



THE VOICE OF FPA MEMBERSHIP



By James E. Love, III
FPA Chairman
Vice President,
International Business,
Printpack Inc.

On behalf of the FPA Board of Directors, I would like to thank our members for their continued support of the Flexible Packaging Association. Many industry trade associations have been faced with declining membership and significant financial strain over the last several years. These conditions have become even more acute with the severe economic challenges most industries have faced during the last 12 to 18 months.

In that context, we are encouraged by the stable and continuing support our Association receives from a broad spectrum of industry participants, and we're also pleased with the attendance at our 2009 FPA Annual Meeting in Orlando. The general feedback we received on the venue, the programs and the activities was both positive and enthusiastic, confirming again that the Annual Meeting provides a unique and ideal setting for the combination of relevant business programs with plenty of social networking for members and their spouses.

The FPA depends on the input of its members in the direction, planning and implementation of FPA events, and we will continue to solicit your suggestions and recommendations that help us keep pace with changing times, effectively identify the major issues our industry faces and address the changing needs and desires of our members.

In that respect, we recently surveyed members and asked how potential changes to the format of the Annual Meeting might affect their attendance to and support of next year's meeting. We are appreciative that we received responses from nearly 90 members of the Association, representing a response rate of more than 30%. We also were particularly pleased that most members indicated that they would strongly support any of the four meeting options proposed.

The 2010 Annual Meeting agenda and programs are still being planned, but based on this feedback, the 2010 meeting will retain its historic three-day pattern. This will include the Achievement Awards Dinner on Wednesday night, two half-day General Sessions on Thursday and Friday morning, and the Annual Meeting Dinner on Friday night. Mark your calendar now for the 2010 FPA Annual Meeting, which will be held March 10-12 at the Waldorf Astoria in Orlando, Florida.

The Value of FPA Membership

When I speak with participants in our industry, whether converters or suppliers, about the value of FPA membership, it is easy to list numerous

FPA activities and programs that are unique and available only to members. However, the fact is many of the activities undertaken by the FPA ultimately benefit all industry participants, whether members or not. For Printpack, having been a member of FPA for more than 50 years, we view FPA membership as something akin to a voluntary tax: It is something we feel we owe to the industry on which we rely for our future business opportunities. We believe the dues we pay represent a small price to pay compared to the valuable return we receive.

FPA actively provides numerous opportunities for members to get involved and directly benefit from their membership. In addition to hosting its Annual Meeting, FPA conducts several meetings and conferences throughout the year, including the Fall Executive Conference and the Environmental Summit and Safety Conference. These events provide FPA members with an ideal platform to interact face-to-face and to exchange ideas, information and best practices.

Through our Business and Economic Research activities, FPA issues financial benchmarking surveys and reports that provide important economic data for industry investors and Wall Street.

In addition, through our Marketing and Communications activities, FPA conducts insightful market research that proactively educates and communicates the positive and sustainable benefits of flexible packaging, thereby promoting the value of flexible packaging and identifying new opportunities for product innovation and market growth.

Most importantly, FPA has for many years maintained an active and



influential Government Relations program that represents our industry interests and seeks to prevent unnecessary regulatory intervention that could have adverse consequences on our use of various materials and processes. We believe that compared to other packaging formats in use today, the packaging products that we manufacture consume the least relative amount of natural resources, utilize the lowest cost materials and provide a sustainable packaging alternative that has the least environmental impact. In an economic and political environment

where “less is more,” flexible packaging is a standout winner. However, we must be proactive in making sure that the relative benefits of our products are

We welcome and urge you to offer your involvement and support.

recognized, and the efficiency of our materials and our processes are properly and accurately represented in government and the media.

All of these activities and functions, while coordinated and facilitated by a

capable, dedicated and hard-working staff, rely on the involvement of our members to help set the priorities and direct and implement the initiatives, and we welcome and urge you to offer your involvement and support.

