

elotalk

News and views from Elopak's world of packaging

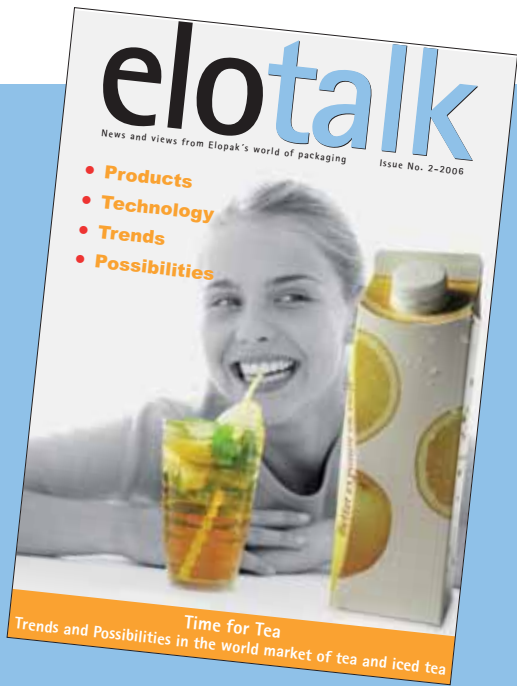
Issue No. 2-2006

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Time for Tea

Trends and Possibilities in the world market of tea and iced tea



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 September 2006



Sweden – a pioneer in Health & Wellness

Everyday 'Medication' with ProViva

The awareness of a deterioration in personal health precipitated by busy lifestyles, has led Swedish consumers towards an increased incidence of 'self-medication'. With the current scientific developments in nutritional research, functional foods are now perceived as an everyday 'medicinal' product purchase that can cater to this consumer demand.

Capitalizing on this opportunity, Skånemejerier has rolled out product extensions to its ProViva brand, one of Sweden's only leading functional brands with an approved health claim. In April 2006, ProViva fruit beverages, recovery beverages and soured milk were all re-launched onto the Swedish market with help

from the Diamond Pure-Pak® Curve Concept.

ProViva fruit beverages are available in raspberry, mango, blackcurrant, fruits of the forest, blueberry, rosehip and strawberry and are packaged in one-liter Standard Diamond Pure-Pak® Curve carton with the large Elo-Cap™ XE closure. ProViva natural soured milk is packaged in one-liter

Standard Pure-Pak® carton with the large Elo-Cap™ XE closure. ProViva Active recovery drink is available in blueberry/raspberry/lemon and tropical and is packaged in 750ml Diamond Pure-Pak® Curve carton with the large Elo-Cap™ XE closure. The Elo-Cap™ XE closure is a bigger screw cap offering the absolute convenience and functional benefits of a better grip and bigger pouring opening – perfect for high viscous products.

Marketed under the functional food banner using television

commercials and print advertising, ProViva's key proposition is 'good-for-the-stomach-products'. The product is the result of innovations in medicine, microbiology, food technology and food processing. The fermented oat gruel based on the probiotic strain *Lactobacillus plantarum* 299v was developed specifically by a research team connected to Lund University hospital to help speed the recovery of post-operative patients. It is protected by a number of patents and supported by eight theses.

This is Skånemejeriers most successful strategy for the past ten years because ProViva' is competitive on several levels. Its health benefits appeal to a mass market and address general well-being issues. Its benefits are communicated successfully through quality, convenient packaging, whilst the product offers great taste and appropriate pricing all at the same time. ProViva's functionality together with its new, premium packaging also allows for higher margins.

Distributed chilled throughout Sweden, Finland, Denmark and the UK, ProViva products have a 21-day shelf life.



Gefleortens go for 'grab'n go' convenience



In April 2006, Gefleortens Mejeriförening in Gävle harnessed the on-the-go-trend by becoming the first Swedish dairy to package products in Elopak's Mini Diamond Pure-Pak® Curve carton.

A key factor driving sales value growth in the dairy market is the increasing demand from consumers for products in convenient and practical, yet portable packages. Single-serve portions and smaller dairy servings in resealable packaging are at the forefront of satisfying busy lifestyles with practical solutions.

It's the first time Gefleortens has used a reclosable screw-cap on such small packages, but the dairy believes it's the perfect solution for 'grab'n

go' consumers either on-the-go and in the home for coffee and cooking. The package provides easy handling and better hygiene – with no tearing or cutting required to open the product.

Gefleortens' products available in Elopak's new packaging are whipped cream in 250ml, 330ml and 500ml Mini Diamond Pure-Pak® Curve carton, and sour milk and fresh milk in 330ml Mini Diamond Pure-Pak® Curve carton, all with Elo-Cap™ UE closure.

Offering consumers new opportunities for product usage

The portability of smaller containers has increased the locations where dairy products are consumed. The Mini Diamond Pure-Pak® Curve carton with closure works well for out-of-home consumption. It's an 'on-the-go' package which is well sealed and can easily fit into a handbag or backpack, for snack times or a picnic – perfect for those consumers who like milk in their coffee. There's no wastage as the remainder can be transported back home safely in the picnic basket or cool bag, with no risk of spillage.

Gefleortens products are also perfect for 'at-home' use in cooking and desserts. Now, they can use a few drops on their dessert, in a sauce or for a cake mixture and with the reclosable Mini Diamond Pure-Pak® Curve, save the rest for later. The screw cap means the product keeps for longer with no 'off taste'.

All products are filled on a Pure-Pak® P-M30D filling machine into 250ml, 330ml and 500ml Mini Diamond Pure-Pak® Curve made from PE-board, with mini cross section and offset printing. Distribution is chilled throughout Sweden, packed in wraparound and EUR pallets. The products have a shelf-life of seven days.

The change to the new Mini Diamond Pure-Pak® Curve carton packaging was communicated via the dairy's Internet site and via information delivered to all retailers stocking the upgraded range of Gefleortens products in reclosable Mini Diamond Pure-Pak® Curve.

For more information about new products on the Swedish market and its development, please take contact with Lars Sahlin at the Elopak office in Sweden; lars.sahlin@elopak.se.

Sweden – a pioneer in Health & Wellness



Although Sweden is home to 14 dairies in total, it is the seven largest which produce 99% of the country's milk and dairy foods. These 'Big Seven' make up the Swedish Dairy Association, known as Svenskmjök, which produced almost a million tonnes of drinking milk in 2005.

The Swedish 'health and wellbeing' sector is one of the most developed in the world and accounted for around 30% of Swedish packaged food sales in 2005. Here, the

sector benefits from a well-educated population interested in health and wellness and also an ageing population. Its development has been supported by both health authorities and the media – encouraging better health education and more nutritional information in schools.

Organic moves mainstream

Swedish concerns over health and wellness over the past decade have led to

widespread demand for organic dairy produce across all retail chains. In the rest of Scandinavia consumers pay on average 10 to 15% more for organic dairy produce compared to its non-organic equivalent, whereas in Sweden, the difference is less than 5% – which means that organic dairy is moving into the mainstream.

Knowledge-based industry
The Swedish food industry is more knowledge-based and innovation-oriented than in

most other countries and a large proportion is owned or dominated by farmers. Sweden was the first country in Europe to allow product-specific health claims and is the home to Scandinavia's largest unit for medical research, Lund University, as well as the Swedish Agriculture University (SLU).

Sources = Swedish Dairy Facts 2006, Leaflet produced by the Swedish Dairy Association and Numerical trends in Sweden, Dairy Industries August 2006

Fact and Figures about Sweden:

Armed neutrality has kept Sweden out of war for nearly two centuries. Low unemployment, a low birthrate, and one of the world's highest life expectancies have characterized modern Sweden. Success has been credited to a blending of socialism and capitalism, including cooperation between the government and labor unions, which represent 90 percent of workers. High taxes finance advanced social programs, from education to health and child care and paid paternal leave. Sweden joined the EU in 1995. Inflation is low and unemployment is down.

ECONOMY

Industry: iron and steel, precision equipment, wood pulp and paper products, processed foods.

Agriculture: barley, wheat, sugar beets; meat.



Exports: machinery, motor vehicles, paper products, pulp and wood, iron and steel products, chemicals.

