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Interviews & News!

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Greystone Logistics Is A High-Growth Manufacturing And Leasing Company That Designs, Manufactures, Sells And Leases 100% Recycled Plastic Shipping Pallets To The Food And Beverage, Chemicals And Pharmaceuticals Industries



**Consumer Goods
Rubber & Plastics
(GLGI-OTC: BB)**

Greystone Logistics Inc.

**1613 East 15th Street
Tulsa, OK 74120
Phone: 918-583-7441**



**Warren F. Kruger
Chairman, President and CEO**

BIO:

Mr. Kruger was named President and CEO on January 10, 2003. He earned a Bachelor of Business Administration from the University of Oklahoma and an Executive MBA from Southern Methodist University. Mr. Kruger has over twenty-nine years experience in the financial services industry. In 1980, Mr. Kruger

co-founded MCM Group, which owned and controlled United Bank Services until 1996 when the firm was sold to a subsidiary of Cendant (CD-NYSE). He also owned and operated Century Ice, a manufacturer and distributor of ice products from 1996 to 1997, when Packaged Ice Corporation acquired Century ice in an industry rollup. Mr. Kruger is a director of privately held Yorktown Management & Financial Services, L.L.C. Yorktown is involved in investment banking, real estate, manufacturing, and energy endeavors.

Company Profile:

Greystone Logistics is a high growth manufacturing and leasing company that designs, manufactures, sells and leases high quality plastic pallets that provide logistical solutions needed by a wide range of industries such as the food and beverage, automotive, chemical, and pharmaceutical and consumer product industries. The technology in its injection molding equipment, proprietary blend of recycled petrochemical resins, and patented pallet designs allow production of high quality pallets more quickly and at a lower cost than competitors. The recycled plastic for its pallets helps control material costs while reducing environmental waste and provides cost advantages over users of virgin resin. In five years, Greystone has moved from the research and development phase to become the leading pallet manufacturer in the beer industry with over 3 million of their patented recycled plastic pallets delivered to major customers. In the next five years, the company intends to continue double-digit growth in sales in manufacturing and leasing and maximize shareholder value.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com**

CEOCFO: Mr. Kruger, what was your vision when you became CEO and where are you today?

Mr. Kruger: "Greystone is a high-growth manufacturing and leasing company that designs, manufactures sells and leases 100% recycled plastic shipping pallets that provide a wide range of logistical solutions for the food and beverage industries, chemicals and pharmaceuticals. The company uses proprietary technologies to produce high quality recycled plastic pallets at a lower cost than our competitors and that is our competitive edge out there. We brought a green and sustainable product to the marketplace that replaces traditional wood."

CEOCFO: How has the company changed under your leadership?

Mr. Kruger: "Five years ago we were a shell public company doing research and development for making plastic pallets. We knew that we were in the right industry and we had to develop from that point. The company has changed dramatically. We moved from Dallas to Iowa after buying a small manufacturer of plastic pallets. We proceeded to grow with Miller Brewing and now Coors Brewing is a new customer this year. We have also provided product to pharmaceutical companies such as Merck and Pfizer. We are the largest provider of recycled manufacturer in Canada. We believe that industry will continue to look for green products and we believe that part of the change that has occurred in the last five years will continue to compound as people look for solutions for replacing wood."

CEOCFO: Will you tell us more about the pallet industry?

Mr. Kruger: “The pallet industry is a \$6 billion a year industry. There are 600 million units going in and an average price of about \$10.00. In excess of 90% of these units are still wood. This huge industry is under most peoples’ radar screen and the general population does not focus on the fact that most products in America have to go from point A to point B and they have to be shipped on top of some kind of platform. Wood pallets generally need repair or replacement every third trip. We have some pallets that have been in the Miller Brewing system eight years comprising hundreds of trip cycles. Inherently they are much more cost efficient. At the end of a plastic pallets life the carcass can be ground up and made into another pallet because the resin is a commodity thus providing ongoing sustainability.”

CEOCFO: How do you increase your penetration in the beverage industry?

Mr. Kruger: “All beverage companies in the country not only ship product out, but they have to have product shipped in, including sugar, yeast, cans, and packaging materials. We believe that there is a huge opportunity for us to displace the wood that comes into the facilities with our plastic pallet and then manage or lease that pallet to suppliers. We believe that is important because all food and beverage industries are trying to get wood out of their manufacturing facilities because of issues that are associated with it. We believe there is a huge opportunity in the beverage sector for leasing or renting our pallets on a per trip basis.”

CEOCFO: Is renting something new, or what are the advantages?

Mr. Kruger: “A customer doesn’t have to invest the capital, and even though they may have an opportunity to buy a low-cost wood pallet to ship their pallet, many times they can lower the cost by just renting the platform rather than buying the platform. The two things that will

help the company are: one, lower the cost and two, they become a part of the environmental solution and not part of the problem. Where wood pallets may end up in a landfill, a plastic pallet can be economically sent one way, retrieved and brought back and used repeatedly. When one is damaged, we can throw it in our grinding equipment and manufacture a new pallet. It is win/win.

CEOCFO: Do you need to increase your manufacturing facilities as you grow your business?

Mr. Kruger: “We have two facilities located in Bettendorf, Iowa about 2 ½ hours west of Chicago. We have a 60,000 square foot manufacturing facility that is featured on our website. We also have a mirror facility, which is a 60,000 square

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foot facility for our recycling. In both of those facilities, we have room to expand. Our manufacturing capacity can actually triple in the current facilities so we feel good about the equipment and facilities we have to produce what our current demand and future growth.”

CEOCFO: Where do you see the company two or three years down the line?

Mr. Kruger: “Greystone Logistics is a very small public company and for our shareholders I am very motivated to perform for my shareholder base. We believe that means that we have to grow our company. I have publicly stated that we will be in excess of \$20 million this year and we need to move towards the \$50 million and beyond revenue size so that we can take advantage of being a public company. I believe that will happen in multiple ways, through organic growth,

acquisition, and through growth of our leasing.”

CEOCFO: What is the likelihood of companies replicating what you have done, and why will that not be a problem for you?

Mr. Kruger: “It is a very capital intensive industry that we are in. It is expensive to be in the plastic injection business that produces 40, 50 and 60-pound parts. There is limited equipment across the nation that has the capabilities to do those large plastic parts. If someone wanted to come in and replicate what we have developed, they had better bring 25 to \$30 million with them. We believe that will dissuade many from getting in the industry. The wooden pallet industry is unlikely to be looking to enter plastic pallet manufacturing. We think that because we utilize 100% recycled material, we have a cost advantage over many of our competitors, and we hope to continue to drive down the cost of our resin and continue to make us as competitive as possible. As in all industries, it will be competitive and there is money in it and so certainly competition will follow.”

CEOCFO: Why should potential investors be looking at the company now and what might they miss about Greystone Logistics?

Mr. Kruger: “I believe that the investing world should understand that America is changing its attitude towards recycling. Many of us want to be involved. Moving to a recycled plastic pallet is in fact contributing to being a part of that solution. We believe investors need to recognize we are still in our infancy, we were a start-up company, did research and development and we took over a public shell that had a huge tax loss carry forward. In the last two quarters we have had significant positive EBITDA. We believe that those customers that are interested in the logistics industry, recycling, and sustainability should look at the company.”