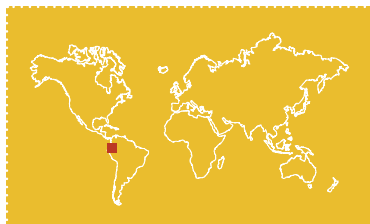




Ecuador Bottling Company.



WATER & CSD SECTOR
Ecuador Bottling Company
 Coca-Cola Group
 Quito, Ecuador
 » shrinkwrapper
 SMIFLEXI SK 802 F
 » shrinkwrapper
 SMIFLEXI SK 800 F
 » shrinkwrapper
 SMIFLEXI SK 602 F
 » conveyor belts

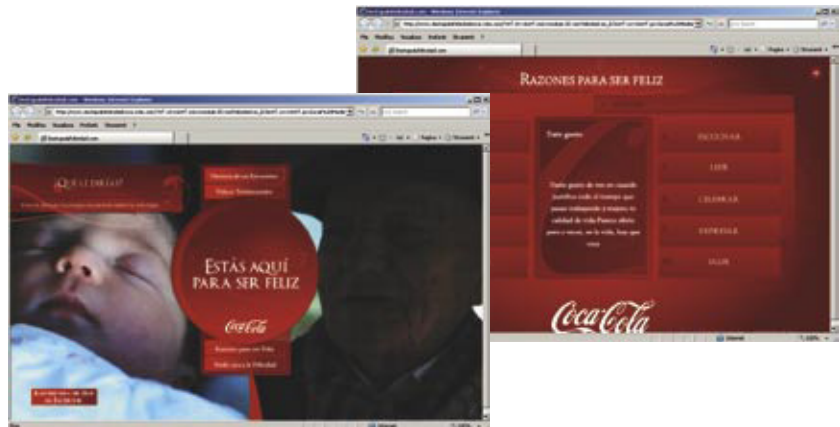


■ Let's go for the positive side of life! Go for the "Coca-Cola" side of life!

In Ecuador there's a close binomial between CSD and Coca-Cola. When talking of "carbonated soft drinks" you are commonly referring to drinks based on cola seeing how popular the "Coca-Cola" brand is. A real "happiness anthem", the one staged by "Living positively", the short Coca-Cola film in the Ecuador Bottling Company website (the official Coca-Cola bottling company in the South American country, with exclusivity). The company website takes visitors on a compelling trip with just

one destination: happiness. The main travellers on this trip are a newborn baby and a gentleman aged 102 who meet. A "happiness of life" meeting where everyone can let their imagination take the upper hand while imagining what the old man tells the baby. An ideal "change of power" between different generations which EBC has been following close-up since 1999, year in which the authorised Coca Cola bottlers in Ecuador merged and put an end to productive fragmentation that had been going on since 1940. This union between the different companies favoured Coca-Cola

market growth in the Country, contributing to the economic well-being of over 3800 people employed in the production plants of Quito, Guayaquil and Santo Domingo at present. Care over human resources and technological innovation is what ECB's success is based on: In just a short period of time it has become Ecuadorian leader in the beverage sector and is now growing rapidly in the bottled water, isotonic drinks and fruit juice sectors.



EBC: diversifying... innovating

- EBC has been diversifying for some time now. The beverage sector is continually evolving. That was why it was fundamental to organise maximum flexibility for the continual consumer taste changes (not just CSD, but also water, fruit juices etc). To achieve these goals, ECB has made considerable production line investments. The Quito and Guayaquil plants have recently been really renovated. Two SMI high-speed shrinkwrappers of the Smiflexi SK series and

relative Smiline conveyor belts have been installed in the Quito PET lines, to handle both packed and bulk bottles. A thermo-retractable film packer, model SK602F, has been installed on the 36000 bottles/hour line to film-pack 0.25 / 0.40 and 0.5 litre PET bottles in the 4x3 size, and 0.625 and 1.5 litre bottles in the 3x2 size.

ECUADOR BOTTLING COMPANY



The double track shrinkwrapper Smiflexi SK602F is also dedicated to packaging various sized PET bottles. 0.25 / 0.35 and 0.4 litre bottles are packed in 6x4 size just film and 4x3 just film in double track, while 0.5 / 1.25 and 2 litre bottles are packed in 3x2 just film double track. A Smiflexi SK 802F shrinkwrapper has been installed in the Guayaquil plant for just film double track processes. PET 0.25 and 0.45 litre bottles are packed in size 4x3 double track, while 0.5 / 0.6 / 1.35 / 2.5 and 3 litre bottles are grouped in size 3x2 just film.

ECB needed to pack a wide range of products of different sizes. For that reason, when they had to choose a secondary packaging machine supplier, EBC had no doubts over relying on SMI experience and the reliability of the Italian company's plants.

Thanks to the excellent results had with the first shrinkwrapper bought in 1996, the Ecuadorian company decided to uniform production systems as much as possible to benefit from considerable machine maintenance and staff training advantages.