Population: 9,029,000

Capital: Stockholm; (1,697,000)

Area: 449,964 square kilometers (173,732 square miles)

Language: Swedish

Currency: Swedish krona

Text source: National Geographic Atlas of the World, Eighth Edition, 2004

It's 'So Good', and it just got better

Pure-Pak® Curve success 'Down-under'

In Elotalk issue no. 1-2005 we reported on customer, the Sanitarium Health Food Company and its product development throughout its fascinating history, with particular focus the development of soy milk in Australia. In this issue we will address Sanitarium's latest development for soy milk changing from a generic gable top carton and into the latest and cleanest Pure-Pak® Carton System.



So Good



It was 20 years ago that Sanitarium Australia introduced 'So Good' Soya milk. Today, both the Australian and New Zealand consumer can enjoy a smoother, fresher tasting product in a new style carton.

In September 2005, following over three year's production and system development in cooperation with VISY Beverage, Elopak's associates in Australia, Sanitarium re-launched 'So Good' in 1 liter Standard Pure-Pak® cartons.

With a clear strategy to strengthen brand profile in June 2006, Sanitarium re-launched the five 'So Good' chilled soy beverage products, in the new distinctive-style 1 liter Pure-Pak® Curve carton. With the extra 5th curve panel, the brand now has a fresher and modern look which boosts 'So Good's

health messages. A high profile TV advertising campaign promotes the new smoother and fresher taste of 'So Good' and the innovative packaging was part of the key marketing strategy for a simply better product.

'So Good' features an extensive range of soy milk products including Regular, Lite and Fat Free. 'So Good' Essential targets women's health and is fortified with vital nutrients. 'So Good' Active (launched in June 2006) is specially made for those that lead a more active lifestyle with 25% more soy protein. 'So Good' also comes in a range of health ice cream and is the leader of the UHT long life soy segment in Australia.

The company has a strong focus on educating its consumers of the health benefits of its products and sees continuous innovation as central to its business strategy.

Elopak's solid relationship with this pioneering health food company and with VISY Beverage was an important foundation in driving system flexibility which enables the dual configuration between Pure-Pak® Curve for 'So Good' and Pure-Pak® standard for specific variants such as Organics range (to maintain its specific whole natural food positioning and brand image) or pack flexibility for eye catching promotions.

The technical journey, investment and operational development plan from both customer and Elopak provides an excellent case study of the partnership between three companies which has achieved significant market growth and penetration from one key brand.

Testing all the way

Sanitarium – VISY Beverage – Elopak conducted an extensive product application test during 2003 at the Elopak Technology Center, Spikkestad, Norway. Ready made and processed bulk product was air freighted from Australia to Norway to ensure a completely 100% realistic product challenge test!



Johannes Osmundsen, Elopak Market Area Director for Australia explained the importance of this stage "This testing period, which extended over 8 months, was focused on the product keeping ability and was to endorse the future contamination free filling technology available for soy milk in retail cartons. The testing was successful and therefore qualified and short listed the Pure-Pak® U-S80 Aseptic filling system technology with post screw cap application."

The Pure-Twist™ U screw cap was also qualified for the closure solution. During the 8 month testing period > 300,000 pieces of data were recorded and analyzed to fulfill the scope of objective written by Sanitarium project management for the test.

Following the successful completion of the testing period and documentation of agreed objective, Sanitarium confirmed the contract for replacement of its existing

filling line with the latest product filling technology – the Pure-Pak® U-S80 Aseptic System with post applied Pure-Twist™ U closure. The complete line/project engineering and supply was undertaken by VISY Beverage, Australia supported by the Elopak APA Dep., (Asia – Pacific – Australia Region) and the Elopak Project Office organization.

The supply and installation phase was completed middle 2005 and during the 3rd. Quarter of 2005 the full scale extensive commissioning and post installation testing was completed at Sanitarium's Berkley Vale Plant, outside Sydney. This was followed by a full market release of commercial products to the Australian market in September 2005. Further, the production and export supply



Key requirements for 'So Good' re-launch

- Extending the product shelf life – keeping ability from the previous ESL application max. 40 days to > 65 days and a 50% consistent reduction in micro/product failures claims from consumers and retailers
- Improved carton structure, Pure-Pak®, for increased product protection during extended shelf life period – keeping slim carton shape, none bulging.
- Pure-Twist™ U the post applied hygienic screw cap with hot air surface sterilization – single motion low torque opening – high pouring performance – non drip and fully re-sealable. Additionally, the cap easy to remove from the emptied carton, by the consumer before sending the used carton for re-cycling.

Product News

to the New Zealand retail market was re-launched as a result of increased shelf life and improved product keeping ability.

How innovation leads a market

As the fresh milk market in Australia continues to decline in 2006, the fresh soy milk market has seen growth of 5.1%, as reported by Mintel, and this growth has been attributed in part to Sanitarium and product innovation. The Australian Soy market is now worth more than \$126 million, with fortified products with added benefits hailed as the main growth drivers. Sanitarium is the market leader with 47.5% value share – up 2.8% on 2005.

(source: Retail World July 24-Aug 4, 2006)

Sanitarium's marketing manager Kim Marks explains, "The new packaging has hit the shelves and looks fantastic! This in combination with media support and the 'Fresh New Taste' has helped to turn 'So Good's' performance around in the chilled category. Elopak quickly understood the requirements for the success of this project, which included direct correlation to both visual presentation and consumer satisfaction with the 'So Good' product."

The marketing mix

Sanitarium's marketing team has welcomed the opportunities the new filling line/technology is providing for in the gable top Pure-Pak® System. The new style carton and product re-formulation provides stronger visual highlight of the 'Nutritional Balance in 5 – ways'



Sanitarium's Head Office in Berkley Vale outside Sydney

marketing campaign which promotes the key healthy attributes of 'So Good':

1. Protective Antioxidants
2. Clear & Active Mind
3. Healthy Heart
4. Strong Bones
5. Low GI

In Australia soy milk has become a welcome alternative to cow's milk for both the health conscience and the lactose intolerant consumer. The growing awareness of the consumer of the impact of foods on their health is a driving force in the

mix and VISY Beverage/Elopak provided the ideal package and system with improved product performance in terms of extended shelf life, demonstrably improved handling and a great, stylish new shape. The combination has been very powerful and produced great results."

"The new carton provides a new eye catching vehicle for the key messages of this product, which clearly identifies the health benefits to the consumer."

Kim Marks adds, "The new carton provides a new eye catching vehicle for the key messages of this product which clearly identifies the health benefits to the consumer. Sanitarium has a strong commitment to nutrition education and product development – and of course the nutritional value of soy is well documented around the globe!

popularity of soy milk, and this forms the basis of our marketing strategy. The packaging for 'So Good' must also be part of the marketing

VISY Beverage is an Elopak, Pure-Pak® Associate for the Australian and New Zealand market area and has its own local converting of Pure-Pak® cartons and total System support organization for the Pure-Pak® System. VISY Beverage is a part of the VISY INDUSTRIAL GROUP in Australia.

For further information contact Johannes I. Osmundsen at our APA Market Area office in Norway; johannes.osmundsen@elopak.no, or for further product news; www.visy.com, www.sanitarium.com.au,

Irish consumers are real 'smooth operators'

Irish consumers have demonstrated that they are real smooth operators as the smoothie market growth in Ireland is reported to be twice that in the chilled juice category for the period of September 2005 to March 2006. (AC Nielsen).*

The sector of smoothies has grown over 18% since 2005 *(AC Nielsen) with new product launches being credited for driving this growth* (Shelf Life Magazine June 2006), but as Squeez Smoothies are launched in 1 liter Pure-Pak® cartons, it is the consumer demand for healthy alternatives that manufacturer Batchelors are aiming to satisfy.

Research reports that over the last few years the soft drink market in Ireland has noted a marked change in consumer behaviour as Irish shoppers have become increasingly attentive to product ingredients and which has changed their purchase behaviour accordingly. Specifically, functional drinks, bottled water and fruit/vegetable juice have all increased in popularity at

the expense of carbonates and concentrates.* (Soft Drinks in Ireland Report 2005, Euromonitor). One of the new rising stars that is forging its own market sector is smoothies which with the launch of Innocent brand in Ireland in 2005 has seen dramatic growth and an increase in the demand for quality branded natural products.

Shaken, not squeezed

Squeez Smoothies were launched in May/June 2006 by Batchelors in two varieties – Strawberry and Banana and Peach, Pineapple and Passion Fruit. These products are clearly positioned at the 'good for you' market, and as a boost to the daily intake of fruit and vegetables.

