



Coming Soon: Flexible Benefits

Recent Contracts (partial list)

Dongbei Special Steel,
No Twist® Mill

Shanxi Xintai, rod mill
and bar in coil outlet

Tianjin Rock Check,
rod mill

Liuzhou, rod mill

Sterling Steel, waterboxes

Electro Steel Castings,
rod outlet

Sail DSP, rod mill and
bar mill

Sail Bhilai, combination
rod & bar mill

Shougang Baoye,
three separate strands
on rod mills

Vedanta, 2 aluminum
rod mills

JSW Siscol, compactor

Changzhou, SCR 7000

Nanjing Iron & Steel,
rod mill with RSM addition

Oman Cable,
aluminum rod mill

CSP Planalto, combination
rod & bar mill

ZhangjiGang #5, rod outlet

ZhangjiGang #7, rod
outlet, two compactors

The Flex Benefit Formula

The dollar amount of flex credits you receive each year is based on the cost of certain core benefits (which include medical, dental, employee life insurance, personal accident insurance and long-term disability insurance).

The cost of these core benefits (and consequently the amount of flex credits you receive) is affected by:

- Your pay (for life insurance, personal accident and long-term disability only);
- Your age (for life insurance only); and
- Your family make-up (medical and dental benefits only).

To learn more about flexible benefits and your particular situation, visit the *Your Benefits Resources* website at <http://resources.hewitt.com/siemens>.

Employee benefits are going to get a lot more flexible in the new year. Flexibility means more choices – and more decisions to make. Employees will be able to choose among new medical and dental plans, life and personal accident insurance and long-term disability policies that suit their particular circumstances.

Each employee will receive a certain number of "Flex Credits" based on their salary, seniority and full- or part-time status.

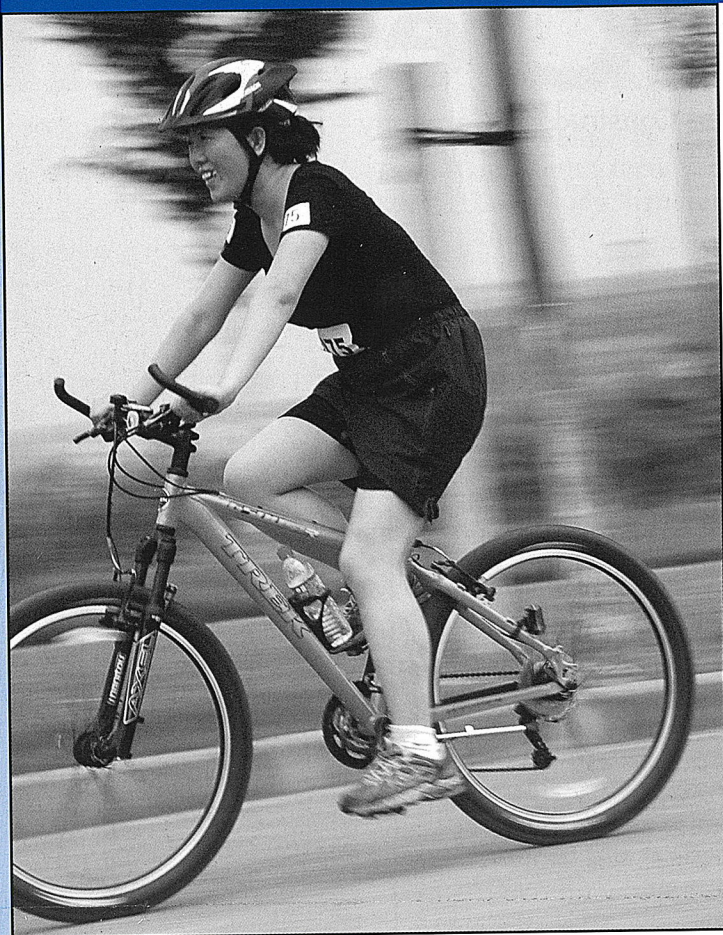
Benefits will have costs assigned to them, which will vary depending upon the type and "tier" or number of people covered (including spouse and/or children).

If the cost of an employee's benefit selections is greater than their flex credits, they will pay the difference through equal payroll deductions. If their benefits cost less than their flex credits, they receive the difference as additional income (*see example above*).

