

Interim Results



Nampak
packaging excellence

May 2007

Salient Features



- ❖ **Volume growth in South Africa up 4%**
- ❖ **Revenue up 11%**
- ❖ **Costs well-controlled**
- ❖ **Trading income up 15%**
- ❖ **HEPS before fair value adjustment up 17%**

Income Statement



Rm	2007	2006	%
Revenue	8 498	7 679	11
Trading income before abnormal items	920	798	15
Abnormal items	-139	-4	
Profit from operations	781	794	-2
Net finance costs	-92	-57	
Income from investments	4	3	
Share of (loss)/profit of associates	1	-1	
Profit before tax	694	739	-6
Tax	-230	-258	
Profit after tax	464	481	-4
HEPS before fair value adjustment	96.0c	82.3c	17

Abnormal Items



Rm	Africa				Europe			Total
	Metals & Glass	Paper	Plast	Serv	Plast	Paper	Serv	
Retrenchment	6	3			1	2		12
Share base pmts	2	3	4	2				11
Sale of props				-1				-1
Europe strat review							49	49
Hyperinflation	1		1					2
Fair val of fin inst	20	19	13	14				66
	29	25	18	15	1	2	49	139

Tax Reconciliation



Rm	2007	2006
Profit before tax	694	739
Tax	229	258
Tax rate reconciliation		
Effective tax rate	33.1	34.9
Less: STC & withholding tax	-0.6	-5.7
Share based payments	-0.5	
Europe strategic review	-2.0	
Other	-1.0	-0.2
Standard tax rate	29.0	29.0

Abridged Cash Flow



	Rm
Cash operating profit	1 217
Working capital	-805
Cash from operations	412
Net finance costs	-92
Income from investments	4
Tax paid	-246
Replacement capex	-359
Cash utilised from operations	-281
Cash distribution paid	-385
Net outflow from operating activities	-666
Net outflow from investing activities	-128
Net outflow before financing activities	-794
Net outflow from financing activities	-57
Net decrease in cash	-851

Working Capital



Rm	Mar 2007	Sept 2006	ch
Inventories*	2 450	2 158	-292
Trade and other receivables*	3 055	2 872	-183
Trade, other payables & provisions*	-2 708	-3 038	-330
	2 797	1 992	-805

* excluding non-cash items

Geographical Analysis

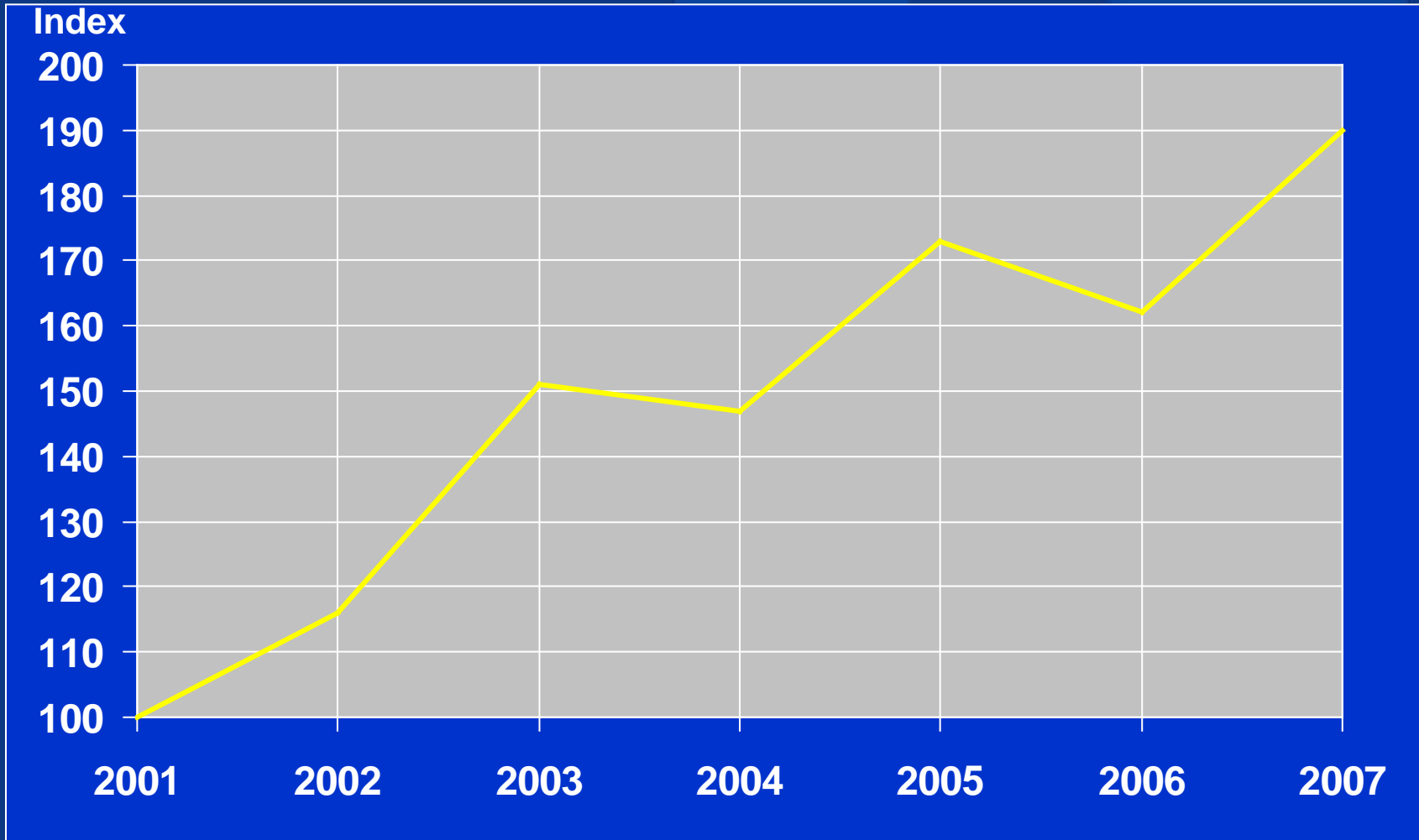


Rm	Revenue		Trading income		Margin	
	2007	2006	2007	2006	2007	2006
South Africa	5 699	5 357	688	616	12.1	11.5
Rest of Africa	519	473	84	56	16.2	11.8
Europe	2 469	1 967	148	126	6.0	6.4
Intergroup	-189	-118				
	8 498	7 679	920	798	10.8	10.4

