Annual Results
2017
Forward looking statements

We may make statements that are not historical facts and relate to analyses and other information based on forecasts of future results and estimates of amounts not yet determinable. These are forward-looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Words such as “believe”, “anticipate”, “expect”, “intend”, “seek”, “will”, “plan”, “could”, “may”, “endeavour” and “project” and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that predictions, forecasts, projections and other forward-looking statements will not be achieved.

If one or more of these risks materialise, or should underlying assumptions prove incorrect, actual results may be very different from those anticipated. The factors that could cause our actual results to differ materially from the plans, objectives, expectations, estimates and intentions in such forward-looking statements are discussed in each year’s annual report. Forward-looking statements apply only as of the date on which they are made, and we do not undertake other than in terms of the Listings Requirements of the JSE Limited, to update or revise any statement, whether as a result of new information, future events or otherwise. All income forecasts published in this report are unaudited. Investors are cautioned not to place undue reliance on any forward-looking statements contained herein.
Results overview 2017

-2%
Group revenue down to R18.8 billion due to Rand strengthening 10% against US dollar

+3%
Group trading profit up to R2.0 billion due to strong Metals performance

-86%
EPS down to 36.6 cents from 254.5 cents due to no capital profit, impairment and onerous contract provisions

+15%
HEPS up to 123.8 cents from 107.6 cents

45%
Net gearing further improved from 49% in 2016

USD127m
Cash extracted from Nigeria and Angola in 2017

+6%
Cash generated from operations before working capital changes increased to R2.4 billion

-50%
Capital expenditure halved to R0.7 billion due to prudent asset allocation

R668m
Impairments higher due to goodwill plus other assets write-offs related to Glass and onerous contract in Europe
Achievements in 2017

Safety improved LTIFR reduced to 0.41 (2016: 0.48) – operations excellence delivering

Improved carbon footprint – energy consumption reduced by 4% and water consumption down 13%

Operation efficiencies improved – divisional trading margin improved to 11.2% from 10.5%

Management of forex exposure improved – USD79m cash extracted in Nigeria and 89% of Angola cash balances hedged
Group revenue down 2%, trading profit up 3%

<table>
<thead>
<tr>
<th>Category</th>
<th>Revenue</th>
<th>Trading profit</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metals</td>
<td>R11 281m</td>
<td>+32%</td>
<td>15.0%</td>
</tr>
<tr>
<td>Plastics</td>
<td>R4 624m</td>
<td>-58%</td>
<td>3.6%</td>
</tr>
<tr>
<td>Paper</td>
<td>R1 497m</td>
<td>-25%</td>
<td>11.8%</td>
</tr>
<tr>
<td>Glass</td>
<td>R1 420m</td>
<td>-40%</td>
<td>4.4%</td>
</tr>
</tbody>
</table>
Metals: record performance and major contributor to trading profit

**REVENUE (%)**
- Metals: 60%
- Plastics: 55%
- Paper: 7%
- Glass: 7%
- Corporate: 8%

**TRADING PROFIT (%)**
- Metals: 86%
- Plastics: 67%
- Paper: 9%
- Glass: 12%
- Corporate: 6%

2017 – Outer circle
2016 – Inner circle
Rest of Africa growth increased contribution to trading profit to 64%

South Africa: 32%
Rest of Africa: 60%
Europe: 8%
Corporate: 12%

South Africa: 31%
Rest of Africa: 57%
Europe: 5%
Corporate: 12%

2017 – Outer circle
2016 – Inner circle
Results favourably impacted by Rest of Africa trading profit growth of 27%

Statement of comprehensive income

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>% ∆</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>18 822</td>
<td>19 139</td>
<td>(2)</td>
</tr>
<tr>
<td>Trading profit</td>
<td>1 967</td>
<td>1 905</td>
<td>3</td>
</tr>
<tr>
<td>Net abnormal losses</td>
<td>(1 006)</td>
<td>(1 061)</td>
<td>5</td>
</tr>
<tr>
<td>Operating profit before capital profit on sale and leaseback of properties</td>
<td>961</td>
<td>844</td>
<td>14</td>
</tr>
<tr>
<td>Capital profit on sale and leaseback of properties</td>
<td>–</td>
<td>1 319</td>
<td>(100)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>961</td>
<td>2 163</td>
<td>(56)</td>
</tr>
<tr>
<td>Net finance costs</td>
<td>(391)</td>
<td>(486)</td>
<td>20</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>570</td>
<td>1 677</td>
<td>(66)</td>
</tr>
<tr>
<td>Tax expense</td>
<td>(214)</td>
<td>(199)</td>
<td>(8)</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>356</td>
<td>1 478</td>
<td>(76)</td>
</tr>
</tbody>
</table>

