

FEATURE ARTICLE

COLDER FASTER, COOLER LONGER

THE ALUMINUM BEVERAGE BOTTLE GAINS MARKET MOMENTUM

Hermitage, PA –The aluminum beverage bottle concept had a banner year in 2004. What had begun in Asia and Europe as a packaging alternative proved to be a marketing innovation for American-based marketers.

The interest in this packaging alternative has been a boon for CCL Container, the largest North American manufacturer of impact-extruded aluminum packaging. CCL's manufacturing process allows for the production of aluminum packaging in a variety of distinctive contours. This process is often used for the production of personal care, household and automotive packaging items, primarily in the form of aerosol containers, for market distinction and improved functionality.

The aluminum "bottle-can" is an ideal beverage container for the active consumer. Its insulating properties are superior to glass and plastic, so it cools down faster and stays cold longer. "It's also lightweight and unbreakable, making it well-suited for an energetic lifestyle," said Ed Martin, CCL Container's vice president of sales and marketing. "We've also developed proprietary, food-grade, internal and external linings to protect product taste and purity."

Brewer Makes History

Pittsburgh Brewing Company made history in August 2004 when it became the first brewer to commit to a nationwide launch of a beer product packaged in aluminum bottles. The company shipped 20,000 cases of Iron City Premium Lager in a sleek, new

12-ounce aluminum package to distribution centers in 30 states. The initial units sold out in less than 24 hours and news circulated fast. A picture of the shiny Iron City aluminum bottle was the “most viewed photo” on *Yahoo! News* the following day. The evolving story of Iron City includes coverage in *Time Magazine*, *The Wall Street Journal* and was listed as one of *Business Week’s* “Best New Products of 2004.”

Joe Piccirilli, vice chairman of Pittsburgh Brewing Company, commented, “The response was overwhelming. We received numerous calls for the product from across the nation, and from the UK, Ireland, Montreal, Toronto, and even Brazil.”

Consumers Prove Ready for Innovation

Pittsburgh Brewing may have been the world’s first brewer to commit a product line to aluminum bottle packaging on such a large scale, but the market’s reception has indicated that US consumers are ready for package innovation. In fact, from soft drinks to adult beverages, the package ensures product distinction from the traditional array of glass and plastic containers.

The aluminum bottle-can is a shapely next-generation alternative to conventional packaging formats. It is fast becoming the container of choice for marketers of functional drinks, beer, soft drinks and alternative beverages worldwide. One U.S. brewery has gone so far to hail the bottle-can as the “future of beer packaging.”

Snapple Launches the First Blockbuster

Mistic RE™, an energy drink by Snapple Beverage Group, marked the first mainstream soft drink in the world to be packaged in the new aluminum container.

"For Mistic’s presence in the world of energy drinks, we knew we had to deliver the boldest packaging on the planet,” said Kevin Hunt, Mistic Beverage’s senior director, at the time of the launch. Mistic RE’s resealable aluminum bottle is not only the first of its kind, its space rocket shape is out of this world.

Perhaps you’ve seen your teenager chugging a Snapple Elements brand beverage – an exotic, fruit-flavored energy drink. CCL collaborated with Snapple on the Elements container redesign, creating a rugged, distinctive silhouette with an easy to grip

contoured neck. The graphics are new as well; with vivid colors, bold lettering and stylized icons representing Elements' provocative flavors, such as Metal, Venom and Meteor.

Product Use Occasion Drives Big Sky

These advantages appealed to Bjorn Nabozney, vice president and co-founder of Big Sky Brewing Company, Missoula, Montana. Big Sky was the first North American brewery to market beer in the aluminum bottle-can package, specifically the company's popular Moose Drool Brown Ale and Scape Goat Pale Ale (available throughout the North-Central and Northwestern United States).

"I think you're going to see more and more breweries switching over to aluminum bottle-cans. I'm convinced that it's the future of beer packaging," Nabozney said emphatically. "Glass bottles are a liability to our customer base, the majority of whom fly fish, raft, hike, golf or participate in other outdoor recreational activities. Aluminum is light and unbreakable, so it's easy to take along. Beer is also sensitive to light, so if you're outside drinking beer from a glass bottle, the quality and taste will be affected. That's not an issue with aluminum."

From a strictly aesthetic standpoint, the tab-top can isn't the most attractive container. It's easy for eyes to glaze over rows of them on supermarket shelves. The bottle-can – with its myriad shape and design possibilities – is new, fresh, and conveys a hip attitude for product users who like to make a statement with a beverage in their hand.

