Investor Day
2016

Nampak
packaging excellence

27 September 2016

Forward looking statements

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 the JSE Limited, to update or revise any statement, whether as a result of new information, future events or otherwise. All income forecasts published in this report are unaudited. Investors are cautioned not to place undue reliance on any forward-looking statements contained herein.

Agenda for the day

Time	Activities	Venue
07:30 – 08:00	**Arrival and registration** **Breakfast**	The Forum at The Campus 57 Sloane Street Bryanston
	Presentations	
08:00	**1.** Welcome and setting the scene (André de Ruyter, Nampak CEO)	
08:35	**2.** CFO Update (Glenn Fullerton, Nampak CFO)	
09:10	**3.** Plastics SA Update (Mxolisi Khutama, Executive: Plastics SA)	
09:45	**4.** Glass Update (Pieter van den Berg, Managing Director: Glass)	
10:20	**Tea and Coffee**	
	Presentations	
10:35	**5.** Bevcan Update (Erik Smuts, Executive: Bevcan South Africa and Rest of Africa)	
11:10	**6.** Rest of Africa Update (Rob Morris, Executive: Glass and Rest of Africa)	
11:45	**7.** DivFood Update (Christiaan Burmeister, Executive: DivFood and R&D)	
12:30	**Bus departs from The Forum to Nampak DivFood, Vanderbijlpark**	
13:45	Arrival, lunch and safety video	Nampak DivFood No. 3 Noble Boulevard, Vanderbijlpark
14:30	Factory walk-through	
16:30	**Bus departs for Nampak DivFood to the Forum @ The Campus, Bryanston**	

Strategy update

André de Ruyter
Nampak CEO

27 September 2016

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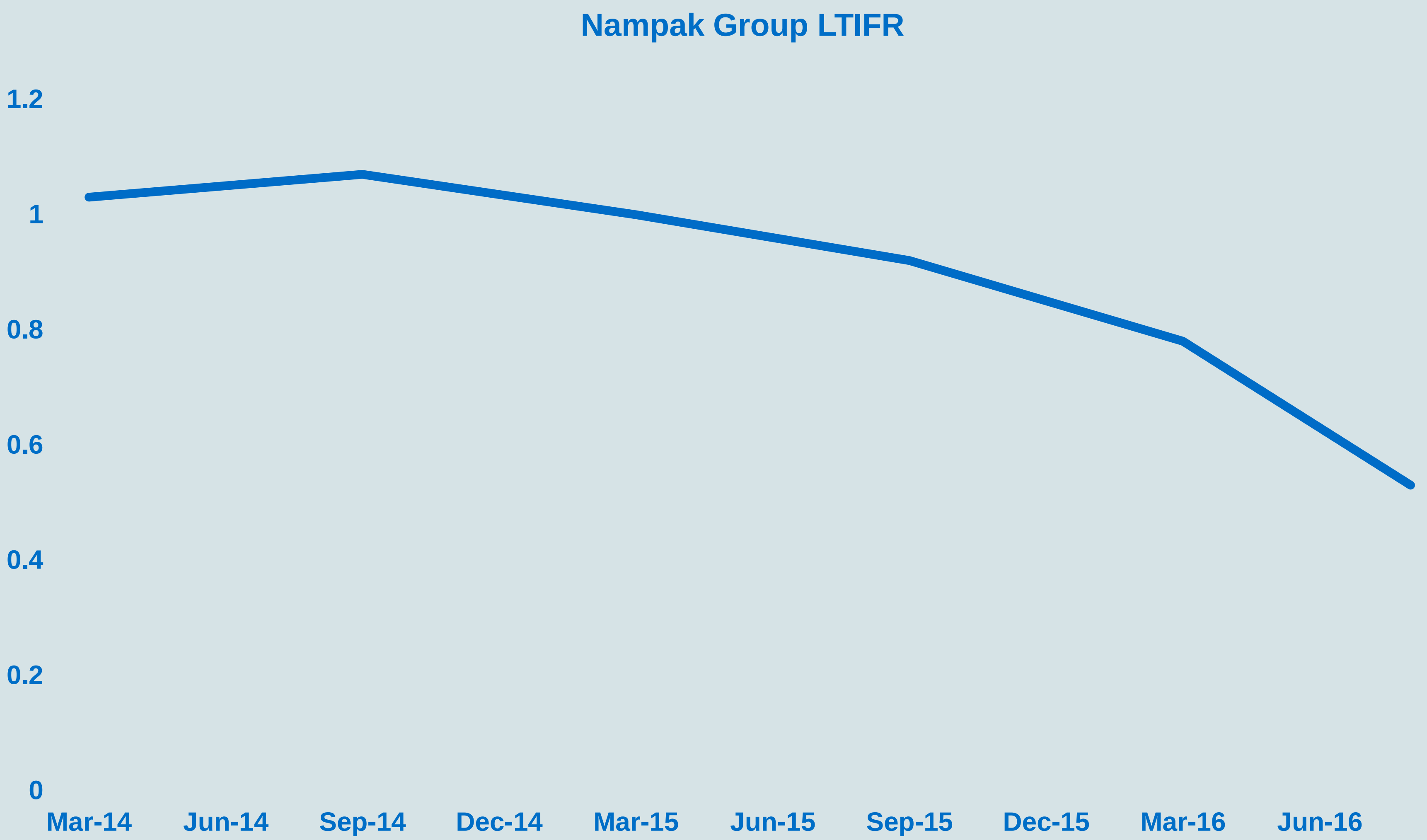
Significant improvement in safety performance



Challenging external environment

- Slowing GDP growth
- South African consumer under pressure – demand slowing down
- Currency volatility
- High inflation
- Drought conditions
- Persistently low commodity prices
  - Oil price expected to stabilise between $45 – $60/bbl in the medium term providing support for oil exporting economies
- Lacklustre global trade and capital flows
- Deteriorating conditions among key commodity exporters

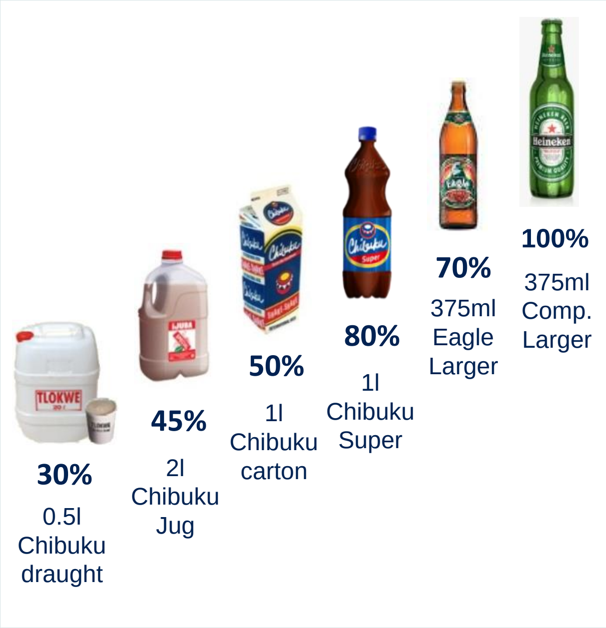
Challenges for key economies include adjusting to an era of low commodity prices, addressing economic vulnerabilities, and developing new sources of growth.

Source: Nampak internal, IMF

Growth in packaging in Africa
Bulk food and beverages

- Trading margins remain attractive
- Current challenges do not fundamentally change the overall long term investment rationale in key growth markets – South Africa, Nigeria, Angola and Ethiopia
- Demographics remain compelling underpinning substantial growth in packaging – Nampak uniquely positioned to benefit
  - Demand driven by
    - improved markets for consumer products
    - expanding individual incomes
    - a growing population of youthful consumers
- Rapid urbanisation and increased health awareness contribute to a rise in food and beverage products consumption
- Growth in beverage consumption driven by increased consumption of mostly alcoholic and to a lesser extent non-alcoholic beverages
- Africa packaging consumption expected to grow by 5 – 10% to 2021
- South Africa packaging expected to grow by 2 – 5% to 2021

Source: SABMiller Presentation, 2014



Source: Nampak internal, Deloitte (2015)

