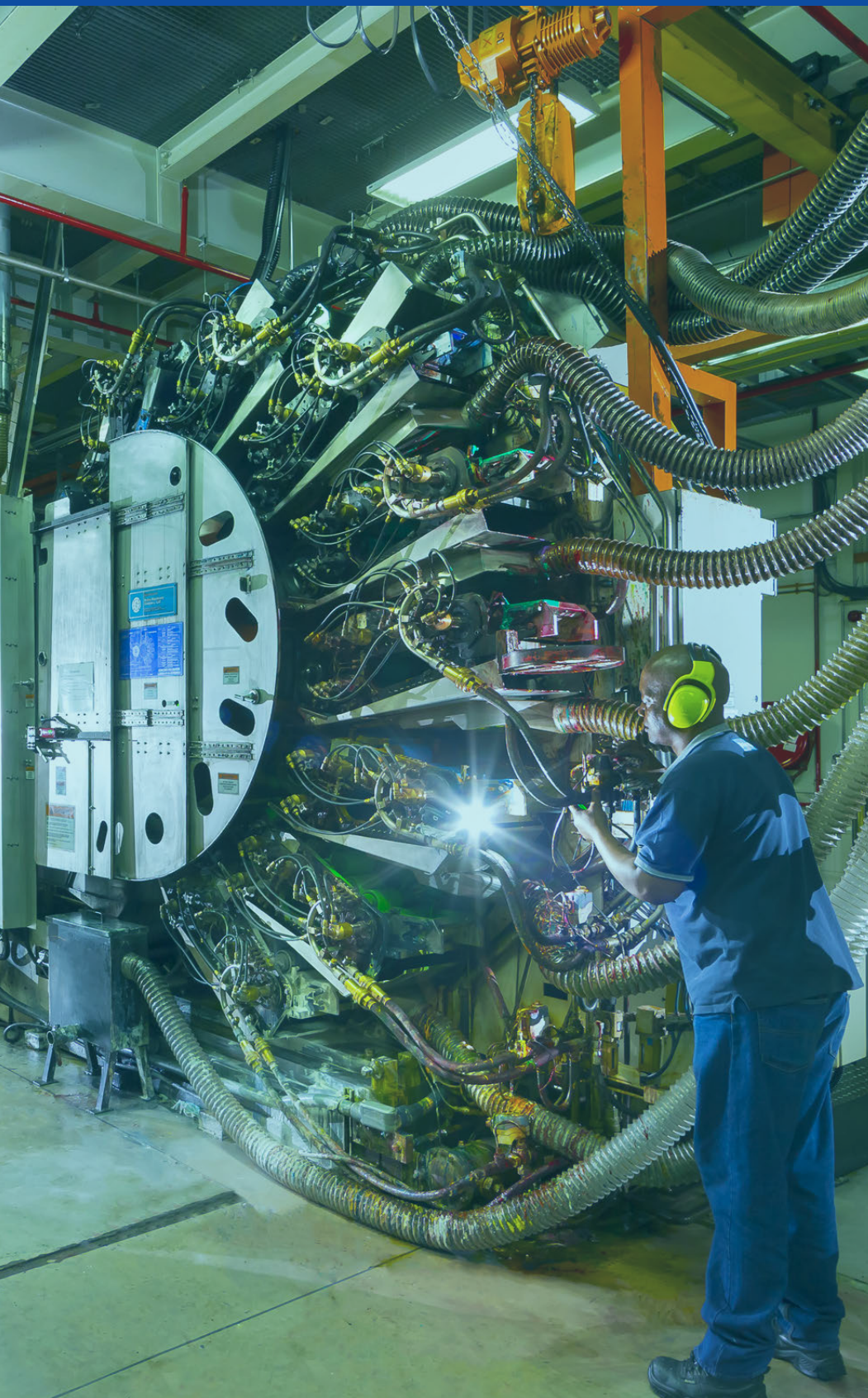


UNAUDITED GROUP RESULTS AND ORDINARY DIVIDEND ANNOUNCEMENT

For the half year ended 31 March 2016





GROUP REVENUE OF R9.4 BILLION, UP 10%

GROUP TRADING PROFIT OF R989 MILLION, UP 17%

TRADING PROFIT FROM THE REST OF AFRICA OF R462 MILLION, UP 45%, NOW 47% OF GROUP TRADING PROFIT, UP FROM 38% IN 2015

GROUP OPERATING PROFIT OF R870 MILLION DOWN 7%, IMPACTED BY NET ABNORMAL LOSSES OF R119 MILLION, FOLLOWING AN ABNORMAL PROFIT OF R90 MILLION IN PRIOR PERIOD

GLASS OPERATION TURNED AROUND, DELIVERES A PROFIT OF R44 MILLION

ADJUSTED HEPS (BEFORE ABNORMAL FOREIGN EXCHANGE RATE EFFECTS) UP 21%

HEPS (AFTER ABNORMAL FOREIGN EXCHANGE RATE EFFECTS) UP 4%

R1.7 BILLION TO BE RAISED THROUGH A SALE AND LEASE BACK, BALANCE SHEET BOLSTERED

LIQUIDITY AND FOREIGN EXCHANGE ISSUES ACTIVELY MANAGED

BALANCE SHEET STRUCTURE IMPROVED; CURRENT RATIO STRENGTHENED BY 20%

FUNDING COVENANTS OBSERVED AND SUCCESSFULLY RENEGOTIATED TO PROVIDE MORE FLEXIBILITY

29% REDUCTION IN THE LOST TIME INJURY FREQUENCY RATE

NO INTERIM ORDINARY DIVIDEND DECLARED, A CONSERVATIVE APPROACH ADOPTED TO CASH MANAGEMENT

Comments from the CEO, André de Ruyter

"Nampak has delivered a strong set of results for the first half of the 2016 financial year supported by the turnaround at Glass and a solid result from our Metals divisions. Plastics increased trading profit by 20% on improved revenues, while the Paper business increased trading profit by 34%. During the reporting period, markets in which Nampak operates were characterised by subdued growth and volatile currencies due to lower commodity prices, drought and tightening global financial conditions. Import replacement, new contractual volumes and increased beverage consumption as a result of a hotter than usual summer in South Africa benefited group volumes.

Given the challenging macroeconomic conditions in the regions where we operate, Nampak has taken proactive and prudent steps to reduce its cost base, improve its operational performance, and strengthen its balance sheet by restructuring debt, conserving cash, not declaring an interim ordinary dividend and monetising non-core property. This will increase Nampak's resilience in the face of challenging conditions and ensure sustainable profitability going forward.

We continue our focus on operational excellence and improved asset utilisation across all of our operations. Enhancements in procurement, operations and product portfolio optimisation have delivered results to the bottom line.

The **Buy Better** programme is underway and savings are flowing through with a target to deliver R120 million this financial year.

The **Make Better** programme through the implementation of operations excellence initiatives led to substantial improvements in productivity at plant level, with Glass reaching industry benchmark pack-to-melt ratios, Plastics improving plant throughput in South Africa, and a very pleasing 29% reduction in our lost time injury frequency rate. The DivFood recapitalisation project is on budget and schedule. Latest generation technology which has been commissioned at DivFood is delivering the expected savings, and allowing us to meet increased demand for light-weight packaging. The recently commissioned aluminium beverage can lines at Springs and Rosslyn have made good progress up the learning curve as we continue to reduce spoilage and increase throughput.

