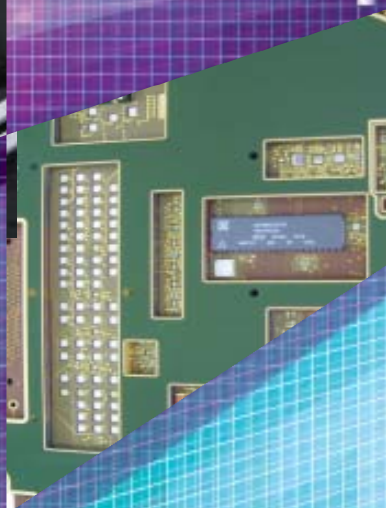
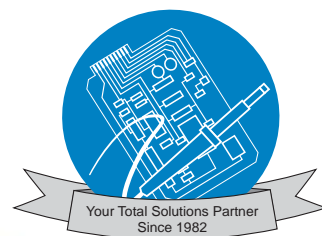


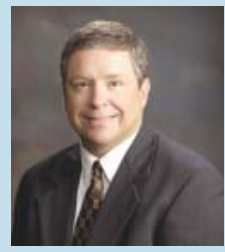
SOLDERING TECHNOLOGY NEWS



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- Training Services Schedule
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DAVE'S WORLD



As we come to the end of another year, we can look back at 2004 and smile. It was a year that sales in all three of our divisions were up from the previous year and from the year before. (Seriously though, assuming you survived it, how hard was it to improve from 2002?) While dollars are the easiest way to measure how we are doing, I prefer to look a little deeper. As we complete our 22nd year, here's some of the things I'll remember from 2004.

It took almost 22 years but we have now had orders from all 50 states. I must admit that I do have some mixed feelings on this one because it was always an automatic discussion starter when the power point presentation said we had customers in 49 states. Also I was looking forward to going to Alaska again looking for customers – from a ship in the inner passage or a train in Denali Park.

During the year, we've had two weddings, Candy Lauderdale Knight and Casey Hatcher Cooper, and one new baby, Mike Tartaglia, Jr. along with several new Grandchildren. (I became Uncle Dave for the first time when the twins, Carter & Aaron Johnston were born in May.)

July was a long month as Dad (Jim Raby) had 2 heart attacks and put a big scare into us all. All the calls, letters, and e-mails we received during that time were phenomenal. The 200+ people that showed up at his 70th birthday party in August did so much to revive his spirits.

In July, we started the Jim D. Raby/STI Scholarship Fund at Calhoun Community College's for Advanced Manufacturing Program. The scholarship is to help students earn a two-year degree in advanced manufacturing and be ready to make our industry stronger. We have been overwhelmed by the

Our VP's, Mike Gainey, Diana Bradford, and Mark McMeen, continue to keep their areas moving forward regardless of the obstacles thrown at them and I continue to be proud to be able to work with each of them.

Ten employees joined us this year, equally divided among the three divisions. (Three in each division and one in accounting in case you were wondering how we evenly divided 10 by 3.)

We added several important product lines in our distribution department but none had quite the impact as when we became a Kester distributor in January.

Our R&D Lab proved that the Imbedded Component/Die Technology invented here two years ago works! In April, while playing in an Auburn University Alumni Golf Tournament, I along with Mike Gainey and Casey Hatcher, were privileged to witness Jason Gjesvold's hole-in-one and have all been given a ride in the new Cadillac he received for it.

contributions made to this program by companies and individuals. The largest contribution so far was made in October by Don Qualls of Pentar. His accompanying letter is included on page 6 of this newsletter.

What I'll most remember about 2004 are friends. Friends are always important but this year maybe because of Dad's health scare or maybe because I'm just getting older and appreciate it more, this year seemed special and I thank you for it.

As always, I greatly appreciate the confidence the 800+ customers place in us regularly and please be assured that is not something we take lightly. Please let me know how we can serve you better. Thank you for a great 2004 and we look forward to an even better 2005.

P.S. We hope you enjoy the new look of our newsletter. Let me know what you think.

