

2010 Annual Results

November 2010

- **Highlights**
- **Group results**
- **Operational review**
- **Strategic Update**

- **Operating profit up 126%**
- **Trading margin improved from 5.8% to 8.3%**
- **Sale/closure of under-performers**
- **Turnaround of Corrugated and Leeds**
- **RONA increased from 6% to 15%**
- **HEPS up 79% and EPS up 303%**
- **Net debt and gearing down**
- **Dividend increased by 98% to 83 cents per share**

GROUP RESULTS

Group Income Statement

Rm	2009	2010	%
Revenue	19 586	18 546	5
Operating profit	595	1 344	126
Net finance costs & income from investments	322	197	39
Share of profit from associates	1	4	
Profit before tax	272	1 151	323
Taxation	70	316	
Profit for the year	202	835	313
HEPS	83.8c	149.7c	79

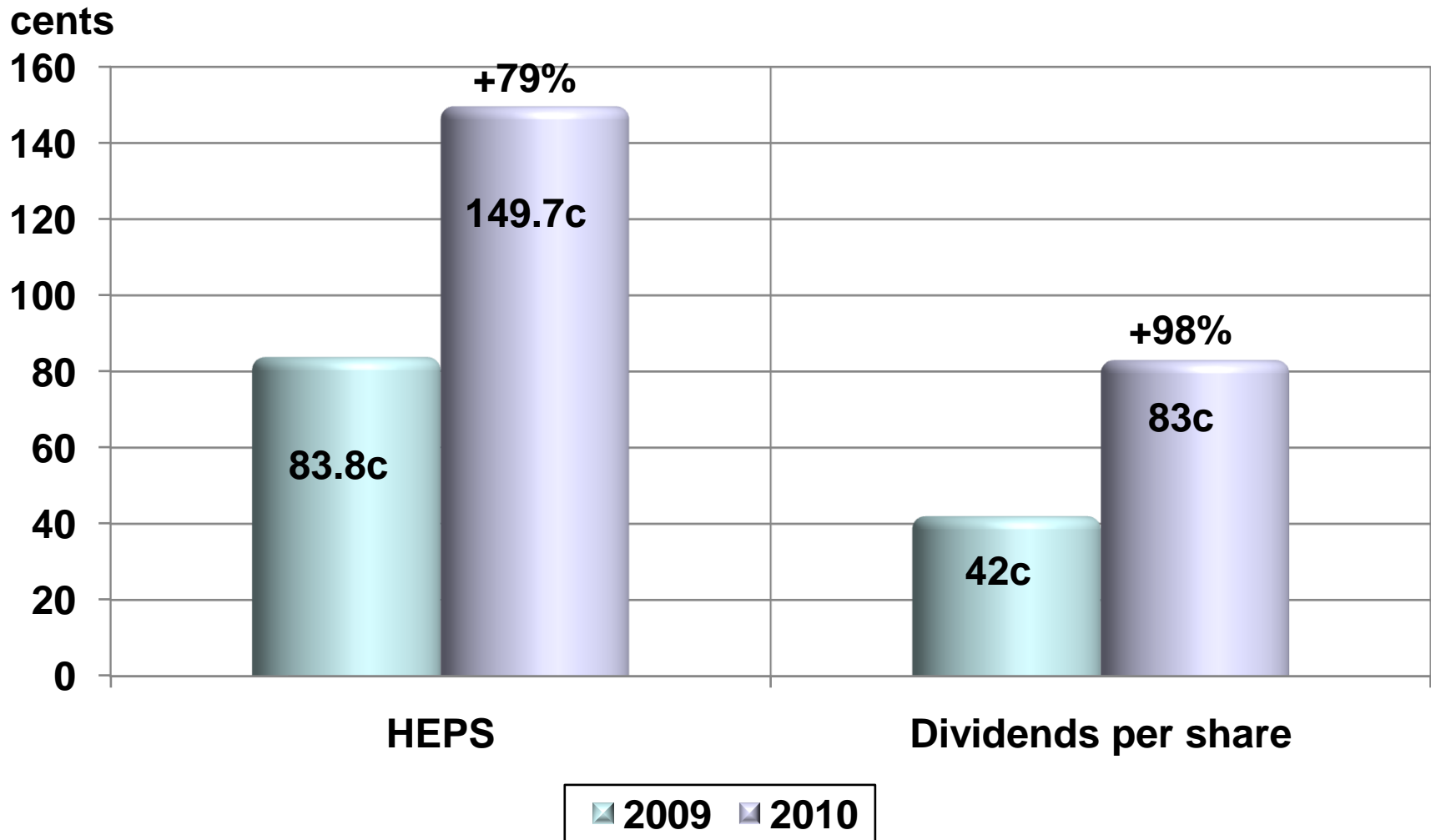
Significant Abnormal Items

Rm	2009	2010
Impairment of goodwill, plant, property & investments Cartons & Labels, Interpak Books, L & CP, Tubes & Tubs	390	108
Retrenchment and restructuring Cartons & Labels, Tubes & Tubs	107	79
Share based payment expense on BEE transaction	18	49
Fair value of financial instruments	54	12
Net profit on disposal of property South Africa and Europe	2	39
TOTAL (all items)	532	200

Tax Rate

Rm	2010
Profit before tax	1 151
Tax	316
Effective tax rate	27.4
Government incentives	3.9
Exempt income	2.0
Other	0.3
Impairment of goodwill	0.8
Disallowable expenses	1.9
Secondary tax on companies	2.9
Standard tax rate	28.0

HEPS/Dividends per Share



Abridged Balance Sheet

Rm	2009	2010
Non-current assets	7 382	6 957
Current assets	6 710	5 968
TOTAL ASSETS	14 092	12 925
Total equity	5 129	5 368
Loans and borrowings	2 121	1 631
Retirement benefit obligations	1 246	1 405
Current liabilities	5 186	4 140
Other	410	381
TOTAL EQUITY AND LIABILITIES	14 092	12 925

Group Condensed Cash Flow

	Rm
Cash generated from operations before working capital	2 297
Working capital changes	212
Cash generated from operations	2 509
Net interest paid	262
Tax paid	93
Dividends paid	289
Capex	674
Other	42
Cash inflow before financing activities	1 149
Net borrowings repaid and other	1 242
Net cash outflow	93

Working Capital Movement

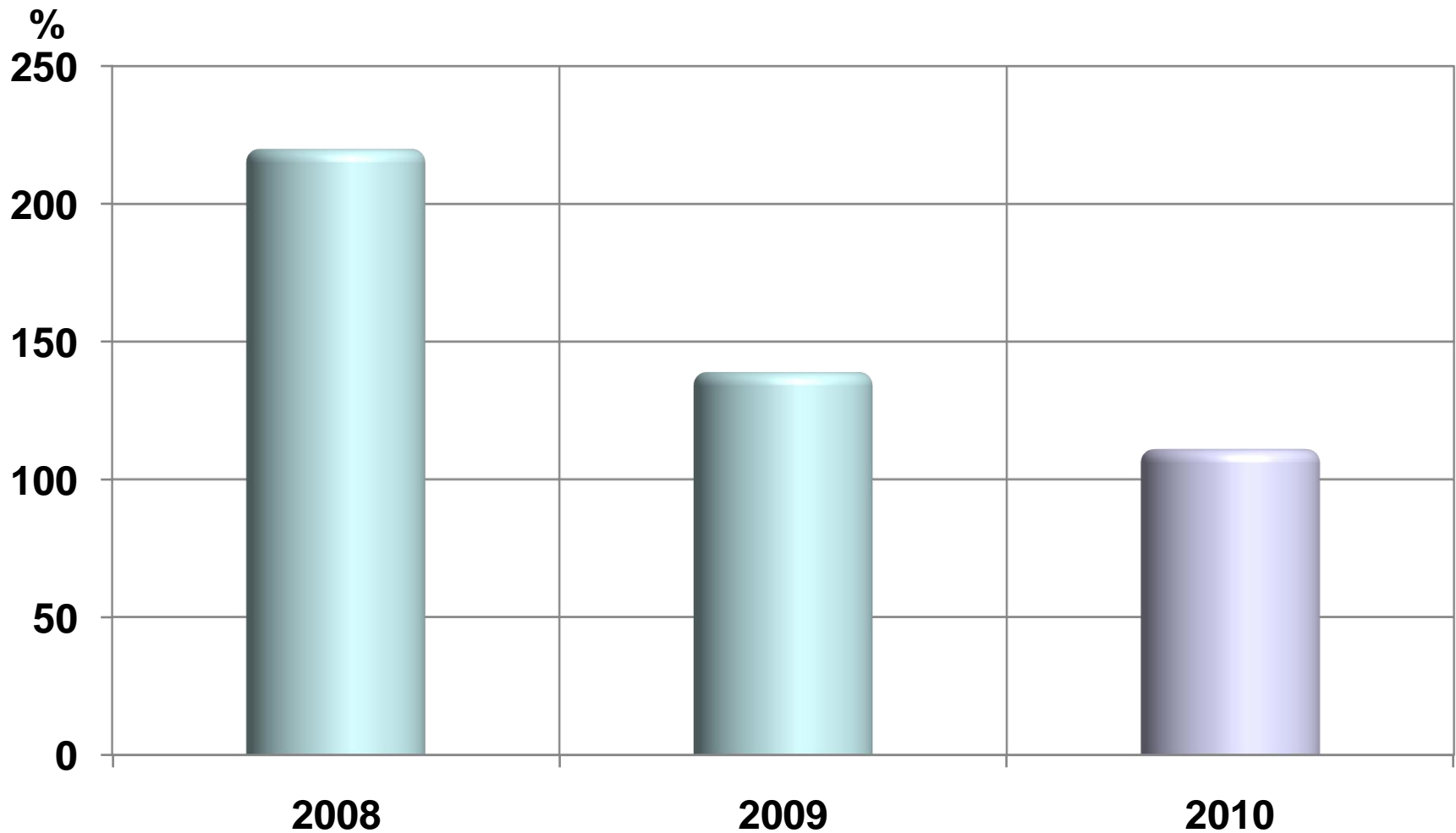
	Rm
Inventories	260
Receivables	44
Payables	92
Total decrease in working capital	212
Net working capital to sales	10.6%

