



Summarised consolidated financial results

For the six months ended 31 March 2018



Revenue
increased to

R8.8bn

up by 2%



Trading profit
increased to

R1.2bn

up by 7%



HEPS
increased by

10%

to 132.0 cents
per share



Cash extracted from
Nigeria, Angola and
Zimbabwe

R1.3bn

(USD97.6m)



Operating profit
decreased to

R1.0bn

down by 6%



Net gearing
improved to

39%

from 51% — financial
position further
enhanced

Nampak's CEO, André de Ruyter, commented "Our performance from continuing operations is pleasing in a mixed economic and political environment. All our beverage can making operations and plastics in the Rest of Africa achieved pleasing results while the rest of the group delivered a satisfactory performance under adverse conditions, characterised by reduced demand, particularly prior to December 2017.

Our focus on strengthening our financial position and prudent capital allocation has resulted in improved cash generation, reduced gearing and improved margins. We are intent on ensuring we have a solid foundation on which to grow our operations. Management and the Board will continue to operate the business in order to build a sustainable, profitable business in which shareholder returns are optimised."

Commentary

Revenue from continuing operations grew by 2% and trading profit rose by 7% as a result of robust demand in the Metals and Plastics Divisions' performance in the Rest of Africa. Nampak's headline earnings and headline earnings per share ("HEPS") for continuing operations increased 11% and 10% to R849 million (2017: R767 million) and 132.0c (2017: 119.7c) respectively.

Cash extraction improved significantly as the introduction of the Nigerian Autonomous Foreign Exchange ("NAFEX") market in April 2017 enabled further extraction of USD74 million from Nigeria for the six months to March 2018, improving the extraction rate to 137% from 80% in the comparative period and reducing the cash balance by 57% from R955 million to R410 million. Hedging in Angola also improved to 95% from 77% in March 2017.

The results were impacted by the South African Rand ("Rand") which was on average 6% stronger versus the US dollar for the six month period and 13% stronger as at the end of the period compared to 30 September 2017. This meant the translation of revenue growth in the Rest of Africa was moderated. Net gearing at 31 March 2018 benefitted from the firmer Rand, however, the statement of other comprehensive income reported adverse unrealised foreign exchange differences on translation of foreign operations amounting to R665 million. Despite net gearing being managed to the lower levels of the group's targeted range, cash extraction from Angola and Zimbabwe was less than satisfactory and remains a key focus area.

Good progress has been made in improving key foundational operating practices at our Glass Division. Pack-to-Melt ratios have stabilised at reasonably satisfactory levels, and further improvements are expected as newly introduced skills and practices gain traction. As required by International Financial Reporting Standards, rigorous impairment tests were carried out on the Glass Division. The results of these tests, as verified by our external auditors, indicate that no impairment is required, and that sufficient headroom exists.

Following a careful review of the Glass business, challenges in leveraging economies of skill and scale, and its significant capital requirements going forward, the Board decided to dispose of the operation in order to free up cash for other uses, including growth, debt reduction and enhancing free cash flow. Accordingly, Glass has been accounted for as a discontinued operation separately in the group statement of comprehensive income with associated assets and liabilities being grouped together and separately disclosed on the face of the statement of financial position. Exploratory discussions have been held with a number of strategic players in the packaging industry and a formal disposal process is in its initial stages. We expect to conclude the transaction by the first half of the 2019 financial year.

Financial performance from continuing operations

R million	H1 2018	H1 2017	% change
Revenue	8 845	8 668	+2
Trading profit	1 164	1 085	+7
Net abnormal (losses)/gains	(121)	24	(>100)
Operating profit	1 043	1 109	(6)
Net profit for the period	871	896	(3)
Earnings per share (cents)	129.4	127.4	+2
Headline earnings per share (cents)	132.0	119.7	+10
Cash generated from operations	576	524	+10

Revenue and trading margins

Revenue improved by 2% driven by a strong performance in the Metals Division. Bevcan in South Africa and Nigeria experienced pleasing sales volume growth and DivFood recovered from low fish can volumes in the comparative period. Trading margins were also positively impacted as trading profit rose by 7%. Pleasing volume growth in Bevcan Angola was abated by a much stronger Rand to the US dollar, which resulted in a modest increase in revenue. While the Plastics Division revenue was flat, strong growth in the Rest of Africa mitigated volume losses experienced in South Africa and Europe and contributed significantly to overall margin improvement. The rationalisation of the Paper Division also contributed towards improved trading margins for the group of 13.2% from 12.5% in the prior period.

Abnormal items and operating profit

Abnormal losses for the period are largely attributable to foreign exchange losses of R75 million from the devaluation of the Angolan kwanza. A further R21 million loss was attributable to the cost of repatriating cash from Nigeria. Net impairments of R26.6 million are largely attributable to the European business while retrenchment costs contributed to the 6% reduction of operating profit to R1.0 billion.

Taxation

The effective tax rate for the period improved to 9.0% from 9.7%. Bevcac Nigeria's pioneer status expired on 31 December 2017 and the tax rate going forward is expected to increase gradually once accumulated tax allowances have been fully utilised in Nigeria. The 2019 tax rate is expected to rise as the tax holiday for Bevcac Angola comes to an end on 30 April 2019. The tax rate for the full year may be impacted by relative contributions from Nigeria and Angola, but, as required by accounting standards, the rate communicated for the half year is expected to prevail for the full year. The tax rate is lower than previously communicated to the market due to significantly improved cash extractions from Nigeria.

Net earnings

Headline earnings, which exclude capital items, grew 11% to R849 million resulting in headline earnings per share for continuing operations of 132.0c reflecting a 10% improvement from 119.7c. Net profit for the period declined 3% to R871 million and benefitted from lower net finance costs and a lower tax rate.

Financial position

The group's financial position continues to improve with gearing at 39% from 51% in the comparative period and 45% at year-end in September 2017. The balance sheet remains strong, with key ratios firmly under control and adequate facilities available to fund all of the group's activities. This is largely attributable to net debt balances reducing by 27% to R3.8 billion from R5.2 billion resulting from the higher cash balances in restricted areas and the strengthening of the Rand against the US dollar.

