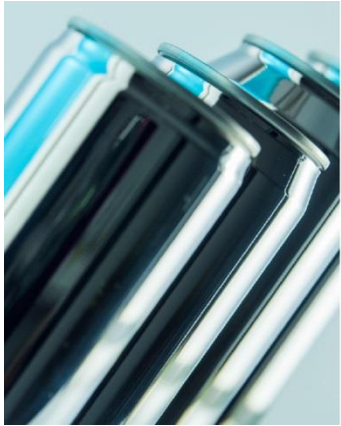




Annual Results

2017

Forward looking statements



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 income forecasts published in this report are unaudited. Investors are cautioned not to place undue reliance on any forward-looking statements contained herein.

-2%

Group revenue down to **R18.8 billion** due to Rand strengthening 10% against US dollar

+3%

Group trading profit up to **R2.0 billion** due to strong Metals performance

-86%

EPS down to **36.6 cents** from 254.5 cents due to no capital profit, impairment and onerous contract provisions

+15%

HEPS up to **123.8 cents** from 107.6 cents

45%

Net gearing further improved from 49% in 2016

USD127m

Cash extracted from Nigeria and Angola in 2017

+6%

Cash generated from operations before working capital changes increased to **R2.4 billion**

-50%

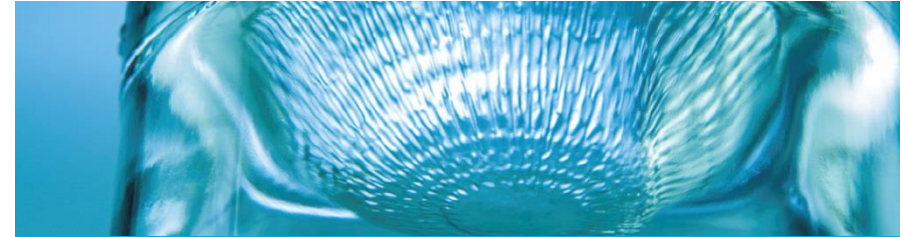
Capital expenditure halved to **R0.7 billion** due to prudent asset allocation

R668m

Impairments higher due to goodwill plus other assets write-offs related to Glass and onerous contract in Europe



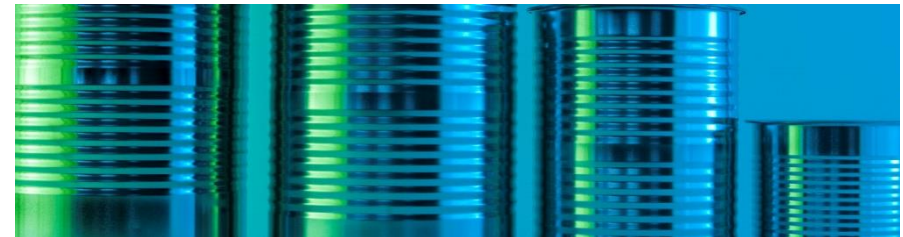
Safety improved LTIFR reduced to 0.41 (2016: 0.48) – operations excellence delivering



Improved carbon footprint – energy consumption reduced by 4% and water consumption down 13%



Operation efficiencies improved – divisional trading margin improved to 11.2% from 10.5%



Management of forex exposure improved – USD79m cash extracted in Nigeria and 89% of Angola cash balances hedged

