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CONVENIENCE

THE BOTTOM LINE

MARKET TRENDS

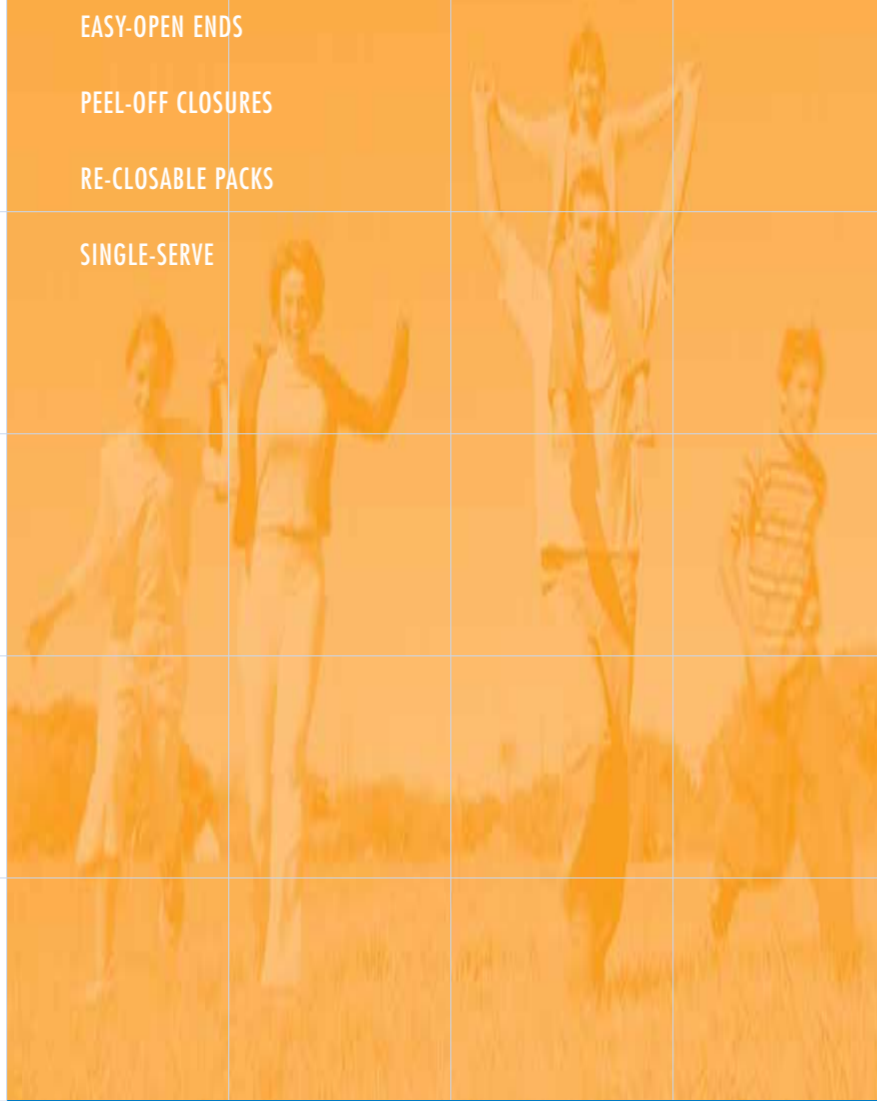
PACKAGING SOLUTIONS:

EASY-OPEN ENDS

PEEL-OFF CLOSURES

RE-CLOSABLE PACKS

SINGLE-SERVE



> THE BOTTOM LINE



ALL-ROUND CONSUMER CONVENIENCE

Outstanding protection... Simplified logistics... Continuing consumer trust...

The exceptional **barrier** properties of steel packaging cascades benefits up and down the supply chain for brand owners and consumers alike. Preserving its contents whilst protecting them from the external environment generates an unrivalled shelf-life and food safety. This has established consumer trust and in addition, simplifies both logistics and distribution.

