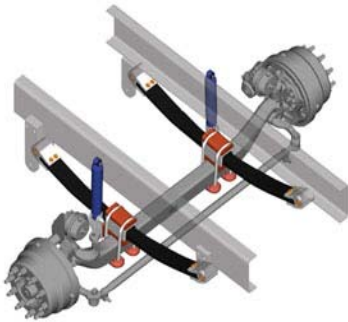


NCC HOSTS SPECIAL PRESS CONFERENCE

TV stations 7, 2 and 22 along with the Dayton Daily News converged on the National Composite Center January 24 to hear Jeff Davis, Director of OEM Sales and Trailer Products for ArvinMeritor's Commercial Vehicle Systems, announce the signing of a long-term joint agreement with Liteflex, LLC. Liteflex is an authorized licensee of NCC for manufacture of the composite springs.



Liteflex composite spring.

The announcement was made during a special press conference hosted by NCC and attended by a number of local business leaders and guests. In addition to extending its agreement as the exclusive distributor of Liteflex® truck, trailer, and specialty vehicle composite mechanical springs for North America and key global markets, Davis also announced a new product launch.

Called SimilAir®, the composite trailer spring has been successfully field tested in over 100 trailers since August 2004, and will be launched

early this year. The heavy duty springs will be manufactured at Liteflex. The company expects to add 15 to 20 jobs to the Dayton area.



As part of the press conference, Liteflex President John Prikkel unveiled two additional milestones for Liteflex. The manufacturer ended 2005 with a 30 percent growth rate and purchased two additional properties in Dayton totaling 200,000 square feet of manufacturing space. The continued evolution and growth of Liteflex illustrates the crucial role NCC serves as a technology partner.

In 2001 NCC launched Liteflex to retain important technology and skills in the Dayton region. The news was released simultaneously with an announcement by Delphi Automotive Systems (nyse: dph) that it had sold its Liteflex composite spring business to Liteflex in conjunction with NCC. In 2003 the Center's support helped Liteflex attract the attention of ArvinMeritor's Commercial Vehicle

Systems business. The arrangement with ArvinMeritor extends an agreement first initiated with Liteflex in 2003.

Though vehicle manufacturers, including truck, tractor and trailer makers are experiencing record volumes, the industry faces major technical challenges to reduce engine emissions and improve vehicle safety. The lighter weight composite springs, with their ability to reduce fuel consumption, improve vehicle ride and reduce tire wear, meet this need and offer an attractive choice to offset high commodity prices, including steel, oil and rubber.

"At NCC we've demonstrated how composites can be engineered to provide more features, improve performance and offer better value when considered up front in the development process," said Lou Luedtke, president and CEO of NCC. "One of the most compelling aspects of composites is the greater design flexibility it gives heavy duty and commercial vehicle manufacturers. Continuation of the ArvinMeritor-Liteflex agreement illustrates that the industry is beginning to see that composites are not just a substitute material but the right fit for the job."

NCC WELCOMES NEW BOARD MEMBERS

NCC welcomes new board members Dr. John Leland, Douglas Steinke, James Chan and Jim Cecere. Dr. Leland is the Director



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for the University of Dayton Research Institute (UDRI). He has nearly 20 years of experience in research, development and technology transfer for both the government and the University of Dayton (UD) and is a registered Professional Engineer in the State of Ohio.

Dr. Leland is a co-inventor on seven patents and has received numerous awards including the ASME Congressional Science Fellowship (1999-2000). He was also named a Fellow in the American Society of Mechanical Engineers in 2003.

Douglas Steinke is Senior Manager of Materials & Process Engineering for Honeywell International, Mechanical Center of Excellence (MCOE) in South Bend Indiana. The MCOE manufactures wheels, brakes and fuel control systems for both commercial and military aircraft. Mr. Steinke is responsible for materials selection on new development programs and improvements to existing product lines.

James Chan is Manager for Product Government Affairs and Partnerships at Delphi Corporation based in Troy, Michigan. A licensed Professional Engineer and a registered Patent Attorney, Mr. Chan's career with General Motors began in 1989. He has held key positions that include Research Assistant at GM Research Labs, Plant Engineer at GM Powertrain, Corporate Staff Engineer for both

GM and Delphi Headquarters and Patent Engineer at Delphi Legal Staff. James is attending on behalf of Andrew Brown, Director of Delphi Research.

Dr. James Cecere joined Ashland Specialty Chemical a division of Ashland Inc. (NYSE:ASH) in 2005. He is the Manager of Ashland's New Technology Solutions group. The group's charter is focused on long term, strategic research and development that will benefit all of the commercial units at Ashland. Dr. Cecere's career has spanned important work in aerospace composites, automotive brake and clutch materials, and resin systems for each of these fields.

