2014 INTEGRATED REPORT

Nampak
packaging excellence

ANGOLA
BOTSWANA
ETHIOPIA
KENYA
MALAWI
MOZAMBIQUE
NIGERIA
SOUTH AFRICA
SWAZILAND
TANZANIA
UNITED KINGDOM
ZAMBIA
ZIMBABWE

A brief profile

Nampak is Africa's leading* diversified packaging manufacturer. We leverage the skills of our 9 269 people and capitalise on our substantial investment in state-of-the-art facilities to produce world-class metal, glass, plastic and paper packaging from facilities in 12 countries across Africa, and in the United Kingdom.

We also make and market a range of high-quality trusted toilet and facial tissue and feminine hygiene products.

Motivated to safeguard our reputation for consistent excellence in everything we do, as well as our strong brand, we are committed to creating sustainable value as a responsible corporate citizen. Our customers – many of them large fast-moving consumer goods companies – benefit from our extensive research and development services, which provide them with innovative solutions that promote their own products while keeping their impact on the environment in check.

Our work to minimise environmental impact also includes supporting and facilitating the recycling, reuse and recovery of packaging.

A mainstay of the South African manufacturing sector, we continue to invest in our home market's success, and are also stepping up our activities in the rest of Africa, where some of our factories have operated since the 1940s.

Our strategy is clear and our commitment to deliver on it unwavering.

** By volume and revenue*

How to get the most out of our integrated report:

This icon gives you references to supporting information throughout the report.

This icon tells you where you can find more information online and on our website www.nampak.co.za.

Contents

About this report

The integrated report is the principal communication to shareholders in Nampak Ltd (Nampak or the group) and other stakeholders who are interested in Nampak's ability to create value over time. It aims to help all stakeholders better understand our business, giving a balanced and accurate assessment of Nampak's performance and prospects in relation to material financial, social, governance, economic and environmental issues.

It endeavours to provide a meaningful report on the operational and financial performance and position of Nampak. The report also covers its key stakeholders and risks and opportunities and how these translate into material issues, and inform our strategy. It also spells out our operating context, our strategy and our governance structures. The capitals on which we rely and on which we have an impact, and our business model are also included.

Enhancements in the year

We strive to improve the quality of our integrated report every year. Among the enhancements in 2014 are:

- Better articulation of our strategy
- Clearer disclosure of our operating context and the dynamics of the industry
- Refined report structure, only giving information considered material
- More concise report, providing summarised corporate governance, social, economic and environmental contents with better use of cross-referencing to details on our website
- More thorough business model, showing our capital inputs and outputs as well as capital outcomes
- Greater disclosure of risks, including placing them in a heat map
- Better connectivity of information by linking performance, prospects, risks and stakeholder engagement to strategy
- Disclosure of each director's particular expertise relevant to Nampak

Scope and boundary

Nampak reports on its operations by region and then by cluster of packaging substrates: those in South Africa, those in the rest of Africa and those in the United Kingdom. The information in this report covers the financial year to the end of September 2014. However, where significant events occurred between year-end and the report's publication date, we have included these. The report covers the group's businesses and associates. All significant items are reported on a comparable basis. During the year, restatements in line with changes in IFRS occurred. IFRS 10 resulted in the broad-based black economic empowerment transaction no longer being consolidated and IFRS 11 was adopted for equity accounting of joint ventures. Our annual financial statements (AFS), the full corporate governance report, and more details of social, economic and environmental matters are available on our website. For details on our main stakeholders, see pages 16 and 19.

Content and how we determine materiality

Most of the content in this report is relevant to all Nampak businesses in all geographies. Some information – such as reporting on broad-based black economic empowerment – pertains only to the group's South African operations. Exclusions to the scope are noted in the relevant sections.

Content is determined based on materiality. Nampak defines material issues as those which have the potential to significantly affect our ability to create value for stakeholders and to sustain the group in the short, medium and longer term.

Our process to determine materiality continues to evolve, but as a starting point for the 2014 report, Nampak's integrated reporting team consulted a wide range of sources. These included minutes of the board meetings and board sub-committee meetings; internal documents on group strategy and the group's risks and opportunities; external research on the industry and economies of the region; equity analyst commentary; opinion (gathered both through formal and informal channels); details of policies and regulations applicable to Nampak and the sector; and relevant media coverage.

We then participated in a series of interviews with key internal role-players, including the chairman, all members of the group executive committee and other key managers, particularly those responsible for issues of sustainability and investor relations. These discussions also considered input from important stakeholders.

Reporting principles and assurance

Financial information: Nampak applies International Financial Reporting Standards (IFRS) in compiling its summarised financial statements and AFS. We comply with the JSE Listings Requirements and the Companies Act, No 71 of 2008 and report in terms of the King Code of Governance Principles for South Africa 2009 (King III) and the guidance provided in the International <IR> Framework of the International Integrated Reporting Council (IIRC). The audit committee advises the board, which approves the AFS. The AFS are audited by Deloitte & Touche.

Non-financial information: We consider international guidelines in compiling non-financial information, making reference to the JSE Listings Requirements, the Companies Act, King III, the IIRC's International <IR> Framework, the JSE's Socially Responsible Investment Index, the UN's Global Reporting Initiatives G3.1 guidelines and the Carbon Disclosure Project standard. We will consider the transition to G4 in the next few years. The group is incrementally improving assurance of material social, economic and environmental reporting. During the year, internal audit commenced with a process to audit for completeness and accuracy data used for safety, energy, water and waste reporting.

For assurance details, see page 75.

Approval by the board

This report was approved by the board and authorised for release on 20 November 2014. The board has applied its collective mind to the preparation and presentation of this report and acknowledges its responsibility to ensure the integrity of the integrated report, which it considers to have been presented in accordance with the International <IR> Framework.

Report footprint and feedback

Nampak works to reduce its environmental footprint in all its activities, including the production of this report. We use paper approved by the Forest Stewardship Council (FSC). We welcome feedback, which we will use to make improvements to our reporting in future. Direct your comments to lynne.kidd@za.nampak.com.

Navigation

To guide readers to additional information, or to indicate a link to our strategy, we use a number of icons throughout this report. These are on the inside front cover, above the table of contents, and on page 24.

Features of the year

Financial

- HEPS on continuing operations up 14%*
- Trading profit on continuing operations up by 8%
- Profitability in rest of Africa increased 25%
- Capital expenditure of more than R2.6 billion
- Dividend up 9% to 153 cents per share

People

- Achieved Level 3 B-BBEE rating
- Corporate social investment spend up 27%
- Employed 9 269 people

Governance

- Appointed new CEO
- Established investment sub-committee of the board
- Extended group legal compliance policy to operations in the rest of Africa

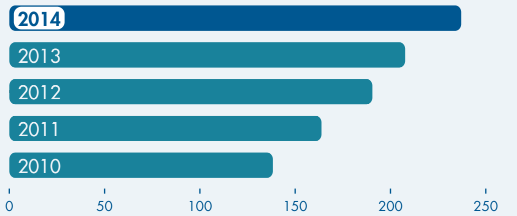
Environment

- Tonnes of CO_2e per R1 million revenue reduced by 6.7%
- Recycled 250 000 tonnes of paper
- Recycled 80 000 tonnes of glass
- Conversion to aluminium beverage cans increases recyclability of end product

** HEPS = Headline earnings per share.*

+14%

Headline earnings per share – continuing operations (cents)

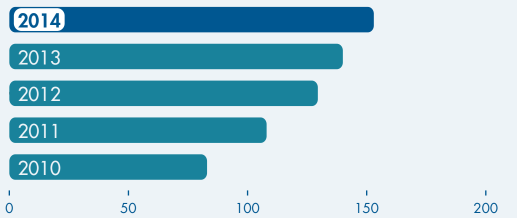


+8%

Trading profit – continuing operations (R million)

+9%

Dividend per share (cents)



Who we are and where we operate

Nampak is Africa's largest diversified packaging manufacturer and has been listed on the JSE Securities Exchange since 1969. For a brief profile, see the inside front cover flap.

United Kingdom 2014

Plastics: Lower demand impacts earnings

Rest of Africa 2014

Metals and Glass: Nigeria and Angola support strong performance

Paper and Flexibles: Stable, as sorghum beer carton sales recover

Plastics: New plastic beverage crate line to be commissioned in Ethiopia in 2015

South Africa 2014

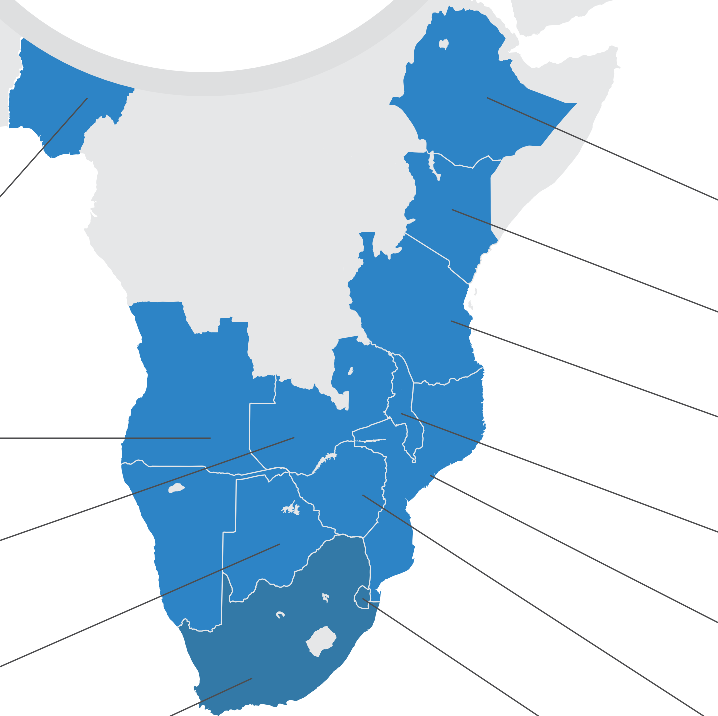
Metals and Glass: Metals benefit from strong demand, Glass disappoints

Paper and Flexibles: Raw material prices and competition impact margins

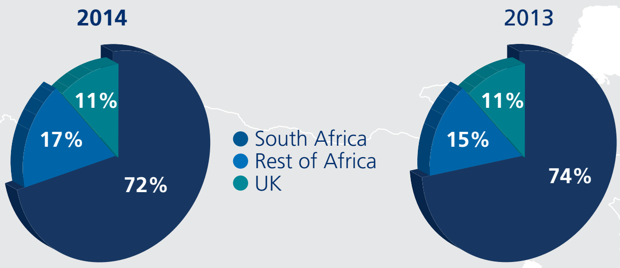
Plastics: Higher input prices, lower sales impact margins

Tissue: Positive contribution from business improvement initiatives

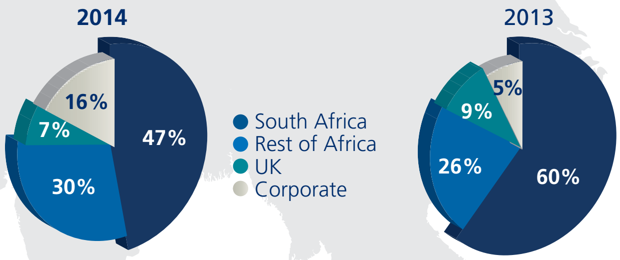
Employees	Country
591 employees	United Kingdom
531 employees	Nigeria
78 employees	Angola
178 employees	Zambia
25 employees	Botswana
7 205 employees	South Africa



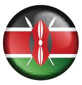
Revenue



Trading profit



Ethiopia  Still being set up

Kenya  220 employees

Tanzania  78 employees

Malawi  127 employees

Mozambique  19 employees

Zimbabwe  138 employees

Swaziland  79 employees

In South Africa we manufacture packaging products from metal, glass, paper and plastics. We are also a leading producer of toilet tissue and related products. Our operating segments and divisions in South Africa are:

Metals and Glass	Paper and Flexibles	Plastics	Tissue
Bevcan	Corrugated	Liquid Packaging	Nampak Tissue
DivFood	Flexibles	Closures	Sancella (50%)
Glass	Sacks	Tubes Drums Crates	Nampak Recycling

In the rest of Africa we have manufacturing operations in Angola, Botswana, Ethiopia, Kenya, Malawi, Mozambique, Nigeria, Swaziland, Tanzania, Zambia and Zimbabwe:

	Metals	Paper and Flexibles	Plastics
Angola	✓		
Botswana			✓
Ethiopia	✓		✓
Kenya	✓	✓	
Malawi		✓	
Mozambique	✓		
Nigeria	✓	✓	✓
Swaziland		✓	✓
Tanzania	✓		
Zambia	✓	✓	✓
Zimbabwe	✓	✓	✓

In the **United Kingdom** we are the major supplier of plastic bottles to the dairy industry.

Throughout our businesses collection and recycling of all types of used packaging are of the utmost importance.

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**.

Nampak – touching your everyday life

'If it's in a pack, it's probably Nampak'

06:00

RISE AND SHINE!

1kg Golden Cloud muffin/ cookie mix range

This was a collaboration between Nampak Sacks and Flexibles. Flexibles print high-quality flexo and Sacks convert it into a high-quality bag.

07:00

GET READY!

Toothpaste caps

Nampak Closures is synonymous with the toothpaste cap used in many well-known South African brands. We also make the tubes.

08:00

WASH UP AND GO!

10:00

INSPIRED BY YOU

AVI coffee bags

This lively packaging was created for AVI's Frisco coffee brand which moved from a tin to this gusset bag, made by Flexibles.

CHILL OUT!

Castle Lite Dual Thermo

Two thermo inks are used on this iconic South African brand, changing colour at different temperatures.

Lays Popped

This is a first for packaging in South Africa. This is gravure printed in four colours and a unique innovation is that the white ink is derived from the PE extrusion lamination, which is coloured white through master batch additive.

AT THE CUTTING EDGE

One and five-litre Astra Paint tin range

New lithographically printed five-colour packs, with triple-tight lids and high-end graphics. The "Specially formulated for Africa" message is aligned to consumers' preference for local products, reducing import costs.

Our vision, mission and values

Our vision

To provide best-in-class packaging throughout sub-Saharan Africa.

Our values

Nampak
packaging excellence

Responsibility

We are accountable for our people, processes and products

Integrity

Our integrity is paramount

Teamwork

We recognise that a team's contribution is greater than an individual's

Excellence

We strive for distinction in all we do

Commitment

We take our obligations seriously and aim to exceed expectations

Our mission

To deliver sustainable value to stakeholders# as a responsible corporate citizen and leader in packaging in sub-Saharan Africa.

#For details on our key stakeholders see pages 16 to 19. / *Our vision, mission and values inform our strategy.*

How we allocate resources

Apart from affordable access to a reliable supply of quality water, land and air, the other **natural capital** inputs on which Nampak relies include limestone, sand and soda ash for the manufacture of glass.

In 2014, we used 3 600Mℓ of water in our production processes, 315.65GJ of electricity and 50.98GJ of diesel and petrol per R1 million revenue.

Nampak's people, our suppliers and partners make up our key **human capital** inputs. Their health, skills, safety, initiative and ability to work well with each other is critical to our success. Our culture is inclusive and we value diversity. Our people operate within a clearly defined governance framework and must all adhere to the group's ethics policy.

In 2014, Nampak employed 9 269 people in 13 countries. We spent R46.3 million on employee training. A new chief executive, with experience across many markets, was appointed.

Our **manufactured capital** inputs include 87 production facilities, three furnaces at our Roodekop site, four aluminium and five steel beverage can lines at six sites in three countries, our corporate office in Sandton, as well as our research facilities in Cape Town. The manufactured capital inputs also include the infrastructure required to transport raw materials and end products from suppliers to our facilities and onward to our customers.

Cullet, which is waste glass, and waste paper are also key **manufactured capital** inputs. For metal packaging, our business needs a reliable and affordable supply of tinplate and aluminium. For plastic packaging, we purchase high-density polyethylene (HDPE) and low-density polyethylene (LDPE), polyethylene terephthalate (PET) and polypropylene (PP). Waste paper is essential for our corrugated and tissue businesses and smaller amounts of pulp wadding, made by processing wood, are required to supply our feminine hygiene business.

In 2014, we bought 80 000 tonnes of cullet and 250 000 tonnes of waste paper.

The funds available for use by Nampak are our **financial capital** inputs. These include equity and debt as well as cash generated from operations and investments.

At the end of 2014, Nampak had generated R2.8 billion in cash flows, had a market value on the JSE of R25.8 billion, had total equity of R7.9 billion, had invested R2.6 billion in capital expenditure, and had interest-bearing liabilities of R7.1 billion.

Nampak acknowledges the importance of helping to sustain the communities in which we operate as part of our own sustainability journey. Other key **social and relationship capital** inputs are our customers, our suppliers, trade unions, industry bodies as well as the governments and authorities of the countries in which we have a presence. The Nampak brand and reputation, built over many years, is also part of this capital input, which is essential to maintaining our social licence to operate.

In 2014, Nampak was present in 13 countries, had three joint-venture partners, supplied 40 large customers, relied on 10 major suppliers, engaged with 22 trade unions and contributed meaningfully to various community initiatives near our plants.

Our capital **inputs**

To continue to provide cutting-edge packaging, innovation is a key **intellectual capital** input. So too are our initiatives around operational, marketing and procurement excellence, as well as the experience we have gathered after operating as a listed company for 45 years.

In 2014, Nampak employed 30 scientists, two engineers, 12 technologists and four business information researchers at its R&D facility. They work to reduce the use of raw materials by making products more light-weight, investigate the feasibility and use of inks in packaging products as technology improves, as well as ensuring food safety. They also work to provide technical and product development support to our customers.

Our business model

Our vision, mission and values, our governance, our stakeholders and our environment

inform and direct

our strategy #

which considers

how best to mitigate risks and optimise opportunities

and is articulated through our approach to

People	Processes	Product*

where our activities involve:

People	Processes	Product
attracting, developing and retaining engaged employees;	producing a strategic advantage through buying better, making better and selling better;	providing a comprehensive range of products that are fit for purpose;
developing and managing relationships with suppliers, customers, employees, communities, policymakers and business partners;	establishing a safe workplace;	ensuring consistent product quality and reliability;
ensuring individual and team accountability; and	manufacturing to the highest quality and environmental standards; and	driving and supporting reduce, reuse and recycling initiatives; and
delivering an empowered and transformed organisation.	enhancing performance to continuously improve operating efficiencies.	investing in research and development and implementing improvements.

and

being responsive to changes in our environment and technologies so that we are agile and able to adapt.

*For details of the value chains of our key products, see the operational reviews starting on page 42.

#For our strategy, see page 24.

How we create value

By using waste materials in our production processes, less post-consumer packaging waste is directed to landfill. This lightens our impact on **natural capital,** as does working to ensure that all our packaging products are recyclable, can be reused (such as in the case of returnable bottles) or can potentially be used as fuel in the production of energy.

In 2014, 48% of the raw material Nampak used for making glass (equal to 80 000 tonnes) was cullet, reducing our energy consumption for glass production by 6.5%. Nampak Recycling collected 250 000 tonnes of paper for recycling in the group's paper mills. Nampak's Collect-a-Can joint venture reported the highest recycling rate of used beverage cans in southern Africa relative to other forms of packaging. In the year, Nampak extended its recycling collection to PET, for use in the textiles industry, and to other plastics which are sold to recyclers. In the UK, as a result of a new innovative design, Nampak's Infini liquid milk bottles used up to 21% less raw material than standard plastic milk bottles and also provided for a steady increase in the use of recycled raw material content.

While we continue to work to reduce our environmental impact, in the year, we reduced our CO_2 equivalent emissions per R1 million revenue by 6.7%.

information. We are actively involved in initiatives to improve consumer awareness of managing post-consumer packaging waste. Our other key manufactured capital outputs are toilet tissue and feminine hygiene products, which help consumers attain higher levels of hygiene and prevent the spread of diseases.

Nampak's **financial capital** outputs and outcomes include contributions to the tax authorities in the countries in which we operate, salaries to employees, dividends to shareholders, investments in communities and new projects, as well as payments to providers of finance. We have a dividend payout ratio of 64.5% of HEPS, which we plan to maintain in the short term.

In 2014, Nampak paid R95 million in tax payments, R904 million in dividends to shareholders, R362 million in interest to providers of finance and R3.5 billion in employment costs.

By providing a range of reliable and innovative products, enhanced customer loyalty and preference are key **social and relationship capital** outcomes. This supports our brand strength. Our investment in education, health and welfare and environment projects leads to

Our capital outputs and outcomes

Our **human capital** outcomes and outputs include a safer working environment, a diverse employee base, as well as enhanced skills and improved employee morale. This is achieved through our investment in training and as employees get an opportunity to learn from their peers in a suitably conducive environment.

In 2014, we worked to enhance employees' understanding of our strategy through internal communications and continued to invest in training. Nampak is rated a Level 3 contributor on its B-BBEE scorecard.

Nampak's **manufactured capital** outputs include dependable packaging products that have a number of important functions. They enable easier transportation and handling of products; they protect products and prevent their deterioration and they enhance shelf life and reduce the amount of food spoilage. They also inform consumers of product ingredients, including health and safety

greater community cohesion and support, and strengthens our licence to operate. It is estimated that some 100 000 informal jobs have been created that support the collection and sorting of post-consumer packaging waste. Over 4 000 collectors in South Africa supply Nampak Recycling with glass, paper and plastic.

In 2014, Nampak spent R13.5 million on community social investment in South Africa.

The key **intellectual capital** output of our work is the production of more convenient and useful products, with improved performance, that ultimately support our customers' sales.

In 2014, we provided technical support and product development assistance to many of our customers.

Board of directors

Independent non-executive directors

Tito Mboweni (56)
Chairman of the board
BA, MA, CD (SA)
Appointed: 1 June 2010

Board committee membership:
Nomination (chairman)
Remuneration

Relevant skills and expertise: Strategic leadership and economics.

Mr Mboweni previously served as South Africa's Minister of Labour (1994 – 1998), Governor of the South African Reserve Bank (1999 – 2009) and Chancellor of the University of the North West (2002 – 2005). He is a member of the National Executive Committee of the African National Congress (since December 2012). He serves as a trustee of the Nelson Mandela Children's Hospital Trust and chairman of its fundraising committee. He is also a member of the Council of Advisers of the Thabo Mbeki Foundation.

Other directorships: Mboweni Brothers Investment Holdings (Pty) Ltd, Sacoil Holdings Ltd, Accelerate Property Fund Ltd, Discovery Ltd and the African Centre for Economic Transformation (chairman).

Roy Andersen (66)
CA(SA), CPA, CD (SA)
Appointed: 28 November 2008

Board committee membership:
Audit
Investment (chairman)
Nomination
Remuneration

Relevant skills and expertise: Accounting, finance and corporate governance.

Roy previously served as chairman of Sanlam Ltd, StanLib Ltd and was CEO of Liberty Group Ltd and president of the JSE Limited. He is a member of the King Committee on Corporate Governance.

Other directorships: Aspen Pharmacare Holdings Ltd (and chairman of remuneration committee) and Sasfin Holdings Ltd (chairman).

Emmanuel Ikazoboh (65) (Nigerian)
FCCA, MBA
Appointed: 1 October 2013

Board committee membership:
Investment

Relevant skills and expertise: Accounting and finance.

Emmanuel is chairman of the board of Ecobank Transnational Inc. and managing director of a business process outsourcing company in Nigeria, Hedonmark Management Services. He previously served as administrator of the Nigerian Stock Exchange and chairman and CEO of Deloitte West and Central Africa.

Other directorships: Dangote Cement Plc, Ecobank Transnational Inc. (chairman), ARM Pension Managers Ltd (chairman), Oceanwinds Hospitality Ltd (chairman), International Institute for Sustainable Development and United Nigeria Textiles plc.

Dr Reuel Khoza (65)
BA, MA, Eng D, D of Laws honoris causa, CD (SA)
Appointed: 1 October 2005

Board committee membership:
Nomination

Relevant skills and expertise: Strategic leadership.

Reuel is the chancellor of the University of Limpopo, and a founding director of the Black Management Forum and the former chairman of Eskom Holdings Ltd. He is a fellow and president of the Institute of Directors in Southern Africa, a member of the King Committee on Corporate Governance and a visiting professor at Rhodes University and the University of the Free State.

Other directorships: Aka Capital (Pty) Ltd (chairman), Nedbank Group Ltd (chairman), Old Mutual plc, NEPAD Business Foundation and Sasol Oil (Pty) Ltd.

Nopasika Lila (45)
CA(SA)
Appointed: 1 March 2014

Board committee membership:
Audit

Relevant skills and expertise: Accounting, finance and corporate governance.

Nopasika is the chief financial officer of the Eskom Pension and Provident Fund. She previously served as an independent non-executive director of Basil Read Holdings Ltd and of the Johannesburg Development Agency.

Other directorships: Austro Group Ltd.

Phinda Madi (50)
BProc, EDP
Appointed: 21 November 2008

Board committee membership:
Investment
Risk and sustainability
Social, ethics and transformation (chairman)

Relevant skills and expertise: Strategic leadership and entrepreneurship.

Phinda is a qualified attorney and owner of the venture capital business, Madi Investments. He is also a retired ad hominem professor at Rhodes University.

Other directorships: Madi Investments (Pty) Ltd, Illovo Sugar Ltd, Allcare Medical Administrators (Pty) Ltd (chairman), the Spar Group Ltd, Sovereign Foods Ltd, Automobile Association of South Africa and Respiratory Care Africa (Pty) Ltd (chairman).

Ipeleng Mkhari (39)
BA
Appointed: 1 October 2013

Board committee membership:
Audit
Investment
Social, ethics and transformation

Relevant skills and expertise: Strategic leadership.

Ipeleng is the co-founder and CEO of Motseng Investment Holdings (Pty) Ltd, a diversified investment holding company which was founded in 1998 and operates in South Africa and other African countries.

Other directorships: Motseng Investment Holdings (Pty) Ltd, Kap Industrial Holdings Ltd and SAPOA.

Disebo Moephuli (50)
BA, MBA
Appointed: 23 November 2009

Board committee membership:
Investment
Risk and sustainability

Relevant skills and expertise: Finance.

Disebo is chief risk officer at Transnet. She was group treasurer for the transport utility for more than six years until January 2013. She previously held positions at the South African Reserve Bank, Development Bank of Southern Africa, RMB First National Bank and an internship at Bank of Montreal, Canada.

Other directorships: none

Nosipho Molope (50)
BSc, CA(SA)
Appointed: 1 June 2007

Board committee membership:
Audit
Risk and sustainability (chairman)

Relevant skills and expertise: Accounting and finance.

Nosipho was the chief financial officer at the Financial Services Board from August 2005 to December 2008.

Other directorships: Illovo Sugar Ltd, Engen Ltd, Old Mutual Life Assurance Company (South Africa) Ltd, Old Mutual Life Holdings (South Africa) Ltd, BHP Billiton Energy Coal South Africa (Pty) Ltd, Mobile Telephone Networks (Pty) Ltd, MTN Cameroon Ltd, MTN Uganda Ltd, and Toyota Financial Services South Africa Ltd.

Roy Smither (69)
CA(SA)
Appointed: 26 July 2006

Board committee membership:
Audit (chairman)
Investment
Risk and sustainability

Relevant skills and expertise: Accounting, finance and the fast-moving consumer goods industry.

Roy was an executive director of Tiger Brands Ltd until retirement in 2006. He previously served on the Credit Committee of the FirstRand Bank group.

Other directorships: RCL Foods Ltd.

Peter Surgey (60)
BA LLB
Appointed: 29 July 2009

Board committee membership:
Risk and sustainability
Social, ethics and transformation
Nomination
Remuneration (chairman)

Relevant skills and expertise: Strategic leadership.

Peter was the MD of Plascon and CEO of Barloworld Coatings from 1992 to 2003. He was a board member and a director of Barloworld Ltd from 1995 to 2008 and also served on the remuneration committees of Control Instruments (Pty) Ltd and NCS Resins (Pty) Ltd. He is currently a trustee of the President's Trust and the Duke of Edinburgh Award.

Other directorships: Earth Probiotic Industrial Ltd.

Board of directors continued

Executive directors

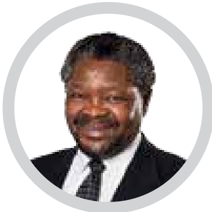
André de Ruyter (46)
Chief executive officer
BA, BLC, LLB, MBA
Appointed: 1 April 2014

Board committee membership:
Executive
Investment

Relevant skills and expertise: Strategic leadership in the manufacturing sector.

André spent more than 20 years with petrochemicals group Sasol in a number of senior management positions. He was a member of Sasol's group executive committee from 2009 to 2013.

Other directorships: none



Fezekile Tshiqi (60)
Group human resources director
BA, PGDHRM
Appointed: 29 July 2009

Board committee membership:
Executive

Relevant skills and expertise: People management and development.

Before joining Nampak, Fezekile held various HR positions at Unilever, ABI, Corobrik and Adcock Ingram Pharmaceuticals. In 1998, Fezekile was appointed divisional HR director of Nampak Tissue and in 2002 he took over as HR director of Nampak Africa.

Other directorships: none

Gareth Griffiths (61)
Chief financial officer
CA(SA)
Appointed: 1 September 2009

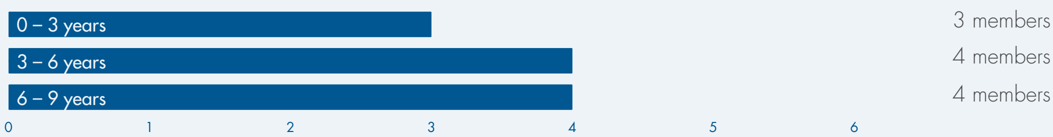
Board committee membership:
Executive
Investment

Relevant skills and expertise: Financial and strategic leadership.

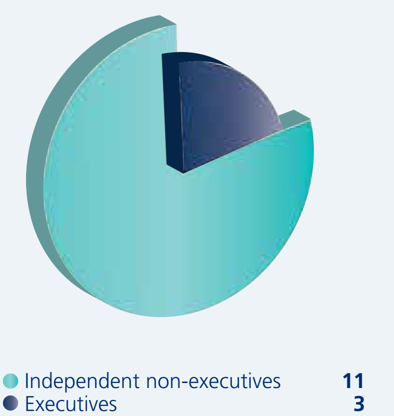
Before joining Nampak, Gareth was chief financial officer of Abu Dhabi Airport Company and of South African Airways. He also previously held numerous senior executive positions in the Bidvest group.

Other directorships: none

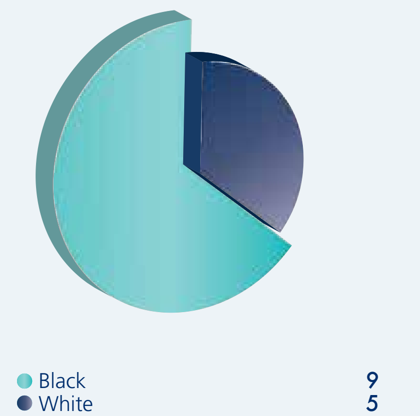
Board tenure of chairman and non-executive directors



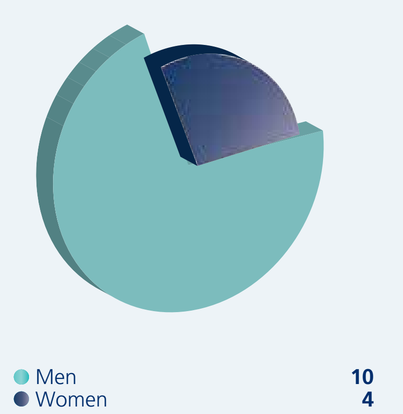
Board independence



Board diversity by race

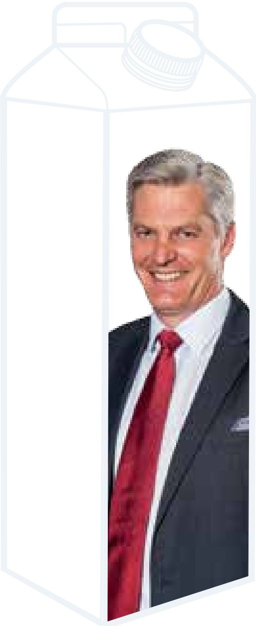


Board diversity by gender



Group executive committee

The group executive committee (GEC) assists the CEO in guiding and controlling the overall direction of the business. It also acts as a medium of communication and coordination between divisions, group companies and the board.



André de Ruyter (46)

Executive director, chief executive officer

See page 12, directors' profiles.

Gareth Griffiths (61)

Executive director, chief financial officer

See page 12, directors' profiles.

Fezekile Tshiqi (60)

Executive director, group human resources director

See page 12, directors' profiles.

Christiaan Burmeister (50)

CA(SA)

Group executive: DivFood and R&D

Relevant skills and expertise: Christiaan started with Nampak in 1990 and was employed in a number of general management roles as well as being group financial manager for South Africa and the rest of Africa. He became MD of Nampak Corrugated in 2009. On 1 April 2014 he took on the role of MD of Nampak DivFood and was appointed to the group executive committee. Christiaan is also responsible for Nampak R&D.

Erik Smuts (44)

CA(SA), ACMA, CPIM, GEDP

Group executive: Bevcan

Relevant skills and expertise: After completing his articles with Deloitte in South Africa, Erik worked for Deloitte in Budapest, Hungary in computer assurance services. He joined Nampak Bevcan in 1997 as project accountant and was appointed to the divisional board in 2001 as commercial director. In 2003 he took over as financial director and was appointed managing director for Bevcan in 2009. On 1 April 2014 he was appointed as the group executive responsible for all Nampak's beverage can interests in South Africa, Angola and Nigeria.

Ephraim Msane (52)

BSc Eng

Group executive: Paper and Tissue

Relevant skills and expertise: Ephraim previously held various positions at Unilever, culminating in departmental manufacturing 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 DivFood, Nampak Glass, Petpak, and Megapak. Having been on the group executive committee since 2008 in his role as the managing director of DivFood, Ephraim was appointed group executive for Paper and Tissue in April 2014.

Rob Morris (52)

Pr Eng, BSc Eng, BComm (Hons)

Group executive: Africa and Glass

Relevant skills and expertise: Rob held various positions in Unilever, both in South Africa and Europe, before joining Nampak in 1996 as general manager of the Cartons and Labels Gauteng operations. In 2008, he was appointed group executive responsible for the Paper and Flexibles divisions in South Africa and for Nampak's operations in Ethiopia, Kenya, Nigeria and Tanzania. In April 2014 he was appointed as group executive responsible for Nampak Glass and the operations in the rest of Africa, with the exception of the beverage can plants.

Philip de Weerdt (60)

BSc Eng, MBA, SEP

Group executive: Plastics and Flexibles

Relevant skills and expertise: 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 Flexibles and Nampak's operations in Zimbabwe.

Neill O'Brien (60)

BProc

Company secretary and group legal adviser

Relevant skills and expertise: Neill was admitted as an attorney in 1977 and practised as an attorney for a number of years before joining AECI 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.

Our operating context

The global economy

Global economic activity influences demand for goods, and therefore packaging products

Demographic changes, as well as weather patterns, have a particular impact on demand

Supply of raw materials and foreign exchange rates affect costs and profits

Packaging industry

Worth about US$500 billion* (*source: "Unwrapping the packaging industry," EY 2013)

Forecast to grow to US$820 billion# by 2016 (#source: "The Future of Global Packaging to 2016", Pira)

Food sector is biggest end-market, followed by health and personal care

Greater margins attainable in developing markets than in developed

Raw material suppliers include big global producers

Major customers include large consumer goods companies

Global industry dynamics

Consolidation of the industry, becoming more niche; companies focusing on specific packaging segments

Increasing energy costs

Trends towards substitution of glass

Increasing competition between consumer goods makers requires innovative packaging, and therefore closer collaboration between packaging companies and their customers

Growth

Increasing demand for and availability of shelf-ready products

More recycling

The economy of sub-Saharan Africa

Greater policy certainty

Growing political commitment to private sector growth

Increased investment, higher GDP growth rates and rapid urbanisation

Growth in middle-income consumers

Implementation of key infrastructure projects, improving cost and ease of doing business

Packaging industry

Youthful and growing population with greater discretionary spending power supports greater consumption of goods, with positive implications for packaging products

Glass bottles dominate the formal African beverage packaging market, with increasing demand for metal cans

Likely to benefit from growth in FMCG, with most preferred countries for FMCG investment being Ghana, Zambia, Tanzania, Nigeria and Kenya (source: "Africa, who will be the winners in FMCG?", UBS, 2012)

Sub-Saharan Africa's industry dynamics

- Increasing urbanisation, investment in housing and construction, growth in healthcare and beauty sector underpin packaging demand
- Expanding middle class driving demand for consumer goods, supporting strong growth in packaging
- In South Africa, significant amendments to waste legislation provide for government to draft new waste management charges for public consultation. At the same time, the new legislation provides for industry to develop its own waste management plans. Both aim to reduce the amount of post-consumer waste products going to landfill

The South African economy

Sluggish economic growth in Africa's biggest packaging market

Growing unemployment and costly strike action

Packaging industry

SA packaging market worth US$6.7 billion and forecast to be US$7.3 billion by 2016 (source: Pira)

Alternative packaging remains a strong competitor to glass

Increasing competition, including imports, in some substrates – flexibles, food cans and paper

Consumer spending patterns are changing, considering convenience and environmental awareness

Significant market for returnable glass bottles

Bulk wine exports are exerting pressure on demand for glass

Nampak's position

Biggest packaging company in sub-Saharan Africa by turnover and volumes produced

SA market leader in beverage and diversified food cans, aerosol cans, HDPE milk and juice bottles, one-ply toilet tissue

With patented Infini in the UK Nampak is leading producer of light-weight milk bottles, with high recycled HDPE content

Largest flexibles manufacturer by volume in the southern hemisphere

First mover advantage in Angola with country's first beverage can line

Significant investment in Nigerian aluminium beverage can facility makes Nampak an early market entrant

R46.3 million investment in skills development during 2014

Nampak
packaging excellence

Top external customers in alphabetical order: Brandhouse; Clover Holdings; The Coca-Cola Company and its bottling partners in South Africa; Distell; Namibia Breweries; Nestlé; SABMiller; Tiger Brands; Unilever

Our key relationships

We understand that the sustainability of our business depends on successful interactions with our stakeholders. Communicating with, and responding to the issues and concerns of groups or individuals who impact (or have a potential impact) on Nampak, as well as those on whom we have an impact, is good business practice and informs strategy development and evaluation. It is integral to our risk management and sustainable development.

