

YUBCO & DICO

WATER & SOFT DRINKS SECTOR

YUBCO (Yemen United Beverages Co.)

Al-Marawea, Al-Hodeidah, Yemen

- 6 Smiform SR12 rotary stretch-blow moulders
- Smiflexi SK 450T shrinkwrapper
- Smiline conveyor belts & subcontracting equipment

DICO (Derhim Industrial Co.)

Al-Marawea, Al-Hodeidah, Yemen

- Smiform SR 12 and SR 16 stretch-blow moulders
- Smiflexi SK 400T shrinkwrapper
- Smiflexi SK 350T shrinkwrapper
- Smiflexi SK 450T shrinkwrapper
- Smiline conveyor belts



GEO LOCATION



In the past, the Greeks used to call Yemen "Arabia Eudaimon", while the Romans called it "Arabia Felix"; in both cases, the meaning was "Happy Arabia", in contrast to "Desert Arabia", i.e. the Saudi desert, i.e. the quintessence of an inhospitable land. The definition of Happy Arabia is a reflection of the reputation that this country had reached internationally in ancient times, thanks to the enormous income from the trade of incense and perfumes as well as the importance it had in history as one of the oldest centers of civilization in the world. Yemen, full of hills and perennial waterways, is now one of the fast-growing markets and one of the most promising economies of the Middle East. Among the most dynamic sectors is the one connected to the production of beverages, whose leading lights are companies such as Yemen United Beverages Co. (YUBCO) and Derhim Industrial Co. (DICO);

through continuous investment in new production technologies, these two Yemeni companies are contributing to the rapid growth of this sector and to the country's economy in general. YUBCO and DICO, both managed by the Derhim brothers, represent a booming industry in Yemen's domestic "food & beverage" market as well as in neighboring markets; this development process is made possible also by the use of latest generation bottling and packaging systems that SMI has been providing to these two companies for over 10 years.



AL-HODEIDAH

THE "CINDERELLA" OF THE RED SEA

YUBCO and DICO are both headquartered in the city of Al-Hodeidah, in Arabic "Al-Hudaydah", considered the "Cinderella of the Red Sea" because of its strategic position for Yemeni trade. Al-Hodeidah ranks fourth among the cities of Yemen, with a population approaching half a million inhabitants, and is the capital of its governorate. The city, which lies on the shores of the Red Sea, was known as one of Yemen's major ports in the 18th and 19th centuries, renowned

