



News Release

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Creation Technologies Plans U.S. Expansion

Opportunities still exist in U.S. Market

Vancouver BC –Written by Claire Serant for Electronic Business News – While many major contract manufacturers are expanding their operations into low-cost regions like Asia, Canada's Creation Technologies Inc. plans to further penetrate an underserved portion of the U.S. market.

North American OEMs producing medium-volume, high-mix products are searching for EMS providers close to home, said David Pettigrew, vice president of sales at Creation, Vancouver, British Columbia.

"Some OEMs want to be within 300 to 400 miles of their EMS partner," Pettigrew said. "Regional contractors can provide the hand-holding that major contractors are unable to do."

The regional approach is a winning formula for the 11-year-old company, which has 35 customers, nine of them in the United States. Creation provides turnkey manufacturing services for OEMs in the communications, industrial and transportation sectors.

Last year the EMS provider reported sales totaling \$64 million. This year, Creation, which has two plants each in Mississauga and Vancouver, hopes to reach \$72 million in sales, mostly from industrial controls.

"We never wanted to manufacture offshore," Pettigrew said. "Our customers want high-quality service for engineering and box-build-level assemblies close to home."

"We'd like to further develop our presence near the Great Lakes, New England, or in the Northwest," he added. "We're in talks with OEMs and EMS companies about acquisitions or mergers in the U.S."

With the economic downturn taking its toll on OEMs and EMS companies, Creation will most likely have a number of interested parties, according to Shawn Severson, an analyst at Raymond James & Associates Inc., St. Petersburg, Fla.

Several North American OEMs are interested in selling plants as part of outsourcing agreements. And many struggling mid-size and third-tier EMS providers are also prime candidates for Creation's stateside expansion, Severson 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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