The Nampak board of directors (see pages 10 to 12) is the ultimate custodian in the group of corporate reputation and stakeholder relationships. Material stakeholder issues are brought to the attention of the board, or individual board members directly, and, where necessary, outside of formal board meetings. Opportunities and risks arising from stakeholder engagements are also captured and addressed in our risk management process.

Our stakeholder policy sets out the objectives of our interactions, which are carried out in the context of our values (see page 6). It also sets out the mechanisms that support the various engagement processes at all levels of the group. This aims to ensure that all material issues are effectively addressed.

After considering factors such as their influence, proximity, responsibility, dependence and representation, we have identified eight material stakeholder groupings:

Stakeholder grouping	Preferred outcome from engagement	Material issues and concerns	
Investment community and providers of debt	• Sound understanding of Nampak's value proposition • Appropriate valuation • Increase interest and inspire confidence	• Sustainable earnings growth and attractive total shareholder returns • Delivery on Africa growth opportunities • Prudent use of cash generated from operations • Strong and transparent governance practices • Executive remuneration in line with performance • South African economic environment and impact on the sustainability of group margins • Consolidation of South African businesses	
Employees	Productive, motivated, content and innovative employees	Safe, ethical and stimulating work environment allowing for: • Steady transformation • Opportunities for personal development • Competitive, transparent and fair compensation and benefits • Recognition of individual contribution and teamwork	
Trade unions	Mutual understanding and respect and non-adversarial relationships between the group, its divisions and trade unions to facilitate transparent and constructive debate on issues facing the business and its employees	Ability to engage constructively to proactively improve operating efficiencies and proactively resolve potential disputes, thereby reducing the likelihood of strike action	

For details on what each strategic icon means, see page 24.

While many of the broad stakeholder issues are consistent from year to year, some require more intense engagement from time to time. At all times, we aim to be proactive.

The guiding principles behind all stakeholder engagements include:

- **Equality in the treatment of stakeholders, with appropriate forums in place for stakeholders to give their input;**
- **Transparent communication, but within the boundaries set by legislative requirements;**
- **Effective communication, with a continuous improvement approach;**
- **Balance in presenting both the positive and negative aspects of activities; and**
- **Accuracy and relevance of 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' (nampak@tip-offs.com) which is run independently by Deloitte & Touche on a confidential basis.

Forms of engagement	Nampak's responses and actions in 2014	Link to strategic enablers#
• Integrated report, annual general meeting, results presentations, investor days • SENS announcements and news releases • Opportunities to ask questions in structured forums and meetings, either verbally or in writing • Participation in recognised public surveys	• Improved articulation of the group's strategy, performance against targets, prospects and governance standards • Integrated assessment and management of risks and opportunities • Ensured appropriate management performance measures	• Accelerating growth in the rest of Africa • Unlocking further value from base business by improving operational performance
• Access to management and supervisors to raise issues and identify opportunities • Newsletters, notice boards, intranet site, policies, procedures and standards • Safety, health and environmental committees • Performance management, training and development sessions	• To attract and retain skills and talent Nampak has: – Clear employee relations and ethics policies – Market-related compensation and benefit structures that link performance to earnings • Safety targets and monitoring of performance against these targets • Level 3 B-BBEE status • In 2014 we engaged in more structured and robust dialogue with employees on the competitive and cost challenges we face and efforts to secure jobs through maintaining a sustainable business	• Depth of succession provides employees with prospects to participate in the group's growth into the rest of Africa • Introduction in 2015 of a discount factor on managers' incentive bonuses for failing to achieve safety targets • Transformation charter and targets
• Negotiated national agreements, recognition agreements and bargaining forums are in place. These inform the basis of formal engagements with trade unions • Regular information sharing and involvement in consultation affecting trade unions • Robust conflict management structures	• Nampak adopts a pluralistic approach and engages actively with all recognised unions irrespective of their size • Adherence to the principle of freedom of association • Increasing the capacity of shop steward representatives to deliver sound employee relations and to minimise the impact of strike action • In 2014 we accelerated our engagements with trade unions to discuss frankly the challenges we face and the need to ensure the sustainability of our business	• Employee relations climate and employee productivity • Transformation

For details of our strategy, see page 24.

Our key relationships continued

Stakeholder grouping	Preferred outcome from engagement	Material issues and concerns
Customers	• Reliable supply of appropriate packaging solutions that protect and prevent spoilage of customers' products • Reduced price volatility • Quality products	• Business environment which provides a known brand delivering: – Partnerships – Quality products – Competitive pricing – Dependable delivery – Innovative offerings – Customised choice – Ease of doing business – Service support • Mutually beneficial contractual arrangements
Suppliers	Relationships that result in consistent supply of quality materials and services with procurement aligned to transformation initiatives	• Mutually beneficial contractual arrangements • Quality products • Price volatility
Industry associations	• Constructive and unified engagement on matters affecting industry • Acknowledgement by consumers of the role of packaging to inform them about merchandise and to protect products, resulting in extended shelf life and reduced product-wastage • Continuous improvement in recycling by consumers of post-consumer packaging, increasing diversion from landfill	Coordinated responses to specific issues facing the packaging industry as a result mainly of proposed changes to legislation and in respect of sustainable solutions for post-consumer packaging waste
Governments **Regulators** **Parastatals** **Provincial and local municipalities**	Alignment and collaboration an matters which affect the economy and industry, as well as ongoing engagement with compliance departments	• Good governance and compliance practices • Access and ability to engage
Community **Civil society**	Improvements in education, health and welfare, and environmental initiatives in communities in which we operate, supported by structured socio-economic and enterprise development initiatives	Accelerate improvements in the communities where our factories are based in areas such as: • provision of education facilities and security at identified partnered secondary schools • "keep a girl at school" campaign through the provision of Lifestyle feminine hygiene products to learners • provision of employment opportunities • access to hospices for the terminally ill • introduction of Eco-Schools programme into our partnered schools to expedite recycling of post-consumer packaging • identify opportunities for enterprise development initiatives and ensure successful development of sustainable business models

For details on what each strategic icon means, see page 24.

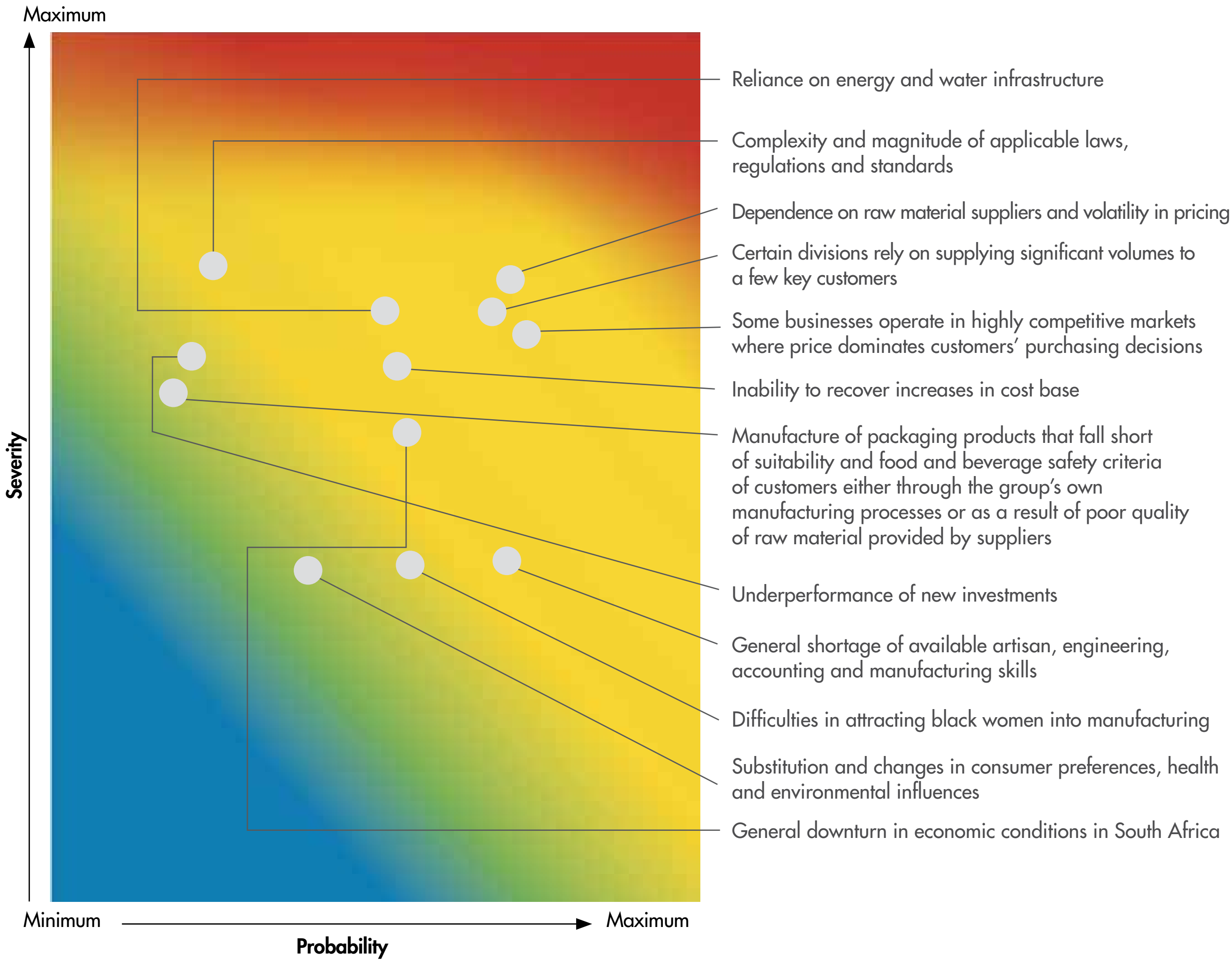
Forms of engagement	Nampak's responses and actions in 2014	Link to strategic enablers#
• Meetings, one-on-one discussions. Written and verbal communication takes place at all levels in the organisation • Products are displayed at exhibitions • Surveys of customers and consumers	• Production efficiencies and reliable delivery of quality products to meet customers' requirements • Our research and development team provides value-added services to customers, assisting with product queries and product innovation • Sales and marketing employees are equipped to enter into discussions on contractual terms, manufacturing performance and product demand • Level 3 contributor status in our B-BBEE position assists customers with their own B-BBEE scorecards with Nampak providing for 110% procurement recognition spend	• "Buy better, make better, sell better" • Research & development facility • Sales and marketing development programmes
• Meetings, one-on-one discussions, written and verbal communication across all levels within Nampak • Written contracts	Nampak's centralised procurement function is closely aligned to each operation to develop sound relationships with suppliers in order to obtain quality, reliable, cost-effective raw materials and services with appropriate pricing mechanisms	• "Buy better, make better, sell better"
• Active participation with specific industry and business forums including attendance at meetings, written and verbal communication • Debates on training material and content in support of packaging manufacturing processes and the attendance at various training courses by Nampak employees	• Nampak recognises the role industry bodies have in developing policy, practices and action plans to offset environmental impacts of post-consumer packaging waste • We recognise that industry solutions and a commitment to reducing, recycling and reuse opportunities underpin sustainable solutions and therefore actively engage in these forums • In 2014, Nampak engaged more with Business Unity South Africa (BUSA) on matters relating to the Waste Management Act. We also stepped up our representation through industry bodies such as the Packaging Council of SA, Plastics SA, Petco and others	• Active participation in industry initiatives which drive recycling of post-consumer packaging materials
• Active participation in industry and business engagement forums to understand policy direction • Attendance at meetings, written and verbal communication • Submission of legal documents to ensure compliance with income tax and other regulatory requirements • Presentation at conferences • Completion of documentation, meetings and facilitation of audits to ensure compliance with permits and other approval structures	• Nampak is aware of the responsibility to engage in an appropriate manner on macro-economic and other issues. It has chosen to do this mainly via active participation by senior executives in industry or business forums, with direct engagement by divisions and operations with specific municipalities • In 2014, we increased our engagement with the Department of Environmental Affairs through our membership of Business Unity South Africa (BUSA). These informal discussion sessions were mainly on the implementation of the Waste Management Act, including proposals on pricing strategy	Good governance practices underpinned by legislative and regulatory compliance
• Regular committee member and school champion visits with school principals, teachers and governing bodies • Guidance provided by employees for developing skills in support of enterprise development opportunities • Introduction and enablement by employees of enterprise development service providers in communities	Nampak understands the need to act responsibly and considers that making a meaningful impact in communities from its corporate social investment and enterprise development spend is good business practice • In 2014, 48 bursaries were granted • In 2014, one bursar completed a degree and joined our graduate development programme as an employee • Full scores achieved for socio-economic development and enterprise development in the B-BBEE scorecard	Responsible corporate citizenship

For details of our strategy, see page 24.

Our material risks and opportunities

We determine Nampak's most material risks through our risk management process (details of which appear on pages 73 to 74). This considers each risk's potential impact on the achievement of the group's strategy, as well as the probability of each arising. This residual risk rating also considers the mitigation strategies in place.

All the top residual risks given in this table are important to Nampak and may impact our ability to deliver on our strategy. None is considered critical. As the intensity of each differs throughout the year, we do not rank these risks in order of their magnitude or the probability of each arising. However, we have plotted them on the heat map below.



Source of risk and context	Potential impact should risk materialise	Mitigation strategies	Opportunities arising out of these risks, their link to strategy as well as Nampak initiatives and processes#
Customers			
Certain divisions rely on supplying significant volumes to a few key customers	Should key customers no longer buy from Nampak, there would be a loss of revenue and/or a reduction in margins	• Nampak's research and development capabilities deliver value-add to customers and provide services that: – support product innovation and development – test packaging performance – evaluate light-weighting and new material solutions, and – support customers with microbiology assessments in respect of food and beverage safety • We foster long-term relationships with our customers and favour long-term contracts • We work to grow with our customers as well as expand our customer base	Accelerate growth in the rest of Africa by building on long-term relationships and partnering with existing multinational customers as well as developing export markets with a view to establishing local manufacturing facilities
Some businesses operate in highly competitive markets where price dominates customers' purchasing decisions	Loss of margins in sectors where barriers to entry are low, imports are easier and product quality is less important	• Review the business models of each division as well as the potential of each product in the short, medium and long term with a view to growing in the most appropriate sectors • Improve operational performance and productivity	• Improve business performance by buying better, making better, selling better • Actively manage our portfolio, including possibly divesting of certain assets • Manage costs stringently • Manage working capital prudently
Economy			
General downturn in economic conditions in South Africa	Underperformance of South African operations due to a deterioration in economic conditions as well as insufficient opportunities for new growth investments	• Diversification into other countries in the rest of Africa where growth rates are higher and disposable incomes are increasing • Actively pursue opportunities to grow with our customers in South Africa and the rest of Africa	• Unlock further value from base business • Accelerate growth in the rest of Africa
People, culture and diversity			
General shortage of available artisan, engineering, accounting and manufacturing skills	Insufficient skills to resource the group's growth, impacting on operational effectiveness and our ability to deliver on strategy	• Formal recruitment, performance management and leadership development structures to attract and retain the correct calibre of talent. To support this, remuneration structures are benchmarked, transparent and competitive. Executive coaching, introduced into the group three years ago, is producing a consistent improvement in management performance and the operating culture • The focus on improving secondary school education, as well as the bursaries we offer, results in a number of young black graduates joining Nampak	Actively managing our talent requirements

For details of our strategy, see page 24.

Our material risks and opportunities continued

Source of risk and context	Potential impact should risk materialise	Mitigation strategies	Opportunities arising out of these risks, their link to strategy as well as Nampak initiatives and processes#
People, culture and diversity continued			
Difficulties in attracting black women into manufacturing	Negative impact on procurement from South African customers as a result of the effect on our B-BBEE scorecard	• The group's recruitment policy intends that at least 50% of new graduate appointments are black women	Intense board and management focus on further transforming Nampak
Operational investments			
Underperformance of new investments	Value deterioration for shareholders should investments fail to reach the hurdle rates of performance relative to the initial projected returns	• Established an investment committee to oversee investments and disinvestments • The group has established policies and practices supported by strong project management processes that guide implementation • Executives and management have extensive experience from previous projects • Project performance is reviewed by the executive, risk and sustainability committee and the board at regular intervals to ensure that corrective action, if required, is taken timeously	Manage costs stringently
Product range			
Substitution and changes in consumer preferences, health and environmental influences	Loss of revenue from specific packaging types as trends linked to sustainable packaging change	• Our continual interaction with customers provides early warnings of changes in consumer trends • Being a diversified packaging group provides flexibility to move the product offering between packaging materials and types in a structured manner • Competitive pricing of products assists in reducing the potential impacts in the short term • Nampak's research and development facility, as well as its technical partnerships with packaging producers internationally, provide the executive with information on changing trends to inform strategic decisions	• Actively manage our portfolio, including possibly divesting of certain assets • Continue to grow our metals, glass and plastics businesses
Product quality			
Manufacture of packaging products that fall short of suitability and food and beverage safety criteria of customers either through the group's own manufacturing processes or as a result of poor quality of raw material provided by suppliers	Loss of market share and deterioration of Nampak's brand value	• The group actively adopts and maintains quality, health and safety and food and beverage standards to meet customer requirements. Nampak has certification in standards required by customers in food and beverage safety and quality such as ISO 9001, HACCP, BRC, AIB, FSSC 22000 and PAS 223 • Nampak's research and development facility provides customers with an ability to test product suitability before manufacturing • Ongoing formal engagement takes place with raw material suppliers to manage quality and supply	Improve business performance by "buying better, making better, selling better"

 # For details of our strategy, see page 24.

Source of risk and context	Potential impact should risk materialise	Mitigation strategies	Opportunities arising out of these risks, their link to strategy as well as Nampak initiatives and processes#
Productivity			
Inability to recover increases in cost base	Negative impact on profitability. Lower margins if employment cost increases exceed productivity gains	Agreements negotiated with raw material and energy suppliers provide for consistency in raw material price applications and for cost increases to be passed on to customers where possible. In respect of employment costs, there are formal engagement structures with recognised trade unions to create appropriate relationships where employment issues can be managed and the link to productivity improvements developed	• Improve business performance by buying better, making better, selling better • Managing costs stringently
Dependence on suppliers			
Reliance on energy and water infrastructure	Inability to meet customer demand due to power disruptions resulting in products being sourced elsewhere. If customers experience interruptions to their power and water supply they are unable to take product due to their inability to produce which results in lost sales	• The divisions actively engage with power and water utilities and municipalities to secure consistent supply of power and water • The group actively participates in forums that address supply issues with the government and Eskom • Where it has been feasible, energy supply has been changed from electricity to natural gas with added benefit of a reduction in our GHG emissions • Installed UPS at glass factory in 2014	Improve business performance by buying better, making better, selling better
Dependence on raw material suppliers and volatility in pricing	Inability to meet customer demand due to our reliance on single raw material suppliers in the short to medium term as well as the potential impact on margins as a result of raw material pricing volatility	• Supply agreements have been secured with major raw material suppliers that are mutually beneficial • Alternative supply channels have been developed and tested	Improve business performance, specifically to use economies of scale to buy better
Regulatory environment			
Complexity and magnitude of applicable laws, regulations and standards	Failure to meet all applicable laws and regulations, and so remain compliant, which could lead to penalties and negatively affect our licence to operate	• A number of processes introduced to ensure regular communication of changes in requirements • Certification under ISO and other standards at our operations provides sufficient comfort on health and safety, environmental, food and beverage regulatory compliance • The divisions are required to report to the group any breaches in laws, and remedial action is taken • The group, and where appropriate, with industry bodies, proactively engages on proposed changes in legislation in order to understand the implications and potential impacts and to plan accordingly	Ensure robust corporate governance structures are in place, including risk management and internal audit functions, as well as peer audits, to measure performance against quality, environmental, health and safety standards

For details of our strategy, see page 24.

Our strategy

In the past year Nampak has worked to hone and better articulate its strategy, which is based on two strategic objectives:

Unlock further value from base business

- Actively manage our portfolio, including possible divesting of certain assets
- Continue to grow our metals, glass and plastics businesses
- Manage costs stringently
- Manage working capital prudently
- Improve business performance by buying better, making better, selling better

Accelerate growth in the rest of Africa

- Grow through greenfield investment as well as acquisitions
- Partner with major multinational customers
- Build market base through exports
- Establish local manufacturing capability
- Diversify manufacturing to other Nampak products
- Build on existing hubs

Why is packaging important?

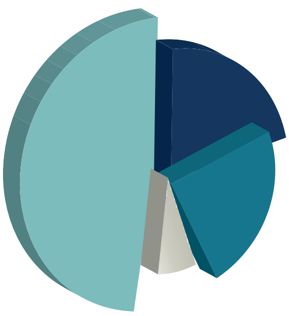
Packaging plays a critical role in the branding, protection, distribution and sale of a wide range of goods. It is important because it:

- protects products and prevents their deterioration
- extends their shelf life, which leads to less wastage, particularly of food and beverages
- gives identity to products and promotes their brands
- provides consumers with important product information
- facilitates easy handling and transportation of goods

Without packaging many products would not be sustainable and so more waste and the associated carbon emissions would be generated. Packaging's vital role in developed countries is well established, and this trend is increasingly evident in Africa and other developing regions.

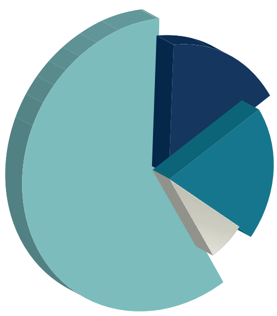
Our cluster contributions

Contribution in 2014 to revenue by product substrate (%)



Metals and Glass	47.8
Paper and Flexibles	21.5
Plastics	23.6
Tissue	7.1

Contribution in 2014 to trading profit by product substrate (%)



Metals and Glass	58.4
Paper and Flexibles	15.9
Plastics	19.2
Tissue	6.5

Chairman's review

Tito Mboweni

Nampak made solid progress in the year towards achieving its vision of providing best-in-class packaging solutions throughout sub-Saharan Africa, as well as on its mission to deliver sustainable value to stakeholders as a responsible corporate citizen and leader in packaging on the continent.

With a new chief executive at the helm, the group stuck to its strategy, with notable successes in terms of delivery. Highlights of these are in the CEO's report on page 29 and the strategic performance table on pages 40 and 41 and span achievements with regard to finances, operations, people, governance and the environment.

Nampak reported a 14.2% increase in headline earnings per share from continuing operations to 237.1 cents and the board declared a 9% increase in the dividend to 153 cents per share.

This performance was encouraging given sluggish economic growth in Nampak's home market, South Africa, as well as growing competition from local as well as foreign suppliers. Competition in South Africa is intensifying, particularly in those packaging substrates where barriers to entry are relatively low. Nampak is confident, however that its plans will enable the group to remain competitive in spite of these pressures.

Expansion in the global packaging industry is being led by growing demand in developing economies where urbanisation and increasing personal disposable incomes are driving consumption of fast-moving consumer goods (FMCG), and hence packaging. See page 14. The macro-economic and political risk profile, as well as the early stage of development of the industry in these markets, translate into margins that tend to be higher than in developed markets.

Leveraging Nampak's growth potential in the rest of Africa

Although strong headwinds are experienced in many global regions, most of the emerging market regions (ie Asia, Latin America and Africa) are showing better performance. As mentioned in the October 2014 IMF Economic Outlook Report, sub-Saharan Africa (SSA) is expected to grow at 5.8% in 2015. It is from this perspective that Nampak sees better growth opportunities for delivering shareholder value.

In sub-Saharan Africa, the development of the packaging industry has lagged the rest of the world, but things are changing. Africa has exciting potential and offers significant opportunity for Nampak. With a presence in 11 countries (in addition to South Africa) on the continent, the group is already Africa's largest packaging company and is positioning itself to take advantage of the continent's growth momentum, leveraging its reputation for high-quality, sustainable packaging solutions.

In 2014, the investments in Nigeria and Angola, the reorganisation of the businesses in Zimbabwe, and keen management attention to the operations in Malawi and Kenya, all illustrate just how seriously Nampak is taking this opportunity.

As we increase our business in the rest of Africa we are mindful of possible policy shifts, political uncertainties and infrastructure challenges and have measures in place to ensure these have minimum impact on our business.

Interacting with our stakeholders, with sustainability being our motivation

As the group accelerates its expansion into new markets it is imperative that it carefully considers input from various stakeholders and is also mindful of its own impact on them. This informs its strategy. Management and members of the board interact with various stakeholders regularly, including investors and potential investors, governments and employees. See pages 16 to 19.

In the year we noted some improvement in interaction between the South African government and Nampak, and greater interest in general on the part of certain government institutions to work with industry in South Africa, particularly the Department of Trade and Industry. We look forward to closer cooperation in future. Management also recorded encouraging interactions with officials in other African countries which are working to attract investment.

Through the various reduce, re-use and recycling initiatives Nampak runs, and the organisations in which it participates, the group is giving real meaning and practical effect to the South African government's waste management strategy, which requires the minimisation of waste during manufacturing, as well as the ability to recover and recycle post-consumer waste. The group is looking forward to working with the government as it defines the country's waste management plan. We are proud of the Nampak Recycling division whose primary function is to source recovered fibre for the group's paper mills and cullet for Nampak Glass.

Organisations like Collect-A-Can (established by Nampak and ArcelorMittal) that incentivises people to collect used beverage cans, and the Glass Recycling Company (co-founded by Nampak) are key to Nampak's business, not only because of the benefits they bring to the group, but also because of the jobs they create for thousands in the informal sector.

There is no doubt that Nampak needs to produce sustainable products, but it also needs to sustain its markets, and clearly job creation and enterprise development are critical for South Africa to grow and prosper. See pages 62 to 66.

Focusing on people

Employees are among Nampak's most important stakeholders and the group prides itself on being a fair employer, which pays wages significantly above the average for the industry. The safety of Nampak's people and contractors is non-negotiable and the new CEO has introduced a new behaviour-based approach to ensure that safety becomes everyone's responsibility.

In July, members of NUMSA went on a 27-day strike for higher wages. Production was disrupted at the metals businesses, and some plastics operations, and the industry reported that intimidation of non-striking workers was rife. However, Nampak fared better than many other employers because of the attention it pays to employee relations. The strike meant that it was a challenge to keep its plants running, but ultimately Nampak's contingency plans were implemented as anticipated.

Despite the difficult conditions surrounding the strike, I believe that fundamental labour relations at Nampak are good and the environment on the factory floor is conducive to robust yet constructive dialogue between Nampak and its people. Not all packaging firms subscribe to the working conditions and labour relations standards such as those Nampak adheres to, and we would like to see regulations governing decent working conditions in the industry being enforced equally fervently across all sectors, and all levels of industry.

During the 2014 financial year Nampak spent R2.6 billion in total capital expenditure, R1.9 billion was spent in South Africa and R702 million in the rest of Africa. These investments created a number of permanent and construction jobs. Nampak also committed R13.5 million to corporate social investment programmes directed at addressing education, health and welfare needs as well as environmental projects and initiatives.

Honing corporate governance

Nampak strives to be at the forefront of good corporate governance and ethics in South Africa. Following the formal independent appraisal in 2013 of the board, in 2014 the group worked to improve its performance in a number of areas, notably on the induction of new directors and the ongoing training and development of all directors, as well as the monitoring of ethics performance and business practices in the rest of Africa.

Among the key corporate governance developments in the year were the formal establishment of an investment committee and the extension of group legal compliance policy to operations in the rest of Africa. For more details see the abridged corporate governance report on pages 68 to 76 and the full report on the website.

There were a number of board changes in the year: Effective 1 October 2013, Emmanuel Ikazoboh and Ipeleng Mkhari joined the board as non-executive directors. Emmanuel brings valuable accounting and finance skills, as well as in-depth knowledge of west Africa. Ipeleng, a champion of women's empowerment, brings her experience as an entrepreneur in the services sector. In January 2014, André de Ruyter joined the board as an executive director and CEO designate, before he replaced Andrew Marshall as CEO on his retirement in March. A warm welcome to André, and we wish him the best of luck as he takes Nampak forward and implements our strategy. We thank Andrew for his significant contribution over the past five years and wish him everything of the best in his retirement. Nomfanelo Magwentshu, who had been appointed to the board in 2011, resigned from the board effective 6 February 2014, to take up a partnership at McKinsey. Nomfanelo was a valuable member of the board, we wish her well in her new chapter and we are certain she will do very well.

Nopasika Lila, chief financial officer of the Eskom Pension and Provident Fund, joined the board as a non-executive director with effect from 1 March 2014. Nopasika brings valuable financial and retirement industry expertise to the board, and already is an active member of the audit committee. We welcome Nopasika to the Nampak board and wish her well in her tenure.

Soon after year-end, Roy Smither announced his retirement as a non-executive director after eight years, effective after the annual general meeting in February 2015. We thank Roy for his sage guidance to Nampak and wish him well.

In the year the board reviewed the independence status of all non-executive directors, and found all to be independent. This includes Reuel Khoza, who marked nine years of distinguished service to Nampak at year-end. As a result, I am satisfied that the board is a coherent, united one, and sufficiently diverse in terms of race and gender and with the majority of its members being independent, non-executives. See page 12.

Prioritising transformation

A highlight in 2014 was the improvement in Nampak's B-BBEE rating to a Level 3 ranking (after having dropped to Level 4 in 2013). The group made good progress on a number of fronts, most particularly on enterprise development, and – with an eye on future skills requirements – continued to do well in its considered investment in education and training.

Transformation, however, remains a challenge and increased diversity at management level is essential. The board has made it clear that the senior leadership of Nampak needs to be more diverse, and is confident that management is devoting considerable effort to make this happen, including investing in skills development.

Looking forward

After a year of notable delivery on strategy, the outlook for Nampak is good.

The group has a compelling investment proposition: it has a solid foundation business in South Africa that provides strong cash flows and reliable products across the major packaging substrates. It is the biggest packaging company in Africa, with a strong project pipeline to capture further opportunities. In key markets, it already has first-mover or early-entrant advantage, and in other markets it is positioned to leverage its solid relationships with large multinationals to enhance its growth prospects further.

Nampak is realistic about the challenges it faces.

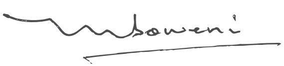
South Africa is experiencing significant economic headwinds as confirmed by the recent medium-term budget statement by minister of finance Mr Nhlanhla Nene where he said the economy is expected to grow at 1.4% in 2014. Another hurdle in South Africa is the prevalence of unprocedural and violent strike action. As Nampak we continue to work with our colleagues in labour and government to find responsible and mutually beneficial relationships. This is important in the context of concerns expressed by shareholders. Another is the emergence of unregulated packaging companies that in some cases do not work to the same standards on health and safety or labour practices as Nampak does.

In South Africa, the biggest hurdles businesses face are lacklustre economic growth and often complex labour relations. The packaging industry in particular also faces the emergence of unregulated companies that in some cases do not work to the same standards on health and safety or labour practices as Nampak does.

In Nigeria, large-scale investment is required to develop infrastructure to improve conditions for doing business and ensure even greater growth rates. Continued economic expansion, together with increased urbanisation and more middle-income consumers is what will drive the consumption of packaging. And although there is a lot of concern about the outbreak of disease in west Africa, we are confident that countries in this region, along with the World Health Organisation, will manage the outbreak of Ebola, and make certain that it is overcome.

In east Africa, we look forward to working with governments and other stakeholders there on processes to make it easier to do business in this important region.

The board is confident that the management of Nampak has what it takes to deliver on the group's strategy, making the most of the opportunities on offer and minimising the risks. We also look forward to overseeing management's efforts to make Nampak, with its strong and established brand, a more visible and valuable corporate citizen.



Tito Mboweni
Chairman

Sandton
20 November 2014

Chief executive's report

André de Ruyter

Nampak had another successful year in 2014, with a solid performance on all fronts – operationally, financially, environmentally and with regard to people. Our strategic direction remained unchanged, but greater emphasis was put on unlocking further value from our base business and accelerating our growth in the rest of Africa. Group-wide initiatives to make our assets work harder through buying better, making better and selling better are starting to deliver results, and I am optimistic that Nampak will continue to deliver sustainable profitability.

In focusing on growth and business improvement, Nampak is able to call upon its resource base of highly skilled and professional employees, who once again made an exceptional contribution to delivering pleasing results in a challenging business environment.

Delivering on strategy

In line with the strategy communicated at our interim results presentation, we continued to invest and grow our metals, glass and plastics businesses across Africa. Active portfolio management also enabled us to unlock capital for reinvestment in our strategic growth divisions. During the year, Nampak made great strides in implementing its strategy.

The **acquisition of the Alucan** beverage can facility in Agbara, Nigeria for US$301 million (and which has since been renamed Bevcan Nigeria) enables us to tap into the burgeoning consumer class in Africa's largest economy. The successful integration of the business into Nampak enabled us to deliver a contribution to trading profit from the first month of operation, and the ramp-up of production has been in line with our market forecasts. Our pre-investment in utilities and infrastructure will enable us, with a modest incremental investment, to double our capacity to two billion cans per annum, positioning Nampak to take advantage of what we expect to be continued growth.

The **installation of the second beverage can line in Angola**, which will use aluminium, is progressing according to plan, and will be commissioned early in 2015. We will commence with the conversion of the existing tinplate line soon thereafter. In South Africa, the conversion of our existing beverage can lines to aluminium is on track for completion by the middle of 2015. We anticipate not only an increase in our capacity to some five billion cans per annum, but also gains in efficiency and reductions in cash fixed cost.

The successful commissioning of our **third glass furnace** was another highlight of the year. We have already seen substantial gains in productivity as a result of this investment, which is around 15% more energy efficient compared to its sister units, and uses about 90% less water through careful water harvesting.

The new furnace was, however, commissioned later than expected. This led to a severe capacity constraint in the last quarter. Along with production inefficiencies in the other two furnaces, this resulted in Nampak Glass making an operating loss for the year.

The third furnace is ramping up production and we have taken decisive steps to address the operational issues. We expect Nampak Glass to be fully stabilised in the first quarter of calendar 2015 and the benefits of operating the third furnace should follow shortly thereafter. Demand is expected to remain relatively flat in the year ahead.

With our investments in the sustainable competitiveness of our glass and Bevcan businesses either complete or well on track, our attention has turned to our third major division, DivFood. This business is a major player in the manufacture of cans for food and for general purposes. Through an ongoing targeted programme of portfolio rationalisation, cost management and capital investment into new, more efficient and reliable equipment, we believe that **DivFood will remain a strong contributor** to Nampak's bottom line.

Shortly after year-end we were able to reach agreement with Ethos, a private equity firm, to **sell our paper businesses** in South Africa. The disposal of our Tissue, Corrugated and Sacks divisions for R1.6 billion is a significant change to the face of Nampak, and represents a major step towards focusing our business on its core strategic activities.

The capital unlocked by this divestiture is available for **further investment in targeted growth** opportunities mainly in the rest of Africa. In our pipeline of opportunities, we are evaluating at least four potential investments in glass in east and west Africa. We are also evaluating further expansion opportunities for beverage cans across the continent.

Given challenging business conditions in South Africa, cost management remains a fundamental requirement for sustained competitiveness. Throughout our business, we are continuously addressing overhead costs by consolidating divisions, flattening structures and redoubling efforts to minimise waste and optimise our raw material and energy usage. These efforts are expected to continue to deliver further savings in the new financial year.

Nampak's strategy and its delivery are on track; we are gearing ourselves for growth and facing up to increasing competition across our markets.

The strategic performance table on pages 40 and 41 provides an overview of progress in delivering against our strategic objectives; the operational reports on pages 42 to 51 give more details of this work. The CFO's report on page 32 gives details of our financial performance and the risk table on pages 21 to 23 indicates the risks to the business and what we are doing to mitigate them.

Streamlining for sustainable profitability

The increasingly competitive environment in which Nampak operates as well as challenging economic conditions require that we ensure the business is in the best possible shape to continue to create value for all stakeholders in the short, medium and long term.

In pursuit of this, in the year we made some changes to our management structure, moving executives between businesses to provide a fresh perspective while continuing to benefit from their solid understanding of the Nampak group and its strategy.

In this way we bolstered our management depth and ultimately strengthened succession planning. We acknowledge, however, the need for a more diverse management team. The 'ensuring responsible business' section on pages 52 to 61 details how we are investing in training to address this, as well as to secure the skills we need to staff our expansion in the rest of the continent.

In 2014, we took a critical look at our businesses, especially those that are not performing as they should, and we put in place various overhead cost management and business improvement programmes. These include reviewing and upgrading our procurement and planning systems; launching an operations excellence programme as well as a sales and marketing excellence programme and implementing a company-wide cost management initiative.

As part of the sales and marketing programme, we carried out a thorough review of our product portfolio to understand our profit drivers. This exercise gave us some insights which we will use to leverage our existing businesses and operations and improve profitability in the short to medium term.

We relooked at our safety practices, and introduced measures to make our facilities safer for all our people and contractors.

Within Nampak's many businesses, there are several examples of truly world-class excellence, and in 2014 we started putting measures in place to improve the sharing of these practices and processes across our divisions.

