Nampak
2013 Interim Results

May 2013
• Salient features
• Group results
• Operational review
• Strategic update
• Outlook
• Revenue up 7%, Africa up 19%
• Trading profit up 6%
• Profits from Africa
  • Up 39%
  • 21% of Group
  • 28% if exports included
• Africa growth strategy gaining momentum
• SA trading profits lower
  • Upfront price reductions to secure long-term contracts
• HEPS up 3%
• ROE 24%
• Dividend up 4% to 42 cents per share
Group Results

May 2013
## Group Income Statement

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<th></th>
<th>2013</th>
<th>2012</th>
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<td><strong>Revenue</strong></td>
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<tr>
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<tr>
<td><strong>Net finance costs</strong></td>
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<td><strong>Income from investments/profit from assoc</strong></td>
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<td><strong>Profit before tax</strong></td>
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<td><strong>TRADING PROFIT</strong></td>
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<td>Abnormal items</td>
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<td>Retrenchment and restructuring</td>
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<td>Gain on revaluation of joint venture</td>
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<td>Gain on reconsolidation of Zimbabwe</td>
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<tr>
<td>Profit before tax</td>
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<td>Effective tax rate</td>
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<td>Government incentive</td>
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<td>Other</td>
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<td>Standard tax rate</td>
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Headline Earnings per Share

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Dividends per Share

cents

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## Abridged Balance Sheet

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<td><strong>Non-current assets</strong></td>
<td>8 195</td>
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<td>Bank balances, deposits and cash</td>
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<td>1 902</td>
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<td><strong>Current assets</strong></td>
<td>6 216</td>
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<td><strong>TOTAL ASSETS</strong></td>
<td>16 495</td>
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<td><strong>Total equity</strong></td>
<td>6 743</td>
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<td>Loans and borrowings</td>
<td>4 230</td>
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<td>Retirement benefit obligations</td>
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<td>Other non-current liabilities</td>
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<td><strong>TOTAL EQUITY AND LIABILITIES</strong></td>
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<td>14 657</td>
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<td>Description</td>
<td>Amount (Rm)</td>
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<tr>
<td>Cash generated from operations before working capital</td>
<td>1,328</td>
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<tr>
<td>Working capital changes</td>
<td>720</td>
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<tr>
<td>Cash generated from operations</td>
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<td>Net interest paid</td>
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<td>Tax paid</td>
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<td>Dividends paid</td>
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<td>Capex</td>
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<td>Acquisition of businesses</td>
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<td>Other</td>
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<td>Cash outflow before financing activities</td>
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<td>Net borrowings raised</td>
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<td>Net cash outflow</td>
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## Working Capital Movement

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<tr>
<td>Inventories</td>
<td>41</td>
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<td>Receivables</td>
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<td>Payables</td>
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<td><strong>Total increase in working capital</strong></td>
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## Capex

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<thead>
<tr>
<th>Project</th>
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<td>Aluminium conversion</td>
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<td>Diaper expansion</td>
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<td>6th Aerosol can line</td>
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<td>Clover Clayville in-plant</td>
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<td>Other projects</td>
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<td><strong>TOTAL CAPEX</strong></td>
<td><strong>631</strong></td>
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</table>
Key Ratios

- **RONA %**
  - 2010: 15%
  - 2011: 16%
  - 2012: 17%
  - 2013: 18%

- **ROE %**
  - 2010: 5%
  - 2011: 10%
  - 2012: 15%
  - 2013: 20%

- **Interest Cover X**
  - 2010: 25
  - 2011: 30
  - 2012: 35
  - 2013: 40

- **Net debt:EBITDA X**
  - 2010: 0.5
  - 2011: 1.0
  - 2012: 1.5
  - 2013: 2.0
Operational Review
Geographical Revenue

2012
- South Africa: 22%
- Africa + exports: 9%
- UK: 69%

2013
- South Africa: 23%
- Africa + exports: 10%
- UK: 67%

Nampak
packaging excellence
Trading Profit and Margin

Note: exports profits included in South Africa
Trading Profit and Margin

- South Africa: 10.3% (2012), 7.9% (2013)
- Rest of Africa: 13.7% (2012), 15.9% (2013)
- UK: 7.6% (2012), 7.7% (2013)

Note: exports profits included in South Africa

9.3% excluding price reductions for long-term contracts
• Good demand for beverage cans but lower average selling prices as a consequence of securing long-term contracts
• Fish can sales up but fruit and vegetables, aerosol and paint lower
• DivFood margins impacted by expensive mix of imported and local tinplate
• Lower demand for glass bottles and reduced prices to secure long-term contracts
Demand for milk and juice bottles flat
Weak domestic demand for sorghum beer cartons
Sorghum beer carton exports to Botswana affected by new legislation
Good demand for CSD PET closures
Reduced sales of drums – moderate demand for crates
South Africa: Paper & Flexibles