Squeez Senior Brand Manager Linda Sheehan explains, "This

was the right time to launch our smoothie products and is the logical direction for the Squeez brand. With the continued success of smoothie bars this is certainly the trend for juice at the moment and continues to be fuelled by the health and wellbeing conscious consumer."

The results since the launch just a few months ago is extremely successful and is expected to continue into the autumn with heavy marketing support which includes a national radio advertising and tasting campaign.

As Linda Sheehan continues, "Our products are 100% natural pure fruit smoothies and are an easy way to boost your daily fruit intake. After market assessment and trials we chose two delicious smoothie flavours with wide appeal. They will certainly save consumers the effort of making them at home – a real convenience product for everyone to enjoy at any time."



For more information on products and packaging contact Derek Nangle at our Elopak office in Ireland; derek.nangle@elopak.com

Dare to be different – with Pure-Pak® Curve

A family owned independent dairy is a rarity in any continent, one that dares to be different and invest in innovation to compete for its market share against powerful global brands is particularly special.



The key to the success of Reids Dairy in the Ontario region of Canada, stems from 'one family's dedication to a dream of quality and customer service in an age of corporate jargon and take-overs'. The family in question is the Quickert family, headed by Arthur Quickert, a German

business man who escaped his war torn country in 1951 bringing his family to Canada and to Belleville, Ontario. By the 1960's Arthur had established himself through a keen business sense in the dairy industry, founding his own dairy and then acquiring Reids Dairy – an established dairy with strong heritage for traditional quality dairy products such as milk, cheese and ice cream.

Expanding into new markets

Today Reids is still family owned, with Arthur's grandsons Stephen and David at the helm of the largest independent dairy in Ontario. Continually expanding into new markets, Reids has a growing chain of 24 retail outlets in South Central and Eastern Ontario that are famous for farm fresh, factory direct dairy products.

With the launch of its new premium juice and drinks range, Reids wanted a new branding that reflected its reputation for quality dairy products, but clearly

identified a different category. Reids Natural is a quality juice made only from natural ingredients in four varieties, apple, orange, iced tea and pink lemonade.

Stephen Quickert explains, "With the consumer demand for natural quality products, this premium range of juices and drinks fits within our Reids' brand values, but we required a different approach to how we presented this

Good co-operation l-t-r: Jason Giuliani, Elopak Area Sales Manager, Dave Franks, Production Manager and Reid's owner Stephen Quickert.



non-dairy product. With the juice market in Canada dominated by big global and US players, and a market in Ontario that mostly offers juice in 4L bags, this was not the image we wanted for our product, so we looked to packaging innovation and to Elopak."

Reids Natural premium range of juice and drinks was launched in June 2006 in 2L Pure-Pak® Curve cartons, following a significant investment in technology and design. Stephen Quickert continues, "The quality print process provided by Elopak in Montreal married to the new innovative shape enabled us to create the right image with new branding that did not lose the Reids identity. It was amazing timing for us, not just in terms of updating our packages and our filler technology, but also to



delighted with the results, "Our designer is local and so is familiar with Reids, he researched how our image has developed over the last 100 years and crafted a font inspired by the old script-style livery of the horse drawn

"It was important to of course get consumer's attention but it had to be in a way that made sense with this product. As an independently run company we need to be different from our competitors and stand out by being one step ahead. We always aim not to follow the crowd and do what everybody else does, but actually do the opposite. Elopak understands this and takes a similar approach with its carton innovation."

and Elopak. We've just got started! Here is a company who is not afraid to take risks and to pioneer new concepts and ideas, and stand out in a market place towered over by much bigger players. Reids' tradition for service and product quality is still the backbone of its operation, but with this move it is demonstrating that it will not be dictated to by market leaders and will continue to listen to its customers needs first and foremost."

"Artistic flair coupled with the high quality print process has produced a striking two liter carton which really grabs the eye."

provide a different 'curve' on an 'old' package. The gable top carton has been around for many years, but it is totally refreshing to see a packaging company doing something new with it."

milk wagon of the 19th century! His artistic flair coupled with the high quality print process has produced a striking two liter carton which really grabs the eye."

Reids employed a local designer to take the Pure-Pak® Curve carton, the company tradition and philosophy and this new natural product, and create the right image. They were

The response from the consumer to Reids Natural has been excellent with the new range enhancing the dairies market positioning creating a higher profile of all products in the Reid portfolio. Stephen Quickert continues,

Jason Giuliani, Area Sales Manager Elopak Canada Inc adds, "This is only the beginning of the creative thinking and product innovation from the partnership between Reids

If you want to get in contact with Jason Giuliani at our Elopak office in Quebec, send a mail to jason.giuliani@elopak.com and visit www.reidsdairy.com for more product and company information.

Merziger plays an ACE with new aseptic Pure-Pak® Curve

According to the team behind key juice brand Merziger, the average German drinks around 40 litres of fruit juice per year.* The Germans love their fruit juice and make up a sophisticated, discriminating juice market unlike any other nation. Germany is one of the few countries in the world with a quantifiable 'ACE' drinks market – products fortified with antioxidant vitamins A, C and E.

Health awareness drives growth

During the early nineties, the increase in health awareness amongst the German population and the ongoing discussion about obesity fuelled a greater demand for pure, healthy products and manufacturers began to add functional ingredients such as herbs, minerals and vitamins to their products. The first ACE products began to appear in the mid-nineties, pioneered by dairy companies such as Müller, and the ACE market grew from virtually zero to

four million litres by the end of that year.**

Continued double-digit growth led to ACE sales of over 300 million liters by the end of 2002, with a value of about \$44.8 billion, according to Leatherhead Food International. Today, more than 100 German manufacturers now offer ACE products.**

One such company is tucano, which re-launched six flavours of its premium Merziger ACE 50% nectar range in autumn

2005. In total the company will repackage 17 varieties of juice in Elopak's one-litre aseptic Pure-Pak® Curve carton with Pure-Twist™ cap, to give its 'Vitamin Plus' and 'Natur Pur' ranges a fresh new look.

Fighting free radicals

From flavours such as orange and nectarine, to pineapple and carrot – Merziger juices provide all the essential vitamins required by the body to protect against the damage caused by free radicals. These free radicals can be triggered by stress, poor eating habits and environmental factors, but all weaken the body and immune system. Premium nectars with improved recipes, Merziger juices contain 'more fruit content and less calories', with no added sugar and vitamins to fight against the threat of

free radicals causing vascular illnesses and cancer.

Market launch Pure-Pak® Curve

Merziger's demand for new packaging

The premium image of the Pure-Pak® carton, plus innovative, better pouring screw-caps have fuelled rising sales for premium aseptic products in Germany. However, for this re-launch Merziger wanted an extra-special Pure-Pak® carton for their extra-special juice – an aseptic carton that had not been seen on German shelves before. The Merziger brand team required packaging that elicited modernity and elegance, and wanted an eye-catching visual appearance that would differentiate their product from the competition. In addition, they required extra space to outline the



product's ACE anti-oxidant benefits. The aseptic Pure-Pak® Curve carton, the first of its kind, was chosen as the ultimate in premium packaging for such a premium product.

To promote the product in its new packaging, retail outlets offered multi-pack promotions delivering four one-liter packs for the price of three. The market introduction of the initial six Vitamin-Plus products was so successful, that Merziger subsequently agreed to introduce the aseptic Pure-Pak® Curve to the rest of its juice range.

Sources:

* Merziger website:
www.merziger.com

** Leatherhead Food International
report, *Functional Soft Drinks 2004*

About Merziger

The brand first sold from a small juice co-operative is today recognized by millions thanks to nationwide television advertising



- 1938: Founded as a producers' co-operative
- 1988: Starting with retail trade
- 1999: First Pure-Pak® U-S80Aseptic filling machine installed at Merzig
- 2004: Second Pure-Pak® U-S80Aseptic filling machine installed
- 2004: tucano sales organization established to centralize marketing and sales
- 2006: Premium brands include Merziger, Lindavia, Klindworth, Niehoffs Vaihinger and Schloss Veldenz

For more information please contact Petra Decker at our Elopak office in Speyer, Germany; petra.decker@elopak.de and visit www.tucano-soft.com for more product news.