While all these initiatives are central to our work to ensure our sustainability, of equal importance is our R&D work which aims to reduce the weight of our product, through innovative design and the use of lighter materials, as well as our efforts to encourage more recycling by end-users. Our considered approach to sustaining the communities in which we operate is also critical. For more details, see the 'ensuring product sustainability' section on pages 62 to 66 and the 'ensuring responsible business' section on pages 52 to 61.

Unlocking further value from our South African businesses

Nampak at its heart is a manufacturing business – adding value by making a range of useful and reliable products. In South Africa, manufacturing contributes significantly to the economy. However, the sector has been in decline for a number of years and faces numerous challenges.

While business in South Africa is sometimes accused of being on an investment strike, and hoarding cash, this does not apply to Nampak – our investment in South Africa is sustained and considerable. Our South African manufacturing base is of critical strategic importance to the group, and we will continue to nurture and grow our core businesses in the country, even as we seek to capture exciting growth in the rest of Africa.

In addition to the capital expenditure on the third glass furnace, in the past year alone, we spent R1.7 billion on a number of projects, mainly on refurbishing and upgrading existing operations to remain competitive in the face of increasing competition and cost pressure. More will be spent in the future.

The government's section 12I tax allowance incentive was a key enabler for the third furnace project and we are proud of being able to partner with the government to support growth and development in the local economy.

Structured for growth in the rest of Africa

However, with the outlook for South African economic growth somewhat anaemic, Nampak is unable to rely on its home base alone to provide the growth we are targeting. Already established as the packaging leader in Africa, with operations in 11 African countries beyond South Africa's borders contributing more than a quarter of trading profit, we are structured to take advantage of Africa's upward growth trajectory.

The confluence of demographic and economic trends in Africa means that the continent can look forward to at least a decade of sustained GDP growth rates among the highest in the world. For Nampak, this tailwind is strengthened by the increasing urbanisation of a growing consumer class. As more African consumers move from subsistence economics, demand for packaged consumer goods is expected to grow at rates exceeding underlying GDP growth. While the opportunity is clear, taking advantage of it is challenging, and Nampak is well-positioned to leverage off its existing operations to deliver enhanced growth.

We are encouraged by the greater policy certainty in large parts of the continent, and heartened by the business-friendly messages we receive in our interactions with senior officials in many countries. The sharp increase in consumer spending that is forecast for the continent in the next five years is more reason for confidence.

Large multinationals, many with whom we already have long-established relationships, can rely on Nampak to maintain our high standards of ethics and product quality and help them grow their presence in select African markets.

We are not pursuing growth at any cost, but in those areas where we have a sustainable competitive advantage. Those opportunities are then likely to be mainly in metals and glass, where the barriers to entry are higher.

In Zambia, we recently commissioned a new conical carton printer and in Ethiopia we installed a crate line.

Making significant strides in prioritising safety and sound labour relations

The safety of our employees and contractors is a non-negotiable aspect of the continued and sustained operation of our factories and businesses. In the year, we renewed our emphasis on safety at all our sites – we believe excellence in safety cannot be achieved using only the conventional approach of complying with legislation and systematically ensuring that our manufacturing sites achieve OHSAS 18001 certification.

Our new approach to safety is behaviour-based, creating a partnership between management and employees to focus everyone's attention on their behaviour and that of their peers daily. In this way we should be able to achieve our target of 0.5 LTIFR* in the next three years from 1.07 in 2014.

The 27-day-long industry-wide strike in July by NUMSA led to the loss of some metals and plastics production and despite our best efforts to continue operating, significant intimidation prevented our people from reporting to work. We kept our customers supplied, but were forced to declare force majeure at our metals businesses a few days before the strike ended.

Looking ahead

Despite its many challenges, 2014 was a good year for Nampak. Our focus in the year ahead will be to sustain, and enhance, this performance: implementing in full our strategic objective to grow in the rest of Africa while also delivering on the various business and operations improvement initiatives I have detailed.

To be successful, it is clear that among packaging companies' imperatives is the need to improve the performance of their base business (including through better management of their raw material price increases and of their product range and customers). They must also ensure that capital expenditure is effective and that innovation happens. They need to reduce waste and make greater use of recycled materials, managing their supply chain with prudence.

This, I am confident to say, is just what Nampak is doing.

Since joining the group, I have come to admire the level of commitment shown by all employees, for which I would like to thank them. This dedication enabled us in 2014 to deliver results that we can all be proud of. The foundation for this performance was laid down by my predecessor, Andrew Marshall, who together with his management team worked hard to position Nampak as a strong and resilient company. I wish Andrew and his family well as they enter this next phase in their lives.

I am encouraged and positive that working together with our many stakeholders, we at Nampak will be able to take the group to the next level of performance, expanding in South Africa and the rest of the continent and creating value for all our stakeholders in a sustainable way.

André de Ruyter
Chief executive

Sandton
20 November 2014

**LTIFR – Lost time injury frequency rate refers to the rate of occurrence of workplace incidents that result in an employee's inability to work the next full work shift. LTIFR refers to the number of such injuries that occur within a given period relative to the total number of hours worked in the same accounting period.*

Chief financial officer's review

Gareth Griffiths

In 2014, Nampak's results were impacted positively by the performance of the businesses in the rest of Africa, especially the beverage can-making business in Angola as well as the newly acquired Bevcan Nigeria. Profits from the South African businesses were disappointing. Group headline earnings per share from continuing operations increased by 14.2%. EBITDA (adjusted for impairments) at R2.9 billion was an increase of 4.9% over the previous year.

2014 performance from continuing operations

- HEPS at 237.1 cents a share, growth of 14.2%
- Increase in dividend per share of 9.3%
- Trading profit increased by 7.7%
- EBITDA (adjusted for impairments) increased by 4.9%
- Net gearing 72.6%

Introduction

Nampak's results in 2014 demonstrated that the focus on growth in the rest of Africa, from a strategic perspective, is bearing fruit as these businesses delivered beyond expectation once again, with an especially good performance from the beverage can line in Angola and the newly acquired Bevcan Nigeria. The performance of the South African businesses, however, was pedestrian from a gross margin perspective and with overhead cost rising beyond inflation, trading profit was disappointing. The high cost of energy, the impact of the depreciation in the rand on maintenance and employee costs rising well above inflation had the biggest impact.

Nampak invested in its core businesses in South Africa with the conversion of tinplate beverage can lines in Springs to aluminium and further such conversion taking place in Rosslyn and Cape Town. Additionally, the third glass furnace was installed in the fourth quarter and capital expenditure on the second can line in Angola commenced. The significant investment in a beverage can line business in Nigeria was realised on 25 February 2014 and the business's results were consolidated from 1 March 2014. The divestment from non-core and under-performing assets continued with the disclosure of the disposal of the paper businesses as an event after the reporting period.

Year under review

	2014 Rm	2013 Restated Rm	Variance %
From continuing operations:			
Revenue	19 970.5	18 085.8	10.4
Trading profit	2 047.7	1 901.0	7.7
Operating profit	1 614.5	1 921.1	(16.0)
HEPS (cps)	237.1	207.7	14.2
From continuing and discontinued operations:			
Revenue	20 900.9	19 152.0	9.1
Trading profit	2 034.5	1 876.4	8.4
Operating profit	1 564.0	1 799.2	(13.1)
HEPS (cps)	234.7	199.9	17.4

On 25 February 2014, Nampak acquired 100% ownership of a newly installed beverage can line business in Nigeria, now named Bevcan Nigeria. Work has started on the installation of a second can line in Angola. Nampak acquired 100% of Bullpak Ltd in Kenya effective 1 September 2014. The installation of the third furnace in Nampak Glass came on stream effective 1 September 2014 and aluminium line conversion continues in Bevcan.

The divestment from Nampak's Cartons and Labels business was effective 1 August 2014 and we continued to divest from the paper businesses with approval by the board given, after the reporting period, for the sale of the Corrugated, Tissue and Sacks businesses. This transaction is expected to be concluded during the first half of the 2015 financial year.

In 2014, revenue from continuing operations increased by 10.4% facilitated by the inclusion of revenue, for seven months, in Bevcan Nigeria, as well as by pleasing results from most African operations.

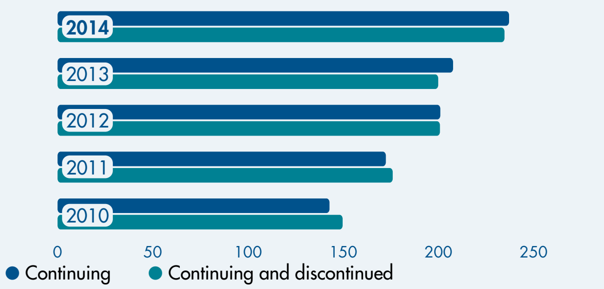
Revenue from the operations in the rest of Africa grew by 20.1%, while South African revenue grew by 7.9%.

Trading profit from continuing operations grew by 7.7% and operating profit declined by 16.0%. The South African businesses continued to be under pressure from a trading profit perspective as overhead costs rose above inflation and could not be recovered in margin. Nampak Glass posted an operating loss because of severe capacity constraints in the final quarter resulting from the late commissioning of the third furnace and production inefficiencies on the other two furnaces. Profitability in South Africa, therefore, declined 15.1% year-on-year. The rest of Africa delivered pleasing growth of 24.6%, while profitability in the United Kingdom declined 11.2%.

Profit after tax was down 9.4% on 2013 in line with the lower operating profit and higher interest charges, although significantly offset by the lower tax charge in the current year flowing mainly from the receipt of government grants.

Headline earnings per share, from continuing operations, increased by 14.2%. Headline earnings per share has shown steady improvement over the last four years and remains a key focus area for management.

Headline earnings per share (cents per share)



Operating performance

Revenue

Revenue from South African businesses was positive due, in most part, to growth in sales in Metals and Glass. The growth in revenue in the rest of Africa was largely as a result of the beverage can businesses in Angola and Nigeria. The balance of the Africa businesses showed revenue growth due to the weakening rand. Revenue from the United Kingdom showed a decline in 2014, in constant currency terms. Unfortunately, the revenue growth experienced in South Africa did not translate into profit growth as margins continued to be impacted by the long-term contracts negotiated within our Metals and Glass businesses in prior years.

Trading profit

The growth in trading profit came mostly from the rest of Africa businesses, off the back of a very good performance in Angola and the acquisition of Bevcan Nigeria and the weakening rand but offset by slow trading profit growth in the rest of the African businesses. Nampak operations in the United Kingdom performed negatively, in constant currency terms, due to the loss of a major customer. Trading profit was positively impacted by benefits in translation gains in foreign currency loans and cost saving initiatives underway in the group including capping future contributions to the post-retirement medical aid contribution to CPI inflation in respect of active members.

Trading margin in 2014 was 10.3%, down from 10.5% in the prior year. Margin, once again, came under severe pressure in our South African businesses due to continued pressure from customers as well as increases in input costs.

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 losses from continuing operations of R433.2 million (2013: R20.1 million net gain) for the year.

	2014 Rm	2013 Restated Rm
Net impairment losses	431.5	61.3
Restructuring and retrenchment costs	28.1	30.6
Business acquisition costs	6.8	–
Net loss on disposal of businesses and other investments	–	0.1
Cash flow hedge effectiveness	(0.1)	(0.4)
Net gain on revaluation of original interest in joint venture acquired	(9.4)	(23.2)
Net gain on reconsolidation of Zimbabwe entities	–	(87.8)
Net profit on disposal of properties	(23.7)	(0.7)
Net loss/(gain)	433.2	(20.1)

Current year impairment losses consisted of impairments of property, plant and equipment of R431.5 million (2013: R61.3 million) partially attributable to the impairment of the tinplate lines in Bevcan now being replaced with aluminium can lines. The most significant impact came from the impairment of the paper businesses as a result of the divestment announced subsequent to the year end.

Chief financial officer's review continued

Routine reorganisation and restructuring of businesses cost R28.1 million (2013: R30.6 million) represented mainly by retrenchment costs.

The 2014 gain of R9.4 million related to the purchase of the remaining 51% stake in Bullpak Ltd (Kenya). In 2013, the gains of R23.2 million and R87.8 million respectively related to the revaluation of the 50% interest originally held by Nampak in Elopak S.A. (Pty) Ltd, and the reconsolidation of the Zimbabwe operating entities, CarnaudMetalbox Zimbabwe Ltd, and the two associates, Megapak Zimbabwe (Pvt) Ltd (49% interest) and Hunyani Holdings Ltd (38.9% interest) as a consequence of the requirements of IFRS 3: *Business Combinations*.

Net finance costs

Net finance costs from continuing operations increased from R198.1 million to R327.0 million in 2014, due to the overall debt position being higher for the duration of 2014 when compared to a lower average net debt position in 2013. The largest portion of the financing went towards the investment in Bevcan Nigeria as well as high levels of investment in the third furnace at Nampak Glass and aluminium beverage can line conversions in the South African business. A further impact was felt due to the increase of 75 basis points in the prime interest rate in the year. Average borrowing rates for the South African operations were 6.5% in 2014 (2013: 6.0%).

Income tax

The effective tax rate for continuing operations in the current year was 5.7%, compared to 21.8% in 2013. In the current year Nampak benefited from the receipt of government grants related to the installation of the third glass furnace and from the installation of new beverage can lines. Nampak also benefited from positive tax effects due to lower rates in other tax jurisdictions.

The summarised tax rate reconciliation is shown below:

	2014 %	2013 Restated %
Effective tax rate	5.7	21.8
Government incentives	14.6	1.2
Tax rate differential	4.9	2.8
Prior year tax adjustments	0.9	2.0
Withholding tax	(1.7)	(1.1)
Other	3.6	1.3
South African normal tax rate	28.0	28.0

Statement of financial position

Key indicators

	2014	2013 Restated
From continuing operations:		
Return on net assets (%)	14.8	18.4
Return on equity (%)	16.1	21.6
Net borrowings (R million)	5 721.5	1 155.9
Net gearing (%)	72.6	16.1
Net asset value per share (cps)	1 255	1 150

Net worth per share increased to 1 255 cents from 1 150 cents in the prior year following the increased profitability emanating from the operations in the rest of Africa which contributed to the increase in net worth per share.

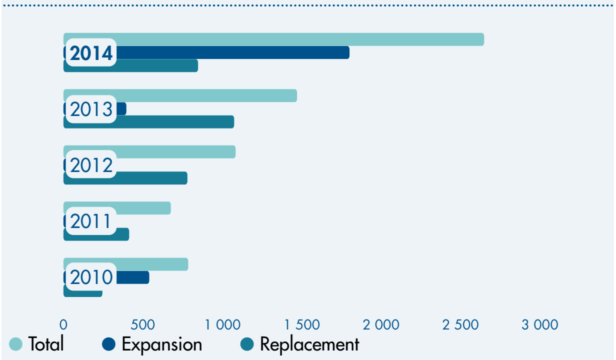
Acquisitions and capital expenditure

Total non-current assets increased by R5.1 billion in 2014. The predominant reason for this was the acquisition of Alucan Packaging Ltd which added R3.5 billion to non-current assets. In addition, the installation of the third furnace at Nampak Glass, the conversion from tinplate to aluminium can lines in Bevcan and the second line in Angola added R1.7 billion.

Capital expenditure of R2.6 billion (2013: R1.4 billion) was incurred during the year. The increase was mainly due to the cost of the third Glass furnace of R932.5 million and the continued cost of installation of aluminium can lines in the Bevcan Springs and Rosslyn operations amounting to R432.1 million. Work is also progressing with the installation of the second line in Angola with spend of R372.4 million.

Goodwill of R2.5 billion was capitalised as a result of the acquisition of Bevcan Nigeria. The acquisition of the remaining 51% interest in Bullpak Ltd in Kenya added a further R29.8 million.

Capital expenditure (R million)



A summary of the group's capital expenditure budget for 2015 for continuing operations is set out below. The capital expenditure will be funded out of internal cash resources and existing borrowing facilities.

	Capital expenditure budget Rm
South Africa	947.3
Rest of Africa	748.8
United Kingdom	170.6
	1 866.7

Corporate activity

The group announced, on 20 November 2014, the sale of the combined paper businesses comprising Corrugated, Tissue and Sacks for R1.6 billion, subject to a number of conditions precedent, including approval required from the Competition Commission. The impact of the sale is disclosed as an event after the reporting period in accordance with *IAS 10: events after the reporting period*. An impairment loss of R394.3 million was recognised in the current year as required by *IAS 36: impairment of assets*. The effective date of the transaction is expected to be in the second quarter of the 2015 financial year.

With effect from 1 March 2014 Nampak purchased Alucan Packaging Ltd, which has been renamed Bevcan Nigeria.

With effect from 1 September 2014, Nampak purchased the remaining 51% interest in Bullpak Ltd in Kenya.

Both these transactions have been accounted for in accordance with IFRS 3: *Business Combinations*.

The divestment from the Cartons and Labels business was completed on 1 August 2014 and this transaction was accounted for as a discontinued operation in accordance with IFRS 5: *non-current assets held for sale and discontinued operations*.

Foreign currency translation reserve

The continued weakening of the rand against major currencies in the current financial year resulted in a foreign currency translation gain, accounted for in equity, of R381.9 million for the year (2013: R653.4 million gain).

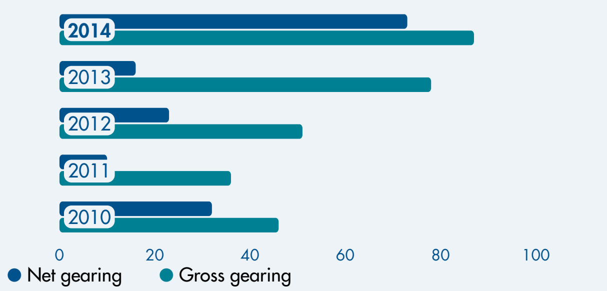
Net borrowings and gearing

The 2014 borrowings jumped significantly following the purchase of Bevcan Nigeria, the completion of furnace three at Nampak Glass and other capital expenditure. Net borrowings increased to R5.7 billion (2013: R1.2 billion) and net gearing increased to 72.6% (2013: 16.1%).

Working capital remained under control and this remains a key priority 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:

	2014 Rm	2013 Restated Rm
South Africa		
– Borrowings	2 939.2	3 830.4
– Cash	(117.8)	(119.1)
United Kingdom and rest of Africa		
– Borrowings	3 909.8	1 746.9
– Cash	(1 009.7)	(4 302.3)
Net borrowings	5 721.5	1 155.9

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

	Facility Rm	Utilised Rm	Available Rm
South Africa	8 780.0	3 170.0	5 610.0
United Kingdom and rest of Africa	5 290.5	3 909.0	1 381.5
Total	14 070.5	7 079.0	6 991.5

Statement of cash flow

The group continued to generate strong cash flows with cash generated from operations amounting to R2.7 billion for the year ended 30 September 2014 (2013: R2.5 billion). The net investment in working capital amounted to R189.1 million (2013: R203.0 million). The 12-month average net working capital to sales increased from 16.6% to 18.9%.

Dividends paid totalled R904.4 million compared to R819.1 million in the prior year. This represented an increase of 10.4%.

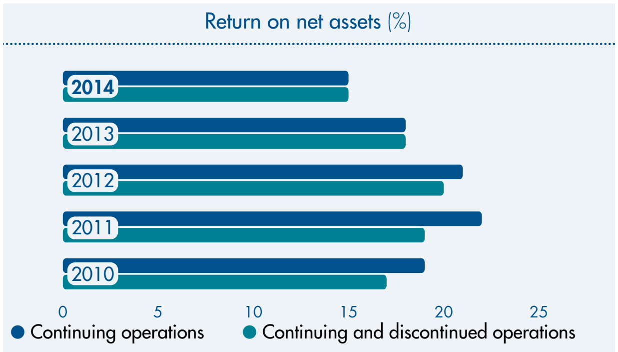
Tax payments in 2014 amounted to R95.3 million compared to R433.5 million in 2013, largely impacted by the grant of tax incentives. This, together with the finance costs, resulted in a net cash inflow before investing activities of R419.5 million.

Nampak raised R1.3 billion in mainly non-current other debt instruments during the year.

Financial objective

The key financial objective set by the group is return on net assets (RONA). Due to investment activity RONA was negatively impacted in the current year. The assets acquired will contribute positively to RONA performance once fully on stream. Additionally, significant capital expenditure was required in some of the Metals and Glass businesses.

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

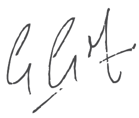


Contingent liabilities and subsequent events

There are no significant contingent liabilities noted for the 2014 year. The group acquired a majority stake in Hunyani Holdings Ltd to be renamed Nampak Zimbabwe Ltd through the consolidation of the entities Hunyani Holdings Ltd, CarnaudMetalbox Zimbabwe Ltd and MegaPak Zimbabwe (Private) Ltd. The completion of the transaction is expected in the first quarter of the 2015 financial year.

Subsequent to year-end certain tax issues have been resolved. This will have a favourable impact on future tax charges.

Nampak announced the disposal of the paper businesses Nampak Corrugated, Nampak Tissue and Nampak Sacks on 20 November 2014 for R1.6 billion. There are conditions precedent and it is expected that the transaction will be concluded in the second half of the 2015 financial year.



Gareth Griffiths
Chief financial officer

Sandton
20 November 2014

Five-year financial review

		2014	2013	2012	2011	2010
Statistics						
Earnings and dividend data						
Weighted number of ordinary shares in issue	'000	627 728	624 921	623 607	621 407	619 639
Headline earnings per ordinary share	cents	234.7	199.9	190.4	165.1	140.5
Continuing operations	cents	237.1	207.7	190.5	163.7	138.3
Discontinued operations	cents	(2.4)	(7.8)	(0.1)	1.4	2.2
Change over previous year (continuing operations)	%	14	9	16	18	86
Earnings per ordinary share	cents	186.3	207.2	193.4	99.2	131.7
Continuing operations	cents	191.4	221.3	194.2	154.1	127.9
Discontinued operations	cents	(5.1)	(14.1)	(0.8)	(54.9)	3.8
Change over previous year (continuing operations)	%	(14)	14	26	20	418
Cash distributions/dividends declared per ordinary share	cents	153.0	140.0	129.5	108.0	83.0
Change over previous year	%	9	8	20	30	98
Cash dividend/distribution cover	times	1.5	1.4	1.5	1.5	1.7
Financial data						
Return on equity						
Continuing operations	%	16	22	23	19	19
Continuing and discontinued operations	%	15	20	21	11	26
Return on net assets						
Continuing operations	%	15	18	22	23	20
Continuing and discontinued operations	%	15	18	21	20	35
Net asset turn						
Continuing operations	times	1.4	1.8	2.0	2.1	2.1
Continuing and discontinued operations	times	1.5	1.8	2.1	2.1	4.5
Interest cover	times	6	10	12	15	8
EBITDA interest cover	times	7	13	15	15	10
Effective rate of tax						
Continuing operations	%	5.7	21.8	27.3	33.0	26.0
Continuing and discontinued operations	%	42.4	27.9	27.3	33.1	27.7
Gross gearing	%	87	78	51	32	36
Net gearing	%	73	16	19	1	4
Number of ordinary shares in issue*	'000	628 267	625 457	624 272	622 759	588 338
Net asset value per ordinary share	cents	1 255	1 150	919	898	968
Change over previous year	%	9	25	2	(7)	11

** Net of treasury shares.*

Five-year financial review continued

		2014	2013	2012	2011	2010
Employee data						
Permanent employees		9 269	9 965	10 364	10 475	12 990
Temporary employees		1 851	1 734	2 005	2 068	1 777
Total employees		11 120	11 699	12 369	12 543	14 767
Employee numbers used for calculations		11 120	11 699	12 457	13 435	15 019
Revenue per employee	R'000	1 678	1 546	1 325	1 095	975
Employment cost per employee	R'000	291	278	252	211	184
Productivity per employee	Index	104	–	100	99	88
Operating results	R million					
Continuing operations						
Revenue		19 970.5	18 085.8	16 508.4	14 715.7	14 640.3
Trading profit		2 047.7	1 901.0	1 772.5	1 636.6	1 409.0
Profit after tax from continuing operations		1 235.7	1 363.5	1 195.8	932.2	801.8
Discontinued operations						
(Loss)/profit from discontinued operations		(32.1)	(87.9)	(4.9)	(341.2)	23.5
Profit for the year		1 203.6	1 275.6	1 190.9	591.0	825.3
Attributable to:						
Equity holders of Nampak Ltd		1 169.4	1 295.0	1 206.2	616.3	816.3
Non-controlling interests		34.2	(19.4)	(15.3)	(25.3)	9.0
		1 203.6	1 275.6	1 190.9	591.0	825.3
EBITDA		2 378.2	2 563.7	2 454.1	1 802.7	2 052.9
Continuing operations		2 428.4	2 664.2	2 428.1	2 060.1	1 830.9
Discontinued operations		(50.2)	(100.5)	26.0	(257.4)	222.0
EBITDA (adjusted for impairments)		2 809.7	2 680.0	2 463.6	1 907.8	2 163.2
Continuing operations		2 859.9	2 725.5	2 432.8	2 166.5	1 936.3
Discontinued operations		(50.2)	(45.5)	30.8	(258.7)	226.9
Statements of financial position	R million					
Total shareholders' funds		7 883.1	7 190.6	5 739.1	5 594.7	5 694.9
Retirement benefit obligation		2 173.0	2 193.1	1 618.3	1 360.5	1 360.5
Deferred tax and other non-current liabilities		503.5	570.8	663.8	498.0	498.0
Non-current loans and borrowings		4 753.3	3 249.5	1 350.9	1 114.7	1 358.7
Current liabilities		6 578.2	6 419.8	5 152.0	3 992.7	3 995.9
Total equity and liabilities		21 891.1	19 623.9	14 524.1	12 560.6	12 908.0
Property, plant and equipment		9 864.3	7 283.7	6 612.1	5 687.3	5 687.3
Intangibles		3 419.5	814.5	715.1	183.1	183.1
Other non-current financial assets and deferred tax		414.0	455.7	(458.9)	42.7	387.3
Current assets		8 193.3	11 070.0	7 655.8	6 647.5	6 650.3
Total assets		21 891.1	19 623.9	14 524.1	12 560.6	12 908.0

		2014	2013	2012	2011	2010
Cash flow	R million					
– Cash generated from operations		2 740.1	(2 484.1)	2 262.2	1 725.5	2 508.9
– Cash retained from/(utilised in) operating activities		419.5	(103.4)	134.5	339.0	1 576.9
– Additions to property, plant, equipment and intangibles		(2 620.1)	(1 447.2)	(1 084.2)	(676.2)	(785.7)
– Net (decrease)/increase in cash		(3 653.1)	1 944.9	(659.8)	410.6	(92.7)
Share performance						
Market price per share						
– Highest	cents	4 154	3 780	2 970	2 350	1 939
– Lowest	cents	4 001	2 809	1 992	1 842	1 501
– Year-end	cents	4 113	3 121	2 860	2 087	1 896
Number of ordinary shares in issue	'000	700 708	697 897	696 712	695 199	660 778
Market capitalisation*	R million	28 820	21 781	19 926	14 509	12 528
Volume of shares traded	'000	388 869	496 327	260 793	278 199	332 098
Value of shares traded	R million	24 525.0	16 082.8	6 342.8	6 090.6	5 773.6
Volume of shares traded as a percentage of total issued shares	%	55.5	71.1	37.4	40.0	50.3
Earnings yield*	%	5.7	6.4	6.7	7.9	7.4
Cash distribution/dividend yield*	%	26.9	22.3	22.1	19.3	22.8
Price/earnings ratio*	times	17.5	15.6	15.0	12.6	13.5

**Based on year-end market price*

Economic indicators

The principal economic indicators applied in the preparation of the group results are shown below:

	2014	2013	2012	2011	2010
Exchange rates					
Rand/UK pound					
– average	17.54	14.49	12.71	11.18	11.64
– closing	18.33	16.25	13.39	12.58	10.98
Rand/euro					
– average	14.36	12.19	10.46	9.71	10.13
– closing	14.27	13.59	10.68	10.81	9.51
Rand/US dollar					
– average	10.58	9.28	8.06	6.96	7.47
– closing	11.30	10.05	8.29	8.04	6.98

Our strategic performance table

Objective: Unlock further value from our base business

2014 performance	How we are doing	Stakeholders	Short to medium-term focus
Active portfolio management			
• Completed sale of Cartons and Labels • Bought out partner's share in Bullpak in Kenya • Consolidated interest in three Zimbabwean companies • Engaged in discussions with parties over sale of paper and tissue businesses, concluded after year-end		Employees Trade unions Customers Governments Regulators	• Focus on key strategic businesses • Active portfolio management – fix, sell or close underperformers
Continue to grow our metals, glass and plastics businesses			
• Started up third glass furnace • Converted Springs Bevcan factory from tinplate to aluminium can production • Commissioned a major PET bottle plant in a customer's factory in Midrand, investing R50 million		Customers Suppliers Governments	• Focused business development and project management • Return on maintenance capex (maintenance, asset renewal, regulatory requirements) at benchmark rates • Return on growth and restructuring capex at hurdle rate, only if working capital targets are met
Manage costs stringently			
• Launched company-wide cost management and business improvement initiatives • Rationalisation of structures initiated which delivered results		Employees Suppliers Customers	• Fully implement all business improvement programmes for maximum benefit • Focus on operations excellence to drive efficiencies, including production and energy efficiencies • Ensure cash fixed cost increases below CPI
Manage working capital prudently			
• Working capital well controlled with significant improvement from half-year levels • Reduced number of stock days		Employees Customers Suppliers	• Focused divisional working capital management • Streamline procurement processes • Ensure smooth-running supply chain
Improve business performance by buying better, making better, selling better			
• Started reviewing and upgrading our procurement and planning systems • Launched operations excellence programme looking to improve operations efficiencies through various projects and initiatives • Renewed our emphasis on safety • Launched sales and marketing excellence programme – some specific initiatives implemented		Employees Customers Suppliers	• Drive divisional improvements in procurement processes • Divisional operations excellence with focus on efficiencies, reduction in down time, less overtime, reduction in customer complaints, etc • Improve safety performance, achieve 0.5 LTIFR target by 2017 • Drive sales and marketing excellence for margin expansion and portfolio management • Ensure structured sharing of best practice across divisions

For details of individual performance drivers, see pages 82 and 83 of the remuneration report.

Objective: Accelerate growth in the rest of Africa

2014 performance	How we are doing	Stakeholders	Short to medium-term focus
Grow through greenfield investment, as well as acquisitions			
• Completed acquisition and start-up of Bevcan Nigeria • Progress made on evaluating glass projects in east and west Africa	●	Governments Customers Investment community	• Focused business development and project management • Improve knowledge and intelligence management • Growth at hurdle rate, and only if working capital targets are met
Partner with major multinational customers			
• Signed up new customers for Bevcan Nigeria volumes • Completed commercial arrangements for supply of flexible packaging to major global detergent manufacturer • Signed new customers in Angola for additional Angolata volumes • Increasingly we are becoming more of a business partner than simply a converter	●	Customers Suppliers	• Focused key account management • Secure commitments for potential increased sales in west and east Africa
Build market base through exports			
• Increased exports into the rest of Africa by 5.4% • Majority of exports went to SADC countries	●	Employees Customers	• Drive business improvement by increasing exports into high-margin and key areas
Establish local manufacturing capability			
• Started up Bevcan Nigeria • Installed new closures line in Nigeria	●	Employees Customers Governments	• Build capacity and skills for other markets
Diversify manufacturing to other Nampak products			
• Ethiopia crate line construction progressed well • Installed new label printer in Ibadan, Nigeria	●	Employees Customers Governments	• Commission Ethiopia crate line • Ensure delivery of the Nigeria beverage can line
Build on existing hubs			
• Started construction of the second aluminium beverage can line in Angola, to be commissioned in the first half of calendar 2015 • Commissioned a new conical carton printer in Zambia	●	Employees Customers Governments	• Successfully commission Angola second aluminium beverage can line

● good progress made ● some progress, more to come

Operational review
Metals and Glass

METALS VALUE CHAIN

Metals and Glass

Revenue (R million)

2014			2013		
South Africa	Rest of Africa	Total	South Africa	Rest of Africa	Total
7 301	**2 250**	**9 551**	6 467	1 736	8 203

Trading profit (R million)#

2014			2013		
South Africa	Rest of Africa	Total	South Africa	Rest of Africa	Total
602	**409**	**1 011**	677	291	968

#Operating profit before abnormal items. Continuing operations.

Trading margin (%)

2014			2013		
South Africa	Rest of Africa	Total	South Africa	Rest of Africa	Total
8.2	**18.2**	**10.6**	10.5	16.8	11.8

CO_2 emissions per R1 million revenue

2014			2013		
South Africa	Rest of Africa	Total	South Africa	Rest of Africa	Total
34.47	**8.73**	**43.20**	36.30	13.80	50.10

Employees

2014			2013		
South Africa	Rest of Africa	Total	South Africa	Rest of Africa	Total
2 663	**922**	**3 585**	2 707	799	3 506

Disabling injuries

2014			2013		
South Africa	Rest of Africa	Total	South Africa	Rest of Africa	Total
59	**15**	**74**	37	6	43

LTIFR*

2014			2013		
South Africa	Rest of Africa	Total	South Africa	Rest of Africa	Total
1.23	**0.77**	**1.09**	0.82	0.34	0.68

South Africa

Nampak's South African metals businesses had a good year, marked by strong growth in the beverage can market and improved results in our food canning operations.

The 27-day industry-wide strike in July by NUMSA led to the loss of some metals production capacity at a time when we traditionally build up stocks for the summer months. In all affected divisions the strike disrupted parts of our operations.

Despite our best efforts to continue operating with non-unionised and other available employees, significant intimidation prevented our people from reporting to work. We managed to keep our customers supplied. However, we were forced to declare force majeure at our metals businesses a few days before the strike ended.

Bevcan: Bevcan experienced strong growth in the market, particularly the continued solid increase in demand for the 440ml beverage can. A significant feature of the year was the switch over of some of our facilities to manufacturing aluminium cans rather than those made from tinplate (steel). Some of the benefits of this conversion in terms of efficiencies will only start to flow through in the new financial year.

Bevcan has four production sites in South Africa – Springs and Rosslyn in Gauteng, as well as Cape Town and Durban. After the May 2013 commissioning of a new aluminium line at our Springs site, in the year we ramped up production towards annual capacity of up to one billion cans. We also converted two existing lines in

**LTIFR – Lost-time injury frequency rate refers to the rate of occurrence of workplace incidents that result in an employee's inability to work the next full work shift. LTIFR refers to the number of such injuries that occur within a given period relative to the total number of hours worked in the same accounting period.*

Springs to aluminium, commissioning these in November 2013 and August 2014 respectively. The aluminium lines each have a design capacity of up to one billion cans a year.

Given the strong increase in demand, we will install another high-speed aluminium line with design capacity of one billion cans a year at our Rosslyn site, replacing the three current tinplate lines. This project will be commissioned in the third quarter of calendar 2015 and will include provision for another high-speed line in future. In Cape Town, we plan to convert the tinplate line to aluminium in the middle of 2015.

These lines are part of Nampak's strategic drive to grow our Bevcan business while improving business processes. They are also aligned to the strategic imperative of stringent cost management.

While the recent increasing demand for beverage cans has been driven by our customers in the alcohol segment, we are starting to see more growth in demand for beverage cans from the carbonated soft drink market. We expect this trend to continue.

DivFood: Nampak's DivFood business produced improved results in 2014, benefiting from stronger performances from the vegetable and fish canning, as well as the aluminium aerosol markets. These outweighed the negative impact of emerging competition in the fruit-canning sector and the effect of the NUMSA strike.

The weaker rand led to sharp increases in tinplate prices, some of which could not be passed on to customers. The weakness in the exchange rate did, however, support local canners, with more product canned locally rather than importing pre-packed cans. This, along with a larger fish quota to the industry, supported activity in the sector.

DivFood manufactures tinplate packaging for the food, paint, chemical, polish and fuel/lubricant markets as well as aluminium aerosols for the personal care market. We operate from manufacturing facilities in Vanderbijlpark, Paarl, Durban and Cape Town and are the only producers of two-piece foodcans (out of Rosslyn and Cape Town).

We have a wide range of products and a large spread of customers. In the year ahead, in line with the strategic objective to unlock further value from the base business, DivFood will scrutinise this range, with a view to simplifying the business. We will also invest at an increased rate in new manufacturing technology in selected markets and will have an in-depth look at the sourcing of raw materials.

Rest of Africa

Bevcan and DivFood: Nampak's metals business in the rest of Africa had a strong year.

In Nigeria, in February we acquired Alucan Packaging – a new, world-class aluminium beverage can facility – for R3.5 billion and renamed it Bevcan Nigeria. We have secured supply commitments from major multinational companies for the majority of the cans to be produced. Beverage cans are relatively new to the Nigerian market, where most beverages are sold in returnable glass bottles.

Our new facility has capacity to produce up to one billion cans a year and is one of only two can manufacturing operations in Africa's most populous country. The facility has provision for a second line. We expect that the decision on the second line will be made in the next two to three years as demand is projected to increase in due course.

In the short term, growth in Nigeria is expected to result from the increasing share that beverage cans take of the overall packaging offering.

In Angola, our 750 million cans per year tinplate can production line (launched in March 2011) continued to operate well. In the year we began work to put in a second beverage can line, this time for aluminium cans. It is due to start up in the first half of calendar 2015. After this new line is commissioned we will convert the existing tinplate line to aluminium. The full benefits of these two new investments will be evident in the year ahead.

The demand for general metal packaging in Nigeria improved in 2014, but was still below expectations because of overall lacklustre economic activity.

In Kenya, general demand for metal packaging remained strong in the year, but was offset by the commencement of self-manufacture by one major customer. We commissioned additional crown-manufacturing capacity in March to cater for market demand.