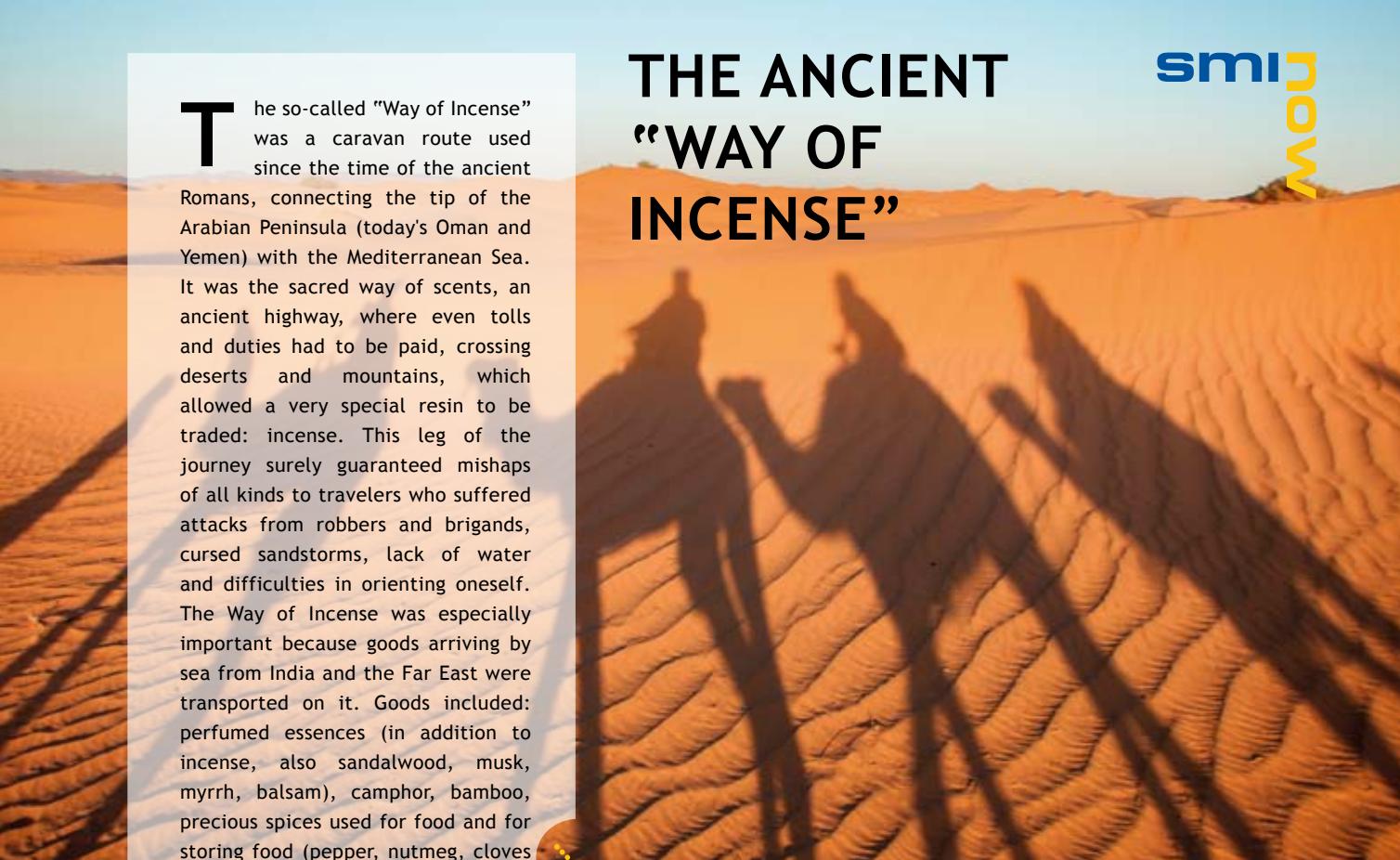
for the pearl trade but especially for coffee; the latter was so important that the Yemeni town of Al-Mocha, in Arabic al-Mukhā, gave its name to one of the finest varieties of coffee known to the world. Today Al-Hodeidah is best known for its busy fish market where shark fishermen pour in from all over the region. This is one of Yemen's most beautiful cities thanks to its luxuriantly green nature and spectacular colors. At night the markets light up with men selling fruit in the light of the lamps

while at dawn the fish market turns into a hive of frantic activity.

