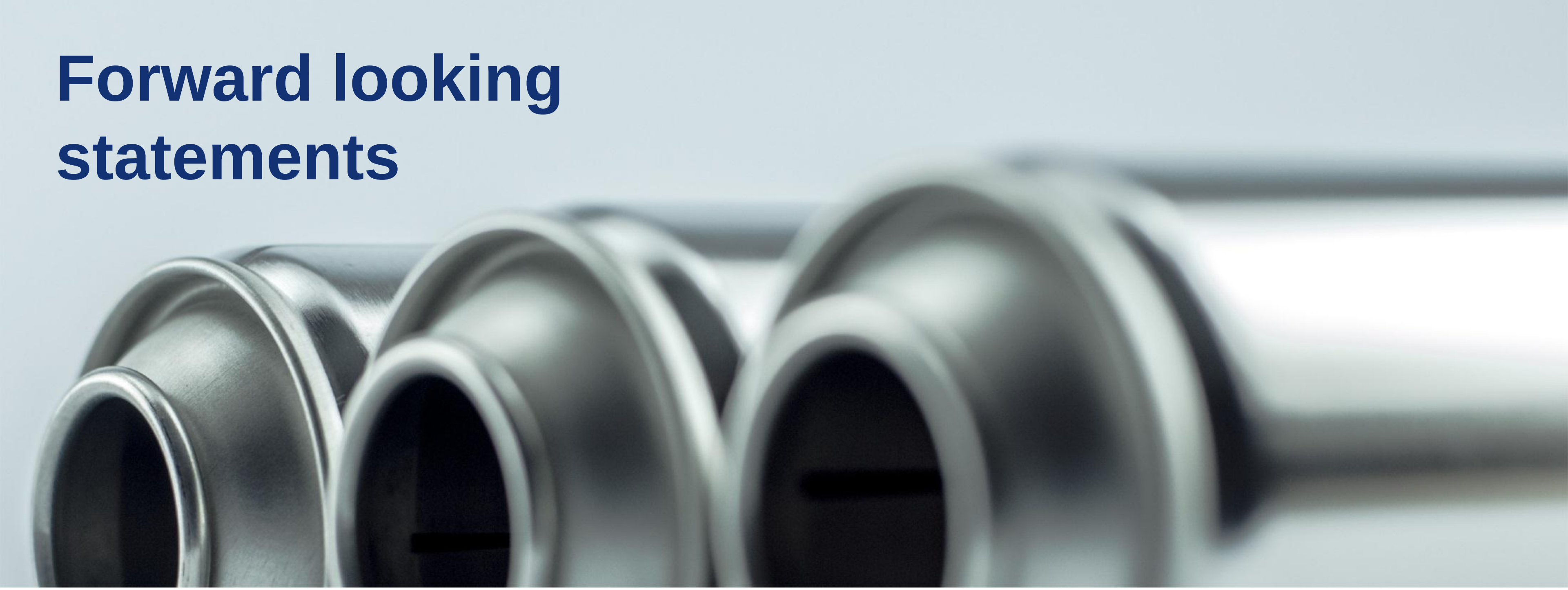
Interim Results 2017

For the half-year ended
31 March 2017

Nampak
packaging excellence

Forward looking statements



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Nampak
packaging excellence

H1 2017
results overview

Group revenue marginally down 1%, despite 10% stronger average ZAR/USD

Group trading profit up 12%

Operating profit up 30%

Rest of Africa trading profit up 32% to R610 million, now 55% of Group

Net profit for the period up 41% to R853 million

EPS up 15%

HEPS up 8%

Net gearing down to 51% from 74% at 31 March 2016, significant headroom in funding covenants

Nigeria and Angola cash extraction rate improved to 80% from 77% at 30 September 2016, 61% hedged

USD54 million secured from Nigeria to be received before end FY2017

H1 2017 achievement

Highlights

Delivered on profitable growth – trading profit advanced 12% despite marginal revenue decline

› Rest of Africa now comprises 55% of group trading profit

› Net profit for the period up 41% to R853 million

Continued to refine and improve operational efficiencies – group trading margin improved to 11.9% from 10.5%

Delivered Bevcan ends plant on budget and on time – contributed to improved Bevcan results

Maintained balance sheet strength – net gearing at 51% down from 74% in H1 2016

› Net debt to EBITDA improved to 1.7 times and interest cover 7.8 times, comfortably within covenants

› Reduced capital expenditure spend by 49% to R470 million

Successfully managed Nigeria and Angola risk and exposure

› Cash extraction rate improved to 80% and 61% of cash balances hedged

› USD54 million secured from Nigeria to be received before end FY2017

Further investments to drive future growth – Angola line conversion estimated to cost USD23 million

Secured major contract extension in Nigeria for three years

Record volumes in Angola, Nigeria recovery expected

- Angola: volumes significantly up as demand recovers
- Nigeria: volumes down in H1, worst recession in 25 years but early signs of recovery
- No impairments to Nigerian investment
- Contract extension in Nigeria with key customer
- Overall long-term investment rationale unchanged
  - Good market positions and strong customer relationships
  - Nampak to benefit from long-term demand growth

"We're pretty much selling everything we can produce. It follows that, yes, we need more capacity in Nigeria…"

"We have some breweries already in place. Some of this capacity will come as an additional line, some could be greenfields. But [it is] too early to comment on that."