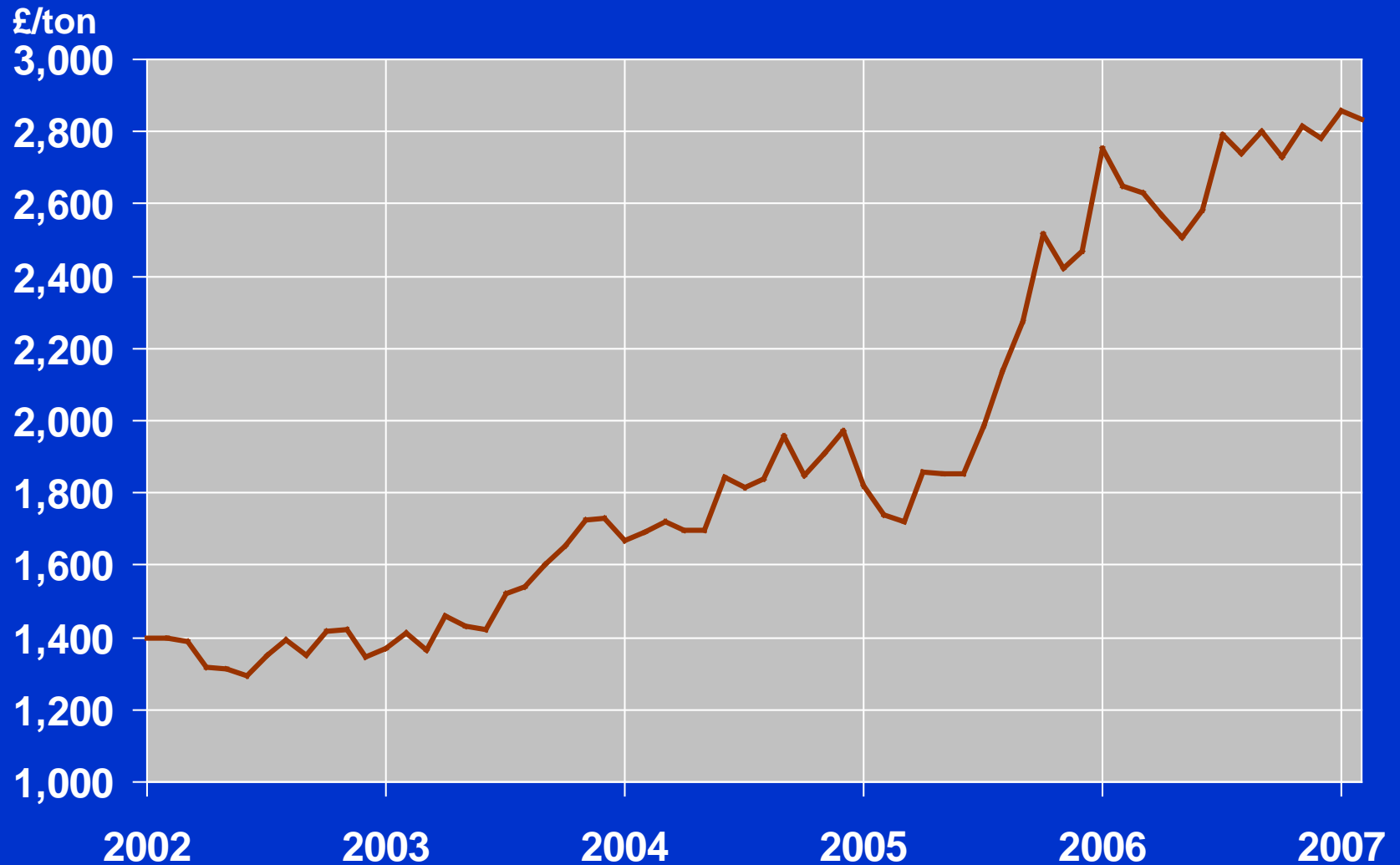


Raw Material Costs

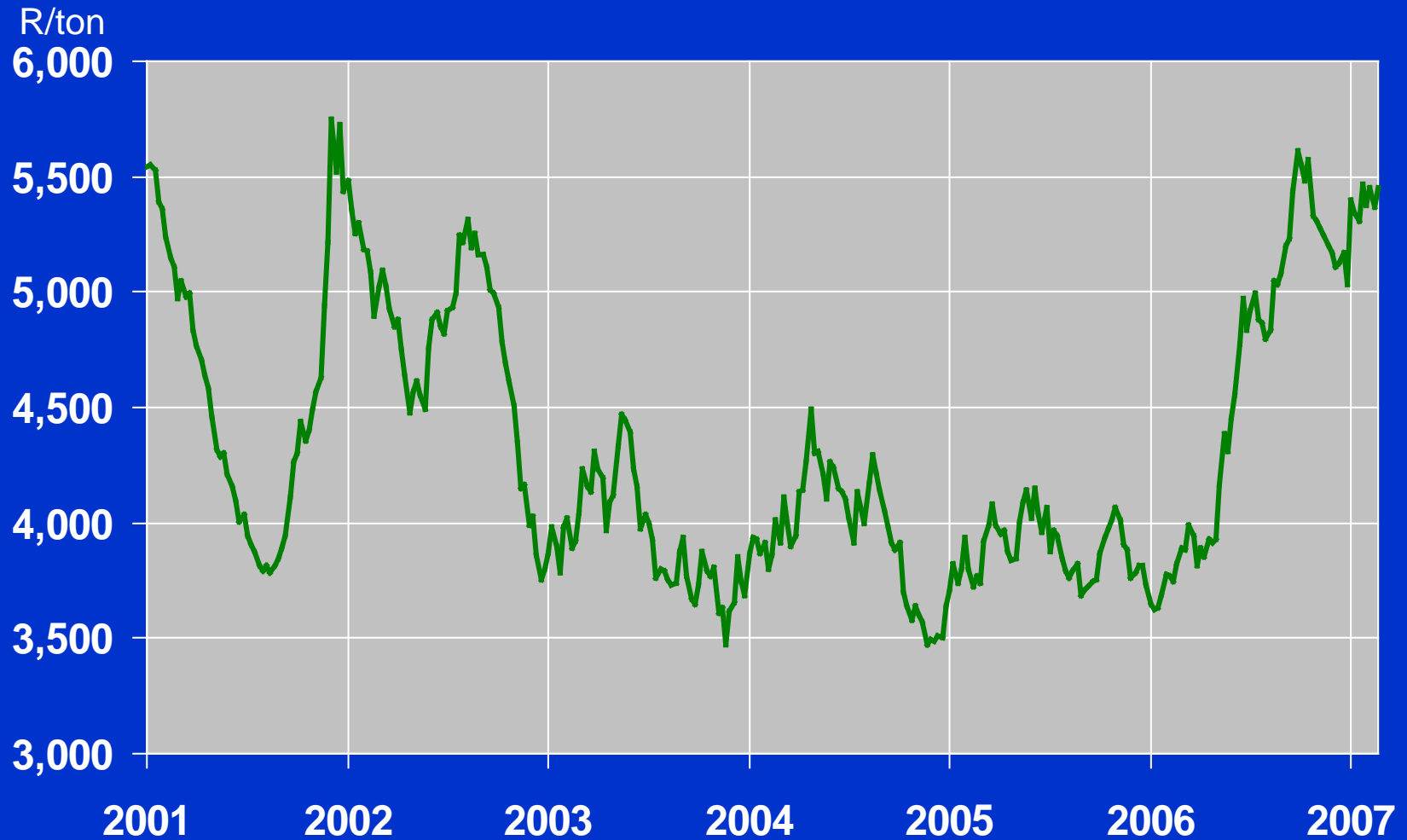
Tinplate Price



Aluminium Price



Pulp Price

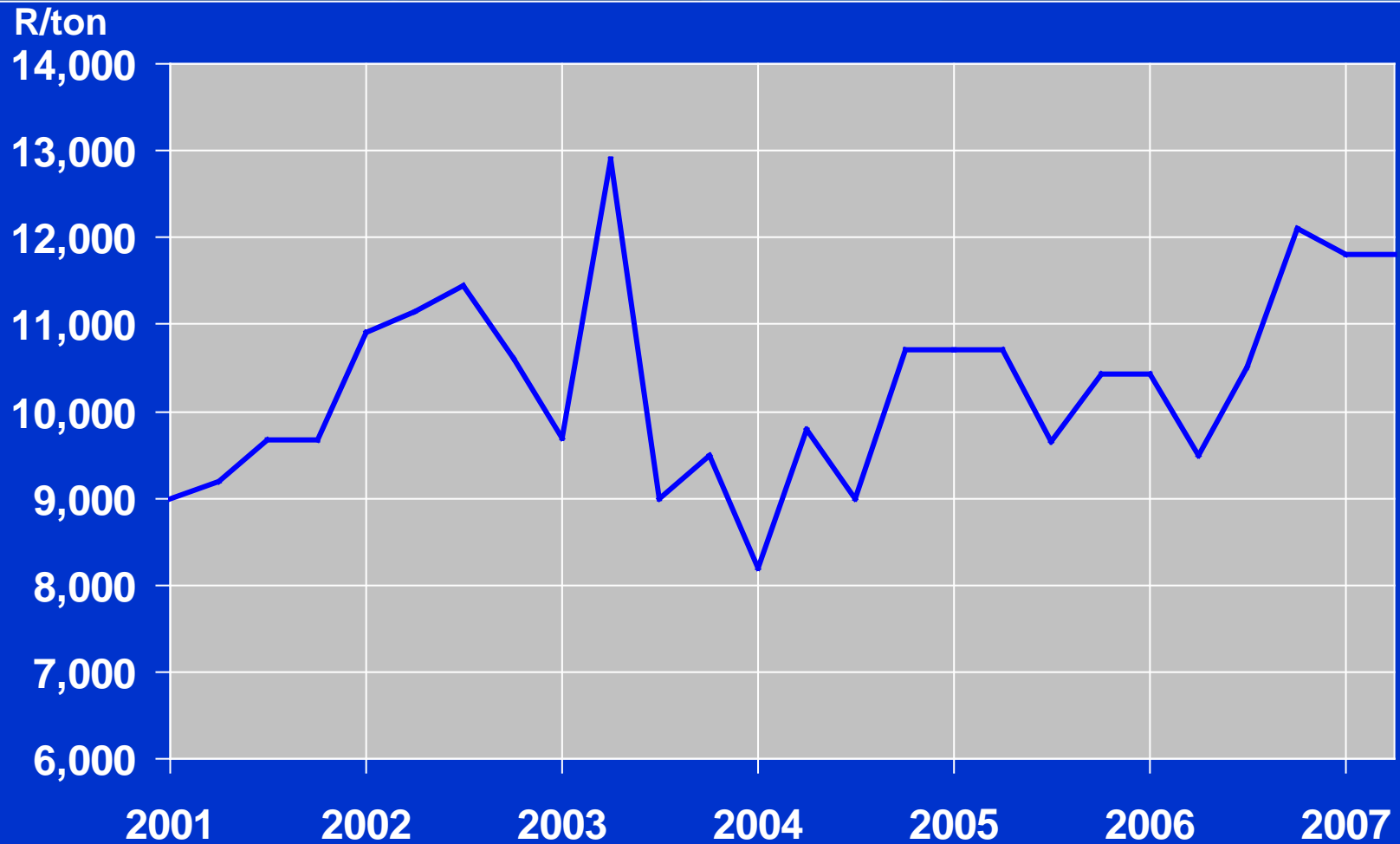


HDPE Price



Source:Platts

PET Price



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Segmental Performance

