



**Nampak**  
packaging excellence

**2015 INTEGRATED REPORT**



## About this report

The integrated report is Nampak's principal communication to shareholders and other stakeholders in Nampak Ltd (Nampak or the group) 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, as well as its key stakeholders and risks and opportunities and how these translate into material issues, and inform our strategy. It 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. In 2015, improvements include:

- A concise report, providing a summarised remuneration report, and integrating details of our product sustainability and Research and Development (R&D) advances into the operational reviews
- A more thorough discussion of Nampak's use of and impact on the six capitals
- Further enhancements to the connectivity of information and use of icons
- Details of our project pipeline

### Scope and boundary

Nampak reports on its operations by packaging substrate and then by region. The information in this report covers the financial year ended 30 September 2015. However, where significant events occurred between yearend 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. Our annual financial statements (AFS), the full corporate governance report, the full remuneration report, and a more detailed sustainability report are available on our website. 

For details on our main stakeholders, see pages 20 to 23 .

### 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. To determine materiality for the 2015 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; stakeholder opinion (gathered both through formal and informal channels); details of policies and regulations applicable to Nampak and the sector; and relevant media coverage. We participated in a series of interviews with key internal role-players, including 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 key 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 Ltd 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 Ltd 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 G4 guidelines and the CDP standard. Incrementally, the group is improving assurance of material social, economic and environmental reporting. In 2014, 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 74 .


### Approval by the board

This report was approved by the board and authorised for release on 26 November 2015. 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 in the production of this report. We use paper approved by the Forest Stewardship Council. We welcome feedback, which we will use to make improvements to our reporting in future. Direct your comments to [lynne.kidd@za.nampak.com](mailto: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 appear alongside and on page 30 . To access this report online, please use the QR code on the front flap.

#### OUR STRATEGIC OBJECTIVES:



UNLOCK FURTHER VALUE FROM  
BASE BUSINESS



ACCELERATE GROWTH IN THE  
REST OF AFRICA

See page 30 for more details .

#### 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.com](http://www.nampak.com)

# Features of the year

## Financial

- › Trading profit from continuing operations up by **9.9%**

- › Dividend payout ratio remained unchanged




- › Capital expenditure of **R2.2 billion**, down by **15%**

- › Revenue in rest of Africa increased by **43.4%**



## People

- › Achieved Level **3 B-BBEE** rating

- ›  Employed **6 663** people, down by 28%

- › Reported **LTIFR<sup>#</sup>** of 0.94 from 1.07

- › Corporate social investment spend of **R10.7 million**



<sup>#</sup> Lost-time injury frequency rate.

## Governance

- › Appointed new **CFO**




- › Appraised **board and committees** performance



- › Introduced **new discipline** to project management

## Environment

- › Tonnes of CO<sub>2</sub>e per **R1 million** revenue of **30.30**, down by **10%**

- ›  Water consumption at Glass reduced by **14%** as a result of water harvesting system

- ›  Recycled **63 000** tonnes of glass

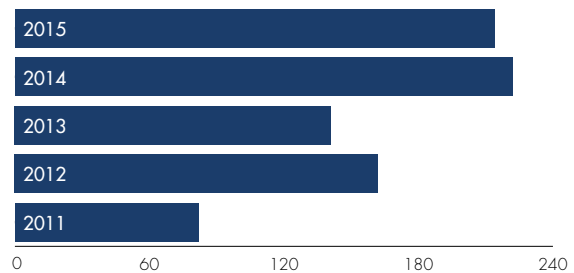
- › Conversion to **aluminium beverage cans** increases recyclability of end product



**-6.2%**

headline earnings per share for continuing operations

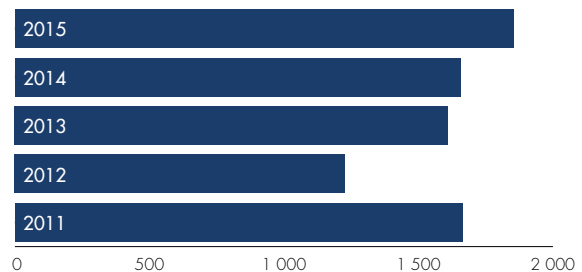
### Headline earnings per share – continuing operations (cents)



**+9.9%**

trading profit from continuing operations

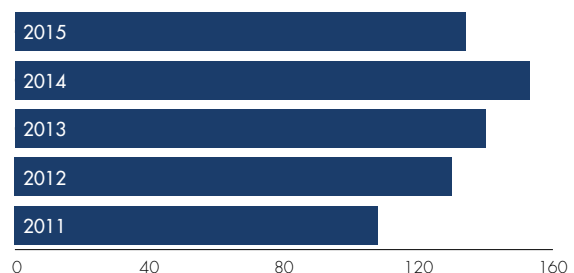
### Trading profit – continuing operations (R million)



**-12.4%**


dividend per share

### Dividend per share (cents)

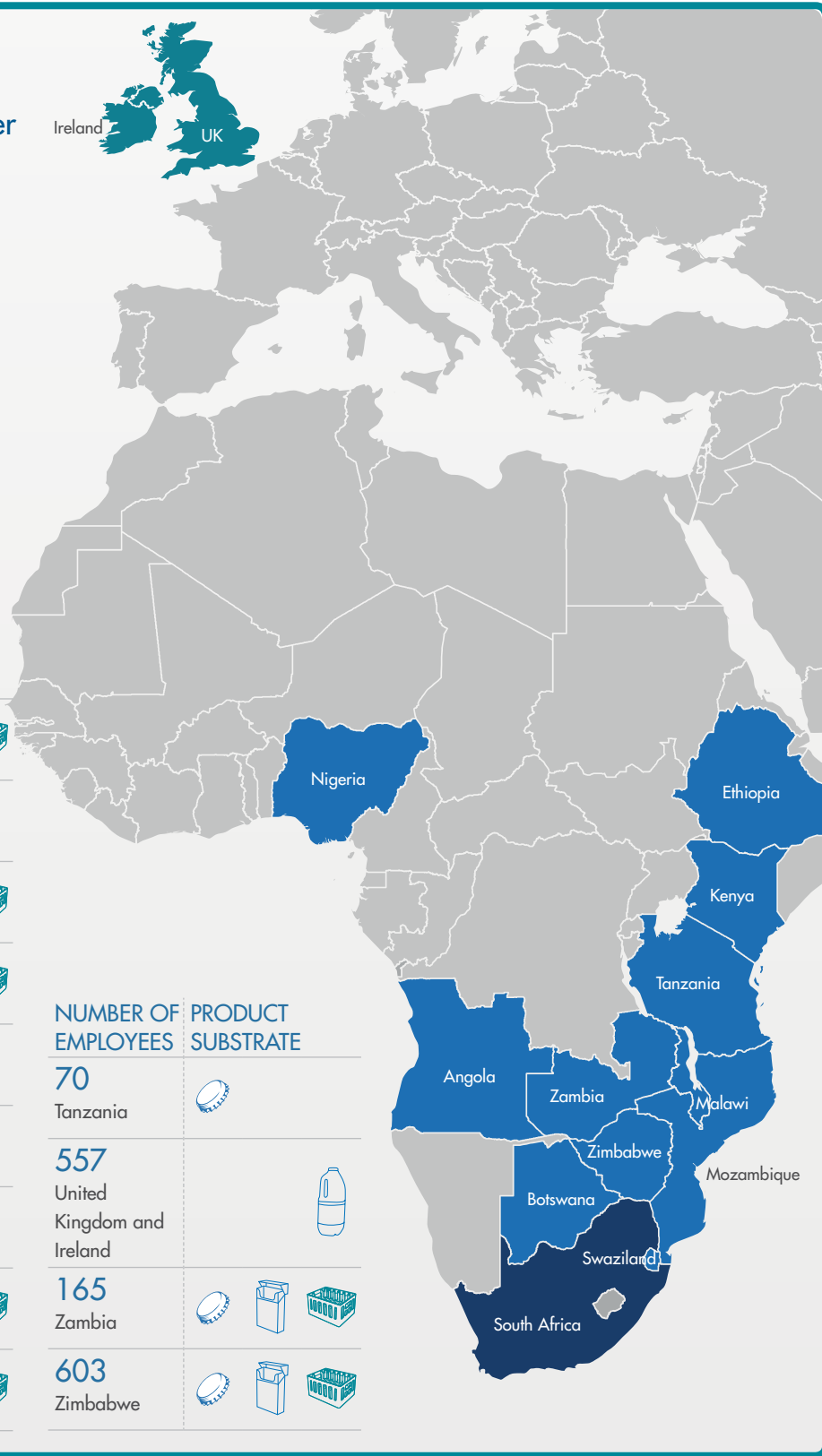


# Where we operate

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

NUMBER OF EMPLOYEES	PRODUCT SUBSTRATE
4 158 South Africa	  
220 Angola	
18 Botswana	
2 Ethiopia	 
209 Kenya	 
125 Malawi	
19 Mozambique	
509 Nigeria	  
8 Swaziland	

NUMBER OF EMPLOYEES	PRODUCT SUBSTRATE
70 Tanzania	
557 United Kingdom and Ireland	
165 Zambia	  
603 Zimbabwe	  





In **South Africa** we manufacture packaging products from metal, glass and plastics.

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



Metals



Paper



Plastics

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

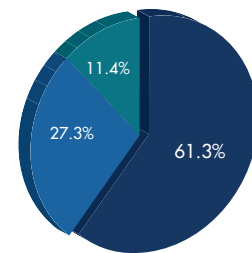
In the **United Kingdom** we are the major supplier of plastic bottles to the dairy industry.

**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.

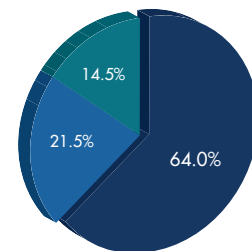
The corporate office is based in **Bryanston, South Africa**.

## Revenue



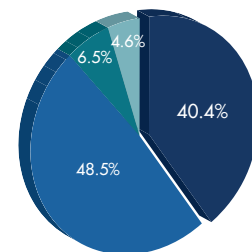
2015

- South Africa
- Rest of Africa
- UK



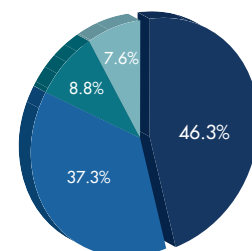
2014

## Trading profit



2015

- South Africa
- Rest of Africa
- UK
- Corporate



2014

## Nampak's role in recycling



## EXTENDED PRODUCT RESPONSIBILITY

Nampak is fully committed to its role in the recycling of metals, glass and plastic. We participate in and contribute to various recycling initiatives\*. Industry in South Africa invests more than R300 million in recycling activities each year. There are more than 250 recycling companies in South Africa.

\* Packaging SA – [www.packagingsa.co.za](http://www.packagingsa.co.za)  
Collect-a-Can – [www.collectacan.co.za](http://www.collectacan.co.za)  
The Glass Recycling Company – [www.theglassrecyclingcompany.co.za](http://www.theglassrecyclingcompany.co.za)  
PlasticsSA – [www.plasticsinfo.co.za](http://www.plasticsinfo.co.za)  
PETCO (Pty) Ltd – [www.petco.co.za](http://www.petco.co.za)  
South African Containers Association – [www.rosefoundation.org.za](http://www.rosefoundation.org.za)  
Polyolefin Recycling Company – [www.polyco.co.za](http://www.polyco.co.za)

## NAMPAK INNOVATES THROUGH RESEARCH AND DEVELOPMENT

## NAMPAK PRODUCES PACKAGING

## CUSTOMERS FILL THE PACKAGING



BEVCAN

COLLECTIONS IN PARTNERSHIP

- **Collect-a-Can joint venture with ArcelorMittal** – investment of over **R725 million** from inception in 1993
- **Aluminium beverage cans and closures** are **100% recyclable**
- **Beverage can recycling rate** of about **70%**, among **the best in the world**



## Light-weighting

- Every new glass bottle in South Africa contains more than 40% of recycled content.
- Food cans – 45mm and 52mm are lighter than their predecessors.
- “Super shorty” closure – at 2.4g is 33% lighter than its predecessor.
- Nampak’s “Infiniti” plastic bottle uses between 15% and 21% less raw material.

- Nampak’s multi-layered milk bottle used for long-life milk is 100% recyclable.
- Aluminium beverage cans weigh on average 60% less than tinsplate cans.

## Food safety

- Test solutions to extend shelf-life of products thereby reducing food and beverage waste.
- Trial new products for food safety.

Packaging plays a significant role in preventing food waste which results in less waste to landfill.

## Estimated 10 million

tonnes of food are wasted annually at a cost of > R61 billion

## SOUTH AFRICA



## Approximately

**51%** of all packaging placed on the market is collected for recycling with **< 2 million tonnes** ending up as unrecovered waste

## GLASS



- Purchases about **63 000 tonnes** of **recycled glass** from over **4 000 SMME suppliers** for use in **glass manufacturing process**
- The Glass Recycling Company reported a **recycling rate of 40.6%** which is ahead of the USA
- Nampak invested **R160 million** in a **cullet recycling plant**
- Over **80% of beer** is sold in **returnable glass bottles**

## COLLECTIONS IN PARTNERSHIP



## PLASTICS

- Collection and recycling of about **1.9 billion PET beverage bottles** annually, around **46%** of the total bottle consumption (PETCO)
- Provides jobs for an estimated **25 000** people across the **formal and informal waste sector** (PETCO)
- South Africa **recycles 33%** of **post-consumer plastic packaging**

# Our vision, mission and values

## OUR VISION

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

## OUR MISSION

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

## OUR VALUES

### Responsibility

We are accountable for our people, processes and products

### Integrity

Our integrity is paramount

### Excellence


We strive for distinction in all we do

### Commitment

We take our obligations seriously and aim to exceed expectations

### Teamwork

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

<sup>#</sup>For details on our key stakeholders see pages 20 to 23 

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, soda ash and dolomite for the manufacture of glass.

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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.

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Our **manufactured capital** inputs comprise 53 production facilities, including three glass furnaces at our Roodekop site, our corporate office in Bryanston, as well as our research facilities in Cape Town. They 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, is a key **manufactured capital** input. 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). Paper rolls, board sheets and paper sheets are essential for our paper business.

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## Our capital inputs



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

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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 decades, is also part of this capital input, which is essential to maintaining our social licence to operate.

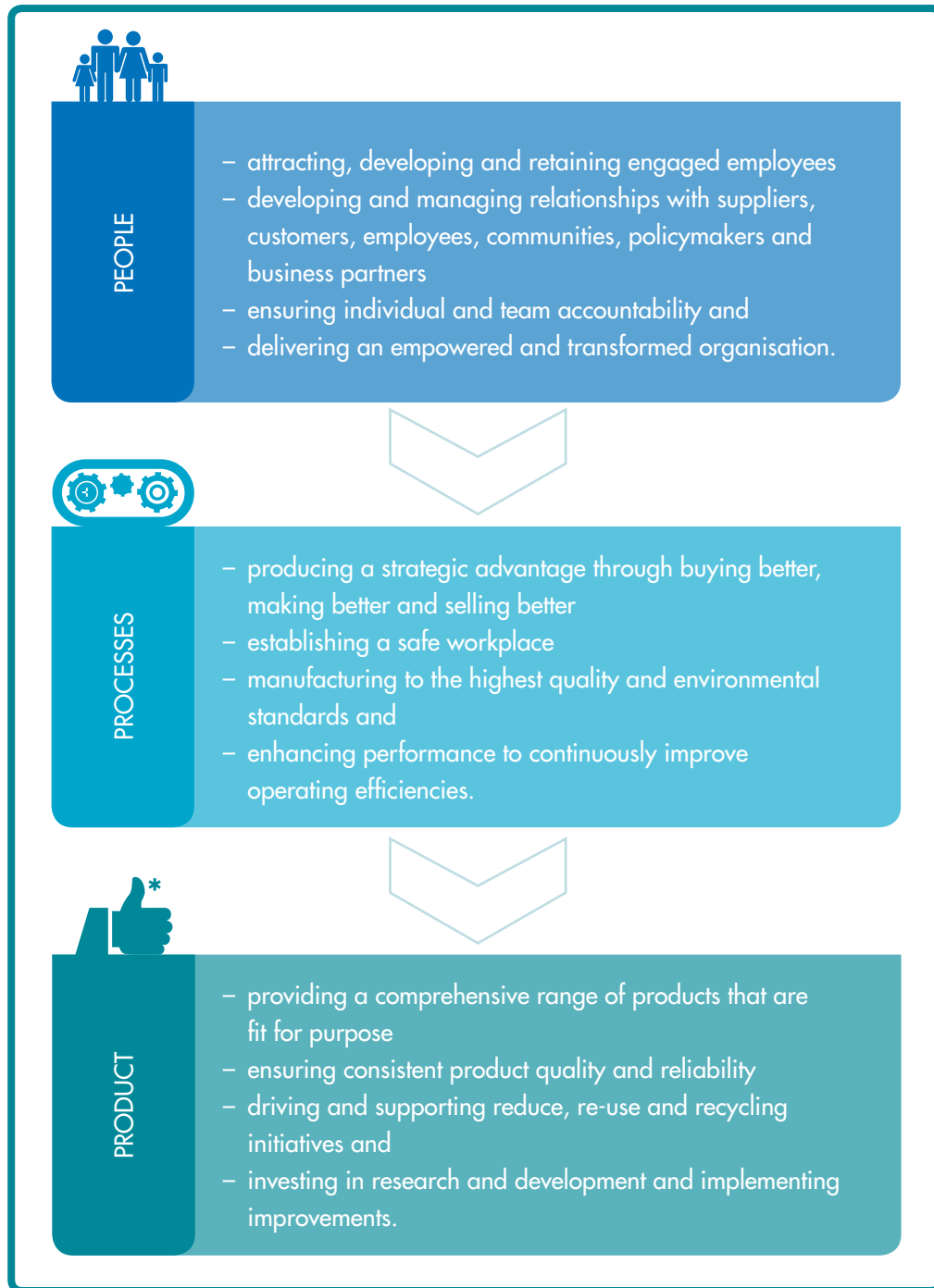
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To continue to provide cutting-edge packaging, innovation provided by our dedicated R&D team is a key **intellectual capital** input. So too are our initiatives around operational, marketing and procurement excellence, as well as the experience we have gathered from operating as a listed company for 46 years.

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## Our business model

Our vision, mission and values, our governance, our stakeholders and our environment inform and direct **our strategy**<sup>#</sup> which considers **how best to mitigate risks and optimise opportunities** and is articulated through our approach to:



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

<sup>#</sup>For our strategy, see page 30

<sup>\*</sup>For details of the value chains of our key products, see the operational reviews starting on page 48

# Our capital outputs and outcomes



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 work to ensure that all of our packaging products are recyclable, can be re-used (such as in the case of returnable bottles) or can potentially be used as fuel in the production of energy.

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

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; they enhance shelf-life and reduce the amount of food spoilage. They also inform consumers of product ingredients, including health and safety information. We are actively involved in initiatives to improve consumer awareness of managing post-consumer packaging waste.

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.

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 greater community cohesion and support, and strengthens our licence to operate.

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.

For more details on Nampak's use of and impact on the six capitals in 2015, see pages 57 to 65 .

## Board of directors Independent non-executive directors



### Tito Mboweni (57)

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

### Roy Andersen (67)

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

### Emmanuel Ikazoboh (66) (Nigerian)

FCCA, MBA

Appointed: 1 October 2013

Board committee membership:  
Investment

#### Relevant skills and expertise:

Accounting and finance

Mr Mboweni previously served as South Africa's Minister of Labour (1994 to 1998), Governor of the South African Reserve Bank (1999 to 2009) and Chancellor of North-West University (2002 to 2005). He is a member of the national executive committee of the African National Congress (since December 2012), a member of the strategic consultative committee of Total Oil Marketing (Africa and Middle East) and a member of the board of governors of the Asia Business School (Malaysia). He serves as a trustee of the Nelson Mandela Children's Hospital Trust and is chairman of its fundraising committee. He is also a member of the Council of Advisers of the Thabo Mbeki Foundation, an honorary Professor of Economics at the universities of Stellenbosch and Witwatersrand, fellow of the Stellenbosch Institute for Advanced Study (STIAS) and the Rockefeller Foundation, Bellagio Centre, Italy.

**Other directorships:** Mboweni Brothers Investment Holdings (Pty) Ltd, Sacoil Holdings Ltd, Accelerate Property Fund Ltd, Discovery Ltd, PPC Ltd, The New Development Bank BRICS and the African Center for Economic Transformation (chairman).

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

**Other directorships:** Aspen Pharmacare Holdings Ltd (and chairman of remuneration committee), Sasfin Holdings Ltd (chairman) and Military Command Council of the SANDF.

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 chief executive officer 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.



Nampak's board of directors is committed to ensuring that the group adheres to the highest standards of corporate governance. The board is responsible for the strategic direction of the group, while maintaining control over all material matters affecting Nampak.



#### Dr Reuel Khoza (66)

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 and corporate governance

#### Nopasika Lila (46)

CA(SA)

**Appointed:** 1 March 2014

**Board committee membership:**  
Audit  
Risk and sustainability (chairperson)

#### Relevant skills and expertise:

Accounting, finance and corporate governance

#### Phinda Madi (51)

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

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 and Nedbank Group Ltd. He is a fellow and president of the Institute of Directors in Southern Africa, a deputy chairman of the King Committee on Corporate Governance and a visiting professor at Rhodes University, the University of the Free State and Wits Business School.

**Other directorships:** Aka Capital (Pty) Ltd (chairman), Globeleq (chairman), Sasol Oil (Pty) Ltd and NEPAD Business Foundation.

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:** Enx Group Ltd.

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).

## Board of directors Independent non-executive directors (continued)



### Ipeleng Mkhari (40)

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 chief executive officer 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 the South African Property Owners Association.

### Disebo Moephuli (51)

BA, MBA

#### Appointed:

23 November 2009

#### Board committee

##### membership:

Investment  
Risk and sustainability

#### Relevant skills and

##### expertise:

Finance and risk

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:** Dermatus South Africa (Pty) Ltd.

### Nosipho Molope (51)

BSc (Med), CA(SA)

#### Appointed:

1 June 2007

#### Board committee

##### membership:

Audit (chairperson)  
Risk and sustainability

#### 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, South32 SA Coal Holdings (Pty) Ltd, Mobile Telephone Networks (Pty) Ltd, MTN Uganda Ltd, MTN Rwandacell S.A.R.L, MTN South Sudan, Swazi MTN Ltd and Toyota Financial Services South Africa Ltd.

### Peter Surgey (61)

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 managing director of Plascon and chief executive officer of Barloworld Coatings from 1992 to 2003. He was a board member and a director of Barloworld Ltd from 1995 to 2008. He also served on the remuneration and audit 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, Onyx Ventures and Onyx Capital Partners.

## Board of directors Executive directors



### André de Ruyter (47)

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.



### Glenn Fullerton (48)

Chief financial officer

CA(SA)

Appointed: 1 September 2015

Board committee membership:

Executive

Relevant skills and expertise:

Financial and strategic leadership

Glenn commenced his career at Deloitte where he completed his articles in 1987. He then held numerous senior finance positions at HL&H and Computicket, before joining the Malbak group in 1995, where he was finance director in various divisions until 2000. Glenn then joined MB Technologies Group as chief financial officer. In 2009, he became chief executive officer, a position he held until October 2013, when he left on a sabbatical.

Other directorships: none.



### Fezekile Tshiqi (61)

Group human resources director

BA, PGDHRM

Appointed: 29 July 2009

Board committee membership:

Executive

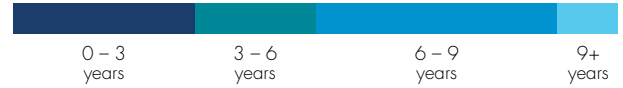
Relevant skills and expertise:

People management and development, and employee relations

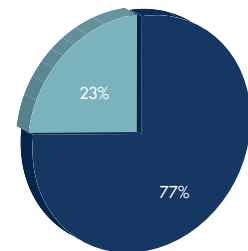
Before joining Nampak, Fezekile held various HR positions at Unilever, ABI, Corobrik and Adcock Ingram Pharmaceuticals. In 1998, Fezekile was appointed divisional HR director of Nampak Tissue and in 2002 he took over as HR director of Nampak Africa.

Other directorships: none.

### Board tenure of chairman and non-executive directors

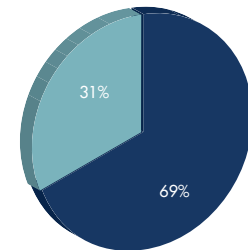


### Independence of all directors



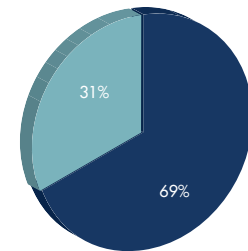
■ Independent non-executives  
■ Executives

### Diversity by race of all directors



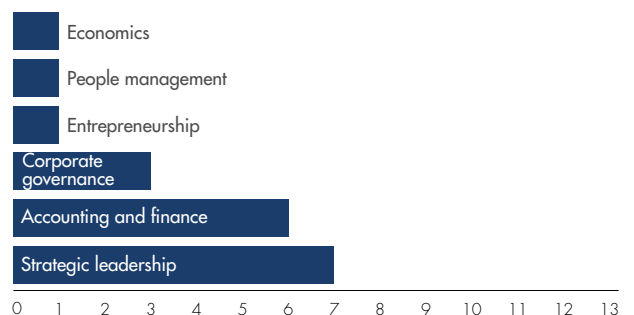
■ Black  
■ White

### Diversity by gender of all directors



■ Men  
■ Women

### Skills and expertise of all directors (number)




## Our executive committee



### André de Ruyter (47)

BA, BLC, LLB, MBA

Chief executive officer


See page 15 , directors' profiles.



### Glenn Fullerton (48)

CA(SA)

Chief financial officer

See page 15 , directors' profiles.



### Fezekile Tshiqi (61)

BA, PGDHRM

Group human resources director

See page 15 , directors' profiles.



### Christiaan Burmeister (51)

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. In April 2014 he took on the role of managing director of Nampak DivFood and was appointed to the group executive committee. Christiaan is also responsible for the Nampak R&D business.

Other directorships: none.

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.



#### Mxolisi Khutama (39)

BSc Eng, PGDMM, PGDBM

Group executive: Plastics

##### Relevant skills and expertise:

Operations, business development and administration. Mxolisi started his career at Sasol in 1999 as a process engineer and later took on a business and market development role. In 2004, he left Sasol to manage a Bristol-Myers Squibb-funded anti-retroviral roll-out programme and his own business incubator. He returned to Sasol in 2008 where he managed the detergent alcohols chemical plant, followed by a stint in investor relations. He later became managing director of Prices Candles where he led the business turnaround and subsequent divestiture.

Other directorships: none.



#### Rob Morris (53)

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 to his current role.

Other directorships: none.



#### Neill O'Brien (61)

BProc

Company secretary and group legal adviser

##### Relevant skills and expertise:

Neill was admitted as an attorney in 1977 and practised for a number of years before joining AECL as a legal adviser. He joined Nampak as a legal adviser in 1996 and has headed up the legal, secretarial and insurance functions since 2002.

Other directorships: none.



#### Erik Smuts (45)

CA(SA), ACMA, CPIM, GEDP

Group executive: Bevcana

##### 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 Bevcana 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 Bevcana in 2009. In April 2014 he was appointed as the group executive responsible for all Nampak's beverage can interests in South Africa, Angola and Nigeria.

Other directorships: Collecta-Can.

## Our operating context

### The global economic backdrop

Economic activity drives demand for goods and thus packaging

Demographic changes have a particular impact on demand

Supply of raw materials and exchange rates affect costs and profits

In Africa, policy certainty is improving and the private sector is expanding

Africa's middle-income consumer is growing, creating demand for packaging

Key infrastructure projects are improving costs and the ease of business in Africa

In South Africa, economic growth is sluggish and unemployment is growing

### Features that influence the use of packaging

Economic growth, disposable income and levels of urbanisation

Population size and growth rate

Ease of use and serving size

Consideration of the environmental impact of packaging

## Nampak's compelling position

Biggest packaging company in Africa<sup>^</sup>, with 44 operations in 12 countries in Africa

Number one supplier of beverage cans in Africa

SA leader in beverage and food cans, aerosols, HDPE milk and juice bottles

Top producer of light-weight milk bottles with high recycled HDPE content

Leading packaging R&D facility on the continent

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

Early market entrant in Nigeria with aluminium beverage can facility



## The global packaging industry

- Worth approximately US\$500 billion\*, and forecast to grow to US\$820 billion# by 2016
- Food and beverage sectors are the biggest end markets
- Raw material suppliers are led by big global producers
- Major customers are large fast-moving consumer goods firms
- The cost of raw materials is volatile
- Environmental concerns are driving innovation
- Increased focus on recycling
- Substitution of one substrate for another
- Demand for convenience foods drives development of new packaging
- Closer collaboration between packaging companies and customers is key

## Africa's packaging industry

- Worth US\$20 billion@, and forecast to grow to US\$25 billion@ by 2016
- Investment, GDP growth and rapid urbanisation drive increase in middle-income consumers
- More middle-income consumer spending stimulates demand for packaging
- Perceived risk of doing business in Africa justifies higher margins
- Competition is limited, but increasing in high-growth economies
- Challenges exist in logistics and supply chain

## South Africa's packaging industry

- Worth about R55.5 billion<sup>β</sup> and forecast to grow to R60 billion<sup>β</sup> by 2016
- Increasing competition, including imports in some substrates
- Most customers are multinationals
- Waste management regulations are under review

\* Unwrapping the packaging industry, EY 2013

# The Future of Global Packaging to 2016, Smithers Pira

@ Smithers Pira, Nampak estimates

β BMI 2015

Multi-year supply agreements secured with key customers

Focused portfolio after sale of low-margin businesses

Revitalised leadership driving change to high-performance culture

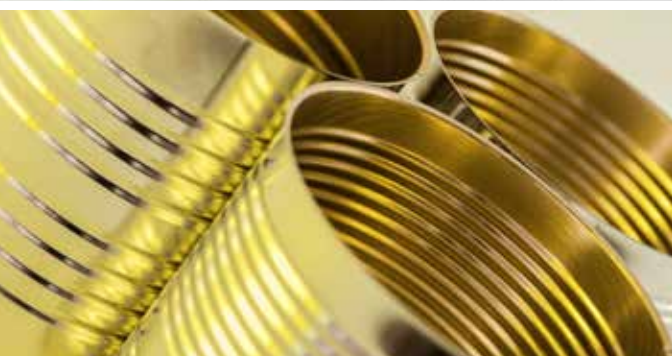
Top external customers alphabetically: Clover Holdings; Coca-Cola Canners of Southern Africa; Coca-Cola System (The Coca-Cola Company and its bottling partners in South Africa); Distell; Namibia Breweries; Nestlé; Rhodes Food Group; SABMiller; Tiger Brands; and Unilever.

Strong project pipeline to capture further growth opportunities

Keen focus on energy efficiency and waste management


Robust cash flow from base business


^ By turnover and volumes produced



## 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 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 sustainable development and risk management.

The Nampak board of directors (see pages 12 to 15 ) is the ultimate custodian of corporate reputation and stakeholder relationships. Material stakeholder issues are brought to the attention of the board, board sub-committees or individual board members, directly and, where necessary, outside of formal board meetings. Opportunities and risks arising from stakeholder engagements are also 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 8 ). Management is responsible for ensuring that engagement processes are implemented at all levels within the group and that material issues raised in these processes are addressed.




While many of our 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 around all our stakeholder engagements are:

- Equality in the treatment of stakeholders
- Transparent communication, but within the boundaries set by legislative requirements
- Effective communication, aiming to continuously improve outcomes
- Balance in presenting both the positive and negative aspects of activities
- Accuracy and relevance of information
- A variety of engagement platforms.






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.

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

Material issues and concerns in 2015	Nampak's actions in 2015	Outcomes linked to delivery of our strategy <sup>#</sup>
<b>SHAREHOLDERS, INVESTMENT COMMUNITY AND PROVIDERS OF CAPITAL</b>		
<ul style="list-style-type: none"> <li>Sustainable earnings growth and cash generation and attractive total shareholder returns</li> <li>Delivery of identified growth opportunities in the rest of Africa</li> <li>Improvements in operating performance from core businesses</li> <li>Strong and transparent governance practices</li> <li>Executive remuneration policy supported by a non-binding advisory vote</li> </ul>	<ul style="list-style-type: none"> <li>Improved articulation of the group's strategy, performance against targets, prospects, remuneration policy and governance standards</li> <li>Integrated assessment and management of risks and opportunities</li> <li>Increased engagement with shareholders</li> <li>The chairman of the remuneration committee met with shareholders on Nampak's remuneration policy</li> <li>We implemented new policies and procedures to improve project evaluation and execution</li> </ul>	<ul style="list-style-type: none"> <li>Consolidation of South African footprint</li> <li>New focus on ensuring ours is a high-performance manufacturing business, achieved through aspects such as common practices, common measurement, updated training programmes, reduced waste and increased efficiencies</li> <li>Change of culture from hands-off holding company to a hands-on, supportive, collaborative and internally aligned operating company that performs as a single unit</li> </ul>  
<b>EMPLOYEES</b>		
<ul style="list-style-type: none"> <li>Extensive consultation was required before the disposal of the Corrugated, Recycling, Tissue, Flexibles and Sacks businesses to ensure that employees understood the basis of their transfers</li> <li>Increased requirement for skills to be upgraded to resource new projects</li> <li>Safe, ethical and motivating work environment allowing for: <ul style="list-style-type: none"> <li>Steady transformation</li> <li>Opportunities for personal growth and development</li> <li>Recognition of performance</li> <li>Competitive, transparent and fair compensation and benefits</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>The majority of employees transferred to the new owners on a section 197 basis with the terms and conditions of their employment protected</li> <li>Well-defined employee relations and ethics policies and practices</li> <li>The content of our training and development programme was reviewed and updated to align with the group's strategy</li> <li>Market-related compensation and benefit structures that link performance to earnings</li> <li>We undertook an employee climate survey</li> </ul>	<ul style="list-style-type: none"> <li>Completed annual review of management succession planning</li> <li>A further four shop floor employees from Glass attended forehearth training in the United Kingdom</li> <li>26 shop floor employees from Nigeria and Angola participated in beverage can manufacturing training in South Africa</li> <li>127 managers attended managerial development programmes</li> <li>75% of managers received performance reviews</li> <li>We maintained our B-BBEE Level 3 contributor status</li> </ul>    
<b>TRADE UNIONS</b>		
<ul style="list-style-type: none"> <li>The large number of disposals we undertook resulted in a change in trade union representation in South Africa. CEPWAWU had the greatest representation at the businesses that we sold</li> <li>General instability in the employee relations environment in South Africa</li> </ul>	<ul style="list-style-type: none"> <li>Extensive consultation with trade unions ensured the successful transfer of employees under section 197 terms</li> <li>With NUMSA holding majority representation in Nampak's South African operations, we redefined the relationships between the trade union representatives, our shop stewards and our operational representatives</li> <li>Maintained relationships with all trade unions</li> </ul>	<ul style="list-style-type: none"> <li>There were no strikes in the year</li> <li>We repositioned trade union relationships</li> </ul> 

<sup>#</sup>For details of our strategy and strategy icons, see page 30 .

