

2009 Group Results

- **Salient features**
- **Group financial results**
- **Operational review**
- **The way forward**

Salient Features

- **Turnover up 6%**
- **Volumes down 6%**
- **Trading income down 27%**
- **Cash from operations R2.2bn**
- **HEPS down 53%**
- **Dividend reduced to 42 cents**

GROUP FINANCIAL RESULTS

Group Income Statement

Rm	2009	2008	%
Revenue	19 586	18 458	6
Trading income before abnormal items	1 128	1 537	27
Abnormal items	533	588	
Profit from operations	595	949	37
Net finance costs	328	265	
Income from investments	6	5	
Share of profit from associates	1	9	
Profit before tax	272	698	61
Income tax	70	202	
Profit for the year	202	495	59
HEPS	83.8c	177.3c	53

Abnormal Items

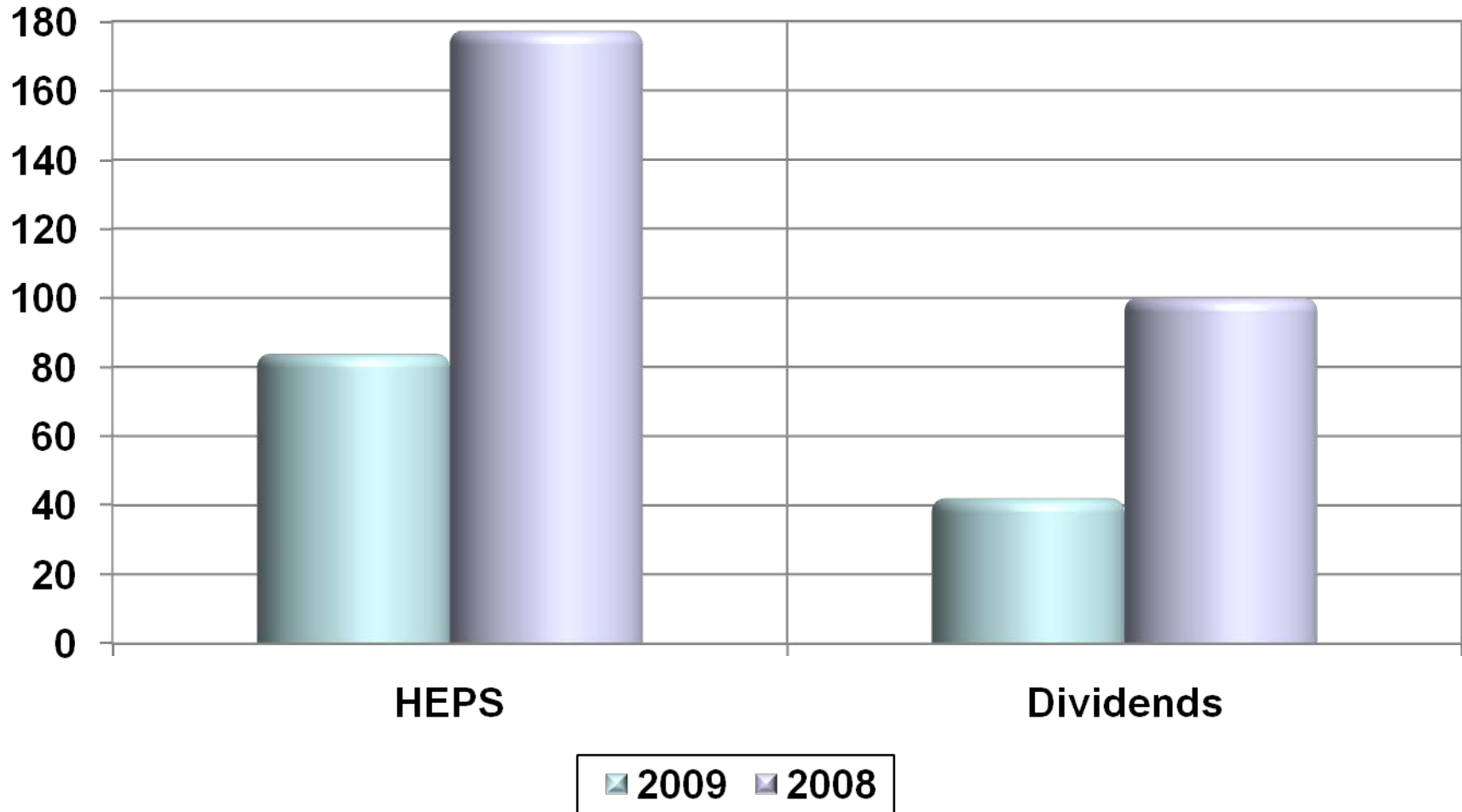
Rm	2009	2008
Impairment of goodwill, plant, property & investments	390	602
Retrenchment and restructuring	107	94
Fair value of financial instruments	54	26
Impairment of loans to minority shareholders	37	-
Share based payment expense	18	13
Net profit on disposal of property and business	28	24
Thorpe fire loss	-	51
Onerous lease provision reversed/raised	26	65
Thorpe fire insurance proceeds	19	161
	533	588

