

MICRO CRAFT INC.

QS-9000 / ISO-9001 Registered
ELECTRO-MECHANICAL PRODUCTS

41107 JO DRIVE • NOVI, MICHIGAN 48375-1920

PHONE: (248) 476-6510

FAX: (248) 476-1706

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MAY 14 2004

May 11, 2004

WORKFORCE TRANSITION

Ms. Deborah Hennessey
Michigan Department of Career Development
201 N. Washington Square, 5th Floor
Lansing, MI 48913

Subject: WARN Act Notice

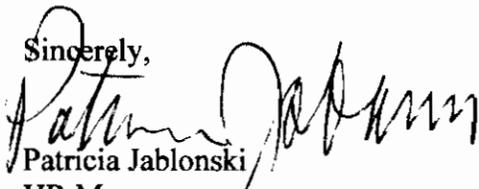
Dear Ms. Deborah Hennessey,

Per your phone conversation with Mr. Schweibold, Niles USA Inc will transform its current Novi, Michigan operation into a North American corporate headquarters. The new Niles complex will house its US Executive Offices, US Sales, Marketing and Service operations and a US Engineering, Research and Development Center.

Enclosed is your notification including the of the affected positions as required by the WARN Act.

To accommodate the restructuring of the Novi complex, Niles will transfer its final assembly operations to its exiting plant in Quitman, Georgia.

Sincerely,



Patricia Jablonski
HR Manager

45175 West 10 Mile Road

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To: Ms. Deborah Hennessey
Michigan Department of Career Development
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Lansing, MI 48913

Date: May 11, 2004

WARN ACT NOTICE

This purpose of this notice, as required by the Worker Adjustment Retraining Notification (WARN) Act, is to provide you with 60 days advance notice of the need to significantly reduce the workforce at Micro Craft. We will be initiating permanent layoffs at our warehouses and production plants located at 41107 and 41129 Jo Drive Novi, Michigan, resulting in the permanent closing of these warehouses and production plants and the layoff of 50 or more employees. The Company regrets having to take these actions but feels it is necessary because of its current business situation. The Company has decided to provide severance pay to employees. Information about severance will be provided in a separate letter.

The WARN Act requires the Company to provide a 60-day notice to all persons who will lose their job through a mass layoff or plant closing. It is expected that the layoffs will take place over the next few months. We expect the first round of layoffs to occur July 11th through July 25th and a second round between July 26 and August 6th. Individual employees will be notified of the specific date on which they can expect their layoff to begin as soon as we are reasonably able to provide that information. In the event some layoffs occur prior to July 11, your pay and benefits will be continued through July 10 in lieu of receiving the full 60 days notice. However, any severance paid out to these employees will be offset by any continuation pay made in lieu of the 60-day notice.

A list of the job titles of positions to be affected and the number of affected employees is attached.

A copy of this notice is being sent to the appropriate local government unit as well as the State Dislocated Worker Unit.

For further information, you may contact the Human Resource Manager Pat Jablonski at 248-476-6510 during normal business hours.

Andrew Ason
Chief Production Officer
Niles USA

Attachment:

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Micro Craft Novi Closing Affected Positions

Job Title	
Assembler	145
Line Lead	2
Packer	3
Solder	13
Testing / Audit	22
General Supervisor	2
PCB Engineer	1
Office/Clerical	2
Maintenance	4
Material Control Assistant	1
Material Control Clerk	2
Mold Associate	1
Production Control Scheduler	1
Q.C. Inspector	13
Quality Coordinator	2
Quality Engineer	1
Quality Technician	2
Supervisor	8
Warehouse	10
Managers	2
Total Employees	237