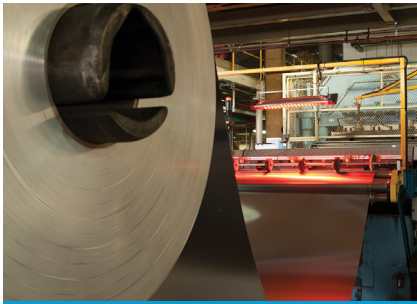


Summarised consolidated financial results

For the year ended 30 September 2017



Group revenue of

R18.8bn

down by 2%



Trading profit increased to

R2.0bn

up by 3%



HEPS increased by

15%

to 123.8 cents per share



EPS decreased by

86%

to 36.6 cents per share



Operating profit before sale
and leaseback of properties

R961m

up by 14%



Net gearing further
improved to

45%

from 49% — financial
position remains strong



Cash generated from
operations before
working capital changes

R2.4bn

up by 6%



Capital expenditure down

50%

to R0.7bn while maintaining
equipment integrity



No ordinary dividend
declared in line with

**cash
conservation
strategy**

Achievements

Focus on safety continues to yield results:

- » Bevcan Springs — 2 million incident free production hours
- » Bevcan Nigeria and Angola — 1 million incident free production hours
- » Safety rate improved from 0.48 to 0.41

USD127 million cash extracted from Nigeria and Angola, reducing cash balance in Nigeria by 16% to R828 million at year-end

Nigeria cash extraction at USD79 million higher than guidance of USD54 million to the market

89% of Angolan cash balances hedged, up from 61%

Improved carbon footprint and energy savings for the Group

- » Energy consumption reduced by 4%
- » Water consumption declined by 13%

Nampak's CEO, André de Ruyter, commented "Our performance has been resilient in a turbulent economic and political environment. While our beverage can making operations achieved good results, the other divisions faced adverse conditions in a climate of reduced demand and tough trading conditions. Our results have also been negatively impacted by a number of significant abnormal items. During 2017 our focus has been on preparing ourselves — operationally and financially — to create a solid foundation and platform for future growth."

Commentary

Overview

Economic headwinds resulted in reduced consumer spending on food characterised by trading down to more affordable staples, product substitution for value and house brands as well as downsizing to smaller pack sizes. Beverage can demand remained largely unaffected by economic challenges in South Africa and Angola. In this environment, Nampak focused on driving operational efficiencies in order to increase productivity yields, improve safety and obtain a better return on capital investments. The return on net assets increased to 12% as a result.

Nampak's headline earnings and headline earnings per share for the year increased 16% and 15% to R793 million (2016: R681 million) and 123.8c (2016: 107.6c) respectively. Whilst revenue declined by 2%, impacted by the strengthening of the rand against the majority of foreign currencies, group trading profit rose by 3%, as a result of the strong performance by the Metals division in South Africa and Angola. On a constant currency basis, revenue grew by 6% on the back of rand strengthening 10% against the US dollar during the year to an average rate for 12 months ending 30 September 2017 of R13.38 from R14.79 in 2016.

Operations excellence and cost management were key priorities for the group, resulting in head office costs being reduced by R57 million. Operational efficiencies, product rationalisation and the consolidation of lines and plants yielded additional savings. The newly-established capital assurance committee contained capital expenditure for the year to R735 million, 27% less than the average R1 billion envisaged, due to prudent capital allocation.

Cash extraction improved significantly following the introduction of the Nigerian Autonomous Foreign Exchange ("NAFEX") market in April 2017. USD127 million was extracted from Nigeria and Angola, improving the extraction rate in Nigeria to 93% from 57% the prior year and reducing the cash balance from R1 billion to R0.8 billion. Hedging in Angola also increased to 89% from 61%.

Good progress was made in our safety performance with the lost time injury frequency rate ("LTIFR") improving to a tolerance level of 0.41 and this remains a key focus area. It is an important part of our vision to deliver strategically and profitably, while ensuring that all employees return home safely to their families each and every day.

Glass traded reasonably well in the first half despite some margin pressures, but lost this momentum in the second half, impacted also by ongoing variable and irregular electricity supply from March to August. The newly installed high pressure gas supply pipeline provided significant savings in energy costs. A focused strategy for the glass operation is in place to address production challenges. We have freed up dedicated executive management's time to focus exclusively on Glass and introduced a steering committee to actively manage the turnaround process. We are recruiting international resources to bolster our glass-making skills, have appointed specialist glass consultants to assist with management processes and made key management changes. We expect the assistance of operational specialists and a high-level management intervention to result in improvements in operational efficiencies.

Key management changes were introduced at Plastics Europe and steady progress is being made in improving operational performance and diversifying the customer base.

The 2017 EPS results have been adversely affected by certain abnormal items, with the greatest impact coming from the absence of a once-off capital profit of R1.3 billion made in 2016 on the sale and leaseback of properties in South Africa and increased impairments. While headline earnings per share rose 15%, basic earnings per share therefore declined 86% as a result of these once-off items.

