



CORTEC Vision

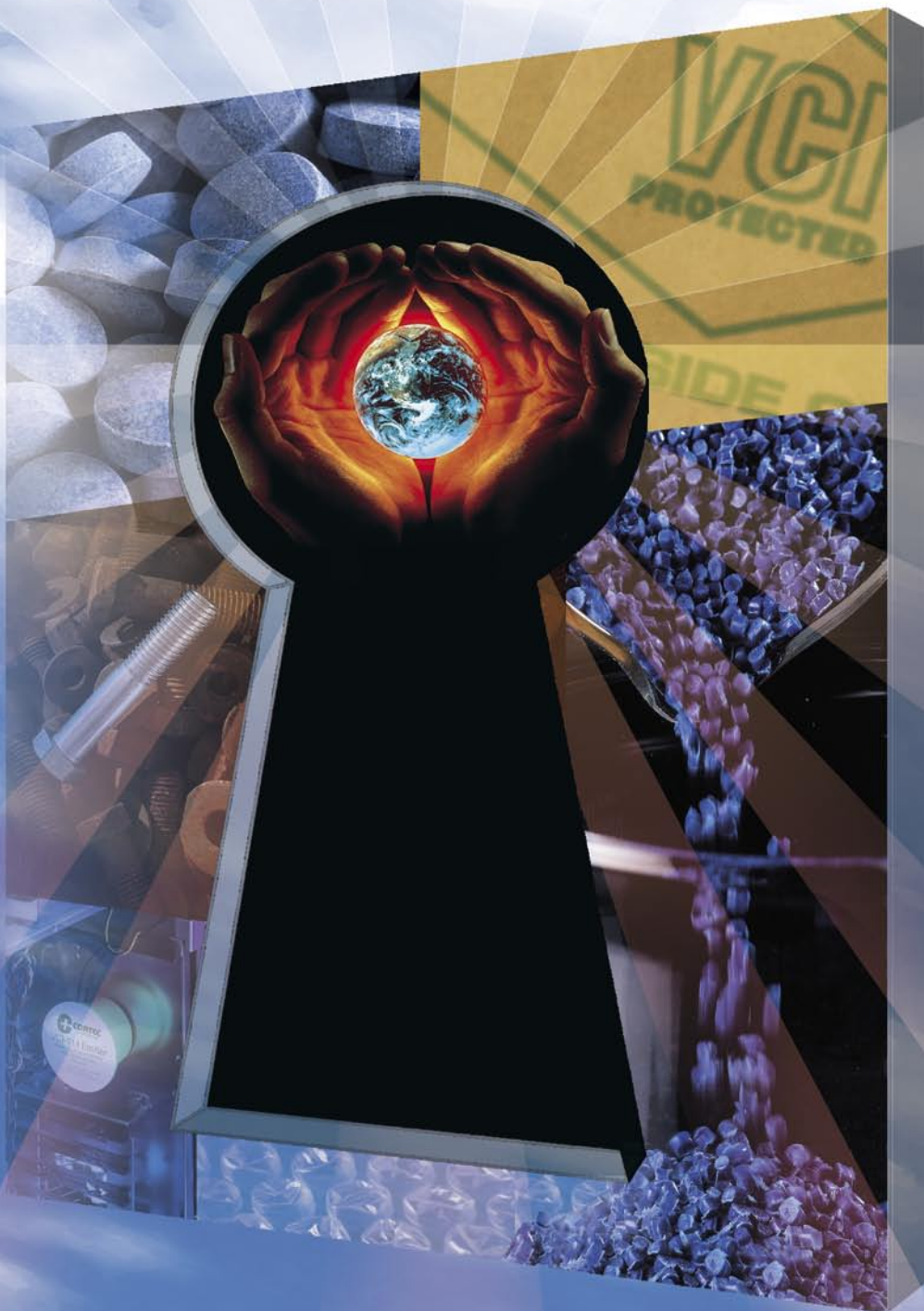
European Sales Meeting
2004

Cortec's Vision is a Dream in
Progress

Cortec Films have gone
Degradable

The future
belongs to
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— *Eleanor
Roosevelt*



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European Sales Meeting 2004



The 2004 European Sales Meeting in Split was not only a great success, but a lot of fun as well. Representatives from more than 25 countries arrived to take part in various classes/presentations aimed to propel market share growth in Europe. The meeting provided an excellent opportunity to network, in both an official setting as well as informal gatherings allowing people to meet and discuss how best to partner on projects and what Cortec could do to help increase sales.