The **Sell Better** programme delivered further product rationalisation at Glass and DivFood, where we have now reduced SKUs by an average of 35%. These programmes, together with our efforts aimed at managing the impact of currency volatility and liquidity constraints on results and performance; position Nampak well to navigate the challenging economic conditions.

Against the backdrop of a pleasing first-half performance, it is however expected that consumer demand in South Africa will continue to decline as a result of adverse economic conditions during the second half of the financial year. Although higher commodity prices are expected to provide some relief from the liquidity constraints in Angola and Nigeria, restricted cash balances in both countries at half year totalled approximately R1.5 billion. In view of these risks, Nampak has decided not to declare an interim ordinary dividend, rather focusing its efforts on conserving cash. In addition, strong cost containment measures have been put in place.

The medium-term outlook for packaging in South Africa and other key African markets remains favourable, underpinned by some 900 million emerging consumers in Sub-Saharan Africa."

Group performance review

GROUP PERFORMANCE FROM CONTINUING OPERATIONS

R million	2016	2015	% change
Revenue	9 422	8 588	10
Trading profit	989	845	17
Abnormal items	(119)	90	—
Operating profit	870	935	(7)
Basic earnings per share (cents)	105.0	119.9	(12)
Adjusted headline earnings per share — before abnormal foreign exchange rate effects (cents)	123.2	101.6	21
Headline earnings per share — after abnormal foreign exchange rate effects (cents)	105.2	101.6	4
Dividend per share (cents)	—	42.0	

2015 results restated for change in the consolidation date of Zimbabwe associates.

The group benefited from a solid performance from Bevan Nigeria, improved volumes and margins in the Plastics division, a turnaround in the Glass division as well as a good recovery in the Nigerian paper and general metal packaging business. This resulted in a 10% increase in group revenue and a 17% increase in trading profit with trading margins increasing from 9.8% to 10.5%. Subdued consumer spending in the second quarter, a foreign exchange loss of R114 million in Angola, as well as cost increases associated with the ramp-up of recently commissioned projects put pressure on operating margins which declined from 10.9% to 9.2% primarily due to the Angolan forex loss on the devaluation of the kwanza. A change in the depreciation estimate to better reflect utilisation of assets in our Metals division has resulted in a reduction of R65 million in the depreciation charge.

Net abnormal losses of R119 million were recorded compared to R90 million net abnormal profits reported in the prior period, resulting in a R209 million adverse effect on operating profit. The devaluation of the kwanza accounts for R114 million of the current period's abnormal loss. In the prior period the once off gain of R124 million in the restructuring of the Zimbabwe group was offset by retrenchment and impairment costs resulting in a net abnormal profit of R90 million.

The group continued to experience delays in timeously converting Nigeria and Angola bank balances to US dollars (USD) due to hard currency shortages in these countries. At 31 March 2016, Nampak had cash balances amounting to R1.5 billion in those two countries compared to R700 million at 30 September 2015. Approximately R367 million (USD 25 million) of the restricted cash has been hedged in Angola via USD-linked bonds, moderating exposure to possible local currency devaluation. The amount of offshore funding slowed towards the end of the reporting period as various management interventions took place. During the period, approximately 60% liquidity was achieved on current foreign supplier invoices presented to the Nigerian and Angolan banks for settlement and the balance was funded using group treasury facilities. The increase in cash balances in these territories is attributable to cash generation in the period, exchange rate movements and an increase in loan funding from group treasury to fund the liquidity shortfall in cash restricted countries.

Currency volatility and liquidity constraints are expected to remain in the medium term and the company continues to assess and manage the impact on results and performance.

The group's trading profit for the half year increased by 17%, the operating profit decreased by 7% and headline earnings per share from continuing operations increased by 4% to 105.2 cents from 101.6 cents in 2015. Normalising for the impact of the abnormal exchange rate effects increases the adjusted HEPS by 21% to 123.2 cents.

During the period, the ZAR/USD exchange rate continued on its weakening trajectory with the closing exchange rate at 31 March 2016 of R14.69 (2015: R12.14), which impacted the translation of the group's USD denominated borrowings. Net finance costs for the period increased by 44% from R166 million in 2015 to R239 million in 2016, due to increased interest rates in South Africa, higher on average borrowings and the translation effect on USD denominated debt.

The effective tax rate for continuing operations was 4.4%, versus the 1.1% charge in the first half 2015. The group benefited from government grants for capital-related projects in Bevcan, lower tax rates in other tax jurisdictions outside South Africa and the utilisation of existing capital gains tax (CGT) losses to offset capital gains arising from the sale and lease back transaction. The sale and lease back transaction is the primary reason for the tax rate being lower than previous guidance. The tax rate is expected to return to the previous guidance range of 15% to 20% in 2017.

As a result of a weakening ZAR/USD exchange rate the following impacts were recorded:

- › net borrowings increased to R7.4 billion (2015: R7.1 billion) with net gearing of 74% down from the 85% reported in the prior year.
- › a foreign currency translation gain of R298 million (2015: R109 million) was generated which is accounted for in other comprehensive income further increasing shareholders equity.

Working capital was also impacted by translation at a weaker ZAR/USD exchange rate. R410 million cash was released in the period as a result of stringent management of inventories and trade receivables, compared to R371 million absorbed in the prior period. The net working capital cycle absorbed R488 million (2015: R689 million) during the period.

Improvements in the balance sheet structure have been achieved with R1.3 billion of short-term funding being converted to long-term funding at 31 March 2016 with a concomitant improvement in the group's short-term solvency as reflected in a 20% improvement in the group's current ratio. In the interests of prudence, funding covenants have been renegotiated to cater for potential sudden foreign currency fluctuations thereby improving flexibility in the group's financing structures. In light of the risks associated with the ZAR/USD exchange rate volatility, the revised covenant calculation accommodates both EBITDA and interest bearing debt being measured at the average ZAR/USD exchange rate with incremental interest costs being levied in the event of the covenant, based on average exchange rates, exceeding three times.

The average ZAR/USD exchange rate for the period was R15.04 compared to R11.49 for the same period in the prior year, while the average ZAR/GBP exchange rate was R22.13 compared to the prior year of R17.77.

Segmental performance review

SEGMENTAL REPORT (CONTINUING OPERATIONS)

R million	Revenue		Trading profit*		Trading margin (%)	
	2016	2015	2016	2015	2016	2015
Metals	5 041	4 940	622	588	12.3	11.9
Plastics	2 891	2 481	202	168	7.0	6.8
Paper	831	621	95	71	11.4	11.4
Glass	659	546	44	(70)	6.7	(12.8)
Corporate Services	—	—	26	88	—	—
Total (continuing operations)	9 422	8 588	989	845	10.5	9.8

* Operating profit before abnormal items.

2015 results restated for change in the consolidation date of Zimbabwe associates and segments within which the consolidated entities were reported.

Metals

This cluster includes all beverage, food and general packaging can divisions in South Africa and the rest of Africa. Performance for the cluster benefited from good volume performance in Nigeria's beverage can and general metal packaging businesses. The cluster's margin for the first half of 2016 was 12.3%, up 0.4% from the margin achieved in 2015. Contractual USD selling prices in Nigeria and Angola continue to protect revenue and margins against the impacts of local currency volatility.

Beverage can demand is mainly driven by pack-share dynamics, demand for carbonated soft drinks and alcoholic beverages as well as marketing and supply decisions by customers. The interaction between these drivers determines the ultimate demand for beverage cans in the market.

