

Nampak 2013 Interim Results



May 2013

- **Salient features**
- **Group results**
- **Operational review**
- **Strategic update**
- **Outlook**

Salient Features

- Revenue up 7%, Africa up 19%
- Trading profit up 6%
- Profits from Africa
 - Up 39%
 - 21% of Group
 - 28% if exports included
- Africa growth strategy gaining momentum
- SA trading profits lower
 - Upfront price reductions to secure long-term contracts
- HEPS up 3%
- ROE 24%
- Dividend up 4% to 42 cents per share

Group Results



May 2013

Group Income Statement

Rm	2013	2012	%
Revenue	9 379	8 783	7
Operating profit	1 058	934	13
Net finance costs	104	65	62
Income from investments/profit from assoc	26	10	
Profit before tax	980	879	11
Taxation	201	219	
Profit for the period	779	660	18
HEPS	108.8c	106.0c	3

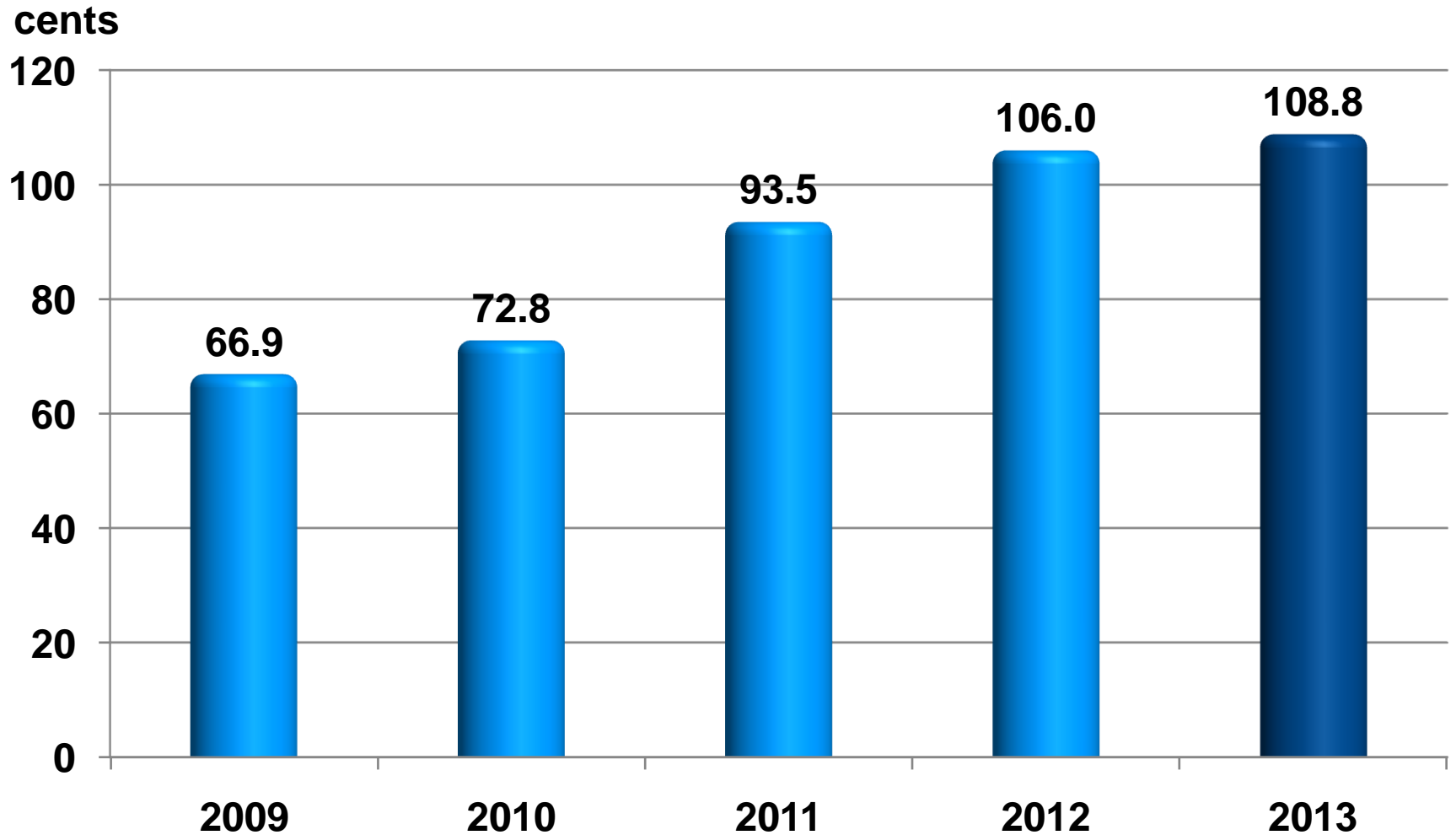
Operating and Trading Profit

Rm	2013
TRADING PROFIT	951
Abnormal items	107
Retrenchment and restructuring	4
Gain on revaluation of joint venture	23
Gain on reconsolidation of Zimbabwe	88
OPERATING PROFIT	1 058

Tax Rate

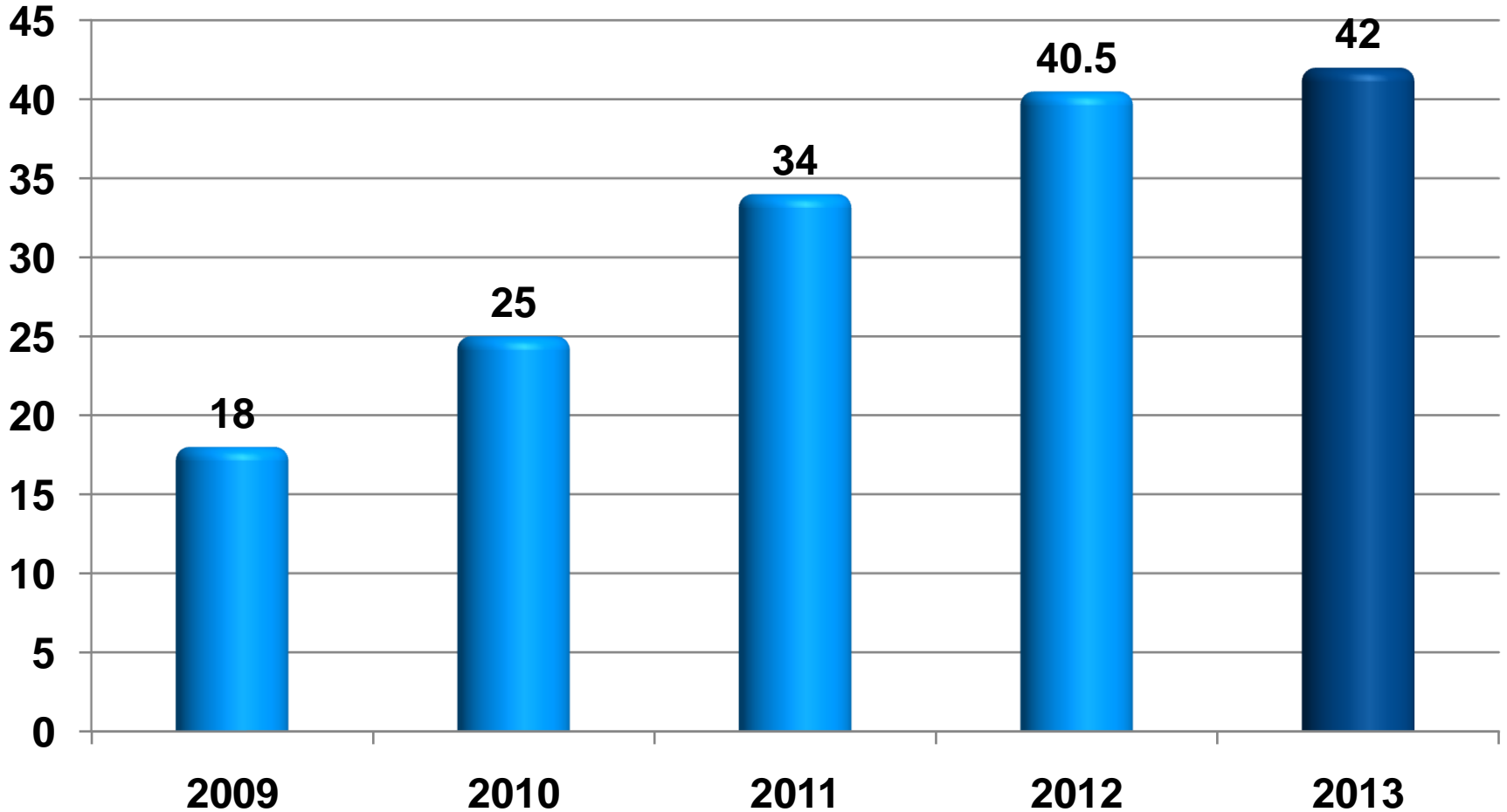
Rm	2013
Profit before tax	980
Tax	201
Effective tax rate	20.5%
Capital items	4.5%
Government incentive	1.4%
Other	1.6%
Standard tax rate	28.0%

Headline Earnings per Share



Dividends per Share

cents



Abridged Balance Sheet

Rm	2013	2012
Non-current assets	8 195	7 100
Bank balances, deposits and cash	2 084	1 902
Current assets	6 216	5 655
TOTAL ASSETS	16 495	14 657
Total equity	6 743	5 832
Loans and borrowings	4 230	3 467
Retirement benefit obligations	1 637	1 363
Other non-current liabilities	746	503
Current liabilities	3 139	3 492
TOTAL EQUITY AND LIABILITIES	16 495	14 657

Group Condensed Cash Flow

	Rm
Cash generated from operations before working capital	1 328
Working capital changes	720
Cash generated from operations	608
Net interest paid	106
Tax paid	165
Dividends paid	528
Capex	631
Acquisition of businesses	110
Other	84
Cash outflow before financing activities	848
Net borrowings raised	823
Net cash outflow	25

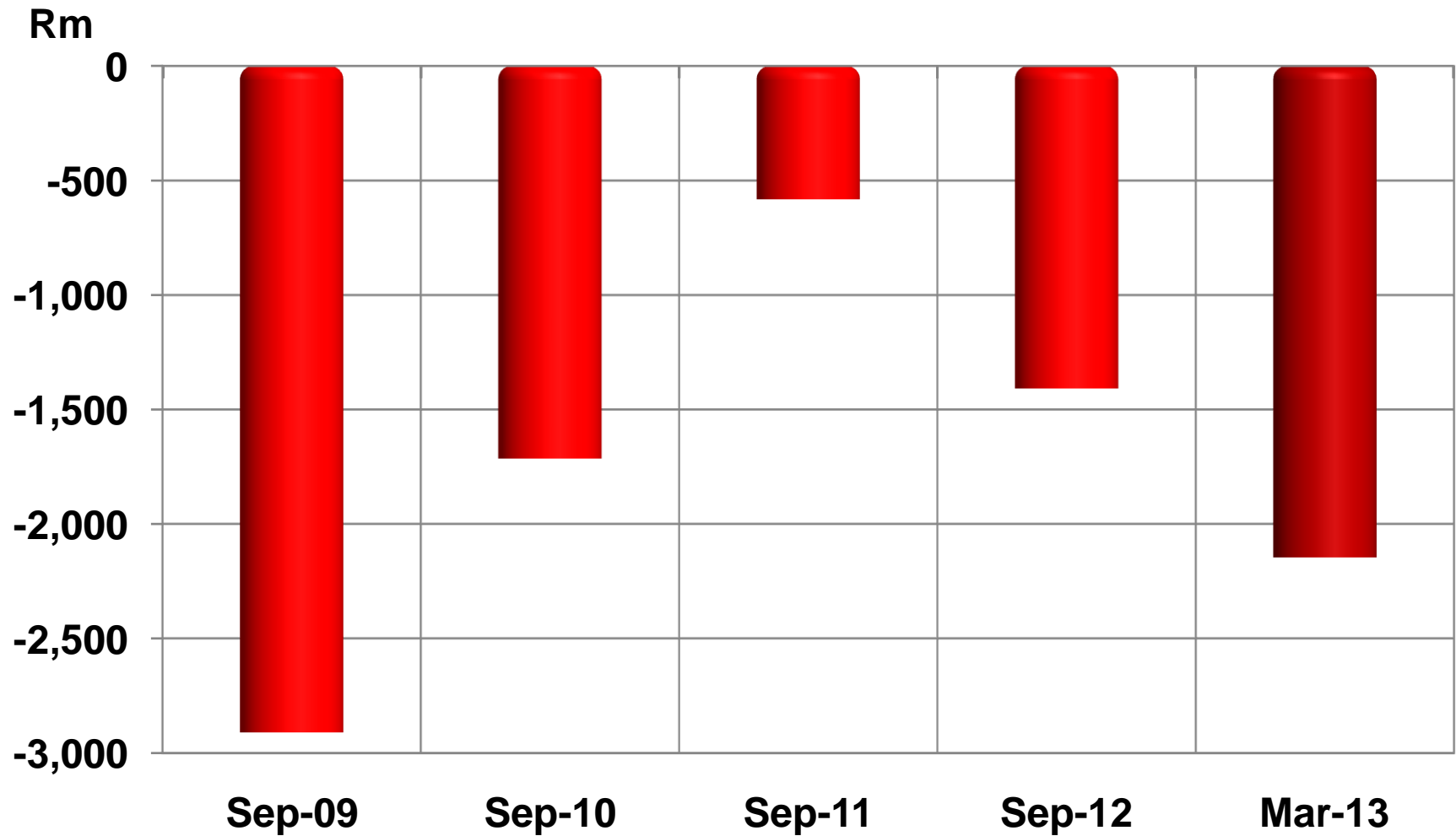
Working Capital Movement

	Rm
Inventories	41
Receivables	204
Payables	557
Total increase in working capital	720