Cash extraction in the Rest of Africa

The Rand equivalent of cash balances held in the currently cash restricted areas of Angola and Zimbabwe increased by 25% to R3.6 billion on the back of strong cash generation in Angola and Zimbabwe and slower than expected repatriation of foreign currency due to in country US dollar shortages. In Angola, 95% of cash is hedged and management continues to monitor the region closely.

Cash balances in Zimbabwe have grown to R816 million from R654 million at 30 September 2017. Following intensive engagements with customers and the Zimbabwe Central Bank, Nampak expects to be allocated foreign currency on a monthly basis, as from the second half of the 2018 financial year.

Cash balances and extraction rates in Angola, Zimbabwe and Nigeria are as follows:

	Restricted			Non-restricted
	Angola	Zimbabwe	Total	Nigeria
31 March 2018				
Cash on hand (Rm)	2 748	816	3 564	410
Hedged cash (Rm)	2 622	— ²	2 622	— ³
% cash hedged	95	— ²	74	— ³
Cash extraction rate (%) ¹	61	6	37	137

	Restricted			Non-restricted
	Angola	Zimbabwe	Total	Nigeria
30 September 2017				
Cash on hand (Rm)	2 188	654	2 842	828
Hedged cash (Rm)	1 954	— ²	1 954	— ³
% cash hedged	89	— ²	69	— ³
Cash extraction rate (%) ¹	47	40	47	93

	Restricted			Non-restricted
	Angola	Zimbabwe	Total	Nigeria
31 March 2017				
Cash on hand (Rm)	1 436	426	1 862	955
Hedged cash (Rm)	1 107	— ²	1 107	344
% cash hedged	77	— ²		36
Cash extraction rate (%) ¹	80			80

¹ Liquidity ratio of invoices presented for payment in the period.

² There are currently no appropriate hedges available in Zimbabwe.

³ Cash balances in Nigeria are no longer considered restricted as a consequence of the liquidity that has been provided by the introduction of the NAFEX.

Foreign exchange rate movements

Nampak has sizeable operations outside South Africa and, as a result, its performance is impacted by various foreign currency movements. Currency movements for key markets are set out in the following table:

	Average rates				Closing rates			
	31 Mar 2018	31 Mar 2017	% Δ	30 Sep 2017	31 Mar 2018	30 Sep 2017	% Δ	31 Mar 2017
ZAR/GBP	17.35	16.83	(3)	16.96	16.62	18.17	9	16.83
ZAR/EUR	15.36	14.54	(6)	14.78	14.57	15.98	9	14.29
ZAR/USD	12.78	13.57	6	13.38	11.86	13.56	13	13.41
NGN/USD	359.75	311.69	(15)	321.90	360.00	358.99	—	314.29
AOA/USD	189.76	171.73	(10)	171.74	218.64	171.75	(27)	171.73

The Angolan kwanza has been devalued through a series of controlled auctions by the Angolan Central Bank and has devalued by 27% at the end of March 2018 compared to 30 September 2017. While the strengthening of the Rand against the US dollar has adversely impacted the translation of foreign earnings for Rest of Africa territories, the translation of the group's dollar denominated borrowings was positively impacted. The Rand's weakened position against the Pound benefitted the European region. While there has been no material devaluation in the closing rate of the Nigerian naira since the introduction of the NAFEX market in April 2017, the average rate reflects a 15% devaluation against the US dollar for the comparative period.

The stronger Rand/US dollar rate used to mark to market other monetary items led to foreign exchange translation losses of R149 million, most of which are unrealised.

Capital expenditure

Capital expenditure for the period more than halved to R206 million from R470 million for the same period in 2017 as a result of more stringent capital allocation by management. Capital expenditure for the full year is expected to be similar to, if not below, the 2017 year amount of R735 million.

Trading performance

R million	Revenue		Trading profit		Trading margin (%)	
	H1 2018	H1 2017	H1 2018	H1 2017	H1 2018	H1 2017
Metals	5 849	5 570	925	883	15.8	15.9
Plastics	2 393	2 400	121	89	5.1	3.7
Paper	603	698	78	57	12.9	8.2
Corporate services	—	—	40	56	—	—
Continuing operations	8 845	8 668	1 164	1 085	13.2	12.5
Discontinued operation:						
Glass	720	663	(55)	23	(7.6)	3.5
Group total	9 565	9 331	1 109	1 108	11.6	11.9

Continuing operations

Metals

Revenue for the Metals Division increased by 5% propelled by robust demand in South Africa and Nigeria. Volume growth was substantially higher than GDP growth rates in both countries and suggests increasing can pack shares and improved consumer confidence. Buoyant volume growth and capacity rationalisation as a result of the closure of the Bevcap Cape Town line are expected to significantly mitigate any risk of underutilised capacity in Bevcap SA. Bevcap Angola and DivFood in South Africa also reported good volume growth compared to the prior period and contributed to the strong performance of this division.

Bevcap SA is making good progress with the closure of the Cape Town can line which will save annual operating costs of R50 million and a further R5 million saving at head office level. DivFood experienced a pleasing recovery as the fish category performed well, on the back of an improved fish catch and substitution with imported bulk frozen fish. The vegetable category continued to do well due to overall improved consumer sentiment which drove both revenue growth and margin improvement. As a result, revenue for Metals in South Africa rose by 7%. Excellent safety standards and efficiency gains as a result of operational excellence initiatives contributed to improved margins.

Despite pleasing volume growth, revenue growth at Bevcap Angola was moderated by the strengthening of the Rand against the US dollar. Trading profit in country was reduced to the extent that ends previously sold by the entity are now being directly supplied from South Africa, priced in hard currency and raw material cost pressures emanating from the devaluation of the kwanza. The conversion of the tin plate line to aluminium is being held in abeyance in anticipation of foreign currency allocation from the government. In addition to selling ends directly from South Africa, management has introduced further interventions to mitigate the exposure of the group in this country by limiting raw material purchases to the extent customers and/or the government are able to avail foreign currency. Should foreign currency not be made available to secure raw material inputs for customers, production will be constrained, which will attenuate the build-up of cash in Angola.