To mark the first time that the Pure-Pak® Curve carton has gone aseptic, Elotalk Editor Jutta Pinnerød spoke to Ronnie Braunberger, Marketing Director at tucano Fruchtsäfte Vertriebs GmbH & Co KG, responsible for the Merziger brand.

Elotalk: What was main reason for selecting the Pure-Pak® Curve cartons for your products?

RB: We liked the shape, it's different and it stands out on the shelves, which is exactly what we were looking for. This is what we need in the fast moving consumer market. Today it is more important than ever to differentiate your goods over and above standard ranges. Our juices are premium products and we want them to be noticed on the shelves. Through the Pure-Pak® Curve we've achieved this – something which has been acknowledged by our retailers.

E: Was there a particular consumer demand you were fulfilling with the new packaging or was it a market strategy?

RB: It was both. The consumer demands convenience and to know at a glance which type of product they are buying. Here we used the extra space on the fifth panel of the Pure-Pak® Curve carton as a tool to promote the product's advantages. The Curve differentiates our products from others and catches the eye of the consumer.

E: Historically, the juice market in Germany has focused primarily on aseptic, long-life standard juices. Do you see the premium market developing? What will be the growth leaders – quality and innovation?

RB: There is a great demand and awareness from the consumer to get premium quality and of course long shelf-life. We note that the consumer is willing to pay more for a product of high quality, but there is a limit to this. The market in Germany is under pressure and the margins are tight. Therefore we need to achieve all of those things – quality and innovation and new shapes and features – to stay in the market.

E.: In terms of packaging innovation and technology – how important is this to tucano and how important is your relationship with Elopak?

RB: Consumer demands drive innovation and Elopak has been an innovative and reliable partner for us. The new carton shapes, screw-cap solutions as well as aseptic technology, have given us significant advantages in our market segment to

The Time for Tea

Trends and Possibilities in the world market of tea and iced tea

Elotalk takes a look at the success and growth of key developments in the tea and iced tea markets, and at the trends that fuel the interesting developments in one of the worlds' oldest beverage markets. Why is now really the time for tea?

Time for tea – all over the world

Many see tea, next to water, as the most popular global drink, with the latest figures claiming that from 768,500,000 to over 800 million cups of tea are consumed around the globe. (*Source, Rico Magda, drink Technology + Marketing June 2006.) The UK has the highest consumption per capita in the world, with Brits young and old, consuming four cups per person, per day. In 2001, the UK tea market was valued at £523 million with around 163 million cups of tea consumed daily. (Source, Rico Magda, drink Technology + Marketing June 2006.)

The colours of tea

All teas come from the leaf of the *Camellia sinensis* and it is the variations of tea – with their different aromas, tastes and colours that come from the way in which these leaves are processed. The medicinal power of tea has been well documented, particularly with its content of antioxidants proven to protect the body and help shield it against the threat of cancer.

Tea is naturally high in polyphenol antioxidants which help protect the body from free radical damage. As green teas are naturally less processed than black or red teas, they

contain a higher level of polyphenols and are considered by the majority of consumers to be superior to regular teas, both in terms of health benefits and taste. (*Source Mintel, RTD Iced Tea Review)

Invented by a hot headed tea vendor at the St Louis Exposition in 1904, who simply poured tea over ice to entice sales on a sweltering summer day, now iced tea makes up over 85% of the entire US market. The RTD iced tea market across the globe is undergoing development, if not

growth in all areas. This has been attributed to brand flavour extensions and the launch to market of new varieties of added-value products that are addressing consumer health and wellness concerns.

The global growth of RTD (ready to drink) Iced Tea has seen a relatively even split between new products, new varieties and line extensions. Whilst black tea was used in the majority of iced-tea launches across the world in 2005, the use of more 'antioxidant-rich' bases also

continued to be a key theme alongside consumer demand for the 'healthier' green teas.

In most cultures around the globe, tea – whether hot or cold – remains a social, hospitable drink that's used to welcome people into our homes, and as an everyday beverage that helps us through our day. In the 1st Century AD, Chinese scripture said "Tea is as indispensable in daily life as rice and salt" and Lu Yu, writer of the first book dedicated entirely to tea, described it as "the dew of Heaven".



Time for Tea

– all over the world....

Chaya spices up tea in UK

In the midst of a booming UK café society culture, Tetley, the UK tea market leader, spiced up life for Londoners in 2004 with the launch of Chaya tea. First introduced through independent coffee and tea shops in the UK's capital in 500ml Mini Diamond Pure-Pak® cartons. Chaya (pronounced: 'Ch-eye-a') is a deliciously spicy tea with steamed milk and froth. Tetley took one of India's finest chai recipes made with 100% fresh and natural ingredients, and brewed and tasted it to perfection for the London palette. Three teas, Chaya Black, Chaya Green and Chaya Red are delivered to cafés and shops in the London and the south east region of the UK.

Chaya is so popular that Tetley is planning to broaden its appeal by launching it in other suitable locations across the UK. Ray Duffin explains what has made this spicy speciality tea so popular with consumers, "The trend for



health and wellness is a key factor in the success of Chaya tea, and also in the turnaround in growth for the UK's black tea segment. People have become more aware of the actual benefits of tea, most notably of course its high content of antioxidants. Unlike other products, nothing has to be added to tea to make it healthy."

Tetley's most recent marketing campaign has clear and simple health messages – "A cup of Tetley tea has no fat, is rich in antioxidants and helps to keep you hydrated – all of this in one cup!". Tea in

the UK is now heavily positioned within health food sectors. Despite it being cemented as a mainstream product, over the next two to three years, the tea market overall is predicted to grow by 7.4% in the UK, 1.6% across Europe, 15.1% in Asia-Pacific and 27.7% in the Americas market.

**(Source Datamonitor, 14.08.06)*

Chaya tea has today forged itself a niche market and Tetley puts its rise in popularity down to new lifestyle choices and changes in consumer behaviour. Ray Duffin explains, "This a new



stylish way to drink tea, and as more consumers develop individual tastes and are willing to try new things, so this is exactly the type of product that can fit into modern lifestyles. In London, the cafés that do stock Chaya have reported that over 6% of all their hot beverages have been the new spicy teas." But Tetley is keen to point out that this is a 'love it or hate it' product. Ray says, "It's all down to individual tastes, but we expect Chaya to take off in other areas over the next 12 months". The heat wave in the UK this summer has also seen the advent of Chaya being made as an iced tea.

Tea becomes a Greek lifestyle choice

In Greece, where consumers are increasingly demanding products that fit into a healthier lifestyle, Delta launched Life Iced Tea. A range of premium iced teas packaged in one-liter Pure-Pak® cartons with Elo-Cap™ UE, the drink is available in two flavours; lemon and peach. The product is also

available in 500ml cartons, aimed at attracting consumers from younger age groups and health conscious individuals.

The first ice tea products in Greece were packaged in cans and glass bottles, followed by basic 'brick-style'



cartons. These products, mostly imported from Europe, catered for the initial demand, but with emerging

consumer trends towards high quality and more exotic products, Delta has cornered a new market with the help of Pure-Pak® cartons. Life, a premium iced tea, was well placed to take competitive products head on, and its clear health overtones and chilled image captured over 10 per cent of the Greek market in just two years, despite its premium price.

Seeing Red in South Africa



One tea which has enjoyed a dramatic rise in popularity over the last decade is Rooibos or Redbush tea. This is a naturally uncaffeinated tea made from the Rooibos shrub *Aspalathus linearis*, which grows only on the North Western Cape of South Africa. The word 'Rooibos' means 'red bush' in Afrikaans, and is so called because when the green, needle like leaves of the plant are cut and left to dry in the sun, they turn a mahogany red colour. For centuries it was drunk by the Khoisan tribe who used it as a herbal medicine. In 1904, a Russian immigrant called Benjamin Ginsberg began to offer Rooibos to a worldwide market, calling it 'Mountain Tea'.

Researchers are still studying the health effects of rooibos tea and some believe rooibos may eventually be classified as a drug, due to its protective and health-giving properties. Studies are

ongoing, but it is being tested as a preventative measure against environmentally and dietary-induced cancer.

The South African domestic tea market has been hotting up recently with several new rooibos iced teas available. In 2005, Joekels, a major blender and packer, launched its preservative-free, organically-grown rooibos tea, in one-liter Pure-Pak® cartons. The tea is currently available in three variants; Lemon and Citrus, Strawberry and Grapefruit, and a sugar-free Pineapple and Orange variant endorsed by the Heart Foundation of South Africa.