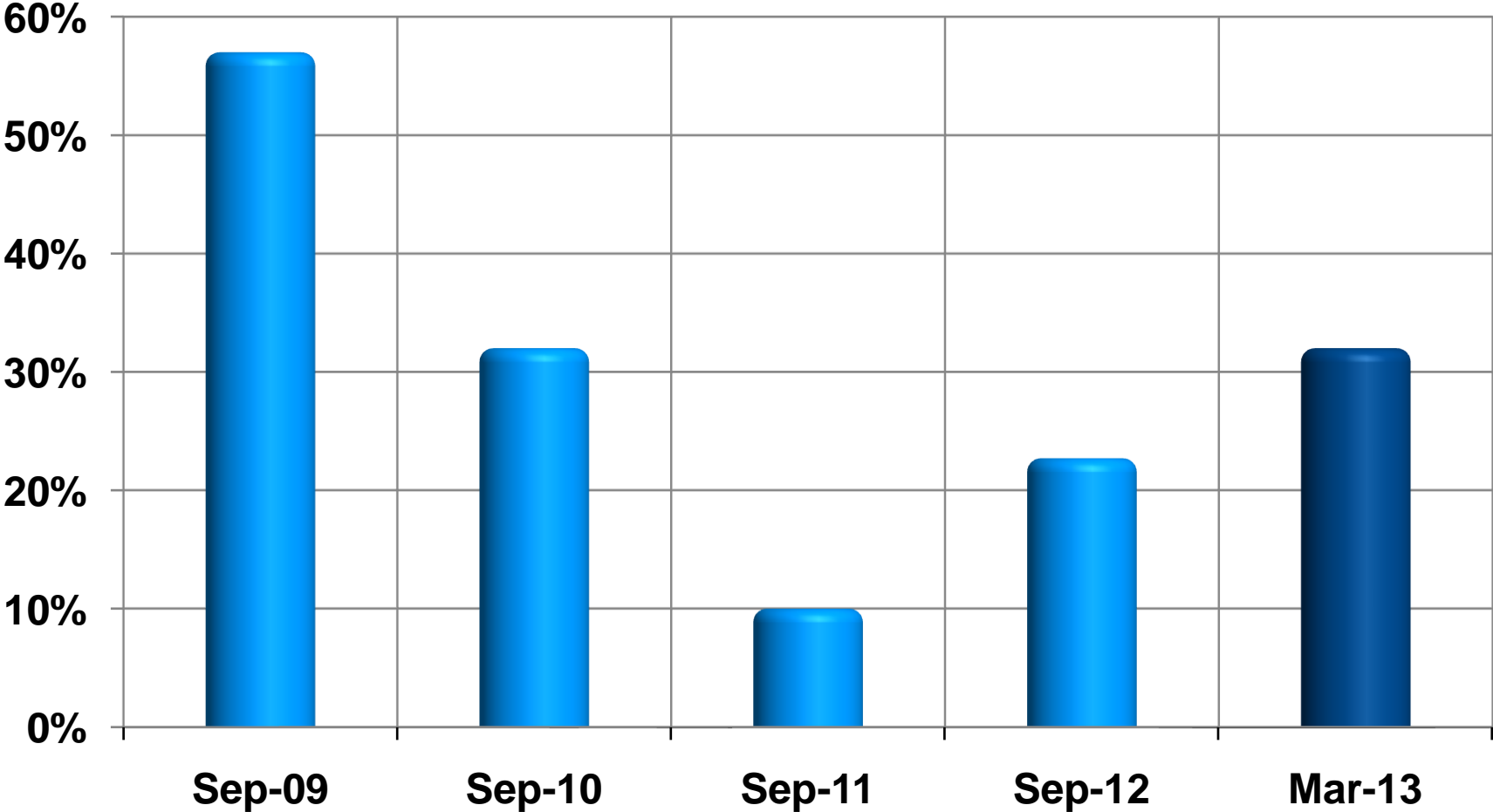
Capex

	Rm
Aluminium conversion	325
Diaper expansion	47
6th Aerosol can line	30
Clover Clayville in-plant	23
	425
Other projects	206
TOTAL CAPEX	631

