

2008 Results Presentation



Nampak
packaging excellence

Agenda

- **The year in review**
- **Operational features**
- **Summarised income statement**
- **Financial results**
- **Segmental performance**
- **Strategy**
- **Prospects**
- **Changes in directorate**

The Year in Review

- **2008 very challenging**
- **Raw material cost increases**
 - **Severity**
 - **frequency**
- **Margin decline**
- **Slowdown in economic activity**

Operational Features

- **Revised strategic review**
- **Major capex projects**
- **Packaging Excellence**
- **Completion of ERP project**
- **Tax issues resolved**
- **Restructured debt**
- **Fire at Thorpe**
- **Management changes**

Summarised Income Statement

Rm	2008	2007	%
Revenue	18 458	17 014	8
Cost of Sales	10 559	9 326	13
Gross Profit	7 899	7 688	3
GP %	42.8%	45.2%	
Operating expenses	6 362	5 937	7
Trading income	1 537	1 781	-14
Trading margin	8.3%	10.5%	

One-Off Items

	Rm
Zimbabwe	-32
Nigeria Metals	-20
Power cuts (estimate)	-15
Carbon dioxide shortage (estimate)	-20
	-87

Group Income Statement

Rm	2008	2007	%
Revenue	18 458	17 014	8
Trading income before abnormal items	1 537	1 781	-14
Abnormal items	-588	-160	
Profit from operations	949	1 621	-41
Net finance costs	-265	-191	
Income from investments	5	7	
Share of profit from associates	9	5	
Profit before tax	698	1 442	-52
Tax	-203	-386	
Profit after tax	495	1 056	-53
HEPS	177.3c	184.6c	-4

Abnormal Items

	Rm
Net impairment losses on goodwill, plant & equipment	602
Retrenchment and restructuring costs	94
Provision for onerous leases	65
Loss of assets resulting from Thorpe fire	51
Insurance proceed from Thorpe fire	-161
Financial instruments fair value gain	-26
Net profit on disposal of property	-19
Share-based payment reversal	-13
Net profit on disposal of businesses	-5
	588

Tax Rate

	Rm
Profit before tax	698
Tax	203
Tax rate recon	%
Effective tax rate	29.0
SARS settlement, release of provisions & prior yr adjust	14.8
Tax rate reduction	2.5
Impairment of goodwill	-23.6
Other	5.3
Standard tax rate	28.0

