2009 Group Results
• Salient features
• Group financial results
• Operational review
• The way forward
Salient Features

- Turnover up 6%
- Volumes down 6%
- Trading income down 27%
- Cash from operations R2.2bn
- HEPS down 53%
- Dividend reduced to 42 cents
GROUP FINANCIAL RESULTS
<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>19,586</td>
<td>18,458</td>
<td>6</td>
</tr>
<tr>
<td>Trading income before abnormal items</td>
<td>1,128</td>
<td>1,537</td>
<td>27</td>
</tr>
<tr>
<td>Abnormal items</td>
<td>533</td>
<td>588</td>
<td></td>
</tr>
<tr>
<td>Profit from operations</td>
<td>595</td>
<td>949</td>
<td>37</td>
</tr>
<tr>
<td>Net finance costs</td>
<td>328</td>
<td>265</td>
<td></td>
</tr>
<tr>
<td>Income from investments</td>
<td>6</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Share of profit from associates</td>
<td>1</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Profit before tax</td>
<td>272</td>
<td>698</td>
<td>61</td>
</tr>
<tr>
<td>Income tax</td>
<td>70</td>
<td>202</td>
<td></td>
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<tr>
<td>Profit for the year</td>
<td>202</td>
<td>495</td>
<td>59</td>
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<tr>
<td>HEPS</td>
<td>83.8c</td>
<td>177.3c</td>
<td>53</td>
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</tbody>
</table>
## Abnormal Items

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impairment of goodwill, plant, property &amp; investments</td>
<td>390</td>
<td>602</td>
</tr>
<tr>
<td>Retrenchment and restructuring</td>
<td>107</td>
<td>94</td>
</tr>
<tr>
<td>Fair value of financial instruments</td>
<td>54</td>
<td>26</td>
</tr>
<tr>
<td>Impairment of loans to minority shareholders</td>
<td>37</td>
<td>-</td>
</tr>
<tr>
<td>Share based payment expense</td>
<td>18</td>
<td>13</td>
</tr>
<tr>
<td>Net profit on disposal of property and business</td>
<td>28</td>
<td>24</td>
</tr>
<tr>
<td>Thorpe fire loss</td>
<td>-</td>
<td>51</td>
</tr>
<tr>
<td>Onerous lease provision reversed/raised</td>
<td>26</td>
<td>65</td>
</tr>
<tr>
<td>Thorpe fire insurance proceeds</td>
<td>19</td>
<td>161</td>
</tr>
<tr>
<td></td>
<td>533</td>
<td>588</td>
</tr>
</tbody>
</table>
### Tax Rate

<table>
<thead>
<tr>
<th>Rm</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before tax</td>
<td>272</td>
</tr>
<tr>
<td>Tax</td>
<td>70</td>
</tr>
<tr>
<td><strong>Effective tax rate</strong></td>
<td></td>
</tr>
<tr>
<td>Government incentives</td>
<td>11.4%</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>10.4%</td>
</tr>
<tr>
<td>Prior year adjustments</td>
<td>7.3%</td>
</tr>
<tr>
<td>Disallowable expenses</td>
<td>16.1%</td>
</tr>
<tr>
<td>Disallowed impairments</td>
<td>5.4%</td>
</tr>
<tr>
<td>Other</td>
<td>5.4%</td>
</tr>
<tr>
<td><strong>Standard tax rate</strong></td>
<td>28.0%</td>
</tr>
</tbody>
</table>

---

**Note:** The effective tax rate of 25.8% is calculated by considering various adjustments and incentives applied to the profit before tax.
HEPS/Dividends per Share

cents

180
160
140
120
100
80
60
40
20
0

HEPS
Dividends

2009
2008
### Abridged Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td>7,382</td>
<td>7,530</td>
</tr>
<tr>
<td>Current assets</td>
<td>6,535</td>
<td>7,933</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>175</td>
<td>52</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>14,092</td>
<td>15,515</td>
</tr>
<tr>
<td>Total equity</td>
<td>5,130</td>
<td>5,992</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>3,697</td>
<td>3,437</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>5,185</td>
<td>6,086</td>
</tr>
<tr>
<td>Liabilities associated with assets held for sale</td>
<td>80</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY AND LIABILITIES</strong></td>
<td>14,092</td>
<td>15,515</td>
</tr>
</tbody>
</table>
Cash Generated from Operations

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (Rm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>2,200</td>
</tr>
<tr>
<td>2008</td>
<td>2,000</td>
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</tbody>
</table>
## Major Capex Projects

