

2004 purchase puts fizz in bustling bottle business

"No matter what day or time you're reading this, Veriplas is manufacturing bottles," says Jim Karr, marketing director for Mountain Valley Spring Co., which owns the bottle-making company. The official name of the company is Veriplas Containers Inc.

It's a lot of bottles, some 26,000 every hour.

It's a continuation of ambitious efforts by Breck Speed, a young Little Rock entrepreneur, who started with an old spring-water company in Little Rock and has built it into one of the nation's major suppliers of spring water — and now plastic bottles.

A little less than a year ago, Speed, founder of Clear Mountain Spring Water LLC in Little Rock, announced the purchase of the Mountain Valley Spring Co. near Hot Springs, the granddaddy of bottled-water companies.

At the same time, he predicted that the bottling facilities of the two eventually would be combined at Little Rock under the Veriplas Containers name. That's getting closer, and their operations are already in Little Rock are big. And looking to get bigger.

Today, Veriplas Containers, the combination of Clear Mountain's Veriplas Containers Inc. and Mountain Valley Container Corp. are turning out bottles by the tens of thousands in Little Rock and Hot Springs. Between the two plants — the big one on Geyer Springs Road is near 65th Street — Veriplas has the capacity to produce 320 million "PET" bottles a year. In addition to those bottles, about 250 million "preforms," or plastic tubelike

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blanks from which bottles can be made, will be turned out.

It's growth by demand.

"Industry demand for plastic bottles was up 25 percent in 2004 over the prior years," says Thomas McCain, president of the Containers Division of Mountain Valley Spring Co., Veriplas' parent.

"PET" is polyethylene terephthalate resin, and the plants use about 14 million pounds annually, McCain says. PET containers have become very popular since they were patented in 1973 because they're inexpensive, lightweight, resealable, shatter-resistant and recyclable, he says.

Speed, who formed his spring-water company in 1988, saw the future for plastic bottles and formed Veriplas in 1998 even as his spring water empire was growing. He began manufacturing in May 1999 in a 50,000-square-foot facility on Geyer Springs Road.

The company exploited a niche in serving independent bottlers in a 500-mile radius of central Arkansas, bottlers who couldn't get high-quality bottles on short notice, according to McCain.

Veriplas also designed a new family of bottles with a sleek appearance and features that added strength. The company quickly outgrew its manufacturing capabilities and warehouse space as Veriplas reached far

beyond its original geographic area.

It now sells in 23 states and three foreign countries, McCain says. The facilities were expanded, and now the combined production facilities of Little Rock and Hot Springs encompass 170,000 square feet and employ 45 people, McCain says.

The acquisition of Mountain Valley and its bottling facilities in April 2004 helped. Mountain Valley is one of the oldest names in the industry, having been established in Hot Springs in 1871 and becoming an Arkansas icon. It was the country's premium choice for spring water for 133 years, the company says.

But its ownership left Arkansas in 1902 when August Schlafly, a major stockholder, took the operation to St. Louis. Since then, the ownership had traded ownership several times — always outside Arkansas — until Speed, who is now chairman and chief executive officer of the company, brought it back.

Headquarters for the entire operation is now in the historic Mountain Valley National Headquarters and its visitor center at 150 Central Avenue in Hot Springs.

The Little Rock facilities are leased, but the company expects to find a larger building this year for a combined operation that will need some 215,000 square feet of manufacturing and warehousing space.

McCain said Veriplas made news in the industry this year with the introduction of an innovative four-gallon, recyclable bottle that fits all standard water coolers. The bottle, which weighs only 350 grams, eliminates the need for deposits or

returns at the retail level, he says. Veriplas is looking to selling almost 6 million of these bottles this year, he says.

Projected revenues for Veriplas for 2005 are expected to top \$20 million, the company says.

Everybody's Business runs every Sunday in the business section of the Arkansas Democrat-Gazette. Send your business news to Leroy Donald, Arkansas Democrat-Gazette, P.O. Box 2221, Little Rock, Ark. 72203; or e-mail to:

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