



We've Shaped Up



From September 2007, SAB will be converting all of its cans from 340ml to 330ml, and from 450ml to 440ml

Why is the can changing?

Nampak Bevcan has changed the design of its can ends, to align the South African industry with global standards. Following our supplier's change to the new design, the South African beverage industry (including the whole Coca-Cola product range) beverage industry (including the whole Coca-Cola product range) was converted earlier this year. The new can design has a narrower diameter at its ends and a smoother neck. The consequence of this is a change in the can volume.

In order for The South African Breweries to ensure continuity of can supply, we need to bring ourselves into line with Nampak Bevcan's new standards, as they can no longer ensure continuity of supply of the old design. In addition, we need to keep up with world packaging trends if we are to make use of new canning technology in the future. SAB will therefore also be part of this conversion process, and we have had to make a number of changes to our packaging plants to accommodate the new design. The net impact is that our cans will change from 340ml to 330ml and from 450ml to 440ml.

Starting in September, SAB will begin alignment of our product range. All brands available in the can format will be affected, namely: Castle Lager, Castle Milk Stout, Carling Black Label, Hansa Pilsener, Hansa Marzen Gold, Castle Lite and Sterling Light Lager.

When will this change happen?

The introduction of the new can is scheduled to take place over two months – September and October 2007. The change will be rolled out to the Western Cape first, followed by all Inland regions, and finally to other Coastal areas. The timing of availability of the new can design will also be affected by the rate of sales of cans in your area.

What impact will this have in trade?

Barcodes

The new cans will have a new barcode, on individual SKU's, 6-packs, and for cases.

How will SAB support the change?

We have updated all POS to reflect the new can design. Any new POS ordered from September onward will reflect the new can design.

What effect will this change have on the price?

The cost to the trade for the new 330ml/440ml will remain the same as the current cans respectively. This decision has been made due to the requirement that SAB make a significant capital investment to adapt the company's facilities to convert to the required world standards. As a result, SAB will not profit from the conversion.

Where can I get more information?

If you have any queries on the new can design, please consult the Issues Guide on Beernet, or contact the Customer Care Line on 0860 12 14 14.

FREQUENTLY ASKED QUESTIONS

Q: Why couldn't SAB keep the old can design and maintain the 340/450ml volumetric?

A: Our suppliers have made the decision to change the can design. We are not in a position to insist that our suppliers offer us a different format to all their other customers. SAB has had to accommodate this new design at a great cost to ourselves. If we wanted to maintain the old volumetric it would have meant maintaining supply of a pack that was essentially obsolete. Even if our suppliers did agree to offer us the obsolete design, SAB would be last in line for supply, which inevitably would result in intermittent stockouts on this pack format.

Q: Which brands will be available in the new can?

A: All brands that are currently available in the can: Castle Lager, Castle Milk Stout, Carling Black Label, Hansa Pilsener, Hansa Marzen Gold, Castle Lite and Sterling Light Lager.

Q: When will the new cans be on shelves?

A: Depending on your location, the new cans will start to appear on shelves in early September, and should be available countrywide by the end of October.

Q: Why will the new cans not be available at the same time throughout the country?

A: SAB has had to make significant adjustments to our packaging capabilities to accommodate the new can design from our suppliers. We have chosen to roll out the new can design to different parts of the country at different times to ensure the best continuity of supply, and least inconvenience to our consumer, as possible.

Q: Why is the price staying the same while the volume is decreasing?

A: The change is equivalent to two tea spoons of volume. The volume is decreasing by between 2-3%, depending on the can size. The change has come at a significant cost to SAB, and we will not be making any cost savings as a result of the change, and therefore are not in a position to reduce the price of the can pack.