



INVEST IN VERIDIAM'S 401(k) PLAN

Don't miss this once-in-a-lifetime opportunity! How many times have you heard an announcer utter these words? It's a sales pitch to which most of us have become immune. But what if there really was a fantastic opportunity you shouldn't miss. Investing in Veridiam's 401(k) plan is actually one of those times.

Save for Your Future.

People have countless excuses to put off investing for their retirement. "I can't afford it," "I'm too young," "I don't understand investing." When you put these – and other excuses – to the test though, are any of them really valid? The answer is no. The truth is, it's always a good idea to take advantage of your 401(k) plan.

Pay yourself to save.

One of the biggest benefits of investing in the 401(k) plan is that Veridiam will pay you to contribute. Our plan matches your contributions 50% up to the first 8% of your pay. For example, if you contribute 8% of your pay, Veridiam will match your contribution with 4% of your pay. That's a total of 12% of your pay being put into your account. Why not take advantage of free money?

Another benefit of investing in the 401(k) plan is that your contributions reduce part of your salary on which you pay taxes. Here's how: If you're in the 28% tax bracket, and you invest \$5,000 a year, that's \$5,000 of your salary on which you're not paying taxes this year, so you can reduce your annual tax bill by \$1,400 (\$5,000 x .28). It's like you're paying yourself to invest!

Once you've decided to invest, doing so with a 401(k) plan may actually keep more money in your pocket today. Consider the following example showing the difference between investing with a 401(k) plan versus investing outside a plan (see chart to right):



Oceanside employees Rob Swigart and Val Justis set up a Swiss Screw machine.



Veridiam's HR Director Chris Frank (right) explains new features of the 401k program to El Cajon employees Ray de la Garza and Cheryl Cooper.

Bill makes \$25,000 a year and decides to put aside 6% of his biweekly salary for the future.

	Contributes to 401k Plan:	Contributes to Outside Plan:
His biweekly paycheck	\$962	\$962
6% of his biweekly paycheck contributed to the plan	-\$58	N/A
His new taxable income	\$904	\$962
Federal income takes	-\$136	-\$144
Take-home pay	\$768	\$818
Money saved outside the plan	N/A	-\$58
Money left in his pocket	\$768	\$760

Note: This hypothetical illustration assumes a biweekly savings of \$58 – or 6% of pay – equal to \$1,508 per year and a federal tax rate of 15 percent and is for demonstration purposes only. It is not intended to (1) serve as financial advice or as a primary basis for your investment decisions and (2) imply the performance of any specific security. Before-tax contributions into tax-deferred investments are subject to Internal Revenue Code limits. Taxes are generally due upon withdrawal and early withdrawal penalties may apply to withdrawals taken before age 59 1/2. Your employer may offer you a choice among retirement accounts qualifying for tax deferral. Your local ING representative can explain the benefits, features and costs of each. You should consult with an advisor when you consider your alternatives or make tax-related decisions. Legal and tax advice are not offered by ING and its representatives.

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Youth is on your side.

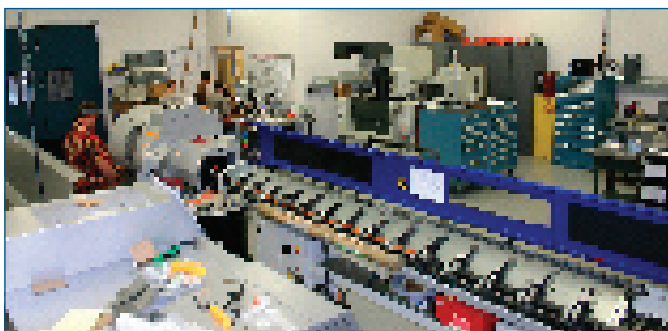
If you think you're too young to start planning for your retirement, just the opposite is true. The younger you are, the better. By investing early in your career, you'll enjoy the potential benefits of tax-deferred growth and compounding of interests for decades. Compounding is a multiple effect.

Consider the case between Larry, 45 years old and Susan, 25:

	Larry	Susan
Age at which savings started	45	25
Monthly contribution	\$300	\$100
Total contribution by age 65	\$72,000	\$48,000
Total pre-tax savings at age 65	\$171,798	\$324,180

Susan not only ends up with more money than Larry, but she also contributed significantly less money than him. This is one of the benefits of starting early.

Note: This hypothetical illustration assumes each account earns an annual rate of return of 8% and is for demonstration purposes only. It is not based on the rate of return on any particular investment and does not include costs incurred under a particular investment. It is also not intended to serve as financial advice or as a primary basis for your investment decisions. Dollar cost averaging does not ensure a profit nor guarantee against loss. Investors should consider their financial ability to continue their purchases through periods of low price levels. Taxes are generally due upon withdrawal.



Manufacturing floor at the El Cajon facility.

Pension and Social Security are not what they used to be.

You might be thinking, "Why do I need to save so much? Isn't that what Social Security is for?" Not necessarily. In recent years, this traditional source of retirement income has become a smaller part of the equation.

Consider that for the average worker, Social Security replaces only 40% of the pre-retirement income. For the next generation of retirees, these percentages may be even lower. That leaves you responsible for more than half of your own future income.

That's why participating in our 401(k) plan may be more important than ever in ensuring the future of your dreams.

It's never too late to start.

If you're nearing retirement and still haven't taken advantage of our 401(k) plan, you probably believe it's too late. But every little bit helps. While you may miss the long-term advantages of a younger investor, you'll still get the current income tax benefits. Plus, your investment's earnings will also be exempt from current income taxes. That's a significant advantage over many other kinds of investments, whose earnings may be reduced each year by taxes.

No expertise required.

So, you don't understand stocks, bonds, mutual funds, asset classes and all the other seemingly complicated terminology that comes with investing? Guess what? You don't have to. Our 401(k) plan has easy-to-understand educational materials. Plus, software, worksheets, and calculators will help you clarify your investment goals – based on your own life situation.

Saving made painless.

For many people, money in the hand is money spent. By using payroll deduction, contributions are automatically deducted from your paycheck – before you have a chance to spend them. And, it's all automatic – you don't have to complete deposit slips, transfer funds, make phone calls, visit a broker, or worry about regular banking hours.

What's your excuse?

When you break down all the excuses not to invest in our 401(k) plan, the questions really becomes: Why shouldn't you invest? Contact your on-site HR Manager to learn more about this great opportunity!