

THE WORD

I am very proud of Essex, the lineage of those past and all of us here today. We have endured many challenges: financial ups and downs, growth and technology advancements, joyous family occasions and unfortunate tragedies, but we have always endured and supported one another. We have faced adversity together and we are stronger for it.

Now in our 65th year, I have cause to reflect on our core values and what my father Harold, uncle Sidney, mother Millie and aunt Bobbette instilled in me and in those at Essex—the value of building relationships, of caring about family, friends, co-workers, customers and everyone that we encounter. Essex was and is all about relationships and how we treat one another through our lives.

How we treat one another as we would like to be treated ourselves. How we support one another and fill our family with love. How we treat friends as well as our co-workers and customers with respect, trust and recognition of their needs. How important it is to provide job security for those in our organization.

It's about relationships, trust, commitments and giving back. This is what makes Essex so great. It isn't any one of us that makes Essex great. We all do this. I know many who have trudged through snow and bad weather to open our facilities at 4:30 a.m. I know many who have gone through extremes to get to work. Theresa Hudson took a bus from East St. Louis to get to work and never missed a day in over 30 years. I know individuals who have worked through the night to complete machining, paper work, processing, travel and delivering product personally to our customers. This dedication is still evident today.

No wonder many families have longevity of service and their children are working here. As Sidney wrote in a previous *Excerpts*, "... it is the family culture we encourage at Essex. For an average of over 13 years per employee, 55% have been with us for 10+ years! But generations of employees' families also work with us."

Essex is a giving family that is committed to our customers and one another by true convictions. Conviction demonstrated by the number of personal and philanthropic organizations we, as a company,

support including the Boy Scouts of America, ALS (Lou Gehrig's Disease), The Kidney Foundation, Leukemia & Lymphoma Society, Wounded Warrior Project, USO, Fischer House, Susan G. Komen Walk, Cancer Cures, Barnes-Jewish Hospital Heart and Vascular Center as well as the Army Aviation Association of America (AAAA), the Association for the United States Army (AUSA) and the National Defense Industrial Association (NDIA). These are organizations that support us and we in turn give back to support them.

As I've been reflecting over 65 years, browsing through past *Excerpts*, there is a recurring commonality: *"1973 has been a year we can all be proud for many good reasons even though the country has bobbed like a cork on the waves of change, housing prices, price and wage control phases, energy prices, wild fluctuation, cut-backs in aerospace procurement... Essex has enjoyed a solid (if not dramatic) growth platform."* Harold Guller, 1973

"Economic, social and technological currents are forcing companies to make changes. The challenge is not merely to respond with one-shot corrections, but to create change – making organizations. These are times of great change." Harold Guller, 1985

"Each of us is making a difference in the world, a positive difference through teamwork at Essex. We have a lot going for us, and the most important thing is momentum. If we can keep up the pace, keep our positive attitude, and keep our team spirit... we will fulfill the potential of our past promises." Harold Guller, 1988

"The other day someone asked me how we were faring with all of the cuts in defense spending in the midst of a general recession. I answered, 'There is always work for the innovative optimists.' Think about it. We have created one innovative design after another, year after year. We are creative up and down the line from engineering concepts to manufacturing techniques, from purchasing to packing to shipping." Harold Guller, 1993

Today, as in prior times of change, we have economic fluctuation, defense budget cuts and high unemployment. Harold, Millie, Sidney and Bobbie have left their indelible imprint on me by training, mentoring and



**IN THE WORD,
KEITH GULLER, CHIEF
EXECUTIVE OFFICER,
DISCUSSES THE STRONG
FOUNDATION OF
CORE VALUES
AT ESSEX.**

genetics and on all of you by their inspiration and values.

As I've said, I am proud of what we all do and am confident that as we forge our strategic growth plans, we will all embrace the changes being implemented and join in together towards the goals that we have set.

Yes folks, the times they are a changin' but we are changin' with them. What isn't changing is our foundation of core values, the strength of our convictions and the importance of our relationships with one another. That is the greatness of Essex and that will certainly assure us continued innovation, prosperity, growth and success.

Chief Executive Officer

ESSEX SERVES AS HOST TO ALS/AFE REUNION

Essex was proud to host the 16th Annual Aircrew Life Support & Flight Equipment Retirees Reunion in St. Louis last fall.

Members of this non-profit organization include men and women who served in the Aircrew Life Support (ALS) or Aircrew Flight Equipment (AFE) professions either as USAF or as civilians.

At the event, Keith Guller, Essex CEO, welcomed the ninety attendees and offered a few opening remarks. The first day was a business forum where industry people updated the group on the latest program developments and equipment issues. Tim Bannister, VP of Sales and Business Development, presented an overview of Essex liquid oxygen equipment and two days later, brought everyone to the Chivvis facility for a guided tour of the manufacturing operation.

One of the meeting highlights was a trip to Scott Air Force base, where tours of the C-21 and C-40 VIP Transport aircraft were provided and an outdoor picnic was held.