Our market positions remain strong

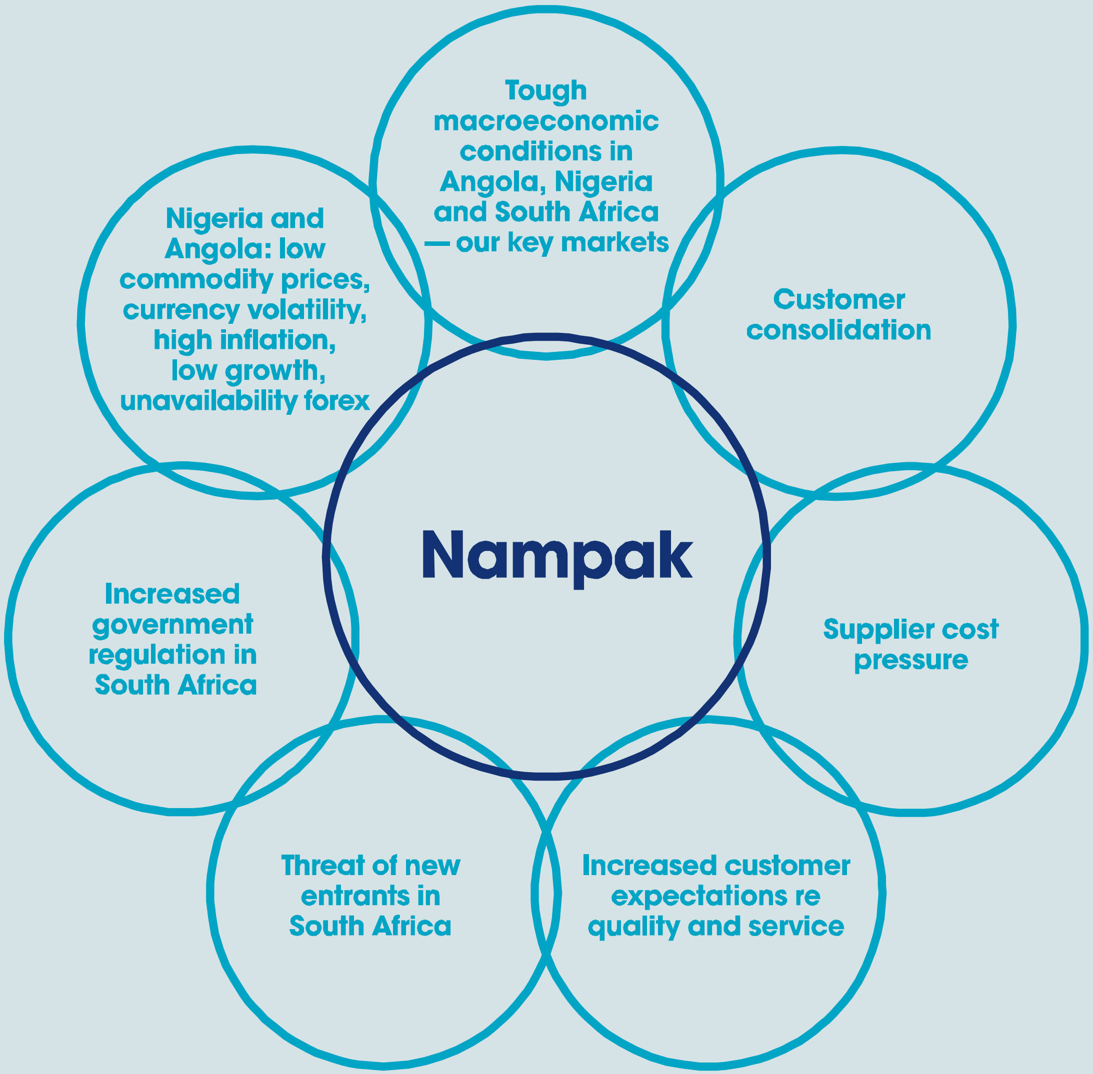
Strong relationships with multinational corporates

Invaluable partnerships

Our investment proposition

- Africa's largest packaging company with operations in South Africa and 11 countries in the rest of Africa
- Leading market positions in most segments and the number 1 beverage cans supplier in Africa
- Comprehensive plan to improve performance
  - Operations excellence initiatives and programmes to improve efficiencies and cost
    - Improve operations – "reverse the neglect"
    - Refocus the culture towards "making bottles and cans profitably"
  - Investing in existing capacity to compete
  - Leverage operational benefits from modern competitive units and deliver improved performance
  - Leverage existing customer relationships and grow selectively for long-term sustainable profitability
  - Improve supply chain performance and information management
- Balance sheet deleveraged, geared to deliver improved earnings, cash and drive long-term sustainable value
- Restructured and optimised organisational structure
- Well positioned to sustain and grow volume in the rest of Africa
  - 15+ years of experience operating on the African continent and strong relationships with multinational corporates reduce market risk and enhance growth prospects
  - First mover advantage in key African markets
  - Robust project pipeline to capture further growth opportunity
  - Rest of Africa long-term fundamentals remain intact

Adjusting to a changing environment while building for the future



Engine room performing well despite challenging trading conditions

Metals

- Bevcan SA: Impact of volume decline more than offset by improvements in operational performance
- Bevcan Angola: Impact of overall market decline partially negated by new customer volumes resulting in lower overall margins
- Bevcan Nigeria: Continued market share gains and volume growth
- DivFood: Recapitalisation projects executed well, improved profitability and operational performance

Plastics

- Operations improvement initiatives bearing fruit
- Plastics UK disappointing performance, turnaround project initiated

Glass

- Strong production performance impacted by volume decline at key customers

Rest of Africa

- Generally good operating performance

Addressing legacy issues, changing the culture

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Issue	Action taken	Status	Outlook
Business structure › Conglomerate operating model	› Restructured the executive team and brought new members › Introduced a new operating model	› New executive team structure working well › Increased visibility and focused management of divisions › New members bring valuable expertise and fresh perspective	› Integrated business model › Aligned leadership › Reduced complexity
Safety: › Poor safety record	› Increased focus on addressing poor housekeeping in factories	› Number of injuries reduced by 50%	› Reduce LTIFR to 0.3 from 1.2 (2014)
Operations: › Poorly performing operations – low utilisation, low efficiency, high waste › Outdated planning tools and systems › Outdated operating procedures › Maintenance philosophies and strategies not in place › Skills deficit	› Operations excellence implemented › New Glass management team › New Bevcan Operations director and new GM at Bevcan Springs › Identified training gaps and intensified training › Renewed focus on cost control	› Glass turned around and profitable: pack to melt (PTM) at benchmark levels › Plastics efficiency improvements › Improved spoilage at Bevcan Springs › Roslyn and Angola new lines ramped up smoothly	› Achieve operational stability and reliability › Achieve manufacturing excellence in all our factories › Achieve world class production efficiencies throughout the group › Leverage operational benefits from modern competitive units at Glass, Bevcan, Plastics and DivFood

Addressing legacy issues

Issue	Action taken	Status	Outlook
Information management › Fragmented and outsourced › Under maintained and underutilised system › Unstable system › Low information integrity › No master data	› New CIO appointed › Sourcing strategy changed to hybrid with dedicated outsourced support › Investment in infrastructure made › Data management and the upgrading of ERP system a key focus area	› New Information Management Strategy implemented › Infrastructure stability much improved › Reduced data integrity issues › JDE integrities managed	› Achieve system usability accompanied by real information management services › Master data as a tool for decision making › IMS as an integral part of business and strategy execution
Procurement and supply chain: › Low level of procurement maturity › Not a focus area for improvement › Skills shortage	› New CPO appointed › Embarked on a journey to align and improve procurement maturity › implemented measures to track monthly improvements › Implemented systems to increase data accuracy and formalise internal processes	› Savings flowing through – R120 million benefit by year-end › Improved tinplate supply and DR access › Driving the implementation of relevant performance measures and people structures	› Continued extraction of value and savings on all aspects of the total cost of ownership including working capital, innovation and stock holding › Further procurement savings expected

Addressing legacy issues

Issue	Action taken	Status	Outlook
Project management › Poor project management and execution › No formal capital allocation process	› A stage-gate project evaluation/management model implemented and applied to all projects since inception (2015) › Project manager appointed › Stage-gate model embedded into group culture › Project execution excellence made into a key focus area	› Project evaluation and management significantly improved › Phase 1 of DivFood recapitalisation and consolidation project, on budget and on schedule	› World class project management and execution offering predictability of cost, schedule, budget and returns
Marketing: › Too eager to satisfy all customers' needs › No contribution margin analysis per SKU › High operational complexity - SKU proliferation led to low utilisation – frequent changeovers	› Marketing excellence initiatives implemented › Focus on reducing SKUs and active customer accounts › Identified key market growth areas	› 30% SKU reduction in DivFood and Glass › SKU rationalisation contributing to better product mix and margin › Glass gaining market share in wine › Active customer accounts reduced by 186 (DivFood) › Complexity reducing and efficiencies improving	› Be data-driven in sales decisions › Optimise contribution margins › Continue SKU rationalisation › Leverage further initiatives in the pipeline › Consider attractive top line growth opportunities › Become a significant 2nd supplier in wine

Addressing legacy issues

Issue	Action taken	Status	Outlook
Finance › Earnings growth driven by corporate activity › Declining net cash generation › Inventory and cash not actively managed › Rich dividend policy not linked to cash generated › Significant historic capex › Highly geared balance sheet	› No interim dividend declared, a conservative cash management approach › R1.7bn proceeds from sale and lease back › Capex curbed, projects approved by exception › Close management of cash › Inventory management part of incentives	› Dividend policy being reviewed › Significantly reduced gearing › Group's covenant positions strengthened › Capacity for future growth created › Capex curbed to R1.3 – R1.5bn for 2016 › 2017 capex guidance R900m to R1.1bn › R1bn released from working capital	› Future declarations linked to cash generated, subject to board approval › Gearing between 40 – 60% › Capex R900m to R1.1bn per annum › Further R300m released from working capital
Talent management › Uncoordinated talent management › Performance management not active	› Implemented quarterly group talent management review meetings › Implemented a process of defining divisional staff establishments › Introduced forced ranking to performance management	› New staff establishment structures and quarterly group talent management review exposed critical skills gaps › Good progress in addressing weaknesses – more to do › Employee performance management through forced ranking › Reviewing executive performance KPIs	› Well trained, experienced staff establishment incentivised for high performance › Performance driven culture by rigorous merit assessments