<table>
<thead>
<tr>
<th>Division</th>
<th>Project</th>
<th>Rm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angola</td>
<td>Beverage can factory</td>
<td>370</td>
</tr>
<tr>
<td>Corrugated</td>
<td>Paper mill</td>
<td>118</td>
</tr>
<tr>
<td>Glass</td>
<td>Cullet plant</td>
<td>48</td>
</tr>
<tr>
<td>Liquid</td>
<td>New milk bottle</td>
<td>26</td>
</tr>
<tr>
<td>Cartons &amp; Labels</td>
<td>Size 3 press</td>
<td>24</td>
</tr>
<tr>
<td>Tissue</td>
<td>10’s packaging</td>
<td>20</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>1,129</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>1,576</td>
</tr>
<tr>
<td>Rm</td>
<td>Net Working Capital</td>
<td></td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>---------------------</td>
<td></td>
</tr>
<tr>
<td><strong>September 2008</strong></td>
<td>2 824</td>
<td></td>
</tr>
<tr>
<td>Translation diffs and other non-cash movements</td>
<td>-345</td>
<td></td>
</tr>
<tr>
<td>Fair value of financial instruments</td>
<td>-36</td>
<td></td>
</tr>
<tr>
<td>Inventory</td>
<td>173</td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>-204</td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>-167</td>
<td></td>
</tr>
<tr>
<td><strong>September 2009</strong></td>
<td>2 245</td>
<td></td>
</tr>
<tr>
<td>Description</td>
<td>Amount (Rm)</td>
<td></td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>-------------</td>
<td></td>
</tr>
<tr>
<td>Operating profit before working capital changes</td>
<td>2,022</td>
<td></td>
</tr>
<tr>
<td>Working capital changes</td>
<td>198</td>
<td></td>
</tr>
<tr>
<td><strong>Cash generated from operations</strong></td>
<td><strong>2,220</strong></td>
<td></td>
</tr>
<tr>
<td>Net interest paid</td>
<td>364</td>
<td></td>
</tr>
<tr>
<td>Tax paid</td>
<td>416</td>
<td></td>
</tr>
<tr>
<td>Dividends/cash distribution paid</td>
<td>529</td>
<td></td>
</tr>
<tr>
<td>Capex</td>
<td>1,129</td>
<td></td>
</tr>
<tr>
<td>Net borrowings repaid</td>
<td>473</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>76</td>
<td></td>
</tr>
<tr>
<td><strong>Net cash outflow</strong></td>
<td><strong>767</strong></td>
<td></td>
</tr>
</tbody>
</table>
Net Debt

Rm

<table>
<thead>
<tr>
<th>52%</th>
</tr>
</thead>
</table>

| 43%  |

2009

2008

Nampak
packaging excellence
OPERATIONAL REVIEW
## Geographical Segmentation

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>13,307</td>
<td>12,291</td>
<td>843</td>
<td>1,222</td>
<td>6.3</td>
<td>9.9</td>
</tr>
<tr>
<td>Rest of Africa</td>
<td>1,403</td>
<td>1,056</td>
<td>69</td>
<td>71</td>
<td>4.9</td>
<td>6.7</td>
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<tr>
<td>Europe</td>
<td>5,220</td>
<td>5,441</td>
<td>216</td>
<td>244</td>
<td>4.1</td>
<td>4.5</td>
</tr>
<tr>
<td>Eliminations</td>
<td>344</td>
<td>330</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>19,586</strong></td>
<td><strong>18,458</strong></td>
<td><strong>1,128</strong></td>
<td><strong>1,537</strong></td>
<td><strong>5.7</strong></td>
<td><strong>8.3</strong></td>
</tr>
</tbody>
</table>
### Metals & Glass

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>6 003</td>
<td>5 061</td>
<td>742</td>
<td>807</td>
<td>12.4</td>
<td>15.9</td>
</tr>
</tbody>
</table>

- Tinplate price increase recovered
- Beverage can volumes down 4% in SA
- Food can volumes up 5%
- Diversified cans down 11% – generally higher margin
- Glass plant at full capacity – improved manufacturing efficiencies
- Nigeria profitable
- Angolan project approval still awaited
### Revenue Trading income Margin %

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Africa Rm</strong></td>
<td>5 460</td>
<td>5 121</td>
<td>14</td>
<td>253</td>
<td>0.3</td>
<td>4.9</td>
</tr>
<tr>
<td><strong>Europe £m</strong></td>
<td>238</td>
<td>226</td>
<td>5.5</td>
<td>2.5</td>
<td>2.3</td>
<td>1.2</td>
</tr>
</tbody>
</table>

- Substantial loss in Corrugated
Corrugated

- Trading loss R250m
- Mill capex R504m – final cost R798m
- Commissioned 6 months late
- Volumes down 10% plus margin pressure
- R274m impairment
- Overdue debtors reduced from R135m in 2008 to R50m in Sep 2009
### Paper