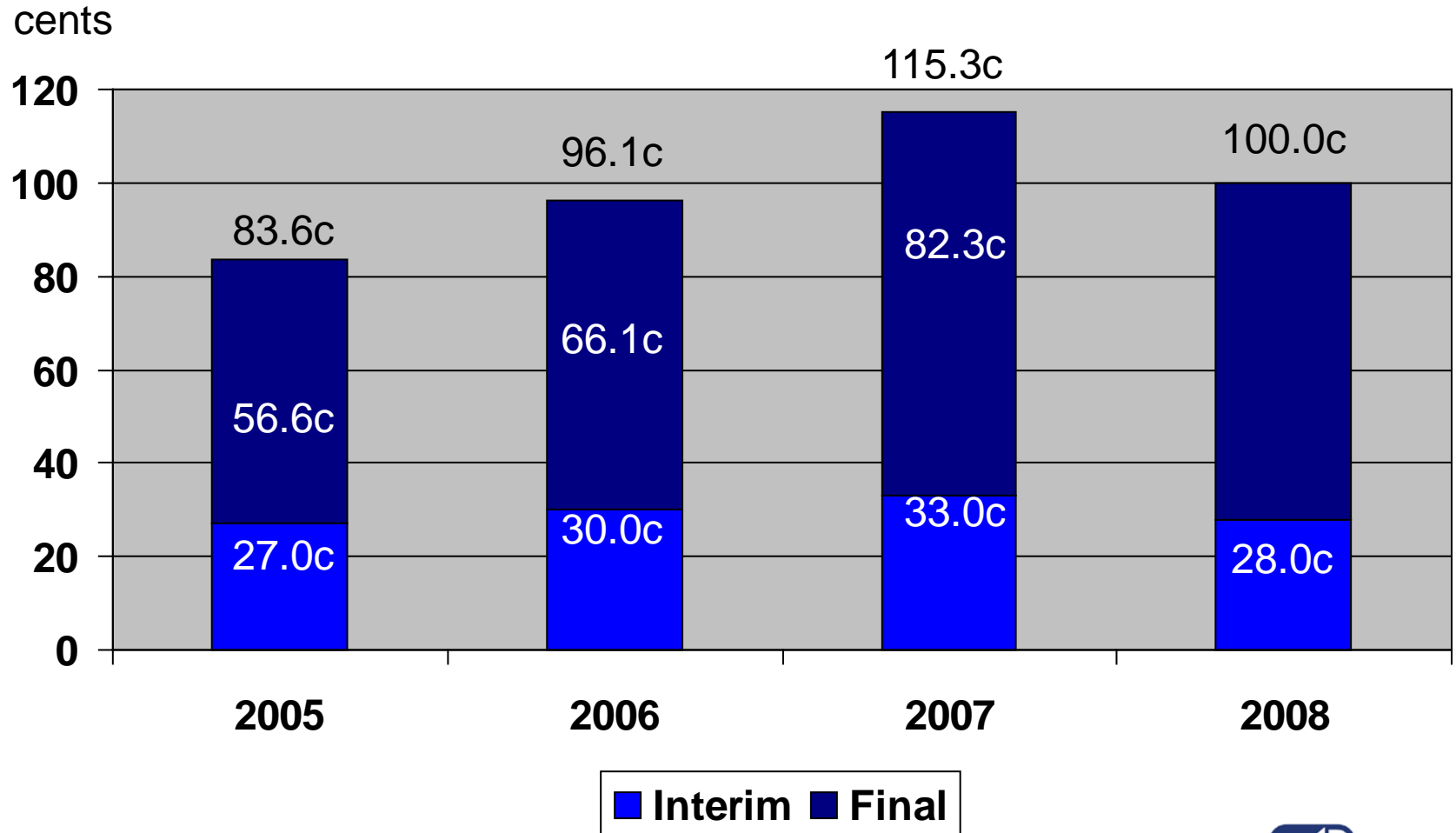
Group Condensed Cash Flow

	Rm
Operating profit before working capital	2 303
Working capital	-160
Cash generated from operations	2 143
Net interest paid	-325
Tax paid	-559
Cash distribution paid	-645
Capex	-1 449
Retirement benefit contributions	251
Other	13
Net cash outflow	-571
Net debt	2 584
Net debt : equity	43%

Net Working Capital

Rm		Net Working Capital
September 2007		2 471
Translation and other non-cash items		77
Fair value of financial instruments		27
Inventory	206	
Receivables	441	
Payables	-487	160
September 2008		2 735

