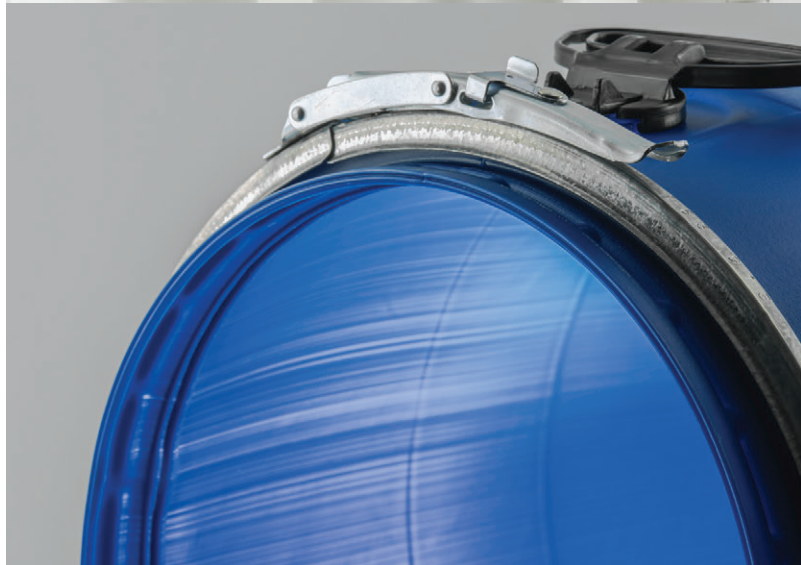


# UNAUDITED GROUP RESULTS AND ORDINARY DIVIDEND ANNOUNCEMENT

For the half-year ended 31 March 2017



**Nampak**  
packaging excellence



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GROUP REVENUE OF R9.3 BILLION, DOWN 1% WITH FOREIGN OPERATIONS RESULTS IMPACTED BY A 10% STRONGER AVERAGE ZAR/USD EXCHANGE RATE



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GROUP TRADING PROFIT OF R1.1 BILLION, UP 12%



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TRADING PROFIT FROM THE REST OF AFRICA OF R610 MILLION, UP 32%, NOW 55% OF GROUP TRADING PROFIT



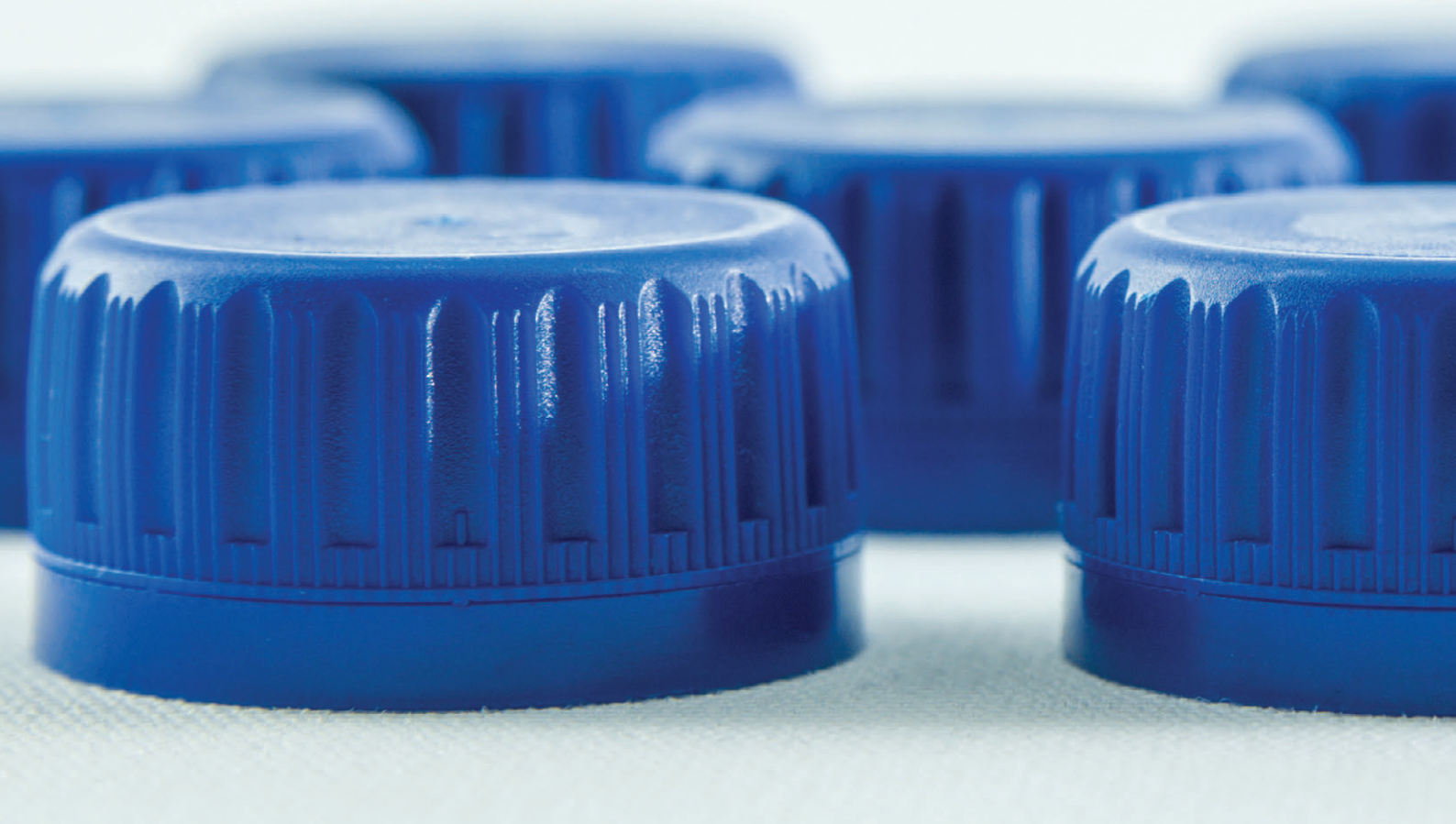
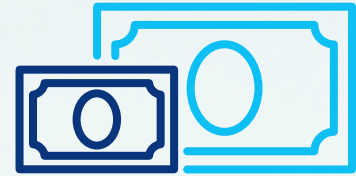
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NIGERIA AND ANGOLA RISK AND EXPOSURE SUCCESSFULLY MANAGED — CASH EXTRACTION RATE AT 80% AND 61% OF IN COUNTRY CASH BALANCES HEDGED



