



Nampak
packaging excellence

FINANCIAL STATEMENTS 2013

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Certificate by company secretary

In terms of section 88(2)(e) of the Companies Act, No 71 of 2008, as amended, I certify that the company has lodged with the Commissioner all such returns and notices required by the Companies Act and that all such returns and notices are true, correct and up to date.



NP O'Brien
Company secretary

21 November 2013

Directors' responsibility for annual financial statements

The directors of the company are responsible for the preparation and integrity of the annual financial statements and related financial information included in this report. The annual financial statements have been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards and the requirements of the Companies Act, No 71 of 2008, and incorporate full and responsible disclosure in line with the accounting philosophy of the group.

The directors are responsible for the internal controls and management enables the directors to meet these responsibilities. Adequate accounting records and internal controls and systems have been maintained to provide reasonable assurance on the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability for the group's assets. Such controls are based on established policies and procedures and are implemented by trained personnel with appropriate segregation of duties.

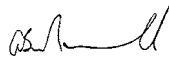
The board is responsible for ensuring that the company maintains a sound and effective system of internal controls and risk management. The audit committee assessed the effectiveness of the system of internal controls and risk management for the year under review, principally through self-assessment by, and information from, management and reports from the internal and external auditors. Based on these processes and reports the board is of the opinion that the company's system of internal control and risk management is effective and provides reasonable assurance on the integrity and reliability of the financial statements and the safeguarding of the company's assets.

It is the responsibility of the independent auditors to report on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

The annual financial statements for the year ended 30 September 2013, set out on pages 4 to 118, were approved by the board of directors at its meeting on 21 November 2013 and are signed on its behalf by:



TT Mboweni
Chairman



AB Marshall
Chief executive officer

Preparer of financial statements

The annual financial statements have been prepared under the supervision of MS Bottyan CA(SA).



MS Bottyan
Group financial manager

21 November 2013

Independent auditor's report

TO THE SHAREHOLDERS OF NAMPAK LIMITED

We have audited the consolidated and separate financial statements of Nampak Limited set out on pages 11 to 118, which comprise the statements of financial position as at 30 September 2013, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Nampak Limited as at 30 September 2013, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

OTHER REPORTS REQUIRED BY THE COMPANIES ACT

As part of our audit of the consolidated and separate financial statements for the year ended 30 September 2013, we have read the directors' report, the Audit committee's report and the company secretary's certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.



Deloitte & Touche
Registered auditors
Per AF Mackie
Partner

21 November 2013

Buildings 1 and 2, Deloitte Place
The Woodlands Office Park,
Woodlands Drive, Woodmead,
Sandton

National Executive: IL Bam Chief Executive, AE Swiegers Chief Operating Officer, GM Pinnock Audit, DL Kennedy Risk Advisory, NB Kader Tax, TP Pillay Consulting, K Black Clients & Industries, JK Mazzocco Talent and Transformation, CR Beukman Finance, M Jordan Strategy, S Gwala Special Projects, TJ Brown Chairman of the Board, MJ Comber Deputy Chairman of the Board

A full list of partners and directors is available on request.

B-BBEE rating: Level 2 contributor in terms of Chartered Accountancy Profession Sector Code

Member of Deloitte Touche Tohmatsu Limited

Audit committee report

INTRODUCTION

The audit committee presents its report for the financial year ended 30 September 2013.

ROLES AND RESPONSIBILITIES

The committee has discharged all its responsibilities and carried out all the functions assigned to it in terms of section 94(7) of the Companies Act, No 71 of 2008, and as contained in the committee's charter. A copy of the charter is available on the company's website.

In particular, the committee:

- reviewed the interim and annual financial statements and recommended them for approval by the board;
- reviewed the integrated annual report for 2013 and recommended it for approval by the board;
- reviewed and satisfied itself that the company's finance function was adequately resourced by people with appropriate expertise and experience and that the internal financial controls were effective;
- satisfied itself that the chief financial officer, Mr Gareth Griffiths, has appropriate expertise and experience;
- resolved to continue to outsource the internal audit function to EY during the financial year;
- approved the internal audit charter and audit plans;
- received and reviewed reports from both the internal and external auditors, which included commentary on effectiveness of the internal control environment, systems and processes and, where appropriate, made recommendations to the board;
- reviewed the independence of the external auditors, Deloitte & Touche, and recommended them for appointment at the annual general meeting as auditors for the 2014 financial year, with Mr Andrew Mackie as the designated auditor;
- ensured that the appointment of the external auditors complied with the provisions of the Companies Act, No 71 of 2008, and other legislation relating to the appointment of auditors;
- determined the fees to be paid to the external and internal auditors and their terms of engagement;
- determined the nature and extent of non-audit services which may be provided by the external auditors and pre-approved the contract terms for the provision of non-audit services by the external auditors;
- noted that it had not received any complaints, from within or outside the company, relating to the accounting practices and internal audit of the company, to the content or auditing of its financial statements, or any related matter; and
- conducted an evaluation exercise into the effectiveness of the committee.

The audit committee charter provides for confidential meetings between the committee members and the external and internal auditors. The internal and external auditors have unrestricted access to the committee.

COMMITTEE MEMBERS

The committee was appointed by shareholders at the annual general meeting held on 8 February 2013 and during the course of the year comprised solely independent non-executive directors. Details of membership of the committee can be found on page 61 of the integrated annual report. The members of the committee are all available for re-election and offer themselves for re-election. The group chairman, chief executive officer, chief financial officer, internal auditors and external auditors all attend meetings of the committee by invitation.



RV Smither

Chairman of the audit committee

21 November 2013

Directors' report

for the year ended 30 September 2013

BUSINESS OF THE COMPANY

Nampak, which has been listed on the JSE since 1969, is Africa's largest and most diversified packaging manufacturer with operations in Angola, Botswana, Ethiopia, Kenya, Malawi, Mozambique, Namibia, Nigeria, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe.

Packaging products are produced from metal, paper, plastics and glass. Nampak is a major manufacturer and marketer of a wide range of tissue products and is the leading supplier of plastic bottles to the dairy industry in the United Kingdom.

The collection and recycling of all types of used packaging is of the utmost importance and is a core strategic activity.

The group's world-class research and development facility based in Cape Town provides technical expertise and support to Nampak's businesses as well as to its customers.

ACCOUNTING POLICIES

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and in the manner required by the Companies Act No 71 of 2008 (as amended). The principal accounting policies have been applied consistently with the previous year.

BORROWING FACILITIES

Group gross borrowings at 30 September 2013 amount to R6 041.8 million (2012: R3 188.7 million). In terms of the company's memorandum of incorporation, the borrowing powers are unlimited. Details of the borrowings and facilities are set out in note 6 to the summarised annual financial statements.

REVIEW OF OPERATIONS AND RESULTS

The performance of the divisions and the group's results are comprehensively reviewed on pages 22 to 39 of the integrated annual report and the financial statements which follow.

CORPORATE ACTIVITY

As mentioned in the 2012 annual report the company acquired the remaining 50% of the issued share capital of Elopak South Africa (Pty) Ltd from Elopak SA of Norway with effect from 1 November 2012.

The company concluded an agreement to sell its Nampak Cartons and Labels business in South Africa to a subsidiary of Caxton and CTP Publishers and Printers Limited, subject to the fulfilment of a number of conditions precedent, including approval of the transaction by the competition authorities in South Africa.

The following company was deregistered during the year:

- Nampak Polycyclers (Pty) Ltd.

SHARE CAPITAL

Details of the authorised and issued share capital are given in note 14 to the annual financial statements.

During the year the issued ordinary share capital was increased as follows:

	Ordinary shares of 5 cents each
Issued at 30 September 2012	696 711 782
Ordinary shares allotted to employees other than directors in terms of the Nampak Deferred Bonus Plan ("DBP")	96 095
Ordinary shares allotted to directors in terms of the DBP	30 685
Ordinary shares allotted to employees and retired employees other than directors in terms of the Nampak 1985 Share Option Scheme ("Option Scheme")	423 300
Ordinary shares allotted to a director in terms of the Option Scheme	40 000
Ordinary shares allotted to employees and retired employees other than directors in terms of the Nampak Limited Performance Share Plan ("PSP")	200 079
Ordinary shares allotted to directors in terms of the PSP	251 447
Ordinary shares allotted to employees and former employees other than directors in terms of the Nampak Limited Share Appreciation Plan ("SAP")	94 784
Ordinary shares allotted to directors in terms of the SAP	49 222
Issued at 30 September 2013	697 897 394

There were no changes to the issued 6.5% and 6% preference shares.

Directors' report continued

for the year ended 30 September 2013

SHARE PLANS

The Nampak 1985 Share Option Scheme (Option Scheme)

A total of 463 300 ordinary shares of 5 cents each were allotted during the year consequent upon the exercise of share options.

The relevant particulars of the Option Scheme, which was closed to future allocations in 2006, are set out below:

	Ordinary shares	
	2013	2012
Balance at the commencement of the financial year	703 300	1 987 100
Options exercised during the year	(463 300)	(1 283 800)
Options forfeited during the year	–	–
Balance at the end of the financial year	240 000	703 300
These options are exercisable over periods between 1 October 2013 and 1 December 2014 at an average price of 14.79 cents per share:		
Directors*	–	40 000
Other employees and retirees	240 000	663 000
Total	240 000	703 300
Number of participants	4	12

*Please refer to page 9 of the directors' report for details of directors' share options.

The Nampak Limited Performance Share Plan and the Nampak Limited Share Appreciation Plan

Shareholders approved the adoption of the Nampak Limited Performance Share Plan 2009 (PSP 2009) and the Nampak Limited Share Appreciation Plan 2009 (SAP 2009) (the replacement plans) in replacement of the Nampak Limited Performance Share Plan (PSP) and the Nampak Limited Share Appreciation Plan (SAP) at the annual general meeting of the company held on 3 February 2010.

As a result of the adoption of the replacement plans, no further allocations of awards have been made in terms of the PSP and the SAP.

Details of the share plans are included in the remuneration report appearing on pages 72 to 74 of the integrated annual report.

The tables below show the number of shares under award and the maximum number of shares which may be delivered. However, the actual number of shares which will be delivered to participants will depend on the extent to which performance conditions will be satisfied and, consequently, may be less than the number stated below:

The Nampak Limited Performance Share Plan (PSP)

	2013	2012
Balance at the commencement of the financial year	974 893	2 081 009
Forfeitures/cancellations	(68 587)	(42 665)
Retirements	–	(16 309)
PSP rights forfeited due to underachievement of performance criteria	–	(868 446)
PSP rights exercised	(368 626)	(178 696)
Balance at the end of the financial year	537 680	974 893
Number of participants	11	18

Directors' report continued

for the year ended 30 September 2013

The Nampak Limited Share Appreciation Plan (SAP)

	2013	2012
Balance at the commencement of the financial year	1 268 430	4 192 407
Forfeitures/cancellations	(103 420)	(42 828)
Retirements		(11 944)
SAP rights forfeited due to underachievement of performance criteria		(2 582 232)
Exercised	(313 729)	(286 973)
Balance at the end of the financial year	851 281	1 268 430
Number of participants	63	79

The Nampak Limited Performance Share Plan 2009 (PSP 2009)

	2013	2012
Balance at the commencement of the financial year	2 857 674	1 249 500
Number of conditional shares awarded during the year:		
Executive directors	430 649	636 957
Senior executives	726 576	971 217
Forfeitures/cancellations	(260 888)	
Retirements	(37 230)	
PSP rights forfeited due to underachievement of performance criteria	(2 250)	
PSP rights exercised	(49 250)	
Balance at the end of the financial year	3 665 281	2 857 674
Number of participants	22	24

The Nampak Limited Share Appreciation Plan 2009 (SAP 2009)

	2013	2012
Balance at the commencement of the financial year	4 681 761	3 843 650
Number of conditional shares awarded during the year:		
Executive directors	230 923	362 921
Senior executives	4 071 550	610 890
Forfeitures/cancellations	(669 526)	(127 650)
Retirements	(16 675)	(8 050)
Balance at the end of the financial year	8 298 033	4 681 761
Number of participants	224	194

The Nampak Limited Deferred Bonus Plan 2009 (DBP 2009)

Selected employees are able to apply up to a maximum of 50% of their after-tax annual bonus to purchase bonus shares. Employees will receive a matching award, which is a conditional right to receive shares equal in value to the bonus shares held as at the respective vesting dates on a 1:1 basis. Vesting of the matching award is dependent upon continued employment and is not subject to the satisfaction of performance targets.

Directors' report continued

for the year ended 30 September 2013

The DBP may be summarised as follows:

	2013	2012
Balance at the commencement of the financial year	660 534	397 640
Number of bonus shares purchased by employees during the year:	219 019	262 894
Executive directors	104 582	141 804
Senior executives	114 437	121 090
Number of bonus shares transferred/sold to by employees during the year:	(126 780)	
Executive directors	(30 685)	
Senior executives	(96 095)	
Forfeitures	(49 345)	
Balance at the end of the financial year	703 428	660 534
Number of participants	17	18

PLACEMENT OF UNISSUED SHARES UNDER THE CONTROL OF THE DIRECTORS FOR PURPOSES OF THE SHARE PLANS

In terms of resolutions passed by shareholders of the company at the annual general meeting held on 8 February 2006, no more than 7.13% of the total issued ordinary shares as at 24 January 2006 (46.4 million shares) may be set aside from the unissued share capital of the company for purposes of all share plans. The total unissued shares under the control of the directors for purposes of all share plans at 30 September 2013 is summarised below:

Balance at the commencement of the financial year	23 776 225
Less: Awards granted in terms of the PSP 2009 during the current financial year	(1 157 225)
Less: Awards granted in terms of the SAP 2009 during the current financial year	(4 302 473)
Less: Number of conditional shares awarded during the year and prior financial years in terms of DBP	(703 428)
Less: Shares allotted in respect of dividends declared and paid during the current and prior financial years	(33 651)
Add: Options forfeited during the current financial year	-
Add: Awards forfeited in terms of the PSP during the current financial year	68 587
Add: Awards forfeited in terms of the SAP during the current financial year	103 420
Add: Awards forfeited in terms of the PSP 2009 during the current financial year	300 368
Add: Awards forfeited in terms of the SAP 2009 during the current financial year	686 201
Maximum available for future allocations	18 738 024

The above calculation illustrates the maximum potential dilution impact of all the share plans and it is unlikely that this dilution limit will be reached. This is because the SAP is much less dilutive than conventional option plans, as only the appreciation in the share price is settled in shares. One award granted will therefore never result in a full share being issued.

It should be noted that, in terms of clause 12.2 of the trust deeds of both the PSP and the SAP, the number of ordinary shares which may be acquired by participants under the plans between the dates of the first awards and the fifth anniversary of the first awards, shall not exceed 2.4548% in aggregate of the company's issued ordinary share capital as at 24 January 2006, or 16 million ordinary shares.

Directors' report continued

for the year ended 30 September 2013

DIVIDENDS

Details of dividends paid, dealt with in the financial statements, are shown below:

Class of share	Dividend number	Cents per share (gross)	Declaration date	Last day to trade	Payment date
6% cumulative preference	88	6.00	21/11/2012	18/01/2013	28/01/2013
	89	6.00	20/06/2013	19/07/2013	29/07/2013
6.5% cumulative preference	88	6.50	21/11/2012	18/01/2013	28/01/2013
	89	6.50	20/06/2013	19/07/2013	29/07/2013
Ordinary	82	42.0	28/05/2013	28/06/2013	08/07/2013
	83	98.0	21/11/2013	10/01/2014	20/01/2014

The important dates pertaining to the payment of ordinary dividend number 83 are as follows:

Last day to trade ordinary shares "cum" dividend	Friday 10 January 2014
Ordinary shares trade "ex" dividend	Monday 13 January 2014
Record date	Friday 17 January 2014
Payment date	Monday 20 January 2014

Ordinary share certificates may not be dematerialised or rematerialised between Monday 13 January 2014 and Friday 17 January 2014, both days inclusive.

In terms of the new dividends tax which became effective on 1 April 2012, the following additional information is disclosed:

- The dividend has been declared from income reserves.
- The dividend withholding tax rate is 15%.
- No secondary tax on companies credits have been utilised.
- The net local dividend amount is 83.3 cents per share for shareholders liable to pay the dividends tax and 98.0 cents per share for shareholders exempt from paying the dividends tax.
- The issued number of ordinary shares at the declaration date is 697 897 394.
- Nampak Limited's tax number is 9875081714.

DIRECTORS AND SECRETARY

The names of the directors and secretary in office at 30 September 2013 are set out on pages 12 to 14, 16 and 126 of the integrated annual report.

Ms I Mkhari and Mr E Ikazoboh were appointed as independent, non-executive directors of the company on 1 October 2013 and shareholders will be requested to confirm their appointments at the forthcoming annual general meeting.

Prof PM Madi and Mr RC Andersen retire by rotation in terms of the company's memorandum of incorporation but, being eligible, offer themselves for re-election at the forthcoming annual general meeting. None of the said directors have service contracts as non-executive directors.

Directors' report continued

for the year ended 30 September 2013

INTERESTS OF DIRECTORS AND PRESCRIBED OFFICERS

The total direct and indirect beneficial and non-beneficial interests of the directors and prescribed officers of Nampak Limited in the issued ordinary share capital of the company as at 30 September 2013 are shown below:

	Ordinary shares		Options to purchase ordinary shares*			
	2013	2012	2013	Option prices (cents)	Date of grant	2012
Beneficial interests						
Executive directors						
G Griffiths	100 545	74 428	–	–	–	–
AB Marshall	502 255	213 849	–	–	–	–
FV Tshiqi	105 271	63 874	–	1 495	01/12/04	40 000
Non-executive directors						
RC Andersen	31 000	31 000	–	–	–	–
Non-beneficial interests of directors	12	12				
Beneficial interests						
Prescribed officers						
CH Bromley	158 289	83 347	–	1 234	27/11/03	70 000
			85 000	1 495	01/12/04	85 000
PA de Weerd	58 668	96 775	–	–	–	–
RG Morris	143 166	99 844	90 000	1 495	01/12/04	90 000
SE Msane	62 688	37 829	–	–	–	–
NP O'Brien	59 899	56 272	–	1 234	27/11/03	20 000
			50 000	1 495	01/12/04	50 000

* In terms of the Option Scheme.

The following non-executive directors had an indirect, beneficial shareholding through Red Coral Investments 23 (Pty) Ltd in the ordinary share capital of the company as at 30 September 2013:

Name of director	2013	2012
RJ Khoza	3 780 214	3 780 214
CWN Molope	318 891	318 891

There have been no changes to the directors' shareholding outlined above since the end of the financial year and to the date of this report.

Directors' report continued

for the year ended 30 September 2013

LITIGATION STATEMENT

There are no material legal or arbitration proceedings (including proceedings which are pending or threatened of which the directors of Nampak Limited are aware) which may have a material effect on the financial position of the group.

GOING CONCERN

The directors believe that the company will be a going concern for the foreseeable future.

SPECIAL RESOLUTIONS

The following special resolutions were passed by the shareholders of the undermentioned companies during the year under review to adopt memoranda of incorporation, which were subsequently registered with the Companies and Intellectual Property Commission:

- Nampak Limited;
- Nampak Products Limited;
- Metal Box South Africa Limited;
- Nampak Metal Packaging Limited;
- Malbak Limited;
- Nampak Tissue (Pty) Ltd;
- Malbak Group Services (Pty) Ltd;
- Nampak Glass (Pty) Ltd;
- Elopak South Africa (Pty) Ltd; and
- Sancell SA (Pty) Ltd.

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

Details of the company's significant subsidiaries, joint ventures and associates are given in Annexure A on pages 113 to 115.

Accounting policies

for the year ended 30 September 2013

1. BASIS OF PREPARATION

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in a manner as required by the Companies Act of South Africa.

The consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments which are stated at fair value.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies, reported amounts and related disclosures. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Certain accounting policies have been identified as involving particularly complex or subjective judgements or assessments, as follows:

■ Estimates of asset lives, residual lives and depreciation methods

Property, plant and equipment are depreciated over their useful life taking into account residual values. Useful lives and residual values are assessed annually. Useful lives are affected by technology innovations, maintenance programmes and future productivity. Future market conditions determine the residual values. Depreciation is calculated on a straight-line basis which may not represent the actual usage of the asset.

■ Post-employment benefit valuations

Actuarial valuations of employee benefit obligations under defined benefit funds are based on assumptions which include employee turnover, mortality rates, discount rates, inflation rates, medical inflation, the expected long-term return on plan assets and the rate of compensation increases.

■ Consolidation of special purpose entities

Certain special purpose entities established as part of the black economic empowerment transaction have been consolidated as part of the group results. The group does not have any direct or indirect shareholding in these entities, but the substance of the relationship between the group and these entities was assessed and judgement was made that these are controlled entities.

■ Impairment tests of assets and intangibles

Impairment tests on property, plant and equipment are only done if there is an impairment indicator. Goodwill is tested for impairment annually. Future cash flows are based on management's estimate of future market conditions. These cash flows are then discounted and compared to the current carrying value and, if lower, the assets are impaired to the present value of the cash flows. Impairment tests are based on information available at the time of testing. These conditions may change after year-end.

■ Valuation of share-based payments

The group has various share schemes, including the schemes established as part of the BEE transaction. The fair value of these schemes is determined at inception based on assumptions on estimated forfeitures, market conditions, discount rates and share price volatility. The market conditions at inception may differ significantly from the eventual outcome.

■ Valuation of financial instruments

Financial instruments are valued at the reporting date. The value of financial instruments can have material fluctuations and therefore disclosed amounts may differ from the realised value.

■ Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that taxable income will be available in future against which they can be utilised. Future taxable profits are estimated based on business plans which include estimates and assumptions regarding economic growth, interest, inflation and taxation rates, and competitive forces.

3. BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the company and subsidiaries (including special purpose entities) where the group demonstrates it controls the entities. Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

The results of subsidiaries, associate companies and joint ventures acquired or disposed of during the year are included in the consolidated financial statements from the effective dates of acquisition or up to the effective date of disposal, as appropriate.

Accounting policies continued

for the year ended 30 September 2013

3. BASIS OF CONSOLIDATION continued

All inter-group transactions, balances and unrealised surpluses and deficits on transactions between group companies have been eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity. Non-controlling interests consist of the amount of the non-controlling shareholders' interests at the date of the original business combination and their share of changes in equity since the date of the combination.

4. BUSINESS COMBINATIONS

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values at the date of the exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 Business Combinations are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of non-controlling shareholders in the acquiree is initially measured at their proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

5. INVESTMENTS IN ASSOCIATES

Associates are those companies in which the group holds a long-term equity interest and is in a position to exercise significant influence, but not control, and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost and adjusted for post-acquisition changes in the group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the group's interest in that associate (which includes any long-term interests that, in substance, form part of the group's net investment in the associate) are not recognised.

Any excess of the cost of the acquisition over the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a group entity transacts with an associate of the group, profits or losses are eliminated to the extent of the group's interest in the relevant associate.

6. INTEREST IN JOINT VENTURES

A joint venture is a contractual arrangement whereby the group and other parties undertake an economic activity that is subject to joint control, which is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The group reports its interests in jointly controlled entities using proportionate consolidation, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The group's share of the assets, liabilities, results and cash flow information of jointly controlled entities is included in the consolidated financial statements on a line-by-line basis.

Any goodwill arising on the acquisition of the group's interest in a jointly controlled entity is accounted for in accordance with the group's accounting policy for goodwill arising on the acquisition of a subsidiary.

Accounting policies continued

for the year ended 30 September 2013

6. INTEREST IN JOINT VENTURES continued

Unrealised profits or losses are eliminated to the extent of the group's interest in the joint venture, except where unrealised losses provide evidence of an impairment of the asset, when it is recognised immediately.

7. GOODWILL

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognised at the date of the acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purposes of impairment testing, goodwill is allocated to each of the group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill is allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata of the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or a jointly controlled entity, the attributable goodwill is included in the determination of the profit or loss on disposal.

8. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell. Impairment losses on the initial classification as held for sale and subsequent reassessments are accounted for in profit or loss. Non-current assets (and disposal groups) classified as held for sale are not depreciated.

Discontinued operations are classified as held for sale and are either a separate major line of business or geographical area of operations that has been sold or is part of a single coordinated plan to be disposed of.

9. REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of sales-related taxes. Revenue is measured net of cash discounts, settlement discounts and rebates given to customers.

Sales of goods are recognised when goods are delivered and title has passed. Revenue on services is recognised when the service has been performed.

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease.

10. GOVERNMENT GRANTS

Government grants are initially recognised as deferred income when there is reasonable assurance that they will be received and the group will comply with the conditions associated with the grant. Grants that compensate the group for expenses incurred are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate. Grants that compensate the group for the cost of an asset are recognised as deferred income and then recognised in comprehensive income or expenses on a systematic basis over the useful life of the asset.

11. LEASING

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Accounting policies continued

for the year ended 30 September 2013

11. LEASING continued

Amounts due from lessees under finance leases are recorded as receivables at the present value of all minimum lease payments. The difference between the gross receivable and the present value of the receivable is recognised as unearned income. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return to the group's net investment outstanding in respect of the lease.

Rental income from operating leases is recognised on the straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Assets held under finance leases are recognised as assets of the group at their fair value at the date of acquisition or, if lower, the present value of minimum lease payments at inception of the lease less accumulated depreciation. The discount rate to be used in calculating the present value is the interest rate implicit to the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to profit or loss over the term of the relevant lease so as to produce a constant periodic rate of interest on the remaining balance for each accounting period.

Rentals payable under operating leases are charged to profit or loss on the straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

12. FOREIGN CURRENCIES

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in South African rand, which is the functional currency of the group, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the

reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement and retranslation of monetary items are included in the profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period. However, where fair value adjustments of non-monetary items are recognised directly in equity, exchange differences arising on the retranslation of these non-monetary items are also recognised in equity.

In order to hedge its exposure to certain foreign exchange risks, the group enters into derivative financial instruments. Further details are provided in the accounting policy relating to financial instruments.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are expressed in South African rand using exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period. Equity is translated at the rate ruling on the date of acquisition. Exchange differences arising are classified as equity and transferred to the foreign currency translation reserve. Exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity on consolidation. Such translation differences are recognised in profit or loss in the period in which the operation is disposed of.

The income and expenses of foreign operations in hyper-inflationary economies are translated into US dollar at the exchange rate relevant at the reporting date. Prior to translating their financial statements, the financial statements are restated to account for changes in the general purchasing power of the local currency. The restatement is based on relevant price indices at the reporting date.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operation and translated at the reporting date.

Accounting policies continued

for the year ended 30 September 2013

13. EMPLOYEE BENEFITS

The cost of providing employee benefits is accounted for in the period in which the benefits are earned by employees.

Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after service is rendered, such as paid vacation and sick leave, bonuses, and non-monetary benefits such as medical care and housing), are recognised in the period in which the service is rendered and are not discounted. The expected cost of short-term accumulating compensated absences is recognised as an expense as the employees render service that increases their entitlement or, in the case of non-accumulating absences, when the absences occur.

The expected cost of profit-sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance and the obligation can be measured reliably.

Post-employment benefits

The group operates a number of defined contribution and defined benefit funds in compliance with relevant local legislation. The assets of the funds are held separately from those of the group and are administered either by trustees, which include elected employee representatives, or in some cases, by independent experts.

The group does not provide post-retirement medical benefits for employees who joined the company after 1 June 1996. The obligation in respect of medical benefits to employees and pensioners employed before that date is treated as defined benefit plans.

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to industry-managed retirement benefit schemes are dealt with as defined contribution plans where the group's obligations under the schemes are equivalent to those arising in a defined contribution retirement plan.

For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method. Actuarial valuations are conducted on a triennial basis with interim valuations performed on an annual basis.

Consideration is given to any event that could impact the funds up to the reporting date where interim valuations are performed at an earlier date.

Actuarial gains or losses recognised outside profit or loss are presented in the statement of comprehensive income. Gains or losses on the curtailment or settlement of a defined benefit plan are recognised in profit or loss when the group is demonstrably committed to the curtailment or settlement.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight-line basis over the average period until the amended benefits become vested.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation, adjusted for unrecognised past service costs, and reduced by the fair value of plan assets. Any asset or surplus is limited to the present value of available refunds and reductions in future contributions to the plan. To the extent that there is uncertainty regarding entitlement to the surplus, no asset is recorded.

Termination benefits

Termination benefits are recognised as a liability and an expense when the group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before normal retirement date. Termination benefits for voluntary redundancies are recognised if the group has made an offer encouraging voluntary redundancies, it is probable that the offer will be accepted, and the number of acceptances can be reliably estimated.

Share-based payments

The group issues equity-settled share-based payments to certain employees. The Black Managers Trust (BMT) issues equity-settled shares to certain employees; however, in the event of death or disability of an employee the settlement will be done in cash rather than equity. This component is therefore treated as cash settled. The Share Appreciation Plan (SAP), Performance Share Plan (PSP) and Nampak 1985 Share Option Scheme (the option scheme) are all treated as equity-settled schemes. Equity-settled share-based payments are measured at fair value, excluding the effect of non-market vesting conditions, at the date of grant. The fair value at the grant date of the BMT equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the group's estimate of the shares that will eventually vest, excluding the effect of non-market vesting conditions. The expense for the SAP and PSP plans is recognised proportionately so that after the third year of the grant a participant will be entitled to a third of the shares, after the fourth year another third so that after five years the participant will be entitled to receive full rights under the plan.

