

Interview with **Thierry Coulon**

Oenologist and Chairman and Managing Director of the **Paul Sapin** firm
La Chapelle de Guinchay, France – 8 June 2009

Novembal. Can you please explain what your activity entails?

Thierry Coulon. We have two activities: wine merchant and packager of small formats for our brands (Domaine Perrière, Si Joli Petit, Just, Landscape, 1 Wine, 187 By Paul Sapin, etc.) and the brands of other players on the wine market. Our business represented 40 million bottles in 2008 with three mixed bottling lines: 70% glass and 30% PET. Our lines are also designed for various corking solutions: Novatwist™ [Novembal's plastic crew cap] and metal caps. Two are dedicated to small glass or PET formats (18.75cl and 25cl) and one is devoted to other PET and glass formats (37.5cl, 50cl and 75cl).

N. Can you tell us about the history of the Paul Sapin firm and your background?

T.C. The Paul Sapin firm was created in 1889 by the entrepreneur of the same name. Its activity at the time was the Beaujolais wine trade.

As far as I'm concerned, I graduated from a business school and am a qualified oenologist. I worked for 12 years in the wine trade, with some of this time spent abroad. I conducted several market studies that confirmed a strong trend in favour of small formats. That's what convinced me to take over the Paul Sapin firm in 1996 to tap into the small packaging niche. At that point, the company had five employees and generated a turnover of €300,000. Thirteen years later, the firm has 70 employees for a turnover of 24 million euros and exports products to over 40 countries. It has a subsidiary in the United States – Paul Sapin USA Incorporation.

N. What is the profile of your target clients?

T.C. Our main targets are airlines and rail companies, mass distribution and CHR (Café – Hotel – Restaurant) networks. Our offering complements the ranges that are currently present on the market. Small bottles are not intended to replace large ones, but rather they meet another need.

Exports account for 90% of our turnover. This can be explained by various markets such as Ireland where 18% of wine consumed is in 18.75cl bottles.

N. What are your unique selling points and your communication focuses?

T.C. Our core business is quality. We are attentive to our clients and work on a case-by-case basis. Innovation is our main lever. We offer a wide range of wines. 1/3 of our wines are AOC wines (Châteauneuf, Chablis, etc.), 1/3 are varietal wines (Merlot, Chardonnay – from a specific chateau or generic) and the last third are wines from the New World (Africa, Australia, etc.).

Our communication is in keeping with this qualitative positioning. Our primary objective is to fight preconceived notions that associate bad wine with PET packaging. We start from below zero and have to rebuild an image.

N. Why replace metal caps with NOVATWIST?

T.C. Aluminium caps require ongoing adjustments. Once adjusted, the Novatwist cap does not require any special checks. What's more, the quality of printing and finishing is much higher than that of an aluminium cap. Other advantages make a difference as well: no visible threads, excellent resistance to shock unlike aluminium, no risk of cuts for the consumer, etc.

N. Novatwist is an environmentally friendly product throughout its lifecycle, from production to recycling. Is this aspect in tune with your positioning?

T.C. Of course. We take environmental aspects into consideration. Novatwist allows us to offer a 100% recyclable solution when the product is made of PET. Aluminium caps cannot be recycled.

The fact that greenhouse gas emissions are lower during the production of Novatwist than with any other cap is an aspect that we applaud!

N. What sets PET apart from glass?

T.C. A PET bottle weighs 50g versus 450g for a glass bottle. The savings are substantial. PET bottles are recyclable, unbreakable and facilitate logistics. The carbon footprint is good and will be even better thanks to the increasing percentage of recycled PET in bottles. In addition, PET is changing. Single-layer PET allows 18.75cl bottles to be stored for 6 months. Multi-layer PET allows for much longer shelf lives – up to 24 months for 75cl bottles – and opens the door to new markets.

N. Why did you decide to choose Novatwist?

T.C. Innovation is a key factor on the wine market. Novembal developed an aesthetic, attractive and different product that can be tailored to our market. The joints used in Novatwist are market standards. Novembal is the only company that offers this type of product.

N. Did you hesitate before committing to Novatwist?

T.C. We never hesitated. Novembal involved us in this product's development process. On our large format line, we now have a screw capper that is dedicated to this cap.

N. What obstacles have you encountered and how could this product be improved?

T.C. We encountered all the usual obstacles that you meet with when developing a new product. Today, our lines are in full operation. Thanks to Novembal's flexibility, we can meet all our clients' needs. Today and thanks to Novembal's technical support, Novatwist is a standard on our lines. This product has been perfected and we're completely satisfied. However, in order to improve environmental performance, we would like to adapt an EVOH joint. This joint should soon be approved by competent authorities.

N. In your opinion, what are the advantages of the Novatwist 30/22 (small format)?

T.C. This format is a perfect addition to the range and matches our positioning. Our high-speed chain is ready to welcome this cap and we're looking forward to the date when it will be marketed.

N. Why did you choose Novembal as a supplier?

T.C. Because Novembal successfully developed an innovative product that is ahead of the market. Its research and development department and its laboratories worked with us to upgrade Novatwist to have better performance than metal caps. Novembal has since become a key partner.

N. How do you see the technical support department?

T.C. It's a real added value. Novembal's technicians were very present throughout the development period. We were complementary to one another, which enabled us to obtain greater output than with the metal cap.

N. What could Novembal improve to be more useful to you?

T.C. Our relationship as partners allows us to work together to find the most appropriate solutions. For example, to improve environmental performance with EVOH joints, or to develop solutions such as the future 22/30 cap for small formats, etc.

N. How does the Paul Sapin firm stand out from its competitors?

T.C. We don't really have any direct competitors. Firstly, the added value we contribute doesn't rely solely on our products. It's also based on other resources such as our R&D which, in partnership with our supplier, developed

the MLP® (Multi-Layer PET). This development was the subject of a patent application for the entire packaging process, including the bottle, the cap and bottling.
Secondly, we're the only company that offers a reliable solution for storing wine in PET bottles for an extended amount of time thanks to our MLP® and the Novatwist cap.

Any competition would come from substitute products: the 25cl PET sealed drinking glass, cardboard packaging, etc., which don't yet represent a threat since they mark a complete break for the consumer.