Coca-Cola

and sustainable growth



■ Coca-Cola brands are universally appreciated for their quality. This led to a need to achieve excellence to match company growth and respect the environment. Sustainable growth comes with the same spirit of innovation making the company stand out when studying improved beverages for their customers. This commitment became concrete with creation of an environmental management system called “eKOsystem” foreseeing more restrictive standards, corrective actions and procedures suited to specific Coca-Cola

activities within the company’s quality management system. Thus the Coca-Cola Company started strategic initiatives over managing water resources, sustainable packaging, managing energy and protecting the climate. Said initiatives led, on May 8 2009 in Washington, to the twenty-fifth annual gold medal for international company sustainable growth successes assigned by the World Environment Center, WEC. The Coca-Cola project motto, “return a quantity of water equal to what the company uses to produce all the beverages in its portfolio to nature and the



community”, was mentioned by the international independent jury as an exceptional demonstration of environmental sustainability leadership.

Packaging also plays a fundamental role in the Coca-Cola system as it is how products reach consumers, maintaining beverage characteristics while fully complying with quality and safety standards. The study of packaging’s life cycle and ongoing research into solutions to minimise impact on nature has played a fundamental role. For years now, The Coca Cola Company has been working alongside its suppliers to progressively diminish the weight of packaging using, where possible, recycled material. The Coca Cola Company also uses modern technology bottling lines to improve energy production process efficiency and minimise consumption and costs.

▪ THE CUSTOMER'S OPINION - Interview with Diego Yáñez Eguez, General Manager of Ecuador Bottling Company Corp.



Quito: the capital city of Ecuador lies at 2850 m above sea level in a scenery of peerless beauty in the middle of the Andes mountains.

EBC is an important entrepreneurial reality for Ecuador and all Latin America. Could you describe the main factors behind your extraordinary growth?

"In recent years, EBC has concentrated on three basic company activity aspects. First of all, our employees, the company's main resource. For this reason, we select staff carefully which means we can employ the best sector professionals available for each company area. At the same time, we pay great attention to another company pillar, our consumers, and the very

reason for EBC's existence. Our main goal is to offer customers a wide range of high quality products to satisfy their specific and multiple needs. Our offer (products, brands, prices) has evolved based on this principle. The third pillar of our organisation can be called "operating discipline", also the key to company management success. Without adequate discipline, business cannot progress; so each company organisation level must concentrate on fast, precise execution of orders and process efficiency."

EBC is leader in the CSD market. What future do you see for this market segment in Ecuador? How is EBC living the global economic crisis?

"The "beverage" sector is evolving and that's why we have to keep pace with change and face economic ups and downs flexibly. Otherwise companies risk fossilization and then disappear. EBC produces soft drinks and our "vision" is ongoing, sustainable growth."

What factors made you invest in new high speed production lines for the Quito and Guayaquil plants?

"The Quito and Guayaquil investments were made to sustain challenges from main market trends and evolving demand. To satisfy end users and adapt to the continual environmental and sector changes we had to invest in technologically advanced plants to keep pace with all the new market requests. For those reasons we decided to install the SMI thermo-retractable film packaging machines Smiflexi SK 800 F and SK 602F in Quito, a shrink wrapper, model SK 802F, in Guayaquil."

What are the main factors that EBC takes into consideration when choosing its suppliers?

"The main factors considered during the supplier selection process are the company's professional reliability, the high technological content of machines offered, long term supplier commitment for assistance and spare parts and the overall level of the service offered. The "just business" concept does not fit into our company policy. We create a deep collaboration relationship with each supplier which has to last. That is why we have established intense relationships with



several machine manufacturers operating globally, offering us maximum reliability.”

Collaboration with SMI started in 1996 when the first thermo-retractable film packaging machine was installed in an EBC production plant. What role does this partnership with SMI play in the success of your products?

“Thanks to this long collaboration with the Italian company, we can say that machines and systems supplied by SMI are extremely reliable with first class production efficiency. Within our packaging plants we try, as much as we can, to standardise all systems to get the best staff training, maintenance and spare parts management results. That’s why we decided to only install packaging machines produced by SMI on all our plants’ production lines.”

How important is innovation in your company’s evolution?

“Technological innovation is an essential part of all the EBC production areas. Our company has always been oriented towards searching for the best strategies to increase our market share and respond promptly and effectively to present and future customer needs.”

What are the main challenges the CSD industry has to face? What are ECB’s future projects?

“Carbonated soft drinks industries will have to face growing competition between sector operators and adopt product diversification strategies based on market demand. The main challenge for EBC is, and will be, maintaining its leadership position in CSD production in Ecuador, together with our partner The Coca-Cola Company. EBC maintains its leadership thanks to continual investments in technologically innovative production plants and product range diversification. We try to be present in different sectors so consumers can always find a high quality alternative.”

▪ The Coca-Cola Company and the “global & local foundation”

The Coca-Cola Company’s “global foundation”, along with another 18 local and regional foundations, assures company improvement and well-being. There is close collaboration with various communities and government and private organisations to develop and sustain important projects for the communities themselves. That is behind the creation, in July 2000, of “The Coca-Cola Foundation of Ecuador” as an integral part of the company’s corporate social responsibility. The foundation’s main goal is to promote and encourage Ecuador’s cultural, economic and social growth by supporting specific programs.

