

2010 Interim Results

- **Salient features**
- **Group financial results**
- **Operational review**
- **The way forward**

Salient Features

- **Operating profit up 13%**
- **Operating margin improved from 7.0% to 8.5%**
- **Sale/closure of under-performers**
- **Turnaround of Corrugated and Leeds**
- **RONA increased from 12.6% to 16.5%**
- **HEPS up 16%**
- **Net debt and gearing down**
- **Interim dividend per share up 39%**

GROUP FINANCIAL RESULTS

Group Income Statement

Rm	2009	2010	%
Revenue	10 091	9 434	7
Operating profit	707	800	13
Net finance costs & income from investments	152	124	
Share of profit from associates	3	-	
Profit before tax	558	676	21
Taxation	170	200	
Profit for the period	388	476	23
HEPS	66.9c	77.8c	16

Abnormal Items

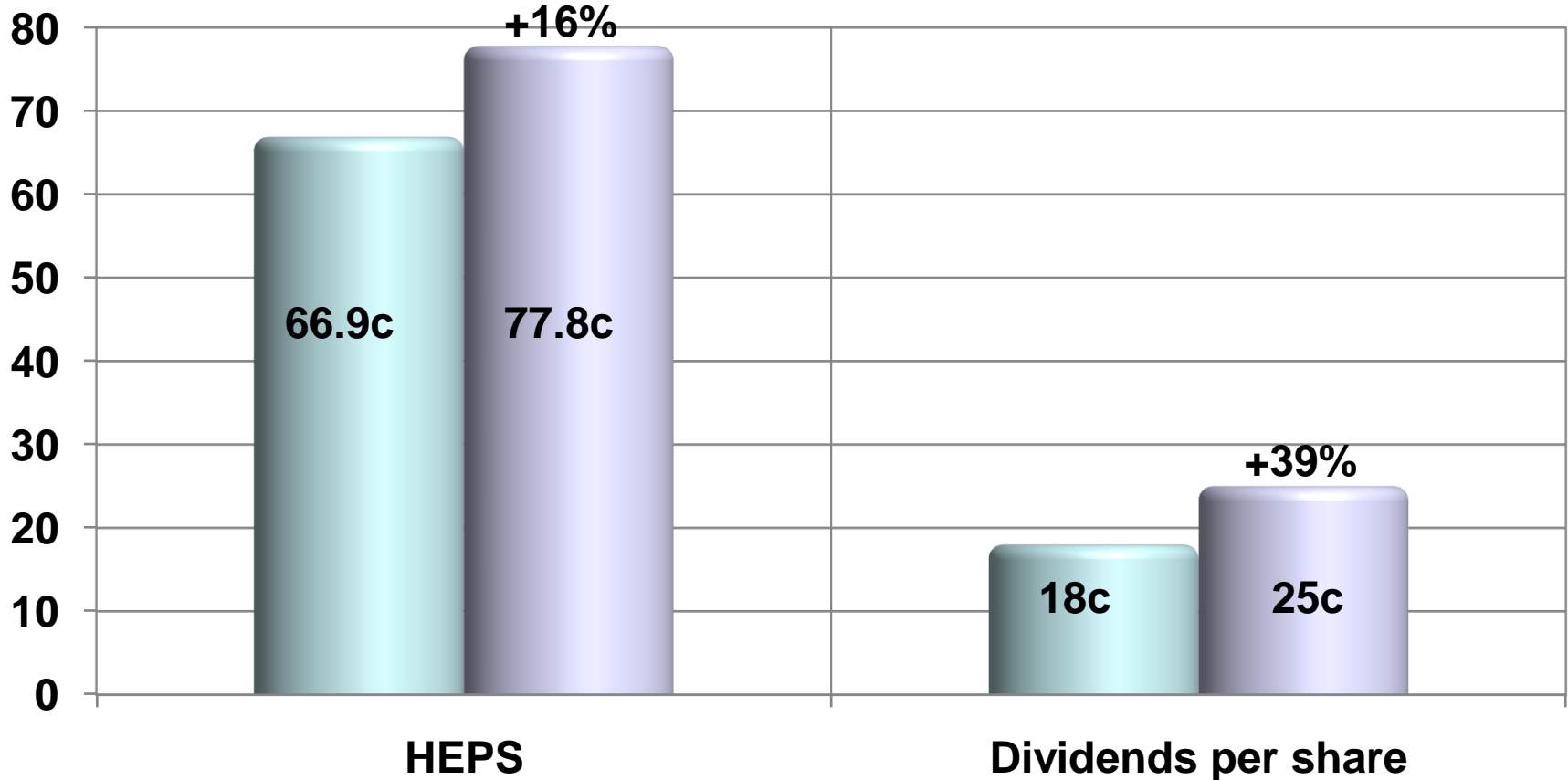
	Rm
Impairment of goodwill, plant, property & investments	1
Retrenchment and restructuring	10
Fair value of financial instruments	10
Share based payment expense on BEE transaction	15
Net profit on disposal of property	27
	9

Tax Rate

Rm	2010
Profit before tax	676
Tax	200
Effective tax rate	29.6%
STC & withholding tax	2.6%
Share based payments	0.6%
Other	0.6%
Government incentives	1.2%
Prior year adjustments	1.0%
Standard tax rate	28.0%

