

# Precious Plate Reflections

## This Issue

- ▶ Consider Your Alternatives
- ▶ Cash for Clunkers and Your Bottom Line
- ▶ Christal Pietricone, QA Supervisor
  - ▶ Tell Me something Good
  - ▶ Something to Think About
  - ▶ How to Reduce Precious Metal Usage

## Precious Plate Reflections

### WELCOMING YOUR FEEDBACK

Part of our goal for 2009 is to hear more from our customers. This newsletter is designed with you in mind. We welcome your feedback and requests for topics. Please feel free to e-mail your comments and suggestions to:

[news@preciousplate.com](mailto:news@preciousplate.com)

### KNOW THE PRICE OF PRECIOUS METALS

The price of precious metals is critical to Precious Plate and our customers. Therefore, we track the daily price of gold and other precious metals and make this information available to you on our website's home page. For your convenience, this information is updated daily.

Visit [www.preciousplate.com](http://www.preciousplate.com) for the current prices.



## Consider Your Alternatives *the future cost of precious metals*

***"The global market for connectors will increase 10% in 2003 because of growing demand for computers, cell phones, consumer electronics equipment and military electronics, according to industry researcher Bishop and Associates."***

Ah, the good old days. Remember when nearly every industries future looked bright? Since then, the geopolitical and economic situation throughout



the globe has impacted nearly every industry. In response to the economic downturn, many finishers first looked to cut back on expens-

es—a practice in place at many operations even before the recession. Caught in a do-more-with-less philosophy, business owners are taking more serious measures to trim overall spending and overhead, while keeping a close eye on the price of Precious Metals. In an industry notorious for its tight margins, the price of precious metals has deeply impacted the plating industry – as well as its customers. It's a burden that has been weighing down on dozens of surface finishers across the country.

Customers want the performance of gold, yet unprecedented metal prices and large market swings within the last several years have caused many a headache for purchasing managers and

cost accountants. Precious metals are easily tradable commodities, and, because they are high in value and take on many forms, they demand constant respect. As such, manufacturers do not treat gold, silver, platinum or palladium the same way they would packaging supplies or cardboard for recycling.

Contractors typically guarantee their customers a fixed price in advance; contractors have been hit particularly hard by the rapid fluctuations in precious metal prices. For example, let's say a manufacturer prices an order where production costs call for gold at \$800 per ounce. The customer issues the order and the manufacturing process begins. However, the manufacturer has not yet purchased the gold, and the price has moved up to \$850 per ounce. Now what; sound familiar? Raw materials pricing has gone up significantly over the past few years and it doesn't look like it's going to end over the next 12–18 months. Most analysts agree that unless the dollar can gain strength, gold prices, and for that matter the precious metals sector in general, will continue to climb, leaving manufacturers and surface finishers with very little wiggle room. Now is the time to look for alternatives – See pg. 3 to learn about Precious Plate's Five Ways to Reduce Precious Metal Usage.





## “Cash for Clunkers” and Your Bottom Line

**I am sure many of you have heard about the Cash for Clunkers program. But did you realize it might be affecting your bottom line?**



In less than a week, this program actually ran out of money after dealers sold over 200,000

cars. Then the House raced to pass legislation pouring an additional \$2 billion into the popular program. Unsure of how long this will last, the program has certainly increased the number of Americans buying new cars today and the demand for Palladium. Manufacturing automobiles requires a cornucopia of metals: steel for car bodies; iron or aluminum for engines; and platinum and palladium for catalytic converters and connectors. Since the U.S. car scrappage scheme started

last month, the spot price for aluminum is up 11% and palladium has increased 5% and platinum's up 6%.

While many can, and will, debate the long term impact of a subsidy spending program such as this, auto manufacturers are the clear current winners and realize that they are going to have to increase their production in order to replace the inventory. The increased demand for palladium, and the subsequent price increase, will impact our business as well.

## Tell Me Something Good

According to the Associated Press, General Motors Corp. recently said that its Chevrolet Volt rechargeable electric car should get 230 miles per gallon (98 kilometers per liter) of gasoline in city driving, more than four times the current champion, the Toyota Prius. The Volt is powered by an electric motor and a battery pack with a 40-mile (65-kilometer) range. After that, a small internal combustion engine kicks in to generate electricity for a total range of 300 miles (480 kilometers). The battery pack can be recharged from a standard home outlet.

## “I’ve Spent Half My Life at Precious Plate”

**Having recently celebrated her 46th birthday, and her 27th anniversary with Precious Plate, Christal Pietricone isn’t kidding when she says that!**



Christal started with Precious Plate in 1982, and has literally grown up with many of the people she works with today.

Christal's journey started at a table, wearing white gloves, with the tedious job of hand packaging silver-plated pins into small bottles before her. Mind numbing to some, but she loved it! Since then she's experienced nearly every department: shipping, production, inspection, quality lab tech and now Quality Assurance Supervisor. Her rapport with everyone throughout the various departments in the company is invaluable and keeps everything running smoothly in the QA department. “Customer and industry requirements are increasingly more stringent, driving us to always strive for excellence” comments Christal about the challenges in her role. While not dealing directly with customers in her

current position, her past experience solving customer problems helps her understand their needs today.

