

Delivering value for customers and investors

Bill Brandell

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Rexam Beverage Can
North America



We are a pure play industry leader in global consumer packaging



Beverages



Beauty

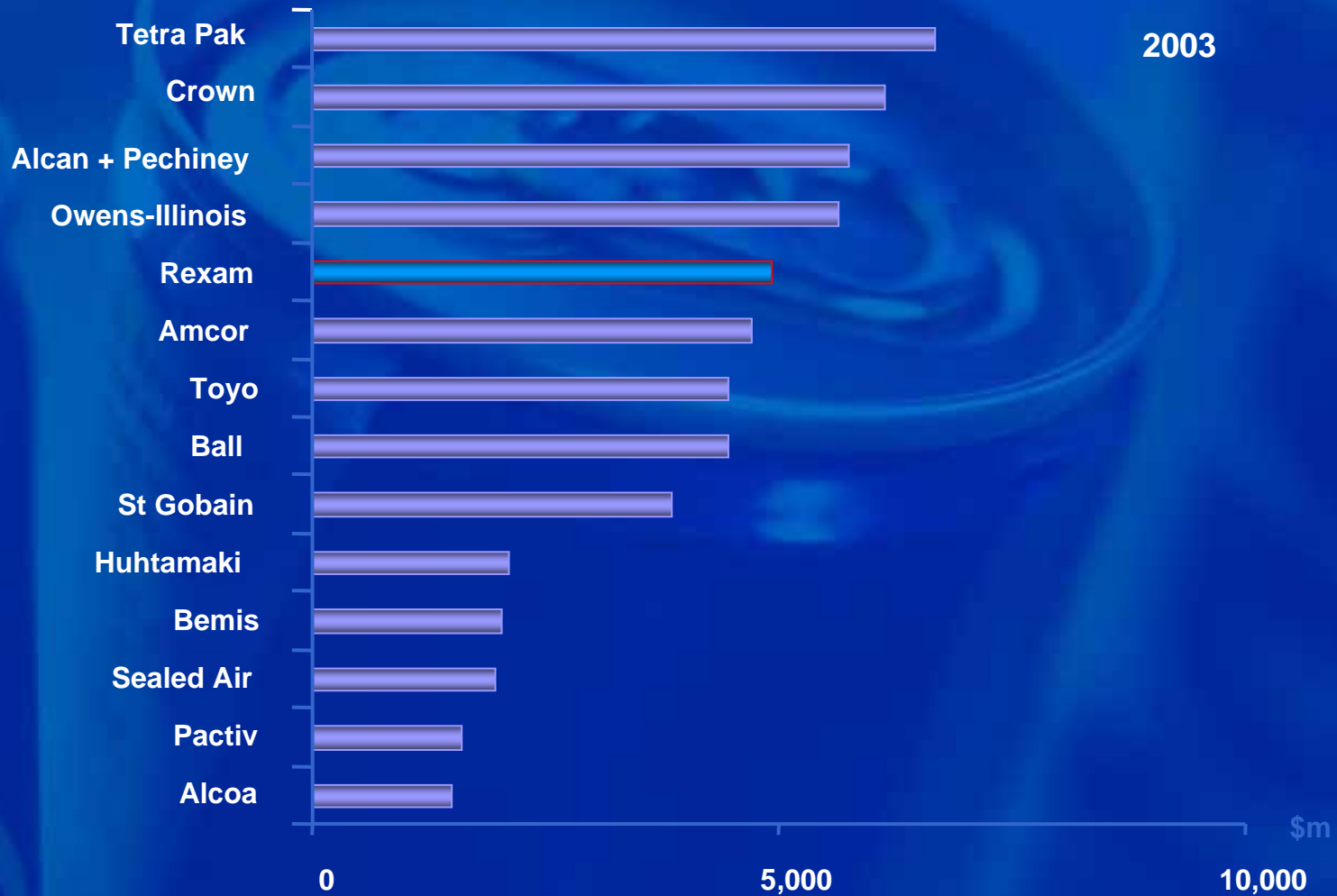


Food



Pharmaceuticals

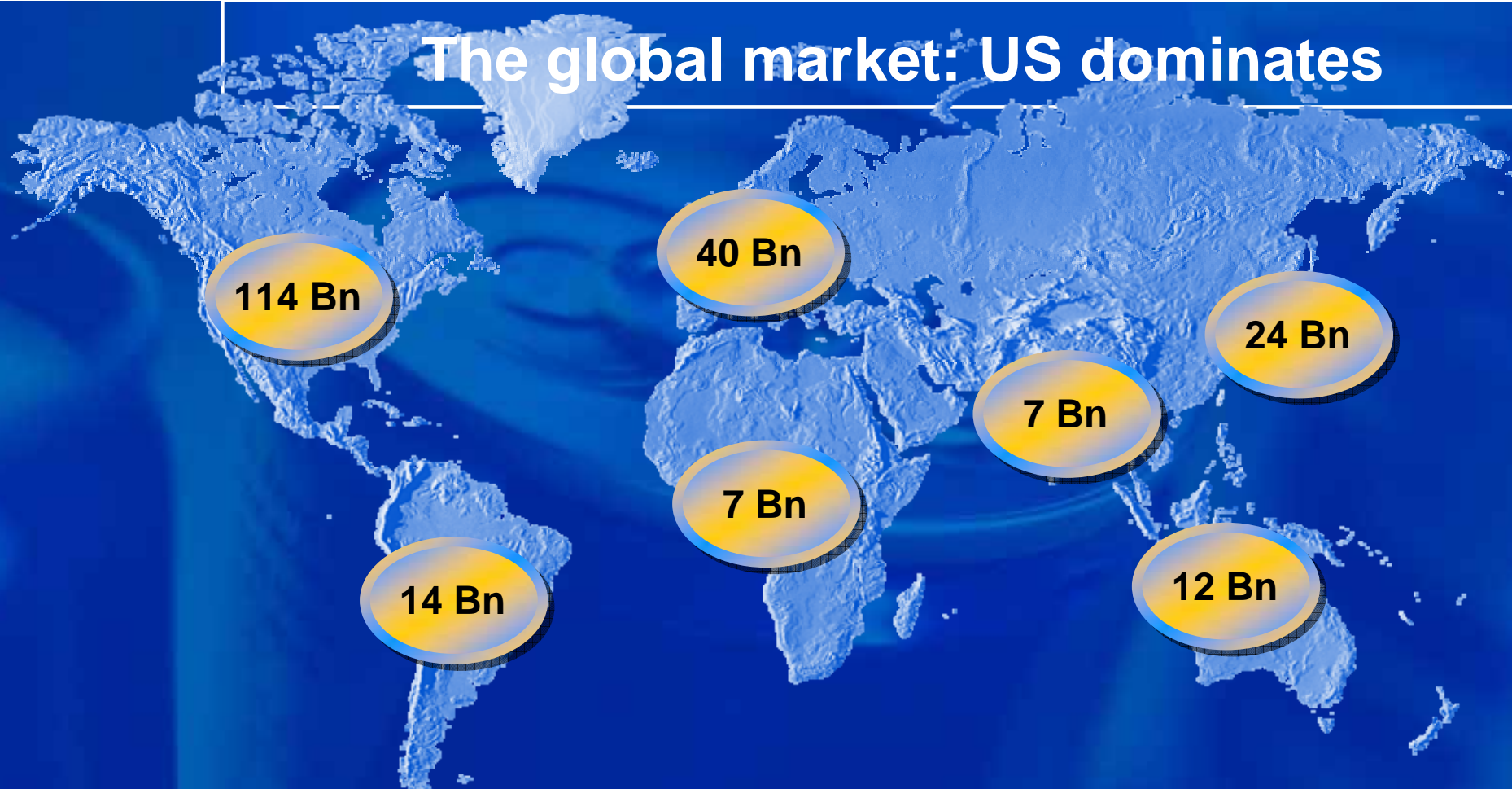
Top Consumer Packaging companies by sales