HEPS/Dividends per Share

cents



2009 2010

Abridged Balance Sheet

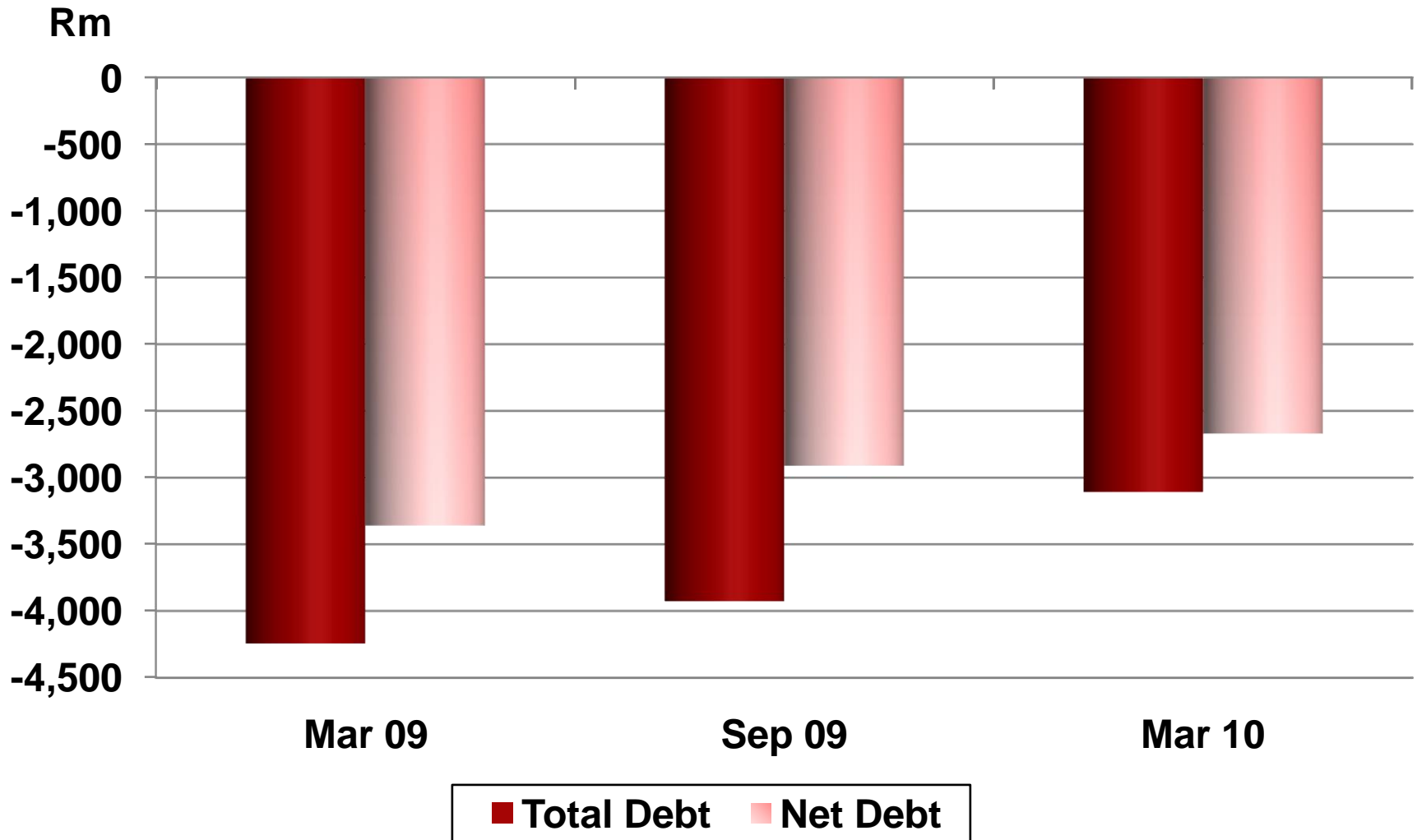
Rm	2009	2010
Non-current assets	8 052	7 020
Current assets	7 104	5 837
TOTAL ASSETS	15 156	12 857
Total equity	5 753	5 322
Loans and borrowings	1 978	1 955
Retirement benefit obligations	1 270	1 230
Current liabilities	5 740	4 137
Other	415	213
TOTAL EQUITY AND LIABILITIES	15 156	12 857

Group Condensed Cash Flow

	Rm
Operating profit before working capital changes	1 178
Working capital changes	355
Cash generated from operations	823
Net interest paid	138
Tax paid	17
Dividends/cash distribution paid	141
Capex	346
Net borrowings repaid	708
Other	58
Net cash outflow	469

