



Mpact Corrugated has nine corrugated box plants, each with corrugator and converting facilities, producing corrugated board and boxes. Eight plants are located in South Africa in Gauteng, KwaZulu-Natal, Western Cape, Eastern Cape and Mpumalanga and one plant is located in Namibia. We also own two corrugated sheet plants in Mozambique and Namibia respectively, and have an interest in several corrugated sheet plants throughout South Africa. All sites are fully equipped to produce corrugated packaging from regular slotted cartons to die-cut, self-locking trays for the local and export market.

All packaging is custom-made to specific customer needs and can be printed as required on site. We have developed our leading market position by focusing on investments in modern technology and training, customer relationship management and a decentralised operating structure to provide constant improvements to the products we supply.

Our customers include producers of agricultural, fast moving consumer goods (FMCG) and other durable and non-durable goods that use packaging primarily for the protection of products in transit and for point-of-sale display. Converted packaging products generally have a localised customer base – each of the corrugated packaging operations has a large number of customers located within approximately 160km.

Mpact Corrugated receives the majority of its raw material from the Mpact paper mills. Liners and fluting from these mills are assembled in various combinations to create a wide range of corrugated boards.



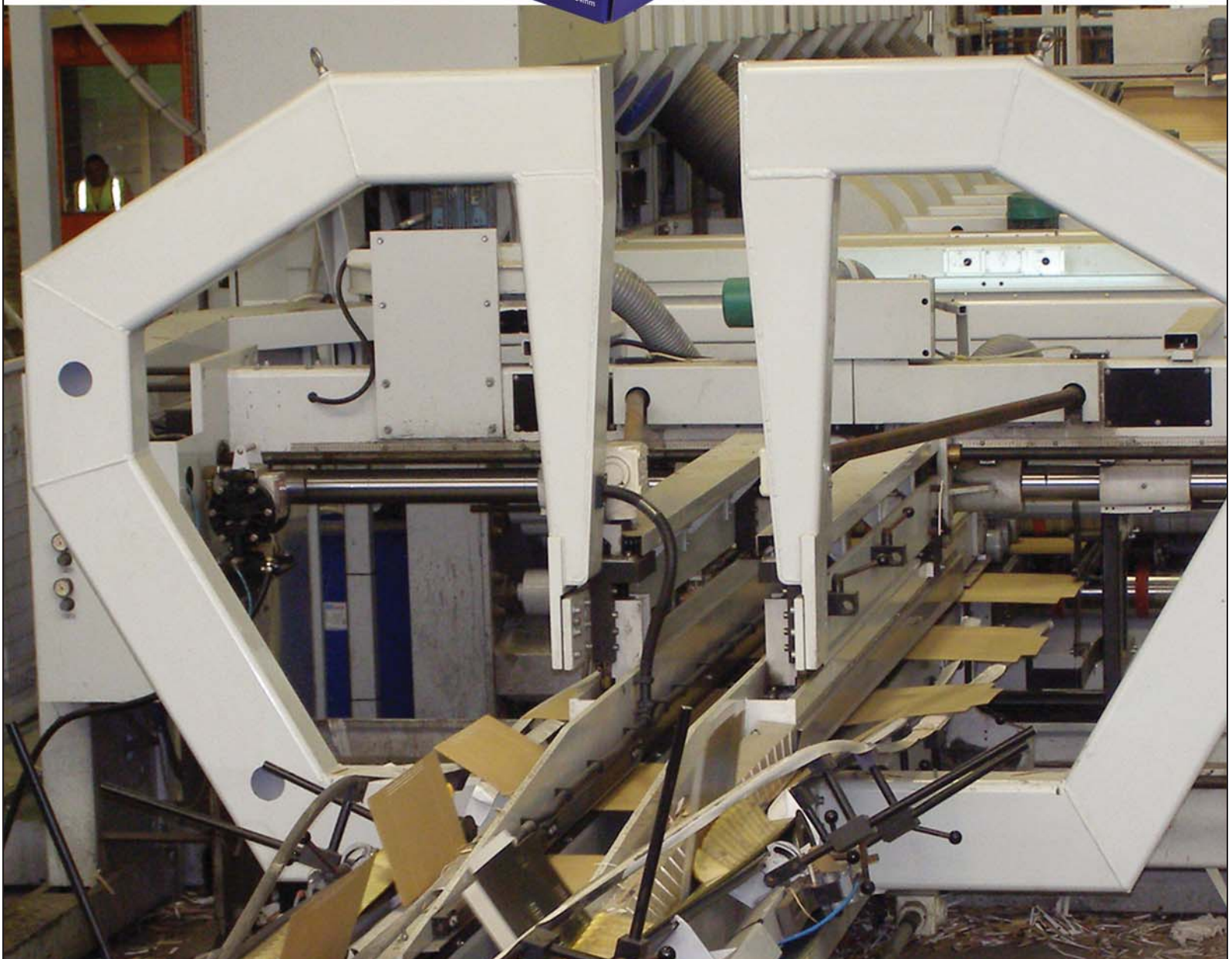
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PRODUCTS