Tax Rate

Rm	2009
Profit before tax	272
Tax	70
Effective tax rate	25.8%
Government incentives	11.4%
Deferred tax assets	10.4%
Prior year adjustments	7.3%
Disallowable expenses	16.1%
Disallowed impairments	5.4%
Other	5.4%
Standard tax rate	28.0%

HEPS/Dividends per Share

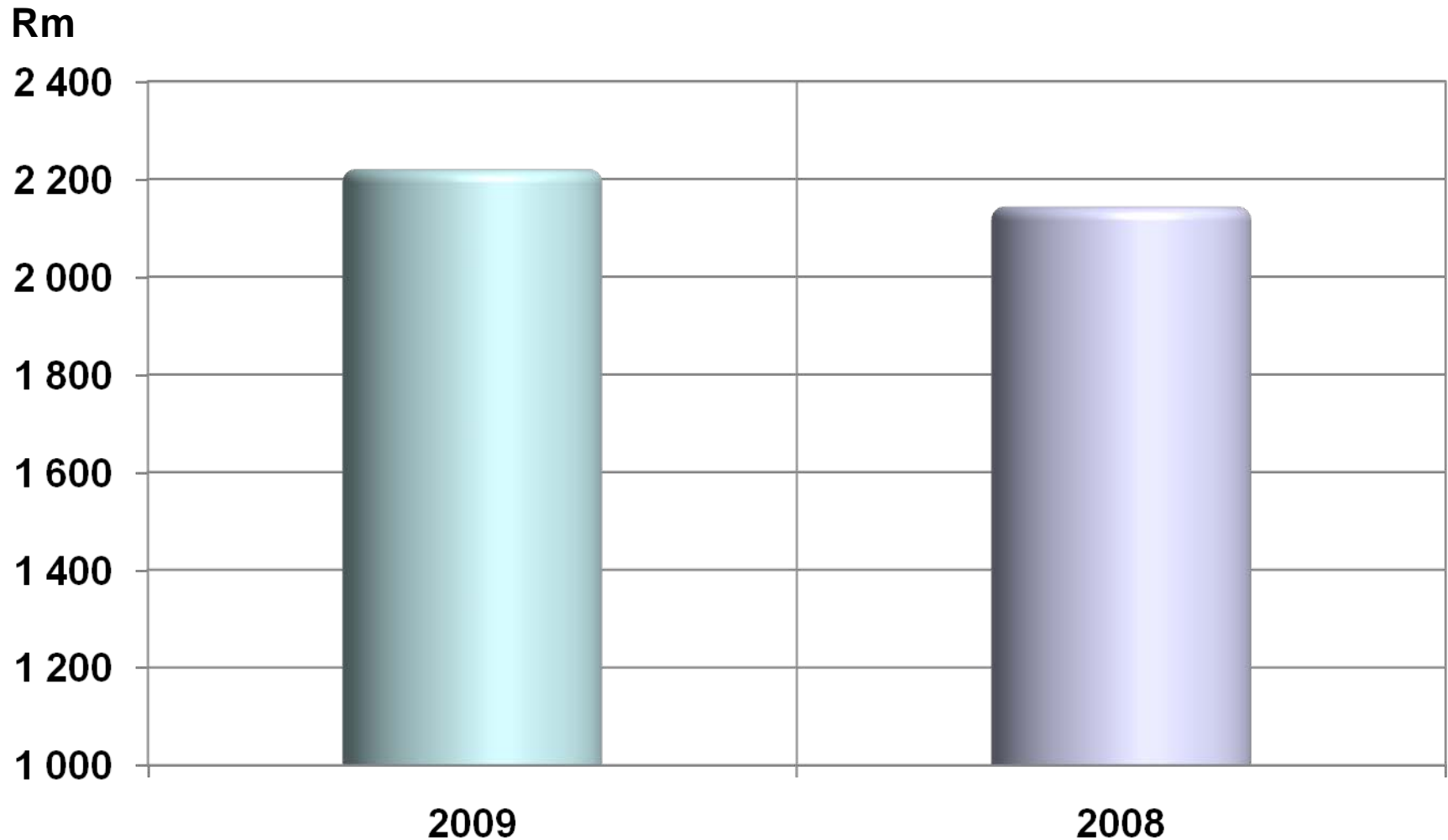
cents



Abridged Balance Sheet

Rm	2009	2008
Non-current assets	7 382	7 530
Current assets	6 535	7 933
Assets held for sale	175	52
TOTAL ASSETS	14 092	15 515
Total equity	5 130	5 992
Non-current liabilities	3 697	3 437
Current liabilities	5 185	6 086
Liabilities associated with assets held for sale	80	-