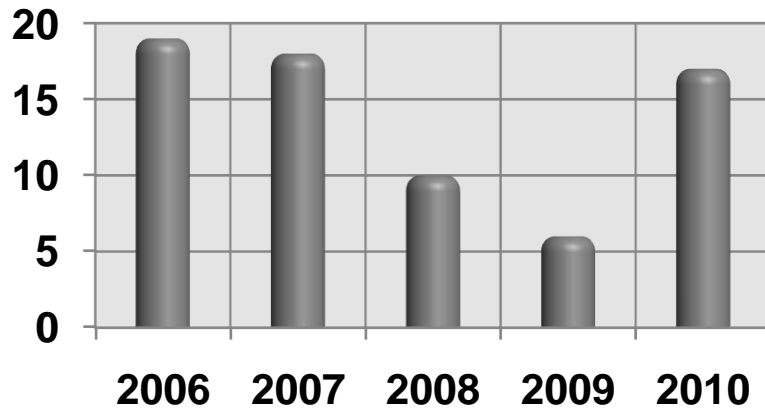
Working Capital Movement

	Rm
Inventory	213
Receivables	241
Payables	327
Total movement	355

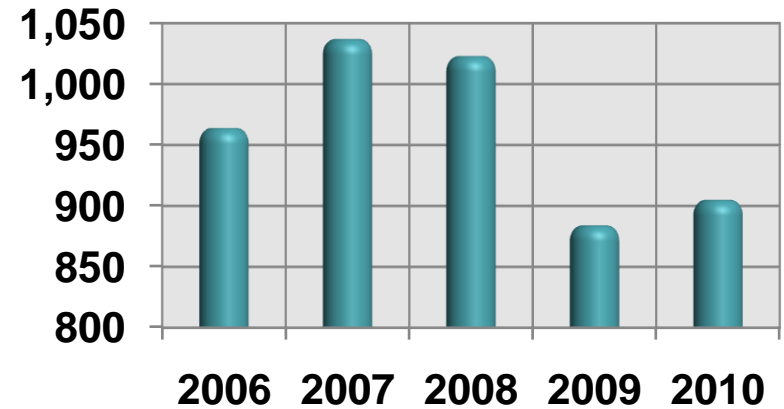


Key Ratios

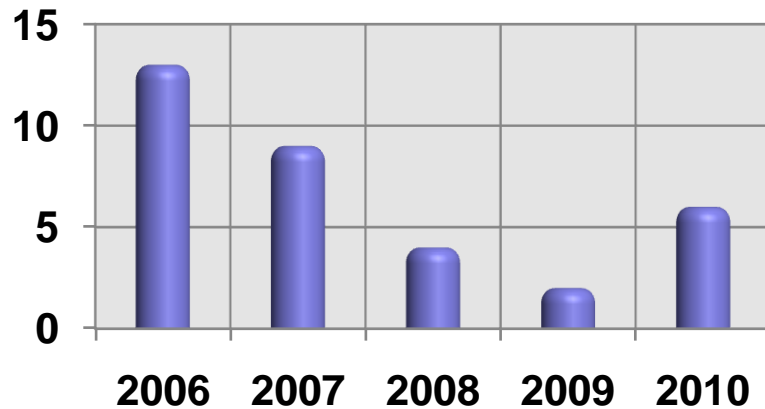
RONA %



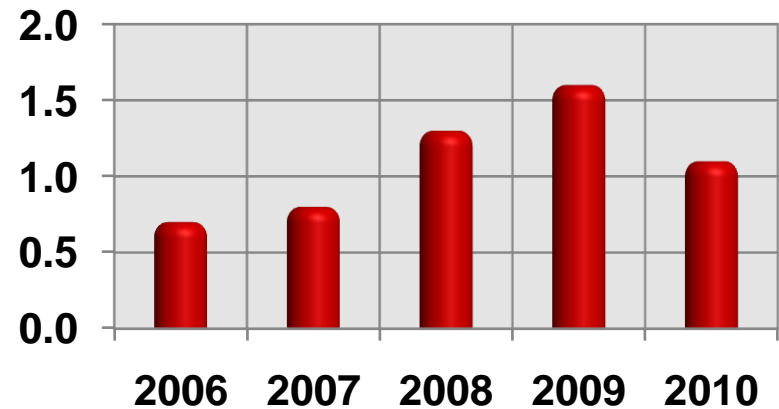
NAV per Share cents



Interest Cover X



Net debt:EBITDA X



OPERATIONAL REVIEW

Geographical Segmentation

Rm	Revenue		Trading profit*		Margin %	
	2009	2010	2009	2010	2009	2010
South Africa	6 641	6 748	536	573	8.1	8.5
Rest of Africa	821	595	58	50	7.1	8.4
Europe	2 629	2 091	101	106	3.8	5.1
Other			86	80		
	10 091	9 434	781	809	7.7	8.6

* Operating profit before abnormal items

Rest of Africa and Europe in Local Currency

		Revenue		Trading profit*	
		2009	2010	2009	2010
Rest of Africa	\$m	82.6	79.3	6.2	6.7
Europe	£m	175.8	174.7	6.7	8.9

* Operating profit before abnormal items

Metals & Glass

Rm	Revenue		Trading profit		Margin %	
	2009	2010	2009	2010	2009	2010
South Africa	2 533	2 745	395	344	15.6	12.5
Rest of Africa	367	272	4	18	1.1	6.6
	2 900	3 017	399	362	13.8	12.0

- Tinplate price decreased on 1 October 2009
- Beverage can volumes down 8%
- Food can volumes down 11%
- Paint & polish cans lower
- Further improvement at Nampak Wiegand Glass
- Strong turnaround in Nigeria
- Angolan project approved by Council of Ministers on 21 May 2010

Paper and Flexibles

Rm	Revenue		Trading profit		Margin %	
	2009	2010	2009	2010	2009	2010
South Africa	2 241	2 115	39	37	1.7	1.7
Rest of Africa	454	323	54	32	11.9	9.9
Europe	1 768	1 451	48	53	2.7	3.7
	4 463	3 889	63	122	1.4	3.1

- Turnaround in Corrugated
- Weak demand for folding cartons
- Improvement at Flexibles – exit from loss-making Flexpak and Foam
- Nigeria affected by destocking in 1st quarter and currency depreciation
- Turnaround at Leeds

Rm	Revenue		Trading profit		Margin %	
	2009	2010	2009	2010	2009	2010
South Africa	743	763	71	91	9.6	11.9

- **Improved margins**
 - Toilet paper
 - Diapers
 - Fempro
- **Good cost management**
- **2-ply expansion**

Rm	Revenue		Trading profit		Margin %	
	2009	2010	2009	2010	2009	2010
South Africa	1 124	1 125	110	101	9.8	9.0
Europe	861	640	52	53	6.0	8.3
	1 985	1 765	162	154	8.2	8.7

