



RMB Morgan Stanley

**Big Five Investor Conference**

17 September 2010



**Nampak**  
packaging excellence

# Agenda

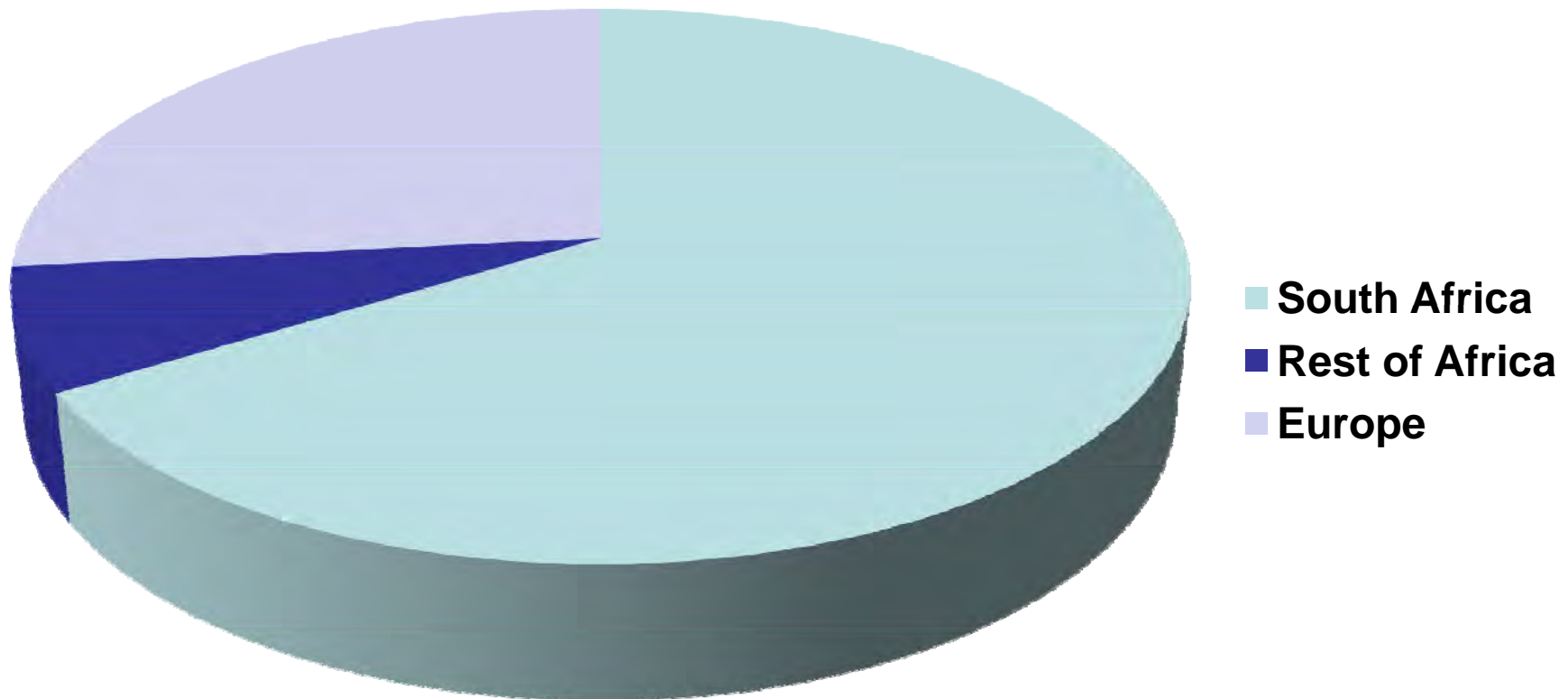
- **Overview of Nampak**
- **Nampak Strategy in Africa**
- **Nampak Group Strategy**

# Overview of Nampak



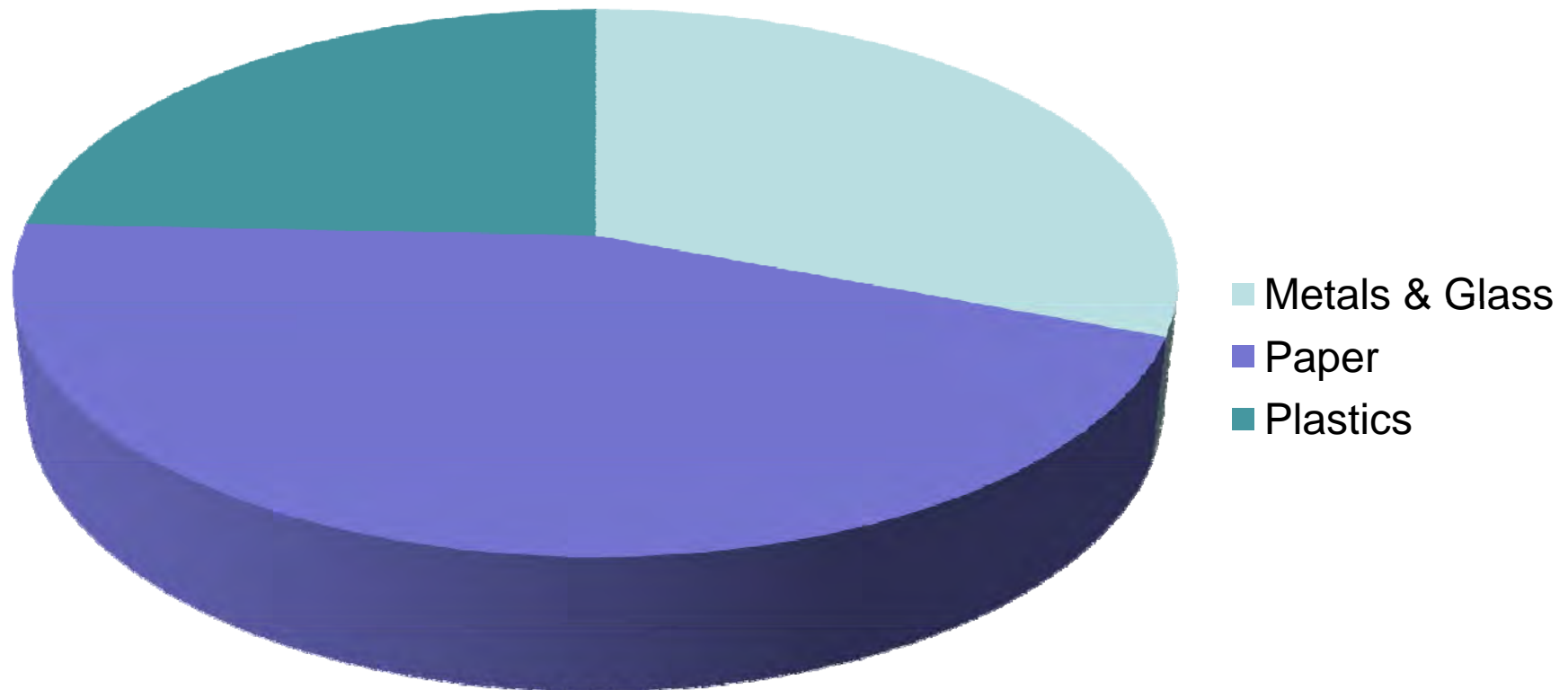
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## Geographical Segmentation



