

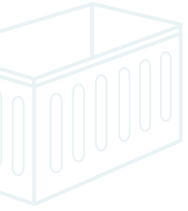
packaging solutions

a total packaging solution



Nampak Annual Report 2004





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This annual report is dedicated to Di van Breda who was instrumental in the design of this and other recent Nampak annual reports. Sadly, Di passed away in December 2004 after a long struggle against cancer.

packaging solutions

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Our strategy is to develop and cement mutually beneficial partnerships with key, targeted customers.

We achieve this by developing an intimate understanding of the customer's business and their key issues in order to offer a tailor-made proposition, with the aim of satisfying the customer's needs.

Our solutions approach helps identify where Nampak can add value by assisting and supporting customers in growing their business.

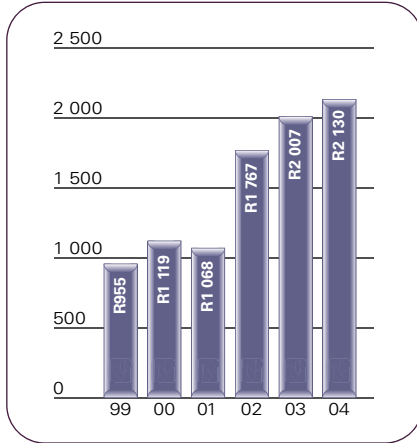
This can be done by improving efficiencies and reducing packaging and supply chain costs, optimising packaging designs and materials used, and developing packaging that provides the brand with a competitive edge or unique selling propositions.

Nampak can offer such an approach with confidence, thanks to its diversified range of packaging, and unique knowledge capability backed up by its world-class research and development facility.

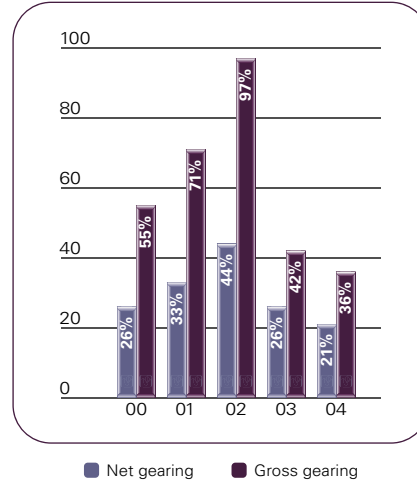
Salient features

Rm	2004	2003	% change
Income statement			
Revenue from continuing operations	17 179	17 494	(1.8)
Profit from continuing operations	1 524	1 692	(9.9)
Operating margin	8.9%	9.7%	
Net profit	967	904	7.0
Headline earnings per share	146.1c	145.4c	0.5
Dividend per share	83.6c	69.7c	20.0
Balance sheet			
Total shareholders' funds	5 432	4 948	
Total assets	11 186	11 217	
Tangible asset value per share	648c	587c	
Net borrowings	1 145	1 309	
Cash flow			
Cash generated from operations	2 130	2 007	6.1
EBITDA	2 434	2 519	(3.4)
Net gearing	21%	26%	

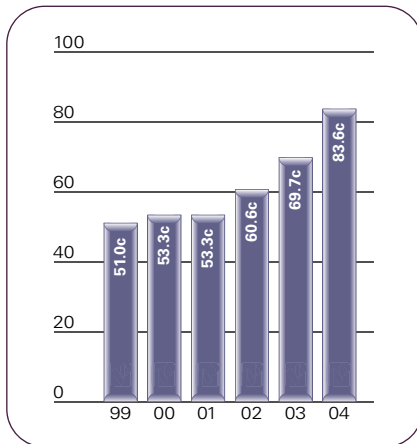
Cash generated from operations (Rm)



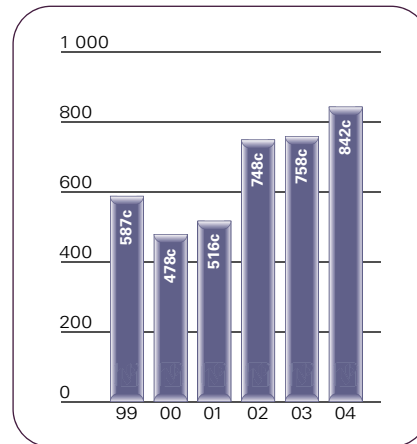
Gearing (%)



Dividends per share (cents)



NAV per share (cents)



a total packaging solution total packaging solution

Nampak is **Africa's largest and most diversified packaging manufacturer** and also has operations in several countries in Europe.

- **South Africa**

In South Africa, Nampak operates from 110 sites and **offers the widest product range** of any packaging company in the world, providing customers with **a total solution to their packaging needs**. Support is provided by group marketing and our world-class research and development facility in Cape Town.

In addition to packaging, Nampak is also the **largest manufacturer of tissue paper products** and holds a substantial share of the paper merchandising market. The group is extensively involved in collecting and recycling all types of packaging.

- **Rest of Africa**

Nampak is growing its presence on the African continent and has 19 operations in 11 countries manufacturing **a range of metal, paper and plastic packaging** products.

- **Europe**

In Europe, Nampak operates from 26 locations in eight countries. It is the **major supplier of plastic bottles** to the dairy industry in the United Kingdom and is one of the **leading manufacturers of folding cartons** in Europe with a strong position in several niche markets, including the healthcare market.

- **Corporate**

The corporate office based in Sandton, South Africa provides strategic direction and administers overall control of the group.

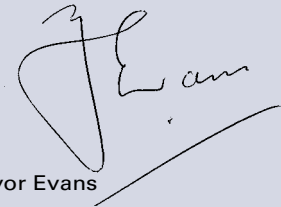


South Africa celebrated ten years of democracy. It has been a year in which most South Africans are proud of what has been achieved.

INTRODUCTION In April this year, South Africa celebrated ten years of democracy. It has been a year in which most South Africans are proud of what has been achieved. It has also been a year with some encouraging signs in the South African economy, GDP growth is expected to be at least 3% with PPI and CPI both around the 2% level at year-end. More importantly, we are seeing rapid growth in the middle income sector of society which has resulted in healthy demand for home loans, new cars and a wide variety of semi-durable goods and services.

Unfortunately for the packaging industry, expenditure on non-durable items is declining as a percentage of private consumption expenditure. This does not mean the industry is not growing but overall growth is fairly pedestrian at this stage. Some niche sectors are growing exceptionally well and certain Nampak businesses have enjoyed very good growth, for example Petpak, Liquid Packaging and Bevcap. Overall, Nampak's South African businesses have experienced less than 1% volume growth.

In the South African businesses, potential growth has been diluted by a number of other factors. Firstly, in Bevcan, one of our major divisions, the beverage can continues to lose market share against other packaging, notably glass and PET. Secondly, the strong rand has resulted in a decline in the level of direct and indirect exports. Thirdly, in the Glass division, where we have now operationally recovered from the fire of last year, we have not regained our market position prior to the fire. In Europe and the rest of Africa, volume growth has been very much in line with expectations.



Trevor Evans
Chairman



We are seeing a rapid growth in the middle income sector of society.

Since last year, a number of actions were taken in the South African businesses to compensate for the effect of the strong rand. However, the currency was a lot stronger than expected for the duration of the year and this has again had a marked effect on the performance of the group. Besides the loss of volume growth in direct and indirect exports, the strong rand has also resulted in growth in imported products. This set of circumstances has placed huge pressure on margins. The strong rand has also affected translated profits from our European businesses.

OVERVIEW OF RESULTS Turnover of continuing businesses declined by 1.8% and operating profit before abnormal items declined by 9.9%. Finance costs reduced by R104 million. The profit from the sale of NamITech, R21 million, offset by the impairment loss on the sale of the rigid plastics business in Europe, R103 million and some retrenchment and rationalisation costs made a positive contribution to attributable profit. This, together with an AC133 gain of R71 million resulted in an attributable profit of R967 million, 7% up on the previous year. The effective tax rate declined from 38.1% to 34.8% partly due to the inclusion of the NamITech profit that attracted capital gains tax

at a lower than corporate rate. Headline earnings per share were 0.5% up on last year. There was a further strengthening of the balance sheet with net gearing improving to 21%.

Cash generated by operations at R2 130 billion was similar to last year. However, R996 million was incurred on capital expenditure, which will generate benefits in the years to come.

The dividend was increased by 20% to 83.6 cents per share.

Portfolio review The sale of NamITech for a total consideration of R476 million, which was concluded last year, received approval from the Competition Tribunal and was effective from 29 February 2004.

The Diehl group was acquired for €12.4 million with effect from 11 March 2004. This acquisition will extend our capability in the European healthcare information leaflet business.

Subsequent to year-end, the European Short Run plastics business was sold for £23 million on 30 October 2004. Whilst this transaction is marginally earnings-enhancing for the group, the deal has unlocked the opportunity to dispose of the 30 acre site in Woburn Sands. The combined transactions are expected to be earnings-positive for the group and result in lower offshore gearing and more focus on the core businesses.

BLACK ECONOMIC EMPOWERMENT During the year a comprehensive BEE charter was adopted by the board covering all seven factors laid out by the Department of Trade and Industry.

The group was given a BBB rating by Empowerdex. This rating recognises Nampak as a "satisfactory broad-based empowerment contributor". This rating follows a comprehensive audit of the South African operations and reflected high scores in the areas of social and skills development, employment equity and enterprise development.

Further progress was made developing the BEE equity model and identifying appropriate partners.

SHAREHOLDING Of the approximately 641 million shares in issue at the end of our financial year, Allan Gray, Remgro and Sanlam between them held almost 50% of the total. Our top 20 shareholders held almost 80% of the shares.

SOCIAL RESPONSIBILITY AND

SUSTAINABILITY The group allocates 1% of its global after-tax profits to social programmes and in the past year this amounted to some R8 million with the largest portion being spent on education followed by health and welfare and the environment.

Nampak closely identifies with the concept of sustainable development and is a participant in the SRI Index on the JSE Securities Exchange South Africa.

Full details of the group's corporate social investment and sustainability programmes are covered in the sustainability report on pages 48 to 55.

CORPORATE GOVERNANCE The board is comprised of 14 directors, nine non-executive directors and five executive directors.

Of the nine non-executive directors, eight are independent. I will be regarded as independent on 1 October 2006 and in the interim the board is satisfied there is sufficient independence on the board.

During the year a comprehensive board evaluation was conducted by ENF Corporate Governance. In general, the board was perceived as performing its duties well, with suggestions that more time be devoted to the strategic issues facing the group, and also the further development of race and gender issues. Clearly, these items will be addressed in the years ahead.

A comprehensive report on the group's corporate governance can be found on pages 56 to 63 of this report.



Trevor Evans and Nelson Mandela at the opening of the Dan Tloome primary school at Potchefstroom

PROSPECTS In the year ahead an improvement in operating performance from all three geographic regions is expected.

However, this will be impacted by increased IT costs in South Africa and likely further rationalisation of our folding carton capacity in the UK.

The AC133 profit included in 2004 is unlikely to be repeated in 2005.

These factors together with the assumption of continued rand strength will make it challenging to deliver an improvement in headline earnings in 2005.

APPRECIATION After the successful conclusion of the sale of NamITech, Rex Tomlinson decided not to remain with Nampak and has since taken up a senior position in a listed financial institution. His contribution to the Nampak group and to the board over many years is appreciated and I wish him every success in his new career.

John Monks, having reached Nampak's retirement age, resigned from the board at the end of September and will retire from the group in December 2004 after some 46 years' service to the industry. John was the CEO of Malbak Limited prior

to its acquisition by Nampak and I thank him for his contribution towards the successful merger of the two groups and for his efforts in managing and growing our businesses in Europe. I wish him a restful and happy retirement.

The past year has not been an easy one and I thank John Bortolan, his executive team and all Nampak employees for so capably facing up to the many challenges.

I thank the non-executive directors for their wise counsel and for their contributions to the various sub-committees of the board.

I express special gratitude to our shareholders, customers and suppliers for their valuable support.

Trevor Evans

Chairman

25 November 2004



Invested in an extremely wide range of complementary packaging technologies, Nampak’s vast portfolio of products includes:

Metals and Glass

africa

Nampak is the sole beverage can manufacturer in sub-Saharan Africa. We also produce two and three piece tinplate food cans, as well as general line cans used for industrial and household products. We manufacture metal ends, crowns and closures. In aerosols we manufacture both monobloc aluminium and tinplate containers. Customer designed decorative tinware, used primarily for promotional purposes, completes our range of metals products. Nampak Glass manufactures a range of clear and coloured glass bottles.



Paper

africa, europe

Our broad range of leading paper-based carton packaging includes folding cartons, corrugated cartons, liquid cartons, display cartons and composite containers. We specialise in wet glue paper labels, leaflets, multiple-wall paper sacks and bags as well as paperboard cores, cones and tubes. Also manufactured from paper is a range of speciality coated papers and industrial packing materials. Non-packaging paper products include a range of printed books and diaries, tissue products and paper merchandising.



Rigid Plastics

africa, europe

Nampak's rigid plastic offering includes PET and HDPE bottles used for packaging beverages and other liquid products, blow-moulded drums and injection-moulded HDPE crates and trays as well as injection-moulded polypropylene containers. Our range of quality tubes includes decorative plastic tubes and high-barrier laminated tubes used in a wide variety of cosmetic, toiletry and personal care markets. Also manufactured in plastic is a range of beverage and specialised closures.



Flexible Plastics

africa

The clear market leader in flexible packaging in South Africa, Nampak manufactures reels, pouches and bags in any form of film, paper or foil combination. Specialities include liquid bags, medical packaging, stand-up pouches and aluminium foil conversions. We also produce a wide range of extruded and co-extruded films, as well as woven flexible intermediate bulk containers. Retail bags in a variety of formats complete our product offering.





non-executive directors

1. PETER CAMPBELL (67)

CA(SA), AMP Harvard

Was formerly deputy chairman of Nampak Limited, a position from which he retired in 1997. Chairman of Nampak's audit committee and chairman of Hudaco Industries Ltd and Pangbourne Properties Ltd and is a non-executive director of Crookes Brothers Ltd and Delta Electrical Industries, is a member of the audit committee of all of these companies. Appointed to the board in 1984.

2. BRIAN CONNELLAN (64)

CA(SA)

Retired as executive chairman of Nampak Limited in 2000, a position he held since 1990, and as chairman in 2001.

Director of ABSA Group Limited, Illovo Sugar Limited, Oceana Group Limited, Reunert Limited, Tiger Brands Limited and Sasol Limited. Past councillor of SA Foundation, Corporate Forum and Institute of Directors and contributor to King I and King II on Corporate Governance.

Appointed to the board in 1988.

3. TREVOR EVANS (59)

BSc (Rhodes), SEP (Stanford)

Non-executive chairman. Non-executive director of Standard Bank. He was appointed chairman and chief executive officer of Nampak in 2000 and executive chairman of the group in 2001.

He joined the group in 1967 and became group managing director in 1992. President of the Plastics Federation of South Africa from 1989 to 1991 and a governor of Rhodes University since 2000.

He was recognised by the Plastics Federation of South Africa for service to the South African plastics industry with the Herman Stiegler Gold Award in 1991.

In 1992 voted "most progressive CEO in South Africa" by the Black Management Forum and in 1997 received the Packaging Achiever Award for meritorious service to the Packaging Industry. Appointed to the board in 1990.

4. D A (Buddy) HAWTON (67)

Fellow Member of the Chartered Institute of Secretaries. Chairman of Sun International Limited and Woolworths Holdings Limited. Also serves on the boards of Altron, City Lodge, Liberty Group, Standard Bank Group and Stanlib.

Appointed to the board in 1991.

5. MICHAEL KATZ (59)

BComm, LLB, LLM, LLD(h.c.)

Executive chairman Edward Nathan & Friedland (Pty) Ltd. Currently serving on the boards of numerous companies including Nedcor Limited, New Africa Investments Limited and National Housing Finance Corporation Limited. He is an honorary professor of company law at Witwatersrand University and course director of the higher diploma in company law at the same university. He is chairman of the tax advisory committee to the Minister of Finance and serves as a member of the Securities Regulation Panel. Appointed to the board in 1985.

6. KEITH MOKOAPE (57)

BSc, MM (Human Resources)

Chairman of CyberSim and of Log-Tek Engineering Solutions. He heads the black empowerment consortium, Katleho Linkages.

He is also, among others, board member of the National Business Initiative, board member of the Aerospace, Maritime and Defence Industries Association; major general responsible for the South African Army Reserve, and councillor of The University of The North.

Appointed to the board in 1998.

7. MADUKE LOT NDLOVU (53)

Vice chairman of Nedcor and previous chief executive officer of Peoples Bank Limited. His achievements as a business executive have won him many awards, directorships and trusteeships of many companies. Ndlovu, vice chairman of the Council of Technikon Witwatersrand, is non-executive chairman of Lafarge South Africa (Pty) Ltd, NestLife Assurance Corporation Limited, Vunguza Investments, St Anthony's Adult Education Centre and the Community Growth Management Company Ltd. He is a non-executive director of Mutual and Federal Insurance Company Ltd and South African National Roads Agency Ltd.



10.



11.



12.



13.



14.



15.

Retires 31 December 2004

8. M H (Thys) VISSER (50)
CA (SA)

Deputy chairman and chief executive officer of Remgro Limited. Currently serving on the boards of British American Tobacco plc, Distell Group Limited, Rainbow Chicken Limited and Unilever Bestfoods Robertsons (Pty) Limited. He is a chartered accountant who qualified with Arthur Young & Company in Cape Town before joining Rembrandt Group Limited where he held a number of positions, including financial director in 1991 and managing director in 1992. Appointed to the board in 2002.

9. ROBERT ALBERT WILLIAMS (63)
BA, LLB

Robbie Williams is currently chairman of Tiger Brands Limited and Illovo Sugar Limited. He also serves on the board of FirstRand Limited, Mutual & Federal Assurance Company Limited and Oceana Group Limited.

Appointed to the board in 1990.

executive directors

10. ROB BECKER (42)
B Acc, CA (SA), MBA

Chief financial officer. He qualified with Deloitte & Touche before joining the HL&H Group in a senior finance role and being appointed as group financial director of Robertsons Holdings in 1996.

He joined Nampak on 1st January 2003 as chief financial officer designate and on 1 October 2003 he was appointed as chief financial officer responsible for financial functions, property and treasury. He has extensive experience in corporate finance and local and offshore financial management.

Appointed to the board in 2003.

11. G E (JOHN) BORTOLAN (56)
SEP (Stanford)

Chief executive officer.

He began his career at Nampak in 1980 as the commercial director of Peters Papers, becoming its managing director in 1983. In 1986 he was appointed managing director of Nampak Tissue.

In 1990 he became a director of Nampak Limited and has held a variety of portfolios. He was appointed managing director of Nampak's South African and African businesses in 2000 and became group managing director in July 2001.

On 1st August 2003 he was made chief executive officer of the group.

Appointed to the board in 1990.

12. NEIL CUMMING (50)

MSocSci, EPD (IMD Switzerland), HDPM, Reg Industrial Psychologist

Managing director Africa region.

He was appointed managing director of the Africa region on 1st October 2003 and is responsible for the Nampak operations in South Africa and the rest of Africa.

He was previously responsible for the paper-based divisions in the group including Corrugated, Printpak, Paper Merchants and Redibox and also for the Nampak operations in the rest of Africa.

He has held positions in the sugar, chemical and packaging industries and joined the group in 1986. Appointed alternate director in 1991 and a director in 1994.

13. ALASTAIR LANG (58) (British)
CA, EDP (Columbia)

Responsible for the metal and glass based divisions in the group including Bevcan, Bevcap, Divpac, Foodcan and Glass and also for the group's operations in the rest of Africa. Joined Metal Box SA Limited in 1972 after two years with Metal Box Plc in the UK.

Between 1972 and 1985 he held several financial positions within Metal Box SA Limited before being appointed managing director of Bevcan in 1985.

Appointed to the board in 1990.

14. ANDREW MARTHINUSEN (56)

B Comm, SEP (Stanford)

Group marketing director. Responsible for marketing, exports, group research and development, public relations and environment.

He joined Nampak in October 1983 as deputy managing director of the Sacks division.

For the first 17 years at Nampak he was in an operational role, running 10 of Nampak's divisions. In 2000 he was given responsibility for group marketing, exports and group research and development and on 1st October 2003 the public relations and environment portfolios were added to his responsibility.

Appointed to the board in 1990.

15. JOHN MONKS (62) (British)

HND (Hons) London, FIOP, FIOD

Resigned on 30 September 2004 as chief executive of Nampak Europe. Previously chief operating officer, and subsequently chief executive, of Malbak Limited, a group he joined in 1990 as chief executive of, their then UK listed subsidiary, M.Y. Holdings Plc. Has been active on numerous industry committees and was a founding director of The Packaging Federation, a UK body representing the entire industry's interests to government and European opinion formers.

Appointed to the board in 2002.



The stronger Rand continued to impact on revenue and profitability.

INTRODUCTION

South Africa The past year was a difficult one for the group as the stronger rand continued to impact on revenue and profitability. Our Glass division performed poorly due to production problems following the commissioning of the new furnace.

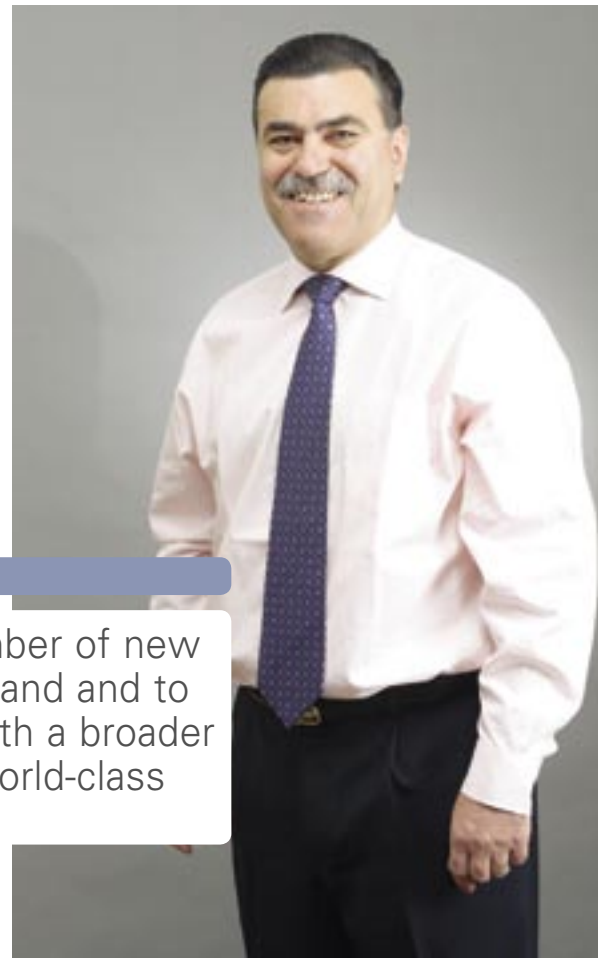
As part of our strategy to reduce costs and improve competitiveness a number of factory rationalisation and restructuring programmes were undertaken, particularly in our Flexibles and Folding Cartons divisions in KwaZulu-Natal. In addition, over R500 million was invested in new projects to meet demand in growth sectors and to provide customers with a broader range of innovative world-class packaging. The benefits of these initiatives will begin to be realised in the coming year.

Rest of Africa We continued to perform above expectations in the rest of Africa notwithstanding the contraction of the Zimbabwean economy.

Europe There was low inflation and steady economic growth in the European countries in which we operate. The packaging industry remained highly competitive and margins came under pressure. In line with our strategy, we further expanded our presence in the healthcare packaging sector with the acquisition of the Diehl group. Our underperforming general plastic container business was sold to the RPC group. The further strengthening of the rand impacted on the translation of offshore earnings.



John Bortolan
Chief executive officer



We invested in a number of new projects to meet demand and to provide customers with a broader range of innovative world-class packaging.



Geographical performance

	Revenue		Profit from operations*		Margin %		
	Rm	2004	2003	2004	2003	2004	2003
<i>Continuing operations</i>							
South Africa	11 868	11 968	1 148	1 291	9.7	10.8	
Rest of Africa	886	698	143	100	16.1	14.3	
Europe	4 882	5 262	233	301	4.8	5.7	
Intergroup eliminations	457	434					
	17 179	17 494	1 524	1 692	8.9	9.7	
<i>Discontinued operations</i>							
South Africa	316	680	38	110			
Total	17 495	18 174	1 562	1 802	8.9	9.9	

*before abnormal items



GROUP Sales from continuing operations declined by 2% to R17.2 billion as a result of the stronger rand and lower increases in the cost of raw materials. Operating profit from continuing operations declined by 10% to R1.5 billion, whilst the operating margin fell to 8.9% from 9.7% in 2003.

Performance was negatively affected by a further strengthening of the rand which resulted in pressure on export volumes and margins and encouraged imports of finished goods and packaging. Translated results from our offshore operations were also lower due to the stronger currency.

NamITech was sold during the year for R476 million at a profit on sale of R213 million. In Europe, a niche player specialising in the manufacture of medicine information leaflets for the healthcare market was acquired for €12.4 million.

Headline earnings per share improved by 0.5% to 146.1 cents. Cash generated from operations was R2.1 billion and the dividend was increased by 20%

to 83.6 cents per share. The balance sheet remains strong with net gearing improving from 26% to 21%.

South Africa The South African economy has experienced good growth in retail sales this year following several interest rate reductions and the benefit of cheaper imported goods. The main sectors which benefited from this were durable and semi-durable goods whilst non-durable goods on which much of packaging sales depend grew at a lower rate.

Overall packaging volumes are estimated to have remained almost static with strong demand from the beverage sector offset by reduced demand from agricultural, fishing and confectionery customers who were more affected by the stronger rand.

Revenue declined by almost 1% in an environment of low inflation, minimal increases on average in raw material prices and pressure to retain exports in the face of a stronger rand.



John Bortolan at the group's healthcare packaging factory at Cervia in Italy

We further expanded our presence in the European healthcare packaging sector with the acquisition of the Diehl group.



Profit from continuing operations declined by 11% to R1.15 billion as a result of several factors:

- higher-than-inflation wage increases;
- the costs of implementing the new ERP system;
- poor efficiencies in the glass packaging business following the fire last year;
- increased paper raw material costs in the Corrugated division following the expiry of a favourable long-term supply contract; and
- lost sales and lower margins of flexible packaging to confectionery customers as a result of imported finished goods.

The combined effect was a reduction in the operating margin to 9.7% from 10.8% in 2003 with the stronger rand estimated to have had an impact of some R180 million on the profits of this region.

More than R500 million was invested in new equipment for the manufacture of new products and to meet increased demand.

These included:

- a slim-line beverage can;
- an easy-open end for food cans;
- an aluminium aerosol can line;
- increased capacity for folding cartons, labels and PET bottles; and
- several innovation-based growth projects.

Rest of Africa Both revenue and operating profit were substantially higher than last year. The metals businesses all exceeded expectations with good volume growth in Kenya and Nigeria. In Zimbabwe, a lower tobacco crop resulted in lower sales of corrugated boxes but there was strong demand for plastic bottles from beverage and edible oil customers.

Profit from operations increased by 43% to R143 million with the operating margin increasing to 16.1%.

We have committed R155 million for investment in a new folding cartons factory in Nigeria which is supported by a long-term supply agreement with a major customer.

Europe The rand/sterling exchange rate strengthened from an average of R13.15 in 2003 to R11.84 in 2004 resulting in a 10% decline in rand translated profits.

Inflation remained low in most European countries and the accession of ten new states to the European Union has started to change market dynamics. Despite steady volume growth the packaging industry remained highly competitive. Sales in sterling increased by 3% to £394 million.

Sales of plastic milk bottles were lower than last year as 2003 included a higher volume of windfall

sales as a consequence of a fire at a competitor's factory which has since returned to production.

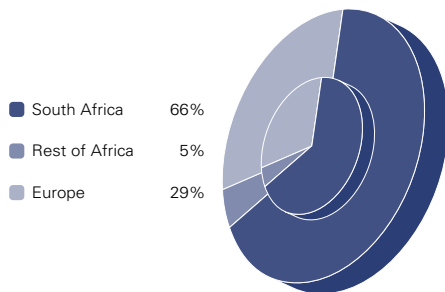
Market share was gained in folding cartons in Europe whilst in the healthcare sector the acquisition of the Diehl group in March 2004 extended our footprint to France, Luxembourg and Germany.

The industrial containers plastics business which for some time has not achieved acceptable results was sold on 30 October 2004.

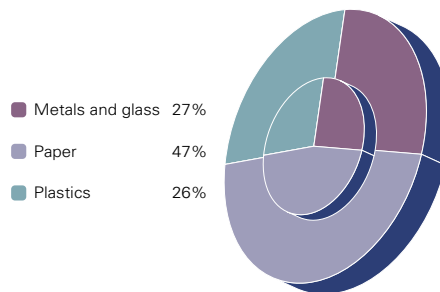
Profit from total operations declined by 27% to £15 million with the operating margin reducing to 4.8% from 5.7% in 2003 as a result of a number of one-off rationalisation costs, exceptional overtime costs and additional pension funding.

During the year over £5 million was spent on equipping the folding carton factory in Leeds with modern machinery which will enable it to improve productivity and customer service.

Geographical revenue



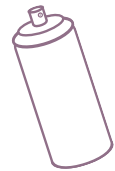
Segmental revenue





metals and glass

metals and glass

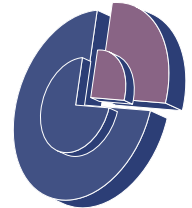
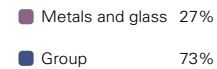




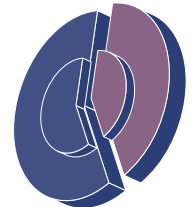
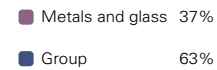
Specification	Brand name
glass products	FFWD Energy Drink 
HEIGHT	193 mm
VOLUME	250 ml
WEIGHT	220 g
INNOVATION	This glass bottle, with its narrow waist, is unique in its product category



Group revenue



Group operating profit



a market focus

Segmental performance	Revenue		Profit from operations*		Operating margin %	
	2004	2003	2004	2003	2004	2003
Rm	4 603	4 483	560	594	12.2	13.3
AFRICA	4 603	4 483	560	594	12.2	13.3

*before abnormal items

metals and glass

Africa Demand in South Africa for beverage cans for domestic consumption declined in a growing beverage market as a result of greater consumer preference for PET and glass bottles. The beverage can remains one of the most cost-effective packs for beverages but our beverage customers marketing focus on other containers and consumer preference for pet and glass bottles has impacted negatively on local can volumes. The retail price of beverage cans in the carbonated soft drinks market has been less competitive than other packs and this has also affected demand.

