



Nampak
packaging excellence

INTEGRATED ANNUAL REPORT 2012



Nampak's sustainability is highly dependent on its ability to produce packaging that benefits all its stakeholders.

As Africa's largest packaging company we recognise the role that we play in providing products and services that minimise their impact on the environment, customers and consumers.

The group participates in extensive recycling initiatives and continues to invest significant time and resources into the development of more sustainable products.

Nampak's research and development facility based in Cape Town provides the group's customers with an impressive value-added service, delivering packaging products that improve living standards and lifestyles.

We recognise that the sustainability of the business is totally dependent on successful interactions with all our stakeholders.



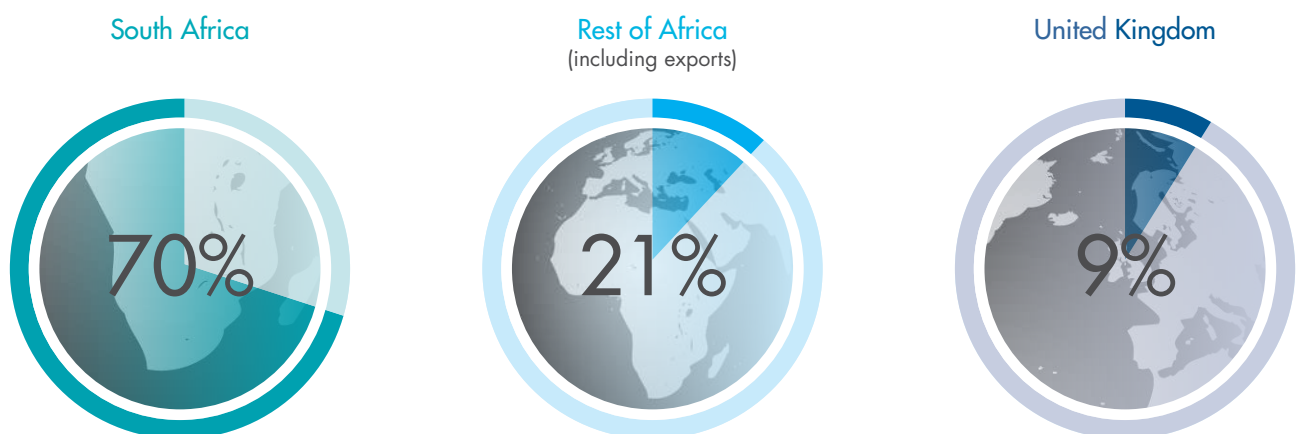


NAMPAK IS AFRICA'S LARGEST PACKAGING MANUFACTURER AND HAS BEEN LISTED ON THE JOHANNESBURG STOCK EXCHANGE SINCE 1969. IN SOUTH AFRICA WE MANUFACTURE PACKAGING PRODUCTS FROM METAL, GLASS, PAPER AND PLASTICS WHICH ARE SUPPLIED TO A WIDE RANGE OF CUSTOMERS. WE ARE ALSO A LEADING PRODUCER OF TOILET TISSUE AND RELATED PRODUCTS.

IN THE REST OF AFRICA WE HAVE MANUFACTURING OPERATIONS IN ANGOLA, BOTSWANA, ETHIOPIA, KENYA, MALAWI, MOZAMBIQUE, NAMIBIA, NIGERIA, SWAZILAND, TANZANIA, ZAMBIA AND ZIMBABWE.

WE ARE THE MAJOR SUPPLIER OF PLASTIC BOTTLES TO THE DAIRY INDUSTRY IN THE UNITED KINGDOM.

Our regions and their contribution to group revenue



- ⦿ Collection and recycling of all types of used packaging is of the utmost importance and is a core strategic activity.
- ⦿ Our world-class research and development facility based in Cape Town provides technical expertise and support to our businesses as well as to our customers.
- ⦿ The corporate office is based in Sandton, South Africa.

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Group at a glance



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What the CEO has to say



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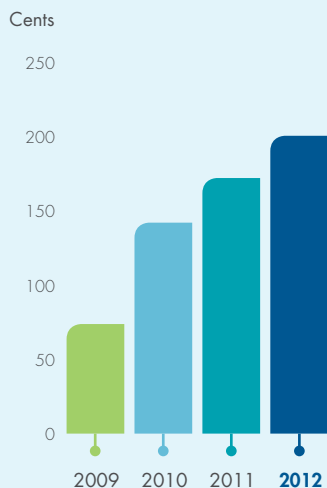
Product stewardship



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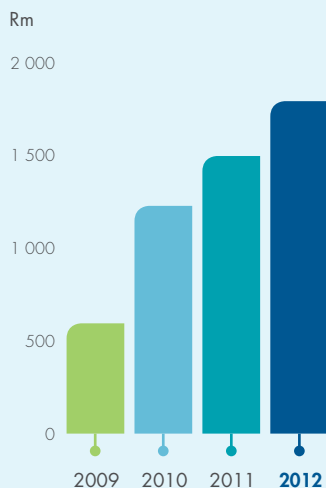
HEADLINE EARNINGS PER SHARE FROM CONTINUING OPERATIONS INCREASED BY 16.5% TO

200.8 cents



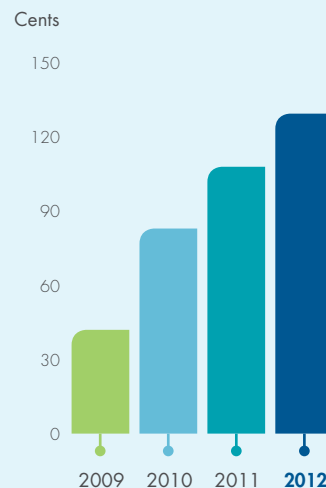
OPERATING PROFIT INCREASED BY 20% TO

R1.8 billion



DIVIDENDS/CASH DISTRIBUTION PER SHARE INCREASED BY 20% TO

129.5 cents





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Abridged financial statements

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IBC	Corporate information

Financial and non-financial highlights

- ⊙ The trading margin increased from 9.8% to 10.2%
- ⊙ Headline earnings per share from continuing operations increased by 16.5%
- ⊙ Trading profit in the rest of Africa increased by 159%
- ⊙ Wealth created was R6.1 billion
- ⊙ The group improved its Empowerdex B-BBEE rating to Level 3
- ⊙ We acquired the remaining 50% shareholding in Nampak Wiegand Glass
- ⊙ We acquired the remaining 50% shareholding in Elopak SA effective 1 November 2012
- ⊙ Our UK business won the best dairy packaging innovation award
- ⊙ Nampak Recycling collected almost 250 000 tonnes of waste paper
- ⊙ The disabling injury frequency rate declined from 1.24 to 1.14

About this report

Nampak's management structure

The Nampak group is managed according to raw material and product type in South Africa and according to geography in the rest of Africa and the United Kingdom.

During 2012 the group acquired the remaining 50% shareholding in Nampak Wiegand Glass and with effect from 1 November 2012 Elopak SA as part of its stated strategy of investing in its core businesses.

Nampak's reporting approach

This report is Nampak's second integrated annual report and provides further steps towards the group's integrated reporting journey and builds on the disclosures provided in the group's 2011 annual report. This is in line with Nampak's incremental approach to reporting on non-financial performance, whereby it aims to provide greater detail on material economic, social and environmental indicators year-on-year.

The group has made progress since last year and management recognises that it has still more to do to implement a combined assurance framework on which to report to stakeholders.

Nampak aims to achieve the highest standards in all the disclosures included in this report in order to provide meaningful, accurate, complete, transparent and balanced information to stakeholders. The board and board committees were actively involved in finalising disclosures made in this report.

Scope and boundary of the report

The information in this report covers the group's performance for the year ended 30 September 2012. However, where it is informative to add information post 30 September 2012, this has been included and noted.

Since the release of Nampak's annual report for the year ended 30 September 2011, the remaining 50% shareholdings in Nampak Wiegand Glass and Elopak SA were acquired. Where restatements have been made, these have been indicated in the report.


The majority of the content contained in this report is relevant to all divisions of Nampak in South Africa, the rest of Africa and the United Kingdom. Some information, such as the reporting on broad-based black economic empowerment (B-BBEE) and HIV/Aids pertains to the group's South African operations. Exclusions to the scope are noted in the relevant sections of the report.

The information included in the integrated annual report has been provided in accordance with International Financial Reporting Standards (IFRS), the South African Companies Act, No 71 of 2008, the JSE Listings Requirements, the King Code of Governance Principles for South Africa 2009 (King III) and the guidance provided in the Integrated Reporting Committee of South Africa's Framework for Integrated Reporting.

The Global Reporting Initiative (GRI) G3.1 guidelines were used in the preparation of this report. Nampak has self-declared the group's reporting as a C level report according to these guidelines.

The financial statements contained in this report have been independently assured by Deloitte & Touche. The non-financial indicators contained in this report have been independently assured to the extent shown in table 3 on page 77 of this report. The board is satisfied with the group's internal controls and oversight relating to these disclosures. References to supporting information are provided throughout the report.



Where this symbol  appears in the report further information is available on the group's website www.nampak.com



Download QR Code reader for your smartphone and **SCAN OUR QR CODE FOR MORE INFORMATION.**

Our group structure and where we operate

SOUTH AFRICA

<p>Metals and Glass</p> <p>Bevcan Collect-a-Can 40% DivFood Glass</p>	<p>Paper and Flexibles</p> <p>Cartons and Labels Corrugated Flexibles Sacks</p>	<p>Plastics</p> <p>Closures Liquid cartons Liquid plastics Megapak Petpak Tubes</p>	<p>Tissue</p> <p>Nampak Tissue Sancellla 50% Nampak Recycling</p>	<p>Group Services</p> <p>Nampak Management Services Research and Development Nampak Properties</p>
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REST OF AFRICA

<p>Angola</p> <p>Angolata 70%</p>	<p>Botswana</p> <p>Nampak Liquid Botswana</p>	<p>Ethiopia</p> <p>Ethiopian Crown Cork 25%</p>	<p>Kenya</p> <p>Nampak Kenya Bullpak 49%</p>
<p>Malawi</p> <p>Packaging Industries Malawi</p>	<p>Mozambique</p> <p>Crown Cork Mozambique 50%</p>	<p>Namibia</p> <p>Nampak Petpak Namibia</p>	<p>Nigeria</p> <p>Nampak Metals Nampak Cartons and Labels</p>
<p>Swaziland</p> <p>Nampak Corrugated Swaziland 90%</p>	<p>Tanzania</p> <p>Nampak Tanzania</p>	<p>Zambia</p> <p>Nampak Zambia</p>	<p>Zimbabwe</p> <p>Carnaud Metalbox Zimbabwe Hunyani Holdings 39% Megapak Zimbabwe 49%</p>

UNITED KINGDOM

<p>Nampak International</p> <p>Isle of Man</p>	<p>Nampak Plastics</p> <p>United Kingdom</p>
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Group at a glance



Metals and Glass

Bevcan, DivFood and Glass

Angola, Kenya, Mozambique, Nigeria, Tanzania, Zambia and Zimbabwe



Products

- Tinplate beverage cans
- Aluminium ends
- Two and three-piece food cans
- General line cans
- Aluminium and tinplate aerosol cans
- Aluminium and tinplate closures
- Tinplate crowns
- Glass bottles
- Wide-mouth glass jars

Operating performance

Rm	2012	2011
Revenue	7 093	5 778
Trading profit	892	773
Trading margin (%)	12.6	13.4
Employees	3 357	3 267
Carbon emissions* (tonnes)	288 569	230 417

*RSA only in 2011.

- Strong demand for beverage cans in South Africa
- Angola beverage can operation running at full capacity
- Invested in additional aluminium aerosol capacity
- Glass business wholly owned and furnace 2 rebuilt
- Introduced wide-mouth glass jars

Managing directors

Erik Smuts	Bevcan and Angola
Ephraim Msane	DivFood
Stoney Steenkamp	Glass
Ian Randall	Kenya and Tanzania
John van Gend	Zimbabwe
Terry Wilson	Nigeria Metals



Paper and Flexibles

Cartons and Labels, Corrugated, Flexibles and Sacks

Kenya, Malawi, Nigeria, Zambia and Zimbabwe



Products

- Corrugated boxes
- Folding cartons
- Labels
- Multi-wall sacks
- Plastic, paper and aluminium laminations
- Pouches
- Self-opening bags

Operating performance

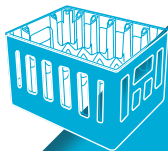
Rm	2012	2011
Revenue	4 961	4 797
Trading profit	378	246
Trading margin (%)	7.6	5.1
Employees	3 679	3 601
Carbon emissions* (tonnes)	235 232	226 533

*RSA only in 2011.

- Good performance from Rosslyn paper mill
- Weak consumer demand impacted Cartons and Flexibles businesses
- Increased exports of cement sacks
- Strong cigarette carton demand in Nigeria

Managing directors

Christiaan Burmeister	Corrugated
Leon Selzer	Cartons and Labels
Clinton Farndell	Flexibles
Craig Dingley	Sacks
David Bain	Hunyani Holdings – Zimbabwe
Simon Itaye	Packaging Industries Malawi
Stewart Lamb	Zambia
Andrew Loggie	Nigeria Cartons and Labels



Plastics

Liquid Packaging, Petpak, Closures, Megapak and Tubes
United Kingdom



Tissue

Tissue
Sancella (50%)
Nampak Recycling



Products

- HDPE bottles (milk, juice)
- Closures
- Liquid packaging cartons
- Crates
- Drums
- PET bottles (carbonated soft drinks)
- Tubes

Operating performance

Rm	2012	2011
Revenue	3 957	3 625
Trading profit	394	327
Trading margin (%)	10.0	9.0
Employees	2 173	2 245
Carbon emissions* (tonnes)	149 552	176 427

*RSA only in 2011.

- Lower sales of plastic bottles to the dairies in South Africa
- Acquired remaining 50% shareholding in Elopak SA
- Good demand for PET bottles
- Outstanding sales of sorghum beer cartons
- UK operation won dairy packaging innovation award

Managing directors

Willem Pienaar	Liquid Packaging and Petpak
Eric Collins	Nampak Plastics UK
Chris Brink	Closures and Tubes
Joel Sibanda	Megapak

Products

- Toilet tissue
- Disposable nappies
- Facial tissue
- Feminine hygiene products
- Incontinence products

Operating performance

Rm	2012	2011
Revenue	1 628	1 619
Trading profit	111	129
Trading margin (%)	6.8	8.0
Employees	1 029	1 053
Carbon emissions* (tonnes)	73 742	78 373

*RSA only in 2011.

- Marginal growth in toilet tissue sales
- Increased disposable diaper sales
- Fierce competition in all markets

Managing director

Kennedy Nzimande	Tissue
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Stakeholder engagement

Introduction

Nampak recognises that the sustainability of the business is totally dependent on successful interactions with its stakeholders. Communicating with, and listening to, entities or individuals on whom the group has an impact, or who in turn impact on Nampak, is good business practice and informs strategy.

Stakeholder issues are brought to the attention of the board or board members directly outside of formal board meetings where necessary. Opportunities and risks arising from stakeholder engagements are also captured and addressed in the risk management process.

Stakeholder governance and policies

The Nampak board is the ultimate custodian of corporate reputation and stakeholder relationships in the group. The board determines the group's key stakeholder groups and Nampak's stakeholder engagement strategies and objectives.

The board has identified eight key stakeholder groupings based on the following broad relationship categories: responsibility, influence, proximity, dependence and representation. The identified stakeholder groups are closely related to Nampak's ability to deliver long-term sustainable performance from an economic, social and/or environmental perspective.

The group's stakeholder engagement policy sets out the strategies and objectives behind its engagements with material stakeholders. It also sets out the mechanisms that support the various engagement processes, through a multi-layered approach making use of many different mechanisms of engagement through all levels of the group.

The guiding principles behind all stakeholder engagements include:

- ⊙ **Equality** in the treatment of stakeholders with appropriate forums in place for stakeholders to voice their points of view;
- ⊙ **Transparent** communication, but within the overall boundaries set by legislative requirements;
- ⊙ **Effective** communication, with a continuous improvement approach;
- ⊙ Need for **balance** in presenting both the positive and negative aspects of performance; and
- ⊙ Presentation of **accurate and relevant information**, with a measured approach to the introduction of assurance on non-financial aspects.

All stakeholders may report matters of concern to "Tip-offs anonymous" which is run independently by Deloitte & Touche on a confidential basis. Details are included in the governance report on page 71 of this report.

Stakeholder engagement

Nampak engages with its key stakeholders on an ongoing basis in a variety of ways. The following pages provide an indication on how Nampak engages with its stakeholders, the preferred outcome of engagements and key objectives as well as the typical forms of engagement that take place. In addition, Nampak has noted the material issues that arise either during the year or on a regular basis in its engagement with its stakeholders as well as its responses.

Stakeholder grouping	Preferred outcome	Key objectives	Forms of engagement	Material issues and Nampak's responses
<p>Investors, financial institutions, JSE Ltd</p>	<ul style="list-style-type: none"> Trust and confidence between the group and its current and potential shareholders, financial institutions and the JSE 	<ul style="list-style-type: none"> Provision of timely, transparent, accurate and relevant information thereby ensuring that the group is accurately valued in the market 	<ul style="list-style-type: none"> Integrated annual report, annual general meeting, annual and interim results presentations, local and international investor days Opportunities to raise questions and seek clarity in structured forums, verbally or written Completion of appropriate public surveys 	<ul style="list-style-type: none"> Nampak understands the earnings and general sustainability expectations of its shareholders and has taken these into account when developing its strategy and remuneration philosophy. Refer to pages 24 and 25 and 79 to 82. Specific focus is placed on addressing governance within the group at the required levels. Investors, financial institutions and the JSE as well as other stakeholders did not raise specific concerns in this regard.
<p>Employees</p>	<ul style="list-style-type: none"> Environment which provides a value proposition, which is equitable, fair and addresses employee wellbeing 	<ul style="list-style-type: none"> Embed a culture of good work ethic and performance management Well-trained and developed workforce Strong adherence to safety, health and environmental work practices Compliance to applicable laws, regulations and standards 	<ul style="list-style-type: none"> Access to management and supervisors to raise awareness of issues and opportunities Written newsletters, intranet site, policies, procedures and standards, code of conduct and business ethics Access to appropriate training and development programmes Engagement through recognised union structures Safety, health and environmental committees 	<ul style="list-style-type: none"> Nampak recognises the value of employees' contribution to business success and engages actively when developing policies and procedures. Nampak has implemented a comprehensive wellness programme which was based on an attitude survey that showed employees' views, beliefs and perceptions on health matters.

Stakeholder engagement continued

Stakeholder grouping	Preferred outcome	Key objectives	Forms of engagement	Material issues and Nampak's responses
Customers	<ul style="list-style-type: none"> Delivery of world-class packaging solutions 	<ul style="list-style-type: none"> Business environment which provides: <ul style="list-style-type: none"> Partnerships Quality products Competitive pricing Dependable delivery Innovative offerings Customised choice Ease of doing business Service support 	<ul style="list-style-type: none"> Access to Nampak's research and development team to assist with resolving product queries and product innovation Meetings, one-on-one discussions, written and verbal communication at all levels in the organisation Product exhibitions Customer and consumer surveys 	<ul style="list-style-type: none"> Nampak has responded to socio-economic requirements and customer requests by achieving a Level 3 contributor status in its B-BBEE position. This will assist customers with their own B-BBEE scorecards with Nampak providing for 110% procurement recognition spend. Product pricing is consistently raised by customers in contract renewal negotiations. Nampak's packaging excellence strategy encourages the business environment (set out under the key objective section) which assists with the pricing debate and contract renewal processes.
Suppliers	<ul style="list-style-type: none"> Relationships that result in consistent supply of quality materials and services Focused procurement aligned to transformation initiatives 	<ul style="list-style-type: none"> Mutually beneficial contractual arrangements 	<ul style="list-style-type: none"> Meetings, one-on-one discussions, written and verbal communication at all levels in the organisation 	<ul style="list-style-type: none"> Specific engagements take place with Nampak's suppliers to ensure continued quality supply to its divisions.
Trade unions	<ul style="list-style-type: none"> Climate of mutual understanding and respect and non-adversarial relationship built between the group, divisions and trade unions that permits transparency and constructive debate on material issues facing the business and its employees 	<ul style="list-style-type: none"> Regular information sharing and involvement in consultation affecting trade union members Adherence to the principle of freedom of association Employee and shop steward development and training programmes 	<ul style="list-style-type: none"> Negotiated recognition agreements Bargaining councils Consultation forums Conflict management structures 	<ul style="list-style-type: none"> Nampak adopts a pluralistic approach and engages actively with all recognised unions irrespective of their size. Increasing the capacity of employee shop steward representatives is essential to delivery of sound employee relations.

Stakeholder grouping	Preferred outcome	Key objectives	Forms of engagement	Material issues and Nampak's responses
Industry and government associations	<ul style="list-style-type: none"> Constructive and unified engagement on matters affecting industry Alignment of industry training offerings with general industry requirement 	<ul style="list-style-type: none"> Regular sharing of information at industry body sessions Development of responses to proposed changes in legislation that affect the industry 	<ul style="list-style-type: none"> Industry forums Meetings, written and verbal communication 	<ul style="list-style-type: none"> Significant focus has been placed on establishing an Industry Waste Management Plan and the packaging industry is ready to engage with government. Industry supports increased reuse and recycling initiatives that will result in a reduction of packaging waste to landfill in a structured manner. Refer to pages 60 to 63.
Government, parastatals, provincial and local municipalities	<ul style="list-style-type: none"> Engagement on matters which affect the macro-economy and industry including environmental and social aspects as well as compliance (such as the South African Revenue Service (SARS)) 	<ul style="list-style-type: none"> Attendance by executive and senior management at meetings and forums Compliance with relevant regulation and legislation 	<ul style="list-style-type: none"> Meetings, written and verbal communication 	<ul style="list-style-type: none"> Nampak regularly participates in meetings with senior officials in local and national government.
Community and civil society	<ul style="list-style-type: none"> Structured social and enterprise development initiatives aligned to communities in which the group operates Create understanding in the value of packaging and encouragement of recycling Delivery of packaging that informs consumers 	<ul style="list-style-type: none"> Ongoing consultation with communities on issues which may affect them such as building new factories, recycling opportunities Corporate social investment with a specific focus in education, health and welfare and environmental initiatives 	<ul style="list-style-type: none"> Meetings, one-on-one discussions, written and verbal communication Consumer education interventions 	<ul style="list-style-type: none"> Nampak is attentive to the impact its packaging may have on the environment and the communities in which it operates. It actively participates in its own as well as industry initiatives to improve awareness of and to increase recycling opportunities. For more details refer to pages 24, 37, 38 and 60 to 63.



leading.

OUR GROWTH STRATEGY THAT WAS IMPLEMENTED THREE YEARS AGO CONTINUES TO BENEFIT THE GROUP. THIS STRATEGY AIMS TO DELIVER A BETTER FOCUSED GROUP THAT IS MORE PROFITABLE, HAS IMPROVED OPERATING MARGINS AND EARNS BETTER RETURNS ON CAPITAL EMPLOYED.

Independent non-executive directors



Tito Mboweni (54)
Chairman



Roy Andersen (64)



Dr Reuel Khoza (63)



Phinda Madi (48)



Veronica Nomfanelo Magwentshu (41)



Disebo Moephuli (48)



Nosipho Molope (48)



Roy Smither (67)



Peter Surgey (58)

Executive directors



Andrew Marshall (57)
Chief executive officer



Gareth Griffiths (59)
Chief financial officer



Fezekile Tshiqi (58)
Group human resources director

Group executive committee



Andrew Marshall (57)



Charles Bromley (49)



Philip de Weerd (58)



Gareth Griffiths (59)



Rob Morris (50)



Ephraim Msane (50)



Kennedy Nzimande (44)



Neill O'Brien (58)



Fezekile Tshiqi (58)

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Nelson Mandela Bridges...
the equivalent weight of metal
we saved last year through
our reduced-weight cans.

Directorate

Independent non-executive directors

1. **Tito Mboweni (54)**
Chairman
 BA (National University of Lesotho); MA (University of East Anglia)
 Tito was appointed non-executive chairman of Nampak with effect from 1 June 2010. He was Minister of Labour from 1994 to 1998 and the eighth Governor of the South African Reserve Bank from 1999 to 2009. He was Chancellor of the University of the North from 2002 to 2005. He is currently an international adviser to Goldman Sachs and chairman of AngloGold Ashanti Limited.
 Appointed to the board in 2010.
2. **Roy Andersen (64)**
 CA(SA); CPA (Texas)
 Roy is an independent non-executive director of Aspen Pharmacare Holdings Limited and Sasfin Holdings Limited. He is chairman of Murray & Roberts Holdings Limited. He is also a member of the King Committee on Corporate Governance, a Major General and Chief of Defence Reserves of the SANDF and a director of Business Against Crime.
 Appointed to the board in 2008.
3. **Dr Reuel Khoza (63)**
 BA Honours (Psychology), University of the North (now University of Limpopo); MA (Marketing), University of Lancaster, UK; Eng D (Business), University of Warwick, UK; D of Laws honoris causa, Rhodes University
 Chairman of Aka Capital (Pty) Ltd, Nedbank Group, director of Old Mutual plc and several companies in which Aka Capital (Pty) Ltd has invested. Fellow and President of the Institute of Directors in Southern Africa and chairman of the NEPAD Business Foundation. Member of the King Committee on Corporate Governance. Chancellor of the University of Limpopo.
 Appointed to the board in 2005.
4. **Phinda Madi (48)**
 BProc (Unizul); EDP (HEC – Paris), EDP (Northwestern – Chicago, USA)
 Non-executive director of Illovo Sugar Limited, The Spar Group Limited, Sovereign Food Investments Limited and Siyafika Recruitment. He is also the chairman of Allcare Medical Administrators (Pty) Ltd and Ad Hominem Professor at Rhodes University.
 He is a member of Illovo Sugar Limited and Sovereign Food Investments Limited's remuneration committees.
 Appointed to the board in 2008.
5. **Veronica Nomfanelo Magwentshu (41)**
 BSc (Maths and Statistics), University of Transkei; BSc Honours in Statistics, University of Natal; MBA (GIBS) University of Pretoria
 Nomfanelo is an independent adviser to various companies and a non-executive director of South African Forestry Company Limited, Peregrine Holdings Limited, Eastern Cape Development Corporation (ECDC), Coega Development Corporation, Air Traffic Navigation Services and Stimela Infrastructure Management Service (Pty) Ltd.
 She was the chief operations officer of the 2010 FIFA World Cup organising committee and from 2002 to 2007 she held executive management positions at South African Airways.
 Appointed to the board in 2011.
6. **Disebo Moephuli (48)**
 BA (Economics); MBA (Financial)
 Disebo is the group treasurer of Transnet. She has previously held positions at the South African Reserve Bank, Development Bank of Southern Africa, First National Bank and RMB.
 Appointed to the board in 2009.
7. **Nosipho Molope (48)**
 BSc (Med) (Wits); BCompt (Honours) (Unisa); CA(SA)
 Nosipho was the chief financial officer at the Financial Services Board (FSB) from August 2005 until December 2008.
 She is currently a member of the boards of Illovo Sugar Limited, Engen Limited, Old Mutual Life Assurance, Mobile Telephone Networks (Pty) Ltd, MTN Service Provider (Pty) Ltd and MTN Business Solutions (Pty) Ltd. She also serves on the boards of several other MTN Group Limited subsidiaries in east and west Africa.
 Appointed to the board in 2007.
8. **Roy Smither (67)**
 BCom; CA(SA)
 Roy was an executive director of Tiger Brands Limited until retirement in 2006. He currently serves on the board of Rainbow Chicken Limited, and on the credit committee of the FirstRand Banking group.
 Appointed to the board in 2006.
9. **Peter Surgey (58)**
 BA LLB (UCT)
 Peter worked for Barloworld from 1983 to 2008. During that time he held various managerial positions and was the MD of Plascon and CEO of Barloworld Coatings from 1992 to 2003. He was a board member and a director of Barloworld Limited from 1995 to 2008. He is currently a trustee of the President's Trust and the Duke of Edinburgh Award. He is a non-executive director of Evraz Highveld Steel, First Uranium and Control Instruments.
 Appointed to the board in 2009.

Executive directors

10. **Andrew Marshall (57)**
Chief executive officer
 BCom (Hons); MAP (Wits); Diploma in Packaging (UK Institute of Packaging)
 Andrew graduated from the University of Natal, majoring in marketing and financial management. He held various management positions with AECL, then joined HiPak Plastics as sales director. He was subsequently appointed MD of HiPak, then Gundle Plastics, then Kaymac Rotomoulders. He joined Nampak as MD of Petpak, then headed up the group's Flexible operations. In 1999, he was appointed CEO of Oceana. He returned to Nampak as CEO in March 2009.
 Appointed to the board in 2009.

Group executive committee

11. **Gareth Griffiths** (59)
Chief financial officer
BCom (Rhodes); BCompt (Honours) (Unisa); CA(SA)
Gareth joined Nampak as CFO on 1 September 2009. Prior to that he served as chief financial officer of Abu Dhabi Airport Company and South African Airways and held senior executive appointments in the Bidvest group.
Appointed to the board in 2009.
12. **Fezekile Tshiqi** (58)
BA PGDHRM (Wits)
Group human resources director
Fezekile was appointed divisional HR director of Nampak Tissue in 1998 and was appointed HR director, Nampak Africa region, in 2002.
Appointed to the board in 2009.

Group executive committee

1. **Andrew Marshall** (57)
Chief executive officer
See page 14.
2. **Charles Bromley** (49)
Group executive: Metals and Glass
BSc Eng (Chem)
Charles qualified as a chemical engineer in 1985 and spent the next 12 years in various senior positions at Afrox. He joined Nampak in 1997 as sales and marketing director of Bevcan. In 2000 he became managing director of Divpac and Foodcan and in 2003 was appointed director Africa responsible for several paper divisions including Nampak Tissue. In 2008 he was appointed group executive responsible for all Nampak's Metals and Glass businesses. He is also responsible for the beverage can operation in Angola.
3. **Philip de Weerd** (58)
Group executive: Plastics
BSc Eng; MBA; SEP (Stanford)
Philip joined Metal Box in 1980 and held various technical positions at Vanderbijlpark where he became general manager of the Foodcan operation. In 1990 he was appointed managing director of Foodcan and in 1997 managing director of Cartons and Labels (previously known as Printpak). In 2000 he took responsibility for all the group's Rigid Plastics businesses outside Europe. He is also responsible for Nampak's operations in Malawi, Zambia and Zimbabwe.
4. **Gareth Griffiths** (59)
Chief financial officer
See above.
5. **Rob Morris** (50)
Group executive: Paper and Flexibles
Pr Eng; BSc Eng (Chem); BCom (Honours)
After qualifying with a degree in chemical engineering at UCT, Rob joined Unilever. He held various positions in Unilever in both South Africa and Europe before joining Nampak in 1996 as general manager of the Cartons and Labels Gauteng operations. After a period at the Cartons and Labels Cape operation he was appointed managing director of the Cartons and Labels division in 2000. In 2003 he was appointed director Africa responsible for several Paper divisions and then in 2008 appointed group executive responsible for the Paper and Flexible packaging operations. He is also responsible for Nampak's operations in Ethiopia, Kenya, Nigeria and Tanzania.
6. **Ephraim Msane** (50)
Managing director: DivFood
BSc Eng (Chem)
Ephraim graduated from the University of Cape Town in 1985 and joined Unilever's food-related business in January 1986, where he held various positions culminating in his appointment as production manager. He joined Nampak in July 1995 as plant manager in the then Divpac paper products factory in Durban. Since then Ephraim has held a number of senior positions in the group, namely general manager of DivFood Port Elizabeth and Durban as well as managing director of Nampak Glass, Petpak and Megapak. He was appointed managing director of DivFood in April 2008. He is also responsible for Nampak's operation in Mozambique.
7. **Kennedy Nzimande** (44)
Managing director: Nampak Tissue
BCom; MBA (Nyenrode)
Kennedy started his career in sales at BP after graduating with a BCom degree in 1990. He held various senior sales roles before completing his MBA at Nyenrode Business Universiteit in Holland. He joined Gensec Investment Bank in 1999 where he worked in transaction roles and also had responsibility for strategy and planning. He joined Nampak Tissue in 2004, where he worked as business transformation director and had responsibility for the Away from Home business. He worked at African Bank before rejoining Nampak Tissue as managing director in 2009.
8. **Neill O'Brien** (58)
Company secretary and group legal adviser
BProc
Neill graduated from the University of the Witwatersrand and was admitted as an attorney in 1977. He practised as an attorney for a number of years before joining AECL as a legal adviser. Neill joined Nampak as a legal adviser in 1996 and has headed up the legal, secretarial and insurance functions since 2002.
9. **Fezekile Tshiqi** (58)
Group human resources director
See above.

Shareholders' analysis

at 30 September 2012

In accordance with the JSE Listings Requirements, the following tables detail the spread of the registered shareholders as per the share registers at 30 September 2012:

	Number of shareholdings	%	Number of shares	%
Ordinary shareholder spread				
1 – 1 000 shares	4 338	53.80	1 655 203	0.24
1 001 – 10 000 shares	2 704	33.53	9 094 368	1.31
10 001 – 100 000 shares	613	7.60	20 991 423	3.01
100 001 – 1 000 000 shares	317	3.93	103 487 873	14.85
1 000 001 shares and over	92	1.14	561 482 915	80.59
Total	8 064	100.00	696 711 782	100.00
Distribution of ordinary shareholders				
Banks/brokers	146	1.81	88 330 982	12.68
Close corporations	62	0.77	353 888	0.05
Empowerment trusts	2	0.02	59 226 390	8.50
Endowment funds	42	0.52	2 489 612	0.36
Individuals	6 013	74.58	15 324 613	2.20
Insurance companies	54	0.67	52 167 379	7.49
Investment companies	10	0.12	20 143 143	2.89
Medical aid schemes	10	0.12	826 195	0.12
Mutual funds	251	3.11	180 950 481	25.97
Nominees and trusts	921	11.42	8 500 561	1.22
Other corporations	51	0.63	293 647	0.04
Private companies	183	2.27	3 506 460	0.50
Public companies	15	0.19	376 855	0.05
Retirement funds	303	3.76	219 150 721	31.46
Treasury shares	1	0.01	45 070 855	6.47
Total	8 064	100.00	696 711 782	100.00
Non-public/Public shareholders				
Non-public shareholders	27	0.33	105 340 571	15.12
Directors and associates	15	0.19	383 162	0.05
Prescribed officers and management	9	0.11	660 164	0.09
Treasury shares	1	0.01	45 070 855	6.47
Empowerment	2	0.02	59 226 390	8.50
Public shareholders	8 037	99.67	591 371 211	84.88
Total	8 064	100.00	696 711 782	100.00

Chairman's review

THE PERFORMANCE OF THE GROUP HAS ONCE AGAIN DEMONSTRATED THE CORRECTNESS OF THE STRATEGY PURSUED. SUB-SAHARAN AFRICA IS CLEARLY THE PLACE FOR US TO BE AND WE WILL CONTINUE TO INVEST AND EXPAND IN THE IDENTIFIED MARKETS.



It is my pleasure to join my colleagues once again in presenting the 2012 Nampak Annual Report to our shareholders in particular and all our stakeholders in general. The performance of the group has once again demonstrated the correctness of the strategy pursued. Our relentless focus on delivering on that strategy has worked very well albeit in challenging circumstances.

Business environment

We are still operating within an uncertain global environment. Although the US economy is out of recession, its performance is still below potential and there are many indications that things will take longer to get back to normal. The Euro area is in recession and expected to stay as such well into 2014. This is of some serious concern for the South African economy as Europe is a key partner for the country.

Fortunately, sub-Saharan Africa (SSA) is expected to continue its robust growth with inflation relatively under control. The biggest challenges for SSA are political stability, market friendly policies and procedures, administrative efficiencies, infrastructure decay, communications (in particular travel) and health challenges. Despite all of these, SSA is clearly the place for us to be. So we will continue to invest and expand in the identified markets.

The South African economy is still expected to grow at more than 2% in 2012 but this is still much less than its potential output. The wave of legal and illegal strikes that occurred during the second and third quarters of the year will not be helpful at all. In fact the current projections might have to be revised down. This is not good for employment and the general improvement in the living standards of the people.

It is clear that something has gone terribly wrong in our industrial relations system. The post-1994 architecture seems to have collapsed. The trade unions movement, business and government might need to seriously relook the system and probably emerge with a new system. Whatever system is proposed, it has been so regrettable that employees reneged on signed agreements and instead decided on wildcat strikes. A society that does not honour agreements is not one to do business with. Great care has to be taken in structuring agreements so that they are fully understood by the parties concerned. The violence that usually accompanies some of the strikes is highly regrettable and very sad.

Human resources and transformation at Nampak

At Nampak, we are fortunate that all wage negotiations in the year under review were settled amicably without industrial action of any kind. We operate in a globalised environment which is competitive and unforgiving and we have continued to invest in our human resources. Our state-of-the-art research and development facility in Cape Town supports our drive to be the best in the industry.

