

Edition 01/2009

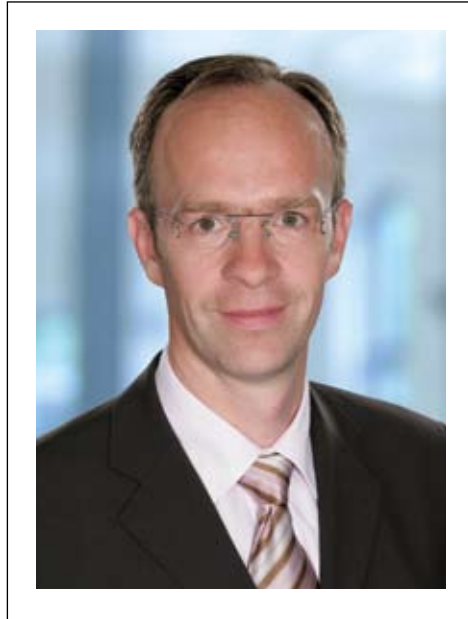
InFocus

SIG Combibloc Obeikan Corporate Magazine



Carton
*Designed for the
Environment*

Market Review
Kuwait



Dear Readers,

Welcome to our first InFocus issue for the year 2009. Hopefully this challenging year started promising for you and will bring you professional as well personal success. It is in difficult times like these, where we appreciate and understand the value of a truly professional and strategic business partnership.

Despite all the obstacles, we find ourselves looking back at a very rewarding experience during the first half of this year and we look forward to a propitious future for the second half of 2009. During the Anuga FoodTec 2009 in March, we welcomed many of our customers to have a look at SIG Combibloc training center in Linnich and get a first-hand feel of the new CFA 124 filling line. It was indeed a gratifying experience to be able to take our valued clientele for an all-inclusive tour of SIG Combibloc Obeikan's latest innovations for the Food Industry.

We also talk about the current focus on Environment in the region and how the carton packaging industry is also contributing our efforts to reduce the carbon footprint on a global scale. The recent years showcased an increased awareness of environmental issues in the region from reducing fresh water levels to decreased marine life. We hope to work along with other key companies in the packaging industry and our customers to initiate a more sustainable solution for the environment in the coming years.

We certainly hope you enjoy reading our magazine and we would like to thank you for the confidence you have placed in us as your long term business partner.

Yours sincerely,

*Martin Schmedes
Director of Marketing & Business Development*



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Anuga FoodTec 2009

SIG Combibloc Obeikan customers participated in the International food and beverage exhibition at Cologne and were able to visit our training center in Linnich. Our new and innovative CFA 124 machine was of course the highlight with its incredible high output capacity and unique volume flexibility.



The Anuga FoodTec 2009 in Cologne saw an amazing number of visitors from across the globe flying in to be a part of the international food and beverage exhibition. We, at SIG Combibloc Obeikan invited our customers from the Middle East to visit the training center in Linnich. With our filling machines assembled and ready, the clients enjoyed the opportunity to take a closer look at how Combibloc filling machines operates and learnt methods to increase maximum efficiency and how we offer long term cost effective solutions.

One of our new machines, the CFA 124 is a fine example of our commitment towards innovation that is both pragmatic and efficient. The unit is a one-of-a-kind long life beverage filling machine with an unique high output capacity per hour and combined with SIG Combibloc's well known volume

flexibility – it truly is the perfect choice for any beverage production facility with a focus on a diverse range and higher volume of products.

“It was great to see the machine upfront. A machine that is slightly larger than a regular machine and with the production capability of two machines will help us save space and time in our factory. Definite bonuses for most of us who have to remain efficient and cost effective particularly keeping in mind the durable nature of the raw material and the demand in the market.” Says XY General Manager of XY in XY



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Tomato Paste in combibloc

Yemen Dairy is one of the latest companies to extend their product portfolio to include tomato paste in carton, a product with high demand in the Middle East. Thanks to the flexibility of their combibloc filling machine, they could achieve this on their existing filling line!



