



a Fincantieri company

The Beacon



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TRANSFORMATION IN HIGH GEAR

Our MMC Transformation has kicked into high gear, so now is the time to really emphasize its importance.

The Transformation is focused on one overarching goal: to make us the best shipyard in the United States. This means we have to design our ships with "producibility" in mind, we have to build them as efficiently as possible, and we need to manage support functions such as Purchasing, Production Planning and others so that all of our activities are coordinated. MMC is an organization of many "parts" and they all depend on each other for success.

This Transformation of the way we work isn't just an idea from some consultants. It's a mandate from our customers.

This is a big task that touches every aspect of the company. From asking some vendors to take on more work, to providing tradesmen more training and coaching, to

reorganizing some departments — every employee, contractor and vendor must work together to make this Transformation happen.

You will see a lot more communication about the Transformation coming over the next several months. We will show you how every employee and contractor can support this urgent effort, and share some of the great ideas that arise as we take this journey.

As we Transform MMC — and it's happening now — it means good things for everyone connected with the company: It means happier customers sending us more work; it means more secure jobs that provide for our families; and it means we can take pride in being the best shipyard in the United States. Our Transformation isn't just talk...it's our future.

From the Bridge

With the launch of the Sikuliaq and the keel-laying for LCS 7, it has been a busy quarter. We continue on our path of Transformation and the adjacent article brings home the point that our success is dependent upon us being stronger together. Your effort toward excellence in all areas of your job is appreciated, and a vital link in our determined effort to build the world's best ships.

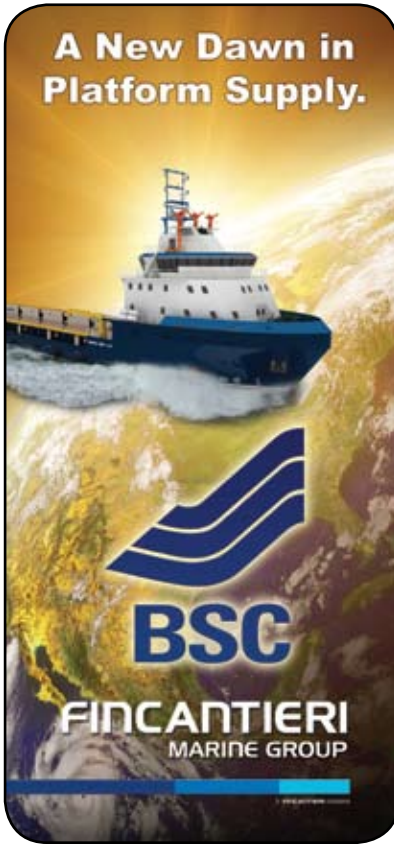
With the Holiday Season now behind us, congratulations to all who made the Food Drive an overwhelming success for the less fortunate in our community. The Angel Tree and Toys for Tots are other examples of the generosity and compassion of the people of Marinette Marine. See the story on page 3.

Please accept my sincere wishes to each of you and your families for a successful and fulfilling New Year.

Sincerely,
Chuck H. Goddard
President, CEO and GM



News from MMC Affiliates



Lobby banner for the International WorkBoat Show

Bay Shipbuilding Company

Bay Shipbuilding remains on schedule to deliver two platform support vessels to Tidewater Marine in 2013. The first ship is scheduled for delivery in April, and the second is scheduled for delivery in November.

BSC displayed at the International WorkBoat Show in New Orleans December 5-7. WorkBoat is the largest commercial marine tradeshow in North America, serving people and businesses working on the coastal, inland and offshore waters around the world. More than 1,000 companies displayed products and services for commercial vessels and the companies that build, service and operate them. Several MMC, BSC, and ACE sales personnel and officers were on hand to answer questions and provide contacts.

Fincantieri Marine Group has released its five-year Facilities Plan for BSC. It projects \$23 million in equipment and facilities expenditures, including \$1.9 million already spent in 2012. The upgrades to the expansive BSC facilities include new manufacturing and handling equipment, the construction of a new floating dry dock capable of handling 1,000-foot vessels, and new fabrication and erection shops.

"These capital improvements will help Bay Shipbuilding retain its undisputed leadership in repair and conversion on the Great Lakes, while continuing to develop its new-build capabilities," said Fincantieri Marine Group President and CEO Francesco Valente. "Fincantieri will continue to support the growth of the U.S. yards, not only through financial investments, but also through the transfer of technological and process know-how applied directly to the development and improvement of each yard's processes."

ACE Marine

Production Manager Tom Buske reports that MMC affiliate ACE Marine is having a banner year, delivering its 107th boat to the United States Coast Guard in Venice, Louisiana in early November.

