

Cup&Co.

The magazine for
food packaging
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TECHNOLOGY

**Expertise
and customer
benefits**

INDUSTRIAL PACKAGING

**Emmi
CAFFÈ LATTE –
tasty and
refreshing**

SwissPrimePack

Anniversary

SwissPrimePack



Dear Reader

A year ago Albiplast AG and Bellaplast AG merged and continued their activities under the name SwissPrimePack AG. We are of course delighted that the new company has got off to a good start and been able to achieve its first key successes. One of the main reasons for this pleasing performance is our longstanding and sound customer base. Working together with these customers we also succeeded in tackling important new projects in this first year as SwissPrimePack AG.

The good start will enable us to continue consistently pursuing the targets we have set ourselves whilst also taking the necessary due care when facing up to the challenges ahead. In this context we are focusing on sustainable growth driven by innovation and the highest standard of product and after-sales quality.

On the occasion of the 1st anniversary in this edition of Cup & Co we are reporting on our company, our aims and objectives and on the new members of the Management Board. We hope that you will find one or other of the articles of particular interest and wish you a very pleasant read.

The timing of the merger coincided with a number of unavoidable changes in the area of marketing and customer support. You may have been assigned a new contact partner or heard an unknown but none the less charming voice answering your requests on the telephone. We would like to take this opportunity to thank you for our being able to count on your understanding of the need for these changes.

Yours
Jan Schürmann
CEO

Emmi CAFFÈ

There are numerous factors that have contributed to the success story of this exquisite coffee drink. One of these is the packaging. It often contains fine details which are primarily imperceptible to the consumer but in the final analysis create a significant customer benefit. A range of attractive packaging solutions has also been developed during the longstanding collaboration with Emmi, the largest dairy processor in Switzerland. We would like to present two of these solutions to you in the article below.

The new design look from Emmi CAFFÈ LATTE is attracting a great deal of attention: the impressive feature of the stylish design is its simple elegance, emphasizing the brand's premium position.



LATTE – tasty and refreshing



Emmi CAFFÈ LATTE with drink hole in the lid

Consumers must be sure of knowing they can enjoy an ice-fresh Emmi CAFFÈ LATTE when they're out and about. A special drink hole in the lid was developed for this purpose to make the cup «user-friendly».

The lid is dual stage. As a snap-on lid it functions as a lid when the cup is filled and sealed. Once the aluminium seal has been removed it functions as an inner fitting lid and provides a reliable cover for the cup. The drink hole in the raised edge of the lid designed to fit a person's mouth ensures a comfortable drinking experience. The level, in other words the recess on the top of the lid, also provides guaranteed shelf stackabi-

lity and storage in the fridge. The clever shape and construction of the lid itself allows for greater convenience – both in terms of use and enjoyment.

Sleeve foil with tear strip

A very special promotion is currently being carried out on the Austrian market in which the focus of the project is this time on the double-sided printed sleeve foil.

For this on-pack promo a winning code is printed on the inside of the sleeve. A specially stamped tear strip in the sleeve enables the foil to be neatly separated, clearly revealing the code printed on the inside. Incidentally, all the codes are stored in the Emmi system in a special file designed for this purpose. The

winning codes can be redeemed by the consumers on the Internet promo page – www.emmi-urlaubsgeld.at.

The sleeve foil containing this unique tear strip has been developed for Emmi by the firm of Nyco Flexible Packaging GmbH and is applied by SwissPrimePack AG using a special hot steam process. This example shows that there are still plenty of uses for premium packaging and continued interest in the visual attraction and application of these types of fine printed foils.

Summer drink party

Emmi has also a number of surprises in store for this Summer, giving its customers the opportunity to «plunge into» a real and original World of Coffee.

Emmi CAFFÈ LATTE ZERO

The Zero trend coffee is turning into a Summer hit: with the highly intense taste and full flavour of Malabar coffee from the Indian highlands we guarantee true coffee enjoyment – without any added sugar or sweeteners. Emmi CAFFÈ LATTE ZERO is also lactose-free. At 110 milligrams of caffeine per cup, Zero is classed as a «strong» coffee grade.



New addition to the Weight Watchers range

The light and gentle taste of Emmi CAFFÈ LATTE LIGHT has now also been available since mid April 2009 under the Weight Watchers label exclusively from the Coop.

One cup contains 41kcal and 0.7g fat per 100 ml – representing just 2 points on the Weight Watchers scale. With this new concept Emmi CAFFÈ LATTE is also providing an enjoyable coffee experience for those consumers who pay particular attention to their waistline.

Anniversary

What began a year ago with the merger of the two traditional Swiss companies, Albiplast AG and Bellaplast AG, has today been strengthened and consolidated under the name of SwissPrimePack AG. We will continue to pursue the old, sound values, tackle new challenges with the necessary due care and guide the synergies between the companies on a targeted basis to achieve a customer and market-driven performance.