South Africa's number one tea brands and icons within the tea industry, Five Roses and Freshpak Rooibos have both now launched their successful iced tea ranges in a one-liter family pack. Packaged in Pure-Pak® Curve cartons, the brands are available from September 2006.

Johan De Smidt, Managing Director of Elopak in South Africa explains, "The new pack formats were selected to protect the contents from UV light with an innovative, easy to open and pour, resealable cap. The latest design boosts the value proposition for the consumer as they can now buy their favourite brand in bulk and enjoy it on a daily basis with an option to store the rest for later, allowing them to savour the taste at their leisure."

Launched late last year as a drink-on-the-go format, Five Roses Iced Tea available in Lemon, Peach and Appleberry flavours and Freshpak Rooibos available in Passion-Current

and Pineapple, enjoyed huge success – prompting the National Brands Limited to extend the range. Following extensive research, it was established that consumers preferred the Pure-Pak® carton, with specific comments on the modern-looking design of the pack and that it was easy to store and use. Five Roses Iced Tea is the first black iced tea to be packaged in the Pure-Pak® carton format.



Tea helps Norwegian diets

In Norway, TINE joined tea's health and wellness movement, launching 'IsTe Lett' (Lite) in February 2006. Packaged in 500ml Mini Diamond Pure-Pak® cartons, the product is an alternative version of TINE's fresh iced tea (Iste), which was introduced with phenomenal success in 1999, with sales increasing steadily year on

year. IsTe Lett is aimed at consumers who are watching their weight.

Around 30-35% of the original Iste brand is sold in high school and University canteens, the rest is sold in retail stores including gas stations. A fresh product, Iste is stored and consumed chilled.



Future trends

Tea may have been around for millennia, but what does the future hold for such a staple, everyday product?

Forecasters predict that we will see developments in RTD Iced Teas targeted specifically at men. It is also expected that common fruity flavours will give way to more unusual

and exotic alternatives, giving more choice to consumers. (*Source Mintel, RTD Iced Tea Review)

As consumers become more aware of the benefits of an antioxidant-rich diet, we have already seen manufacturers flag up this content on packs. But new products' individual

health benefits are likely to become increasingly more specialised, such as improving heart and blood health, and aiding brain functions such as memory and reasoning.

Researched and written by Stephanie Sergeant.

If you wish more information about other products and our packaging concepts, please take contact with Marketing Director Terje Jensløyken our Marketing Department in Norway; terje.jenslokken@elopak.no

“T 4 Health” – the facts about tea and health

- Approximately 40% of the British nation's fluid intake today will be tea.
 - Tea without milk has no calories. Using semi-skimmed milk adds around 13 calories per cup, but you also benefit from valuable minerals and calcium.
 - Tea with milk provides 16% of daily calcium requirement in four cups.
 - Tea contains some zinc and folic acid.
 - Tea with milk contains Vitamin B6, Riboflavin B2 and Thiamin B1.
 - Tea is a source of the minerals manganese, essential for bone growth and body development, and potassium, vital for maintaining body fluid levels.
 - The average cup of tea contains less than half the level of caffeine than coffee. One cup contains only 50mg per 190ml cup.
 - Tea is a natural source of fluoride and drinking four cups makes a significant contribution to your daily intake.
 - Only 11% of UK water supply has fluoride added.
 - Green and black teas are from the same plant, *Camellia sinensis*, and contain similar amounts of antioxidants and caffeine.
- *Source – United Kingdom Tea Council. www.tea.co.uk.

A new Shape for a new look

World leader Pepsi selects Elopak's Pure-Pak® Curve cartons for leading brand re-launch

Pepsi Americas Central Europe Group (PAS CEG) has re-launched the leading quality juice brand TOMA in new-style Pure-Pak® Curve cartons from Elopak across Czech Republic, Slovakia and Poland.

Elopak won the contract amongst fierce competition due to the innovative shape and design of the Pure-Pak® gable top aseptic carton which features a distinctive curved panel. The new packaging concept which repositions TOMA in the competitive and fast growing juice market was launched in an opening ceremony at Pepsi's General Bottler plant in Prague.

Within the vast range of products marketed by Pepsi Corporation of Americas, fruit

juices are currently enjoying fast growing sales. While TROPICANA is the prominent Pepsi brand in the Americas and Western Europe, TOMA has been the leading brand in Czech Republic, Slovakia and Poland for many decades. Packed in a brick-shaped carton, the product has lost some ground in recent years and it was decided to re-evaluate and update its premium image to a younger, more modern lifestyle. Therefore, the dynamic Marketing Team of Pepsi/PAS CEG decided for a re-launch

of the brand by positioning it towards young, assertive, modern and open-minded Eastern European consumers.

Rated best

O. Rezek, Vice President Marketing of PAS CEG explains: "We did a thorough market analysis in our home markets, including consumer interviews, and were happy to learn that Elopak's Pure-Pak® Curve carton with the innovative curved panel and the Pure-Twist™ U screw cap was clearly rated best packaging for our TOMA range. The pack has emotional benefits with its new shape and design and clearly stands out from the crowd on retailer shelves – an important asset in today's competitive environment. In

this respect the new pack has been an important element of our marketing mix."

Based on the positive consumer research and similar successful re-launches of brands in new Pure-Pak® Curve cartons in Greece and France, Pepsi decided to invite Elopak for a tender for a new aseptic filling line, including screw-cap applicators, wrap-around machinery and related conveyor systems.

After an intensive evaluation period, which included a review of the marketing and pricing strategy for juices in Central Eastern Europe, an extended consumer test, a packaging re-design brief to



Elopak President Bjørn Flatgård and Pepsi Americas CE Group Senior Vice-President and General Manager of Christophe Guillé officially opened the production line



June 2006. A strong media campaign supported the re-launch, which includes TV and cinema spots, print and point-of-purchase activities and eye-catching hypercubes in front of 70 selected hypermarkets in Czechia. Great attention is given to superior in-store presence with specially branded metallic displays.

For further information contact Market Unit Manager Josef Horky at our office in Prague; josef.horky@elopak.cz

three agencies and a complete review of the secondary packaging, a supply agreement was signed on 9 December 2005 with the ambitious target to re-launch the new TOMA brand of 8 different juices and nectars on 1 June 2006.

The ceremony was honoured by the presence of Mr. Peter Raeder, Norwegian Ambassador in Czech Republic, Mr. Bjørn Bjørnsen, Commercial Councilor at the Norwegian Embassy and

Johan H. Andresen jr., owner of Elopak.

The newly designed TOMA range (executed by London-based agency Sieberhead) is in the supermarkets as from 1

Elopak installed and commissioned on time and schedule an aseptic filling machine model of Pure-Pak®U-S80Aseptic, screw cap post applicators, cap feeding systems, wrap-around machine and complete conveyor systems, as well as of course the Pure-Pak® Curve cartons and Pure-Twist™ U caps.

In an opening ceremony in Pepsi' Prague plant, Christophe Guillé, Senior Vice-President and General Manager of Pepsi Americas CE Group and Bjørn Flatgård, President of Elopak, untied the knot of a symbolic, huge ribbon, officially starting the new filling line and, as both partners stated, to a longstanding and fruitful co-operation.

About PepsiCo

PepsiCo is a world leader in convenient foods and beverages, with 2005 revenues of more than \$32 billion and over 157'000 employees worldwide. The company consists of Frito-Lay North America, PepsiCo Beverages North America, PepsiCo International and Quaker Foods North America. PepsiCo brands are available in nearly 200 countries and territories and generate sales at the retail level of about \$85 billion.

Many of PepsiCo's 15 brand names are more than 100-years-old, but the corporation is relatively young. PepsiCo was founded in 1965 through the merger of Pepsi-Cola and Frito-Lay. Tropicana was acquired in 1998 and PepsiCo merged with The Quaker Oats Company, including Gatorade, in 2001 to become the world's fifth-largest food and beverage company. PepsiCo's mission is "To be the world's premier consumer products company focused on convenient foods and beverages. We seek to produce healthy financial rewards to investors as we provide opportunities for growth and enrichment to our employees, our business partners and the communities in which we operate. And in everything we do, we strive for honesty, fairness and integrity."

