

THE WORD

In a few weeks, we will move out of the temporary office space we have occupied since December and return to our Gravois headquarters location. What began as a simple project to clean the carpets turned into a full scale renovation of the facility. Some think the improvements were long overdue—we have not really redecorated since we first moved into the building thirty years ago.

While the new décor will be nice, personally I am more excited about the features we were able to incorporate into the renovation. Our new headquarters is designed for interaction and I see so much value in that. For the first time, sales, marketing and engineering from across the organization will be in one location. This will really facilitate a more collaborative effort. The new conference areas will encourage communication and the Learning Center will provide a dedicated and functional area for training. All of this firmly supports the strategic direction of the company.

We are not just investing in new paint and wallpaper. Management has committed to making the investments needed to grow the company. Over the past several months we have added much needed resources in sales, engineering and other departments to enable us to increase volume and expand the business. We remain committed to keeping our manu-

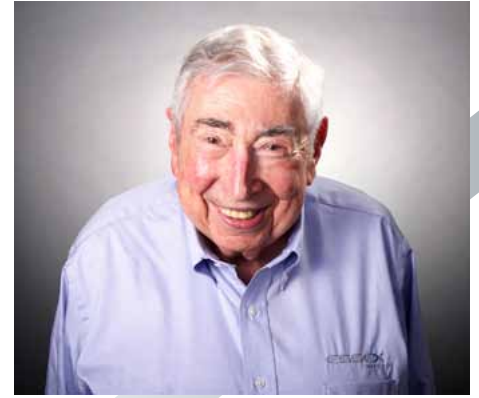
facturing base here in St. Louis, but we are also looking to acquire companies outside the area to extend our product portfolio.

We see ourselves as an aggressive company, able to solve problems, with worldwide demand for our products. We maintain high standards and are proud of our reputation for quality products and customer service. We want to remain a meaningful producer to all of our customers.

We are the company that customers come to when they have a need or special requirement to fill. A perfect example is the Guardian Angel project. The United States Air Force needed a better oxygen delivery system for recovery operations. It took several years to develop, but the new system has now been tested and delivered to the government.

Today we see many opportunities to capitalize on our problem solving ability. Designs from one market can be transferred into new products for other markets. We can uncover new uses for our technologies and apply them to applications in commercial aerospace, military, first response, medical and safety.

Even after 65 successful years in business, we at Essex are not complacent and set in our ways. We are not satisfied with the status quo. We not only accept change,



"We not only accept change, we embrace it."

SIDNEY GULLER

we embrace it. I see the current changes as a good thing, as a way to keep the company strong and successful for the generations that will follow, both in the immediate Guller family and in our extended family of dedicated employees.

Everyone believes older people don't like change.....well, if that's true, I guess it just proves that I'm not old!

A handwritten signature in blue ink that reads "Sidney Guller". The signature is fluid and cursive.

Chairman of the Board



ESSEX RECEIVES 2012 AIAA CIVIC AWARD

The St. Louis Section of the American Institute of Aeronautics and Astronautics (AIAA) honored Essex Industries with their 2012 Civic Award in recognition of the company's outstanding contribution to the progress of aerospace activities in the St. Louis area.

Keith Guller, CEO, accepted the award on behalf of Essex Industries at a banquet held May 24th. In his remarks, Brad Sexton, St. Louis AIAA Chairman, indicated that "the community has clearly benefitted from Essex' hard work, determination and dedication."



Brad Sexton with Keith Guller, May 24th.

WORLDWIDE REPAIR AND OVERHAUL SERVICE



In addition to manufacturing LOX converters, Essex is known worldwide for our repair and overhaul (R&O) service. Converters still operating on NATO aircraft are returned to the factory every few years to be checked or repaired as needed.

A walk through the line at our Chivvis facility resembles the U.N. as miniature flags from the various countries can be seen on converters awaiting evaluation. Soon these will be joined by those from our neighbor to the north, Canada.



The Canadian Department of National Defense (DND) has awarded Essex the direct contract for the repair and overhaul of their 5, 10, 25 and 75 liter LOX converters.

Personnel from the DND recently made a visit to St. Louis to tour the Chivvis facility, see the repair operation and to review the other Life Support Equipment offered by Essex.



SHOWING OUR STRENGTHS AROUND THE WORLD

As one of the leading suppliers of Aerospace and Defense equipment, Essex presents their capabilities to the world through meetings, workshops, conferences and trade shows. In the past few months, Sales Team members traveled from Hong Kong to South America, London to Nashville, showcasing products and exploring new opportunities.



Essex booth at SOFIC, Tampa, Florida.

Out of more than 1,400 exhibitors at SOFIC, Essex was the only company presenting the safety benefits of low pressure medical oxygen (LOX) systems, highlighting both the Backpack Medical Oxygen System (BMOS) and the Mounted Medical Oxygen System (MMOS) in their booth. Held May 22-24 in Tampa, Florida, the Special Operations Forces Industry Conference is the defense industry's premier event, focused on advancing technology solutions and building the global Special Operations Forces partnership.