What's the big deal **about aluminium cans?**

They benefit the economy, the beverage and packaging industries, consumers and the environment:

- For Nampak, the move to aluminium cans boosts production capacity – our new lines are able to produce at speeds of up to 2 500 cans a minute (and up to 3 000 in future) versus 1 800 for older tinplate can lines.
- As aluminium is traded on the London Metal Exchange (tinplate is not), our customers are able to hedge their exposure to movements in the price of the metal, reducing price volatility.
- Aluminium cans weigh on average 60% less than tinplate cans, which means that the costs of transporting them – for Nampak and our customers – are considerably less than those for tinplate.
- By converting to aluminium, Nampak improves its carbon footprint: at least 10% less energy is used in the manufacturing process as there is no need for any external base coating and its associated curing oven, only one spray bank is necessary (versus two for tinplate) and the conveying length is reduced by almost two thirds.
- The visual appeal of aluminium cans is superior to that of tinplate.
- Aluminium can be rolled into extremely thin foil without losing much of its strength, which means far less material is required.
- The polymer coating applied to the inside of aluminium cans results in a superior ability to protect and retain the freshness of the beverage.
- Aluminium beverage cans chill much more efficiently than most other forms of packaging.
- The value of used aluminium cans is about five times that of tinplated steel cans, translating into an additional R240 million available to informal collectors.
- Aluminium cans are infinitely recyclable and the energy required to recycle them is only 5% of the energy needed to produce virgin aluminium.
- If recycled enough times, aluminium cans become more energy efficient than any other form of non-returnable packaging.
- A very high recycling rate is achievable, as demonstrated in Brazil, where the recycling rate for aluminium cans is reported to be in excess of 98% (versus an estimated 70% in South Africa).

GLASS VALUE CHAIN

South Africa

The South African glass market remained depressed in the year, weighed down by weak consumer demand and substitution in certain sectors of the glass market into cans and PET bottles.

Nampak Glass had a disappointing end to the year. The third furnace was commissioned three months later than originally planned due to the late start of construction.

This resulted in a period, exacerbated by the seasonal peak, when we had to supply additional contracted volume with constrained capacity.

The impact of this on efficiencies, compounded by operational problems, led to Nampak Glass reporting an operating loss for the year.

The third furnace is now on stream and we have taken decisive steps to address the operational issues. We expect the operation to be fully stabilised in the first quarter of calendar 2015.

Along with the commissioning in July 2014 of the third furnace, we installed a state-of-the-art uninterruptible power supply (UPS). Together, these initiatives underscore Nampak Glass's efforts to deliver on the group's strategy to expand our glass offering to become a credible second supplier and develop our partner status with customers.

In the year, we widened our product offering into new market sectors, creating a broader, more balanced product portfolio. The new R1.2 billion furnace is now ramping up output and has allowed us to leverage the operational benefits of operating three furnaces at our site at Roodekop in Gauteng. These benefits include fewer change-overs of product type and colour, creating greater furnace stability.

The new furnace is highly automated and technologically advanced and has increased the total site capacity to around 295 000 tonnes per annum.

It is designed with state-of-the-art energy-efficiency improvements, the benefits of which should become more evident as production increases. The energy-efficiency improvements will be further enhanced by increased consumption of cullet from our cullet sourcing facility.

The 20MW UPS ensures an uninterrupted supply of power, which is so critical to glass manufacture, particularly considering the power supply constraints that South Africa is experiencing. It ensures avoidance of even momentary power lapses, dips and spikes.

For a factbox on the new furnace see page 46.

Demand in the South African glass market is expected to remain relatively flat in the year ahead, when we expect the benefits of operating the new furnace to be realised. We also expect our widened product offering in new sectors to contribute to improved performance.

The new furnace is a great example of a partnership between the government and private sector. The dti approved a section 12I allowance amounting to R550 million, which assisted Nampak in achieving its required hurdle rate.

Rest of Africa

In most parts of Africa, the large returnable glass bottle remains the container of choice for beer. We see room for further growth in this sector and are considering a number of opportunities to invest in either new or existing glass furnace opportunities in west and east Africa.

Why the excitement about **the new glass furnace?**

In its 30th year of operations, Nampak Glass opened a third furnace, the benefits of which spread beyond Nampak and our community, and onto our customers and the wider environment and economy:

- The new furnace increases Nampak Glass's capacity by **56% to 295 000** tonnes.
- It bolsters our demand for recycled glass or cullet, positively impacting power usage efficiency and emissions. This is good for the business, the environment and the national power grid.
- We currently buy **80 000 tonnes a year of cullet from 4 000 small-, micro- and medium-sized enterprises, supporting entrepreneurs**. As our demand for cullet increases, a virtuous circle of opportunity will be created for SMMEs and informal waste collectors. At the same time, the impact of waste on the environment will be reduced.
- The new furnace is targeted to save **15% on energy consumption**, meet all the country's new air quality emission standards and **reduce water consumption by up to 90%** with a new closed loop water system.
- The new furnace has a positive impact on employment. During the peak construction period, **2 600 people** were employed on-site. The furnace also created 140 new and **permanent jobs for people** from the community, a number of whom went abroad for further training.
- As Nampak benefited from the government's section 12I tax allowance incentive with our investment in the furnace, we are part of the ongoing success of the Industrial Action Policy Plan (which, among others, encourages investment, employment, energy efficiency and skills development).
- Our investment in the furnace, as well as the work on **constantly reducing the weight of our products**, gives real meaning and practical effect to South Africa's National Waste Management Strategy, whose goals include waste minimisation during manufacturing, as well as the ability to recover and recycle post-consumer waste. Currently about 41% of all glass is recycled in South Africa (compared to about 37% in the USA).

Paper and Flexibles

PAPER VALUE CHAIN

A key differentiator for Nampak is the backward integration of its paper production

The 250 000 tonnes supplies both tissue and paper

For Flexibles, see the plastics value chain on page 49.

Revenue (R million)

2014			2013		
South Africa	Rest of Africa	Total	South Africa	Rest of Africa	Total
3 240	**1 044**	**4 284**	3 117	1 008	4 125

Trading profit (R million)#

2014			2013		
South Africa	Rest of Africa	Total	South Africa	Rest of Africa	Total
68	**207**	**275**	104	203	307

#Operating profit before abnormal items. Continuing operations.

Trading margin (%)

2014			2013		
South Africa	Rest of Africa	Total	South Africa	Rest of Africa	Total
2.1	**19.8**	**6.4**	3.3	20.1	7.4

CO_2 emissions per R1 million revenue

2014			2013		
South Africa	Rest of Africa	Total	South Africa	Rest of Africa	Total
67.71	**6.13**	**73.84**	69.43	10.13	79.56

Employees

2014			2013		
South Africa	Rest of Africa	Total	South Africa	Rest of Africa	Total
2 054	**447**	**2 501**	2 220	428	2 648

Disabling injuries

2014			2013		
South Africa	Rest of Africa	Total	South Africa	Rest of Africa	Total
21	**2**	**23**	49	3	52

LTIFR*

2014			2013		
South Africa	Rest of Africa	Total	South Africa	Rest of Africa	Total
1.04	**0.30**	**0.86**	1.22	0.77	1.20

South Africa

Corrugated: Nampak's South African corrugated paper business made some progress in reducing waste and increasing efficiencies in the year, however, we acknowledge there is still more work to be done.

Heavy summer rains on the Highveld affected production for part of the year, as the volume of available recycled paper declined and, as it was wet, was more difficult to handle. This led to higher wastage and recycled paper prices, with these prices also impacted by the weakening of the rand. These issues combined with paper mill operational challenges impacted negatively on its performance. Inclement weather also affected our business in the Western Cape, as it was not conducive to good crop yields, leading to reduced demand for our boxes from farmers.

Nampak Corrugated has converting operations in Germiston, Cape Town, Durban, Port Elizabeth and Swaziland. The business operates a paper mill with two brown paper manufacturing lines at Rosslyn, using recycled paper as the main input.

**LTIFR – Lost-time injury frequency rate refers to the rate of occurrence of workplace incidents that result in an employee's inability to work the next full work shift. LTIFR refers to the number of such injuries that occur within a given period relative to the total number of hours worked in the same accounting period.*

Operational review continued

Paper and Flexibles continued

In line with Nampak's strategic work to enhance our business processes, we completed operational capital projects in all major operations, positioning the business for improved wastage and efficiencies going forward. In July, we started commissioning the biggest of these projects at the paper mill as the upgraded paper fibre preparation plant came on stream, feeding both the old and new lines. This plant is more efficient, cost effective and produces better quality paper with greater consistency.

Sacks: The Nampak Sacks business had a difficult year with lower demand in most segments compounded by more intense competition in the sector. The strike in the sugar industry as well as increased imports of ready-packed sugar and cement further depressed demand. Operational and business improvement programmes implemented in the year resulted in reduced cost.

Nampak makes paper sacks at our factory in Mobeni, Durban. Apart from external commercial customers (including grain millers, sugar and cement manufacturers), the factory also supplies some Nampak divisions.

Although good progress was made in the year to improve efficiencies and productivity, cut wastage and reduce overhead costs, we are busy with additional work in this regard. We also continue to target optimising the cost of our major raw materials, mostly of virgin kraft paper, as well as simplifying our production processes. These initiatives will reduce operational costs significantly, thus improving the competitiveness of the business.

Disposal of Nampak's Corrugated, Sacks and Tissue divisions

In line with the group's strategy to actively manage our portfolio in order to improve competitiveness and raise cash for investment in high-growth regions in the rest of Africa, shortly after year-end we announced the disposal of the South African Corrugated, Sacks and Tissue businesses for R1.6 billion. The transaction will be finalised once all conditions precedent to the disposal are met, which is expected to be in the first half of the 2015 financial year.

Flexibles: Nampak's Flexibles business in South Africa came under pressure in the year from growing competition from imports, squeezing margins. The business, which is the country's largest flexibles manufacturer, has three plants: one each in Cape Town, Port Elizabeth and Pinetown, and an origination centre to process artwork in Pinetown.

In the year, we enhanced our offering through our investment in a seven-layer extruder which provides packaging with an oxygen barrier. We also widened our range through the commissioning of a 10-colour gravure press which runs at around double the speed of other presses, and is able to print complex designs. We continue to scrutinise the business, looking for opportunities to streamline operations as well as to better market our offerings.

Rest of Africa

The demand for self-opening (SO) bags for the milling industry in Kenya was strong and the Bullpak operation had a good year. Nampak bought out our partner's share in Bullpak and this agreement became effective on 1 August 2014.

In Nigeria, demand for cigarette packaging was flat in the year, but this was offset by good growth in the commercial sector and the Ibadan operation had a good year overall.

In Zambia and Malawi, sorghum beer carton sales recovered well as the substitution into PET alternatives stabilised. A new conical carton printer was commissioned in the Zambian operation and we are now realising the efficiency benefits of this.

Plastics

PLASTICS VALUE CHAIN

Revenue (R million)

2014			2013		
South Africa	UK	Total	South Africa	UK	Total
2 497	**2 214**	**4 711**	2 384	1 938	4 322

Trading profit (R million)#

2014			2013		
South Africa	UK	Total	South Africa	UK	Total
188	**144**	**332**	253	162	415

#Operating profit before abnormal items. Continuing operations.

Trading margin (%)

2014			2013		
South Africa	UK	Total	South Africa	UK	Total
7.5	**6.5**	**7.0**	10.6	8.4	9.6

CO_2 emissions per R1 million revenue

2014			2013		
South Africa	UK	Total	South Africa	UK	Total
48.90	**19.40**	**68.30**	53.82	19.36	73.18

Employees

2014			2013		
South Africa	UK	Total	South Africa	UK	Total
1 396	**579**	**1 975**	1 521	600	2 121

Disabling injuries

2014			2013		
South Africa	UK	Total	South Africa	UK	Total
39	**9**	**48**	28	6	34

LTIFR*

2014			2013		
South Africa	UK	Total	South Africa	UK	Total
1.33	**1.60**	**1.37**	1.16	1.07	1.14

South Africa

Liquid packaging – paper cartons, plastic bottles, PET bottles and drums: Nampak's South African liquid packaging division makes HDPE plastic bottles mainly for dairies, PET bottles mainly for juice and carbonated soft drinks (CSD), and paper cartons, mostly for sorghum beer, mageu and extended-shelf-life milk.

Nampak's dairy bottling business felt the impact in 2014 of the move by more consumers to buy long-life milk (typically packed in cartons) rather than fresh milk. The continued rise in polymer prices also put pressure on the business. Most of Nampak's plastic milk bottles are made at our sites in Polokwane, Johannesburg, Bloemfontein, Durban, Port Elizabeth, East London and Cape Town. We also have facilities on site at three of our customers' filling operations.

The market for PET juice bottles continued to grow in 2014, but competition also increased, tightening margins. In the year, we commissioned a major plant in a customer's factory in Midrand, investing R50 million for an eight-year supply agreement.

Our sales to the CSD market are now mostly in preforms, since the sale of our in-plant facilities to our customers. Preforms are test-tube-shaped containers with thick walls, which are blow-moulded on customers' sites into the desired finished container. The preform market is a lower-margin business.

**LTIFR – Lost-time injury frequency rate refers to the rate of occurrence of workplace incidents that result in an employee's inability to work the next full work shift. LTIFR refers to the number of such injuries that occur within a given period relative to the total number of hours worked in the same accounting period.*

Sales of paper cartons, made in our factory in northern KwaZulu-Natal, had a better year. Sales of our extended-shelf-life milk and sorghum cartons increased. Our market share in these is growing.

Nampak makes large and small drums at operations in Olifantsfontein, Pinetown and Cape Town. Competition increased in the year, which meant that we were not able to pass on to our customers the full increase in polymer prices and we lost some market share. We also make intermediate bulk containers, with a capacity of 1 000 litres, under licence from Mauser Group.

We are working on a number of initiatives to improve the manufacturing capability of our liquid packaging and drum businesses.

The outlook for the liquid packaging market is closely linked to economic activity and consumer spending. As the dairy business is forecast to remain flat in the next three to five years, we will look to widen our product range, providing more HDPE bottles for producers in the household chemicals, motor oils and agrochemicals sectors.

Closures (plastic and metal), tubes and crates: Nampak's South African closures business had a good year. We have a plastic closures plant in Durban, which produces a wide range of closures. Among them are closures for CSD bottles made under licence from BERICAP GmbH, closures for milk bottles (made under licence from Portola), push-pull closures for sports drinks as well as milk carton closures. We also have a metal closures factory in Cape Town, which produces twist-off lids for glass jars and aluminium roll-on pilfer-proof closures for the wine and spirit market. In the past few years we have made considerable investment in new equipment.

The tubes business continues to do well on the back of strong demand. The new facility is running well and we will consider new capacity as demand grows.

We make tubes, mostly for toothpaste, at our facility in Kempton Park. The crate business is now managed alongside the tubes business and has three factories – in Olifantsfontein, Pinetown and Cape Town. It makes crates for the alcoholic and soft drinks markets, the bread and milk industry, as well as the agriculture market. Typically, this business is cyclical. In the year, the business came under pressure, partly from a shortfall in the amount of recycled material from which the crates are manufactured. We carried out a major restructuring of our Olifantsfontein plant.

Despite our best efforts to continue operating during the NUMSA strike, significant intimidation prevented our people reporting to work and affected our plastics operations.

Beyond South Africa's borders, in **Ethiopia**, the new plastic beverage crate line will start up early in the new financial year. We are considering a rigid plastics investment in the rest of Africa in the year ahead.

United Kingdom

Nampak operates nine plastic bottle manufacturing facilities in the United Kingdom, seven of which are at customers' sites (otherwise known as "in-plant" sites). We produce a range of high-density polyethylene (HDPE) bottles mainly for the dairy industry.

In the year, Nampak Plastics UK performed in line with expectations. However, turnover and profit were below that of the previous year due to a number of factors, including the ongoing reduction in volumes from a major dairy which is in the process of relocating. Both our cost control and safety performance were good in the year, with a sharper focus on reporting near-miss incidents helping our overall safety record.

Milk consumption in the UK remained relatively stable, with the substitution of glass and cartons to plastic containers nearing completion.

We produced some two billion bottles in the year, of which more than 0.5 billion were our patented light-weight Infini bottles. Retailers, seeking to reduce their supply chain costs, are driving the growing demand for lighter-weight bottles.

The use of recycled materials in the production of Infini bottles varies from 15% for one customer to 20% for most others, and in the year we made further progress towards reaching a targeted rate of 30% of recycled HDPE. This, however, depends on the availability of a consistent quality and quantity of recycled material from our suppliers.

We are delivering on the group's strategy to unlock further value, with stringent cost management as well as working capital management in place. We are focused on innovation and the growth of our business beyond a single product, market and geography. In the year, we sold a licence to the Pact Group to manufacture Infini bottles in New Zealand. We also advanced work to develop an opportunity to supply plastic milk bottles in India. At our Newport Pagnell head office site, we began commissioning a new all-electric drive machine. Previously, our machines have been hydraulically driven and this initiative will allow for quicker size changes, greater production flexibility, as well as energy savings.

In the year ahead we expect to produce around 1.8 billion bottles, and are considering a number of growth opportunities. The business remains a good generator of cash, holder of valuable intellectual property, as well as a rand hedge. In the 2014 financial year, the average rand/pound exchange rate was R17.54 from R14.49 a year earlier.

Soon after year-end we signed a deal for a new in-plant facility at Glanbia's operations in Ireland.

Tissue

TISSUE VALUE CHAIN

 # The 250 000 tonnes supplies both tissue and paper

Revenue (R million)

2014	2013
1 425	1 436

Trading profit (R million)#

2014	2013
112	108

#Operating profit before abnormal items. Continuing operations.

Trading margin (%)

2014	2013
7.9	7.5

CO_2 emissions per R1 million revenue

2014	2013
South Africa	South Africa
94.61	87.40

Employees

2014	2013
896	855

Disabling injuries

2014	2013
11	10

LTIFR*

2014	2013
0.82	0.73

South Africa

Nampak Tissue and Nampak Recycling

Nampak's South African tissue business had a tough year, in which we continued work to improve efficiencies, as well as the availability of our products on retailers' shelves, with increased effort to have a more efficient supply chain.

After a long time of difficulty in moving prices to recover cost increases, the year saw limited price increases being accepted by customers. Export sales increased but local competition for market share remained intense.

Nampak Tissue has manufacturing facilities in the Gauteng, KwaZulu-Natal and Western Cape provinces, with paper mills in Kliprivier, Bellville and Verulam. Sancella, our joint venture with SCA Sweden, operates from Kliprivier.

A number of initiatives are in place to deliver more value over time to counter the adverse impact of the weaker rand and market price stagnancy. We see opportunities to improve our supply chain logistics, warehousing and marketing. After a year of much closer interaction with our customers, we are now in a better position to improve our service levels and overall competitiveness.

Nampak Tissue is the leader in one-ply toilet paper in South Africa. We are also a major supplier of two-ply toilet paper and facial tissues. Through Sancella, we are a significant player in the diaper, feminine hygiene and incontinence product markets.

Nampak Recycling supplies recycled paper requirements to both Nampak Corrugated and Tissue paper mills. It is also a major supplier of recycled glass (cullet) to Nampak Glass. Nampak Recycling has operations in most of the major centres around South Africa. This business has performed well in the year as it kept up with the paper mills' performance improvements, and continues to be a strong pillar of Nampak's environmental responsibility drive.

**LTIFR – Lost-time injury frequency rate refers to the rate of occurrence of workplace incidents that result in an employee's inability to work the next full work shift. LTIFR refers to the number of such injuries that occur within a given period relative to the total number of hours worked in the same accounting period.*

Ensuring responsible business – socially

Our people

Our 9 269 employees in 13 countries are the key differentiators that provide Nampak with a sustainable competitive advantage to ultimately deliver on the group's strategy. Recognising this, we have a comprehensive approach to managing our people, the highlights of which we give in this report.

Improving motivation and morale through productive employee relations

Sound and progressive employee relations practices are well established within Nampak and are systematically implemented when we make new acquisitions. All employees sign up to the group's code of conduct and business ethics and other policies and procedures which guide conduct and performance expectations. Implementation is supported by clear channels of communication, employee forums, performance management, and appropriate and ongoing training. The underlying principles behind the formulation of Nampak's people policies include: freedom of association; transformation which delivers equality, fairness and transparency; the prohibition of victimisation; and the prohibition of the use of child labour.

It follows that we are committed to identifying, attracting, developing and retaining our human capital to deliver business results and to support the group's strategy.

The following table gives the number of permanent and temporary employees by region as well as the overall demographics of the group. In 2014, employee numbers decreased mainly as a result of the sale of the Cartons and Labels division as well as a small number of retrenchments at our Sacks and Liquid packaging businesses. The growth in the rest of Africa is aligned to the Bevcan Nigeria acquisition.

	2014			2013		
	Permanent	Temporary	Total	Permanent	Temporary	Total
South Africa[1]	7 205	1 198	8 403	8 286	1 325	9 611
Rest of Africa	1 473	622	2 095	1 105	363	1 468
Europe	591	31	622	574	46	620
Total	9 269	1 851	11 120	9 965	1 734	11 699

[1]2013 includes 849 permanent and 106 temporary employees of Cartons and Labels which was sold.

Increasing competency from consistent talent management

Our talent management processes ensure that we develop a sufficient depth of skilled and mobile employees to support the group's strategy to accelerate growth in the rest of Africa as well as unlock further value from our base business, in particular through business process improvements. Fostering inter-cultural sensitivity is essential to success across the various regions in South Africa as well as in the many countries in which we operate. Each division carries out formal talent management reviews, culminating every year in a session attended by the group executive committee which has ultimate responsibility for career management of key talent and senior managers. The process aims to align our anticipated people requirements with our existing talent. We then identify gaps so that we can recruit as required as well as put in place appropriate training and development plans.

Making continuous improvements in operating performance from training and development

Over many years, Nampak has developed a thorough range of in-house management and leadership development programmes.

These are designed with input from leading universities to meet national qualification framework requirements and to ensure that course content is updated and aligned to the group's strategy and skills requirements.

Our flagship graduate development programme attracts young talent in disciplines where we envisage there will be a shortage of skills in future.

Our minimum intake each year is 20 young graduates who are placed in real jobs and complete an academic course involving individual and group action learning assignments, in association with the Gordon Institute of Business Science (GIBS). Successful candidates are offered permanent employment in the group.

The retention rate in this programme is a competitive 65%. We target equal representation of men and women.

Graduates at their graduation ceremony

Nampak grants bursaries to learners for study of subjects where we envisage future skills constraints, specifically engineering, supply chain and, to a lesser extent, accounting. Children of employees, those from Nampak-partnered schools and from communities near our operations are encouraged to apply and join our graduate development programme on completion of their tertiary education. There are currently 48 bursars: 30 men and 18 women. In addition, Nampak has 210 people (168 men and 42 women) in registered apprenticeships and learnerships in our divisions.

Bolstering productivity from effective partnerships

We recognise that, as a manufacturing organisation, effective partnerships with trade union representatives as well as structured engagement forums reduce, and can eliminate, the risks associated with industrial action.

They also provide a platform to engage on productivity improvements, to proactively manage conflicts as well as to review and agree changes to legacy agreements. Therefore, we adopt a pluralistic approach to our interactions and our divisions and operations have a variety of participative structures at different levels for managing issues which affect unionised employees. These include national framework agreements, collective bargaining agreements and safety, health and environmental committees. Employment equity and skills development forums are peculiar to the South African operations.

Central to our employee relations on the shop floor is a specially designed shop steward training and development programme which is attended by shop stewards representing the seven active trade unions in South Africa. The training programme is facilitated by senior human resources managers in the group and provides a platform for debate on external and internal issues impacting employee relations and productivity. We also allocate time to discuss group policies and procedures.

During 2014, a 27-day strike by the National Union of Metalworkers of South Africa affected our metals and plastics operations in South Africa. The strike was industry-wide and driven by external economic and social factors. The final outcome was a three-year wage settlement agreement, which provided for differentiated increases at the lower and higher unionised levels. Wage settlements in the rest of the group were achieved without industrial action of any kind.

Safeguarding our reputation for delivering a healthy and safe working environment

Nampak complies with occupational health and safety legislation and regulations in all jurisdictions in which we operate. A safe working environment is a core standard required by the group. Of the 17 operations targeting OSHAS: 18001 certification in 2014, 10 achieved certification and the balance are on target to seek certification during 2015. In 2015 we are introducing a discount factor of 5% to management incentive bonus earnings should safety targets not be met. This is to drive a culture of ongoing safety performance improvements.

The group has set an aspirational target for lost-time injury frequency rate of 0.5 by 2017.

Ensuring responsible business – socially continued

Verification audits also form part of the group's internal risk control standards and these are completed annually by the group's external insurance providers.

Group	Target 2017	Actual 2014	Target 2014	Actual 2013	Target 2013	Actual 2012
Work-related fatalities	Zero	One contractor fatality[3]	Zero	One fatality[2]	Zero	Zero
Number of reportable injuries	Average of 10 per month	Average of 13.1 per month	Average of 10 per month	Average of 11.7 per month	Average of 14 per month	Average of 13.5 per month
Lost-time injury frequency rate[1]	0.5	1.07	0.5	0.9	1.24	1.14

[1] *Lost-time injury frequency rate: per 200 000 man hours worked.*
[2] *Cause unknown – police investigated and found nothing untoward.*
[3] *The fatality was investigated and found not to be work related.*

Occupational health services are provided to all operations and include pre-employment medicals for all new staff and ongoing shop floor evaluations. These services are either provided in-house or by external service providers.

Enhancing our standing and increasing our competitiveness by leading transformation initiatives

We believe that a diverse and transformed workplace adds value in the form of improved employee capabilities and shared ethos and values that strengthen motivation, and which in turn enhances employee productivity. To achieve this, we are actively driving gender and race transformation across all positions.

Managers in South Africa who fail to achieve their employment equity targets face a 20% cut in their incentive bonus payments for 2014.

The incentive bonus cut linked to employment equity will be 15% in 2015. A cut in incentive bonus payments of 5% will be introduced for managers in the group who fail to achieve their safety targets.

We undertake to continue to tackle in our employee base any inequalities with regard to race, gender and disability and to accelerate progress through structured skills development programmes and the injection of new talent. We remain committed to transformation and support the Broad-Based Black Economic Empowerment Act and the Department of Trade and Industry's Codes of Good Practice and scorecard. In 2004, Nampak published its original B-BBEE charter against which progress is measured. The charter is reviewed and updated in line with legislative requirements and improved targets, and was last updated in 2008. We will carry out another review during 2015 with the introduction of the new codes.

In 2014, Nampak achieved its target by improving its B-BBEE rating to Level 3 contributor status from Level 4 contributor status in 2013.

Level 3 provides for 110% of customers' spend (100% in 2013) to be regarded as B-BBEE spend. We are considering the implications of the new amended codes and, like many other manufacturing companies, anticipate a significant downward adjustment to our contributor status when the new codes are implemented. The review of our charter in 2015 will help us determine what actions we will need to take to address this expected change.

Our achievements in the sub-categories of management and control, employment equity and skills development continue to be negatively affected by the gender diversity discount. Our score on black representation across management levels in South Africa has increased to 59%. However, this achievement is halved when gender is taken into account as we do not meet the gender targets. This is largely due to the nature of manufacturing as an industry: women have traditionally preferred careers in the services sectors rather than in manufacturing. We are, however, making progress in increasing female representation through the steady employment of women into our graduate development programme as 50% of the graduate intake each year is made up of females. Appointments into other managerial positions also provide opportunities to improve the representation of black women at Nampak.

Our target for black management across all management levels for 2015 is 60%.

In addition, we have established a five-year target (also of 60%) to increase black representation in senior management positions. This compares with 2014's actual figure of 30% black senior managers. Our ability to deliver on these targets is supported by the depth and calibre of black talent that has been developed (and retained) progressively in past years at middle management levels across all functions.

For detailed performance in each category of the broad-based black economic empowerment scorecard, see www.nampak.com/About-Us-BEE-Certificate.aspx

Creating viable enterprise development opportunities

Nampak is proud of our achievements in enterprise development (ED) over the years. This relates not just to producing a good scorecard, but also to initiatives in which entrepreneurs get opportunities that would normally be out of their reach, and jobs are created – or saved – as a result of the support we provide to those entrepreneurs. The focus of our ED programme has been to assist in the creation of new black-owned businesses through the development of opportunities for entrepreneurs, which include capacity building, skills development and facilitating access to finance as well as to markets.

Some of our ED investments have enabled entrepreneurs to purchase and manage factories that were once in the Nampak stable. In those cases, we have worked with the entrepreneur as she or he takes over our old plant, providing technical skills and equipment, and introducing these entrepreneurs to customers, negotiating discounts for raw materials and helping with cash flow. In this way,

We have helped create a new group of factory owners, slowly changing the face of manufacturing in South Africa.

Notable success stories in KwaZulu-Natal, Mthembu Tissue Converting, and in the Western Cape, TIN-PAC Promotional Packaging, are on our website, see www.nampak.com/About-Us-Enterprise-Development.aspx

Dikeledi Mosime with some of the products produced by TIN-PAC

Being a responsible corporate social investor

Our corporate social investment strategy is focused on improvements in education, health and welfare, and the environment in selected communities located near our factories. These activities are largely directed towards the youth, along with general support of communities through donations to hospices and other charities.

We have built strong and meaningful relationships and partnerships.

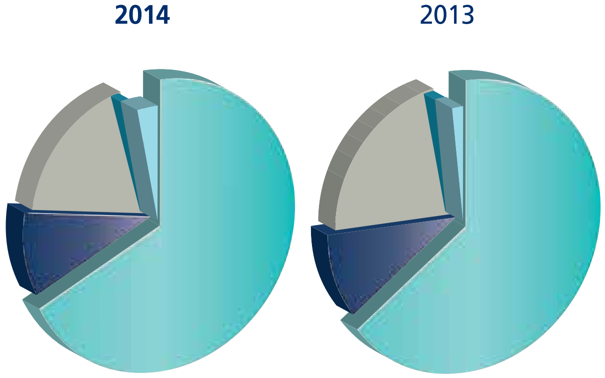
We also work to align enterprise development and corporate social investment to initiatives which improve collection and recycling opportunities for our packaging products. Through the various programmes, the group aims to assess, manage and enhance the positive impacts of its operations on local communities.

Ensuring responsible business – socially continued

Nampak has a target of allocating 1% of its profit after tax to corporate social investment.

During 2014, we spent R13.53 million in the following categories:

CSI expenditure (R million)



	2014	2013
Education	**9.42**	6.99
Health and welfare	**1.38**	1.11
Environment	**2.55**	2.35
Various charities in South Africa	**0.18**	0.15
Various initiatives in the rest of Africa	**0.40**	0.17

Education

Bursaries

In 2014 we awarded bursaries worth R4.8 million, assisting high-potential learners for further education at tertiary institutions, mainly to those learners who are studying towards engineering, business science, supply chain, and finance and accounting degrees. Wherever possible, employment opportunities identified within the group are offered to successful bursary holders. A total of 48 bursars (30 black men and 18 black women) are currently involved in the scheme. One bursar who had completed his studies joined the group during 2014. This brings the total number of students from Nampak's partnered schools and Nampak employee children to date to 10 current employees.

Our partnered schools

Our school partnering programme is now in its 12th 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. Our annual equipping of science laboratories is done by Nkosinathi Zondo of Phakama, a black supplier who supports the delivery of equipment with teacher training and support. Black Apple, another black entrepreneurial company led by Sydney Mokhethi, continues to provide all information technology infrastructure and support services to our partnered schools. In addition, opportunities are provided for teachers to enhance their skills and improve their own qualifications. During 2014, R4.6 million was spent on these activities.

The schools we partner with are:

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


Helping schools get with "IT"

As the facilities become more established, less funding is required by the schools and we adopt a maintenance approach. Nampak appoints a school champion, who is a Nampak employee, for each school. Each school champion is responsible for engaging with the principal, 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 continue to collect books that are donated to school libraries.

The ultimate goal of the school partnership programmes is to provide career opportunities for learners from the partnered schools within the group,

either directly from school or through further education support. To this end, members of the group CSI committee and selected managers regularly run career guidance days at the schools in order to expose pupils to available careers in the company and bursary opportunities. The criteria for awarding bursaries to candidates are in line with general bursary application evaluations.

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

Eco-Schools – a creative way of using plastic bottles


Eqhweni Primary in the Injasuthi valley, KZN has been involved in the DWA water project this year and is delighted to receive copies of the Water issue of Envirokids magazine thanks to Nampak funding

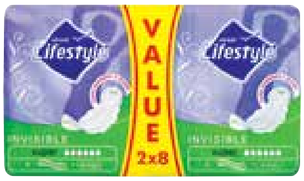
Eco-Schools

Nampak is the principal funder of the National WESSA Eco-Schools Programme in South Africa. Eco-Schools is an international programme and is the largest network of teachers and learners in the world. It has a strong "whole-school" education for sustainable development focus and assists schools to improve environmental learning and actions on key environmental issues such as waste management, energy, water and biodiversity. In 2014, Nampak contributed in excess of R2.5 million to support and grow the network of schools and stakeholders who actively work at changing our daily choices which have a negative impact on the environment. This is achieved through an "active learning" approach to education. The programme often works in rural disadvantaged communities and helps to build the capacity of youth to access environment-related "green jobs", "greenpreneurship" and career paths in the environmental sector. A report from Eco-Schools is on our website, see www.nampak.com/About-Us-Corporate-Social-Investment.aspx

Health and welfare

"Keep a girl at school" programme

During the year, we donated R860 000 for feminine hygiene products from our Lifestyle range produced by Nampak Tissue to female teachers, administrators and learners at all of our partnered schools. The initiative has materially decreased absenteeism.




Keep a girl at school programme

Hospices

Nampak continues to donate to seven hospices around the country for their work in caring for terminally ill people, including some of Nampak's employees and family members. The annual donations for 2014 amounted to R520 000.

Environment

Materials recovery facility at Kruger National Park

Nampak became a partner in the Kruger National Park environmental conservation drive in 2006 when we supplied the park's first animal-proof dustbins in the Skukuza camp. The first bins did not provide for separation of post-consumer packaging waste and as a result valuable materials were incinerated. 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 in 2010 and the trials were successful. The bin design has now been patented and a total of 400 bins have been installed since the start of the project.

The next step was to install a materials recovery facility (MRF) close to Skukuza camp. The facility was opened in April 2014 and provides for post-consumer packaging waste collected from the camps to be sorted into various material types for recycling. In addition to a contribution totalling R3.9 million to fund the facility since inception, R800 000 was spent on a truck which enables the transfer of materials from the camps back to the central sorting facility for sorting and sale to recyclers.

Before

After

The MRF employs 27 people, each of whom is issued with a uniform, safety gloves and safety glasses. As the facility reaches sustainable volumes, we aim to covert the operation into a stand-alone economically viable business which will be owned and managed by black entrepreneurs as part of our enterprise development work.

Initiatives in the rest of Africa in the year

Education

Scholarships through Makomborero Zimbabwe were given to two students from disadvantaged backgrounds to study their A levels.

Health and welfare

In 2014, Nampak Malawi donated a fully furnished and medically equipped paediatric clinic to Ndirande Health Centre, at a cost of approximately R275 000. The facility provides healthcare services to children under the age of five years. It is approximately 4km from our Malawian premises and close to the residential area where the majority of our employees reside.

Just what the doctor ordered (Ndirande Health Centre)

Ensuring responsible business – environmentally

Environmental stewardship

Nampak is considered by the JSE Socially Responsible Investment Index as a company whose activities have a medium impact on the environment.

Our major impacts come in the form of our use of the raw materials we purchase (such as paper pulp and fibre, aluminium, tinplate, various forms of plastics, silica sand, soda ash and limestone) and our use of non-renewable sources of electricity. We participate in the Carbon Disclosure Project every year and appear on the South African Carbon Disclosure Leadership Index and the Carbon Performance Leadership Index.

Policy framework and guidelines

Nampak's approach to environmental stewardship is informed by our group environmental policy which encompasses the implications of climate change, environmental production standards as well as product responsibility which reduces the impact of post-consumer packaging waste in landfills. Our policy is available on our website see www.nampak.com/About-Us-Environment.aspx

Environmental risk management

Environmental impacts are considered and reviewed as part of the group risk management process. These reviews include the risks and opportunities associated with climate change and with the scarcity of non-renewable raw materials and water.

Operational environmental risk assessments at our manufacturing operations form part of the ISO 14001:2004 certification process.

In our smaller manufacturing operations, and where ISO certification has not been obtained, our risk control framework requires regular peer assessment and monitoring of the environmental performance of these operations.

Accountability and reporting

While the responsibility for governance of Nampak's environmental performance rests with the group's board of directors, accountability rests with management and staff.

During the reporting period we replaced our manual system of environmental data collection with a more robust systems approach.

We are now able to automatically generate reports, thereby providing management with real-time information on absolute energy usage and carbon emissions. Our internal audit plan provides for the data to be checked for completeness and accuracy at source and in 2014 initial internal audits took place in our paper operations.

Targets

We include energy usage targets in the key performance indicators for senior management. Performance against these targets forms part of the individual performance measures that determine the annual cash incentive bonus payments for these employees.

We aim to systematically reduce Nampak's energy intensity efficiency ratios.

In 2014, we established a new five-year target that requires a 10% reduction in our energy intensity efficiency ratios by 2019 from the 2014 baseline.

Energy consumption 2014 (GJ per R1 million revenue)

Region	Petrol	Diesel	Electricity	Other
South Africa	1.97	8.55	157.33	141.19
Rest of Africa	0.25	44.06	18.51	58.23
United Kingdom	–	–	141.36	

Energy consumption 2013 (GJ per R1 million revenue)

Region	Petrol	Diesel	Electricity	Other
South Africa	1.76	8.85	70.50	153.74
Rest of Africa	0.38	79.67	27.10	61.00
United Kingdom	–	–	156.46	

Ensuring responsible business – environmentally continued

Energy intensity by region and then by cluster (GJ per R1 million revenue)

	2014	2013
South Africa		
Metals and Glass	185.51	208.33
Paper and Flexibles	546.84	582.66
Plastics	179.62	219.42
Tissue	593.23	548.27
Rest of Africa		
Metals and Glass	138.05	205.53
Paper and Flexibles	103.45	103.09
United Kingdom	141.35	156.46

Nampak Glass has become the first company in South Africa to be awarded by inspection, verification, testing and certification company SGS South Africa for ISO 50001: 2011 certification, the energy management systems standard.