Net Debt

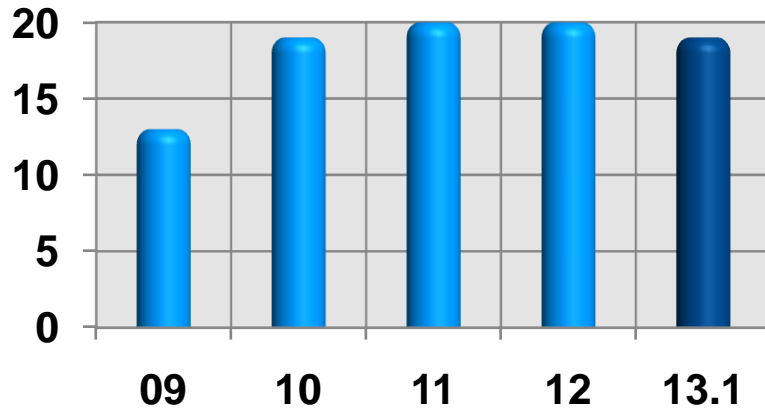


Net Debt : Equity

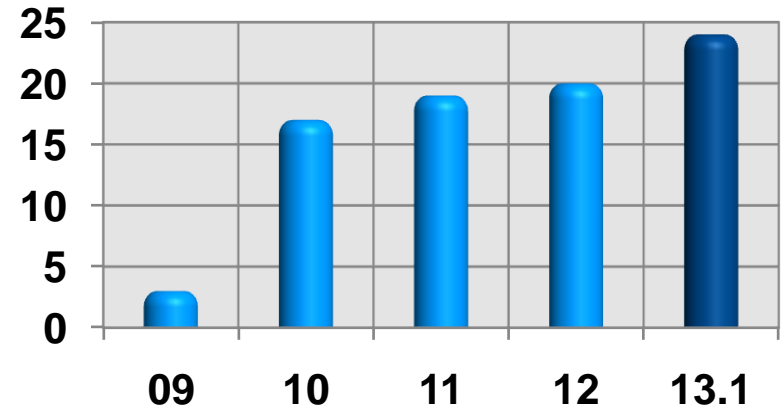


Key Ratios

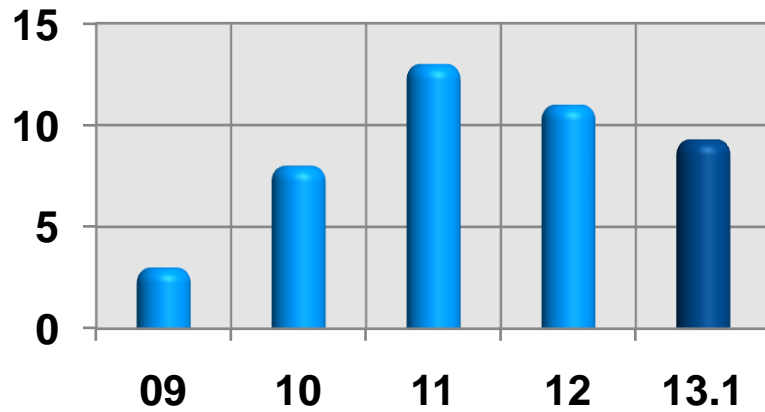
RONA %



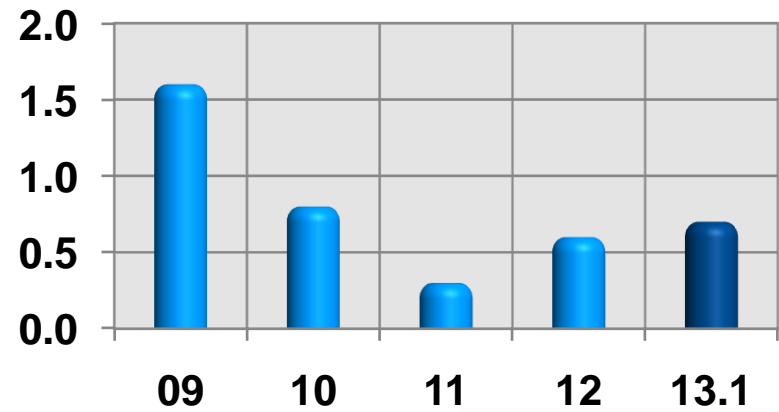
ROE %



Interest Cover X



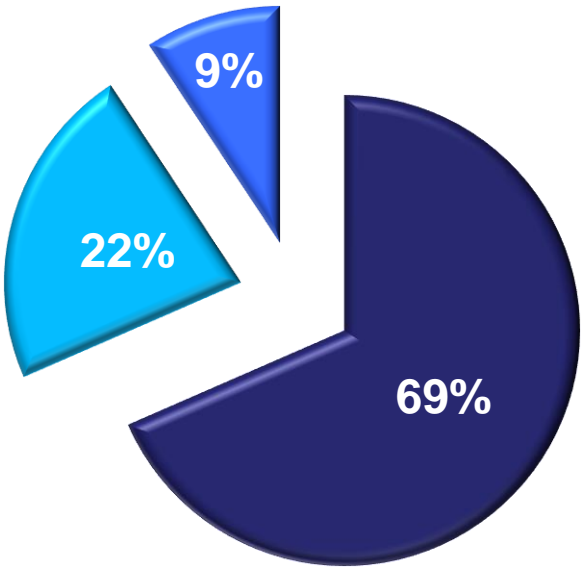
Net debt:EBITDA X



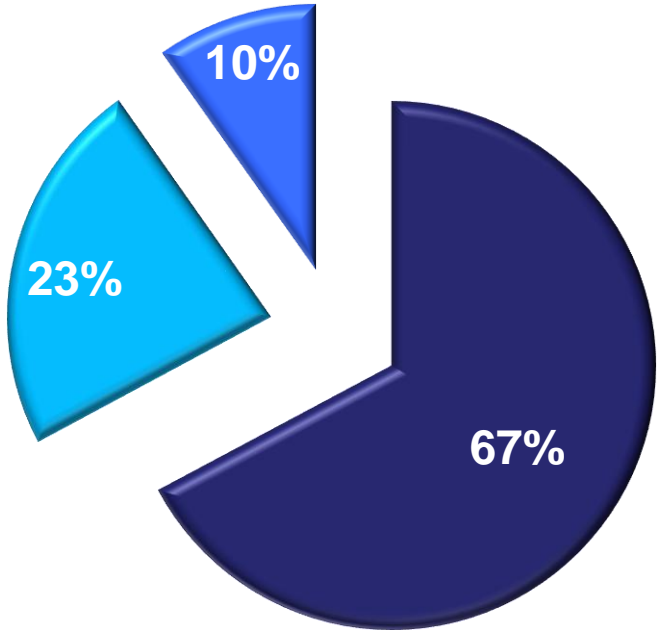
Operational Review



Geographical Revenue

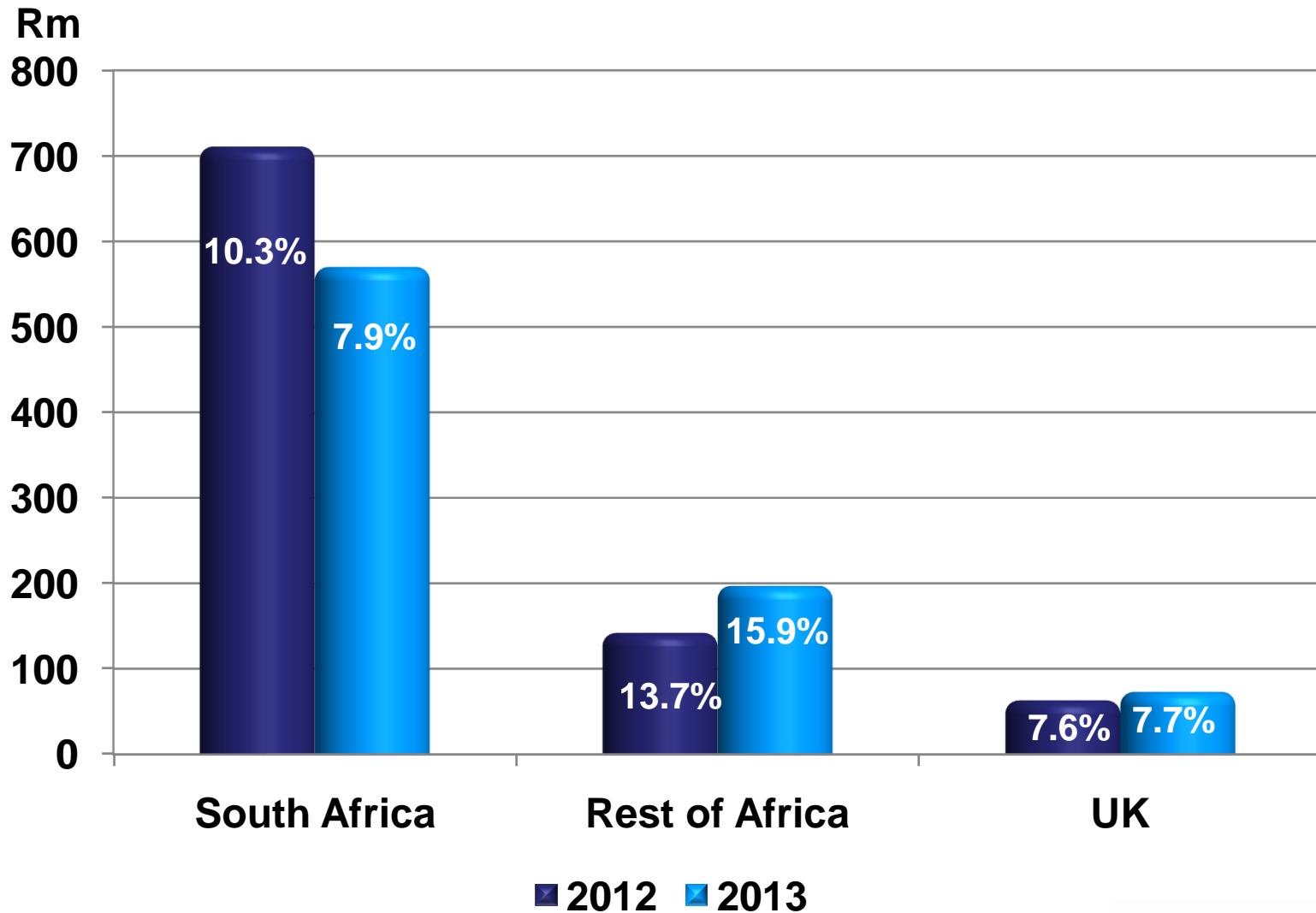


2012



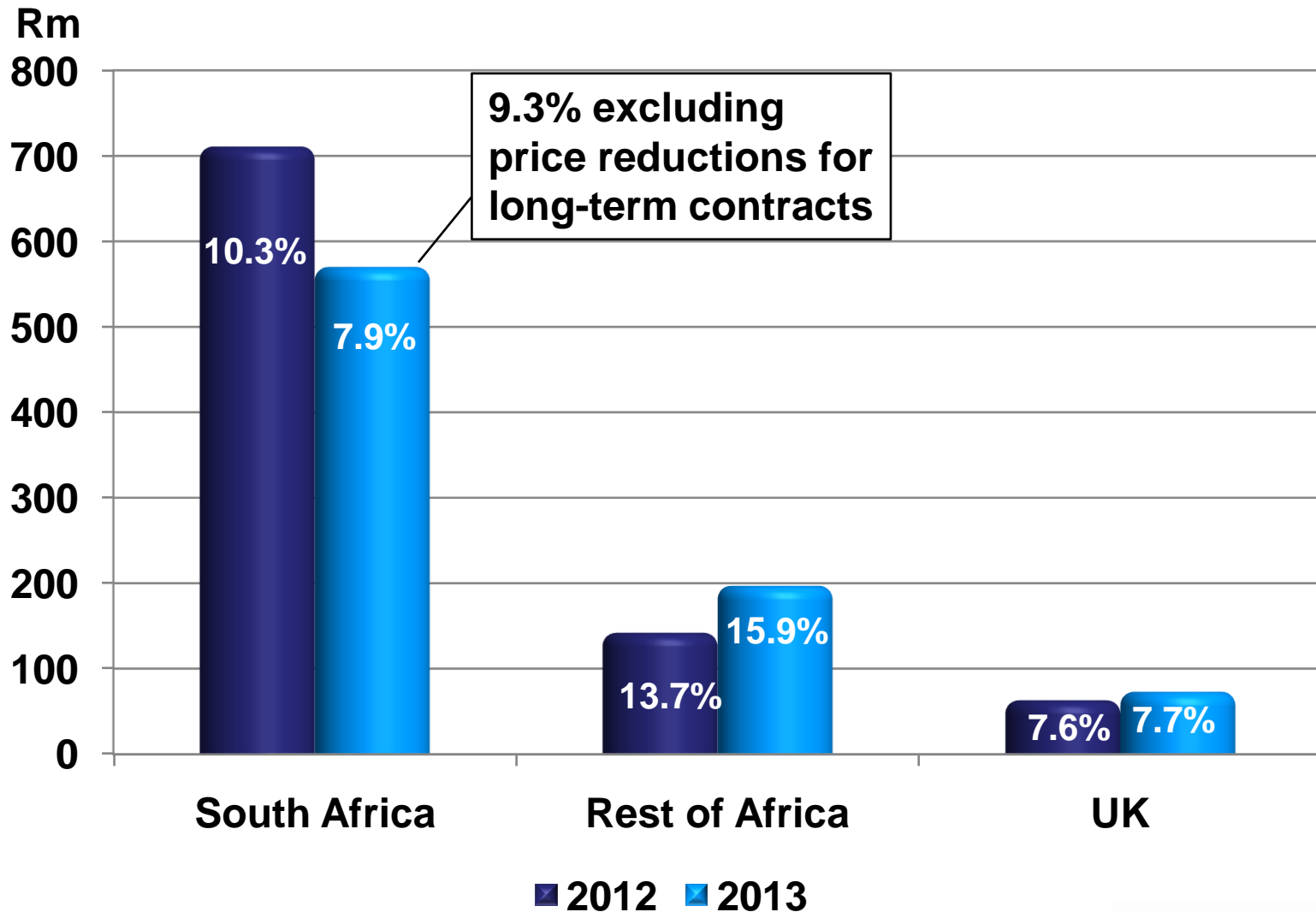
2013

Trading Profit and Margin



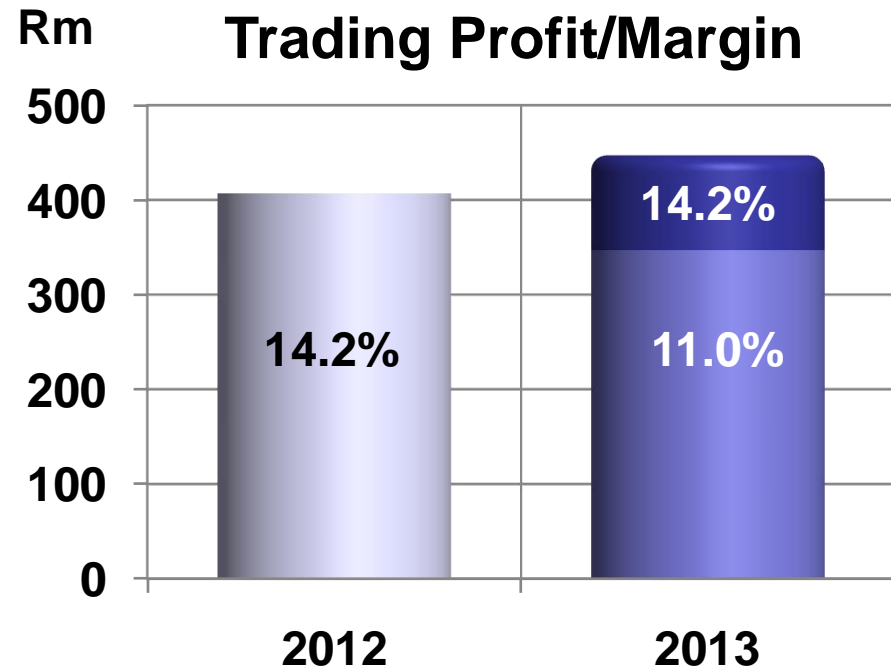
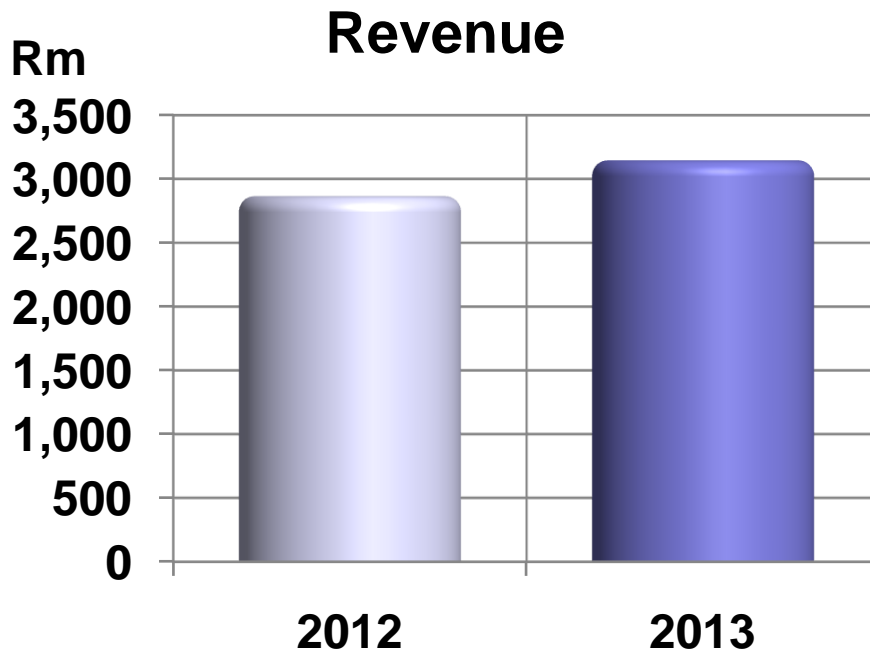
Note: exports profits included in South Africa

Trading Profit and Margin



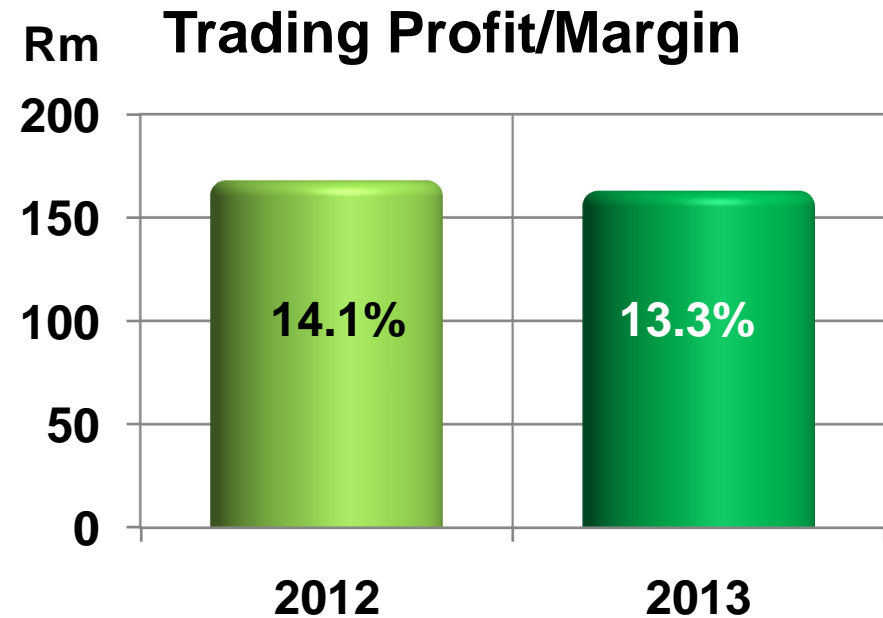
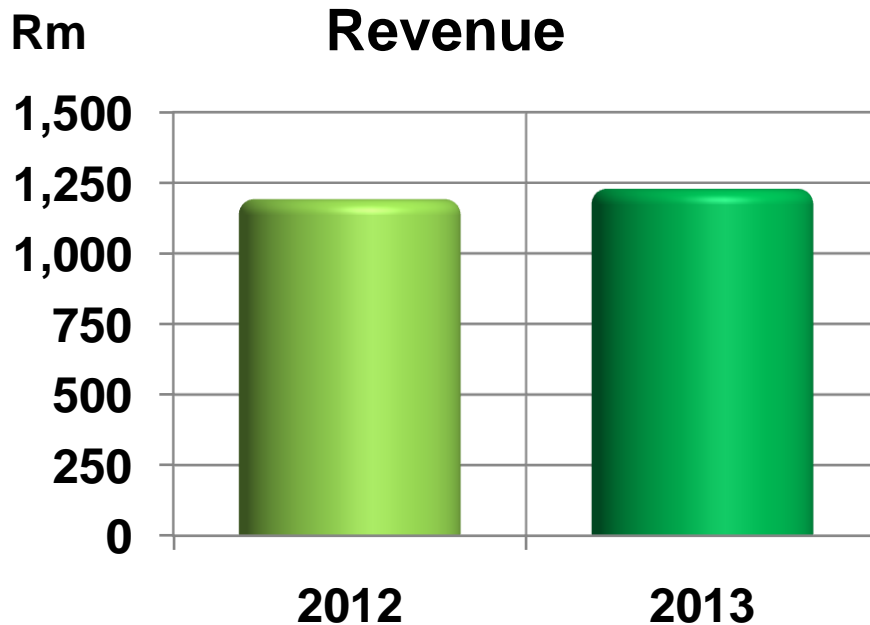
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South Africa: Metals & Glass



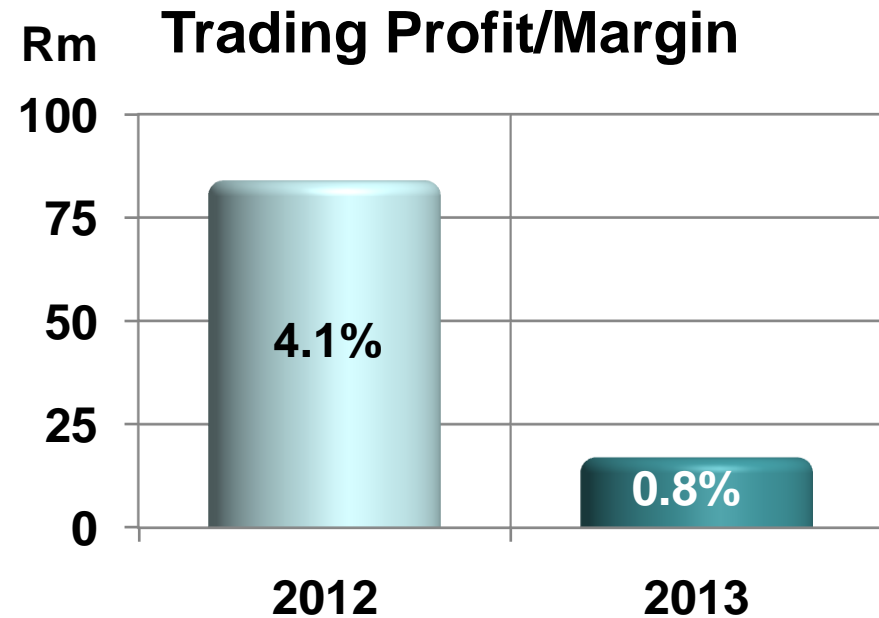
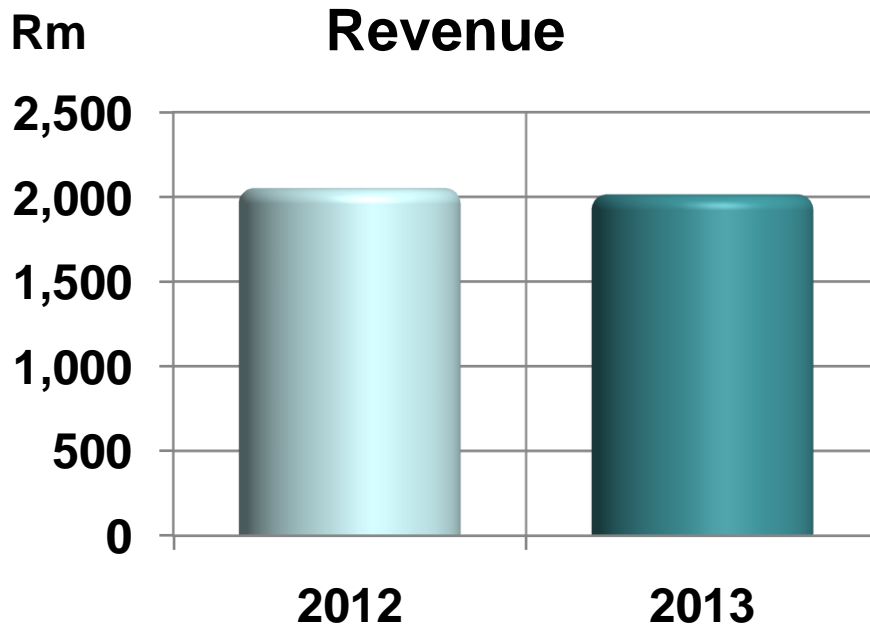
- **Good demand for beverage cans but lower average selling prices as a consequence of securing long-term contracts**
- **Fish can sales up but fruit and vegetables, aerosol and paint lower**
- **DivFood margins impacted by expensive mix of imported and local tinplate**
- **Lower demand for glass bottles and reduced prices to secure long-term contracts**