Bevcap Nigeria volumes grew significantly, driven largely by the malt category. The recent introduction of excise duty on alcohol beverages has not had a discernible impact on volume to date. Additional volumes improved operational efficiencies and safety records have been maintained.

The diversified canning operations in the Rest of Africa were impacted by lower sales in Nigeria and Kenya. Kenya was challenged by backward integration by a major customer and a turnaround is in progress to improve the profitability of this operation. The feasibility of a food can line in Lagos, Nigeria is also being investigated to cater for anticipated growth in the food sector as the economy recovers.

Plastics

This division was impacted by loss of bottle volumes in South Africa and Europe which was mitigated by growth in closures in South Africa and excellent performance by Zimbabwean entities. As a result, overall revenue was flat. Stringent cost management in Europe, capacity filling initiatives in South Africa and the strong performance in Zimbabwe saw trading profit grow 36% to R121 million from R89 million.

Revenue for Rigid Plastics in South Africa remained steady despite the volume lost as a result of a lower allocation of a tender as a key customer consolidated its manufacturing footprint. This, coupled with lower preform volumes as a result of backward integration by two customers in 2017, led to lower efficiencies and hence lower margins for liquid packaging. Initiatives to increase capacity utilisation and strong water container demand throughout the country mitigated these losses especially in regions heavily impacted by the drought. Good growth in closures, following new customers gained and additional volumes from existing customers, also filled the gap leading to relatively flat revenue growth in South Africa.

In response to a disappointing performance, a turnaround plan has been approved which will result in a reduction in headcount of approximately 300 employees. Two low margin businesses have been earmarked for disposal, three additional plants will be consolidated into two existing facilities, warehousing coupled with supply chain will be optimised and an investment into selected new equipment will result in efficiency gains. Once fully implemented, profitability is expected to improve by R131 million per annum, with once off costs of R106 million to implement the restructuring over an 18 month period from June 2018 and capital investment of some R66 million. The restructuring will result in a more sustainable and profitable business by FY2020.

Liquid Cartons in South Africa continues to perform well against the backdrop of a tough trading environment at the lower end of the beverage sector. Business development interventions to leverage the environmental advantage of cartons are underway to increase capacity utilisation.

The performance in the Rest of Africa was exceptional and demand in Zimbabwe was driven by increased market share from new customers and new products as well as the ability to manage foreign exchange exposure through stricter credit terms. Margins improved in excess of revenue and led to better margins for the region and the division overall. Nampak will continue working closely with customers and banks in order to continue the supply of packaging products in the market. Strict credit limits have been imposed on Nampak's Zimbabwe operations to manage the risk associated with limited US dollar liquidity in that country.

In spite of Nampak Plastics Europe being impacted by lower volumes, management's focus on turning this business around, managing costs and improving operational efficiencies has begun to yield results and the operating loss was reduced by 72% to R11 million compared to the prior period. This further contributed towards improved margins for the Plastics Division of 5.1% from 3.7% in the comparative period. This business is expected to return to profitability by the end of the financial year.

Paper

Revenue contracted for the period as a result of lower carton sales in Zambia and Malawi following a change of pack strategy by brewers in these countries. A pleasing recovery in carton sales in Nigeria led to improved profitability off modestly higher sales. Tobacco case sales in Zimbabwe were moderately lower in light of limited availability of foreign currency, but contributed to improved profitability. Ongoing initiatives to service this region collectively continued and Malawi was restructured to function as a depot in order to improve profitability of this region going forward.

Discontinued operation

Glass

This division experienced good revenue growth, driven by volume growth. Performance has, however, been impacted by internal production inefficiencies and skills issues which are in the process of being addressed. Whilst energy supply challenges were resolved by stabilising the electricity into the operation at the beginning of the calendar year, operational challenges continued, coupled with high depreciation reflective of its capital intensity, this division was not profitable and made a trading loss of R55 million for the period. Management has decided to dispose of the Glass operation as it is difficult to justify further capital allocation to this division to the Board and shareholders, with its current performance, owing to lower than required returns on invested capital. Recovery plans are in place, relevant operational skills have been introduced and there are early signs of improvement with a better pack-to-melt ratio for the month of April, subsequent to the reporting period.

Trading performance by region is as follows:

R million	Revenue		Trading profit		Trading margin (%)	
	H1 2018	H1 2017	H1 2018	H1 2017	H1 2018	H1 2017
South Africa	5 208	4 953	527	458	10.1	9.2
Rest of Africa	2 973	2 933	608	610	20.5	20.8
Europe	664	782	(11)	(39)	(1.7)	(5.0)
Corporate services	—	—	40	56	—	—
Continuing operations	8 845	8 668	1 164	1 085	13.2	12.5
Discontinued operation:						
South Africa (Glass)	720	663	(55)	23	(7.6)	3.5
Group total	9 565	9 331	1 109	1 108	11.6	11.9

Outlook

With improving business confidence and higher economic growth forecast for South Africa, demand for packaging is expected to grow at increased rates in 2018 and 2019. This, together with improved consumer sentiment, will boost beverage can market growth and management anticipates that additional capacity by a new entrant in the beverage can market is likely to be absorbed in the medium term.

The closure of the Cape Town plant will remove 700 million beverage cans' capacity in this market. Consequently, cost savings from a reduced manufacturing footprint and gains from improved operating efficiencies are also expected to mitigate the impact of a new entrant into the market. The momentum at DivFood is expected to continue for the rest of the year. Top line growth in Plastics is expected to remain challenging as management will focus on turning this business around and offset the impact of reduced volumes by capacity filling for the rest of the year. Cost savings from the extensive restructuring plan to be implemented over the next 12 – 18 months should result in improved profitability going forward.