Beverage Cans

The global market: US dominates



United States

Per capita
consumption: 372
cans

Brazil

Per capita
consumption: 60
cans

Europe

Per capita
consumption: 76
cans

Rest of World

Per capita
consumption: 15
cans

Rexam No 1 in the world



Manufacturing c 50 billion cans

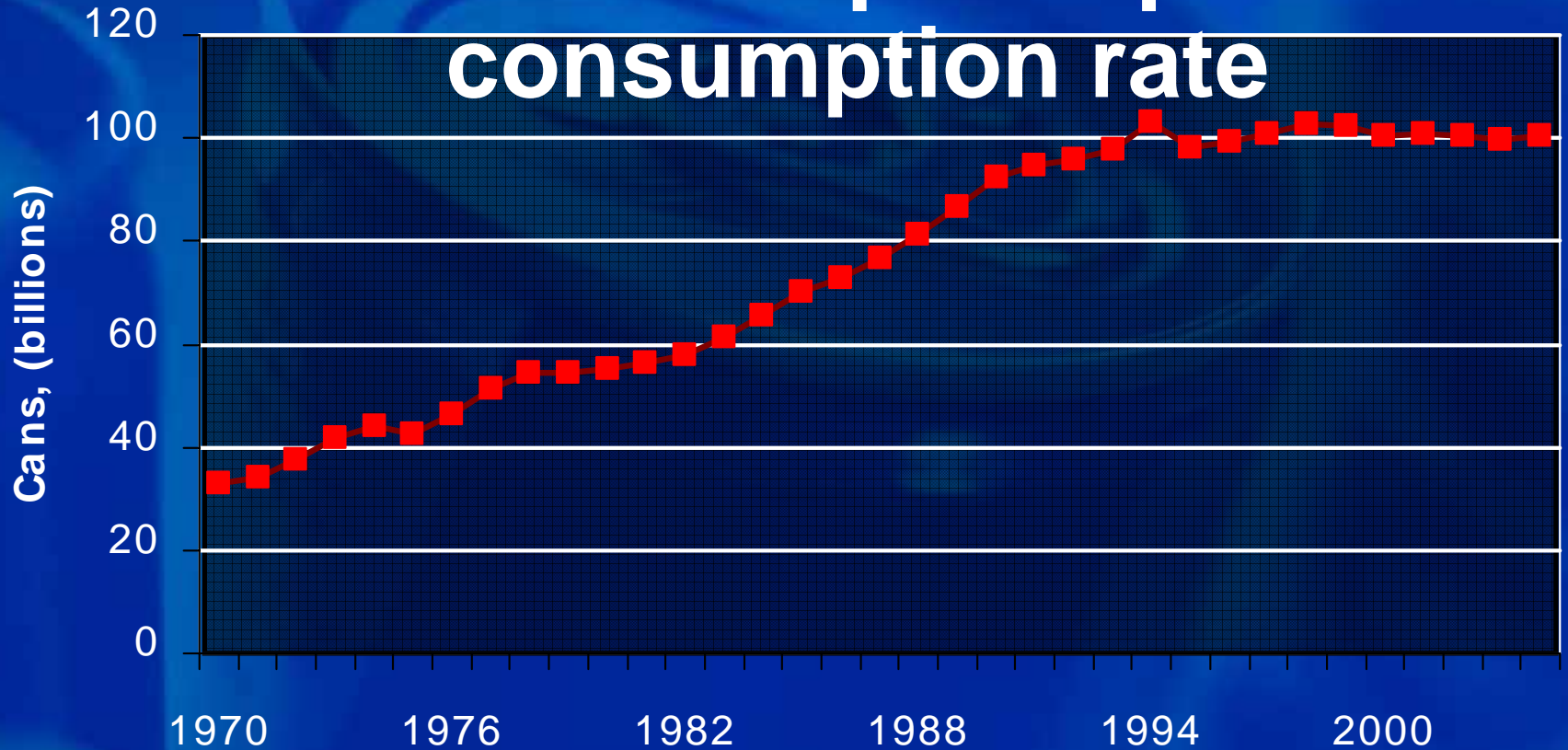
Delivering Top-Line Growth

**US Market
Development**



U.S. Aluminum Beverage Can Product Life Cycle

372 cans per capita consumption rate



What is driving consumers ?

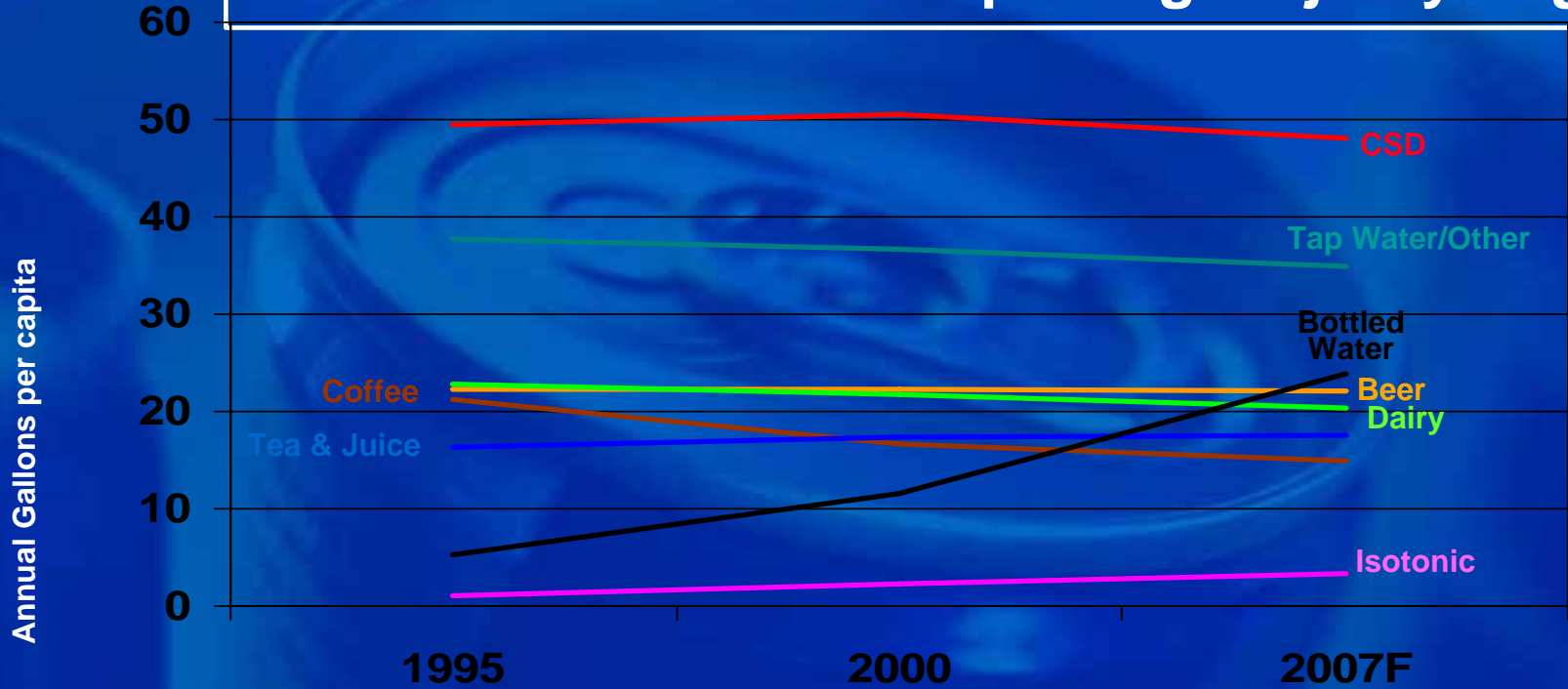
- Health / Wellness
- “On-The-Go”
- Hispanic / Urban
- Aging “Baby Boomers”
- Child Obesity