A different approach to achieving our strategy

Unlock value from base business	› Comprehensive initiatives and programmes linked to “buy better, make better, sell better” philosophy to deliver more cash » Buy Better programme to improve procurement processes and efficacy » Operations excellence to reduce waste and improve safety, stability, reliability and cost control » Margin expansion and customer portfolio management › Outdated equipment recapitalisation and site consolidation for improved efficiencies and competitiveness › Well-structured and aligned leadership with new members, incentivised to drive value unlock › Focus on reducing complexity › Focus on introducing and utilising systems, tools and processes to monitor and manage key business areas, functions and activities › Increased emphasis on systematic and integrated approach to decision making for effective execution › Cash is king
Accelerate African growth	› We are being judicious with investments and managing risks appropriately in light of current macroeconomic and political challenges › Glass in Ethiopia and Nigeria credible opportunities › Decision on Bevcan Angola line conversion imminent - depends on market performance and liquidity outlook › Bevcan Nigeria Line 2 decision to be considered when justified by market growth

Well-structured and aligned leadership to deliver on strategy

- A new organisational operating model introduced
- KPIs restructured to drive operational performance and cash generation
- Packaging knowledge, expertise and experience

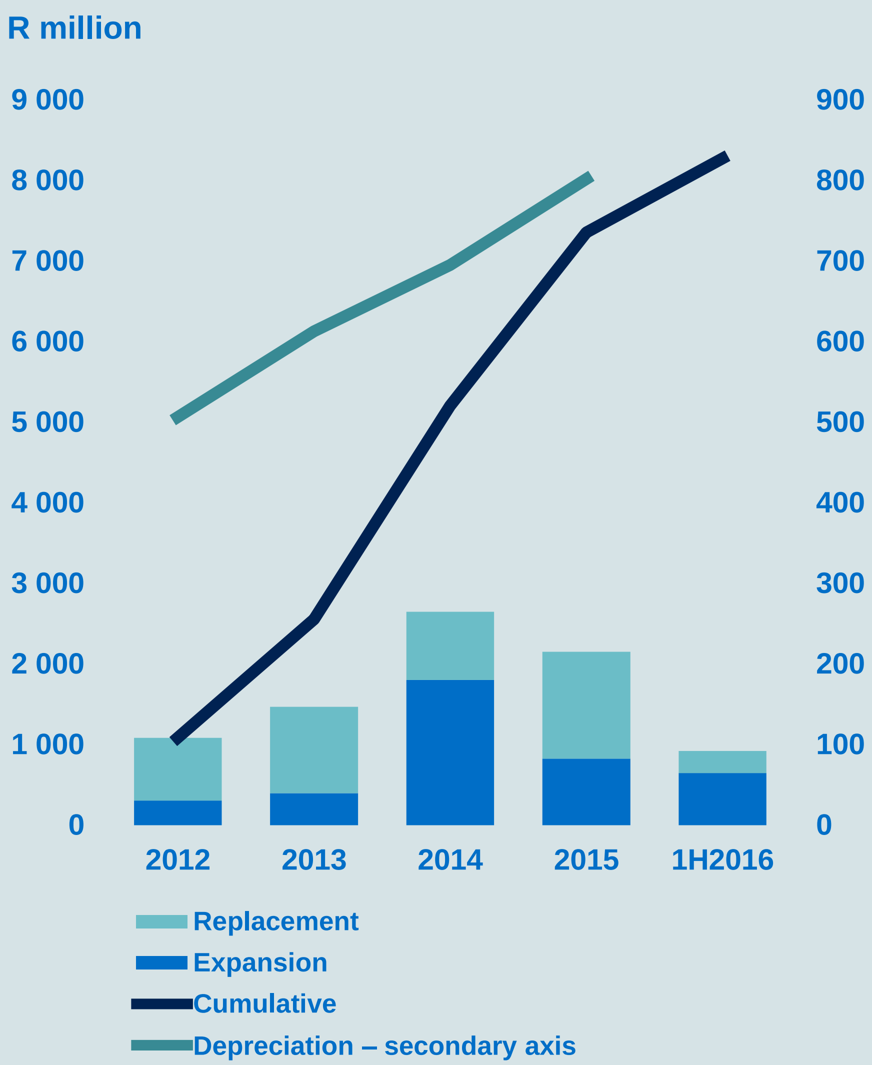
Finance update

Glenn Fullerton
Nampak CFO

27 September 2016

Key financial focus areas

Capital programme tightly controlled, spend slowing



- Significant investment to improve competitiveness and sustain profitability
  - Glass Furnace 3 and Bevcan aluminum conversion
- Future capex spend under review
  - Prudent allocation
  - New multi-disciplinary capital review committee
  - Capex models reviewed
  - Country risk premiums and hurdle rates reviewed
- Foreign currency items capex spend hedged
- Operational leverage now a key part of strategy
- Full-year 2016 capital expenditure estimated at R1.3 – R1.5 billion
- Greenfield Glass projects delayed and under review

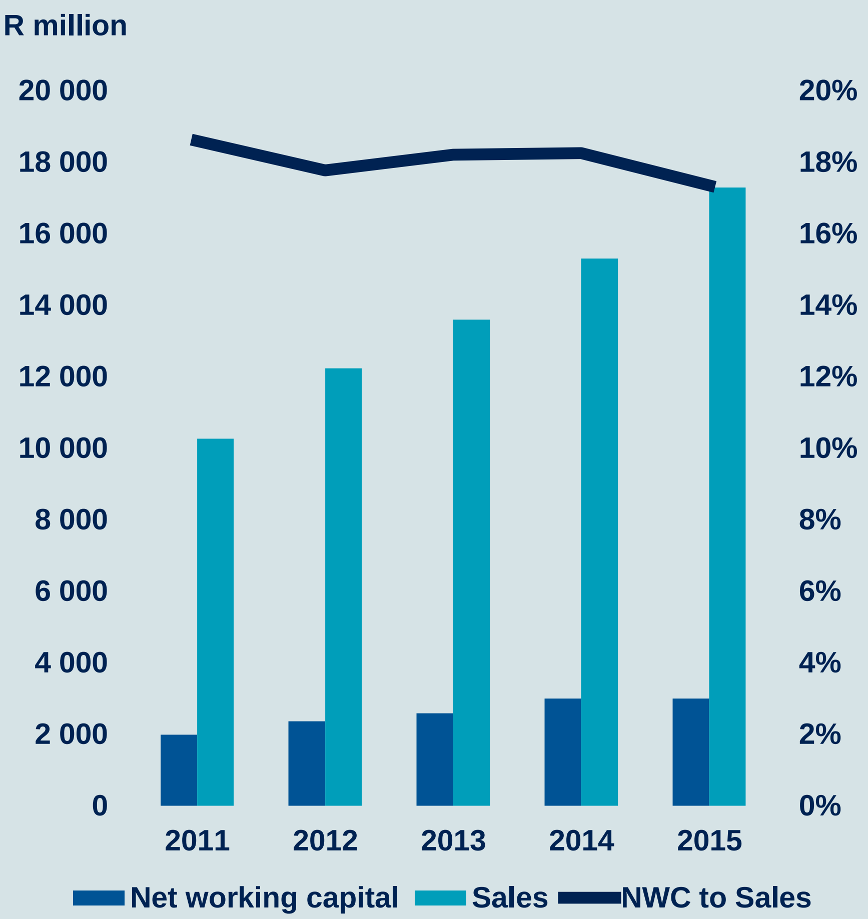
Capex

Residual values and depreciation methods reviewed to comply with IFRS and reflect asset consumption pattern

- **Capex: IAS 16 Property, Plant and Equipment Depreciation Review**
- **Para 61 states:**
  - » The depreciation method applied to an asset shall:
    - be reviewed at least at each financial year-end and
    - if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset
    - the method shall be changed to reflect the changed pattern
    - such a change shall be accounted for as a change in an accounting estimate in accordance with IAS 8
  - » Review performed for group property, plant and equipment to comply with IAS 16
  - » Review only applicable to Bevcan operations where pattern of consumption has changed, particularly Nigeria and Angola
  - » At full capacity units of production method will be equivalent to straight line method

Working capital management improve working capital velocity

- Net working capital cycle a driver to improve cash generated
- Significant cash released from inventories
- Inventory management
  - » Better planning – analytics and new systems
  - » Inventory management and control standardised
  - » Safety stock levels reviewed
- Target: inventory funded by trade payables, group to fund trade receivables
  - » Management intervention with key metrics established and linked to incentives
  - » Contract and payment terms reviewed
- High FY2015 year-end capital creditors not expected at year-end
- Buy Better programme contributing to performance
- Further working capital improvement expected



Overall group forecasting impacted by macroeconomic and other factors

- Foreign exchange accounting impacts
  - Imports without pass through pricing - hedged
  - Transactional, functional and reporting currencies different
  - Weakening ZAR
    - benefits income statement on translation of foreign operations
    - adversely affects translation of foreign denominated interest bearing debt
  - Translation of foreign operations
    - income statement at average
    - balance sheet at spot
    - difference through other comprehensive income
    - boosts equity if spot is higher than average
    - reduces equity if spot at year-end is lower than average
  - Official foreign exchange rates used for translations
    - unknown until half-year and year-end
    - impacts forecast earnings and balance sheet
    - USD debt translation impacted
- Group cash flow closely managed