The group's operations in the Rest of Africa are anticipated to continue generating cash as demand in Angola, the recovering economy in Nigeria and limited competition in Zimbabwe will drive demand for packaging products. Overall performance will, however, be impacted by macroeconomic dynamics. Unless the kwanza is further devalued and/or initiatives to repatriate foreign reserves are progressed in Angola, foreign currency shortages are expected to continue for the rest of 2018. While the improving oil price will assist in increasing foreign exchange reserves, management will continue to only operate to the extent customers and the government are able to supply foreign currency required for raw material inputs. If liquidity in Zimbabwe does not improve in the second half, performance will be subdued as more stringent requirements for customers have been put in place to limit exposure in that country. The restructuring in the other entities in the Rest of Africa will continue to service this region optimally.

The European business will keep its focus on securing additional volume from second-tier dairies and optimise its structure. This business is expected to return to profitability during the 2018 financial year, one year earlier than previously guided.

Dividend

Despite significantly improved gearing and improved cash extraction from Nigeria, no dividend was declared for the period as a consequence of significant cash balances currently held in restricted areas.

On behalf of the board

TT Mboweni

Chairman

AM de Ruyter

Chief executive officer

GR Fullerton

Chief financial officer

Bryanston
30 May 2018

Condensed group statement of comprehensive income

R million	Notes	Unaudited 6 months ended 31 Mar 2018	Restated Unaudited 6 months ended 31 Mar 2017	Change %	Restated Audited Year ended 30 Sep 2017
Continuing operations					
Revenue		8 845.3	8 668.2	2	17 401.8
Operating profit	3	1 043.5	1 109.1	(6)	1 430.2
Finance costs		(270.3)	(243.6)		(508.8)
Finance income		181.5	128.8		287.4
Share of net profit/(loss) from associates and joint ventures		2.3	(2.3)		0.1
Profit before tax		957.0	992.0	(4)	1 208.9
Income tax expense		(86.0)	(96.2)		(304.0)
Profit for the period from continuing operations		871.0	895.8	(3)	904.9
Discontinued operation					
Loss for the period from discontinued operation	4	(107.1)	(42.6)		(548.9)
Profit for the period		763.9	853.2	(10)	356.0
Other comprehensive (expense)/income, net of tax					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translation of foreign operations		(664.5)	(138.8)		(122.1)
Gain/(loss) on cash flow hedges		88.0	(0.7)		(14.1)
<i>Items that will not be reclassified to profit or loss</i>					
Net actuarial gain from retirement benefit obligations		—	—		19.5
Other comprehensive expense for the period, net of tax		(576.5)	(139.5)	(>100)	(116.7)
Total comprehensive income for the period		187.4	713.7	(74)	239.3
Profit attributable to:					
Owners of Nampak Ltd		725.7	773.4	(6)	234.8
Non-controlling interests in subsidiaries		38.2	79.8		121.2
		763.9	853.2	(10)	356.0
Total comprehensive income/(expense) attributable to:					
Owners of Nampak Ltd		205.6	641.6	(68)	120.3
Non-controlling interests in subsidiaries		(18.2)	72.1		119.0
		187.4	713.7	(74)	239.3
Continuing operations					
Earnings per share (cents)		129.4	127.4	2	122.3
Diluted earnings per share (cents)		129.0	127.1	2	121.9
Continuing and discontinued operations					
Earnings per share (cents)		112.8	120.8	(7)	36.6
Fully diluted earnings per share (cents)		112.4	120.4	(7)	36.5

Condensed group statement of financial position

R million	Notes	Unaudited 31 Mar 2018	Restated Unaudited 31 Mar 2017	Audited 30 Sep 2017
ASSETS				
Non-current assets				
Property, plant and equipment and investment property		7 650.6	10 471.3	10 151.4
Goodwill and other intangible assets		3 143.5	3 979.3	3 568.8
Joint ventures, associates and other investments		22.8	25.3	21.8
Deferred tax assets		25.6	57.3	49.3
Liquid bonds and other loan receivables*	6	1 832.0	752.8	1 164.0
		12 674.5	15 286.0	14 955.3
Current assets				
Inventories		3 010.3	3 572.9	3 980.3
Trade receivables and other current assets*		2 626.8	3 010.8	3 009.9
Tax assets		19.9	194.6	17.3
Liquid bonds and other loan receivables — current*	6	882.8	424.8	882.1
Bank balances and deposits*		1 844.2	2 369.5	2 385.0
		8 384.0	9 572.6	10 274.6
Assets classified as held for sale	4	2 589.4	—	—
Total assets		23 647.9	24 858.6	25 229.9
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital		35.5	35.4	35.5
Capital reserves		(65.3)	(112.3)	(116.4)
Other reserves		(604.5)	(98.0)	(84.4)
Retained earnings		10 215.1	10 011.9	9 476.9
Shareholders' equity		9 580.8	9 837.0	9 311.6
Non-controlling interest		351.3	322.6	369.5
Total equity		9 932.1	10 159.6	9 681.1
Non-current liabilities				
Loans and other borrowings		3 225.1	6 080.2	6 007.2
Refirement benefit obligation		1 465.2	1 602.5	1 558.0
Deferred tax liabilities		283.1	423.1	294.5
Other non-current liabilities		57.3	53.4	64.8
		5 030.7	8 159.2	7 924.5
Current liabilities				
Trade payables, provisions and other current liabilities		3 334.2	3 797.3	4 766.0
Tax liabilities		33.9	55.6	82.6
Loans and other borrowings — current		2 138.4	338.3	221.9
Bank overdrafts		3 027.2	2 348.6	2 553.8
		8 533.7	6 539.8	7 624.3
Liabilities directly associated with assets classified as held for sale	4	151.4	—	—
Total equity and liabilities		23 647.9	24 858.6	25 229.9

* During September in the prior 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 IAS7: Statement of Cash flows. As a result of this reclassification, these bonds (amounting to R687.3 million being non-current and R419.5 million being current) were removed from "bank balances and deposits" (previously described as "bank balances, deposits and cash equivalents") where they had been presented in March 2017 and presented together with other non-current loan receivables (previously described as "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".

