



DYNAMIC MATERIALS CORPORATION

5/2/2005

5405 SPINE ROAD
 BOULDER CO 80301

Attention: **JOHN G. BANKER, SALES MNGR**

This letter serves as your company's "report card" of your recent performance in support of purchase orders released to your company and received by Northrop Grumman Ship Systems (NGSS). Our expectations include on time delivery and a quality performance score of 98 or greater.

The delivery and quality scores below are based on data accumulated in the Purchase Order Status System (POSS), Material Receipt Inspection System (MRIS) and the Quality Inspection System (QIS). Price and other factors will continue to be a critical part of our supplier selection process. However, given a variety of factors, (escalation, time lapse between purchases, delivery premium scenarios, etc.), we have not included price as a factor. Detail delivery and quality performance data is provided with this report.

We have worked diligently to ensure that suppliers are measured properly and are not penalized in our scoring system for NGSS-caused process shortfalls.

The timely delivery of quality material and software to support ship construction is critical. This performance, combined with competitive pricing, enables us (including your company) to execute and receive future work.

If you have any questions please contact the Subcontract Administrator or Buyer handling your purchase order(s).

**Northrop Grumman Ship Systems
 Supply Chain Management**

Vendor #
 145720

Period - 10/01/2004 - 03/31/2005

	Quality:	Delivery	Rating
Raw Scoring:	100.00 <i>Preferred>=98</i>	100.00 <i>Preferred>=90</i>	Rating <i>Preferred>=98</i>
Points	60.00	40.00	100.00