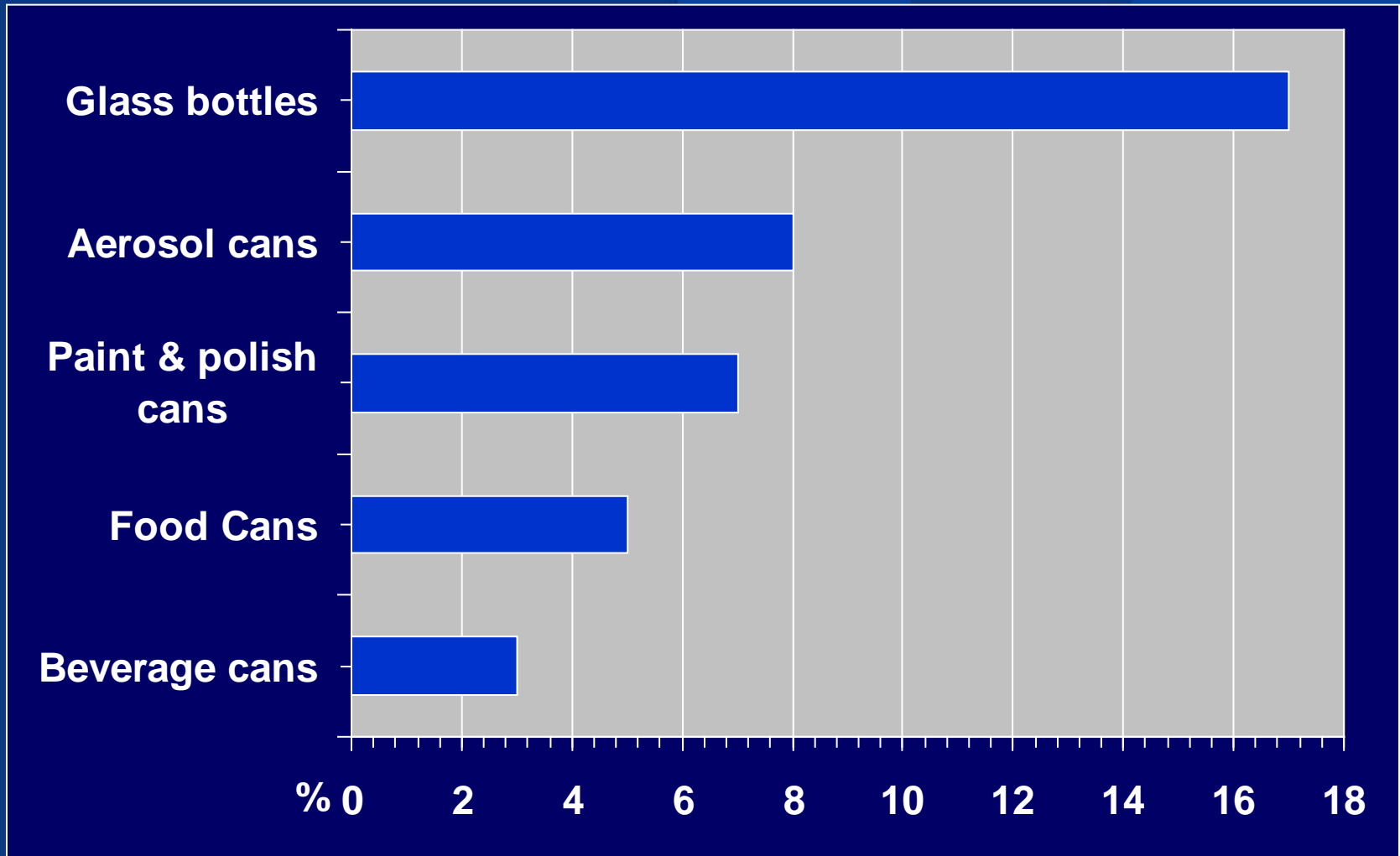
Africa metals & glass



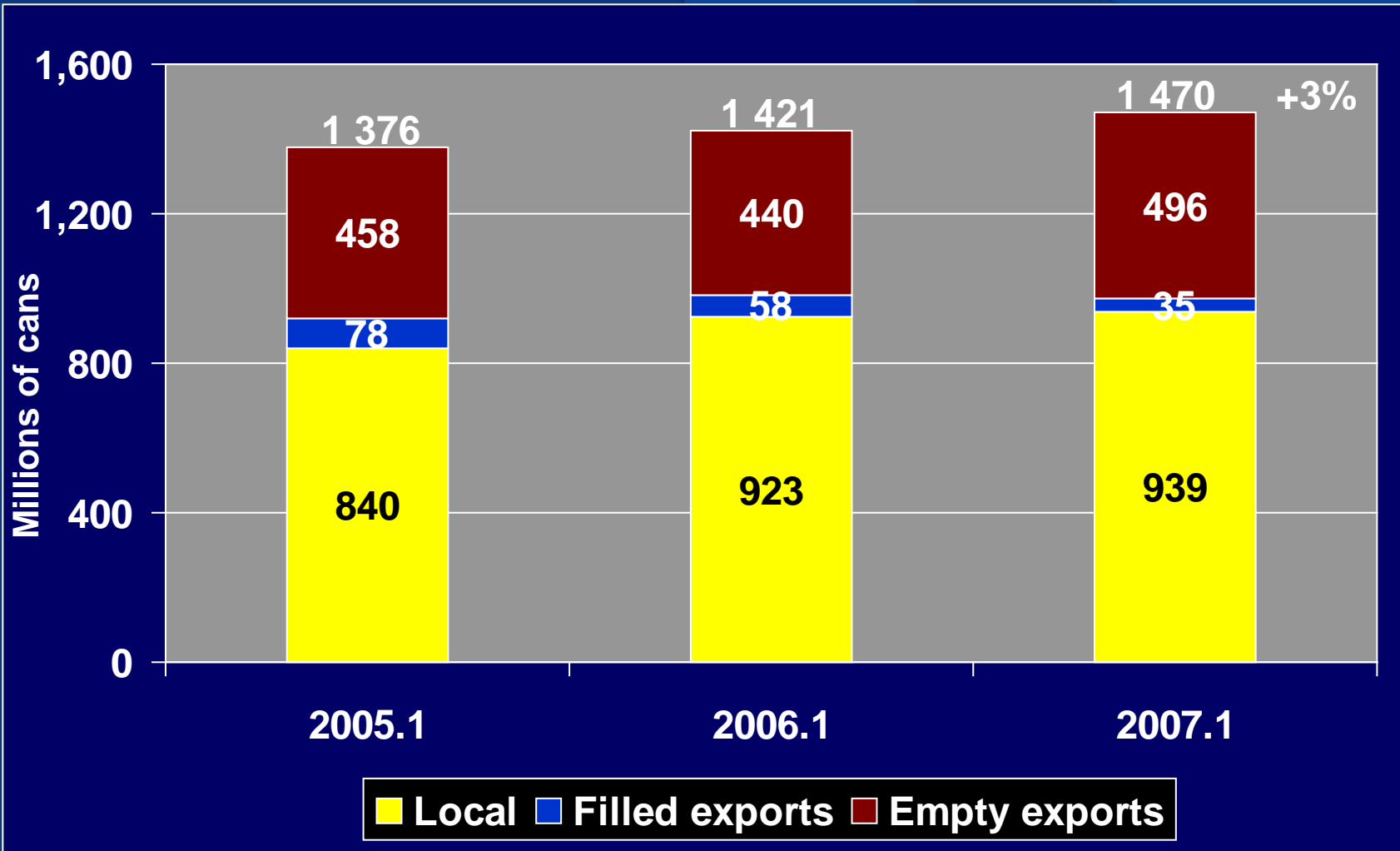
Rm	Revenue		Trading income		Margin	
	2007	2006	2007	2006	2007	2006
Metals & Glass	2 356	2 181	406	352	17.2	16.1
Paper	2 356	2 194	173	154	7.3	7.0
Plastics	1 506	1 455	139	137	9.2	9.4
Group Services			54	29		