Financial performance

R million	2017	2016	% change
Revenue	18 822	19 139	(2)
Trading profit	1 967	1 905	3
Abnormal items excluding capital profit on sale and leaseback of properties	(1 006)	(1 061)	5
Operating profit before capital profit on sale and leaseback of properties	961	844	14
Capital profit on sale and leaseback of properties	—	1 319	(100)
Operating profit	961	2 163	(56)
Headline earnings per share (cents)	123.8	107.6	15
Basic earnings per share (cents)	36.6	254.5	(86)
Cash generated from operations before working capital changes	2 395	2 264	6

Revenue and margins

Group revenue at R18.8 billion was 2% down while trading profit increased by 3%. The group benefitted from a strong performance by the Metals division attributable to stellar results from Bevcan Angola and improved beverage can sales in the second half in South Africa. Volume growth in the Glass division and growth in overall revenue were offset by disappointing performance by the Plastics and Paper divisions resulting from tough trading conditions. Revenue growth was also limited by the strengthening of the average rand against foreign currencies including US dollar, pound sterling and the majority of local currencies in the Rest of Africa.

The Metals division improved trading profit by 32% to R1.7 billion and trading margin to 15.0% (2016: 12.2%). Group trading margin, after taking corporate costs into account, rose to 10.4% (2016: 10.0%). Operating profit margin declined to 5.1% from 11.3%, largely due to a once-off R1.3 billion capital profit from the sale and leaseback transaction included in prior year results, as well as other abnormal items.

Abnormal items

The following abnormal items influenced the 2017 performance:

- › A once-off capital profit in 2016 of R1.3 billion on the sale and leaseback transaction contributed 208.3 cents to EPS but is excluded from HEPS.
- › Extensive impairment testing on the carrying value of Group assets resulted in some necessary impairments:
 - » R321 million of goodwill for Glass was impaired as the carrying value of the assets exceeded their value in use. The remaining carrying value of the Glass intangible asset relating to customer relationships amounting to R114 million was impaired. The consideration for goodwill and customer relationships was paid to Wiegand Glass in 2012 as part of the acquisition of the Wiegand interest in Nampak Glass. The goodwill impairment adversely impacted the effective tax rate for the group.
 - » A contract in Nampak Plastics Europe has been classified as an onerous contract with associated assets being impaired by R112 million and an onerous lease provision and related costs of R82 million being raised.
 - » Vertical integration in the dairy industry in the UK led to further asset impairments of R53 million.
- › Nampak is exposed to fluctuations in exchange rates on foreign currencies as it operates in various foreign jurisdictions. In the current year, foreign exchange losses of R160 million (2016: R681 million) were incurred due to the 14% devaluation of the naira compared to the closing rate of the prior year. The NAFEX market rate is now equivalent to the Nigerian Interbank Foreign Exchange rate and is representative of the rate at which the group is transacting in Nigeria. There were no foreign exchange losses in Angola compared to R174 million in the prior year. 89% of cash balances in that country are now hedged against a kwanza devaluation compared to 61% in the prior year.
- › The unstable and variable electricity supply from the grid to the Glass division for an extensive period following a transformer failure, resulted in production losses and was the major factor in a R79 million contribution loss, which has been disclosed as an abnormal item. At a trading level, the business remained profitable, and reported trading profit of R63 million, 40% less than the R105 million in the prior year.

Taxation

The Group's effective tax rate increased from 12% to 38% as a result of forex losses of R160 million in Nigeria, the goodwill impairment for Glass and asset write-offs for Plastics Europe as there was no tax shield on these items. While the group has benefited from lower tax rates outside South Africa, the Bevcan Nigeria pioneer status expires on 31 December 2017 and the Bevcan Angola tax holiday ends on 31 December 2018.

Net earnings

HEPS increased by 15% to 123.8c (2016: 107.6c). Basic EPS declined by 86% to 36.6c (2016: 254.5c) as a result of certain abnormal items and the absence of the R1.3 billion profit on the sale of property in the prior year. An increased minority share of earnings coupled with 1% increase in the weighted average number of shares in issue impacted earnings per share.

Financial position

The Group's financial position strengthened further in 2017 and net gearing improved to 45% from 49% in 2016. Net debt to EBITDA (including US dollar linked kwanza bonds) improved to 1.6 times (2016: 1.7 times) and EBITDA to net interest was 7.2 times (2016: 5.4 times) benefitting from lower interest costs facilitated by proceeds from the sale and leaseback transaction in 2016 which were applied to reduce South African interest bearing debt. Net finance costs for the period as a result also reduced by 20% to R391 million from R486 million in 2016.

Cash extraction

The Group continues to actively manage its foreign exchange exposures in Nigeria and Angola with improved cash extraction from Nigeria and the introduction of the NAFEX market in Nigeria in April 2017 increased the Nigerian extraction rate to 93% (2016: 57%) of invoices presented for payment, while Angola's extraction rate decreased to 47% (2016: 95%). Nampak continues to hedge its exposure to limit the impact of foreign exchange fluctuations on cash balances. As at year end there was no hedging in Nigeria given the liquidity provided by the NAFEX market (2016: 38%). Further US dollar linked kwanza bonds were acquired in Angola and 89% (2016: 61%) of cash on hand was hedged. Cash balances on hand at year end were R0.8 billion for Nigeria, R2.2 billion including R2.0 billion US dollar linked kwanza bonds in Angola and R654 million in Zimbabwe.

