



Smart Brands (Pty) Ltd  
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## **SMART BRANDS PRICE ADJUSTMENT / ITEM MAINTENANCE**

Dear Customers,

I write to inform you that we are implementing a national price review and range item maintenance. The changes will take affect from the 1<sup>st</sup> of April 2019 to give you time to adjust your back office. This change is necessary to maintain the quality of service and products that you are accustomed to receiving from Smart Brands.

During our last review we adjusted the price of a small number of products and kept the bulk of product prices largely unchanged for more than 3 years. We had absorbed prior cost impacts and went on with the business of bringing you quality products and superior service.

Since January 2018 the A\$ has fallen to record lows which has forced the cost of goods up by more than 11%. Furthermore, the cost of raw materials overseas has increased substantially and once again forcing the cost of goods to rise significantly. While we will support most of the increase in cost, we are forced to adjust pricing as follows

- Price decrease - We have reduced the price of certain products significantly where we have been able to re-source from alternative suppliers.
- Price / Item maintenance - For some items (50% of our portfolio) there will be little change +/- to align price points. Where we find that we are well below the prices in the market, we recommend a slight increase in RRP which will give you an increased margin. Some items will change descriptions.
- Cost Price Increase - For several items while we will support most of the increase in cost for these items there will be some increases. We have reflected RRP to match or better prior retail margin

**Overall, with the new prices in place, on average, your margin will increase.** Our products will continue to offer unbeatable value and deliver higher GP's than what we see elsewhere in the marketplace.

We look forward to working closely together and assure you of our continued support and service in the coming year.

Yours sincerely,

Mark Laidler  
General Manager Smart Brands