TOTAL EQUITY AND LIABILITIES	14 092	15 515

Cash Generated from Operations



Major Capex Projects

Division	Project	Rm
Angola	Beverage can factory	370
Corrugated	Paper mill	118
Glass	Cullet plant	48
Liquid	New milk bottle	26
Cartons & Labels	Size 3 press	24
Tissue	10's packaging	20
TOTAL	2009	1 129
	2008	1 576

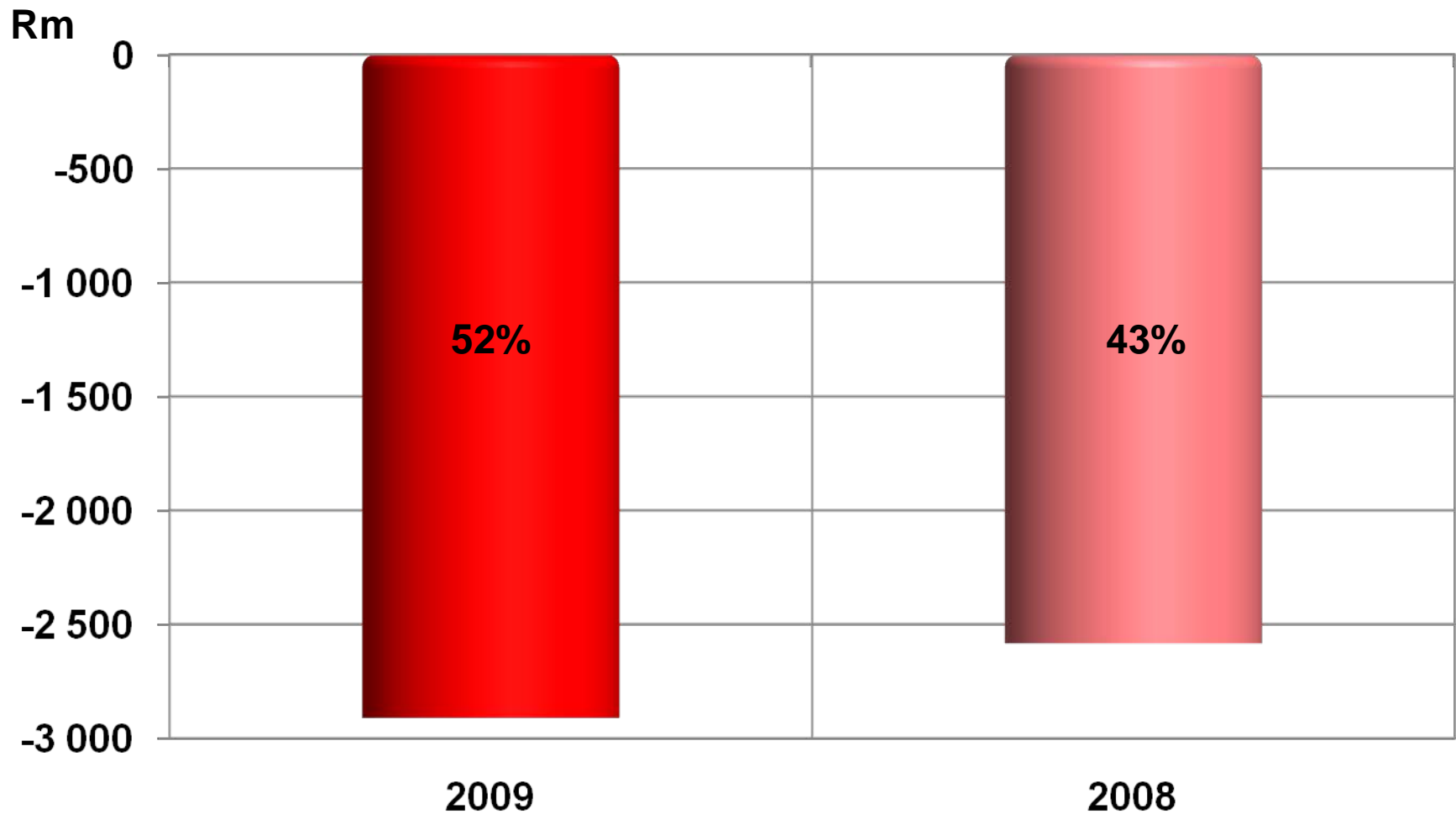
Working Capital

Rm		Net Working Capital
September 2008		2 824
Translation diffs and other non-cash movements		-345
Fair value of financial instruments		-36
Inventory	173	
Receivables	-204	
Payables	-167	-198
September 2009		2 245