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

THE WAY FORWARD

The Way Forward

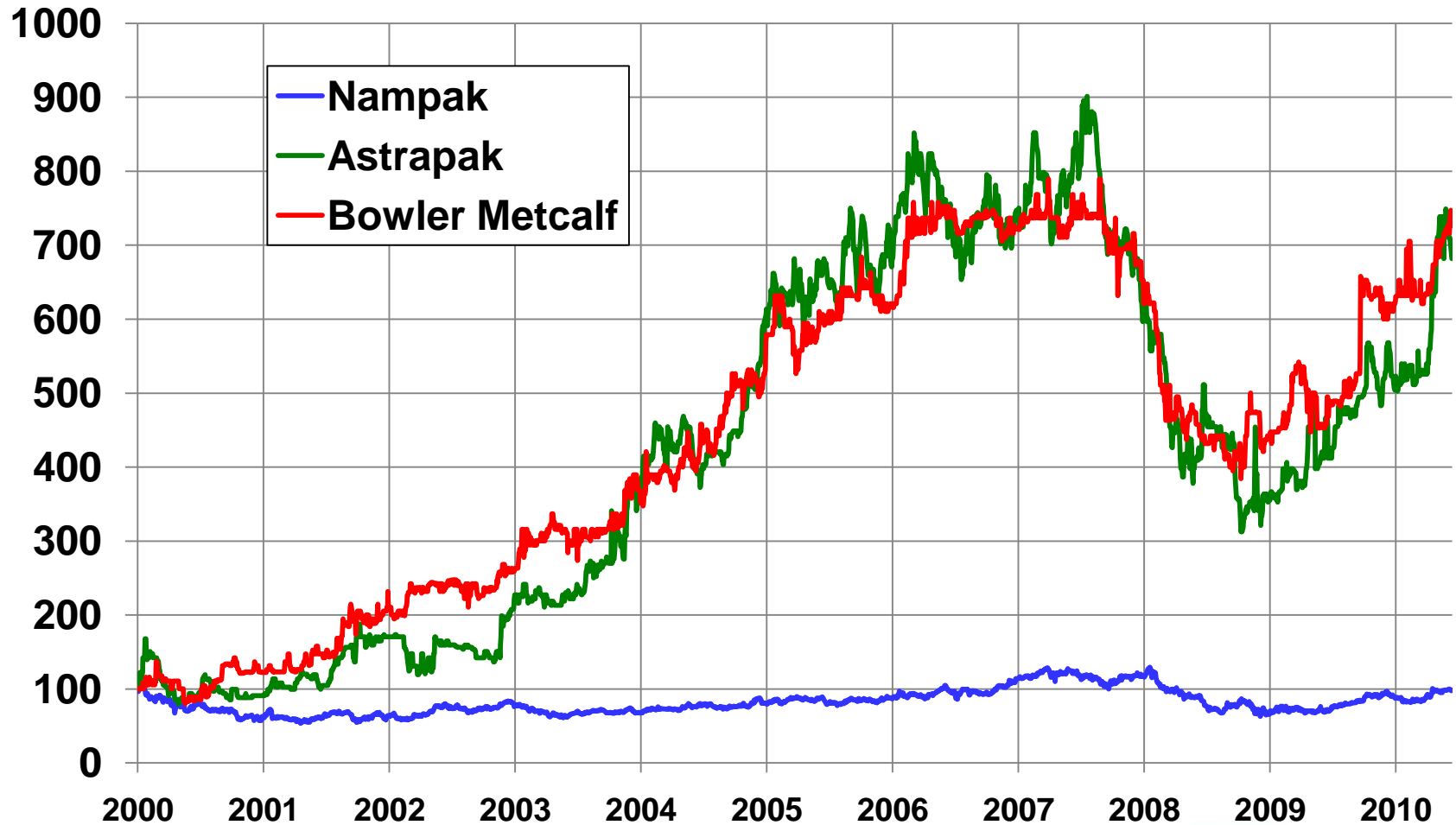
- **Nampak relative performance**
- **Turnaround**
- **Strategic Update**
- **Outlook**
- **Conclusion**