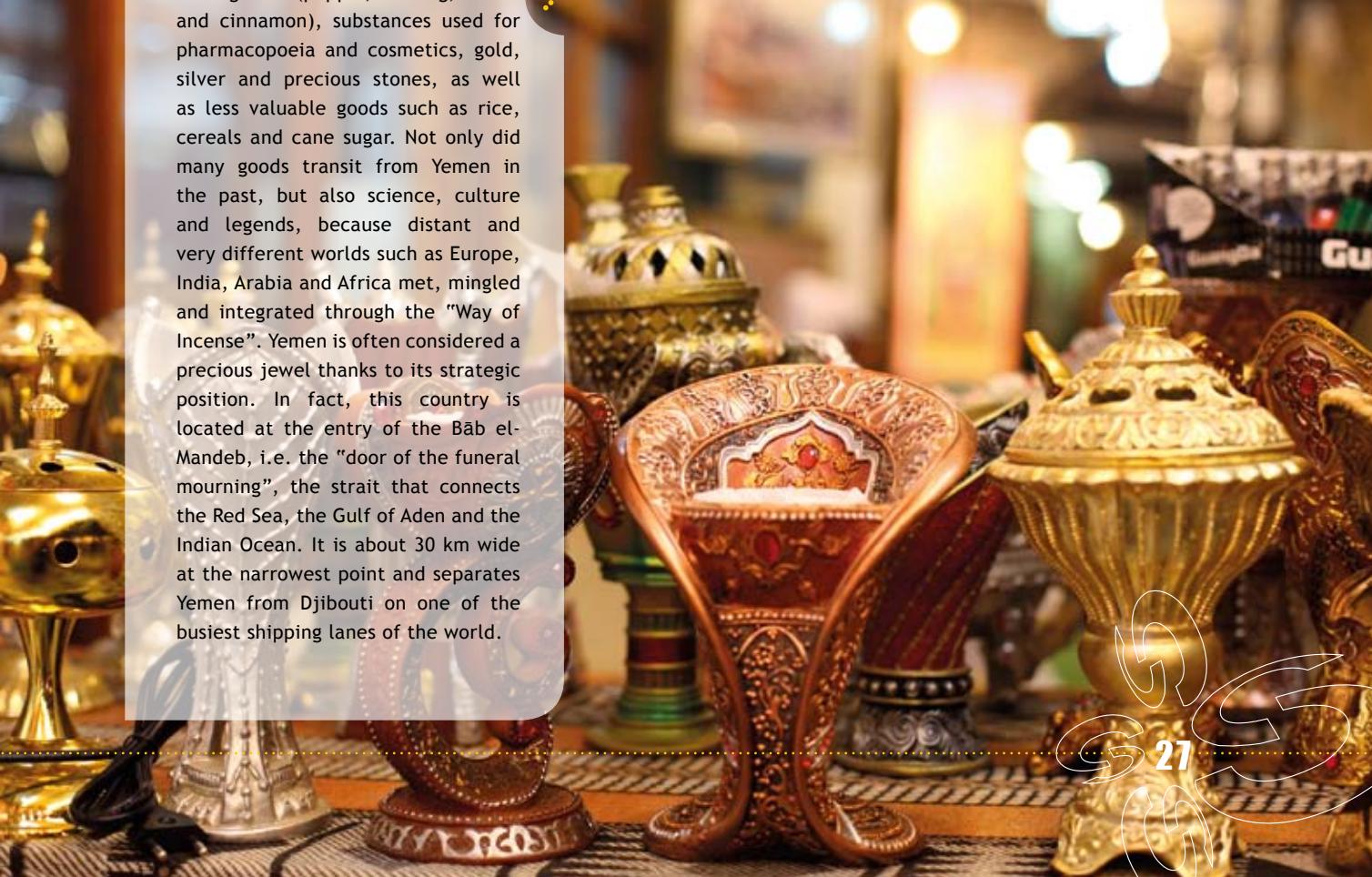


INSTALLATION / Yemen

The so-called "Way of Incense" was a caravan route used since the time of the ancient Romans, connecting the tip of the Arabian Peninsula (today's Oman and Yemen) with the Mediterranean Sea. It was the sacred way of scents, an ancient highway, where even tolls and duties had to be paid, crossing deserts and mountains, which allowed a very special resin to be traded: incense. This leg of the journey surely guaranteed mishaps of all kinds to travelers who suffered attacks from robbers and brigands, cursed sandstorms, lack of water and difficulties in orienting oneself. The Way of Incense was especially important because goods arriving by sea from India and the Far East were transported on it. Goods included: perfumed essences (in addition to incense, also sandalwood, musk, myrrh, balsam), camphor, bamboo, precious spices used for food and for storing food (pepper, nutmeg, cloves and cinnamon), substances used for pharmacopoeia and cosmetics, gold, silver and precious stones, as well as less valuable goods such as rice, cereals and cane sugar. Not only did many goods transit from Yemen in the past, but also science, culture and legends, because distant and very different worlds such as Europe, India, Arabia and Africa met, mingled and integrated through the "Way of Incense". Yemen is often considered a precious jewel thanks to its strategic position. In fact, this country is located at the entry of the Bāb el-Mandeb, i.e. the "door of the funeral mourning", the strait that connects the Red Sea, the Gulf of Aden and the Indian Ocean. It is about 30 km wide at the narrowest point and separates Yemen from Djibouti on one of the busiest shipping lanes of the world.