Dividends per Share



Geographical Performance

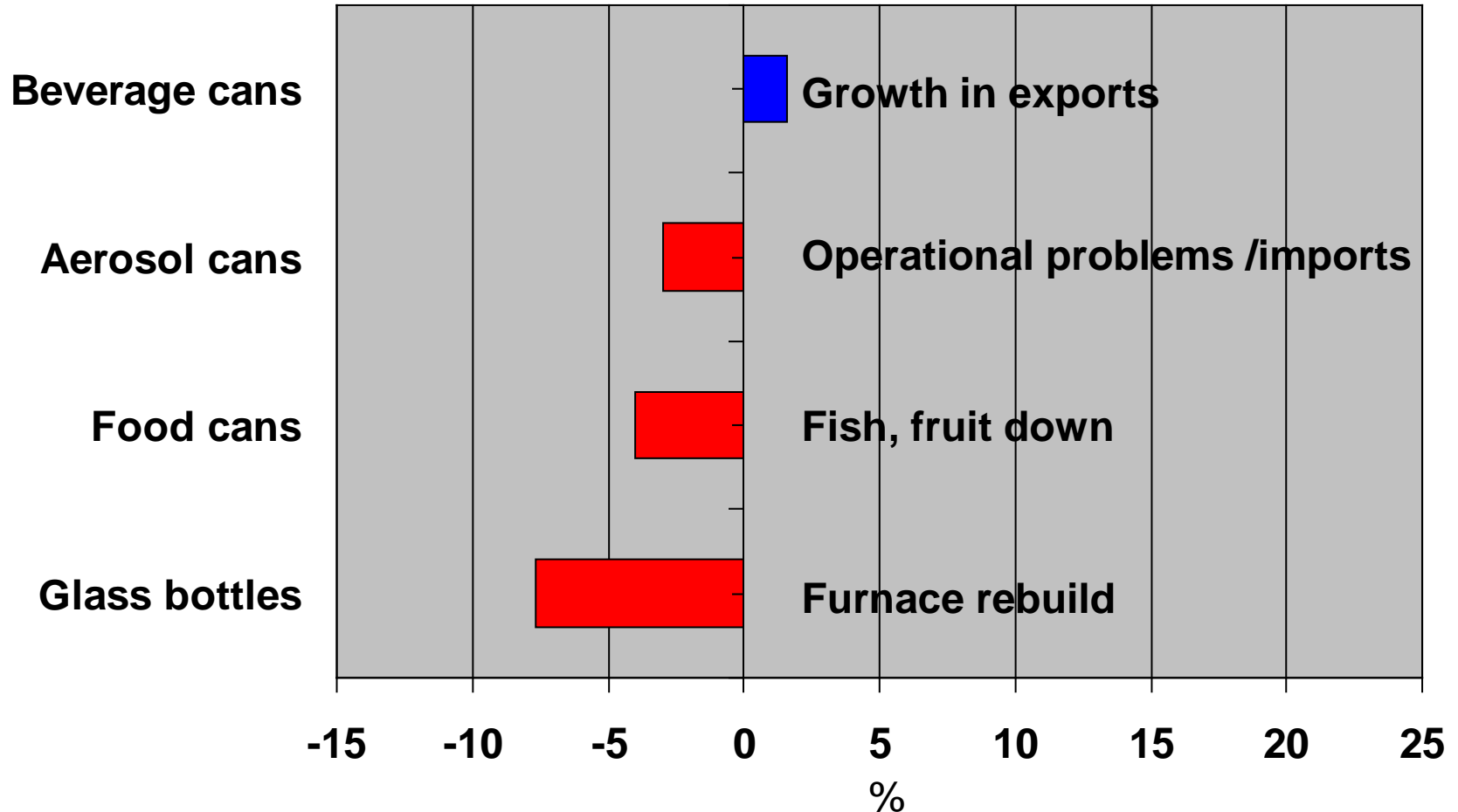
Rm	Trading income			Margin %	
	2008	2007	%	2008	2007
South Africa	1 222	1 329	-8%	9.9	11.6
Rest of Africa	71	140	-49%	6.7	14.1
Europe	244	312	-22%	4.4	6.4
TOTAL	1 537	1 781	-14%	8.3	10.5

