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Winning Strategy

Calculated Planning Pays Off for Alcore



sk an accomplished businessman the secret to his success and he'll tell you it's a combination of hard work, talent, strategic thinking and a bit of luck. Running a successful business is a lot like playing chess. You've got to be five moves ahead of your opponent if you're going to stay ahead. You are constantly planning, plotting and executing moves for an outcome that is years ahead of you.

M.C. Gill Corporation was founded on the premise you will be a success if you manufacture a quality product that the customer needs, at a fair price. Lady Luck may have had a hand, but the combination of vision, tenacity and careful planning forged us into a vertically integrated organization that is the M.C. Gill Corporation Group of Companies. Our individual business units flourish within their particular market segment while leveraging the capabilities of their sister companies and the parent corporation.

Our first truly successful products were utilized in early aircraft design. Once the industry realized the broad applications for composite materials, demand soared. M.C. Gill Corporation was developing



products with specific properties that would meet a litany of manufacturer's specifications. Management foresaw unlimited growth potential and was determined to cement our role within the aerospace industry. It became obvious that honeycomb would play a significant role in future aircraft design so M.C. Gill Corporation developed a strategic plan to obtain the resources and equipment to lead the market. Initially, our efforts went towards producing Nomex[®] honeycomb products. However, M.C. Gill Corporation also recognized the niche opportunity for metallic core. Like a chess master planning his next move, M.C. Gill Corporation kept an eye on the market and waited until the time was right.

Our patience finally paid off in 2001. After a series of mergers and reorganizations, Alcore, Maryland and Alcore Brigantine, Biarritz, France became available. M.C. Gill Corporation purchased their assets, acquiring large-scale metallic honeycomb capabilities plus a staff of highly qualified personnel. M.C. Gill Corporation could now offer a full line of metallic and non-metallic honeycomb products.

ALCORE Edgewood, Maryland ALCORE BRIGANTINE Biarritz, France



Alcore manufactures a variety of lightweight structural core, predominantly aluminum honeycomb for aerospace and commercial applications. They have special processing capabilities for metallic and nonmetallic cores, from simple operations like chamfering to complex processes including roll-forming, 5-axis machining and splicing of different densities into core blankets. Alcore also produces PAA (phosphoric acid anodized) core, a highly corrosion resistant core offered by only two sources worldwide.

Alcore Brigantine provides broad manufacturing capabilities in structural core materials technology in Europe. This includes aluminum honeycomb in aerospace and commercial grades, with in-house design and special processing expertise. Alcore Brigantine can form, trim and 5-axis machine metallic and non-metallic honeycomb. They also manufacture and detail sandwich panels from simple shapes to complex parts for aerospace, rail, shipbuilding and architectural applications. Their established ties to the European commercial aviation industry were of special interest.





Since those first days, a lot of exciting changes have occurred. The airline industry as a whole has rebounded soundly in the post 9/11 days.

An important yardstick remains the number of passengers that traveled. In 2006, that number was a record 739 million, up from 690 million the previous year. U.S. commercial aviation remains on track to carry 1 billion passengers by 2015. In addition, international traffic is growing almost 2 percent faster than domestic traffic. The remaining formidable hurdle for the commercial aviation industry as a whole will be the price of oil.¹

The growth of our corporation has outpaced the aerospace industry's growth. An example of our growth is evident in the expansion effort taking place at Alcore in Maryland.

Alcore is a subsidiary of M.C. Gill Corporation but it is also a customer and supplier. Alcore's dominant product line is their metallic honeycomb business, but their unique processing capabilities allow them to support market demand for other composite materials, especially non-metallic honeycomb.

¹ www.faa.gov/data_statistics/aviation/aerospace_forecasts/2006-2017

From 2003 – 2007, Alcore's demand for non-metallic honeycomb rose more than 30%. The increase in Boeing and other aircraft manufacturer's build-rates, the introduction of Boeing's 787 Dreamliner as well as the emergence of the Joint Strike Fighter F35 program accounts for much of the growth. The existing 110,000 sq. ft. facility was no longer sufficient to accommodate that demand. In 2007, M.C. Gill Corporation and Alcore began negotiations to secure additional manufacturing space. With a capital investment of over 3 million dollars, Alcore is opening its second plant in June 2008.

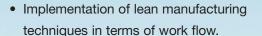
DEMAND FOR NON-METALLIC HONFYCOMB

Warehousing areas in new Alcore, Inc. plant.

The second facility is located in the same business park with an additional 44,000 sq. ft. of manufacturing and office space. The new building will accommodate manufacturing of non-metallic honeycomb materials used in various aerospace parts, including aircraft engine nacelles, thrust reversers and fixed leading edges of wings, slats, spoilers, flaps and winglets. 100% of all work for the Boeing 787 program will be produced in the new facility. The addition of space and equipment will result in a significant improvement to their manufacturing efficiency. Improvements include:

Employees and customers inspect equipment at new Alcore, Inc. plant.

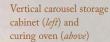
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- Increased inventory and manufacturing capacity
- Increased number of 5-axis machines for shaping honeycomb
- Advanced inspection methods using CMM technology
- Vertical carousels for tools and parts, another lean initiative
- State-of-the-art dust collection system
- Temperature and humidity control for working with Nomex[®] and Kevlar[®] honeycomb.