"The ACE safety record is impressive, with a total of 715 days and 269,866 man-hours worked between lost time incidents," Buske said.

The company is meeting its 18-boats-per-year production schedule, and the fact that ACE has a radiograph pass rate of 96 percent is a testament to its quality and workmanship. ACE re-certified for ISO 9001-2008 with the DNV in May of this year, and implementation of LEAN Manufacturing principles has allowed ACE to build the boats at half the bid hours, and with half the manpower.

ACE has recently worked with other boat/ship builders in the region to develop marine trade and engineering curriculums with the University of Wisconsin and the Northeastern Wisconsin Technical College. They also formed a group called the North Coast Marine Manufacturers Alliance to brand the region. To learn more, visit: <http://northcoastmma.org/>



Giving Back

The Gift of Giving

It was the battle of the heavyweights—Team 1 against Team 2. Only instead of throwing punches, the teams were dropping non-perishable food items in the collection baskets with the goal of reaching an amazing 2,000 pounds of food for needy local recipients.

MMC's 2nd Annual Holiday Food Drive was a fantastic success, exceeding the ambitious original goal. Team 1 squeezed out a close victory with 1,495 pounds collected to the 1,285 pounds collected by Team 2. But the real winners here were those in need, with a grand total of 2,780 pounds of food collected for distribution to local food pantries.

The spirit of giving is alive and well at Marinette Marine. Congratulations to all who participated, and while Team 1 claimed bragging rights, everyone was a winner in this battle.



Santa Comes to MMC

MMC's second Annual Tree Lighting Ceremony was very well attended by employees and their families as Santa Claus and Chuck Goddard lit the tree and led the group in a Christmas carol. Afterwards, excited children delivered their wish lists to Santa and had treats and hot chocolate.

Make a Child Smile

Bringing laughter to a child on Christmas morning is the goal of the Salvation Army's Toys for Tots program. MMC is a long-time sponsor and had collection boxes in strategic locations. "This was a wonderful opportunity to bring joy to a child's life," said MMC Business Development Coordinator Bethany Skorik. "We've had great participation and the collection bins filled up fast." The toys were distributed by the Salvation Army to families in need throughout the greater Marinette/Menomonie area.

Angels at MMC

This past December was the first time that MMC has sponsored an Angel Tree, and again employee participation was fantastic. Each Angel represented one child, and had their name, age and gift ideas. The toys were distributed locally to families in need by St. Vincent DePaul.



www.marinettemarine.com

Have you visited the MMC website lately? Well, if you've been there in the past 12 months, you've joined more than 114,000 other people from 95 countries around the world. For those searching for shipyard services and those looking for the history of Marinette Marine, the site is packed with photographs, video and data on the vessels we've built.

Of particular interest to the MMC team are the Careers and Community pages. The Careers link features an employee orientation film, personnel recruiting spots, ads, brochures and newsletter archives, as well as information on benefits and job postings. The Community link is devoted to MMC community outreach efforts and includes films and press releases directed to that goal.

We'll continue to update the website monthly with new photography and shipyard news. Come see us when you can.



Hundreds of people endured wind and rain October 13 to attend the christening and launch ceremony for the 261-foot Sikuliaq.

LCS 7 Takes Shape as Lockheed Martin Team Lays the Keel



The keel laying ceremony for LCS 7, the future USS Detroit, took place at Marinette Marine Corporation's shipyard on Nov. 8, 2012. Pictured from left to right: U.S. Navy Commander Nate Schneider, LCS Program Manager's Representative, Supervisor of Shipbuilding Bath, Detachment Marinette; Joe North, Lockheed Martin Vice President of Littoral Ship Systems; Sen. Carl Levin (D-Mich.), Mrs. Barbara Levin, ship sponsor; Chuck Goddard, President & CEO Marinette Marine Corporation, U.S. Navy Rear Admiral James Murdoch, Program Executive Officer, Littoral Combat Ships; Monsignor James Dillenburg, Keel Laying Chaplain.

A Lockheed Martin-led industry team officially laid the keel for the U.S. Navy's 7th Littoral Combat Ship — the future USS Detroit. The event was at the center of a time-honored ceremony that took place at Marinette Marine.

The Lockheed Martin LCS team is building the Freedom-variant LCS for the U.S. Naval fleet. With the first two ships delivered, two additional ships in production and two more in early material procurement, the industry team is addressing the Navy's need for an affordable, highly networked and modular ship unlike any other in the world. This new class of combatants is designed to support a wide variety of missions, including anti-submarine, surface and mine countermeasure warfare, shipping lane protection, and humanitarian aid.



