



FMC Status Report

Spring Conference
San Antonio, Texas
April 2, 2007

Agenda



- Financial Update
- Committee Updates
- Spring 2008 Location Poll
- Membership Discussion



Financial Update



- Board Goal – Build Healthy Reserves to Ensure Continued Success
- 2006
 - \$15,733 Budget Surplus, Despite Investment in Freight Transportation Issue
 - \$139,900 in Equity
 - Approximately 64% of Annual Expenses (up 6 percent from 2006)
 - Long Term Goal – 3 years in reserves
- 2007 Budget
 - Target -- \$18,500 Surplus
 - Several New Member Prospects Counterbalances Caterpillar Departure
 - 5 Members with Outstanding Dues for 2007
 - Continue Building Surplus, But Also Providing For Marketing Initiatives



Committee Update

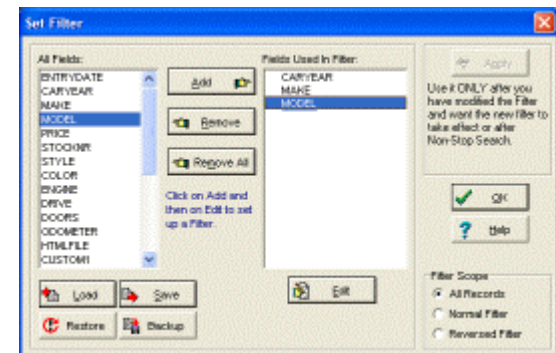


□ Catalog

- 2007 OEM Applications Expected to be Fully Populated in April
 - April 18-19, Birmingham, Alabama

□ Heavy Duty Catalog

- Approximately 5400 entries
 - Only 6 members submitted information at the Fall meeting
 - Members asked to submit 50 applications by April 6
 - Goal of 6000 entries by Fall 2007
- ## □ Need Active Participation Among Attendees



Committee Update



□ Technical

- Continue to Review “Old” TSBs (into 1994)
- FAQ’s are being also reviewed and translated into both Spanish and French (like TSBs)
- New TSB (06-2) approved on Heavy Duty Air Filter Collapse
- Future Goals
 - Continue Reviewing “Old” TSBs (1994+)
 - Develop Material or TSBs that Educate Consumers
 - Wix Leading a New Ultra Low Sulfur Diesel Fuel TSB.



Committee Update



□ Quality Committee

■ FMC Benchmarking Program

- Warranty Claims: The actual number/instances of validated paid claims on a quarterly basis in parts per million format. Policy adjustments are not to be included.
- Warranty Turn Around Time: The number of business days from receipt of claim (and suspect product) by the manufacturer to the final decision regarding the suspect claim – measured in average number of days of response for all claims in the quarter. Casual returns, such as product information or evaluation requests, are not to be included.
- On-Time Deliveries to Customer: Contract due date vs. contracted delivery (agreed to) date in a percent format (how often target is met). All quantities, all line items must be 100% complete. This benchmark is for OE orders only.

Committee Update



□ Quality Committee

■ FMC Benchmarking Program

- Order Fill Rate: Orders received (by line items) vs. orders shipped (by line items – all quantities, all line items must be 100% complete) in a percent format. This benchmark is for aftermarket orders only.
- New Product Introduction Time (aftermarket house brand, self-manufactured): Report the time (in months) required adding a new house brand part number – measured from decision date to date the customer is notified of product availability.
- Inventory Turns (Finished Goods): Ratio of sales of finished goods (dollars) to finished goods inventories (dollars). Finished goods are completed product, ready to ship.

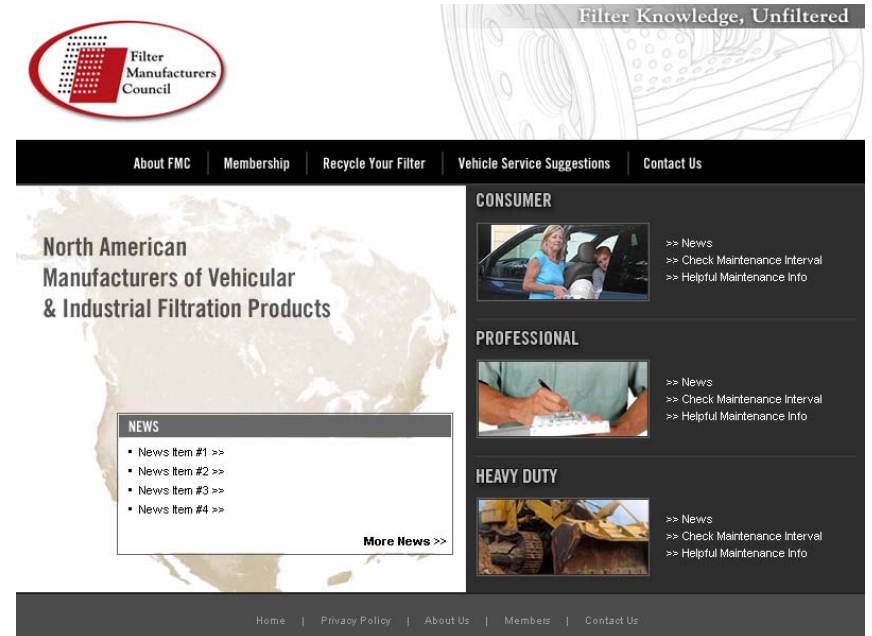
Committee Updates



Environmental Committee



Marketing Committee



Membership Requests



- “All established firms of good repute and sound financial condition which
 - (1) are engaged in the manufacture of light duty (including automotive) and/or heavy-duty filtration systems for motor equipment;
 - (2) have at least one production facility or office location in North America; and
 - (3) have at least USD \$2.5 million in North American sales as specified in (1) above
- ...shall be eligible for membership in the Council when approved by a two-thirds vote (including mail vote) of the total membership.”