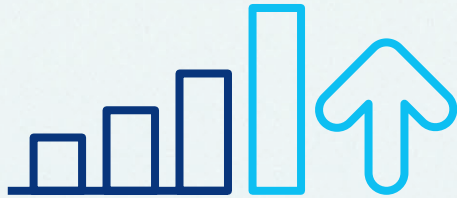
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USD54 MILLION CASH EXTRACTION EXPECTED FROM NIGERIA BEFORE 30 SEPTEMBER 2017



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GROUP OPERATING  
PROFIT OF R1.1 BILLION  
UP 30%



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EARNINGS PER SHARE OF  
120.8c UP 15%



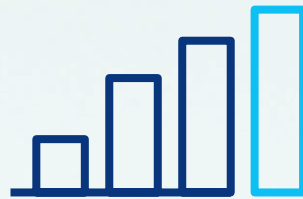
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NET PROFIT FOR THE  
PERIOD OF R853 MILLION  
UP 41%



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HEADLINE EARNINGS PER  
SHARE OF 113.1c UP 8%



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NET GEARING AT 51% IS  
WITHIN TARGET RANGE  
WITH SIGNIFICANT  
HEADROOM IN FUNDING  
COVENANTS



## Comments from the CEO, André de Ruyter

"During the period, Nampak delivered good results in spite of a challenging trading environment, with group operating profit of R1.1 billion up 30% from prior year accompanied by a 12% increase in trading profit. This was due to record beverage can sales in Angola; improved results from Bevcan South Africa, Nigeria general metal packaging, liquid packaging in South Africa as well as paper packaging in Zimbabwe. Nampak's comprehensive plan to improve operational performance also contributed, with margins improving to 11.9% from 10.5% in 2016. This improvement is pleasing in view of the 10% strengthening in the average ZAR/USD (South African rand/US dollar) exchange rate that impacted the translation of foreign earnings to ZAR. Trading conditions, across the continent, were characterised by sluggish growth and low consumer confidence which impacted consumer spending and hence demand for packaging with group revenue slightly down 1% for the period.

Being mindful of the challenging and uncertain macroeconomic environment, we continue to focus on managing and optimising aspects of the business within our control, namely costs, asset performance and processes. Capex spend of R470 million for the period was tightly controlled and hence 49% lower than the prior year with significantly improved project management capability. Key projects were delivered on time, within budget and with operational efficiencies meeting expectations. The asset recapitalisation programme in South Africa is almost complete and already contributing to improved efficiencies and competitiveness.

It is expected that consumer demand will remain subdued for the rest of the year affected by various macroeconomic dynamics. Accordingly, internal efficiencies and cost control remain key focus areas with cost savings of R70 million recorded for the period.

The substantially strengthened Nampak statement of financial position has significantly enhanced our ability to be resilient during continued macroeconomic uncertainty. Group net gearing at 51% remains within the target range and short term liquidity ratios are strong. Adequate funding facilities, to be used prudently, are available both internationally and locally, and the group remains well within its debt covenants.

Cash held in the restricted areas of Nigeria and Angola increased to R2.4 billion from R1.5 billion at 31 March 2016 and R2.0 billion at 30 September 2016 on the back of strong cash generation. Cash extraction from both countries remains a key focus area in an effort to mitigate currency devaluation risk. The combined cash extraction rate in these countries was 80% and the cash position hedged was 61% at 31 March 2017, up from 50% at 30 September 2016. The slower than optimal cash extraction as well as the exposure to currency volatility on the cash and monetary items remain risk areas to the extent that the positions are not fully hedged.

In view of the current risks and challenges, Nampak has decided not to declare an interim ordinary dividend, rather focusing its efforts on conserving cash. The medium to long term outlook for packaging in key African markets remains favourable, underpinned by expected growth in household consumption."

## Group performance review

### GROUP PERFORMANCE FROM CONTINUING OPERATIONS

R million	2017	2016	% change
Revenue	<b>9 331</b>	9 422	(1)
Trading profit	<b>1 108</b>	989	12
Abnormal gains/(losses)	<b>24</b>	(119)	—
Operating profit	<b>1 132</b>	870	30
Profit for the period	<b>853</b>	606	41
Basic earnings per share (cents)	<b>120.8</b>	105.0	15
Headline earnings per share (cents)	<b>113.1</b>	105.2	8

Group revenue at R9.3 billion was 1% lower for the six months to 31 March 2017, with a 10% stronger average ZAR/USD exchange rate negatively impacting translation of foreign operations. Strong revenue growth of 11% was achieved by the Metals division and is attributable to robust beverage can sales in Angola and improved volumes from Bevcan SA. This strong performance was offset by negative growth in the Plastics division outside of South Africa, lower demand in most markets in the Paper division as well as a subdued performance by the Glass division, owing to softer demand.

The Metals division strengthened its trading profit by R261 million and trading margin to 15.9% for the six months ended 31 March 2017, resulting in an overall improved group margin of 11.9% from 10.5%. Operating profit improved by 30% to R1.1 billion. This was primarily as a result of net abnormal gains of R24 million compared to net abnormal losses of R119 million in the prior year which were largely attributable to a devaluation in the Angolan kwanza in December 2015.

The effective tax rate for the period increased from 4% to 9% primarily as a result of deferred tax assets raised in the current period being lower than the prior period mainly due to the utilisation of capital gains tax losses on the sale and leaseback transaction in 2016. The tax rate is lower than previous guidance owing to a higher profit contribution from particularly Angola where we currently have the benefit of a tax holiday. Future effective tax rates will be impacted by relative contributions from Nigeria and Angola, with the tax rate in 2018 expected to increase to between 15% and 20%. The Bevcan Nigeria pioneer status expires on 31 December 2017 which will impact Nampak's tax rate in FY2018 while the Bevcan Angola tax holiday ends on 31 December 2018 which will impact Nampak's tax rate in FY2019.

Basic earnings per share advanced by 15% to 120.8 cents per share. An increased minority share of earnings coupled with a 1% increase in the weighted average number of shares in issue impacted earnings per share. Headline earnings per share consequently increased by 8% to 113.1 cents per share.