South Africa: Plastics



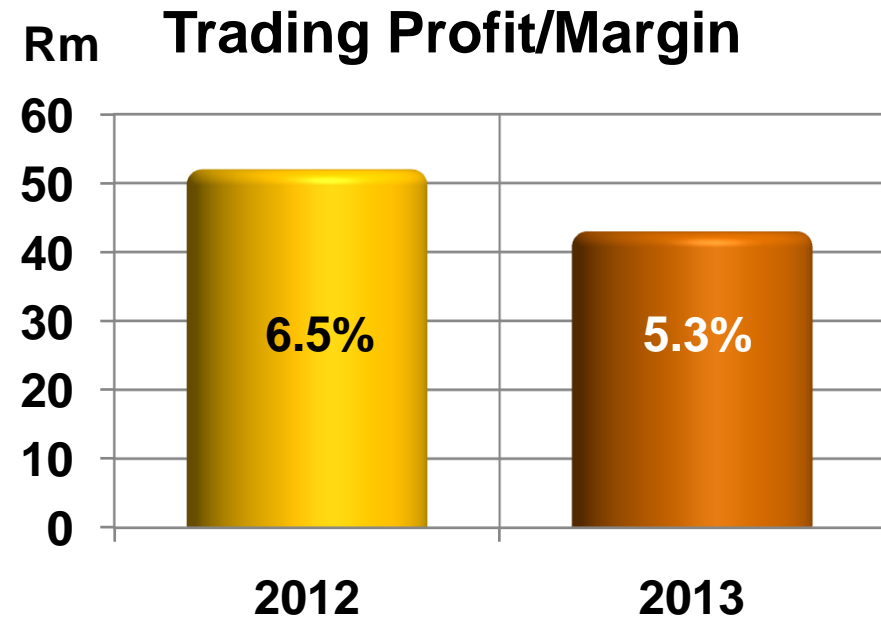
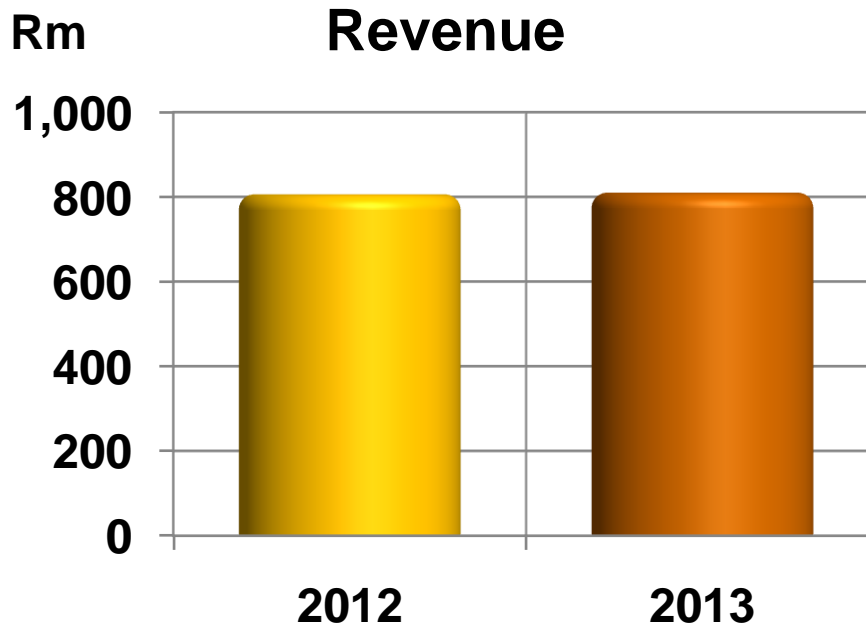
- Demand for milk and juice bottles flat
- Weak domestic demand for sorghum beer cartons
- Sorghum beer carton exports to Botswana affected by new legislation
- Good demand for CSD PET closures
- Reduced sales of drums – moderate demand for crates

South Africa: Paper & Flexibles



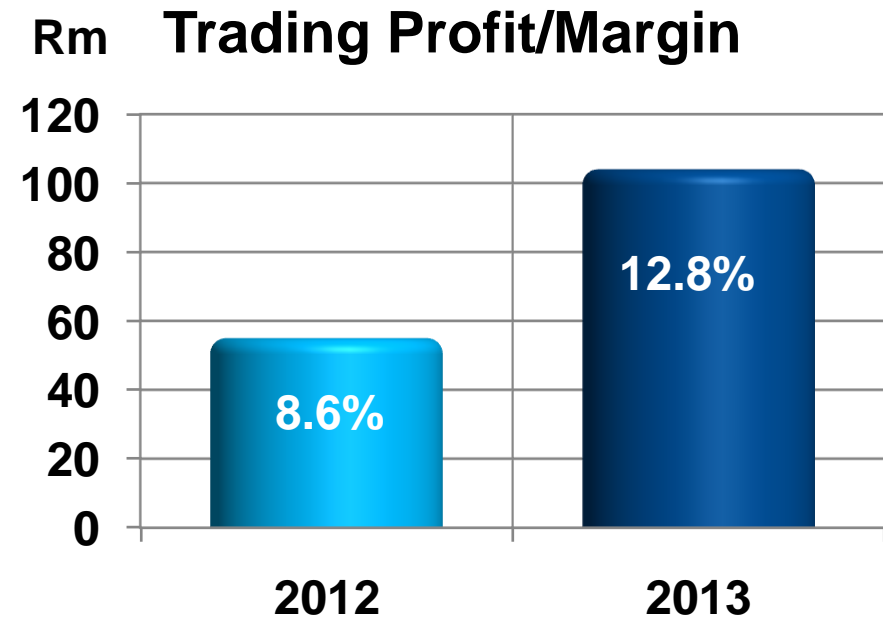
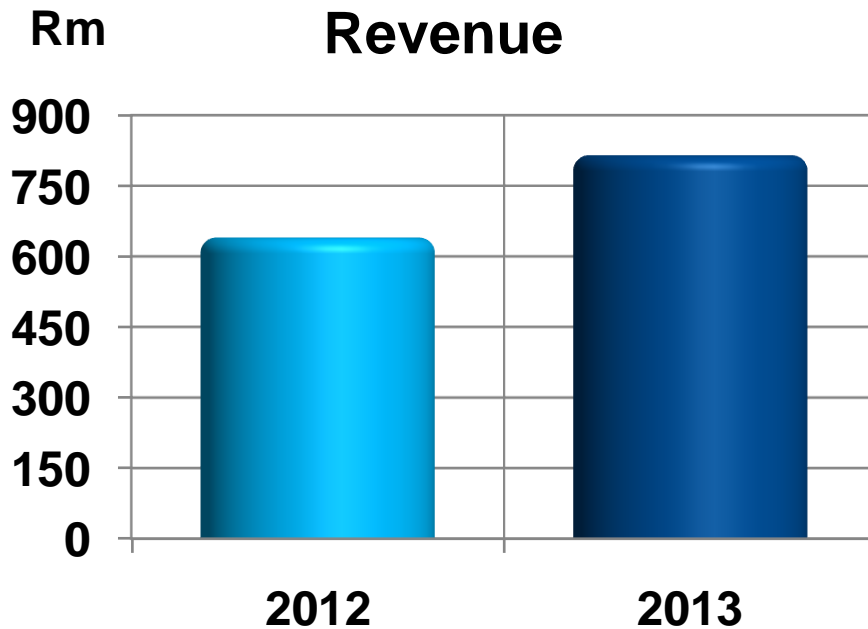
- Strong demand for agricultural boxes
- Commercial sector demand under pressure
- Flexible packaging affected by weak consumer demand
- Cartons and labels impacted by integration costs and weak demand
- Sacks impacted by subdued infrastructure spend and lower exports

South Africa: Tissue



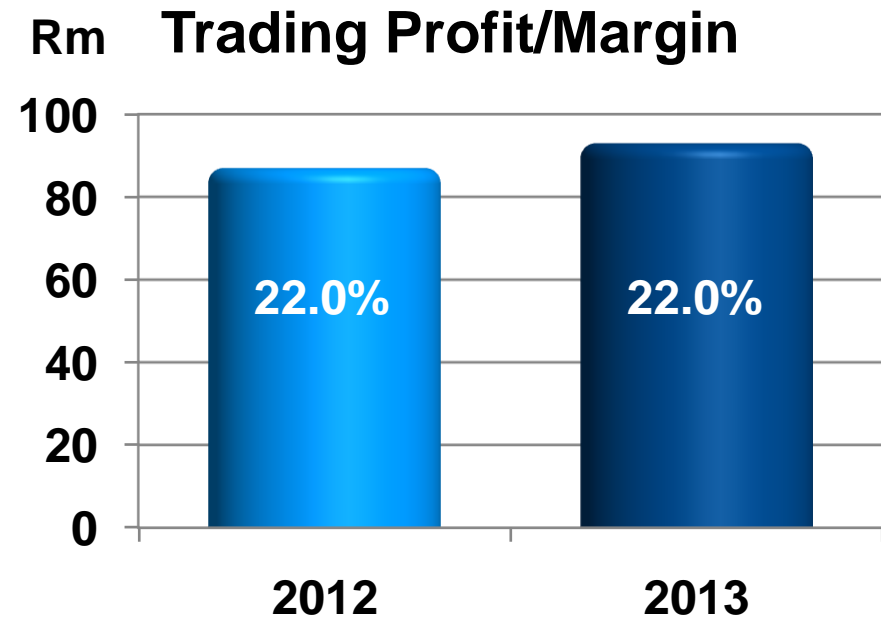
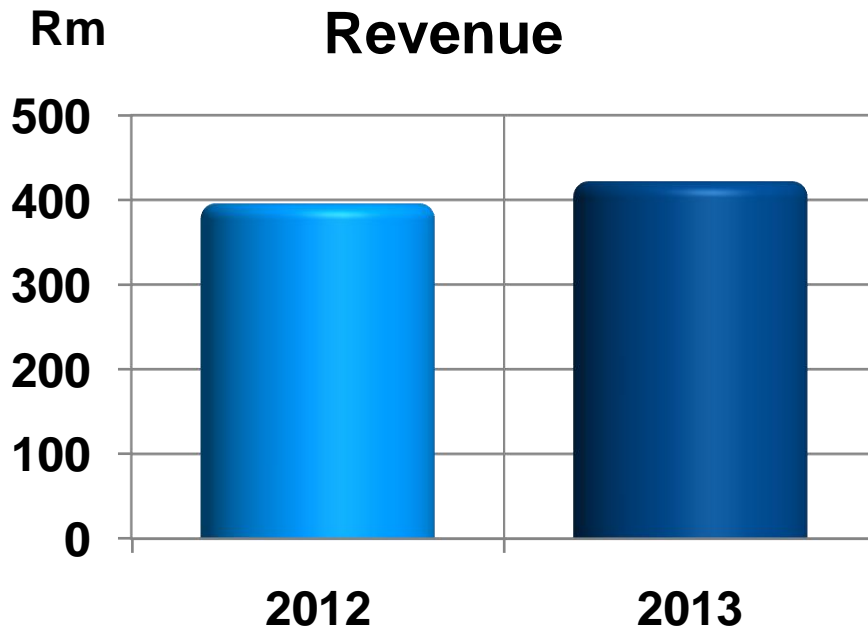
- Moderate growth in volumes of toilet tissue
- Diaper volumes lower and margins under pressure
- Highly competitive market

Rest of Africa: Metals & Glass



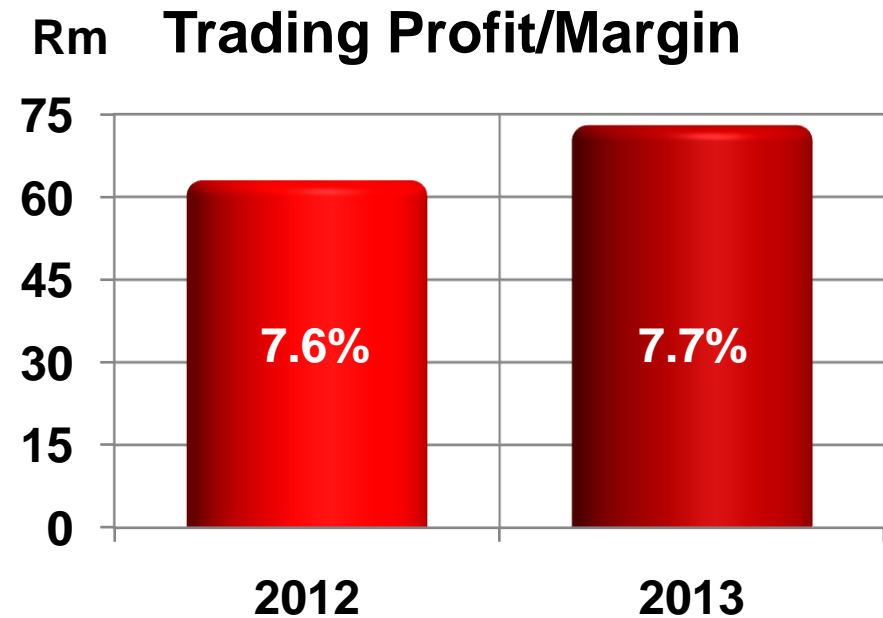
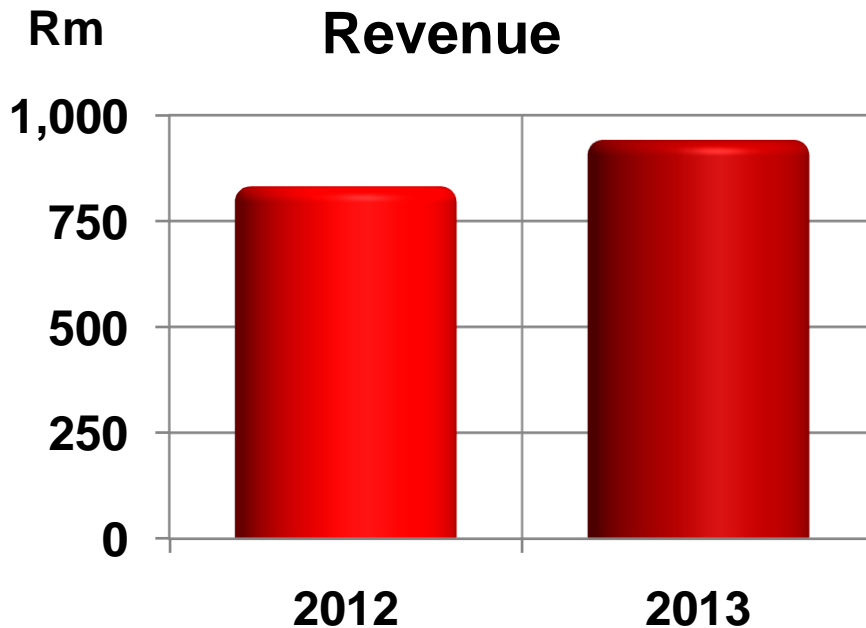
- Continued high demand for beverage cans in Angola
- Higher sales of pineapple cans in Kenya