Group revenue down 2%, trading profit up 3%



Metals

Revenue
R11 281m
+7%

Trading profit
+32%

15.0% margin



Plastics

Revenue
R4 624m
-17%

Trading profit
-58%

3.6% margin



Paper

Revenue
R1 497m
-14%

Trading profit
-25%

11.8% margin



Glass

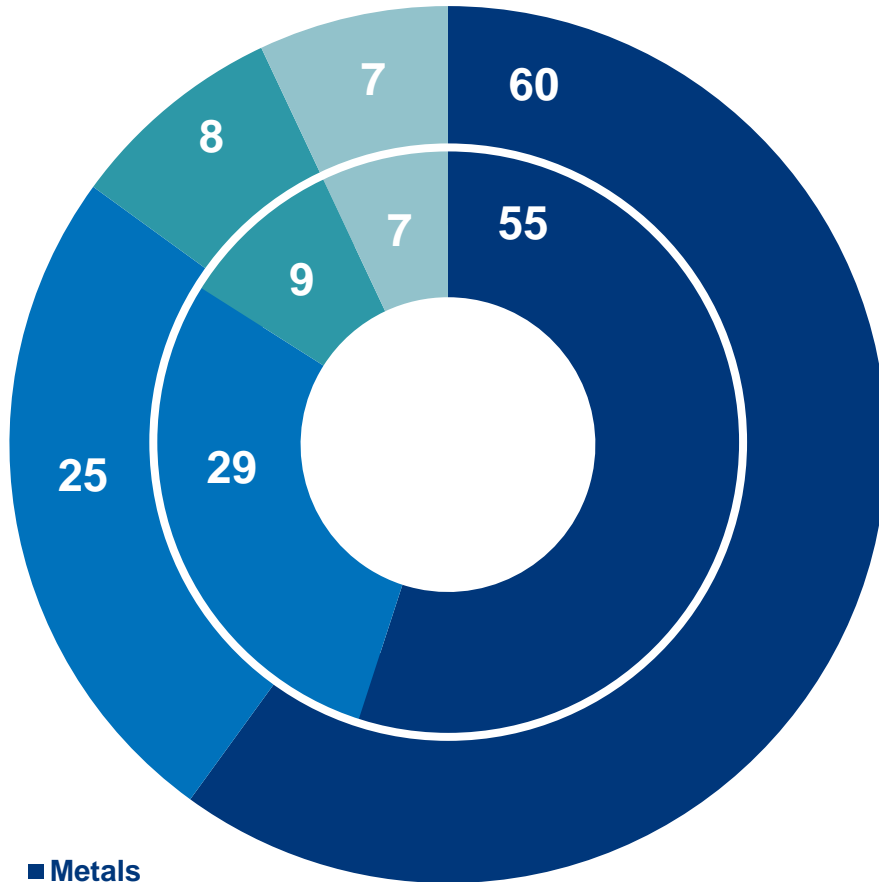
Revenue
R1 420m
+7%

Trading profit
-40%

4.4% margin

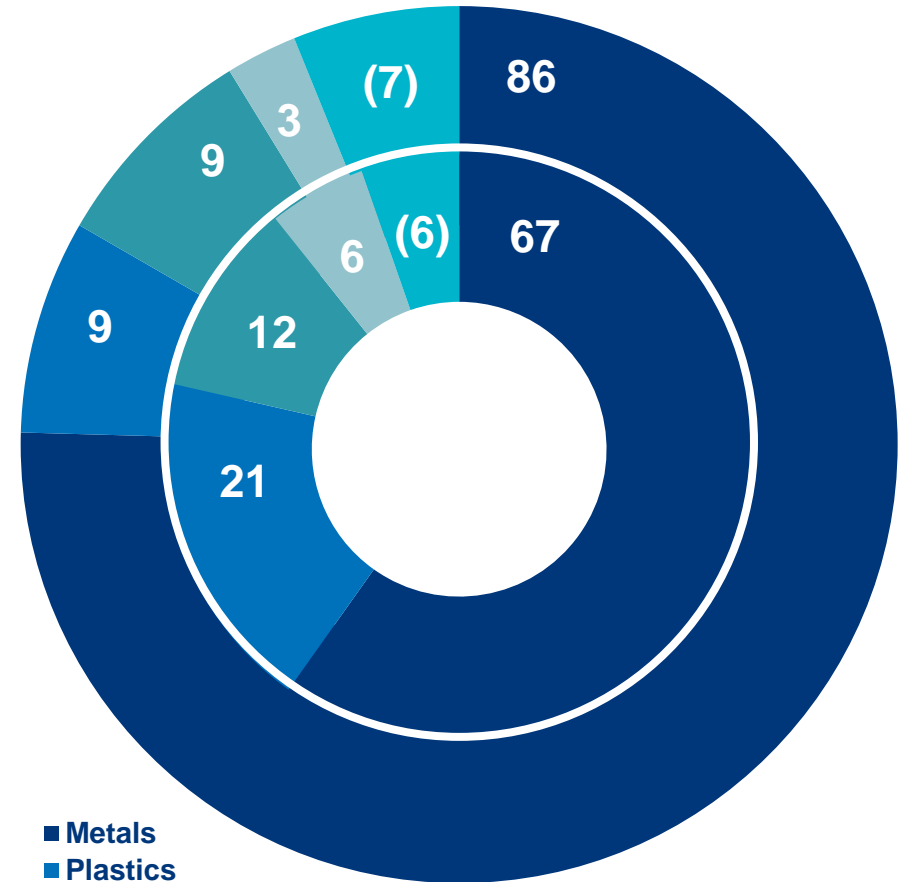
Metals: record performance and major contributor to trading profit

REVENUE (%)



- Metals
- Plastics
- Paper
- Glass

TRADING PROFIT (%)

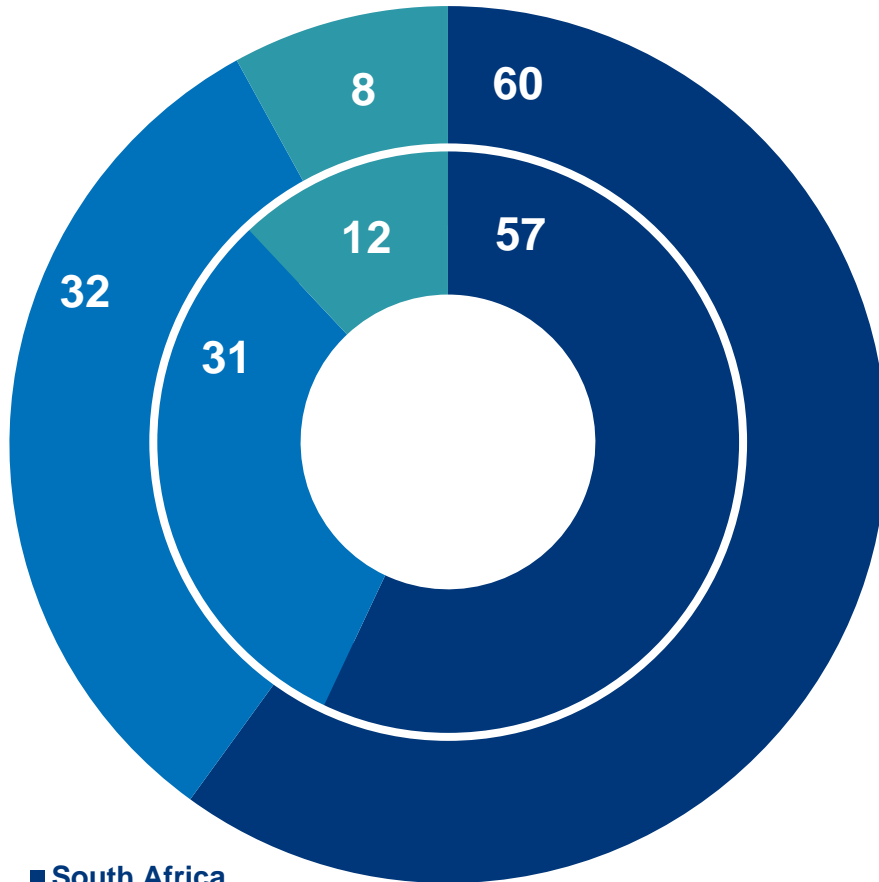


- Metals
- Plastics
- Paper
- Glass
- Corporate

○ 2017 – Outer circle
● 2016 – Inner circle

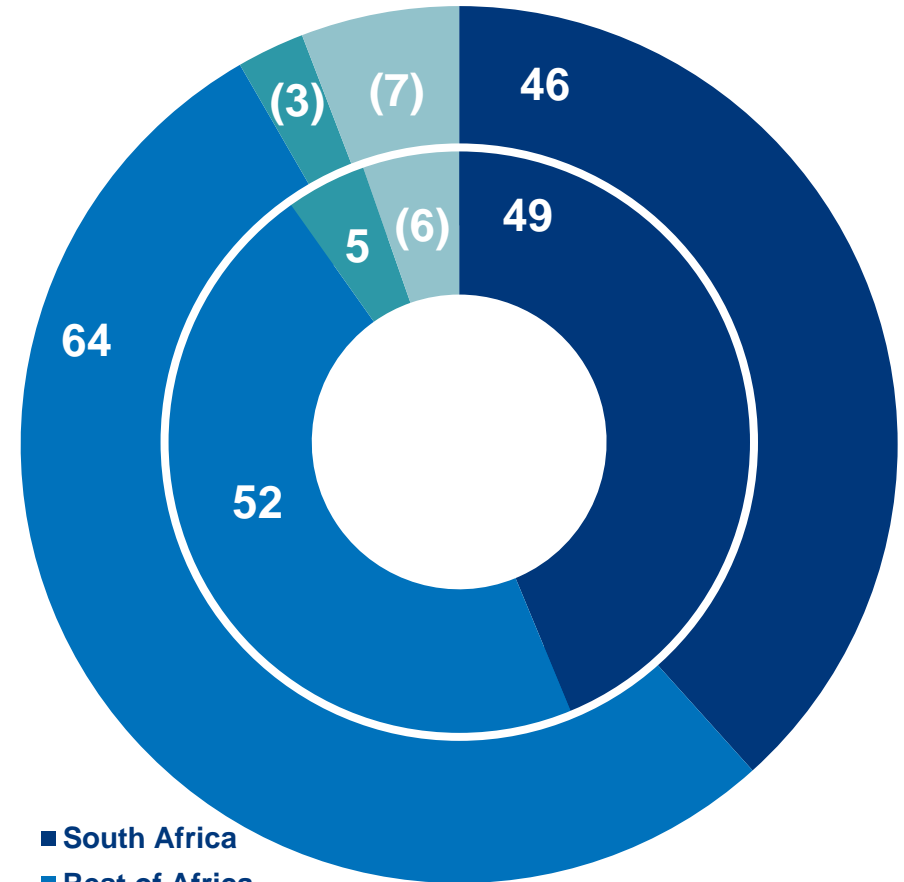
Rest of Africa growth increased contribution to trading profit to 64%

REVENUE (%)



