January, 2012

CORTEC Vision

BRING ON 2012!

CORTEC CORPORATION
Environmentally Safe VpCI®/MCI® Technologies

Cortec® Corporation
2011 Small-Business Success Stories

Have you ever told yourself that one day you would tell off the boss and start your own company? Boris Miksic is one of the relative few who made that angry promise pay off. “I had a boss who was a real idiot,” recalls Miksic, founder of White Bear Township-based Cortec® Corporation. “I quit in 1977, but I couldn’t find another engineering job. There was no one hiring. It seemed as though I didn’t have any other option but to start my own company.”

That is what Miksic did, and it’s worked out well for him. From its humble beginnings, Cortec® has grown to a 215-employee operation with manufacturing facilities in Minnesota, Wisconsin, Canada, and Miksic’s native Croatia. Cortec® makes and distributes corrosion control products for a variety of industries including packaging, metalworking, construction, electronics, and energy. Its VpCI®(Vapor phase Corrosion Inhibitor) line has become a signature product, addressing tasks from surface preparation to water treatment.

Miksic moved from his native country in 1974—a result, he says, of being blacklisted from finding work as an engineer due to his participation in anti-Communist rallies. He wound up in Minnesota. After some time in and out of the corporate world, Miksic started at ground zero. “I began like a typical start-up: in the garage,” he says. “I rented a farm in Hugo and mixed chemicals in the garage. A decade and a half of slow growth saw Cortec® grow to 25 employees. In the early `90s, a benefactor in the form of a former 3M executive joined the company and helped take Cortec® to the next level. Art Ahlbrecht guided the establishment of Cortec’s quality assurance program, and he applied what he knew about corrosion engineering.

“It was easy to fit Cortec® culture,” says Ahlbrecht, “Boris always followed the 3M style of having the highest-quality product on the market—with the highest price.” Years of steady momentum allowed Miksic to implement what he calls the company’s 20-20-20 plan: 20 percent growth, 20 percent new technologies, and 20 percent operating cost reductions—every year. “We’ve been able to do that,”says Miksic. “If you get people to buy into these ideas, they really work hard to get there. And if you look at our top-selling products, most of them are less than five years old.” Twenty percent growth might seem like a lofty goal, but there’s no denying that it has been happening at Cortec®. Company sales have gone from $28 million in 2009 to $34 million last year to projected revenues this year of $42 million. Likewise, the number of employees has grown during that same period from 168 to 215.

Cortec® has also recently put a greater focus on sustainable technologies, a move that has earned it new, sometimes surprising clients. The company recently completed a project to help the Minnesota Zoo upgrade its composting program, supplying it with Cortec’s proprietary Eco Film®, a biodegradable and compostable film designed specifically for compost. “Cortec® provided the Minnesota Zoo with a generous donation of Eco Film® compostable bags,” say Tara Harris, director of conservation at the Minnesota Zoo, “and this has really allowed the zoo’s new compsting program to be successful.”

Boris Miksic, President/CEO or Cortec® Corporation


Cortec® Headquarters, St. Paul, Minnesota

Cortec® Eco Film®, biodegradable and compostable bags that were provided to the Minnesota Zoo.

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The company's main initiave for 2011 is getting a new facility in Shanghai, China, up to speed to serve its existing network of Chinese distributors. It also recently purchased one of its primary materials suppliers and folded it into Cortec®. "In the past, we've been able to reduce costs through global outsourcing," says Miksic. "With the new purchasing office in China, we basically have no middle-men. We buy raw materials in India and Europe, and instead of having materials shipped to China for processing, we make the materials there and process them in our own facilities in North America and Croatia."

The new resources will continue to make Cortec® what it's been since the beginning: fast on its feet and ready for anything. "We supply a lot of 'just in time' products." says Miksic. "So we like the idea of having a plant that's closer to our clients."

Cortec® World Sales Meeting 2011 was attended by people from fifty-two countries.