Major Capex

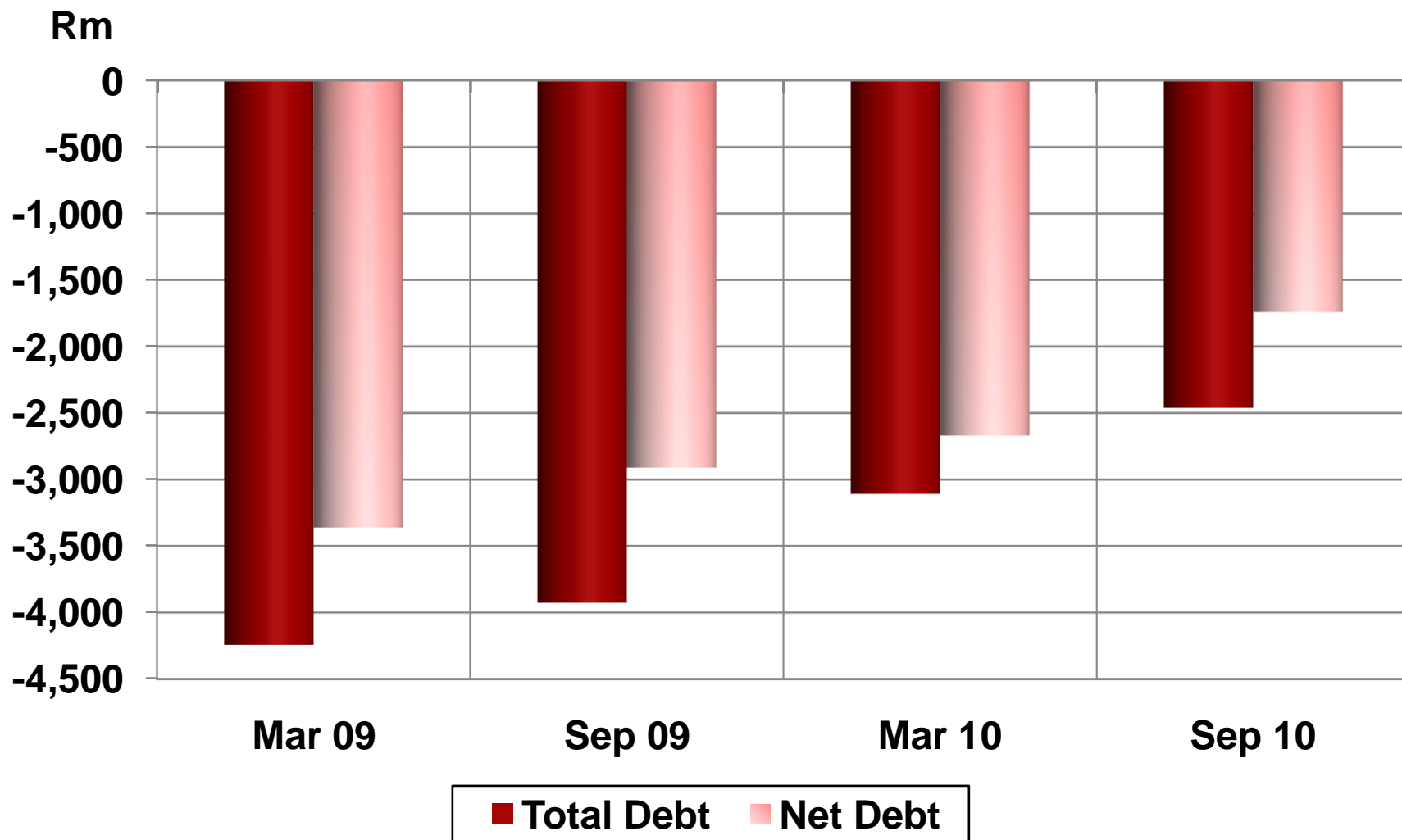
Division	Project	Rm
Bevcan	Angola	195
Glass	Cullet plant	*109
DivFood	2-pce food can	67
Tissue	2-ply expansion	64
Plastics Europe	Dale Farm in-plant	37