Easy open solutions adapted to today's consumer trends

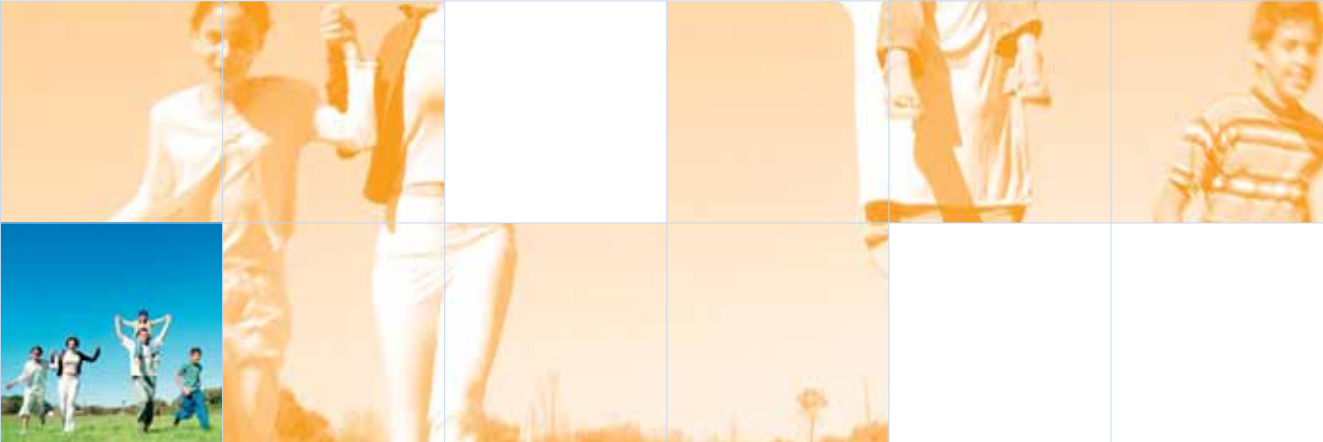
Easy access to the product packed, and **compatibility** with today's wider consumption patterns, are now top priorities for brand-owners and distributors.

Extra convenience with reclosable packs

Consumers appreciate the benefits that the reclosable can offers to the point that they're ready to pay a little extra for it. And their interest in re-closing doesn't end there - it's changing the image of the can and the way consumers perceive the convenience of the food can.

To meet these requirements, steel cans now feature a **wide range** of **easy opening** and **re-closing** systems.

This, in addition to the large variety of **sizes and volumes** available, permits the steel can to **adapt naturally** to current customer needs: consumption at home, on-the-go, snacking...



MARKET TRENDS

CHANGES IN CONSUMER HABITS AND NEEDS



© Eric Lachy/Photo12

"TV dinners" were just the beginning - new lifestyles such as 'snacking on the go', 'desk-fasting', and 'dashboard dining' have made their debut on the consumer front recently, creating new opportunities and new market segments in response to changing consumer demands.

"On-The-Go" consumption

The scale of "on-the-go" consumption in eating patterns is well illustrated by a recent Datamonitor Study, "Changing Mealtimes". According to study forecasts, **16% of all eating occasions will be "on-the-go" by 2007.**

Numerous social and demographic factors have contributed to these new trends and to the need for more convenient products:

- 15% increase in the proportion of single person households in Europe over the last 10 years
- "Working 9 'till 5" and "jobs for life" are becoming a thing of the past, and part-time employment is increasing, as are flexible working patterns, job-sharing schemes, home working and working on the move
- The "time-starved" consumer demands shorter waiting times and quicker, more flexible, solutions. The 24-hour society is already upon us

The consumer's round-the-clock requirement is now a major issue influencing the choice of food products they purchase: to be readily and easily consumable, anywhere and any time.

Typical issues to be addressed will be:

TARGET GROUP	ISSUES
Older citizens	pack ergonomics, ease of opening, legibility of labels, size
People on the move	ease of opening & consumption, resealing/closure, waste, product protection, portion size, product quality
Young parents	child resistant, tamper proof, hygienic, portability

Busier lifestyles

Busier lifestyles mean that packaging is of major importance since food must often be sold in individual portions, and with easier opening devices, to be suitable for "on-the-go" consumption.

