



WATER & CSD SECTOR
Bonafont
Danone Group
Toluca, Mexico
>> stretch-blow molder
SMIFORM SR 14



■ Bonafont was created in 1992 based on a Mexican investor project to develop the bottled water market. From the very start, the new company had to install advanced machinery and equipment on its Toluca production plant as the packaging process must follow rigid criteria to safeguard spring water characteristics. For these reasons, Bonafont turned to the main “beverage” sector machine manufacturers to choose packaging solutions guaranteeing packaged product integrity, high performance levels

and maximum production efficiency. Since 1996, SMI has been playing an important role in the world panorama of secondary packaging machines and rotary stretch-blow molders producing PET/PP containers. More than 10 Smiflexi packaging machines are installed in the Bonafont plants for secondary packaging, along with ample Smiline conveyors belt areas to handle the product on the

■ The Mexican bottled water market

Mexico is the second biggest consumer of bottled water in the world, after the USA (source: Beverage Marketing Corporation), with an annual consumption of circa 25 billion litres.

Bonafont was the first Mexican natural water brand to be bottled industrially in the Country and the first to be exported to the USA, more precisely to Texas.

It is now market leader in the under 4 litre container segment.

Bonafont has been part of the Danone Group since 1996, and has plants with some of the most advanced bottling systems in the world.

As part of continual investments to modernise production plants, Bonafont recently turned to SMI to install a 14 mold stretch-blow molder, model Smiform SR 14, for the production of 0.5 / 0.6 and 1.5 litre PET bottles.



production lines. Growing market interest for innovative line logistics solutions has also enabled SMI to hold an interesting role in supplies to the Danone Group which, globally, uses more than 50 SMI units including secondary packaging stretch-blow molder machines for PET/PP containers.

On the right: in Toluca modernity and history are perfectly combined; beside new industrial structures are superb ancient buildings.



Danone group:

the origins of the French agro-food giant



■ Bonafont became part of the Danone Group in 1996. This French food group is the third biggest in Europe for turnover.

Group origins go right back to 1919 when Isaac Carasso started a small yogurt factory in Barcelona.

It was hard-going at first, but thanks to support from that period's medical-scientific community which advised use of the product for therapeutic reasons, Carasso's yogurt soon became a well-known, appreciated and widespread product, first sold in pharmacies and then in food shops.

They soon needed a name

for the yogurt and Isaac Carasso decided to use his son Daniel's nickname: Danon.

In 1966, the BSN Group was born of the merger between the glass maker Glaces de Boussois and Verrerie Souchon Neuvesel. At almost the same time, in 1967, Danone unified distribution of its products with those of Gervais, leader in the production of fresh products: this led to the creation Gervais Danone.

In 1972, after Antoine Riboud (President of BSN) met Isaac Carasso, Gervais Danone merged with the BSN group, producers

■ Key Danone Group numbers

15.22 billion Euro turnover (2008)

81,000 employees globally

4.5 billion litres of milk collected in 2007
(0.8% of the global total)

4,500 strains in the Danone culture collection

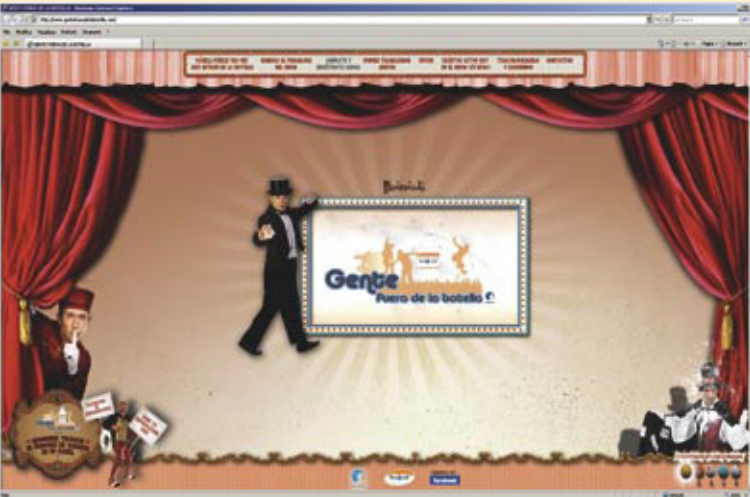
49 production plants in **47** countries

17 formulas for "Danonino", product for infancy in several countries

18 Danone new product research and development institutes



- Bonafont and “people outside the bottle”



This strange expression stimulates a lot of curiosity.

Bonafont is a “special” company and needs “special” people... this all led to the “Gente fuera de la botella” project, that is “people outside the bottle”.

This initiative is aimed at those sharing the Mexican company’s values and social responsibility.

The program of the project created by Bonafont foresees recruiting students who have finished their university studies for a work experience in the company, to launch initiatives allowing Bonafont and the Danone group to remain market leaders in the health nutrition sectors.



of blown and flat glass, which had just acquired the companies Evian and Kronenbourg. This led to the Danone Group.

Danone is one of the most dynamic food sector operators. Its products are present on 5 continents, in over 120 countries.

Danone has a leadership position in four health food industry “business segments”: Fresh Milk products (n° 1 globally), Water

(n°2 in the bottled water market), Baby Nutrition and Clinical Nutrition.

In 2009 it celebrated its 90th anniversary.



