

Cott Beverages.



WATER & CSD SECTOR
Cott Beverages
Cott Corporation Group
Concordville, PA, USA
» Combined machine
SMIFLEXI CM 800 

- The private label improves its ranking

Not long ago it would have been hard to foresee private label products would help retail market survive the dim 2008/2009 economic scenario.

In the last couple of years the US private label market has grown significantly, even though the competition with national brands remains active.



Cott Beverages

and the “private label” phenomenon

■ Private label market has been expanding all over the world.

Also in the USA the importance of private labels has been growing significantly.

Although it has been slower to gain a foothold compared with European nations such as UK and Portugal, since 2003 the US private label market has expanded by almost 60%, compared with around 23% for the US retail food and drinks industry as a whole.

As a result, private labels now account for the 19% of the market value, up from less than 15% in 2003.

Such growth can be seen as a reaction to the economic downturn which hit the whole world, but especially the US.

On the other hand, retailers have increased the amount of brands offered, ranging from “premium” to “best price”, “core” and other products (such as bio, locals, kids).

As a consequence, retail industry profits have risen and private labels are increasingly present

in supermarkets and groceries.

In fact, private labels provide the price-conscious consumer with more convenient goods than the branded equivalents, without cutting on quality levels, and at the same time helping retailers recover healthy profits.



On top: Cott facility in Concordville covered with abundant snowfalls in the East Coast region

The success

of the North American multinational company



service, innovation and a deep understanding of consumers' trends. Cott Corporation, with production plants in the US, in Canada, in Mexico and in Europe, aims at being the best partner possible for its customers, offering a large portfolio of quality brands in order to meet the consumer's demand. This requires flexible and dynamic manufacturing capabilities: for this reason Cott investments in production process upgrades, purchasing

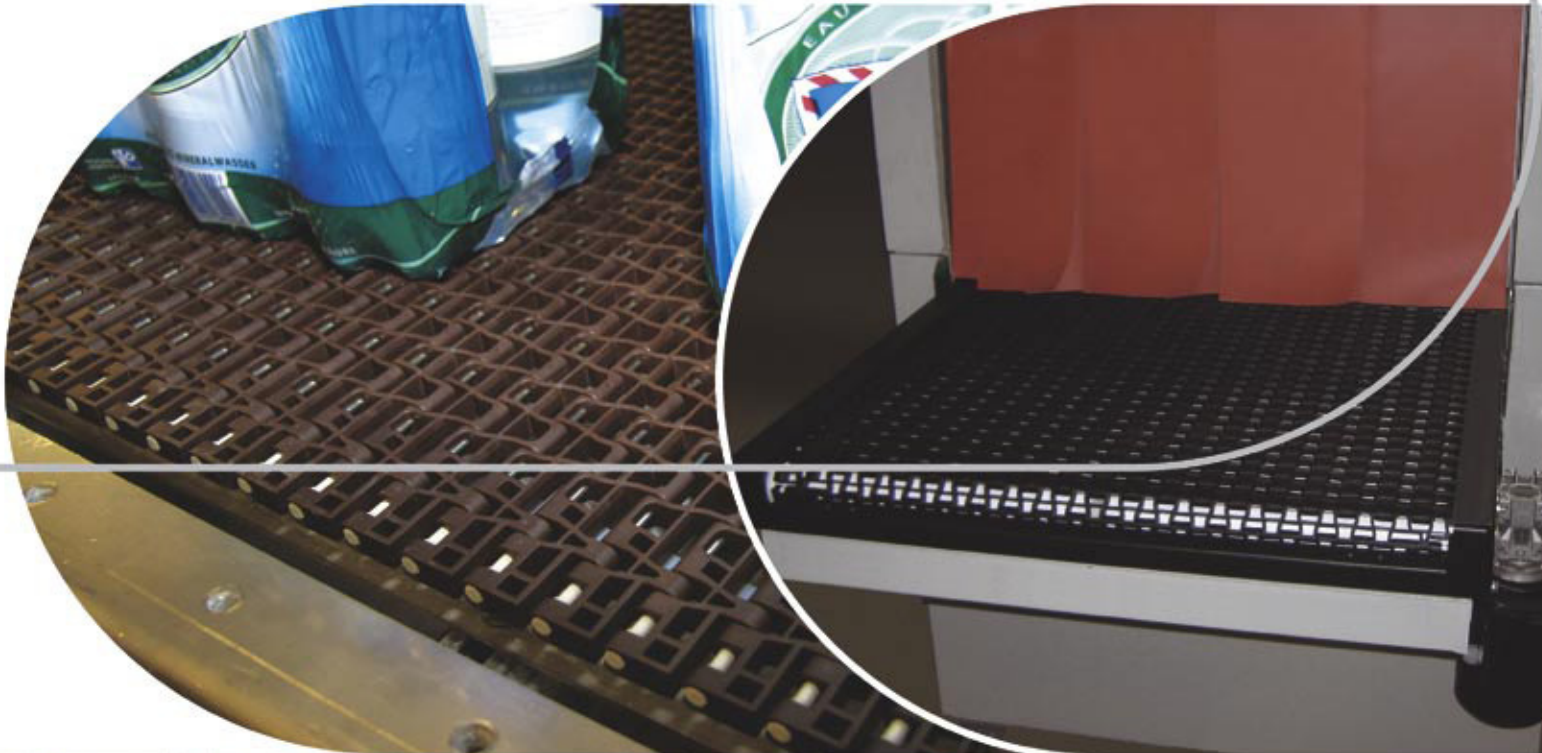
state-of-the-art machines capable to provide high performance, low production and maintenance costs and great operational flexibility. For its production plant in Concordville, PA, Cott Beverages chose to partner with SMI instead of other competitors, in order to install the most flexible packaging machine to satisfy the widest range of its products launched on the market. Smiflexi CM 800 is capable to pack containers in either