Bevcan South Africa's volumes softened in the second quarter after the first quarter peak season with overall volumes down 4% on 2015 first half, of which 2.4% relates to cans previously exported to supplement production in Angola. The demand for the rest of the year is expected to be positive, albeit at lower levels than in previous years, mainly due to import replacement of 500ml cans, which Bevcan can now supply for the first time to its customers in South Africa. Additional depreciation on new capital equipment, incremental employee costs for new lines, costs related to the commissioning and ramp-up of new production lines and price decreases passed on to customers as previously agreed impacted results. The implemented operations excellence initiative at the Springs site made a positive impact in addressing the spoilage issue, which remains a key focus area for the division. Recently commissioned aluminium lines and the remaining steel lines are operating well with much improved spoilage and good operational efficiencies. Newly signed long term (three to six years) sales agreements with major customers, a well-established cost-competitive manufacturing footprint and a strong market position puts the division in the best possible position to maintain market share and leverage opportunities. In addition, it is expected that capital investments made in recent years will continue to generate improved performance through the learning curve in the form of improved operational efficiencies and reduced costs.

The overall **Angolan** beverage market was adversely impacted by the slowdown in economic activity and macroeconomic challenges resulting from lower crude oil prices. Performance was further impacted by the devaluation of the kwanza against the USD, most of which happened at the end of December 2015. As a result, **Bevcan Angola's** first half sales volumes were 18% lower than the prior year's volumes. However, the recently finalised supply agreement with Refriango, with official sales commencing on 1 April 2016, is expected to offset the first half's volume decline. Full year volumes are therefore expected to be moderately down year-on-year. In light of the current macroeconomic challenges, management has implemented measures to reduce costs and rationalise business activity. Nampak, like other Angolan enterprises, continued to experience limited access to foreign currency. Recent USD allocations from Angolan banks have enabled the business to reduce restricted cash balances. In the medium term, the local beverage can market is expected to benefit from investments by customers in additional can filling line capacity, driven by growth in demand for locally produced products. This, together with the application of the beverage can import duty and the fact that Bevcan Angola is the only local producer of cans, is expected to benefit the business in the medium term.

The Nigerian economy grew during the period, albeit at lower levels than in 2015, in the midst of macroeconomic challenges. A slowdown in discretionary consumer spend resulted in flat beverage can demand. **Bevcan Nigeria's** market share expanded, however, as customers allocated bigger volumes to Nampak. The operation's utilisation was at an annualised output rate of 550 – 650 million cans per annum, which is expected to grow during the second half. Operating profit was well up on last year's performance although the business, like other Nigerian enterprises, continued to experience challenges sourcing foreign currency. Investments in brewing capacity and beer consumption growth rates are expected to be above GDP growth in the medium to long term, which in turn is expected to drive increased demand for cans.

Negotiations with key customers in both Angola and Nigeria to provide assistance to Nampak with the import of major raw material items and components are continuing.

In South Africa, **DivFood** is halfway through its recapitalisation and product rationalisation project. The benefits from the project combined with recently signed customer contracts are expected to deliver savings and enable the division to compete and grow profitably. The **food packaging** business' results were pleasing, with vegetables, fish, meat and fruit being the main contributing categories. The performance was supported by market share gains in fruit, a weaker ZAR/USD exchange rate that encouraged import replacement of locally canned fish and growth in the vegetable category due to promotional activity by brand owners. **Diversified packaging's** performance was satisfactory. Tinplate aerosol volumes benefited from good insecticide demand and monobloc aerosols volumes grew by 5%. However, paint volumes declined as a consequence of the rationalisation of unprofitable products. During the period, DivFood recorded operational improvements in key productivity measures.

Volumes in the **general metal packaging** businesses in the rest of Africa were generally flat or in certain markets negative. In **Nigeria** overall demand for metal packaging remained subdued, although it showed good signs of recovery from 2015 levels. General liquidity issues forced many customers to purchase locally produced products, instead of importing. This trend is expected to contribute positively to performance going forward. After the previous year's performance was impacted by national elections, the lower oil price and foreign exchange losses, the business's performance for the year is expected to continue to improve. The main risk factor remains the possible devaluation of the Nigerian naira (NGN) against the USD, the timing and extent of which are unknown. The agricultural sector is a key market for **Kenya's** metals business and poor rains and harvests negatively affected results. Volumes in the general consumer packaging were muted due to softening demand in the market. Demand is expected to recover somewhat in the second half. In **Tanzania**, revenue was behind 2015 due to lower metal crown demand resulting from a general downturn in the beverage market. Trading profit increased, however, as a result of cost savings and local currency stability.

Plastics

Plastics, a cluster that includes all the South African, rest of Africa and United Kingdom plastics divisions, produced an improved performance driven mainly by good volume growth, continued incremental improvement in cost savings, product diversification and operational improvement. Revenue for the cluster was up 17%, while trading profit was up 20%.

In **South Africa, Liquid Packaging** revenue for the period was ahead of the prior year. Increased sales volumes were driven by healthy demand in the carbonated soft drinks, juice and water market resulting from a hotter than normal summer season and new sales to the oil lubricant market. Milk volumes were flat and sorghum beer carton sales were lower due to changing market dynamics. Trading profit for the period was higher than the prior year as cost management initiatives reduced overhead costs. Revenue for the **Closures** business was marginally down driven by lower metal closure volumes for food and alcoholic beverages, with the exception of wine. Growth in wine metal closures and plastic closures for bottled water and carbonated soft drinks (CSD) contributed positively to profits. **Tubes** supplies the toothpaste sector and continued to have a challenging year as sales to a major customer were reduced and replaced with filled product imports. Though the plant remains adequately loaded, capacity is available to support growth of existing customers in the rest of Africa. The **drums** business was impacted by reduced alcohol sales into the rest of Africa as a result of macroeconomic conditions. **Crates** performed well benefiting from the recent business turnaround that improved efficiencies and waste reduction. Savings resulting from the turnaround combined with improved demand contributed positively to performance. Recently signed long term agreements with key customers present an opportunity to profitably supply exports into the rest of Africa.

In the short term, the South African plastics business will continue to focus on operational excellence, improving production efficiencies and driving unit cost down to improve margins.

Revenue for **Plastics UK** was ahead of the prior year benefiting from new long-term contracts that replaced some of the previously lost volumes. However, margins were somewhat lower as a result of a programme implemented to regain market share. The average ZAR/GBP rate for the period was R22.13 from R17.77 a year earlier. In an effort to improve performance, the business is evaluating several options aimed at capturing opportunities outside the milk industry to replace lost volume.

In **Zimbabwe**, the plastics businesses had a good half year, generating results that were well ahead of the prior year. **CMB** performed well due to continued growth in fruit juice and Mahewu bottle demand while Megapak's performance benefited from overall improvements in sales, particularly of preforms. Megapak Zimbabwe was fully consolidated from 1 December 2014. The business was previously equity-accounted as an associate. Megapak's contribution to the overall cluster performance was significantly lower in the first half 2015. The increasing shortage of cash in circulation in Zimbabwean economy remains a concern.

Paper

This cluster includes all paper businesses in the rest of Africa. Revenue and trading profit for 2016 were up 34% compared to 2015, benefiting from improved performance in Nigeria, the consolidation of the Hunyani divisions (previously associates) in Zimbabwe and the consolidation of Bullpak (previously a JV) in Kenya. Trading margins for the division at 11.4% are consistent for both periods.