Foreign exchange rate movements

Nampak is exposed to various exchange rates. The average foreign exchange rates are determined using monthly average rates over the financial period. Monthly average rates are in turn the aggregate of daily closing rates for each month. Closing rates are the daily closing spot rate as at 30 September 2017. Average and closing exchange rate movements for the year are tabled below:

	Average rates			Closing rates		
	30 Sep 2017	30 Sep 2016	% Δ	30 Sep 2017	30 Sep 2016	% Δ
ZAR/GBP	16.96	21.07	20	18.17	17.80	(2)
ZAR/EUR	14.78	16.43	10	15.98	15.42	(4)
ZAR/USD	13.38	14.79	10	13.56	13.72	1
NGN/USD	321.90	229.60	(40)	358.99	315.00	(14)
AOA/USD	171.74	161.57	(6)	171.75	171.72	—

Trading performance

R million	Revenue		Trading profit		Trading margin (%)	
	2017	2016	2017	2016	2017	2016
Metals	11 281	10 510	1 695	1 285	15.0	12.2
Plastics	4 624	5 557	166	392	3.6	7.1
Paper	1 497	1 749	177	236	11.8	13.5
Glass	1 420	1 323	63	105	4.4	7.9
Total operations	18 822	19 139	2 101	2 018	11.2	10.5
Corporate services	—	—	(134)	(113)	—	—
Total Group	18 822	19 139	1 967	1 905	10.4	10.0

Group revenue declined by 2%, while trading profit grew 3% to R2.0 billion for the year. Strong revenue growth of 7% was achieved by the Metals division attributable to robust beverage can sales in Angola and improved volumes from Bevcans SA. Good revenue growth was achieved by the Glass division. This strong performance was offset by poor results from Plastics UK, challenging trading conditions for Plastics SA and lower demand in most markets for the Paper division. Corporate services relate to head office activities, procurement, treasury and property management services handled on behalf of the group. The positive effect of the R57 million savings achieved in the year at the South African corporate head office was offset by a reduction in the post-retirement medical aid ("PRMA") curtailments achieved during the year when compared to the prior year.

Operating results were negatively impacted by the strengthening of the average rand against the majority of foreign currencies: 10% against the US dollar, 20% against the pound and 17% against the kwanza. In other areas in Africa where Nampak operates (except for Zambia), all currencies were weaker against the rand by more than 10%. Despite these currency headwinds and the fact that the prior year's trading profit benefitted from higher PRMA savings the Group's trading margin improved to 10.4% from 10.0%.

Metals

The Metals division performed exceptionally well, boosting group revenues and trading margins. Robust demand in Bevcans Angola was consistent throughout the year and the revival of demand for beverage cans in the second half further boosted Bevcans SA. Results from the rest of the operations were subdued.

Bevcans SA experienced strong customer demand resulting in higher volumes in the second half. Revenue was further enhanced by sales following the commissioning of the new ends plant which increased and enabled production to match the Group's can making capacity. Recently installed capacity of the 500ml can size contributed to additional volumes. Bevcans SA now has adequate capacity for aluminium cans and is very well placed to supply various can sizes required by the market.

Bevcans Angola had a record year due to robust beverage can demand throughout the year and this is expected to continue. Revenue and trading profits grew significantly and this stellar performance was only diminished by the 10% strengthening of the average rand exchange rate against the US dollar.

Bevcans Nigeria performed satisfactorily given the restricted economic conditions following five consecutive quarters of negative growth since late 2015 in Nigeria and high inflation. Revenue retracted as customer demand dropped. Trading margins remained stable as costs were well controlled in light of lower than anticipated demand. The introduction of the NAFEX rate has greatly contributed to easing liquidity and improved cash extraction. The economy is starting to revive due to the increasing oil price and improved oil production.

DivFood had a disappointing year characterised by low demand, fish can sales significantly below last year as a result of lower allowable catch, and low consumer spending in general. There was also weak demand for diversified consumer goods cans reflective of the current state of the economy. This continued subdued demand during the year resulted in negative revenue growth and trading profits.

General metals packaging in Nigeria saw good revenue and trading margin growth in local currency despite adverse economic conditions. Demand from key customers improved as locally manufactured packaging was preferred to imported products. As a result certain production lines are at full capacity. The impact of these good results was moderated by the depreciation of the naira against the US dollar.

Metals in the rest of Africa fared well and revenue grew in Tanzania driven by a new customer and some recovery in market demand although market share was lost in Kenya.

Plastics

The Plastics division experienced a tough year with revenue declining 17% to R4.6 billion as a result of poor performance by Plastics Europe and lower demand in Zimbabwe. During the year unfavourable macro-economic conditions, lower consumer spend and the entry of new competitors in South Africa dampened the results. Lower demand by the dairy market as well as backward integration by major customers in both Europe and South Africa also led to losses in production volume and impacted margins negatively.

Revenue for Plastics South Africa was flat as the impact of the drought on dairy customers led to lower demand and loss of key PET customers to backward integration which was offset by increased sales to other customers. Despite these challenges, marketing initiatives yielded pleasing results in improved customer service and stimulated demand. The business was, however, burdened by higher production costs per unit produced as a consequence of lost volumes and this led to trading margin contraction.

Revenue dropped 20% in pound sterling for Plastics Europe, exacerbated by the 20% strengthening of the rand against the pound sterling resulting in revenue decline of 36%. The division saw a loss of volumes to backward integration as Nampak sold two in-plants to a major customer in the first half. Demand from other major customers was relatively flat and uptake by new customers was disappointing and did not make up for lost volume. As a result margins were also heavily impacted and the division made a loss. Key management changes have been introduced and good progress is being made in managing overheads and improving operational performance. In addition, a contract was classified as an onerous contract. Associated assets were impaired and an onerous lease provision was raised.

