



## A Solid Quality Supplier

**Dr. John D. Young**  
Group President

2007 was a tumultuous year, with widespread economic anxieties created by the housing downturn and fuel oil price escalations.

For us at the Inteplast Group, however, 2007 resulted in another solid growth year.

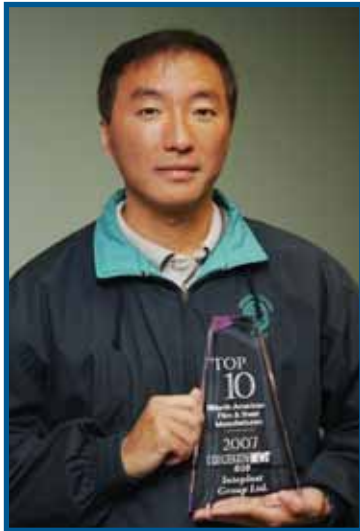
Area by area, we have continued our increase in revenues and production numbers. With each jump in production and sales, we have become increasingly lean and competitive. Likewise, with each production and quality improvement, we have become increasingly reliable as a solid quality product supplier.

Together, these breakthroughs explain our dominance in the marketplace, both in terms of sheer volume sold and the quality image that we now command. In all the market segments in which we participate, today we are easily among the top 3 suppliers in the country. Reflecting our sales dominance, we were again ranked by *Plastics News* as one of the top ten packaging plastics materials suppliers in North America. This achievement is all the more impressive when one takes into account that our growth has been largely organic and in house, that is, from ground up—as opposed to the use of merger and acquisition, which is the case with all other top suppliers.

At the beginning of the year, all the business units sat down together for our first 5-Year “Corporate Realignment” meeting. Together with all our managers, I had the great pleasure to listen to all the units report their outlook for the next 5 years—with each reporting aggressive growth projections—as well as detailed plans of how the projections would be accomplished. The meeting was mesmerizing in the level of energy and enthusiasm projected by all our key managers, as they look into the future.

At the beginning of the year, I also had the great pleasure to revisit with all our plant colleagues—many of whom I have had the privilege to know since our start-up days—and to witness the many improvements made on the lines. Progress was also evident in all the administrative areas, like personnel, accounting, shipping, material control, and general affairs, with each scoring significant

breakthroughs in assisting the plants at various levels. More recently, in late October and early November, I had the opportunity to sit down again with all our headquarters and plant colleagues to review the major breakthroughs that they have authored since my last visit. Needless to say, the progress made in 2007 is solid. I am in awe with the level of sophistication that our plant colleagues have achieved in technical and engineering competence. I am also in awe with the sales diversification and the level of customer base penetration achieved by our sales managers.



*On behalf of Inteplast, Dr. John Young receives the 2007 award presented by *Plastics News*, ranking our Group as one of the top ten packaging plastics materials suppliers in North America.*

Undoubtedly, we have come a long way. At this time, it is redundantly clear to me that we will humbly end up fulfilling our destiny as leaders in each of the market segments that we participate. I hasten to acknowledge however that this leadership position must come with the burden of responsibility. For instance, quality excellence is a given. Moral integrity is another given. Servicing our customers with the care and attention that they deserve is a further given. Fulfilling our word on any promises made, even at the expense of profits, is another big given. Thus, as I see all

these physical and moral components of excellence coming together at Inteplast, I have become increasingly convinced that we are ready to exert the leadership position in the marketplace.

