



News Release

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Creation Technologies Plans Expansion

U.S. push continues despite broken merger and industry strains

Vancouver BC – Written by Michel Comte for Business in Vancouver – A failed merger with local competitor AimGlobal Technologies Company Inc. six months ago hasn't spoiled **Creation Technologies Inc.'s** expansion plans.

Nor did a weak North American market for electronic manufacturing services during the past year. Rather, the Burnaby-based company has emerged as the biggest in Canada and is now looking to new markets in the U.S. to beef up even further.

"We're just crunching numbers now, but in general terms, we expect double-digit growth over the next two years," said chief operating officer **Arthur Tymos**.

Creation bought a manufacturing plant in Mississauga, Ont. from AimGlobal at the end of 2001 for \$4.5 million after walking away from a deal to merge with its competitor.

The plant doubles Creation's manufacturing capacity in the east. More recently, it opened new sales offices in Chicago and New York to pitch new customers in the central and north-east US.

And, it is starting to target a broader market for its contract manufacturing services, expanding on its core wireless and industrial capabilities into more instrumentation and medical diagnostic equipment, said Tymos.

Jeff Rath, and analyst with **Canaccord Capital Corp.** in Toronto, said most companies in this sector fell on hard times during the past year, burdened with high debt and by falling sales. Many are in receivership. Others such as B.C.-based AimGlobal and Alberta's Electronic Manufacturing Group are in financial distress, he said.

"In this business, you're tied so close to customers that if they run into trouble, you get into trouble," Rath said.

Creation escaped falling into that trap by keeping its debt reasonably low and limiting its exposure to its customers, he said.

"What doesn't kill you, makes you stronger," he said.

Now, demand for electronic manufacturing is starting to pick up, he said.

As part of the proposed merger with AimGlobal, Creation was supposed to make a “significant investment” in AimGlobal, said Tymos. Part of that money will be used for its’ southward expansion; the rest will be used for another possible acquisition or merger, he said.

Creation has about 525 employees and reported revenues of \$113 million last year. It has posted profits every year in the past 11 years, said Tymos.

It has about 25 customers in Canada and six in the U.S., including one new American customer, he said.

About Creation Technologies Inc.

Creation Technologies Inc. is a global top 100 Electronic Manufacturing Service (EMS) provider focused on manufacturing complex electronics for businesses in the wireless telecommunication, medical, industrial controls, transportation and instrumentation markets. The company provides start to finish manufacturing solutions from design support and new product development to final assembly, packaging and product distribution. Creation Technologies' strong financial management, employee ownership philosophy and commitment to investing in its capabilities, have created a highly stable partner for OEMs.

Creation Technologies' full year-revenue for 2002 was \$83 million (year ending May 31, 2002) and the company has a track record of profitable growth in each of its 11 years in business. The company is 100 per cent employee owned, with plants in British Columbia and Ontario. More information about Creation Technologies is available at www.creationtech.com.

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