

2011 Annual Results

November 2011

- **Highlights**
- **Group results**
- **Operational review**
- **Strategic review**

- **HEPS from continuing operations up 21%**
- **Dividend increased by 30% to 108 cents per share**
- **Operating profit from continuing operations up 22%**
- **Trading margin improved from 9.1% to 9.8%**
- **Net debt reduced from R1.7bn to R0.6bn (March 09 R3.4bn)**
- **Gearing reduced to 10% (March 09 58%)**
- **Corrugated returned to profit**
- **RONA increased from 19% to 20%**
- **Dividend yield 5.0%**

GROUP RESULTS

Group Income Statement

Continuing operations	Rm	2011	2010	%
Revenue		15 819	15 774	-
Operating profit		1 498	1 229	22
Net finance costs		120	191	37
Income from investments		12	10	
Profit before tax		1 390	1 048	33
Taxation		456	269	
Profit for the period from continuing operations		934	779	20
Discontinued operations		331	56	
Profit for the period		603	835	
HEPS continuing		172.4c	142.3c	21
HEPS continuing and discontinued		176.0c	149.7c	18



Abnormal Items

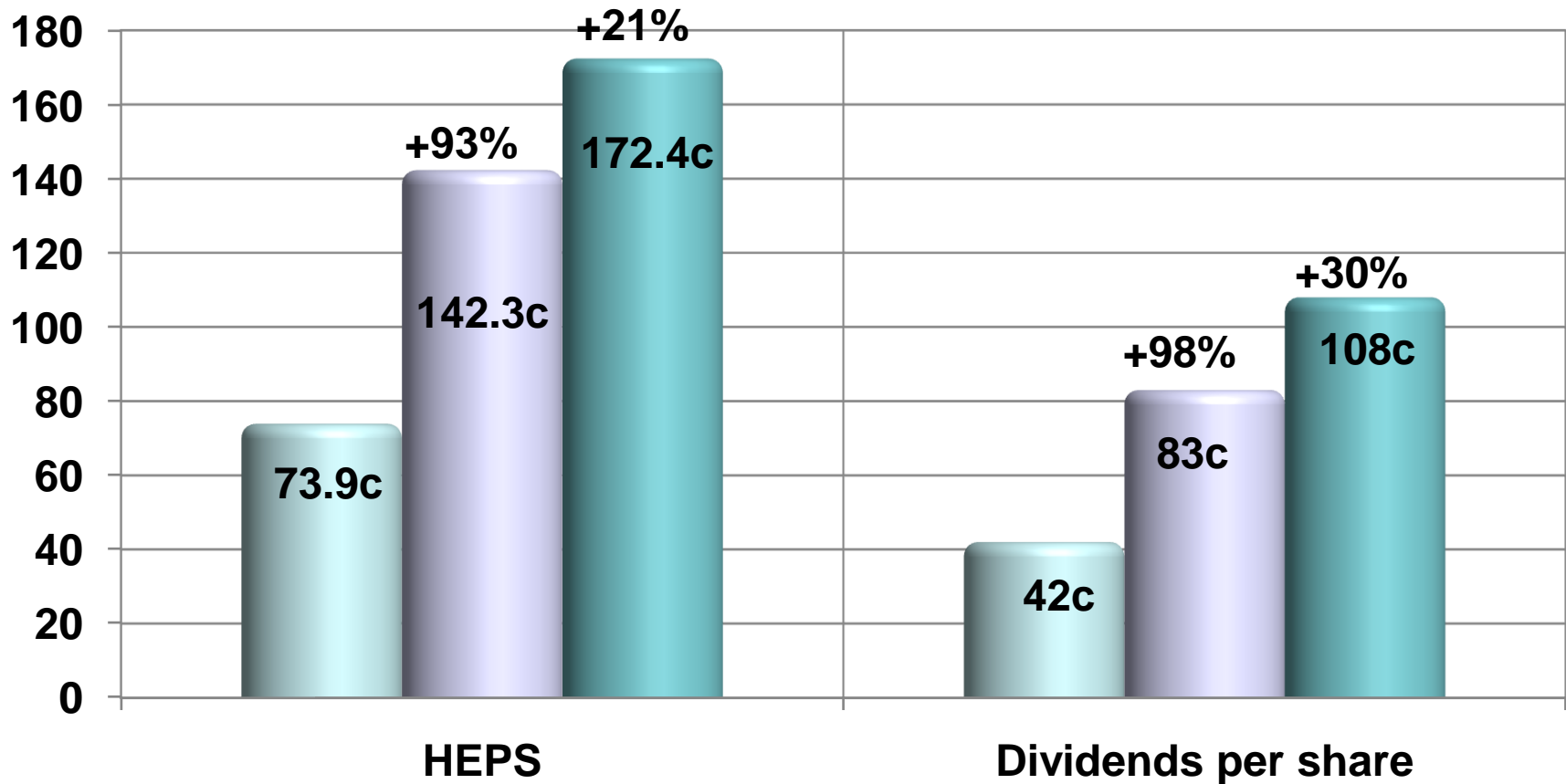
Rm	2011
Impairment of goodwill, plant, property & investments	105
Retrenchment and restructuring	50
Net loss on disposal of businesses	5
Fair value of financial instruments	71
Net profit on disposal of properties	41
TOTAL	48

Tax Rate (continuing)

Rm	2011
Profit before tax	1 390
Tax	456
Effective tax rate	32.8
Tax rate differential	3.0
Exempt income	2.0
Government incentives	1.2
Deferred tax	0.5
Disallowable expenses and impairments	5.2
Secondary tax on companies	4.1
Prior year adjustment	1.2
Withholding taxes	0.7
Share-based payment expense	0.3
Standard tax rate	28.0

HEPS/Dividends per Share

cents



2009 2010 2011

Abridged Balance Sheet

Rm	2011	2010
Non-current assets	6 258	6 957
Bank balances, deposits and cash	1 451	718
Current assets	5 199	5 250
TOTAL ASSETS	12 908	12 925
Total equity	5 695	5 368
Loans and borrowings	1 359	1 631
Retirement benefit obligations	1 360	1 404
Current liabilities	3 996	4 219
Other	498	303
TOTAL EQUITY AND LIABILITIES	12 908	12 925

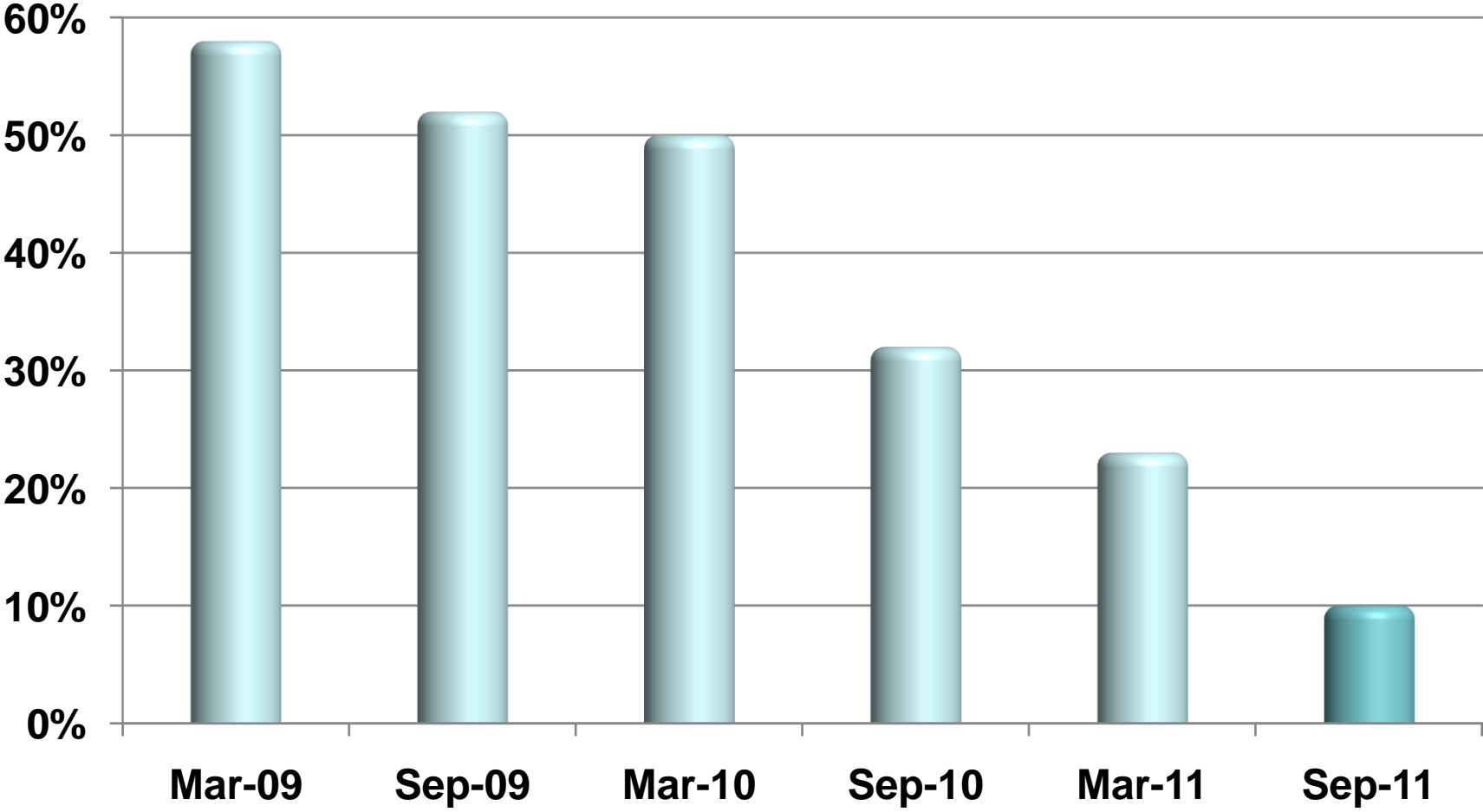
Group Condensed Cash Flow

	Rm
Cash generated from operations before working capital	2 274
Working capital changes	548
Cash generated from operations	1 726
Net interest paid	163
Tax paid	188
Dividends paid	543
Capex	676
Disposal of businesses and properties	930
Other	85
Cash inflow before financing activities	1 001
Net borrowings repaid and other	591
Net cash inflow	410