It is with this market presence in mind that we have embarked on a long-term project of branding our organization. Thus, Inteplast, known also as the *World of Plastics*, has become a convenient one multi-product stop for our customers. Amtopp is the *World of Films*, with aggressive expansions planned for all its various product portfolios. IBS is truly the *World of Bags*, carrying one of the most diversified portfolios of bag designs and expanding today not only into other locations in North America but also other continents. World-Pak is the *World of Green Plastics*, with a long-term view toward socially conscientious and environmentally friendly products, thus reminding each of us, our collective mission. To complement, we are also finalizing a new generation of websites,

brochures, videos and other market communication tools that will undoubtedly help us do justice to, and project the image of a leading pioneer. As a result of this continuous effort to reach out to prospective customers, each of our products has become branded, and most of them have become benchmarks in the marketplace. I am pleased to add that all these efforts were carried out internally, through the collaboration of our many colleagues at the headquarters and the plant sites. I am also indebted to several of our colleagues who have continually sought to compare our products with respect to existing counterparts in the marketplace, drawing differences that in turn have served as focus for internal improvement.

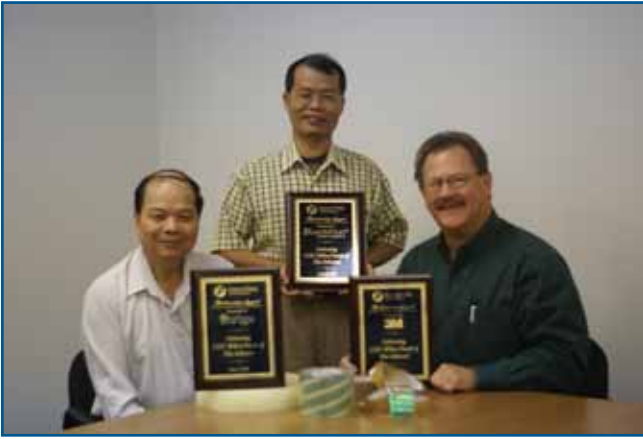
At the individual product level, I am pleased to acknowledge that all products are enjoying a record year of growth. Among these, BOPP, can liners, and profile boards have had the most aggressive growths, enjoying extensive sold-out periods during the year. Stretch wrap films have seen the addition of three wide lines, which will increase our current capacity by at least 150%. As for our retail and grocery bag business, hardly a day goes by that we do not bring on board a major new customer—at times, the opportunities here have seemed endless—and in my mind I am certain that our bundling strategy, of offering our customers a full complement of products, will prevail. Concentrates is also doubling its current capacity and is renewing its sales organization to handle a much more diversified customer base. XF Films have had major breakthroughs in various product applications, like

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## 100 Million Pound Club



Plant Managers, **Jame Wong** and **Jake Lai**, along with Shipping Manager, **Todd Socha** display the awards that were presented to Shurtape, Plastic Suppliers and 3M in recognition of purchasing 100 million pounds of AmTopp BOPP film.

Inteplast proudly announces the first three members of *AmTopp's* "100 million pound club"; **Plastic Suppliers, 3M and Shurtape**. This past summer we celebrated with our first three customers receiving their 100-millionth pound of AmTopp BOPP film. For our young company, think of the long-term partnership and customer loyalty represented by even one of those customers - maybe ten-plus years of continuous 800,000-pounds per month shipments? Or eight-plus straight years sales of one-million-pounds per month? And for the three customers combined, that amount of film is 37,500 jumbo rolls extruded, QC-checked, and slit; and 8,000 truckloads scheduled, loaded, and shipped. Any way you measure it, this is a tremendous achievement for which all members of Texas production, technical, quality control and shipping departments can be proud. Now for the "200 million pound club"!

**William Philhower**  
AmTopp Product Manager

## A Solid Quality Supplier

*(Continued from page 1)*

lumber wrap, and I am certain that the plant will soon be sold out, even after doubling its capacity in 2008. Finally, through our branded *TUF Board*, sold to Home Depot and other major housing outlets, PVC Sheets is reaching out to households across the country.

