tool and Die Recovery Zone designation from the City of Rochester Hills, UPS would use the savings to re-invest in equipment and facilities improvements.
- These improvements would position UPS to support new and emerging markets allowing UPS to create more employment opportunities.

Intangibles

- 6% of employees reside in Rochester Hills and over 45% in Oakland County.
- Several of our suppliers and customers have operations in Rochester Hills and Oakland County.

UPS Outreach

- Alan R. Peterson, Vice President at UPS, is scheduled to join the Automation Alley Trade Mission in Brazil in October, 2008.
- UPS is a company with a heart and consistently contributes to local charities and schools.

Products



Dodge Challenger

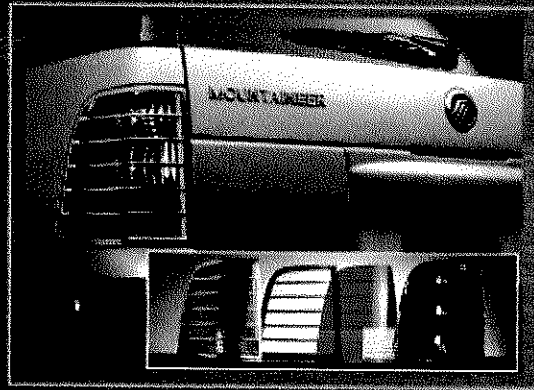
As Chrysler LLC prepared to unleash its new, limited-production Dodge Challenger, prototype plastic components loomed as a stumbling block to launch - until one rapid prototype shop stepped up to the challenge...



Slow Cooker Grill

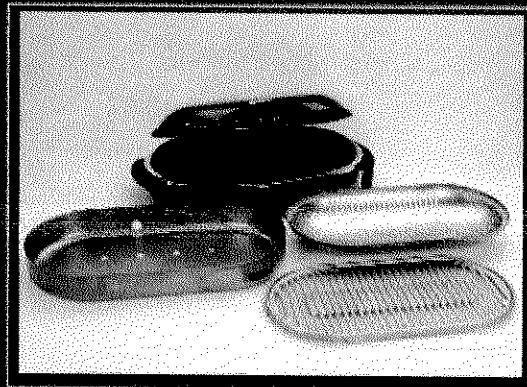
With the deadline for new product introductions approaching, Coleman® turns up the heat for slow cooker prototypes—rapid prototyping specialist fuels a fast response...

Products



SUV Lighting Lens

SUV's prototype lighting lens package produced in six weeks, not months, by rapid prototype firm...



Portable Grill

With deadline to a major trade show looming, Coleman puts the heat on for portable grill prototypes...rapid prototyping specialist cooks up fast response...

Contact

Alan R. Peterson – Vice-President

Keith Chene – CFO

Urgent Plastic Services

2777 Product Drive, Rochester Hills MI 48309

Phone: (248) 852-8999

Fax: (248) 852-8998





**URGENT
PLASTIC
SERVICES**

Thank you.