

FHR's biggest-ever acquisition

Until this summer, the largest amount Flint Hills Resources had ever spent on an acquisition was the \$770 million it paid in 2007 for five commodity chemical assets previously owned by Huntsman Corp.

On July 16, FHR almost tripled that amount when its [subsidiaries paid \\$2.1 billion for PetroLogistics LP](#), owner of the only propylene dehydrogenation plant in the United States.

In the petrochemical industry, propylene is an essential building block for a wide variety of commercial and industrial products. It often ends up in paints, coatings, building materials, clothing, automotive parts and packaging.

The facility, which is actually within the city limits of Houston, adds to FHR's sizeable presence in Texas, where it now employs over 1,800 employees at more than a dozen locations.

Appeal of the deal

For Brad Razook, president and CEO of Flint Hills Resources, this acquisition was appealing in a number of ways.

"On one hand, it integrates very well with our existing propylene business, which has been centered in nearby Port Arthur and Longview, Texas," Razook said. "But our team also saw how this could be a new growth opportunity for our business. It's a uniquely situated plant in a very strong market."

PetroLogistics started building the facility in 2008 on the site of a former eth-

ylene plant. It began operating in 2010 and is the only independent, dedicated propylene producer in the U.S.

"By dedicated," said Razook, "we mean it was built specifically to make propylene. Most propylene is not purpose-made. It comes to market as a by-product from refineries or olefin plants."

The plant has the largest propylene production capacity (1.4 billion pounds annually) of any propylene dehydrogenation plant on earth. It can make both chemical- and polymer-grade propylene.

James Rhame, site manager for what is now called FHR's Houston Chemical Plant, is especially impressed with its innovative technology.

"Because it was built so recently," Rhame said, "it is one of the most advanced facilities of its kind in the world. Much of its technology — such as the Rolls Royce jet engines we have attached to our reactors — is patented."

There are many propylene producers in the U.S., some of whom are building new plants to take advantage of the relatively inexpensive natural gas and propane coming out of the Eagle Ford development, "but no one comes close to our level of technology," Rhame said. "We're unique."

Commercial advantages

Francis Murphy, managing director of FHR's olefins and polymers business, sees a number of commercial advantages that also came with this acquisition.

"This facility is located on the Houston Ship Channel, which gives it easy access to about half of all the propylene consumption in the U.S.," Murphy said.

"It also has direct pipeline access to Mt. Belvieu, Texas, which is the leading global exchange hub for propylene. As a result, we can do an even better job of supplying our customers."

Razook believes that what FHR brings to the table is equally important. "We are a resource that can provide the plant with a vision for growth, additional capability, investment and knowledge."



This Rolls Royce jet engine is one of five that supply regeneration air to the plant's reactors.

Razook notes that the PetroLogistics acquisition is only one example of FHR's efforts to innovate and grow.

"Speaking strictly in terms of dollars, this is our largest-ever deal," Razook said, "but when you consider what we're also doing in Pine Bend and Corpus Christi, plus our continued expansion in grain processing, our growth story becomes even bigger."

<http://www.fhr.com>

Postal Pipeline



At a ceremony on October 10, former KII president and COO Bill Hanna was given the highest honor Texas A&M University bestows on former students: The Distinguished Alumnus Award.

Hanna, who retired from Koch at the end of 2000, is an active volunteer and continues to use MBM® principles in mentoring young people, especially at-risk youth.

“I started out with next to nothing in this life,” Hanna said. “I needed serious financial help just to go to school. I want kids to know that if I was able to work hard and accomplish something, they can, too.”

I applaud and very much support the major grant for expanded training that Koch Industries is extending to the National Association of Criminal Defense Lawyers. Educational assistance of this sort is most appreciated.

I have been a criminal defense lawyer for almost 36 years and spent 25 years as a Los Angeles County Public Defender. Knowledge of the law and the particulars of defending a wide variety of cases is the greatest asset of the defense lawyer and ultimately the accused.