Plastics in the Rest of Africa was characterised by increasingly tight liquidity, an economic slowdown and depressed trading conditions in Zimbabwe, which lead to lower demand by customers. Revenues and profits were both lower than the prior year; while Ethiopia grew, albeit off a low base.

Paper

Revenue from the Paper segment declined 14% to R1.5 billion. Although the Hunyani business performed well, the segment was affected by tough economic conditions and lower than expected demand in the territories in which Nampak manufactures this substrate, as well as the strengthening of the rand. Trading margins also declined.

Hunyani in Zimbabwe continued to benefit from a good tobacco crop and higher demand, as a local producer of packaging. Restrictions on imported packaging and duties imposed assisted in stimulating local packaging demand. Revenue and the trading margin grew, assisted by improved operational efficiencies. All other businesses in the Rest of Africa declined.

Cartons in Nigeria performed well and revenue and trading profit grew significantly in local currency, as a result of customers building stock and good trading demand. This growth was, however, negated by the strength of the rand upon translation of results, yet trading margins improved.

Carton sales in Zambia declined on lower demand by a key customer, increased substrate substitution into plastic and sales in bulk containers. As a result this business has been focusing on increasing its exposure to independent brewers of sorghum beer and diversifying its customer base. Demand in Malawi fell in light of a shift towards other packaging substrates by a key customer. This shift is expected to reverse in the medium term as the substitution has not been well received by consumers.

Glass

Revenue increased by 7% to R1.4 billion as a result of volume growth in the second half. Following a strong marketing drive, Nampak's share of the wine market increased to 21% for the year. Volumes to breweries and other existing customers also grew whilst food container glass demand remained low, reflective of ongoing lower consumer spending in South Africa.

Performance was hampered by irregular electricity supply during the second half caused by the failure of a major transformer on the electricity grid. This led to significantly costly production disruptions. Lost contribution predominantly as a result of electricity disruptions amounted to R79 million. Trading profit for the division of R63 million was 40% down as a result, despite growth in revenue.

Outlook

South Africa

South Africa remains in a tough economic and trading environment with minimal GDP growth forecast for the next twelve months. The regulatory landscape is increasingly adding to compliance costs. In anticipation of the delayed sugar tax legislation, Nampak is working closely with major customers to assess the possible impact on their businesses and how this will change packaging requirements.

Bevcan SA will continue to focus on extracting operational efficiencies. After the successful conversions and ramp up, the aluminium lines have been achieving acceptable productivity levels. On the back of good progress made in 2017, momentum has been created for further operational improvements and cost reductions. In response to the entry of a new competitor, plans have been developed to reduce the Bevcan cost base by R50 million per annum as we rationalise our operating footprint. DivFood is significantly exposed to consumer spend and will continue to rationalise to its optimal structure and manage costs in response.

Plastics SA is focusing on restructuring and streamlining management structures and has commenced with plant rationalisations. Operations in Gauteng will be centralised in Isando and the rigids plant in Industria will be closed. This is expected to save around R17 million per annum.

The transformation of our Glass operations is a key focus area for the next financial period. Nampak will continue to work towards resolving production challenges with the assistance of external experts and additional technical skills. The successful installation and commissioning of a gas transmission line to our operations will also contribute towards reducing energy costs. Appropriate management changes have been made to ensure that the business receives adequate and focused senior management attention.

Rest of Africa

Strong can demand is expected to continue in Angola and USD13 million, subject to a kwanza US dollar swap, has been allocated to convert the existing tin plate line into aluminium in order to meet market demand. Following capital optimisation, this is 43% less than the initial USD23 million approved, but will still increase capacity by 80% of the full project scope; allowing Nampak to introduce additional beverage cans into the Angolan market, to meet growing market demand expected over the next three to five years. The market is strong in Angola and Nampak is well positioned to retain market share owing to its well established footprint.

Having retained 80% of AB InBev's beverage can volumes for three years in Nigeria, Nampak is also awaiting the results of tenders with two key customers for cans and cartons. The Group is well positioned in this market with improved demand for food and diversified cans expected to remain, as the economy improves and inflation eases. Costs are well controlled and the market continues to steadily improve with liquidity restored.

While Zimbabwe is a strong performer in paper, lack of liquidity is increasingly affecting results from other operations. Nampak is exploring means to optimise the use of cash balances in-country while liquidity is expected to improve with the next tobacco season. The majority of other territories in the rest of Africa are expected to grow in local terms, though political uncertainty will remain in some countries. Following the closure of the crowns offering in Malawi, this market will be serviced regionally and Nampak will further look at serving regional territories collectively, where feasible, in order to extract operational efficiencies and manage costs.

Europe

The European business is in turnaround mode. New management will continue focusing on managing overheads and driving operational efficiencies in order to return this operation to a break-even point in 2018 and then profitability by the 2019 financial year end. New customers are being targeted with the Group's research and development capabilities having been tapped into to remain at the forefront of meeting clients' light-weighting needs, diversifying the customer base and focus on growing market share.

Dividend

No dividend was declared for the year in line with the Board decision taken in 2016 to suspend dividends in order to improve the financial position of the company and conserve cash.