Exports continued to grow and contributed to maintaining overall volumes. A feasibility study is currently underway for the installation of a can manufacturing facility in Angola which is our largest export market.

An exciting new range of stylish “slimline” beverage cans was introduced to South African consumers in October 2004. There will initially be a 200 ml can size, followed by 250 ml and 275 ml early in the new year. This new range has



An exciting new range of stylish “slimline” beverage cans was introduced to South African consumers in October 2004.

stimulated the interest of customers in those sectors where the beverage can has not traditionally enjoyed any meaningful market share. Early indications have been most encouraging from customers wishing to extend their product range with this new pack.

In addition, other opportunities and innovations are being considered to refresh and enhance the image of the beverage can to ensure its competitiveness in the beverage packaging industry.

Favourable catches of pelagic fish in South African waters resulted in initial good demand for food cans but due to lower-priced protein alternatives, consumers switched away from fish with a

consequent fall in demand for cans. The strong rand negatively affected canned fruit exports from South Africa but the impact was lessened as a result of poor crops in Europe. Demand from vegetable canners was affected by lower-priced imports. The easy-open end for food cans is gaining acceptance amongst customers and is expected to be more widely marketed in the year ahead. In total, sales of food cans were approximately 8% down on last year but still well above the long-term average.

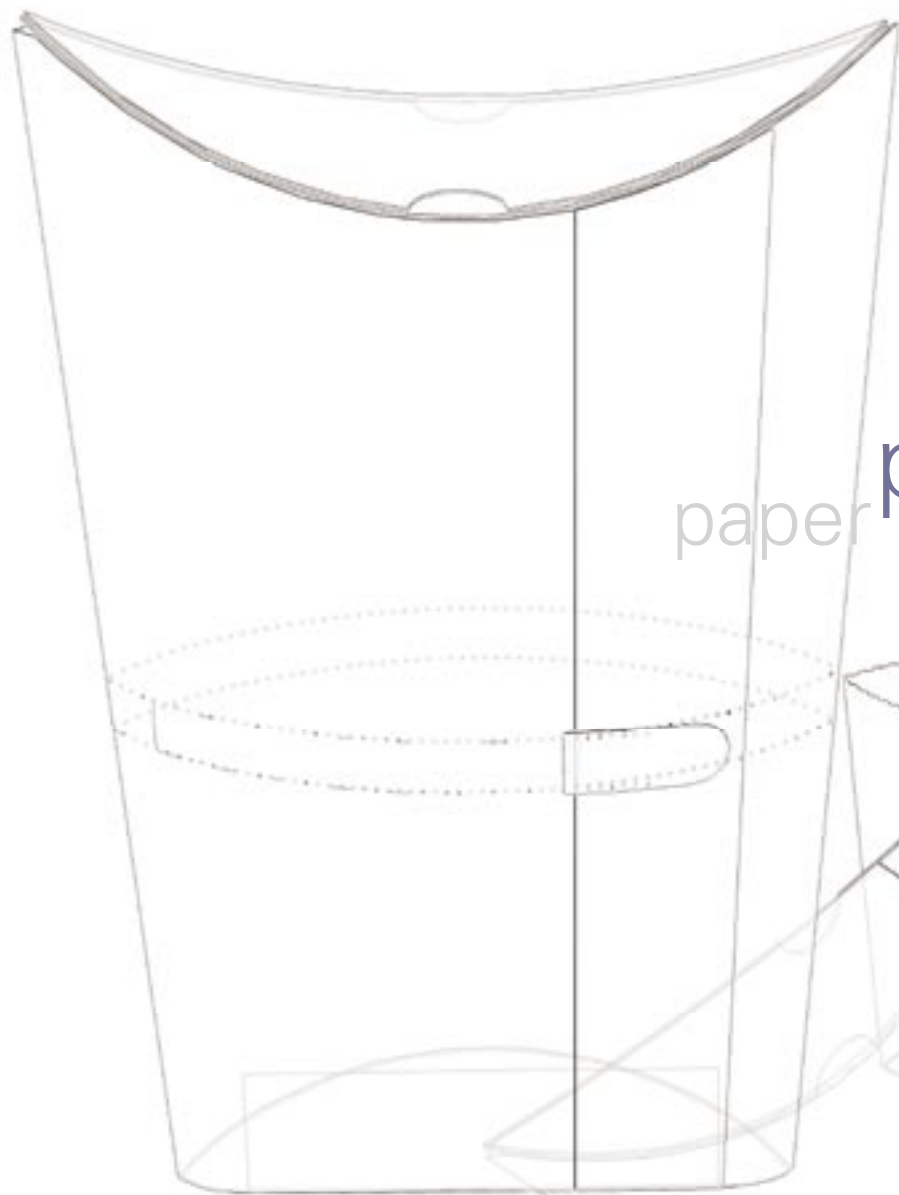
Good demand was experienced for aerosol, polish and paint cans and a new monobloc aerosol manufacturing line was commissioned in Durban at a cost of R25 million. The stronger rand, however, affected exports of aerosol products by our customers and prices had to be reduced to remain competitive.

Demand for beverage container closures was consistent with the buoyancy in the beverage market but sales of closures for food containers were affected by higher imports of finished products.

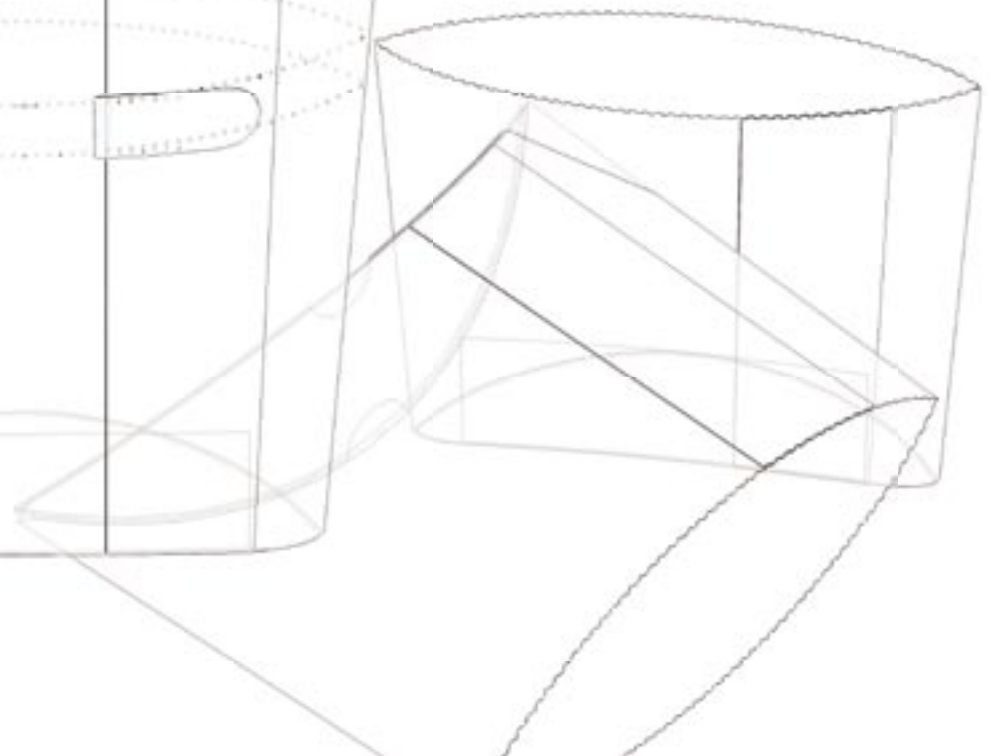
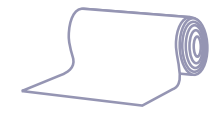
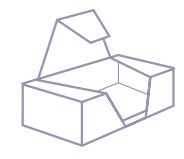
The metals businesses in the rest of Africa which produce a range of food and other non-beverage cans and crown closures all exceeded expectations with good volume growth in Kenya and Nigeria. Volumes in Zambia were not as buoyant as the previous year due to lower demand for drums from mining and petroleum customers whilst generally poor economic conditions in Zimbabwe resulted in reduced volumes.

Achieving industry-standard efficiency levels from the new glass furnace is taking longer than anticipated and, together with lost sales as a result of overstocking of imported bottles by some customers, the glass business had a significant negative impact on the performance of the Metals and Glass sector. The business has been restructured and manufacturing efficiencies are now close to the desired level and a much-improved performance is anticipated in the year ahead.





paper paper

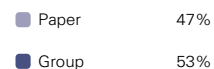




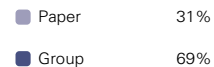
Specification	Brand name
paper products	MacDonalds Grilled Chicken Foldover Carton
HEIGHT	228 mm
MATERIAL	Imported food grade board
WEIGHT	22,48 g
INNOVATION	This carton offers consumers superb convenience for on-the-go eating



Group revenue



Group operating profit



a market focus

Segmental performance	Revenue		Profit from operations*		Operating margin %	
	<i>Rm</i>	2004	2003	2004	2003	2004
AFRICA	5 473	5 491	371	499	6.8	9.1
EUROPE	2 815	2 882	107	208	3.8	7.2
TOTAL	8 288	8 373	478	707	5.8	8.4

*before abnormal items

paper

Africa In South Africa the expiry of a favourable brown-paper supply contract, lower demand from agricultural customers and a highly-competitive corrugated box market contributed to the decline in overall profitability of the Paper sector. The corrugated division has restructured to meet these challenges.

A lower tobacco crop and the loss of some export business in Zimbabwe resulted in lower sales of corrugated boxes whilst in Zambia demand improved following better economic conditions in that country. Malawi benefited from a higher tobacco crop and better indirect export sales.

Good growth was achieved by Redibox which supplies packaging direct to the public and it expanded its footprint in South Africa by increasing to 18 the number of its outlets.

The market share of cartons and labels in South Africa was maintained although sales volumes were affected by the stronger rand and imports of confectionery. The two factories in KwaZulu-Natal were consolidated onto one site in Pinetown and



Investments in new equipment totalling more than R170 million were made for the growing demand for cartons, labels and bag-in-the-box containers.

cost savings will be realised in the year ahead.

Investments in new equipment totalling more than R170 million were made for the growing demand for cartons, labels and bag-in-the-box containers.

The stronger rand caused substantial loss of paper sack export business and, together with weak demand from domestic milling and sugar customers as well as some loss of market share, overall volumes were well down on last year. The business has been rationalised and, with improvements in operating efficiencies and lower raw material costs, a better performance is anticipated in the year ahead.

A highly competitive market and lower demand from the South African textile industry which has been impacted by lower priced imports resulted in a decline in volumes of cores and tubes. This was, however, more than offset by increased sales to the paper sector.

Interpak Books, which prints predominantly educational and other hardcover books, had a good year.

Although demand for toilet tissue improved, selling prices came under pressure from industry overcapacity, a reduction in wastepaper prices and low inflation. Some value-added products were relaunched towards the end of the year and, with better productivity and lower overhead costs, an improved performance is anticipated next year.

Despite slightly better volumes in the paper merchanting market, the stronger rand, imports and an excess supply of fine papers internationally, placed pressure on both selling prices and margins.

Europe Sales of folding cartons to the food sector in both the United Kingdom and the Continent were better than last year following gains in market

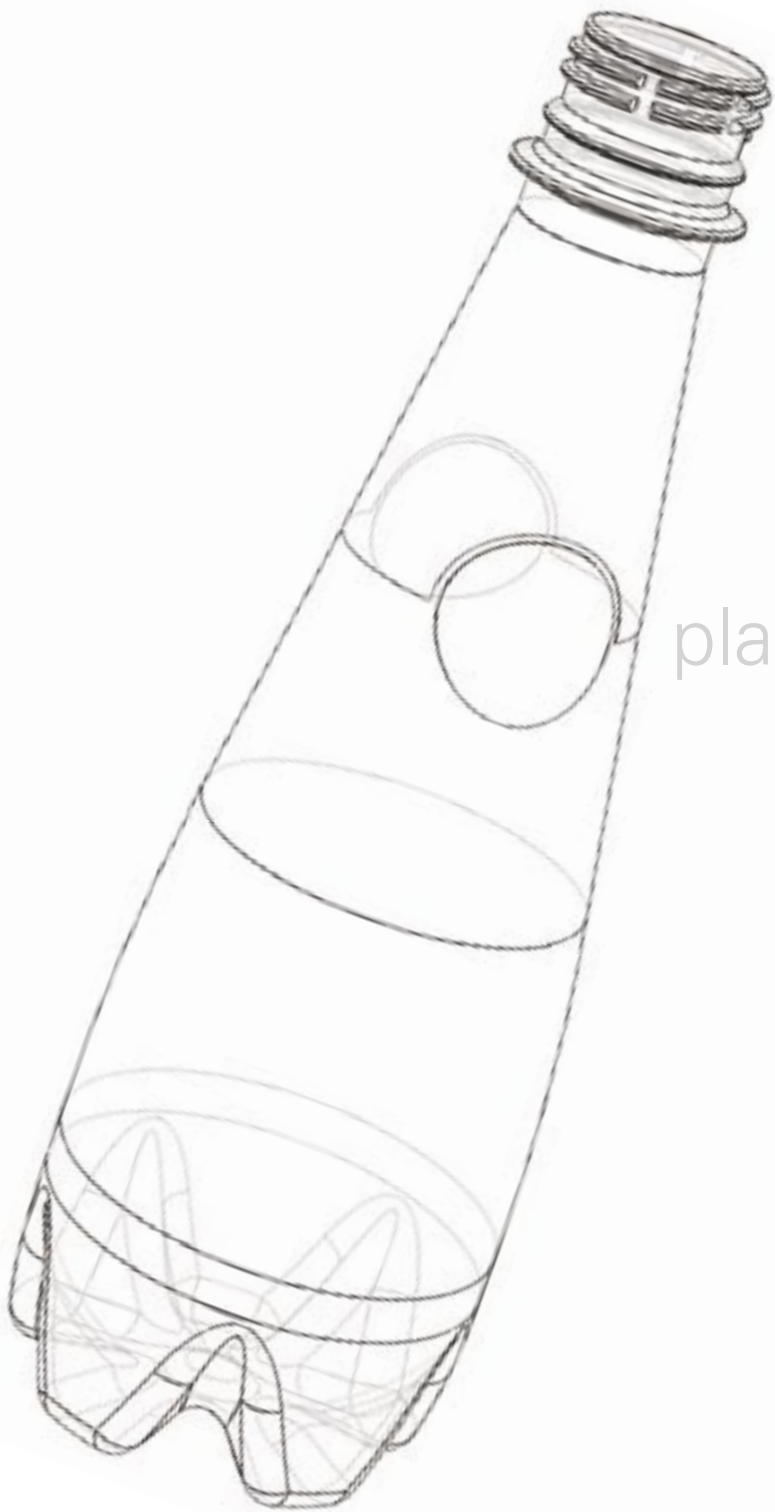
share. The factories at Hoogerheide and Londerzeel in Benelux performed better than expected but profits in the United Kingdom were affected by lower prices and closure costs.

During the year over £5 million was spent at the folding carton factory in Leeds on updated equipment which will enable it to improve productivity and customer service. Disruption from the installation, however, necessitated the working of substantial overtime in order to maintain customer service levels and resulted in higher overhead costs.

As part of a restructuring and cost-cutting programme, the Tring factory in the United Kingdom was closed with redundancy costs of some £1.5 million. The productive capacity was absorbed into other factories.

In the healthcare sector, increased volumes were achieved as a result of market growth and gains in market share as well as additional sales from the acquisition of Diehl. Revenue was affected by pricing pressures but this business nevertheless continues to perform well.





plastics

plastics

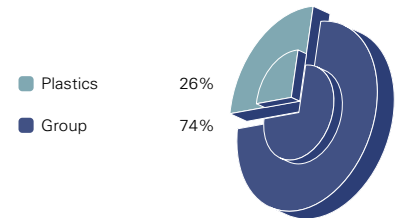




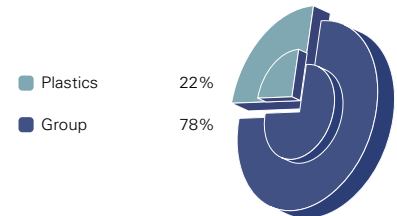
Specification	Brand name
rigid plastic products	Glaciale Mineral Water Bottle
HEIGHT	210 mm
VOLUME	375 ml
WEIGHT	24 g
INNOVATION	This distinctive, dark blue PET bottle is ideal for sophisticated drinking occasions



Group revenue



Group operating profit



a market focus

Segmental performance	Revenue		Profit from operations*		Operating margin %	
	2004	2003	2004	2003	2004	2003
Rm	2004	2003	2004	2003	2004	2003
AFRICA	2 678	2 693	255	257	9.5	9.6
EUROPE	1 849	2 137	83	87	4.5	4.1
TOTAL	4 527	4 830	338	344	7.5	7.1

*before abnormal items

plastics

Africa Strong demand from South African milk and juice customers resulted in substantial volume growth of HDPE bottles. The sorghum beer market in South Africa continued to decline and fewer liquid board cartons were sold. However, in Zambia where the market continues to grow, volumes were higher than last year. The screw-cap introduced on cartons last year has been well received by consumers and has resulted in new marketing opportunities.

The trend towards greater use of PET by juice customers continued and, together with strong demand for carbonated soft drinks, volumes of PET bottles were significantly up on last year. Further capacity investments were made during the year to cope with this increased demand. Good demand was also experienced in Zimbabwe which supplies bottles for beverages and edible oil. Sports drink and other speciality closures achieved good domestic and export growth.

The stronger rand resulted in lower indirect exports of large plastic drums but this was partially offset



Volumes of PET bottles were significantly up on last year. Further capacity investments were made to cope with this increased demand.

by the continuing substitution of metal drums. The buoyant carbonated soft drinks market contributed to good growth in crate sales.

The tubes and tubs business which was previously the sole South African supplier of toothpaste tubes lost market share to a new competitor. There was strong demand for tubs used for ice cream, chicken livers and margarine.

Shopping bag sales, which fell substantially in the previous year as a result of legislation, recovered some ground following the lowering of the price charged to consumers. However the volumes were insufficient to restore viability and to improve its performance this business has been consolidated

with the film-making business. This resulted in the closure of a factory but investment in new technology has placed the business in a stronger position to manufacture different bag formats and to develop new markets such as bread bags which grew substantially in the year. The shopping bag business in Zimbabwe performed well on the back of increased exports.

The stronger rand placed pressure on export margins of flexible packaging and encouraged imports of finished goods, particularly confectionery. There was also some importation of packaging. The profits from this sector were negatively affected and the two factories in KwaZulu-Natal have been consolidated onto one site in Pinetown which will lead to a better performance in the year ahead. The Cape Town factory which supplies value-added markets, performed well and invested in new printing technology.

The aluminium foil business was combined with the laminated and coated papers business and enjoyed a good year with strong export growth. L & CP had a successful year with sales of roofing insulation material well up on last year following increased building activity in South Africa and greater exports to the Far East.

Following the restructuring that took place in the previous year, Tufbag gained new business and returned to profitability.

Supplies of polymer raw material were disrupted by a fire at a major supplier on 1 September 2004 and, whilst there was no impact on the performance of our plastics operations in the year under review, steps have been taken to supplement local supplies with imported material.

Europe The plastic industrial containers business which had been underperforming in a highly competitive market was sold for £23 million effective 1 October 2004.

Although sales of milk and juice bottles continued at a satisfactory level they were lower than 2003, which included a significant volume of exceptional sales following a fire at a competitor's premises. In the coming year further rationalisation is expected in the dairy industry in the United Kingdom, which could result in a realignment of bottle suppliers.



group services

	Revenue		Profit from operations*		
	Rm	2004	2003	2004	2003
Africa				107	40
Europe		218	242	42	6
Intergroup eliminations		(456)	(434)		
Total		(238)	(192)	149	46

* before abnormal items

Group services include head office activities, procurement, insurance, some centralised information technology costs, marketing, research and development, treasury and property rentals. This year's profit includes treasury gains whereas losses were made in the prior year.

GROWTH AND BUSINESS STRATEGY / South

Africa South Africa has a five-pronged strategy:

- Brand Nampak
- Profitable growth
- Performance and cost leadership
- Seshego – World-class ERP (Enterprise resource plan) system
- Orchestrating transformation and talent

Brand Nampak is a well established symbol of innovation, integrity and sustainability in the South African market, aptly described as “Packaging You

Can Trust”. We continue to drive our incomparable offering of total solutions which is a value proposition offered by no other packaging group.

The **Growth** pillar has identified a number of areas of potential growth which will fill existing capacity or, in some cases, involve additional capex. The innovation projects resulting from this drive are numerous and mentioned elsewhere. One example is the investment of R55 million for labels which has resulted in significant new business.

The strengthening of the rand has highlighted challenges in the manufacturing environment and the **Performance and Cost Leadership** pillar focuses on reconfiguring our business to compete at a new cost leadership level. The restructuring of the Cartons and Labels, Corrugated, Flexible and Sacks divisions are examples of this initiative.

The Seshego ERP project is a four-year programme to introduce a world-class information technology programme into the group. This has reached the implementation phase and we expect the project to begin delivering value, as each business comes on stream.

Orchestrating Transformation and Talent in our businesses is vital in aligning them with the challenges we face in South Africa. An example of this process is the recruitment and development of 48 graduates, of whom 90% were drawn from previously-disadvantaged groups.

Our employment equity targets are managed in accordance with those set out in our well-publicised,

BEE Charter. We were recently rated BBB by Empowerdex which recognises Nampak as a "satisfactory, broad-based empowerment contributor".

Rest of Africa Our growth and business strategy in the rest of Africa, where we currently have operations in 11 countries, is to grow in selected areas of packaging in countries where consumer demand is rising. This will largely be based on partnering with customers who are investing in expansion opportunities on the continent.

Europe As the leading producer of plastic milk bottles in the United Kingdom we remain alert to opportunities of consolidating our position. The business is a good profit and cash generator and we will seek to improve our market position.

We are the second-largest manufacturer of folding cartons in the United Kingdom and have recently invested over £5 million in the modernisation of our factory in Leeds. This investment will contribute towards the improvement of overall performance.

In continental Europe we have continued to evaluate folding carton acquisitions that will provide us with a broader European presence and give us access to the faster-growing economies of Central and Eastern Europe. However, none have met our investment criteria at this stage.

In the above-average growth healthcare segment, where we are an accredited supplier to most of the major pharmaceutical companies, we will continue to grow our business organically and through appropriate acquisitions.

OUTLOOK / South Africa Stronger consumer spending is expected to continue supported by low interest rates and inflation and higher disposable income following generally higher-than-inflation salary and wage increases.

The glass business which performed poorly in 2004 is expected to improve substantially whilst the benefits of the factory rationalisations in the cartons and labels and flexible packaging businesses and the substantial investments made in new equipment will contribute to better results.

Overall in South Africa we are expecting an improved operating performance in the year ahead, but this will be impacted by increased information technology costs as a result of the implementation of the new ERP system at 10 sites.

Rest of Africa Our operations in the rest of Africa are expected to continue generating good results and the new Nigerian cartons and labels plant which will be commissioned in the first half of 2005 will further contribute to an improvement in profits from this region.

Europe Sales of milk bottles are expected to be lower next year as 2004 included exceptional sales due to a fire at a competitors' premises. Debt should be reduced by the planned disposal of the Woburn Sands property, which is surplus to requirements following the sale of the plastic industrial containers business.



We are anticipating a better trading performance from our folding cartons business with an improvement from the Leeds factory following the investment made in 2004. Productivity improvements and continued sales growth are expected to contribute to sustained results in continental Europe whilst the acquisition of Diehl and market growth will enhance the profits of the healthcare sector.

However, further rationalisation costs as a result of reorganisation and realignment of our folding carton capacity in the United Kingdom will impact on overall profits from Europe.

GROUP In 2005 we expect an improvement in group operating profit partly offset by increased information technology costs in South Africa and further rationalisation costs in the United Kingdom. In addition the AC133 profit included in 2004 is unlikely to be repeated in 2005. It will therefore be challenging to deliver an improvement in headline earnings.

APPRECIATION We have had to continually adjust our business to a rand which has strengthened by over

35% to the dollar in the past two years. Market conditions in Europe have also resulted in a difficult trading environment.

I thank the executive team and our 19 000 employees for their efforts and dedication in minimising the negative impact of these factors on the group and I look forward to better trading conditions in the year ahead.

Rex Tomlinson left Nampak in August after a successful career with the group and John Monks retires at the end of this year after 48 years in the packaging industry, 14 of them as head of M.Y. Holdings. I thank them for their valuable contributions to the group.

Thank you to all our customers for their support.

We will continue to strive to add value beyond the packaging product.

John Bortolan

Chief executive officer

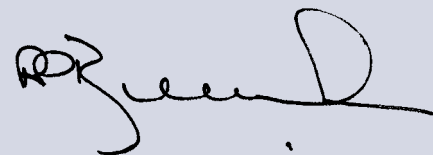
25 November 2004

The group has a strong balance sheet and cash flows to support its strategic objectives.

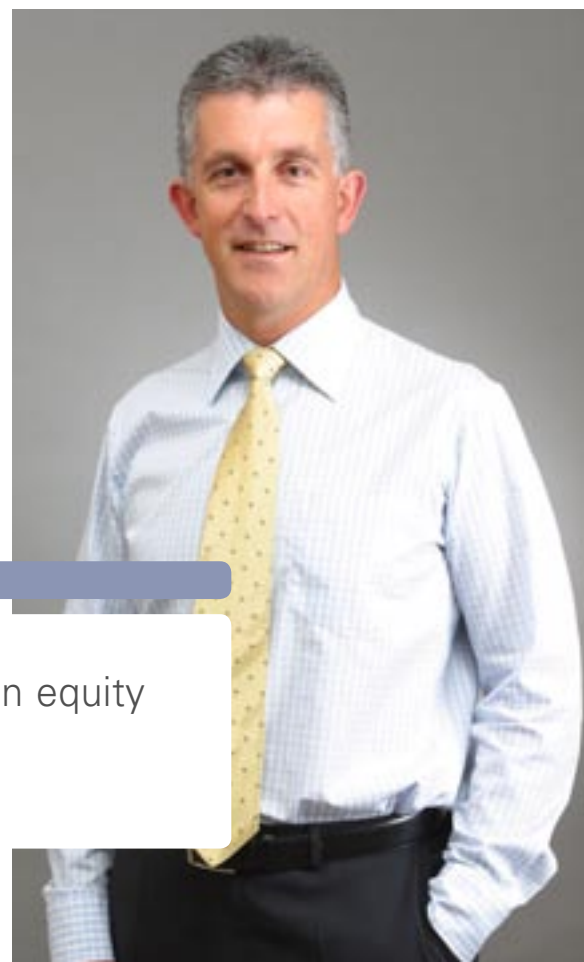
FOREWORD In addition to the disclosures in the annual financial statements, this review provides further clarity on key policies, judgements, financial risk management and economic indicators applicable to the group. It also comments on the financial position and performance of the group for the year.

ACCOUNTING POLICIES AND PRACTICES The consolidated financial statements have been prepared in conformity with South African Statements of Generally Accepted Accounting Practice. The principal accounting policies have been applied consistently with the previous year except for the changes set out below.

Changes in accounting policy During the year, IFRS 3 Business Combinations was issued and adopted by the group. This standard is applicable to all business combinations for which the agreement date is on or after 31 March 2004. No business combinations have been concluded between the effective date of this standard and the financial year-end. With effect from 1 October 2004, the accounting for previously-recognised goodwill will change under this standard. The group will set off all accumulated goodwill amortisation against the cost of goodwill, discontinue amortisation



Rob Becker
Chief financial officer



Despite a challenging environment, return on equity remained at 19%.

and test the carrying amount for impairment. The negative goodwill shown on the face of the balance sheet will be derecognised and taken directly to retained earnings.

During the year the group early-adopted IAS29 Hyperinflation. The motivation for early-adopting the standard was to eliminate the need to recalculate hyperinflation on the comparative figures as required under AC124 Hyperinflation. Comparative amounts are already reflected in hard currency and it is the directors' opinion that this change in accounting policy results in fairer presentation of its financial results.

IFRS 2 Share Based Payments has been issued and is effective for periods beginning on or after 1 January 2005. The provisions of IFRS 2 apply to all equity-settled share-based payments granted after 7 November 2002 that are not yet vested at the group's effective date (1 October 2005). While the group has not yet adopted this standard, the cost of expensing options for the year to 30 September 2004 using a trimmed binomial tree valuation methodology is R3.1 million (2003: R0.3 million).

Change in accounting treatment The group adopted AC133 Financial Instruments: Recognition and Measurement in the 2003 financial year, during which period hedge accounting was not applied due to the restrictive requirements of the standard not being met. During the current financial year the group has applied hedge accounting to cash flows relating to the acquisition of qualifying plant and equipment. Changes in the fair value of derivative financial instruments that have been designated as hedges of future cash flows are taken directly to a hedge accounting reserve in equity. At the time the asset is recognised, the associated gains or losses are included in the initial measurement of the asset. Thereafter all changes in the fair value of the hedging instruments are taken to the income statement. During the year R1.4 million was capitalised under hedge accounting.

The group has consolidated its share purchase trust, which has had no material effect on the financial statements.

Judgements and key assumptions Property, plant and equipment, investments, goodwill and intangible assets are considered annually for

impairment. The primary methodology used to determine value in use is discounted cash flow.

Where appropriate, an asset's selling price, or market price in the case of listed investments, is also considered. The discount rate used is the long-term weighted average cost of capital applicable to the underlying divisions. Discounted cash flow calculations take into account market conditions and geographic location of underlying businesses.

The calculation of employee benefit obligations under defined benefit funds requires management to make assumptions regarding discount rates, consumer price inflation, expected return on fund assets, rate of compensation increase and pension increases. These assumptions are adopted after consultation with the group's actuaries. The periods covered by these assumptions are long-term in nature and future results may differ from these estimates.

The group applies hyperinflation accounting to the results of its Zimbabwe based operations. In translating these results to rands, two exchange rates are available in the market, those available on the parallel market and those available on the official auction system. While there was a time that currency could be obtained on the parallel market, the Zimbabwe Reserve Bank has ruled trading in this market to be illegal and all currency is obtained via the auction system. Accordingly, all translations

of Zimbabwe dollar denominated amounts are done at the closing rate per the auction system.