So where's the opportunity ?

- **The can owns certain attributes:**
 - Shelf-life
 - Oxygen barrier
 - High speed filling
 - Distribution and retail shelf pack design
 - More than double the recycling rate of any other beverage package
- **Leverage these qualities into:**
 - New and existing beverage segments
 - New package innovation for increased functionality and shelf appeal

Trends: water capturing majority of growth



Growth Subsegments

CSD: diet, mid-cal, natural, health enhanced

Water: enhanced, flavored, carbonated

Beer: light, imports, premium brands

Dairy: flavored, single serve, soy, meal replacement

Tea: premium brands, enhanced

Coffee: RTD

Isotonics: "Fusion" → energy, water

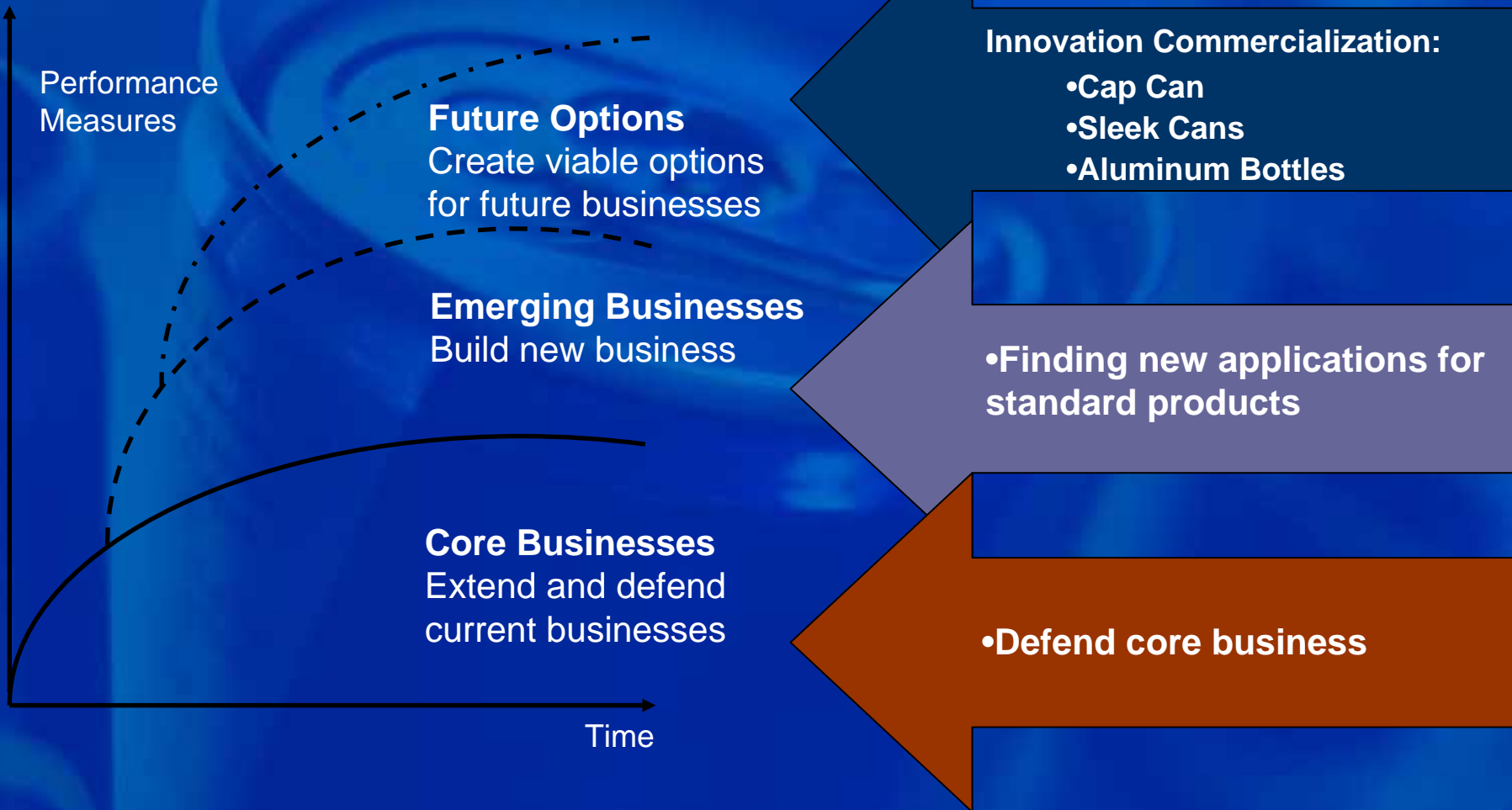
Energy: low-cal, enhanced, "Fusion" → alcohol