## Our key relationships (continued)

Material issues and concerns in 2015	Nampak's actions in 2015	Outcomes linked to delivery of our strategy <sup>#</sup>
<b>CUSTOMERS</b>		
<ul style="list-style-type: none"> <li>• Maintain track record as a reliable supplier of quality products</li> <li>• Negotiation of a number of long-term contracts, which underpin our capital investments</li> </ul>	<ul style="list-style-type: none"> <li>• Rationalised our product offering and customer base</li> <li>• Delivered quality products to meet customers' requirements</li> <li>• Our research and development team provided value-added services to customers, assisting with product innovation and queries</li> <li>• Sales and marketing employees equipped to enter into discussions on contractual terms, manufacturing performance and product demand</li> <li>• Level 3 contributor status in our B-BBEE position assisted customers with their own B-BBEE scorecards with Nampak providing for 110% procurement recognition spend</li> </ul>	<ul style="list-style-type: none"> <li>• We signed long-term agreements with our major South African customers</li> <li>• We improved key customer relationships at Glass and DivFood, supported by contracts</li> </ul>  
<b>SUPPLIERS</b>		
<ul style="list-style-type: none"> <li>• Consistent supply of quality materials and services with procurement aligned to transformation initiatives</li> <li>• Procurement policies and practices aligned with group strategic priority to "buy better"</li> <li>• Consistent supply of energy from Eskom and local municipalities</li> </ul>	<ul style="list-style-type: none"> <li>• Centralised function that negotiated supply arrangements on preferential terms using Nampak buying power to secure competitive pricing</li> <li>• Long-term contracts and support structures established for critical raw material supply. Finalisation of silicon sand supply in progress</li> </ul>	<ul style="list-style-type: none"> <li>• As a result of our "buy better" initiatives, we reduced the number of suppliers and secured better rates</li> </ul> 
<b>INDUSTRY ASSOCIATIONS</b>		
<ul style="list-style-type: none"> <li>• 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 and the carbon tax</li> </ul>	<ul style="list-style-type: none"> <li>• Nampak recognised the role industry associations have in developing policy, practices and action plans to offset environmental impacts of post-consumer packaging waste</li> <li>• We recognised that industry solutions and commitments to reducing, re-using and recycling opportunities underpin product responsibility and therefore actively contributed to these associations</li> <li>• We broadened our engagement to include other companies in the extended value chain</li> <li>• Nampak participated in Business Unity South Africa's (BUSA) environmental committee on specific issues including the proposals gazetted on waste management pricing and the carbon tax</li> </ul>	<ul style="list-style-type: none"> <li>• We support Government's approach to increasing reduce, re-use and recycling initiatives linked to diverting post-consumer packaging waste from landfills. We wish to achieve a solution that builds on already sustainable solutions which are supported by industry and are very good in world benchmark terms</li> <li>• See page 7  for some of our light-weighting achievements which continue as part of our commitment to research and development</li> </ul> 

<sup>#</sup>For details of our strategy and strategy icons, see page 30 .

Material issues and  
concerns in 2015Nampak's actions  
in 2015Outcomes linked to delivery  
of our strategy<sup>#</sup>

## GOVERNMENTS, REGULATORS, PARASTATALS, AND PROVINCIAL AND LOCAL MUNICIPALITIES

- Good governance and compliance practices
- In-country foreign exchange treatment in Angola and Nigeria

- We engaged extensively with the Department of Trade and Industry (dti), National Treasury and the Department of Environmental Affairs, either directly or in conjunction with industry associations, on the following:
  - Tax incentives
  - Carbon tax
  - Extended producer responsibility proposals gazetted by the Government for industry comment
- We developed sound relationships with some municipalities
- Given challenges experienced with other municipalities, we have an intensive focus on improving relationships and solutions
- We continued to review opportunities to improve efficiencies in reliance on natural resources both in our product development and in our manufacturing processes

- The section 12I tax incentive granted by dti provided vital support for our Glass division's investment in the third furnace
- Installed a water treatment plant in Angola that allows for the recovery and re-use of 95% to 98% of water on our second line



## COMMUNITY AND CIVIL SOCIETY

- Investment in key projects that make significant contributions to improving education facilities at secondary schools, providing bursaries to their top learners and access to hospices for the communities close to our factories

- We spent R10.7 million in corporate social investments in support of bursaries, education facilities at our schools partnership programmes, donations to hospices that are in close proximity to our operations, the eco-schools programme and in support of increased recycling rates at the materials recovery facility in the Kruger National Park
- We provided eight new bursaries to the top students at our partnered schools in 2015
- Leadership development programmes, facilitated by an external service provider, were run for a number of our partnered schools during 2015 in order to improve general management skills. The schools' management plans were a direct outcome of these workshops

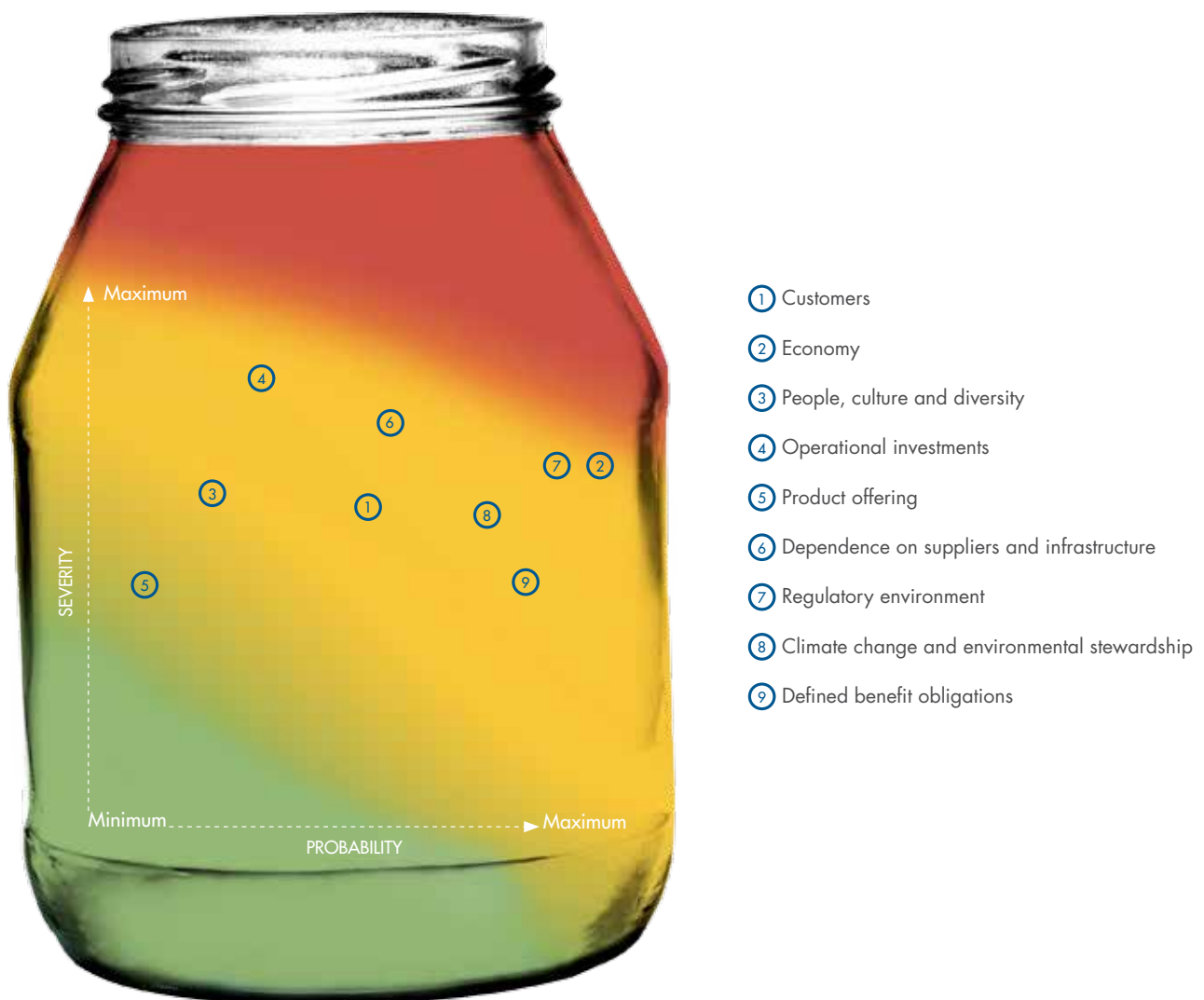
- Many of the top learners at our partnered schools have received bursaries from Nampak and, together with apprentices and learners, are now employed in our operations. Employees have access to hospice facilities in their communities
- Performance of matric learners in science and mathematics is improving as a result of our support in these subjects at our partnered schools

<sup>#</sup>For details of our strategy and strategy icons, see page 30





## Our material risks and opportunities

We determine Nampak's most material risks through our risk management process (details of which appear on pages 72 and 73 [\[1\]](#)), which 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 is after taking the mitigation strategies into account. All the top residual risks given in this table are important to Nampak. None is considered critical. As the intensity of the risks can change periodically, we do not rank these risks in order of their magnitude. The probability of each occurring influences the position of the risks on the heat map.

In the year, we added two new categories of risk. These relate to climate change and environmental stewardship, as well as to defined benefit obligations.












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 <sup>#</sup>
<b>CUSTOMERS</b>			
Certain divisions rely on supplying significant volumes to a few key customers	Should key customers no longer buy from Nampak, we would lose revenue and/or margins	<ul style="list-style-type: none"> <li>Nampak's R&amp;D capabilities deliver numerous value-added services that: <ul style="list-style-type: none"> <li>support product innovation</li> <li>test packaging performance</li> <li>evaluate light-weighting and new material solutions that retain recyclability</li> <li>support customers with microbiology assessments in respect of food and beverage safety</li> </ul> </li> <li>We foster long-term relationships with our customers and favour long-term contracts</li> </ul>	<ul style="list-style-type: none"> <li>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</li> </ul> 
Inability of customers to meet debtor terms	This would lead to an increase in our debtors' days and/or bad or doubtful debts	<ul style="list-style-type: none"> <li>We choose our customers carefully and have reduced our customer base in the year: more than 60% of Nampak's customers are large multinational companies</li> </ul>	<ul style="list-style-type: none"> <li>Improve business performance by selling better</li> </ul> 
<b>ECONOMY</b>			
General downturn in economic conditions in South Africa	<p>Reduced consumer demand would harm the performance of our South African operations</p> <p>Our potential for organic growth as well as opportunities for new investments would be limited</p>	<ul style="list-style-type: none"> <li>Diversification into other countries in the rest of Africa where growth rates are higher and disposable incomes are increasing</li> </ul>	<ul style="list-style-type: none"> <li>Unlock further value from base business</li> <li>Accelerate growth in the rest of Africa: <ul style="list-style-type: none"> <li>Leverage existing businesses in the rest of Africa, particularly beverage can growth in Angola and Nigeria, and take advantage of smaller growth projects</li> <li>Investigation of greenfield opportunities in glass manufacture in Ethiopia, Nigeria and Angola</li> </ul> </li> </ul> 
Volatility in the exchange rates of currencies in the rest of Africa and lack of liquidity in foreign exchange markets	Swings in the translated rand value of earnings in the rest of Africa impacts the group's financial performance. A lack of market liquidity in oil-based economies, specifically Nigeria and Angola, resulting from the fall in the oil price, holds up the repatriation of profits. This impacts working capital levels	<ul style="list-style-type: none"> <li>Secure sufficient credit facilities to provide headroom to manage volatility</li> <li>Engage directly with central banking authorities</li> <li>Ensure a strong management focus on inventory management linked to 2016 incentive bonus structures</li> <li>Customer contracts are in US dollars, but settlement in local currency</li> </ul>	<ul style="list-style-type: none"> <li>Sensibly manage and grow presence in current jurisdictions</li> <li>Focus on repatriation of funds from rest of Africa</li> </ul> 


<sup>#</sup>For details of our strategy and strategy icons, see page 30 

## 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 <sup>#</sup>
<b>PEOPLE, CULTURE AND DIVERSITY</b>			
Shortage of 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	<ul style="list-style-type: none"> <li>Formal recruitment, performance management and leadership development structures supported by remuneration practices designed to attract and retain the correct calibre of talent</li> <li>16 young graduates joined Nampak in 2015 and we have 149 people in our apprenticeship and learnership programmes</li> <li>We are investigating options for establishing an artisan training programme</li> </ul>	<ul style="list-style-type: none"> <li>Actively managing our talent requirements</li> </ul> 
Decline in Nampak's B-BBEE rating with the introduction of the new Codes of Good Practice and the partial unwinding of our B-BBEE ownership transactions	Negative impact on procurement by South African customers as a result of the effect on our B-BBEE scorecard	<ul style="list-style-type: none"> <li>Consistent progress over many years and in 2015 we maintained our Level 3 contributor status</li> <li>In 2015, 59% of managers in our South African operations were black, just below our target of 60%</li> <li>Steady progress in increasing female representation in management, with targets in this category achieved during 2015</li> </ul>	<ul style="list-style-type: none"> <li>Intense board and management focus on further transforming Nampak</li> </ul> 
Risk of a major undesirable safety event	Employees are key assets of the group and their wellbeing and safety underpins employee productivity and operational effectiveness. A poor safety performance has widespread harmful implications	<ul style="list-style-type: none"> <li>Management is responsible for safety and the board monitors safety performance against targets</li> <li>Safety targets are included in the key performance indicators that are linked to the annual short-term incentive scheme</li> </ul>	<ul style="list-style-type: none"> <li>Improve processes and procedures</li> </ul> 
<b>OPERATIONAL INVESTMENTS</b>			
Underperformance of new investments	A deterioration in value for shareholders should investments fail to reach the hurdle rates of performance relative to the initial projected returns	<ul style="list-style-type: none"> <li>All Nampak investments are overseen by the investment committee of the board</li> <li>In 2015 we introduced a new discipline to capital allocation and enforced clear hurdle rates for new projects and innovations</li> <li>Our group-wide project management system ensures alignment and discipline</li> <li>Operational excellence initiatives are in place to improve profitability and production efficiencies</li> <li>We have a renewed drive to reduce working capital with management key performance indicators linked to the annual short-term incentive</li> </ul>	<ul style="list-style-type: none"> <li>Actively manage our portfolio, including possible divestitures</li> <li>Manage costs stringently</li> <li>Invest to compete</li> <li>Manage working capital prudently</li> </ul>    

<sup>#</sup>For details of our strategy and strategy icons, see page 30 

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 <sup>#</sup>
<b>PRODUCT OFFERING</b>			
Substitution and changes in consumer preferences, health and environmental influences	Loss of revenue from specific packaging types as trends linked to sustainable packaging change	<ul style="list-style-type: none"> <li>Our continual interaction with customers provides early warnings of changes in consumer trends</li> <li>Being a diversified packaging group provides flexibility to move the product offering between packaging materials and types in a structured manner</li> <li>Competitive pricing of products assists in reducing the potential impacts in the short term</li> <li>Nampak's R&amp;D facility, as well as its technical partnerships with packaging producers internationally, provide the executive with information on changing trends to inform strategic decisions</li> <li>To meet customer audit requirements, where appropriate, the group actively adopts and maintains quality, health and safety, and food and beverage standards, such as ISO 9001, HACCP, BRC, AIB, FSSC 22000 and PAS 223</li> <li>Nampak's R&amp;D facility provides customers with an ability to test product suitability before manufacturing</li> <li>Ongoing formal engagement takes place with raw material suppliers to manage quality and supply</li> </ul>	<ul style="list-style-type: none"> <li>Actively manage our portfolio, including possible divesting of certain assets</li> <li>Growth through greenfield investment and acquisitions in metals, glass and plastics</li> <li>Improve business processes by buying better, making better, selling better</li> </ul>   
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 in Nampak's brand value		
<b>DEPENDENCE ON SUPPLIERS AND INFRASTRUCTURE</b>			
Reliance on energy and water infrastructure in South Africa and the rest of the continent, where availability and access to resources and raw materials can be challenging	<p>Inability to meet customer demand due to power disruptions</p> <p>If customers experience interruptions to their own power and water supply they are unable to take stock, resulting in lost sales</p>	<ul style="list-style-type: none"> <li>We actively engage with utilities and municipalities to secure consistent supply of power and water</li> <li>Where feasible, we have changed energy supply from electricity to natural gas</li> <li>Careful selection of plant location to mitigate exposure</li> <li>Where feasible, we ensure self-sufficiency, such as UPS at the South African glass factory</li> <li>In Angola, Bevcán generates its own power and a water treatment plant recycles 95% to 98% of 192 000 litres of water used daily in production at our second aluminium beverage can line</li> </ul>	<ul style="list-style-type: none"> <li>Improve business processes by buying better, making better, selling better</li> </ul> 
Dependence on a few raw material suppliers and exposure to volatility in pricing	Inability to meet customer demand due to our reliance on a few 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	<ul style="list-style-type: none"> <li>In the year, we secured supply agreements with major raw material suppliers</li> <li>We developed and tested alternative supply channels</li> <li>We build in contractual provisions with customers to manage raw material pricing volatility</li> </ul>	<ul style="list-style-type: none"> <li>Improve business processes, specifically to use economies of scale to buy better</li> </ul> 


<sup>#</sup>For details of our strategy and strategy icons, see page 30 

## 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 <sup>#</sup>
<b>REGULATORY ENVIRONMENT</b>			
<p>Challenges in maintaining full regulatory compliance at all times due to the complexity, magnitude and regular changes to applicable laws, regulations and standards</p> <p>Of particular relevance in 2015 was the gazetting in South Africa of the National Pricing Strategy for Waste Management Charges and of the Intention to Call for Industry Waste Management Plans for public comment</p>	<p>Failure to meet all applicable laws and regulations, and so remain compliant, which could lead to penalties and negatively affect our licence to operate</p> <p>Introduction of an additional tax in South Africa could result in substantial changes to the industry's current activities in post-consumer packaging recycling</p>	<ul style="list-style-type: none"> <li>• Management is accountable for legislative compliance in each area of operation and is obligated to report to the group any breaches and remedial action required and taken</li> <li>• Nampak management and the industry have provided detailed written responses to both gazetted documents with a view to participating in a robust consultation process to prevent legislation that is detrimental to current post-consumer waste recycling initiatives</li> <li>• Nampak actively participates in healthy recycling enterprises that continue to deliver steady improvements in the diversion of post-consumer packaging waste from landfill</li> <li>• Our R&amp;D capability assists with product development and testing which has resulted in numerous instances of light-weighting of Nampak's products</li> <li>• Ensure regular communication of changes in requirements in all countries</li> <li>• Certification under ISO and other standards at our operations provides assurance of compliance</li> <li>• The group and industry bodies (where feasible and appropriate) proactively engage on proposed changes in regulations</li> <li>• In the rest of Africa, the packaging industry is rarely a target for government intervention and in most countries is seen as key to creating employment and skills transfer</li> </ul>	<ul style="list-style-type: none"> <li>• 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</li> <li>• Opportunities for investments where the legislative environment is stable</li> </ul> 

<sup>#</sup>For details of our strategy and strategy icons, see page 30 .

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 <sup>#</sup>
<b>CLIMATE CHANGE AND ENVIRONMENTAL STEWARDSHIP</b>			
We are directly and indirectly exposed to the same risks and opportunities related to climate change as our suppliers and customers. These could include shifts in agriculture, changes in crop yields as well as ocean currents and general customer and consumer preferences that are emerging relating to sustainable packaging	Shortages and cost increases relating to energy supply as well as water scarcity would impact operations and profitability	<ul style="list-style-type: none"> <li>Product discussions form part of our regular engagements with customers and provide early warning of changes in consumer trends</li> <li>Nampak R&amp;D provides a unique support service in product testing and our relationships with technical service providers internationally provides prior indications of new technologies and products</li> <li>Nampak's own initiatives on product light-weighting reduce requirements for raw materials</li> <li>Our competitive pricing of products assists in reducing the potential impacts in the short term</li> <li>Where continuous production is essential, such as at our glass site, we have installed UPS facilities</li> <li>To conserve water, we have invested in water reticulation systems</li> <li>Reliance on energy and water are reviewed as part of our capital investment decisions. These provide for improvements in energy and water use, such as at our aluminium beverage can lines and at our third glass furnace</li> </ul>	<ul style="list-style-type: none"> <li>Improve business processes</li> </ul> 
<b>DEFINED BENEFIT OBLIGATIONS</b>			
Continued growth in Nampak's defined benefit obligations at a margin above the rate of increase in the consumer price index. This is a result of increased longevity, lower interest rates and investment returns, and higher medical aid inflation rates	Cost escalation outstripping affordability, impacting profitability	<ul style="list-style-type: none"> <li>We are in consultation with affected active employees and 70% of eligible employees have accepted a cash settlement offer in lieu of the future benefit and a further 10% of eligible employees have accepted the capped benefit. A small portion of eligible employees are challenging the company's capping of increases in future contributions to medical aid post-retirement at the rate of increase in the consumer price index</li> <li>The defined benefit pension plans in the United Kingdom were closed to future accrual in 2009 and all future contributions have been provided on a defined contribution basis. During the year, the two plans were amalgamated to reduce general running costs. The pensioner liability has been reinsured as part of the derisking strategy adopted by the company and trustees</li> </ul>	<ul style="list-style-type: none"> <li>Further consultations in respect of the post-retirement medical aid contributions will take place during 2016</li> </ul> 

<sup>#</sup>For details of our strategy and strategy icons, see page 30 

# Our strategy

Nampak's strategy is our plan to get the best out of our business over the near to medium term, and then grow in pursuit of our vision, which is to provide best-in-class packaging throughout sub-Saharan Africa. In the year, we remained focused on two broad strategic objectives, however, we introduced some refinements to the strategic imperatives which underpin these objectives.

## UNLOCK FURTHER VALUE FROM BASE BUSINESS



Actively manage our portfolio, including possible divesting of certain assets



Manage costs stringently



Manage working capital prudently



Improve business performance

- **Buy better** – by streamlining procurement
- **Make better** – through operational excellence, safety and efficiency
- **Sell better** – by margin expansion and active customer portfolio management



Invest to compete

This new strategic imperative underscores our work to invest to build on our competitive strengths and market positions. It replaces the imperative to “continue to grow our Metals, Glass and Plastics businesses” which is now incorporated under our “accelerate growth in the rest of Africa” strategic objective.



## ACCELERATE GROWTH IN THE REST OF AFRICA



Grow through greenfield investment and acquisitions in glass, metals and plastics

Here we have included the packaging substrates in which we intend to grow in the rest of Africa, making clear our intentions.



Grow at a reasonable rate and sustainable return

This new strategic imperative better articulates our pursuit of growth that delivers attractive and sustainable returns.



Partner with major multinational customers



Sensibly manage and grow our presence in current jurisdictions

- Build market base through exports
- Diversify manufacturing to other Nampak products
- Build on existing hubs

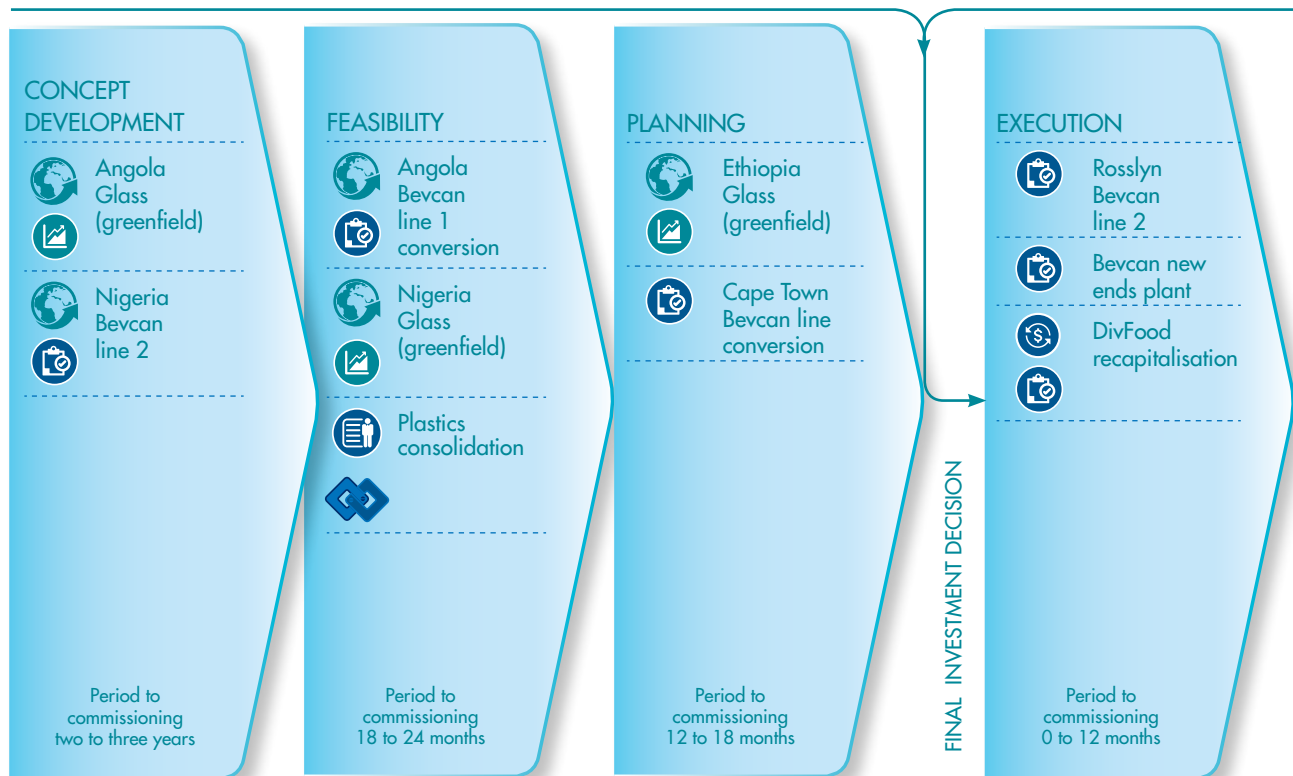
This new strategic imperative references our plans to grow in countries in which we already have a presence, and where we see the opportunity to better manage this. As a subset of this imperative, we have grouped three strategic priorities which had previously been separately articulated.



## Our project pipeline

We are considering a number of high-growth, high-value opportunities in sub-Saharan Africa to further our delivery of Nampak's strategy. As careful project evaluation and execution are key to our future performance, in 2015 we introduced a new discipline to capital allocation and enforced clear hurdle rates for new projects and innovations. Our group-wide project management system ensures alignment and discipline.

### OUR PROJECT PIPELINE






## Chairman's review

# Repositioning Nampak for longevity

In 2015, Nampak navigated difficult waters. Global economic growth slowed and commodity prices remained depressed. The economic performance of the group's home market continued to be lacklustre and the sharp fall in the oil price took its toll on the economies of two of Nampak's most important markets outside South Africa – Angola and Nigeria. Foreign exchange volatility contributed further to a challenging business environment.

The group also faced operational challenges which, although largely resolved by year-end, led to a disappointing financial performance. Headline earnings per share from continuing operations declined 6.2% to 208.2 cents (2014: 221.9 cents), however, the board maintained the group's dividend cover at 1.55 times, declaring a dividend of 134 cents per share (2014: 153 cents).

Despite these challenges, the board was encouraged by the significant progress that Nampak made to reposition itself for sustainable profitability by delivering notable achievements in terms of execution of its strategy in the year. Details of these are in the CEO's report on page 34 , the CFO's review on page 36  and the strategic performance table on page 46 .

### Investing in the success of South Africa

Nampak continues to invest in the success of its home market, committing 64% of its total capital investment of R2.2 billion to its South African businesses.

Much of these investments are in more energy-efficient production facilities, as well as in the changeover of its beverage can production lines from tins to aluminium – an infinitely recyclable product. The group also spent nearly R40 million in the year on research and development in South Africa, much of it focused on reducing the use of raw materials by decreasing the weight of packaging products.

This work, along with the various other reduce, re-use and recycle initiatives the group runs and organisations within which it continues to participate, gives practical effect to the South African Government's waste management strategy. That strategy requires the minimisation of waste during manufacturing, as well as the ability to recover and recycle post-consumer waste.

In the year, the Government proposed changes to waste management regulations. Nampak participated actively alongside its industry partners on these, providing detailed responses to gazetted policy changes, with a view to participating in a robust consultation process to prevent the passing of legislation that it believes to be potentially detrimental to the group's extensive post-consumer waste recycling initiatives.

South Africa has exemplary recycling rates, and it is important to ensure that any fiscal instrument imposed in terms of the Waste Management Act does not disrupt this record.

### Pursuing opportunities in the rest of Africa

Nampak committed 31% of its total capital expenditure in the year to its operations in the rest of Africa, led by an investment of R425 million in Angola.

In positioning itself to benefit from the compelling demographic changes occurring across the continent, Nampak is committed to expand more aggressively in the rest of Africa. However, it needs to navigate the political uncertainties and infrastructure challenges that are present in many countries. Therefore, it was pleasing to witness the peaceful handover of power to the new president in Nigeria after elections earlier in the year.

The operational performance of its beverage can businesses in Angola and Nigeria was also heartening. However, this was somewhat dampened by liquidity challenges in these two countries, as the group was not able to convert timeously into US dollars its local currency earnings, because of in-country government liquidity


restrictions. The group is hopeful that this issue will be resolved in due course, as the economies adjust to lower commodity prices.

### Boosting black economic participation

Nampak prides itself on the extensive and continuing work it does to bolster the meaningful economic participation of the previously disadvantaged in South Africa. This includes its many initiatives regarding employment equity, enterprise development and corporate social responsibility, highlights of which are on pages 59 to 62 . In October 2015, Nampak's achievements were recognised by the Black Management Forum when it presented the group with the BMF's 2015 "Most Progressive Company" award.

In the year, Nampak maintained its Level 3 black economic empowerment contributor status, but like many other companies across the economy, is anticipating a significant downward adjustment to this when the new Codes of Good Practice for Broad-Based Black Economic Empowerment (BBBEE) are implemented in 2016.

### Corporate governance developments

Nampak's board of directors is committed to ensuring that the group adheres to the highest standards of corporate governance in all matters. During the year, an appraisal of the board was conducted by an independent consultant, who rated highly the board's overall performance. For more details, see the abridged corporate governance report on page 66 . I would like to thank my fellow directors for their continued efforts in this regard.

In the year, we bade farewell to non-executive director and former chairman of our audit committee, Roy Smither, who stood down after the annual general meeting in February 2015 after eight years of distinguished service to the group, and to executive director Gareth Griffiths, who retired as chief financial officer (CFO) with effect from 15 June 2015. We thank them both for their valuable contributions. On 1 September 2015, we welcomed Glenn Fullerton to the board as an executive director and the group's new CFO.

### Looking ahead

As we look ahead, it is clear that slower growth and economic volatility will remain features of the global economy for some time. Nampak cannot rely on economic expansion alone for growth and improved performance. It needs to continue to strengthen factors within its control. The board and I are confident that management's responsible approach to growth and its commitment to creating sustainable shareholder value will ensure just that.



**Tito Mboweni**  
Chairman

Bryanston  
26 November 2015



Despite challenges, the board was encouraged by the significant progress that Nampak made to reposition itself for sustainable profitability by delivering notable achievements in terms of execution of its strategy in the year.

## Chief executive's report

# Repackaging Nampak

In 2015, Nampak made significant progress in our journey to sustainable growth and improved performance. Driven to deliver on our strategy, we reshaped Nampak. We disposed of low-margin and non-core businesses, invested to enhance our competitiveness, and streamlined our business processes to ensure that we can create sustainable shareholder value as a high-performance manufacturer.

With the appointment late in the year of our new chief financial officer – as well as new senior management at Glass, DivFood and Plastics – we completed the revitalisation of our leadership team, which is driving an important change in Nampak's culture.

We clarified our operating model to give impetus to Nampak becoming a "hands on", supportive, collaborative and internally aligned operating company that works as a united team. In this way, we are better able to pull the right levers to improve our performance in all respects after a disappointing financial and operating performance in 2015.

### Executing our strategy

Nampak's strategy is our plan to get the best out of the business over the near to medium term, and then grow in pursuit of our vision, which is to provide best-in-class packaging throughout sub-Saharan Africa. In the year, we remained focused on our two broad strategic objectives: to unlock further value from our base business, and to accelerate growth in the rest of Africa.

### Unlocking value from our base business

With the sale of our underperforming Paper, Tissue and Flexibles businesses – which resulted in cash proceeds of R2 billion and a 15% improvement in employee productivity – we delivered on our strategic imperative to actively manage our portfolio.

We are now able to focus on improving our business performance – "buy better", "make better", "sell better" – in our core Metals, Glass and Plastics operations, where we have a long-term competitive advantage and where barriers to entry are higher.

### Buying better

We completed the first wave of our initiative to "buy better". Through extensive engagement with suppliers to all our divisions, we are leveraging the Nampak brand to get more favourable terms to entrench our competitive strength. We expect this to unlock annual savings of at least R120 million from 2016.

### Making better

Our work to "make better" also delivered encouraging results. At our flagship Bevcen Springs facility, we completed the conversion of our beverage can production lines from tinplate to aluminium, and at Bevcen Rosslyn and Bevcen Angola we installed new aluminium can production lines. In this way, we demonstrated our commitment to a more sustainable form of packaging: one which requires less energy to produce and is infinitely recyclable.

While high levels of spoilage on the new lines at Bevcen Springs uncovered deficiencies in our skills base and negatively impacted that business's operational and financial performance in the first half, our significant interventions ensured a turnaround by year-end.

DivFood launched a major recapitalisation of its facilities to replace ageing equipment with energy-efficient and technologically advanced machinery able to convert the latest generation of thin-gauge tinplate and operate at higher efficiencies.

By embedding operational excellence, and greater safety and efficiency principles, as well as replacing key components, by year-end our new glass furnace at our complex at Roodekop was able to recover fully from its commissioning challenges and produce at benchmark productivity ratios. However, the turnaround came too late in the year to support profitability, and Glass reported an operating loss for 2015. We expect a sharp improvement in performance in the year ahead as Glass leverages the full operational benefits of the new third furnace.

In our Plastics division we rationalised sites, reduced complexity, actively managed our portfolio and embarked on a partial recapitalisation programme. Nampak Plastics UK announced the planned closure of our site in Consett. To control costs, it also trimmed a number of senior management positions.

Across the group, we reported an overall improved safety performance. However, there is room for further improvement. We have set a LTIFR\* target of 0.5 for 2016 from an actual of 0.94 in 2015.

### Selling better

We also began to make progress across the group in our efforts to "sell better". In South Africa, Bevcen renewed long-term contracts with important customers to cement its leading market position.

\* LTIFR – lost time injury frequency rate.

DivFood also signed long-term agreements with two of its major customers, similarly reinforcing its commanding market position. Glass restored its credibility with customers, who are looking to grow Nampak as a robust second supplier in the market.

Both DivFood and Glass did an excellent job in reducing complexity, by rationalising their product portfolios to ensure that each and every product is profitable.

Our investment in advanced planning and scheduling systems across the group will further assist us in serving all our customers better, while reducing working capital and optimising production run lengths.

### Managing costs stringently, managing working capital prudently

Our strategic work to unlock further value from our base businesses also included efforts to tighten cost and capex controls and improve our project management. One such example is that by moving into our new head office in Bryanston, we reduced our office space by 75% and our headcount by 48%. We also introduced a new discipline to capital allocation to enforce clear hurdle rates for new projects and a group-wide project management system to ensure alignment and discipline.

### Accelerating growth in the rest of Africa

In 2015, Nampak's operations in the rest of Africa contributed 49% to group trading profit. We are uniquely positioned to capture further opportunities presented by the growth in consumer markets north of South Africa's borders, which command higher margins.

We carefully considered a number of potential glass acquisitions in both east and west Africa in the year, but were sufficiently disciplined not to pursue transactions that would not add value to shareholders. Our approach is clear – we are not prepared to pay above-industry premiums on existing businesses, or to forgo due diligence; we would rather pursue greenfield investments, with higher equity returns. Our focus is on potential glass opportunities in Ethiopia, Nigeria and Angola.

We also see room to leverage our existing businesses on the continent and improve their efficiencies, while partnering with major multinational customers and thereby mitigating some of the payment risks associated with doing business in Africa.

### Looking ahead and appreciation

In the year we bade farewell to a number of long-serving Nampak executives: we wish Philip de Weerd, Gareth Griffiths and Ephraim Msane all the best and thank them for their contribution over many years.

My thanks are also due to the broader Nampak community – our suppliers, customers and in particular our employees, whose resilience in a year of many challenges was impressive.

2015 was indeed a challenging year for Nampak, in which we faced tough economic conditions and experienced operational difficulties. However, we strengthened the factors under our control by returning to the basics of manufacturing and focusing on operational excellence and a culture of high performance, all driven by a strong leadership team.