NAMPAK

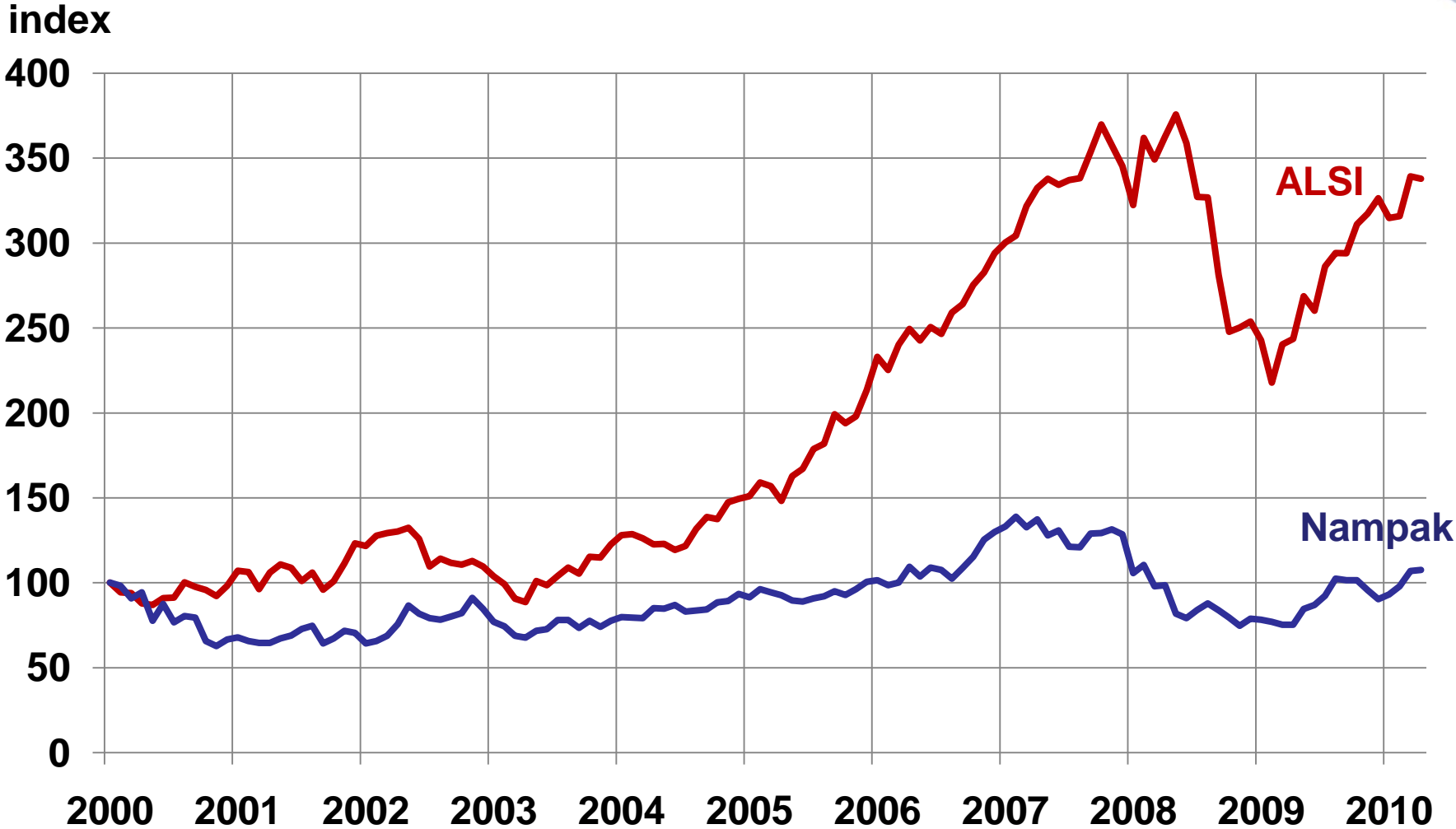
RELATIVE PERFORMANCE

Nampak vs Astrapak and Bowler Metcalf

Share price based to 100



Nampak vs Alsi





STRATEGIC UPDATE

Strategic Update

March 2009

Complete review by new management team of Nampak Group strategy

July 2009

Board approval of new Nampak stratplan

November 2009

Communication of new strategic direction to internal and external parties

May 2010

Update on implementation of this new strategy

Strategic Review

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

New “Cup” Can



1. Hold can with tab pointing towards palm of hand
2. Lift tab upwards and towards double seam - vented product will be directed away from person opening the end
3. Touch the lifted tab onto double seam – this ensures maximum score line is “popped” making panel removal easier
4. Lift tab upwards and away from double seam
5. Remove panel and serve

Beverage Can for South America



www.speed-unlimited.com

Bafana Bafana Castle Cans



Aluminium Beer Bottles



Angola



2-Piece Food Can Expansion



2010 FIFA World Cup Bottles



Glass Cullet Project



New Twinsaver Packaging



The **NEW PACKAGING** design is modern and trendy and still strongly identifies with the trusted Twinsaver heritage.

Tena Range



New Crates and Bottles for Heineken



New Collapsible Crate



Other Growth Products



New Business in Nigeria



Beer Labels in Zambia



Dale Farm Dairy In-Plant: Northern Ireland



Strategic Review

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

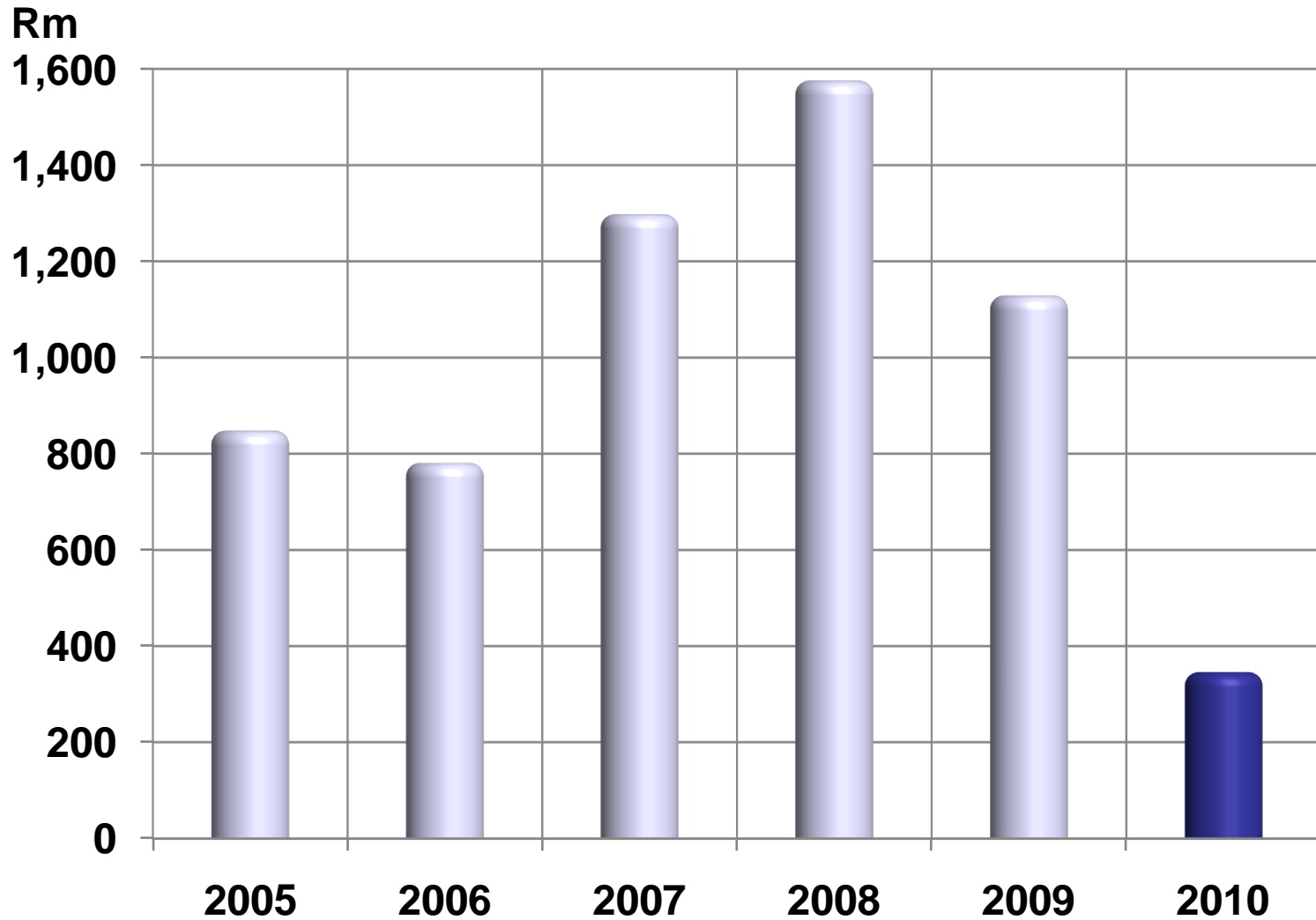
Underperformers: Action Taken

- Corrugated – loss of R248m in 2009, loss of R17m in 1st H 2010
- Leeds – loss of £2.2m in 2009, profit of £320k in 1st H 2010
- Flexpak – loss of R19m in 2009 – **SOLD**
- Foam – loss of R12m in 2009 – **CLOSED**
- Redibox – loss of R3m in 2009 – **SOLD**
- Carmoc Mozambique – loss of R3m in 2009 - **SOLD**
- L & CP – loss of R11m in 2009 – **SOLD** in 2nd H 2010
- Containers – loss of R19m in 2009 – **SOLD** in 2nd H 2010

