Cal Box I **CB** Sheets

13901 S. Carmenita Road Santa Fe Springs

CA 90670-4916

(562) 921-1223 (714) 995-0737

(562) 921-3666 fax

Cal Box II

8949 Toronto Street Rancho Cucamonga

CA 91730-5412

(909) 944-9202

(909) 944-1673

(909) 944-8781 fax

www.calbox.com

Consistently On Time with Quality . . . "No Excuses" with Integrity and Customer Satisfaction.

From design through each phase of automated production, our sales service operators and supervisors are trained to complete your order as promised.

To that end, we place great importance on talented people and the latest in converting equipment and technology. A constant program of continuous improvement, housekeeping and dally maintenance is a way of life to us, because we keep our promises.

With over 200 employees in California and a combined 300,000 sq. ft., of space - housing a state of the art 400 foot long BHS corrugator and new computerized printing presses - CalBox provides top quality, 'on time' corrugated boxes and displays. Certified ISO 9001-2000 indicates our commitment to quality management with zero defects.

Looking to reduce inventory carrying costs? We keep some of the largest companies in the United States supplied on a daily basis.

CalBox has implemented a computerized floor reporting system, which allows every order to be tracked and monitored. Inventory bar coding provides our customers with monthly usage reports and delivery status.

Small and mid-size orders with one-day turn around is our specialty, because they are critical to our customers. Low prices and high quality mean little to a customer who receives the wrong quantity, or damaged LAMINATING or late shipments.

Efficient converting and reliable service with 'on time' delivery is our only business.

Why?

Quality products, without superior service, is like having a race car with no pit crew.

Our goal is to be a team of winners.

FLAT BED DIE CUTTERS:

- 43"x63" Bobst with stripping JIG section
- 54"x39" Flat Die Cutters
- 61-1/2"x46" Flat Die Cutter
- 50"x118" Flexo 5-Color Press with rotary die section

BIG BOX CAPACITY

- 66"x130" 3-Color Presses (2) with inline rotary die cutting
- 66"x130" 2-Color Flexo/Folder/Gluers with inline rotary die cutting
- 66"x 140" 3-Color Flexo/Folder/Gluers with inline rotary die cutting
- 86"x 185" 1-Color Flexo Press
- 86"x 210" 2-color Flexo Press with pre-feeder

SPECIALTY BOXES

- 150" High Speed Speciality Gluer for trays, lock bottom, snap lock, tuck and more. Glues up to 15,000 die cuts per hour.
- 23-5/8"x 67" Mini 2-color Flexo Folder Gluer runs up to 24,000 boxes per hour.

- 43"x 63" Max Board Size, Laminate Litho Sheet to corrugated
- No Hi-Lo or mis-formed flutes
 - Laminate full sheet or spot mount



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From creative design through each phase of the converting process, our sales service staff, operators and supervisors are trained to complete your order as specified.

Looking to reduce inventory carrying costs?

We help small and large companies reduce their inventory and warehousing costs with JIT daily deliveries. Small and mid-size orders with one-day turn around is our specialty.

CalBox provides top quality, 'on time' corrugated boxes and displays with:

- Certified ISO 9001-2008 our commitment to quality management with zero defects.
- Over 200 employees in California.
- A combined 300,000 sq. ft., of space.
- State of the art 400 foot long BHS corrugator.
- New computerized printing presses.

Computerized floor reporting system:

- Allows every order to be tracked and monitored.
- Customers can check their account status 24/7 from their own computer.
- Inventory bar coding provides our customers with monthly usage reports and delivery status.

Efficient converting and reliable service with 'on time' delivery is our business.

Quality products, without superior service, is like having a race car with no pit crew.

Consistently On Time with Quality, Integrity and Customer Satisfaction . . . "No Excuses"

Our goal is to be YOUR WINNING TEAM.

FLAT BED DIE CUTTERS:

- Two Bobst with stripping JIG section.
- Flat Die Cutters.
- Platen Die Cutter, One of the largest in the U.S.
- Flexo 5-Color Press with rotary die section.
- Laser Flat Die Maker, We control the process.