Nigeria Cartons revenue and trading profit were ahead of the prior year due to a recovery in cigarette carton sales. Similar to the metals operations, the prior year's performance was impacted by unique macroeconomic and political factors. Sales volumes into the general fast moving consumer goods (FMCG) market were mixed. This trend is expected to improve in the short term as restrictions on imported products encourage local sourcing of packaged goods.

In **Zimbabwe, Hunyani** volumes were below the prior year's performance largely due to subdued second quarter demand on the back of a smaller tobacco crop and liquidity issues experienced by customers. This followed a solid performance in the first quarter. Benefits from cost containment initiatives contributed to a significantly improved financial performance.

In **Zambia**, sorghum beer carton sales volumes for the period were significantly down due to reduced demand and product substitution in the market. Sales are expected to recover in the short term as output from a major customer's new operation increases.

Malawi's sales performance for the period benefited from stronger volumes in sorghum beer and from price increases and local currency appreciation. While local profitability was good, the depreciation of the local currency impacted negatively on the repatriated profits. The tobacco crop for 2016 is expected to be higher than 2015 which will contribute to increased tobacco case sales in the second half.

Kenya Bullpak performed in line with the prior period. Overall demand for self-opening bags in the milling industry was flat, due to operational issues at Bullpak's major customer. Profitability and margins were marginally lower than the previous year's performance and are expected to be flat year-on-year due to muted consumer demand.

Glass

Following a challenging 2015 financial year, production output has now ramped up on the back of the recently installed furnace 3. As a result, production volumes for the period were 30% up on the previous year. Revenue for the division was up 21%, delivering a R44 million trading profit for the period compared to a trading loss of R70 million in the comparative period. The overall beverage market in South Africa had a strong first quarter through to December, however, demand softened in the second quarter as consumers came under pressure. As a result, the Glass division recorded a trading margin of 6.7%, which offers room for further improvement as market demand recovers. Good market share growth has been recorded in the wine industry. The division's 2016 financial year trading profit is expected to be lower than previous guidance based on current muted demand forecasts, which are significantly lower than those evident at the end of the first quarter. Furnace 3 technical and operational optimisation initiatives continue.

Corporate Services

Group corporate services include group property rentals of owned properties, research and development services, treasury services and other corporate activity costs. The trading profit declined due to the loss of corporate charges previously recovered from disposed operations and FECs mark to market movements. On the other hand, the trading profit for the period benefited from cost saving initiatives underway in the group.

GEOGRAPHICAL UPDATE (CONTINUING OPERATIONS)

R million	Revenue		Trading profit*		Trading margin (%)	
	2016	2015	2016	2015	2016	2015
South Africa	5 459	5 459	466	375	8.5	6.9
Rest of Africa	2 805	2 161	462	318	16.5	14.7
United Kingdom	1 158	968	35	64	3.0	6.6
Corporate Services	—	—	26	88	—	—
Total	9 422	8 588	989	845	10.5	9.8

* Operating profit before abnormal items.

2015 results restated for change in the consolidation date of Zimbabwe associates and segments within which the consolidated entities were reported.

South Africa

During the six months to 31 March 2016, South Africa, like most emerging markets experienced volatile exchange rates and an outflow of capital coupled with low commodity prices and political uncertainty. Consumer demand is under pressure and as a result of these conditions; revenue from the South African businesses was flat. A solid recovery by the glass operation and a good performance by plastics contributed positively to performance. Trading profit was up 24% and the region's contribution to trading profit increased to 47% up from 44% recorded in 2015.

Rest of Africa

The rest of Africa recorded sales of R2.8 billion, up by 30% from R2.2 billion during the same period in 2015, and it recorded an increase in trading profit of 45% from R318 million to R462 million. The results were positively impacted by currency depreciation against the USD, mainly due to the impact of the sharp decline in commodity prices, including the oil price. Key market GDP growth rate estimates were revised downwards and inflation increased. Severe liquidity constraints were experienced in Angola and Nigeria. Bevcan Nigeria returned a particularly strong performance, gaining market share, while the other Nigerian businesses showed a positive recovery from the prior period. The rest of Africa now contributes 47% to trading profit, up from 38% in 2015.

The current challenges do not change the overall investment rationale in key markets where consumption of, in particular, packaged beer and carbonated soft drinks is driven by sustainable demographic trends. We are encouraged by the recent improvements in the oil price and decisions by governments in Angola and Nigeria to approach the International Monetary Fund in an effort to introduce reforms to their economies.

United Kingdom

The UK economy continues to show slow GDP growth while the dairy market faces pricing and industry pressures. Trading profit decreased by 56% to GBP1.6 million. In ZAR terms the trading profit decreased by 45% compensated for by a weaker average ZAR/GBP rate which declined from R17.77 to R22.13. The division's contribution to group trading profit for the period declined from 8% to 3%.

Update on key projects

As part of the group's cash conservation measures, guidance for 2016 capital expenditure (including replacement and expansion projects) was revised down to between R1.0 and R1.4 billion from the R1.2 to R1.6 billion previously guided. Total capital expenditure for the period amounted to R921 million compared to R1.2 billion spent during the same period in 2015, the majority of which related to capital commitments made on approved projects in the prior year. R648 million was spent on expansion projects, while R273 million was spent on replacement projects. Further capital expenditure for the remainder of the year will be prudently evaluated and will be limited to key projects.

Rosslyn line 2 commissioning imminent

In South Africa, the Bevcan recapitalisation programme is nearing completion. The second aluminium line at the Rosslyn site is expected to be commissioned in the second half of the 2016 financial year.

Bevcan Springs' beverage can ends facility expansion

The project is expected to add four billion ends per annum to the existing beverage can ends manufacturing facility in Springs. The project is going well and production is expected to start in the second half of 2016 and will enable supply to Nampak's facilities in South Africa, Angola and Nigeria.

DivFood recapitalisation and product rationalisation project

The R450 million project is progressing as planned, with completion scheduled for 2017. The project includes manufacturing consolidation, complexity reduction and replacement of ageing equipment with energy efficient and technologically advanced machinery. Benefits are expected to include improved operations efficiencies, product light-weighting, cash fixed cost reduction, and overall improved performance.

Rest of Africa glass projects

In view of current volatile macroeconomic conditions, Nampak is being circumspect regarding further capital investment in the rest of Africa. As communicated in December 2015, Nampak has taken a decision to delay further capital investment in Angola. The value of the Nigeria and Ethiopia glass opportunities to Nampak's growth strategy is significant and these projects continue to be evaluated and considered with prudence.

Active portfolio management

In line with Nampak's strategy to deploy capital for the highest return and to deleverage the balance sheet, the Nampak board has approved, subject to approval by competition authorities and other legal requirements, the sale and lease back of 16 properties in the group's portfolio. This transaction is intended to raise R1.7 billion in gross proceeds which will be applied to the reduction of debt.

An agreement for the sale of Nampak's 50% shareholding in, and loans to, Sancell SA (Pty) Limited was entered into on 21 July 2015, with the transaction being effective 1 December 2015. The proceeds from the sale were applied to settle the outstanding loan balances.

