

BUSINESS SURVEY REPORT

January - 2006

The Seasonally Adjusted Milwaukee Index dropped 10 points to 56 in January. A year ago it was at 58. New Orders Received did not change. It is still at 64. Production declined three points to 59 this month. Back-log is down five to 52. Supplier Lead Times did not change. They are still at 38, not a good number.

Blue Collar Employment sent down five to a still healthy 61. White Collar employment is up two points to 57. Inventory Levels increased six points to 57. Capital Equipment

went up six to a healthy 60. The Level of Purchasing Activities dropped a point to 67 in January.

The Prices Paid Index increased two points this month to 65. Five increased, four did not change

and twelve declined. Biggest

Increase was

fourteen for Computer Hardware/

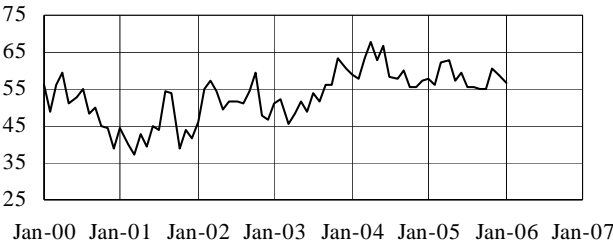
Software. Electric

Motors went up eight. Plastics declined fourteen

and Plating went down thirteen

points. Piping and Tubing dropped nine points and Stampings went down eight.

Milwaukee Index



| Date | Index |
|---------------|-------|
| January-2006 | 57 |
| December-2005 | 59 |
| November-2005 | 61 |
| October-2005 | 55 |
| January-2005 | 58 |
| January-2004 | 59 |
| January-2003 | 51 |

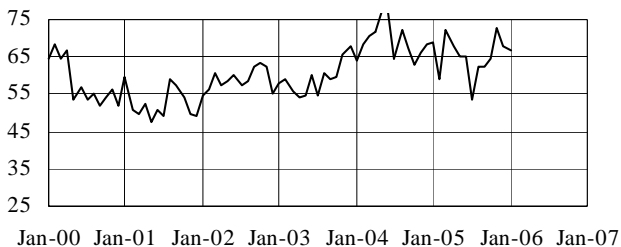
Commodity Price Index

| | | | | | |
|------------------------------|----|-----------------------|----|----------------------------|----|
| Aluminum | 72 | Electronic Components | 53 | Plastics | 63 |
| Casting | 67 | Forgings | 63 | Plating | 56 |
| Chemicals | 74 | Fuel | 81 | Precious Metals | 79 |
| Computer Hardware/Software | 53 | Hydraulic Componenets | 53 | Printing Paper | 53 |
| Copper, Brass, Bronze | 85 | Office Supplies | 48 | Rubber Products | 67 |
| Corrugated/Packaging | 59 | Petroleum Products | 81 | Stampings | 50 |
| Electric Motors/Transformers | 63 | Piping & Tubing | 50 | Ferrous (Steel, Stainless) | 58 |

Commentary:

Index went up two to 65 this month.

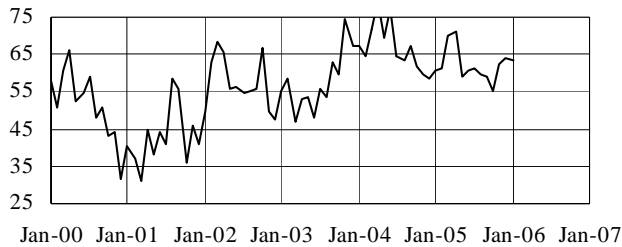
Level of Purchasing Activities



| Date | Increase % | Same % | Decrease % | Index |
|---------------|------------|--------|------------|-------|
| January-2006 | 45 | 43 | 12 | 67 |
| December-2005 | 48 | 40 | 12 | 68 |
| November-2005 | 54 | 38 | 8 | 73 |
| October-2005 | 44 | 41 | 15 | 65 |
| January-2005 | 44 | 51 | 5 | 69 |
| January-2004 | 38 | 51 | 11 | 64 |
| January-2003 | 31 | 53 | 16 | 58 |

Commentary: Down a point to 67. Still quite busy.