On behalf of the board

TT Mboweni

Chairman

AM de Ruyter

Chief executive officer

GR Fullerton

Chief financial officer

28 November 2017

Summarised consolidated statement of comprehensive income

R million	Notes	2017	2016
Revenue		18 821.7	19 138.9
Operating profit	3	961.0	2 162.8
Finance costs		(508.8)	(527.5)
Finance income		117.7	42.0
Share of net profit from associates and joint ventures		0.1	0.1
Profit before tax		570.0	1 677.4
Income tax expense		(214.0)	(199.1)
Profit for the year		356.0	1 478.3
Other comprehensive income/(expense), net of tax			
Items that will not be reclassified to profit or loss			
Net actuarial gain/(loss) from retirement benefit obligations		19.5	(491.0)
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translation of foreign operations		(122.1)	(509.4)
Loss on cash flow hedges		(14.1)	(34.3)
Other comprehensive expense for the year, net of tax		(116.7)	(1 034.7)
Total comprehensive income for the year		239.3	443.6
Profit/(loss) attributable to:			
Owners of Nampak Ltd		234.8	1 610.4
Non-controlling interest in subsidiaries		121.2	(132.1)
		356.0	1 478.3
Total comprehensive income/(expense) attributable to:			
Owners of Nampak Ltd		120.3	572.6
Non-controlling interest in subsidiaries		119.0	(129.0)
		239.3	443.6
Basic earnings per share (cents)		36.6	254.5
Diluted basic earnings per share (cents)		36.5	253.9

Summarised consolidated statement of financial position

R million	Notes	30 Sep 2017	Restated 30 Sep 2016
ASSETS			
Non-current assets			
Property, plant, equipment and investment property		10 151.4	10 573.4
Goodwill and other intangible assets		3 568.8	4 043.4
Joint ventures, associates and other investments		21.8	27.7
Deferred tax assets		49.3	70.6
Liquid bonds and other loan receivables*		1 164.0	673.9
		14 955.3	15 389.0
Current assets			
Inventories		3 980.3	3 376.7
Trade receivables and other current assets*		3 009.9	3 101.2
Tax assets		17.3	11.2
Liquid bonds and other loan receivables — current*		882.1	7.8
Bank balances and deposits*		2 385.0	2 217.9
		10 274.6	8 714.8
Total assets		25 229.9	24 103.8
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		35.5	35.4
Capital reserves		(116.4)	(121.4)
Other reserves		(84.4)	51.0
Retained earnings		9 476.9	9 238.5
Shareholders' equity		9 311.6	9 203.5
Non-controlling interest		369.5	241.0
Total equity		9 681.1	9 444.5
Non-current liabilities			
Loans and other borrowings		6 007.2	6 202.1
Retirement benefit obligation		1 558.0	1 855.7
Deferred tax liabilities		294.5	230.1
Other non-current liabilities		64.8	37.0
		7 924.5	8 324.9
Current liabilities			
Trade payables, provisions and other current liabilities		4 766.0	4 937.7
Tax liabilities		82.6	73.9
Loans and other borrowings — current		221.9	329.4
Bank overdrafts		2 553.8	993.4
		7 624.3	6 334.4
Total equity and liabilities		25 229.9	24 103.8

* During the year, the US dollar indexed kwanza bonds (described as "liquid bonds") were reclassified from cash equivalents to loan receivables after a reassessment of their nature in terms of IAS 7: Statement of Cash flows. As a result of this reclassification, these bonds (amounting to R617.5 million and being all non-current) were removed from "bank balances, deposits and cash equivalents" where they had been presented in the prior year and presented together with other non-current loan receivables (previously described as "other non-current assets") as "liquid bonds and other loan receivables". In addition, the current portion of loan receivables, which was previously presented as part of "trade receivables and other current assets" has now been separately presented as "liquid bonds and other loan receivables — current" due to a portion of the liquid bonds being current at the end of the current year.

Summarised consolidated statement of cash flows

R million	Notes	30 Sep 2017	Restated 30 Sep 2016
Cash generated from operations before working capital changes		2 395.1	2 264.0
Working capital changes		(326.8)	561.3
Cash generated from operations		2 068.3	2 825.3
Net interest paid		(405.8)	(521.4)
Retirement benefits, contributions and settlements		(119.1)	(161.0)
Income tax paid		(152.7)	(201.3)
Cash flows from operations		1 390.7	1 941.6
Dividends paid		(0.1)	(575.5)
Net cash generated from operating activities		1 390.6	1 366.1
Capital expenditure ¹		(735.3)	(1 443.6)
Replacement		(377.0)	(479.3)
Expansion		(358.3)	(964.3)
Net proceeds on the disposal of business	4.2	57.8	—
Net proceeds from sale and leaseback transaction		—	1 701.1
Post retirement medical aid buy-out	4.3	(569.2)	—
Increase in liquid bonds for hedging purposes ²		(1 336.5)	(617.5)
Other investing activities		12.0	158.2
Net cash utilised in investing activities		(2 571.2)	(201.8)
Net cash (utilised)/generated before financing activities		(1 180.6)	1 164.3
Net cash (repaid in)/raised from financing activities		(238.4)	2 380.7
Net (decrease)/increase in cash and cash equivalents		(1 419.0)	3 545.0
Net cash and cash equivalents/(overdraft) at beginning of year		1 224.5	(2 084.9)
Translation of cash in foreign subsidiaries		25.7	(235.6)
Net (overdraft)/cash and cash equivalents at end of year	7	(168.8)	1 224.5

¹ Following the JSE's proactive monitoring process, the replacement capital expenditure cash flow has been reclassified from "cash flow from operations" to "cash flows from investing activities" and the comparatives restated. The result of this reclassification is an increase in cash generated from operating activities of R475.7 million in the prior year and a decrease in cash generated from investing activities of R475.7 million in the prior year. In addition, capital expenditure relating to intangible assets (R16.2 million) in the prior year has been removed from "other investing activities" and presented together with capital expenditure relating to tangible assets being classified accordingly as replacement expenditure (R3.6 million) and expansion expenditure (R12.6 million) respectively.