Anthony J. Patti, Esq.
Calabasas, California

Almost four years ago, I quit my job as a financial lawyer to manage part of a stevedoring company that is lucky to have Koch Carbon as a customer. Charles Koch's book on Market-Based Management® was given to me as a gift by a Koch employee and has not been far from me ever since.

Both as a hard-working manager and father of three, I have learned the importance of a truly free society. I've also learned the pleasure that comes from creating value — both for the company as well as society.

We seem to have lost these values in Europe, where citizens are deprived of the opportunity to experience the true feeling of self-fulfillment that comes with hard work. These values, in my opinion, are embodied in Charles Koch and Koch Industries.

I am convinced there are many people like me who are grateful that someone voices the feelings of a lot of hard-working people.

Thank you, Mr. Koch, for what you are doing for your country and for people everywhere who hope for a better, free society.

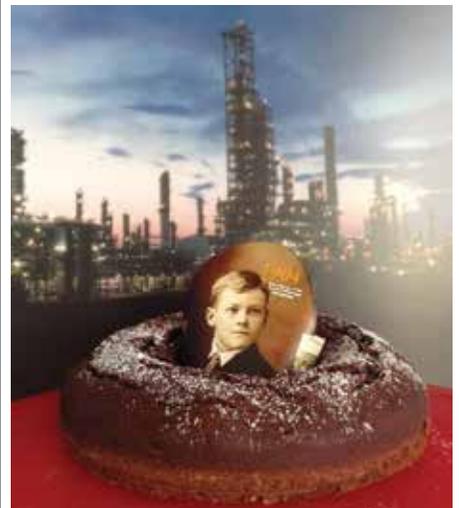
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I was proud to see Charles Koch's April editorial in *The Wall Street Journal* outlining the case for smaller government, lower taxes and free markets. However, I was really glad to see his August article in *USA Today* about how to turn our economy around. I hope more Americans pay attention to these important issues.

It is embarrassing to see Harry Reid on the Senate floor denouncing Charles and David Koch. Perhaps they are targets because their message resonates. They speak for many Americans by upholding the ideas passed down from Edmund Burke and James Madison. I hope they keep it up.

Jim Jordon
Houston, Texas

To read Charles Koch's op-ed in *USA Today*, visit <http://www.usatoday.com/story/opinion/2014/08/05/charles-koch-how-to-really-turn-the-economy-around/13643229/>.



Sept. 23 – On Founder's Day, Koch company employees around the world celebrated by watching Charles Koch's video message and enjoying a chocolate treat (a favorite of Fred Koch). This Swiss chocolate chili cake, made by FHR scheduler Edda Mathis, was served to employees in Lugano, Switzerland.

 To “like” and follow Koch companies and leaders – including Georgia-Pacific, INVISTA, Flint Hills Resources, Matador Ranch, Koch Pipeline, and Charles and David Koch – visit Koch Industries' Facebook and Twitter pages.

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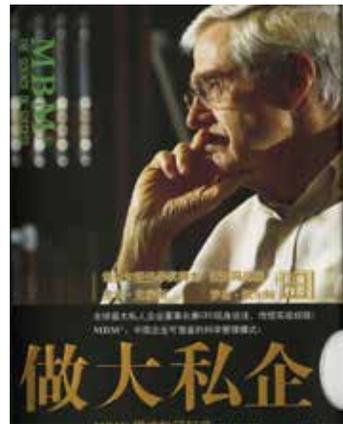
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China – Market-Based Management® was the subject of a feature story in *China Textile News*.



Charles Koch's book has been available in Mandarin and simplified Chinese since 2009.



Inner Mongolia – KMS has installed its first-ever large-scale, ultrafiltration systems in China.

Shanghai – Last year, INVISTA's public affairs manager in China, Red Li, began meeting with a Chinese reporter to discuss the possibility of stories about INVISTA's many popular products.

At one of those meetings, she gave the reporter a copy of Charles Koch's book, "The Science of Success."