Accounting policies continued

for the year ended 30 September 2013

13. EMPLOYEE BENEFITS continued

Share-based payments continued

Fair value is measured using various models as disclosed in the share-based payment note. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of estimated forfeitures, exercise restrictions and behavioural considerations.

Grants issued to employees of subsidiaries are treated as equity-settled share-based payments, with the subsidiaries recognising a corresponding increase in equity as a contribution from the parent. In the company annual financial statements, this contribution is treated as an investment in subsidiaries.

14. TAXATION

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of the other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current assets against current liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

15. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

All costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and for qualifying assets, borrowing costs in accordance with the group's accounting policy are included in the carrying value of the asset. Costs also include an estimate of costs of dismantling and removing the item and restoring the site on which it is located. When parts of an item of property, plant and equipment have different useful lives or residual values, they are accounted for as separate items (major components).

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation commences when the assets are ready for their intended use. Depreciation is charged so as to write off the cost over their estimated useful lives, using the straight-line method. Depreciation is not provided in respect of land.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Accounting policies continued

for the year ended 30 September 2013

15. PROPERTY, PLANT AND EQUIPMENT continued

The average rates of depreciation used are:

Freehold buildings	30 to 50 years
Leasehold buildings	Shorter of asset life or the lease term
Plant and equipment	2 to 20 years
Furniture and equipment	4 to 10 years
Motor vehicles	2 to 10 years

Depreciation methods, useful lives and residual values are reassessed annually or when there is an indication that they have changed.

The gain or loss on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

16. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

17. INVESTMENT PROPERTY

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at cost less accumulated depreciation and any accumulated impairment losses. The average rate of depreciation used is 30 to 50 years.

18. INTERNALLY GENERATED INTANGIBLE ASSETS – RESEARCH AND DEVELOPMENT COSTS

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset is recognised only if all of the following conditions are met:

- an asset is created that can be identified (such as software and new processes);

- it is probable that the asset created will generate future economic benefits;
- the development cost of the asset can be measured reliably; and
- the product or process is technically feasible.

The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

Internally generated intangible assets are amortised on a straight-line basis over their estimated useful lives. Where no internally generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

19. INTANGIBLE ASSETS EXCLUDING GOODWILL

Included in intangible assets are patents, customer relationships, trademarks, capitalised research and development costs, ERP system costs and computer software costs.

Patents and trademarks are measured at purchase cost and are amortised on a straight-line basis over their estimated useful lives.

Acquired computer software licences are capitalised on the basis of the costs incurred to bring to use the specific software.

Costs associated with development or maintaining computer software programmes are recognised as the expense is incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include software development, employee costs and an appropriate portion of relevant overheads. Subsequent expenditure is capitalised when it increases the future economic benefits embodied in the specific asset to which it relates.

Intangible assets are stated at cost less accumulated amortisation and impairment losses and are amortised over their expected useful lives (three to nine years) on a straight-line basis.

Accounting policies continued

for the year ended 30 September 2013

20. IMPAIRMENT OF ASSETS EXCLUDING GOODWILL

At each reporting date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a post-tax discount rate applied to post-tax cash flows that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset, or cash-generating unit, is estimated to be less than its carrying amount, the carrying amount of the asset, or cash-generating unit, is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset, or cash-generating unit, is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

21. INVENTORIES

Inventories are stated at the lower of cost or net realisable value. Cost comprises direct materials and, where applicable, direct labour and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

22. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the group's statement of financial position when the group becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are measured initially at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Non-current financial assets

Non-current financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the instrument within the timeframe established by the market concerned. They are initially measured at fair value, plus directly attributable transaction costs.

At subsequent reporting dates, debt securities that the group has expressed intention or ability to hold to maturity (held-to-maturity securities) are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

Instruments other than held-to-maturity debt securities are classified as available-for-sale financial assets, and are measured at subsequent reporting dates at fair value. Unrealised gains or losses arising from the revaluation of available-for-sale financial assets are recognised directly in equity.

On disposal or impairment, cumulative unrealised gains or losses previously recognised are included in determining the profit or loss on disposal of, or impairment charge relating to, that financial asset, which is charged to the statement of comprehensive income. An impairment loss is measured as the difference between the investment's carrying value and the present value of future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the recoverable amount can be related objectively to an event occurring after the impairment was recognised.

Accounting policies continued

for the year ended 30 September 2013

22. FINANCIAL INSTRUMENTS continued

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank overdrafts which are repayable on demand and form an integral part of the daily cash management are also included in cash and cash equivalents.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the group are classified according to the substance of the contractual arrangement entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Bank borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Derivative financial instruments and hedge accounting

The group's activities expose it to the financial risks of changes in foreign exchange rates, interest rates and commodity prices.

The group uses derivative financial instruments, primarily foreign currency forward contracts, commodity futures and interest rate derivatives to hedge its risks associated with foreign currency and market fluctuations relating to certain firm commitments and forecast transactions. These derivatives are initially measured at fair value on the contract date, and are remeasured to fair value at subsequent reporting dates. The resulting gain or loss is recognised in profit or loss as it arises, unless the derivative is designated and effective as a hedging instrument.

The group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges) or hedges of net investments in foreign operations.

Fair value hedges

Changes in the fair value of derivatives that are designated as fair value hedges are recorded in profit or loss immediately, together with any changes in the fair value of the hedged item that are attributable to the hedged risk.

Cash flow hedges

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised in other comprehensive income. The ineffective portion is recognised immediately in profit or loss. If the cash flow hedge of a firm commitment or forecast transaction results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gain or loss on the derivative that had previously been recognised in equity is included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of an asset or a liability, amounts deferred in equity are recognised in profit or loss in the same period in which the hedge item affects profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, for forecast transactions, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to profit or loss for the period.

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Gains or losses deferred in the foreign currency translation reserve are recognised in profit or loss on disposal of the foreign operation.

Accounting policies continued

for the year ended 30 September 2013

22. FINANCIAL INSTRUMENTS continued

Embedded derivatives

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses in profit or loss.

23. PROVISIONS

Provisions are recognised when the group has a present obligation as a result of a past event, and it is probable that the group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

24. SEGMENT REPORTING

Operating segments are identified on the basis of internal reports that are regularly reviewed by the group's chief operating decision-maker in order to allocate resources to the segment and assess the segment's performance.

The basis of segmental allocation is determined as follows:

Revenue

Revenue that can be directly attributed to a segment and the relevant portion of revenue that can be allocated on a reasonable basis to a segment, whether from sales to external customers or from transactions with other segments of the group.

Trading profit

Trading profit that can be directly attributed to a segment and a relevant portion of the profit that can be allocated on a reasonable basis to a segment, including profit relating to external customers and expenses relating to transactions with other segments in the group. Segment profits exclude profits that arise at a group level and relate to the group as a whole.

Segment assets

Segment assets are those assets that are employed by a segment in its operating activities and that are either directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment assets exclude tax assets, deferred tax assets, bank balances, deposits and cash.

Segment liabilities

Segment liabilities are those liabilities that result from the operating activities of a segment and that are either directly attributed to the segment or can be allocated to the segment on a reasonable basis. Segment liabilities exclude loans, borrowings and overdrafts, tax liabilities, deferred tax liabilities and the retirement benefit obligation.

Geographical information

Geographical information for revenues to external customers and non-current assets are disclosed for the top five and top four countries, respectively, with other countries grouped into rest of the world.

25. FINANCIAL GUARANTEES

The group regards financial guarantee contracts as insurance contracts and has used accounting applicable to insurance contracts. Liabilities in terms of the financial guarantees are only recognised when it is probable that economic benefits will flow from the group.

26. OFFSET

Financial assets and liabilities are offset and disclosed on a net basis in the consolidated statement of financial position when there is a legal right to set off and there is either an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

27. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS AND CIRCULARS

The following standards and amendments to existing standards were effective for the current financial year, and impacted presentation and disclosure in the financial statements only:

- IAS 1 Presentation of Financial Statements (amendments)

The amendments revise the way other comprehensive income is presented. Effective date: 1 July 2012

- IAS 12 Income Taxes (Recovery of Underlying Assets (amendment))

The amendment provides a practical solution to the difficulty incurred when determining whether recovery of the carrying amount of an asset measured using the fair value model in IAS 40 Investment Property will be through use or sale, by introducing a presumption that the recovery of the carrying amount will normally be, through sale. Effective date: 1 January 2012

Accounting policies continued

for the year ended 30 September 2013

27. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS AND CIRCULARS

continued

At the date of authorisation of these financial statements, the following standards, amendments to existing standards and interpretations were in issue but not yet effective for the current year and have not been early adopted. These standards, amendments and interpretations will be effective for annual periods beginning after the dates listed below:

■ **IFRS 1 First-time adoption of International Financial Reporting Standards (amendments)**

The amendments address how a first-time adopter would account for a government loan with a below market rate of interest when transitioning to IFRS. Effective date:

1 January 2013

■ **IFRS 7 Financial Instruments: Disclosures (amendments)**

Amends the disclosure requirements to require information about all recognised financial instruments that are set off in accordance with paragraph 42 of IAS 32 Financial Instruments: Presentation

■ **IFRS 9 Financial Instruments: classification and measurement (new)**

A revised version of IFRS 9 incorporating revised requirements for the classification and measurement of financial liabilities, carrying over the existing derecognition requirements from IAS 39 Financial Instruments: Recognition and Measurement. Effective date: 1 January 2015

■ **IFRS 10 Consolidated Financial Statements**

This standard supersedes SIC-12 Consolidation – Special Purpose Entities. The standard aims to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more entities. Effective date: 1 January 2013

■ **IFRS 11 Joint Arrangements**

The standard supersedes SIC-13 – Jointly Controlled Entities. The standard identifies types of joint arrangements by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement. Effective date: 1 January 2013

■ **IFRS 12 Disclosure of Interests in Other Entities**

IFRS 12 is required to be applied by an entity that has an interest in any of the following: subsidiaries, joint arrangements, associates and unconsolidated structured entities. The objective of IFRS 12 is to disclose information that enables the users to evaluate the nature of and risks associated with its interests in other entities and the effect of those interests on its financial position, financial performance and cash flows. Effective date: 1 January 2013

■ **IFRS 13 Fair Value Measurement**

This standard defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. Effective date: 1 January 2013

■ **IAS 19 Employee Benefits (amendment)**

The amendments introduce changes in the recognition of net defined liability, enhanced disclosures about defined benefit plans and modifies the accounting for termination benefits. Effective date: 1 January 2013

■ **IAS 27 Consolidated and Separate Financial Statements (reissued)**

This standard has been reissued as IAS 27 Separate Financial Statements as a result of the issue of IFRS 10 Consolidated Financial Statements. This reissued statement sets the standards to be applied in accounting for investments in subsidiaries, joint ventures and associates when an entity elects, or is required by local regulations, to present separate (non-consolidated) financial statements. Effective date: 1 January 2013

■ **IAS 28 Investments in Associates (reissued)**

This standard has been reissued as IAS 28 Investments in Associates and Joint Ventures as a result of the issue of IFRS 11 Joint Arrangements. The reissued statement prescribes the accounting for investments in associates and sets out the requirements for application of the equity method when accounting for investments in associates and joint ventures. Effective date: 1 January 2013

■ **IAS 32 Financial Instruments (Amendments)**

Amends IAS 32 Financial Instruments: Presentation to clarify certain aspects regarding the offsetting of financial assets and financial liabilities. Effective date: 1 January 2014

■ **Annual Improvements 2009 – 2011 Cycle**

In addition to the new standards, revisions and amendments to existing standards described above and several minor amendments to standards that were issued in May 2012 are effective for annual periods beginning on 1 January 2013

The directors anticipate that the adoption of these standards and interpretations in future periods may have an impact on the results, financial position and cash flows of the group.

Group statement of financial position

at 30 September 2013

	Notes	2013 R million	2012 R million
ASSETS			
Non-current assets			
Property, plant and equipment	3	7 345.9	6 611.2
Investment property	3	0.9	0.9
Goodwill	4	535.6	481.9
Other intangible assets	5	278.9	233.2
Investments in associates	6	137.7	28.9
Non-current financial assets	8	130.4	124.3
Deferred tax assets	9	99.8	65.5
		8 529.2	7 545.9
Current assets			
Inventories	10	3 307.8	3 336.3
Trade receivables and other current assets	11	2 874.4	2 557.0
Tax assets		3.6	2.9
Bank balances, deposits and cash	12	4 477.4	1 780.0
		10 663.2	7 676.2
Assets classified as held for sale	13	551.6	27.9
Total assets		19 744.0	15 250.0
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	14	36.0	35.9
Capital reserves	14	(700.3)	(736.6)
Other reserves	14	(70.2)	(349.9)
Retained earnings	14	7 806.4	7 321.5
Shareholders' equity		7 071.9	6 270.9
Non-controlling interest	14	(80.1)	(54.5)
Total equity		6 991.8	6 216.4
Non-current liabilities			
Loans and borrowings	15	3 537.7	1 594.9
Other non-current liabilities	16	51.8	13.7
Retirement benefit obligation	17	2 193.1	1 618.3
Deferred tax liabilities	9	519.9	650.1
		6 302.5	3 877.0
Current liabilities			
Trade payables and other current liabilities	18	3 535.2	3 448.0
Bank overdrafts and loans	15	2 504.1	1 593.8
Provisions	19	25.7	23.7
Tax liabilities		144.0	91.1
		6 209.0	5 156.6
Liabilities directly associated with assets classified as held for sale	13	240.7	–
Total equity and liabilities		19 744.0	15 250.0

Group statement of comprehensive income

for the year ended 30 September 2013

	Notes	2013 R million	Restated* 2012 R million
CONTINUING OPERATIONS			
Revenue	20	18 295.6	16 530.3
Raw materials and consumables used		9 037.9	7 861.4
Employee benefit expense		3 263.0	3 041.1
Depreciation and amortisation expense		749.4	627.5
Other operating expenses		3 543.7	3 299.3
Other operating income		233.3	99.0
Operating profit	21	1 934.9	1 800.0
Finance costs	23	259.4	216.7
Finance income	24	39.5	48.1
Income from investments	25	5.4	5.3
Share of profit in associates	6	18.6	8.3
Profit before tax		1 739.0	1 645.0
Income tax expense	26	384.0	448.3
Profit after tax from continuing operations		1 355.0	1 196.7
DISCONTINUED OPERATION			
Loss for the year from discontinued operation	27	(87.9)	(4.9)
Profit for the year		1 267.1	1 191.8
Other comprehensive income/(expense) for the year, net of tax			
<i>Items that will not be reclassified to profit or loss</i>			
Net actuarial losses from retirement benefit obligations		(406.5)	(159.8)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		653.7	143.4
Gains/(losses) on cash flow hedges		9.6	(4.5)
Other comprehensive income/(expense) for the year, net of tax		256.8	(20.9)
Total comprehensive income for the year		1 523.9	1 170.9
Profit/(loss) attributable to:			
Owners of Nampak Limited		1 286.5	1 207.1
Non-controlling interest in subsidiaries		(19.4)	(15.3)
		1 267.1	1 191.8
Total comprehensive income/(expense) attributable to:			
Owners of Nampak Limited		1 549.5	1 187.2
Non-controlling interest in subsidiaries		(25.6)	(16.3)
		1 523.9	1 170.9
Earnings per share			
Basic (cents per share)	31		
Continuing operations		231.7	204.8
Discontinued operation		(14.8)	(0.8)
Total		216.9	204.0
Diluted (cents per share)	31		
Continuing operation		217.5	198.2
Discontinued operation		(13.8)	(0.8)
Total		203.7	197.4

*Restated due to the impact of the discontinued operation.

Group statement of changes in equity

for the year ended 30 September 2013

	Notes	2013 R million	2012 R million
Opening balance		6 216.4	5 694.9
Net shares issued during the year		28.1	21.8
Share-based payment expense		19.4	19.2
Share grants exercised		(10.9)	(16.7)
Share of movement in associate's non-distributable reserve		0.9	(0.4)
Transfer from hedging reserve to related assets		(10.8)	1.7
Gain on available-for-sale financial assets		2.2	3.2
Total comprehensive income for the year		1 523.9	1 170.9
Dividends paid	30	(777.4)	(421.1)
Cash distributions from share premium	30	–	(257.1)
Closing balance		6 991.8	6 216.4
Comprising:			
Share capital	14	36.0	35.9
Capital reserves	14	(700.3)	(736.6)
Share premium		45.6	17.6
Treasury shares		(1 104.3)	(1 104.3)
Share-based payment reserve		358.4	350.1
Other reserves	14	(70.2)	(349.9)
Foreign currency translation reserve		927.9	268.0
Hyperinflation capital adjustment		–	(24.3)
Financial instruments hedging reserve		4.4	5.6
Recognised actuarial losses		(984.6)	(578.1)
Share of non-distributable reserves in associates		1.9	0.9
Available-for-sale financial assets revaluation reserve		(20.0)	(22.2)
Other		0.2	0.2
Retained earnings	14	7 806.4	7 321.5
Shareholders' equity		7 071.9	6 270.9
Non-controlling interest	14	(80.1)	(54.5)
Total equity		6 991.8	6 216.4

Group statement of cash flows

for the year ended 30 September 2013

	Notes	2013 R million	2012 R million
Cash flows from operating activities			
Cash receipts from customers		18 066.8	17 682.0
Cash paid to suppliers and employees		(15 614.0)	(15 419.8)
Cash generated from operations	37, 1	2 452.8	2 262.2
Income from investments		5.4	5.3
Interest received		39.9	45.8
Interest paid		(247.3)	(200.0)
Retirement benefits, contributions and settlements		(118.3)	(104.7)
Income tax paid		(432.0)	(417.2)
Replacement capital expenditure		(1 044.5)	(778.7)
Cash flows from operations		656.0	812.7
Dividends paid		(777.4)	(421.1)
Cash distributions paid		–	(257.1)
Cash (utilised in)/retained from operating activities		(121.4)	134.5
Cash flows from investing activities			
Expansion capital expenditure		(393.7)	(303.7)
Capitalised expenditure on group ERP systems and other intangible assets		(32.9)	(1.8)
Proceeds on the sale of property, plant and equipment		114.7	10.5
Acquisition of business	28	(110.4)	(977.5)
(Increase)/decrease in non-current financial assets		(8.8)	12.8
Cash utilised in investing activities		(431.1)	(1 259.7)
Cash flows from financing activities			
Non-current borrowings raised		1 830.0	1 000.0
Non-current borrowings repaid		(25.4)	(556.4)
Net current borrowings raised		695.0	–
Capital proceeds from issue of shares		28.1	21.8
Cash raised from financing activities		2 527.7	465.4
Net increase/(decrease) in cash and cash equivalents		1 975.2	(659.8)
Cash and cash equivalents at the beginning of the year		204.3	797.9
Cash acquired on reconsolidation of Zimbabwe subsidiary		6.0	–
Translation of cash in foreign subsidiaries		483.7	66.2
Cash and cash equivalents at the end of the year	37, 2	2 669.2	204.3

Notes to the group financial statements

for the year ended 30 September 2013

1. FINANCIAL RISK MANAGEMENT

Capital risk management

The group manages its capital to ensure that entities in the group and the company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balances.

The group's objectives when managing capital are to provide an adequate return to shareholders, to appropriately gear the business, to safeguard the ability of the group to continue as a going concern and to take advantage of opportunities that are expected to provide an adequate return to shareholders.

In order to optimise the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue or buy back shares or sell assets to reduce debt.

The group monitors capital based on its gearing ratio and net debt to EBITDA ratio. These ratios are calculated as net debt divided by total capital and EBITDA respectively.

Financial risk management objectives

The group's corporate treasury provides services to the business, coordinates access to domestic and international financial markets and monitors and manages the financial risks relating to the operations of the group. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The main risk areas to which the group is exposed are interest rates, liquidity, currency and commodity prices. Selected derivative and non-derivative hedging instruments are used to hedge risks. Hedging instruments are used to cover risks that affect the group's cash flows and are not used for trading or speculative purposes.

To reduce credit risk, banking facilities are entered into only with leading financial institutions.

Treasury management, reporting to the chief financial officer, is responsible for considering and managing the group's day-to-day financial market risks by adopting strategies within the guidelines set by the audit committee as outlined in the treasury policy manual. Certain transactions require prior approval of the board of directors.

Compliance with policies and exposure limits are periodically reviewed by the internal auditors.

There has been no change to the group and company's exposure to market risk or the manner in which these risks are managed and measured.

Interest rate risk management

Interest rate risk is the possibility that the group may suffer financial loss due to adverse movements in interest rates. The group is exposed to interest rate risks mainly in South Africa and the United Kingdom. To minimise the effects of interest rate fluctuations in these countries, the group manages the interest rate risk for net debt denominated in rand and pound separately. Interest rate risks are identified, and where deemed appropriate are hedged. Interest rate hedging activities are reviewed regularly to ensure compliance with acceptable risk tolerance levels.

The rand and the pound risks are mainly managed on a floating rate basis using derivative instruments, where appropriate, to limit the effects of adverse movements in rates.

The following interest rate derivatives were in place in the prior year.

	Start date	End date	Interest rate % nacq	Notional amount		Fair value	
				2013 R million	2012 R million	2013 R million	2012 R million
Collar	12/10/2009	12/10/2012	Floor 7.08 Cap 11.73	–	375.0	–	(1.5)
Collar	12/10/2009	12/10/2012	Floor 7.08 Cap 11.85	–	300.0	–	(1.2)
						–	(2.7)

Notes to the group financial statements continued

for the year ended 30 September 2013

1. FINANCIAL RISK MANAGEMENT continued

The risk profile of interest-bearing financial assets and liabilities at 30 September:

	Floating rate liabilities R million	Fixed rate liabilities R million	Floating rate assets R million	Net liability/ (asset) R million
South African rand	3 593.2	695.0	(225.0)	4 063.2
UK pound	–	–	(3 763.8)	(3 763.8)
US dollar	–	1 745.3	(0.1)	1 745.2
Other currencies	8.1	–	(605.0)	(596.9)
Total at 30 September 2013	3 601.3	2 440.3	(4 593.9)	1 447.7
South African rand	3 131.0	–	(275.8)	2 855.2
UK pound	–	–	(1 443.9)	(1 443.9)
US dollar	–	–	(0.1)	(0.1)
Other currencies	57.7	–	(186.7)	(129.0)
Total at 30 September 2012	3 188.7	–	(1 906.5)	1 282.2

Weighted average interest rates are as follows:	2013		2012	
	Bank balances	Borrowings	Bank balances	Borrowings
South African rand	4.7%	6.0%	5.1%	6.4%
UK pound	0.5%	–	1.3%	–
US dollar	0.4%	5.0%	0.2%	–

Sensitivity analysis

If the market interest rates had been 100 basis points higher/lower at 30 September 2013, profit or loss would have been R36.0 million lower/higher (2012: R31.9 million).

The amount of R36.0 million (2012: R31.9 million) is calculated based on the assumption that the daily average weighted cost of borrowings was higher/lower by 100 basis points throughout the year and such rate was applied to the borrowings as at year-end. This would not necessarily equate to the actual profit or loss as year-end borrowings do not reflect actual borrowings throughout the year.

Liquidity risk management

Liquidity risk is the possibility that the group may suffer financial loss through liquid funds not being available or that excessive finance costs must be paid to obtain funds to meet payment requirements. The ultimate responsibility for liquidity risk management rests with the board of directors. The group manages liquidity risk through forecasting and monitoring cash flow requirements on a daily basis, and by maintaining sufficient undrawn facilities.

Significant liquid resources were held at year-end. The group had the following undrawn facilities available at 30 September:

	South Africa R million	Europe R million	Rest of Africa R million	Total R million
Expiry period at 30 September 2013				
One year	3 756.6	163.3	70.0	3 989.9
Total	3 756.6	163.3	70.0	3 989.9
Expiry period at 30 September 2012				
One year	2 342.2	134.6	5.5	2 482.3
Total	2 342.2	134.6	5.5	2 482.3

Notes to the group financial statements continued

for the year ended 30 September 2013

1. FINANCIAL RISK MANAGEMENT continued

Maturity profile of financial instruments

The maturity profile of financial assets and liabilities at 30 September was as follows:

	Notes	Carrying value R million	Current year R million	1 – 2 years R million	2 – 3 years R million	3 – 4 years R million	Over 4 years R million
At 30 September 2013							
Financial assets							
Non-current financial assets	8	130.4	–	68.2	11.3	9.2	41.7
Trade receivables and other current assets*	11	2 710.5	2 710.5	–	–	–	–
Bank balances, deposits and cash	12	4 477.4	4 477.4	–	–	–	–
Assets classified as held for sale	13	163.9	163.9	–	–	–	–
Total		7 482.2	7 351.8	68.2	11.3	9.2	41.7
Financial liabilities							
Non-current loans and borrowings	15	3 537.7	–	268.3	18.5	998.3	2 252.6
Trade payables and other current liabilities	18	3 535.2	3 535.2	–	–	–	–
Bank overdrafts and loans	15	2 504.1	2 504.1	–	–	–	–
Liabilities associated with assets held for sale	13	205.7	205.7	–	–	–	–
Total		9 782.7	6 245.0	268.3	18.5	998.3	2 252.6
At 30 September 2012							
Financial assets							
Non-current financial assets	8	124.3	–	31.9	40.0	7.8	44.6
Trade receivables and other current assets*	11	2 443.6	2 443.6	–	–	–	–
Bank balances, deposits and cash	12	1 780.0	1 780.0	–	–	–	–
Total		4 347.9	4 223.6	31.9	40.0	7.8	44.6
Financial liabilities							
Non-current loans and borrowings	15	1 594.9	–	10.4	584.0	0.2	1 000.3
Trade payables and other current liabilities	18	3 448.0	3 448.0	–	–	–	–
Bank overdrafts and loans	15	1 593.8	1 593.8	–	–	–	–
Total		6 636.7	5 041.8	10.4	584.0	0.2	1 000.3

* Prepayments are excluded from trade receivables and other current assets.

Currency risk management

Currency risk is the possibility that the group may suffer financial loss as a consequence of the depreciation in the measurement currency relative to the foreign currency prior to payment of a commitment in that foreign currency or the measurement currency strengthening prior to receiving payment in that foreign currency. Risks from foreign currencies are hedged to the extent that they influence the group's cash flows.

The South African divisions have the greatest exposure to foreign currency risk and it is group policy that all foreign exchange exposures of the South African divisions are economically hedged. Net currency exposures and hedging positions are centrally controlled and managed for South African operations. The currency exposure of the group's European operations is centrally controlled and managed through the United Kingdom. Speculative positions are not permitted.

The group uses forward contracts in particular, together with other hedging instruments such as swaps and options, to manage transactional currency risks. The group hedges its material foreign currency risks utilising forward exchange contracts. In South Africa, all large capital commitments where the forward exchange component is more than R30 million, are required to be designated as a cash flow hedge. These hedges are tested for hedge effectiveness on a regular basis. In the current year, a gain on the fair value of FEC contracts amounting to R9.6 million (2012: R4.5 million loss) was taken to equity. When risks and rewards of ownership transfer to the group, a basis adjustment will be made against the assets. During the year R10.8 million (2012: R1.7 million) was adjusted against the cost of assets.

Notes to the group financial statements continued

for the year ended 30 September 2013

1. FINANCIAL RISK MANAGEMENT continued

Currency conversion guide at 30 September

	2013	2012
Statement of comprehensive income (average)		
UK pound	14.49	12.71
Euro	12.19	10.46
US dollar	9.28	8.06
Statement of financial position (spot)		
UK pound	16.25	13.39
Euro	13.59	10.68
US dollar	10.05	8.29

Sensitivity analysis

The primary currency risk relates to movements in the exchange rates with the US dollar, UK pound and euro.

If the exchange rates with these currencies had weakened by 5% at 30 September 2013, with all other variables held constant, the impact on profit and loss for the year would have been an increase of R40.1 million (2012: R43.5 million). Conversely, if the exchange rates with these currencies strengthened by 5%, profit and loss would decrease by R40.1 million (2012: R43.5 million).

In South Africa all imports, exports and capital commitments are fully hedged once they are firm and ascertainable. The values of open forward contracts entered into at 30 September and their expected maturity profiles are:

	Average contract rate		Notional amount net imports		Fair value asset/(liability)	
	2013 R	2012 R	2013 R million	2012 R million	2013 R million	2012 R million
Fair value hedges						
US dollar						
Less than three months	9.88	8.32	(282.5)	(193.8)	11.4	4.6
Three to six months	10.28	8.40	(76.3)	(62.9)	–	1.5
Six to nine months	10.15	8.36	(12.0)	(104.3)	0.2	1.9
Greater than nine months	–	8.57	–	(74.0)	–	0.7
Euro						
Less than three months	13.40	10.63	(300.6)	(424.3)	9.1	2.7
Three to six months	13.33	10.81	(88.5)	(101.6)	2.7	1.4
Six to nine months	13.57	–	(22.1)	–	0.8	–
Greater than nine months	13.69	12.21	(9.4)	(17.9)	0.3	(1.3)
UK pound						
Less than three months	15.94	13.26	(12.1)	59.0	0.5	3.1
Three to six months	16.12	13.57	(13.3)	(1.4)	0.6	0.7
Other						
Less than three months	–	–	(16.6)	(12.5)	1.3	0.2
Three to six months	–	–	–	(0.8)	–	–
					26.9	15.5

Notes to the group financial statements continued

for the year ended 30 September 2013

1. FINANCIAL RISK MANAGEMENT continued

Commodity price risk management

Commodity price risk is the risk that the group may suffer financial loss when a fluctuating price contract is entered into and commodity prices increase or when a fixed price agreement is entered into and commodity prices fall. The group uses derivative instruments, including forward agreements and futures, to hedge commodity risk.