THE ANCIENT "WAY OF INCENSE"



WHEN COMPETITION IS IN THE FAMILY

When talking about Yemen United Beverages Co. (YUBCO) and Derhim Industrial Co. (DICO), you can truly say that competition lies within the family, more specifically in that of the Derhim brothers. The choice to set up two separate companies, both dedicated to the production and marketing of water, juices and carbonated soft drinks, was dictated by the market. In order to

meet the growing demand for such products, the bottling plants were divided between the two family businesses with a view to respond more quickly to consumer demands. This strategic choice has proved successful since today YUBCO and DICO hold the largest market share of the Yemeni "food & beverage" sector. A success made possible by the close collaboration between the Derhim brothers and the decision to



equip their production lines with the modern stretch-blow moulding and packaging technologies proposed by SMI.



• Above, from left (standing):
Walter Conti, Service Area Manager of SMI; Pierre Anid of Novadim (SMI Agent);
Mohamed Derhim, Owner of DICO; Fabio Sisimbro, Sales Area Manager of SMI;
Refaie Alwan, Technical Advisor of DICO.

On their knees: Charaf Rguibi, Service Engineer of SMI and Mahir Abdol Gabar
Derhim, Export manager of DICO.

Derhim Industrial Company (DICO) was started in the spring of 1980 near the city of Al-Marawea, about 26 km from Al-Hodeidah (second port of Yemen after the one in Aden). The business success of this Yemeni firm should certainly be attributed not only to the dedication, professionalism and great experience of all the staff who work there, but also to the determination, commitment and sacrifices of the Derhim family who founded it and made it grow. This company employs about 800 people, including chemists, engineers, technicians, administrative and sales staff, all led by a group of professionals who possess high managerial skills and considerable experience gained both locally and abroad. In addition to the soft drinks and natural mineral water sold under its own brand, the Yemeni company also bottles Sinalco



products, the popular line of non-alcoholic fruit drinks created in 1902 by German psychotherapist Friedrich Eduard Bilz. Last but not least is the distribution agreement signed between DICO and Carlsberg in 1993 for the promotion and sale of some of the Danish company's products in Yemen. DICO, along with YUBCO, is considered at the forefront of the Yemeni industry and, together with YUBCO, has been the leading light in this country's economic development over the last thirty years, also thanks to the cutting-edge production technologies provided by SMI, company that the owners of DICO and YUBCO wanted and chose for their bottling and packaging plants.



SR SERIES

SR SERIES: THE IDEAL SOLUTION FOR MULTIPLE BOTTLE FORMATS

The rotary stretch-blow moulders installed by SMI at the YUBCO and DICO plants are the ideal solution for the large-scale production of PET bottles of various shapes and sizes, the most common of which are the 0.33 L - 0.3 L - 0.5 L and 0.75 L bottles. These advanced technology machines meet the production requirements of the carbonated soft drink bottling line, allow the end user to optimize the blow-moulding costs of the PET bottles and help improve the overall efficiency of the company's facilities. In particular, the Smiform SR series

stretch-blow moulders purchased by the Derhim brothers mount the innovative Air Recovery System (ARS), which features a significant reduction of energy costs and savings of up to 40% in compressed air consumption. In fact, this device recovers part of the high pressure compressed air used in the bottle production process to reuse it either for the pre-stretch blow moulding of these bottles or as utility air for the system. SMI's supply also includes the moulds needed to produce the various types of bottles marketed by the two Yemeni companies; these moulds are made



by Smimec, another company of the SMI Group, using a sophisticated FMS production line consisting of 12 CNC machining centers. These are technologically advanced, fully automated machine tools, which work 24/24, 7 days a week, even unmanned.

