



Press Information

Leading Chinese dairy manufacturer starts co-operation with SIG Combibloc in breakthrough project in Baoji, China

Mengniu invests in seven new filling lines to launch UHT dairy products in aseptic carton packs from SIG Combibloc

October 2006. As one of the leading dairy manufacturers in China, the Inner Mongolia Mengniu Dairy Industry (Group) Co., Ltd. invested in the installation of seven high-speed filling lines from SIG Combibloc in its newly-built production plant in Baoji, Shan'xi Province, China. The new high-tech plant primarily produces UHT dairy products filled in aseptic carton packs and mainly focuses on the production of both pure milk and yoghurt drinks filled in combibloc *Small* 250ml as well as combibloc *Mini* 250ml.

As of September 2006, all seven filling machines are fully operational, each with an output of 12,000 carton packs per hour. The Baoji project was decided in the beginning of 2006 and within only about eight months, all seven SIG Combibloc fillers and their related downstream equipment were delivered, installed and commissioned.

Mengniu is convinced by the advantages of the highly flexible filling technology and commercial efficiency of the SIG Combibloc system, which supports their strategy to continuously innovate the approach to market while increasing production efficiency at the same time. Already today the flavoured yoghurt drinks of Mengniu's renowned "Suan Suan Ru" brand as well as pure milk products are being sold in 250ml combibloc *Small* carton packs.

In addition, new innovative product concepts have been tested and the official product launch is expected soon expanding Mengniu's product portfolio towards the high premium segment. The General Manager of Mengniu's liquid dairy business unit, Mr. Bai Ying commented: "The packaging systems of SIG Combibloc offer a combination of system flexibility, state-of-the-art technology with highest efficiency levels and innovative packaging solutions. All this makes them a perfect partner to support our ambitious growth targets of the future."

Mengniu – a Chinese Dream

Founded as recently as 1999, the Inner Mongolia Mengniu Dairy Industry (Group) Co., Ltd. has grown within only seven years from a small regional player in Inner Mongolia to one of China's leading dairy companies. Mengniu is listed as the No.1 dairy enterprise in China in 2005 in terms of sales revenue in the segment of liquid UHT dairy and ice cream. Today, the company already owns more than 20 production facilities established in around 15 provinces throughout China supplying a wide variety of more than 100 different products.

Generating a business turnover of RMB 10.8 billion (USD 1.36 billion) in 2005 – an increase of 50 percent in sales revenue and 43 percent in Net Profit over the preceding year, Mengniu accounts for 30.3 percent of the liquid dairy market in China (ACNielsen, February 2006). As a logical step of such a fantastic development, Mengniu went public by successfully listing the company on the Hong Kong Stock Exchange in 2004.

In constant pursuit of quality improvements, Mengniu initiated a program called "Zero Defect", which aims at a state-of-the-art production management. As a result, Mengniu has to-date obtained the ISO9001 and ISO14001 certifications while also having been awarded the National Green Food certification.

Forward-looking Partnership

Based on the successful cooperation and performance on the Baoji project, Mengniu has decided in favour of SIG Combibloc for the new showcase plant at its headquarter in Hohhot, Inner Mongolia. The new plant which is currently being planned will be located in the Helingeer Shengle Economic District and will consist of an additional twelve high-speed SIG Combibloc filling lines.

The successful past collaboration of Mengniu and SIG Combibloc as well as both companies' ambitious visions for the future lay a strong foundation for a truly committed partnership.

Caption 1:

Inner Mongolia Mengniu Dairy Industry (Group) Co., Ltd. invested in the installation of seven high-speed filling lines from SIG Combibloc in its newly-built production plant in Baoji, Shan'xi Province, China.

Photo: SIG Combibloc

Caption 2:

The production focus of the modern new plant is currently on pure milk and yoghurt drinks, filled in aseptic carton packs combibloc *Small* 250 ml from SIG Combibloc.

Photo: SIG Combibloc

SIG Combibloc is one of the world's leading system supplier of carton packaging and filling machines for beverages and food. Employing approx. 3,940 people, the company recorded sales of EUR 1,097 million in 2005. SIG Combibloc is a division of SIG Holding AG, Neuhausen am Rheinfall.

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