	Average contract rate		Notional amount net imports		Fair value asset/(liability)	
	2013 R	2012 R	2013 R million	2012 R million	2013 R million	2012 R million
Aluminium futures						
Less than three months	18 591	17 595	(27.9)	(26.0)	(0.5)	(0.6)
Three to six months	18 840	17 342	(25.3)	(23.5)	(0.1)	–
Six to nine months	18 840	17 351	(12.7)	(7.6)	(0.2)	(0.1)
					(0.8)	(0.7)

If commodity prices relevant to the group had been 5% higher and all other variables remained constant, profit for the year would have been R0.9 million higher (2012: R0.7 million higher). Conversely, if commodity prices relevant to the group had been 5% lower and all other variables remained constant, profit for the year would have been R0.9 million lower (2012: R0.7 million lower).

At year-end the primary commodity exposure that the group had related to the purchase price of aluminium.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group.

Potential concentrations of credit risk consist principally of cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as trade debtors. The credit risk on liquid funds and derivative financial instruments is limited because the group's counterparties are major banks of high standing.

Trade debtors comprise a large, widespread customer base. Ongoing credit evaluations on the financial condition of customers are performed, taking into account financial position and past experience and, where appropriate, credit guarantee insurance cover is purchased or provisions made.

The group does not consider there to be any significant concentration of credit risk which has not been insured or adequately provided for at the year-end.

Notes to the group financial statements continued

for the year ended 30 September 2013

1. FINANCIAL RISK MANAGEMENT continued

Fair value of financial instruments

The group's financial instruments consist mainly of investments, bank balances, deposits and cash, trade receivables and other financial assets, trade payables and other financial liabilities, interest-bearing borrowings and derivative financial instruments.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Investments – the fair value of investments is based on quoted bid prices, or the present value of expected future cash flows discounted at market-related interest rates.

Bank balances, deposits and cash – the carrying value approximates fair value due to the relatively short-term maturity of these financial assets.

Trade receivables and other financial assets – the fair value of receivables approximates the carrying value as market-related interest rates are charged on outstanding balances.

Trade payables and other financial liabilities – the carrying value approximates fair value due to the relatively short-term maturity of these financial liabilities.

Borrowings – the fair value of long-term borrowings is based on discounted cash flows using the effective-interest rate method. The carrying value of short-term borrowings approximates fair value due to the short period to maturity of these instruments.

Derivative instruments – the fair value of derivative instruments is calculated using mark-to-market valuations.

The fair values of derivative financial instruments raised on the statement of financial position are as follows:

	2013 R million	2012 R million
Asset/(liability)		
Interest rate swaps	–	(2.7)
Forward exchange contracts	26.9	15.5
Commodity contracts – Aluminium futures	(0.8)	(0.7)
Total	26.1	12.1
Analysed between:		
Derivative financial assets (note 11)	44.4	16.3
Derivative financial liabilities (note 18)	(18.3)	(4.2)
	26.1	12.1

Notes to the group financial statements continued

for the year ended 30 September 2013

2. SEGMENTAL REPORT

	External revenue		Internal revenue		Trading profit*	
	2013 R million	2012 R million	2013 R million	2012 R million	2013 R million	2012 R million
South Africa	13 607.2	12 764.3	403.5	431.5	1 139.0	1 334.3
Metals and Glass	6 456.0	5 878.3	64.5	89.0	676.7	789.2
Paper and Flexibles	3 116.8	2 980.1	123.1	100.6	104.4	164.3
Plastics	2 392.8	2 278.1	7.2	20.2	254.1	269.8
Tissue	1 641.6	1 627.8	208.7	221.7	103.8	111.0
Rest of Africa	2 750.6	2 087.3	0.3	–	505.7	315.6
Metals	1 745.8	1 215.6	0.3	–	292.4	102.4
Paper	1 004.8	871.7	–	–	213.3	213.2
United Kingdom	1 937.8	1 678.7	–	–	162.0	124.0
Plastics	1 937.8	1 678.7	–	–	162.0	124.0
Other segments	–	–	1 557.6	825.3	108.8	(2.0)
Continuing operations	18 295.6	16 530.3	1 961.4	1 256.8	1 915.5	1 771.9
Discontinued operation	1 066.2	1 108.8	14.4	21.9	(24.6)	0.6
Eliminations	–	–	(1 975.8)	(1 278.7)	–	–
Total	19 361.8	17 639.1	–	–	1 890.9	1 772.5

* Operating profit before abnormal items.

** EBITDA calculation is before net impairments.

Reconciliation of operating profit and trading profit

	Continuing operations		Discontinued operation		Total	
	2013 R million	2012 R million	2013 R million	2012 R million	2013 R million	2012 R million
Operating profit/(loss)	1 934.9	1 800.0	(121.9)	(6.3)	1 813.0	1 793.7
Abnormal losses/(gains)*						
Retrenchment and restructuring costs	31.2	8.8	42.3	2.1	73.5	10.9
Net impairment losses on plant, equipment, goodwill and assets classified as held for sale	61.4	4.7	55.0	4.8	116.4	9.5
Cash flow hedge ineffectiveness	(0.4)	3.1	–	–	(0.4)	3.1
Net profit on disposal of property	(0.7)	(0.2)	–	–	(0.7)	(0.2)
Net loss/(profit) on disposal of investments	0.1	(0.5)	–	–	0.1	(0.5)
Gain on reconsolidation of Zimbabwe entities	(87.8)	–	–	–	(87.8)	–
Gain on revaluation of original interest in joint venture acquired	(23.2)	(44.0)	–	–	(23.2)	(44.0)
Trading profit/(loss)	1 915.5	1 771.9	(24.6)	0.6	1 890.9	1 772.5

* Abnormal losses/(gains) are defined as losses and gains which do not arise from normal trading activities or are of such a size, nature or incidence that their disclosure is relevant to explain the performance for the period.

Notes to the group financial statements continued

for the year ended 30 September 2013

Trading margin		EBITDA**		Operating assets		Operating liabilities		Capital expenditure	
2013 %	2012 %	2013 R million	2012 R million	2013 R million	2012 R million	2013 R million	2012 R million	2013 R million	2012 R million
8.4	10.5	1 587.6	1 737.7	9 617.4	8 528.5	2 582.6	2 307.4	1 212.6	889.3
10.5	13.4	916.3	972.5	4 930.0	4 157.1	1 216.1	1 076.0	941.4	525.3
3.3	5.5	182.3	225.7	2 234.5	2 073.8	635.9	550.0	79.4	175.5
10.6	11.8	355.4	373.2	1 393.6	1 287.8	414.6	408.8	129.3	150.6
6.3	6.8	133.6	166.3	1 059.3	1 009.8	316.0	272.6	62.5	37.9
18.4	15.1	658.5	421.7	2 940.5	2 291.6	471.5	238.6	116.9	78.5
16.7	8.4	412.8	178.8	2 308.7	1 727.0	403.5	144.8	93.5	68.4
21.2	24.5	245.7	242.9	631.8	564.6	68.0	93.8	23.4	10.1
8.4	7.4	219.9	175.2	827.1	625.6	268.2	258.5	90.3	95.4
8.4	7.4	219.9	175.2	827.1	625.6	268.2	258.5	90.3	95.4
-	-	279.7	98.7	1 483.9	1 413.8	691.9	504.9	46.7	16.4
10.5	10.7	2 745.7	2 433.3	14 868.9	12 859.5	4 014.2	3 309.4	1 466.5	1 079.6
(2.3)	0.1	(45.5)	29.6	592.7	588.6	205.7	204.9	4.6	4.6
-	-	-	-	(108.5)	(46.5)	(211.6)	(28.9)	-	-
9.8	10.2	2 700.2	2 462.9	15 353.1	13 401.6	4 008.3	3 485.4	1 471.1	1 084.2

Geographical information

Revenue to external customers*

	2013 R million	2012 R million
South Africa	12 721.0	11 887.7
United Kingdom	1 957.2	1 680.4
Angola	1 179.1	872.3
Namibia	738.9	643.7
Rest of the world	2 765.6	2 555.0
	19 361.8	17 639.1

* Revenue is attributed to countries on the basis of the customer's location.

Geographical information

Non-current assets*

	2013 R million	2012 R million
South Africa	6 109.4	5 871.2
United Kingdom	476.3	427.8
Angola	1 022.1	945.4
Rest of the world	553.5	82.8
	8 161.3	7 327.2

* Non-current assets exclude financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts.

Notes to the group financial statements continued

for the year ended 30 September 2013

2. SEGMENTAL REPORT continued

Operating segments are identified on the same basis as financial information is reported internally for the purpose of allocating resources between segments and assessing their performance by the group's chief operating decision-maker, defined as the group executive committee. Reportable segments have been identified after applying the quantitative thresholds per IFRS 8, and after aggregating operating segments with similar economic characteristics.

The principal activities of the segments are as follows:

Metals and Glass – manufacture of beverage cans, food cans, aerosol cans, other metal packaging and glass packaging.

Paper and Flexibles – manufacture of corrugated boxes, folding cartons and a full range of flexible plastics products.

Plastics – manufacture of plastic bottles, crates, drums and tubes.

Tissue – manufacture of toilet tissue, diapers and feminine hygiene products.

Other segments – head office activities, procurement, treasury, property services and consolidation adjustments including goodwill.

The differences between the measurements of the reportable segments' profit and losses and assets and liabilities, and the group's profit and losses, and assets and liabilities are as follows:

Reportable segments' contributions to post-retirement medical aid funds and pension funds are expensed as and when incurred, while at group these funds are actuarially valued and accounted for as per the group accounting policy (refer to accounting policy note 13).

Reportable segments' account for profit and loss on close-out of forward exchange contracts, while at group forward exchange contracts are fair valued and the fair value adjustments are accounted for as per the group accounting policy (refer to accounting policy note 22).

There is no individual customer who contributes more than 10% to the group's total revenue.

In addition, the businesses are grouped by geographical location. The main geographical regions identified are South Africa, United Kingdom, Angola and rest of the world. Geographical split is determined by location of the operating assets.

Notes to the group financial statements continued

for the year ended 30 September 2013

3. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings R million	Leasehold buildings R million	Plant, equipment and vehicles R million	Capitalised leased plant and vehicles R million	Total property, plant and equipment R million	Investment properties R million
Gross carrying amount						
At 1 October 2011	1 028.7	247.1	8 179.2	50.7	9 505.7	4.3
Additions	5.5	7.0	1 068.4	1.5	1 082.4	–
Transfer from equity on cash flow hedges	–	–	1.7	–	1.7	–
Interest capitalised	–	–	0.8	–	0.8	–
Acquisition of business	69.4	–	609.2	–	678.6	–
Disposals	–	(0.3)	(150.1)	(6.0)	(156.4)	–
Impairment loss	–	–	(14.8)	–	(14.8)	–
Reversal of impairment loss	–	–	5.3	–	5.3	–
Reclassified to assets held for sale	(31.1)	(0.1)	–	–	(31.2)	–
Translation differences	15.6	4.8	103.6	–	124.0	–
Other movements	–	–	11.8	(3.9)	7.9	–
At 30 September 2012	1 088.1	258.5	9 815.1	42.3	11 204.0	4.3
Additions	7.3	1.6	1 429.3	–	1 438.2	–
Transfer from equity on cash flow hedges	–	–	(10.8)	–	(10.8)	–
Interest capitalised	–	–	24.5	–	24.5	–
Acquisition of business	–	–	40.3	–	40.3	–
Reconsolidation of Zimbabwe entities	3.3	–	70.1	–	73.4	–
Disposals	(0.2)	–	(215.8)	(6.6)	(222.6)	–
Impairment loss	–	–	(71.6)	–	(71.6)	–
Reversal of impairment loss	5.3	–	0.5	–	5.8	–
Reclassified to assets held for sale	–	(4.5)	(426.5)	(3.5)	(434.5)	–
Translation differences	63.8	36.1	504.6	–	604.5	–
Other movements	1.4	–	(54.1)	(4.1)	(56.8)	–
At 30 September 2013	1 169.0	291.7	11 105.6	28.1	12 594.4	4.3
Accumulated depreciation						
At 1 October 2011	277.4	13.2	3 501.9	26.9	3 819.4	3.3
Depreciation charge for the year	24.6	11.7	588.8	6.2	631.3	–
Acquisition of business	9.1	–	178.4	–	187.5	–
Disposals	–	(0.3)	(115.2)	(3.9)	(119.4)	–
Reclassified to assets held for sale	(3.3)	–	–	–	(3.3)	–
Translation differences	3.5	0.3	69.2	–	73.0	0.1
Other movements	–	0.8	4.5	(1.0)	4.3	–
At 30 September 2012	311.3	25.7	4 227.6	28.2	4 592.8	3.4
Depreciation charge for the year	27.0	12.7	689.3	3.0	732.0	–
Acquisition of business	–	–	17.1	–	17.1	–
Reconsolidation of Zimbabwe entities	–	–	34.3	–	34.3	–
Disposals	–	–	(155.7)	(4.7)	(160.4)	–
Reclassified to assets held for sale	–	(2.7)	(227.6)	(1.9)	(232.2)	–
Translation differences	13.7	3.0	283.3	–	300.0	–
Other movements	(0.7)	0.5	(32.3)	(2.6)	(35.1)	–
At 30 September 2013	351.3	39.2	4 836.0	22.0	5 248.5	3.4
Net book value at 30 September 2013	817.7	252.5	6 269.6	6.1	7 345.9	0.9
Net book value at 30 September 2012	776.8	232.8	5 587.5	14.1	6 611.2	0.9

Notes to the group financial statements continued

for the year ended 30 September 2013

3. PROPERTY, PLANT AND EQUIPMENT continued

	2013 R million	2012 R million
The open market value of the group's properties was determined by The Property Partnership (independent valuers not connected to the group) in September 2010. These properties were valued by reference to market evidence of recent transactions for similar properties.		
– Freehold land and buildings	1 923.5	1 719.8
– Investment properties	10.0	9.3
A schedule of the group's properties is available to users of the financial statements on receipt of a written request.		
Insured value of the plant, equipment and vehicles at 30 September	24 497.1	24 398.3
South Africa	19 845.1	20 026.4
Rest of Africa	3 041.6	2 938.9
United Kingdom	1 610.4	1 433.0
Refer to note 15 for details of property, plant and equipment encumbered.		
Property rental income earned by the group from its investment property under operating leases	0.2	0.2
Impairment losses have been recognised on certain plant and equipment where the carrying value exceeded the higher of value-in-use or fair value less cost to sell.		

4. GOODWILL

	R million
Carrying amount	
At 1 October 2011	160.8
Acquisition of business	321.1
At 30 September 2012	481.9
Acquisition of business	53.9
Impairment loss	(0.2)
At 30 September 2013	535.6

Impairment losses are reported in the "other operating expenses" line of the statement of comprehensive income.

The allocation of goodwill by cash-generating unit is presented below:

	Cost R million	Cumulative impairment R million	Net carrying value R million
At 30 September 2013			
South Africa			
Metals and Glass	444.5	–	444.5
Plastics	114.0	60.1	53.9
Paper and Flexibles	74.9	40.9	34.0
United Kingdom			
Plastics	0.1	0.1	–
Rest of Africa			
Metals	21.4	18.2	3.2
Other	0.1	0.1	–
	655.0	119.4	535.6

Notes to the group financial statements continued

for the year ended 30 September 2013

4. GOODWILL continued

	Cost R million	Cumulative impairment R million	Net carrying value R million
At 30 September 2012			
South Africa			
Metals and Glass	444.5	–	444.5
Plastics	60.1	60.1	–
Paper and Flexibles	74.9	40.9	34.0
United Kingdom			
Plastics	0.1	–	0.1
Rest of Africa			
Metals	21.4	18.2	3.2
Other	0.1	–	0.1
	601.1	119.2	481.9

The group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the CGUs are determined using value-in-use calculations. These calculations use cash flow projections based on the most recent financial budgets approved by management for the next five years. Cash flows beyond the five-year period are extrapolated using the growth rates below:

Key assumptions used for value-in-use calculations

	South Africa %	Rest of Africa %	United Kingdom %
2013			
Growth rate*	0.0	0.0	0.0
Discount rate (post-tax)	10.7	9.4	4.3
2012			
Growth rate*	0.0	0.0	0.0
Discount rate (post-tax)	8.8	20.0	5.9

* This is the growth rate used in the calculation of the termination value after the five-year management estimate of cash flows.

Management estimates discount rates using the post-tax average weighted cost of capital for the group, adjusted for risks associated with the geographical markets in which the CGUs operate. Growth rates are based on industry growth rate forecasts.

Additionally, management considers the impact of sales volumes, both from a market and customer variation point of view, production efficiencies and the impact of fluctuations in overhead when determining the cash flow projections used in value-in-use calculations. Sensitivity in the calculation of headroom, being the difference between the value-in-use and the net asset value (including goodwill), is assessed throughout the value-in-use calculations process and it is the determination of management that headroom is not adversely affected by these movements.

Goodwill of R53.9 million was recognised on the acquisition of the remaining 50% interest in Elopak (Pty) Ltd with effect from 1 November 2012. In the prior year goodwill of R321.1 million was recognised on the acquisition of the remaining 50% interest in Wiegand Glass (Pty) Ltd.

Goodwill relating to Four Four Two Limited (R0.1 million) and Zambia International Cartons and Packaging Limited (R0.1 million) was impaired due to indications that the goodwill would not be recovered.

Notes to the group financial statements continued

for the year ended 30 September 2013

5. OTHER INTANGIBLE ASSETS

	ERP systems and software R million	Other R million	Total R million
Cost			
At 1 October 2011	425.8	31.8	457.6
Additions	1.5	0.3	1.8
Acquisition of business	4.4	237.3	241.7
Disposals	(3.4)	(0.6)	(4.0)
Other movements	(0.4)	0.7	0.3
At 30 September 2012	427.9	269.5	697.4
Additions	14.7	18.2	32.9
Acquisition of business	–	43.9	43.9
Translation differences	–	0.1	0.1
Other movements	7.4	0.2	7.6
At 30 September 2013	450.0	331.9	781.9
Amortisation			
At 1 October 2011	408.8	26.5	435.3
Acquisition of business	4.2	–	4.2
Charge for the year	11.3	17.1	28.4
Disposals	(3.4)	(0.6)	(4.0)
Other movements	(0.3)	0.6	0.3
At 30 September 2012	420.6	43.6	464.2
Charge for the year	4.4	34.3	38.7
Translation differences	–	0.2	0.2
Other movements	–	(0.1)	(0.1)
At 30 September 2013	425.0	78.0	503.0
Net carrying value at 30 September 2013	25.0	253.9	278.9
Net carrying value at 30 September 2012	7.3	225.9	233.2

Other intangible assets consist of patents, trademarks, licences and customer relationships. During the year, an intangible asset for customer relationships was recognised on the acquisition of the remaining 50% interest in Elopak (Pty) Ltd. The cost of the customer relationships is R43.9 million and the carrying amount at year-end is R38.1 million.

In the prior year an intangible asset for customer relationships was recognised on the acquisition of Wiegand Glass (Pty) Ltd. The cost of the customer relationships was R237.3 million and the carrying amount at year-end is R195.6 million.

Notes to the group financial statements continued

for the year ended 30 September 2013

6. INVESTMENTS IN ASSOCIATES

	2013 R million	2012 R million
(Refer to Annexure A for details)		
Cost of investments in associates	79.5	4.6
Share of other post-acquisition reserves	1.9	0.9
Share of post-acquisition profit, net of dividend received	41.9	23.4
Opening balance	23.4	16.4
Decrease in interest	–	(1.3)
Transfer to share of other post-acquisition reserves	(0.1)	–
Share of current year profit	18.6	8.3
Translation differences	14.4	–
	137.7	28.9

The financial year-ends of Group Risk Holdings (Pty) Ltd and Collect-a-Can (Pty) Ltd are 30 September and 31 December respectively.

During the year the group reconstituted the associates located in Zimbabwe, Megapak Zimbabwe (Pvt) Limited (49% interest) and Hunyani Holdings Limited (38.91% interest) (see note 29). The financial year-ends of Megapak Zimbabwe (Pvt) Limited and Hunyani Holdings Limited are 31 March and 31 October respectively.

The group has obligations in respect of losses from associates to the extent of the carrying value of the investment.

Summarised financial information in respect of the group's associates is set out below:

Revenue	1 062.7	316.1
Profit for the year	41.7	16.8
Group's share of associates' profit for the year	18.6	8.3
Total assets	1 210.5	499.2
Total liabilities	761.8	425.3
Net assets	448.7	73.9
Group's share of associates' net assets	137.7	28.9

7. INVESTMENTS IN JOINT VENTURES

(Refer to Annexure A for details)

The following amounts are included in the group's financial statements as a result of the proportionate consolidation of its joint ventures:

Income	256.6	525.6
Expenses	259.4	497.7
Current assets	138.8	152.4
Non-current assets	64.3	70.8
Current liabilities	63.0	62.1
Non-current liabilities	98.7	65.6

The group's share of capital commitments from joint ventures is R6.8 million (2012: R26.3 million).

Notes to the group financial statements continued

for the year ended 30 September 2013

8. NON-CURRENT FINANCIAL ASSETS

	2013 R million	2012 R million
Available-for-sale financial assets		
(Refer to Annexure B for details)		
Other investments	34.3	31.4
Impairment loss	(6.6)	(6.6)
Net available-for-sale financial assets	27.7	24.8
Loans and receivables		
Loans to joint venture partner ¹	49.0	29.0
Equipment sales receivables ²	33.1	54.5
Deferred consideration on disposal of business	–	7.1
Other loans and receivables	34.6	35.9
Total loans and receivables	116.7	126.5
Less: Amounts receivable within one year, reflected in trade receivables and other current assets (note 11)	14.0	27.0
Net non-current loans and receivables	102.7	99.5
Total non-current financial assets	130.4	124.3

¹ The loans to the joint venture partner are unsecured. The loans are repayable in two instalments of R29 million on 31 December 2014 and R20 million on 31 August 2016. Interest is charged at the South African prime rate.

² Equipment sales receivables are repayable from 2014 to 2019. Interest rates charged range from 8.5% to 13%.

The fair value of all loans and receivables approximates cost and was calculated by discounting cash flows at a market-related interest rate.

Notes to the group financial statements continued

for the year ended 30 September 2013

9. DEFERRED TAX

The following are the major deferred tax liabilities and assets recognised by the group, and the movements thereon, during the current and prior reporting periods:

	Accelerated tax depreciation R million	Provisions R million	Prepayments R million	Retirement benefit obligation R million	Tax losses R million	Other R million	Total R million
At 1 October 2011	755.3	(174.4)	1.6	(369.0)	(49.9)	302.2	465.8
(Credit)/charge to other comprehensive income for the year	–	–	–	(54.5)	–	11.1	(43.4)
(Credit)/charge to profit for the year	(12.3)	(1.7)	–	(1.9)	27.0	38.8	49.9
Transferred in deferred tax	–	–	–	–	–	12.6	12.6
Acquisition of subsidiary	67.7	(2.7)	–	(2.0)	(31.5)	70.2	101.7
Translation differences	(2.9)	1.3	–	0.4	(0.3)	(0.5)	(2.0)
At 30 September 2012	807.8	(177.5)	1.6	(427.0)	(54.7)	434.4	584.6
(Credit)/charge to other comprehensive income for the year	–	–	–	(134.8)	–	85.2	(49.6)
Charge/(credit) to profit for the year	45.0	19.1	0.5	(3.9)	(6.7)	(181.4)	(127.4)
Acquisition of subsidiary	16.5	(0.7)	–	–	–	0.4	16.2
Reconsolidation of Zimbabwe entities	6.1	(0.9)	0.9	–	(2.8)	–	3.3
Translation differences	14.3	(5.2)	–	(14.2)	(13.3)	11.4	(7.0)
At 30 September 2013	889.7	(165.2)	3.0	(579.9)	(77.5)	350.0	420.1

	2013 R million	2012 R million
Analysed between:		
Deferred tax assets	99.8	65.5
Deferred tax liabilities	519.9	650.1
	420.1	584.6

At the year-end, the group had unused tax losses of R171.8 million (2012: R158.8 million) available for offset against future taxable profits. Deferred tax assets have been recognised in respect of R53.0 million (2012: R13.7 million) of such losses. No deferred tax asset has been recognised on the remaining R118.8 million (2012: R145.1 million) due to the unpredictability of future profit streams. There are no expiry dates on the tax losses.

In addition, the group had capital losses available for utilisation against future capital gains to the value of R545.7 million (2012: R457.6 million). Deferred tax has been raised on R307.4 million (2012: R211.5 million) of the losses.

Notes to the group financial statements continued

for the year ended 30 September 2013

10. INVENTORIES

	2013 R million	2012 R million
Raw materials	1 638.3	1 686.2
Work in progress	121.1	174.5
Finished goods	1 071.6	1 070.7
Consumables	476.8	404.9
Total	3 307.8	3 336.3
Carrying amount of inventories included at net realisable value	19.6	20.1
Amount of inventory written down to net realisable value included in raw materials and consumables used	19.6	15.5
Amount of inventory previously written down now reversed included in raw materials and consumables used	–	0.1

11. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

Trade receivables	2 418.4	2 227.4
Prepayments	163.9	113.4
Derivative financial instruments (note 1)	44.4	16.3
Current portion of loans and receivables (note 8)	14.0	27.0
Other	233.7	172.9
Total	2 874.4	2 557.0

The directors consider that the carrying amounts of trade receivables and other current assets approximate their fair values due to the short-term nature of these assets. The total amount receivable represents the maximum exposure to credit risk for trade receivables and other current assets, before any credit enhancements or collateral that may be held.

The average credit term on the sale of goods is 30 days. The group does not permit general provisions for doubtful debts based solely on the age of receivables. The allowance for doubtful debt is provided for on the basis of the estimated irrecoverable amounts from the sale of goods, determined by the historical trend analysis for similar classes of receivables.

Included in the group's trade receivable balance are debtors with a carrying value of R492.3 million (2012: R317.9 million) which are past due at the reporting date for which the group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The group does not hold any collateral over these balances.

	2013 R million	2012 R million
Ageing of past due but not impaired trade receivables		
30 days and less	341.2	210.4
30 – 60 days	92.0	71.8
60 – 90 days	37.6	23.8
90 – 180+ days	21.5	11.9
Total	492.3	317.9

An allowance of R160.2 million (2012: R151.8 million) has been made for estimated irrecoverable amounts from the sale of goods. This allowance has been determined by reference to past default.

Analysis of the allowance for doubtful debts

Balance at the beginning of the year	151.8	146.5
Impairment losses recognised on receivables	55.8	71.9
Amounts written back/(off) during the year	25.1	(7.5)
Impairment losses reversed	(75.0)	(60.5)
Reclassified to held for sale	(5.3)	–
Translation differences	7.8	1.4
Balance at the end of the year	160.2	151.8

In determining the recoverability of a trade receivable, the group considers any change in the credit quality of the trade receivable from the date the credit was initially granted up to the reporting date. With the exception of a few multinationals, the concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the board of directors believes that there is no further credit provision required in excess of the allowance for doubtful debts.

Notes to the group financial statements continued

for the year ended 30 September 2013

12. BANK BALANCES, DEPOSITS AND CASH

	2013 R million	2012 R million
Cash at bank and on hand	537.2	436.5
Short-term bank deposits	3 940.2	1 343.5
Total	4 477.4	1 780.0
South African rand	162.7	149.4
Foreign currencies	4 314.7	1 630.6
	4 477.4	1 780.0

13. ASSETS HELD FOR SALE

Assets which are expected to be sold in the next 12 months are classified as held for sale and are presented separately in the statement of financial position.

As described in note 27, the group has entered into a sale agreement to dispose of the Cartons and Labels business with the disposal expected to be completed by March 2014. The disposal group has been disclosed as a discontinued operation during the current year and was previously included in the South Africa Paper and Flexibles segment for segmental reporting purposes. Impairment losses of R55.0 million (R50.4 million on reclassification as held for sale) have been recognised for the year in respect of the disposal group.

In the prior year, a property in South Africa was classified as held for sale as it was surplus to the group's requirements. This asset was sold during December 2012. The property was included in the Other segment for segmental reporting purposes.