There was a cocktail reception Sunday night on the Terrace where everyone got reacquainted, and had a chance to meet all of the new faces. A spirited karaoke competition took place after Monday's dinner, where the Scandinavian attendees proved they were the loudest (if not the best singers). And on a work related note, all the participants toured the Cortecros warehouse then had a barbeque luncheon, followed by a sight seeing tour of the ancient Diocletian's palace.

Since The European sales meetings was such a big success, the plan is to resume holding sales meetings every second year.

Building and Interiors Trade Show

Corrosion & Environmental Services (CESL), Cortec's MCI® distributor in the Caribbean had a booth at the Building and Interiors Trade Show, hosted by Premier Events Caribbean Ltd. This show was held at the Centre of Excellence, Macoya, Trinidad from the 30th September to 3rd October 2004.

This is the premier trade show in the Caribbean, which attracts exhibitors and professionals throughout the area. Cortec's MCI® (Migrating Corrosion Inhibitors) received First Prize for the Most Innovative Product on Display 2004. Our competition included Sika and Fosroc.



Quite a large number of Engineers, Architects, Specifiers and Consultants visited our booth, and were amazed that such a technology existed. CESL attracted the highest number of visitors than any other booth. We expect to see increased usage of MCI® in the Caribbean in the coming years.



“The future belongs to those who believe in the power of their dreams.”

—Eleanor Roosevelt

Cortec's Vision is a Dream in Progress

The future of anything solely rests on the shoulders of future generations. Boris' dreams for Cortec won't survive unless other's share his vision. That's why he has surrounded himself with capable, smart and dependable employees, who also believe that Cortec has a place in the future of the corrosion market.

Cortec's outstanding workforce believes that quality is the number one priority. Our chemists work hard to not only come up with new product ideas, but improve existing ones. They try to anticipate the market's needs before the markets even know what their needs will be. They are constantly striving to out think the competition. Cortec's Lab have put us on the front lines in the war against corrosion and they hope to keep us leading the good fight for years to come.

Our Sales and Customer Service teams are always working hard and raising the bar to meet higher sales goals. While other companies are still struggling to get back on their feet during this economic lull, our sales teams have powered Cortec through.

Several of our sales managers are responsible for our great product innovations, receiving several patents for their ideas. Cliff Cracauer, one of our Technical Sales Managers, has 2 patents himself (VpC™-418 Saf-T-Charge and Corshrink.) Jessi Jackson Meyer recieved one for MCI Fibers, Bob Boyle for his biodegradable, VpCI-impregnated foam containers and his EcoFilm Cryogenic-a biodegradable film suited for extreme high and low temperatures. Ashish Gandhi has multiple patent applications for improvements on powder additives and Mark Bosiacki has the same for developing a unique emitter method. This shows how Cortec's employees take the extra step to further the company and maintain its foot hold in the corrosion industry.

With the strategic development of our distribution networks and opening of new regional sales offices, Cortec has been able to work more closely with distributors to keep them informed on company developments. This helps Cortec keep its fingers on the pulse of the corrosion markets. Regional Sales Managers have been a key to our recent sales success as well.

Will Boris' vision for Cortec's future become a reality? Only time will tell. He believes in the potential of his employee's for great things, in fact, he depends on it. And so far they have proven themselves time and time again. With employees like this, Cortec will be around for generations to come.

Cortec's Vision

- **World Class Product Offerings**
An innovator and designer of leading edge products
 - **World Class Customer Service**
A positive, long-lasting impression through every link of our company
 - **An Ethical and Respectful Company Culture**
Respect and treat our colleagues, customers and vendors as we would our own family members
 - **A Company Atmosphere which Fosters Continuous Improvement and Open Communication**
Teach each other. Make it better. Improve at your job.
 - **Achieve Profitable Sales Growth**
Nothing will grow without your cooperation.
 - **HAVE FUN!**
“If you choose a job you love, you will never work a day of your life”
I love to see people that do a great job and have fun doing it! These are the real company Heroes.
- Boris Miksic**
President/CEO



HAPPY BIRTHDAY - October 11th 2004

To Celebrate Boris Miksic's Birthday, Cortec threw a pizza party for all the employees. Marlin Hansen from our lab brought in a 1917 Pierce Arrow, which has been in his family since WWII and took Mr Miksic for a birthday ride. Pierce Arrow was the same model car used by President Woodrow Wilson during WWI that is currently on display in the Smithsonian.