Following a period of restructuring, significant investment in the rest of Africa and in new and more competitive capacity in our home market, a more focused group has emerged: a group that is well positioned to unlock operating leverage in the year ahead.

With strong market positions and long-term agreements with key customers, we are on track to deliver a significant improvement in both our operating and financial performance in 2016. I look forward to sharing this journey to sustainable profitability with you next year.



André de Ruyter  
Chief executive

Bryanston  
26 November 2015



Nampak's strategy is our plan to get the best out of the business over the near to medium term, and then grow in pursuit of our vision, which is to provide best-in-class packaging throughout sub-Saharan Africa. In the year, we remained focused on our two broad strategic objectives: to unlock further value from our base business, and to accelerate growth in the rest of Africa.

## Chief financial officer's review

# Simplifying Nampak for growth

This year under review reflects the final stages of the implementation of Nampak's plan to simplify the group which culminated in the completion of the divestiture of non-core assets. Corporate finance activities over the last five years have resulted in a net outflow of funds of R1.5 billion, with the most material acquisitions being that of 100% of the share capital of Alucan, now renamed Bevcan Nigeria, and the purchase of the minority interest in the Glass operation. The cost of these acquisitions was partially offset by proceeds from the disposals of the Paper and Flexibles divisions as well as Paper Europe and other smaller disposals. The group is now focused on four substrates which are clearly structured and reported in the segmental reports as Metals, Glass, Plastics and Paper.

This five-year period has also been characterised by strong investments in capex programmes to ensure that existing productive capacity is appropriately maintained and, where required, expanded. Operating leverage of the group's extensive property, plant and equipment base is expected to yield improved future returns. The group's expansion into new geographies and its aggressive capex plan over the last five years has been funded through a combination of internal cash generation and new long-term dollar-based funding, resulting in an increase in the group's gearing. Historically, the group has been a strong cash generator with this trend expected to continue into the future with a concomitant reduction in the gearing. Dividend cover has been maintained during the group's significant restructure and growth into Africa.

Nampak reported growth in revenue and trading profit in 2015, assisted by the performance of the businesses in the rest of Africa, especially the newly acquired beverage can-making business in Nigeria which completed its first full year with the group. Exchange rate volatility and the significant depreciation in the rand against major currencies in the last quarter impacted the results for the financial year. Foreign exchange losses in operations in the rest of Africa, as a consequence of the devaluation of local currencies against the US dollar, adversely impacted the group earnings during 2015, partially eroding the increased contribution from the rest of Africa. In line with our work to divest from low-margin businesses and grow in the rest of the continent, we completed the disposal of all the South African Paper and Flexibles businesses. The increase in production capacity in Angola, a market in which the group holds a significant market share, was pleasing.

The commissioning of the third glass furnace in South Africa proved more challenging than originally anticipated and failed to meet management's initial expectations. This led to a revised and delayed capitalisation of the project. The capitalisation of the glass expansion project has been accounted for in terms of the relevant International Financial Reporting Standards. The management interventions in addressing the operational issues at Glass have now yielded favourable results. The integrated operation has returned to profitability in the last two months of the year with significantly improved pack-to-melt ratios in line with the investment approval and management's expectation of the project being achieved on a consistent basis.



## Overview of performance

As Nampak positions itself as the leading packaging company in Africa, our financial results in 2015 benefited from the rest of Africa contributing 27.3% to the group's revenue and 48.5% to the group's trading profit. It is the group's intention to continue to grow in Africa with a second can line in Angola having been installed. Further growth projects in Africa are under review and will be stringently evaluated before capital is allocated to such initiatives.

The South African businesses continued to seek ways to reduce costs and grow profitability. New procurement arrangements negotiated in 2015 will deliver benefits in 2016. We expect the bedding down of the newly installed aluminium lines in the beverage can business to yield positive results. The loss incurred in the Glass operation, high cost of spoilage attributed to the conversion of the beverage tinplate can lines to aluminium, high energy costs, the impact of power failures, above-inflation employee cost increases and disappointing growth in GDP had the most significant impact on the South African results. Wherever possible, the group has mitigated its risks with regard to power outages with capex specifically allocated in this regard.

In 2015, Nampak completed the conversion to aluminium can lines in Springs as well as Rosslyn and the installation of an ends line also commenced. Additionally, we completed the second can line in Angola. Surplus tinplate lines were assessed with an impairment of R85.5 million being accounted for in the second half of the year.

In 2015, Bevcn Nigeria delivered the first full year of profits compared to its first seven months of production in the previous year and the second can line in Angola was completed in June 2015. The table on the following page reflects the cash flows related to the group's corporate finance activities over the past five years with a net cash outflow of R1.5 billion being financed from internal cash resources and borrowings during this period of reorganisation and expansion into Africa.



The last five years have been characterised by a refocusing and simplification of the group and strong investments in capex programmes to ensure that existing productive capacity is appropriately maintained and, where required, expanded. The group is now focused on four substrates which are clearly structured and reported in the segmental reports as Metals, Glass, Plastics and Paper.

# Chief financial officer's review (continued)

## Corporate finance activity (Rm)

	2015	2014	2013	2012	2011
Acquisition	–	Bevcan Nigeria acquisition (3 491)	Elopak acquisition (105)	Glass 50% acquisition (978)	FourFourTwo acquisition (1)
Disposal	Disposal of balance of Paper 1 981	Cartons and Labels disposal 308	–	–	Paper Europe, Disaki, LCP and Interpak disposal 834
Net inflow/(outflow)	1 981	(3 183)	(105)	(978)	833
Cumulative (outflow)/inflow	(1 452)	(3 433)	(250)	(145)	833

We acquired a controlling interest in Nampak Zimbabwe effective 1 December 2014. The group finalised the disposal of Nampak Corrugated and Nampak Tissue to Ethos Private Equity on 1 April 2015, as well as the disposal of Nampak Recycling to Ethos Private Equity and Nampak Flexibles to Amcor Flexibles South Africa (Pty) Ltd on 1 July 2015. The Nampak Sacks business divestment to Sacks Packaging was effective 29 September 2015. We also announced the intended disposal of our 50% share in Sancella (Pty) Ltd to SCA Group Holdings BV on 21 July 2015, subject to a number of conditions precedent, including approval from the Competition Commission. The effective date of the transaction is expected to be in the first quarter of the 2016 financial year.

The divestment from the Paper businesses listed above was accounted for as a discontinued operation in accordance with IFRS 5: *Non-current Assets Held for Sale and Discontinued Operations*.

## 2015 performance from continuing operations

### Key performance indicators

- Turnover up 13.0%
- Trading profit increased by 9.9%
- Losses on translation of financial instruments R141.4 million compared to gains of R210.5 million in 2014
- EBITDA of R2.5 billion
- Profit after tax (continuing operations) increased by 2.1%
- Headline earnings per share of 208.2 cents, a decline of 6.2%
- Dividend per share of 134.0 cents (2014: 153.0 cents)
- Cash generated from operations of R1.7 billion decreased 37.0%
- Net gearing 71.8% (2014: 72.6%)
- The group continued to operate within its covenants despite a significant depreciation of the rand
- EBITDA interest cover 9.5 times (covenant greater than 4 times)
- Net interest-bearing debt to EBITDA 2.3 times (covenant less than 3 times).

The group posted a 9.9% increase in trading profit, off a 13.0% growth in turnover. Abnormal losses of R139.1 million in 2015 were in contrast to abnormal gains of R185.6 million reported in 2014. Earnings before interest, tax, depreciation and amortisation (EBITDA), which remains unchanged at R2.5 billion, was adversely impacted by these abnormal items. Profit for the year increased 2.1% to R1.5 billion, while profit after tax from continuing and discontinued operations declined by 11.8% compared to the prior year.

## Year under review

	2015 Rm	Restated* 2014 Rm	Variance %
<b>From continuing operations:</b>			
Revenue	17 291.3	15 305.6	13.0
Trading profit	1 820.5	1 657.2	9.9
Abnormal items – (losses)/profits	(139.1)	185.6	(174.9)
Operating profit	1 681.4	1 842.8	(8.8)
EBITDA	2 483.7	2 538.0	(2.1)
Profit after tax	1 456.1	1 426.0	2.1
<b>HEPS (cps)</b>	<b>208.2</b>	221.9	(6.2)
<b>From continuing and discontinued operations:</b>			
Revenue	20 616.2	20 900.9	(1.4)
Trading profit	1 877.4	1 817.0	3.3
Abnormal items – (losses)	(699.8)	(253.0)	(176.6)
Operating profit	1 177.6	1 564.0	(24.7)
EBITDA	1 989.4	2 378.3	(16.4)
Profit after tax	1 061.3	1 203.6	(11.8)
<b>HEPS (cps)</b>	<b>182.1</b>	234.7	(22.4)

\* Restated to exclude discontinued operations.

## Revenue

Increased revenue was the result mainly of growth in sales in South African Metals and Glass businesses, as well as the Metals businesses in the rest of Africa, however, revenue delivered by the balance of the businesses in the rest of South Africa was pedestrian. Revenue in the rest of Africa increased by 43.4% in 2015, primarily due to Bevcana Nigeria making its full-year contribution, the inclusion of 100% of Nampak Zimbabwe for the year and the pleasing results from the Bevcana business in Angola. Revenue from the United Kingdom in constant currency terms declined due to a loss of volume as well as pricing pressure in 2015. However, the rand's significant depreciation against the pound in the year positively impacted the translation of United Kingdom revenue into rand, but was not large enough to offset the decline in trading activities.

Nampak's revenue from continuing operations increased by 13.0% in 2015, thanks largely to the inclusion of revenue for the full year from Bevcana Nigeria, as well as the consolidation of the previously equity-accounted Zimbabwe entities effective 1 December 2014. Revenue from the group's operations in the rest of Africa grew by 43.4%, while South African revenue grew by 8.2%.

## Trading profit

Growth in trading profit arose mostly from Nampak's businesses in the rest of Africa, on the back of a very good performance in Angola and the delivery by Bevcana Nigeria of expected results. Unfortunately, this excellent performance was negatively impacted by the translation from local currency into US dollar and the inability to timeously convert local currency into US dollars due to in-country government liquidity restrictions. This is receiving management's attention.

The businesses in the rest of Africa contributed 48.5% of the group's total trading profit compared to 37.3% in 2014. Trading profit in the United Kingdom continued to decline in 2015, in constant currency terms, due to the loss of a major customer and tough trading conditions. The trading margin of 10.5% in 2015 was marginally below the 10.8% achieved in 2014. Positive growth in margin from the rest of Africa was unfortunately offset largely by depressed margins in the South African businesses as a consequence of pricing pressure on margin from customers, coupled with increases in input costs.

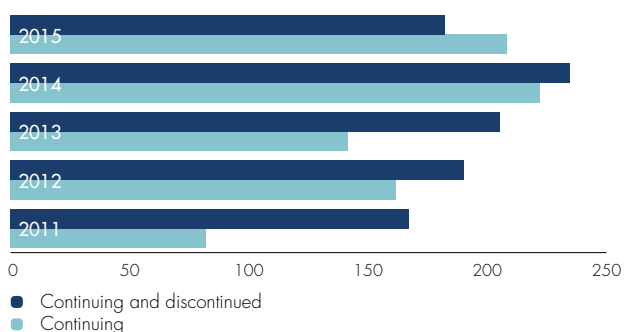
Trading profit from continuing operations grew by 9.9% and operating profit declined by 8.8%. Abnormal items had a significant effect on the reported results in the period under review. The South African businesses remained under pressure from a trading profit perspective as overhead costs rose at rates in excess of inflation and could not be fully recovered in margin. Bevcana South Africa's profitability was adversely impacted by costs related to unexpectedly high levels of spoilage on the new aluminium can lines for a portion of the year, with improvements noted in the latter part of the year.

Trading profit in South Africa declined 4.2% year-on-year. The rest of Africa delivered pleasing growth in trading profit of 43.1%, while trading profit in the United Kingdom declined 19.1% due to pressures in the United Kingdom's milk industry.

The installation of the third furnace at Nampak Glass resulted in poor results until July 2015 when a clear turnaround to profit was achieved. Despite initial pack-to-melt ratios well below expectations for the majority of the year, the decisive action taken by management has resulted in pack-to-melt ratios which are now trending towards expectations for an operation of this nature. Glass had a significantly improved second half of the year with operational efficiencies returning to acceptable levels. The operation is now operating in line with management's expectations with trading profits delivered in the latter months of the financial year. This performance is anticipated to continue improving through the 2016 financial year and we expect to remain unconstrained by demand for glass in the South African market. This bodes well for the future profitability of the operation.

The group's net profit after tax from continuing operations increased 2.1% in the year assisted by lower net finance costs and a taxation credit attributable mainly to government tax incentives claimed in the year.

## Headline earnings per share (cents per share)



Headline earnings per share from continuing operations decreased by 6.2%.

## 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.

Trading profit of R1.8 billion from continuing operations reflected an increase of 9.9%. Operating profits of R1.7 billion reflected a decrease of 8.8% due to net abnormal losses from continuing operations of R139.1 million (2014: R185.6 million net gain) for the year resulting in a cumulative adverse impact on operating profits of R324.7 million over the previous year.

## Chief financial officer's review (continued)

### Abnormal items

	2015 Rm	Restated 2014 Rm
Loss/(gain) on translation of financial instruments	141.4	(210.5)
Net impairment losses	121.4	37.3
Restructuring and retrenchment costs	103.0	20.8
Cash flow hedge effectiveness	–	(0.1)
Net gain on revaluation of original interest in businesses acquired	–	(9.4)
Net profit on disposal of land and buildings	(102.5)	(23.7)
Net gain on Nampak Zimbabwe restructure	(124.2)	–
<b>Net loss/(gain)</b>	<b>139.1</b>	<b>(185.6)</b>

During 2015 we reclassified differences on the translation of financial instruments to abnormal items due to the significant impact that the devaluation of emerging market currencies had on the results of the group. Impairment losses in 2015 consisted of impairments of property, plant and equipment of R121.4 million (2014: R37.3 million) largely attributable to the R85.5 million impairment of the tinplate lines in Bevcan which were replaced with aluminium can lines. Routine reorganisation and restructuring of businesses cost R103.0 million (2014: R20.8 million), consisted mainly of retrenchment costs.

The 2015 gain of R102.5 million related to the disposal of two properties which were previously occupied by the now disposed of Cartons and Labels operations. In 2015, a gain of R124.2 million resulted from the acquisition of a 51.43% share of Nampak Zimbabwe Ltd, a listed entity formed from the entities CarnaudMetalbox Zimbabwe Ltd (previously owned 100%), Megapak Zimbabwe (Pvt) Ltd (previously 49.0% owned and equity accounted) and Hunyani Holdings Ltd (previously 38.9% owned and equity accounted), as a consequence of the requirements of IFRS 3: *Business Combinations*.

### Net finance costs

Despite marginally increased interest rates in South Africa and the group's net interest-bearing debt at the year-end exceeding that of the prior year, net finance costs from continuing operations decreased from R308.5 million to R279.0 million in 2015. The capitalisation of R70.8 million interest to the third glass furnace in South Africa, as a consequence of the revised timing of the capitalisation of the third furnace, and lower borrowings rates achieved by Nampak International Ltd contributed to the reduction in net finance costs. Average borrowing rates for the South African operations were 7.1% in 2015 (2014: 6.5%). For Nampak International Ltd, average borrowing rates were 3.3% in 2015 (2014: 4.0%).

### Income tax

The effective tax rate for continuing operations in 2015 was negative 4.1%, compared to 9.1% in 2014, as we continued to benefit from government grants for capital-related projects in Bevcan (in South Africa, Nigeria and Angola) and Glass. The group also benefited from lower tax rates in other tax jurisdictions. Prior year tax adjustments include a credit relating to a portion of the section 12I allowance not accounted for in 2014, but claimed in the tax return. It also includes a credit relating to a black employee empowerment share scheme expense. The current tax rate is not sustainable.

### Summarised tax rate reconciliation

	2015 %	Restated 2014 %
<b>Effective tax rate</b>	<b>(4.1)</b>	9.1
Government incentives	9.7	12.1
Tax rate differential	9.9	4.0
Prior year tax adjustments	12.8	0.7
Withholding tax	(2.7)	(1.9)
Other	2.4	4.0
<b>South African normal tax rate</b>	<b>28.0</b>	28.0

### Statement of financial position

	2015 Rm	2014 Rm
Non-current assets	15 366.7	13 697.8
Current assets	8 894.4	8 193.3
Assets classified as held for sale	146.4	–
<b>Total assets</b>	<b>24 407.5</b>	21 891.1
Total equity	9 172.4	7 883.1
Non-current liabilities	6 611.2	7 429.8
Current liabilities	8 623.9	6 578.2
<b>Total liabilities</b>	<b>24 407.5</b>	21 891.1

### Key indicators

	2015 %	Restated 2014 %
<b>From continuing operations:</b>		
Return on net assets (%)	11.2	15.1
Return on equity (%)	19.4	23.6
Net borrowings (R million)	6 582.1	5 721.5
Net gearing (%)	71.8	72.6
Net asset value per share (cps)	1 456	1 255

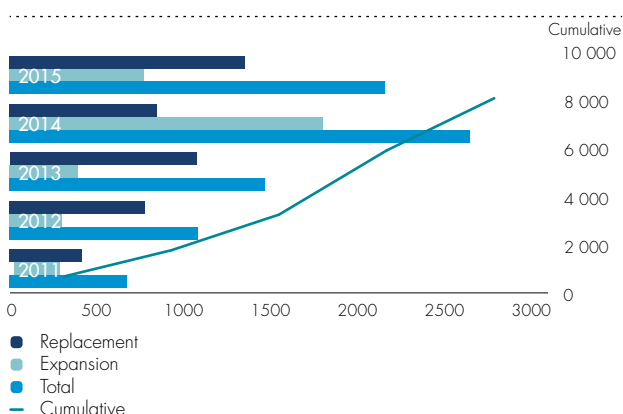
Net worth per share increased to 1 456 cents from 1 255 cents in 2014 following the increased profitability emanating from the operations in the rest of Africa and the R774.6 million increase in the foreign currency translation reserve.

### Acquisitions and capital expenditure

Total non-current assets increased by R1.7 billion in 2015. The principal reasons for the increase were the capitalisation of aluminium can lines, as well as the installation of a second can line in Angola. In addition, the consolidation of Nampak Zimbabwe increased the asset base due to the significant portion of Nampak's ownership of companies in Zimbabwe previously equity accounted. The translation of our foreign-owned assets at higher exchange rates has resulted in a translation gain of R1.4 billion in 2015 while disposed assets including divestment totalled R1.4 billion. The balance of movement relates to depreciation and asset impairment.

Nampak incurred capital expenditure of R2.2 billion (2014: R2.6 billion) in the year, with R771.0 million being expansionary in nature (2014: R1.8 million). Major capital expenditure included R920.0 million cost of installing aluminium can lines at Bevcam Springs and Rosslyn, as well as the R425.5 million cost of installing the second line in Angola. We also incurred final expenditure of R249.1 million on the third glass furnace inclusive of operating losses of R27.1 million and R70.8 million interest capitalised.

### Capital expenditure (R million)



### Foreign currency translation reserve

The continued weakening of the rand against major currencies in 2015 resulted in a foreign currency translation gain, accounted for in equity, of R774.6 million (2014: R381.9 million gain). The year-end spot rates used for the translation of foreign currencies were as follows:

### Currency (to South African rand – closing rates)

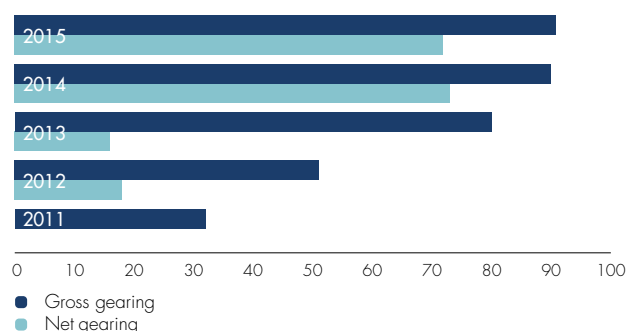
	2015	2014
US dollar	13.86	11.30
Movement	22.7%	
British pound	20.97	18.33
Movement	14.4%	

### Net borrowings and gearing

Nampak's 2015 borrowings increased following peak season inventory build-up for the beverage industry and strong revenues in August and September which resulted in increased trade receivables at year-end. The net debt position was positively impacted by cash collected from divestments but outflows in the investments made in capital expenditure outweighed inflows. Net borrowings increased to R6.6 billion (2014: R5.7 billion) with net gearing of 71.8% marginally down from the 72.6% reported in the prior year. Working capital remained under control with a net investment in working capital during the year of R2.9 billion (2014: R3.0 billion). We continue to focus on cash generation, and in particular on working capital management and capital expansion programmes.

The group remained comfortably within its borrowing covenants. The graph below reflects the net year-end gearing trend over the last five years:

### Gearing (%)



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

	2015 %	2015 Rm	2014 %	Restated 2014 Rm
South Africa	45	2 986.0	52	2 950.3
– Borrowings		3 042.0		3 068.1
– Cash		(56.0)		(117.8)
United Kingdom and rest of Africa	55	3 596.1	48	2 771.2
– Borrowings		5 127.5		3 780.9
– Cash		(1 531.4)		(1 009.7)
<b>Net borrowings</b>	<b>100</b>	<b>6 582.1</b>	<b>100</b>	<b>5 721.5</b>

The proportion of United Kingdom and rest of Africa net borrowings to total group borrowings was impacted by the significant decline in the rand versus the dollar and pound during the year.

## Chief financial officer's review (continued)

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

	Facility Rm	Utilised Rm	Available Rm
South Africa	5 395.0	3 144.0	2 251.0
UK and rest of Africa	6 938.9	5 593.1	1 345.8
<b>Total</b>	<b>12 333.9</b>	<b>8 737.1</b>	<b>3 596.8</b>
<b>%</b>		<b>70.8</b>	<b>29.2</b>

Due to government liquidity restrictions in Angola and Nigeria, the group experienced difficulties in timeously converting the bank balances (in local currency) of the operations into US dollars in order to settle US dollar denominated group commitments. This, combined with the weakened Angolan and Nigerian currencies, mainly contributed to total foreign exchange losses for the group of R141.4 million (2014: R210.5 million gain) which were reclassified to abnormal items. At year-end, Nampak had cash balances of R701.3 million (2014: R265.9 million) in those two countries. During the year more than 50% of ongoing hard currency obligations have been met with funds secured from Nigerian and Angolan banks. While these conditions are expected to be temporary, management continues to address this issue. We cannot guarantee that the situation will either improve or deteriorate.

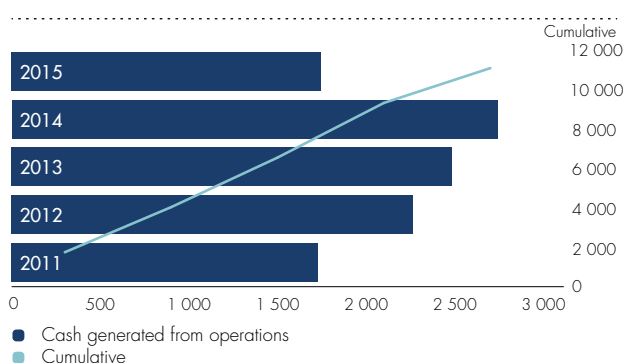
### Statement of cash flow

The group generated R1.7 billion from operations for the year ended 30 September 2015 (2014: R2.7 billion). The net increased investment in working capital amounted to R668.6 million (2014: R189.1 million). The net investment in working capital increased primarily due to increased investment in trade receivables due to the recovery achieved in the glass operation and higher sales in Bevcan. The debtor book remains very well controlled. The increased investment in inventory was primarily funded by increased trade payables.

During the year we bought out a significant portion of the post-retirement medical aid liability which resulted in a cash outflow of R215.3 million. The dividend cover of 1.55 times has been maintained with a dividend of R946.2 million being paid (2014: R904.4 million). This represented an increase of 4.6%. Tax payments in 2015 amounted to R151.6 million compared to R95.3 million in 2014. This, together with finance costs, resulted in a net cash outflow before investing activities of R1 457.8 million.

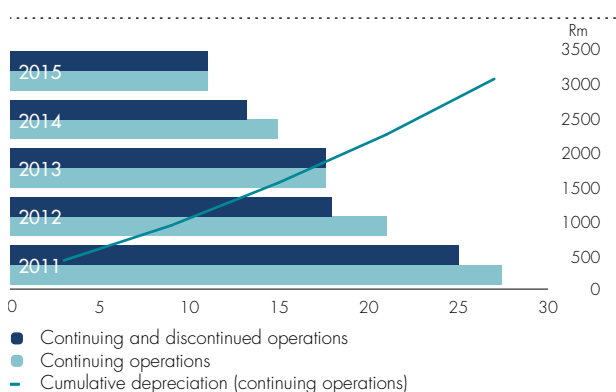
The graph below sets out the cash generated from operations over the last five years.

### Cash generated from operations (R million)



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

### Return on net assets (%)



During the period under review the group has been restructured and significant capital expenditure has been incurred. Delayed returns from the capitalisation of the third glass furnace and the Bevcan aluminium lines have contributed to the decline in RONA. This trend is expected to reverse as these projects come on stream.

The replacement of superannuated equipment has resulted in an increased depreciation charge and a higher capital base from which future returns are expected.

### Conclusion

Following a period of restructuring, expansion into new African countries and high capital expenditure, the group is poised to benefit from a simplified group structure and operating leverage capabilities that are expected to deliver growth into the future.

### Contingent liabilities and subsequent events

There are no significant contingent liabilities noted for the 2015 year.

There are no significant subsequent events to report after the year-end.

Glenn Fullerton  
Chief financial officer

Bryanston  
26 November 2015

# Five-year financial review

## Definitions

### Treasury shares

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

### Weighted average number of shares

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

### Dividends declared/cash distributions per ordinary share

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

### Return on equity

Net profit attributable to ordinary shareholders
Average ordinary shareholders' equity

### Trading profit

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

### Net assets

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

### Return on net assets

Trading profit plus investment income and share of profit in associates and joint ventures
Average net assets

### Net asset turn

Revenue
Average net assets

### Return on invested capital

Net operating profit less adjusted taxation
Average net debt plus average total equity

### Interest cover

Trading profit plus investment income and share of profit in associates and joint ventures
Net interest

### Net debt to EBITDA (debt covenants)\*

Net debt
EBITDA

### EBITDA

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

### EBITDA interest cover\*

EBITDA
Net interest

### Gross gearing

Loans and borrowings plus overdrafts
Total equity

### Net debt

Loans and borrowings plus overdrafts less bank balances, deposits and cash less non-current receivables.

### Net gearing

Loans and borrowings plus overdrafts less bank balances, deposits and cash less non-current receivables
Total equity

### Employee numbers used for calculations

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

### Productivity per employee

EBITDA
Number of employees

### Market capitalisation

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

### Earnings yield

Headline earnings per share
Year-end market price per share

### Dividends/cash distribution yield

Dividend/cash distribution per ordinary share
Year-end market price per share

### Price/earnings ratio

Year-end market price per share
Headline earnings per share

\*EBITDA and net debt per the debt covenants are calculated as per the loan agreements and not per the normal definition.



## Five-year financial review (continued)

		2015	2014	2013	2012	2011
<b>Statistics</b>						
<b>Earnings and dividend data</b>						
Weighted number of ordinary shares in issue	'000	629 726	627 728	624 921	623 607	621 407
Headline earnings per ordinary share	cents	182.1	234.7	205.3	190.4	167.0
Continuing operations	cents	208.2	221.9	141.4	161.6	82.2
Discontinued operations	cents	(26.1)	12.8	63.9	28.8	84.8
Change over previous year (continuing operations)	%	(6)	57	(12)	97	(31)
Earnings per ordinary share	cents	165.6	186.3	207.2	193.4	101.1
Continuing operations	cents	228.3	221.7	156.4	165.2	72.8
Discontinued operations	cents	(62.7)	(35.4)	50.8	28.2	28.3
Change over previous year (continuing operations)	%	3	42	(5)	127	(33)
Cash distributions/dividends declared per ordinary share	cents	134.0	153.0	140.0	129.5	108.0
Change over previous year	%	(12)	9	8	20	30
Five-year compound annual growth rate	%	(4)	(12)	(21)	(2)	(2)
Cash distribution/dividend cover	times	1.5	1.5	1.5	1.5	1.5
<b>Financial data</b>						
Return on equity						
Continuing operations	%	19	24	20	25	19
Continuing and discontinued operations	%	12	15	20	21	20
Return on net assets						
Continuing operations	%	11	15	18	21	27
Continuing and discontinued operations	%	11	13	18	18	25
Net asset turn						
Continuing operations	times	1.1	1.3	1.8	2.1	1.7
Continuing and discontinued operations	times	1.2	1.5	1.9	2.2	2.1
Return on invested capital	%	9	12	17	17	40
Interest cover	times	6	6	9	10	18
EBITDA interest cover	times	9	8	13	16	21
EBITDA interest cover – debt covenants	times	10	7	10	13	14
Effective rate of tax						
Continuing operations	%	(4.1)	9.1	25.9	26.9	33.2
Continuing and discontinuing operations	%	(21.5)	4.1	21.4	27.3	33.1
Net debt	R million	6 582.1	5 721.5	1 155.6	1 058.6	16.0
Gross gearing	%	91	90	80	51	32
Net gearing	%	72	73	16	18	0
Net debt to EBITDA – debt covenants	times	2.3	2.2	0.6	0.6	0.3
Number of ordinary shares in issue	'000	630 057	628 267	625 457	624 272	622 759
Net asset value per ordinary share	cents	1 456	1 255	1 150	919	898
– Change over previous year	%	16	9	25	2	(1)
<b>Employee data</b>						
Permanent employees		6 663	9 269	9 965	10 364	10 475
Temporary employees		1 328	1 851	1 734	2 005	2 068
Total employees		7 991	11 120	11 699	12 369	12 543
Employee numbers used for calculations		7 945	7 543	7 411	7 132	8 416
Revenue per employee	R'000	2 176	2 029	1 834	1 716	1 220
Employment cost per employee	R'000	353	333	311	295	229
Productivity per employee	Index	25	21	22	20	17
<b>Operating results</b>						
<b>Continuing operations</b>						
Revenue	R million	17 291.3	15 305.6	13 594.5	12 240.5	10 270.3
Trading profit		1 820.5	1 657.2	1 610.0	1 227.0	1 663.9
Profit after tax from continuing operations		1 456.1	1 426.0	957.6	1 014.9	768.5
<b>Discontinued operations</b>						
(Loss)/profit from discontinued operations		(394.8)	(222.4)	318.0	175.8	174.9
Profit for the year		1 061.3	1 203.6	1 275.6	1 190.7	943.4
<b>Attributable to:</b>						
Equity holders of Nampak Ltd		1 043.2	1 169.4	1 295.0	1 206.0	968.7
Non-controlling interests		18.1	34.2	(19.4)	(15.3)	(25.3)
		1 061.3	1 203.6	1 275.6	1 190.7	943.4

		2015	2014	2013	2012	2011
	R million					
EBITDA		1 989.4	2 378.3	2 563.7	2 453.7	2 155.1
Continuing operations		2 483.7	2 538.0	2 352.3	2 036.3	1 666.0
Discontinued operations		(494.3)	(159.7)	211.4	417.4	489.1
EBITDA (adjusted for impairments)		2 188.5	2 809.7	2 680.0	2 473.1	2 278.3
Continuing operations		2 605.1	2 575.2	2 474.5	2 055.7	1 789.2
Discontinued operations		(416.6)	234.5	205.5	417.4	489.1
<b>Statements of financial position</b>						
	R million					
Total shareholders' funds		9 172.4	7 883.1	7 190.6	5 739.1	5 594.7
Retirement benefit obligation		2 008.4	2 173.0	2 193.1	1 618.3	1 360.5
Deferred tax and other non-current liabilities		390.8	503.5	811.5	663.8	498.0
Non-current loans and borrowings		4 212.0	4 753.3	3 249.5	1 350.9	1 114.7
Current liabilities		8 623.9	6 578.2	6 179.2	5 152.0	3 992.6
<b>Total equity and liabilities</b>		<b>24 407.5</b>	<b>21 891.1</b>	<b>19 623.9</b>	<b>14 524.1</b>	<b>12 560.5</b>
Property, plant and equipment		11 025.7	9 864.3	7 835.3	6 640.0	5 687.3
Intangibles		4 118.6	3 419.5	814.5	715.1	183.1
Other non-current financial assets and deferred tax		222.4	414.0	455.7	(486.8)	42.6
Current assets		9 040.8	8 193.3	10 518.4	7 655.8	6 647.5
<b>Total assets</b>		<b>24 407.5</b>	<b>21 891.1</b>	<b>19 623.9</b>	<b>14 524.1</b>	<b>12 560.5</b>
<b>Cash flow</b>						
	R million					
– Cash generated from/(utilised in) operations		1 726.5	2 740.1	2 484.1	2 262.2	1 725.5
– Cash (utilised in)/retained from operating activities		(1 457.8)	419.5	(103.4)	134.5	339.0
– Additions to property, plant, equipment and intangibles		(2 195.2)	(2 620.1)	(1 447.2)	(1 084.2)	(676.2)
– Net (decrease)/increase in cash		(1 535.2)	(3 653.1)	1 944.9	(659.8)	410.6
<b>Share performance</b>						
Market price per share						
– Highest	cents	4 885	4 154	3 780	2 970	2 350
– Lowest	cents	2 572	4 001	2 809	1 992	1 842
– Year-end	cents	2 580	4 113	3 121	2 860	2 087
Number of ordinary shares in issue <sup>1</sup>	'000	702 497	700 708	697 897	696 712	695 199
Market capitalisation <sup>2</sup>	R million	18 124	28 820	21 781	19 926	14 509
Volume of shares traded	'000	437 360	388 869	496 327	260 793	278 199
Value of shares traded	R million	13 055.2	24 525.0	16 082.8	6 342.8	6 090.6
Volume of shares traded as a percentage of total issued shares	%	62.3	55.5	71.1	37.4	40.0
Earnings yield <sup>2</sup>	%	7.1	5.7	6.6	6.7	8.0
Cash distribution/dividend yield <sup>2</sup>	%	5.2	3.7	4.5	4.5	5.2
Price:earnings ratio <sup>2</sup>	times	14.2	17.5	15.2	15.0	12.5
<sup>1</sup> Net of treasury shares						
<sup>2</sup> Based on yearend market price						
<b>Economic indicators</b>						
The principal economic indicators applied in the preparation of the group results are shown below.						
<b>Exchange rates</b>						
Rand/UK pound						
– Average		18.56	17.54	14.49	12.71	11.18
– Closing		20.97	18.33	16.25	13.39	12.58
Rand/euro						
– Average		13.77	14.36	12.19	10.46	9.71
– Closing		15.50	14.27	13.59	10.68	10.81
Rand/US dollar						
– Average		12.02	10.58	9.28	8.06	6.96
– Closing		13.86	11.30	10.05	8.29	8.04