Assets classified as held for sale

Assets relating to the discontinued operation	551.6	–
Carrying value of property classified as held for sale	–	27.9
	551.6	27.9

Liabilities associated with assets held for sale

Liabilities relating to the discontinued operation	240.7	–
--	-------	---

The major classes of assets and liabilities of the discontinued operation at the end of the reporting period are as follows:

Property, plant and equipment	151.9	–
Inventories	235.8	–
Trade receivables and other current assets	163.9	–
Assets of the discontinued operation classified as held for sale	551.6	–
Retirement benefit obligation	35.0	–
Trade and other payables	205.7	–
Liabilities of the discontinued operation associated with assets classified as held for sale	240.7	–
Net assets of the discontinued operation classified as held for sale	310.9	–

Notes to the group financial statements continued

for the year ended 30 September 2013

14. CAPITAL AND RESERVES

Reconciliation of movement in capital and reserves

	Notes	Capital reserves			
		Share capital R million	Share premium R million	Treasury shares R million	Share-based payment reserve R million
At 1 October 2011		35.8	298.4	(1 149.7)	347.9
Employee share option scheme:					
– value of employee services		–	–	–	19.2
– share grants exercised		–	–	–	(16.7)
– proceeds from shares issued		0.1	21.7	–	–
– share grants forfeited after vesting date		–	–	–	(0.3)
Share of associates' non-distributable reserves		–	–	–	–
Currency translation differences		–	–	–	–
Loss on cash flow hedges		–	–	–	–
Transfer from cash flow hedging reserve to assets		–	–	–	–
Net actuarial loss		–	–	–	–
Reclassification of net post-retirement benefit asset to available-for-sale financial asset		–	–	–	–
Gains on available-for-sale financial assets		–	–	–	–
Profit for the year		–	–	–	–
Dividends paid	30	–	–	–	–
Cash distributions from share premium	30	–	(302.5)	45.4	–
At 30 September 2012		35.9	17.6	(1 104.3)	350.1
Employee share option scheme:					
– value of employee services		–	–	–	19.4
– share grants exercised		–	–	–	(10.9)
– proceeds from shares issued		0.1	28.0	–	–
– share grants forfeited after vesting date		–	–	–	(0.2)
Share of associate's non-distributable reserves		–	–	–	–
Currency translation differences		–	–	–	–
Gain on cash flow hedges		–	–	–	–
Transfer from cash flow hedging reserve to assets		–	–	–	–
Net actuarial loss		–	–	–	–
Transfer to distributable reserves		–	–	–	–
Gain on available-for-sale financial assets		–	–	–	–
Profit for the year		–	–	–	–
Dividends paid	30	–	–	–	–
At 30 September 2013		36.0	45.6	(1 104.3)	358.4

Notes to the group financial statements continued

for the year ended 30 September 2013

Other reserves										
Foreign currency translation reserve R million	Hyper- inflation capital adjustment R million	Financial instruments hedging reserve R million	Recognised actuarial gains/ (losses) R million	Share of non- distributable reserves in associates R million	Available- for-sale financial assets revaluation reserve R million	Other R million	Retained earnings R million	Total attributable to owners of Nampak Limited R million	Non- controlling interest R million	Total equity R million
123.6	(24.3)	8.4	(405.4)	1.3	(38.3)	0.2	6 535.2	5 733.1	(38.2)	5 694.9
-	-	-	-	-	-	-	-	19.2	-	19.2
-	-	-	-	-	-	-	-	(16.7)	-	(16.7)
-	-	-	-	-	-	-	-	21.8	-	21.8
-	-	-	-	-	-	-	0.3	-	-	-
-	-	-	-	(0.4)	-	-	-	(0.4)	-	(0.4)
144.4	-	-	-	-	-	-	-	144.4	(1.0)	143.4
-	-	(4.5)	-	-	-	-	-	(4.5)	-	(4.5)
-	-	1.7	-	-	-	-	-	1.7	-	1.7
-	-	-	(159.8)	-	-	-	-	(159.8)	-	(159.8)
-	-	-	(12.9)	-	12.9	-	-	-	-	-
-	-	-	-	-	3.2	-	-	3.2	-	3.2
-	-	-	-	-	-	-	1 207.1	1 207.1	(15.3)	1 191.8
-	-	-	-	-	-	-	(421.1)	(421.1)	-	(421.1)
-	-	-	-	-	-	-	-	(257.1)	-	(257.1)
268.0	(24.3)	5.6	(578.1)	0.9	(22.2)	0.2	7 321.5	6 270.9	(54.5)	6 216.4
-	-	-	-	-	-	-	-	19.4	-	19.4
-	-	-	-	-	-	-	-	(10.9)	-	(10.9)
-	-	-	-	-	-	-	-	28.1	-	28.1
-	-	-	-	-	-	-	0.2	-	-	-
-	-	-	-	0.9	-	-	-	0.9	-	0.9
659.9	-	-	-	-	-	-	-	659.9	(6.2)	653.7
-	-	9.6	-	-	-	-	-	9.6	-	9.6
-	-	(10.8)	-	-	-	-	-	(10.8)	-	(10.8)
-	-	-	(406.5)	-	-	-	-	(406.5)	-	(406.5)
-	24.3	-	-	0.1	-	-	(24.4)	-	-	-
-	-	-	-	-	2.2	-	-	2.2	-	2.2
-	-	-	-	-	-	-	1 286.5	1 286.5	(19.4)	1 267.1
-	-	-	-	-	-	-	(777.4)	(777.4)	-	(777.4)
927.9	-	4.4	(984.6)	1.9	(20.0)	0.2	7 806.4	7 071.9	(80.1)	6 991.8

Notes to the group financial statements continued

for the year ended 30 September 2013

14. CAPITAL AND RESERVES continued

	2013 R million	2012 R million
Share capital and premium		
Authorised:		
776 857 200 ordinary shares of 5 cents each	38.9	38.9
100 000 6.5% cumulative preference shares of R2 each	0.2	0.2
400 000 6% cumulative preference shares of R2 each	0.8	0.8
100 redeemable preference shares of 5 cents each	–	–
Authorised share capital	39.9	39.9
Issued:		
697 897 394 (2012: 696 711 782) ordinary shares of 5 cents each	35.0	34.9
100 000 6.5% cumulative preference shares of R2 each	0.2	0.2
400 000 6% cumulative preference shares of R2 each	0.8	0.8
Issued share capital	36.0	35.9
18 738 024 (2012: 23 776 225) ordinary shares have been set aside for employees' share schemes.		
Share premium	45.6	17.6
Treasury shares	(1 104.3)	(1 104.3)
27 369 195 ordinary shares held by the Nampak Black Management Share Trust	(312.0)	(312.0)
31 857 195 ordinary shares held by Red Coral Investments 23 (Pty) Ltd on behalf of broad-based participants in Nampak's Black Economic Empowerment Scheme	(276.7)	(276.7)
45 070 855 ordinary shares held by Nampak Products Limited	(515.6)	(515.6)
Share-based payment reserve	358.4	350.1
Capital reserves	(700.3)	(736.6)
Reconciliation of number of shares issued		
Ordinary shares		
Number of ordinary shares issued at the beginning of the year	696 711 782	695 198 725
Ordinary shares allotted to employees and retired employees other than directors in terms of the Nampak 1985 Share Option Scheme (Option Scheme)	423 300	1 243 800
Ordinary shares allotted to a director in terms of the Option Scheme	40 000	40 000
Ordinary shares allotted to employees and retired employees other than directors in terms of the Nampak Limited Performance Share Plan (PSP)	200 079	119 452
Ordinary shares allotted to directors in terms of the PSP	251 447	47 825
Ordinary shares allotted to employees and former employees other than directors in terms of the Nampak Limited Share Appreciation Plan (SAP)	94 784	61 980
Ordinary shares allotted to directors in terms of the SAP	49 222	–
Ordinary shares allotted to employees and former employees other than directors in terms of the Nampak Limited Deferred Bonus Plan (DBP)	96 095	–
Ordinary shares allotted to directors in terms of the DBP	30 685	–
Number of ordinary shares issued at the end of the year	697 897 394	696 711 782
Treasury shares	(104 297 245)	(104 297 245)
Net number of ordinary shares	593 600 149	592 414 537

Notes to the group financial statements *continued*

for the year ended 30 September 2013

14. CAPITAL AND RESERVES *continued*

Preference shares

There were no changes to the issued 6.5% and 6% preference shares.

Treasury shares

Treasury shares represent Nampak Limited shares held by group subsidiary companies and consolidated special purpose entities.

Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Hyperinflation capital adjustment

An entity whose functional currency is that of a hyperinflationary economy is required to restate its financial results so as to present a more comparable set of financial statements. The hyperinflation capital adjustment is used to show the hyperinflation effect on non-monetary reserves. During the current year the reserve was reversed to retained earnings as a result of the Zimbabwe entities being reconsolidated.

Financial instruments hedging reserve

The hedge reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions in terms of which risk of ownership has not yet passed.

Recognised actuarial gains/(losses)

Actuarial gains and losses comprise:

- (a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and
- (b) the effects of changes in actuarial assumptions.

The group policy is to recognise all actuarial gains/(losses) in the period in which they occur in equity.

Share of non-distributable reserves in associates

Non-distributable reserves in associates arise out of associate companies being equity accounted. These reserves are not available for distribution by way of dividends.

Available-for-sale financial assets revaluation reserve

The available-for-sale financial assets revaluation reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investment is derecognised. During the previous financial year, the Malbak post-retirement medical aid fund net asset was reclassified to available-for-sale financial assets. The net cumulative recognised actuarial gain relating to the asset was consequently transferred on reclassification.

Non-controlling interest

Non-controlling interest represents the value of the remaining ownership in the subsidiary investments that are not wholly owned by the group.

Notes to the group financial statements continued

for the year ended 30 September 2013

15. LOANS AND BORROWINGS

			2013 R million	2012 R million
	Redeemable/ repayable	Year-end interest rates		
Secured loans ¹				
– local	2014 – 2018	6.6% to 6.9%	1 500.0	1 331.3
– foreign	2014 – 2023	4.6% – 5.3%	1 745.3	–
Unsecured loans				
– local	2014 – 2016	8.5%	49.0	29.2
– foreign	2014 – 2015	28.8%	1.3	1.7
Capitalised finance leases ²				
– local	2014 – 2018	6.5% to 8.5%	3.3	10.8
– foreign	2014 – 2015	30.8%	0.3	0.6
Non-recourse debt ³				
– local	2015	6.9% to 7.5%	239.4	239.4
			3 538.6	1 613.0
Less: Instalments due for repayment within one year, reflected as current loans			0.9	18.1
Net non-current loans and borrowings			3 537.7	1 594.9
<p>¹ Loans and borrowings are secured by the following assets: R500 million (2012: R313.8 million) debt is secured by properties with a market value of R783.7 million (2012: R628.6 million). R2 745.7 million (2012: R1 017.5 million) debt is secured by guarantees issued by Nampak Limited. This facility is subject to covenants relating to interest cover, gearing and liquidity of the Nampak Limited group. The Nampak Limited group was well within the covenant requirements throughout the year under review. No liabilities have been recognised for the outstanding guarantees.</p> <p>² Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default. All leases are on a fixed repayment basis and no arrangement has been entered into for contingent rental payments. Interest rates are fixed at the contract date. The fair value of the group's lease obligations approximates the carrying amount.</p> <p>³ The non-recourse debt relates to the preference share funding obtained by Red Coral Investments 23 (Pty) Ltd to fund the purchase of preferred ordinary shares in Nampak Limited as part of the black economic empowerment transaction entered into in 2005. There is no recourse to Nampak Limited or any of its subsidiaries in respect of these borrowings. The debt is subject to covenants based on the Nampak Limited share price which have been met at the year-end. New preference shares were issued on 1 August 2011. The final redemption date for the preference shares is 5 October 2015.</p>				
Current loans				
Current portion of loans			(1.2)	10.6
Current portion of finance leases			2.1	7.5
Commercial paper – unsecured			695.0	–
Bank overdrafts and other short-term loans – unsecured			1 808.2	1 575.7
Total current loans and borrowings			2 504.1	1 593.8
Total borrowings			6 041.8	3 188.7

Notes to the group financial statements continued

for the year ended 30 September 2013

15. LOANS AND BORROWINGS continued

		Total	Local	Foreign*
Summary of borrowings by year of redemption or payment				
Total owing at 30 September 2013		3 538.6	1 791.7	1 746.9
	2014	0.9	1.7	(0.8)
	2015	268.3	269.5	(1.2)
Repayable during the year ending 30 September	2016	18.5	20.2	(1.7)
	2017	998.3	1 000.0	(1.7)
	2018 onwards	2 252.6	500.3	1 752.3

* Includes capitalised transaction costs amortised over the period of the loans.

Included above are minimum lease payments due on capitalised finance leases by year of redemption or payment:

		Total	Local	Foreign
Total owing at 30 September 2013		3.6	3.3	0.3
	2014	2.1	1.9	0.2
Minimum lease payments repayable during the year ending 30 September	2015	1.0	0.9	0.1
	2016	0.2	0.2	–
	2017	0.3	0.3	–
	2018 onwards	–	–	–

16. OTHER NON-CURRENT LIABILITIES

	2013 R million	2012 R million
Operating lease liabilities	33.6	9.1
Deferred income	13.8	6.3
	47.4	15.4
Less: current portion	3.2	1.7
	44.2	13.7
Non-current provisions (note 19)	7.6	–
Total other non-current liabilities	51.8	13.7

The operating leases relate to land and buildings, motor vehicles and other commitments with remaining terms from 2014 onwards. The deferred income relates to government grants recognised over the useful lives of the assets to which they pertain.

Notes to the group financial statements continued

for the year ended 30 September 2013

17. RETIREMENT BENEFIT INFORMATION

17.1 Defined contribution funds

Membership and costs for each fund are as follows:

	Country	Members		Contribution costs	
		2013	2012	2013 R million	2012 R million
Nampak Group Pension Fund*	RSA	1 752	1 773	78.5	75.2
Nampak Provident Fund*	RSA	7 109	7 215	129.1	119.8
Nampak (KPL) Provident Fund*	RSA	–	96	–	4.1
Nampak Kenya Limited Provident Fund	Kenya	163	173	2.4	0.3
Nampak Kenya Limited Staff Pension and Life Assurance Scheme	Kenya	39	38	0.9	0.7
Nampak Nigeria plc Retirement Gratuity	Nigeria	134	140	0.6	0.6
Nampak Nigeria plc Pension Funds	Nigeria	286	291	0.9	0.7
Nampak Holdings UK – Friends and Provident	United Kingdom	222	220	7.3	6.5
		9 705	9 946	219.7	207.9
External funds					
	United Kingdom and rest of Africa	1 033	688	6.6	4.2
Industry funds	RSA	757	824	8.6	8.7
		1 790	1 512	15.2	12.9
Total		11 495	11 458	234.9	220.8

* These funds are governed by the Pension Funds Act, No 24 of 1956.

17.2 Defined benefit funds

The principal assumptions used for the purpose of the actuarial valuations were as follows:

	Pension plans		Post-retirement medical
	South Africa	United Kingdom	
2013			
Assumptions			
Discount rate	8.1%	4.5%	9.1%
Consumer price inflation (long term)	5.5%	2.3%	6.7%
Expected return on funds' assets	8.6%	5.1%	9.1%
Rate of compensation increase	7.0%	3.8%	–
Pension increase	4.4%	3.2%	–
Rate of medical inflation	–	–	8.2%
Membership data			
Total membership	25	1 934	3 607
Agreed employer contribution rate	33.2%	–	–

Notes to the group financial statements continued

for the year ended 30 September 2013

17. RETIREMENT BENEFIT INFORMATION continued

17.2 Defined benefit funds continued

	Pension plans		Post-retirement medical
	South Africa	United Kingdom	
2012			
Assumptions			
Discount rate	7.5%	4.3%	7.8%
Consumer price inflation (long term)	5.5%	2.5%	5.9%
Expected return on funds' assets	7.5%	5.1%	7.8%
Rate of compensation increase	7.0%	3.3%	–
Pension increase	3.6%	2.5%	–
Rate of medical inflation	–	–	6.5%
Membership data			
Total membership	31	1 792	3 696
Agreed employer contribution rate	33.2%	–	–
The major categories of plan assets as a percentage of total plan assets are as follows:			
2013			
Equity instruments	–	6.6%	–
Diversified growth fund	–	50.3%	–
Cash	–	4.1%	–
Insured funds	–	39.0%	–
2012			
Equity instruments	67.5%	–	–
Debt instruments	27.5%	38.6%	–
Diversified growth fund	–	58.9%	–
Property	5.0%	–	–
Cash	–	2.5%	–

Notes to the group financial statements continued

for the year ended 30 September 2013

17. RETIREMENT BENEFIT INFORMATION continued

17.2 Defined benefit funds continued

The amounts recognised in the statement of financial position are as follows:

	Pension funds			Total R million
	South Africa R million	United Kingdom R million	Post- retirement medical R million	
2013				
Valuation results				
Fair value of plan assets	–	(1 438.5)	–	(1 438.5)
Present value of benefit obligations	1.8	1 869.1	1 760.7	3 631.6
Net liability in the statement of financial position	1.8	430.6	1 760.7	2 193.1
2012				
Valuation results				
Fair value of plan assets	(10.1)	(1 081.8)	–	(1 091.9)
Present value of benefit obligations	11.9	1 358.3	1 340.0	2 710.2
Net liability in the statement of financial position	1.8	276.5	1 340.0	1 618.3
The amounts recognised in the statement of comprehensive income are as follows:				
2013				
Current service cost	0.2	–	18.8	19.0
Interest cost	0.6	67.9	103.3	171.8
Expected return on plan assets	(0.3)	(65.8)	–	(66.1)
Losses on settlements	2.8	–	–	2.8
Total	3.3	2.1	122.1	127.5
Actual return on plan assets	(2.0)	(122.3)	–	(124.3)
Net actuarial (gain)/loss taken to equity	(3.0)	137.5	406.8	541.3
2012				
Current service cost	1.1	–	17.3	18.4
Interest cost	3.5	61.3	67.3	132.1
Expected return on plan assets	(3.4)	(58.4)	30.9	(30.9)
Total	1.2	2.9	115.5	119.6
Actual return on plan assets	28.1	(97.3)	–	(69.2)
Net actuarial loss taken to equity	0.3	103.7	105.3	209.3

Notes to the group financial statements continued

for the year ended 30 September 2013

17. RETIREMENT BENEFIT INFORMATION continued

17.2 Defined benefit funds continued

	Pension funds		Post-retirement medical R million	Total R million
	South Africa R million	United Kingdom R million		
Changes in the fair value of plan assets are as follows:				
At 1 October 2011	36.2	926.7	34.1	997.0
Expected return	3.4	58.4	(30.9)	30.9
Actuarial (losses)/gains	(31.5)	38.9	–	7.4
Contributions by employers	1.7	38.6	–	40.3
Contributions by members	0.3	–	–	0.3
Translation difference on foreign plans	–	60.0	–	60.0
Reclassifications*	–	–	(3.2)	(3.2)
Benefits paid	–	(40.8)	–	(40.8)
At 30 September 2012	10.1	1 081.8	–	1 091.9
Expected return	0.3	65.8	–	66.1
Actuarial gains	1.7	56.5	–	58.2
Contributions by employers	0.2	45.9	–	46.1
Contributions by members	0.1	–	–	0.1
Translation difference on foreign plans	–	234.9	–	234.9
Benefits paid	(3.5)	(46.4)	–	(49.9)
Settlements	(8.9)	–	–	(8.9)
At 30 September 2013	–	1 438.5	–	1 438.5
Changes in the present value of the defined benefit obligation are as follows:				
At 1 October 2011	38.2	1 122.3	1 197.0	2 357.5
Service cost	1.1	–	17.3	18.4
Interest cost	3.5	61.3	67.3	132.1
Actuarial losses/(gains)	(31.2)	142.6	105.3	216.7
Contributions by members	0.3	–	–	0.3
Translation difference on foreign plans	–	72.9	–	72.9
Acquisition of business	–	–	6.9	6.9
Reclassifications*	–	–	10.6	10.6
Benefits paid	–	(40.8)	(64.4)	(105.2)
At 30 September 2012	11.9	1 358.3	1 340.0	2 710.2
Service cost	0.2	–	18.8	19.0
Interest cost	0.6	67.9	103.3	171.8
Actuarial losses/(gains)	(1.3)	194.0	406.8	599.5
Contributions by members	–	–	–	–
Translation difference on foreign plans	–	297.0	–	297.0
Reclassifications*	–	–	(35.0)	(35.0)
Benefits paid	(3.5)	(48.1)	(73.2)	(124.8)
Settlements	(6.1)	–	–	(6.1)
At 30 September 2013	1.8	1 869.1	1 760.7	3 631.6
Expected contributions to defined benefit plans in 2014	–	45.9	–	45.9

* The post-retirement medical aid liability relating to the discontinued operation (Cartons and Labels) was reclassified to liabilities directly associated with assets classified as held for sale. In the prior year the Malbak Post-Retirement Medical Aid Fund net asset was transferred to available-for-sale financial assets, as the group only has a right to the residual assets.

The total unfunded pension liability is R1.8 million (2012: R1.8 million) and the unfunded post-retirement medical aid liability is R1 760.7 million (2012: R1 340 million).

Notes to the group financial statements continued

for the year ended 30 September 2013

17. RETIREMENT BENEFIT INFORMATION continued

17.2 Defined benefit funds continued

The history of the plans for the current and prior years is as follows:

	Defined benefit pension plans				
	2013 R million	2012 R million	2011 R million	2010 R million	2009 R million
Fair value of plan assets	1 438.5	1 091.9	962.9	1 267.9	1 255.5
Present value of benefit obligations	(1 870.9)	(1 370.2)	(1 160.5)	(1 667.6)	(1 569.9)
Deficit	(432.4)	(278.3)	(197.6)	(399.7)	(314.4)
Experience adjustments on plan liabilities (%)	(0.2)	(2.9)	0.1	0.1	5.4
Experience adjustments on plan assets (%)	4.0	3.6	3.5	3.6	0.2

	Post-retirement medical				
	2013 R million	2012 R million	2011 R million	2010 R million	2009 R million
Fair value of plan assets	–	–	34.1	67.6	65.2
Present value of benefit obligations	(1 760.7)	(1 340.0)	(1 197.0)	(1 072.4)	(997.0)
Deficit	(1 760.7)	(1 340.0)	(1 162.9)	(1 004.8)	(931.8)
Experience adjustments on plan liabilities (%)	29.4	7.2	0.4	4.6	0.2
Experience adjustments on plan assets (%)	0.0	0.0	2.3	2.3	7.4

Post-retirement medical plans

Assumed healthcare cost trends have a significant effect on the amounts recognised in the statement of comprehensive income. The effect of a one percentage point change in assumed healthcare cost trend rates would be as follows:

	One % point increase R million	One % point decrease R million
Effect on aggregate of the service costs and interest cost	86.4	33.4
Effect on defined benefit obligation	268.4	221.4

The statutory actuarial valuations of the defined benefit funds are as follows:

	Valuation date	Next valuation date	Fair value of assets R million	Fair value of liabilities R million	Valuation basis
Nampak Group Pension Fund*	2010/02/28	2013/02/28	2 905.4**	2 603.1**	AA
Nampak plc Pension Plan	2010/04/05	2013/04/05	484.6**	565.4**	MFR
Nampak plc Staff Pension Plan	2010/04/05	2013/04/05	350.1**	416.2**	MFR
Nampak Post-Retirement Medical Aid Fund	2012/09/30	2015/09/30	–	1 339.4	PUC

AA: attained age MFR: minimum funding requirements PUC: projected unit credit

* This fund is governed by the Pension Funds Act, No 24 of 1956.

**The fair value of these assets and liabilities are as at 2010/02/28 and 2010/04/05 respectively. The valuations at 2013/02/28 and 2013/04/05 are not yet finalised. These are released 15 months after the valuation date.

The latest actuarial valuations in respect of the defined benefit funds found them in sound financial condition. In arriving at their findings, the actuaries have taken into account reasonable long-term estimates of inflation, future increases in wages, salaries and pensions, and sustainable investment returns. Funds denominated in foreign currency have been translated at the rate ruling on balance sheet date.

The valuations listed above are not necessarily the valuations used in determining the surplus or obligation recognised on the statement of financial position.

Notes to the group financial statements continued

for the year ended 30 September 2013

18. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	2013 R million	2012 R million
Trade payables	1 970.4	1 649.8
Accruals	1 464.8	1 599.6
Derivative financial instruments (note 1)	18.3	4.2
Cash-settled share-based payments	1.0	1.0
Other	80.7	193.4
Total	3 535.2	3 448.0

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs.

The directors consider that the carrying amounts of trade payables and other current liabilities approximate their fair values.

19. PROVISIONS

	Restructuring R million	Customer claims R million	Other R million	Total R million
At 1 October 2011	24.6	35.5	14.4	74.5
Additions	1.7	3.7	3.7	9.1
Usage	(18.4)	(9.4)	(10.1)	(37.9)
Reversals	(2.4)	(20.8)	–	(23.2)
Translation differences	(0.4)	1.7	–	1.3
Other	(0.1)	–	–	(0.1)
At 30 September 2012	5.0	10.7	8.0	23.7
Additions	10.9	6.0	15.0	31.9
Usage	(4.3)	(1.2)	(1.9)	(7.4)
Reversals	–	(11.3)	(5.5)	(16.8)
Reclassified to held for sale	(2.7)	–	–	(2.7)
Translation differences	0.4	1.4	0.1	1.9
Other	2.8	(0.1)	–	2.7
At 30 September 2013	12.1	5.5	15.7	33.3

Notes to the group financial statements continued

for the year ended 30 September 2013

19. PROVISIONS continued

	2013 R million	2012 R million
Analysed as:		
Current	25.7	23.7
Non-current (note 16)	7.6	–
	33.3	23.7

Restructuring

Provisions for restructuring are recognised when the group has a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it. Restructuring provisions only include those direct expenditures which are necessarily entailed by the restructuring and are not associated with the ongoing activities of the group.

Customer claims

Amounts expected to be payable under customer claims in respect of packaging already supplied. The provision is based on historical customer claims data and a weighting of all possible outcomes against their associated probabilities.

Other

These provisions mainly relate to onerous leases on property, R7.6 million is expected to be utilised in the next 12 months and R8.1 million at the end of the lease term as disclosed in note 32.

20. REVENUE

	Continuing operations		Discontinued operation		Total	
	2013 R million	2012 R million	2013 R million	2012 R million	2013 R million	2012 R million
Sale of goods	18 199.2	16 385.3	1 066.2	1 108.8	19 265.4	17 494.1
Rendering of services	8.5	15.3	–	–	8.5	15.3
Other	87.9	129.7	–	–	87.9	129.7
	18 295.6	16 530.3	1 066.2	1 108.8	19 361.8	17 639.1

21. OPERATING PROFIT

Operating profit is stated after taking into account the following items:

21.1 Cost of goods sold	12 419.5	11 124.2	903.3	934.8	13 322.8	12 059.0
21.2 Included in employee benefit expense						
Retrenchment costs	30.6	10.0	10.9	2.5	41.5	12.5
Defined benefit plan expense	123.7	116.0	3.8	3.6	127.5	119.6
Share-based payment expenses	26.9	19.2	–	–	26.9	19.2
21.3 Depreciation and amortisation consists of:						
Freehold and leasehold buildings	39.2	35.5	0.5	0.8	39.7	36.3
Plant, equipment and vehicles	672.2	564.8	20.1	30.2	692.3	595.0
Intangible assets	38.0	27.2	0.7	1.2	38.7	28.4
	749.4	627.5	21.3	32.2	770.7	659.7

Notes to the group financial statements continued

for the year ended 30 September 2013

21. OPERATING PROFIT continued

21.4 Included in other operating expenses and income

	Continuing operations		Discontinued operation		Total	
	2013 R million	2012 R million	2013 R million	2012 R million	2013 R million	2012 R million
Auditors' remuneration						
Audit fees	15.9	14.1	0.3	0.7	16.2	14.8
Expenses	–	0.4	–	–	–	0.4
Tax services	4.4	2.9	–	–	4.4	2.9
Other services	0.8	0.7	–	–	0.8	0.7
	21.1	18.1	0.3	0.7	21.4	18.8
Impairments						
Plant and equipment	67.0	10.0	4.6	4.8	71.6	14.8
Assets classified as held for sale	–	–	50.4	–	50.4	–
Goodwill	0.2	–	–	–	0.2	–
	67.2	10.0	55.0	4.8	122.2	14.8
Reversal of impairments						
Freehold and leasehold buildings	(5.3)	–	–	–	(5.3)	–
Plant and equipment	(0.5)	(5.3)	–	–	(0.5)	(5.3)
Total	(5.8)	(5.3)	–	–	(5.8)	(5.3)
Rentals in respect of operating leases						
Property	102.7	89.5	16.6	15.2	119.3	104.7
Plant, equipment and vehicles	2.8	4.8	0.2	0.2	3.0	5.0
Total	105.5	94.3	16.8	15.4	122.3	109.7
Administration and technical fees	15.3	18.4	–	–	15.3	18.4
Selling expenses	39.3	30.8	5.8	1.2	45.1	32.0
Distribution expenses	774.6	735.9	24.9	29.2	799.5	765.1
Research and development expenditure	40.1	39.5	2.5	1.8	42.6	41.3
Gain on revaluation of original interest in joint venture acquired	(23.2)	(44.0)	–	–	(23.2)	(44.0)
Gain on reconsolidation of Zimbabwe entities	(87.8)	–	–	–	(87.8)	–
Loss/(profit) on disposal of investments	0.1	(0.5)	–	–	0.1	(0.5)
Restructuring costs	0.7	(1.2)	0.2	(0.4)	0.9	(1.6)
Government grants received	(0.5)	(1.1)	–	–	(0.5)	(1.1)
Net (gain)/loss on foreign exchange	(55.7)	9.6	(6.9)	(6.3)	(62.6)	3.3
Financial instruments fair value (gain)/loss	(17.9)	18.1	–	–	(17.9)	18.1
Net profit on disposal of property	(0.7)	(0.2)	–	–	(0.7)	(0.2)
Net (profit)/loss on disposal of plant, equipment and intangible assets	(24.0)	26.3	(0.5)	0.4	(24.5)	26.7

Notes to the group financial statements continued

for the year ended 30 September 2013

21. OPERATING PROFIT continued

21.5 Directors' and prescribed officers' remuneration

	2013		2012	
	Total remuneration R million	Gains made under the share schemes R million	Total remuneration R million	Gains made under the share schemes R million
Non-executive directors				
RC Andersen	0.5	–	0.4	–
RJ Khoza	0.3	–	0.3	–
PM Madi	0.4	–	0.4	–
TT Mboweni	1.4	–	1.3	–
VN Magwentshu	0.4	–	0.4	–
DC Moephuli	0.3	–	0.3	–
CWN Molope	0.5	–	0.4	–
RV Smither	0.5	–	0.4	–
PM Surgey	0.6	–	0.5	–
	4.9	–	4.4	–
Executive directors				
AB Marshall	7.9	7.1	11.7	0.9
G Griffiths	4.3	1.9	6.6	–
FV Tshiqi	3.1	1.8	4.5	0.6
	15.3	10.8	22.8	1.5
Prescribed officers				
CH Bromley	3.7	2.9	5.2	0.9
PA de Weerd	4.2	1.7	5.2	0.5
RG Morris	3.5	1.7	4.6	1.8
SE Msane	2.8	1.3	3.1	0.3
ZK Nzimande	2.1	0.7	2.8	–
NP O'Brien	2.7	1.5	3.9	1.2
	19.0	9.8	24.8	4.7
	34.3	20.6	52.0	6.2
Included in the above:				
Company contributions to retirement funds	1.8	–	2.7	–
Paid by the company	18.1	–	25.6	–
Paid by the subsidiary companies	21.2	–	26.4	–

No contributions were made in respect of past directors and prescribed officers.