Monthly Product Sales Ideas Via E-mail

We are excited to announce a new feature from the Cortec Sales Department. Once per month, we will send you a detailed sales idea that will help you identify new, higher margin accounts within your sales area.

The details:

1. These ideas will be sent via e-mail during the first full week of each month.
2. The sales ideas will focus on one specific flagship product.
3. We will arm you with enough information to be comfortable with the product.
4. You will be able to target customers in your area and present the benefits of the Cortec technology.
5. Everything you need to know about the application will be on the first page, with additional pages available if you would like or need additional information.
6. There will be incentives in the form of monthly prizes for reading and responding correctly to the information provided.

As always, Cortec is here to support you with technical assistance, sales ideas and onsite joint sales calls. If you have any questions at all, please contact your local Cortec representative or our main office.

If you need additional information, please send e-mail to Cliff or Bob using the e-mail addresses below.

Good luck!

Bob Boyle & Cliff Cracauer
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cliff@cortecvci.com

PRESS RELEASES

Cortec is pleased and excited to announce a major new initiative for our MCI® line of concrete related products.

Cortec and Oakley Specialty Products N.A. which is based in Cincinnati, Ohio, have formed an alliance to jointly market, sell and distribute the complete MCI® product line. OSP was formed earlier this year as a separate entity to focus exclusively on the promotion and expansion of the MCI product line. OSP was formed by the senior management team of the Oakley Paint & Glass Company of Cincinnati. OPG has 76 years of knowledge and experience in the restoration and new construction industries. OSP and Cortec have already enjoyed great success in the Greater

Cincinnati region promoting the MCI® line. Over the next few months Cortec and OSP will begin to identify, solicit and engage a North American network of manufacturer's representatives and local distributors. As part of this process, all current MCI® representatives and distributors will be considered for roles in the new network.

Jessi Jackson Meyer will remain as Cortec's Technical Sales Manager. We have bolstered our customer service team by adding Vanessa Schultz. Rae Jean Nicholl will lead OSP as its President. Cortec and OSP are committed to providing the necessary personnel and resources to support the expansion of the MCI® product line.

Cortec's history is one of innovation and capitalization of opportunities in new market segments. The issue of concrete related corrosion in the restoration and new construction industries is gaining increasing attention. As a result, we feel strongly that the MCI® product line is poised to enjoy dramatic growth in the months and years ahead. The MCI® line is the right set of products for these industries at just the right time.

The Cortec/OSP alliance is committed and confident to make this significant MCI® expansion a complete success.

Cortec® Reaches Record Sales

Cortec reaches another landmark in record sales, production levels and shipped products for the month of July. The largest ever in our company's history!

We are very excited about this landmark because it proves Cortec's ability to cope with unfavorable business conditions worldwide, yet achieving stellar performance in all market segments.

It also proves the validity of Cortec's business model in conducting ethical business practices and sticking to its core markets, technologies world class manufacturing facilities and a professional sales forces around the globe.

Cortec® in the Press

Cortec's EcoFilm™ & EcoWorks™ Receive BPI Certification

Capitalizing on our cutting edge industrial film extrusion experience—we continue to pursue additional markets by creating unique compostable films. "Our initial customers required durable, moisture resistant corrosion-inhibiting films to meet

stringent environmental regulations. We realized that we could apply our expertise to overcoming the existing issues of compostable films and successfully enter and compete in new, diverse markets," states Bob Boyle, Technical Representative at Cortec. Two new products were born: Eco Film and Eco Works.



Cortec® is the latest addition to Biodegradable Product Institute's (BPI)

growing list of ASTM D 6400-99 certified compostable product manufacturers. Cortec is the first manufacturer with both ISO 14001 and ISO 9001-2000 certifications to join BPI and the first domestic extrusion facility to receive the scientifically-based symbol awarded by the BPI and US Composting Council. The BPI is designed to be a multi-stakeholder group, involving people and organizations that produce, use or recover biodegradable plastic products. It promotes the growth of biodegradable plastics through education, use of scientifically-based standards and cooperative efforts with organizations in Europe and Asia.