# Our strategic performance table



UNLOCK FURTHER VALUE FROM  
OUR BASE BUSINESS

## STRATEGIC OBJECTIVE:

2015 performance	How we are doing	Relevant stakeholders	Short to medium-term focus
<b>STRATEGIC IMPERATIVE: Actively manage our portfolio, including possible divestitures</b>			
<ul style="list-style-type: none"> <li>Completed sale of low-margin Corrugated and Tissue divisions for R1.6 billion effective April 2015</li> <li>Completed sale of Flexibles division for maximum R300.0 million</li> <li>Completed sale of Recycling for R82.6 million</li> <li>Secured deal with NCG on assembly of intermediate bulk containers</li> <li>Completed sale of Sacks for R65.0 million.</li> </ul>		<b>Employees</b> <b>Trade unions</b> <b>Customers</b> <b>Governments</b> <b>Regulators</b>	<ul style="list-style-type: none"> <li>Further consolidation possible to focus on key businesses.</li> </ul>
<b>STRATEGIC IMPERATIVE: Manage costs stringently</b>			
<ul style="list-style-type: none"> <li>Continued with company-wide cost management and business improvement initiatives</li> <li>Glass's energy-efficiency modifications proved to be more beneficial than originally anticipated.</li> </ul>		<b>Employees</b> <b>Suppliers</b> <b>Customers</b>	<ul style="list-style-type: none"> <li>Focus on operations excellence to drive efficiencies, including production and energy efficiencies</li> <li>Ensure cash fixed cost increases of below consumer inflation</li> <li>Reap benefits of Glass's energy efficiencies.</li> </ul>
<b>STRATEGIC IMPERATIVE: Manage working capital prudently</b>			
<ul style="list-style-type: none"> <li>Did not achieve an acceptable reduction in working capital or stock days.</li> </ul>		<b>Employees</b> <b>Customers</b> <b>Suppliers</b>	<ul style="list-style-type: none"> <li>Focused divisional working capital management</li> <li>Streamline procurement processes</li> <li>Ensure smooth-running supply chain.</li> </ul>
<b>STRATEGIC IMPERATIVE: Improve business performance by buying better, making better, and selling better</b>			
<ul style="list-style-type: none"> <li>Reviewed and upgraded our procurement and planning systems</li> <li>Pursued operations excellence programme to improve operations efficiencies through various projects and initiatives with notable improvements in Glass</li> <li>Enhanced emphasis on safety, delivering LTIFR of 0.94</li> <li>Bevcan renewed long-term contracts with large customers</li> <li>Rationalised DivFood's customer base and product offering</li> <li>Rationalised and balanced Glass's product portfolio</li> <li>DivFood signed long-term agreements with two major customers.</li> </ul>		<b>Employees</b> <b>Customers</b> <b>Suppliers</b>	<ul style="list-style-type: none"> <li>Drive continued divisional improvements in procurement processes</li> <li>Divisional operations excellence with focus on efficiencies, reduction in down time, less overtime, reduction in customer complaints, etc</li> <li>Improve safety performance, achieve 0.5 LTIFR target by 2016</li> <li>Drive sales and marketing excellence for margin expansion</li> <li>Ensure structured sharing of best practice across divisions</li> <li>Continue to rationalise customer base and product offering.</li> </ul>
<b>STRATEGIC IMPERATIVE: Invest to compete</b>			
<ul style="list-style-type: none"> <li>Commissioned and stabilised third glass furnace</li> <li>Bevcan neared end of recapitalisation programme</li> <li>Commissioned first aluminium beverage can line in Rosslyn</li> <li>In process of installing a second aluminium beverage can line in Rosslyn</li> <li>Started major expansion of can ends production in Springs; product destined for rest of Africa</li> <li>DivFood launched a major recapitalisation of facilities</li> <li>DivFood developed a dedicated project management capability</li> <li>Commissioned base oil plastic bottle line in Durban.</li> </ul>		<b>Customers</b> <b>Suppliers</b> <b>Governments</b>	<ul style="list-style-type: none"> <li>Focused business development and project management</li> <li>Return on sustenance capex (maintenance, asset renewal, regulatory requirements) at benchmark rates</li> <li>Return on growth and restructuring capex at hurdle rate, and only if working capital targets are met.</li> </ul>

Note: for details of individual performance drivers, see the full remuneration report online



## ACCELERATE GROWTH IN THE REST OF AFRICA

### STRATEGIC OBJECTIVE:

2015 performance	How we are doing	Relevant stakeholders	Short to medium-term focus
<b>STRATEGIC IMPERATIVE: Grow through greenfield investment and acquisitions in glass, metals and plastics</b>			
<ul style="list-style-type: none"> <li>Commissioned second beverage can production line in Angola</li> <li>Ramped up production of beverage cans in Nigeria</li> <li>Considered three glass projects in east and west Africa</li> <li>Commissioned plastic beverage crate line in Ethiopia.</li> </ul>		<b>Governments</b> <b>Regulators</b> <b>Customers</b> <b>Investment community</b>	<ul style="list-style-type: none"> <li>Focused business development and project management</li> <li>Improve knowledge and intelligence management</li> <li>Evaluating the installation of a third beverage can line in Angola</li> <li>Continue to explore feasibility of greenfield Glass opportunities, with decisions expected on Ethiopia and Nigeria within the year</li> <li>Consider a rigid plastics investment.</li> </ul>
<b>STRATEGIC IMPERATIVE: Grow at a reasonable and sustainable return</b>			
<ul style="list-style-type: none"> <li>Implemented project evaluation stage-gate model.</li> </ul>		<b>Employees</b> <b>Customers</b>	<ul style="list-style-type: none"> <li>Growth at hurdle rate, and only if working capital targets are met</li> <li>Improve project evaluation, management and execution.</li> </ul>
<b>STRATEGIC IMPERATIVE: Partner with major multinational customers</b>			
<ul style="list-style-type: none"> <li>Significant progress in identifying opportunities to partner with multinationals on glass</li> <li>Continued to develop our role as business partner rather than simply a converter.</li> </ul>		<b>Customers</b> <b>Suppliers</b>	<ul style="list-style-type: none"> <li>Continued focus on partnering opportunities with multinationals in Angola, Nigeria and Ethiopia.</li> </ul>
<b>STRATEGIC IMPERATIVE: Sensibly manage and grow our presence in current jurisdictions:</b> <ul style="list-style-type: none"> <li>Build market base through exports</li> <li>Diversify manufacturing to other Nampak products</li> <li>Build on existing hubs</li> </ul>			
<ul style="list-style-type: none"> <li>Commissioned new closures line in Nigeria</li> <li>Addressed capability and skills for expansion in the rest of Africa</li> <li>Commissioned new ROPP line in Kenya</li> <li>Commissioned Ethiopia crate line</li> <li>Commissioned second beverage can line in Angola</li> <li>Recapitalised Zimbabwe tobacco box manufacturing equipment.</li> </ul>		<b>Employees</b> <b>Customers</b> <b>Governments</b>	<ul style="list-style-type: none"> <li>Drive exports in select markets where margins are attractive</li> <li>Rigid plastics expansion in Tanzania</li> <li>Crown manufacturing expansion in Kenya</li> <li>Expansion of Liquid Plastics capability in Zambia</li> <li>Beer label production in Nigeria.</li> </ul>

Key:

= good progress made = some progress, more to come = disappointing performance

# Operational review Metals



## Revenue (R million)

2015			2014		
South Africa	Rest of Africa	Total	South Africa	Rest of Africa	Total
7 223	2 710	9 933	6 317	2 112	8 429

## Trading profit (R million)<sup>1</sup>

2015			2014		
South Africa	Rest of Africa	Total	South Africa	Rest of Africa	Total
602	652	1 254	636	414	1 050

## Trading margin (%)

2015			2014		
South Africa	Rest of Africa	Total	South Africa	Rest of Africa	Total
8.3	24.1	12.6	10.1	19.6	12.5

## Employees

2015			2014		
South Africa	Rest of Africa	Total	South Africa	Rest of Africa	Total
2 331	1 033	3 364	2 383	922	3 305

## LTIFR<sup>2</sup>

2015			2014		
South Africa	Rest of Africa	Total	South Africa	Rest of Africa	Total
0.74	0.18	0.57	1.23	0.77	1.09

<sup>1</sup> Operating profit before abnormal items. Continuing operations.

<sup>2</sup> 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.

## South Africa

### Bevcan

#### Delivering on strategy

In 2015, Bevcan South Africa recorded notable advances in our strategic efforts to improve business processes by “buying better”, “making better” and “selling better”. We neared the end of our recapitalisation programme, installing more state-of-the-art machinery and renewing long-term contracts with large customers to cement our leading market position.

Growth in demand continued well in excess of that of the country's gross domestic product. We reported double-digit volume growth, led by brisk sales of 440ml value packs, as well as of 330ml cans. Profitability, however, declined. This was following a difficult start to the 2015 financial year, when our traditional build-up of stock for the busy December season was compromised by a metal industry strike late in the 2014 financial year. As a result, we had to import cans, with negative implications for costs and margins.

Profitability was also impacted by greater than expected levels of spoilage at our three new aluminium can lines at our flagship facility in Springs, east of Johannesburg. The last of the lines was commissioned in August 2014.

Adapting to the new technology and the ultra-high speed of these lines exposed shortages in our skills base at Springs. We brought in consultants to identify the process deficiencies, as well as technical specialists to assist in rectifying problems. By year-end, these interventions had resulted in improved operational efficiencies and normalised spoilage levels. We continue to address our skills profile as part of our “make better” initiatives.

In July 2015, we commissioned a new aluminium beverage can line at our Rosslyn operation, northwest of Pretoria, making use of the key learnings from Springs. As a result, the new line started up with acceptable levels of spoilage and is ramping up in line with expectations. We also began installing a second aluminium line at this facility, which we expect to commission in the second half of the new financial year.

During the year we commenced with the expansion of our can ends production facility in Springs. We expect to start production in the second half of 2016. This investment will add capacity for a further 2.5 billion ends, enabling us to fully meet the growing demand from our customers in South Africa, Angola and Nigeria. At the moment, we import all ends for Nigeria from a third-party supplier.

Aluminium can lines are able to produce at speeds of up to 3 000 cans a minute (more than 60% faster than tinplate lines), producing cans which weigh on average 60% less than those made of tinplate. The new lines consume around 17% less energy per can than tinplate lines. As their end product is lighter, they have the potential of lowering transport costs. Bevcans' investments in these new facilities, totalling more than R2 billion between 2012 and 2015, demonstrate our commitment to a more sustainable – and infinitely recyclable – form of packaging.

In the year, we decided to delay the conversion of our Cape Town plant from steel to aluminium, given improved competitiveness in tinplate prices as well as capacity considerations.

#### Ensuring product compatibility with aluminium

Bevcans continued to benefit from Nampak Research and Development's (R&D) expertise in the year. With the changeover of our lines from tinplate to aluminium, R&D has been extensively involved in testing all the product formulations for compatibility with aluminium, as well as the shelf life of various products in aluminium packaging.

#### Maintaining world-class operating standards

For all Nampak's large sites manufacturing food and beverage packaging, we seek certification under the relevant ISO quality, food safety and environmental standards. We have retained certification for the Bevcans sites that have operated for some time.

#### Looking ahead

Bevcans is currently the only supplier of beverage cans in South Africa, with capacity to produce more than five billion cans a year. We expect volume growth to remain strong, and see opportunities to benefit from further consolidation among our customer base in the years ahead.

Our major capital investments in recent years were motivated by customer preference for aluminium cans, technological advances,

efforts to reduce costs and ultimately to be sustainable. They were made to ensure that Bevcans is in the best possible position to defend our market and compete in the years ahead. This will stand us in good stead in facing emerging competition in South Africa.

#### DivFood

##### Overhauling our business

Nampak DivFood made good progress in 2015 in our journey to improve the competitiveness and overall performance of the business. We launched a major recapitalisation of our facilities, signed long-term agreements with two of our major customers and recorded operational improvements in key productivity measures. In addition, we achieved a safer work environment and improved the housekeeping in our operations.

Following the launch in 2014 of our wide-ranging business improvement programme, we structured the business along the lines of the different product categories and markets we serve. We are now able to focus on each business unit's distinct customer base, competitive pressures, technology requirements and product development opportunities. By better understanding the profitability of each business unit, its products and customers, we ensured that our business improvement programme was appropriately focused.

These business units manufacture tinplate food cans, tinplate aerosols, cans for paint, cans for shoe and floor polish, as well as aluminium aerosol cans. Some 60% of our volume goes to the food industry. We operate out of five manufacturing facilities in Vanderbijlpark, Paarl, Mombasa, Epping and Rosslyn.

Despite challenging macro-economic dynamics, the majority of DivFood's market segments performed satisfactorily in 2015. Typically, the various segments are influenced by different drivers, including economic growth, consumer behaviour, weather patterns and crop harvests, fishing quotas and exchange rates.

##### Investing and simplifying to enhance our competitiveness

In the first quarter of the 2015 financial year we approved capital expenditure of R350 million, and began the commissioning of new equipment towards the end of the year. We plan to complete this work in the first six months of 2016. This first phase of our recapitalisation plan aims to replace ageing equipment with energy-efficient and technologically advanced machinery able to convert the latest generation of thin-gauge tinplate and operate at higher efficiencies.

By investing in this new equipment, and removing underutilised and ineffective capacity, we are establishing leaner production units and enhancing our competitiveness. We are also ensuring that DivFood has access to the latest technology in light-weight tinplate and has a consistent supply of good quality material.

## Operational review Metals (continued)

During 2015, the reliability of our local tinplate supplier improved and we continued to expand and develop dependable international supply chains and make good progress in the use of double-reduced (DR) plate across DivFood.

We continued to make use of the extensive services of Nampak Research and Development (R&D), with R&D metallurgists travelling to a number of global destinations to scrutinise the quality of metal produced by potential suppliers, to ensure that it complies with our standards.

Another Nampak R&D achievement in the year with regards to DivFood products was the reduction in the weight of some fish cans thanks to the adoption of DR tinplate as a raw material.

### Maintaining world-class operating standards

For all our large sites manufacturing food and beverage packaging, we seek certification under the relevant ISO quality, food safety and environmental standards. In the year, we retained certification for DivFood's sites.

In order to manage and coordinate the high level of activities and change in the business, in the year we developed a dedicated project management capacity to support our efforts.

We advanced our work to simplify our businesses by rationalising both our customer base and product offering. There is further work to be done, but by year-end, we had 16% fewer customers and were producing 22% fewer stock-keeping units (SKUs) than the year before.

### Looking ahead

In the new financial year, we will focus on completing the first phase of our recapitalisation programme and extracting the anticipated benefits. We are considering further equipment recapitalisation of around R450 million. Based on the feasibility and achievement of group hurdle rates, this plan will be put forward for approval in the first six months of 2016.

After recording a pleasing improvement in safety performance in 2015 – an LTIFR of 0,45, better than the group target of 0,5 – and some improvement in our operational performance, we expect our continued focus on operations excellence to yield further enhancements in 2016.

DivFood has a solid market position and enjoys sound relations with our customers. A strong management team aligned to and energised around the business improvement programme is in place. We expect the business and operations improvement initiatives, which are in line with the group's strategic objective to unlock further value from the base business, to deliver in 2016.

## Rest of Africa

### Bevcan

#### Growing in Nigeria and Angola

Bevcan's operations in Nigeria and Angola performed well in the year, growing volumes and market share, however, the businesses faced challenges related to the lack of liquidity in the foreign exchange markets resulting from the sharp fall in the dollar earnings of these large crude oil-exporting nations.

In Angola, during May we commissioned our second production line, which has the capacity to produce up to 1.2 billion aluminium cans a year. We also opened our new warehouse. Drawing on lessons learned at Bevcan's South African operations in Springs, the new line's levels of spoilage were well within acceptable levels from inception. Our steel line also continued to operate well above design specifications.

While Angolan demand for cans strengthened in the first half of the year, as customers sought local supply rather than imported filled products in light of weaker oil prices, demand slowed later in the year, as disposable incomes were affected by the continued weakness in oil prices.

In Angola, Bevcan is the only local producer of cans, and has an estimated 60% market share. Our ability to service the market was previously constrained by our capacity, but with the installation of the second production line we are now in a much stronger position to expand our market share.

In Nigeria, we have around a third of the market. In the year, we continued to ramp up production and reported growth in volumes in line with expectations. This facility reported a good operational performance. The terms of customer agreements will allow us to grow our volumes further in the years ahead.

In both Angola and Nigeria we are implementing certification under the relevant ISO quality, food safety and environmental standards.

While we do not have any beverage can plants in east Africa, our exports of beverage cans from South Africa to Tanzania make up around a third of the east African market.

### DivFood

The demand for general metal packaging in Nigeria was weak in 2015. Economic activity in Africa's most populous nation was stalled ahead of general elections and was also hampered in the year by the militant insurgency in the north of the country as well as the sharp fall in oil prices.

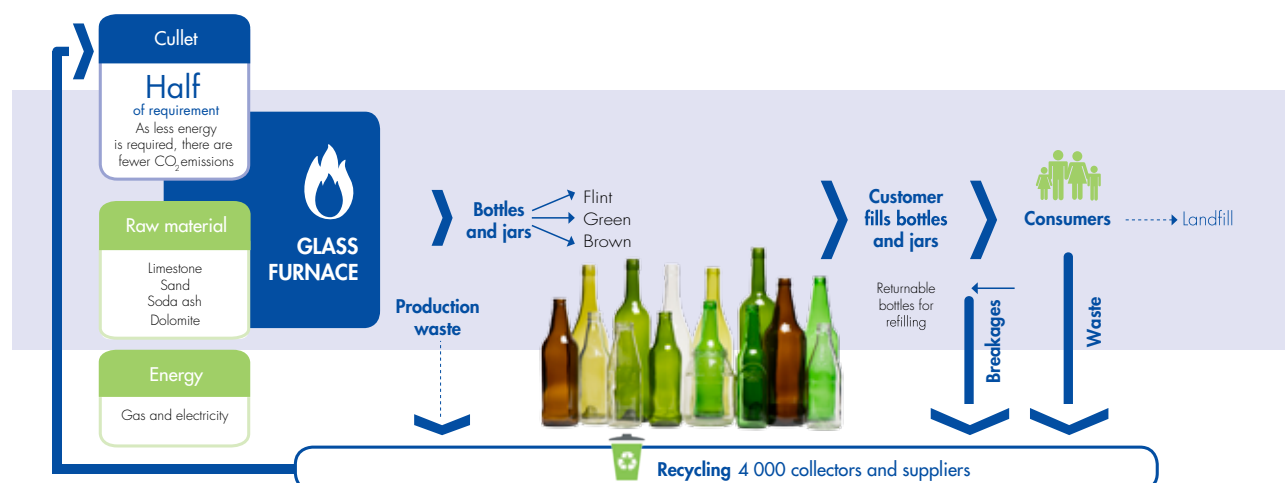
In Kenya, demand for metal packaging was erratic, as unfavourable weather patterns negatively impacted the country's harvests of pineapples and green beans, much of which are typically canned. In Tanzania, Zimbabwe and Zambia, demand for bottle crowns was muted and sales volumes were flat.



# Operational review Glass



## GLASS value chain



### Revenue (R million)

2015			2014		
South Africa	Rest of Africa	Total	South Africa	Rest of Africa	Total
877	–	877	984	–	984

### Trading profit (R million)<sup>1</sup>

2015			2014		
South Africa	Rest of Africa	Total	South Africa	Rest of Africa	Total
(76)	–	(76)	(48)	–	(48)

### Trading margin (%)

2015			2014		
South Africa	Rest of Africa	Total	South Africa	Rest of Africa	Total
(8.7)	–	(8.7)	(4.9)	–	(4.9)

### Employees

2015			2014		
South Africa	Rest of Africa	Total	South Africa	Rest of Africa	Total
402	–	402	280	–	280

### LTIFR<sup>2</sup>

2015			2014		
South Africa	Rest of Africa	Total	South Africa	Rest of Africa	Total
2.01	–	2.01	1.89	–	1.89

<sup>1</sup> Operating profit before abnormal items. Continuing operations.

<sup>2</sup> 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.

## South Africa

### Overcoming challenges

Nampak Glass had a challenging year as the commissioning of the new third glass furnace in the first half coincided with the seasonal peak, leading to a disappointing operational and financial performance. As the second half of our financial year is typically a period of subdued demand, we were not able to recover financially in the year, however, we were able to address the operational concerns.

Through a number of interventions, we largely resolved the issues, ramped up and stabilised the new furnace at our Roodekop site southeast of Johannesburg and the operation is now performing at acceptable levels.

Our state-of-the-art energy-efficiency modifications proved to be more beneficial than originally anticipated, and we look forward to reaping the benefits in cost terms as production increases in the year ahead. The uninterruptible power supply, a first in South Africa, was invaluable in mitigating the problems experienced nationwide with the erratic supply of electricity.

### Improving business processes

Our interventions in the year were aligned to the group's strategic imperative to improve business processes, in particular through "making better" by embedding operational excellence and greater safety and efficiency principles. By rationalising and balancing our product portfolio, we now have a product base well suited to the operation's capability and capacity.

## Operational review Glass (continued)

### Ensuring business continuity

Our reliance on a single manufacturing site and the necessity for a continuous supply of energy require a high degree of risk controls. As a result, we have obtained certification of our glass operations for the ISO business continuity standard, food safety standard and for the ISO energy standard. We aim to retain this certification in the years ahead.

### Benefiting from R&D

In the year, Nampak Glass continued to make use of the group's Research and Development (R&D) facilities, in particular for the forming of 3D models to best display innovations in glass to our customers.

### Looking ahead

The South African glass market remained mostly flat in the 2015 financial year. In the year ahead, demand in the South African glass market is expected to remain relatively stable.

With the ramp up of the third furnace, Nampak's market share has increased and further growth in our volumes will not depend on the organic growth of the market as the customer base is looking to grow Nampak as a credible second supplier.

### Rest of Africa

Across 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 glass furnaces in west and east Africa.

Based on Africa's compelling demographic profile, we are exploring greenfield opportunities in Ethiopia, Nigeria and Angola. Feasibility studies are in progress and we expect to make a decision on Ethiopia before the end of calendar 2015 and to decide on Nigeria early in the 2016 calendar year. We will be able to leverage the strong relationship Nampak has with the large multinationals in this sector.



Our relationships with key customers remain strong. As a lower-cost producer, using well-capitalised equipment with three furnaces on a single site, we are well positioned to leverage the full operational benefits to compete: Nampak Glass expects to have a much improved 2016.

# Operational review Paper



## PAPER value chain



### Revenue (R million)

2015			2014		
South Africa	Rest of Africa	Total	South Africa	Rest of Africa	Total
–	1 470	1 470	– <sup>2</sup>	1 044	1 044

### Trading profit (R million)<sup>1</sup>

2015			2014		
South Africa	Rest of Africa	Total	South Africa	Rest of Africa	Total
–	184	184	– <sup>2</sup>	204	204

### Trading margin (%)

2015			2014		
South Africa	Rest of Africa	Total	South Africa	Rest of Africa	Total
–	12.5	12.5	– <sup>2</sup>	19.5	19.5

### Employees

2015			2014		
South Africa	Rest of Africa	Total	South Africa	Rest of Africa	Total
–	741	741	– <sup>2</sup>	447	447

### LTIFR<sup>3</sup>

2015			2014		
South Africa	Rest of Africa	Total	South Africa	Rest of Africa	Total
–	0.49	0.49	– <sup>2</sup>	0.30	0.30

<sup>1</sup> Operating profit before abnormal items. Continuing operations.

<sup>2</sup> Restated for the South African Paper businesses reclassified as discontinued operations.

<sup>3</sup> LTIFR – Losttime 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.

In the year, we sold our South African Corrugated, Tissue, Recycling and Sacks businesses. The disposal of these low-margin businesses was in line with our strategic imperative to actively manage our portfolio to improve our competitiveness and raise funds for investment in high-growth regions in the rest of Africa.

### Rest of Africa

In Kenya, demand for self-opening bags for the milling industry was flat but the Bullpak operation had another good year.

In Nigeria, in the first half of the 2015 calendar year demand for cigarette packaging was poor, as one of our large customers reduced stock holding, pending possible changes to packaging legislation. There was also subdued economic activity related to elections, the lower oil price and the militant insurgency in the north. However, demand recovered significantly in the second half of the calendar year.

In Zambia, sorghum beer carton sales were poor, impacted mainly by operational issues at our customer's facilities. Sales, however, recovered well in the final quarter of our 2015 financial year.

All the Nampak sites manufacturing paper packaging in the rest of Africa hold certification for the ISO quality standard. Nampak Bullpak, where we produce primary packaging, meets the food safety standard.

# Operational review Plastics



## PLASTICS value chain



### Revenue (R million)

2015				2014			
South Africa	Rest of Africa	UK	Total	South Africa	Rest of Africa	UK	Total
2 499	544	1 968	5 011	2 497	138	2 214	4 849

### Trading profit (R million)<sup>1</sup>

2015				2014			
South Africa	Rest of Africa	UK	Total	South Africa	Rest of Africa	UK	Total
210	48	118	376	180	(1)	146	325

### Trading margin (%)

2015				2014			
South Africa	Rest of Africa	UK	Total	South Africa	Rest of Africa	UK	Total
8.4	8.8	6.0	7.5	7.2	(0.7)	6.6	6.7

### Employees

2015				2014			
South Africa	Rest of Africa	UK	Total	South Africa and Rest of Africa	UK	Total	
1 281	545	174	2 000	1 396	579	1 975	

### LTIFR<sup>2</sup>

2015				2014			
South Africa	Rest of Africa	UK	Total	South Africa and Rest of Africa	UK	Total	
1.49	1.02	2.07	1.53	1.33	1.60	1.37	

<sup>1</sup> Operating profit before abnormal items. Continuing operations.

<sup>2</sup> LTIFR – Losttime 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.

## South Africa

### Liquid packaging – HDPE plastic bottles, PET bottles, drums and paper cartons

Nampak's South African liquid packaging division had a mixed year, with continued pressure on sales of polyethylene terephthalate (PET) bottles balanced by the commencement of supply of high-density polyethylene (HDPE) bottles to the motor oil sector. We started work to improve our business performance by rationalising our sites, reducing complexity, actively managing our portfolio, and embarking on a partial recapitalisation programme.

We make HDPE plastic bottles mainly for milk and juice, PET bottles mostly for juice and carbonated soft drinks (CSD) and paper cartons for sorghum beer, mageu and extended-shelf-life milk. We also produce drums and intermediate bulk containers (IBCs), which are used typically for the transportation of chemicals.

In 2015 our sales of HDPE plastic bottles were flat, affected by consumers' growing preference for long-life milk (usually packed in cartons) rather than fresh milk. We did, however, gain some new fresh-milk packaging business from a number of small inland dairies. Plastic bottle sales to the juice market continued to grow despite strong competition.

Most of our sales to the CSD market are as preforms – test-tube shaped containers with thick walls, which are blow-moulded by customers on site into the desired finished container. The preform

market is a lower-margin business, and Nampak's preform volumes continued to decline in the year as customers increasingly backward integrated into preform production.

We converted our bottle manufacturing facilities in Bloemfontein and East London into warehouses, and are evaluating other opportunities for consolidation in the year ahead.

In Gauteng, we separated our PET blowing activities from our HDPE blowing activities, allowing our sites to focus on their core competencies, with Isando focusing on PET preforms and bottles. We continued to make plastic milk bottles at our sites in Polokwane, Industria, Pinetown, Port Elizabeth and Epping. We also have facilities on site at several of our customers' filling operations.

Our liquids business benefited from the trend towards packaging motor oil in plastic bottles rather than steel tinplate cans. We introduced a range of blow-moulded HDPE bottles and closures for customers in the petrochemical sector, and consider this to be a growth area ahead. We made a R15.3 million investment in state-of-the-art equipment in 2015 with a further two machines expected in 2016 to support the growth in these volumes.

We continued work to develop our position in the market for products for packaging household chemicals as well as agrochemicals and we have identified opportunity to grow the business beyond its historical reliance on beverages.



Nampak Research and Development (R&D) made progress on producing some lighter-weight plastic containers and in so doing, reducing our use of raw materials. Notable among these achievements was the 8% reduction in the weight of a 1.5 litre PET water bottle, and the 10% reduction in the weight of a generic HDPE bottle. We also were able to reduce the raw material used for a 250ml PET juice bottle by approximately 5%.

Nampak R&D also updated its finite element analysis (FEA) capabilities by investing in a new integrated FEA/CAD software system. This computerised modelling system is mainly used by Nampak Plastics in creating new designs or making alterations to existing designs, particularly in the process to down-gauge to lighter material.

Sales of Nampak paper cartons, made in our factory in Isithebe, KwaZulu-Natal, were good as the segment continued to grow. The business did, however, feel the impact in the second half of the year of the drought in Botswana, which affected sorghum beer production.

Nampak makes large and small drums at operations in Olifantsfontein, Pinetown and Cape Town. This business came under pressure late in the year as some of our major clients, who use drums to export products to Angola and Nigeria, were affected by the shortage of foreign exchange currency in these two countries.

We also make IBCs, with a capacity of 1 000 litres, under licence from Mauser Group. In the year we agreed to transfer the manufacture of the cages, inside which the IBCs are placed, to National Container Group (NCG), the international container reconditioning arm of Mauser. This is in line with the group's strategic imperative of active portfolio management and has led to cost savings and improved profitability for Nampak's IBC product line.

### Closures, tubes and crates

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.

The loss to imports of the sports drink closure business of a major customer impacted both volumes and margins, but the business for bottled water and CSD closures grew. In the 2016 financial year we expect the rationalisation of the site to a new product mix, investment to support growth in both water and CSD volumes and the launch of a new generation sports drink closure to deliver improved results.

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. These businesses continue to do well on the back of growth in both the wine industry and food categories. In the year, Nampak R&D changed certain metal closures to double-reduced tinplate from single-reduced tinplate, resulting in a reduction in weight.

## Operational review **Plastics** (continued)

In 2015, we made an investment in plate coating and a further investment in side printing capacity. These are expected to support both our cost optimisation efforts and our growth objectives.

Nampak's tubes business, which mainly supplies the toothpaste sector, had a challenging year as sales to a major customer were reduced due to the importation of filled product. Though the plant remains adequately loaded, capacity is available to support growth of existing customers into Africa. We are pursuing an import replacement approach to grow this business.

In the year we initiated a turnaround plan at our crates business, which has factories in Olifantsfontein, Pinetown and Epping, and makes crates for the alcoholic and soft drinks markets, bakeries and dairies, as well as the agriculture market. The turnaround drive includes recapitalising the business through investing in new equipment and moulds and eliminating waste. In the year we improved our approach to sourcing recycled content. We also launched a reassessment of our market positioning with the aim of optimising our margin.

### Implementing international standards

Our South African operations have implemented, and been certified under, the ISO 9001 quality standard. Although we do not plan to implement certification at eight small sites in our Liquid division, they will be subject to the same underlying principles and peer review. We have commenced implementation of food safety standards and this will be followed by implementation of the environmental standard.

### Looking ahead

In the year ahead, Nampak's South African plastics business will focus on operational excellence, improving our productivity and efficiencies, and driving our unit cost down to deliver an improvement in margins. We will maintain our focus on safety and strengthen our delivery of quality products and service to our customers. We will also continue to investigate the opportunity for site consolidation, especially in Gauteng.

We will be reviewing our markets and how we service them with the aim of growing our market position, further diversifying our portfolio of products into new market segments. We will look to leverage our technology leadership, innovation capacity, as well as our technology partners to enhance our offering.

### Rest of Africa

In Ethiopia, we commissioned a new plastic beverage crate line in the year. In Nigeria, our closure facility ran well and volumes are expected to grow to full capacity in 2016. We are considering a rigid plastics investment in the rest of Africa in the year ahead.

### United Kingdom

Nampak Plastics UK accelerated plans in the year to develop new markets and use our established intellectual property and expertise to leverage our position. This was amid continuing upheaval in our largest market – the British dairy industry.

A price war among UK supermarkets squeezed dairies' margins and led to a drop in the price they were willing to pay for bottles. This, along with the loss of some volumes to a competitor, resulted in a reduction in our trading profit for the year.

We operate nine plastic bottle manufacturing facilities, seven of which are at customers' sites, producing a range of high-density polyethylene (HDPE) bottles, mostly for milk. These include our patented light-weight Infini bottles which now account for 40% of total sales.

In line with the group's strategic objective to unlock further value from base businesses, the UK plastics business continued to work to manage costs stringently as well as manage working capital prudently. We announced the planned closure in November 2015 of our site in Consett. To control costs, we also trimmed a number of senior management positions.

To enhance customer service, in the year we confirmed that we would open a small factory in Stirling near to one of our key customers' sites.

We advanced work to use our expertise in innovation to enter new product markets and geographies, including through greater licensing of our technology to other manufacturers. In the year, the Pact Group began producing Infini bottles in New Zealand under licence from Nampak. We intend to continue to develop further agreements of this nature. We also reached agreement, and signed a supply contract soon after year-end, for a new in-plant operation in the Republic of Ireland with Glanbia.

The business remains a good generator of cash, holder of valuable intellectual property as well as a rand hedge. In the 2015 financial year, the closing rand/pound exchange rate was R20.97 from R18.33 a year earlier.



## How we allocate resources and create value



In running our business and advancing our growth, Nampak considers the availability of the resources and relationships on which we rely, known as the six capitals, as well as the impact that our operations have on them.

As natural, human, social and relationship, intellectual, manufactured and financial capital are interdependent, a decision to apply one at times requires a trade-off with another. In managing these trade-offs, in the interest of all stakeholders, we aim to limit any negative impacts on the capital inputs and to optimise the positive outputs and outcomes.





# How we allocate resources and create value (continued)

## NATURAL CAPITAL

### Context

As a leading diversified packaging company, we apply our resources and technology to convert natural capital into value across all the other capitals. The natural capital inputs on which we rely include sufficient affordable and good quality water, land, air and energy. For the manufacture of glass, we depend on a reliable and reasonably priced supply of limestone, sand, soda ash and dolomite.

Our 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. 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. 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 used again (as is the case with returnable bottles) or can potentially be used as fuel in the production of energy.

Our group environmental policy encompasses the implications of climate change, environmental production standards as well as product responsibility, which reduce the impact of post-consumer packaging waste in landfills.

We include energy usage targets in senior management's key performance indicators, which help determine annual cash incentive bonus payments. Over four fifths of our water usage is at our glass furnaces and in the production of beverage cans.

### Key inputs

- Water consumption 1 811 Ml, some of which is borehole water
- Land area used 1 019 438 square metres (m<sup>2</sup>)
- Energy use (GJ)
  - Metals 1 619 509
  - Glass 2 022 160
  - Paper 144 568
  - Plastics 646 169
- 423.2 GJ of electricity
- Limestone 33 675 tonnes
- Silica sand 120 657 tonnes
- Soda ash 35 077 tonnes.

### Our activities

- Partnered with Collect-a-Can, The Glass Recycling Company, Plastics SA, PETCO, Polyolefin Recycling Company and National Container Group to promote recycling of metals, plastics and glass
- Established environmental performance targets for GHG mitigation and energy efficiency
- Implemented a five-year target that requires a 10% reduction in our energy intensity efficiency ratios by 2019
- Ensured that all new capital expenditure delivers water and energy savings. An example in the year was the move by DivFood to compound ovens and the latest incineration technology
- Continued to invest in new aluminium beverage can lines, reducing Nampak's absolute energy requirement
- Invested R25 million in Angola on a water treatment plant that enables recovery and recycling of between 95% and 98% of the 192 000 litres of water used daily on our facility's second beverage can line
- Continued to use our new water harvesting system at Nampak Glass, with a 1 176kl tank which filters out particles and other waste to skip and circulates the water through the system for re-use. In this way, we also lessen our dependence on municipal water
- Installed energy-saving lighting and energy-saving injection moulds at our closures plants at a cost of R5 million.

### Outcomes and outputs

- Emissions (scope 1 and 2) intensity (tCO<sub>2</sub>e/Rm revenue)
  - Metals 21.27
  - Glass 211.80
  - Paper 8.88
  - Plastics 26.45
- Energy intensity (GJ/Rm revenue)
  - Metals 163.04
  - Glass 2 305.80
  - Paper 98.35
  - Plastics 128.95
- By using cullet for up to 50% of the raw material we needed for making glass, we reduced our energy consumption for glass production by up to 10%.
- Beverage can recycling rates in southern Africa, as reported by Collect-a-Can, of 70% are among the highest in the world.
- PETCO reported a rise in beverage bottle recycling from 34% in 2009 to 48% in 2013, with more than 1.9 billion PET beverage bottles recycled annually.
- South African post-consumer plastic packaging waste recycling rate of 33%.
- In the UK, Nampak's Infini milk bottles used 13% recycled content in 2015, down from 17% in 2014 due to the reduction in the number of raw material suppliers from two to one in the year.