² As indicated on the summarised consolidated statement of financial position, US dollar indexed Angolan kwanza bonds were reclassified from cash equivalents to loan receivables after a reassessment of their nature in terms of IAS 7: Statement of Cash Flows. As a result of this reclassification, the movement in these assets is now presented as investing activities.

Summarised consolidated statement of changes in equity

R million	Notes	2017	2016
Opening balance		9 444.5	9 172.4
Net shares issued during the year		11.8	28.9
Share-based payment expense		5.0	13.9
Share grants exercised		(11.7)	(28.8)
Share of movement in associate's and joint venture's non-distributable reserve		—	0.9
Shares repurchased and cancelled		—	(0.8)
Treasury shares disposed		—	384.2
Acquisition of business	4.1	(7.7)	—
Total comprehensive income for the year		239.3	443.6
Dividends paid		(0.1)	(569.8)
Closing balance		9 681.1	9 444.5
Comprising:			
Share capital		35.5	35.4
Capital reserves		(116.4)	(121.4)
Share premium		262.4	250.7
Treasury shares		(557.9)	(557.9)
Share-based payments reserve		179.1	185.8
Other reserves		(84.4)	51.0
Foreign currency translation reserve		1 375.0	1 494.9
Financial instruments hedging reserve		4.7	18.8
Recognised actuarial losses		(1 447.1)	(1 466.6)
Share of non-distributable reserves in associates and joint ventures		—	3.7
Other		(17.0)	0.2
Retained earnings		9 476.9	9 238.5
Shareholders' equity		9 311.6	9 203.5
Non-controlling interest		369.5	241.0
Total equity		9 681.1	9 444.5

Notes

1. Basis of preparation

The summarised consolidated financial statements are derived from the consolidated financial statements, approved by the directors on 28 November 2017. They are prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, and the requirements of the Companies Act of South Africa applicable to summarised consolidated financial statements. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34, Interim Financial Reporting.

The consolidated financial statements and the summarised consolidated financial statements have been prepared under the supervision of the chief financial officer, G Fullerton CA (SA).

2. Accounting policies and restated comparatives

The accounting policies applied in the preparation of the consolidated financial statements for 2017, from which the summarised consolidated financial statements were derived, are in terms of IFRS and are consistent with the accounting policies adopted and methods of computation used in the preparation of the previous year's consolidated financial statements except for the useful lives applied to property, plant and equipment at several of the group's operations as indicated below.

Change in accounting estimate

During the year, the group reassessed the useful lives of its property, plant and equipment as required by IAS 16. The useful lives of the assets were extended as the adjusted useful lives reflect more appropriately the pattern of the consumption of the future economic benefits embodied in the assets concerned. In accordance with IAS 16: Property, Plant and Equipment, this represents a change in an accounting estimate and is therefore applied prospectively in terms of IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors. The impact of the change in useful lives for the year ended 30 September 2017 is a decrease in the depreciation expense of R52.4 million with a similar amount expected to be incurred annually in the future.

3. Included in operating profit are:

R million	2017	2016
Depreciation	799.0	863.1
Amortisation	32.4	48.6
Reconciliation of operating profit and trading profit¹		
Operating profit	961.0	2 162.8
Profit on disposal of property subject to sale and leaseback	—	(1 318.9)
Operating profit — adjusted	961.0	843.9
Net abnormal losses — excluding profit on disposal of property subject to sale and leaseback ²	1 005.8	1 061.2
Net impairment losses on property, plant, equipment, goodwill, intangible assets, investments and shareholder loans	667.8	360.4
Devaluation loss arising from Angolan and Nigerian exchange rate movements	160.0	681.0
Onerous contract and related losses	81.8	—
Production losses due to electrical supply and fire	79.2	—
Retrenchment and restructuring costs	73.1	34.1
Profit on disposal of other property	(3.0)	(15.2)
Net profit on disposal of investments and businesses	(25.4)	(3.5)
Gain on acquisition of business	(27.0)	—
Other	(0.7)	4.4
Trading profit	1 966.8	1 905.1

¹ Trading profit is the main measure of profitability used for segmental reporting purposes.

² Abnormal losses/(gains) are defined as losses/(gains) which do not arise from normal trading activities or are of such size, nature or incidence that their disclosure is relevant to explain the performance for the year.

4. Corporate activity

4.1 DivFood Botswana

The group acquired a 74% interest in Nampak Divfood Botswana (Pty) Ltd ("DB") for strategic purposes effective 2 February 2017 on its incorporation for a nominal consideration. The Botswana Development Corporation ("BDC"), being the holder of the remaining interest in this entity, transferred plant and equipment to the value of R36.5 million to this entity on its incorporation resulting in a consolidated gain on acquisition of R27.0 million.

As part of this transaction, BDC has a put option to sell its 26% interest in DB to the group at the end of a period of five years from the effective date of acquisition. This option has been valued at R17.2 million and is presented on the statement of financial position as part of "other non-current liabilities".

4.2 Operations located at customers

The group disposed of its operations at two sites in the United Kingdom of a customer of Nampak Plastics Europe Ltd, on termination of the respective contracts. Plant, equipment and net working capital with a carrying value of R26.4 million was disposed of for a net consideration of R57.8 million resulting in a profit on disposal of these operations of R31.4 million.