**R19.6bn**

## Material Segmentation



R19.6bn

# Metals and Glass Packaging





# Paper and Flexibles Packaging

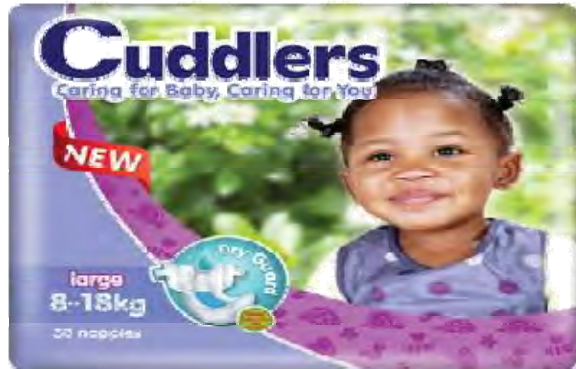


# Plastic Packaging





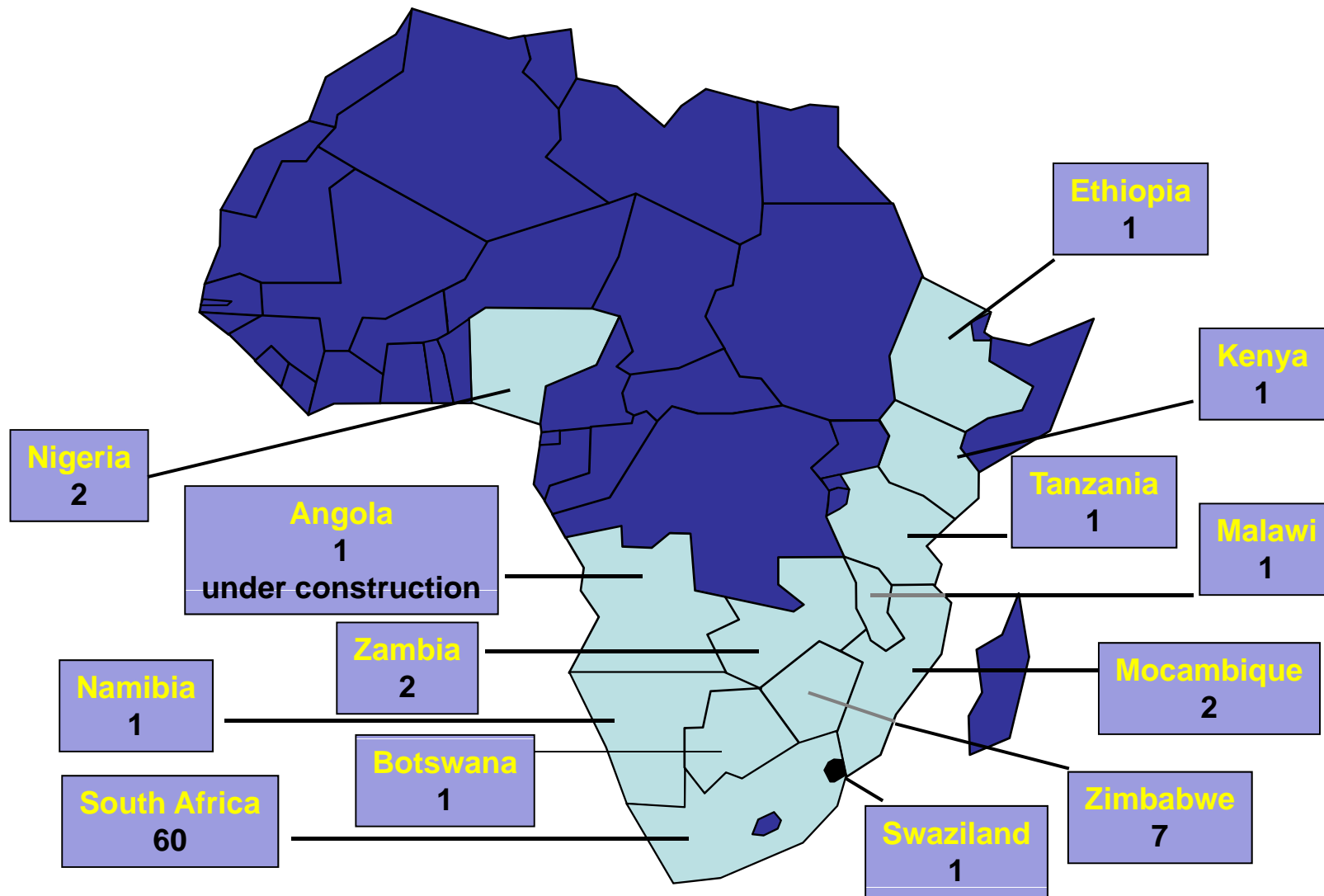
# Tissue Products



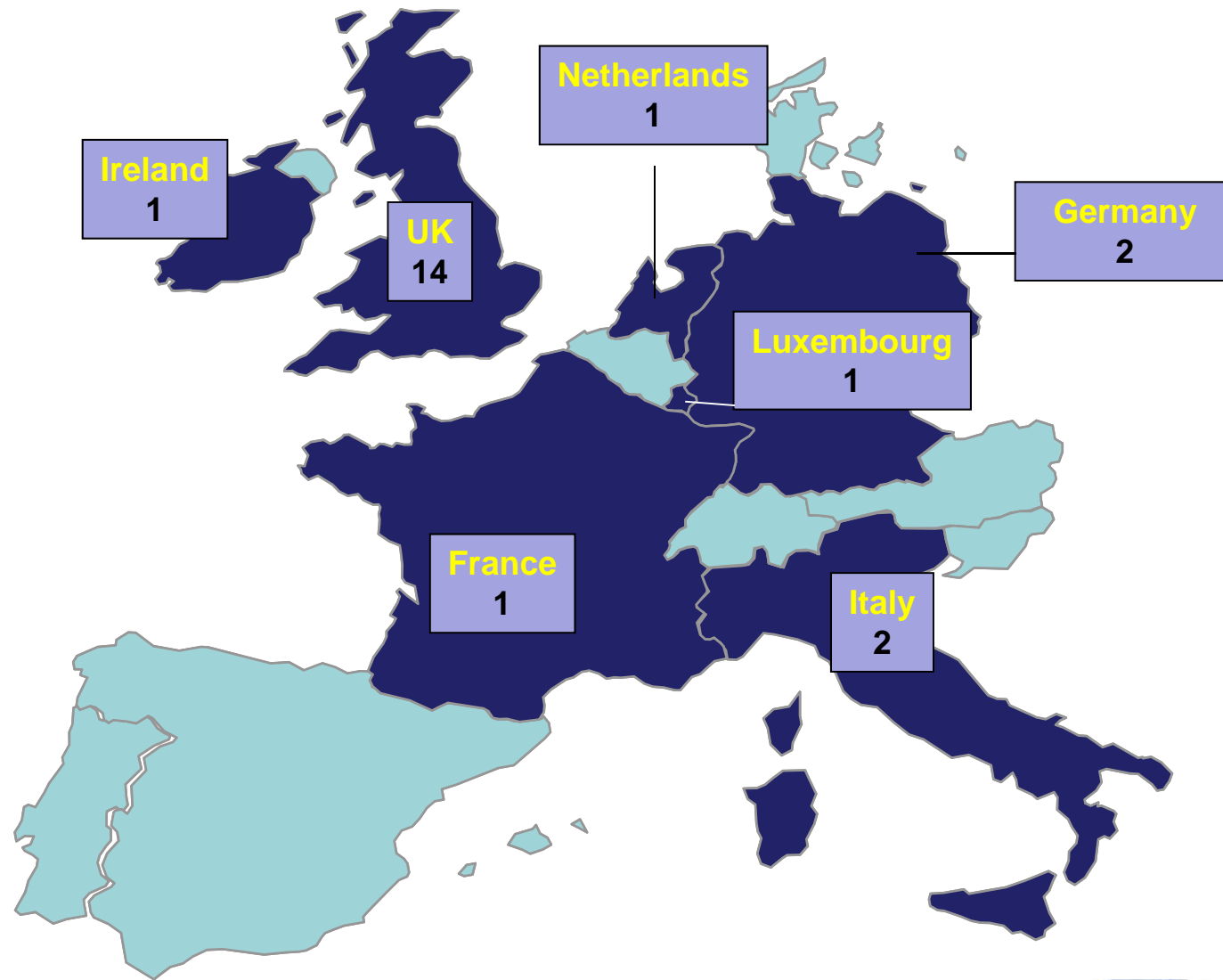
# Nampak Facts

Rm	2009
Revenue	19 586
Trading income	1 128
EBITDA	1 833
Cash generated from operations	2 220
Total assets	14 092
Market capitalisation <b>9 September 2010</b>	11 750
Permanent employees	13 390
Empowerdex rating	Level 4

# Operations in Africa



# Operations in Europe



# Nampak Strategy in Africa



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# Rest of Africa - Agenda

- **Where is Nampak in Africa**
- **Where are the opportunities in Africa**
- **Nampak strategy in Africa**
- **Summary of current strategic initiatives**



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## AFRICA



**Focus on sub-Saharan Africa only**

Scale 1:51,400,000  
Azimuthal Equal-Area Projection

Boundary representation is not necessarily authoritative.