## HUMAN CAPITAL

### Context

Nampak's people are our most important human capital input. Their expertise and experience, and their productivity and diversity, are what set us apart, allowing us to run our facilities safely, effectively and efficiently. Their health, initiative and ability to work well with each other – as well as with our suppliers and partners – are 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.

Recognising that our people provide Nampak with a sustainable competitive advantage to ultimately deliver on the group's strategy, we have a comprehensive approach to managing them. The underlying principles of our people policies include: freedom of association; transformation that delivers an environment that is conducive to equality, fairness and transparency; the prohibition of victimisation; and the prohibition of the use of child labour.

We are committed to continually address any inequalities with regard to race, gender and disability in our employee base and to accelerate progress through structured skills development programmes and the injection of new talent.

### Key inputs

- 6 663 employees in 13 countries
- An experienced and diverse board of directors
- Revitalised leaders living our values and focusing on a high-performance culture
- 20 graduates attended our graduate development programme – 12 men and eight women
- 21 people were admitted to Nampak apprenticeships
- 45 people were awarded bursaries from Nampak
- Numerous suppliers providing products and services to agreed standards.

### Our activities

- All our operations perform annual self-audits on risk control standards which include health and safety. These are then subject to a peer audit by our risk control practitioners. In addition, 15 operations hold certification for OSHAS 18001 or IOSH
- Introduced a discount factor of 5% to management incentive bonus earnings should safety targets not be met
- Hosted wellness days aligned to HIV voluntary counselling and testing at our major sites
- Continued to provide bursaries for studies in engineering, chemistry and accountancy
- Reviewed our skills development programmes against group strategy to ensure that training material was appropriately aligned and that key material themes were addressed
- Maintained our attention on the achievement of our diversity targets
- Ensured our remuneration structures were market-related, including compulsory retirement funding, assurance and access to medical cover
- Established HR policies and procedures to guide behaviour
- Provided stimulating work space, and more opportunity for employee interaction in our new corporate office
- Focused on improving safety performance in all geographies with increased training and monitoring
- Undertook an employee climate survey
- Completed annual review of management succession planning.

### Outcomes and outputs

- Provided employment to 6 663 employees
- Paid wages and benefits of R2.8 billion
- Created 300 new jobs during construction of new projects
- Ensured minimal job losses as a result of the sale of Corrugated, Tissue, Flexibles and Recycling businesses as most employees transferred to new owners on a section 197 basis
- Achieved lost-time injury frequency rate of 0.89 compared to 2015 target of 0.7 and 2016 target of 0.5
- Invested R40.1 million in employee development
- 127 managers attended leadership training programmes
- Over 75% of managerial employees participated in performance discussions
- 15 graduate trainees who completed the graduate development programme were employed in our operations
- 21 apprentices completed their apprenticeships
- Of the 10 people who completed bursary training, two joined our graduate development programme, one was employed in procurement and three are pursuing honours degrees
- 80% of South African employees received voluntary counselling and testing for HIV
- Appointed new highly experienced chief financial officer and chief information officer
- Ensured all new appointees attended induction training, including a comprehensive overview of our approach to ethics as set out in the code of ethics and business conduct policy
- Improved skills and performance of employees achieved through interactions with suppliers.

# How we allocate resources and create value (continued)

## HUMAN CAPITAL (continued)

### Growing with our employees

At Nampak, we recognise that our employees are key differentiators: they have the potential to provide a sustainable competitive advantage, and in so doing deliver on the group's strategy.

Our talent management processes ensure that we develop a sufficient depth of skilled and mobile employees. Our graduate development programme attracts young talent in disciplines where we envisage shortages of skills in future. Over many years Nampak has developed a thorough range of in-house management and leadership development programmes. Together, these initiatives deliver inspiring stories of success.



Lerato Masha – from Pretoria East – joined Nampak's graduate development programme in 2003, and before long he was moving around the country gathering invaluable experience in various roles, each propelling him further up the career ladder.

After earning a BTech degree from the Tshwane University of Technology, Lerato started off as a graduate trainee at Nampak Corrugated in Cape Town. He later moved to Nampak Corrugated in Pietermaritzburg, before relocating back to Cape Town. He then moved on to Nampak Tubes in Jet Park, Gauteng, and most recently to Nampak Megapak in Olifantsfontein. Megapak manufactures

drums, intermediate bulk containers and crates.

In his 12 years with the group, he has worked as a quality process engineer, a product development engineer, a manufacturing manager, a production manager, a senior production manager and a factory manager.

He is now a regional operations manager at our Tubes operation, where his main responsibility is to ensure that the operational efficiencies of Megapak and Tubes in Gauteng deliver in line with the group's strategic imperative to improve business performance, in particular by "making better". He ensures that factory equipment performs optimally, adhering to safety, quality and customer service requisites, as well as keen cost management.



Lerato's advice to young graduates: "Be patient and know what you want. Continuously identify opportunities within the company and actively play a role in taking advantage thereof." He says the most valuable lesson he learnt on the graduate programme was "to understand that it is not about what the business can do for me, but instead what I can do for the business".

In Nigeria, Imoisili Obinyan is the safety, health, environment, risk and quality manager at Nampak Cartons Nigeria. He has received IRCA certification as a management systems auditor – one of 14 000 certificated auditors across more than 120 countries.

IRCA, the International Register of Certificated Auditors, primarily deals with the certification of International Organisation for Standardisation (ISO) auditors but the scope covers all management systems. Organisations of all sizes need to manage risk, meet customer and societal demands, and satisfy legislative requirements. ISO standards provide strategic tools to reduce costs by minimising waste and errors, thereby increasing productivity. They provide requirements, specifications and guidelines that can be used consistently to ensure that materials, products, processes and services are fit for purpose and that risks and opportunities are identified and managed.

Imoisili is available to assist any group company with implementation of ISO.



Another inspirational story is one about Nontembiso Nkuna, who qualified as a millwright artisan at Nampak Liquid in 2014, after starting out as a packer in 2007. She stayed focused on her dream to develop herself, and started her apprenticeship in 2009: "Working for Nampak has taught me a lot about machines, processes, maintenance, planning and time management."



She hopes to be an inspiration to other women who also want to earn a qualification and improve their lives. Her advice: "Listen to your managers and peers, stay humble, educate yourself, use the opportunities that are given to you and believe in yourself."

She is aiming towards another career milestone: "I hope to develop my skills so that one day I can become a technician or plant manager."

## SOCIAL AND RELATIONSHIP CAPITAL

### Creating viable enterprise development opportunities

Over many years, Nampak has helped numerous entrepreneurs get a head start. We have cultivated fledgling black-owned businesses and created jobs by developing opportunities for entrepreneurs – including capacity building, skills development and access to finance and markets.

In 2015, we got involved in Last Drop Juice (Pty) Ltd – a Soweto-based producer of pulp-based fruit juices, packaged in containers purchased from Nampak. The business was started four years previously by two entrepreneurs with very limited means – Sizwe Dladla and Bonginkosi Mteku. Later, another entrepreneur, Robert Young, joined them.

Over time, the business has grown into a preferred supplier for several canteens and shops around Johannesburg. Whatever stock it has produced has been sold. However, Last Drop Juice's growth has been held back by a manufacturing process which depends on the manual labour of the entrepreneurs, from blending the juice to final packaging by hand.

The business has simply not been able to afford a bottling machine.

On one of Bonginkosi's trips to purchase packaging stock from Nampak Liquid Plastics, Nampak's Michelle Stead asked him jokingly when Last Drop Juice would be increasing its purchases from Nampak. That is when

she learnt that the manufacturing process was completely manual. This motivated Michelle to see how Nampak's Enterprise and Supplier Development (ESD) programme could assist this small business.

She proposed to others at Nampak that the group refurbish and donate an unused bottling machine to Last Drop Juice. After a series of meetings, assessments and a site visit by Nampak's group human resources director, Fezekile Tshiqi, and the ESD team, the refurbishment and donation of the machine was approved. It became evident that a tank was also needed, which Nampak is also providing to Last Drop Juice.

The machine is almost ready for installation and we are considering other business development support measures that we at Nampak could provide to further assist Last Drop Juice. We look forward to watching this small business grow to its full potential, like so many other of our enterprise development initiatives.



For more details on these, see [www.nampak.com](http://www.nampak.com)



# How we allocate resources and create value (continued)

## SOCIAL AND RELATIONSHIP CAPITAL (continued)

### Context

Nampak acknowledges the value of understanding and responding to our stakeholders' interests, to ensure that our operations are sustainable and that we maintain our licence to operate.

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

We believe that a diverse and transformed workplace adds value in the form of improved employee capabilities and shared values that strengthen motivation and enhance employee productivity, and ultimately improve society.

Over 13 years, we have grown our involvement in our neighbouring communities through clearly defined sponsorship at our partnered schools, where the children of our employees are likely to attend. We also consistently provide donations to selected hospices in the communities in which we operate that provide care when required.

We engage actively with regulators and government authorities to ensure our compliance with various regulations and standards, and to contribute constructively to policy formulation.

- Engaged at length with employees at our operations in the rest of Africa to establish alignment with group strategy
- Set a target for black management across all management levels of 60% and achieved 59%
- Worked to bolster a new enterprise called Last Drop Juice, building on our previous learnings and track record
- Marked 13th year of our schools partnering programme. We carefully select the secondary schools for this initiative in areas close to the group's South African factories. We fund the upgrading and equipping of these schools' libraries, science laboratories, computer classrooms and general security. We provide teachers with opportunities to enhance their skills and improve their qualifications. We appoint Nampak employees to champion each school – engaging regularly with the principal, teachers and school governing bodies
- Maintained our "keep a girl at school" programme, providing feminine hygiene products for all women at all our partnered schools
- Supported two-day workshops, facilitated by an external expert, at partnered schools to enhance leadership skills and boost team building
- Retained our membership of Packaging SA, in addition to our active participation in various industry recycling initiatives
- Participated actively alongside our industry partners on proposed changes to regulations relating to waste management in South Africa
- Provided detailed responses to the South African Government with a view to participating in a robust consultation process to prevent the passing of legislation that is detrimental to our extensive post-consumer waste recycling initiatives.

### Key inputs

- Constructive relationships between employees and management
- Structured, ongoing and comprehensive engagement with trade unions and shop stewards on employee relations
- Relationships with regulators and government authorities, which are protected through our adherence to legislation
- A licence to operate in the countries and local areas where we have operations and do business
- Good long-term relationships with key customers and suppliers
- We focus our corporate responsibility activities on the youth in the communities in which our factories are situated, supporting education, health and welfare, and environmental education
- The confidence of investors in the sustainable growth of our business.

### Our activities

- Consulted extensively with trade unions and affected employees prior to the disposal of the Corrugated, Tissue, Recycling, Flexibles and Sacks divisions. Subsequently, NUMSA became the union with the highest representation in our South African operations. This required a redefinition of the relationship between the divisions, our shop stewards and the trade union, which received extensive focus in the year

### Outcomes and outputs

- Enhanced customers' loyalty and preference
- Recorded economic value added of R5.76 billion
- Invested R10.7 million in community social development in South Africa from R13.5 million in 2014 in line with our target of 1% of profit after tax
- Retained our B-BBEE Level 3 contributor status, which provides our customers with 110% preferential procurement recognition on their scorecards
- Received full scores for enterprise development and corporate social responsibility initiatives in our B-BBEE scorecard
- Recorded no days lost to strike action
- Anticipate improved performance of learners at our partnered schools as a result of the leadership development workshops on the basis of the detailed action plans that were developed at these sessions and that are presently being implemented.

## INTELLECTUAL CAPITAL

### Context

To continue to provide best-in-class, reliable and cutting-edge packaging solutions, innovation is essential. It is a key competitive advantage.

Nampak's other important intellectual capital inputs are our established brand and the organisation's intellectual property. This includes our knowledge of, and experience in, managing our manufacturing facilities, as well as our various other management processes and procedures. Our continuing efforts around operations, marketing and procurement excellence, as well as the experience we have gathered after operating as a listed company for 46 years, make up our other intellectual capital inputs.

### Key inputs

- Our leading R&D facility in Cape Town, which employed a total of 52 people in the year, including 25 scientists, two engineers, 10 technologists, four business information researchers and four technicians
- An R&D budget of R39.7 million in the year
- 6 663 skilled and experienced employees
- Initiatives around the honing of our culture from being a "hands-off" holding company to a "hands-on" supportive, collaborative and internally aligned operating company that performs as a single unit
- Management's new focus on running a high-performance manufacturing business including common practices, common measurement, updated training programmes, reduced waste and increased efficiencies
- Intangible assets worth R349.6 million (excluding goodwill).

### Our activities

- Continued work to reduce the use of raw materials by making products more light-weight
- Sustained efforts to improve food safety
- Updated our finite element analysis (FEA) capabilities by investing in new integrated FEA/CAD software system used in light-weighting, down-gauging and modelling work
- Installed a new intrinsic viscosity meter for PET
- Trialled further reductions in tinplate usage for can bodies and ends for certain products, as well as for two-piece cans
- Assisted customers with various microbiology and can-handling audits, as well as product evaluation and analyses, and packaging performance, and integrity investigations and simulations
- Sustained R&D support to Nampak's operations, including trials of suitability of various tinplate suppliers as well as qualification of suitable internal/external coating systems
- Continued to invest in bursaries to develop our intellectual property potential.

### Outcomes and outputs

- Production of more convenient and useful products with improved performance, that ultimately support our customers' sales
- Provided technical support and product development assistance to numerous customers
- Achieved reductions in tinplate usage on some closures and food cans with the introduction of double-reduced tinplate
- Achieved reduction in raw material requirement for some plastic containers, including certain PET and HDPE bottles
- Nampak R&D achieved recognition as the leading thermal processing authority in South Africa through our contribution to food safety of processed foods.



# How we allocate resources and create value (continued)

## MANUFACTURED CAPITAL

### Context

With a presence in 12 countries in Africa, and operations in the United Kingdom and Ireland, we depend on our extensive existing asset base of plants, property and equipment to continue to provide our customers with the packaging products they require: products that are convenient, safe and fit for purpose.

Our continued investment in maintaining and upgrading our existing assets, as well as our capital expenditure on new facilities, will ensure that we can continue to deliver on our strategy, including unlocking further value from our base business and accelerating growth in the rest of Africa. It will also mean that we can steadily reduce the environmental impact of our processes and facilities and remain compliant with regulations across our markets.



### Key inputs

- 53 production facilities, including three furnaces at our Roodekop glass site in South Africa
- Our new corporate office in Bryanston
- Our Research and Development facilities in Cape Town
- 63 000 tonnes of cullet (2014: 80 000 tonnes)
- Significant tonnages of tinplate, aluminium and plastic raw material (not disclosed for competitive reasons)
- 9 500 tonnes of HDPE
- Access to infrastructure networks such as road, rail, gas pipelines, utilities and storage facilities. Where the infrastructure is not available in-country, Nampak establishes its own such facilities.

### Our activities

- Commissioned a new aluminium beverage can line at Bevcan operation in Rosslyn
- Began installing a second aluminium can line at Rosslyn
- Commenced with expansion of our beverage can ends production facility in Springs
- Approved capital expenditure of R350 million for DivFood, and began commissioning new equipment towards year-end
- Installed a second production line at our beverage can operation in Angola
- Ramped up production of Nigerian aluminium beverage can line
- Commissioned new third glass furnace in Roodekop.

### Outcomes and outputs

- 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 information
- Capital expenditure of R2.2 billion (2014: R2.6 billion)
- Depreciation and amortisation R802.3 million (2014: R695.2 million)
- Impairment of assets R121.4 million (2014: R37.2 million).



## FINANCIAL CAPITAL

### Context

The funds available for use by Nampak are our financial capital inputs.

They include equity and debt as well as cash generated from operations and investments. We use them to run our business and fund our growth. Our ability to raise the capital we need at the best possible rates is an important consideration when we invest, as is the targeted return on capital.

### Key inputs

- Market capitalisation R18.1 billion (2014: R28.8 billion)
- Total equity of R9.2 billion (2014: R7.9 billion)
- Capital investment of R2.2 billion (2014: R2.6 billion)
- Interest-bearing liabilities of R8.3 billion (2014: R7.1 billion)
- Debt repaid of R1.5 billion (2014: R0.8 billion raised)
- Interest earned from investments R37.6 million (2014: R44.6 million).

### Our activities

- Financed projects of R2.2 billion through cash generated internally.

### Outcomes and outputs

- Operating profit (continuing operations) R1.7 billion (2014: R1.8 billion)
- Cash generated from operating activities R1.7 billion (2014: R2.7 billion)
- Net borrowings to shareholders equity (gearing) 71.8% (2014: 72.6%)
- Headline earnings per share 208.2 cents (2014: 221.9 cents)
- Earnings attributable to shareholders R1.1 billion (2014: R1.2 billion)
- Return on net assets (continuing operations) 11.2% (2014: 15.1%)
- Employment costs distributed R2.8 billion (2014: R2.5 billion)
- Interest paid to providers of finance R417 million (2014: R420 million)
- Dividends paid to shareholders R946 million (2014: R904 million).



# Abridged corporate governance report

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

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.


## Governance framework and structure

The diagram below is a simplified overview of the corporate governance structure at Nampak.

## Key governance developments in the year

- Mr GR Fullerton was appointed as chief financial officer with effect 1 September 2015.
- An evaluation of the board and its committees was conducted during the year under review, this process was facilitated by an independent expert.

## 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 12 to 15 , where graphs also provide details of the board's representation by race and gender.

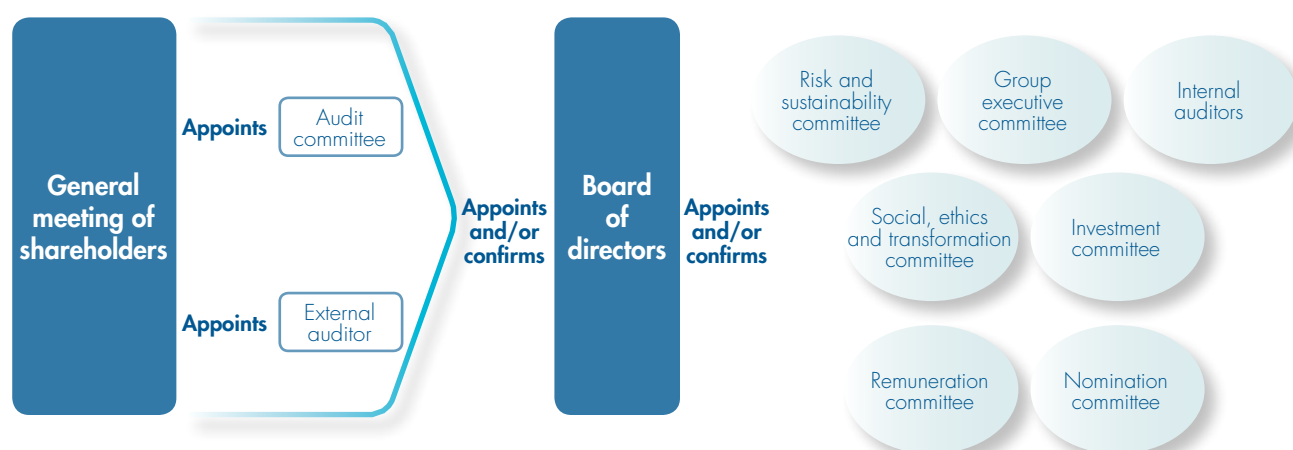
The board is responsible for the strategic direction of the group, while also maintaining control over all material matters affecting the group.

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 10 years of service as a non-executive director on 30 September 2015. The board 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 was assessed by the board during the year under review. 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 re-appointment 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 below:

	Name	Role, purpose and principal functions	Key focus for the year under review
Audit committee	<p><b>CWN Molope</b> (chairperson) Date first appointed: 1 June 2007</p> <p><b>RC Andersen</b> Date first appointed: 21 November 2008</p> <p><b>NV Lila</b> Date first appointed: 27 March 2014</p> <p><b>IN Mkhari</b> Date first appointed: 27 March 2014</p> <p><i>Mr RV Smither retired as a non-executive director and member of the committee on 4 February 2015.</i></p>	<ul style="list-style-type: none"> <li>• Nominates for appointment as auditor of the company a registered auditor considered independent</li> <li>• Determines the fees to be paid to the auditor and the auditor's terms of engagement</li> <li>• Determines the nature and extent of any non-audit services which the auditor may provide</li> <li>• Pre-approves any proposed contract with the auditor for provision of non-audit services</li> <li>• Evaluates performance of the external auditor</li> <li>• Reviews and evaluates effectiveness of internal controls</li> <li>• Monitors and supervises effective function of internal audit</li> <li>• Appoints, assesses performance and dismisses chief internal audit executive</li> <li>• Reviews annual financial statements (AFS), interim reports and other announcements of the group's financial information</li> <li>• Reviews process for financial reporting</li> <li>• Monitors compliance with laws and regulations, material pending litigation, material defalcations, risk management, insurance covers, important accounting issues and specific disclosures in the financial statements</li> <li>• Reviews and evaluates expertise and experience of CFO.</li> </ul>	<p>See the full audit committee report on page 76 .</p>
	<p><b>RC Andersen</b> (chairman) Appointed: 1 January 2014</p> <p><b>AM de Ruyter</b> Appointed: 1 January 2014</p> <p><b>GR Fullerton</b> Appointed: 1 September 2015</p> <p><b>E Ikazoboh</b> Appointed: 27 March 2014</p> <p><b>PM Madi</b> Appointed: 1 January 2014</p> <p><b>IN Mkhari</b> Appointed: 27 March 2014</p> <p><b>DC Moephuli</b> Appointed: 1 January 2014</p> <p><i>Mr RV Smither retired as a non-executive director and member of the committee on 4 February 2015.</i></p>	<ul style="list-style-type: none"> <li>• Considers, approves or makes recommendations to board on capex and investment proposals</li> <li>• Monitors progress of major capital investments by way of investment progress schedule and post-implementation reviews</li> <li>• Approves internal processes relating to capex and investment proposals.</li> </ul>	<ul style="list-style-type: none"> <li>• Considered proposal for disposal of Paper businesses</li> <li>• Considered supplementary capital investment proposal for relocation of ends plant</li> <li>• Considered the sale of Nampak Flexible business to Amcor</li> <li>• Received an update on sale of Nampak Recycling</li> <li>• Received an update on sale of Nampak Sacks</li> <li>• Reviewed the project management model.</li> </ul>

# Abridged corporate governance report (continued)

	Name	Role, purpose and principal functions	Key focus for the year under review
Nomination committee	<b>TT Mboweni</b> <i>(chairman)</i> <b>Appointed:</b> 1 June 2010	<ul style="list-style-type: none"> <li>Ensures board has appropriate composition to execute its duties effectively</li> <li>Ensures directors are appointed through formal process</li> <li>Ensures induction and ongoing training and development of directors takes place</li> <li>Ensures formal succession plans for the board, CEO and senior management are in place</li> <li>Ensures reviews of performance of directors take place</li> <li>Ensures reviews of independence of non-executive directors.</li> </ul>	<ul style="list-style-type: none"> <li>Approved short-term incentive payments for group executives and divisional managing directors</li> <li>Reviewed share plan allocations, proposals and performance targets for December allocation</li> <li>Reviewed performance against share plan targets</li> <li>Reviewed remuneration reports for inclusion into the integrated annual report and on the website before recommending to the board for approval</li> <li>Reviewed remuneration policy with independent external consultants (PwC)</li> <li>Approved individual key performance indicators</li> <li>Reviewed defined benefit obligations and strategies to manage the liability</li> <li>Approved loss-of-office payments</li> <li>Reviewed guaranteed packages</li> <li>Approved incentive bonus targets for next financial year</li> <li>Reviewed management's recommendations on proposed increases to non-executive director fees for review by the board and then approval by shareholders</li> <li>Reviewed and approved contractual terms and conditions.</li> </ul>
	<b>RC Andersen</b> <b>Appointed:</b> 20 July 2009		
	<b>RJ Khoza</b> <b>Appointed:</b> 1 February 2011		
	<b>PM Surgey</b> <b>Appointed:</b> 29 July 2009		
Remuneration committee	<b>PM Surgey</b> <i>(chairman)</i> <b>Appointed:</b> 29 July 2009	<ul style="list-style-type: none"> <li>Oversees setting and administering of remuneration at all levels</li> <li>Oversees establishment of remuneration policy that promotes achievement of strategic objectives and encourages individual performance</li> <li>Ensures remuneration policy is put to a non-binding advisory vote at AGM</li> <li>Reviews outcomes of implementing remuneration policy to ensure objectives are achieved</li> <li>Ensures mix of fixed and variable pay, in cash, shares and other elements, meets Nampak's strategic objectives</li> <li>Satisfies itself to accuracy of recorded performance measures governing vesting of incentives</li> <li>Ensures all benefits are justified and correctly valued</li> <li>Considers performance evaluation results of CEO and other executive directors in determining remuneration</li> <li>Selects appropriate comparative group to compare remuneration levels</li> <li>Regularly reviews incentive schemes to ensure continued contribution to shareholder value and that these are administered in terms of the rules</li> <li>Considers appropriateness of early vesting of share-based schemes at end of employment</li> <li>Advises on remuneration of non-executive directors</li> <li>Oversees preparation and recommends to the board the remuneration report on whether it is accurate, complete and transparent; provides a 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.</li> </ul>	See the remuneration committee report on pages 80 to 90  .
	<b>RC Andersen</b> <b>Appointed:</b> 20 July 2009		
	<b>TT Mboweni</b> <b>Appointed:</b> 1 June 2010		

Risk and sustainability committee

Name

Role, purpose and principal functions

Key focus for the year under review

**NV Lila**  
(chairperson)  
**Appointed as  
chairperson:**  
3 November 2015

**PM Madi**  
**Appointed:**  
12 November 2009

**DC Moephuli**  
**Appointed:**  
1 October 2010

**PM Surgey**  
**Appointed:**  
1 October 2010

**Ex officio:**  
**CWN Molope**  
*Moved to ex officio  
when appointed as  
chairperson of the  
audit committee*  
**Appointed:**  
11 May 2009

- Reviews trends and issues of relevance for sustainability practices in the group
- Defines group's sustainability commitments and monitors achievement against targets
- Provides guidance on overall sustainability process for group to achieve its commitments
- Assists with identification and appropriate management of risks that may impact the sustainability or reputation of the group
- Ensures that appropriate programmes and internal committees are in place to minimise sustainability risks, where necessary
- Provides guidance on processes to ensure group participates in the JSE's SRI
- 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
- Reviews sustainability elements in integrated annual report for submission to board for approval.

- Reviewed group key risks
- Approved risk appetite and tolerance levels for 2015
- Reviewed internal audit report
- Considered ethics report with input from the chairman of the social, ethics and transformation committee
- Considered IT governance update
- Reviewed risk and sustainability content for inclusion in the integrated annual report for approval by the board
- Considered group insurance structure with input from external providers (Willis)
- Considered sustainability update.

Social, ethics and  
transformation  
committee

**PM Madi**  
(chairman)  
**Appointed:**  
9 November 2009

**IN Mkhari**  
**Appointed:**  
27 March 2014

**PM Surgey**  
**Appointed:**  
29 September 2009

- 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, ethic and transformation committee report on page 78 

Group executive committee

The group executive committee is constituted to assist the CEO in managing the business of the group, subject to authority limits delegated to the CEO and the group executive committee in terms of the group's authority policy. The committee assists the CEO in guiding and controlling the overall direction of the business of the group and acts as a medium of communication and coordination between divisions, group companies and the board. The composition of the committee is as follows:

Name

Position

AM de Ruyter

Chief executive officer

C Burmeister

Group executive: DivFood

PA de Weerd<sup>1</sup>

Group executive: Plastics

GR Fullerton<sup>2</sup>

Chief financial officer

G Griffiths<sup>3</sup>

Chief financial officer

M Khutama<sup>4</sup>

Group executive: Plastics

RG Morris

Group executive: Rest of Africa and Glass

SE Msane<sup>5</sup>

Group executive: Paper

EE Smuts

Group executive: Bevcan

FV Tshiqi

Group human resources director

<sup>1</sup> Mr PA de Weerd retired with effect 30 September 2015;

<sup>2</sup> Mr GR Fullerton was appointed with effect 1 September 2015;

<sup>3</sup> Mr G Griffiths retired with effect 19 June 2015;

<sup>4</sup> Mr M Khutama was appointed with effect 1 August 2015; and

<sup>5</sup> Mr SE Msane was retrenched with effect 31 March 2015.

# Abridged corporate governance report (continued)

**Table 1**

Attendance at board and committee meetings during the year ended 30 September 2015.

	Board				
	A	B	C	D	
RC Andersen	8	8	100%	89%	<p><b>Column A</b> Indicates the number of meetings held during the period the director was a member of the board and/or committee.</p> <p><b>Column B</b> Indicates the number of meetings attended during the period the director was a member of the board and/or committee.</p> <p><b>Column C</b> Indicates the percentage attendance during the period for specific meetings.</p> <p><b>Column D</b> Indicates overall attendance percentage by all directors for specific meeting/committee attended.</p>
AM de Ruyter	8	8	100%		
GR Fullerton	2	2	100%		
G Griffiths	7	6	86%		
E Ikazoboh	8	7	88%		
RJ Khoza	8	6	75%		
NV Lila	8	8	100%		
PM Madi	8	4	50%		
IN Mkhari	8	8	100%		
TT Mboweni	8	8	100%		
DC Moephuli	8	5	63%		
CWN Molope	8	8	100%		
RV Smither	4	3	75%		
PM Surgey	8	8	100%		
FV Tshiqi	8	8	100%		

	Audit committee					Risk and sustainability committee					Investment committee				
	A	B	C	D		A	B	C	D		A	B	C	D	
RC Andersen	3	3	100%	87%	86%	–	–	–	81%	81%	4	4	100%	81%	
AM de Ruyter	–	–	–			–	–	–			4	4	100%		
G Griffiths	–	–	–			–	–	–			3	3	100%		
E Ikazoboh	–	–	–			–	–	–			4	1	25%		
NV Lila	3	3	100%			–	–	–			–	–	–		
PM Madi	–	–	–			2	1	50%			4	3	75%		
IN Mkhari	3	1	33%			–	–	–			4	4	100%		
TT Mboweni	–	–	–			–	–	–			–	–	–		
DC Moephuli	–	–	–			2	1	50%			4	4	100%		
CWN Molope	3	3	100%			2	2	100%			–	–	–		
RV Smither	1	1	100%			1	1	100%			2	1	50%		
PM Surgey	–	–	–			2	2	100%			–	–	–		

	Social, ethics and transformation committee					Remuneration committee					Nomination committee				
	A	B	C	D		A	B	C	D		A	B	C	D	
RC Andersen	–	–	–	100%	100%	3	3	100%	100%	95%	4	4	100%	95%	
RJ Khoza	–	–	–			–	–	–			4	3	75%		
TT Mboweni	–	–	–			3	3	100%			4	4	100%		
PM Madi	1	1	100%			–	–	–			–	–	–		
IN Mkhari	1	1	100%			–	–	–			–	–	–		
RV Smither	–	–	–			–	–	–			1	1	100%		
PM Surgey	1	1	100%			3	3	100%			4	4	100%		

## 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 and committee evaluations

In accordance with the decision to conduct board and committee appraisals every second year, an appraisal was conducted during the year under review facilitated by an independent consultant. Overall performance was rated highly and it was found that the board and its committees are functional and operate effectively. The areas for improvement include better communication of succession planning at executive/management level, increased focus on IT governance, a gap analysis for combined assurance, improved communication from the board committees, and increased oversight of outsourced services.

## 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 Responsibilities

The board of directors has committed the company to a formalised and systematic process of enterprise-wide risk management. The board's risk governance responsibilities are outlined in its charter, and the status of key risks is contained in board papers. Specific risk concerns are raised at board level in special reports.

A board committee addresses risk and sustainability matters. The committee encourages transparency around risk issues. The full spectrum of risks facing the company is addressed by the committee, from strategic and financial issues to operational and technical matters. A group risk management function coordinates the process to ensure consistency of approach.

Management's risk management roles and responsibilities are detailed in the company's board-approved risk policy, framework and guidelines documents. These responsibilities include participation in risk committees, risk assessments, risk reviews, risk response initiatives, and assurance processes. The risk management framework is based on the ISO 31000 standard.

## Risk management process

The risk assessment methodology has been designed to deliver realistic and pragmatic outputs that encourage valuable insights. The risk assessment process is formally integrated into the annual business planning, capital expenditure and budgeting cycle. The methodology includes known income variables and predetermined risk categories have been established to guide the operations in their risk assessments. Risks are quantified in terms of their potential impact upon earnings. Risk registers are sustained by operations and updated quarterly per the corporate calendar.

Risk assessment outputs are evaluated against the company's defined risk appetite parameters, which are based on the group's EBITDA targets and key financial ratios, including interest cover, total shareholder return, HEPS, RONA and ROE. In addition, the risk appetite statements address other social, economic and environmental aspects. The risk appetite framework is board-approved and risk appetite monitoring is governed by the risk and sustainability committee. Furthermore, the board exercises its risk appetite strategically via investment and disinvestment decisions. Risk appetite is aligned to investor expectations as evident in the company's growth strategy.



## Abridged corporate governance report (continued)

Management is formally required to address any intolerable residual risks, and the effectiveness of risk mitigations on a continual basis is evaluated in the context of group and regional risk control standards, policies and procedures. Strategic risk responses are addressed by the executive committee, and operational risk responses involve the divisional management teams. Management's risk responses are monitored by the risk and sustainability committee.

A corporate risk team is responsible for ensuring integration of risk management into the business as well as coordination of information to the group executive committee for review, before being presented to the board's risk and sustainability committee.

Risk trends are monitored using performance data and key risk indicators aligned to the current business plan. Identified risks are monitored at divisional and group meetings which are attended by the CEO and/or CFO. Internal risk reporting is regimented and interaction on various risk issues occurs throughout the year. Historic risk data is retained so that risk mitigation performance can be tracked and trend-lines established.

A comprehensive programme of risk-based assurance is an established component of the company's risk management plan. The assurance activities cover a wide spread of risk control disciplines, including operational and insurable risks, food and packaging safety, regulatory compliance, ethics management, climate change and sustainability, safety and health, internal financial controls and ISO standards. The risk management process itself is subject to internal audit reviews in an effort to continually enhance its effectiveness.

### 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.

### Information management services

Information management services (IMS) is an important part of Nampak's business and is essential to the support and sustainability of the group. The King III Report on Corporate Governance places responsibility for IMS governance with the board, and the Nampak board has given the CFO overall responsibility for managing the IMS governance structures and processes. The IMS function is managed by the chief information officer (CIO), who reports to the CFO. An IMS 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 IMS direction and investments, and ensuring alignment with business strategy and priorities.