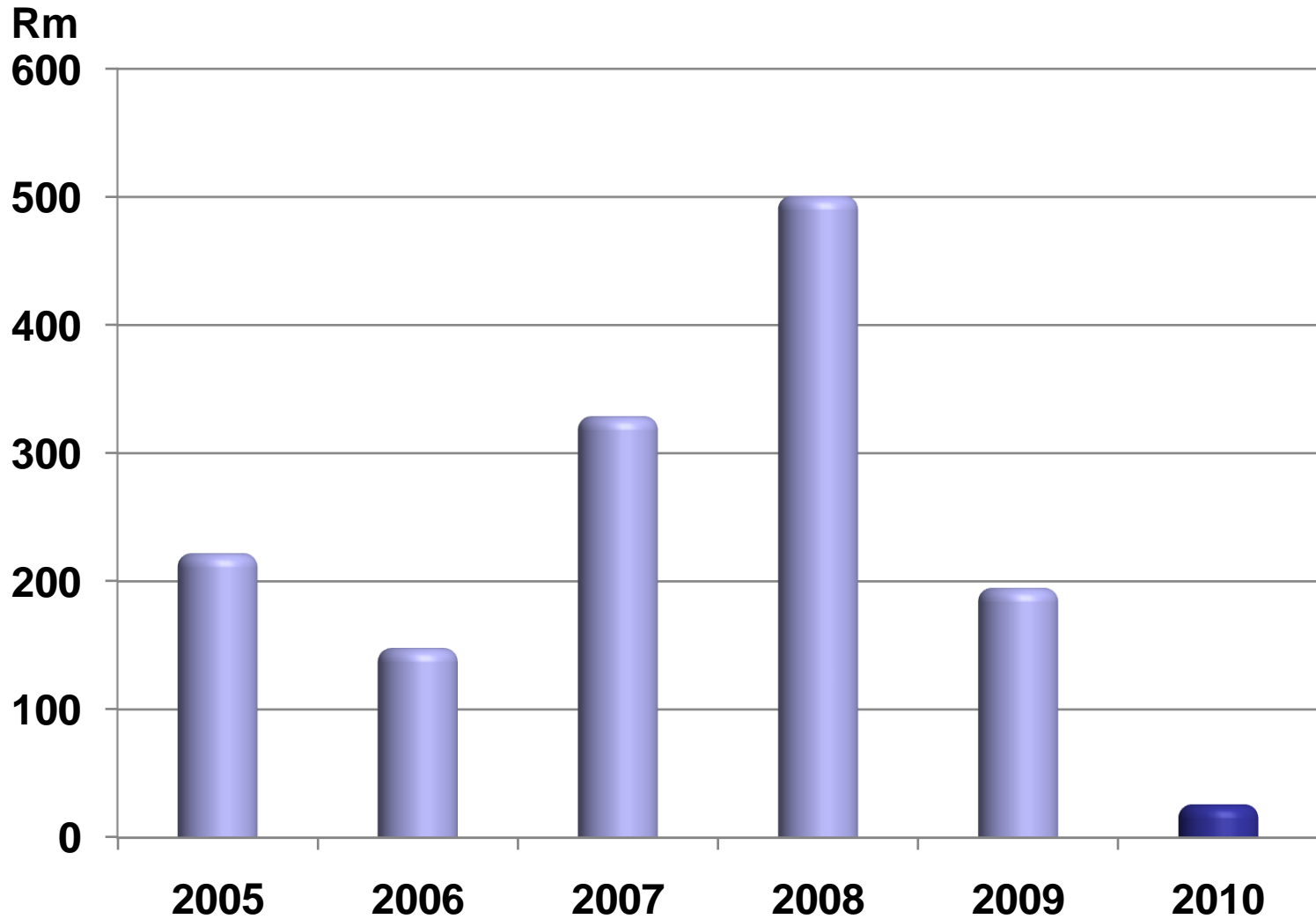
Strategic Review

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

Total Group Capex



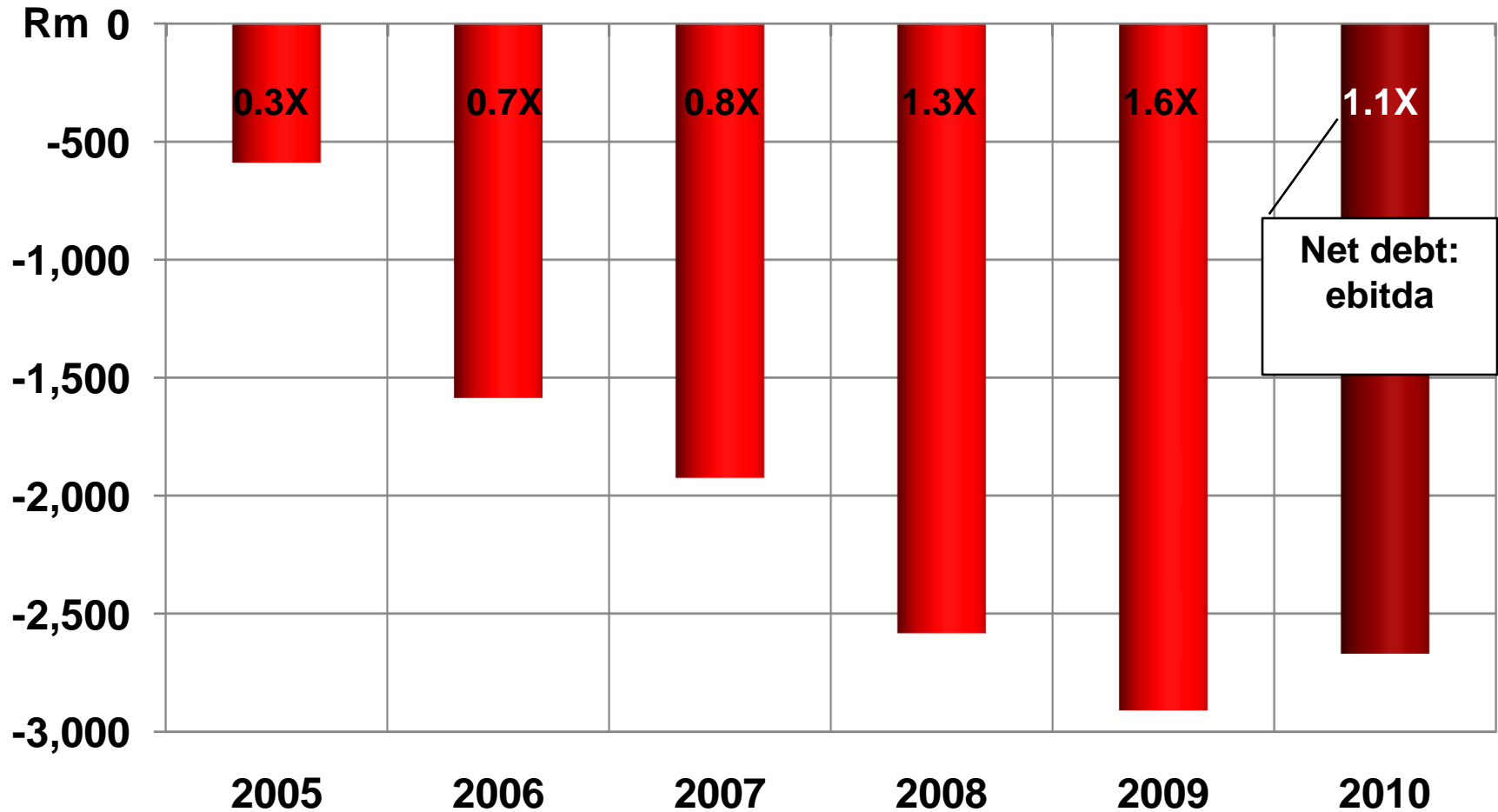
Capex on Underperformers



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- Very high capex