None of these accomplishments would have been possible without the hard work and dedication of every single one of our colleagues. I am fond of reminiscing—perhaps a bit too much, I suspect—over the bond that was developed among us since the start-up days. I feel there is a genuine sense of mutual respect and consideration that extend to all the Inteplast family members. This mutual respect is mostly tacit, rather than verbalized. At the least, this—with all the implied gratitude—is how I feel towards each and every one of our colleagues. There is no stronger desire in me than to see each one of our 1,900 or more colleagues succeed with the company as we move forward together into the future and towards uncharted territories. In truth, this is a burden of responsibility that neither myself nor any of our Division Presidents and unit managers can take lightly.

I take this opportunity to wish everyone a joyous and safe holiday season.

## Inteplast - Green Initiatives

The Plastics Industry has recently faced a great deal of opposition as many groups across the United States begin to target plastic t-shirt bags, citing them as a major source of pollution to the environment. As an innovative and customer focused company, Inteplast has formed a marketing initiative dedicated to understanding and participating in this "green" revolution. Recommended solutions are needed quickly as different states focus legislation on banning plastic t-shirt bags.

In April of 2007, San Francisco took action and banned plastic t-shirt bags in grocery, large pharmacy, and convenience stores that are not biodegradable or compostable. Several cities have begun the process and may soon follow San Francisco's example. These cities include Phoenix AZ, Baltimore MD, Annapolis MD, Chicago IL, New York NY, and Boston MA. Inteplast's environmental team believes a host of other cities will also begin to take action.

How will Inteplast overcome these potential obstacles and assist our customer base as plastic t-shirt bags become increasingly taboo? Inteplast's environmental team is taking action and designing a marketing and product development campaign that will keep Inteplast competitive in the changing market place. Our group believes Inteplast must develop long-term strategies as well as long-term solutions.

Our environmental team has uncovered several "lessons learned" or reasons why it is believed that plastic t-shirt bags have become a major target for environmentalists. First, plastic t-shirt bags are being targeted because they are more visible. By this we mean, the bags are often found on the side of our roadways, in waterways, and polluting agricultural areas. Plastic t-shirt bags are light-weight and do not breakdown easily which increases their visibility and the world taking notice of their impact on the environment.

Lastly, we discovered that while our governmental officials believe they are truly helping the environment by banning plastic grocery bags, in reality they may actually be harming it. There is a great deal of misinformation regarding the production and disposal of plastic t-shirt bags. It will be the plastic industry's job to provide accurate information to consumers and environmentalists alike.

Our environmental team has completed the market research phase of this project. We are developing an environmentally friendly product offering. We have developed relationships with several key national recyclers, allowing us to establish recycling programs for customers. We have developed a compostable line of bags, in both a Can Liner and a T-Shirt bag, marketed under the name **INTEGREEN™**. This was accomplished under the direction of **Dr. Henry Lin** and his team of technical and operations personnel at the Lolita, Texas facility (see picture below). We have made available a new product known as Oxo-Biodegradable bags, which include an additive in our current products and aids in breaking down the plastic bags. Finally, we have located overseas vendors capable of providing us with reusable bags to sell to our customers.

It is important for Inteplast to remember these environmental issues not only affect our business, but threaten the essential success of our customers. Inteplast is proving we are aware of the obstacles at hand and will respond with well-thought out and educated solutions. As with any successful business, Inteplast must be ready to listen and respond to a changing business environment.

**Carolynne Bany**  
IBS Account Manager



IBS personnel display samples of the first line of Integreen bags to come off the production floor. Pictured from L-R: **Dr. Henry Lin**, **Andy Lu**, **John Boutiellier**, **Miles Michalec**, **Darrell Wood**, and part of the development team, but not pictured, **Kevin Chung**.

## JOB PROFILE: Accounting Department Goes For It!

*(A series that examines the jobs, skills, and responsibilities of the people who contribute to the success of our company.)*

In an information society the only thing more important than the information itself, is the timeliness of the information. For Inteplast Group, competing in a global environment timely information proves to be a competitive advantage. While most organizations such as ours, including our competitors, wait for days or even weeks to determine financial results at the end of each month — Inteplast Group is capable of producing the results within 8 hours of month end.