**Focus on sub-Saharan Africa only**

Scale 1:51,400,000

### Azimuthal Equal-Area Projection

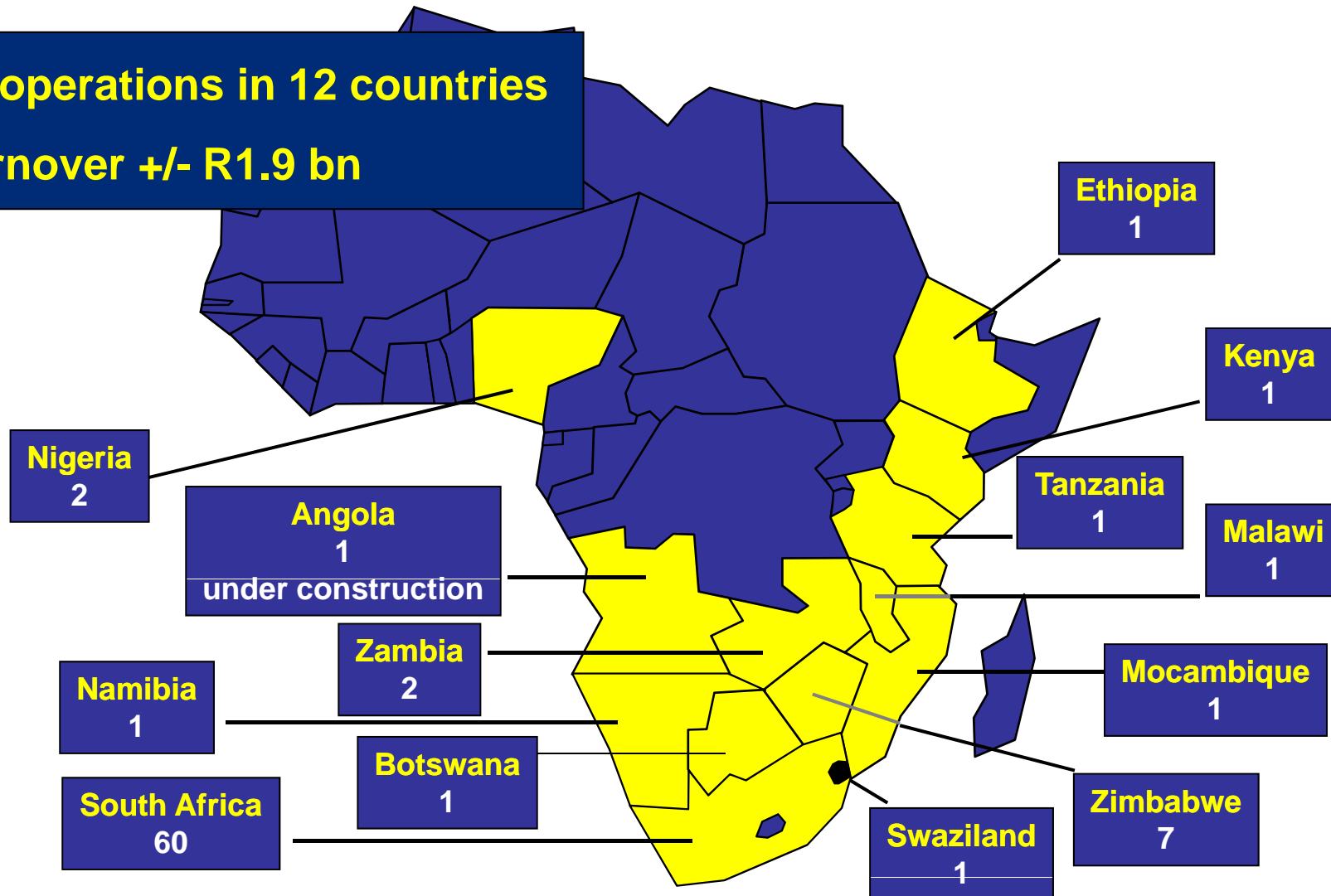
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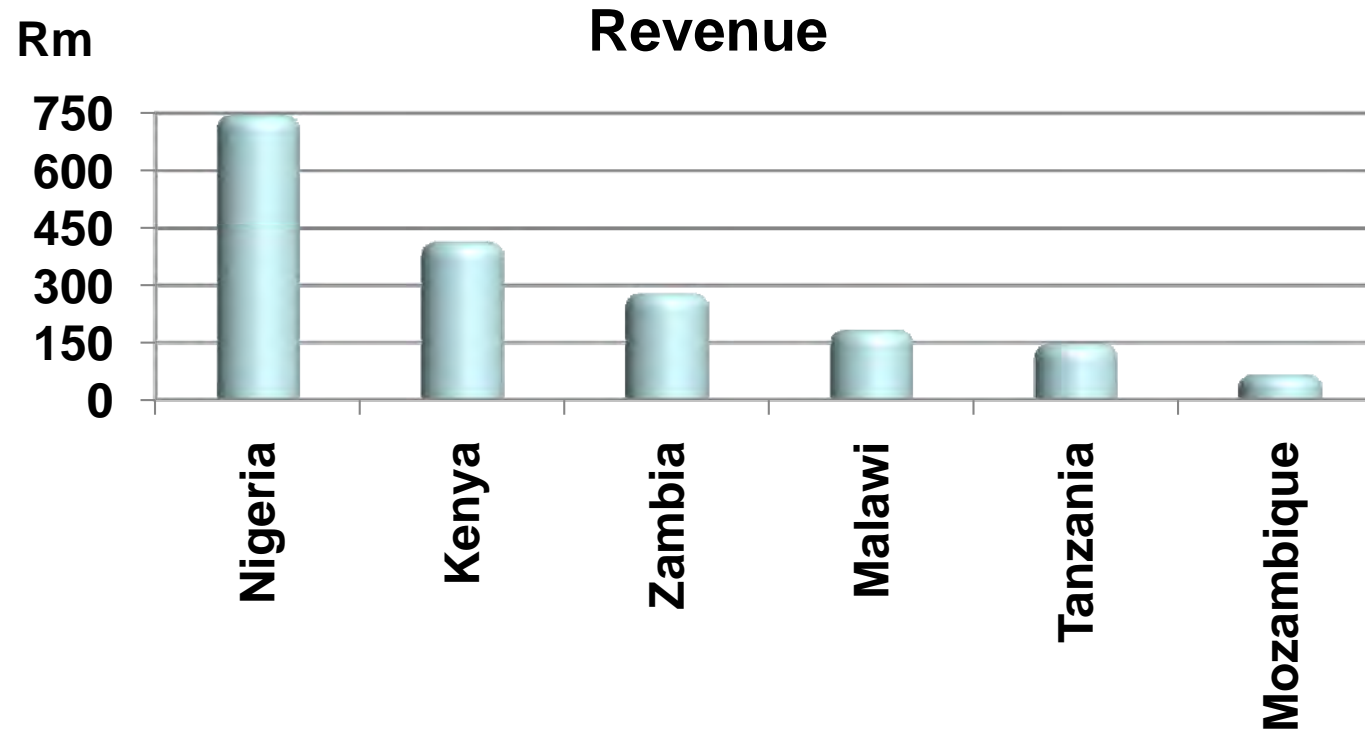
# Nampak in Africa – Where are We?