With increasing daily pressures, and more than 50% of consumers stating that "on-the-go" food is today quite often a meal replacement, convenience food has an enormous market potential.

Canned foods save precious time for consumers - **using canned foods in a main meal results, on average, in a 50% time saving.**

The "senior" market

To substantiate this, according to industry sources, the amount of time spent cooking meals in the U.K. has fallen from an average of 60 minutes in 1980 to 13 minutes in 2002.

In 2003, 16% of the EU25 population was aged 65 or over and by the year 2020, this figure will have doubled in the wider OECD countries. Typical issues to be addressed in terms of packaging convenience for this ageing market will be ergonomics, ease of opening, legibility of labels, size, weight, etc.

Consumer research in the "grey" market indicates that **convenience of access to the packed product** has already become a major market requirement and therefore, a top priority for brand-owners.

The "convenience revolution"

Convenience foods such as ready meals, or conveniently packaged quick to cook ingredients, play a key role in today's modern and increasingly time-pressured society. They not only help in reducing the time necessary for preparing ingredients, but also save the time spent following recipes, shopping, or even washing up.



© Eric Lachy/Photo12

Convenience is one of the key drivers and the reason why packaging must increasingly respond to the needs engendered by busier lifestyles, smaller household units, the lack of time for preparing food, as well as eating, drinking and even grooming while on the move.

Packaging will increasingly play a role in sustaining existing brands and launching new ones. It is evident that a better understanding of the issues and relationships consumers have with packaging contributes towards producing more relevant, socially responsible, as well as more convenient solutions.

Consumers rate convenience criteria of packaging

Using the IPSOS consumer evaluation of various packagings, the relationship between a consumer's general preference for a packaging and his rating of individual criteria that explains his general preference, can be calculated. This leads to a ranking of these criteria, by order of importance, as shown below.

In other words, the consumer's appreciation for convenience is explained at a level of 13,23% by convenient size, and at a level of 12,08% by the easiness to handle, and so on...

Convenience - Ranking of items

Convenient size	13,23
Easy to handle	12,08
Easiness of storage in home	11,72
Easy to transport	11,25
Contains clear information on content	10,98
Protects the content and taste	10,37
Easy to open	10,32
Easy to re-close	10,07
Convenient for disposal	9,98

% of total importance of all items, based on "I like it in general"

> EASY-OPEN ENDS



"Cans are truly a convenience orientated package. They provide excellent barrier strength and durability to protect food integrity, and with new technologies, they're lightweight and easy to open."

Bryan Flowers, VP Sales & Marketing, Morgan Foods

"Easy-open ends" are booming

Steady on-going technical development has led to the almost universal expansion of steel cans with easy-open ends across Europe. Easy-open end usage is presently estimated at 71% and is set to attain virtually **100 % market share by 2007**.

In the U.S. market, easy-open ends serve an estimated 1/3 of the market. This figure is predicted to climb to more than 2/3 by 2008 (Can Manufacturers Institute, USA).

As market penetration increases, consumer perceptions of what constitutes the modern food can have changed to include this feature.

The Added Value of EOE: consumers accept to pay more

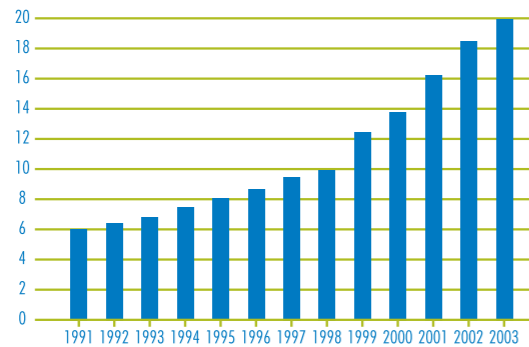
Market studies prove that **more than 90% of consumers are aware of and appreciate easy-open ends on steel cans**.

