

Interim Results



Nampak

May 2006

Agenda



- ❖ **Group results**
- ❖ **Segmental performance**
- ❖ **Growth prospects**

Income Statement



Rm	2006	2005	%	Comments
Revenue	7 845	7 910	-1	+ 4% ex Peters Papers
Profit before abnormal items	798	734	+9	
Abnormal items	(4)	217		Woburn Sands
Profit from operations	794	951	-17	
Net finance costs	(57)	(52)		
Income from investments	4	4		
Share of (loss)/profit of associates	(2)	15		Zimbabwe
Profit before tax	739	918	-20	
Tax	(258)	(309)		
Profit after tax	481	609	-21	
Headline earnings per share	82.5c	74.8c	+10	

Abnormal Items



Rm	Africa				Europe	Total
	Metals & Glass	Paper	Plastics	Serv	Plastics	
Retrenchment	1	1	1		1	4
Share base pmts				9		9
Sale of subs		(2)	14	(11)		1
Sale of props				(22)		(22)
Impairment			(1)	18		17
Hyperinflation	(3)		(3)			(6)
Fair val of fin inst	4	(3)	1			2
	2	(4)	12	(6)	1	5

Tax Reconciliation



Rm	2006	2005
Profit before tax	738.9	917.7
Tax	257.7	308.4
Tax rate reconciliation	%	%
Effective tax rate	34.9	33.6
Less: STC & withholding tax	(5.7)	(5.1)
SIP rebates		3.0
Goodwill impairments	(0.7)	(3.6)
Exempt income		1.2
Other	0.5	(0.1)
Standard tax rate	29.0	29.0

Abridged Cash Flow



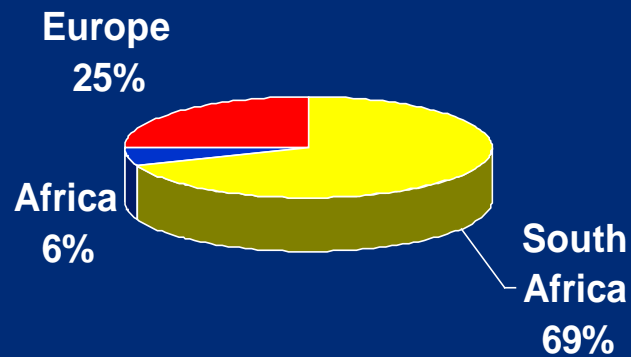
	Rm
Cash operating profit	1 123
Working capital	(794)
Cash from operations	329
Net finance costs	(60)
Income from investments	4
Tax paid	(225)
Replacement capex	(146)
Cash utilised from operations	(98)
Dividends paid	(329)
Net outflow from operating activities	(427)
Net inflow from investing activities	36
Net outflow before financing activities	(391)
Net outflow from financing activities	(1 055)
Net decrease in cash	(1 445)

Working Capital

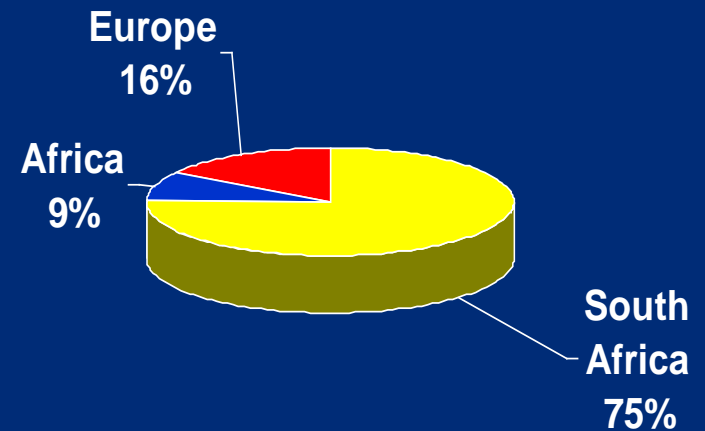


Rm	Mar 2006	Mar 2005	Sep 2005	Mar06 vs Sep05
Inventories	1 932	1 942	2 002	70
Trade and other receivables	2 525	2 417	2 504	-21
Trade, other payables & provisions	-2 182	-2 350	-3 002	-820
	2 275	2 009	1 504	-771
Translation diffs, sale of businesses				-23
Working capital movement per cash flow				-794

Geographical Analysis



Revenue



Profit before abnormals



Africa

Africa segmental analysis



Rm	Revenue		Operating profit before abnormals		Margin	
	2006	2005	2006	2005	2006	2005
Metals & Glass	2 350	2 295	378	358	16.1%	15.6%
Paper*	2 265	2 096	154	123	6.8%	5.9%
Plastics	1 368	1 338	111	108	8.1%	8.1%
Group Services			29	37		
	5 983	5 729	672	626	11.2%	10.9%