Despite liquidity issues operations remain adequately funded

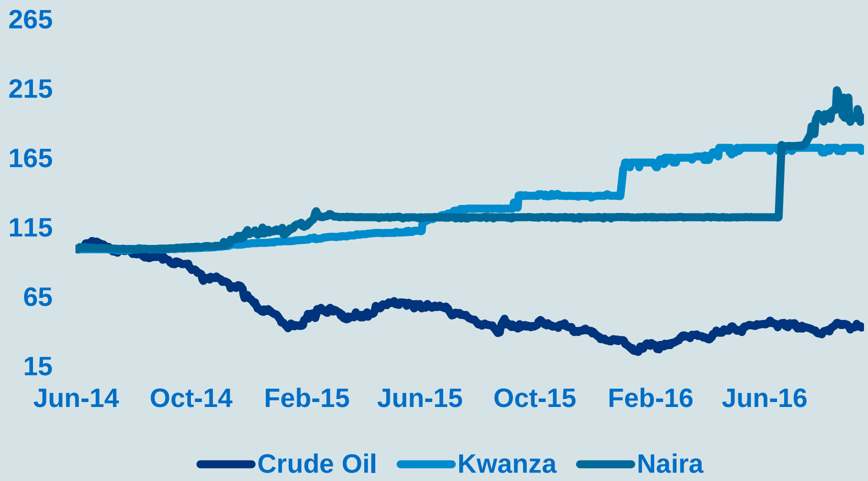
Nigeria

- 2015 cash extraction better than Angola, trend reversed
- 20 June 2016 currency allowed to free float, the CBN maintaining some control in the forex market
- While the situation is fluid it is not particularly liquid
- Some of the backlog cleared
  - Majority on USD deliverable forwards, the rest on spot
  - Auction on 20 June 2016 was for extremely limited timeframe
- Regulatory uncertainty a challenge
- Some progress made working closely with commercial banks and authorities

Angola

- At 31 March 2016, USD 25 million kwanza bonds
- Improved USD allocation for monetary items
- Gap between official and parallel rate wide
- Active cash extraction and hedging

OIL, KWANZA AND NAIRA INDEXED FROM JUNE 2014



Source: Bloomberg

Funding and Hedging

- Further progress made in both Nigeria and Angola

Accounting

- Accounting complexities impact forecasts
- Dependent on closing rate
- Translations done at official rate

Balance sheet optimisation
Significantly restructured and strengthened

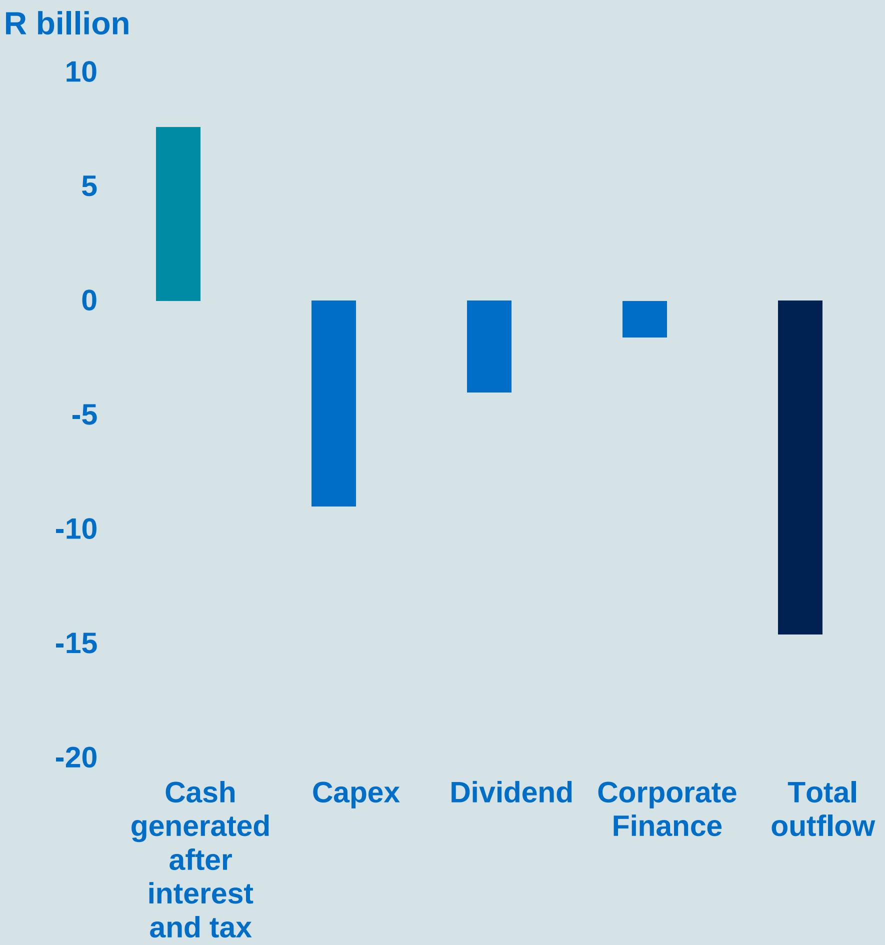
Nampak packaging excellence

- Sale and leaseback
  - R1.7 billion transaction concluded
  - Effective 1 September 2016 – proceeds received
  - 15 properties and one outright sale
  - Leased for 15 years
  - Option to renew for further 10 years
  - Repurchase option end of initial/extended lease
  - Rentals payable equivalent to current rentals
  - Operating lease
- Balance sheet significantly deleveraged,
- Boost to equity and reduction in gearing
- Target gearing range of 40 – 60%
- Group's covenant positions strengthened and capacity for future growth created
- Portion of proceeds earmarked to reduce other liabilities – low risk positive IRR project
- Good progress made on PRMA offer
- Further strengthening the balance sheet

- Other initiatives
  - Long-term debt profile enhanced through conversion of short term funding to long term
  - Improvements in short term liquidity – current and acid test ratios
  - Interim dividend reviewed
- Balance sheet improvement through multiple management interventions
- Initiatives create growth options for group

Managing down gearing ratio
Sale and leaseback instrumental

SIGNIFICANT OUTFLOWS VS. INFLOWS: 2011 – 2015



NET GEARING: 2011 TO FIRST-HALF 2016

Conclusion

- Significant progress made in restructuring group balance sheet
- Capex spend to be closely managed with prudent allocations
- Operational leverage of well capitalised asset base a priority
- Continued tightening of fiscal disciplines and forecasting
- Further working capital refinement possible
- Liquidity issues in Africa will be closely monitored
- Group gearing to be further improved through cash generation
- Finance to act as an enabler to operations to drive profitability and capital allocations
- Group on solid footing with good progress made

FOCUS AREA	UPDATE
Capex management	Good progress
Working capital management	Good progress
Forecasting	Some progress made
Managing RoA liquidity	Progress, more to be done
Balance sheet optimisation	Good progress
Managing down gearing	Good progress
Cash generation focus	Progress, more to be done
Create platform for growth	Progress

Plastics SA update

Mxolisi Khutama
Group Executive: Plastics SA

27 September 2016

SA Rigid Plastics Business

- 15 x Plants
- 5 x in-plants
- 226 lines
- 1291 Employees

Leading supplier of bottles, reforms and PET bottles for dairy and beverages

gable top carton manufactured for juices, ESL milk, Mageu

Specialised plastic, and metal closures for beverages and dairy, lube oils

Aluminium barrier laminate tubes for personal care

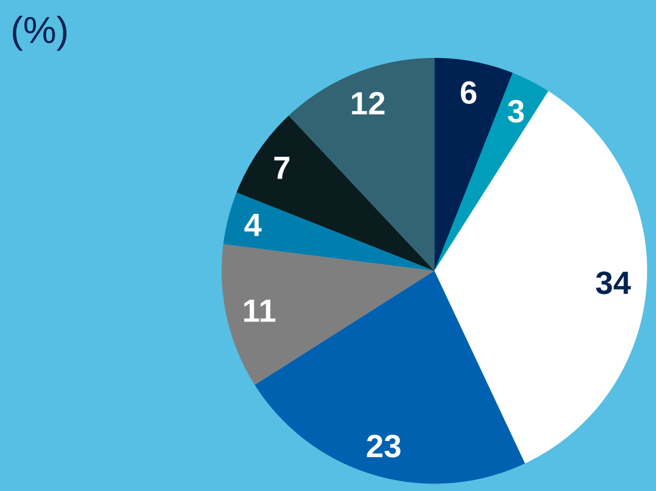
20 -220l Drum manufactured under Mauser licence