Brito warned that importing beer into Nigeria is not possible, due to 'prohibitively' high taxes.

"We have to produce locally. Capacity should also be used not only to continue to support the growth of the local brands, but also to enable our global brands to be present in that market as well."

Carlos Brito – Anheuser-Busch InBev CEO
May 2017

Group financial results

Half-year to 31 March

R million	H1 2017	H1 2016	% Δ
Revenue	**9 331**	9 422	(1)
Trading profit	**1 108**	989	12
Net abnormal gains/(losses)	**24**	(119)	>100
Operating profit	**1 132**	870	30
Net finance costs	**(198)**	(239)	(17)
Share of (loss)/profit from associates and joint ventures	**(2)**	3	
Profit before tax	**932**	634	47
Tax expense	**(79)**	(28)	
Profit for the period	**853**	606	41
Effective tax rate (%)	**8.5**	4.4	
Basic EPS (cents)	**120.8**	105.0	15
HEPS (cents)	**113.1**	105.2	8

Group revenue marginally down 1% – **11% growth by Metals, 10% stronger average ZAR/USD adversely impacted foreign results**

Group trading profit up 12% – **improved Bevcan SA performance, record Angolan profit partially offset Plastics Europe loss**

Trading profit from Rest of Africa up 32%, now 55% of Group, SA improved by 7%

Group operating profit up 30% – **positive swing of R143 million on abnormal items, prior year included Angolan forex loss of R114 million**

Net finance costs down 17% – **proceeds from sale and leaseback reduced net borrowings**

EPS up 15% – **impacted by non-controlling interest in Angola, 1% increase in shares in issue**

HEPS up 8% – **impacted by adjustment for capital profits**

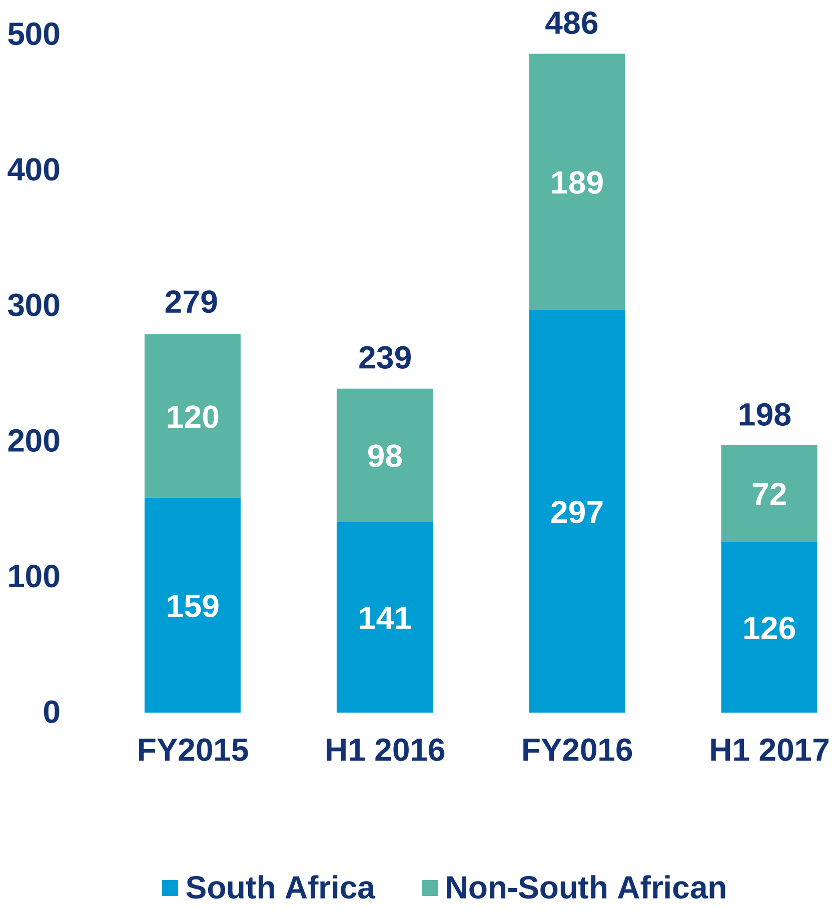
EPS and HEPS impacted by increased contribution from Angola