I have pleasure in reporting that the group improved its B-BBEE rating as certified by independent ratings agency, Empowerdex, to level 3. This is up from level 4 in the last two years. This has placed Nampak in the top echelons of manufacturing companies in the country and will not only benefit the group directly but will also enable our customers to improve their own scorecards. The rating reinforces Nampak's ongoing commitment to transformation.

Health and safety

The disabling injury frequency rate improved from 1.24 to 1.14. Two of our employees were unfortunately seriously injured during the year, one in a fire at the waste yard at the tissue wadding factory at Kliprivier and the other in an industrial accident at the glass bottle factory at Roodekop. Both employees are still recuperating from their injuries and I wish Cobus Derrenberg and Elias Rephesu speedy recoveries.

Our role in society

We invested a further R10 million in the communities in which we operated during the year, the majority of which was spent on improving matriculation results at seven selected schools together with providing bursaries for young people to attend tertiary education institutions.

As Africa's largest packaging supplier we are mindful of the influence that packaging has on the environment and we are committed to reducing the impact of waste packaging through recycling and producing packaging that is lighter and more environmentally friendly.

Corporate governance

The group is committed to complying with the King Code of Governance Principles (King III) and these are more fully reported on in the corporate governance section of this report. The group also complies with the JSE Listings Requirements and with the Companies Act, No 71 of 2008.

Board of directors

The board of directors of Nampak has remained stable and functions very well. As will be seen from the report on attendance of meetings, my colleagues have taken their responsibilities seriously and are duly discharging their duties. Three of these colleagues will retire by rotation in terms of our memorandum of incorporation, namely Reuel Khoza, Disebo Moeophuli and Roy Smither. They are available for re-election and the board of directors will be recommending that they be so re-elected at the annual general meeting of shareholders. In the meantime, I would like to thank them for their dedication and hard work.

Appreciation

I thank the executive management team under Andrew Marshall's leadership for the further improvement in the group's performance and for the good progress made in pursuing the growth strategy. I also thank all employees for their contribution during the year and our customers, suppliers and shareholders for their continued support.

Annual general meeting

I invite all shareholders to attend the annual general meeting of the company to be held on 8 February 2013. The notice of the meeting is set out on pages 137 to 142 of this report.

Prospects

The strategy that has been in place for the past three years is expected to enable us to continue growing in line with the overall economy in South Africa and to benefit from the increasing investment in countries in the rest of Africa.

We expect a further improvement in performance in 2013.



Tito Mboweni
Chairman

Sandton
21 November 2012

Chief executive's report

OUR GROWTH STRATEGY THAT WAS IMPLEMENTED THREE YEARS AGO IS CONTINUING TO BENEFIT THE GROUP. WE ACHIEVED A FURTHER INCREASE IN OUR TRADING PROFITS, HEADLINE EARNINGS, MARGINS AND RETURN ON CAPITAL.



Group performance review

- ⊙ Headline earnings per share increased by 16.5%
- ⊙ Operating profit was up 20%
- ⊙ Trading profit was up 16% to R1.79 billion
- ⊙ Profit after tax was up 28%
- ⊙ Dividend increased by 20% to 129.5 cents per share
- ⊙ Cash generated from operations was R2.3 billion
- ⊙ Trading profit from the rest of Africa was up 159%
- ⊙ Net gearing increased from 10% to 23% following investment in core businesses
- ⊙ Return on net assets maintained at 20%
- ⊙ Return on equity increased from 18.5% to 20.1%

Most of the markets in which we operate faced difficult and challenging economic conditions during the 2012 financial year. Despite this, we have managed to achieve a further increase in our trading profits and headline earnings; most performance measures have also been improved.

Operational review

Metals and Glass

Rm	Revenue		Trading profit*		Trading margin %	
	2012	2011	2012	2011	2012	2011
South Africa	5 878	5 126	789	736	13.4	14.4
Rest of Africa	1 215	652	103	37	8.5	5.7
Total	7 093	5 778	892	773	12.6	13.4

* Operating profit before abnormal items.

South Africa

Bevcan, DivFood and Glass

Sales units of **beverage cans** were well up on last year in all sectors other than carbonated soft drinks. A growing consumer preference for cans contributed to double-digit growth in cans for beer, cider, energy drinks and alcoholic fruit beverages. This included the new slender cans introduced during the year. Profit was, however, affected by lower margins. A project to convert from tinplate to aluminium beverage cans commenced and a new aluminium can manufacturing line is currently being installed at Springs to meet growing market demand. It is anticipated that this line will operate at higher efficiencies than the existing tinplate lines.

Overall demand for **food cans** improved, particularly in the fish and fruit categories. Sales of vegetable cans increased towards the end of the financial year after a slow start but were virtually flat for the year as a whole. The **diversified can** categories reflected generally poorer volume growth and were impacted by slower consumer demand as well as some supply chain issues. Aluminium aerosol cans and paint cans both showed continued growth. A sixth aluminium aerosol can line is being installed at the Mobeini operation to meet the growing demand for this product.

We acquired the remaining 50% of Nampak Wiegand Glass in furtherance of our strategy to invest in core businesses. Furnace 2 was refurbished on time and within budget and added increased capacity to the operation. Wide-mouth jars are now being manufactured for condiments and spreads.

The furnace rebuild resulted in lower annual output resulting in an overall decline in **glass bottle** sales for the year. There was lower demand for returnable beer bottles, wine and alcoholic fruit beverage bottles but other categories showed flat to marginally positive growth. Since the rebuild, new contracts have been pursued to maintain and grow the sales base. This has resulted in some market share shifts between customers, a wider diversification of the product portfolio and the securing of some longer-term supply agreements.

Rest of Africa

Angola, Kenya, Mozambique, Nigeria, Tanzania, Zambia and Zimbabwe

The beverage can operation in **Angola** has been running at full capacity and consideration is being given to the installation of a second line subject to concluding supply agreements with customers.

The operation in **Nigeria** was negatively impacted by socio-political factors which resulted in lower consumer demand.

There was strong demand for both pineapple and green bean cans in **Kenya** and the business performed well. In **Tanzania** there was good demand for crowns but competitive pricing put pressure on margins. In **Zambia** there was good crown export demand from the DRC and Malawi.

Chief executive's report continued

Paper and Flexibles

Rm	Revenue		Trading profit*		Trading margin %	
	2012	2011	2012	2011	2012	2011
South Africa	4 089	4 099	165	161	4.0	3.9
Rest of Africa	872	698	213	85	24.4	12.2
Total	4 961	4 797	378	246	7.6	5.1

* Operating profit before abnormal items.

South Africa

Corrugated, Cartons and Labels, Flexibles and Sacks

Profitability at the **corrugated** business continued to improve with the Rosslyn paper mill contributing significantly to the better performance. Demand for corrugated boxes from the agricultural sector as well as exports showed growth but the commercial sector was weak in line with lower general economic activity.

The **cartons and labels** rationalisation was completed with benefits achieved starting to be seen during the second half of the year. These will be fully realised in 2013. Although showing an improvement on last year, the associated costs of the rationalisation and lower consumer demand contributed to a disappointing performance from the business.

The **flexible packaging** business continued to perform well but there was a marked slowdown in demand in the second half of the year. There was good growth in pouches and value-added products and further investment has been made to enhance competitive advantage in this area.

General **paper sacks** demand in South Africa remained depressed. Market share was, however, gained in the sugar and milling sectors and stronger exports of cement sacks contributed to a satisfactory performance.

Rest of Africa

Kenya, Malawi, Nigeria, Zambia and Zimbabwe

There was strong demand for self-opening flour bags in **Kenya** and for cigarette cartons in **Nigeria**. Sales of commercial cartons and labels have shown a steady increase and the Nigerian business had another good year.

There were increased sales of sorghum beer cartons in **Malawi** but a lower tobacco crop and imported packaging resulted in a reduction in sales of corrugated boxes. The general economic climate in the country has improved following the inauguration of the new state president.

In **Zambia** there was substantial growth in sales of sorghum beer cartons due partially to new legislation that effectively banned the sale of unpackaged sorghum beer. Exports to other African countries including Ghana and east Africa also contributed to the increased sales. Sugar sacks showed good growth.

Trading conditions in **Zimbabwe** were slightly better but the country continues to suffer a liquidity problem. The results for Zimbabwe are not consolidated.



Plastics

Rm	Revenue		Trading profit*		Trading margin %	
	2012	2011	2012	2011	2012	2011
South Africa	2 278	2 114	270	231	11.9	10.9
United Kingdom	1 679	1 511	124	96	7.4	6.4
Total	3 957	3 625	394	327	10.0	9.0

* Operating profit before abnormal items.

South Africa

Liquid Packaging, Petpak, Closures, Megapak and Tubes

Sales units of **plastic bottles** for milk and juice were lower as a result of restructuring in the dairy industry and there was substantial pressure on margins. There was good demand for **PET bottles** for carbonated soft drinks. Some of the in-plant operations which supply Coca-Cola will in terms of contractual arrangements be acquired by them early in the new year and the Petpak operation will focus more on pre-form supply.

Sorghum beer carton demand was very strong and exports to Botswana contributed to increased sales volumes. The remaining 50% shareholding in Elopak SA was acquired and juice and milk carton sales had a good year.

The “super-shorty” plastic closure for beverage bottles and closures for energy-drink bottles both enjoyed good growth. A decline in metal wine closure demand due to increased bulk exports was offset by gains in market share. New, more efficient metal closure manufacturing equipment was installed.

Plastic crate sales to the beverage industry were lower due mainly to a delayed off-take by major customers. There was minimal growth in sales of **plastic drums** and margins declined due to alcohol-drum customers being negatively impacted by foreign competition. New equipment to manufacture **intermediate bulk containers** was installed.

The **tubes business** performed well in its new dedicated manufacturing facility and enjoyed good growth in sales volumes which were also supported by increased exports of filled product by a major customer.

United Kingdom

Our plastics business performed well against very tough challenging conditions in the United Kingdom. Raw material polymer prices reached a record high during the year and there was a continuation of the price war on fresh milk. The new light-weight bottle that was successfully launched towards the end of last year is now being stocked by many retailers, particularly the four-pint bottle and is expected to be rolled out to other sizes in the coming year.

Chief executive's report continued

Tissue

Rm	Revenue		Trading profit*		Trading margin %	
	2012	2011	2012	2011	2012	2011
South Africa	1 628	1 619	111	129	6.8	8.0

* Operating profit before abnormal items.

South Africa

Nampak Tissue, Sancell (50%) and Nampak Recycling

Twinsaver which is the largest tissue paper brand in South Africa saw some marginal growth despite the overall one-ply toilet tissue market showing virtually no growth. There was severe pressure on selling prices mainly from independent converters and this together with waste paper fires at the Bellville and Kliprivier factories resulted in lower margins and profits.

Cuddlers diapers grew sales volumes but fierce price competition impacted on margins.

Sustainable packaging

As Africa's largest packaging company we recognise the role that we play in providing products and services that minimise their impact on the environment, customers and consumers. The group participates in extensive recycling initiatives and continues to invest significant time and resources into the development of more sustainable products.

Nampak contributes significantly to the reduction of packaging waste and resource usage. Collect-a-Can which is a joint venture between Nampak and ArcelorMittal collects and recycles used beverage cans. In 2012 Collect-a-Can collected 72% of used beverage cans placing South Africa in the top five countries globally.

Nampak Recycling collected 69 500 tonnes of glass which was used by Nampak Glass in its manufacturing process and 242 600 tonnes of paper most of which was used by either Nampak Corrugated or Nampak Tissue to manufacture new paper. It also collected 1 500 tonnes of plastic. Nampak Polycyclers converted 5 725 tonnes of recycled polyethylene into crates, refuse bins and buckets.



Strategy

Our growth strategy that was implemented about three years ago is continuing to benefit the group. This strategy aims to deliver a better focused group that is more profitable, has improved operating margins and earns better returns on capital employed.

The strategies in our geographic areas are:

South Africa

- ⊙ Focus and invest in our core operations;
- ⊙ Grow with our major customers and the South African economy.

Rest of Africa

- ⊙ Focus on identified countries in sub-Saharan Africa;
- ⊙ Export products from South Africa into identified markets and establish a presence before commencement of local manufacture;
- ⊙ For local manufacture, partner with multinational customers with long-term supply contracts in the various countries;
- ⊙ Significantly grow our product range in each of the countries in which we operate;
- ⊙ Target 35% of our revenue to be earned from the rest of Africa by 2015.

United Kingdom

- ⊙ Continue with the current successful business model.



Growth projects

We have identified a number of growth projects that will contribute to increased revenue and trading profit. Some of these projects were finalised in the current year and others are due to come on stream in the next 12 to 18 months:

South Africa

- ⊙ Slim-line and slender beverage cans
- ⊙ 440 ml beverage can line at Springs
- ⊙ Improved printing technology in DivFood
- ⊙ Sixth aluminium aerosol can line
- ⊙ Additional capacity and wide-mouth containers from rebuilt glass furnace
- ⊙ Intermediate bulk containers
- ⊙ Beverage in-plant for Clover Clayville
- ⊙ Extended shelf-life milk packaging line for Clover Queensburgh
- ⊙ Seven layer extruder and pouch equipment for flexible packaging

Rest of Africa

- ⊙ New printer for sorghum beer cartons in Zambia
- ⊙ Plastic beverage crate line in Ethiopia
- ⊙ Aerosol line, plastic closures and paper labels in Nigeria
- ⊙ Aluminium closures and metal drum line in East Africa

United Kingdom

- ⊙ Licence agreements for the use of the Infini bottle design

Management

The decentralised structure that was introduced is working well. The restructured team has again performed extremely well despite the difficult economic circumstances.

I would like to thank our management and all our staff for their efforts this past year.

Outlook

Markets are expected to remain challenging in the coming financial year. Despite this, we have a number of exciting opportunities in many of our operations, with Africa in particular looking especially promising.

Our objective is to continue delivering improvements in profitability and returns and I believe we are well-placed to continue doing so.

A handwritten signature in black ink, appearing to read 'Andrew Marshall'.

Andrew Marshall

Chief executive officer

Sandton

21 November 2012

Chief financial officer's review

HEADLINE EARNINGS PER SHARE FROM CONTINUING OPERATIONS INCREASED BY 16.5%. EBITDA R2.5 BILLION – AN INCREASE OF 36% OVER THE PREVIOUS YEAR. R1 BILLION SPENT ON ACQUISITIONS DURING THE YEAR. PROFITS FROM THE REST OF AFRICA HAVE INCREASED SIGNIFICANTLY IN THE CURRENT YEAR.



2012 performance from continuing operations

- ⦿ HEPS at 200.8 cents a share, growth of 16.5%
- ⦿ Increase in dividend per share of 20.4%
- ⦿ Operating profit increased by 19.8%
- ⦿ Net gearing 22.7%

Introduction

In an otherwise tumultuous year for the South African and global economy, Nampak has delivered a pleasing performance for the year ended 30 September 2012. The strategy for growth in Africa has shown positive results. The Angolan can line is operating at full capacity and the rest of Africa improved significantly. Nampak acquired the remaining 50% interest in Nampak Glass during the year and the second glass furnace rebuild was successfully commissioned.

Year under review

	2012 Rm	2011 Rm	Increase %
<i>From continuing operations:</i>			
Revenue	17 639.1	15 818.6	11.5
Trading profit	1 790.6	1 545.9	15.8
Operating profit	1 793.7	1 497.8	19.8
HEPS (cps)	200.8	172.4	16.5
<i>From continuing and discontinued operations:</i>			
Revenue	17 639.1	16 931.5	4.2
Trading profit	1 790.6	1 581.0	13.3
Operating profit	1 793.7	1 180.5	51.9
HEPS (cps)	200.8	176.0	14.1

As reported last year Nampak Paper Holdings (Europe) was disposed of effective 28 February 2011. This resulted in a significant once-off cost in the prior year. Nampak did not effect any disposals in the current year.

In line with the group strategy to grow its core businesses, Nampak acquired, with effect from 1 March 2012, the remaining 50% interest in Nampak Wiegand Glass (Pty) Ltd. This has contributed particularly to the earnings of the group in the second six months of the financial year.

Agreement was reached to acquire the remaining 50% interest in Elopak South Africa (Pty) Ltd. This became effective from 1 November 2012.

The Angolan can line, which was successfully commissioned in the prior year, has performed very well during the current year and has contributed positively to earnings. The group is looking at the possibility of increasing the production capacity in Angola.

Revenue from continuing operations increased by 11.5%, helped by the full year revenue from Angola, as well as by pleasing results from the Zambia operations. Revenue from the operations in the rest of Africa grew by 54.6%, whilst South African revenue grew by 7.1%.

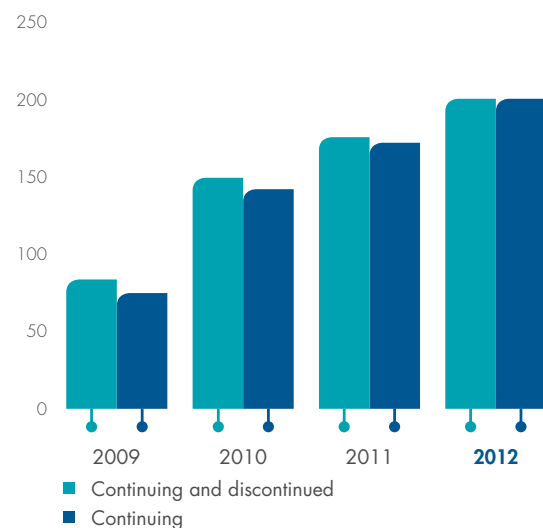
Trading profit grew by 15.8% and operating profit by 19.8%. The previous year's operating profit was affected by the

mark-to-market adjustments of financial instruments as well as significant impairment charges. This was not repeated in the current year.

Headline earnings per share from continued operations showed an improvement of 16.5% after adjusting for gains and losses on capital items and impairments. Headline earnings per share have shown continued improvement over the last four years and remain a key focus area for management.

HEPS

Cents per share

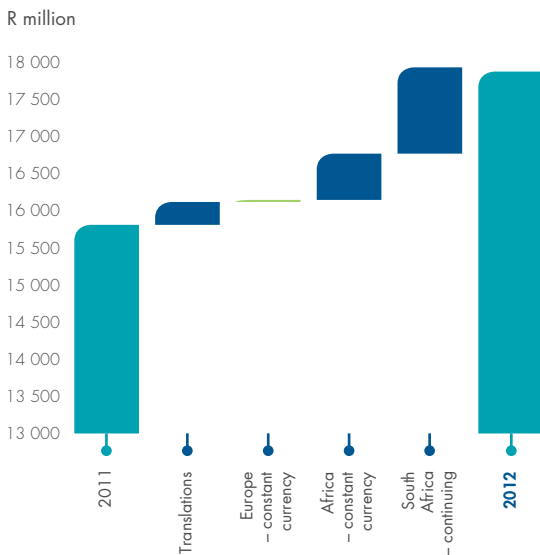


Chief financial officer's review continued

Operating performance – continuing operations Revenue

Revenue has been favourably impacted by the purchase of the 50% interest in Nampak Glass from 1 March 2012 as well as the Angola can line completing a full year of operation. The weaker rand which prevailed throughout the year had a significant impact on the translation of the European and African results.

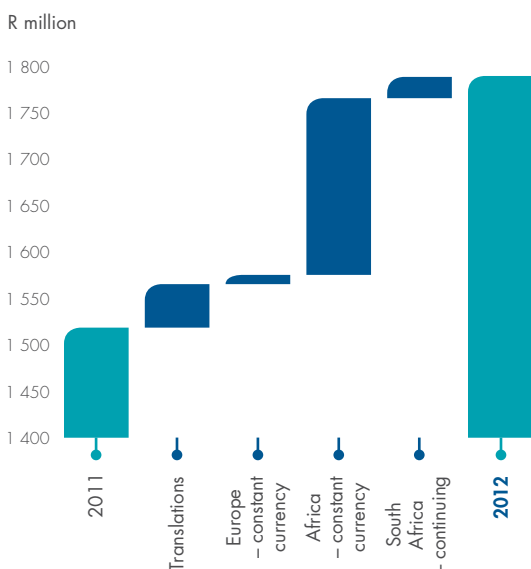
Revenue source of change – continuing operations



Trading profit

Benefits of the full year of operation of the Angola can line, the buoyant results from Zambia as well as the benefit of 100% ownership of Nampak Glass effective 1 March 2012 have positively impacted trading profit in the current year. Whilst the South African operations increased revenue by 7.1%, trading profit was diluted due to margin pressure.

Trading profit source of change – continuing operations



The trading margin in the current year was 10.2%, up from 9.8% in the prior year. The prior year margin was impacted by start-up costs in Angola. Margins in South Africa remain under pressure.

Abnormal items

Abnormal items are defined as items which do not arise from normal trading activities and are of such a nature or incidence that their disclosure is relevant to explain the performance for the year.

The group recorded net abnormal gains from continuing operations of R3.1 million (2011: R48.1 million loss) for the year.

	2012 Rm	2011 Rm
Net impairment losses	9.5	104.8
Restructuring and retrenchment costs	10.9	49.9
Net gain on revaluation of original interest in joint venture	(44.0)	–
Net (profit)/loss on disposal of businesses and other investments	(0.5)	5.4
Net profit on disposal of properties	(0.2)	(40.8)
Financial instruments fair value loss/(gain) and cash flow hedge effectiveness	21.2	(71.4)
Non-controlling shareholders loans impaired	–	0.2
Net (gain)/loss	(3.1)	48.1

Impairment losses in the current year consist of impairments of minor items of plant, property and equipment of R9.5 million (2011: R104.8 million). The prior year impairment charge related to the remaining goodwill from the business acquired from Malbak (tubes and cartons & labels businesses) as well as impairments of plant and equipment.

The loss on the mark-to-market of financial instruments and cash flow hedge effectiveness of R21.2 million is mainly attributable to open foreign exchange contracts at year-end. The fair value loss on foreign exchange contracts was R34.5 million. This was offset by gains that relate to the mark-to-market of interest rate swaps and aluminium contracts.

Ongoing reorganisation and restructuring of businesses cost R10.9 million (2011: R49.9 million) in the form of retrenchment costs.

The gain of R44.0 million relates to the revaluation of the 50% interest originally held by Nampak in Nampak Wiegand Glass (Pty) Limited, as a consequence of the requirements of IFRS 3: *Business Combinations*.

Net finance cost

Net finance costs from continuing operations increased from R119.9 million to R169.2 million in the current year, mainly due to the increase in net borrowings during the year as a consequence of the purchase of the remaining 50% in Nampak Glass. The cost of the acquisition amounted to R974 million. The prime interest rate reduced by 50 basis points in the current year and the group continues to make use of interest rate derivatives to hedge interest rate risk. Average borrowing rates for the South African operations were 6.4% in 2012 (2011: 7.1%).

Income tax

The effective tax rate for continuing operations in the current year was 27.2%, compared to 32.8% in 2011. The tax rate has been mainly impacted by the effect of utilising assessed losses against capital gains in our UK operations, the gain resulting from the revaluation of Nampak's original interest in Nampak Glass as well as a reduction in secondary tax on companies due to the introduction of a withholding tax.

The summarised tax rate reconciliation is shown below:

	2012 %	2011 %
Effective tax rate	27.2	32.8
UK assessed losses offset against capital gains	3.2	–
Gain on revaluation of previously held interest in Nampak Wiegand Glass (Pty) Ltd	0.8	–
Prior year tax adjustments	1.0	(1.2)
Angola tax losses	(1.1)	(2.0)
STC and withholding tax	(2.4)	(4.8)
Other	(0.7)	3.2
South African normal tax rate	28.0	28.0

Statement of financial position

Key indicators

	2012 %	2011 %
<i>From continuing operations:</i>		
– Return on net assets (%)	19.9	19.7
– Return on equity (%)	20.1	18.5
Net borrowings (R million)	1 408.7	582.1
Net gearing (%)	22.7	10.2
Net asset value per share (cps)	1 049	964

Net worth per share increased to 1 049 cents from 964 cents in the prior year following the acquisition of the glass business. The increased profitability emanating from the Africa operations, in particular, also contributed to the increase in net worth per share.

Acquisitions and capital expenditure

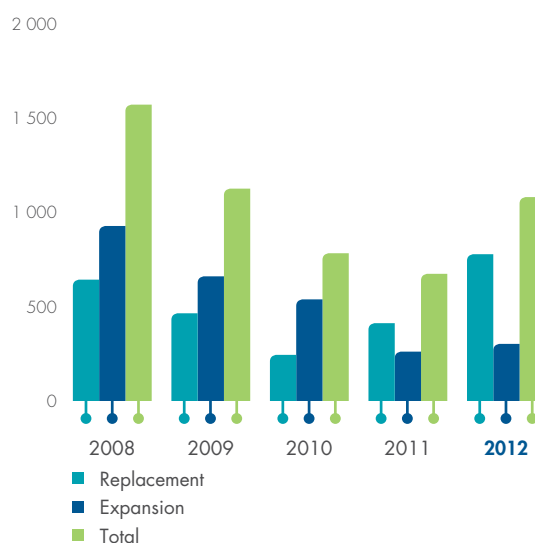
The glass acquisition cost R974 million.

Capital expenditure of R1 084.3 million (2011: R676.2 million) was incurred during the year. The glass furnace rebuild amounted to R350.5 million in the current year. The graph below shows the trend.

Goodwill amounting to R321.1 million and intangible assets amounting to R237.3 million were capitalised as a result of the acquisition of the remaining 50% interest in Nampak Glass.

Capital expenditure

R million



The total cost of the rebuild of the furnace amounted to R405.1 million. Bevcac spent R176.6 million in the current year on capex projects to increase capacity. There were no other capital expense projects over R50.0 million for the year.

A summary of the group's capital expenditure budget for 2013 is set out on page 30. The capital expenditure will be funded out of internal cash resources and existing borrowing facilities.

Chief financial officer's review continued

	Capital expenditure budget Rm
South Africa	1 800.3
Rest of Africa	732.9
United Kingdom	87.1
	2 620.3

Foreign currency translation reserve

The weakening of the rand against major currencies in the current financial year resulted in a foreign currency translation gain of R143.4 million for the year (2011: R322.0 million).

Net borrowings and gearing

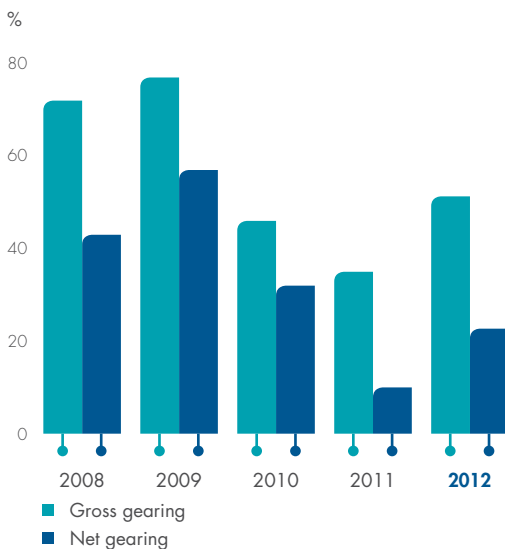
The acquisition of the remaining 50% interest in Nampak Glass resulted in an increase in borrowings of R995.2 million.

Net borrowings increased to R1 408.7 million (2011: R582.1 million) and net gearing increased to 22.7% (2011: 10.2%).

The investment in working capital continued albeit lower than in the previous year. The management of working capital remains a key focus area for the group.

The group was comfortably within its borrowing covenants during the year. The table below reflects the net gearing trend over the last five years:

Gearing



The composition of the group's net borrowings position is:

	2012 Rm	2011 Rm
South Africa	2 973.1	1 809.0
– Borrowings	3 122.5	1 972.5
– Cash	(149.4)	(163.5)
United Kingdom and rest of Africa	(1 564.4)	(1 226.9)
– Borrowings	66.2	60.4
– Cash	(1 630.6)	(1 287.3)
Net borrowings	1 408.7	582.1

A summary of the group's committed bank facilities is as follows:

	Facility Rm	Utilised Rm	Available Rm
South Africa	5 161.3	2 819.1	2 342.2
United Kingdom and rest of Africa	206.3	66.2	140.1
Total	5 367.6	2 885.3	2 482.3

In addition to the above, facilities of R500 million are available with a minimum of a 48-hour notice period.

Statement of cash flow

The group continued to generate strong cash flows with cash generated from operations amounting to R2 262.2 million for the year ended 30 September 2012 (2011: R1 725.5 million). The net investment in working capital amounted to R339.6 million (2011: R548.3 million). The 12-month average net working capital to sales declined from 13.4% to 13.6%.

Dividends paid as well as cash distributions were R678.2 million compared to R543.1 million dividend declared in the prior year. This is an increase of 24.9%. Tax payments in 2012 amounted to R417.2 million compared to the relatively low amount last year, as the bulk of the tax losses in South Africa were being utilised and amounted to R188.3 million in 2011. This, together with the finance costs, resulted in a net cash inflow before investing activities of R134.5 million.

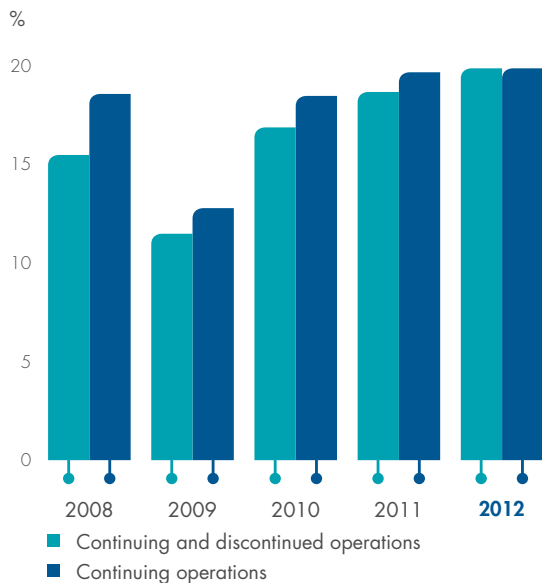
The acquisition of Nampak Glass resulted in a cash outflow of nearly R1 billion financed by the drawdown of the Nedbank five-year term loan facility. R500 million owed to Standard Bank was repaid during the year.

Financial objective

The key financial objective set by the group is return on net assets (RONA). The current year has seen a further improvement in RONA. This was notwithstanding significant capital expenditure and the acquisition of the balance of Nampak Glass.

The graph below sets out the RONA trend over the last five years.

Return on net assets



Contingent liabilities and subsequent events

The Malawi Revenue Authority issued additional assessments for the 2001 to 2010 years of assessment on Packaging Industries Malawi Limited relating to transfer pricing to the value of R9.7 million with penalties and interest of R23.6 million. No provision has been raised as management believes that the matter is highly defensible. The amount has been included in contingent liabilities.

The group acquired the remaining 50% interest in Elopak South Africa (Pty) Ltd for R115 million with effect from 1 November 2012.

Key economic indicators

Some of the key economic indicators affecting the results in the current year are shown below:

	2012	2011	Primary impact
Exchange rates			
– Rand/UK pound			
– average	12.71	11.18	Translations of results, cost of imports and competitiveness of export transactions
– closing	13.39	12.58	
– Rand/US dollar			
– average	8.06	6.96	
– closing	8.29	8.04	
– Gross domestic product	2.5%	2.9%	Affects consumer spending
– Prime overdraft rate	8.5%	9.0%	Affects the borrowing rates in South Africa
– Consumer price index	5.8%	5.7%	Key cost driver for South Africa, impacts wage inflation

In addition to this, certain commodity prices such as oil prices, steel and tinplate, aluminium and paper and pulp prices have significant impacts on the businesses. Where possible, the impact of these prices was minimised by negotiating back-to-back contracts with key customers, or by hedging the impact where possible. However, there is often a timing lag in recovering increases or passing through decreases of these commodities to customers.

Gareth Griffiths
Chief financial officer

21 November 2012

Five-year financial review

Definitions

Treasury shares

Treasury shares represent shares in Nampak Limited held by group subsidiary companies and consolidated special purpose entities (eg empowerment trusts).

Weighted average number of shares

Weighted average number of shares in issue is calculated as the number of shares in issue at the beginning of the year (net of treasury shares), 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.

Dividends declared/cash distributions per ordinary share

Interim dividend/cash distribution paid per ordinary share plus the final dividend/cash distribution declared in respect of the current year's profits.

Return on equity

$$\frac{\text{Net profit attributable to ordinary shareholders}}{\text{Average ordinary shareholders' equity}}$$

Trading profit

Operating income adjusted for abnormal items, which are items which do not arise from normal trading activities or are of such size, nature or incidence that their disclosure is relevant to explain the performance for the period.

Net assets

Total assets, excluding tax, deferred tax and cash balances less trade and other payables including provisions and other non-current liabilities.

Return on net assets

$$\frac{\text{Trading profit plus investment income and share of profit in associates}}{\text{Average net assets}}$$

Net asset turn

$$\frac{\text{Revenue}}{\text{Average net assets}}$$

Interest cover

$$\frac{\text{Trading profit plus investment income and share of profit in associates}}{\text{Net interest}}$$

EBITDA

Earnings before interest, investment income, share of profit in associates, tax, depreciation and amortisation.

EBITDA interest cover

$$\frac{\text{EBITDA}}{\text{Net interest}}$$

Gross gearing

$$\frac{\text{Loans and borrowings plus overdrafts}}{\text{Total equity}}$$

Net gearing

$$\frac{\text{Loans and borrowings plus overdrafts and loans, less bank balances, deposits and cash}}{\text{Total equity}}$$

Employee numbers used for calculations

Total number of employees, time weighted for acquisitions and disposals, and adjusted for the group's share of joint ventures.

Productivity per employee

$$\frac{\text{Volume growth}}{\text{Growth in number of employees}}$$

Market capitalisation

Number of ordinary shares in issue multiplied by the year-end market price per share.

