



## Press Release

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First carton packaging to go into production in 2011

### **SIG Combibloc is building the first packaging plant in South America**

**June 2010.** SIG Combibloc is investing in a packaging plant in Brazil. The production site for carton packs will be built in Campo Largo, in the Brazilian Federal State of Paraná. Construction work is already under way, and the first carton packs manufactured locally in South America by SIG Combibloc will come off the production in 2011. This major project involves a total investment of EUR 90 million and several development stages are planned. Once the first stage is completed, production will begin with an annual capacity of one billion carton packs. This can be doubled to two billion packs annually over a short period of time.

With this decision to establish a packaging plant in South America, SIG Combibloc, one of the world's leading manufacturers of carton packaging and filling machines for beverages and food, is continuing its significant international growth. Says Rolf Stangl, CEO of SIG Combibloc Group: "Brazil offers an outstanding environment from an overall economic perspective. Its GDP is enjoying significant growth – an increase of 5.5 percent is expected for 2010. In international terms, it is one of the biggest economic growth markets. Its need for long-life packed food is growing. After China, Brazil has the highest consumption of products in aseptic carton packs: about 10 billion units per year."

And the trend is for still further positive development: market analyses indicate that South America will record the greatest growth in demand for milk products, again following China. Aseptic carton packaging will have a clear role to play in this process. Additional demand by 2012 is estimated at 1.5 billion litres of long-life milk in aseptic carton packs, amounting to about 30 percent of overall growth world-wide.

Equally positive development is also expected in the area of alcohol-free and non-carbonated drinks, particularly juices, nectars and fruit and soy-based drinks. The forecast for South America by 2012 in this regard is for an additional 500 million litres of long-life product packed in aseptic cartons. This represents a 40 percent share in expected growth world-wide.

### **Individual approach**

During the 1990s, SIG Combibloc focused its strategic investment in Asia. This was followed by investments in the Middle East. Says Stangl: "Meanwhile, some excellent preliminary work was being done in South America. A strong customer base was developed, making a local packaging plant the next logical step."

SIG Combibloc maintains close business relationships with the leading dairies in South America. The partnerships follow the individual approach of finding the ideally suited solution for each customer. Says Stangl: "One of our approaches is to analyse the market dynamics and to consider the positioning of each of our customers. This means that, in conjunction with our business partners, we can find exactly the right system solution in our portfolio that meets the specific requirements in each case; this also implies innovations and aspects of cost efficiency."

### **Even more quickly and flexibly**

Construction work for the major project at Campo Largo, Paraná State, is already under way. The total surface area is 130,000 square metres, 12,000 square metres of which will be constructed during the first phase of building. The first locally produced carton packs are expected to make their appearance in the second half of 2011. When packaging production begins in Brazil, SIG Combibloc's new plant will employ 225 people. Says Ricardo Rodriguez, SIG Combibloc's Head of Cluster South America: "Our South American plant will enable us to meet the growing demand for aseptic carton and to supply customers with our high-quality products even more quickly and flexibly. This will result in tangible benefits in terms of logistics and service. The particular advantages of the location lie in its good road, ferry and airport connections, in addition to the availability of well trained specialist staff."

SIG Combibloc's Brazilian packaging plant will initially produce the package formats combibloc *Standard*, combibloc *Midi* and combifit *Midi*. Additional formats may join the range progressively as the construction phases are completed.

Rolf Stangl: "The construction of the local production plant in Brazil is a logical consequence that takes account of the needs of this growing market. The new production plant will strengthen our relationship to our customers in this highly dynamic market."

**Caption:**

SIG Combibloc is investing in a packaging plant in Brazil. The production site for carton packs will be built in Campo Largo, in the Brazilian Federal State of Paraná. Construction work is already under way, and the first carton packs manufactured locally in South America by SIG Combibloc will come off the production in 2011. This major project involves a total investment of EUR 90 million and several development stages are planned.

**Photo: SIG Combibloc**

*SIG Combibloc is one of the world's leading system suppliers of carton packaging and filling machines for beverages and food. In 2009 the company achieved a turnover of 1,260 million Euro with around 4,250 employees in 40 countries. SIG Combibloc is owned by the New Zealand based Rank Group.*

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