

Wausau to invest \$31M at Middletown mill

"Middletown is our primary towel and tissue manufacturer. Towel and tissue is where the money is right now. As we increase total production, we need to increase our operations in Middletown," said Grueber.

By Ed Richter Staff Writer - Wednesday, December 19, 2007

A local paper towel manufacturer will be receiving a \$31 million capital investment to increase its toweling capacity.

According to a release issued by Wausau Paper Corp., based in Mosinee, Wis., its board of directors announced Wednesday the capital investment will increase the toweling capacity by 16,000 tons annually at its 700 Columbia Ave. mill that employs about 200 people.

The release from Wausau officials said "the rebuild, scheduled for completion in the first quarter of 2009, will utilize state-of-the-art technology to substantially improve the manufacturing capabilities and capacity, support future product introductions, and reduce manufacturing costs."

"We continue to be very pleased with the operating margins generated by our towel and tissue segment and this project reflects our commitment to reinvest in the business to drive profitable growth," said Thomas J. Howatt, Wausau Paper president and chief executive officer, according to the release.

"The capacity and product capabilities of this rebuild directly support our expectations for continued growth of our higher-margin value-added products ... and at the same time provide returns well in excess of our target return rate for major capital projects."

Bill Murphy, Middletown's economic development director, said the announcement was "great news" and called a "\$31 million Christmas present" for the city.

While Wausau also announced some plant closings in Wisconsin and Mississippi on Wednesday, Murphy said Middletown was "fortunate to be on the other end of the stick."

"We hope the plant will be a productive part of their (Wausau's) portfolio for many years to come," Murphy said.

He said the city and Wausau have been discussing possible expansions of the mill for the past three years. Murphy said his last contact to Wausau was within the past few weeks to see if the city could be of any assistance.

"We're going to do what we can to encourage reinvestment of our current businesses," he said. "But we're certainly pleased that by staying engaged with them that they have chosen to reinvest in Middletown."

Shares of Wausau Paper fell 31 cents to close at \$9.21 on Wednesday.

Wausau Paper reported record revenues of \$1.2 billion in fiscal 2006. It produces and markets fine printing and writing papers, technical specialty papers, and "away-from-home" towel and tissue products, according to its Web site.

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Wausau not adding jobs here

Company says its \$31 million investment will increase capacity and upgrade equipment.

By Jessica Lander-Heffner Staff Writer

Friday, December 21, 2007

MIDDLETOWN — Wausau Paper Corp., will be investing \$31 million in its facility in Middletown, but no new jobs will be brought to the city by the investment.

"At this point additional employment is not anticipated on a permanent basis. There will be different engineering firms associated with that investment in the mill, but no additional jobs will be added at the plant," said Perry Grueber, director of investor relations for the company.

The investment may not be bring jobs, but it is bringing some security to the region, said Bill Murphy, economic development director for Middletown.

"I think clearly the name of the game is employment and how we can increase employment in our community. However, as we have seen, it is important for manufacturing to remain competitive and that often means they don't expand their workforce," Murphy said.

The investment will be the second largest this year, according to Bill Triick, president of the Chamber of Commerce.

The largest, Atrium Medical Center, was \$195 million, Triick said.

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According to Grueber, part of the investment includes upgrading the main towel and tissue manufacturing machine, known as Number One.

"The process will take slightly more than a year to complete with all of the rebuilding activities. We expect to have full impact in the facility in early 2009," Grueber said.

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