4.3 Post-retirement medical aid buy-out

During the 2016 financial year, the group offered a specific group of 1 285 continuation members, out of the total continuation members who receive a monthly medical scheme contribution subsidy, the option of converting the monthly subsidy into an annuity secured in the pensioner's individual name.

A total of 697 (54%) of these continuation members accepted this offer. The total settlements paid to these continuation members during the current financial year was R569.2 million, of which R406.4 million was accrued at 30 September 2016.

R436.0 million of the total settlements paid was funded using 25% of the gross proceeds from the sale and leaseback transaction in 2016 with the balance of R133.2 million funded from current year cash generation.

4.4 Group Risk Holdings

The group terminated its membership in the Mutual Risk Group (MRG) with effect from 1 September 2017 due to competitiveness in the insurance market. Nampak Ltd disposed of its interest in Group Risk Holdings (Pty) Ltd (the holding company of MRG) for no consideration, resulting in a loss on disposal of R6.0 million.

5. Determination of headline earnings

R million	2017	2016
Profit attributable to equity holders of the company for the year	234.8	1 610.4
Less: preference dividend	(0.1)	(0.1)
Basic earnings	234.7	1 610.3
Adjusted for:		
Net impairment losses on property, plant, equipment, goodwill, intangible assets and investments	667.8	360.8
Net profit on disposal of investments and businesses	(25.4)	(3.5)
Gain on acquisition of business	(27.0)	—
Profit on disposal of property subject to sale and leaseback	—	(1 318.9)
Net (profit)/loss on disposal of other property, plant, equipment and intangible assets	(7.4)	6.8
Tax effects and non-controlling interests	(49.9)	25.4
Headline earnings for the year	792.8	680.9
Headline earnings per share (cents)	123.8	107.6
Diluted headline earnings per share (cents)	123.4	107.3

6. Liquid bonds and other loan receivables

R million	2017	2016
Liquid bonds ¹	1 954.0	617.5
Equipment sales receivables ²	68.7	62.3
Other loan receivables	23.4	1.9
Total liquid bonds and other loan receivables	2 046.1	681.7
Less: Amounts receivable within one year reflected as current	882.1	7.8
Liquid bonds	867.0	—
Equipment sales receivables	10.7	7.1
Other loan receivables	4.4	0.7
Net non-current liquid bonds and other loan receivables	1 164.0	673.9

¹ Liquid bonds relate to US dollar indexed Angolan kwanza bonds. As at 30 September the Angolan kwanza equivalent of USD144.1 million (2016: USD45.0 million) had been hedged through these bonds in order to protect the group against further Angolan kwanza devaluation. Interest rates charged are between 5.0% to 7.8%.

² Equipment sales receivables are repayable from 2018 to 2025. Interest rates charged are between 5.8% to 14.0%.

7. Net (overdraft)/cash and cash equivalents at end of year

R million	2017	2016
Bank balances and deposits	2 385.0	2 217.9
Bank overdrafts	(2 553.8)	(993.4)
	(168.8)	1 224.5

8. Carrying amount of financial instruments

The carrying amounts of financial instruments as presented on the statement of financial position are measured as follows:

R million	2017	2016
At fair value — level 2		
Financial assets		
Derivative financial assets ¹	19.1	—
Financial liabilities		
Derivative financial liabilities ¹	22.6	40.7
At amortised cost		
Financial assets	7 266.7	5 789.7
Non-current liquid bonds and other loan receivables	1 164.0	673.9
Trade receivables and other current assets ²	2 835.6	2 890.1
Current liquid bonds and other loan receivables	882.1	7.8
Bank balances and deposits	2 385.0	2 217.9
Financial liabilities	13 166.7	12 152.9
Non-current loans and borrowings	6 007.2	6 202.1
Trade payables and other current liabilities ³	4 383.8	4 628.0
Current loans and borrowings	221.9	329.4
Bank overdrafts	2 553.8	993.4

¹ Derivative financial assets and liabilities consist of forward exchange contracts and commodity futures. Their fair values are determined using the contract exchange rate at their measurement date, with the resulting value discounted back to the present value.

² Excludes derivative financial assets (disclosed separately) and prepayments.

³ Excludes derivative financial liabilities (disclosed separately) and provisions.

9. Capital expenditure, commitments and contingent liabilities

R million	2017	2016
Capital expenditure	735.3	1 443.6
Replacement	377.0	479.3
Expansion	358.3	964.3
Capital commitments	589.9	454.4
Contracted	256.4	276.3
Approved not contracted	333.5	178.1
Lease commitments (including sale and leaseback transaction)	3 585.5	3 759.5
Land and buildings	3 542.6	3 732.2
Other	42.9	27.3
Contingent Liabilities	6.8	83.6
Customer claims and guarantees	6.8	6.7
Tax contingent liabilities	—	76.9

10. Share statistics

	2017	2016
Ordinary shares in issue (000)	689 404	688 668
Ordinary shares in issue — net of treasury shares (000)	640 620	639 884
Weighted average number of ordinary shares on which basic earnings and headline earnings per share are based (000)	640 496	632 667
Weighted average number of ordinary shares on which diluted basic earnings and diluted headline earnings per share are based (000)	642 630	634 335

11. Key ratios and exchange rates

11.1 Key ratios

R million		2017	2016
EBITDA*		2 460.2	3 434.9
Net gearing	%	45.0	49.0
Current ratio	times	1.3	1.4
Current ratio (including non-current portion of liquid bonds)	times	1.5	1.5
Acid test ratio	times	0.8	0.8
Acid test ratio (including non-current portion of liquid bonds)	times	1.0	0.9
Net debt: EBITDA — debt covenants	times	2.3	1.9
Net debt: EBITDA — debt covenants (including liquid bonds)	times	1.6	1.7
EBITDA: Interest cover — debt covenants	times	7.2	5.4
Return on equity	%	2.5	17.9
Return on net assets	%	12.3	11.2
Net worth per ordinary share**	cents	1 454	1 438
Tangible net worth per ordinary share**	cents	896	806

* EBITDA is calculated before net impairment losses.