IFRS conversion In terms of the JSE Listing Requirements full compliance with International Financial Reporting Standards (IFRS) is required for financial years beginning on or after 1 January 2005. Accordingly, the group is required to produce full IFRS compliant financial statements for the year ending 30 September 2006, including restated comparative information and an opening balance sheet for the year ending 30 September 2005. To this end the group initiated an IFRS conversion project in June 2004, employing the services of PricewaterhouseCoopers as financial reporting advisor to the project. The conversion process is well on track to deliver on the required deadlines and the salient features of the conversion project are highlighted below.

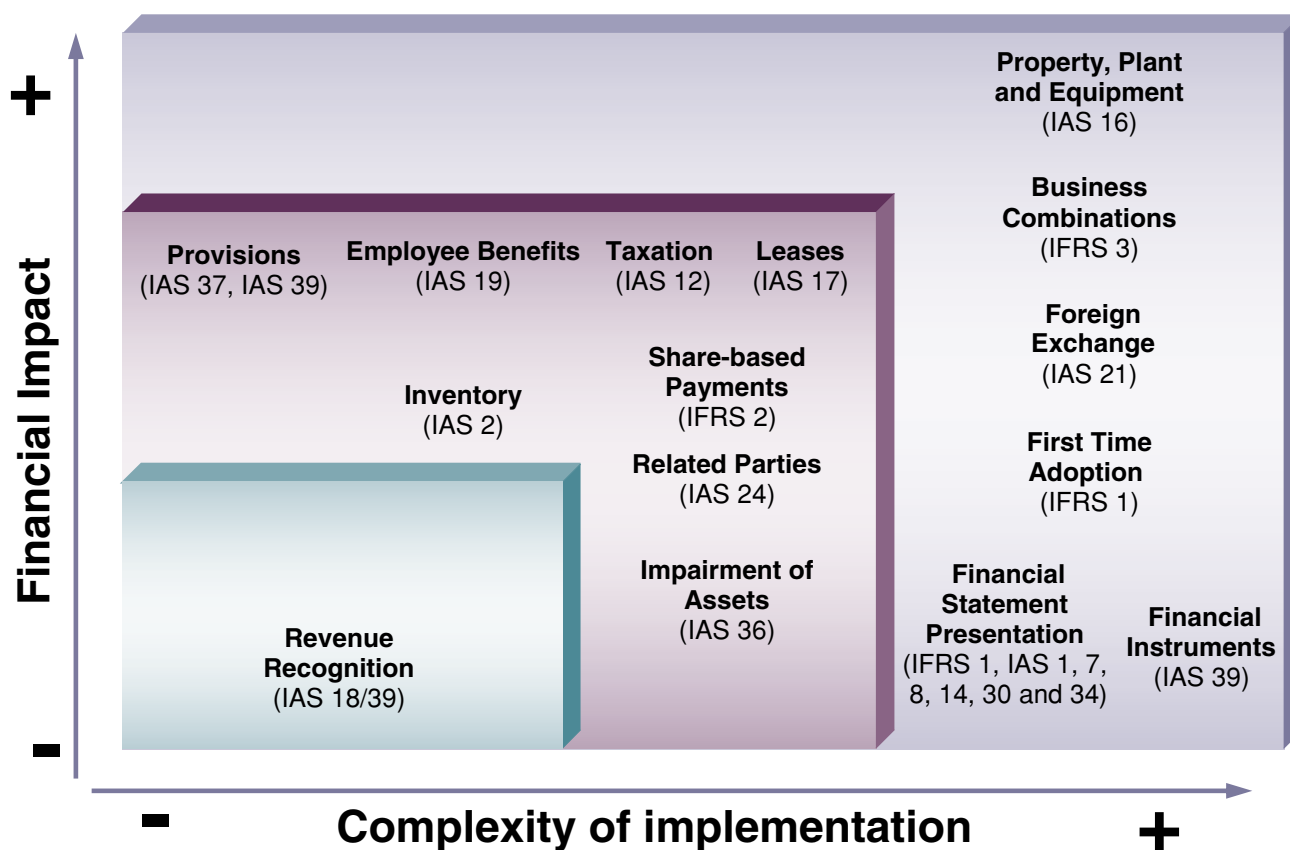
The project governance structure has a steering committee providing project sponsorship and strategic guidance to the IFRS conversion team and is accountable to the audit committee. A technical review committee provides input to the steering committee and ensures that all technical issues are considered, debated and resolved. The group's external auditors, Deloitte & Touche, participate at all levels on the project.

The project methodology consists of a structured phased approach. Phase 1 is complete and involved



a preliminary study to identify the principal activities that will be impacted by IFRS. This included an assessment of their likely impact on the group's

financial statements together with perceived complexity of implementation. A summary is presented in the table below.



Phase 2 is currently in progress and consists of detailed component evaluations, gap analysis and the completion of the initial conversion to IFRS.

Phase 3 involves the embedding process and infrastructure changes required to report IFRS on a sustainable basis.

ECONOMIC INDICATORS The principal economic indicators applied in the preparation of the group results are shown below.

	2004	2003
Exchange rates		
Rand/UK pounds		
– average	11.84	13.15
– closing	11.64	11.57
Rand/euro		
– average	8.04	8.87
– closing	7.99	8.09
Rand/US dollar		
– average	6.61	8.22
– closing	6.44	6.92
Inflation rates		
South Africa (CPIX)	3.7%	5.4%
Continental Europe (CPI)	1.9%	2.0%
United Kingdom	1.1%	1.4%
Zimbabwe (hyperinflation)	371%	523%
Weighted average interest rates		
Rands		
– out of funds	8.7%	13.2%
– in funds	7.7%	12.1%
UK pounds		
– out of funds	5.2%	5.6%
– in funds	3.8%	3.4%
Euros		
– out of funds	3.0%	*
– in funds	2.4%	1.7%
US dollars		
– out of funds	*	*
– in funds	1.1%	0.9%

*no funds utilised during the year

FINANCIAL MARKET RISK MANAGEMENT /

Exchange rates The volatility of the rand over the past two years has had a significant impact on both the translation of offshore earnings and the import/export component of the business. It is the group's view that the rand will continue to weaken over the long term against major currencies albeit at a

slower rate than has been seen in the past. To protect the group's cash flows from the effects of a weakening currency, it is policy to cover all foreign currency-denominated transactions by way of derivative instruments, in particular forward exchange contracts. This extends to imports of inventory, spare parts and capital expenditure items as well as certain exports of finished goods.

Interest rates The financing of the group is structured using a combination of fixed and variable rate debt. From time to time the group will consider fixing or capping interest rates on specific borrowings, as well as entering into derivative instruments to manage certain interest rate risks.

Commodity prices The group is exposed to price fluctuations in major commodities used in the process of manufacture, aluminium, tin plate, pulp and paper and plastics. Exposure to fluctuations in the price of aluminium is managed through hedging strategies using futures contracts. There is presently a low correlation between the actively traded contracts on the relevant exchanges and the required grades of paper, board and plastic used by the group. Accordingly, the group does not hedge its exposures to price movements in these commodities. Hedging strategies around the procurement of tin plate are currently being investigated by the group's treasury operation.

Liquidity The group actively manages its liquidity risk through its treasury operations in South Africa



and Europe. The treasury operations ensure that the group has sufficient general banking facilities in place with financial institutions to ensure that funds are available when required. Facilities are reviewed annually with sufficient capacity maintained to meet expected future funding requirements. The group also has a commercial paper programme in place that can be implemented to alleviate any possible liquidity squeeze.

REVIEW OF RESULTS / Income statement

Revenue contracted R679 million to R17 495 million for the period while operating profit of R1 633 million reduced by R104 million. An evaluation of the source of change for 2004 is presented below.

	Turnover		Profit from operations	
	Rm	%	Rm	%
Discontinuing operations – NamiTech ¹	(364)	(2)	144	9
Translation	(672)	(4)	(54)	(3)
Hyperinflation	162	1	10	1
South Africa continuing operations	(114)	(1)	(132)	(8)
Rest of Africa constant currency	97	1	39	2
Europe constant currency	212	1	(111)	(7)
Decrease	(679)	(4)	(104)	(6)

¹ Includes the profit on sale of NamiTech.

Net abnormal gains of R70.5 million for the year were realised (2003: R64.5 million loss). This included:

- A R213.2 million profit on disposal of NamiTech,
- Retrenchment costs of R40.8 million, R22.0 million from South African divisions as cost structures are realigned to take into account a persistently stronger rand and R18.5 million from Europe,
- Restructuring costs of R19.8 million. The majority of this cost was incurred by the plastics and cartons businesses in Europe,
- Impairment of assets amounting to R127.9 million, mainly as a result of the sale of the Short Run plastic business in Europe; and
- The fair value of financial instruments has continued to impact volatility of earnings with R70.9 million booked to income compared to an expense of R48.5 million in the previous year.

The effect of fair valuing financial instruments together with FEC costs on plant and equipment have had a significant impact on profit from operations.

	2004 Rm	2003 Rm	Movement Rm
AC133 fair value gain/(loss)	70.9	(48.5)	119.4
FEC costs on plant and equipment	(20.9)	(21.1)	0.2
Total	50.0	(69.6)	119.6



Net finance costs decreased 41% to R149 million as a result of lower local interest rates, receipt of the proceeds from the disposal of NamITech, reduction in net offshore borrowings and a stronger average exchange rate. Also impacting the strong improvement is a R21.6 million cost relating to the unwinding of an interest rate hedge in the prior year. Interest cover has improved from 7 to 11 times. Interest cover based on continuing operations has improved from 7 to 9 times. A geographic analysis of net finance costs is shown in the table below.

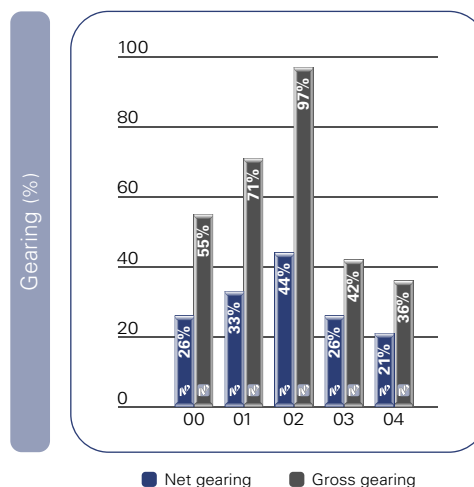
		2004	2003	% change
South Africa	Rm	83.3	153.1	45.6
Europe and Rest of Africa	Rm	65.7	99.8	34.2
Total	Rm	149.0	252.9	41.1
Net foreign-denominated finance costs analysed:				
UK pounds	£m	3.8	6.8	
Euros	€m	0.5	0.1	

Taxation declined from R566.9 million to R521.7 million. The effective tax rate declined from 38.1% to 34.8% partly due to the inclusion of the NamITech profit that attracted capital gains tax at a lower rate than corporate tax. The effective tax rate has remained relatively high due to the inclusion of prior year tax charges and the expensing of a deferred tax asset from the United Kingdom and the effect of the impairment of the European Short Run plastics assets that did not qualify for tax relief.

Headline earnings per share improved 0.5% from 145.4 cents to 146.1 cents. Headline earnings were arrived at after adjusting for impairment losses, goodwill amortisation, profit on disposal of NamITech and profit on disposal of property, plant and equipment.

Balance sheet The group's balance sheet remains strong with net worth per ordinary share increasing from 758 cents to 842 cents while tangible net worth per ordinary share increased from 587 cents to 648 cents. Total assets of R11.2 billion (2003: R11.2 billion) declined marginally following the sale of NamITech.

A focus on borrowing positions and the inflow of funds on the disposal of NamITech has gross gearing improving from 42% to 36%, while net gearing improved from 26% to 21%. The group's gearing position over the past five years is shown in the table below.



The composition of the group's net borrowing position is:

	2004 Rm	2003 Rm	% change
South Africa	528.1	543.9	2.9
Borrowings	742.0	693.9	
Cash	(213.9)	(150.0)	
Europe and Rest of Africa	616.8	765.1	19.4
Borrowings	1 102.4	1 363.6	
Cash	(485.6)	(598.5)	
Net borrowings	1 144.9	1 309.0	12.5
Net foreign denominated borrowings analysed:			
UK pounds	62.4	73.9	
Euros	(10.0)	(11.1)	
US dollars	(0.3)	(0.2)	

The group's main local trading subsidiary, Nampak Products Limited, received a credit review from Global Credit Rating Co., which assigned the following rating to its domestic debt:

	Rating
Short-term commercial paper (guaranteed by Nampak Limited)	A1
Short-term unsecured	A2
Long-term unsecured	A-

During the year the group repaid the consortium loan raised to fund the acquisition of Plysu in

Europe and a new three year facility was entered into. The loan is secured by the balance sheet of Nampak Holdings UK Plc, with upstream guarantees from each of the company's subsidiaries. A guarantee of last recourse has been issued by Nampak Limited. The loan covenant positions, based on fixed UK GAAP, at year-end were as follows:

	Achieved	Target
EBITDA to net interest payable	7.6 : 1	> 4 : 1
Net borrowings to EBITDA	1.89 : 1	< 3 : 1
Consolidated net worth	£149m	> £125m

The group benefited from a strong rand as capital expenditure increased significantly during the year. Replacement capex is relatively constant at around R400 million per annum while the majority of the spend was on selected new projects. These are commented on more fully in the chief executive officer's report.

	Replace- ment Rm	Expan- sion Rm	Total Rm
South Africa	255.1	535.1	790.2
Rest of Africa	14.5	61.7	76.2
Europe	168.0	31.3	199.3
Total	437.6	628.1	1 065.7

Cash flow The group cash flow statement has been restructured with replacement capital expenditure moved into operating activities and dividend payments moved into investing activities. Net cash flows from operating activities now more closely represent non-discretionary flows.

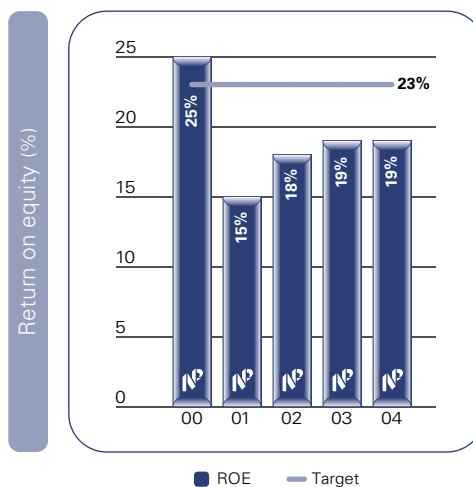
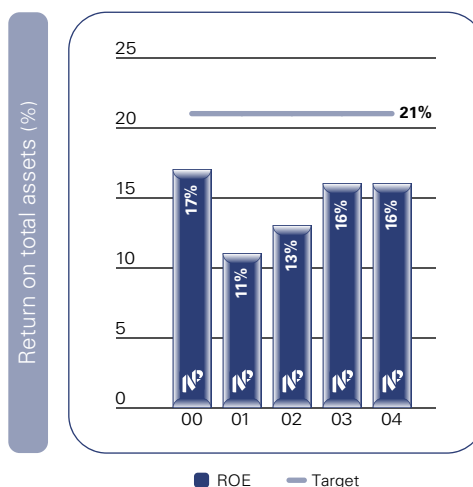
Cash generated from operations remained strong, improving R123 million to R2 130 million. Net cash flow from operating activities declined R37 million to R869 million, mainly as a consequence of increased taxation payments from R368 million to R645 million. The increase in tax payments is primarily a consequence of prior year queries with Inland Revenue in the United Kingdom being resolved and booked in the current year as well as increased local provisional tax payments in the current year.

Investing activities include a 16.2% increase in dividends paid of R477 million while spend on expansion capex rose R158 million to R601 million. The proceeds on disposal of NamITech totalled R476 million.

FINANCIAL OBJECTIVES The group has set a number of financial objectives that it measures itself against. These objectives were set in 2003 and, whilst they are considered aspirational, serve as a target to strive towards.

Objective	Achieved	Target
Return on total assets	16%	21%
Return on equity	19%	23%

Performance against target for the years 2000 to 2004 is shown below. The blue line represents the targeted performance levels calculated in 2003 but have been used as a benchmark for each of the years under review.



Previously the group's dividend objective was to maintain a cover of 2.4 times. The board has



reviewed the group's cash position and considers it appropriate to reduce the cover to increase returns to shareholders.

ACQUISITIONS AND DISPOSALS / Acquisitions

In March the group acquired the entire share capital of the Diehl group, a company operating in the healthcare sector of the European cartons business.

Disposals Following Competition Tribunal approval, the sale of NamITech was effective 29 February 2004. NamITech's results were included until the effective date.

CONTINGENT LIABILITIES Contingent liabilities decreased from R146.3 million to R62.5 million. The significant movements are commented on below.

During the year the option afforded Fasic Africa (Pty) Limited in respect of its effective 50% shareholding in Kimberly-Clark Southern Africa (Pty) Limited that gave rise to a R126.0 million contingent liability expired without any liability to the group.

In September 2002 Diehl France, a member of the acquired Diehl group, lost a legal case brought by Rotanotice in France, who claimed a patent infringement relating to the method and installation for manufacturing certain printed documents. Rotanotice has submitted a claim totalling €4.3 million that is subject to review by a court appointed expert. The report is not expected to be finalised for a significant period of time and Diehl France has appealed against the judgement. On acquisition of the Diehl group, this matter was specifically

addressed in the purchase agreement and an amount of €2.0 million is held in escrow pending the outcome of the action. Nampak is exposed to any judgement in excess of this amount.

A complaint was lodged against the glass division and Consol Glass with the Competition Commission for alleged collusion in respect of the supply of cullet for glass container manufacturing. Following its investigation, the Competition Commission has referred the matter to the Competition Tribunal for hearing.

SUBSEQUENT EVENTS Subsequent to the financial year-end the group concluded a transaction to dispose of the European Short Run plastic packaging business to RPC Group Plc for £23 million. The business serves the automotive oil, agrochemical and industrial chemical markets, which are more closely aligned to sectors served by RPC. This transaction is expected to be marginally headline earnings accretive in 2005.

As a direct consequence of the disposal, the assets of the business were impaired by R103 million at year-end. A material curtailment expense relating to the Short Run portion of the employee defined benefit fund will be incurred in the new financial year. The cost of curtailment is estimated at £12.6 million.

Rob Becker

Chief financial officer

25 November 2004

S1 SIX-YEAR FINANCIAL REVIEW

GROUP FINANCIAL OBJECTIVES

Return

To achieve a return before interest and taxation of at least 21% p.a. on average total assets, an after-tax return on equity of at least 23% and for investment decisions to exceed the weighted average cost of capital of 15.3%.

Asset management

To manage the investment in inventories and receivables to its commercially lowest level.

Cash flow

To generate sufficient cash flow after absorbing increases in working capital, financing charges, taxes and dividends, to fund capital expenditure for replacement of fixed assets.

DEFINITIONS AND METHODOLOGY

Return

Profit from operations plus income from investments.

EBITDA

Earnings before interest, tax, depreciation and amortisation.

Total liabilities

The aggregate of long-term and current liabilities (deferred tax is excluded).

Shareholders' funds

The aggregate of ordinary, preference and outside shareholders' interest.

Total borrowings

All interest bearing debt.

Cash dividends per ordinary share

Prior year final dividend plus current year interim dividend per ordinary share.

Employee numbers used for calculations

Total number of employees' time weighted for acquisitions and disposals and adjusted for the group's share of joint ventures.

Wealth created per employee

Total value-added wealth created divided by number of employees.

Productivity per employee

Volume growth over growth in number of employees.

Deflated statistics

Historical statistics adjusted to 1999 money terms using the Consumer Price Index.

Earnings yield

The calculation of earnings yield is based on headline earnings per share.



		2004	2003	2002	2001	2000	1999
S1 SIX-YEAR FINANCIAL REVIEW							
STATISTICS							
Earnings and dividends data							
Weighted average number of ordinary shares in issue	'000	640 958	640 444	531 237	509 361	509 050	508 756
Headline earnings per ordinary share	cents	146.1	145.4	140.9	87.6	121.1	117.6
– Change over previous year	%	0	3	61	(28)	3	21
– 5-year compound annual growth rate	%	4	8	7	(2)	8	12
Earnings per ordinary share	cents	150.9	141.1	123.7	82.3	121.7	118.1
– Change over previous year	%	7	14	50	(32)	3	20
– 5-year compound annual growth rate	%	5	7	4	(3)	8	7
Cash dividends per ordinary share*	cents	74.1	63.5	55.1	53.3	53.3	51.0
– Change over previous year	%	17	15	3	0	5	17
– 5-year compound annual growth rate	%	8	8	6	6	9	8
Dividend cover	times	2.0	2.2	2.2	1.5	2.3	2.4
*Dividend cover from 2004 to 2001 has been calculated on a cash basis. Prior years have not been restated.							
FINANCIAL DATA							
Return on equity	%	19	19	18	15	25	21
Return on total assets	%	16	16	13	11	17	18
Total asset turn	times	1.7	1.6	1.5	1.7	1.8	1.5
Liabilities: shareholders' funds	:1	1.09	1.25	2.18	1.68	1.61	0.65
Gross gearing	:1	0.36	0.42	0.97	0.71	0.55	0.08
Interest cover	times	11	7	9	10	19	n/a
Effective rate of tax	%	34.8	38.1	33.9	26.5	24.4	27.1
Number of ordinary shares in issue	'000	641 574	640 571	640 178	509 406	509 350	508 811
Net asset value per ordinary share	cents	842	758	748	516	478	587
– Change over previous year	%	11	1	45	8	(19)	7
Cash flow	R million						
– Cash generated from operations		2 130.2	2 006.9	1 766.5	1 067.8	1 118.5	955.1
– Cash inflow from operating activities		868.9	906.1	940.5	417.1	628.3	762.9
– Additions to property, plant and equipment		(995.6)	(884.4)	(784.4)	(390.6)	(413.6)	(203.8)
– Net (decrease)/ increase in cash		(48.0)	17.9	(378.4)	(208.9)	(32.3)	279.7
EBITDA	R million	2 433.5	2 519.2	1 728.8	1 169.0	1 307.8	1 119.5

	2004	2003	2002	2001	2000	1999
S1 SIX-YEAR FINANCIAL REVIEW (continued)						
EMPLOYEE DATA						
Total permanent employees	19 122	19 697	15 401	13 376	14 765	15 345
Employee numbers used for calculations	17 869	18 392	14 096	13 376	14 765	15 345
Revenue per employee R'000	979	988	971	783	652	518
Wealth created per employee R'000	346	343	317	258	229	181
Employment cost per employee R'000	202	198	192	164	136	105
Productivity per employee Index	101	99	129	130	119	100
INFLATION ADJUSTED INFORMATION						
CPI index (base 1999 = 100)	131.3	129.7	125.3	113.4	109.0	100
Deflation factor (base 1999 = 100)	76.2	77.1	79.8	88.2	91.7	100
Headline earnings per share cents						
– Historical	146.1	145.4	140.9	87.6	121.1	117.6
– Deflated	111.3	112.1	112.5	77.2	111.1	117.6
Cash dividends per share cents						
– Historical	74.1	63.5	55.1	53.3	53.3	51.0
– Deflated	56.4	49.0	44.0	47.0	48.9	51.0
Total assets R million						
– Historical	11 078.5	11 109.6	13 319.6	7 344.9	6 925.0	5 518.8
– Deflated	8 437.5	8 565.6	10 630.2	6 477.0	6 353.2	5 518.8
OPERATING RESULTS						
Revenue R million	17 494.6	18 174.0	13 684.7	10 474.3	9 632.8	7 942.9
Profit from operations	1 632.6	1 737.1	1 158.3	695.0	922.6	824.9
Margin to revenue %	9.3	9.6	8.5	6.6	9.6	10.4
Profit before tax	1 499.2	1 489.9	1 038.0	626.5	882.3	861.9
Profit after tax	977.5	923.0	685.8	460.3	667.3	628.5
Net profit for the year	967.1	903.5	657.1	419.3	619.7	600.9
BALANCE SHEETS						
Total shareholders' funds R million	5 432.4	4 947.8	4 886.0	2 867.5	2 658.0	3 202.7
Long-term retirement benefit (net)	161.9	147.8	106.7	(130.0)	—	—
Deferred tax liabilities	417.1	370.1	408.5	339.4	379.1	242.9
Long-term interest bearing debt	1 091.5	1 289.0	1 879.1	1 365.4	1 308.9	268.4
Current liabilities	3 975.6	4 354.9	6 039.3	2 902.6	2 579.0	1 804.8
Total equity and liabilities	11 078.5	11 109.6	13 319.6	7 344.9	6 925.0	5 518.8
Property, plant and equipment	4 228.1	4 255.7	5 075.8	3 045.8	3 340.9	2 451.4
Intangibles	1 240.4	1 092.3	1 145.8	(29.2)	(101.6)	—
Investments and deferred tax	55.0	117.6	187.4	135.5	111.6	45.0
Current assets	5 555.0	5 644.0	6 910.6	4 192.8	3 574.1	3 022.4
Total assets	11 078.5	11 109.6	13 319.6	7 344.9	6 925.0	5 518.8



	Profit/(loss) from operations		Abnormal items		AC133 Fair value adjustment	
	2004	2003	2004	2003	2004	2003
	R million	R million	R million	R million	R million	R million
S2 ADJUSTED SEGMENTAL INFORMATION						
Metals and glass	562.2	623.3	10.5	(66.3)	(31.4)	17.4
Africa	562.2	623.3	10.5	(66.3)	(31.4)	17.4
Paper	433.1	663.5	71.5	22.5	(27.6)	21.4
Africa	348.0	452.1	49.3	18.5	(27.6)	28.1
Europe	85.1	211.4	22.2	4.0	—	(6.7)
Plastics	229.8	265.5	114.8	66.5	(8.5)	10.6
Africa	265.1	242.7	(3.7)	2.6	(8.5)	10.6
Europe	(35.3)	22.8	118.5	63.9	—	—
NamITech	253.1	108.9	(213.2)	(1.0)	(2.0)	1.9
Group services	154.4	75.9	(4.1)	(26.8)	(1.4)	(2.8)
Africa	110.3	66.8	(4.2)	(26.9)	0.6	0.1
Europe	44.1	9.1	0.1	0.1	(2.0)	(2.9)
Total	1 632.6	1 737.1	(20.5)	(5.1)	(70.9)	48.5

BASIS OF CALCULATION

Abnormal items are defined as items of income and expenditure which do not arise from normal trading activities or are of such a size, nature or incidence that their disclosure is relevant to explain the performance for the period.

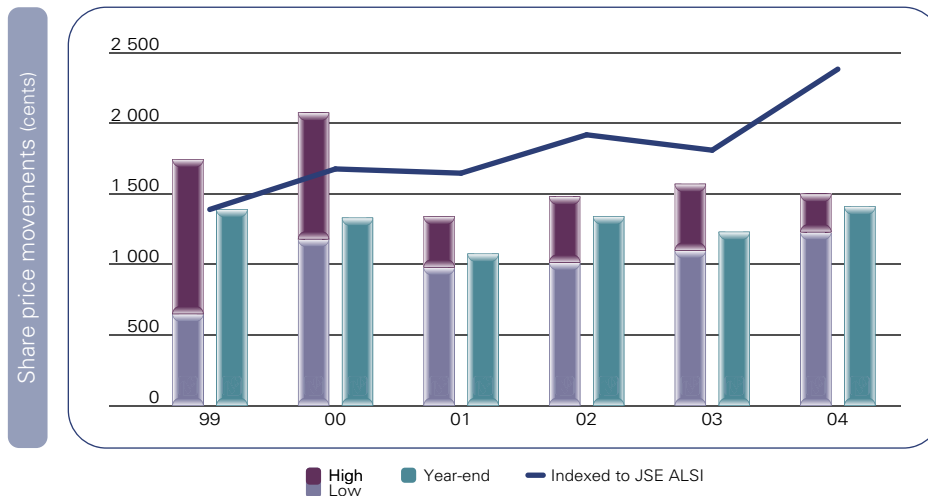
The fair value adjustments under AC133 are all calculated using the mark-to-market methodology.

Forward exchange contract costs on fixed assets are calculated as the difference between the spot rate on the date risks and rewards of ownership on the underlying transaction pass and the forward rate per the financial instrument.

	FEC costs on plant and equipment		Profit before abnormal items		Operating margin	
	2004	2003	2004	2003	2004	2003
	R million	R million	R million	R million	%	%
S2 ADJUSTED SEGMENTAL INFORMATION						
Metals and glass	18.6	19.6	559.9	594.0	12.2	13.3
Africa	18.6	19.6	559.9	594.0	12.2	13.3
Paper	0.8	—	477.8	707.4	5.8	8.4
Africa	0.8	—	370.5	498.7	6.8	9.1
Europe	—	—	107.3	208.7	3.8	7.2
Plastics	1.5	1.5	337.6	344.1	7.5	7.1
Africa	1.5	1.5	254.4	257.4	9.5	9.6
Europe	—	—	83.2	86.7	4.5	4.1
NamITech	—	—	37.9	109.8	12.0	16.1
Group services	—	—	148.9	46.3		
Africa	—	—	106.7	40.0		
Europe	—	—	42.2	6.3		
Total	20.9	21.1	1 562.1	1 801.6	8.9	9.9

		2004	2003	2002	2001	2000	1999
S3 SHARE PERFORMANCE							
Market price per share							
– Highest	cents	1 500	1 570	1 480	1 340	2 075	1 745
– Lowest	cents	1 230	1 100	1 015	980	1 180	650
– Year-end	cents	1 410	1 230	1 340	1 075	1 330	1 390
Net asset value per share	cents	842	758	748	550	501	587
Number of ordinary shares in issue	000	641 574	640 571	640 178	509 406	509 350	508 811
Market capitalisation*	R million	9 046	7 879	8 578	5 476	6 774	7 072
Volume of shares traded	000	421 267	356 681	376 032	330 127	242 459	150 858
Value of shares traded	R million	5 614.6	4 610.5	4 669.4	3 774.9	3 577.7	1 905.3
Volume of shares traded as a percentage of total issued shares	%	65.7	55.7	58.7	64.8	47.6	29.6
Earnings yield*	%	10.4	11.8	10.5	8.1	9.1	8.5
Dividend yield*	%	5.9	5.7	4.5	5.0	4.0	3.5
Price/earnings ratio*	times	9.7	8.5	9.5	12.3	11.0	11.8

*Based on year-end market price



S4 MAJOR INDIVIDUAL HOLDINGS

According to the register of shareholders at 23 September 2004, the following shareholders controlled 5% or more of the issued ordinary share capital:

	Number of shares held	% of total issued shares
Allan Gray Investment Council	136 169 309	21.22
Sanlam Investment Management	95 343 232	14.86
Industrial Partnership Investments	86 774 104	13.53

Nominee disclosures

To the best of the directors' knowledge, having made enquiries of nominees and other registered holders of Nampak's ordinary shares, the following parties hold beneficial interests of more than 5% of such ordinary shares:

Remgro Limited	86 774 104	13.53
Public Investment Commissioners	58 712 176	9.15

Ordinary shareholder spread analysis at 23 September 2004

	Number of shareholders		
Public	12 739	552 733 219	86.15
Non-public	75	88 841 072	13.85

Analysis of non-public ordinary shareholders

Directors	9	921 932	0.14
Associates of directors	5	107 200	0.02
Trustees of the Nampak 1979 Share Purchase Trust	1	57 000	0.01
Shareholdings in excess of 10% of the issued share capital	1	86 774 104	13.53

6% Cumulative preference shareholder spread analysis at 23 September 2004

Public	69	199 851	49.96
Non-public	3	200 149	50.04

Analysis of non-public 6% preference shareholders

Shareholdings in excess of 10% of the 6% preference share capital	3	200 149	50.04
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6.5% Cumulative preference shareholder spread analysis at 23 September 2004

Public	24	32 643	32.64
Non-public	4	67 357	67.36

Analysis of non-public 6.5% preference shareholders

Shareholdings in excess of 10% of the 6.5% preference share capital	4	67 357	67.36
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sustainable growth

continuous development



Sustainability Report

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In 2004 Nampak was one of 51 companies to be listed on the JSE's Socially Responsible Investment (SRI) Index.

