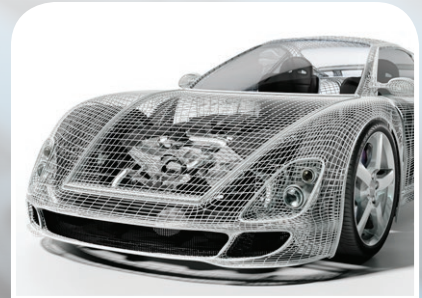


2014

AUTOMOTIVE CAPITAL SPENDING

FORECAST



\$646.5 million

According to the 2014 Metalworking Capital Spending Survey by Gardner Research, facilities involved in the automotive industry will spend \$646.5 million on machine tools. Automotive represents the largest end market for machine tool purchases – 2x more than Medical and 3x more than Aerospace.

AUTOMOTIVE SPENDING ON MAJOR METALCUTTING PRODUCT CATEGORIES.

MACHINING CENTERS
\$278,239,278

TURNING CENTERS
\$57,417,124

GRINDING EQUIPMENT
\$13,845,104

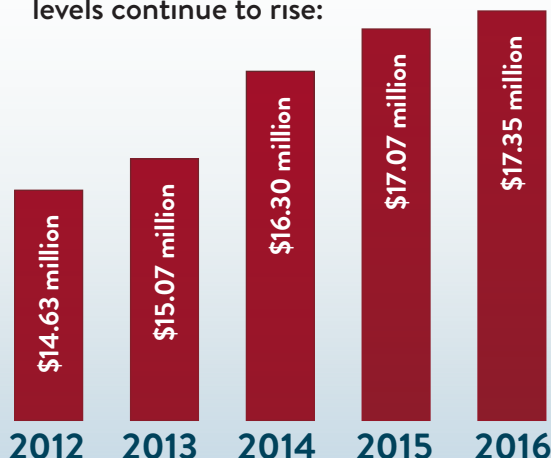
A Strong Automotive Market

Original equipment manufacturers are investing in retooling and improving facilities to increase productivity and improve efficiency.

This activity will positively impact product technology spending across all parts of the automotive supply chain.

A STRONG AUTOMOTIVE MARKET REASONS

- Light vehicle production levels continue to rise:



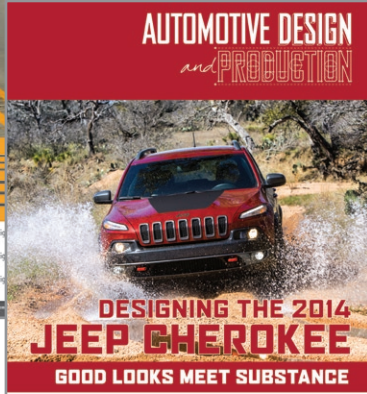
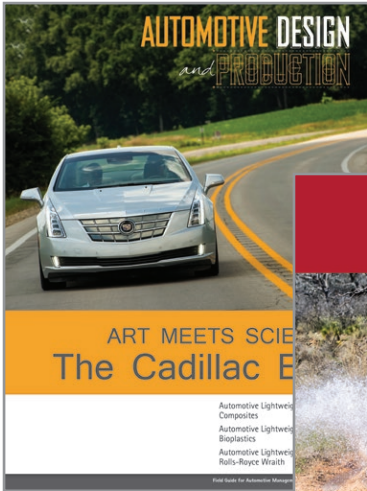
- The automotive industry is clearly trending in the right direction. North American light vehicle sales increased 8% year-over-year to 15.6 million units in 2013. And it won't stop there. The industry is poised for another great year and is on pace to sell 16.4 units in 2014.
- CAFE Regulations will affect the way cars are designed and manufactured
 - 54.5 mpg by 2025
 - New materials, alternative powertrains, and new processes all require new manufacturing technology.

TOP END MARKETS	2014
Automotive	\$646,501,020
Electronics, Computers, and Telecommunications	\$442,468,806
Medical	\$304,419,609
Oil, Gas Field, and Mining Machinery	\$270,933,249
Aerospace	\$193,018,631
Off-Road and Construction Machinery	\$141,381,922
Military	\$78,157,106
HVAC	\$58,679,353
Power Generation	\$14,287,235
Appliances	\$3,882,493
ALL	\$2,153,729,422

REGION	2014
East North Central	\$201,811,696.16
East South Central	\$53,562,325.02
Middle Atlantic	\$39,011,372.69
Pacific	\$17,437,165.95
South Atlantic	\$163,445,701.88
West North Central	\$142,312,414.78
West South Central	\$28,920,343.03
TOTALS:	\$646,501,019.50

PLANT SIZE	2014
1-19	\$60,195,773.83
20-49	\$14,121,093.27
50-99	\$81,238,421.61
100-249	\$252,628,049.74
250+	\$238,317,681.04
TOTALS:	\$646,501,019.50

EQUIPMENT TYPE	2014
Additive, Laser Sintering	\$695,297.78
Additive, Laser/Electron Beam Melting	\$1,804,834.12
Boring	\$454,425.43
Broaching	\$186,027.02
Drilling/Tapping	\$10,060,415.28
EDM, Wire Type	\$2,178,848.81
Gearcutting	\$2,824,934.09
Grinding, Cylindrical/External	\$178,634.58
Grinding, Flat/Surface	\$2,144,867.92
Grinding, ID/OD	\$1,304,402.84
Grinding, Internal	\$4,885,520.37
Grinding, Other	\$2,506,744.34
Laser Cutting	\$451,208.53
Lathes, Horizontal, <10-in Chuck	\$140,190,013.56
Lathes, Horizontal, >10-in Chuck	\$277,998.51
Lathes, Manual	\$2,291,854.27
Lathes, Vertical	\$24,700,108.31
Machining Centers, Horizontal, <400-mm Pallet	\$52,291,824.22
Machining Centers, Horizontal, >800-mm Pallet	\$37,209,919.35
Machining Centers, Horizontal, 400-800-mm Pallet	\$84,671,855.55
Machining Centers, Vertical, <20-in Y	\$58,210,531.51
Machining Centers, Vertical, >20-in Y	\$45,855,147.23
Rotary Transfer Machines	\$305,656.66
Sawing/Cutoff	\$38,710,662.14
Screw Machines, Multi-Spindle CAM	\$443,004.74
Screw Machines, Multi-Spindle CNC	\$2,728,653.13
Screw Machines, Single-Spindle CNC	\$860,014.29
Screw Machines, Swiss-Type CNC	\$1,378,236.97
Transfer and Other Special Machines	\$69,269,948.41
Turning Centers, Horizontal, <10-in Chuck	\$18,166,840.06
Turning Centers, Horizontal, >10-in Chuck	\$39,250,283.79
Waterjet Machines	\$12,305.69
TOTALS:	\$646,501,019.50



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