Rest of Africa: Paper & Flexibles



- Customer destocking affected cigarette carton sales in Nigeria
- Zambia continued to perform well
- Recovery by Malawi
- Zimbabwe satisfactory

United Kingdom: Plastics



- Sales in £'s in line with last year
- Rand translation benefit
- Infini lightweight-bottle increased market penetration
- Market leader in the use of recycled HDPE

Summary of Results

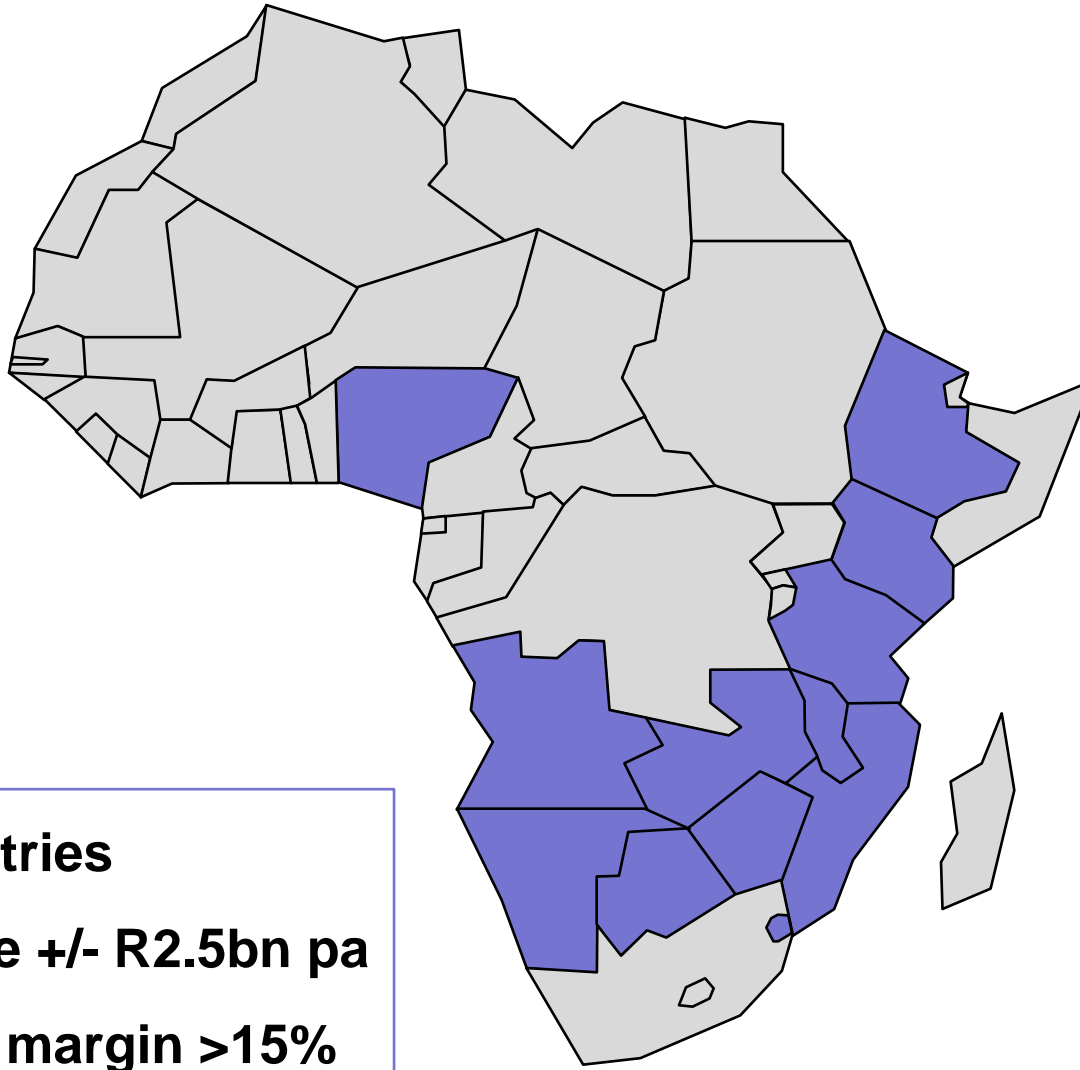
- **HEPS up 3%**
- **EPS up 19%**
- **Operating profit up 13%**
- **Africa profit up 39%**
- **EBITDA R1.4 billion**
- **ROE 24%**
- **Dividend up 4%**

Strategic Update

- Rest of Africa
- Beverage cans
- Glass



Nampak in the Rest of Africa



12 countries

Revenue +/- R2.5bn pa

Trading margin >15%

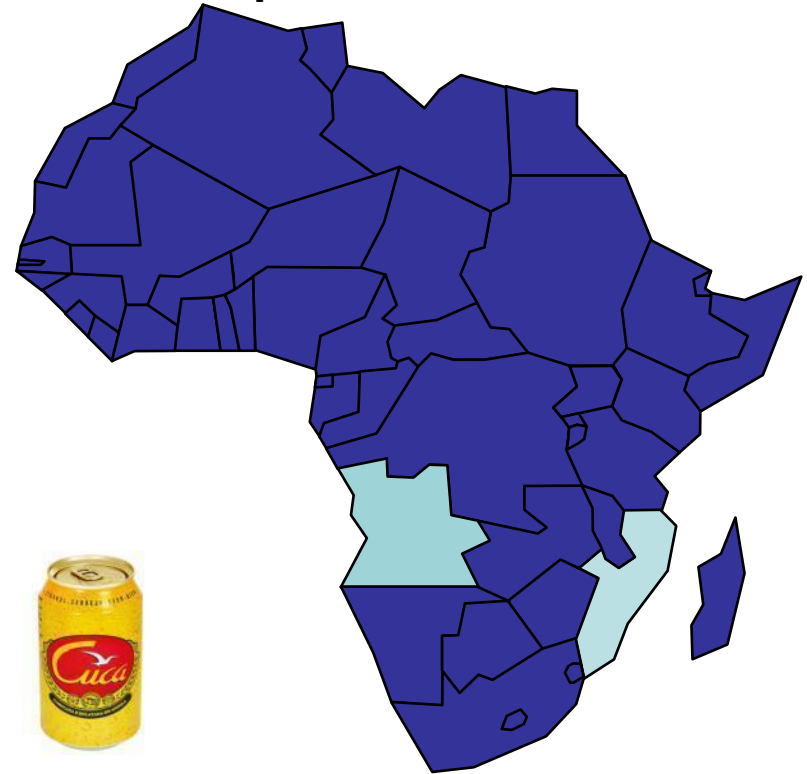
Rest of Africa

Trading Profit : 6 months



Angola and Mozambique

- New production facility/warehouse for various expansion projects
- 2nd can line
- Expansion of product range
 - Flexibles
 - Closures
 - Food cans
 - Rigid Plastics
- Plastics acquisition



Nigeria

- New beverage can manufacture
- Glass facility
- New metal lines in existing operation
 - Aerosols, paint cans, plate lacquering
- Rigid plastics and closures
- Sorghum beer cartons



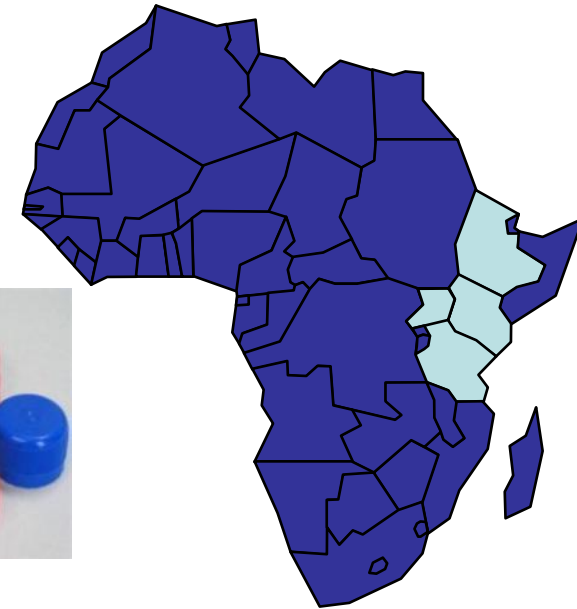
Ghana (seeking acquisition)

- Rigid plastics, closures, crates and sorghum beer cartons



Kenya

- Closures manufacture for CSD and water
- ROPP closures line (2013)
- Paper sacks facility



Tanzania

- Metal drums (2013)
- Sorghum beer cartons in Uganda and Tanzania (2013)

Ethiopia

- Acquisition in Ethiopia (currently 25% equity) (2013)
- Crates (2013)

New Drum Line in Tanzania



Crates in Ethiopia



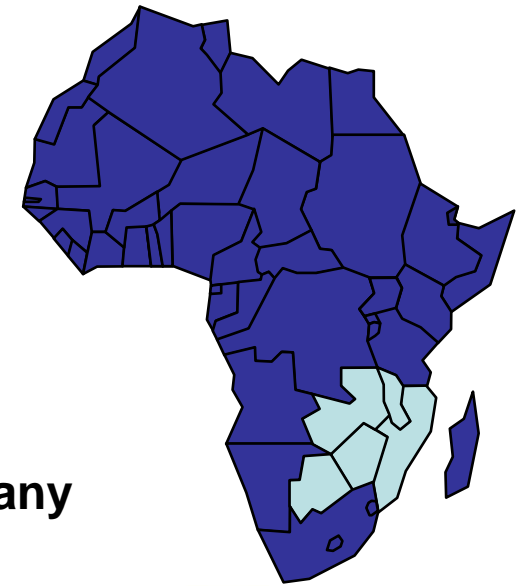
Southern Africa

Zambia

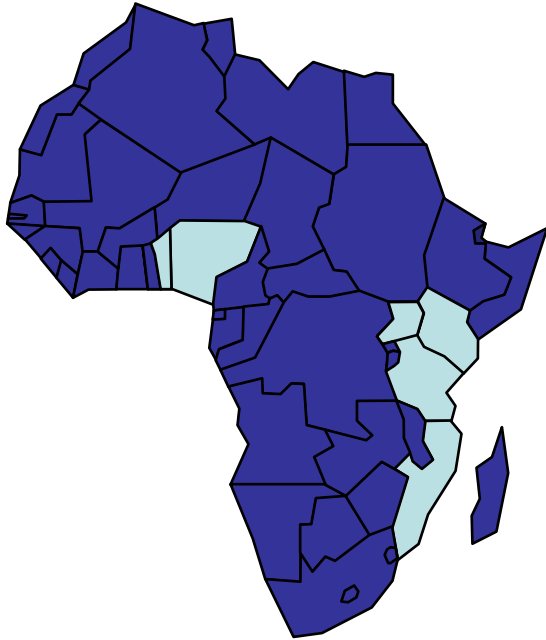
- Liquid carton printer (2013)
- PET jar line (2013)
- New S/O bag line for sugar (2013)

Zimbabwe

- Consolidation of businesses into one company
- Additional rigid plastics capacity (2013)
- New crown line (2013)



Sorghum Beer Cartons & Fillers



	2013
Ghana	X
Nigeria	X
Uganda	X
Mozambique	X
Tanzania	X
Kenya	X



Nampak Products Manufactured in Rest of Africa

Country	Bev cans	Food & other cans/drum	Crown	Carton & Paper Labels	Corr	Sack	Liquid Carton	Plastic Bottles & Jars	Closure	Crate	Glass	Flex
Angola	X	X						X	X			X
Botswana								X				
Kenya		X	X			X	X(fill)	X	X			
Malawi					X	X	X					
Moz			X									
Namibia								X				
Nigeria	X	X		X			X(fill)		X		X	X
Swaziland					X							
Tanzania		X	X				X(fill)					
Zambia		X	X	X		X	X	X	X	X		
Zimbabwe		X	X	X	X	X	X(fill)	X	X	X		
Ghana							X (fill)					
Uganda							X (fill)					
Ethiopia		X	X							X		

Existing : X
Proposed: X



Nampak
packaging excellence

Funding for Expansion

- **\$175 million raised in the United States Private Placement market**
 - **Tenure of loan ranges between 7 and 10 years**
 - **Fixed at extremely competitive rates**
- **Proceeds will be used the fund African expansion strategy**