Working Capital Movement

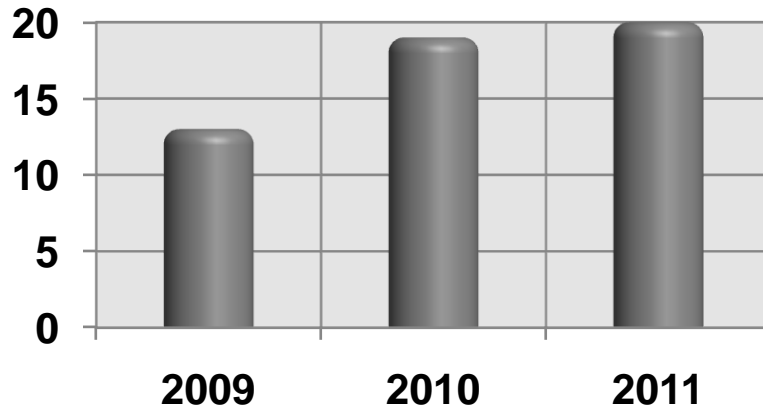
	Rm
Inventories	641
Receivables	330
Payables	423
Total increase in working capital	548

Net Debt : Equity

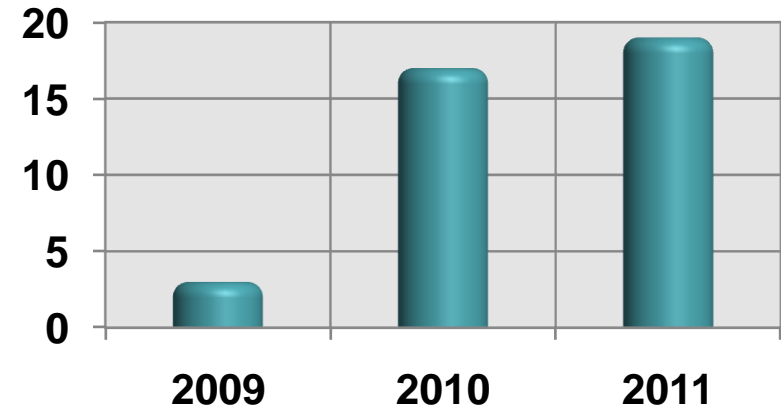


Key Ratios

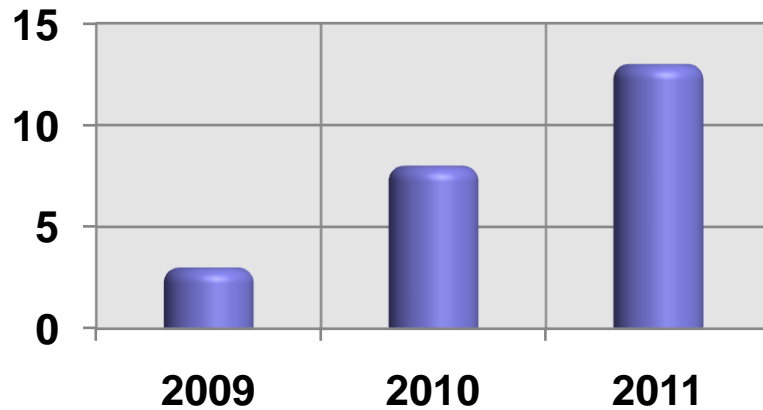
RONA %



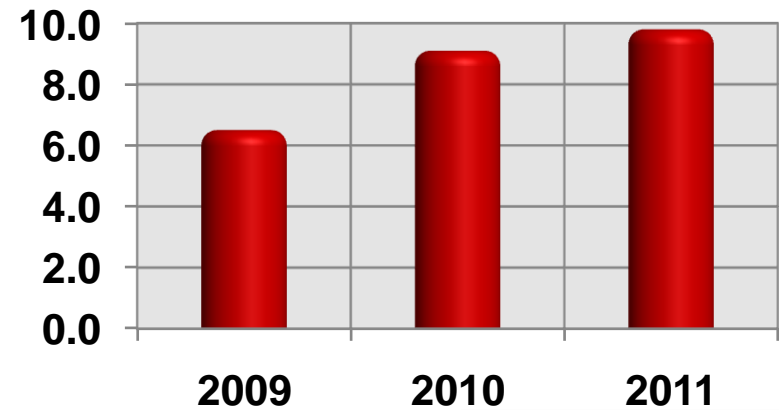
ROE %



Interest Cover X



Trading Margin %



OPERATIONAL REVIEW

Metals & Glass

Rm	Revenue			
	H1	H2	2011	2010
South Africa	2 674	2 452	5 126	5 263
Rest of Africa	271	381	652	526
	2 945	2 833	5 778	5 789

Rm	Trading profit				Margin %	
	H1	H2	2011	2010	2011	2010
South Africa	396	340	736	743	14.4	14.1
Rest of Africa	38	1	37	15	5.7	2.9
	434	339	773	758	13.4	13.1

- Good performance from diversified canning business
- SA beverage can volumes similar to last year
- Food can volumes down
- Lower exports of bottled wine
- Kenya and Nigeria performed well
- Trading loss of R48m in Angola

Acquisition of Wiegand's 50%

- **Core business and growth market**
- **Good margin and returns**
- **Price based on a sustainable EBITDA**
- **Multiple of 6 X EBITDA**
- **Nampak >7 X EBITDA**
- **Earnings accretive**



Paper & Flexibles

Rm	Revenue			
	H1	H2	2011	2010
South Africa	2 099	2 000	4 099	4 313
Rest of Africa	336	362	698	688
	2 435	2 362	4 797	5 001

Rm	Trading profit				Margin %	
	H1	H2	2011	2010	2011	2010
South Africa	92	69	161	59	3.9	1.4
Rest of Africa	51	34	85	68	12.2	9.9
	143	103	246	127	5.1	2.5

- Corrugated improved performance
- Excellent result from flexible
- Weak demand for folding cartons and sacks
- Kenya, Nigeria and Zambia all performed well
- Operational issues with commercial business in Nigeria

Plastics

Rm	Revenue			
	H1	H2	2011	2010
South Africa	1 116	998	2 114	2 142
Europe	718	793	1 511	1 268
	1 834	1 791	3 625	3 410

Rm	Trading profit				Margin %	
	H1	H2	2011	2010	2011	2010
South Africa	143	88	231	152	10.9	7.1
Europe	39	57	96	101	6.4	8.0
	182	145	327	253	9.0	7.4

- Good performance by all businesses
- Tubs sold – loss of R46m last year
- Break-even in Tubes
- Europe integration costs

Rm	Revenue			
	H1	H2	2011	2010
South Africa	772	847	1 619	1 575

Rm	Trading profit				Margin %	
	H1	H2	2011	2010	2011	2010
South Africa	62	67	129	184	8.0	11.7

- 1-ply market down
- 2-ply volumes improved
- Gained market share in diapers
- Selling prices and margins under pressure

Geographical Segmentation

Rm	Revenue			
	H1	H2	2011	2010
South Africa	6 660	6 298	12 958	13 293
Rest of Africa	607	743	1 350	1 214
Europe	718	793	1 511	1 268
	7 985	7 834	15 819	15 775

Geographical Segmentation

Rm	Trading profit				Margin %	
	H1	H2	2011	2010	2011	2010
South Africa	693	564	1 257	1 138	9.7	8.6
Rest of Africa	89	33	122	83	9.2	6.8
Europe	39	57	96	101	6.4	8.0
Other	32	39	71	113		
	853	693	1 546	1 435	9.8	9.1

Summary of Results

- **HEPS up 21%**
- **Dividend up 30%**
- **Trading margin improved**
- **Debt and gearing both well down**
- **Further improvement in returns**

STRATEGIC REVIEW

Underperforming Operations

- **20% of Nampak operations were loss-making or earning returns less than hurdle rates, had been in this position for a number of years and had no sustainable competitive advantages**
- **Need to fix/sell/close these operations**