Highly trained Special Forces see the most military action and must rely on equipment that is put under continual abuse in extreme conditions. Low pressure oxygen is an important safety benefit for the harsh conditions that the Special Operations Forces encounter.



NEW FIRST RESPONSE BROCHURE

Essex introduced the new First Response brochure to coincide with our participation in the recent FDIC show in Indianapolis. This piece highlights both air and ground liquid oxygen distribution systems as well as our line of emergency breathing equipment.

The brochure 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.

VISIT ESSEX AT THESE UPCOMING EVENTS

July 9-15	Farnborough International Air Show	London, UK	Booth #2/A1
July 19-21	Firehouse Expo	Baltimore, MD	Booth #412
July 23-29	AirVenture	Oshkosh, WI	Wick's Aircraft Booth
July 31-Aug 2	OSCG	Carlsbad, CA	N/A
Aug 3-4	Fire Rescue International/IAFC	Denver, CO	Booth #5013
Aug 8-10	FIME	Miami Beach, FL	Booth #2562
Aug 10-12	HBOT	Long Beach, CA	Booth #17
Aug 13-16	MHSRS (formerly ATACCC)	St. Pete Beach, FL	Booth # TBD
Aug 18-21	ACPC	Las Vegas, NV	N/A
Aug 22-26	US Army ALSE Conference	Huntsville, AL	Booth # TBD
Sept 10-12	F-16 Proven Aircraft TCG/WWR	Ogden, UT	Booth #183
Sept 12	Ft. Detrick Vendor Day	Frederick, MD	Booth # TBD
Sept 24-28	ALS/AFE Reunion	Biloxi, MS	N/A
Sept 25-27	Modern Day Marine Combat Expo	Quantico, VA	Booth #1440

Booth numbers not listed will be posted on our website, essexindustries.com, when available.

BOSS DEMONSTRATION AT FT. RUCKER



The OGL generates and stores the liquid oxygen (LOX) that will be used to fill/refill the MMOS and DMOS systems, solving the field location supply challenge.

The Essex Life Support Team was asked to demonstrate the full Battlefield Oxygen Sustainment System (BOSS) at the U.S. Army Garrison, Fort Rucker, Alabama on April 20.

In front of key aero-medical personnel, the team presented features of the three BOSS components: the Oxygen Generator and Liquifier (OGL), the Mounted Medical Oxygen System (MMOS) and the Dismounted Medical Oxygen System (DMOS). The Backpack Medical Oxygen System (BMOS) was also included in the product review.

As a generating unit, the OGL is able to produce and store one liquid liter of oxygen per hour in a 40 liter dewar and is designed to operate in harsh field conditions. As part of the demonstration, the Essex team showed how easily the OGL filled the other oxygen system equipment.

Today, over 90% of rotary style commercial air ambulances in America fly with an Essex LOX Life Support system on board. LOX style systems provide distinct advantages in their reduction of weight, cube size and fill times as well as increased safety in comparison to high-pressure gas cylinders.



The DMOS is back-packable, making it easier to transport oxygen to injured personnel.



The MMOS can easily be carried by ground support personnel and can be mounted in an aircraft, helicopter or ground vehicle.



The BMOS can be carried or worn by parachutists and ground support personnel.

ESSEX SALES AND MARKETING

JIM NEUMEIER

DIRECTOR OF SALES & BUSINESS DEVELOPMENT, LIFE SUPPORT SYSTEMS

Joining Essex as Director of Sales & Business

Development, Jim Neumeier will provide leadership for the Customer Service and Sales team dedicated



to Military and Commercial Life Support Systems. In this role, Jim will focus on expanding our customer base in this market segment and providing direction to training and educational programs that support our products and services.

Jim brings over 22 years of experience to Essex in the areas of marketing, business development, strategic alliances and sales channel management, as well as national and international commerce. He most recently held the position of Vice President at Innovative Energy, a renewable energy technology provider. Jim's past experience also includes consulting project management for Boeing, MasterCard International, U.S. Army DISA CONUS (Defense Information System Agency—Continental United States Field Command), the U.S. Treasury Department and the St. Louis Cardinals baseball team.

Jim holds a BS in Marketing from Wayne State University with Minors in Business Administration and Finance.

> NEW TEAM MEMBERS

SALES & MARKETING

DAVE ETTER, Business Segment Manager, Safety

BOB MCKEOWN, Business Segment Manager, Medical

> NEW ROLES

SALES & MARKETING

STEVE COLLINS, Manager of Customer Care & Contracts Administration

DAVID KIM, Business Segment Manager, Platform Controls & Aircraft Components

ELIZABETH MEHLICH, Manager of Customer Care & Contracts Administration

ROBERT SPECHT, Business Segment Manager, Platform Controls & Aircraft Components

THE ACHEIVEMENTS OF AN ORGANIZATION ARE THE RESULTS OF THE COMBINED EFFORT OF EACH INDIVIDUAL

-VINCE LOMBARDI