BIG BOX CAPACITY

- Two Jumbo 3-Color Presses with inline rotary die cutting.
- Two large 2 and 3-Color Flexo/Folder/Gluers with inline rotary die cutting.
- Two Big Box 1 and 2-Color Flexo Press with pre-feeder.

SPECIALTY BOXES

- 130" and 150" High Speed Speciality Gluers for trays, lock bottom, snap lock, tuck and more. Glues up to 15,000 die cuts per hour.
- Mini 2-color Flexo Folder Gluer runs up to 24,000 boxes per hour with camera to reject bad boxes.

LAMINATING

- 80" x 120" and 43"x 63"
 Automatons, to Laminate
 Litho Sheet to corrugated.
- No Hi-Lo or mis-formed flutes.
- Laminate full sheet or spot mount.

OUR COMMITMENT

CAL BOX GROUP

MISSION STATEMENT:

Consistently On Time with Quality, Integrity and Customer Satisfaction . . . "No excuses"

Packaging doesn't have to be brown.

A world of colors and applications are available to add visual impact and emotional appeal.

CBC's use of high grade paper allows customers the opportunity to create unique, visually appealing boxes and displays of almost any style and size. Combining our corrugator with quality paper creates about a 15% increase in Mullen or ECT over any of our competitors performance.

Let us prove it!

ADVANTAGES - Value Propositions

- Cal Box operates a state of the art 98" Corrugator
- We make our own flat cutting dies on a laser cutting machine to produce die boards quickly and accurately.
- Full or spot litho labeling capabilities on high speed label laminators.
- Cal Box owns four computerized flexofolder gluers including one of the worlds fastest MINI flexos with a high-speed camera on line to insure only good boxes are delivered to your customer.
- Our automated machines and latest software offer dozens of options giving our estimators the versatility to create the most competitive pricing for our customers quickly and accurately.
- Cal Box delivers from Ventura to San Diego with our own fleet of trucks and drivers (for better control).
- Courier trucks speed delivery for free samples and hot orders.
- JIT programs are available. We are flexible and will work with you on your Just-In-Time needs.
- No sales force. No conflict of interest.
- Plant tours are available . . . We are proud of our two California facilities with a combined space of over 300,000 sq.ft. We encourage our customers to visit often as we are always implementing new strategies and technologies to meet the ever changing requirements of our marketplace.
- Check your inventory or order status from your office.
- Benchmark for the industry with R&A (returns and allowances) less than 1/4 of 1%.
- We use the global paper supply chain and always pay-on-time.
- 100% recycling of waste paper and water.

 We practice the 3 R's Reduce, Reuse and Recycle.
- Contingency plans for all machines to ensure no late orders.

OUR COMMITMENT:

- Cal Box has the necessary desire and experience in service and production to handle the special needs of its customers. We have a dozen sales service associates in Southern California.
- We quickly turn around quotes and orders via phone, fax, e-mail or in person.
- Our in-house designers use the most advanced CAD-CAM systems.
- Totally computerized plant to office, state of the art scheduling software.
- Computerized floor reporting tracks the status of your orders

 instantly – through every phase of the manufacturing process.
- We bar code inventory, providing our customers with monthly usage reports and delivery status.

PRODUCTS & SERVICES:

- Displays Counter and Floor
- Boxes of all sizes glued, taped or stitched — any volume
- Partitions, Pads, Inner Packaging Forms, Tubes, Bins, Storage Files, Trays, Folders and Mailers
- Auto Lock Bottom, Snap Lock Boxes, 4-Corner Trays
- Various paper coatings printed in all available colors
- Producer of the largest one piece, 2-color boxes in California
- V3c and W5c government board and boxes
- 5 plants in the U.S. plus3 warehouses available in Mexico



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COM-8-6

PRODUCTS & SERVICES

CBC GROUP

Unique People Providing Creative Packaging Solutions

Since 1978 our customers have stayed loyal. They know we are committed to quality, ethics and 'On Time'. Our five plants along the southwest U.S./Mexico boarder position us to service a challenging market. The CBC Group sells every style of box and POP displays to industries as varied as high-tech, speciality foods, sporting goods, toys, wine, furniture, automotive and more.

