

National Seminar on Restructuring in Luxembourg

Dimitri Ronsse
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HUSKY

Keeping our customers in the lead



Equipment and services to the plastics industry

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Our owner: Onex

- Leading North American Private Equity Firm
 - Founded in 1983, IPO in 1987
 - \$9 billion in assets under management
 - Invested \$7 billion of equity since inception in 207 transactions
 - Controlled and owned (29%) by the Onex management team
 - Strong track record and history of capital preservation
 - Significant experience in manufacturing sector including most recent acquisitions of:
 - Carestream Health
 - Allison Transmission
 - Hawker Beechcraft



Vision for Husky

- **Be the outright global leader in delivering value to our customers**
 - Build the best team through people who
 - Realize their full potential through effective teamwork
 - Fully embrace our values
 - Re-organize from a product-centric to a customer/market focused business
 - “One Husky”
 - Control our destiny through a track record of consistent growth and performance



Husky Today

- History of innovation
- 3400 employees
- Manufacturing campuses in North America, Europe and Asia
- Global, company-owned distribution network
- A technology leader
- Strong culture and values

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Purpose and Core Values

- Core values have been the foundation of growth and success
 - Make a contribution
 - Proactive environmental responsibility
 - Passion for excellence
 - Bold goals
 - Uncompromising honesty
 - Respect

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Hot Runners & Tooling



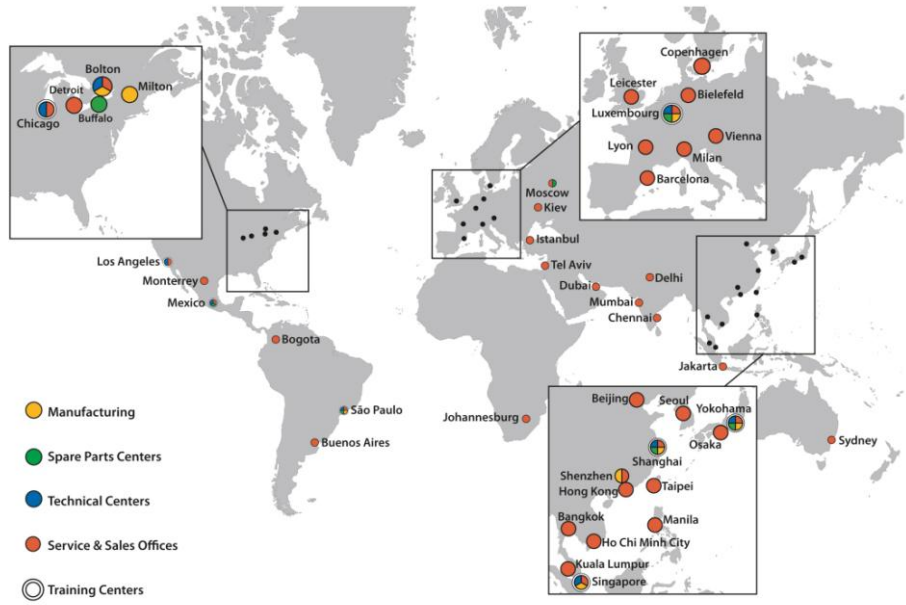
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Complete Systems

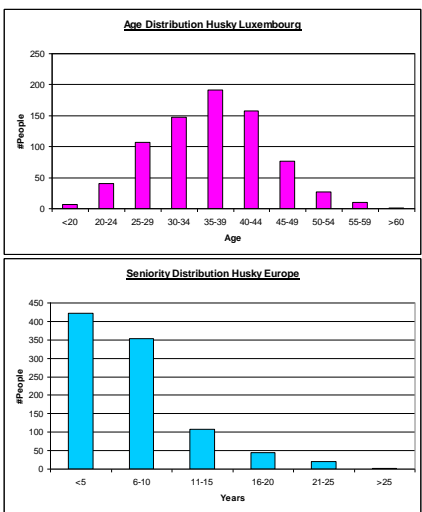


Services



Local Relationships – Worldwide

Husky Luxembourg – Key Data (2008)



- 809 Lux Team Members
 - 48% German
 - 26% French
 - 11% Luxembourgish
- 24 Nationalities
- 78% live outside Luxembourg
- 88% are men...



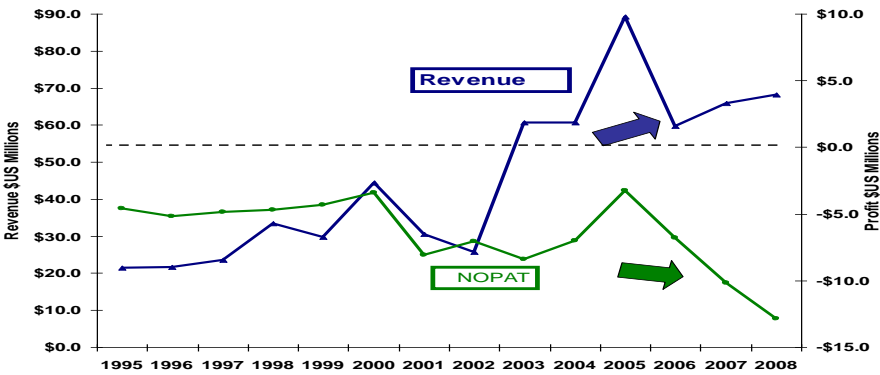
Luxembourg Campus - Machines

Close Machines Luxembourg

- We have come to the conclusion that we must close the Machines Luxembourg manufacturing facility for the following reasons:
 - Machines business now focused on targeted, growing niches vs. general purpose market
 - Less capacity required within our global machine operations due to lower volumes

