

# Houston Recycler Avangard Innovative Still Growing

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HOUSTON (May 26, 9:10 a.m. ET) -- Avangard Innovative Ltd., a Houston recycling-services company, hopes to top \$200 million in sales this year, up from \$194 million in 2008, said its CEO, Rick Pérez.

"We're growing in client-volume terms and we're hoping to make some acquisitions this year," he said in a telephone interview. Sales in 2007 were \$152 million.

Pérez founded Innovative Commodities Group in Houston in 1991. In October 2006 he announced a merger between that company, a post-industrial recycler, and Avangard Industries Ltd., a Houston post-consumer recycler. The combined operations include 19 processing plants and serve customers in the U.S., Canada, Mexico, Central and South America, China and India.

Avangard recently opened a \$35 million bottle-to-bottle PET recycling plant in Toluca, Mexico. It operates the plant, called Petstar SA de CV, in partnership with Promotora Ambiental SAB de CV, a Mexican environmental-services company.

The plant will produce more than 48 million pounds of food-grade resin per year, largely for use by global soft drink and water bottlers operating in Mexico.

A native of Mexico City, Pérez, 38, moved to Houston with his parents and siblings when he was 10.

"My parents decided they wanted us to learn English. It was supposed to be for one year," he said. The temporary move gradually became permanent and the family settled in Texas.

Pérez graduated from the University of Houston in international business and took a sales job in plastic waste disposal before branching out on his own.

Today the group he heads employs about 1,500 and operates in 15 countries, including many in the Americas, China and India.

Working with about 100 customers, including large retail chains Wal-Mart, Soriana and HEV, and Mexican global baker Bimbo, Avangard buys 70-75 percent of the post-consumer plastic available in Mexico, he said.

About 12 percent of post-consumer plastic is recycled in Mexico. According to Pérez, the company's post-consumer division processes 198.4 million pounds of PET bottles from Mexico per year, while its industrial division handles grease and oil, among other items.

"Mexico is about 60 percent of our business," he said. "It's by far our biggest market on the post-consumer side."

The company employs about 650 full-time workers in the country.