Africa segmental

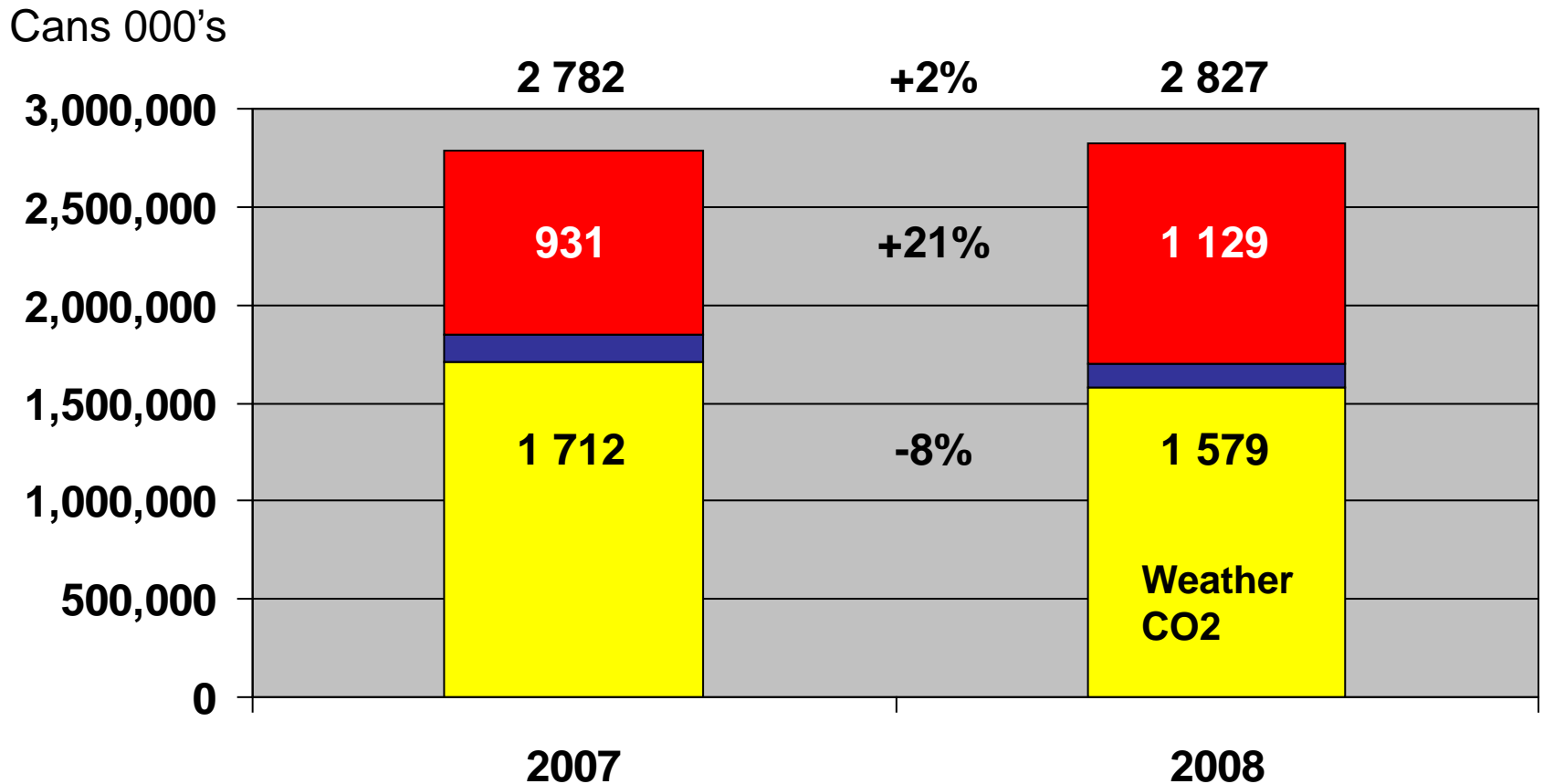
Rm	Revenue		Trading income		Margin %	
	2008	2007	2008	2007	2008	2007
Metals & Glass	5 061	4 728	751	805	14.8	17.0
Paper	5 121	4 818	253	337	4.9	7.0
Plastics	3 165	2 910	161	247	5.1	8.5
	13 347	12 456	1 165	1 389	8.7	11.2
Services			128	79		
TOTAL	13 347	12 456	1 293	1 468	9.7	11.8