R million	H1 2017	H1 2016	% Δ
Profit of the period	**853**	606	41
Non-controlling interests	**(80)**	58	
Basic earnings	**773**	664	16
Adjustments for:			
Net impairments	**10**	16	
Net profit on disposals/gains on acquisition	**(59)**	(15)	
Headline earnings	**724**	665	9
Basic EPS (cents)	**120.8**	105.0	15
HEPS (cents)	**113.1**	105.2	8
Weighted average number of shares (millions)	**640.5**	632.4	1

- Profit attributable to Nampak shareholders (basic earnings) increased by 16%
  - Adverse swing of R138 million on non-controlling interests line
  - Primarily due to record Angolan profit compared to net loss in prior period
  - Weighted average number of shares up 1%
- Headline earnings impacted by:
  - Net downward adjustment of R49 million to basic earnings compared to neutral position in prior period
    - Net gain of R27 million on an acquired business
    - Net profit of R30 million on disposal of assets

Net finance costs down benefiting from stronger average ZAR/USD exchange rate and sale and leaseback

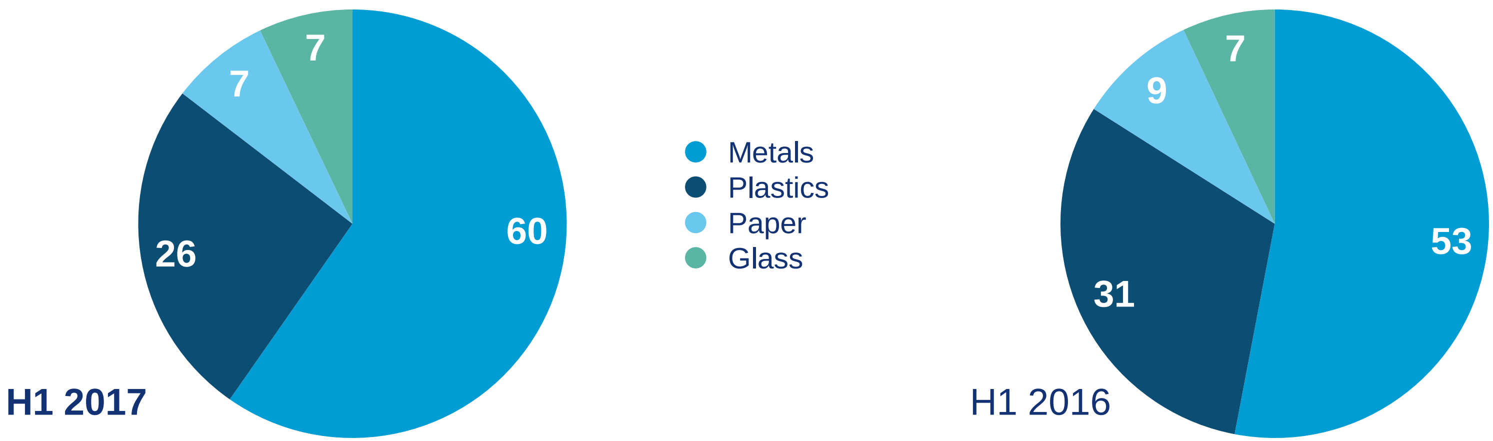
NET FINANCE COSTS (R MILLION)