Outlook

External macroeconomic challenges in key markets are expected to prevail for the rest of the 2016 financial year. Nampak is focused on ensuring this risk is adequately managed by utilising measures at its disposal, where possible, to address exposure to further currency volatility, but it cannot rule out further foreign exchange losses during the 2016 financial year.

Glass has turned around and is expected to deliver profits in line with market dynamics. In the absence of a catalyst to promote economic growth in key markets, demand for packaged goods and exchange rates are expected to remain a key factor influencing the results.

A key driver for Nampak's major decisions relating to corporate activity has been to improve competitiveness and to ensure sustainable profitability thus enabling the divisions to defend markets and leverage opportunities. In markets where Nampak operates, capital investments, strong customer relationships, recently signed long term customer contracts, and a well-established footprint with in-depth knowledge of local market dynamics sustain its competitive advantage.

Ordinary dividend

The past five and half years have been characterised by strong investments in capital expenditure, divestitures and investments in the rest of Africa with net aggregate expenditure of R10.4 billion while maintaining a historic dividend pay-out of 64.5% of HEPS. Consequently, group net debt has increased from R16 million to R7.4 billion and net gearing from 0% to 74% respectively. The reduction of interest bearing debt and a resultant improvement in the group's gearing levels have been identified as a key strategic objective in light of volatile exchange rates, increasing interest rates and liquidity issues in the Rest of Africa. Accordingly, the Nampak Limited Board has decided not to declare an interim ordinary dividend, in order to improve gearing, reduce interest costs and assist in the restructure of the interest bearing debt and balance sheet structure.

Future ordinary dividend declarations will be considered having regard to the prevailing economic conditions, rest of Africa liquidity constraints, group cash flow requirements and the group's performance outlook.

On behalf of the board

TT Mboweni
Chairman

AM de Ruyter
Chief executive officer

GR Fullerton
Chief financial officer

1 June 2016

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

R million	Notes	Unaudited 6 months ended 31 Mar 2016	Restated Unaudited 6 months ended 31 Mar 2015	Change %	Audited Year ended 30 Sep 2015
<i>Continuing operations</i>					
Revenue		9 422.2	8 588.3	10	17 291.3
Operating profit	3	870.1	934.6	(7)	1 681.4
Finance costs		(256.8)	(179.7)		(316.6)
Finance income		17.8	13.9		37.6
Share of net profit/(loss) from associates and joint ventures		2.7	3.4		(3.8)
Profit before tax		633.8	772.2	(18)	1 398.6
Income tax (expense)/benefit		(27.6)	(8.6)		57.5
Profit for the period from continuing operations		606.2	763.6	(21)	1 456.1
<i>Discontinued operations</i>					
Loss for the period from discontinued operations	4	—	(68.4)		(394.8)
Profit for the period		606.2	695.2	(13)	1 061.3
Other comprehensive income/(expense), net of tax					
<i>Items that will not be reclassified to profit or loss</i>					
Net actuarial loss from retirement benefit obligations		—	—		(9.6)
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translation of foreign operations	12	297.7	109.3		774.6
Gains/(losses) on cash flow hedges		111.9	(6.4)		56.8
Other comprehensive income for the period, net of tax		409.6	102.9	>100	821.8
Total comprehensive income for the period		1 015.8	798.1	27	1 883.1
Profit/(loss) attributable to:					
Owners of Nampak Ltd		664.2	686.6	(3)	1 043.2
Non-controlling interest in subsidiaries		(58.0)	8.6		18.1
		606.2	695.2	(13)	1 061.3
Total comprehensive income/(expense) attributable to:					
Owners of Nampak Ltd		1 047.4	770.9	36	1 794.0
Non-controlling interest in subsidiaries		(31.6)	27.2		89.1
		1 015.8	798.1	27	1 883.1
<i>Continuing operations</i>					
Basic earnings per share (cents)		105.0	119.9	(12)	228.3
Fully diluted basic earnings per share (cents)		104.7	115.8	(10)	225.6
Headline earnings per ordinary share (cents)		105.2	101.6	4	208.2
Fully diluted headline earnings per share (cents)		104.9	98.1	7	205.7
<i>Continuing and discontinued operations</i>					
Basic earnings per share (cents)		105.0	109.0	(4)	165.6
Fully diluted basic earnings per share (cents)		104.7	105.3	(1)	163.7
Headline earnings per ordinary share (cents)		105.2	106.8	(1)	182.1
Fully diluted headline earnings per share (cents)		104.9	103.2	2	179.9
Dividend per share (cents)		—	42.0	(100)	134.0

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

R million	Unaudited 6 months ended 31 Mar 2016	Restated Unaudited 6 months ended 31 Mar 2015	Audited Year ended 30 Sep 2015
ASSETS			
Non-current assets			
Property, plant and equipment and investment property	11 807.4	9 944.0	11 025.7
Goodwill and other intangible assets	4 299.2	3 650.6	4 118.6
Joint ventures, associates and other investments	34.8	62.7	44.1
Deferred tax assets	152.2	99.9	145.3
Other non-current assets	43.9	46.7	33.0
	16 337.5	13 803.9	15 366.7
Current assets			
Inventories	3 827.1	3 287.9	3 890.6
Trade receivables and other current assets	3 276.4	2 721.3	3 404.4
Tax assets	9.4	6.3	12.0
Bank balances, deposits and cash	2 398.2	1 374.2	1 587.4
	9 511.1	7 389.7	8 894.4
Assets classified as held for sale	21.4	3 057.8	146.4
Total assets	25 870.0	24 251.4	24 407.5
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	35.3	36.1	36.1
Capital reserves	32.0	(393.3)	(405.0)
Other reserves	1 444.3	399.2	1 061.7
Retained earnings	8 166.0	8 017.6	8 109.6
Shareholders' equity	9 677.6	8 059.6	8 802.4
Non-controlling interest	338.4	305.5	370.0
Total equity	10 016.0	8 365.1	9 172.4
Non-current liabilities			
Loans and borrowings	5 462.5	5 017.2	4 212.0
Retirement benefit obligation	1 996.5	2 187.1	2 008.4
Deferred tax liabilities	274.8	542.1	329.2
Other non-current liabilities	55.9	72.9	61.6
	7 789.7	7 819.3	6 611.2
Current liabilities			
Trade payables, provisions and other current liabilities	3 681.3	3 329.0	4 418.6
Bank overdrafts	3 424.6	3 096.8	3 672.3
Loans and borrowings	938.4	659.7	446.8
Tax liabilities	20.0	56.8	86.2
	8 064.3	7 142.3	8 623.9
Liabilities directly associated with assets classified as held for sale	—	924.7	—
Total equity and liabilities	25 870.0	24 251.4	24 407.5