Full detail of total remuneration is included in the remuneration report.

Notes to the group financial statements continued

for the year ended 30 September 2013

22. SHARE-BASED PAYMENTS

All share schemes are classified as equity-settled schemes.

Share-based payment expenses recognised

	2013 R million	2012 R million
Performance Share Plan	8.0	6.8
Share Appreciation Plan	14.0	8.8
Deferred Bonus Plan	4.9	3.6
Total	26.9	19.2

BEE transaction

Black Management Trust (BMT)

Overview

During 2005 the group issued 27 369 195 ordinary shares to the BMT as part of its black economic empowerment (BEE) transaction at a market value of R15.13 per share. Nampak provided a founding grant to the trust that provided for shares to be allocated to black managers over a period of five years. One-third of the shares vested three years after the operative date, a further one-third vested after four years and the final one-third vested on 30 September 2010 provided the services are not terminated for disciplinary reasons. The shares will be held in trust until 31 December 2015, at which time the founding grant will be settled and the balance of the benefit will be released to the beneficiaries. As all the shares have vested as at 30 September 2010, no further expenses are recognised in the current year.

Vesting conditions

The beneficiary right held by participants on 30 September 2010 vested. Permitted and non-permitted employee events no longer have an impact on the allocated rights.

In the event of death or disability of a beneficiary the total number of shares vested will be calculated by means of a pre-determined formula. The benefit will be paid out in cash and is therefore treated as a cash-settled benefit.

Beneficiaries may not dispose of their rights until the end of the 10-year lock-in period on 31 December 2015. The company has the discretion to extend the lock-in period by a further two years should the value of the trust shares be less than the outstanding loan.

Notes to the group financial statements continued

for the year ended 30 September 2013

22. SHARE-BASED PAYMENTS continued

Black Management Trust (BMT) continued

Details of the share grants outstanding during the year are as follows:

Allocation date	30 September 2010	1 April 2010	1 October 2009	1 April 2009
Outstanding at 30 September 2013	1 830 309	4 256 666	1 728 330	2 028 327
Outstanding at 30 September 2012	1 830 309	4 256 666	1 728 330	2 028 327

The calculated fair values and significant inputs into the valuation models were as follows:

Weighted average exercise price ¹	19.7	19.1	18.5	17.8
Weighted average fair value	3.7	3.4	2.1	1.3
Expected volatility ²	30.29%	29.42%	28.41%	28.23%

¹ These numbers were the starting points for the calculation of the exercise prices used in the model. The exercise prices will fluctuate depending on deemed interest accrued at 8.5% of the prime interest rate and dividends paid to the trust.

² Volatility was calculated using the EWMA methodology. This approach estimates the volatility by applying more weight to recent data.

The risk-free rate used in the model was sourced from the Bond Exchange of South Africa. The ZAR zero coupon swap curve as at each valuation was used. A dividend yield of 4.5% was used in the model. The scheme has an expected life of 10 years.

The fair value of rights allocated was calculated using a Monte Carlo simulation, and this expense was amortised over the vesting period of the shares.

Other share plans

Performance Share Plan and Share Appreciation Plan

Overview

During July 2006 the group adopted two share-based payment plans, the Performance Share Plan (PSP) and the Share Appreciation Plan (SAP).

Participation in the PSP is restricted to senior executives and executive directors, while participation in the SAP is restricted to senior management and executive directors. Participation in both plans is subject to approval by the remuneration committee.

Both the PSP and SAP allocations are allocated on condition that certain performance criteria will be satisfied during the specific performance period for the allocation concerned.

Notes to the group financial statements continued

for the year ended 30 September 2013

1 October 2008	31 March 2008	30 September 2007 ¹	30 June 2007	31 March 2007	30 September 2006 ¹	31 March 2006	15 December 2005
896 483	3 047 640	640 000	1 685 000	1 210 477	510 000	643 400	8 892 563
896 483	3 047 640	640 000	1 685 000	1 210 477	510 000	643 400	8 892 563
17.5	16.6	16.4	16.3	15.9	15.7	15.3	15.4
2.1	4.3	7.7	6.7	7.2	4.5	3.7	2.6
26.74%	33.43%	31.40%	25.50%	26.20%	25.00%	24.70%	23.50%

Notes to the group financial statements continued

for the year ended 30 September 2013

22. SHARE-BASED PAYMENTS continued

Vesting conditions

A summary of the PSP and SAP is tabled below, detailing the various allocations as well as the performance criteria to be met during the performance period:

Allocation date	Performance period	TSR criteria ¹	
		Threshold	Target
Performance Share Plan			
1 July 2006	01/04/2006 – 31/03/2009	25	1
10 December 2007	01/10/2007 – 30/09/2010	25	1
10 December 2008	01/10/2008 – 30/09/2011	25	1
4 December 2009	01/10/2009 – 30/09/2012	25	1
3 February 2010	03/02/2010 – 03/02/2013	n/a	n/a
14 December 2010	01/10/2010 – 30/09/2013	CPI + 9%	CPI + 24%
17 March 2011	01/10/2010 – 30/09/2013	CPI + 9%	CPI + 24%
5 December 2011	01/10/2011 – 30/09/2014	CPI + 9%	CPI + 24%
3 December 2012	01/10/2012 – 30/09/2015	CPI + 9%	CPI + 24%
Share Appreciation Plan			
1 July 2006	01/04/2006 – 31/03/2009	–	–
10 December 2007	01/10/2007 – 30/09/2010	–	–
10 December 2008	01/10/2008 – 30/09/2011	–	–
4 December 2009	01/10/2009 – 30/09/2012	–	–
14 December 2010	01/10/2010 – 30/09/2013	–	–
5 December 2011	01/10/2011 – 30/09/2014	–	–
3 December 2012	01/10/2012 – 30/09/2015	–	–

¹ The total shareholder return (TSR) criteria are based on Nampak's TSR compared to the TSR of constituent companies of the ALSI 40, excluding mining and resource companies (for the first four allocations) and improvement in TSR relative to the cumulative CPI within the performance period (for the last four allocations).

² The non-market condition is based on an improvement in Nampak's annual headline earnings per share relative to the cumulative CPI within the performance period.

³ The non-market condition is based on an improvement in Nampak's annual return on equity.

For the 3 February 2010 allocation of the PSP, 70% of shares will be subject to the headline earnings per share condition and 30% to other various performance objectives.

For all other previous allocations of the PSP 50% of shares will be subject to the TSR condition and 50% will be subject to the headline earnings per share condition, while for the 2012 allocation of the PSP 40% of shares will be subject to the TSR condition, 40% will be subject to the headline earnings per share condition and 20% will be subject to the return on equity condition.

Under the PSP, performance below the threshold performance criteria will result in no shares vesting. If the target performance criteria is met, 100% of the shares will vest and then be released proportionately between the third and fifth year from the original grant date so that after five years the participants will be entitled to receive full rights under the scheme.

Performance below the threshold performance criteria will result in no share appreciation rights vesting under the SAP. If the target performance criteria is met for the allocations from 2010 onwards, 100% of the share appreciation rights vest and are released immediately after the third year. Rights must be exercised within seven years from grant date. For the allocations before 2010, 100% of the share appreciation rights vest and the shares are released proportionately between the third and fifth year from the original grant date so that after five years participants will be entitled to receive full rights under the scheme. Participants have 10 years from grant date to exercise rights for these allocations.

If a participant ceases to be employed by Nampak due to death, retirement or disability, the number of shares/share appreciation rights capable of vesting will not be forfeited. However, they will be adjusted according to the lesser of the date of termination and 36 months. Participants then have six months under the SAP to exercise these share appreciation rights before they lapse. Termination of employment due to resignation or dismissal prior to the expiry of three years from the allocation date will forfeit their allocated shares/share appreciation rights. Termination of employment due to resignation or dismissal after the expiry of the three years from allocation date under the PSP will result in shares/share appreciation rights being forfeited. Where an employee is retrenched the shares/share appreciation rights will vest, be released and may be exercised in full to the extent that the performance condition is achieved.

Notes to the group financial statements continued

for the year ended 30 September 2013

Share Appreciation Plan Share rights												1985 Share Option Scheme Share options			
3 December 2012		5 December 2011		14 December 2010		4 December 2009		10 December 2008		10 December 2007		1 July 2006		Allocations after 7 November 2002	
Number of allocations	Weighted average exercise price	Number of allocations	Weighted average exercise price	Number of allocations	Weighted average exercise price	Number of allocations	Weighted average exercise price	Number of allocations	Weighted average exercise price	Number of allocations	Weighted average exercise price	Number of allocations	Weighted average exercise price	Number of allocations	Weighted average exercise price
—	—	973 811	22.95	3 707 950	23.00	639 315	16.16	—	12.60	—	22.10	629 115	17.08	703 300	13.47
4 302 473	30.67	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(257 666)	30.67	(63 052)	22.95	(348 808)	23.00	(77 475)	16.16	—	—	—	—	(25 945)	17.08	—	—
—	—	—	—	(16 675)	23.00	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	(196 724)	16.16	—	—	—	—	(117 005)	17.08	(463 300)	12.79
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4 044 807	30.67	910 759	22.95	3 342 467	23.00	365 116	16.16	—	12.60	—	22.10	486 165	17.08	240 000	14.79
														15 000	
														225 000	
												162 055			
												162 055			
												162 055			
4 044 807		910 759		3 342 467		121 705		—		—		162 055			
						121 705		—		—					
						121 706		—		—					

Notes to the group financial statements continued

for the year ended 30 September 2013

22. SHARE-BASED PAYMENTS continued

	Performance Share Plan Share grants							
	5 December 2011	17 March 2011	14 December 2010	3 February 2010	4 December 2009	10 December 2008	10 December 2007	1 July 2006
	Number of awards	Number of awards	Number of awards	Number of awards	Number of awards	Number of awards	Number of awards	Number of awards
2012								
Outstanding at the beginning of the year	—	55 000	1 044 500	150 000	691 066	1 311 452	78 491	—
Granted during the year	1 608 174	—	—	—	—	—	—	—
Forfeited during the year	—	—	—	—	—	(39 364)	(3 301)	—
Retirements during the year	—	—	—	—	—	(15 746)	(563)	—
Exercised during the year	—	—	—	—	—	(129 293)	(49 403)	—
Lapsed during the year as a result of non-market conditions	—	—	—	—	—	(434 223)	—	—
Lapsed during the year as a result of market conditions	—	—	—	—	—	(434 223)	—	—
Outstanding at the end of the year	1 608 174	55 000	1 044 500	150 000	691 066	258 603	25 224	—
Exercisable at the end of the year	—	—	—	—	—	—	—	—
Share grants/rights outstanding at the end of the year have the following expiry dates:								
	2014							
	2015							
	2016							
	2017							
	2018							
	2019							
	2020							
	2021							
	2022							

For the PSP the fair value of the performance shares allocated on 14 December 2010 was calculated using the Monte Carlo simulation method. At the end of the financial year ended 30 September 2013 it is expected that the performance criteria relating to the TSR and HEPS conditions will be met. These conditions have been built into the fair market value of the shares allocated and has been expensed for the financial year ended 30 September 2013.

For the SAP the fair value of the share rights allocated on 14 December 2010 was calculated using the Monte Carlo simulation method. An early exercise factor of 2 was estimated at the time of performing the valuation, which was determined per grade by reviewing the historic exercise behaviour of participants of the old Nampak share scheme as a ratio of exercise price to grant price. This expense was amortised over the vesting period of the shares, and at the end of the financial year ended 30 September 2013 it is expected that the performance criterion will be met.

Notes to the group financial statements continued

for the year ended 30 September 2013

22. SHARE-BASED PAYMENTS continued

Deferred Bonus Plan

During February 2010 the group adopted the Deferred Bonus Plan.

Participation in the plan is limited to executive directors and senior executives of the group and its divisions. Participants were entitled to use a predetermined percentage of their annual bonus after tax to purchase shares (bonus shares) in Nampak Limited.

A matching award, which is based on the number of bonus shares acquired and still held at the vesting date, is made to all participants. For example, if 100 bonus shares were acquired and are still held at the vesting date, the matching award will consist of 100 matching shares.

The calculated fair values and significant inputs into the valuation models were as follows:

	3 December 2012	5 December 2011	17 March 2011	14 December 2010	PSP allocations 3 February 2010	4 December 2009	10 December 2008	10 December 2007	1 July 2006
Weighted average exercise price	—	—	—	—	—	—	—	—	—
Weighted average fair value	7.89	8.95	9.10	10.84	13.67	9.61	5.51	¹	6.95
Expected volatility	20.66%	21.07%	20.5%	24.0%	25.9%	25.9%	26.0%	24.4%	37.1%
Expected life	5 years	5 years	5 years	5 years	3 years	5 years	5 years	5 years	5 years
Remaining life	4.2 years	3.2 years	2.4 years	2.2 years	0 years	1.2 years	0.2 years	0 years	0 years
Risk-free rate	6.5%	6.4%	7.8%	6.8%	7.8%	8.3%	8.8%	8.6%	7.1%
Expected dividend yield	4.8%	6.0%	6.0%	6.0%	4.5%	4.5%	4.5%	4.2%	5.6%

¹ Value of the TSR condition is R10.63.

² The fair value was determined by calculating a weighted average of the fair values per grade.

Expected volatility was determined with reference to historical volatility. The expected useful life used in the model has been adjusted, based on management's best estimate, for the effects of forfeitures, exercise restrictions and behavioural considerations.

Nampak 1985 Share Option Scheme (the Option Scheme)

Overview

The Option Scheme has been discontinued.

Participants who cease to be employed by the Nampak group, other than through retirement, within the first three years after the allocation of such rights, will forfeit all their rights in the Option Scheme. Between the third and the fifth year of the grant, such rights will be proportionately forfeited so that after five years the beneficiary will be entitled to receive full rights under the Option Scheme.

Notes to the group financial statements continued

for the year ended 30 September 2013

22. SHARE-BASED PAYMENTS continued

Deferred Bonus Plan continued

The participants are the owners of the bonus shares from date of acquisition and have all shareholder rights in respect of the bonus shares from this date. Participants are entitled to withdraw from the plan and dispose of their shares at any time, but this will impact their ability to receive matching shares.

The matching award will vest at the end of the Deferred Bonus Plan period (DBP period) on the vesting date, provided that the bonus shares are still held and the participant is still employed by the group.

Participants have no rights in respect of matching shares until after the vesting date.

219 019 bonus shares were purchased during the current financial year.

3 December 2012	5 December 2011	14 December 2010	SAP allocations				1 July 2006	The option scheme	Deferred Bonus Plan			
			4 December 2009	10 December 2008	10 December 2007	14 December 2012			15 December 2011	15 December 2010	22 February 2010	
30.67	22.95	23.0	16.2	12.6	22.1	17.1	13.3	—	—	—	—	
7.00 ²	5.14 ²	5.13 ²	5.41 ²	4.87 ²	5.01 ²	6.89	5.25	32.07	22.15	22.84	14.50	
27.9%	28.1%	28.3%	31.0%	34.0%	26.0%	37.1%	23.4%	—	—	—	—	
3 years	5 years	5 years	10 years	10 years	10 years	5 years	10 years	3 years	3 years	3 years	3 years	
2.2 years	3.2 years	2.2 years	6.2 years	5.2 years	4.2 years	0 years	0.1 years	2.2 years	1.2 years	0 years	0 years	
6.5%	7.3%	7.7%	8.3%	8.8%	7.8%	7.1%	8.3%	—	—	—	—	
5.3%	6.0%	6.0%	4.5%	4.5%	7.2%	5.6%	3.2%	4.8%	6.0%	6.0%	4.5%	

Notes to the group financial statements continued

for the year ended 30 September 2013

23. FINANCE COSTS

	Continuing operations		Discontinued operation		Total	
	2013 R million	2012 R million	2013 R million	2012 R million	2013 R million	2012 R million
Interest paid – short-term facilities	260.0	122.1	0.6	0.9	260.6	123.0
Interest paid – long-term facilities	22.0	94.1	–	0.1	22.0	94.2
Interest paid – other	1.9	1.3	–	–	1.9	1.3
Less: Interest capitalised	(24.5)	(0.8)	–	–	(24.5)	(0.8)
	259.4	216.7	0.6	1.0	260.0	217.7

Borrowing costs included in the cost of qualifying assets are calculated by applying capitalisation rates ranging from 6.0% to 8.5% (2012: 6.6%) to expenditure on those assets.

24. FINANCE INCOME						
Interest received – short-term facilities	26.8	23.8	–	–	26.8	23.8
Interest received – joint ventures	4.6	15.4	–	–	4.6	15.4
Interest received – other	8.1	8.9	0.5	0.4	8.6	9.3
	39.5	48.1	0.5	0.4	40.0	48.5
25. INCOME FROM INVESTMENTS						
Normal dividends	5.4	5.3	–	–	5.4	5.3
26. INCOME TAX						
Current tax						
– current year	421.3	367.3	(7.6)	(2.0)	413.7	365.3
– prior year	12.7	(8.4)	–	(0.8)	12.7	(9.2)
– capital gains tax	–	2.2	–	–	–	2.2
Deferred tax						
– current year	(51.4)	112.3	(26.8)	–	(78.2)	112.3
– prior year	(47.0)	(8.7)	0.3	0.8	(46.7)	(7.9)
– change in tax rate	(2.5)	(1.0)	–	–	(2.5)	(1.0)
– capital gains tax	–	(53.5)	–	–	–	(53.5)
Secondary tax on companies	–	19.0	–	–	–	19.0
Withholding and foreign tax	50.9	19.1	–	–	50.9	19.1
Total	384.0	448.3	(34.1)	(2.0)	349.9	446.3

The company tax rate in South Africa is 28% (2012: 28%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in those relevant jurisdictions.

Notes to the group financial statements continued

for the year ended 30 September 2013

26. INCOME TAX continued

	Continuing operations		Discontinued operation		Total	
	2013 %	2012 %	2013 %	2012 %	2013 %	2012 %
Reconciliation of rate of tax						
Effective group rate of tax	22.1	27.3	27.9	29.0	21.6	27.2
Reduction in tax rate due to:						
– exempt income (including capital profits)	2.2	1.2	–	–	2.4	1.2
– government incentives	1.2	1.2	(0.1)	–	1.3	1.2
– adjustment for prior year	2.0	0.9	0.2	(1.0)	2.1	1.0
– tax rate reduction	0.1	0.1	–	–	0.2	0.1
– utilisation of withholding tax credit	1.9	–	–	–	2.0	–
– tax rate differential	2.8	2.7	–	–	2.9	2.7
– utilisation of tax loss	0.2	–	–	–	0.3	–
– capital gains tax	–	3.2	–	–	–	3.2
Increase in tax rate due to:						
– deferred taxation not recognised	(0.1)	(0.5)	–	–	(0.2)	(0.5)
– disallowable expenses	(1.5)	(5.7)	–	–	(1.5)	(5.7)
– secondary tax on companies	–	(1.2)	–	–	–	(1.2)
– withholding and foreign taxes	(2.9)	(1.2)	–	–	(3.1)	(1.2)
Normal tax rate	28.0	28.0	28.0	28.0	28.0	28.0

In addition to the income tax expense charge to profit or loss, a deferred tax credit of R49.6 million (2012: R43.4 million) has been recognised in equity during the year.

Notes to the group financial statements continued

for the year ended 30 September 2013

27. DISCONTINUED OPERATION

	2013 R million	2012 R million
<p>During May 2013 the directors of the group approved a plan to dispose of the Cartons and Labels business. On 13 September 2013 the group entered into a sale agreement to this effect and expects to complete the sale by March 2014. The disposal is consistent with the group's strategy of exiting its non-core and underperforming businesses.</p> <p>The results of the discontinued operation included in the statement of comprehensive income are set out below:</p>		
Results of the discontinued operation for the year		
Revenue*	1 080.7	1 130.7
Expenses	(1 202.7)	(1 137.6)
Loss before tax	(122.0)	(6.9)
Attributable income tax benefit	34.1	2.0
Loss for the year from discontinued operation	(87.9)	(4.9)
Cash flows from the discontinued operation		
Net cash flows from operating activities	(7.0)	(22.3)
Net cash flows from investing activities	2.9	0.4
Net cash flows	(4.1)	(21.9)

* Includes internal revenue (sales to other divisions within the group).

The Cartons and Labels business has been classified and accounted for at 30 September as a disposal group held for sale (see note 13).

Notes to the group financial statements continued

for the year ended 30 September 2013

28. BUSINESS COMBINATIONS

	2013 R million	2012 R million
<p>In line with the group's strategy to grow its core businesses, the group acquired with effect from 1 November 2012 the remaining 50% interest in Elopak (Pty) Ltd (Elopak) from Elopak AS for an amount of R116.2 million paid in cash.</p> <p>During the prior year the group acquired with effect from 1 March 2012, the remaining 50% interest in Nampak Wiegand Glass (Pty) Ltd which was held by Wiegand Glass (SA) (Pty) Ltd for an amount of R974.5 million paid in cash.</p>		
Assets acquired and liabilities recognised at the date of acquisition		
Current assets		
Inventories	13.5	86.7
Trade and other receivables	20.8	78.6
Cash	5.8	–
Non-current assets		
Property, plant and equipment	23.2	491.1
Intangibles	43.9	237.5
Non-current receivables	2.3	–
Current liabilities		
Trade and other payables	(7.8)	(67.2)
Bank overdraft	–	(3.0)
Non-current liabilities		
Loans	–	(17.8)
Retirement benefit obligation	–	(6.9)
Deferred tax	(16.2)	(101.6)
	85.5	697.4
Goodwill arising on acquisition		
Consideration transferred	116.2	974.5
Gain on revaluation of original interest	23.2	44.0
Fair value of identifiable net assets acquired	(85.5)	(697.4)
Goodwill recognised	53.9	321.1
<p>Goodwill arose on the acquisitions as the cost of the combinations included a control premium. The consideration paid also included the expected benefits of revenue growth and future profitability. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.</p> <p>The goodwill recognised is not deductible for tax purposes.</p>		
Cash flow impact of the acquisitions		
Consideration paid in cash	116.2	974.5
(Cash)/bank overdraft acquired	(5.8)	3.0
Net outflow on acquisition	110.4	977.5

Impact of the acquisition on the results of the group (current year)

Included in the group net revenue and profit after tax for the period is R104.5 million and R11.8 million respectively which is attributable to the remaining interest acquired in Elopak.

Had Elopak been acquired with effect from 1 October 2012, the net revenue of the group from continuing operations would have been R18 304.5 million, while the profit after tax would have been R1 356.1 million.

Notes to the group financial statements continued

for the year ended 30 September 2013

29. RECONSOLIDATION OF ZIMBABWE ENTITIES

The group reconsolidated the Zimbabwe operating entities effective 1 October 2012. These entities consist of CarnaudMetalbox Zimbabwe Ltd ("CMB"), a wholly owned subsidiary, and two associates, Megapak Zimbabwe (Pvt) Ltd (49% interest) ("Megapak Zim") and Hunyani Holdings Ltd (38.91% interest) ("Hunyani"). In addition, the holding company of Megapak Zim, Megaplastics Ltd, being a wholly owned subsidiary, was also reconsolidated effective 1 October 2012.

The entities had previously been deconsolidated in 2007 due to Nampak Limited having lost control over these entities. The circumstances that led to this loss of control were the threat of indigenisation and pricing legislation, restrictions on the repatriation of funds from these entities to their holding companies (outside Zimbabwe) and the hyperinflationary environment in which these entities were operating. It is believed that these circumstances no longer exist or their impact has been reduced significantly such that reconsolidating these entities reflects a more accurate position of the performance of the group.

On reconsolidation, the equity of CMB was valued at US\$0.5 million, while the equity of the associates, Megapak Zim and Hunyani, were valued at US\$9.5 million and US\$10.3 million respectively.

	2013 R million	2012 R million
Assets and liabilities of the subsidiaries recognised at the date of their reconsolidation		
Current assets		
Inventories	29.6	–
Trade and other receivables	21.8	–
Bank and cash	6.0	–
Non-current assets		
Property, plant and equipment	39.1	–
Current liabilities		
Trade and other payables	(69.9)	–
Non-current liabilities		
Loans	(11.1)	–
Deferred tax	(2.5)	–
	13.0	–

The gain on the reconsolidation of the Zimbabwe entities includes a gain of R8.6 million attributable to the fair value of the original interest in CMB being less than the carrying value of its net identifiable assets.

Impact of the reconsolidation on the results of the group (current year)

Net revenue for the group includes R126.1 million attributable to the subsidiaries, while profit after tax for the group includes R1.4 million attributable to the subsidiaries, as well as R20.7 million attributable to the associates, Megapak Zim and Hunyani.

Notes to the group financial statements continued

for the year ended 30 September 2013

30. DIVIDENDS AND CASH DISTRIBUTIONS

	2013 R million	2012 R million
Dividends paid		
Final dividend No 81 paid on 21 January 2013: 89.0 cents per share (2012: No 79 – 30.5 cents per share)	620.5	212.1
Interim dividend No 82 paid on 8 July 2013: gross amount of 42.0 cents per share (2012: No 80 – 40.5 cents per share)	292.9	282.1
Dividend attributable to treasury shares	(136.6)	(74.0)
	776.8	420.2
Other dividends	0.6	0.9
Total dividends paid	777.4	421.1
Cash distributions paid		
2012: No 8 – 43.5 cents per share	–	302.5
Cash distribution attributable to treasury shares	–	(45.4)
Total cash distribution paid	–	257.1
Total dividends/cash distributions paid	777.4	678.2

On 21 November 2013 the directors declared a gross dividend No 83 of 98.0 cents per share payable on 20 January 2014 to shareholders registered on the record date, being 17 January 2014.

	2013 Cents	2012 Cents
Analysis of dividends declared in respect of current year's earnings:		
Interim	42.0	40.5
Final	98.0	89.0
	140.0	129.5

6.5% and 6% cumulative preference dividends

Preference dividends totalling R0.1 million (2012: R0.1 million) were declared on 21 November 2012 and 20 June 2013, and paid on 28 January 2013 and 29 July 2013 respectively.

Notes to the group financial statements continued

for the year ended 30 September 2013

31. BASIC, FULLY DILUTED AND HEADLINE EARNINGS PER ORDINARY SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the year, excluding those held as treasury shares.

Weighted average number of shares in issue is calculated as the number of shares in issue at the beginning of the year, increased by shares issued during the year, weighted on a time basis for the period during which they have participated in the profit of the group.