David Raby
President/CEO
draby@solderingtech.com

TRAINING SERVICES 2004/5 SCHEDULE

MADISON ALABAMA

- January 03-07 - MSFC/NASA-STD-8739.2/3 Solder Certification
- January 10-14 - IPC-A-610 CIT Certification
- January 17-21 - IPC-J-STD-001 CIT Certification
- January 24-28 - J-STD-001 Certified IPC Application Specialist (CIS) Certification
- January 26-27 - IPC Rework/Repair and Modification CIT Recertification
- January 31-Feb 03 - IPC/WHMA-A-620 CIT Certification
- February 7-8 - IPC-A-610 CIT Recertification
- February 9-10 - IPC J-STD-001 CIT Recertification
- February 21-25 - IPC Rework/Repair and Modification CIT Certification
- February 28 - March 4 - IPC-A-610 CIT Certification

LARGO FLORIDA

- January 10-14 - IPC Rework/Repair and Modification CIT Certification
- February 7-11 - IPC J-STD-001 CIT Certification
- February 21-March 1 - IPC Rework/Repair and Modification CIT Certification



Surplus Inventory Sale

STI, as one of the largest distributors of electronic assembly and solder supplies, occasionally has overstock on some items. We have created a surplus inventory list with prices drastically reduced. The surplus inventory list is available at our website, www.solderingtech.com, and is updated monthly. Please call (256) 461-9191 and ask for Sales or (800) 858-0604. Quantities are limited so don't delay.

HAPPY HOLIDAYS FROM ALL OF US TO ALL OF YOU!



2004 ENGINEERING SERVICES YEAR IN REVIEW

It seems hard to believe that it's already time for the 2004 "Engineering Services: Year in Review". I'm sure part of the reason is that we have been very fortunate to have quite a busy year this year in both the Prototype & Development Lab as well as the Analytical Lab.

We've continued to work on low volume, high reliability projects in the Prototype Lab. There have been several new additions to the lab, both personnel and equipment. Bobby Inman joined the lab early this year as SMT Applications Engineer. Bobby's extensive experience in running an SMT line, specifically on high reliability military hardware, compliments the current staff on the line. Mid-year Josh Wilhoit joined the lab and has been

tape and reel the parts and load them into a feeder for automated placement by our pick and place equipment. Also added this summer was a solvent cleaning system. Historically we have used rosin mildly activated (RMA) or ROL0 flux chemistries as a standard practice. As a consequence we consumed quite a bit of IPA for soaking and rinsing of the end product. With the addition of the automated batch cleaning system, we have cut our IPA usage dramatically. The new system uses n-Propyl Bromide to remove RMA type flux residues leaving assemblies remarkably clean, with no soaking or brushing required.

We've also undergone significant growth in the Analytical Lab this year as well. Aaron Olson joined the lab as Analytical Lab Technician in the

increasingly involved with BGA rework / repair services. Finally, Sandra Ferguson came on board as Quality Assurance Inspector. Sandra brings a wide ranging experience in military and high reliability commercial electronics. These new additions to the STI Engineering Services family have really helped to strengthen the talented team already in place in the Prototype lab.

Several new capabilities in the form of equipment have also been added to the Prototype lab over the course of the year. Early in the year a tape and reeling system was acquired to cut down the lead time for very small (<5 assemblies) automated SMT builds. On numerous occasions, parts for these very small builds were exact ordered and delivered in bags vs. reels. This new machine allows us to

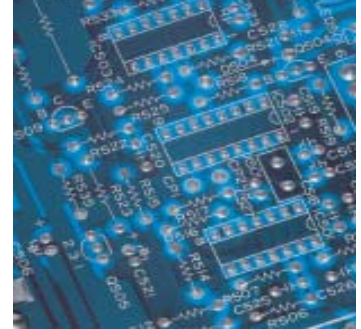
early summer. Aaron has done a great job getting up to speed on all of the instruments, and has made a big impact on the overall throughput of the lab. On the equipment side, several key instruments have been acquired over the course of the past year. Most importantly, Fourier Transform Infrared (FTIR) microscopy was added to compliment the SEM/EDS system in terms of materials identification. Our FTIR microscope is a state of the art instrument that includes advanced capabilities such as infrared imaging. Also added over the course of the year is a Dage shear/pull test unit. We have begun to offer shear testing of chip components as a part of our standard assembly level construction analysis. We feel it provides some quantifiable data that lends confidence to the manufacturing process

2004 ENGINEERING SERVICES YEAR IN REVIEW (CONT.)

and confirms the materials sets are within specification. In addition to the Dage and FTIR, we have also added a new Nikon non-contact optical measurement microscope.