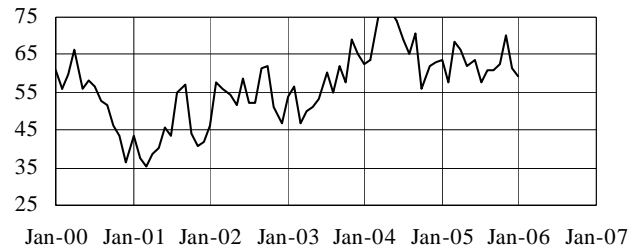
New Orders



Commentary: No change. Still at healthy 64.

| Date | Increase | Same | Decrease | Index |
|---------------|----------|------|----------|-------|
| | % | % | % | |
| January-2006 | 43 | 41 | 16 | 64 |
| December-2005 | 44 | 40 | 16 | 64 |
| November-2005 | 50 | 25 | 25 | 63 |
| October-2005 | 32 | 46 | 21 | 55 |
| January-2005 | 39 | 44 | 17 | 61 |
| January-2004 | 51 | 33 | 16 | 67 |
| January-2003 | 38 | 35 | 27 | 55 |

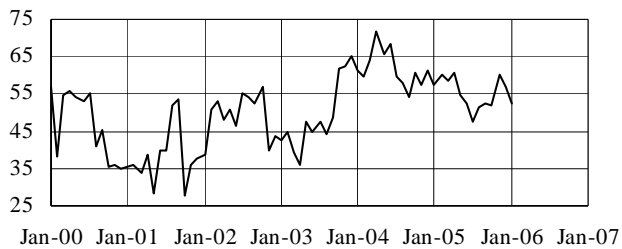
Production



Commentary: A three point drop in January. Now at 59.

| Date | Increase | Same | Decrease | Index |
|---------------|----------|------|----------|-------|
| | % | % | % | |
| January-2006 | 34 | 50 | 16 | 59 |
| December-2005 | 42 | 40 | 19 | 62 |
| November-2005 | 52 | 36 | 12 | 70 |
| October-2005 | 32 | 61 | 7 | 63 |
| January-2005 | 37 | 54 | 10 | 63 |
| January-2004 | 40 | 46 | 15 | 63 |
| January-2003 | 33 | 42 | 25 | 54 |

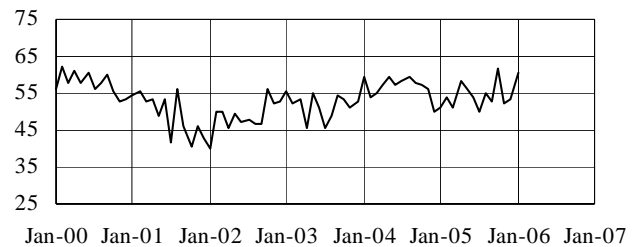
Backlog



Commentary: Down five points to 52.

| Date | Increase | Same | Decrease | Index |
|---------------|----------|------|----------|-------|
| | % | % | % | |
| January-2006 | 27 | 50 | 23 | 52 |
| December-2005 | 35 | 44 | 21 | 57 |
| November-2005 | 36 | 48 | 16 | 60 |
| October-2005 | 29 | 46 | 25 | 52 |
| January-2005 | 32 | 51 | 17 | 57 |
| January-2004 | 37 | 49 | 14 | 61 |
| January-2003 | 20 | 44 | 35 | 43 |

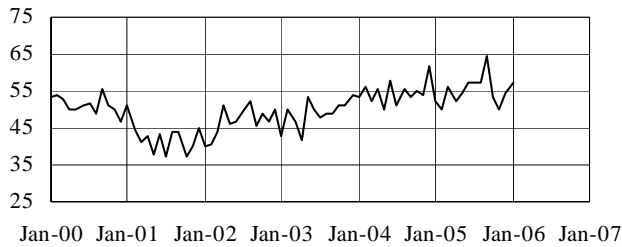
Capital Expenditures



Commentary: A nice six point increase to 60.

| Date | Increase | Same | Decrease | Index |
|---------------|----------|------|----------|-------|
| | % | % | % | |
| January-2006 | 26 | 70 | 5 | 60 |
| December-2005 | 17 | 74 | 10 | 54 |
| November-2005 | 16 | 72 | 12 | 52 |
| October-2005 | 23 | 77 | 0 | 62 |
| January-2005 | 13 | 78 | 10 | 51 |
| January-2004 | 21 | 77 | 2 | 60 |
| January-2003 | 19 | 74 | 8 | 56 |