Again, thank you for your continued participation and support. I look forward to seeing you at the 2010 FPA Annual Meeting and at other FPA events. To learn more about FPA events and programs, please contact the Association at 410-694-0800 or visit the FPA website at www.flexpack.org. ■

ASSOCIATION ACTIVITIES UPDATE

FPA Participates In Industry Coalition on 'Ban on Poisonous Additives Act of 2009'

The Flexible Packaging Association recently participated in the Food Packaging Industry Coalition meeting to discuss industry strategy on proposed legislation entitled “Ban Poisonous Additives Act of 2009.”

The primary purpose of the Ban Poisonous Additives Act of 2009 is to restrict the use of bisphenol-A (BPA) in all food and beverage containers. In addition, the Act would establish a precautionary approach to food-contact substances, including packaging, and place significant restrictions on new, and possibly existing, food-contact materials that do not contain BPA.

The legislation has been introduced in the U.S. Senate (S. 593) and the U.S. House of Representatives (H.R. 1523). The proposed legislation, if passed, would have a significantly detrimental affect on the regulation of food-contact materials in the United States.

As a member of the Coalition, FPA is actively monitoring the progress of the legislation and working to ensure that government officials are aware of industry concerns and significant issues with the proposed Act.

The proposed Act amends Section 409 (h) of the Federal Food, Drug, and Cosmetic Act, which authorizes the Food Contact Notification (FCN) Program. Since 2000, the FCN program has been the main vehicle for the clearance of new food-contact substances.

The proposed legislation may also mandate the submission of FCN for all food-contact substances including any additives and materials that currently do not require a FCN or are subject to food additive regulation. Additionally, the proposed legislation requires a determination that no adverse health effects result from low-dose exposure to food-contact substances. This provision would create an enormous burden on the Food and Drug Administration (FDA)

and the packaging industry.

Another provision within the proposed legislation requires a determination that a substance has been found not to cause reproductive or developmental toxicity in humans or animals. This provision might eliminate the use of a large number of substances that are safe when used as intended. The proposed legislation also requires the U.S. FDA to conduct a review of all generally recognized as safe (GRAS) substances and take appropriate action including banning the substance if scientific evidence supports it.

The Coalition meeting was held at The Society of the Plastics Industry (SPI) headquarters in Washington, D.C. The meeting included a presentation from the law firm of Keller and Heckman LLP, which has a strong practice in packaging law.

For more information, contact Ram Singhal, vice president, Technology and Environmental Strategy, at rsinghal@flexpack.org or 410-694-0823. ▶

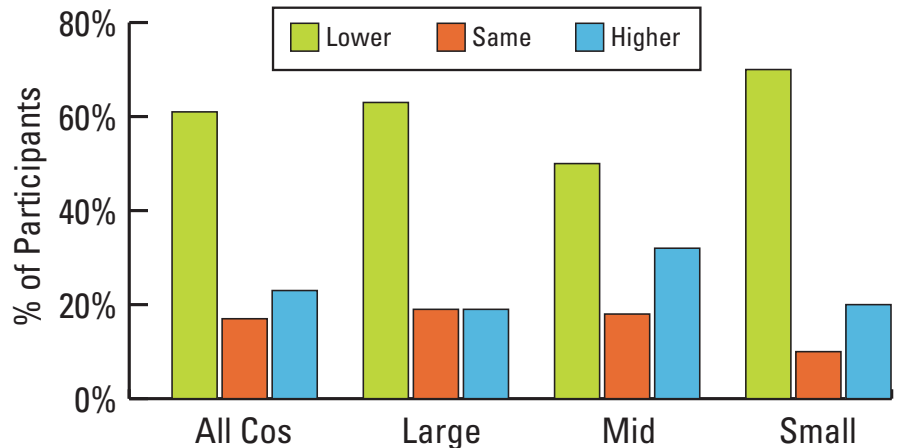


FPA Publishes Fourth Quarter Pulse of the Industry Report

The most recent in a series of FPA financial and economic reports examining the performance of the flexible packaging industry, the *FPA Fourth Quarter Pulse of the Industry Report* provides a short-term comparison of industry activity during 4th quarter 2008 versus 3rd quarter 2008 and 4th quarter 2007.

Information and data available within the *FPA Fourth Quarter Pulse of the Industry Report* is gathered through the Fourth Quarter Pulse of the Industry survey, which assesses business activity and performance for net sales, volume, profitability, inventory levels, capital spending and capacity utilization.