South Africa

metals & glass volumes

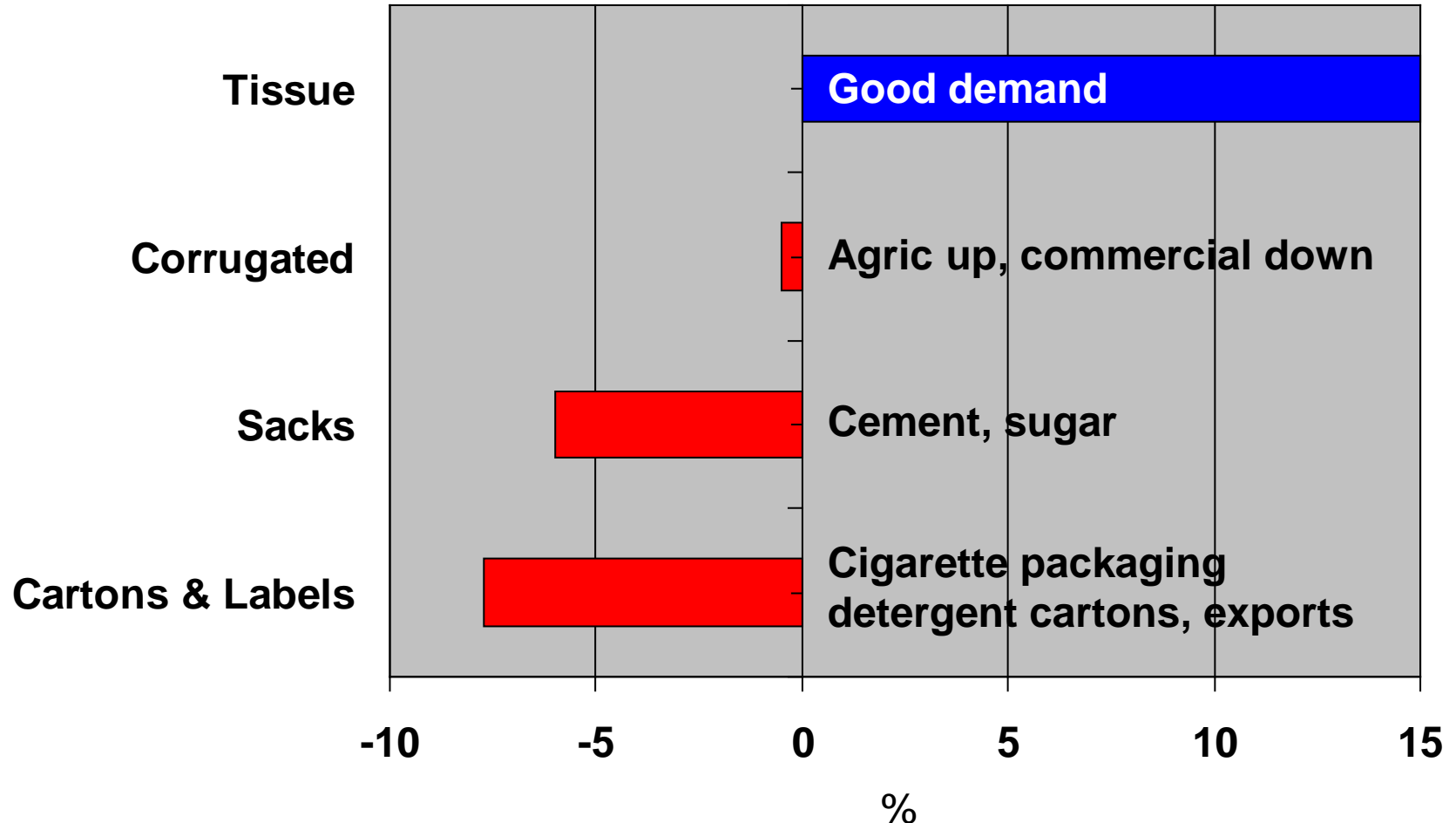


South Africa beverage can volumes

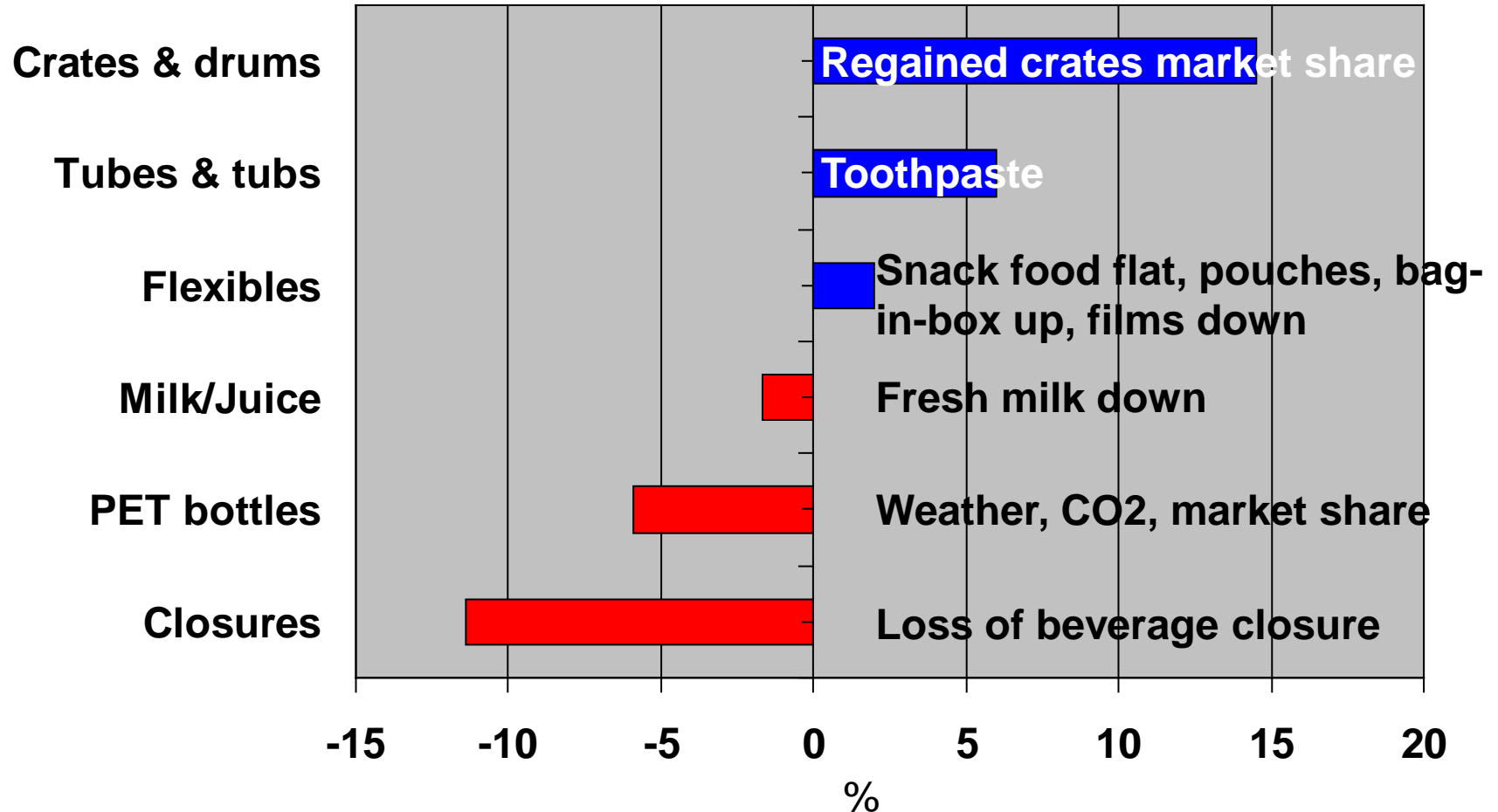


■ Local
 ■ Filled exports
 ■ Empty exports

South Africa paper volumes



South Africa plastics volumes



Rest of Africa

- Zimbabwe not consolidated as from 1 June 2007 – R32m
- Good performances from Malawi and Zambia
- Nigeria cartons – de-stocking by BAT Nigeria
- Nigeria metals affected by irregularities

Trading income			Margin %		
2008	2007	%	2008	2007	
71	140	-49%	6.7	14.1	

Europe

- **Cartons affected by tenders**
- **Decision to close Crewkerne**
- **Fire at Thorpe Healthcare factory**
- **Higher polymer prices affected Plastics**

Europe segmental

£m	Revenue		Trading income		Margin %	
	2008	2007	2008	2007	2008	2007
Paper	225.2	214.8	2.8	7.9	1.2	3.7
Plastics	120.3	110.0	11.5	11.1	9.6	10.1
	345.5	324.8	14.3	19.0	4.1	5.8
Services	24.4	19.8	2.6	3.0		
TOTAL	369.9	344.6	16.9	22.0	4.6	6.4

Strategy



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Summary of 3 year Plan

- **Improved demand for packaging**
- **Further improvement in competitive position**
- **Major investment in growth projects**
- **Stronger focus on cash management**