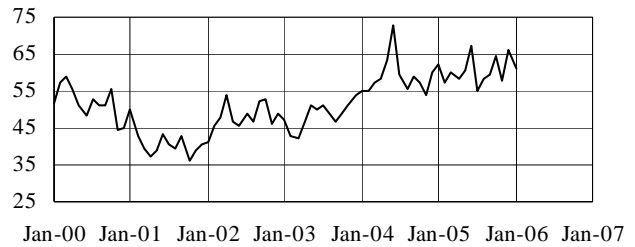
White Collar Employment



Commentary: A two point increase to 57 this month.

| Date | Increase | Same | Decrease | Index |
|---------------|----------|------|----------|-------|
| | % | % | % | |
| January-2006 | 21 | 72 | 7 | 57 |
| December-2005 | 16 | 77 | 7 | 55 |
| November-2005 | 8 | 84 | 8 | 50 |
| October-2005 | 18 | 71 | 11 | 54 |
| January-2005 | 10 | 85 | 5 | 52 |
| January-2004 | 12 | 82 | 6 | 53 |
| January-2003 | 4 | 78 | 18 | 43 |

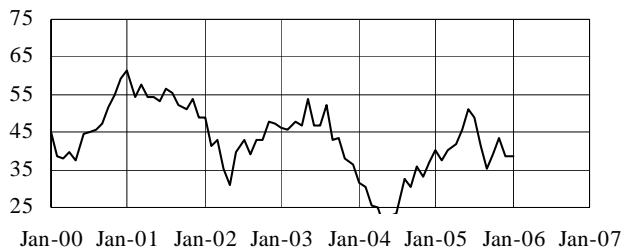
Blue Collar Employment



Commentary: Down five points to a still healthy 61.

| Date | Increase | Same | Decrease | Index |
|---------------|----------|------|----------|-------|
| | % | % | % | |
| January-2006 | 30 | 64 | 7 | 61 |
| December-2005 | 33 | 67 | 0 | 66 |
| November-2005 | 24 | 68 | 8 | 58 |
| October-2005 | 32 | 64 | 4 | 64 |
| January-2005 | 27 | 71 | 2 | 62 |
| January-2004 | 16 | 78 | 6 | 55 |
| January-2003 | 13 | 70 | 18 | 47 |

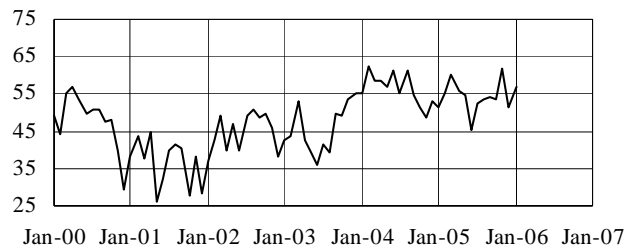
Supplier Lead Times



Commentary: No change. Still a 38. Wish it were better.

| Date | Increase | Same | Decrease | Index |
|---------------|----------|------|----------|-------|
| | % | % | % | |
| January-2006 | 26 | 72 | 2 | 38 |
| December-2005 | 23 | 77 | 0 | 38 |
| November-2005 | 21 | 71 | 8 | 44 |
| October-2005 | 26 | 70 | 4 | 39 |
| January-2005 | 25 | 70 | 5 | 40 |
| January-2004 | 41 | 55 | 4 | 32 |
| January-2003 | 15 | 78 | 7 | 46 |

Inventory Levels



Commentary: A six point rise to 57.

| Date | Increase | Same | Decrease | Index |
|---------------|----------|------|----------|-------|
| | % | % | % | |
| January-2006 | 32 | 50 | 18 | 57 |
| December-2005 | 33 | 37 | 30 | 51 |
| November-2005 | 36 | 52 | 12 | 62 |
| October-2005 | 26 | 56 | 19 | 54 |
| January-2005 | 33 | 38 | 30 | 51 |
| January-2004 | 33 | 45 | 22 | 55 |
| January-2003 | 22 | 42 | 36 | 43 |