CONDENSED GROUP STATEMENT OF CASH FLOWS

R million	Notes	Unaudited 6 months ended 31 Mar 2016	Restated Unaudited 6 months ended 31 Mar 2015	Audited Year ended 30 Sep 2015
Cash generated from operations before working capital changes		1 370.9	1 424.0	2 030.2
Working capital changes		(488.3)	(689.0)	(668.6)
Cash generated from operations		882.6	735.0	1 361.6
Net interest paid		(236.4)	(173.5)	(376.4)
Income from investments		—	7.4	7.4
Income tax paid		(166.8)	(56.9)	(151.6)
Replacement capital expenditure		(273.5)	(641.2)	(1 357.5)
Cash retained from/(utilised in) operations		205.9	(129.2)	(516.5)
Dividends paid		(572.4)	(681.6)	(946.2)
Net cash utilised in operating activities		(366.5)	(810.8)	(1 462.7)
Expansion capital expenditure		(647.7)	(563.9)	(837.7)
Proceeds on disposal of businesses	4	—	—	1 982.7
Other investing activities		146.7	99.3	196.3
Net cash utilised before financing activities		(867.5)	(1 275.4)	(121.4)
Net cash raised from/(repaid in) financing activities		1 885.9	167.5	(1 413.8)
Net increase/(decrease) in cash and cash equivalents		1 018.4	(1 107.9)	(1 535.2)
Net overdraft at beginning of period		(2 084.9)	(681.0)	(681.0)
Cash acquired on consolidation of Zimbabwe associates		—	44.1	44.1
Translation of cash in foreign subsidiaries		40.1	22.2	87.2
Net overdraft at end of period	7	(1 026.4)	(1 722.6)	(2 084.9)

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

R million		Unaudited 6 months ended 31 Mar 2016	Restated Unaudited 6 months ended 31 Mar 2015	Audited Year ended 30 Sep 2015
Opening balance		9 172.4	7 883.1	7 883.1
Net shares issued during the period		28.4	74.0	74.9
Share-based payment expense		9.1	9.1	(2.6)
Share grants exercised		(28.4)	(74.1)	(75.0)
Share buy-back		(0.8)	—	—
Share of movement in associate's and joint ventures' non-distributable reserve		—	(0.3)	0.6
Release of share of non-distributable reserve of joint venture disposed		(0.6)	—	—
Dissolution of Black Management Trust		387.0	—	—
Non-controlling interest realised on disposal of subsidiary		—	—	2.6
Transfer from hedging reserve to related assets		—	—	(4.9)
Non-controlling interest on consolidation of Zimbabwe associates		—	356.8	356.8
Total comprehensive income for the period		1 015.8	798.1	1 883.1
Dividends paid		(566.9)	(681.6)	(946.2)
Closing balance		10 016.0	8 365.1	9 172.4
Comprising:				
Share capital		35.3	36.1	36.1
Capital reserves		32.0	(393.3)	(405.0)
Share premium		250.3	221.0	221.9
Treasury shares		(399.7)	(827.6)	(827.6)
Share-based payments reserve		181.4	213.3	200.7
Other reserves		1 444.3	399.2	1 061.7
Foreign currency translation reserve		2 289.1	1 404.9	2 017.8
Financial instruments hedging reserve		165.0	(5.2)	53.1
Recognised actuarial losses		(975.6)	(966.0)	(975.6)
Share of non-distributable reserves in associates and joint ventures		3.9	3.6	4.5
Available-for-sale financial assets revaluation reserve		(38.3)	(38.3)	(38.3)
Other		0.2	0.2	0.2
Retained earnings		8 166.0	8 017.6	8 109.6
Shareholders' equity		9 677.6	8 059.6	8 802.4
Non-controlling interest		338.4	305.5	370.0
Total equity		10 016.0	8 365.1	9 172.4

NOTES

1. Basis of preparation and accounting policies

The condensed interim financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for interim reports, and the requirements of the Companies Act of South Africa applicable to condensed financial statements. The Listings Requirements require interim reports to be prepared in accordance with and contain the information required by IAS 34 Interim Financial Reporting, as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council.

The interim financial statements have been prepared under the supervision of the chief financial officer, G Fullerton CA(SA).

2. Accounting policies and restated comparatives

The accounting policies adopted and methods of computation used are consistent with those applied for the group's 2015 annual financial statements, except for the depreciation method applied to plant in the Bevcan operations (see below).

Change in accounting estimate

As of 1 October 2015, the group changed its method of depreciating plant at its Bevcan operations from the straight-line method to the units of production method, as it was felt that the latter method reflects more appropriately the pattern of the consumption of the future economic benefits embodied in the assets concerned. In accordance with IAS 16 Property, Plant and Equipment, this change is an accounting estimate and is therefore applied prospectively in terms of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The impact of the change in depreciation method for the reported period is a decrease in the depreciation expense of R64.5 million.

Restatement of comparatives

The comparative financial statements for March 2015 have been restated for the impact of moving the consolidation date of the Zimbabwean associates, Hunyani Holdings Ltd and Megapak Zimbabwe (Pvt) Ltd, from 1 October 2014 as previously reported to 1 December 2014, as well as the identification of intangible assets consisting of brands, customer relationships and supplier agreements in these entities during September 2015, and the amortisation of these assets from the revised date of consolidation. The consolidation date was changed due to the review of additional information impacting the point in time as to when control was achieved over these entities after the date that the prior year interim results were reported. These changes were reflected in the September 2015 results as reported, and therefore the September 2015 results have not been restated. Refer note 5.

The restated comparatives for the condensed group statement of comprehensive income are as follows:

R million	Unaudited 6 months ended 31 Mar 2015	Audited Year ended 30 Sep 2015
Revenue — decrease	(177.9)	—
Operating profit — increase	29.9	—
Finance costs — decrease	0.7	—
Finance income — decrease	(0.6)	—
Share of net profit/(loss) from associates and joint ventures — increase	4.1	—
Profit before tax — increase	34.1	—
Income tax expense — decrease	1.7	—
Profit for the period from continuing operations — increase	35.8	—
Profit for the period — increase	35.8	—
Exchange differences on translation of foreign operations — decrease	(13.0)	—
Other comprehensive income for the period, net of tax — decrease	(13.0)	—
Total comprehensive income for the period — increase	22.8	—
Profit attributable to:		
Owners of Nampak Ltd — increase	41.9	—
Non-controlling interest in subsidiaries — increase	(6.1)	—
	35.8	—
Total comprehensive income attributable to:		
Owners of Nampak Ltd — increase	42.7	—
Non-controlling interest in subsidiaries — increase	(19.9)	—
	22.8	—
Earnings per share — continuing operations		
Basic earnings per share (cents) — increase	6.7	—
Fully diluted basic earnings per share (cents) — increase	6.4	—
Earnings per share — continuing and discontinued operations		
Basic earnings per share (cents) — increase (cents)	6.6	—
Fully diluted basic earnings per share (cents) — increase (cents)	6.4	—
Headline earnings per ordinary share (cents) — decrease (cents)	(0.1)	—
Fully diluted headline earnings per share (cents) — decrease (cents)	(0.1)	—

The restated comparatives for the condensed group statement of financial position are as follows:

R million	Unaudited 6 months ended 31 Mar 2015	Audited Year ended 30 Sep 2015
Goodwill and other intangible assets — increase	65.5	—
Total assets — increase	65.5	—
Other reserves — increase	0.8	—
Retained earnings — increase	46.9	—
Shareholders' equity — increase	47.7	—
Non-controlling interest — increase	17.8	—
Total equity — increase	65.5	—
Total equity and liabilities — increase	65.5	—

The restated comparatives for the condensed group statement of cash flows are as follows:

R million	Unaudited 6 months ended 31 Mar 2015	Audited Year ended 30 Sep 2015
Cash generated from operations before working capital changes — decrease	(18.9)	—
Working capital changes — decrease	23.3	—
Cash generated from operations — increase	4.4	—
Replacement capital expenditure — decrease	10.6	—
Cash retained from/(utilised in) operations — increase	15.0	—
Net cash utilised in operating activities — decrease	15.0	—
Net cash utilised before financing activities — decrease	15.0	—
Net decrease in cash and cash equivalents — decrease	15.0	—
Cash acquired on consolidation of Zimbabwe associates — decrease	(13.0)	—
Translation of cash in foreign subsidiaries — decrease	(2.0)	—