* Excludes Peters Papers

South Africa

cost management



- ❖ Employment costs up 0.7%
- ❖ Total costs up 2%

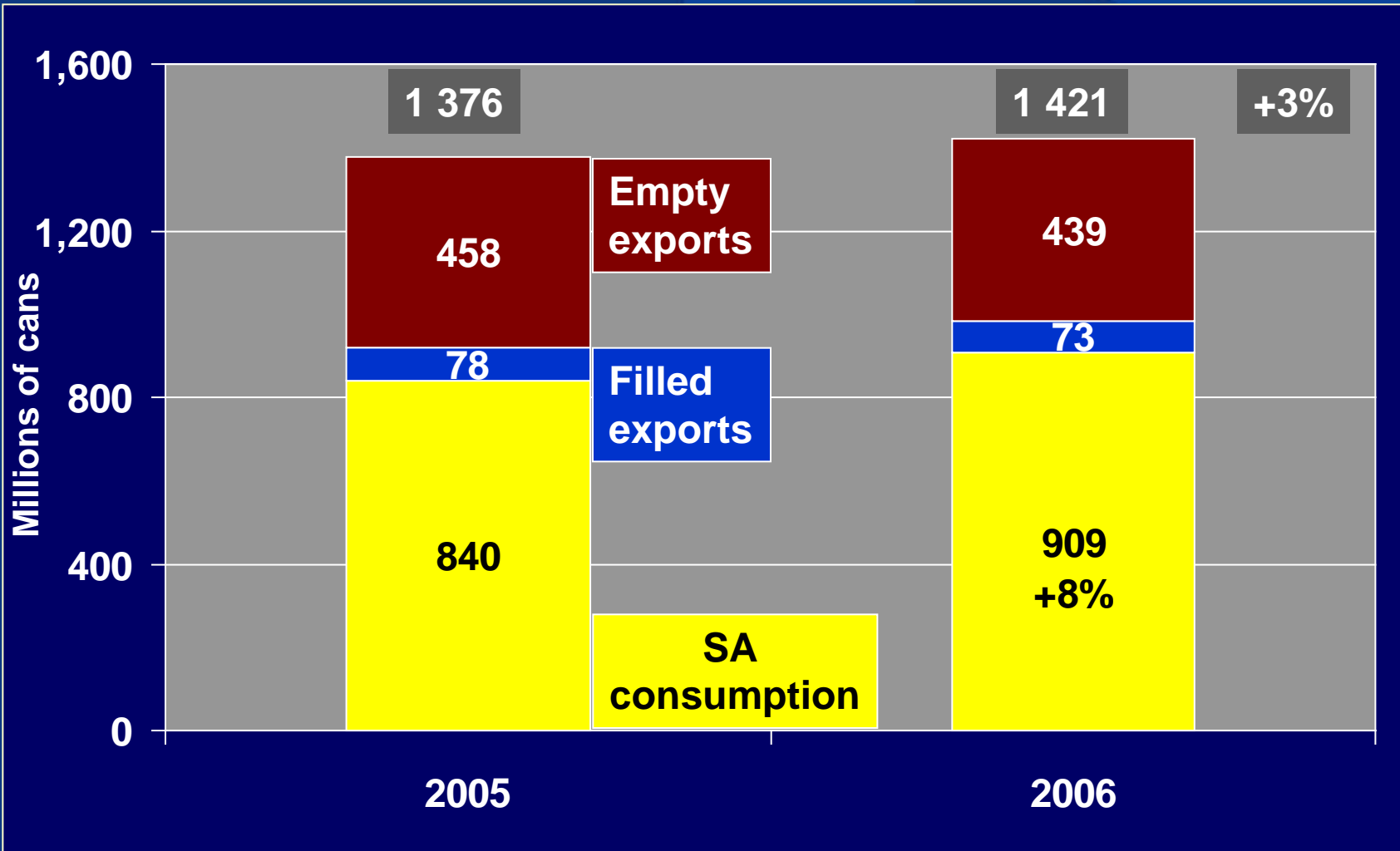
Africa metals & glass



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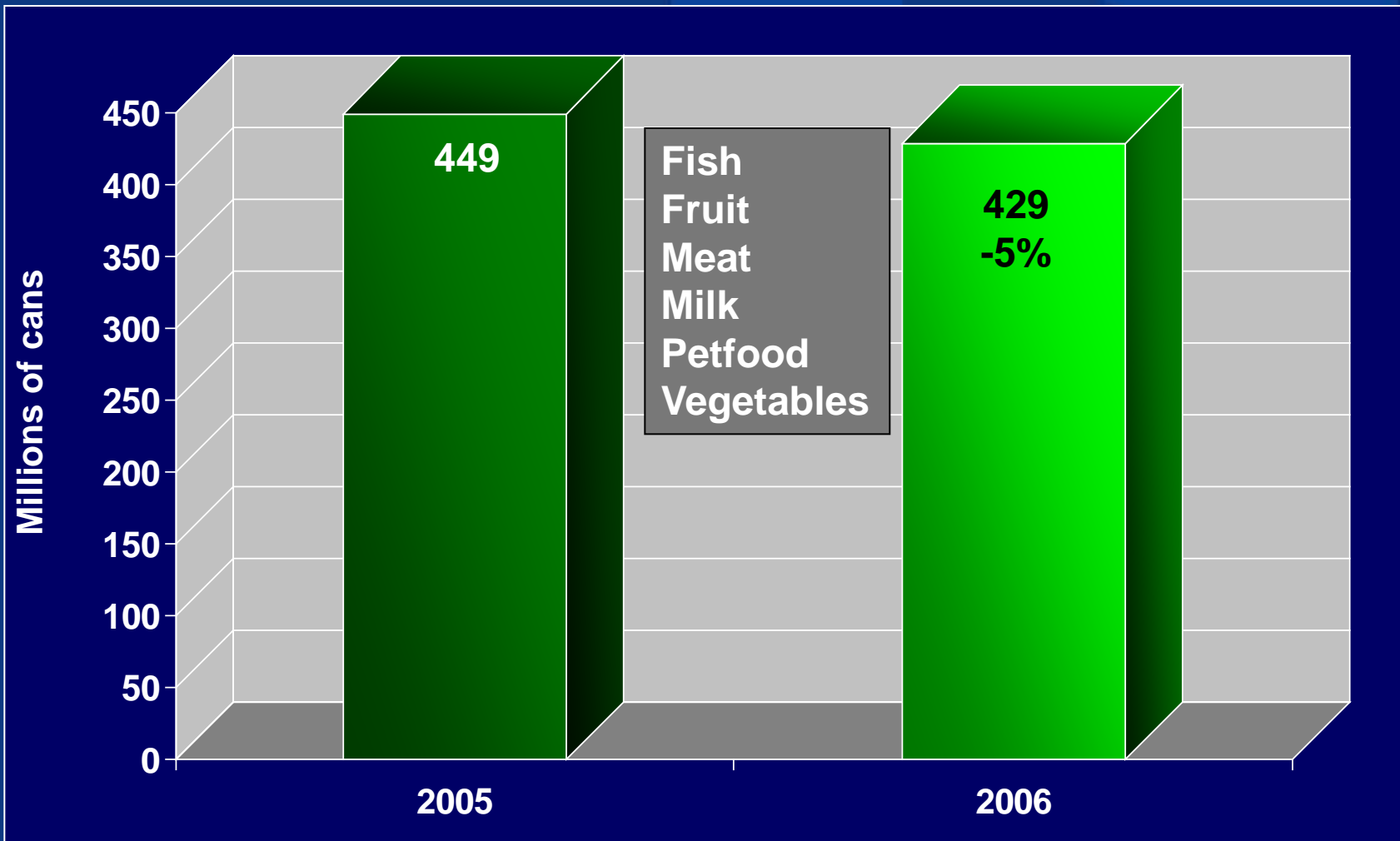
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Beverage Cans volumes : south africa