	Continuing operations		Discontinued operation		Total	
	2013 R million	2012 R million	2013 R million	2012 R million	2013 R million	2012 R million
Determination of basic earnings						
Profit attributable to equity holders of the company for the period	1 374.4	1 212.0	(87.9)	(4.9)	1 286.5	1 207.1
Less: Preference dividend	(0.1)	(0.1)	–	–	(0.1)	(0.1)
Basic earnings	1 374.3	1 211.9	(87.9)	(4.9)	1 286.4	1 207.0
Weighted average number of shares in issue ('000)	593 064	591 750	593 064	591 750	593 064	591 750
Earnings per share (cents)	231.7	204.8	(14.8)	(0.8)	216.9	204.0
Diluted earnings per share						
The diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential ordinary shares.						
Earnings are adjusted by the dividend paid to preference share funders.						
Determination of diluted earnings						
Basic earnings	1 374.3	1 211.9	(87.9)	(4.9)	1 286.4	1 207.0
Dividend paid to preference share funders	16.5	21.6	–	–	16.5	21.6
Diluted earnings	1 390.8	1 233.5	(87.9)	(4.9)	1 302.9	1 228.6
Weighted average number of ordinary shares for the purpose of diluted earnings per share ('000)						
Weighted average number of ordinary shares for the purpose of basic earnings per share	593 064	591 750	593 064	591 750	593 064	591 750
Effect of dilutive potential ordinary shares:						
Ordinary shares issued to Red Coral Investments 23 (Pty) Ltd ('000)	24 142	21 520	24 142	21 520	24 142	21 520
Ordinary shares issued to Black Management Trust ('000)	9 524	–	9 524	–	9 524	–
Other share incentive plans ('000)	12 770	9 218	12 770	9 218	12 770	9 218
Diluted earnings per share (cents)	217.5	198.2	(13.8)	(0.8)	203.7	197.4

Notes to the group financial statements continued

for the year ended 30 September 2013

31. BASIC, FULLY DILUTED AND HEADLINE EARNINGS PER ORDINARY SHARE continued

	Continuing operations		Discontinued operation		Total	
	2013 R million	2012 R million	2013 R million	2012 R million	2013 R million	2012 R million
Headline earnings per share						
Determination of headline earnings						
Basic earnings	1 374.3	1 211.9	(87.9)	(4.9)	1 286.4	1 207.0
Adjusted for:						
Net impairment losses on goodwill, plant, equipment and assets classified as held for sale	61.4	4.7	55.0	4.8	116.4	9.5
Net loss/(profit) on disposal of investments	0.1	(0.5)	–	–	0.1	(0.5)
Gain on revaluation of original interest in joint venture acquired	(23.2)	(44.0)	–	–	(23.2)	(44.0)
Gain on reconsolidation of Zimbabwe entities	(87.8)	–	–	–	(87.8)	–
Net (profit)/loss on disposal of property, plant, equipment and intangible assets	(24.7)	26.1	(0.5)	0.4	(25.2)	26.5
Tax effects	(10.4)	(8.6)	(15.3)	(1.5)	(25.7)	(10.1)
Headline earnings	1 289.7	1 189.6	(48.7)	(1.2)	1 241.0	1 188.4
Weighted average number of shares in issue ('000)	593 064	591 750	593 064	591 750	593 064	591 750
Headline earnings per share (cents)	217.5	201.0	(8.2)	(0.2)	209.3	200.8
Diluted headline earnings per share						
Determination of diluted headline earnings						
Headline earnings	1 289.7	1 189.6	(48.7)	(1.2)	1 241.0	1 188.4
Dividend paid to preference share funders	16.5	21.6	–	–	16.5	21.6
Diluted headline earnings	1 306.2	1 211.2	(48.7)	(1.2)	1 257.5	1 210.0
Weighted average number of ordinary shares for the purpose of diluted earnings per share ('000)	639 500	622 488	639 500	622 488	639 500	622 488
Diluted headline earnings per share (cents)	204.3	194.6	(7.7)	(0.2)	196.6	194.4

Notes to the group financial statements continued

for the year ended 30 September 2013

32. OPERATING LEASE COMMITMENTS

	2013 R million	2012 R million
The group has certain lease commitments in respect of land and buildings, plant, equipment and vehicles, which are payable as follows:		
Year ending 30 September		
2013	–	78.9
2014	105.3	48.5
2015	73.3	30.1
2016	61.5	13.0
2017	45.1	13.6
2018 and beyond	26.9	–
Total	312.1	184.1
<i>Comprising:</i>		
Land and buildings	244.9	136.1
Vehicles	20.5	21.2
Other	46.7	26.8
	312.1	184.1
33. CONTINGENT LIABILITIES		
Guarantees in respect of property leases	3.9	4.8
Customer claims and other	3.0	7.8
Tax contingent liability	3.2	36.2
Total	10.1	48.8
In the previous year, the Malawi Revenue Authority issued assessments for the 2001 to 2010 years of assessments on Packaging Industries Malawi Limited relating to transfer pricing. This claim was subsequently withdrawn by the Malawi Revenue Authority in the current period. The remaining tax contingent liability relates to an outstanding claim by the South African Revenue Service in respect of Malbak Group Services (Pty) Ltd.		
34. CAPITAL COMMITMENTS		
Capital commitments for acquisition of property, plant and equipment		
– contracted	1 113.3	406.3
– approved	1 272.8	687.4
Total	2 386.1	1 093.7
The group's share of capital commitments for property, plant and equipment of its jointly controlled entities is:	6.8	26.3
35. SUBSEQUENT EVENTS		
An agreement has been concluded to acquire Alucan Packaging Limited (APL), a beverage can manufacturer in Nigeria, for a consideration of US\$301 million. Nampak has also been granted an option to acquire a large rigid plastic manufacturer in Nigeria.		

Notes to the group financial statements continued

for the year ended 30 September 2013

36. RELATED-PARTY TRANSACTIONS

	2013 R million	2012 R million
Group companies, in the ordinary course of business, entered into various purchase and sale transactions with associates and joint ventures. The effect of these transactions is included in the financial performance and results of the group. Terms and conditions for these transactions are determined on an arm's length basis.		
Disclosure in respect of associates and joint ventures is provided in notes 6 and 7. Details of joint ventures and associates are detailed in Annexure A.		
Material related-party transactions were as follows:		
Sales and services rendered to related parties:		
Associates	32.1	26.6
Joint ventures	–	1.1
	32.1	27.7
Purchases and services received from related parties:		
Contributions to the Nampak Medical Aid Society in respect of current employees	1.2	88.5
Interest received from related parties:		
Joint ventures	4.7	15.4
Interest paid to related parties:		
Joint ventures	–	4.2
Joint venture partner	–	12.2
	–	16.4
Amounts owing (after eliminating inter-company balances) by related parties are disclosed in the respective notes to the financial statements for those balance sheet items.		
Amounts receivable from related parties:		
Loans to associates	8.6	–
Loans to joint ventures	49.0	29.0
	57.6	29.0

Notes to the group financial statements continued

for the year ended 30 September 2013

36. RELATED-PARTY TRANSACTIONS continued

Key management

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly (executive or otherwise). Key management personnel have been defined as the board of directors of the holding company and the group executive committee.

A number of key management personnel hold positions in related entities where they may have significant influence over the financial and operating policies of those entities. These relationships have been listed below:

Key management member	Entity	Position in entity
RC Andersen	Nampak 1979 Share Purchase Trust	Trustee
	Nampak Limited Performance Share Trust	Trustee
	Nampak Limited Share Appreciation Trust	Trustee
RJ Khoza	Nedbank Group Limited	Non-executive chairman
	Aka Capital (Pty) Ltd	Executive chairman
CWN Molope	Red Coral Investments 23 (Pty) Ltd	Shareholder
PM Surgey	Nampak 1979 Share Purchase Trust	Trustee
	Nampak Limited Performance Share Trust	Trustee
	Nampak Limited Share Appreciation Trust	Trustee
FV Tshiqi	Nampak Group Pension Fund	Employer trustee
NP O'Brien	Nampak Group Pension Fund	Employer trustee

Transactions between the group and these entities have occurred under terms and conditions that are no more favourable than those entered into with third parties in arm's-length transactions.

Related-party transactions include:

Except for the dividends paid to preferred ordinary shareholders in Red Coral, which have been eliminated at group level, there were no other transactions with Red Coral.

Certain non-executive directors of the group are also non-executive directors of other public companies which may transact with the group. Executive directors or the chairpersons of such companies are assumed to have significant influence. Except as disclosed above, the relevant individuals do not believe that they have significant influence over the financial and operating policies of those companies.

Compensation relating to key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	2013 R million	2012 R million
Short-term employee benefits	32.8	47.7
Post-employment benefits	0.4	0.3
Share-based payments	13.8	11.7
Termination benefits	1.2	–
	48.2	59.7

The remuneration of directors and key executives is determined by the remuneration committee, having regard to the performance of individuals and market trends.

Shareholders

An analysis of major shareholders is provided on pages 116 to 118.

Notes to the group financial statements continued

for the year ended 30 September 2013

37. NOTES TO THE STATEMENT OF CASH FLOWS

	2013 September	2012 September
37.1 Reconciliation of profit before taxation to cash generated from operations		
Profit before taxation	1 617.0	1 638.1
Continuing operations	1 739.0	1 645.0
Discontinued operation	(122.0)	(6.9)
Adjustment for:		
Depreciation and amortisation	770.7	659.7
Net (profit)/loss on disposal of investments, property, plant, equipment and intangible assets	(25.1)	26.0
Financial instruments fair value adjustment	(17.9)	18.1
Income from investments	(5.4)	(5.3)
Gain on revaluation of original interest in joint venture acquired	(23.2)	(44.0)
Gain on reconsolidation of Zimbabwe entities	(87.8)	–
Net defined benefit plan expense	127.5	119.6
Impairment losses	122.2	14.8
Reversal of impairment losses	(5.8)	(5.3)
Share of profit in associates	(18.6)	(8.3)
Share-based payments expense	26.9	19.2
Net finance costs	220.0	169.2
Cash generated from operations before working capital changes	2 700.5	2 601.8
Increase in inventories	(31.4)	(531.9)
(Increase)/decrease in trade receivables and other current assets	(289.5)	38.5
Increase in trade payables and other current liabilities	73.2	153.8
Cash generated from operations	2 452.8	2 262.2
37.2 Cash and cash equivalents		
Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:		
Bank balances, cash and deposits	4 477.4	1 780.0
Bank overdraft (note 15)	(1 808.2)	(1 575.7)
	2 669.2	204.3

Notes to the group financial statements continued

for the year ended 30 September 2013

38. REMUNERATION OF DIRECTORS AND PRESCRIBED OFFICERS

In terms of total guaranteed packages, plus cash incentives for 2013, this detail is set out in the table below.

Table 1 (a)

Executive directors' and group executive committee members' total remuneration for 2013

Name	Basic salary (rand)	Payments by offshore companies (rand) Note 1	Company contribution to retirement (rand)	Guaranteed package (rand)	Value of other benefits (rand) Note 2	Incentive bonus (rand)	Total remuneration (rand)	Gain during the year in respect of all long-term incentive plans (rand)	Total earnings (rand)
	1	2	3	4 = 1 + 2 + 3	5	6	7 = 4 + 5 + 6	8	
G Griffiths	2 467 442	712 325	220 260	3 400 027	–	984 959	4 384 986	1 909 014	6 294 000
AB Marshall	3 918 283	1 446 250	339 033	5 703 566	–	2 168 384	7 871 950	7 123 163	14 995 113
FV Tshiqi	2 219 002	–	188 731	2 407 733	3 000	642 075	3 052 808	1 822 830	4 875 638
Total	8 604 727	2 158 575	748 024	11 511 326	3 000	3 795 418	15 309 744	10 855 007	26 164 751
CH Bromley	2 563 422	–	218 350	2 781 772	–	946 508	3 728 280	2 939 386	6 667 666
PA de Weerd	2 562 131	–	219 641	2 781 772	–	1 466 114	4 247 886	1 674 486	5 922 372
RG Morris	2 563 422	–	218 350	2 781 772	–	701 961	3 483 733	1 674 486	5 158 219
SE Msane	2 339 809	–	200 069	2 539 878	–	275 657	2 815 535	1 270 128	4 085 663
ZK Nzimande ²	836 450	–	70 650	907 100	1 161 104	–	2 068 204	730 511	2 798 715
NP O'Brien	2 007 087	–	169 767	2 176 854	–	511 929	2 688 783	1 509 815	4 198 598
Total	12 872 321	–	1 096 827	13 969 148	1 161 104	3 902 169	19 032 421	9 798 812	28 831 233

Note 1: For the purposes of total remuneration, offshore payments have been converted into rand using the average annual exchange rate of £1: R14.4864.

Note 2: 1.5-year long-service award paid to FV Tshiqi, and ZK Nzimande terminated employment with effect from 28 February 2013.

Notes to the group financial statements continued

for the year ended 30 September 2013

38. REMUNERATION OF DIRECTORS AND PRESCRIBED OFFICERS continued

Table 1 (b)

Executive directors' and group executive committee members' total remuneration for 2012

Name	Basic salary (rand)	Payments by offshore companies (rand) Note 1	Company contribution to retirement (rand)	Guaranteed package (rand)	Value of other benefits (rand) Note 2	Incentive bonus (rand)	Total remuneration (rand)	Gain during the year in respect of all long-term incentive plans (rand)
Columns	1	2	3	4 = 1 + 2 + 3	5	6	7 = 4 + 5 + 6	8
G Griffiths	2 683 781	303 369	236 269	3 223 419		3 348 324	6 571 743	-
AB Marshall	3 783 131	1 231 865	328 296	5 343 292		6 321 319	11 664 611	886 041
FV Tshiqi	2 142 369	-	182 856	2 325 225		2 171 295	4 496 520	604 907
Total	8 609 281	1 535 234	747 421	10 891 936		11 840 938	22 732 874	1 490 948
CH Bromley	2 474 749	-	211 697	2 686 446		2 486 843	5 173 289	872 214
PA de Weerd	2 473 449	-	212 997	2 686 446		2 515 857	5 202 303	508 364
RG Morris ²	2 216 276	-	650 762	2 867 038	13 872	1 741 623	4 622 533	1 811 014
SE Msane	2 258 746	-	194 096	2 452 842		784 164	3 237 006	257 680
ZK Nzimande	1 938 643	-	163 793	2 102 436		662 267	2 764 703	-
NP O'Brien ²	1 682 974	-	492 935	2 175 909	10 500	1 751 601	3 938 010	1 194 107
Total	13 044 837	-	1 926 280	14 971 117	24 372	9 942 355	24 937 844	4 643 379

Note 1: For the purposes of total remuneration, offshore payments have been converted into rand using the average annual exchange rate of £1: R12.7092.

Note 2: Executives were members of the defined benefit section of the Nampak Group Pension Fund until 31 August 2012, thereafter converted to the defined contribution section of the Nampak Group Pension Fund.

Note 3: Value of other benefits consists of company contributions to purchase insured benefit cover for defined benefit members of the Nampak Group Pension Fund.

Share Plan structure

- Awards are currently granted to directors and group executive committee members in terms of the following three plans:
- Performance share plan
- Share appreciation plan
- Deferred bonus plan

Annual allocations are benchmarked and set to target a market-related level of remuneration provided the performance criteria are achieved.

The maximum value of performance awards is set by the remuneration committee and then discussed with the board each year after taking into account individual performance and contribution, future succession and retention aspects. External consultants provide robust benchmarking information to ensure that the annual awards are market-related and that the performance conditions are regarded as sufficiently challenging. The annualised awards under the performance share plan and the share appreciation plan are determined by PwC using market benchmarks which provide for upper quartile earnings for achievement of the top end performance targets.

Notes to the group financial statements continued

for the year ended 30 September 2013

38. REMUNERATION OF DIRECTORS AND PRESCRIBED OFFICERS continued

Table 1 (b) continued

The standard expected value of the share plan allocations as percentage of guaranteed package and informed by benchmarks are set out below:

Executive directors' and group executive committee members' total remuneration for 2013

Role	Performance share plan: expected value as % of guaranteed package	Share appreciation rights plan: expected value as % of guaranteed package	Deferred bonus plan expected value as % of guaranteed package	Total: expected value as % of guaranteed package
Chief executive officer	50	15	19.4	84.4
Chief financial officer	40	15	14.7	69.7
Group human resources director	40	15	13.3	68.3
Group executive committee members (GEC)	18	10	11.8	39.8
Divisional managing directors (GEC members)	15	10	10.6	35.6

The expected value of allocations under the deferred bonus plan has been excluded from the above table as this is dependent on the number of shares pledged by the particular individual. Participation in the deferred bonus plan is dependent on the extent to which annual incentive bonus targets are achieved. Up to 50% of after tax cash incentives can be used by directors to purchase shares in terms of the deferred bonus plan.

Performance share plan

The performance share plan provides for the granting of performance share awards to executive directors and group executive committee members on an annual basis. Vesting of shares is conditional upon the group achieving specific stretch targets which are set by the remuneration committee at commencement of the three-year performance period. The performance periods commence on 1 October each year and end on 30 September three years later. Shares are allocated in the December immediately after the commencement of the performance period in order to avoid allocations during closed periods and to provide time for the stock markets to adjust to the published results. In order to align participant reward with shareholders' returns and to support retention strategies, one-third of the shares are released and vest immediately on the vesting date, the second one-third a year after the vesting date and the final one-third two years after the vesting date or five years from the original award date. Additional shares are awarded on the release dates which equate to the dividends that were earned on the vested shares during the performance period.

Performance targets and their weightings for allocations since 2007 until 2012 are depicted below, together with the proposed performance conditions for 2013:

Years in which share allocation took place	2007 – 2008	2009 – 2011	2012 and 2013 proposed
Description	Relative TSR to peer group (50% weighting) HEPS growth (50% weighting)	Cumulative TSR to peer group (50% weighting) HEPS growth (50% weighting)	Cumulative TSR to peer group (40% weighting) HEPS growth (40% weighting) ROE (20% weighting)

Notes to the group financial statements continued

for the year ended 30 September 2013

38. REMUNERATION OF DIRECTORS AND PRESCRIBED OFFICERS continued

Performance share plan continued

In terms of the meeting of set performance targets and subsequent vesting of performance shares in 2008, the group's total shareholder return (TSR) ranked against the TSR achievement of the constituent companies of the JSE Top 40 index, excluding resource companies, formed the performance condition for half the award. The resource companies were excluded in order to improve the relevance of the comparator group. In 2008, the group achieved a ranking of 11 out of 29 companies resulting in 61.75% of the shares under this performance condition vesting. Vesting took place in accordance with a vesting curve which provided for 100% of the allocations to vest for a ranking position of 1.50% for a ranking position of 13 and no vesting for a ranking of 25. Between these points, straight-line vesting was applied.

In 2008, the second performance condition for half the award was based on growth in headline earnings per share adjusted for financial fair value gains or losses. The target for 2008 was headline earnings per share adjusted for financial fair value gains or losses on a linear basis between 9% and 24% in excess of the consumer price index over the three-year period. The 2008 target was not achieved, which resulted in the allocations under this performance condition being forfeited.

For 2009, 2010, 2011 and 2012, two performance conditions with equal weighting were attached to the awards. The first provided for an achievement in headline earnings per share index adjusted for financial fair value gains and losses on a linear basis between 9% and 24% in excess of the consumer price over the three-year period. The second provided for a cumulative improvement in TSR (share price plus dividends) of between 9% and 24% in excess of the consumer price index.

Both of the performance targets for the 2009 allocation were achieved and 100% of the awards vested in December 2012.

Achievement under the headline earnings per share performance target for the 2010 allocation will result in anticipated vesting of 100% for the 2010 allocation linked to this performance condition in December 2013. The achievement under the cumulative TSR target for the 2010 allocation will result in anticipated vesting of 100% for the 2010 allocation linked to this performance condition in December 2013.

For awards which are submitted to the board for approval in December 2013, the performance criteria will include the same target components for 2012 allocations as follows:

- Improvement in headline earnings per share adjusted for fair value gains and losses in excess of the consumer price inflation on a linear basis between 9% and 24% over the three-year performance period linked to 40% of the vesting achievement.
- Improvement in cumulative TSR in excess of the consumer price index of between 9% and 24% over the three-year performance period linked to 40% of the vesting achievement.
- The additional 20% vesting will be determined based on achievement of a target level of ROE on the following scale: 100% for achievement of an ROE of 17.5%, 90% for achievement of an ROE of 17.0%, 80% for achievement of an ROE of 16.5% and 70% for an achievement of an ROE of 16.0%; 60% for achievement of an ROE of 15.5%. Achievement of an ROE below the targets set out will result in no vesting and all share awards being forfeited. The committee will, however, maintain discretion to adjust the ROE targets in the event of material corporate and strategic activities occurring.

These targets directly align shareholder experience with that of executives.

Notes to the group financial statements continued

for the year ended 30 September 2013

38. REMUNERATION OF DIRECTORS AND PRESCRIBED OFFICERS continued

Table 2

Performance Share Plan 2013 continued

Name	Date of allocation	Number of conditional shares awarded	Movements (forfeited or withdrawn as a result of achievement against performance condition)	Number of shares capable of being released	Number of shares released	Average exercise price (cents)	Gain on vested shares (rand)	Gain on additional dividend shares (rand)	Total gain on vesting and dividend shares (rand)	Vested shares still to be released excluding dividend shares	
Executive directors											
G Griffiths	03/12/2012	120 001			-	-	-	-	-	-	
	05/12/2011	210 228			-	-	-	-	-	-	
	14/12/2010	119 000			-	-	-	-	-	-	
	04/12/2009	118 811		118 811	39 604	30.40	1 203 962	91 656	1 295 618	79 207	
AB Marshall ¹	03/12/2012	246 832			-	-	-	-	-	-	
	05/12/2011	257 954			-	-	-	-	-	-	
	14/12/2010	202 500			-	-	-	-	-	-	
	03/02/2010	150 000	(2 250)	147 750	49 250	31.34	1 543 495	157 828	1 701 323	98 500	
	04/12/2009	251 331		251 331	83 777	30.40	2 546 821	193 922	2 740 742	167 554	
	02/03/2009	338 826	(234 214)	104 612	34 870	23.08	804 800	81 241	886 041	34 872	
				34 870	34 870	31.90	1 112 353	126 420	1 238 773		
FV Tshiqi	03/12/2012	63 816			-	-	-	-	-	-	
	05/12/2011	168 775			-	-	-	-	-	-	
	14/12/2010	76 200			-	-	-	-	-	-	
	04/12/2009	44 806		44 806	14 935	30.40	454 024	34 565	488 589	29 871	
	10/12/2008	73 607	(50 881)	22 726	7 575	21.93	166 120	12 040	178 159	7 576	
					7 575	7 575	30.67	232 325	20 702	253 028	
	10/12/2007	32 842	(29 542)	3 300	1 100	22.13	24 343	1 837	26 180	-	
					1 100	1 100	22.24	24 464	2 847	27 311	
				1 100	1 100	31.23	34 353	4 091	38 444		
25/05/2006	40 000	(19 820)	20 180	6 727	15.60	104 941	20 951	125 892	-		
				6 727	6 727	19.02	127 948	25 449	153 396		
				6 726	6 726	22.40	150 662	31 629	182 291		

Notes to the group financial statements continued

for the year ended 30 September 2013

38. REMUNERATION OF DIRECTORS AND PRESCRIBED OFFICERS continued

Table 2 continued

Performance Share Plan 2013 continued

Name	Date of allocation	Number of conditional shares awarded	Movements (forfeited or withdrawn as a result of achievement against performance condition)	Number of shares capable of being released	Number of shares released	Average exercise price (cents)	Gain on vested shares (rand)	Gain on additional dividend shares (rand)	Total gain on vesting and dividend shares (rand)	Vested shares still to be released excluding dividend shares
Group executive committee										
CH Bromley	03/12/2012	68 426	-	-	-	-	-	-	-	-
	05/12/2011	172 775	-	-	-	-	-	-	-	-
	14/12/2010	80 000	-	-	-	-	-	-	-	-
	04/12/2009	44 806	-	44 806	14 935	30.40	454 024	34 565	488 589	29 871
	10/12/2008	141 712	(97 959)	43 753	14 584	21.93	319 827	23 180	343 007	14 585
					14 584	30.67	447 291	39 871	487 162	
					2 250	22.13	49 793	3 740	53 532	-
	10/12/2007	67 153	(60 403)	6 750	2 250	22.24	50 040	5 827	55 867	
					2 250	31.23	70 268	8 401	78 668	
					10 931	15.40	168 337	34 033	202 371	-
25/05/2006	65 000	(32 207)	32 793	10 931	19.02	207 908	41 369	249 276		
				10 931	22.40	244 854	51 408	296 262		
				10 931	22.40	244 854	51 408	296 262		
PA de Weerd	03/12/2012	68 426	-	-	-	-	-	-	-	-
	05/12/2011	172 775	-	-	-	-	-	-	-	-
	14/12/2010	80 000	-	-	-	-	-	-	-	-
	04/12/2009	44 806	-	44 806	14 935	30.40	454 024	34 565	488 589	29 871
	10/12/2008	141 712	(97 959)	43 753	14 584	21.93	319 827	23 180	343 007	14 585
					14 584	30.67	447 291	39 871	487 162	
					2 250	22.13	49 793	3 740	53 532	-
	10/12/2007	67 153	(60 403)	6 750	2 250	22.24	50 040	5 827	55 867	
					2 250	31.23	70 268	8 401	78 668	
					10 931	15.40	168 337	34 033	202 371	-
25/05/2006	65 000	(32 207)	32 793	10 931	19.02	207 908	41 369	249 276		
				10 931	22.40	244 854	51 408	296 262		
				10 931	22.40	244 854	51 408	296 262		
RG Morris	03/12/2012	68 426	-	-	-	-	-	-	-	-
	05/12/2011	172 775	-	-	-	-	-	-	-	-
	14/12/2010	80 000	-	-	-	-	-	-	-	-
	04/12/2009	44 806	-	44 806	14 935	30.40	454 024	34 565	488 589	29 871
	10/12/2008	141 712	(97 959)	43 753	14 584	21.93	319 827	23 180	343 007	14 585
					14 584	30.67	447 291	39 871	487 162	
					2 250	22.13	49 793	3 740	53 532	-
	10/12/2007	67 153	(60 403)	6 750	2 250	22.24	50 040	5 827	55 867	
					2 250	31.23	70 268	8 401	78 668	
					10 931	15.40	168 337	34 033	202 371	-
25/05/2006	65 000	(32 207)	32 793	10 931	19.02	207 908	41 369	249 276		
				10 931	22.40	244 854	51 408	296 262		
				10 931	22.40	244 854	51 408	296 262		

Notes to the group financial statements continued

for the year ended 30 September 2013

38. REMUNERATION OF DIRECTORS AND PRESCRIBED OFFICERS continued

Table 2 continued

Performance Share Plan 2013 continued

Name	Date of allocation	Number of conditional shares awarded	Movements (forfeited or withdrawn as a result of achievement against performance condition)	Number of shares capable of being released	Number of shares released	Average exercise price (cents)	Gain on vested shares (rand)	Gain on additional dividend shares (rand)	Total gain on vesting and dividend shares (rand)	Vested shares still to be released excluding dividend shares	
Group executive committee <small>continued</small>											
SE Msane	03/12/2012	54 824	-	-	-	-	-	-	-	-	
	05/12/2011	80 624	-	-	-	-	-	-	-	-	
	14/12/2010	68 500	-	-	-	-	-	-	-	-	
	04/12/2009	32 298	-	32 298	10 766	30.40	327 286	24 898	352 184	21 532	
	10/12/2008	94 419	(65 268)	29 152	9 717	21.93	213 094	15 439	228 533	9 718	
						9 717	30.67	298 020	26 560	324 581	
ZK Nzimande ²	10/12/2007	32 842	(29 542)	3 300	1 100	22.13	24 343	1 837	26 180	-	
					1 100	22.24	24 464	2 847	27 311		
					1 100	31.23	34 353	4 091	38 444		
	03/12/2012	50 344	(50 344)	-	-	-	-	-	-	-	
NP O'Brien	05/12/2011	76 744	(76 744)	-	-	-	-	-	-	-	
	14/12/2010	65 000	(65 000)	-	-	-	-	-	-	-	
	04/12/2009	32 298	(21 532)	10 766	10 766	30.40	327 286	24 898	352 184	-	
	03/12/2012	50 334	-	-	-	-	-	-	-	-	
NP O'Brien	05/12/2011	76 314	-	-	-	-	-	-	-	-	
	14/12/2010	64 500	-	-	-	-	-	-	-	-	
	04/12/2009	32 298	-	32 298	10 766	30.40	327 286	24 898	352 184	21 532	
	10/12/2008	73 607	(50 881)	22 726	7 575	21.93	166 120	12 040	178 159	7 576	
						7 575	30.67	232 325	20 702	253 028	
						1 100	22.13	24 343	1 837	26 180	-
25/05/2006	10/12/2007	32 842	(29 542)	3 300	1 100	22.13	24 343	1 837	26 180	-	
					1 100	22.24	24 464	2 847	27 311		
					1 100	31.23	34 353	4 091	38 444		
25/05/2006	25/05/2006	50 000	(24 775)	25 225	8 408	15.42	129 677	26 176	155 853	-	
					8 408	19.02	159 920	31 820	191 741		
					8 409	22.40	188 362	39 536	227 898		

Note 1: Once-off awards linked to achievement of certain key strategic initiatives and an improvement in headline earnings per share adjusted for financial fair value gains and losses in excess of the consumer price index of 6% over the three-year performance period

Note 2: ZK Nzimande terminated employment with effect from 28 February 2013

Notes to the group financial statements continued

for the year ended 30 September 2013

38. REMUNERATION OF DIRECTORS AND PRESCRIBED OFFICERS continued

Share Appreciation Plan

The Share Appreciation Plan provides the chief executive officer with a means to attract and retain talent at senior management levels within the group and the remuneration committee with an instrument to retain executive directors and group executive committee members.