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Trading income</th>
<th>Margin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa Rm</td>
<td>5 460</td>
<td>5 121</td>
<td>14</td>
</tr>
<tr>
<td>Europe £m</td>
<td>238</td>
<td>226</td>
<td>5.5</td>
</tr>
</tbody>
</table>

- Substantial loss in Corrugated
- Weak demand for cartons & labels except fast-foods
- Tissue had a good year
- Good performance from Sacks
- Nigeria performed well but affected by devaluation of Naira
- Big loss in Leeds
- Losses in smaller businesses – R29m
<table>
<thead>
<tr>
<th>Revenue</th>
<th>Trading income</th>
<th>Margin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa Rm</td>
<td>3 247</td>
<td>3 165</td>
</tr>
<tr>
<td>Europe £m</td>
<td>107</td>
<td>120</td>
</tr>
</tbody>
</table>

- Lower polymer prices helped margin stability
- Good demand for milk, juice and CSD bottles in South Africa
- Crates, drums, tubes & tubs down
- Strong demand for wine closures
- Zambia had an excellent year
- Europe affected by liquidation of major customer
THE WAY FORWARD
The Way Forward

• 10 years of underperformance

• Strategic review March 2009

• Strategic Plan

• Conclusion
NAMPAK
A 10 YEAR UNDERPERFORMER
## Nampak Market Cap Ranking

<table>
<thead>
<tr>
<th>Ranking</th>
<th>1999</th>
<th>2004</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>30 – R9.4bn</td>
<td></td>
<td>30 – R31.5bn</td>
</tr>
<tr>
<td>35</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>40</td>
<td></td>
<td>38 – R10.0bn</td>
<td></td>
</tr>
<tr>
<td>45</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>55</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>60</td>
<td></td>
<td></td>
<td>60 – R11.3bn</td>
</tr>
</tbody>
</table>
Nampak vs Alsi

index

1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009

ALSI
Nampak
Media Perception

• “Nampak never fails to disappoint, it always disappoints”,
  Moneyweb Oct 09

• “If there was a prize for disappointing, Nampak would be right up there”, Moneyweb Oct 09

• “The perpetually underperforming packaging company, Nampak”, Sunday Times, Nov 09
80% of Nampak operations are profitable and have sustainable competitive advantages in markets in which they operate.
• Sole supplier of beverage cans in South Africa
• High barriers to entry
• National geographic spread of plants
• 85% market share of food cans
• Sole supplier of aluminium aerosol cans in South Africa
• Leading supplier of other metal cans
• Only two players
  – Nampak 20%, Consol 80%

• High barriers to entry
- >50% market share of milk bottle market
- In-plant technology
- Systems approach
- Geographical footprint
Nampak Plastics Europe

- >60% market share
- Low cost model
- In-plants and geographical footprint
- Long-term contracts
Closures

• Sole supplier of twist-off closures
• Only 2 suppliers of ROPP closures
• Manufacturing licences
• Established and trusted brands
  o Largest single-ply tissue brand
  o 2\textsuperscript{nd} largest 2-ply brand
  o Cuddlers 3\textsuperscript{rd} largest diaper brand
  o Lifestyle 2\textsuperscript{nd} largest fempro brand
• National footprint
• Control of recycled raw material
Nigeria

- Only manufacturer of cigarette packaging
- BAT – long-term contract
- Other folding carton business
- Superior equipment
- Growing consumer market
- Opportunities to expand metal packaging
- **Mini Nampak**
  - Crowns
  - Steel drums
  - Plastic crates
  - Folding cartons
  - Corrugated
  - Liquid cartons
  - Plastic bottles
80% of Nampak operations are profitable and have sustainable competitive advantages in markets in which they operate.

20% of Nampak operations are loss-making or earning returns less than hurdle rates and have been in this position for a number of years and have no sustainable competitive advantages.
• Limited pricing power
• Low barriers to entry in converting
• Not cost-competitive
• Overcapacity
Other Underperformers

• Flexpak - sold
• Foam - closed
• Others – in progress

No Further Capex
Strategic Review

• 80% of Nampak operations are profitable and have sustainable competitive advantages in markets in which they operate.

• 20% of Nampak operations are loss-making or earning returns less than hurdle rates and have been in this position for a number of years and have no sustainable competitive advantages.