The Siemens health care strategy, "Choose Well, Use Well, Live Well," asks employees to learn about the new benefit options, evaluate their health care needs and decide which benefits are best to use throughout the year. There are many tools and resources available through Siemens for advice on healthy living, starting with the Your Benefits Resources website.

All the details of flexible benefits will be available online and through the HR department starting in October. The enrollment period will continue through November for benefits that begin January 1, 2009. At Crescent Street, kiosks will provide additional internet access to the Siemens employee website. Online enrollment will be encouraged, with help available for this new process.

Shanghai Bicycle Team Logs Many Kilometers



Monica Zhang enjoys exercise and fresh air on her bike.

Ten years ago, everyone in Shanghai, China rode bicycles to work, school and shopping, according to buyer Ying Wang. Today, she says, most middle class people drive cars or ride the bus. Bikes are only used for exercise or short trips to the store.

Getting some exercise together was one of the reasons the Morgan Cycling Team started last May. The group has grown, and they ride most Saturdays, often with their children, weather permitting. Heavy rain or extreme heat are the only reasons they may cancel a trip, although there were fewer weekend trips this summer.

"I do it for the exercise, the fresh air and to see new places," says Monica Zhang, electrical engineer, one of the founding members who brings her nine-year-old son Wilson on every excursion.

They plan their outings two to three weeks in advance, selecting areas they want to visit. Members research the stories and history of the location, and especially the special food of the region. Rides occasionally conclude with a big lunch, says Monica with a smile.

The team typically drives to an area, and rides their bikes at the destination. Most days, the men will ride at least 100 kilometers (60 miles). The first ride was 25 km (15 mi.) to Shanghai's only hill, which is about 90 meters (295 feet) high. They have visited more than 30 places so far, Monica says, mostly scenic locations in and around Shanghai, in Zhejiang Province and Jiangsu Province.

On January 1, the group made their first overnight journey, traveling to Xi Tang "landscape of watery region," about 48 mi. southwest of Shanghai (where Tom Cruise filmed "Mission Impossible III"). They stayed in residence halls converted to hotel rooms for the holiday.

"It was beautiful along the river," Monica recalls. "All the lanterns were lit." Despite temperatures below freezing, everyone rode their bikes, although

the men rode longer, she admits.

When she was a child, she says, bikes were essential for family transportation. Her parents would take her to kindergarten on a bike, along with her sister. That year, her father's bike went missing for three months, and she had to walk the three miles to school, which took her more than a half hour.

Almost as soon as the team started, they created a blog, which now has thousands of photos and hundreds of entries, including family stories like Monica's and comments on each ride. There are also articles on bike safety. The team joke is that the author of many of those articles was the first team member to be injured. Peter Duan, MORGOL® sales manager, was checking his GPS while riding and fell, scraping his arm.

Men on the Morgan team have joined the Shanghai Bicycle Association for competitions. Races start by unfolding bikes, then riding the course on city streets. "Every family has one folding and one regular bike," explains Monica.

Did You Know?

Healthy Fun at Health Fair

More than 20 vendors and display tables filled the Crescent Street cafeteria for the May 22 Health Fair. Sponsored by the S.A.F.E. Committee, the fair provided plenty of healthcare information and resources to employees.

Always popular, the massage therapy area saw long lines of employees ready for a 10-minute massage. New this year, a Reiki natural health counselor offered healing energy, and a display from the Massachusetts Audubon Society had maps of local walking and biking trails.

Employees who visited most of the tables could complete a two-page quiz,

which entered them in a raffle for a mountain bike, won by summer employee Ryan McCaffrey, and \$40 gift cards to Brew City, won by Nick Leduc, Andrew Laporte and Scott Coleman.