How is that possible? Who is responsible? The Accounting group under the leadership of **Benjamin Tsao** makes it happen.

To get a better understanding of this we sat down with Tsao, **Sherry Shu**, and **David Morgan** to learn more about the Accounting group. The group is made up of 8 individuals in the New Jersey headquarters and 6 in Texas. In addition to the traditional accounting functions the group is responsible for coordinating physical inventory and all company payroll processing. Physical inventory conducted each October in Texas, means most of the New Jersey staff travels to Texas to take a hands-on role in the process.

Tsao also described his team as fulfilling a support role to whomever may need help, much like internal consultants. As an example of this, he pointed out the move to direct deposit of payroll many years before it was accepted practice everywhere. He said that he felt the need to do this after witnessing employees standing in long lines and paying fees to cash their paychecks. He felt compelled to do something to help and that led to implementation of payroll direct deposit.



*Pictured above: Back row from L-R: Christine Jones, George Johnson, Benjamin Tsao, David Morgan, Georgie Templin. Front row from L-R: Sam Pontoriero, Adeline Chen, Sherry Shu, Schannen Weinmann, and Josephine Juan. Other members of the accounting team not pictured are Ellen Yu, Janice Fang, Sue Kuo, and Mikhail Geskin.*

When asked about the timely closing of monthly statements, Tsao said it was initiated by **Dr. John Young**, Group President. Tsao said Dr. Young came to him and asked him to push up the monthly closing by producing the profit-loss, and all monthly financial statements as soon after month end as possible. This was back in the late 90s. Tsao began by improving software utilization and close analysis of any abnormalities. Step by step review of each measure, led to building a standard, review and adjusting as necessary. Over time the closing window went from 3 days to the current 8 hours. Shu described the process as *“month end is everyone’s job, it’s all about teamwork”*. Morgan was quick to give credit to the plants and departments for their accuracy and cooperation. Tsao pointed out that the product lines benefit directly from this timely information. The profitability of products and accurate cost data give management the ability to fine-tune and adjust quicker than our competition, thus our competitive advantage.

Tsao said that the role of the Accounting group is very simple. “We are to protect company property, both tangible and intangible. This is the driving force behind our entire decision making process.” They look for ways to improve by employing people and equipment in the most effective manner. Tsao, Shu and Morgan said they look for the win/win in each situation and encourage everyone to stay open to change. Or as Tsao put it very plainly, “go for it!”

**Brenda Wilson**

Human Resources Manager

## The Cutting Edge of BOPP Film

BOPP Film is literally *cutting edge* these days. That is because they have researched, purchased, installed and are now operating a Sheeter/Guillotine Operation. The first product from this equipment shipped on September 27<sup>th</sup> of this year.

According to **Juan Rosales** of the Business Development/Process Technology department, AmTopp has a strong presence in roll fed label materials, but was forced to send film rolls to a converter for processing into sheets, to meet customer needs. With the addition of the Sheeter/Guillotine this step is no longer necessary. The project was initiated in late 2006 and from talking stage to production, was little more than a year. This equipment represents an expansion of our BOPP film business. The plastics sheets are used for lithographic printing and are in demand by bottlers for beverage labels.

**Chad Wood**, BOPP, Section 1 Staff Coordinator and **Max Herrera**, Senior Operator, are responsible for the production from this operation. The operational challenge, according to them, is the preciseness demanded. Four rolls of film are fed into the machine simultaneously and are unrolled and cut into square sheets. The sheets are then stacked and transported to a guillotine where they are trimmed to minute specifications. Because of the possibility of jams, slippage, and telescoping the Operator must pay close attention at all times. To prevent problems they adjust the air flow and settings of the machinery. Herrera said “it’s important to stay calm when problems occur. Just take your time, because often it is a minor countermeasure that needs to be made.” Wood credits teamwork as important in their initial success. “Everyone worked hard to accomplish this.” Rosales agreed and said he was particularly proud of “just pulling this project off” and looks forward to where it will lead.