	6 218	5 830	772	672	12.4	11.5

South Africa

metals & glass volumes



Beverage Cans volumes



Glass



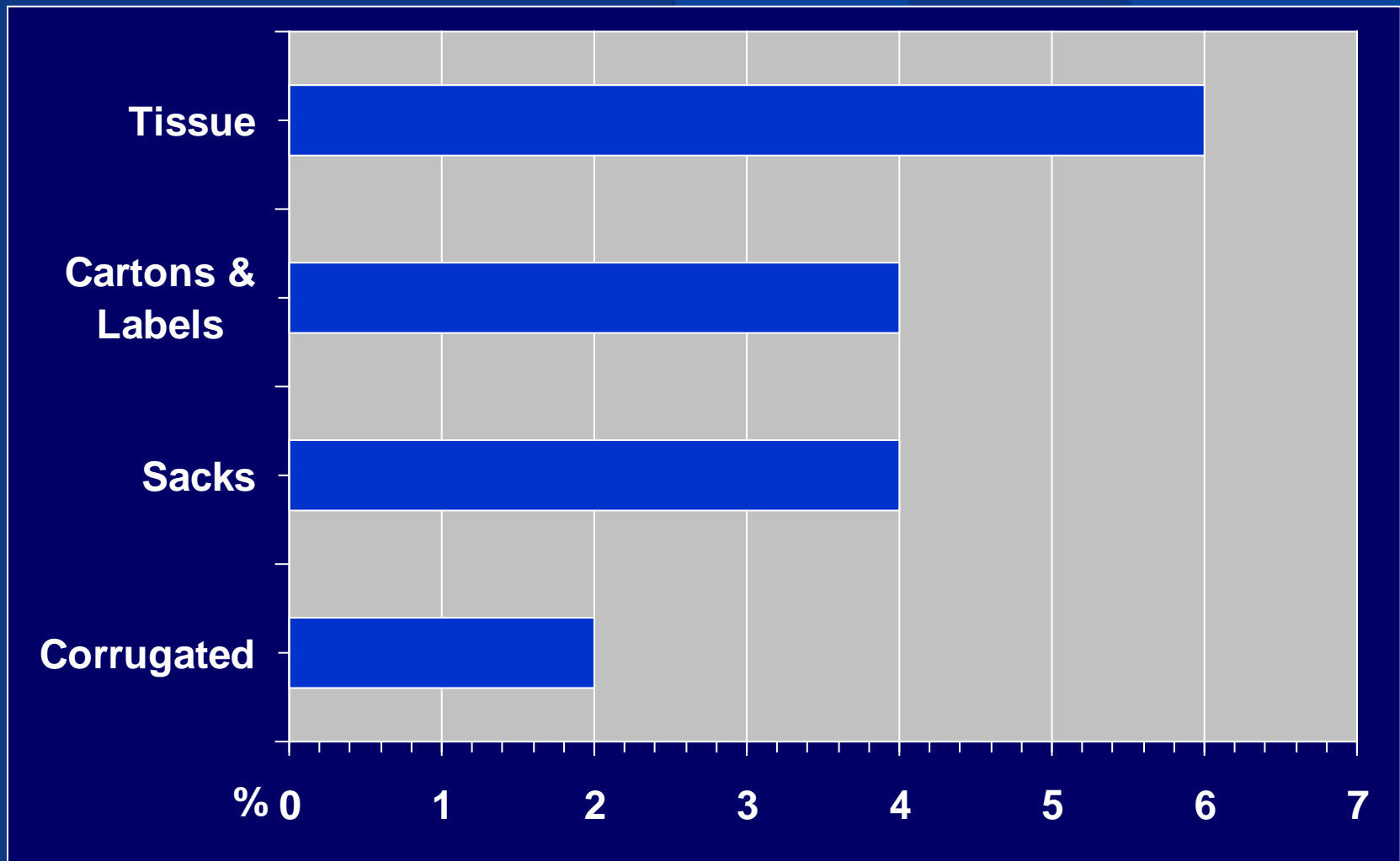
- ❖ **Cold-end upgrade successfully completed**
- ❖ **Well-positioned to participate in strong market demand**
- ❖ **Pack-to-melt ratio improving – early 80%**