20 operations in 12 countries

Turnover +/- R1.9 bn



# Nampak in Africa - 2010



9% of Group (excl Zimbabwe)



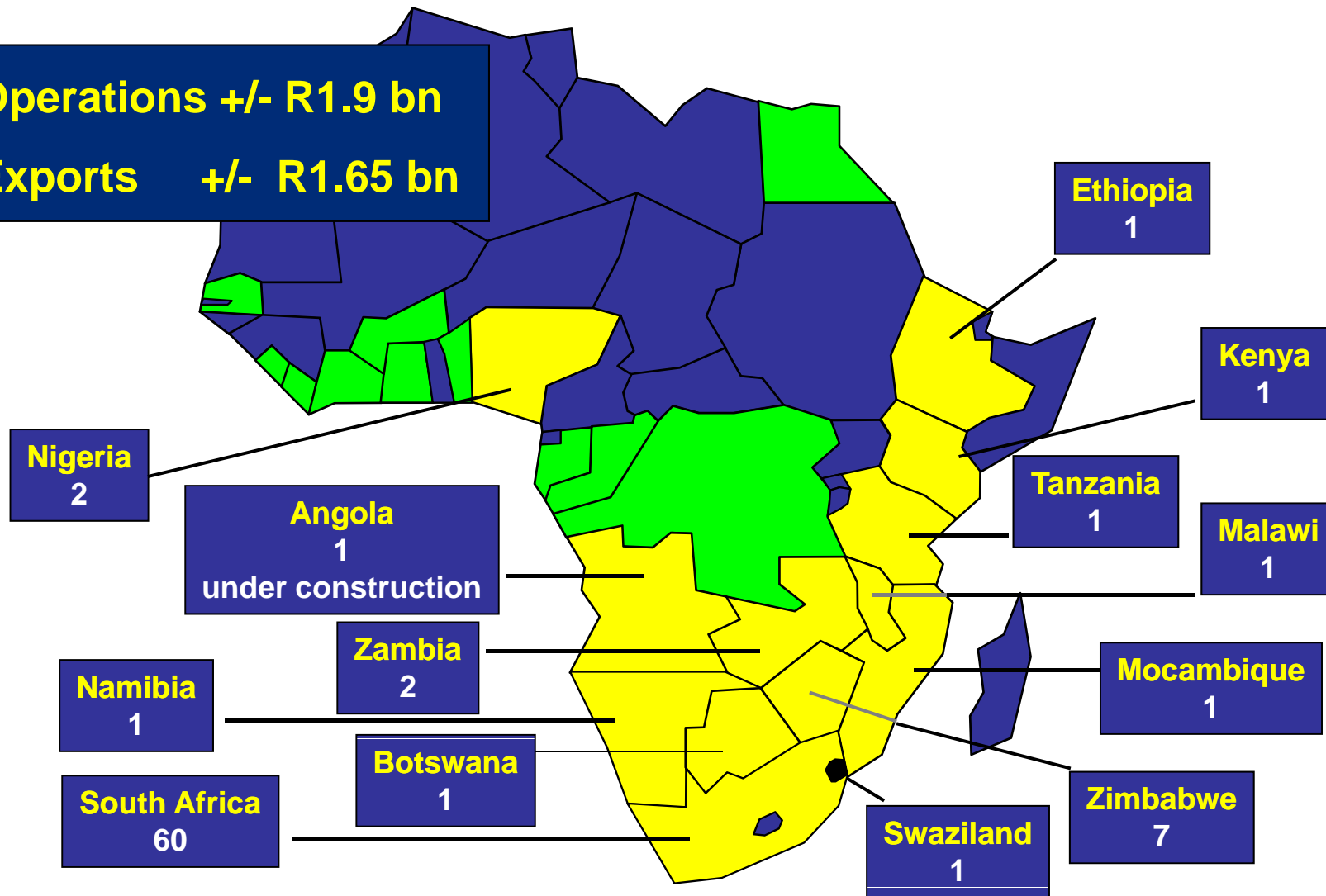
# Products Manufactured in Africa

Country	Metals	Glass	Paper	Tissue	Plastics
Kenya	*		*		
Malawi			*	*	
Mocambique	*				
Namibia	*				
Nigeria	*		*		
South Africa	*	*	*	*	*
Swaziland			*		
Tanzania	*			*	
Zambia	*		*		*
Zimbabwe	*		*	*	*



# Nampak in Africa - Where are We?

- Operations +/- R1.9 bn
- Exports +/- R1.65 bn



# Nampak in Africa - 2010

<b>Country</b>	<b>Local Manufacture (R' mill )</b>	<b>Imports ex Nampak SA (R' mill )</b>	<b>Total Business (R' mill )</b>
<b>Angola</b>	R 0	R 428	R 428
<b>Botswana</b>	R 20	R 211	R 231
<b>DRC</b>	R 0	R 2	R 2
<b>Kenya</b>	R 275	R 72	R 347
<b>Malawi</b>	R 127	R 10	R 137
<b>Mozambique</b>	R 35	R 101	R 135
<b>Namibia</b>	R 0	R 466	R 466
<b>Nigeria</b>	R 440	R 31	R 471
<b>South Africa</b>			
<b>Swaziland</b>	R 120	R 76	R 196
<b>Tanzania</b>	R 82	R 53	R 135
<b>Zambia</b>	R 274	R 21	R 295
<b>Zimbabwe</b>	R 539	R 135	R 674
<b>Other (Africa)</b>		R 40	R 40
<b>TOTAL</b>	<b>R 1,912</b>	<b>R 1,646</b>	<b>R 3,557</b>

Note: 100 % of company revenue

# Rest of Africa - Agenda

- Where is Nampak in Africa
- **Where are the opportunities in Africa**
- Nampak strategy in Africa
- Summary of current strategic initiatives

# Rest of Africa Economies : 2009

Country	GDP		
	US\$ (Billion)	% Growth	per cap (PPP)
Angola	85.5	7.0%	5,431
Botswana	12.9	6.3%	13,214
DRC	12.6	5.4%	323
Kenya	34.2	4.1%	1,568
Malawi	4.8	5.9%	550
Mozambique	10.2	6.4%	950
Namibia	10.5	1.7%	6,327

- Relatively small economies and packaging markets
- Good opportunities in specific packaging substrates
- Growth prospects good

