

2011 Interim Results

May 2011

- **Highlights**
- **Group results**
- **Operational review**
- **Strategy review and future growth**

- **HEPS from continuing operations up 28%**
- **Dividend increased by 36% to 34 cents per share**
- **Operating profit from continuing operations up 16%**
- **Trading margin improved from 9.5% to 10.7%**
- **Good improvement across all segments**
- **Corrugated returned to profit**
- **RONA increased from 17% to 22%**
- **Net debt reduced to R1.2bn and gearing to 23%**
(March 09 R3.4bn and 58%)

GROUP RESULTS

Group Income Statement

Continuing operations	Rm	2010	2011	%
Revenue		7 983	7 985	-
Operating profit		748	867	16
Net finance costs		122	47	61
Income from investments		5	8	
Profit before tax		631	828	31
Taxation		185	259	
Profit for the period from continuing operations		446	569	28
Discontinued operations		30	300	
Profit for the period		476	269	
HEPS continuing		72.8c	93.5c	28
HEPS continuing and discontinued		77.8c	97.2c	25



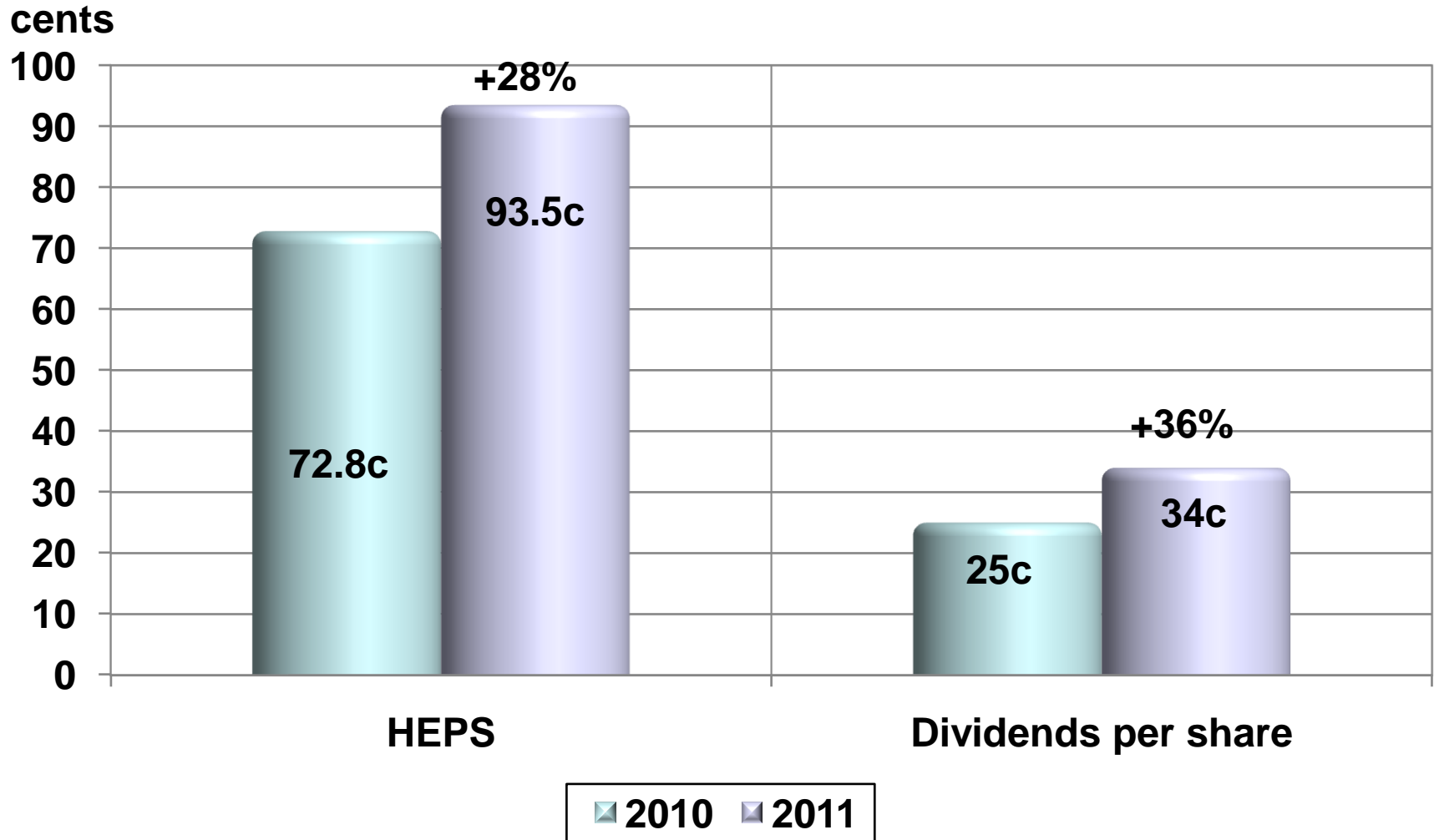
Abnormal Items

Rm	2010	2011
Impairment of goodwill, plant, property & investments	1	
Retrenchment and restructuring	9	16
Share based payment expense on BEE transaction	15	3
Net loss on disposal of businesses		2
Fair value of financial instruments	10	18
Net profit on disposal of property	26	17
TOTAL	9	14

Tax Rate

Rm	2011
Profit before tax	828
Tax	259
Effective tax rate	31.3
Government incentives	1.4
Secondary tax on companies	4.7
Standard tax rate	28.0

HEPS/Dividends per Share



Abridged Balance Sheet

Rm	2010	2011
Non-current assets	7 020	6 167
Bank balances, deposits and cash	437	1 067
Current assets	5 552	4 841
TOTAL ASSETS	13 009	12 075
Total equity	5 322	5 263
Loans and borrowings	3 107	2 254
Retirement benefit obligations	1 230	1 266
Current liabilities	3 056	3 062
Other	294	230
TOTAL EQUITY AND LIABILITIES	13 009	12 075

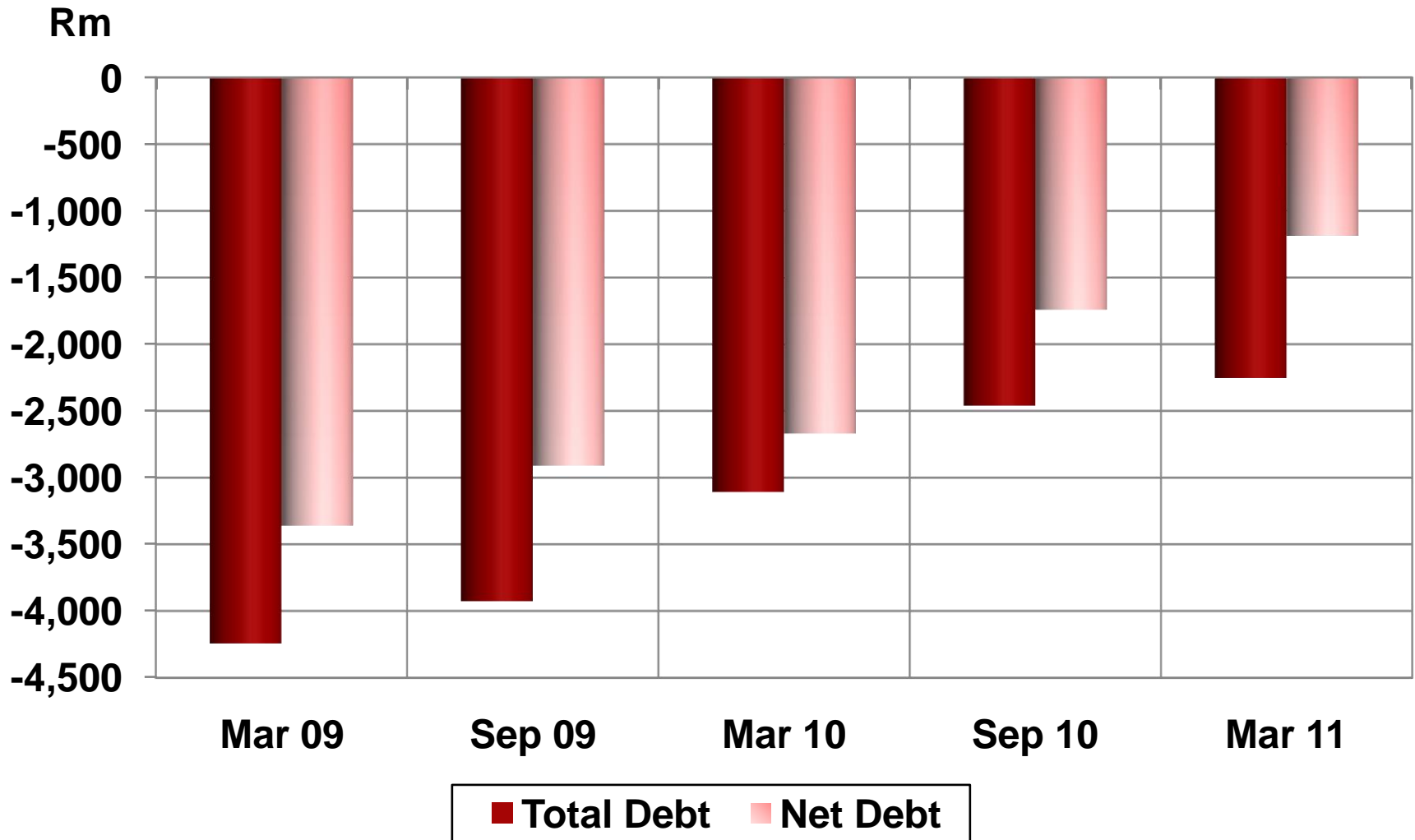
Group Condensed Cash Flow

	Rm
Cash generated from operations before working capital	1 235
Working capital changes	482
Cash generated from operations	753
Net interest paid	85
Tax paid	98
Dividends paid	342
Capex	348
Disposal of businesses	736
Other	15
Cash inflow before financing activities	601
Net borrowings repaid and other	620
Net cash outflow	19

