



News Release

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Empire Electronics Receives Foreign Trade Zone Status at Troy Facility

FOR IMMEDIATE RELEASE

TROY, Mich., Feb. 9, 2006 – Troy, Mich.-based Empire Electronics, a supplier of electrical distribution systems and components to the automotive industry, has received foreign trade zone status for its Troy warehouse facility. The Empire Electronics foreign trade zone is the only active foreign trade zone in Oakland County and one of only seven active in the state of Michigan.

“When we first investigated the operation of a foreign trade zone, we were facing a significant cost disadvantage to wiring harness competitors in Mexico, because of a duty that was applied to products we shipped to our customers in that country,” said Kenneth R. Doman, chief financial officer of Empire Electronics. “Our foreign trade zone status allows us to eliminate that duty and to compete fairly with these other harness manufacturers.”

Foreign trade zone status permits Empire’s Troy facility to operate as a bonded warehouse and, in essence, function as an agent of U.S. Customs. This allows shipments from the company’s manufacturing facility in Honduras to ship directly to Troy, saving a stop at Customs in Detroit and several hours in transit time. Goods that are shipped on to Mexico from the U.S. can do so from the trade zone without a duty that otherwise would be levied.

The company initiated its efforts to gain foreign trade zone status in January 2005 and received approval for operation in December 2005. Doman said that Empire’s robust procedures, developed to ensure that it adheres fully to ISO 9001 and ISO/TS 16949:2002 requirements, helped it to efficiently pass the stringent procedural, facility and personnel audits required by the U.S. Customs Service.

Because it operates as a general-purpose zone, Empire Electronics’ zone is available to house products for other companies in the Oakland County area, an offer in which Doman said some companies have expressed an interest.

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The Empire Electronics foreign trade zone comprises the company's 40,000-sq.-ft. warehouse facility at 214 East Maple Road in Troy. The scope of the zone's activities is limited to serving as a distribution facility. The zone currently has no full-time, dedicated employees, but is operated by Empire Electronics as necessary by members of its staff.

Empire Electronics, based in Troy, Mich., is a privately held manufacturer of the highest-quality, error-free electrical distribution systems and components for the automotive industry, offering wiring harnesses, molded components and printed circuit boards. Empire's vertical integration allows it to provide customers with the most competitively priced products available. Its ultra-aggressive C² Improvement Process and empowered workforce helped it earn ISO/TS 16949:2002 and ISO 9002 registration in near-record time. For more information, visit the Empire Electronics web site at www.empireelectronics.com.

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