



## Reflecting On 2010: New Markets & Expanded Business

Dr. John D. Young, Group President

This has been one of the more challenging years in our Group since start-up days some 20 years ago. Despite published economic data indicating the “official” end of the economic recession by June 2009, every manufacturer in our industry has suffered from a protracted anemic economy that has lingered from 2008 until today. These difficulties are in line with the record high unemployment in the country, still standing close to 10%. Despite such monumental macroeconomic challenges, we have done well as a Group. With the exception of housing sector products, all our product lines have seen significant recovery when compared to 2009. We have in fact entered new markets and expanded several businesses.

In the IBS area, we have seen a marked revival of T-shirt bag orders and have added many new lines of supermarket, merchandising bags and films to our portfolio. We successfully launched our *Fresh 4 You™* bags; and with this addition, now have the widest portfolio of produce bags in the marketplace. This includes both regular and narrow-profile bags.

In terms of trash can liners, we have now achieved a dominant position in the janitorial-sanitary market and are leveraging our experience and quality reputation to aggressively penetrate into food services. Here, we offer a complete portfolio of products that includes not only bags of all types and specifications, but also PVC and polyethylene gloves, meat films and deli films. This approach embraces the “one stop, one supplier” concept. With our recent purchase of a medical packaging supplier, we now carry the well-known *Speci-Gard®* line of sealable specimen/diagnostic bags for laboratory use, and an entire array of products used in the medical services area. IBS has now posted production records in several areas; including conversion costs for trash can liners. Our production and maintenance teams have worked together throughout the year to beat the target costs that we have always used as a landmark. As a result, I believe that now we have one of the most competitive structures for TCL in the country.

Amtopp has experienced breakthroughs as well. In terms of stretch wrap films, we have overcome all but a few start-up issues with our two latest lines. Quality is good and the market has reacted by buying out our new capacity. Back to production, I am continually impressed with the progress made in all areas, especially yields and costs. Nearly every month a new record is established in the area of production yield and material utilization, and I dare say that at this moment we probably have the most competitive structure in the marketplace.

Our BOPP operation is planning a major expansion, thanks largely to the collective marketing and production efforts that have resulted in our market reputation for quality, service, and affordable pricing. I marvel always at the uninterrupted flow of new ideas for improvement that have stemmed from production, maintenance, processing and engineering. I want to think of our team as one of the most competent BOPP teams in the world. Together, we must have several thousand years of experience! While many of us are still saddened by the tragic loss of Plant Manager **Jake Lai**, a dear colleague to all of us, it is clear that the two BOPP plants have continued his legacy of improvements and attention to detail. In many ways, I find this heightened performance the finest tribute to a manager who will always stand in our memory as a giant.

The Concentrates plant has also completed a round of expansion and stands ready to utilize its capacity. This is one of the most cost-effective plants on site and I am grateful to the ingenuity, versatility and frugality this plant demonstrates.

For World-Pak, we are now distant leaders in corrugated-profile polypropylene boards. We command the marketplace in innovation, quality and volume. Our trade booths are always the talk of the show and many of our customers profess to have made their stop at our trade booth a “must” each year since we always have new products to display. Our Profile plant is also among the most efficient and cost-effective plants on site and has enjoyed the lowest personnel turnover rate over the years among all our plants. I feel these results speak volumes for both plant and marketing management.



Inteplast Group, Lolita plant site.

Our XF film operation has developed a number of new products these past two years and currently participates in housing, lumber wrapping, furniture wrapping, geo-barrier-liner, multi-wall lining, heavy duty bags, and other industrial markets. XF film has probably the most versatile and diversified applications of all our products. It has also required continued efforts in product and business development to meet market needs. I am most grateful to all our XF colleagues for their perseverance and hard work.

PVC Sheets and Boards initiative deserves special mention here. As a group, we are the early pioneers of PVC foamed or cellular substrates. We have evolved from trim boards to now include decking, moulding and siding. Our massive expansion, utilizing in-house technology, design and supervision, has resulted in an outstanding list of product offerings. Our embossed finishes are among the most beautiful and durable in the marketplace, something of which the entire marketplace has noted. Like its Profile sister operation, our *TUF board®* and other cellular products are the attraction of all the trade shows where they exhibit. Here, I want to thank everyone who has participated in this initiative which will certainly take us to a leadership position in all cellular PVC products.

To support these remarkable achievements, I must also acknowledge the help of our administrative and engineering teams. We are becoming truly proficient in everything we do and I see a clear responsibility segregation and accountability in every area of the company.