• Very high capex
Total Group Capex

Rm

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total R5.6bn
Capex on Underperformers

Total R1.4bn

Year | Capex (Rm)
---|---
2005 | 200
2006 | 100
2007 | 300
2008 | 500
2009 | 200
Strategic Review

- 80% of Nampak operations are profitable and have sustainable competitive advantages in markets in which they operate.
- 20% of Nampak operations are loss-making or earning returns less than hurdle rates and have been in this position for a number of years and have no sustainable competitive advantages.
- Very high capex
- High debt levels
Net Debt

![Net Debt Chart]

- 2005: 0.3X
- 2006: 0.7X
- 2007: 0.8X
- 2008: 1.3X
- 2009: 1.4X

Rm 0
Strategic Review

- 80% of Nampak operations are profitable and have sustainable competitive advantages in markets in which they operate.
- 20% of Nampak operations are loss-making or earning returns less than hurdle rates and have been in this position for a number of years and have no sustainable competitive advantages.
- Very high capex.
- High debt levels.
- **Lack of operational focus**
• 80% of Nampak operations are profitable and have sustainable competitive advantages in markets in which they operate
• 20% of Nampak operations are loss-making or earning returns less than hurdle rates and have been in this position for a number of years and have no sustainable competitive advantages
• Very high capex
• High debt levels
• Lack of operational focus
• **High group and head office costs**
STRATEGIC PLAN
Strategic Plan

- Grow our core profitable operations
2-Piece Food Can Production
New Business in Nigeria
2-ply Tissue Growth

tons

25 000
20 000
15 000
10 000
5 000
0

2004 2005 2006 2007 2008 2009

KC  Nampak  Others

2-ply Tissue 56 tons Growth

[Image of tissue pack]
Other Growth Products
Strategic Plan

• Grow our core profitable operations (80%)

• Non-performing operations being fixed/sold/closed (20%)
  
  o Industry solutions/rationalisation being pursued where appropriate
  
  o No further capex on non-performers
    
    ✓ Corrugated – improvement
    
    ✓ Leeds – break-even
    
    ✓ Flexpak – sold
    
    ✓ Foam – closed
    
    ✓ Others
Strategic Plan

• Grow our core profitable operations (80%)
• Non-performing operations being fixed/sold/closed (20%)
  o Industry solutions/rationalisation being pursued where appropriate
  o No further capex on non-performers
    ✓ Corrugated – improvement
    ✓ Leeds – break-even
    ✓ Flexpak – sold
    ✓ Foam – closed
    ✓ Others

• Capex< depreciation for next 2/3 years
Strategic Plan

• Grow our core profitable operations (80%)

• Non-performing operations being fixed/sold/closed (20%)
  o Industry solutions/rationalisation being pursued where appropriate
  o No further capex on non-performers
    ✓ Corrugated – improvement
    ✓ Leeds – break-even
    ✓ Flexpak – sold
    ✓ Foam – closed
    ✓ Others

• Capex< depreciation for next 2/3 years

• New management structure and decentralised/operational focus
Executive Management Structure

- **AB Marshall**
  - Chief Executive Officer*

- **G Griffiths**
  - Chief Financial Officer*

- **CH Bromley**
  - Metals & Glass
    - Bevcan
    - DivFood
    - Glass
    - Research & Development

- **HMT Reid**
  - Europe
    - Cartons
    - Healthcare
    - Plastics

- **FV Tshiql**
  - Group HR Transformation*

- **RG Morris**
  - Paper & Flexibles
    - Cartons & Labels
    - Corrugated
    - Flexibles
    - L &CP
    - Sacks
    - Interpak Books
    - Disaki Cores & Tubes
    - Redbox

- **PA de Weerdt**
  - Rigid Plastics
    - Closures
    - Liquid
    - Megapak
    - Petpak
    - Tubes & Tubs

- **SE Msane**
  - DivFood

- **NP O’Brien**
  - Group Legal
    - Insurance
    - Secretarial

- **K Nzimande**
  - Tissue

---

**Mar 09 - 12**

**Sep 09 - 10** more operationally focused

* Executive Directors
Board Changes

Current Members
Non-executive

Retired/resigned

Executive
Strategic Plan

• Grow our core profitable operations (80%)
• Non-performing operations being fixed/sold/closed (20%)
  o Industry solutions/rationalisation being pursued where appropriate
  o No further capex on non-performers
• Industry solutions
• Capex < depreciation for next 2/3 years
• New management structure and decentralised/operational focus
• R35m reduction in head office costs
Strategic Plan

- Grow our core profitable operations (80%)
- Non-performing operations being fixed/sold/closed (20%)
  - Industry solutions/rationalisation being pursued where appropriate
  - No further capex on non-performers
- Industry solutions
- Capex < depreciation for next 2/3 years
- New management structure and decentralised/operational focus
- R35m reduction in head office costs
- Reduced debt and interest charges
• 80% of Nampak is profitable with strong market positions – **GROW**

• 20% is loss-making and needs to be fixed/sold/closed

• Capex restricted

• Further cost reductions

• Operational, hand-on management

• **ACTION** and **IMPLEMENTATION**
THANK YOU