Pepsi Americas Central Europe Group with headquarters in Budapest is responsible for the market areas of Poland, Hungary, Czech, Slovakia, Romania and Moldavia and has started recently activities in the three Baltic States. Net sales in 2005 amounted to some \$ 344 Mio and the product mix comprises classical Pepsi, water, carbonated soft-drinks and fruit juices. Please see www.pepsi.com or www.pepsico.com for more information.



Bringing **new life** to milk

The processing and packaging solutions for ESL milk

Following on from recent reports in Elotalk, where we focused on the phenomenon of the growth of the Extended Shelf Life (ESL) market in Europe, and the potential for its future, we now focus on the technology that enables the continuing growth of the ESL products for customers world-wide.

As consumers continue to become more demanding for quality and convenience of products, so do Elopak's customers demand more days shelf life – not just for branded white milk, but also for value added milk and flavoured milks. As such, ESL technology is expected to play an important role in the further development of these dairy segments.

When asking 'how many more days shelf life can we achieve' the answer is not straightforward. ESL is a combination of many factors which demand an all encompassing approach to process technology, filling technology, distribution and storage – both on and off shelf.

Elopak, as one of the world leading packaging organizations, has been developing packaging solutions to extend the shelf life of fresh milk since the

company was founded. With the introduction of the Pure-Lac® processing system in 1993 Elopak has been working alongside customers with a total systems approach to achieving ESL quality in both in terms the sensory and microbiological elements of milk products.

Selecting the right process

Elopak analyzes each product separately when a new ESL product line is considered:

- set the target for shelf life
- analyze the raw milk quality
- evaluate product range i.e. white, flavoured etc.
- verify distribution conditions as quality of cold chain, distribution method and channel

Based on this initial analysis, Elopak works with each dairy to select and provide the best processing method, filling technology and packaging material.

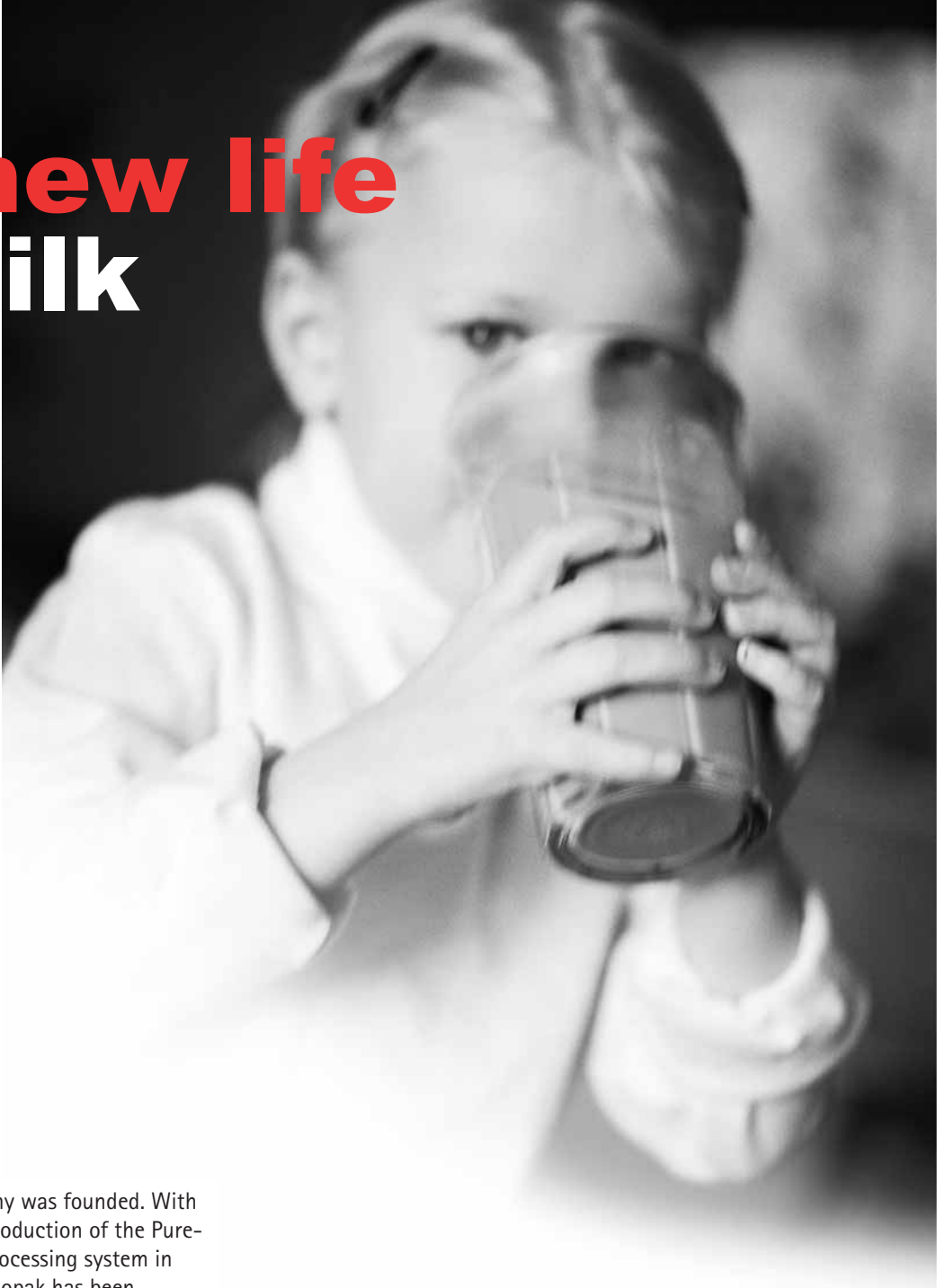
Processing of ESL milk

The quality of ESL milk is dependent of the combination of processing and packaging solutions – a filling machine can not improve the quality of the product. The various methods used to increase the shelf life of milk in addition to or as an alternative to standard pasteurization determine the level of

packaging protection and filling machine requirements.

Methods such as bacto-fugation and microfiltration can increase the shelf life of the milk distributed in a good cold chain (< 6°C), but if the quality of the cold chain is inferior, heat treatment is required. The challenge is to perform the heat treatment in order to obtain better microbial kill effect, while maintaining the sensory and nutritious quality of the product.

The current methods used commercially for producing ESL milk are micro filtration



in combination with low temperature pasteurization, direct heat treatment such as injection or infusion, or indirect heat treatment for instance using plated heat exchangers.

When comparing the different methods, it is important to consider the target shelf life of the products to be produced, the product characteristics, and the distribution conditions – which is specifically important as distribution channels are changing. Finally it is important to consider the chemical degradation due to the heating process and consequently the effect of product flavour and taste.

Infusion technology is a superior direct method to produce milk with low chemical degradation due to very short holding times and gentle heating. However, the choice of method will always be a combination of target flavour/taste profile, investment and running cost of the total system. Both direct steam injection and infusion might be excellent methods to produce high quality ESL milk. However, if a combination of excellent sensory quality and shelf life



The Pure-Pak®P-S120UC Ultra Clean filling machine

up to 3-6 weeks is required, Elopak's experience is that no processing method is better than infusion heating.

Hygienic filling operations – a vital step in ESL production

Public concern about food safety and quality has increased dramatically in recent years. Therefore the demand for hygienic filling equipment in the dairy industry is increasing, and it is the responsibility of the supplier to ensure adequate hygienic design of their equipment. European legislation requires that handling, preparation, processing, packaging of food is done hygienically, with hygienic machinery in hygienic premises.

Elopak has used significant Research & Development resources to improve the hygienic performance of our filling machines and we can offer state of the art Ultra Clean filling machines for optimum protection of the product.

The wrong choice of filling machine may limit the shelf-life of a product with good microbiological quality due to recontamination in the filling operation. Therefore Elopak's ESL filling machine technology developments include hygienic features to ensure the microbiological products filled on ESL machines:

- Hygienic design
- Double diaphragm fillers with leak detection
- Clean air system by using HEPA air filters for protecting the critical areas of the filling machine
- Automatic CIP/ SIP

- Automatic disinfection of critical parts
- Carton decontamination using a combination of hydrogen peroxide and UV-C light
- Sterile filtration of lubrication water for the conveyors and carton lifters

Extending ESL – Future developments

As the dairy market continues to segment with the demand for more added value, quality, choice and convenience from the ever discerning consumer, the advantages of ESL for new product launches are brought to the fore in terms of both product production and marketing.