As a group, we have all come a long way. In closing, despite the macroeconomic turmoil evidenced throughout the country, we have done well as a group. As I know this is the sum total of all the efforts by everyone, I take this opportunity to extend my heartfelt gratitude for a job well done. I also take this opportunity to wish everyone a peaceful and healthy holiday season that hopefully can be enjoyed with your loved ones.

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# Coating Excellence International Partners with Inteplast- Growing Together to Become the Largest Domestic Producer of Laminated Woven Polypropylene Bags

Coating Excellence International (CEI) started up in Wisconsin in 1997 and quickly doubled in size in 2001 and again in 2004. Recent growth has included a large addition in 2006 and a new Kentucky plant site opening in 2010. Their key product line is woven polypropylene bags for pet food and animal feed; for seed and bird food and for lawn care and bulk foods. And their single supplier of BOPP films has been AmTopp since 2006. AmTopp's clear TT film sales volume has grown along with Coating Excellence and has offered film-related suggestions to assist their overall quality. AmTopp created a Customer Special Specification for CEI which requires exact reel lengths and special splices to improve the customer's internal efficiencies. To further the partnership, CEI personnel have visited the Lolita BOPP plant and AmTopp has made technical support visits to their site.

You've seen the brightly-colored all-plastic bags on the supermarket shelves and in the "big store" aisles. The woven bags are specified by many retailers to replace the paper/film "multiwall bags". The new woven bags reduce broken bags and product spillage by over 50%, and can be stored outside without damage to the bag and contents. The all-plastic bags have environmental advantages including lighter weight and a smaller "carbon footprint" than paper/film multiwall bags.

AmTopp's TT film has given CEI the consistent high coefficient of friction (COF) required for pallet stability of the filled bags in transit; the excellent film clarity to display high-quality reverse-printed graphics; the consistent film flatness and trouble-free unwinding and tracking demanded by modern wide high-speed printing presses; and the economics to help CEI withstand import competition.

Domestic sourcing of the woven bags, and AmTopp Lolita domestic sourcing of the BOPP for the bags, makes lower shipping costs and reduced leadtimes, with quality assurance meeting both FDA and AIB standards.

**William Philhower**  
AmTopp Product Manager  
**Chris Watts**  
Director of Business Development / Product Technology



**cei**

Converting Ideas Into Innovation



## IBS Is Your Single-Source Solution!

From products to brochures to website, IBS has been working on providing customers a brand new look since 2009. The new focus is the breadth of products available from IBS and the ability to be able to bundle all products into one order.

By unifying the format of all the product brochures, and using different colors to classify each of our product lines, the new series of IBS product brochures shouts "IBS is your single-source solution!" to IBS customers. All the brochures are designed in a bright and clear way. Customers are able to find the product information including product features, benefits and specifications. Just one call, one order and IBS delivers a world of bags to meet your needs.

If a picture is worth a thousand words, not only does IBS impress with updated and complete product images, but also with new images of their manufacturing site in Lolita, Texas. IBS is very proud of their world class manufacturing facilities and the images are visible proof of their ability to be a complete sourcing solution for customers.

The IBS marketing team continues to work on designing new marketing tools. They look forward to further building up the image of high quality and professionalism in their customers' minds.



**Jae Liang**  
Marketing Coordinator  
**Urvi Desai**  
Customer Service Manager



Photos courtesy of CEI.



# What is CEVN and Who is WOLF ?

They represent further market moves by Inteplast Group's TUF Board Unit.

On September 1, 2010 **Jackson Chen**, TUF board Unit General Manager, announced that the company has signed a licensing agreement with CEVN (pronounced "seven") of Somerset, NJ. CEVN represents a patented design for the industry's first dual-color, dual-sided cellular PVC deck board.