Europe Cartons & Healthcare

Foam

Flexpak

Redibox

Disaki

Carmoc Mozambique

L & CP

Containers

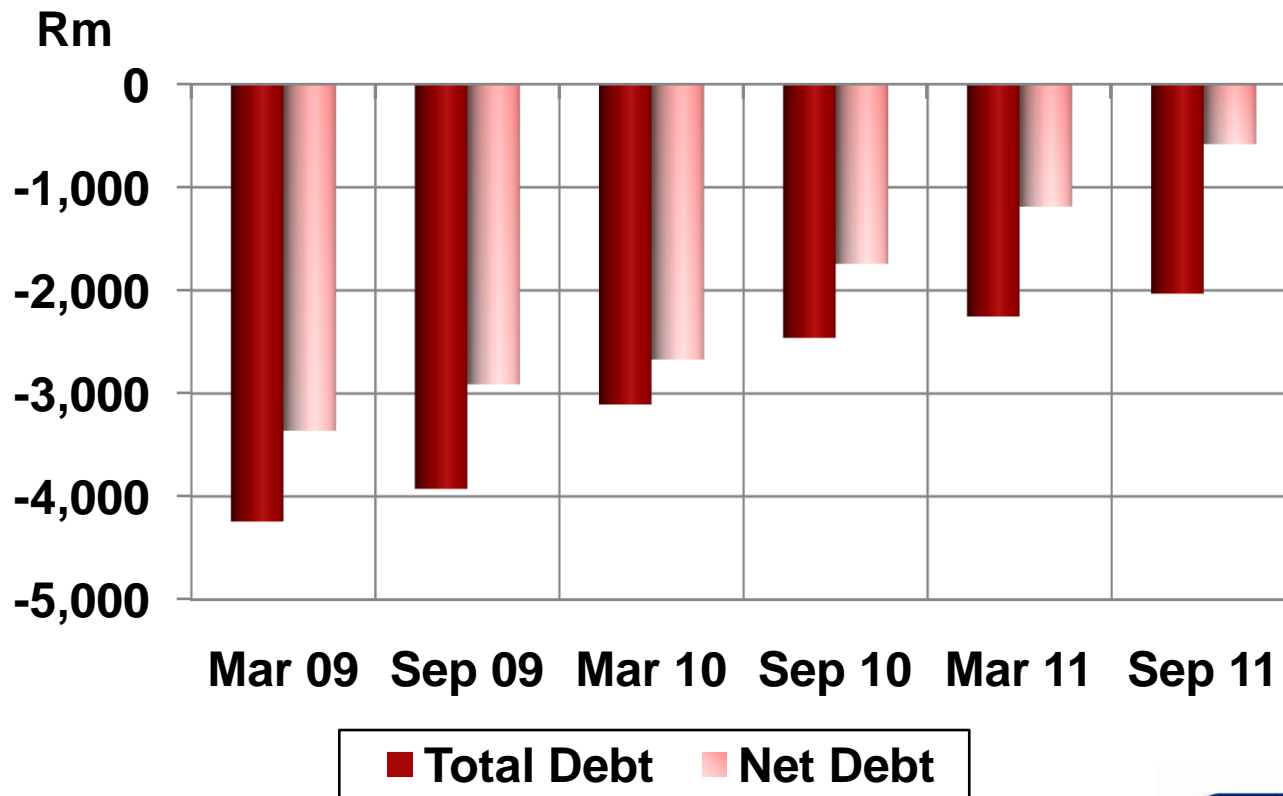
Tubs

Interpak Books

Cost Reduction

- **High overhead costs**
- **Streamlined group executive structure**
- **Reduced head office costs**
- **Closed freight forwarding & clearing department**
- **Outsourced internal audit**
- **IT outsourced – effective in 2012**

- High debt levels
- Reduced debt and gearing



Grow Core Businesses

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

- Potential conversion to aluminium cans
- New slimline/sleek beverage cans
- Temperature sensitive cans



- 2 – piece food cans
- Additional aerosol capacity
- Printing modernisation
- Ends manufacturing



2-Piece Food Can Expansion



2 – Piece Food Cans



Aerosol Can Manufacturing Line



Print Modernisation



END O MAT Line



- Rebuild of furnace #2
- Capacity expansion
- Acquisition of Wiegand's 50% shareholding – R938m



Acquisition of Wiegand's 50%

- **Glass is a core business and a growth market**
- **High barriers to entry both capex and technology**
- **Opportunity to grow in South Africa**
 - **Market growth**
 - **Pack share growth**
 - **3rd furnace**
- **Rest of Africa**
- **Environmentally-friendly**
- **Financial capability to expand**



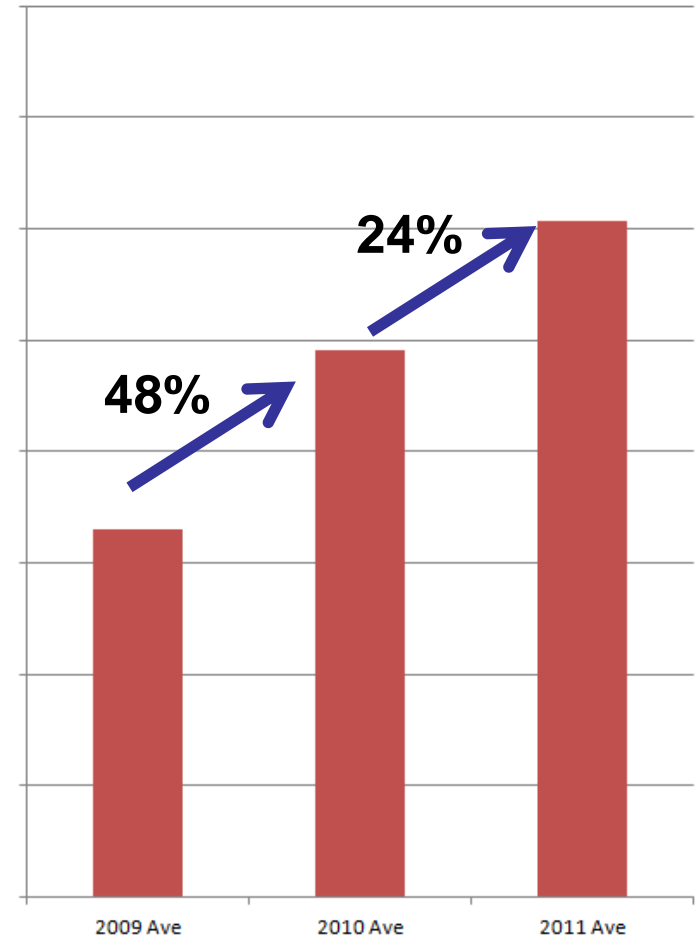
Paper & Flexibles

- **Improvement in performance of corrugated**
 - **2009 loss of R242m**
 - **2010 loss of R62m**
 - **2011 return to profitability**
- **Rationalisation of production facilities in Cartons & Labels**
- **Additional capacity in Flexibles**



Rosslyn Paper Mill : Improved Efficiencies

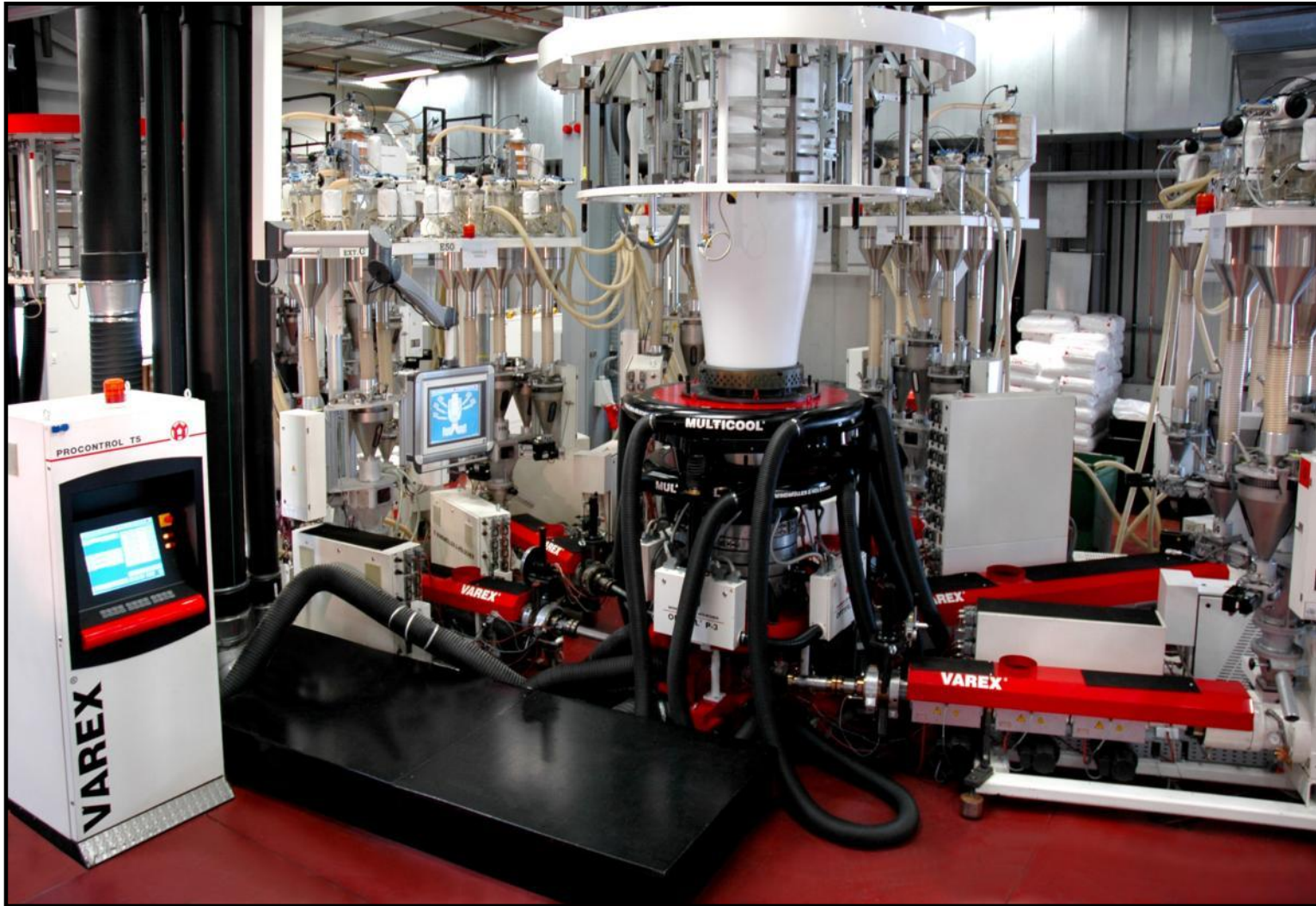
- 24% increase in production
- Proven capability for high performance fluting production
- 37% reduction in water consumption
- 33% reduction in starch and chemical consumption
- 3rd party maintenance agreement