Condensed group statement of changes in equity

R million	Unaudited 6 months ended 31 Mar 2018	Unaudited 6 months ended 31 Mar 2017	Audited Year ended 30 Sep 2017
Opening balance	9 681.1	9 444.5	9 444.5
Net shares issued during the period	5.6	11.7	11.8
Share-based payment expense	9.1	9.1	5.0
Share grants exercised	(5.7)	(11.7)	(11.7)
Treasury shares disposed	54.6	—	—
Acquisition of business	—	(7.7)	(7.7)
Total comprehensive income for the period	187.4	713.7	239.3
Dividends paid	—	—	(0.1)
Closing balance	9 932.1	10 159.6	9 681.1
Comprising:			
Share capital	35.5	35.4	35.5
Capital reserves	(65.3)	(112.3)	(116.4)
Share premium	268.0	262.4	262.4
Treasury shares	(515.8)	(557.9)	(557.9)
Share-based payments reserve	182.5	183.2	179.1
Other reserves	(604.5)	(98.0)	(84.4)
Foreign currency translation reserve	766.9	1 363.8	1 375.0
Financial instruments hedging reserve	92.7	18.1	4.7
Recognised actuarial losses	(1 447.1)	(1 466.6)	(1 447.1)
Share of non-distributable reserves in associates and joint ventures	—	3.7	—
Other	(17.0)	(17.0)	(17.0)
Retained earnings	10 215.1	10 011.9	9 476.9
Shareholders' equity	9 580.8	9 837.0	9 311.6
Non-controlling interest	351.3	322.6	369.5
Total equity	9 932.1	10 159.6	9 681.1

Condensed group statement of cash flows

R million	Notes	Unaudited 6 months ended 31 Mar 2018	Restated Unaudited 6 months ended 31 Mar 2017	Audited Year ended 30 Sep 2017
Cash generated from operations before working capital changes	7.1	1 435.4	1 435.5	2 276.0
Working capital changes	7.1	(859.7)	(911.5)	(326.8)
Cash generated from operations	7.1	575.7	524.0	1 949.2
Net interest paid		(221.8)	(198.2)	(405.8)
Income tax paid		(78.2)	(75.1)	(152.7)
Cash flows from operations		275.7	250.7	1 390.7
Dividends paid		—	—	(0.1)
Net cash generated from operating activities		275.7	250.7	1 390.6
Capital expenditure		(206.0)	(469.7)	(735.3)
Replacement ¹		(139.3)	(227.8)	(377.0)
Expansion		(66.7)	(241.9)	(358.3)
Net proceeds on the disposal of business		—	56.5	57.8
Post-retirement medical aid buy-out		—	(562.3)	(569.2)
Increase in liquid bonds for hedging purposes ²		(994.4)	(489.3)	(1 336.5)
Other investing activities		14.6	20.3	12.0
Net cash utilised before financing activities		(910.1)	(1 193.8)	(1 180.6)
Net cash raised from/(repaid in) financing activities		118.4	11.7	(238.4)
Net decrease in cash and cash equivalents	7.2	(791.7)	(1 182.1)	(1 419.0)
Net (overdraft)/cash and cash equivalents at beginning of period		(168.8)	1 224.5	1 224.5
Translation of cash in foreign subsidiaries		(222.5)	(21.5)	25.7
Net (overdraft)/cash and cash equivalents at end of period	7.3	(1 183.0)	20.9	(168.8)

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 classification is an increase in cash generated from operating activities of R227.8 million and a decrease in cash utilised in investing activities of R227.8 million for the six months ended 31 March 2017.

² As indicated on the condensed group 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 IAS7: Statement of Cash flows. As a result of this reclassification, the movement in these assets is now presented as investing activities. The March 2017 comparative has been restated.

Notes

1. Basis of preparation

The condensed interim financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for interim reports, and the requirements of the Companies Act of South Africa applicable to condensed financial statements. The Listings Requirements require interim reports to be prepared in accordance with and contain the information required by IAS 34 Interim Financial Reporting, as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council.

The interim financial statements have been prepared under the supervision of the chief financial officer, GR Fullerton CA(SA).

2. Accounting policies

The accounting policies adopted and methods of computation used are consistent with those applied for the group's 2017 annual financial statements.

New and revised International Financial Reporting Standards in issue and effective for the current financial year

The group adopted all amendments or improvements to standards or interpretations that became effective during the current financial year with no effect on the financial statements of the group. No new standards were effective for the current financial year and the group did not elect to adopt any of these standards earlier than their effective dates.

New and revised International Financial Reporting Standards in issue but not yet effective for the current financial year

At the date of authorisation of these financial statements, the following standards, amendments to existing standards and interpretations were in issue but not yet effective for the current year and have not been early adopted.

These standards, amendments and interpretations will be effective for annual periods beginning after the dates listed below:

IFRS 9: Financial Instruments

The standard is effective for years commencing on or after 1 January 2018. The standard will be adopted by the group for the financial reporting period commencing 1 October 2018.

IFRS 9 provides guidance on the classification, measurement and recognition of financial assets and financial liabilities and replaces IAS 39. The standard establishes three measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit and loss. Classification of financial assets into these categories is dependent on the entity's business model and the characteristics of the contractual cash flows of the specific financial asset. There were no significant changes to the classification guidance for financial liabilities.

IFRS 9 introduces a new expected credit loss impairment model that replaces the incurred loss impairment model used in IAS 39.

The group will have to design impairment models incorporating new principles such as twelve months expected credit loss, life time expected credit loss, forward-looking information and time value of money in order to comply with expected credit loss impairments under IFRS 9. The group has performed a preliminary assessment, the results thereof indicate no material adjustment is required.

The group is still to make a decision on the transition method applied.

IFRS 15: Revenue From Contracts With Customers

The standard is effective for years commencing on or after 1 January 2018. The standard will be adopted by the group for the financial reporting period commencing 1 October 2018.