- Annual capex < depreciation
- **High debt levels**

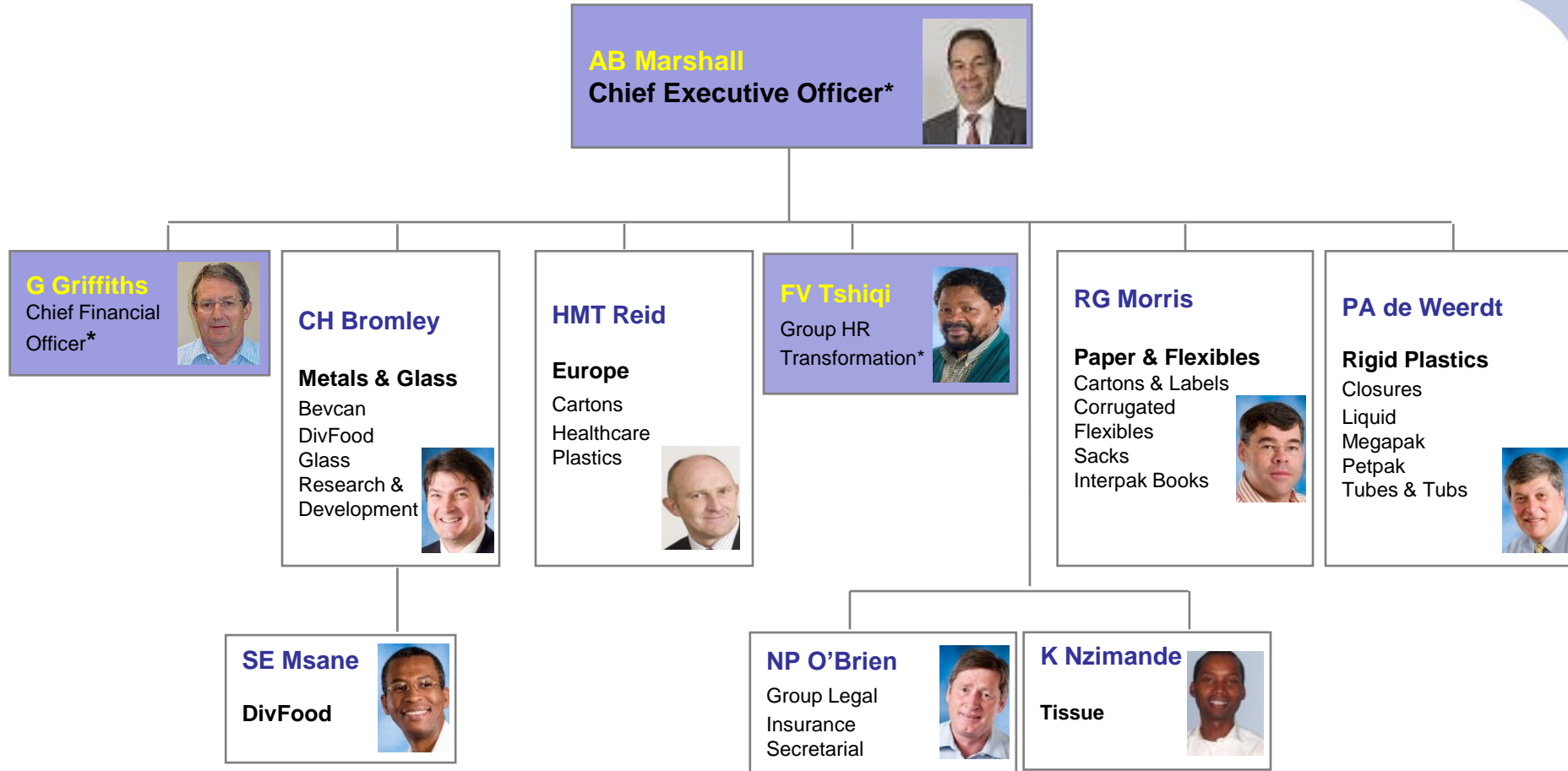
Net Debt



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- Need to fix/sell/close these operations
- Very high capex
- Annual capex < depreciation
- High debt levels
- **Lack of operational focus**