The merger entailed numerous changes. There was a need to amalgamate two different cultures that had previously followed an independent path, to integrate the existing know-how, optimize two production sites in Altstätten and Niederuzwil as well as to harmonise and standardise the organisational units which were different in some areas. No easy task when you consider that the company has simultaneously set itself the objective of continuing a process of internationalisation in Europe.

We asked Jan Schürmann, CEO and shareholder as well as his colleagues on the Management Board Thomas Leng, CTO (Chief Technical Officer) and Philipp Hecht, CFO not only about the experiences and difficulties, but also the successes and prospects in the first year since the merger.

Mr. Schürmann, how did the employees of the two companies respond to you?

Very well thank you. SwissPrimePack has a significant number of great employees who are working tremendously hard for the company and its customers. This obviously provides a superb foundation for facing up to the challenges of the future. I also discovered that thanks to the existing, longstanding collaboration between the two companies the idea of a possible merger came as no surprise to many of the employees. This helped me to get the new company off to a pleasing and positive start. Another factor in our favour was the fact that both companies had already specialised in the area of plastic packaging for the food industry and fundamentally pursued the same interests.

What were your greatest challenges in this first year?

The integration of the two different cultures and organisations is a demanding task. In the beginning this did cause some friction and required adaptability on the part of the employees and their capacity for a new approach. The «shock of the merger» is now behind us. The company is well placed and has motivated employees.

Moreover, we had no reason to change the basic structures of the new organisation. The old, tried and tested values are still valid and accepted and we are endeavouring to make targeted use of our common strengths and to create new ones. What is important for us in the final analysis is to bring overlapping themes under one common denominator supported by everyone.

You are assisted in your management task by Mr. Leng and Mr. Hecht. What areas of focus and measures will be your priority?

Jan Schürmann: The new company name «SwissPrimePack» in itself makes a statement that commits us to a high standard of quality. We see quality in a very comprehensive sense and one that includes not only the quality of our products and after-sales service, but also other processes such as health and safety at work. Our aim is to be capable of meeting the most stringent demands even for mass-produced products.

Philipp Hecht: The current economic situation is also playing its part in these decisions. We anticipate two difficult years ahead during which our customers expect lower sales and reduced spending

Our aim is to establish ourselves as a long-term partner and «preferred supplier».

Jan Schürmann



We certainly also see these economic difficulties as offering opportunities.

Philipp Hecht



on certain products. We are devoting a great deal of attention and time to this situation in order to ensure that we are well prepared for it. One of the major themes is maintaining and, where necessary, creating flexible structures that will enable us to implement the necessary adjustment measures quickly and effectively. We also see these economic difficulties as offering a definite opportunity.

Thomas Leng: The implementation of the quality and health and safety at work concepts is in full swing. The process improvements, the tried and trusted elements of which will be integrated by both companies on a selective basis, are already producing a response and the production area, which will have to satisfy the high demands for quality as mentioned above, must provide ideal conditions. This requires changes to be made in the production cycles and some investment in the future. We must also offer our clients a mature logistics chain which can take into account both the internal and external planning control parameters. Incidentally, to this end we have created a special control point in the Supply Chain Management.

What elements do you see as important for steering the merged company successfully into the future?

Jan Schürmann: SwissPrimePack needs to strengthen its position in the mar-

ket. In other words we see the need to combine the existing strengths of the two locations and to deploy them on a concentrated basis as self-evident. Our main focus of attention is of course on our existing customers but we have also set ourselves the target of driving forward our growth in the European markets. However, short-term growth is not the objective here – our aim is to establish ourselves as a long-term partner and «preferred supplier».

Interim question, Mr. Schürmann. Do you want to become a type of «best in class» in the sector?

To a certain extent yes. As I mentioned earlier the name «SwissPrimePack» in itself represents a commitment that we

do not intend to abdicate. We are committed to «Prime Pack» and we want to work on the continual improvement of this undertaking. In addition, all our products are manufactured exclusively in Switzerland and this idea of «Swiss Made» also brings with it an obligation.

Mr. Leng, two production sites in different geographic locations, isn't that an obstacle?

It's quite understandable for additional expenditure on logistics to be seen at first sight as a disadvantage. But I don't see this in itself as being crucial. Over the past decades a significant scope of different know-how has been developed separately at the two sites in Niederruzwil and Altstätten. We are now able to exploit this know-how in a targeted way. This creates valuable synergies and improves our technical expertise. The disadvantages are clearly outweighed by the advantages. In the final analysis our clients benefit from a more comprehensive and sophisticated product range and a broadly-based range of experiences thanks to the different processes and production options. One example of this is our special premium material «c-fine» which was originally used in the service packaging area and was then also increasingly used for ice cream packaging. This could now also find its way into the dairy industry for use in premium products.

Our premium material «c-fine» could definitely also find its way into the dairy industry.

Thomas Leng





The SwissPrimePack Management Board from left: Thomas Leng, CTO (Chief Technical Officer), Jan Schürmann, CEO and Shareholder and Philipp Hecht, CFO.

Mr. Hecht, how do you rate the progress achieved in the integration of the two companies?