IT'S ABOUT SERVICE

The CBC Group owns over 500,000 sq.ft. of buildings and leases three warehouses in Mexico so it can deliver most packaging products on demand.

Being able to provide diverse packaging solutions requires creative and professional teams. To keep customers as lifetime partners, our combined workforce of 400 employees provides the best design, sales service, production and logistics capabilities – always at competitive prices.

Each facility is supported by technology, the latest equipment and the experience to coordinate the most complex production runs while maintaining the tightest schedules.

Our own fleet of trucks delivers promptly – south to Mexico – north to Los Angeles – and east to Riverside, Tucson and El Paso.

With our alliances, a world class corrugator and assure our customers production continuity while meeting their expectations and our high standards.

The primary role of a Corrugated Box is to Contain and Protect the contents.

Today it is also a dynamic Marketing Tool.

BOXES & DISPLAYS

- POP Displays, floor & shelf
- Boxes, all sizes glued, taped or stitched
- Stock Boxes
- Auto lock bottom or snap lock boxes
- One piece 2-color boxes up to 100" x 212"
- V3c and W5c government board or boxes
- Partitions, Pads, Inner Packaging Forms
- Tubes, Bins, Storage Files, Trays, Folders and Mailers
- Short or medium sized orders
 An average order is 900 boxes
 (8,000 sq.ft.) with
 \$ 200 minimum, delivered

LAMINATING

- High speed Label Laminators
- Full or Spot Litho Laminate
- Supply Litho Labels
- In-house manufacture of flat cutting dies

SERVICES

- High graphic capabilities up to 5-colors
 - Own over 2-dozen Trucks for On Time Delivery
- Various Coatings and Speciality Inks
- Sales/Service Representatives for quality assistance
 - R&A (returns and allowances)
 less than 1/4 of 1%
 - ISO 9001-2000 Certified



Cal Box I
CB Sheets
Cal Box II
Tucson Container
Kino Packaging
Kino Foam
Kino Crating
West Texas Co.
Action Box Co.
Warehouses
in Mexico (3)

J.W.

CB Sheets is an Industry Leader in Midsize Orders of Corrugated Sheet Manufacturing

OUR CORRUGATOR

With our state-of-the-art, 98" computerized BHS corrugator, CB Sheets offers consistent, quality corrugate sheets for every order we run.

CB Sheets supplies low cost **ECT Sheets** – creating consistent top-to-bottom box compression for maximum stacking strength. CB Sheets uses 100% virgin fibres and maintains the exact weight of the facings (liners) to create Mullen Board that also exceeds the required bursting test of the sheet. We do not sell to competitors.

ADVANTAGES

CB Sheets enables box manufacturers to produce better performance packaging that conforms to alternate Rule 41/Item 222 without "over-packaging". We have improved the rigidity and stacking strength of all our grades of ECT. For example, our 32 ECT has a 35 pound medium for better stacking strength. This also allows a reduction in cost that is passed on to our box customers.

Our 100% virgin inside and outside liners provide more box strength, less warp and a better printing surface. Because we use longer fibres, balanced liners and a better flute profile - we are unmatched by any other manufacturer.

Our flat sheets can be supplied in plain Kraft, coated or white top liners made from recycled or virgin paper purchased from our global supply chain. Linerboard test results meet or exceed competitive products. The physical characteristics of our superior board grade and corrugator efficiency have improved the sheet basis weight, smoothness, consistent moisture profile, caliper control, porosity and brightness.



CB Sheets

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SHEET MANUFACTURING

- CB Sheets supplies the best box performance with minimum fibre content
- Source Reduction reduces municipal waste
- CB Sheets produces sheets, converts them into custom boxes and delivers the order in less than 24 hours
- We specialize in short run to Mill run quantities. Custom boxes quick turnaround
- We accept V3C and W5C government board orders
- No Hi-Lo or misformed flutes in our sheets
- No WARP sheets or delaminated boxes

Result:

The best quality in town!