Cortec Liquid Sales Increase



Recently, our sales of VpCI & MCI® liquids have increased by leaps and bounds. We now have a huge number of liquid totes lined up in our warehouse just waiting to ship. Cortec would like to thank the distributors and everyone else involved for getting the word out about our Cortec chemicals. Over the last 3 months sales of our liquid products have increased by over 30%!

Keep up the good work!!

Cortec films have gone Degradable

Cortec is raising the bar for corrosion protection and environmentally responsible packaging technologies. It is not good enough in today's marketplace to simply meet a customer's needs--you must anticipate them. By researching and bringing to market biodegradable and biobased technologies that offer substantial improvements in performance, Cortec is positioning itself as the dominant force in environmentally safe materials protection technologies.

Cortec® VpCI™ 125 Bio Protects Electronic Instruments And Controls From Corrosion And ESD



Cortec® VpCI™ 125 Bio is a specially formulated plastic film to protect instruments, controls and electronic systems equipment from corrosion and ESD. After usage, the new film is easily discarded and unlike conventional plastic protective films that are not biodegradable, VpCI™ 125 Bio degrades in most common disposal methods. The new packaging film will protect electronic equipment and systems for up to one year, utilizing Cortec® Patented Vapor phase Corrosion Inhibitors Technology. To enhance its protective characteristics, Cortec® VpCI™ 125 Bio features increased tear strength and elongation properties compared to low density polyethylene films. These features provide extra puncture resistance for shipping and handling for cross continent and overseas transport.

New Bubble Wrap Packaging Film Is 100% Degradable

Cor-Pak® VpCI™ Bubble Bio offers a 100% degradable packaging film for popular bubble wrap packaging. It is a suitable replacement for bubble wraps where biodegradability and environmental issues are of concern. The new degradable film retains all the key packaging properties of bubble wrap. In addition to providing protective cushioning, the wrap can be used for dunnage, void fill and interleaving applications.

Cor-Pak® VpCI™ Bubble Bio incorporates Cortec® Patented Vapor phase Corrosion



Inhibition Technology that provides clean anti-corrosion protection to components with metal parts. With Cortec® VpCI™ clean protection, components can be unpacked and used immediately without any cleaning or degreasing. Cor-Pak® VpCI™ Bubble Bio does not contain toxic compounds. It does not affect optical properties or plastics used in electronics.

Advanced Anti-Corrosion Packaging Film Now 100% Degradable

The world's most advanced and widely utilized packaging films (83 countries), Cortec® VpCI™-126 Blue is now available in a 100% Degradable version. Conventional Packaging PE film can take centuries to degrade if ever. In contrast, when 126 BIO film comes into contact with organic materials during disposal, its microbial activators start the process of degrading the film into basic organic elements such as water and carbon dioxide. VpCI™-126 BIO degrades in less than five (5) years, is recyclable, and meets MIL-B-22019-C and MIL-B-22020-C.

The new VpCI™-126 BIO version is very competitively priced to allow companies using older technology films to easily upgrade to safer and more effective packaging. Compared to conventional anti-corrosion packaging films, the new BIO version is 25% stronger in tear and puncture resistance, elongation, and tensile strength. Using high technology film blends, it provides more effective protection than vacuum pack with desiccant.



Upcoming Trade Shows

MidPak 2004

October 20-21
Minneapolis, MN

Scientific Symposium

October 21-23
Cavtat, Dubrovnik
Croatia

ICE 2004

October 27-29
Chicago, IL

AWT

November 4-7
Nashville, TN

Pack Expo 2004

November 7-11
Chicago, IL

Cortec® News Alerts

Cortec Corporation Holds Distributor Meeting in Yantai, China

The Cortec China Distributor Meeting took place on the 29th and 30th of July, 2004. On hand were most distributors from Taiwan, Hong Kong, and different regions of Mainland China and Boris Miksic, the President and CEO of Cortec Corporation.