Earnings yield

$$\frac{\text{Headline earnings per share}}{\text{Yearend market price per share}}$$

Dividend/cash distribution yield

$$\frac{\text{Dividend/cash distribution per ordinary share}}{\text{Yearend market price per share}}$$

Price/earnings ratio

$$\frac{\text{Yearend market price per share}}{\text{Headline earnings per share}}$$

for the year ended 30 September		2012	2011	2010	2009	2008
STATISTICS						
Earnings and dividend data						
Weighted number of ordinary shares in issue (net of treasury shares)	'000	591 750	589 550	587 782	585 858	585 301
Headline earnings per ordinary share	cents	200.8	176.0	149.7	83.8	177.3
Continuing operations	cents	200.8	172.4	142.3	73.9	150.6
Discontinued operations	cents	–	3.6	7.4	9.9	26.7
Change over previous year (continuing operations)	%	16	21	92	(51)	(14)
Earnings per ordinary share	cents	204.0	106.5	140.5	34.9	88.2
Continuing operations	cents	204.0	162.6	130.9	25.6	146.2
Discontinued operations	cents	–	(56.1)	9.6	9.3	(58.0)
Change over previous year (continuing operations)	%	25	24	412	(83)	(15)
Dividends declared/cash distributions per ordinary share	cents	129.5	108.0	83.0	42.0	100.0
Change over previous year	%	20	30	98	(58)	(13)
Five-year compound annual growth rate	%	2	2	–	(13)	4
Dividend/cash distribution cover	times	1.6	1.6	1.8	2.0	1.8
FINANCIAL DATA						
Return on equity						
Continuing operations	%	20	19	17	3	17
Continuing and discontinued operations	%	20	11	16	4	9
Return on net assets						
Continuing operations	%	20	20	19	13	19
Continuing and discontinued operations	%	20	19	17	12	16
Net asset turn						
Continuing operations	times	1.9	2.0	2.0	2.0	1.9
Continuing and discontinued operations	times	1.9	2.0	2.0	2.0	1.9
Interest cover	times	11	13	8	3	6
EBITDA interest cover	times	15	15	11	6	9
Effective tax rate						
Continuing operations	%	27.2	32.8	25.7	28.7	19.4
Continuing and discontinued operations	%	27.2	43.6	27.4	25.8	29.0
Gross gearing	%	51	36	46	77	72
Net gearing	%	23	10	32	57	43
Number of ordinary shares in issue (net of treasury shares)	'000	592 415	590 901	588 338	586 773	585 650
Net asset value per ordinary share	cents	1 049	964	912	874	1 023
Change over previous year	%	9	6	4	(15)	(1)

Five-year financial review continued

for the year ended 30 September	2012	2011	2010	2009	2008
EMPLOYEE DATA					
Permanent employees	10 364	10 475	12 990	13 390	13 549
Temporary employees	2 005	2 068	1 777	1 723	2 194
Total employees	12 369	12 543	14 767	15 113	15 743
Employee numbers used for calculations	12 457	13 435	15 019	15 125	15 791
Revenue per employee R'000	1 416	1 260	1 235	1 295	1 169
Employment cost per employee R'000	266	254	254	264	231
OPERATING RESULTS					
R million					
Continuing operations					
Revenue	17 639.1	15 818.6	15 774.2	16 268.3	15 145.2
Trading profit	1 790.6	1 545.9	1 434.2	1 049.3	1 506.9
Profit after tax from continuing operations	1 191.8	933.7	778.5	147.7	834.7
Discontinued operations					
(Loss)/profit from discontinued operations	–	(331.1)	56.4	54.4	(339.4)
Profit for the year	1 191.8	602.6	834.9	202.1	495.3
Attributable to:					
Equity holders of Nampak Limited	1 207.1	627.9	825.9	204.8	516.1
Non-controlling interest in subsidiaries	(15.3)	(25.3)	9.0	(2.7)	(20.8)
	1 191.8	602.6	834.9	202.1	495.3
EBITDA					
	2 453.4	1 801.7	2 052.8	1 406.5	1 700.2
Continuing operations	2 453.4	2 076.5	1 826.4	1 172.0	1 841.1
Discontinued operations	–	(274.8)	226.4	234.5	(140.9)
EBITDA (adjusted for impairments)					
	2 462.9	1 906.8	2 163.1	1 833.2	2 301.9
Continuing operations	2 462.9	2 181.5	1 936.7	1 599.3	1 893.5
Discontinued operations	–	(274.7)	226.4	233.9	408.4
BALANCE SHEETS					
R million					
Total shareholders' funds	6 216.4	5 694.9	5 368.3	5 129.5	5 991.9
Retirement benefit obligation	1 618.3	1 360.5	1 404.5	1 246.2	1 129.1
Deferred tax and other non-current liabilities	663.8	498.0	302.7	329.6	567.0
Non-current loans and borrowings	1 594.9	1 358.7	1 631.0	2 121.5	1 741.1
Current liabilities	5 156.6	3 995.9	4 218.6	5 265.6	6 085.9
TOTAL EQUITY AND LIABILITIES					
	15 250.0	12 908.0	12 925.1	14 092.4	15 515.0
Property, plant and equipment	6 612.1	5 687.3	6 199.9	6 392.9	6 746.6
Goodwill and other intangible assets	715.1	183.1	301.1	389.4	473.1
Other non-current financial assets and deferred tax	218.7	387.3	455.8	600.0	310.2
Current assets	7 704.1	6 650.3	5 968.3	6 710.1	7 985.1
TOTAL ASSETS					
	15 250.0	12 908.0	12 925.1	14 092.4	15 515.0

for the year ended 30 September		2012	2011	2010	2009	2008
CASH FLOW						
	R million					
– Cash generated from operations		2 262.2	1 725.5	2 508.9	2 220.0	2 143.3
– Cash retained from operating activities		134.5	339.0	1 576.9	398.2	232.9
– Additions to property, plant, equipment and intangibles		(1 084.2)	(676.2)	(785.7)	(1 129.3)	(1 576.0)
– Net (decrease)/increase in cash		(659.8)	410.6	(92.7)	(766.5)	2 246.9
SHARE PERFORMANCE						
Market price per share						
– Highest	cents	2 970	2 350	1 939	1 715	2 263
– Lowest	cents	1 992	1 842	1 501	1 078	1 223
– Year-end	cents	2 860	2 087	1 896	1 700	1 402
Number of ordinary shares in issue	'000	696 712	695 199	660 778	659 264	658 142
Market capitalisation*	R million	19 926	14 509	12 528	11 207	9 227
Volume of shares traded	'000	260 793	278 199	332 098	252 218	285 165
Value of shares traded	R million	6 342.8	6 090.6	5 773.6	3 442.1	4 653.8
Volume of shares traded as a percentage of total issued shares	%	37.4	40.0	50.3	38.3	43.3
Earnings yield*	%	7.0	8.4	7.9	4.9	12.6
Cash distribution/dividend yield*	%	4.5	5.2	4.4	2.5	7.1
Price/earnings ratio*	times	14.2	11.9	12.7	20.3	7.9
ECONOMIC INDICATORS						
The principal economic indicators applied in the preparation of the group results are shown below.						
Exchange rates						
Rand/UK pound						
– average		12.71	11.18	11.64	12.24	14.51
– closing		13.39	12.58	10.98	12.03	14.87
Rand/Euro						
– average		10.46	9.71	10.13	10.93	11.58
– closing		10.68	10.81	9.51	10.99	11.69
Rand/US dollar						
– average		8.06	6.96	7.47	7.50	8.07
– closing		8.29	8.04	6.98	7.51	8.28

* Based on year-end market price.

excellence.

Nampak falls within the JSE sustainability index as a medium impact company on the environment.



Metals and Glass

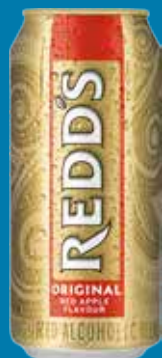
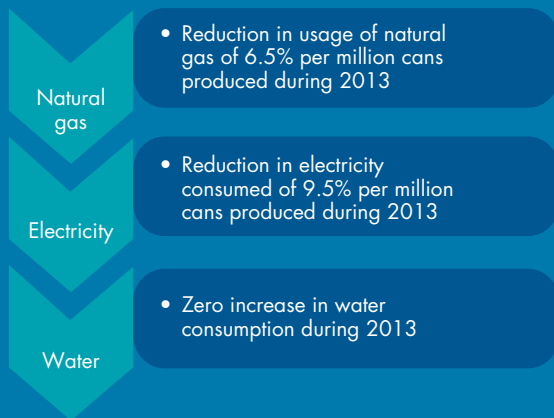
Nampak Bevcan's environmental journey

Nampak Bevcan's natural gas consumption initiatives have yielded positive results since commencement in 2010 with an average reduction of 6.5% year-on-year until 2012. This can be attributed to a series of optimisation interventions in the can drying ovens. The planned speed improvement of the can production lines and migration to aluminium bodystock will ensure that the division maintains this trend with a target for 2013 of a further 6.5% reduction in natural gas usage.

Similarly electricity consumption for the division has reduced by an average 9.5%, year-on-year, since 2010 until 2012. This is as a result of plant-specific machine utilisation interventions. The division has set a target to continue this trend into 2013. The full impact of the speed improvement and migration to aluminium bodystock benefits will occur in 2014.

Water usage has seen an increase which is proportional to the volume of cans produced. The target for 2013 is a zero increase in kilolitres per million cans produced. This will provide the division with a suitable baseline to measure improvements going forward.

One of the most significant projects for Nampak Bevcan is the migration of bodystock from tin plate to aluminium, which will result in an opportunity to reduce scrap and spoilage waste by 1.5%. Moreover, as aluminium has a higher value than tin plate, it is likely to have a positive impact on the Collect-A-Can recycling programme by giving an increased incentive to collectors and recyclers, as well as improve the overall environmental value chain.

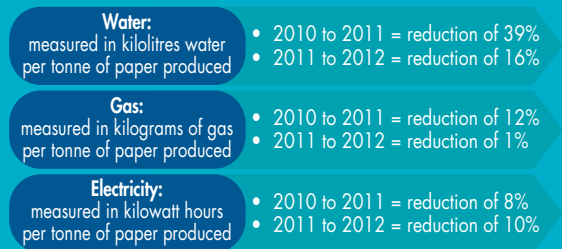


Paper and Flexibles

Nampak Corrugated's environmental journey

Corrugated division's energy and water consumption is dominated by the activities at the paper mill in Rosslyn. More than 75% of the electricity and more than 80% of the fresh water, which is consumed in the division, relates to its operation at Rosslyn. The paper mill is also a significant user of natural gas which is used to generate steam.

The activities over the past three years, as well as the activities in the foreseeable future, were focused on the efficient use of the energy resources that Rosslyn consumes. The Rosslyn trends for the past three years are set out below:



The water consumption reduction over the past two years has been through process optimisation as well as investment in equipment to allow increased reuse of waste water on the paper mill machines. The water consumption on this machine is now close to the median of the global water usage standards (~4 kilolitres per tonne paper). A project is planned for execution in 2013 that will reduce the total paper mill consumption to the global median.

The electricity consumption per tonne of paper at Rosslyn has been reduced over the past two years through a number of interventions. The first of these was as a result of process efficiency improvements. The second followed the change of pump flows controls from valves to variable speed pumps and the third came as a result of process modifications made to eliminate a number of electricity consumers. In addition to the above, further cost savings were achieved from the optimisation of the change in the tariff structure as well as the participation in the Eskom demand response programme. The water consumption reduction project will have the added benefit of reducing the total mill electricity consumption by more than 10% per tonne of paper produced.

The third significant energy stream at Rosslyn is the generation of heat (steam) for drying the paper. Historically the steam was generated by coal-fired boilers. During 2008 these boilers were converted to be fired on natural gas which improved the mill carbon footprint. The steam consumption per tonne of paper has improved by process efficiency improvement, improving the steam traps and eliminating leaks. There are projects planned during 2013 and 2014 that will improve the drying cylinder efficiency and will reduce steam demand significantly. Although the magnitude of the steam consumption is yet to be fully quantified, it is expected to be between 10 and 20%.

The magnitude of the energy demand for the paper-making process makes the total Rosslyn mill energy plan a core component of the Corrugated division's strategic plan. Improvement of energy efficiency by eliminating waste and wasteful practices has been the practice over the past two years, and will continue to be the primary focus at Rosslyn.

Glass

Nampak Glass' environmental journey

The existing manufacturing plant, located in Roodekop Gauteng, includes two furnaces and six production lines. When operating at full capacity, it produces approximately 230 000 tonnes of glass per annum. As a leading glass manufacturer, the division is actively involved in glass recycling. A capital investment of R160 million during 2010 in a recycled glass sorting facility enabled Nampak Glass to improve its cullet usage over the past two years by 40%. Currently the division collects 30 to 35% of all cullet gathered in South Africa which is substantially higher than its market share of glass production.

The reuse of recycled glass or cullet significantly contributes to the reduction of the glass packaging carbon footprint as follows:

- Every one kilogram of cullet used in production replaces 1.2 kilograms of virgin raw materials;
- Every 10% of cullet used in production results in an approximate 5% reduction in carbon emissions; and
- Every 10% of cullet used in production results in an approximate reduction of 2 to 3% in energy consumed.

Setting trends with innovative ideas to reduce the weight of glass food and beverage containers resulted in achievement of the Gold Pack award winning design as well as both a World Star and an IRCA Global award for carbon emission reductions in 2010. Nampak Glass' light-weight bottle is 22% lighter which has consequently provided a 20% saving in the cost per bottle for the wine industry. Additional benefits are achieved in transport costs and associated reduction in carbon emissions.

During 2012, Nampak Glass designed an even lighter bottle, the 750 ml Claret ultra light-weight screw cap bottle. This is the lightest 750 ml wine bottle in South Africa at 2.8% lighter than the previous lightest bottle. The bottle is manufactured using a recycled content of 50%.

For every kilowatt-hour of electricity Nampak Glass avoids using through increasing cullet over virgin raw material, more than a kilogram of carbon dioxide is saved that would otherwise be released into the atmosphere. When it comes to making new glass containers from recycled glass, 315 kilograms of CO₂ can be saved per ton of glass after taking into account the transport and processing.

In order to maintain as well as continuously improve on these standards, Nampak invested R400 million to rebuild one of its furnaces during 2012. The upgraded furnace included state-of-the-art equipment for container glass manufacturing together with the latest leading glass making and forming equipment and tooling. The upgraded furnace has resulted in a reduction in energy usage of 7% and also contributed to improvement in quality.



Plastics

Nampak Plastics United Kingdom environmental journey

2012 has seen Nampak Plastics United Kingdom make significant progress in its commitment to sustainability with the successful commercial introduction of its light-weighted high-density polyethylene (HDPE) milk bottle – Infini®. The bottle, which offers weight savings of up to 25% and recycled content of up to 15%, meets current performance specifications and is currently available in retail outlets throughout the United Kingdom. Total production is set to exceed 100 million bottles by the end of this year and Nampak is planning to roll out this new packaging across its manufacturing base and in all sizes. The modernised and improved Infini design offers many sustainability advantages over standard milk bottles including savings of approximately 15 000 tonnes of material per year and a carbon saving of 34 000 tonnes annually.



The bottle has already received a number of industry accolades including the 2012 Dairy Innovation Award for Best Dairy Packaging Innovation. The judging panel stated the bottle “demonstrated best practice in product design and innovation, coupled with very impressive environmental and consumer usability credentials”.

The company continues to lead the way in the United Kingdom with its ongoing commitment to increase the amount of recycled content in all of the milk bottles it produces. During the last quarter of 2012 Nampak will be conducting trials, under manufacturing conditions, on both its Infini and standard range to assess the feasibility of including 30% recycled HDPE (rHDPE). These tests reflect Nampak's commitment to the Dairy Roadmap, an industry initiative which aims to minimise the environmental impact of the entire dairy supply chain – its target for 30% rHDPE inclusion in packaging is 2015.

Nampak has also been reviewing the technology in use at its plants and in an effort to reduce its energy consumption and optimise cycle time it has recently invested in the development of an All Electric blowmoulding machine. The machine is capable of manufacturing one pint to six pint bottles and offers bottle size (head and moulds) changeover in under eight hours. The revolutionary technology, which will provide Nampak and its customers with a clear competitive edge, will be used to manufacture Infini and offers energy reduction of up to 30% as well as reducing capital and maintenance costs. Currently undergoing trials, it will be delivered for installation at Newport Pagnell early 2013.

Nampak has also continued to review its own internal processes in an effort to further reduce its environmental impact. In 2012 a large part of this focus has been aimed at the minimisation and management of waste across its nine sites. Each of these sites has a carbon champion responsible for ensuring best practice is employed on a day-to-day basis. In addition, Nampak has been working with a waste management consultancy to review how waste is handled across the entire business. Nampak's aim has been to drive down waste going to landfill and in October 2012 this took a significant step forward with Nampak receiving its first Zero to Landfill compliance certificate.

This approach is in line with the United Kingdom government's policy to create a zero waste economy and work with businesses on a voluntary basis preventing waste and improving sustainability.

Following on from research to measure its carbon footprint in 2011 Nampak continues to analyse its carbon footprint and the data is used by the company as a benchmark for future performance.

2 800 times the
amount of glass on one of
South Africa's iconic buildings...
the equivalent weight of glass
we recycled in 2011.

Sustainability report

NAMPAK, AS A DIVERSIFIED PACKAGING GROUP, REQUIRES THAT THE CLUSTER AND DIVISIONAL MANAGEMENT ARE RESPONSIBLE AND ACCOUNTABLE FOR DELIVERING SUSTAINABILITY STRATEGIES APPROPRIATE TO THE IMPACT OF THE GROUP'S PRODUCTS FROM AN ECONOMIC, SOCIAL AND ENVIRONMENTAL PERSPECTIVE.



Sustainability framework

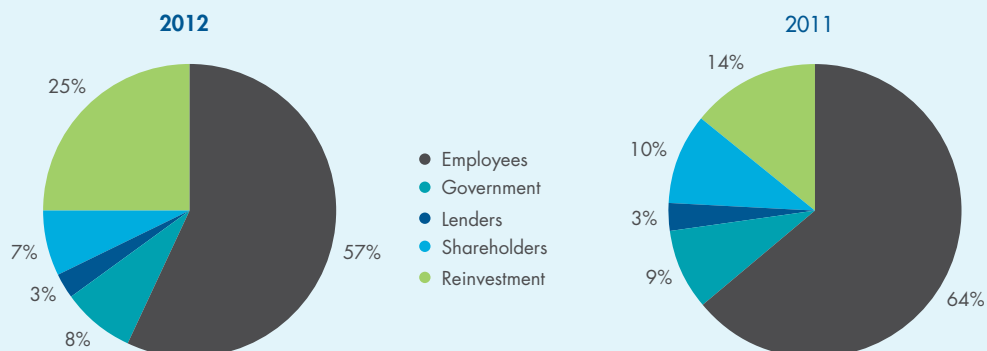
In creating sustainable value for all its stakeholders, Nampak endeavours to:

- ⦿ Achieve sustainable earnings growth;
- ⦿ Deliver packaging excellence;
- ⦿ Ensure that employees are professional, capable, empowered and motivated;
- ⦿ Assist in empowering and uplifting the communities in which the group operates;
- ⦿ Contribute meaningfully to the transformation in South African society through the broad-based black economic empowerment (B-BBEE) process;
- ⦿ Minimise the impact that its products have on the environment;
- ⦿ Ensure exemplary levels of governance and accountability; and
- ⦿ Foster sound business ethics and high levels of integrity.

Group value added statement

for the year ended 30 September 2012

	2012 R million	2011 R million
Revenue	17 639	16 932
Cost of raw materials, goods and services	11 574	11 588
Value added	6 065	5 344
Income from investments	5	11
Wealth created	6 070	5 355
Distribution of wealth		
Employees (salaries, wages and other benefits)	3 316	3 408
Government (income tax)	482	498
Providers of capital:		
Providers of capital (interest)	154	163
Shareholders (dividends/cash distributions)	678	543
Reinvestment	1 440	743
Wealth distributed	6 070	5 355
Dealings with government		
Gross contributions to government		
Company taxes	396	202
Rates and taxes	30	26
Customs and excise duties	7	6
Less: Cash grants and subsidies	–	–
Other government grants	1	1
Charged against group income	432	233
Collected on behalf of government	1 391	1 324



Sustainability report continued

Overview

Nampak's sustainability is highly reliant on its ability to produce packaging that benefits all its stakeholders. As such, Nampak has adopted an inclusive approach to sustainability that ties economic, social and environmental elements together to ensure that sustainability is an intrinsic part of the business.

Nampak's value proposition is based on the production of packaging products that contribute to the protection and prevention of product deterioration, such as food and beverages, and also enable easier transportation and handling of goods. Packaging helps give identity to products, promotes product brands and provides key product and safety information. Nampak is mindful that the benefits of packaging have to be balanced with the generation of packaging waste, depletion of natural resources, the efficient use of energy and the company's carbon footprint.

Sustainability governance

Nampak has a number of governance structures which oversee its sustainability endeavours. The Nampak board is ultimately responsible for providing supervision, guidance and direction on economic, social and environmental issues that have a potential impact on the reputation and sustainability of the group and its stakeholders. The group's social, ethics and transformation committee and the risk and sustainability committee have been mandated by the board with the oversight of sustainability in the group.

Nampak, as a diversified packaging group, requires that the cluster and divisional management are responsible and accountable for delivering sustainability strategies appropriate to the impact of its own products from an economic, social and environmental perspective. Coordination is undertaken at a group level to ensure stakeholder value is created.

Nampak's approach to sustainable packaging

Nampak recognises the role it has to play in providing products and services that minimise their impact on the environment, customers and consumers. The group participates in extensive recycling initiatives and continues to invest significant time and resources into the development of more sustainable products.

Through the development of innovative packaging that is lighter and has a higher proportion of recyclable content, Nampak contributes significantly to the reduction in packaging waste and resource usage.



For further information of industry and Nampak specific recycling initiatives, refer to pages 60 to 63 in the environmental performance section of this report.

The development of sustainable packaging is one of the main challenges facing the packaging industry. It progresses with due consideration to environmental efficiencies and recycling, as appropriate packaging of a product can maintain high standards while preventing waste.

Nampak's research and development facility is core to Nampak. Ongoing engagement with industry bodies, employees, customers and suppliers on future packaging requirements ensures that Nampak's product range evolves as alternative solutions become evident and the matters identified by the Sustainable Packaging Coalition (below) are addressed. For further information on Nampak's product and service innovation activities, refer to page 65 in the research and development facility section of this report.

Sustainable packaging

The Sustainable Packaging Coalition* defines sustainable packaging as packaging that:

- ⊙ meets market criteria for both performance and cost;
- ⊙ is sourced, manufactured, transported and recycled using renewable energy;
- ⊙ optimises the use of renewable or recycled source materials;
- ⊙ is manufactured using clean production technologies and best practices;
- ⊙ is made from materials healthy in all probable end-of-life scenarios;
- ⊙ is physically designed to optimise materials and energy;
- ⊙ is effectively recovered and utilised in biological and/or industrial cradle-to-cradle cycles.

In the coming year, the group will continue to work within the sustainable packaging framework to ensure long-term economic, social and environmental sustainability can be delivered.

*The Sustainable Packaging Coalition is a US-based industry working group inspired by cradle-to-cradle principles and dedicated to transforming packaging into a system that encourages economic prosperity and a sustainable flow of materials. See <http://www.sustainablepackaging.org>

Economic performance

Introduction

The group has 80 operations throughout South Africa and operations in a further 17 sites in nine countries on the African continent. It also has nine operations in the United Kingdom. The group employs in excess of 10 300 permanent employees in these operations worldwide. The group actively invests in the communities in which it operates and is committed to broad-based black economic empowerment and active transformation within the business.

Wealth created and distributed

Wealth created and distributed is set out in the group value added statement. The most fundamental contribution that Nampak makes to the economies in which it operates is through delivering a robust business model supported by sustainable revenues.

Transformation

Nampak undertakes to continually address any inequalities present with regard to race, gender and disability in its employee base and to accelerate progress through structured skills development programmes and the injection of talent.

Nampak remains committed to B-BBEE and supports the Broad-Based Black Economic Empowerment Act and the Department of Trade and Industry's codes of good practice and scorecard. Nampak published its original B-BBEE charter in 2004 against which progress is measured. The charter is reviewed and updated in line with legislative requirements and improved targets. The charter was last updated in 2008.

In its 2012 B-BBEE rating, Nampak achieved its target and improved to a Level 3 contributor status from a Level 4 contributor status in 2011. This level provides for 110% of customers' spend to be regarded as B-BBEE spend. The target for 2013 is to maintain a Level 3 contributor status. The certification is provided by the independent rating agency, Empowerdex.

Ownership

Currently at least 5% of all the shares in the group are held by its black South African management employees. Another 5% is held by a B-BBEE consortium. The consortium comprises:

- the National African Women's Alliance, which is a grouping of African women with grassroots representation in all nine provinces in South Africa;
- the Chemical, Energy, Paper, Printing, Wood and Allied Workers Union (CEPPVAVWU) which organises the majority of unionised workers in Nampak; and
- the South African Typographical Union (SATU) which is also active in Nampak.

- the National African Women's Alliance, which is a grouping of African women with grassroots representation in all nine provinces in South Africa;
- the Chemical, Energy, Paper, Printing, Wood and Allied Workers Union (CEPPVAVWU) which organises the majority of unionised workers in Nampak; and
- the South African Typographical Union (SATU) which is also active in Nampak.

Nampak obtained 18.65 points out of a possible 20 on this element of the scorecard.

Management and control

Nampak achieved 5.74 points out of a possible 10 points on this element which measures black representation at board and group executive committee levels. Nampak's board currently comprises seven black members of whom three are female out of 12 and the group executive has three members out of nine.

Employment equity

Nampak undertakes to continually address any inequalities present with regard to race, gender and disability in its employee base and accelerates progress through structured skills development programmes and the injection of talent. Nampak achieved 4.92 points in respect of this element of the scorecard out of 15. The key issue facing the South African operations remains to increase the black female representation across all job categories and at all levels in the business. Policies and procedures have been devised, with supporting training programmes, to ensure that the manufacturing environment is capable of attracting and supporting female recruits.

The group is fully compliant with the Broad-Based Black Employment Equity Act and the required reports are submitted promptly to the Department of Labour. Employment equity committees, which include management and labour representatives, are functional in all the South African operations. Divisional managing directors, together with the group human resources director, are responsible for setting of employment equity targets, taking into account the overall group objectives. The group's directors and all management incentives are discounted for non-achievement of these targets.

The status of employment equity among the group's management against the original B-BBEE charter 2013 target is shown in the table on page 44. Most divisions achieved their 2012 targets.

Economic performance continued

The following table reflects the split in employees by job category and race in South Africa.

Black/white employee numbers in South Africa

Positions	2013 target % black per B-BBEE charter	2012			2011		
		% black	Black	White	% black	Black	White
Non-executive directors	67	67	6	3	67	6	3
Executive directors	50	33.3	1	2	33.3	1	2
Group executive	50	33.3	3	6	33.3	3	6
Divisional managing directors and corporate equivalents	50	25.0	3	12	26.7	4	11
Senior management	43	28.8	60	148	27.5	58	153
Middle management	53	51.4	277	261	55.2	280	227
Entry level management	53	66.9	273	135	64.3	261	145
Supervisors	75	77.3	2 691	788	75.8	2 623	839
Skilled	90	99	2 728	27	99	3 593	38
Semi-skilled	90	99.4	1 245	7	98.9	542	6

Although the percentages have remained relatively stable, the percentage of black females has increased from 15.5% in 2011 to 16.3% in 2012 as a result of focused recruitment programmes.

Nampak's target is to increase the number of disabled people in its employ in terms of its charter to 3% in 2013 from its current position of 0.8% (0.89% in 2011). Specific strategies to attract disabled employees have been implemented with a view to improving this weighting significantly during 2013.

Skills development

Nampak acknowledges the involvement of black people in operational, professional and executive decision-making as a

critical aspect of its B-BBEE strategy and is focused on accelerating this process via structured skills development programmes. Skills development committees are present at all South African operations to drive advancement at an operational level. Nampak achieved a score of 8.56 out of 15 on its scorecard in respect of its South African skills training. A web-based system for accurate, real-time reporting on all training initiatives in South Africa was implemented during 2012.

In the year under review, training in the major categories set out in the table below was undertaken in South Africa. For more details on the programmes, please refer to the social performance section on pages 48 and 49 of this report.

Programme	Target group	Candidates	% black	% black female
Executive coaching	Senior operational managers	20	45	10
Management Development Programme ^{PLUS}	Middle management	12	83	33
Tomorrow's Leader Programme	Supervisors and first line managers	30	73	7
Nampak Sales Acumen Development	Sales managers and representatives	9	22	22
TOPP (Training Outside Public Practice)	Graduates	7	100	86
Graduate Development Programme	Graduates	29	100	59
Manufacturing techniques	Manufacturing and production staff	17	88	0
Nampak supervisory development programme	Supervisors, team leaders, shift foremen	112	90	13
Business excellence programme	Production and clerical staff	24	100	21
Frontline excellence	Reception, secretarial, personal assistants	49	88	86
Business presentation skills	Middle management	8	75	50
Negotiation skills	Middle management	7	57	43

Nampak South Africa currently provides 37 bursaries for tertiary education of which 100% are for black students. There are 21 male and 16 female students. The bursaries are provided in areas where Nampak is experiencing skills shortages including engineering, science and accounting.

Preferential procurement

Nampak exceeded its target score in the preferential procurement category of the scorecard when it achieved 19.55 out of a possible 20 points. Out of the total spend for the year under review, Nampak spent 118.2% in B-BBEE recognition in value, 8.49% spend was with qualifying small enterprises with turnovers of between R5 million and R35 million per annum and exempt micro enterprises with turnovers of less than R5 million per annum, while 10.2% was with black owned suppliers and 9.1% with black women owned suppliers.

Enterprise development

Nampak's approach to enterprise development is to assist in the creation of new black businesses by facilitating access to finance, capacity building and skills transfer, where appropriate, and to actively support small black enterprises to enable them to benefit from targeted procurement programmes. Nampak achieved its full points in respect of this element of the scorecard at 15 out of 15.

Nampak Recycling owner-driver scheme

On 1 September 2012 Nampak Recycling concluded an owner-driver scheme with the aim of empowering drivers to become successful black entrepreneurs by providing regular on-time service to Nampak Recycling's customer base.

The services of Moe & Company were enlisted to develop a sustainable business model and facilitate:

- Registering of independent businesses units
- Financial planning and cash flow management
- Day-to-day running of a business
- Adherence to statutory requirements

Nampak Recycling contributed R200 000 towards the training and implementation phase and will contribute a further R800 000 per annum to administer the scheme.

The programme kicked off with a total of 26 owner-drivers who will be paid on a rand per tonne basis for collecting material from the Nampak Recycling customer base.

To ensure long-term sustainability of the scheme Nampak Recycling has agreed to ensure fortnightly payments and guaranteed a fixed cost component should collection volumes not materialise.

Other examples of successful enterprise development initiatives include:

- Mthembu Tissue, owned by an ex-Nampak employee, Thembinkosi "General" Mthembu, which supplies bathroom tissue to Nampak Tissue. This is considered as Nampak's most successful initiative to date which commenced in 2004.
- Ssserious Marketing, who sell and distribute various Nampak products to small – medium entrepreneurs, including to some Nampak divisions.

Through its commitment and initiatives aimed at addressing South Africa's packaging solid waste stream, Nampak is providing seed capital and capacity building for collection and recycling. Nampak is continuously evaluating opportunities to create economic value and to develop potential markets for used packaging, which in turn will encourage collection, job creation and business opportunities.

Corporate social investment

Nampak scored 5 points out of a possible 5 points on its corporate social investment spend. For details of the projects and expenditure, refer to pages 51 to 54 of Nampak's social performance report.

Indirect economic benefits

Immeasurable economic value is created by Nampak's packaging products through the protection and prevention of deterioration of food and beverage products which would otherwise be wasted. To address economic and environmental concerns, packaging has been progressively light-weighted as technology has allowed, thereby reducing the requirement for raw material resources without compromising the basic functionality. Closed-loop systems which provide opportunities to reuse and recycle pre- and post-consumer packaging waste are steadily growing.

Social performance

Nampak's social influence impacts a large number of stakeholders, including its employees and the communities in which it operates as well as through its corporate social investment spend.

Nampak's employees globally

Nampak recognises that its employees are the key differentiators in achieving the group's strategy and providing the group with a sustainable competitive advantage. Thus Nampak is committed to identifying, attracting and retaining the correct calibre of employees with appropriate skills to deliver business results.

Staff complement

Nampak employed 10 365 permanent employees worldwide at the end of September 2012 with the greater part being based in South Africa where the headquarters and the majority of the operations are based.

The reduction in the number of employees in South Africa included two section 197 transfers relating to outsourcing agreements. The first was 44 employees who transferred from the Corrugated Paper Mill to ABB which provides power and automation technology services to the division. The second was 26 employees who transferred to Dimension Data as part of the information technology outsourcing arrangement.

The increase in the number of employees in the rest of Africa resulted primarily from growth in the beverage can production in Angola.

Within the total number of permanent employees in South Africa:

- ⊙ 19.9% are female (up from 19.6% in 2011);
- ⊙ 338 females hold managerial positions (up from 320 in 2011); and
- ⊙ 0.023% of employees are disabled and 0.173% occupy managerial positions (unchanged from 2011).

Within the total number of permanent employees in the rest of Africa:

- ⊙ 9.5% are female;
- ⊙ 42 females hold managerial positions; and
- ⊙ there is one disabled employee.

Within the total number of permanent employees in the United Kingdom:

- ⊙ 9.9% are female (down from 10.5% in 2011);
- ⊙ 6 females hold managerial positions (down from 16 in 2011); and
- ⊙ there are no disabled employees (unchanged from 2012).

The change in the demographic profile in the United Kingdom has arisen from organisational restructuring for operational requirements.

Employee numbers by region

Region	2012			2011		
	Permanent	Temporary	Total	Permanent	Temporary	Total
South Africa	8 685	1 596	10 281	8 833	1 605	10 438
Rest of Africa	1 105	363	1 468	1 054	408	1 462
United Kingdom	574	46	620	588	55	643
Total	10 364	2 005	12 369	10 475	2 068	12 543

The following table reflects the split by region of permanent employee numbers by gender and job category:

Region	Job category	Male	Female	Total
South Africa	Executive directors	3	–	3
	Group executive	6	–	6
	Divisional managing directors and corporate equivalents	10	1	11
	Senior management	180	29	209
	Middle management	374	164	538
	Entry level management	265	143	408
	Supervisors	2 784	708	3 492
	Skilled	2 345	387	2 732
	Semi-skilled	925	279	1 204
	Unskilled	57	25	82
Total		6 949	1 736	8 685
Rest of Africa	Senior management	45	3	48
	Middle management	45	6	51
	Entry level management	36	17	53
	Supervisors	106	16	122
	Skilled	448	39	487
	Semi-skilled	216	15	231
	Unskilled	104	9	113
Total		1 000	105	1 105
United Kingdom	Divisional managing directors	1	–	1
	Senior management	5	1	6
	Middle management	15	3	18
	Entry level management	37	2	39
	Supervisors	59	4	63
	Skilled	91	30	121
	Semi-skilled	168	9	177
	Unskilled	141	8	149
Total		517	57	574

Social performance continued

People development and talent management

Nampak's performance management system is a business process that links what individuals and teams do on a daily basis within the larger goals, values and practices of Nampak as well as the needs of its customers. The policy seeks to facilitate the shift towards a strategic approach to the management of performance. It empowers managers and employees to see performance as an integrated and dynamic, real-time feature of work life. Nampak's performance management is defined as an ongoing process of communication and clarification of business priorities, performance and behavioural expectations in order to ensure mutual understanding between manager and employee. It is a philosophy which values and encourages employee development and career management through ongoing feedback, coaching and joint problem-solving.

During 2012, 60% of South African managerial employees participated in performance management and career development reviews. Of these, 73% were male employees and 27% were female employees. In the plastics operations in the United Kingdom 100% of managerial employees participated in performance management and career development reviews.

Management training programmes are reviewed annually to ensure that the content is aligned with the group's strategic requirements, and the details of the current programmes are included in the table below.

Programmes

Leadership development

Executive Coaching

This programme is aimed at senior operational managers who have a long-term potential for general and executive managerial positions.

Management Development Programme^{plus}

The programme focuses on leadership development of high potentials at a senior operational management level.

Tomorrow's Leader Programme

The programme centres on supervisory staff development where potential to fill operational management roles in future is identified.

Nampak Sales Acumen Development

This programme is addressing technical sales skills within the broader view of packaging solutions selling. The programme is aimed at high-potential sales representatives and managers to fill key senior key account management roles.

(TOPP) Training Outside Public Practice

Nampak is participating on SAICA's TOPP programme. The programme is aimed at training prospective chartered accountants in Nampak. Students are employed on three to five-year contracts.

Graduate Development Programme

The programme runs for two years and focuses on introducing newly qualified graduates to the Nampak group. It is aimed at addressing the skills shortages in engineering, finance and accounting. During the programme, young graduates are placed in jobs at divisions and complete an academic course involving individual and group assignments. Successful candidates are offered permanent employment in the group. The retention rate in this programme is a competitive 80%.

Manufacturing Techniques

The programme is aimed at supervisory and junior operational managers to build technical capabilities in world-class manufacturing and continuous improvement techniques.

Business Excellence Programme

This programme concentrates on developing skilled employees with leadership potential who may not have had the educational opportunities in the past.

Frontline Excellence Programme

This programme assists frontline employees with knowledge of the business as well as how to interact with different stakeholders.

Business Presentation Skills

This programme aims to enhance the presentation and engagement skills of managers in all disciplines across the business.

Negotiation Skills

This programme is aimed at developing negotiation skills during engagement with stakeholders in all disciplines across the business.

Investment in training and development by region

Region	2012 R million	2011 R million
South Africa	54.3	50.1
Rest of Africa	1.4	2.4
Europe	1.8	4.5

In addition to the programmes mentioned above, training extends to a range of technical, occupational health and environmental courses, as well as employee relations, code of conduct and business ethics, productivity improvements, health and safety, first aid and fire-fighting.

A total of 4 485 employees in South Africa spent an average of 4.5 days or 36 hours per annum in training. Four employees from the rest of Africa attended management development programmes in South Africa. Employees in the United Kingdom spent an average of two days or 4.65 hours per annum in training.

After engagement with the trade unions, shop steward training programmes will be conducted in South Africa again in 2013.

Bursary scheme, tertiary grants, apprentices and learnerships

The company draws bursars in appropriate fields, with emphasis on selection from Nampak-partnered schools and communities, to provide a supply into the Graduate Development Programme.

Nampak currently has 342 registered apprentices and learnerships in its various South African divisions, up from 281

in 2011. There were 326 males and 16 females. Significant focus will be placed on attracting female apprentices during 2013.

The Plastics division in the United Kingdom had 11 apprentices.

Since 2001, the South African divisions have received funds totalling R98.3 million from the Department of Labour as a proportion of the skills development levy from the Fibre Processing and Manufacturing Sector Education and Training Authority (formerly the Media, Advertising, Printing, Publishing and Packaging Sector Education and Training Authority).

Employee relations

The South African divisions have a variety of participative structures at different levels for dealing with issues which affect employees. These include national framework agreements with all three major trade unions, namely the Chemical Energy Paper Printing Wood and Allied Workers Union, the National Union of Metalworkers of South Africa and the South African Typographical Union, as well as plant-based agreements with Solidarity, the General Industries Workers Union of South Africa, the South African Chemical Workers Union and United Associations of South Africa. Collective bargaining mechanisms as well as safety, health and environmental committees and other participative forums exist at all operations. Employment equity and skills development committees are operational within the South African divisions.

The bar graph below reflect the percentage representation per union of members as at 30 September 2012 and 30 September 2011 in the South African region. Altogether 69% of permanent employees were members of trade unions and 79% were covered by collective bargaining agreements.



Social performance continued

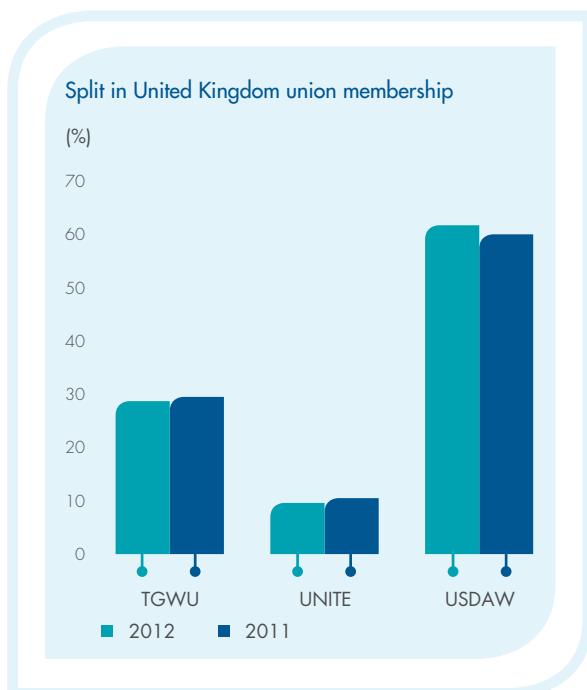
Collective labour and voluntary recognition agreements exist within the plastic operations in the United Kingdom with the Union of Shop Distributive and Allied Workers, Unite the Union and the Transport and General Workers Union. These structures are designed to achieve good employer and employee relationships through effective sharing of relevant information, the identification and resolution of conflict as well as consultation by management with employees.