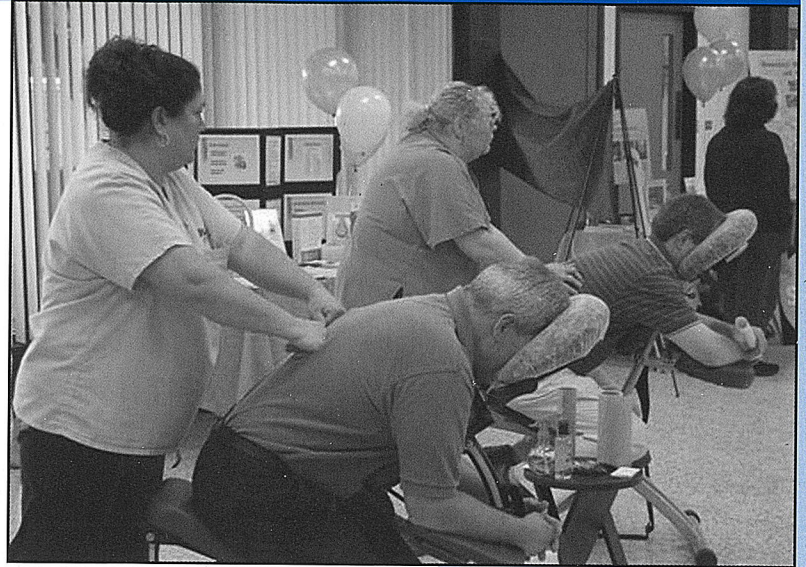
One Boy, One Girl

Ricardo Cruz, sales manager, Rolling Mill Division, is the proud father of a baby girl, Victória Carolina B. Cruz, born 23 May in São Paulo, Brazil. She arrived weighing 3.26 kg (7 lbs. 3 oz.) and 47cm (18.5 inches) long. She is thriving, as is her mom, Flavia.

Keith Fiorucci, manager, Rolling Mill Process

Group, is happy to report he has a baby boy. Luca Silvio Fiorucci was born 11 July, weighing 6 lbs. 10 oz. Arriving nearly four weeks early, he managed to wait until his father could fly back from Chicago with two clients from Greece. Luca and his mom, Stephanie, are both doing well.

Just what the doctor ordered – a relaxing 10-minute massage was a popular feature of the 2008 health fair.



In Memoriam – Steven Fay

It is with great sadness we note the sudden passing of Steven Fay, machinist, on 11 June at age 58. He had worked for Morgan for 10 years. In 1958, he saved his youngest brother's life by grabbing a shovel when a snow igloo caved in on him.

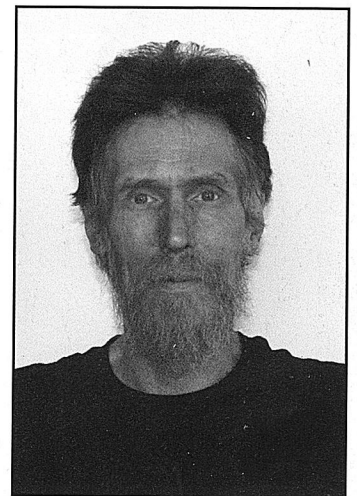
During the Vietnam War, Steve was an Army flight engineer for Chinook helicopters

and undertook several rescue missions. Nicknamed "Rocky the Flying Squirrel" for using his flight suit as a parachute, he was shot down eight times, and received seven medals during his military service.

He loved sailing and was a Patriots fan. Steve's father, Danny, was a patternmaker and model maker at Morgan for

nearly 40 years, from 1946 to 1984.

A number of Morgan employees attended his memorial service, held 6 July at the Dudley-Gendron American Legion Post in Sutton, where he lived with his wife, Donna. We extend our deepest sympathies to Donna and sons Todd and Benjamin.



Support Our Troops

Walking for a Cure



Walking the Survivor's Lap together from the Hope Striders team are (from left) Carol Plante, Deb Walsh, Ann Bukoski and Bob Chartrand.

Summer arrived with a vengeance on 7 June for the "Hope Striders" team of Morgan employees and friends. They were halfway through the 24-hour American Cancer Society fundraising walk in Gardner, Mass. when temperatures raced up from the chilly 50s to the sticky 90s.

Two teams with Morgan employees walked in area Relay for Life events this year, with "Swisher Sweeties" in Worcester 13-14 June with rain cutting their event a little short. The Hope Striders gave Gardner a try this year.

"We decided to go to Gardner to support Bob Chartrand," explained one of the Hope Striders team organizers. Bob, a senior buyer, is from that area and "has helped us in Worcester for several years." In addition, Bob is a cancer survivor and his

father recently developed lung cancer, so it meant a lot to walk where his family could visit the team.

Gardner is also the largest Relay for Life walk in New England, and the seventh-largest in the country, so the team had a chance to see how a bigger organization ran the 24-hour event. About 6,000 people participated, raising more than \$800,000. Firefighters, like Bob, from local departments volunteer their time to help people unload their vehicles in the parking lots away from the track at Mt. Wachusett Community College and then travel via golf cart to the tent area.