* 100%

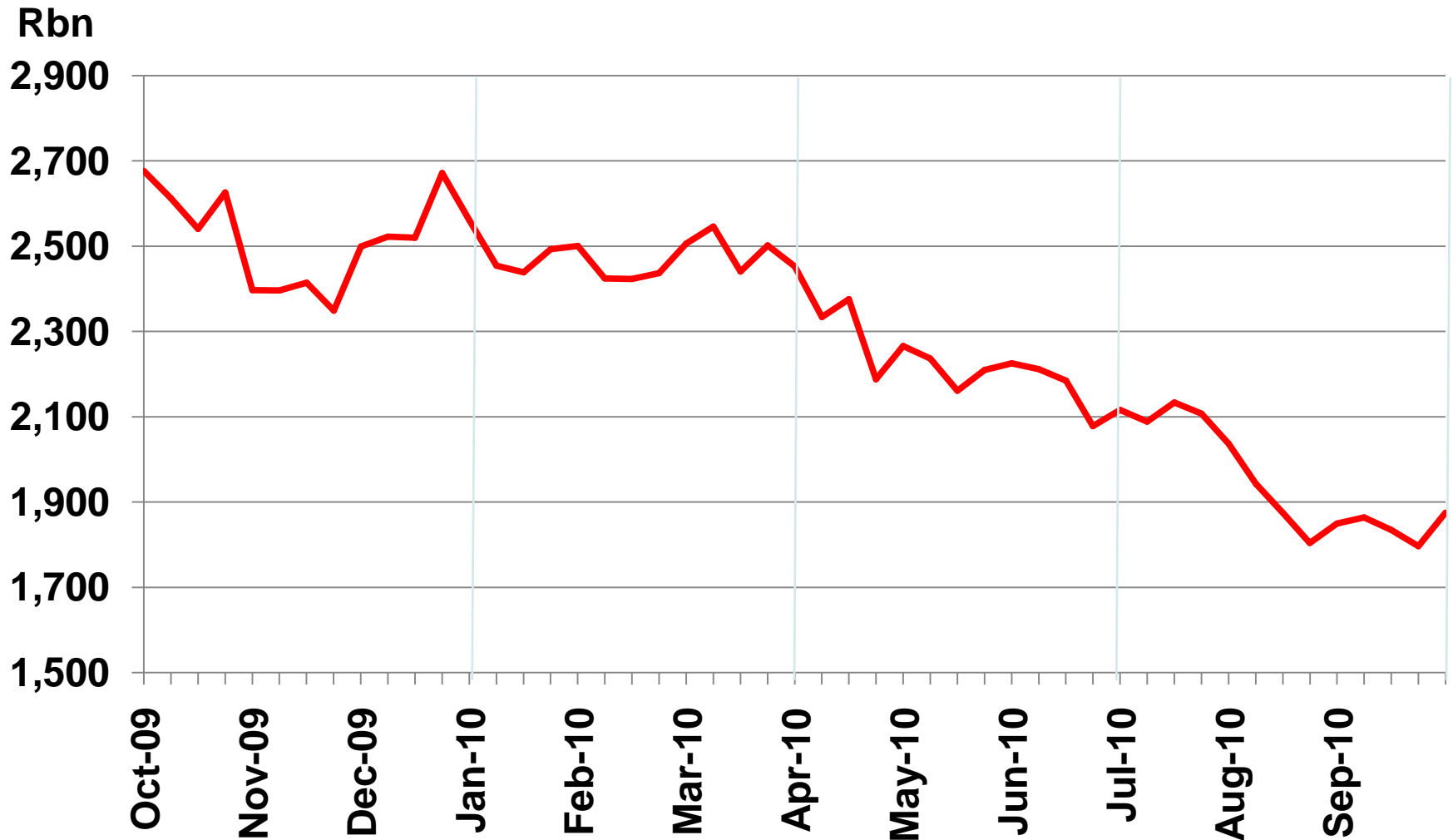
Capex % of Depreciation



Debt

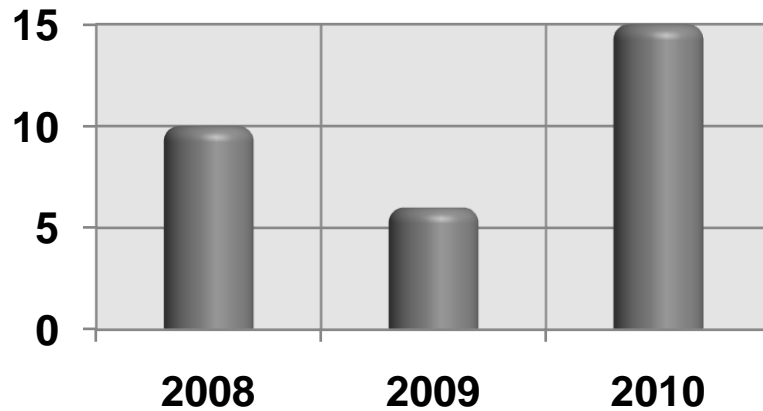


Trend in Net Borrowings

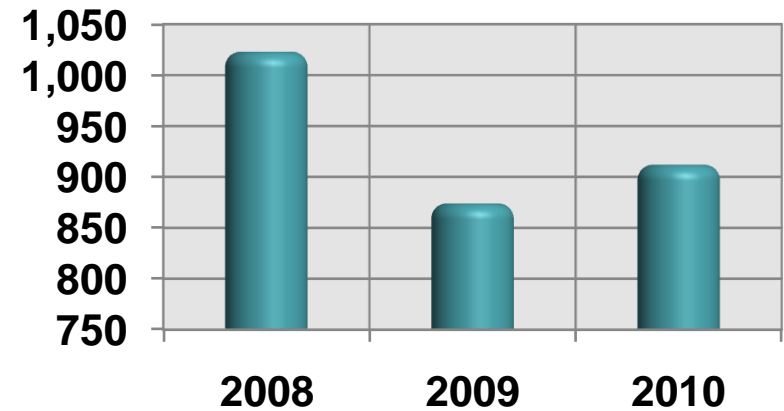


Key Ratios

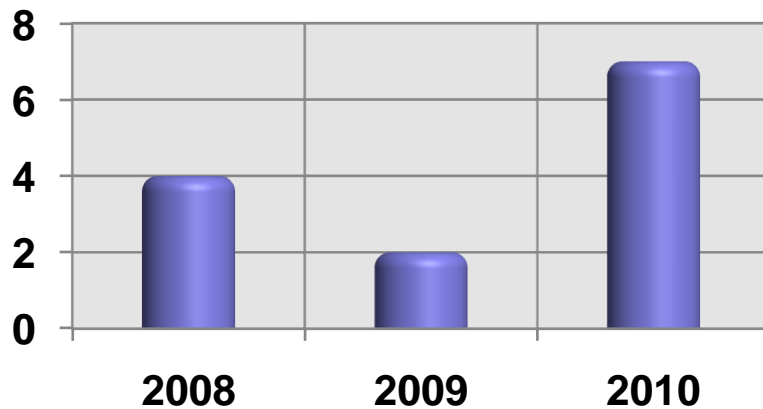
RONA %



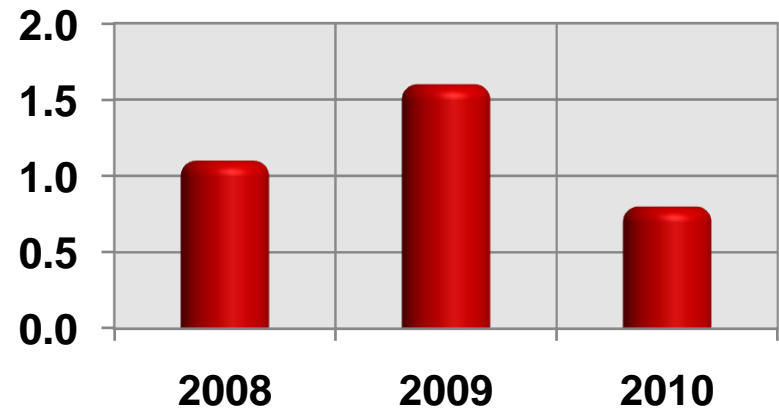
NAV per Share cents



Interest Cover X



Net debt:EBITDA X



OPERATIONAL REVIEW

Segmentation

Rm	Revenue		Trading profit*		Margin %	
	2009	2010	2009	2010	2009	2010
Metals and Glass	5 967	5 789	726	758	12.2	13.1
Paper and Flexibles	8 502	7 772	82	245	1.0	3.2
Plastics	3 583	3 410	277	253	7.7	7.4
Tissue	1 533	1 575	158	184	10.3	11.7
Other			49	103		
	19 585	18 546	1 128	1 543	5.8	8.3

* Operating profit before abnormal items

Metals & Glass

Rm	Revenue		Trading profit		Margin %	
	2009	2010	2009	2010	2009	2010
South Africa	5 350	5 263	737	743	13.8	14.1
Rest of Africa	617	526	11	15	1.8	2.9
	5 967	5 789	726	758	12.2	13.1

- Beverage can volumes down 6%
- Food can volumes down 12%
- Paint, polish and aerosol cans up
- Good performance from Nampak Wiegand Glass
- Kenya and Nigeria performed well
- Start-up costs of R15m in Angola

Paper and Flexibles

Rm	Revenue		Trading profit		Margin %	
	2009	2010	2009	2010	2009	2010
South Africa	4 399	4 313	237	59	5.4	1.4
Rest of Africa	786	688	78	68	9.9	9.9
Europe	3 317	2 771	77	118	2.3	4.3
	8 502	7 772	82	245	1.0	3.2

- Turnaround in Corrugated
- Weak demand for folding cartons
- Improvement at Flexibles – exit from loss-making Flexpak and Foam
- Excellent result from Nigeria offset by poor performance in Zambia
- Turnaround at Leeds

	Revenue		Trading profit		Margin %	
Rm	2009	2010	2009	2010	2009	2010
South Africa	2 075	2 142	184	152	8.9	7.1
Europe	1 508	1 268	93	101	6.2	8.0
	3 583	3 410	277	253	7.7	7.4

- Marginal growth of milk and juice bottles in South Africa
- Good demand for crates
- Lower PET bottle sales
- Loss in Tubes & Tubs
- Europe sales affected by liquidation of major customer
- Europe profit improvement programme

Rm	Revenue		Trading profit		Margin %	
	2009	2010	2009	2010	2009	2010
South Africa	1 533	1 575	158	184	10.3	11.7

- Toilet tissue volumes down
- 2-ply expansion – R80m
- Diaper volumes under pressure
- Good cost management
- Improved profitability in Sancell joint venture

Geographical Segmentation

Rm	Revenue		Trading profit*		Margin %	
	2009	2010	2009	2010	2009	2010
South Africa	13 357	13 293	842	1 138	6.3	8.6
Rest of Africa	1 403	1 214	67	83	4.8	6.8
Europe	4 825	4 039	170	219	3.5	5.4
Other			49	103		
	19 585	18 546	1 128	1 543	5.8	8.3

* Operating profit before abnormal items

Rest of Africa and Europe in Local Currency

		Revenue		Trading profit*	
		2009	2010	2009	2010
Rest of Africa	\$m	154.2	162.6	6.7	11.1
	Rm	1 403	1 214	67	83
	inc fees earned offshore			99	120

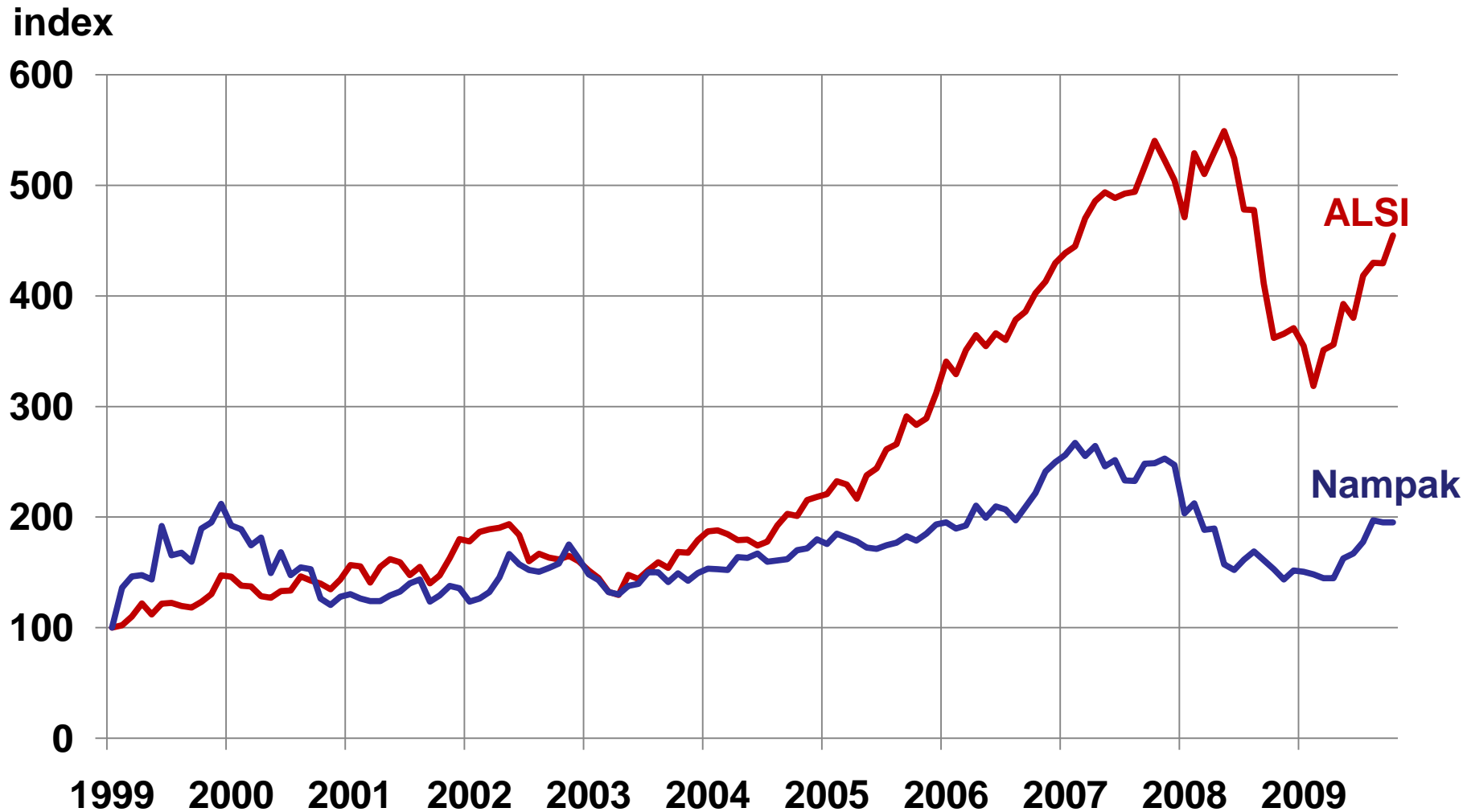
Europe	£m	345.5	347.2	12.1	18.9
	Rm	4 825	4 039	170	219