■ Private label growth does not depend exclusively on the current economic downturn, but also on retailers' commitment to the growth of their own products. Cott Beverages - the largest private label non-alcoholic beverages producer in North America - has been able to understand the consumer's latest trends. Cott has been bringing quality beverages to market with a commitment to low-cost production, customer



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film only, tray + film, tray only or wrap-around boxes. SMI state-of-the-art automatic packer allows Cott to keep pace with the fast-changing market trends and with the consumer's demand for a wide range of packs patterns and eye-catching packages.

Smiflexi CM series is the ideal solution for flexible and versatile production lines, which require switching quickly and easily from one format to another.

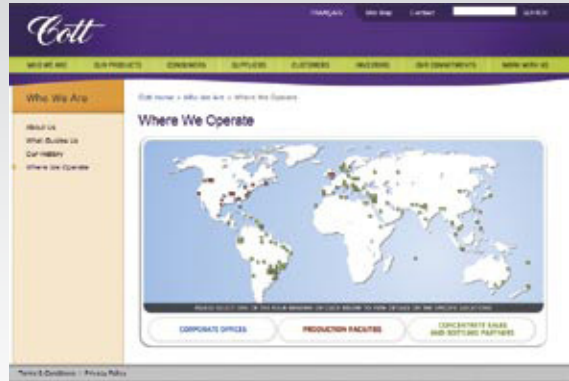
In fact, CM series combine the functions of a wrap-around case packer and of a tray/shrink-wrapper.

As a consequence they are extremely flexible, allowing to pack several types of containers into different packing patterns: film only, tray+film, tray only, wrap-around boxes either completely or partially closed.

When the CM is packing in tray-only or wrap-around boxes, the heat tunnel and the film wrapping unit are automatically disabled by the machine control system.

■ About Cott Beverages Inc.

C o t t Beverages Inc. operates as Cott Beverages USA, Cott International, C o t t Concentrates and RC Cola International, producing and distributing



non-alcoholic beverages, especially carbonated soft drinks, juices, bottled water, energy drinks, tea.

In few years Cott has rapidly grown to be one of the leading North-American bottler specialized in "co-packaging" for retailers, employing approx. 2,800 people and operating 20 production plants throughout United States, Canada, Mexico, and UK.

The company founds its "modus operandi" on firm principles such as discipline, drive innovation, and a close partnership with its customers.

Cott has an impressive total beverage product portfolio - more than 200 types of drinks - spanning over 60 countries.

