

## **Biodegradable bag firm looks to expand**

**By Dan Hockensmith**

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PLASTICS NEWS STAFF

NEW YORK (Oct. 14, 2:30 p.m. EDT) -- A year after he launched a biodegradable-bag marketing enterprise, New York-based designer Tony Tracy has been swept up by the green consumer revolution.

This summer, his company, Perf Go Green Holdings Inc., which was founded in November 2007, went public with an initial offering of more than 24 million shares.

On Oct. 6, the company said its 13-gallon kitchen trash bags and 30-gallon lawn and leaf bags were on shelves at more than 6,000 Walgreens stores in the United States. The same day, Perf Go Green announced an agreement with Sprouts Farmers Market to carry the green-tinted bags in its Southwestern U.S. stores.

Perf Go Green bags already had been sold in the Upper Midwest at Roundy's supermarkets and nationally at Albertsons grocers, as well as through drugstore.com, a Bellevue, Wash.-based online retailer.

Tracy is planning big: His next move will be into CVS drugstores and he's negotiating with Wal-Mart for shelf space. "Walgreen's has been reordering already, as are the other places we're in. Our bags are going into Canada. We want to sell our products overseas, including South America," Tracy said in an Oct. 9 telephone interview.

While he did not give sales figures, Tracy, a former actor who holds 15 patents for household products, said he is working with his converter, Spectrum Plastics Inc. of Cerritos, Calif., to develop new product lines beyond trash bags.

Spectrum President Benjamin Tran, who is on Perf Go Green's board, said in an Oct. 9 telephone interview that Perf Go Green's next expansion will be into pet waste bags and liners. Tran and Tracy, who've been acquaintances for about eight years, co-designed a trash bag dispensing system that's stored in the bottom of a trash can and dispenses bags one after another.

Perf Go Green bags are made at a factory in Malang, Indonesia, from low density polyethylene plus a proprietary additive that the companies say gives the bags a two-year shelf life and will make them completely break down in a landfill within two years. The bags are compliant with ASTM D6400 and the European Commission Packaging Directive, Tracy said.

Tran said Spectrum initially custom-built a blown film line in Indonesia for prototyping Perf Go Green bags. With the product's success, the facility has added two more lines. Tran said the plant is processing 160,000 pounds of LDPE monthly for Perf Go Green, but that could grow exponentially.

"If [Perf Go Green] picks up a contract with Wal-Mart like they're planning on, that volume's going to be pretty aggressive. So we have to be in a phase two in terms of an expansion to cope with the kind of growth they have coming down the line," Tran said.

In a Sept. 25 filing with the Securities and Exchange Commission, Perf Go Green noted its stock was trading at \$1.17 per share. By mid-October, that had fallen to about \$1 per share. Tran acknowledged the volatile stock market has tempered executives' initial enthusiasm about the green marketplace.

"I don't know if it's perfect timing. But [Perf Go Green has] done a lot of promoting the product and the response has been exciting," he said. "We want to take it slow; we don't want to go too crazy with it, but we want to be in the position that, if it gets real hot, we can produce enough product to cover everybody."

Company officials also are hopeful that Perf Go Green bags will get name recognition through sales to government agencies and nonprofits.

In August, the Community and Economic Development Association Inc. of Cook County, Ill., placed a \$15,000 order for 5,000 boxes of bags for energy conservation kits that will be distributed to low-income families in the Chicago area.

SoHo Partnership, a New York nonprofit that hires homeless people to clean a 30-block area in Manhattan, has been using Perf Go Green's 45-gallon bags since July.

"We're going in all different directions with the company," Tracy said. "We're working on a whole line of products, and it's very exciting for next year."

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