"It's an honor to participate in this event for the future USS Detroit," said Sen. Carl Levin, D-Mich. "The keel-laying ceremony marks a great milestone for the program and the Naval fleet. These ships are vital to our national defense strategy, and their production contributes significantly to the Wisconsin and Michigan economies."

During the ceremony, ship sponsor Barbara Levin authenticated the keel by having her initials welded into a sheet of the ship's steel. She was assisted by the Navy's Program Executive Officer, Littoral Combat Ships Rear Admiral James Murdoch.

"This ceremony marks the beginning of
(continued on next page)



The Offshore Patrol Cutter is a next-generation ship that will complement the Coast Guard's current and future fleet to extend the service's operational capabilities.



Gathering Eagles

Marinette Marine Corporation is gathering eagles. We're teaming with some of the best naval architecture and marine engineering minds on the planet to meet United States Coast Guard requirements for the Offshore Patrol Cutter (OPC). Team OPC is uniquely positioned to provide the lowest-risk, lowest-cost platform to the USCG. The team members offer exceptional credentials and a track record of producing some of the world's most technologically advanced vessels.

The Offshore Patrol Cutter is a next-generation ship that will complement the Coast Guard's current and future fleet to extend its operational capabilities. The OPC will feature increased range and endurance; more powerful weapons; a larger flight deck; and improved command, control, communications, computers, intelligence, surveillance and reconnaissance (C4ISR) equipment. The OPC will accommodate aircraft and small boat operations in all weather conditions.

Keel Laying *(continued from previous page)*

my commitment to supporting the future USS Detroit and the brave crews that will serve aboard her to defend our country," Barbara Levin said. "It is a very moving moment for me, as I am very proud to serve as the sponsor of this powerful ship which honors my native city."

In addition to MMC, the Lockheed Martin-led LCS team includes naval architect Gibbs & Cox and hundreds of domestic and international suppliers, including approximately 30 small businesses from Michigan.

"Marinette Marine Corporation's shipbuilding expertise, coupled with Lockheed Martin's integrated and automated systems that bring the capability to fight, operate and support the ship, make the Freedom-variant LCS a powerful vessel," said Joe North, Vice President of Littoral Ship Systems for Lockheed Martin's Mission Systems & Sensors business. "The LCS team continues to invest in shipyard improvements and has applied best practices to ensure that we continue to be more efficient and more innovative with each new ship we build."



Ship sponsor, Mrs. Barbara Levin and husband, Sen. Carl Levin (D-Mich.)

By 2013, industry investment will total approximately \$94 million, which includes nearly \$70 million to date from MMC's Italian parent, Fincantieri-Cantieri Navali Italiani, for shipyard improvements.

Employee Spotlight



Tournament champions, left to right: Gary Ihde (Supervisor), Tyler Kazmierkoski (Expediting), Ryan Wortner (Expediting), Chad Anderla (Cost Analyst), Joel Wortner (Expediting), Jason Hofer (Contracts).

In early November, the MMC team took first place in the Corporate Challenge Flag Football Tournament comprised of teams from around the Marinette, Menomonee area.

"It was great to win with guys that you work with," said team member Tyler Kazmierkoski. "The flag football team is an extension of our friendship and of our working relationship at MMC — everyone pulling together for a common goal."

It should be no surprise that MMC fielded the winning team. After all, three of its members — Gary Ihde and Ryan and Joel Wortner — also play for the M&M Timberjacks of the Wisconsin State Football League. The 2010

and 2011 League champion Timberjacks finished the season with an 8 and 2 record, but lost a close defensive battle to the Shelboygan County Rebels, 9 to 7, to prevent a three-peat. Tight end Joel Wortner garnered first-team All Star honors and joined his brother, linebacker Ryan Wortner, as a defensive end All Star Honorable Mention.

"There are a lot of parallels between football and building great ships," said Timberjacks offensive guard and 10-year MMC employee Gary Ihde. "It's about leadership and working as a team, and it's about discipline and competing to be the very best you can be. Whether in football or in the shipyard, it's about being a champion."

Ribbon Cutting Marks Opening of Building 32

As MMC continues to grow and transform, a ribbon-cutting ceremony was held November 28 to mark the completion of Building 32 for cold outfitting.

MMC President Chuck Goddard and Fincantieri Marine Group President and CEO Francesco Valente were on hand for the event.

The new building's main floor has 49,367 square feet of production space, with four mezzanines that equal 17,000 square feet of production space. It features four bays with eight workstations for module cold outfitting, and each bay has a 63-foot-wide by 40-foot-high door. Eight booms mounted on building columns are equipped with gas and electricity and can be swung inside the modules for production. There are two cargo/personnel elevators, one servicing the north mezzanines and one servicing the south.