The Hope Striders were 12-strong this year, down from last year's numbers, but more creative in fundraising efforts that continued right through the event. In addition to

two bake sales (one for Valentine's Day) and chocolate bar sales, they added flowering bulbs and sports t-shirt sales.

During the event, they sold 201 wrapped mystery packages for a dollar each, dubbed "Flea Market Surprise." Team members cleaned out their closets for items in excellent condition, such as bobble heads, jewelry and Christmas decorations, and administrative assistant Carol Yargeau's grandson donated all his stuffed animals won from "claw" arcade machines. Once all the donations were collected, the team raised \$5,700.

Swisher Sweeties – a team which included technicians Bob and Charlie Swisher, organized by their sister Eileen Fontaine – walked in the Worcester Relay for Life on 13 and 14 June, and raised \$3,452. Their location successfully changed from Quinsigamond Community College to Burncoat Senior High School's track. Students with wagons helped them move from the parking lot, but there was less foot traffic than previous years, noted Bob. Altogether, Swisher Sweeties had at least 15 team members, nearly all immediate family members, including five Swisher siblings.

Symposium Connects Customers with New Ideas

Take 250 attendees from 28 countries, add shop tours, 10 presentations and a keynote address from the world-renowned rod mill innovator, stir in social functions in beautiful countryside settings and you have Morgan Symposium 2008.

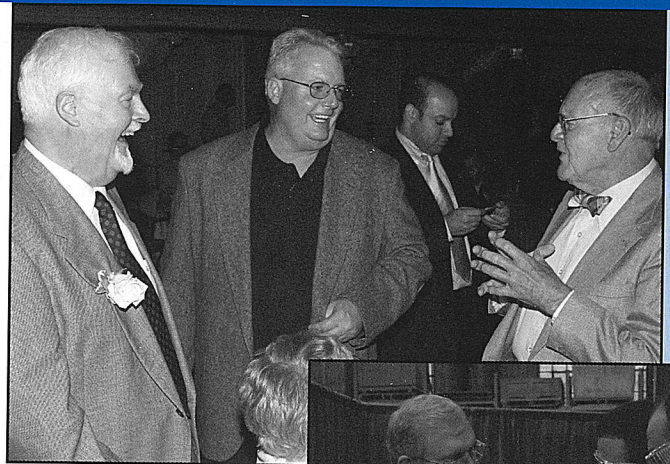
Held 24-26 June at historic Mechanics Hall, the symposium offered the opportunity for steel mill managers and operators to learn from their peers about innovative ways to improve productivity, increase capacity and product range. This was the ninth such event hosted by Morgan.

The first morning's papers were dedicated to rod mill modernization and performance, followed by presentations on bar, combination and section mills, delivered by

customers from South America, Asia, Europe and the United States. After lunch, participants learned about mill equipment and processing solutions from Morgan experts, concluding with T. Michael Shore's keynote address, "Continuous Developments to Improve Mill Utilization and Product Quality," which drew upon his fifty years' experience in steel mill technology to offer his thoughts on emerging innovations in the field.

The second day was devoted to shop tours that included many areas of the manufacturing and assembly operations, plus process control and rolling mill automation and management systems.

The closing dinner event was a tribute to Mike Shore, with both



customers and members of the Morgan family honoring his decades of contributions to the industry, always with an eye to improving the process and applying technology to meet customer demands. A booklet about Mike's career was distributed at the dinner and is available for all employees to enjoy.



Mike Shore (above left) with a customer and retired Vice President of Engineering Administration Ed Randall. Customers enjoy the shop tour demonstration with Barry Bourgeois.

Beneplace Is the Place to Save

Now that Morgan employees are part of the far larger Siemens family, there are many group discounts to enjoy for both everyday purchases and larger-ticket items. You can buy flowers, rent a movie and scoop the popcorn, all through discounted online purchases.

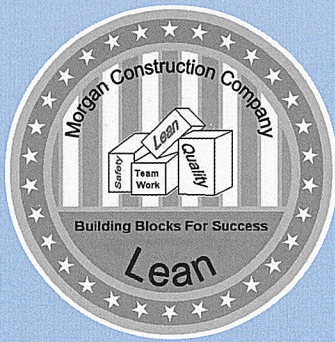
On the road, buy an Audi for six percent off the manufacturer's suggested retail price, save five percent on tires from Meineke, and enjoy reduced membership fees to join Paragon Auto Club for roadside assistance.