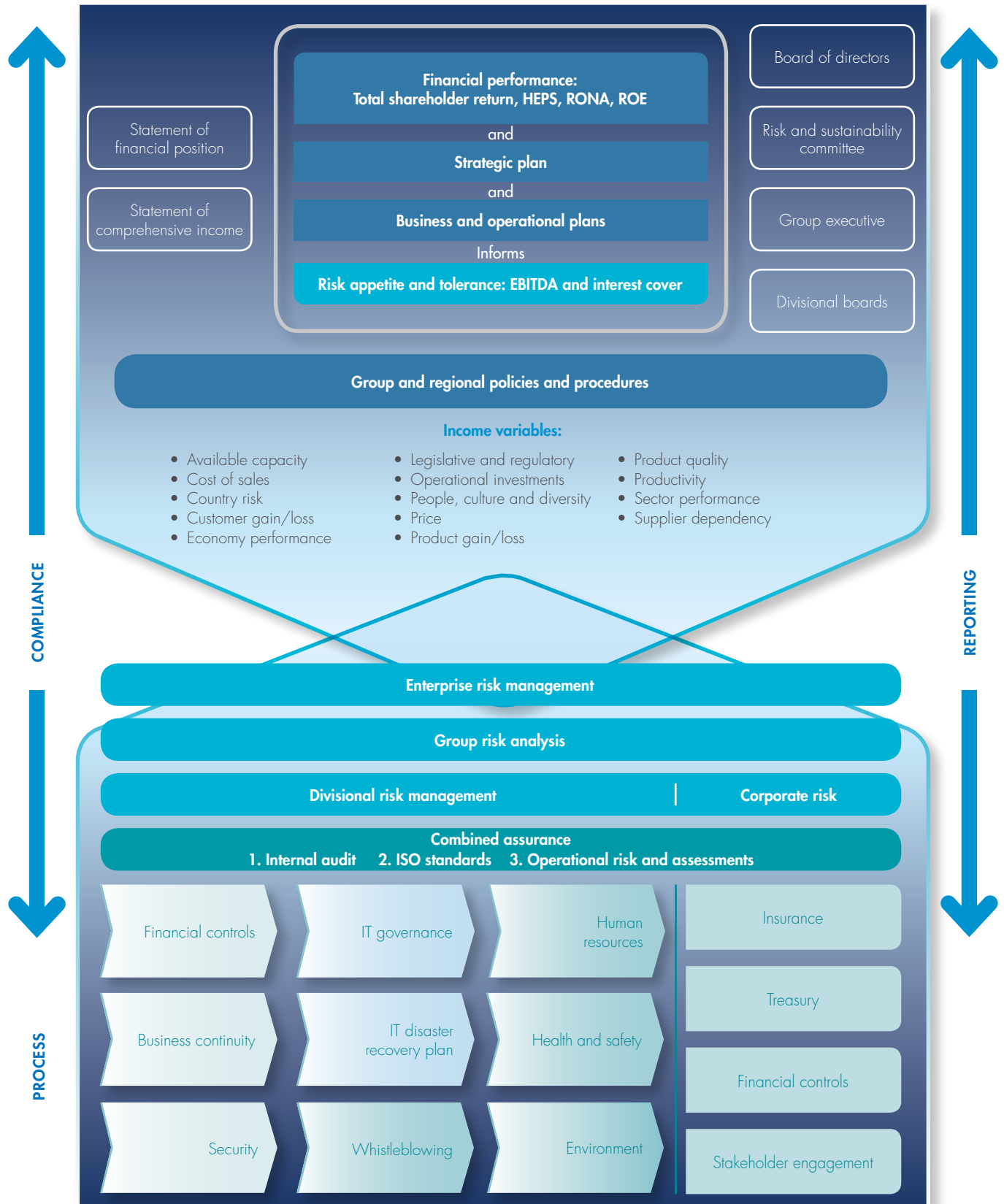
Nampak's IMS function has adopted the IT Governance Institute (ITGI) governance model, Control Objectives for Information and related Technology (COBIT5), as a framework for IMS governance, while continuing to employ best practice frameworks such as Information Technology Infrastructure Library (ITIL) as guidelines for establishing and maintaining effective internal controls, continuity and risk management.

In line with COBIT5, a framework of IMS policies has been developed and adopted, taking into consideration stakeholder needs, the business imperatives, current legislation and IM trends.

Internal audit provides assurance subject to the annual internal audit plan to management, the audit committee and the risk committee on the effectiveness of IMS governance.

The group's IMS focus remains to deliver value to Nampak through benefits realisation, resource optimisation and risk mitigation that are aligned with Nampak's strategy and goals.

## Risk management and compliance framework



# Abridged corporate governance report (continued)

## 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 particularly in respect of legal and regulatory compliance, internal assurance providers and external assurance providers.

Table 2 shows the material areas covered during 2015.

**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 by Willis	Assured	Willis
Transformation	B-BBEE scorecard	Assured	Empowerdex
Quality systems	ISO 9001	Certification held at 42 manufacturing sites	SABS
Environmental audits	ISO 14000	Certification held at 19 manufacturing sites	SABS, DQS
Carbon emissions <sup>1</sup>	Greenhouse gas protocol	Assured	Carbon Known
Data accuracy – safety, energy, water and waste <sup>1</sup>	Internal audit review	As part of the internal audit plan, tested for accuracy and completeness	EY
Energy systems	ISO 50000	Certification held at Nampak Glass	IRQA
Health and safety	OSHAS 18001 and Willis Blue	Certification held at 16 sites. Safety is extensively dealt with as part of the risk control standards	SABS Willis
Food and packaging safety	ISO 22000 and PAS 223 and/or BRC and/or FSSC 22000	Certification held at all the sites in line with customer requirements. The liquid plastics sites in South Africa will commence implementation at their larger sites during 2016	SABS/IRQA
Business continuity	ISO 22301	Certification held at Nampak Glass	IRQA

<sup>1</sup>Carbon emissions calculated on data supplied by divisions.

**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 the 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.

# Audit committee report

## Introduction


The audit committee presents its report for the financial year ended 30 September 2015. 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 four members to the committee for the 2015 financial year at the annual general meeting on 4 February 2015, following the retirement of Mr RV Smither as a non-executive director and a member of the committee on 4 February 2015. The current members are as follows:

Name	Date of first appointment
CWN Molohe (chairperson)	1 June 2007
RC Andersen	21 November 2008
NV Lila	27 March 2014
IN Mkhari	27 March 2014


Shareholders will be requested to approve the appointment of committee members for the 2016 financial year at the annual general meeting to be held on 3 February 2016.

The CVs of the committee members and their attendance at committee meetings can be found on pages 12 to 14 and page 70 .

## 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 chairperson 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 . The responsibility 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 of 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 dismissal of 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;
- monitoring compliance with laws and regulations, material pending litigation, material defalcations, risk management, insurance covers, important accounting issues and specific disclosures in the financial statements; 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 2015 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 Glenn Fullerton, has appropriate expertise and experience;
- resolved to continue to outsource the internal audit function to EY during the financial year;
- approved the internal 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 2015 financial year, with Mr Trushar Kalan 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;
- was responsible for the oversight of financial reporting risks, internal financial controls, fraud risk as it relates to financial reporting and IT risk as it relates to financial reporting; and
- conducted an evaluation exercise into the effectiveness of the committee.

## 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.



**CWN Molope**

Chairperson of the audit committee

Bryanston  
26 November 2015

# Social, ethics and transformation committee report

## Introduction

The social, ethics and transformation committee presents its report for the financial year ended 30 September 2015. 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:

### Members

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 independent non-executive directors. Key senior executives, including the CEO and the 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 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.

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 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 of the 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 Level 3 contributor status achieved during 2014 was retained in 2015. As with many other companies, we anticipate a significant downward adjustment to our contributor status when the new codes are implemented in 2016.

In October 2015, the Black Management Forum recognised Nampak's achievements and we received the 2015 "Most Progressive Company" award for our transformation performance.

### 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 carefully selected schools that we sponsor in areas near our operations.

### Enterprise development

We continue to seek opportunities to sustainably increase our participation in enterprise development activities. We commenced with a new enterprise development initiative during 2015. Our Liquid Plastics division has provided juice filling equipment to a black entrepreneurial company, Last Drop Juice, that supplies bottled juice to a niche market. On 30 September 2015, Nampak disposed of its Sacks division to a B-BBEE company established by a previous



black manager in the group supported by the IDC. We will provide continued support during the transition process.

## 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 is pleased to report that there were no reportable offences during the year.

## Integrity and ethics

A code of conduct and business ethics is enforced throughout the group. All directors and employees, irrespective of the country in which they are employed, are obligated under the code to act with honesty and integrity and to maintain the highest ethical standards. The committee ensures that the code is enforced by monitoring disciplinary action and sanctions, and can report that appropriate action has been taken.

Nampak operates Tip-Offs Anonymous, a hotline which allows callers to report confidentially on any violations of Nampak's policies and procedures. All disclosures received, resultant investigations and the outcome thereof are communicated and reported to the audit committee. A total of 22 (46 in 2014) reports were received during the year under review, which resulted in six (seven in 2014) disciplinary hearings and six (two in 2014) dismissals.

A total of 57 (30 in 2014) forensic reviews were conducted during the year, in addition to investigations as a result of Tip-Offs Anonymous reports. The reviews resulted in 18 (23 in 2014) disciplinary hearings, which led to 12 (11 in 2014) 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, was applied to any short-term incentive bonus payment linked to the 2015 financial performance. While there has been progress in improving safety at our operating sites, there is still progress required to meet our future targets. OSHAS 18000 certification is held at 15 sites.

## Customer relationships

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

We were pleased to note that 44 out of 47 manufacturing sites held ISO 9001 certification as planned, with three sites implementing the standard with a view to certification in the next two years. Our smaller operations are subject to peer audits on a regular basis where it is not appropriate to implement and audit the full standard requirements.



PM Madi


Chairman of the social, ethics and transformation committee

Bryanston

26 November 2015

# Remuneration report

## Report from the remuneration committee chairman

This year, we present a shortened version of our remuneration report within the integrated report, with the full, detailed report available online .

Within this report, we provide a summary of the remuneration policy in the form of a detailed elements table, which sets out our policy regarding the different elements of executive and prescribed officer remuneration, including the applicable performance conditions and targets, the target levels of pay and the maximum opportunity. To illustrate what remuneration is payable in different performance scenarios, remuneration graphs are provided which indicate levels of pay at threshold and stretch performance.



PM Surgey

Chairman of the remuneration committee


Bryanston

26 November 2015

## Remuneration committee

During the year, the remuneration committee (the committee) performed the following activities:

- Reviewed the remuneration structure after considering advice from external advisers, PricewaterhouseCoopers (PwC), to ensure that it remains appropriate in terms of current best market practice
- Considered and recommended remuneration terms and conditions of the appointment of the chief financial officer (CFO)
- Reviewed the guaranteed packages of the executive directors, group executive and divisional managing directors
- Reviewed performance targets applicable to the short and long-term incentives
- Established the future performance targets applicable to the short and long-term incentives
- Considered management's recommendations for non-executive directors' fees and the fees for the board sub-committees before recommending them to the board and then to shareholders for approval.

Further details of committee membership and attendance can be found in the full remuneration report at .

During the year, Nampak has undergone a restructuring process, which included the sale of a large part of the business. Due to the potential for the restructuring to affect the job sizes of the executives in the short term, an additional benchmarking exercise was

undertaken based on the short-term job size. The resulting benchmarks were considered together with Nampak's long-term strategy of growth and the potential for future acquisitions as part of the guaranteed package review for 2016. Actual increases for 2016 reflect individual performance and contribution during the previous year with the overall increase at 3.5%.


Increases to total guaranteed pay during 2015 were approved. These amounted to increases of 7.7% for the executive directors and prescribed officers, compared to an average of 7.3% for the rest of the company.

## The following LTI awards were made to executive directors and prescribed officers during the year:

Due to the performance of Nampak during the year, no vesting will take place for the December 2012 allocations in respect of the Performance Share Plan and Share Appreciation Plan in respect of the headline earnings per share and total shareholder return performance targets. The return on equity targets linked to the Performance Share Plan were exceeded and therefore 20% of the awards will vest for this component in December 2015. In addition, some tranches of 2010 and 2011 Performance Share Plan awards based on previous year's performance will be released during December 2015. In addition, shares purchased by participants under the Deferred Bonus Plan in December 2012, as a result of short-term incentive bonus payments earned for financial performance in 2011, will receive the matching award in December 2015. This contributes to retention of our management team.

In addition, the incentive bonuses payable during the year reflect the poor performance during the year. The emoluments table sets out the actual bonuses and long-term incentives outcomes for the year under review, and more detail can be found in the full remuneration report. We remain confident that the levels of pay are fair and reasonable, and reflect the performance of the executives and Nampak itself during the year.

The financial performance conditions linked to the performance share plan, where the bulk of awards are made to the executive directors, group executive and divisional managing directors require a real growth in headline earnings per share and a cumulative real growth in total shareholder return. To deliver the required returns, management will have to deliver on their strategy through unlocking further value from base business and accelerate growth in the rest of Africa. Return on equity targets ensure that appropriate value is extracted from investments thereby protecting existing value and creating growth in value for shareholders.

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

## 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 plan

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

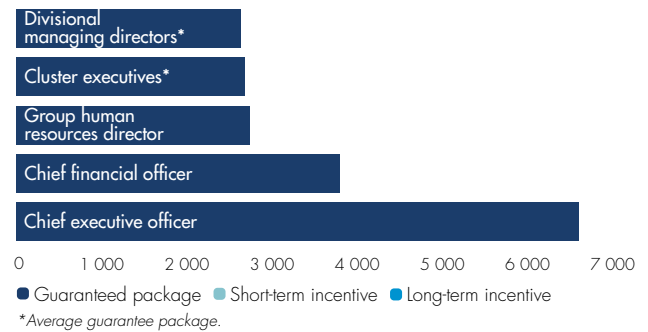
Structured to encourage superior growth in earnings, consistent improvements in return on net assets (RONA) and return on equity (ROE) through the achievement of challenging performance criteria that are designed to align longer-term remuneration directly to growth in shareholder wealth.

## Remuneration mix: policy and actual

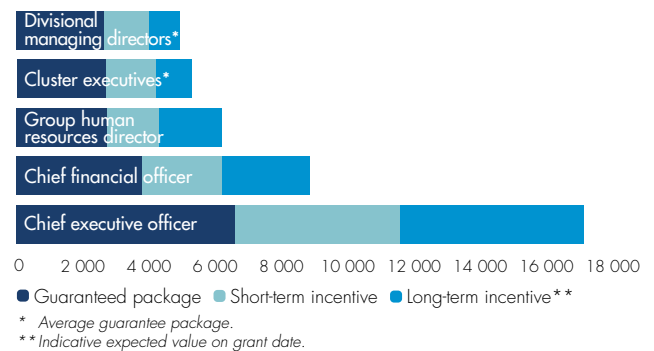
The graphs alongside reflect the actual remuneration for 2015 against the anticipated levels of remuneration for below-expected and above-expected performance benchmarks. The values in respect of participation in the deferred bonus plan have been excluded as participation is voluntary.

### Executive directors and group executive committee members

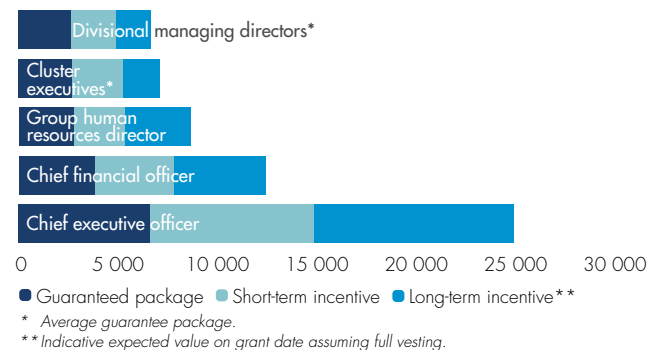
#### Below expected performance (R'000)



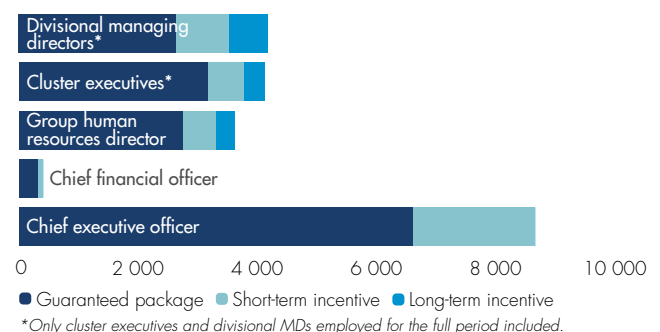
#### At expected performance (R'000)



#### Above expected performance (R'000)



#### Actual (R'000)



# Remuneration report (continued)

## Remuneration structure

Element	Description															
Guaranteed package	<p>Retirement funding, life cover, disability cover, personal accident insurance, and medical cover are all provided on a defined contribution basis and form part of the guaranteed packages.</p> <p>Guaranteed package levels are recommended by the chief executive officer after taking into account individual experience, current performance and contribution, future career progression, as well as resource availability.</p> <p>The committee has discretion to approve guaranteed packages below or above the target percentage of the median, where specific circumstances merit a differential.</p> <p>Such circumstances could include attraction and retention of a scarce skill.</p>															
Annual cash incentive bonus (STI)	<p>The STI comprises two components, combined to form the total annual STI:</p> <ul style="list-style-type: none"><li>• Individual performance component: individual delivery against identified strategic objectives. The individual performance targets are linked to financial and non-financial performance indicators.</li><li>• 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.</li></ul> <p>The weighting between financial performance targets and individual performance targets used to determine the quantum of STIs is as follows:</p> <table><tr><th>Employee or employee group</th><th>Financial component weighting</th><th>Individual performance component weighting</th></tr><tr><td>AM de Ruyter</td><td>68%</td><td>32%</td></tr><tr><td>Glenn Fullerton<sup>1</sup></td><td>70%</td><td>30%</td></tr><tr><td>FV Tshiqi</td><td>70%</td><td>30%</td></tr><tr><td>Group executive committee members</td><td>70%</td><td>30%</td></tr></table> <p><sup>1</sup> Appointed 1 September 2015</p> <p>To continue aligning the group's employment equity strategy with directors' remuneration, the directors' incentives earned are discounted for non-achievement of employment equity targets. For 2016, the value attached to this discount factor is 15%.</p> <p>A discount factor of 5% linked to the achievement of safety targets is also applied across all jurisdictions.</p> <p>The committee has discretion to withdraw or change the incentive bonus scheme annually and to withhold any payments if specific circumstances necessitate.</p> <p>The committee holds overriding discretion on incentive bonus payments including a zero bonus, should circumstances warrant.</p>	Employee or employee group	Financial component weighting	Individual performance component weighting	AM de Ruyter	68%	32%	Glenn Fullerton <sup>1</sup>	70%	30%	FV Tshiqi	70%	30%	Group executive committee members	70%	30%
Employee or employee group	Financial component weighting	Individual performance component weighting														
AM de Ruyter	68%	32%														
Glenn Fullerton <sup>1</sup>	70%	30%														
FV Tshiqi	70%	30%														
Group executive committee members	70%	30%														

## Performance conditions and targets

## Opportunity

Not applicable.

The targeted level of guaranteed package for 2015 for directors, group executive committee 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 upper quartile earnings for managers.

### Financial component of the STI

Between 68% and 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 following are the maximum potential incentives as a percentage of guaranteed package:

Financial performance	Metric	Vesting profile	Stretch performance/cap	Employee or employee group	Total maximum potential incentive as a percentage of guaranteed package
<b>Performance measure</b> 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 entry level and 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.	AM de Ruyter G Fullerton <sup>1</sup> FV Tshiqi	125% 105% 85%
<b>Modifier</b> Return on net assets (RONA)	This is a gatekeeper provision and 12-month average RONA performance below 11.5%, 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 RONAs of peer-group competitors in South Africa and internationally.	Below 11.5% = 0% vesting 11.5% = 60% vesting 12% = 70% vesting 12.5% = 80% vesting 13% = 90% vesting 13.5% = 100% vesting	This performance target serves as a modifier and takes into account the short-term impact of investments on RONA.	Group executive committee members	85% to 95%
<b>Trading income</b> A portion of the financial component for cluster and divisional executives who are members of the group executive committee is based on improvements in their operations' trading income targets	Trading income 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.		

<sup>1</sup> Appointed 1 September 2015

## Remuneration report (continued)

### Remuneration structure continued

Element	Description
Annual cash incentive bonus (STI) continued	
Performance Share Plan (PSP)	<p>The PSP provides for the granting of performance share awards to executive directors and group executive committee members on an annual basis.</p> <p>Vesting of shares is conditional upon the group achieving specific stretch targets which are set by the committee at commencement of the three-year performance period.</p> <p>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 market to adjust to the published results.</p> <p>In order to align participant reward with shareholders' returns and to support retention strategies, one-third of the shares are released and vest immediately on the vesting date, the second one-third a year after the vesting date, and the final third two years after the vesting date or five years from the original award date.</p> <p>Additional shares are awarded on the release dates which equate to the dividends that were earned on the vested shares during the performance period.</p>

## Performance conditions and targets

## Opportunity

### 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.

### Performance condition changes for 2016

In order to support the drive to improve operational efficiencies, the incentive bonus structure for the operational group executives has been modified for 2016. The following broad categories of improved performance targets will be established:

Performance category	Percentage of maximum potential incentive
Trading income (group excluding the United Kingdom)*	20%
Trading income division/s*	40%
Safety targets	10%
Reduction in inventory*	15%
Reduction in cost of overtime*	5%
Key performance indicator linked to division	10%

A 15% discount factor will be applied for non-achievement of employment equity targets.

\*Self-funded as directly contributed to improved financial performance.

### Performance conditions for 2015 awards (consistent with 2014 awards)

Headline earnings per share and total shareholder return targets.

Performance targets and their weightings for allocations together with the performance conditions for the awards are reflected below:

Financial performance and weighting	Metric	Vesting profile	Stretch performance
<b>Cumulative total shareholder return (TSR)</b> (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
<b>Headline earnings per share</b> (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
<b>Return on equity</b> (30%)	Absolute ROE performance of between 15.5% and 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



# Remuneration report (continued)

## Remuneration structure continued

Element	Description
<b>Share Appreciation Plan (SAP)</b>	<p>The SAP provides the committee with an instrument to retain executive directors and group executive committee members, as well as provides the chief executive officer with a means to attract and retain talent at senior management levels within the group.</p> <p>Under the SAP, a number of share appreciation rights are periodically offered to executive directors, group executive committee members and senior managers. These rights are conditional upon the group achieving specific performance criteria.</p> <p>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.</p>
<b>Deferred Bonus Plan (DBP)</b>	<p>The DBP is the third element to the share plan structure. The purpose of the DBP is to encourage executive directors and group executive committee members to use up to 50% of their after-tax annual bonus, awarded at an operating level, to acquire shares in the company that are retained for three years. The incentive to do so is a matching award of the number of shares purchased and held for a three-year period on a one-for-one basis.</p>

## Long-term incentives – dilution and IFRS expense

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.

The following share awards were granted in December 2014:

Name	Number of SAP awarded	Market value of awards <sup>2</sup>	Number of PSP awarded	Market value of awards <sup>2</sup>
<b>Executive directors</b>				
AM de Ruyter	100 229	–	187 272	4 852 218
G Griffiths <sup>1</sup>	–	–	4 083	105 791
FV Tshiqi	30 091	–	43 331	1 122 706
<b>Group executive committee</b>				
C Burmeister	26 683	–	36 112	935 662
PA de Vveerdt	30 091	–	46 401	1 202 250
RG Morris	30 091	–	46 631	1 208 209
SE Msane	30 091	–	44 081	1 142 139
NP O'Brien	26 683	–	35 352	915 970
EE Smuts	26 683	–	38 762	1 004 323

<sup>1</sup> Initial award of 29 400 PSPs. 25 317 were forfeited due to retirement with effect from 19 June 2015.

<sup>2</sup> VWAP at 30 September 2015 used to reflect market value of the awards.

## Performance conditions and targets

## Opportunity

### Performance condition for December 2015 awards (consistent with 2014 awards)

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.

The performance target and the proposed performance condition for awards are reflected below:

Financial performance and weighting	Metric	Vesting profile
<b>Headline earnings per share</b> (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 of 6% over the three-year performance period	Full vesting on achievement of performance target

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.


Up to 50% of after-tax annual  
bonus that is awarded at  
operating level can be used to  
acquire shares in the company.

### 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.

An increase of 5.5% to the non-executive directors' fees and committee fees will be proposed for 2016 and the proposals are set out in the notice of annual general meeting.

### Total remuneration outcomes for 2015

Total emoluments paid during the year ending 30 September 2015 and for the year ended 30 September 2014 are contained in the tables on pages 88 and 89 . The single-figure disclosure includes all guaranteed pay, annual cash incentive bonuses and the value of all long-term incentive plans which vested (or where the performance period ended) during the year under review. The value of long-term incentives allocated, settled, forfeited and the current value of units not settled under each share plan are disclosed in note 19 on pages 115 to 119 of the summarised group financial statements.

## Remuneration report (continued)

### Executive directors' and group executive committee members' total remuneration 2015

SAP and PSP awards for which the performance period expired at the end of the financial year under review are included in the 2015 remuneration (although releasing of these awards is still subject to continued employment until December 2015). For the DBP awards, although no prospective performance conditions are applicable to these awards, participation is voluntary and only quantified and made in December 2015. Accordingly, this information is not available at the time of publishing.

Name	Basic salary (rand)	Payments by offshore companies <sup>1</sup> (rand)	Company contribution to retirement (rand)	Guaranteed package (rand)	Value of other benefits <sup>10</sup> (rand)	STI <sup>11</sup> (rand)	Total remuneration (rand)	SAP and PSP <sup>12</sup> (rand)
Columns	1	2	3	4=1+2+3	5	6	7=4+5+6	8
<b>Executive directors</b>								
AM de Ruyter <sup>2</sup>	6 078 024	–	524 976	6 603 000	4 251 527	2 057 495	12 912 022	–
GR Fullerton <sup>3</sup>	316 667	–	–	316 667	882	90 250	407 799	–
G Griffiths <sup>4</sup>	2 161 399	645 408	161 366	2 968 173	283 144	576 488	3 827 805	500 918
AH Howie <sup>5</sup>	444 234	–	39 108	483 342	1 347	–	484 689	–
FV Tshiqi	2 528 725	–	214 886	2 743 611	7 482	557 125	3 308 218	330 695
<b>Total</b>	<b>11 529 049</b>	<b>645 408</b>	<b>940 336</b>	<b>13 114 793</b>	<b>4 544 382</b>	<b>3 281 358</b>	<b>20 940 533</b>	<b>831 613</b>
<b>Group executive committee</b>								
C Burmeister	2 356 294	–	199 706	2 556 000	6 970	1 537 658	4 100 628	187 816
PA de Weerd <sup>6</sup>	2 893 355	–	246 987	3 140 342	5 089 458	807 735	9 037 535	1 772 918
M Khutama <sup>7</sup>	338 335	–	28 332	366 667	1 022	79 420	447 109	–
RG Morris <sup>8</sup>	2 921 912	–	247 916	3 169 828	496 901	600 762	4 267 491	354 584
SE Msane <sup>9</sup>	1 402 882	–	119 094	1 521 976	6 144 271	317 208	7 983 455	1 420 490
NP O'Brien	2 265 718	–	191 732	2 457 450	7 071	488 160	2 952 681	260 831
EE Smuts	2 671 703	–	225 097	2 896 800	8 269	596 487	3 501 556	213 726
<b>Total</b>	<b>14 850 199</b>	<b>–</b>	<b>1 258 864</b>	<b>16 109 063</b>	<b>11 753 962</b>	<b>4 427 430</b>	<b>32 290 455</b>	<b>4 210 365</b>

<sup>1</sup> For the purposes of total remuneration, offshore payments have been converted into rand using the average exchange rate of GBP1:R18.5583.

<sup>2</sup> Received a sign-on cash award of R4 233 152, paid on 5 January 2015.

<sup>3</sup> Appointed with effect from 1 September 2015.

<sup>4</sup> Retired with effect from 19 June 2015. Received leave pay to the value of R277 318 on termination.

<sup>5</sup> Appointed in the role of acting chief financial officer for the period 19 June 2015 to 31 August 2015.

<sup>6</sup> Retired with effect from 30 September 2015. Received a loss-of-office payment of R4 192 735.

Received a cash settlement in respect of post-retirement medical aid of R886 232.

Received a long service award to the value of R7 500 for 35 years' service.

<sup>7</sup> Appointed with effect from 1 August 2015.

<sup>8</sup> Received a settlement in respect of post-retirement medical aid of R487 887 in the form of a pension fund contribution.

<sup>9</sup> Retrenched with effect from 31 March 2015. Received a loss-of-office payment of R4 305 427.

Received a special incentive in respect of the sale of the Paper businesses of R1 834 793.

<sup>10</sup> Unless specifically noted above, other benefits refers to group personal accident cover.

<sup>11</sup> STI disclosed is based on performance during the 2015 financial year, but actual STI payments will only be made in December 2015.

<sup>12</sup> SAPs and PSPs disclosed were awarded in December 2012, with the applicable performance period ending 30 September 2015 and the employment period ending in December 2015.

Values represented are calculated using the VWAP as at 30 September 2015.

A correction to the 2014 STI as published was made in January 2015 resulting in an additional payment of R90 070 to SE Msane and R3 378 925 to AB Marshall. These have not been included in the table above as the amounts were in respect of the 2014 financial year.

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

Name	Basic salary (rand)	Payments by offshore companies <sup>1</sup> (rand)	Company contribution to retirement (rand)	Guaranteed package (rand)	Value of other benefits <sup>6</sup> (rand)	STI <sup>7</sup> (rand)	Total remuneration (rand)	SAP and PSP <sup>8</sup> (rand)
Columns	1	2	3	4=1+2+3	5	6	7=4+5+6	8
<b>Executive directors</b>								
AM de Ruyter <sup>2</sup>	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 <sup>3</sup>	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	2 368 460	4 928 441	9 435 553
<b>Total</b>	<b>11 331 071</b>	<b>1 789 953</b>	<b>976 468</b>	<b>14 097 492</b>	<b>1 533 363</b>	<b>11 572 589</b>	<b>27 203 444</b>	<b>29 476 800</b>
<b>Group executive committee</b>								
CH Bromley <sup>4</sup>	905 857	–	77 036	982 893	80 843	–	1 063 736	–
C Burmeister <sup>5</sup>	1 106 550	–	93 450	1 200 000	3 025	991 200	2 194 225	825 967
PA de Weerd	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 <sup>5</sup>	1 254 282	–	105 718	1 360 000	3 429	1 090 394	2 453 823	980 683
<b>Total</b>	<b>13 286 570</b>	<b>–</b>	<b>1 128 016</b>	<b>14 414 586</b>	<b>116 105</b>	<b>10 067 028</b>	<b>24 597 719</b>	<b>29 696 018</b>

<sup>1</sup> For the purposes of total remuneration, offshore payments have been converted into rand using the average exchange rate of GBP1:R17.5379.

<sup>2</sup> Appointed with effect from 1 January 2014. Received a once-off cash sign-on bonus paid on 2 January 2014.

<sup>3</sup> 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.

<sup>4</sup> Resigned with effect from 31 January 2014. Received leave pay to the value of R78 015 on termination.

<sup>5</sup> 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.

<sup>6</sup> Unless specifically noted above, other benefits refers to group personal accident cover.

<sup>7</sup> STI disclosed is based on performance during the 2015 financial year, but actual STI payments will only be made in December 2015.

<sup>8</sup> SAPs and PSPs disclosed were awarded in December 2011, with the applicable performance period ended 30 September 2014 and the employment period ending in December 2014.

Values represented are calculated using the VWAP received as at 30 September 2014.

## Remuneration report (continued)

### Non-executive directors' remuneration

The non-executive remuneration paid during the year under review (as approved by shareholders) and the total comparative figure for 2014 are disclosed below.

#### Non-executive directors' remuneration 2015/2014

Name	Directors' fees (rand)		Audit committee total fees (rand)	Remuneration committee total fees (rand)	Nomination committee total fees (rand)	Investment committee total fees (rand)	Risk and sustainability committee total fees (rand)	Social, ethics and transformation committee total fees (rand)	Total 2015 (rand)	Total 2014 (rand)
	Base fee	Meeting fees								
RC Andersen	155 780	130 960	129 800	93 400	73 390	194 650	–	–	777 980	669 507
E Ikazoboh	155 780	114 590	–	–	–	77 600	–	–	347 970	271 599
RH Khoza	155 780	98 220	–	–	67 745	–	–	–	321 745	322 770
NV Lila	155 780	130 960	129 800	–	–	–	–	–	416 540	202 108
PM Madi	155 780	65 480	–	–	–	93 400	77 600	154 150	546 410	540 110
VN Magwentshu <sup>5</sup>	–	–	–	–	–	–	–	–	–	147 599
TT Mboweni <sup>1</sup>	1 580 500	–	–	–	–	–	–	–	1 580 500	1 484 000
IN Mkhari	155 780	114 590	99 320	–	–	101 300	–	77 600	548 590	344 750
DC Moephuli <sup>2</sup>	155 780	81 850	–	–	–	101 300	77 600	–	416 530	344 540
CWN Molope <sup>3</sup>	155 780	130 960	204 365	–	–	–	167 650	–	658 755	503 500
RV Smither <sup>4</sup>	54 090	49 110	82 828	–	5 645	32 101	32 101	–	255 875	633 390
PM Surgey	155 780	130 960	–	181 150	73 390	–	85 500	77 600	704 380	638 090
	3 036 610	1 047 680	646 113	274 550	220 170	600 351	440 451	309 350	6 575 275	6 101 963

<sup>1</sup> Fee includes participation in board sub-committees meetings.

<sup>2</sup> Fee donated to Transnet Foundation.


<sup>3</sup> Appointed as chairperson of the audit committee with effect from 4 February 2015.

<sup>4</sup> Retired from the board and all committees with effect from 4 February 2015.

<sup>5</sup> Resigned from the board and all committees with effect from 6 February 2014.

# Independent auditor's report on the summarised consolidated financial statements

## To the shareholders of Nampak Ltd

The accompanying summarised consolidated financial statements set out on pages 98 to 124 , which comprise the summarised consolidated statement of financial position as at 30 September 2015, 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 consolidated financial statements of Nampak Ltd for the year ended 30 September 2015. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 26 November 2015. Our auditor's report on the audited consolidated financial statements contained an Other Matter paragraph "Other reports required by the Companies Act" (included below).

The summary 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 summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of Nampak Ltd.

## Directors' responsibility for the summarised consolidated financial statements

The directors are responsible for the preparation of the summarised 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.

## Auditor's 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*.

**National executive:** \*LL Bam Chief Executive, \*AE Swiegers Chief Operating Officer, \*GM Pinnock Audit, \*N Sing Risk Advisory, \*NB Kader Tax, TP Pillay Consulting, S Gwala BPaaS, \*K Black Clients & Industries, \*JK Mazzocco Talent & Transformation, \*MJ Jarvis Finance, \*M Jordan Strategy, \*MJ Comber Reputation & Risk, \*TJ Brown Chairman of the Board

A full list of partners and directors is available on request. \*Partner and Registered Auditor

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

Member of Deloitte Touche Tohmatsu Ltd

## Opinion

In our opinion, the summarised consolidated financial statements derived from the audited consolidated financial statements of Nampak Ltd for the year ended 30 September 2015 are consistent, in all material respects, with those consolidated financial statements, in accordance with IAS 34, *Interim Financial Reporting* and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

## Other reports required by the Companies Act

The "other reports required by the Companies Act" paragraph in our audit report dated 26 November 2015 states that as part of our audit of the annual consolidated financial statements for the year ended 30 September 2015, we have read the directors' report, the audit committee's report and the company secretary's certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated 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 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**

Per T Kalan  
Partner

26 November 2015

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

River Walk Office Park,  
41 Matroosberg Road,  
Ashley Gardens, Pretoria

## Directors' responsibility for annual financial statements for the year ended 30 September 2015

The directors of the company are responsible for the preparation and integrity of the summarised consolidated financial statements and related financial information included in this report. The summarised consolidated 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.

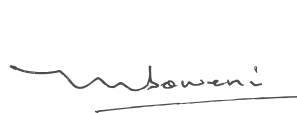
The directors are responsible for the internal controls and management enables the directors to meet these responsibilities. Adequate accounting records and internal controls and systems have been maintained to provide reasonable assurance on the integrity and reliability of the summarised consolidated 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 summarised consolidated financial statements and the safeguarding of the company's assets.

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

The summarised consolidated financial statements for the year ended 30 September 2015, set out on pages 98 to 124, were approved by the board of directors at its meeting on 26 November 2015 and are signed on its behalf by:



TT Mboweni  
Chairman



AM de Ruyter  
Chief executive officer

## Preparer of financial statements

The summarised consolidated financial statements have been prepared under the supervision of GR Fullerton CA(SA).



GR Fullerton  
Chief financial officer

## Certificate by company secretary

In terms of section 88(2)(e) of the Companies Act, No 71 of 2008, 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



# Directors' report

## for the year ended 30 September 2015

### Business of the company

Nampak, which has been listed on the JSE Ltd 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, plastics and glass, outside South Africa packaging products are also produced from paper.

Nampak is the leading supplier of plastic bottles to the dairy industry in the United Kingdom.