The principal aim of the group is to create value for our stakeholders, but to do so in such a way as to make a meaningful contribution to the communities in which we operate and so ensure future value creation. As a group we subscribe to the principles of sustainable development, which has been defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". Sustainability as a philosophy in society is still developing and expanding, and Nampak will be part of the process.

corporate social investment

The group allocates 1% of its global profit after tax to corporate social investment and expenditure amounted to R8.4 million this year. We focus our efforts on the development of the youth in South



Left: Some 6 500 learners have benefited from schools built for the Nelson Mandela Foundation.

Right: The Eco-Schools Project provides relevant environmental education throughout South Africa.

Africa in the areas of education, health and welfare, and the environment. The allocation of funds and management of the programmes is the responsibility of the Corporate Social Investment and Sustainability Committee which is chaired by an executive director and reports to the board. The spend for the year ended 30 September was as follows:

• Education	R5.0 million
• Health and welfare	R1.8 million
• Environment	R1.2 million
• Various other charities	R0.4 million

Although our motivation for our Corporate Social Investment spend is to benefit our communities not to garner publicity, we were nevertheless pleased to win the inaugural gold Loerie award for Corporate Social Investment activities in 2004.

PEOPLE DEVELOPMENT In the development of our people we are increasingly focused on the identification, development and retention strategies

for leadership and specialist talent.

Succession planning reviews take place regularly and the executive committees consider employees who have potential.

Management training programmes are reviewed regularly to ensure that they are aligned with the group's strategies.

Delegates from all countries network during the programmes and through syndicated group projects.

Consistent strategies are implemented across the group where there is a strategic business requirement, and a firm policy is established to ensure legal compliance in each country.

We have developed an holistic approach to our education efforts, as illustrated in the chart, which is designed to improve the quality of education to the benefit of both the wider communities in which we operate and the group.

External education and training The cornerstone of this is our school partnering programme where we implement plans with the schools to improve the quality of education offered to their students. The schools are carefully selected and one of the criteria is that they must be in areas close to our factories, thus providing Nampak with future talent. The programmes vary with each school's needs but may include:

- Teacher upliftment programmes in maths and science



Left: The installation of computer centres has greatly empowered learners.

Right: The Eco-Schools Project encourages direct action to sustain our environment.

- Equipping of laboratories and libraries
- Employment of qualified librarians
- Installation of computer centres
- Bursaries for the top students
- Environmental education
- Provision of modern teaching aids
- Installation of security systems.

We are very pleased with the progress we have made and our partnering programme is now operating in four schools in Gauteng and KwaZulu-Natal.

We plan to enlist a total of four more partner schools in the Western Cape, Eastern Cape and KwaZulu-Natal in the coming year.

We have completed the building of two schools under the auspices of the Nelson Mandela Foundation at a cost of R4.5 million over two years.

Nampak currently supports 70 bursars for relevant tertiary education administered on our behalf by the South African Institute of Race Relations.

Internal education and training The group's skills development programme continues to be a success. This year a refund of over R7.3 million was received from the Department of Labour as a proportion of the skills development levy. Nampak plays a significant role within the Media, Advertising, Printing, Publishing and Packaging-Sector Education and Training Authority (MAPPP-SETA) in ensuring that appropriate training is provided for the industry. Senior Nampak managers participate actively in this body.

A total of 6 997 South African employees, of whom 74% were black, attended various occupational training courses during October 2003 to September 2004 as per the table below:

African	2 545
Coloured	1 450
Asian	1 189
White	1 813
Total	6 997

Our training programmes are very extensive and range from productivity improvement, operational efficiency and sales development to the more general hygiene, health and safety, first aid, fire-fighting and forklift-truck training. On the technical front, in South Africa our divisions are involved in learnership programmes in conjunction with their SETAs in which unemployed black people are trained in-house in specific trades for 12–18 months. Extensive on-the-job technical training is also conducted.

We are satisfied with the progress of our various programmes for developing leadership at all levels. All these are self-funding in that the course content includes specific assignments the students are required to complete which add measurable value to Nampak. We operate four ongoing programmes:

- Shop Floor Development Programme (SDP). This is targeted at factory employees with leadership potential who may not have the appropriate qualifications and is intended to empower these employees to take supervisory roles. Forty-two employees entered this course in 2004, of whom 93% were black.
- Tomorrow's Leader Programme (TOM). Supervisors or other skilled employees who have the potential to move into management qualify



for this course which is staggered over a year. Fifty-nine candidates completed this course, of whom 61% were black.

- **Management Development Programme (MDP).**
This is aimed at middle managers who have been identified as having potential to advance. Thirty managers completed this course in 2004, of whom 63% were black.
- **Graduate Recruitment Programme (GRP).**
This was created to address the skills shortages amongst qualified people in the areas of engineering, finance, information technology and marketing. It is linked directly to each division's manpower plan. This is a two-year course during which candidates are placed at divisions in real jobs and enrolled on an academic programme including individual and group assignments. After two years, successful candidates will be offered permanent employment in the group. In the past year 49 graduates qualified of whom 34 were black and 13 were black women.

safety, health and welfare

HIV/AIDS WORKPLACE PROGRAMME The prevalence of HIV/AIDS in southern Africa means that it has become critical for every organisation to develop a relevant, meaningful and ongoing response to the challenge of this disease. Nampak

has been proactive in dealing with HIV and AIDS in the workplace and has an extensive HIV and AIDS workplace programme, which was developed in 2001 and commenced with a pilot project in KwaZulu-Natal. In 2002 this programme was extended to all Nampak companies in South Africa and Swaziland. In 2003 Nampak extended this further to include Kohler companies after the Nampak/Malbak merger – 93% of our South African employees have attended these programmes which have been held at all our operations.

As a direct result of our comprehensive awareness programme, 57% of our South African employees have undertaken voluntary testing on site. The test results of employees tested to date indicate a prevalence rate well below the South African national average. We are continuing our efforts to encourage the remaining employees to come forward and be tested.

After an incident in Cape Town that was widely reported in the press, we reviewed the testing protocols conducted by an outsource partner, and have concluded that they are the most appropriate available at present.

THEMBALETHU PROGRAMME During the year Nampak supplied 1.3 million disposable diapers to privately-run orphanages for babies affected by AIDS.

SAFETY, HEALTH AND ENVIRONMENT

COMMITTEES At our plants, safety, health and environment committees have been set up to assess and reduce the impact of our manufacturing activities on the environment and ensure the safety of our employees.

In the mid-20th century it was common practice and within building regulations to build factories in South Africa with asbestos reinforced cement, particularly at the coast. With the help of an accredited resource, we have identified areas where the fibre may be exposed and are encapsulating the affected areas in line with the provisos of the law. Our expenditure in this area for the two years ended September 2005 is expected to be R5.0 million. We do not believe the company has any potential claims exposure in this area.

SAFETY Regrettably, an accident late in 2003 at Nampak Recycling in Cape Town resulted in the death of an employee. Nampak is satisfied that no liability or fault arises in that regard.

We record and analyse all incidents involving any injury – no matter how minor – or work-related illnesses and reflect this statistic as DIFR (Disabling Injury Frequency Rate) expressed as a percentage of total hours worked. Our South African rate for the year was 2.25% compared to the previous year's 2.47%, with Europe less than 2% on average.

the environment

Packaging is a vital component of modern life – it attracts, preserves, protects and promotes convenience. However, it is also a visible part of the waste stream and Nampak is actively involved in encouraging recycling of all the main packaging materials. Our principal initiatives are:

Metals – Collect-a-Can is a joint Nampak/Isacor initiative and the collection and recycling rates for beverage cans has increased to 66%.

Glass – We have embarked on a glass-recycling initiative with stakeholders of the glass supply chain with the intention of significantly increasing collection and recycling rates.

Paper – The official recycling rate of paper is 52% but is closer to 70% if paper exports are excluded from the calculation in South Africa. Nampak collects some 200 000 tons of paper waste per annum and produces tissue wadding and packaging papers from this waste in southern Africa. The paper divisions in Europe are members of Pro-Carton, an organisation which promotes the environmental soundness and cost-effectiveness of folding cartons.

Plastics – The PET recycling group, of which Nampak is an active member, has presented a proposal to the Department of Environment and Tourism to increase the collection and recycling of these plastic bottles.



Nampak South Africa participates in the Enviromark initiative driven by the Plastics Federation.

Our SHE committees referred to earlier, are charged with the task of identifying any emissions or waste disposal that are not best practice. There are no material problems in this regard. The group has formalised its environmental policy which sets standards based on ISO14000.

eco-schools

As part of our corporate social investment initiative, Nampak has helped to initiate the 'Eco-Schools' project in conjunction with the WWF, WESSA and supported by the Department of Education.

The 'Eco-Schools' programme explicitly aims to embed the environment into the system and curriculum of the school. In so doing, it addresses sustainable development in parallel with environmental action. Schools choose three areas on which they focus for a year. The whole school is encouraged to participate by taking action, developing an understanding of their actions in the classroom, and developing a school environment policy. At the end of the year each school submits a portfolio for assessment. Based on the portfolio the school is then granted Eco-School status.

Eco-Schools in South Africa is now in its second year and has already signed up over 300 schools.



Left: Glass bottles are converted into cullet at Nampak Glass.

Right: Nampak Polycyclers converts REUSED polyethylene into crates, drums, refuse bins and buckets.

broad-based black economic empowerment

In May 2004 we published a comprehensive BEE charter based on seven pillars:

- Ownership
- Management and control
- Affirmative procurement
- Employment equity
- Skills development
- Corporate social investment
- Environmental job creation.

We have been independently tested by Empowerdex and the group is rated BBB – a black-influenced company which is a satisfactory broad-based empowerment contributor. Our charter sets the path to improve this rating.

The charter is published in its entirety on our website www.nampak.com

EMPLOYMENT EQUITY Nampak remains committed to employment equity in South Africa and our reports in this regard have been submitted timeously to the Department of Labour. Divisional managing directors are responsible for ensuring that employment equity strategies are implemented through various employment equity committees in all the group's operations. Employment equity targets are linked directly to the senior management incentive scheme.

As a proportion of the group's management category, African managers represent 19% against a target of 20%, whereas black managers (African, Coloured and Asian) represent 35% against a target of 34%.

The group's staff complement in the management category, as at 30 September, was as follows:

	2004	2003
MALE		
African	216	212
Coloured	78	72
Asian	120	125
White	784	887
FEMALE		
African	57	62
Coloured	10	7
Asian	19	21
White	156	167
Total	1 440	1 553

Note 1: Disabled employees in the group: 69 (52)

Nampak's BEE charter targets have been set for the period 2004 to 2014. These are 55% for all black managers (Africans, Coloureds and Asians) and 20% for all black women managers.

INTERACTING WITH OUR EMPLOYEES The group has a variety of participative structures at various levels for handling issues which affect employees directly and materially. These include national framework agreements with all three major trade unions in the group in South Africa, collective bargaining mechanisms, safety committees, employment equity and skills development committees and other participative forums. Collective labour agreements and voluntary recognition agreements also exist within the European operations.

These structures, which have been set up with trade unions and other employee representatives, are designed to achieve good employer and employee relationships through effective sharing of relevant information, the identification and resolution of conflict and consultation by management with employees.

group

	2004 R million	%	2003 R million	%
VALUE ADDED STATEMENT				
Revenue	17 494.6		18 174.0	
Less: Paid and payable for raw materials, goods and services	11 335.5		11 878.5	
Value added	6 159.1		6 295.5	
Income from investments	15.6		5.7	
Total wealth created	6 174.7	100.0	6 301.2	100.0
Applied as follows:				
Employees' costs	3 613.7	58.5	3 646.4	57.9
Government (see below)	602.2	9.8	664.2	10.5
Providers of capital				
Net finance costs	149.0	2.4	252.9	4.0
Dividends to ordinary shareholders	476.5	7.7	409.4	6.5
Dividends to preference and outside shareholders	2.7	—	1.0	—
Reinvested for future growth				
Depreciation and amortisation less surplus on disposal of property, plant and equipment	787.2	12.8	778.3	12.4
Deferred tax	52.9	0.9	2.1	—
Retained profit in holding, subsidiary and joint venture companies	490.5	7.9	546.9	8.7
Total value added	6 174.7	100.0	6 301.2	100.0
DEALINGS WITH GOVERNMENTS				
Gross contribution to governments				
Company taxes	468.8		564.8	
RSC levies	28.3		25.7	
Rates and taxes	44.0		49.0	
Customs and excise duty	62.0		24.7	
	603.1		664.2	
Deduct: Cash grants and subsidies	0.9		—	
Charged against group income	602.2		664.2	
Collected on behalf of governments				
PAYE and other employee taxes	914.3		922.5	
Value added tax (net)	554.9		555.2	
Environmental levy tax	4.8		—	
Total collections	1 474.0		1 477.7	

Nampak is committed to the principles of openness, integrity and accountability. The implementation of sound corporate governance practices has been a cornerstone of Nampak's business operations for many years, with changes and refinements being made from time to time in line with international trends and best practices.

Nampak complies with all the requirements for corporate governance of the JSE Securities Exchange South Africa. In addition, Nampak complies with all the principles of the King Code of Corporate Practices and Conduct except in respect of the following non-compulsory recommendations:

- A formal orientation and induction programme for directors has not been established. In view of the minimal number of new appointments to the board over the past five years and the relevant experience of the individuals concerned, it has not been considered necessary, but this will be addressed during the course of the current financial year in line with the King code.
- The board's effectiveness was comprehensively evaluated in the past financial year but, in the absence of significant changes to the board's composition, the board does not consider an annual evaluation to be necessary. The chairman of each committee is responsible for monitoring the performance of the relevant committee and its individual members, while the group's chairman is responsible for monitoring the performance of each individual director.
- The head of the internal audit department reports administratively to the executive director: finance rather than to the chief executive officer.

Compliance with the King code has been evaluated by the chairman, the chief executive officer and the company secretary. Where changes were considered necessary these were introduced after careful deliberation and in compliance with the King code.

BOARD OF DIRECTORS Nampak has a unitary board structure which comprises five executive and nine non-executive directors, following the resignation of Mr R G Tomlinson and the retirement of Mr J A Monks in the past financial year.

All the non-executive directors are independent with the exception of the chairman, Mr Trevor Evans, who will become independent by definition on 1 October 2006. In view of the very strong independent element on the board of directors his non-independence is not considered to be disadvantageous. The board adopted a formal charter during the financial year which sets out the board's responsibilities.

A summary for the board's primary responsibilities as set out in the charter are:

- reviewing and approving corporate strategy;
- approving and overseeing major capital expenditure, acquisitions and disposals;
- monitoring operational performance and management;
- reviewing annual budgets and business plans;



- identification and monitoring of key risk areas;
- ensuring that appropriate control systems are in place for the proper management of risk, financial control and compliance with all laws and regulations;
- approving the nomination of directors and monitoring the performance of all the directors, including the chairman and the chief executive officer;
- overseeing the company's disclosure and communication process; and
- ensuring annually that the company will continue as a going concern in the following year.

The positions of chief executive officer and chairman are separated, with responsibilities divided between them for matters affecting the board and management.

The board meets at least six times per annum and the details of attendance in financial year 2004 are provided at the end of this report. The board is responsible for the strategic direction of the group, while also maintaining control over all material matters affecting the group including operational performance, risk management and the selection of directors. All service contracts with executive directors may be terminated on notice periods not exceeding twelve months. All directors are subject to retirement by rotation and re-election by shareholders every three years and the re-appointment of non-executive directors is not automatic. The appointments of new directors are subject to confirmation by shareholders at the first

annual general meeting after their appointment.

Biographical details of all the directors are set out on pages 8 to 9 of this annual report.

There are comprehensive management reporting disciplines in place which include the preparation of annual budgets by all operating units. The strategic plan, the group budget, summaries of divisional sales, operating profit and capital expenditure are reviewed and approved by the board. Results and the financial status of divisions are reported on at board meetings against approved budgets and compared to the prior year. Profit projections, forecast cash flows and working capital and borrowing levels are also reported on at these meetings.

All directors have access to the advice and services of the company secretary. In appropriate circumstances they may seek independent professional advice about the affairs of the company at the company's expense. The director concerned would initially discuss and clear the matter with the chairman or the company secretary unless this would be inappropriate.

BOARD COMMITTEES The board has established four formal committees which are dealt with below.

REMUNERATION AND NOMINATIONS COMMITTEE / Members:

B P Connellan (*Chairman*)
T Evans



D A Hawton

M M Katz

M L Ndlovu

Remuneration and nominations are combined into a single committee, which is chaired by an independent director of the company and in addition comprises three independent directors and one non-executive director. Messrs Evans and Ndlovu were appointed to the committee with effect from 23 September 2004. The committee meets at least twice per year and the meetings are also attended by the chief executive officer, but he does not participate in discussions regarding his own remuneration.

The committee is chaired by an independent non-executive director of the group.

The committee met on three occasions during the financial year. It operates within written terms of reference, which were adopted on 10 September 2002.

The terms of reference provide direct authority to the committee to consider contractual arrangements of executives including general remuneration policy. The committee is authorised to approve executive remuneration that is fair and competitive at the commencement of each financial year, after taking into account the business strategy and talent-retention objectives. The three major elements of the remuneration structure are benchmarked separately in applicable jurisdictions, namely guaranteed package, short-term incentive scheme and long-term rewards (share options), and weighting between the elements may be adjusted from time to time to support the group's requirements.

The committee also reviews the executive recommendations for non-executive directors' fees and committee fee structures against market data before submission to the board and finally shareholders at the annual general meeting for approval.

AUDIT COMMITTEE / Members:

P L Campbell (*Chairman*)

B P Connellan

T Evans

M M Katz

R A Williams

The audit committee is chaired by an independent director of the company and in addition comprises three independent directors and one non-executive director. The committee meets at least three times per year and the meetings are also attended by appropriate executives including the chief executive officer and the chief financial officer.

The committee operates within written terms of reference which were updated in 2003. The responsibility of the committee includes the review and evaluation of the effectiveness of the internal controls of the group (with reference to the findings of both the internal and external auditors), the consideration of the appointment of the external auditors, the review of the nature and scope of the audit, material pending litigation, material defalcations, risk management, insurance covers, important accounting issues and specific disclosures in the financial statements.



The internal and external auditors report to the committee at each meeting on the results of their work and they also have unrestricted access to the chairman and other members of the committee.

A risk management committee has been formed as a committee of the board reporting through the audit committee and it provides assistance in the identification, assessment, managing and monitoring of risks facing the group.

RISK MANAGEMENT COMMITTEE / Members:

R P Becker (*Chairman*)

G E Bortolan

PL Campbell

N Cumming

A S Lang

J A Monks*

N P O'Brien

P A Stevens

**Resigned with effect from 30 September 2004.*

The risk management committee was formed in the 2003 financial year as a committee of the board, but reports to the board through the audit committee. The committee meets at least twice per year and is chaired by the chief financial officer. The committee also comprises the chairman of the audit committee and senior executives of the group. The primary function of the committee is to establish and maintain a common understanding of the risk universe, to identify and agree the risk

profile of the group, to co-ordinate the group's risk management efforts and to report via the audit committee to the board on the risk management work undertaken.

The committee is chaired by the chief financial officer, Mr R P Becker, since the committee performs primarily an executive function. The committee also comprises the independent chairman of the audit committee, the chief executive officer and other senior executives of the group. The committee convenes in the week before meetings of the audit committee.

CORPORATE SOCIAL INVESTMENT AND SUSTAINABILITY COMMITTEE / Members:

A M Marthinusen (*Chairman*)

N Bengani

S S Dennis

G A Hayward

L D Kidd

K M Mokoape

M A Otto

F V Tshiqi

The committee meets at least four times per year, is chaired by the executive director: marketing and also comprises an independent director and senior managers of the group.

The function of the committee is dealt with on pages 48 to 51 of the Sustainability Report.

RISK MANAGEMENT / Accountability The focus of risk management is on identifying, assessing, managing, monitoring and reporting material forms of risk across the group. The board is accountable for the total process of risk management and internal control, and its policy on risk management encompasses all significant business risks to the group including strategic, financial, operational, technology and compliance risks.

The risk environment in which the business operates is ever-changing. Each level of management, from the board of directors downwards, is responsible for regular appraisals of the risk environment in which they operate, and to ensure that significant risks are identified, assessed, managed and reported on.

Structure Group internal audit is involved in facilitating the risk management and assurance processes across the group. The internal audit programme is continuously aligned with the results of the risk management programme.

A dedicated risk management officer has been appointed to administer the enterprise risk management database risk reporting and to co-ordinate risk assurance across the group.

Risk assessment Formal risk assessments have been carried out at Nampak cluster, divisional and group support functions around the world, using proprietary risk management software and a structured methodology. The method used assesses the level of the impact of the risks assessed, and formalises the mechanisms and

measures used to monitor, manage and control those risks.

The risk assessment process has determined the actual value at risk of the group's top risks worldwide. The group's main residual risks after factoring in control identified by this process, as at 30 September 2004, listed alphabetically are:

- currency volatility
- ERP implementation
- growth in packaging demand
- inbound supply chain
- loss of key sites
- over-dependency on certain market sectors
- packaging substitution
- product liability
- retention of human capital

Risk response and assurance A group-wide system of internal control has been established to manage significant risks. This provides reasonable assurance that the company's business objectives will be met, even in the event of a disastrous incident impacting on activities.

Risks are further controlled and managed by group policies limiting exposure in specific areas such as finance, treasury, human resources, marketing, procurement, quality assurance, as well as external and internal insurance programmes. Furthermore, risk and control audits of all plants are carried out annually to check compliance against written standards and the occupational health and safety requirements.



The group seeks to have a sound system of internal control, based on its policies and guidelines, in all material associates and joint ventures. Where this is not possible, the responsible directors seek assurance that significant risks are being managed in an acceptable manner.

Future developments The group continues to further refine its risk management methodology. A consolidated risk register has been developed which details specific risk exposures and related values at risk, control standards, critical success factors and key risk indicators for all key risks.

We will continue to roll out our enterprise risk management programme by:

- embedding our risk policy framework and internal risk reporting mechanisms;
- benchmarking our risk policy framework against leading international standard (the 2004 COSO ERM integrated framework); and
- embedding our enterprise risk and control self-assessment system to enable annual assessments of control over risk, together with the identification of emerging risk exposures.

ACCOUNTABILITY AND AUDIT The directors confirm that they are satisfied that the group has adequate resources to continue in business for the foreseeable future. For this reason they continue to adopt the going-concern basis for preparing the financial statements.

The annual financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice. They are based on appropriate accounting policies which have been consistently applied and are supported by reasonable and prudent judgments and consistent estimates. Adequate accounting records and internal controls and systems have been maintained to provide reasonable assurance on the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability for the group's assets. Such controls are based on established policies and procedures and are implemented by trained personnel with an appropriate segregation of duties.

The effectiveness of internal controls and systems is monitored through the utilisation by management of internal control checklists, formal reporting of material defalcations and other losses and the use of an internal audit department.

The internal audit department is an independent appraisal function which reviews the adequacy and effectiveness of internal controls and the systems which support them. This includes controls and systems at the operating entities and in relation to business and financial risks which could have an adverse effect on the group. Weaknesses identified by the internal auditors are brought to the attention of the directors and management. The head of the internal audit department reports directly to the chairman of the audit committee, but is responsible administratively to the chief financial officer.

He may be dismissed or appointed only with the concurrence of the audit committee. The purpose, authority and responsibility of the internal audit department is formally defined.

The external auditors provide an independent assessment of internal controls and systems through the audit work that they perform. They complement the work of the internal auditors and review all internal audit reports on a regular basis. The external auditors are also responsible for reporting on whether the financial statements are fairly presented and their report is presented on page 79.

Nothing has come to the attention of the directors, nor the attention of the internal or external auditors, to indicate that any material breakdown in the functioning of the above-mentioned internal controls and systems has occurred during the year under review.

During the year under review the external auditors provided valuable non-audit-related services to the company including:

	Rm
● Consultancy services for the implementation of a new ERP system for the Nampak group	27.8
● Advice and assistance on tax matters	5.8
● Other advice and assistance	8.4

The board has considered the extensive use made of consultancy services from the external auditors

for the implementation of the new ERP system, and is satisfied that the separation of reporting responsibilities ensures that the independence of the external auditors is not jeopardised.

ETHICS The group adopted a revised code of business ethics during the course of the past financial year. All directors and employees are required to comply with the code, which requires all employees to act with honesty and integrity and to maintain the highest ethical standards.

The code deals with compliance with laws and regulations, conflicts of interest, relationships with customers and suppliers, gifts and favours, remuneration, outside employment, directorships, company funds and property, confidentiality, company records and communications, competition, insider trading, donations and sponsorships and employment and labour rights.

The group operates Tip-offs Anonymous, which allows callers to report confidentially on any violations of Nampak's policies and procedures.

Systems and procedures are in place to monitor and enforce the code and the directors believe that the requirements of the code have largely been met by employees.

PRICE SENSITIVE INFORMATION In accordance with the JSE Securities Exchange South Africa's guidelines on price sensitive information, the company has adopted a policy dealing with the determination of information as price sensitive



confidentiality undertakings and discussions with the press, institutional investors and analysts. Only the chairman, the chief executive officer, the chief financial officer and the investor relations manager may discuss matters which may involve price sensitive information with third parties. The company follows a “closed period” principle, during which period employees and directors are prohibited from dealing in the company’s shares.

The usual closed periods endure from approximately the middle of March until the publication in May of the interim results for the six-month period ended 31 March and from approximately the middle of September until the publication in November of the financial results for the year ended 30 September. Additional periods may be declared “closed” from time to time if circumstances warrant this action.

Attendance at board and committee meetings during the year ended 30 September 2004

	Board		Audit committee		Corporate social investment committee		Remuneration and nominations committee		Risk management committee	
	A	B	A	B	A	B	A	B	A	B
R P Becker	6	6							2	2
G E Bortolan	6	6							2	2
P L Campbell	6	6	3	3					2	2
B P Connellan	6	6	3	3			3	3		
N Cumming	6	6							2	2
T Evans	6	6	3	3			3	3		
D A Hawton	6	5					3	3		
M M Katz	6	5	3	2			3	2		
A S Lang	6	6							2	2
A M Marthinusen	6	6			4	4				
K M Mokoape	6	6			4	3				
J A Monks*	6	5							2	0
M L Ndlovu	6	4					1	1		
R G Tomlinson**	5	5								
M H Visser	6	6								
R A Williams	6	5	3	3						

Column A indicates the number of meetings held during the period the director was a member of the board and/or committee.

Column B indicates the number of meetings attended during the period the director was a member of the board and/or committee.

* Resigned with effect from 30 September 2004

** Resigned with effect from 21 July 2004



This report on remuneration and related matters sets out the remuneration philosophy at director and senior management levels and details the actual directors' remuneration earned during the financial year under review. Further details on the structure and mandate of the remuneration committee are included on pages 57 and 58 of this report.

REMUNERATION PHILOSOPHY

The remuneration philosophy is designed to support the group's strategy of a performance culture through attraction and retention of the appropriate calibre of directors and senior managers who are motivated to create a climate that supports high levels of performance at an individual contribution level and team basis. The attraction and retention of talent requires remuneration structures that are relevant, transparent and competitive when benchmarked against appropriate market survey data and practices in each jurisdiction. Incentive bonus schemes and share options are designed to align executive director and senior management remuneration to growth in shareholder wealth and are structured to encourage consistent superior growth in earnings through the achievement of demanding performance criteria. The group continues to place a significant weighting within the overall remuneration structure on the incentive bonus scheme element in order to support the business need for a performance-driven culture. The issue of share options in line with practices in similar industries provides support for the group's talent-retention strategy.

EXECUTIVE DIRECTORS' REMUNERATION

Executive directors' remuneration consists of:

- a guaranteed package component that includes a cash salary plus the cash value of all benefits such as retirement funding contributions, assured benefit premiums, medical aid and car for business use;
- a short-term incentive bonus scheme where rewards are determined against achievement of annual financial targets and individual performance criteria; and
- a long-term incentive scheme in the form of share options designed to align director wealth creation with that of shareholders and to assist with the group's talent-retention strategy.

GUARANTEED PACKAGE Executive director job levels are established with assistance from external consultants after considering the size and complexity of the role, and these are then benchmarked against the market on an annual basis at the end of each financial year, using comprehensive survey data in related industries for each jurisdiction. This information, together with an overview of published remuneration, provides the remuneration committee with a sound base on which to make informed decisions.

The remuneration committee has the authority to approve guaranteed packages that will retain the correct calibre of talent. Guaranteed package levels are recommended by the chief executive officer after taking into account individual experience, current performance and contribution, and future career progression.



The guaranteed packages of executive directors for 2005 are based on the market median as opposed to the higher percentiles which had been established previously. To align to the group's strategy of a performance culture, the remuneration structure for 2005 will provide for individual performance criteria to be set for all executive directors and senior managers which, if achieved, will bring total remuneration (before incentives) up to the same level as the previous percentiles.