The net working capital cycle absorbed R912 million during the period (2016: R488 million). The increased absorption was mainly due to R223 million invested in inventory compared to a R169 million reduction in the first six months of 2016. This was mainly due to an increased funding of inventories required to meet increased demand in Angola. A lower inflow from trade receivables relative to the prior year was in the main compensated for by a lower absorption of cash in accounts payables as capital project expenditure reduced. The quality of the group's accounts receivables book remains extremely good. The release of cash into the working capital cycle from inventory in the prior year was achieved through the right sizing of inventory levels off high inventory holdings at September 2015 that benefited both the first and second halves of the 2016 financial year. The business started the first half of the 2017 financial year with very low inventory and trade receivables levels owing to the good progress made in managing inventories and account receivables in 2016.

The balance sheet remained strong on the back of the reduction of borrowings achieved in 2016, the strengthening of the ZAR as well as lower investment in capital expenditure during the period, compared to prior periods. Proceeds from the sale and leaseback transaction received in September 2016 were utilised to reduce interest bearing debt in South Africa, reducing net borrowings to R5.2 billion. This led to a 17% lower net interest expense and improved net gearing to 51% from 74% in the comparative period.

Whilst the group experienced ongoing currency volatility and liquidity constraints in Angola and Nigeria, the situation continued to be monitored closely. Foreign exchange allocations for the six months to 31 March 2017 from Angola were at an average of 80% of invoices presented for payment, whilst foreign exchange allocations in Nigeria also improved to 80% for the period. Cash held in these restricted areas increased to R2.4 billion from R1.5 billion at 31 March 2016 and R2.0 billion at 30 September 2016 on the back of strong cash generation. The combined hedged position of 61% at 31 March 2017 was up from 25% at 31 March 2016 and 50% at 30 September 2016. The slower than optimal cash extraction as well as the exposure to currency volatility on the cash and monetary items remain risk areas to the extent that the positions are not fully hedged.

Nampak's cash, cash extraction rates and hedging positions in Angola and Nigeria at different periods are presented below:

#### AT 31 MARCH 2017

R million	Angola	Nigeria	Total
Cash on hand	1 436	955	2 391
Hedged	1 107	344	1 451
Net unhedged cash	329	611	940
Cash extraction rate (%)*	80	80	80
% of cash on hand hedged	77	36	61

#### AT 30 SEPTEMBER 2016

R million	Angola	Nigeria	Total
Cash on hand	1 004	984	1 988
Hedged	614	376	990
Net unhedged cash	390	608	998
Cash extraction rate (%)*	95	57	77
% of cash on hand hedged	61	38	50

#### AT 31 MARCH 2016

R million	Angola	Nigeria	Total
Cash on hand	474	1 018	1 492
Hedged	367	—	367
Net unhedged cash	107	1 018	1 125
Cash extraction rate (%)*	n/a	n/a	n/a
% cash on hand hedged	77	—	25

\* Cash extraction rate = cash extracted in period as a percentage of invoices presented for payment in the period.

Nampak's operations are exposed to various exchange rates. Below is a table that shows average and closing exchange rate movements for the current period, compared to the same period in the prior year:

#### EXCHANGE RATE MOVEMENTS

	Closing				Average			
	31 March 2017	%	31 March 2016	30 Sept 2016	31 March 2017	%	31 March 2016	30 Sept 2016
ZAR/USD	<b>13.41</b>	9	14.69	13.72	<b>13.57</b>	10	15.04	14.79
ZAR/GBP	<b>16.83</b>	20	21.15	17.80	<b>16.83</b>	24	22.13	21.07
NGN/USD	<b>314.29</b>	(58)	199.05	315.00	<b>311.69</b>	(57)	198.91	229.60
AOA/USD	<b>171.73</b>	(3)	166.32	171.72	<b>171.73</b>	(13)	151.73	161.57

The ZAR strengthened against the USD and GBP (British Pound) in the period under review and there has been no devaluation in the official exchange rates of the kwanza and naira since September 2016. Period on period, there has been a 58% devaluation in the closing rate of the naira and a 3% weakening in the kwanza rate. All figures have been translated at the official exchange rates.

## Nigeria foreign exchange rate and liquidity update for the period post half-year end, 31 March 2017

Further progress has been made in the extraction of cash from Nigeria with at least USD54 million in cash extraction expected to be achieved before the financial year end (30 September 2017), further strengthening the group's ability to fund the Rest of Africa growth markets. This extraction consists of the following:

- › USD29 million secured dollar deliverable forwards, 98% of which will mature before 30 September 2017;
- › an additional USD25 million secured after 31 March 2017 through the newly introduced NAFEX market (Nigerian Autonomous Foreign Exchange market), USD10 million of which has already been remitted to the group's offshore treasury operation with the balance of USD15 million to flow before 30 September 2017 with no significant counter-party risk.

At the current Central Bank of Nigeria ("CBN") official exchange rate, only USD29 million of the aforementioned USD54 million will be exposed to devaluation through the income statement in the second half of the financial year with an anticipated abnormal foreign exchange loss between R95 million and R110 million at current exchange rates. The USD29 million comprises USD4 million of deliverable forwards and USD25 million secured on the NAFEX market post 31 March 2017. A significant portion of the foreign exchange losses attributable to the USD deliverable forwards were recognised in the prior financial year.

Should further cash, in addition to the USD54 million mentioned above be extracted, it may be exposed to further abnormal foreign exchange losses. Should there be an official devaluation in the respective central banks' official exchange rates to the dollar for either the naira or the kwanza, further foreign exchange losses could be incurred in the second half of the financial year on the translation of the portion of unhedged monetary items. These foreign exchange losses could be further impacted by movements in the ZAR/USD exchange rate.

Based on the current monthly funding requirements in these countries the group can fund the respective operations, without raising any additional debt or equity, for approximately 36 to 40 months even if no further cash is extracted.

## Segmental performance review

### SEGMENTAL REPORT (CONTINUING OPERATIONS)

R million	Revenue		Trading profit*		Trading margin (%)	
	2017	2016	2017	2016	2017	2016
Metals	5 570	5 041	883	622	15.9	12.3
Plastics	2 400	2 891	89	202	3.7	7.0
Paper	698	831	57	95	8.2	11.4
Glass	663	659	42	44	6.3	6.7
Corporate Services	—	—	37	26	—	—
<b>Total</b>	<b>9 331</b>	<b>9 422</b>	<b>1 108</b>	<b>989</b>	<b>11.9</b>	<b>10.5</b>

\* Operating profit before abnormal items.