* Operating profit before abnormal items

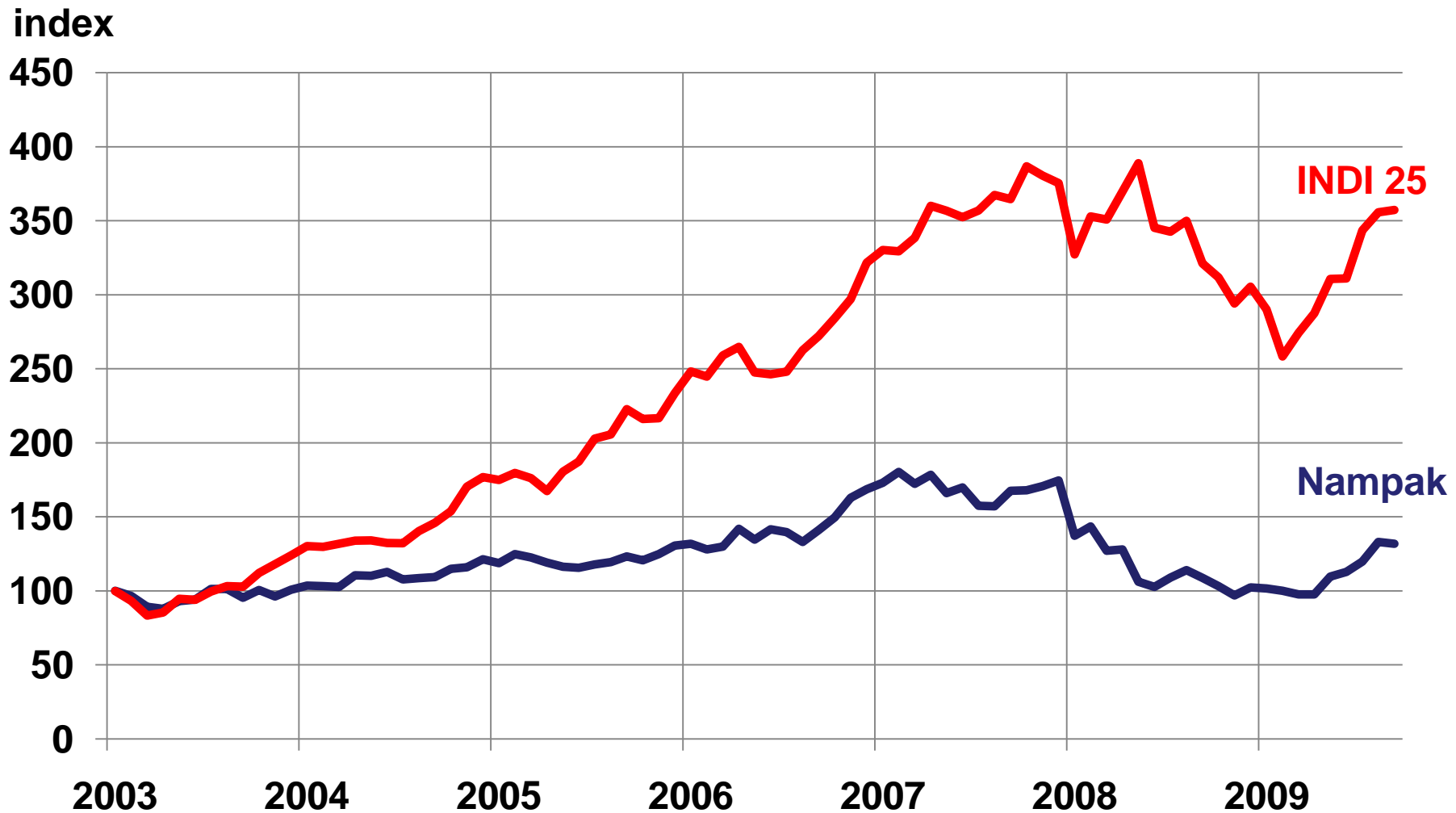
STRATEGIC UPDATE

- **Nampak position in January 2009**
- **March 2009 strategic review**
- **November 2010 strategic update**
- **Outlook**

Nampak vs Alsi



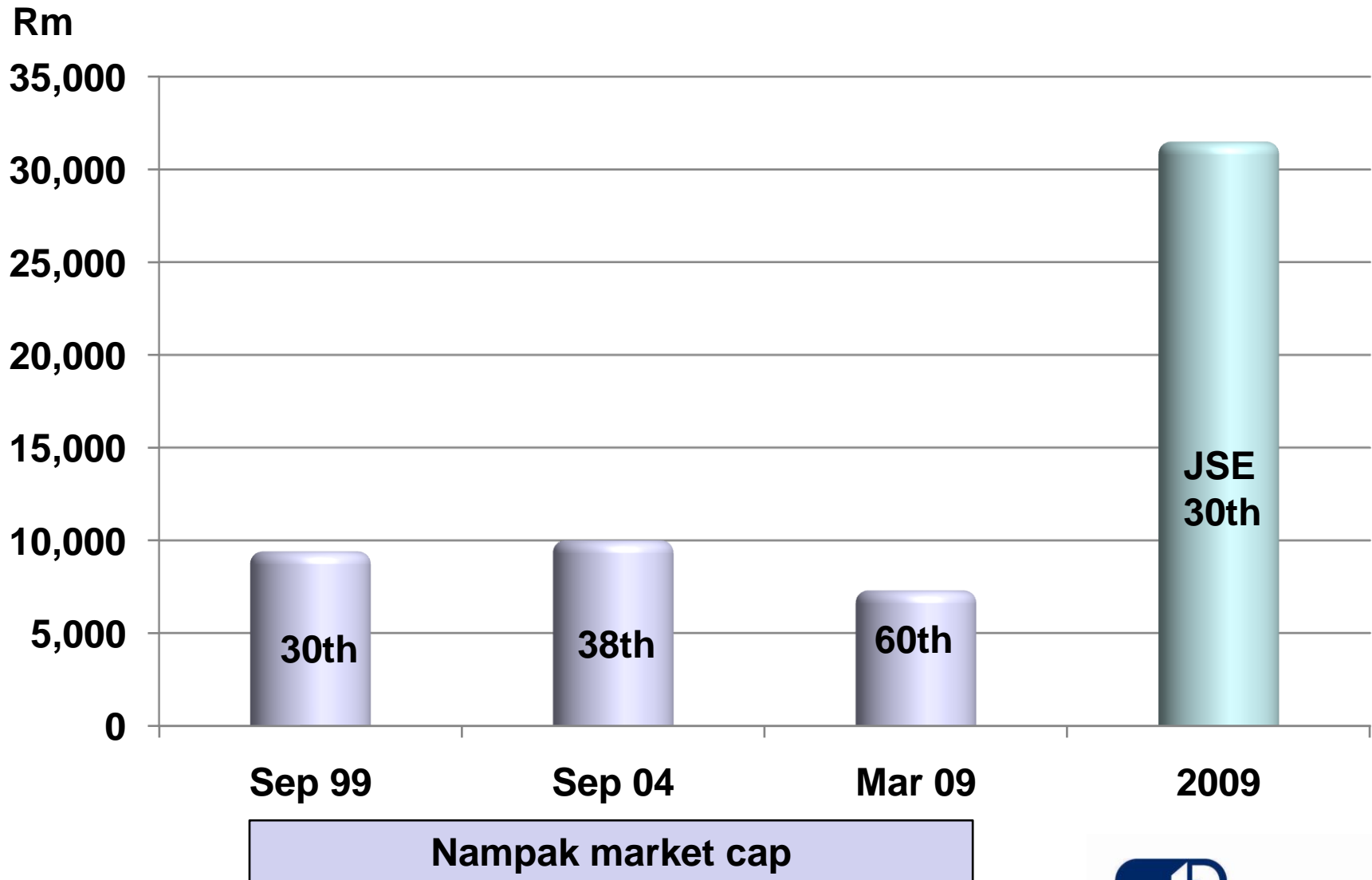
Nampak vs INDI 25



Media Perception in 2009

- “Nampak never fails to disappoint, it always disappoints”,
Moneyweb October 2009
- “If there was a prize for disappointing, Nampak would be right up there”, **Moneyweb October 2009**
- “The perpetually underperforming packaging company, Nampak”,
Sunday Times, November 2009