Retirement funding, assured benefit cover and healthcare form part of the overall remuneration package in line with general market trends in each of the jurisdictions. The company liability in respect of retirement funding and assured benefits has been capped for South African executive directors where the company meets the costs as a fixed percentage of the guaranteed package. The retirement funding and assured benefits for the European executive director are provided on a defined benefit basis and the company meets the annual costs of providing the agreed contractual benefit. Executive directors who joined the company prior to 1 June 1996 receive post-retirement medical aid cover funded by the company on retirement. The provision for this benefit has been included and accounted for on page 98.

The guaranteed packages earned by the executive directors are included in the detail reflected in table 1(a) on page 66 of this report.

Certain executive directors who live in South Africa are responsible for operational direction and management offshore and are contracted to, and paid remuneration by, those structures. These

amounts are reflected separately in table 1(a) and are reviewed annually or when responsibilities change.

ANNUAL INCENTIVE BONUS The incentive bonus scheme is reviewed in detail by the remuneration committee who bring experience from their participation on other remuneration committees. This experience, coupled with extensive local and international market data and trend information, provides sufficient information to set the financial targets at the commencement of each financial year once the business strategy has been agreed. The primary focus of the incentive scheme for the financial year under review remained to reward executive directors and senior management for the achievement of challenging financial growth. The maximum potential incentive bonus is capped at 100% of cash package.

During the financial year under review, the group target was based on growth in headline earnings. The operational directors' targets included an element of group performance (20%), with the balance of the potential incentive (80%) aligned to their divisional performance. The divisional performance targets were based on improvements in profit before interest and tax, with discounts applied on any incentive bonus earned of up to fifteen percent for non-achievement of working capital targets.

To continue to align the group's employment equity strategy with executive director remuneration, the South African executive directors' incentive earned under the financial component is discounted up to twenty percent for non-achievement of employment equity targets.

The incentive bonus scheme rules continued to provide for a portion of the maximum incentive to be linked to the achievement of individual performance criteria where an incentive would be paid irrespective of financial performance achievement. During the financial year under review, no individual performance criteria were set. However, this component will be actively incorporated into the incentive scheme design for the financial year ahead.

The incentive bonus scheme design for the financial year ending 30 September 2005 has been reviewed. The financial measures of headline earnings at the

group level and profit before interest and tax at operational level will be retained. In addition, improvement in return on equity targets will be set at group level, with corresponding return on gross assets at operational level.

The financial targets set were not achieved by the directors during the financial year under review and therefore the column in table 1(a) reflects no incentives earned. The incentive bonus reflected for R G Tomlinson vested as a result of the sale of NamITech.

Table 1(a): Executive directors' remuneration 2004

Name	Guaranteed package (rand)	Payments by offshore companies Note 1 (rand)	Company contributions to retirement (rand)	Value of other benefits Note 2 (rand)	Incentive bonus (rand)	Total remuneration 2004 (rand)	Payments due post the financial year end Note 3 (rand)
R P Becker	1 390 958	368 579	97 042	15 000		1 871 579	
G E Bortolan	2 369 041	628 361	167 759	45 706		3 210 867	
N Cumming	2 042 132		142 868	36 324		2 221 324	
A S Lang	1 947 513		137 486	75 094		2 160 093	
A M Marthinusen	1 705 927		119 073	41 015		1 866 015	
J A Monks*	2 898 136		2 601 686	769 446		6 269 268	6 874 097
R G Tomlinson**	1 250 689	331 504	87 644	1 107 363	494 900	3 272 100	
Total	13 604 396	1 328 444	3 353 558	2 089 948	494 900	20 871 246	6 874 097

*Resigned from the Nampak Limited board with effect from 30 September 2004. Retires from the group with effect from 31 December 2004.

** Resigned from the Nampak Limited board with effect from 21 July 2004 and resigned from the group with effect from 31 August 2004.

Note 1: For the purpose of total remuneration, offshore payments have been converted to rand at the average annual exchange rate.

Note 2: Other benefits comprise the value of low interest rate loans, comprehensive insurance on car allowance vehicles, value of company car benefit (if applicable), accommodation, leave pay outstanding, restraint of trade payment and National Insurance paid for UK executive.

Note 3: As reported previously, as part of the merger negotiations the company agreed to assume the contractual arrangements of the Malbak Limited directors. Mr Monks will retire from the group with effect from 31 December 2004. The payment due to Mr Monks on his retirement under his contractual notice period is cash of £544 931 (including National Insurance) estimated value of benefits £35 651 (excluding pension contributions where actuarial valuation is awaited).



Table 1(b): Executive directors' remuneration 2003

Name	Guaranteed package (rand)	Payments by offshore companies Note 1 (rand)	Company contributions to retirement (rand)	Value of other benefits Note 2 (rand)	Incentive bonus rollover component Note 3 (rand)	Incentive bonus Note 4 (rand)	Total remuneration 2003 (rand)
R P Becker*	940 737	—	68 695	15 000	—	892 500	1 916 932
G E Bortolan	2 167 451	496 732	153 472	60 822	541 000	2 351 100	5 770 577
N Cumming	1 497 273	167 610	104 487	47 410	388 750	1 517 250	3 722 780
P A de Weerd****	1 387 683	—	97 317	68 607	318 750	1 262 250	3 134 607
T Evans**	2 722 807	534 338	184 177	948 826	783 750	2 825 400	7 999 298
A S Lang	1 760 777	—	124 223	108 687	400 000	1 602 250	3 995 937
A M Marthinusen	1 575 044	—	109 956	52 589	388 750	1 238 981	3 365 320
C J Miller*** Note 5	1 290 479	—	1 296 436	5 168 813	—	234 090	7 989 818
J A Monks	2 833 878	—	2 440 377	143 243	—	1 902 674	7 320 172
A D S Morais****	1 388 115	—	96 885	39 749	—	450 000	1 974 749
J W C Sayers****	1 638 796	67 453	114 624	38 147	400 000	1 559 750	3 818 770
R G Tomlinson	1 527 528	—	107 472	15 000	—	1 389 750	3 039 750
Total	20 730 568	1 266 133	4 898 121	7 483 545	3 221 000	17 225 995	54 048 710

*Appointed on 15 January 2003.

**Retired as executive chairman on 30 September 2003.

***Retired on 30 September 2003.

****Resigned from the Nampak Limited board on 30 September 2003.

Note 1: For the purpose of total remuneration, offshore payments have been converted to rand at the average annual exchange rate.

Note 2: Other benefits comprise the value of low interest rate loans, comprehensive insurance on company vehicles, value of company car benefit (if applicable), accommodation, retirement gratuity, leave pay outstanding at retirement, and lump sum payments per note 5. Now includes National Insurance payable for UK executive.

Note 3: The portion of the incentive bonus component for the financial year ending 30 September 2002, which is payable as growth, was sustained into the new financial year.

Note 4: The incentive bonuses are accounted for on the accrual basis to match the amount payable to the applicable financial year-end with 100% of the incentive payable if earned.

Note 5: As part of the merger negotiations the company agreed to accept the contractual arrangements of the Malbak Limited directors. Mr Miller retired on 30 September 2003. On his retirement, he was entitled to a lump sum payment of R5 014 102 and a contribution to retirement funding of R1 000 000.

SHARE OPTION SCHEME The actual share options issued and the gains on the options exercised for the financial year under review for the directors are indicated in table 2(a).

Shareholders' consent was granted at the last annual general meeting to set aside 10 425 000 ordinary shares, or eight percent of the additional ordinary share capital that arose through the merger with Malbak Limited, for purposes of the Nampak 1985 Share Option Scheme ("the Option Scheme"). The total number of ordinary shares that may be allocated to directors and employees in terms of the Option Scheme is 68 045 030.

The remuneration committee approves the issue of all share option allocations within the company. The maximum potential share options that may be allocated to executive directors and employees is currently 2.2 million. Levels of share option allocations for executive directors and employees over a ten-year rolling period are benchmarked against the market and similar industries. Vesting periods for the share options are one-third after

three years, two-thirds after four years and all options after five years, with the maximum period set at ten years.

Share options are not issued to non-executive directors, however, retiring executive directors who accept non-executive director positions after their retirement are entitled to retain any share options issued prior to the date of retirement.

The Option Scheme is designed to align executive director and senior management wealth creation directly to that of shareholders and to ensure consistent medium to longer-term company performance. Share options form an integral part of the company's talent-retention strategy and individual performance and future career progression is considered. They are generally issued on an annual basis with a view to retaining the level of executive directors' and senior management share options in line with market-related benchmarks.

Further share options will be issued in the first quarter of the new financial year.

Table 2(a): Directors' share options 2004

Name	Balance at 1/10/03	Options granted during the year				Options exercised during the year	Gains on options exercised (rand)	Exercise price (cents)	Date exercised	Balance at 30/09/04
		Number granted	Price (cents)	Date of grant	Expiry date					
R P Becker	382 800	140 000	1 234	27/11/2003	27/11/2013	—	—	—	—	522 800
G E Bortolan	977 600	300 000	1 234	27/11/2003	27/11/2013	—	—	—	—	1 277 600
N Cumming	541 900	180 000	1 234	27/11/2003	27/11/2013	—	—	—	—	721 900
T Evans	1 469 100	—	—	—	—	—	—	—	—	1 469 100
A S Lang	532 600	50 000	1 234	27/11/2003	27/11/2013	—	—	—	—	582 600
A M Marthinusen	536 000	—	—	—	—	—	—	—	—	536 000
J A Monks	—	—	—	—	—	—	—	—	—	—
R G Tomlinson	456 900	140 000	1 234	27/11/2003	27/11/2013	50 000	185 000	1 420	31/05/2004	546 910
						44 400	124 320	1 340	26/01/2004	502 510
						52 500	312 375	1 340	26/01/2004	Balance forfeited 50 000
P L Campbell	50 000	—	—	—	—	—	—	—	—	50 000
Total							621 695			

Table 2(b): Directors' share options 2003

Name	Balance at 1/10/02	Options granted during the year				Options exercised during the year	Gains on options exercised (rand)	Exercise price (cents) exercised	Date exercised	Balance at 30/09/03
		Number granted	Price (cents)	Date of grant	Expiry date					
R P Becker	—	382 800	1 280	31/01/03	31/01/13	—	—	—	—	382 800
G E Bortolan	977 600	—	—	—	—	—	—	—	—	977 600
N Cumming	541 900	—	—	—	—	—	—	—	—	541 900
P A de Weerd*	451 100	—	—	—	—	—	—	—	—	451 100
T Evans	1 360 900	108 200	1 280	31/01/03	31/01/13	—	—	—	—	1 469 100
A S Lang	532 600	—	—	—	—	—	—	—	—	532 600
A M Marthinusen	536 000	—	—	—	—	—	—	—	—	536 000
C J Miller*	—	—	—	—	—	—	—	—	—	—
J A Monks	—	—	—	—	—	—	—	—	—	—
A D S Morais*	485 300	—	—	—	—	—	—	—	—	485 300
J W C Sayers*	540 200	—	—	—	—	—	—	—	—	540 200
R G Tomlinson	456 900	—	—	—	—	—	—	—	—	456 900
P L Campbell	50 000	—	—	—	—	—	—	—	—	50 000

*Resigned from the Nampak Limited board on 30 September 2003.

Participants in the Option Scheme may elect to receive trust loans in terms of the Nampak 1979 Share Purchase Scheme (“the Purchase Scheme”) from the share purchase trust to finance the exercise of share options. Table 3(a) reflects the

movement in the trust loans during the financial year. The derived benefit of low interest rate loans granted under the purchase scheme is included in the value of other benefits in table 1(a) on page 66.

Table 3(a): Summary of directors' share dealings in shares acquired through the Share Purchase Scheme 2004

Name	Number of shares at 1/10/03	Purchases	Sales	Balance at 30/09/04 including shares with paid-up and outstanding loans	Effective selling price of shares during year (rand)	Total cost of shares sold during year (rand)	Gain for the year (rand)	Outstanding share trust loan balances at 30/09/04 (rand)
R P Becker	—	—	—	—	—	—	—	—
G E Bortolan	87 600	—	—	87 600	—	—	—	323 784
N Cumming	116 500	—	—	116 500	—	—	—	224 850
T Evans	226 600	—	—	226 600	—	—	—	473 684
A S Lang	244 100	—	85 000	159 100	1 242 244	234 263	1 007 981	770 184
A M Marthinusen	90 700	—	—	90 700	—	—	—	274 317
J A Monks*	—	—	—	—	—	—	—	—
R G Tomlinson**	—	—	—	—	—	—	—	—
Total					1 242 244	234 263	1 007 981	2 066 819

*Resigned from the Nampak Limited board with effect from 30 September 2004. Retires from the group with effect from 31 December 2004.

**Resigned from the Nampak Limited board with effect from 21 July 2004 and resigned from the group with effect from 31 August 2004.

Table 3(b): Summary of directors' share dealings in shares acquired through the Share Purchase Scheme 2003

Name	Number of shares at 1/10/02	Purchases	Sales	Balance at 30/09/03 including shares with paid-up and outstanding loans	Effective selling price of shares during year (rand)	Total cost of shares sold during year (rand)	Gain for the year (rand)	Outstanding share trust loan balances at 30/09/03 (rand)
R P Becker	—	—	—	—	—	—	—	—
G E Bortolan	87 600	—	—	87 600	—	—	—	323 784
N Cumming	116 500	—	—	116 500	—	—	—	224 850
P A de Weerd*	50 800	—	25 000	25 800	315 500	186 250	129 250	292 367
T Evans	226 600	—	—	226 600	—	—	—	473 684
A S Lang	244 100	—	—	244 100	—	—	—	770 184
A M Marthinusen	90 700	—	—	90 700	—	—	—	274 317
C J Miller*	—	—	—	—	—	—	—	—
J A Monks	—	—	—	—	—	—	—	—
A D S Morais*	67 500	—	—	67 500	—	—	—	173 884
J W C Sayers*	40 000	—	20 000	20 000	306 000	149 000	157 000	148 800
R G Tomlinson	—	—	—	—	—	—	—	—
Total					621 500	335 250	286 250	2 681 870

*Resigned from the Nampak Limited board on 30 September 2003.



The following table lists the directors who exercised share options using share trust loans between 1 October 2003 and 30 September 2004:

Table 4(a): Loans granted to directors in terms of the share trust between 1 October 2003 and 30 September 2004

Name	Loan amount as at 30 September 2003 (rand)	Date option granted	Date options exercised and loan granted	Original option price (cents)	Closing market price on exercise date (cents)	Number of shares	Loan amount settled between 1 October 2003 and 30 September 2004 (rand)	Loan amount as at 30 September 2004 (rand)
G E Bortolan	323 784	—	—	—	—	—	—	323 784
N Cumming	224 850	—	—	—	—	—	—	224 850
T Evans	473 684	—	—	—	—	—	—	473 684
A S Lang	770 184	—	—	—	—	—	—	770 184
A M Marthinusen	274 317	—	—	—	—	—	—	274 317

Note: Share scheme loans must be repaid not later than ten (10) years from the date the option was originally granted.

Table 4(b): Loans granted to directors in terms of the share trust between 1 October 2002 and 30 September 2003

Name	Loan amount as at 30 September 2002 (rand)	Date option granted	Date options exercised and loan granted	Original option price (cents)	Closing market price on exercise date (cents)	Number of shares	Loan amount settled between 1 October 2002 and 30 September 2003 (rand)	Loan amount as at 30 September 2003 (rand)
G E Bortolan	208 544	13/10/1992	16/10/1995	785	1 775	26 600	208 544	—
	209 328	13/10/1992	22/10/1996	785	1 840	26 700	209 328	—
	99 568	13/10/1992	23/10/1997	785	1 700	12 700	99 568	—
	323 784	22/03/1995	19/06/1998	1 500	1 500	21 600	—	323 784
N Cumming	169 344	13/10/1992	16/10/1995	785	1 775	21 600	169 344	—
	170 128	13/10/1992	22/10/1996	785	1 840	21 700	170 128	—
	170 128	13/10/1992	23/10/1997	785	1 700	21 700	170 128	—
	224 850	22/03/1995	19/06/1998	1 500	1 500	15 000	—	224 850
P A de Weerd*†	199 367	22/03/1995	19/06/1998	1 500	1 500	13 300	—	199 367
	279 000	31/08/1998	17/04/2000	745	1 235	37 500	186 000	93 000
T Evans	313 600	13/10/1992	16/10/1995	785	1 775	40 000	313 600	—
	313 600	13/10/1992	22/10/1996	785	1 840	40 000	313 600	—
	313 600	13/10/1992	23/10/1997	785	1 700	40 000	313 600	—
	473 684	22/03/1995	19/06/1998	1 500	1 500	31 600	—	473 684
A S Lang	208 544	13/10/1992	16/10/1995	785	1 775	26 600	208 544	—
	209 328	13/10/1992	22/10/1996	785	1 840	26 700	209 328	—
	209 328	13/10/1992	23/10/1997	785	1 700	26 700	209 328	—
	323 784	22/03/1995	01/06/1998	1 500	1 770	21 600	—	323 784
	446 400	31/08/1998	14/10/1999	745	1 485	60 000	—	446 400
A M Marthinusen	170 128	13/10/1992	22/10/1996	785	1 840	21 700	170 128	—
	170 128	13/10/1992	23/10/1997	785	1 700	21 700	170 128	—
	274 317	22/03/1995	19/06/1998	1 500	1 500	18 300	—	274 317
A D S Morais*†	104 272	13/10/1992	02/11/1995	785	1 875	13 300	104 272	—
	104 272	13/10/1992	01/11/1996	785	1 755	13 300	104 272	—
	105 056	13/10/1992	23/10/1997	785	1 700	13 400	105 056	—
	173 884	22/03/1995	23/10/1997	1 500	1 770	11 600	—	173 884
J W C Sayers*†	297 600	31/08/1998	27/10/1999	745	1 475	40 000	148 800	148 800

*Resigned from the Nampak Limited board on 30 September 2003.

Note: Share scheme loans must be repaid not later than ten (10) years from the date the option was originally granted.



The following table reflects the total direct and indirect beneficial interests and non-beneficial interests of the directors in the issued share capital as at 30 September 2004 and 30 September 2003.

Table 5: Total direct and indirect beneficial interests and non-beneficial interests as at 30 September 2004 and 30 September 2003

Name	Direct and indirect beneficial interests							
	Ordinary shares		Options to purchase ordinary shares under the share option scheme				Non-beneficial interests	
	2004	2003	Option price 2004 (cents)	Date of grant	2003	30 September 2004	30 September 2003	
R P Becker	—	—	382 800	1 280	31/01/2003	382 800	1	—
			140 000	1 234	27/11/2003	—		
G E Bortolan	87 600	87 600	43 400	1 500	22/03/1995	43 400	1	1
			59 200	1 060	30/07/1998	59 200		
			60 000	745	31/08/1998	60 000		
			215 000	1 050	01/12/2000	215 000		
			400 000	1 060	14/12/2001	400 000		
			200 000	1 326	25/07/2002	200 000		
			300 000	1 234	27/11/2003	—		
P L Campbell	23 200	23 200	50 000	1 500	22/03/1995	50 000	1	1
B P Connellan	44 235	44 235	—	—	—	—	1	1
N Cumming	116 500	116 500	30 000	1 500	22/03/1995	30 000	1	1
			44 400	1 060	30/07/1998	44 400		
			37 500	745	31/08/1998	37 500		
			100 000	1 050	01/12/2000	100 000		
			250 000	1 060	14/12/2001	250 000		
			80 000	1 326	25/07/2002	80 000		
			180 000	1 234	27/11/2003	—		
P A de Weerd	n/a	25 800	n/a	1 500	22/03/1995	26 700	—	—
			n/a	1 060	30/07/1998	44 400		
			n/a	1 050	01/12/2000	100 000		
			n/a	1 060	14/12/2001	250 000		
			n/a	1 326	25/07/2002	30 000		
T Evans	226 600	226 600	63 400	1 500	22/03/1995	63 400	1	1
			133 200	1 060	30/07/1998	133 200		
			172 500	745	31/08/1998	172 500		
			250 000	1 050	01/12/2000	250 000		
			66 800	1 060	14/12/2001	66 800		
			433 200	1 060	23/01/2002	433 200		
			241 800	1 326	25/07/2002	241 800		
			108 200	1 280	31/01/2003	108 200		
D A Hawton	3 000	3 000	—	—	—	—	1	1

Table 5: Total direct and indirect beneficial interests and non-beneficial interests as at 30 September 2004 and 30 September 2003 (continued)

Name	Direct and indirect beneficial interests							
	Ordinary shares		Options to purchase ordinary shares under the share option scheme				Non-beneficial interests	
	2004	2003	2004	Option price (cents)	Date of grant	2003	30 September 2004	30 September 2003
M M Katz	—	—	—	—	—	—	1	1
AS Lang	159 100	244 346	43 400	1 500	22/03/1995	43 400	1	1
			59 200	1 060	30/07/1998	59 200		
			100 000	1 050	01/12/2000	100 000		
			250 000	1 060	14/12/2001	250 000		
			80 000	1 326	25/07/2002	80 000		
			50 000	1 234	27/11/2003	—		
A M Marthinusen	90 700	90 700	36 700	1 500	22/03/1995	36 700	1	1
			51 800	1 060	30/07/1998	51 800		
			37 500	745	31/08/1998	37 500		
			100 000	1 050	01/12/2000	100 000		
			250 000	1 060	14/12/2001	250 000		
			60 000	1 326	25/07/2002	60 000		
C J Miller	n/a	70 000	n/a	—	—	—	n/a	—
A D S Morais	n/a	67 500	n/a	1 500	22/03/1995	23 400	—	—
				1 060	30/07/1998	44 400		
				745	31/08/1998	37 500		
				1 050	01/12/2000	100 000		
				1 060	14/12/2001	250 000		
				1 326	25/07/2002	30 000		
K M Mokoape	—	—	—	—	—	—	1	1
J A Monks	—	—	—	—	—	—	1	1
M L Ndlovu	—	—	—	—	—	—	1	1
R G Tomlinson	n/a	—	n/a	1 060	30/07/1998	44 400	n/a	1
				745	31/08/1998	52 500		
				1 050	01/12/2000	150 000		
				1 060	14/12/2001	150 000		
				1 326	25/07/2002	60 000		
				1 234	27/11/2003	140 000		
M H Visser	—	—	—	—	—	—	1	1
R A Williams	170 997	170 997	—	—	—	—	1	1

SERVICE CONTRACTS Indefinite-term contracts based on a notice period of six months by either party have been signed by the following directors: Messrs R P Becker, N Cumming and A M Marthinusen. The committee reviews the notice periods with effect from 1 October each year and has agreed to retain the notice periods at the levels outlined above for the year ending 30 September 2005.

The fixed-term contracts for Messrs G E Bortolan and A S Lang expired on 30 September 2004 and 31 August 2004 respectively. Mr Lang has signed an indefinite-term contract based on a notice period of six months by either party. Mr Bortolan has signed an indefinite-term contract based on a notice period of twelve months by either party. The committee will review the notice periods with effect from 1 October 2005.

NON-EXECUTIVE DIRECTORS'

REMUNERATION Non-executive directors receive a fixed level of remuneration for their services based on their participation in board meetings and on other committees. The non-executive directors do not participate in incentive bonus schemes nor are they granted share options.

The chief executive officer recommends the non-executive director fee structures after obtaining input from external consultants regarding market trends and current pay practices. No increase in fees will be proposed in 2005. The remuneration committee reviews the recommendations before they are tabled at the board meeting for final agreement and they are then recommended to shareholders for approval. Consideration is given to any changes in the levels of responsibility and complexity of the roles when reviewing fee recommendations.

The fees earned by non-executive directors for the financial year under review are outlined in table 5(a).

Table 5(a): Non-executive directors' remuneration 2004

Name	Notes	Directors' fees (rand)	Committee fees (rand)	Total 2004 (rand)
P L Campbell		90 000	100 000	190 000
B P Connellan		90 000	125 000	215 000
T Evans	1	1 750 000	—	1 750 000
D A Hawton		90 000	40 000	130 000
M M Katz	2	90 000	90 000	180 000
K M Mokoape	3	90 000	22 000	112 000
M L Ndlovu	4	90 000	13 300	103 300
M H Visser	5	90 000	—	90 000
R A Williams		90 000	50 000	140 000
Total		2 470 000	440 300	2 910 300

Note 1: Fees as Chairman spending approximately 50% of his time on company matters. This time will reduce to between 30 to 35% for the financial year ending 30 September 2005. Mr Evans continues to participate in the share purchase scheme for options that were exercised prior to his retirement and the value of the low interest rate loan for the financial year was R44 921.

Note 2: Fees paid to Edward Nathan & Friedland (Pty) Limited.

Note 3: Committee fees are paid for participation in the Corporate Social Investment Committee.

Note 4: Appointed to the Remuneration and Nominations Committee on 23 September 2004.

Note 5: Fees paid to M & I Group Services (Pty) Limited.

Table 5(b): Non-executive directors' remuneration 2003

Name	Notes	Directors' fees (rand)	Committee fees (rand)	Consulting services (rand)	Total 2003 (rand)
P L Campbell		80 000	60 000	—	140 000
B P Connellan	1	80 000	90 000	897 310	1 067 310
D A Hawton		80 000	30 000	—	110 000
M M Katz	2	80 000	60 000	—	140 000
K M Mokoape	3	80 000	20 000	—	100 000
M L Ndlovu		80 000	—	—	80 000
M H Visser	4	80 000	—	—	80 000
R A Williams		80 000	30 000	—	110 000
Total		640 000	290 000	897 310	1 827 310

Note 1: Consultancy terminated on 30 June 2003.

Note 2: Fees paid to Edward Nathan & Friedland (Pty) Limited.

Note 3: Committee fees are paid for participation in the Corporate Social Investment Committee.

Note 4: Fees paid to M & I Group Services (Pty) Limited.



key financial information

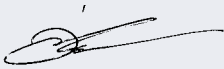
key financial information



Annual Financial Statements

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I certify that the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Companies Act 61 of 1973 and that all such returns are true, correct and up to date.



N P O'Brien

Company secretary

25 November 2004

APPROVAL BY THE DIRECTORS

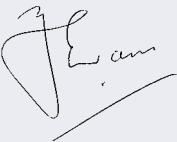
TO THE MEMBERS OF NAMPAK LIMITED

The directors of the company are responsible for the preparation and integrity of the annual financial statements and related financial information included in this report. The financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice, and incorporate full and responsible disclosure in line with the accounting philosophy of the group.

The directors are satisfied that the group has adequate resources to continue in operation for the foreseeable future and the financial statements have accordingly been prepared on an ongoing concern basis.

It is the responsibility of the external auditors to express an opinion on the financial statements and their report appears on page 79.

These financial statements have been approved by the board of directors and are signed on its behalf by:



T Evans
Chairman

Sandton
25 November 2004



G E Bortolan
Chief executive officer

TO THE MEMBERS OF NAMPAK LIMITED

We have audited the annual financial statements and group annual financial statements set out on pages 80 to 127 for the year ended 30 September 2004. These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

SCOPE

We conducted our audit in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

AUDIT OPINION

In our opinion these financial statements fairly present, in all material respects, the financial position of the company and the group at 30 September 2004 and the results of their operations and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act in South Africa.



