

The Doorway

M.C. Gill Corporation Group of Companies

High Performance Composite Products Since 1945 • www.mcgillcorp.com

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65

Years and Counting





Looking Forward Since 1945

1946 1947 1948 1949 1950 1951 1952 1953 1954
1955 1956 1957 1958 1959 1960 1961 1962 1963 1964 1965
1966 1967 1968 1969 1970 1971 1972 1973 1974 1975 1976 1977
1978 1979 1980 1981 1982 1983 1984 1985 1986 1987 1988
1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999
2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010



Anniversaries are a time to reflect. 2010 marks the 65th year our company has been in operation. Sales to the commercial aircraft industry account for the vast majority of our total production, but we also serve military, marine, highway, rail, recreation and other non-aviation related customers worldwide. On the surface, we may look like any other manufacturer, but our story is as unique as the people who call this company home.

The Beginning

M. C. Gill Corporation was founded on September 11, 1945 by Merwyn “M.C.” Gill. World War II was ending and new technologies were emerging in a time of rapid industrial growth. M.C. speculated that an exciting new material, plastics, was the wave of the future, so he developed a line of products and started a company.

M.C. Gill Corporation’s first real success came as a supplier to the airline industry. The company was truly a family business, with M.C. leading production, sales and product development and M.C.’s wife, Ellen, managing the accounting/finance department. When they were old enough, sons Phillip and Stephen began to work part-time at the plant. When Stephen was 14, his father asked him if he’d like a summer job at the plant. Stephen recalls:



“I was 14 years old and my father said, ‘You want to earn some money this summer?’ and I said, ‘Sure.’ Then I asked him how much I was going to be paid and he said, ‘Sixty cents an hour.’ I thought that was terrific, because every two hours I got a ten-minute break and earned ten cents during the break. Sodas cost ten cents so I thought that was terrific – I was getting paid to drink a soda!”





After graduating from the University of Southern California, Stephen settled into the production department, and after Phil graduated from Oregon State he took over the R&D lab. The company thrived by developing and selling products that filled a specific need while outperforming other similar products on the market. M.C. Gill Corporation was known for customizing products to their customer's requirements while maintaining a high standard of quality during development and production. This flexibility helped the company shift the airline industry from the then-standard



aluminum floor panels to balsa wood sandwich panels that were just as strong yet half the price. Seemingly overnight, this product became the replacement flooring for every major airline. Contrary to most rags to riches stories, the Gill family remained deeply entrenched in daily operations, working alongside a core group of dedicated employees to ensure their customers consistently received superior service and unequalled product quality.

Moving Forward

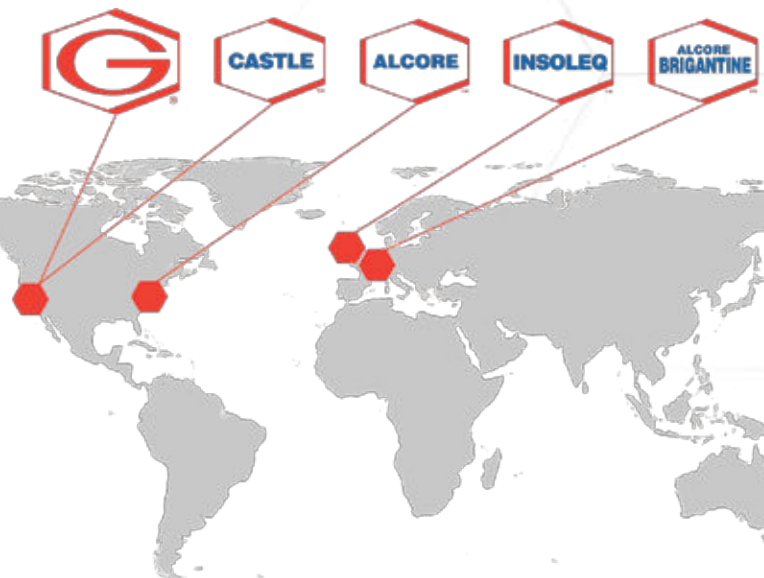
By the 1990s, the second generation of Gills assumed leadership of the company and responsibility for preparing the corporation to compete in the new millennium. The Gills were certain that to compete and grow, they needed to expand their capabilities, and one of the means would be through corporate acquisitions.

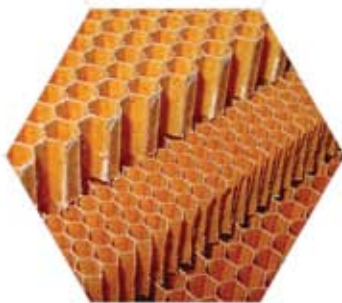


In 1980, the Corporation acquired a plastics manufacturer in Nebraska called Royal Plastics (now known as Royal Engineered Composites). In 1993, Phil Gill would relocate to Nebraska to run the division and would later acquire it. Then in 1984, the Corporation would acquire Space Flex and eventually fold it into Royal.