Zambia	16.0	5.8%	1,516
Zimbabwe	5.1	2.2%	175

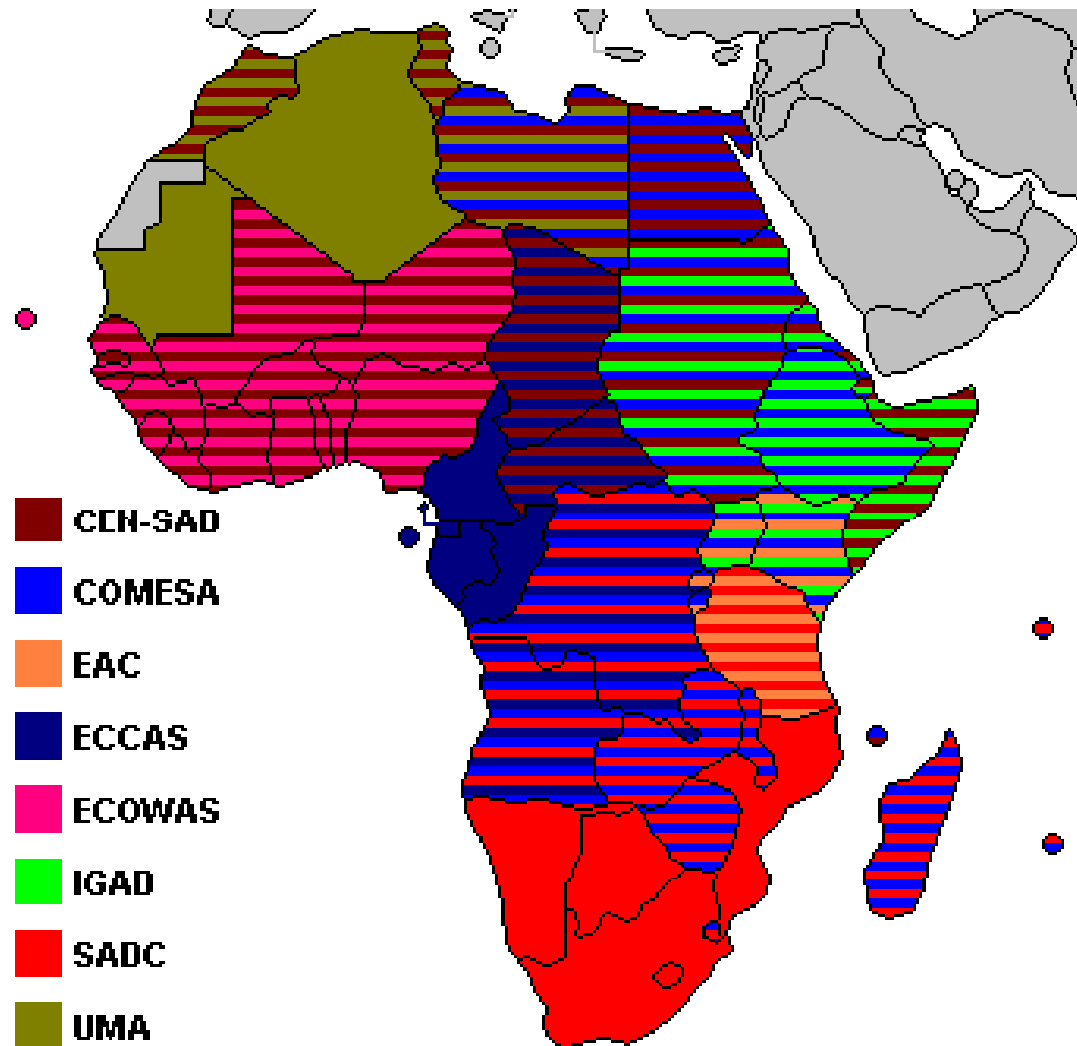
Source: IMF World Economic Outlook

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Mozambique	10.2	6.4%	950
Namibia	10.5	1.7%	6,327
Nigeria	213.9	6.9%	2,119
South Africa	329.5	2.6%	9,721
Swaziland	3.1	1.1%	4,900
Tanzania	24.4	6.1%	1,216
Zambia	16.0	5.8%	1,516
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Source: IMF World Economic Outlook