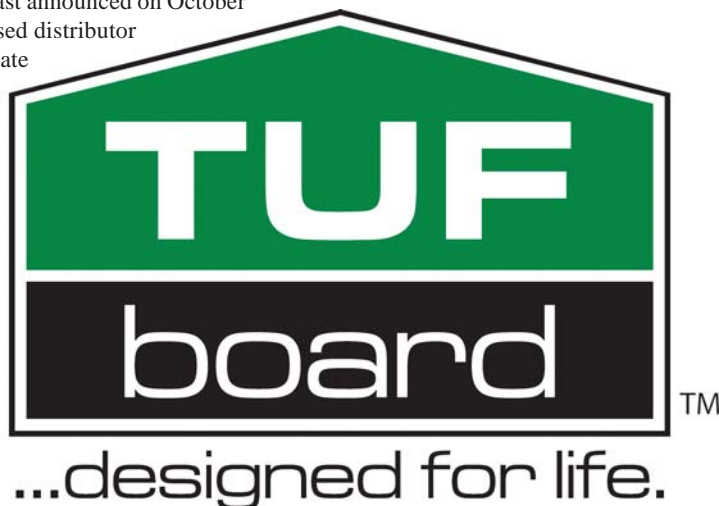
CEVN introduced this decking over a year ago, but without the manufacturing know-how of Inteplast has not been able to achieve a desirable level of production success. CEVN decking is engineered using Inteplast's proven cellular PVC technology with no fiber fillers in its core, which eliminates edge cracking, stain retention and water absorption. This core is capped with a specially formulated durable, highly weatherable layer that resists stains, fading, scratching and is more abrasion resistant than wood-plastic composites. CEVN's new deck product combining high performance, ultra-low maintenance and ease of installation make it ideal for a variety of applications.

The CEVN brand will initially offer six rich colors of dual-colored decking, along with single-colored fascia and single-colored deck boards for stairs and special applications. CEVN's innovative deck product offers the unique opportunity for wholesale distributors and retail dealers to more effectively manage inventory while simultaneously offering more choices.

Now comes WOLF. In addition to the licensing agreement with CEVN, Inteplast announced on October 10<sup>th</sup> that it has strengthened its relationship with WOLF, a York, Pennsylvania based distributor of cabinet and building products. WOLF will distribute CEVN Decking and a private label WOLF trim from three distribution centers in the Eastern U.S. The distribution network covers 19 states from Maine to Florida. According to Chen even though "we are starting regionally, we definitely are looking nationwide."

Inteplast's new focus on builders and remodelers by providing new and innovative products that offer unique solutions makes the role of strong distribution partners even more important, according to Chen.

Contributing to this article are:  
**Jackson Chen**, TUF board Unit General Manager  
**Brenda Wilson**, Human Resources Manager



## Behind the scenes...

*A lot of hard work goes into not only the production of World-Pak products, but into the careful shipment of those products to the customer. And how else might a potential customer learn about TUF board products without a beautifully crafted display.*



*PVC's Sr. Lead Shipping Loader, **Henry Totman**, spends most of his day coordinating the shipment of TUF board Deck, Trim and Moulding. You can even catch him on a forklift helping his staff load the finished goods.*



***Greg Carman**, Staff Engineer for Profile, working on another sign layout that will be used in a World-Pak tradeshow booth. The booths are constructed primarily using Inteplast products.*

# World-Pak Tradeshows



*Inteplast booth showcasing TUF board products.*



*Jennifer Wei, Jackson Chen and Dave Derogatis reviewing product specifications with attendees at DeckExpo 2010.*

**DeckExpo 2010**  
Baltimore, Maryland  
September 15-17, 2010  
Baltimore Convention Center



*Deck Expo is an event that features hundreds of manufacturers and distributors with products and services specifically for deck, dock and railing construction professionals.*



*President of Wolf, Craig Danielson, joined Inteplast Sales Representatives at the booth.*

**SGIA Expo 2010**  
Las Vegas, Nevada  
October 12-15, 2010  
Las Vegas Convention Center

*Spectacular printing shows off the features of IntePro®.*



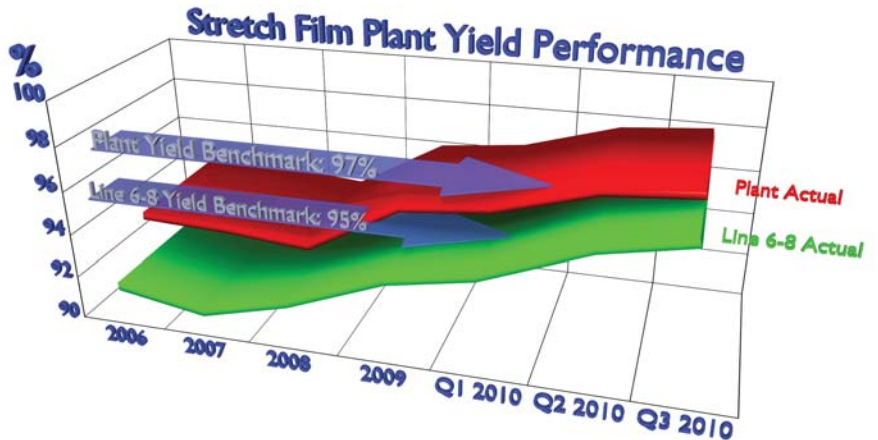
*Above, David Sarych and Jerry Tu meeting with potential clients. Left, Andy Chen and Yasmine Konopka show attendees some of the features of IntePro®. Almost 22,000 imaging professionals were in attendance at the SGIA (Specialty Graphic Imaging Association) Expo. It is an event that brings together all sectors of the specialty imaging community.*

