

FOR IMMEDIATE RELEASE

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Contact: Steve Fleming
Communications Director
Mercury Marine
steve.fleming@mercmarine.com
920-929-5340 office
920-979-7626

Mercury and IAMAW union meet in Fond du Lac

FOND DU LAC, Wis. (Aug. 6, 2009) – Mercury Marine officials and representatives of the International Association of Machinists and Aviation Workers (IAMAW) Local 1947, which represents hourly workers at Mercury's world operation in Fond du Lac, made progress Thursday during an eight-hour session and confirmed that talks remain on track to be completed by Aug. 17.

The meeting was the fourth between company and union representatives. Both sides agreed to meet Tuesday and Wednesday, with additional sessions Thursday and Friday if necessary. Mercury, which is restructuring its business to emerge from the economic downturn as a stronger company in a different and much smaller market, has stated throughout the process that completing the negotiations by the end of summer is mandatory.

Consolidation of Mercury operations in either Stillwater, Oklahoma, or Fond du Lac, Wisconsin, is a possible outcome.

"In order to formulate a final decision by the end of summer, we needed to make progress at this meeting, and I think both committees worked hard to make that happen," said Mark Schwabero, president of Mercury Marine.

"The current market requires us to make some very critical decisions over the next few weeks. We are bargaining not for enhancements or over political or philosophical differences; we must restructure our business to compete successfully in a very different market.

"Obviously this is a very important juncture in this company's history. We must make the best decision at every opportunity."

Mercury officials directly involved in the negotiation process said much work remains to be accomplished and there are still several issues to get through.

Much of the discussion Thursday focused on Operational Flexibility, which, along with Benefits, formed Mercury's first proposal. Mercury completed its presentation Monday with its wage proposal.

"We have introduced a full and comprehensive proposal on wages, benefits and operational flexibility to try to advance the negotiation process with the union," said Mr. Mark Schwabero. Mercury's complete proposal includes the potential for:

No wage reductions for our current employees for the next three years and an overall structure for new hires and rehires that is competitive in the Fox Valley.

Health care and retirement plans that are much like our current plans for salaried employees. An early retirement incentive proposal that provides an opportunity for our employees to retire with their current benefits and potentially opens up new employment opportunities in the community.

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