Africa paper



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South Africa paper volumes

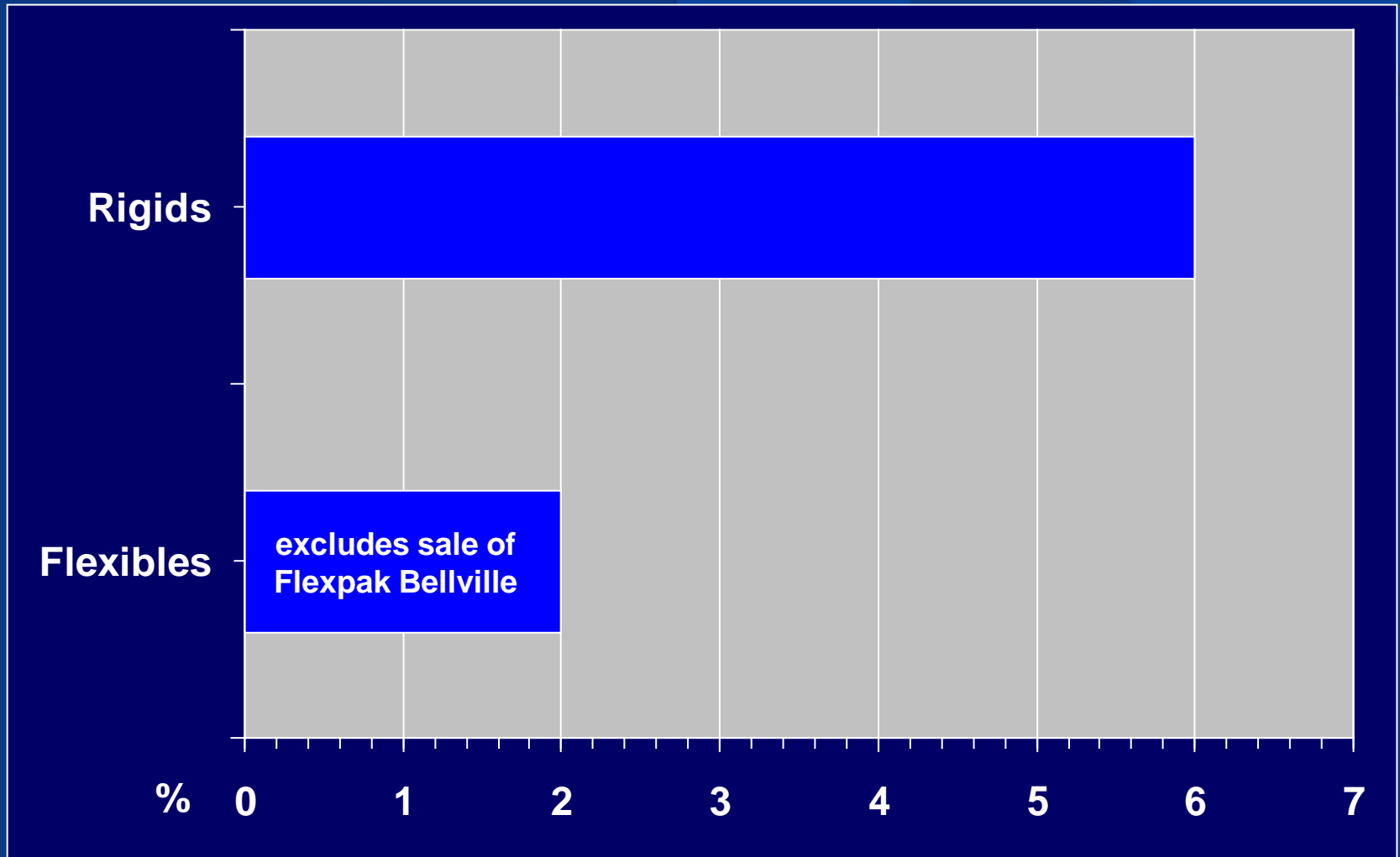


Africa plastics

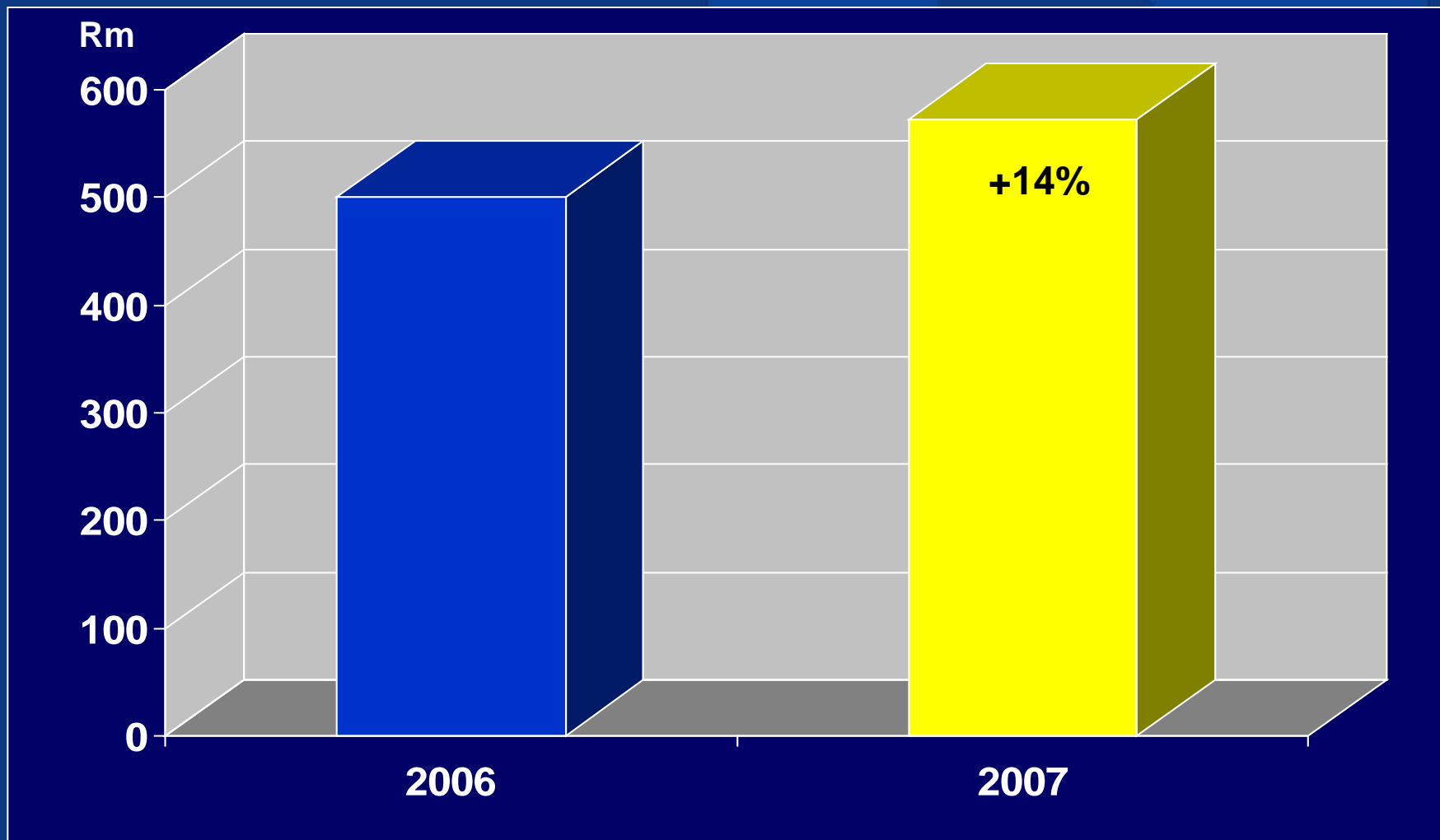


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South Africa plastics volumes



South Africa direct exports



Rest of Africa



- ❖ **Good performance from metals in Zimbabwe**
- ❖ **Good growth in plastics in Zambia**
- ❖ **Nigeria cartons continued to perform well**
- ❖ **Kenya affected by currency strength**

Major Capex Projects



Project	Project cost	Spent	
		Prior	Current
Beverage can 202 end	153	28	89
Glass cold-end upgrade – furnace 2	44	26	18
New paper mill	504	34	92

Africa summary



- ❖ SA Packaging market is growing
- ❖ Nampak experienced good volume growth across most segments
- ❖ Cost increases managed below inflation