The meeting was organized in a "round-table style" to ensure maximum interaction and openness to stimulate sharing ideas and experiences. The discussions were lively and constructive with a great deal of energy and excitement, covering almost every aspect of the marketing and sales of Cortec products in China. Boris stated that Cortec will make every possible effort to help expand the market both in terms of applications and sales volume. "Let's work together," Boris said, "to have China reach the aggressive goals set for Cortec product sales by the end of 2005." Boris also introduced Cortec's "20, 20, 20" rule; to increase sales and new product introduction by 20% every year while reducing costs by 20%! The attendees decided that the 20 percent increase in sales per annum shall be their goal for the growth in the Chinese market as well.

Also, additional Cortec literature will be translated into Chinese to better utilize the vast Cortec database. It will include product information, PDS, MSDS, case histories, technical papers, etc..

At the end of the meeting, everyone agreed that the gathering was very helpful and synchronized the thoughts and actions of both the parent company and the distributors in order to create a much more robust and fast growing market in China, and it shall be held regularly every year.

MilCorr™ Shrink Film Blows Three Hurricanes Away!!!

The aftermath of Hurricane Charley, the 6th worst hurricane in Florida's history, caused an estimated \$7.4 billion in insured damage to homes, businesses and personal possessions, more than any other hurricane in Florida since Andrew. Homes were left flattened, trees were uprooted, but MilCorr™ Shrink Film stood up to the 110 miles per hour (177 km/h) wind in Orlando, Florida. MilCorr™ also stood up to the two following hurricanes that came within a month of Charley, hurricanes Frances and Jeanne.



Cortec® Corporation is participating in a study with a US Military contractor. In this study, the performance of the MilCorr™ Shrink Film is critical because many of the deep storage projects underway are under severe UV (ultra-violet) ray attack. Not only is the film

proving to be superior under UV rays, it has proven to perform superbly against excessive high winds of hurricanes, typhoons and tornados.

CAFD Announces Several Upgrades

Cortec Advanced Films Division (CAFD) announces both a building addition and major equipment upgrades. Cortec has added 17,000 sq. ft (1,700 sq. m.) to its Cambridge, Minnesota plant to make room for its new "# 21" extrusion line. CAFD is one of the largest blown film extrusion plants in the upper Midwest, with a capacity of 40 million lbs. (20,000 tons) of blown film.

Advanced Films has also installed two brand new silos capable of holding up to 240,000 lbs. of polyresin and with a new landscape design that will be completed by the end of August, this will be the third addition to the plant since 1997 when it was acquired by Cortec Corporation. All these additions to Cortec's Advanced Films Division along with the pre existing multi-million dollar coextrusion line, has made CAFD the most advanced VpCIT™ corrosion-inhibiting film production facility in the world.

Case History Abstracts

CorrLam Preservation Film for Long-Term Storage of Critical Auto Components (240)

An Automotive Manufacturer needed to store critical components for later use and have them remain in perfect condition for replacement after normal production was complete. VpCIT™-132 foam pads, along with CorrLam "Clam Shell Style" zipper enclosure were used. Together they create a concentrated VpCIT™ chemistry inside the enclosure providing years of protection.

CORTEC UPGRADES COMPUTER SOFTWARE

Over the past month or so, Cortec has been in the process upgrading its AS400 system to a Chempax citrix server which is to be more stable and easier to use as it has a better graphical interface. Also our old Novell network has been changed to a Windows 2003 server which is about 10 times faster.

What does this mean for you? Better customer service and faster response time.

Structural Repairs to Trinmar Platform 15 (242)



Trinmar has several Offshore Oil Platforms that are up to 30 years old. Chloride attacks have caused extensive rebar corrosion to the piles and pile caps, resulting in spalling of concrete. Cortec's HPRS system performed very satisfactory for Trinmar. An extensive repair program for Offshore Platforms has been put in place and Cortec's MCI® HPRS repair system has been specified.

Carbonation and Spalling of Concrete (245)

Carbonation and spalling of structure caused decay in a building with a bush hammered finish. This irregular finish acts to hold moisture, salt and volcanic emissions in the facade.



MCI®-2020 was chosen after extensive test between it and several other products were conducted. MCI®-2020 had the lowest drop off of inhibitor activity and lasted the longest. It not only outperformed the competition, it also saved money due to the fact that it does not etch glass. No masking of windows was necessary and there was no chance of liability due to damaged automobiles of building glass from other buildings in the general area.