ABOUT



The Yemen United Beverages Company (YUBCO) was founded in 1968 when a group of merchants decided to open a business for the production of soft drinks under the Canada Dry brand.

Among the companies involved in this initiative, YUBCO immediately played a major role thanks to the high quality of the water produced by it (key ingredient for the production of soft drinks), the company's proximity

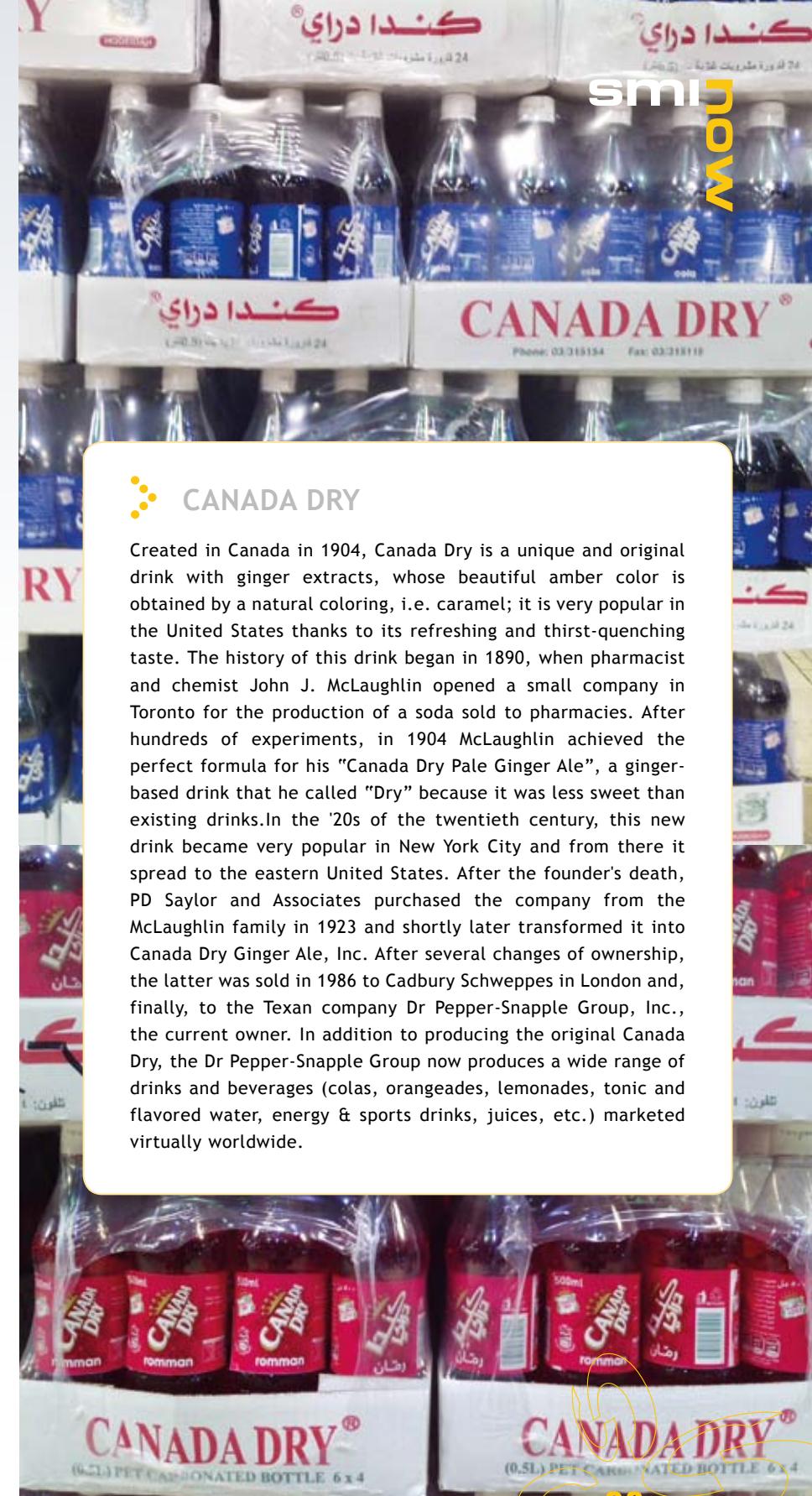


INSTALLATION / Yemen

From left:
Abdul Malek, Accounting Manager of YUBCO; Moteea Sultan Abduldaim and Musheer Aziz Ali, Mechanical Managers of YUBCO; Fabio Sisimbro, Sales Area Manager of SMI; Pierre Anid of Novadim (SMI agent); Walter Conti, Service Area Manager of SMI; Faysal Derhim, Project Manager of YUBCO; Charaf Rguibi, Service Engineer of SMI.



to the city of Al-Hodeidah and its important trading port. Today, YUBCO's range of bottled drinks is quite extensive and includes both its own brand and Canada Dry-branded non-alcoholic beverages, fruit juices and mineral water. Equally varied are the types of bottles and packages through which these drinks are marketed, both domestically and abroad in the countries of the Horn of Africa and the Persian Gulf.



CANADA DRY

Created in Canada in 1904, Canada Dry is a unique and original drink with ginger extracts, whose beautiful amber color is obtained by a natural coloring, i.e. caramel; it is very popular in the United States thanks to its refreshing and thirst-quenching taste. The history of this drink began in 1890, when pharmacist and chemist John J. McLaughlin opened a small company in Toronto for the production of a soda sold to pharmacies. After hundreds of experiments, in 1904 McLaughlin achieved the perfect formula for his "Canada Dry Pale Ginger Ale", a ginger-based drink that he called "Dry" because it was less sweet than existing drinks. In the '20s of the twentieth century, this new drink became very popular in New York City and from there it spread to the eastern United