FLEX PKG NET SALES 4Q '08 vs 3Q '08



Information was also gathered on sales performance and volume/output expectations for 1st quarter 2009 versus the previous period (4th quarter

2008). Thirty-three FPA converter member companies participated in the Fourth Quarter Pulse of the Industry survey, representing a 63%



Custom
ENGINEERED FILMS
Improve Productivity

Custom engineered films used in many applications including flexible packaging is one of the most exciting and demanding markets in the plastics industry today. Our engineers know how to produce films with the right balance of performance characteristics needed for innovative packaging and maximum machine runnability.

For specialized polyethylene monolayer and up to 7-layer coextruded barrier films, turn to Danafilms.

DANAFILMS
THE ART OF BLOWN FILM

Massachusetts
Kentucky

danafilms.com
800.634.8289



Upcoming FPA Events



Mark your calendars for these upcoming FPA events!

2009 FPA Fall Executive Conference

Sept. 24, 2009
The Ritz Carlton Hotel
Chicago, Ill.

2010 FPA Flexible Packaging Achievement Awards

Entry Deadline: Nov. 23, 2009
FPA Headquarters
Linthicum, Md.

2010 FPA's Student Flexible Packaging Design Challenge

Concept Outline: Oct. 2, 2009
Prototype Deadline: Nov 23, 2009
FPA Headquarters
Linthicum, Md.

2010 FPA Safety Conference

Feb. 10, 2010
TradeWinds Grand Resort
St. Petersburg Beach, Fla.

2010 FPA Environmental Summit

Feb. 11-12, 2010
TradeWinds Grand Resort
St. Petersburg Beach, Fla.

2010 FPA Annual Meeting

March 10-12, 2010
Waldorf Astoria Orlando
Orlando, Fla.

participation rate and estimated annual revenue of approximately \$9.1 billion (35% of flexible packaging industry sales). The survey respondents include a broad cross section of companies within the flexible packaging industry, including small (below \$25 million in annual revenue), mid-sized (\$25 to \$100 million in annual revenue) and large (above \$100 million in annual revenue) flexible packaging converters.

The *FPA Fourth Quarter Pulse of the Industry Report* revealed that 61% of survey participants reported lower net sales for 4th quarter 2008 (versus 3rd quarter 2008). Twenty-four percent reported higher sales and 15% reported no change.

The *FPA Fourth Quarter Pulse of the Industry Report* is a benefit of FPA membership. For more information, contact FPA at 410-694-0800 or visit the FPA website, www.flexpack.org.

FPA to Release 2009 State of the Industry Report

FPA is preparing to release its *2009 State of the Industry Report*. The Report is a key source of financial and economic information about the flexible packaging industry, which is relied upon by the industry, Wall Street and the investment community. Data on industry growth, mergers and acquisitions, the U.S. and global flexible packaging industries, imports and exports, key issues and drivers, and profitability trends are all provided in the report.

The *State of the Industry Report* is a definitive source of industry information for anyone involved in

converting, supplying, purchasing, tracking or reporting on the flexible packaging industry. The *State of the Industry Report* is one of the FPA's most popular publications due to the information provided on industry size and structure, and key market and packaging segments.

The *2009 State of the Industry Report* is a benefit of FPA membership. The Report is also available to FPA non-members for \$3,500. For more information, contact FPA at 410-694-0800 or visit the FPA website at www.flexpack.org.

Financial Benchmarking Reports

FPA has collected statistics, analyzed and interpreted economic data, and produced reports on financial ratios, industry compensation and earnings since 1950. FPA publishes several financial benchmarking reports that include industry-specific, financial and economic data, including the *Earnings Report*, *Compensation Report*, *Pulse of the Industry Report* and *Operating Ratios Report*.

Information included within these reports is supplied by FPA members. Their participation in economic and financial surveys, conducted by FPA, clarify and verify existing information, while simultaneously adding new and valuable information and data to these key financial and economic reports.

For more information on FPA financial benchmarking reports, contact Bob Zaborowski, director, Business and Economic Research, at 410-694-0800 or bzaborowski@flexpack.org.