### Metals

This cluster benefited from buoyant sales in Angola's beverage can market and increased volumes from South Africa's new beverage can ends plant, with revenue up 11%. Trading profit was up 42% and the margin at 15.9% was an improvement on the previous year's performance of 12.3%. The overall performance of the cluster was impacted by lower sales in the remaining units. Contractual USD linked prices in Nigeria and Angola continue to abate the impact on revenue and margins of local currency volatility.

**Bevcan South Africa's** beverage can volumes were marginally lower, as a result of constrained consumer demand. The newly commissioned ends plant expansion, which was commissioned on time and executed within budget, contributed positively to revenue. Previously imported ends into Nigeria and Angola were replaced by ends produced in South Africa. Following the installation of capacity to manufacture 500ml cans, revenue expanded and trading profit was significantly higher due to an improvement in internal efficiencies. The closure of the Durban facility became effective on 15 December 2016 and delivered cost savings in the six month to the end of March 2017. Current long term sales agreements with major customers, a well-established cost-competitive manufacturing footprint and strong market position put the business in the best possible position to defend market share and leverage opportunities.

The **Angolan** beverage can market recovered strongly in the first six months, with record sales achieved in a number of months. All customer volumes were significantly higher although the low crude oil price and high inflation remain key risks in the country. The conversion of the tinplate line to aluminium is still awaiting government allocation of foreign currency, utilising cash on hand in Angola. The provisional targeted commissioning date, should foreign currency become available, is in the second half of 2018. In the medium term, the market is expected to benefit from investments already made by new customers in additional can filling line capacity. Once the tinplate line is converted, it is expected that total installed capacity will increase to around 2 billion cans per annum.

The continued slowdown in Nigerian discretionary consumer spending, in line with macroeconomic challenges, impacted overall beverage can demand. As a result, **Bevcan Nigeria's** volumes were down 12% on previous year's performance as the consumer remained under pressure amid negative economic growth and a high inflation environment. Both revenue and trading profit were down on the previous year. Post 30 March 2017, Bevcan Nigeria secured a three year sales contract extension with a key customer. The substitution of beverage cans with other packs remains a key risk and is being monitored closely while market growth is expected to remain sluggish in the short term due to high inflation and subdued demand.

In South Africa, **DivFood** has made significant progress in the implementation of its business improvement project which includes the replacement of old and outdated machines as well as cost reduction initiatives. However, the division's revenue and trading profit were below that of 2016, due to lower volumes in a number of product categories. Monobloc aerosols, polish cans, paint cans and exports into various emerging markets were below prior year volumes. Fish can sales were disappointing following a much lower allowable catch quota for 2017. Cash fixed costs were lower due to cost management measures implemented during the period. Continued efficiency improvements are expected to enhance competitiveness and deliver business benefit in 2017.

The **general metal packaging** businesses in the Rest of Africa delivered better revenue and trading profit than the prior year. The Nigerian operation reported improved sales volumes on the back of import substitution of retail products and increased demand for locally manufactured packaging. **Kenya's** metal business, however, was impacted by subdued demand in the agricultural sector due to poor rains and harvests, as well as the move to in-house manufacture by its key customer. Market development and business rationalisation initiatives are being implemented to recoup the lost volumes and improve business profitability.

## Plastics

Revenue and trading profit were adversely impacted by disappointing results from Plastics Europe and the Zimbabwe divisions, resulting from lower sales volumes that overshadowed continued improvement in operations, cost savings and product diversification. Revenue and trading profit were down 17% and 56%, respectively.

**Plastics South Africa's** revenue was 3% higher than last year whilst volumes were lower driven by sluggish second quarter sales. Although **liquid packaging** and **closures** volumes were up on the previous year in the first quarter, driven by the recovery in demand in the regions affected by the drought in 2016, second quarter volumes were disappointing due to lower demand. Improved drum volumes were recorded due to a recovery in bulk alcohol sales to the Rest of Africa, as well as improved conical and crate volumes. In the short term, the South African plastics business will focus on cost and organisational consolidation.

**Plastics Europe** continued to be under pressure, with volumes down on the prior year due to vertical integration by major customers. Revenue declined by 33% while trading profit and margins reduced significantly as a result of margin sacrifice to regain market share, as well as cost increases related to a new investment in Ireland. The average ZAR/GBP rate for the period at R16.83 from R22.13 in 2016 affected results. The business continues evaluating projects aimed at improving operational performance and capturing opportunities outside the milk industry to grow volumes. Key management changes were made during the period and good progress was made in operational performance improvement.

The **Zimbabwe** plastics division's performance was down on 2016 due to a weakness in demand experienced by both **CMB** and **Megapak** divisions on the back of macroeconomic challenges. The inconsistent availability of foreign exchange impacted the operations' performance and consumer demand. In both divisions, alternative sales markets are being explored and cost management measures implemented to minimise the impact of the slowdown. The continued shortage of USD liquidity in the Zimbabwean economy remains a concern.

## Paper

The paper segment consists of the paper and board operations in the Rest of Africa. Revenue and trading profit for 2017 were down compared to 2016, due to lower volumes from the majority of the businesses on the back of challenging macroeconomic conditions. A solid performance by Hunyani in Zimbabwe boosted results. Trading margins at 8.2% were significantly down from the 11.4% achieved in prior year mainly due to the poor performance of the Zambian business that was impacted negatively by lower volumes in sorghum beer cartons and local currency devaluation.

**Nigeria Cartons'** revenue and trading profit were below prior year due to generally lower demand across all market segments resulting mainly from the impact of limited foreign exchange availability on the general economy. Performance is expected to improve in the remainder of the year with improved demand anticipated. Import restrictions are anticipated to continue encouraging the local sourcing of packaged retail goods which will benefit demand. Liquidity issues and currency volatility remain a concern.

In **Zimbabwe, Hunyani** revenue and trading were up significantly on the back of good tobacco carton sales and improved operating efficiencies. Import duties on various packaging formats have stimulated demand for locally manufactured packaging. Benefits from cost containment initiatives also contributed to a good performance in the year.

In **Zambia**, sorghum beer carton sales volumes were significantly down due to lower demand. The volatility of the Zambian kwacha against hard currencies also impacted trading profit negatively.