Deloitte & Touche

Registered Accountants and Auditors
Chartered Accountants (SA)

Sandton

25 November 2004

group

company

	Notes	2004 R million	2003 R million	2004 R million	2003 R million
ASSETS					
Non-current assets					
Property, plant and equipment	5	4 228.1	4 255.7	—	—
Goodwill	6	997.8	1 153.5	—	—
Negative goodwill	6	(62.2)	(72.4)	—	—
Intangible assets	6	304.8	11.2	—	—
Investments	7	37.5	76.6	2.2	7.5
Investment in subsidiaries and joint ventures	8	6.1	5.9	4 238.3	4 136.8
Long-term retirement benefit surplus	2	107.1	107.1	—	—
Deferred tax assets	15	11.4	35.1	—	—
		5 630.6	5 572.7	4 240.5	4 144.3
Current assets					
Inventories	9	2 055.9	2 051.8	—	—
Trade and other receivables	10	2 688.2	2 843.4	—	5.1
Tax assets		111.4	0.3	—	—
Subsidiary companies				429.0	239.8
Bank balances, deposits and cash		699.5	748.5	0.4	0.4
		5 555.0	5 644.0	429.4	245.3
Total assets		11 185.6	11 216.7	4 669.9	4 389.6
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	11	33.1	33.0	33.1	33.0
Share premium	11	2 009.3	2 000.7	2 009.8	2 000.7
Non-distributable reserves	12	(249.6)	(294.9)	—	—
Accumulated profits	13	3 606.8	3 116.3	2 218.0	1 237.8
		5 399.6	4 855.1	4 260.9	3 271.5
Minority interest		32.8	92.7	—	—
Non-current liabilities					
Interest bearing debt	14	1 091.5	1 289.0	—	—
Long-term retirement benefit obligation	2	269.0	254.9	—	—
Deferred tax liabilities	15	417.1	370.1	—	—
		1 777.6	1 914.0	—	—
Current liabilities					
Trade and other payables	16	2 830.2	3 073.1	1.7	57.7
Interest bearing debt	14	752.9	768.5	—	—
Provisions	17	108.7	158.7	—	—
Subsidiary companies				398.5	1 060.3
Tax liabilities		283.8	354.6	8.8	0.1
		3 975.6	4 354.9	409.0	1 118.1
Total equity and liabilities		11 185.6	11 216.7	4 669.9	4 389.6

group

company

	Notes	2004 R million	2003 R million	2004 R million	2003 R million
Revenue	18	17 494.6	18 174.0	—	—
Raw materials		8 508.1	9 039.3	—	—
Employee costs		3 613.7	3 646.4	1.0	0.8
Depreciation and other amortisation expenses		800.9	782.1	—	—
Other operating expenses		3 138.5	3 018.8	5.6	2.6
Other operating income		128.7	114.2	—	—
Profit/(loss) before abnormal items	19	1 562.1	1 801.6	(6.6)	(3.4)
Abnormal items	20	(70.5)	64.5	—	—
Profit on disposal of discontinued operations		(213.2)	—	—	—
Other abnormal items		142.7	64.5	—	—
Profit/(loss) from operations		1 632.6	1 737.1	(6.6)	(3.4)
Finance costs	21	(217.7)	(316.7)	—	—
Finance income	21	68.7	63.8	0.1	0.1
Income from investments	22	15.6	5.7	1 494.6	1 347.9
Profit before tax		1 499.2	1 489.9	1 488.1	1 344.6
Income tax	23	521.7	566.9	32.3	6.6
Profit after tax		977.5	923.0	1 455.8	1 338.0
Minority interest		10.4	19.5	—	—
Net profit for the year		967.1	903.5	1 455.8	1 338.0
Basic earnings per share (cents)	24	150.9	141.1	—	—
Fully diluted earnings per share (cents)	24	150.0	140.6	—	—
Headline earnings per share (cents)	24	146.1	145.4	—	—
Fully diluted headline earnings per share (cents)	24	145.3	144.9	—	—
Dividends per share (cents)	25	83.6	69.7	—	—

for the year ended 30 September

group

company

	2004 R million	2003 R million	2004 R million	2003 R million
Equity at beginning of year	4 855.1	4 785.8	3 271.5	2 338.0
Changes in capital	8.7	2.3	9.2	2.3
Share capital – share option scheme	0.1	—	0.1	—
Share premium – share option scheme	9.1	—	9.1	—
– consolidation of shares held by share purchase trust	(0.5)	—		
– new issue net of odd lot buyback	—	2.3	—	2.3
Changes in non-distributable reserves	45.3	(479.9)		
Decrease in foreign currency translation reserve	(41.8)	(463.8)		
Hyperinflation capital adjustment	88.7	(16.1)		
Financial instruments – hedging	(1.6)	—		
Changes in accumulated profits	490.5	546.9	980.2	931.2
Net profit for the year	967.1	903.5	1 455.8	1 338.0
Ordinary shares – dividends	(476.5)	(409.4)	(475.5)	(406.7)
Preference shares – dividends	(0.1)	(0.1)	(0.1)	(0.1)
Negative goodwill recognised directly in equity	—	71.9		
Change in accounting policy	—	(19.0)	—	—
Equity at end of year	5 399.6	4 855.1	4 260.9	3 271.5

group

company

	Notes	2004 R million	2003 R million	2004 R million	2003 R million
Cash flows from operating activities					
Cash generated from operations	29.1	2 130.2	2 006.9	16.8	82.9
Income from investments		15.6	5.7	480.7	327.1
Finance income		68.7	63.8	0.1	0.1
Finance costs		(217.7)	(316.7)	—	—
Tax paid		(645.1)	(367.9)	(23.7)	(5.6)
Retirement benefit contributions and settlements		(88.4)	(44.1)	—	—
Replacement capital expenditure	29.2	(394.4)	(441.6)	—	—
Net cash inflow from operating activities		868.9	906.1	473.9	404.5
Cash flows from investing activities					
Dividends paid		(477.3)	(410.8)	(475.6)	(406.8)
Expansion capital expenditure	29.2	(601.2)	(442.8)	—	—
Intangible assets capitalised		(49.6)	(15.8)	—	—
Acquisition of businesses	29.3	(87.6)	(48.8)	—	—
Disposal of business	29.4	476.0	149.8	—	—
Increase in investment in subsidiaries		(0.9)	—	(7.5)	0.1
Proceeds on realisation of investments		39.7	54.8	—	—
Increase in investments		—	(59.8)	—	—
Proceeds on the sale of property, plant and equipment		61.7	176.1	—	—
Net cash outflow from investing activities		(639.2)	(597.3)	(483.1)	(406.7)
Cash flows from financing activities					
Interest bearing debt raised		717.0	1 305.0	—	—
Interest bearing debt repaid		(1 003.9)	(1 598.2)	—	—
Capital proceeds from issue of shares		9.2	2.3	9.2	2.3
Net cash (outflow)/inflow from financing activities		(277.7)	(290.9)	9.2	2.3
Net (decrease)/increase in cash and cash equivalents					
Cash and cash equivalents at beginning of year		17.2	121.9	0.4	0.3
Translation of cash in foreign subsidiaries		2.5	(122.6)	—	—
Cash and cash equivalents at end of year	29.5	(28.3)	17.2	0.4	0.4

1. Basis of preparation

These financial statements are presented in South African rand, being the currency in which the majority of the group's transactions are denominated. The financial statements have been prepared under the historic cost convention, as modified by the revaluation of certain trading assets and liabilities to fair value and certain long-term assets which have been written down to recognise permanent diminutions in value.

These financial statements have been prepared in conformity with South African Statements of Generally Accepted Accounting Practice. The principal accounting policies adopted are set out below. The principal accounting policies of the group have been applied consistently with the previous year except for the changes set out in note 4.

2. Basis of consolidation

The consolidated financial statements include the assets, liabilities, results and cash flow information of the company and its subsidiaries. The results of subsidiaries, associate companies and joint ventures are included in the consolidated financial statements from the effective dates of acquisition until the effective dates of disposal.

The consolidated financial statements also include the assets, liabilities, results and cash flow information of special purpose entities where it can be demonstrated that the group controls the entity. The results of special purpose entities are included in the consolidated financial statements from the date control is effected until the date such control is relinquished.

All intercompany transactions, balances and unrealised surpluses and deficits on transactions between group companies have been eliminated.

3. Subsidiary companies

Subsidiary companies are those companies in which the group has an interest of more than one half of the voting rights or otherwise has the power to exercise control.

The assets and liabilities of subsidiary companies are measured at their fair values at the date of acquisition. The interest of outside shareholders is stated at their proportion of the fair values of the assets and liabilities recognised.

Where necessary, adjustments are made to the financial statements of subsidiary companies to bring their accounting policies into line with those of the group.



4. Associate companies

Associate companies are those companies in which the group holds a long-term equity interest and is in a position to exercise significant influence, but not control, through participation in the financial and operating policy decisions of the investee. The results of associate companies are incorporated in the consolidated financial statements using the equity method of accounting. The carrying amount of such investments is reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

Where the group transacts with an associate, unrealised profits and losses are eliminated to the extent of the group's interest in the associate, except where unrealised losses provide evidence of an impairment of the asset transferred.

5. Joint ventures

A joint venture is a contractual arrangement whereby the group and outside parties undertake an economic activity, which is subject to joint control.

Joint venture arrangements undertaken in a separate entity are referred to as jointly controlled entities. The group reports its interests in jointly controlled entities using proportionate consolidation, in terms of which the group's share of the assets, liabilities, results and cash flow information of jointly controlled entities are included in the consolidated financial statements on a line-by-line basis.

Where the group transacts with its jointly controlled entities, unrealised profits and losses are eliminated to the extent of the group's interest in the joint venture, except where unrealised losses provide evidence of an impairment of the asset transferred.

6. Foreign entities

Assets and liabilities of foreign entities are translated into South African rand at rates ruling at the balance sheet date. Income statement items are translated at the weighted average rate of exchange for the period. Equity and goodwill are translated at the rate ruling at the date of acquisition. Exchange differences arising, if any, are classified as equity and are taken directly to a foreign currency translation reserve. Such translation differences are recognised as income or expenses in the period in which the operation is disposed of.

Where a subsidiary reports in the currency of a hyperinflationary economy, its financial statements are restated by applying the general price index pertaining to that economy before they are translated and included in the consolidated financial statements.

7. Discontinuing operations

Discontinuing operations are significant, separately distinguishable components of the group that have been sold or are being considered under a formal plan for disposal or discontinuance. Financial information on discontinuing operations is disclosed separately from continuing operations and comparative information is restated.

8. Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at rates ruling at the balance sheet date. Transactions in foreign currencies are accounted for at the rate ruling at the date of the transaction. Profit or losses arising on exchange are included in net profit or loss for the period.

In order to hedge its exposure to certain foreign exchange risks, the group enters into derivative financial instruments. Further details are provided in the accounting policy relating to financial instruments.

9. Property, plant and equipment

Property, plant and equipment are accounted for at cost less accumulated depreciation. All direct costs, including finance costs relating to major capital projects, are capitalised up to the date of commissioning. Where the recoverable amount of an asset has declined below its carrying amount, the carrying amount is reduced to reflect this decline in value.

Depreciation is charged so as to write off the cost or valuation of assets, other than freehold land, over their estimated useful economic lives, using the straight-line method. Depreciation is not provided in respect of freehold land.

Assets held under finance leases are depreciated over the lesser of expected useful life or the term of the lease.

The rates of depreciation used are:

Freehold buildings	30 years
Leasehold buildings	Lease term
Plant and equipment	3 to 15 years
Furniture and equipment	4 to 15 years
Motor vehicles	4 to 5 years

Profit or losses arising on disposal are determined by reference to their carrying amount and are included in net profit or loss for the period.

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at cost less accumulated depreciation at the balance sheet date.

10. Impairment

On an annual basis the group reviews all assets, both tangible and intangible, carried on the balance sheet for impairment. Where the recoverable amount of an asset or cash generating unit is estimated to be lower than its carrying amount, its carrying amount is reduced to its recoverable amount. Impairment losses are charged against income in the period in which they are identified.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount. Such increases in carrying amount are limited to original cost. A reversal of an impairment loss is recognised in income in the period in which such reversal is identified.



11. Goodwill

Goodwill arising on consolidation represents the excess of the cost of an acquisition over the group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is recognised as an asset and amortised on a systematic basis over its useful economic life, subject to a maximum of twenty years. The assessment of the useful economic life of goodwill is based on the nature of the specific underlying business acquired.

Negative goodwill represents the excess of the group's interest in the fair value of the identifiable assets and liabilities acquired over the cost of the acquisition. To the extent that negative goodwill relates to expected future losses and expenses it is recognised as income in the period when the future losses and expenses occur. To the extent that negative goodwill relates to an identifiable non-monetary asset, it is recognised as income over the estimated useful economic life of that asset not exceeding twenty years, provided that where the amount of negative goodwill is in excess of the fair value of the non-monetary asset, this portion is recognised as income immediately. To the extent that negative goodwill relates to monetary assets, it is recognised as income immediately.

On disposal of a subsidiary, associate or joint venture, any unamortised goodwill, or goodwill set off against shareholders' funds, is included in the determination of the profit or loss on disposal.

The carrying amount of goodwill is reviewed annually for impairment. Any provision for permanent impairment is charged against profit for the period in which the impairment arose.

12. Intangibles

Acquired intangible assets, including trademarks, are capitalised and amortised on the straight-line basis over their estimated useful economic lives, not exceeding twenty years.

13. Investments

Listed and unlisted investments, other than subsidiary, associate companies and jointly controlled entities, are classified as available for sale.

Listed and unlisted investments are initially measured at cost including transaction cost, and are subsequently measured at fair value. Fair value adjustments are recognised in the income statement. If fair value cannot be reliably measured, the investment is carried at cost, subject to an impairment review at each balance sheet date.

Loans and advances receivable with a fixed maturity are initially measured at cost, including transaction costs. They are subsequently measured at amortised cost using the effective interest rate method. Loans and advances receivable that do not have a fixed maturity are measured at cost.

14. Inventories

Inventories are stated at the lower of cost and net realisable value, after making allowance for slow moving and redundant items. Cost comprises direct materials and, where applicable, direct labour and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

15. Retirement benefits

The group operates a number of defined contribution and defined benefit funds in compliance with respective local legislation. The assets of the funds are held separately from those of the group and are administered either by trustees, which include elected employee representatives, or in some cases by independent experts.

Defined benefit funds are actuarially valued at the balance sheet date using methods appropriate to the underlying fund. Actuarial gains and losses are amortised over the expected average remaining working lives of participating employees using the corridor approach. Where any deficit is identified it is funded by the group entity concerned by way of increased future contributions or by the payment of an actuarially determined lump sum. Surpluses are only recognised where it is certain economic benefits will flow to the group. Past service costs are recognised immediately to the extent the benefits are vested, otherwise they are expensed on the straight line basis over the average period that the benefits become vested. Statutory valuations are performed at intervals of not more than three years.

Certain operations in African and European countries do not provide for retirement benefits through a formal statutory funding process. These operations provide for employee benefits in terms of their constructive obligation to do so. Such obligations are provided for in full in the year in which the obligation arises and expensed through the income statement.

Payments to defined contribution funds are expensed as incurred.

16. Post-retirement medical benefits

The group policy is not to provide post-retirement medical benefits for employees who joined the company after 1 June 1996. The obligation in respect of pensioner and future post-retirement medical benefits to persons employed before the change in policy is treated as a defined benefit.

17. Taxation

The charge for the year is based on the results for the year as adjusted for items, which are non-deductible or non-taxable. It is calculated using tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is provided for using the balance sheet liability method. A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is recognised to the extent that it is probable that taxable profit will be available



against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition of other assets and liabilities, which affects neither the tax profit nor the accounting profit at the time of the transaction.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also recognised directly in equity.

18. Financial instruments

Financial assets and financial liabilities are recognised on the group's balance sheet when the group has become a party to contractual provisions of the instrument.

Trade and other receivables are stated at amortised cost, reduced by appropriate allowances for estimated irrecoverable amounts.

Trade and other payables are stated at their nominal value.

Cash and cash equivalents are stated at cost that is deemed to be fair value. For cash flow statement purposes, bank overdrafts are offset against cash and cash equivalents.

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption, are accounted for on the accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Equity instruments are recorded at the proceeds received, net of direct issue costs.

The group uses derivative financial instruments, primarily foreign currency forward contracts and commodity futures, to hedge its risks associated with foreign currency and market fluctuations relating to certain firm commitments and forecasted transactions. The fair value of these derivatives is recorded and remeasured at each reporting date.

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows relating to firm commitments and forecasted transactions are recognised directly in equity. If the hedged firm commitment or forecasted transaction results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the period.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement as they arise.

19. Provisions

Provisions are raised when a present legal or constructive obligation exists as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

20. Offset

Financial assets and liabilities are offset and disclosed on a net basis in the consolidated balance sheet when there is legal right to set off and there is either an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

21. Revenue recognition

Sales of goods are recognised when goods are delivered or title has passed. Revenue comprises the net invoiced value of goods delivered and services rendered during the year and excludes value added tax.

Where group companies act as agents and are remunerated on a commission basis, only the commission income, not the value of business handled, is recognised as revenue.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established, except in circumstances where severe restrictions impair the ability of the underlying operation from transferring funds to the group. In these circumstances, dividends are recognised on a cash receipt basis.

22. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recorded as receivables at the amount of the group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return to the group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on the straight-line basis over the term of the relevant lease.

Assets held under finance leases are recognised as assets of the group at their fair value at the date of acquisition. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the income statement over the term of the relevant lease so as to produce a constant periodic rate of interest on the remaining balance of the obligations for each accounting period.

Rentals payable under operating leases are charged to income on the straight-line basis over the term of the relevant lease.



23. Research, development and related expenditure

Research costs are recognised as an expense in the period in which they are incurred.

Expenditure on development is charged to income in the period in which it is incurred except where a clearly defined project is undertaken and it is reasonably anticipated that development costs will be recovered through future commercial activity. Such development costs are recognised as an intangible asset and amortised over the estimated useful economic life of the project from the date of commencement of the commercial operation.

24. Abnormal items

Abnormal items are defined as items of income and expenditure, which do not arise from normal trading activities or are of such size, nature or incidence that their disclosure is relevant to explain the performance for the period.

25. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in net profit or loss in the period in which they are incurred.

26. Government grants

Government grants are recognised as income in the period in which they are received.

27. Segmental reporting

For management purposes, the group is organised into business clusters on the basis of raw material input into the packaging. These clusters are the basis on which the group reports its primary segment information. The principal activities of the clusters are as follows:

Metals and glass – manufacture of beverage cans, food cans, aerosol cans, other metal packaging and glass packaging

Paper – manufacture of corrugated boxes, folding cartons, toilet tissue and paper merchandising.

Plastics – manufacture of plastic bottles, crates and drums, checkout bags, tubs and tubes and a full range of flexible plastic products.

NamiTech – secure business solutions, smart cards and cheques.

Group services – head office activities, procurement, treasury and property rental.

In addition, the businesses are grouped by geographical location. The main geographic regions identified are South Africa, Rest of Africa and Europe. Geographic split is determined by location of the operating assets.

1. FINANCIAL RISK MANAGEMENT**Treasury risk management**

The group's treasury risk is managed through the audit committee reporting to the board of directors. The role of the audit committee is to decide the appropriate philosophy to be adopted within the group regarding the management of treasury risks. A treasury management committee, reporting to the chief financial officer, is responsible for considering and managing the group's day-to-day financial market risks by adopting strategies within the guidelines set by the audit committee.

The group has adopted the Value at Risk methodology for evaluating financial market risks. The main risk areas the group is exposed to are interest rates, liquidity, currency and commodity prices.

Interest rate risk management

Interest rate risk is the possibility that the group may suffer financial loss if either a fluctuating interest rate or fixed interest rate position is entered into and interest rates move adversely. The group uses swaps, options, forward rate agreements and other standard market instruments to manage this risk. The risk profile of financial assets and liabilities at balance sheet date is detailed below:

	Floating rate liabilities R million	Fixed rate liabilities R million	Floating rate assets R million	Fixed rate assets R million	Net liability/ (asset) R million
South African rand	649.7	—	(68.9)	—	580.8
Pounds	807.1	—	(197.3)	—	609.8
Euros	168.0	—	(69.8)	—	98.2
US dollars	—	—	(18.4)	(22.4)	(40.8)
Other currencies	19.8	2.0	(15.5)	(23.2)	(16.9)
Total at 30 September 2004	1 644.6	2.0	(369.9)	(45.6)	1 231.1
South African rand	—	677.8	(223.5)	(52.8)	401.5
Pounds	677.8	578.3	(364.8)	—	891.3
Euros	19.6	—	(84.1)	—	(64.5)
US dollars	2.1	—	(17.8)	(12.1)	(27.8)
Other currencies	41.1	1.5	(18.5)	(0.1)	24.0
Total at 30 September 2003	740.6	1 257.6	(708.7)	(65.0)	1 224.5

1. FINANCIAL RISK MANAGEMENT *(continued)*

Liquidity risk management

Liquidity risk is the possibility that the group may suffer financial loss through liquid funds not being available or that excessive finance costs must be paid to obtain funds to meet payment requirements. The group manages this risk through forecasting and monitoring cash flow requirements on a daily basis, and by maintaining sufficient undrawn facilities. Significant liquid resources were held at the year end. The group had the following undrawn facilities available at the balance sheet date:

	South Africa R million	Europe R million	Africa R million	Total R million
Expiry period at 30 September 2004				
One year	1 320.0	—	93.8	1 413.8
Two to five years	—	592.2	—	592.2
Total	1 320.0	592.2	93.8	2 006.0
Expiry period at 30 September 2003				
One year	1 745.0	34.6	99.0	1 878.6
Two to five years	—	370.1	—	370.1
Total	1 745.0	404.7	99.0	2 248.7

Currency risk management

Currency risk is the possibility that the group may suffer financial loss as a consequence of a depreciation in a measurement currency relative to a foreign currency prior to payment of a commitment in that foreign currency or of the measurement currency strengthening prior to receiving payment in that foreign currency. The group also has translation risk arising from the consolidation of foreign entities into South African rands.

The group uses swaps, options and other financial instruments, in particular forward contracts, to manage transactional currency risks. Specific translation risks are managed through the selective use of options and hedge positions. Net currency exposures and hedging positions are centrally controlled and managed for South African operations. The currency exposure of the group's European operations is centrally controlled and managed through the Isle of Man. Speculative positions are not permitted.

1. FINANCIAL RISK MANAGEMENT *(continued)*

Currency risk management *(continued)*

All imports and exports are fully covered at balance sheet date. The values of open forward contracts entered into at 30 September are:

	Average contract rate	2004 R million	2003 R million
Imports			
US dollars	6.60	271.6	303.1
Euro	8.08	205.2	370.2
UK pounds	11.66	14.8	19.8
Other		41.0	3.9
Total		532.6	697.0
Exports			
US dollars	6.65	45.2	71.5
Euro	7.99	44.2	20.1
UK pounds		—	—
Other		2.1	1.2
Total		91.5	92.8

Currency conversion guide at 30 September

	2004	2003
Income statement		
US dollars	6.6080	8.2194
Euro	8.0360	8.8670
UK pounds	11.8394	13.1531
Balance sheet		
US dollars	6.4415	6.9213
Euro	7.9887	8.0909
UK pounds	11.6379	11.5654

Commodity price risk management

Commodity price risk is the risk that the group may suffer financial loss when a fluctuating price contract obligation is entered into and commodity prices increase or when a fixed price agreement is entered into and commodity prices fall. The following open commodity positions were held at 30 September:

	2004 R million	2003 R million
Aluminium futures	37.9	127.1

The group uses derivative instruments including forward agreements and futures to hedge commodity price risk.



1. FINANCIAL RISK MANAGEMENT *(continued)*

Credit risk management

Potential concentrations of credit risk consist principally of cash investments and trade debtors. The credit risk on liquid funds and derivative financial instruments is limited because the group's counterparties are with major banks of high standing.

Trade debtors comprise a large, widespread customer base. Ongoing credit evaluations on the financial condition of customers are performed and, where appropriate, credit guarantee insurance cover is purchased or provisions made.

The group does not consider there to be any significant concentration of credit risk which had not been insured or adequately provided for at the balance sheet date.

Fair value of financial instruments

The group's financial instruments consist mainly of investments, bank balances, deposits and cash, trade and other receivables, trade and other payables, interest bearing debt and derivative instruments.

The following methods and assumptions are used to estimate the fair value of each class of financial instrument:

Investments – the fair value of investments is based on quoted bid prices, or the present value of expected future cash flows discounted at market related interest rates.

Bank balances, deposits and cash – the carrying value approximates fair value due to the relatively short-term maturity of these financial assets.

Trade and other receivables – the fair value of receivables approximates the carrying value as market-related rates of interest are charged on outstanding balances.

Trade and other payables – the carrying value approximates fair value due to the relatively short-term maturity of these financial liabilities.

Interest bearing debt – the fair value of long-term debt is based on discounted cash flows using the effective interest rate method. The carrying value of short-term debt approximates fair value due to the short period to maturity of these instruments.

Derivative instruments – the fair value of derivative instruments is based upon mark-to-market valuations.

The following fair value derivative instruments have been raised on the balance sheet:

	2004	2003
	R million	R million
Interest rate swaps	0.8	1.5
Options	0.9	—
Forward exchange contracts	3.1	47.0
Commodity contracts	2.2	25.0
Total	7.0	73.5

1. FINANCIAL RISK MANAGEMENT (continued)

Maturity profile of financial instruments

The maturity profile of financial assets and liabilities at 30 September 2004 were as follows:

	Notes	Carrying value R million	Current year R million	1 – 2 years R million	2 – 3 years R million	3 – 4 years R million	Over 4 years R million
Financial assets							
Investments	7	37.5	—	—	—	—	37.5
Trade and other receivables	10	2 688.2	2 688.2	—	—	—	—
Bank balances, deposits and cash		699.5	699.5	—	—	—	—
Total		3 425.2	3 387.7	—	—	—	37.5
Financial liabilities							
Non-current interest bearing debt	14	1 091.5	—	646.5	10.8	5.9	428.3
Trade and other payables	16	2 830.2	2 830.2	—	—	—	—
Current interest bearing debt	14	752.9	752.9	—	—	—	—
Total		4 674.6	3 583.1	646.5	10.8	5.9	428.3

2. RETIREMENT BENEFIT INFORMATION

2.1 Defined contribution funds

Membership and costs for each fund are as follows :

	Country	Members	Contribution costs R million
Nampak Group Pension Fund	RSA	2 042	55.8
Nampak Contributory Provident Fund	RSA	4 533	26.7
Metal Box Provident Fund	RSA	3 361	34.6
Kohler Provident Fund	RSA	551	10.3
Metal Box Namibia Pension Fund	Namibia	18	0.2
Nampak Plc Retirement Benefit Scheme	UK	160	7.3
		10 665	134.9
External funds			
External funds	Europe	782	1.9
Industry funds	RSA	1 379	6.6
		2 161	8.5
Totals		12 826	143.4



2. RETIREMENT BENEFIT INFORMATION *(continued)*

2.2 Defined benefit funds

With effect from 7 December 2001 the Pension Funds Second Amendment Bill was enacted in South Africa. In terms of these amendments any surplus residing in pension funds governed by the South African Pension Funds Act of 1956 must be allocated on a fair basis to current and past members of the respective funds. At 30 September this surplus and the allocation thereof has not yet been determined. Accordingly, no surplus has been recognised by the group in respect of these funds in the current year.

	RSA	Europe	Africa	Post-retirement medical
Assumptions				
Discount rate	9.9%	5.8%	9.0%	9.8%
Consumer price inflation (long-term)	4.5%	2.5%	—	6.0%
Expected return on fund assets	10.1%	6.0%	9.0%	7.0%
Rate of compensation increase	7.0%	4.0%	—	—
Pension increases	5.0%	2.5%	3.0%	—
Membership data				
Total membership	30	3 264	54	7 006
Agreed employer contribution rate	18.0%	10.0%	—	—

2. RETIREMENT BENEFIT INFORMATION (continued)

2.2 Defined benefit funds (continued)

	RSA R million	Europe R million	Africa R million	Post- retirement medical R million	Total R million
Valuation results					
Fair value of fund assets	23.0	837.0	18.0	323.6	1 201.6
Present value of obligation	(23.0)	(1 178.0)	(12.5)	(594.9)	(1 808.4)
Funded status: (deficit)/surplus	—	(341.0)	5.5	(271.3)	(606.8)
Unrecognised net actuarial (gain)/loss	(1.4)	294.0	(1.8)	154.1	444.9
Balance at end of year	(1.4)	(47.0)	3.7	(117.2)	(161.9)
Comprising:					
Surpluses	—	103.4	3.7	—	107.1
Obligations	(1.4)	(150.4)	—	(117.2)	(269.0)
Components of net periodic benefit cost					
Current service cost	0.7	36.4	0.7	15.1	52.9
Interest cost	1.8	61.1	1.2	54.0	118.1
Expected return on assets	(1.8)	(50.5)	(1.7)	(29.8)	(83.8)
Recognised actuarial loss	—	12.1	—	7.0	19.1
Net periodic pension cost	0.7	59.1	0.2	46.3	106.3
Movements in the balance sheet					
Balance at beginning of year	(1.4)	(57.5)	4.3	(93.2)	(147.8)
Pension cost	(0.7)	(59.1)	(0.2)	(46.3)	(106.3)
Employer contributions	0.7	58.6	—	17.9	77.2
Settlements	—	11.2	—	—	11.2
Disposal of business	—	—	—	4.4	4.4
Translation adjustment	—	(0.2)	(0.4)	—	(0.6)
Balance at end of year	(1.4)	(47.0)	3.7	(117.2)	(161.9)
Actual return on plan assets	3.9	(30.1)	(6.1)	9.7	(22.6)

2. RETIREMENT BENEFIT INFORMATION *(continued)*

2.2 Defined benefit funds *(continued)*

The statutory actuarial valuations of the defined benefit funds are as follows:

	Valuation date	Fair value of assets R million	Present value of liabilities R million	Valuation basis
Nampak Group Pension Fund	Feb-01	20.5	18.8	AA
Nampak Plc Pension Plan	Sep-02	242.7	224.4	MFR
Nampak Plc Staff Pension Plan	Sep-02	187.4	212.8	MFR
Nampak Netherlands	Sep-03	32.4	52.1	PUC
Malbak Group of Companies Pension Fund	Aug-02	3.0	2.5	AA
M.Y. Group Pension Fund	Jul-02	378.8	377.8	MFR
Kenya Pension Fund	Dec-03	17.9	12.9	PUC

AA: attained age method

MFR: minimum funding requirements

PUC: project unit credit method

The latest actuarial valuations in respect of the defined benefit funds found them in sound financial condition. In arriving at their findings, the actuaries have taken into account reasonable long-term estimates of inflation, future increases in wages, salaries and pensions and sustainable investment returns. Funds denominated in a foreign currency have been translated at the rate ruling on balance sheet date.

The valuations listed above are not necessarily the valuations used in determining the surplus or obligation recognised on the balance sheet. Nampak Gent, Nampak Belgium and Nampak Belgium (Swiss Life) have been converted to defined contribution funds and no longer require statutory valuations.

	Revenue		Profit/(loss) from operations		Operating margin	
	2004 R million	2003 R million	2004 R million	2003 R million	2004 %	2003 %
3. SEGMENTAL REPORT						
Metals and glass	4 602.7	4 483.0	562.2	623.3	12.2	13.9
Africa	4 602.7	4 483.0	562.2	623.3	12.2	13.9
Paper	8 287.7	8 373.1	433.1	663.5	5.2	7.9
Africa	5 472.7	5 490.6	348.0	452.1	6.4	8.2
Europe	2 815.0	2 882.5	85.1	211.4	3.0	7.3
Plastics	4 526.9	4 830.1	229.8	265.5	5.1	5.5
Africa	2 678.3	2 692.9	265.1	242.7	9.9	9.0
Europe	1 848.6	2 137.2	(35.3)	22.8	(1.9)	1.1
NamITech	315.7	680.0	253.1	108.9	80.2	16.0
Group services	(238.4)	(192.2)	154.4	75.9		
Africa	—	—	110.3	66.8		
Europe	218.3	242.2	44.1	9.1		
Intergroup eliminations	(456.7)	(434.4)				
Total	17 494.6	18 174.0	1 632.6	1 737.1	9.3	9.6
Geographical analysis						
South Africa	12 183.5	12 648.4	1 411.0	1 398.4	11.6	11.1
Africa	885.9	698.1	127.7	95.4	14.4	13.7
Europe	4 881.9	5 261.9	93.9	243.3	1.9	4.6
Intergroup eliminations	(456.7)	(434.4)				
Total	17 494.6	18 174.0	1 632.6	1 737.1	9.3	9.6



EBITDA		Operating assets		Operating liabilities		Capital expenditure		Depreciation and amortisation	
2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
R million	R million	R million	R million	R million	R million	R million	R million	R million	R million
708.6	746.6	2 225.4	2 123.4	615.8	823.9	200.1	325.0	146.4	123.3
708.6	746.6	2 225.4	2 123.4	615.8	823.9	200.1	325.0	146.4	123.3
719.8	941.4	4 276.5	3 922.7	1 296.6	1 833.6	446.1	157.6	286.7	277.9
484.9	576.2	2 420.0	2 252.8	836.3	1 025.1	295.5	67.1	136.9	124.1
234.9	365.2	1 856.5	1 669.9	460.3	808.5	150.6	90.5	149.8	153.8
477.6	549.7	5 105.9	3 567.2	870.4	861.5	233.8	180.7	247.8	284.2
372.8	354.5	1 363.5	1 217.7	456.4	442.8	185.2	72.8	107.7	111.8
104.8	195.2	3 742.4	2 349.5	414.0	418.7	48.6	107.9	140.1	172.4
274.1	155.9	—	402.8	—	104.7	12.1	20.1	21.0	47.0
253.4	125.6	(1 351.6)	309.6	156.1	(391.9)	173.6	201.0	99.0	49.7
209.0	105.3	(3 642.0)	(1 527.0)	78.0	(109.0)	173.6	200.7	98.7	38.5
44.4	20.3	2 290.4	1 836.6	78.1	(282.9)	—	0.3	0.3	11.2
2 433.5	2 519.2	10 256.2	10 325.7	2 938.9	3 231.8	1 065.7	884.4	800.9	782.1
1 886.9	1 820.7	1 784.2	4 085.7	1 814.3	2 176.7	790.2	662.9	475.9	422.3
162.5	117.8	582.7	384.0	172.2	110.8	76.3	22.8	34.8	22.4
384.1	580.7	7 889.3	5 856.0	952.4	944.3	199.2	198.7	290.2	337.4
2 433.5	2 519.2	10 256.2	10 325.7	2 938.9	3 231.8	1 065.7	884.4	800.9	782.1

4. CHANGE IN ACCOUNTING POLICY

The group has changed its accounting policy in respect of business combinations to comply with the requirements of IFRS 3 – Business Combinations. While there is no financial effect of applying this standard for the year ended 30 September 2004, it is pertinent to note that with effect 1 October 2004 the accounting for previously recognised goodwill will change. Accumulated goodwill amortisation will be set off against the cost of goodwill, all amortisation of goodwill will cease and be replaced by an annual assessment of the carrying amount for impairment. Negative goodwill will be derecognised and taken directly to retained earnings.