Market Cap Ranking



March 2009 Strategic Review

- **80% of businesses were profitable**
- **20% were underperforming**
- **High capex – R1.4bn on underperformers**
- **High debt – peaked at R3.9bn**
- **Lack of operational focus**
- **Underperforming share price**
- **Poor investor perceptions**
- **Costs too high – especially head office**

- **80% of Nampak operations are profitable and have sustainable competitive advantages in markets in which they operate**
- **Need to grow these core businesses**

New Range of Beverage Cans



Angola



2-Piece Food Can Expansion



DivFood Aluminium Cans



Shaped Aerosol Cans



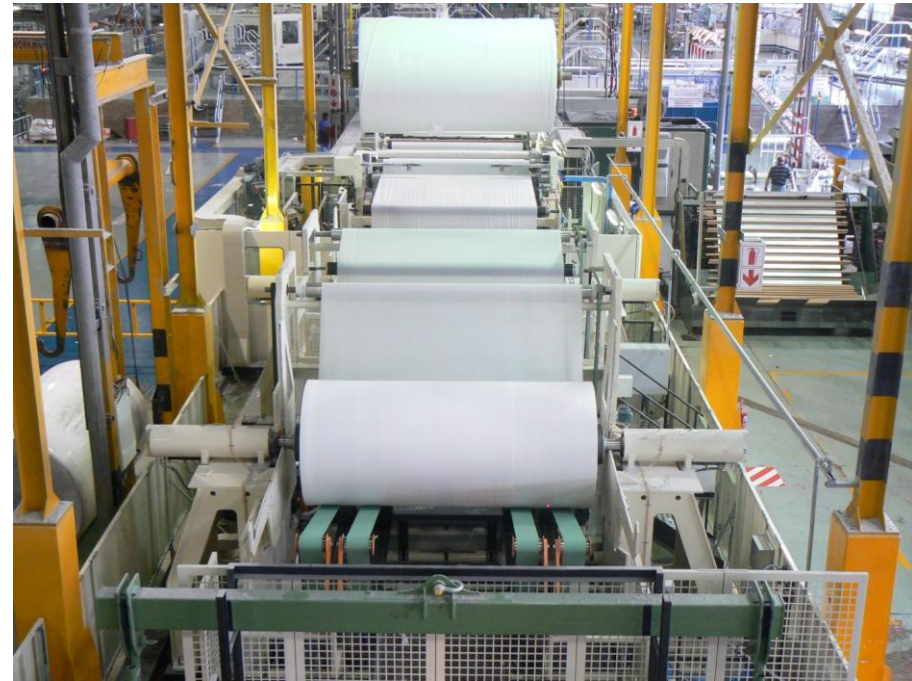
Range of New Aerosol Cans



Glass Cullet Project



2-ply Tissue Expansion



Twinsaver Luxury



Tena Range



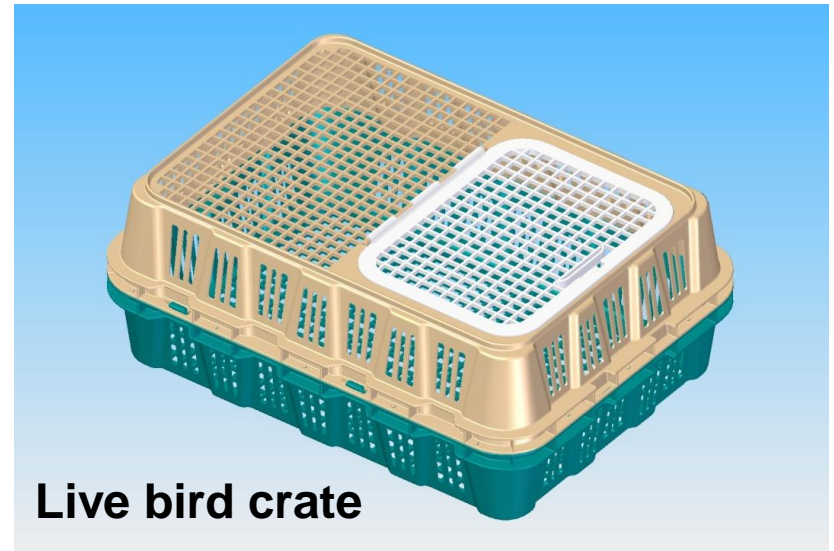
New Crates and Bottles for Heineken



New Crates



Collapsible crate

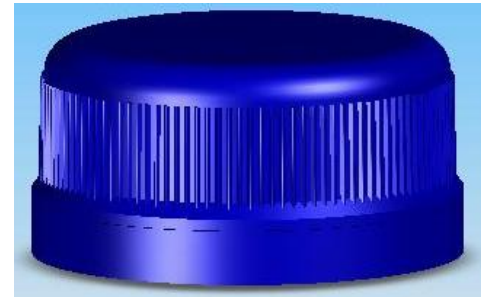
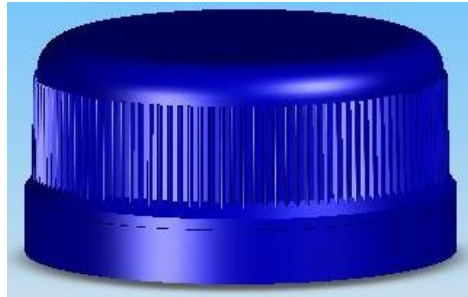
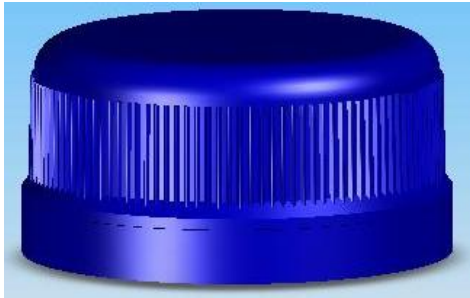


Live bird crate



Crates for SAB Botswana and Lesotho

Super Shorty Beverage Closure



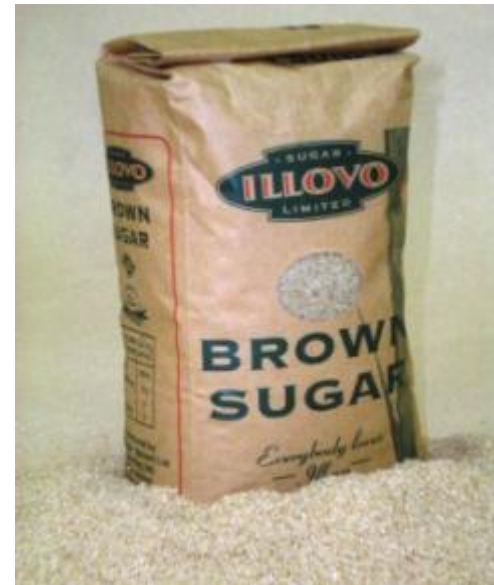
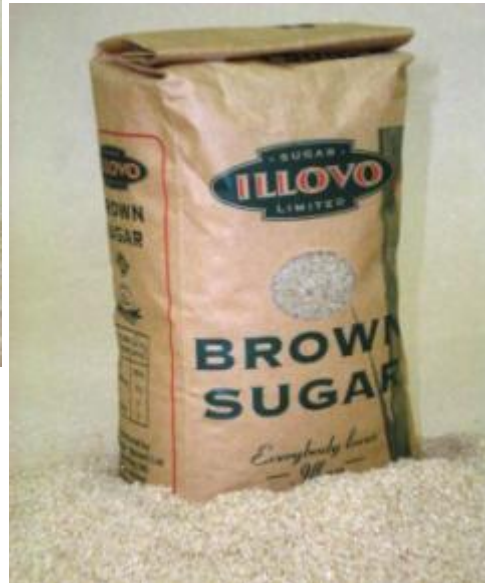
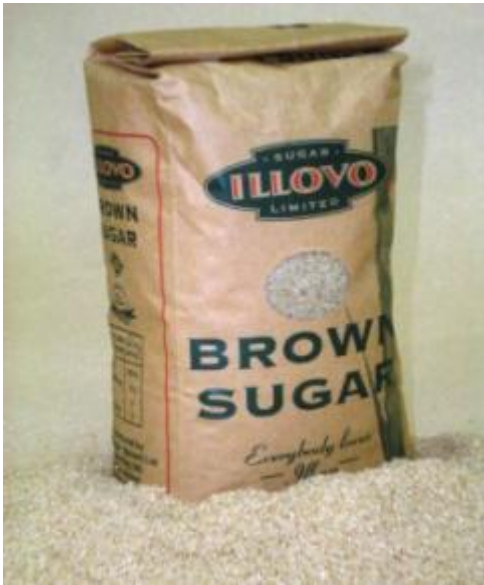
Rice Packaging for SPAR



