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FOR IMMEDIATE RELEASE

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CPAC, Inc. Announces First Quarter FY '05 Results; Declares Dividend

LEICESTER, NY... August 11, 2004 – CPAC, Inc. (Nasdaq: CPAK) today reported first quarter results for the fiscal year beginning April 1, 2004. Also this morning, the Board of Directors declared a quarterly cash dividend in the amount of \$0.07 per share, payable on September 24, 2004 to shareholders of record at the close of business on August 27, 2004.

Q1 Consolidated Results

Net sales for the first quarter ended June 30, 2004 totaled \$22.1 million compared to \$23.2 million for the same quarter last year, a decrease of 5% (a 7% decrease excluding the impact of foreign currency exchange.)

First quarter net income was \$132,000 or \$0.03 per diluted share versus \$323,000 or \$0.07 per diluted share for the same period last year. Last year's results reflected an after tax charge of \$0.02 per diluted share related to the Imaging restructuring initiative.

Q1 Results and Highlights by Segment

Fuller Brands Segment

First quarter net sales in the Fuller Brands segment were \$14.0 million versus \$14.4 million last year. Operating profit for the period was \$835,000 compared with \$972,000 for the first quarter of fiscal 2004.

- Fuller Brush Company sales were up 13% versus prior year's first quarter, due primarily to the retail initiative and stronger sales via QVC television home shopping. Profits in the quarter improved by 4% over the same period in the prior year reflecting increased revenues.
- Cleaning Technologies Group (CTG) sales were off by 13% for the quarter, largely the result of a general softness in distribution sales. In addition, one of CTG's largest customers, Kmart, continues to reduce its store count as part of its restructuring effort.
- Stanley Home Products sales were down 11% based on the implementation of a new compensation program in one area of the country, and a reduced number of recruits overall. The recent Stanley National Sales Convention was the best attended in years, and featured the introduction of ten new products and a keynote

address by an executive of the Direct Selling Association.

Thomas N. Hendrickson, CPAC's President and CEO, stated, "In the Fuller Brands segment, we continue to invest in the Fuller Brush retail initiative and are in the process of hiring an advertising agency to help promote the historic Fuller brand in retail markets."

Imaging Segment

First quarter Imaging segment sales were \$8.1 million versus \$8.8 million last year, a drop of 8% (or 13% excluding the impact of foreign currency exchange.) Operating loss was \$(296,000) compared with a loss of \$(159,000) in last year's first quarter. Last year's quarter included \$180,000 of restructuring expenses related to the consolidation of the two domestic chemical manufacturing operations.

- Consolidated International sales, before the impact of currency exchange, were up by 4% while consolidated CPAC Imaging, Americas sales fell by 16%.
- CPAC Imaging is reengineering its award-winning Color Photographic formulations to meet the special requirements of digital printing. Two new products specifically designed to optimize prints produced on digital processors will be introduced in September at Photokina, the world's foremost Imaging trade show.
- CPAC Africa, the smallest of CPAC's international operations, saw its sales for the first quarter increase by 128% over the comparable period in FY 2004 due largely to increased medical x-ray chemical business.

Mr. Hendrickson remarked, "In keeping with our long term goals for cost reduction and increased efficiency in our U.S. Imaging operations, the consolidation of our two chemical manufacturing facilities is complete and fully expensed, and we have scheduled a late August closing date for the sale of the St. Louis facility. With the restructuring behind us, we have now engaged a consulting firm with Imaging expertise to help us more effectively compete in this evolving industry."

About CPAC, Inc.

Established in 1969, CPAC, Inc. (cpac.com) manages holdings in two industries. The Fuller Brands segment manufactures commercial, industrial, and household cleaning products, as well as custom brushes and personal care lines. The CPAC Imaging segment develops and markets innovative Imaging chemicals, equipment, and supplies at seven operations worldwide. Products are sold under more than 350 registered trademarks. Stock is traded under the symbol: CPAK.

Except for the historical matters contained herein, statements in this press release are forward-looking and are made pursuant to the safe harbor provisions of the Securities Litigation Reform Act of 1995. Investors are cautioned that forward-looking statements involve risks and uncertainties that may affect CPAC's business and prospects, including economic, competitive, governmental, technological, and other factors discussed in CPAC's filings with the Securities and Exchange Commission.

(Tables follow)

CPAC, Inc.
RESULTS OF OPERATIONS DATA
JUNE 30, 2004 and JUNE 30, 2003
(UNAUDITED)

	<u>Three months ended</u>		
	<u>2004</u>	<u>2003</u>	<u>% change</u>
Net sales:			
Fuller Brands	\$ 13,973,224	\$ 14,351,801	(2.6)
Imaging	<u>8,112,431</u>	<u>8,828,353</u>	(8.1)
Total sales:	<u>\$ 22,085,655</u>	<u>\$ 23,180,154</u>	(4.7)
Net income	<u>\$ 132,327</u>	<u>\$ 322,922</u>	(59.0)
Diluted net income per share	<u>\$ 0.03</u>	<u>\$ 0.07</u>	(59.1)
Diluted shares outstanding	4,958,830	4,947,012	0.2

SUPPLEMENTAL SEGMENT DATA
JUNE 30, 2004 and JUNE 30, 2003
(UNAUDITED)

Three months ended June, 2004

	FULLER BRANDS	IMAGING	COMBINED
Net sales	\$ 13,973,224	\$ 8,112,431	\$ 22,085,655
Cost of sales	<u>6,961,519</u>	<u>5,397,622</u>	<u>12,359,141</u>
Gross profits	7,011,705	2,714,809	9,726,514
Selling, administrative and engineering expenses	6,033,297	2,963,765	8,997,062
Research and development expense	<u>143,346</u>	<u>46,552</u>	<u>189,898</u>
Operating income (loss)	<u>\$ 835,062</u>	<u>\$ (295,508)</u>	539,554
Corporate expense			(26,951)
Interest expense, net			<u>(100,538)</u>
Income before non-operating expenses and income taxes			412,065
Non-operating expenses:			
Minority interests			(52,837)
Equity in loss of affiliate, net of impairment charge			<u>(127,901)</u>
			<u>(180,738)</u>
Income (loss) before income taxes			231,327
Income tax benefit			<u>99,000</u>
Net income			<u>\$ 132,327</u>

Three months ended June, 2003

	FULLER BRANDS	IMAGING	COMBINED
Net sales	\$ 14,351,801	\$ 8,828,353	\$ 23,180,154
Cost of sales	<u>7,183,797</u>	<u>5,494,609</u>	<u>12,678,406</u>
Gross profits	7,168,004	3,333,744	10,501,748
Selling, administrative and engineering expenses	6,054,969	3,285,771	9,340,740
Restructuring expenses		180,000	180,000
Research and development expense	<u>141,377</u>	<u>26,905</u>	<u>168,282</u>
Operating income	<u>\$ 971,658</u>	<u>\$ (158,932)</u>	\$ 812,726
Corporate expense			(44,578)
Interest expense, net			<u>(133,993)</u>
Income before non-operating expenses and income taxes			634,155
Non-operating expense:			
Minority interests			(52,819)
Equity in loss of affiliate			<u>(81,414)</u>
			<u>(134,233)</u>
Income before income taxes			499,922
Income tax expense			<u>177,000</u>
Net income			<u>\$ 322,922</u>

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