The group has changed its accounting policy in respect of hyperinflation to comply with the requirements of IAS 29 – Financial Reporting in Hyperinflationary Economies. The consequence of early adopting this standard is to leave comparative figures unadjusted for the effects of current year hyperinflation.



	Freehold land and buildings R million	Leasehold buildings R million	Plant, equipment and vehicles R million	Capitalised leased plant and vehicles R million	Total R million
5. PROPERTY, PLANT AND EQUIPMENT					
Cost					
Balance at 30 September 2002	1 664.0	169.4	9 141.9	44.5	11 019.8
Additions	26.8	5.1	852.5	—	884.4
Acquisition of business	43.0	24.1	176.5	—	243.6
Disposals	122.7	1.6	432.8	—	557.1
Disposal of business	12.6	—	233.8	—	246.4
Impairment loss	6.2	1.7	4.4	—	12.3
Translation differences, hyperinflation and other movements	(332.7)	(45.3)	(1 266.8)	(43.8)	(1 688.6)
Balance at 30 September 2003	1 259.6	150.0	8 233.1	0.7	9 643.4
Additions	25.5	6.9	963.2	70.1	1 065.7
Acquisition of business	5.3	0.3	45.0	—	50.6
Disposals	25.2	0.6	262.6	—	288.4
Disposal of business	1.7	8.2	196.5	—	206.4
Impairment loss	—	—	127.9	—	127.9
Reclassification of assets	—	—	(276.6)	—	(276.6)
Translation differences, hyperinflation and other movements	51.1	(20.7)	146.5	—	176.9
Balance at 30 September 2004	1 314.6	127.7	8 524.2	70.8	10 037.3
Depreciation					
Balance at 30 September 2002	622.9	54.1	5 242.0	25.0	5 944.0
Acquisition of business	0.1	—	80.8	—	80.9
Charge for the year	25.1	4.4	685.9	—	715.4
Depreciation on disposal	38.0	1.4	345.3	—	384.7
Disposal of business	4.8	—	102.0	—	106.8
Translation differences, hyperinflation and other movements	(102.7)	(6.7)	(727.4)	(24.3)	(861.1)
Balance at 30 September 2003	502.6	50.4	4,834.0	0.7	5 387.7
Acquisition of business	0.1	—	0.3	—	0.4
Charge for the year	23.2	3.8	666.9	16.1	710.0
Depreciation on disposal	9.6	0.5	230.3	—	240.4
Disposal of business	—	2.3	110.9	—	113.2
Translation differences, hyperinflation and other movements	6.0	(10.3)	69.0	—	64.7
Balance at 30 September 2004	522.3	41.1	5 229.0	16.8	5 809.2
Net book value at 30 September 2004	792.3	86.6	3 295.2	54.0	4 228.1
Net book value at 30 September 2003	757.0	99.6	3 399.1	—	4 255.7

Included in these balances are investment properties with a net book value of R11.7 million (2003: R12.3 million). The open market value of these investment properties totalled R27.9 million (2003: R27.9 million).

The open market value of the group's freehold land and buildings, as determined by The Property Partnership at 30 September 2004 totalled R1 185 million (2003: R1 183 million). A schedule of the group's properties is available to users of the financial statements on receipt of a written request. The insured value of the plant, equipment and vehicles at 30 September 2004 was R19 246.3 million (2003: R22 308.7 million).

Refer to note 14 for details of property, plant and equipment encumbered.

	Goodwill R million	Negative goodwill R million	Other* R million	Total R million
6. GOODWILL AND INTANGIBLE ASSETS				
Cost				
Balance at 30 September 2002	1 275.8	(215.4)	18.4	1 078.8
Additions	—	—	15.8	15.8
Acquisition of business	17.6	(3.6)	—	14.0
Translation differences and other movements	(35.6)	8.6	0.3	(26.7)
Balance at 30 September 2003	1 257.8	(210.4)	34.5	1 081.9
Additions	1.7	—	47.9	49.6
Acquisition of business	63.3	(0.3)	—	63.0
Disposal of business	149.8	(3.7)	—	146.1
Reclassification of assets	—	—	276.6	276.6
Translation differences and other movements	(26.5)	0.7	(0.7)	(26.5)
Balance at 30 September 2004	1 146.5	(206.3)	358.3	1 298.5
Amortisation				
Balance at 30 September 2002	44.4	(129.6)	18.2	(67.0)
Charge for the year	69.9	(8.6)	5.4	66.7
Translation differences and other movements	(10.0)	0.2	(0.3)	(10.1)
Balance at 30 September 2003	104.3	(138.0)	23.3	(10.4)
Charge for the year	66.7	(6.2)	30.4	90.9
Disposal of business	25.4	—	—	25.4
Translation differences and other movements	3.1	0.1	(0.2)	3.0
Balance at 30 September 2004	148.7	(144.1)	53.5	58.1
Carrying value at 30 September 2004	997.8	(62.2)	304.8	1 240.4
Carrying value at 30 September 2003	1 153.5	(72.4)	11.2	1 092.3

*Included in this category are costs capitalised on the development of certain group ERP systems.

group

company

	2004 R million	2003 R million	2004 R million	2003 R million
7. INVESTMENTS				
Available-for-sale				
(Refer to Annexure B for details)				
Unlisted investments at fair value				
Cost	17.7	19.7	—	—
Fair value adjustment	2.7	—	—	—
Balance at end of year	20.4	19.7	—	—
Originated loans				
– Nampak 1979 Share Purchase Trust	—	6.1	—	5.3
– Loan to minority shareholder	14.9	14.9	—	—
– Other	2.2	2.2	2.2	2.2
Total loans	17.1	23.2	2.2	7.5
Risk fund	—	33.7	—	—
Total	37.5	76.6	2.2	7.5
8. INVESTMENT IN SUBSIDIARIES AND JOINT VENTURES				
(Refer to Annexure A for details)				
Interest in subsidiaries and joint ventures not consolidated	6.1	6.0		
Impairment losses	—	(0.1)		
Interest in subsidiaries and joint ventures			4 264.0	3 316.1
Net amount (due by)/due to subsidiaries and joint ventures	—	—	(25.7)	820.7
Shares at cost less amounts written off/impaired	6.1	5.9	4 238.3	4 136.8
Nampak's share of joint ventures				
Revenue	420.4	269.9		
Expenses	403.4	272.8		
Total assets	295.9	159.7		
Total liabilities	142.4	93.8		
9. INVENTORIES				
Raw materials	515.7	595.1	—	—
Work in progress	210.8	189.8	—	—
Finished goods	979.9	807.8	—	—
Consumables	349.5	459.1	—	—
Total	2 055.9	2 051.8	—	—
10. TRADE AND OTHER RECEIVABLES				
Trade receivables	2 358.6	2 394.9	—	—
Prepayments	168.2	181.2	—	—
Other	161.4	267.3	—	5.1
Total	2 688.2	2 843.4	—	5.1

group

company

	2004 R million	2003 R million	2004 R million	2003 R million
11. CAPITAL				
Share capital				
Authorised:				
700 000 000 (2003: 700 000 000) ordinary shares of 5 cents each	35.0	35.0	35.0	35.0
100 000 6.5% cumulative preference shares of R2 each	0.2	0.2	0.2	0.2
400 000 6% cumulative preference shares of R2 each	0.8	0.8	0.8	0.8
Total	36.0	36.0	36.0	36.0
Issued:				
641 574 291 (2003: 640 571 091) ordinary shares of 5 cents each	32.1	32.0	32.1	32.0
100 000 6.5% cumulative preference shares of R2 each	0.2	0.2	0.2	0.2
400 000 6% cumulative preference shares of R2 each	0.8	0.8	0.8	0.8
Total	33.1	33.0	33.1	33.0
36 841 780 ordinary shares (2003: 27 419 980) have been set aside for employees' share schemes. The balance of unissued shares of 21 583 929 (2003: 32 008 929) have been placed at the disposal of the directors until the next annual general meeting.				
Share premium				
Balance at beginning of year	2 000.7	1 998.4	2 000.7	1 998.4
Movement in share premium	8.6	2.3	9.1	2.3
Balance at end of year	2 009.3	2 000.7	2 009.8	2 000.7
Total	2 042.4	2 033.7	2 042.9	2 033.7
12. NON-DISTRIBUTABLE RESERVES				
Balance at beginning of year	(294.9)	185.0	—	—
Movements in non-distributable reserves	45.3	(479.9)	—	—
Balance at end of year	(249.6)	(294.9)	—	—
Comprising:				
Foreign currency translation reserve	(320.8)	(279.0)	—	—
Hyperinflation capital adjustment	72.6	(16.1)	—	—
Financial instruments – hedging	(1.6)	—	—	—
Other	0.2	0.2	—	—
Total	(249.6)	(294.9)	—	—
13. ACCUMULATED PROFITS				
Balance at beginning of year	3 116.3	2 569.4	1 237.8	306.6
Changes in accumulated profits	490.5	546.9	980.2	931.2
Balance at end of year	3 606.8	3 116.3	2 218.0	1 237.8



group

company

			2004	2003	2004	2003
			R million	R million	R million	R million
14. INTEREST BEARING DEBT						
	Redeemable/ repayable	Year end interest rates				
Secured loans*						
– other			–	7.5	–	–
– foreign	2006/2009	5.85% to 7.1%	1 042.6	1 270.4	–	–
Unsecured loans						
– other	2010	11.00%	14.9	41.7	–	–
– foreign	2006/2009	6.5% to 8.0%	2.4	6.6	–	–
Capitalised finance leases**						
– other	2009	9.0% to 10.75%	53.2	–	–	–
– foreign	2008	3.50%	3.5	–	–	–
			1 116.6	1 326.2	–	–
Less: instalments due for repayment within one year, reflected as short-term loans			25.1	37.2	–	–
Net long-term			1 091.5	1 289.0	–	–
<p>* Interest bearing debt is secured by the following assets: R5.5 million debt (2003: R28.8 million) is secured by the encumbrance of immovable properties, plant and equipment having a book value of R26.7 million (2003: R79.9 million). R1 037.1 million debt (2003: R1 249.1 million) is secured by a guarantee issued by Nampak Holdings (UK) plc (NHUK) and its subsidiaries. The facility is subject to covenants relating to interest cover, gearing and liquidity of the NHUK group.</p> <p>** Lease liabilities are secured as the rights to the leased asset revert to the lessor in the event of default.</p>						
Short-term						
Current portion of long-term loans			2.1	37.2	–	–
Current portion of capitalised finance leases			23.0	–	–	–
Amounts due to bankers			727.8	731.3	–	–
Total short-term			752.9	768.5	–	–
Total interest bearing debt			1 844.4	2 057.5	–	–

Summary of liabilities by year of redemption or payment

		Total	Local	Foreign	
Total owing		2004	1 116.6	68.1	1 048.5
Repayable during the year ending 30 September	}	2005	25.1	21.5	3.6
		2006	646.5	15.1	631.4
		2007	10.8	9.4	1.4
		2008	5.9	5.4	0.5
		2009 onwards	428.3	16.7	411.6



14. INTEREST BEARING DEBT (continued)

Summary of minimum lease payments due on capitalised finance leases by year of redemption or payment

		Total	Local	Foreign
Minimum lease payments repayable during the year ending 30 September	2005	26.7	25.2	1.5
	2006	17.3	16.2	1.1
	2007	11.1	10.1	1.0
	2008	5.8	5.7	0.1
	2009 onwards	1.9	1.9	—
		62.8	59.1	3.7
Less: future finance charges on finance leases		6.1	5.9	0.2
Present value of finance lease liabilities	2004	56.7	53.2	3.5

	group		company	
	2004 R million	2003 R million	2004 R million	2003 R million
15. DEFERRED TAX				
Accelerated wear and tear for tax purposes on plant and equipment and trademarks	485.6	491.0	—	—
Provisions and prepayments	(100.9)	(149.1)	—	—
Hyperinflation adjustment	41.7	17.5	—	—
Other	(7.8)	0.8	—	—
Estimated tax losses	(12.9)	(25.2)	—	—
Net deferred tax liability	405.7	335.0	—	—
Reconciliation between deferred tax opening and closing balance:				
Deferred tax liability at beginning of year	335.0	371.5	—	—
Utilisation of tax losses	1.7	—	—	—
Hyperinflation adjustment	28.2	17.5	—	—
Originating temporary differences on acquisition of businesses	—	36.6	—	—
Originating temporary differences on disposal of businesses	11.4	—	—	—
Net originating temporary differences on plant, equipment and other	29.4	(90.6)	—	—
Net deferred tax liability at end of year	405.7	335.0	—	—
Analysed between:				
Deferred tax assets	(11.4)	(35.1)	—	—
Deferred tax liabilities	417.1	370.1	—	—
Net deferred tax liability at end of year	405.7	335.0	—	—



group

company

	2004 R million	2003 R million	2004 R million	2003 R million
16. TRADE AND OTHER PAYABLES				
Trade payables	1 693.3	1 742.5	—	—
Accruals	907.8	962.9	1.7	1.6
Other	222.1	294.2	—	56.1
Financial instruments fair value	7.0	73.5	—	—
Total	2 830.2	3 073.1	1.7	57.7

	Unbundling R million	Restruc- turing R million	Rebates R million	Customer claims R million	Other R million	Total R million
17. PROVISIONS						
Opening balance	43.8	69.5	13.0	19.6	12.8	158.7
Additions	—	25.4	3.4	5.9	0.4	35.1
Usage	—	34.5	10.2	2.5	1.9	49.1
Reversals	—	33.4	—	2.3	—	35.7
Translation	—	(0.2)	—	(0.1)	—	(0.3)
Closing balance at September 2004	43.8	26.8	6.2	20.6	11.3	108.7

Provisions are expected to be utilised in full during the next financial year.

Unbundling

These provisions relate to potential liabilities identified when the Malbak group unbundled its non-packaging businesses to shareholders.

Restructuring

Provisions for restructuring are recognised when the group has a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan, or announcing its main features to those affected by it prior to or at the date of acquisition. Restructuring provisions only include those direct expenditures, which are necessarily entailed by the restructuring and are not associated with the ongoing activities of the group.

Rebates

Rebates are paid under formal agreements with certain customers based on the achievement of agreed sales or volume levels. Where the period of the agreement does not coincide with the group's financial year, the difference between the expected rebate payable and that actually achieved at 30 September is provided for.

Customer claims

Amounts expected to be payable under customer claims in respect of packaging already supplied.

Other

These provisions relate to guarantees or warranties on the sale of businesses or divisions.

group

company

	2004 R million	2003 R million	2004 R million	2003 R million
18. REVENUE				
(Inter-group transactions and VAT are excluded)				
Net invoiced sales	17 494.6	18 174.0	—	—
<i>Comprising:</i>				
Continuing operations	17 178.9	17 494.0	—	—
Discontinued operations	315.7	680.0	—	—
19. PROFIT/(LOSS) BEFORE ABNORMAL ITEMS				
is stated after taking account of the following items:				
19.1 Auditors' remuneration				
Audit fees	19.6	18.5	—	—
Expenses	0.8	0.8	—	—
Tax services	5.8	4.7	—	—
Other services	2.8	2.0	—	—
Total	29.0	26.0	—	—
<i>Comprising:</i>				
Continuing operations	28.5	24.4	—	—
Discontinued operations	0.5	1.6	—	—
The following amounts paid to auditors were capitalised during the year:				
ERP support	27.8	47.6	—	—
Consulting – debt rearrangement	2.7	0.9	—	—
Acquisition support	2.9	—	—	—
Total	33.4	48.5	—	—
<i>Comprising:</i>				
Continuing operations	33.4	48.5	—	—
Discontinued operations	—	—	—	—
19.2 Depreciation and amortisation				
Freehold and leasehold buildings	27.0	29.5	—	—
Plant, equipment and vehicles	683.0	685.9	—	—
Goodwill and intangible assets	90.9	66.7	—	—
Total	800.9	782.1	—	—
<i>Comprising:</i>				
Continuing operations	779.9	735.1	—	—
Discontinued operations	21.0	47.0	—	—

group

company

	2004 R million	2003 R million	2004 R million	2003 R million
19. PROFIT/(LOSS) BEFORE ABNORMAL ITEMS <i>(continued)</i>				
19.3 Administration and technical fees	39.7	34.6	—	—
<i>Comprising:</i>				
Continuing operations	39.5	32.7	—	—
Discontinued operations	0.2	1.9	—	—
19.4 Rentals in respect of operating leases				
Property	88.6	110.1	—	—
Plant, equipment and vehicles	11.6	14.7	—	—
Total	100.2	124.8	—	—
<i>Comprising:</i>				
Continuing operations	96.3	117.0	—	—
Discontinued operations	3.9	7.8	—	—
19.5 Research and development costs expensed				
Research and development expenditure	26.4	21.7	—	—
Technology, royalty and associated costs	0.4	—	—	—
Total	26.8	21.7	—	—
<i>Comprising:</i>				
Continuing operations	26.6	21.2	—	—
Discontinued operations	0.2	0.5	—	—
19.6 Net profit/(loss) on disposal of plant and equipment	6.1	(9.8)	—	—
<i>Comprising:</i>				
Continuing operations	6.6	(9.7)	—	—
Discontinued operations	(0.5)	(0.1)	—	—
19.7 Net loss on foreign exchange	(55.3)	(65.9)	—	—
<i>Comprising:</i>				
Continuing operations	(53.7)	(65.9)	—	—
Discontinued operations	(1.6)	—	—	—
19.8 Selling expenses	347.4	307.0	—	—
<i>Comprising:</i>				
Continuing operations	344.7	307.5	—	—
Discontinued operations	2.7	(0.5)	—	—

group

company

	2004 R million	2003 R million	2004 R million	2003 R million
21. NET FINANCE (COSTS)/INCOME				
Gross interest paid – short-term facilities	(137.9)	(253.0)	–	–
Gross interest paid – long-term facilities	(74.3)	(90.9)	–	–
Gross interest paid – other	(13.5)	(23.8)	–	–
Deduct: interest capitalised	8.0	28.2	–	–
Deduct: interest received – short-term facilities	52.5	70.5	0.1	0.1
Deduct: interest received – other	16.2	16.1	–	–
Total	(149.0)	(252.9)	0.1	0.1
<i>Comprising:</i>				
Continuing operations	(148.9)	(239.6)	–	–
Discontinued operations	(0.1)	(13.3)	–	–
22. INCOME FROM INVESTMENTS				
Normal dividends	15.6	5.7	475.5	322.9
Group restructuring dividend			1 013.9	1 020.8
Interest received from subsidiaries			1.9	1.2
Fees			3.3	3.0
Total	15.6	5.7	1 494.6	1 347.9
<i>Sources:</i>				
– South African	15.6	5.7	1 494.6	1 347.9
– Foreign	–	–	–	–
<i>Comprising:</i>				
Continuing operations	15.6	5.7	–	–
Discontinued operations	–	–	–	–

group

company

	2004 R million	2003 R million	2004 R million	2003 R million
23. INCOME TAX				
Current tax				
– Current year	377.1	506.7	17.6	1.1
– Prior year	7.6	8.7	14.7	0.9
– Capital gains tax	16.7	1.1	—	—
– Hyperinflation adjustment	5.3	(2.7)	—	—
Deferred tax				
– Current year	77.3	(10.4)	—	—
– Prior year	(52.6)	(5.0)	—	—
– Hyperinflation adjustment	28.2	17.5	—	—
Secondary tax on companies	58.7	48.3	—	4.6
Withholding and foreign tax	3.4	2.7	—	—
Total	521.7	566.9	32.3	6.6
<i>Comprising:</i>				
Continuing operations	504.9	533.1	—	—
Discontinued operations	16.8	33.8	—	—
Reconciliation of rate of tax				
Effective group rate of tax	% 34.8	38.1		
Reduction in tax charge due to:				
– exempt income (including capital profits)	% 8.4	1.1		
– utilisation of deferred tax asset not previously recognised	% —	0.4		
– foreign tax rate differential	% 0.2	0.4		
– prior tax losses utilised	% 0.1	0.2		
– adjustment for prior year	% 3.0	(0.2)		
– Government incentives	% 2.5	—		
Increase in tax charge due to:				
– deferred tax not recognised	% (0.5)	—		
– hyperinflation adjustment	% (2.0)	(0.5)		
– withholding taxes	% (0.2)	(0.2)		
– disallowable expenses	% (9.0)	(4.7)		
– goodwill amortised	% (1.2)	(1.3)		
– capital gains tax	% (1.1)	(0.1)		
– imputed income – Section 9D	% (1.1)	—		
– secondary tax on companies	% (3.9)	(3.2)		
Normal tax rate	% 30.0	30.0		
Estimated tax losses of certain subsidiaries and joint ventures available for set-off against future taxable income	89.2	161.8		

group

company

	2004 R million	2003 R million	2004 R million	2003 R million
24. BASIC, FULLY DILUTED AND HEADLINE EARNINGS PER ORDINARY SHARE				
The calculation of basic earnings per ordinary share is based on earnings of R967.0 million (2003: R 903.4 million) and the weighted average of 640 957 781 (2003: 640 443 614) ordinary shares in issue during the year.				
The calculation of fully diluted earnings per ordinary share is based on earnings of R967.0 million (2003: R 903.4 million) and the weighted average of 644 705 045 (2003: 642 680 601) ordinary shares in issue during the year.				
Determination of basic earnings and net profit				
Net profit per income statement	967.1	903.5		
Less: Preference dividend	0.1	0.1		
Basic earnings	967.0	903.4		
The calculation of headline earnings per ordinary share is based on earnings of R936.5 million (2003: R 931.2 million) and the weighted average number of ordinary shares in issue throughout the year.				
Determination of headline earnings				
Basic earnings	967.0	903.4		
Adjusted for:				
Impairment losses	127.9	9.9		
Net goodwill amortised	60.5	61.3		
Capital restructuring costs	—	7.9		
Net (profit)/loss on disposal of business	(216.5)	0.9		
Net profit on disposal of property, plant and equipment	(13.7)	(3.8)		
Capital equipment damage proceeds	—	(74.6)		
Loss on re-organisation of debt	—	7.8		
Tax effects	11.3	18.4		
Headline earnings	936.5	931.2		

group

company

	2004 R million	2003 R million	2004 R million	2003 R million
25. DIVIDENDS PER SHARE				
The final dividend declared for the current year of 56.6 cents per share has not been provided for in the annual financial statements in terms of AC 130 – Provisions, Contingent Liabilities and Contingent Assets.				
26. OPERATING LEASE COMMITMENTS				
The group has certain lease commitments in respect of land and buildings, plant, equipment and vehicles, which are payable as follows: Year ending 30 September				
2004		103.1	—	—
2005	98.0	88.8	—	—
2006	81.6	74.8	—	—
2007	72.3	65.0	—	—
2008	62.3	182.9	—	—
2009 and beyond	198.4	—	—	—
Total	512.6	514.6	—	—
<i>Comprising:</i>				
Land and buildings	450.1	427.9	—	—
Vehicles	18.3	45.9	—	—
Other	44.2	40.8	—	—
	512.6	514.6	—	—
27. CONTINGENT LIABILITIES				
Guarantees in respect of housing loans	0.7	1.3	—	—
Guarantees in respect of property leases	16.1	17.2	—	—
Legal actions and other claims	45.7	1.8	—	—
Kimberly-Clark Southern Africa (Pty) Limited ("K.C.")	—	126.0	—	—
Total	62.5	146.3	—	—
A complaint was lodged against Nampak's Glass division and Consol Glass with the Competition Commission for alleged collusion in respect of the supply of cullet for glass container manufacturing. Following its investigation, the Competition Commission has referred the matter to the Competition Tribunal for hearing.				

group

company

	2004 R million	2003 R million	2004 R million	2003 R million
28. CAPITAL COMMITMENTS				
Property, plant and equipment – contracted	237.1	222.2	—	—
– approved	327.0	236.8	—	—
Total	564.1	459.0	—	—
The expenditure, which will become payable in the following year, will be financed from group resources and, if required, additional borrowings.				
29. NOTES TO THE CASH FLOW STATEMENTS				
29.1 Reconciliation of profit before taxation to cash generated from operations				
Profit before tax	1 499.2	1 489.9	1 488.1	1 344.6
Adjustment for:				
Depreciation and amortisation	800.9	782.1	—	—
Net profit on disposal of businesses, property, plant and equipment	(230.2)	(2.9)	—	—
Financial instruments fair value adjustment	(70.9)	48.5	—	—
Hyperinflation monetary adjustment	15.1	5.4	—	—
Loss on re-organisation of debt	—	7.8	—	—
Income from investments	(15.6)	(5.7)	(1 494.6)	(1 347.9)
Net periodic pension cost	106.3	98.1	—	—
Impairment losses	127.9	10.0	—	—
Net finance costs/(income)	149.0	252.9	(0.1)	(0.1)
Operating profit/(loss) before working capital changes	2 381.7	2 686.1	(6.6)	(3.4)
Increase in inventories	(108.4)	(98.4)	—	—
Decrease/(increase) in trade and other receivables	54.4	(109.4)	5.1	(5.1)
(Decrease)/increase in trade and other payables	(197.5)	(471.4)	(56.1)	56.2
Movement in intergroup accounts	—	—	74.4	35.2
Cash generated from operations	2 130.2	2 006.9	16.8	82.9
29.2 Non-cash transaction				
Leased assets to the value of R70.1 million were capitalised and financed during the year.				

group

company

	2004 R million	2003 R million	2004 R million	2003 R million
29. NOTES TO THE CASH FLOW STATEMENTS <i>(continued)</i>				
29.3 Acquisition of business				
With effect from 11 March 2004 the group acquired the entire share capital of the Diehl group.				
The fair value of assets acquired and liabilities assumed at those dates are as follows:				
Non-current assets	50.2	162.7		
Non-current liabilities	(36.5)	(64.5)		
Net working capital	(9.5)	64.7		
Minority interest	—	(2.9)		
	4.2	160.0		
Goodwill arising on acquisition	63.0	14.0		
Discount on acquisition of businesses	—	(71.9)		
Less: investments in subsidiaries now consolidated	—	(58.0)		
Total purchase consideration	67.2	44.1		
Overdraft acquired	20.4	4.7		
	87.6	48.8		
29.4 Disposal of businesses				
With effect from 29 February 2004 the group disposed of its interest in NamITech Holdings. The value of assets and liabilities disposed of are as follows:				
Non-current assets	225.3	139.6		
Non-current liabilities	(4.4)	(0.4)		
Net working capital	164.9	51.3		
Minority interest	(68.5)	(1.3)		
	317.3	189.2		
Profit/(loss) on disposal of businesses	213.2	(34.0)		
Total sales consideration	530.5	155.2		
Less: cash disposed	54.5	5.4		
	476.0	149.8		
29.5 Cash and cash equivalents				
Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:				
Bank balances, deposits and cash	699.5	748.5	0.4	0.4
Interest bearing debt – amounts due to bankers (note 14)	(727.8)	(731.3)	—	—
	(28.3)	17.2	0.4	0.4



30. DISCONTINUED OPERATIONS

On 7 May 2003, Nampak Products Limited, a wholly owned subsidiary of Nampak Limited, reached agreement in principle, subject to certain conditions precedent, to sell its entire shareholding in NamITech, to Allied Technologies Limited ("Altech").

NamITech is a leading technology security solutions company, which provides end-to-end solutions to the corporate, telecommunications, financial services and gaming markets in South Africa and Africa.

Whilst NamITech has experienced significant growth under Nampak's control, NamITech is not regarded as a core strategic business to Nampak. The transaction presents Nampak with an opportunity to unlock value from its shareholding in NamITech.

On 5 February 2004, Nampak announced that it had received approval from the Competition Tribunal to sell its interest in NamITech Holdings. The transaction was implemented with effect from 29 February 2004.

The results of NamITech which have been included in the consolidated financial statements for the year ended 30 September, are as follows:

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group

company

	2004 R million	2003 R million	2004 R million	2003 R million
30. DISCONTINUED OPERATIONS <i>(continued)</i>				
30.1 Income statement				
Revenue	315.7	680.0		
Raw materials	136.8	282.8		
Employee costs	73.1	142.9		
Depreciation and other amortisation expenses	21.0	47.0		
Other operating expenses	46.9	97.9		
Other operating income	—	0.4		
Profit before abnormal items	37.9	109.8		
Abnormal items	(2.0)	0.9		
Profit from operations	39.9	108.9		
Net finance costs	(0.1)	(13.3)		
Profit before tax	39.8	95.6		
Income tax	16.8	33.8		
Profit after tax	23.0	61.8		
Minority interest	—	5.1		
Net profit for the year	23.0	56.7		
30.2 Abridged balance sheet				
Non-current assets		250.8		
Current assets		188.1		
Total assets		438.9		
Capital and reserves		306.3		
Non-current liabilities		4.1		
Current liabilities		128.5		
Total liabilities		438.9		



30. DISCONTINUED OPERATIONS *(continued)*

30.3 Cash flow information

During the year, NamITech absorbed R10.0 million (2003: R102.4 million positive contribution) of the group's net operating cash flows, paid R11.3 million (2003: R102.6 million) in respect of investing activities and received R nil (2003: R79.2 million) in respect of financing activities.