Stephen Gill became CEO of M.C. Gill Corporation in 1991, with an eye towards identifying opportunities that would complement the growing business. In 1993, an opportunity presented itself and M. C. Gill Corporation won a significant honeycomb contract. In 1997, the Corporation became an international company by acquiring Insoleq, located in Northern Ireland. In 1998, we acquired Castle Industries located in Ontario, California. After a four-year hiatus, Alcore and Alcore Brigantine, both manufacturers and detailers of aluminum and non-metallic honeycomb, were added to the Corporation's list of competencies.

The Corporation had grown sixfold under his leadership, but Stephen remembered his parent's lessons of frugality, hard work and balancing risk with rewards; so, after the company celebrated its 60th anniversary (2005), Stephen established a corporate advisory committee. His brother Phil Gill serves as a charter member of the committee. Their role is to help Stephen and his management team to judiciously propel the entire corporation forward. One of their first tasks was the development of a plan including reinvestment in the facilities, reorganizing staffing resources, improving efficiencies and developing exciting new products.





By 2007, Alcore's demand for machined non-metallic honeycomb had risen dramatically. The existing 110,000-square-foot facility was no longer sufficient to accommodate demand, so M.C. Gill Corporation and Alcore began negotiations to secure additional manufacturing space and opened its second plant in June 2008.



The second facility offered an additional 44,000 square feet of manufacturing and office space. The addition of space and equipment resulted in a significant improvement to their manufacturing. A review of staffing resources resulted in the addition of 75 new positions.

Over the last five years that plan has been implemented and reported about in our corporate magazine, *The Doorway*. In the spring 2008 issue, we shared some of the recent changes at our subsidiary in Maryland.

Alcore Inc.'s dominant product line is their metallic honeycomb machining business, but their unique processing capabilities allow them to support market demand for other composite materials, especially machined non-metallic honeycomb.

The spring 2009 *Doorway* was devoted to our subsidiary in France, Alcore Brigantine. At the time of the acquisition, Alcore Brigantine specialized in the manufacture of aluminum honeycomb for the aviation, high-speed rail and automotive markets. It also supplied non-aerospace industrial grade sandwich panels. The non-aerospace business represented over two-thirds of its revenue with aerospace accounting for the remaining one-third. Vertical integration between M.C. Gill Corporation and its subsidiaries has helped Alcore Brigantine achieve significant growth since it joined our group of companies.



Looking Forward Since 1945

1945 1946 1947 1948 1949 1950 1951 1952 1953 1954 1955 1956 1957 1958 1959 1960 1961 1962 1963 1964 1965 1966 1967 1968 1969 1970 1971 1972 1973 1974 1975 1976 1977 1978

Alcore Brigantine currently operates in a combination of office suites, manufacturing space and warehousing adjacent to the Biarritz airport. This location allows management to facilitate efficient work flow for reduced production times and improved quality. State-of-the-art equipment is installed within the manufacturing plant. Warehousing areas accommodate both raw materials and finished goods to assure closely controlled material flow.

In addition to the facility upgrades, Alcore Brigantine has enhanced its certification portfolio. It has successfully completed NADCAP audits and EN9100 certification.



Our Southern California subsidiary, Castle Industries, continues to excel at rapid turnaround of parts, including expedited deliveries for JIT requirements. Castle maintains a staff of steel and aluminum welders, as well as specialists in a wide range of other areas of metal parts manufacture. In 2010, Castle increased its staff to enhance its ability to better serve its customer base.

The changes at our subsidiaries are exciting, but the most significant improvements have been implemented at our El Monte headquarters. Since 2006, we have added state-of-the-art equipment, new positions and upgrades to the existing facility. The fall 2007, fall 2008 and winter 2009 *Doorways* have each reported on various phases of our strategic improvement plan, including an extensive remodel of the largest building in the complex

boasting 77,000 square feet under roof.

After new equipment was installed, 9,000 square feet of office space for our Human Resources, Manufacturing, Facilities Engineering, Production Control, Procurement and the Quality Departments was completed. To keep pace with the latest technologies available, a new state-of-the-art communication system was approved for our offices. The Shoretel Phone System (voice-over IP) was installed in 2009 to ensure maximum efficiency between departments and our outside customers. In conjunction with the communications improvements, our IT Department upgraded our routers, firewall security and implemented a companywide intranet.

Last year, we upgraded our ERP software to streamline our operational processes. The program integrates every phase of the manufacturing process for greater efficiency and improved customer satisfaction. (This system is also being implemented at Alcore Inc. in Maryland.) Most recently, we activated a wireless inventory management system that consistently delivers 98% accuracy within our plant.