The bar graph below reflect the percentage representation per union of members as at 30 September 2012 and 30 September 2011 for the United Kingdom. Altogether 16% of permanent employees were members of trade unions and 75% were covered by collective bargaining agreements.

In the rest of Africa 13% of permanent employees were members of trade unions and 10% were covered by collective bargaining agreements.

Wage settlements across the group were achieved without industrial action of any kind in 2012.

In 2006, Nampak and the Union Network International (UNI), a global union representing workers in the graphical and services sectors, which brings together over 900 different unions and over 15.5 million members, signed a global agreement on the respect and promotion of International Labour Standards. The agreement sets out the guiding principles by which UNI and Nampak complement existing workplace and national agreements in order to secure fundamental human rights, including the prohibition of child labour and discrimination. Focus is also placed on ensuring appropriate working conditions.



All employee grievances raised were satisfactorily resolved during the reporting period.

Benefits

Full-time employees have access to a range of benefits in line with benefits in the local jurisdictions. These include benefits such as medical insurance, retirement funding, employee assistance programmes, educational assistance and awards for long service.

Employees in South Africa may apply for educational assistance for their children's primary and secondary school education where they are burdened with financial hardship and are unable to pay school fees at the commencement of the school year. Management considers assistance towards school fees for employees earning below a certain wage level for a period of one year and thereafter encourages individual personal savings to meet future school fee commitments. Educational assistance is provided on a case-by-case basis in the Plastics division in the United Kingdom and the rest of Africa.

Retirement briefings

Written communication is regularly sent to all members of the various pension and provident funds in each region. Regular feedback sessions on the performance in the retirement funds, together with any changes to rules or legislation are held with employees. Retirement counselling sessions are provided for groups of retirement fund members who are within five years of retirement, where required. Employees select trustees among their own number to represent them in retirement funds.

Labour rights

It is Nampak's policy not to tolerate any form of unfair discrimination, inhumane treatment, forced or child labour, harassment or intimidation in the workplace. Group standards and policies are in place and training is provided to prevent unacceptable behaviours. Disciplinary action is taken when required.

Occupational Health and Safety

The group complies with the Occupational Health and Safety Act or similar legislation in the respective countries in which it operates. Safety, health and environment committees are in place at factories to assess and reduce the impact on the environment of manufacturing activities and to ensure the safety of employees.

	Target 2013	Actual 2012	Target 2012	Actual 2011
Work-related fatalities	zero	zero	zero	1 contractor
Number of reportable injuries	Average of 12 per month	Average of 13.5 per month	Average of 14 per month	Average of 14 per month
Disabling injury frequency rate ¹	1.12	1.14	1.24	1.24

¹ Disabling injury frequency rate: per 200 000 man hours worked.

Altogether 12 new cases of occupational disease incidents were reported in 2012, mostly relating to deterioration of hearing. In addition to regular hearing tests, ongoing training, peer and management observation and corrective action are emphasised within the operations to reduce employee exposure to noise. In extreme cases, disciplinary action may be taken.

In a comprehensive health survey conducted in 2012 in South Africa, some of the more prevalent health issues affecting Nampak employees were highlighted. In response to this, all employees are now able to undergo screening tests for cholesterol, diabetes, sexually transmitted diseases and tuberculosis in addition to the occupational hazard screening. Many operations conducted wellness days which resulted in heightened employee awareness of health-related matters.

In the Plastics division in the United Kingdom, the occupational health function, including pre-employment and ongoing shop floor evaluations, has been outsourced. General health and wellness awareness days were conducted as well as eye screening vouchers provided.

Three occupational health nurses in South Africa will complete the diploma qualifications required under the South African Nursing Council Circular 01/2010 in 2013. All other occupational health nurses have completed the diploma requirements.

Three operations in South Africa have been certified for OHSAS 18001 and a further 16 operations are planning certification during 2013. In addition, six operations are NOSA Integrated 5 star system certified.

Eight of the nine plants in the United Kingdom are OHSAS 18001 certified with the recently acquired plant commencing implementation during 2013.

Employee Assistance Programmes (EAP)

Nampak provides its staff and their immediate families with an independent, confidential programme to assist with personal and work-related problems through referral to appropriate external facilities, such as clinics, hospitals, community resources, childcare facilities, lawyers, psychologists and social workers. The EAP service is confidential, free and voluntary. Employees whose work performance has been negatively affected by personal difficulties may also be referred to the EAP programme by their immediate superior.

HIV/Aids

During 2012, all occupational health practitioners in South Africa attended an in-depth course on HIV and related counselling in order to improve the quality of counselling provided. Included in the training was an update of the HIV and tuberculosis treatment protocols published by the Department of Health. In line with the wellness programme, employees were formally trained to drive wellness committees at the operations. Managers were trained to manage the wellness and incapacity of employees more effectively. Offering employees the opportunity to undergo an HIV rapid test during annual medicals resulted in an improved HIV testing uptake to 66% during the year.

Corporate social investment

Nampak's primary focus under its corporate social investment strategy is contributing towards the development of selected communities located near its factories in the areas of education, health and welfare, and the environment. These activities are largely directed towards the youth, with general support of communities through donations to various hospices and other charities.

Social performance continued

The second principle aligns enterprise development and corporate social investment to initiatives which improve collection and recycling opportunities for its packaging products. Through the various programmes, the group aims to assess, manage and enhance the positive impacts of its operations on local communities.

The group has a target of allocating 1% of its profit after tax to corporate social investment. During 2012, R9.9 million was spent in the following broad categories:

Category	Expenditure	Expenditure
	2012	2011
	R million	R million
Education	5.2	6.2
Health and welfare	1.2	2.2
Environment	2.5	2.2
CAN DO! Trekking for Trash	0.75	–
Various charities	0.23	0.2
SABC matrics uploaded show ¹	–	2.5

¹ Corporate social investment spend reduced to normal levels following the completion of Bevcan's "Every-Can-Counts" campaign.

Education

During the year under review, Nampak spent R5.2 million on education initiatives.

Bursaries were awarded to the value of R2.6 million. The bursary scheme, which has been operating successfully for many years, provides assistance to high-potential learners for continuing education at tertiary institutions. Being a manufacturing organisation, the allocation of bursary funds is mainly to those learners who are studying towards science, engineering and accounting degrees. Wherever possible, employment opportunities identified within the group are offered to successful bursary holders. A total of 37 bursars (21 black males and 16 black females) are currently involved in the scheme.

In addition, R80 000 was donated to Thuthuka Bursaries in support of two students studying for accounting degrees. Thuthuka is a project coordinated by the SA Institute of Chartered Accountants in order to increase the number of black accountants in the country.

Nampak's school partnering programme is now in its tenth year. The schools chosen for this initiative are carefully selected and are in areas close to the group's South African factories where it is

likely that employees' children will attend. Funds are spent on upgrading and equipping libraries, employing qualified librarians, administrative infrastructure, science laboratories and security systems. In addition, opportunities are provided for teachers to enhance their skills and improve their own qualifications. Bursaries are provided for top students in mathematics, science and accounting. During 2012, R2.5 million was spent on these activities. Nampak has also established and upgraded sports facilities in consultation with the school governing bodies, most notably the soccer field which was established at Amogelang.

The current schools are:

- Lethulwazi High School in Vosloorus, Gauteng
- Amogelang High School in Soshanguve, Gauteng
- Lebohang High School in Boipatong, Gauteng
- Nkumbulo High School in Kwa-Thema, Gauteng
- Swelihle High School in Umlazi, KwaZulu-Natal
- Belhar High School in Belhar, Western Cape
- Luhlaza High School in Khayelitsha, Western Cape

As the facilities become established less funding is required by the schools and a maintenance position is adopted. Nampak appoints a school champion, who is a Nampak employee, for each school. Each school champion is responsible for engaging with the headmaster, teachers and school governing bodies on a regular basis. These sessions provide an opportunity for feedback and also ensure that the programmes are adding value in the correct areas. Employees in various operations have also voluntarily collected a number of books that have been donated to the school libraries.

The ultimate goal is to provide career opportunities for learners from the partnered schools within the group, either directly from school or through further education support. The criteria for awarding bursaries to candidates are in line with general bursary application evaluations. Particular focus is placed on academic performances during their final matric year in mathematics, science and accounting as well as the potential of such student for a future management position within Nampak. Altogether two bursars who had completed their studies joined the group during 2012. This brings the total number of students from Nampak's partnered schools employed to date to seven.

The group plans to continue its involvement by growing the number of school partnerships as funding allows.

Eco-Schools

Schools Flying Green Flags in recognition of Environmental Learning and Action
10 years on: The WESSA/WWF Eco-Schools Programme

"What makes Eco-Schools programme so special is that it is integral to the current curriculum rather than an add-on process. It has taught all participating schools about changing the way we live, how we depend on the biodiversity around us and our perceptions about nature. Through this programme we have been able to deepen our knowledge and learn more about better environmental management skills."

Principal Nathi Majola, Carshalton School (International ES Flag School), Mooi River, KZN

Solar cookers, vegetable gardens, wetland restoration, healthy tuckshops and water tanks are just some of the concepts embraced by schools that are participating in the WESSA/WWF Eco-Schools Programme.

Now in its **Diamond Decade** the Eco-Schools Programme has become a valuable curriculum framework for schools to work toward sustainable development goals. Since it was launched in South Africa in 2003 with funding support from Nampak, the number of schools that have registered has increased from 100 in the first year to over 1 100 schools in 2012. Of these schools more than half have been working with the programme for two or more years, which is ultimately one of the core aims; ensuring that efforts for better environmental learning and action are sustained and become part of how schools are managed.

Ixopo Primary is one of the schools to have achieved International flag status and has been with the programme for nine years. A very proud Mdluli, DoE circuit manager of Sisonke, said, "Ixopo Primary is the hope and success we should be acknowledging especially in light of the extremely poor matric results that our district has reflected. The Eco-Schools Programme has shown that it is able to mobilise schools to become the voice of the environment while ensuring good curriculum-based learning. We would love to see schools all over the district and country taking up the Eco-Schools challenge."

One of 2012's Green Flag winners, Khumbula High School in Mpumalanga, focused on recycling and enviro mentors who monitor and calculate the amount of waste generated per week. This project has as a result encouraged teenagers to become ambassadors of the environment and they take their role very seriously. The learners have also established a very organised and flourishing indigenous tree nursery as well as vegetable garden. Pyramid gardens were also investigated as a way of growing vegetables in poor soils. Added to their recycling initiative, reusing is very much part of the plan – the enviro club learners have mastered the art of paper-making which is also used as an income generation project as well as a way to address climate change and associated impacts. Alien plant eradication is a regular project as the schools strive to encourage biodiversity back into their school grounds.

Sinothando Primary situated near Pongola was awarded its International flag for 2011. They joined the Eco-Schools Programme in 2007 and received their Green Flag status in that same year. Besides addressing their own environmental needs they are also a great support system for their surrounding schools with regard to environmental knowledge, involvement and activities and getting them involved in Eco-Schools. Some of the projects have included water auditing and saving, indigenous gardens, encouraging biodiversity back into their school grounds with bird feeders, dealing with soil erosion and sustaining the school vegetable garden, while learners have also started their own vegetable gardens at home.

While schools are encouraged to look at local issues this does not discourage them from looking further afield. Being an international programme of the Foundation of Environmental Education (FEE) (www.eco-schools.org) the schools are able to link up with Eco-Schools in the other 51 countries to learn about issues that may be common or different and also to see that we are all just part of one big ecosystem. Currently there are over 30 000 participating schools and countries range from as far as Puerto Rico, Uganda, Lithuania and Japan.

Through the enthusiasm and commitment that shines from all Eco-Schools, there is no doubt that they will continue to spread and inspire other schools to join one of the most important quests of our time, the march to save ourselves and our home – our planet!

For more information contact the National Eco-Schools coordination team at ecoschools@wessa.co.za.

Social performance continued

Eco-Schools with Nampak's partnered schools in Gauteng

The strong base built through the Nampak Gauteng Eco-Schools node last year has been expanded in 2012, with recycling and anti-littering continuing as key focus areas for the four registered schools. An exciting partnership has been formed between Nampak, WESSA Eco-Schools and PETCO to support these schools in their recycling efforts. A competition is being run until the end of October 2012 to encourage the collection and sorting of as much recyclable packaging as possible. The winning classes will be taken on a fun environmental education field trip to local nature reserves. The competition will be run on an annual basis in order to sustain recycling efforts throughout the year and generate an additional form of income for the schools through the sale of the recyclable materials. Other initiatives included the celebration of World Water Day with the learners from Lethulwazi who participated in a river clean-up, sampled invertebrates to monitor the river health and water quality using a method known as mini-SASS (South African Scoring System) and searched for otters along the river. Trees were also provided for Arbour Week. Learners from Lethulwazi and Lebohang attended the Gauteng Eco-Schools conference in July where they learnt about the environment.



Health and welfare

Thembaletu (Our Trust) initiative

This assistance programme, facilitated by Nampak Tissue, manufacturers of Cuddlers disposable nappy brand, supplies specially branded disposable nappies to carefully chosen privately funded Aids orphanages. During 2012, almost 640 000 nappies were donated.

Hospices

Nampak donated R500 000 to six hospices around the country for their work in caring for terminally ill people, including some of Nampak's employees and family members.

Environment

Animal proof dustbins

Nampak's support for waste disposal systems in the Kruger National Park dates back to 2006 when it supplied the first animal proof dustbins. The bins were installed in Skukuza through a project driven by the Honorary Rangers. The initial bins did not provide for separation of waste and recycling. South African National Parks, the Honorary Rangers and Nampak worked together to design a new prototype of animal proof dustbin that provided for separation of recyclables from other waste. The redesigned high-quality steel bins were piloted at Skukuza with 150 bins initially installed in 2010. The trials have been successful and there have been no instances of baboons in the camp since the introduction. The bin design has now been patented and a total of 340 bins have been installed in the southern area camps since inception of the project. The long-term objective is to provide these bins in all South African National Parks camps.

The business plan for the material recycling facility for the Kruger National Park was agreed during 2012. This facility will allow collected post consumer packaging to be sorted into various materials for recycling. It is anticipated that the facility will commence operation during 2013.

The total contribution during 2012 was R1 million.

CAN DO! Trekking for Trash initiative

CAN DO! Trekking for Trash is a courageous 3 000 kilometre trek on foot by social change adventurers Michael Baretta and Camilla Howard along the South African coastline from Alexander Bay on the Namibian border, to Kosi Bay on the Mozambican border.

Nampak Bevcan, Nampak DivFood and Collect-A-Can under the CAN DO! umbrella, have sponsored the initiative with R750 000 for the nine-month programme. Through CAN DO! Trekking for Trash funds will also be raised to support informal collectors and recycling cooperations with equipment as well as drive recycling educational programmes.

The duo intends to raise awareness of litter while embarking on the mammoth journey of travelling the entire South African coastline. Individuals, families and friends will be welcomed to join in and help with the clean-up when Michael and Camilla reach their communities or even join them for a portion of the journey.

Michael and Camilla will visit primary schools, canned food manufacturing plants and fisheries to further entrench the recycling agenda. They will mobilise communities and municipalities to get involved and create a healthier and cleaner environment, to live, work and play.

CAN DO! Trekking for Trash has a long-term objective of keeping the litter-prevention message in the public eye, by conducting educational programmes to educate communities about the damage caused by littering.

Environmental performance

Overview

Nampak is categorised in the JSE sustainability index as a medium impact company on the environment. Its major impacts come in the form of the use of raw material it purchases (such as paper, board, tin plate, aluminium and various forms of plastic), the non-renewable source of electricity that is consumed which produces the bulk of its associated scope 2 carbon emissions in South Africa and the management of post consumer waste, reuse and recycling.

Policy

Nampak strives to create packaging that is balanced in terms of providing product protection and preservation, is cost-effective, creates maximum consumer appeal with appropriate product information and at the same time takes into account environmental responsibility.

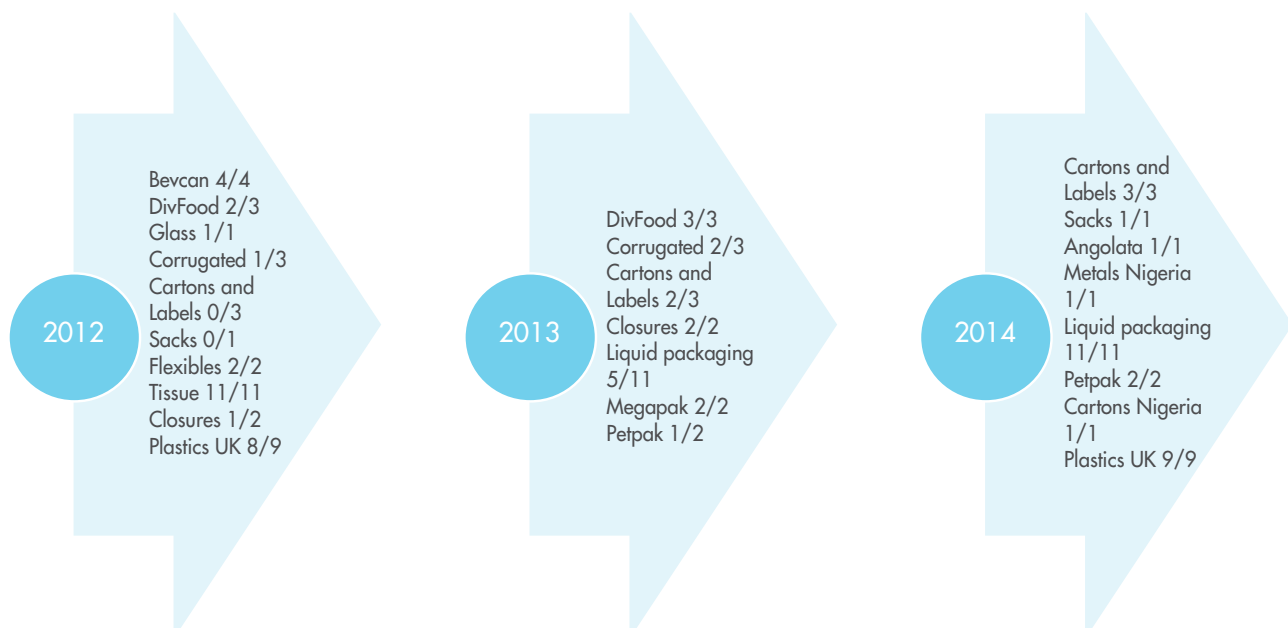
Nampak's environmental policy states its commitment to operating as an environmentally responsible company, and its belief that the integrated actions of its operations to conserve natural resources and protect the environment make business sense.

Nampak undertakes to ensure that any potential harmful impacts of its processes and products on the environment are minimised by:

- ⊙ complying with the requirements of ISO 14001:2004;
- ⊙ identifying and complying with relevant legislative requirements, internal standards, as well as the requirements of its stakeholders;
- ⊙ improving environmental performance through establishing a framework for setting and reviewing measurable and appropriate objectives and targets, regular monitoring and environmental audits;
- ⊙ promoting environmental awareness, both internally and externally, through training and proactive communication with stakeholders;

- ⊙ preventing pollution and continually improving performance through focusing on the following aspects at operations:
 - increasing energy efficiency and reducing GHG (greenhouse gas) emissions as a commitment to managing the impact on climate change;
 - minimising and recycling of waste generated by the operations as well as post consumer waste;
 - reducing resource utilisation through innovation and packaging solutions; and
 - conserving water resources;
- ⊙ providing the necessary financial and human resources at board and divisional level to give effect to the environmental policy; and
- ⊙ communicating the environmental policy to employees, contractors and other stakeholders.

Nampak is committed to complying with the law in all of its operations and beyond to minimise its risks and impacts by developing robust and documented systems to measure, monitor and communicate its environmental performance both within its operations and to the broader community. Consequently, an environmental management system based on the ISO 14001 standard has been adopted within the group's large manufacturing operations and is being implemented incrementally by the divisions each year. The following road map sets out the achievement to date and the anticipated completion timeframes. Once the standard has been achieved, the divisions will be subject to surveillance audits on an annual basis in order to maintain certification. The roadmap sets out the total number of sites per division where certification has been sought or will be sought in the near future.



Environmental performance continued

The target is for 100% of the group as a percentage of revenue to be covered by environmental management systems and 95% as a percentage of revenue to hold ISO 14001 certification. By the end of 2012, 74% of the group was certified.

Internal environmental assessments are conducted at smaller operations where it is not feasible to implement the full standard as well as in operations in the rest of Africa. No significant environmental impacts have been identified during 2012.

Once the standard has been achieved in the major South African operations, implementation will commence at the related material manufacturing sites in the rest of Africa.

Climate change

Key risks and opportunities

Climate change represents both risks and opportunities for Nampak. For a holding company as diverse as Nampak, with interests in paper, glass, metals and plastics, and with 97 manufacturing sites, Nampak facilities are susceptible to risks ranging from shortages of resources, severe weather events to logistics interruptions.

As a packaging supplier, Nampak is indirectly exposed to the same risks and opportunities as its customers. These are assessed and deliberated with customers at divisional level as the risks and opportunities could be different across the packaging material types. The major opportunities and risks are set out in the table.

Environmental trends	Resultant opportunities and risks	Nampak's response
Shifts in agriculture	<ul style="list-style-type: none"> Changes in crop yields as a result of changes in the weather patterns as well as the impact of changing ocean currents could impact the availability of foodstuffs and fish stocks and the associated demand for packaging Increased quality control requirements on products to prevent spoiling 	<ul style="list-style-type: none"> Development of innovative packaging solutions to meet changing conditions Research and development capability used to test quality of packaging
Higher temperatures	<ul style="list-style-type: none"> Increased demand for beverages resulting in increased demand for packaging 	<ul style="list-style-type: none"> Nampak's beverage canning, polyethylene terephthalate (PET) and glass bottling, closures and labels divisions would benefit from any increasing demand
Resource shortages	<ul style="list-style-type: none"> Increased focus on recycling opportunities Innovative packaging solutions to meet changing conditions 	<ul style="list-style-type: none"> Light-weighting, recycling and other opportunities to reduce resource usage Increased recyclable content and/or recyclability of products Active participation in industry recycling initiatives that increase the demand for post consumer packaging materials
Water scarcity and availability	<ul style="list-style-type: none"> Many customers are reliant on sustainable supplies of quality water to produce food and beverages which could impact the demand for packaging 	<ul style="list-style-type: none"> Engagement with customers to establish understanding of the potential impacts in order to inform the group's strategy
Shifts in consumer attitude towards more sustainable, less energy-intensive products	<ul style="list-style-type: none"> Requirement for a lower carbon footprint associated with packaging while still providing the appropriate level of protection and information Increased recyclability of products 	<ul style="list-style-type: none"> Innovative offerings through the group's significant research and development capability Collaboration with customers to develop appropriate solutions

Nampak's research and development department consistently works on light-weighting, recycling and other opportunities to reduce resource usage and to increase recyclable content and/or recyclability of its products to address the resource shortage risk. The current projects are set out in more detail in Nampak's research and development section on page 65 of this report.

Shifts in consumer attitude towards more sustainable, less energy-intensive products present a business opportunity as Nampak manufactures several products that can help businesses and consumers exporting to the European Union (EU). Nampak's significant research and development capability offers opportunities for the company to respond to a changing consumer attitude and regulatory environment, as it allows Nampak to capitalise on movements in consumption patterns driven by environmental awareness.

Nampak and climate change

Nampak has established its carbon footprint using the Greenhouse Gas Emission protocol and has used this information to set appropriate targets for reductions. As more than 80% of Nampak's scope 1 and 2 greenhouse gas emissions in South Africa come from electricity consumption, the focus has been on obtaining specific improved efficiencies and reductions.

The South African divisions had an overall target to reduce Nampak's energy consumption by 10% between 2008 and 2012 in its continuous operations. This target was achieved.

Each division considers its own risks and opportunities relating to climate change within the overall broad framework. Appropriate strategies and initiatives are then developed and implemented. Individual key performance targets linked to the annual short-term incentive bonus are set at divisional level in support of environmental initiatives relating to energy, carbon emissions, water and waste as appropriate. Some details of the divisional approaches have been included on pages 37 and 38.

The South African senior management energy, water and waste committee reviews new opportunities as a standard meeting agenda item. Certain projects have attracted refunds from Eskom under its demand side management programme and a central agreement has been signed to cover activities in all the South African operations.

Carbon footprint

The following table provides an overview of Nampak's carbon dioxide equivalent (CO₂) emissions for its South African and United Kingdom operations and some of the operations in the rest of Africa. The calculation is performed by Carbon Calculated on data provided by the divisions and is based on the Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard. As additional data becomes available, the reporting is updated.

During 2013, the group will replace its current data collection system from a manual intensive requirement to a more automated process that will facilitate easier access to internal audit reviews of data. It is anticipated that the internal audit review process will commence for a small number of the larger divisions in 2013.

Reporting period

Financial year 2012 (1 October 2011 to 30 September 2012).

Carbon footprint calculation

The carbon footprint calculation was conducted on Nampak South African operations, inclusive of Bevcan, DivFood, Glass, Corrugated, Cartons and Labels, Flexibles, Sacks, Liquid Plastics, Closures, Glass, Megapak, Petpak, Tubs, Nampak head office, Research and Development, Tissue, Tissue Recycling and Nampak Plastics in the United Kingdom.

The following operations in the rest of Africa have contributed data and have been included in the calculation for the first time in 2012: Angolata, Bullpak, Packaging Industries Malawi, Metals Nigeria, Kenya and Tanzania, Zambia, Lusaka and Ndola.

Environmental performance continued

Methodology

Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard

	2012
Total Nampak employees covered by report	9 446
Percentage Nampak employees covered by report	100
Total square metreage of offices reported	1 491 816
Group revenue in million rand	17 639.1
Scope 1 direct emissions	Metric tonnes of CO₂e
Equipment owned or controlled (eg generators)	185 112.08
Fuel used in forklifts	4 162.76
Vehicle fleet	7 421.61
Air-conditioning and refrigeration gas refills and nitrous oxide	3 597.25
Total scope 1 emissions	200 293.69
Scope 2 indirect emissions	
Purchased electricity	549 607.20
Total scope 1 and 2 emissions	749 900.95
Scope 3 indirect emissions	
Business travel in rental cars	190.06
Business travel in commercial airlines	7 552.12
Business travel in overnight accommodation	81.55
Outsourced transport ¹	5 746.24
Consumption of office paper	255.60
Total scope 3 emissions	13 825.57
Total scope 1, 2 and 3 emissions (GHG Protocol)	763 726.52
Non-Kyoto Protocol GHG emissions ²	235.30
Total Nampak 2011 emissions CO₂e (metric tonnes)	763 961.82
Emissions per full-time employee at (t/FTE)	80.88
Emissions per metre squared of office space (t/m ²)	0.51
Tonnes of CO ₂ e per million rand revenue	43.31

¹ Outsourced transport is linked directly with Nampak Plastics – UK.

² Non-Kyoto Protocol GHG emissions are reported separately according to GHG Protocol.

The electricity consumption in kilowatt hours by region is reflected below:

Consumption in kWh	2012		2011
	R million		R million
South Africa	509 385 375	595 392 466	
Rest of Africa	13 387 152		–
United Kingdom	85 594 715	83 255 142	

The petrol and diesel consumed by region in respect of Nampak equipment and forklifts for 2012 is reflected below:

Consumption in litres	2012	
	Petrol	Diesel
South Africa	–	867 893
Rest of Africa	23 101	5 291 869
United Kingdom	–	–

Carbon disclosure project (CDP)

Nampak participated in the CDP during the year under review. The carbon disclosure project provides a coordinating secretariat for institutional investors with a combined approximate US\$71 trillion under management in 2011. It seeks information on their behalf on the business risks and opportunities presented by climate change and greenhouse gas emissions data from the world's largest companies.

As global understanding of climate change and the associated risks and opportunities continues to develop, investors are increasingly demanding more advanced corporate disclosure on carbon emissions. In particular, they want to understand the potential impact on their investment due to:

- ⊙ taxation and regulation;
- ⊙ changes in climate system;
- ⊙ technological innovations; and
- ⊙ shifts in consumer attitudes and demand.

In South Africa, the top 100 companies listed on the JSE, including Nampak, were invited to participate in the CDP questionnaire. Nampak participated on a disclosed basis. Nampak's performance improved from performance band D to performance band B as rated by Incite Sustainability.

Nampak was awarded a gold certificate of recognition for its inclusion in the Carbon Disclosure Leadership Index 2012.

Water consumption and source

The bulk of Nampak's water requirements are provided by municipal sources. Total water consumption is set out below:

Consumption in kilolitres	2012
South Africa	3 252 677
Rest of Africa ¹	72 827
United Kingdom	25 800

¹ Partial reporting

The water consumption requirement is highest at the paper mills with the next largest usage coming from Bevcan's processes. As a result of this, specific initiatives to reduce water consumption in the Rosslyn Paper Mill commenced in 2012. Further details of these can be found on page 37.

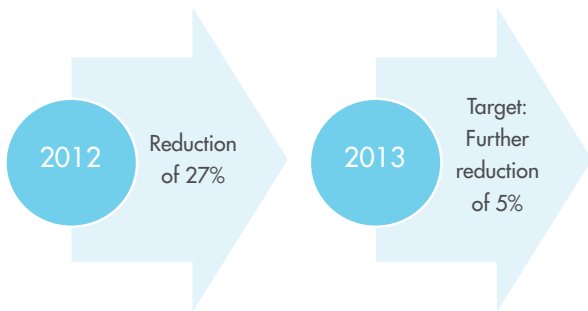
Waste management

Nampak's operations do not generate significant levels of waste. Wherever possible, raw material and other waste is recycled. Group service agreements are in place with certified providers for other general and hazardous waste removal.

Some divisions have set specific waste reduction targets as part of their overall sustainability strategies. Traditionally, paper sludge generated as a "waste" stream during paper production was exclusively sent to landfill sites. Nampak Tissue, in line with its commitment to manufacture products in a sustainable and environmentally friendly manner, has since the early 1990s investigated ways and means to recycle or reuse the paper sludge. These include composting, the manufacture of egg boxes, fuel bricks, partition board and cat litter. Technologies like fermentation and pyrolysis to extract the energy content have also been considered. The introduction of paper sludge as a raw material in clay brick manufacturing has thus far been the most successful technique employed. To date, 80% of the paper sludge generated by Nampak Tissue's operations is used in the manufacture of clay bricks. The benefits to the brick manufacturer include a reduction in the amount of clay mined, energy consumed, breakages (waste) and the overall cost of transport due to the reduced weight of the brick. The clay brick, containing paper sludge, is preferred by builders as a result of its reduced weight and ability to absorb water. In line with Nampak Tissue's incremental approach, it is targeting to have 100% of the paper sludge recycled or reused through a method that is proven to be sustainable and environmentally friendly.

Environmental performance continued

The Flexibles division is driving a number of waste reduction programmes with a view to ultimately achieving zero waste to landfill. During 2012, the division implemented the first phase of a project to use post-industrial metalised polypropylene and polypropylene laminate (chip packaging) waste. The waste was recycled into pellets and then injection moulded into 300 chairs and 150 tables for use by children at nursery schools. The chairs and tables were distributed to crèches in previously disadvantaged areas through a partnership between the division's shop steward and the local ward councillor. Engagement with further interested parties is presently taking place with a view to increasing the manufacture and distribution during 2013. The waste management project has resulted in a significant reduction in kilograms to landfill during 2012, with a further reduction anticipated in 2013.



The Bag4Life project was launched in partnership with a multi-national, a non-governmental organisation (NGO) and Nampak Flexibles to help facilitate income for the entrepreneurs working with the NGO by turning unused packaging into gift bags. Material which would normally be sent to landfill is diverted to the entrepreneurs to generate income through the NGO.



Biodiversity

Nampak's operations are not situated in or adjacent to protected areas.

Environmental incidents

Nampak is pleased to report that there were no significant spills or environmental incidents during the year under review.

Participation in industry recycling initiatives

Packaging is a vital component of modern living, providing protection, portability, preservation and convenience, as well as attracting and providing information to consumers of Nampak's customers' products. The group is acutely aware of the impact that packaging products can have on the environment. As a consequence, the group is directly involved in many industry-related recycling initiatives. The details provided for each of the raw material types indicated below have been provided by the companies or associations that are responsible for monitoring performance in these areas on behalf of industry. The timing of the reported information may differ from Nampak's financial reporting period.

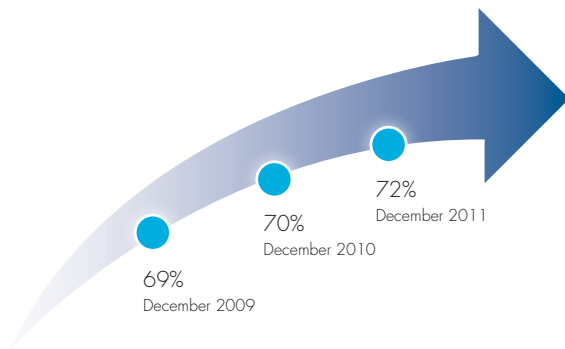
Details of recycled materials used in Nampak's manufacturing processes are included on page 24.

Metals

Collect-A-Can which is a joint venture between Nampak and ArcelorMittal, collects and recycles used beverage cans. Collect-A-Can is subsidised by shareholders to create an incentive for people to collect cans. It operates across borders on the subcontinent, where cans of South African and Angolan origin are sold.

Southern Africa is among the world leaders in steel beverage can recovery rates. The figures below make the beverage can the most successfully recycled primary packaging in South Africa.

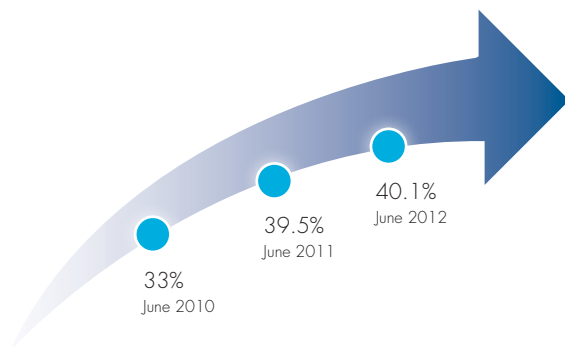
The three-year trend for steel beverage can recovery rates is reflected below:



Glass

Nampak, together with other industry players and government, participated in the restructuring of the South African glass recycling supply chain, and was also a founding sponsor of The Glass Recycling Company, which aims to promote and increase the recovery rate of glass by creating awareness about the importance of protecting the environment.

The three-year industry trend for glass recovery as reported by The Glass Recycling Company is reflected below:



For more details refer to www.theglassrecyclingcompany.co.za

Paper

Nampak Recycling division is a member of the Paper Recycling Association of South Africa.

"2011 saw an increase of recovered paper to 60% from 58% in 2010."

For more details refer to www.prasa.co.za

The Cartons and Labels operations in Denver and Epping subscribe to the Forest Stewardship Council (FSC) which provides global standards for forest management. As part of the process, forest products are tracked through processing, conversion, distribution and printing before the product can carry the final FSC label and the independently verified Chain of Custody certification.

Plastics

The South African Plastics divisions continue to participate in the sustainability initiatives driven by PlasticsISA. Nampak's executives are active at PlasticsISA. During 2011, a sustainability sub-committee was formed with representation from various polymer groups and retailers. The focus of this committee includes electronic waste, waste management, clean-up events, education, energy-efficiency opportunities, container management and recycling. During 2009, PlasticsISA undertook a complete survey of the plastics recycling industry in South Africa and has recently updated the recycling rates for plastics packaging which have remained stable at approximately 30% over the last two years. Information provided by the associations linked to specific material types (indicated overleaf) was included in the survey data. For more details refer to www.plasticsinfo.co.za

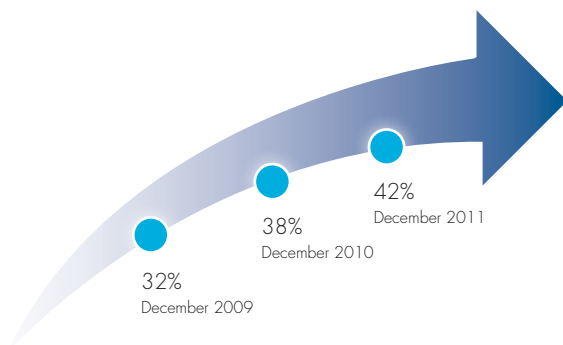
Environmental performance continued

Polyethylene terephthalate (PET)



Petco is an industry-driven and financed environmental solution for PET packaging. Nampak was one of the founding members and remains active with a representative on the current Petco (Pty) Ltd board. Petco was registered in December 2004. The main objective is ongoing consumer and public awareness of recycling initiatives. Petco fulfils the industry role of extended producer responsibility.