Visit www.beneplace.com on the Siemens employee intranet site to see the full range of options, but here are a few examples:

- Siemens products, from sleek cooktops to Sylvania compact fluorescent lightbulbs to Gigaset cordless phones, with discounts of 20 to 40 percent
- Special savings on Apple, Dell, Fujitsu and Lenovo computers, and other products from Circuit City, Palm, Sony and Xerox
- Employee purchase programs from Chrysler, Ford and GM, in addition to Audi
- Financial and insurance services, from banking, life insurance and tax preparation to veterinary pet insurance
- Disney Park Passes for a 12 percent discount, plus other theme park savings programs.

Beneplace is an independent gateway for personal purchases by Siemens employees and retirees. Please note that Siemens does not promote or endorse any of these products or services.

Vendor Partnership Improves Pinion Process



"We restructured our process to satisfy our customers and worked with our vendor to batch process parts economically and efficiently."

Two years ago, it was fair to say that pinions were a problem. Demand exceeded supply and a backlog grew. "We needed two racks to hold the folders for all the past due jobs," recalls Todd Cournoyer, Production Planning Supervisor.

Today, there's only one rack, and that folder holder is completely empty. Jobs are being released ahead of schedule. Any past due pinions have been held for mechanical or quality issues.

A heat treatment subcommittee of the WWC1/Studer Grinder lean team worked with longtime vendor Bodycote to identify bottlenecks in both companies to improve product flow and reduce backlogs. The lean process provided measurement tools and opened lines of communication.

Senior buyer Dennis McGugan started the conversations, and now buyer Norma Borowski meets weekly with Bodycote's purchasing representative to review their work in process and plan for upcoming workloads for heat treating and plating Morgan parts. Subcommittee members measured the number of pinions produced and compared that with the number needed.

The subcommittee's initial findings were that weekly demand was for 20 pinions, but Morgan could only produce 14.

Bodycote would hold parts until they had a batch, which would slow their turnaround time. One bottleneck was the deep freezing process, required for carbonization. Bodycote had six boilers, but could only freeze one batch at a time. Morgan was able to project the next year's workload, which helped Bodycote to justify their purchase of a new liquid nitrogen freezer, tripling their capacity.

Back at Morgan, pinions would take three to five days to ship to Bodycote. A new policy for operators to move all completed work off the machines and over to the dock within the same shift quickly reduced that figure to under two days.

"This year, we started turning the corner," Todd notes. A new OD Grinder, installed in mid-2007, helps produce more pinions. Production planners Scott Brown and Gary Orcutt now release the work orders for pinions for consistent workflow.

CNC Programmer technician Don Sielis, in collaboration with the operators, tested and implemented new tooling that improves the process. One change was to convert all metric drawings to inches so that each work order is already converted. The program also reflects the actual time a job requires, keeping expectations clear.

Now all work orders are staged to ensure the right

tooling is available to produce the required quantities. Boxes are easy to locate for the necessary parts. Operators have greater freedom to batch jobs together that have the same tool set-up.

"We could do all the planning in the world," says Todd, "but it comes down to the people on the machines. Everyone needs to do their role." With pinions, he said, prepping is key before going to heat treatment, removing burrs and stacking them up "like cordwood."

The changes have produced significant results. "We restructured our process to satisfy our customers and worked with our vendor to batch process parts economically and efficiently," says Todd. Cycle times of 18 to 19 days are now down to 13 days, and on-time deliveries are averaging over 80 percent.

"There's always pressure to do things faster, better and cheaper," says Scott. "We all recognized the opportunity, we just had to find the road to get us there."

"There are so many priorities, you forget which are the main priorities," says manufacturing supervisor Mike Kasik. "The lean process has worked here. It has pushed us in the right direction."

As Todd cautions, however, "Lean doesn't fix the problem, we do."

Wanted: Senior Companions

Growing old can be a lonely existence at times, but one Morgan retiree keeps busy by visiting seniors in the Worcester area. While he does not wish to be named, he devotes close to 20 hours a week to homebound seniors who just need a little company.

The program he participates in, Senior Companion, is always looking for more volunteers. Part of a federally funded program that serves elders across the country, Senior Companion will train

volunteers over age 60 and place them with one of 20 agencies in Worcester and surrounding towns, such as Family Services of Central Massachusetts. Volunteers work one-on-one with frail elders who appreciate a visitor willing to share stories, read the paper, play cards or take a walk together.