Group Condensed Cash Flow

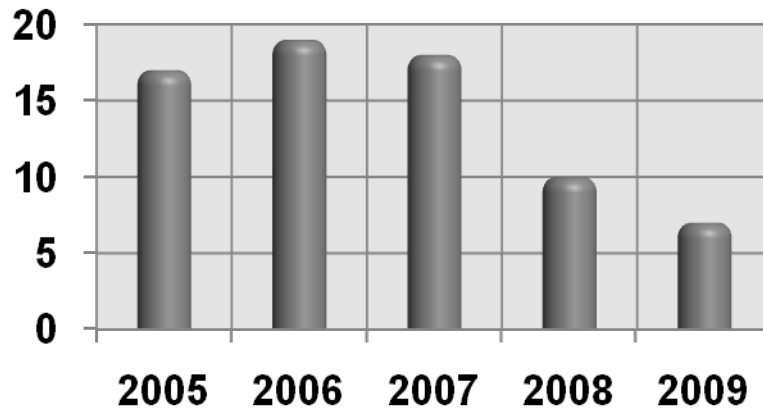
	Rm
Operating profit before working capital changes	2 022
Working capital changes	198
Cash generated from operations	2 220
Net interest paid	364
Tax paid	416
Dividends/cash distribution paid	529
Capex	1 129
Net borrowings repaid	473
Other	76
Net cash outflow	767