Under the share appreciation plan, a number of share appreciation rights are periodically offered to executive directors, group executive committee members and senior managers. These rights are conditional upon the group achieving specific performance criteria relating to real headline earnings per share growth adjusted for financial fair value gains or losses. At the end of the three-year performance period, the number of shares that are released and vest to each participant is determined against achievement of the performance targets. The vesting structure provides for immediate vesting if performance conditions are met and lapse after a period of seven years from the original award date for vested options to be exercised.

Consistent growth in headline earnings per share supports improved share price performance and forms the basis of the performance target under the share appreciation plan. As the share appreciation plan provides the retention component under the overall long-term incentive bonus structures and a small component within the overall allocation of shares to directors and group executive committee members, the remuneration committee sets one target. The target ensures that a growth in headline earnings per share adjusted for financial fair value gains and losses in excess of inflation is achieved before any shares vest. Therefore, no linear vesting exists between a threshold and target and should the target (described below) not be met no vesting will take place.

The performance target linked to the 2008, 2009, 2010, 2011 and 2012 rights is growth of headline earnings per share adjusted for financial fair value gains or losses in excess of the consumer price index plus 6% over the three-year performance period. All rights would vest on achievement of the performance target and no rights would vest if the target was not met.

None of the rights allocated in December 2008 vested during 2011.

All the rights allocated in December 2009 vested during 2012.

The performance condition for the 2010 allocation was achieved and it is anticipated that 100% of the share awards will vest in December 2013.

The performance target for the December 2013 allocations will be based on growth in headline earnings per share adjusted for fair value gains or losses in excess of the consumer price index plus 6% over the three-year performance period. No vesting will take place if this target is not met.

Notes to the group financial statements continued

for the year ended 30 September 2013

38. REMUNERATION OF DIRECTORS AND PRESCRIBED OFFICERS continued

Table 3

Share Appreciation Plan 2013 continued

The table below illustrates the total gains realised on the exercise of share appreciation rights by executive directors and prescribed officers. It also indicates the estimated value of unvested and/or vested (but unexercised shares).

Name	Date of allocation	Strike price (rand)	Number of share appreciation rights awarded	Movements (forfeited or withdrawn as a result of achievement against performance condition)	Number of shares capable of being released	Number of rights to shares released	Number of shares sold	Average exercise price (rand)	Gain on shares sold (rand)	Balance of released shares not sold	Lapse date
Executive directors											
G Griffiths	03/12/2012	30.67	66 195	-	-	-	-	-	-	-	03/12/2019
	05/12/2011	22.95	115 640	-	-	-	-	-	-	-	05/12/2018
	14/12/2010	23.00	91 000	-	-	-	-	-	-	-	14/12/2017
	04/12/2009	16.16	117 269	-	117 269	39 090	18 310	30.40	556 624	20 780	04/12/2019
AB Marshall	03/12/2012	30.67	122 158	-	-	-	-	-	-	-	03/12/2019
	05/12/2011	22.95	106 703	-	-	-	-	-	-	-	05/12/2018
	14/12/2010	23.00	210 000	-	-	-	-	-	-	-	14/12/2017
	04/12/2009	16.16	148 841	-	148 841	49 614	23 240	30.40	706 496	26 374	04/12/2019
	02/03/2009	13.39	152 798	(152 798)	-	-	-	-	-	-	-
FV Tshiqi	03/12/2012	30.67	42 570	-	-	-	-	-	-	-	03/12/2019
	05/12/2011	22.95	140 578	-	-	-	-	-	-	-	05/12/2018
	14/12/2010	23.00	40 000	-	-	-	-	-	-	-	14/12/2017
	04/12/2009	16.16	49 138	-	49 138	16 379	7 672	30.40	233 229	8 707	04/12/2019
	10/12/2008	12.62	30 735	(30 735)	-	-	-	-	-	-	-
	10/12/2007	22.13	27 591	(27 591)	-	-	-	-	-	-	-
Group executive committee											
CH Bromley	03/12/2012	30.67	42 570	-	-	-	-	-	-	-	03/12/2019
	05/12/2011	22.95	140 578	-	-	-	-	-	-	-	05/12/2018
	14/12/2010	23.00	40 000	-	-	-	-	-	-	-	14/12/2017
	04/12/2009	16.16	49 138	-	49 138	16 379	7 672	30.40	233 229	8 707	04/12/2019
	10/12/2008	12.62	60 452	(60 452)	-	-	-	-	-	-	-
	10/12/2007	22.13	67 699	(67 699)	-	-	-	-	-	-	-
PA de Weerd	03/12/2012	30.67	42 570	-	-	-	-	-	-	-	03/12/2019
	05/12/2011	22.95	140 578	-	-	-	-	-	-	-	05/12/2018
	14/12/2010	23.00	40 000	-	-	-	-	-	-	-	14/12/2017
	04/12/2009	16.16	49 138	-	49 138	16 379	7 672	30.40	233 229	8 707	04/12/2019
	10/12/2008	12.62	60 452	(60 452)	-	-	-	-	-	-	-
	10/12/2007	22.13	67 699	(67 699)	-	-	-	-	-	-	-
RG Morris	03/12/2012	30.67	42 570	-	-	-	-	-	-	-	03/12/2019
	05/12/2011	22.95	140 578	-	-	-	-	-	-	-	05/12/2018
	14/12/2010	23.00	40 000	-	-	-	-	-	-	-	14/12/2017
	04/12/2009	16.16	49 138	-	49 138	16 379	7 672	30.40	233 229	8 707	04/12/2019
	10/12/2008	12.62	60 452	(60 452)	-	-	-	-	-	-	-
	10/12/2007	22.13	67 699	(67 699)	-	-	-	-	-	-	-

Notes to the group financial statements continued

for the year ended 30 September 2013

38. REMUNERATION OF DIRECTORS AND PRESCRIBED OFFICERS continued

Table 3 continued

Share Appreciation Plan 2013 continued

Name	Date of allocation	Strike price (rand)	Number of share appreciation rights awarded	Movements (forfeited or withdrawn as a result of achievement against performance condition)	Number of shares capable of being released	Number of rights to shares released	Number of shares sold	Average exercise price (rand)	Gain on shares sold (rand)	Balance of released shares not sold	Lapse date
Group executive committee <small>continued</small>											
SE Msane	03/12/2012	30.67	35 166	-	-	-	-	-	-	-	03/12/2019
	05/12/2011	22.95	63 052	-	-	-	-	-	-	-	05/12/2018
	14/12/2010	23.00	27 000	-	-	-	-	-	-	-	14/12/2017
	04/12/2009	16.16	42 505	-	42 505	14 168	6 636	30.40	201 734	7 532	04/12/2019
	10/12/2008	12.62	39 426	(39 426)	-	-	-	-	-	-	-
	10/12/2007	22.13	27 591	(27 591)	-	-	-	-	-	-	-
	15/06/2006	17.07	61 000	(30 500)	30 500	30 500	-	-	-	30 500	15/06/2016
ZK Nzimande ¹	03/12/2012	30.67	35 166	(35 166)	-	-	-	-	-	-	-
	05/12/2011	22.95	63 052	(63 052)	-	-	-	-	-	-	-
	14/12/2010	23.00	27 000	(27 000)	-	-	-	-	-	-	-
	04/12/2009	16.16	42 505	(28 337)	14 168	6 636	6 636	30.40	201 734	-	-
NP O'Brien	03/12/2012	30.67	35 166	-	-	-	-	-	-	-	03/12/2019
	05/12/2011	22.95	63 052	-	-	-	-	-	-	-	05/12/2018
	14/12/2010	23.00	27 000	-	-	-	-	-	-	-	14/12/2017
	04/12/2009	16.16	42 505	-	42 505	14 168	6 636	30.40	201 734	7 532	04/12/2019
	10/12/2008	12.62	30 735	(30 735)	-	-	-	-	-	-	-
	10/12/2007	22.13	27 591	(27 591)	-	-	-	-	-	-	-

Deferred Bonus Plan

The deferred bonus plan is the third element to the share plan structure. The purpose of the deferred bonus plan is to encourage executive directors and group executive committee members to use up to 50% of their after tax annual bonus, awarded at an operating level, to acquire shares in the company that are retained for the executive for at least three years. This investment is matched by Nampak on a one-to-one basis. However, the matching award is subject to forfeiture should the executive dispose of his investment in shares within three years from date of purchase. The plan supports retention aspects, encourages shareholding by executives and directly aligns executive experience with that of shareholders. For this reason, and also to reflect the fact that performance conditions are applied in order to determine the annual bonus payment, no performance conditions are imposed on the matching awards granted under this plan.

Notes to the group financial statements continued

for the year ended 30 September 2013

38. REMUNERATION OF DIRECTORS AND PRESCRIBED OFFICERS continued

Table 4

Deferred Bonus Plan purchases 2013

Name	Participation date	Number of shares purchased	Share price (rand)	Matching award release date	Matching award – number of shares released	Share price (rand)	Gain on matching award (rand)	Value invested in Nampak shares at 30 September 2013 at R31.21 per share (rand)
Executive directors								
G Griffiths	14/12/2012	27 917	32.38	04/12/2015				3 318 009
	15/12/2011	38 010	22.65	15/12/2014				
	15/12/2010	34 618	22.72	15/12/2013				
	22/02/2010	1 800	17.89	22/02/2013	1 800	31.54	56 772	
AB Marshall	14/12/2012	58 561	32.38	04/12/2015				6 575 635
	15/12/2011	79 216	22.65	15/12/2014				
	15/12/2010	72 913	22.72	15/12/2013				
	22/02/2010	23 330	17.89	22/02/2013	23 330	31.54	735 828	
FV Tshiqi	14/12/2012	18 104	32.38	04/12/2015				1 742 111
	15/12/2011	24 578	22.65	15/12/2014				
	15/12/2010	13 137	22.72	15/12/2013				
	22/02/2010	5 555	17.89	22/02/2013	5 555	31.54	175 205	
Group executive committee								
CH Bromley	14/12/2012	18 431	32.38	04/12/2015				1 573 702
	15/12/2011	17 355	22.65	15/12/2014				
	15/12/2010	14 637	22.72	15/12/2013				
	22/02/2010	12 265	17.89	22/02/2013	12 265	31.54	386 838	
PA de Weerd	14/12/2012	18 646	32.38	04/12/2015				1 831 028
	15/12/2011	25 314	22.65	15/12/2014				
	15/12/2010	14 708	22.72	15/12/2013				
	22/02/2010	12 265	17.89	22/02/2013	12 265	31.54	386 838	
RG Morris	14/12/2012	12 908	32.38	04/12/2015				1 266 283
	15/12/2011	8 485	22.65	15/12/2014				
	15/12/2010	19 180	22.72	15/12/2013				
	22/02/2010	12 265	17.89	22/02/2013	12 265	31.54	386 838	

Notes to the group financial statements continued

for the year ended 30 September 2013

38. REMUNERATION OF DIRECTORS AND PRESCRIBED OFFICERS continued

Table 4 continued

Deferred Bonus Plan purchases 2013 continued

Name	Participation date	Number of shares purchased	Share price (rand)	Matching award release date	Matching award – number of shares released	Share price (rand)	Gain on matching award (rand)	Value invested in Nampak shares at 30 September 2013 at R31.21 per share (rand)
Group executive committee <small>continued</small>								
SE Msane	14/12/2012	–						548 328
	15/12/2011	6 622	22.65	15/12/2014				
	15/12/2010	10 947	22.72	15/12/2013				
	22/02/2010	11 198	17.89	22/02/2013	11 198	31.54	353 185	
ZK Nzimande	14/12/2012	–						–
	15/12/2011	6 622	22.65	Note 1				
	15/12/2010	13 137	22.72					
	22/02/2010	5 599	17.89	22/02/2013	5 599	31.54	176 592	
NP O'Brien	14/12/2012	12 982	32.38	04/12/2015				1 426 110
	15/12/2011	17 172	22.65	15/12/2014				
	15/12/2010	15 540	22.72	15/12/2013				
	22/02/2010	9 355	17.89	22/02/2013	9 355	31.54	295 057	

Note 1: Employment terminated effective 28 February 2013.

The Nampak 1985 Share Option Scheme

The Share Option Scheme is no longer appropriate due to changes in best practice and therefore has not been used to grant awards since 2 December 2004. The scheme will, however, remain in place until such time as prior granted options are exercised or lapse in December 2014. The share options granted in previous years were not subject to any performance conditions.

The actual share options issued until December 2004 and the gains on the options exercised for the financial period under review (as well as the estimated value of unexercised options to be exercised prior to December 2014) for the executive directors and the group executive committee are included in table 5. No further allocations will be made under the share option scheme.

Participants in the share option scheme could elect to receive trust loans in terms of the Nampak 1979 Share Purchase Trust to finance the exercise of share options. All share trust loans have been settled and there are no outstanding loans in the share purchase trust.

Notes to the group financial statements continued

for the year ended 30 September 2013

38. REMUNERATION OF DIRECTORS AND PRESCRIBED OFFICERS continued

Table 5

Share options 2013

Name	Date of grant	Issue price (rand)	Number of options held at 30 September 2012	Number of options exercised	Exercise price (rand)	Gain on options exercised (rand)	Number of options held at 30 September 2013	Lapse date
Executive directors								
G Griffiths	-	-	-	-	-	-	-	-
AB Marshall	-	-	-	-	-	-	-	-
FV Tshiqi	01/12/2004	14.95	40 000	40 000	30/81	634 336	-	-
Group executive committee								
CH Bromley	27/11/2003	12.34	70 000	70 000	30/41	1 264 900	-	-
	01/12/2004	14.95	85 000	-	-	-	85 000	01/12/2014
PA de Weerd	-	-	-	-	-	-	-	-
RG Morris	01/12/2004	14.95	90 000	-	-	-	90 000	01/12/2014
SE Msane	-	-	-	-	-	-	-	-
ZK Nzimande	-	-	-	-	-	-	-	-
NP O'Brien	27/11/2003	12.34	20 000	20 000	30/81	369 368	-	-
	01/12/2004	14.95	50 000	-	-	-	50 000	01/12/2014

Dilution and IFRS expense

The level of dilution of the share plans is within parameters set by the remuneration committee and approved by shareholders. Under the share plans, the number of new shares which can be issued or treasury shares utilised is 32 million shares, which is split as follows:

■ Performance share plan	9 million shares
■ Share appreciation plan	18 million shares
■ Deferred bonus plan	5 million shares

The current allocation under each plan as at 30 September 2013 before applying performance criteria to determine releasing are as follows:

■ Performance share plan	4.2 million
■ Share appreciation plan	9.1 million
■ Deferred bonus plan	0.7 million

The limit placed on the total number of shares utilised for share plans has therefore not been exceeded.

There is also a limit on the number of shares which can be allocated and remain unvested to any one individual under the three share plans. This limit, also approved by shareholders, is 2 200 000 shares.

Notes to the group financial statements continued

for the year ended 30 September 2013

38. REMUNERATION OF DIRECTORS AND PRESCRIBED OFFICERS continued

The IFRS 2 expense recognised during the year in respect of past grants is set out in table 6 (a).

Table 6 (a)

Recognised IFRS 2 expense during 2013

Name		Balance of shares being expensed at 30 September 2013	Expenses recognised during the year (rand)
Executive directors			
G Griffiths			
	Options	–	–
	Performance Share Plan	528 436	998 722
	Share Appreciation Plan	351 014	480 750
	Deferred Bonus Plan	100 545	693 430
AB Marshall			
	Options	–	–
	Performance Share Plan	1 008 211	1 753 940
	Share Appreciation Plan	538 088	744 688
	Deferred Bonus Plan	210 690	1 463 612
FV Tshiqi			
	Options	–	–
	Performance Share Plan	346 238	700 155
	Share Appreciation Plan	255 907	381 081
	Deferred Bonus Plan	55 819	394 077
	Black Management Trust	928 579	–
Group executive committee			
CH Bromley			
	Options	85 000	–
	Performance Share Plan	365 658	728 001
	Share Appreciation Plan	255 907	381 081
	Deferred Bonus Plan	50 423	358 431
PA de Weerd			
	Options	–	–
	Performance Share Plan	365 658	728 001
	Share Appreciation Plan	255 907	381 081
	Deferred Bonus Plan	58 668	416 783
RG Morris			
	Options	90 000	–
	Performance Share Plan	365 658	728 001
	Share Appreciation Plan	255 907	381 081
	Deferred Bonus Plan	40 573	282 276

Notes to the group financial statements continued

for the year ended 30 September 2013

38. REMUNERATION OF DIRECTORS AND PRESCRIBED OFFICERS continued

Table 6 (a) continued

Recognised IFRS 2 expense during 2013 continued

Name		Balance of shares being expensed at 30 September 2013	Expenses recognised during the year (rand)
SE Msane	Options	–	–
	Performance Share Plan	235 198	449 779
	Share Appreciation Plan	153 555	221 919
	Deferred Bonus Plan	17 569	120 689
	Black Management Trust	725 000	–
ZK Nzimande	Options	–	–
	Performance Share Plan	–	1 250
	Share Appreciation Plan	–	5 523
	Deferred Bonus Plan	–	3 106
	Black Management Trust	233 333	–
NP O'Brien	Options	50 000	–
	Performance Share Plan	220 256	422 152
	Share Appreciation Plan	153 555	221 919
	Deferred Bonus Plan	45 694	320 175

Table 6 (b)

Recognised IFRS 2 expense during 2012

Name		Balance of shares being expensed at 30 September 2012	Expenses recognised during the year (rand)
Executive directors			
G Griffiths	Options	–	–
	Performance Share Plan	448 039	922 344
	Share Appreciation Plan	323 909	472 290
	Deferred Bonus Plan	74 428	416 276
AB Marshall	Options	–	–
	Performance Share Plan	931 527	1 905 652
	Share Appreciation Plan	465 544	695 727
	Deferred Bonus Plan	175 459	968 135
FV Tshiqi	Options	40 000	–
	Performance Share Plan	306 033	521 591
	Share Appreciation Plan	229 716	329 591
	Deferred Bonus Plan	43 270	220 987
	Black Management Trust	928 579	–

Notes to the group financial statements continued

for the year ended 30 September 2013

38. REMUNERATION OF DIRECTORS AND PRESCRIBED OFFICERS continued

Table 6 (b) continued

Recognised IFRS 2 expense during 2012 continued

Name		Balance of shares being expensed at 30 September 2012	Expenses recognised during the year (rand)
Group executive committee			
CH Bromley			
	Options	155 000	–
	Performance Share Plan	329 000	484 306
	Share Appreciation Plan	229 716	329 591
	Deferred Bonus Plan	44 257	236 710
PA de Weerd			
	Options	–	–
	Performance Share Plan	329 000	484 306
	Share Appreciation Plan	229 716	329 591
	Deferred Bonus Plan	52 287	236 710
RG Morris			
	Options	90 000	–
	Performance Share Plan	329 000	484 306
	Share Appreciation Plan	229 716	329 591
	Deferred Bonus Plan	39 930	236 393
SE Msane			
	Options	–	–
	Performance Share Plan	201 958	314 302
	Share Appreciation Plan	163 057	191 070
	Deferred Bonus Plan	28 767	162 160
	Black Management Trust	725 000	–
ZK Nzimande			
	Options	–	–
	Performance Share Plan	174 042	374 118
	Share Appreciation Plan	132 557	191 070
	Deferred Bonus Plan	25 358	151 489
	Black Management Trust	233 333	–
NP O'Brien			
	Options	70 000	–
	Performance Share Plan	189 364	313 062
	Share Appreciation Plan	132 557	191 070
	Deferred Bonus Plan	42 067	228 687

Notes to the group financial statements continued

for the year ended 30 September 2013

38. REMUNERATION OF DIRECTORS AND PRESCRIBED OFFICERS continued

Black Management Trust

In response to the Broad-Based Black Economic Empowerment Act, No 53 of 2003, and to demonstrate Nampak's commitment to transformation, The Nampak Black Management Trust was established on 30 September 2005. Nampak provided a founding grant to the trust that provided for shares to be allocated to black managers over a period of five years. One-third of the shares vested three years after the operative date, a further one-third vested after four years and the final one-third vested on 30 September 2010 provided the services are not terminated for disciplinary reasons. The shares will be held in the trust until the end of the lock-in period on 31 December 2015, at which time the founding grant will be settled and the balance of the benefit will be released to the beneficiaries. The company has discretion to extend the lock-in period by a further two years should the value of the trust share value be less than the outstanding loan.

Table 7

Allocation under the Black Management Trust

Name	Date of allocation	Number of awards granted	Founding grant price in (rand)
FV Tshiqi	15/12/2005	350 000	15.13
FV Tshiqi	31/03/2007	350 000	15.13
FV Tshiqi	01/04/2010	275 000	15.13
FV Tshiqi	30/09/2010	7 579	15.13
Sub-total		982 579	
SE Msane	15/12/2005	350 000	15.13
SE Msane	31/03/2007	350 000	15.13
SE Msane	01/04/2010	21 000	15.13
SE Msane	30/09/2010	4 000	15.13
Sub-total		725 000	
ZK Nzimande	01/10/2009	233 333	15.13

Shareholders' non-binding advisory vote

In terms of King III and best practice principles the remuneration policy as contained in this remuneration report, will be put to a non-binding shareholders' vote at the annual general meeting of shareholders.

Service contracts

The current chief executive officer will retire with effect from 31 March 2014. The chief executive officer designate will join the company with effect from 1 January 2014 and has been appointed chief executive officer with effect from 1 April 2014. The chief executive officer designate and the chief financial officer have indefinite service contracts with six-month notice periods. The notice periods automatically reduce to three months at the end of September each year. The committee reviews and agrees the notice periods for the following year. The group human resources director has an indefinite service contract with a three-month notice period.

The group executive committee members have indefinite service contracts with three-month notice periods by either party.

In the event of redundancy, executive directors and other group executive members are entitled to receive payment, in addition to notice pay, in terms of the Nampak redundancy policy. Redundancy pay for directors is four weeks of pay for every completed year of service calculated using 75% of guaranteed package. The maximum entitlement is capped at 60 weeks. On retirement, certain executives who have in excess of 20 years' service receive a retirement gratuity to a maximum of R500 000.

The service contracts do not contain any other provisions relating to payments due on termination of employment (for whatsoever reason) or following a change of control of the company. In the event of change of control, executives' share allocations will be dealt with in terms of the rules of the relevant share plans. Further, the directors have no entitlement to a restraint of trade payment and are not entitled to any other material ex-gratia payment.

Group executive committee members who joined the company prior to June 1996 would be entitled to a company subsidy of post-retirement medical contributions for themselves and their spouses of either 100% after 25 years' service or 50% on service between 10 and 15 years at retirement and depending on policy as amended from time to time.

Notes to the group financial statements continued

for the year ended 30 September 2013

38. REMUNERATION OF DIRECTORS AND PRESCRIBED OFFICERS continued

Non-executive directors' remuneration

Non-executive directors received a base fee for their services as well as a meeting fee based on their participation in board meetings and other committees. The non-executive directors do not receive incentive bonus payments nor do they participate in any of the executive share plans. Non-executive directors are appointed by rotation in terms of Nampak's memorandum of incorporation.

The chief executive officer recommends the non-executive director fee structures after obtaining input from Deloitte & Touche regarding market movements and current pay practices. In addition, the committee reviews the published non-executive directors' fees and committee fees of companies in manufacturing and companies with similar market capitalisation. Consideration is given to any changes in the level of complexity of the roles when assessing the fee recommendations. These recommendations are then considered by the remuneration committee (excluding recommendations on their own fees) and the board before being submitted to shareholders for approval in terms of Companies Act requirements. An increase to the non-executive directors' and committee fees will be proposed for 2014 and the proposals are set out in table 9 and in the notice of the annual general meeting. The fees earned by the non-executive directors for the financial period under review are outlined in table 8 (a)

Table 8 (a)

Non-executive directors' remuneration 2013

Name	Notes	Directors' fees (rand)		Audit committee total fees (rand)	Remuneration committee total fees (rand)	Nomination committee total fees (rand)	Risk and sustainability committee total fees (rand)	Social, ethics and transformation committee total fees (rand)	Total (rand)
		Base fee	Meeting fees						
RC Andersen	3	138 000	87 000	115 000	89 735	75 000			504 735
RJ Khoza	3	138 000	87 000			75 000			300 000
PM Madi	3	138 000	87 000				75 735	148 500	449 235
VN Magwentshu		138 000	87 000	101 500				75 735	402 235
TT Mboweni	1	1 400 000							1 400 000
DC Moephuli	2	138 000	72 500				75 735		286 235
CWN Molope	3	138 000	72 500	115 000			148 500		474 000
RV Smither	3	138 000	72 500	215 000			68 735		494 235
PM Surgey	3	138 000	87 000		172 500	75 000	75 735	75 735	623 970
Total		2 504 000	652 500	546 500	262 235	225 000	444 440	299 970	4 934 645

Note 1: Fee includes participation in board sub-committee meetings.

Note 2: Fee donated to Agang Sechaba Trust.

Note 3: Minor timing discrepancies in payments.

Notes to the group financial statements continued

for the year ended 30 September 2013

38. REMUNERATION OF DIRECTORS AND PRESCRIBED OFFICERS continued

Table 8 (b)

Non-executive directors' remuneration 2012

Name	Notes	Directors' fees (rand)		Audit committee total fees (rand)	Remuneration committee total fees (rand)	Nomination committee total fees (rand)	Risk and sustainability committee total fees (rand)	Social, ethics and transformation committee total fees (rand)	Other (rand)	Total (rand)
		Base fee	Meeting fees							
RC Andersen		108 600	93 800	79 000	76 000	63 500				420 900
RJ Khoza		108 600	93 800			63 500				265 900
PM Madi ⁴		108 600	80 400				57 250	113 140		359 390
VN Magwentshu	1	108 600	80 400	92 000				63 500	20 000	364 500
TT Mboweni	2	1 306 800								1 306 800
DC Moephuli	3	108 600	80 400				63 500			252 500
CWN Molope ⁴		108 600	93 800	92 000			113 140			407 540
RV Smither ⁴		108 600	80 400	189 000			63 500			441 500
PM Surgey		108 600	93 800		150 380	63 500	63 500	63 500		543 280
Total		2 175 600	696 800	452 000	226 380	190 500	360 890	240 140	20 000	4 362 310

Note 1: Additional consulting fee paid for facilitation of diversity workshops.

Note 2: Fee includes participation in board sub-committee meetings.

Note 3: Fees donated to Agang Sechaba Trust.

Note 4: Minor timing discrepancies in payments.

The proposed increases in the level of fees payable to the non-executive directors for 2014 are set out in table 9. The fee structure consists of a base fee plus a fee per meeting attended. The proposed fees are considered as sufficient to attract and retain appropriate skills and expertise and recognise that increased time investment is required by non-executive directors due to the global nature and proliferation of corporate governance requirements. The proposed fee increase is 6%.