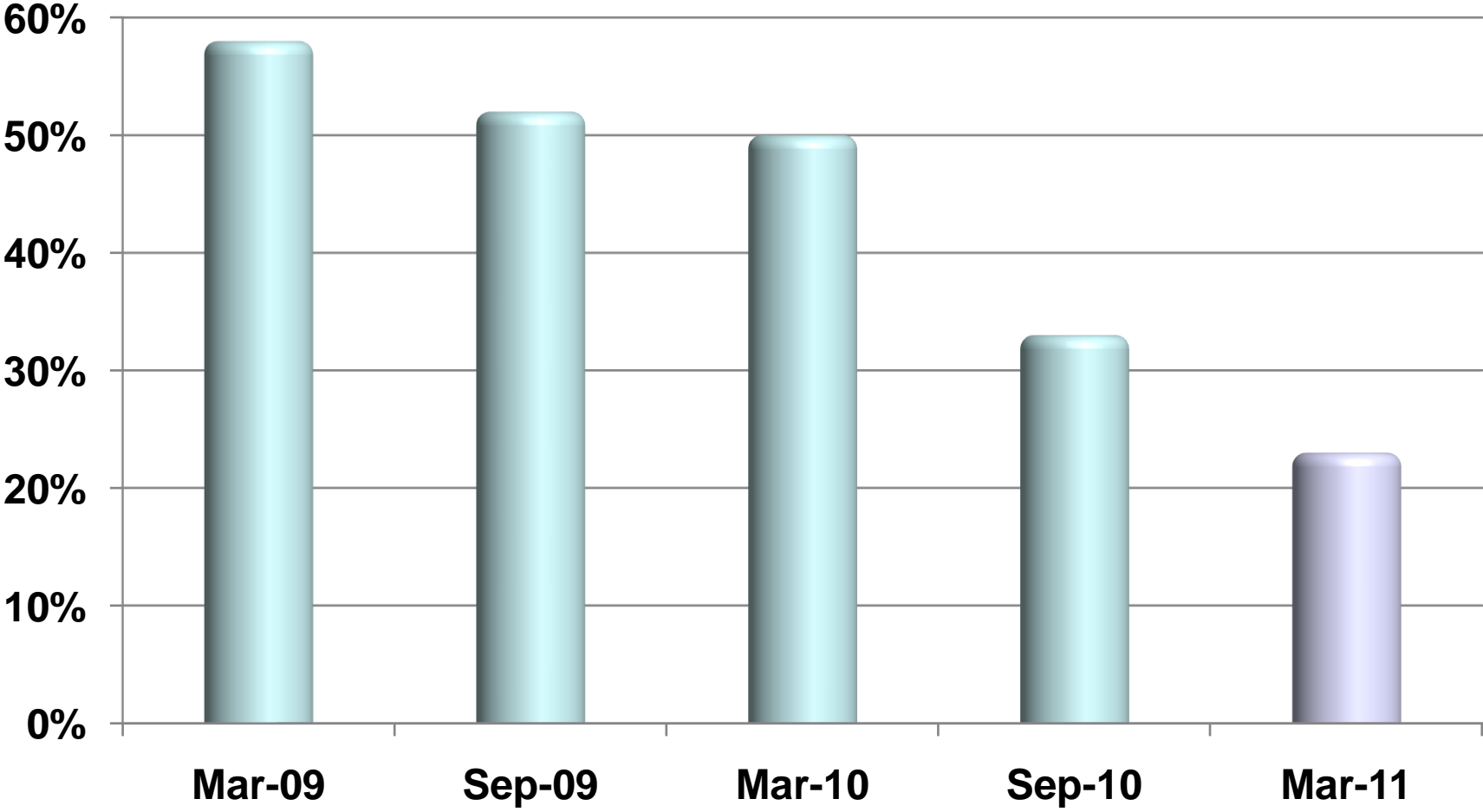
Working Capital Movement

	Rm
Inventories	356
Receivables	229
Payables	103
Total increase in working capital	482

Debt

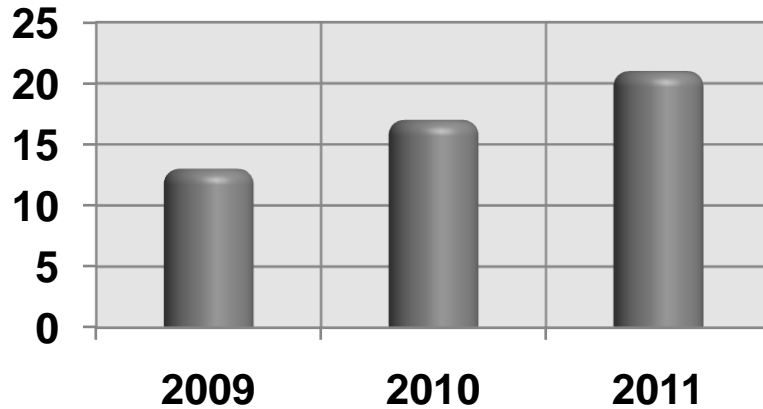


Net Debt : Equity

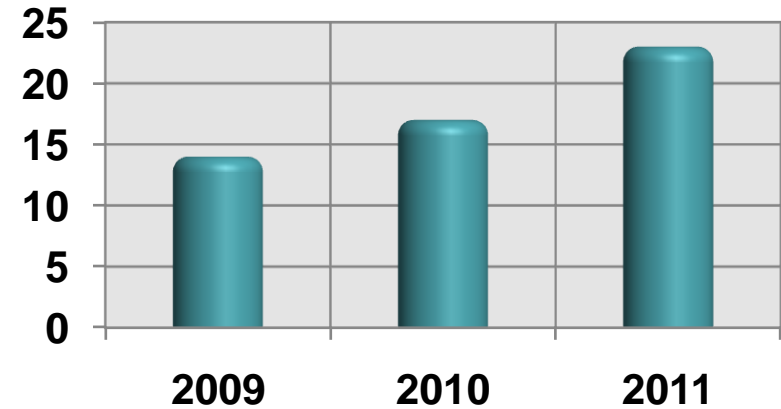


Key Ratios

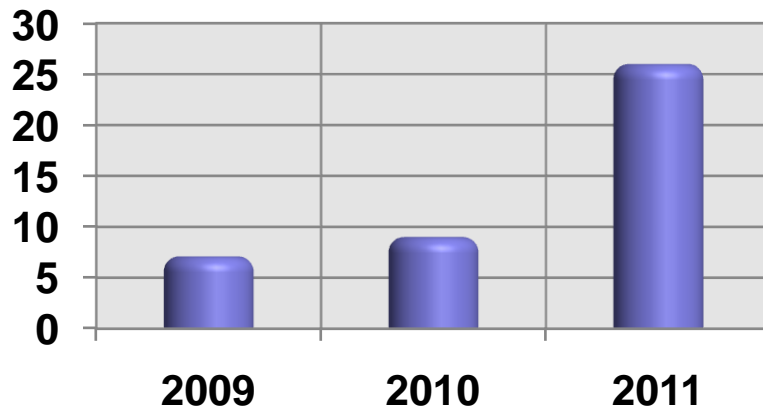
RONA %



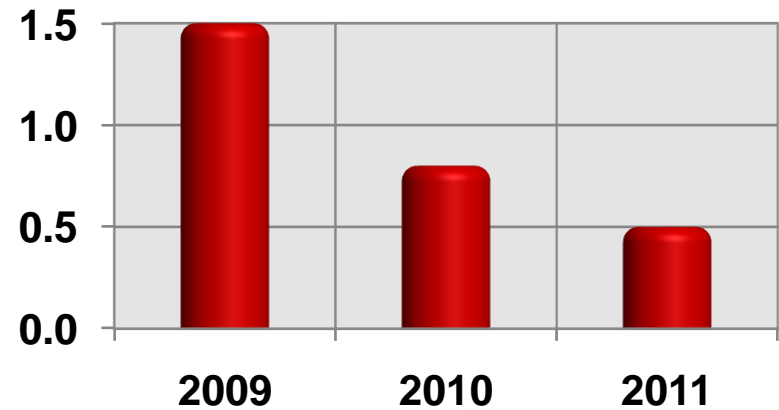
ROE %



Interest Cover X



Net debt:EBITDA X



OPERATIONAL REVIEW

Metals & Glass

Rm	Revenue		Trading profit		Margin %	
	2010	2011	2010	2011	2010	2011
South Africa	2 745	2 674	352	396	12.8	14.8
Rest of Africa	272	271	21	38	7.7	14.0
	3 017	2 945	373	434	12.4	14.7