The three-year industry trend for post consumer PET recovery is reflected below:



For more details refer to www.petco.co.za

There are many end-uses for recycled PET in the form of:

- ⊙ staple fibres (carpeting, clothing, sleeping bags, pillows and duvets);
- ⊙ ceiling insulation;
- ⊙ geotextiles (road stabilisation); and
- ⊙ new PET containers for both food and non-food products.

Polyethylene (high and low density)

Megapak division is a patron founder of the South African Industrial Containers Reconditioners Association which was formed under an interim board during the year. The aim of the association is to promote responsible and legal reconditioning of drums among its members and by the industry as a whole as well as providing a body for engaging with government on waste management initiatives. The members include producers of plastic drums as well as the chemical and lube oil industry bodies. It is anticipated that the paint and agricultural industry bodies will join during 2013. The drum reconditioning audit protocol was finalised and will be used in future to audit sites against SANS 10406. Some successful audits took place in 2012.



Polyolefin

Polyolefin recycling company (Polyco) was formed in August 2011, including industry players, with one of the aims being to develop lighter, thinner and stronger products and to increase the recycling of polyolefins after their useful life.

The industry has set a target to recycle 35% or 226 000 tonnes out of a total polyolefin market share of 245 000 tonnes by 2015.

For more details refer to www.polyco.co.za

High-density polyethylene recycling initiatives in the United Kingdom

Significant progress has been made on the recycling of plastic milk bottles in the United Kingdom, and details of this initiative and targets can be found on page 38 of this report.



Waste Management Act, 2008

The National Environmental Management: Waste Act, 2008 (the Act), empowers the Minister of Environmental Affairs to require certain industries to develop industry waste management plans, including the paper and packaging sector. While the Minister of Environmental Affairs has not formally gazetted the need for an industry plan, the Packaging Council of South Africa (PACSA), whose convertor members account for some 70% of the turnover of the packaging industry in South Africa, proactively established the appropriate structures that could develop the industry waste management plan. In 2006, PACSA formed the Recovery Action Group (RAG) which consists of the material organisations representing the paper industry and the major packaging

materials (metals, plastics and glass as well as paper). RAG was tasked to work together on common issues relating to recycling and to ensure more effective communication channels were established between industry and government. Perchards Limited, a leading international consulting company that specialised in recycling policy and packaging producer responsibility legislation and systems around the world, was appointed to assist PACSA and RAG with the development of an appropriate industry waste management plan which would be relevant and viable in the South African context.

The comprehensive draft plan was finalised and submitted to government for consideration during August 2011. All parties involved have agreed to proceed by way of discussions with government with a view to finalising and commencing implementation in a practical manner.

Details of the plan will become transparent as engagement with government commences.

Product stewardship

Food safety

Hazard Analysis Critical Control Point (HACCP) is an internationally recognised, systematic and scientific approach to the identification and control of hazards in food preparation, processing, manufacturing and use to ensure that the food is safe to consume. Altogether eight South African plants operate according to the HACCP procedures. They are audited annually by the South African Bureau of Standards to verify conformity. In addition, there are eight operations (up from five during 2011) from the Corrugated, Flexibles and Cartons and Labels divisions certified under the AIB (American Institute of Bakers) programme, which incorporates the HACCP programme.

The plastics plants situated in the United Kingdom conform to the British Retail Consortium Institute of Packaging standard, which is held and required by all the major retailers and brand owners.

A further five operations are ISO 22000 certified and six operations have adopted the new global food safety standard (FSSC 22000) for food manufacturing as well as the Publicly Available Specification (PAS) 223 which deals with the packaging of food products and beverages. A further 17 operations intend to adopt the new standard during 2013.

Quality

Nampak holds ISO 9001:2001 Quality Management System certification at 56 of its operations globally. Implementation has commenced at the small operations (but will not be sought at head office and warehouse sites). Fulfilment of this international standard effectively provides assurance about the quality, safety and reliability of Nampak's products.



Research and development facility

Nampak's research and development department (R & D) has an impressive 66-year track record, and is at the forefront of its field, standing among the global leaders in packaging science and technology. It provides the group's customers with an impressive value-added service, delivering packaging products that improve living standards and lifestyles.

The skills set comprises a highly trained team of 29 scientists, two engineers and 15 technologists utilising the latest, state-of-the-art analytical and design tools. These experts have a formidable knowledge of material science, chemical analysis, food science and microbiology. They are backed by an extensive database compiled from decades of experience and case studies. This provides Nampak and its customers with the expertise to package their products in a way that enables them to gain a significant value-added advantage over the competitors.

Shifts in consumer attitude are researched in focus groups, by both Nampak and its customers, to enable R & D to keep pace with changing consumption trends. An innovation process and subsequently a specific innovation room has been established at R & D for Nampak divisions and customers to consider product advancements and designs.

Nampak aims to increase recyclability of packaging, believing this to be a more sustainable solution than biodegradability. Packaging extends the shelf life of products, but increased awareness of waste drives a trend to reduce perceived "over-packaging". This requires constant innovation from Nampak's various divisions.

Metals

Investigations into light-weighting both the two-piece and three-piece food can have resulted in a further reduction in can weights during the year. R & D continues with physical performance tests such as panelling and top-load of experimental light-weighted cans. Testing of lighter steel from international suppliers is continuous and various steel suppliers have been approved to supply Nampak. This initiative, which was born out of a cost-saving exercise, will result in significant resource conservation in the near future.

Nampak Bevan will start with the production of aluminium beverage cans in 2013. Nampak R & D is intensively involved in the evaluation and validation of aluminium substrate to ensure suitable quality material for the manufacturing of the aluminium cans.

Lacquer system for metal packaging

Nampak R & D is working very closely with its international lacquer suppliers to find a suitable alternative BPA (Bisphenol -A) free coating system for its food and beverage cans. Packed trial cans are monitored on a regular basis. BPA epoxy phenolic lacquer systems have been used in the international can manufacturing environment for more than 50 years. Due to controversial publications regarding BPA over the past few years

a decision by the international coating suppliers and can manufacturers was taken to develop a BPA NI (not intentionally added) coating system. Due to the necessity of long-term packed test to ensure appropriate shelf life of the end products, it is expected that this will be a two to three-year project.

Paper

Nampak Corrugated division has increased the portion of recycled paper in its board and has used all the board produced by the brown paper mill at Rosslyn in its products. Research continues to be conducted on strength tests between recycled and virgin material to determine an optimal level of recycled content. Alternative technologies to wax impregnation and coating are evaluated whenever it becomes available to ensure that more paper can be recycled.

R & D works very closely with the paper divisions to identify suitable international pulp and paper board suppliers for its diversified paper-based product range.

The cartons plants have aligned their purchasing strategies so that they are able to participate in the Forestry Stewardship Council Chain of Custody certification, which tracks certified material through all successive stages of manufacturing and distribution, from the forest to the consumer. This enables Nampak to meet customer requirements and to provide end-users of products with assurance that they are environmentally friendly.

Plastic

Light-weighting of PET bottles is being driven by Petpak, and R & D has measured carbonation retention and the physical properties to check their conformance with customer standards. This exercise supports the introduction of a range of lighter bottles from 2011. R & D has also been involved in the successful development of the Nampak Plastics UK Infiniti milk bottle by utilising its finite element analysis computerised modelling equipment.

The group is monitoring the ongoing debate on the issue of biodegradable plastics for packaging. As long as biodegradable plastics are not regarded as a viable option due to their potential contamination of the recyclable plastics waste stream, the group is promoting resource conservation and recycling initiatives. There is a constant drive to increase the percentage of recycled PET in new PET bottles.

The Nampak R & D plastic laboratory is also involved in numerous testing and developments to improve the barrier properties on a range of plastic materials for food and beverage products. This includes the use of various oxygen scavenging materials.

Compliance of packaging-chemical migration

Together with suppliers and customers, R & D is monitoring local and international regulatory environment for changes which may impact packaging compliance for food contact materials.

Corporate governance report

Introduction

Nampak's board of directors is committed to ensuring that the group adheres to the highest standards of corporate governance in the conduct of its business. The group's structures and processes are adapted from time to time to reflect best practice standards.

Statement of compliance King III

The board is of the opinion that the company complied with the principles of King III during the year under review, save for the exceptions which are set out in table 4 which appears at the end of this report.

Companies Act, No 71 of 2008, and JSE Listings Requirements



The Companies Act, No 71 of 2008, came into force on 1 May 2011 and the company complies with the provisions of the Act. Shareholders will be requested to approve the adoption of a new memorandum of incorporation of the company at the forthcoming annual general meeting.

Governance framework and structure

The board is the highest governing authority in the group and has ultimate responsibility for corporate governance. A sound corporate governance framework is in place and is considered by the board to be essential for sustainable value creation. The underlying structures and processes are renewed regularly to ensure alignment with King III, the Companies Act, No 71 of 2008, and best practice.

Board of directors

Independent non-executive directors

TT Mboweni (chairman)
RC Andersen
RJ Khoza
PM Madi
VN Magwentshu
DC Moephuli
CWN Molope
RV Smither
PM Surgey

Executive directors

AB Marshall (chief executive officer)
G Griffiths (chief financial officer)
FV Tshiqi (group human resources director)

Board committees

Audit committee

RV Smither (chairman)
RC Andersen
VN Magwentshu
CWN Molope

Remuneration committee

PM Surgey (chairman)
RC Andersen
TT Mboweni

Nomination committee

TT Mboweni (chairman)
RC Andersen
RJ Khoza
PM Surgey

Risk and sustainability committee

CWN Molope (chairperson)
PM Madi
DC Moephuli
PM Surgey
Ex officio: RV Smither as chairman of the audit committee

Social, ethics and transformation committee

PM Madi (chairman)
VN Magwentshu
PM Surgey

Group executive committee

AB Marshall (chief executive officer)
CH Bromley
PA de Weerd
G Griffiths
RG Morris
SE Msane
ZK Nzimande
FV Tshiqi
NP O'Brien (secretary)

Board of directors

Membership

The board is responsible for the strategic direction of the group, while also maintaining control over all material matters affecting the group.

Nampak's board comprises three executive and nine non-executive directors. All the non-executive directors are considered by the board to be independent in terms of the definition set out in King III and the JSE Listings Requirements.

The positions of chief executive officer and chairman are separated, with responsibilities divided between them for matters affecting the board and management. The division of responsibilities ensures a balance of power and authority. The chairman leads the board and ensures that all relevant information is placed before it for decision. The chief executive officer is responsible for the operation of the businesses, the development of strategy, the submission of business plans and budgets to the board for consideration.

All directors are subject to retirement and re-election by shareholders every three years, other than the chief executive officer during the period of his service contract. If the company's new memorandum of incorporation is approved by shareholders at the annual general meeting on 8 February 2013, both the chief executive officer and the chief financial officer will not be subject to re-election every three years. Re-election takes place on a staggered basis to ensure continuity, but reappointment is not automatic. The appointments of new directors are subject to confirmation by shareholders at the first annual general meeting after their appointment.

The nomination committee follows a formal process in considering the appointment of directors and then makes recommendations to the board for any such appointments. In making appointments the board considers skills, knowledge, experience and the overall composition of the board. Each non-executive director is given a letter of appointment.

The board comprised 58% historically disadvantaged South Africans and 25% females as at 30 September 2012. Biographical details of all the directors are set out on pages 14 and 15 of this integrated annual report.

The non-executive directors do not participate in any share incentive or share option scheme in the company.

Board meetings

The board meets at least six times per annum and the details of attendance in financial year 2012 are provided in table 1 below. A formal agenda is issued for each board meeting and supporting documentation is distributed to all directors at least five working days before a board meeting to provide sufficient time for preparation.

Table 1
Attendance at board and committee meetings during the year ended 30 September 2012

	Board		Audit committee		Social, ethics and transformation committee		Remuneration committee		Nomination committee		Risk and sustainability committee	
	A	B	A	B	A	B	A	B	A	B	A	B
RC Andersen	7	7	3	2	–	–	4	4	2	2	–	–
G Griffiths	7	7	–	–	–	–	–	–	–	–	2	2
RJ Khoza	7	7	–	–	–	–	–	–	2	2	–	–
PM Madi	7	6	–	–	2	2	–	–	–	–	2	1
VN Magwentshu	7	6	3	3	2	2	–	–	–	–	–	–
AB Marshall	7	7	–	–	–	–	4	4	2	2	2	1
TT Mboweni	7	7	–	–	–	–	4	4	2	2	–	–
DC Moephuli	7	6	–	–	–	–	–	–	–	–	2	2
CWN Molope	7	7	3	3	–	–	–	–	–	–	2	2
RV Smither	7	6	3	3	–	–	–	–	–	–	2	2
PM Surgey	7	7	–	–	2	2	4	4	2	2	2	2
FV Tshiqi	7	7	–	–	–	–	–	–	–	–	–	–

Column A Indicates the number of meetings held during the period the director was a member of the board and/or committee.

Column B Indicates the number of meetings attended during the period the director was a member of the board and/or committee.

Corporate governance report continued

Role and purpose of the board



The board adopted a new charter in November 2012 which sets out its terms of reference, including its powers and responsibilities. A copy of the charter is available on the company's website.

There are comprehensive management reporting disciplines in place which include the preparation of annual budgets by all operating units. The strategic plan, the group budget, summaries of divisional sales, operating profit and capital expenditure are reviewed and approved by the board. Results and the financial status of divisions are reported on at board meetings against approved budgets and compared to the prior year. Profit projections, forecast cash flows and working capital and borrowing levels are also reported on at these meetings.

Access to information and resources

Directors have access to all group information. In addition, the directors may in appropriate circumstances seek independent professional advice about the affairs of the company at the company's expense. A director concerned would initially discuss and clear the matter with the chairman or the company secretary unless this would be inappropriate.

Declaration of directors' interests

Directors are required to disclose their shareholdings and additional directorships on an annual basis and any potential conflicts of interest must be disclosed at the relevant board meeting.

Induction and education

The company has a formal induction policy. This provides for new directors to visit key sites, meet with group management and to be provided with copies of all relevant documentation, including the charters of the board and its committees, minutes of recent meetings, company policies and recent annual reports.

Ongoing training is offered to individual directors on request, while information and update sessions are provided at board meetings.

Board committees

The board is assisted in the discharge of its duties by a number of committees, details of which are set out below:

Remuneration committee

Composition and meeting procedures

During the year under review the committee was chaired by an independent director of the company and in addition comprised

two independent directors. Meetings were attended by the chief executive officer and the group human resources director, but they did not participate in discussions regarding their own remuneration. The committee met formally on four occasions during the financial year. The chief executive officer also provides input into the committee regarding the remuneration of his direct reports.

Role, purpose and principal functions

The committee operates within written terms of reference which are reviewed from time to time.

The minutes of the meetings are circulated to directors. The committee is entitled to use external consultants to seek advice on certain matters, and to this end, appropriate experts have advised the committee during the year. PwC has advised on executive directors' and non-executive directors' remuneration and the long-term incentive remuneration structures. Deloitte Consulting and Global Remuneration Solutions has provided benchmarks of pay levels for both executive and non-executive directors' remuneration. No other remuneration-related services have been provided by these organisations.



Nampak's remuneration policy as determined by the committee will be presented to shareholders for a non-binding advisory vote at the annual general meeting to be convened in terms of the notice which appears on 137 to 142 of this report.

The group's remuneration-related disclosures are contained in the remuneration report, as set out on pages 79 to 107 of this report.

Nomination committee

Composition and meeting procedures

During the year under review the committee was chaired by the chairman of the group, who is an independent, non-executive director and in addition comprised three independent non-executive directors. Meetings were attended by the chief executive officer and the group human resources director, but they did not participate in discussions regarding their own positions. The committee met on two occasions during the year.

Role, purpose and principal functions

The committee operates within written terms of reference which are reviewed and updated regularly.

In addition, the committee specifically provided support to the board and confirmed the independent status of the non-executive directors based on the King III principles.


Audit committee

Composition and meeting procedures

During the year under review the committee was chaired by an independent non-executive director of the company and in addition comprised three independent non-executive directors.

The committee meets at least three times per year and the meetings are also attended by appropriate executives including the chief executive officer and the chief financial officer. During the year under review the committee met three times. At its meetings, the committee reviews the group's financial results, receives and considers reports from the internal and external auditors on the results of their work and attends generally to its responsibilities. The committee also meets separately with the external auditors to obtain assurance that they have received full cooperation from management, while the committee chairman meets regularly with key executives to review issues which require consideration by the committee.

Role, purpose and principal functions

 The committee operates within written terms of reference which are reviewed and updated regularly.

For further information pertaining to Nampak's audit committee, please refer to the audit committee report on page 111 of this report.

During the year the committee fulfilled its mandate and performed the functions required of an audit committee on behalf of all subsidiaries in the group which have been incorporated in the Republic of South Africa.

The shareholders will be requested at the annual general meeting to be convened in terms of the notice as set out on pages 137 to 142 to elect an audit committee to serve until the following annual general meeting, comprising the independent, non-executive directors who are named and recommended for appointment in the notice of annual general meeting.

Risk and sustainability committee

Composition and meeting procedures

During the year under review the committee was chaired by an independent director of the company and in addition comprised four independent directors. The committee met twice during the year under review. Appropriate senior executives are invited to attend the committee meetings.

The committee is building its members' competency both through internal resources and working closely with various consultancies and subject matter experts. Carbon emissions are calculated by Carbon Calculated. Newly appointed committee members also bring their experience from participation on other boards on broader sustainability matters.

Role, purpose and principal functions

Nampak's board is ultimately responsible for providing supervision, guidance and direction on social, community and environmental issues that have a potential impact on the reputation and long-term economic viability of the company and stakeholders. The committee operates within written terms of reference which are reviewed from time to time.

Social, ethics and transformation committee


Composition and meeting procedures

During the year under review the committee was chaired by an independent non-executive director of the company and in addition comprised two independent non-executive directors. The committee met twice during the year under review. Key senior executives, including the chief executive officer and the human resources director, attend the meetings of the committee.

Role, purpose and principal functions

The committee operates within written terms of reference which are reviewed from time to time.

Transformation is a key focus area for the company and receives ongoing attention. During the year under review the company achieved a Level 3 B-BBEE rating, up from Level 4 in the previous two years, as certified by the independent ratings agency, Empowerdex.

 In the year under review, the board appointed the group human resources director as ethics officer for the group on the recommendation of the committee.

Company secretary

All directors have access to the advice and services of the company secretary. The company secretary is responsible for preparing meeting agendas and recording minutes of board meetings and for ensuring that sound corporate governance procedures are followed. During the year under review the board declared itself satisfied with the competence, qualifications and experience of Neill O'Brien as company secretary after noting that he held a BProc degree, has been an admitted attorney for 34 years, has been the Nampak group's legal adviser for 16 years and its company secretary for 12 years.

Corporate governance report continued

Board, committee and director evaluations

The board has decided that formal appraisals will be conducted every second year. An appraisal was conducted during the 2011 financial year and the next appraisal will be conducted during the 2013 financial year.

Accountability and audit Going concern

The directors confirm that they are satisfied that the group has adequate resources to continue in business for the foreseeable future. For this reason they continue to adopt the going-concern basis for preparing the financial statements. The audit committee has reviewed the assessment prepared by management on the going-concern status of the group.

Financial reporting

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). They are based on appropriate accounting policies which have been consistently applied and are supported by reasonable and prudent judgements and consistent estimates. 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 an appropriate segregation of duties.

Internal financial controls

The effectiveness of internal controls and systems is monitored through the utilisation by management of formal reporting of material defalcations and other losses and the use of an internal audit function.

Internal audit

The internal audit function is outsourced to Ernst & Young. The internal audit function operates in terms of a formal charter which defines the purpose, responsibilities and scope of activities of the internal audit function. Internal audits are aligned to the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics of the Institute of Internal Auditors, Inc.

The internal audit plan is approved annually by the audit committee. The internal audit function evaluates the adequacy and effectiveness of risk management, system of internal control and

governance processes in terms of the approved internal audit plan. Control weaknesses identified by internal audit are brought to the attention of management and the audit committee in written reports.

Ernst & Young's chief internal audit executive reports functionally to the chairperson of the audit committee and administratively to the chief financial officer.

External audit

During the period under review the audit committee nominated Deloitte & Touche for appointment as auditor of the company. The committee is satisfied that the external auditors are independent of the group.

The external auditor's annual audit plan is approved at a meeting of the audit committee. The external auditors provide an independent assessment of internal controls and systems through the audit work that they perform. They complement the work of the internal auditors and review all internal audit reports on a regular basis. The external auditors are also responsible for reporting on whether the financial statements are fairly presented and their report is presented on page 110 of this report.

During the year under review the audit committee determined the fees to be paid to the external auditor and the external auditor's terms of engagement. In addition, the committee determined the nature and extent of non-audit-related services to be provided by the external auditor and preapproved contracts with the external auditor for the provision of non-audit services to the company.

During the year under review the value of the non-audit-related services provided by the external auditors to the company was as follows:

	Rm
Taxation consultancy services	2.9
"Tip-offs Anonymous"	0.14
Other	0.7

No complaints were received by the audit committee during the year under review with respect to the accounting practices or internal audit of the company, nor with respect to the auditing of the group's financial statements.

Integrity and ethical behaviour

A code of conduct and business ethics is enforced throughout the group. All directors and employees are required to act with honesty and integrity and to maintain the highest ethical standards. The code deals with compliance with laws and regulations, conflicts of interest, relationships with customers and suppliers, gifts and favours, remuneration, outside employment, directorships, company funds and property, confidentiality, company records and communications, competition, sustainability, insider trading, donations and sponsorships, and employment and labour rights. All employees are bound by the code of conduct and business ethics.

Systems and procedures are in place to monitor and enforce the code and the directors believe that the requirements of the code have largely been met by employees.

During the year under review training was provided to approximately 298 employees in South Africa and the rest of Africa on the code of conduct and business ethics, and in regard to corruption, fraud and theft.

Nampak operates "Tip-offs Anonymous", a hotline which allows callers to report confidentially on any violations of Nampak's policies and procedures. All disclosures received, resultant investigations and the outcome thereof are communicated and reported to the audit committee. A total of 65 reports were received during the year under review, which resulted in 10 disciplinary hearings and three dismissals.

A total of 14 forensic reviews were conducted during the year in addition to investigations as a result of "Tip-offs Anonymous" reports. The reviews resulted in two disciplinary hearings, which led to two dismissals. The remaining reviews did not reveal substantiated evidence of misconduct or irregularities.

No material human rights violations were reported during the year, nor were any material incidents of corruption detected or reported.

Price-sensitive information

In accordance with the JSE Limited's guidelines on price-sensitive information, the company has adopted a policy dealing with the determination of information as price-sensitive, confidentiality undertakings and discussions with the press, institutional investors and analysts. Only the chairman, the chief executive officer, the chief financial officer and the investor relations manager may discuss matters which may involve price-sensitive information with third parties. The company follows a "closed period" principle, during which period employees and directors are prohibited from dealing in the company's shares.

The usual closed periods endure from the end of March until the publication in May of the interim results for the six-month period ended 31 March and from the end of September until the publication in November of the financial results for the year ended 30 September. Additional periods may be declared "closed" from time to time if circumstances warrant this action.

Political donations

Donations of any nature to political parties are prohibited.

Compliance

Nampak is committed to conducting its business in compliance with all applicable laws and regulations and with honesty in its dealings with customers, employees, suppliers, shareholders and the community. In pursuit of that goal Nampak maintains an effective compliance programme.

The primary purpose of the compliance programme is to detect violations of laws, regulations and company policy. Should Nampak become aware of any violations of laws, regulations or company policies, it will investigate the matter and take disciplinary action where appropriate.

Schedules of relevant laws and regulations are prepared and maintained for the businesses in the group, although this must still be rolled out in the rest of Africa. A code of conduct and business ethics lays down the standards expected of all employees, while potential violations can be reported through "Tip-offs Anonymous", which is available 24 hours a day, seven days a week.

Policies and procedures are in place to monitor compliance and to mitigate risks, to implement effective training programmes and to report to management and the board on the effectiveness of the programme. Litigation in the businesses is referred to the group legal adviser, who reports on material litigation to the risk and audit committees and to the board.

During the year under review there were no prosecutions of Nampak or its personnel for material violations of any laws or regulations.

Risk management

Policy framework and guidelines

Risk management guidelines and the operational framework were revised in 2011 in consultation with KPMG. The policies describe the group's risk management processes and sets out the requirements for management in generating risk action.

The board has committed the group to a process of risk management that is aligned with ISO 31000, King III and also generally accepted good risk management practices.

Corporate governance report continued

The structured and systematic enterprise risk management process guideline and framework has been adopted by the group which means that key risks that may impact the group's ability to achieve its objectives are proactively identified, assessed, quantified (where appropriate) with mitigation opportunities or actions established. Assessment of whether any risk has a likelihood of declining, increasing or remaining stable over the next three to five years is also considered. The residual risk position after evaluating the quality of the mitigating factors or actions provides management and the board with sufficient information to determine whether there are any further actions that could be taken to reduce potential exposures.

Risk management is a process which runs throughout the organisation and is formally integrated into the annual budget and strategic planning cycles as well as in capital expenditure processes thereby taking into account external and internal influences. Risks are then reviewed and updated by the divisions and group departments on a quarterly basis or as required.

The board is responsible for the governance of risk and ensuring that the group's assets and reputation are suitably protected. The risk and sustainability committee, appointed by the board, formally monitors and reviews:

- ⊙ the effectiveness of risk management arrangements and that appropriate assessments, responses and interventions are in place;
- ⊙ ensures that annual risk management plans are in place;
- ⊙ ongoing activities to ensure that they are sufficiently robust and that key risks are identified;
- ⊙ the group's risk register bi-annually and evaluates the appropriateness of mitigating actions and controls;
- ⊙ that unpredictable risks are identified as far as possible; and
- ⊙ reports on incidents, losses and claims.

Regular feedback is provided by the risk and sustainability committee to the board so that its members are kept informed of key risks and opportunities and matters that may require attention. The chairman of the audit committee attends the risk and sustainability committee meetings as an ex officio member.

The governance structure for risk management is set out in the corporate governance statement on pages 71 to 76 of this report.

The risk management process is subject to internal audit reviews with a view to continually enhancing the effectiveness of the process.

Accountability

While the responsibility for governance of risk management rests with the board, the accountability for risk management rests with management and staff. Risks identified are discussed at divisional and group meetings which are attended by the chief executive officer and/or the chief financial officer.

Structure

The risk management framework sets out the governance structure. A team with an appropriate understanding of the framework, concepts and principles has been established within the group with responsibility for ensuring integration into the business as well as coordination of information to the group executive committee for review before being presented to the board's risk and sustainability committee.

Predetermined risk categories have been established to guide the operations in their risk assessments. Management at each of the divisions identifies, quantifies the risks, establishes controls and mitigation initiatives and thereafter monitors performance and ensures that action plans are implemented. Flexibility is provided to add risk categories if required. Historical data is retained and performance can therefore be tracked and trend-lines established.

Risk tolerance and appetite

The group finalised its approach to risk appetite and risk tolerance. The variety in its manufacturing processes naturally supports risk diversification. The measure that is used to determine the risk appetite is the group's EBITDA and the risk tolerance is set against an appropriate interest cover ratio. Risk appetite statements in respect of other social, economic and environmental aspects have also been agreed. The risk management framework also provides an outline of the potential financial impact of all risk categories thereby ensuring that the level of financial risk exposure is taken into account when determining the residual risk outcome.

Risk management plan

The risk management plan for 2013 includes the regular operational requirements and internal audit processes, but also includes a renewed focus on training with a view to the integration of the risk appetite and risk tolerance levels into the business agendas.

Key risks

The risks which the group's risk management process identified as the most important risks facing the group have been identified and reviewed below.

The group's risk process requires that all risks are identified including the factors affecting economic, social and environmental performance in the divisional and group departmental registers. These are then grouped into specific risk categories which are viewed as the key drivers behind the group's performance.

The key risks have been identified and are reflected in the table below:

Table 2

Source of risk	Impacts	Mitigations
Customer gain/loss		
Certain divisions rely on volumes from key customers	<ul style="list-style-type: none"> ⊙ Loss of revenue from key account ⊙ Potential reduction in margins 	<ul style="list-style-type: none"> ⊙ Continued high quality of supply ⊙ Development of innovative solutions using Nampak's research and development capabilities ⊙ Diversification of customer base where feasible ⊙ Building of strong customer relationships across the business in a structured way ⊙ Agreement on longer-term contracts where appropriate
Competitor activity	Certain operations operate in highly competitive environments	<ul style="list-style-type: none"> ⊙ Continued strategic review of business potential in the short, medium and long term ⊙ Continued review of pricing structures and quality of products and service delivery ⊙ Continued review of market demand trends
Product gain/loss		
Substitution and changes in customers' and consumers' packaging requirements driven by international and local packaging trends and consideration of environmental impacts	<ul style="list-style-type: none"> ⊙ Loss of revenue from key accounts ⊙ Potential reduction in margins 	<ul style="list-style-type: none"> ⊙ Development and innovative sustainable packaging solutions using Nampak's research and development capabilities ⊙ Ongoing review of competitive pricing of products ⊙ Ability to provide a full range of diversified products ⊙ Ongoing market research with customers and consumers on packaging requirements
Product quality		
Manufacture of packaging products that fall short of suitability and food and beverage safety criteria of customers	<ul style="list-style-type: none"> ⊙ Loss of revenue ⊙ Loss of market share 	<ul style="list-style-type: none"> ⊙ Active adoption and maintenance of quality and food and beverage safety standards within the group ⊙ Ability to test product suitability at Nampak's research and development facility with customers before manufacture ⊙ Ongoing engagement with suppliers where the quality of raw material impacts the finished packaging product to ensure appropriate quality of raw materials

Corporate governance report continued

Source of risk	Impacts	Mitigations
Productivity		
Inability to recover increases in cost base resulting in lower margins	<ul style="list-style-type: none"> Challenge in recovery of raw material price increases from customers Exposure to increases in employment costs in excess of inflation 	<ul style="list-style-type: none"> Contractual arrangements providing for consistency of raw material price applications Ongoing proactive engagement with recognised trade unions to create appropriate relationships to manage employment issues and related productivity Consideration of opportunities to automate
Supplier dependence		
Reliance on energy and water infrastructure	<ul style="list-style-type: none"> Potential inability to meet customer demand due to power disruptions Potential reduction in customer demand for product due to power disruptions 	<ul style="list-style-type: none"> Participation in industry forums, or directly in engagement with government, parastatals and municipalities Programmes in place to reduce reliance on electricity where feasible, which address both cost and reliability issues as well as resulting in a reduction in carbon emissions
Dependence on raw material suppliers and volatility in pricing	<ul style="list-style-type: none"> Reliance on single suppliers affecting price and quality of raw materials 	<ul style="list-style-type: none"> Supply agreements in place with major raw material suppliers that are mutually beneficial Alternative supply channels developed and tested
People and culture: skills attraction, retention and transformation		
General shortage of available artisan, engineering, accounting and manufacturing skills. Complexity associated with attracting black females into manufacturing environment	<ul style="list-style-type: none"> Development of pipeline may impact the ability to meet customer requirements appropriately in the short to medium term Employment of females in management positions supports the B-BBEE strategy and potentially negatively impacts the scorecard if not managed appropriately 	<ul style="list-style-type: none"> At least 50% of new engagements of graduates are females Executive coaching facilitates growth and development into senior leadership positions Specific technical training provided through industry bodies and recognised institutions Focus in granting of bursaries to students wishing to study in fields related to company skills requirements with a view to attracting them as graduates into Nampak
Emerging environment of violent and militant strike action in South Africa	<ul style="list-style-type: none"> Disregard by employees of trade union structures and agreements Potential strike action 	<ul style="list-style-type: none"> Proactive engagement with trade unions, employee shop stewards and employees

Source of risk**Impacts****Mitigations****Legislative environment**

Change in legislation that places additional financial burden on large institutions

- ⊙ Potential introduction of carbon tax
- ⊙ Possible implications on tax rates with the introduction of national health reforms
- ⊙ Outcome of discussions with the Department of Environmental Affairs on the proposed Industry Waste Management Plan
- ⊙ Potential deregulation of the tissue industry resulting in standards protecting brand value being compromised

- ⊙ Executive directors and senior executives participate in appropriate forums, including industry bodies, to ensure engagement with government and other stakeholders on legislative proposals

Regulatory environment

Complexity and magnitude of the laws, regulations and standards

- ⊙ Possible inability to understand the impact of all laws, regulations and standards at all times

- ⊙ Systems in place to ensure reporting on non-compliance and monetary fines or legal actions
- ⊙ Development of certification under appropriate global operating standards

Country risk

The group's strategy to expand into the rest of Africa's markets offers growth prospects

- ⊙ Potential inability to collect payments due to cash resource restraints
- ⊙ Potential political uncertainty

- ⊙ Employment of directors and management with experience of operating in the rest of Africa
- ⊙ Development of strong mutually beneficial relationships with key stakeholders in each jurisdiction.
- ⊙ Focus on achievement of longer-term contracts with key customers

For risks and opportunities related to climate change refer to pages 56 and 57.

Corporate governance report continued

Risk management audits

The internal audit function is responsible for auditing risks that are identified through the risk management process. These form part of the internal audit scope of review for the following year. The external auditors may consult with the risk and sustainability committee with a view to understanding the group's risk management activities. Ernst & Young's chief internal audit executive attends the risk and sustainability committee meetings.

Risk control standards

The Nampak Group Risk Control Standards cover facilities in South Africa, the United Kingdom as well as its operations in the rest of Africa. Willis SA (Pty) Ltd, Nampak's insurance and risk management partner, provides assurance over the implementation of the standards, which includes an annual visit by Willis to each operation. Divisions also conduct their own self-audits on the risk control standards which are then subject to a peer audit by Nampak's risk control practitioners (in South Africa and the United Kingdom only). Willis conducts an in-depth review of two sections of the risk control standards to ensure compliance. The plastics operations in the United Kingdom have implemented a tailored health and safety audit system to comply with their insurance requirements. The Bevan and Closures divisions are NOSA certified.

Elsewhere in Africa, the Lagos State Environmental Protection Agency in Nigeria requires health, safety and environmental audits of Nampak on a bi-annual basis. Accredited consultants, Fatmahal Environmental Services Limited, also perform monthly checks.

In addition to the risk control standards, the group's operations also implement various standards including: HACCP, AIB, ISO 18001, NOSA, FSSC 22000 and (PAS) 223, ISO 9001, ISO 14001 and ISO 22000. For more details refer to pages 51, 55, 64 and 77.

IT management

Information technology (IT) is an important part of Nampak's business and is essential to the support and sustainability of the group. The King III Report on Corporate Governance places responsibility for IT governance with the board, and the Nampak board has given the chief financial officer (CFO) overall responsibility for managing the IT governance structures and processes. The IT function is managed by the chief information officer (CIO), who reports to the CFO. An IT steering committee is chaired by the CFO, and its membership comprises the CIO and the members of the group executive committee. The committee has a well-defined charter and it is responsible for overseeing IT direction and investments, and ensuring alignment with business strategy and priorities.

Nampak's IT function has adopted the IT Governance Institute (ITGI) governance model as a framework for IT governance, while continuing to employ best practice frameworks such as the Control Objectives for Information and related Technology (CobiT) and Information Technology Infrastructure Library (ITIL) as guidelines for establishing and maintaining effective internal controls, continuity and risk management.

In line with the IT governance model, a framework of IT policies has been developed and adopted, taking into consideration the business imperative, current legislation and IT trends.

Internal audit provides assurance to management, the audit committee and the risk committee on the effectiveness of IT governance.

The group's IT focus remains to deliver value to the business through strategic alignment, and to mitigate the risks of IT by embedding accountability into the operations of the businesses.

Table 3
Assurance

The group is increasing its independent assurance by external providers on a variety of issues each year. The following table reflects the material areas covered during 2012.

Aspect	Requirement	Status	Assurance provider
Fair presentation in all material aspects of financial reporting	External audit report	Assured	Deloitte & Touche
Economic value added	External audit review	Assured	Deloitte & Touche
Insurance claims	Insurance claim review	Assured	Willis
Risks, internal controls, standards and processes	Internal audit review	Assured per internal audit plan	Ernst & Young
Risk control standards	Peer review and external review by Willis	Assured	Willis
Transformation	B-BBEE scorecard	Assured	Empowerdex
Quality systems	ISO 9001	Certification at all major sites. Final seven sites are planning certification during 2013	SABS Bureau Veritas
Environmental audits	ISO 14000	Certification at major sites held. Certification planned for balance of sites over the next two years. Refer to page 55	SABS, DQS Bureau Veritas
Health and safety	OSHAS 18001 and NOSA integrated 5 star system	Certification held at sites. Refer to page 51	SABS, NOSA Bureau Veritas
Food and packaging safety	ISO 22000, HACCP, BRC, AIB, FSSC 22000 and PAS 223	Certification held where appropriate. Refer to page 64	SABS AIB International CMI Bureau Veritas

Corporate governance report continued

Table 4
King III non-compliance

King III principles	Nampak's approach
The evaluation of the board, its committees and individual directors should be performed every year.	The board decided in 2011 to have an evaluation carried out every second year.
A governance framework should be agreed upon between the group and its subsidiary boards.	Reporting between the group and its subsidiaries is governed by internal policies and procedures and a formal governance framework is not considered essential.
The board should receive assurance regarding the effectiveness of the risk management process.	The risk management process was assessed in 2011, which resulted in risk tolerance and risk appetite having to receive greater focus in 2012. The internal auditors, Ernst & Young, will conduct a risk maturity assessment during 2013.
The board should delegate to management implementation of an effective compliance framework and processes.	The group is in the process of implementing formal compliance frameworks and processes.
Sustainability reporting and disclosure should be independently assured.	The company has acquired a sustainability module that is linked to the financial reporting system, which will facilitate assurance through providing central access to supporting data and documentation. The module is currently being programmed.