A study carried out by the French food preserving industry group UPPIA¹ has shown that **65% of consumers in France are prepared to pay an additional 8% for the benefits of easy opening**.

These findings have confirmed that making cans easier to open constitutes a major benefit for brand owners in terms of potential sales. Leading international grocery brands are achieving strong increases in category share and sales growth as consumers convert to metal cans with easy-open ends.

Growth of easy-open ends in Europe

Industry estimates in Billion units



Source: Landells Mills Consulting

¹ The French Federation for the promotion of the heat processed food can industry.



"Opening force" decreased by almost one third

Easy-open ends are a prime example of how excellence in packaging design can improve "quality of life" for millions of consumers and especially, for senior consumers. The latest easy-open ends for steel food cans require **25% - 40% less force to open**.

Key features today include a finger access well-convenient for lifting of the tab. A robust design, with excellent abuse performance, withstands damage during processing and distribution and offers consistent performance and quality standards.

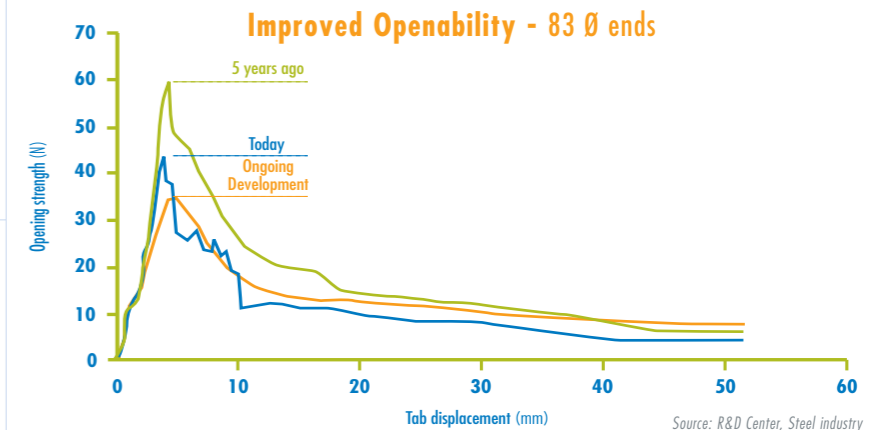
Easy-open ends are significantly effortless and easy to open **without spillage** and without compromising performance during the filling and handling processes and/or in distribution channels. Tabs are positioned so that consumers find them more accessible, whilst being sufficiently flat to allow effective stacking and to avoid snags in the filling and processing lines.



Continuous innovation for improved convenience

The latest generation of steel easy-open ends is the result of continuous innovative R&D. The high strength ductile steels used in their manufacture provide a combination of optimum ductility and maximum **resistance to pressure** of the closure seam.

With newly developed steel grades, very low opening forces can now be achieved - **including rectangular can ends**, giving steel easy-open ends an excellent competitive edge over alternative packaging solutions.



Source: R&D Center, Steel industry



> PEEL-OFF CLOSURES



The ultimate in convenience

Conventional peel-off systems are composed of a ring, or circle, in steel or aluminium, which is coated with a thermoseal polymer. A foil is heat-sealed around the edges of the ring and both are then seamed onto the can. This system is perfectly adapted for can-makers and brand-owners that already have seaming equipment since it requires no additional tooling investment.

The use of peel-off ends was made possible thanks to the evolution of food retorting technology and the introduction of the counter pressure technique, which permits lower pressure resistance than traditional retorting processes.

A fresh, new image

The advantage of the peel-off closure lies in its potential to create an **innovative, up-to-date perception of the food can by the consumer**. The closure can be easily and safely removed by pulling the tab, allowing consumers to enjoy their meal directly from the bowl, especially as smaller sizes are increasingly popular.

Peel-off closures also have the advantage of creating a perception of **freshness in comparison with dairy products** such as yoghurts, etc.

“Consumers perceive peel-off ends as the ultimate in convenience for food cans, and the trend is towards the new “single serve” market segment.”

Henk Blaauw, Key Account Mgr, Impress.