- ❖ Good performance from rest of Africa
- ❖ Margin improvement from 11.5% to 12.4%
- ❖ Major capex projects on track



Europe

Europe segmental analysis



£m	Revenue		Trading income		Margin	
	2007	2006	2007	2006	2007	2006
Paper	109.2	113.4	3.1	4.6	2.8%	4.1%
Plastics	54.3	53.6	5.6	4.9	10.3%	9.1%
Group Services			1.1	1.4		
	163.5	167.0	9.8	10.9	6.0%	6.5%

Europe paper



❖ **Cartons**

- ❖ **Hoogerheide/Leeds – high capacity utilisation**
- ❖ **Short Run underutilised**
- ❖ **Market growth steady in Western Europe**
- ❖ **Selling prices under pressure in Europe**

❖ **Healthcare**

- ❖ **Consumption growing**
- ❖ **Grew market share**
- ❖ **Selling prices/margin stabilised**

Europe plastics

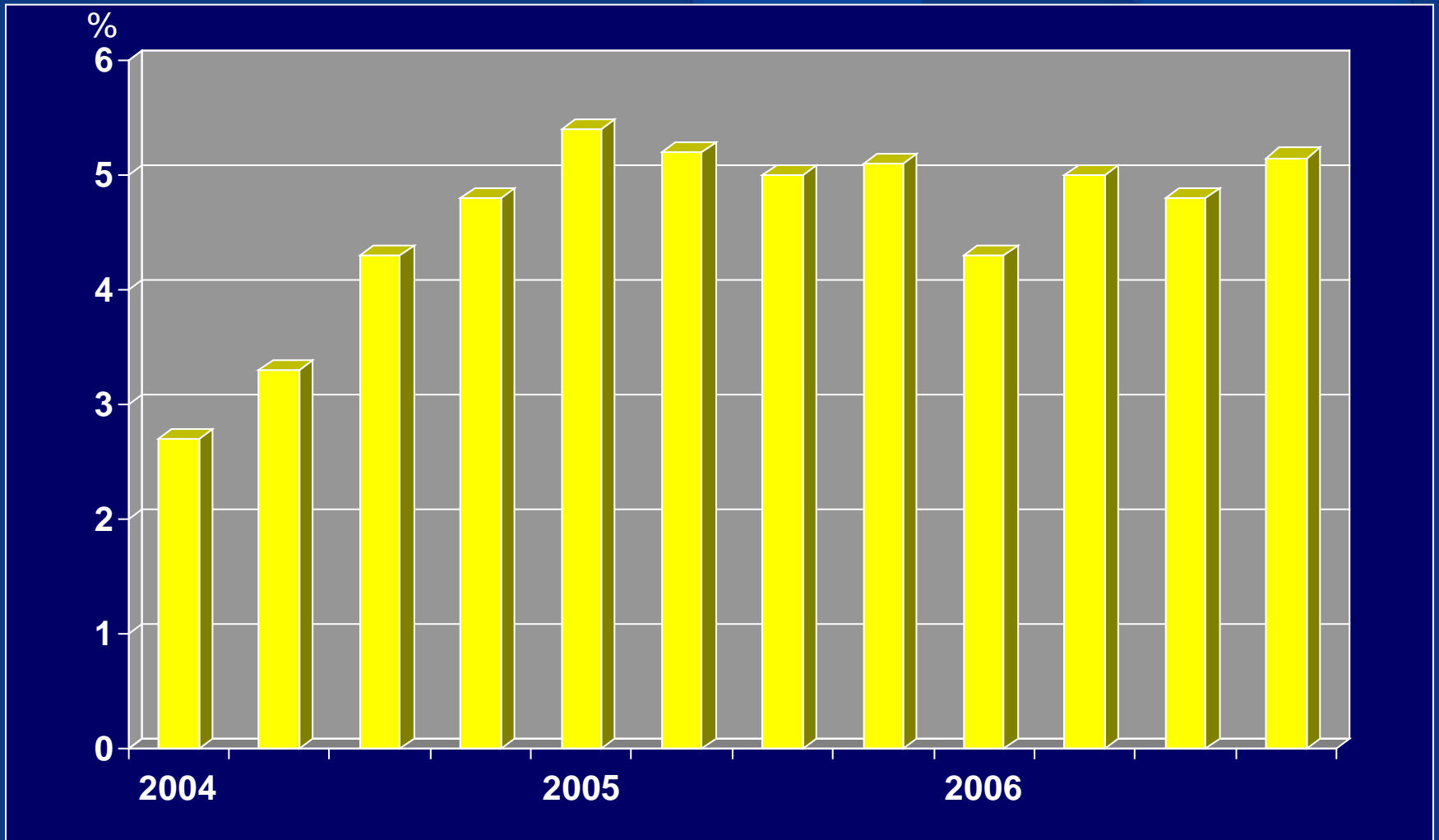


- ❖ **Volumes relatively static**
- ❖ **Recovered increase in polymer price**
- ❖ **Costs reduced**
- ❖ **Major customer contracts extended**