Months later, a feature story appeared in *China Textile News*. But it wasn't a story about what INVISTA makes; it was a story about how INVISTA thinks.

The headline for the story was "The Wisdom of MBM®."

"We had no idea the publication was planning to focus one of its stories on MBM," said Li.

"But it was a very pleasant surprise to our teams here in China and employees around the world."

The article included extensive quotes from Charles Koch's book. In fact, those quotes comprised almost half of the two-page article.

The questions asked and subjects covered were very revealing. Can a challenge process work in Chinese culture? What are the dangers other companies face if they have a single-minded focus on cost reduction? And how can employees be inspired to create real, long-term value?

The magazine reaches many companies in INVISTA's value chain, including

customers for its fibers, polymers and intermediates made in China.

Bill Greenfield, president of INVISTA's Intermediates business, believes that the magazine's focus on the company's philosophy is quite a compliment. "Our customers in Asia are very curious about Market-Based Management, and we're pleased that it is receiving such visibility in China," Greenfield said.

"We absolutely agree with the magazine's conclusion about MBM: it is applicable in China despite differences between Eastern and Western cultures."

Baotou – As in other Chinese cities, industries in Baotou play a serious role in meeting stringent new water discharge and recycling regulations.

That's why this autonomous region is now home to the first metals plant in the world with a large-scale installation of PURON® HF ultrafiltration modules made by Koch Membrane Systems.

Baotou Iron and Steel Group completed that installation in July, choosing a system designed to process and purify more than 15 million gallons of the plant's wastewater per day.

Once treated, that water can be used as mill service water, dramatically reducing the overall water requirements for the sizeable plant.

Mill management chose KMS modules not only for their effectiveness but for their efficiency. Compared to com-

petitive products, KMS PURON® HF modules require less energy and fewer chemicals to operate.

Imran Jaferey, KMS's senior vice president for water and wastewater sales, also credits two other factors in the decision to use Koch's technology.

"Our modules take up a lot less space than other systems," Jaferey said, "and have a very high throughput."

According to Jaferey, PURON® HF systems can provide water recovery rates of more than 95 percent, consistently producing water that meets or exceeds most regulatory requirements.

"This is our first installation at a major metals facility," Jaferey said, "but it is not our only installation in Inner Mongolia. We also completed an installation at a nearby power plant."

That plant is the first in China's power industry to install PURON® membrane bioreactor ultrafiltration modules from Koch Membrane Systems.

That installation filters nearly 5 million gallons of municipal wastewater every day which can then be reused in the plant's boilers.

"Like the steel mill, the power plant is saving money on chemicals and energy with this system," Jaferey said. "It has also eliminated the need for secondary clarification."

FHR: Increasing its size...and horizons

When Koch Industries published its updated [Vision statement](#) and [MBM® Guiding Principles](#) in *Discovery* a year ago, Charles Koch talked about what it takes to grow profitably.

Included in his list was applying MBM “more fully and broadly,” remaining “private so we can focus on the long term” and generating the opportunities that “enable us to reinvest 90 percent of our earnings at superior returns.”

That last point — the willingness of Koch’s shareholders to reinvest so much of its profits back into the company — is one of the crucial differences between Koch Industries and most other companies, public or private.

That sustained investment has helped Koch Industries double in book value since 2007. The company has also outpaced the growth in value of the S&P 500 by more than 28-to-1 since 1960. (The S&P 500 is up 150-fold since then; Koch is up 4,200-fold.)

From January 2003 through the end of this year, capital expenditures, investments and acquisitions for Koch Industries are expected to total about \$69 billion. This year will be a record year for such spending, with KII investing more than \$6 billion in acquisitions, minority-share investments, plant expansions and improvements in 2014.

As mentioned in the cover story, FHR used a portion of that amount to make that company’s largest-ever acquisition in July. But the story doesn’t end there. FHR is using the financial strength of Koch Industries to expand, improve and innovate in other ways, too.