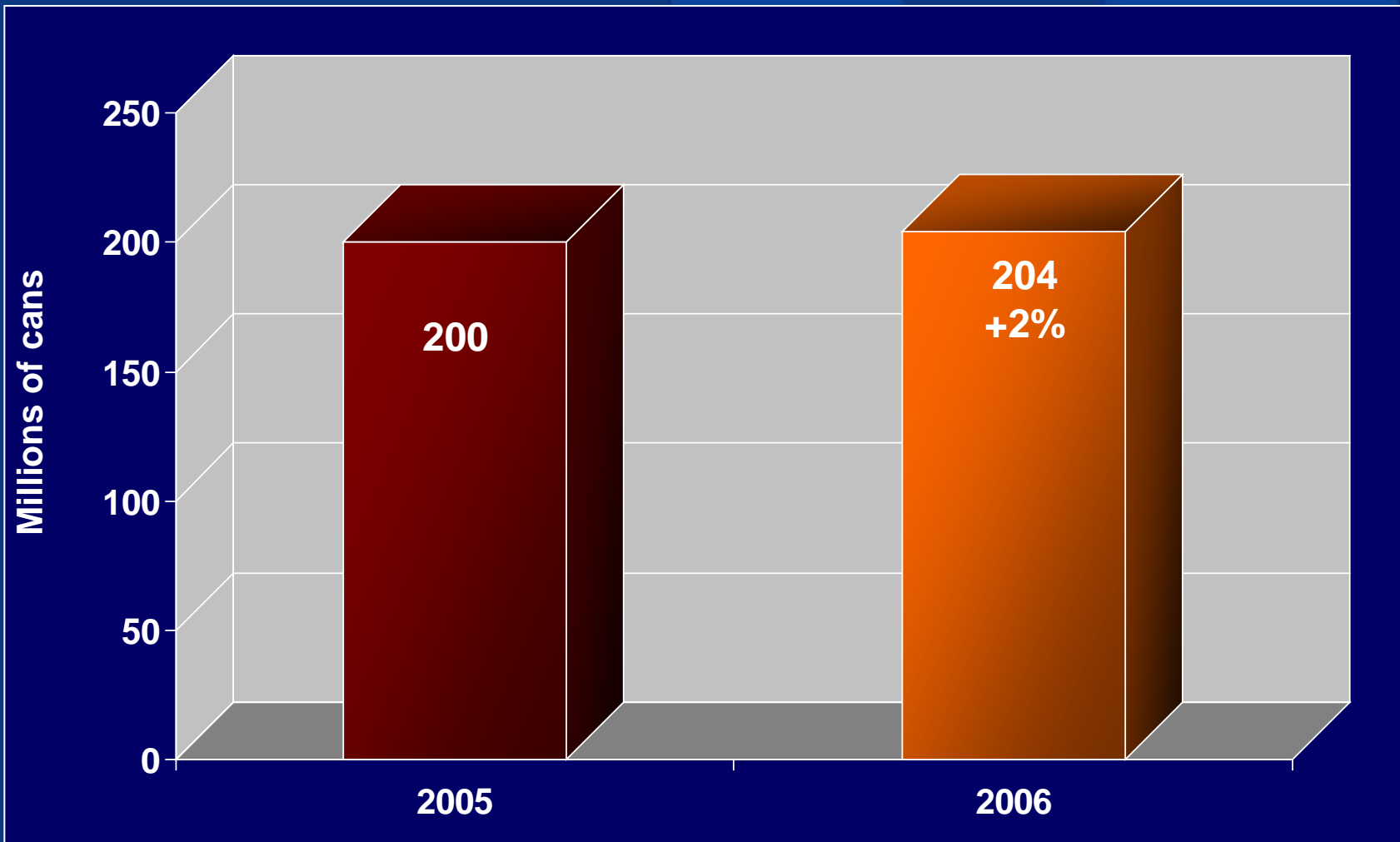


Food Cans

volumes : south africa



Paint, Polish & Aerosol Cans volumes : south africa



Glass



- ❖ **Volumes down due to:**
 - ❖ **Colour changes in advance of upgrade**
 - ❖ **Change in sales mix of beer bottles**
 - ❖ **Lower sales of wine bottles to export customers**
- ❖ **Joint venture with Wiegand-Glas progressing well**
- ❖ **Manufacturing efficiency improvement programme on track**

