

NEWS RELEASE
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Pak-AI USA, Inc., Suffolk Facility Activated as a General Purpose Foreign Trade Zone

SUFFOLK, VA – October 5, 2004 - Pak-AI USA, Inc., announced today that the U.S. Department of Commerce has approved their application to operate as a General Purpose Foreign Trade Zone. Pak-AI USA is now designated as a secure area within the United States where foreign and domestic merchandise may be admitted without a formal Customs entry receipt or payment of Customs Duties.

Pak-AI's facility will be located within Foreign Trade Zone #20 which has been established by the Virginia Port Authority around the Hampton Roads region. This is one of the largest Foreign Trade Zones in the country. Pak-AI has activated 100,000 square-feet of their facility for warehousing, packaging and distribution services to serve their import and export customers at 215 Suburban Drive, just east of downtown Suffolk.

Ken Sanders, Director of Marketing at Pak-AI USA, stated "the key benefit of a Foreign Trade Zone location enables us to strengthen our customer's market position by increasing their operating flexibility and providing cost saving benefits."

Over the past 14 years, Pak-AI, USA has dedicated itself to providing innovative and cost effective contract packaging and labor services. They have the ability to handle merchandise in many ways including storing, inspecting, reworking, assembling, relabeling, and repackaging. Now, the imported merchandise handled by Pak-AI will not be assessed duties unless and until it enters U.S. commerce.

“I am glad that Pak-AI was approved as a Foreign Trade Zone location.” stated Suffolk Mayor Bobby Ralph, “They will be the first general purpose Foreign Trade Zone operation in Suffolk. This will certainly strengthen our ability to attract new business from the Port of Virginia.”

The Virginia Port Authority and Cornelia Steinert with Stellar Trade Support, Inc., assisted Pak-AI with the application and approval process from the U.S. Department of Commerce.

For more information on Pak-AI USA, Inc., visit their website @ www.pakalusa.com.

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