- South Africa
- Rest of Africa
- Europe

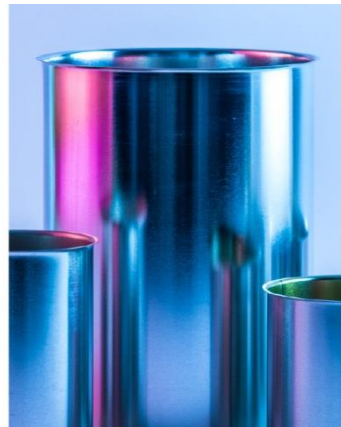
TRADING PROFIT (%)



- South Africa
- Rest of Africa
- Europe
- Corporate

○ 2017 – Outer circle
● 2016 – Inner circle

Operational Review



Metals largest contributor to growth in 2017

R million	2017	2016	% Δ
Revenue	11 281	10 510	7
Trading profit	1 695	1 285	32
Margin (%)	15.0	12.2	

› Bevcan South Africa

- › Volume recovery in H2
 - 3% volume growth
 - › Robust demand for beer, cider and energy drinks
 - › Growth in beer pack share, shift towards value packs (440ml and 500ml)
 - › Energy drinks growth > market growth
 - Efficiency gains lead to improved margins
 - › First full year of operation at expanded ends plant
 - › Supplying ends to Bevcan Angola and Nigeria
- › Ongoing portfolio management to manage costs
 - Saved R23m from Durban tinfoil can line closure
 - Impaired Cape Town tinfoil can line
- › Operations excellence focus lead to improved safety levels – 2m incident-free production hours

› Bevcan Angola

- › Record volumes lead to revenue and trading profit growth
 - First full year supplying a major customer
 - Began supplying ends to customers
- › Trading profit growth exceeded revenue growth due to efficiencies
- › Revenue and profits growth limited by Rand strengthening
- › Strong cash generation lead to increased hedging

› Bevcan Nigeria

- › Lower can volumes impacted by weak economy
- › Overall market declined

› DivFood

- › Disappointing performance due to weak demand
- › Loss of volumes and lower trading profit
 - Good growth from meat categories and more affordable proteins, stable vegetables volumes
 - Low fish catch, trading down and low consumer spending on discretionary items – paint, personal care items, etc.
- › Focused on optimising profitability
- › Rationalising products, customer base and structure

› General metals packaging

- › Improving demand as local supplier in Nigeria
- › Market share losses in Kenya, decent growth in Tanzania

Plastics transitioning and creating platform for future growth

R million	2017	2016	% Δ
Revenue	4 624	5 557	(17)
Trading profit	166	392	(58)
Margin (%)	3.6	7.1	

› Plastics South Africa

- » Resilient performance in face of market and economic headwinds
 - Lower demand by the dairy market due to drought
 - Backward integration by major PET customers in H1
 - Entry of new competitors
- » Flat revenue growth, trading profit decline due to loss of volumes
 - Marketing initiatives stimulated demand in liquid packaging
 - » Optimised offering to dairy industry
 - » Grew presence in water, sauces and condiments
- » Extended contract with large customer for tubes
- » Crates had good demand and added new customers

› Plastics Europe

- » Revenue dropped 20% in pound sterling for Plastics Europe
 - Sale of two in-plants to a major customer in H1 and backward integration
 - Flat demand from other major customers and uptake by new customers disappointing
 - Falling milk prices led to margin pressure
- » Trading loss of R64m due to lost volume
- » Onerous contract identified
 - R112m related asset impaired and R82m provision raised
- » R81m other assets impaired due to market conditions
- » Focused on operational excellence – raw material usage, better energy efficiencies

› Rest of Africa

- » Demand for bulk alcohol drums improved
- » Lower revenue and trading profit in Zimbabwe due to increasingly tight liquidity and depressed trading conditions
- » Ethiopia grew, albeit off a low base

R million	2017	2016	% Δ
Revenue	1 497	1 749	(14)
Trading profit	177	236	(25)
Margin (%)	11.8	13.5	

› Zimbabwe Hunyani

- » Good performance due to good tobacco crop
- » Restrictions on imported packaging
- » Imposed duties stimulated local packaging demand
- » Improved margins and operational efficiencies

› Nigeria Cartons

- » Revenue and trading profit grew significantly in local currency
- » Good trading demand and customer stock builds
- » Strengthened Rand nullified growth

› Zambia

- » Weak demand – introduction of alternative packaging for sorghum beer

› Malawi

- » Shift towards other packaging substrates by key customer

› Kenya Bullpak

- » Low demand – lower harvest, new competitor and backward integration

Glass performance hampered by electricity interruptions

R million	2017	2016	% Δ
Revenue	1 420	1 323	7
Trading profit	63	105	(40)
Margin (%)	4.4	7.9	

› Volume growth in a generally depressed market

- › Wine market share doubled to 21% since 2015
- › Additional volumes to breweries
 - Growth from existing customers
 - New customers
- › Container glass market remains weak

› Lower trading profit due to result of production disruptions

- › Disappointing operational efficiencies
- › Irregular electricity supply in H2 – failure of a major transformer on electricity grid
- › R72m loss due to electricity disruptions

› Assets assessed and value-in-use reduced

- › R321m goodwill raised on acquisition of 50% share of JV partner impaired
- › R114m intangible assets impaired

› Ongoing management of costs

- › Gas transmission line successfully installed and commissioned
 - Energy savings and diversified energy supply
- › Secured supply of raw materials
- › Enhanced inspection capabilities

Financial Results



Results favourably impacted by Rest of Africa trading profit growth of 27%

Statement of comprehensive income

R million	2017	2016	% Δ	
Revenue	18 822	19 139	(2)	Record performance by Bevcan Angola, strong H2 by Bevcan SA, 7% revenue growth by Glass division partially offset by Plastics Europe decline
Trading profit	1 967	1 905	3	Trading profit from Rest of Africa up 27% Offset by 4% decline in SA and Plastics Europe reporting a loss, adjusting for external rent paid, trading profit of R2.1bn up 11%
Net abnormal losses	(1 006)	(1 061)	5	
Operating profit before capital profit on sale and leaseback of properties	961	844	14	Higher impairments of R668m, lower forex losses at R160m, R82m onerous contract provision and related costs, Glass production losses of R79m
Capital profit on sale and leaseback of properties	–	1 319	(100)	
Operating profit	961	2 163	(56)	Once-off R1.3bn capital profit on sale and leaseback in 2016
Net finance costs	(391)	(486)	20	Effective tax rate of 37.5% up from 11.9% Impairments and other disallowed expenses increased tax rate by 29% in H2
Profit before tax	570	1 677	(66)	
Tax expense	(214)	(199)	(8)	Once-off R1.3bn capital profit in 2016 and increased tax rate in 2017 and higher minorities
Profit for the year	356	1 478	(76)	
EPS (cents)	36.6	254.5	(86)	Lower forex losses, lower finance charges, higher tax and adjustment for capital profit, impairments and higher minorities
HEPS (cents)	123.8	107.6	15	