Africa paper

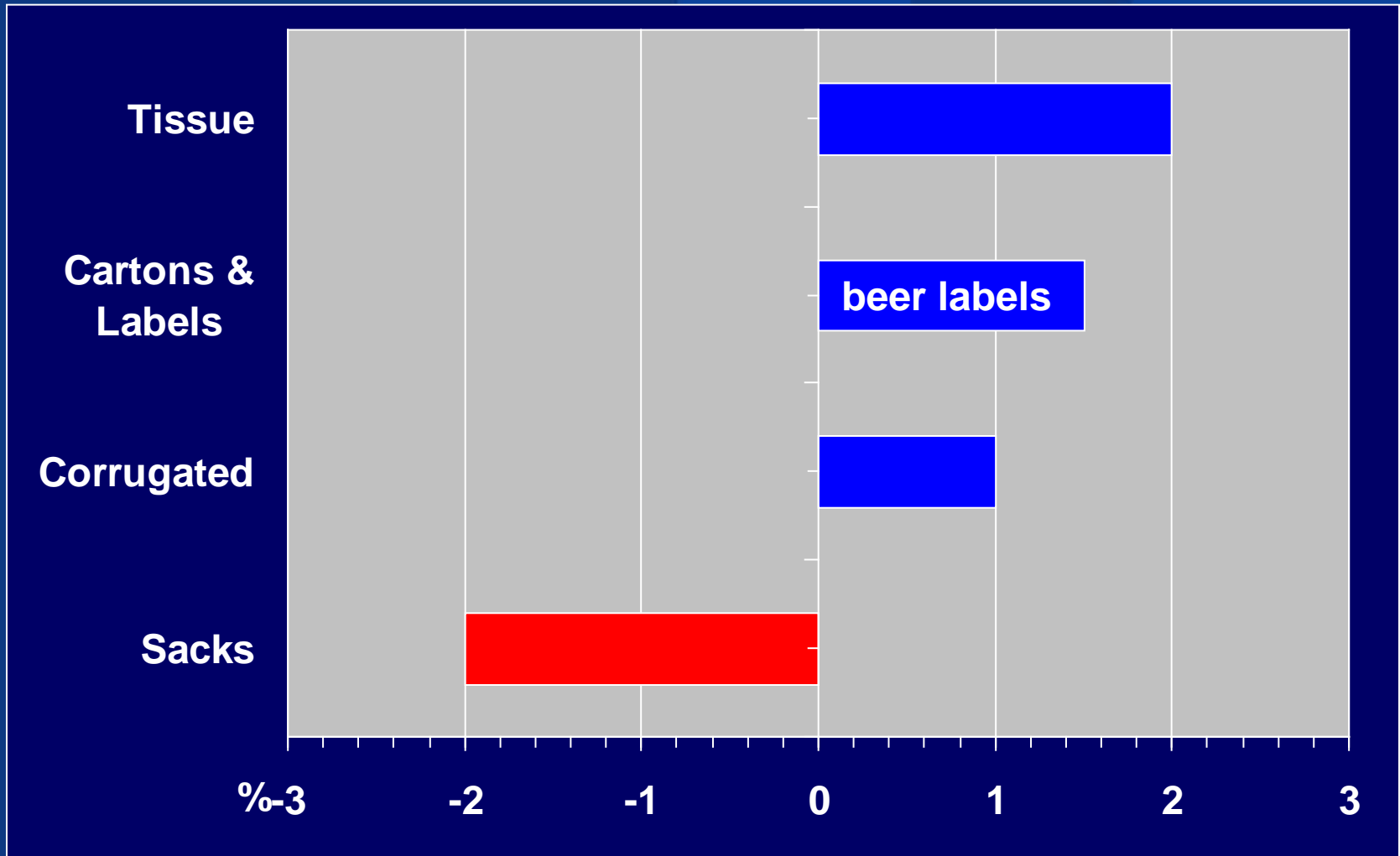


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Africa

paper volumes : south africa



Africa plastics

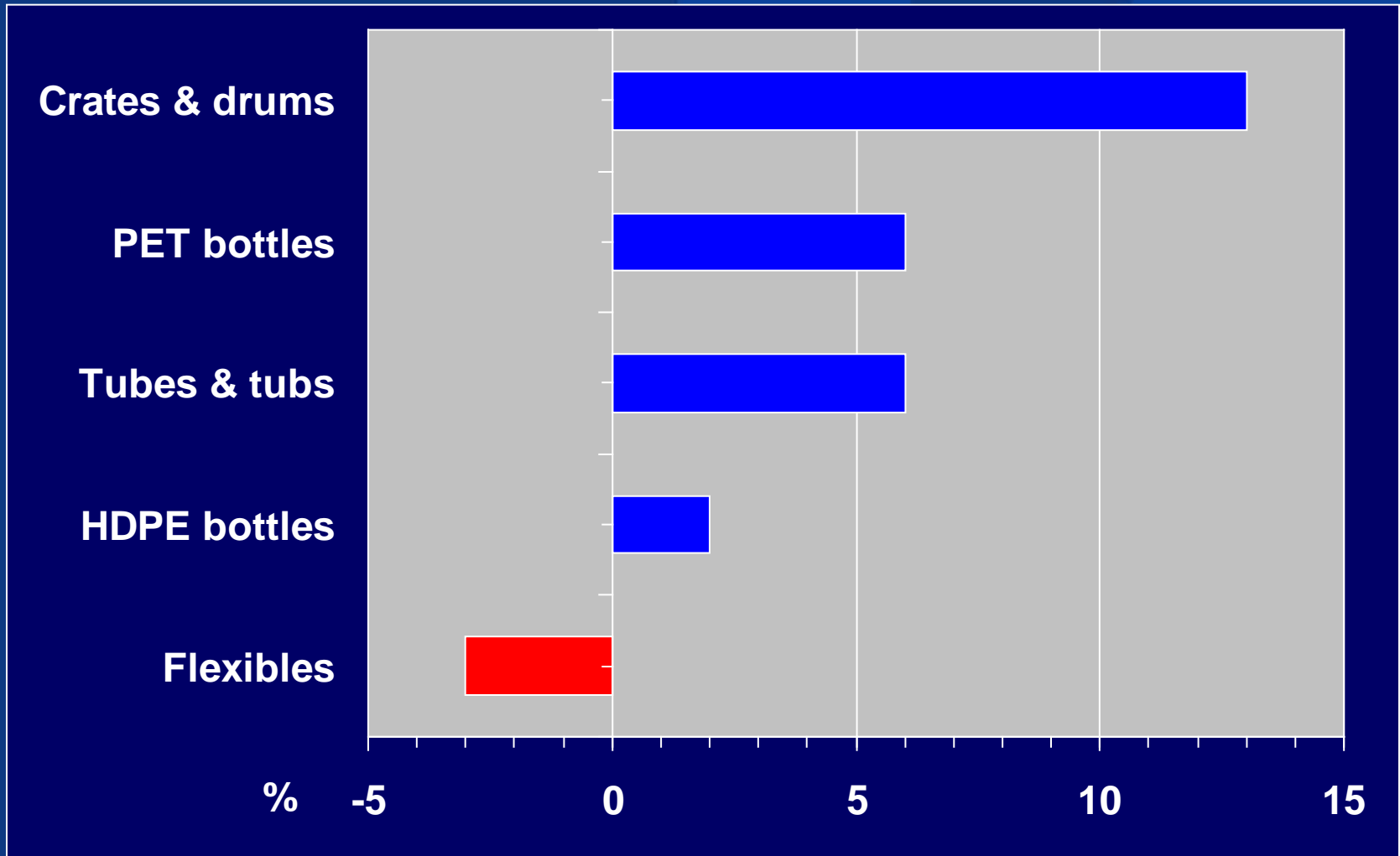


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Africa

plastics volumes : south africa



Africa summary



- ❖ Beverage can volumes up
- ❖ Benefits of cost reduction in 2005
- ❖ Volume growth in most segments
- ❖ Improvement in Tissue performance
- ❖ Good performance by Nigeria
- ❖ Flexibles disappointing



Europe

Europe segmental analysis



Rm	Revenue		Operating profit before abnormals		Margin	
	2006	2005	2006	2005	2006	2005
Paper	1 271	1 309	55	51	4.3%	3.9%
Plastics	595	508	55	29	9.2%	5.8%
Group Services	114	90	16	18		
	1 980	1 907	126	97	6.4%	5.1%