Flexibles Pouch Equipment



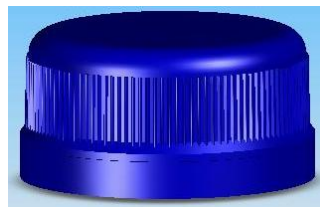
Flexibles 7 Layer Co-Extruder



Coffee Pouches



- **New products in Liquid Packaging/Petpak**
 - **Bottles**
 - **Cartons**
- **Wine closure expansion**
- **“Super Shorty” beverage closure**
- **New intermediate bulk container at Megapak**



New Bottles for Heinz



PET Bottle Growth



New Liquid Cartons for Clover



New Liquid Cartons for Clover



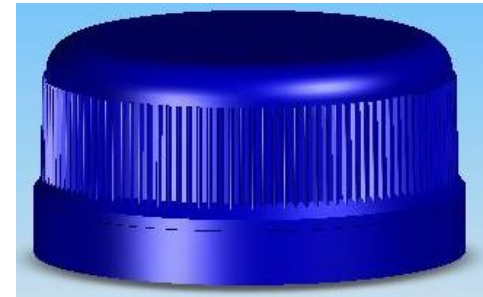
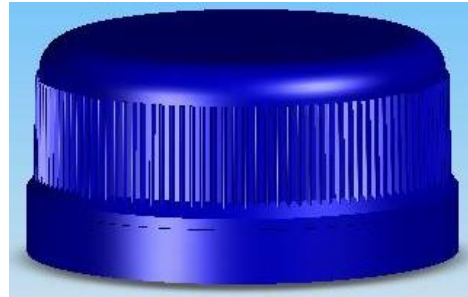
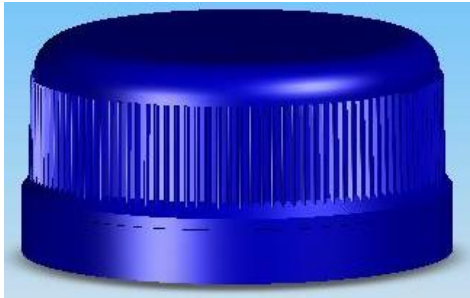
New Wine Closures Equipment



New Wine Closures



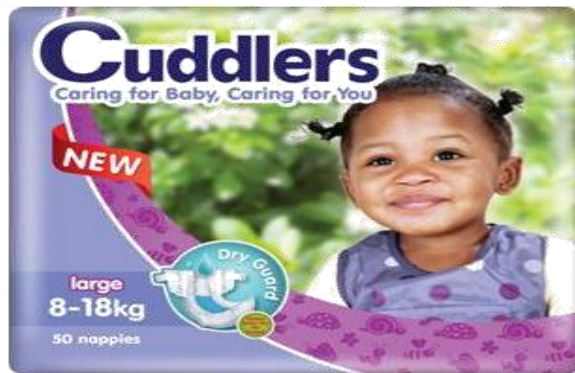
Super Shorty Beverage Closure



Intermediate Bulk Container



- 2-ply tissue expansion
- Diaper expansion
- Refreshed brands and packaging



2-ply Tissue Expansion



Diaper Expansion



Cuddlers
Caring for Baby, Caring for You

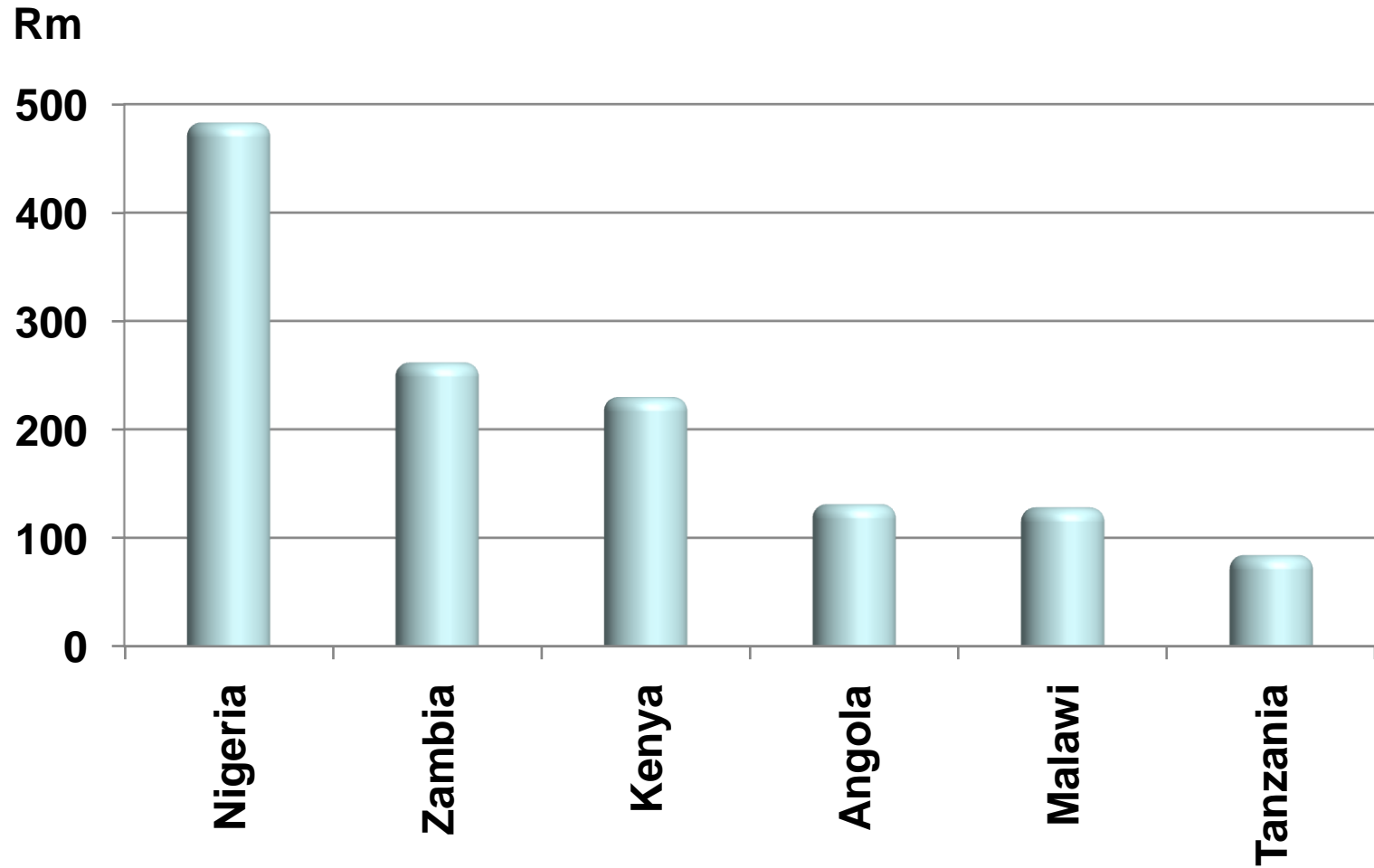


THE REST OF AFRICA

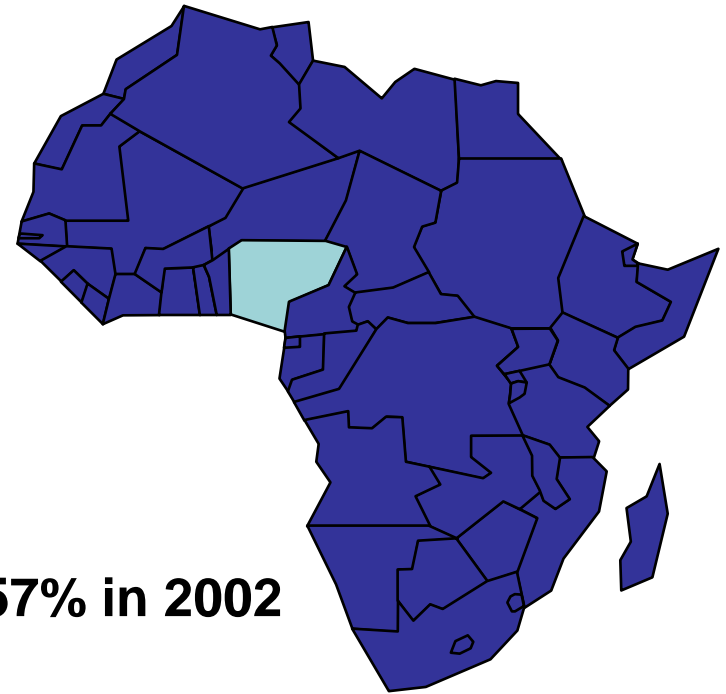
GDP Growth Rates

Country	2012	2013	2014
Angola	10.5	6.5	6.4
Kenya	6.5	6.8	6.8
Malawi	5.7	5.5	5.3
Nigeria	6.6	6.3	6.3
Tanzania	6.6	7.4	7.5
Zambia	7.4	7.8	8.0

