

International Barrier to focus on Alberta market

MANUFACTURER OF FIRE-RESISTANT BUILDING MATERIALS ACQUIRES CANADIAN CERTIFICATION

by Peter Caulfield

International Barrier Technology Inc. [IBH-TSXV; IBTGF-OTCBB], a Vancouver-based company that manufactures Pyrotite® fire-rated building products, recently acquired certification from Underwriters Laboratories of Canada. The organization's seal of approval will enable International Barrier to explore new market opportunities in Canada. Although Pyrotite products have passed UL tests in the United States, Canadian performance standards are slightly different, which made additional testing necessary.

In an announcement, Dr. Michael Huddy, President/CEO of International Barrier, said his company will focus initially on the Alberta segment of the Canadian fire-rated construction market before gradually expanding into the rest of Canada. "There are emerging market opportunities in Alberta, in particular in the [oil sands] areas," Huddy said "We were restricted from selling in Canada until we had Canadian certifications. The analogy is that Alberta is to Canada as California is to the United States in terms of fire code development. Both are taking the lead in their respective countries." Huddy said International Barrier is looking forward to pursuing new market opportunities in Canada and to becoming more familiar with Canadian construction codes. International Barrier develops, manufactures and markets proprietary fire retardant building materials that are branded as LP® FlameBlock® Fire-Rated OSB (oriented strand board) Sheathing (FlameBlock) and Mule-Hide FR Deck Panel (FR Deck Panel). The company owns patents on both the Pyrotite® technology and manufacturing

process technology.

International Barrier's fire-resistant wood panels use a non-toxic, non-combustible coating that releases water in the heat of fire. According to the company, its panels exceed model building code requirements in every targeted fire test and application. In addition, they combine properties that increase panel strength and minimize environmental and human impact.

"Barrier's family of products provides customers with a premium material choice [that meet] an increasingly [stringent] combination of requirements in residential and commercial building construction," Huddy said.

Huddy says International Barrier sells its products through two US-based distributors of building products: Mule-Hide Products Company, Inc. (Mule-Hide), with which it has an exclusive distribution agreement for sales to the commercial modular construction market; and LP® Building Products (LP), which has an exclusive agreement for sales to all other markets. International Barrier assists Mule-Hide and LP with sales and marketing.

Lynnwood, WA-based Vandermeer Forest Products Inc., which is a distributor for LP in the US Pacific Northwest, will be responsible for sales to Alberta. End users are hundreds of builders and specifying architects and dozens of modular construction companies. International Barrier received more good news in early 2011, when a three-year supply agreement with LP was ratified. The agreement extends the exclusive supply agreement with LP that was signed in January 2010 to the end of December 2013. Under the terms of the agreement, Barrier Technology Corp. (the US-based manufacturing arm of International Barrier) will continue to manufacture FlameBlock at the company's manufacturing facility near Minneapolis, MN.

FlameBlock was introduced to the building industry at the International Builder's Show in Las Vegas in January 2010. Huddy said both LP and Barrier were encouraged by their success in 2010 in building awareness and developing sales prospects for FlameBlock in the building industry.



International Barrier's plant in Watkins, Minnesota. Photo courtesy International Barrier Technology Inc.

Huddy said the companies are well positioned to help builders and building designers provide solutions for fire-rated construction now and in the future.

Pyrotite was developed in the 1980s by Dr. Hal Ellis, a chemist in Florida. A technology with many potential uses, Pyrotite was applied to forest products in the 1990s. Although International Barrier is a small company, including its manufacturing facility in Minnesota, (it has 18 full-time employees) it managed to weather the storm in the US residential housing market and is poised for growth.

"We think the slump in residential housing in the US has bottomed out and that the market will gradually recover," Huddy said. "And even if it's only slow growth, we expect to gain market share simply from being in business while many of our competitors have left the market."

Huddy says International Barrier has the capacity to sell between 40 and 50 million square feet per year.

International Barrier's strategy seems to be paying dividends. The company reported 28% growth in sales revenue and 57% growth in volume of shipments between 1 July 2010 and 31 December 2010. Revenue for the reporting period was \$1,756,507, compared to \$1,372,344 in the same period in 2009. Revenue from sales to the residential roof deck/wall assembly/structural insulated panels market increased 116%; revenue to the commercial modular market increased 19%. ■