Climate change

We appreciate the worldwide concerns regarding global warming and aim to systematically reduce our energy intensity carbon emissions. The commercial value attached to the identification and implementation of energy-reduction opportunities ensures that Nampak's new investments include energy intensity efficiency improvements. This is the case with investments in both the new aluminium beverage can lines and the third furnace at our glass operation. Both these investments reduce Nampak's absolute energy requirement by in excess of 10%. In addition, wherever feasible, in recent years operations adjusted their equipment to allow them to replace more carbon-heavy energy sources with natural gas. These changes allowed Nampak to achieve its target of reducing electricity consumption by 10% by 2013, with the new consumption levels embedded in the base performance going forward.

The electricity purchased from Eskom (which is principally generated from coal) in South Africa remains the largest component (>70%) of Nampak's greenhouse gas (GHG) emissions. As we expand into countries in the rest of Africa, we will place more reliance on other sources of energy, including gas, diesel and petrol.

Climate change represents both risks and opportunities for Nampak. Nampak's facilities are susceptible to risks ranging from shortages of natural resources to severe weather events and logistics interruptions. As a packaging supplier, Nampak is indirectly exposed to the same risks and opportunities as its raw material suppliers and customers. The key climate change risks and opportunities are on our website www.nampak.com/About-Us-Environment.aspx

Measurement

Nampak's continues to report its carbon footprint using the Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard. Carbon Calculated performs this calculation, using data provided by Nampak's divisions and the report is independently verified according to the ISO 14064-3 International Standard for GHG verifications. The reporting period is aligned with the group's financial reporting period and a detailed report is available on our website www.nampak.com/About-Us-Environment.aspx

Emissions (scope 1 and 2) intensity by region and then by cluster (tCO_2 per million rand revenue)

	2014	2013
South Africa		
Metals and Glass	34.47	36.30
Paper and Flexibles	67.71	69.43
Plastics	48.90	52.08
Tissue	94.61	87.40
Rest of Africa		
Metals and Glass	8.73	13.80
Paper and Flexibles	6.13	10.13
United Kingdom	19.40	19.36

Water consumption

Nampak recognises that many industries across the supply chain of packaged products face challenges related to water scarcity.

Water consumption (Mℓ) by region and then by cluster

	2014	2013
South Africa		
Metals and Glass	1 362.27	1 381
Paper and Flexibles	1 002.35	1 000
Plastics	159	171
Tissue	948	806
Group services	9	16
Rest of Africa		
Metals and Glass	80	80
Paper and Flexibles	22	32
United Kingdom	18	26

Over 80% of Nampak's water usage takes place at our paper mills, our glass furnaces and in the production of our beverage cans.

Water is required for the cooling system in the manufacture of glass bottles. To reduce Nampak's reliance on municipal water, we installed a water harvesting system at Nampak Glass during the construction of the third glass furnace in 2014. The closed-loop system has a 1 176kl water harvest tank which filters out particles and other waste to a skip and circulates the water through the system for reuse. This eliminates the need for Nampak to continuously draw water from municipal sources. In future, we plan to expand and integrate the new water harvesting system into the two other furnaces.

Nampak's water use at our Rosslyn paper mill site dropped in 2014 after we combined the separate water systems for each of the mills into a single system that now supplies both paper mills.

Waste management

Nampak's operations do not generate significant volumes of waste. Waste generated from our production processes is either returned into the manufacturing process or is collected and sold to recyclers. Production scrap metal is collected and returned either to our raw material suppliers or to scrap metal collectors. Waste glass is placed directly back into the furnace and is reused. Paper is mostly recycled back to the paper mills. The scrap materials generated in the plastics production process are recycled and reused at plant level.

Other general and hazardous waste is removed by certified service providers with whom we have group service agreements.

Environmental operating standards

Over the past few years, Nampak has systematically increased the number of our larger manufacturing sites that are ISO 14001:2004 certified. In South Africa, 75% of our manufacturing operations where this environmental standard is targeted are certified. The balance of the targeted operations, mainly in our plastics division (where the focus has been on introducing new food safety and health standards), will continue with implementation plans commencing over the next three years. Large operations in the rest of Africa will commence implementation during 2015. In the United Kingdom, eight of the nine plastics operations hold certification, and certification of the last site is due during 2015.

Smaller sites are subject to structured peer reviews under the risk control assessment framework.

Biodiversity

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

Environmental spills

We are pleased to report that there were no significant spills or environmental incidents during the year.

Ensuring product sustainability

Ensuring product sustainability through research and development

Nampak's value proposition is based on the production of packaging that contributes to the protection of products, such as food and beverages, and the prevention of their deterioration, as well as enabling their easier transportation and handling. Packaging is a vital component of the supply chain, providing convenience to consumers that is an essential part of today's lifestyles.

Packaging ensures that goods are delivered in a beneficial and secure manner to consumers. It helps to give them identity, promotes brands and provides key product information, as well as health and safety information that informs end-users of the product contents. Without packaging, many products would not be sustainable and more waste would be generated.

Primary packaging accounts for a small proportion of the total energy input into an average product's lifecycle from raw material to end of use. By avoiding food spoilage and product damage, the overall impact on the environment is likely to be positive.

Nampak is mindful that the benefits of packaging have to be balanced alongside the generation of packaging waste, the depletion of natural resources, the efficient use of energy and the company's carbon footprint.

Ongoing engagement with industry bodies, employees, customers and suppliers on future packaging requirements ensures that our product range evolves as alternative solutions become available. Such alternatives include so-called light-weighting of packaging and the recycling, reuse and recovery of packaging, thereby improving the sustainability of the raw materials used. Our research and development (R&D) facility is central to the development of alternative solutions.

Our commitment to R&D

Nampak R&D has a 68-year track record, and is at the forefront of its field. We provide the group's customers with an impressive value-added service, delivering packaging products that improve living standards and lifestyles. Our skills set comprises a highly trained team of 30 scientists, two engineers, 10 technologists and four business information researchers using 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 our customers with the expertise to package their products in a way that enables them to gain a significant value-added advantage over competitors. Shifts in consumer attitude are researched in focus groups, by both Nampak and our customers, to enable Nampak R&D to keep pace with changing consumption trends.

We have established an innovation process and a specific innovation room at Nampak R&D for group divisions and customers to consider product advancements and designs. We aim to increase the recyclability of packaging, believing this to be a more sustainable solution than biodegradability. Packaging extends the shelf life of products, but the increased awareness of waste drives a trend to reduce perceived "over packaging", requiring innovation from Nampak's various divisions.

Canned mackerel was launched in Namibia in November 2013 after a committed effort by Etosha Fisheries and Nampak R&D. Bernhard Esau, Namibian Minister of Fisheries and Marine Resources and Estelle van Wyk (in front) sample the new horse mackerel product in R&D's Shelf-Life Studies Laboratory while Neville Brink, Pieter Greef and Johann Visser observe

The new 21 degree celsius storage room where some of the canned horse mackerel was kept during the three-year testing period

Metals

We continually perform laboratory evaluations and plant trials of new materials from leading international steel suppliers. These materials include improved tinplate for food packaging that provides the potential for reducing tin-coatings and therefore cost. In addition, Nampak R&D also conducts numerous tests on metal packaging to ensure that cans match the needs of the industry. Our testing of high-strength and reduced-gauge steel from international suppliers is a continuous process and we have approved various reputable steel suppliers to supply Nampak. This initiative, part of a cost-saving and risk-reduction exercise, will also result in significant resource-conservation.

We have taken care to ensure that imported materials adhere to Euronorm requirements for heavy metals as well as to ensure that raw materials are not sourced from conflict areas. Nampak Bevcan commenced production of aluminium beverage cans in 2013. Nampak R&D is involved in the evaluation and validation of aluminium substrates to ensure suitable quality material for the manufacturing of aluminium cans.

Nampak R&D is working closely with international lacquer suppliers to find suitable alternatives to coating systems which contain BPA (Bisphenol-A) for our food and beverage cans and closures. We monitor packed trial-containers on a regular basis. BPA epoxy phenolic lacquer systems have been used in the international can manufacturing industry for more than 50 years. However, following reports of a controversial nature regarding BPA over the past few years, international coating suppliers and can manufacturers decided to develop BPA-NI (not intentionally added) coating systems. As long-term pack tests are needed to ensure the appropriate performance of the end products, this research is expected to take a few years. Good progress has been made so far, and depending on the results of numerous pack tests, Nampak is ready to commence production of certain metal food containers with BPA-NI coatings. The rest will follow as the results of pack tests support such a move.

Paper

The Nampak Corrugated division has increased the proportion of recycled paper in its board, using all the board produced by the brown paper mill at Rosslyn in its products. We continue to conduct research on strength comparisons between recycled and virgin material to determine an optimal level of recycled content. We are targeting markets where traditionally only virgin material has been used and are successfully using boxes with increased percentages of recycled fibre in these markets following intensive R&D and field trials.

We continuously rationalise corrugated board grades to optimise production and reduce raw material usage. We analyse with greater accuracy the box strength requirements of customers, allowing the identification of over-specified boxes and a subsequent reduction in packaging material usage. Optimising the manufacturing of corrugated boxes leads to higher-quality boxes, resulting in less waste. One way this is achieved is by minimising the damage done to corrugated board during production by introducing more accurate and detailed measuring and monitoring protocols.

We are automating the manufacture of starch adhesive to ensure consistency and reduced waste. We have approved the reduction of the raw material used for paper sacks after extensive scientific analysis to ensure it is fit for use. We evaluate alternative technologies to wax impregnation and plastic coatings whenever new products are developed to optimise the recyclability of the paper. Nampak 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 carton plants in South Africa, Nigeria and Zambia have aligned their purchasing strategies so that they are able to participate in the Forest 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.

Glass

We carry out physical glass-wall thickness measurements to gather data for the development of an accurate finite element analysis (FEA) model for the analysis of glass bottles. Computer FEA modelling of packaging has the benefit of faster performance prediction of new packaging and reducing waste during physical trials. FEA was done to compare bottles produced by the Blow-Blow process to the lighter weight Press-Blow process resulting in at least a 10% saving in mass for glass bottles for tomato sauce and a 7% saving in mass for glass jars for mayonnaise.

Crosse & Blackwell bottle light-weighting

Ensuring product sustainability continued

Plastic

Nampak R&D constantly evaluates the light-weighting of PET and HDPE bottles. We have measured carbonation retention and the physical properties of light-weighted PET packaging to check conformance with customer standards. In HDPE steri bottles, a 12.5% reduction in weight has been achieved after laboratory assessment. Using FEA, accompanied by physical bottle testing, we have reduced the mass of various bottles by redistributing the polymer to appropriate areas where extra strength is needed.

The group is monitoring the use of biodegradable plastics for packaging. However, at this stage, 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 materials in plastic packaging.

We evaluate these new materials with accelerated UV exposure testing followed by mechanical testing of the specimens to establish suitability of the suggested recycled materials. This type of work has resulted in a reduction in the height of bread crates, allowing for a 6% reduction in weight and a subsequent easing of transportation loads.

Nampak's new seven-layer co-extruder allows for the construction of clear materials that can replace aluminium-containing laminates and some metalised films for wine and food packaging. At Nampak R&D, we are evaluating these new materials for their suitability for key applications. We have reduced the use of certain printing inks by adding a pigment into the base polymer layer of the packaging, resulting in a reduction of solvent emissions. The Nampak R&D plastic laboratory is also involved in numerous testing exercises and other 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. We are involved in measuring the compliance of packaging chemical migration together with Nampak's suppliers and customers. Through close monitoring of local and international regulation, Nampak R&D can keep close track of changes which may impact packaging compliance for food-contact materials.

For more than 15 years, Nampak in South Africa has manufactured L-ring drums under licence from Mauser International and we have recently extended this relationship to include Mauser's intermediate bulk containers (IBCs). In conjunction with National Container Group (NCG), Mauser's international reconditioning arm, we now offer a product which is capable of full lifecycle management.

NCG-Container Solutions SA picks up used IBCs from customers, cleans them thoroughly, eliminates all dents and then inspects and tests before reintroducing them for reuse. IBCs that can no longer be reconditioned are recycled by breaking down the HDPE containers into plastic granules that can be used in the production of new containers. Any material that has been contaminated by a hazardous substance can, after proper cleaning, be used in the manufacture of a non-critical product, such as industrial piping.

NCG containers

Our commitment to reducing, recycling and reusing

In addition to the various product-reducing improvements, Nampak is an active participant in post-consumer packaging collection and recycling programmes. Some of these are internal and part of our business model and some are in association with a number of industry bodies. For the role of waste in our various value chains, see the operational reports starting on page 42.

Internal initiatives

South Africa

Collect-A-Can

Collect-A-Can, which is a joint venture between ArcelorMittal and Nampak, collects post-consumer metal packaging, monitors and reports on industry collection rates and trades the materials to recyclers. Collect-A-Can is subsidised by its shareholders to create an incentive for people to collect all types of cans. It operates across borders on the sub-continent where cans of South African and Angolan origin are sold. The beverage can is the most successfully recycled primary packaging in South Africa. It is anticipated that collection and recycling of Nampak's new aluminium beverage can will be improved due to the inherent higher value of the product for collectors.

Nampak Recycling

As one of Africa's largest recyclers, Nampak Recycling, Nampak's specialist recycling division, is represented nationally through appointed agents and branches in Cape Town, Johannesburg, Pretoria, Pinetown and Port Elizabeth. Our primary functions are to procure recovered fibre for the group's paper mills, and recovered cullet for Nampak's glass division.

During the year, the division collected 250 000 tonnes of recovered materials.

The recovered fibre was consumed as a raw material to manufacture corrugated boxes and toilet and facial tissue. The recovered glass was used to produce a diverse range of bottles for the food and beverage industries.

The Nampak Glass cullet facility

United Kingdom

Our Plastics division continues to make good progress in its commitment to sustainability with sales of its light-weighted high-density polyethylene Infini® milk bottles in the United Kingdom continuing to expand. The bottles offer weight savings of up to 25% and a recycled content of 15% to 20%. Trials have shown that the recycled raw material content on both the division's Infini® and standard bottle ranges can be increased to 30% and Nampak is on target for 30% rHDPE (recycled HDPE) inclusion in its milk bottles by 2015. However, this depends on the availability of a consistent quality and quantity of recycled material from our suppliers.

Infini® Bottle takes light-weighting to a whole new level

External initiatives

South Africa

Nampak continues to actively participate in the development and implementation of a comprehensive waste management plan in South Africa, which provides for systematic improvements in diverting packaging and paper waste from landfill. The National Environmental Management: Waste Act, 2008 (the Act) empowers the Minister of Environmental Affairs to develop industry waste management plans, including for the packaging and paper sectors. While the minister 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 a coordinated industry waste management plan. A revised industry plan was submitted to the Department of Environmental Affairs during September and provides a framework based on a consolidated industry plan for further dialogue with the government. More details of the plan are available on the PACSA website at www.pacsa.co.za. At the core of the waste management plan are a number of industry body initiatives. Nampak divisions play an active role in these activities through executive and management involvement and direct financial contributions in support of the development of recycling opportunities.

Ensuring product sustainability continued

An amendment to the Act was published during 2014 which requires the Minister of Finance to publish a pricing strategy. The pricing strategy is to contain the basis and guiding methodology or methodologies for setting waste management plans. We continue to engage actively with representatives of the Department of Environmental Affairs with a view to reaching a solution which recognises the contribution that is currently made by the industry in its various post-consumer packaging recycling initiatives.

United Kingdom

Nampak Plastics has led the market in reducing the environmental impacts of producing and consuming milk and, with its partners in the dairy industry, produced the world's first milk bottle containing food-grade post-consumer recycled polymer. Further to the inclusion of recycled material, new bottles, such as Infini®, are one component of the Dairy Roadmap. A dairy industry initiative of which Nampak was a founding member, the Dairy Roadmap provides for the establishment of targets in consultation with the Department for Environment, Food and Rural Affairs and aims to minimise the environmental impact across the entire dairy supply chain.

Rest of Africa

Nampak's operation in Zambia supports the collection of post-consumer liquid packaging cartons that are used in general-use briquettes for heating.

Our commitment to product stewardship

During Nampak's engagements with customers, the divisions agree the quality and food standards that are required as part of the overall supply chain relating to specific primary packaging for food and beverages for each of the manufacturing sites. These standards are then incorporated into business processes. In some cases, a number of food and safety standards have been adopted. The standards are internationally recognised and provide the requirements, specifications, guidelines or properties that can be used consistently to ensure that materials, products, processes and services deliver the objectives. These processes may be accredited by recognised external providers and, where certification is held, provide an appropriate level of derisking to the group and assurance to customers and ultimately consumers of products. Combinations of the following standards have been adopted within the group:

- ISO 22000:2005 – food safety management
- FFSC 22000/PAS 223 – aims to harmonise food safety standards for food manufacturers across Europe by incorporating other standards into one food and beverage framework
- BRC – packaging and packaging materials management
- AIB – plant inspections on food safety aspects
- HACCP – preventive approach to food safety, biological, chemical, physical management of hazards to food safety (being replaced by FFSC 22000/PAS 223)
- ISO 9001:2008 – quality management system

All our operations that manufacture primary packaging hold certification in one of the food safety standards, with the new beverage can facility in Nigeria in the process of obtaining certification. All our large manufacturing sites hold certification for quality management in line with group requirements.

What's happening with **reduce, reuse and recycling initiatives?**

The packaging industry has taken great strides in recent years to reduce, reuse and recycle. The highlights of the industry's recent performance in post-consumer packaging waste recycling include:

Metals

- Beverage cans are the most recycled primary packaging in South Africa.
- Aluminium beverage cans are infinitely recyclable and the energy required to recycle them is only 5% of the energy needed to produce virgin aluminium.
- If recycled enough times, aluminium cans become more energy efficient than any other form of non-returnable packaging.
- Nampak's aluminium closures are 100% recyclable.
- Our 45mm and 52mm food cans are lighter than their predecessors.

Glass

- The Glass Recycling Company reported a recycling rate of 40.6% in South Africa in 2013, this is ahead of the USA, which is reported to be at 36.9%.
- Over 80% of beer in South Africa is sold in returnable glass bottles.
- Eight out of every 10 new product launches in glass are lighter than before.
- Nampak purchases about 80 000 tonnes of recycled glass from over 4 000 SMME suppliers to be used in the glass manufacturing process. This will increase with the ramp-up of the third furnace at our glass operation.

Paper

- South Africa recycles 62% of all paper.
- Nampak collects 19% of the total paper waste.
- Our 10kg potato bag is 12.5% lighter than before and our cement bags are 100% compostable.

Plastics

- PETCO's reported recycling rates have increased from 34% in 2009 to 48% in 2013.
- Our multi-layered bottle used for long-life milk is 100% recyclable (including the closures and label).
- We have registered a patent on our light-weighted Infini plastic milk bottles in the United Kingdom. The design offers on average a 16% saving in raw material across the range, with specific bottles achieving weight reductions of up to 25%. The design also allows for up to 30% recycled HDPE and the aim is to increase this to 50% by 2020.
- South Africa recycles 30% of post-consumer plastic packaging.
- At 2.4g, our "super shorty" closure is 33% lighter than its predecessor.

For more information:

Packaging Council of South Africa: www.pacsa.co.za
Collect-A-Can: www.collectacan.co.za
The Glass Recycling Company: www.theglassrecyclingcompany.co.za
The Paper Recycling Association of South Africa: www.prasa.co.za
PlasticsISA: www.plasticsinfo.co.za
Petco (Pty) Ltd: www.petco.co.za
South African Industrial Containers Association: www.rosefoundation.org.za
Polyolefin Recycling Company: www.polyco.co.za

Abridged corporate governance report

Our commitment to good governance

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 and this abridged report sets out how the principles of good corporate governance are applied.

A statement of how the company has applied the principles of King III is set out in the full corporate governance report on the company's website, while a statement of the exceptions where the company elected not to comply with the principles of King III appears in table 3 at the end of this report on page 76.

Key governance developments in the year

- **We established the investment committee.**
- **We carried out ongoing fraud and corruption awareness training.**
- **We extended the group legal compliance policy to operations in the rest of Africa.**
- **We provided a competition law compliance refresher programme for managers of operations in South Africa.**

Governance framework and structure

The diagram at the bottom of this page is a simple overview of the corporate governance structure at Nampak.

Board of directors

The board is made up of an appropriate combination of executive and non-executive directors who have diverse academic qualifications and experience, race and gender. All non-executive directors are considered independent. For the biographical details of directors, and their length of tenure, see pages 10 to 12, where graphs also provide details of the board's representation by race and gender.

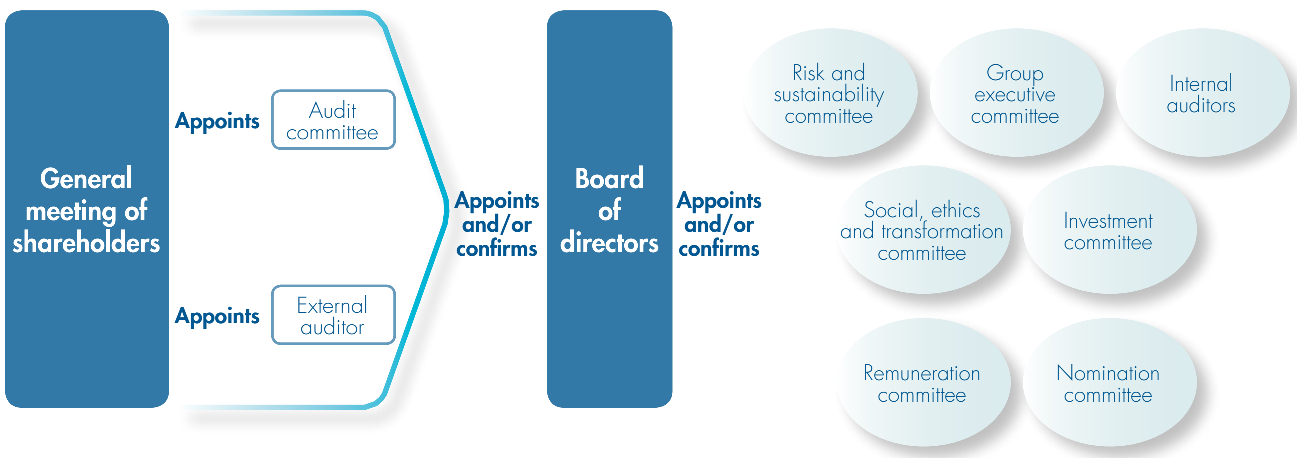
The board is responsible for the strategic direction of the group, while also maintaining control over all material matters affecting the group.

In the year under review, the board reviewed the independence status of all the non-executive directors and considered them all to be independent. In particular, the board reviewed the independence and performance of Dr RJ Khoza, who completed nine years of service as a non-executive director on 30 September 2014. It concluded that Dr Khoza's independence of character and judgement was not in any way affected by his length of service and that his service was of considerable benefit to the company.

The performance of the chairman is assessed by the board every second year and will next be assessed in 2015. No one director has unfettered power of decision making.

The positions of chief executive officer (CEO) 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 CEO is responsible for the operation of the businesses, the development of strategy and the submission of business plans and budgets to the board for consideration.

All directors, other than the CEO and chief financial officer (CFO), are subject to retirement and re-election by shareholders every three years. The CEO and CFO are not subject to this during the periods of their service contracts. 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.



Board committees

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

	Name	Role, purpose and principal functions	Key focus for the year under review
Audit committee	RV Smither (chairman) RC Andersen NV Lila IN Mkhari CWN Molope	• Nominates for appointment as auditor of the company a registered auditor considered independent • Determines fees to be paid to the auditor and the auditor's terms of engagement • Determines nature and extent of any non-audit services which the auditor may provide • Pre-approves any proposed contract with the auditor for provision on non-audit services • Evaluates performance of the external auditor • Reviews and evaluates effectiveness of internal controls • Monitors and supervises effective function of internal audit • Appoints, assesses performance and has the authority to dismiss the chief internal audit executive • Reviews AFS, interim reports and other announcements of the group's financial information • Reviews process for financial reporting • Reviews and evaluates expertise and experience of CFO	• See the full audit committee report on pages 98 and 99.
Investment committee	RC Andersen (chairman) E Ikazoboh PM Madi IN Mkhari DC Moephuli RV Smither AM de Ruyter G Griffiths	• Considers, approves or makes recommendations to board on capex and investment and disinvestments proposals • Monitors progress of major capital investments by way of investment progress schedule and post-implementation reviews • Approves internal processes relating to capex and investment proposals	• Recommended to the board approval of the committee's terms of reference • Reviewed and approved the group's investment and capital expenditure policy • Considered and recommended to the board approval of capital expenditure for a beverage can ends plant

Abridged corporate governance report continued

	Name	Role, purpose and principal functions	Key focus for the year under review
Nomination committee	TT Mboweni (chairman) RC Andersen RJ Khoza PM Surgey	• Ensures board has appropriate composition to execute its duties effectively • Ensures directors are appointed through a formal process • Ensures induction and ongoing training and development of directors takes place • Ensures formal succession plans for the board, CEO and senior management are in place • Ensures reviews of performance of directors take place • Ensures reviews of independence of non-executive directors	• Provided support to board in confirming independent status of non-executive directors based on the King III principles • Managed the process to identify and make recommendation to the board for the appointment of the new CEO • Considered and recommended to the board the appointment of a non-executive director • Considered and recommended to the board a number of committee appointments
Remuneration committee	PM Surgey (chairman) RC Andersen TT Mboweni	• Oversees setting and administering of remuneration at all levels • Oversees establishment of remuneration policy that promotes achievement of strategic objectives and encourages individual performance • Ensures remuneration policy is put to a non-binding advisory vote at AGM • Reviews outcomes of implementing remuneration policy to ensure objectives are achieved • Ensures mix of fixed and variable pay, in cash, shares and other elements, meets Nampak's strategic objectives • Satisfies itself to accuracy of recorded performance measures governing vesting of incentives • Ensures all benefits are justified and correctly valued • Considers performance evaluation results of CEO and other executive directors in determining remuneration • Selects appropriate comparative group to compare remuneration levels • Regularly reviews incentive schemes to ensure continued contribution to shareholder value and that these are administered in terms of the rules • Advises on remuneration of non-executive directors • Oversees preparation and recommends to the board the remuneration report on whether it is accurate, complete and transparent; provides clear explanation of how remuneration policy has been implemented; and provides sufficient forward-looking information for shareholders to pass a special resolution in terms of section 66(9) of the Companies Act, No 71 of 2008	• See the remuneration committee report on pages 79 to 96.

	Name	Role, purpose and principal functions	Key focus for the year under review
Risk and sustainability committee	CWN Molope (chairperson) PM Madi DC Moephuli PM Surgey Ex officio: RV Smither as chairman of the audit committee	• 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 • Monitors activities to ensure that they are sufficiently robust and that key risks are identified • Reviews the group's risk register bi-annually and evaluates the appropriateness of mitigating actions and controls • Ensures that unpredictable risks are identified as far as possible • Reviews on incidents, losses and claims • Determines whether the group's risk profile is within the risk and tolerance framework levels approved by the board • Reviews trends and issues of relevance for sustainability practices in the group • Provides guidance on processes to ensure group participates in the JSE's SRI index • Provides guidance on policy frameworks in respect of sustainability issues such as code of ethics, environmental (internal and external)and stakeholder engagement • Monitors and reports to board on group's progress against its sustainability commitments	• Reviewed the group's risk tolerance appetite framework and set appropriate levels for the year • Considered the group's top risks and emerging risks • Monitored the group's performance against material sustainability issues
Social, ethics and transformation committee	PM Madi (chairman) IN Mkhari (appointed) PM Surgey	• Recommends transformation commitments and targets for approval by board • Revises group's strategy, charter and targets in respect of B-BBEE as well as CSI approach • Ensures appropriate programmes, resources and internal committees are in place to drive transformation within the group • Monitors Nampak's activities relating to social and economic development and to good corporate citizenship • Assists the board in building and sustaining an ethical corporate culture in the company	• See the full social, ethics and transformation committee report on pages 77 and 78.

Table 1

Attendance at board and committee meetings during the year ended 30 September 2014

	Board		Audit committee		Social, ethics and transformation committee		Remuneration committee		Nomination committee		Risk and sustainability committee		Investment committee	
	A	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**
RC Andersen	6	6	3	3	–	–	3	3	4	4	–	–	3	3
AM de Ruyter	5	5	–	–	–	–	–	–	–	–	–	–	3	3
G Griffiths	6	6	–	–	–	–	–	–	–	–	–	–	3	3
E Ikazoboh	6	5	–	–	–	–	–	–	–	–	–	–	2	2
RJ Khoza	6	6	–	–	–	–	–	–	4	4	–	–	–	–
NV Lila	4	4	1	1	–	–	–	–	–	–	–	–	–	–
PM Madi	6	6	–	–	2	2	–	–	–	–	2	2	3	2
VN Magwentshu	3	2	1	1	–	–	–	–	–	–	–	–	–	–
AB Marshall	3	3	–	–	–	–	–	–	–	–	–	–	–	–
IN Mkhari	6	4	1	1	2	2	–	–	–	–	–	–	2	0
TT Mboweni	6	6	–	–	–	–	3	3	4	4	–	–	–	–
DC Moephuli	6	3	–	–	–	–	–	–	–	–	2	2	3	1
CWN Molope	6	6	3	2	–	–	–	–	–	–	2	2	–	–
RV Smither	6	6	3	3	–	–	–	–	–	–	2	2	3	3
PM Surgey	6	6	–	–	2	2	3	3	4	4	2	2	–	–
FV Tshiqi	6	6	–	–	–	–	–	–	–	–	–	–	–	–

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.

Company secretary

The company secretary operates on an arm's-length basis from the board and is not a member of the board. 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.

Board, committee and director evaluations

The board has decided that formal appraisals of the board, its committees and directors, will be conducted every second year and the next appraisal will take place in 2015.

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. 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, nor were any material penalties or fines imposed on the company or its directors or officers for contraventions of any laws or regulations.

No requests for information were lodged with the company, during the year under review, in terms of the Promotion of Access to Information Act, 2000.

Risk management

Policy framework and guidelines

Nampak's risk management guidelines and the operational framework describe the group's risk management processes and set 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 generally accepted good risk management practices. The group has adopted the structured and systematic enterprise risk management process guideline and framework, 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.

The group also assesses whether any risk has a likelihood of declining, increasing or remaining stable over the next three to five years. 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 should be taken to reduce potential exposure.

Risk management is a process which runs throughout the organisation and is formally integrated into the annual budgeting and strategic planning cycles as well as in capital expenditure processes, thereby taking into account external influences as well as internal factors. 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 management process is subject to internal audit reviews in an effort to continually enhance the effectiveness of the process.

Risk tolerance and appetite

The group has a risk appetite and risk tolerance framework. The measurement parameter 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 are also in place. The risk management framework provides an outline of the potential financial impact on 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 2015 is included in the risk management guidelines and framework and outlines the calendar for processes including risk assessments, risk reports, assurance activities and risk monitoring. A number of initiatives are in place to ensure continuous improvement of the risk management programme.

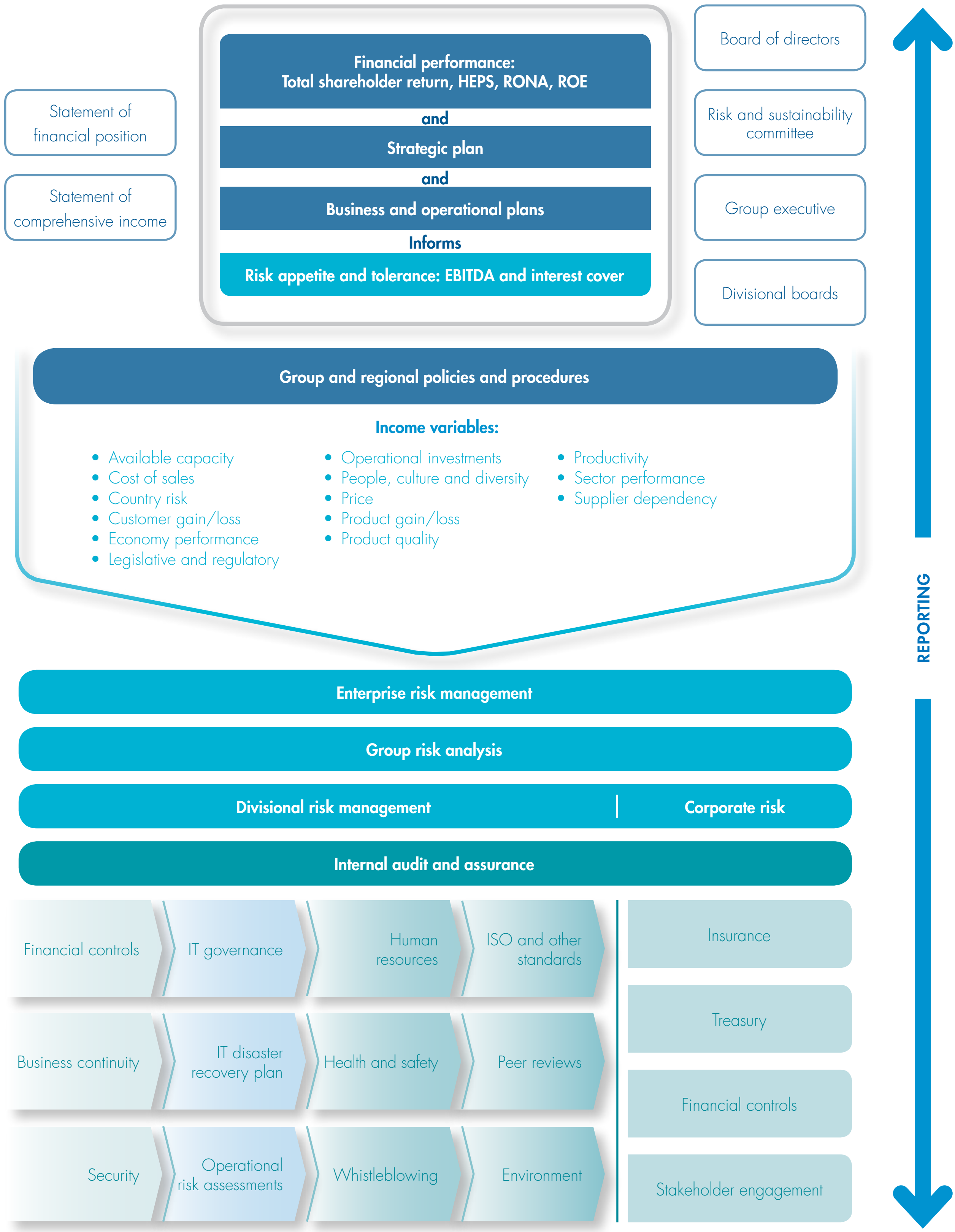
IT management

Information Technology (IT) is an important part of Nampak's business and is essential to the support and sustainability of the group. King III places responsibility for IT governance with the board, and the Nampak board has given the 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.

Risk management and compliance framework



Assurance

The data in this integrated annual report has been assured to the extent set out below. The combined assurance model envisages obtaining assurance from management, internal assurance providers and external assurance providers. This table reflects the material areas covered in 2014.

Table 2

Aspect	Requirement	Status	Assurance provider
Fair presentation in all material aspects of annual financial statements	External audit report	Assured	Deloitte & Touche
Insurance claims	Insurance claim review	Assured	Willis
Risks, internal controls, standards and processes	Internal audit review	Assured per internal audit plan	EY
Risk control standards	Peer review and external review	Assured	Willis
Transformation	B-BBEE scorecard	Assured	Empowerdex
Quality systems	ISO 9001	Certification at all major sites	SABS
Environmental audits	ISO 14000	Certification at 75% of sites in South Africa and all sites in the UK Certification planned for balance of targeted sites over the next three years	SABS, DQS
Carbon emissions	Greenhouse gas protocol	Assured	Carbon Known
Health and safety	OSHAS 18001 and Nampak Blue	Certification held at 10 sites. Safety is extensively dealt with under the group risk control standards	SABS, Willis
Data accuracy – safety, energy, water and waste	Internal audit review	The internal audit plan provides for selected data to be tested for accuracy and completeness	EY
Food and packaging safety	ISO 22000, HACCP, BRC, AIB, FSSC 22000 and PAS 223	Certification at all the sites that manufacture primary packaging for the food and beverage industry	SABS

Abridged corporate governance report continued

Table 3

King III non-compliance

	King III principles	Nampak's approach
2.22	The evaluation of the board, its committees and individual directors should be performed every year.	An in-depth evaluation of the board, its committees and individual directors is facilitated by an independent expert every second year, which the board considers to be an appropriate interval.
2.24	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.
6.4	The board should delegate to management implementation of an effective compliance framework and processes.	The operating entities in Nampak are required to identify laws, rules and standards that apply to the environment in which they operate and to ensure compliance therewith. The operating entities are kept abreast of legislative changes and compliance requirements from a group level.

Social, ethics and transformation committee report

Introduction

The social, ethics and transformation committee presents its report for the financial year ended 30 September 2014. The committee has discharged all its responsibilities and carried out all the functions assigned to it in terms of regulation 43 made under the Companies Act, No 71 of 2008, and as contained in the committee's charter.

Membership

The current members are as follows:

Name
PM Madi (chairman)
IN Mkhari
PM Surgey

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 other independent non-executive directors. Key senior executives, including the CEO and the group human resources director, attend the meetings of the committee, which met twice in the year.

