

# A Message from the President & Chief Executive Officer

BRIAN E. SHORE, PRESIDENT & CHIEF EXECUTIVE OFFICER



Brian E. Shore, with his wife Barbara, in Barrow, Alaska

## CONFESSIONS OF A CEO

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I turned 60 years old in Barrow, Alaska in November of last year. Having turned 60, I must confess that I was wondering whether some mystical power would come down from above and make things easier for me and for Park. Unfortunately, that has not happened...at least not yet. To the contrary, we continue to push the boulders uphill every day, and the boulders have not gotten any smaller...at least not yet. From my perspective, things have never really come very easy for Park. We have worked hard for everything we have. Nobody ever really gave us anything which I can remember. Maybe "easy" is just not the Park way. Our objective at Park is

to build the long-term lasting fundamental value of the company for the benefit of our owners and employees. In my opinion, real value (including shareholder value) is created from people working very hard every day to build things of substance... things which last, rather than from easy answers or quick solutions. That is my view, and I believe I have been clear about it for many years. People may disagree with my view, and, of course, that is their right. But, my responsibility is to be clear and to communicate clearly about our views and operating principles about our business and our business objectives.

## 20-20 HINDSIGHT ABOUT OUR DECISION TO GO INTO AEROSPACE

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Until approximately five years ago, Park was principally a single-dimensional electronics materials business serving the high-end global electronics industry. Then, Park made a decision to make a major commitment to, and to attempt to develop a major presence in, the aerospace industry. That commitment involved a significant investment of Park's financial and human resources into our new aerospace activities. So, with the benefit of 20-20 hindsight, was that the correct decision?

Well, I must tell you that developing a major presence in the aerospace industry has been more difficult and more challenging than we ever expected or imagined. There were days over the last five years when it seemed like just about everything which could go wrong did go wrong to one degree or another. And, yes, we certainly made our share of mistakes. But, we worked through the problems and corrected the mistakes, and we kept going and going and going. We pressed forward and we persevered through all the difficult and challenging days.

The good news is that, in my opinion, the five years of hard work and perseverance have paid off, as I believe Park has now developed a serious presence in the aerospace industry. We still have a long way to go in our aerospace development activities, but I do believe Park has achieved its objective of developing a serious presence in the aerospace industry. As a result, Park is now a multidimensional company with two significant business lines and areas of concentration, meaning, of course, electronics and aerospace, and I believe Park is much better off because of it. We now find ourselves in the down-select process for significant and long-term aerospace programs. In addition, we are engaged in high-level discussions with certain aircraft OEMs relating to strategic joint ventures and partnering arrangements involving significant potential revenues for Park over long periods of time. These significant business opportunities under consideration and discussion may or may not come to fruition for Park, but we are now in a position where such serious opportunities have become realistic possibilities for Park.

So, with the benefit of 20-20 hindsight, was our decision five years ago to make a major commitment to the aerospace industry the correct decision? Although the last five years have been difficult and challenging to say the least, I believe that decision was one of the best decisions we have made for a very, very long time.

Now, we could have taken the easier and safer path of staying with what we knew and not moving into a new and unknown arena, but I believe Park and its owners are much better off because we had the guts and conviction to take on a very difficult challenge for the benefit of the company and its owners. But, of course, taking the easier path is not really the Park way.

## PARK'S ELECTRONICS ACTIVITIES

During the last year, Park introduced the following new high-speed, low-loss electronics materials products for the high-end electronics infrastructure industry: N4800-20, N4800-20 SI<sup>®</sup>, N6800-22 and N6800-22 SI<sup>®</sup>. These products are all designed to feed into the high-speed world's incessant need for faster data processing, faster data transmission and more data storage. I am personally very excited about these new products and their prospects for Park. I also would like to state that I am very pleased with the work our R&D groups in Arizona and Singapore have done in connection with the development of these new products and the work our OEM and Technical Marketing groups have done in connection with the introduction of these new products. I believe Park is quite fortunate to have such dedicated and capable people working in the product development area. Although this may not come as a big surprise to you, we are currently working on the development of the next generation of high-speed, low-loss electronics materials products.



Paul O'Neill and John Davis at the secure entrance to Tin City Aircraft Works, Park's composite aircraft parts design R&D group



Ron Duquette,  
Technical Sales Engineer,  
booked first commercial  
sale of N4800-20



Mark Zhao,  
Technical Sales Engineer,  
booked first commercial  
sale of N6800-22



Don Burns,  
Technical Sales Engineer,  
booked first commercial  
sale of N6800-22 SI®

Park remains fully committed to the global electronics materials industry, and I believe there continue to be significant opportunities for Park in the high-end of the electronics industry. However, I also believe the global electronics materials industry has become more competitive in the last five years or so, particularly at the high-end of the industry. As a result, we are working in a more challenging environment than we had been in the past. At Park, we are really just fine with that, but I want you to understand the environment in which we are now operating.

## FINAL CONFESSIONS

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So, at sixty and one half years old, I am still pushing the boulders uphill and things have not gotten any easier... at least not yet. Who knows, maybe they will in the future, but I am not counting on it. Actually, whether things become easier or the boulders get a little smaller, I believe that we who work at Park every day are very fortunate to be associated with a company like Park. I certainly know that I am.

## THANK YOU

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As always, I would like to take this opportunity to thank you for taking the time to read my letter and the following letters written by George Pinzon, Rachel Hegburg, Carl DiVico and Don Burns of our company.

Thank you for your interest in our company.

Sincerely,

**Brian E. Shore**

President and Chief Executive Officer