** Calculated on ordinary shares in issue — net of treasury shares.

11.2 Exchange rates

Key currency conversion rates used for the periods concerned were as follows:

	2017	2016
Rand/UK pound		
Average	16.96	21.07
Closing	18.17	17.80
Rand/Euro		
Average	14.78	16.43
Closing	15.98	15.42
Rand/US dollar		
Average	13.38	14.79
Closing	13.56	13.72
Naira/US dollar		
Average	321.90	229.60
Closing	358.99	315.00
Kwacha/US dollar		
Average	171.74	161.57
Closing	171.75	171.72

12. Related party transactions

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.

13. Subsequent events

There have been no subsequent events from the reporting date up to the date of the consolidated financial statements.

14. Independent auditor's opinion

The auditors, Deloitte & Touche, have issued their opinion on the consolidated financial statements for the year ended 30 September 2017, as well as these summarised consolidated financial statements. The audit was conducted in accordance with International Standards on Auditing. They have issued unmodified audit opinions. These summarised consolidated financial statements have been derived from the consolidated financial statements and are consistent in all material respects with the consolidated financial statements. Copies of their audit reports on the consolidated financial statements and on these summarised consolidated financial statements, together with the accompanying financial statements are available for inspection at the company's registered office. Any reference to future financial performance included in this announcement, has not been reviewed or reported on by the company's auditors.

The auditor's report does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of that report together with the accompanying financial information from the issuer's registered office.

Independent auditor's report on summary financial statements

To the shareholders of Nampak Limited

Opinion

The summary consolidated financial statements of Nampak Limited, which comprise the summary consolidated statement of financial position as at 30 September 2017, the summary 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 Limited for the year ended 30 September 2017.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of Nampak Limited, in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summary consolidated financial statements

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 and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of Nampak Limited and the auditor's report thereon.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 28 November 2017. That report also includes the communication of other key audit matters as reported in the auditor's report of the audited financial statements.


Directors' responsibility for the summary consolidated financial statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements, and for such internal control as the directors determine is necessary to enable the preparation of the summary consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34, Interim Financial Reporting.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the consolidated audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.



Deloitte & Touche

Registered Auditors

Per: Trushar Kalan

Partner

28 November 2017

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

National executive: *LL Bam Chief Executive, *TMM Jordan Deputy Chief Executive Officer, *MJ Jarvis Chief Operating Officer, *AF Mackie Audit & Assurance, *N Sing Risk Advisory, *NB Kader Tax, TP Pillay Consulting, S Gwala BPS, *K Black Clients & Industries, *JK Mazzocco Talent & Transformation, MG Dicks Risk Independence & Legal, *TJ Brown Chairman of the Board

* Partner and Registered Auditor.

A full list of partners and directors is available on request.

B-BBEE rating: Level 1 contributor in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

Administration

Nampak Limited

(Registration number 1968/008070/06)
(Incorporated in the Republic of South Africa)
Share code: NPK SIN: ZAE 000071676

Independent non-executive directors

TT Mboweni (Chairman), RC Andersen, E Ikazoboh, RJ Khoza, J John, NV Lila, PM Madi, IN Mkhari, PM Surgey.

Executive directors

AM de Ruyter (Chief executive officer), GR Fullerton (Chief financial officer), MMF Seleokane (Group human resources director).

Secretary

IH van Lochem (appointed with effect from 1 September 2017).

Registered office

Nampak House, Hampton Office Park, 20 Georgian Crescent East, Bryanston, Sandton, 2191, South Africa
(PO Box 69983, Sandton, 2021, South Africa)
Telephone +27 11 719 6300

Share registrar

Computershare Investor Services (Pty) Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa
(PO Box 61051, Marshalltown, 2107, South Africa)
Telephone +27 11 370 5000

Sponsor

UBS South Africa (Pty) Limited

Website

www.nampak.com

Disclaimer

We may make statements that are not historical facts and relate to analyses and other information based on forecasts of future results and estimates of amounts not yet determinable. These are forward-looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Words such as "believe", "anticipate", "expect", "intend", "seek", "will", "plan", "could", "may", "endeavour" and "project" and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that predictions, forecasts, projections and other forward-looking statements will not be achieved.

If one or more of these risks materialise, or should underlying assumptions prove incorrect, actual results may be very different from those anticipated. The factors that could cause our actual results to differ materially from the plans, objectives, expectations, estimates and intentions in such forward-looking statements are discussed in each year's annual report. Forward-looking statements apply only as of the date on which they are made, and we do not undertake other than in terms of the Listings Requirements of the JSE Limited, to update or revise any statement, whether as a result of new information, future events or otherwise. All profit forecasts published in this report are unaudited. Investors are cautioned not to place undue reliance on any forward-looking statements contained herein.