GB SHETS

BHS 98" Corrugator – Machine Capabilities						
Description	5	* "				
Make	В	HS			,	
Width	9	98 inches				
Rated Maximum Speed]	1000 feet per minute				
Single Facers Type	N	Non Pressure Roll				
Flutes: Singlewall	, E	. E, B, C				
Flutes: Doublewall	В	BC, BE				
Trim System	R	Razor Cut				
Scoring Profiles	٨	N-M			M-F Hinged	
Maximum Number Out	1	2 outs			24 Scores	
Computerized	Y	es				
Cut to Mark	Y	es			Bottom Knife	
Minimum/Maximum Slit Width	8	"			96.5"	
Minimum/Maximum Cut Length	1	9.12"			190″	
Roll Widths on Hand	8	2" 92"	98"			
Minimums: B, C and BC Flutes	1	100 Pcs. or 300 Lineal Feet				
Minimums: E Flute	400 Pcs. or 800 Lineal Feet					
Total distance between 1st and 3rd scores must be no less than 2.13"						
Flute: A 12" Stack is:	BC 45	C 75		B 100	E 160	



By Jackie Schultz

Brown box may always be the staple product at most U.S. and Canadian corrugated plants, however, graphics packaging, especially litho laminated corrugated, is becoming the printing method of choice for some end-use customers.

Litho laminating is the combination of corrugated board and offset printed sheets to create a highly protective and attractive package or display. It combines the strength of corrugated with the appeal of high quality lithographically printed sheets or pre-printed rolls.

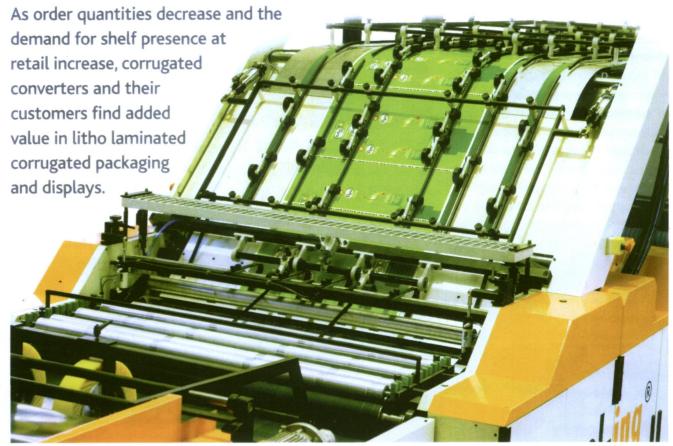
It is estimated that 50% of U.S. and Canadian corrugated converters have some ability to offer litho laminated corrugated, either manufacturing it internally or outsourcing the

process. About 30-35% of box plants have inhouse automated or semi-automatic litho laminating equipment.

There are a handful of laminator manufacturers serving the North American board converting market. These suppliers are unanimous in their belief that litho laminating is a growth market for the corrugated industry. "There is significant growth in the U.S.," says Ad Jongmans of Asitrade, a Bobst Group company in Grenchen, Switzerland. "We estimate 3-7% annually, depending on the industry served."

Brian Foley, Regional Sales Manager of Automatän Inc., Plover, Wis., agrees. "What I've seen over the last 10 years is the laminating or labeling portion of the entire [corrugated] packaging industry is growing. The industry may

OPPORTUNITES IN packaging industry is growing. The industry may LITHO LAMINATING



CONTROL-ING HAS NINE INSTALLATIONS OF IN-LINE LAMINATORS IN NORTH AMERICA. THE COMPANY'S MOST RECENT INSTALLATIONS WERE IN GERMANY AND POLAND.

be shrinking but the percentage that is having laminating done is growing."