*Max Herrera and Chad Wood with new Sheeter/Guillotine Operation.*

## IBS Announces Broker of the Year Awards

The Janitorial/Sanitary unit of the IBS Division announced the 2007 Broker of the Year Awards. The following three groups were recognized for outstanding performance in 2007.

**“Highest Sales Achievement”**

Bodan Sales, Inc.

**“Highest Growth Achievement”**

Target Sales & Marketing

**“All Star - World of Bags”**

White & Hodge Company, Inc.

The three sales broker groups were recognized in October at the unit’s National Sales Meeting in Orlando, Florida. **Joe Chen**, President, IBS Division, presented a Broker of the Year Award to each of the three groups.

**Ronnie Chang**

Director, Jan/San Business Unit, IBS Division

**Brenda Wilson**

Human Resources Manager

## A Simple Design, An Enduring Message

*(As part of the series profiling our company, this is the story of the Inteplast logo and one of our early leaders.)*

Inteplast Group was established in 1991 as an *integrated plastics* organization (thus its name, which combines the two words *Integrated + Plastics*). It came largely as a result of the company's core belief that we could produce key commodity products competitively in the United States—particularly Texas. Inteplast was created at a time when few other companies invested in new facilities, preferring instead to grow by merger and acquisition, or by moving overseas. Inteplast's three main Divisions—AmTopp, Integrated Bagging Systems (IBS), and World-Pak—are, in fact, among the largest producers of plastics goods in their respective market segments.

Early on the Group needed a logo to express the vision of a large integrated plastic supplier. This logo had to be unique and it had to tell our story. In comes the story of **Mike Hwang's** role in Inteplast.



**Mike Hwang**, Assistant Vice-President for Marketing and Sales, World-Pak Division.

Hwang was a member of the class of 1957 at Ming Chi University of Technology in Taiwan, of which **Dr. John Young**, Inteplast's President and Founder, is Chairman. The University was and continues to be an elite training facility for those interested in Engineering, Technology, and Design. It was created at a time when most students could not afford a decent higher education in Taiwan. Ming Chi students were subsidized with free boarding and scholarships for tuition. The program involved classwork from 6 AM to 10 AM each day, then the remainder of the day working in an industrial facility learning practical application—no wonder Ming Chi alumni have traditionally been considered well-trained, hands-on professionals. Hwang studied Industrial design and found the creative process much to his liking. He then went to work for the Formosa Group in Taiwan. After successful assignments with Formosa, Formosa Chemical, and Nan Ya, he joined Inteplast in sales and industrial design. He was one of eight original employees in the New Jersey headquarters. His experience in product development and design was instrumental in many new product offerings. This expertise in turn led to his work in Sales and Marketing. He continues this today as Assistant Vice-President for Marketing and Sales, in charge of all of World-Pak's new Product Development.

Maybe Hwang's most lasting contribution to the group is his role in creating the current Inteplast Group logo. Hwang recalls that Group President, Dr. Young, "saw the need to unify the company through a single logo that could project our core identity. He challenged several of us to create a design for our logo." Ideas were submitted and Dr. Young selected what is our current logo, designed by Hwang.

When asked to describe how he conceived the logo, Hwang broke the design down into different components. First, there is the blue circle, representing the earth or "blue planet". The infinite nature of the circle recognizes "no containment or limit to the possibilities of the Group". The white imprint on the blue circle lends the appearance of a globe, thus the global nature of our Group. Since all our products are based upon extrusion in some form or the other and extrusion always involves a cylinder, the basis for the "i" in the logo is a cylinder. The remainder of the logo is taken from the universal symbol for recycling. This is appropriate because all of the products made by the Group are recyclable. In one simple design, Hwang encompassed almost the entire message—with all of its aspirations—behind the founding of the company.