Finally, we have grown in terms of the Imbedded Component/Die Technology (IC/DT) program as well. Casey Hatcher has brought in wire bonding equipment, plasma etch capabilities, and adhesive/encapsulation dispense equipment to support that program. IC/DT development is continuing with several high profile deliverables currently underway including test modules for a NASA reliability study of new and advanced packaging concepts.

The upcoming year holds many challenges and opportunities for our division. Perhaps our biggest challenge for the upcoming year is from a standpoint of facilities. As many of you can attest that have visited us here in the lab, we have more capital equipment per



square foot of floor space than any other company in Huntsville. While we have experienced significant growth in equipment and staff over the course of the past year, we do hope to continue that growth in years to come. In order to maintain that growth, new facilities look inevitable. There are several opportunities we hope to take advantage of in adding value to our Prototype and Analytical services. In the coming months we will become ISO certified. Our quality policy has been ISO compliant since its inception, but ISO certification will add more credibility to the STI quality policy. In addition, we hope to increase internal testing capabilities by offering in house Ion Chromatography (IC) testing by the end of 2005.

We have appreciated the opportunity to serve each and every one of our customers over the course of the

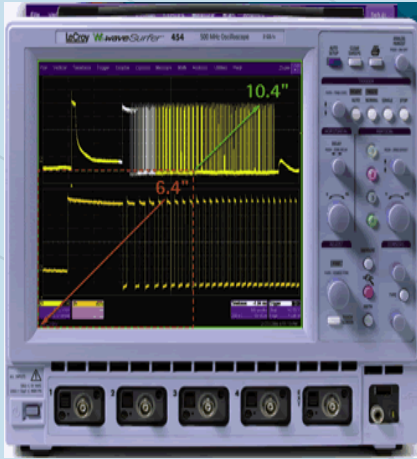
year. We hope that you have found quality and value in all of our services, whether they were manufacturing or analytical. And we look forward to working with each of you again in the coming year! Happy Holidays!

Mark McMeen
VP – Engineering Services
256-705-5515

Mel Scott
Engineering Lab Manager
256-705-5529

Jason B. Gjesvold
Analytical Lab Manager
256-705-5531

SALES & DISTRIBUTION



STI introduces LeCroy and the Wave Surfer line of Digital Oscilloscopes. The Wave Surfer 10.4" LCD touch screen display is 2 1/2 times the size of the 6.4" screens found on competitive Oscilloscopes. It's 6" deep footprint eliminates the space penalty that comes with conventional oscilloscopes. The 800 X 600 SVGA display boasts exceptional brightness and a wide viewing angle. The Wave Surfer breaks the rules of conventional scope design to deliver dramatically improved signal viewing, 100X the capture time, and up-to-the minute connectivity capabilities. Your list of connectivity options is extensive from the front mounted USB port to the standard 10/100 Base - T Ethernet port. If that wasn't enough the Wave surfer is also a full blown computer based in Windows XP and also priced below competitive oscilloscopes in the same class.

Please contact one of our sales staff for demos and pricing at (800) 858-0604.

Jim D. Raby/STI Scholarship Fund Advanced Electronics Manufacturing Program At Calhoun Community College

The Advanced Electronics Manufacturing Program is Jim's vision turned reality. This program is the only one of its kind where students can earn a 2-year degree in Electronics Manufacturing.

Donations can be made to:

Calhoun Foundation
Calhoun Community College
P.O. Box 2216
Decatur, AL 35609-2216

Checks need to be made out to Calhoun Foundation and note either on the check or in a letter that the money is to added at the Jim D. Raby/STI Scholarship Fund.



October 29, 2004

Calhoun Foundation
Calhoun Community College
P.O. Box 2216
Decatur, AL 35609-2216

Dear Foundation Director:

It is with great pleasure that I present the enclosed check in the amount of \$5,000 to the Calhoun Foundation for the Jim D. Raby/STI Scholarship Fund.