Innovative Corrugated Boxes



Sugar Bags for Zambia



New Packs from Cartons & Labels



New Flexible Packaging



Long-Life Milk Bottles



New Business in Nigeria



Beer Labels in Zambia



Dale Farm Dairy In-Plant: Northern Ireland



Strategic Update

- 80% of Nampak operations are profitable and have sustainable competitive advantages in markets in which they operate
- Need to grow these core businesses
- **20% of Nampak operations are loss-making or earning returns less than hurdle rates, have been in this position for a number of years and have no sustainable competitive advantages**
- **Need to fix/sell/close these operations**

- **Corrugated – loss of R242m in 2009, loss of R63m in 2010**
- **Leeds – loss of £2.2m in 2009, profit of £1.4m in 2010**

more to be done

Foam

Flexpak

Redibox

Disaki

Carmoc Mozambique

L & CP

Containers

Tubs

Interpak Books

Renewal of Cautionary Announcement

Shareholders are referred to the cautionary announcement published on 4 October 2010 when the company advised that it was in discussions which, if successfully concluded, could have an effect on the price of the company's securities.

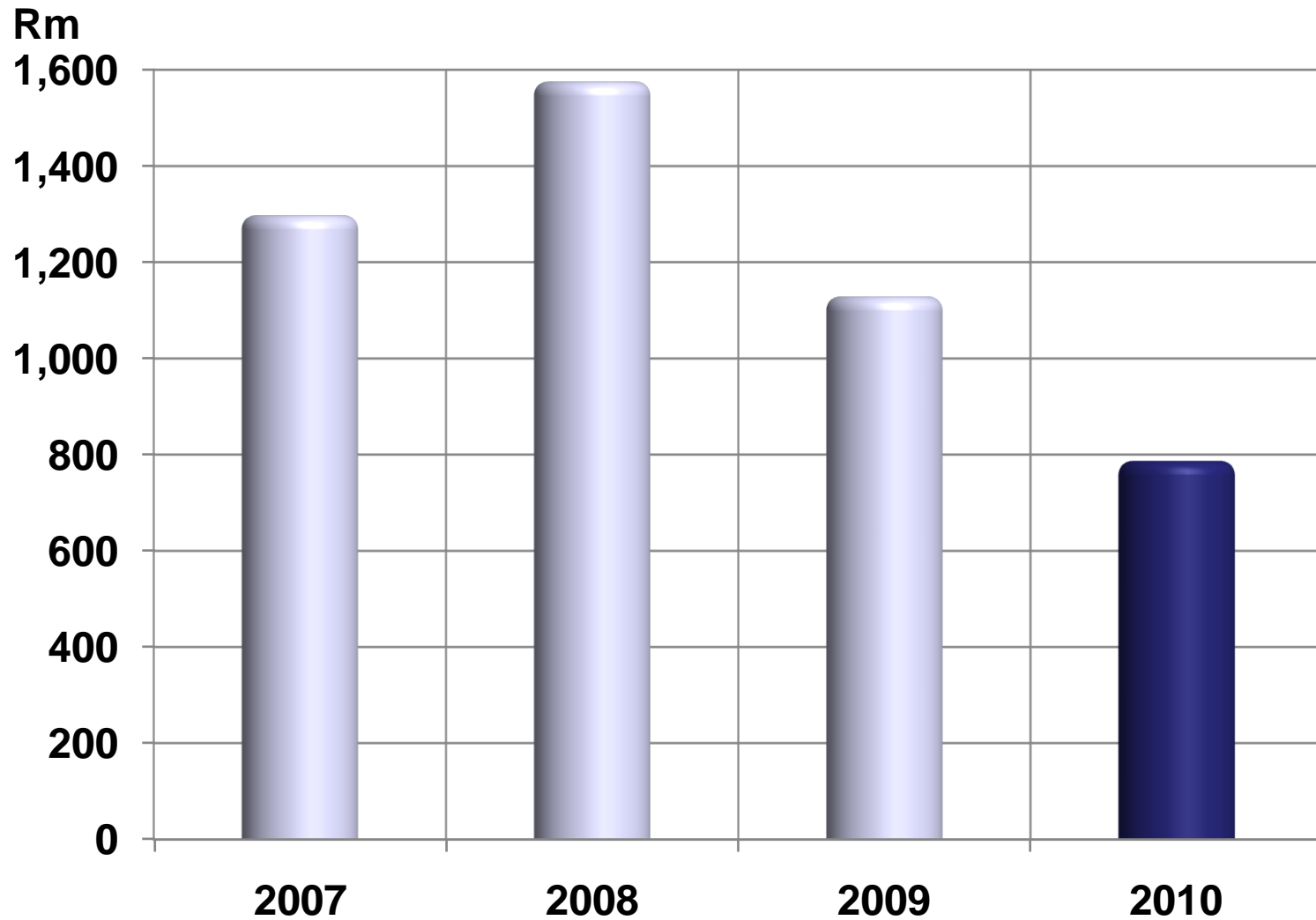
Shareholders are advised that discussions are at an advanced stage in regard to the sale of the company's Cartons and Healthcare businesses in Europe.

Accordingly, shareholders are advised to continue to exercise caution when dealing in the company's securities until a further announcement is made.

Strategic Update

- 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
- Need to fix/sell/close these operations
- **Very high capex**