Dr. Young recalls Hwang's contribution with affection, by adding, "only someone with Mike's creativity could have come up with something so unique and enduring. Today, practically everyone in this entire industry, be it domestic or overseas, recognizes the name Inteplast, not only through its market dominance, but also, of course, through its blue-and-white logo."

When asked how he viewed the logo in retrospect, Hwang said it symbolized the major move to project a unifying image for the Group, in line with its core philosophy. The logo is now recognized globally as the symbol of Inteplast Group, and the company, has Hwang to thank for this.



**Brenda Wilson**

Human Resources Manager

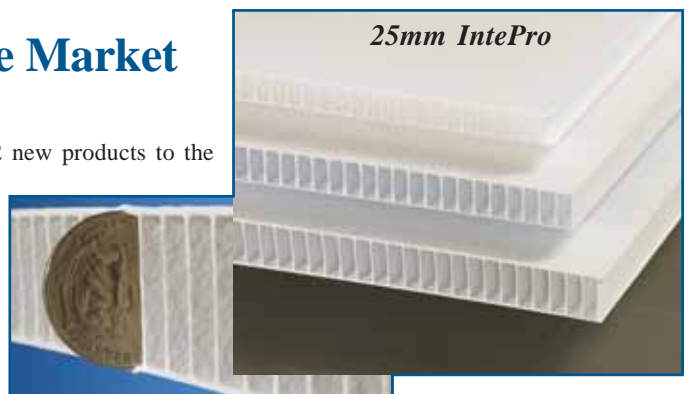
## Profile Introduces 2 New Products to the Market

As an industry pioneer, Inteplast's World-Pak Profile Unit proudly introduced 2 new products to the market this year. Inteplast is the only corrugated sheet manufacturer that can produce sheets above 13mm. With the newest addition of 25mm IntePro, pictured at right, we are confident the breakthrough will become a popular, "green", economical, and light-weight alternative to wood products in the construction industry, and in countless heavy-duty applications.

### Double Flutes / Triple Walls



Another new and unique product, Double-Flute / Triple Wall, was also introduced in 2007, and proves to be more durable than traditional corrugated plastic. As "green" construction continues to grow, strength and durability become more popular, this economical product will find its way into many industries. A few areas predicted to be natural candidates for the double-flute material are packaging, construction industry applications, and longer "shelf life" POP (graphic arts) applications. It is currently available in gauges ranging from 4mm to 10mm.



**Peggy Kelly**

World-Pak Sales and Marketing Coordinator

# Homer Hsieh, AmTopp Division President, Sheds Insight on the Success of AmTopp

A continuing Q & A column to answer questions posed by  
Alisha Koehl, the Editor of Inteplast News.

**Q** As President of the AmTopp Division would you describe for us how you view your leadership role?

**A** I see myself more as a facilitator than a leader—I play the role to ensure that the Inteplast Group direction is best implemented in AmTopp by facilitating different programs and utilizing our human resources to ensure the successful implementation. During the years that I have been with the Group, I have been fortunate enough to have different mentors and I have learned a lot from each one of them. I am glad to say that I am still learning everyday, from all the people I work with.

**Q** We see that all three plants in AmTopp are expanding. Would you summarize for us what is happening and what the immediate future holds?

**A** Supply and demand, summarizes the current situation in a simple way. In the past, all the AmTopp employees have worked hard to ensure our competitiveness by providing the most cost effective and most quality consistent products and services. As to the immediate future, we will expand to the most economical manufacturing position based on our capability and the market climate. Our belief at AmTopp is that as long as we work with our brain and heart, there will always be a bright future for us in our business.

**Q** BOPP Film, Stretch Film and Concentrates have had great success over the last few years as well as tremendous growth. To what do you attribute that success?

