

## 25

## Notable Processors 2007

## Deck

**1. Ajedium Film Group LLC**

After a business plan to create a company focused on high-temperature films was approved, the most pressing need for the startup was a name. "We wanted a word that did not exist. We wanted it to start with an A., sound Latin – or at least unique – and be pronounceable to people all over the world," explains Kathie Cerchio. When a Google search revealed no hits, Ajedium Film Group LLC (Newark, DE) was born, borrowing from the names of the startup's financial backers, Al and Rick Giacco (including Al's late wife Edith), as well as "um", the Greek letter Mu backwards, which is used as a unit of measure, especially in thin films the company specializes in, which go down to 5 µm.

Cerchio and Ajedium cofounder Pete Woloson have watched sales double every year since the firm began production on December 22, 2002 with a roll of 0.2 mm thick TPX polymethylpentene film and have fully paid back Al Giacco his seed money. "At 88 years old [Al] is still the inspiration and visionary he was at the start," Cerchio says.

Woloson, Cerchio, and the Giaccos came together at Empower Materials in 2000, which Al Giacco founded and son Rick ran as chairman and president.

The Giaccos bought into Woloson and Cerchio's plan for films focused on high-end materials like imides, ketones, sulfones, fluoropolymers, acetals, and urethanes, as well as styrenics and polyolefins.

Ajedium boosted production capacity 60% in December 2006 and added slitting and rewinding in January. Now, 13 employees manage two lines running five days a week with three shifts at the company's 30,000 square foot plant.

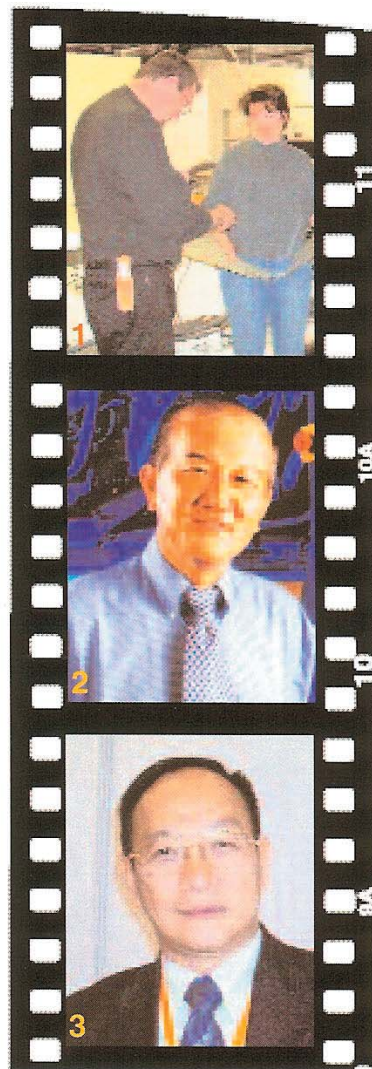
High performance resins like PEEK allow Ajedium to provide heat, chemical, UV, and flame resistance, but not without challenges and recognition. "We toll extrude for some of the largest and most well respected resin suppliers in the industry," Cerchio says, "because our capabilities allow us to make films thinner and with tighter tolerances than they can themselves."

**2. Poon Chuan Ang**

Bigger is better when it comes to LLDPE stretch film and Thong Guan Industries Berhad (Sungai Petani, Malaysia) is backing this belief with investments that it hopes will propel it into the top 10 producers globally for the film product by 2010, with a share of approximately 4%. Thong Guan managing director Poon Chuan Ang forecasts worldwide demand in 2010 for stretch film will be something like 3.2 million tonnes so these are indeed lofty ambitions. But already, the processor is well on the way to reaching its goal. The firm has 50,000 tonnes/yr of capacity in Malaysia, 30,000 tonnes/yr in Suzhou, China, and 8,000 tonnes/yr at a joint venture in Thailand in which it holds a 30% stake.

All of this is coming at a time when high resin costs are eating into the firm's margins but Ang says this presents a Catch 22 situation. "High raw-material prices mean we have to continue growing to reduce costs through economies of scale in order to remain competitive." Ang says another challenge for the firm is to identify niche end users where better prices can be commanded.

Thong Guan's presence in China will be one key to achieving its growth ambitions. "The Chinese economy is



more vibrant than ASEAN's and will remain that way for the next five years," says Ang. "We've now acquired enough 'know how-and-who' and are ready to move aggressively into the Mainland market, which is riskier but offers better returns." Thong Guan also makes gar-

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