**Malawi's** results, despite a late surge in orders for tobacco cases, were down as a result of lower sorghum beer carton sales.

**Kenya Bullpak's** revenue was below the previous year due to subdued demand and the vertical integration of some customers.

## Glass

Glass revenue at R663 million was marginally up on 2016 due mainly to good market share growth in wine. This was overshadowed by disappointing sales volumes in all other product categories reflective of overall subdued market demand in the South African container glass market. As a result both trading profit and margin were below expectation. Following a successful operational turnaround, the glass factory is running at satisfactory production efficiencies with further operational improvement initiatives underway. Performance in the second half of the year is expected to improve due to anticipated volume growth.

## Corporate Services

Group corporate services include group research and development services, treasury services and other corporate activity costs. Reduced property rental recoveries were offset by foreign exchange gains due to the strengthening of the ZAR/USD exchange rate from September 2016 and cost savings at the corporate center.

## GEOGRAPHICAL UPDATE

R million	Revenue		Trading profit*		Trading margin (%)	
	2017	2016	2017	2016	2017	2016
South Africa	<b>5 616</b>	5 459	<b>500</b>	466	<b>8.9</b>	8.5
Rest of Africa	<b>2 933</b>	2 805	<b>610</b>	462	<b>20.8</b>	16.5
Europe	<b>782</b>	1 158	<b>(39)</b>	35	<b>(5.0)</b>	3.0
Corporate Services	—	—	<b>37</b>	26	—	—
<b>Total</b>	<b>9 331</b>	9 422	<b>1 108</b>	989	<b>11.9</b>	10.5

\* Operating profit before abnormal items.

### South Africa

During the six months to 31 March 2017, South Africa, like most emerging markets experienced volatile exchange rates, slow growth rates and lower consumer demand, on the back of low commodity prices and political uncertainty. In spite of these conditions, revenue and trading profit increased by 3% and 7% respectively. A good performance by Bevcac and an improved performance from liquid packaging (Plastics SA) contributed positively to performance. The region contributed 45% to group trading profit (2016: 47%).

### Rest of Africa

The Rest of Africa recorded sales of R2.9 billion, up 5% while trading profit rose by 32%. The trading results were adversely impacted by a strong average ZAR/USD exchange rate used to translate the results. During the period, key market GDP growth rate estimates were revised downwards and inflation remained high. With the oil price at current levels, Nigeria and Angola continued to experience foreign exchange shortages. Bevcac Angola recorded a particularly strong performance on volume recovery, while Nigeria general metal packaging and paper packaging in Zimbabwe performed well due to import replacement. The Rest of Africa now contributes 55% to trading profit, up from 47% in 2016. Nampak's strategy remains focused on its overall investment rationale in key markets where consumption of, in particular, packaged beer and carbonated soft drinks is driven by sustainable demographic trends.

### Europe

The UK economy continues to demonstrate slow GDP growth while the dairy market faces intense pricing and industry pressures. The division recorded a trading loss of R39 million compared to a trading profit of R35 million in the prior period, which reflects the poor performance of the recently commissioned plant in Ireland.

## Update on capital expenditure

As part of the group's cash conservation measures, capital expenditure (including replacement and expansion projects) for 2017 is expected at between R0.9 — R1.1 billion, with some 60% being replacement or sustenance capital, and the balance being expansion capital. Maintenance expenditure is not compromised by cutbacks on capital expenditure, as this forms part of the operational expenditure. Total capital expenditure for the period amounted to R470 million compared to R921 million spent during the same period in 2016. R242 million was spent on expansion projects, with R228 million spent on replacement projects. Further capital expenditure for the remainder of the year will be prudently evaluated and will be limited to key projects.

## Growth projects

Nampak continues to be circumspect regarding further capital investment in view of prevailing macroeconomic conditions. Notwithstanding this, opportunities in a variety of substrates are being evaluated taking into account market conditions and the prospects of improvement in the availability of foreign exchange.

## Special project: Reducing post-retirement medical aid liability

During 2016, Nampak offered continuation members who received a monthly medical scheme contribution subsidy the option of converting the monthly subsidy into an annuity secured in the pensioner's own name. A total of 684 of continuation members accepted this offer. The total settlements paid to continuation members during the current financial year is R562 million, of which R406 million was accrued at 30 September 2016. R436 million was funded from the R1.744 billion raised from the sale and leaseback transaction in September 2016, and the balance of R126 million was funded from cash generated in the period.

## Active portfolio management

In line with the strategic imperative of growth through acquisitions, the group subscribed for a 74% interest in Nampak DivFood Botswana (“NDB”) for a nominal consideration, effective 2 February 2017. The Botswana Development Corporation (“BDC”), the holder of the remaining interest in this entity, transferred plant and equipment to the value of R37 million to this entity on its incorporation, resulting in a consolidated gain on acquisition of R27 million. As part of this transaction, BDC has a put option to sell its 26% interest in NDB to the group at the end of a period of five years from the effective date of acquisition. This option was valued at R17 million and is presented on the statement of financial position as part of “other non-current liabilities”.

Nampak Plastics Europe disposed of its in-plant operations at two United Kingdom sites, on termination of the respective contracts. Plant, equipment and net working capital with a carrying value of R26 million were disposed of for a net consideration of R56 million resulting in a profit on disposal of these operations of R30 million.

## Outlook

It is expected that consumers in key trading markets will remain under pressure for the rest of the year with a concomitant negative impact on sales volumes. However, gains from improved factory efficiencies, business improvement initiatives as well as cost savings are expected to reduce this negative impact.

The group’s operations in the Rest of Africa are expected to continue generating cash as demand for some products grows, supported by import replacement, with overall performance being impacted by macroeconomic challenges. The limited availability of foreign exchange and possible currency devaluations in Nigeria and Angola may result in potential foreign currency translation impacts. In the absence of a catalyst to promote economic growth and, consequently, consumer spending in key markets, demand for packaged goods and exchange rates are expected to remain a key factor influencing results.

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 will sustain its competitive advantage.

## Ordinary dividend

Despite a significantly improved group balance sheet the Nampak Limited Board has decided not to declare an interim dividend. The decision was made in light of the overall performance of the group in the current challenging trading conditions and given the continued volatile and uncertain macroeconomic environment, capital expenditure requirements and the availability of foreign exchange for repatriation from restricted areas. This prudent approach will further strengthen the group’s balance sheet and improving the group’s resilience during uncertain economic times.