IFRS 15 requires an entity to recognise revenue in such a manner as to depict the transfer of the goods or services to customers, at an amount representing the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard has a 5-step process to be applied to all contracts with customers. The standard provides guidance for identifying the contract with the customer, identification of the deliverables (performance obligations), determination of the transaction price (including the treatment of variability in the transaction price and significant financing components), how to allocate the transaction price and when to recognise revenue.

The group has assessed its significant contracts with customers in line with the new standard and notes that the treatment of contracts with variable pricing will be altered under IFRS 15, however no material impacts are otherwise expected with respect to revenue measurement and timing.

The group is still to make a decision on the transition method to be applied.

IFRS 16: Leases

The standard is effective for years commencing on or after 1 January 2019. The standard will be adopted by the group for the financial reporting period commencing 1 October 2019.

IFRS 16 requires a lessee to recognise a right of use asset and lease obligations for all leases except for short term leases, or leases of low value assets which may be treated similarly to operating leases under the current standard IAS 17 if the exceptions are applied. A lessee measures its lease obligation at the present value of future lease payments, and recognises a right of use asset initially measured at the same amount as the lease obligation including costs directly related to entering into the lease. Right of use assets are subsequently treated in a similar way to other assets such as property, plant and equipment or intangible assets dependent on the nature of the underlying item.

The group has assessed a majority of its significant lease agreements, in particular those relating to property rentals, and the preliminary assessment indicates that material adjustments to non-current assets, non-current liabilities and EBITDA are to be expected as a result of the new standard. The current estimate of the impact of adopting IFRS 16 on the March 2018 reported numbers is as follows:

- › increase in net assets: R429 million
- › increase in EBITDA: R101 million
- › decrease in profit for the period: R17 million

Management continues to assess the implications of the remaining individually insignificant lease agreements in which the group is the lessee which may cause the final impact to differ from the estimates provided above.

The group is still to make a decision on the transition method to be applied or the application of exceptions related to short term and low value asset leases.

Restatement of comparatives

The comparatives to the condensed statement of comprehensive income (March 2017 and September 2017), have been restated for the impact of the Nampak Glass Division being recognised as a discontinued operation during the current period. Refer note 4.

The main impact of these restatements is as follows:

R million	Unaudited 6 months ended 31 Mar 2017	Audited Year ended 30 Sep 2017
Revenue — decrease	(663.1)	(1 419.9)
Operating profit — (decrease)/ increase	(23.2)	469.2
Finance income — increase	82.7	169.7
Profit before tax — increase	59.5	638.9
Income tax expense — increase	(16.9)	(90.0)
Profit for the period from continuing operations — increase	42.6	548.9
Loss for the period from discontinued operation — increase	(42.6)	(548.9)
Profit for the period	—	—
Earnings per share — continuing operations		
Earnings per share (cents) — increase	6.6	85.7
Fully diluted earnings per share (cents) — increase	6.7	85.4

The March 2017 comparatives to the condensed statement of financial position and statement of cashflows, have also been restated for the impact of the reclassification of the US dollar indexed kwanza bonds from cash equivalents to loan receivables, while the March 2017 comparatives to the statement of cashflows has also been restated for the impact of the Johannesburg Stock Exchange ("JSE") proactive monitoring process through which replacement capital expenditure has been reclassified to investing activities. The impact of these changes is set out in detail on the statement of financial position and the statement of cash flows respectively.

3. Included in operating profit for continuing operations are:

R million	Unaudited 6 months ended 31 Mar 2018	Restated Unaudited 6 months ended 31 Mar 2017	Restated Audited Year ended 30 Sep 2017
Depreciation	284.1	314.7	587.8
Amortisation	10.8	8.3	18.4
Net translation loss recognised on financial instruments	245.0	17.6	273.6
Net loss arising from Angolan and Nigerian exchange rate movements	96.5	4.5	160.0
Net loss arising from normal operating activities	148.5	13.1	113.6
Reconciliation of operating profit to trading profit			
Operating profit	1 043.5	1 109.1	1 430.2
Net abnormal losses/(gains)*	120.7	(24.0)	491.3
Retrenchment and restructuring costs	8.3	20.2	73.1
Net impairment losses on plant, equipment, intangible assets, investments and shareholder loans	26.6	10.2	232.5
Onerous contract and related losses	—	—	81.8
Net profit on disposal of businesses and investments	—	(30.1)	(25.4)
Gain on acquisition of business	—	(27.0)	(27.0)
Net profit on disposal of other property	(11.3)	(1.8)	(3.0)
Net loss arising from Angolan and Nigerian exchange rate movements	96.5	4.5	160.0
Other	0.6	—	(0.7)
Trading profit	1 164.2	1 085.1	1 921.5

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

4. Discontinued operation

On 16 February 2018, the Nampak Ltd board ("board") took a decision to dispose of the Nampak Glass Division ("Nampak Glass"). The group met the criteria of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations as at 31 March 2018 and therefore classified the asset as held for sale and as a discontinued operation as at that date. The asset consists of three furnaces, nine associated production lines, net working capital and the property at which the operation is located. To ensure the long term profitability of Nampak Glass and to address the operational skills gap, the board resolved to approach packaging industry players to invite proposals for the sale of this business. Exploratory discussions have been held with a number of strategic players with a formal corporate finance disposal process currently in progress. It is expected that this disposal will be concluded by no later than the first half of the 2019 financial year. Nampak Glass is the only operation in the Glass operating segment.

