

Sigma Buys Cast Film Producer Filmtech

ALLENTOWN, PA. (Sept. 2, 2:10 p.m. EDT) -- Film giant Sigma Plastics Group has gained a foothold in markets for diaper film and medical disposables by purchasing Filmtech Corp., a producer of embossed cast film in Allentown.

"This is a business that I'm not in and it has the potential to grow," said Alfred Teo, Sigma's chairman and chief executive officer. He called Filmtech "a good company with a good product and reputation."

Sigma of Lyndhurst, N.J., announced the latest acquisition Sept. 1. Teo declined to say how much Sigma paid for Filmtech, which employs 50 and runs six cast film lines in a 100,000-square-foot plant.

Each year the plant ships more than 15 million pounds of polyethylene and polypropylene film products.

Filmtech makes monolayer and multilayer film, and does embossing and laminating, according to Teo.

Earl Jaskol, a Filmtech founder, will continue as president. The other founder, Ralph Jiorle, remains as vice president of sales. They started the company in 1985.

Filmtech's disposable medical products include hospital bed liners and material for surgical gowns and gloves. The company also makes industrial and consumer products, such as food packaging.

The acquisition brings Sigma's total factory count to 32 in the United States and Canada. The group consumes more than a billion pounds of PE resin a year.

In last year's Plastics News ranking of film and sheet makers, Sigma was the seventh-largest producer in North America, with \$935 million in sales from film and sheet. But Teo said acquisitions since then will boost his company higher.

Sigma purchased two bag-making companies last fall: Republic Bag Inc. of Houston and Target Plastics Co. Inc. of Corona, Calif. Sigma also picked up the assets, including three blown film lines, of Mid-Atlantic Bag Inc., which had closed its plant in Thorofare, N.J.

Earlier this year, Sigma bought a bag and film factory in Jacksonville, Fla., from PCL Packaging Corp., to expand its strength in the Southeast.

"The last six or seven months, we have been growing," Teo said. In addition to its string of acquisitions, Sigma has opened a stretch film plant in Riverside, Calif., with five new blown film lines.

Although the stretch film market has suffered from too much capacity, Teo said Sigma knows the ropes.

"There's always overcapacity," Teo said. "But my business model is, I always try to be a low-cost producer, more efficient, new machinery, hands-on management.

"I can compete with anybody," he said.

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