EPS (cents)                     | 36.6   | 254.5    | (86) |
HEPS (cents)                     | 123.8  | 107.6    | 15   |

Record performance by Bevcan Angola, strong H2 by Bevcan SA, 7% revenue growth by Glass division partially offset by Plastics Europe decline

Trading profit from Rest of Africa up 27% Offset by 4% decline in SA and Plastics Europe reporting a loss, adjusting for external rent paid, trading profit of R2.1bn up 11%

Higher impairments of R668m, lower forex losses at R160m, R82m onerous contract provision and related costs, Glass production losses of R79m

Once-off R1.3bn capital profit on sale and leaseback in 2016

Effective tax rate of 37.5% up from 11.9% Impairments and other disallowed expenses increased tax rate by 29% in H2

Once-off R1.3bn capital profit in 2016 and increased tax rate in 2017 and higher minorities

Lower forex losses, lower finance charges, higher tax and adjustment for capital profit, impairments and higher minorities
Strong performance by Metals division
Group trading margin improved to 10.4%

Segmental performance by substrate

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Metals</td>
<td>11 281</td>
<td>10 510</td>
<td>7</td>
<td>1 695</td>
<td>1 285</td>
<td>32</td>
<td>15.0</td>
<td>12.2</td>
</tr>
<tr>
<td>Plastics</td>
<td>4 624</td>
<td>5 557</td>
<td>(17)</td>
<td>166</td>
<td>392</td>
<td>(58)</td>
<td>3.6</td>
<td>7.1</td>
</tr>
<tr>
<td>Paper</td>
<td>1 497</td>
<td>1 749</td>
<td>(14)</td>
<td>177</td>
<td>236</td>
<td>(25)</td>
<td>11.8</td>
<td>13.5</td>
</tr>
<tr>
<td>Glass</td>
<td>1 420</td>
<td>1 323</td>
<td>7</td>
<td>63</td>
<td>105</td>
<td>(40)</td>
<td>4.4</td>
<td>7.9</td>
</tr>
<tr>
<td>Total operations</td>
<td>18 822</td>
<td>19 139</td>
<td>(2)</td>
<td>2 101</td>
<td>2 018</td>
<td>4</td>
<td>11.2</td>
<td>10.5</td>
</tr>
<tr>
<td>Corporate services</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(134)</td>
<td>(113)</td>
<td>19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group</td>
<td>18 822</td>
<td>19 139</td>
<td>(2)</td>
<td>1 967</td>
<td>1 905</td>
<td>3</td>
<td>10.4</td>
<td>10.0</td>
</tr>
</tbody>
</table>
Capex halved to R735 million
Capital programme tightly controlled without compromising asset integrity

- **Capital Assurance Committee**
  » Introduced during the year with positive impacts
  » Capex reduced by 50% without compromising integrity of asset base and cash generative ability

- **Major capex in 2017**
  » DivFood modernising printing and coating line, upgrade of large format can capability and can line in Botswana – R152m
  » Bevcan Springs ends expansion and Rosslyn line 2 – R35m
  » Glass inspection equipment and gas pipeline – R67m

- **FY18 capex range between R1.0 and R1.2bn**
Liquidity restored in Nigeria, cash restricted in Angola and Zimbabwe
USD127m extracted from Nigeria and Angola

› **Nigeria**
  » Cash extraction improves to 93% from 57%
  » USD79m extracted, exceeding H1 forecast of USD54m
  » Forex loss of R160m down from R507m
  » Forex devaluation of 14%

› **Angola**
  » Hedging of cash balances increased to 89% from 61%
  » No devaluation in 2017

› **Zimbabwe**
  » Cash balances grew to R0.7bn in 2017 from R0.3bn
  » Currency shortages and uncertain political environment

› **Overall long-term investment rationale unchanged**
  » Oil price improving, Nigeria NAFEX encouraging
  » Good market positions and strong customer relationships
  » Nampak to benefit from long-term demand growth
## In a nutshell