Originally tomato paste was a partisan product that is still made in the traditional way in Southern Italy and Malta. However, the ones found in the market today is a diluted version of the partisan product and are mostly used to enrich the flavor of a wide variety of tomato-based sauces including the ubiquitous ketchup.

Yemen Dairy is one of our first customers to fill quality tomato paste in combiblocMini 140gms packages. The compact new shape of the packing for the tomato product allows for easier storage while still providing higher volume of product than most alternative options available in the same range. The wider opening is also an added advantage allowing consumers to enjoy every last drop of the great tasting tomato paste!

Tomato paste in carton packages is a well known combination in the Middle Eastern market and has many advantages. The aseptic system of carton packaging also ensures the quality of the product is maintained. Filling the product in smaller size packages gives the customer the flexibility to use and buy just the right amount of tomato paste they require. This is especially helpful for cost conscious consumers in the current economic scenario.

Tomato paste is also still available in tins;

the sharp edges however hold a great risk of injuries.

If you would like to extend your product portfolio with a popular tomato paste product, you can do this on your existing SIG Combibloc filling line or talk to us if you wish to expand your portfolio to reach an even wider spectrum.

As the satisfied Marketing Manager, Mr.Khaled Gabr from Yemen Dairy said “Our combibloc filling machine enabled us to fit in our sudden plan to enter the tomato sauce market. We chose to diversify and grab this business opportunity especially due to the growing market in the Middle East where tomato paste is the key ingredient for many dishes.” He further added, “The flexibility of the SIG Combibloc system allowed us to make this easy transition from our current dairy products to tomato paste on the same filling machine! This saved us not only time but also costs on investing for a new machine!”

To confirm that you benefit from your equipment, please contact your nearest SIG Combibloc Obeikan Sales representative. It is part of our philosophy to extend exemplary ongoing support and help you in every phase of your business development.



Designed for the Environment

Sustaining the environment is an unprecedented challenge that we are and will face in the coming years. SIG Combibloc Obeikan has always been a part of the environmental cause through sourcing our material from sustainable resources and spreading awareness on how to recycle cartons to ensure 0% wastage.



Government bodies across the world are now focused on discovering and finding alternative sources to restore the quality of the economy without destroying that of the environment.

In October 2006, the highly regarded British economist Sir Nicholas Stern delivered his report into the effects of global warming on the world economy "Climate change," he said, "is the greatest and widest-ranging market failure ever seen." As Al Gore, the former Vice President of the United States and current environmental activist 'inconveniently' mentioned in his documentary as - 'The truth'.

The Middle East on Environment:

The UN Environment Program identified fresh water resources as the key issue under Environment in the Middle East. Over-exploitation and pollution has almost depleted water levels and have made negative impacts on the local ecosystems and biodiversity. Climate change has also impacted the level of rainfall and the intensity of the summers in the region.

The Saudi Govt. has already established a national environment committee aiming to increase environmental awareness and strategy for the 21st century. Abu Dhabi has also established the Masdar Initiative, a comprehensive renewable and alternative energy program. Iran, Qatar, Kuwait, Egypt and Bahrain have also jumped on the environmental bandwagon and devised organizations along with the various sectors including the packaging industry to promote recycling and raise awareness.

Cartons: Renewable. Recyclable. Resourceful.

The challenges for the Packaging Industry are to provide the means of a long-term environmentally viable solution to reduce the carbon footprint and CO2 label while reducing

overall wastage through creating 100% recyclable and lightweight packaging.

Cartons are optimized for efficient material usage. 75% of the liquid packaging board is wood. SIG Combibloc Obeikan ensures that the wood we source is from legal and acceptable sources, traceable and they come from the sustainable forests of Scandinavia. Statistics show less wood is used as compared to the growth of trees in these forests every year.

Apart from the wood that is recyclable, the cartons go through a process to separate the PE/AL residues which are later used to make cement, paraffin, aluminum or for energy. Absolutely 100% usage from recycled cartons!