Notes to the group financial statements continued

for the year ended 30 September 2013

38. REMUNERATION OF DIRECTORS AND PRESCRIBED OFFICERS continued

Table 9

Proposed directors' fees and committee fees for 2014

	Base fee (rand)	Fee per meeting for attendance (rand)	Number of formal meetings anticipated per annum	Total anticipated fee 2014 (rand)
Service as directors				
	Single fee for role of chairman			
Chairman of the board			6	1 484 000
Directors	146 280	15 370	6	238 500
Audit committee				
Chairman	132 500	31 800	3	227 900
Members	78 790	14 310	3	121 720
Investment committee				
Chairman	131 970	12 720	Note 1	Note 1
Members	65 440	7 420	Note 1	Note 1
Nominations committee				
Members	47 700	5 300	2	58 300
Risk and sustainability committee				
Chairman	131 970	12 720	2	157 410
Members	65 440	7 420	2	80 280
Remuneration committee				
Chairman	131 970	12 720	2	157 410
Members	65 440	7 420	2	80 280
Social, ethics and transformation committee				
Chairman	131 970	12 720	2	157 410
Members	65 440	7 420	2	80 280

Note 1: Fees paid only when investment committee meetings are required

Company statement of financial position

at 30 September 2013

	Notes	2013 R million	2012 R million
ASSETS			
Non-current assets			
Investment in associate	1	7.0	5.9
Investment in subsidiaries	2	2 645.2	2 618.5
Other non-current financial assets	3	414.1	414.1
		3 066.3	3 038.5
Current assets			
Other receivables		3.7	20.3
Subsidiary companies	10	502.6	466.8
Bank balances, deposits and cash	4	0.9	0.7
		507.2	487.8
Total assets		3 573.5	3 526.3
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	5	36.0	35.9
Capital reserves	5	411.5	367.7
Other reserves	5	1.9	0.9
Retained earnings	5	2 750.0	2 721.5
		3 199.4	3 126.0
Current liabilities			
Other payables	6	7.5	37.5
Subsidiary companies	10	354.9	355.0
Tax liabilities		11.7	7.8
		374.1	400.3
Total equity and liabilities		3 573.5	3 526.3

Company statement of comprehensive income

for the year ended 30 September 2013

	Notes	2013 R million	2012 R million
Employee benefit expense		4.9	4.4
Other operating expenses		2.4	5.0
Other operating income		7.3	7.7
Operating loss		–	(1.7)
Income from investments	7	955.0	223.6
Share of profit of associate	1	0.2	0.1
Profit before tax		955.2	222.0
Income tax expense	8	13.1	20.3
Total comprehensive income for the year		942.1	201.7

Company statement of changes in equity

for the year ended 30 September 2013

	Notes	2013 R million	2012 R million
Opening balance		3 126.0	3 697.4
Net shares issued during the year		28.1	21.8
Share-based payment expense		26.9	19.2
Share grants exercised		(10.9)	(16.7)
Share grants forfeited after vesting date		(0.2)	(0.3)
Share of movement in associate's non-distributable reserves		0.9	(0.4)
Total comprehensive income for the period		942.1	201.7
Dividends paid		(913.5)	(494.2)
Capital distributions from share premium		–	(302.5)
Closing balance		3 199.4	3 126.0
Comprising:			
Share capital	5	36.0	35.9
Capital reserves	5	411.5	367.7
Share premium		45.6	17.6
Share option reserve		365.9	350.1
Other reserves	5	1.9	0.9
Share of non-distributable reserve in associates		1.9	0.9
Retained earnings	5	2 750.0	2 721.5
Total equity		3 199.4	3 126.0

Company statement of cash flows

for the year ended 30 September 2013

	Notes	2013 R million	2012 R million
Cash flows from operating activities			
Cash (utilised in)/retained from operations	11.1	(60.1)	564.9
Income from investments		955.0	223.6
Income tax paid		(9.2)	(24.4)
Cash flows from operations		885.7	764.1
Dividends paid		(913.5)	(494.2)
Cash distribution from share premium		—	(302.5)
Cash utilised in operating activities		(27.8)	(32.6)
Cash flows from investing activities			
(Increase)/decrease in non-current financial assets and investments		(0.1)	11.0
Cash (utilised in)/retained from investing activities		(0.1)	11.0
Cash flows from financing activities			
Capital proceeds from issue of shares		28.1	21.8
Cash raised from financing activities		28.1	21.8
Net increase in cash and cash equivalents		0.2	0.2
Cash and cash equivalents at the beginning of the year		0.7	0.5
Cash and cash equivalents at the end of the year	11.2	0.9	0.7

Notes to the company financial statements

for the year ended 30 September 2013

1. INVESTMENT IN ASSOCIATE

	2013 R million	2012 R million
(Refer to Annexure A for details)		
Cost of investment in associate	3.0	3.0
Share of other post-acquisition reserves	1.9	0.9
Share of post-acquisition profit, net of dividend received	2.1	2.0
Opening balance	2.0	3.2
Decrease in interest	–	(1.3)
Transfer to share of other post-acquisition reserves	(0.1)	–
Share of current year profit	0.2	0.1
	7.0	5.9

The group has obligations in respect of losses from its associate to the extent of the carrying value of the investment.

Summarised financial information in respect of the company's associate is set out below:

Revenue	77.2	113.1
Profit for the year	0.8	0.3
Total assets	532.3	432.9
Total liabilities	499.4	405.0
Net assets	32.9	27.9
Company's share of associate's net assets	7.0	5.9

2. INVESTMENTS IN SUBSIDIARIES

(Refer to Annexure A for details)

Interest in subsidiaries	3 872.3	3 872.3
Share-based payments contribution	176.1	149.4
Net amount due by subsidiaries ¹	79.8	79.8
Less: Impairment losses	(1 483.0)	(1 483.0)
Shares at cost less impairments	2 645.2	2 618.5
Directors' valuation	2 645.2	2 618.5

¹The loans do not bear interest and have no fixed repayment terms.

3. OTHER NON-CURRENT FINANCIAL ASSETS

Residual right in Nampak Black Management Trust

414.1	414.1
Total	414.1

In September 2005 Nampak Limited made a founding grant to the Black Management Trust (BMT) on behalf of the employer companies. Following the final allocations to participants in the BMT, the founding grant was recovered from the employer companies. However, Nampak still has the right as a residual beneficiary of the BMT.

4. BANK BALANCES, DEPOSITS AND CASH

Cash at bank and on hand	0.9	0.7
Total	0.9	0.7

Notes to the company financial statements continued

for the year ended 30 September 2013

5. CAPITAL AND RESERVES

Reconciliation of movement in capital and reserves

	Attributable to equity holders of the company					
	Share capital R million	Share premium R million	Share option reserve R million	Share of non-distributable reserve in associates R million	Retained earnings R million	Total equity R million
At 1 October 2011	35.8	298.4	347.9	1.3	3 014.0	3 697.4
Employee share option scheme:						
– value of employee services	–	–	19.2	–	–	19.2
– share grants exercised	–	–	(16.7)	–	–	(16.7)
– proceeds from shares issued	0.1	21.7	–	–	–	21.8
– share grants forfeited after vesting date	–	–	(0.3)	–	–	(0.3)
Share of movement in associate's non-distributable reserves	–	–	–	(0.4)	–	(0.4)
Profit for the year	–	–	–	–	201.7	201.7
Dividends paid	–	–	–	–	(494.2)	(494.2)
Cash distribution	–	(302.5)	–	–	–	(302.5)
At 30 September 2012	35.9	17.6	350.1	0.9	2 721.5	3 126.0
Employee share option scheme:						
– value of employee services	–	–	26.9	–	–	26.9
– share grants exercised	–	–	(10.9)	–	–	(10.9)
– proceeds from shares issued	0.1	28.0	–	–	–	28.1
– share grants forfeited after vesting date	–	–	(0.2)	–	–	(0.2)
Share of movement in associate's non-distributable reserves	–	–	–	0.9	–	0.9
Transfer to distributable reserves	–	–	–	0.1	(0.1)	–
Profit for the year	–	–	–	–	942.1	942.1
Dividends paid	–	–	–	–	(913.5)	(913.5)
At 30 September 2013	36.0	45.6	365.9	1.9	2 750.0	3 199.4

Notes to the company financial statements continued

for the year ended 30 September 2013

5. CAPITAL AND RESERVES continued

	2013 R million	2012 R million
Share capital and premium		
Authorised:		
776 857 200 ordinary shares of 5 cents each	38.9	38.9
100 000 6.5% cumulative preference shares of R2 each	0.2	0.2
400 000 6% cumulative preference shares of R2 each	0.8	0.8
100 redeemable preference shares of 5 cents each	–	–
Authorised share capital	39.9	39.9
Issued:		
697 897 394 (2012: 696 711 782) ordinary shares of 5 cents each	35.0	34.9
100 000 6.5% cumulative preference shares of R2 each	0.2	0.2
400 000 6% cumulative preference shares of R2 each	0.8	0.8
Issued share capital	36.0	35.9
18 738 024 (2012: 23 776 225) ordinary shares have been set aside for employees' share schemes.		
Share premium	45.6	17.6
Share option reserve	365.9	350.1
Capital reserves	411.5	367.7
Reconciliation of number of shares issued		
Ordinary shares		
Number of ordinary shares issued at the beginning of the year	696 711 782	695 198 725
Ordinary shares allotted to employees and retired employees other than directors in terms of the Nampak 1985 Share Option Scheme (Option Scheme)	423 300	1 243 800
Ordinary shares allotted to a director in terms of the Option Scheme	40 000	40 000
Ordinary shares allotted to employees and retired employees other than directors in terms of the Nampak Limited Performance Share Plan (PSP)	200 079	119 452
Ordinary shares allotted to directors in terms of the PSP	251 447	47 825
Ordinary shares allotted to employees and former employees other than directors in terms of the Nampak Limited Share Appreciation Plan (SAP)	94 784	61 980
Ordinary shares allotted to directors in terms of the SAP	49 222	–
Ordinary shares allotted to employees and former employees other than directors in terms of the Nampak Limited Deferred Bonus Plan (DBP)	96 095	–
Ordinary shares allotted to directors in terms of the DBP	30 685	–
Number of ordinary shares issued at the end of the year	697 897 394	696 711 782
Preference shares		
There were no changes to the issued 6.5% and 6% preference shares.		
6. OTHER PAYABLES		
Accruals	7.4	9.4
Other	0.1	28.1
Total	7.5	37.5
Accruals principally comprise amounts outstanding for ongoing costs.		
The directors consider that the carrying amount of other payables approximates their fair value.		

Notes to the company financial statements continued

for the year ended 30 September 2013

7. INCOME FROM INVESTMENTS

	2013 R million	2012 R million
Normal dividends – South African	948.9	204.9
Interest received from subsidiaries	6.1	18.7
	955.0	223.6

8. INCOME TAX

Current tax		
– current year	9.8	13.2
– prior year	3.3	(12.7)
– capital gains tax	–	1.8
Secondary tax on companies	–	18.0
Total	13.1	20.3

The company tax rate in South Africa is 28% (2012: 28%) of the estimated assessable profit for the year.

	2013 %	2012 %
Reconciliation of rate of tax		
Effective company rate of tax	1.4	9.1
Reduction in tax charge due to:		
– dividend income	27.8	25.9
– exempt income	–	0.1
– adjustment for prior year normal tax	–	5.7
Increase in tax charge due to:		
– disallowable expenses	(0.2)	(1.2)
– adjustment for prior year normal tax	(0.4)	–
– imputed income – section 9D	(0.6)	(2.7)
– secondary tax on companies	–	(8.1)
– capital gains tax	–	(0.8)
Normal tax rate	28.0	28.0

Notes to the company financial statements continued

for the year ended 30 September 2013

9. DIVIDENDS AND CASH DISTRIBUTIONS

	2013 R million	2012 R million
Dividends paid		
Final dividend No 81 paid on 21 January 2013: 89.0 cents per share (2012: No 79 – 30.5 cents per share)	620.5	212.1
Interim dividend No 82 paid on 8 July 2013: 42.0 cents per share (2012: No 80 – 40.5 cents per share)	292.9	282.0
	913.4	494.1
Other dividends	0.1	0.1
Total dividends paid	913.5	494.2
Cash distributions paid		
2012: No 8 – 43.5 cents per share	–	302.5
Total cash distribution paid	–	302.5
Total dividends/cash distributions paid	913.5	796.7

On 21 November 2013 the directors declared a dividend No 83 of 98.0 cents per share, payable on 20 January 2014 to shareholders registered on the record date, being 17 January 2014. This dividend has not been included as a liability in these financial statements.

	2013 Cents	2012 Cents
Analysis of dividends declared in respect of current year's earnings:		
Dividends per ordinary share		
Interim	42.0	40.5
Final	98.0	89.0
	140.0	129.5

6.5% and 6% cumulative preference dividends

Preference dividends totalling R0.1 million (2012: R0.1 million) were declared on 21 November 2012 and 20 June 2013, and paid on 28 January 2013 and 29 July 2013 respectively.

10. RELATED-PARTY TRANSACTIONS

The company entered into various transactions with subsidiaries and special purpose entities which are deemed to be controlled by the group during the year. Interest, dividends and fees received from these entities are listed in note 7.

Non-current amounts payable by such entities are included in note 2.

Current amounts due by subsidiary companies are as follows:

Nampak Products Limited ¹	502.6	466.8
	502.6	466.8
Current amounts outstanding to subsidiary companies are as follows:		
Nampak Share Purchase Trust ²	1.0	1.1
Malbak Limited ²	353.9	353.9
	354.9	355.0

¹ These loans bear interest at the average deposit rate and have no fixed repayment terms.

² These loans do not bear interest and have no fixed repayment terms.

Notes to the company financial statements *continued*

for the year ended 30 September 2013

10. RELATED-PARTY TRANSACTIONS *continued*

	2013 R million	2012 R million
Treasury shares		
Treasury shares are shares of the company, held by subsidiaries and special purpose entities of the group. Dividends/cash distributions paid on treasury shares are detailed in note 30 of the group financial statements.		
Guarantees		
Guarantee for an amount not exceeding US\$1.2 million on behalf of Nampak International Limited in favour of U.S. Steel relating to purchases by African operations	12.1	9.9
Guarantee for an amount not exceeding US\$0.8 million on behalf of Nampak International Limited in favour of U.S. Steel relating to goods and services delivered by Košice	8.0	6.6
Guarantee for an amount not exceeding US\$2 million on behalf of Nampak International Limited in favour of ArcelorMittal	20.1	16.6
Guarantee for an amount not exceeding US\$0.5 million on behalf of Nampak International Limited in favour of Sappi Deutschland	5.0	4.1
Guarantee for an amount not exceeding R1.2 million on behalf of Nampak Products Limited in favour of Unilever SA Home & Personal Care (Pty) Ltd for the supply and installation of case erectors and case sealers	1.2	1.2
Guarantee for an amount not exceeding R750 million on behalf of Nampak Products Limited in favour of noteholders for the commercial paper programme	750.0	750.0
Guarantee for an amount not exceeding R30 million on behalf of Nampak Products Limited in favour of Standard Bank SA Limited for Tissue Klip	30.0	30.0
Guarantee for an amount not exceeding R1 billion on behalf of Nampak Products Limited in favour of Nedbank for a non-current loan	1 000.0	1 000.0
Guarantee for an amount not exceeding R2.4 million on behalf of Nampak International Limited in favour of US Steel Serbia	2.4	2.4
Guarantee for an amount not exceeding R350 million on behalf of Nampak Products Limited in favour of Rand Merchant Bank for debt facilities	350.0	350.0
Guarantee for an amount not exceeding R482 million on behalf of Nampak Products Limited in favour of Citibank for banking facilities	482.0	482.0
Guarantee for an amount not exceeding R1.007 billion on behalf of Nampak Products Limited in favour of ABSA for banking facilities	1 007.0	1 007.0
Guarantee for an amount not exceeding R160.8 million on behalf of Nampak Products Limited in favour of Citibank for banking facilities	160.8	160.8
Guarantee for an amount not exceeding R176.9 million on behalf of Nampak Cartons Nigeria in favour of Citibank	176.9	176.9
Guarantee for an amount not exceeding R80.4 million on behalf of Nampak Cartons Nigeria Limited in favour of Citibank	80.4	80.4
Guarantee for an amount not exceeding R2 billion on behalf of Nampak Products Limited in favour of noteholders for the domestic medium-term note programme	2 000.0	2 000.0
Guarantee for an amount not exceeding R400 million on behalf of Nampak Products Limited in favour of Investec Bank Limited for general banking facilities	400.0	400.0
Guarantee for an amount not exceeding R1 billion on behalf of Nampak Products Limited in favour of Nedbank for a five-year term loan agreement to purchase Nampak Wiegand Glass (Pty) Ltd	1 000.0	1 000.0
Guarantee for an amount not exceeding R1 005.9 billion on behalf of Nampak Products Limited in favour of Standard Bank SA Limited for banking facilities	1 005.9	1 005.9

Notes to the company financial statements continued

for the year ended 30 September 2013

10. RELATED-PARTY TRANSACTIONS continued

	2013 R million	2012 R million
Key management personnel		
Details of significant positions held by key management personnel and transactions with these entities are provided in note 36 of the group financial statements.		
The remuneration of directors and other members of key management paid by the company during the year was as follows:		
Fees for services as directors	4.9	4.4
The remuneration of directors and key executives is determined by the remuneration committee, having regard to the performance of individuals and market trends.		
11. NOTES TO THE CASH FLOW STATEMENT		
11.1 Reconciliation of profit before taxation to cash retained from operations		
Profit before taxation	955.2	222.0
Adjustment for:		
Income from investments	(955.0)	(223.6)
Share of profit in associate	(0.2)	(0.1)
Profit on disposal of interest in associate	-	(0.5)
Operating loss before working capital changes	-	(2.2)
Decrease/(increase) in other receivables	16.6	(20.3)
(Decrease)/increase in other payables	(40.8)	10.7
Movement in subsidiary company loans	(35.9)	576.7
Cash (utilised in)/retained from operations	(60.1)	564.9
11.2 Cash and cash equivalents		
Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Bank balances, deposits and cash (note 4)	0.9	0.7

Interests in subsidiaries and joint ventures

for the year ended 30 September 2013

ANNEXURE A

	Type (see note below)	Country of incorporation	Issued share capital	Effective percentage holding		Interest of holding company			
						Shares at cost		Indebtedness	
				2013 %	2012 %	2013 Rm	2012 Rm	2013 Rm	2012 Rm
1. SUBSIDIARIES (CONSOLIDATED)									
Angolata Lda	O	Angola	K4 580 650	70	70				
Auspac Ltd	D	UK	£4 050 000	100	100				
Blowmocan Holdings Ltd	D	UK	£1	-	100				
Blowmocan Polysystems Ltd	D	UK	£1	-	100				
CarnaudMetalbox Zimbabwe Ltd	O	Zimbabwe	US\$98 994	100	100				
Crown Cork Co Zambia Ltd	O	Zambia	ZMK194 285 714	-	100				
Crown Cork Company Zimbabwe (1958) (Pvt) Ltd	D	Zimbabwe	US\$7 105	100	100				
Elopak South Africa (Pty) Ltd	D	RSA	R280	100	50				
EPS (Foston) Ltd	O	UK	£9 750 000	100	100				
Four Four Two Ltd	I	UK	£1 000	100	100				
International Cartons & Packaging Ltd	O	Zambia	ZMK77 526 000	100	100				
Malbak Ltd	I	RSA	R353 864 160	100	100	1 836.8	1 836.8	-	-
Megaplastics Ltd	I	Zimbabwe	US\$0	100	100				
Metal Box (Namibia) (Pty) Ltd	D	Namibia	N\$1	100	100				
Metal Box South Africa Ltd	D	RSA	R68 153 240	100	100				
Nampak Cartons Nigeria Ltd	O	Nigeria	NGN14 000 000	100	100				
Nampak Corrugated (Swaziland) Ltd	O	Swaziland	SZL250 000	90	90				
Nampak Glass (Pty) Ltd	D	RSA	R600	100	100				
Nampak Holdings (UK) Ltd	I	UK	£1	100	100				
Nampak Holdings Ltd	I	Mauritius	US\$37 094	100	100				
Nampak Insurance Company Ltd	Insurance	Isle of Man	£100 000	100	100				
Nampak International Ltd	I	Isle of Man	£72 682	100	100	1 889.3	1 889.3	-	-
Nampak Kenya Ltd	O	Kenya	KES40 280 000	100	100				
Nampak Liquid Botswana (Pty) Ltd	O	Botswana	BWP100	100	100				
Nampak Metal Packaging Ltd	D	RSA	R9 134	100	100				
Nampak Nigeria Ltd	O	Nigeria	NGN107 044 183	100	100				
Nampak Petpak (Namibia) (Pty) Ltd	O	Namibia	N\$100	100	100				
Nampak Plastics Europe Ltd	O	UK	£4 863 028	100	100				
Nampak Polycyclers (Pty) Ltd	Deregistered	RSA	R20 000	-	100				
Nampak Products Ltd	O	RSA	R3 758 641	100	100	93.7	93.7	79.8	79.8
Nampak Properties (Isle of Man) Ltd	P	Isle of Man	£100	100	100				
Nampak Properties Nigeria Ltd	P	Nigeria	NGN14 000 000	100	100				
Nampak Southern Africa Holdings Ltd	I	Mauritius	US\$4 726 922	100	100	52.5	52.5	-	-

Interests in subsidiaries and joint ventures *continued*

1. SUBSIDIARIES (CONSOLIDATED) *continued*

	Type (see note below)	Country of incorporation	Issued share capital	Effective percentage holding		Interest of holding company			
						Shares at cost		Indebtedness	
				2013 %	2012 %	2013 Rm	2012 Rm	2013 Rm	2012 Rm
Nampak Tanzania Ltd	O	Tanzania	TZS304 638 620	100	100				
Nampak Technical Services Ltd	O	Isle of Man	£1	100	100				
Nampak Tissue (Pty) Ltd	D	RSA	R100	100	100				
Nampak Zambia Ltd	O	Zambia	ZMK5 000 000	100	100				
Packaging Industries Malawi Ltd	O	Malawi	MWK13 450 000	100	100				
Teknol BV	I	Netherlands	€18 151	100	100				
Teknol NV	I	Netherlands Antilles	US\$6 000	100	100				
Transmar (Isle of Man) Ltd	I	Isle of Man	US\$600 000	100	100				
Total						3 872.3	3 872.3	79.8	79.8

2. JOINT VENTURES (PROPORTIONATELY CONSOLIDATED)

Bullpak Ltd	O	Kenya	KES4 760 000	49	49				
Crown Cork Company (Mozambique) LDA	O	Mozambique	MT3 800 000	50	50				
Sancellia S.A. (Pty) Ltd	O	RSA	R5 000	50	50				

ASSOCIATES

Collecta-Can (Pty) Ltd	O	RSA	R4 000 000	40	40				
Group Risk Holdings (Pty) Ltd	Insurance	RSA	R11 300	21	21				
Hunyani Holdings Ltd	O	Zimbabwe	US\$319 711	39	39				
Megapak Zimbabwe (Pty) Ltd	O	Zimbabwe	US\$20 100	49	49				

Type

O – Operating

F – Finance

I – Investment holding

P – Property owning

D – Dormant

Interests in subsidiaries and joint ventures continued

	Type (see note below)	Country of incorporation	Issued share capital	Effective percentage holding		Interest of holding company				
						Shares at cost		Indebtedness		
				2013 %	2012 %	2013 Rm	2012 Rm	2013 Rm	2012 Rm	
3. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (NOT CONSOLIDATED)										
Sun Citrus Holdings (Pty) Ltd	O	South Africa	R1 000	26	26					

Type
O – Operating
F – Finance
I – Investment holding
P – Property owning
D – Dormant

Investments

ANNEXURE B

	Type (see note below)	Number of shares held by group		Effective percentage holding	
		2013	2012	2013 %	2012 %
UNLISTED INVESTMENTS					
Ethiopian Crown Cork & Can Industry	O	5 750	5 750	25	25
Houers Ko-Operatief Bpk	O	1 714 901	1 714 901	15	15
Aqua Harvest Ltd	O	–	150 586	–	<1
Nampak Polyfoil Zimbabwe (Pvt) Ltd	O	1	1	<1	<1

Type
O – Operating

Shareholders' analysis

Analysis of registered shareholders and company schemes

Registered shareholder spread

In accordance with the JSE Listings Requirements, the following table confirms the spread of registered shareholders as detailed in the annual report and accounts dated 30 September 2013 was:

Shareholder spread	Number of holders	% of total shareholders	Number of shares	% of issued capital
1 – 1 000 shares	4 513	52.89	1 767 954	0.25
1 001 – 10 000 shares	3 048	35.72	10 106 583	1.45
10 001 – 100 000 shares	630	7.38	21 688 088	3.11
100 001 – 1 000 000 shares	267	3.13	87 686 536	12.56
1 000 001 shares and above	75	0.88	576 648 233	82.63
Total	8 533	100.00	697 897 394	100.00

SHAREHOLDER CATEGORIES

Beneficial shareholder categories

Category	Total shareholding	% of issued capital
Unit trusts/mutual funds	245 636 697	35.20
Pension funds	201 987 734	28.94
Other managed funds	79 900 654	11.45
Black economic empowerment	59 226 390	8.49
Sovereign wealth	28 060 067	4.02
Insurance companies	19 207 041	2.75
Private investors	16 205 793	2.32
Custodians	12 760 708	1.83
Investment trusts	5 611 138	0.81
Exchange-traded funds	5 430 377	0.78
Universities	2 241 958	0.32
Charities	1 197 472	0.18
Employees	703 428	0.10
Hedge funds	641 276	0.09
American depository receipts	367 950	0.05
Local authorities	275 254	0.04
Foreign governments	239 324	0.03
Real estate	166 481	0.02
Trade unions	40 000	0.01
Stock brokers	31 960	0.00
Remainder	17 965 692	2.57
Total	697 897 394	100.00

Shareholders' analysis continued

Public and non-public shareholdings

Within the shareholder base, we are able to confirm the split between public shareholdings and directors/company-related schemes as being:

Shareholder spread	Number of holders	% of total shareholders	Number of shares	% of issued capital
Non-public shareholders	30	0.35	105 725 780	15.15
Directors and associates	12	0.14	739 083	0.11
Prescribed officers and management	15	0.18	689 452	0.10
Treasury shares	1	0.01	45 070 855	6.46
Empowerment	2	0.02	59 226 390	8.48
Public shareholders	8 503	99.65	592 171 614	84.85
Total	8 533	100.00	697 897 394	100.00

Beneficial shareholdings

	Total shareholding	% of issued capital
Government Employees Pension Fund (PIC)	110 409 659	15.82
Nampak Products Limited	45 070 854	6.46
Red Coral	31 857 195	4.56
Black Management Trust	27 369 195	3.92
Allan Gray Balanced Fund	23 557 824	3.38
Total	238 264 727	34.14

Red Coral	Number of shares	%
*Red Coral Investments 23 (Pty) Ltd is owned as follows:		
Aka Packaging (Pty) Ltd	18 020 232	56.57
Unions: CEPPWAWU and South African Typographical Union	9 010 116	28.28
Broad-based women's grouping (National African Women's Alliance)	3 217 898	10.10
Nampak black non-executive director	321 790	1.01
Former Nampak black non-executive directors	1 287 159	4.04
Total	31 857 195	100.0

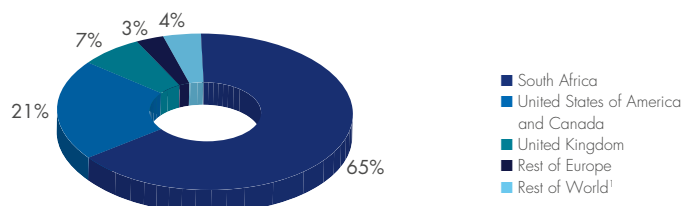
Investment management shareholdings

Investment manager	Total shareholding	% of issued capital
Allan Gray Investment Council	114 008 084	16.34
PIC	100 286 417	14.37
FIL Limited/FMR LLC	51 550 671	7.39
Nampak Products Limited	45 070 854	6.46
Red Coral	31 857 195	4.56
Black Management Trust	27 369 195	3.92
Sanlam Investment Management	22 903 657	3.28
Capital Research & Management	21 013 080	3.01
Total	414 059 153	59.33

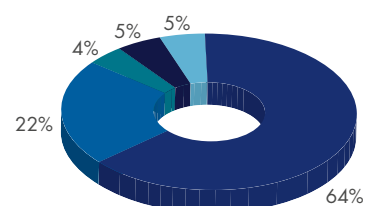
Shareholders' analysis continued

	Number of shareholdings	%	Number of shares	%
6% cumulative preference shareholders				
Non-public/public shareholders				
Non-public shareholders	–	–	–	–
Public shareholders	49	100.00	400 000	100.00
Total	49	100.00	400 000	100.00
Beneficial shareholders holding 5% or more				
Old Sillery (Pty) Ltd			95 849	23.96
Castle, JS			64 989	16.25
Konbel (Pty) Ltd			59 725	14.93
Lombard, L			42 960	10.74
Forsdick, CEE			22 900	5.73
Total			286 423	71.61
6.5% cumulative preference shareholders				
Non-public/public shareholders				
Non-public shareholders	–	–	–	–
Public shareholders	22	100.00	100 000	100.00
Total	22	100.00	100 000	100.00
Beneficial shareholders holding 5% or more				
Old Sillery (Pty) Ltd			28 700	28.70
Ian Mullne Trust			16 200	16.20
Charles Forsdick Enterprises cc			15 277	15.28
Castle, JS			10 680	10.68
Estate late Glyn, RS			8 765	8.76
Foster, DF			5 991	5.99
Total			85 613	85.61

Geographic split of investment managers and company-related holdings



Geographic split of beneficial shareholders



¹ Represents all shareholdings except those in the above regions.

Shareholders' diary

for the year ended 30 September 2013

Annual general meeting	6 February 2014
Interim statement and ordinary dividend announcement for the half-year ending 31 March	May 2014
Group results and ordinary dividend announcement for the year ending 30 September 2014	November 2014
DIVIDEND	
Ordinary	
Final for the year ended 30 September 2013	To be paid on 20 January 2014
Interim for the half-year ending 31 March 2014	To be paid July 2014
Preference	
6.5% and 6% cumulative	Payable twice per annum during February and August

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DISCLAIMER

We may make statements that are not historical facts and relate to analyses and other information based on forecasts of future results and estimates of amounts not yet determinable. These are forward looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Words such as "believe", "anticipate", "expect", "intend", "seek", "will", "plan", "could", "may", "endeavour" and "project" and similar expressions are intended to identify such forward looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that predictions, forecasts, projections and other forward looking statements will not be achieved.

If one or more of these risks materialise, or should underlying assumptions prove incorrect, actual results may be very different from those anticipated. The factors that could cause our actual results to differ materially from the plans, objectives, expectations, estimates and intentions in such forward looking statements are discussed in each year's annual report. Forward looking statements apply only as of the date on which they are made, and we do not undertake other than in terms of the Listings Requirements of JSE Limited, to update or revise any statement, whether as a result of new information, future events or otherwise. All profit forecasts published in this report are unaudited. Investors are cautioned not to place undue reliance on any forward looking statements contained herein. (Sourced from Nampak's interim results.)



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