Abstracted from Twin Cities Business, January 2011

An Eco-Cluster!

On September 16, 2011, during the Day of Open Doors, EcoCortec® and Eco Vrelo signed a charter to form an Eco-Cluster in Beli Manastir, Croatia. The signing ceremony was attended by a large number of guests, including business partners from Croatia and Europe, as well as relevant entrepreneurs and local and regional government representatives.

The Charter was signed by the co-founders of the two companies; Boris Miksic, CEO of EcoCortec®, Nevenka Topic, co-owner and director of Eco Vrelo, and Ivan Dobos, the Mayor of Beli Manastir. They expressed their hope that in the near future other environmentally conscious companies will join them. The Eco-cluster aims to promote environmentally friendly products such as biodegradable packaging and natural organic juices. After the opening speeches and signing ceremony, the management took the guests on a tour of the facilities followed by a presentation on current corporate actions and future plans.

Boris Miksic pointed out that this regional area needs this kind of cluster, which focuses on ecological, organic production, and export. 'We are in full production for already four years, we have completed a second phase of expansion in which we have invested 3.5 million kunas, and soon we will build a new production hall in size of 5,000 square meters which will enable us to become one of the largest manufacturers of biodegradable plastics in Europe,' adding that in ecology, there is a synergy. Eko Vrelo will package their eco-friendly products in EcoCortec's biodegradable packaging and EcoCortec® will use samples produced by Eco Vrelo.

What brings these two plants together is definitely the export-oriented, organic production using environmentally friendly products, as well as investments in new technologies. The companies' strong vision followed by top patents, guarantees success in the global market. The Eco-Cluster is on track to become a well known Croatian brand and greatly increase the image of Croatia not only throughout Europe, but also worldwide.

Boris Miksic with his wife Ines and the EcoCortec® team in Beli Manastir, Croatia.

New Product
Coming Soon

Anticorrosion Blocks for Water Treatment Application

Bionetix/Cortec® Laboratories have been working to formulate and manufacture a corrosion inhibiting block, extruded at Bionetix. The goal is to have a product- CorrBlock - which when immersed in the water of a cooling tower would slowly release corrosion inhibitor. By using such a product, the customer will no longer need expensive dosing equipment and labor for installing water treatment chemicals.

CORRBLOCK

Cortec® laboratory is performing bench and pilot tests in a Cooling Tower with these blocks. During testing, suggestions for improvement are made providing customers with a product they will love. This block will provide efficient corrosion inhibition, give the advantage of low maintenance, and will not affect the functional characteristics of cooling towers. The product is in the final stage of pilot run in production. Check in for more information at the end of the month.

Featured Product

BioClean Spray

Do you need to clean and protect hard surfaces like wood, plastic, metal, and others from mold? BioClean Spray will help you eliminate existing contamination as well as provide prevention of future growth. BioClean Spray is non-toxic, biodegradable, and non-hazardous; and is manufactured from renewable resources. The same technology can be found in cosmetics and other personal care products such as hand cleaners, shampoos, and even baby wipes! This product is available in EcoAir® cans (pressurized by air), which unlike aerosols makes it non-hazardous for shipment and does not add any VOC to the product.

Featured Case History

CorrVerter®/ VpCI®-386 Black:
Refurbishing Tennis Club's Infrastructure

In October of 2011, Cortec® products were needed to solve corrosion issues at a tenneis club in Longboat Key, Florida. The steel structures of the Longboat Key Tennis Center showed excessive pitting caused by constant exposure to the tropical Florida climate in proximity to the Gulf of Mexico; and regular watering using recycled water with a high sulfur content.

Application:
The structures were wire brushed to remove loose rust and dirt particles. Cortec's CorrVerter® was then applied, followed by a top coat of VpCI®-386 Black at a DFT of 4 mils (100 microns)

Conclusion:
Cortec's protection system proved to be cost effective, provided effective corrosion protection for years to come, and most importantly for the management of Longboat Key Tennis Center, was environmentally friendly and safe for their workers.