Counting her son Zachary (who is 17 and embarking on his senior year in high school) as her greatest achievement, this single mom also spends time playing volleyball, bowling, and hanging out with friends and family. Christal also enjoys quilting, a hobby her mother introduced her to several years ago. “You don’t have to be old to quilt!”

Join us in congratulating Christal as she continues on her “never a dull moment” path with Precious Plate.

The chance of winning the lottery is often said to be a tad bit smaller than the chance of being hit by lightning. So consider the odds of someone winning the lottery, twice, on the same day, from the same lottery! That’s what happened to James McAllister (62) from Acworth, GA in Feb 2009, when he bought two scratch off tickets from the Georgia Lottery Millionaire Jumbo Bucks scratch off ticket game — and won \$5,000! Later on in the day he bought another ticket as he was shopping for a Valentine’s card for his wife. Scratching that one off was worth \$250,000.

# Five Proven Ways to Reduce Precious Metal Usage:

The cost of precious metals is no drop in the bucket.



Today's economic climate puts cost effective solutions in the forefront of nearly every business decision. Managing material usage, especially precious metals, is at the top of Precious Plate's list, as well as that of our customers. Here are some

of the top five ways to reduce your precious metal usage.

1. Convert Gold Plating to Gold Flashed Palladium (or Palladium-Nickel)
2. Convert Gold or Palladium Plating to Silver
3. Use Selective Strip Plating
4. Use Selective Spot Plating
5. Use Additive Masking Technology

## PALLADIUM AND PALLADIUM-NICKEL ALLOY

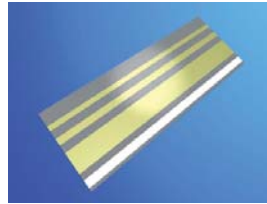
Palladium and Palladium/Nickel plating deposits offer an excellent alternative to gold. Palladium provides most of the same benefits that gold plating offers at a much lower cost. Many studies have also shown that Palladium and Palladium/Nickel deposits have better wear characteristics than gold. Alloying Palladium with Nickel can further reduce Precious Metal usage up to 20%. These deposits can also be applied using Precious Plates selective stripe and spot technologies.

## SILVER

While silver does not offer all the qualities of gold or palladium, it does provide a cost effective alternative that works well in many applications. Silver plating can offer several of the benefits of gold at a fraction of the cost. Silver provides good electrical conductivity and corrosion protection for many applications. Silver is also a natural choice in high voltage applications and is now being specified for many automotive components.

## SELECTIVE STRIPE PLATING

Selective strip plating offers a cost effective solution for selective plating of all precious metals. Using a series of precisely machined masking belts, very discreet and closely controlled strips of precious metal can be plated in exact locations. Tooling is very affordable as it is produced on site to your requirements.



## SELECTIVE SPOT PLATING

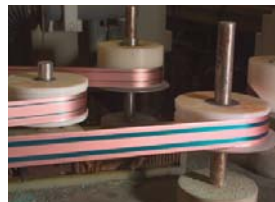
Limiting precious metals such as gold and palladium to critical locations greatly reduces the amount of precious metal used during the electroplating process. Precious Plate owns an exclusive spot



plating process that can reduce precious metal usage up to 80%. All spot plating equipment is built on site in Niagara Falls, New York and has the capability of holding tolerances as tight as +/- .004"

## ADDITIVE MASKING

Additive masking offers ultra selective, very high speed plating of continuous coil stock used for applications requiring very tight tolerances. This patented reel-to-reel selective plating process has been designed and developed by Precious Plate. Additive Masking utilizes a combination of liquid masking material, printing application technology, and high speed mask curing and removal. The end result is the ability to apply stripes of plating at super tight tolerances. This process is capable of running in excess of 150 feet per minute.



## PLATING AROUND

### See Us in Action!

We'll be adding new shows throughout the year. Check the Precious Plate website for our most current calendar of events.

Currently, we are scheduled to participate in the FABTECH International, AWS Welding Show, and METALFORM 2009 event. A Multi-functional event, merging all three entities next fall to address various aspects of many industry needs.

McCormick Place  
Chicago, IL.  
November 15-18 2009.

## SOMETHING TO THINK ABOUT

According to the FBI's Uniform Crime Report, in 2007 there were nearly 600,000 vehicle accessory thefts in the U.S. Since scrap metal recyclers began paying up to \$300 cash per automobile catalytic converter turned in, that statistic has certainly grown.

It's more fuel efficient to drive with air conditioning than with the windows down (if you're on a highway). The Mythbusters® tested a 2004 Ford Explorer going 55mph and got 11.7mpg with windows up and AC on. The mileage dropped to 11.3mpg with windows down and AC off.

## Your Partner to the Finish!



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