31. SUBSEQUENT EVENTS

An agreement was reached on 30 October 2004 to sell the European Short Run plastic packaging business to RPC Group Plc.

32. SHARE PURCHASE TRUST

Nampak has consolidated its share purchase trust, which has had no material effect on the financial statements.

Annexure A

	Type (see note below)	Country of incorporation	Issued share capital	Effective percentage holding		Interest of holding company Shares at book value				Indebtedness	
				2004 %	2003 %	2004 Rm	2003 Rm	2004 Rm	2003 Rm		
1. SUBSIDIARIES (CONSOLIDATED)											
Amalgamated Packaging Industries (Pty) Ltd	I	RSA	R2 834 224	100%	100%						
BlowMocan Holdings Ltd	I	UK	£101	100%	100%						
Buduff Incorporated Ltd	I	Isle of Man	US\$182 682	100%	100%						
CarnaudMetalbox Zimbabwe Ltd	O	Zimbabwe	ZWD19 799 000	100%	100%						
Cartonagens de Mocambique LDA	O	Mocambique	MZM20 000 000	55%	55%						
Consolidated Corrugated Containers (Pty) Ltd	O	RSA	R600 000	100%	100%	6.4	6.4	8.4		8.4	
Crown Cork Co (1958) (Pvt) Ltd	O	Zimbabwe	ZWD1 421 000	100%	100%						
Crown Cork Co (East Africa) Ltd	O	Kenya	KES11 999 700	100%	100%						
Crown Cork Co Zambia Ltd	O	Zambia	ZMK194 285 714	100%	100%						
Disaki Cores and Tubes (Pty) Ltd	O	RSA	R700	70%	70%						
Gallagher Printers Ltd	O	Ireland	€20 000	100%	100%						
Imperama NV	O	Netherlands	€793 000	100%	100%						
International Cartons & Packaging Ltd	O	Zambia	ZMK77 526 000	100%	100%						
Kohler Digiflex (Pty) Ltd	O	RSA	R100	100%	100%						
Kohler Ltd	I	RSA	R493 718 514	100%	100%						
Kohler Packaging Ltd	O	RSA	R3 198 495	100%	100%						
Malbak Ltd	I	RSA	R589 321 657	100%	100%	1 836.8	1 846.4	0.7		1.0	
Mega Plastics Zimbabwe (Pvt) Ltd	I	Zimbabwe	ZWD2	100%	100%						
Metal Box Namibia (Pty) Ltd	O	Namibia	N\$1	100%	100%						
Metal Box South Africa Ltd	O	RSA	R68 153 240	100%	100%	367.2	421.9	(14.9)		134.6	
M.Y. Cartons BV	O	Netherlands	€14 609	100%	100%						
M.Y. Cartons Europe BV	I	Netherlands	€22 700	100%	100%						
M.Y. Cartons Ltd	O	UK	£5 509 000	100%	100%						
M.Y. Healthcare Italy SRL	O	Italy	€500 000	100%	100%						
M.Y. Healthcare Packaging Ltd	O	UK	£2	100%	100%						
M.Y. Holdings Plc	I	UK	£26 828 196	100%	100%						
M.Y. Operations Ltd	O	UK	£100	100%	100%						
M.Y. Printech BV	O	Netherlands	€18 000	100%	100%						
M.Y. Property Ltd	P	UK	£75	100%	100%						
NamiTcardz (Pty) Ltd	O	RSA	R1 690	—	79%						
NamiTdraftz (Pty) Ltd	O	RSA	R250 000	—	79%						
NamiTech East Africa Ltd	O	Tanzania	TZS143 000 000	—	64%						
NamiTech Ltd	O	RSA	R1	—	79%						
NamiTech Holdings Ltd	I	RSA	R953 778	—	79%						
NamiTprepaidz (Pty) Ltd	O	RSA	R1 000	—	79%						
NamiTsmartz (Pty) Ltd	O	RSA	R600	—	79%						

	Type (see note below)	Country of incorporation	Issued share capital	Effective percentage holding		Interest of holding company Shares at book value			
				2004 %	2003 %	2004 Rm	2003 Rm	Indebtedness 2004 2003 Rm Rm	
Nampak Belgium NV	O	Belgium	€247 900	100%	100%				
Nampak Continental Holdings BV	I	Netherlands	€59 890	100%	100%				
Nampak Corrugated PMB (Pty) Ltd	O	RSA	R100	100%	100%				
Nampak Corrugated Swaziland Ltd	O	Swaziland	SZL250 000	90%	90%				
Nampak Deutschland GmbH	O	Germany	€25 565	100%	100%				
Nampak France SA	I	France	€9 555 784	100%	100%				
Nampak Gent NV	O	Belgium	€2 480 650	80%	80%				
Nampak Halfweg BV	O	Netherlands	€1 837 900	100%	100%				
Nampak Holdings (UK) Plc	I	UK	£1 964 605	100%	100%				
Nampak Holdings Ltd	I	Mauritius	US\$100 000	100%	100%				
Nampak International Ltd	I	Isle of Man	£39 329	100%	100%	1 873.9	1 791.3	—	—
Nampak Kenya Ltd	O	Kenya	KES40 280 010	100%	100%				
Nampak Kerkrade BV	O	Netherlands	€2 178 200	100%	100%				
Nampak Leasing (Pty) Ltd	F	RSA	R100	100%	100%				
Nampak Metal Packaging Ltd	O	RSA	R9 134	100%	100%				
Nampak Montpont SA	O	France	€6 196 500	100%	100%				
Nampak Nigeria Cartons Ltd	O	Nigeria	NGN14 000 000	100%	0%				
Nampak Nigeria Plc	O/L	Nigeria	NGN107 044 183	57%	57%				
Nampak Nigeria Properties Ltd	P	Nigeria	NGN14 000 000	100%	0%				
Nampak Paper Ltd	D	RSA	R2 307 533	100%	100%	7.5	7.5	—	—
Nampak Petpak Namiba (Pty) Ltd	O	Namibia	N\$100	100%	100%				
Nampak Plastics Europe Ltd	O	UK	£4 863 028	100%	100%				
Nampak Polycyclers (Pty) Ltd	O	RSA	R20 000	100%	100%				
Nampak Polyfoil Zimbabwe (Pvt) Ltd	O	Zimbabwe	ZWD200	70%	70%				
Nampak Products Ltd	O	RSA	R3 758 641	100%	100%	93.7	10.5	18.8	(977.0)
Nampak Properties (Isle of Man) Ltd	P	Isle of Man	£100	100%	100%				
Nampak Southern Africa Holdings Ltd	I	Mauritius	US\$4 726 922	100%	100%	52.5	52.5	—	—
Nampak Tanzania Ltd	O	Tanzania	TZS304 638 620	100%	100%				
Nampak Technical Services Ltd	O	Isle of Man	£1	100%	100%				
Nampak Tissue (Pty) Ltd	O	RSA	R100	100%	100%				
Nampak Zambia Ltd	O	Zambia	ZMK2 000 000	100%	100%				
National Containers (Pty) Ltd	I	RSA	R245 000	100%	100%	0.3	0.3	12.7	12.3
Packaging Industries Malawi Ltd	O/L	Malawi	MWK13 450 000	60%	60%				
Replete Leasing (Pty) Ltd	F	RSA	R1 000	100%	100%				
Teknol BV	I	Netherlands	€18 151	100%	100%				
Teknol NV	I	Neth Antilles	US\$6 000	100%	100%				
Transmar (Isle of Man) Ltd	I	Isle of Man	US\$600 000	100%	100%				

Annexure A (continued)

	Type (see note below)	Country of incorporation	Issued share capital	Effective percentage holding		Interest of holding company			
				Shares at book value		Indebtedness			
				2004	2003	2004	2003	2004	2003
			%	%	Rm	Rm	Rm	Rm	
2. JOINT VENTURES									
(Proportionately consolidated)									
Bullpak Ltd	O	Kenya	KES4 760 000	49%	49%				
Burcap Plastics (Pty) Ltd	I	RSA	R100	50%	50%				
Burcap Plastics Cape (Pty) Ltd	O	RSA	R90	33%	33%				
Burcap Plastics Gauteng (Pty) Ltd	O	RSA	R100	50%	50%				
Burcap Plastics IML (Pty) Ltd	O	RSA	R100	50%	50%				
Collect-a-Can (Pty) Ltd	O	RSA	R4 000 000	40%	40%				
Elopak South Africa (Pty) Ltd	O	RSA	R100	50%	50%				
Hunyani Holdings Ltd	O/L	Zimbabwe	ZWD31 391 103	39%	39%				
Megapak Zimbabwe (Pvt) Ltd	O	Zimbabwe	ZWD20 100	49%	49%				
Menshen Packaging UK Ltd	O	UK	£100	50%	50%				
NASABA Tissue Ltd	O	Tanzania	TZS200 000	50%	50%				
Sancell South Africa (Pty) Ltd	O	RSA	R2 500	50%	50%				

General information in respect of subsidiaries, as required in terms of paragraph 62 of the 4th Schedule of the Companies Act, 1973, is set out only in respect of those subsidiaries, the financial position or the results of which are material for a proper appreciation of the affairs of the group. The directors are of the opinion that the disclosure in these statements of such information in respect of the remaining dormant subsidiaries would entail expenses out of proportion to the value to shareholders. A register containing the relevant information in respect of all subsidiary and joint venture companies is available for inspection at the registered office of Nampak Limited.

Note

The subsidiary and joint venture companies' aggregate income after taxation attributable to the holding company, for the year ended 30 September 2004, is R1 165.3 million (2003: R931.7 million). The aggregate amount of losses attributable to the holding company is R194.3 million (2003: R12.2 million).

Annexure B

INVESTMENTS

	Type (see note below)	Number of shares held by group		Effective percentage holding	
		2004	2003	2004	2003
UNLISTED INVESTMENTS					
Business Partners Ltd	F	212 160	212 160	< 1	< 1
Crown Cork Company (Mocambique) LDA	O	807 million	807 million	34%	34%
Houers Ko-operatief Bpk	O	1 714 901	1 714 901	14.9%	14.9%
New Farmers Development Corporation Ltd	O	150 586	150 586	< 1	< 1

Type:

O – Operating F – Finance I – Investment holding P – Property owning D – Dormant L – Listed



SHARE CAPITAL

Details of the authorised and issued share capital are given in note 11 to the financial statements.

During the year the issued ordinary share capital was increased as follows:

	Ordinary shares of 5 cents each
Issued at 30 September 2003	640 571 091
Shares allotted to a director in terms of the Nampak 1985 Share Option Scheme ("the Option Scheme")	146 900
Shares allotted to employees other than directors in terms of the Option Scheme	856 300
Issued at 30 September 2004	641 574 291

There were no changes to the issued 6.5% and 6% preference share capitals.

SHARE OPTION SCHEME

In terms of the Option Scheme, participants may elect to receive loans from the Nampak 1979 Share Purchase Scheme ("the Purchase Scheme") to finance the exercise of share options.

A total of 1 003 200 ordinary shares were allotted during the year consequent upon the exercise of share options.

The relevant particulars of the schemes are set out below:

	Ordinary shares	
	2004	2003
Unallocated shares set aside for utilisation at the commencement of the financial year	9 666 080	9 557 880
Additional shares set aside by shareholders at the annual general meeting held on 28 January 2004	10 425 000	—
Shares in respect of which options were granted	(3 780 000)	(491 000)
Options forfeited as a result of resignations	778 300	599 200
Available for utilisation at the end of the financial year	17 089 380	9 666 080
Status of schemes at the end of the financial year		
– Purchase Scheme		
Shares held for participants	405 600	453 000
Number of participants	35	36
Shares held by the Nampak 1979 Share Purchase Trust	57 000	57 000
– Option Scheme		
Shares in respect of which options are outstanding: these are exercisable over periods between 1 October 2004 and 31 January 2013 at varying option prices, the weighted average price of which is 1 154 cents:		
Directors	5 160 000	6 423 500
Other employees and retirees	14 592 400	11 330 400
Total	19 752 400	17 753 900
Number of participants	281	254

The approval of shareholders will be sought at the forthcoming annual general meeting for the allotment and issue of shares to directors in respect of options granted to them during the financial year ended 30 September 2004, as and when the options are exercised.

REVIEW OF OPERATIONS AND RESULTS

The performance of the divisions and the group's results are comprehensively reviewed on pages 10 to 39 and 80 to 127.

INVESTMENT ACTIVITIES

Nampak announced on 5 February 2004 that the Competition Tribunal had given its approval for the disposal of the company's 51% interest in NamlTech Holdings Limited to Allied Technologies Limited. The transaction was implemented on 29 February 2004 for a total consideration of R476 million.

The Diehl group, which is a leading European producer of medicine information leaflets supplying the pharmaceutical industry, was acquired on 11 March 2004 by M.Y. Holdings Plc of the UK for €12.4 million. Diehl has operations in France, Germany and Luxembourg.

Certain properties surplus to requirements were sold for R14.5 million.

POST YEAR-END ACTIVITIES

Nampak announced on 1 November 2004 that Nampak Plastics Europe Limited had disposed of its European "Short Run" plastic packaging business with immediate effect to RPC Group Plc for £23 million. The business comprised of seven factories in the UK, France, Holland and Belgium with combined annual sales of approximately £75 million.



DIVIDENDS

Details of dividends dealt with in the financial statements are shown below:

Class of share	Dividend no.	Cents per share	Declaration date	Last day to trade	Payment date
6% cumulative preference	70	6.00	12/12/03	23/01/04	02/02/04
	71	6.00	17/06/04	16/07/04	26/07/04
6.5% cumulative preference	70	6.50	12/12/03	23/01/04	02/02/04
	71	6.50	17/06/04	16/07/04	26/07/04
Ordinary	71	27.0	21/05/04	25/06/04	05/07/04
	72	56.6	25/11/04	31/12/04	10/01/05

The important dates pertaining to final dividend number 72 are:

Last day to trade ordinary shares "cum" dividend	Friday 31 December 2004
Ordinary shares trade "ex dividend"	Monday 3 January 2005
Record date	Friday 7 January 2005
Payment date	Monday 10 January 2005

Ordinary share certificates may not be dematerialised or rematerialised between Monday 3 January 2005 and Friday 7 January 2005, both days inclusive.

DIRECTORS AND SECRETARY

The names of the directors and secretary in office at 30 September 2004 are set out on pages 8, 9 and 132 of the annual report.

Mr R G Tomlinson resigned as a director with effect from 21 July 2004 and Mr J A Monks resigned from the board on 30 September 2004.

In terms of the company's articles of association, Messrs G E Bortolan, T Evans, D A Hawton, A S Lang and R A Williams retire by rotation but, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Messrs T Evans, D A Hawton and R A Williams do not have service contracts as non-executive directors.

Mr G E Bortolan has an indefinite-period service contract with a twelve months' notice period proviso by either party and Mr A S Lang has an indefinite period service contract with a six-months' notice period proviso by either party.

INTERESTS OF DIRECTORS

The total direct and indirect beneficial and non-beneficial interests of the directors of Nampak Limited in the issued share capital of the company as at 30 September 2004 are shown on pages 73 and 74.

SPECIAL RESOLUTION

The following special resolution was passed by the undermentioned subsidiary company during the year under review:

Increase in authorised share capital

Nampak Products Limited

RETIREMENT FUNDS

Details of retirement funds are reflected in note 2 to the financial statements.

NAMPAK LIMITED

Notice is hereby given that the thirty-seventh annual general meeting of shareholders of Nampak Limited will be held at Nampak Centre, 114 Dennis Road, Atholl Gardens, Sandton, South Africa on Wednesday 9 February 2005 at 12:00 for the following purposes:

1. To receive and consider the annual financial statements of the company and of the group for the year ended 30 September 2004.
2. To elect directors in place of Messrs G E Bortolan, T Evans, D A Hawton, A S Lang and R A Williams who retire by rotation but, being eligible, offer themselves for re-election.
Refer to pages 8 to 9 of the annual report for a biography of each director.
3. To consider and, if approved, to pass with or without modification, the following ordinary resolutions, subject to the approval of the JSE Securities Exchange South Africa ("the JSE"):

ORDINARY RESOLUTION NUMBER 1

"THAT the revised annual fee payable by the company to the non-executive chairman be approved with effect from 1 October 2004 in an amount of R1 250 000.00, a reduction from R1 750 000.00, in return for the time spent by the chairman with the company reducing from 50% to 35%".

ORDINARY RESOLUTION NUMBER 2

"THAT the company hereby specifically approves, in terms of section 222(1)(a) of the Companies Act, 1973 as amended, the allotment and issue from the ordinary shares already set aside for purposes of the Nampak 1985 Share Option Scheme of ordinary shares of 5 (five) cents each to the undermentioned directors as and when they exercise the options detailed below which were granted to them during the year to acquire ordinary shares of 5 cents each in the company and specifically authorises the directors to make such issue and allotment:

Name of director	Date option granted	Option price (cents)	Number of options
R P Becker	27 November 2003	1 234	140 000
G E Bortolan	27 November 2003	1 234	300 000
N Cumming	27 November 2003	1 234	180 000
A S Lang	27 November 2003	1 234	50 000

SPECIAL RESOLUTION

4. To consider and, if approved, to pass with or without modification the following special resolution, subject to the approval of the JSE:

SPECIAL RESOLUTION NUMBER 1:

"THAT subject to compliance with the requirements of the JSE, the directors of the company be and are hereby authorised in their discretion to procure that the company or subsidiaries of the company acquire by purchase on the JSE ordinary shares issued by the company provided that:

- (i) the number of ordinary shares acquired in any one financial year shall not exceed 20% of the ordinary shares in issue at the date on which this resolution is passed;



- (ii) this authority shall lapse on the earlier of the date of the next annual general meeting of the company or the date 15 months after the date on which this resolution is passed;
- (iii) the price paid per ordinary share may not be greater than 10% above the weighted average of the market value of the ordinary shares for the five business days immediately preceding the date on which a purchase is made;
- (iv) the number of shares purchased by subsidiaries of the company shall not exceed 10% in the aggregate of the number of issued shares in the company at the relevant times.”

The reason for this special resolution is to authorise the directors, if they deem it appropriate in the interests of the company, to procure that the company or subsidiaries of the company acquire or purchase ordinary shares issued by the company subject to the restrictions contained in the above resolution.

The effect of this special resolution will be to authorise the directors of the company to procure that the company or subsidiaries of the company acquire or purchase shares issued by the company on the JSE. Such purchases:

- (i) may not in any financial year exceed 20% of the company's ordinary shares in issue at the date of passing the above resolution;
- (ii) must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counter party;
- (iii) may not be made at prices in excess of 10% above the weighted average of the market value of the ordinary shares for the five days preceding the date of purchase;
- (iv) must comply with the requirements of the JSE;
- (v) if made by a subsidiary or subsidiaries may not exceed 10% in the aggregate of the issued shares in the company.

The general authority granted by this resolution will lapse on the earlier of the date of the next annual general meeting of the company or the date 15 months after the date on which this resolution was passed.

At the present time the directors have no specific intention with regard to the utilisation of this authority which will only be used if the circumstances are appropriate. If the authority is exercised the ordinary shares will be purchased on the JSE.

The directors, after considering the effect of a repurchase of up to 20% of the company's issued ordinary shares, are of the opinion that if such repurchase is implemented:

- (i) the company and its subsidiaries will be able to pay their debts in the ordinary course of business for a period of 12 months after the date of this notice;
- (ii) recognised and measured in accordance with the accounting policies used in the latest audited annual group financial statements, the assets of the company and its subsidiaries will exceed the liabilities of the company and its subsidiaries for a period of 12 months after the date of this notice;
- (iii) the ordinary capital and reserves of the company and its subsidiaries will be adequate for the purposes of the business of the company and its subsidiaries for the period of 12 months after the date of this notice;
- (iv) the working capital of the company and its subsidiaries will be adequate for the purposes of the business of the company and its subsidiaries for the period of 12 months after the date of this notice.

The company will ensure that its sponsor will provide the necessary letter on the adequacy of the working capital in terms of the JSE Listings Requirements, prior to the commencement of any purchase of the company's shares on the open market.

VOTING AND PROXIES

On a show of hands every member present in person or represented in terms of section 188 of the Companies Act, 1973, shall have one vote and on a poll every member present in person or by proxy or so represented shall have one vote for every share held by such member.

A member entitled to attend, speak and vote at the annual general meeting is entitled to appoint a proxy or proxies to attend, speak and vote in place of that member. A proxy need not be a member of the company.

Registered holders of certificated Nampak shares and holders of dematerialised Nampak shares in their own name and who are unable to attend the annual general meeting and who wish to be represented at the meeting, must complete and return the attached form of proxy in accordance with the instructions contained in the form of proxy so as to be received by the share registrars, Computershare Investor Services 2004 (Pty) Limited, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107) by no later than 12:00 on Monday 7 February 2005.

Holders of Nampak shares (whether certificated or dematerialised) through a nominee should timeously make the necessary arrangements with that nominee or, if applicable, Central Securities Depository Participant ("CSDP") or broker to enable them to attend and vote at the annual general meeting or to enable their votes in respect of their Nampak shares to be cast at the annual general meeting by that nominee or a proxy or a representative.

In terms of the JSE Listings Requirements for special resolution number 1, the following general information is included in the annual report:

- (i) Directors (pages 8 – 9)
- (ii) Major shareholders (page 45)
- (iii) Directors' interest in securities (pages 68, 73 and 74)
- (iv) Share capital of the company (page 106)

There have been no material changes in the financial or trading position of the company and its subsidiaries since 30 September 2004.

The company is not party to any material litigation or arbitration proceedings nor is it aware of any pending material litigation or arbitration proceedings to which it may become a party.

The directors whose names appear on pages 8 to 9 of the annual report collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the circular (the notice of the annual general meeting) contains all information required by law and the JSE Listings Requirements.

By order of the board

N P O'Brien

Company secretary

20 December 2004

Nampak Limited
 Nampak Centre
 114 Dennis Road
 Atholl Gardens, Sandton 2196
 South Africa



Annual general meeting 9 February 2005

Interim statement and dividend announcement
for the half year ending 31 March 2005 May 2005

Group results and ordinary dividend announcement
for the year ending 30 September 2005 November 2005

DIVIDENDS

Ordinary

Final for the year ended 30 September 2004 To be paid on 10 January 2005

Interim for the half year ending 31 March 2005 To be paid July 2005

Preference

6.5% and 6% cumulative Payable twice per annum
during February and August

COMPANY SECRETARY

N P O'Brien *BProc*

AUDITORS

Deloitte & Touche

BUSINESS ADDRESS AND REGISTERED OFFICE

Nampak Centre, 114 Dennis Road, Atholl Gardens
Sandton 2196, South Africa

(PO Box 784324, Sandton 2146)

Telephone +27 11 719 6300

Telefax +27 11 444 4794

Website www.nampak.com

SHARE REGISTRARS

Computershare Investor Services 2004 (Pty) Limited
70 Marshall Street, Johannesburg 2001, South Africa
(PO Box 61051, Marshalltown 2107)

Telephone +27 11 370 5000

Telefax +27 11 370 5487

JOINT SPONSORS

Lead sponsor

UBS South Africa (Pty) Limited

64 Wierda Road East
Sandton 2196, South Africa

(PO Box 652863, Benmore 2010)

Telephone +27 11 322 7000

Telefax +27 11 784 8280

Sponsor

Cazenove South Africa (Pty) Limited

1st Floor, Moorgate
Dunkeld Park
No 6 North Road
Dunkeld West 2196, South Africa

(PO Box 412468, Craighall 2024)

Telephone +27 11 280 7900

Telefax +27 11 325 8008



**SENIOR DIVISIONAL MANAGEMENT
AFRICA**

Africa Division

Sandy McLeish (58)
Pr Eng, C Eng, BSc (Hons)

Bevcan

John Moyes (56)

Bevcap

James MacDonald (44)
BSc (Hons)

Nampak Cartons & Labels/Paper Segment

Rob Morris (42)
Pr Eng, BSc Eng(Chem), BComm (Hons)

Nampak Corrugated

Willie Wiese (43)
Mast. Elect Eng. MSC Indus. Eng. MBA (Wits)

Disaki Cores & Tubes

Peter Davies (48)
BComm

Divfood

Roy Douglas (47)
BSoc Sci, MBA

Finance Director – Africa Region

Mark Kathan (34)
CA(SA)

Flexibles

Robin Moore (45)
BComm

Nampak Glass

Ephraim Msane (42)
BSc Eng. Chem (Hons)

Human Resources Director – Africa Region

Fezekile Tshiqi (50)
BA PGDHRM

Nampak L & CP

Rob Francois (43)
BComm

Megapak and Petpak

Peter van Lienden (58)
BSc (Hons), MSc (cum laude)

Nampak Flexible Cape

Chris McLaughlin (42)
MBA

Nampak Flexible KwaZulu-Natal

Graham Braby (45)
MSc Mech Eng

Nampak Flexpak

Riz Hassen (50)
BCompt (Hons), CA(SA)

Paper Segment

Charles Bromley (41)
BSc Eng Chem

Nampak Tissue

Darryl Weisz (41)
MBA

Nampak Tubes & Tubs

Les Wood (45)
NHD Cost Accounting

Peters Papers

John Darling (40)
CA(SA)

Redibox

Deon Breedt (50)
B.Mil(Comm) BComm (Hons)

Rigid Plastics

Philip De Weerd (50)
BSc Eng, MBA, SEP (Stanford)

Nampak Sacks

Tim Elliot (51)
BComm

Nampak Tufbag

Glen Start-Taylor (40)
ACIM

EUROPE

M. Y. Cartons – United Kingdom

Stuart Goode (54)
MBA, FCCA, SMP(Cranfield)

M. Y. Cartons – Europe

Mark Collet (53)
BEcon

M. Y. Healthcare Division

Malcolm Ward (34)
M.I.Biol.

Nampak Plastics – Europe

Tom Reid (42)
HND Mech Eng, BComm

Finance Director – Europe

Leon Taviansky (34)
CA(SA)

SENIOR CORPORATE MANAGEMENT

Chief Information Officer

Minch Morais (50)
BComm CA(SA)
MBA SEP (Stanford)

Company Secretary & Legal Adviser

Neil O'Brien (50)
BProc.

Group Compensation & Benefits Manager

Lynne Kidd (44)
BA (Hons)

Group Financial Manager

Tim Jacobs (35)
CA(SA)

Group Information Technology Manager

Paddy Slattery (61)
BComm MBA





NAMPAK LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1968/008070/06)
(Share code: NPK ISIN: ZAE000004933)
("Nampak" or the "company")

FORM OF PROXY
37TH ANNUAL GENERAL MEETING

For use by the registered holders of certificated Nampak shares and the holders of dematerialised Nampak shares in their own name at the annual general meeting of the company to be held at Nampak Centre, 114 Dennis Road, Atholl Gardens, Sandton on Wednesday 9 February 2005 at 12:00 ("the annual general meeting").

Holders of Nampak shares (whether certificated or dematerialised) through a nominee must not complete this form of proxy, but should timeously make the necessary arrangements with that nominee or, if applicable, Central Securities Depository Participant or broker, to enable them to attend and vote at the annual general meeting or to enable their votes in respect of their Nampak shares to be cast at the annual general meeting by that nominee or a proxy or a representative.

I/We

(BLOCK LETTERS PLEASE)

of

Telephone (work) ()

(home) ()

being the holder(s) of

ordinary shares in the company, hereby appoint (see note 1):

or failing him/her

or failing him/her

the chairman of the annual general meeting, as my/our proxy to vote on my/our behalf at the annual general meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification the special and ordinary resolutions to be proposed at the annual general meeting and at each adjournment of the annual general meeting and to vote for or against the special and ordinary resolutions or to abstain from voting in respect of the shares in the issued share capital of the company registered in my/our name/s, in accordance with the following instructions (see note 2).

INSERT AN "X" OR THE NUMBER OF ORDINARY SHARES HELD IN THE COMPANY (see note 2)

Proposed resolutions	For	Against	Abstain
To re-elect G E Bortolan			
To re-elect T Evans			
To re-elect D A Hawton			
To re-elect A S Lang			
To re-elect R A Williams			
To fix the fee payable to the non-executive chairman			
To approve the allotment and issue of shares to four directors			
Special resolution to authorise the directors of the company to acquire or purchase shares issued by the company on the JSE Securities Exchange South Africa			

Insert an "X" in the relevant spaces above according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in the company, insert the number of shares held in respect of which you wish to vote (see note2).

Signed at

on

2004/5

Signature

Assisted by me (where applicable)

Each member is entitled to appoint one or more proxies (who need not be a member of the company) to attend, speak and vote in place of that member at the annual general meeting. **Please read the notes on the reverse side hereof.**



NOTES:

1. A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space/s provided, with or without deleting "the chairman of the annual general meeting" but any such deletion must be initialled by the member. The person whose name appears first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A member's instructions to the proxy must be indicated in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the annual general meeting as he/she deems fit. A member may instruct the proxy to vote less than the total number of shares held by inserting the relevant number of shares in the appropriate box provided. A member who fails to do so will be deemed to have authorised the proxy to vote or abstain from voting, as the case may be, in respect of all the member's votes exercisable at the annual general meeting.
3. Forms of proxy must be lodged with or posted to the company's share registrars, Computershare Investor Services 2004 (Pty) Limited, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107) to be received by no later than 12:00 on Monday 7 February 2005.
4. The completion and lodging of this form of proxy will not preclude the member from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof, should such member wish to do so.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy unless previously recorded by the company's share registrars or waived by the chairman of the annual general meeting.
6. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
7. A minor must be assisted by the minor's parent or guardian unless the relevant documents establishing the minor's legal capacity are produced or have been registered by the company's share registrars.
8. Where there are joint holders of shares in the company, any one of such persons may alone sign this form of proxy in respect of such shares as if such person was the sole holder, but if more than one of such joint holders submits a form of proxy, the form of proxy, if accepted by the chairman of the annual general meeting, submitted by the holder whose name appears first in the company's share register, will be accepted to the exclusion of any other form of proxy submitted by any other joint holder(s).
9. The chairman of the annual general meeting may accept any form of proxy which is completed other than in accordance with these notes if the chairman of the annual general meeting is satisfied as to the manner in which the member wishes to vote.