The restated comparatives for the condensed group statement of changes in equity are as follows:

R million	Unaudited 6 months ended 31 Mar 2015	Audited Year ended 30 Sep 2015
Non-controlling interest on consolidation of Zimbabwe associates — increase	42.7	—
Total comprehensive income for the period — increase	22.8	—
Closing balance — increase	65.5	—
Comprising:		
Other reserves — foreign currency translation reserve — increase	0.8	—
Retained earnings — increase	46.9	—
Shareholders' equity — increase	47.7	—
Non-controlling interest — increase	17.8	—
Total equity — increase	65.5	—

3. Included in operating profit are:

R million	Unaudited 6 months ended 31 Mar 2016	Unaudited 6 months ended 31 Mar 2015	Audited Year ended 30 Sep 2015
Depreciation	423.4	341.2	758.7
Amortisation	24.3	19.9	43.6
Net translation losses recognised on financial instruments	95.2	27.5	141.4
Loss arising from Angolan and Nigerian illiquidity	113.8	—	160.5
Net (gain)/loss arising from normal operating activities	(18.6)	27.5	(19.1)
Reconciliation of operating profit and trading profit			
Operating profit	870.1	934.6	1 681.4
Abnormal losses/(gains)*	119.2	(89.6)	158.2
Retrenchment and restructuring costs	1.5	19.4	77.3
Net impairment losses on plant, property and equipment	16.0	10.1	121.4
Net loss on disposal of joint venture	1.0	—	—
Net profit on disposal of property	(14.1)	—	(102.5)
Loss on translation of financial instruments**	113.8	—	160.5
Gain on revaluation and consolidation of Zimbabwe associates***	—	(124.2)	(124.2)
Business acquisition-related costs	1.0	5.1	25.7
Trading profit	989.3	845.0	1 839.6

* Abnormal losses/(gains) are defined as losses/(gains) 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.

** During the period, the group reassessed its disclosure of the losses on the translation of financial instruments. Consequently, losses on the translation of financial instruments arising from the illiquidity in Angola and Nigeria were deemed abnormal in nature and have been disclosed as such, while the translation of losses arising from normal trading activities were regarded as being part of these activities and have, therefore, been recognised as part of trading profit. As a result of this reassessment, the losses arising from normal trading activities which were recognised as abnormal for the period ending 30 September have been reclassified as part of trading profit.

*** The gain on the revaluation and consolidation of the Zimbabwean associates was remeasured after the consolidation date of these entities was moved from 1 October 2014 to 1 December 2014 and certain intangible assets were identified subsequent to March 2015. Refer note 5.

4. Disposal of operations

An agreement for the sale of Nampak's 50% shareholding in, and loans to, Sancella SA (Pty) Ltd was entered into on 21 July 2015, with the transaction being effective 1 December 2015. The proceeds from the sale were applied to settle the outstanding loan balances. The loans had been impaired to the amount expected to be recovered in terms of the transaction as at 30 September 2015 and therefore no further loss has been recognised.

During the previous year, the group disposed of the following businesses:

- › Nampak Corrugated and Nampak Tissue businesses effective 1 April 2015;
- › Nampak Flexibles and Nampak Recycling businesses effective 1 July 2015;
- › Nampak Sacks business effective 29 September 2015.

The above disposals are consistent with the group's strategy of exiting its non-core and underperforming businesses.

The results of the discontinued operations included in the condensed group statement of comprehensive income are set out below.

R million	Unaudited 6 months ended 31 Mar 2016	Unaudited 6 months ended 31 Mar 2015	Audited Year ended 30 Sep 2015
Revenue	—	2 514.5	3 385.7
Expenses	—	(2 606.4)	(3 560.7)
Loss before tax	—	(91.9)	(175.0)
Attributable income tax benefit	—	23.5	8.1
Loss after tax	—	(68.4)	(166.9)
Loss on disposal of operations	—	—	(350.2)
Attributable income tax benefit	—	—	122.3
Loss on disposal of operations, net of tax	—	—	(227.9)
Loss for the year from discontinued operations	—	(68.4)	(394.8)

Proceeds on disposal of discontinued operations

The fair values of assets and liabilities disposed of were as follows:

<i>Current assets</i>			
Inventory	—	—	756.5
Trade and other receivables	—	—	958.9
<i>Non-current assets</i>			
Property, plant and equipment	—	—	1 275.8
Other intangible assets	—	—	12.0
Investments	—	—	9.0
Loans and receivables	—	—	25.8
<i>Current liabilities</i>			
Trade and other payables	—	—	(699.8)
<i>Non-current liabilities</i>			
Deferred income	—	—	(6.9)
Net assets disposed	—	—	2 331.3
Non-controlling interest released	—	—	2.6
Goodwill disposed	—	—	34.0
Loss on disposal of businesses	—	—	(350.2)
Total disposal consideration	—	—	2 017.7
Less: deferred sales proceeds	—	—	(35.0)
Net inflow on disposal	—	—	1 982.7

5. Business combinations

Nampak Zimbabwe Ltd

The group consolidated Hunyani Holdings Ltd ("Hunyani") and Megapak Zimbabwe (Pvt) Ltd ("Megapak") with effect from 1 December 2014. These entities, situated in Zimbabwe, were previously recognised as associates and equity accounted as such. The revaluation of the group's original interest in Hunyani and Megapak resulted in gains of R14.2 million and R9.3 million respectively.

As part of this process, the group restructured its subsidiary, CarnaudMetalbox Zimbabwe Ltd, and Megapak under Hunyani, and Hunyani was renamed Nampak Zimbabwe Ltd. The transaction also involved the group increasing its effective interest in the Nampak Zimbabwe Ltd group to 51.43%.

R million	Unaudited 6 months ended 31 Mar 2016	Unaudited 6 months ended 31 Mar 2015	Audited Year ended 30 Sep 2015
Assets acquired and liabilities recognised at the date of consolidation:			
<i>Current assets</i>			
Inventories	—	169.7	169.7
Trade and other receivables	—	192.3	192.3
Cash	—	44.1	44.1
<i>Non-current assets</i>			
Property, plant and equipment	—	414.1	414.1
Intangible assets	—	63.3	63.3
Investments	—	7.6	7.6
<i>Current liabilities</i>			
Trade and other payables	—	(142.8)	(142.8)
Tax liabilities	—	(2.9)	(2.9)
Loans	—	(26.8)	(26.8)
<i>Non-current liabilities</i>			
Loans	—	(0.7)	(0.7)
Deferred tax	—	(75.5)	(75.5)
	—	642.4	642.4

The initial accounting for the consolidation and restructuring of the Nampak Zimbabwe Ltd group as reported at the end of March 2015 had only been provisionally determined at that date as the necessary market valuations and other calculations had not been finalised. The effective date of the transaction was recognised at the time as being 1 October 2014 and the assets acquired and liabilities recognised were therefore based on their carrying values at this date.

During September 2015, it was established that the date that control was achieved over Hunyani and Megapak was in fact 1 December 2014 and the effective date of the transaction was consequently moved to this date. This had the effect of changing the carrying value of these interests. Furthermore, intangible assets consisting of brands, customer relationships and supplier agreements to the value of R63.3 million were identified. The assets recognised at the effective date of the transaction and the resulting gain on consolidation recognised for the period ending March 2015 have therefore been restated. The impact of these restatements are indicated in note 2.