There are a variety of reasons for this growth. For one, customers are requesting the higher print quality that offset can offer. Also, marketing budgets are increasing for displays and shelf ready packages, driven primarily by wholesale retailers and discounters. These packages need eye-popping shelf presence.

Chris Widera, CEO of CalBoxII (California Box), Rancho Cucamonga, Calif., says. "The litho label laminating of boxes and P-O-P

displays is continuing to be more innovative and competitive. A visit to retail chains like Costco and Walmart stores will verify the litho P-O-P influence of the integrated suppliers and the Internet."

California Box Co. began offering litho laminated packaging and displays in 1996. The company has five box plants serving the West Coast. Litho laminating comprises about 10% of each of the plant's product mix. Three of the facilities have sheet to sheet Automatän litho laminators – two EMs and a 4260. Each laminator is supported downstream by a Bobst diecutter and a J&L specialty foldergluer.

ronically, it is the strides made in flexo printing that some say paved the way for the growth in litho laminating. "In the past few years the sale of high quality flexo print equipment and the corresponding promotion of the boxes printed this way has made the users of boxes much more aware of the benefits of colorful prints on boxes to promote the product inside," says Rob van der Snoek of Control-ing, Barcelona, Spain. "The result is that now



THIS DISPLAY WAS
PRODUCED ON A LAMINA
SYSTEM AB LAMINATOR.
THE COMPANY LAUNCHED
THE NEXT GENERATION OF
ITS BLACKLINE HS HIGH
SPEED LAMINATOR
EARLIER THIS YEAR.

ore laminating," he says.

Sustainability, the movement toward greener packaging, has also played a role. "Some products that until now used

the designers of these boxes are looking for even better print quality than flexo can offer and they often end up with offset print that can only be combined with corrugated board by means of lamination."

Jan-Erik Carlsson of
Lamina System AB says
litho laminating is a
growing market because
of the higher finish that
customers are requesting.
"They like the higher quality
of the images, the flexibility
to add the print to many
different materials and the
rigid product they get after

plastic materials for packing are now being re-directed toward recyclable materials, such as corrugated and laminated board," van der Snoek says.

Adds Widera, "Some boxes and displays from Asia have poor quality paper. To cover their sins, importers use litho laminated for consumer products packaging. Litho laminating also hides any toxic chemicals (and colors) used to make their paper and sell their boxes. Don't believe it? Tear the liner and look at the medium."

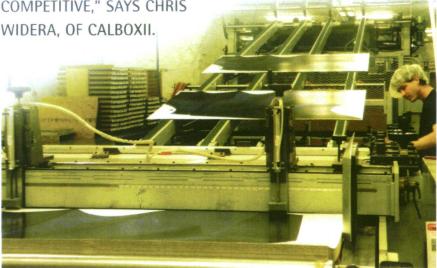
Value-Added Niche

Vanguard Packaging, Kansas City, Mo., began laminating a litho label to corrugated almost 30 years ago using Potdevin label pasters. By the mid-1980s, the sheet plant's largest account was a heavy user of spot laminated RSCs. "We purchased the second Automatän ever made and it did a great job on running joined RSCs requiring spot laminating," says Vanguard CEO Mark Mathes. "This then led to more labeling opportunities over the years."

Today, Vanguard has an Automatän EM and an Automatän 4260 label laminator and about six Potdevins.

About 70% of Vanguard's product mix





VANGUARD PACKAGING'S AUTOMATÄN EM LITHO LAMINATOR.

Litho Laminating

is specialty and display work and about half or more of that is laminated. "I would say 35-40% of everything we do gets some form of label applied," says Mathes, who feels strongly that litho laminating is a growth segment for the corrugated industry. "At the end of the day, it is the most cost effective way to put high graphics on large panels and in volumes under about 20,000.

"While we also do direct flexo print, preprint and flood coating, we have found that the cost of plates and the still limited graphics capabilities of direct print makes labels perfect for most display graphic panel applications," he adds. "I see direct print only making inroads on packaging where the quantities are high and the orders repeat."