Leading crates supplier to dairy, beverages, transport and bread markets

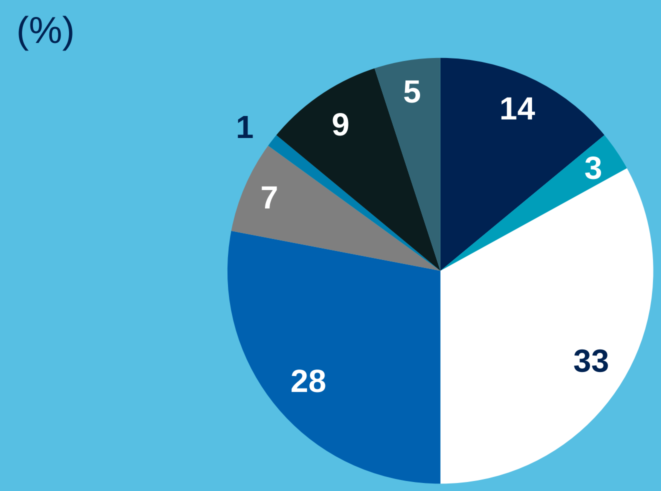
Market estimates – BMI 2016*

SA Rigid Plastics market expected to grow by 3.5% avg. CAGR 2016 -2021

TOTAL SA PLASTICS MARKET



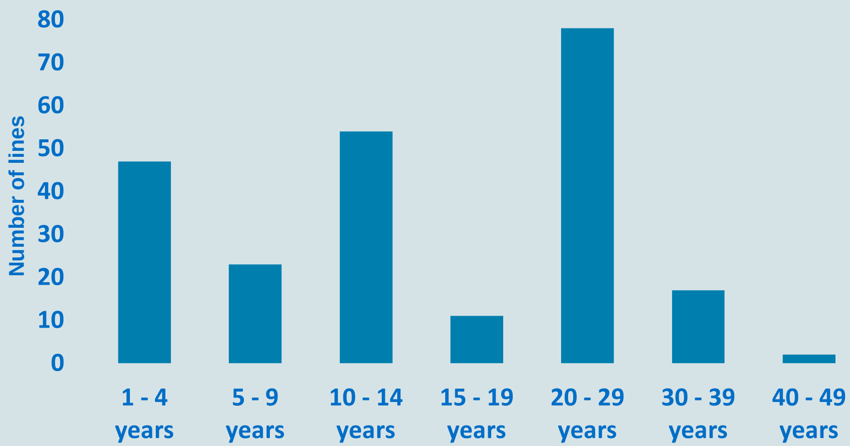
NAMPAK PLASTICS SA



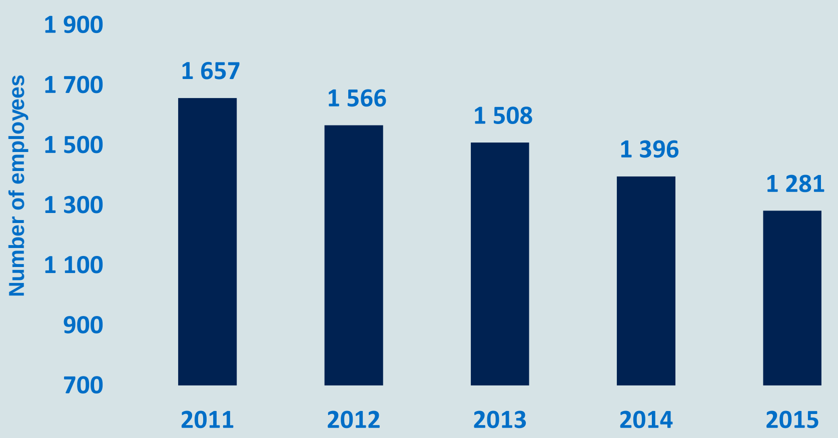
- Alcohol
- Automotive
- Beverages
- Dairy
- Food
- Home care
- Industrial
- Personal care

Status of the business

CURRENT AVERAGE AGE OF MACHINERY



HEADCOUNT



Key findings

- **Cash generative business**
  - strong customer base, supported by customer filling line support
  - Strong market positions
  - Margins under pressure
- **Competitive landscape**
  - Loss of CSD volumes due to in-house bottle blowing
  - Change in competitive landscape
- **Age of machinery**
  - Old equipment – high cost and operational issues
  - Opportunity exists to introduce more efficient latest generation technology
- **Headcount and costs**
  - Significant improvement due to site consolidation and operational cost management
  - Cash fixed costs remain a key focus area

Update on key issues and actions taken

Key issues

1. Unsatisfactory operations practices
2. Unsatisfactory profitability of some sites
3. Dairy/beverage focused market strategy
4. High costs

Actions taken

1. Operations excellence
2. Turnaround underperforming plants executed
3. Strategy aimed at growth
4. Structure review

Recent achievements

Improved visibility of operations performance

Increased customer confidence

Improved working capital management

Some improvement in operations efficiencies

Key business focus areas and opportunities

Nampak Liquids

- Continue with operations excellence
  - Increase equipment utilisation
- multilayer UHT bottle commissioning in progress in support of mageu customer
- Complete and sustain Gauteng operations turnaround
- Deliver on SBM and motor oil investments

Nampak Closures

- Plastic closure operations efficiency drive to continue
- Sport closure import replacement opportunity – line commissioned
- Water closure light-weighting
- Side wall print capacity to support ROPP (Roll on pilfer proof) growth

Plastics SA Strategic approach

Leveraging existing capabilities to develop competitive advantages in response to market trends

- One stop offering of filling technology, liquids packaging and closures, and technical support
- In-plant technology expertise and moulding technology leadership (cost competitiveness)
- Mould maintenance and refurbishment expertise
- Operational expertise in supporting high speed filling lines
- Strong market positions in dairy and beverage markets
- Innovation capability through in-house R&D

Conclusion

- In the short term, align organisational structures and focus on building capacity in the business
- Continue with operations excellence initiatives and programmes, embedding practices using 20keys
- Review and address high overhead cost
- Growth: current product portfolio where it makes sense
  - Target products that fill current capacity
  - Understand and balance between margin maximisation and elimination of complexity

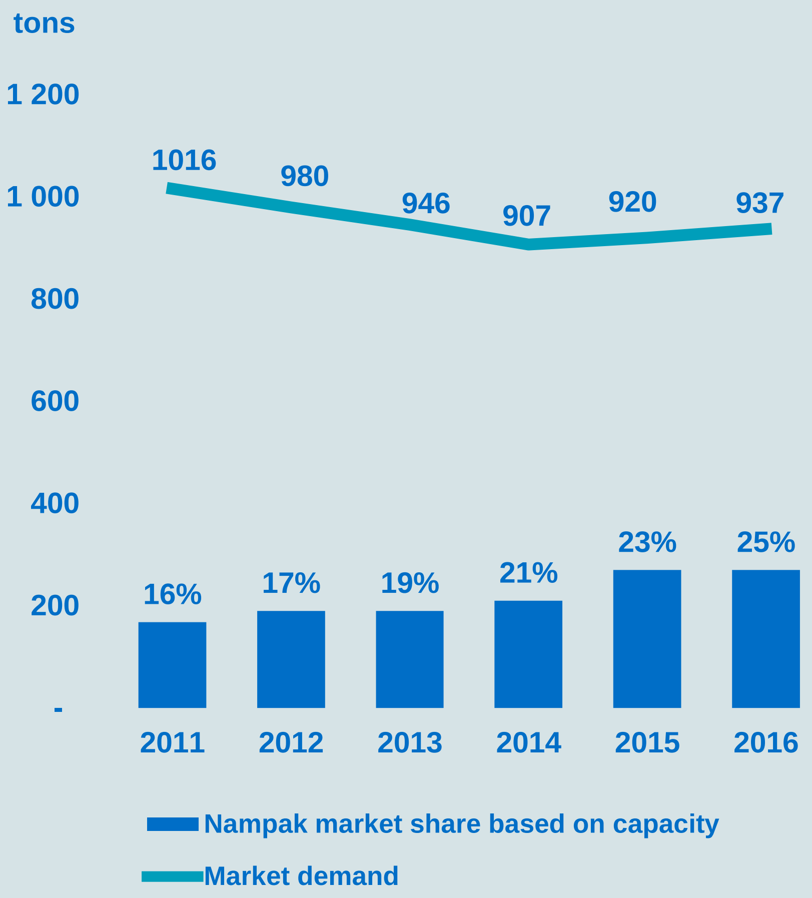
Glass Update

Pieter van den Berg
MD, Nampak Glass

Nampak
packaging excellence

27 September 2016

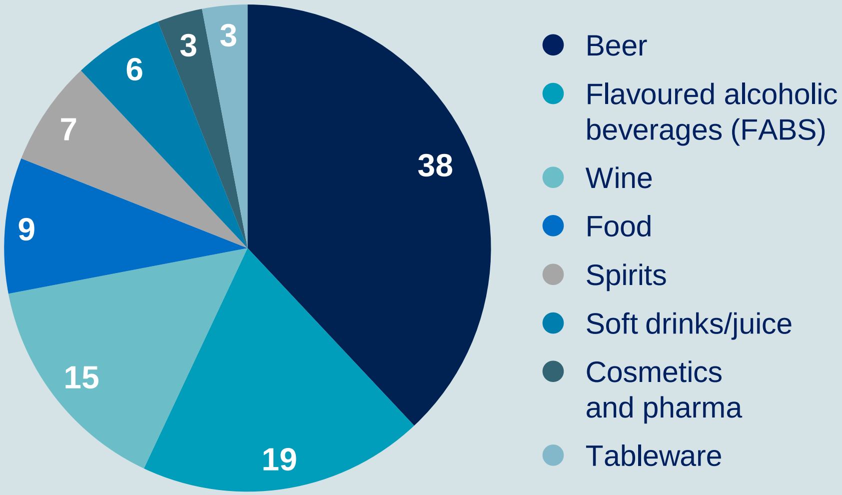
South Africa's glass market stable



Source: BMI

- Overall glass market stable
- CSD substitution into other substrates abating
- 2016 demand softer than anticipated
  - General depressed consumer demand
  - Lower offtake from key customers
- Nampak market share constrained by contractual allocations
- Overall glass market growth in South Africa driven by wine and FABS

