

Fortis buys Chihuahua plant from Nypro

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SOUTH BEND, IND. (Oct. 28, 4:55 p.m. ET) -- Fortis Plastics LLC is expanding its Mexican operations, using a subsidiary to purchase the operating assets of Nypro Inc's molding and assembly plant in Chihuahua.

The plant will be South Bend, Ind.-based Fortis' second in Mexico — it already has a plant in Ramos Arizpe.

"Our Ramos plant has been very successful. It has increased six-fold in the amount of revenue, [and] it has a run rate of over \$30 million. This gives us another platform in Mexico," said Fortis CEO Joseph Mallak, in an Oct. 28 telephone interview.

Mallak said the acquisition has already been completed and Fortis' FPG Mexico S. dR L de CV subsidiary has acquired Nypro's 100,000 square foot facility.

Fortis will employ about 140 people at the site.

Mallak is optimistic about growth possibilities in Mexico, and Fortis wants to build a diversified customer base that is not tied to any one industry.

Chihuahua provides Fortis with a Class 100,000 clean room for molding and assembly, as well as high-quality painting and decorating capabilities. Fortis wants to extend its current customer base of appliance, medical device, building products and furniture companies.

Mallak estimated that by 2010, the company's Mexican operations will account for about 30 percent of sales.

The combination of Ramos and Chihuahua will employ about 275 and offer clients the use of 105 molding machines ranging from 80-1,500 tons of clamping force. The clean room has seven all-electric machines and room for cell work including assembly.

Fortis acquired the Ramos Arizpe plant from Moll Industries Inc. in February.

Fortis was formed in 2008 when Monomoy Capital Partners combined operations that it had acquired from Leggett & Platt Inc. and Atlantis Plastics Inc. It currently operates a resin compounder and eight regional molding facilities.

Overall, Fortis has 950 employees. It also has facilities in Fort Smith, Ark; Carlyle, Ill.; Poplar Bluff, Mo.; South Bend, Ind.; Henderson, Ky; Jackson, Tenn.; and Houston.

Nypro spokesman Al Cotton said the Chihuahua plant did not fit into the Clinton, Mass.-based company's current plans.

"We are continuing to focus on healthcare, consumer and electronics, and packaging. It fits more closely with what they [Fortis] are trying to do," Cotton said.

He added that the sale will also give the Chihuahua plant an opportunity to grow. Nypro has 49 facilities in 16 countries and more than \$1.1 billion in annual sales.