



October 15, 2003

SENT VIA FACSIMILE: 517-373-4648

Ms. Deborah Hennessey
Workforce Transition Section/Office of Workforce Development
MDCD
201 North Washington Square
Lansing, MI 48914

RE: Giddings & Lewis Foundry
Menominee, MI

Dear Ms. Hennessey:

The Giddings & Lewis Foundry in Menominee, Michigan is currently the subject of a strike by its unionized foundry workers. As a result of that strike it is impossible for the business to continue operating and a decision has been made to permanently close the foundry effective immediately. While notice is not technically required under the WARN Act because this closing is the result of a strike, the Company is, nevertheless, providing notification to you in the hopes that you can assist the effected workers in whatever way possible.

The names and addresses of each of the employees who are members of the Collective Bargaining Unit which was on strike until the close of this business today as well as the names and addresses of the salaried employees are included. A copy of this notice will be provided to the Mayor of the City of Menominee as a courtesy and to the Chairman of the Menominee County Board. In addition, because this is a community bordering Wisconsin, we will provide an informational notice to the Dislocated Workers Section of the Wisconsin Department of Workforce Development in Madison. The labor union involved is Local No. 401 of the Glass, Molders, Pottery, Plastic and Allied Workers International Union, AFL-CIO, CLC. Their local representative is Mr. Jerry Cotton whose address is 3139 North Spicewood Lane, Appleton, WI 54914 and the International Vice President of that Union who we understand has responsibility for the local representing the Giddings & Lewis employees, is Mr. Ralph Sidebottom whose address is Northwest Plaza Shopping Center, 500 Northwest Plaza, Suite 418, St. Ann, MO 63074. His fax no. is 314-739-5987. Courtesy copies of this notice have been delivered personally to Mr. Cotton and will be faxed to Mr. Sidebottom at the same time as this notification is faxed to you.

The plant is closed effective immediately. Some salaried employees will remain employed for a period of time not yet finally determined for the purposes of

handling the routine closing of the plant and the orderly transition of orders and customer materials to those customers.

While the WARN Act does not strictly require these notifications, we are anxious to work with your Department to assist our employees in the transition in which they find themselves. Please direct all inquiries to the undersigned.

Sincerely,

GIDDINGS & LEWIS

By: *Samantha Inks*
Samantha Inks
Director, Human Resources

SI/bav

cc: Mr. Ron Danowski
Mayor Laurie Stupak
Senator Michael Prusi
State Representative Tom Casperson
Mayor Doug Oitzinger
Senator Dave Hansen
Honorable Representative John Gard
Mr. Jerry Cotton
Mr. Ralph Sidebottom

Giddings/bav8120

NEWS RELEASE

FOR IMMEDIATE RELEASE

October 15, 2003

Contact:

Samantha Inks
Director Human Resources
Giddings & Lewis, LLC
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saminks@giddings.com

GIDDINGS & LEWIS ANNOUNCES CLOSURE OF MENOMINEE MICHIGAN FOUNDRY

Fond du Lac, WI – October 15, 2003, Stephen M. Peterson, President and CEO of Giddings & Lewis, LLC released the following statement:

“I am very sorry to have to report that because of a strike at our Menominee, Michigan Foundry, Giddings and Lewis is closing that facility. Steps will be undertaken to begin the closing process immediately.

We have been actively pursuing the sale of the Foundry due to the fact that it was no longer strategic to the overall metalcutting business. It was our intention to find the “best owner” for the business which would keep the facility open and the work force employed.

Due to the potential sale of the business, the union representing the Foundry workers expressed concern about protecting the jobs of their workers and sought to include in the contract a "security clause". We explained to the union at the bargaining table on many occasions that the inclusion of the "security clause" in the contract would not increase the security of the union members because it would make it substantially more difficult for a buyer to purchase the Foundry.

Several weeks ago the contract expired but we voluntarily extended it for several additional weeks while we negotiated with the union attempting to resolve this issue. We could not reach an agreement and the union commenced their strike on Saturday, September 27, 2003.

We explained to the union that a strike could cause irreparable damage to the Foundry from the very beginning. Because many of our customers depend on us for "just in time" delivery, they could not wait for “normal” strike negotiations to resolve the dispute. From the first day of the strike, the Foundry began losing business essential to a viable operation. Due

to the nature of our business, once a customer withdraws its patterns and places its business elsewhere, it is very difficult, if not impossible, to recapture that business.

During the first few days of the strike, it became clear that unless the strike ended very quickly, the financial impact to the business would be significant and potentially irreparable. Due to the severity of the situation, we met with the federal mediator and the union negotiating team to ask the membership to reconsider their position and vote on the contract. The contract offer was presented for a vote, and unfortunately, on October 4, 2003, the membership voted to reject the offer and not return to work.

Last week a potential purchaser asked to meet the union negotiating team to discuss some of the terms under which that purchaser might acquire the Foundry. While that meeting went well, the potential purchaser was not willing to purchase the Foundry without substantial concessions, which made the sale impossible.

The strike has continued now to the point that essential, core customers are no longer willing to keep their business with the Foundry. Therefore, we have made the decision to close the Foundry.

At the time of the strike, the Foundry employed 94 hourly employees represented by Local No. 401 of the Glass, Molders, Pottery, Plastics & Allied Workers International Union, AFL-CIO, CLC and 15 salaried employees.

We are extremely disappointed in having to take this action and that so many lives are adversely affected.”

The Giddings & Lewis Foundry in Menominee, Michigan is a member of the Giddings & Lewis, LLC group of operating companies. Giddings & Lewis, LLC is headquartered in Fond du Lac, Wisconsin.

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