R million	Unaudited 6 months ended 31 Mar 2018	Restated Unaudited 6 months ended 31 Mar 2017	Restated Audited Year ended 30 Sep 2017
<i>Results of the discontinued operation</i>			
Revenue	720.2	663.1	1 419.9
Operating expenses other than depreciation, amortisation and impairment expenses	(651.0)	(527.9)	(1 235.6)
EBITDA*	69.2	135.2	184.3
Depreciation and amortisation	(124.8)	(112.0)	(218.2)
Impairment of plant, goodwill and intangible assets	(7.0)	—	(435.3)
Net finance costs	(86.1)	(82.7)	(169.7)
Loss before tax	(148.7)	(59.5)	(638.9)
Attributable income tax benefit	41.6	16.9	90.0
Loss for the period from discontinued operations	(107.1)	(42.6)	(548.9)
<i>Cashflows of the discontinued operation</i>			
Net cashflows from operating activities	70.7	(9.8)	98.1
Net cashflows from investing activities	(44.4)	(85.1)	(177.6)
Net cashflows	26.3	(94.9)	(79.5)
<i>The major classes of assets and liabilities of the discontinued operation at the end of the period are as follows:</i>			
Property, plant and equipment	1 749.1	—	—
Intangible assets	4.9	—	—
Inventories	587.2	—	—
Trade receivables and other current assets	248.2	—	—
Assets classified as held for sale	2 589.4	—	—
Trade payables and other current liabilities	151.4	—	—
Liabilities directly associated with assets classified as held for sale	151.4	—	—
Net operating assets	2 438.0	—	—

* EBITDA is calculated before net impairments.

5. Determination of headline earnings and headline earnings per share

R million	Unaudited 6 months ended 31 Mar 2018	Restated Unaudited 6 months ended 31 Mar 2017	Restated Audited Year ended 30 Sep 2017
Continuing operations			
Profit attributable to equity holders of the company for the period	832.8	816.0	783.7
Less: preference dividend	—	—	(0.1)
Basic earnings	832.8	816.0	783.6
Adjusted for:			
Net impairment losses on plant, equipment, intangible assets and investments	26.6	10.2	232.5
Net profit on disposal of businesses and investments	—	(30.1)	(25.4)
Gain on acquisition of business	—	(27.0)	(27.0)
Net profit on disposal of other property, plant, equipment and intangible assets	(9.9)	(2.5)	(9.1)
Tax effects and non-controlling interests	(0.6)	0.2	(17.4)
Headline earnings for the period	848.9	766.8	937.2
Headline earnings per ordinary share (cents)	132.0	119.7	146.3
Diluted headline earnings per share (cents)	131.5	119.4	145.8

R million	Unaudited 6 months ended 31 Mar 2018	Restated Unaudited 6 months ended 31 Mar 2017	Restated Audited Year ended 30 Sep 2017
Continuing and discontinued operations			
Profit attributable to equity holders of the company for the period	725.7	773.4	234.8
Less: preference dividend	—	—	(0.1)
Basic earnings	725.7	773.4	234.7
Adjusted for:			
Net impairment losses on plant, equipment, intangible assets and investments	33.6	10.2	667.8
Net profit on disposal of businesses and investments	—	(30.1)	(25.4)
Gain on acquisition of business	—	(27.0)	(27.0)
Net profit on disposal of other property, plant, equipment and intangible assets	(9.9)	(2.5)	(7.4)
Tax effects and non-controlling interests	(2.6)	0.2	(49.9)
Headline earnings for the period	746.8	724.2	792.8
Headline earnings per ordinary share (cents)	116.1	113.1	123.8
Fully diluted headline earnings per share (cents)	115.7	112.8	123.4

6. Liquid bonds and other loan receivables

R million	Unaudited 6 months ended 31 Mar 2018	Restated Unaudited 6 months ended 31 Mar 2017	Restated Audited Year ended 30 Sep 2017
Liquid bonds ¹	2 621.9	1 106.8	1 954.0
Equipment sales receivables ²	54.4	49.4	68.7
Other loan receivables	38.5	21.4	23.4
Total liquid bonds and other loan receivables	2 714.8	1 177.6	2 046.1
Less: Amounts receivable within one year reflected as current	882.8	424.8	882.1
Liquid bonds	871.3	419.5	867.0
Equipment sales receivables	6.9	—	10.7
Other loan receivables	4.6	5.3	4.4
Non-current liquid bonds and other loan receivables	1 832.0	752.8	1 164.0

¹ Liquid bonds relate to US dollar indexed Angolan kwanza bonds. As at 31 March 2018 the Angolan kwanza equivalent of USD221.2 million (March 2017: USD82.5 million; September 2017: USD144.1 million) had been hedged through these bonds in order to protect the group against further Angolan kwanza devaluation. Interest rates earned are between 5.0% to 7.8%.

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

7. Condensed group statement of cash flows analysis

7.1 Reconciliation of profit before tax to cash generated from operations (continuing and discontinued operations)

R million	Unaudited 6 months ended 31 Mar 2018	Restated Unaudited 6 months ended 31 Mar 2017	Restated Audited Year ended 30 Sep 2017
Profit before tax	808.3	932.5	570.0
Continuing operations	957.0	992.0	1 208.9
Discontinued operation	(148.7)	(59.5)	(638.9)
Adjustment for:			
Depreciation and amortisation	419.7	435.0	831.4
Net profit on disposal of businesses, property, plant, equipment and intangible assets	(9.9)	(32.6)	(32.8)
Financial instruments fair value adjustment	39.7	(37.8)	(62.7)
Net defined benefit plan expense	33.6	6.5	50.5
Impairment losses	35.6	10.2	672.6
Reversal of impairment losses	(2.0)	—	(4.8)
Share of (profit)/loss in associates and joint ventures	(2.3)	2.3	(0.1)
Share based payment expense	12.6	12.6	6.9
Net finance costs	174.9	197.5	391.1
Gain on acquisition of business	—	(27.0)	(27.0)
Retirement benefits, contributions and settlements	(74.8)	(63.7)	(119.1)

R million	Unaudited 6 months ended 31 Mar 2018	Restated Unaudited 6 months ended 31 Mar 2017	Restated Audited Year ended 30 Sep 2017
Cash generated from operations before working capital changes	1 435.4	1 435.5	2 276.0
Decrease/(increase) in inventories	206.6	(222.6)	(621.4)
(Increase)/decrease in trade receivables and other current assets	(78.4)	93.7	167.7
(Decrease)/increase in trade payables and other current liabilities	(987.9)	(782.6)	126.9
Cash generated from operations	575.7	524.0	1 949.2