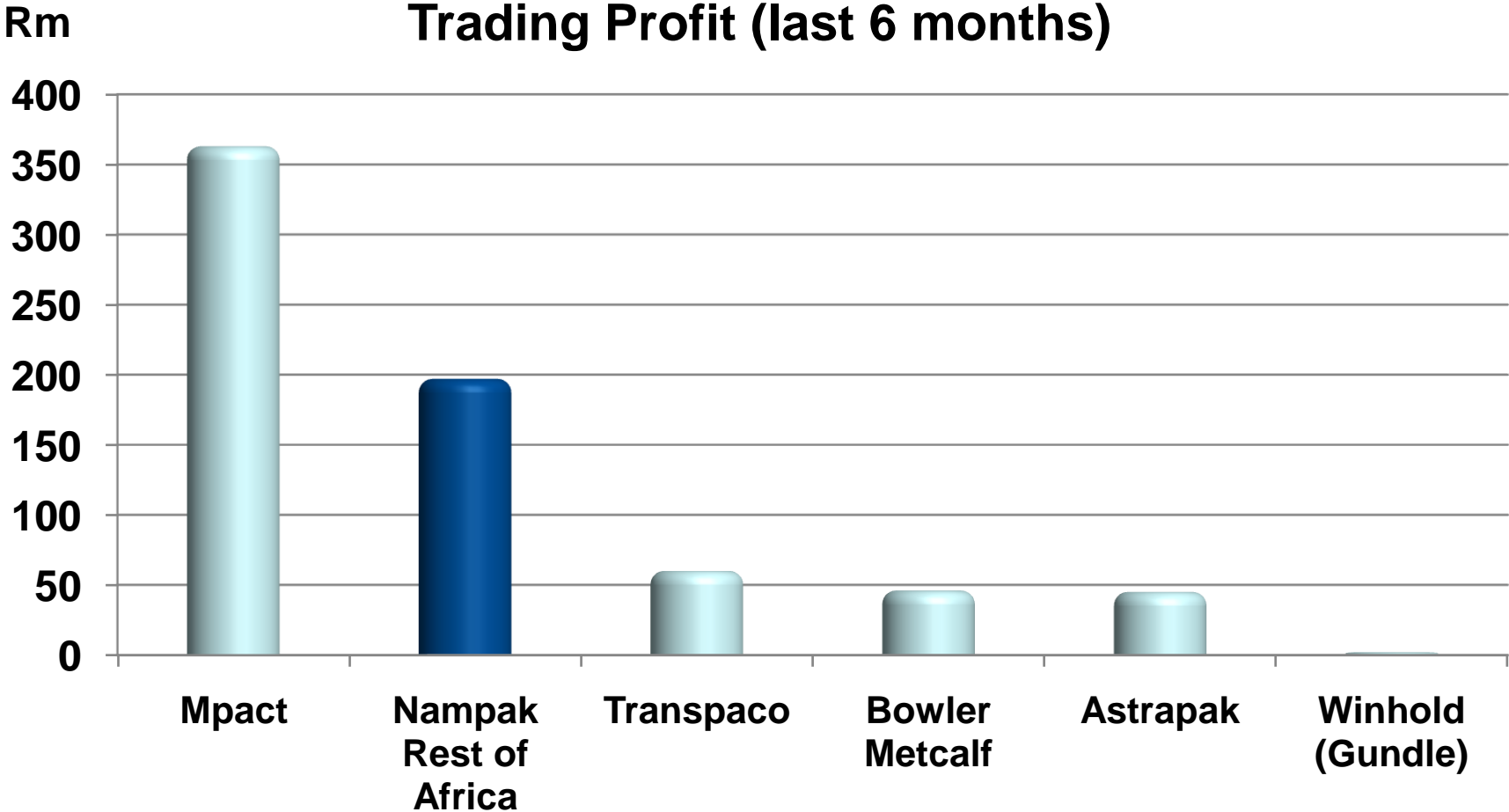
Rest of Africa Revenue

Rm	2013 (March)	2012 (March)	Growth
Manufacturing Operations	1 237	1 036	19.4%
Exports	740	771	(4%)
TOTAL	1 977	1 807	9.4%
% of Group revenue	21.1%	20.5%	

Rest of Africa Trading Profit

Rm	2013 (March)	2012 (March)	Growth
Manufacturing Operations	197	142	39%
Exports	66	82	(19%)
TOTAL	263	224	17%
% of Group trading profit	27.7%	25.1%	

Rest of Africa vs Listed Competitors



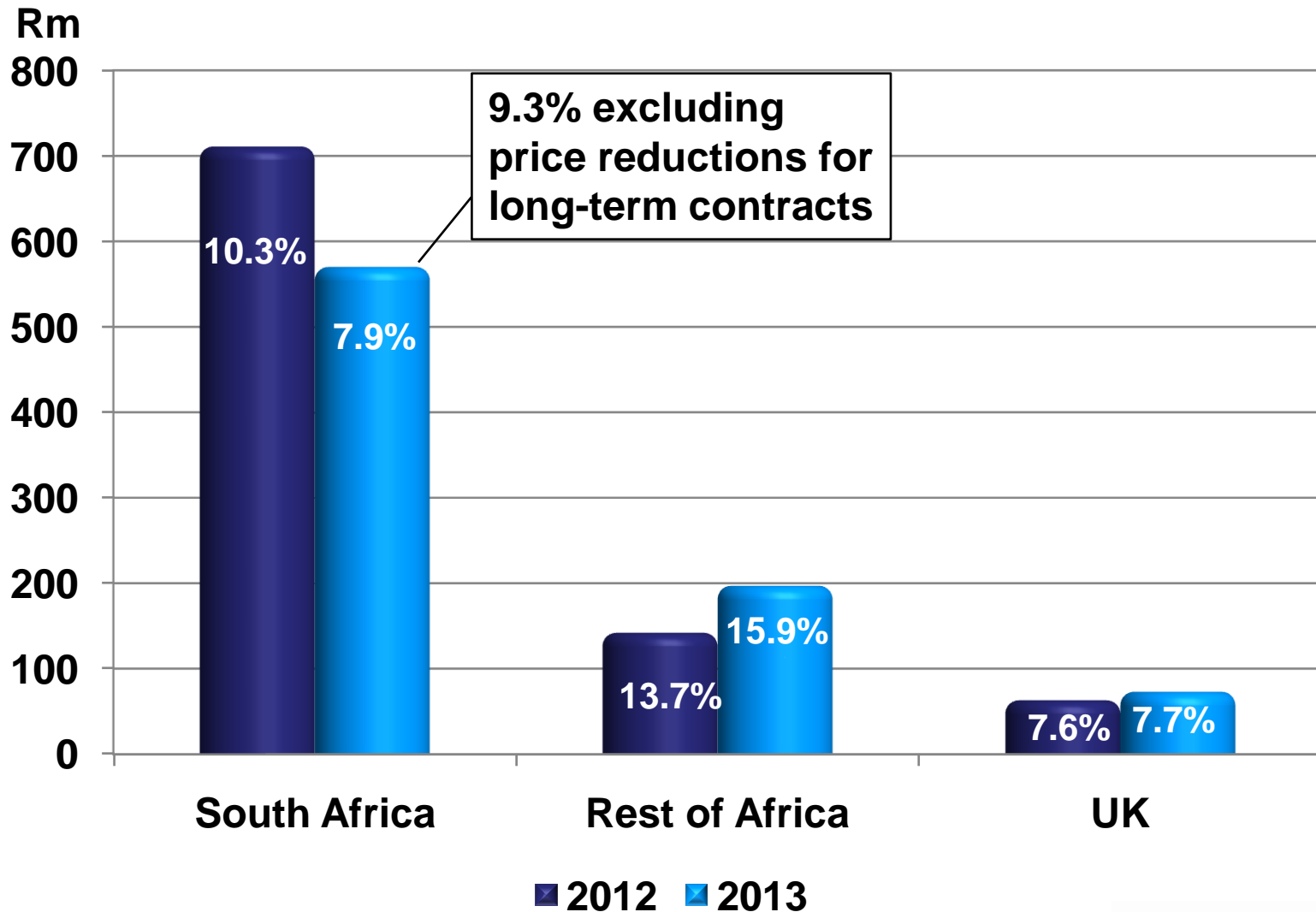
Source: published results



Beverage Cans



Trading Profit and Margin



Note: exports profits included in South Africa

Long-term Contracts

- **Short-term pain for long-term gain**
- **Why we've sacrificed margin short-term to secure long-term supply contacts and guaranteed volumes in beverage cans and glass**

South Africa

- **Volumes**
- **Consumer perceptions of cans**
- **Major customer support/conversion to cans**
- **Long-term supply contracts**

Angola

Nigeria

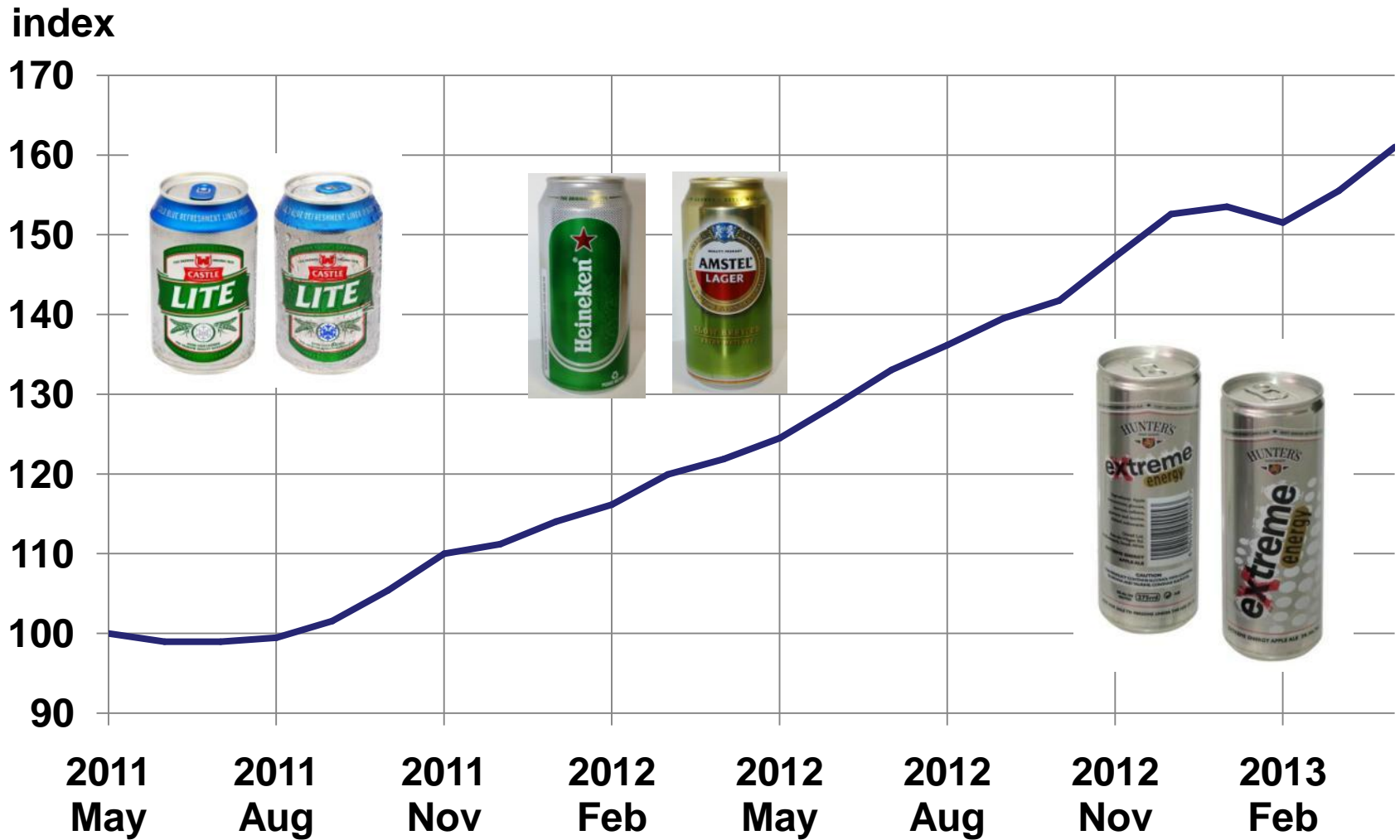
South Africa

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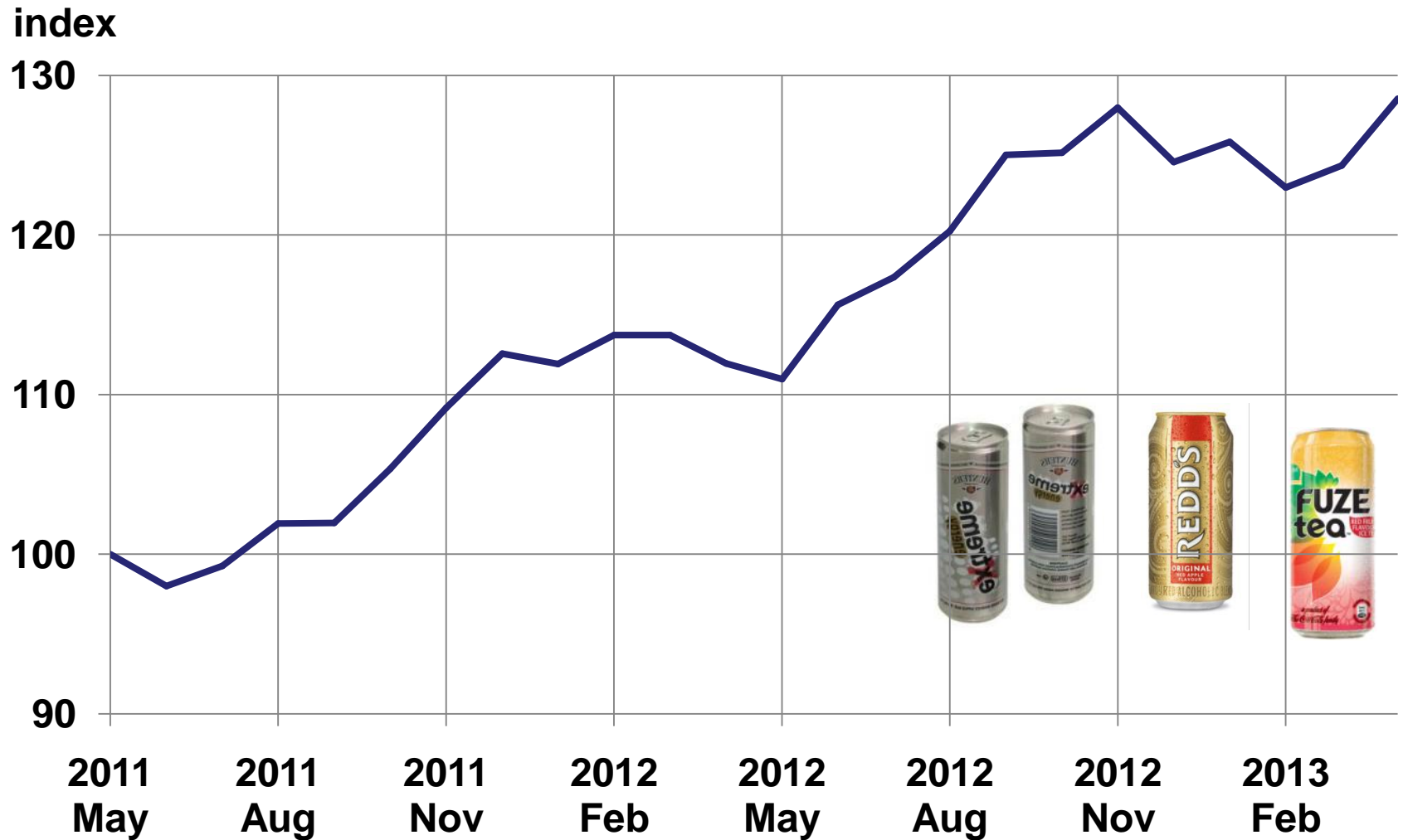
Angola