On behalf of the board

**TT Mboweni**  
Chairman

**AM de Ruyter**  
Chief executive officer

**GR Fullerton**  
Chief financial officer

30 May 2017

## Condensed group statement of comprehensive income

R million	Notes	Unaudited 6 months ended 31 Mar 2017	Unaudited 6 months ended 31 Mar 2016	Change %	Audited Year ended 30 Sep 2016
<b>Revenue</b>		<b>9 331.3</b>	9 422.2	(1)	19 138.9
<b>Operating profit</b>	3	<b>1 132.3</b>	870.1	30	2 162.8
Finance costs		<b>(243.6)</b>	(256.8)		(527.5)
Finance income		<b>46.1</b>	17.8		42.0
Share of net (loss)/profit from associates and joint ventures		<b>(2.3)</b>	2.7		0.1
<b>Profit before tax</b>		<b>932.5</b>	633.8	47	1 677.4
Income tax expense		<b>(79.3)</b>	(27.6)		(199.1)
<b>Profit for the period</b>		<b>853.2</b>	606.2	41	1 478.3
<b>Other comprehensive (expense)/income, net of tax</b>					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translation of foreign operations	11	<b>(138.8)</b>	297.7		(509.4)
(Loss)/gain on cash flow hedges		<b>(0.7)</b>	111.9		(34.3)
<i>Items that will not be reclassified to profit or loss</i>					
Net actuarial loss from retirement benefit obligations		—	—		(491.0)
<b>Other comprehensive (expense)/income for the period, net of tax</b>		<b>(139.5)</b>	409.6	(>100)	(1 034.7)
<b>Total comprehensive income for the period</b>		<b>713.7</b>	1 015.8	(30)	443.6
<b>Profit/(loss) attributable to:</b>					
Owners of Nampak Ltd		<b>773.4</b>	664.2	16	1 610.4
Non-controlling interest in subsidiaries		<b>79.8</b>	(58.0)		(132.1)
		<b>853.2</b>	606.2	41	1 478.3
<b>Total comprehensive income/(expense) attributable to:</b>					
Owners of Nampak Ltd		<b>641.6</b>	1 047.4	(39)	572.6
Non-controlling interest in subsidiaries		<b>72.1</b>	(31.6)		(129.0)
		<b>713.7</b>	1 015.8	(30)	443.6
Basic earnings per share (cents)		<b>120.8</b>	105.0	15	254.5
Diluted basic earnings per share (cents)		<b>120.4</b>	104.7	15	253.9
Headline earnings per share (cents)		<b>113.1</b>	105.2	8	107.6
Diluted headline earnings per share (cents)		<b>112.8</b>	104.9	8	107.3

## Condensed group statement of financial position

R million	Unaudited 31 Mar 2017	Unaudited 31 Mar 2016	Audited 30 Sep 2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment and investment property	10 471.3	11 807.4	10 573.4
Goodwill and other intangible assets	3 979.3	4 299.2	4 043.4
Joint ventures, associates and other investments	25.3	34.8	27.7
Deferred tax assets	57.3	152.2	70.6
Other non-current assets	65.5	43.9	56.4
	<b>14 598.7</b>	16 337.5	14 771.5
<b>Current assets</b>			
Inventories	3 572.9	3 827.1	3 376.7
Trade receivables and other current assets	3 016.1	3 276.4	3 109.0
Tax assets	194.6	9.4	11.2
Bank balances, deposits and cash equivalents	3 476.3	2 398.2	2 835.4
	<b>10 259.9</b>	9 511.1	9 332.3
Assets classified as held for sale	—	21.4	—
<b>Total assets</b>	<b>24 858.6</b>	25 870.0	24 103.8
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	35.4	35.3	35.4
Capital reserves	(112.3)	32.0	(121.4)
Other reserves	(98.0)	1 444.3	51.0
Retained earnings	10 011.9	8 166.0	9 238.5
<b>Shareholders' equity</b>	<b>9 837.0</b>	9 677.6	9 203.5
Non-controlling interest	322.6	338.4	241.0
<b>Total equity</b>	<b>10 159.6</b>	10 016.0	9 444.5
<b>Non-current liabilities</b>			
Loans and borrowings	6 080.2	5 462.5	6 202.1
Retirement benefit obligation	1 602.5	1 996.5	1 855.7
Deferred tax liabilities	423.1	274.8	230.1
Other non-current liabilities	53.4	55.9	37.0
	<b>8 159.2</b>	7 789.7	8 324.9
<b>Current liabilities</b>			
Trade payables, provisions and other current liabilities	3 797.3	3 681.3	4 937.7
Bank overdrafts	2 348.6	3 424.6	993.4
Loans and borrowings	338.3	938.4	329.4
Tax liabilities	55.6	20.0	73.9
	<b>6 539.8</b>	8 064.3	6 334.4
<b>Total equity and liabilities</b>	<b>24 858.6</b>	25 870.0	24 103.8

## Condensed group statement of cash flows

R million	Notes	Unaudited 6 months ended 31 Mar 2017	Unaudited 6 months ended 31 Mar 2016	Audited Year ended 30 Sep 2016
<b>Cash generated from operations before working capital changes</b>		<b>1 435.5</b>	1 370.9	2 103.0
Working capital changes		(911.5)	(488.3)	561.3
<b>Cash generated from operations</b>		<b>524.0</b>	882.6	2 664.3
Net interest paid		(198.2)	(236.4)	(521.4)
Income tax paid		(75.1)	(166.8)	(201.3)
Replacement capital expenditure		(227.8)	(273.5)	(475.7)
<b>Cash flows from operations</b>		<b>22.9</b>	205.9	1 465.9
Dividends paid		—	(572.4)	(575.5)
<b>Net cash generated from/(utilised in) operating activities</b>		<b>22.9</b>	(366.5)	890.4
Expansion capital expenditure		(241.9)	(647.7)	(951.7)
Net proceeds from sale and leaseback transaction		—	—	1 701.1
Net proceeds on disposal of business	4.2	56.5	—	—
Post-retirement medical aid buy-out	4.3	(562.3)	—	—
Other investing activities		20.3	146.7	142.0
<b>Net cash (utilised)/generated before financing activities</b>		<b>(704.5)</b>	(867.5)	1 781.8
Net cash raised from financing activities		11.7	1 885.9	2 380.7
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(692.8)</b>	1 018.4	4 162.5
Net cash and cash equivalents/(overdraft) at beginning of period		1 842.0	(2 084.9)	(2 084.9)
Translation of cash in foreign subsidiaries		(21.5)	40.1	(235.6)
<b>Net cash and cash equivalents/(overdraft) at end of period</b>	6	<b>1 127.7</b>	(1 026.4)	1 842.0

