

PRESS RELEASE

FOR IMMEDIATE RELEASE

Diversified Plastics Sold to Employees

(Minneapolis, MN – January 4, 2012) James Dow, founder, president and CEO of Diversified Plastics, Inc., has announced the sale of his company to his employees through an employee stock ownership plan (ESOP).

The employees took ownership on November 1, 2011, but Dow will remain as president. “The changeover has been smooth,” said Annette Lund, vice president. “We’re in the middle of a five-year plan and are continuing to follow those long-term goals. It is very important to us to have a seamless transition and maintain continuity for our customers as well as our employees.”

Diversified Plastics is a custom plastic injection molder specializing in high-precision components for medical devices, filtration, aerospace, and a variety of other industries. Dow and William J. Cullen founded the company in 1977. Cullen, who was already retired, is no longer active in the company. Diversified Plastics started production with 13 employees, three injection molding machines, and renting 2,300 square feet of manufacturing space. Today, the company has grown to more than 50 employees with a facility of 45,000 square feet. In 1984, Design Tool & Engineering, Inc. was added as a wholly owned subsidiary of Diversified Plastics to build and maintain all the company’s molds.

“Knowing that someday I would eventually retire and have to sell the company, the most obvious direction would have been to sell to an outside organization,” said Dow. “But, I found that prospective buyers had no desire in continuing the company, their only interest was our customer list and equipment. That meant, in all probability, our employees would be out of work. Setting up the ESOP was meant to prevent that from happening. Our employees are like family to me and who better to lead the new company forward than the people who helped make it what it is today.”

Eight years ago when he began planning for his eventual retirement, Dow attended an ESOP seminar to learn more about the program and his options. Working with the company chief financial officer, Roger Vang, they started exploring the possibilities of an ESOP strategy, but determined the company wasn't quite ready at that time. After a few more years of substantial growth, Dow revisited the ESOP idea and decided they were ready to move ahead in making Diversified Plastics an employee owned company.

To set up the ESOP and purchase the company from Dow, a trust, with company stock, was established in the name of the employees. "We automatically vested all the employees who were here at the start of our 2011 fiscal year," said Vang. "Going forward, any new people will be vested like a typical 401K vesting schedule and base salary will determine the trust assets distribution schedule."

About Diversified Plastics, Inc.

Diversified Plastics is a custom injection molder of high-precision, close tolerance, small- to medium-sized injection molded components for medical device, filtration, aerospace and a variety of other industrial markets. The 35-year-old company is a full-service injection molder, from design assistance and mold construction, to intricate molding and clean room assembly. Diversified Plastics is ISO 9001:2008 and 13485:2003 certified, and UL registered.

###

For more information, contact:

Annette Lund
Vice President
Diversified Plastics, Inc.
763.488.7103
alund@divplast.com