# Stretch-Film Yield Exceeds Industry Average

“Continuous improvement” is a core value of Inteplast Group. So it was only fitting that at the start of 2010, senior management set a new higher benchmark for Stretch Film’s production yield. This benchmark required a new level of performance for the employees of the Stretch Film plant. However they met the challenge, as the target was quickly reached, and Stretch Film set a record in March with a 98.29% yield! So consistent has their performance been in 2010 that only once during the second quarter did the yield dip below the 97% benchmark.

Production lines 6, 7 and 8 have reached the operational performance envisioned when these lines were installed over the recent years. Between 2006 and 2008, as the lines were installed and commissioned the plant worked tirelessly to solve the issues that come with any new equipment. In 2010, with dedicated support and contribution from the production crews, maintenance staff and Division Office, the efforts began to pay off with a steady increase in yield. In September 2010, Stretch Film had a breakthrough where yield exceeded the benchmark for four consecutive months – June through September. This is an amazing achievement and has allowed our yield to exceed the industry average.

Stretch Film’s great performance demonstrates how Inteplast continuously pushes performance in order to be one of the most reliable and highest-quality suppliers in the market. This dogged



pursuit of excellence in every aspect of the production process is a source of pride for each and every employee associated with the Stretch Film operation. This strong performance in Stretch Film reflects their dedication both to customer and product quality.

**Lillian Ko**  
Management Analysis Manager

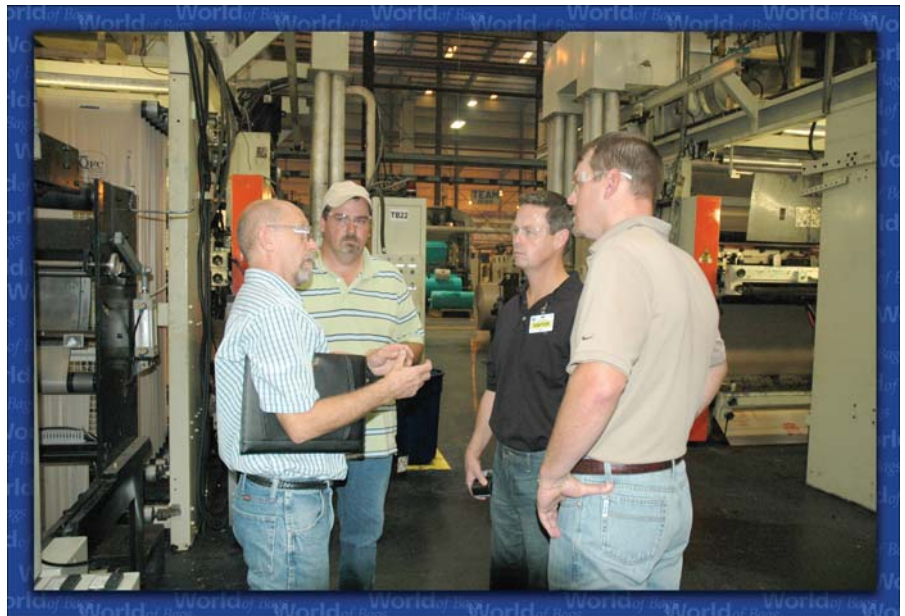
## Bag Talk

**Wayne Watson** newly promoted Plant Manager for the IBFC Saint John, New Brunswick Canada plant and **Bill Farden**, Production Manager from IBFC’s Delta Plant located in British Columbia, Canada, both visited the Lolita site in October. This was their first trip to see the Inteplast Texas operation since joining the company. **Jim Richter**, IBS Safety Manager began the trip by giving the two a tour of the entire 18+ football field size building.

Hosting the pair was IBS T-shirt Managers **Darrell Wood** and **Wade Koehl**, **Kathy Doran** of Art & Plate and **Andy Lu** with T-shirt Extrusion / Produce. Watson has over 35 years of experience in the bag making business so he quickly understood the Texas operations and Farden has over 25 years of experience with production — both veteran knowledgeable managers.