Nigeria

Growth - Alcoholic Drinks

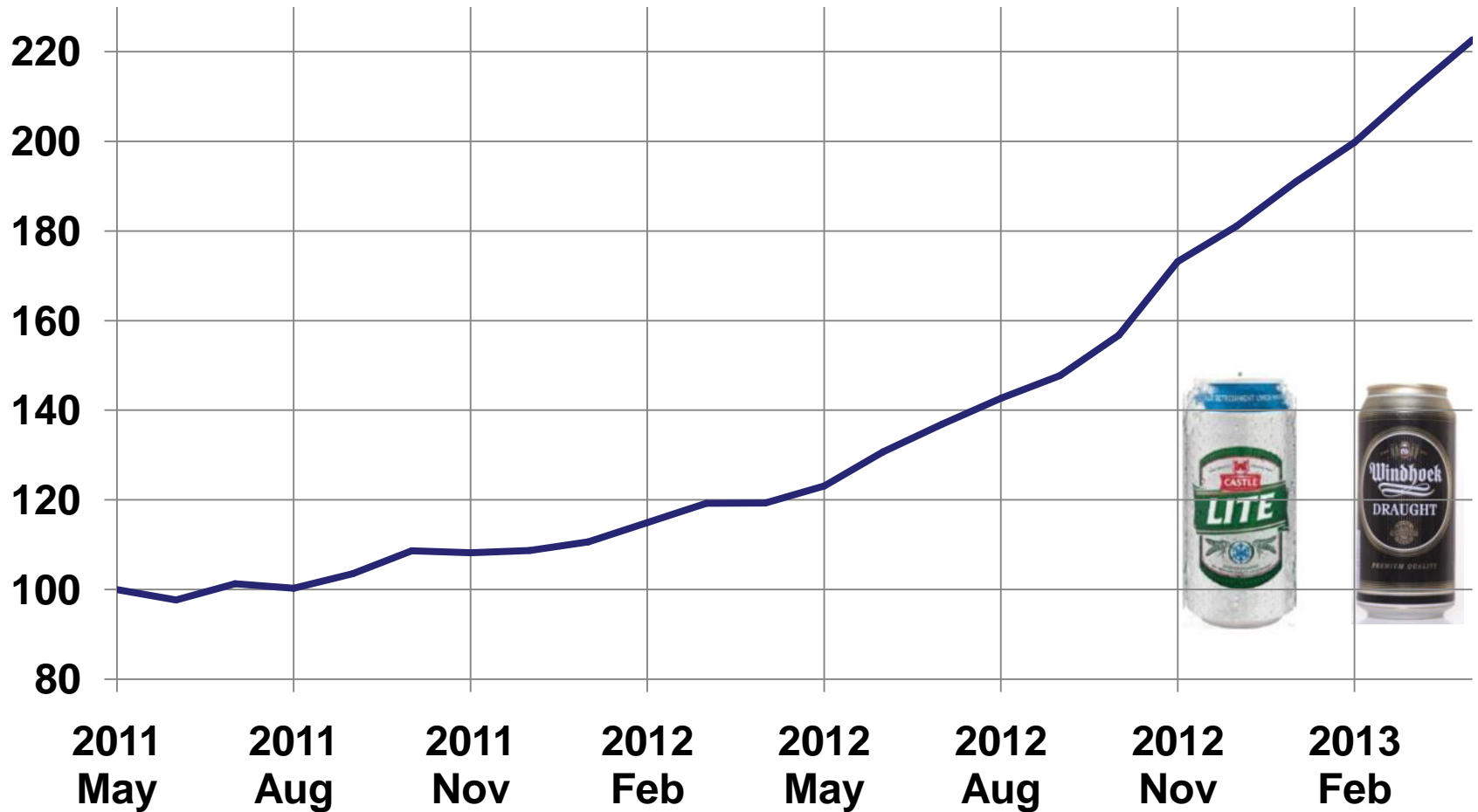


Growth - Speciality Cans



Growth – Value Packs 440 ml

index



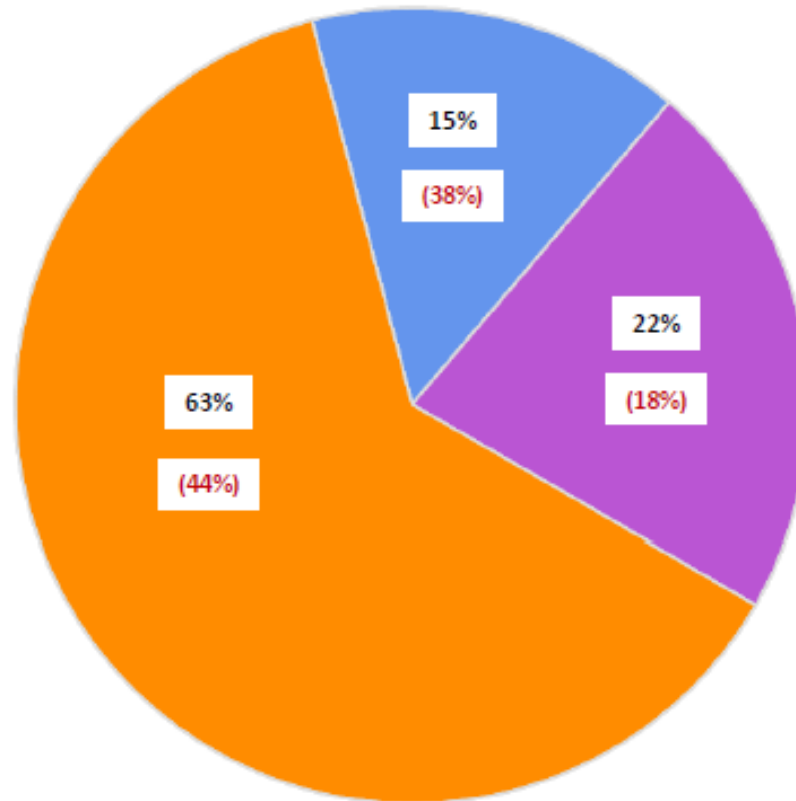
South Africa

- Volumes
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Angola

Nigeria

Outlet Research Summary



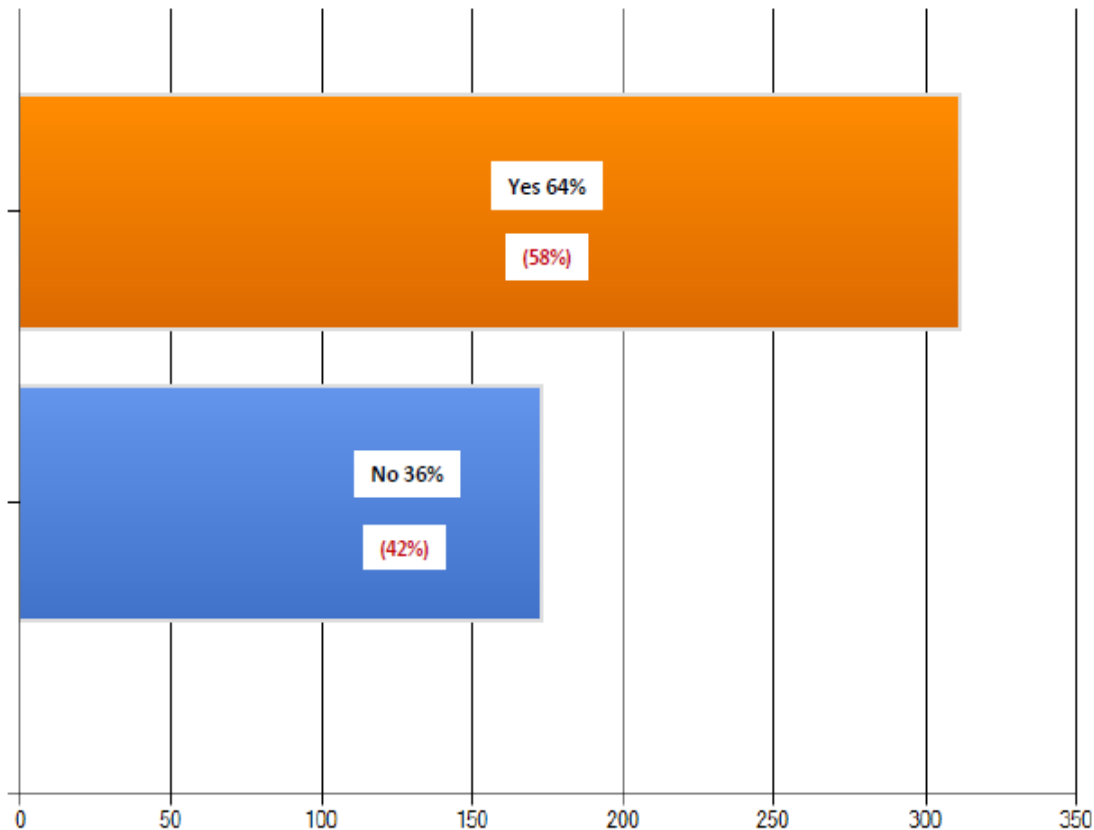
- Like cans MORE than glass
- No preference
- Like cans LESS than glass

***Feedback from
536 owners
and managers
of outlets
LSM 7+***

Outlet Research - Campaign Response

IMPACT OF CAN DO! SCENE PROGRAMME

Do cans have more promotional activity (incentives and programmes) than glass?



Mogale City Beerfest April 2013

26-29 APRIL 2013

HUNTER'S
CASTLE LITE

South Africa
GAUTENG

4TH ANNUAL MOGALI BEER FESTIVAL
OVER 100 DEE JAY'S
KAGISO STADIUM KRUGERSDORP
TICKETS R30 PRE SOLD R40 AT THE GATE VIP R25

sponsors: LITE HUNTER'S B&B OIL



The CAN is king in Soweto! (Beerfest 2012)



South Africa

- Volumes
- Consumer perceptions of cans
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- Long-term supply contracts

Angola

Nigeria

Recent Can Filling Line Investments (SA)

- **Upgrades – approximately R100m**
- **New installations – 8 Can lines**
- **Currently in progress – 2 high speed lines**

SAB: ATL spend on TV and billboards



Heineken Can Outdoor Advertising



Savanna Can Launch



NEW
Go more places with
the Savanna Can

Savanna.
Now more
Can-venient.

Savanna
DRY
PREMIER
CIDER

Savanna. It's dry.
But YOU can drink it.
www.savanna.co.za

Not for Sale to Persons Under the Age of 18.

The advertisement features a large central image of a Savanna can with a bottle silhouette inside. The top left corner has a 'NEW' banner. The text 'Savanna. Now more Can-venient.' is prominently displayed. Below the can, there are smaller images of a can and a bottle. At the bottom, the slogan 'Savanna. It's dry. But YOU can drink it.' is written, along with the website URL and a legal disclaimer.

The underlining thought is that you can “Go more places with the Savanna Can”.

This is being brought to life by playing in the functional benefit space i.e. Benefits of it being more portable, less breakable, chills faster, stays chilled for longer, sealed in freshness, can pack more cans in a cooler, can open it immediately i.e. instant refreshment...

Hence, Savanna is now more **CONVENIENT... in a CAN.**

In Store: 01 May



Savanna. It's dry.
But YOU can drink it.

South Africa

- Volumes
- Consumer perceptions of cans
- Major customer support/conversion to cans
- **Long-term supply contracts**

Angola

Nigeria

Long-term Contracts

- **Short-term pain for long-term gain**
- **Why we've sacrificed margin short-term to secure long-term supply contacts and guaranteed volumes in beverage cans and glass**

South Africa

- Volumes
- Consumer perceptions of cans
- Major customer support/conversion to cans
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Angola

Nigeria

- Existing line almost at full capacity
- 2nd line decision pending

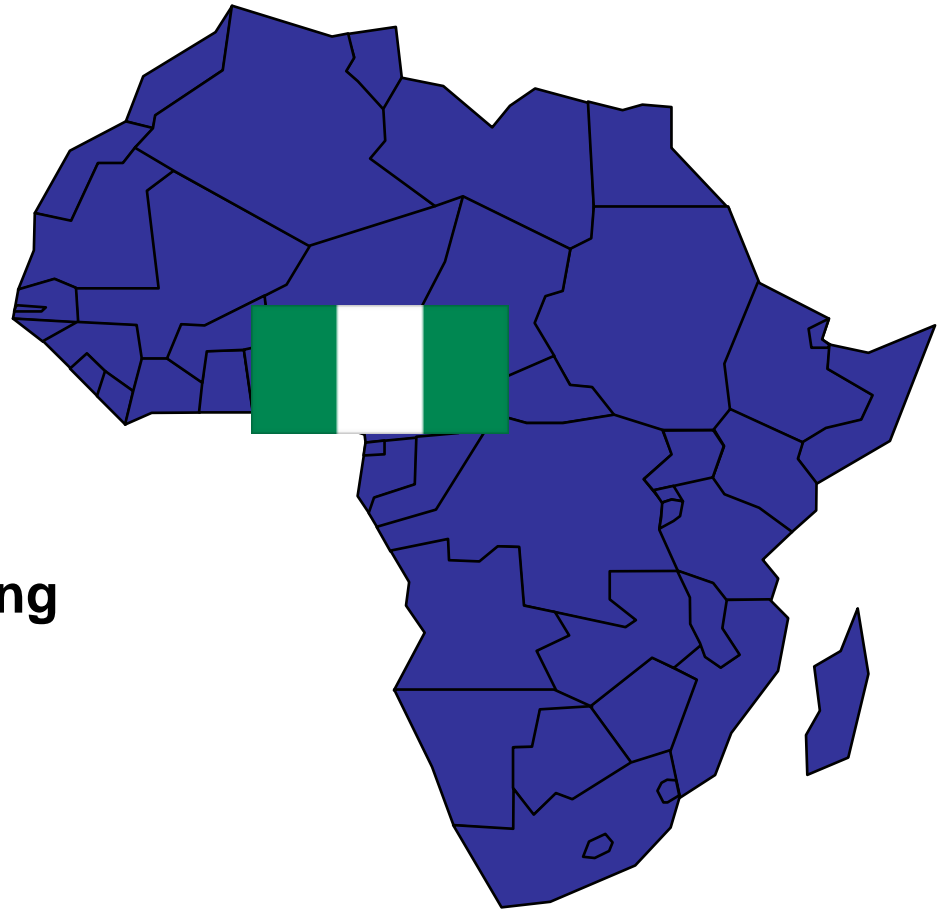


South Africa

- Volumes
- Consumer perceptions of cans
- Major customer support/conversion to cans
- Long-term supply contracts