Revenue in Major Countries



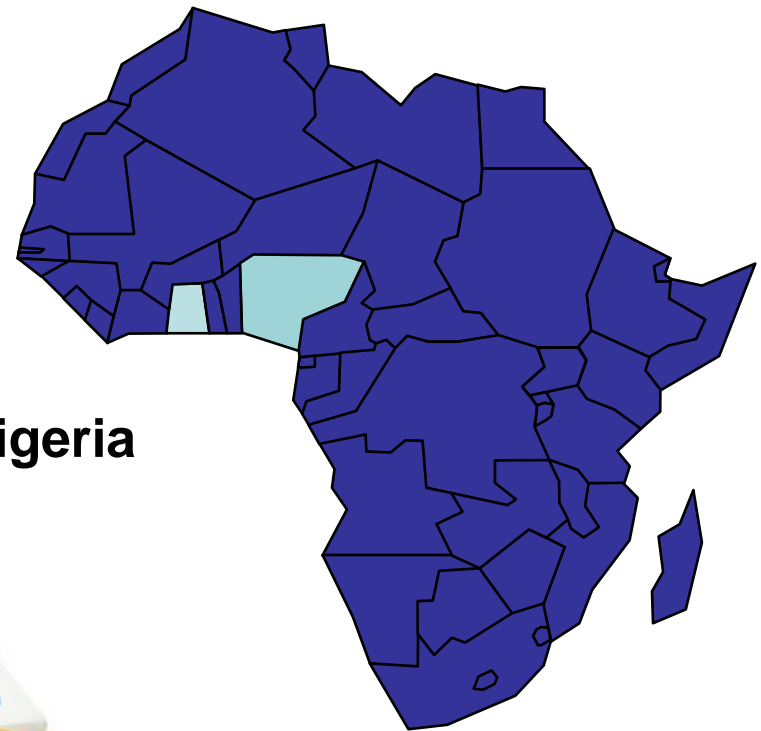
West Africa: Well Established



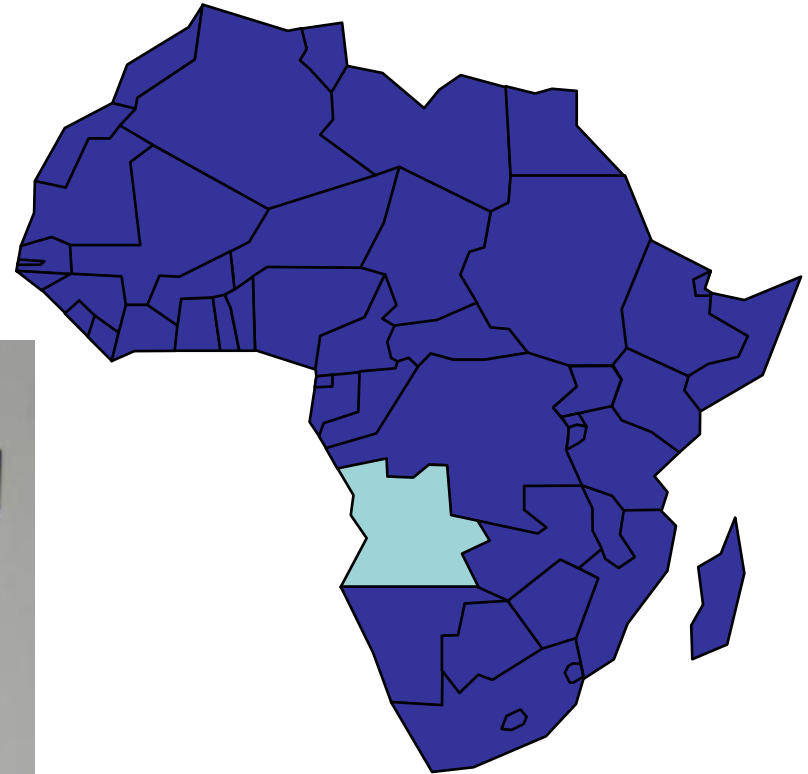
- **Metals factory in Lagos-acquired 57% in 2002**
- **Acquired minority interest in 2011**
- **Cigarette cartons factory in Ibadan established in 2007**
 - **Label line installed in 2010**
 - **Expanded into commercial market in 2010**

West Africa Growth Projects

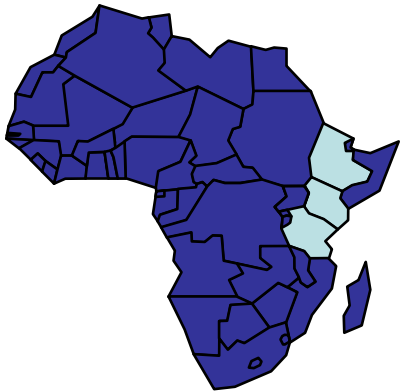
- Aerosol can line
- New paint line
- Cans for milk products
- Plastic bottles
- Sorghum beer cartons in Ghana and Nigeria



Angola



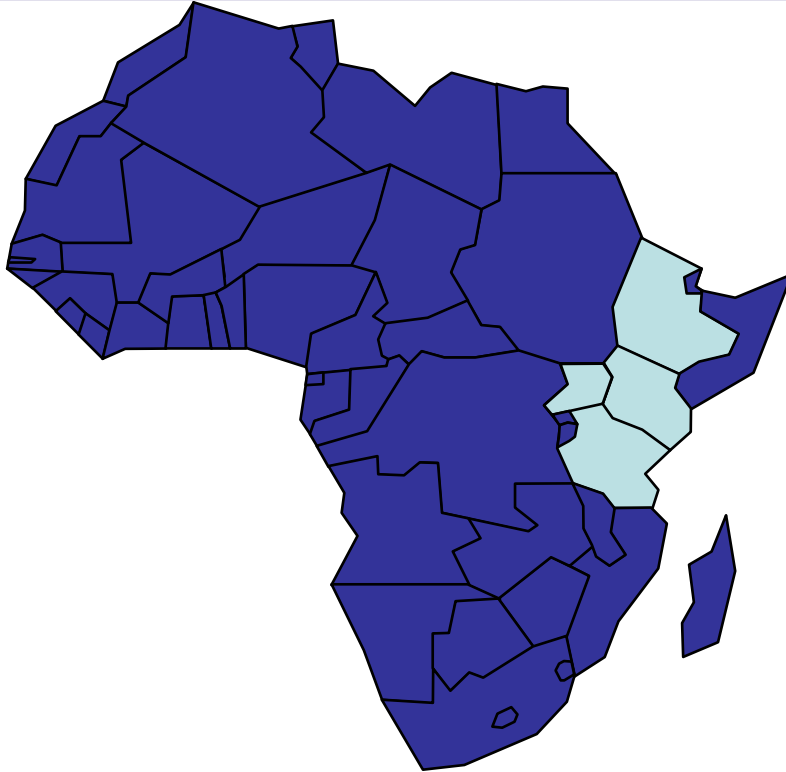
East Africa



- Acquired 49% of Bullpak (Kenya) in 1998
- Acquired Crown Cork Kenya and Tanzania in 2002
- Also 25% of Ethiopia Crown Cork in 2002
- Invested in additional sack capacity
- Expanded into oil can products



East Africa Growth Projects



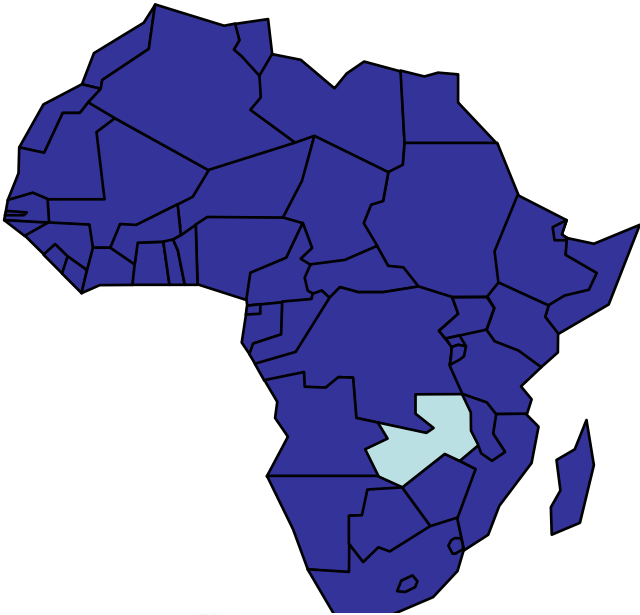
- Crates
- Closures for CSD and water
- Metal drums
- Sorghum beer cartons in
Uganda and Tanzania



- Invested in Zambia in early 1990's
- Increased presence with the acquisition of Crown Cork in 2002
- Several expansion projects in recent years