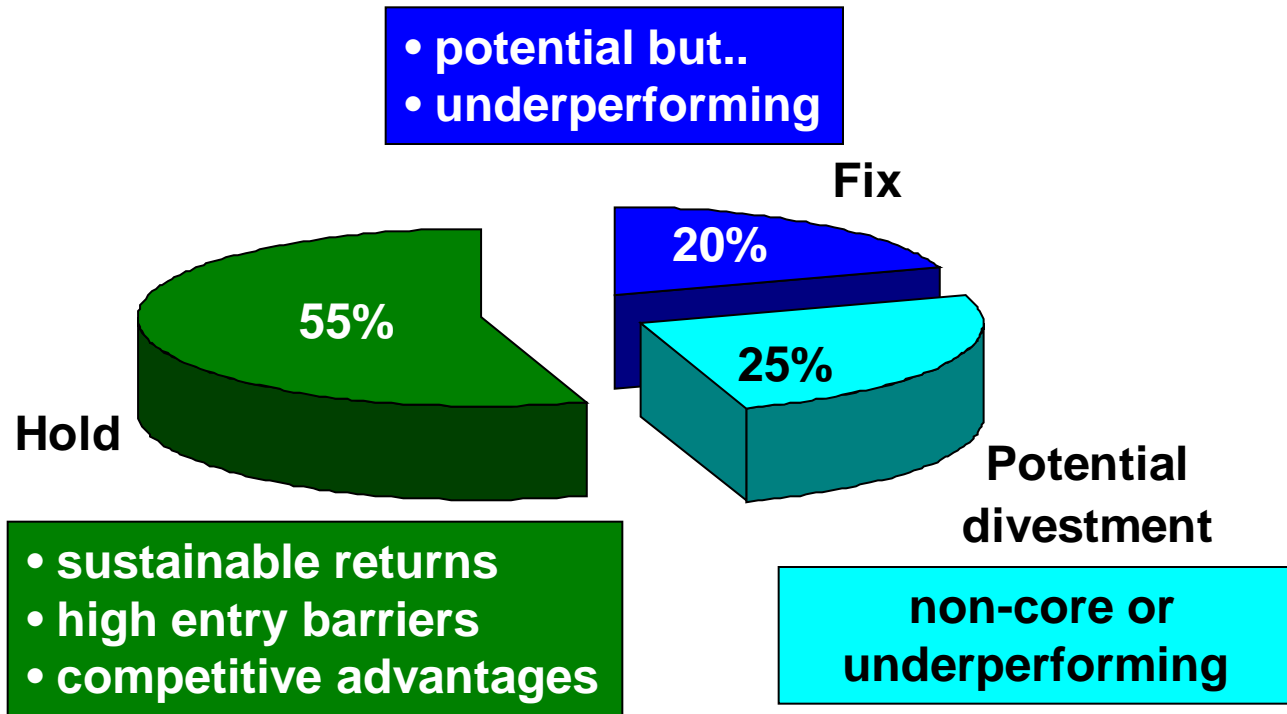
Revised Strategic Plan

key features

- **Detailed portfolio review**
- **Reassessment of capital expenditure**
- **Enhanced focus on cash management**

Revised Strategic Plan

portfolio review



Revised Strategic Plan

Investment programme

Committed

- Glass rebuild
- Corrugated paper mill
- Angola beverage can line

Being Considered

- 3rd Glass furnace
- Tissue mill

Revised Strategic Plan

improving operational performance

- **Packaging Excellence initiative**
 - **Customer service**
 - **Process excellence**
 - **People growth**