Remuneration report

Introduction

This report explains Nampak's remuneration policy for executive directors, prescribed officers and non-executive directors. The remuneration committee determines the policy for remunerating executive directors on the same basis as group executive committee members who are also the defined prescribed officers of the group. We have disclosed the individual remuneration of executive directors as well as the group executive committee members. We have considered the feedback obtained from shareholders in our disclosure and this report complies with prevailing remuneration governance requirements, best practice and the Companies Act.

Remuneration governance

The remuneration committee is a committee of the board and meets at least three times each year. Membership of this committee and attendance at the committee meetings is provided on pages 66 and 67 of the corporate governance report. The committee's mandates have been included on the group's website.

Remuneration philosophy Executive directors and group executive committee members

Nampak's remuneration philosophy is designed to support the group's strategy of continuous improvements in performance and to drive long-term stakeholder value. In order to drive this strategy and move the business forward, attraction and retention of the appropriate calibre of directors and group executive committee members is vital and is core to success. This requires remuneration structures that are relevant, transparent and competitive when benchmarked against practices and market survey data in each jurisdiction.

The committee approves the overall remuneration structure for the group and considers all the elements with a view to creating a climate that is fair, but also motivates and supports high levels of performance. The executives have discretion and flexibility to recognise the contribution of individuals within the prevailing structure.

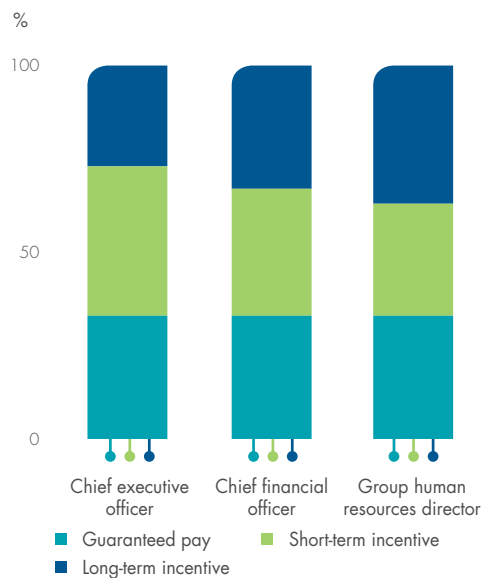
The annual cash incentive bonus combined with the longer-term share plans are structures to encourage appropriate superior growth in earnings and consistent improvements in return on net assets (RONA) through the achievement of challenging performance criteria and are designed to align longer-term director and senior executive remuneration directly to growth in stakeholder wealth.

The committee considered the balance between guaranteed pay and on-risk pay and decided to adopt a framework which provides for guaranteed pay at levels below the median, with increased allocations of performance shares to increase the on-risk (variable) proportion of the total remuneration paid. This principle is applied consistently to all directors and group executive committee members and there is no ability to elect higher guaranteed pay rather than the share allocation. This provides

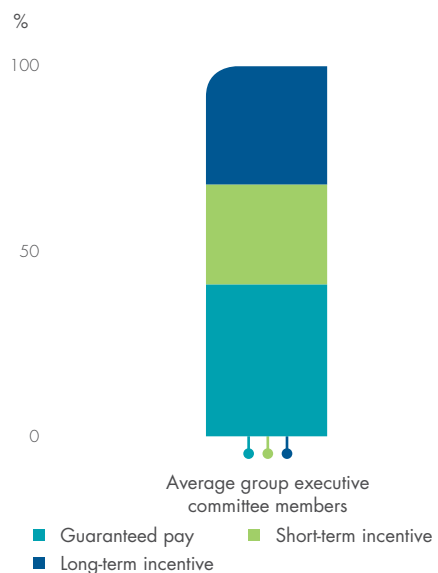
further direct alignment with stakeholders as executive earnings are dependent on achievement of a number of challenging performance conditions. Value is created through improvement in total returns generally, including linkage to broader sustainability issues.

This strategy was implemented two years ago and is reflected in Nampak's current remuneration mix for executive directors and executive committee members depicted below:

Executive directors actual pay mix 2012



Executive committee members actual pay mix 2012



Remuneration report continued

In line with this strategy, it is anticipated that the benchmark for guaranteed packages will reduce to around 90% of the median with the 2013 salary increases and thereafter maintained at that level. An allocation of shares under the performance share plan rules replaces the guaranteed portion of the increase not paid in cash to the executive directors and group executive committee members. The on-risk element supports the business strategy of continuous improvements in performance and also incentivises executives and aligns them with shareholders' interests. Based on remuneration best practice, particularly in the international arena, the requirement to directly hold shares in the company by executives is becoming increasingly important to shareholders. Nampak has recognised this and through its strategy encourages executives to increase their shareholding in the Nampak group.

Summary of remuneration structure

The table below summarises the different elements of the executive directors' and group executive committee members' (prescribed officers') remuneration packages. It also provides insight on how the different elements of remuneration support our business strategy and objectives. Further details are provided on pages 82 to 107 of this report.

Remuneration component	Objective	Basis for determination	Delivery
Guaranteed salary	<ul style="list-style-type: none"> Fixed element that reflects individual contribution and market value for role 	<ul style="list-style-type: none"> Referenced against 90% of market median considering the size and complexity of the role Reflects individual performance, future career progression and resource scarcity Certain directors residing in South Africa are responsible for operational roles offshore and receive remuneration for these activities Includes value for use of private vehicle for company business travel, as well as retirement, assured benefit and medical aid contributions 	<ul style="list-style-type: none"> Paid monthly in cash after allocations to retirement funding, assured benefits and medical aid contributions Annual review at year-end
Retirement funding, assured benefit cover and healthcare	<ul style="list-style-type: none"> Provision of assured benefits and structures to save appropriately for retirement Access to appropriate range of medical aid options 	<ul style="list-style-type: none"> In line with general market trends in the jurisdiction of operation Retirement funding for directors provided on a defined contribution basis Current directors do not receive medical aid funded by the company on retirement Certain group executive committee members, who joined prior to 1 July 1996, qualify for post-retirement medical aid funded by the company at retirement 	<ul style="list-style-type: none"> Included as a component of the guaranteed package Annual review at year-end Provision of post-retirement medical aid funded by the company is held for past service costs
Incentive bonus	<ul style="list-style-type: none"> Individual and team performance-related pay 	<ul style="list-style-type: none"> Rewards directors and senior management for the achievement of challenging financial targets Maximum potential incentive capped Individual performance targets linked to key strategic initiatives form a portion of the overall structure 	<ul style="list-style-type: none"> Paid annually in cash Annual review at year-end

Remuneration component	Objective	Basis for determination	Delivery
Performance share plan	<ul style="list-style-type: none"> Alignment of shareholder experience with directors and group executive committee members 	<ul style="list-style-type: none"> Release of shares conditional upon the group achieving specific performance targets Three to five-year vesting from allocation date 	<ul style="list-style-type: none"> Delivered in shares Targets established for each allocation taking into account market trends Annual allocations
Share appreciation plan	<ul style="list-style-type: none"> Provides instrument to attract and retain directors, executives and senior management 	<ul style="list-style-type: none"> Rights conditional upon the group achieving specific performance criteria Alignment with shareholders' objectives of growth in share price Current allocations: three-year vesting from allocation date, seven-year lapse 	<ul style="list-style-type: none"> Appreciation delivered in shares Subject to achievement of headline earnings per share adjusted for fair value financial gains or losses targets Targets established for each allocation taking into account market trends Annual allocations
Deferred bonus plan	<ul style="list-style-type: none"> Alignment of shareholder experience with directors and group executive committee members and retention 	<ul style="list-style-type: none"> Encourages group executive committee members to use a portion of their after-tax incentive bonus to acquire shares in the company 	<ul style="list-style-type: none"> Delivered in shares Matching shares awarded after three years Annual allocations
Retention payment	<ul style="list-style-type: none"> Retention of one executive director and certain group executive committee members Paid in July 2009 and disclosed in 2009 annual financial statements 	<ul style="list-style-type: none"> Referenced against guaranteed package at time of payment 	<ul style="list-style-type: none"> Delivered in cash Paid on a once-off basis in exchange for a three-year service term Retention term expired on 31 July 2012

Proposed remuneration structure changes for 2013

It is proposed to introduce an additional performance criterion to the performance share plan vesting conditions for the 2013 share allocation. Recent share allocations under this plan provided for two performance conditions as depicted below:

50% for vesting

- Improvement in HEPS in excess of CPI (adjusted for fair value gains and losses) of 9% to 24% over three years

50% for vesting

- Improvement in TSR in excess of CPI of 9% to 24% over three years

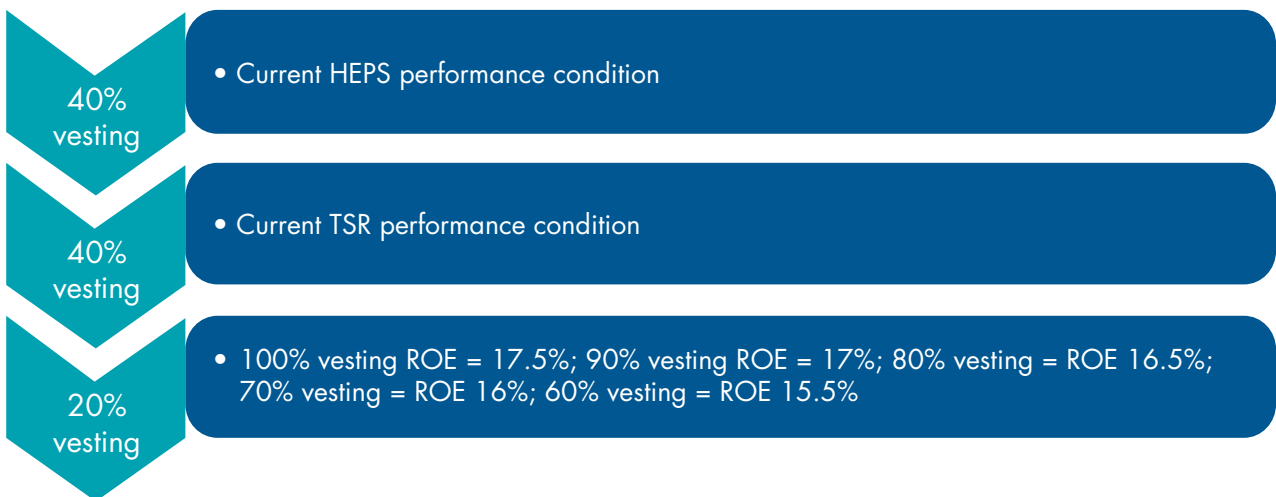
Remuneration report continued

The first, which attracted a 50% weighting for vesting purposes, was based on an improvement in headline earnings in excess of the consumer price index adjusted for fair value financial gains and losses of 9% to 24% over the three-year performance period. The second, which attracted the other 50% weighting for vesting purposes, was based on an improvement in total shareholder return in excess of the consumer price of 9% to 24% over the three-year performance period. In both cases, vesting was on a straight-line basis between the entry level and top-end targets.

It is proposed that return on equity (ROE) be incorporated as an additional performance condition as detailed below. This proposal supports local and international remuneration market

trends whereby the return for shareholders on investments made by a company should be measured and rewarded, supporting a long-term value creation for shareholders.

It is proposed to continue with the current performance conditions with a weighting of 40% each. 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%, 80% for achievement of an ROE of 16.5%, 70% for an achievement of an ROE of 16% and 60% vesting for an ROE of 15.5%.



The committee would, however, maintain discretion to adjust the ROE targets in the event of material corporate and strategic activities occurring.

Executive directors' and group executive committee members' remuneration in more detail

Guaranteed package

Director reference levels are established with assistance from external consultants after considering size and complexity of the role. These are then benchmarked against the market on an annual basis at the end of each financial year using comprehensive survey data in related industries for each jurisdiction. Global Remuneration Solutions provides general market data, excluding financial services companies, and Deloitte & Touche provides general market survey data, which takes into account similar companies with comparable market capitalisation and revenue. This information, together with an overview of published remuneration of executives in similar roles rolled forward

by the average executive increases, provides the remuneration committee with a sound base on which to make informed decisions.

The committee has the authority to approve guaranteed packages that will attract and retain the correct calibre of talent. Guaranteed package levels are recommended by the chief executive officer after taking into account individual experience, current performance and contribution, future career progression as well as resource availability. The targeted level of guaranteed package for 2012 was set at 93% of the average market median of the two service providers. This facilitates the change in the remuneration philosophy which provides for a higher weighting to be allocated towards the on-risk (variable) pay element within the overall remuneration structure.

The committee has discretion to approve guaranteed packages below or above the target percentage of the median, where specific circumstances merit a differential. There are no exceptions

to report. Such circumstances could include attraction and retention of a scarce skill. The detailed guaranteed packages earned by directors are reflected in table 1(a) on page 85 of this report.

Retirement funding, assured benefits cover and healthcare form part of the overall guaranteed package in line with general market trends assessed by Fifth Quadrant and Cadiant. The company liability in respect of retirement funding and assured benefits has been capped for directors where the group meets the contributions as a fixed percentage within the guaranteed package. All directors participate in the defined contribution section of the Nampak Group Pension Fund. Two members of the group executive committee retained defined benefit arrangements until 31 August 2012 at which time agreement was reached to transfer the past service reserves and future accrual to a defined contribution basis. The benefits provided and related policies are reviewed regularly by the remuneration committee to ensure that they remain justified and are correctly valued. The total value of the contributions towards retirement funding is shown separately in table 1(a) on page 85 of this report.

Certain directors who reside in South Africa are also responsible for operational direction and management offshore and are contracted to and paid remuneration by those structures. These amounts are reflected separately in table 1(a) and are reviewed annually or when director responsibilities change.

The average increase for executive directors and executive committee members for reference guaranteed packages for the 2012 financial year was 5% before taking into account the increased defined benefit contributions. This compared to the average increase for all other non-unionised employees for 2012 of 6.5%.

The increase awarded to executive directors and group executive committee members is lower than has been the case in the past against market trends to give effect to the decision taken by the remuneration committee that guarantee pay levels of executive directors and group executive committee members should be below the market median with the introduction of more on-risk (variable) pay.

The remuneration of certain expatriates may, in rand terms in certain years, exceed the remuneration of the group executive committee members, largely due to the cost-of-living adjustment that needs to be applied to provide for spending parity in other countries and exchange rate fluctuations. For 2012, the expatriate remuneration and the remuneration of other managers remained below the reported remuneration of the top three group executive committee members.

Annual cash incentive bonus

The annual cash incentive bonus scheme is reviewed in detail by the committee, the members of which bring experience from their participation on other remuneration committees and board positions. This experience, coupled with extensive local knowledge and international market data and trend analysis, provides sufficient information to set the financial targets at the commencement of each financial year once the business strategy has been agreed. The committee has discretion to withdraw or change the incentive bonus scheme annually and to withhold any payments if specific circumstances necessitate.

The primary focus for the incentive scheme for the financial year under review remained to reward executive directors and group executive committee members for the achievement of challenging financial growth. The same capped levels will apply in the 2013 financial year as did in 2012.

The annual cash incentive provides for rewards to be paid for achievement against financial performance targets as well as individual delivery against identified strategic objectives. During the year under review, the financial target for directors was based on an improvement in headline earnings per share in excess of the consumer price index adjusted for fair value gains and losses. A minimum level of RONA performance was also required before incentive payments under the financial component would accrue. Where cash incentive targets are not achieved in full, a pro rata bonus is paid under the financial component only if threshold performance was reached.

The other component of the annual incentive bonus continued to be linked to the achievement of individual performance targets.

Weighting financial performance targets versus individual performance targets

The weighting between financial performance targets and individual performance targets in order to determine the quantum of cash incentives are as follows:

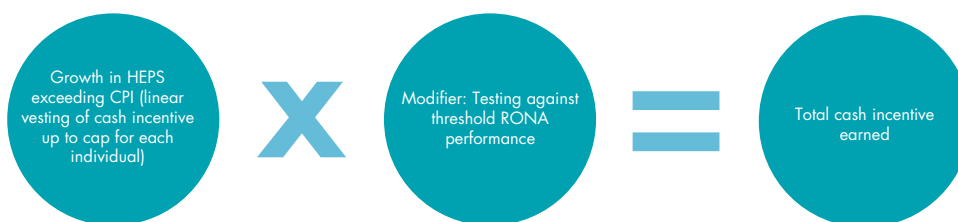
Name or group	Weighting of financial performance targets	Weighting of individual performance targets
AB Marshall	68%	32%
G Griffiths	70%	30%
FV Tshiqi	70%	30%
Group executive committee members	70%	30%

Remuneration report continued

Financial performance targets

For the financial year under review, the directors achieved 100% of the financial performance target as well as the required threshold return on net asset performance. Differing levels of achievement against individual performance criteria occurred. The employment equity targets were achieved and therefore a discount factor was not applied on the incentive earned. The annual incentive bonus payments that occurred for the financial period are set out in table 1(a) and include amounts earned under the individual performance component. Payments are made in December 2012.

The financial components of the incentive bonus target for executive directors and group executive committee members for 2012 were:



Details regarding the financial performance targets and the vesting percentage attributed to each performance target are set out below:

Financial performance	Metric	Vesting profile	Stretch performance
HEPS	Growth exceeding CPI (adjusted for fair value financial gains and losses) ¹	Straight line: 0% at entry level and 100% at stretch	Capped at 9% above average CPI which translates into the stretch earning potential for individual executives. Earning potential is further modified by RONA performance detailed below.
RONA	RONA requirement between 15.5% and 17.5%. 15.5% being the threshold. This is a gatekeeper provision and RONA performance below 15.5% will result in no incentive ²	<ul style="list-style-type: none"> ⦿ 15.5% = 60% vesting ⦿ 16% = 70% vesting ⦿ 16.5% = 80% vesting ⦿ 17% = 90% vesting; and ⦿ 17.5% = 100% 	This performance target serves as a modifier.

¹ Growth in headline earnings per share in excess of the average consumer price index adjusted for fair value financial gains or losses was achievement at the entry level of the average consumer price index and the top-end achievement was 9% above the average consumer price index. Zero percent of the incentive bonus accrued for entry-level achievement and thereafter bonus payments accrued on a straight-line basis to 100% for top-end performance.

² A threshold group RONA performance on trading income requirement of between 15.5% and 17.5% before any incentive could be earned under the financial component. If 15.5% RONA was achieved, then 60% of the incentive under the financial component could be earned; at 16%, then 70% of the incentive under the financial component could be earned; at 16.5% then 80% of the incentive under the financial component could be earned; at 17%, then 90% of the incentive under the financial component could be earned; and at 17.5% then 100% of the incentive under the financial component could be earned.

The remuneration committee was able to review the RONA threshold target in the event of material corporate and strategic activities occurring. In setting the RONA threshold targets, the remuneration committee considered prior group performance as well as the RONAs of peer-group competitors in South Africa and internationally.

The performance period was measured from 1 October 2011 to 30 September 2012 for the 2012 financial year. For the 2013 financial year, the performance period will be measured from 1 October 2012 to 30 September 2013.

The group financial components of the incentive bonus targets for directors and group executive committee members for 2013 are the same as those set for 2012.

A portion of the financial component of the incentive bonus for cluster and divisional executives who are members of the group executive committee is based on improvements in trading income targets.

The targets provide a balance between earnings growth requirements supported by improvements in balance sheets ratios at group and divisional levels.

Divisional targets are set at a trading income level with minimum threshold RONA requirements before any financial incentive bonus can be paid. The financial targets are vital to the group's business strategy of continuous improvements in performance on a line-of-sight basis.

Individual performance targets

Individual performance targets are set and reviewed by the committee and cover progress on strategic initiatives which are considered by the board to be crucial for future growth and profitability within the group. Payments under this component are made irrespective of performance against the financial component, meaning that, if the individual performance targets are achieved, a bonus payment will be made to the executive pro rata to the weighting carried by such individual performance

target. The committee, however, holds overriding discretion on incentive bonus payments, including a zero bonus, should circumstances warrant. Some of the key strategic incentive bonus drivers for 2012 included:

- growth in profits and product range in the rest of Africa;
- conversion plan from steel to aluminium beverage cans;
- employee productivity improvements;
- conclusion of supply and customer contracts in key areas of the business;
- improvement in the B-BBEE rating from a Level 4 contributor to a Level 3 contributor. This was achieved during 2012; and
- outsourcing of the information technology function to an external provider.

To continue aligning the group's employment equity strategy with directors' remuneration, the directors' incentives earned are discounted up to 20% for non-achievement of employment equity targets.

In terms of total guaranteed packages, plus cash incentives for 2012, this detail is set out in the table below:

Table 1 (a)
Executive directors' and group executive committee members' total remuneration for 2012

Name	Basic salary (rand)	Payments by offshore companies ¹ (rand)	Company contribution to retirement (rand)	Guaranteed package (rand)	Value of other benefits ³ (rand)	Incentive bonus (rand)	Total remuneration (rand)	Estimated expected value of share plan awards on grant date during the year (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	3 181 428
AB Marshall	3 783 131	1 231 865	328 296	5 343 292	–	6 321 319	11 664 611	4 324 771
FV Tshiqi	2 142 369	–	182 856	2 325 225	–	2 171 295	4 496 520	2 690 611
Total	8 609 281	1 535 234	747 421	10 891 936	–	11 840 938	22 732 874	10 196 810
CH Bromley	2 474 749	–	211 697	2 686 446	–	2 486 843	5 173 289	2 592 786
PA de Weerd	2 473 449	–	212 997	2 686 446	–	2 515 857	5 202 303	2 740 027
RG Morris ²	2 216 276	–	650 762	2 867 038	13 872	1 741 623	4 622 533	2 428 691
SE Msane	2 258 746	–	194 096	2 452 842	–	784 164	3 237 006	1 169 440
ZK Nzimande	1 938 643	–	163 793	2 102 436	–	662 267	2 764 703	1 134 714
NP O'Brien ²	1 682 974	–	492 935	2 175 909	10 500	1 751 601	3 938 010	1 326 040
Total	13 044 837	–	1 926 280	14 971 117	24 372	9 942 355	24 937 844	11 391 698

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

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.

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

Remuneration report continued

Table 1 (b)
Executive directors' and group executive committee members' total remuneration for 2011

Name	Basic salary (rand)	Payments by offshore companies ¹ (rand)	Company contribution to retirement (rand)	Guaranteed package (rand)	Value of other benefits ³ (rand)	Incentive bonus (rand)	Total remuneration (rand)	Estimated expected value of share plan awards on grant date during the year (rand)
Columns	1	2	3	4 = 1+2+3	5	6	7 = 4+5+6	8
G Griffiths	2 555 982	259 066	225 018	3 040 066	–	3 188 880	6 228 946	2 427 610
AB Marshall	3 602 877	1 051 960	312 768	4 967 605	–	5 981 152	10 948 757	4 686 964
FV Tshiqi	2 040 585	–	173 915	2 214 500	–	2 061 921	4 276 421	1 286 424
Total	8 199 444	1 311 026	711 701	10 222 171	–	11 231 953	21 454 124	8 400 998
CH Bromley	2 356 769	–	201 751	2 558 520	–	1 637 965	4 196 485	1 356 284
PA de Weerd	2 355 561	–	202 959	2 558 520	–	2 389 146	4 947 666	1 357 640
RG Morris ²	2 156 487	–	452 374	2 608 861	13 864	2 135 545	4 758 270	1 443 071
SE Msane	2 151 083	–	184 957	2 336 040	–	1 904 340	4 240 380	1 093 103
ZK Nzimande	1 846 176	–	156 144	2 002 320	–	789 315	2 791 635	1 096 989
NP O'Brien ²	1 632 333	–	342 314	1 974 647	10 495	1 620 699	3 605 841	1 137 472
Total	12 498 409	–	1 540 499	14 038 908	24 359	10 477 010	24 540 277	7484 559

¹ For the purposes of total remuneration, offshore payments have been converted into rand using the average annual exchange rate of £1: R11.1787.

² Executives are members of the defined benefit section of the Nampak Group Pension Fund.

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 under 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 sufficient information to ensure that the annual awards are market-related and that the performance conditions can be 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.

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

Role	Performance share plan: expected value as % of guaranteed package	Share appreciation rights plan: expected value as % of guaranteed package	Total: expected value as % of guaranteed package
Chief executive officer	50	15	65
Executive directors	40	15	55
Group human resources director and group executive committee members	18	10	28

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 executives to purchase shares in terms of the deferred bonus plan.

The table below provides a summary of the number of shares awarded in respect of each of the share plans and expected value of the awarded shares per annum:

Table 2 (a)

Executive directors' and group executive committee members' summary of share plan allocations for 2012

Name	Number of performance share plan shares awarded	Number of share appreciation plan shares awarded	Number of matching deferred bonus plan shares	Estimated expected value of performance share plan awards (rand)	Estimated expected value of share appreciation plan (rand)	Estimated expected value of deferred bonus plan (rand)	Total estimated expected value of share plan awards on grant date during the year (rand)
Executive directors							
G Griffiths	210 228	115 640	38 010	1 881 541	596 702	703 185	3 181 428
AB Marshall	257 954	106 703	79 216	2 308 688	550 587	1 465 496	4 324 771
FV Tshiqi	168 775	140 578	24 578	1 510 536	725 382	454 693	2 690 611
Total	636 957	362 921	141 804	5 700 765	1 872 671	2 623 374	10 196 810
Group executive committee members							
CH Bromley	172 775	140 578	17 355	1 546 336	725 382	321 068	2 592 786
PA de Weerd	172 775	140 578	25 314	1 546 336	725 382	468 309	2 740 027
RG Morris	172 775	140 578	8 485	1 546 336	725 382	156 973	2 428 691
SE Msane	80 624	63 052	6 622	721 585	325 348	122 507	1 169 440
ZK Nzimande	76 744	63 052	6 622	686 859	325 348	122 507	1 134 714
NP O'Brien	76 314	63 052	17 172	683 010	325 348	317 682	1 326 040
Total	752 007	610 890	81 570	6 730 462	3 152 190	1 509 046	11 391 698

Remuneration report continued

Table 2 (b)
Executive directors' and group executive committee members' summary of share plan allocations for 2011

Name	Number of performance share plan shares awarded	Number of share appreciation plan shares awarded	Number of matching deferred bonus plan shares	Estimated expected value of performance share plan awards (rand)	Estimated expected value of share appreciation plan (rand)	Estimated expected value of deferred bonus plan (rand)	Total estimated expected value of share plan awards on grant date during the year (rand)
Executive directors							
G Griffiths	119 000	91 000	34 618	1 290 357	475 930	661 323	2 427 610
AB Marshall	202 500	210 000	72 913	2 195 775	1 098 300	1 392 889	4 686 964
FV Tshiqi	76 200	40 000	13 137	826 262	209 200	250 962	1 286 424
Total	397 700	341 000	120 668	4 312 394	1 783 430	2 305 174	8 400 998
Group executive committee members							
CH Bromley	80 000	40 000	14 637	867 467	209 200	279 617	1 356 284
PA de Weerd	80 000	40 000	14 708	867 467	209 200	280 973	1 357 640
RG Morris	80 000	40 000	19 180	867 467	209 200	366 404	1 443 071
SE Msane	68 500	27 000	10 947	742 768	141 210	209 125	1 093 103
ZK Nzimande	65 000	27 000	13 137	704 817	141 210	250 962	1 096 989
NP O'Brien	64 500	27 000	15 540	699 395	141 210	296 867	1 137 472
Total	438 000	201 000	88 149	4 749 381	1 051 230	1 683 948	7 484 559

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 on the next page, together with the proposed performance conditions for 2013:

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

In terms of the meeting of set performance targets and subsequent vesting of performance shares in 2007 and 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. For the 2007 allocation, the group achieved a ranking of 19 out of 31 companies resulting in 20.1% of the shares under this performance condition vesting. 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 2007 and 2008, the second performance condition for half the award was based on growth in headline earnings per share adjusted for fair value financial gains or losses. The target for 2007 was headline earnings per share adjusted for fair value financial gains or losses on a linear basis between 15% and 45% per annum in excess of the consumer price index over the three-year period. The 2007 target was not achieved, which resulted in the awards allocated under this performance condition being forfeited. The target for 2008 was headline earnings per share adjusted for fair value financial 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 and 2011, 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 fair value financial 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. The performance target for the 2009 allocation was achieved and it is anticipated that the share awards will be released in December 2012.

For awards which are submitted to the board for approval in December 2012, the performance criteria will include the same target components for 2009, 2010 and 2011. An additional target will be introduced for return on equity (ROE) achievement. The targets for the 2012 allocation are 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%, 80% for achievement of an ROE of 16.5% and 70% for an achievement of an ROE of 16% and 60% vesting for 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.

Remuneration report continued

Table 3
Performance Share Plan 2012

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 (ie vested shares)
Executive directors				
G Griffiths	05/12/2011	210 228	–	–
	14/12/2010	119 000	–	–
	04/12/2009	118 811	–	–
AB Marshall	05/12/2011	257 954	–	–
	14/12/2010	202 500	–	–
Note 1	03/02/2010	150 000	–	–
	04/12/2009	251 331	–	–
	02/03/2009	338 826	(234 214)	104 612
FV Tshiqi	05/12/2011	168 775	–	–
	14/12/2010	76 200	–	–
	04/12/2009	44 806	–	–
	10/12/2008	73 607	(50 881)	22 726
	10/12/2007	32 842	(29 541)	3 301
	25/05/2006	40 000	(19 820)	20 180
Group executive committee members				
CH Bromley	05/12/2011	172 775	–	–
	14/12/2010	80 000	–	–
	04/12/2009	44 806	–	–
	10/12/2008	141 712	(97 959)	43 753
	10/12/2007	67 153	(60 404)	6 749
	25/05/2006	65 000	(32 207)	32 793
PA de Weerd	05/12/2011	172 775	–	–
	14/12/2010	80 000	–	–
	04/12/2009	44 806	–	–
	10/12/2008	141 712	(97 959)	43 753
	10/12/2007	67 153	(60 404)	6 749
	25/05/2006	65 000	(32 207)	32 793
RG Morris	05/12/2011	172 775	–	–
	14/12/2010	80 000	–	–
	04/12/2009	44 806	–	–
	10/12/2008	141 712	(97 959)	43 753
	10/12/2007	67 153	(60 404)	6 749
	25/05/2006	65 000	(32 207)	32 793

Number of shares delivered	Number of shares released	Average exercise price (rand)	Total gain on vested shares (rand)	Total gain on additional dividend shares (rand)	Total gain on vesting shares and dividend shares (rand)	Vested shares still to be released excluding dividend shares
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
34 870	34 870	23.08	804 800	81 241	886 041	69 742
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
7 575	7 575	21.93	166 120	12 040	178 160	15 151
2 200	2 200	22.19	48 803	4 684	29 027	1 101
20 180	20 180	19.01	383 551	78 028	461 579	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
14 584	14 584	21.93	319 827	23 180	343 007	29 169
4 500	4 500	22.19	99 833	9 567	59 360	2 249
32 793	32 793	18.94	621 099	126 810	747 909	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
14 584	14 584	21.93	319 827	23 180	343 007	29 169
4 500	4 500	22.19	99 833	9 567	59 360	2 249
32 793	32 793	18.94	621 099	126 810	747 909	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
14 584	14 584	21.93	319 827	23 180	343 007	29 169
4 500	4 500	22.19	99 833	9 567	59 360	2 249
32 793	32 793	18.92	620 334	126 810	747 144	-

Remuneration report continued

Table 3
Performance Share Plan 2012 (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 (ie vested shares)
Group executive committee members continued				
SE Msane	05/12/2011	80 624	–	–
	14/12/2010	68 500	–	–
	04/12/2009	32 298	–	–
	10/12/2008	94 419	(65 268)	29 152
	10/12/2007	32 842	(29 541)	3 301
ZK Nzimande	05/12/2011	76 744	–	–
	14/12/2010	65 000	–	–
	04/12/2009	32 298	–	–
NP O'Brien	05/12/2011	76 314	–	–
	14/12/2010	64 500	–	–
	04/12/2009	32 298	–	–
	10/12/2008	73 607	(50 881)	22 726
	10/12/2007	32 842	(29 541)	3 301
	25/05/2006	50 000	(24 775)	25 225

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.

Number of shares delivered	Number of shares released	Average exercise price (rand)	Total gain on vested shares (rand)	Total gain on additional dividend shares (rand)	Total gain on vesting shares and dividend shares (rand)	Vested shares still to be released excluding dividend shares
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
9 717	9 717	21.93	213 094	15 439	228 533	19 435
2 200	2 200	22.19	48 807	4 684	29 027	1 101
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
7 575	7 575	21.93	166 120	12 040	178 160	15 151
2 200	2 200	22.19	48 807	4 684	29 027	1 101
25 225	25 225	18.94	477 959	97 532	575 491	-

Remuneration report continued

Share Appreciation Plan

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

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 fair value financial 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 initial Share Appreciation Plan provided for one-third of the resulting shares to be accessed immediately on vesting, the second third a year later and the final third two years later or five years after the original conditional award. All vested awards must be exercised within 10 years of the original award date. The vesting structure for allocations from 2010 onwards provides for immediate vesting if performance conditions are met and a reduction to 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 fair value financial 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 2006 rights was growth in headline earnings per share adjusted for fair value financial gains and losses in excess of the consumer price index of between 6% and 27% over the three-year performance period. 50% of the rights allocated in May 2006 vested during 2009. The share price on vesting was R15.41 against an issue price of R17.07.

The performance target linked to the 2007, 2008, 2009, 2010 and 2011 rights is growth of 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. 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 2007 vested during 2010.

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

The performance condition for the 2009 allocation was achieved and it is anticipated that 100% of the share awards will vest in December 2012.

The performance target for the December 2012 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 of 6% over the three-year performance period. No vesting will take place if this target is not met.

Table 4
Share Appreciation Plan 2012

Name	Date of allocation	Number of share appreciation rights awarded	Movements	Strike price (rand)	Number of rights to shares that vested	Number of shares sold	Average exercise price (rand)	Gains on shares sold (rand)	Balance of vested rights to shares	Lapse date
Executive directors										
G Griffiths	05/12/2011	115 640	-	22.95	-	-	-	-	-	05/12/2018
	14/12/2010	91 000	-	23.00	-	-	-	-	-	14/12/2017
	04/12/2009	117 269	-	16.16	-	-	-	-	-	04/12/2019
AB Marshall	05/12/2011	106 703	-	22.95	-	-	-	-	-	05/12/2018
	14/12/2010	210 000	-	23.00	-	-	-	-	-	14/12/2017
	04/12/2009	148 841	-	16.16	-	-	-	-	-	04/12/2019
	02/03/2009	152 798	(152 798)	13.39	-	-	-	-	-	-
FV Tshiqi	05/12/2011	140 578	-	22.95	-	-	-	-	-	05/12/2018
	14/12/2010	40 000	-	23.00	-	-	-	-	-	14/12/2017
	04/12/2009	49 138	-	16.16	-	-	-	-	-	04/12/2019
	10/12/2008	30 735	(30 735)	12.62	-	-	-	-	-	-
	10/12/2007	27 591	(27 591)	22.13	-	-	-	-	-	-
Group executive committee members										
CH Bromley	05/12/2011	140 578	-	22.95	-	-	-	-	-	05/12/2018
	14/12/2010	40 000	-	23.00	-	-	-	-	-	14/12/2017
	04/12/2009	49 138	-	16.16	-	-	-	-	-	04/12/2019
	10/12/2008	60 452	(60 452)	12.62	-	-	-	-	-	-
	10/12/2007	67 699	(67 699)	22.13	-	-	-	-	-	-
PA de Weerd	05/12/2011	140 578	-	22.95	-	-	-	-	-	05/12/2018
	14/12/2010	40 000	-	23.00	-	-	-	-	-	14/12/2017
	04/12/2009	49 138	-	16.16	-	-	-	-	-	04/12/2019
	10/12/2008	60 452	(60 452)	12.62	-	-	-	-	-	-
	10/12/2007	67 699	(67 699)	22.13	-	-	-	-	-	-
RG Morris	05/12/2011	140 578	-	22.95	-	-	-	-	-	05/12/2018
	14/12/2010	40 000	-	23.00	-	-	-	-	-	14/12/2017
	04/12/2009	49 138	-	16.16	-	-	-	-	-	04/12/2019
	10/12/2008	60 452	(60 452)	12.62	-	-	-	-	-	-
	10/12/2007	67 699	(67 699)	22.13	-	-	-	-	-	-

Remuneration report continued

Table 4
Share Appreciation Plan 2012 (continued)

Name	Date of allocation	Number of share appreciation rights awarded	Movements	Strike price (rand)	Number of rights to shares that vested	Number of shares sold	Average exercise price (rand)	Gains on shares sold (rand)	Balance of vested rights to shares	Lapse date
SE Msane	05/12/2011	63 052	-	22.95	-	-	-	-	-	05/12/2018
	14/12/2010	27 000	-	23.00	-	-	-	-	-	14/12/2017
	04/12/2009	42 505	-	16.16	-	-	-	-	-	04/12/2019
	10/12/2008	39 426	(39 426)	12.62	-	-	-	-	-	-
	10/12/2007	27 591	(27 591)	22.13	-	-	-	-	-	-
	15/06/2006	61 000	(30 500)	17.07	30 500	-	-	-	30 500	15/06/2016
ZK Nzimande	05/12/2011	63 052	-	22.95	-	-	-	-	-	05/12/2018
	14/12/2010	27 000	-	23.00	-	-	-	-	-	14/12/2017
	04/12/2009	42 505	-	16.16	-	-	-	-	-	04/12/2019
NP O'Brien	05/12/2011	63 052	-	22.95	-	-	-	-	-	05/12/2018
	14/12/2010	27 000	-	23.00	-	-	-	-	-	14/12/2017
	04/12/2009	42 505	-	16.16	-	-	-	-	-	04/12/2019
	10/12/2008	30 735	(30 735)	12.62	-	-	-	-	-	-
	10/12/2007	27 591	(27 591)	22.13	-	-	-	-	-	-

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 three years. The incentive to do so is a matching award of the number of shares purchased and held for a three-year period on a one-for-one basis. 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.