Zambia Growth Projects



New PET jar and can



Sugar bags

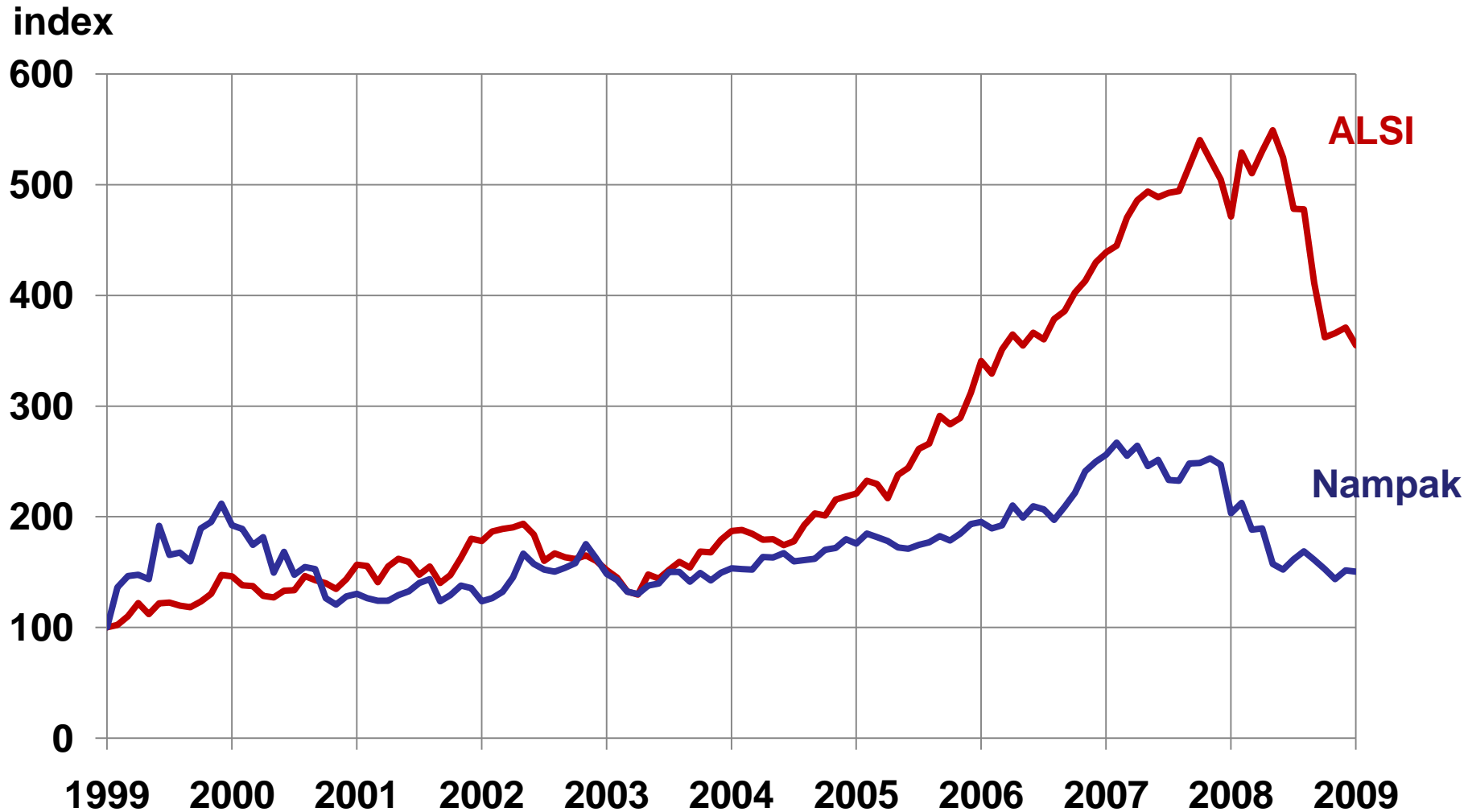
Sorghum beer fillers and printing

- **Successful business model**
- **Strong cash flows**
- **Mega–dairy tender unsuccessful**
- **Continue to invest in appropriate growth opportunities**