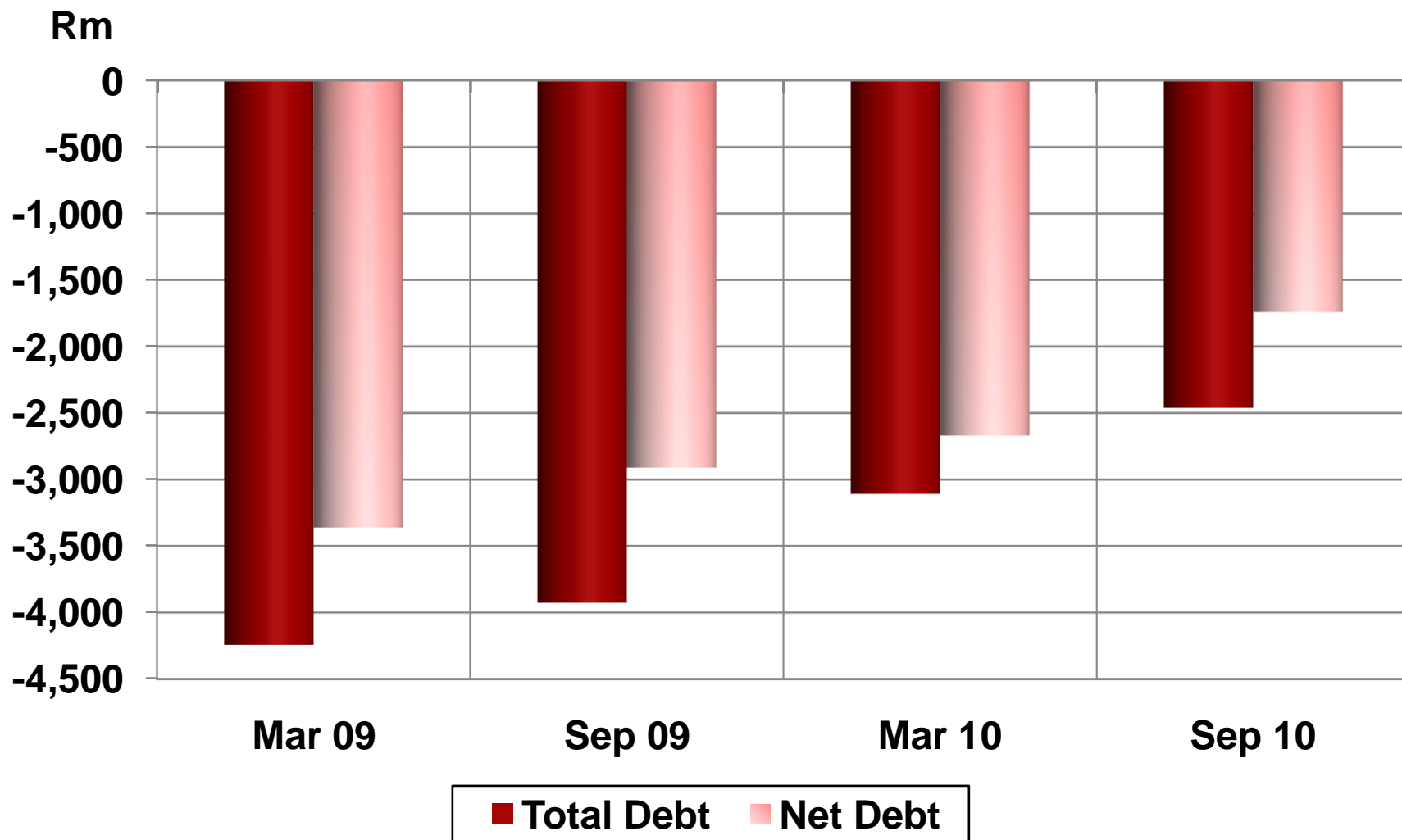
Total Group Capex



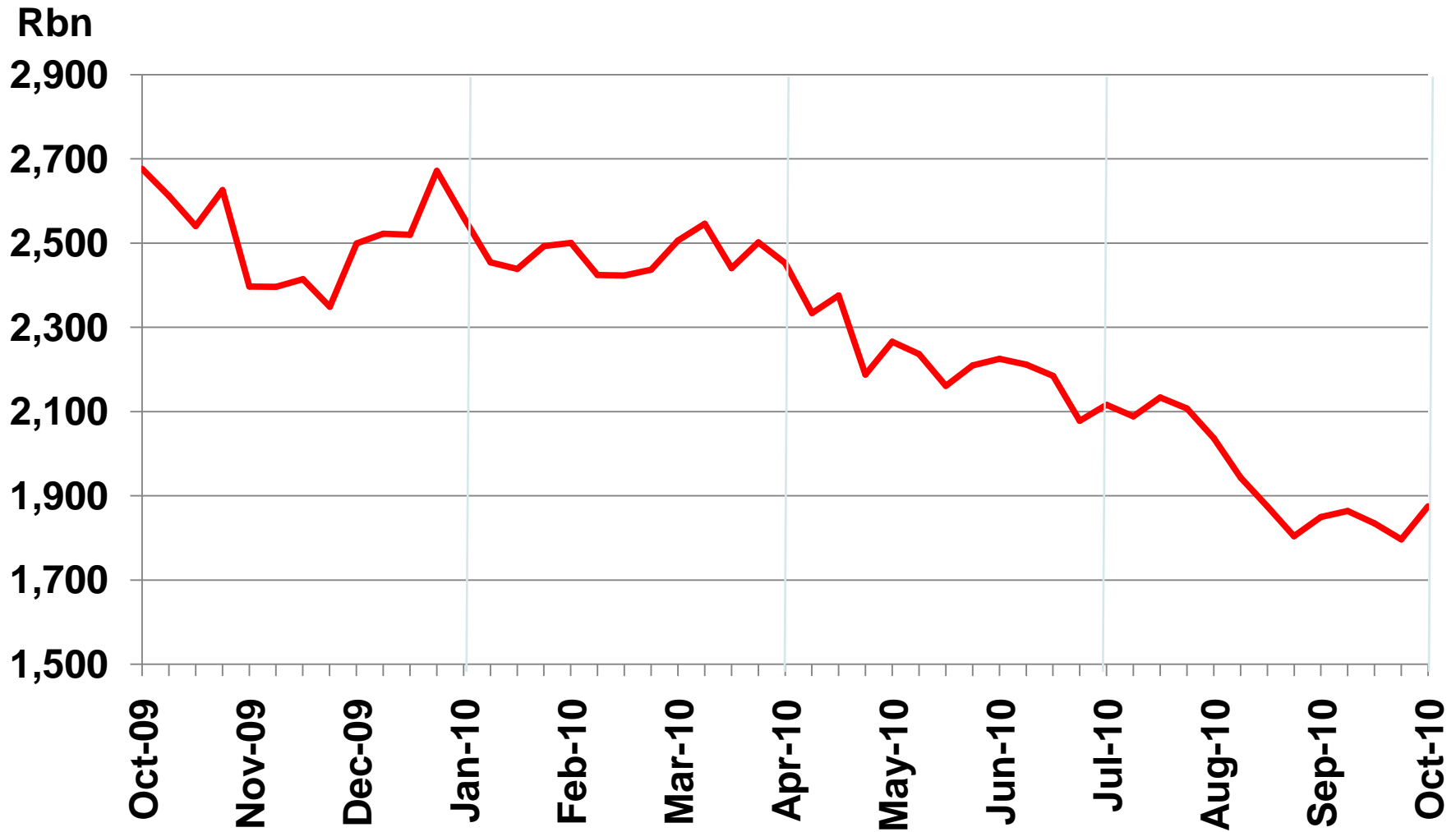
Strategic Review

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- 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
- Need to fix/sell/close these operations
- Very high capex
- **High debt levels**