Upon completion, the original building will house all metallic products, and a similar exercise in terms of lean manufacturing will take place in that building. Manufacturing for existing non-metallic programs will be moved program by program to avoid a disruption to business. Alcore's staff is working closely with all its customers, to ensure a successful transition.





Alcore Grows

Alcore currently employs 220 individuals. Since 2006, they have added 75 new employees. Customer Service is poised to support increased customer demands with the addition of a new Customer Service Manager and two new Regional Sales Managers.

Alcore's future is bright with new business from a variety of programs like the NASA Apollo Rocket Program, and Team Oracle; America's Cup Sailing



Alcore, Inc. production staff leads tour next to 5-axis CNC machine.

in More Ways Than One

team. Alcore's success extends into their efforts to increase efficiencies and support the local economy. They participate in the Enterprise Zone grant program for training new skilled labor and work with a local recycling company to reclaim aluminum scrap. In recognition, Alcore has earned praise from Harford County government officials. Harford County Executive David R. Craig states, "We are delighted with the prosperity and growth of Alcore. Alcore is an asset to Harford County and a great business partner to our community."² Executive Director of the Office of Economic Development, Harford County Maryland adds, "Alcore is on the forefront of technology to support our military and civilian aerospace industry. We congratulate Alcore on their success and look forward to their continued growth and development in the future."³

² Harford County Press Release, David Craig, 3/25/08
³ Harford County Press Release, Jim Richardson, 3/25/08

On June 10, 2008 executives from M.C. Gill Corporation and Alcore were joined by representatives from Senator Mikulski and Congressman Ruppersberger's office, Harford County officials, local business leaders and a variety of customers including Aerotek, Inc., ICES Corporation, Lockheed Martin, Spirit, Stork Fokker and Vought. Alcore's employees and guests gathered at the new facility for a ribbon cutting ceremony. Alcore Chief Operating Officer Dave Cross welcomed the special guests to the ceremony and invited M.C. Gill Corporation Chairman Stephen Gill to address the crowd. Gill cited the successful relationship between Alcore and M.C. Gill Corporation and congratulated Alcore's employees for their efforts in achieving this milestone.



Guests attending ribbon cutting ceremony at new Alcore, Inc. plant.

M.C. GILL CORPORATION SUPPORTS NORTHERN ARIZONA UNIVERSITY HIGH MILEAGE CAR TEAM



Shell Eco-marathon Team members (I to r Karl Busalalcchi, Mike Barton, Tanya Gallagher, Sun Malasuverachai, Shane Staterau. (Dr. John Tester, Faculty Advisor and Perry Wood, NAU instructor not shown)

THE M.C. GILL GROUP OF COMPANIES

Dignitaries from Alcore, Inc., M.C. Gill Corporation and local state government gather for ribbon cutting ceremony.



"We are operating in a tough economy so it's critical for everyone to do their part in building a quality product and keeping our customers happy. To achieve 30% sales growth in succeeding years is a testament to your efforts. I applaud you all and believe the additional equipment and space will ensure we continue to achieve recordbreaking sales."

Students from Northern Arizona University built and entered two "high mileage" vehicles in the Shell Eco-marathon Americas competition in Fontana, California. The senior team will travel to Michigan to compete in the Society of Automotive high mileage competition in June. *M.C.* Gill Corporation was pleased to donate the sandwich panel materials used to build the vehicle.



M.C. GILL CORPORATION

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Alcore Overnight[™] Expedited Delivery email: overnight@alcore.c

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



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Tricky Questions

- Q. Is there a Fourth of July in England?
- A. Yes, it comes after the third of July!
- Q. How many birthdays does the average person have?
- A. One.
- Q. Some months have 31 days; how many have 28?
- A. All 12 of them!
- Q. How many outs are there in an inning?
- A. Six, three per side!
- Q. A farmer has 17 sheep, and all but 9 die. How many are left?
- A. Nine!
- Q. How many animals of each sex did Moses take on the ark?
- A. Zero, Moses didn't have an ark, Noah did!
- Q. A rooster sits on the VERY TOP of a barn roof. If he lays an egg, which side will it roll off?
- A. Neither, Roosters don't lay eggs.

Signs of Maturity

- 1. You hear your favorite song on an elevator.
- 2. You go from 130 days of vacation time to 14.
- 3. Jeans and a sweater no longer qualify as "dressed up."
- You're the one calling the police because those darn kids next door won't turn down the stereo.
- 5. You feed your dog Science Diet instead of McDonald's leftovers.
- 6. 90% of the time you spend in front of a computer is for real work.

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What am I?

Sand	Sandbox
Man Board	Man Overboard
r/e/a/d/i/n/g	Reading Between The Lines
R ROAD A D	Cross Road
cycle cycle cycle	Tricycle
0 Ph.D.	Two Degrees Below Zero
knee light	tdpiJ noəN
dice dice	Paradise
mind matter	Mind Over Matter
he's / himself	9bisəB s'əH HəsmiH
ecnalg	Backward Glance
death / life	Life After Death

SCOTT SHAW!