We are implementing a market driven culture

- We target growth customers in growth markets
- We are building value propositions that consider customers' entire supply chains, from brand development to co-packing to distribution to retail.
 - Examples include: Socko (featured in *Forbes* magazine), Boo Koo, Jolt, Oxygen Water



Market Driven....and accelerating



Transition from Product Centric to Market Driven

→ Quantify Value Proposition

- ↳ Capture Voice of Customer
- ↳ Translate into Actions and Metrics

- **CRM First Web based Customer Portal in Beverage Industry**

- On-Line Order Entry
- Inventory Status
- Delivery Status

“Easy, efficient, cost effective, paperless transaction... from Forecast to Payment...”

Result: “Best in Class Customer Service” Sullivan & Frost 2004

4 Quadrants of Beverage Innovation



Segmentation, Focus, Management

Product Segment

Customer Segment

Category Segment

Service Segment

☐ SLEEK Sales-Nordquist
Mktg-Stephens

☐ Coke Sales-Sabo
Mktg-Hennelly

☐ Beer Sales-McKinley
Mktg-Stephens

☐ Export Rodrigo
Kubitz

☐ 24 Oz. Sales-McKinley
Mktg-Hubbard

☐ Pepsi Sales-Brennan
Mktg-Stephens

☐ Energy Sales-Brown
Mktg-Hubbard

☐ Co-Packer
Devel. Hennelly

☐ CapCan Sales-Brown
Mktg-Wirrig →
Hubbard

☐ DPSU Sales-Merhar
Mktg-Stephens

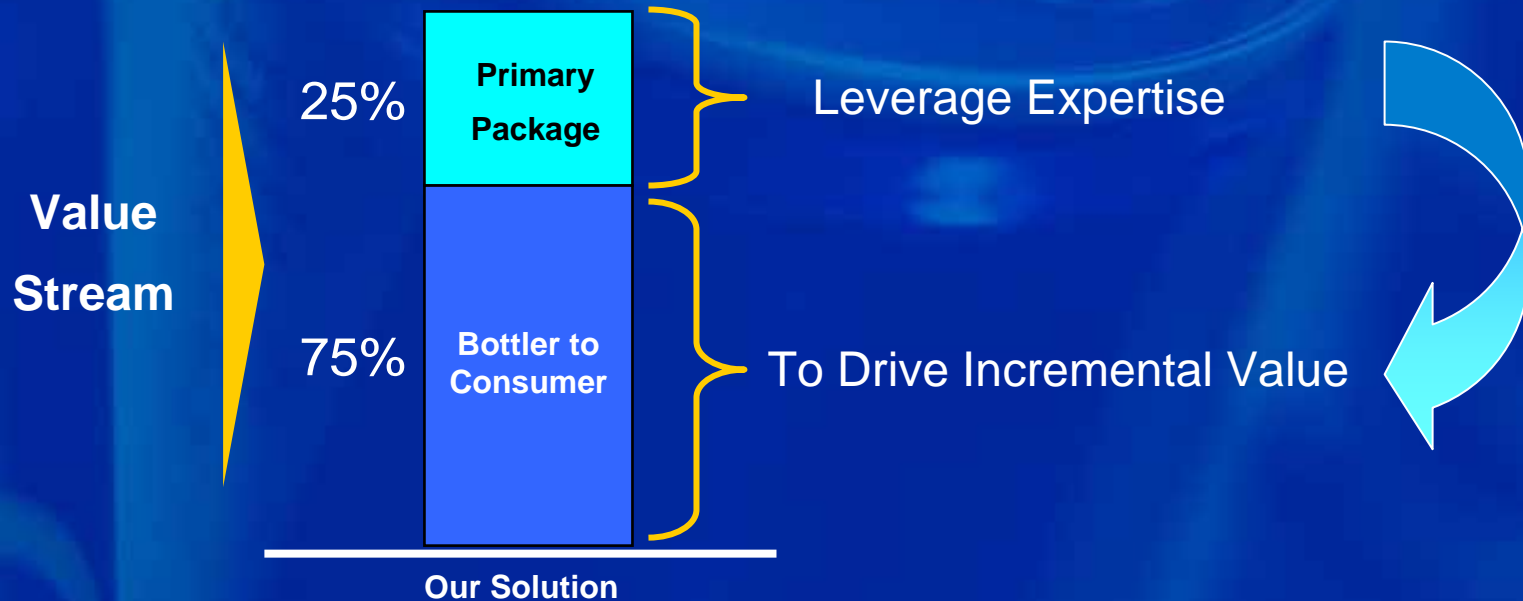
Segment Teams are responsible for:

