



*June 7, 2001*

## **UPDATE ON EXPANSIONS AT WINPAK FACILITIES**

**The following expansion updates include those that are currently in process and those that commenced in 2000 and are being completed in 2001.**

### ***San Bernardino, California (Expansion commenced January 2001)***

The facility in San Bernardino, California commenced expansion in January 2001 with major renovations to the reception and administrative offices. The network infrastructure was upgraded to accommodate state-of-the-art technology. Offices and walls were removed to modify space required for a larger conference room, additional offices, workstations, and a new kitchen/break area.

In April, construction began on the addition to the production area. This will add another 4,200 square feet to the manufacturing space. The shipping and receiving department will be moved to the south side of the building, making it more accessible to inventory, thereby allowing the machine shop to be enlarged and reconfigured to better utilize the space.

The ultimate goal for this expansion, which is to alleviate existing space constraints in the assembly area, will be realized with the addition of 3,500 square feet. This new space will provide ample room for the increased sales derived from an expanded product line.

### ***Montreal, Quebec (Expansion commenced May 2001)***

The Vaudreuil-Dorion, Quebec facility in suburban Montreal is being expanded by an additional 68,000 square feet, virtually doubling the shop floor capacity. The demand for this facility's heat sealable lidding materials continues to climb to new heights. In three years, sales have more than doubled!

Construction began in early May and is slated to be completed by September. The building will house a new 60" tandem extrusion line. This major piece of equipment will permit high-speed laminating and coating of foil, film, and paper constructions used to print and die cut finished lids. The new line has co-extrusion capabilities enabling Winpak to offer lighter gauge, lower cost and performance enhanced extrusion-coated foils.

In anticipation of the expansion, Winpak acquired the existing land and building, which had previously been leased. In addition to the extrusion line, two new printing presses will be installed during the next two years. These flexographic presses will expand Winpak's print capabilities from 8 colours to 10 colours responding to the need for sophisticated designs demanded by the market. Finally, the existing factory will be modified to improve process flow and accommodate a new ink facility, which will include modern ink dispensing and color matching equipment. The entire three-year investment plan will cost over \$20 million and the new facility will be one of the most technically advanced of its kind to serve various world markets for die-cut lidding.

### ***Winnipeg, Manitoba (Expansion commenced in 2000)***

The expansion of the production capacity at the Winnipeg facility continues with a variety of equipment arriving in 2001. The first equipment to arrive was a laminator, which was installed in January and commissioned in February.

A new pouch machine arrived the first week of April. It is intended to produce stock pouches from wide webs of either Wincoater laminates or Multiwin coex tubing. Start-up is currently in process.

An additional slitter arrived in the latter part of April, four months later than expected.

A three-layer blown coextrusion line will be installed in the west high bay building that was constructed last Spring. The tower installation is currently underway with delivery of equipment in three shipments scheduled from late April to early June. The line start-up is expected by mid-June with production by month-end.

The largest project, a second MultiBarrier line, is planned for the third and fourth quarters of 2001. The majority of the equipment has been ordered with deliveries expected to start in August and extending into October. Prior to the equipment delivery, an overhead crane will be installed, the foundation prepared and a tower built. Start-up is expected to take place in November and December.

### ***Chicago, Illinois (Expansion commenced in 2000)***

The 50,000 square foot building expansion at the Chicago, Illinois facility that commenced in the middle of last year was completed in April of 2001. The plant now has 126,750 square feet under roof. Even before the building was complete, installation of a new PP/EVOH/PP line was started. The blending system and extruders were installed and are operational. The forming station was also installed in April and the automated pack-off will follow shortly. In conjunction with the expansion in 2000, two lines were moved from the Bristol plant, installed and became operational. One silo was moved and 8 new silos erected beside the new building. In the near future, the process water will be tied in, the piping from the silos will be completed and the parking lot will be paved.

Training and orientation of new employees was also a major consideration during this period since the workforce eventually doubled with the addition of two lines, the onset of continuous operations, the delivery of a new line in the second quarter and another new PP line in the fourth quarter. Despite the great amount of activity, there were no recordable or lost-time injuries. Everyone should be proud of these accomplishments and will endeavour to continue the trend in the future.