Table 5
Deferred Bonus Plan purchases 2012

Name	Participation date	Number of shares purchased	Share price (rand)	Matching award release date	Value invested in Nampak shares at 30 September 2012 at R28.60 per share (rand)
Executive directors					
G Griffiths	15/12/2011	38 010	22.65	15/12/2014	2 128 641
	15/12 2010	34 618	22.72	15/12 2013	
	22/02/2010	1 800	17.89	22/02/2013	
AB Marshall	15/12/2011	79 216	22.65	15/12/2014	5 018 127
	15/12 2010	72 913	22.72	15/12 2013	
	22/02/2010	23 330	17.89	22/02/2013	
FV Tshiqi	15/12/2011	24 578	22.65	15/12/2014	1 237 522
	15/12 2010	13 137	22.72	15/12 2013	
	22/02/2010	5 555	17.89	22/02/2013	
Group executive committee members					
CH Bromley	15/12/2011	17 355	22.65	15/12/2014	1 265 750
	15/12 2010	14 637	22.72	15/12 2013	
	22/02/2010	12 265	17.89	22/02/2013	
PA de Weerd	15/12/2011	25 314	22.65	15/12/2014	1 495 408
	15/12 2010	14 708	22.72	15/12 2013	
	22/02/2010	12 265	17.89	22/02/2013	
RG Morris	15/12/2011	8 485	22.65	15/12/2014	1 141 998
	15/12 2010	19 180	22.72	15/12 2013	
	22/02/2010	12 265	17.89	22/02/2013	
SE Msane	15/12/2011	6 622	22.65	15/12/2014	822 736
	15/12 2010	10 947	22.72	15/12 2013	
	22/02/2010	11 198	17.89	22/02/2013	
ZK Nzimande	15/12/2011	6 622	22.65	15/12/2014	725 239
	15/12 2010	13 137	22.72	15/12 2013	
	22/02/2010	5 599	17.89	22/02/2013	
NP O'Brien	15/12/2011	17 172	22.65	15/12/2014	1 203 116
	15/12 2010	15 540	22.72	15/12 2013	
	22/02/2010	9 355	17.89	22/02/2013	

Remuneration report continued

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 have not had any performance conditions attached to them.

The actual share options issued until December 2004 and the gains on the options exercised for the financial period under review for the executive directors and the group executive committee are included in table 6. 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.

Table 6
Share options 2012

Name	Date of grant	Issue price (rand)	Number of options held at 30 September 2011	Number of options exercised	Exercise price (rand)	Gain on options exercised (rand)	Total gain on options exercised for 2012	Number of options held at 30 September 2012	Lapse date
Executive directors									
G Griffiths	-	-	-	-	-	-	-	-	-
AB Marshall	-	-	-	-	-	-	-	-	-
FV Tshiqi	25/07/2002	13.26	40 000	40 000	23.20	397 600	397 600	0	-
	01/12/2004	14.95	40 000	-	-	-	-	40 000	01/12/2014
Group executive committee members									
CH Bromley	25/07/2002	13.26	40 000	40 000	25.00	469 600	469 600	0	-
	27/11/2003	12.34	70 000	-	-	-	-	70 000	27/11/2013
	01/12/2004	14.95	85 000	-	-	-	-	85 000	01/12/2014
PA de Weerd	01/12/2004	14.95	15 000	15 000	22.00	105 750	105 750	0	-
RG Morris	25/07/2002	13.26	30 000	30 000	23.00	292 200	-	0	-
	27/11/2003	12.34	70 000	70 000	28.29	1 116 200	1 408 400	0	-
	01/12/2004	14.95	90 000	-	-	-	-	90 000	01/12/2014
SE Msane	-	-	-	-	-	-	-	-	-
ZK Nzimande	-	-	-	-	-	-	-	-	-
NP O'Brien	25/07/2002	13.26	50 000	50 000	23.00	487 000	-	0	-
	27/11/2003	12.34	50 000	30 000	29.00	499 800	986 800	20 000	27/11/2013
	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 2012 before applying performance criteria to determine releasing are as follows:

⊙ Performance Share Plan	3.875 million shares
⊙ Share Appreciation Plan	5.954 million shares
⊙ Deferred Bonus Plan	0.661 million shares

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.

The IFRS 2 expense recognised during the year in respect of past grants is set out in table 7 (a).

Table 7 (a)
Recognised IFRS 2 expense during 2012

Name		Balance of shares 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	982 579	–

Remuneration report continued

Table 7 (a)
Recognised IFRS 2 expense during 2012 (continued)

Name		Balance of shares at 30 September 2012	Expenses recognised during the year (rand)
Group executive committee members			
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

Table 7 (b)
Recognised IFRS 2 expense during 2011

Name		Balance of shares at 30 September 2011	Expenses recognised during the year (rand)
Executive directors			
G Griffiths	Options	–	–
	Performance Share Plan	237 811	673 216
	Share Appreciation Plan	208 269	210 212
	Deferred Bonus Plan	36 418	216 675
AB Marshall	Options	–	–
	Performance Share Plan	942 657	2 480 774
	Share Appreciation Plan	511 639	369 150
	Deferred Bonus Plan	96 243	545 214
FV Tshiqi	Options	65 000	–
	Performance Share Plan	197 914	436 241
	Share Appreciation Plan	147 464	90 107
	Deferred Bonus Plan	18 692	104 379
	Black Management Trust	982 579	–
Group executive committee members			
CH Bromley	Options	155 000	–
	Performance Share Plan	273 267	547 237
	Share Appreciation Plan	156 837	90 107
	Deferred Bonus Plan	26 973	143 926
PA de Weerd	Options	15 000	–
	Performance Share Plan	273 267	547 237
	Share Appreciation Plan	156 837	90 107
	Deferred Bonus Plan	26 973	144 353
RG Morris	Options	160 000	–
	Performance Share Plan	273 267	548 704
	Share Appreciation Plan	217 289	90 107
	Deferred Bonus Plan	31 445	171 286

Remuneration report continued

Table 7 (b)
Recognised IFRS 2 expense during 2011 (continued)

Name		Balance of shares at 30 September 2011	Expenses recognised during the year (rand)
SE Msane	Options	53 400	–
	Performance Share Plan	195 217	395 020
	Share Appreciation Plan	136 522	69 713
	Deferred Bonus Plan	22 145	116 850
	Black Management Trust	725 000	–
ZK Nzimande	Options	–	–
	Performance Share Plan	97 298	255 661
	Share Appreciation Plan	69 505	69 713
	Deferred Bonus Plan	18 736	104 579
	Black Management Trust	233 333	–
NP O'Brien	Options	100 000	–
	Performance Share Plan	173 706	366 081
	Share Appreciation Plan	127 831	69 713
	Deferred Bonus Plan	24 895	136 131

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 31 December 2015, at which time the founding grant will be settled and the balance of the benefit will be released to the beneficiaries.

Table 8
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. Refer to resolution 10 on page 138 in this regard.

Service contracts

The chief executive officer and chief financial officer have indefinite service contracts with a six-month notice period. 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 notice periods were renewed at six months with effect from 1 October 2012. 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 a one-month notice period 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, executive directors receive a retirement gratuity to a maximum of R500 000.

Remuneration report continued

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 plan. 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.

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 Global Remuneration Solutions and 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 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 2013 and the proposals are set out in table 10 on page 107 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 9 (a).

Table 9 (a)
Non-executive directors' remuneration 2012

Name	Notes	Directors' fees (rand)		Audit committee	Remuneration committee	Nomination committee	Risk and sustainability	Social, ethics and transformation	Other (rand)	Total (rand)
		Base fee	Meeting fees	total fees (rand)	total fees (rand)	total fees (rand)	total fees (rand)	total fees (rand)		
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

¹ Additional consulting fee paid for facilitation of diversity workshops.

² Fee includes participation in board sub-committee meetings.

³ Fees donated to Agang Sechaba Trust.

⁴ Minor timing discrepancies in payments.

Remuneration report continued

Table 9 (b)
Non-executive directors' remuneration 2011

Name	Notes	Directors' fees (rand)		Audit committee	Remuneration committee	Nomination committee	Risk and sustainability committee	Social, ethics and transformation committee	Total (rand)
		Base fee	Meeting fees	total fees (rand)	total fees (rand)	total fees (rand)	total fees (rand)	total fees (rand)	
RC Andersen		100 300	87 150	73 000	70 250	64 500			395 200
RJ Khoza	1	100 300	49 800			42 869			192 969
PM Madi		100 300	87 150				58 750	122 000	368 200
VN Magwentshu	2	66 031	62 250	8 788				14 224	151 293
TT Mboweni	3	1 210 000							1 210 000
DC Moephuli	4	100 300	62 250				58 750		221 300
CWN Molope		100 300	74 700	85 000			104 750		364 750
RV Smither		100 300	74 700	175 000			50 404		400 404
PM Surgey		100 300	87 150	12 000	139 250	64 500	58 750	64 500	526 450
Total		1 978 131	585 150	353 788	209 500	171 869	331 404	200 724	3 830 566

¹ Appointed to the nomination committee with effect from 1 February 2011.

² Appointed to the Nampak Limited board with effect from 3 February 2011. Appointed to the audit committee and social, ethics and transformation committee with effect from 27 July 2011.

³ Fee includes participation in board sub-committee meetings.

⁴ Fees donated to Agang Sechaba Trust.

⁵ Changed from transformation committee to social, ethics and transformation committee with effect from 27 July 2011.

The proposed increases in the level of fees payable to the non-executive directors for 2013 are set out in table 10. The fee structure consists of a base fee plus a fee per meeting attended. The proposed fees (on average) bring the fees to approximately 90% of the median but they are considered as sufficient to attract and retain appropriate skills and expertise. In addition, it is recognised 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 in the order of 12%.

Table 10
Proposed directors' fees and committee fees for 2013

	Base fee (rand)	Fee per meeting for attendance (rand)	Number of formal meetings anticipated per annum	Total anticipated fee 2013 (rand)
Service as directors				
Chairman of the board	Single fee for role of chairman		6	1 400 000
Directors	138 000	14 500	6	225 000
Audit committee				
Chairman	125 000	30 000	3	215 000
Members	74 500	13 500	3	115 000
Nomination committee				
Members	45 000	5 000	2	55 000
Risk and sustainability committee				
Chairman	124 500	12 000	2	148 500
Members	61 735	7 000	2	75 735
Remuneration committee				
Chairman	124 500	12 000	2	148 500
Members	61 735	7 000	2	75 735
Social, ethics and transformation committee				
Chairman	124 500	12 000	2	148 500
Members	61 735	7 000	2	75 735

On behalf of the remuneration committee

Peter Surgey

Chairman

21 November 2012



Group social, ethics and transformation committee report

The committee, previously known as the transformation committee, adopted a charter to include the social and ethics requirements as set out in the Companies Act.

Charter

The committee has adopted a formal charter which has been approved by the board and this charter will be regularly reviewed and updated, where necessary.

Meetings

The committee held two meetings during the year.

Composition

The committee comprises three independent non-executive directors. In attendance are four senior executives of the company, including the chief executive officer and the group human resources director.

Key activities in the year under review

- ⦿ **Transformation:** The committee is pleased to report that the company achieved a Level 3 B-BBEE rating, as certified by the independent ratings agency, Empowerdex. This achievement was up from Level 4 in the previous two years.
- ⦿ **Corporate Social Investment:** The committee continued to review the group's CSI strategy and monitor delivery on behalf of the board. A more detailed report on CSI can be found on pages 51 to 54 of the social performance section of this report.

- ⦿ **Social:** The committee commenced work in monitoring the company's compliance with the United Nations Global Compact 10 Principles on Human Rights, Environment, Labour and Anti-Corruption.
- ⦿ **Ethics:** The committee was presented with a report from the Tip-offs Anonymous hotline, which detailed the categories of issues reported by staff and the actions taken. The committee is satisfied that the company is sufficiently robust in taking measures against unethical activities by its staff. The board has appointed the group human resources director as ethics officer of the company, on recommendation by the committee.

On behalf of the group social, ethics and transformation committee

Professor Phinda Madi

Chairman

21 November 2012

Abridged financial statements



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Report of the independent auditors

TO THE SHAREHOLDERS OF NAMPAK LIMITED ON THE ABRIDGED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

The accompanying abridged consolidated annual financial statements set out on pages 118 to 136, which comprise the consolidated statement of financial position as at 30 September 2012, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and statements of cash flows for the year then ended, and the related notes, are derived from the audited consolidated annual financial statements in our report dated 21 November 2012. Those consolidated annual financial statements, and the abridged annual financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The abridged consolidated annual financial statements do not contain all the disclosures required by International Financial Reporting Standards (IFRS). Reading the abridged consolidated annual financial statements, therefore, is not a substitute for reading the audited consolidated annual financial statements of Nampak Limited.

Directors' responsibility for the abridged consolidated annual financial statements

The company's directors are responsible for the preparation and fair presentation of the abridged consolidated annual financial statements in accordance with the framework concepts and the measurements and recognition requirements of IFRS, the AC 500 standards as issued by the Accounting Practices Board, the information as required by International Accounting Standard (IAS) 34 – *Interim Financial Reporting* and the requirements of the Companies Act of South Africa.

Auditors' responsibility

Our responsibility is to express an opinion on the abridged consolidated annual financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 – *Engagements to Report on Summary Financial Statements*.

Opinion

In our opinion, the abridged consolidated annual financial statements derived from the audited annual financial statements of Nampak Limited for the year ended 30 September 2012 are consistent, in all material respect, with those financial statements, in accordance with the framework concepts and the measurement and recognition requirements of IFRS, the AC 500 standards as issued by the Accounting Practices Board, the information as required by International Accounting Standard (IAS) 34 – *Interim Financial Reporting* and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 30 September 2012, we have read the directors' report, the audit committee's report, and the remuneration report for the purpose of identifying whether there are material inconsistencies between these reports and the 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 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 2012

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

National executive: LL 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 & 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 2012.

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 2012 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 has appropriate expertise and experience;
- ⊙ resolved to continue to outsource the internal audit function to Ernst & Young 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 2013 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 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 a self-evaluation exercise into the effectiveness of the committee.

The audit committee charter provides for confidential meetings between the committee members and the external 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 1 February 2012 and during the course of the year comprised solely independent non-executive directors. Details of membership of the committee can be found on page 66. 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 and external auditors all attend meetings of the committee by invitation.

RV Smither

Chairman of the audit committee

21 November 2012

Directors' report

for the year ended 30 September 2012

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 it 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 2012 amount to R3 188.7 million (2011: R2 032.9 million). In terms of the company's memorandum of incorporation, the borrowing powers are unlimited.

REVIEW OF OPERATIONS AND RESULTS

The performance of the divisions and the group's results are comprehensively reviewed on pages 20 to 25 and 118 to 136.

CORPORATE ACTIVITY

With effect from 1 March 2012 Nampak Products Limited acquired the remaining 50% of the issued share capital of Nampak Glass (Pty) Ltd (formerly Nampak Wiegand Glass (Pty) Ltd) from Wiegand-Glas (SA) (Pty) Ltd for a purchase consideration of R973.3 million for the shares and loan account.

With effect from 1 November 2012 Nampak Products Limited acquired the remaining 50% of the issued share capital of Elopak South Africa (Pty) Ltd from Elopak SA of Norway for a purchase consideration of R1 15 million.

The following companies were deregistered during the year:

- Burcap Plastics (Pty) Ltd.
- Kohler Packaging Ltd.
- Nampak Leasing (Pty) Ltd.

Share capital

	Authorised		Issued	
	Number of shares	R million	Number of shares	R million
Ordinary shares of 5 cents each	776 857 200	38.9	696 711 782	34.9
6.5% cumulative preference shares of R2 each	100 000	0.2	100 000	0.2
6% cumulative preference shares of R2 each	400 000	0.8	400 000	0.8
Redeemable preference shares of 5 cents each	100	–	–	–
		39.9		35.9

Note:

The issued ordinary share capital includes 104 297 245 treasury shares.

Share premium as at 30 September 2012: R17.6 million.

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

SHARE PLANS

The Nampak 1985 Share Option scheme (Option Scheme)

A total of 1 283 800 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	
	2012	2011
Balance at the commencement of the financial year	1 987 100	4 319 300
Options exercised during the year	(1 283 800)	(2 332 200)
Options forfeited during the year	–	–
Balance at the end of the financial year	703 300	1 987 100
These options are exercisable over periods between 1 October 2012 and 1 December 2014 at an average price of 1 347 cents per share:		
Directors*	40 000	80 000
Other employees and retirees	663 000	1 907 100
Total	703 300	1 987 100
Number of participants	12	34

* Please refer to page 116 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 86 to 98.

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)

	PSP rights	
	2012	2011
Balance at the commencement of the financial year	2 081 009	2 974 701
Forfeitures/cancellations	(42 665)	(32 842)
Retirements	(16 309)	–
PSP rights forfeited due to underachievement of performance criteria	(868 446)	(702 492)
PSP rights exercised	(178 696)	(158 358)
Balance at the end of the financial year	974 893	2 081 009
Number of participants	18	17

The Nampak Limited Share Appreciation Plan (SAP)

	SAP rights	
	2012	2011
Balance at the commencement of the financial year	4 192 407	6 943 863
Forfeitures/cancellations	(42 828)	(160 666)
Retirements	(11 944)	(8 333)
PSP rights forfeited due to underachievement of performance criteria	(2 582 232)	(2 525 458)
PSP rights exercised	(286 973)	(56 999)
Balance at the end of the financial year	1 268 430	4 192 407
Number of participants	79	191

Directors' report continued

for the year ended 30 September 2012

The Nampak Limited Performance Share Plan 2009 (PSP 2009)

	PSP 2009 rights	
	2012	2011
Balance at the commencement of the financial year	1 249 500	150 000
Number of conditional shares awarded during the year:		
Executive directors	636 957	397 700
Senior executives	971 217	701 800
Forfeitures/cancellations	–	–
Retirements	–	–
Balance at the end of the financial year	2 857 674	1 249 500
Number of participants	24	24

The Nampak Limited Share Appreciation Plan 2009 (SAP 2009)

	SAP 2009 rights	
	2012	2011
Balance at the commencement of the financial year	3 843 650	–
Number of conditional shares awarded during the year:		
Executive directors	362 921	341 000
Senior executives	610 890	3 740 700
Forfeitures/cancellations	(127 650)	(238 050)
Retirements	(8 050)	–
Balance at the end of the financial year	4 681 761	3 843 650
Number of participants	194	204

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.

The DBP may be summarised as follows:

	2012	2011
Balance at the commencement of the financial year	397 640	154 173
Number of conditional shares awarded during the year:		
Executive directors	141 804	120 668
Senior executives	121 090	141 442
Number of bonus shares transferred/sold to/by employees during the year:		
Executive directors	–	–
Senior executives	–	(18 643)
Balance at the end of the financial year	660 534	397 640
Number of participants	18	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 2012 is summarised below:

Balance at the commencement of the financial year	23 357 946
Less: Awards granted in terms of the PSP 2009 during the current financial year	(1 608 174)
Less: Awards granted in terms of the SAP 2009 during the current financial year	(973 811)
Less: Number of conditional shares awarded during the year and prior financial years in terms of the DBP	(660 534)
Less: Shares allotted in respect of dividends declared and paid during the current and prior financial years	(39 327)
Add: Options forfeited during the current financial year	–
Add: Awards forfeited in terms of the PSP during the current financial year	927 421
Add: Awards forfeited in terms of the SAP during the current financial year	2 637 004
Add: Awards forfeited in terms of the PSP 2009 during the current financial year	–
Add: Awards forfeited in terms of the SAP 2009 during the current financial year	135 700
Maximum available for future allocations	23 776 225

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.

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	86	6.00	23/11/2011	20/01/2012	30/01/2012
	87	6.00	25/06/2012	20/07/2012	30/07/2012
6.5% cumulative preference	86	6.50	23/11/2011	20/01/2012	30/01/2012
	87	6.50	25/06/2012	20/07/2012	30/07/2012
Ordinary	80	40.5	29/05/2012	29/06/2012	09/07/2012
	81	89.0	21/11/2012	11/01/2013	21/01/2013

The important dates pertaining to the payment of ordinary dividend number 81 are as follows:

Last day to trade ordinary shares "cum" dividend	Friday, 11 January 2013
Ordinary shares trade "ex" dividend	Monday, 14 January 2013
Record date	Friday, 18 January 2013
Payment date	Monday, 21 January 2013

Ordinary share certificates may not be dematerialised or rematerialised between Monday, 14 January 2013 and Friday, 18 January 2013, both days inclusive.

Directors' report continued

for the year ended 30 September 2012

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%;
- ⊙ The company will utilise the credits in terms of secondary tax on companies (STC). The STC credits utilised as part of the dividend declaration amount to R4.8 million, being 0.68346 cents per share;
- ⊙ The net local dividend amount is 75.75252 cents per share for shareholders liable to pay the dividends tax and 89.0 cents per share for shareholders exempt from paying the dividends tax;
- ⊙ The issued number of ordinary shares at the declaration date is 696 711 782; and
- ⊙ Nampak Limited's tax number is 9875081714.

DIRECTORS AND SECRETARY

The names of the directors and secretary in office at 30 September 2012 are set out on pages 14, 15 and 146 the annual report.

Mrs DC Moephuli, Dr RJ Khoza and Messrs TT Mboweni and RV Smither 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.

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 2012 are shown below:

	Ordinary shares		Options to purchase ordinary shares*			
	2012	2011	2012	Option prices (cents)	Date of grant	2011
Beneficial interests						
Executive directors						
G Griffiths	74 428	36 418	–	–	–	–
AB Marshall	213 849	96 243	–	–	–	–
FV Tshiqi	63 874	33 538	–	1 326	25/07/02	40 000
			40 000	1 495	01/12/04	40 000
Non-executive directors						
RC Andersen	31 000	31 000	–	–	–	–
RV Smither	–	8 190	–	–	–	–
Non-beneficial interests of directors	12	12				
Beneficial interests Prescribed officers						
CH Bromley	83 347	53 329	–	1 326	25/07/02	40 000
			70 000	1 234	27/11/03	70 000
			85 000	1 495	01/12/04	85 000
PA de Weerd	96 775	66 193	–	1 495	01/12/04	15 000
RG Morris	99 844	73 037	–	1 326	25/07/02	30 000
			–	1 234	27/11/03	70 000
			90 000	1 495	01/12/04	90 000
SE Msane	37 829	23 245	–	–	–	–
ZK Nzimande	25 358	18 736	–	–	–	–
NP O'Brien	56 272	39 100	–	1 326	25/07/02	50 000
			20 000	1 234	27/11/03	50 000
			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 2012:

Name of director	2012	2011
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.

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 resolution was passed by the shareholders of the following subsidiary company during the year under review: Change of name of company from Nampak Wiegand Glass (Pty) Ltd to Nampak Glass (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 134 to 136.



Abridged group statement of financial position

at 30 September 2012

	Notes	2012 R million	2011 R million
ASSETS			
Non-current assets			
Property, plant and equipment, and investment property	2	6 612.1	5 687.3
Goodwill and other intangible assets	3	715.1	183.1
Other non-current financial assets and associates	4	153.2	362.8
Deferred tax assets		65.5	24.5
		7 545.9	6 257.7
Current assets			
Inventories		3 336.3	2 683.0
Trade receivables and other current assets	5	2 557.0	2 514.8
Tax assets		2.9	1.7
Bank balances, deposits and cash		1 780.0	1 450.8
		7 676.2	6 650.3
Assets classified as held for sale		27.9	–
Total assets		15 250.0	12 908.0
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		35.9	35.8
Capital reserves		(736.6)	(503.4)
Other reserves		(349.9)	(334.5)
Retained earnings		7 321.5	6 535.2
Shareholders' equity		6 270.9	5 733.1
Non-controlling interest		(54.5)	(38.2)
Total equity		6 216.4	5 694.9
Non-current liabilities			
Loans and borrowings	6	1 594.9	1 358.7
Retirement benefit obligation	7	1 618.3	1 360.5
Other non-current liabilities		13.7	7.7
Deferred tax liabilities		650.1	490.3
		3 877.0	3 217.2
Current liabilities			
Trade payables, provisions and other current liabilities	8	3 471.7	3 211.9
Bank overdrafts		1 575.7	652.9
Loans and borrowings		18.1	21.3
Tax liabilities		91.1	109.8
		5 156.6	3 995.9
Total equity and liabilities		15 250.0	12 908.0

Abridged group statement of comprehensive income

for the year ended 30 September 2012

	Notes	2012 R million	2011 R million
CONTINUING OPERATIONS			
Revenue	9	17 639.1	15 818.6
Operating profit	9	1 793.7	1 497.8
Finance costs		217.7	171.5
Finance income		48.5	51.6
Income from investments		5.3	11.1
Share of profit of associates		8.3	1.2
Profit before tax		1 638.1	1 390.2
Taxation		446.3	456.5
Profit for the year from continuing operations		1 191.8	933.7
Discontinued operations			
Loss for the year from discontinued operations	13	–	(331.1)
Profit for the year		1 191.8	602.6
Other comprehensive (expense)/income for the year, net of tax			
Exchange differences on translation of foreign operations		143.4	322.0
Net actuarial losses from retirement benefit obligations		(159.8)	(64.9)
Cumulative translation gains reclassified to profit or loss on disposal of subsidiary		–	(1.6)
(Losses)/gains on cash flow hedges		(4.5)	6.7
Other comprehensive (expense)/income for the year, net of tax		(20.9)	262.2
Total comprehensive income for the year		1 170.9	864.8
Profit/(loss) attributable to:			
Owners of Nampak Limited		1 207.1	627.9
Non-controlling interest in subsidiaries		(15.3)	(25.3)
		1 191.8	602.6
Total comprehensive income/(expense) attributable to:			
Owners of Nampak Limited		1 187.2	896.7
Non-controlling interest in subsidiaries		(16.3)	(31.9)
		1 170.9	864.8
Earnings per share			
Basic (cents per share)	10		
Continuing operations		204.0	162.6
Discontinued operations		–	(56.1)
Total		204.0	106.5
Diluted (cents per share)	10		
Continuing operations		197.4	157.4
Discontinued operations		–	(53.6)
Total		197.4	103.8

Abridged group statement of changes in equity

for the year ended 30 September 2012

	Notes	2012 R million	2011 R million
Opening balance		5 694.9	5 368.3
Net shares issued during the year		21.8	32.7
Share-based payment expense		19.2	13.8
Share grants exercised		(16.7)	(5.2)
Share of movement in associate's non-distributable reserve		(0.4)	(1.0)
Non-controlling interest realised on disposal of subsidiary		-	(1.6)
Buy-out of non-controlling interests in subsidiaries		-	(33.8)
Transfer from hedging reserve to related assets		1.7	-
Gain on available-for-sale financial assets		3.2	-
Total comprehensive income for the year		1 170.9	864.8
Dividends paid	11	(421.1)	(543.1)
Cash distributions from share premium	11	(257.1)	-
Closing balance		6 216.4	5 694.9
Comprising:			
Share capital		35.9	35.8
Capital reserves		(736.6)	(503.4)
Share premium		17.6	298.4
Treasury shares		(1 104.3)	(1 149.7)
Share-based payments reserve		350.1	347.9
Other reserves		(349.9)	(334.5)
Foreign currency translation reserve		268.0	123.6
Hyperinflation capital adjustment		(24.3)	(24.3)
Financial instruments hedging reserve		5.6	8.4
Recognised actuarial losses		(578.1)	(405.4)
Share of non-distributable reserves in associates		0.9	1.3
Available-for-sale financial assets revaluation reserve		(22.2)	(38.3)
Other		0.2	0.2
Retained earnings		7 321.5	6 535.2
Shareholders' equity		6 270.9	5 733.1
Non-controlling interest		(54.5)	(38.2)
Total equity		6 216.4	5 694.9

Abridged group statement of cash flows

for the year ended 30 September 2012

	Notes	2012 R million	2011 R million
Operating profit before working capital changes		2 601.8	2 273.8
Working capital changes		(339.6)	(548.3)
Cash generated from operations		2 262.2	1 725.5
Net interest paid		(154.2)	(162.6)
Income from investments		5.3	11.1
Retirement benefits, contributions and settlements		(104.7)	(91.3)
Tax paid		(417.2)	(188.3)
Replacement capital expenditure		(778.7)	(412.3)
Cash retained from operations		812.7	882.1
Dividends paid		(421.1)	(543.1)
Cash distributions paid		(257.1)	–
Net cash retained from operating activities		134.5	339.0
Expansion capital expenditure		(303.7)	(259.9)
Acquisition of businesses	12	(977.5)	(1.3)
Proceeds on the disposal of businesses	13	–	834.3
Other investing activities		21.5	89.0
Net cash (utilised)/retained before financing activities		(1 125.2)	1 001.1
Net cash retained from/(utilised in) financing activities		465.4	(590.5)
Net (decrease)/increase in cash and cash equivalents		(659.8)	410.6
Cash and cash equivalents at the beginning of the year		797.9	263.1
Translation of cash in foreign subsidiaries		66.2	124.2
Cash and cash equivalents at the end of the year		204.3	797.9
Cash and cash equivalents consist of:			
Bank balances, deposits and cash		1 780.0	1 450.8
Bank overdrafts		(1 575.7)	(652.9)
		204.3	797.9



Notes to the abridged consolidated annual financial statements

for the year ended 30 September 2012

1. BASIS OF PREPARATION

The abridged consolidated financial statements have been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) in issue and effective for the group at 30 September 2012 and the AC 500 standards issued by the Accounting Practices Board or its successor. This abridged consolidated information has been prepared using the information required by IAS 34 *Interim Financial Reporting*, and complies with the Listings Requirements of the JSE Limited. These abridged annual financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 30 September 2012 as published on the website: www.nampak.com.

These abridged financial statements were approved by the board of directors on 21 November 2012.

Accounting policies

The accounting policies adopted, and methods of computation used, in the preparation of the abridged annual financial statements are in terms of IFRS and are consistent with those of the annual financial statements for the year ended 30 September 2011 except for the adoption of new or revised accounting standards, interpretations and restatements which are described below.

New and amended accounting standards

The group adopted the new and amended accounting standards and interpretations that became applicable during the current reporting period.

None of these had a significant impact on the group's accounting policies and methods of computation, and they have not impacted the 30 September 2012 statement of financial position.

2. PROPERTY, PLANT AND EQUIPMENT

	Property R million	Plant and equipment R million	Total R million
Net carrying value as at 1 October 2010	1 042.9	5 157.0	6 199.9
Capital expenditure	213.6	458.6	672.2
Acquisition of business	–	31.9	31.9
Disposal of businesses	(276.6)	(508.6)	(785.2)
Disposals	(10.2)	(27.9)	(38.1)
Depreciation	(33.7)	(569.0)	(602.7)
Net impairments	(0.5)	(41.1)	(41.6)
Translation	68.4	171.6	240.0
Other movements	(17.7)	28.6	10.9
Net carrying value as at 30 September 2011	986.2	4 701.1	5 687.3
Capital expenditure	12.5	1 069.9	1 082.4
Acquisition of business	60.3	430.8	491.1
Disposals	–	(37.0)	(37.0)
Depreciation	(36.3)	(595.0)	(631.3)
Net impairments	–	(9.5)	(9.5)
Translation	16.5	34.4	50.9
Other movements	(28.7)	6.9	(21.8)
Net carrying value as at 30 September 2012	1 010.5	5 601.6	6 612.1

2. PROPERTY, PLANT AND EQUIPMENT (continued)

	2012 R million	2011 R million
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	22 370.9	26 078.5
South Africa	20 026.4	19 121.2
Rest of Africa	911.5	2 829.6
United Kingdom	1 433.0	4 127.7

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.

3. GOODWILL AND OTHER INTANGIBLE ASSETS

	Goodwill R million	Other intangible assets R million	Total R million
Net carrying value as at 1 October 2010	252.9	48.2	301.1
Capital expenditure	–	4.0	4.0
Acquisition of business	0.1	–	0.1
Disposal of businesses	(35.4)	(14.2)	(49.6)
Amortisation	–	(18.6)	(18.6)
Net impairments	(58.8)	1.6	(57.2)
Translation differences	2.0	0.6	2.6
Other movements	–	0.7	0.7
Net carrying value as at 30 September 2011	160.8	22.3	183.1
Capital expenditure	–	1.8	1.8
Acquisition of business	321.1	237.5	558.6
Amortisation	–	(28.4)	(28.4)
Net carrying value as at 30 September 2012	481.9	233.2	715.1

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units (CGUs) that are expected to benefit from that business combination.

Information about business combinations is contained in note 12.

The group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. Impairment losses are reported in the "other operating expenses" line of the income statement.

During the year, an intangible asset for customer relationships was recognised on the acquisition of the remaining interest in Wiegand Glass (Pty) Ltd. In addition to this intangible, other intangible assets include mainly ERP systems and software.

Notes to the abridged consolidated annual financial statements continued

for the year ended 30 September 2012

4. ASSOCIATES AND OTHER NON-CURRENT FINANCIAL ASSETS

	Associates R million	Available- for-sale financial assets R million	Loans and receivables R million	Total R million
Net carrying value as at 30 September 2011	24.0	9.2	329.6	362.8
Net carrying value as at 30 September 2012	28.9	24.8	99.5	153.2

Information about associates and non-consolidated investments contained in available-for-sale financial assets is set out in annexures A and B. Loans and receivables mainly consist of loans to joint venture partners and equipment sales.

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

5. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	Trade receivables R million	Prepayments R million	Other current assets R million	Total R million
Net carrying value as at 30 September 2011	2 131.7	88.5	294.6	2 514.8
Net carrying value as at 30 September 2012	2 227.4	113.4	216.2	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 historical trend analysis for similar classes of receivables.

An allowance of R151.8 million (2011: R146.5 million) has been made for estimated irrecoverable amounts from the sale of goods. This allowance has been determined by reference to past default.

6. LOANS AND BORROWINGS

	Loans R million	Finance leases R million	Non- recourse debt R million	Total R million
Net carrying value as at 30 September 2011	1 107.6	11.7	239.4	1 358.7
Net carrying value as at 30 September 2012	1 351.6	3.9	239.4	1 594.9

Loans are secured by the following assets:

R313.8 million (2011: R350 million) debt is secured by properties with a market value of R628.4 million.

R1 017.5 million (2011: R527.5 million) debt is secured by guarantees issued by Nampak Limited.

These facilities are subject to covenants relating to interest cover 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.

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.

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 share price. New preference shares were issued on 1 August 2011. The final redemption date for the preference shares is 5 October 2015.

7. RETIREMENT BENEFIT OBLIGATION

	Pension fund – SA R million	Pension fund – Europe R million	Post-retirement medical aid R million	Total R million
Net carrying value as at 30 September 2011	2.0	195.6	1 162.9	1 360.5
Net carrying value as at 30 September 2012	1.8	276.5	1 340.0	1 618.3
The amounts recognised in the statement of comprehensive income are as follows:				
2011				
Current service cost	0.8	–	16.6	17.4
Interest cost	2.9	51.8	85.8	140.5
Expected return on plan assets	(2.6)	(51.3)	(3.8)	(57.7)
	1.1	0.5	98.6	100.2
Net actuarial (gain)/loss taken to equity	(1.8)	(24.1)	116.8	90.9
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)
	1.2	2.9	115.5	119.6
Net actuarial loss taken to equity	0.3	103.7	105.3	209.3

The total unfunded pension liability is R1.8 million (2011: R1.9 million) and the unfunded post-retirement medical liability is R1 340 million (2011: R1 197 million).

8. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	Trade payables and accruals R million	Provisions R million	Other current liabilities R million	Total R million
Net carrying value as at 30 September 2011	2 896.2	74.5	241.2	3 211.9
Net carrying value as at 30 September 2012	3 249.4	23.7	198.6	3 471.7

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.

