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**NORDYNE DOWNSIZES BOONVILLE PLANT**

*Shrinking industry, mandated minimum efficiency, R-22 phase-out  
and general economy cited.*

**St. Louis, November 3, 2009** — Heating and cooling manufacturer NORDYNE announced today that it will downsize its Boonville manufacturing facility workforce by approximately 110 full-time positions in early January, 2010, in order to align its operation with projected industry shipments. Currently, the Boonville facility employs 360 full-time workers.

The Boonville manufacturing facility produces central heating and cooling systems for the manufactured housing markets and outdoor sections of air conditioning systems for the residential replacement, new construction and international export markets. Many of these systems are also produced at other NORDYNE plants in Missouri and Tennessee, and the company plans to eliminate redundant lines in an effort to balance production and gain efficiencies.

**A shrinking industry.**

Since 1998, new manufactured home shipments will have declined 87 percent based on 2009 year-end projections. Additionally, the residential new housing starts have declined 42 percent since 2004. The industry suffered another blow in 2006, when federal minimum efficiency standards for air conditioners and heat pumps increased 30 percent. The new minimum efficiency replacement products cost more to produce, driving some consumers to choose repairing their older systems instead of buying new ones.

"All of these factors have contributed to a total HVAC industry decline of 42 percent over the past three years," says Michael Nix, vice president of operations for NORDYNE. "The industry projects central heating and cooling shipments for 2010 to be flat at best compared to 2009."

**Elimination of R- 22 refrigerant.**

While the HVAC industry has continued to shrink significantly over the past few years, NORDYNE has been able to offset some of the impact by attracting large distribution partners. Sales and production in 2009 were also elevated by the manufacture and sale of cooling products containing R-22 refrigerant. A federal mandate is ceasing production of R-22 products for the entire industry in January of 2010. Because these products will no longer be able to be manufactured in the United States, Nix is anticipating adverse impact upon production volumes for 2010.

"We believe we are strongly positioned for growth once the HVAC industry finally begins to climb out of this recession, and consumer confidence begins to normalize," explains Nix. "Until this occurs, we must align our operations to meet the current demand picture. Unfortunately, it means we have to make difficult decisions about the size of our workforce in Boonville right

now so that we can strengthen overall company performance and maintain a substantial presence in Boonville for the future.”

**About the Boonville facility.**

2009 marks the 90-year anniversary for NORDYNE and the 30-year anniversary for the Boonville manufacturing facility. NORDYNE expanded the Boonville manufacturing operation in 1990, added a satellite operation in Tipton, Missouri in 1997, and constructed and began operating a distribution warehouse in Boonville in 2004.

“We plan to continue our long and successful history as an employer of Missouri residents, especially in Boonville where we have access to a fine group of quality current and future employees. Although at present we cannot project when, we do look forward to eventual economic recovery, increased demand for our products and the opportunity to re-employ many of the effected employees,” adds Nix.

The Tipton manufacturing facility will be unaffected, and NORDYNE plans to continue operation of its distribution warehouse located in the Boonville industrial park along with the Boonville manufacturing operation.

**About NORDYNE.**

A trusted name in the industry, NORDYNE has been designing and manufacturing reliable heating and cooling products for 90 years. The company focuses on creating genuine value for its customers through a unique combination of innovation, product performance and responsive support. NORDYNE is headquartered in O’Fallon, Mo., with manufacturing plants located in the central United States. For more information about NORDYNE and its product offerings, please visit [www.nordyne.com](http://www.nordyne.com).

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