Our product range consists of:

- Hand erected regular slotted containers
- Hand erected die-cut containers
- Machine erected regular slotted containers
- Machine erected die cut-containers
- High-graphic printed containers





THE PROCESS

In essence, the basic process is to take fluting paper, give it its characteristic “wave” formation, and then glue it to a liner. At a later point, a second liner is applied to the fluting, giving a finished piece of corrugated board. While this sounds simple, it in fact requires massive and extremely sophisticated machinery to operate at very high speeds, for extended periods of time. The cured boards are then flexographically printed, die cut and/or slit to customer specifications.

ASSET INVESTMENT

Investments include three high-graphic printing machines situated at the Springs, Pinetown and Epping facilities, which have given us a leading position in high-graphic printing on corrugated boxes. This is in line with our objective of meeting customer requirements for innovative products and branding.

In addition, investment has been made in upgrading our fleet of corrugators at Springs, Kuils River, Nelspruit and Port Elizabeth, amongst others. This includes a R50 million investment at Kuils River, where a new high-speed BHS corrugator was installed. This corrugator holds the world record for production speeds and is one of the most sophisticated production units of its kind in the world.

Our ongoing investment in modern technology, plants, people and infrastructure provides constant improvement to the products supplied and ensures that Mpact Corrugated leads the field in the development of innovative packaging.

INNOVATION

We are firmly committed to R&D and have invested resources in the creation of innovation centres with structural and graphic design capabilities. These are uniquely positioned to offer advanced development functions to our customers – especially our customers who do not have their own internal development departments for packaging.

In addition, environmentally-friendly, lightweight packaging is driving packaging development, with cost control a prevailing force. We therefore seek to develop our leading market position in product quality and lightweight capability by continuously improving the quality and design of our products while increasing the efficiency of production.



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RETAIL READY PACKAGING

In addition to the products already mentioned, Mpack Corrugated manufactures Retail Ready Packaging (RRP). The RRP concept takes the marketing, communication and branding of products right on to the shop floor. It alleviates in-store stock replenishment, enhances consumers' shopping experience and provides supply chain benefits.

It is easy to identify in a warehouse with the artwork clearly depicting the contents and purpose of the product, and simple to open by hand without tearing the outer liner. In addition, the open cases can be accommodated on automated packing lines without requiring modification.

With life-like graphics and full-colour printing, RRP also simplifies product identification for consumers, while the latest "easy-open" features hold great appeal for store owners. Instead of razor opening, RRP containers can now be accessed with pull tabs and/or slide-off lids to reduce the risk of personnel or product damage.

RRP extends to the wine industry, creating more opportunities for wine exports from South Africa and taking the standard corrugated slotted wine carton to a new dimension. The Mpack "Retail Ready" wine carton has received prestigious local and international awards.

The Industri Lock concept was also developed by Mpack. Ideal for various product types, it provides a substantial cost and waste saving when compared to existing packaging display designs. It's quick and easy to erect, improving production output, and the design was created to suit one-pass regular slotted corrugated (RSC) case making. It offers self-locking top and bottom flaps, without increasing the cost of a standard RSC carton of the same size.

The proven Mpack perforation for the front panel and top flaps ensures a clean tear and instructions, with illustrations, are included in the artwork to ensure correct assembly. The top flaps, although perforated, aren't required to be removed if there's little shelf space available. This makes Industri Lock a one-touch replenishment RRP. The removable front panel can be used as a product support mechanism during decanting and the case can be shrink-wrapped or sealed with a tamper evident label if required.

Thanks to ongoing work at its innovation centres, Mpack has been perfecting the manufacture of RRP for a number of years and has garnered a reputation for creative and practical designs, thereby differentiating the company in a very competitive industry.