

October 20th, 2004

NEWS ALERT!!!

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Similar Location, Vastly Different "State"

Cortec expands and updates its ability to support exponential sales growth in order to achieve \$100 million by 2009! Many companies are operating out of older facilities and others have merged and constricted their support locations. Although many of the biggest corrosion control companies are physically located very close to each other, the photos below show clearly the different "state" the Cortec is in.

Cortec's integrated manufacturing strategy from chemical synthesis to in-house masterbatch production, state-of-art paper coating and converting and our own VpCI film extrusion plant combined with competitive pricing, world class quality and just in time deliveries are causing casualties in the VCI business. This has caused deteriorating financial results for several competitors. We expect more companies to follow suit. In our analysis, due to the current size of the VCI industry, a vertical integrated company, such as Cortec, capable of providing global logistics, local warehousing and technical support in over 70 countries, fast track R&D and at the same time being the lowest cost producer, will eventually command a lion's share of the VCI industry worldwide.



Cortec World Headquarters
St. Paul, MN

Cortec Headquarters is "The World's Largest VpCI™/MCI® Synthesis Plant"



Cortec Advanced Films Division
Cambridge, MN

16,000 sq ft expansion
\$2 Million in upgrades, equipment and expansion



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Cortec Coated Products Division
Eau Claire, WI
 Expanded width on paper coater
 State-of-the-art Super calendaring capabilities



Cortec Spray Technology Division
Spooner, WI
 Expanded capacity for contract filling



Cortec Warehouse
St. Paul, MN
 60,000 sq ft expansion
 Convenient for air, rail, truck shipments



CorteCros Warehouse
Split, Croatia
 Cortec's European warehouse