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To: NMENV-global
Subject: News: Giant Industries/Lab layoffs

Giant Industries posts weaker results, buyer slashes price

SCOTTSDALE, Ariz. (AP) _ Slimmer profits at Giant Industries, Inc. will cost investors at least \$100 million as the company agreed to a lower buyout deal from Western Refining Inc.

Western, based in El Paso, agreed to buy Scottsdale-based Giant in late August in a deal worth \$1.5 billion. The company agreed to pay \$83 a share plus debt assumption, but announced Monday that it lowered its bid to \$77 per share because of Giant's disappointing financial performance. The boards of both companies agreed to the discounted price.

Giant said Tuesday that earnings for the quarter that ended Sept. 30 were \$44 million, down from \$46.6 million for the same time period a year earlier. Earnings per share were \$3, down from \$3.38 a year earlier but above projections by analysts surveyed by Thomson Financial, who forecast per-share profit of \$2.47. Sales rose slightly to \$1.17 billion from \$1.09 billion in the year-earlier quarter.

Recent fires that temporarily disabled two of Giant's three refineries led to the profit slide, the company said. Giant still earned \$80.9 million for the first nine months of the year, compared with \$77.3 million for the first three quarters of 2005.

"We remain excited about the merger and believe that our combination with Giant continues to provide a number of strategic and financial benefits," Western Refining CEO Paul Foster said in a statement Monday. "The revised terms announced today recognize the financial impact of these unexpected events. We look forward to closing the transaction and realizing the opportunities ahead."

Workers sue Giant over injuries from refinery explosion, NM

ALBUQUERQUE (AP) _ Two men severely injured in a pair of explosions at a refinery near Gallup are suing Giant Industries, alleging the company is liable.

Vince Azua and Michael Sanders, who had worked as mechanics at the Ciniza Refinery, claim Giant permitted "ultrahazardous activities to occur on their property" and was responsible for maintenance on the unit where the explosion occurred in April 2004.

According to the lawsuit:

The men had been removing a pump, believing that the valve was shut, when it released toxic alkylate at 150 pounds per square inch and 350 degrees.

Azua and Sanders were knocked over and drenched. Azua suffered broken ribs, a concussion and sustained permanent respiratory and neurological problems.

The substance covered Sanders and ignited, causing burns that kept him hospitalized for a year and racked up medical expenses exceeding \$1 million.

The lawsuit was filed in state district court. Attorneys for Giant removed the case to U.S. District Court earlier

this month.

Giant has not formally answered the complaint, but company vice president Leland Gould disputed the conclusion of a 2005 federal safety report faulting the company's mechanical integrity program. Giant fixed things as they broke rather than trying to find out why seals weren't working, the report said.

Giant's internal investigation concluded human error was to blame, Gould said after reviewing the report.

Employees made a mistake that caused alkaline suddenly to circulate again, he said.

The lawsuit also claims willful negligence by Giant as well as retaliatory firing of Azua after he cooperated with federal investigators.

Azua and Sanders are seeking punitive damages.

Information from: Albuquerque Journal, www.abqjournal.com

BC-Giant Industries

More layoffs planned at Los Alamos lab, NM

LOS ALAMOS, N.M. (AP) _ The Los Alamos National Laboratory director says the lab intends to shed another 300 to 400 jobs through attrition next year.

Michael Anastasio says he wants to avoid forced layoffs.

The lab announced earlier that it intends to lay off 450 to 600 subcontracting workers.

Los Alamos National Security, which operates the lab for the federal government, faces a shortfall for the budget year that began October First of about 176 (m) million dollars.

Anastasio said (Thursday) that less money means less work.

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