Market Review: Kuwait

Kuwait Key Indicators 2008:

Population	:	2.7 Million
Locals	:	32%
Expatriates	:	68%
Median Age	:	26.2 Years
0-14 years	:	26.4%
15-64 years	:	70.7%
65 years and over	:	2.9%
Population Growth:	:	3.54%
GDP:	:	\$ 157.9 Billion
GDP Real Growth Rate	:	8.1%
GDP Per Capita:	:	\$ 60,800
Inflation Rate:	:	11.7%
Currency:	:	Kuwaiti Dinar (KD)

Source: World fact book

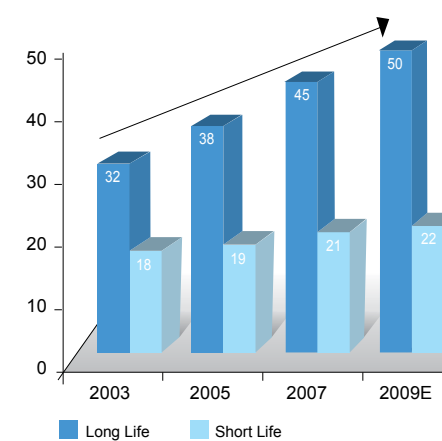


Source: CBOB, IMES Kuwait Report 2008

Liquid Milk Consumption

Product Type

(Long & Short life in million Liters)

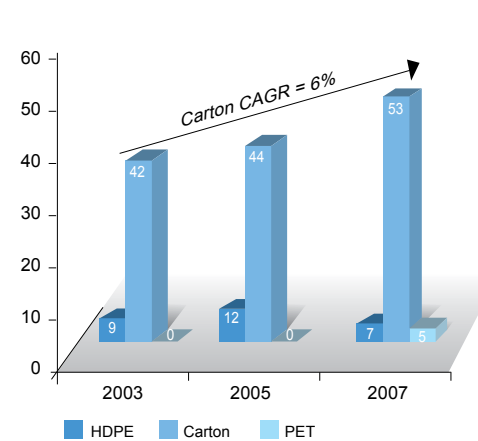


Key trends & drivers

- Long life milk is popular amongst consumers in Kuwait market because of its preferred taste and ease of use.
- Ambient milk market has grown much more than short life at an average annual growth rate of 8% since 2003 and expected to account 50 million liter by end of 2009.
- Consumption of short life milk has grown by 3.2% per annum since 2003.
- There is a significant growth in flavored milk consumption driven by the combination of new products and flavors introduced in the market.

Pack Type

(Long & Short life in million Liters)



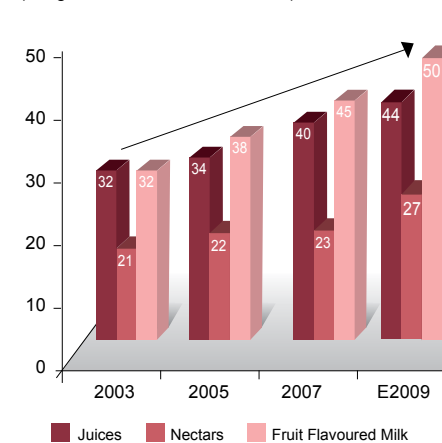
Key trends & drivers

- Carton is the dominant pack type in Kuwait accounting 81% of the consumption in 2007 growing with annual growth rate 6%.
- Long life milk is completely packed in aseptic carton.
- HDPE is losing market share in favor of PET.

NCSD Consumption

Product Type

(Long & Short life in million Liters)

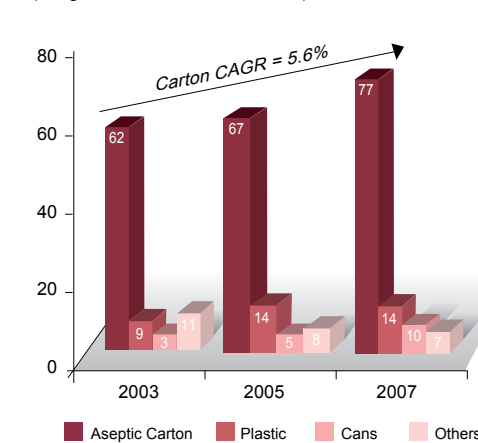


Key trends & drivers

- Long-Life juice dominates the market accounting for 91% of supply in 2007 and its share is growing, while Short life juice is noticeably less developed accounts 9% in 2007.
- Fruit Flavored Drinks are the most important category accounting for 41.6% of consumption in 2007 growing by 8.9% since 2003.
- Juices are the next most important category growing by 5.7%, while Nectars grow by 2.3%.