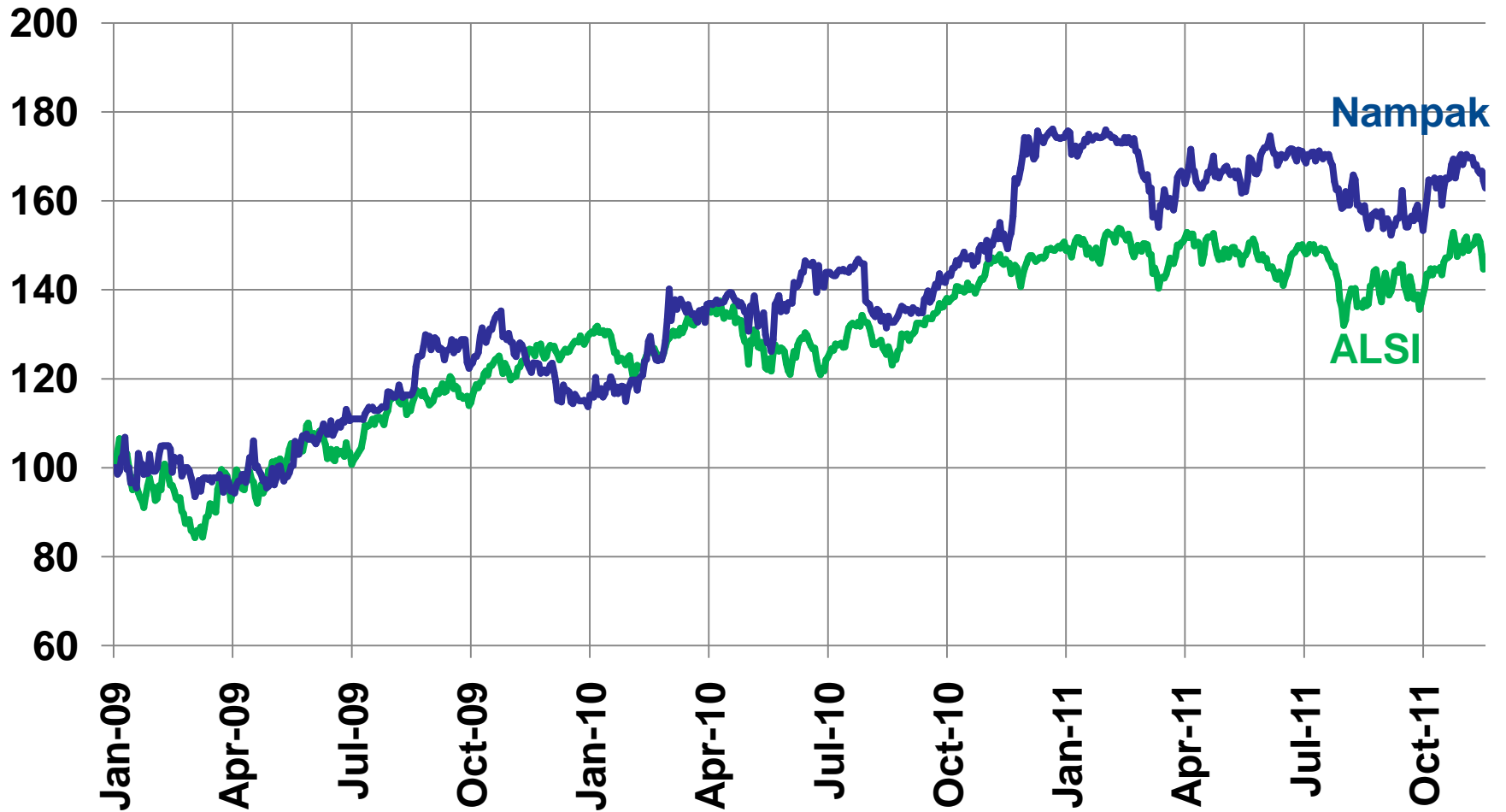


NAMPAK PERFORMANCE

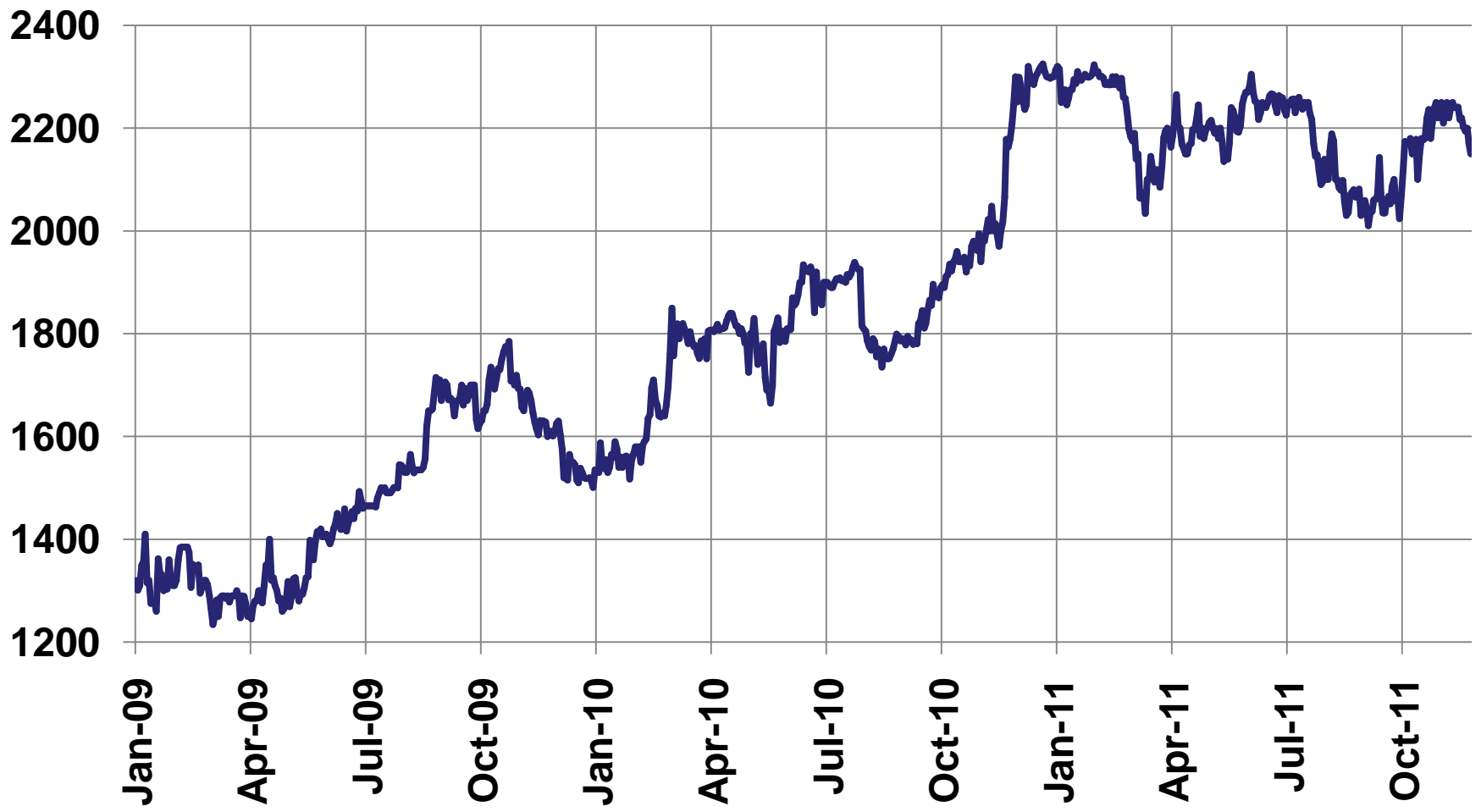
Nampak vs Alsi - 1999 to 2009

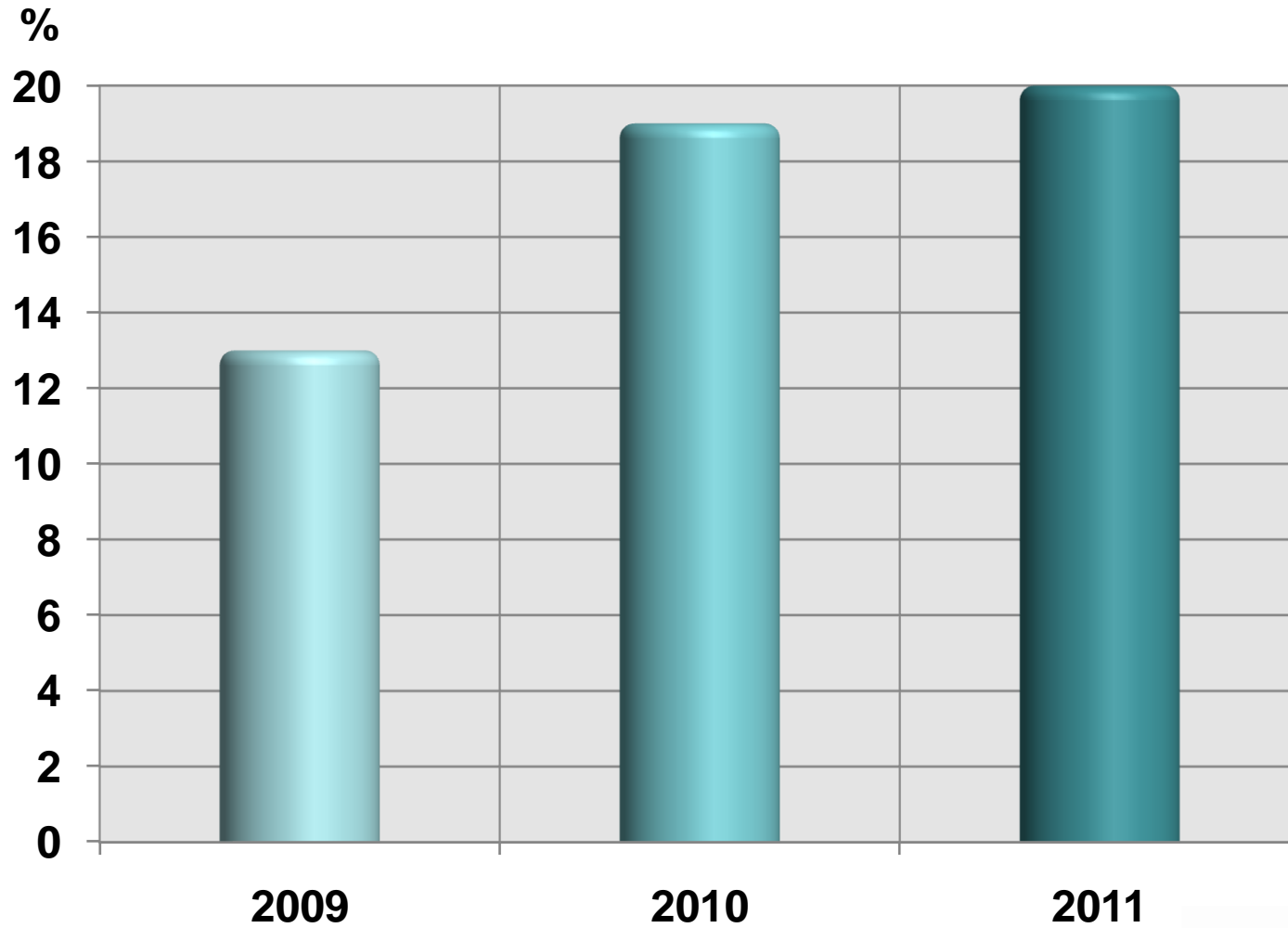


Nampak vs ALSI – 2009 to date

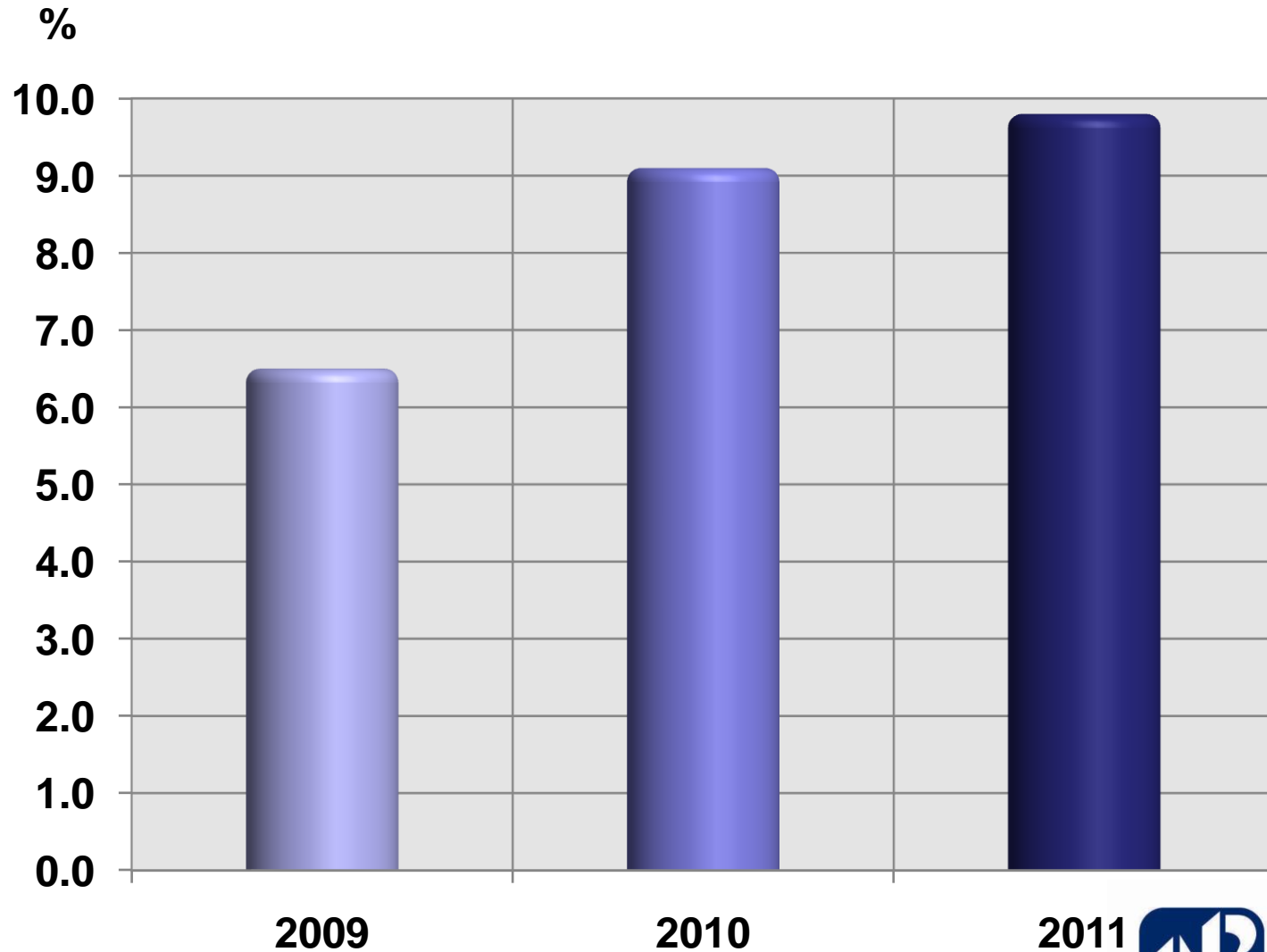


Nampak Share Price





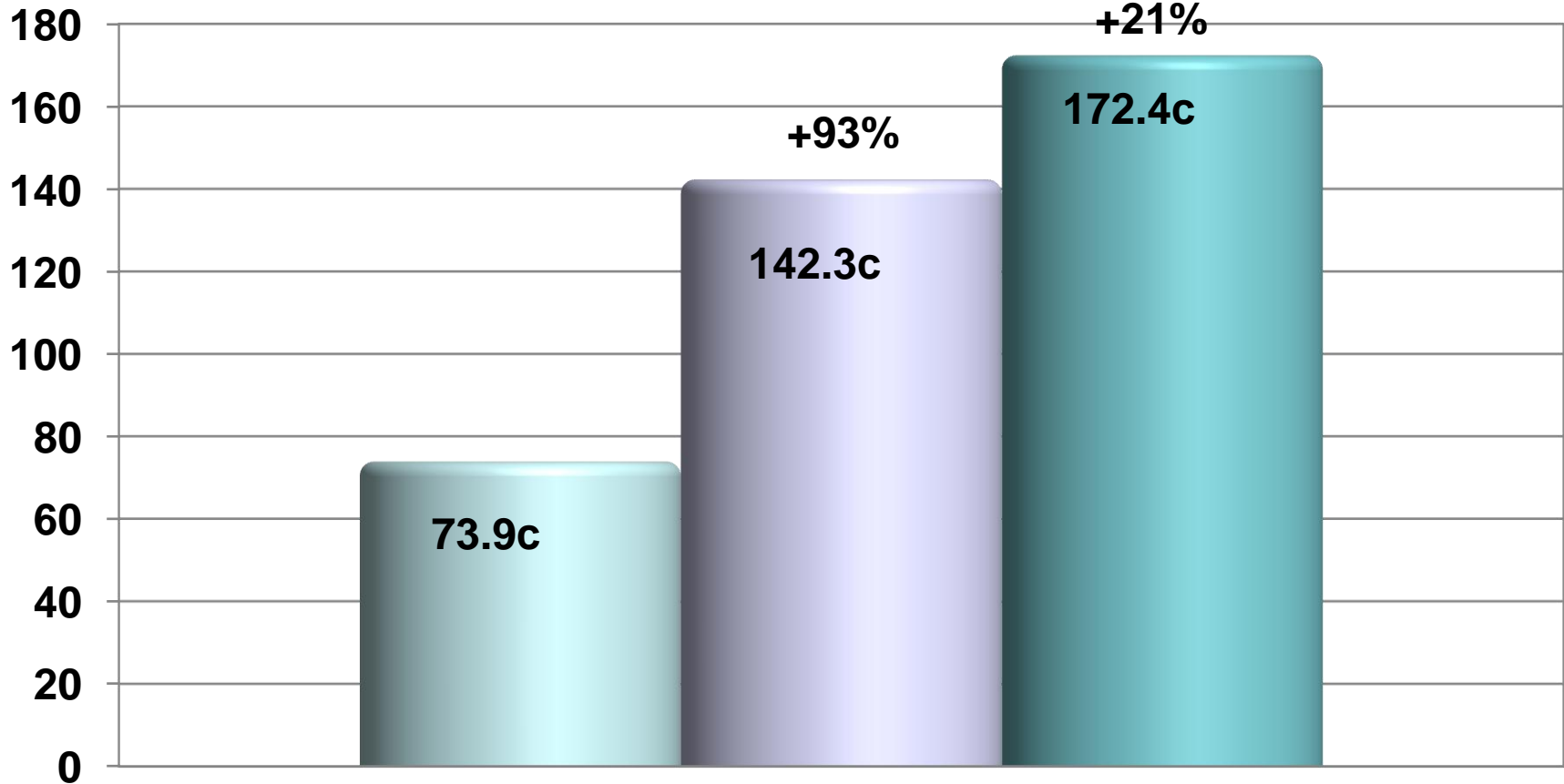
Trading Margin



Nampak
packaging excellence

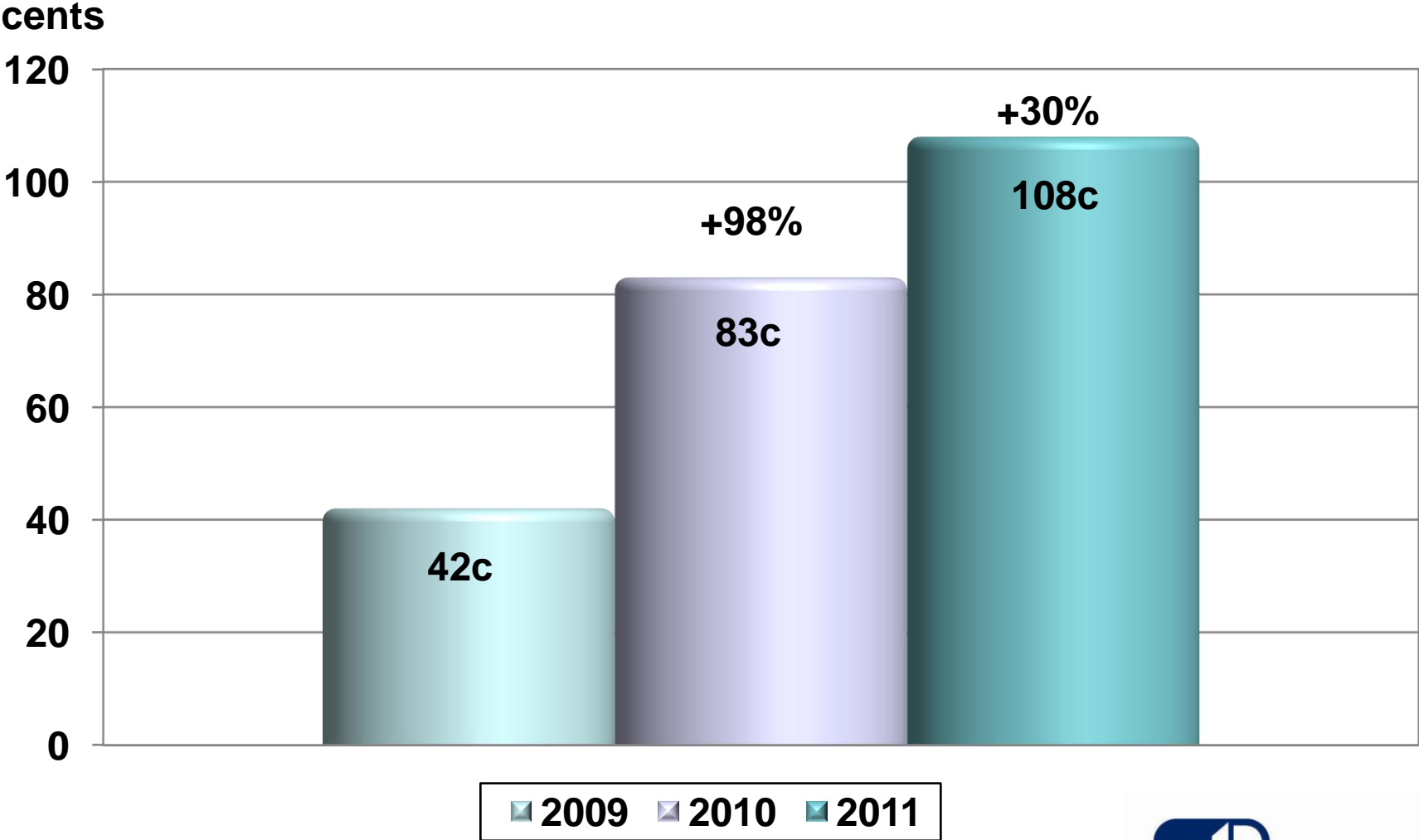