- Developing strategic plan for each segment
- Developing Hoshin Plans
- Coordinating & Communicating: 'matrix management'

The future: capturing the Value Stream



Service excellence, value-enhancing innovation, brand partnerships, solution selling



Build growth in emerging businesses

8oz Beverage Can



Growth since 2000: 200%

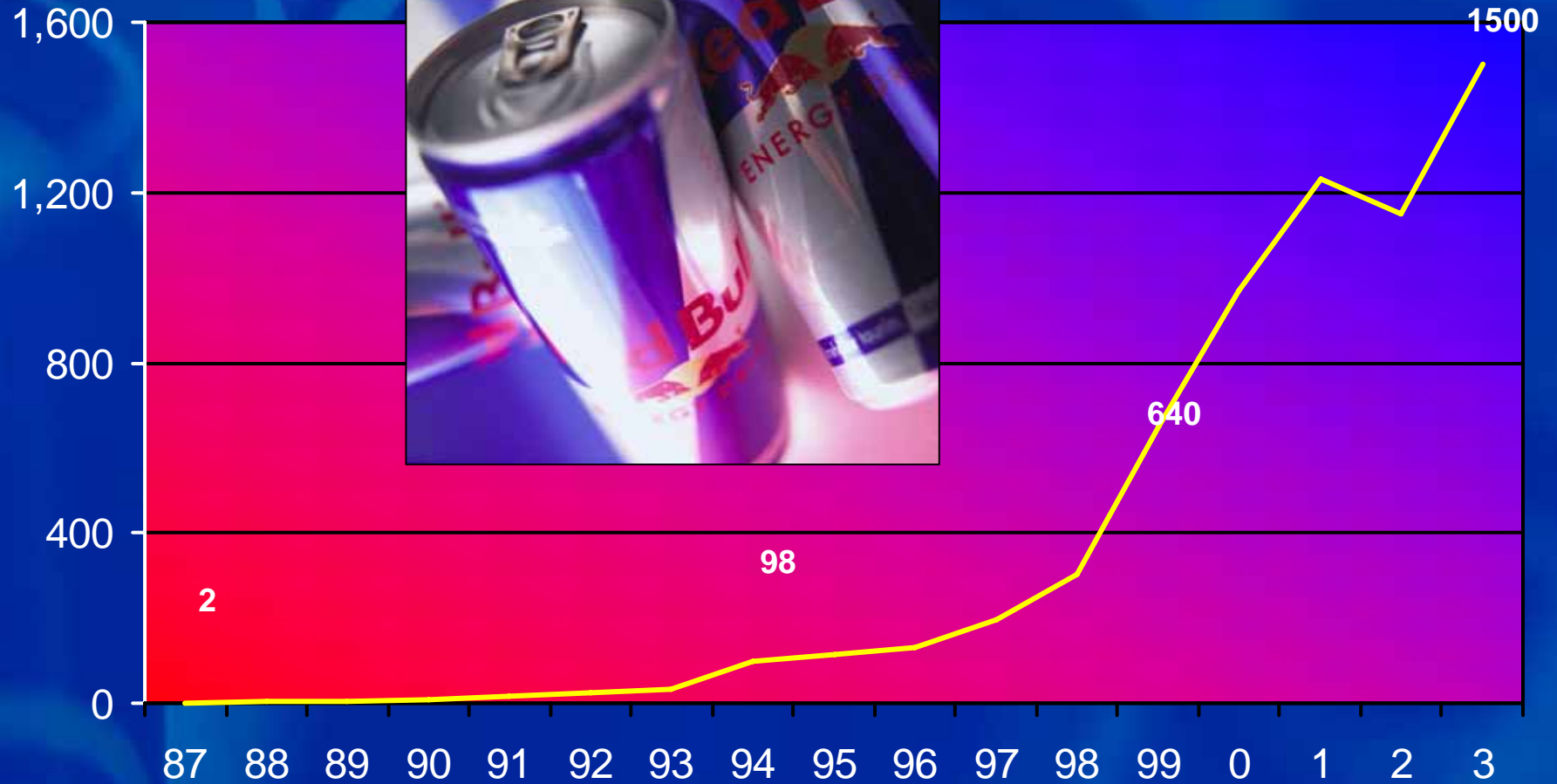
24oz Beverage Can



Growth since 2000: 62%

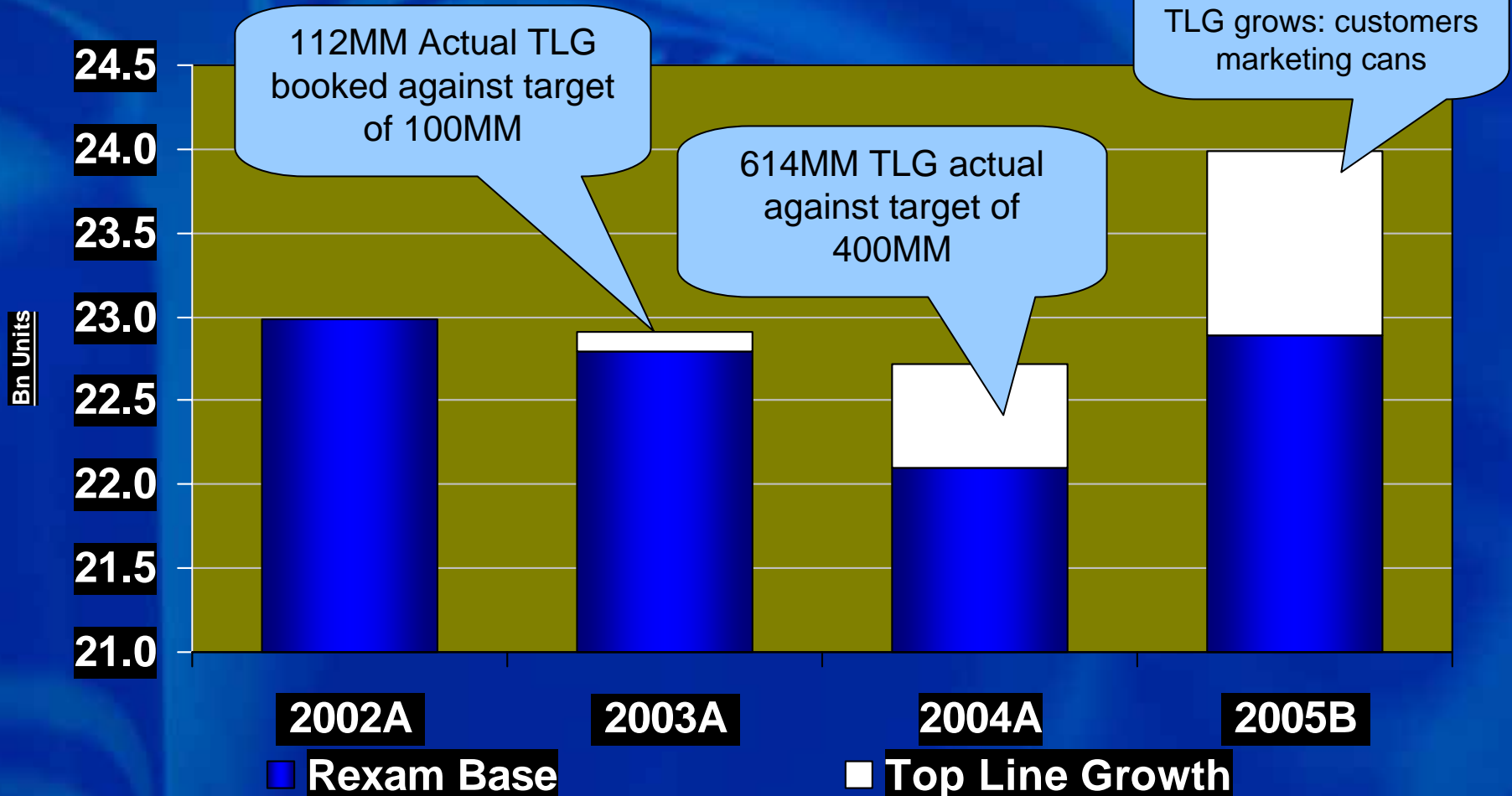
Red Bull 1987-2003

Units bn



Top Line Growth Results

Efforts are Delivering Results



Rexam is being recognized for its leadership

Marketing

Thirsting for Growth

You want a loyal customer in the beverage-can business? Help him when he's small beer.

BY SUSAN KITCHENS

JORDAN HARWOOD, THE 28-YEAR-OLD who heads a spanking new soda company called Bliss Beverage, wanted a small run of an odd-sized aluminum can. Last summer he asked Ball Corp. and Crown Holdings to make bids. They gave him the brush-off. Then he called Rexam, a packaging firm headquartered in London and the world's largest supplier of beverage cans. Robert McKinley, director of Midwest sales for Rexam's beverage business, rushed to Tempe, Ariz. to meet Harwood in his favorite nightclub.