Pack Type

(Long & Short life in million Liters)



Key trends & drivers

- Aseptic cartons continue to be the most popular pack type in Kuwait accounting 71% of total volume of NCSD products consumed.
- Plastic (HDPE + PET) is slightly growing, driven by the growth of short-life, multi-serve formats.
- Single serve packs are the most popular accounting for 71.2% of total consumption in 2007.
- Aseptic cartons dominant the single serve market with 53.2% of the overall consumption.

Long term Strategy – Longer term Success!

*When you buy a SIG Combibloc filling machine,
you also buy flexibility!*



As you already know you can fill your product in diverse volumes and package formats to suit your unique needs. This is especially helpful if you would like to switch between products like regular milk in cb7 200ml format to a juice drink in cf7 350ml format and on one filling machine!

In this article we would like to highlight on how you can increase your production efficiency for a longer duration of 48 hour cycle instead of the regular 24 hour cycle with no requirement for CIP (cleaning in place) or sterilization. It's all about making the right choice when it comes to planning the product mix.

A simple case in point would be if you switch between juice and milk. The CIP and

sterilization process is necessary because both these beverages have different ingredients and flavor. However, if you plan to switch between similar products e.g.: from plain milk to vanilla milk and then to a stronger flavored milk like chocolate, you save time and increase the efficiency of your filling line by eliminating the CIP and sterilization process. This is because the base ingredient for all these products is the same - Milk.

SIG Combibloc also requires conducting the following test works in addition to recommending product planning for long term operational efficiency. This is because we believe in helping you maintain a seamless and high quality product output year after year.

Pre-production tests checklist:

- Package Integrity Testing
- Filling volume (ensure the right volume is maintained while switching products and packaging)
- Check and feed in appropriate head space specifications before production

For more information on how to increase the efficiency of your machine and creating the right production strategy for you, please do not hesitate to contact the SIG Combibloc Obeikan staff in your area. You can also refer to the Operational Manual provided by SIG Combibloc when you buy one of our filling machines. A strategic partnership for a successful future!

New Products

Al Marai Maher offers kids choice with their combiblocMini packs.

Al Marai's Maher the adventurer flavored milk is now available in combiblocMini, 150 ml packs. A favorite with kids, the great tasting flavors are also available in a slightly bigger volume.

Format:
combiblocMini, 150ml

Varieties:
Vanilla, Chocolate, Strawberry, Banana



The same great taste in a bigger serving size – it just got better with AL Mazraa juices in combiblocMaxi

Al Mazraa has launched their great tasting fruit nectars in 2000ml combiblocMaxi packs! A first for the Libyan market. The juices are also available in 1000ml combibloc carton packs.

Format:
combiblocMaxi, 2000ml

Varieties:
Red Grape, Pear, Carrot and Orange, Mango, Fruit Cocktail



Great tasting tomato paste from Abu Tarboosh to turn your dishes into a delicious treat!

Yemen Dairy's Abu Tarboosh tomato paste has its amazing flavor preserved in combiblocMini, 140gms. With a wider opening that allows customers to enjoy every last drop easily!

Format:
combiblocMini, 140gms



Sunich from Alifard introduces four new delightful flavours.