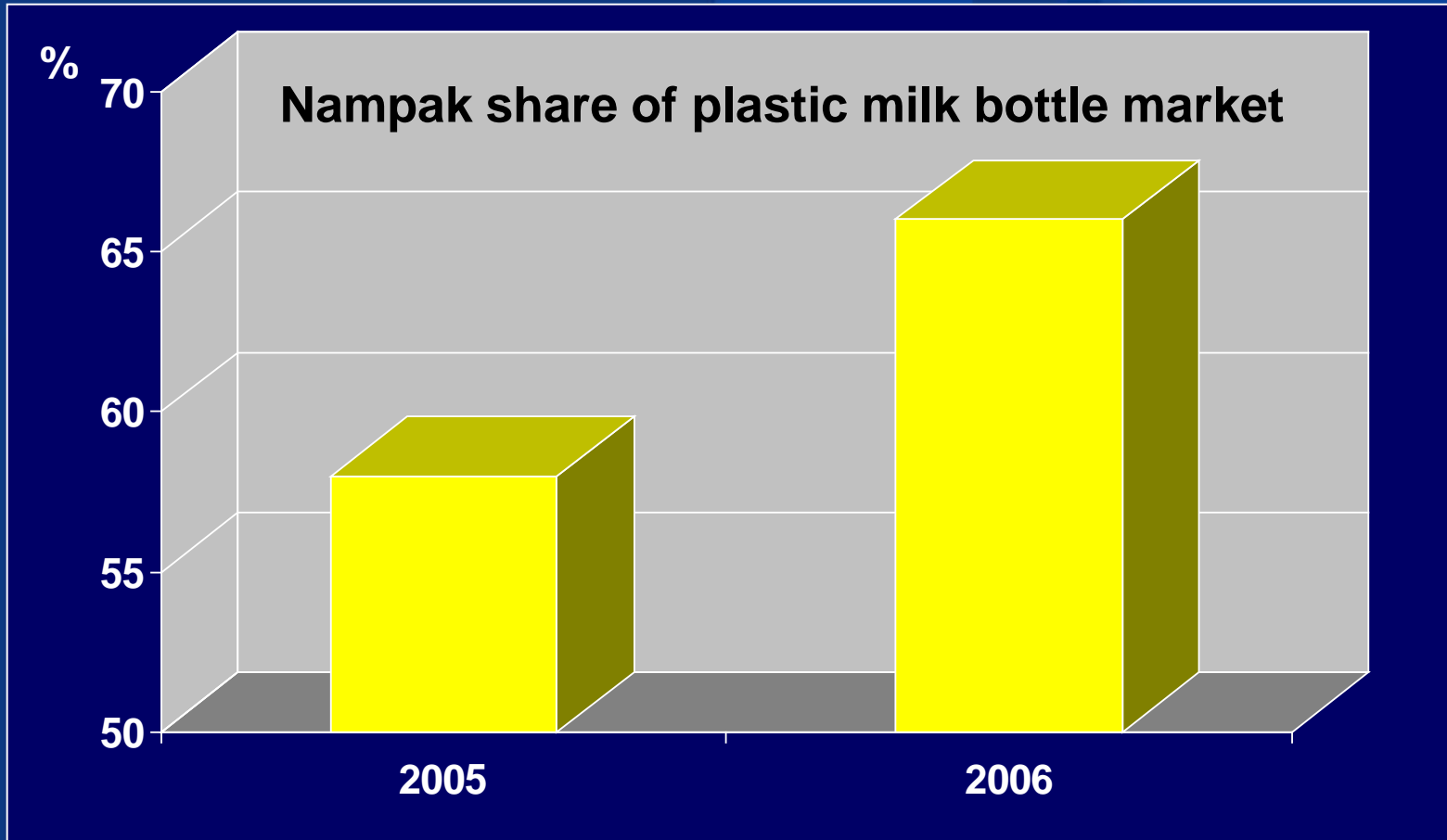
Paper

- ❖ Volume growth in both cartons & healthcare
- ❖ Cartons Europe/UK now fully integrated
- ❖ Leads profit improvement
- ❖ Highly competitive environment