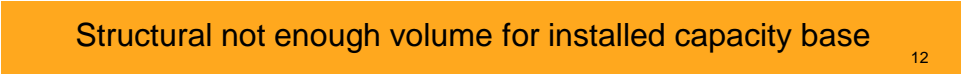


Luxembourg Machines - Loosing Money Past 20yrs Despite Major Investments and cost saving initiatives



Investments since 1995	\$US M
Investment - Development	\$42.6
Investment - Capital	\$38.3
Total NOPAT	-\$90.0

Cost savings	
Material cost reduction	\$2.4M US
Labor efficiency	8%
Warranty Reduction	20%



Restructuring Process

- Timeline
 - Jan 2009: Husky Board decides to close Machines Lux
 - Feb 3rd 2009: Meeting Husky Management, Comité de Conjoncture, OGBL and Husky Delegation Leader at Fedil
 - Feb 17th 2009: Announcement to Machines Lux by CEO and to all other Husky employees
 - March 2nd 2009: Official start of negotiations
 - March 16th 2009: Signature of Plan de maintien dans l'emploi and Social Plan
 - April 1st 2009: First wave of people left Husky
 - July 1st 2009: Second wave of people left Husky
 - Dec 31st 2009: Final wave of people will leave Husky

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Restructuring Process

- Communication
 - Involve all stakeholders very early in the process
 - Husky Management wanted to inform the employees
 - All Team Leaders and the Delegation needed to be prepared to answer to all kind of reactions
 - Training
 - Q&A Document
 - Weekly updates to all Machines people during negotiation phase
 - Dedicated bulletin boards in production hall to collect and answer questions

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Team Leader Communication Training

- Program Content:
 - The responsibility and the role of the manager
 - Goal of the 10 minutes conversations
 - Structure of the conversation
 - The preparation
 - Vulnerability analysis of your people
 - Step 1 Bring the news
 - Impact of a message
 - Step 2 Allowing & Handling emotions
 - Step 3 Additional information
 - Step 4 Indicate and explain consequences
 - Step 5 Close the conversation
 - The “stayer” conversation
 - Pitfalls
 - Breaking bad news: summary

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Restructuring Process

- Negotiation
 - Daily “Petit Comité” meetings
 - Agree on which parts of the business can be saved
 - Agree on the “what” and the “how” of a decision
 - Create a Plan de Maintien dans l’Emploi to reduce the people impact of the decision
 - Work time flexibility
 - Insourcing
 - Voluntary leavers
 - Early retirement
 - “Butterfly Team”
 - Outplacement
 - Create a Social Plan for the people who have to leave

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Butterfly Team - Overview

- 25 Positions
- Will exist till Dec 2009
- Temporary assignments on the Campus combined with temporary unemployment/training
- Can move to new permanent open positions
- Still part of the Social Plan conditions when:
 - They find new position outside Husky
 - They have no permanent position end Dec 2009

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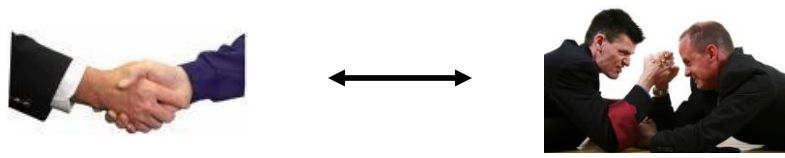
Final Impact

- | | |
|---------------------------------------|-------------------|
| • People part of Machines Lux | <u>144</u> |
| • Affected employees | 129 |
| • Permanent positions in Machines | 26 |
| • Permanent positions in Tooling | 11 |
| • Other permanent positions | 7 |
| • CDD | 12 |
| • Start Social Plan number (March 2) | <u>73</u> |
| • Other opportunities | 16 |
| • Final Social Plan number (March 13) | <u>57</u> |

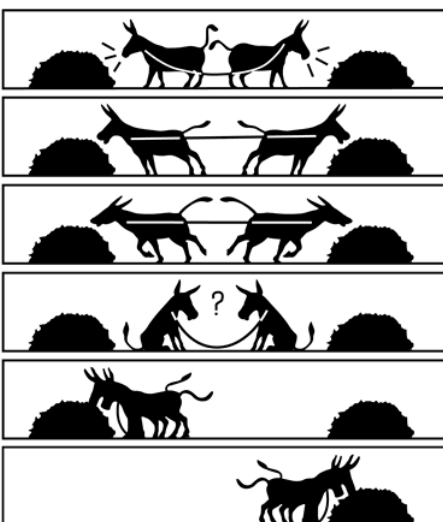
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The Husky Model

- Based on the Luxembourg Model
- Cooperation versus conflict
 - Think Win-Win
 - Give and Take
 - Mutual respect
- Because we want to (not only because we have to)



Questions?



HUSKY

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