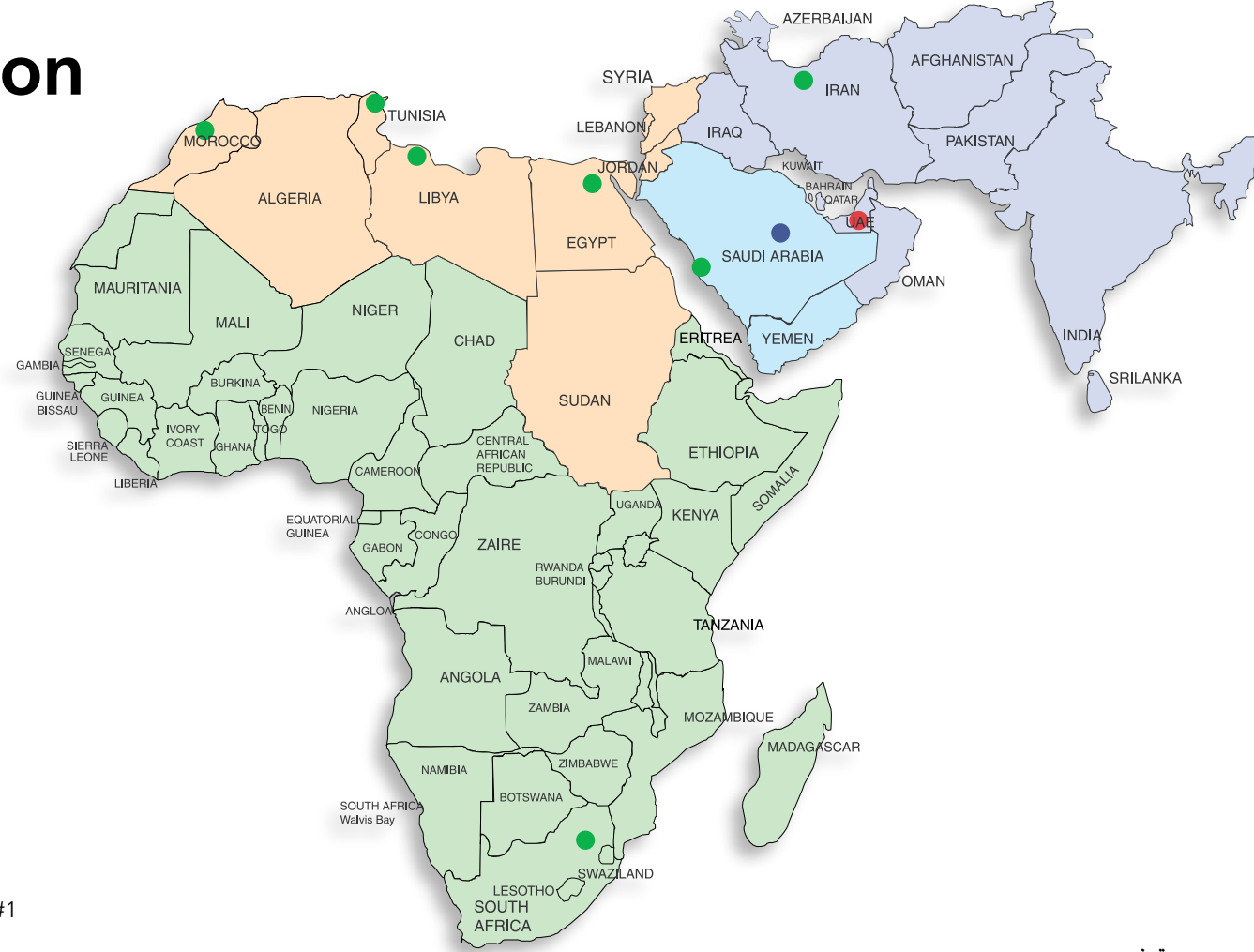
The Sunich brand is dedicated to bringing the benefits of fruit to their customers and has expanded their line to include even more healthy varieties. Packed in combifitPremium, Sunich continues to be the preferred thirst quencher in Iran.

Format:
combifitPremium, 1000ml

Varieties:
Sourcherry Juice, Orange Nectar, Orange juice enriched with Ca, Orange/Carrot Nectar



Our network in the region



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