Future technology developments for ESL milk will be centered around further improvements of gentle heat treatment, non thermal processing methods, further development of improved package sterilization methods and "active packaging" to increase shelf life.

If you wish for further information on Elopak filling machine technology, please contact André Dybvik at Elopak Corporate Offices in Norway; andre.dybvik@elopak.no



UV light decontamination of cartons

Find one of many examples on how Elopak's ESL technology brings market advantages to customer and consumer in the article about Aurora Organic Dairy on the following pages.

Colorado Rocky Mountain high... Pure-Pak® hits the heights

At 1,700 meters above sea level, with the Colorado Rocky Mountains as a back-drop, you find Aurora Organic Dairy. In just four years, the company has grown to be the largest vertically-integrated, organic milk operation in the United States and one of the latest greenfield dairies built in North America to install an extended shelf-life Pure-Pak® P-H90UC Ultra Clean filling machine.

Aurora Organic dairy was conceived by CEO Marc Peperzak, assisted by Mark Retzloff. Both have more than 35 years of experience building successful dairy and organic companies, including assisting in creating the US organic program in 1990 and drafting organic livestock standards. They co-founded Horizon Organic Holding Corporation, growing the brand to become the first truly national milk brand in the US. Following its sale to

Dean Foods, the business partners went on to found Aurora Organic, which began shipping products in Pure-Pak® cartons in 2004.

Fastest from cow to carton

Clark Driftmier, Senior Vice President of Marketing, says, "Aurora is the only organic producer that has its own state-of-the-art milk plant capable of processing both pasteurized and ultra-pasteurized milk. We also use



the latest high temperature short time infusion systems. Because the plant is adjacent to our Colorado dairy farm, we are amongst the industry's fastest in getting the product from cow-to-carton. This is great country for dairy cows – clean air, dry and the sun shines 320 days per year."

Despite an almost static milk market in the States, the organic dairy sector has seen significant growth at an annual rate of 25% per year. The sector is still very small however, accounting for just 1% of the dairy cows in the country. But consumption is growing at 20-25% per year and consumer demand currently outstrips supply.

Jay Wilson, Senior Vice President at Aurora, says, "We are working very hard to add organic cows, but it is expensive to raise organic cattle. In the States, a calf must be on organic feed for three years before it can be certified organic."

At Aurora everything is designed for just-in-time delivery and suppliers are expected to comply with tight schedules. Since summer 2004, Elopak Canada in Montreal has supplied Aurora Organic Dairy with Pure-Pak® cartons. The 3,000km journey takes two days and trucks bound for

Colorado leave Elopak Canada every other week.

Plant Superintendent Clay Powell, at the Aurora says, "The system works well. Sometimes we have a spurt in demand and need to rush cartons in. Then, on a day's notice Elopak squeezes us into the schedule and puts two drivers on the truck. That way the cartons can get here in 30 hours. "

Organic on up-scale

Aurora Organic Dairy strives to be the best producer and processor of organic milk and sells to private label retail customers. Jay Wilson, Senior Vice President, says, "It is motivating to see the interest among the large retailers. Their brands are really up-scale, using organic milk to enhance their image. The carton lends itself well to this, and we really do have a story to tell with organic milk. Pure-Pak® carton is like a billboard and it provides the best protection." says Jay.

Aurora requires a long shelf-life because serving large retail customers requires national distribution over distances up to 3,000 kilometers. Jay Wilson says, "We run the equipment 24 hours per day, and have permission from the FDA to run 40 hours continuously between each cleaning. Elopak has the





Marc Peperzak



Mark Retzloff

best Ultra Clean Extended Shelf Life (ESL) filling technology, and in combination with our processing we can code products with a refrigeration shelf-life of 60 days. We may even be able to extend this further."

Floyd Carpenter, Technical Manager at Aurora says, "We're really dependent on the Pure-Pak® P-H90UC filler and

run it hard. Being a start up-operation we've had some very interesting situations, but we've learned a lot, and Elopak is always there when we need help. Ruben Herring at Elopak has provided solid support."

With another Pure-Pak® P-H90UC filling machine to be installed in early September, some of the production

For more information about the installations at Aurora Dairy and technology advantages, please contact our Nils-Erik Aaby, Regional Office Americas at New Hudson and check the Elopak US website at www.elopakus.com

For more information about Aurora Dairy, please check their website at www.auroraorganic.com

pressure will be eased at least for a short while. But there are still plans for growth and Marc Peperzak and Mark Retzloff stay focused. "We enjoy what we do and we are ambitious," says Marc Peperzak, "We will keep investing in organic cows."

News in Brief

Trend leading innovation from Granarolo

In the Italian fresh milk market, Granarolo is a clear leader. The first cooperative in Italy and an innovative forward thinking company that looks to provide products that benefit today's consumers and their lifestyles.

Regular health

With the introduction of three ESL milk products, Granarolo is targeting five mega trends with both added value and packaging solutions. Fibrya was launched in May 2006 in 500ml Pure-Pak® Curve cartons with Elo-Cap™ UF screw cap. It is a latte milk drink, foamed for a latte-style texture, which is fortified with minerals and added fibre to aid digestion. This product provides a healthy drink for general well-being and targets consumer with special health needs related to digestion.



'More life' to the over 50s

ViviPiu' means 'more life', and also a foamed latte style milk drink with added vitamins and minerals, specially formulated for the older generations and their specific health needs. A formula consisting of both calcium and vitamin D provides a natural way to support older bones. This product is targeted at the growing socio-demographic trend of the increased population that is over the age of 50.

Making light work of daily milk

Also available is Granarolo light milk, aimed specifically at the market for weight conscious consumers. With only 0.1% fat, this latte style milk is perfect for consumers' daily intake and packaged in 500ml Pure-Pak® cartons, it is ideal for single people.



"With the rising number of single person households in Italy and across Europe, all these products are packaged to provide good portion sizes for the solo consumer," says Elopak Market Unit Manager Michele Falzetta. "The lite milk caters for the increasing number of consumers who watch their fat intake and demand healthier alternatives to their daily milk consumption."

For more information on product and packaging, please contact Michele Falzetta at our office in Italy; michele.falzetta@elopak.it

Mexican oranges in Pure-Pak®

Packaging the 'everyday' natural goodness

Mexicans love orange juice. Homemade juice constitutes 70% of the market. Traditionally, families have squeezed their own oranges in the home, with packaged products only taking second place in Mexican's orange juice hearts – that is until now.

Finding a new place in Mexican hearts and homes today is Natural 'es, a premium product from Lala and Mexico's original fresh, chilled orange juice – the first with that 'just-squeezed', homemade taste.

Lala's brand manager for juices, beverages and children's products, Jorge Martinez Ruiz explains, "With this product we were targeting mainly the homemade market, but it also appears that we are recruiting consumers from the existing

packaged market. How we presented this product to the housewife in the store, and its usage in the home, were both very important."

Another entrance barrier to juice in Mexico is the highly fragmented nature of retailing, which consists of a large number of small independent food stores and a growing number of convenience stores, supermarkets and hypermarkets. The traditional owner operated, 'Mom and Pop' neighbourhood store

with a single counter and shopkeeper has remained popular with the Mexican housewife, continuing to be the preferred outlet for products like bread, milk and orange juice. Reaching small independent food stores requires a large distribution force, together with processing and packaging that can protect and maximize shelf-life, whilst at the same time maintaining a 'housewife-friendly' price – all crucial factors for orange juice producers.

Positive Pure-Pak® image

Extensive consumer research was carried out by Lala to select the right packaging solution for Natural 'es. The results indicated that the

consumer had good positive connotations which associated the Pure-Pak® carton with fresh dairy products. However a clear trend pointed to a link between PET bottles and products that claim to be fresh orange juice, because bottles have a very modern and very expensive image.

With Natural 'es, Lala had created a product that needed to be positioned as a fresh, quality, not-from-concentrate juice, but at the same time, required promotion as an 'everyday', traditional product that forms part of the typical Mexican lifestyle.

Jorge Martinez continues, "Our research also told us that juice in PET bottles,





We wanted the brand to be accepted as a quality, 'everyday' juice.

"As the majority of fresh milk in Mexico is packaged in gable top cartons, Pure-Pak® was already a familiar package on Mexican store shelves. Consumer perceptions of the Pure-Pak® are that it must contain a natural, quality and essential daily product. Our research discovered that the plastic PET bottle is

associated with more processed, synthetic and manufactured products, and in this respect paperboard packaging is the only package that can support a natural product such as Natural' es."