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.

### Borrowing facilities

Group gross borrowings at 30 September 2015 amount to R8 331.1 million (2014: R7 081.3 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

Overall group performance for the year benefited from a solid performance from the rest of Africa beverage can operations as well as modest growth from DivFood, Closures and Megapak in South

Africa. This resulted in a 13% increase in group revenue and 10% increase in trading profit. General macroeconomic challenges, the loss made by the Glass division, as well as cost increases associated with the ramp-up of recently commissioned projects put pressure on trading margins. The group recorded a trading margin of 10.5% (2014: 10.8%).

The group operating profit for the year was down 9% and headline earnings per share from continuing operations declined by 6.2% to 208.2 cents from 221.9 cents in 2014.

### Corporate activity

In March 2015 Nampak gave an update on a series of transactions, these included the completion of the sale of the Corrugated and Tissue divisions for R1.6 billion, an agreement on the sale of Nampak Recycling for R82.6 million; and an agreement to sell Nampak Flexibles for R300.0 million. These divisions are accounted for as discontinued in the financial reports.

All transactions were subject to a number of conditions precedent, including approval by the competition commission. Subsequent to the fulfilment of all conditions precedent, the Corrugated and Tissue divisions transaction became effective on 1 April 2015, while the sale of Nampak Flexibles as well as the sale of Nampak Recycling became effective on 1 July 2015.

Nampak also concluded the sale of the Nampak Sacks on 29 September 2015, in line with Nampak's strategy of exiting all its paper business interests in South Africa.

The following companies were deregistered during the year under review:

- Malbak Group Services (Pty) Ltd; and
- Nampak Metal Packaging Ltd.

### Share capital

	Authorised Number of shares	R million	Issued Number of shares	R million
Ordinary shares of 5 cents each	776 857 200	38.9	702 496 655	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 includes 72 440 050 treasury shares, of which 27 369 195 are held by The Nampak Black Management Share Trust.

Share premium as at 30 September 2015: R221.9 million.

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

## Directors' report (continued)

### for the year ended 30 September 2015

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

	Ordinary shares of 5 cents each
Issued at 30 September 2014	700 707 537
Ordinary shares allotted to employees other than directors in terms of the Nampak Ltd Deferred Bonus Plan (DBP)	107 597
Ordinary shares allotted to directors in terms of the DBP	122 000
Ordinary shares allotted to employees other than directors in terms of the Nampak Ltd Performance Share Plan (PSP)	489 630
Ordinary shares allotted to directors in terms of the PSP	567 179
Ordinary shares allotted to employees other than directors in terms of the Nampak Ltd Share Appreciation Plan (SAP)	287 346
Ordinary shares allotted to directors in terms of the SAP	215 366
Issued at 30 September 2015	702 496 655

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

#### Share plans

##### 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 full remuneration report on our website [📄](#) and a summary is included on pages 84 to 87 [📖](#).

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)

	2015	2014
Balance at the commencement of the financial year	189 720	537 680
Forfeitures/cancellations	–	(14 936)
Retirements	–	–
PSP rights forfeited due to underachievement of performance criteria	–	–
PSP rights exercised	(189 720)	(333 024)
Balance at the end of the financial year	0	189 720
Number of participants	0	7

##### The Nampak Ltd Share Appreciation Plan (SAP)

	2015	2014
Balance at the commencement of the financial year	305 681	851 281
Forfeitures/cancellations	(4 000)	(20 380)
Retirements	–	–
SAP rights forfeited due to underachievement of performance criteria	–	–
Exercised	(186 181)	(525 220)
Balance at the end of the financial year	115 500	305 681
Number of participants	12	23

### The Nampak Ltd Performance Share Plan 2009 (PSP 2009)

	2015	2014
Balance at the commencement of the financial year	3 668 994	3 665 281
Number of conditional shares awarded during the year	669 432	944 660
Executive directors	260 003	371 558
Senior executives	409 429	573 102
Forfeitures/cancellations	(58 415)	(294 534)
Retirements	(110 992)	(265 931)
PSP rights forfeited due to under-achievement of performance criteria	(533 841)	-
PSP rights exercised	(759 002)	(380 482)
Balance at the end of the financial year	2 876 176	3 668 994
Number of participants	25	22

### The Nampak Ltd Share Appreciation Plan 2009 (SAP 2009)

	2015	2014
Balance at the commencement of the financial year	5 105 940	8 298 033
Number of conditional shares awarded during the year	3 098 325	518 784
Executive directors	130 320	219 258
Senior executives	2 968 005	299 526
Forfeitures/cancellations	(885 360)	(519 642)
Retirements	(49 384)	(97 935)
SAP rights forfeited due to under-achievement of performance criteria	(2 991 643)	-
Rights exercised	(851 867)	(3 093 300)
Balance at the end of the financial year	3 426 011	5 105 940
Number of participants	156	191

### 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 satisfaction of performance targets.

The DBP may be summarised as follows:

	2015	2014
Balance at the commencement of the financial year	423 331	703 428
Number of bonus shares purchased by employees during the year	126 109	42 423
Executive directors	53 625	6 734
Senior executives	72 484	35 689
Number of bonus shares transferred/sold to/by employees during the year:		
Executive directors	(122 000)	(120 668)
Senior executives	(107 597)	(112 101)
Forfeitures	(3 301)	(35 786)
Retirements	(8 982)	(53 965)
Balance at the end of the financial year	307 560	423 331
Number of participants	15	16

## Directors' report (continued)

### for the year ended 30 September 2015

#### 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 2015 is summarised below:

Balance at the commencement of the financial year	17 996 539
Less: Awards granted in terms of the PSP 2009 during the current financial year	(669 432)
Less: Awards granted in terms of the SAP 2009 during the current financial year	(3 098 325)
Less: Number of conditional shares awarded during the year and prior financial years in terms of DBP	(307 560)
Less: Shares allotted in respect of dividends declared and paid during the current and prior financial years	(78 814)
Add: Options forfeited during the current financial year	–
Add: Awards forfeited in terms of the PSP during the current financial year	–
Add: Awards forfeited in terms of the SAP during the current financial year	4 000
Add: Awards forfeited in terms of the PSP 2009 during the current financial year	703 248
Add: Awards forfeited in terms of the SAP 2009 during the current financial year	3 926 387
Maximum available for future allocations	18 476 043

The calculation alongside 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	86	42.0	26/05/2015	26/06/2015	06/07/2015
	87	92.0	26/11/2015	8/01/2016	18/01/2016
6% cumulative preference	92	6.00	20/11/2014	16/01/2015	26/01/2015
	93	6.00	19/06/2015	17/07/2015	27/07/2015
6.5% cumulative preference	92	6.50	20/11/2014	16/01/2015	26/01/2015
	93	6.50	19/06/2015	17/07/2015	27/07/2015

The important dates pertaining to the payment of ordinary dividend number 87 are as follows:


Last day to trade ordinary shares "cum" dividend	Friday, 8 January 2016
Ordinary shares trade "ex" dividend	Monday, 11 January 2016
Record date	Friday, 15 January 2016
Payment date	Monday, 18 January 2016

Ordinary share certificates may not be dematerialised or rematerialised between Monday, 11 January 2016 and Friday, 15 January 2016, both days inclusive.

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

- The dividend has been declared from income reserves.
- The dividend withholding tax rate is 15%.
- The net local dividend amount is 78.2 cents per share for shareholders liable to pay the dividends tax and 92.0 cents per share for shareholders exempt from paying the dividends tax.
- The issued number of ordinary shares at the declaration date is 702 496 655.
- Nampak Ltd's tax number is 9875081714.

### Directors and secretary

The names of the directors and secretary in office at 30 September 2015 are set out on pages 12 to 17 .

Mr RV Smither retired as a non-executive director on 4 February 2015 and Mr G Griffiths retired as chief financial officer and executive director of the company on 15 June 2015. Mr GR Fullerton was appointed as chief financial officer and executive director of the company on 1 September 2015 and shareholders will be requested to confirm his appointment at the forthcoming annual general meeting.

Ms I Mkhari, Dr RJ Khoza and Messrs E Ikazoboh and TT Mboweni 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 I Mkhari, Dr RJ Khoza and Messrs E Ikazoboh and TT Mboweni 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 2015 are shown below:

	Ordinary shares 2015	2014
Beneficial interests		
<b>Executive directors</b>		
GR Fullerton	97	—
AM de Ruyter	68 959	—
FV Tshiqi	141 241	142 372
<b>Non-executive directors</b>		
RC Andersen	31 000	31 000
<b>Non-beneficial interests of directors</b>	8	12
Beneficial interests		
<b>Prescribed officers</b>		
C Burmeister	57 136	26 516
RG Morris	286 461	213 227
NP O'Brien	74 123	63 010
EE Smuts	68 236	41 795

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 2015:

Name of director	2015	2014
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 2015:

Name of director	2015	2014
RJ Khoza	26 000	26 000

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

### Litigation statement

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

### Subsequent events

There have been no subsequent events from the reporting date up to the date of this report.


### Special resolution

A special resolution was passed by the sole shareholder of Elopak South Africa (Pty) Ltd to effect a name change to Nampak Liquid Cartons (Pty) Ltd.

### Retirement funds

Details of retirement funds are reflected in note 17 to the consolidated 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 122 to 124 .

# Summarised consolidated statement of financial position

## at 30 September 2015

	Notes	2015 R million	2014 R million
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment and investment property	2	11 025.7	9 864.3
Goodwill and other intangible assets	3	4 118.6	3 419.5
Other non-current financial assets, associates and joint ventures	4	77.1	278.3
Deferred tax assets		145.3	135.7
		15 366.7	13 697.8
<b>Current assets</b>			
Inventories		3 890.6	3 518.4
Trade receivables and other current assets	5	3 404.4	3 538.9
Tax assets		12.0	8.5
Bank balances, deposits and cash		1 587.4	1 127.5
		8 894.4	8 193.3
Assets classified as held for sale	11	146.4	–
<b>Total assets</b>		<b>24 407.5</b>	<b>21 891.1</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital		36.1	36.1
Capital reserves		(405.0)	(402.3)
Other reserves		1 061.7	315.2
Retained earnings		8 109.6	7 985.1
<b>Shareholders' equity</b>		<b>8 802.4</b>	<b>7 934.1</b>
Non-controlling interest		370.0	(51.0)
<b>Total equity</b>		<b>9 172.4</b>	<b>7 883.1</b>
<b>Non-current liabilities</b>			
Loans and borrowings	6	4 212.0	4 753.3
Retirement benefit obligation	7	2 008.4	2 173.0
Other non-current liabilities		61.6	58.6
Deferred tax liabilities		329.2	444.9
		6 611.2	7 429.8
<b>Current liabilities</b>			
Trade payables, provisions and other current liabilities	8	4 418.6	4 054.9
Bank overdrafts		3 672.3	1 808.5
Loans and borrowings		446.8	519.5
Tax liabilities		86.2	195.3
		8 623.9	6 578.2
<b>Total equity and liabilities</b>		<b>24 407.5</b>	<b>21 891.1</b>

# Summarised consolidated statement of comprehensive income

for the year ended 30 September 2015

	Notes	2015 R million	2014 R million
<b>CONTINUING OPERATIONS</b>			
Revenue	9	17 291.3	15 305.6
Operating profit	9	1 681.4	1 842.8
Finance costs		(316.6)	(353.1)
Finance income		37.6	44.6
Income from investments		–	0.1
Share of net (losses)/profits of associates and joint ventures		(3.8)	33.5
<b>Profit before tax</b>		<b>1 398.6</b>	<b>1 567.9</b>
Taxation	10	(57.5)	141.9
<b>Profit for the year from continuing operations</b>		<b>1 456.1</b>	<b>1 426.0</b>
<b>DISCONTINUED OPERATIONS</b>			
Loss for the year from discontinued operations	11	(394.8)	(222.4)
<b>Profit for the year</b>		<b>1 061.3</b>	<b>1 203.6</b>
Other comprehensive (expense)/income for the year, net of tax			
<i>Items that will not be reclassified to profit or loss</i>			
Net actuarial (loss)/gain from retirement benefit obligations		(9.6)	10.2
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		774.6	381.9
Gains on cash flow hedges		56.8	1.1
<b>Other comprehensive income for the year, net of tax</b>		<b>821.8</b>	<b>393.2</b>
<b>Total comprehensive income for the year</b>		<b>1 883.1</b>	<b>1 596.8</b>
<b>Profit attributable to:</b>			
Owners of Nampak Ltd		1 043.2	1 169.4
Non-controlling interest in subsidiaries		18.1	34.2
		<b>1 061.3</b>	<b>1 203.6</b>
<b>Total comprehensive income attributable to:</b>			
Owners of Nampak Ltd		1 794.0	1 567.7
Non-controlling interest in subsidiaries		89.1	29.1
		<b>1 883.1</b>	<b>1 596.8</b>
<b>Earnings per share</b>			
Basic (cents per share)	12		
Continuing operations		228.3	221.7
Discontinued operations		(62.7)	(35.4)
<b>Total</b>		<b>165.6</b>	<b>186.3</b>
<b>Diluted (cents per share)</b>	12		
Continuing operations		225.6	214.2
Discontinued operations		(61.9)	(34.3)
<b>Total</b>		<b>163.7</b>	<b>179.9</b>



# Summarised consolidated statement of changes in equity

for the year ended 30 September 2015

	Note	2015 R million	2014 R million
<b>Opening balance</b>		7 883.1	7 190.6
Net shares issued during the year		74.9	101.5
Share-based payment expense		(2.6)	17.0
Share grants exercised		(75.0)	(97.1)
Share of movement in associates' and joint ventures' non-distributable reserve		0.6	1.3
Non-controlling interest realised on disposal of subsidiary		2.6	–
Transfer from hedging reserve to related assets		(4.9)	(4.3)
Increase in non-controlling shareholders' interest on consolidation of Zimbabwe associates		356.8	–
Reclassification of available-for-sale financial asset		–	(18.3)
Total comprehensive income for the year		1 883.1	1 596.8
Dividends paid	13	(946.2)	(904.4)
<b>Closing balance</b>		9 172.4	7 883.1
<b>Comprising:</b>			
Share capital		36.1	36.1
Capital reserves		(405.0)	(402.3)
Share premium		221.9	147.0
Treasury shares		(827.6)	(827.6)
Share-based payments reserve		200.7	278.3
Other reserves		1 061.7	315.2
Foreign currency translation reserve		2 017.8	1 314.2
Financial instruments hedging reserve		53.1	1.2
Recognised actuarial losses		(975.6)	(966.0)
Share of non-distributable reserves in associates and joint ventures		4.5	3.9
Available-for-sale financial assets revaluation reserve		(38.3)	(38.3)
Other		0.2	0.2
Retained earnings		8 109.6	7 985.1
<b>Shareholders' equity</b>		8 802.4	7 934.1
Non-controlling interest		370.0	(51.0)
<b>Total equity</b>		9 172.4	7 883.1

# Summarised consolidated statement of cash flows

## for the year ended 30 September 2015

	Notes	2015 R million	2014 R million
<b>Operating profit before working capital changes</b>		<b>2 395.1</b>	2 929.2
Working capital changes		(668.6)	(189.1)
<b>Cash generated from operations</b>		<b>1 726.5</b>	2 740.1
Net interest paid		(376.4)	(361.9)
Income from investments		7.4	7.2
Retirement benefits, contributions and settlements		(364.9)	(132.7)
Tax paid		(151.6)	(95.3)
Replacement capital expenditure		(1 352.6)	(833.5)
<b>Cash (utilised in)/retained from operations</b>		<b>(511.6)</b>	1 323.9
Dividends paid		(946.2)	(904.4)
<b>Net cash (utilised in)/retained from operating activities</b>		<b>(1 457.8)</b>	419.5
Expansion capital expenditure		(771.0)	(1 771.7)
Acquisition of business	14	–	(3 491.1)
Proceeds on the disposal of businesses	11	1 982.7	308.3
Other investing activities		124.7	(15.4)
<b>Net cash utilised before financing activities</b>		<b>(121.4)</b>	(4 550.4)
Net cash (utilised in)/retained from financing activities		(1 413.8)	897.3
<b>Net decrease in cash and cash equivalents</b>		<b>(1 535.2)</b>	(3 653.1)
(Net overdraft)/cash and cash equivalents at beginning of year		(681.0)	2 613.2
Cash acquired on consolidation of Zimbabwe associates		44.1	–
Translation of cash in foreign subsidiaries		87.2	358.9
<b>Net overdraft at end of year</b>		<b>(2 084.9)</b>	(681.0)
<b>Net overdraft consists of:</b>			
Bank balances, deposits and cash		1 587.4	1 127.5
Bank overdrafts		(3 672.3)	(1 808.5)
<b>Total</b>		<b>(2 084.9)</b>	(681.0)

# Notes to the summarised consolidated financial statements

## for the year ended 30 September 2015

### 1. Basis of preparation

The summarised consolidated financial statements are prepared in accordance with the requirements of the Companies Act of South Africa applicable to summarised financial statements and the minimum information required by IAS 34: *Interim Financial Reporting*.

These summarised consolidated financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements as at and for the year ended 30 September 2015 as published on the company's website.

#### Accounting policies

The accounting policies applied in the preparation of the consolidated financial statements for 2015, from which the summarised consolidated 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 consolidated 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 2014.

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 consolidated financial statements for the year ended 30 September 2015.

These summarised consolidated financial statements were approved by the board of directors on 26 November 2015.

### 2. Property, plant and equipment

	Property R million	Plant and equipment R million	Total R million
<b>Net carrying value as at 1 October 2013</b>	1 071.1	6 212.6	7 283.7
Capital expenditure	232.1	2 364.9	2 597.0
Business combinations	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
<b>Net carrying value as at 30 September 2014</b>	<b>1 615.3</b>	<b>8 249.0</b>	<b>9 864.3</b>
Capital expenditure	215.7	1 907.9	2 123.6
Business combinations	171.3	242.8	414.1
Disposals of businesses	(216.5)	(1 059.3)	(1 275.8)
Disposals	(20.2)	(25.8)	(46.0)
Depreciation	(63.2)	(705.0)	(768.2)
Net impairments	(4.6)	(116.8)	(121.4)
Translation	217.8	548.5	766.3
Other movements	52.1	16.7	68.8
<b>Net carrying value as at 30 September 2015</b>	<b>1 967.7</b>	<b>9 058.0</b>	<b>11 025.7</b>

## 2. Property, plant and equipment *continued*

	2015 R million	2014 R million
Open market value of the group's properties (net carrying value: R1 967.7 million; 2014: R1 615.3 million) as determined by The Property Partnership (independent valuers not connected to the group) in September 2015:	1 102.3	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	36 834.5	28 029.0
South Africa	27 895.7	22 812.3
Africa	6 658.2	3 486.8
Europe	2 280.6	1 729.9
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
<b>Net carrying value as at 1 October 2013</b>	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
<b>Net carrying value as at 30 September 2014</b>	<b>3 166.1</b>	<b>253.4</b>	<b>3 419.5</b>
Capital expenditure	–	71.6	71.6
Business combinations	–	63.3	63.3
Disposals of businesses	(34.0)	(12.0)	(46.0)
Disposals	–	(0.1)	(0.1)
Amortisation	–	(43.6)	(43.6)
Translation differences	597.7	–	597.7
Other movements	39.2	17.0	56.2
<b>Net carrying value as at 30 September 2015</b>	<b>3 769.0</b>	<b>349.6</b>	<b>4 118.6</b>

Information about business combinations is contained in note 14.

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.

# Notes to the summarised consolidated financial statements

(continued)

for the year ended 30 September 2015

## 4. Associates 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 2014	181.9	6.8	24.6	65.0	278.3
Net carrying value as at 30 September 2015	22.0	9.4	12.7	33.0	77.1

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

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

## 5. Trade receivables and other current assets

	Trade receivables R million	Prepayments R million	Other current assets R million	Total R million
Net carrying value as at 30 September 2014	2 754.1	296.9	487.9	3 538.9
Net carrying value as at 30 September 2015	2 726.9	238.2	439.3	3 404.4

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 R57.3 million (2014: R94.3 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 2014	4 751.8 <sup>1</sup>	1.5 <sup>2</sup>	4 753.3
Net carrying value as at 30 September 2015	4 211.4 <sup>1</sup>	0.6 <sup>2</sup>	4 212.0

<sup>1</sup> Loans and borrowings are secured as follows:

R4 658.2 million (2014: R5 110.4 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 group. The Nampak group was within the covenant requirements throughout the year under review. No liabilities have been recognised for the outstanding guarantees.

<sup>2</sup> 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.

Due to government liquidity restrictions in Angola and Nigeria, the group is currently experiencing difficulties in timeously converting the bank balances (in local currency) of the operations in these countries to US dollars in order to settle US dollar denominated commitments.

These conditions are expected to be temporary and management continues to address this issue.

## 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 2014	1.3	474.0	1 697.7	2 173.0
Net carrying value as at 30 September 2015	2.1	473.2	1 533.1	2 008.4
The amounts recognised in the statement of comprehensive income are as follows:				
<b>2014</b>				
Current service cost	–	–	22.1	22.1
Past service cost and loss/(gain) from settlements	–	–	(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)
<b>2015</b>				
Current service cost	–	–	15.1	15.1
Past service cost and gain from settlements	–	(20.0)	(41.2)	(61.2)
Net interest cost	0.1	18.1	149.9	168.1
	0.1	(1.9)	123.8	122.0
Components of defined benefit costs recognised in other comprehensive income	0.7	(9.1)	22.7	14.3

The total unfunded pension liability is R2.1 million (2014: R1.3 million) and the unfunded post-retirement medical liability is R1 533.1 million (2014: R1 697.7 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 2014	3 807.1	43.9	203.9	4 054.9
Net carrying value as at 30 September 2015	3 793.8	235.3	389.5	4 418.6

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

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

# Notes to the summarised consolidated financial statements

(continued)

for the year ended 30 September 2015

## 9. Segmental income report

	External revenue		Internal revenue		Trading profit <sup>1</sup>		Trading margin	
	2015 R million	2014 R million	2015 R million	2014 R million	2015 R million	2014 R million	2015 %	2014 %
<b>Segment analysis</b>								
Metals	9 933.2	8 428.9	52.4	46.5	1 254.1	1 050.2	12.6	12.5
Glass <sup>2</sup>	876.7	984.0	–	–	(76.4)	(48.3)	(8.7)	(4.9)
Plastics	5 011.4	4 848.7	7.5	4.2	375.9	325.5	7.5	6.7
Paper	1 470.0	1 044.0	6.2	–	183.9	203.9	12.5	19.5
Corporate	–	–	2 992.5	2 663.5	83.0	125.9	–	–
Eliminations	–	–	(3 058.6)	(2 714.2)	–	–	–	–
Continuing operations	17 291.3	15 305.6	–	–	1 820.5	1 657.2	10.5	10.8
Discontinued operations	3 324.9	5 595.3	60.8	99.5	56.9	159.8	1.7	2.9
Eliminations	–	–	(60.8)	(99.5)	–	–	–	–
<b>Total</b>	<b>20 616.2</b>	<b>20 900.9</b>	<b>–</b>	<b>–</b>	<b>1 877.4</b>	<b>1 817.0</b>	<b>9.1</b>	<b>8.7</b>
<b>Geographical analysis (continuing operations):</b>								
South Africa	10 599.5	9 797.3	259.6	229.3	736.3	768.2	6.9	7.8
Rest of Africa	4 723.9	3 294.2	66.5	0.1	883.4	617.4	18.7	18.7
United Kingdom	1 967.9	2 214.1	–	–	117.8	145.7	6.0	6.6
Corporate	–	–	2 992.5	2 663.5	83.0	125.9	–	–
Eliminations	–	–	(3 318.6)	(2 892.9)	–	–	–	–
<b>Continuing operations</b>	<b>17 291.3</b>	<b>15 305.6</b>	<b>–</b>	<b>–</b>	<b>1 820.5</b>	<b>1 657.2</b>	<b>10.5</b>	<b>10.8</b>

<sup>1</sup> Operating profit before abnormal items.

<sup>2</sup> Operating losses of R27.1 million and finance costs of R70.8 million relating to the third furnace incurred to July 2015 were capitalised to the cost of the furnace due to the revised timing of the commissioning of the furnace in accordance with International Financial Reporting Standards (IFRS). Revenue for the year achieved up to the revised commissioning date amounts to R250.7 million and is not included in the segment's revenue disclosed.

Reconciliation of operating profit and trading profit

	Continuing operations		Discontinued operations		Total	
	2015 R million	2014 R million	2015 R million	2014 R million	2015 R million	2014 R million
Operating profit/(loss)	1 681.4	1 842.8	(503.8)	(278.8)	1 177.6	1 564.0
Abnormal losses/(gains)*						
Retrenchment and restructuring costs	77.3	14.0	119.1	17.7	196.4	31.7
Net impairment losses on property, plant, equipment, intangible assets and assets classified as held for sale	121.4	37.3	77.7	394.2	199.1	431.5
Cash flow hedge ineffectiveness	–	(0.1)	–	–	–	(0.1)
Net profit on disposal of property	(102.5)	(23.7)	–	–	(102.5)	(23.7)
Net loss on disposal of businesses	–	–	350.2	33.7	350.2	33.7
Gain on revaluation and consolidation of Zimbabwe associates	(124.2)	–	–	–	(124.2)	–
Net loss/(gain) on financial instruments	141.4	(210.5)	13.7	(7.0)	155.1	(217.5)
Gain on revaluation of original interest in joint venture acquired	–	(9.4)	–	–	–	(9.4)
Business acquisition-related costs	25.7	6.8	–	–	25.7	6.8
<b>Trading profit</b>	<b>1 820.5</b>	<b>1 657.2</b>	<b>56.9</b>	<b>159.8</b>	<b>1 877.4</b>	<b>1 817.0</b>

\* 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. Tax rate reconciliation

	Continuing operations		Discontinued operations		Total	
	2015 %	2014 %	2015 %	2014 %	2015 %	2014 %
Effective group rate of tax	(4.1)	9.1	24.8	29.0	(21.5)	4.1
Reduction in tax rate due to:						
– exempt income (including capital profits)	2.5	3.9	(24.1)	(2.6)	18.6	5.7
– associate income	(0.1)	0.6	–	1.6	(0.2)	0.3
– government incentives	9.7	12.1	(0.1)	(0.3)	15.5	15.3
– adjustment for prior year	12.8	0.7	0.7	(0.3)	20.0	0.9
– tax rate reduction	–	0.1	–	–	–	0.2
– utilisation of withholding tax credit	–	0.7	–	–	–	0.9
– tax rate differential	9.9	4.0	–	–	15.9	5.1
– capital gains tax	2.9	–	7.8	–	–	–
Increase in tax rate due to:						
– deferred taxation not recognised	(0.7)	(0.4)	0.4	(0.1)	(1.3)	(0.5)
– disallowable expenses	(2.2)	(0.9)	18.1	0.7	(14.4)	(1.6)
– withholding and foreign taxes	(2.7)	(1.9)	0.4	–	(4.6)	(2.4)
<b>Normal tax rate</b>	<b>28.0</b>	<b>28.0</b>	<b>28.0</b>	<b>28.0</b>	<b>28.0</b>	<b>28.0</b>

## 11. Discontinued operations

During October 2014, the directors of the group approved of a plan to dispose of the Nampak Corrugated, Nampak Sacks, Nampak Tissue and Sancell SA (Pty) Ltd businesses. On 20 November 2014, the group entered into a sale agreement for the disposal of the Nampak Corrugated and Nampak Tissue businesses and completed the transaction on 1 April 2015, the effective date of the disposal of these businesses.

In addition, the directors of the group approved a plan to dispose of the Nampak Recycling and Nampak Flexibles businesses during March 2015, and entered into sale agreements for the disposal of these businesses on 11 March and 25 March 2015 respectively. The transactions were both completed on 1 July, the effective date of these transactions.

Agreements of sale for the Sancell SA (Pty) Ltd and Nampak Sacks businesses were entered into on 21 July 2015 and 21 September 2015 respectively. The transaction for the Nampak Sacks business was completed on 29 September 2015, while it is expected that the transaction for the Sancell SA (Pty) Ltd business will be completed during the first quarter of the 2016 financial year.

During the previous year, the Nampak Cartons and Labels business was disposed with an effective date of 1 August 2014.

The above disposals are consistent with the group's strategy of exiting its non-core and underperforming businesses.

The results of the discontinued operations included in the statement of comprehensive income are set out below.

	2015 R million	2014 R million
<b>Results of the discontinued operations for the year</b>		
Revenue*	3 385.7	5 694.8
Expenses	(3 560.7)	(5 974.4)
Loss before tax	(175.0)	(279.6)
Attributable income tax benefit	8.1	73.5
	(166.9)	(206.1)
Loss on disposal of operations	(350.2)	(33.7)
Attributable income tax benefit	122.3	17.4
	(227.9)	(16.3)
Loss for the year from discontinued operations	(394.8)	(222.4)

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

# Notes to the summarised consolidated financial statements

(continued)

for the year ended 30 September 2015

## 11. Discontinued operations *continued*

	2015 R million	2014 R million
<b>Proceeds on disposal of the discontinued operations</b>		
The fair values of assets and liabilities disposed of were as follows:		
<i>Current assets</i>		
Inventory	756.5	243.1
Trade and other receivables	958.9	215.2
<i>Non-current assets</i>		
Property, plant and equipment	1 275.8	159.4
Other intangible assets	12.0	–
Investments	9.0	–
Loans and receivables	25.8	–
<i>Current liabilities</i>		
Trade and other payables	(699.8)	(216.1)
<i>Non-current liabilities</i>		
Post-retirement benefit liability	–	(35.3)
Deferred income	(6.9)	–
Net assets disposed	2 331.3	366.3
Outside shareholders' interest	2.6	–
Goodwill disposed	34.0	–
Loss on disposal of businesses	(350.2)	(33.7)
Total disposal consideration	2 017.7	332.6
Less: Deferred sales proceeds	(35.0)	(24.3)
Net inflow on disposal	1 982.7	308.3

## 12. Basic, fully diluted and headline earnings per ordinary share

	Continuing operations		Discontinued operations		Total	
	2015 R million	2014 R million	2015 R million	2014 R million	2015 R million	2014 R million
<b>Determination of basic earnings and headline earnings</b>						
Profit attributable to equity holders of the company	1 438.0	1 391.8	(394.8)	(222.4)	1 043.2	1 169.4
Less: Preference dividend	(0.1)	(0.1)	–	–	(0.1)	(0.1)
Basic earnings	1 437.9	1 391.7	(394.8)	(222.4)	1 043.1	1 169.3
Adjusted for:						
Net impairment losses on plant, equipment, intangible assets and investments	121.4	37.3	–	394.2	121.4	431.5
Net loss on disposal of businesses and other investments	–	–	350.2	33.7	350.2	33.7
Gain on revaluation of original interest in business acquired	–	(9.4)	–	–	–	(9.4)
Gain on revaluation and consolidation of Zimbabwe associates	(124.2)	–	–	–	(124.2)	–
Net profit on disposal of property, plant, equipment and intangible assets	(102.8)	(20.2)	3.6	2.1	(99.2)	(18.1)
Tax effects	(21.2)	(6.8)	(123.2)	(127.2)	(144.4)	(134.0)
Headline earnings	1 311.1	1 392.6	(164.2)	80.4	1 146.9	1 473.0
Weighted average number of shares in issue ('000)	629 726	627 728	629 726	627 728	629 726	627 728
Earnings per share (cents)	228.3	221.7	(62.7)	(35.4)	165.6	186.3
Headline earnings per share (cents)	208.2	221.9	(26.1)	12.8	182.1	234.7
Weighted average number of ordinary shares for the purpose of diluted earnings per share ('000)	637 369	649 808	637 369	649 808	637 369	649 808
Weighted average number of ordinary shares for the purpose of basic earnings per share	629 726	627 728	629 726	627 728	629 726	627 728
Effect of dilutive potential ordinary shares:						
Ordinary shares issued to Black Management Trust ('000)	4 847	13 372	4 847	13 372	4 847	13 372
Preferred ordinary shares issued to Red Coral Investments 23 (Pty) Ltd ('000)	–	–	–	–	–	–
Other share incentive plans ('000)	2 796	8 708	2 796	8 708	2 796	8 708
Diluted earnings per share (cents)	225.6	214.2	(61.9)	(34.3)	163.7	179.9
Diluted headline earnings per share (cents)	205.7	214.3	(25.8)	12.4	179.9	226.7

# Notes to the summarised consolidated financial statements

(continued)

for the year ended 30 September 2015

## 13. Dividends and cash distributions

	2015 R million	2014 R million
<b>Dividends paid</b>		
Final dividend number 85 paid on 19 January 2015: 107.0 cents per share (2014: number 83 – 98.0 cents per share)	751.5	686.4
Interim dividend number 86 paid on 6 July 2015: gross amount of 42.0 cents per share (2014: number 84 – 46.0 cents per share)	295.0	322.3
Dividend attributable to treasury shares	(107.9)	(104.4)
	938.6	904.3
Other dividends	7.6	0.1
<b>Total dividends</b>	<b>946.2</b>	<b>904.4</b>

On 26 November 2015, the directors declared a gross dividend number 87 of 92.0 cents per share payable on 18 January 2016 to shareholders registered on the record date, being 15 January 2016.

	2015 Cents	2014 Cents
<b>Analysis of dividends/cash distributions declared in respect of current year's earnings:</b>		
<b>Dividends per ordinary share</b>		
Interim	42.0	46.0
Final	92.0	107.0
	134.0	153.0

6.5% and 6% cumulative preference dividends.

Preference dividends totalling R0.1 million (2014: R0.1 million) were declared on 20 November 2014 and 19 June 2015, and paid on 26 January 2015 and 27 July 2015 respectively.

## 14. Business combinations

	2015 R million	2014 R million
<b>14.1 Nampak Zimbabwe Ltd</b>		
The group consolidated Hunyani Holdings Ltd (Hunyani) and Megapak Zimbabwe (Pvt) Ltd (Megapak) with effect from 1 December 2014. These entities, situated in Zimbabwe, were previously recognised as associates and equity accounted as such. The revaluation of the group's original interest in Hunyani and Megapak resulted in gains of R14.2 million and R9.3 million respectively.		
As part of this process, the group restructured its subsidiary, CarnaudMetalbox Zimbabwe Ltd, and Megapak under Hunyani, and Hunyani was renamed Nampak Zimbabwe Ltd. The transaction also involved the group increasing its effective interest in the Nampak Zimbabwe Ltd group to 51.43%.		
<b>Assets and liabilities recognised at the date of consolidation:</b>		
<i>Current assets</i>		
Inventories	169.7	—
Trade and other receivables	192.3	—
Cash	44.1	—
<i>Non-current assets</i>		
Property, plant and equipment	414.1	—
Intangibles	63.3	—
Investments	7.6	—
<i>Current liabilities</i>		
Trade and other payables	(142.8)	—
Tax liabilities	(2.9)	—
Loans	(26.8)	—
<i>Non-current liabilities</i>		
Loans	(0.7)	—
Deferred tax	(75.5)	—
Fair value of identifiable net assets acquired	642.4	—
<b>Gain arising on consolidation</b>		
Fair value of previously held interests	184.9	—
Plus: outside shareholders interests recognised	356.8	—
Less: fair value of identifiable net assets acquired	(642.4)	—
Gain arising on consolidation	(100.7)	—

### Impact of the consolidation on the results of the group (current year)

Included in the group net revenue and profit after tax from continuing operations for the year is R801.8 million and R37.7 million, respectively, which are attributable to the consolidation of Hunyani and Megapak. Had Hunyani and Megapak been consolidated with effect 1 October 2014, the net revenue of the group from continuing operations would have been R17 469.2 million, while the profit after tax from continuing operations would have been R1 461.6 million.

