



CORTEC
CORPORATION

Environmentally Safe VpCI®/MCI® Technologies

April 11th, 2004

NEWS ALERT NEWS ALERT NEWS ALERT

Have You Heard? Daubert and Cromwell Phoenix are Merging

Daubert, 2nd largest in the industry, and Cromwell Phoenix, 4th largest, two of Cortec's major competitors in the VCI industry have announced that they are merging. This is good news for Cortec®. The merger is a sign of weakness, indicating that both companies are shrinking due to the competitive market pressure coming from Cortec®. They are combining their manufacturing capabilities into a smaller facility. In comparison, Cortec® is expanding its manufacturing facilities upwards of 300,000 sq. ft. total. Cortec® is setting new goals, breaking new records and adding new equipment and capabilities. The Daubert/Cromwell Phoenix merger is more evidence of Cortec's strength as the leader of Vapor phase Corrosion Inhibition (VpCI®) technologies. Cortec remains firmly in a number one position even after this merger.

Further proof of the weakness as the main cause of this merger is the statement from April 11th Announcement on the DaubertVCI.com Website: "Daubert VCI and Cromwell-Phoenix make corrosion inhibiting packaging used to wrap metals. Daubert's President Garman said both companies have seen declining demand for paper based packaging, which was behind the decision to merge. Daubert plant in Knox, Indiana will be closed after the merger." In the meantime Cortec's paper based VpCI® packaging products sales are growing at the rate of 80% per year.

This is a proof that 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 is causing some major casualties in the VCI business, such as Daubert/Cromwell Phoenix merger. More is yet to come! In our analysis, due to the current size of VCI industry, a vertically 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 a lowest cost producer, will eventually command a lion's share of the VCI business, worldwide.



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