Market analysis
South African market (tons as a %)



Nampak Glass share of individual sectors

	% share 2016
Beer	17
Soft drinks/juice	31
FABS	30
Wine	19
Spirits	32
Food	38
Tableware	0
Cosmetics and pharma	0

Source: BMI and internal analysis

General market trends
South Africa, 2016

- **Beer**
  - Malt beer – mature with little volume change per annum
  - Glass pack share stabilised
  - 750ml returnable continues to dominate category
  - Market expected to remain flat due to consumer constrained spending
  - Craft beer expected to grow
- **CSD**
  - Experienced an injection of returnable glass float in 2016
  - Glass pack share has stabilised
  - Strong competition from cans and PET in 330ml/500ml
- **FABs**
  - Good continued growth in this sector
  - Glass remains the primary pack
- **Packaged wine**
  - showed positive growth and glass maintained its position as the dominant pack
  - Demand for wine packaging expected to increase in the short to medium term on the back of the new EU duty waivers for bottled wine

Source: BMI

Where are we now
September 2016

- Significant improvements in factory performance
  - Stable, safe and predictable operations
  - Structure stability
  - Operational efficiencies improved and now acceptable
  - Stock build to required 90 day completed
  - Job and process changes reduced significantly
- Positive feedback from the market on quality and service
  - Significant improvement in market credibility
  - Customer requirements satisfied
  - Positive sales volume growth opportunities in various markets
- Disciplined and more accurate forecasting in collaboration with customers

Update on key issues

Key area	Intervention	Status
Missed trading profit guidance on the back of soft demand	i. Export opportunities not previously explored	› Lower general market demand › Profitability and returns still below expectations
Operations performance	i. Furnace 1: Line 1/1 refurbished and Line 1/2 technology intervention ii. Furnace 3: Line 3/2 replaced with proven alternative	› All furnaces performing according to expectation › Production stability achieved › Plant performance improved › Colour campaigns optimised › Energy efficiency at 20% saving › Significant improvements in safety and flexibility

Update on key issues

Key area	Intervention	Status
Weaknesses in forecasting and planning systems	i. Processes established and embedded	› Improved process predictability › Improved coordination in commercial, production and supply chain decision making › Improved production performance and sales planning – job changes reduced by 31%
Complex product mix not optimally aligned to production footprint	i. Product mix rationalised ii. Product mix aligned to production footprint	› First phase complete
Growth opportunity in wine	i. Established partnership with Verallia Glass	› Good progress made › Expanded marketing presence in Western Cape › Tonnage sold increased by 30%

Our competitive advantage unchanged

- Single site lower cost producer
  - Well capitalised equipment
  - One site production benefits from economies of scale
  - Energy efficient furnace
  - Product portfolio fits operations strategy
- Strong relationships with key customers
- Increased product offering with expanded capacity with commissioning of Furnace 3
- Rotary Uninterrupted Power Supply (RUPS) critical for process stability and contingency

Conclusion

- Short-term issues of 2014/2015 resolved
  - Operation stable, safe and reliable, business profitable
  - Key learnings and preventative measures embedded
- Short-term demand slow down at key customers
  - Aggressive plans put in place by customers to regain market share, Nampak Glass expected to benefit
- Medium-term outlook positive as new markets are developed
- World class energy efficiency and highly competitive cost base

Bevcan update

Erik Smuts
Group Executive: Bevcan

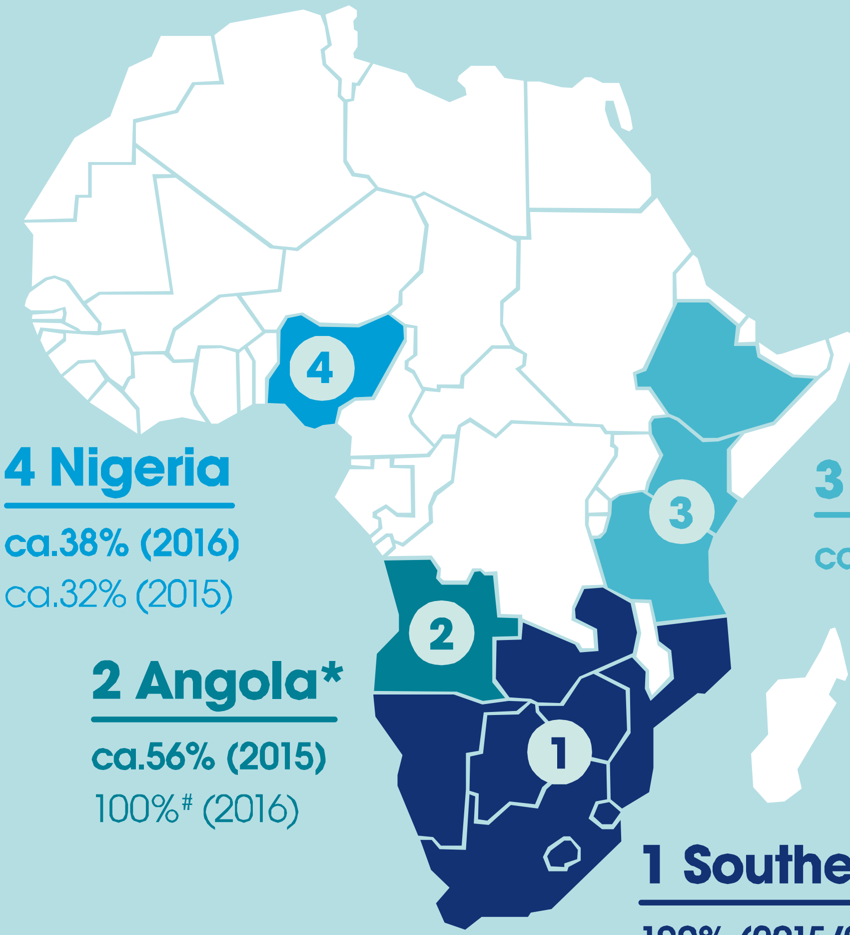
27 September 2016

Nampak Bevcan

Estimated market shares

Key market drivers

- Pack-share dynamics
- Marketing and supply decisions by customers
- General demand for carbonated soft drinks and alcoholic beverages
- Overall economic growth



4 Nigeria

ca.38% (2016)
ca.32% (2015)

3 East Africa

ca.33% (2015/2016)

2 Angola*

ca.56% (2015)
100%# (2016)

1 Southern Africa

100% (2015/2016)

* NPK only local producer
\# Includes new agreement – supply starting March 2016.

South Africa update
Sluggish economy, improved efficiencies

Operations

- Operations excellence initiative implemented
  - Significant improvement in overall operational performance at Springs
- Rosslyn Line 2
  - Commissioned on time and within budget
  - Leveraged learnings from previous aluminum installations
  - Efficiencies and spoilage ahead of expected learning curve
- Ends plant expansion project
  - Commissioned on time and within budget
  - Efficiencies and spoilage ahead of expected learning curve
- Existing steel lines still operating at good efficiencies

Market

- Market dynamics changed
  - Sluggish economic growth impacting consumer spend and consumer decisions
  - Pack-share maturity in alcohol, growth potential in CSD
- Volumes for 2016 expected to be ±6% down:
  - Softening market (-2.9%)
  - Cessation of exports to Angola (-3.1%)
- Volume decline effect on results cushioned by operations improvement and cost reductions
- Well positioned to defend market share and leverage opportunities
- Customer consolidation potentially good for CSD can volume growth
- ABInBev brings new challenges and opportunities
- Tax on sugar sweetened beverages (sugar tax) impact uncertain, regulation not finalised

Durban closure

- Consultations with unions and affected parties
  - Commenced in May 2016
  - Now concluded
- Communicated closure date – 15 December 2016
- Estimated saving for 2017 = R30 million
- Annualised saving after 2017 = R40 million
- Execution in accordance with plan

Angola update
Risk to further volume decline reduced

Operations

- Current installed capacity ± 1.7 billion cans
- Both lines, one steel line and the recently commissioned aluminium line are operating very well
- Very good efficiency and spoilage learning curve on the aluminium line
- Capacity now available to supply the market
- Agreement reached with major CSD customer for can bodies
  - Supply can bodies commenced March 2016
  - Now also supplying ends since commissioning of Springs Ends plant expansion
- Labour reduction and other cost reduction measures to partly offset lower volumes
- Conversion of the steel line to aluminium being considered – depends on market performance and liquidity outlook

Market

- Overall volumes down significantly due to macroeconomic challenges linked to the low oil price
- Liquidity constraints, slow growth and high inflation impacting demand
- Margin impacted by lower volume and pricing
- Full impact of lower market volumes reduced by volume gained from new customers
- Full year volumes expected to be down 4 – 5%
- Recovery expected in 2018/2019 should oil price stabilise and economy find new equilibrium
- Import duties in place
- Translation losses on kwanza cash balances expected due to local currency devaluation

Nigeria update
Line operating well, gained market share

Operations

- Current installed capacity 1.0 billion cans, acquired in 2014
- Excellent facility
- Aluminium line still operating well
  - Good production efficiencies and spoilage level
- LPG and diesel generators used to supplement energy requirements
- Second aluminium line to be considered when justified by market growth

Market

- Overall volumes flat due to macroeconomic challenges linked to the low oil price
- Bevcan volume grew due to contractual volume allocations
- Market growth expected to remain sluggish due to high inflation and liquidity constraints
- Pack substitution not evident, carefully monitored
- Can pack share still low compared to international norms
- Significant translation losses on naira cash balances expected due to local currency devaluations