Marine Clean
Eco Cortec - Partner in EU Financed Eco Project

We are proud to announce that EcoCortec d.o.o., as one of the most advanced manufacturers of biodegradable packaging in Europe, became a partner in the Marine Clean project – 'Marine debris removal and preventing further litter entry', sponsored by CIP Eco-Innovation Programme which is being conducted by European Agency for Competitiveness and Innovation, EACI. The goal of CIP Eco Innovation programme is to prevent or reduce hazardous environmental impacts, as well as promote sustainability and innovative technologies. The project encompasses 8 partners from Croatia, Slovenia, and Lithuania and is conducted through seven different work packages coordinated by the Slovenian company Turna. On December 21, 2011 a press conference was held in Zagreb, Croatia, where the project was presented to the media by Croatian project partners: EcoCortec d.o.o. and the Faculty of Mechanical Engineering and Naval Architecture, University of Zagreb. Boris Miksic, CEO of EcoCortec, gave an overview of the company's achievements in the field of compostable and biodegradable packaging products. Professor Mladen Sercer, Chair of Polymer Processing, presented on behalf of the Faculty, an outline of the tasks that will be accomplished by his group in this project.

MarineClean

Implementation of the 1,1 million Euro project began on November 10, 2011 in Celje, Slovenia where the initial meeting was held. The ecological and innovative component of the Marine Clean project is structured in three directions of activities, which will be conducted with the goal of producing marine litter removing equipment, marine biodegradable flexible packaging, and smart fishing equipment. EcoCortec® is participating in this project as a production partner for flexible packaging.

Important targeted markets for marine degradable packaging are: cruise lines, hotels and resorts in coastal areas of Europe as well as ecologically sensitive regions along rivers and lakes. The important aspect of the whole project is to influence change of policies within EU, in order to minimize pollution and develop a new technological platform for the next generation of environmentally friendly products and practices, that can be implemented in all countries of European Union.

McDonald's Standards Protect Forests

Forests play a critical role in protecting the health of our planet. From supporting biodiversity to renewing and filtering water supplies, preventing floods and removing carbon from the atmosphere, forests are essential for life on Earth. That's why the United Nations designated 2011 as the International Year of Forests. Even with that declaration, forest destruction is accelerating, accounting for 20% of global carbon emissions. In light of this discovery, McDonald's has announced its new Sustainable Land Management Commitment, a policy pushing the company forward in their efforts to improve sourcing for everything from chicken and beef to paper packaging. McDonald's new commitment will work to eliminate paper originating from tree plantations that were once natural forests. The replacement of natural forests by industrial tree farms has destroyed millions of acres of unique forests and forested wetlands. With McDonald's pursuing paper from virgin fiber sources, many other companies will be challenged to keep up and pursue similar methods. This bandwagon effect will bring much more financial support to help stop and reverse damage to natural forests around the world.

Abstracted from Packaging Digest, July 2011

Minnesota Zoo
Composting Program

MINNESOTA ZOO
Changing how you see the world

The Minnesota Zoo is home to more than 3,700 animals including over 500 different species located on over 500 acres of land in the Twin Cities area. Opening in 1978, the mission of the zoo is to connect people, animals, and the natural world. To support this initiative, the zoo recently formed a Green Team to promote various activities aimed at sustainability. One of these initiatives was to develop a composting program to reduce the amount of waste they produce.

GOAL:
The goal of the new composting program was to divert food waste at the zoo, and reduce the trash that is taken into area landfills. To start the composting program, the zoo staff began testing various compostable plastics to see which best fit their needs. They found that Eco Film® met all of their requirements, and allowed them to use a product produced by a fellow Minnesota organization.

IMPLEMENTATION:
In the spring of 2011, the program was implemented using Eco Film® for food waste created by employees, staff, and the catering service. It was also used during their summer Zoo Camp and there are plans to expand this for food waste throughout the zoo. This green initiative is just one example of how the Minnesota Zoo is a true leader in our state and one that is focused on adopting practices that enables them to minimize their environmental impact.