In addition to serving retailers, thus increasing the value of private-label beverages, Cott also has a large and growing portfolio of its own brands, distributed all over the world, such as: Cott, RC, Vintage, Vess, Stars & Stripes, Ben Shaws, Carters, Red Rooster, Red Rain and So Clear.

Flexibility

to the retailers' advantage



■ Cott Beverages plant in Concordville, Pennsylvania, spreads over a surface of 225,000 square feet (approx. 21,000 square meters) with two PET bottling lines and one can line. One PET line features the filling of 2 and 3 l bottles with soft drinks, while the other handles 1 l bottles.





■ Installed on the former line, Smiflexi CM 800 - thanks to its high operational flexibility - packs the 2 l bottle in 14 different patterns, while the 3 l bottle features up to 18 pack collations. Furthermore, all film only packs are marked with a dry emboss for an easier opening of the bundle, thanks to an optional accessory which can be mounted both on

CM series combi packers and on SK series tray/shrinkwrappers.

The so called "easy open device" consists of a coder which punches the film during the cutting operation, so as to stamp the required embossment. The encoder provides two types of embossment (either "X" shaped or "H" shaped) and it is available both for single lane and for double lane packaging.

On the one hand this application makes the product more likeable, allowing the end user to open the pack easily and comfortably; on the other it does not require the use of specific packaging materials, so as to enable the producer-distributor to realize eye-catching packages without raising costs.

In addition to the advantages above described, Cott Beverages chose to install Smiflexi CM 800 owing to the good price-quality ratio, the high level of efficiency and reliability, and the presence of a US based service and spare parts centre.



- A history made of success and investments

Cott Beverages' history dates back in 1950, when the company started importing bottled and canned CSD from USA into Canada.

Two years later the company began to bottle and can non-alcoholic beverages in the city of Laval, Québec.

Later that decade, Cott became the first company in the world to launch a diet soft drink, developing a formula by request for diabetic patients at the Royal Victoria Hospital in Montreal.

From 1976 to 1991, Cott expanded its distribution throughout Canada and into the United States and Europe and in 1986 it became a publicly-traded company.

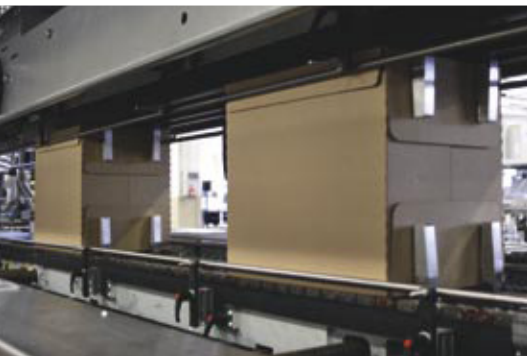
Throughout the 1990s and early 2000s, Cott made a series of acquisitions including Vess Beverages and Concord Beverages in the US, and moved into the United Kingdom with the purchase of Benjamin Shaw & Sons Ltd. and Hero Drinks Group.

It later entered Mexico with a joint venture that established manufacturing and marketing capabilities in that country.

In recent years, Cott has successfully expanded into new and fast-growing beverage segments, including energy drinks and ready-to-drink teas.

For more than 50 years, Cott has grown and prospered, building a strong foundation as one of the world's largest non-alcoholic beverage companies.





In 2003, Cott Beverages decided to install the first SMI packaging machine in its Sikeston, MO production plant.

Since then, Cott has purchased 10 additional SMI tray/case packers and shrink-wrappers installed

at their plants across US and Canada plus 2 conveyor lines.

■ SMI in the United States

Smigroup operates in North America with its branch SMI USA Inc., based in Windsor, CT, not far from New York and Boston.

The ongoing commitment to improve customer satisfaction with "on-site" support has been the key factor which has driven SMI to be present with its own branch in USA since 1999.

Professional and skilled local staff ensures top quality service in both sales and technical assistance.

The supply of spare parts from SMI USA warehouse ensures fast and reliable delivery times.

Competence, availability and experience are the qualities of SMI USA sales and service staff that has led to the excellent sales figures reached by Smigroup in USA and Canada, where over 200 Smiflexi packers have been already installed.