- Strong demand for agricultural boxes
- Commercial sector demand under pressure
- Flexible packaging affected by weak consumer demand
- Cartons and labels impacted by integration costs and weak demand
- Sacks impacted by subdued infrastructure spend and lower exports
South Africa: Tissue

- Moderate growth in volumes of toilet tissue
- Diaper volumes lower and margins under pressure
- Highly competitive market
Rest of Africa: Metals & Glass

- Continued high demand for beverage cans in Angola
- Higher sales of pineapple cans in Kenya
Rest of Africa: Paper & Flexibles

- Customer destocking affected cigarette carton sales in Nigeria
- Zambia continued to perform well
- Recovery by Malawi
- Zimbabwe satisfactory
United Kingdom: Plastics

- Sales in £’s in line with last year
- Rand translation benefit
- Infini lightweight-bottle increased market penetration
- Market leader in the use of recycled HDPE
Summary of Results

- HEPS up 3%
- EPS up 19%
- Operating profit up 13%
- Africa profit up 39%
- EBITDA R1.4 billion
- ROE 24%
- Dividend up 4%
Strategic Update

- Rest of Africa
- Beverage cans
- Glass
Nampak in the Rest of Africa

12 countries
Revenue +/- R2.5bn pa
Trading margin >15%
Rest of Africa

Trading Profit: 6 months

<table>
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<th>Year</th>
<th>Rm</th>
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<td>2009</td>
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<td>2010</td>
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<td>2011</td>
<td>89</td>
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<td>2012</td>
<td>142</td>
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<tr>
<td>2013</td>
<td>197</td>
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</table>

Nampak packaging excellence
Angola and Mozambique

- New production facility/warehouse for various expansion projects
- 2\textsuperscript{nd} can line
- Expansion of product range
  - Flexibles
  - Closures
  - Food cans
  - Rigid Plastics
- Plastics acquisition
West Africa

**Nigeria**
- New beverage can manufacture
- Glass facility
- New metal lines in existing operation
  - Aerosols, paint cans, plate lacquering
- Rigid plastics and closures
- Sorghum beer cartons

**Ghana (seeking acquisition)**
- Rigid plastics, closures, crates and sorghum beer cartons
Kenya
- Closures manufacture for CSD and water
- ROPP closures line (2013)
- Paper sacks facility

Tanzania
- Metal drums (2013)
- Sorghum beer cartons in Uganda and Tanzania (2013)

Ethiopia
- Acquisition in Ethiopia (currently 25% equity) (2013)
- Crates (2013)
New Drum Line in Tanzania
Crates in Ethiopia
Southern Africa

Zambia

• Liquid carton printer (2013)
• PET jar line (2013)
• New S/O bag line for sugar (2013)

Zimbabwe

• Consolidation of businesses into one company
• Additional rigid plastics capacity (2013)
• New crown line (2013)
<table>
<thead>
<tr>
<th>Country</th>
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<tr>
<td>Ghana</td>
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<tr>
<td>Nigeria</td>
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<tr>
<td>Uganda</td>
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<td>Mozambique</td>
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<td>Tanzania</td>
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<td>Kenya</td>
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# Nampak Products Manufactured in Rest of Africa

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**Existing:** X  
**Proposed:** X
Funding for Expansion

- $175 million raised in the United States Private Placement market
  - Tenure of loan ranges between 7 and 10 years
  - Fixed at extremely competitive rates
- Proceeds will be used to fund African expansion strategy
<table>
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<th>Rm</th>
<th>2013 (March)</th>
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<th>Growth</th>
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<tr>
<td>Manufacturing Operations</td>
<td>1237</td>
<td>1036</td>
<td>19.4%</td>
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<tr>
<td>Exports</td>
<td>740</td>
<td>771</td>
<td>(4%)</td>
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<tr>
<td>TOTAL</td>
<td>1977</td>
<td>1807</td>
<td>9.4%</td>
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<tr>
<td>% of Group revenue</td>
<td>21.1%</td>
<td>20.5%</td>
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### Rest of Africa Trading Profit

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<th>Growth</th>
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<tbody>
<tr>
<td>Manufacturing Operations</td>
<td>197</td>
<td>142</td>
<td>39%</td>
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<td>Exports</td>
<td>66</td>
<td>82</td>
<td>(19%)</td>
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<td>TOTAL</td>
<td>263</td>
<td>224</td>
<td>17%</td>
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<tr>
<td>% of Group trading profit</td>
<td>27.7%</td>
<td>25.1%</td>
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Rest of Africa vs Listed Competitors

Trading Profit (last 6 months)

- Mpact
- Nampak Rest of Africa
- Transpaco
- Bowler Metcalf
- Astrapan
- Winhold (Gundle)