7.2 Movement in cash and cash equivalents

R million	Unaudited 6 months ended 31 Mar 2018	Restated Unaudited 6 months ended 31 Mar 2017	Restated Audited Year ended 30 Sep 2017
Net decrease in cash and cash equivalents per statement of cash flows	(791.7)	(1 182.1)	(1 419.0)
Add back non-operational items:			
Increase in liquid bonds for hedging purposes	994.4	489.3	1 336.5
Post-retirement medical aid buy-out	—	562.3	569.2
Net increase/(decrease) in cash and cash equivalents adjusted	202.7	(130.5)	486.7

7.3 Net (overdraft)/cash and cash equivalents

R million	Unaudited 6 months ended 31 Mar 2018	Restated Unaudited 6 months ended 31 Mar 2017	Audited Year ended 30 Sep 2017
Bank balances and deposits	1 844.2	2 369.5	2 385.0
Bank overdrafts	(3 027.2)	(2 348.6)	(2 553.8)
Total	(1 183.0)	20.9	(168.8)

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	Unaudited 6 months ended 31 Mar 2018	Unaudited 6 months ended 31 Mar 2017	Audited Year ended 30 Sep 2017
At fair value — level 2			
Financial assets			
Derivative financial assets ¹	84.8	14.1	19.1
Financial liabilities			
Derivative financial liabilities ¹	19.3	22.6	22.6
At amortised cost			
Financial assets	7 168.7	6 369.8	7 266.6
Non-current liquid bonds and other loan receivables	1 832.0	752.8	1 164.0
Trade receivables and other current assets ²	2 609.7	2 822.7	2 835.5
Current liquid bonds and other loan receivables	882.8	424.8	882.1
Bank balances and deposits	1 844.2	2 369.5	2 385.0
Financial liabilities	11 654.8	12 368.7	13 166.7
Non-current loans and other borrowings	3 225.1	6 080.2	6 007.2
Trade payables and other current liabilities ³	3 264.1	3 601.6	4 383.8
Current loans and other borrowings	2 138.4	338.3	221.9
Bank overdrafts	3 027.2	2 348.6	2 553.8

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. Includes trade receivables presented as part of assets classified as held for sale.

³ Excludes derivative financial liabilities (disclosed separately) and provisions. Includes trade payables presented as part of liabilities directly associated with assets classified as held for sale.

9. Capital expenditure, commitments and contingent liabilities

R million	Unaudited 6 months ended 31 Mar 2018	Unaudited 6 months ended 31 Mar 2017	Audited Year ended 30 Sep 2017
Capital expenditure	206.0	469.7	735.3
Expansion	66.7	241.9	358.3
Replacement	139.3	227.8	377.0
Capital commitments	318.9	250.2	589.9
Contracted	83.2	171.3	256.4
Approved not contracted	235.7	78.9	333.5
Lease commitments (including sale and leaseback transaction)	3 212.4	3 545.1	3 585.5
Land and buildings	3 179.9	3 515.4	3 542.6
Other	32.5	29.7	42.9
Contingent liabilities — customer claims and guarantees	5.0	6.0	6.8

10. Share statistics

	Unaudited 6 months ended 31 Mar 2018	Unaudited 6 months ended 31 Mar 2017	Audited Year ended 30 Sep 2017
Ordinary shares in issue (000)	689 767	689 404	689 404
Ordinary shares in issue — net of treasury shares (000)	644 671	640 620	640 620
Weighted average number of ordinary shares on which basic earnings and headline earnings per share are based (000)	643 367	640 496	640 496
Weighted average number of ordinary shares on which diluted basic earnings and diluted headline earnings per share are based (000)	645 501	642 164	642 630

11. Key ratios and exchange rates

11.1 Key ratios

		Unaudited 6 months ended 31 Mar 2018	Restated Unaudited 6 months ended 31 Mar 2017	Restated Audited Year ended 30 Sep 2017
EBITDA ¹ — continuing operations	R million	1 365.0	1 442.3	2 268.9
Net gearing (including liquid bonds)	%	39	51	45
Current ratio	times	1.3	1.5	1.3
Current ratio (including non-current portion of liquid bonds ²)	times	1.5	1.6	1.5
Acid test ratio	times	0.9	0.9	0.8
Acid test ratio (including non-current portion of liquid bonds ²)	times	1.1	1.0	1.0
Net debt: EBITDA — debt covenants	times	2.3	2.1	2.3
Net debt: EBITDA — debt covenants (including liquid bonds)	times	1.4	1.7	1.6
EBITDA: Interest cover (debt covenants)	times	7.6	7.8	7.2
Return on equity — continuing operations	%	17.2	16.7	8.5
Return on net assets — continuing operations	%	17.1	14.0	14.4
Net worth per ordinary share ³	cents	1 486	1 536	1 454
Tangible net worth per ordinary share ³	cents	999	914	896

¹ EBITDA is calculated before net impairments.

² Calculated as the non-current portion of liquid bonds that can be converted back into cash within three months.

³ 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:

	Unaudited 6 months ended 31 Mar 2018	Restated Unaudited 6 months ended 31 Mar 2017	Restated Audited Year ended 30 Sep 2017
Rand/UK pound			
Average	17.35	16.83	16.96
Closing	16.62	16.83	18.17
Rand/Euro			
Average	15.36	14.54	14.78
Closing	14.57	14.29	15.98
Rand/US dollar			
Average	12.78	13.57	13.38
Closing	11.86	13.41	13.56
Naira/US dollar			
Average	359.75	311.69	321.90
Closing	360.00	314.29	358.99
Kwanza/US dollar			
Average	189.76	171.73	171.74
Closing	218.64	171.73	171.75

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. Events after the reporting date

As part of the group's ongoing review of its portfolio, a restructuring of the South African Plastics Division is being considered. The full financial effects and timing of this restructure are not yet known and will be determined in due course.

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
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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.