EcoLine Heavy Duty Soy-based Biodegradable Grease Protects Railroad Crossing (241)

Salt Water mixtures used to control ice have caused failure of rail, rail plates, spikes and clips in as few as 6 to 8 years. Scheduling repairs for crossings are expensive and involve federal, state and city personnel.

The rail crossing was repaired and treated with Soy-based EcoLine Heavy Duty Grease. The application of grease is inexpensive with minimal charge in labor. Since road and pedestrian crossings require diverting train traffic during repair, the expense impacts federal, state and city budgets. EcoLine Heavy Duty Grease will protect the crossings for additional years, saving time and money.

Protection of Building Windows (239)

During construction and restoration projects it is necessary to mask off windows to protect them from debris and chemical etching. Tape and plastic fill is typically used, but it is a very time consuming process.



MCI® Peel-Off Coating was chosen as an alternative to masking off the windows. It is a liquid strippable coating that will not etch the glass and is easy to remove once cured. Window frames are taped up for this application and then MCI® Peel-off Coating is applied. When the project was complete, the coating was easily removed by simply peeling it from the surface. The coating was then discarded as non-hazardous, solid waste.

Restoration and Protection of Silos (247)

Several Silos had begun deteriorating and needed to be restored to "like new" quality.

The body of the silos suffered less decay than the legs due to the fact that the majority of the silo was made from galvanized. The legs however were construct-



ed from steel and had to be cleaned off with a wire brush.

They were then painted with VpCI™-374 grey primer and left to dry. Cortec VpCI™-386 Green and White were then applied, giving them an outstanding look and providing excellent protection for years to come.

Protection of Electrical Cabinets (243)

A major aerospace company found that 3 out of 7 of their control panels on rocket launch pad were showing signs of corrosion. They realized that these 3 cabinets were the only ones that didn't have Cortec inhibitor protection. The other cabinets were using VpCI™-111 emitters and were showing no corrosion at all. The corroded cabinets were sprayed down with VpCI™-239 and VpCI™-111 emitters were installed inside.



The customer was very impressed and eager to maintain the same level of protection in all their non-protected cabinets.

New Additions to Cortec HeadQuarter's Team



Dennis Barber

Dennis is Cortec's new system administrator and one of his first task was helping update all of our software and network connections. Talk about trial under fire. In his free time he enjoys riding his dirt bike.



Joyce Kennedy

Our new Graphic Designer, Joyce may have a BFA but her horse Bowtie is trained to 'Air Scent' for the 'Mounted Patrol Search & Rescue'. She has organized 'Air Scenting' clinics for Mounted Patrols, saddle clubs and the MN Horse Council with this growing national trend.



Bruce Bear

Bruce has recently joined our research lab as an Analytical / R & D Chemist. He has extensive experiance working for various comanies and the US government. He and his wife have lived in White Bear Lake for the last 20 years and enjoy hiking, biking and gardening.



Tina Dobrina

Tina is a senior in Law school at the Faculty of Law in Zagreb, Croatia and is here working for Cortec on an internship. She has always wanted to visit the U.S. and has enjoyed her time here since the very first day.



Marijana Serdar

Marijana is in her senior year studying for a degree in Civil Engineering. She is also from Croatia and is here on an internship for the summer. She spends her time at Cortec helping out in our lab doing various different things.



Jorge Flores

Jorge started in our new man in Receiving as of the end of April. He previously worked on a farm for 10 years. Jorge married in 2001 and enjoys fishing, golfing and landscaping.



Cindy Johnson

Cindy started at Cortec in June as an assistant to Anna and the Sales Department. Her previous job was at Herberger's, Apache Plaza as an Office Manager. She enjoys doing her daily crossword puzzle and taking a walk for lunch.



Michael Gross

Michael joined Cortec on July 15th and works in Document Production. Before joining our team he traveled around the US for 10 years working as an entertainer. He also attended Brown college for graphic design and is always looking forward to continuing his education.



Sharon L. Stoehr-Good

Sharon has been a Customer Serv. Assist. since June. She comes to us with 20 yrs experience in the field from various companies. She enjoys the outdoors and being a Campfire USA Leader with her partner for their 8 yr old son's club.

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