Headline Earnings per Share

cents

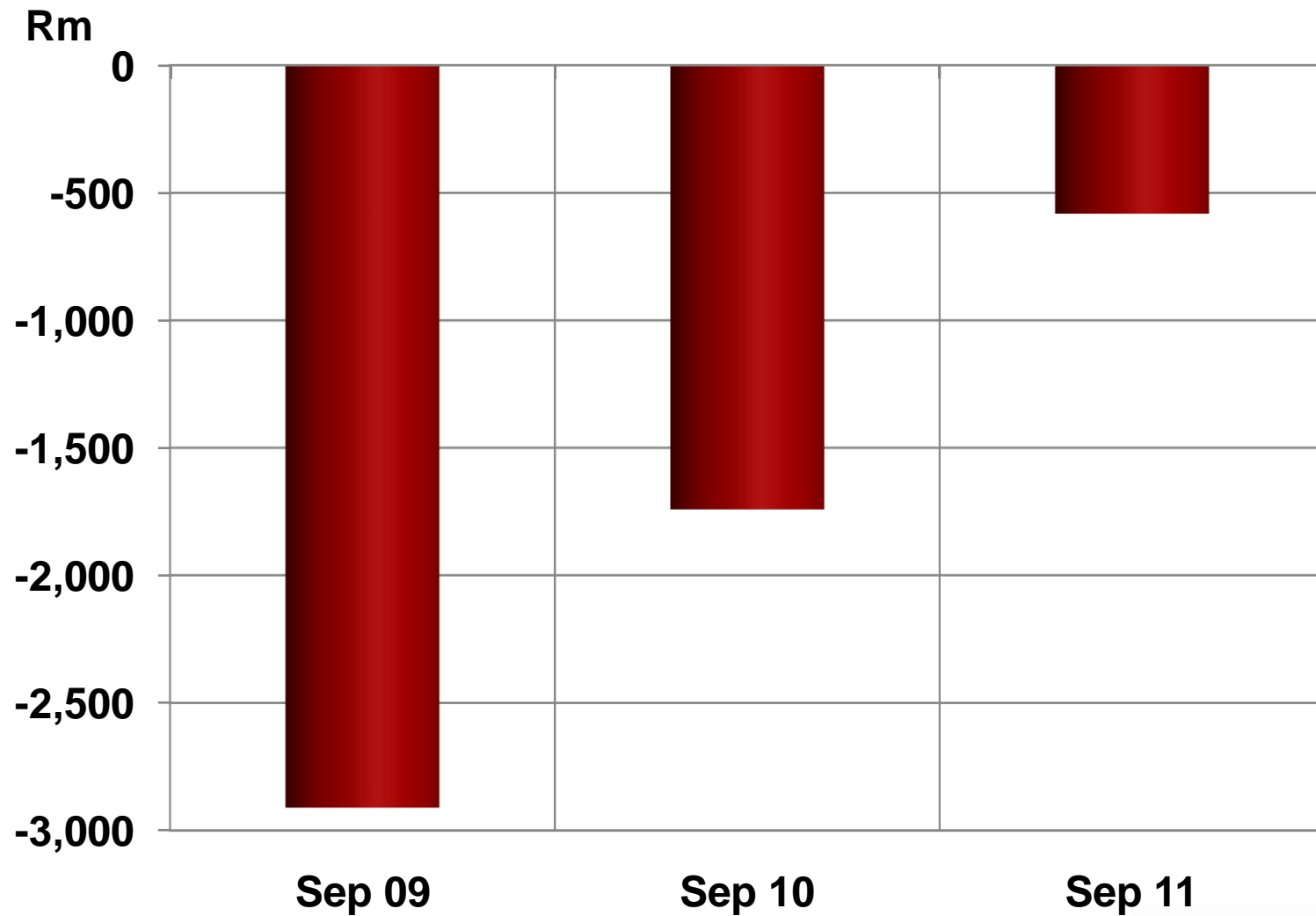


2009 2010 2011

Dividends per Share



Net Debt



OUTLOOK

- **Nampak is now:**
 - **More focused**
 - **With low gearing and strong cash generation, and is therefore**
- **Able to invest in growth opportunities**
- **Grow with the South African economy and customers**
- **Increase the contribution from the rest of Africa**



THANK YOU