Jim has been an inspiration and mentor to me personally for over twenty (20) years. His and Selding Technology International were instrumental in the founding of Pentar Incorporated and both continue to be very close friends and business allies.

It is my hope that students forever will know the contributions that Jim has made to the success of his friends, his community and his industry!

Sincerely,

Donald E. Qualls
President

Cc: Jim D. Raby

TRAINING SERVICES

DAN FOSTER, DIRECTOR OF TRAINING SERVICES

This has been a great year in the training services department. In fact, it has been the best in the history of the company. I wish to thank all of our customers both inside and out for making it such an excellent year. This is due to the hard work of all our staff. Those inside and outside of our department.

This years exceptional performance could not have been accomplished without our talented staff and the addition of new services. As most of you know we have added a welcomed additon to our staff Mike Bevel. Frank Honyotski really appreciates Mikes presence since it gets him off the road some. We also introduced online course registration capabilities this year. Many of you have commented on how much easier this makes your registration process.

Our Training Coordinator Ann Duncan enjoys speaking to each and every one of you but is also thankful for this new feature.

Another addition is our Satellite Training Center in Largo, FL. This has been a great service to our Florida and surrounding area customers. Now if we could only make the weather cooperate. Look for expanding services in Florida in 2005.

Thank you for the opportunity to serve you in 2004 and we look forward to working with you again in 2005. After all where would we be without our customers.

Our desire to serve our customer is what drives us to be all that we can be. Thank you for the motivation & encouragement. Best wishes for a prosperous 2005!

TRAINING MATERIALS

LEAD FREE CERTIFICATION KITS NOW AVAILABLE!



Soldering with Lead Free materials is different than common tin/lead. Operators need an opportunity to refine their skills before working on expensive and critical production hardware. This STI Lead Free kit is based upon the popular J-STD-001 Certification kit, but is comprised of all Lead Free materials that are experienced in today's production environment. This kit is packaged with enough components to populate two boards (included), allowing skill development on one board and final assessment on the other. Lead Free components and boards are also available for purchase separately. For more information on this or other kits, please contact Mel Parrish at (256) 705-5530 (800) 767-4919 or mparrish@solderingtech.com.

Jim's Corner



I believe it is time, my time to move aside and let others come along and do those things that younger people can do best. It has been fun, it has been a challenge, it has been exciting at times and I have enjoyed meeting all of you and being a part of this "**Great Industry**" for so many years, 1954 til 2005, now that is a long time.

In those days there were great government contractors like; Westinghouse, RCA, Douglas Aircraft, McDonnell Aircraft, North American Aviation, Hughes Aircraft, Micro-Dot, General Dynamics, Aero Jet General, IBM, Raytheon, Eagle Picher Battery Co., Electric Storage Battery Co, Martin Co, Lockheed Aircraft, Hayes Aircraft, Brown Engineering, Teledyne, Systron Donner, Bendix, Grumman Aircraft, Sperry, Litton Systems, Space Craft Inc. (SCI) and many more too numerous to recall. These have now in many cases just merged with someone else or went away. It was fun working with these people during this period of time and the successors to those early ones that came along later. It has been fun.

Time passes, and as it does, the need to open the door and let younger minds come to the rescue. I will attend the APEX show next spring and say farewell to many of you that still remember. Between now and then I'll be stepping aside, and turning the reins completely to my son David, and I'll hope that he has as much fun in the industry as I have had.

David will do things differently, he will work more from the front office, but you can believe that he will be there for you, and he will surround himself with a strong technical staff that will be willing and ready to serve your needs. David will make certain that there are strong technical decision makers and proper analytical laboratory activity to provide answers based on test data and no "pull it out of the air" guesses.

So, I bid some of you farewell, some I'll see at APEX in the spring, others I'll see when you visit our Laboratory here in Madison if you can spare the time to visit me Bass fishing. I suggest that you keep in contact with me through my e-mail (jraby@solderingtech.com) or just call David and have him pass a word to me.

Thanks to all of you for the support and opportunities that you have brought to this industry. It is a great industry, and again it has been fun.



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