Enhancing brand recognition

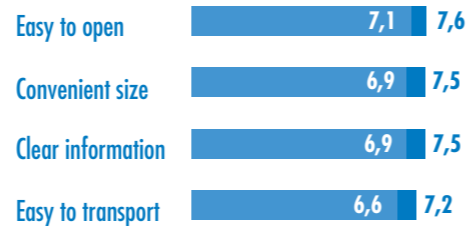
Being more convenient and easier to use, **peel-off closures enhance brand recognition** in the consumer food segment when combined with creative shapes, vibrant colours, modern graphics and logos printed on the foil tab.

Gourmet has now introduced this technology for their premium brands in the pet food market segment.

Jump in sales

When Capitaine Cook decided to revamp its line of tuna salads, they chose new peel-off closures and have since boosted sales on supermarket shelves of the Capitaine Cook brand by **30%**.

Captain Cook - Consumer rating



■ Product category average
■ Performance of packaging

IPSOS International Consumer Research 2005

> RE-CLOSABLE PACKS



"The re-closable can differentiates our brand and attracts customer interest. There has since been an overall increase in sales of pizza sauce in groceries.
Steve Hirzel, Retail Mgr, Hirzel Canning Co.

Extra convenience with reclosable packs **Extending the brand image**

An innovative and re-closable steel packaging solution - the "Dot Top" - is progressively occupying more and more shelf space and now **dominates the hot fill products market** - especially for all major tomato products - in both North and South America, where it was first launched.

Re-closable cans are not only convenient to use, **they also extend the time during which the can and the brand name remain visible in the home.** Most shoppers pour a traditional can's contents into a pan and whether everything is used or not, they dispose of the remaining content and container. Re-closable cans, however, are designed to remain "on the shelf" in the home, thereby extending the brand image.

To open such a can, the consumer peels back a small plastic dimple (Dot) in the centre of the lid (Top). The vacuum that holds the end in place is released, and the consumer can remove the lid easily from the container. If some of the contents remain unused, the consumer simply snaps the lid back on and keeps it for future use.

Arok - Consumer rating



■ Product category average
 ■ Performance of packaging
 IPSOS International Consumer Research 2005



> SINGLE-SERVE



A convenient way to eat

Changing consumer demands and consumption patterns have increased the demand for higher value, functional products. These new products create new demands for innovative packaging solutions. For this reason, the trend over the last few years has been for pack sizes to shift towards smaller, single-serve portion packaging.

The central development goal for all new packaging design today is the emphasis placed on convenience and ease of use and re-use such as:

- Smaller portion packs
- Growth in smaller container size with a wider opening to meet the single-serve market
- Development of improved multi-packaging / carry-home systems to meet the consumer's dual demand for smaller portion packs and larger volume purchasing

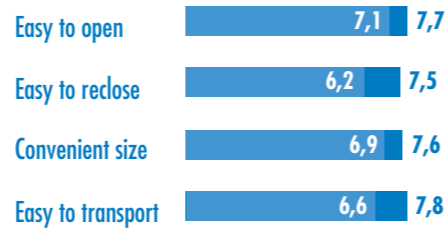
Single serve steel packs look smart and modern, and stand out on the shelves.

An easy to open, peelable lid provides extra convenience, making the design attractive to the consumer. In addition steel cans taken from the fridge remain cool longer. Peelable lids are also ideal for shrink-wrap multipacks consisting of single-serve portions offering a variety of fillings and flavours, which can be handled for distribution in the same way as a single can. Furthermore, they allow direct sealing on existing heat seal equipment currently available on industrial filling lines.

"The lightweight, durable steel package truly offers a new level of simplicity and meets demands for modern 'on-the-go' lifestyles and healthy meals. It protects product taste, fits neatly into handbags, briefcases or lunch boxes without spilling and allows consumers to enjoy their salads straight from the bowl".

*Eric Fleurance
Product Mgr, William Saurin*

Get One, Gherkin! - Consumer rating



IPSOS International Consumer Research 2005

■ Product category average
■ Performance of packaging

