



September 26, 2014

Dear Lancair Owner and Enthusiast,

Recently, many of you attended our 30th Anniversary Fly-In here in Redmond. It was a great event and the feedback I got suggests that you enjoyed it very much.

There was some question, however, regarding what some felt to be a lack of focus in, or enthusiasm for, our core product, the Lancair kit aircraft. This seems to be based on two things; the fact that we offer only two aircraft, the Evolution and the Legacy RG/FG, and that we spoke about some of the other manufacturing programs that we are involved in. Nothing could be further from the truth. We at Lancair are extremely enthusiastic about our aircraft business. It is what we love and what we want to be doing.

We have many ideas for improvements to our aircraft and new models we would love to be working on. Unfortunately, the aviation world at large is faltering. It seems like so many things right now are in a holding pattern. People are not buying airplanes, not just Lancairs, but Cessna aircraft, Beechcraft, most LSAs, pretty much any brand you could name. All are at a very low sales rate. If we are to survive, we need to be very careful with our capital and very careful to maintain our skilled workforce.

To facilitate keeping our folks employed we have been expanding the scope of work that we are doing. Lancair is a manufacturing company, specializing in composite structures (that happen to be beautiful, strong, and fast!), but we also possess extensive machining, aircraft certified welding, electrical, mechanical engineering and other competencies. Therefore, we are looking for other projects that we can do that will put our manufacturing expertise to work. You may know that we have worked on aerial firefighting components, UAV components, and some contract aircraft design projects. But, you may not know that we have produced exercise equipment, race car parts, and even some farm irrigation equipment and are looking at many more projects. Our customers are a varied group, involved in many industries. Perhaps you or an associate of yours may have some electromechanical products that need a range of components that we at Lancair can supply in part or in total.

Through diversification, we will strengthen the company to better weather the lean times, which will better ensure that we get to those exciting new aircraft designs in the future. Then, as the market recovers, we will be able to initiate work on some of our great ideas.

Regarding our focus on the Evolution, I would like to answer our critics by reminding them that it is the Evolution that “pays the bills”. Legacy sales were literally zero for two years. We re-structured the pricing to make it easier for buyers to know the cost to build one, and when it looked like the time was right, began our Legacy advertisements again. Small aircraft sales have picked up and we are pleased with that. But, keep in mind that it takes *many* Legacy sales to generate the working capital that one Evolution does. As Doug Meyer said at the Fly-In BBQ, you can be our most important asset by supporting the Evolution and being a Lancair ambassador.

Sincerely

Bob Wolstenholme
President - CEO