By the end of that October evening Harwood had a supplier—and a booster: Rexam agreed to help launch and market Harwood's caffeine-loaded "energy" drink, called Socks. The package-



big customers.

"This notion of the can as an old product has really been blown out of the water in the past couple of years."

FACTOR **1 cent wonder** The proppy look is still going strong. While penny loafers have yet to return to mainstream, trend forecasting company Youth Intelligence predicts the shoes could be the next proppy revival trend.

Nice can

Old-school aluminum gets extreme makeover

The Hartford Courant

The next time you're at a party and someone tells you you've got a nice can, it may not be your firm luan that's being flattered. The pop might be going to that slim cylinder of aluminum you're clutching. Red Bull? Gotta have it. Socks? Rocked! Pimp juice? Mighty fine.

And those fine cans keep rolling out. One after another. Nice, tight, high and shiny. Cans like Red Bull—that fetching, sexy sipper—are driving the energy drink market and pumping up the non-alcoholic-beverage business. Sure, they've been around for years, these mini-cans. But now their unique shape

is forcing beverage-makers to reconsider cans and can shapes. The traditional 12-ounce soda and beer can seems positively unsexy stacked up next to squat, barrel-shaped cans, tall, leggy cans, giant, oversize big gobblers, and even bottle-shaped cans.

Cane cans are everywhere these days. You can find coffee and fizzy juices in the elongated 8.3-ounce or 8.4-ounce cans associated with energy drinks. Now even wine comes in these attractive vessels, including the 8.3-ounce Aussie Wine. Not to be outdone, Sofia Mini Blanc de Blancs sparkling wine, named for screenwriter and director Sofia Coppola, comes in adorable 6.3-ounce bright-pink cans affixed with their own straw. Bubbly never looked so clever.

"This notion of the can as an old product has really been blown out of the water in the past couple of years," said Greg Brooke, director of communications for Rexam Beverage Can Americas in Chicago, a division of Rexam, the world's largest beverage-can-maker. "It's an exciting development for what really is a 100-year-old-plus industry."

Rexam partnered with the Austrian Red Bull to make the 8.3-ounce can whose shape is now associated with the popular energy drink. Red Bull's sales have skyrocketed in the last five years (it's the market leader, with more than 30 percent of the entire energy drink category), Brooke said. "There seems to be this association with youth, being on the go and having fun—just plain cool and fun. The energy drink category is the fastest-growing category in the beverage industry. It's driven by the youth culture. It's taken on a life of its own," Brooke said.

Cans are calling out to consumers with their unique shape, and the buying public is eager to get their hands on them, said Bob Bond, spokesman for RLB Imports of Lakewood, Ohio. Bond should know. His company imports Aussie Wine, premium varietal wines from Southeastern Australia packaged in tall, 8.3-ounce cans. Certainly the idea of Australian wine such new to this market. And maybe wine in a can isn't an altogether foreign concept. But that cute can is making a difference.

These 'zines are worth your time

The Denver Post

Suede debuts. Nest folds. Venerable old Life gets transformed, and burgeoning new Radar gets a transfusion of cash from major backers. The one-word world of magazines is buzzing with fresh launches and major makeovers.

The moment is mostly positive for publishing types—a whopping 75 titles debut each month—but confusing for folks who have so sort through the racks picking out the good meat and passing on the bad rap.

So what's hot now? Here's a look at some magazines with buzz.

Ready Made: Ready Made magazine is Martha Stewart Living for hipsters, only instead of offering how-to's on button magnets, Ready Made lays out how to transform audio speakers into coffee tables or beer cans into light switch covers. Shabby chic? You bet.

Suede: Beguiled by fashion but tired of the parades of thin, white women slouching their way through the fashion magazines? The new fashion magazine Suede's pages are filled with thin, slouching African-American, Asian, Latina and white women—all as bored-looking as the models in the established mags. It's also got music reviews.

Mental Floss: Want to learn how to pick a lock? Understand how IMAX films work? Then you need Mental Floss, a recent issue of which described the publication as "serving the trivia-deprived for over 1,177 days."

Cottage Living: Cottages are all about cozy, so it's no surprise the premier issue of Cottage Living is a celebration of overstuffed couches, beanbag and wood, everywhere. The magazine's tagline is "comfort, simplicity style," and it delivers on the promise.

Mobile PC: Computing used to be about big machines, desks and complicated stuff. Now it's about making your mobile...

The unique shape of energy drinks is driving the market and forcing makers to reconsider cans and can shapes.



We will grow: value to customers/investors

We will drive growth

- Achieve proper balance between capacity and demand
- Aggressively reduce costs, increase quality and production efficiencies
- Target the right customers in the right markets w/value proposition no one else can touch

