



Millstone Automotive

C O N F I D E N T I A L M E M O R A N D U M

To: Jay Dominelli

From: Betty Graham

Date: June 20, 2006

Re: *Ann Arbor, MI Plant Shutdown and Consolidation Analysis*

Attached find summary financial analysis of the contemplated transfer of business to the Flint, Plant and the Ann Arbor plant closing.

The following chart summarizes the Ann Arbor, MI and Flint, MI facilities.

Summary of Facilities & Employees		
Facilities		
Location	Ann Arbor, Michigan	Flint, Michigan
Division	Exteriors	Exteriors
Size	140,000 square feet	450,000 square feet
Owned / Leased	Leased	Owned
Lease Maturity	March 2015	Not Applicable
Annual Lease Expense	\$3.3 million	Not Applicable
Employees		
Number of Employees	75	430
Union Representation	American Autoworkers	United Steelworkers
Average Annual Salary (\$)	\$ 70,789	\$ 65,715
Average Annual Benefits (\$)	\$ 16,697	\$ 16,429

The following chart summarizes the total estimated one-time costs in order to shutdown the Ann Arbor, MI plant and transfer production to Flint, MI.

Ann Arbor, MI Plant Shutdown and Moving Costs (\$ in Millions)	
Severance	\$ 0.5
Equipment Packaging and Removal	0.8
Equipment Transportation	1.2
Other	0.6 (a)
Total	\$ 3.1

(a) Includes incremental absenteeism expected during 120-day transition period to facility consolidation, carrying cost associated with related inventory build and other miscellaneous items.

EXHIBIT C

Ann Arbor, MI Plant Shutdown and Consolidation Analysis
June 20, 2006

The following chart summarizes the total estimated annual cash savings as a result of closing the Ann Arbor, MI plant and transferring its production into the Flint, MI plant.

Plant Consolidation Annual Cash Savings (\$ in Millions)	
Ann Arbor, MI Rent	\$ (3.3)
Ann Arbor, MI Labor	6.6
Flint, MI Incremental Labor	(4.1)
Reduction in Plant Fixed Overhead	0.5 (a)
Reduction in Freight Costs	0.4
Total	<u>\$ 0.1</u>

(a) Includes SG&A savings related to plant managers, security, accounting, utilities, etc.