- Good performance from diversified canning business
- Aerosol, paint, polish and other diversified cans up 8%
- Beverage can volumes down 1%
- Food can volumes down 7%
- Steady performance from Nampak Wiegand Glass
- Kenya and Nigeria performed well
- Start-up costs of R6m in Angola

Paper and Flexibles

Rm	Revenue		Trading profit		Margin %	
	2010	2011	2010	2011	2010	2011
South Africa	2 115	2 099	37	92	1.7	4.4
Rest of Africa	323	336	35	51	10.8	15.2
	2 438	2 435	72	143	3.0	5.9

- Corrugated now profitable
- Weak demand for folding cartons
- Further improvement at Flexibles
- Sacks affected by downturn in construction and poor SA sugar crop
- Excellent result from Nigeria due to increased pre-election sales

	Revenue		Trading profit		Margin %	
Rm	2010	2011	2010	2011	2010	2011
South Africa	1 125	1 116	101	143	9.0	12.8
Europe	640	718	53	39	8.3	5.4
	1765	1 834	154	182	8.7	9.9

Europe in £'s	53.4	64.9	4.4	3.6	8.3	5.4
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- **Good demand for juice bottles in South Africa**
- **Lower demand for crates and drums**
- **PET bottle sales similar to last year**
- **Break-even in Tubes & Tubs – R30m loss last year**
- **Europe affected by lag in polymer price recovery and integration of 442**

Rm	Revenue		Trading profit		Margin %	
	2010	2011	2010	2011	2010	2011
South Africa	764	772	91	62	11.9	8.0

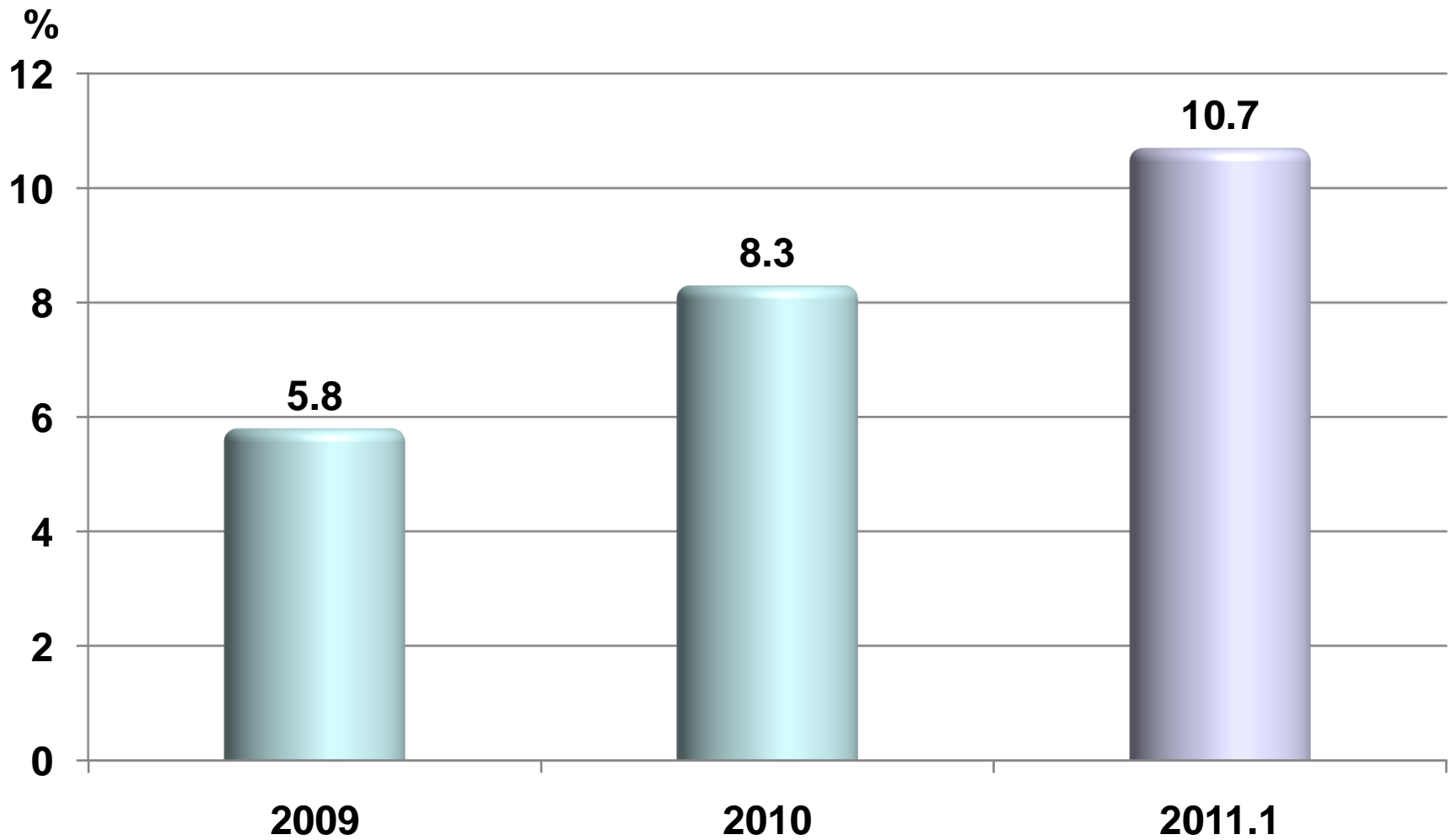
- 1-ply market down 10%
- Shortage of 2-ply wadding – mill upgrade
- Margin down due to product mix
- Diaper volumes up but market highly competitive
- Good performance from TENA and Away-from-Home

Geographical Segmentation

Rm	Revenue		Trading profit*		Margin %	
	2010	2011	2010	2011	2010	2011
South Africa	6 748	6 660	580	693	8.6	10.4
Rest of Africa	595	607	56	89	9.4	14.7
Europe	718	718	53	39	8.3	5.4
Other			68	32		
	7 983	7 985	757	853	9.5	10.7

* Operating profit before abnormal items

Trading Margin



STRATEGY REVIEW

Grow core businesses

- Major investments in Angola, Bevcan, DivFood, Glass, Tissue and UK Plastics

Major Investments in Core Businesses

- **Angola beverage can line – R1.2bn**
- **Refurbish and expand Glass furnace #2 - R480m**
- **Increase slimline beverage can capacity - R65m**
- **Invested in additional 2 pce foodcan capacity – R75m**
- **Invested in additional 2-ply tissue capacity – R80m**
- **Improve printing capability in DivFood - R40m**
- **Increase aerosol can capacity – R27m**

Grow core businesses

Fix/sell/close underperformers

- **Disaki**
- **Redibox**
- **L & CP**
- **Interpak Books**
- **Containers**
- **Tubs**
- **Carmoc**
- **Europe cartons and healthcare**
- **Foam**
- **Flexpak**

Strategy Review

Grow core businesses

Fix/sell/close underperformers

Reduce capex

- **Capex = Depreciation**

Grow core businesses

Fix/sell/close underperformers

Reduce capex

Reduce debt

- **Net debt reduced from R3.4bn to R1.2bn and net gearing from 58% to 23%**

Grow core businesses

Fix/sell/close underperformers

Reduce capex

Reduce debt

Reduce overheads

- **Internal audit outsourced**
- **Freight forwarding outsourced**
- **IT outsourcing under review**

Strategy Review

Grow core businesses

Fix/sell/close underperformers

Reduce capex

Reduce debt

Reduce overheads

Improve shareholder returns

Nampak Share Price



FUTURE GROWTH

- **Continue investing in core businesses**
- **Grow UK milk bottle market share**
- **Accelerate growth in rest of Africa**