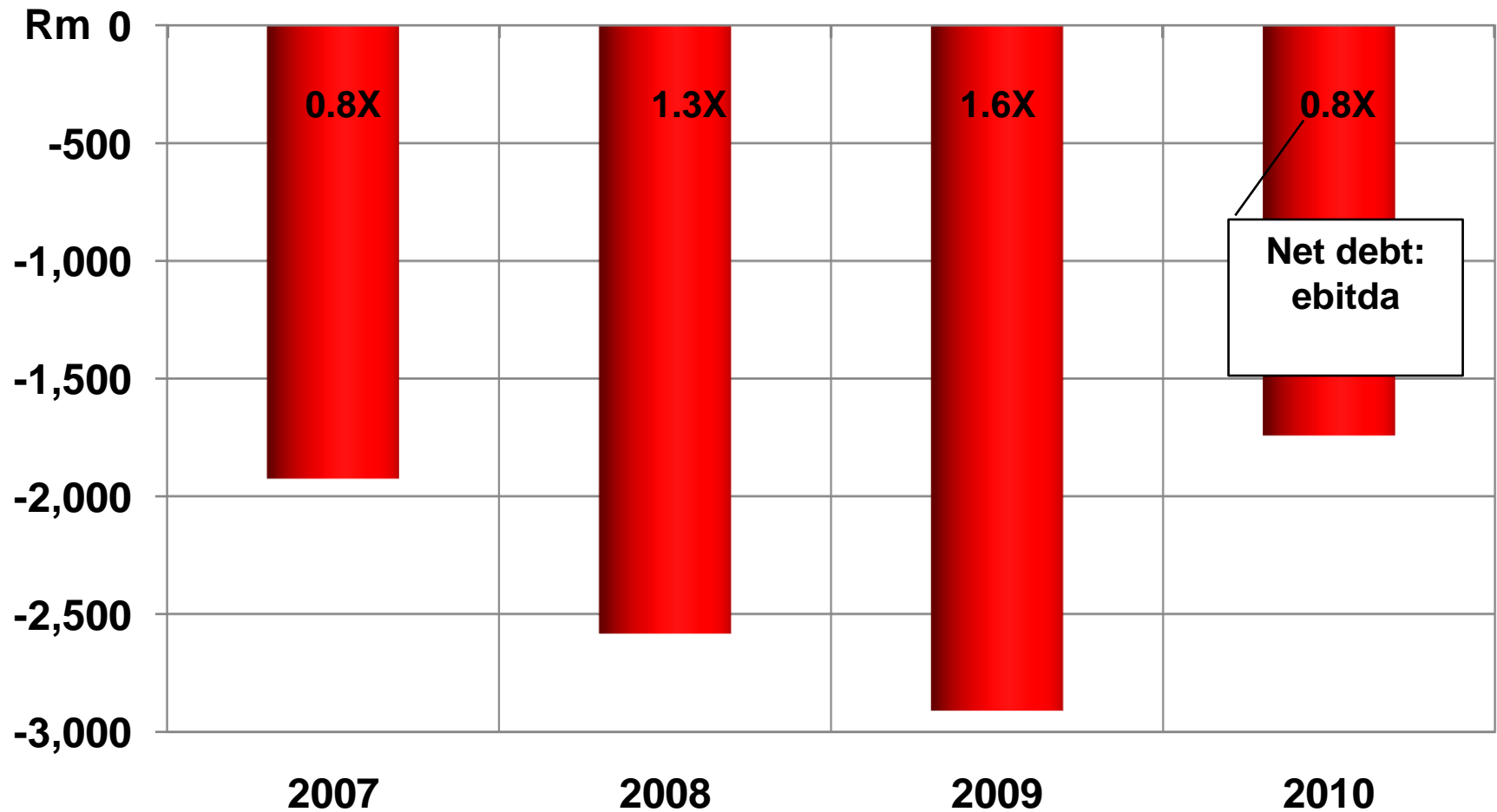
Debt



Trend in Net Borrowings



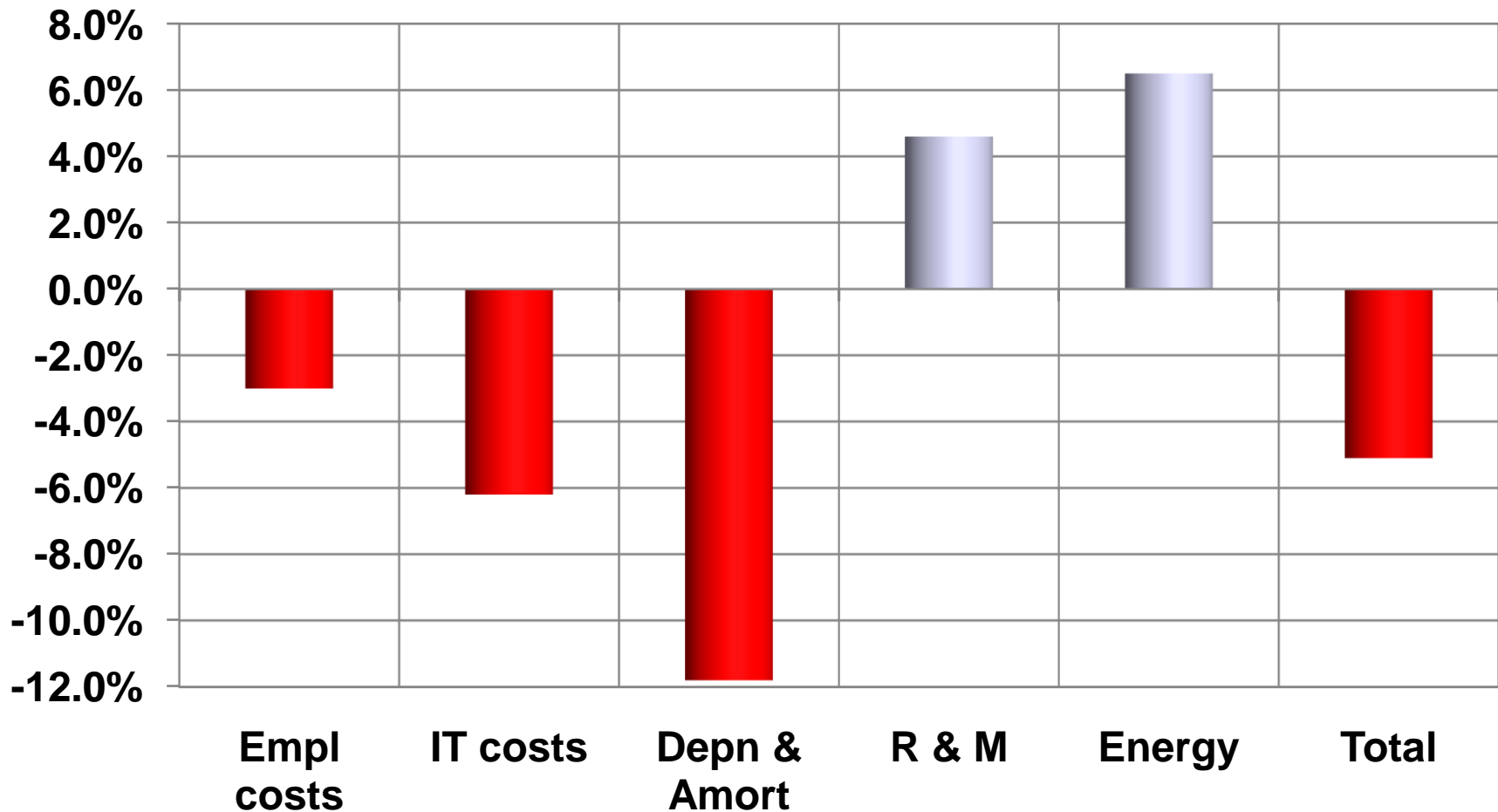
Net Debt



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
- Need to fix/sell/close these operations
- Very high capex
- High debt levels
- **High overhead costs**

Overhead Costs (change on 2009)

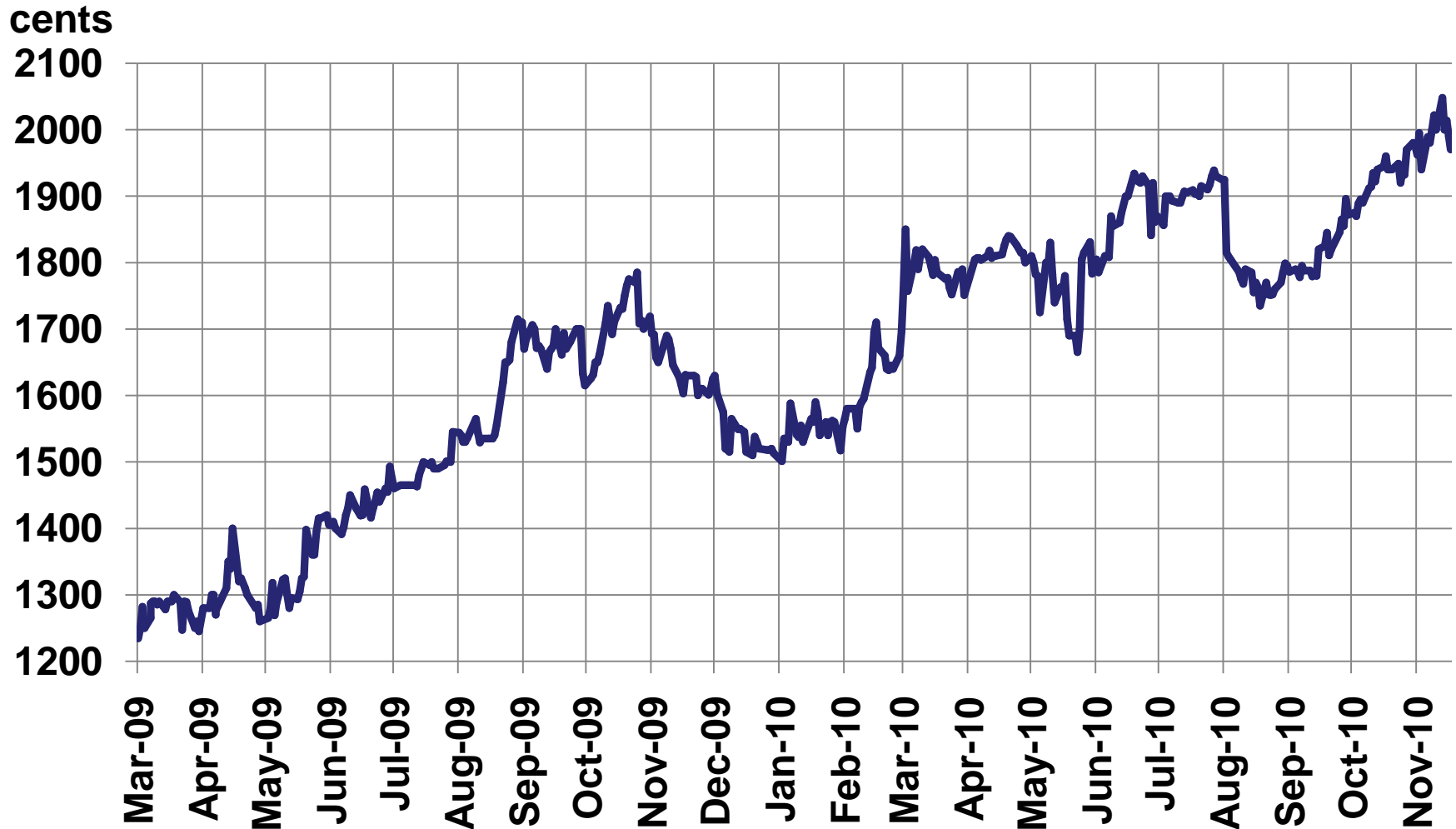


- **Improve Empowerdex rating from level 6 to level 5 by end 2010
and to level 4 by end 2011**
- **Level 4 rating achieved in mid 2010**

2010 Achievements

- **Operating profit up 126%**
- **Trading margin improved from 5.8% to 8.3%**
- **Sale/closure of under-performers**
- **Turnaround of Corrugated and Leeds**
- **RONA increased from 6% to 15%**
- **HEPS up 79% and EPS up 303%**
- **Net debt and gearing down**
- **Dividend increased by 98% to 83 cents per share**

Nampak Share Price



Media Perceptions 2010

- “Following years of operational and management challenges, Nampak appears to have turned the corner”, **Business Day Investors Monthly, August 2010**
- “This share has disappointed in recent years because the earnings growth has been anaemic and inconsistent. The company has been run by a new management team for almost 19 months and has a rejuvenated board. It could now produce stronger long-term returns”, **Financial Mail, October 2010**

OUTLOOK

Nampak Strategy

- **Focus and invest in core divisions where we have a sustainable competitive advantage**
- **Continue with disposal of divisions with no competitive advantage**
- **Develop opportunities in core operations in South Africa, rest of Africa and Europe**
- **Ongoing focus on working capital and capex to reduce debt and improve dividend yield**

Overall aim is to:

- *deliver a more focused group, that is:*
 - *more profitable*
 - *has improved margins and RONA*
 - *with significantly reduced debt, and*
 - *a higher dividend yield*

THANK YOU

Disclaimer

We may make statements that are not historical facts and relate to analyses and other information based on forecasts of future results and estimates of amounts not yet determinable. These are forward-looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Words such as “believe”, “anticipate”, “expect”, “intend”, “seek”, “will”, “plan”, “could”, “may”, “endeavour” and “project” and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that predictions, forecasts, projections and other forward-looking statements will not be achieved.

If one or more of these risks materialise, or should underlying assumptions prove incorrect, actual results may be very different from those anticipated. The factors that could cause our actual results to differ materially from the plans, objectives, expectations, estimates and intentions in such forward-looking statements are discussed in each year’s annual report. Forward-looking statements apply only as of the date on which they are made, and we do not undertake other than in terms of the Listings Requirements of the JSE Limited, to update or revise any statement, whether as a result of new information, future events or otherwise. All profit forecasts published in this report are unaudited. Investors are cautioned not to place undue reliance on any forward-looking statements contained herein.