Aluminum Bottle-Cans Outshine the Competition

That may explain why energy drink marketers are also turning to the bottle-can in high numbers. Several years ago, Coca-Cola test marketed two new Powerade brand drinks, Psych and Raize, in bullet-shaped, screw-top aluminum bottle-cans. Vital Pharmaceuticals Inc. of Fort Lauderdale, Florida introduced VPX Redline™, a sports nutrition and energy-enhancing beverage – in a bold, cobalt blue version of the package. And Brain Twist, which manufactures unique beverage products based on favorites like cereal, cinnamon rolls, coffee, and vitamin-enhanced cold and flu remedy drinks, was quick to associate with a vendor like CCL that shared its philosophy on innovation

driving the market. The field is wide open for those who want to benefit from innovative and distinctive packaging.

“Aluminum definitely keeps the product cooler longer,” said VPX sports operations manager Paul Borrelli. Resealability was also a big factor for VPX. “We recommend that consumers test their tolerance to Redline, since it contains caffeine and fat-burning compounds. If someone wants to start out drinking only half the bottle, they can reseal it and save the rest for later.”

Capri Sun Refreshes Product Line

Targeting 16 to 25-year-olds, Capri Sun introduced its Island Refreshers line of fruit drinks in an aluminum bottle-can in 2003. It was previously packaged only in foil pouches. With brightly-colored graphics splashed across a frosty bottle-can, Island Refreshers was set to win new fans and retain others as they graduate from pouch to bottle.

Always Market Appropriate

Vincor International Inc., Canada’s largest marketer of wines and spirits, had a different audience in mind when it chose the bottle-can for Tabu, its low-alcohol, vodka-based beverage line. “Vincor wanted a standout bottle, something classic and distinctive for its sophisticated target market – savvy, 20 to 35-year-olds,” explained CCL’s Martin. CCL produced the elegant, long-necked metallic finished bottle, and then incorporated the brand’s mystical black medallion logo and graphics.

The aluminum bottle-can is sleek, contemporary and attractive. “We thought its strong, stylish presence and hardworking functionality would appeal to a sophisticated consumer, and we’ve been proven correct,” said Chris Pfeifer, Vincor’s brand manager of refreshment beverages. Only available in Canada, Tabu is selling well. Vincor plans more tastes in the future.

Danzka, another vodka-based beverage, recently added a new cranberry/raspberry flavor to its popular line – all packaged in aluminum bottle-cans. To support the product’s global launch, the Denmark-based Absolut Spirits Company commissioned an independent research study to evaluate aluminum’s chilling properties. Results

indicated that aluminum chills 50 minutes faster and stays cold 50 minutes longer than glass. Danzka was introduced to North American market in March of 2004, but had previously been marketed in Europe.

Raising Packaging Standards Worldwide

With the bottle-can's many performance and aesthetic advantages, Nabozney believes it's only a matter of time before the larger domestic breweries make the switch – particularly in light of the success achieved by some high-profile Asian and European breweries.

In 2000, Japan's Sapporo Breweries of Tokyo, followed closely by Kirin Brewery Co. Ltd., were the first in the world to commercialize the bottle-can. Though many breweries were switching to plastic beer bottles at the time, Sapporo preferred aluminum's superior impermeability, lighter weight, and more convenient recycling properties. Sapporo was so pleased with sales results from the bottle-can's Tokyo launch of the Black Label brand, that the company quickly widened distribution to the entire country.

Vodka-maker Olax repackaged its product in a glossy, black aluminum bottle-can to great fanfare in Russia and Asia Minor, with opportunities to expand throughout Europe and the U.S. In addition, premium brewer Heineken marketed its beer in France in a signature-green aluminum bottle. Based on that success, Heineken tested the package in the New York, Miami and Boston markets during Summer 2004. The limited edition Heineken product, dubbed "H2", targets the hip 21 to 25-year-old consumer group. In the Ukraine, Interbrew's Global Flagship brand Stella Artois is being marketed in an aluminum bottle produced by European bottle-can maker Cebal. Several North American brewers will soon follow the lead of Pittsburgh Brewing and Heineken.

Beyond beer, there are many soft drinks in Japan being marketed in aluminum bottle-cans, notably Coca-Cola's Coke, Fanta and Sprite. Overall, the total number of bottle-cans sold in Japan has grown from about 1.1 billion units in 2002 to 2.2 billion in 2003, and was set to soar toward 3 billion for 2004.

Making a Global Impact

The aluminum bottle-can is a trend that seems to be making its way around the world. “I think we’ve only begun to scratch the surface in terms of the bottle-can’s appeal and market reach,” said CCL’s Martin. “People are catching on to the functional benefits of a lighter, unbreakable, resealable, and better insulated container. In addition, it’s got an aesthetic that consumers find fresh, appealing and hard to ignore.”

CCL Container is North America’s leading producer of recyclable aluminum bottle packaging, aluminum aerosol containers and other aluminum specialty products. The company has ISO 9002 Registered manufacturing facilities located in Hermitage, PA, Penetang, ONT and Mexico City, Mexico.

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