Wood and Koehl walked the two through the entire T-shirt manufacturing process Texas-style. They discussed machine and labor layouts as well as the advantages and disadvantages of one, one and a half, or two packers per machine. Lolita’s machines are slightly different on the packaging end, so the four discussed ways to improve work flow and how Texas operations had incorporated labor saving hardware like automatic box tapers. IBS’s Easy-Open bag is a popular product with customers so naturally the team discussed how to potentially manufacture this bag in the Canadian operations with minimal conversion costs. Since all 4 managers have a strong background in machine maintenance and mechanics, hours were devoted to comparisons and preventative maintenance programs.

Doran as Supervisor of the Art & Plate Department met with the Canadian duo to explain her operations. Printing is crucial to customer satisfaction in the bag business so an opportunity to review artwork receiving, formatting and the approval process gave Watson and Farden important insight. Doran walked the visitors through negative / blueline and plate production.



*Wayne Watson, Darrell Wood, Bill Farden, and Wade Koehl discussing T-shirt bag operations at the IBS Lolita plant site.*

Lu discussed water based inks and the order change process which his team can complete in minutes. Of course no meeting on bag making is complete without extensive discussions of HD, LLD and resin mixtures.

Both Canadians were impressed by the size and capacity of the Inteplast Lolita site. Watson remarked, “Things really are bigger in Texas” and Farden appreciated the famous Texas hospitality. “Everyone is so friendly here.” But even in October the hot south Texas temperatures were pretty extreme for our Northern visitors.

**Brenda Wilson**  
Human Resources Manager

## Inteplast News

AmTopp • IBS • World-Pak  
www.inteplast.com

**Corporate Address:**  
9 Peach Tree Hill Road  
Livingston, New Jersey  
07039

**Plant Locations:**  
101 Inteplast Blvd.  
Lolita, Texas 77971

North Dighton, Massachusetts  
Delta, British Columbia, Canada  
Saint John, New Brunswick, Canada

**Editor:** Alisha Koehl

**Graphic Artist:** Craig Jones

**Photographers:** AGAMA, Jae Liang, Alisha Koehl, Pam Bales

**Contributing Writers:** William Philhower, Chris Watts, Jae Liang, Urvi Desai, Jackson Chen, Lillian Ko, Brenda Wilson, Bob Coen

## Security / Traffic Play Key Roles At Lolita Site

Two units within Inteplast Group Service Departments are an integral part of our Texas operations. They are the highly visible Security Department and the lower visibility Traffic Department. Both play key roles in the daily operations and ultimately affect every employee on the Texas site.

The Security team checks in and out and coordinates the logistics of approximately 100+ trucks and 550 other vehicles a day while taking truck weights and balanced axle weights on certified scales. Security is responsible for much more. Duties include controlling site access, contacting and coordinating emergency response, controlling theft by daily employee/vehicle inspections, inspecting the site perimeter, conducting speed surveys and then issuing citations, monitoring site fire alarm systems, maintaining the electronic message center, using the security cameras to record and validate incidents and extending a personal welcome to all company customers and visitors. The team consists of five long-term employees under supervision of **Craig Jones** including employees **John Williams, Liz Tomlinson, Morgan Jones, Will Vickery** and **Ed Rodriguez**. After receiving special training from local law enforcement agencies regarding interviews, vehicle searches and narcotics training – the team knows what to look for



L-R: Ruben Saenz (in the cab), Craig Jones, Morgan Jones, Ed Rodriguez, John Williams, Liz Tomlinson and Will Vickery.

on the job and what to do when they find something unacceptable. Coming soon is installation of an automated gate on the in and out bound lanes to help with control and monitoring of traffic.

Working with the Security Team is the small, but very efficient Traffic Department. Our tireless “Mule” driver **Ruben Saenz** can be found on the job many hours a week and is responsible for sometimes more than 1700 trailer moves monthly. Traffic meets needs of the various shipping departments from 7:00 am until 9:00 pm daily.

Collectively, though frequently working behind the scenes, these groups have a very positive affect on the growth and performance of Inteplast Group.

**Bob Coen**  
Texas Site Manager



### Inteplast Group

AmTopp • IBS • World-Pak  
101 Inteplast Blvd., P.O. Box 405  
Lolita, TX 77971

Forhe Feiertage      Chúc mừng năm mới      साल मुबारक

Счастливых праздников!      Buone Feste!      Feliz dia Festivos!

Happy Holidays!      Joyeuses fêtes!

Maligayang Pasko At Manigong Bagong Taon

Wesolych Swiat      佳節愉快!

Forhe Feiertage      Chúc mừng năm mới      साल मुबारक

Счастливых праздников!      Buone Feste!      Feliz dia Festivos!

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Boas Festas!      Maligayang Pasko At Manigong Bagong Taon

**World of Plastics**