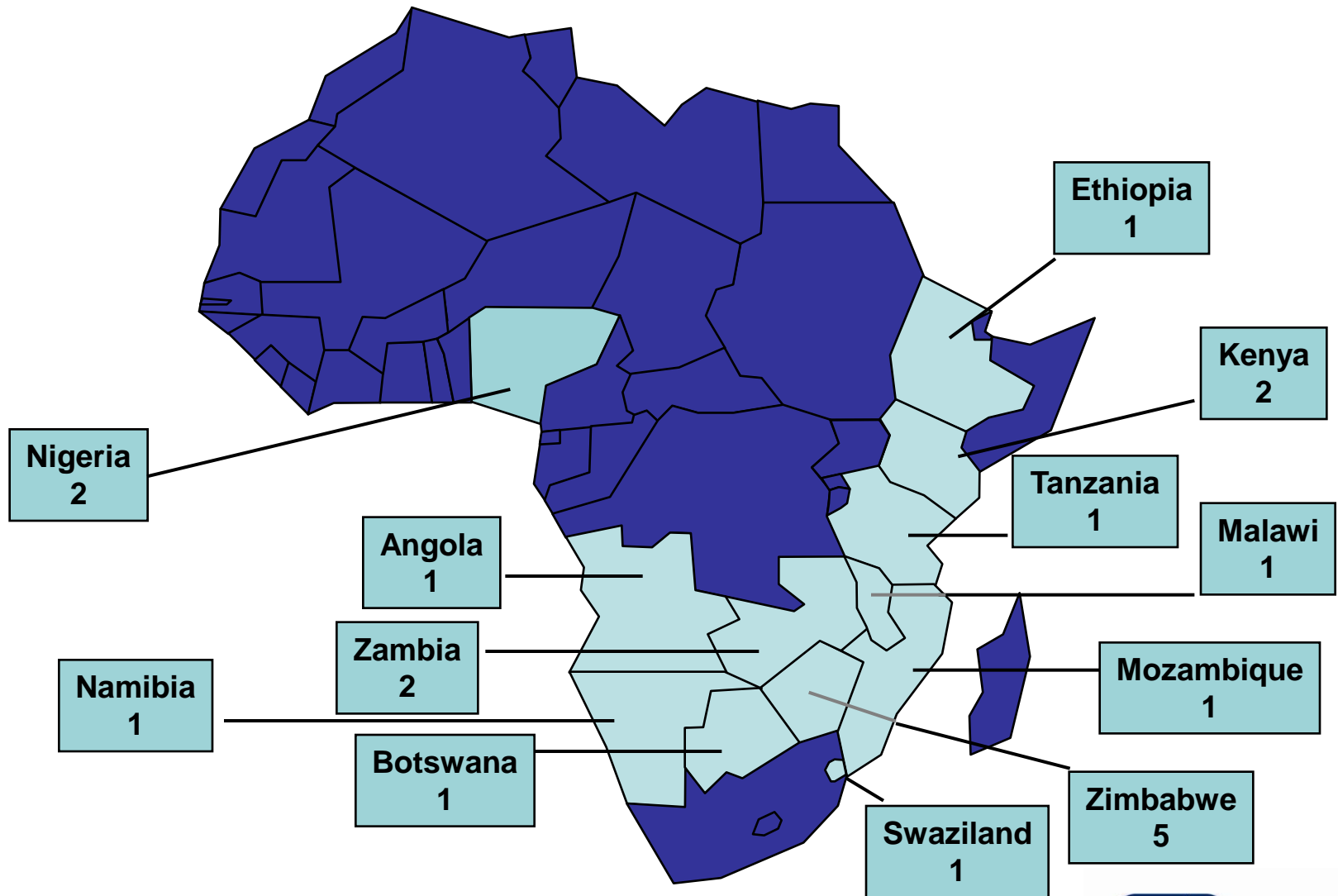
UK Plastic Milk Bottle Business

- **Market leader**
- **Well-established and proven business model**
- **Opportunity for further in-plant**