EcoOcean™
Featured in Middle Eastern Plastic Magazine

Cortec® Corporation, a leading bioplastics producer has announced the launch and commercial availability of EcoOcean™. This new bioplastic offers a combination of environmental and performance benefits previously unattainable, including flexibilty and strength, commercial and low temperature backyard compostability, 77% annually renewable raw material content, and anaerobic and marine biodegradability.

The product is the result of not only novel bioplastics resin technology, but also production and processing breakthroughs attained after years of development work by Cortec's US and Croatia extrusion plants. The new EcoOcean™ films and bags bridge the environmental and performance gap that has existed for decades with other films.

"EcoOcean™ will revolutionize the use of flexible packaging, especially in coastal areas of the world," stated Boris Miksic, CEO of Cortec® Corporation. Ideally, EcoOcean™ is disposed of in commercial composting, or in oxygen deprived anaerobic digestors. However, as is seen woldwide, plastics can still end up in the waterways - even in communities with the harshest and strictest penalties for litter.

EcoOcean™ has an advantage in nearly all intentional and unintentional disposal methods. In entombed landfills, the main benefit is the film's renewable content. In composting, it allows rapid aerobic biodegradation naturally and safety. In anaerobic digestion (AD) systems or methane-producing landfills, the films rapidly break down in as little as 15 days. For waterway litter, EcoOcean™ provides coastal areas with a technological safety net to further support their legislative and social goals of coastal and marine preservation.

EcoOcean™ will soon be available in standard sizes and forms in over 70 countries worldwide to serve end-user and converter markets.

Abstracted from Middle Eastern Plastic Magazine, November 2011

VpCI®-380
Featured in Coatings Tech Magazine

Water-Based Acrylic

Information on a fluoropolymer modified water-based acrylic designed for the railway industry has been released by Cortec®. VpCI®-380 Railcar Coating uses a complex mixture of nontoxic, organic inhibitors and can replace most primer and topcoat systems with corrosion protection in one coat. The solution can be used alone or in conjunction with Cortec® VpCI®-395 primer and can be applied by spray, flow coat, brush, or dip methods. The coating adheres to a variety of substrates including ferrous and nonferrous metals and many engineered plastics.

Abstracted from Coatings Tech Magazine, October 2011

Record-Breaking Sales!
Congratulations to Cortec® India

Cortec® is pleased to congratulate Cortec® India on a record-breaking sales conference in Goa in October 2011! Mr. PK Mathew, CEO of Cortec® Corrosion Solutions India Pvt Ltd and the network of distinguished distributor partners spent two full days in beautiful Goa working hard and enjoying many of the local sights, sounds and flavors. A record-setting 23 case histories from India were presented by attendees while Anna Vignetti, VCEO/COO of Cortec® provided the vision and guidance for future growth. Whether detailed technical case histories or "Midnight Street Chai", the Cortec spirit is vibrant in India. Thank you Mr. Mathew, Padmini, Amit, and the rest of Cortec® India on another successful conference!

Christmas in Croatia!

Staff of EcoCortec's office in Zagreb before Christmas holidays.

EcoCortec® team from Beli Manastir, Croatia celebrating Christmas with serving of local delicacy, Cobanac.

"Munchkin welcoming committee for our Norwegian partners Presserve of Stavanger"

Cortec® Upcoming Events:

World of Concrete 2012
Las Vegas, NV / January 24-27
Booth# S10354

NACE
Salt Lake City, UT / March 11-15
Booth# 1207

Distributor Training
Cortec® Headquarters / March 19-20
St. Paul, MN

Save the Date!

Cortec International Summit
October 2-3, 2012
Dubai, United Arab Emirates

CORTEC CORPORATION
Environmentally Safe VpCI®/MCI® Technologies

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