The integration of the two firms is proceeding well even though it is clear that there is still more to be done so there is further potential for improvement. It is however remarkable to see how compact the new organisation has already become. That's not something that can be seen as self-evident when we remember that in addition to the actual work on the merger we saw the economy starting to go off the rails. The structural adjustments that were carried out on the basis of the change in the economic market situation and increased the company's flexibility give me a very good feeling.

The current economic situation puts particular demands on you as CFO. What recommendations are you making to the Management Board?

From my viewpoint it is certainly worth recommending that we continue devoting our main attention on our customers and endeavour to generate sustain-

able growth in conjunction with them. The technical conditions required for this have quite simply been perfect since the merger. Our client base will even enable us to expand in the surrounding countries of Europe. The major projects which have recently been completed with a leading international food manufacturer in the European market as well as with one of Europe's largest vending operators are two good examples of this. The opportunities are there and we can exploit them profitably for all parties involved.

Mr. Schürmann, you have dealt with a number of key points. There are still many more to report on; but we will save that for the next edition of our newsletter. But can we ask you for one final word?

Yes of course. One important aspect has not yet been addressed. The process of merging the two companies, which has now been completed, also required a great deal of understanding on the part of our customers and other business partners since some of the changes which

involved a change in contact partner have had an influence on the contacts and day-to-day business. I would like to express my sincere thanks for this understanding.

Achieving joint success with our customers and the sustainable growth associated with this will continue to form the focus of our day-to-day work. By taking an entrepreneurial approach to our ideas and actions our aim is to achieve our objectives and improve on a step-by-step basis. In this context I attach particular importance to our stability which is founded on the extensive experience of our employees gained over many years.

However, we will of course take the same happy and open approach to new ideas and devoting our attention for example to important innovative themes such as environmentally-friendly packaging solutions. We still have a lot to do and will vigorously tackle the challenges ahead.

Mr. Schürmann, Mr. Hecht, Mr. Leng, thank you for the interview.

Expertise and customer benefits

The merger of the two companies also offers new opportunities in the technical areas. The conscious aim of creating synergy effects in the amalgamation of different manufacturing processes and practical know-how gives the new company attractive potential for expertise. On the basis alone of the fact that the benefits this creates for customers will highlight new opportunities for everyone involved. Thomas Leng, Chief Technical Officer of SwissPrimePack AG, deals with this in more detail in the report below.

The merger to create SwissPrimePack allowed us to combine existing areas of expertise in the manufacturing and finishing processes of our plastics packaging and, as a result, created added value for our customers. The individual areas of expertise e.g. in deep drawing, injection moulding, printing, sleeving and labelling at the two plants work in close collaboration with Central Development in Altstätten. This creates significant increases in efficiency in new product development as well as in the optimisation of the processes and manufacturing methods at the respective locations.

Without doubt one good example of this is the optimum adaptation of products that use different manufacturing processes, such as injection moulded lids with deep drawn containers (or deep drawn lids with injection moulded containers) including perfect finishing. The close collaboration between the production management teams at Niederuzwil and Altstätten and the project management teams here gives us great flexibility in adapting to the needs of customers and product quality to optimum effect. These experiences give rise to new ideas on improving current products as well of course as on developing new products. Thanks to targeted trials of new product features and production strategies close collaboration with our customers and suppliers enables us to present the best possible packaging solution to our customers.

On the other side, we are exchanging our joint know-how and experience in the manufacture of thermo plastic packaging. The expertise in injection moulding was combined here in Niederuzwil and in the manufacturing of high quality foils at Altstätten. To this end our Supply Chain Manager is working in close collaboration with Production Planning, Purchasing and Sales Back Office on the continuous adaptation and optimisation of the entire supply chain in order to ensure a targeted structure and control of the supply chain core process. Order planning, production planning, warehouse and distribution logistics have a key influence on our flexibility and have therefore been significantly adapted to meet the needs of the market.

Consequently, the ever increasing demands placed on our production employees require us to continually redefine the way we look at subjects relating to safety, order and cleanliness. For this reason we have decided to

further enhance the awareness of health and safety at work, order and cleanliness and quality in a two year project with the SUVA (Swiss Accident Insurance Fund). Our stringent requirements were combined into an action plan at a management seminar on integrated safety in mid March. The implementation of this action plan is already in full swing.

In this area we are working enthusiastically and proactively on continuous improvements, an area in which both plants can benefit from the solutions and provide inspiration for each other. We attach significant importance to the implementation of improved safety standards and are therefore also convinced that we can continually enhance our quality. Here again, the great attention we are paying to this area will in the final analysis also benefit our clients.

We are therefore well-equipped to face the future and look forward to manufacturing existing and new plastic packaging.



Product with deep-drawn lid and injection moulded container (left) and vice versa (right)

Ice cream cup, printed



Yoghurt cup, printed



Fresh cheese cup, printed



Vending cup C-Fine, printed



Vending cup C-Fine, printed



Drink cup, sleeved with tear strip



Grenadine cup C-Fine, printed



Yoghurt cup, printed



Vending cup, printed



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