



Arca.



WATER & CSD
Embotelladoras Arca
 Coca-Cola Group
 Monterrey, Mexico
 >> 4 shrinkwrappers
 SMI LSK 35 F
 >> conveyor belts



■ Mexico is the number one consumer of Coca-Cola in the world, with an average of 225 litres per person; a disproportionate number which has surpassed the inventors. The consumption in the USA is "only" 200 litres per person. This fizzy drink is considered an essential part of the Mexican people's diet and can be found even where there is no drinking water. Such trend on the Mexican market is also evident in economical terms as it represents about 11% of the global sales of The Coca Cola

Company.

On the whole, the CSD industry in Mexico has recently become aware of a consolidation process destined not to end, characterised by mergers and acquisitions amongst the main bottlers. The producers have widened their product portfolio by also offering isotonic drinks, mineral water, juice-based drinks and products deriving from milk. Coca Cola Femsa, one of the main subsidiaries of The Coca-Cola Company in the world, operates in this context, as well as important

local bottlers such as ARCA, CIMSA, BEPENSA and TIJUANA.

These businesses, in addition to the products from Atlanta, also produce their own label beverages. SMI has, to date, supplied the Coca Cola Group with about 300 secondary packaging machines, a third of which is installed in the Americas. SMI has been, for years, contributing in the modernisation and widening process of many bottling establishments in Mexico where, in 1997, it chose to set up a subsidiary to readily and efficiently answer the ever increasing demands of the Mexican and Central American clients.



Coca-Cola

■ The Coca-Cola Company distributes 4 out of the 5 top beverage brands in the world: Coca-Cola, Diet Coke, Sprite and Fanta. During 2007, the company

worked with over 400 brands and over 2,600 different beverages. As well as classic CSD - the Group's core business - the Atlanta company markets bottled water (Dasani, Ciel, KIN, Lilia, Multiva), juices and fruit based drinks (Minute Maid, Fruitopia, Appletiser, Andina Nectar), sport drinks (Powerade, Aquarius, Aquactive), energy drinks (Burn, Real Gold, KMX, E2), cold tea (Nestea, Gold Peak, Enviga in joint venture with Nestlé) and coffee (like the new Chaqwa and Far Coast products, launched in 2006).

The highest developments have been achieved in the bottled water division, also thanks to recent acquisitions in the natural and functional drinks sector (including low-calorie drinks such as Coca-Cola Zero, Nestea, Aquarius and Powerade).

The Coca-Cola Company, the trademark's owner, does not, in most cases, bottle its own beverages; it produces concentrated syrups and sells them to the bottlers' distribution network, spread over 200 nations, who has the licence to produce, bottle and distribute their products. It is also an important shareholder in the main production holding of the "Coca-Cola-branded" beverages, like Coca-Cola Enterprises (North America, UK, France, Benelux), Coca-Cola HBC (operating in most of Europe, including Italy), Coca-Cola Femsa (Central and Latin America) and Coca-Cola Amatil (Oceania).

■ SMI Centroamericana S.A. de C.V.

The offices and warehouses of SMI Centroamericana are situated in a modern building in the Gustavo A. Madero delegation, one of the main industrial areas of Mexico City, a few minutes from the most important communication networks.

Highly specialised mother-tongue personnel supply a high quality service in marketing promotions for SMI and SMIPACK machines, offering clients with suitable solutions for achieving desired sales objectives and operating efficiency; technical after-sales service assistance for plant installation and maintenance; supplying spare parts, with optimisation of delivery times and reduced transport costs.

The competence, professionalism and customer-orientation of SMI Centroamericana's marketing and engineering staff represent the key factors in achieving excellent selling results in Mexico and in the nearby countries.

To everyone their own taste:

SMI's choice for modernising the production lines of the "mezclado" product.



■ The plant modernisation process in Mexico seems never ending and involves all The Coca-Cola Company's main bottlers: FEMSA, ARCA, CIMSA, BEPENSA, TIJUANA have made considerable investments in the productive lines for cans and PET bottles dedicated to soft drinks, water and other marketed products.

There has been an increase in the manufacturing capacity through the installation of new lines, and a dynamic packaging development to readily and efficiently face the ever evolving market.

Suppliers capable of best satisfying large companies' requirements, both with advanced technology machinery and operating flexibility, have been privileged in this innovative phase.



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SMI's constant technology upgrading has enabled it to answer the expectations of The Coca-Cola Company bottlers, who have recognised the commitment in assuring them the possibility to offer a comprehensive service fit for their clients and a notable economic return for their investments. The following ones have been particularly appreciated: the on-site presence of an engineering assistance service, the availability to understand client's requirements and therefore to plan the modernisation of each single production line, the fast supply of machinery. The optimisation of the maintenance costs has also been welcomed, thanks to the use of common spare parts amongst the different machines installed at every bottler's. SMI has recently finalised marketing agreements with The Coca-Cola Company's main bottlers in Mexico. The "Jugos del Valle" company, owned by the "Coca-Cola Femsa" group, has decided to increase productivity by purchasing high speed shrinkwrappers, amongst which, two SK 600P (max. 60 ppm) for bottling cans in single and double lane, and one SK 800P (max. 80 ppm) for packaging glass bottles.