Reduced foreign exchange losses compensate for increased impairments

Reconciliation of trading profit to operating profit and EBITDA

R million	2017	2016	% Δ
Trading profit	1 967	1 905	3
Net abnormal losses	(1 006)	(1 061)	5
Net impairment losses	(668)	(360)	(86)
Devaluation loss arising from Nigerian and Angolan exchange rate movements	(160)	(681)	77
Onerous contract and related costs	(82)	–	
Production losses at Glass	(79)	–	
Retrenchment and restructuring costs	(73)	(34)	
Profit on disposal of investments	25	3	
Other	31	11	
Operating profit before sale and leaseback	961	844	14
Profit on disposal of sale and leaseback properties	–	1 319	
Operating profit	961	2 163	(56)
Depreciation and amortisation	831	912	
Net impairments	668	360	
EBITDA	2 460	3 435	(28)
EBITDA excl. sale and leaseback profit	2 460	2 116	16

Glass goodwill R321m, Glass intangible asset R114m, assets of R112m associated with onerous contract at Plastics Europe, other asset impairments at Plastics Europe R53m and Cape Town tinplate line R35m

Forex losses down

Nigerian monetary items translated at NAFEX vs NIFEX in 2016 with 14% devaluation. USD127m extracted from Nigeria and Angola with USD79m from Nigeria exceeding USD54m guided at H1

Onerous contract identified

Provision for costs related to onerous contractual obligations in Plastics Europe's in-plant

Production losses at Glass

Electricity supply disruptions predominantly

Other includes

Profit on acquisition in Botswana of R27m

Capital profits down

Once-off R1.3bn capital profit on sale and leaseback in 2016

Strengthened Rand moderated Group performance

Pleasing improvement in trading margin

Segmental performance by region

R million	Revenue			Trading profit			Trading margin (%)	
	2017	2016	% Δ	2017	2016	% Δ	2017	2016
South Africa	11 303	10 959	3	908	942	(4)	8.0	8.6
Rest of Africa	6 083	5 950	2	1 257	990	27	20.7	16.6
Europe	1 436	2 230	(36)	(64)	86	(>100)	(4.5)	3.9
Total operations	18 822	19 139	(2)	2 101	2 018	4	11.2	10.5
Corporate services	–	–		(134)	(113)	19		
Group	18 822	19 139	(2)	1 967	1 905	3	10.4	10.0

Major foreign exchange rates

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

- › Revenue up 6% in constant currency vs decrease of 2% in comparative terms
- › Non-South African revenues reduced to 40% from 43% in 2016
 - › Revenue growth in South Africa
 - › Strengthening of the Rand adversely impacted Group performance on translation of foreign operations
 - › Disappointing performance by Plastics Europe, revenue declined 20% in pound sterling
- › Trading profit grew 12% in constant currency vs 3% in comparative terms

Strong performance by Metals division

Group trading margin improved to 10.4%

Segmental performance by substrate

R million	Revenue			Trading profit			Trading margin (%)	
	2017	2016	% Δ	2017	2016	% Δ	2017	2016
Metals	11 281	10 510	7	1 695	1 285	32	15.0	12.2
Plastics	4 624	5 557	(17)	166	392	(58)	3.6	7.1
Paper	1 497	1 749	(14)	177	236	(25)	11.8	13.5
Glass	1 420	1 323	7	63	105	(40)	4.4	7.9
Total operations	18 822	19 139	(2)	2 101	2 018	4	11.2	10.5
Corporate services	–	–		(134)	(113)	19		
Group	18 822	19 139	(2)	1 967	1 905	3	10.4	10.0

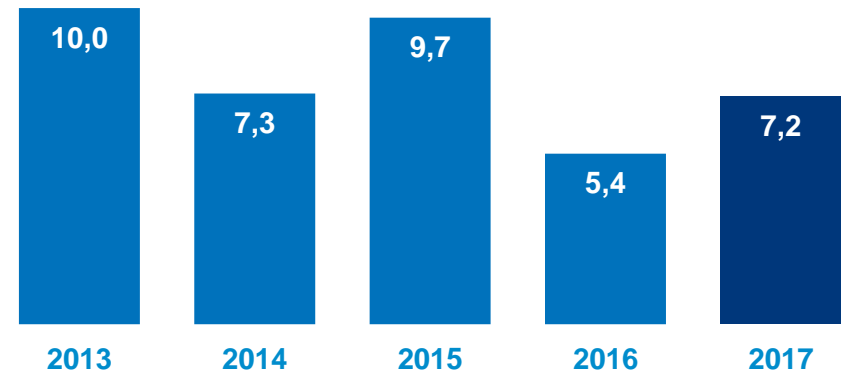
Net finance costs down 20%

Sale and leaseback delivers expected benefits

Finance costs

R million	2017	2016	% Δ
Finance costs	509	528	(4)
Finance income	(118)	(42)	>100
Net finance costs	391	486	(20)
Capitalised interest	–	38	
Gross interest	391	524	(25)
Interest cover – covenant	7.2	5.4	

EBITDA:INTEREST COVER (TIMES) COVENANT GREATER THAN 4 TIMES



› EBITDA interest cover improved to 7.2 times due to:

- › 75% of sale and leaseback proceeds utilised to reduce interest-bearing debt in South Africa
- › 25% decrease in gross interest
- › No finance costs capitalised during the year
- › Significant headroom in covenant

Effective tax rate increased due to impairments

Rate in line with half year forecast excluding H2 impairments

Reconciliation of effective to statutory tax rate

%	2017	2016	
Corporate tax rate	28.0	28.0	
Sale and leaseback	–	(21.4)	Capital profits Once-off R1.3bn capital profit on sale and leaseback in 2016 shielded by available assessed losses
Government incentives	(21.1)	(6.4)	Government incentives Group benefits from tax incentives granted in relation to beverage can lines in Angola, Nigeria and South Africa
Tax rate differential	(20.1)	(10.3)	Tax rate differential Group benefits from different tax rates in different tax jurisdictions
Impairments and other losses – Glass, UK and Ireland	29.0	–	Impairments No tax shield for various impairments and provisions for onerous contract and related costs at Plastics Europe
Forex losses not protected	7.9	21.2	
Withholding and other foreign taxes	8.5	3.0	Forex losses Reduced from R681m to R160m, with Nigeria and Angola being in pioneer status and tax holiday respectively
Other	5.3	(2.2)	
Effective group rate of tax	37.5	11.9	
Impairments and other losses – Glass, UK and Ireland	(29.0)	–	
Effective tax rate forecast at H1	8.5	11.9	Group effective tax rate pre impairments in line with H1 Impairments and other losses raised in H2, effective rate excluding impairments in line with H1 forecast

Headline earnings up 15%

Sale and leaseback, minority interest and impairments impact earnings

Reconciliation of EPS to HEPS

Cents per share	2017	2016	% Δ
Net profit	55.5	233.7	(76)
Outside shareholders interest	(18.9)	20.8	
Basic earnings	36.6	254.5	(86)
Profit on sale and leaseback of properties	–	(208.5)	
Basic earnings excl. profit on sale and leaseback of properties	36.6	46.0	(20)
Net impairment losses on property, plant, equipment, goodwill, intangible assets and investments	104.3	57.0	
Net gain on disposal of investments and businesses	(4.0)	(0.6)	
Gain on acquisition of business	(4.2)	–	
Net (profit)/loss on disposal of other property, plant, equipment and intangible assets	(1.2)	1.1	
Tax effects and non-controlling interests	(7.7)	4.1	
Headline earnings	123.8	107.6	15
Weighted average number of shares (millions)	640.5	632.7	