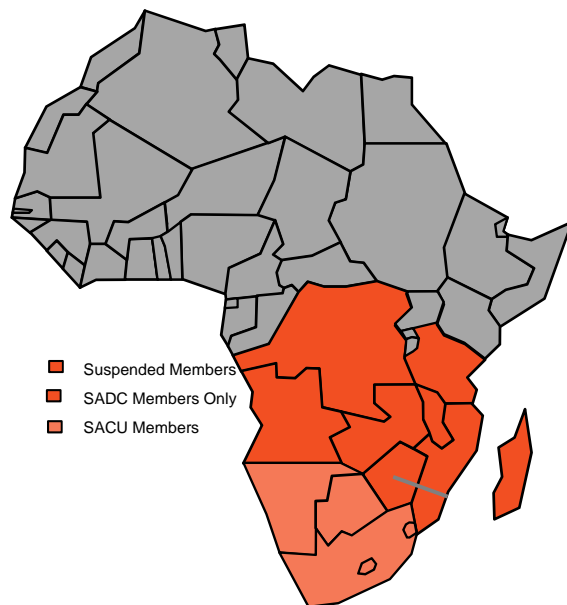
# Economic Zones in Africa





# Key Trade Zones in Africa

## SADC

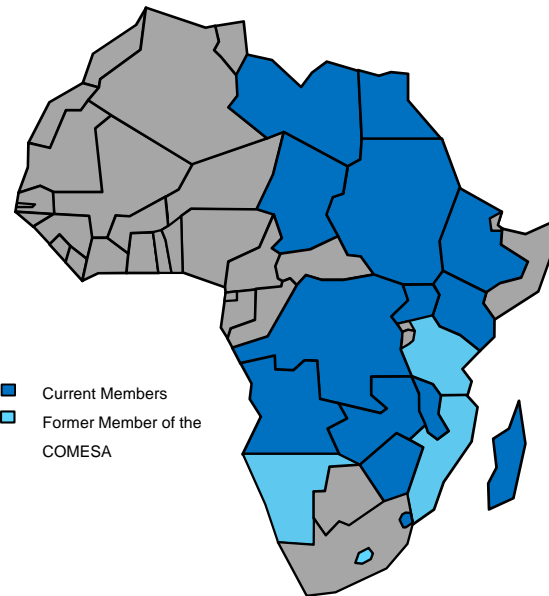


### **SADC – 15 Member States**

SADC –Free Trade Area 12 states

Excludes: Angola, Congo, Seychelles

## COMESA

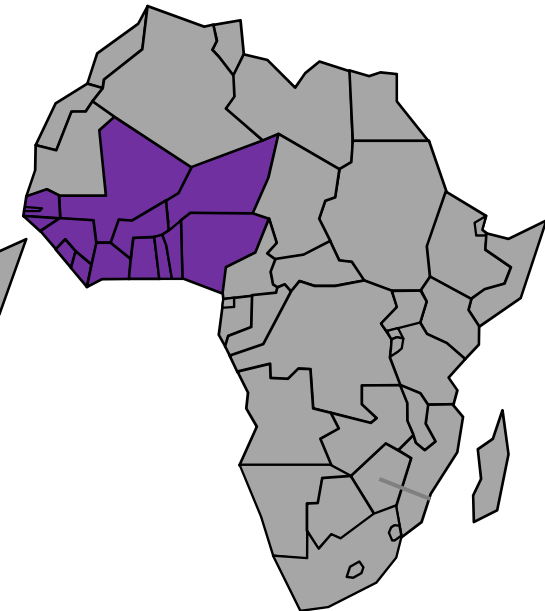


### **COMESA - 19 member states**

Perferential Trade Area

6 states – Free Trade Area

## ECOWAS



### **ECOWAS – 15 States**

Loose arrangement

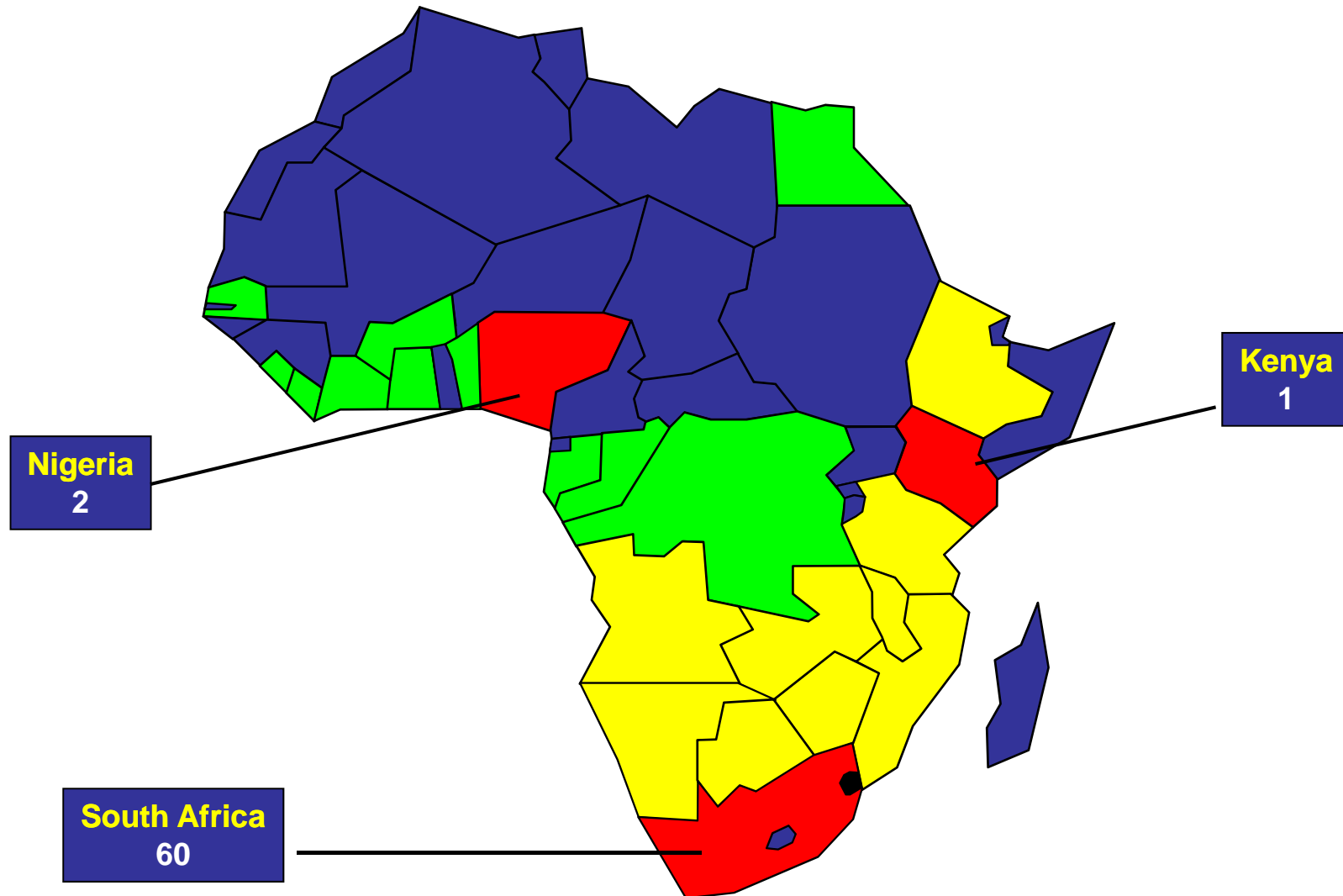
# Rest of Africa - Agenda

- Where is Nampak in Africa.
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# Rest of Africa – Growth Strategy

- **Build a market base through exports**
- **Establish local manufacture when critical mass achieved**
- **Diversify established manufacturing base to other Nampak products**
- **Create hubs in key growth areas and trading blocks**
- **Follow major Nampak customers**

# Nampak in Africa – Regional Hubs



# Rest of Africa – Multi-National Opportunities

- BAT
- SAB Miller
- Heineken
- Coca Cola
- Pepsi
- Unilever
- Nestle
- Cadbury
- Diageo
- Illovo Sugar
- Lafarge
- Colgate Palmolive
- PZ Cussons
- Sara Lee
- Reckitt Benckiser

# Rest of Africa - Agenda

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# Rest of Africa – Current Strategic Initiatives

- **Angola**
  - **Beverage can line**  
**\$150 m, commissioning March 2011**
- **Nigeria**
  - **Beer Labels**  
**New label press – commissioning October 2010**
  - **Expand capacity and range in metals – ointment, paint, food**
- **Zambia**
  - **New paper bag line to supply Illovo - commissioning February 2011**
  - **Label line for SAB**
- **Zimbabwe**
  - **Supply of cement sacks ex SA**
- **Kenya / East Africa**
  - **Expand metal supply**
  - **Additional paper bag and sack capacity**

# Angolan Expansion

- One of the fastest growing economies in the world
- Only market in the world where the beverage can market size exceeds a fully utilised can line, without any local can manufacturer
- Estimated beverage can market in excess of a billion cans
- Currently supplying 50% from RSA
- Once operational in Angola, Bevcan RSA should be ideally positioned to gain remainder of market
- Local shareholding of 30% - Angolan Government
- Plant commissioning - March 2011



# Angolan Expansion





# Angolan Expansion



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# New Business in Nigeria



# Rest of Africa – Current Strategic Initiatives

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# Beer Labels in Zambia



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# Nampak Group Strategy



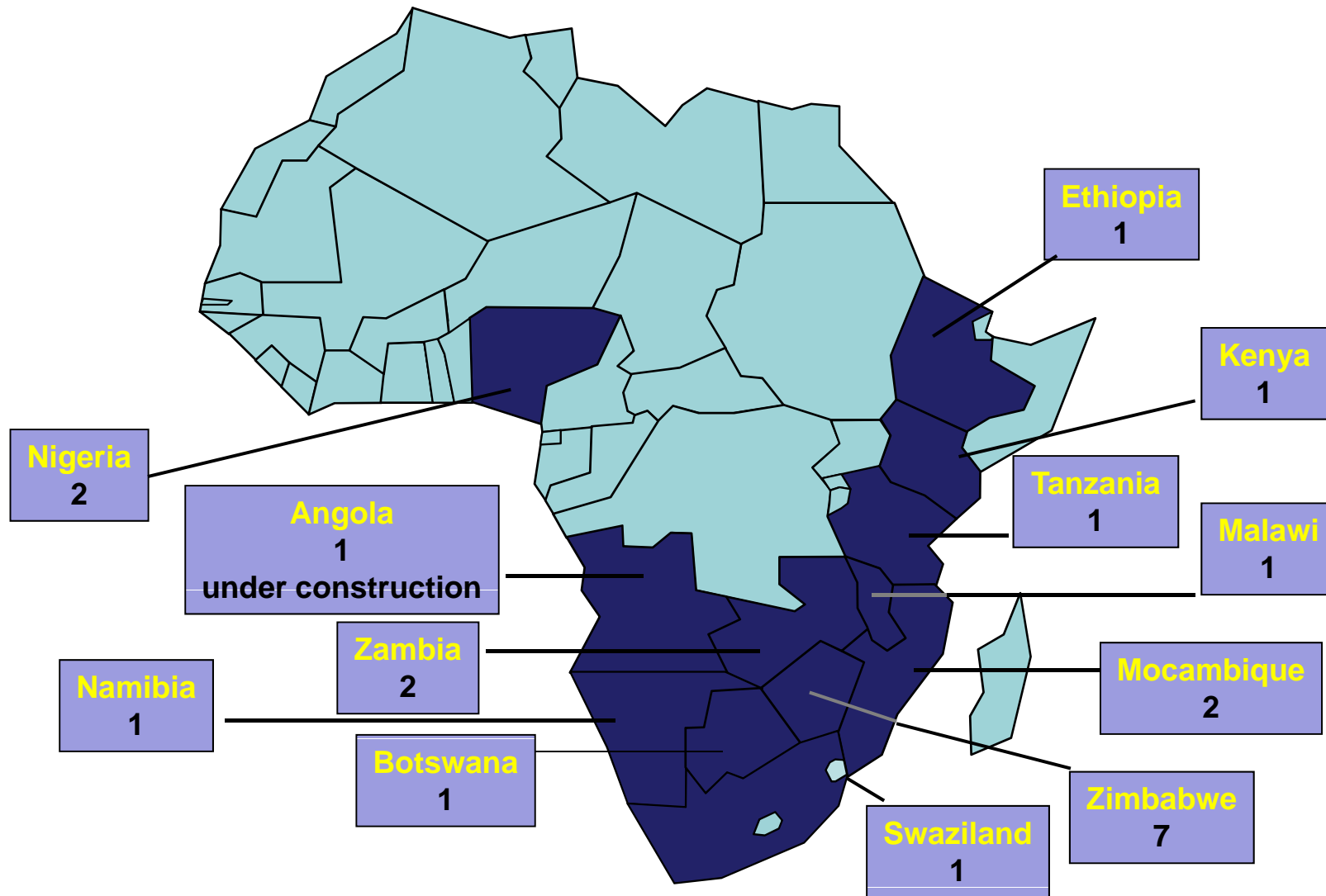
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# GROUP COMPETITIVE ADVANTAGES