LNG plants in Texas

On October 6, FHR announced a new joint venture project with Stabilis Energy to build a liquefied natural gas facility in Odessa, Texas. The plant will have a 100,000-gallon-per-day capacity and — if all goes as planned — should become operational in 2016.

The two partners already own an LNG plant under construction in nearby George West, Texas, that is expected to open in January. When announcing that project last year, the partners indicated they might build as many as five plants in several states.



With its expanding ethanol network and biodiesel initiatives, FHR has become a leading grain processing company.



FHR employees at the Corpus Christi facility participate in a training exercise. Koch’s two-year investment there will total more than \$700 million.

The Texas plants will supply LNG to oilfield customers in the petroleum-rich Permian Basin as well as the booming Eagle Ford Shale development.

LNG has become a popular alternative to diesel fuel because it works well in high-horsepower drilling engines, helps reduce costs and creates fewer emissions than diesel.

The significance of the FHR/Stabilis joint venture goes beyond providing alternative fuel.

There are plans to market oilfield services, too, such as transportation and logistics, equipment rentals and engine conversions. Those conversions, which enable drilling and pressure pumping

engines to run on either diesel or natural gas, are an important factor in determining the success of the joint venture.

“In addition to becoming a turnkey provider for oilfield services, we’re also broadening our horizons geographically,” said Darren Tiemstra, general manager of LNG for FHR.

“We’re looking at similar projects in the Bakken Shale of North Dakota and other oilfield sites in the U.S.”

Pine Bend

The largest continually occupied construction site in the state of Minnesota is not some skyscraper in the Twin Cities

or even the new Minnesota Vikings football stadium; it is FHR’s Pine Bend Refinery near Rosemount.

“On any given day,” said Scott Lindemann, Pine Bend’s plant manager, “we’ve got more than 1,000 full-time employees, plus at least that many contractors working on projects for us.

“Given all the improvements we want to make, we’ll probably have well over 2,000 people on-site for several years.”

An extra-large labor force is not the only thing at work at Pine Bend. Earlier this year, one of the world’s largest cranes was used at the site.

Weighing 7 million pounds (not counting about 3 million pounds’ worth

of counterweights), the crane used a 400-foot boom to remove and replace a regenerator in the refinery's fluid catalytic cracker.

Last year, FHR-Pine Bend got approval to spend \$400 million on a variety of projects to improve reliability, reduce key emissions and improve the refinery's ability to convert crude oil into transportation fuels.

This year, FHR has been evaluating even more projects. One of them involves an innovative process for removing sulfur and ammonia from gasoline. That technology could provide FHR with a new business opportunity: fertilizer.

The Canadian crude oil that Pine Bend processes typically has a much higher sulfur content than benchmark crudes such as West Texas Intermediate or Brent from the North Sea.

Once the sulfur is removed, FHR can use it to create a highly stable form of liquid fertilizer and the ammonia can be converted to granular fertilizer.

If approved, the project would enable Pine Bend to become the first facility in the U.S. to use this new process.

"Whether or not we move forward with the fertilizer opportunity, it's important to note that these projects not only improve our efficiency as a refinery, they have the potential to improve Minnesota's air quality," Lindemann said.

If the project makes economic sense, FHR could start construction on the desulfurizer as early as next year.

Corpus Christi

Since 1981, the year Koch acquired the Suntime refinery, more than \$3.5 billion has been invested in

Corpus Christi operations. Many of the modifications have improved FHR's environmental performance and boosted its production of low-sulfur fuels, which are transported throughout Southern and Central Texas via company-owned pipeline systems.

FHR's Corpus Christi refineries were originally designed to process Texas crude oil. Over time, imported crude oil became the primary feedstock as domestic production dwindled. But the recent boom in oil and gas production from the Eagle Ford development of South Texas has re-established domestic crude as the primary feedstock in Corpus Christi.

Project Eagle Ford, FHR's \$500-million-dollar initiative at its West Refinery, is designed to process as much domestic crude as possible while also decreasing emissions. Those reductions will be in addition to the 67 percent [reduction in emissions FHR-Corpus Christi](#) has already achieved since 1997.