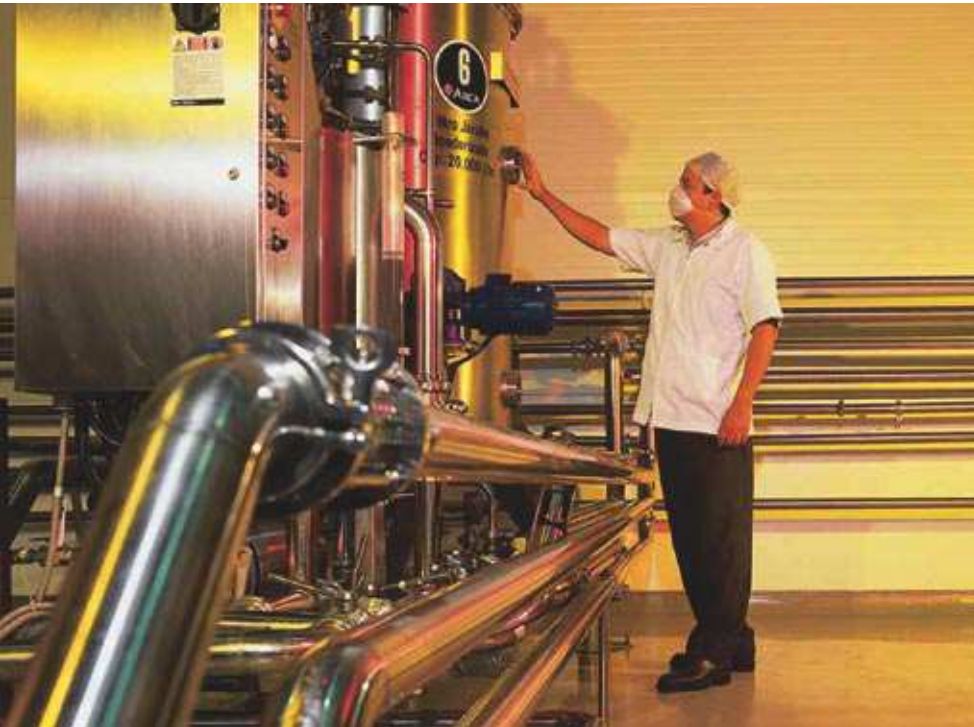


Arca brands:



- Coca-Cola, Coca-Cola Light, Sprite, Sprite Light, Fanta, Fresca, Manzana Lift, Delaware Punch, Senzao, Kin-light, Mickey Aventuras, Ciel, Club Soda, Lourdes, Purasol, Sierra Azul, Sierra Azul (Mineral), Topo Chico, Joya, Joya Light, Bimbo, Manzanita Kris, Sangria Don Diego, Tipp, Topo Chico Flavors.





▪ SMI technology in the service of ARCA bottling lines

In ARCA's many bottling lines there are currently over 20 SMI hi-tech packers running. Since 2000, the year of the first supply, a tight business relationship has grown between the two companies, above all thanks to the high-quality standards of SMI packaging machines and to the guarantee of a locally based after-sales service operation provided with spare parts stock.

For these reasons ARCA trusted SMI experience also for the renovation of its bottling lines situated in Culiacan, Juarez, Matamoros and Mexicali.

In each of these 4 bottling plants, in 2008 SMI installed a LSK 35F shrinkwrapper and relevant conveyor belts to pack the innovative multi-taste product bundle (mezclado).

The production lines "upgrade" will go on next year and will be extended to other factories of ARCA group.

The "CIMSA" group, with the recent acquisition of a LSK 35F shrinkwrapper (max. 35 ppm) coupled with a HA series handle applicator, has aimed at an innovative packaging as it is not easy to find packages with handles on the Mexican market. In the LSK 35F packaging machine, PET bottles with different capacity (between 0,25 and 3 l) are clustered in multiple formats, which confirms the machine's operating flexibility.

All main bottlers of The Coca-Cola Company rely upon SMI's experience to support latest trends coming from soft drinks and bottled water consumers. Researchers show that consumers prefer purchasing packages with bottles of the same size but with different taste. Bundles with "multi-taste" bottles have then become quite popular: for example, a 6-bottle bundle containing two Coca-Colas, two Fantas and two Ciel waters.

The multi product package, better known as "mezclado", is not new on the Mexican market as it has been available in shops for a few years already; the novelty is the packaging automation, previously carried out manually.



For this purpose, SMI has studied a conveyor belt system at the input of the LSK shrinkwrapper, to lane the bottles according to the taste, and a roller belt at the output, to guarantee package cooling before manual palletisation.

■ EMBOTELLADORAS ARCA. Some history

Embotelladoras Arca was constituted in 2001 from the merger of Argos, Arma and Procor, three of the eldest bottling companies in Mexico. This is how the second largest bottler of The Coca-Cola Company's products in Latin America is born. The firm was constituted with the aim to increase its added value, by offering consumers with an excellent service and a complete range of high quality products, competitive and made up of prestigious trademarks. With offices in Monterrey, it has a contract with The Coca-Cola Company to bottle and distribute beverages belonging to the Atlanta-based company in Northern Mexico, mainly in Nuevo Leon, Coahuila, Sonora, Sinaloa, Baja California, Baja California Sur and Tamaulipas. It also sells its own label beverages and distributes other brand products. Every day Embotelladoras Arca serves more than 15 million consumers by operating through 13 bottling plants and 60 distribution centres. Since 2007, it has been widening its product portfolio by adding snack foods from Bokados. In March 2008, after signing an agreement

to purchase The Coca-Cola Argentina, it extended its activity to South America. Embotelladoras ARCA invests time, knowledge and resources to favour local economic growth, and is committed to safeguarding the environment through the development of plastic containers' recycling projects.



Above: The meeting between ARCA's Mr. Raul Montemayor and SMI Sales Area Manager for Mexico, Mr. Roberto Cagnis.



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