Key focus areas

1. **Liquidity constraints and foreign exchange restrictions in Nigeria and Angola**
2. **Continuous improvement programme**
   » Operations excellence
   » Leverage newly installed capacity
   » Streamline talent management and skills training
   » Planning optimisation
3. **Reduce costs**
   » Durban closure
   » Line manning level optimisation
4. **Improve cash generation**
   » Stringent working capital management

Conclusion

- Recapitalisation program completed
- Focus on cost management and cash generation
- Bevcan now in a very strong position to defend its market
  - Latest technology implemented at favourable exchange rates
  - Low cost structure
  - Internationally competitive pricing
  - Long-term agreements in place
- Volume growth in short term impacted by macroeconomic challenges
  - Impact of lower volumes in SA more than offset by operational gains
  - Long-term demographics in Africa point towards very strong beverage growth

Nampak in the Rest of Africa

Nampak
packaging excellence

Rob Morris
Group Executive: Glass and Rest of Africa

27 September 2016

Our African operations

Nampak
packaging excellence

South Africa
4 158

Kenya
209

Tanzania
70

Angola
220

Malawi
125

Zambia
165

Botswana
18

Nigeria
509

Zimbabwe
603

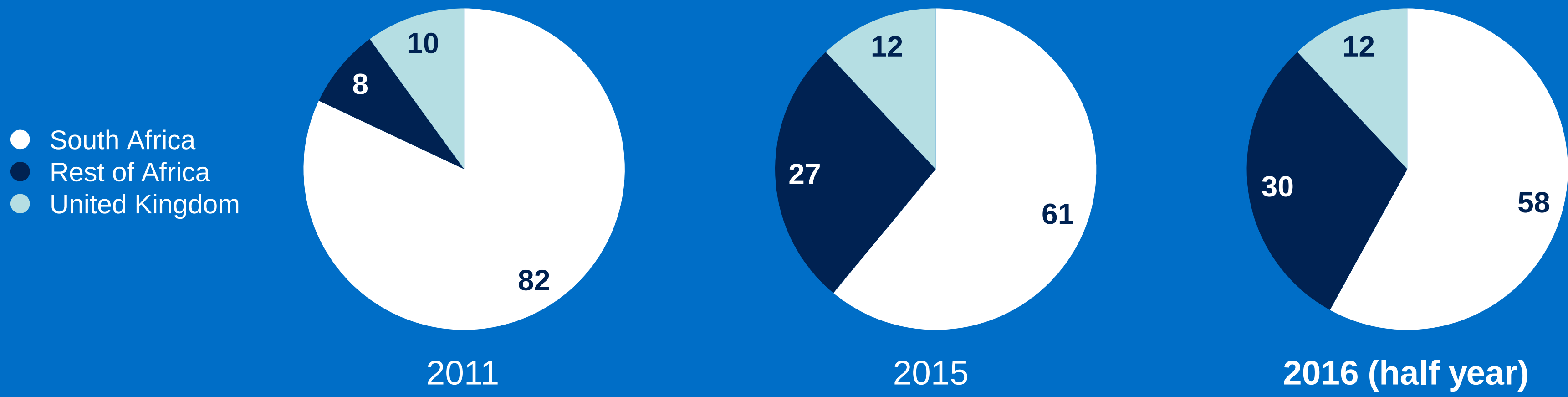
Ethiopia
8

Swaziland
8

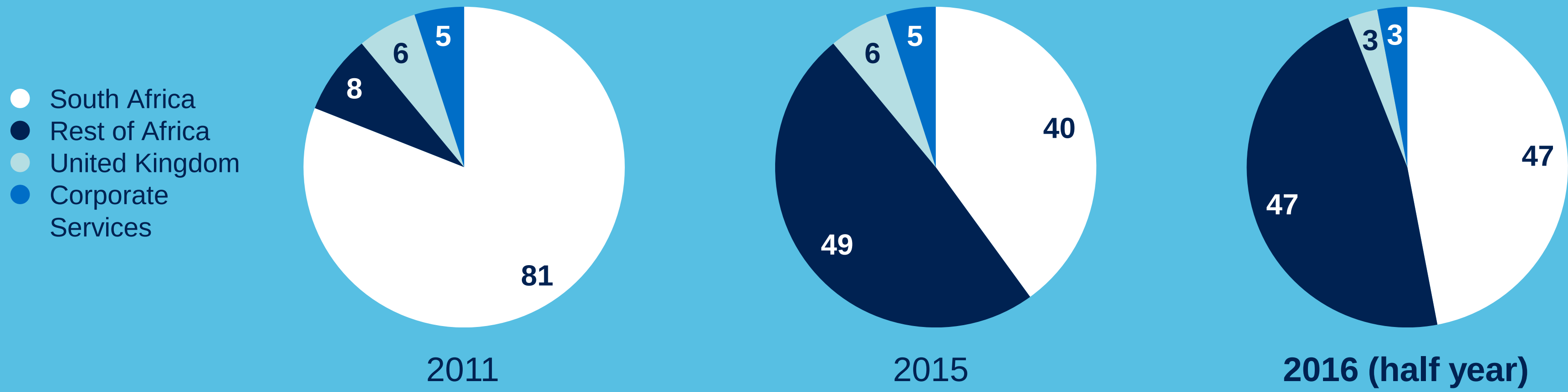
Number of operations

Revenue and trading profit contribution by region

REVENUE (%)



TRADING PROFIT (%)



Stable demand in challenging macroeconomic conditions

2016 key market issues

› Key market GDP growth rate estimates revised downwards
› Low oil price and associated liquidity issues
› Exchange rate volatility
› General impact of low commodity prices and high inflation

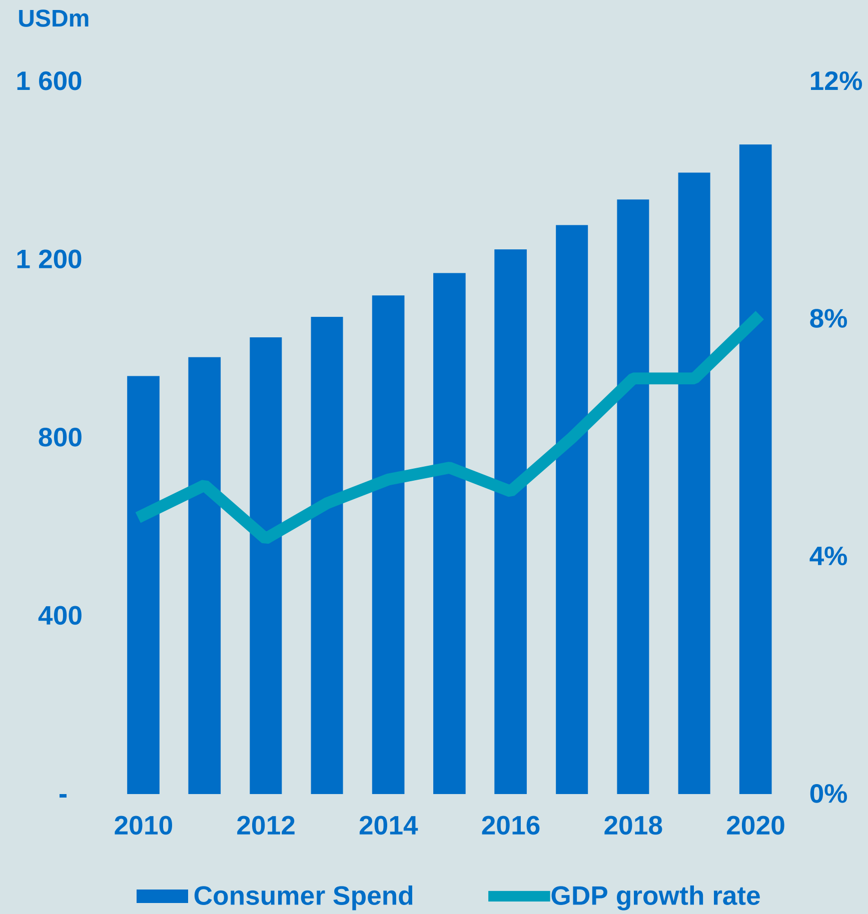
Short term market outlook

› Stable demand in majority of the region – slow growing economies
› GDP growth rate expected to improve in 2017
› Oil price: “lower for longer”
› Foreign exchange illiquidity expected to continue in Angola, Nigeria, Zimbabwe
› Foreign exchange rate impact on earnings

The opportunity

Medium- to long-term growth fundamentals remain compelling

- Large growing populations
- Increasing working-age population (18 – 25)
- Rapid urbanisation
- Growth of the lower/ middle income consumer, creating demand for packaged products . ($1 000/$4 000 per annum)
- Consumer spend accounts for ~60% of GDP (avg.)
- Strong growth in implementation of key infrastructure projects, improving cost and ease of doing business
- GDP growth rate slowed, to recover 2017
- Improving conditions around policy certainty
- Strengthening political commitment to private sector growth and job creation