Executive Management Structure



* Executive Directors

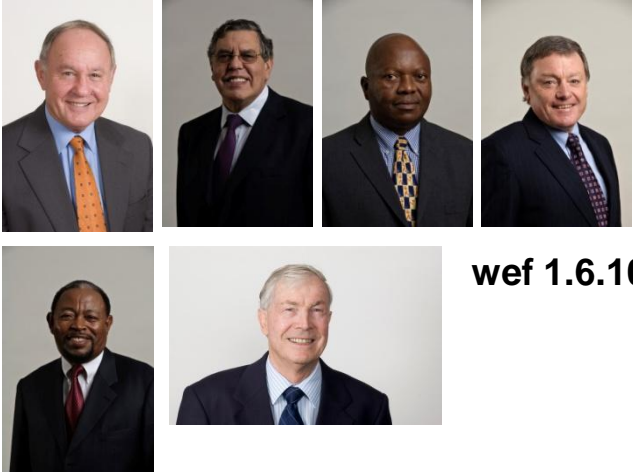
Mar 09 - 12
Sep 09 - 10 more operationally focused

Board Changes

Current Members Non-executive



Retired/resigned



wef 1.6.10

Executive



Strategic Review

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- Very high capex
- Annual capex < depreciation
- High debt levels
- Lack of operational focus
- **High group and head office costs**

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

1st Half Achievements

- **Operating profit up 13%**
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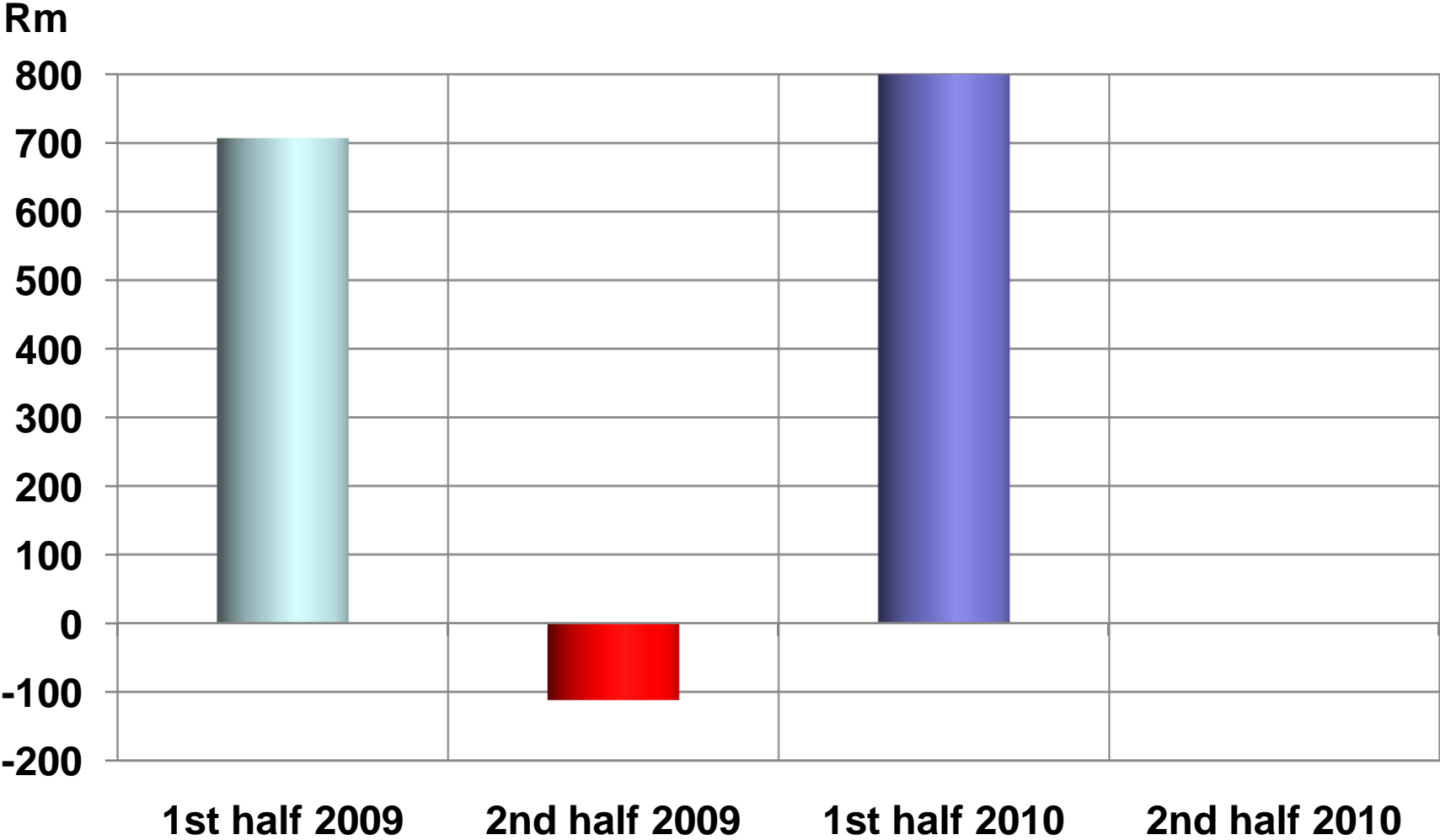
OUTLOOK

“Last year’s results were severely impacted by significant losses in the corrugated division, the major impairment of assets as well as losses in the Leeds, UK cartons business, most of which occurred in the second half of the 2009 financial year. These losses are not expected to recur in the second half of the 2010 financial year.

As a consequence, the board expects a considerable improvement in earnings for the year ending September 2010.

Further guidance will be given following the board meeting in July 2010”.

Operating Profit



- **Turnaround has started**
- **Focus on action/implementation**
- **Still lots to do but we believe we are now on the right path.**



THANK YOU