› Non-controlling interests primarily relate to Bevcan Angola (30% minority) – record profit achieved in current year compared to a loss after interest

Abridged statement of financial position

R million	2017	2016	% Δ
Property, plant and equipment	10 152	10 573	(4)
Goodwill	3 374	3 734	(10)
Other intangible assets	194	309	(37)
Liquid bonds and other loan receivables	1 164	674	73
Other non-current assets	71	99	(28)
Non-current assets	14 955	15 389	(3)
Other current assets	7 008	6 489	8
Liquid bonds and loans	882	8	>100
Bank balances	2 385	2 218	8
Current assets	10 275	8 715	18
Total assets	25 230	24 104	5
Total equity	9 681	9 445	3
Non-current liabilities	7 925	8 325	6
Current liabilities	7 624	6 334	20
Total equity and liabilities	25 230	24 104	5

› PPE

› Capex spend well controlled, down 50% to R0.7 billion

› Impairments

› PPE R233m includes:

- R112m in-plant and R53m other assets at Plastics Europe
- R35m Epping plant

› Goodwill R321m

› Other intangibles R114m

› Liquid bonds

› Increased hedging of cash balances in Angola to 89% from 61%

› “Cash balance” increased to R2.2bn from R1.0bn

› US dollar linked kwanza bonds used to hedge against potential currency devaluation

› Kwanza bonds of R2.0bn increased by R1.4bn from R0.6bn

› IFRS disclosure requirements

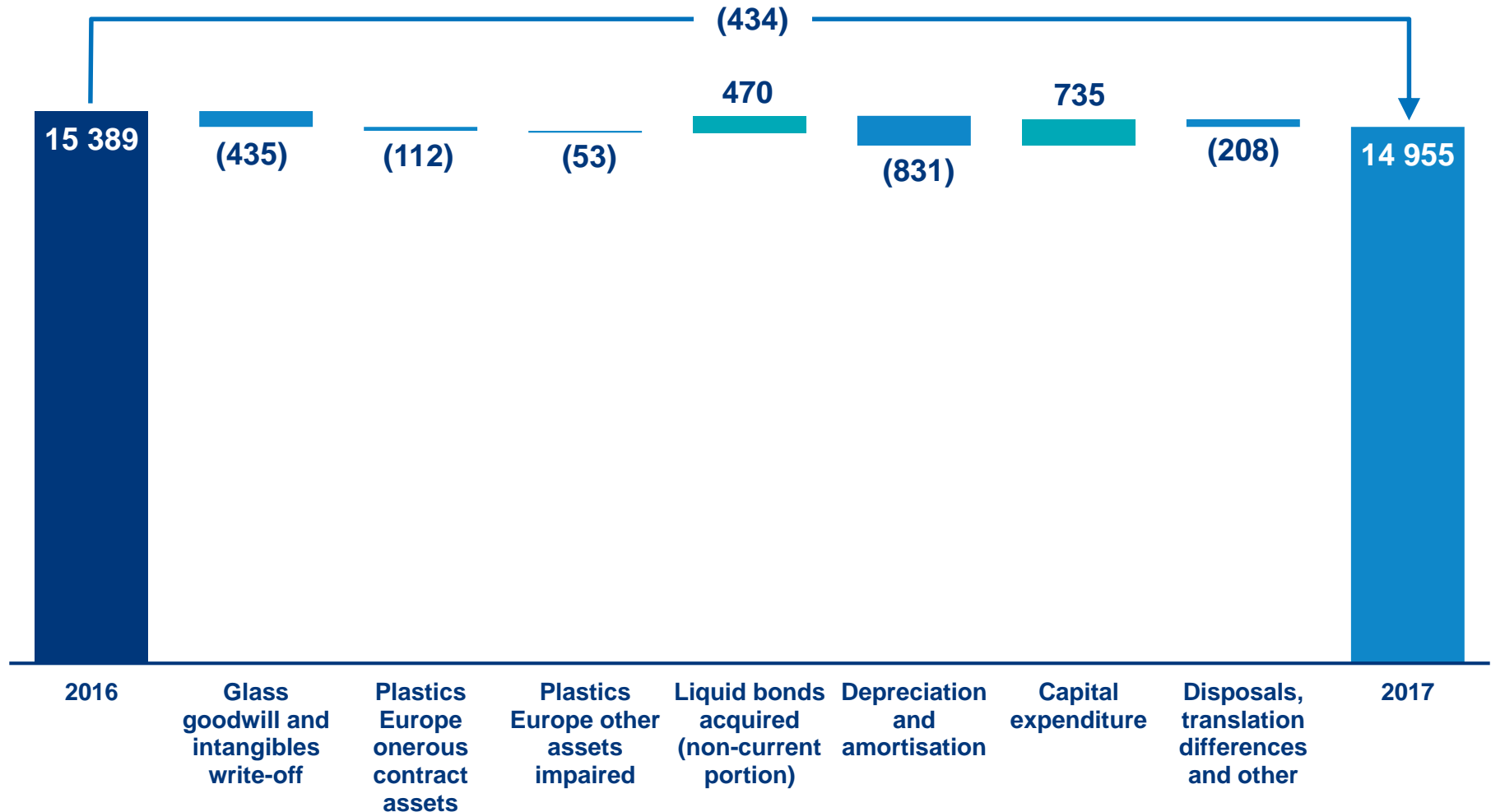
› Bonds with maturity <1 year = current assets

- Bonds with maturity >1 year = non-current assets
- Not disclosed as cash and cash equivalents despite liquid secondary market and ability to convert to cash
- Continue to hedge in this manner, however liquidity not addressed through hedge

Stable non-current asset base despite impairments

Liquid bonds in Angola with maturities > year included

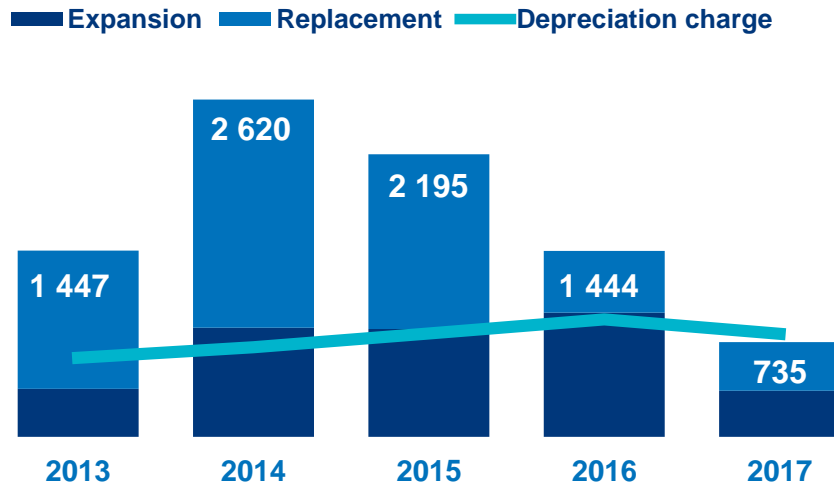
NON-CURRENT ASSETS MOVEMENT (R MILLION)