Perhaps the largest contributor to litho laminating's growth is the trend in smaller order quantities and fewer repeat orders. "Smaller quantities are ideal for litho labeling," Foley says.

In addition, litho lam is more conducive to shorter lead times. "The lead times have shortened quite a bit," Foley says. "What I see from our customers is they need to turn jobs over in a couple of days to a week at the most. It's easy for them to get graphics onto a package or a display using litho because you can buy the print and glue it onto the display or box."

The Right Formula

Board converters that offer a variety of printing options, such as postprint flexo, preprint, digital and litho laminating, need to consider several factors before pitching to customers one process over another.

Admittedly, the demarcation lines are blurring, making it difficult at times to determine the boundaries.

"Most of the time, we just know (which printing method to choose) because we have done this so much," says



CALIFORNIA BOX CO. BEGAN OFFERING LITHO LAMINATED PACKAGING AND DISPLAYS IN 1996.

Mathes. "But when in doubt, we run estimates for each graphic option. Even then you have to factor in if the order repeats, what the expectations are of the customer and what the waste rates are for direct print since it will be higher."

At CalBoxII, the customer has the greatest input in the final decision, Widera says. Nevertheless, the plant does have a list of criteria, which includes defining the purpose of the box or display, presenting a price comparison and evaluating the volume of the order, the size of the litho

PERHAPS THE LARGEST CONTRIBUTOR TO LITHO LAMINATING'S GROWTH IS THE TREND IN SMALLER ORDER QUANTITIES AND FEWER REPEAT ORDERS.

sheet, the number of colors and the difficulty of the entire process. Aside from the customer demanding a label, order quantity tends to be the deciding factor.

"If it's anywhere between 750 to 10,000 pieces then that's a pretty good fit for litho. If it's more

than 10,000, then flexo could be a good fit, especially if there is a chance that order is going to repeat," Foley says. "Flexo plates can be \$2000 per color for each plate. If that's not going to repeat then it's hard to justify the investment in plates. We've seen the quantity these days being in the 3000 to 5000 piece range."

"The benefit of offset, apart from its tremendous printing quality is the fact the printing plates are so cheap you can do very short runs for a relatively low cost," says van der Snoek. "Digital can often not match this because of the high cost of inks."

Adds Mathes, "At the end of the day, all of us are simply the sum of our customer requests. Because we run a lot of large pieces in medium quantities, we are naturally skewed toward lamination and that really has more to do with it than anything else."

ASITRADE MARKETS LAMINATORS IN MANY DIFFERENT CONFIGURATIONS, INCLUDING



POP DISPLAYS

What creative design and printing advantage are you looking for?

California Box has customized packaging solutions for litho label laminated, printed boxes and point-of-purchase displays.

We have two computerized state of the art Automatan laminators at our Southern California facilities. They laminate full sheets or spot mount the label onto rigid Elite board® that has almost no Hi-Low spots or warp. The patented technology produce the strongest and flattest sheets which will provide you with better protection and self appeal. Visit any of our facilities and see over \$5 million of the following technology producing POP displays,

- 65 x 118 flat die cutter-one of the largest in the U.S.
- · Cad-cam tables and in house designers providing solutions
- 80" x 120" Max Board size Litho Laminator max label size 82" x 65"
- J&L specialty folder gluers to run Litho die cuts
- · 2-Bobst Flat die cutters with stripping jig
- · 5 color flexo press
- ISO 9001/2008 certified
- Laser cutting machine to produce die boards quickly and accurately