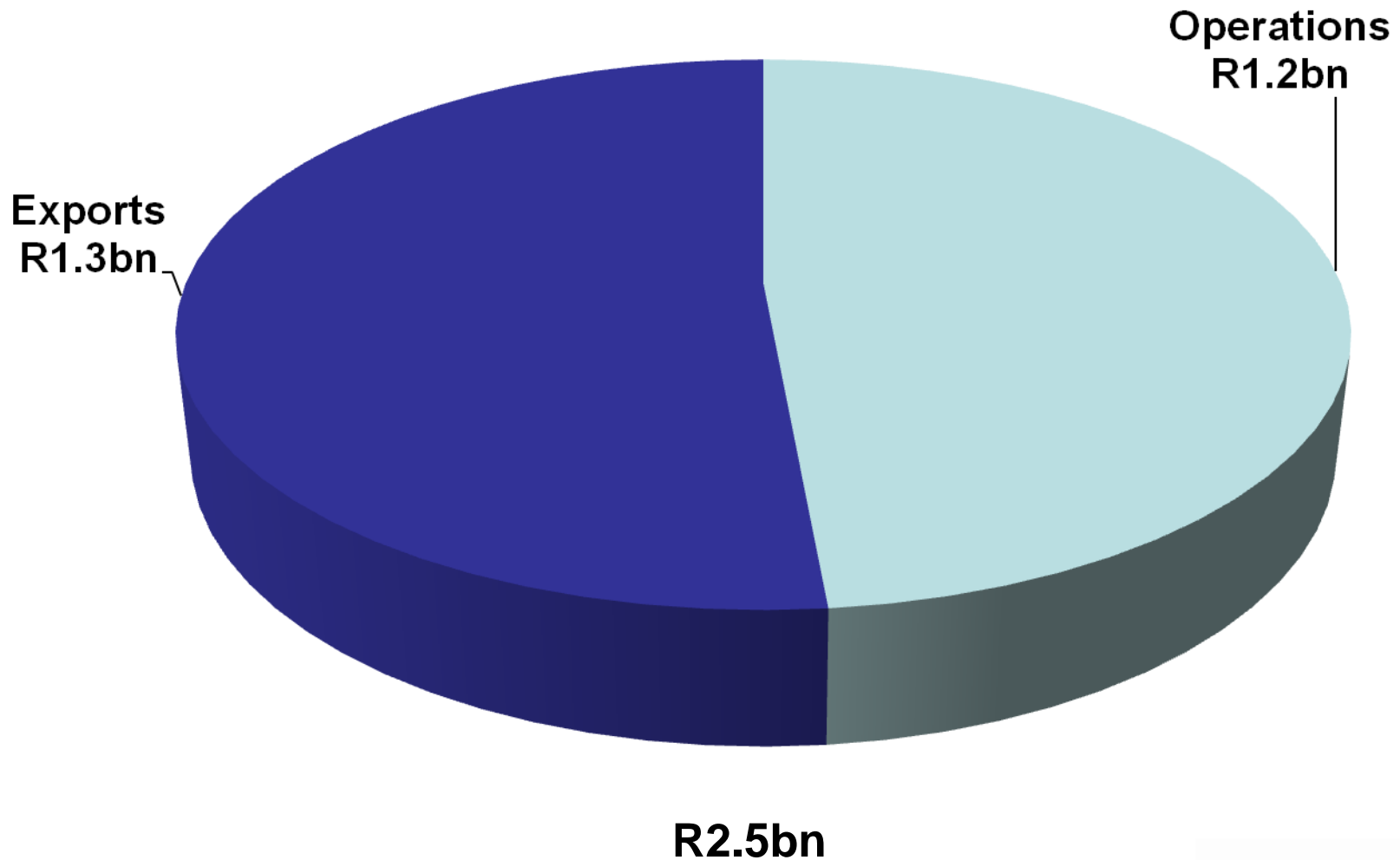


GROWTH IN THE REST OF AFRICA

Nampak in Africa

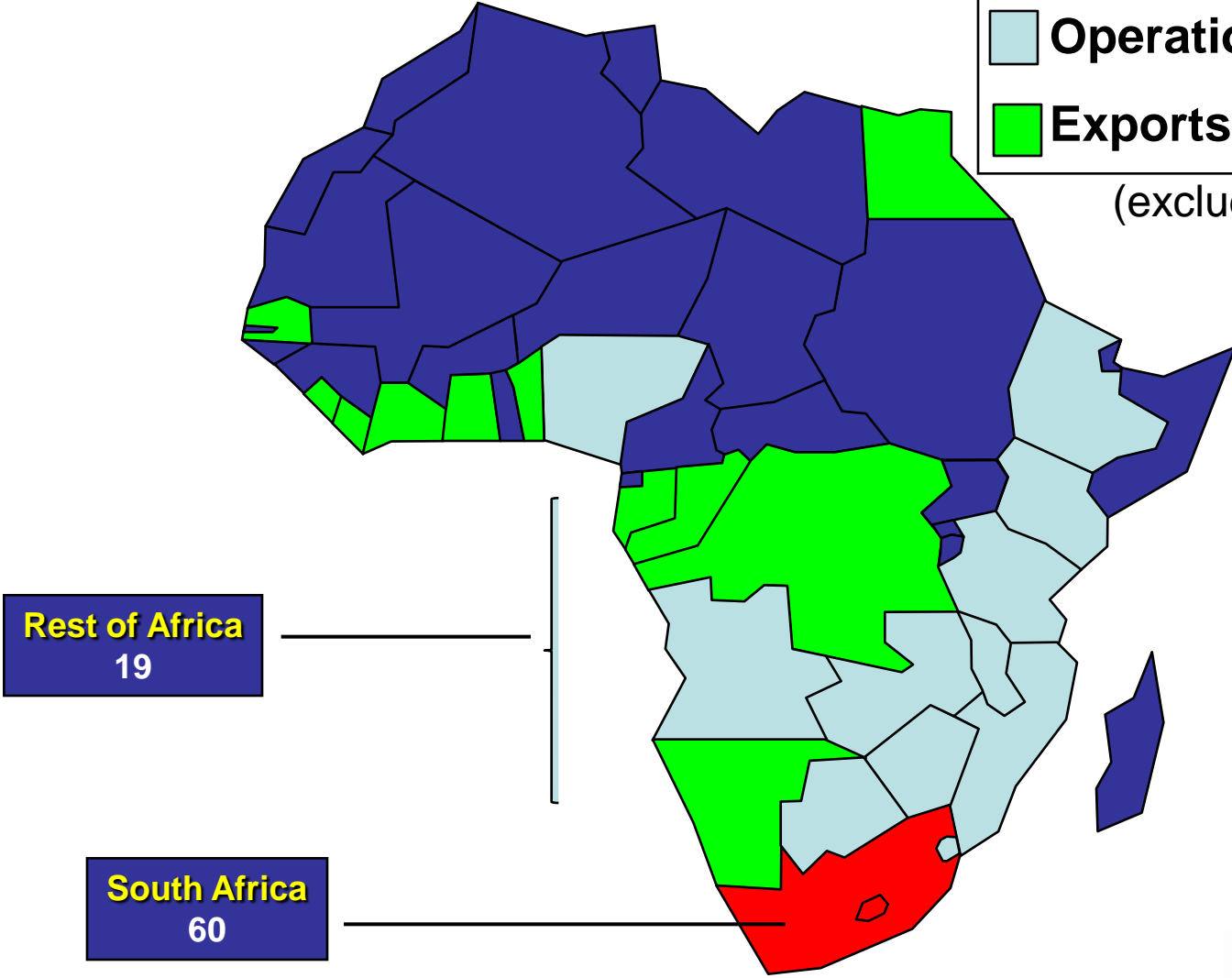


Total Turnover Generated from Africa: 2010

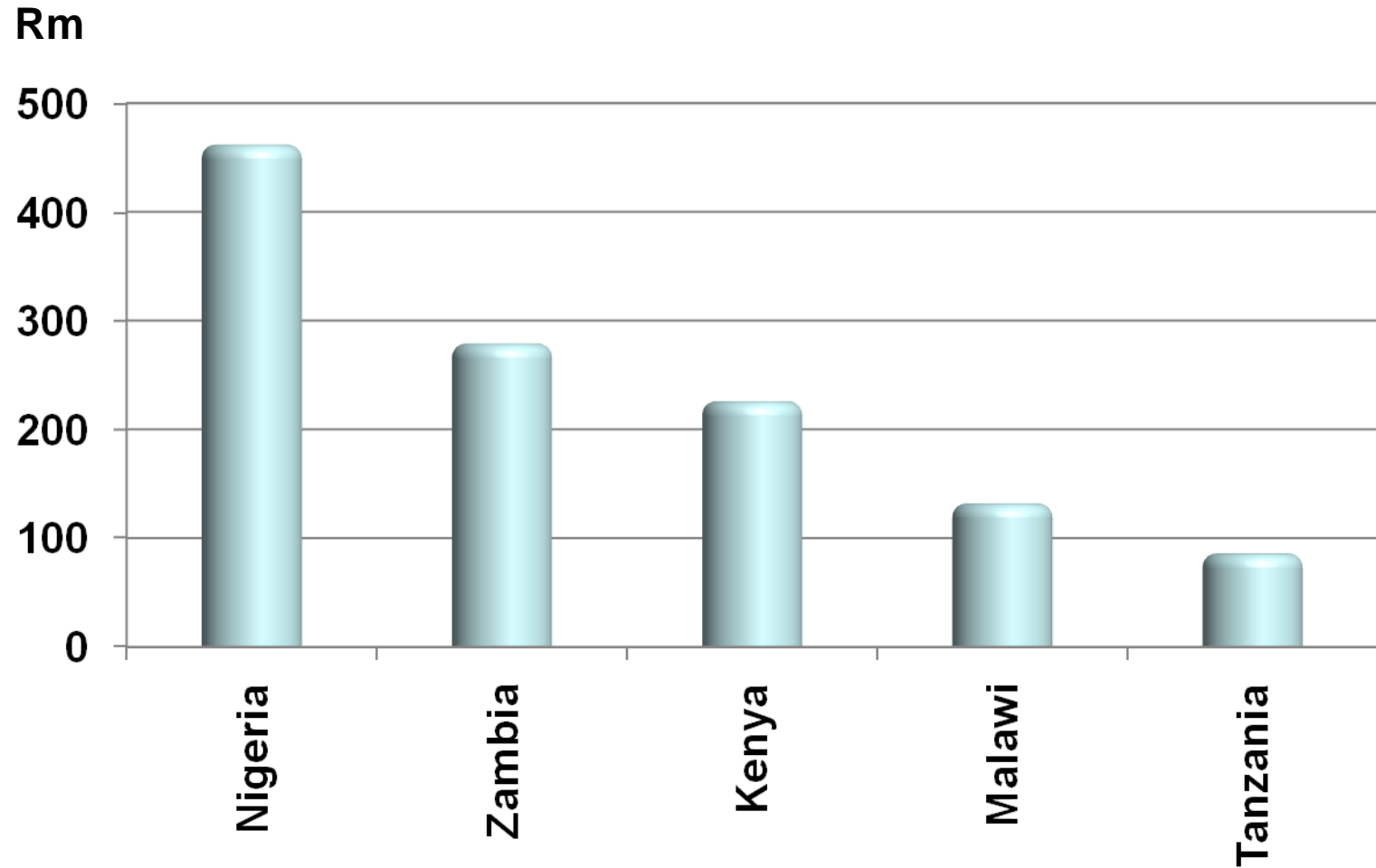


Nampak in Africa

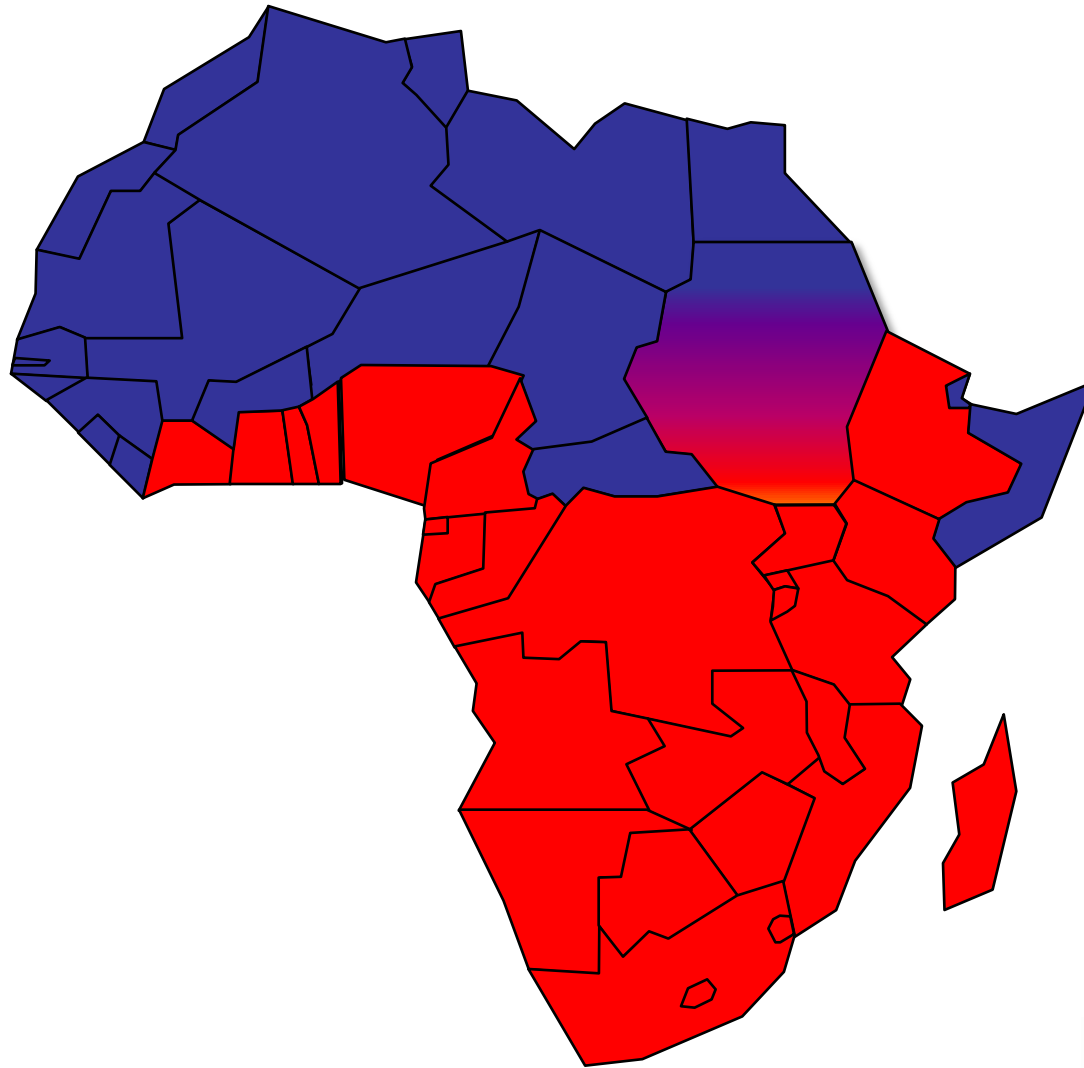
Operations +/- R1.2 bn
Exports +/- R1.35 bn
(excludes Zimbabwe)