Role, purpose and principal functions

The committee operates within written terms of reference which are reviewed from time to time. The committee's responsibilities include the following:

Transformation responsibilities:

- Recommending group transformation commitments and targets for approval by the board
- Ongoing revision of the group's strategy, charter and targets in respect of broad-based black economic empowerment
- Ongoing revision of the group corporate social investment strategy
- Ensuring that appropriate programmes, resources and internal committees are in place to drive transformation within the group

Social and ethics responsibilities:

- Monitoring the company's activities relating to social and economic development, including the company's standing in terms of the goals and purposes of:
  - the 10 principles set out in the United Nations Global Compact Principles;
  - the OECD recommendations regarding corruption;
  - the Employment Equity Act; and
  - the Broad-Based Black Economic Empowerment Act.
- Monitoring the company's activities relating to good corporate citizenship, including the company's:
  - promotion of equality, prevention of unfair discrimination and elimination of corruption;
  - contribution to development of the communities in which the company's activities are predominantly marketed or within which its products are predominantly manufactured and marketed;
  - record of sponsorship, donations and charitable giving;
  - consumer relationships, including the company's advertising, public relations and compliance with consumer protection laws; and
  - labour and unemployment including the company's standing in terms of the International Labour Organisation Protocol on decent work and working conditions.
- To assist the board in building and sustaining an ethical corporate culture in the company. In this regard, the committee allocated significant time in evaluating reports from the Tip-Offs Anonymous ethics line, in order to monitor trends, and any disciplinary action that had been implemented as a result thereof.

The group human resources director, in his capacity as ethics officer for the group, did not report any issues to the board in the year under review.

Report on key responsibilities

Transformation

Transformation is a strategic imperative of the company and receives ongoing attention from the committee. The committee monitors the company's performance against its broad-based black economic empowerment targets in each category on the scorecard and was pleased with the steady improvement and overall target achievement. The outcome was an improvement in the company's status to a Level 3 contributor, up from a Level 4 the previous year. The Level 3 rating equates to 110% procurement recognition level from the company's suppliers and customers. The implications of the new codes are presently being considered. As with many other manufacturing companies, we anticipate a significant downward adjustment to our contributor status when the new codes are implemented.

Corporate social investment

Nampak's corporate social investment approach has been in place for a number of years and we are pleased with the long-term relationships that have been formed with the communities where we have operations. A report of these activities is included on pages 52 to 58.

Enterprise development

The company's enterprise development activities are included on page 55 and on the website. The committee considers these activities to be positive contributors to the company's reputation and brand while developing and sustaining deserving black entrepreneurs.

Social

The committee considered and is satisfied with the progress in monitoring the company's compliance with the company's code of conduct and business ethics and the United Nations Global Compact's 10 principles on human rights, labour, the environment and anti-corruption. The committee reviewed the company's supporting policies and procedures during the year and found these to be suitable and comprehensive.

Integrity and ethics

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 302 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, an ethics line 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 46 reports were received during the year under review, which resulted in seven disciplinary hearings and two dismissals.

A total of 30 forensic reviews were conducted during the year in addition to investigations as a result of Tip-Offs Anonymous reports. The reviews resulted in 23 disciplinary hearings, which led to 11 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.

Health and safety

The committee recognises the importance of health and safety in the workplace and monitors performance against safety targets. A discount factor, which will be applied to 2015 management incentives, has been introduced in order to ensure continuous improvements in safety performance are achieved. More details have been included on page 53. We are pleased with the steady increase in the number of manufacturing operations that have been certified for OSHAS 18000, the health and safety standard.

Customer relationships

The committee reviewed performance against consumer and competition legislation and regulations and noted that there were no material breaches.

We were pleased to note that most of our manufacturing operations have been certified for ISO 9001, the quality standard.

PM Madi
Chairman of the social, ethics and transformation committee

20 November 2014

Remuneration report

Report from the remuneration committee chairman

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 (GEC) members, who are also the defined prescribed officers of the group. We have disclosed the individual remuneration of executive directors as well as the GEC 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. On recommendation by the remuneration committee, the board has approved the information in this report.

In line with our ongoing commitment to transparent and effective communication regarding remuneration matters, we have made various improvements to our remuneration report this year. We have kept the format of the two-part report, which separates forward-looking policy from backward-looking implementation of policy for the year under review, and have adopted a "single figure" remuneration reporting approach, which is in line with international best practice.

We have introduced the reporting on face value of awards made during the year, and enhanced disclosure surrounding performance against performance measures. We have aimed to keep our performance measures constant, and our targets appropriate, to reflect what we understand to be acceptable and sustainable levels of performance to our shareholders. In a year marked by achievement of RONA targets and continued HEPS performance, we feel confident that the Nampak executives continue to create value for you as shareholders, and that the levels of pay contained within the second part of the report are fair and reasonable, reflecting the strong performance of the executives, and thus, Nampak itself. Our remuneration policy and strategy continue to support and drive our business strategy as it evolves.

We strive to maintain open channels of communication with shareholders, meeting with them upon request, and taking into consideration their concerns and suggestions about remuneration policy. Last year, shareholders raised concerns surrounding the executive directors' and prescribed officers' retirement gratuity, and the performance conditions associated with the deferred bonus plan. The retirement gratuity has since been terminated. The question of performance linked to awards under the deferred bonus plan was considered and it was decided, in line with international norms for this sort of award, that the imposition of prospective performance conditions upon this type of award would be too onerous, considering the stretching performance targets which are applied to the short-term incentive upon which the award is based.

PM Surgey
Chairman of the remuneration committee

20 November 2014

Part 1: Remuneration philosophy and policy

The remuneration committee

The remuneration committee members (the committee) bring experience from their participation on other remuneration committees and board positions, to assist with setting the company's remuneration policy, and directors' and prescribed officers' remuneration, according to its charter, which can be found on the website. The members of the committee, and attendance of committee meetings during the year can be found on page 72.

Summary of key activities of the committee during 2014

- The remuneration structure was reviewed to ensure that it remains appropriate in terms of current best market practice.
- The performance targets were reviewed.
- The remuneration terms and conditions for the appointment of the new chief executive officer (CEO) were recommended to the board for approval.
- The post-retirement medical aid contributions policy was reviewed.

Remuneration philosophy

Our remuneration philosophy remains unchanged from previous years, and continues to balance the delivery of financial and non-financial measures that underpin the group's strategy. It supports the attraction and retention of high-calibre, experienced individuals who are able to deliver under challenging performance conditions.

How do we pay?

The balance of remuneration is more heavily weighted to at-risk pay elements linked to financial and non-financial performance criteria. More at-risk pay aligns behaviours of the individuals and teams to deliver value in line with shareholder expectations.

Guaranteed package + **Annual cash incentive bonus** + **Longer-term share plans**

Generally set below the median for the executive directors and group executive committee members as well as the divisional managing directors

Structured to encourage superior growth in earnings, consistent improvements in return on net assets (RONA) and return on equity (ROE) through the achievement of challenging performance criteria that are designed to align longer-term remuneration directly to growth in shareholder wealth

Internationally, the focus on executives directly holding shares in the company is becoming increasingly important to shareholders. Nampak has recognised this and through its strategy encourages executives to increase their shareholding in the Nampak group.

Remuneration principles

- Support the business strategy in that the performance targets used for the annual cash incentive bonus and long-term share plans are linked to the delivery of sustainable growth in earnings and returns on investments.
- Create and support a climate that is fair, but motivates high levels of performance through the higher weighting towards the at-risk pay elements.
- Ensure that guaranteed package levels are benchmarked, relevant and transparent to stakeholders and are set to attract and retain the correct calibre of employees.
- Include in the guaranteed package, relevant benefit options in line with market practice such as retirement funding, life cover, disability cover, personal accident insurance and medical cover.
- Encourage executives to invest post-tax incentive bonus earnings into a medium-term investment in shares in Nampak.
- Target a level of remuneration which provides upper quartile total earnings when performance conditions are achieved.
- Ensure tax compliance.

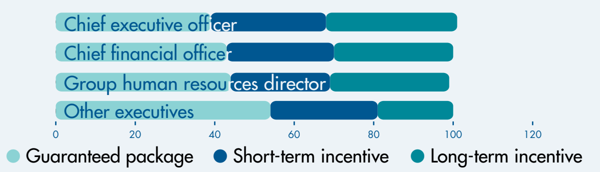
Remuneration mix

Executive directors and group executive committee members

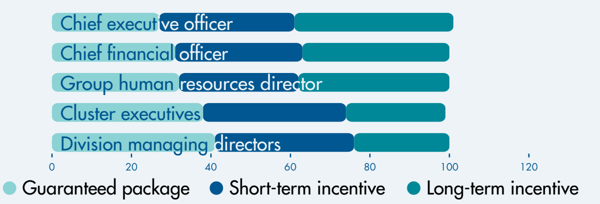
The committee approves the overall remuneration structure for the group and considers all the elements to ensure fair remuneration which motivates high levels of performance. Further, executives are encouraged to build up their shareholding in the company through the operation of the long-term share plans.

Our pay mix between guaranteed remuneration and at-risk remuneration (at target and stretch performance) is illustrated in the charts below

On-target pay mix (%)



Stretch pay mix (%)



Actual pay mix ratios between guaranteed remuneration and at-risk remuneration received are illustrated in the charts within Part 2, page 86.

The annual cash incentive bonus combined with the long-term share plans are variable pay structures which are underpinned by superior growth in earnings and consistent improvements in RONA and ROE. The remuneration committee is able to adjust the RONA targets to allow for short-term fluctuations in returns as a result of significant investments.

Proposed remuneration structure changes for 2015

The performance targets are reviewed annually and the performance targets for 2015 have also been included. A new discount factor of 5%, linked to directors' annual cash incentive bonuses (STIs) has been introduced, which is linked to the achievement of safety targets. This discount factor will be applicable across all jurisdictions. A revised discount factor of 15% (from 20%) is linked to employment equity for the South African operations to accommodate the safety targets.

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

Guaranteed package

Retirement funding, life cover, disability cover, personal accident insurance and medical cover are provided on a defined contribution basis and form part of the guaranteed packages.

Guaranteed package levels are recommended by the CEO after taking into account individual experience, current performance and contribution, future career progression, as well as resource availability.

The remuneration committee uses the following process to make informed decisions surrounding guaranteed packages and increases:

- Size and complexity of the role is considered
- Director reference levels are established (with assistance from external consultants)
- Deloitte & Touche and PwC provide general market survey data, which takes into account similar companies with comparable market capitalisation and revenue
- Director reference levels are benchmarked against the market annually, using comprehensive survey and published data in related industries for each jurisdiction
- Published remuneration of executives in similar roles, rolled forward by the average executive increases, is considered

The targeted level of guaranteed package for 2014 for directors, GEC and divisional managing directors was set at 90% of the average market median of the survey data. Guaranteed pay levels below these job roles are targeted at and above the median, providing for the annual cash incentive bonus awards for stretch performance to deliver upper quartile and above earnings for managers.

Discretion of the committee

The committee has discretion to approve guaranteed packages below or above the target percentage of the median, where specific circumstances merit a differential. Such circumstances could include attraction and retention of a scarce skill.

Annual cash incentive bonus (STI)

Setting of targets

The structure and approach of the STI is reviewed annually in detail by the committee, to ensure that it remains appropriate relative to current best market practice. The committee uses its experience, coupled with extensive local knowledge and international market data and trend analysis, to set the financial targets at the commencement of each financial year once the business strategy has been agreed.

Personal targets for the executives and prescribed officers are set subsequent to a KPI discussion with the individual, and are set to drive delivery against strategic objectives with a focus on short-term impact on profitability and the improvement of operational performance.

Components of the STI

The STI is comprised of two components, which are considered independently of one another, and combined to form the total annual STI, as represented in the graphic below.

- Individual performance (or personal) component: individual delivery against identified strategic objectives. The individual performance targets are linked to financial and non-financial performance indicators.
- Financial component: achievement against financial performance targets. The financial targets provide a balance between earnings growth and improvements in balance sheet ratios at a group and divisional level.

To continue aligning the group's employment equity strategy with director's remuneration, the directors' incentives earned are discounted for non-achievement of employment equity targets. For 2015, the value attached to this discount factor has been reduced from 20% to 15%. Additionally, a new discount factor of 5% linked to the achievement of safety targets has been introduced and will be applied across all jurisdictions.

Weighting of financial and individual performance component

The weighting between financial performance targets and individual performance targets in order to determine the quantum of STIs is as follows:

Employee or employee group	Financial component weighting	Individual performance component weighting
AM de Ruyter	68%	32%
G Griffiths	70%	30%
FV Tshiqi	70%	30%
GEC members	70%	30%

Total maximum potential incentive as a percentage of guaranteed package

Employee or employee group	Total maximum potential incentive as a percentage of guaranteed package
AM de Ruyter	125%
G Griffiths	105%
FV Tshiqi	95%
GEC members	85% to 95%

Financial component of STI

As set out in the table previously, 68% to 70% of the annual cash incentive bonus is attributable to financial performance. The percentage of the on-target amounts relating to the financial portion of the annual incentive bonus payments are calculated as follows:

The financial components of the incentive bonus target for executive directors and group executive committee members for 2014 were:

Performance condition
Growth in HEPS exceeding CPI (linear vesting of cash incentive up to cap for each individual)

×

Modifier
Testing against threshold RONA performance

=

Portion of cash incentive earned for achievement of financial metrics

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/cap
Performance measure: Headline earnings per share (HEPS)	Growth in headline earnings per share adjusted for fair value financial gains or losses in excess of the average consumer price index was the achievement at the entry level and the top-end achievement was 9% above the average consumer price index.	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.
Modifier: Return on net assets (RONA)	This is a gatekeeper provision and RONA performance below 13%, excluding the Bevcan Nigeria acquisition, will result in no incentive under the financial component vesting. The remuneration committee is 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 considers prior group performance as well as the RONA's of peer group competitors in South Africa and internationally.	• Below 13% = 0% vesting • 13% = 60% vesting • 13.5% = 70% vesting • 14% = 80% vesting • 14.5% = 90% vesting • 15% = 100% vesting	This performance target serves as a modifier and takes into account the short-term impact of investments on RONA.
Trading profit: A portion of the financial component for cluster and divisional executives who are members of the GEC is based on improvements in their operations' trading profit targets	Trading profit requirements are aligned with the achievement of the group's HEPS targets annually.	Straight line: 0% at entry level and 100% at stretch	Capped at 9% above average CPI which translates into stretch earning potential for individual executives. Earning potential is modified by RONA performance.

The same headline earnings per share target will apply for 2015, with the following RONA modifier targets that have been adjusted to reflect the short-term impact of investments in Bevcan Nigeria, Glass and Angolata:

- 11% = 60%
- 11.5% = 70%
- 12% = 80%
- 12.5% = 90%
- 13% = 100%

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.

Some of the key strategic# incentive bonus drivers for the year under review included:

- Growth in profits and product range in the rest of Africa
- Conversion from steel to aluminium beverage cans in line with return expectations
- Commissioning of the plant at Bevcan Nigeria and associated target volumes and in line with return expectations
- Commissioning of the third furnace at Nampak Glass by due date and per the start-up curve
- Finalisation of supply and customer contracts linked to commissioning of the glass furnace
- Security of paper sourcing and leveraging synergies
- Operational efficiency improvements
- Working capital management
- Identification of new business opportunities in plastics sector
- Employee productivity improvements
- Improvement in the B-BBEE rating from a Level 4 contributor to a Level 3 contributor
- Talent management in support of growth and facilitation of transformation at leadership levels
- Customer relationship management

Discretion of the committee

The committee has discretion to withdraw or change the incentive bonus scheme annually and to withhold any payments if specific circumstances necessitate.

The committee holds overriding discretion on incentive bonus payments including a zero bonus, should circumstances warrant.

Share plan structure

Awards are currently granted to directors and GEC members under the following three plans:

- Performance share plan
- Share appreciation plan
- Deferred bonus plan

Annual allocations are determined by PwC using market benchmarks which provide for upper quartile earnings for achievement of the top-end performance targets. The maximum value of performance awards is set by the remuneration committee each year after taking into account individual performance and contribution, future succession and retention aspects. The standard expected value of the share plan allocations as a percentage of guaranteed package 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
CEO	50%	15%	65%
Executive directors	40%	15%	55%
GEC 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 directors to purchase shares in terms of the deferred bonus plan.

Performance share plan

The performance share plan provides for the granting of performance share awards to executive directors and GEC 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.

For an explanation of each strategic initiative, see pages 40 and 41.

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 third a year after the vesting date and the final 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.

Share appreciation plan

The share appreciation plan provides the remuneration committee with an instrument to retain executive directors and GEC members as well as providing the CEO 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, GEC members and senior managers. These rights are conditional upon the group achieving specific performance criteria relating to real headline earnings per share growth adjusted for financial fair value gains or losses. At the end of the three-year performance period, the number of shares that are released and vest to each participant is determined against achievement of the performance targets. The vesting structure for allocations after 2009 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 GEC members, the remuneration committee sets one target. The target ensures that a growth in headline earnings per share adjusted for financial fair value gains and losses in excess of inflation is achieved before any shares vest. Therefore, no linear vesting exists between a threshold and target and should the target (described below) not be met, no vesting will take place.

The performance target for allocations in December 2013 and the proposed performance condition for the December 2014 awards are reflected below:

	Metric	Vesting profile
Headline earnings per share (100% of the vesting achievement)	Improvement in headline earnings per share adjusted for financial fair value gains and losses in excess of the consumer price inflation 6% over the three-year performance period	Full vesting on achievement of performance target

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 GEC 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.

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, and will not be, 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 at which time it will be liquidated. The share options granted in previous years have not had any performance conditions attached to them.

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. The trust is in the process of being liquidated.

Dilution and IFRS expense

The level of dilution of the share plans is within parameters set by the remuneration committee and approved by shareholders. Details of the number of new shares that can be issued or treasury shares that can be utilised are set out below, together with the current allocations before applying performance conditions.

	Number of shares that can be used	Number of shares allocated before applying performance conditions
Performance share plan	9 000 000	4 098 727
Share appreciation plan	18 000 000	8 159 687
Deferred bonus plan	5 000 000	359 549

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

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 of the black managers were not terminated for disciplinary reasons. The shares will be held in the trust until the end of the lock-in period on 31 December 2015, at which time the founding grant will be settled and the balance of the benefit will be released to the beneficiaries. The company has discretion to extend the lock-in period by a further two years should the value of the trust share value be less than the outstanding loan.

Service contracts

The CEO has an indefinite service contract with a six-month notice period. In order to ensure that the notice period remains relevant and necessary, at the end of September each year, the notice period returns to three months. The committee then reviews and agrees the applicable notice period for the next year. The notice period was renewed with effect from 1 October 2014.

The CFO, group human resources director and the GEC members have indefinite service contracts with three-month notice periods.

In the event of redundancy, executive directors and other GEC 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.

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

GEC 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 25 years at retirement, and depending on policy as amended from time to time. During the year, the policy was amended to provide for past-service accrual of post-retirement medical benefits to be capped at the consumer price index with an effective date of 30 September 2014.

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 CEO recommends the non-executive director fee structures after obtaining input from Deloitte & Touche and PwC regarding market movements and current pay practices. Published non-executive directors' fees and committee fees of companies in manufacturing and companies with similar market capitalisation are also benchmarked. 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 of 6.5% to the non-executive directors' fees and committee fees will be proposed for 2015 and the proposals are set out in the notice of annual general meeting. The proposed fees are considered as sufficient to attract and retain appropriate skills and expertise and recognise that increased time investment is required by non-executive directors due to the global nature and proliferation of corporate governance requirements.

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.

Part 2: Disclosure of the implementation of the policies for the financial year

2014 guaranteed package adjustments

The average increase for executive directors and executive committee members for reference guaranteed packages for the 2014 financial year was 6.0%.

The annual increases awarded to all categories of staff for 2014 were as follows:

- Directors 6.0%
- Group executive 6.0%
- Management 6.2%
- Other employees 8.3%

2014 annual cash incentive bonuses

For the financial year under review, the components of the incentive bonus attributable to group financial performance were achieved with 100% of the group financial component accruing. Different levels of operational trading profit performance were achieved at cluster and divisional level and for individual key performance indicators and the incentive bonus payments have been adjusted to reflect the actual achievements against targets. The employment equity targets were achieved and therefore no discounts were applied.

The STI payments accrue for the financial period 1 October 2013 to 30 September 2014 and include amounts earned under the individual performance component, and will be paid in December 2014.

The tables below illustrate actual performance relative to company and personal targets, and the resultant annual cash incentive for the CEO and CFO for the 2014 financial year. The annual cash incentives for the remaining executive director and prescribed officers can be found in the total remuneration table on page 88.

CEO	**0** **100**
Company performance (68%)	
HEPS	
RONA (modifier)	
Aggregate personal performance (32%)	
Resulting annual cash incentive	68% + 27.8% = 95.8% of maximum potential incentive (89.9% of TGP)
Note	*The CEO's annual cash incentive was pro-rated for nine months*

CFO	**0** **100**
Company performance (70%)	
HEPS	
RONA (modifier)	
Aggregate personal performance (30%)	
Resulting annual cash incentive	70% + 27.0% = 97.0% of maximum potential incentive (102.0% of TGP)

Sign-on benefits

The remuneration committee approved certain sign-on benefits connected to the appointment of the CEO. The first of these was a sign-on lump sum payment of R1 000 000 paid on 2 January 2014. The second is a cash award payable on 2 January 2015. The face value of this payment on commencement of employment on 2 January 2014 was R4 000 000. The actual value of the payment will be adjusted to reflect the share price performance on 2 January 2015 relative to the share price on 2 January 2014.

Long-term share plans – awards made in December 2013

The table below indicates the number and market value of the awards made under the SAP and PSP.

Name	Number of SAP awarded	Market value of awards Note 3	Number of PSP awarded	Market value of awards Note 3
Executive directors				
AM de Ruyter[1]	121 132	4 974 891	128 300	5 269 281
G Griffiths	59 720	2 258 013	118 120	4 466 117
AB Marshall[2]	–	–	5 223	197 482
FV Tshiqi	38 406	1 452 131	62 458	2 361 537
Group executive committee				
PA de Weerdt	38 406	1 452 131	66 858	2 527 901
RG Morris	38 406	1 452 131	66 858	2 527 901
SE Msane	24 296	918 632	41 614	1 573 425
NP O'Brien	32 395	1 224 855	49 608	1 875 678

[1] *Award date is 2 January 2014, at commencement of employment.*
[2] *Initial award of 62 680 PSPs. The balance is shown after forfeiture of 57 457 PSPs due to retirement with effect 31 March 2014.*
[3] *Values represented are calculated using the spot price on date of the award. Refer to column headers.*

Performance targets and weightings

Performance targets and their weightings for allocations in December 2013, together with the proposed performance conditions for the December 2014 awards are reflected below:

Financial performance and weighting	Metric	Vesting profile	Stretch performance/cap
Cumulative total shareholder return (TSR) (30% 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	Straight line: 0% at entry level and 100% at stretch	Capped at 24% above average CPI which translates into the stretch earning potential for individual executives
Headline earnings per share (40% of the vesting achievement)	Improvement in headline earnings per share adjusted for financial 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	Straight line: 0% at entry level and 100% at stretch	Capped at 24% above average CPI which translates into the stretch earning potential for individual executives
Return on equity (30%)	Absolute ROE performance of between 15.5% to 17.5% at the end of the three-year performance period	• 15.5%= 60% vesting • 16% = 70% vesting • 16.5% = 80% vesting • 17% = 90% vesting • 17.5% = 100%	Capped at a ROE of 17.5% which translates into the stretch earning potential for individual executives

Long-term share plans – anticipated vesting in December 2014

Performance share plan: Achievement against target for the 2011 allocation

The group exceeded the 2011 headline earnings per share performance and total shareholder return targets set for the performance share plan and it is anticipated that 100% of the shares allocated will vest in December 2014.

Share Appreciation Rights Plan: Achievement against target for the 2011 allocation

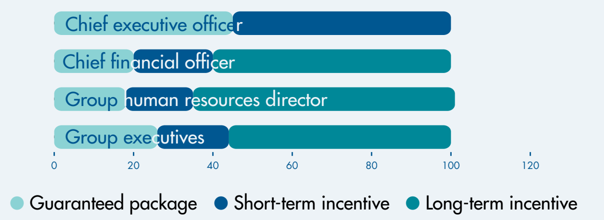
The headline earnings per share performance condition for the 2011 allocation was achieved and it is anticipated that 100% of the share awards will vest in December 2014.

Remuneration report continued

Actual pay mix for 2014

The actual pay mix between guaranteed remuneration and at-risk for the 2014 financial year is illustrated in the charts below:

Actual pay mix for 2014 (%)



Total remuneration outcomes for 2014

Total emoluments paid during the year ending 30 September 2014 and for 30 September 2013 are contained in the tables below. The single-figure disclosure includes all guaranteed pay, annual cash incentive bonuses and the value from all long-term incentive plans which vested (or where the performance period ended) during the year under review.

Executive directors' and group executive committee members' total remuneration 2014

We have changed the reporting in the 2014 total remuneration table to reflect international best practice, and to enhance transparency. In line with this new approach, the SAP and PSP awards for which the performance period expired at the end of the financial year under review are included in the 2014 remuneration (although vesting of these awards is still subject to continued employment until December 2014). The 2014 awards are based on the quantum of the 2014 STI, as disclosed. As participation is voluntary, awards are only quantified and made in December 2014, and accordingly, this information is not available at the time of publishing.

Name	Basic salary	Payments by offshore companies (rand) Note 1	Company contribution to retirement	Guaranteed package	Value of other benefits Note 6	STI (rand) Note 7	Total remuneration	SAP and PSP Note 8
Columns	1	2	3	4=1+2+3	5	6	7=4+5+6	8
Executive directors								
AM de Ruyter[2]	4 280 240	–	369 760	4 650 000	1 011 723	5 570 700	11 232 423	–
G Griffiths	2 621 630	888 242	227 334	3 737 206	7 532	3 632 429	7 377 167	10 683 839
AB Marshall[3]	2 076 979	901 711	179 399	3 158 089	507 324	–	3 665 413	9 357 408
FV Tshiqi	2 352 222	–	199 975	2 552 197	6 784	2 369 460	4 928 441	9 435 553
Total	**11 331 071**	**1 789 953**	**976 468**	**14 097 492**	**1 533 363**	**11 572 589**	**27 203 444**	**29 476 800**
Group executive committee								
CH Bromley[4]	905 857	–	77 036	982 893	80 843	–	1 063 736	–
C Burmeister[5]	1 106 550	–	93 450	1 200 000	3 025	991 200	2 194 225	825 967
PA de Weerdt	2 716 570	–	232 108	2 948 678	7 784	1 935 512	4 891 974	9 599 273
RG Morris	2 717 898	–	230 780	2 948 678	7 784	2 300 706	5 257 168	9 599 273
SE Msane	2 457 566	–	209 306	2 666 872	7 073	1 787 871	4 461 816	4 433 615
NP O'Brien	2 127 847	–	179 618	2 307 465	6 167	1 961 345	4 274 977	4 257 207
EE Smuts[5]	1 254 282	–	105 718	1 360 000	3 429	1 090 394	2 453 823	980 683
Total	**13 286 570**	**–**	**1 128 016**	**14 414 586**	**116 105**	**10 067 028**	**24 597 719**	**29 696 018**

Note 1: For the purposes of total remuneration, offshore payments have been converted into rand using the average exchange rate of £1:R17.5379.
Note 2: Appointed with effect from 1 January 2014. Received a once-off cash sign-on bonus paid on 2 January 2014.
Note 3: Retired with effect 31 March 2014. Received leave pay to the value of R485 567 on termination and a farewell gift valued at R16 667.
Note 4: Resigned with effect from 31 January 2014. Received leave pay to the value of R78 015 on termination.
Note 5: Appointed to the group executive committee with effect from 1 April 2014. Earnings related to the period prior to appointment as prescribed officer are not included.
Note 6: Unless specifically noted above, other benefits refers to group personal accident cover.
Note 7: STI disclosed is based on performance during the 2014 financial year, but actual STI payments will only be made in December 2014.
Note 8: SAPs and PSPs disclosed were awarded in December 2011, with the applicable performance period ending 30 September 2014 and the employment period ending in December 2014.
Values represented are calculated using the VWAP received as at 30 September 2014.

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

The 2013 remuneration table set out below is disclosed in the same format as within the remuneration report of the prior year.

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

Note 1: For the purposes of total remuneration, offshore payments have been converted into rand using the average annual exchange rate of £1:R14.4864.
Note 2: 15-year long-service award paid to FV Tshiqi and ZK Nzimande terminated employment with effect from February 2013.

Share awards schedule for executive directors and group executive committee members

Details of the directors' interest in shares of the company are disclosed in the annual financial statements.

The tables overleaf illustrate on an individual executive director and GEC member level the value of long-term incentives allocated, settled, forfeited and the current value of units not settled under each share plan.

Share appreciation plan

Name	Award date	Market value at award date	Number of share appreciation rights awarded	Movements (forfeited or withdrawn as a result of achievement against performance condition)	Number of rights capable of being exercised	Number of rights exercised	Exercise date	Market value on exercise date	Gain on rights exercised	Balance of rights not exercised	Lapse date
Executive directors											
AM de Ruyter[1]	02/01/2014	41.07	121 132	–	–	–	–	–	–	–	02/01/2021
G Griffiths	03/12/2013	37.81	59 720	–	–	–	–	–	–	–	03/12/2020
	03/12/2012	30.67	66 195	–	–	–	–	–	–	–	03/12/2019
	05/12/2011	22.95	115 640	–	–	–	–	–	–	–	05/12/2018
	14/12/2010	23.00	91 000	–	91 000	91 000	17/12/2013	39.19	1 473 270	–	14/12 2017
	04/12/2009	16.16	117 269	–	117 269	39 090	03/12/2012	30.40	556 624	–	
						39 090	03/12/2013	34.95	734 474	39 089	04/12 2019
AB Marshall[2]	03/12/2012	30.67	122 158	(71 259)	–	–		–	–	–	03/06/2016
	05/12/2011	22.95	106 703	(26 676)	–	–		–	–	–	03/06/2015
	14/12/2010	23.00	210 000	–	210 000	210 000	17/12/2013	39.19	3 399 889	–	14/12 2017
	04/12/2009	16.16	148 841	–	148 841	49 614	03/12/2012	30.40	706 496		
						49 614	03/12/2013	34.95	932 221	49 613	03/06/2015
FV Tshiqi	03/12/2013	37.81	38 406	–	–	–	–	–	–	–	03/12/2020
	03/12/2012	30.67	42 570	–	–	–	–	–	–	–	03/12/2019
	05/12/2011	22.95	140 578	–	–	–	–	–	–	–	05/12/2018
	14/12/2010	23.00	40 000	–	40 000	40 000	17/12/2013	39.19	647 576	–	14/12/2017
	04/12/2009	16.16	49 138	–	49 138	16 379	03/12/2012	30.40	233 229		
						16 379	03/12/2013	34.95	307 735	16 380	04/12/2019
Group executive committee											
CH Bromley[3]	03/12/2012	30.67	42 570	(42 570)	–	–	–	–	–	–	03/12/2019
	05/12/2011	22.95	140 578	(140 578)	–	–	–	–	–	–	05/12/2018
	14/12/2010	23.00	40 000	–	40 000	40 000	17/12/2013	39.19	647 576	–	14/12/2017
	04/12/2009	16.16	49 138		49 138	16 379	03/12/2012	30.40	233 229		
				(16 380)		16 379	03/12/2013	34.95	307 735	–	04/12/2019
PA de Weerdt	03/12/2013	37.81	38 406	–	–	–	–	–	–	–	03/12/2020
	03/12/2012	30.67	42 570	–	–	–	–	–	–	–	03/12/2019
	05/12/2011	22.95	140 578	–	–	–	–	–	–	–	05/12/2018
	14/12/2010	23.00	40 000	–	40 000	40 000	17/12/2013	39.19	647 576	–	14/12/2017
	04/12/2009	16.16	49 138	–	49 138	16 379	03/12/2012	30.40	233 229		
						16 379	03/12/2013	34.95	307 735	16 380	04/12/2019
RG Morris	03/12/2013	37.81	38 406	–	–	–	–	–	–	–	03/12/2020
	03/12/2012	30.67	42 570	–	–	–	–	–	–	–	03/12/2019
	05/12/2011	22.95	140 578	–	–	–	–	–	–	–	05/12/2018
	14/12/2010	23.00	40 000	–	40 000	40 000	17/12/2013	39.19	647 576	–	14/12/2017
	04/12/2009	16.16	49 138	–	49 138	16 379	03/12/2012	30.40	233 229		
						16 379	03/12/2013	34.95	307 735	16 380	04/12/2019

[1] *Appointed with effect from 1 January 2014.*
[2] *Retired with effect from 31 March 2014.*
[3] *Resigned with effect from 31 January 2014.*

Share appreciation plan continued

Name	Award date	Market value at award date	Number of share appreciation rights awarded	Movements (forfeited or withdrawn as a result of achievement against performance condition)	Number of rights capable of being exercised	Number of rights exercised	Exercise date	Market value on exercise date	Gain on rights exercise	Balance of rights not exercised	Lapse date
Group executive committee continued											
SE Msane	03/12/2013	37.81	24 296	–	–	–	–	–	–	–	03/12/2020
	03/12/2012	30.67	35 166	–	–	–	–	–	–	–	03/12/2019
	05/12/2011	22.95	63 052	–	–	–	–	–	–	–	05/12/2018
	14/12/2010	23.00	27 000	–	27 000	27 000	17/12/2013	39.19	437 125	–	14/12/2017
	04/12/2009	16.16	42 505	–	42 505	14 168	03/12/2012	30.40	201 734		
				–		14 168	03/12/2013	34.95	266 214	14 169	04/12/2019
	15/06/2006	17.07	61 000	(30 500)	30 500	10 167	29/07/2009				
						10 167	29/07/2010				
						10 166	29/07/2011	35.95	575 949	–	15/06/2016
NP O'Brien	03/12/2013	37.81	32 395	–	–	–	–	–	–	–	03/12/2020
	03/12/2012	30.67	35 166	–	–	–	–	–	–	–	03/12/2019
	05/12/2011	22.95	63 052	–	–	–	–	–	–	–	05/12/2018
	14/12/2010	23.00	27 000	–	27 000	27 000	17/12/2013	39.19	437 125	–	14/12/2017
	04/12/2009	16.16	42 505	–	42 505	14 168	03/12/2012	30.40	201 734		
						14 168	03/12/2013	34.95	266 214	14 169	04/12/2019

Remuneration report continued

Performance share plan

Name	Award date	Number of conditional shares awarded	Movements (forfeited or withdrawn as a result of achievement against performance condition)	Number of shares capable of being released	Number of shares released	Release date	Market value on release date	Gain on vested shares (rand)	Gain on additional dividend shares (rand)	Total gain on vesting and dividend shares (rand)	Vested shares still to be released excluding dividend shares
Executive directors											
AM de Ruyter[1]	02/01/2014	128 300	–	–	–	–	–	–	–	–	–
G Griffiths	03/12/2013	118 120	–	–	–	–	–	–	–	–	–
	03/12/2012	120 001	–	–	–	–	–	–	–	–	–
	05/12/2011	210 228	–	–	–	–	–				
	14/12/2010	119 000	–	119 000	39 666	17/12/2013	39.19	1 554 511	133 834	1 688 344	79 334
	04/12/2009	118 811	–	118 811	39 604	03/12/2012	30.40	1 203 962	91 656	1 295 618	
					39 604	03/12/2013	34.95	1 384 160	143 540	1 527 699	39 603
AB Marshall[2]	03/12/2013	62 680	(57 457)	–	–	–	–	–	–	–	–
	03/12/2012	246 832	(143 986)	–	–	–	–	–	–	–	–
	05/12/2011	257 954	(64 489)	–	–	–	–	–	–	–	–
	14/12/2010	202 500	–	202 500	67 500	17/12/2013	39.19	2 645 325	227 838	2 873 163	135 000
	03/02/2010	150 000	(2 250)	147 750	49 250	01/02/2013	31.34	1 543 495	157 828	1 701 323	
					49 250	03/02/2014	34.77	1 712 423	226 770	1 939 192	49 250
	04/12/2009	251 331	–	251 331	83 777	03/12/2012	30.40	2 546 821	193 922	2 740 742	
					83 777	03/12/2013	34.95	2 928 006	303 681	3 231 687	83 777
	02/03/2009	338 826	(234 214)	104 612	34 870	01/03/2012	23.08	804 800	81 241	886 041	
					34 870	01/03/2013	31.90	1 112 353	126 420	1 238 773	
					34 872	03/03/2014	36.78	1 282 515	175 209	1457 724	–
FV Tshiqi	03/12/2013	62 458	–	–	–	–	–	–	–	–	–
	03/12/2012	63 816	–	–	–	–	–	–	–	–	–
	05/12/2011	168 775	–	–	–	–	–	–	–	–	–
	14/12/2010	76 200	–	76 200	25 400	17/12/2013	39.19	995 426	85 704	1 081 130	50 800
	04/12/2009	44 806	–	44 806	14 935	03/12/2012	30.40	454 024	34 565	488 589	
					14 935	03/12/2013	34.95	521 978	54 138	576 116	14 936
	10/12/2008	73 607	(50 881)	22 726	7 575	09/12/2011	21.93	166 120	12 040	178 159	
					7 575	07/12/2012	30.67	232 325	20 702	253 028	
					7 576	09/12/2013	35.74	270 766	30 629	301 395	–
Group executive committee											
CH Bromley[3]	03/12/2012	68 426	(68 426)	–	–	–		–	–	–	–
	05/12/2011	172 775	(172 775)	–	–	–		–	–	–	–
	14/12/2010	80 000	(53 333)	26 667	26 667	17/12/2013	39.19	1 045 080	89 980	1 135 060	–
	04/12/2009	44 806	–	44 806	14 935	03/12/2012	30.40	454 024	34 565	488 589	–
			(14 936)		14 935	03/12/2013	34.95	521 978	54 138	576 116	–
	10/12/2008	141 712	(97 959)	43 753	14 584	09/12/2011	21.93	319 827	23 180	343 007	
					14 584	07/12/2012	30.67	447 291	39 871	487 162	
					14 585	09/12/2013	35.74	521 268	58 971	580 239	–
PA de Weerdt	03/12/2013	66 858	–	–	–	–	–	–	–	–	–
	03/12/2012	68 426	–	–	–	–	–	–	–	–	–
	05/12/2011	172 775	–	–	–	–	–	–	–	–	–
	14/12/2010	80 000	–	80 000	26 667	17/12/2013	39.19	1 045 080	89 980	1 135 060	53 333
	04/12/2009	44 806	–	44 806	14 935	03/12/2012	30.40	454 024	34 565	488 589	–
					14 935	03/12/2013	34.95	521 978	54 138	576 116	14 936
	10/12/2008	141 712	(97 959)	43 753	14 584	09/12/2011	21.93	319 827	23 180	343 007	–
					14 584	07/12/2012	30.67	447 291	39 871	487 162	–
					14 585	09/12/2013	35.74	521 268	58 971	580 239	–