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Future Growth

South Africa non-durable pce



South Africa

capacity utilisation



Beverage cans	●	Seasonal – upgrade line speed
Food cans	●	
Aerosols	●	R18m - new line
Meat cans	●	R34m - new line
Glass	●	Productivity improvement
Corrugated	●	Increasing die-cutting R16m
Fast food cartons	●	Production rationalisation
PET	●	In-plant investments
Flexibles	●	R13m shrink sleeve, R11m pouch
Toothpaste tubes	●	R25m new line
Tissue	●	Productivity improvement
Diapers	●	

● Spare capacity

● capacity constrained

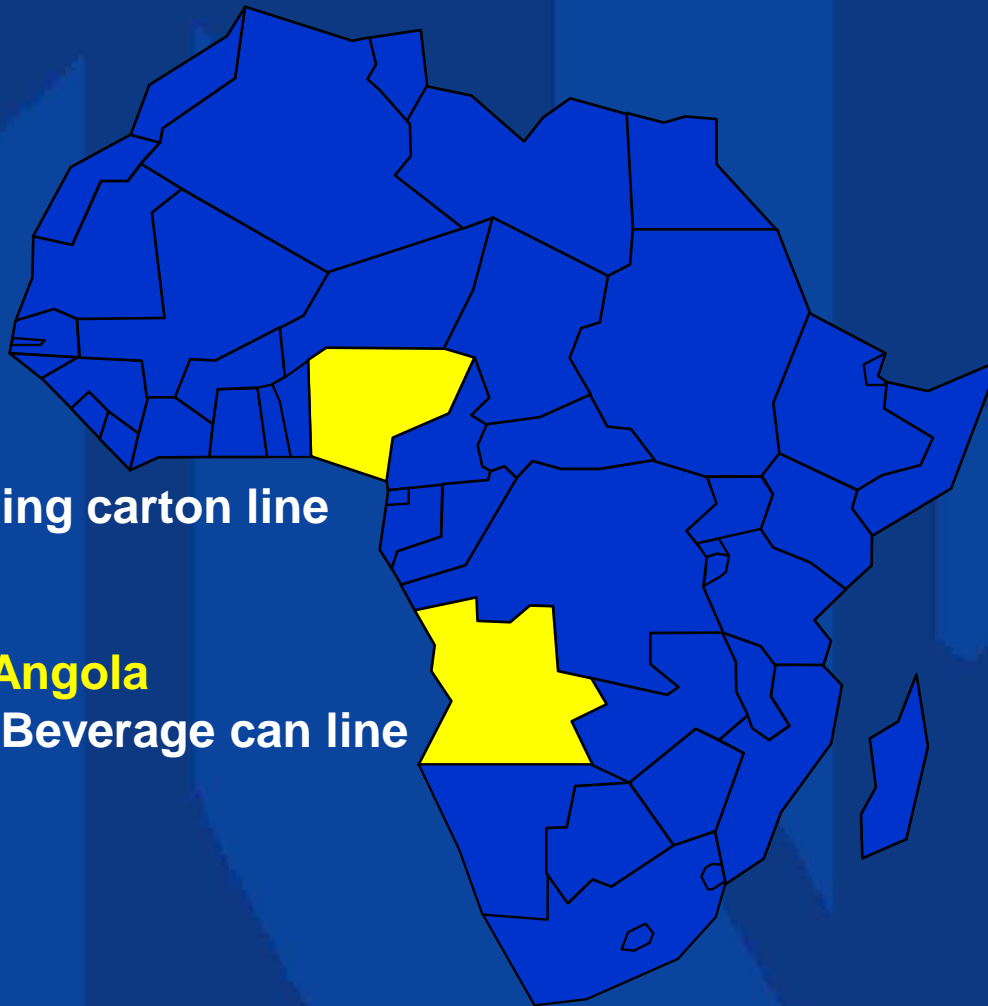
● no spare capacity

Rest of Africa growth projects



Nigeria
2nd folding carton line

Angola
Beverage can line





Europe Strategic Review

Europe Strategic Review

results of process



- ❖ All options considered
- ❖ Greater understanding & knowledge of our businesses
- ❖ Opportunities for modest growth and areas of efficiency improvement have been identified
- ❖ Strategic position of each business has been re-evaluated

Plastics locations



Plastics business strategy



- ❖ Continuous improvement in efficiency
- ❖ Develop product recycling opportunity
- ❖ Organic growth in UK
- ❖ Evaluate expansion in European dairy segment
- ❖ Evaluate other in-plant beverage segments

