



Shown above are prototype photos of our next caboose project, the Pennsylvania Railroad N5/N5b cabin car. The design of this project is complete and master casting patterns are already in the works. The will be several different variations including antenna and express-service versions produced covering the entire service period of this prototype. If this is a project of interest to you, be sure to let us know so we can keep you updated regarding our progress.



Shown immediately above and below are examples of two version from our last delivered project, the Pennsylvania Railroad K-4 'Pacific', a classic American prototype and one of the most famous locomotives ever operated in the United States. Above is a 'pre-war' version and below is a 'post-war' version. We have two versions of this project available for immediate delivery at this time, but the availability is very limited. If our 'Pennsy' K-4 is of interest to you please requested a project specific brochure which will provide all of the details regarding the versions and the various tenders that are available.



Future Projects

The prototypes listed below are projects to which we are firmly committed and are actively developing. We continually review the status of the reference material on hand for each of these projects so we can better determine in which order they will be produced. There are additional projects to which we are also committed and are potentially ready to move forward on so don't be surprised.

Chesapeake & Ohio K3/K3a 'Mikado' New York Central 'Niagara' S1a, S1b & S2a Union Pacific Class 4884-1&2 'Big Boy' Erie S class 'Berkshire'

Southern Pacific GS-1 'Nothern' Norfolk & Western class 'A' Southern Pacific AC-10, 11 & 12 'Cab Forward' Pennsylvania Railroad T-1 'Duplex'

Show Schedule

O Scale West / February 15-17, 2007 Santa Clara, California

March O Scale Meet / March 17-18, 2007 Chicago, Illinois

TCA York Spring Meet / April 19-21, 2007 York, Pennsylvania

Contact Information

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A new year is under way and it is time again for the annual Toy Fair in Nürnberg which we are very pleased to be attending for our third year as an exhibitor. Our participation in this show has become ever more important as the interest in our models has continually grown in the European market. We originally decided to travel to Germany in preparation for introducing our first British/European prototype models, but what we encountered in this effort was a bit surprising. During our first visits to

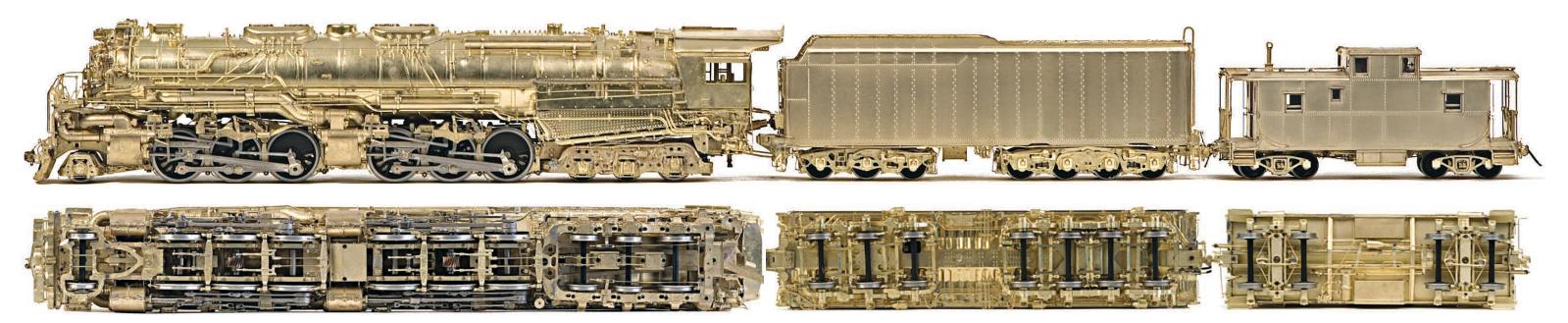


Nürnberg and England, we experienced so much interest in our models of United States prototypes that we decided to continue concentrating on what we were already doing rather than expanding our focus at that time. As we have gained a better insight into the desires of the overseas modeler we have again begun to look at including models of prototypes other than those from the United States. As we do regularly with our existing clients, we encourage you to let us know what types of models you would like to see produced, your opinion is very important to us, that is what our business is based on. We should mention that project specific brochures are available for all of our active projects, please just request a copy for projects of interest.