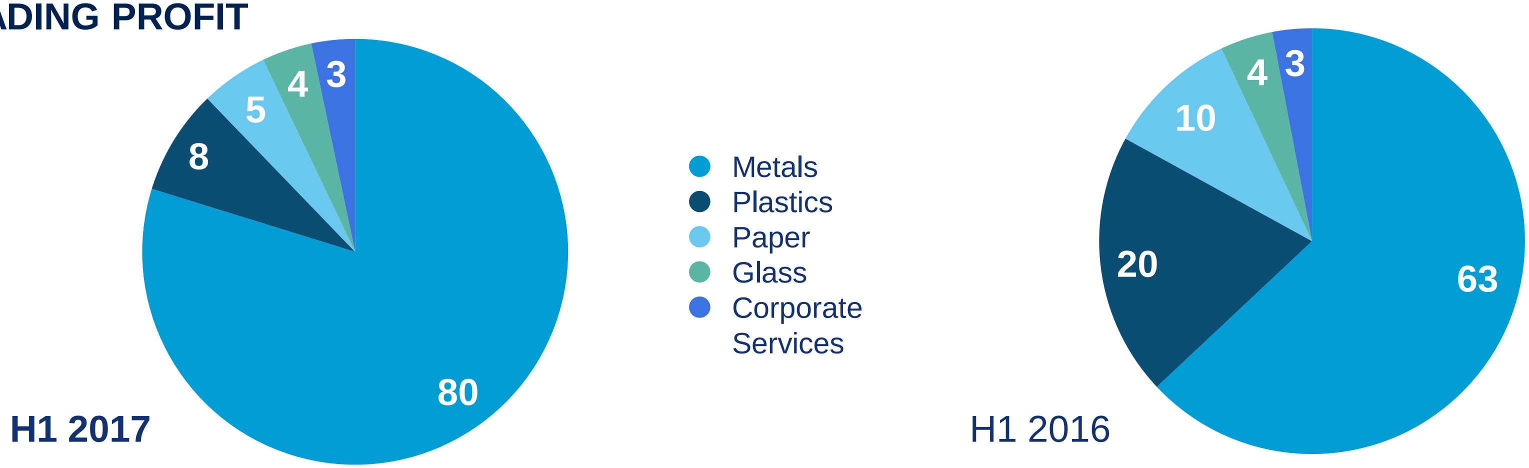
- On average 10% stronger average ZAR/USD exchange rate benefits interest on USD debt
- Significantly reduced capitalised interest as projects near completion
  - FY2015: R100 million capitalised interest
  - H1 2016: R20 million capitalised interest
  - FY2016: R38 million capitalised interest
  - H1 2017: No capitalised interest
  - Effective reduction in net interest cost higher if prior periods capitalised interest is taken into account
- Reduced net finance costs by R61 million after taking into account H1 2016 capitalised interest:
  - R1.3 billion of sale and leaseback proceeds of R1.7 billion applied to reduce interest bearing debt
  - R562 million used to settle portion of PRMA liability, R436 million from sale and leaseback and R126 million from H1 cash flow
  - Capital expenditure of R470 million reduced by 49%
  - Increased investment in working capital partially offset savings

Revenue and trading profit contribution by substrate

REVENUE
(%)



TRADING PROFIT
(%)



Revenue and trading profit contribution by region

REVENUE
(%)

TRADING PROFIT
(%)

H1 review

Ongoing focus areas being addressed

FOCUS AREAS	H1 RATING
Management of capital expenditure › Capex spend reduced by 49%	✓✓✓
Improved cash generation through working capital management › Cash generation from operations before working capital improved by 5% › Days of sales in inventory reduced by five days from 109 days to 104 days in spite of R223 million used to fund growth in Angola	✓✓
Project execution improved › R366 million for beverage can ends plant expansion completed on schedule and within budget	✓✓✓
Operational efficiencies › Cost savings contributed towards improving margins	✓✓✓
Cash extraction, hedging and liquidity in Angola and Nigeria › Cash extracted improved to 80% › 61% of R2.4 billion cash on hand hedged (H1 2016: 25%) › USD54 million secured for delivery before end FY2017	✓✓
Balance sheet strength maintained › Group gearing ratio improved to 51% › Interest-bearing debt reduced and well within covenants › PRMA liability addressed	✓✓✓

✓✓✓ Achieved ✓✓ Partially achieved ✓ To be addressed

Strong base business, efficient and aligned organisation with a strong track record

Strong financial performance in challenging environment

- Revenue down 1% to **R9 331m**
- EBITDA **+18%** to **R1 577m**
- Group trading profit **+12%**
- Balance sheet deleveraged, gearing improved at **51%**
- **Strong cash generation** Low capex spend
- EPS **+15%** to 120.8c
- HEPS **+8%** to 113.1c

Leading market positions in most segments in key growth markets

- **No. 1 supplier** of beverage cans in Africa
- Present in **key** growth markets in Africa
- **Strong relationships** with multinational corporates
- Invaluable **technical partnerships**
- **No. 1 packaging** supplier in Africa

Well capitalised base business, customer base strong

- Beverage can assets **less than 5 years old**
- Well-established cost-competitive manufacturing footprint focused on **sustainable profitability** and **cash generation**
- **Long-term sales** agreements with major customers
- Comprehensive plan to **improve performance**, creating a solid platform for growth when the market turns

Leadership and business structure well aligned to deliver on strategy

- **Unlock value** from base business
- Accelerate **RoA growth**

Thank you

Prudent approach to dividend

- Cash conservation given tight liquidity in Nigeria and Angola still considered a priority
- Management working on potential options to improve cash extraction rates
  - Cash effects of recent successes will result in cash inflow before year-end
- Good progress made on balance sheet restructure
  - Expect to remain comfortably within covenants
  - Significantly improved gearing ratios but further work to do given current strong ZAR/USD rate
  - Working capital to be optimised during H2
- Despite moderate gearing, majority of positive cash is held in Nigeria and Angola
- Liquidity expected to improve in Nigerian market post March 2017 due to NAFEX
- Angolan liquidity remains tight albeit good hedging
- Decision taken to not declare an interim dividend
- Further assessment will be performed based on H2 trading and cash extraction