## Condensed group statement of changes in equity

R million	Notes	Unaudited 6 months ended 31 Mar 2017	Unaudited 6 months ended 31 Mar 2016	Audited Year ended 30 Sep 2016
<b>Opening balance</b>		<b>9 444.5</b>	9 172.4	9 172.4
Net shares issued during the period		11.7	28.4	28.9
Share-based payment expense		9.1	9.1	13.9
Share grants exercised		(11.7)	(28.4)	(28.8)
Shares repurchased and cancelled		—	(0.8)	(0.8)
Share of movement in associate's and joint venture's non-distributable reserve		—	—	0.9
Release of share of non-distributable reserve of joint venture disposed		—	(0.6)	—
Treasury shares disposed		—	387.0	384.2
Acquisition of business	4.1	(7.7)	—	—
Total comprehensive income for the period		713.7	1 015.8	443.6
Dividends paid		—	(566.9)	(569.8)
<b>Closing balance</b>		<b>10 159.6</b>	10 016.0	9 444.5
<b>Comprising:</b>				
Share capital		35.4	35.3	35.4
Capital reserves		(112.3)	32.0	(121.4)
Share premium		262.4	250.3	250.7
Treasury shares		(557.9)	(399.7)	(557.9)
Share-based payments reserve		183.2	181.4	185.8
Other reserves		(98.0)	1 444.3	51.0
Foreign currency translation reserve		1 363.8	2 289.1	1 494.9
Financial instruments hedging reserve		18.1	165.0	18.8
Recognised actuarial losses		(1 466.6)	(975.6)	(1 466.6)
Share of non-distributable reserves in associates and joint ventures		3.7	3.9	3.7
Available-for-sale financial assets revaluation reserve		—	(38.3)	—
Other		(17.0)	0.2	0.2
Retained earnings		10 011.9	8 166.0	9 238.5
<b>Shareholders' equity</b>		<b>9 837.0</b>	9 677.6	9 203.5
Non-controlling interest		322.6	338.4	241.0
<b>Total equity</b>		<b>10 159.6</b>	10 016.0	9 444.5

## Notes

### 1. Basis of preparation

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

The accounting policies adopted and methods of computation used are consistent with those applied for the group's 2016 annual financial statements.

### 3. Included in operating profit are:

R million	Unaudited 6 months ended 31 Mar 2017	Unaudited 6 months ended 31 Mar 2016	Audited Year ended 30 Sep 2016
Depreciation	413.2	423.4	863.1
Amortisation	21.8	24.3	48.6
Net translation loss recognised on financial instruments	19.1	95.2	655.2
Net loss arising from Angolan and Nigerian illiquidity	4.5	113.8	681.0
Net loss/(gain) arising from normal operating activities	14.6	(18.6)	(25.8)
<b>Reconciliation of operating profit and trading profit</b>			
Operating profit	1 132.3	870.1	2 162.8
Net abnormal (gain)/loss*	(24.0)	119.2	(257.7)
Retrenchment and restructuring costs	20.2	1.5	34.1
Net impairment losses on plant, equipment, intangible assets, investments and shareholder loans	10.2	16.0	360.4
Net (profit)/loss on disposal of business and investments	(30.1)	1.0	(3.5)
Gain on acquisition of business	(27.0)	—	—
Profit on disposal of property subject to sale and leaseback	—	—	(1 318.9)
Net profit on disposal of other property	(1.8)	(14.1)	(15.2)
Devaluation loss arising from Angolan and Nigerian illiquidity	4.5	113.8	681.0
Business acquisition-related costs	—	1.0	4.4
Trading profit	1 108.3	989.3	1 905.1

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

### 4. Corporate activity

#### 4.1 DivFood Botswana

The group acquired a 74% interest in DivFood Botswana ("DB") for strategic purposes effective 2 February 2017 on its incorporation for a nominal consideration. The Botswana Development Corporation ("BDC"), being the holder of the remaining interest in this entity, transferred plant and equipment to the value of R36.5 million to this entity on its incorporation resulting in a consolidated gain on acquisition of R27.0 million.

As part of this transaction, BDC has a put option to sell its 26% interest in DB to the group at the end of a period of five years from the effective date of acquisition. This option has been valued at R17.2 million and is presented on the statement of financial position as part of "other non-current liabilities".

#### 4.2 Operations located at customers

The group disposed of its operations at two sites in the United Kingdom of a customer of Nampak Plastics Europe, on termination of the respective contracts. Plant, equipment and net working capital with a carrying value of R26.4 million was disposed of for a net consideration of R56.5 million resulting in a profit on disposal of these operations of R30.1 million.

#### 4.3 Post-retirement medical aid buy-out

During the 2016 financial year, the group offered a specific group of 1 285 continuation members, out of the total continuation members who receive a monthly medical scheme contribution subsidy, the option of converting the monthly subsidy into an annuity secured in the pensioner's individual name.

A total of 684 (53%) of these continuation members accepted this offer. The total settlements paid to these continuation members during the current financial year was R562.3 million, of which R406.4 million was accrued at 30 September 2016.

## 5. Determination of headline earnings

R million	Unaudited 6 months ended 31 Mar 2017	Unaudited 6 months ended 31 Mar 2016	Audited Year ended 30 Sep 2016
Profit attributable to equity holders of the company for the period	773.4	664.2	1 610.4
Less: preference dividend	—	—	(0.1)
Basic earnings	773.4	664.2	1 610.3
Adjusted for:			
Net impairment losses on plant, equipment, intangible assets and investments	10.2	16.0	360.8
Net profit on disposal of business and investments	(30.1)	—	(3.5)
Gain on acquisition of business	(27.0)	—	—
Profit on disposal of property subject to sale and leaseback	—	—	(1 318.9)
Net (profit)/loss on disposal of other property, plant, equipment and intangible assets	(2.5)	(15.0)	6.8
Tax effects and non-controlling interests	0.2	(0.1)	25.4
Headline earnings for the period	724.2	665.1	680.9

## 6. Cash and cash equivalents/(net overdraft)

R million	Unaudited 6 months ended 31 Mar 2017	Unaudited 6 months ended 31 Mar 2016	Audited Year ended 30 Sep 2016
Bank balances, deposits and cash equivalents*	3 476.3	2 398.2	2 835.4
Bank overdrafts	(2 348.6)	(3 424.6)	(993.4)
	1 127.7	(1 026.4)	1 842.0

\* Cash equivalents include US dollar indexed Angolan kwanza bonds of R1 106.8 million (March 2016: nil; September 2016: R617.4 million).