As part of its Eagle Ford strategy, FHR-Corpus Christi has invested in a barge terminal at Ingleside. It can ship up to 200,000 barrels of crude oil and condensate per day.

FHR has also established a chemical storage facility in

Sour Lake. That facility stores chemicals used by FHR's olefins plant in nearby Port Arthur.

Other investments include the expansion of the Ingleside dock and a 16-inch pipeline that will allow the company to fully utilize the dock's capacity.

"It would be hard to overstate how much the development of Eagle Ford has transformed our vision," said Phil Gaarder, head of manufacturing for FHR's refineries. "We're doing everything we can to adapt to this new reality just as quickly and efficiently as we can."

The lessons learned from this transformation are so significant that Koch's MBM team is producing a video about the facility and its new vision. It should be available in early 2015.



Steve Schmitt, an employee at FHR's Fairbank, Iowa, ethanol plant, appears in the Koch Industries TV campaign: "We Are Koch."



This team is part of the group working to bring FHR's biodiesel plant online in early 2015.



Pine Bend Refinery, where this employee is working at the loading rack, is the largest continuous construction site in Minnesota.



New construction at FHR – Corpus Christi will increase processing capabilities while reducing emissions.



FHR's joint venture, Duonix, uses proprietary biodiesel technology.



When it opened in 1955, the Pine Bend Refinery could process 25,000 barrels of crude oil per day. Today, its capacity is 339,000 barrels per day.

Grain processing and biofuels

Most people in the refining industry are aware that FHR's facilities are among the nation's safest and most efficient, and that they produce a variety of transportation fuels and chemicals.

Many in the industry are also aware of FHR's involvement in ethanol production. But few people know the full extent of FHR's involvement in renewable energy.

FHR entered the ethanol industry when it acquired two Iowa ethanol plants in 2010. Since then, it has purchased three more plants in Iowa and one in Nebraska. On September 5, [FHR announced an agreement](#) to acquire a seventh facility in Camilla, Georgia.

"Camilla is a premier destination for corn in southwest Georgia," said Brad Razook. "It is very well positioned for success and underscores how this industry is expanding geographically."

The Camilla plant can produce 100 million gallons of ethanol per year. It also produces more than 275,000 tons of dried distiller's grains (typically blended into animal feed) and about 25 million pounds of non-food grade corn oil (which can be used to make animal feed or biodiesel).

FHR is also working with EdeniQ, a California-based company that uses biocatalysts to turn plant materials into fuels or industrial materials.

Another partner, Syngenta, is working with FHR to test its Enogen trait corn at the Fairbank plant. This corn is genetically modified specifically for ethanol production. It increases ethanol yields while also reducing water and natural gas consumption.

Like ethanol, the use of biodiesel has been mandated by the U.S. government (as well as the state of Minnesota and the city of New York, among others). The product itself has been around for decades, but finding a way to produce it cost-effectively has been quite a challenge for most producers.

Most attempts to make biodiesel have involved soybean oil, a commodity with a recent history of wildly volatile pricing. (Soybean oil futures traded for less than \$20 in 2005, jumped to nearly \$70 in 2008 and now trade at about \$33.)

That focus on soybeans as the primary feedstock may be about to change.

Last year, FHR announced it had formed a joint venture, called Duonix, LLC, to develop biodiesel refineries in the U.S. FHR's partner in that effort is Benefuel Inc., a Texas-based company with a patented process for transforming non-food fats and oils into fuels, lubricants and chemicals.

The first Duonix facility — a 50 million-gallon-per-year plant in Beatrice, Nebraska — is expected to begin production next summer.

In essence, the plant will take inedible corn oil, a by-product of ethanol production, and convert it into biodiesel. Since corn oil currently sells at a discount to soybean oil, Duonix will be able to produce biodiesel more cost effectively.

FHR now has exclusive rights to this process in the U.S.

The new normal

These examples of growth, investment and innovation are only the beginning. FHR's lubricants, ethylene and propylene businesses are also embracing change in various ways.

