

Harassment by SCAQMD Inspectors Causes Early Closure

SOUTHERN CALIFORNIA FOUNDRY SHUTS DOWN EARLY

El Monte, California, April 22, 2009 – Gregg Industries in El Monte, California, will close down its foundry early due to repeated, unwarranted and confrontational visits by South Coast Air Quality Management District's inspectors. SCAQMD has been sending inspectors to the El Monte facility during the past several weeks to investigate alleged odor complaints, causing disruptions and potentially dangerous volatility in the work environment. The Gregg foundry was originally expected to close after April 30, but decided to move the date to April 23, after witnessing unprecedented actions by SCAQMD.

"At this point, we feel like SCAQMD is literally running Gregg out of California and our employees out of their jobs," said Bob Ostendorf, President and CEO of Neenah Foundry Company, Gregg's parent company. "We'd rather cease foundry operations early than risk SCAQMD inspectors inciting workers who already feel worried about Gregg's closure and the loss of their jobs. Neenah and its affiliates operate in four other states and I have never seen any government agency behave like SCAQMD," Ostendorf said.

Since early April 2009, Gregg's management has been forced to file repeated complaints to SCAQMD management and board members about the insensitive and brusque treatment by SCAQMD inspectors of Gregg's managers and workers, as the company attempts to complete its final customer orders. The company reached a settlement with SCAQMD in October 2008, agreeing to invest almost \$5 million to introduce state of the art processes and equipment to reduce manufacturing odors.

"Despite our well established transparency and access, the confrontational approach by SCAQMD inspectors has reached a shocking new level, said Jeff Hillier, Vice President and General Manager of the Gregg foundry. "SCAQMD inspectors used terms that at least one security guard interpreted as a threat to use force to enter. Inspectors have also entered the facility without protective measures and without proper escort, Hillier said.

The Gregg foundry casts and manufactures heavy engine components, including green diesel turbo parts. Since November, Gregg Industry sales have declined more than over 50 percent, in line with the trucking and automotive industries. That decline compelled the shutdown of the Gregg foundry, with hope that an adjacent machine shop could remain in California employing 75 people. But the recent harassment by SCAQMD inspectors now jeopardizes future machine shop operations.

"We have been surprised by the surge of SCAQMD's confrontational tactics, making it hard now to justify keeping the machine shop in California, but we're trying," Hillier said.

Despite the early closure date, Gregg Industries will continue paying workers through their final week and divert their efforts to maintenance chores as the company prepares to mothball the facility and prepare it for sale.

Gregg Industries, operating out of El Monte Calif. since the 1940's, was one of the nation's leading manufacturers of complex, highly cored ferrous, high quality iron castings for the industrial, automotive and truck industries, making engine parts that help keep the air clean. Gregg's facilities cover eight acres of land in the City of El Monte.

Neenah Foundry Company and its subsidiaries manufacture and market a wide range of iron castings and steel forgings for the heavy municipal market and selected segments of the industrial markets. Neenah Enterprises, Inc. is the indirect parent holding company of Neenah Foundry Company. Neenah is one of the largest independent foundry companies in the United States, with substantial market share in the municipal and various industrial markets for gray and ductile iron castings and forged steel products. Additional information about Neenah is available on the Company's web site at www.nfco.com.