www.calbox.com

SPECIALTY GLUED BOXES

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To Our Customers

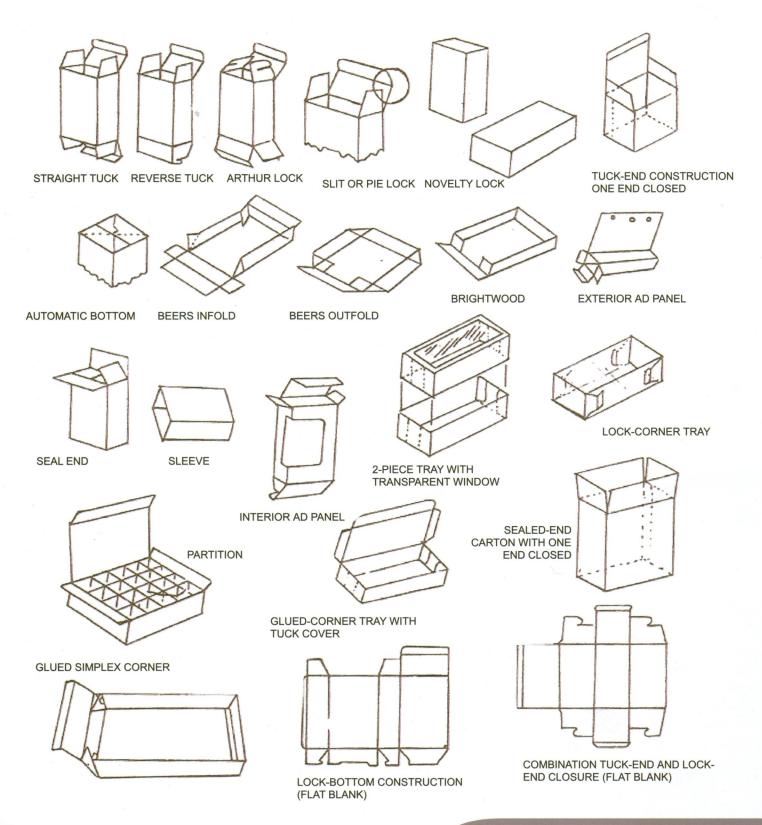
The die cut box styles run at high speeds on our specialty folder gluers located in Rancho Cucamonga and Santa Fe Springs will save your customers time and money when packing our boxes, trays or assembling displays. One style of box is a four-corner tray, which is used in the beverage and garment industries. The four-corner tray is similar to a DST with the advantage of the sides being automatically glued at any of four facilities. No need for your end-user to glue or stitch them together. Another style would be an auto bottom box, which is used in the electronics and food industries. This style is similar to an RSC with one exception. There is no need to tape the bottom of the box once it arrives at your customer's facility. It is ready to pack once it leaves our plant. Another example of adding value would be to convert long five panel folders into tubes.

These are just a few examples that will differentiate you from your competition, bring value to your customer, and cut costs. Boxes with one-piece dividers or specialty glued counter displays are but a few designs that we can do better than anyone else in our market. Why? We have invested millions of dollars in this production process. The added value should help you retain current business and secure new business.

Our quality printed boxes use <u>Elite board</u>. It comes from virgin liners, which will allow the box to fold better with no cracked scores, as well as giving the box <u>30 to 50% more strength</u> where it is glued. The extra quality will insure that our auto bottoms and trays will not require additional taping and labor because the joined box should not come apart and meet or beat your customers expectations.



CAL BOX CORRUGATED BOX STYLES





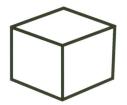
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GLUED BOXES

REMINDER IN 2004



CALIFORNIA BOX

is competitive

BIG BOX
BISINESS

"We now have the tools that our competition does not and we are using technology to add value and drive out cost for our customers."

Joe Yocam

Quality Assurance Mgr.

1 – 86" x 185" 1 Color Flexo Press (Max sheet 98 x 185)

1 - 86" x 210" 2 Color Flexo Press with auto feed (Max sheet 98 X 210)

2 – 66" x 130 3 Color Computerized Flexo Press with in line Rotary Die Cutter with auto feed, etc.

1- 66" x 140 3 Color Computerized Flexo folder gluer with in line Rotary Die Cutter and auto feed, etc.

1 - 98" State of the art Corrugator to make our own sheets.



CALL NOW

CBC GROUP

To our Customers, Employees and Suppliers: Our Mission: On Time with Quality – No Excuses.