Performance share plan continued

Name	Award date	Number of conditional shares awarded	Movements (forfeited or withdrawn as a result of achievement against performance condition)	Number of shares capable of being released	Number of shares released	Release date	Market value on release date	Gain on vested shares (rand)	Gain on additional dividend shares (rand)	Total gain on vesting and dividend shares (rand)	Vested shares still to be released excluding dividend shares
Group executive committee continued											
RG Morris	03/12/2013	66 858	–	–	–	–	–	–	–	–	–
	03/12/2012	68 426	–	–	–	–	–	–	–	–	–
	05/12/2011	172 775	–	–	–	–	–	–	–	–	–
	14/12/2010	80 000	–	80 000	26 667	17/12/2013	39.19	1 045 080	89 980	1 135 060	53 333
	04/12/2009	44 806	–	44 806	14 935	03/12/2012	30.40	454 024	34 565	488 589	–
					14 935	03/12/2013	34.95	521 978	54 138	576 116	14 936
	10/12/2008	141 712	(97 959)	43 753	14 584	09/12/2011	21.93	319 827	23 180	343 007	
					14 584	07/12/2012	30.67	447 291	39 871	487 162	
					14 585	09/12/2013	35.74	521 268	58 971	580 239	–
SE Msane	03/12/2013	41 614	–	–	–	–	–	–	–	–	–
	03/12/2012	54 824	–	–	–	–	–	–	–	–	–
	05/12/2011	80 624	–	–	–	–	–	–	–	–	–
	14/12/2010	68 500	–	68 500	22 833	17/12/2013	39.19	894 825	77 048	971 873	45 667
	04/12/2009	32 298	–	32 298	10 766	03/12/2012	30.40	327 286	24 898	352 184	
					10 766	03/12/2013	34.95	376 272	39 004	415 276	10 766
	10/12/2008	94 419	(65 268)	29 151	9 717	09/12/2011	21.93	213 094	15 439	228 533	
					9 717	07/12/2012	30.67	298 020	26 560	324 581	
					9 717	09/12/2013	35.74	347 286	39 278	386 564	–
NP O'Brien	03/12/2013	49 608	–	–	–	–	–	–	–	–	–
	03/12/2012	50 334	–	–	–	–	–	–	–	–	–
	05/12/2011	76 314	–	–	–	–	–	–	–	–	–
	14/12/2010	64 500	–	64 500	21 500	17/12/2013	39.19	842 585	72 541	915 126	43 000
	04/12/2009	32 298	–	32 298	10 766	03/12/2012	30.40	327 286	24 898	352 184	
					10 766	03/12/2013	34.95	376 272	39 004	415 276	10 766
	10/12/2008	73 607	(50 881)	22 726	7 575	09/12/2011	21.93	166 120	12 040	178 159	
					7 575	07/12/2012	30.67	232 325	20 702	253 028	
					7 576	09/12/2013	35.74	270 766	30 629	301 395	–

[1] *Appointed with effect from 1 January 2014.*
[2] *Retired with effect from 31 March 2014.*
[3] *Resigned with effect from 31 January 2014.*

Deferred bonus plan

Name	Grant date	Number of shares purchased	Movements (forfeited or withdrawn as a result of termination of employment)	Market value at grant date	Matching award release date	Matching award – number of shares released	Market value at award date (rand)	Gain on matching award (rand)	Value invested in Nampak share at 30 September 2014 at R40.93 per share (rand)
Executive directors									
G Griffiths	18/12/2013	6 734		39.49	18/12/2016				2 974 015
	14/12/2012	27 917		32.38	14/12/2015				
	15/12/2011	38 010		22.65	15/12/2014				
	15/12/2010	34 618		22.72	15/12/2013	34 618	39.19	1 356 679	
AB Marshall[1]	14/12/2012	58 561	(34 161)	32.38	14/12/2015				3 430 425
	15/12/2011	79 216	(19 804)	22.65	15/12/2014				
	15/12/2010	72 913		22.72	15/12/2013	72 913	39.19	2 857 460	
FV Tshiqi	14/12/2012	18 104		32.38	14/12/2015				1 746 974
	15/12/2011	24 578		22.65	15/12/2014				
	15/12/2010	13 137		22.72	15/12/2013	13 137	39.19	514 839	
Group executive committee									
CH Bromley[2]	14/12/2012	18 431	(18 431)	32.38					–
	15/12/2011	17 355	(17 355)	22.65					
	15/12/2010	14 637		22.72	15/12/2013	14 637	39.19	573 624	
PA de Weerdt	18/12/2013	8 910		39.49	18/12/2016				2 163 969
	14/12/2012	18 646		32.38	14/12/2015				
	15/12/2011	25 314		22.65	15/12/2014				
	15/12/2010	14 708		22.72	15/12/2013	14 708	39.19	576 407	
RG Morris	18/12/2013	4 266		39.49	18/12/2016				1 050 223
	14/12/2012	12 908		32.38	14/12/2015				
	15/12/2011	8 485		22.65	15/12/2014				
	15/12 2010	19 180		22.72	15/12/2013	19 180	39.19	751 664	
SE Msane	15/12/2011	6 622		22.65	15/12/2014				271 038
	15/12/2010	10 947		22.72	15/12/2013	10 947	39.19	429 013	
NP O'Brien	18/12/2013	3 111		39.49	18/12/2016				1 361 536
	14/12/2012	12 982		32.38	14/12/2015				
	15/12/2011	17 172		22.65	15/12/2014				
	15/12/2010	15 540		22.72	15/12/2013	15 540	39.19	609 013	

[1] *Retired with effect from 31 March 2014.*
[2] *Resigned with effect from 31 January 2014.*

Black Management Trust

The interest held by each of the participants is shown below:

Name	Number of awards granted	Founding grant price (rand)
FV Tshiqi	982 579	15.13
SE Msane	725 000	15.13

The Nampak 1985 Share Option Scheme

As explained in the remuneration policy, the legacy option scheme is no longer used to make awards. The balance of share options held by directors and GEC members were exercised during the year.

Name	Date of grant	Issue price (rand)	Number of options held at 30 September 2013	Number of options exercised	Market value at exercise date (rand)	Exercise date	Gain on options exercised (rand)	Number of options held at 30 September 2014	Lapse date
Group executive committee									
CH Bromley[1]	01/12/2004	14.95	85 000	85 000	38.47	12/12/2013	1 999 250	–	01/12/2014
RG Morris	01/12/2004	14.95	90 000	90 000	35.29	25/11/2013	1 830 357	–	01/12/2014
NP O'Brien	01/12/2004	14.95	50 000	50 000	35.50	25/11/2013	1 027 500	–	01/12/2014

[1] *Resigned with effect from 31 January 2014.*

Non-executive directors' remuneration

The non-executive remuneration paid during the year under review (as approved by shareholders) and the comparative figures for 2013 are disclosed below. An increase of 6.5% will be proposed for 2015 and the proposals are set out in the notice of the annual general meeting.

Non-executive directors' remuneration 2014

Name	Directors' fees (rand)		Audit committee total fees (rand)	Remune-ration committee total fees (rand)	Nomination committee total fees (rand)	Investment committee total fees (rand)	Risk and sustainability committee total fees (rand)	Social, ethics and transform-ation committee fees (rand)	Total (rand)
	Base fee	Meeting fees							
RC Andersen	146 280	107 590	121 900	87 700	68 900	137 137	–	–	669 507
E Ikazoboh[6]	146 280	76 850	–	–	–	48 469	–	–	271 599
RJ Khoza	146 280	107 590	–	–	68 900	–	–	–	322 770
NV Lila[5]	85 736	61 480	54 892	–	–	–	–	–	202 108
PM Madi	146 280	92 220	–	–	–	63 920	80 280	157 410	540 110
VN Magwentshu[3]	51 604	30 740	42 169	–	–	–	–	23 086	147 599
TT Mboweni[1]	1 484 000	–	–	–	–	–	–	–	1 484 000
IN Mkhari[4]	146 280	61 480	54 892	–	–	33 629	–	48 469	344 750
DC Moephuli[2]	146 280	61 480	–	–	–	56 500	80 280	–	344 540
CWN Molope	146 280	92 220	107 590	–	–	–	157 410	–	503 500
RV Smither	146 280	107 590	227 900	–	–	71 340	80 280	–	633 390
PM Surgey	146 280	92 220	–	170 130	68 900	–	80 280	80 280	638 090
Total	**2 937 860**	**891 460**	**609 343**	**257 830**	**206 700**	**410 995**	**478 530**	**309 245**	**6 101 963**

[1] *Fee includes participation in board sub-committee meetings.*
[2] *Fee donated to Agang Sechaba Trust.*
[3] *Resigned with effect from 6 February 2014.*
[4] *Appointed to the board with effect from 1 October 2013 and the sub-committees 27 March 2014.*
[5] *Appointed to the board with effect from 1 March 2014 and the sub-committees 27 March 2014.*
[6] *Appointed to the board with effect from 1 October 2013 and the sub-committees 27 March 2014.*

Non-executive directors' remuneration 2013

Name	Directors' fees (rand)		Audit committee total fees (rand)	Investment committee total fees (rand)	Remuneration committee total fees (rand)	Nomination committee total fees (rand)	Risk and sustainability committee total fees (rand)	Social, ethics and transformation committee fees (rand)	Total (rand)
	Base fee	Meeting fee							
RC Andersen[3]	138 000	87 000	115 000	–	89 735	75 000	–	–	504 735
RJ Khoza[3]	138 000	87 000	–	–	–	75 000	–	–	300 000
PM Madi[3]	138 000	87 000	–	–	–	–	75 735	75 735	376 470
VN Magwentshu	138 000	87 000	101 500	–	–	–	–	–	326 500
TT Mboweni[1]	1 400 000	–	–	–	–	–	–	–	1 400 000
DC Moephuli[2]	138 000	72 500	–	–	–	–	75 735	–	286 235
CWN Molope[3]	138 000	72 500	115 000	–	–	–	148 500	–	474 000
RV Smither[3]	138 000	72 500	215 000	–	–	–	68 735	–	494 235
PM Surgey[3]	138 000	87 000	–	–	172 500	75 000	75 735	75 735	623 970
Total	**2 504 000**	**652 500**	**546 500**	**–**	**262 235**	**225 000**	**444 440**	**151 470**	**4 786 145**

[1] *Fee includes participation in board sub-committee meetings.*
[2] *Fee donated to Agang Sechaba Trust.*
[3] *Minor timing discrepancies in payments.*

Independent auditors' report on the summarised financial statements

To the shareholders of Nampak Ltd

The accompanying summarised consolidated financial statements set out on pages 106 to 125, which comprise the summarised consolidated statement of financial position as at 30 September 2014, the summarised consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited annual consolidated financial statements of Nampak Ltd for the year ended 30 September 2014. We expressed an unmodified audit opinion on those annual consolidated financial statements in our report dated 20 November 2014. Our auditors' report on the audited annual consolidated financial statements contained an other matter paragraph "Other reports required by the Companies Act" (included below).

The summarised consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summarised consolidated financial statements, therefore, is not a substitute for reading the audited annual consolidated financial statements of Nampak Ltd.

Directors' responsibility for the summarised consolidated financial statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with IAS 34 *Interim Financial Reporting* and the requirements of the Companies Act of South Africa and for such internal control as the directors determine is necessary to enable the preparation of the summarised consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

Opinion

In our opinion, the summarised consolidated financial statements derived from the audited annual consolidated financial statements of Nampak Ltd for the year ended 30 September 2014 are consistent, in all material respects, with those annual consolidated financial statements, in accordance with the IAS 34 *Interim Financial Reporting* and the requirements of the Companies Act of South Africa as applicable to summarised financial statements.

Other reports required by the Companies Act

The "other reports required by the Companies Act" paragraph in our audit report dated 20 November 2014 states that as part of our audit of the annual consolidated financial statements for the year ended 30 September 2014, we have read the directors' report, the audit committee's report and the company secretary's certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited annual consolidated financial statements. These reports are the responsibility of the respective preparers. The paragraph also states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited annual consolidated financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the summarised consolidated financial statements or our opinion thereon.

Deloitte & Touche

Deloitte & Touche
Per AF Mackie
Partner

20 November 2014

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, MJ Jarvis Finance, M Jordan Strategy, S Gwala Managed Services, 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 the Chartered Accountancy Profession Sector Code

Member of Deloitte Touche Tohmatsu Limited

Audit committee report

for the year ended 30 September 2014

Introduction

The audit committee presents its report for the financial year ended 30 September 2014. 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.

Membership

Shareholders appointed three members to the committee for the 2014 financial year at the annual general meeting on 6 February 2014. The board decided in March 2014 to increase the committee to five members and appointed two independent non-executive directors to fill the vacancies. The current members are as follows:

Name	Date of appointment
RV Smither (chairman)	6 February 2014
RC Andersen	6 February 2014
NV Lila	27 March 2014
IN Mkhari	27 March 2014
CWN Molope	6 February 2014

Shareholders will be requested to approve the appointment of the committee members for the 2015 financial year at the annual general meeting to be held on 4 February 2015.

The CVs of the committee members and their attendance at committee meetings can be found on pages 10, 11 and 72.

Meetings

The committee meets at least twice per year and during the year under review the committee met three times. The group chairman, chief executive officer (CEO), chief financial officer (CFO), internal auditors and external auditors all attend meetings of the committee by invitation. 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 internal and 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 of the committee

The committee operates within written terms of reference which are reviewed and updated regularly. A copy of the charter is available on the company's website www.nampak.com. The responsibilities of the committee includes:

- the nomination for appointment as auditor of the company of a registered auditor who, in the opinion of the committee, is independent of the company;
- the determination of the fees to be paid to the auditor and the auditor's terms of engagement;
- the determination of the nature and extent of any non-audit services which the auditor may provide to the company;
- the pre-approval of any proposed contract with the auditor for the provision on non-audit services to the company;
- the evaluation of the performance of the external auditor;
- the review and evaluation of the effectiveness of the internal controls of the group (with reference to the findings of both the internal and external auditors);
- monitoring and supervising the effective function of internal audit;
- the appointment, performance assessment and authority to dismiss the chief internal audit executive;
- the review of the annual financial statements, the interim reports and any other announcement regarding the group's results or other financial information to be made public;
- review of the process for financial reporting; and
- review and evaluation of the expertise and experience of the CFO.

Discharge of responsibilities

During the year under review the committee:

- reviewed the interim and annual financial statements and recommended them for approval by the board;
- reviewed the integrated annual report for 2014 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 CFO, Mr Gareth Griffiths, has appropriate expertise and experience;

- resolved to continue to outsource the internal audit function to EY during the financial year;
- approved the internal audit charter and audit plans;
- received and reviewed reports from both the internal and external auditors, which included commentary on effectiveness of the internal control environment, systems and processes and, where appropriate, made recommendations to the board;
- reviewed the independence of the external auditors, Deloitte & Touche, and recommended them for appointment at the annual general meeting as auditors for the 2014 financial year, with Mr Andrew Mackie as the designated auditor;
- ensured that the appointment of the external auditors complied with the provisions of the Companies Act, No 71 of 2008, and other legislation relating to the appointment of auditors;
- determined the fees to be paid to the external and internal auditors and their terms of engagement;
- determined the nature and extent of non-audit services which may be provided by the external auditors and pre-approved the contract terms for the provision of non-audit services by the external auditors;
- noted that it had not received any complaints, from within or outside the company, relating to the accounting practices and internal audit of the company, to the content or auditing of its financial statements, or any related matter;
- ensured that a combined assurance model was applied to provide a coordinated approach to all assurance activities;
- was responsible for the oversight of financial reporting risks, internal financial controls, fraud risks as it relates to financial reporting and IT risks as it relates to financial reporting; and
- reviewed with management legal and regulatory matters that could have a material impact on the group.

General

The internal and external auditors have unrestricted access to the committee.

During the year the committee performed the functions required of an audit committee on behalf of all subsidiary companies in South Africa which are required to have an audit committee in terms of the Companies Act, No 71 of 2008.

I have decided to retire as a director of the company and as chairman of the audit committee at the annual general meeting in 2015, having served as chairman of the committee for the past eight years.

RV Smither
Chairman of the audit committee

20 November 2014

Directors' responsibility for annual summarised financial statements

for the year ended 30 September 2014

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

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

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

It is the responsibility of the independent auditors to report on whether the summarised financial statements are fairly presented in accordance with the applicable financial reporting framework. The summarised annual financial statements of the year ended 30 September 2014, set out on pages 101 to 125, were approved by the board of directors at its meeting on 20 November 2014 and are signed on its behalf by:

TT Mboweni
Chairman

A de Ruyter
Chief executive officer

Preparer of financial statements

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

G Griffiths
Chief financial officer

Certificate by company secretary

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

NP O'Brien
Company secretary

20 November 2014

Directors' report

for the year ended 30 September 2014

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, Nigeria, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. Packaging products are produced from metal, paper, plastics and glass.

Nampak is also a major manufacturer and marketer of a wide range of tissue products and is the leading supplier of plastic bottles to the dairy industry in the United Kingdom.

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

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

Accounting policies

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, No 71 of 2008. The principal accounting policies have been applied consistently with the previous year, except for the adoption of new or revised accounting standards, interpretations and restatements which are set out in the full annual financial statements for the year ended September 2014.

Borrowing facilities

Group gross borrowings at 30 September 2014 amounted to R7 081.3 million (2013: R5 753.6 million). In terms of the company's memorandum of incorporation, the borrowing powers are unlimited. Details of the borrowings and facilities are set out in notes 1 and 15 to the full annual financial statements.

Review of operations and results

In 2014, Nampak's results were impacted positively by the performance of the business in the rest of Africa, especially the beverage can making business in Angola as well as the newly acquired Bevcan Nigeria.

Profits from the South African businesses were disappointing. Group headline earnings per share from continuing operations increased by 14.2%. EBITDA (adjusted for impairments) at R2.9 billion was an increase of 4.9% over the previous year.

Corporate activity

Nampak communicated in September 2013 the conclusion of an agreement to sell the Nampak Cartons and Labels business in South Africa to a subsidiary of Caxton and CTP Publishers and Printers Ltd. The sale was subject to a number of conditions precedent, including approval by the competition authorities. The Competition Tribunal approved the transaction on 9 July 2014 and the transaction became effective on 1 August 2014.

Nampak has acquired a majority shareholding in Hunyani Holdings Ltd, to be renamed Nampak Zimbabwe Ltd, through the consolidation of the entities Hunyani Holdings Ltd, CarnaudMetalbox Zimbabwe Ltd and MegaPak Zimbabwe (Private) Ltd. The transaction is expected to be completed in the first quarter of the 2015 financial year.

The group acquired the entire equity of Alucan Investments Ltd with effect from 1 March 2014. The sole investment of this group is Alucan Packaging Ltd which has been renamed Bevcan Nigeria.

In addition, the group acquired the joint-venture partner's share (51%) in Bullpak Ltd in Kenya with effect from 1 September 2014.

Subsequent to year-end certain tax issues have been resolved. This will have a favourable impact on future tax charges.

Nampak announced the disposal of the paper businesses Nampak Corrugated, Nampak Tissue and Nampak Sacks, on 20 November 2014 for R1.6 billion. There are conditions precedent and it is expected that the transaction will be concluded in the second half of the 2015 financial year.

There were no companies deregistered during the year under review.

Share capital

	Authorised Number of shares	Authorised R million	Issued Number of shares	Issued R million
Ordinary shares of 5 cents each	776 857 200	38.9	700 707 537	35.1
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		36.1

The issued ordinary share capital consists of 72 440 050 treasury shares of which 27 369 195 are held by Nampak Black Management Share Trust.

Share premium as at 30 September 2014: R147.0 million.

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

for the year ended 30 September 2014

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

	Ordinary shares of 5 cents each
Issued at 30 September 2013	697 897 394
Ordinary shares allotted to employees other than directors in terms of the Nampak Deferred Bonus Plan (DBP)	112 101
Ordinary shares allotted to directors in terms of the DBP	120 668
Ordinary shares allotted to employees other than directors in terms of the Nampak 1985 Share Option Scheme (Option Scheme)	240 000
Ordinary shares allotted to employees other than directors in terms of the Nampak Ltd Performance Share Plan (PSP)	381 087
Ordinary shares allotted to directors in terms of the PSP	400 483
Ordinary shares allotted to employees other than directors in terms of the Nampak Ltd Share Appreciation Plan (SAP)	1 358 440
Ordinary shares allotted to directors in terms of the SAP	197 364
Issued at 30 September 2014	700 707 537

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

Share plans

The Nampak 1985 Share Option scheme (Option Scheme)

A total of 240 000 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 2014	2013
Balance at the commencement of the financial year	240 000	703 300
Options exercised during the year	(240 000)	(463 300)
Options forfeited during the year	–	–
Balance at the end of the financial year	–	240 000
These options are exercisable over periods between 1 October 2014 and 1 December 2015:		
Directors*	–	–
Other employees and retirees	–	240 000
Total	–	240 000
Number of participants	–	4

*Please refer to page 105 of the directors' report for details of directors' share options.

The Nampak Ltd Performance Share Plans and the Nampak Ltd Share Appreciation Plans

No further allocations of awards have been made in terms of the PSP and the SAP since 2009.

Details of the share plans are included in the remuneration report on pages 83 and 84.

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 Ltd Performance Share Plan (PSP)

	2014	2013
Balance at the commencement of the financial year	537 680	974 893
Forfeitures/cancellations	(14 936)	(68 587)
Retirements	–	–
PSP rights forfeited due to under-achievement of performance criteria	–	–
PSP rights exercised	(333 024)	(368 626)
Balance at the end of the financial year	189 720	537 680
Number of participants	7	11

The Nampak Ltd Share Appreciation Plan (SAP)

	2014	2013
Balance at the commencement of the financial year	851 281	1 268 430
Forfeitures/cancellations	(20 380)	(103 420)
Retirements	–	–
SAP rights forfeited due to under-achievement of performance criteria	–	–
Exercised	(525 220)	(313 729)
Balance at the end of the financial year	305 681	851 281
Number of participants	23	63

The Nampak Ltd Performance Share Plan 2009 (PSP 2009)

	2014	2013
Balance at the commencement of the financial year	3 665 281	2 857 674
Number of conditional shares awarded during the year:	944 660	1 157 225
Executive directors	371 558	430 649
Senior executives	573 102	726 576
Forfeitures/cancellations	(294 534)	(260 888)
Retirements	(265 931)	(37 230)
PSP rights forfeited due to under-achievement of performance criteria	–	(2 250)
PSP rights exercised	(380 482)	(49 250)
Balance at the end of the financial year	3 668 994	3 665 281
Number of participants	22	22

The Nampak Ltd Share Appreciation Plan 2009 (SAP 2009)

	2014	2013
Balance at the commencement of the financial year	8 298 033	4 681 761
Number of conditional shares awarded during the year:	518 784	4 302 473
Executive directors	219 258	230 923
Senior executives	299 526	4 071 550
Forfeitures/cancellations	(519 642)	(669 526)
Retirements	(97 935)	(16 675)
Rights exercised	(3 093 300)	–
Balance at the end of the financial year	5 105 940	8 298 033
Number of participants	191	224

The Nampak Ltd 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 achievement of performance targets.

The DBP is summarised as follows:

	2014	2013
Balance at the commencement of the financial year	703 428	660 534
Number of bonus shares purchased by employees during the year:	42 423	219 019
Executive directors	6 734	104 582
Senior executives	35 689	114 437
Number of bonus shares transferred/sold to/by employees during the year:	(232 769)	(126 780)
Executive directors	(120 668)	(30 685)
Senior executives	(112 101)	(96 095)
Forfeitures/cancellations	(35 786)	(49 345)
Retirements	(53 965)	–
Balance at the end of the financial year	423 331	703 428
Number of participants	16	17

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 2014 is summarised below:

Balance at the commencement of the financial year	18 738 024
Less: Awards granted in terms of the PSP 2009 during the current financial year	(944 660)
Less: Awards granted in terms of the SAP 2009 during the current financial year	(518 784)
Less: Number of conditional shares awarded during the year and prior financial years in terms of DBP	(423 331)
Less: Shares allotted in respect of dividends declared and paid during the current and prior financial years	(68 068)
Add: Options forfeited during the current financial year	–
Add: Awards forfeited in terms of the PSP during the current financial year	14 936
Add: Awards forfeited in terms of the SAP during the current financial year	20 380
Add: Awards forfeited in terms of the PSP 2009 during the current financial year	560 465
Add: Awards forfeited in terms of the SAP 2009 during the current financial year	617 577
Maximum available for future allocations	17 996 539

for the year ended 30 September 2014

The table on page 103 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 and the SAP 2009 are 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.

In respect of the SAP 2009, the company will be limited to issuing no more than 18 000 000 (eighteen million) shares. This limit also takes into account awards granted under the SAP Trust in 2006.

In respect of the PSP 2009, the company will be limited to issuing no more than 9 000 000 (nine million) shares. This limit also takes into account awards already granted under PSP Trust in 2006.

In respect of the DBP, the company will be limited to issuing no more than 5 000 000 (five million) shares.

Taking all the plans together, the company will be limited to issuing no more than 32 000 000 (thirty two million) shares. This is the limit previously approved in respect of the SAP Trust and PSP Trust and does not increase the overall dilution of shareholders through the operation of the plans.

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
Ordinary	84	46.0	27/05/2014	27/06/2014	07/07/2014
	85	107.0	20/11/2014	09/01/2015	19/01/2015
6% cumulative preference	90	6.00	21/11/2013	17/01/2014	27/01/2014
	91	6.00	23/06/2014	18/07/2014	28/07/2014
6.5% cumulative preference	90	6.50	21/11/2013	17/01/2014	27/01/2014
	91	6.50	23/06/2014	18/07/2014	28/07/2014

The important dates pertaining to the payment of ordinary dividend number 85 are as follows:

Last day to trade ordinary shares "cum" dividend	Friday, 9 January 2015
Ordinary shares trade "ex" dividend	Monday, 12 January 2015
Record date	Friday, 16 January 2015
Payment date	Monday, 19 January 2015

Ordinary share certificates may not be dematerialised or rematerialised between Monday, 12 January 2015 and Friday, 16 January 2015, both days inclusive.

In accordance with the JSE Listings Requirements, the following additional information is disclosed:

- The dividend has been declared from income reserves.
- The dividend withholding tax rate is 15%.
- No secondary tax on companies credits have been utilised.
- The net local dividend amount is 90.95 cents per share for shareholders liable to pay the dividends tax and 107.0 cents per share for shareholders exempt from paying the dividends tax.
- The issued number of ordinary shares at the declaration date is 700 707 537.
- Nampak Ltd's tax number is 9875081714.

Directors and secretary

The names of the directors and secretary in office at 30 September 2014 are set out on pages 10 to 13 and IBC of the integrated annual report.

During the year under review Ms NV Lila was appointed as an independent, non-executive director of the company and shareholders will be requested to confirm her appointment at the forthcoming annual general meeting. Ms VN Magwentshu resigned on 6 February 2014.

Ms DC Moephuli, Mrs CWM Molope and Messrs PM Surgey and FV Tshiqi 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. Ms DC Moephuli, Mrs CWM Molope and Mr PM Surgey do not 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 Ltd in the issued ordinary share capital of the company as at 30 September 2014 are shown below:

	Ordinary shares		Options to purchase ordinary shares*			
	2014	2013	2014	Option prices (cents)	Date of grant	2013
Beneficial interests						
Executive directors						
G Griffiths	110 879	100 545	–	–	–	–
FV Tshiqi	142 372	105 271	–	–	–	–
Non-executive directors						
RC Andersen	31 000	31 000	–	–	–	–
Non-beneficial interests of directors	10	12	–	–	–	–
Beneficial interests	–	–	–	–	–	–
Prescribed officers						
C Burmeister	26 516	–	–	–	–	–
PA de Weerdt	148 652	58 668	–	–	–	–
RG Morris	213 227	143 166	–	1 495	01/12/04	90 000
SE Msane	119 380	62 688	–	–	–	–
NP O'Brien	63 010	59 899	–	1 495	01/12/04	50 000
EE Smuts	41 795	–	–	–	–	–

** In terms of the Option Scheme.*

The following independent 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 2014:

Name of director	2014	2013
RJ Khoza	3 780 214	3 780 214
CWN Molope	318 891	318 891

Dr RJ Khoza, an independent non-executive director, had an indirect, beneficial shareholding through his family trust in the ordinary share capital of the company as at 30 September 2014:

	2014	2013
RJ Khoza Family Trust	26 000	–

Litigation statement

There are no material legal or arbitration proceedings (including proceedings which are pending or threatened of which the directors of Nampak Ltd 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 resolution

A special resolution was passed by the shareholders of the undermentioned company during 2014 to adopt its memorandum of incorporation:

- Nampak Corrugated (Pty) Ltd

Special resolutions were passed by the shareholders of the undermentioned dormant companies during 2014 in anticipation of them being deregistered:

- Nampak Glass (Pty) Ltd
- Nampak Metal Packaging (Pty) Ltd
- Nampak Tissue (Pty) Ltd
- Malbak Ltd
- Metal Box SA (Pty) Ltd

Retirement funds

Details of retirement funds are reflected in note 17 to the annual financial statements.

Subsidiary, joint venture and associate companies

Details of the company's significant subsidiaries, joint ventures and associates are given in Annexure B on pages 123 and 124.

Summarised group statement of financial position

at

	Notes	30 September 2014 R million	Restated 30 September 2013 R million	Restated 1 October 2012 R million
ASSETS				
Non-current assets				
Property, plant and equipment and investment property	2	9 864.3	7 283.7	6 543.8
Goodwill and other intangible assets	3	3 419.5	814.5	715.1
Other non-current financial assets, associates and joint ventures	4	278.3	357.1	275.3
Deferred tax assets		135.7	98.6	65.5
		13 697.8	8 553.9	7 599.7
Current assets				
Inventories		3 518.4	3 219.8	3 243.8
Trade receivables and other current assets	5	3 538.9	2 873.6	2 523.7
Tax assets		8.5	3.6	2.9
Bank balances, deposits and cash		1 127.5	4 421.4	1 754.3
		8 193.3	10 518.4	7 524.7
Assets classified as held for sale		–	551.6	27.9
Total assets		21 891.1	19 623.9	15 152.3
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital		36.1	36.0	35.9
Capital reserves		(402.3)	(423.6)	(459.9)
Other reserves		315.2	(61.8)	(349.9)
Retained earnings		7 985.1	7 720.1	7 268.4
Shareholders' equity		7 934.1	7 270.7	6 494.5
Non-controlling interest		(51.0)	(80.1)	(54.5)
Total equity		7 883.1	7 190.6	6 440.0
Non-current liabilities				
Loans and borrowings	6	4 753.3	3 249.5	1 326.5
Retirement benefit obligation	7	2 173.0	2 193.1	1 618.3
Deferred tax liabilities		444.9	519.0	643.8
Other non-current liabilities		58.6	51.8	13.7
		7 429.8	6 013.4	3 602.3
Current liabilities				
Trade payables, provisions and other current liabilities	8	4 054.9	3 532.6	3 424.8
Bank overdrafts		1 808.5	1 808.2	1 575.7
Loans and borrowings		519.5	695.9	18.1
Tax liabilities		195.3	142.5	91.4
		6 578.2	6 179.2	5 110.0
Liabilities directly associated with assets classified as held for sale		–	240.7	–
Total equity and liabilities		21 891.1	19 623.9	15 152.3

Summarised group statement of comprehensive income

for the year ended 30 September 2014

	Notes	2014 R million	Restated 2013 R million
CONTINUING OPERATIONS			
Revenue	9	19 970.5	18 085.8
Operating profit	9	1 614.5	1 921.1
Finance costs		384.4	236.0
Finance income		57.4	37.9
Income from investments		7.2	5.4
Share of profit of associates and joint ventures		15.5	15.7
Profit before tax		1 310.2	1 744.1
Taxation		74.5	380.6
Profit for the year from continuing operations		1 235.7	1 363.5
DISCONTINUED OPERATIONS			
Loss for the year from discontinued operations	13	(32.1)	(87.9)
Profit for the year		1 203.6	1 275.6
Other comprehensive income/(expense) for the year, net of tax			
Items that will not be reclassified to profit or loss			
Net actuarial gains/(losses) from retirement benefit obligations		10.2	(398.1)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		381.9	653.4
Gains on cash flow hedges		1.1	9.6
Other comprehensive income for the year, net of tax		393.2	264.9
Total comprehensive income for the year		1 596.8	1 540.5
Profit/(loss) attributable to:			
Owners of Nampak Ltd		1 169.4	1 295.0
Non-controlling interest in subsidiaries		34.2	(19.4)
Total		1 203.6	1 275.6
Total comprehensive income/(expense) attributable to:			
Owners of Nampak Ltd		1 567.7	1 566.1
Non-controlling interest in subsidiaries		29.1	(25.6)
Total		1 596.8	1 540.5
Earnings per share			
Basic (cents per share)	10		
Continuing operations		191.4	221.3
Discontinued operations		(5.1)	(14.1)
Total		186.3	207.2
Diluted (cents per share)	10		
Continuing operations		184.8	213.7
Discontinued operations		(4.9)	(13.6)
Total		179.9	200.1

Summarised group statement of changes in equity

for the year ended 30 September 2014

	Notes	2014 R million	Restated 2013 R million
Opening balance		7 190.6	6 440.0
Net shares issued during the year		101.5	28.1
Share-based payment expense		17.0	19.4
Share grants exercised		(97.1)	(10.9)
Share of movement in associates' and joint ventures' non-distributable reserve		1.3	1.2
Transfer from hedging reserve to related assets		(4.3)	(10.8)
Gain on available-for-sale financial assets		–	2.2
Reclassification of available-for-sale financial asset		(18.3)	–
Total comprehensive income for the year		1 596.8	1 540.5
Dividends paid	11	(904.4)	(819.1)
Closing balance		7 883.1	7 190.6
Comprising:			
Share capital		36.1	36.0
Capital reserves		(402.3)	(423.6)
Share premium		147.0	45.6
Treasury shares		(827.6)	(827.6)
Share-based payments reserve		278.3	358.4
Other reserves		315.2	(61.8)
Foreign currency translation reserve		1 314.2	927.6
Financial instruments hedging reserve		1.2	4.4
Recognised actuarial losses		(966.0)	(976.2)
Share of non-distributable reserves in associates and joint ventures		3.9	2.2
Available-for-sale financial assets revaluation reserve		(38.3)	(20.0)
Other		0.2	0.2
Retained earnings		7 985.1	7 720.1
Shareholders' equity		7 934.1	7 270.7
Non-controlling interest		(51.0)	(80.1)
Total equity		7 883.1	7 190.6

Summarised group statement of cash flows

for the year ended 30 September 2014

	Notes	2014 R million	Restated 2013 R million
Operating profit before working capital changes		2 929.2	2 687.1
Working capital changes		(189.1)	(203.0)
Cash generated from operations		2 740.1	2 484.1
Net interest paid		(361.9)	(180.3)
Income from investments		7.2	5.4
Retirement benefits, contributions and settlements		(132.7)	(116.6)
Tax paid		(95.3)	(433.5)
Replacement capital expenditure		(833.5)	(1 043.4)
Cash retained from operations		1 323.9	715.7
Dividends paid		(904.4)	(819.1)
Net cash retained from/(utilised in) operating activities		419.5	(103.4)
Expansion capital expenditure		(1 771.7)	(370.9)
Acquisition of businesses	12	(3 491.1)	(104.6)
Proceeds on the disposal of business	13	308.3	–
Other investing activities		(15.4)	(3.9)
Net cash utilised before financing activities		(4 550.4)	(582.8)
Net cash raised in financing activities		897.3	2 527.7
Net (decrease)/increase in cash and cash equivalents		(3 653.1)	1 944.9
Cash and cash equivalents at beginning of year		2 613.2	178.6
Cash acquired on reconsolidation of Zimbabwe subsidiary		–	6.0
Translation of cash in foreign subsidiaries		358.9	483.7
(Net overdraft)/cash and cash equivalents at end of year		(681.0)	2 613.2
(Net overdraft)/cash and cash equivalents consist of:			
Bank balances, deposits and cash		1 127.5	4 421.4
Bank overdrafts		(1 808.5)	(1 808.2)
		(681.0)	2 613.2

Notes to the summarised group financial statements

for the year ended 30 September 2014

1. Basis of preparation

The summarised group financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for summarised reports, and the requirements of the Companies Act of South Africa applicable to summarised financial statements. The Listings Requirements require summarised reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee (and Financial Pronouncements as issued by the Financial Reporting Standards Council), and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*.