Source: published results
Beverage Cans
Trading Profit and Margin

Note: exports profits included in South Africa

9.3% excluding price reductions for long-term contracts
Long-term Contracts

- Short-term pain for long-term gain
- Why we’ve sacrificed margin short-term to secure long-term supply contacts and guaranteed volumes in beverage cans and glass
Beverage Cans

South Africa

- Volumes
- Consumer perceptions of cans
- Major customer support/conversion to cans
- Long-term supply contracts

Angola

Nigeria
Beverage Cans

South Africa

- Volumes
  - Consumer perceptions of cans
  - Major customer support/conversion to cans
  - Long-term supply contracts

Angola

Nigeria
Growth - Alcoholic Drinks

index

170
160
150
140
130
120
110
100
90

2011 May
2011 Aug
2011 Nov
2012 Feb
2012 May
2012 Aug
2012 Nov
2013 Feb
Growth - Speciality Cans

index

|----------|----------|----------|----------|----------|----------|----------|----------|

Nampak packaging excellence
Growth – Value Packs 440 ml

index

220
200
180
160
140
120
100
80

2011 May
2011 Aug
2011 Nov
2012 Feb
2012 May
2012 Aug
2012 Nov
2013 Feb

Nampak
packaging excellence
South Africa

- Volumes
- **Consumer perceptions of cans**
- Major customer support/conversion to cans
- Long-term supply contracts

Angola

Nigeria
Outlet Research Summary

Feedback from 536 owners and managers of outlets LSM 7+

- Like cans MORE than glass: 63% (44%)
- No preference: 15% (38%)
- Like cans LESS than glass: 22% (18%)
IMPACT OF CAN DO! SCENE PROGRAMME

Do cans have more promotional activity (incentives and programmes) than glass?

Yes 64%

No 36%

(58%)
Mogale City Beerfest April 2013
The CAN is king in Soweto! (Beerfest 2012)
South Africa

- Volumes
- Consumer perceptions of cans
- **Major customer support/conversion to cans**
- Long-term supply contracts

Angola

Nigeria
Recent Can Filling Line Investments (SA)

• Upgrades – approximately R100m
• New installations – 8 Can lines
• Currently in progress – 2 high speed lines
SAB: ATL spend on TV and billboards
Heineken Can Outdoor Advertising
The underlining thought is that you can “Go more places with the Savanna can“.

This is being brought to life by playing in the functional benefit space i.e. Benefits of it being more portable, less breakable, chills faster, stays chilled for longer, sealed in freshness, can pack more cans in a cooler, can open it immediately i.e. instant refreshment...

Hence, Savanna is now more CONVENIENT... in a CAN.

In Store: 01 May
Beverage Cans

South Africa

- Volumes
- Consumer perceptions of cans
- Major customer support/conversion to cans
- Long-term supply contracts

Angola

Nigeria
Short-term pain for long-term gain

Why we’ve sacrificed margin short-term to secure long-term supply contacts and guaranteed volumes in beverage cans and glass
Beverage Cans

South Africa

• Volumes
• Consumer perceptions of cans
• Major customer support/conversion to cans
• Long-term supply contracts

Angola

Nigeria
Angola

- Existing line almost at full capacity
- 2nd line decision pending
South Africa

- Volumes
- Consumer perceptions of cans
- Major customer support/conversion to cans
- Long-term supply contracts

Angola

Nigeria
Investigations ongoing
Beverage can outlook in South Africa, Angola and Nigeria very promising
Glass
• Investment of almost R1 billion
• Improved flexibility – colour mix
• Cost savings
• Additional capacity +/- 100 000tpa
• Contracts secured for most of output
• Commissioning expected mid-2014
Year prior to rebuild
2010 Year

Total market volumes
1,015,000 tonnes

Consol
Nampak
Rebuild Year
2011/12 Supply Year

Total market volumes
1 016 000 tonnes

- Consol
- Nampak
Total market volumes 980 000 tonnes

Recovery Period
2012/13 Project Recovery

- Consol
- Nampak forecast contract
- Nampak forecast supply

Required upfront price sacrifice to secure long term contracts and a commitment to a 3rd furnace Investment with consequent savings
Future 3rd furnace volume contracts 2014 onwards

Total market volumes 950 000 tonnes

- Consol
- Nampak contracted
- Nampak supply
Front loading of benefits to secure contracts and volume for 3rd furnace
• New contracts secured

• Majority of 3rd furnace capacity loaded

• New furnace adds many benefits

• Commissioning of 3rd furnace postponed to mid 2014
Conclusion and Outlook
Conclusion

- Rest of Africa growth strategy delivering results
- Major opportunities in rest of Africa being explored
- Growth in beverage cans in South Africa
- Long-term contracts and volumes for beverage cans and glass secured
- UK Plastics steady
Outlook

• Rest of Africa expected to continue generating good results
• South Africa profit and cash flow expected to remain resilient
• Market position in beverage cans and glass secured
• United Kingdom steady
• Strategically well positioned for ongoing growth especially in rest of Africa
Thank You