

# Semco

**INSTRUMENTS, INC.**

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29 October 2003

To Our Shareholders and Friends of the Company:

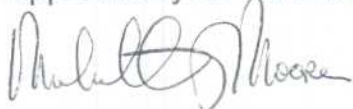
Sales for the first nine months of operation in 2003 were \$15,030,673 as compared to \$6,733,894 for the same period in 2002. Earnings after a provision for income taxes for the first nine months in 2003 were \$858,642 as compared to \$437,834 for the same period in 2002.

While the level of sales and profitability has increased significantly due to the acquisition of the Atlas-Aero product line, new demand for products from the market remained relatively flat in the third quarter of 2003. Both businesses worked through available backlog in order to maximize the level of shipments and each operation continued to have the opportunity to participate in new applications of its product technology. We are confident that the combined product offering of both Semco Instruments and Atlas-Aero will create an opportunity for additional business growth. This opportunity is based upon customers' desire for fewer suppliers and the recognition that our Company is clearly focused on achieving total customer satisfaction through the products we provide.

Considerable progress has been made in bringing a culture of continuous process improvement to the Connecticut facility doing business as The Atlas-Aero Corporation. With each passing day we are making progress in streamlining business processes, implementing a new business information system and an ISO compliant quality system, and creating a culture focused on achieving world-class levels of performance.

The Company has added a web site to its on-line presence. We invite our shareholders and friends to visit [www.semcoinstruments.com](http://www.semcoinstruments.com) wherein there is an overview of our products, detailed technical information, as well as on-going releases of new information.

I appreciate your continued interest.



Michael G. Moore  
President



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