Source: McKinsey, World Bank, Standard Bank Research, AfDB, Frost & Sullivan

Business update
Paper

- **Nigeria Cartons**
  - Cigarette carton sales recovery continues
  - Foreign exchange devaluation and liquidity issues expected to continue
- **Zambia**
  - Sorghum beer carton volumes down due to lower demand and product substitution
  - Extreme currency volatility
- **Malawi**
  - Strong sorghum beer carton sales
  - Good year
- **Bullpak**
  - Good year with flat demand for self-opening bag
  - New market entrants
- **Hunyani**
  - Softer demand but cost containment contributes to a good performance

Business update
Metals and Plastics

- **General metal packaging**
  - **Nigeria**
    - Nigeria demand improving but variable
    - ZAR/USD exchange rate benefits performance
  - **Kenya**
  - Agricultural market slow and ongoing customer self manufacture
- **Plastic**
  - **Zimbabwe, Nigeria, Ethiopia**
    - Zimbabwe: Continued growth benefiting from import replacement and general stronger demand
    - Nigeria: Closure demand increasing
    - Ethiopia: Crate line operational
      - Regulatory administrative delays

The project pipeline

CONCEPT DEVELOPMENT	ASSESS/ FEASIBILITY	PLAN	FINAL INVESTMENT DECISION	EXECUTION	COMMISSIONING	OPERATE
› Nigeria Bevcan (Line 2) › Angola Glass (Greenfield) › Nigeria (Closures expansion) › Angola Bevcan (Line 3) › Kenya (EOE)	› Nigeria Glass (Greenfield) › Ethiopia Glass (Greenfield) › Nigeria (Food can line) › Ethiopia (ECCCMI)	› Tanzania (Rigids) › Zambia (Closures)				› Angola Bevcan (Line 2) › Ethiopia (Crates) › Kenya (ROPP) › Nigeria (Closures)

PERIOD TO COMMISSIONING

CONCEPT DEVELOPMENT	ASSESS/ FEASIBILITY	PLAN	EXECUTION
2 – 3 years	**18 – 24 months**	**12 – 18 months**	**0 – 12 months**

The Lagos Closures line

Ethiopia Crate Factory

Kenyan ROPP Line

The project pipeline

CONCEPT DEVELOPMENT	ASSESS/ FEASIBILITY	PLAN	FINAL INVESTMENT DECISION	EXECUTION	COMMISSIONING	OPERATE
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PERIOD TO COMMISSIONING

CONCEPT DEVELOPMENT	ASSESS/ FEASIBILITY	PLAN	EXECUTION
2 – 3 years	18 – 24 months	12 – 18 months	0 – 12 months

Glass opportunities
Nampak being circumspect

Nigeria greenfield opportunity

- Additional capacity required, medium term capacity constrained
- MoU finalised with a local partner (owner of Lotus Plastics)
- Land purchased by partner in Agbara
- Close to Nampak Bevcan an established industrial area - gas available
- Support has been received from major customers
- Finalisation awaits stability in Nigerian macro-economic situation
- Feasibility study continues

Ethiopia greenfield opportunity

- MoU signed with Verallia (ex St Gobain)
- Total estimated investment: $50 – $60m
- Target market: beer
- Furnace: Electrically fired
- Feasibility study continues

Conclusion

- 2016 volumes and operating profits good in a challenging environment
- Liquidity and exchange rate volatility will remain an issue
- Long-term macro-economic and demographics remain compelling for target markets
- Fundamental investment hypothesis remains
- Supported by confidence of the investment by key customers in key product and geographical markets
- We are being judicious with investments and managing risks appropriately
- Nigeria and Angola need to stabilise, watch Zimbabwe and Ethiopia but limited impact
- Need to be patient and in a position to take advantage of any recovery
- Centralised procurement of global customers to be managed

DivFood Update

Christiaan Burmeister
Group Executive: DivFood and R&D

27 September 2016


Largest food and diversified can producer in South Africa

Nampak
packaging excellence

1 Rosslyn

Products 2-piece food cans

2 Vanderbijlpark

Products Range of cans and ends

5 Paarl

Products Food can assembly

3 Mobeni

Products Monoblocs, paint and shoe polish cans

4 Epping

Products 2-piece food cans

Progress update on DivFood's implementation of strategic pillars

1. Sell better	› Optimise customer and profit profitability through business unit focus › Rationalisation of product offerings, customer base and raw material inputs	› Process entrenched, intelligent use of information improving › Active customer accounts reduced by 31% › SKUs reduced by 38% › Complexity reducing and factory efficiencies improving
2. Make better	› Safe and efficient operations » Recapitalisation programme » Optimise supply chain	› LTIFR below 0.4 › Projects valued at R400 million put into production in 2016 › Significant opportunity - inventory optimisation
3. Buy better	› Latest technology in light-weighted tinplate and reliable supply of quality material	› Import duties on tinplate averted › Stability in supply and import supply chain established › Converting to thinner gauge DR material and product development with AMSA progressing well

Leading market shares across products

	Competitive dynamics
Major market categories	DivFood share (%)
Vegetable	83
Fish	100
Fruit	39
Meat	100
Other	63
Tinplate aerosols	71
Monobloc aerosols	62
Paint	58
Polish	84

- Nampak DivFood is the only two-piece food can manufacturer in South Africa
- Fruit volume secured with key customer from 2016 onwards
- Long-term agreements with leading customers in place
- Competitive landscape changing

Food packaging: Market dynamics

Nampak
packaging excellence

Fruit and vegetables

- Vegetables
  - A cost effective source of protein
  - Some trading down taking place
  - Stable volume, GDP related growth expected
- Fruit
  - Mainly export market
  - Volumes influenced by agricultural harvest
  - Weak exchange rate supports the category

Fish

- Source of protein for lower LSM categories
- Volume growth expected in 2016, 2017 on back of increased local canning of imported frozen fish
- Fish quota in South Africa reduced for 2016 and Namibia resource concerning

Meat and milk

- Meat
  - Volumes expected to grow above GDP with brand owners accessing RoA market
  - Additional canning capacity coming on stream
- Milk category stable but not exciting

Pet food, Jam and Exports

- Pet food – Consumer preference for dry product, expect continued decline in category
- Jam – Category in cans in decline, alternative spreads
- Exports – Selective opportunities being explored

Food packaging is 60% of DivFood business

Diversified packaging: Impacted by rationalisation of portfolio

Tinplate aerosols

- Insecticides category has done well, influenced by weather
- Home care volumes under pressure as consumer struggles
- Volumes expected to grow in line with GDP

Paint and allied

- Significant rationalisation of portfolio and manufacturing footprint has reduced volumes
- Profitability of category much improved
- Recent investment allows us to broaden market offering – grow volume

Monoblocs

- For the personal care market, aspirational products
- Local brand owners performed better in 2016 against imports
- We export what we cannot sell locally

Polish, Fuels and lubes, General purpose

- Polish – Floor polish declining category, shoe polish has some life in it yet
- Fuels and lubes – Substitution into plastic will have significant impact on 2017 volume
- General products – reduced volume on back of significant rationalization of portfolio

Diversified packaging is 40% of DivFood business

Conclusion

- 2016 has seen significant commissioning of new equipment in Vanderbijlpark and Mobeni with accompanying change in business
- Programme has been executed well and customer base continues to receive good service and a high quality products
- Financial and operational performance of the business has improved
- 2017 all about further optimisation and realising value
- Focus on supply chain will deliver:
  - Inventory optimisation
  - Procurement benefits
  - Further operational improvement

Nampak DivFood

Vanderbijlpark

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Nampak DivFood Vanderbijlpark

Nampak
packaging excellence

DivFood Vanderbijlpark key site statistics

PLANT COMMISSIONED 1956 | STAND SIZE 140 830m^2 | AREA UNDER ROOF 85 208m^2

Production lines:

Coil shear	2
Coating	4
Printing	3

Assembly lines:

Food	5
Non-food	4

Component lines:

Food components	24
Non-food	34

Production volume:

2015/16	2.5bn units

Organised labour:

2 recognised unions – NUMSA and Solidarity

Total employees: 639

Safety statistic:

LTIFR 2015/16	0.27 (PY: 0.55)

Manufacturing processes

COIL SHEAR

COATING

PRINTING

COMPONENT MANUFACTURING

CAN ASSEMBLY

NON-FOOD

Key capex projects: 2016
Vanderbijlpark

Food assembly reinvestment

- New catering line and new consumer size line with a dual back-end for quicker changeovers
- Both high speed and capable of running double reduced (DR) materials, with more modern and robust powder side stripe capability
- S12I allowance tax benefit received
- Commissioned: July 2016
- Total cost: R104 million and R40 million

Key capex projects: 2016
Vanderbijlpark

Food components upgrade

- Rationalisation of capacity footprint, expected to increase utilisation from 40% to 80%
- Rectangular end line upgrade with improved compound application and curing with reduced packers
- Keyed ends process upgrade
- Easy opening end tab upgrade with materials savings
- Compound ring main line deployed throughout ends department
- Commissioned: September 2016
- R64 million

Key capex projects: 2016

Generators – all plants

- All three DivFood sites equipped with diesel generators
- Reduces dependence on Eskom supply
- Reduces impact of infrastructural/distribution failure by local municipalities
- Commissioned: July 2016
- R45 million (for 3 plants)

Arrangements for Vanderbijlpark visit

- Board the bus and travel to Vanderbijlpark
- Upon arrival at Vanderbijlpark:
  - Security check
  - Light lunch
  - Safety briefing and issuing of PPE
  - Factory tour guided and hosted by Vanderbijlpark team
- Board bus and return to Nampak House

Thank you