CalBox believes the California market is starting to level out due to the new plant capacities. At present and in the near future the selling of corrugated boxes is generally a "zero sum game". One plant's gain is another plant's loss.

Now being a low cost producer, our service and quality will allow you to remain competitive. We realize that a percentage of corrugated business, especially long runs, is sold and bought on a supplier/client relationship. Loyalty will be forgotten by many. Because there will again be great competition for orders, we advise our customers in these times to be careful in placing orders with other sheet and box plants, as 95% have their own sales force. Their computers will later remember every order you place, especially when used by their hungry salespeople at your expense!

As we stated in the past, our mission has been, and remains, to be the most successful West Coast Box plants in the business. We will provide the fastest, most reliable service and quality, selling only to brokers, jobbers, distributors and other box plants. We have no sales force in California.

We also stated our **FIVE CORPORATE STRATEGIES** to accomplish this objective:

1. Our **FIRST STRATEGY** is to spend more time on training and to hire and develop the highest quality people. CBC Group's success is the result of the consistent high quality of our people. We are determined to live up to our existing standards and to improve on others. To that end, we employ Gino Farvero as our Production Manager at **California Box I**. Gino has 30 years of corrugated experience, specializing in JIT and quality printing. He is assisted by 5 supervisors. At **California Box II** we have Christian Widera as General Manager and Bob Howard as a Plant Manager. In our **Tucson Facility** we have Andy Monfred, Sales Manger, and Paul Hartsburg in charge of the Kino division.

At our **West Texas Sheet Plant**, that sells to brokers, Rosa Rivera is in charge of the office and Jose Mendera is the Plant Manger.

- 2. Our **SECOND STRATEGY** is to protect and build our market niche. After our people, **our reputation for quick, reliable service and delivery is our most valuable asset.** To that end, from 1994 to 2007, we invested over \$30 million.
- 3. Our **THIRD STRATEGY** is to develop a mutually profitable quality business relationship with our customers and suppliers through safety, attitude, quality products, speciality boxes and strategic alliances.

We recognize that increased volume does not necessarily mean more profit, it might just bring more overhead. Therefore, the purpose of our expansion is to become better, not bigger.

Though our plants are individual profit centers, they do cooperate with each other. In addition, we have ownership interests in one of the largest Texas sheet plants and alliances with sheet plants and suppliers throughout the United States and Europe.

Our modern plants, in Tucson and in Rancho Cucamonga, are called by some "The Country Club". They have new state-of-the-art die cutters, flexo folder/gluers and laminators.

CBC Group is ISO 9001-2000 certified. All the lean improvements and housekeeping emphasize to us a commitment to quality in everything we do. We have upgraded our presses and the quality of printing today is very impressive. Our reject rate of custom orders is less than 1/4% of all sales.

Our service reputation for doing the impossible for our customers is still there. 24 to 48 hour turnaround time on orders is very common. We installed two speciality folder gluers, the largest of their kind on the West Coast. The 150" folder/gluer allows us to run folding carton designed style boxes but in corrugated. Die cut type boxes that normally jam up a flexo folder/gluer can now run up to 18,000 pieces per hour — nearly 10 times faster than a typer/gluer used by most sheet plants.

- 4. Our **FOURTH STRATEGY** is to maximize productivity throughout the entire company. These savings will be passe to our customers so that both of us will be more competitive. We produce with our \$10-million 98" corrugator over 40-million sq.ft. of board every month between our two California plants. This purchasing power with the new plant efficiencies should give you some very competitive prices not possible a few years ago.
- 5. Our **FIFTH AND FINAL STRATEGY** is to practice total quality management in every aspect of our operations and make it an integral part of our corporate culture. For example, all purchases (which total about 70% of sales) will be reviewed as to quality, service and price. There will be audits on all purchases received to insure a commitment to quality in all that we do in our organization.



Cal Box I
CB Sheets
Cal Box II
Tucson Container
Kino Packaging
Kino Foam
Kino Crating
West Texas Co.
Action Box Co.
Warehouses
in Mexico (3)
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