

MEMORANDUM

January 7, 1991

TO: ALL EMPLOYEES  
FR: CAROL D. OLSON  
RE: EAGLE-PICHER

WE HAVE BEEN INFORMED THAT EAGLE-PICHER INDUSTRIES, INC.  
HAS DECLARED BANKRUPTCY THIS MORNING. PLEASE SEE ATTACHED  
NEWS RELEASE.

Attachment

11:55 FROM MEALEY PUBLICATIONS  
10:46 FROM EAGLE-PICHER IND. INC.

TO 12147506063 P.02  
12156887352 P.02

# News Release

Eagle-Picher Industries Inc., Cincinnati, Ohio 45202

For release: **IMMEDIATELY**

For additional information contact: **J. RODMAN NAIL**  
**(513) 721-7010**

## EAGLE-PICHER TO REORGANIZE UNDER CHAPTER 11

Cincinnati, Ohio - January 7 -- Eagle-Picher Industries, Inc. today announced that the Company and certain of its affiliates filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of Ohio, in Cincinnati, Ohio.

Thomas E. Petry, Eagle-Picher Chairman, said that, "today's action will allow the Company to continue to operate successfully its diversified industrial products operations while addressing the present and future asbestos personal injury liability against the Company. Despite weakness in several sectors of the economy, the Company's operations remain very healthy; it is expected that approximately \$48 million in operating income will be reported for the fiscal year ended November 30, 1990. The decision to use Chapter 11 as the ultimate restructuring vehicle to resolve the asbestos liability was not something management took lightly. The liquidity crisis which precipitated the filing resulted from the need to satisfy the Company's immediate asbestos litigation liability through the sale of operating assets, and was triggered by the failure of the buyers for the Eagle-Picher Mat Division to fulfill a purchase contract. It is unfortunate that the Company was compelled to take this action, considering the progress that had been made before Federal Judge Jack B. Weinstein in New York regarding the consolidation of all present and future asbestos personal injury claims into a nationwide mandatory class action."

In terms of the operations, Petry said that, "the Company's operations are open for business today, tomorrow, and for the future. Customers can certainly expect the Company to meet all of its commitments, particularly the quality, service, and timely deliveries that they have come to expect from Eagle-Picher operations. The Company would also like to reassure all of its suppliers, that future commitments to them will be fully honored on a timely basis. Looking to the future, the Company's mix of business is very sound and Eagle-Picher expects to emerge from reorganization as a strong, viable Company having resolved the uncertainty of the asbestos personal injury litigation liability."

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TOTAL P.02