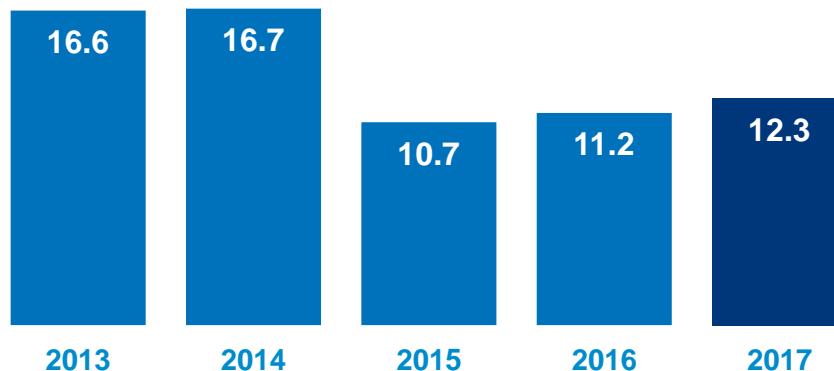
Capex halved to R735 million

Capital programme tightly controlled without compromising asset integrity

CAPITAL EXPENDITURE AND DEPRECIATION (R MILLION)



RETURN ON NET ASSETS (%)



› Capital Assurance Committee

- › Introduced during the year with positive impacts
- › Prudent allocation of capital to drive achievement of capex project hurdle rates
- › Project hurdle rates set at 1.5 times WACC
- › Capex reduced by 50% without compromising integrity of asset base and cash generative ability
- › Useful lives of asset and residual values assessed during the year to comply with IAS 16: PPE

› Major capex in 2017

- › DivFood modernising printing and coating line, upgrade of large format can capability and can line in Botswana – R152m
- › Bevcan Springs ends expansion and Rosslyn line 2 – R35m
- › Glass inspection equipment and gas pipeline – R67m

› FY18 capex range between R1.0 and R1.2bn

- › RONA – upward trend since 2015 after higher capex spend in 2014 and 2015

Liquidity restored in Nigeria, cash restricted in Angola and Zimbabwe

USD127m extracted from Nigeria and Angola

› Nigeria

- » Cash extraction improves to 93% from 57%
- » USD79m extracted, exceeding H1 forecast of USD54m
- » Forex loss of R160m down from R507m
- » Forex devaluation of 14%
- » NAFEX rate used to translate monetary items
- » NIFEX rate used in prior year
- » Liquidity restored, >USD4bn traded on NAFEX

› Angola

- » Hedging of cash balances increased to 89% from 61%
 - Cash extraction lower in H2, 70% extracted in H1
- » No devaluation in 2017
- » Hedging to mitigate expected devaluation

› Zimbabwe

- » Cash balances grew to R0.7bn in 2017 from R0.3bn
- » Currency shortages and uncertain political environment

› Operations adequately funded

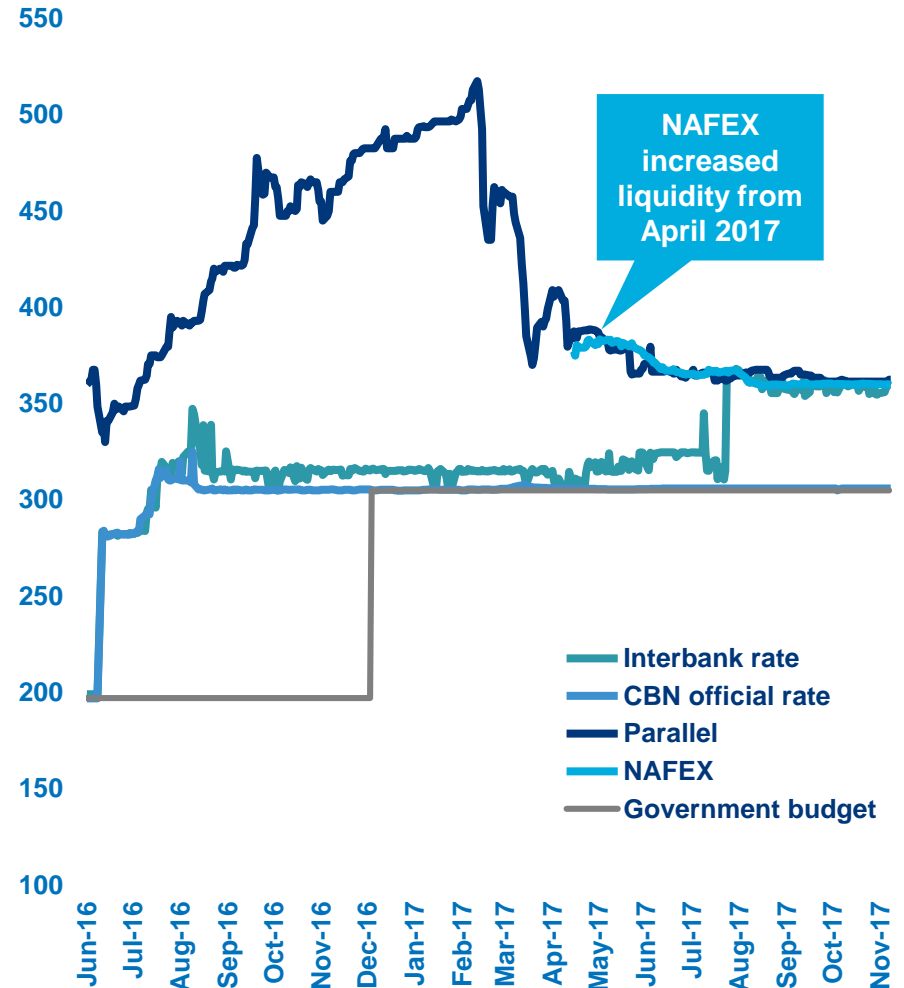
- » Raw material through Isle of Man procurement and treasury

› Balancing growth, profitability and risk management crucial

› Overall long-term investment rationale unchanged

- » Oil price improving, Nigeria NAFEX encouraging
- » Good market positions and strong customer relationships
- » Nampak to benefit from long-term demand growth

NIGERIAN FOREX RATES:USD



69% of R2.8 billion cash held in restricted areas hedged

No hedging required in Nigeria given NAFEX liquidity

Cash balances (including liquid bonds) at year end

	Restricted areas		Sub-total	Nigeria	Total
	Angola	Zimbabwe			
30 September 2017					
Cash on hand	R2 188m	R654m	R2 842m	R828m	R3 670m
Hedged	R1 954m	– (1)	R1 954m	– (2)	R1 954m
% cash hedged	89%	–	69%	–	53%
Cash extraction rate*	47%	40%	47%	93%	65%
30 September 2016					
Cash on hand	R1 004m	R290m	R1 294m	R984m	R2 278m
Hedged	R614m	–	R614m	R376m	R990m
% cash hedged	61%	–	47%	38%	43%
Cash extraction rate*	95%	56%	94%	57%	76%

Liquidity ratio of invoices presented for payment in the period. Applicable to Angola and Nigeria only.