For those not familiar with our company or models we should offer a brief explanation of who we are and what it is that we do. We have been involved in the production of fine brass scale models primarily in Korea for almost twenty years and for the last eight years have specialized in O scale (1:48) railroad models of United States prototypes. All projects that we produce are limited editions with the quantities to be produced firmly fixed before we take the first reservation. The quantities that we produce vary from project to project, but typically for locomotives it will be between 50 and 150 units all of which are serial numbered. We will never go back and rerun additional models of a previous project as we find this practice to be highly unethical and unfair to those clients that purchased an earlier run model. All of our models are fully functional with the use of standard DC power, no special equipment is required beyond what we supply with each model. Our locomotive models are equipped with state-of-the-art sound systems which reproduce the actual digitized sounds of the correct prototype, there are no synthesized electronic sounds used. All of our electronic systems are developed and built especially for us by Dallee Electronics, Incorporated which is located in Leola, Pennsylvania in the United States. All of our models are fully compatible with the latest DCC technology for those that have made the commitment to this type of operation. We are paying particular attention to what several of the DCC related companies are doing to make certain that we take full advantage of the DCC capability in future models. Our total effort is focused on producing the finest scale models possible of our selected subjects so that future upgrades will not be possible our necessary for a selected prototype.

Our alliance with Mr. Lee at Sun Jin Model Company, our builder for the past eight years, has become ever stronger and we have been planning very carefully to ensure our future with the continued support of our loyal clients and hopefully yours! We will never be accused of being fast, but we are firm in our conviction that each new project must surpass the previous in terms of quality and features. With our builder's like-minded commitment to excellence we have worked to provide a sense of security for those that place reservations for our models. Our policy has been to never rush a project to completion or to shortcut the quality or features to gain a time advantage, we want there to be little concern whether our models will be correct when finished and delivered to our clients.





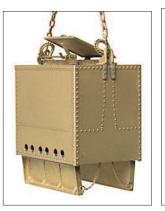
Our current projects are very diverse in nature, representing regions of the United States from the East Coast through the Mid-West all the way to the West Coast. Starting with our latest project shown on the cover and being introduced at the Toy Fair, the **Union Pacific 'Challenger'** is our second offering from the Union Pacific line. Being produced in several different versions including the highly desirable two-tone gray passenger paint scheme, our Challenger promises to be a very exciting project which will lead up to our production of the **Union Pacific 'Big Boy'** in due course. We anticipate the completion of this project later in 2007 and reservations are almost ready to begin.

Our current locomotive project in production is an all-time classic, arguably the best modeling subject in all of model railroading due to it's extensive external detailing, of course we are referring to the **Chesapeake & Ohio H-8/Virginian AG 'Allegheny'** (shown above). Being offered in five versions including two Virginian variations, this has been our most sought after project to date with reservations being held in over a dozen countries. This project will be delivered in the next few weeks and after approximately three years of development there is great anticipation.

Our development and production of revenue rolling stock projects continues with the **Pennsylvania G22b** gondola w/containers (shown on facing page) currently in productions, our G22b will be delivered in the next 6-8 weeks. Our caboose series also continues with our **Norfolk & Western/Virginian** cabooses slated for completion in the next four weeks. Following this caboose project will be the **Pennsylvania N5/N5b** cabin cars, the design and development of which is already complete, they will proceed to production just as soon as the current caboose project is delivered. Following the N5/N5b project will be our **Chesapeake & Ohio 90000 series** steel caboose, followed by our **Union Pacific CA-1** wood caboose complete with real wood exterior sheathing in the fashion of our N&W 'CF' class caboose shown below. Our rolling stock models are built to the same high standard as our locomotive models and come completely painted, decorated and include complete interior detail and regulated lighting where appropriate. We again point out that project specific brochures which offer complete details are available for all of our active projects.



Shown immediately above are samples of our Allegheny AG VIrginian and Virginian C-10 models, both of which are current projects. The upper view is classic 'elevation view while the lower is a less often seen underside viewing showing the extensive underside detaill these models offer.









Shown above are the two container types offered with our **Pennsylvania G22b** gondola, the **DB-4** (drop bottom) on the left and the **HB-1** (hopper bottom) on the right. The containers like the gondolas shown below have complete 'punched' rivet detail and are fully operational. The lower view of the G22b shows a version with the expanded metal floor (screen) which was used on later container cars to allow dirt and water to exit the car without special attention. Shown at the bottom left are samples of our Norfolk & Western CF (wooden) and C2 (steel) caboses, which are also current projects.