States. After the founder's death, PD Saylor and Associates purchased the company from the McLaughlin family in 1923 and shortly later transformed it into Canada Dry Ginger Ale, Inc. After several changes of ownership, the latter was sold in 1986 to Cadbury Schweppes in London and, finally, to the Texan company Dr Pepper-Snapple Group, Inc., the current owner. In addition to producing the original Canada Dry, the Dr Pepper-Snapple Group now produces a wide range of drinks and beverages (colas, orangeades, lemonades, tonic and flavored water, energy & sports drinks, juices, etc.) marketed virtually worldwide.

PACKAGING

THE CHOICES OF YUBCO AND DICO

Since their foundation, the two Yemeni companies have always faced the most important choices together, starting from the selection of suppliers. The beginning of the collaboration between YUBCO, DICO and SMI dates back to 2002 when DICO had purchased two 21,600 bottles/hour Smiform SR 12 series

stretch-blow moulders and one 45 packs/minute Smiflexi SK 450T series shrinkwrapper from SMI, whereas YUBCO had installed two Smiform SR 12 series stretch-blow moulders and two Smiflexi SK 450T series shrinkwrappers in its plants. In the following years, a number of positive events led to an exponential growth in

sales for the two Yemeni companies, resulting in the need to expand the production departments by purchasing additional primary and secondary packaging machines and relevant conveyor belts. Consequently, the existing carbonated soft drink bottling lines were expanded to adapt them to the new production requirements with



INSTALLATION / Yemen



MODULAR AND ERGONOMIC DESIGN FOR BOTTLE CONVEYORS

the addition of a 28,800 bottles/hour Smiform SR 16 series stretch-blow moulder at DICO and another 21,600 bottles/hour Smiform SR 12 series stretch-blow moulder at YUBCO. Following the primary packaging line, both companies use three Smiflexi SK series shrinkwrappers for packaging their PET bottles in various pack collations and types.