R million	Unaudited 6 months ended 31 Mar 2016	Unaudited 6 months ended 31 Mar 2015	Audited Year ended 30 Sep 2015
Gain arising on consolidation			
Fair value of previously held interests	—	184.9	184.9
<i>Plus: outside shareholders interests recognised</i>	—	356.8	356.8
<i>Less: fair value of identifiable net assets recognised</i>	—	(642.4)	(642.4)
Gain arising on consolidation	—	(100.7)	(100.7)

6. Determination of headline earnings

R million	Unaudited 6 months ended 31 Mar 2016	Unaudited 6 months ended 31 Mar 2015	Audited Year ended 30 Sep 2015
Continuing operations			
Profit attributable to equity holders of the company for the period	664.2	755.0	1 438.0
Less: preference dividend	—	—	(0.1)
Basic earnings	664.2	755.0	1 437.9
Adjusted for:			
Net impairment losses on plant, property and equipment	16.0	10.1	121.4
Net (profit)/loss on disposal of businesses, property, plant and equipment and intangible assets	(15.0)	1.8	(102.8)
Gain on revaluation and consolidation of Zimbabwe associates	—	(124.2)	(124.2)
Tax effects and non-controlling interest	(0.1)	(3.2)	(21.2)
Headline earnings for the period	665.1	639.5	1 311.1
Continuing and discontinued operations			
Profit attributable to equity holders of the company for the period	664.2	686.6	1 043.2
Less: preference dividend	—	—	(0.1)
Basic earnings	664.2	686.6	1 043.1
Adjusted for:			
Net impairment losses on plant, property and equipment and intangible assets	16.0	148.1	121.4
Net (profit)/loss on disposal of businesses, property, plant and equipment and intangible assets	(15.0)	5.0	251.0
Gain on revaluation and consolidation of Zimbabwe associates	—	(124.2)	(124.2)
Tax effects and non-controlling interest	(0.1)	(42.8)	(144.4)
Headline earnings for the period	665.1	672.7	1 146.9

7. Net overdraft

R million	Unaudited 6 months ended 31 Mar 2016	Unaudited 6 months ended 31 Mar 2015	Audited Year ended 30 Sep 2015
Bank balances, deposits and cash	2 398.2	1 374.2	1 587.4
Bank overdrafts	(3 424.6)	(3 096.8)	(3 672.3)
Net overdraft	(1 026.4)	(1 722.6)	(2 084.9)

8. Carrying amount of financial instruments

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

The following sets out the measurement bases of the various financial instruments carried on the condensed group statement of financial position:

R million	Unaudited 6 months ended 31 Mar 2016	Unaudited 6 months ended 31 Mar 2015	Audited Year ended 30 Sep 2015
At fair value — level 2			
Financial assets			
Derivative financial assets	178.0	10.9	178.2
Financial liabilities			
Derivative financial liabilities	18.5	18.3	75.3
At cost			
Financial assets			
Investments	3.2	26.4	12.7
At amortised cost			
Financial assets			
Non-current financial assets	43.9	46.7	33.0
Trade receivables and other current assets (excluding prepayments)	2 909.0	2 373.3	2 865.8
Bank balances, deposits and cash	2 398.2	1 374.2	1 587.4
Assets classified as held for sale*	13.8	25.6	122.2
Financial liabilities			
Non-current loans and borrowings	5 462.5	5 017.2	4 212.0
Trade payables and other current liabilities (excluding provisions)	3 554.9	3 193.8	4 102.3
Bank overdrafts and current loans	4 363.0	3 756.5	4 119.1

* Current portion of loan to Sancella SA (Pty) Ltd.

9. Supplementary information

R million	Unaudited 6 months ended 31 Mar 2016	Unaudited 6 months ended 31 Mar 2015	Audited Year ended 30 Sep 2015
Capital expenditure	921.2	1 205.1	2 195.2
— expansion	647.7	563.9	837.7
— replacement	273.5	641.2	1 357.5
Capital commitments	768.5	2 265.3	1 500.1
— contracted	407.3	851.2	727.2
— approved not contracted	361.2	1 414.1	772.9
Lease commitments	120.0	80.0	175.6
— land and buildings	108.1	53.0	150.6
— other	11.9	27.0	25.0
Contingent liabilities	8.5	1.4	64.2
— customer claims and guarantees	8.5	1.4	14.8
— tax contingent liabilities	—	—	49.4

10. Share statistics

	Unaudited 6 months ended 31 Mar 2016	Unaudited 6 months ended 31 Mar 2015	Audited Year ended 30 Sep 2015
Ordinary shares in issue (000)	688 650	702 473	702 497
Ordinary shares in issue — net of treasury shares (000)	638 923	630 032	630 057
Weighted average number of ordinary shares on which headline earnings and basic earnings per share are based (000)	632 361	629 719	629 726
Weighted average number of ordinary shares on which diluted headline earnings and diluted basic earnings per share are based (000)	634 218	651 799	637 369

11. Additional disclosures

	Unaudited 6 months ended 31 Mar 2016	Unaudited 6 months ended 31 Mar 2015	Audited Year ended 30 Sep 2015
EBITDA* — continuing operations (R million)	1 333.8	1 305.8	2 605.1
Net gearing (%)	74	85	72
Current ratio	1.2	1.3	1.0
Acid test ratio	0.7	0.9	0.6
Net debt: EBITDA (debt covenants) (times)	2.7	2.4	2.3
EBITDA: Interest cover (debt covenants)	5.9	7.7	9.9
Return on equity — continuing operations (%)	15.9	22.8	18.5
Return on net assets — continuing operations (%)	11.2	11.9	11.6
Net worth per ordinary share (cents)**	1 515	1 279	1 397
Tangible net worth per ordinary share (cents)**	842	700	743

* EBITDA is calculated before net impairments.

** Calculated on ordinary shares in issue — net of treasury shares.

Where applicable, comparative ratios have been restated due to the impact of the financial statements being restated (see note 2).

12. Translation reserve movement

Due to the weakening of the rand, a translation gain of R297.7 million (2015: R109.3 million gain) was realised for the period.

The closing exchange rates at 31 March 2016 for the rand against the UK pound and US dollar respectively were 21.15 (September 2015: 20.97) and 14.69 (September 2015: 13.86).

13. Related party transactions

Group companies, in the ordinary course of business, entered into various purchase and sale transactions with associates, joint ventures and other related parties. The effect of these transactions is included in the financial performance and results of the group.

Administration

Nampak Limited

(Registration number 1968/008070/06)
(Incorporated in the Republic of South Africa)
Share code: NPK ISIN: ZAE 000071676

Independent non-executive directors

TT Mboweni (Chairman), RC Andersen, E Ikazoboh, NV Lila, PM Madi, IN Mkhari, RJ Khoza, CWN Molohe, DC Moephuli, PM Surgey.

Executive directors

AM de Ruyter (Chief executive officer), GR Fullerton (Chief financial officer), FV Tshiqi (Group human resources director).

Secretary

NP O'Brien

Registered office

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Telephone +27 11 719 6300

Share registrar

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Telephone +27 11 370 5000

Sponsor

UBS South Africa (Pty) Limited

Website

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Disclaimer

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

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

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