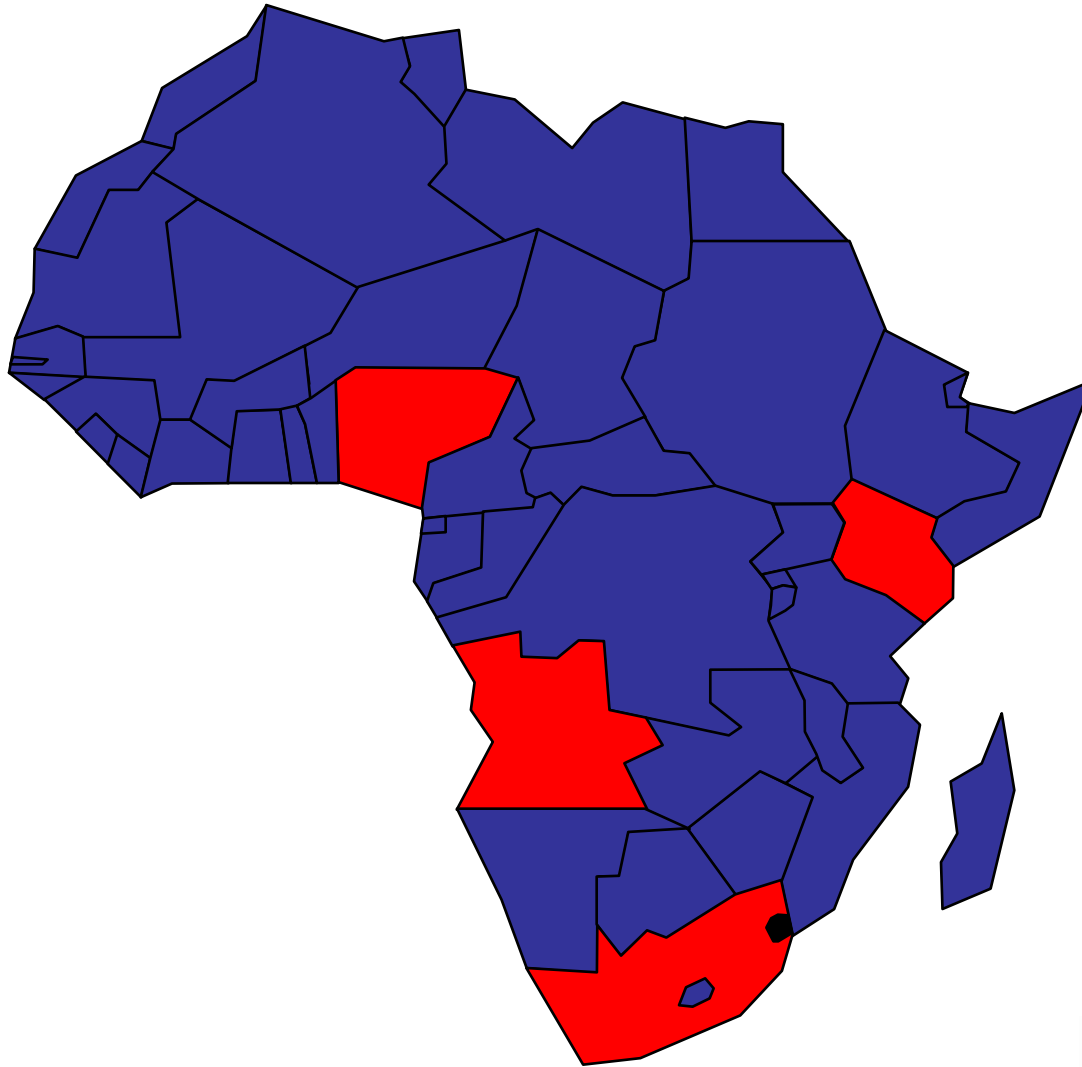
Revenue in Major Countries



Nampak in Africa – Focus on sub Sahara



Nampak in Africa – Regional Hubs



Growth Strategy in Africa

Country	2011	2012	GDP US\$ (Bill)
Angola	7.1%	6.3%	97.3
Botswana	4.8%	7.2%	12.9
DRC	7.0%	6.8%	13.6
Ethiopia	8.5%	8.0%	29.9
Ghana	9.9%	7.0%	23.4
Kenya	5.8%	6.3%	36.9
Malawi	6.2%	6.4%	5.5
Mozambique	7.6%	7.5%	10.7
Namibia	4.8%	4.7%	11.8
Nigeria	7.5%	7.3%	232.0
South Africa	3.5%	3.9%	366.0
Swaziland	2.5%	2.5%	3.2
Tanzania	6.7%	7.5%	23.8
Uganda	6.1%	6.5%	17.5
Zambia	6.4%	6.7%	17.3
Zimbabwe	4.5%	4.5%	6.2



Nampak
packaging excellence

Growth Strategy in Africa

- 1. Follow major multinationals**
- 2. Leverage Nampak representation on the ground / target specific countries**
- 3. Drive exports from South Africa**

Rest of Africa: Multi-National Opportunities

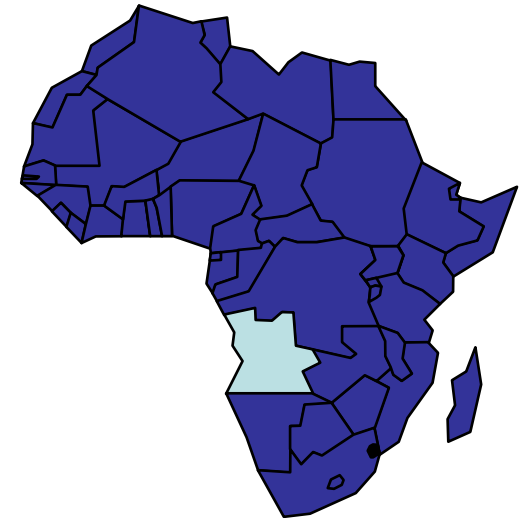
- **BAT**
- **SAB Miller**
- **Heineken**
- **Coca Cola**
- **Unilever**
- **Nestle**
- **Diageo**
- **Cadbury**
- **Illovo Sugar**
- **Lafarge**
- **PZ Cussons**
- **Sara Lee**

Rest of Africa – Current Strategic Initiatives

Angola

- Beverage can line - \$165m commissioned April 2011
- 700m cans in market of +/- 1.1bn

- Investigation into second can line
- Investigate options of expanding product range







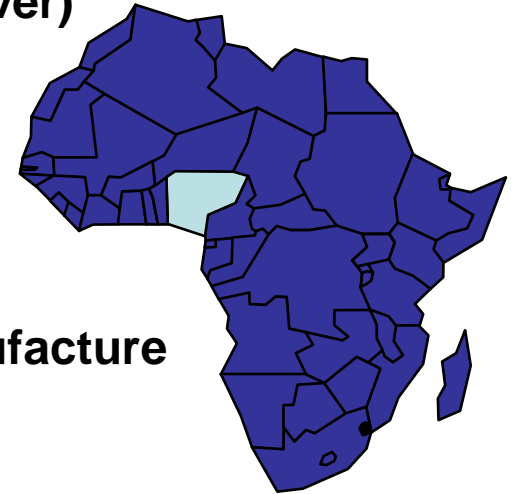


Rest of Africa – Current Strategic Initiatives

West Africa

Nigeria

- Beer labels - new label press commissioned November 2010
- Foiled cartons supply commenced May 2011 (Unilever)
- New paint line to be commissioned in June 2011
- Investigation into additional beer label line
- Investigation into investment in beverage can manufacture
- Investigation into closures manufacture
- Investigation into aerosol manufacture
- Expand capacity and range in metals – ointment, food
- Buyout of minorities and delist metals business