Bonafont and SMI:

innovative development to keep growth levels high



■ Bonafont has decided to purchase a Smiform 14 cavity stretch-blow molder to produce 0.5 / 0.6 and 1.5 litre containers, and thus efficiently respond to the increased demand for group products generated by a continually evolving market. The stretch-blow molder plant, installed on the 25,000 bph bottling line, will make it possible

to meet the Mexican market's growing bottled water consumption needs and the increased demand for "Bonafont" water from surrounding countries. Not much time has gone by since 1996 when the first SMI packaging machine joined the company equipment collection; since then, the Mexican company has gained

continually growing market share and is now leader in its reference sector. And has even more ambitious goals for the future to consolidate this success. Goals that are easier to achieve thanks to technologically advanced machinery produced by companies like SMI which have been investing in innovation and research to provide customers with the best solutions for their changing needs.

In fact, Bonafont is a historical customer of SMI, since the first APET series thermo-shrinkwrapper, now replaced by the modern SK series, was purchased in 1997. The growing Mexican and surrounding country market sales were the start of the company expansion and have led Bonafont to invest in new production lines where 10 automatic Smiflexi packaging machines are working full time.

The Danone Group company's commercial strategies mean to increase its market share also by continually renewing offer and packaging. You can find different SMI packaging machines in the



Bonafont plant: automatic shrinkwrappers for film, tray + film and layer+ film packaging; wrap-around case packers to create closed boxes or packs on a tray; combined machines grouping the shrinkwrapper and packer functions together in a single frame. This ample flexibility responds to the Mexican company's expectations as it wants innovative, catchy packaging for its products.

■ Smicentroamericana SA de CV

Setting up the company "Smicentroamericana SA de CV" in 1997 was a decisive step for SMI towards developing the brand on the Mexican market. Increased sales in one country and neighbouring ones was a decisive factor when choosing to open a branch in Mexico. A choice coming from wanting to be as close as possible (even physically) to customers and be able to supply technical and parts assistance fast and efficiently.

Smicentroamericana offices and warehouse are in a modern building in one of Mexico City's main industrial districts (delegation Gustavo A. Madero), just a few minutes from the capital's main roads.

Thanks to highly specialised local staff, SMI can respond promptly and effectively to the expectations of its numerous Mexican and Central American customers, providing a high quality service to:

- > promote machines manufactured by SMI and its subsidiary SMIPACK commercially, with a product portfolio that can satisfy the varied packaging needs of small and large companies;
- > after-sales technical assistance to install and maintain plants supplied;
- > sales of original spare parts, with delivery times and shipping costs satisfying customer expectations. The competence, professionalism and availability of the commercial and technical staff of Smicentroamericana are the secret of excellent commercial results achieved by the SMI Group in Mexico and neighbouring countries.



▪ THE CUSTOMER'S OPINION Interview with Tomas Ortega, Production Manager, Bonafont



Bonafont was the first natural water brand to be bottled in Mexico, and is now market leader. What's the key to this success?

“Bonafont has known how to gain growing market shares and is now market leader in the bottled water sector. Today Bonafont has a top market identity and is perceived by consumers as a “brand” that is especially careful over well-being and health. Bonafont's economic

activity places all those actions and initiatives oriented towards developing strong social responsibility in the forefront.”

The partnership with SMI started in 1996. What criteria apply when you select your main suppliers?

“Selecting a supplier is important for our product's market success. The main values behind our choices are the reliability, quality and competitiveness of machinery supplied to us, without forgetting innovation. At a time like this, when markets and tastes are changing continuously, we have to privilege suppliers who make innovation their reason for being. Deciding to go for innovation makes us different to competitors. To achieve this goal we have to create a close relationship with a supplier, who must be able to offer innovative technological solutions at reasonable prices.”

What predominant factors made Bonafont invest in a Smiform SR 14 stretch-blow molder?

“Faced with growing consumption of bottled water in Mexico, Bonafont had to decide to purchase a new Smiform 14 cavity rotary stretch-blow molder. Installing this new machine (model SR14) is part of a Bonafont brand growth and strengthening project, both nationally and abroad, aimed at product quality to satisfy continual market demand and end user expectations.”

What growth prospects do you feel the bottled water market has in Mexico and, more generally, all over central America?

“Despite the global economic recession, we feel there are all the right premises for an increase in the consumption of bottled water in Mexico and in the other Central American countries. A phenomenon favoured by spread and strengthening of a “health culture” making consumers decide to live a more healthy life and drink

more bottled water as an integral part of their balanced daily diet.”

There are several SMI packaging machines installed on the Bonafont bottling lines. How do you judge their performance in operating and maintenance terms?

“There are more than 10 Smiflexi packaging machines installed in our plant, for secondary packaging, and wide stretches of Smiline conveyor belts to handle products on the production lines. Having collaborated for over 15 years, we can say that

the performance of SMI machines is satisfactory. However, we feel that it is of fundamental importance that the experience acquired by some of our technical staff on managing and maintaining these machines soon be extended to all our operating staff. For that purpose, the presence in loco of the SMI Central American branch can definitely help SMI and Bonafont further reinforce this partnership, with sure advantages in accuracy, punctuality and economic terms for the service offered.”

How important is SMI for Bonafont both directly present in Mexico with a branch and with local technical assistance and spare parts staff?

“For an important group like Bonafont, the presence in Mexico of a SMI branch is an excellent opportunity to develop new projects and create growth for both companies. Technical assistance and spare parts on hand are key factors when choosing trustworthy suppliers, as we need to be able to count on fast supplies and immediate assistance, at reduced costs and without running exchange rate risks.”

What are Bonafont's future projects?

“Without going into detail, for obvious confidentiality reasons, I can simply say that all Bonafont activities and group projects are focussed on creating greater impulse for our sector and further improving our market leader position.”