**To develop and enhance a positive
Nampak experience which drives
customer loyalty and business growth**

Revised Strategic Plan

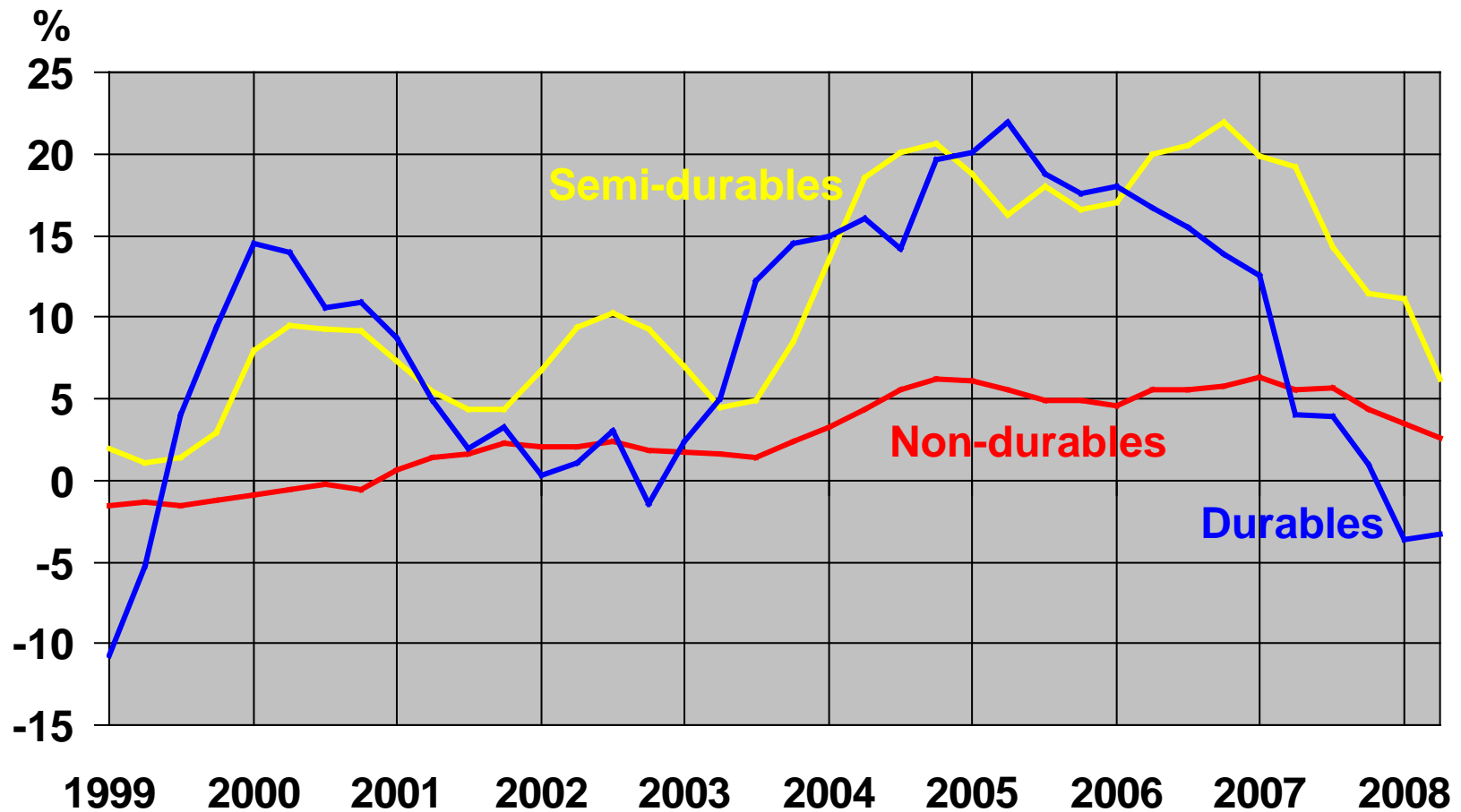
outcome

- A more focused packaging group
 - Turnaround underperformers
 - Divestments
- Increased earnings from investment programme
- Operational improvements
- Trading income growth above rate of SA inflation
- RONA of 20% within 3 years
- Improvement in the quality of earnings

Economic Outlook and Prospects

- **Credit crisis limits cash for investment**
- **Slowdown in consumer spending**

Consumer Spending



Source: Econometrix

Prospects

**Improvement in trading income expected but will be negated
by a higher interest cost and tax charge**

Focus for 2009

- **Operational performance – Packaging Excellence**
- **Recovery of cost increases**
- **Cash management**
- **Optimising benefits of capex projects**
- **Successful completion of projects underway**

Changes in Directorate

- **Robbie Williams retired 21 November 2008**
- **Roy Andersen and Phinda Madi appointed non-executive directors 21 November 2008**
- **Andrew Marshall appointed director and CEO 1 March 2009**

Andrew Marshall

brief cv

- **53 years old**
- **B Com (marketing) (hons), Diploma in Packaging, Strategic management course**
- **CEO of Oceana for last 10 years**
- **Previously MD of Petpak**

Thank You



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