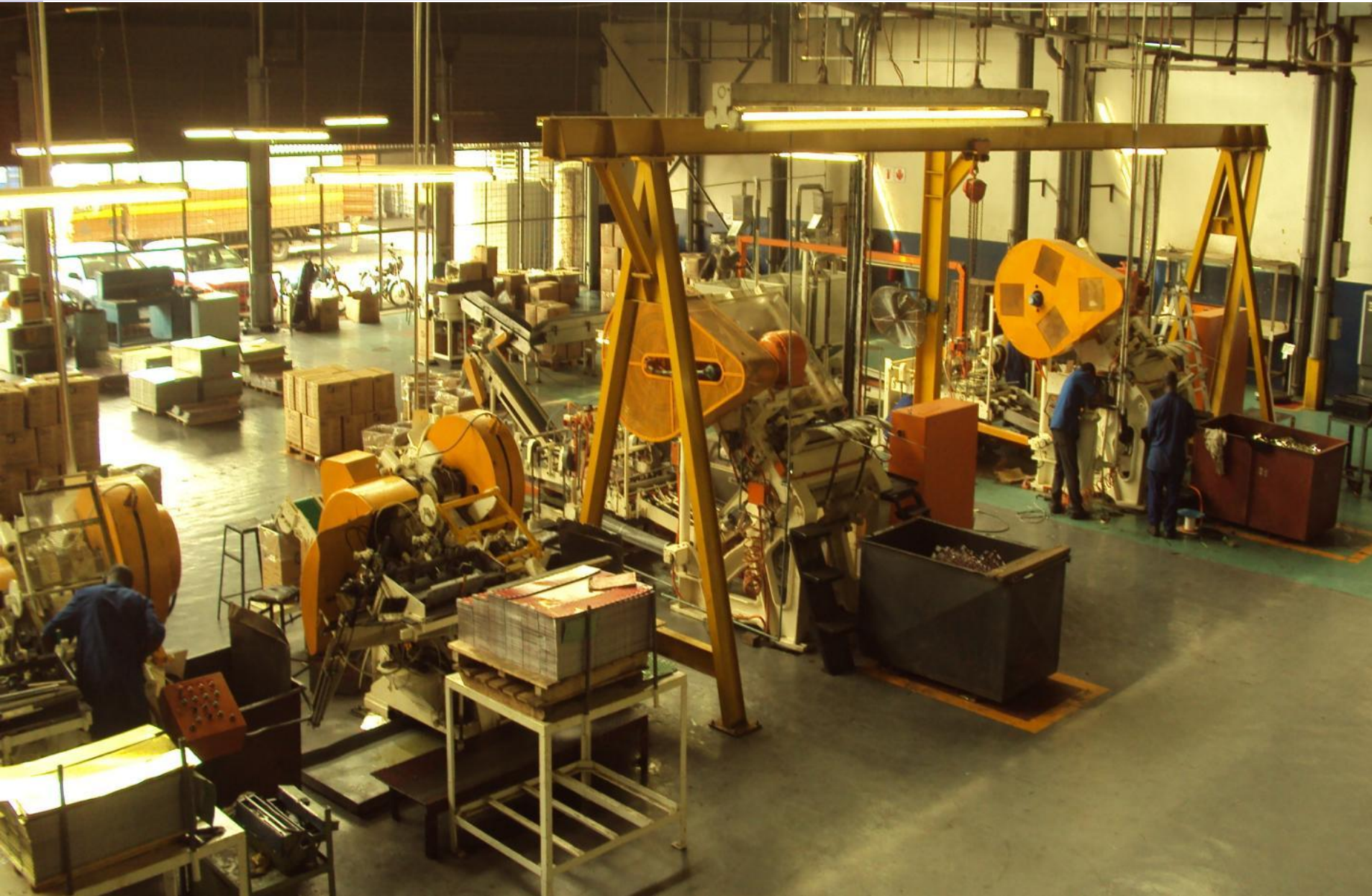
Nampak Cartons - Nigeria



Non-Cigarette Cartons Business in Nigeria



Nigeria Metals Manufacturing Equipment

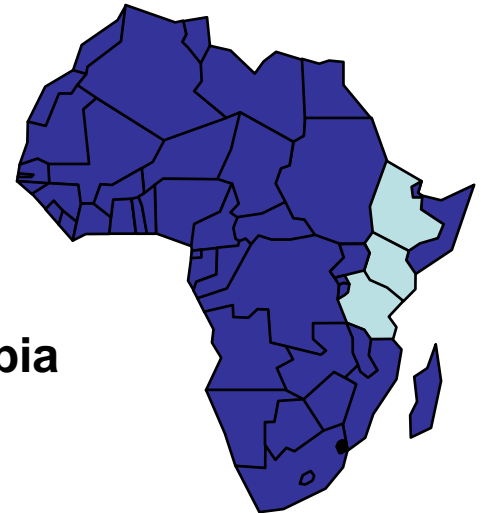


Nigeria Metals Products

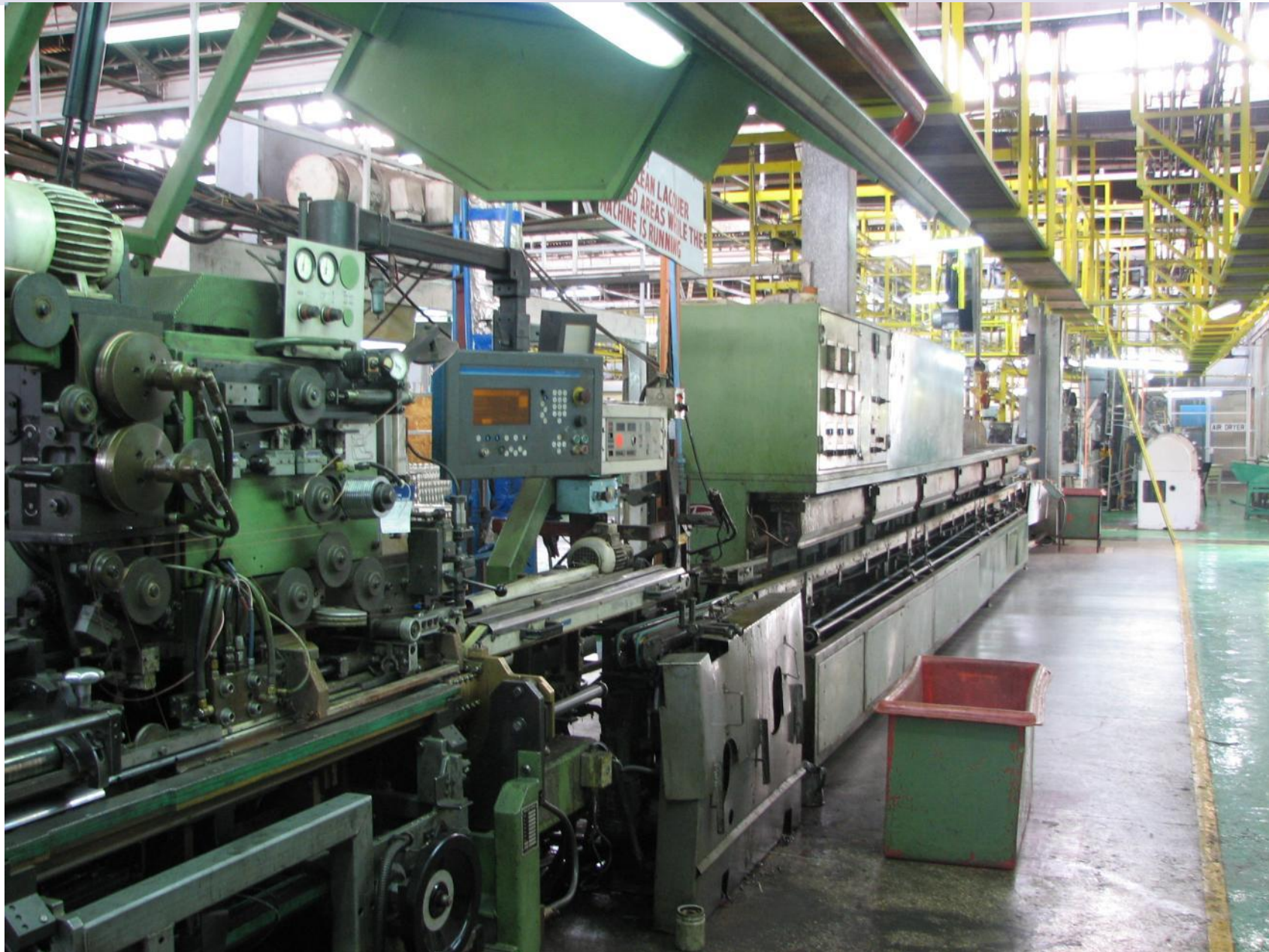


Rest of Africa – Current Strategic Initiatives

- **East Africa**
- **Kenya**
 - Additional paper bag capacity to be commissioned in June 2011
 - Investigation into tea sack manufacturing
- **Tanzania**
 - Expand product line into oil products (Dec 2010)
- **Ethiopia**
 - Investigation into expansion of presence in Ethiopia