# Notes to the summarised consolidated financial statements

(continued)

for the year ended 30 September 2015

## 14. Business combinations *continued*

	2015 R million	2014 R million
<b>14.2 Alucan Investments Ltd</b>		
In the previous year, 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 Nampak Bevcan Nigeria Ltd (formerly Alucan Packaging Ltd), a beverage can manufacturing operation in Nigeria.		
<b>Assets acquired and liabilities recognised at the date of acquisition</b>		
<i>Current assets</i>		
Inventories	–	130.6
Trade and other receivables	–	108.4
Cash	–	43.2
<i>Non-current assets</i>		
Property, plant and equipment	–	807.6
Deferred tax	–	29.5
<i>Current liabilities</i>		
Trade and other payables	–	(88.2)
Fair value of identifiable net assets acquired	–	1 031.1
<b>Goodwill arising on acquisition</b>		
Consideration transferred	–	3 508.0
Less: fair value of identifiable net assets acquired	–	(1 031.1)
Goodwill arising on acquisition	–	2 476.9
Goodwill arose on the acquisition of AIL as the cost of the combination included a control premium. The consideration paid also included the expected benefits of revenue growth and future profitability.		
<b>Cash flow impact of the acquisitions</b>		
Consideration paid in cash	–	3 508.0
Cash balances acquired	–	(43.2)
Net cash outflow on acquisition	–	3 464.8

## 14. Business combinations continued

	2015 R million	2014 R million
<b>14.3 Bullpak Ltd</b>		
In the previous year, the group 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. The revaluation of the group's original interest in Bullpak resulted in a gain of R9.4 million.		
<b>Assets acquired and liabilities recognised at the date of acquisition</b>		
<i>Current assets</i>		
Inventories	–	14.2
Trade and other receivables	–	25.8
Cash	–	15.7
<i>Non-current assets</i>		
Property, plant and equipment	–	6.9
Retirement benefit asset	–	0.3
<i>Current liabilities</i>		
Trade and other payables	–	(19.2)
<i>Non-current liabilities</i>		
Deferred tax	–	(1.3)
Fair value of identifiable net assets acquired	–	42.4
<b>Goodwill arising on acquisition</b>		
Consideration transferred	–	42.0
Plus: fair value of previously held interest	–	30.2
Less: fair value of identifiable net assets acquired	–	(42.4)
Goodwill arising on acquisition	–	29.8
Goodwill arose on the acquisitions as the cost of the combinations included a control premium. The consideration paid also included the expected benefits of revenue growth and future profitability. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.		
The goodwill recognised is not deductible for tax purposes.		
<b>Cash flow impact of the acquisitions</b>		
Consideration paid in cash	–	42.0
Cash balances acquired	–	(15.7)
Net cash outflow on acquisition	–	26.3



# Notes to the summarised consolidated financial statements

(continued)

for the year ended 30 September 2015

## 15. Operating lease commitments

	2015 R million	2014 R million
Land and buildings	150.6	206.2
Vehicles	15.1	28.1
Other	9.9	40.6
	175.6	274.9
<b>16. Contingent liabilities</b>		
Guarantees in respect of property leases	3.3	3.3
Customer claims and other:		
– Glass	–	32.1
– other	11.5	3.2
Tax contingent liability	49.4	–
<b>Total</b>	<b>64.2</b>	<b>38.6</b>
<b>17. Capital commitments</b>		
Capital commitments for acquisition of property, plant and equipment		
– contracted	727.2	623.2
– approved	772.9	1 394.7
<b>Total</b>	<b>1 500.1</b>	<b>2 017.9</b>

## 18. 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.

## 19. Remuneration of directors and prescribed officers

Remuneration of directors and prescribed officers is included in the remuneration report on page 89 and 90. Please refer to the following tables which illustrate, on an individual executive director and group executive committee member level, the value of long-term incentives allocated, settled, forfeited and the current value of units not settled under each share plan.

## 19. Remuneration of directors and prescribed officers continued

Table 1

### Share Appreciation Plan

Name	Award date	Market value at award date (rand)	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 (rand)	Gains on rights exercised (rand)	Balance of rights not exercised	Lapse date
Executive directors											
AM de Ruyter	15/12/2014	42.20	100 229								15/12/2021
	02/01/2014	41.07	121 132								02/01/2021
G Griffiths <sup>1</sup>	03/12/2013	37.81	59 720	(31 519)							03/12/2020
	03/12/2012	30.67	66 195	(66 195)							03/12/2019
	05/12/2011	22.95	115 640	-	115 640	115 640	05/12/2014	41.35	2 127 747	-	05/12/2018
	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	04/12/2014	43.17	1 055 766	-	04/12/2019
FV Tshiqi	15/12/2014	42.20	30 091								15/12/2021
	03/12/2013	37.81	38 406								03/12/2020
	03/12/2012	30.67	42 570	(42 570)							03/12/2019
	05/12/2011	22.95	140 578	-	140 578	140 578	05/12/2014	41.35	2 586 608	-	05/12/2018
	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						04/12/2014	43.17	442 406	-	04/12/2019	
Group executive committee											
C Burmeister	15/12/2014	42.20	26 683								15/12/2021
	03/12/2013	37.81	24 296								03/12/2020
	03/12/2012	30.67	14 538	(14 538)							03/12/2019
PA de Weerd <sup>12</sup>	15/12/2014	42.20	30 091		30 091					30 091	15/12/2021
	03/12/2013	37.81	38 406		38 406					38 406	03/12/2020
	03/12/2012	30.67	42 570		42 570					42 570	03/12/2019
	05/12/2011	22.95	140 578	-	140 578	140 578	05/12/2014	41.35	2 586 608	-	05/12/2018
	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		04/12/2019	
16 380						04/12/2014	43.17	442 406	-	04/12/2019	
RG Morris	15/12/2014	42.20	30 091								15/12/2021
	03/12/2013	37.81	38 406								03/12/2020
	03/12/2012	30.67	42 570	(42 570)							03/12/2019
	05/12/2011	22.95	140 578	-	140 578	140 578	05/12/2014	41.35	2 586 608	-	05/12/2018
	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						04/12/2014	43.17	442 406	-	04/12/2019	

Note 1: Retired effective 19 June 2015.

Note 2: Early retirement with effect from 30 September 2015.

# Notes to the summarised consolidated financial statements

(continued)

for the year ended 30 September 2015

## 19. Remuneration of directors and prescribed officers continued

Table 1 continued

Share Appreciation Plan

Name	Award date	Market value at award date (rand)	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 (rand)	Gains on rights exercised (rand)	Balance of rights not exercised	Lapse date
<b>Group executive committee</b> <small>continued</small>											
SE Msane <sup>3</sup>	15/12/2014	42.20	30 091		30 091					30 091	15/12/2021
	03/12/2013	37.81	24 296		24 296					24 296	03/12/2020
	03/12/2012	30.67	35 166		35 166					35 166	03/12/2019
	05/12/2011	22.95	63 052	–	63 052	63 052	05/12/2014	41.35	1 160 116	–	05/12/2018
	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	04/12/2014	43.17	382 702	–	04/12/2019
NP O'Brien	15/12/2014	42.20	26 683								15/12/2021
	03/12/2013	37.81	32 395								03/12/2020
	03/12/2012	30.67	35 166	(35 166)							03/12/2019
	05/12/2011	22.95	63 052	–	63 052	63 052	05/12/2014	41.35	1 160 116	–	05/12/2018
	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		04/12/2019
						14 169	04/12/2014	43.17	382 702	–	
EE Smuts	15/12/2014	42.20	26 683								15/12/2021
	03/12/2013	37.81	32 395								03/12/2020
	03/12/2012	30.67	14 538	(14 538)							03/12/2019

Note 3: Retrenched with effect from 31 March 2015.

## 19. Remuneration of directors and prescribed officers continued

Table 2

### 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 (rand)	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
<b>Executive directors</b>											
AM de Ruyter	15/12/2014	187 272	-	-	-	-	-	-	-	-	-
	02/01/2014	128 300	-	-	-	-	-	-	-	-	-
G Griffiths <sup>1</sup>	15/12/2014	29 400	(25 317)	-	-	-	-	-	-	-	-
	03/12/2013	118 120	(62 341)	-	-	-	-	-	-	-	-
	03/12/2012	120 001	(100 668)	-	-	-	-	-	-	-	-
	05/12/2011	210 228	-	210 228	70 076	05/12/2014	41.35	2 897 643	272 910	3 170 553	140 152
	14/12/2010	119 000	-	119 000	39 666	17/12/2013	39.19	1 554 511	133 834	1 688 344	
					39 667	15/12/2014	42.20	1 673 947	190 955	1 864 902	39 667
	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	03/12/2014	43.17	1 709 662	200 568	1 910 229	-
FV Tshiqi	15/12/2014	43 331	-	-	-	-	-	-	-	-	-
	03/12/2013	62 458	-	-	-	-	-	-	-	-	-
	03/12/2012	63 816	(51 053)	-	-	-	-	-	-	-	-
	05/12/2011	168 775	-	168 775	56 258	05/12/2014	41.35	2 326 268	219 114	2 545 382	112 517
	14/12/2010	76 200	-	76 200	25 400	17/12/2013	39.19	995 426	85 709	1 081 135	
					25 400	15/12/2014	42.20	1 071 880	122 296	1 194 176	25 400
	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	03/12/2014	43.17	644 787	75 634	720 421	-
<b>Group executive committee</b>											
C Burmeister	15/12/2014	36 112	-	-	-	-	-	-	-	-	-
	03/12/2013	40 196	-	-	-	-	-	-	-	-	-
	03/12/2012	36 244	(28 979)	-	-	-	-	-	-	-	-
	05/12/2011	20 180	-	20 180	6 727	05/12/2014	41.35	278 161	26 175	304 336	13 453
	14/12/2010	19 000	-	19 000	6 333	17/12/2013	39.19	248 190	21 358	269 548	
					6 333	15/12/2014	42.20	267 253	30 468	297 721	6 334
PA de Weerd <sup>2</sup>	15/12/2014	46 401	-	46 401	-	-	-	-	-	-	46 401
	03/12/2013	66 858	-	66 858	-	-	-	-	-	-	66 858
	03/12/2012	68 426	-	68 426	-	-	-	-	-	-	68 426
	05/12/2011	172 775	-	172 775	57 592	05/12/2014	41.35	2 381 429	224 282	2 605 712	115 183
	14/12/2010	80 000	-	80 000	26 667	17/12/2013	39.19	1 045 080	89 980	1 135 060	
					26 667	15/12/2014	42.20	1 125 347	128 372	1 253 720	26 666
	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	03/12/2014	43.17	644 787	75 634	720 421	-

Note 1: Retired effective 19 June 2015.

Note 2: Early retirement with effect from 30 September 2015.

# Notes to the summarised consolidated financial statements

(continued)

for the year ended 30 September 2015

## 19. Remuneration of directors and prescribed officers continued

Table 2 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 (rand)	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
<b>Group executive committee</b> <small>continued</small>											
RG Morris	15/12/2014	46 631	-	-	-	-	-	-	-	-	-
	03/12/2013	66 858	-	-	-	-	-	-	-	-	-
	03/12/2012	68 426	(54 741)	-	-	-	-	-	-	-	-
	05/12/2011	172 775	-	172 775	57 592	05/12/2014	41.35	2 381 429	224 282	2 605 712	115 183
	14/12/2010	80 000	-	80 000	26 667	17/12/2013	39.19	1 045 080	89 980	1 135 060	-
					26 667	15/12/2014	42.20	1 125 347	128 372	1 253 720	26 666
	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	03/12/2014	43.17	644 787	75 634	720 421	-
SE Msane <sup>3</sup>	15/12/2014	44 081	-	44 081	-	-	-	-	-	-	44 081
	03/12/2013	41 614	-	41 614	-	-	-	-	-	-	41 614
	03/12/2012	54 824	-	54 824	-	-	-	-	-	-	54 824
	05/12/2011	80 624	-	80 624	26 875	05/12/2014	41.35	1 111 281	104 657	1 215 938	53 749
	14/12/2010	68 500	-	68 500	22 833	17/12/2013	39.19	894 825	77 048	971 873	-
					22 833	15/12/2014	42.20	963 553	109 931	1 073 484	22 834
	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	03/12/2014	43.17	464 768	54 524	519 292	-
NP O'Brien	15/12/2014	35 352	-	-	-	-	-	-	-	-	-
	03/12/2013	49 608	-	-	-	-	-	-	-	-	-
	03/12/2012	50 334	(40 267)	-	-	-	-	-	-	-	-
	05/12/2011	76 314	-	76 314	25 438	05/12/2014	41.35	1 051 861	99 075	1 150 936	50 876
	14/12/2010	64 500	-	64 500	21 500	17/12/2013	39.19	842 585	72 541	915 126	-
					21 500	15/12/2014	42.20	907 300	103 517	1 010 817	21 500
	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	03/12/2014	43.17	464 768	54 524	519 292	-
EE Smuts	15/12/2014	38 762	-	-	-	-	-	-	-	-	-
	03/12/2013	51 358	-	-	-	-	-	-	-	-	-
	03/12/2012	41 244	(32 995)	-	-	-	-	-	-	-	-
	05/12/2011	23 960	-	23 960	7 987	05/12/2014	41.35	330 262	31 095	361 358	15 973
	14/12/2010	22 500	-	22 500	7 500	17/12/2013	39.19	293 925	25 278	319 203	-
					7 500	15/12/2014	42.20	316 500	36 081	352 581	7 500

Note 3: Retrenched with effect from 31 March 2015.

Note 4: The performance targets for the December 2012 award were only partially met during the performance period ended 30 September 2015 and as a result 80% of the award was forfeited.

## 19. Remuneration of directors and prescribed officers continued

Table 3

### 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 (rand)	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 shares at 30 September 2015 at R25.91 per share (rand)
<b>Executive directors</b>									
AM de Ruyter	17/12/2014	39 459		42.14	17/12/2017				1 022 383
G Griffiths <sup>1</sup>	18/12/2013	6 734	(3 554)	39.49	18/12/2016				665 084
	14/12/2012	27 917	(5 428)	32.38	14/12/2015				
	15/12/2011	38 010		22.65	15/12/2014	38 010	42.20	1 604 022	
FV Tshiqi	17/12/2014	14 166		42.14	17/12/2017				836 116
	14/12/2012	18 104		32.38	14/12/2015				
	15/12/2011	24 578		22.65	15/12/2014	24 578	42.20	1 037 192	
<b>Group executive committee</b>									
C Burmeister	17/12/2014	6 761		42.14	17/12/2017				374 555
	18/12/2013	1 625		39.49	18/12/2016				
	14/12/2012	6 070		32.38	14/12/2015				
	15/12/2011	9 444		22.65	15/12/2014	9 444	42.20	398 537	
PA de Weerd <sup>2</sup>	17/12/2014	10 967		42.14	17/12/2017				998 131
	18/12/2013	8 910		39.49	18/12/2016				
	14/12/2012	18 646		32.38	14/12/2015				
	15/12/2011	25 314		22.65	15/12/2014	25 314	42.20	1 068 251	
RG Morris	17/12/2014	13 036		42.14	17/12/2017				782 741
	18/12/2013	4 266		39.49	18/12/2016				
	14/12/2012	12 908		32.38	14/12/2015				
	15/12/2011	8 485		22.65	15/12/2014	8 485	42.20	358 067	
SE Msane <sup>3</sup>	15/12/2011	6 622		22.65	15/12/2014	6 622	42.20	279 448	
NP O'Brien	17/12/2014	11 113		42.14	17/12/2017				704 907
	18/12/2013	3 111		39.49	18/12/2016				
	14/12/2012	12 982		32.38	14/12/2015				
	15/12/2011	17 172		22.65	15/12/2014	17 172	42.20	724 658	
EE Smuts	17/12/2014	10 465		42.14	17/12/2017				710 608
	18/12/2013	7 874		39.49	18/12/2016				
	14/12/2012	9 087		32.38	14/12/2015				
	15/12/2011	6 562		22.65	15/12/2014	6 562	42.20	276 916	

Note 1: Retired effective 19 June 2015.

Note 2: Early retirement with effect from 30 September 2015.

Note 3: Retrenched with effect from 31 March 2015.

Table 4

### 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 <sup>1</sup>	725 000	15.13

Note 1: Retrenched with effect 31 March 2015.

# Composition of the group and corporate activity

## for the year ended 30 September 2015

### Annexure A

The summarised consolidated financial statements include the accounts of Nampak Ltd (the company) and all of its subsidiaries at 30 September 2015.

#### 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, Namibia 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 two associates and three joint ventures. These are not material to the group.

Refer to Annexure B for more details.

#### 2. Entities acquired during the year

The group consolidated Hunyani Holdings Ltd (Hunyani) and Megapak Zimbabwe (Pvt) Ltd (Megapak) with effect from 1 December 2014. These entities, situated in Zimbabwe, were previously recognised as associates and equity accounted as such.

Refer to note 28 for more detail on the acquisitions.

#### 3. Entities disposed of during the year

During October 2014, the directors of the group approved a plan to dispose of the Nampak Corrugated, Nampak Sacks, Nampak Tissue and Sancella SA (Pty) Ltd businesses. On 20 November 2014, the group entered into a sale agreement for the disposal of the Nampak Corrugated and Nampak Tissue businesses and completed the transaction on 1 April 2015, the effective date of the disposal of these businesses.

In addition, the directors of the group approved a plan to dispose of the Nampak Flexibles and Nampak Recycling businesses during March 2015, and entered into sales agreements for the disposals of these businesses on 11 March 2015 and 25 March 2015 respectively. The transactions were both completed on 1 July, the effective date of the transactions.

Agreements of sale for the Sancella SA (Pty) Ltd and Nampak Sacks businesses were entered into on 21 July 2015 and 21 September 2015 respectively. The transaction for the Nampak Sacks business was completed on 29 September 2015, while it is expected that the transaction for the Sancella SA (Pty) Ltd business will be completed during the first quarter of the 2016 financial year.

Refer to note 27 for more details on the disposals.

#### 4. Non-controlling interests (NCI) 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 NCI (%)	
			2015	2014
Bevcan Angola (previously Angolata Lda)	Angola	Metals	30.00	30.00
Nampak Zimbabwe	Zimbabwe	Plastics/Paper	48.57	–
Nampak Corrugated (Swaziland) Ltd	Swaziland	Paper	–	10.00

Nampak Corrugated (Swaziland) Ltd was disposed of during the year.



## Annexure A (continued)

### 4. Non-controlling interests (NCI) in the group's activities continued

The following represents the financial information for Bevcan Angola, Nampak Zimbabwe and Nampak Corrugated (Swaziland):

	Bevcan Angola		Nampak Zimbabwe <sup>1</sup>		Nampak Corrugated (Swaziland) <sup>2</sup>	
	2015 R million	2014 R million	2015 R million	2014 R million	2015 R million	2014 R million
Revenue	1 347.7	1 212.0	948.7	–	49.0	162.4
Net profit for the year	(7.8)	116.3	43.5	–	(7.2)	(6.8)
Attributable to:						
Owners of Nampak Ltd	(5.5)	81.4	22.4	–	(6.5)	(6.1)
Non-controlling interests in subsidiaries	(2.3)	34.9	21.1	–	(0.7)	(0.7)
Other comprehensive income	1.4	(17.00)	145.3	–	–	–
Total comprehensive income	(6.4)	99.3	188.8	–	(7.2)	(6.8)
Total comprehensive income attributable to:						
Owners of Nampak Ltd	(4.5)	69.6	97.1	–	(6.5)	(6.1)
Non-controlling interests in subsidiaries	(1.9)	29.8	91.7	–	(0.7)	(0.7)
Total assets	3 579.6	2 072.6	1 367.3	–	–	61.1
Total liabilities	3 749.1	2 235.8	500.6	–	–	81.1
Total equity	(169.5)	(163.2)	866.7	–	–	(20.0)
Attributable to:						
Owners of Nampak Ltd	(118.6)	(114.2)	445.8	–	–	(18.0)
Non-controlling interests in subsidiaries	(50.9)	(49.0)	420.9	–	–	(2.0)

<sup>1</sup> Acquired 1 December 2014

<sup>2</sup> Disposed 1 April 2015

### 5. Interests in associates and joint ventures

The associates of the group are Group Risk Holdings (Pty) Ltd and Collect-a-Can (Pty) Ltd, and the group's joint ventures are Sancella SA (Pty) Ltd, Crown Cork Company (Mozambique) Lda and Softex Tissue Products (Pvt) Ltd. During the current year, the group consolidated Megapak Zimbabwe (Pvt) Ltd and Hunyani Holdings Ltd (previously associates). 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 significant restrictions apply to group entities:

#### 6.1 The group has facilities with external institutions that have imposed certain covenants that may impact the group's ability to borrow additional funds.

These covenants are as follows:

- 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.

At the year-end, the group has sufficient headroom with respect to both its facilities and covenants.

#### 6.2 Due to government liquidity restrictions in Angola and Nigeria, the group is currently experiencing difficulties in timeously converting the bank balances (in local currency) of the operations in these countries into US dollars. These conditions are expected to be temporary and we continue to address this issue.

# Interests in subsidiaries, joint ventures, associates and other investments

## Annexure B

	Type (see note below)	Country of incor- poration	Issued share capital	Effective percentage holding		Interest of holding company			
				2015 %	2014 %	Shares at cost 2015 Rm	2014 Rm	Indebtedness 2015 Rm	2014 Rm
<b>1. Subsidiaries (consolidated)</b>									
Alucan Investment Limited	De-registered	British Virgin Islands	US\$49 000	–	100				
Auspac Ltd	D	UK	£4 050 000	100	100				
Bullpak Ltd	O	Kenya	KES4 760 000	100	100				
CarnaudMetalbox Zimbabwe Ltd	O	Zimbabwe	US\$98 994	100	100				
Crown Cork Company Zimbabwe (1958) (Pvt) Ltd	D	Zimbabwe	US\$7 105	100	100				
EPS (Foston) Ltd	O	UK	£100	100	100				
FourFourTwo Ltd	I	UK	£1 000	100	100				
Hunyani Forests Ltd	O	Zimbabwe	US\$110 000	51	–				
Hunyani Paper and Packaging (Pvt) Ltd	O	Zimbabwe	US\$24 000	51	–				
Hunyani Properties Ltd	O	Zimbabwe	US\$652 700	51	–				
International Cartons & Packaging Ltd	O	Zambia	ZMK77 526 000	100	100				
Malbak Ltd	I	RSA	R100	100	100	1 482.9	1 482.9	–	–
Megapak Zimbabwe (Pty) Ltd	O	Zimbabwe	US\$20 100	51	49				
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 Bevcan Angola Lda (previously Angolata Lda)	O	Angola	K4 580 650	70	70				
Nampak Bevcan Nigeria Ltd (previously Alucan Packaging Ltd)	O	Nigeria	US\$5 402 000	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				
Nampak Glass (Pty) Ltd	D	RSA	R600	100	100				
Nampak Holdings (UK) Ltd	I	UK	US\$184	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 Liquid Cartons (Pty) Ltd (previously Elopak South Africa (Pty) Ltd)	D	RSA	R280	100	100				

				Effective percentage holding		Interest of holding company			
	Type (see note below)	Country of incorporation	Issued share capital	2015 %	2014 %	Shares at cost 2015 Rm	2014 Rm	Indebtedness 2015 Rm	2014 Rm
Nampak Metal Packaging Ltd	De-registered	RSA	R1	–	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	O	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				
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				
Nampak Zimbabwe Ltd (previously Hunyani Holdings Ltd)	I	Zimbabwe	US\$319 711	51	39				
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	3 518.4	79.8	79.8
<b>2. Joint ventures (Equity accounted)</b>									
Crown Cork Company (Mozambique) LDA	O	Mozambique	MT3 800 million	50	50				
Sancella S.A. (Pty) Ltd	O	RSA	R5 000	50	50				
Softex Tissue Products (Pvt) Ltd	O	Zimbabwe	US\$2 897	50	–				
<b>3. Associates (Equity accounted)</b>									
Collecta-Can (Pty) Ltd	O	RSA	R4 000 000	40	40				
Group Risk Holdings (Pty) Ltd	Insurance	RSA	R11 300	22	21				

## Interests in subsidiaries, joint ventures, associates, and other investments (continued)

### 4. Other investments

	Type (see note below)	Number of shares held by group		Effective percentage holding	
		2015	2014	2015	2014
<b>Unlisted investments</b>					
Ethiopian Crown Cork & Can Industry	○	5 750	5 750	25	25
Houers Ko-Operatief Bpk	○	–	1 714 901	–	14
Nampak Polyfoil Zimbabwe (Pvt) Ltd	○	1	1	< 1	< 1
Sun Citrus Holdings (Pty) Ltd	○	–	4 160 000	–	26
PET RecoZim (Pvt) Ltd	D	10	–	10	–

Type

O – Operating

I – Investment holding

D – Dormant

# Notice of annual general meeting

## Nampak Ltd

Notice is hereby given that the 48th annual general meeting of shareholders of Nampak Ltd will be held at The Forum | The Campus, Wanderers building, Campus Office Park, 57 Sloane Street, Bryanston, 2191, South Africa on Wednesday, 3 February 2016 at 12:00 for the purpose of considering and, if deemed fit, passing with or without modification, the ordinary and special resolutions set out below.

The record date for purposes of determining which shareholders are entitled to receive this notice is Friday, 4 December 2015.

The record date for shareholders to be recorded in the securities register of the company in order to be able to attend, participate in and vote at the annual general meeting, is Friday, 29 January 2016. Accordingly, the last date to trade in order to be registered in the company's register of shareholders is Friday, 22 January 2016.

## Presentation of annual financial statements

The consolidated audited annual financial statements of the company and of the group, for the year ended 30 September 2015, incorporating the directors' report, the audit committee report and the auditor's report, have been distributed as required and will be presented to shareholders as required in terms of section 30(3)(d) of the Companies Act, No 71 of 2008 (as amended) (the Companies Act).

## Report of the social, ethics and transformation committee

In accordance with Companies Regulation 43(5)(c), issued in terms of the Companies Act, 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 – GR Fullerton

"RESOLVED that, in terms of the company's memorandum of incorporation, the appointment of Mr GR Fullerton as an executive director and chief financial officer of the company on 1 September 2015 is hereby confirmed."

## Ordinary resolution number 2 – re-election of retiring director

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

## Ordinary resolution number 4 – re-election of retiring director

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

## Ordinary resolution number 5 – re-election of retiring director

"RESOLVED that Mrs I Mkhari, 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."

## Notice of annual general meeting (continued)

### 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 2016 as the individual registered auditor of Deloitte & Touche."

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

"RESOLVED that Mrs CWN Molope, an independent, non-executive director of the company, be and she is hereby appointed a member 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 Mrs 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 12 to 15  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 80 to 90  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 2015 to 30 September 2016, be approved as follows:

Board/committee	Proposed fees			Current fees	
	Base fee per annum (rand)	Fee per meeting for attendance (rand)	Number of formal meetings scheduled per annum	Total proposed fee per annum (rand)	Total fee per annum (rand)
Non-executive chairman <sup>1</sup>				1 667 400	1 580 500
Non-executive director	164 200	17 300	5	250 700	237 630
Chairman of the audit committee	149 100	35 600	3	255 900	242 600
Member of the audit committee	89 000	16 000	3	137 000	129 800
Chairman of the nominations committee					
Member of the nominations committee	53 600	5 950	2	65 500	62 100
Chairman of the investment committee <sup>2</sup>	148 300	14 250			
Member of the investment committee <sup>2</sup>	73 600	8 300			
Chairman of the remuneration committee	148 300	14 250	2	176 800	167 650
Member of the remuneration committee	73 600	8 300	2	90 200	85 500
Chairman of the risk and sustainability committee	148 300	14 250	2	176 800	167 650
Member of the risk and sustainability committee	73 600	8 300	2	90 200	85 500
Chairman of the social, ethics and transformation committee	148 300	14 250	2	176 800	167 650
Member of the social, ethics and transformation committee	73 600	8 300	2	90 200	85 500

<sup>1</sup> Single fee for the role of non-executive chairman and participation in sub-committee meetings, including fee for chairing nomination committee.

<sup>2</sup> Fees paid only when investment committee meetings are required."

### 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.



# Notice of annual general meeting (continued)

## Special resolution number 2 – general authority to repurchase company shares

“RESOLVED that subject to compliance with the requirements of the JSE Ltd and the Companies Act, the company or any of its subsidiaries be and they are hereby granted a general authority to acquire by purchase on the JSE Ltd ordinary shares issued by the company provided that:

- (i) the number of ordinary shares acquired in any one financial year shall not exceed 20% of the ordinary shares in issue at the date on which this resolution is passed;
- (ii) this authority shall lapse on the earlier of the date of the next annual general meeting of the company or the date 15 months after the date on which this resolution is passed;
- (iii) the price paid per ordinary share may not be greater than 10% above the weighted average of the market value of the ordinary shares for the five business days immediately preceding the date on which a purchase is made; and
- (iv) the number of shares purchased by subsidiaries of the company shall not exceed 10% in the aggregate of the number of issued shares in the company at the relevant times.”

### Reason and effect

The reason for and effect of 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 Ltd 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 Ltd trading system and done without any prior understanding or arrangement between the company and the counterparty;
- (iii) may not be made at prices in excess of 10% above the weighted average of the market value of the ordinary shares for the five days preceding the date of purchase;
- (iv) must comply with the requirements of the JSE Ltd; 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 Ltd.


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 Ltd Listings Requirements, prior to the commencement of any purchase of the company's shares on the open market.

In terms of the JSE Ltd Listings Requirements for special resolution number 2, the following general information is included in the integrated annual report:

- (i) Directors and management (pages 12 to 17) 
- (ii) Major shareholders (page 134) 
- (iii) There have been no material changes since 30 September 2015.
- (iv) Directors' interests in securities (page 97) 
- (v) Share capital of the company (page 93) 
- (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 12 to 15  of the integrated 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 Ltd Listings Requirements.

### Special resolution number 3 – General authority to provide financial assistance to related or inter-related companies or corporations in terms of section 44 of the Companies Act

“RESOLVED, as a special resolution, in terms of section 44 of the Companies Act, that the company is authorised to provide 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 by way of a loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription of any option, or any securities issued or to be issued by the company or a related or inter-related company, or for the purchase of any securities of the company or a related or inter-related company, provided that:

- 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; and
- 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 44 of the Companies Act which it is required to meet in order to authorise the company to provide such financial assistance.”

#### 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, 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 annual 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, 1 February 2016. Before a proxy exercises any rights of a shareholder at the annual general meeting, such form of proxy must be so delivered.

## Notice of annual general meeting (continued)

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. 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 deputy company secretary (by email at the address [sipho.mahlangu2@za.nampak.com](mailto:sipho.mahlangu2@za.nampak.com)) by no later than 12:00 on 29 January 2016 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

14 December 2015

**Nampak Ltd**

Nampak House  
Hampton Office Park  
20 Georgian Crescent East  
Bryanston  
2191

# 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 – 48th 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 at The Forum | The Campus, Wanderers building, Campus Office Park, 57 Sloane Street, Bryanston, 2191, South Africa on Wednesday, 3 February 2016 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 – GR Fullerton			
2. To re-elect E Ikazoboh			
3. To re-elect RJ Khoza			
4. To re-elect TT Mboweni			
5. To re-elect I Mkhari			
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 Ltd			
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

2015/2016

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 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 other 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 (Pty) Ltd, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107, South Africa), to be received by no later than 12:00 on Monday, 1 February 2016.

# Analysis of registered shareholders and company schemes

## Registered shareholder spread

In accordance with the JSE Ltd Listings Requirements, the following table confirms that the spread of registered shareholders as detailed in the integrated annual report and accounts dated 25 September 2015 was:

### Registered shareholder spread

Shareholder spread	Number of holders	% of total shareholders	Number of shares	% of issued capital
1 – 1 000 shares	4 065	54.53	1 487 254	0.21
1 001 – 10 000 shares	2 403	32.23	7 959 826	1.13
10 001 – 100 000 shares	650	8.72	23 223 995	3.31
100 001 – 1 000 000 shares	272	3.65	90 226 522	12.84
1 000 001 shares and above	65	0.87	579 599 068	82.51
<b>Total</b>	<b>7 455</b>	<b>100.00</b>	<b>702 496 665</b>	<b>100.00</b>

## Public and non-public shareholdings

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

Shareholder type	Number of holders	% of total shareholders	Number of shares	% of issued capital
Non-public shareholders	23	0.31	105 144 915	14.97
• Directors and associates	10	0.13	267 305	0.04
• Prescribed officers and management	10	0.13	580 365	0.08
• Treasury shares	1	0.01	45 070 855	6.42
• Empowerment	2	0.03	59 226 390	8.43
Public shareholders	7 432	99.69	597 351 750	85.03
<b>Total</b>	<b>7 455</b>	<b>100.00</b>	<b>702 496 665</b>	<b>100.00</b>

# Analysis of registered shareholders and company schemes (continued)

## Substantial investment management and beneficial interests

### Substantial investment management and beneficial interests above 3%

Through regular analysis of STRATE registered holdings, and pursuant to the provisions of section 56 of the Companies Act, the following shareholders held directly and indirectly equal to or in excess of 3% of the issued share capital as at 25 September 2015:

### Beneficial shareholdings

Beneficial shareholdings	Total shareholding	%
Government Employees Pension Fund (PIC)	87 244 102	12.42
Nampak Products Ltd*	45 070 854	6.42
Red Coral	31 857 195	4.53
Lazard International Strategic Equity	31 504 394	4.48
Black Management Trust	27 369 195	3.90
Allan Gray Balanced Fund	24 110 797	3.43
GIC Asset Management Pte Ltd	23 687 183	3.37
<b>Total</b>	<b>270 843 720</b>	<b>38.55</b>

### Investment management shareholdings

Investment manager	Total shareholding	%
PIC	85 254 942	12.14
Allan Gray Investment Council	77 223 813	10.99
Lazard Asset Management LLC Group	70 529 294	10.04
Somerset Capital Management LLP	47 916 259	6.82
Nampak Products Ltd*	45 070 854	6.42
Red Coral	31 857 195	4.53
Black Management Trust	27 369 195	3.90
Visio Capital Management	24 842 069	3.54
GIC Asset Management Pte Ltd	22 842 115	3.25
<b>Total</b>	<b>432 905 736</b>	<b>61.62</b>

\*Treasury shares



# Shareholders' diary

Annual general meeting

3 February 2016

Interim statement and ordinary dividend announcement for the half year ending 31 March 2016

May 2016

Group results and ordinary dividend announcement for the year ending 30 September 2016

November 2016

## Dividend Ordinary

Final for the year ended 30 September 2015

To be paid on 18 January 2016

Interim for the half-year ending 31 March 2016

To be paid in July 2016

## Preference

6.5% and 6% cumulative

Payable twice per annum during February and August

# Corporate information

## Auditors

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

## Share registrar

Computershare Investor Services (Pty) Ltd  
70 Marshall Street  
Johannesburg, 2001, South Africa  
PO Box 61051, Marshalltown, 2107  
Telephone +27 11 370 5000  
Telefax +27 11 370 5487

## Business address and registered office

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PO Box 69983, Bryanston, 2021  
Telephone +27 719 6300  
Website [www.nampak.com](http://www.nampak.com)

## Sponsor

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## Forward-looking information:

This integrated report contains forward-looking statements that, unless otherwise indicated, reflect the group's expectations 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 this. 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 Ltd Listings Requirements or any other applicable regulations.

## Please note:

All references to years refer to the financial year ended 30 September. Any reference to a calendar year is articulated as such.



Nampak is Africa's leading diversified packaging manufacturer, with commanding positions in metals, glass and plastic packaging in many markets. We leverage the skills of our 6 663 people and capitalise on our substantial investment in state-of-the-art facilities to produce world-class packaging solutions from facilities in 12 countries across Africa, as well as in the United Kingdom and Ireland.

We are 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 for all our stakeholders. Our customers – many of them the world's largest fast-moving consumer goods companies – benefit from our extensive research and development services, which provide them with innovative solutions that promote their own products and brands while keeping in check their impact on the environment.

Our work to minimise our environmental impact also includes supporting and facilitating the recycling, re-use and recovery of packaging.

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

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



[www.nampak.com](http://www.nampak.com)

Scan this QR code with your mobile device for quick access to the report.

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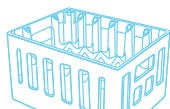
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