Those improvements and changes come at a cost.

"This year will be FHR's largest-ever year for capital expenditures as well as acquisitions," said Tony Sementelli, FHR's chief financial officer.

"Given all the opportunities we're seeing, I'm pretty confident this company will be investing even more in the next few years.

"In other words," Sementelli said, "all this activity you're seeing at Flint Hills Resources is not a one-time thing for us. This is our new normal."



Noteworthy

Creativity, Inc. by Ed Catmull

MBM® has successfully transformed many Koch companies. But would it work at a movie studio?

Animation and fractionation don't seem to have much in common, but Catmull, a cofounder of Pixar studios and president of Disney Animation, offers proof that MBM principles can — and do — make a difference in Hollywood.

Catmull never mentions MBM directly, but for anyone who has studied Market-Based Management®, much of what he says sounds very familiar.

He talks at length about developing valid mental models, the perils of clinging to the status quo, the need for humility (especially in leaders) and the importance of guiding principles for an organization.

He bemoans an environment of over-regulation and stresses that some learning can only come from careful experimentation and inevitable mistakes.

Catmull's candid assessment of two American business icons — Walt Disney and Steve Jobs — sounds very much like a 360-degree assessment at Koch. He points out where both men, despite their success, had significant room for improvement.

He concludes by saying that management of a creative or innovative culture is seldom easy. "But ease isn't the goal, excellence is."

Too True

"The best way to predict the future is to invent it."

- Alan Kay, Chief Scientist, Apple Inc.



Koch's popular series of historical panels debuted in Wichita in 2003. They are now available worldwide.



Employees can now use an interactive audio guide when viewing the panels.

There's an app for that

On Founder's Day in 2003, a unique series of historical panels was unveiled at Koch Industries' headquarters in Wichita, Kansas.

This installation, which reproduces more than 150 images from the Koch corporate archive, has helped tell the company's story to thousands of employees, customers and guests.

The original eight-foot by four-foot panels (including a new one added in 2010) have been reproduced in various sizes and installed at Koch locations from Shanghai to St. Paul, Minnesota.

Now, for the first time, it's possible to view these panels using an interactive app on Koch-approved mobile devices. The narrated presentation can also be viewed on most Koch computers.

Do-It-Yourself

Jonathan Workman, a learning services specialist for Flint Hills Resources, credits a fellow FHR employee with the idea.

"One of our team members saw a group taking a guided tour of the panels and thought it would be great to capture that experience for other employees," Workman said.

"I was working on a new-hire orientation program at the time and decided to add a simple pre-recorded audio tour to that experience. When KBS heard about the project, we shared knowledge about how to expand the concept."

The result was an interactive presentation available across multiple media platforms, including smartphones, tablets and desktop computers.

"This is a prime example of how knowledge sharing and innovation can help make something much better than it would have been otherwise," Workman said. "It's also a great way to share our company's history."



KBS has developed an app for self-guided history tours. It works on all Koch-approved phones, or any phone with the Good application.

To view the panels or learn more about the interactive history app, visit:

<http://mobility.kochind.com>

To order copies of the panels, contact:

joli@kochcreativegroup.com



WE BUILT THAT

Take a look at what Koch companies are contributing to the first new building on Koch's Wichita campus in more than 20 years.



Georgia-Pacific

In addition to DensArmor Plus® moisture-resistant gypsum board, DensDeck® Prime roofing board, DensGlass® sheathing and Tough Rock® wall board, GP is providing the dispensers for soap, towels and toilet tissue. TemStock™ particle board will be used in the custom casework and SilentGuard® Shaftliner in the elevator shaft walls.



FLINT HILLS resources®

AtlasEPS Thermal Star® X-Grade® rigid insulation will be used as perimeter insulation on the exterior foundation. It contains expandable polystyrene resins made by FHR.



molex®

The backbone of the building's network communication system will be an array of cabling, connecting hardware, optic fiber and patch cords produced by Molex.



