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**FOR IMMEDIATE RELEASE**

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## **CPAC Imaging to Combine U.S. Imaging Chemical Manufacturing**

**Leicester, NY...** May 28, 2003 -- CPAC, Inc., (Nasdaq: CPAK), a manufacturer and marketer with holdings in the Cleaning & Personal Care and Imaging industries, today announced plans to combine its St. Louis, Missouri-based Imaging chemical production facility into its Norcross, Georgia facility. This move is part of a cost-cutting program announced in February 2003.

Continued improvements in manufacturing efficiency, including a shift toward highly concentrated chemical formulations, have resulted in both plants operating with excess capacity. The decision was made to combine operations in order to reduce overhead costs by serving chemical customers from a single location. The Norcross plant was selected as the primary facility based on a number of factors, including the size of the facility and its potential to accommodate future growth, as well as the comparative costs of relocating and retooling.

The St. Louis facility manufactures chemistries used to develop photographic film and paper, and employs 26 people. Some employees will be offered relocation to Norcross. Others will receive a severance package and outplacement support. Manufacturing operations in St. Louis are expected to cease by September 2003 as production volume is absorbed into the Georgia plant. The estimated financial impacts of the move will be reflected in Fiscal 2004 results, and will be disclosed in CPAC, Inc.'s upcoming Q4 and FY '03 earnings announcement.

"We are creating in Norcross a single, efficient chemical manufacturing and distribution operation to serve all the Americas," said Brad A. Hendrickson, President of CPAC Imaging, Americas. "We will gain efficiencies by centralizing administrative, accounting, purchasing, and R&D functions and by reducing excess capacity domestically. This move ensures our customers an uninterrupted supply of products and services of the highest quality and value."

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## **CPAC Imaging 2-2-2**

Steven E. Baune, President CPAC Imaging, Worldwide, remarked, "This decision also reflects the ongoing weakness in the U.S. economy, and to a lesser extent a domestic market shift from traditional silver halide technologies in the Healthcare Imaging and Color Photographic industries. This plant closure is a bold move to accommodate these market forces while simultaneously focusing on expanding opportunities overseas."

Baune continued, "Closing a plant is an extremely difficult decision, one that requires long and careful consideration. This decision is in no way a reflection on the performance of our employees. We are extremely proud of the quality and dedication of this team of people. Now our goal must be to do all we can to assist them through this transition."

This move comes at a time when CPAC's Imaging business units are coming together under a unified global brand with a single international sales force, known collectively as CPAC Imaging, which is headquartered in Norcross. The Company is gaining increased recognition in global markets as an innovative and responsive single source supplier of silver halide products and services, on par with its major competitors.

Established in 1969, CPAC, Inc. (cpac.com) manages holdings in two industries. The CPAC Imaging segment manufactures innovative Imaging chemicals, equipment, and supplies on four continents, selling into more than one hundred countries through its global distribution network. The Fuller Brands segment manufactures commercial, industrial, and household cleaning products, as well as custom brushes and personal care lines. Products are sold under more than 350 registered trademarks. CPAC Stock is traded on the Nasdaq NMM under the symbol: CPAK.

*Except for the historical matters contained herein, statements in this press release are forward-looking and are made pursuant to the safe harbor provisions of the Securities Litigation Reform Act of 1995. Investors are cautioned that forward-looking statements involve risks and uncertainties, which may affect CPAC's business and prospects, including economic, competitive, governmental, technological and other factors discussed in CPAC's filings with the Securities and Exchange Commission.*

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