

# The Story Behind MAGNI's 10,000,000 Gallons Achievement



## 10 MILLION GALLONS AND COUNTING

The Magni Group Inc. will produce its 10-millionth gallon of coating in May of this year, and considering its humble beginnings, the accomplishment is a tremendous achievement.

Dave Berry, chairman of the Magni Group Inc., started a metal finishing company, Depor Industries, in Detroit in 1974. In the beginning, Depor had modest monthly sales, but a license agreement with Diamond Shamrock, an automotive chemical coating supplier, resulted in significant sales growth. Unfortunately in 1978, Diamond Shamrock licensed another local metal finisher, cutting Depor's business in half.



As a result, Dave decided to develop his own coatings and advised Diamond Shamrock. They laughed and said, "Dave, you got to do what you got to do." Dave did exactly what he said, and now the Magni Group Inc. is Diamond Shamrock's biggest competitor.

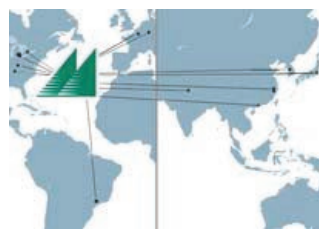


**MARKETS SERVED** During the 1980s, The Magni Group grew with the automotive industry by offering corrosion-resistant coatings that provide metal components with a longer service life and increased durability.

Now, in addition to its automotive customers, Magni serves the agricultural, construction, heavy truck, marine, military and off-highway markets worldwide with an excess of 100 different coating systems. The company's engineered coatings are custom-designed to meet the performance criteria of customers' fasteners, fuel and brake specifications and a range of other metal products by resisting the corrosive effects of heat, humidity, chemicals and bimetallic contact. Magni's coatings also can improve surface characteristics such as lubricity, conductivity and color.



**MAGNI'S GLOBAL RESOURCES** In support of the company's global customers and more than 100 applicators, Magni has 20 company-owned operations in North America, Japan, China, India, Europe and Brazil. To further support the Japanese and Indian markets, Magni will open new Technology Centers in both countries by 2012.



**CORPORATE STRENGTH** Moving from a humble beginning in Detroit to a global player occurred as a result of the vision of corporate management, the dedication of Magni researchers and the resourcefulness of the Magni sales force. Working as a cross-function team structure gives Magni a tremendous advantage in developing and speeding products to market.



### NEW MAGNI COATING SYSTEMS

The Magni Group's relationship with its customer base is unique because Magni continually offers product improvements as industry regulations change. One of the significant areas for Magni coatings is the North American Corporate Average Fuel Economy (CAFE) regulation, which impacts all vehicles.

When cars need to achieve 20 to 40 miles per gallon, auto companies need lighter cars. Lighter cars require thinner gauge steel and thinner coatings. Magni produces coatings that are a few thousandths of an inch thick. The coatings not only offer less weight, but improved corrosion resistance. Recent applications for these coating include vehicle engine cradles and chassis suspension control arms.

Another Magni program that is generating excitement is Magni's recent development of a "one-coat" zinc-rich system that meets all environmental regulations while offering superior corrosion protection in comparison to conventional electro-disposition zinc plating.



### FUTURE GROWTH

Since 1985, when the Magni Group had four companies, the business has rapidly expanded over the past quarter of century with growth in six continents coupled with the recent incorporation of Magni India. Future expansion includes pursuing opportunities in Eastern Europe and Southeast Asia. By combining new products with new markets, Dave Berry expects Magni's steady growth rate to continue. "We are going to celebrate our 10-millionth-gallon achievement with more than 400 global leaders and engineers at our Detroit facility, and that is great, but the pace is picking up," he says. "We expect to start producing 1 million gallons each year very soon. I'm excited to see how far this company goes."