GUARDIAN

Guardian is providing two kinds of building insulation for the complex. It also makes the inside window panes used as part of the curtain wall glazing system.



INVISTA ANTRON® carpet fibers will be used in more than 20,000 square yards of carpeting throughout the building. In addition, the building's roofing insulation will contain INVISTA's TERATE® polyols.



Landscaping for the new building and campus expansion will include more than 2,500 acres of grass and shrubs. Koch crews will use UMAXX® and UFLEX™ fertilizers to keep them healthy.



By Martin Slark, CEO - Molex



As a result of our acquisition by Koch Industries last December, Molex has had an opportunity to work with Koch to develop a new vision that we believe will help us become a larger and more profitable company.

This new vision opens up exciting opportunities for all of our 37,000 employees worldwide. There is

considerable power in having a shared vision, but only if we use it to determine where and how we can each contribute to Molex creating the most value.

We have been a connector company for most of our 75-year history. Our new vision builds on that, using our experience in connectors and innovation to progressively transition from a company that focused on connectors to one that provides electronic solutions to our customers in our target markets.

By offering more electronic solutions instead of just connectors, our potential market goes from \$50 billion to more than \$500 billion. And by focusing on the most profitable target markets — like medical, industrial and automotive — instead of simply the fastest growing consumer-driven markets, we can become a larger and more profitable company while generating better returns on invested capital.

On average, our connectors sell for around 20 cents each, so we not only have to sell a lot of them, we have to keep producing them at a lower cost

to make a profit. And the competition can be intense, particularly in Asia. But an electronic solution that combines proprietary specialty connectors with other components into electronic modules and sub-assemblies can sell for hundreds of dollars and is much harder for competitors to duplicate.

Our new vision doesn't mean we plan to stop selling connectors. That is, and always has been, a core capability at Molex along with our customer focus, ability to innovate, strong global presence and commitment to operational excellence. But we can add more value to customers and increase our profitability by selling our connectors as part of electronic solutions that in the future will also include assemblies, switches, sensors, antennas and more.

We will also be able to add new capabilities by partnering with other Koch companies on these electronic solutions. Customers want to deal with fewer broad-based suppliers. By working together, Koch companies can provide a broad array of products that can now include embedded electronics.

As we begin to execute our new vision, we will develop new capabilities. For example, we will use the [Five Dimensions of MBM®](#) to make Molex a stronger company and we will use economic thinking so that we invest in the most profitable opportunities, whether they are acquisitions, products or processes. We are focusing on acquisitions that will add new technologies and/or increase our market presence in areas where we are weak today. Developing our people

and helping them gain the skills they will need to tackle the challenges that we will face in the future is another critical capability we need to develop globally. And by strengthening our global compliance

program, we can make sure we achieve success the right way.

To help ensure that Molex truly does have a shared global vision and that each of our employees understands how he or she can contribute to it, we are implementing a comprehensive global communications plan. We introduced the new vision to our Global Management Team, Molex's top 150 global leaders, at our conference in August. They will be instrumental in not only executing our new vision but in making sure their direct reports are also able to effectively communicate it. A quick analysis showed that if we go just three levels out from our GMT, these leaders work directly with 10,000 employees.

Our Vision:

To be the leading global provider of electronic solutions by developing, enabling and integrating the technologies people use to improve their lives and businesses use to improve their products and performance. We will focus on the opportunities where the combined capabilities of Molex and Koch Industries will create the most value.

To start the roll-out with the rest of our employees, we made the new Vision the theme of our Annual All-Employee Communications meetings that began in August. We translated the new vision into 14 languages. We also used a variety of media channels to communicate with employees, including a video blog. And, this year, instead of sending out our annual Goals Booklet, we are preparing a special version that explains our new vision and how each employee can contribute.

We are very excited about our future with Koch and implementing our new vision, but we need every employee to share our vision and contribute to achieving it. Together we can make the next 75 years of Molex even more successful than the last 75 years.

www.molex.com