Reunion attendees with the C-40 VIP Transport at Scott Air Force Base.

The reunion concluded with a farewell banquet which featured Lt. Colonel Stephen "Crow" Stilwell as the guest speaker. Colonel Stilwell experienced a violent ejection from an F-15 which broke apart in flight and he shared his perspectives with the group.

Steve Wyatt, Essex Senior Business Segment Manager, Military Life Support Systems, served as Moderator and Master of Ceremonies for the four-day event.



NEW AEROSPACE AND DEFENSE CATALOGUE

Essex has introduced the first in a series of product literature designed to support our four major markets. The new Aerospace and Defense catalogue provides information on a wide range of liquid oxygen equipment for Life Support and Ground Support, as well as a selection of Platform Controls and a variety of Aircraft Components.

The catalogue can be found on essexindustries.com in the Document Center. You can request a copy through the Contact Us form or by emailing us at info@essexind.com.

MODS VIDEO AIMED AT FIRST RESPONSE MARKET

Essex has released a new 4 ½ minute video for the Mass Oxygen Distribution System (MODS) which depicts First Responders dealing with mass casualties in emergency situations.

The MODS is a lower pressure portable 75 liter liquid oxygen storage and gaseous distribution system, capable of supplying up to 64,500 gaseous liters of on-board oxygen. As many as 150 patients can receive oxygen at the same time through the use of Patient Distribution Kits (PDK) connected to the MODS.

You can view the new MODS video online at www.essexindustries.com.





VISIT ESSEX AT THESE UPCOMING SHOWS:

April 1-4	AAAA	Nashville, TN	Booth #1679
April 16-21	FDIC	Indianapolis, IN	Booth #541
May 12	ANG	Tempe, AZ	Booth #26
May 13-17	AMA	Atlanta, GA	Booth #109
May 21-25	SOFIC	Tampa, FL	Booth #540

SHOWCASING OUR CAPABILITIES, MEETING OUR CUSTOMERS

The 2012 HELI-EXPO® gave Essex the opportunity to present Life Support, Ground Support, Platform Controls and Aircraft Components to customers in this key market. Featured products in the Essex booth included the BMOS, DMOS and MMOS as well as several new grips designed specifically for rotary-wing aircraft. Billed as the largest tradeshow dedicated to the international helicopter community, over 18,000 industry professionals from more than 100 countries attended the show in Dallas, Texas, February 11th through the 14th.

ESSEX RECEIVES NEW AWARD FOR HELICOPTER GRIPS

Essex Industries has recently received an award to develop the Collective Control Grips for the United States Coast Guard fleet of HH-65 Dauphin Search and Rescue Helicopters. This aircraft is produced by Eurocopter and the USCG operates a fleet of approximately 100 HH-65s, supported by the Aircraft Repair and Supply Center in Elizabeth City, North Carolina. USCG personnel, participating in the preliminary design review at our Sunnen facility, expressed complete satisfaction with our design, performance and support on this program. Initial deliveries will begin in April 2012.

In related news, Essex is also working closely with Carson Helicopters to develop replacement Collective

and Cyclic Grips for Sikorsky S61 and H3 helicopters. Carson, located in Perkasio, Pennsylvania, is a world leader in the repair, overhaul and remanufacture of many helicopter models. Essex is pleased to have the opportunity to support their grip requirements.

The HELI-EXPO in Dallas provided additional leads and uncovered potential opportunities on several other helicopter programs. Serving the rotary-wing market is a natural extension of the design capabilities and manufacturing expertise that Essex has had for so many years in the fixed-wing market.



United States Coast Guard HH-65



HH-65 Collective Grip

SPECIAL RECOGNITION

OUR FACILITIES

Essex received two Boeing Performance Excellence Awards (BPEA). The Boeing Company issues these awards annually to recognize suppliers who have achieved superior performance. Our **Chivvis Facility** was one of only 122 suppliers to receive the Gold level of recognition. Our **Carr Lane Court Facility** was one of 407 suppliers to receive the Silver level of recognition.

The **Chivvis Facility** received a Recognition of Excellence from Lockheed Martin Aeronautics Company for 100% Quality and Delivery Performance in 2011.

The **Carr Lane Court Facility** obtained their Rev C ISO certification for our First Response and Safety products manufactured at that location.



Manufacturing at Chivvis Facility



Manufacturing at Carr Lane Court Facility

OUR EMPLOYEES

Steve Wyatt, Senior Business Segment Manager, Military Life Support Systems, was elected by the SAFE Board of Directors to the post of Corporate Secretary for 2012. SAFE (Space and Flight Equipment Association) is an international organization dedicated to ensuring personal safety and protection in land, sea, air and space environments.

Charles Culp, Design Engineer, Sunnen Facility, received the Michelle Pillers' SolidWorks User Group Network (SWUGN) Award in February. This yearly honor goes to the person who makes outstanding contributions to the SolidWorks Community.