NCC APPOINTS NEW VICE-PRESIDENT

With the launch of a new year, NCC has named Jay Batten Vice President for NCC. Batten brings a broad range of skills to his position. During his career, Batten has been heavily involved in developing electromagnetic devices for high volume industries in the automotive, computer peripheral, medical, personal care, and appliance industries. Many of these products included polymer components.

Batten's primary focus to develop structural composite components began in 1999. Prior to joining NCC, Batten held key positions as Chief Engineer for Advanced Composites at Delphi Corporation

and headed up the Advanced Composites Center of Excellence for the corporation.



Jay Batten

Batten's team was awarded four Department of Energy (DOE) contracts totaling over \$12 million. As a part of one of the DOE funded advanced composites technology demonstrations, in 2002 the team put 7,000 carbon fiber tie rods for non-steer lift axles into service in the commercial vehicle market with outstanding results. Several commercial vehicle structural components developed by the team will enter production in 2007. The parts demonstrate cost affordability and improved performance while achieving mass savings exceeding 30 percent.

Aside from his technical expertise, Batten brings unique business skills to the Center. "In the early part of my career I was given the opportunity to join a couple start-up companies that were in the \$1 to 2 million annual sales range, but struggling to grow larger," said Batten.

“Working for small companies gave me the opportunity to wear many hats and try out numerous strategies. Fortunately, these companies survived my learning curve and each managed to grow beyond \$20 million annually within a three to five year timeframe. As my career progressed, I had the opportunity to apply these “lessons learned” in larger organizations with very similar end results, just much larger annual sales.”

NCC SETS STRATEGIES FOR 2006

From The Desk of Jay Batten

As the new vice president for NCC, Jay Batten is implementing a series of key strategies to take the Center to a new level of performance in 2006.

“The Center’s primary goal is to promote and develop more cost effective advances in composite technologies,” Batten said. “Then, by transferring these affordable capabilities to the composites industry, provide growth and create jobs.

As the first step toward achieving our business objectives for 2006 we have identified three major revenue streams to help the Center continue to promote advances in composite technologies - government funding, industrial support, and facility and conference center rentals.”

Batten will manage the industrial sector of NCC’s business. “The Industrial business encompasses

activities that could be initiated or tied to government funding or non-government partners,” he said.



NCC – a business technology partner.

“Our industrial sector activities will support and lead to commercialization by providing the types of services that many companies either cannot afford to have in-house or are too diverse for most commercial companies to keep pace with. The depth of the Center’s capabilities and resources and the fact that NCC works to continually improve its technology competencies effectively positions us to be a true partner to commercial entities that typically don’t have the assets or personnel to achieve the caliber of performance we can provide.”

Batten will work with the NCC team to leverage the Center’s expertise to achieve a key goal for 2006.

“We plan to offer a total solution package to the composites

industry,” he said. “This total solution package includes the latest technologies in: Materials Knowledge, Design Tools (including design for fatigue), and Diversified Process Expertise. It will have four components:

- Design Analysis – NCC will perform both static and dynamic designs to a company’s durability requirements demonstrating the ability to meet customer expectations.
- Component Demonstration – Low cost rapid prototypes that produce functional robust parts that won’t break due to normal handling. This will allow a company to powerfully illustrate intent to its customer.
- Product Validation – NCC will deliver production intent components that meet aesthetic requirements are ready for durability and validation testing.
- Turn-Key Deliverables – From prints, specifications, process sheets and a quality manual to production equipment, tooling, fixtures and training for final production employee hand-off, NCC will make it possible for companies to show



customers they can meet key requirements such as cycle times, manufacturing costs and scrap rates.

To prepare for this, Batten is setting up a War Room for the NCC Team to meet weekly for strategic planning. "Our energies will be focused on working with the right partners to help NCC achieve its growth," he said. Secondly we want to be proactive about the technology of managing our business. This will allow us to demonstrate to our partners that we not only have the right manufacturing and process technology but that we understand how to manage those capabilities for optimal results.

Finally we will be working to truly understand customer expectations. By better defining customer expectations, we'll do a better job of providing customer deliverables at the lowest cost. To more easily identify our deliverables we will tie them to customer expectations via simple criteria: fit, form, function, durability and appearance. The next step is to group these expectations into categories that range from the simple to those that have never been done before. Our goal will be to achieve a balance between the two extremes.

During 2006, NCC will also improve its Rapid Prototyping capability with its specialized 2Phase process. "The primary goal I have committed to is to double NCC's industrial revenue this year over last year,"

said Batten. "One of the best ways to accomplish this is to demonstrate our capabilities first hand. That's why each month we will offer a free one time use for one day of our rapid prototyping capability to our members and their perspective customers.

To find out more about this offer email Jay at jbatten@compositecenter.org. You'll also want to look at future issues of the newsletter for more updates from Jay on NCC's progress.