Plastics

- ❖ Good performance

Europe plastics

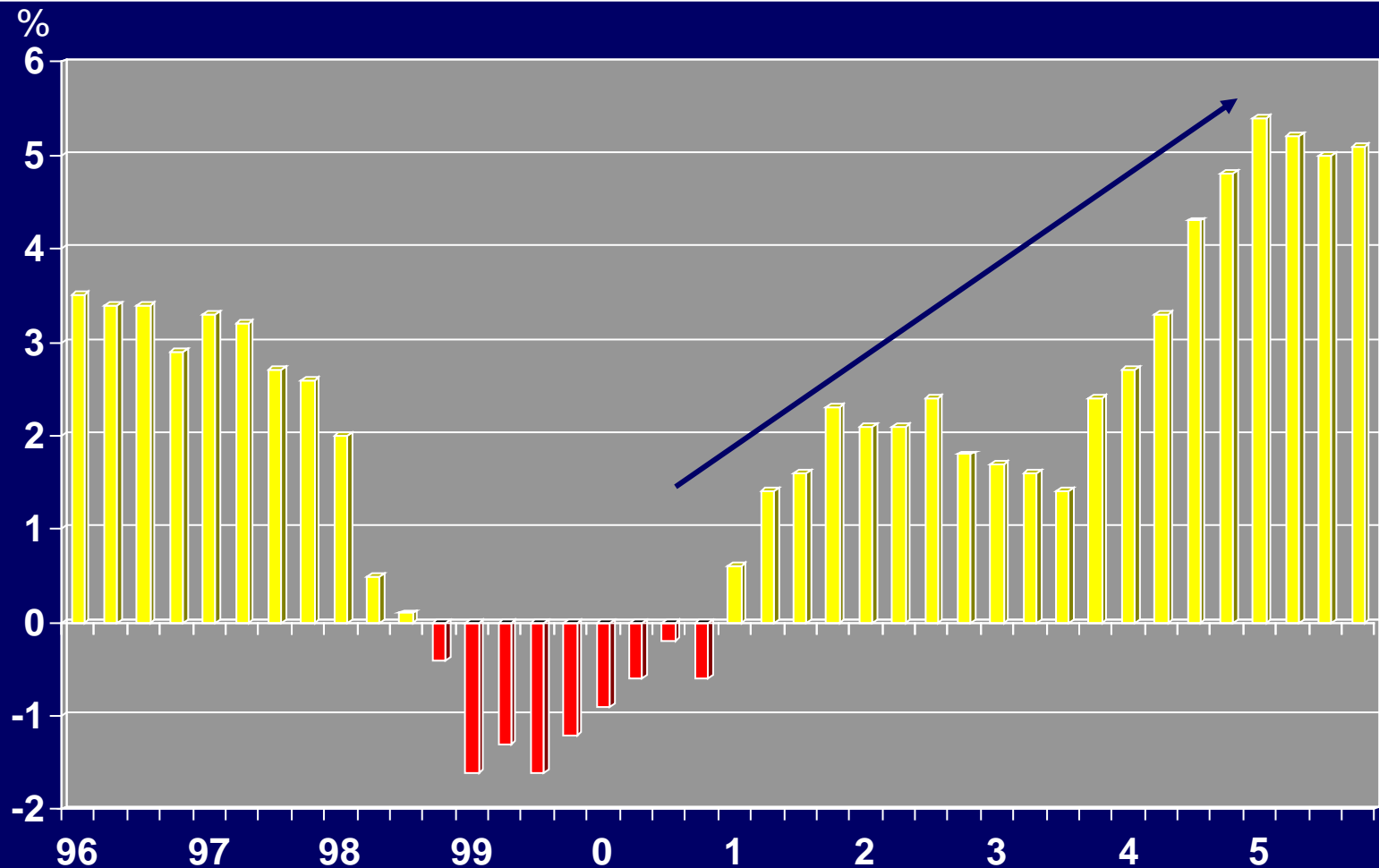


4% volume growth in 1st half

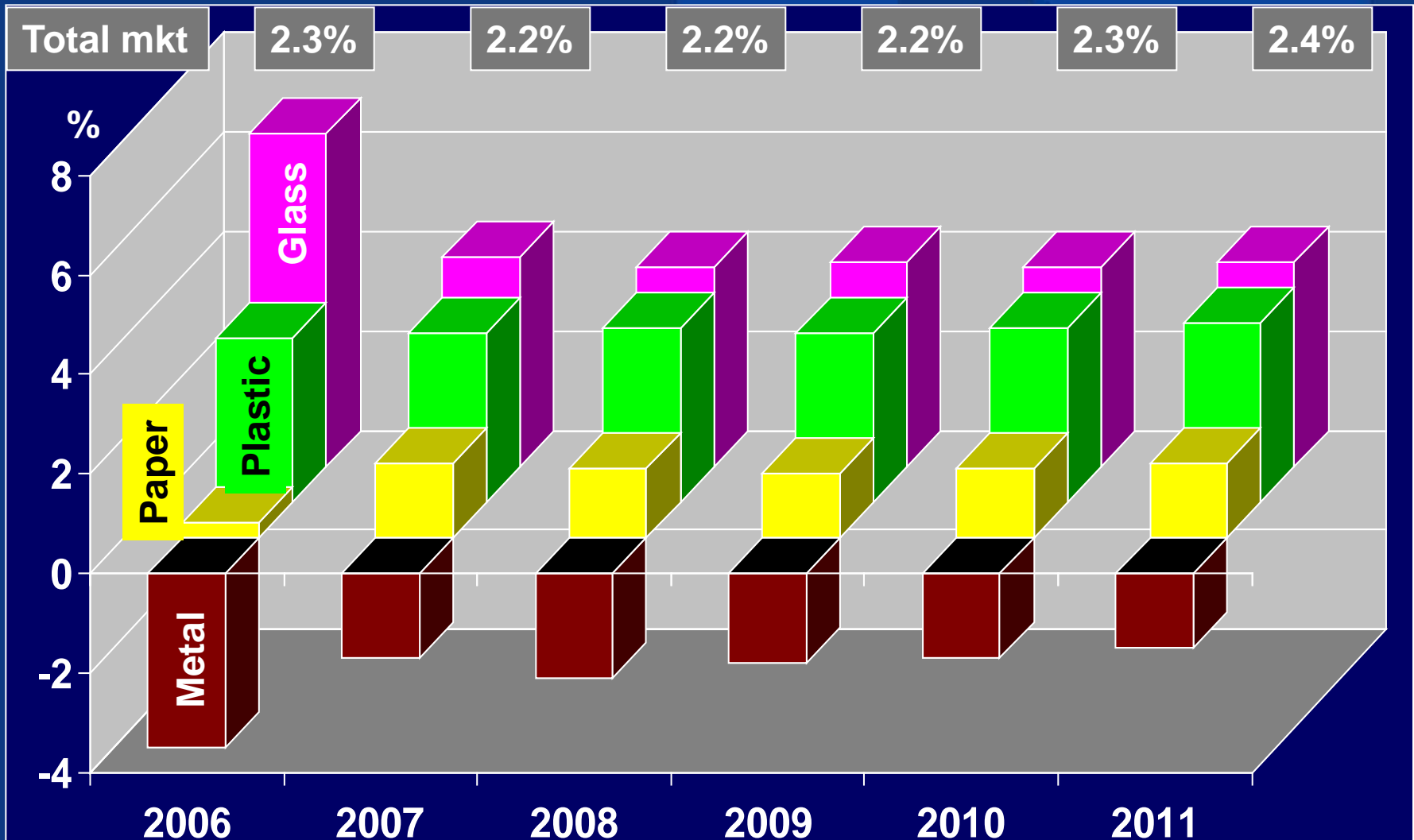
The background of the slide is a dark blue color with large, stylized, lighter blue letters 'M', 'A', and 'R' partially visible. The letters are rendered in a bold, sans-serif font and are slightly offset from each other, creating a layered effect. The 'M' is on the left, the 'A' is in the center, and the 'R' is on the right. The letters are not fully formed, appearing as if they are part of a larger graphic that is cut off by the edges of the slide.

Growth Prospects

South Africa non-durable pce



South Africa Packaging growth forecast



Source: BMI Foodpack

South Africa

growth prospects

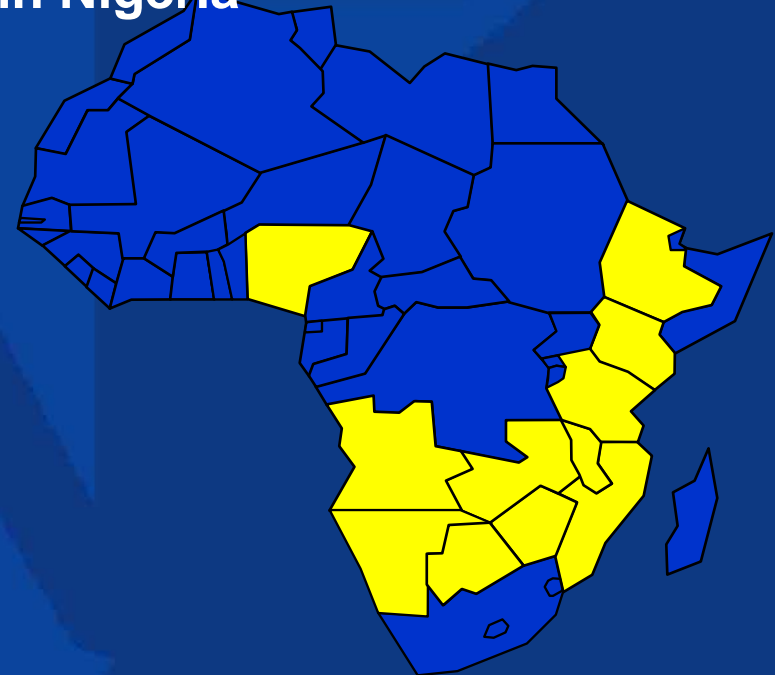


- ❖ Non-durables improving
- ❖ Beginning to benefit Nampak
- ❖ Bevcan volumes encouraging
- ❖ Rand?
- ❖ Lower cost base
- ❖ Investment in key growth areas

Rest of Africa growth prospects



- ❖ Growth opportunities, particularly in Nigeria



Europe growth prospects



- ❖ Focus on performance improvement



Tax Contingent Liability



- ❖ **One group of assessments relates to Malbak before it was acquired by Nampak**
- ❖ **Other assessment relates to Metal Box Botswana for the years 1996 - 2001**
- ❖ **Confident that we can successfully defend the assessments**
- ❖ **Full details in the profit announcement**

Prospects



- ❖ Consumer spending in SA expected to continue
- ❖ Imports will restrain local manufacture
- ❖ Concern over pilchard catches
- ❖ Zimbabwe hyper-inflation
- ❖ Continuation of improved performance
- ❖ **% increase in HEPS for the full year is expected to be greater than that in the 1st half**

THANK YOU



Nampak