Investec Africa Conference

Nampak Growth Strategy in Africa

Presented by: Andrew Marshall | Date Tuesday, 22nd March 2011
Agenda

• An overview of Nampak in Africa

• Our presence on the continent

• Strategy and growth opportunities
<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Countries</td>
<td>12</td>
</tr>
<tr>
<td>Operations</td>
<td>19</td>
</tr>
<tr>
<td>Turnover</td>
<td>R1 213m</td>
</tr>
<tr>
<td>Trading Profit inc fees earned offshore</td>
<td>R120m</td>
</tr>
<tr>
<td>EBITDA</td>
<td>R130m</td>
</tr>
<tr>
<td>Assets</td>
<td>R1 412m</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>R228m</td>
</tr>
<tr>
<td>Employees</td>
<td>2 000</td>
</tr>
</tbody>
</table>
Total Turnover Generated from Africa

- Operations: R1.2bn
- Exports: R1.3bn
- Total: R2.5bn
Revenue in Major Countries

Nigeria
Zambia
Kenya
Malawi
Tanzania
Rm
Exports to Africa

- Namibia: 38%
- Botswana: 15%
- Angola: 12%
- Zimbabwe: 9%
- Mozambique: 8%
- Swaziland: 6%
- Kenya: 5%
- Others: 7%

Total value: R1.3bn
Our Presence on the African Continent
Nigeria

• 100% of Cartons & Labels
  • Cigarette cartons
  • Folding cartons
  • Labels

• 57% of Nampak Nigeria
  • Food and general cans
Nampak Nigeria
• Established operation now with good skills and equipment

• Underpinned by 10 year supply agreement to BAT

• Good growth prospects in beer labels and FMCG multi-nationals
The Federal Ministry of Health warns that smokers are liable to die young.
Non-Cigarette Business in Nigeria

Images of products such as Bournvita, Guinness, and Top Tea.
Only two major independent players in metal packaging
Nigeria Metals Manufacturing Equipment
Nigeria Metals Manufacturing Equipment
• Greenfield expansion
• $160m beverage can plant
• 700m cans per annum capacity
• Market estimated to be >1bn cans
• Contracts with major customers
• Due for commissioning in April 2011
• Revenues of >R500m in full year
• 30% equity partner
• Entered territory via acquisitions

• 4 factories

• Bullpack 49% – paper sacks

• Crown Cork 100% – crowns, food and general cans
East Africa

- Only 4 major independent players in metals
- Good manufacturing base in Kenya
- Substantial growth in the beverage sector
Nampak Kenya Manufacturing Facility
Nampak Kenya Manufacturing Facility
Tanzania Cans
Mini Nampak

Liquid Paper & Plastic

Steel drums

Paper & Board

Crowns

Plastic crates
Zambia Liquid Packaging Equipment
Zambia Rigid Plastics Products
Zambia Folding Cartons
Zanbia Sugar Bags
• 60% of Packaging Industries Malawi
• Corrugated boxes mainly for tobacco
• Sorghum beer cartons
• Sacks
Packaging Industries Malawi
Malawi Corrugated Equipment
Malawi Liquid Cartons Manufacturing
Products made in Malawi
• Corrugated box operation supplying mainly agricultural customers
Nampak Corrugated Swaziland
• 50% of Crown Mozambique
• Crowns for beverage bottles
• Only local manufacturer
Mozambique
Mozambique Manufacturing Equipment
Crowns made in Mozambique
• PET bottle in-plant in Windhoek for Namibia Beverages (Coca-Cola)
• Produce 20-25m bottles per annum
• Milk and juice bottle plant
• Major customers – Clover and Sally Dairies
• Produce 20-25 million bottles per annum
Nampak Liquid Packaging Botswana
Zimbabwe

- Good growth prospects (tobacco / sacks)
- Indigenization Laws
- Political Stability
- Not full management control
- Adopt a wait and see attitude
<table>
<thead>
<tr>
<th>Company</th>
<th>Shareholding</th>
<th>Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hunyani</td>
<td>39%</td>
<td>Cartons, corrugated, sacks</td>
</tr>
<tr>
<td>Megapak</td>
<td>49%</td>
<td>Crates, rigid plastics</td>
</tr>
<tr>
<td>CMB</td>
<td>100%</td>
<td>Cans, rigid plastics</td>
</tr>
</tbody>
</table>
• **Largest packaging company in Zimbabwe**

<table>
<thead>
<tr>
<th>2009 Financial Highlights</th>
<th>US$ 000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>23 295</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>576</td>
</tr>
<tr>
<td>Market cap</td>
<td>12 688</td>
</tr>
<tr>
<td>Net assets</td>
<td>27 577</td>
</tr>
</tbody>
</table>
Hunyani Corrugated
Hunyani Corrugated and Sacks Products
Hunyani Cartons & Labels Products
CMB Zimbabwe
Nampak Zimbabwe Metals Factory
Strategy and Growth Opportunities
Growth Strategy

- Build a market base through exports
- Establish local manufacture when critical mass achieved
- Diversify established manufacturing base to other Nampak products
- Create hubs in key growth areas and trading blocks
- Follow major Nampak customers
Nampak in Africa – Regional Hubs
Multi-National Opportunities

- BAT
- SAB Miller
- Heineken
- Coca Cola
- Pepsi
- Unilever
- Nestle
- Diageo
- Cadbury
- Diageo
- Illovo Sugar
- Lafarge
- Colgate Palmolive
- PZ Cussons
- Sara Lee
- Reckitt Benckiser
West Africa - Strategy

• Expand cartons in Nigeria into non-cigarette markets
• Expand into other Nampak product lines
• Reinvest in metals production capability
• Consider acquisitions
• Leverage the technical competence of RSA
East Africa - Strategy

- Invest in plant capacity
- Follow brand owners in region
  - Beverage
  - Food
- Develop additional product ranges
- Consider acquisitions
- Leverage the technical competence of RSA
Revenue 2010

- South Africa: 72%
- Rest of Africa: 6%
- Europe: 22%

- South Africa: 84%
- Rest of Africa: 8%
- Europe: 8%

R18.6bn

After sale of Europe Paper

R15.9bn

South Africa 84%
Revenue Target in 5 Years

- **South Africa**: 75%
- **Rest of Africa**: 20%
- **Europe**: 5%
Thank You