These summarised 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 2014 as published on the company's website.

The impact of these standards on the group's accounting policies and methods of computation, including the effect of the restatement of comparatives are set out in the full annual financial statements for the year ended September 2014.

Accounting policies

The accounting policies applied in the preparation of the group financial statements for 2014, from which the summarised financial statements were derived, are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the previous year's group financial statements other than where the group has adopted new or revised accounting standards.

The group has adopted all the new, revised or amended accounting pronouncements as issued by the International Accounting Standards Board which became effective to the group on 1 October 2013.

These summarised financial statements were approved by the board of directors on 20 November 2014.

2. Property, plant and equipment

	Property R million	Plant and equipment R million	Total R million
Net carrying value as at 1 October 2012	1 010.5	5 533.3	6 543.8
Capital expenditure	6.9	1 407.4	1 414.3
Acquisition of business	–	46.4	46.4
Reconsolidation of Zimbabwe entities	3.3	35.8	39.1
Reclassified to assets held for sale	(1.8)	(200.5)	(202.3)
Disposals	(0.2)	(62.1)	(62.3)
Depreciation	(39.7)	(686.1)	(725.8)
Net impairments	5.3	(71.0)	(65.7)
Translation	83.2	220.5	303.7
Other movements	3.6	(11.1)	(7.5)
Net carrying value as at 30 September 2013	1 071.1	6 212.6	7 283.7
Capital expenditure	232.1	2 364.9	2 597.0
Acquisition of business	275.3	539.2	814.5
Disposals	–	(44.3)	(44.3)
Depreciation	(55.5)	(717.4)	(772.9)
Net impairments	(62.4)	(364.7)	(427.1)
Translation	91.7	214.8	306.5
Other movements	63.0	43.9	106.9
Net carrying value as at 30 September 2014	1 615.3	8 249.0	9 864.3

2. Property, plant and equipment continued

	2014 R million	2013 R million
Open market value of the group's properties (net carrying value: R1 615.3 million; 2013: R1 071.1 million) as determined by The Property Partnership (independent valuators not connected to the group) in September 2010:	1 933.5	1 933.5
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	28 029.0	24 497.1
South Africa	22 812.3	19 845.1
Rest of Africa	3 486.8	3 041.6
United Kingdom	1 729.9	1 610.4
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 2012	481.9	233.2	715.1
Capital expenditure	–	32.9	32.9
Business combinations	53.9	43.9	97.8
Net impairments	(0.2)	–	(0.2)
Amortisation	–	(38.7)	(38.7)
Translation differences	–	(0.1)	(0.1)
Other movements	–	7.7	7.7
Net carrying value as at 30 September 2013	535.6	278.9	814.5
Capital expenditure	–	14.9	14.9
Business combinations	2 506.7	–	2 506.7
Disposals	–	(0.7)	(0.7)
Net impairments	–	(4.4)	(4.4)
Amortisation	–	(41.3)	(41.3)
Translation differences	123.8	0.4	124.2
Other movements	–	5.6	5.6
Net carrying value as at 30 September 2014	3 166.1	253.4	3 419.5

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.

Other intangible assets consist mainly of ERP systems and software.

4. Associates, joint ventures and other non-current financial assets

	Associates R million	Joint ventures R million	Available-for-sale financial assets R million	Loans and receivables R million	Total R million
Net carrying value as at 30 September 2013	137.7	39.4	42.1	137.9	357.1
Net carrying value as at 30 September 2014	181.9	6.8	24.6	65.0	278.3

Information about associates, joint ventures and non-consolidated investments contained in available-for-sale financial assets is set out in Annexures B and C. 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 2013	2 390.0	163.2	320.4	2 873.6
Net carrying value as at 30 September 2014	2 754.1	296.9	487.9	3 538.9

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 R94.3 million (2013: R75.0 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	Total R million
Net carrying value as at 30 September 2013	3 248.0[1]	1.5[2]	3 249.5
Net carrying value as at 30 September 2014	4 753.3[1]	–[2]	4 753.3

[1] *Loans and borrowings are secured by the following assets:*
R500 million (2013: R500 million) debt is secured by properties with a market value of R815.8 million. (2013: R783.7 million).
R5 110.4 million (2013: R2 745.7 million) debt is secured by guarantees issued by Nampak Ltd. This facility is subject to covenants relating to interest cover, gearing and liquidity of the Nampak Ltd group. The Nampak Ltd group was well within the covenant requirements throughout the year under review.
No liabilities have been recognised for the outstanding guarantees.

[2] *Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default. All leases are on a fixed repayment basis and no arrangement has been entered into for contingent rental payments. Interest rates are fixed at the contract date. The fair value of the group's lease obligations approximates the carrying amount.*

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 2013	1.8	430.6	1 760.7	2 193.1
Net carrying value as at 30 September 2014	1.3	474.0	1 697.7	2 173.0
The amounts recognised in the statement of comprehensive income are as follows:				
2013				
Current service cost	0.2	–	18.8	19.0
Net interest cost	(1.1)	13.1	103.3	115.3
	(0.9)	13.1	122.1	134.3
Components of defined benefit costs recognised in other comprehensive income	(1.6)	127.0	406.8	532.2
2014				
Current service cost	–	–	22.1	22.1
Past service cost (adjustment)	–	–	(124.4)	(124.4)
Net interest cost	0.1	20.3	157.8	178.2
	0.1	20.3	55.5	75.9
Components of defined benefit costs recognised in other comprehensive income	(0.6)	18.8	(42.0)	(23.8)

The total unfunded pension liability is R1.3 million (2013: R1.8 million) and the unfunded post-retirement medical liability is R1 697.7 million (2013: R1 760.7 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 2013	3 407.5	25.7	99.4	3 532.6
Net carrying value as at 30 September 2014	3 807.1	43.9	203.9	4 054.9

Trade payables and accruals mainly consist of 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 summarised group financial statements continued

for the year ended 30 September 2014

9. Segmental income report

	External revenue 2014 R million	External revenue 2013 R million	Internal revenue 2014 R million	Internal revenue 2013 R million	Trading profit* 2014 R million	Trading profit* 2013 R million
South Africa	14 462.2	13 404.0	550.0	392.6	969.7	1 142.2
Metals and Glass	7 300.7	6 466.8	222.2	53.6	601.7	676.7
Paper and Flexibles	3 240.4	3 116.8	118.0	123.1	67.9	104.4
Plastics	2 496.6	2 383.9	7.1	7.2	187.8	252.7
Tissue	1 424.5	1 436.5	202.7	208.7	112.3	108.4
Rest of Africa	3 294.2	2 744.0	0.1	0.3	616.2	494.6
Metals	2 250.2	1 736.2	0.1	0.3	409.3	291.5
Paper	1 044.0	1 007.8	–	–	206.9	203.1
United Kingdom	2 214.1	1 937.8	–	–	143.9	162.0
Plastics	2 214.1	1 937.8	–	–	143.9	162.0
Other segments	–	–	2 663.5	1 521.7	317.9	102.2
Continuing operations	19 970.5	18 085.8	3 213.6	1 914.6	2 047.7	1 901.0
Discontinued operations	930.4	1 066.2	26.3	14.4	(13.2)	(24.6)
Eliminations	–	–	(3 239.9)	(1 929.0)	–	–
Total	20 900.9	19 152.0	–	–	2 034.5	1 876.4

** Operating profit before abnormal items.*

Reconciliation of operating profit and trading profit

	Continuing operations 2014 R million	Continuing operations 2013 R million	Discontinued operations 2014 R million	Discontinued operations 2013 R million	Total 2014 R million	Total 2013 R million
Operating profit/(loss)	1 614.5	1 921.1	(50.5)	(121.9)	1 564.0	1 799.2
Abnormal losses/(gains)*						
Retrenchment and restructuring costs	28.1	30.6	3.6	42.3	31.7	72.9
Net impairment losses on plant, equipment, intangible assets, goodwill and assets classified as held for sale	431.5	61.3	–	55.0	431.5	116.3
Cash flow hedge ineffectiveness	(0.1)	(0.4)	–	–	(0.1)	(0.4)
Net profit on disposal of property	(23.7)	(0.7)	–	–	(23.7)	(0.7)
Net loss on disposal of businesses and other investments	–	0.1	33.7	–	33.7	0.1
Gain on reconsolidation of Zimbabwe entities	–	(87.8)	–	–	–	(87.8)
Gain on revaluation of original interest in joint ventures acquired	(9.4)	(23.2)	–	–	(9.4)	(23.2)
Business acquisition-related costs	6.8	–	–	–	6.8	–
Trading profit	2 047.7	1 901.0	(13.2)	(24.6)	2 034.5	1 876.4

** 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.*

10. Basic, fully diluted and headline earnings per ordinary share

	Continuing operations 2014 R million	Continuing operations 2013 R million	Discontinued operations 2014 R million	Discontinued operations 2013 R million	Total 2014 R million	Total 2013 R million
Determination of basic earnings and headline earnings						
Profit attributable to equity holders of the company	1 201.5	1 382.9	(32.1)	(87.9)	1 169.4	1 295.0
Less: Preference dividend	(0.1)	(0.1)	–	–	(0.1)	(0.1)
Basic earnings	1 201.4	1 382.8	(32.1)	(87.9)	1 169.3	1 294.9
Adjusted for:						
Net impairment losses on goodwill, plant, equipment, intangible assets and investments	431.5	61.3	–	55.0	431.5	116.3
Net loss on disposal of businesses and other investments	–	0.1	33.7	–	33.7	0.1
Gain on revaluation of original interest in business acquired	(9.4)	(23.2)	–	–	(9.4)	(23.2)
Gain on reconsolidation of Zimbabwe entities	–	(87.8)	–	–	–	(87.8)
Net profit on disposal of property, plant, equipment and intangible assets	(18.9)	(24.7)	0.8	(0.5)	(18.1)	(25.2)
Tax effects	(116.3)	(10.4)	(17.7)	(15.3)	(134.0)	(25.7)
Headline earnings	1 488.3	1 298.1	(15.3)	(48.7)	1 473.0	1 249.4
Weighted average number of shares in issue ('000)	627 728	624 921	627 728	624 921	627 728	624 921
Earnings per share (cents)	191.4	221.3	(5.1)	(14.1)	186.3	207.2
Headline earnings per share (cents)	237.1	207.7	(2.4)	(7.8)	234.7	199.9
Determination of diluted basic earnings and diluted headline earnings						
Diluted basic earnings*	1 201.4	1 382.8	(32.1)	(87.9)	1 169.3	1 294.9
Diluted headline earnings*	1 488.3	1 298.1	(15.3)	(48.7)	1 473.0	1 249.4
Weighted average number of ordinary shares for the purpose of diluted earnings per share ('000)	649 808	647 215	649 808	647 215	649 808	647 215
Weighted average number of ordinary shares for the purpose of basic earnings per share	627 728	624 921	627 728	624 921	627 728	624 921
Effect of dilutive potential ordinary shares:						
Ordinary shares issued to Black Management Trust	13 372	9 524	13 372	9 524	13 372	9 524
Other share incentive plans	8 708	12 770	8 708	12 770	8 708	12 770
Diluted earnings per share (cents)	184.8	213.7	(4.9)	(13.6)	179.9	200.1
Diluted headline earnings per share (cents)	229.1	200.5	(2.4)	(7.5)	226.7	193.0

* *No dilution of basic earnings or headline earnings.*

11. Dividends and cash distributions

	2014 R million	2013 R million
Dividends paid		
Final dividend No 83 paid on 20 January 2014: 98.0 cents per share (2013: No 81 – 89.0 cents per share)	686.4	620.5
Interim dividend No 84 paid on 7 July 2014: gross amount of 46.0 cents per share (2013: No 82 – 42.0 cents per share)	322.3	292.9
Dividend attributable to treasury shares	(104.4)	(94.9)
	904.3	818.5
Other dividends	0.1	0.6
Total dividends	904.4	819.1

On 20 November 2014 the directors declared a gross dividend No 85 of 107.0 cents per share payable on 19 January 2015 to shareholders registered on the record date, being 16 January 2015.

	2014 Cents	2013 Cents
Analysis of dividends declared in respect of current year's earnings:		
Dividends per ordinary share		
Interim	46.0	42.0
Final	107.0	98.0
	153.0	140.0

6.5% and 6% cumulative preference dividends

Preference dividends totalling R0.1 million (2013: R0.1 million) were declared on 21 November 2013 and 23 June 2014, and paid on 27 January 2014 and 28 July 2014 respectively.

12. Business combinations

	2014 R million	2013 R million
12.1 Subsidiaries		
In line with the group's strategy to grow its core businesses, the group acquired with effect from 1 March 2014 the entire equity of Alucan Investments Ltd (AIL) for an amount of R3 508.0 million paid in cash. The sole investment of this group is Alucan Packaging Ltd, a beverage can manufacturing operation in Nigeria.		
Assets acquired and liabilities recognised at the date of acquisition		
Current assets		
Inventories	130.6	–
Trade and other receivables	108.4	–
Cash	43.2	–
Non-current assets		
Property, plant and equipment	807.6	–
Deferred tax	29.5	–
Current liabilities		
Trade and other payables	(88.2)	–
	1 031.1	–
Goodwill arising on acquisition		
Consideration transferred	3 508.0	–
Less: Fair value of identifiable net assets acquired	(1 031.1)	–
Goodwill arising on acquisition	2 476.9	–
Cash flow impact of the acquisitions		
Consideration paid in cash	3 508.0	–
Cash balances acquired	(43.2)	–
Net cash outflow on acquisition	3 464.8	–

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

Included in the group net revenue and profit after tax for the period is R242.9 million and R32.7 million respectively, which is attributable to the interest acquired in AIL.

Information on net revenue and profit after tax for AIL is not available prior to 1 March 2014.

12. Business combinations continued

12.2 Other interests

In order to gain outright control over the operations of Bullpak Ltd (Bullpak), formerly jointly controlled, the group acquired with effect from 1 September 2014 the remaining 51% interest in this business from Unga Ltd for an amount of R42.0 million paid in cash.

During the prior year the group acquired with effect from 1 November 2012, the remaining 50% interest in Elopak (Pty) Ltd from Elopak AS for an amount of R116.2 million paid in cash.

	2014 R million	2013 R million
Assets acquired and liabilities recognised at the date of acquisition		
Current assets		
Inventories	14.2	27.0
Trade and other receivables	25.8	41.6
Cash	15.7	11.6
Non-current assets		
Property, plant and equipment	6.9	46.4
Intangible assets	–	43.9
Retirement benefit asset	0.3	–
Non-current receivables	–	4.6
Current liabilities		
Trade and other payables	(19.2)	(15.7)
Non-current liabilities		
Deferred tax	(1.3)	(20.1)
	42.4	139.3
Goodwill arising on acquisition		
Consideration transferred	42.0	116.2
Plus: Fair value of previously held interest	30.2	77.0
Less: Fair value of identifiable net assets acquired	(42.4)	(139.3)
Goodwill arising on acquisition	29.8	53.9
Cash flow impact of the acquisitions		
Consideration paid in cash	42.0	116.2
Cash balances acquired	(15.7)	(11.6)
Net cash outflow on acquisition	26.3	104.6

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

Included in the group net revenue and profit after tax for the period is R6.5 million and R0.5 respectively, which is attributable to the interest acquired in Bullpak.

Had Bullpak been acquired with effect from 1 October 2013 the net revenue of the group from continuing operations would have been R20 044.0 million, while the profit after tax would have been R1 241.3 million.

13. Discontinued operations

	2014 R million	2013 R million
During May 2013 the directors of the group approved of a plan to dispose of the Cartons and Labels business. On 13 September 2013 the group entered into a sale agreement to this effect and completed the transaction by 1 August 2014, the effective date of the disposal. The disposal is consistent with the group's strategy of exiting its non-core and underperforming businesses.		
Results of the discontinued operations for the year		
Revenue*	956.7	1 080.7
Expenses	(978.6)	(1 202.7)
Loss before tax	(21.9)	(122.0)
Attributable income tax benefit	6.1	34.1
	(15.8)	(87.9)
Loss on disposal of operations	(33.7)	–
Attributable income tax benefit	17.4	–
	(16.3)	–
Loss for the year from discontinued operations	(32.1)	(87.9)

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

	2014 R million	2013 R million
Proceeds on disposal of the discontinued operations		
The fair values of assets and liabilities disposed of were as follows:		
Current assets		
Inventory	243.1	–
Trade and other receivables	215.2	–
Non-current assets		
Property, plant and equipment	159.4	–
Current liabilities		
Trade and other payables	(216.1)	–
Non-current liabilities	–	–
Post-retirement benefit liability	(35.3)	–
Net assets disposed	366.3	–
Loss on disposal of operations	(33.7)	–
Total disposal consideration	332.6	–
Less: deferred sales proceeds	(24.3)	–
Net inflow on disposal	308.3	–

14. Operating lease commitments

	2014 R million	2013 R million
Land and buildings	206.2	244.9
Vehicles	28.1	20.5
Other	40.6	46.1
	274.9	311.5

15. Contingent liabilities

	2014 R million	2013 R million
Guarantees in respect of property leases	3.3	3.9
Customer claims and other:		
– Glass	32.1	1.0
– Other	3.2	2.0
Tax contingent liability	–	3.2
Total	38.6	10.1

The contingent liability relating to the Glass division relates to a 10% final payment for the Furnace 3 project. This was in terms of the original contractual agreement but the likelihood and timing of settlement has not been determined.

16. Capital commitments

	2014 R million	2013 R million
Capital commitments for acquisition of property, plant and equipment		
– contracted	623.2	1 113.3
– approved	1 394.7	1 266.0
Total	2 017.9	2 379.3

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. Subsequent events

The group acquired a majority stake in Hunyani Holdings Ltd to be renamed Nampak Zimbabwe Ltd through the consolidation of the entities Hunyani Holdings Ltd, CarnaudMetalbox Zimbabwe Ltd and MegaPak Zimbabwe (Pvt) Ltd. The completion of the transaction is expected in the first quarter of the 2015 financial year.

Subsequent to year-end certain tax issues have been resolved. This will have a favourable impact on future tax charges.

Nampak announced the disposal of the paper businesses Nampak Corrugated, Nampak Tissue and Nampak Sacks, on 20 November 2014 for R1.6 billion. There are conditions precedent and it is expected that the transaction will be concluded in the second half of the 2015 financial year.

Composition of the group and corporate activity

for the year ended 30 September 2014

Annexure A

The consolidated financial statements include the accounts of Nampak Ltd (the company) and all of its subsidiaries at 30 September 2014.

1. Interests in subsidiaries, associates, joint ventures and unconsolidated investments

The subsidiaries, associates, joint ventures and unconsolidated investments of Nampak Ltd fall under three main holding companies, namely Nampak Products Ltd, Nampak International Ltd and Nampak Southern Africa Holdings Ltd.

Nampak Products Ltd is registered in South Africa and operates primarily in South Africa, Angola, Mozambique, and Swaziland. Nampak International Ltd is registered in the Isle of Man and operates in the United Kingdom, as well Ethiopia, Kenya, Nigeria and Zimbabwe, while Nampak Southern Africa Holdings Ltd is registered in Mauritius and operates primarily in Botswana, Malawi, Tanzania, Zambia and Zimbabwe.

The group holds a majority voting rights in all of its subsidiaries. Non-controlling shareholders have significant interests in two of the group's subsidiaries.

The group also holds interests in four associates and two joint ventures. These are not material to the group.

Refer to Annexures B and C for more details.

2. Entities acquired during the year

The group acquired with effect from 1 March 2014 the entire equity of Alucan Investments Ltd for an amount of R3 508.0 million paid in cash.

The group also acquired, with effect from 1 September 2014, the remaining 51% interest in Bullpak Ltd from Unga Ltd for an amount of R42.0 million paid in cash.

Refer to note 12 for more detail on the acquisitions.

3. Entities disposed of/deconsolidated during the year

During May 2013, the directors of the group approved of a plan to dispose of the Cartons and Labels business, a division of Nampak Products Ltd. On 13 September 2013, the group entered into a sale agreement to this effect and completed the transaction by 1 August 2014, the effective date of the disposal. Refer to note 13 for more details on this disposal.

During the current financial year, the group reassessed control in terms of IFRS 10 and concluded that the application of this standard had the effect that Red Coral Investments 23 (Pty) Ltd, a black economic empowerment share scheme established in 2005, was required to be deconsolidated.

4. Non-controlling interests in the group's activities

The following subsidiaries have non-controlling interests that are material to the group:

Subsidiary	Principal place of business	Operating segment	Ownership interest held by outside shareholders (%) 2014	2013
Angolata Lda	Angola	Rest of Africa – Metals	30	30
Nampak Corrugated (Swaziland) Ltd	Swaziland	South Africa – Paper and Flexibles	10	10

4. Non-controlling interests in the group's activities continued

The following represents the financial information for Angolata Lda and Nampak Corrugated (Swaziland) Ltd, based on their respective financial accounts.

	Angolata Lda		Nampak Corrugated (Swaziland) Ltd	
	2014 R million	2013 R million	2014 R million	2013 R million
Revenue	1 212.0	957.7	162.4	149.3
Net profit for the year	116.3	(66.6)	(6.8)	5.7
Attributable to:				
Owners of Nampak Ltd	81.4	(46.6)	(6.1)	5.1
Non-controlling interests in subsidiaries	34.9	(20.0)	(0.7)	0.6
Other comprehensive income	(17.0)	(20.7)	–	–
Total comprehensive income	99.3	(87.3)	(6.8)	5.7
Total comprehensive income attributable to:				
Owners of Nampak Ltd	69.5	(61.1)	(6.1)	5.1
Non-controlling interests in subsidiaries	29.8	(26.2)	(0.7)	0.6
Total assets	2 072.6	1 609.4	61.1	70.7
Total liabilities	2 235.8	1 871.8	81.1	84.7
Total equity	(163.2)	(262.4)	(20.0)	(14.0)
Attributable to:				
Owners of Nampak Ltd	(114.2)	(183.7)	(18.0)	(12.6)
Non-controlling interests in subsidiaries	(49.0)	(78.7)	(2.0)	(1.4)

5. Interests in associates and joint ventures

The associates of the group are Group Risk Holdings (Pty) Ltd, Collect-a-Can (Pty) Ltd, Megapak Zimbabwe (Pvt) Ltd and Hunyani Holdings Ltd, and the group's joint ventures are Sancella SA (Pty) Ltd and Crown Cork Company (Mozambique) Lda. During the current year, the group acquired the remaining 51% in Bullpak Ltd (previously a joint venture). The results of these entities are not material. Refer to notes 6 and 7 for more detail.

6. Financial restrictions imposed on group entities

The following table sets out the main restrictions that apply to group entities. The amounts disclosed represent the carrying values of the total assets and total liabilities in the consolidated statement of financial position net of inter-group eliminations.

	Total assets		Total liabilities	
R million	2014	2013	2014	2013
The externally imposed capital requirements placed on the group in terms of debt covenants on bank facilities requires that Nampak Products Ltd and Nampak International Ltd, both wholly owned subsidiaries, maintain a ratio of financial indebtedness to the financial indebtedness of the group that is higher than the ratio of the EBITDA of Nampak Products Ltd and Nampak International Ltd to the EBITDA of the group.				
The loan covenants are as follows:				
Nampak Products Ltd	16 636.5	15 379.7	11 291.8	10 149.8
– To maintain a net debt to EBITDA of not more than 3.0 times				
– To maintain an interest cover ratio of not less than 4.0 times				
– To maintain a secured properties gearing ratio of 80% or less				
Nampak International Ltd	515.1	376.1	293.6	180.0
– To maintain a net debt to EBITDA of not more than 3.0 times				
– To maintain an interest cover ratio of not less than 4.0 times				

Interest in subsidiaries, associates and joint ventures

Annexure B

1. Subsidiaries (consolidated)

	Type (see note below)	Country of incorporation	Issued share capital	Effective percentage holding 2014 %	Effective percentage holding 2013 %	Interest of holding company Shares at cost 2014 Rm	Shares at cost 2013 Rm	Indebtedness 2014 Rm	Indebtedness 2013 Rm
Alucan Packaging Ltd	O	Nigeria	US$5 402 000	100	–				
Alucan Investment Ltd	I	British Virgin Islands	US$49 000	100	–				
Angolata Lda	O	Angola	K4580 650	70	70				
Auspac Ltd	D	UK	£4 050 000	100	100				
Bullpak Ltd	O	Kenya	KES4 760 000	100	49				
CarnaudMetalbox Zimbabwe Ltd	O	Zimbabwe	US$98 994	100	100				
Crown Cork Company Zimbabwe (1958) (Pvt) Ltd	D	Zimbabwe	US$7 105	100	100				
Elopak South Africa (Pty) Ltd	D	RSA	R280	100	100				
EPS (Foston) Ltd	O	UK	£100	100	100				
Four Four Two Ltd	I	UK	£1 000	100	100				
International Cartons & Packaging Ltd	O	Zambia	ZMK77 526 000	100	100				
Malbak Ltd	I	RSA	R100	100	100	1 482.9	1 836.8	–	–
Megaplastics Ltd	I	Zimbabwe	US$0	100	100				
Metal Box (Namibia) (Pty) Ltd	D	Namibia	N$1	100	100				
Metal Box South Africa Ltd	D	RSA	R100	100	100				
Nampak Cartons Nigeria Ltd	O	Nigeria	NGN14 000 000	100	100				
Nampak Corrugated (Pty) Ltd	O	RSA	R100	100	–				
Nampak Corrugated (Swaziland) Ltd	O	Swaziland	SZL250 000	90	90				
Nampak Glass (Pty) Ltd	D	RSA	R600	100	100				
Nampak Holdings (UK) Ltd	I	UK	£1 964 715	100	100				
Nampak Holdings Ltd	I	Mauritius	US$ 37 094	100	100				
Nampak Insurance Company Ltd	Insurance	Isle of Man	£100 000	100	100				
Nampak International Ltd	I	Isle of Man	US$112 863	100	100	1 889.3	1 889.3	–	–
Nampak Kenya Ltd	O	Kenya	KES40 280 000	100	100				
Nampak Liquid Botswana (Pty) Ltd	O	Botswana	BWP100	100	100				
Nampak Metal Packaging Ltd	D	RSA	R1	100	100				
Nampak Nigeria Ltd	O	Nigeria	NGN107 044 183	100	100				
Nampak Packaging Pvt Ltd	O	Ethiopia	ETB3 848 000	100	100				
Nampak Petpak (Namibia) (Pty) Ltd	D	Namibia	N$100	100	100				
Nampak Plastics Europe Ltd	O	UK	£4 863 028	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				

Interest in subsidiaries, associates and joint ventures continued

1. Subsidiaries (consolidated) continued

	Type (see note below)	Country of incorporation	Issued share capital	Effective percentage holding 2014 %	2013 %	Interest of holding company Shares at cost 2014 Rm	2013 Rm	Indebtedness 2014 Rm	2013 Rm
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	–	–
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	100	100				
Nampak Packaging 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						3 518.4	3 872.3	79.8	79.8

2. Joint ventures (equity accounted)

	Type	Country of incorporation	Issued share capital	2014 %	2013 %
Crown Cork Company (Mozambique) LDA	O	Mozambique	MT3 800 000 000	50	50
Sancella S.A. (Pty) Ltd	O	RSA	R5 000	50	50

Associates (equity accounted)

	Type	Country of incorporation	Issued share capital	2014 %	2013 %
Collect-a-Can (Pty) Ltd	O	RSA	R4 000 000	40	40
Group Risk Holdings (Pty) Ltd	Insurance	RSA	R11 300	21	21
Hunyani Holdings Ltd	O	Zimbabwe	US$319 711	39	39
Megapak Zimbabwe (Pvt) Ltd	O	Zimbabwe	US$20 100	49	49

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

Investments

Annexure C

	Type (see note below)	Number of shares held by group 2014	2013	Effective percentage holding 2014	2013
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	14	14
Nampak Polyfoil Zimbabwe (Pvt) Ltd	O	1	1	<1	<1
Sun Citrus Holdings (Pty) Ltd	O	4 160 000	4 160 000	26	26

Type
O – Operating

Nampak Ltd

Notice is hereby given that the 47th annual general meeting of shareholders of Nampak Ltd will be held in the Emthonjeni Room, situated on the first floor of Nampak Centre, 114 Dennis Road, Atholl Gardens, Sandton, South Africa on Wednesday, 4 February 2015 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 Monday, 5 December 2014.

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, 30 January 2015. Accordingly, the last date to trade in order to be registered in the company's register of shareholders is Friday, 23 January 2015.

Presentation of annual financial statements

The consolidated audited annual financial statements of the company and of the group, for the year ended 30 September 2014, 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.

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, 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 11 require a minimum of 50% plus one vote of the voting rights cast in order for the resolutions to be adopted:

Ordinary resolution number 1 – confirmation of the appointment of a director – NV Lila*

"RESOLVED that, in terms of the company's memorandum of incorporation, the appointment of Ms NV Lila as an independent, non-executive director of the company on 1 March 2014 is hereby confirmed."

Ordinary resolution number 2 – re-election of retiring director*

"RESOLVED that Mrs CWN Molope, 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 Ms 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 4 – re-election of retiring director*

"RESOLVED that Mr PM Surgey, 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 – re-election of retiring director*

"RESOLVED that Mr FV Tshiqi, 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 executive director of the company."

Ordinary resolution number 6 – 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 Trushar Kalan will undertake the audit during the financial year ending 30 September 2015 as the individual registered auditor of Deloitte & Touche."

Ordinary resolution number 7 – appointment of a member and chairman 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 and chairman of the audit committee until the next annual general meeting of the company."

Ordinary resolution number 8 – 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."

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

"RESOLVED that Ms NV Lila, 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 10 – appointment of a member of the audit committee*

"RESOLVED that Ms I Mkhari, 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 5 and 7 to 10 above, appear on pages 10, 11 and 12 of the integrated annual report.

Ordinary resolution number 11 – 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 96 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 2014 to 30 September 2015, be approved as follows:

Board/committee	Base fee per annum (rand)	Fee per meeting for attendance (rand)	Number of formal meetings estimated per annum	Total proposed fee per annum (rand)	Total fee per annum prior year (rand)
Non-executive chairman*	1 580 500	Single fee for role of chairman and participation in sub-committee meetings†		1 580 500	1 484 000
Non-executive directors**	155 780	16 370	5	237 630	238 500
Chairman of the audit committee**	141 200	33 800	3	242 600	227 900
Member of the audit committee**	84 080	15 240	3	129 800	121 900
Member of the nomination committee**	50 810	5 645	2	62 100	58 300
Chairman of the investment committee	140 650	13 500	Fees paid only when investment committee meetings are required		
Member of the investment committee	69 700	7 900			
Chairman of the remuneration committee**	140 650	13 500	2	167 650	157 410
Member of the remuneration committee**	69 700	7 900	2	85 500	80 280
Chairman of the risk and sustainability committee**	140 650	13 500	2	167 650	157 410
Member of the risk and sustainability committee**	69 700	7 900	2	85 500	80 280
Chairman of the social, ethics and transformation committee**	140 650	13 500	2	167 650	157 410
Member of the social, ethics and transformation committee**	69 700	7 900	2	85 500	80 280

* *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, the company or any of its subsidiaries be and they are hereby granted a general authority to 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 and effect for special resolution number 2 is to grant the company a general authority to allow it or any of its subsidiaries, if the directors of the company deem it appropriate in the interests of the company, to acquire by purchase on the JSE ordinary shares issued by the company subject to the restrictions contained in the above resolution. 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 counter party;
(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.

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 10 to 13).
(ii) Major shareholders (page 133).
(iii) There have been no material changes since 30 September 2014.
(iv) Directors' interests in securities (page 105).
(v) Share capital of the company (page 102).
(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 10 to 12 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, 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:

1. 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;
2. 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;
3. 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.

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, 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 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 Monday, 2 February 2015. 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:

1. 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.
2. 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.
3. 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.
4. The appointment of a proxy is revocable by the shareholder in question cancelling it in writing 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.
5. 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.
6. Attention is also drawn to the notes to the form of proxy.
7. The completion of a form of proxy does not preclude any shareholder attending the annual general meeting.

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 30 January 2015 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.

By order of the board

NP O'Brien
Company secretary
15 December 2014

Nampak Ltd
Nampak Centre
114 Dennis Road
Atholl Gardens
Sandton 2196
Republic of South Africa

Form of proxy

Nampak Ltd
(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" DEMATERIALISED SHAREHOLDERS ONLY – 47th ANNUAL GENERAL MEETING

For use only:

- by holders of certificated shares of the company; and
- holders of dematerialised shares in the company held through a Central Securities Depository Participant (CSDP) or broker and who have selected "own name" registration;

at the annual general meeting of the company to be held in the Emthonjeni Room, situated on the first floor of Nampak Centre, 114 Dennis Road, Atholl Gardens, Sandton, South Africa on Wednesday, 4 February 2015 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 company, or failing him 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 confirm the appointment of a director – NV Lila			
2. To re-elect CWN Molope			
3. To re-elect DC Moephuli			
4. To re-elect PM Surgey			
5. To re-elect FV Tshiqi			
6. To appoint the external auditors			
7. To appoint CWN Molope a member of the audit committee			
8. To appoint RC Andersen a member of the audit committee			
9. To appoint NV Lila a member of the audit committee			
10. To appoint I Mkhari a member of the audit committee			
11. To confirm the group's remuneration policy			
12. Special resolution number 1: to approve the fees payable to the non-executive directors			
13. Special resolution number 2: to authorise the directors of the company to acquire or purchase shares issued by the company on the JSE Limited			
14. Special resolution number 3: to authorise the directors of the company to provide financial assistance to related or inter-related companies or corporations			

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 2014/2015

Signature

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 the 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 alteration 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 Proprietary 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 Tuesday, 3 February 2015.

Analysis of registered shareholders and company schemes

Registered shareholder spread

In accordance with the JSE Listing Requirements, the following table confirms the spread of registered shareholders at 26 September 2014 was:

Ordinary shareholder spread

Shareholder spread	Number of holders	% of total shareholders	Number of shares	% of issued capital
1 — 1 000 shares	4 599	52.57	1 795 716	0.25
1 001 — 10 000 shares	3 098	35.41	10 129 783	1.45
10 001 — 100 000 shares	675	7.72	23 508 882	3.35
100 001 — 1 000 000 shares	299	3.42	92 111 174	13.15
1 000 001 shares and above	77	0.88	573 161 982	81.80
Total	8 748	100.00	700 707 537	100.00

Public and non-public shareholdings

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

Public and non-public shareholdings

Shareholder type	Number of holders	% of total shareholders	Number of shares	% of issued capital
Non-public shareholders	28	0.32	105 495 467	15.06
• Directors and associates	12	0.14	448 040	0.06
• Prescribed officers and management	13	0.15	750 182	0.11
• Treasury shares	1	0.01	45 070 855	6.43
• Empowerment	2	0.02	59 226 390	8.45
Public shareholders	8 720	99.68	595 212 070	84.94
Total	8 748	100.00	700 707 537	100.00

Major shareholders

Beneficial shareholders holding 5% or more of issued capital

Beneficial shareholdings	Total shareholding	%
Government Employees Pension Fund (PIC)	95 595 130	12.36
Nampak Products Ltd	45 070 854	6.43
Total	140 665 984	18.79

Fund managers holding 5% or more of issued capital

Investment manager	Total shareholding	%
Allan Gray Investment Council	94 734 037	13.52
PIC	89 322 611	12.75
Nampak Products Ltd	45 070 854	6.43
Lazard Asset Management LLC	42 120 510	6.01
Investec Asset Management	41 052 737	5.86
Total	312 300 749	44.57

Analysis of registered shareholders and company schemes continued

Preference shareholder spread

	Number of shareholdings	%	Number of shares	%
6% cumulative preference shareholders				
Non-public/public shareholders				
Non-public shareholders	–	–	–	–
Public shareholders	33	100	400 000	100
Total	**33**	**100**	**400 000**	**100**

	Number of shareholdings	%	Number of shares	%
6.5% cumulative preference shareholders				
Non-public/public shareholders				
Non-public shareholders	–	–	–	–
Public shareholders	18	100	100 000	100
Total	**18**	**100**	**100 000**	**100**

Major preference shareholders

	Number of shares	%
6% cumulative preference shareholders		
Beneficial shareholders holding 5% or more		
Charles Forsdick Enterprises CC	134 792	33.70
Old Sillery (Pty) Ltd	95 849	23.96
Castle, JS	64 989	16.25
Konbel (Pty) Ltd	59 725	14.93
Forsdick, CEE	22 900	5.73
Total	**378 255**	**94.57**

	Number of shares	%
6.5% cumulative preference shareholders		
Beneficial shareholders holding 5% or more		
Charles Forsdick Enterprises CC	39 588	39.59
Old Sillery (Pty) Ltd	28 700	28.70
Ian Mullne Trust	16 200	16.20
Castle, JS	10 680	10.68
Total	**95 168**	**95.17**

Shareholders' diary

Annual general meeting	4 February 2015
Interim statement and ordinary dividend announcement for the half year ending 31 March 2015	May 2015
Group results and ordinary dividend announcement for the year ending 30 September 2015	November 2015

Dividend

Ordinary

Final for the year ended 30 September 2014	To be paid on 19 January 2015
Interim for the half-year ending 31 March 2015	To be paid in July 2015

Preference

6.5% and 6% cumulative	Payable twice per annum during February and August

Corporate information

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Forward-looking statements

This integrated annual report contains forward-looking statements that, unless otherwise indicated, reflect the group's expectations as at year-end. Actual results may differ materially from the group's expectations. The group cannot guarantee that any forward-looking statement will materialise and, accordingly, readers are cautioned not to place undue reliance on these. The group disclaims any intention and assumes no obligation to revise any forward-looking statement even if new information becomes available, other than as required by the JSE Listings Requirements or any other applicable regulations.

BASTION GRAPHICS

ANGOLA
BOTSWANA
ETHIOPIA
KENYA

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