**A** All the AmTopp employees regardless of their position and nature of work. I am happy to see that our team effort has made a difference and at the same time, everyone at AmTopp had given our operation more than 100% to make it happen. I am and will always be grateful to our employees who had sweated during the extreme heat in the “long” Texas summers to “make everything happen.” Manufacturing strength is and will always be our foundation.

**Q** What are the major obstacles we face as we work to meet targets?

**A** The changes in the domestic manufacturing environment including high energy and high raw material cost. Labor shortage, as well as import competition are also tests of our skills and abilities. Nevertheless, we still have to work with what we have and although we can not change the situation, we can always strive to be better than our competition.

**Q** What roles do research, development, and technology play in AmTopp’s future?

**A** They are extremely important. What we offer in the market today is the result of our past R&D and technology efforts. As we look to the future, a lot of the “advanced technologies” in the past will only render a “commodity product” in the future for our industry. This means our current R&D and technology efforts must focus on how to improve both technology and process capability. The goal continues to be to produce the most cost effective highest quality products.

**Q** As we conclude 2007, do you have a message for the AmTopp and Inteplast employees?

**A** Again, I am grateful to all the AmTopp employees for making 2007 a successful year. Everyone has worked hard to make it happen, in spite of market conditions and limitations. I am also thankful to our Inteplast colleagues—the service departments who have helped us fulfill our roles; and our sister divisions that provide us benchmarks and business models from which we learn to improve.

## Inteplast Group - A Diverse Workforce

If you take a look at the holiday greetings on the back of this newsletter, chances are you won’t be able to read all of them. The 6 greetings all relay the same message, but are written in some of the different languages representing the nationalities of the employees that make up our workforce. Our staff, which is as diverse as our product lines, is bound by strong team spirit and dedication to our customers. We have a true appreciation and value for the differences each individual brings to the Company. Recruitment and retention of quality talent worldwide, is key to the success of our business.

We take this opportunity to wish all Inteplast employees and their families a safe and happy holiday season. The greetings on page 6 from left to right are: top row, English, Portuguese, Karen; bottom row, Vietnamese, Chinese, and Spanish. Special thanks to **Rita Pires, Dr. Gillian Kwi, Linda Au, Joanne Shiu, and Joann Iglesias** for translating the holiday greetings for us to share with everyone!

We're on the web!  
www.inteplast.com

## Inteplast News

AmTopp • IBS • World-Pak

### Corporate Address:

9 Peach Tree Hill Road  
Livingston, New Jersey 07039

### Plant Location:

101 Inteplast Blvd.

Lolita, Texas 77971

North Dighton, Massachusetts  
Delta, British Columbia, Canada

**Editor:** Alisha Koehl

**Photo Editor:** Craig Jones

**Photographers:** Chih Hua Yeh,  
Brenda Wilson

**Contributing Writers:** Dr. John  
Young, William Philhower, Carolynne  
Bany, Brenda Wilson, Ronnie Chang,  
Peggy Kelly, Homer Hsieh

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## Happy Holidays

Pictured at right is the cover picture for the 2007 Inteplast Group Christmas Card. It was designed by **Chia-Hsing Lin**, a 12 year old Taiwanese boy with muscular dystrophy.

The theme of his painting is "Hope, With Appreciation For My Mother."

Lin was among three children awarded a Fine Arts Prize, during a ceremony celebrating *2007 Appreciation Day in Taiwan*. Starting in Asia, Inteplast and its sister companies are promoting this event, in order to draw public awareness to our collective need to demonstrate appreciation. This powerful feeling can be life changing for each of us.

Each year Inteplast Group anticipates using the award winning design in our holiday greeting.



## Inteplast Group

AmTopp • IBS • World-Pak

101 Inteplast Blvd., P.O. Box 405

Lolita, TX 77971

Happy Holidays Boas Festas  
Chuc Mung Ngay Le 佳節愉快!

ခက် အိန် ဖျန် တဂ်သး ဖြ  
Feliz dia Festivos