Nampak Kenya Manufacturing Facility



Nampak Kenya Manufacturing Facility

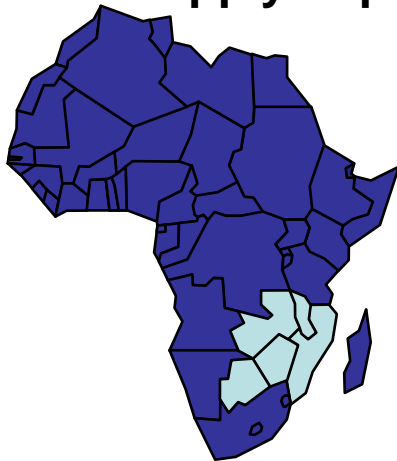


East Africa Cans

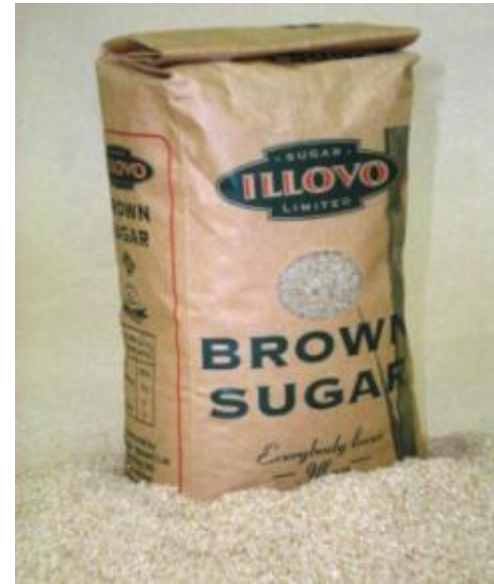
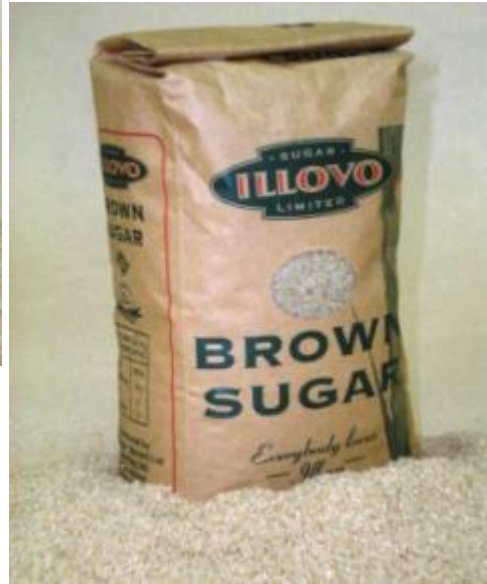


Rest of Africa – Current Strategic Initiatives

- **Southern Africa**
 - **Zambia**
 - **New paper bag line to supply Illovo - commissioned Feb 2011**
 - **Additional label capacity for SAB**
 - **Malawi**
 - **Confidential**
 - **Zimbabwe**
 - **Supply of paper cement sacks ex SA to replace PPW sacks**



Zambia Sugar Bags



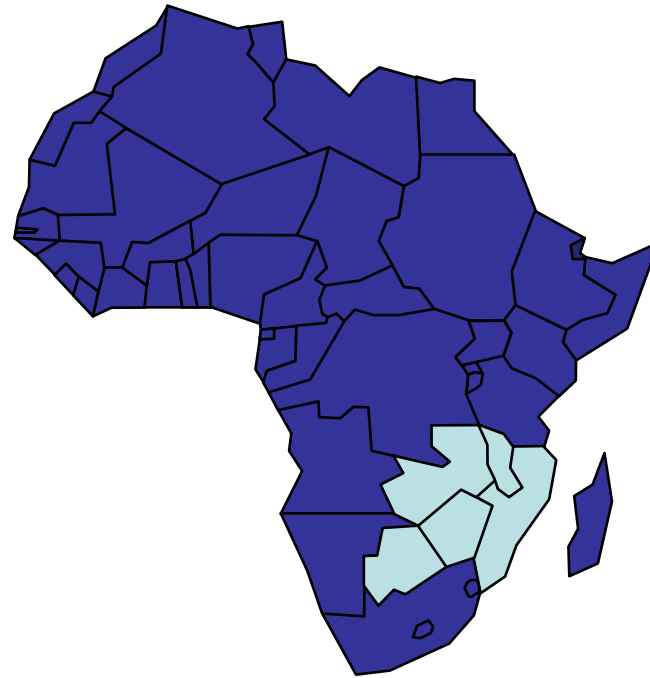
Zambia Beer Labels



Southern Africa Regional Strategy

- **Implementation of Southern Africa product group regional strategies:**

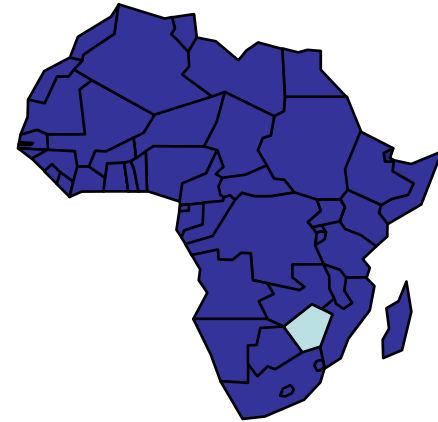
- **Sorghum beer**
- **Crowns**
- **Tobacco cases**



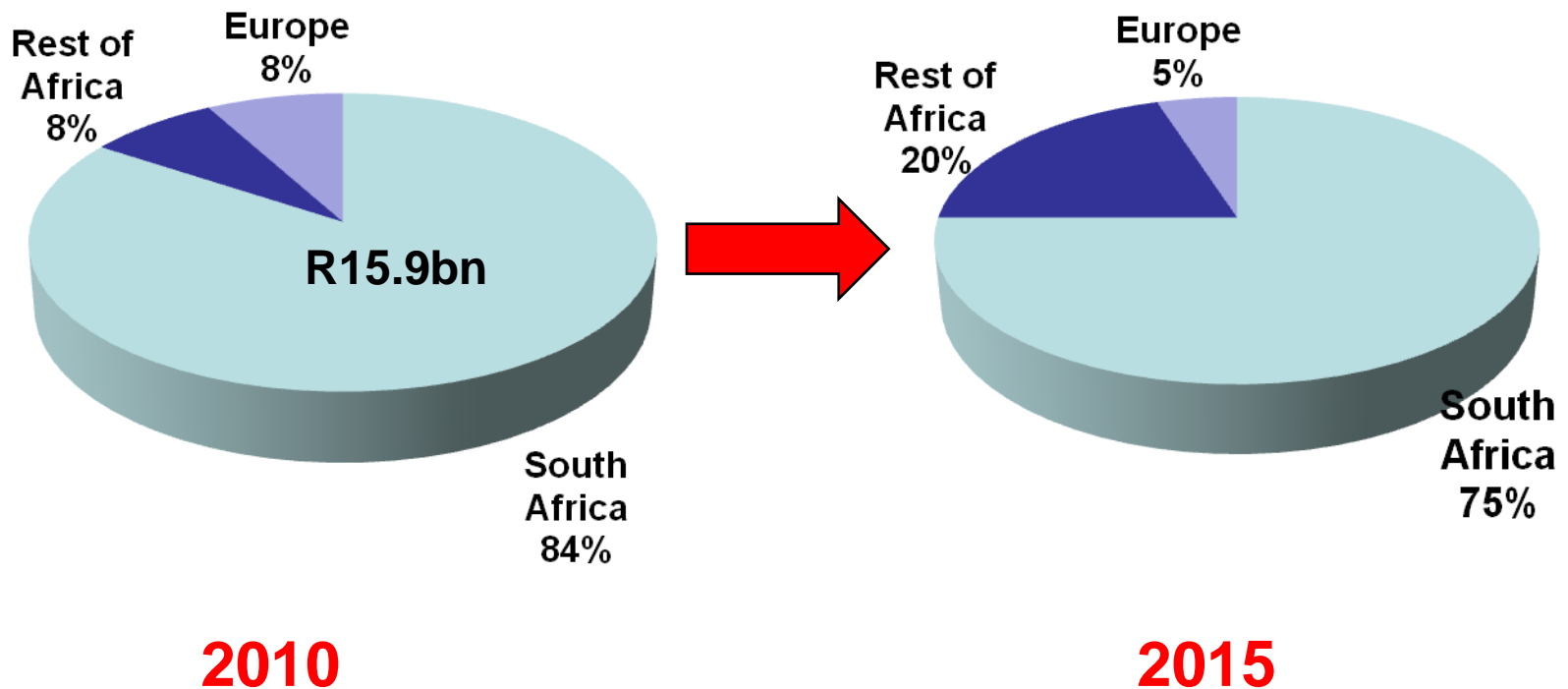
Southern Africa Regional Strategies



- **Good growth prospects (tobacco / sacks)**
- **Indigenisation Laws**
- **Political stability**
- **Not full management control**
- **Adopt a wait and see attitude**



Africa Growth Prospects



PROSPECTS AND OUTLOOK

2011 Prospects

- **Moderate demand expected from SA consumers**
- **Benefits of disposal and closure of underperformers**
- **Increased contribution from the rest of Africa**
- **Improved margins**
- **Improvement in performance expected for the full year but not at the same rate as for the first half**

South Africa

Grow with major customers and the overall SA economy

United Kingdom

Potential new dairy in-plant

Rest of Africa

Significant growth opportunities

THANK YOU

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