Stephen Gill now holds the record as the employee with the most years' service. Of the 200-plus employees based in El Monte, 17 have worked for the company between 25 to 50 years and over 100 more have worked five to 24 years. It's enviable to be among the old-timers, and the one word that best describes their attitude is loyalty. Thirty-nine-year veteran Rudy Rodriguez was hired to work in production and today he is the Quality Control Manager. It's the only place he's ever worked, and when asked if he plans to retire from M.C. Gill, he answers with a resounding, "Yes. I didn't plan to work here that long but I stayed because of the people, the opportunities to advance and the challenges."

In the composites industry, M.C. Gill Corporation is known as a pioneer. We maintain that reputation by continuously developing new technologies, improved manufacturing efficiencies and product improvements as a part of our regular routine. We are a company that stays one step ahead by proactively developing next-generation cargo liners, floor panels and weight-saving honeycomb products for the aviation industry, including regional jets, cargo aircraft, single-aisle and wide-body passenger aircraft. M.C. Gill Corporation's ability to support programs by identifying, developing and producing innovative products, before an aircraft has even been launched, sets us apart.

Since 1952, the company has expanded to larger facilities eleven times. From a rented garage to the seven-building corporate headquarters we occupy today, our company has grown and thrived. M.C. Gill Corporation has won numerous awards including Boeing Supplier of the Year award and has been featured on the Discovery Channel's "How It's Made." Stephen Gill takes great satisfaction in seeing how the small business his family started has grown into a world-class operation. In 2009, his daughter Jennifer joined the company, adding a third generation of Gills to the company.



On April 1, 2010, Merwyn "M.C." Gill officially retired from the company and celebrated his 100th birthday in July 2010. In September 2010, a group gathered at the El Monte campus for an evening of celebration to recognize the company's 65th anniversary.

Since 1945, M.C. Gill Corporation has maintained a commitment to quality, customer service and a determination to continually enhance the company's production capabilities.

To learn more about our history, our products and how to contact us, please visit our website at www.mcgillcorp.com

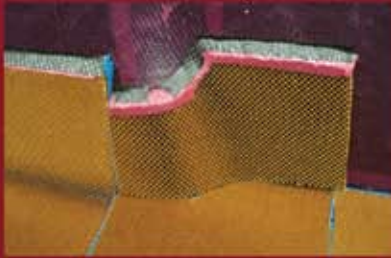




Insoleq on the Fast Track

M.C. Gill Europe (Insoleq) in Bangor, Ireland, is proud to have partnered again with the local Queen's University Racing Team in their quest to design, build and win a single-seater "mini formula 1" race. The team consists of students operating within the School of Mechanical and Aerospace Engineering, Queen's University Belfast.

The chassis of the 2009 Queen's University car was constructed using Gillfab 4504 in a cross and fold process. The 2010 race car had sheets of OX HD honeycomb core with pre-pregs supplied by Bombardier Aerospace, a global transportation manufacturer.





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Alcore does not sell sandwich panels. Contact M.C. Gill for these products.



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BOMBARDIER
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THE FUNNY SIDE



Respect for Authority

A DEA officer stops at a ranch in Texas and talks with an old rancher. He tells the rancher, "I need to inspect your ranch for illegally grown drugs."

The rancher says, "Okay, but don't go in that field over there," as he points out the location.

The DEA officer verbally explodes, saying, "Mister, I have the authority of the Federal Government behind me." Reaching into his rear pants pocket, he removes his badge and proudly displays it to the rancher. "See this badge? This badge means I am allowed to go wherever I wish, on any land, no questions asked or answers given. Have I made myself clear? Do you understand?"

The rancher nods politely, apologizes, and goes about his chores. A short time later, the old rancher hears loud screams for help and sees the DEA officer running for his life, chased by the rancher's big Santa Gertrudis bull. With every step the bull is gaining ground on the officer, and it seems likely that he'll get gored before he reaches safety. The officer is clearly terrified.

The rancher throws down his tools, runs to the fence and yells at the top of his lungs: "Show him your badge. Show him your BADGE!"

The Price of Advice

A doctor and a lawyer were talking at a party. Their conversation was constantly interrupted by people describing their ailments and asking the doctor for free medical advice. After an hour of this, the exasperated doctor asked the lawyer, "What do you do to stop people from asking you for legal advice when you're out of the office?"

"I give it to them," replied the lawyer, "and then I send them a bill."

The doctor was shocked, but agreed to give it a try. The next day, still feeling slightly guilty, the doctor prepared the bills. When he went to place them in his mailbox, he found a bill from the lawyer.

YELLOW	BLUE	ORANGE
BLACK	RED	GREEN
PURPLE	YELLOW	RED
ORANGE	GREEN	BLACK
BLUE	RED	PURPLE
GREEN	BLUE	ORANGE

Look at the chart above and say the COLOR of the word, not the word itself.