(1) No suitable hedges available in Zimbabwe

(2) No hedging required given liquidity provided by NAFEX

- › Zimbabwe added to analysis given increase in cash holdings
- › Improved hedging in Angola to 89% from 61% in prior year

Financial position strengthened with reduced gearing significant headroom on loan covenants

Covenant ratios

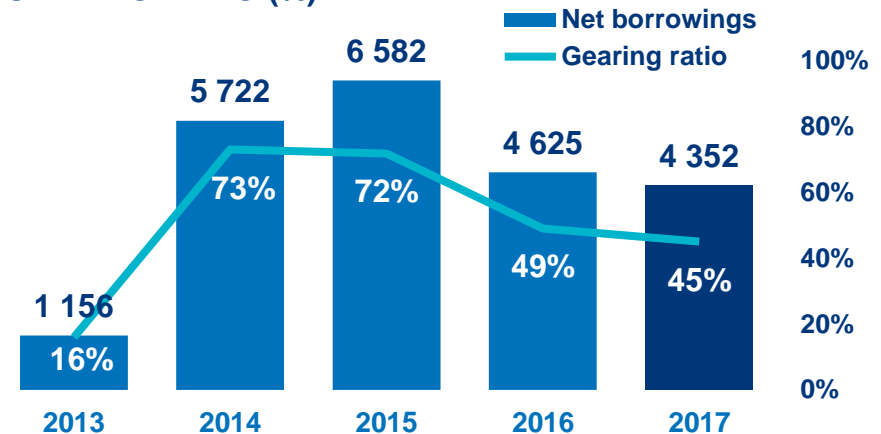
	2017	2016
Net gearing (%)	45	49
Net debt: EBITDA (times) – incl. liquid bonds ⁽¹⁾	1.6	1.7
Net debt: EBITDA (times) – excl. liquid bonds ⁽¹⁾	2.3	1.9
EBITDA: Net interest (times) ⁽²⁾	7.2	5.4

(1) Including all cash balances.

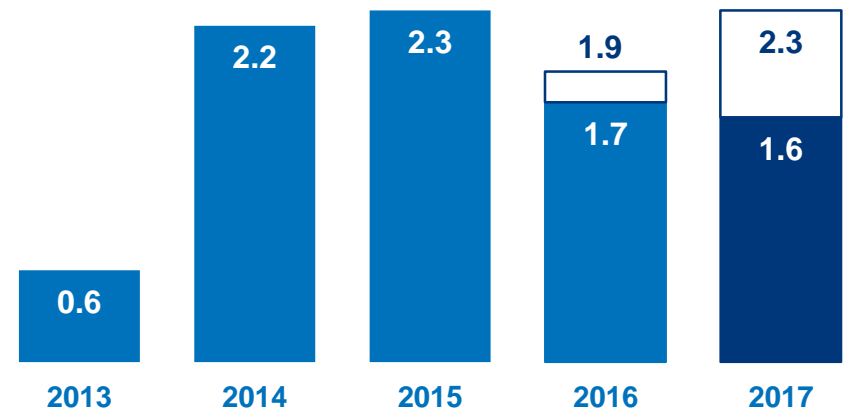
(2) Based on covenant calculations.

- › **Net gearing improved to 45% from 49% with net borrowings down 6%**
- › **PRMA payment of R569m funded as follows:**
 - › R436m – 25% of sale and leaseback proceeds of R1.744bn received in September 2016
 - › R133m from current year cash flows
 - › Effective impact on gearing of 6%
- › **Significant headroom on loan covenants requirements of:**
 - › Interest-bearing debt: EBITDA <3 times
 - › EBITDA interest cover >4 times
- › **Good short-term liquidity with adequate banking facilities**

NET BORROWINGS (R MILLION) AND GEARING RATIO (%)



NET DEBT:EBITDA (TIMES) COVENANT LESS THAN 3 TIMES



Cash generated from operations before working capital up 6%

Statement of cash flows

R million	2017	2016	% Δ
Cash generated from operations before working capital changes	2 395	2 264	6
Working capital changes	(327)	561	(>100)
Cash generated from operations	2 068	2 825	(27)
Net interest paid	(406)	(521)	22
Retirement benefits, contributions and settlements	(119)	(161)	26
Income tax paid	(152)	(201)	24
Cash inflows from operations	1 391	1 942	(28)
Dividends paid	(0)	(576)	(>100)
Cash generated from operating activities	1 391	1 366	2
Capital expenditure	(735)	(1 444)	49
Net proceeds from sale and leaseback of properties	–	1 701	(>100)
Post retirement medical aid buy-out	(569)	–	(>100)
Increase in liquid bonds	(1 337)	(618)	(>100)
Other investing activities	69	159	(57)
Cash (utilised)/generated before financing activities	(1 181)	1 164	(>100)
Cash (repaid)/raised from financing activities	(238)	2 381	(>100)
Net (decrease)/increase in cash and cash equivalents	(1 419)	3 545	(>100)

Trading profit grew 3% and improved trading margins and good cost management

No dividend declared in 2017. Dividend paid in 2016 relates to final dividend from 2015.

PRMA settlement
54% members accepted offer to convert a monthly benefit to an annuity and R436m of payment to members in H1 using proceeds from sale and leaseback to reduce PRMA liability

Additional bonds acquired to hedge higher cash balances in Angola

Normalised cash generated before financing activities and dividends up 10%

Cash flows analysis

R million	2017	2016	% Δ
Cash inflow from operations before dividends	1 391	1 942	(28)
Cash utilised in investing activities	(2 572)	(202)	
Cash (utilised)/generated before financing activities and dividends	(1 181)	1 740	(>100)
Non-operational adjustments:			
Add: Increase in liquid bonds (included in investing activities)	1 337	618	
Add: Post-retirement medical aid buy-out	569	–	
Less: Proceeds from the sale and leaseback of properties	–	*(1 701)	
Normalised cash generated before financing activities and dividends	725	657	10
Less: Portion of PRMA buy-out funded from cash flows	(133)	–	
Normalised increase in cash and cash equivalents before financing activities and dividends	592	657	(10)

* Proceeds net of transaction costs.

› IFRS requirements now require US dollar kwanza liquid bonds to be excluded from cash and disclosed as investing activities

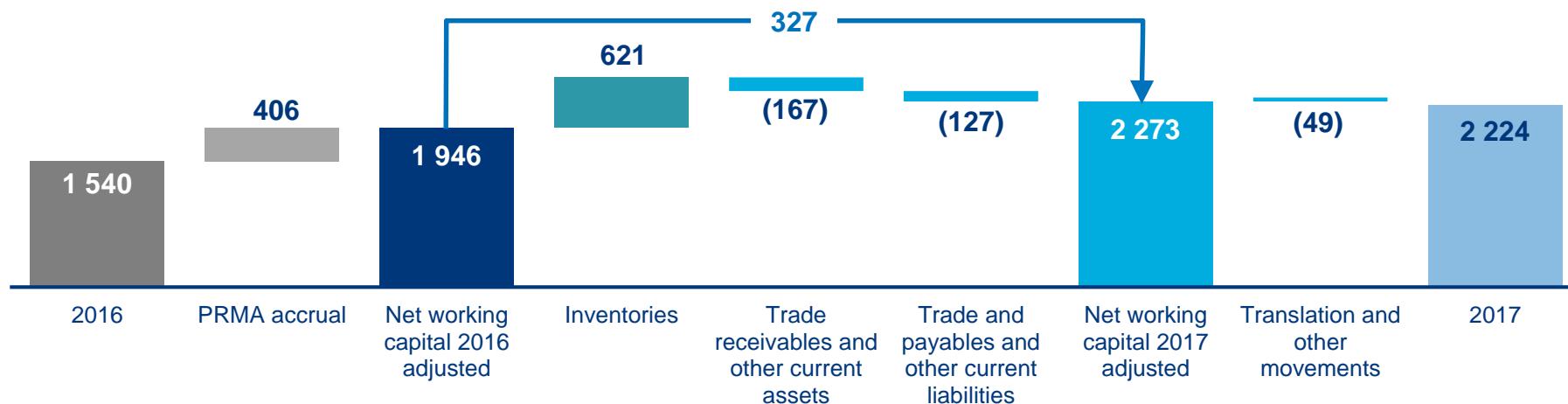
Increased inventory levels in net working capital off contracted 2016 base to fund growth in Angola