# Substantial Market shares

Packaging	100%	85%	50%	40%	30%	20%
Beverage cans	1					
Aluminium aerosol cans			1			
Tinplate aerosol cans		1				
Food cans		1				
Paper sacks				1		
HDPE milk and juice bottles			1			
Folding cartons				1		
Flexible plastics					1	
PET bottles					1	
Corrugated boxes						2
Glass bottles						2
Non-packaging						
Toilet tissue			1			
Diapers					3	

# Established Base in 12 African Countries





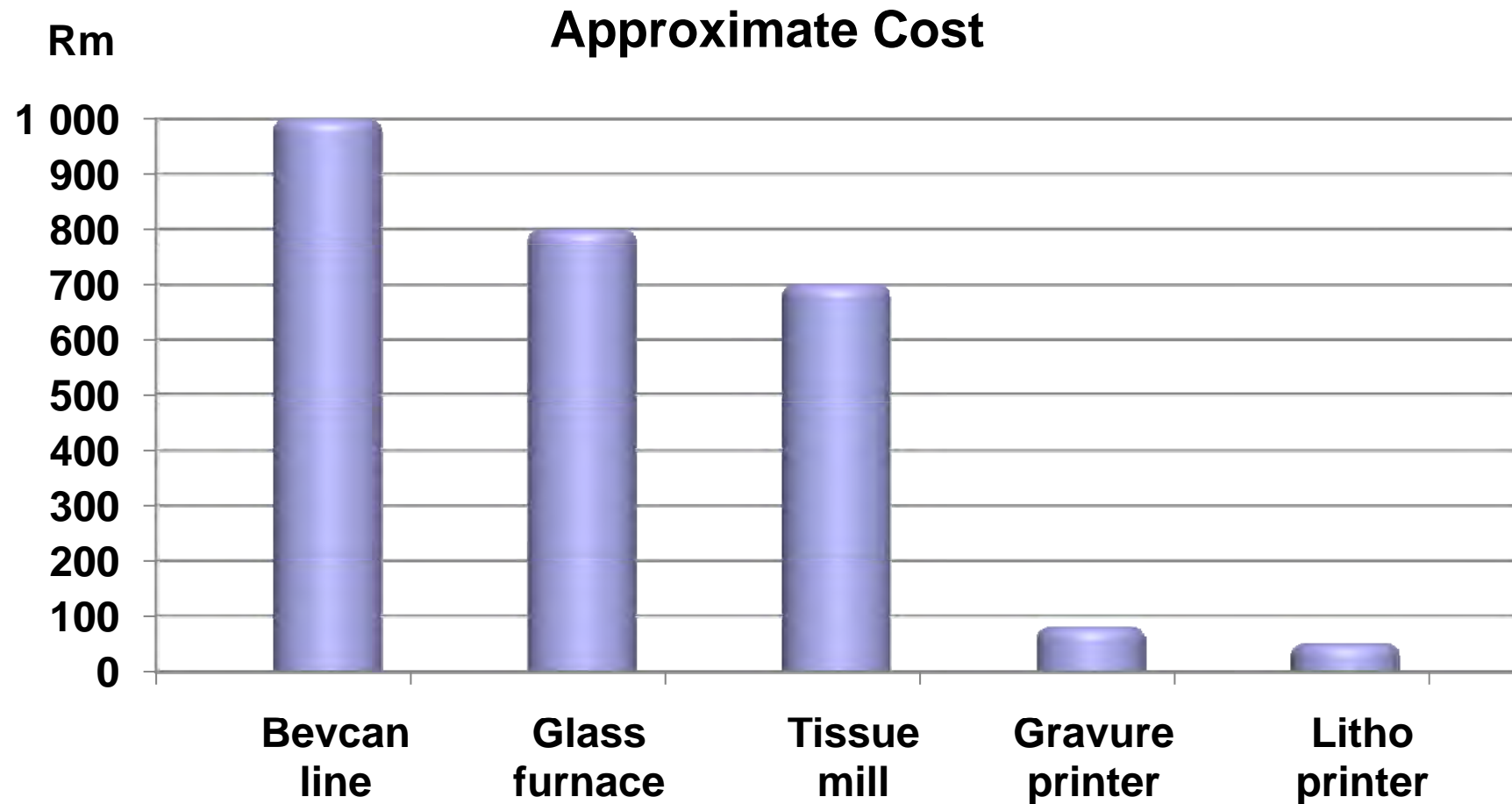
# Market Competitive Advantages

- **Long-term contracts and cost escalation formulae**
- **R & D facility**
- **Comprehensive range of metal, plastic, paper and glass packaging**
- **Strong brands in toilet paper, tissue, diaper and feminine products**
- **Recycled product capabilities and high recovery rates**