Cartons locations



- ★ Headquarters
- Long-run site
- Short-run site

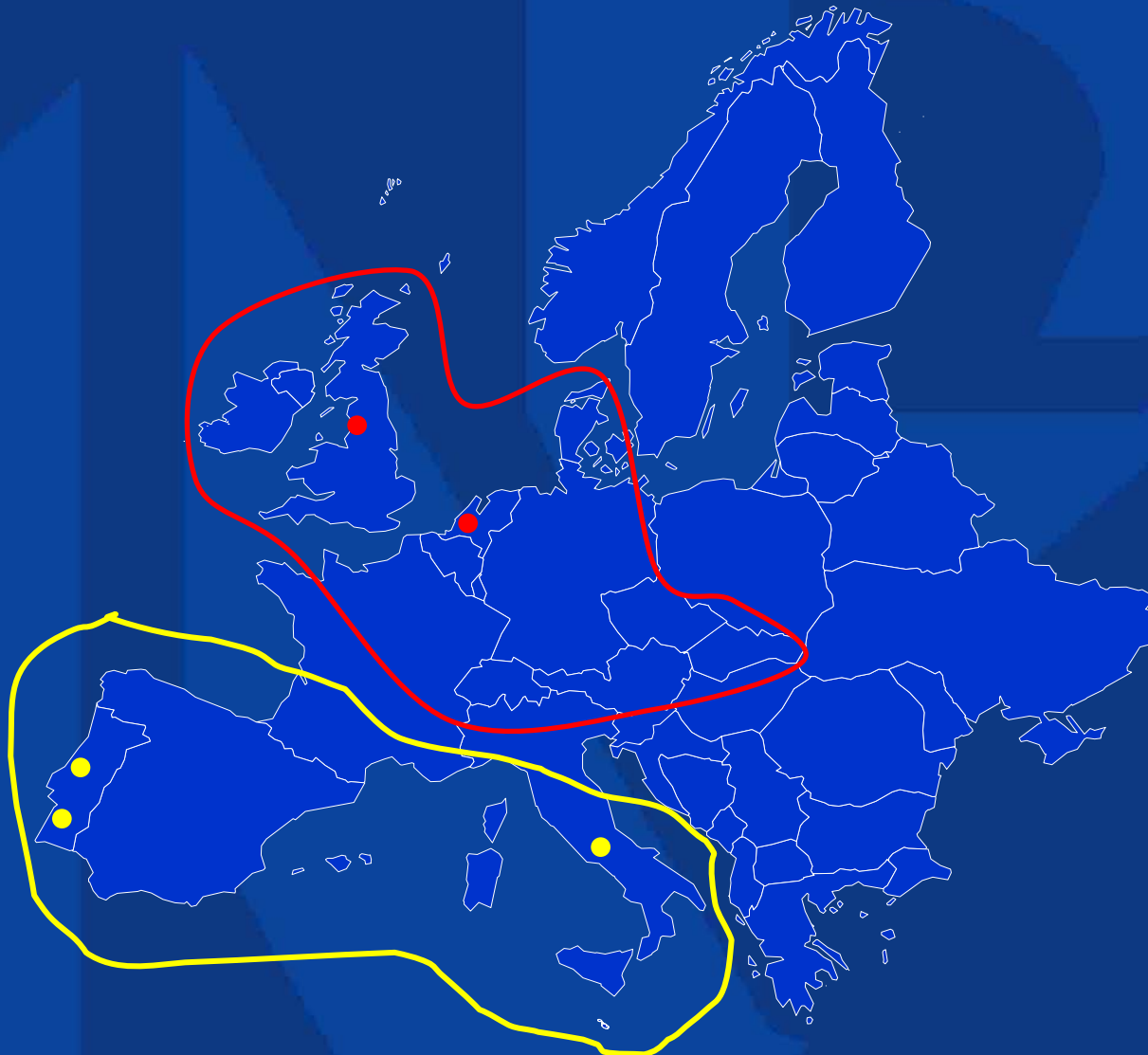


Cartons : Long-Run business strategy



- ❖ **Two large, efficient long-run sites at Hoogerheide and Leeds to supply pan-European customers**
- ❖ **Improve Leeds performance to Hoogerheide benchmark**
- ❖ **Explore pan-European growth opportunities through alliances, mergers and acquisitions**

Cartons : Long-Run pan-european opportunities



Cartons : Short-Run business strategy

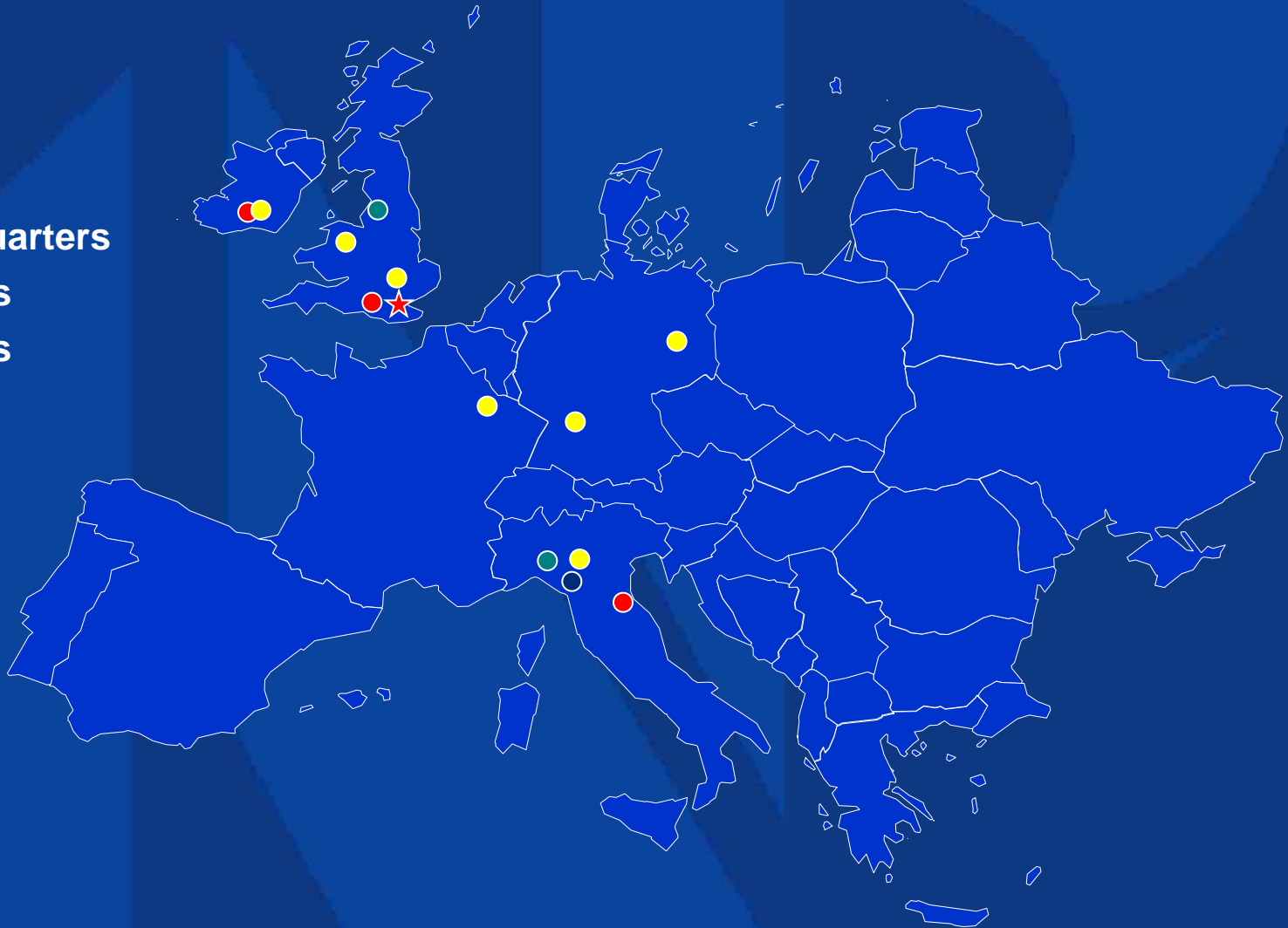


- ❖ **Focus on UK retailer market for chilled/convenience food**
- ❖ **Reduce seasonality/improve customer mix**
- ❖ **Grow sandwich pack**
- ❖ **Explore production rationalisation/industry consolidation**

Healthcare locations



- ★ Headquarters
- Cartons
- Leaflets
- Labels
- Foil



Healthcare business strategy



- ❖ **Continuous improvement in efficiencies**
- ❖ **Provide customers with multi-territory coverage**
- ❖ **Grow market share in Europe**
 - ❖ **Alliances, mergers and acquisitions**



Prospects

Prospects



On track to deliver a solid set of results for the year

THANK YOU



Nampak
packaging excellence