Changes in net working capital and liquidity ratios

R million	2017	2016
(Increase)/decrease in inventories	(621)	488
Decrease in trade receivables and other current assets	167	119
Cash (outflow)/inflow before payables	(454)	607
Increase/(decrease) in trade payables and other current liabilities	127	(46)
Net working capital changes	(327)	561

- › Significant contraction in net working capital achieved in 2016 off elevated 2015 base
- › Record sales in Angola required additional inventory to meet demand during 2017
- › Elevated inventory was planned given port issues in Nigeria
- › Improvements in trade receivables and trade payables partly fund increased inventories

NET WORKING CAPITAL MOVEMENT



In summary

Consistent to improving key ratios/metrics








Ratios

	2017	2016	% Δ
HEPS (cents)	123.8	107.6	15
Net gearing (%)	45	49	
Current ratio (times) – including non-current portion of liquid bonds	1.5	1.5	
Acid test ratio (times) – including non-current portion of liquid bonds	1.0	0.9	
Net interest-bearing debt: EBITDA – including liquid bonds	1.6	1.7	
<i>Covenant</i>	<3.0	<3.0	
EBITDA interest cover (times)	7.2	5.4	
<i>Covenant</i>	>4.0	>4.0	
EBITDA (excluding sale and leaseback) (R million)	2 460	2 116	16
EBITDA margin (%)	9.5	9.2	
RONA (%)	12.3	11.2	
Cash generated before working capital (R million)	2 395	2 264	6
Normalised cash generated before financing activities and dividends (R million)	725	657	10

Ratios include liquid bonds.

In a nutshell

Finance focus areas

Finance focus areas	How we rate ourselves
Capex management – Capex well managed, reduced by 50% to R0.7 billion	
Working capital management – R327 million absorption in net working capital (2016: R561 million released)	
Forecasting strong internal alignment and focus	
Managing RoA liquidity (US\$127 million extracted) and hedging <ul style="list-style-type: none"> › USD79 million and USD48 million extracted in Nigeria and Angola respectively › Cash extraction improved to 93% in Nigeria (2016: 57%) › Liquidity restored with introduction of NAFEX market › 89% of R2.2 billion cash holdings hedged in Angola (2016: 61%) 	
Financial position optimisation <ul style="list-style-type: none"> › Net debt reduced by 6% › EBITDA to revenue ratio improved ⁽¹⁾ 	
Managing down gearing <ul style="list-style-type: none"> › Group gearing ratio further reduced from to 45% from 49% › Covenants well managed 	
Focus on cash generation <ul style="list-style-type: none"> › Cash generated before working capital changes increased by 6% › No final dividend in line with group’s efforts to conserve cash 	

⁽¹⁾ Excluding capital profit on sale and leaseback of properties in 2016.

Outlook





Metals

Operations excellence to drive sustainable profitability



Plastics

Restructuring to improve efficiency and optimise capacity utilisation



Paper

Manage costs and improve operational efficiencies by servicing regions effectively



Glass

Improve operational efficiencies and manufacturing disciplines

METALS

Operations excellence to drive sustainable profitability

› **Bevcan SA**

- » Entry of competitor likely to lead to loss of volumes, opportunity to optimise portfolio
- » Strong quality offering and market positioning
- » Working with customers to navigate proposed legislative on sugar tax

› **DivFood**

- » Subdued consumer demand expected to continue
- » Target growth in specific categories

› **Rest of Africa**

- » USD13m phase one line conversion for Angola to meet short/medium term market demand
- » Kwanza US dollar swap
- » Muted can volume demand in Nigeria as economy slowly recovers from recession
- » Restored liquidity and economy recovery expected to benefit general metals packaging
- » Continue driving improvements and cost efficiencies

PLASTICS

Restructuring to improve efficiency and optimise capacity utilisation

› **South Africa**

- » Pressure on volumes expected
 - Lower share allocated on major tender in dairy market
- » Customer base to mitigate volume losses
 - Wide product range and strong market position
 - Pursue adjacent market opportunities
 - Support substrate shifts by customers
 - New product launches
- » Reduce cost base
 - Consolidation of Isando/Industria plants by end of H1 2018, savings of R17m per annum
 - Rationalise under-utilised lines
- » Recapitalisation of crate business and replace ageing machinery

› **Europe**

- » New commercial team to leverage light weighting capabilities to grow customer and product base
- » Expect to breakeven in 2018
- » Negotiations ongoing for onerous contract

PAPER

Manage costs and improve operational efficiencies by servicing regions effectively

- » Preference for local packaging to drive growth
- » Liquidity constraints in Zimbabwe remain a risk
- » Awaiting tobacco cartons tender outcome in Nigeria
- » Rationalise and consolidate production facilities in south and east Africa
 - Extract operational efficiencies
 - Manage costs
- » Focused production hubs for region
 - Zimbabwe – general and tobacco cartons
 - Zambia – sorghum beer cartons

GLASS

Improve operational efficiencies and manufacturing disciplines

- » Marketing initiatives to drive growth
- » Leverage further sales growth in wine sector
- » Expect growth in emerald green glass
- » Challenging trading environment remains for consumers
- » New technical skills and greater management oversight to improve and optimise operation of furnaces
- » Optimise furnace draw – rationalise product mix, dedicate furnaces to specific colours
- » Rest of Africa opportunities in medium/long term

- › **Nampak undergoing necessary restructuring in response to market trading conditions**
 - » Ongoing management of operating footprint and managing costs
 - Consolidation of manufacturing sites and lines
 - Capacity filling initiatives
 - Service regions effectively
 - Optimal structure review
 - Cost saving initiatives across the Group
 - » Creating a platform for future growth
- › **World-class manufacturing facilities focused on improving efficiencies and safety**
 - » Operations excellence to unlock further efficiency gains
- › **Macroeconomic environment has impact on growth prospects**
 - » Consumer spending ultimately determines volume growth
- › **Political uncertainty remains a concern in key geographies**
- › **Remain optimistic on the long-term outlook on the Rest of Africa**
 - » Liquidity restored in Nigeria
 - » Oil pricing improving steadily
 - » First move advantage when conditions stabilise in other territories
 - » Strong relationships with customers
 - » Strong market share in most substrates/product offering

Thank you



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