

Lighter bottle top crowns strong innovation pipeline at SABMiller

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SABMiller plc [SAB:LSE/SAB:JNB] announces that its Peruvian subsidiary, Backus, in cooperation with Packaging Products Peru, has developed a new, low-gauge bottle crown that will significantly reduce the amount of steel used in production and have a positive impact on the group's raw material costs and CO₂ emissions.

SABMiller currently uses approximately 42 billion crowns every year to top bottled lagers and carbonated soft drinks, with an equivalent weight of 100,000 tonnes - nearly twice the weight of the steel used in the Empire State Building. Using conservative estimates, the new low-gauge crown could reduce the amount of steel required across SABMiller's global production platform by at least ten per cent a year, enough to build London another Olympic stadium.

The standard thickness of steel used to create bottle crowns across the brewing industry is between 0.22mm and 0.24mm. Backus' new, low-gauge crown uses 0.17mm steel, possible thanks to a unique design which embosses a ring around the bottle lip to prevent a 'spring back' effect that can lead to leakage and contamination. In the 12 months to 31 March 2010, Backus used around 20 million low-gauge crowns in production at its San Juan plant in Pucallpa City. Following this successful pilot, the low-gauge crowns have been rolled out across the remaining four breweries in Peru, with approximately 80 million low-gauge crowns being used in the twelve months to 31 March 2011.

While the Peruvian low-gauge crown is forecast to be fully implemented during the second half of F12 in Peru and Ecuador, other countries and regions are working on similar low-gauge projects. Netherlands based Grolsch brewery has performed trials on a 0.18mm crown from

Italian crown producer Pelliconi, and results have encouraged other European countries to follow its lead, with trials being planned for all countries in F12. SABMiller's partially-owned South African supplier, Coleus, will implement a 0.21mm low-gauge crown, which depends on steel supplier capability constraints but will achieve the same commercial benefits as their European counterparts due to special market conditions.

If the Peruvian initiative could be rolled out across SABMiller, it could hypothetically deliver annual cost savings of US\$12.6m in material costs alone.

The reduced weight of the bottle crowns will also have a positive impact on the environment. Today, a standard bottle crown weighs approximately 2.38 grams. The low-gauge bottle crown will weigh around 2.14 grams, which will mean a 360 gram weight reduction in every pallet being transported to the group's breweries and from the brewery to retailers and distributors. In addition, reduced weight in transport will deliver as yet unqualified cost savings and reductions in CO2 emissions through transportation.

Maurice Egan, Group Head of Manufacturing at SABMiller said: "The low-gauge crowns programme is just one example of a cumulative effort across the group to innovate in every aspect of production. Across the globe, we continue to encourage blue-sky thinking that will increase efficiency, improve costs and reduce the impact our business has on the environment."

ENDS

Notes to editors

SABMiller plc is one of the world's largest brewers with brewing interests and distribution agreements across six continents. The group's wide portfolio includes global brands such as Pilsner Urquell, Peroni Nastro Azzurro, Miller Genuine Draft and Grolsch, as well as leading local brands such as Aguila, Castle, Miller Lite, Snow and Tyskie. SABMiller is also one of the world's largest bottlers of Coca-Cola products.

In the year ended 31 March 2011, the group reported US\$4,491million adjusted pre-tax profit and group revenue of US\$28,311 million. SABMiller plc is listed on the London and Johannesburg stock exchanges.

Multi-media content

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