Notes to the abridged consolidated annual financial statements continued

for the year ended 30 September 2012

9. SEGMENTAL INCOME REPORT

	External revenue		Internal revenue	
	2012 R million	2011 R million	2012 R million	2011 R million
South Africa	13 873.1	12 958.2	453.4	374.5
Metals and Glass	5 878.3	5 126.4	89.0	47.4
Paper and Flexibles	4 088.9	4 098.6	122.5	100.4
Plastics	2 278.1	2 114.4	20.2	10.8
Tissue	1 627.8	1 618.8	221.7	215.9
Rest of Africa	2 087.3	1 349.8	–	–
Metals	1 215.6	651.7	–	–
Paper	871.7	698.1	–	–
United Kingdom	1 678.7	1 510.6	–	–
Plastics	1 678.7	1 510.6	–	–
Other segments	–	–	825.3	596.9
Eliminations	–	–	(1 278.7)	(971.4)
Continuing operations	17 639.1	15 818.6	–	–
Discontinued operations	–	1 112.9	–	–
Total	17 639.1	16 931.5	–	–

* Operating profit before abnormal items.

** EBITDA calculation is before net impairments/(reversals).

Reconciliation of operating profit and trading profit:

	Continuing operations		Discontinued operations		Total	
	2012 R million	2011 R million	2012 R million	2011 R million	2012 R million	2011 R million
Operating profit/(loss)	1 793.7	1 497.8	–	(317.3)	1 793.7	1 180.5
Abnormal losses/(gains)**						
Financial instruments fair value loss/(gain)	18.1	(71.4)	–	–	18.1	(71.4)
Retrenchment and restructuring costs	10.9	49.9	–	–	10.9	49.9
Net impairment losses on investments, plant, property and equipment, goodwill and other intangible assets	9.5	104.8	–	–	9.5	104.8
Cash flow hedge ineffectiveness	3.1	–	–	–	3.1	–
Net profit on disposal of property	(0.2)	(40.8)	–	–	(0.2)	(40.8)
Net (profit)/loss on disposal of businesses and other investments	(0.5)	5.4	–	352.4	(0.5)	357.8
Impairment of loans to non-controlling shareholders	–	0.2	–	–	–	0.2
Gain on revaluation of original interest in joint venture acquired	(44.0)	–	–	–	(44.0)	–
Trading profit	1 790.6	1 545.9	–	35.1	1 790.6	1 581.0

** 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.

Trading profit*		Trading margin		EBITDA**	
2012 R million	2011 R million	2012 %	2011 %	2012 R million	2011 R million
1 334.9	1 256.7	9.6	9.7	1 767.3	1 701.4
789.2	736.0	13.4	14.4	972.5	879.9
164.9	160.6	4.0	3.9	255.3	260.2
269.8	230.8	11.8	10.9	373.2	371.4
111.0	129.3	6.8	8.0	166.3	189.9
315.6	121.8	15.1	9.0	421.7	198.2
102.4	36.5	8.4	5.6	178.8	82.7
213.2	85.3	24.5	12.2	242.9	115.5
124.0	96.1	7.4	6.4	175.2	147.5
124.0	96.1	7.4	6.4	175.2	147.5
16.1	71.3	–	–	98.7	134.4
–	–	–	–	–	–
1 790.6	1 545.9	10.2	9.8	2 462.9	2 181.5
–	35.1	–	3.2	–	(274.7)
1 790.6	1 581.0	10.2	9.3	2 462.9	1 906.8



Notes to the abridged consolidated annual financial statements continued

for the year ended 30 September 2012

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

	Continuing operations		Discontinued operations		Total	
	2012 R million	2011 R million	2012 R million	2011 R million	2012 R million	2011 R million
Determination of basic earnings and headline earnings						
Profit attributable to equity holders of the company	1 207.1	959.0	–	(331.1)	1 207.1	627.9
Less: Preference dividend	(0.1)	(0.1)	–	–	(0.1)	(0.1)
Basic earnings	1 207.0	958.9	–	(331.1)	1 207.0	627.8
Adjusted for:						
Net impairment losses on goodwill, plant, equipment, intangible assets and investments	9.5	99.0	–	–	9.5	99.0
Net (profit)/loss on disposal of businesses and other investments	(0.5)	5.4	–	352.4	(0.5)	357.8
Net loss/(profit) on disposal of property, plant, equipment and intangible assets	26.5	(33.4)	–	–	26.5	(33.4)
Gain on revaluation of original interest in joint venture acquired	(44.0)	–	–	–	(44.0)	–
Tax effects	(10.1)	(13.4)	–	–	(10.1)	(13.4)
Headline earnings	1 188.4	1 016.5	–	21.3	1 188.4	1 037.8
Weighted average number of shares in issue ('000)	591 750	589 550	–	589 550	591 750	589 550
Earnings per share (cents)	204.0	162.6	–	(56.1)	204.0	106.5
Headline earnings per share (cents)	200.8	172.4	–	3.6	200.8	176.0
Determination of diluted earnings						
Basic earnings	1 207.0	958.9	–	(331.1)	1 207.0	627.8
Dividend paid to preference share funders	21.6	14.0	–	–	21.6	14.0
Diluted earnings	1 228.6	972.9	–	(331.1)	1 228.6	641.8

10. BASIC, FULLY DILUTED AND HEADLINE EARNINGS PER ORDINARY SHARE (continued)

	Continuing operations		Discontinued operations		Total	
	2012 R million	2011 R million	2012 R million	2011 R million	2012 R million	2011 R million
Determination of diluted headline earnings						
Headline earnings	1 188.4	1 016.5	–	21.3	1 188.4	1 037.8
Dividend paid to preference share funders	21.6	14.0	–	–	21.6	14.0
Diluted headline earnings	1 210.0	1 030.5	–	21.3	1 210.0	1 051.8
Weighted average number of ordinary shares for the purpose of diluted earnings per share ('000)	622 488	618 170	–	618 170	622 488	618 170
Weighted average number of ordinary shares for the purpose of basic earnings per share	591 750	589 550	–	589 550	591 750	589 550
Effect of dilutive potential ordinary shares:						
Ordinary shares issued to Red Coral Investments 23 (Pty) Ltd ('000)	21 520	20 582	–	20 582	21 520	20 582
Other share incentive plans ('000)	9 218	8 038	–	8 038	9 218	8 038
Diluted earnings per share (cents)	197.4	157.4	–	(53.6)	197.4	103.8
Diluted headline earnings per share (cents)	194.4	166.7	–	3.4	194.4	170.1

Notes to the abridged consolidated annual financial statements continued

for the year ended 30 September 2012

11. DIVIDENDS AND CASH DISTRIBUTIONS

	2012 R million	2011 R million
Dividends paid		
Final dividend No 79 paid on 23 January 2012: 30.5 cents per share (2011: No 77 – 58.0 cents per share)	212.1	383.6
Interim dividend No 80 paid on 9 July 2012: gross amount of 40.5 cents per share (2011: No 78 – 34.0 cents per share)	282.1	236.1
Dividend attributable to treasury shares	(74.0)	(77.5)
	420.2	542.2
Other dividends	0.9	0.9
Total dividends paid	421.1	543.1
On 21 November 2012, the directors declared a gross dividend No 81 of 89.0 cents per share payable on 21 January 2013 to shareholders registered on the record date, being 18 January 2013.		
Cash distributions paid		
Cash distribution No 8 paid on 23 January 2012: 43.5 cents per share (2011: nil)	302.5	–
Cash distribution attributable to treasury shares	(45.4)	–
Total cash distributions paid	257.1	–
	Cents	Cents
Analysis of dividends/cash distributions declared in respect of current year's earnings:		
Dividends per ordinary share		
Interim	40.5	34.0
Final	89.0	30.5
Cash distributions per ordinary share		
Final	–	43.5
	129.5	108.0

6.5% and 6% cumulative preference dividends

Preference dividends totalling R0.1 million (2011: R0.1 million) were declared on 23 November 2011 and 25 June 2012, and paid on 30 January 2012 and 30 July 2012 respectively.

12. BUSINESS COMBINATIONS

	2012 R million	2011 R million
<p>In line with the group's strategy to grow its core businesses, the group acquired, with effect from 1 March 2012, the remaining 50% interest in Nampak Wiegand Glass (Pty) Ltd (Glass) which was held by Wiegand Glass (SA) (Pty) Ltd for an amount of R974.5 million paid in cash.</p> <p>During the previous year, the group acquired the entire equity of FourFourTwo Limited with effect from 1 October 2010 for the amount of R3.0 million paid in cash.</p>		
Assets acquired and liabilities recognised at the date of acquisition		
Current assets		
Inventories	86.7	3.5
Trade and other receivables	78.6	35.4
Cash	–	1.7
Non-current assets		
Property, plant and equipment	491.1	31.9
Intangibles	237.5	–
Current liabilities		
Trade and other payables	(67.2)	(62.4)
Bank overdraft	(3.0)	–
Non-current liabilities		
Loans	(17.8)	–
Retirement benefit obligation	(6.9)	–
Deferred tax	(101.6)	(7.2)
Net assets acquired	697.4	2.9
Goodwill arising on acquisition		
Consideration transferred	974.5	3.0
Gain on revaluation of original interest	44.0	–
Fair value of identifiable net assets acquired	(697.4)	(2.9)
Goodwill recognised	321.1	0.1
<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	974.5	3.0
Bank overdraft/(cash) acquired	3.0	(1.7)
Net outflow on acquisition	977.5	1.3

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

Included in the group net revenue and profit after tax for the year is R224.6 million and R29.4 million respectively, which is attributable to the remaining interest acquired in Glass.

Had Glass been acquired with effect 1 October 2011, the net revenue of the group from continuing operations would have been R17 808.2 million, while the profit after tax would have been R1 207.7 million.

Notes to the abridged consolidated annual financial statements continued

for the year ended 30 September 2012

13. DISPOSED OPERATIONS

	2012 R million	2011 R million
During the previous year, the operations of Nampak Paper Holdings Limited, Interpak Books (Pty) Ltd, and Disaki Cores and Tubes (Pty) Ltd, as well as the L&CP and Tubs businesses, were sold in line with the group's strategy to focus on core operations and emerging markets.		
Interpak Books (Pty) Ltd, Disaki Cores and Tubes (Pty) Ltd, and the L&CP business were included in the South African Paper and Flexibles segment, while the Tubs business was included in the South Africa Plastics segment, for segmental reporting purposes. The results of the Nampak Paper Holdings Limited operations were previously reported in the Europe Paper segment for segmental reporting purposes and were classified as discontinued operations.		
The results of the discontinued operations included in the statement of comprehensive income are set out below:		
Results of the discontinued operations for the year		
Revenue	-	1 112.9
Expenses	-	(1 082.1)
Profit before tax	-	30.8
Attributable income tax expense	-	9.5
	-	21.3
Loss on disposal of operations	-	(352.4)
Loss for the year from discontinued operations	-	(331.1)
Cash flow impact of the disposals		
Non-current assets	-	889.2
Non-current liabilities	-	(277.9)
Net working capital	-	590.9
Cash and cash equivalents	-	64.5
Net assets disposed	-	1 266.7
Non-controlling interest	-	(1.6)
Release of foreign currency translation reserve	-	(1.6)
Loss on disposal of businesses	-	(357.8)
Total disposal consideration	-	905.7
Deferred sales proceeds	-	(6.9)
Consideration received	-	898.8
Cash and cash equivalents disposed	-	(64.5)
Net inflow on disposal	-	834.3
14. OPERATING LEASE COMMITMENTS		
Land and buildings	136.1	201.5
Vehicles	21.2	31.0
Other	26.8	37.6
Total	184.1	270.1

15. CONTINGENT LIABILITIES

	2012 R million	2011 R million
Guarantees in respect of property leases	4.8	4.5
Customer claims and other	7.8	3.5
Tax contingent liability	36.2	72.2
Total	48.8	80.2

The tax contingent liability mainly relates to the Malawi Revenue Authority having issued additional assessments for the 2001 to 2010 years of assessment on Packaging Industries Malawi Limited relating to transfer pricing. No provision has been raised because management believes the matter is highly defensible. The timing of the resolution of the matter is uncertain.

16. CAPITAL COMMITMENTS

Capital commitments for acquisition of property, plant and equipment		
– contracted	406.3	356.4
– approved	687.4	187.4
Total	1 093.7	543.8

The group's share of capital commitments for property, plant and equipment of its jointly controlled entities is:

26.3	215.4
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17. RELATED PARTIES

Group companies, in the ordinary course of business, entered into various purchase and sale transactions with associates, joint ventures and other related parties. The effect of these transactions is included in the financial performance and results of the group.

18. POST-BALANCE SHEET EVENTS

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 South Africa (Pty) Ltd for a consideration of R115 million. The fair values of the assets and liabilities acquired have not yet been determined.

Interests in subsidiaries and joint ventures

ANNEXURE A

	Type (see note below)	Country of incorporation	Issued share capital	Effective percentage holding		Interest of holding company				
						Shares at cost		Indebtedness		
				2012 %	2011 %	2012 Rm	2011 Rm	2012 Rm	2011 Rm	
1. SUBSIDIARIES (CONSOLIDATED)										
Angolara Lda	O	Angola	K4 580 650	70	70					
Auspac Ltd	D	UK	£4 050 000	100	100					
Blowmocan Holdings Ltd	D	UK	£1	100	100					
Blowmocan Polysystems Ltd	D	UK	£1	100	100					
Burcap Plastics (Pty) Ltd	Deregistered	RSA	–	–	100					
Crown Cork Co Zambia Ltd	D	Zambia	ZMK194 285 714	100	100					
EPS (Foston) Ltd	O	UK	£9 750 000	100	100					
Four Four Two Ltd	I	UK	£1 000	100	100					
International Cartons & Packaging Ltd	D	Zambia	ZMK77 526 000	100	100					
Kohler Packaging Ltd	Deregistered	RSA	–	–	100		8.0			
Malbak Ltd	D	RSA	R353 864 160	100	100	1 836.8	1 836.8			
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	50					
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 Leasing (Pty) Ltd	Deregistered	RSA	–	–	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	D	RSA	R20 000	100	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	–	–	

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		
				2012 %	2011 %	2012 Rm	2011 Rm	2012 Rm	2011 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	3 880.3	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 million	50	50					
Elopak South Africa (Pty) Ltd	O	RSA	R280	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	33					

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		
				2012 %	2011 %	2012 Rm	2011 Rm	2012 Rm	2011 Rm	
3. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (NOT CONSOLIDATED)										
Carnaud/Metalbox Zimbabwe Ltd	O	Zimbabwe	US\$98 994	100	100					
Crown Cork Co (1958) (Pvt) Ltd	D	Zimbabwe	US\$7 105	100	100					
Megaplastics Ltd	I	Zimbabwe	US\$0	100	100					
Hunyani Holdings Ltd	O	Zimbabwe	US\$319 711	39	39					
Megapak Zimbabwe (Pty) Ltd	O	Zimbabwe	US\$20 100	49	49					
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	
		2012	2011	2012	2011
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	150 586	< 1	< 1
Nampak Polyfoil Zimbabwe (Pvt) Ltd	O	1	1	< 1	< 1

Type

O – Operating

Notice of annual general meeting

Nampak Limited

Notice is hereby given that the 45th annual general meeting of shareholders of Nampak Limited will be held in the Emthonjeni Room, situated on the 1st Floor of Nampak Centre, 114 Dennis Road, Atholl Gardens, Sandton, South Africa on Friday, 8 February 2013 at 12:00 for the purpose of considering and, if deemed fit, passing with or without modification, the ordinary and special resolutions set out below.

The record date for purposes of determining which shareholders are entitled to receive this notice is Friday, 7 December 2012.

The record date for shareholders to be recorded in the securities register of the company in order to be able to attend, participate and vote at the annual general meeting, is Friday, 1 February 2013. Accordingly, the last date to trade in order to be registered in the company's register of shareholders is Friday, 25 January 2013.

Presentation of annual financial statements

The consolidated audited annual financial statements of the company and of the group, for the year ended 30 September 2012, incorporating the directors' report, the audit committee report and the auditor's report, have been distributed as required and will be presented to shareholders as required in terms of section 30(3)(d) of the Companies Act, No 71 of 2008 (as amended).

Report of the social, ethics and transformation committee

In accordance with Companies Regulation 43(5)(c), issued in terms of the Companies Act, No 71 of 2008 (as amended), the chairman of the social, ethics and transformation committee will table a report to shareholders, as contained in the integrated annual report, at the annual general meeting.

Percentage voting rights

Ordinary resolutions 1 to 10 require a minimum of 50% plus 1 vote of the voting rights cast in order for the resolutions to be adopted:

Ordinary resolution number 1 – re-election of retiring director

"RESOLVED that Mrs DC Moephuli, who is required to retire by rotation as a director of the company in terms of the company's memorandum of incorporation and who is eligible and available for re-election, be and she is hereby re-elected as an independent, non-executive director of the company."

Ordinary resolution number 2 – re-election of retiring director

"RESOLVED that Dr RJ Khoza, who is required to retire by rotation as a director of the company in terms of the company's memorandum of incorporation and who is eligible and available for re-election, be and he is hereby re-elected as an independent, non-executive director of the company."

Ordinary resolution number 3 – re-election of retiring director

"RESOLVED that Mr TT Mboweni, who is required to retire by rotation as a director of the company in terms of the company's memorandum of incorporation and who is eligible and available for re-election, be and he is hereby re-elected as an independent, non-executive director of the company."

Ordinary resolution number 4 – re-election of retiring director

"RESOLVED that Mr RV Smither, who is required to retire by rotation as a director of the company in terms of the company's memorandum of incorporation and who is eligible and available for re-election, be and he is hereby re-elected as an independent, non-executive director of the company."

Ordinary resolution number 5 – appointment of external auditors

"RESOLVED that Deloitte & Touche be appointed as the company's external auditors, as nominated by the company's audit committee, until the next annual general meeting and noted that Mr AF Mackie will undertake the audit during the financial year ending 30 September 2013 as the individual registered auditor of Deloitte & Touche."

Ordinary resolution number 6 – appointment of a member of the audit committee

"RESOLVED that Mr RV Smither, an independent, non-executive director of the company, be and he is hereby appointed a member and chairman of the audit committee until the next annual general meeting of the company."

Ordinary resolution number 7 – appointment of a member of the audit committee

"RESOLVED that Mr RC Andersen, an independent, non-executive director of the company, be and he is hereby appointed a member of the audit committee until the next annual general meeting of the company."

Notice of annual general meeting continued

Ordinary resolution number 8 – appointment of a member of the audit committee

“RESOLVED that Mrs VN Magwentshu, an independent, non-executive director of the company, be and she is hereby appointed a member of the audit committee until the next annual general meeting of the company.”

Ordinary resolution number 9 – appointment of a member of the audit committee

“RESOLVED that Mrs CWN Molope, an independent, non-executive director of the company, be and she is hereby appointed a member of the audit committee until the next annual general meeting of the company.”

* Brief biographies of the directors named in resolutions 1 to 4 and 6 to 9 above, appear on page 14 of the integrated annual report.

Ordinary resolution number 10 – confirmation of the group’s remuneration policy

“RESOLVED that as a non-binding advisory vote, the group’s remuneration policy as set out in the remuneration report on pages 79 to 106 of the integrated annual report be and is hereby confirmed.”

Percentage voting rights

The following special resolutions require a minimum of 75% of the voting rights cast in order for the resolutions to be adopted:

Special resolution number 1 – non-executive directors’ fees

“RESOLVED that on the recommendation of the remuneration committee, the annual fees payable to the non-executive directors of the company for the 12 months from 1 October 2012 to 30 September 2013, be approved as follows:

Board/committee	Proposed fees			Current fees	
	Base fee per annum (rand)	Fee per meeting for attendance (rand)	Number of formal meetings scheduled per annum	Total proposed fee per annum (rand)	Total fee per annum (rand)
Non-executive chairman*	1 400 000	Single fee for role of chairman†		1 400 000	1 306 800
Non-executive directors**	138 000	14 500	6	225 000	189 000
Chairman of the audit committee**	125 000	30 000	3	215 000	189 000
Member of the audit committee**	74 500	13 500	3	115 000	92 000
Member of the nomination committee**	45 000	5 000	2	55 000	63 500
Chairman of the remuneration committee**	124 500	12 000	2	148 500	150 380
Member of the remuneration committee**	61 735	7 000	2	75 735	76 000
Chairman of the risk and sustainability committee**	124 500	12 000	2	148 500	113 140
Member of the risk and sustainability committee**	61 735	7 000	2	75 735	63 500
Chairman of the social, ethics and transformation committee**	124 500	12 000	2	148 500	113 140
Member of the social, ethics and transformation committee**	61 735	7 000	2	75 735	63 500

* Fees are paid monthly in arrears.

** Fees are paid quarterly in arrears.

† Includes fees for chairing the nomination committee.

Reason and effect

The reason for and effect of special resolution number 1 is to grant the company the authority to pay fees to its non-executive directors for their services as directors.

Special resolution number 2 – general authority to repurchase company shares

“RESOLVED that subject to compliance with the requirements of the JSE Limited and the Companies Act, No 71 of 2008 (as amended), the directors of the company be and are hereby authorised in their discretion to procure that the company or subsidiaries of the company acquire by purchase on the JSE ordinary shares issued by the company provided that:

- (i) the number of ordinary shares acquired in any one financial year shall not exceed 20% of the ordinary shares in issue at the date on which this resolution is passed;
- (ii) this authority shall lapse on the earlier of the date of the next annual general meeting of the company or the date 15 months after the date on which this resolution is passed;
- (iii) the price paid per ordinary share may not be greater than 10% above the weighted average of the market value of the ordinary shares for the five business days immediately preceding the date on which a purchase is made; and
- (iv) the number of shares purchased by subsidiaries of the company shall not exceed 10% in the aggregate of the number of issued shares in the company at the relevant times.”

Reason and effect

The reason for special resolution number 2 is to authorise the directors, if they deem it appropriate in the interests of the company, to procure that the company or subsidiaries of the company acquire or purchase ordinary shares issued by the company subject to the restrictions contained in the above resolution.

The effect of special resolution number 2 will be to authorise the directors of the company to procure that the company or subsidiaries of the company acquire or purchase shares issued by the company on the JSE. Such purchases:

- (i) may not in any financial year exceed 20% of the company's ordinary shares in issue at the date of passing the above resolution;

- (ii) must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty;
- (iii) may not be made at prices in excess of 10% above the weighted average of the market value of the ordinary shares for the five days preceding the date of purchase;
- (iv) must comply with the requirements of the JSE; and
- (v) if made by a subsidiary or subsidiaries may not exceed 10% in the aggregate of the issued shares in the company.

The general authority granted by this special resolution will lapse on the earlier of the date of the next annual general meeting of the company or the date 15 months after the date on which this resolution was passed.

This authority will only be used if the circumstances are appropriate and ordinary shares will be purchased on the JSE.

The directors, after considering the effect of a repurchase of up to 20% of the company's issued ordinary shares, are of the opinion that if such repurchase is implemented:

- (i) the company and its subsidiaries will be able to pay their debts in the ordinary course of business for a period of 12 months after the date of this notice;
- (ii) recognised and measured in accordance with the accounting policies used in the latest audited annual group financial statements, the assets of the company and its subsidiaries will exceed the liabilities of the company and its subsidiaries for a period of 12 months after the date of this notice;
- (iii) the ordinary capital and reserves of the company and its subsidiaries will be adequate for the purposes of the business of the company and its subsidiaries for the period of 12 months after the date of this notice; and
- (iv) the working capital of the company and its subsidiaries will be adequate for the purposes of the business of the company and its subsidiaries for the period of 12 months after the date of this notice.

The company will ensure that its sponsor will provide the necessary letter on the adequacy of the working capital in terms of the JSE Listings Requirements, prior to the commencement of any purchase of the company's shares on the open market.

Notice of annual general meeting continued

In terms of the JSE Listings Requirements for special resolution number 2, the following general information is included in the integrated annual report:

- (i) Directors and management (pages 14 and 15);
- (ii) Major shareholders (page 16);
- (iii) There have been no material changes since 30 September 2012;
- (iv) Directors' interests in securities (pages 116 and 117);
- (v) Share capital of the company (page 112); and
- (vi) The company is not party to any material litigation nor is it aware of any pending material litigation to which it may become a party.

The directors whose names appear on pages 14 and 15 of the integrated annual report collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the circular (the notice of the annual general meeting) contains all information required by law and the JSE Listings Requirements.

Special resolution number 3 – financial assistance to related or inter-related companies or corporations

"RESOLVED, as a special resolution, in terms of section 45 of the Companies Act, No 71 of 2008 (as amended), that the company provides at any time and from time to time during the period of 2 (two) years commencing on the date of this special resolution, any direct or indirect financial assistance as contemplated in such section of the Companies Act to any 1 (one) or more related or inter-related companies or corporations of the company and/or to any 1 (one) or more members of any such related or inter-related company or corporation and/or to any 1 (one) or more persons related to any such company or corporation, provided that:

- (i) the board from time to time determines: (a) the recipient or recipients of such financial assistance; (b) the form, nature and extent of such financial assistance; and (c) the terms and conditions under which such financial assistance is provided;
- (ii) the board may not authorise the company to provide any financial assistance pursuant to this special resolution unless the board meets all those requirements of section 45 of the Companies Act which it is required to meet in order to authorise the company to provide such financial assistance; and

- (iii) such financial assistance to a recipient thereof is, in the opinion of the board, required for the purpose of: (a) meeting all or any of such recipient's operating expenses (including capital expenditure); and/or (b) funding the growth, expansion, reorganisation or restructuring of the businesses or operations of such recipient; and/or (c) funding such recipient for any other purpose which in the opinion of the board is directly or indirectly in the interests of the company."

Reason and effect

The main reason for special resolution number 3 is to authorise the directors, if they deem it appropriate in the interests of the company, to provide financial assistance to related or inter-related companies and/or to any one or more members of any such related or inter-related companies subject to the restrictions contained in the above resolution.

The effect of special resolution number 3 will be to ensure that Nampak's subsidiaries and other related and inter-related companies and corporations have access to financing and/or financial backing from Nampak (as opposed to banks).

Special resolution number 4 – approval and adoption of a new memorandum of incorporation

"RESOLVED that the memorandum of incorporation, in the form of the draft tabled at the annual general meeting at which this resolution will be considered and which has been initialled by the chairman of such meeting for purposes of identification, be and is hereby adopted as the new memorandum of incorporation of the company in substitution for and to the exclusion of the company's existing memorandum of incorporation."

Reason and effect

The reason for special resolution number 4 is to adopt a new memorandum of incorporation that will be in line with the requirements of the Companies Act, No 71 of 2008 (as amended), the JSE Listings Requirements and any applicable legislation, which require a substantial number of changes to the existing memorandum of incorporation. It is accordingly more appropriate to adopt a new memorandum of incorporation.

The effect of special resolution number 4 will be that the company will adopt a new memorandum of incorporation.

Identification, voting and proxies

Ordinary shareholders are entitled to attend, speak and vote at the annual general meeting.

In terms of section 63(1) of the Companies Act, No 71 of 2008 (as amended), any person attending or participating in the general meeting must present reasonably satisfactory identification and the person presiding at the annual general meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as a shareholder or as a proxy for a shareholder) has been reasonably verified.

In accordance with the company's memorandum of incorporation, voting shall be by ballot only.

Shareholders holding dematerialised shares, but not in their own name, must furnish their Central Securities Depository Participant (CSDP) or broker with their instructions for voting at the annual general meeting. If your CSDP or broker, as the case may be, does not obtain instructions from you, it will be obliged to act in accordance with your mandate furnished to it, or if the mandate is silent in this regard, complete the attached form of proxy.

Unless you advise your CSDP or broker, in terms of the agreement between you and your CSDP or broker by the cut-off time stipulated therein, that you wish to attend the general meeting or send a proxy to represent you at this general meeting, your CSDP or broker will assume that you do not wish to attend the general meeting or send a proxy.

If you wish to attend the annual general meeting or send a proxy, you must request your CSDP or broker to issue the necessary letter of authority to you. Shareholders holding dematerialised shares, and who are unable to attend the annual general meeting and wish to be represented thereat, must complete the attached form of proxy in accordance with the instructions therein and lodge it with or post it to the share registrar.

Forms of proxy must be dated and signed by the shareholder appointing a proxy and should be forwarded to reach the share registrar by no later than 12:00 on Wednesday, 6 February 2013. Before a proxy exercises any rights of a shareholder at the annual general meeting, such form of proxy must be so delivered.

In compliance with the provisions of section 58(8)(b)(i) of the Companies Act, a summary of the rights of a shareholder to be represented by proxy, as set out in section 58 of the Companies Act, is set out below:

- (i) an ordinary shareholder entitled to attend and vote at the annual general meeting may appoint any individual as a proxy to attend, participate in and vote at the annual general meeting in the place of the shareholder. A proxy need not be a shareholder of the company. A proxy appointment must be in writing, dated and signed by the shareholder appointing a proxy, and, subject to the rights of a shareholder to revoke such appointment (as set out below), remains valid only until the end of the annual general meeting;
- (ii) a proxy may delegate the proxy's authority to act on behalf of a shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy;
- (iii) the appointment of a proxy is suspended at any time and to the extent that the shareholder who appointed such proxy chooses to act directly and in person in the exercise of any rights as a shareholder;
- (iv) the appointment of a proxy is revocable by the shareholder in question cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of: (a) the date stated in the revocation instrument, if any and (b) the date on which the revocation instrument is delivered to the company as required in the first sentence of this paragraph;
- (v) if the instrument appointing the proxy has been delivered to the company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the company's memorandum of incorporation to be delivered by the company to the shareholder, must be delivered by the company to: (a) the shareholder; or (b) the proxy, if the shareholder has: (i) directed the company to do so in writing; and (ii) paid any reasonable fee charged by the company for doing so;
- (vi) attention is also drawn to the "Notes" to the form of proxy; and
- (vii) the completion of a form of proxy does not preclude any shareholder attending the annual general meeting.

Notice of annual general meeting continued

Electronic communication

Shareholders or their proxies may participate in the meeting by way of telephone conference call and, if they wish to do so:

- ⊙ must contact the assistant company secretary (by email at the address sipho.mahlangu2@za.nampak.com) by no later than 12:00 on 1 February 2013 in order to obtain dial-in details for the conference call;
- ⊙ will be required to provide reasonably satisfactory identification; and
- ⊙ will be billed separately by their own telephone service providers for their telephone call to participate in the meeting.

Voting will not be possible via electronic facilities and shareholders wishing to vote their shares will need to be represented at the meeting either in person, by proxy or by letter of representation, as provided for in the notice of the meeting.

Availability of the proposed new memorandum of incorporation of the company

The proposed new memorandum of incorporation of the company may be accessed on the company's website at www.nampak.com or it may be inspected at the company's registered office.

By order of the board



NP O'Brien

Company secretary

14 December 2012

Nampak Limited

Nampak Centre
114 Dennis Road
Atholl Gardens
Sandton 2196
Republic of South Africa

Form of proxy



Nampak Limited

(Incorporated in the Republic of South Africa)
 (Registration number: 1968/008070/06)
 (Share code: NPK ISIN: ZAE000071676)
 ("Nampak" or "the company")

FORM OF PROXY FOR USE BY CERTIFICATED SHAREHOLDERS AND "OWN NAME" DEMATERIALIZED SHAREHOLDERS ONLY – 45th ANNUAL GENERAL MEETING

For use only:

at the annual general meeting of the company to be held in the Emthonjeni Room, situated on the 1st Floor of Nampak Centre, 114 Dennis Road, Atholl Gardens, Sandton, South Africa on Friday, 8 February 2013 at 12:00 or at any adjournment thereof ("the annual general meeting").

If you are a Nampak shareholder entitled to attend and vote at the annual general meeting you can appoint a proxy to attend, vote and speak in your stead. A proxy need not be a Nampak shareholder.

If you are a Nampak shareholder and have dematerialised your share certificate through a CSDP (and have not selected "own name" registration in the sub-register maintained by a CSDP), do not complete this form of proxy but instruct your CSDP to issue you with the necessary letter of representation to attend the annual general meeting, or if you do not wish to attend, provide your CSDP with your voting instructions in terms of your custody agreement entered into with them.

I/We

(Full names in BLOCK LETTERS please)

of (address)

telephone (work)

(home)

being the holder(s) of ordinary shares in the company, hereby appoint (see note 2):

1. or failing him/her
2. or failing him/her
3. the chairman of the annual general meeting, as my/our proxy to attend, speak and, on a poll, to vote or abstain from voting on my/our behalf at the annual general meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions to be proposed thereat and at any adjournment thereof.

INSERT AN "X" OR THE NUMBER OF ORDINARY SHARES HELD IN THE COMPANY (see note 2)			
Proposed resolutions	For	Against	Abstain
1. To re-elect DC Moephuli			
2. To re-elect RJ Khoza			
3. To re-elect TT Mboweni			
4. To re-elect RV Smither			
5. To appoint the external auditors			
6. To appoint RV Smither a member of the audit committee			
7. To appoint RC Andersen a member of the audit committee			
8. To appoint VN Magwentshu a member of the audit committee			
9. To appoint CWN Molohe a member of the audit committee			
10. To confirm the group's remuneration policy			
11. Special resolution number 1 to approve the fees payable to the non-executive directors			
12. Special resolution number 2 to authorise the directors of the company to acquire or purchase shares issued by the company on the JSE Limited			
13. Special resolution number 3 to authorise the directors of the company to provide financial assistance to related or inter-related companies or corporations			
14. Special resolution number 4 to approve the adoption of a new memorandum of incorporation			

Note: Please indicate with an "X" in the relevant spaces above according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in the company, insert the number of shares held in respect of which you wish to vote (see note 2).

Signed at

on

2012/2013

Signature

Please read the notes on the reverse hereof.

Notes to the form of proxy

1. A shareholder is entitled to appoint one or more proxies (none of whom need be a shareholder of the company) to attend, speak and vote or abstain from voting in the place of that shareholder at the annual general meeting.
2. A shareholder may therefore insert the name of a proxy of the shareholder's choice in the space provided, with or without deleting the words "the chairman of the company or failing him the chairman of the annual general meeting". The person whose name appears first on this form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. A shareholder's instructions to the proxy must be indicated by the insertion of an "X" in the appropriate box. Failure to comply with the above will be deemed to authorise the chairman of the company or failing him the chairman of the annual general meeting, if the chairman is the authorised proxy, to vote in favour of the ordinary and the special resolutions at the annual general meeting, or any other proxy to vote or abstain from voting at the annual general meeting as he/she deems fit, in respect of the shareholder's total holding.
4. The completion and lodging of this form of proxy will not preclude a shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
5. In case of joint shareholders, the vote of the most senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholders, for which purpose seniority will be determined by the order in which the names appear on the company's register of shareholders in respect of the joint holding.
6. If a shareholder does not indicate on this form of proxy that his/her proxy is to vote in favour of or against any ordinary resolution or special resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the annual general meeting be proposed, the proxy shall be entitled to vote as he/she thinks fit.
7. The chairman of the annual general meeting may reject or accept any form of proxy which is completed and/or received, otherwise than in accordance with these notes.
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company's share registrar or waived by the chairman of the annual general meeting.
9. Any alternation or correction to this form of proxy must be initialled by the signatory/ies, other than the deletion of alternatives.
10. Forms of proxy must be lodged with or posted to the company, c/o Computershare Investor Services (Pty) Ltd, Ground Floor, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107, South Africa), to be received by no later than 12:00 on Wednesday, 6 February 2013.



Shareholders' diary

Annual general meeting 8 February 2013

Interim statement and ordinary dividend announcement for the half-year ending 31 March May 2013

Group results and ordinary dividend announcement for the year ending 30 September 2013 November 2013

DIVIDEND

Ordinary

Final for the year ended 30 September 2012
Interim for the half-year ending 31 March 2013

To be paid on 21 January 2013
To be paid July 2013

Preference

6.5% and 6% cumulative

Payable twice per annum
during February and August

Corporate information

Auditors

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

Business address and registered office

Nampak Centre
114 Dennis Road, Atholl Gardens
Sandton 2196, South Africa
(PO Box 784324, Sandton 2146)
Telephone +27 11 719 6300
Telefax +27 11 444 4794
Website www.nampak.com

Company secretary

Neill O'Brien BProc
PO Box 784324, Sandton 2146
Telephone +27 11 719 6332
neill.o'brien@za.nampak.com

Investor Relations

Graham Hayward FCIS, MBA
PO Box 784324, Sandton 2146
Telephone +27 11 719 6320
graham.hayward@za.nampak.com

Share registrar

Computershare Investor Services (Pty) Ltd
70 Marshall Street
Johannesburg 2001, South Africa
(PO Box 61051, Marshalltown 2107)
Telephone +27 11 370 5000
Telefax +27 11 370 5487

Sponsor

UBS South Africa (Pty) Ltd
64 Wierda Road East
Sandton 2196, South Africa
(PO Box 652863, Benmore 2010)
Telephone +27 11 322 7000
Telefax +27 11 784 8280

Sustainability

Lynne Kidd BA (Hons) Industrial Psychology
PO Box 784324, Sandton 2146
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lynne.kidd@za.nampak.com

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 the 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.)



Nampak
packaging excellence