NEW ROLES

ESSEX EMPLOYEES STEP INTO NEW ROLES TO PROVIDE THE HIGHEST LEVELS OF CUSTOMER SERVICE.

> HUMAN RESOURCES

CHUCK BAUMAN, *Vice President of Human Resources*

DANIELLE KOHLER, *Director of Human Resources*

> SALES & MARKETING

STEVE WYATT, *Senior Business Segment Manager, Military Life Support Systems*

GERARD RUSSELL, *Special Accounts Manager*

COREY WALDMAN, *Special Accounts Manager*

KATHY KERLEY, *Manager of Customer Care & Contracts Administration*

VICKI PETTUS, *Manager of Customer Care & Contracts Administration*

> ENGINEERING

PHIL WRATCHFORD, *Director of Technology Development*

MIKE HILL, *Director of New Product Development*

BILL DEAN, *Product Integration Manager / Medical*

KELLEY POSEY, *Product Integration Manager / First Response & Safety*

STEVE PINKSTON, *Product Integration Manager at Sunnen*

RANDY SCHARFENBERG, *Product Integration Manager at Chivvis*

> OPERATIONS

ANGELO BENDOFF, *Operations Manager*

RANDY BOOFER, *Operations Manager*

WAYNE KERLEY, *Operations Manager*

FRED STOLZ, *Operations Manager*

NEW TEAM MEMBERS

RUSSELL JACOBMEYER

VICE PRESIDENT OF ENGINEERING

As the new Vice President of Engineering for Essex, Russell (Russ) Jacobsmeier will manage and direct the engineering organization to support the company's efforts in the Aerospace and Defense, First Response, Safety and Medical markets. In his role, Russ will focus on new product development, resource/project management as well as research and development initiatives.



Prior to joining Essex, Russ served as Chief Technology Officer for another privately-owned manufacturer, where he was responsible for global product design, research and development and product management. He also has seven years of research and development experience with the Eastman Kodak Company.

Russ earned a M.S. degree in Mechanical Engineering from the Georgia Institute of Technology after receiving his B.S. degree in Mechanical Engineering from the University of Missouri, Columbia.

RICK NICKERSON

DIRECTOR OF SALES AND BUSINESS DEVELOPMENT, AIRCRAFT COMPONENTS

Rick Nickerson brings extensive experience to his new role as Director of Sales & Business Development, Aircraft Components, having held major sales and marketing positions at Grob Aerospace, Cessna Aircraft, Bell Helicopter and McDonnell Douglas.



At Essex, Rick will initially concentrate on expanding our worldwide sales force for Aircraft Components and Platform Controls. By increasing our network of global representatives while leading an experienced internal staff, Rick will ensure the highest levels of service and support for customers.

Rick is a decorated veteran, having served as a US Army Blackhawk pilot. He has a Bachelor's degree from Marlboro College in Vermont.

JEFF LOCKWOOD

DIRECTOR OF SALES AND BUSINESS DEVELOPMENT, MEDICAL

As Director of Sales & Business Development, Medical, Jeff Lockwood will focus on developing business with existing and new customers, as well as identifying product/service opportunities to expand our current offering. He will also provide leadership for the Medical sales and Customer Care team in Saint Louis.



With over twenty years in the medical device/equipment market, Jeff has a wide range of experience including sales management, product management, strategic planning and new product development for companies such as Hill-Rom, Baxter Healthcare, Covidien and Kalypto Medical.

Jeff holds a BSBA in Marketing from the University of Missouri (Columbia) and an MBA from the University of South Carolina.

ALLAN HOPKINS

DIRECTOR OF SALES AND BUSINESS DEVELOPMENT, SAFETY AND FIRST RESPONSE

Allan (Al) Hopkins joins Essex as Director of Sales & Business Development, Safety and First

Response. In this new role, he will lead the sales team and develop strategies to expand our product offering for these two markets.

Throughout his career, Al has held various marketing and management positions with technical product firms, ranging from small to Fortune 500 companies, which serve business-to-business markets.

Al received both a BS in Engineering Mechanics and an MBA, with an emphasis in Finance and Marketing, from the University of Illinois—Urbana.



MARC ASHWORTH

DIRECTOR OF IT ENTERPRISE SYSTEMS AND INTEGRATION

Marc Ashworth has actually worked with Essex since 1998 as a network and software consultant prior to joining the company as Director of IT



Enterprise Systems and Integration last November.

In his new role, Marc will lead the strategic and operational planning of the IT department

in areas of network structure, communication platforms, hardware, software and security. Several key projects are in process for 2012, including improvements in secure remote access and server/desktop virtualization.

Marc brings over 21 years of network and software experience to his position, having worked with Fortune 500 and Fortune 100 companies. He has a B.S. in Computer Information Systems from Missouri Southern State and has earned an MCSE certification from Microsoft as well as a CISSP Security Certification.