

January 12, 2009

Jennifer Long
Indiana Department of Workforce Development
Indiana Workforce Transition Unit
10 N. Senate Avenue
Indianapolis, IN 46204

WARN NOTICE

Dear Ms. Long:

Although the Company does not believe the number of affected employees reach the threshold number to require Notice, it is the Company's intent to comply with the spirit of the Workers Adjustment and Retraining Act (WARN). Accordingly, please consider this letter as a WARN Notice for the permanent closing of the plastic extrusion operations of the Holm Industries Scottsburg, Indiana facilities located at 745 S. Gardner and 1320 S. Main Street.

Declining sales and the continuing weak economy require that the Company consolidate its extrusion operations in other Company facilities and transfer the Scottsburg extrusion production to other Company plants. The Scottsburg facilities will continue to produce raw materials and component parts for manufacturing at other Company plants.

Approximately 37 – 39 employees will be laid off in the two week period of March 16 – 29. The approximately 35 employees who are represented by a union have bumping rights under the contract so it is impossible to determine precisely which employees will be laid off from the plant. Based on prior layoffs, however, it is likely that the least senior, non-maintenance employees will be the employees laid off from the plant. Absent attrition, these layoffs are permanent. I have enclosed the following information for your review:

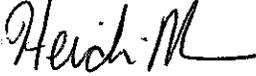
1. A list of job classifications with the names and the number of employees currently employed in each job classification. I have noted on this list the job classifications from which it is anticipated employees will initially be reduced and the number in each to be reduced. (Ex. 1)
2. A list of all employees by seniority and job classification which includes the current job classification of the 35 least senior employees. (Ex. 2) These are the employees likely to actually be laid off. Please note Exhibit 2 includes six (6) employees who were temporarily laid off on December 12, 2008. Their layoff will now be permanent and are not included in the 37 – 39 employee March 16 – 29 layoff.

The three non-represented employees have no bumping rights and I have enclosed a list of those affected employees and their job titles. (Ex. 3) These layoffs are permanent.

The International Union is the International Association of Machinists, 9000 Machinists Place, Upper Marlboro, MD 20722-2687, and the Union President is R. Thomas Buffenbarger. The contract is with IAM District Lodge 90 and Local 2723 which are affiliated with the International: their addresses and contact information are listed below.

We regret this action became necessary. Please contact me at the plant addresses listed above, or by phone (812) 752-8324, should you have any questions.

Sincerely,



Heidi Morris
HR Manager
Holm Industries, Inc.

cc: Ron Butler, President and
John Silhavy, Directing Business Representative
IAM District Lodge 90
5638 Professional Circle, Suite 201
Indianapolis, IN 46241-5022

Jeff Helton, President
IAM Local Lodge 2723
c/o Holm Industries Inc.
745 S. Gardner Street
Scottsburg, IN 47170