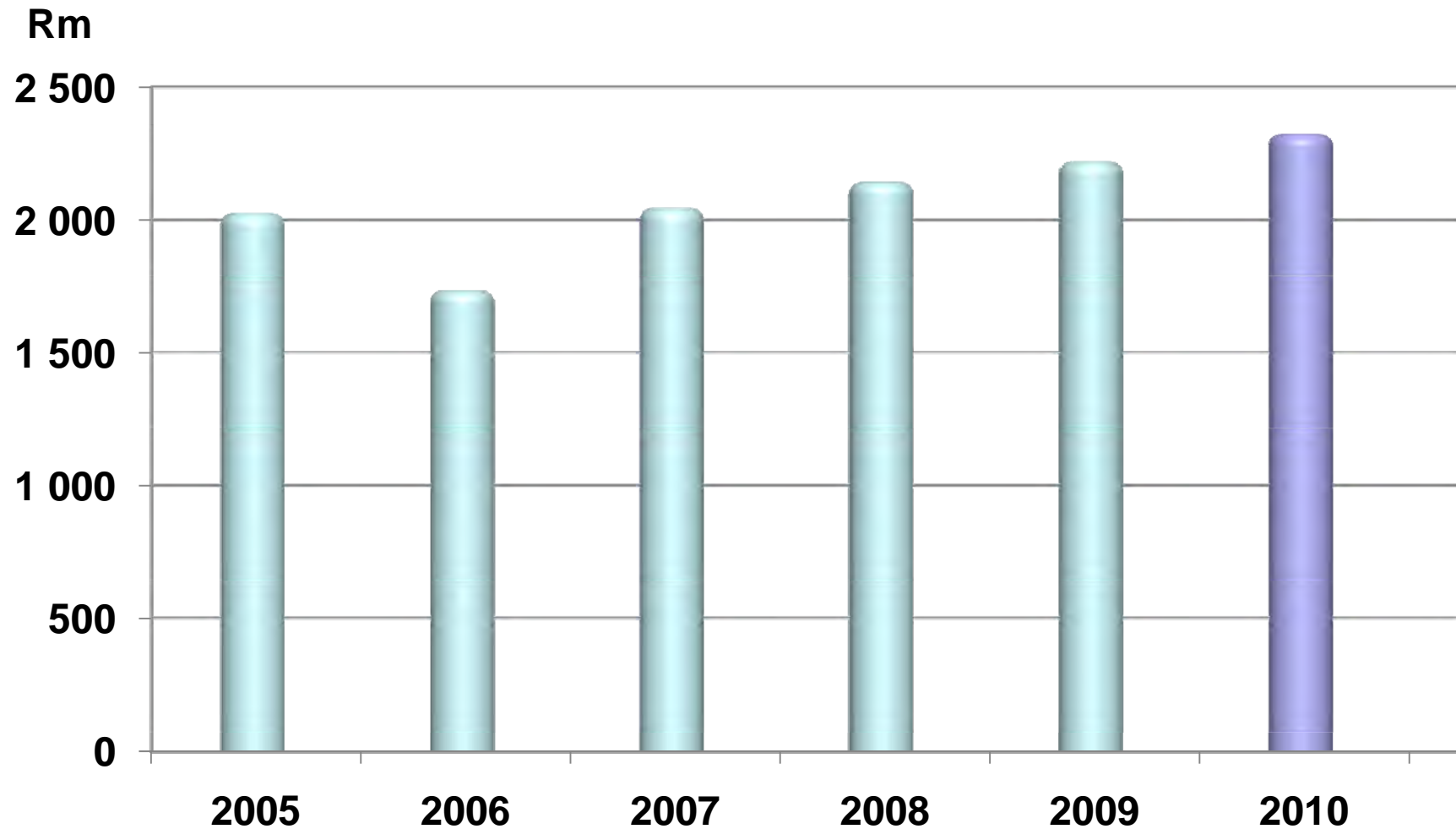
# Manufacturing Competitive Advantages

- **Technology agreements**
- **Technical competence**
- **Generally good kit**
- **Geographic spread of manufacturing facilities**
- **In-plant facilities**
- **High barriers to entry in many sectors**

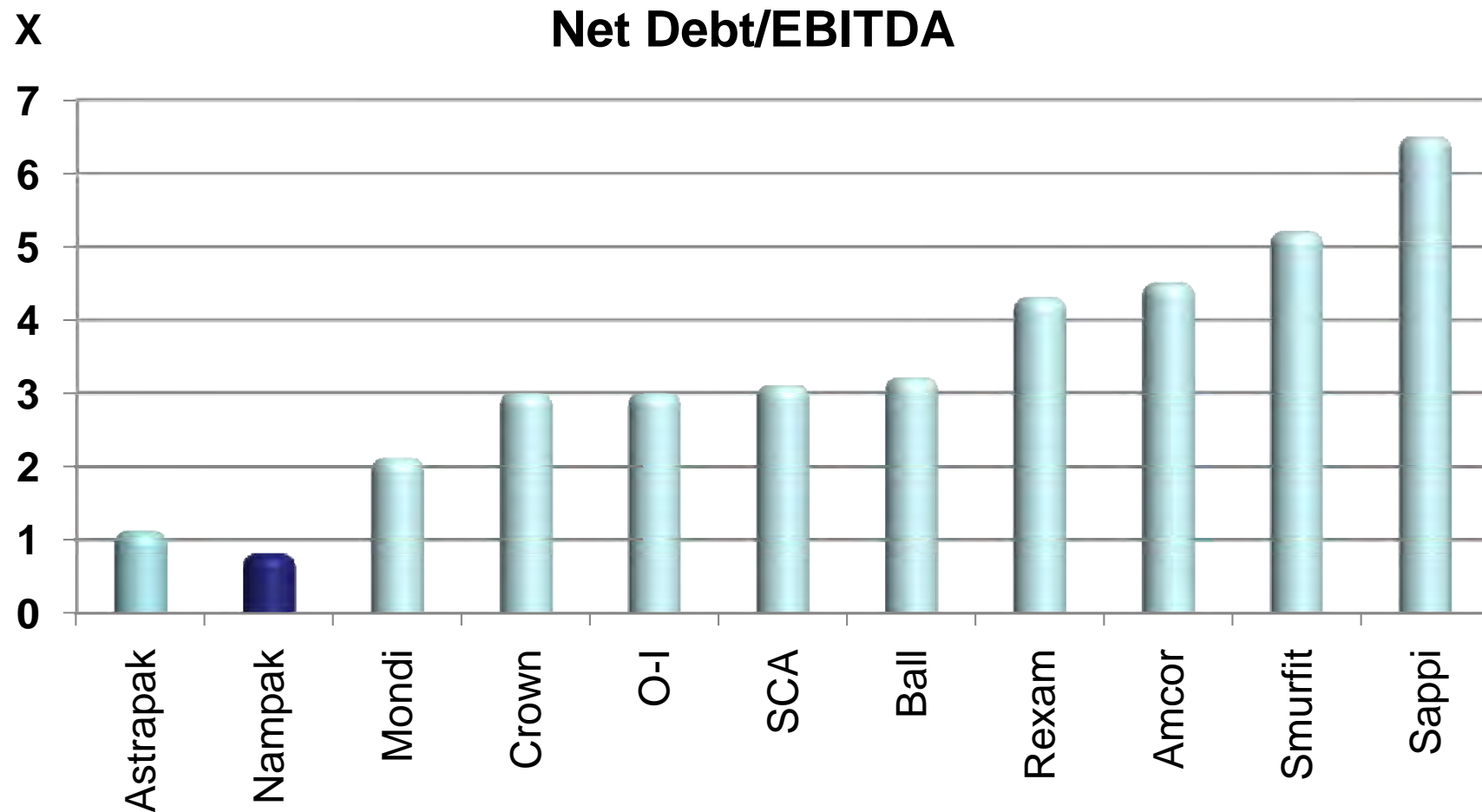
# High Barriers to Entry



# Cash Generated from Operations



# Financial Strength



Source: RBS, Astrapak

# Other Competitive Advantages

- **BEE rating**
- **Ethical, moral group**
- **SRI index**
- **Procurement**
- **Strong systems**

# GROUP COMPETITIVE DISADVANTAGES



# Competitive Disadvantages

- **Power of customers in some areas**
- **Power of suppliers in some areas**
- **Wage rates**
- **Group charges/IT costs**

# Nampak Group Strategy

## Core Divisions with Competitive Advantages

**Retain**

**South Africa**

**Africa**

**Europe**

# Nampak Group Strategy

## Divisions with Competitive Disadvantages

### Fix/Sell/Close

South Africa

Africa

Europe

#### Disposals in last year

- Disaki \*
  - L&CP \*
  - Foam
  - Flexpak
  - Redibox
  - Carmoc
  - Containers
- \* Subject to regulatory approval

# Nampak Group Strategy

<b>Key Opportunities Africa</b>	
<b>Angola</b>	<b>Beverage plant (phases 1 &amp; 2) Other Nampak products once beverage plant commissioned</b>
<b>Nigeria</b>	<b>Metals Cartons &amp; Labels</b>
<b>Zambia</b>	<b>Sacks Labels</b>
<b>Kenya</b>	<b>Tea sacks Maize bags Metals</b>

# Nampak Group Strategy

Key Opportunities South Africa	
Divfood	Monobloc aerosol 2 piece cans
Tissue	Diapers 2 ply tissues
Closures	Supershorty DBJ
Liquid	Long life milk
Glass	Wide mouth jars Additional capacity
Europe	
Plastics	Arla in plant N Ireland Lightweight bottles

# Nampak Group Strategy - Conclusion

- 1. Focus and invest in core divisions where we have a sustainable competitive advantage.**
- 2. Continue disposal of divisions with competitive disadvantage.**
- 3. Take advantage of numerous opportunities in core operations in Africa, South Africa and Europe.**
- 4. Stratplan aims to deliver a smaller group that will be more focused, more profitable, improved margins & RONA and with significantly reduced debt.**

Thank you



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