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Cereplast Moving Most Operations to Indiana

By Deborah Crowe

Bio-plastics developer Cereplast Inc. said Tuesday that to cut costs it is relocating its research, development and manufacturing operations to its larger plant in Indiana. It is moving its corporate offices to a smaller facility in the Los Angeles area.

The Hawthorne company, which has signed a lease for a smaller space in El Segundo, said its decision to relocate most of its operations to Seymour, Ind. also is designed streamline operations and be more centrally located in the United States. Cereplast announced development of the new facility near Indianapolis in late 2007.

“The Indiana plant will allow us to drastically reduce our costs compared to California; from real estate to utilities, the savings will be across the

board,” said Chief Executive Frederic Scheer. The relocation is expected to take place in February.

Following downsizing during the recession, the company’s headcount fell from 70 to 24. Scheer said about 10 people will remain in the El Segundo office, with another 10 either relocating to Indiana or leaving the company. About 15 people are expected to staff the Indiana facility in the beginning.

The company, which has developed a process to convert algae into plastics as an alternative to petroleum-based packaging and disposables, last month closed a \$2.23 million private placement to accredited and institutional investors.

Cereplast shares were down less than 1 cent, or 2 percent, to 10 cents in the Over-the-Counter Bulletin Board.

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