

Letter from the CEO

Q3 was an exceptionally challenging time for our polymers team. Our new Greenville plant began its launch of the new BMW X3 Program. As you can imagine with a new plant, new people, and your customer 100 yards away, this can be strenuous. The group worked extremely well, and they are making great progress to meet the expectations of both Magna and BMW.

Included in this launch was our most mature plant – Anderson, and they performed well with their seasoned team. On a recent visit to Munich with key individuals of the BMW organization, I was told how well our team performed and we seem to work well with our Tier 1 customers. They thought we should continue to build a strong alliance with BMW because of the team's excellent performance. I can begin to see this, as we see potential new opportunities arise for other Tier 1 suppliers to BMW.

Pulaski is going through their own launch activities with the introduction of our first full fog lamp assembly. They are adding hard coat painting and gluing capabilities during this launch. They also have 5 other product launches this quarter and will be working extremely hard during this time. Initial indications are very positive and the team is doing a wonderful job.

Warren, our Otterbox plant, is past the launch phase. They are hitting on all cylinders and are producing complete coolers in three sizes. This team has just been awarded the global sourcing contract to manufacture these coolers for the world. So any Otterbox cooler around the world will be produced by Proper. A new plant expansion is required to increase the volume by Mid 2018.

Our tooling group continues to climb out of the extremely busy time from earlier this year. With our new IT director, David Hahn, we are adding software and resources to better plan and schedule our work load. This should be active in Q1 2018. Along with initiative, we will begin an in house training program to train the next generation of moldmakers. We will start slow, with the plan to train 15 people per year within the next two years. The cold air is finally here and football is in full swing. Soon we will have the holidays and time to reflect on the past year. Spend time with family and friends and think of tomorrow. I wish you all a good holiday.



Geoff O'Brien
CEO

SERIES 2