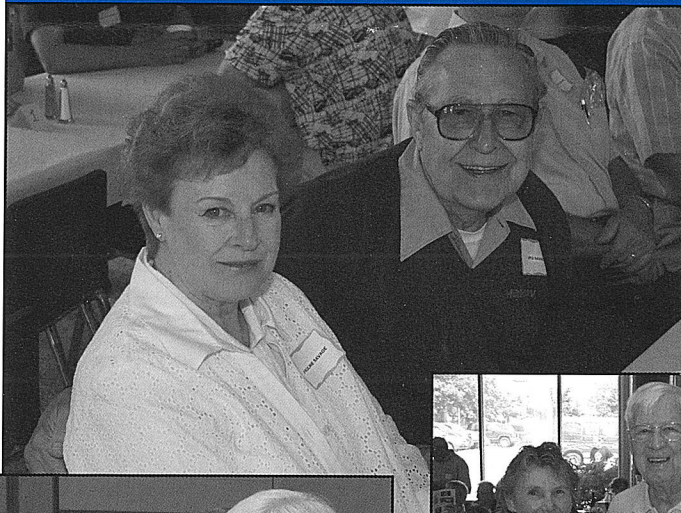
"Isolated elders don't have regular contacts. Their families may be unable to visit if they live far away. Senior Companions help people remain independent by

filling in the gaps other service providers can't offer," explains Jennifer Snell, Director, Worcester Area Senior Companion Program. Following a social model, volunteers may go out on errands with their clients, offer a willing ear and social conversation, but are not responsible for hands-on care or housekeeping.

Interested volunteers can contact Jennifer or Meg LaComfora at Worcester's Senior Center by calling 508-791-7783.

Homecoming: Returning to a New Company

Homecoming brought many retirees back to the Crescent Street cafeteria on 17 June for a fine lunch and important updates on Morgan's changing future as a Siemens VAI business. Attendees heard from Philip Morgan, who noted he had recently celebrated his 60th birthday, Dan Morgan, back from Shanghai for a brief visit, and Russ Vanderbaan, who commented on the extensive integration activities among Morgan and Siemens employees.



(clockwise from top) Vito Savage and his wife enjoy the homecoming luncheon; Tina Homewood, Bob Shore and senior retiree Sophie Yelski have a happy reunion;



Philip Morgan greets Ray Tetreault (left) and Joe Flamand.

Retiree News

Morgan Retirees Group

*Joseph LaMarche –
President*

*Helen Lucia –
Vice President*

*Harry Awiszio – Secretary
Carl Berglind – Treasurer*

Meetings third Tuesday of every month, September through June, 9:30 a.m. in the Crescent Street cafeteria.

Calendar of Events

Tuesday, September 16, 9:30 a.m. – When You Need an Extra Hand, Brett Salmonson, Marketing Manager, Home Staff, LLC and Judy Shaughnessy, Tatnuck Park, Crescent Street Cafeteria

Tuesday, October 21, 9:30 a.m. – Mixing Medications Can Be Deadly, Colleen Massey, Outreach Coordinator, Massachusetts College of Pharmacy and Health Sciences, Crescent Street Cafeteria

Tuesday, November 18, 11 a.m. – Worcester Technical High School, lunch followed by talk with Ted Coughlin of Coughlin Electric and tour of new facility on Skyline Drive (off Belmont Street). Look for more details after September meeting.

Tuesday, December 16, Holiday Celebration – Save the Date!

This is a regular section of the *Square & Crescent*. If you have any news for or about retirees, call Gail Morgan at 508-849-6369. Or drop a note to Allison Chisolm, c/o Morgan Construction Co., 15 Belmont Street, Worcester, MA 01605, or call her in Worcester at 508-853-5339.

Our sympathy goes to the families of...

Gaspar "Gus" Olivieri, who passed away 17 June at 78. A civil engineer, Gus worked at Morgan 42 years, from July 1956 through July 1998.

Maurice Knott, who passed away 27 July at age 94, one month before his 95th birthday. He worked at Morgan as a design engineer from January 1958 until his retirement in August 1983.

Morgan Construction Company
15 Belmont Street
Worcester, MA 01605-2665

A Siemens VAI Business

MORGAN