Natural' es was launched in the one-liter Standard Pure-Pak® Classic carton in late

2004 and in 2005 distribution extended into Torreón, Mazatlán, Guadalajara, Mexico City, Acapulco, and Veracruz. Lala pasteurizes and packages the juice – made from all Mexican oranges – in Torreón, Monterrey and Mexico City. It is distributed through the same cold chain as Lala's popular dairy products. The Pure-Pak® cartons are produced by Envases-Elopak in Durango and filled on Pure-Pak® P-S70 machines.

Creating a new category

Since its launch, Natural' es has created a totally new market category, whilst taking 10% of the total juice market and 30% of the orange juice market in Mexico. Héctor Guerrero is Director of Envases Elopak in Mexico and he confirms, "The strategy of Lala was both specific and intelligent. This is a very unique product which had to be exactly right for its audience. Lala had to produce the best quality juice that really tasted like homemade – and they succeeded by using

only the highest quality oranges – in fact it tastes even better than homemade! The proof is in the monthly sales of 1.6 million liters, achieved in the most part by the instant loyalty of consumers. The first time they taste Natural' es they are hooked!"

Natural' es is now the biggest selling brand within the orange juice category across Mexico, and its packaging provided key marketing benefits that were important to Lala. Jorge Martinez explains, "When you compare cartons with bottles, the shape of the gable top is much better for merchandising, the print area is bigger which enables the product and the branding to achieve more impact on the shelf. The housewife prefers the carton, it's a more convenient shape and size to store in the refrigerator, with a more reliable closure, and that gives them instant confidence to buy the product."

Lala supported the launch of Natural' es with a high profile advertising campaign featuring the cartons across billboards, buses, television, and newspapers.



particularly those with wrap around sleeves are perceived by the average Mexican housewife to be very expensive and find it difficult to relate to them as daily products. The image we were looking for as the basis of the Natural' es brand had to be an affordable one that would appeal to a wider audience.

"Lala had to produce the best quality juice that really tasted like homemade – and they succeeded by using only the highest quality oranges – in fact it tastes even better than homemade. The first time you taste Natural' es you are hooked!"

For more information contact Héctor Guerrero at the Envases Elopak office in Mexico; hguerrero@envases-elopak.com.mx

Focus on Innovation in the Ukraine

During May the "Dairy and Meat Industry of XXI century" exhibition took place in Kiev International Exhibition Center. Elopak participated with a booth following the Anuga concept '**Offering you more premium possibilities**', displaying the latest innovative packaging solutions.

It was a welcome chance for Ukrainian customers, who were not able to visit Anuga

FoodTec to be introduced to new packaging concepts Slim™ and iCone™ and to taste some innovative products in Pure-Pak® cartons.

The Elopak product bar was offering Valio yoghurts and berry soup in Pure-Pak® Curve, Don Simon Gazpacho in Mini Diamond Pure-Pak® cartons, Rauch juices and ice-tea, as well as Lattella whey



drinks to interested visitors. Furthermore innovations from Ukrainian production were offered – like yoghurts "Letniy Den", kefir and yoghurts of Pridneprovsky Dairy and Pavlograd Dairy – all packed in Pure-Pak® cartons with the screw cap.

For more information about Elopak in the Ukrainian market contact Anya Yavorskaya; aya@elopak.com.ua

Elopak Principal Sponsor for World Juice 2006

World Juice is the premier event for the global fruit juice industry and Elopak is again the Principal Sponsor for this major event. This year wonderful Barcelona forms the arena for the World Juice 2006 gathering senior executives from retailers, juice bottlers and juice producers.

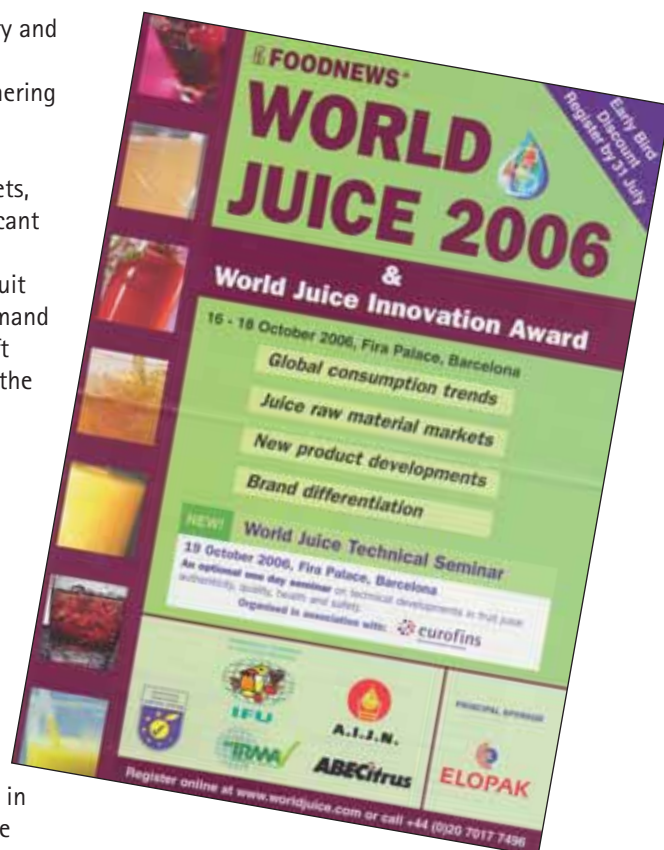
World Juice gives the chance to hear industry leaders answer questions, and update on the latest on trends in raw material markets, consumption in established and emerging markets, the most significant new product developments, and much more.

World Juice examines the most important trends in the global fruit juice market. There has been the continued growth in consumer demand for healthy and natural products, the falling sales of carbonated soft drinks, the strong performance of the functional drinks market and the rising importance of high value niches such as smoothies.

The conference will cover topics as:

- Global consumption trends
- Juice raw material markets
- New product developments
- Brand differentiation

Elopak's Marketing Director for Region Europe, Middle East and Africa Finn Tørjesen is one of the speakers at the event and will focus in his lecture on "**Exploiting Packaging to deliver Brand Value**". He says: "paper based packaging delivers a more natural solution to brands which want to be positioned as healthy, natural and premium. And Elopak is the innovative dynamic partner in providing natural packaging solutions for premium products that are specially adapted to the one of the most significant trends in the world today – Snacking!"



more people think Slim™

and

World Juice 2006

**16. – 18. October 2006
Fira Palace, Barcelona, Spain**

is the place to talk about it...

more people think Slim, at home and on-the-go

Healthier eating and drinking has become a fundamental part of the Europeans everyday diet at home and on-the-go. The consumers search for products that are value added, functional and convenient. Snacks no longer stand for sugar, fat and cholesterol! Snacking has become a healthy habit with new healthy, natural and light products that have no relation to obesity or being overweight. And that's exactly what people are seeking for in their daily struggle to stay Slim.

Juice – the natural choice for healthy snacking

Liquid food as fruit and vegetable juices supplies nutrients to the diet and makes valuable contribution to health. Fruit and vegetable juices represent important daily vitamin and fiber intakes. The challenge for juice brands is to generate **more premium possibilities** and develop convenient and functional snack food propositions consistent with a well-balanced diet and lifestyle for at home and on-the-go.



more people think Slim™

Elopak's latest innovative packaging concept – the 'Slim™' with its modern, elegant and distinctive design creates the perfect harmony between product and lifestyle. The Slim™ gives every brand a natural, healthy and premium image only by its appearance.

Slim™ is our new packaging solution for premium juice brands, for consumers concerned to stay healthy and to be Slim™.

Let us show you that snacking can be healthy. Spanish people may have invented snacking – they call it Tapas – but it has now become a fundamental part of the Europeans everyday diet.

Join Us at

**TAPAS
BARCELONA**

**Elopak's healthy snacking
welcome event**

16 October 2006, 21:00-23:00
at the Fira Palace Hotel Foyer

If you wish to join us - take contact at
Elopak@elopak.es



more
people think
Slim™

more
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Introducing
SlimTM



ELOPAK offers

more people in **more places** in **more moments**

the most convenient and attractive packaging solutions
for the healthy and tasty consumption
of premium fresh and ambient products



offering you more premium
POSSIBILITIES