Angola

Nigeria



Investigations ongoing



Overall Outlook for Beverage Cans

**Beverage can outlook in South Africa, Angola
and Nigeria very promising**

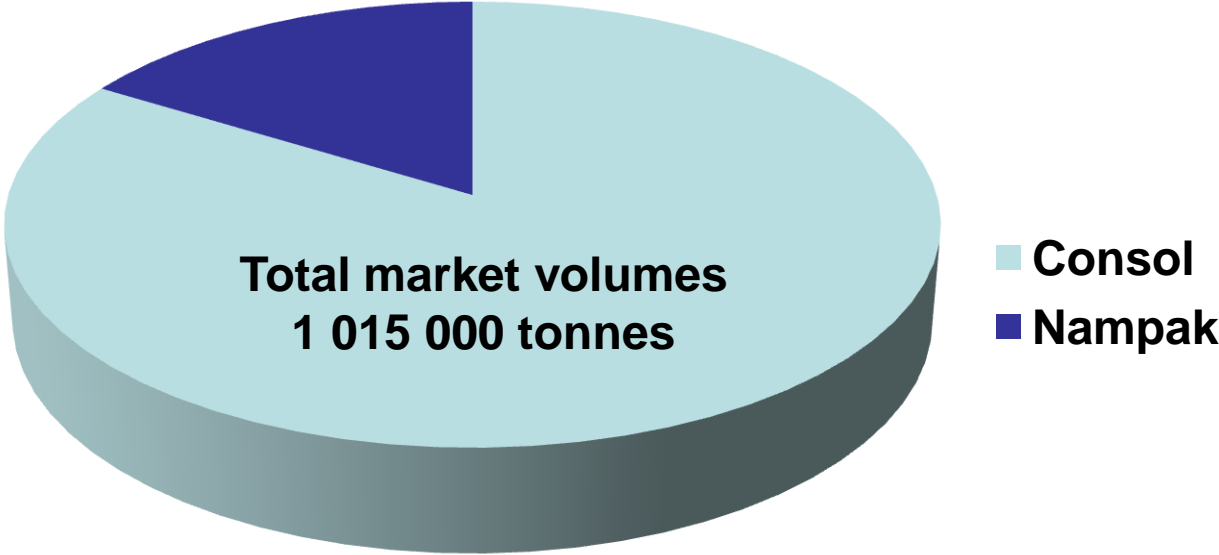
Glass



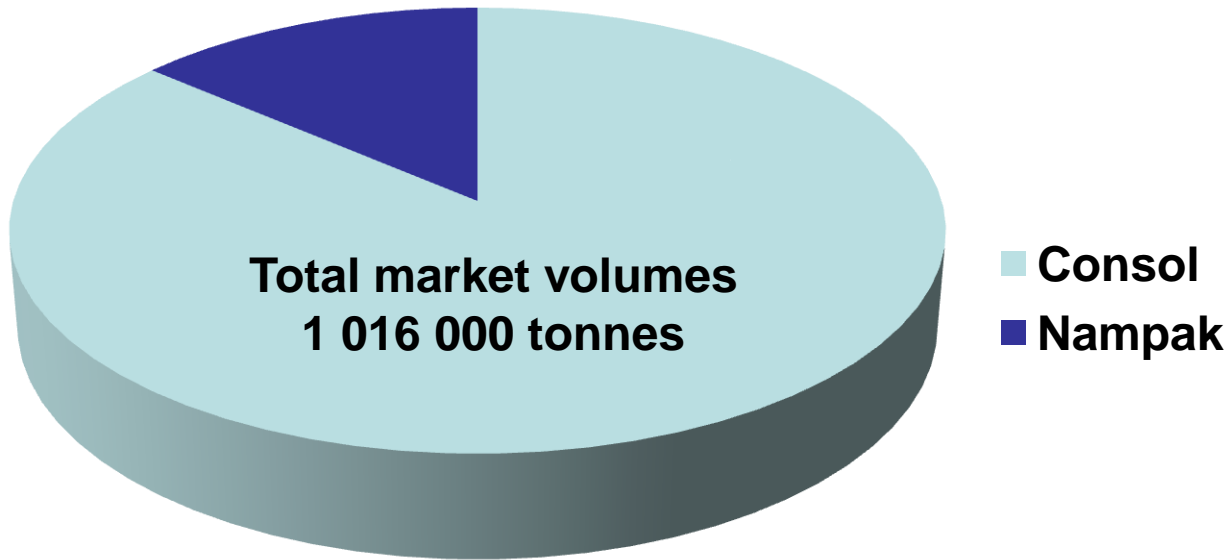
- Investment of almost R1 billion
- Improved flexibility – colour mix
- Cost savings
- Additional capacity +/- 100 000tpa
- Contracts secured for most of output
- Commissioning expected mid-2014



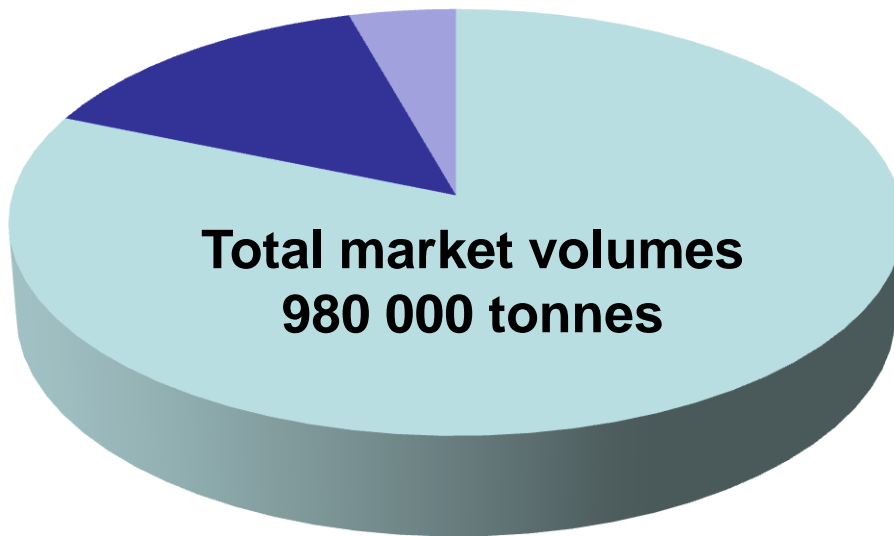
**Year prior to rebuild
2010 Year**



Rebuild Year 2011/12 Supply Year



Recovery Period 2012/13 Project Recovery

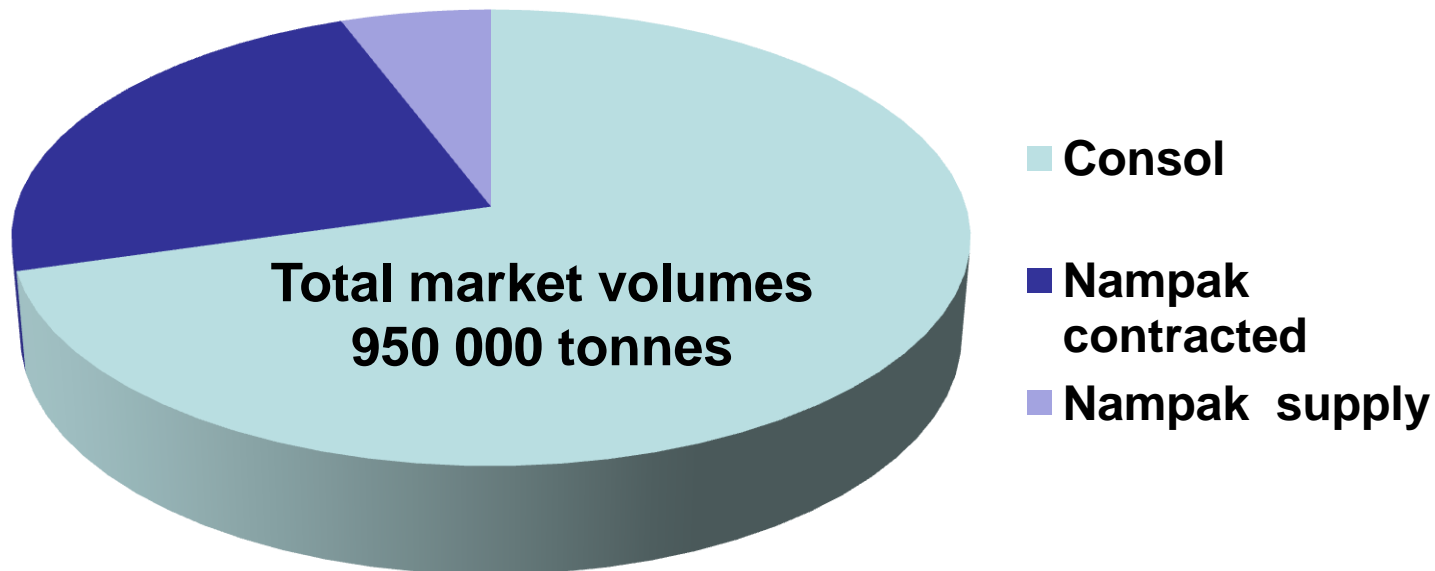


Total market volumes
980 000 tonnes

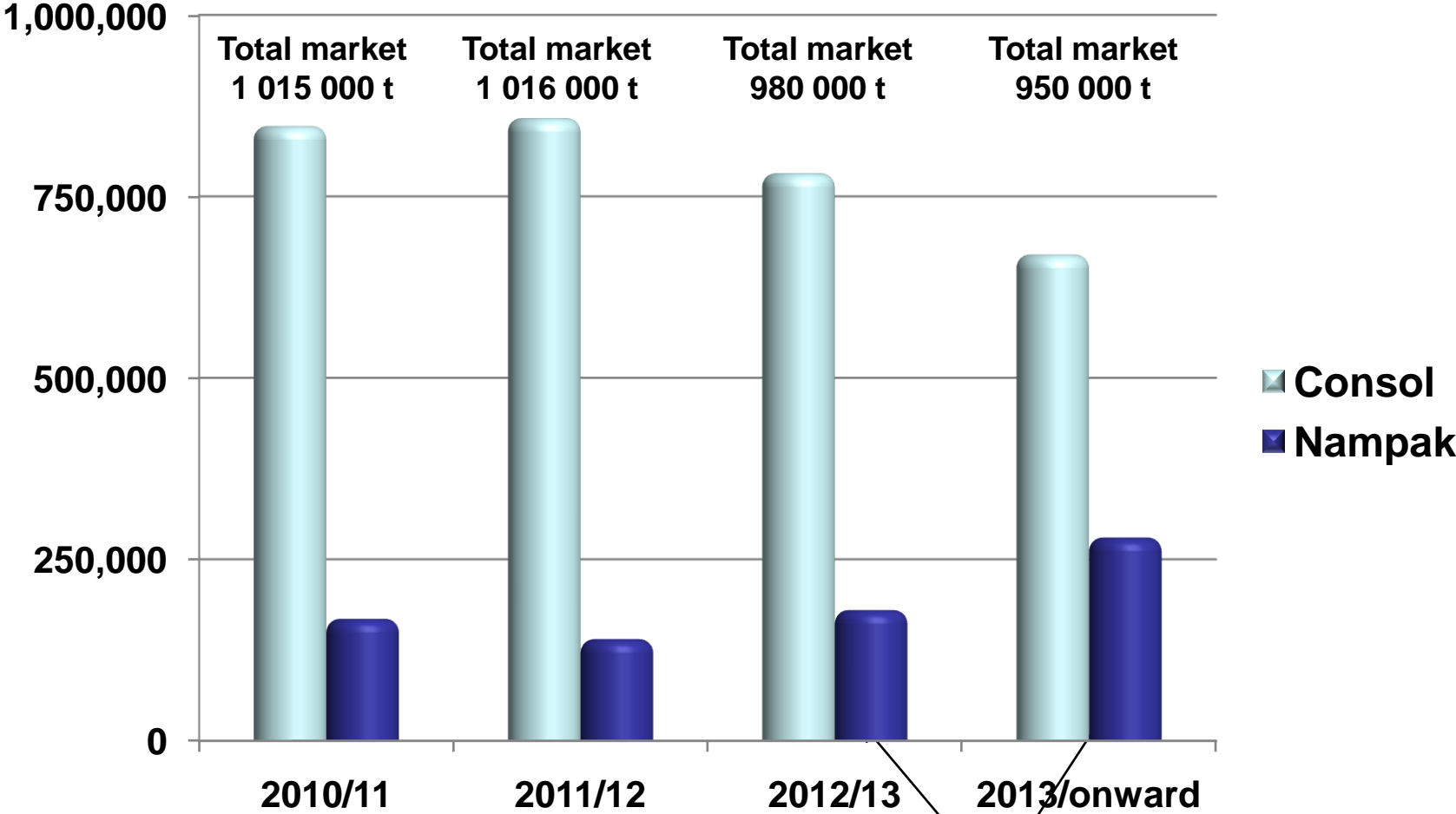
- Consol
- Nampak forecast contract
- Nampak forecast supply

Required upfront price sacrifice to secure long term contracts and a commitment to a 3rd furnace Investment with consequent savings

Future 3rd furnace volume contracts 2014 onwards



Nampak Glass



Front loading of benefits to secure contracts and volume for 3rd furnace



- **New contracts secured**
- **Majority of 3rd furnace capacity loaded**
- **New furnace adds many benefits**
- **Commissioning of 3rd furnace postponed to mid 2014**

Conclusion and Outlook



- **Rest of Africa growth strategy delivering results**
- **Major opportunities in rest of Africa being explored**
- **Growth in beverage cans in South Africa**
- **Long-term contracts and volumes for beverage cans and glass secured**
- **UK Plastics steady**

- **Rest of Africa expected to continue generating good results**
- **South Africa profit and cash flow expected to remain resilient**
- **Market position in beverage cans and glass secured**
- **United Kingdom steady**
- **Strategically well positioned for ongoing growth especially in rest of Africa**

Thank You