### Finance focus areas

<table>
<thead>
<tr>
<th>Focus Area</th>
<th>Description</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capex management</strong></td>
<td>Capex well managed, reduced by 50% to R0.7 billion</td>
<td>✔️ ✔️ ✔️</td>
</tr>
<tr>
<td><strong>Working capital management</strong></td>
<td></td>
<td>✔️ ✔️</td>
</tr>
<tr>
<td><strong>Forecasting</strong></td>
<td>Strong internal alignment and focus</td>
<td>✔️ ✔️</td>
</tr>
<tr>
<td><strong>Managing RoA liquidity (US$127 million extracted) and hedging</strong></td>
<td>USD79 million and USD48 million extracted in Nigeria and Angola respectively</td>
<td>✔️ ✔️</td>
</tr>
<tr>
<td></td>
<td>Cash extraction improved to 93% in Nigeria (2016: 57%)</td>
<td>✔️ ✔️</td>
</tr>
<tr>
<td></td>
<td>Liquidity restored</td>
<td></td>
</tr>
<tr>
<td><strong>Financial position optimisation</strong></td>
<td>Net debt reduced by 6%</td>
<td>✔️ ✔️</td>
</tr>
<tr>
<td></td>
<td>EBITDA to revenue ratio improved (1)</td>
<td></td>
</tr>
<tr>
<td><strong>Managing down gearing</strong></td>
<td>Group gearing ratio further reduced from 45% to 49%</td>
<td>✔️ ✔️ ✔️</td>
</tr>
<tr>
<td></td>
<td>Covenants well managed</td>
<td></td>
</tr>
<tr>
<td><strong>Focus on cash generation</strong></td>
<td>Cash generated before working capital changes increased by 6%</td>
<td>✔️ ✔️</td>
</tr>
<tr>
<td></td>
<td>No final dividend in line with group’s efforts to conserve cash</td>
<td></td>
</tr>
</tbody>
</table>

(1) Excluding capital profit on sale and leaseback of properties in 2016.

Achieved ✔️ ✔️ ✔️ Partially achieved ✔️ ✔️ To be addressed
Preparing a platform for future growth

Metals
Operations excellence to drive sustainable profitability

Plastics
Restructuring to improve efficiency and optimise capacity utilisation

Paper
Manage costs and improve operational efficiencies by servicing regions effectively

Glass
Improve operational efficiencies and manufacturing disciplines
Outlook
Prospects and divisional focus in 2018

METALS
Operations excellence to drive sustainable profitability

› Bevcan SA
  » Optimise portfolio
  » Strong quality offering and market positioning
  » Working with customers to navigate proposed sugar tax

› DivFood
  » Subdued consumer demand expected to continue
  » Target growth in specific categories

› Rest of Africa
  » USD13m phase one line conversion for Angola to meet short/medium term market demand
  » Kwanza US dollar swap
  » Muted can volume demand in Nigeria as economy slowly recovers from recession
  » Restored liquidity and economy recovery expected to benefit general metals packaging
  » Continue driving improvements and cost efficiencies

PLASTICS
Restructuring to improve efficiency and optimise capacity utilisation

› South Africa
  » Pressure on volumes expected
  » Customer base to mitigate volume losses
  » Reduce cost base

› Europe
  » New commercial team to grow customer and product base
  » Expect to breakeven in 2018
Outlook
Prospects and divisional focus in 2018

PAPER
Manage costs and improve operational efficiencies by servicing regions effectively

» Preference for local packaging to drive growth
» Liquidity constraints in Zimbabwe remain a risk
» Awaiting tobacco cartons tender outcome in Nigeria
» Rationalise and consolidate production facilities in south and east Africa
  ▪ Extract operational efficiencies
  ▪ Manage costs
» Focused production hubs for region
  ▪ Zimbabwe – general and tobacco cartons
  ▪ Zambia – sorghum beer cartons

GLASS
Improve operational efficiencies and manufacturing disciplines

» Marketing initiatives to drive growth
» Leverage further sales growth in wine sector
» Expect growth in emerald green glass
» New technical skills and greater management oversight to improve and optimise operation of furnaces
» Rationalise product mix, dedicate furnaces to specific colours
» Rest of Africa opportunities in medium/long term
Staying the course

› **Nampak undergoing necessary restructuring in response to market trading conditions**
  - Ongoing management of operating footprint and managing costs
    - Consolidation of manufacturing sites and lines
    - Capacity filling initiatives
    - Optimal structure review
    - Cost saving initiatives across the Group
  - Creating a platform for future growth

› **World-class manufacturing facilities focused on improving efficiencies and safety**
  - Operations excellence to unlock further efficiency gains

› **Macroeconomic environment has impact on growth prospects**
  - Consumer spending ultimately determines volume growth

› **Political uncertainty remains a concern in key geographies**

› **Remain optimistic on the long-term outlook on the Rest of Africa**
  - Liquidity restored in Nigeria
  - Oil pricing improving steadily
  - First mover advantage when conditions stabilise in other territories
  - Strong relationships with customers
  - Strong market share in most substrates/product offering
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