## 7. Carrying amount of financial instruments

The carrying amounts of financial instruments as presented on the statement of financial position are measured as follows:

R million	Unaudited 6 months ended 31 Mar 2017	Unaudited 6 months ended 31 Mar 2016	Audited Year ended 30 Sep 2016
<b>At fair value — level 2</b>			
Financial assets			
Derivative financial assets	14.1	178.0	—
Financial liabilities			
Derivative financial liabilities	22.6	18.5	40.7
<b>At cost</b>			
Financial assets			
Investments	0.1	3.2	—
<b>At amortised cost</b>			
Financial assets			
Non-current financial assets	6 364.5	5 364.9	5 789.7
Trade receivables and other current assets <sup>1</sup>	65.5	43.9	56.4
Bank balances, deposits and cash equivalents	2 822.7	2 909.0	2 897.9
Assets classified as held for sale <sup>3</sup>	3 476.3	2 398.2	2 835.4
	—	13.8	—
Financial liabilities			
Non-current loans and borrowings	12 368.7	13 380.4	12 152.9
Trade payables and other current liabilities <sup>2</sup>	6 080.2	5 462.5	6 202.1
Bank overdrafts and current loans	3 601.6	3 554.9	4 628.0
	2 686.9	4 363.0	1 322.8

1 Excludes derivative financial assets (disclosed separately) and prepayments.

2 Excludes derivative financial liabilities (disclosed separately) and provisions.

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

## 8. Capital expenditure, commitments and contingent liabilities

R million	Unaudited 6 months ended 31 Mar 2017	Unaudited 6 months ended 31 Mar 2016	Audited Year ended 30 Sep 2016
Capital expenditure	<b>469.7</b>	921.2	1 443.6
Expansion	<b>241.9</b>	647.7	951.7
Replacement	<b>227.8</b>	273.5	475.7
Intangibles	—	—	16.2
Capital commitments	<b>250.2</b>	768.5	454.4
Contracted	<b>171.3</b>	407.3	276.3
Approved not contracted	<b>78.9</b>	361.2	178.1
Lease commitments (including sale and leaseback transaction)	<b>3 545.1</b>	120.0	3 759.5
Land and buildings	<b>3 515.4</b>	108.1	3 732.2
Other	<b>29.7</b>	11.9	27.3
Contingent liabilities	<b>6.0</b>	8.5	83.6
Customer claims and guarantees	<b>6.0</b>	8.5	6.7
Tax contingent liabilities	—	—	76.9

## 9. Share statistics

R million	Unaudited 6 months ended 31 Mar 2017	Unaudited 6 months ended 31 Mar 2016	Audited Year ended 30 Sep 2016
Ordinary shares in issue (000)	<b>689 404</b>	688 650	688 668
Ordinary shares in issue — net of treasury shares (000)	<b>640 620</b>	638 923	639 884
Weighted average number of ordinary shares on which basic earnings and headline earnings per share are based (000)	<b>640 496</b>	632 361	632 667
Weighted average number of ordinary shares on which diluted basic earnings and diluted headline earnings per share are based (000)	<b>642 164</b>	634 218	634 335

## 10. Key ratios and exchange rates

R million	Unaudited 6 months ended 31 Mar 2017	Unaudited 6 months ended 31 Mar 2016	Audited Year ended 30 Sep 2016
<b>10.1 Key ratios</b>			
EBITDA*	<b>1 577.5</b>	1 333.8	3 434.9
Net gearing (%)	<b>51</b>	74	49
Current ratio	<b>1.6</b>	1.2	1.5
Acid test ratio	<b>1.0</b>	0.7	0.9
Net debt: EBITDA (debt covenants)	<b>1.7 times</b>	2.7 times	1.7 times
EBITDA: Interest cover (debt covenants)	<b>7.8 times</b>	5.9 times	5.4 times
Return on equity (%)	<b>15.9</b>	15.9	17.9
Return on net assets (%)	<b>12.0</b>	11.2	11.2
Net worth per ordinary share (cents)**	<b>1 536</b>	1 515	1 438
Tangible net worth per ordinary share (cents)**	<b>914</b>	842	806

\* EBITDA is calculated before net impairments.

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

### 10.2 Exchange rates

Key currency conversion rates used for the periods concerned were as follows:

Rand/UK pound			
Average	<b>16.83</b>	22.13	21.07
Closing	<b>16.83</b>	21.15	17.80
Rand/Euro			
Average	<b>14.54</b>	16.53	16.43
Closing	<b>14.29</b>	16.72	15.42
Rand/US dollar			
Average	<b>13.57</b>	15.04	14.79
Closing	<b>13.41</b>	14.69	13.72
Naira/US dollar			
Average	<b>311.69</b>	198.91	229.60
Closing	<b>314.29</b>	199.05	315.00
Kwanza/US dollar			
Average	<b>171.73</b>	151.73	161.57
Closing	<b>171.73</b>	166.32	171.72

## 11. Translation reserve movement

Due to the strengthening of the rand, a translation loss of R138.8 million (2016: R297.7 million gain) was realised for the period.

The closing exchange rates at 31 March 2017 for the rand against the UK pound and US dollar respectively were 16.83 (September 2016: 17.80) and 13.41 (September 2016: 13.72).

## 12. 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, RJ Khoza, J John, NV Lila, PM Madi, IN Mkhari, 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

Nampak House, 20 Georgian Crescent East, Bryanston, Sandton, 2191, South Africa  
(PO Box 69983, Sandton, 2021, South Africa)  
Telephone +27 11 719 6300

## Share registrar

Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg 2001, South Africa  
(PO Box 61051, Marshalltown, 2107, South Africa)  
Telephone +27 11 370 5000

## Sponsor

UBS South Africa (Pty) Limited

## Website

[www.nampak.com](http://www.nampak.com)

## 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.*