Net Debt

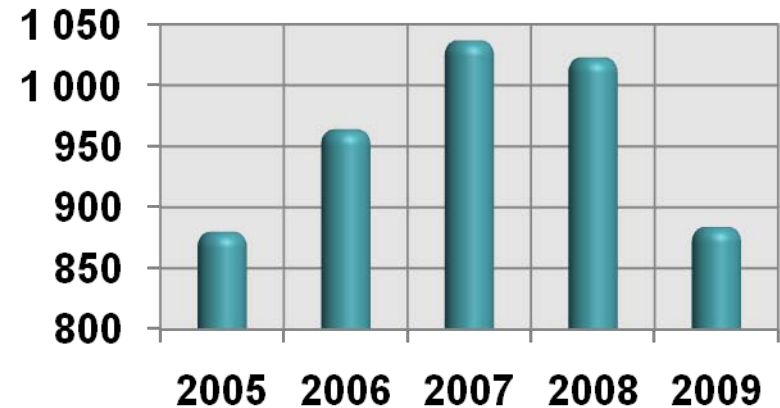


Key Ratios

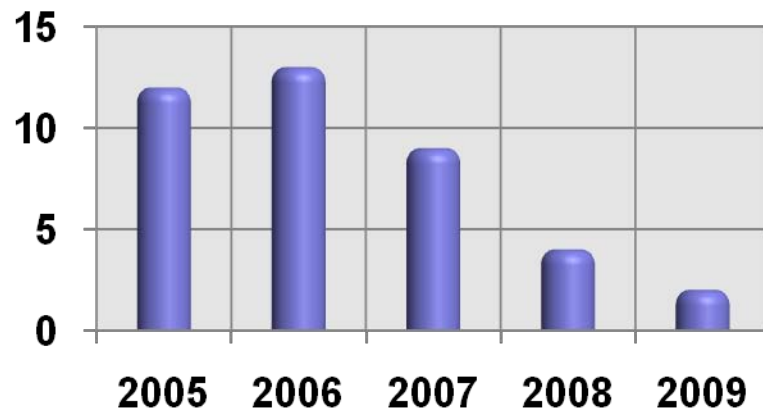
RONA %



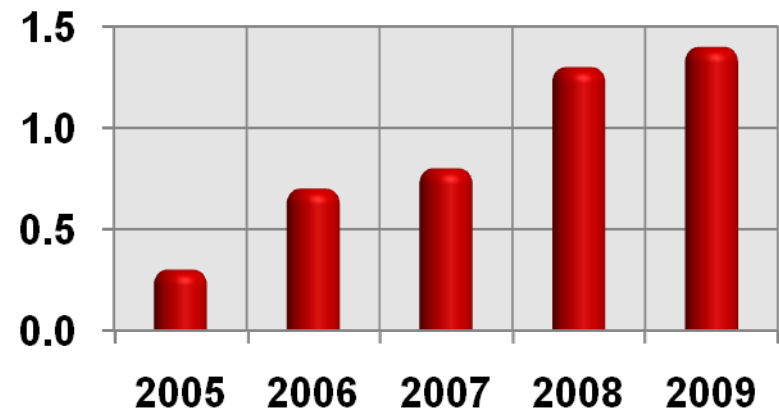
NAV per Share cents



Interest Cover X



Net debt:EBITDA X



OPERATIONAL REVIEW

Geographical Segmentation

Rm	Revenue		Trading income		Margin %	
	2009	2008	2009	2008	2009	2008
South Africa	13 307	12 291	843	1 222	6.3	9.9
Rest of Africa	1 403	1 056	69	71	4.9	6.7
Europe	5 220	5 441	216	244	4.1	4.5
Eliminations	344	330				
	19 586	18 458	1 128	1 537	5.7	8.3

Metals & Glass

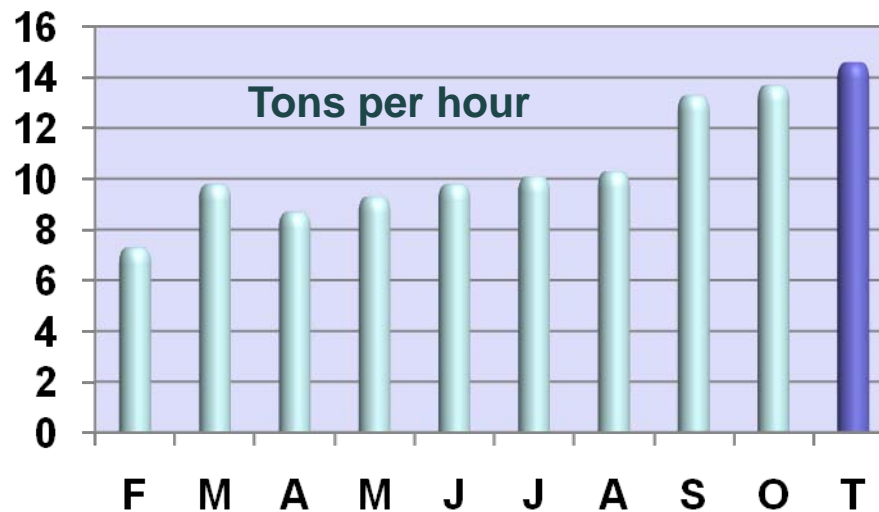
Rm	Revenue		Trading income		Margin %	
	2009	2008	2009	2008	2009	2008
Africa	6 003	5 061	742	807	12.4	15.9

- Tinplate price increase recovered
- Beverage can volumes down 4% in SA
- Food can volumes up 5%
- Diversified cans down 11% – generally higher margin
- Glass plant at full capacity – improved manufacturing efficiencies
- Nigeria profitable
- Angolan project approval still awaited

	Revenue		Trading income		Margin %	
	2009	2008	2009	2008	2009	2008
Africa Rm	5 460	5 121	14	253	0.3	4.9
Europe £m	238	226	5.5	2.5	2.3	1.2

- Substantial loss in Corrugated

- Trading loss R250m
- Mill capex R504m – final cost R798m
- Commissioned 6 months late
- Volumes down 10% plus margin pressure
- R274m impairment
- Overdue debtors reduced from R135m in 2008 to R50m in Sep 2009



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- Substantial loss in Corrugated
- Weak demand for cartons & labels except fast-foods
- Tissue had a good year
- Good performance from Sacks
- Nigeria performed well but affected by devaluation of Naira
- Big loss in Leeds
- Losses in smaller businesses – R29m

	Revenue		Trading income		Margin %	
	2009	2008	2009	2008	2009	2008
Africa Rm	3 247	3 165	163	161	5.0	5.1
Europe £m	107	120	6.7	11.5	6.2	9.3

- Lower polymer prices helped margin stability
- Good demand for milk, juice and CSD bottles in South Africa
- Crates, drums, tubes & tubs down
- Strong demand for wine closures
- Zambia had an excellent year
- Europe affected by liquidation of major customer

THE WAY FORWARD

The Way Forward

- **10 years of underperformance**
- **Strategic review March 2009**
- **Strategic Plan**
- **Conclusion**

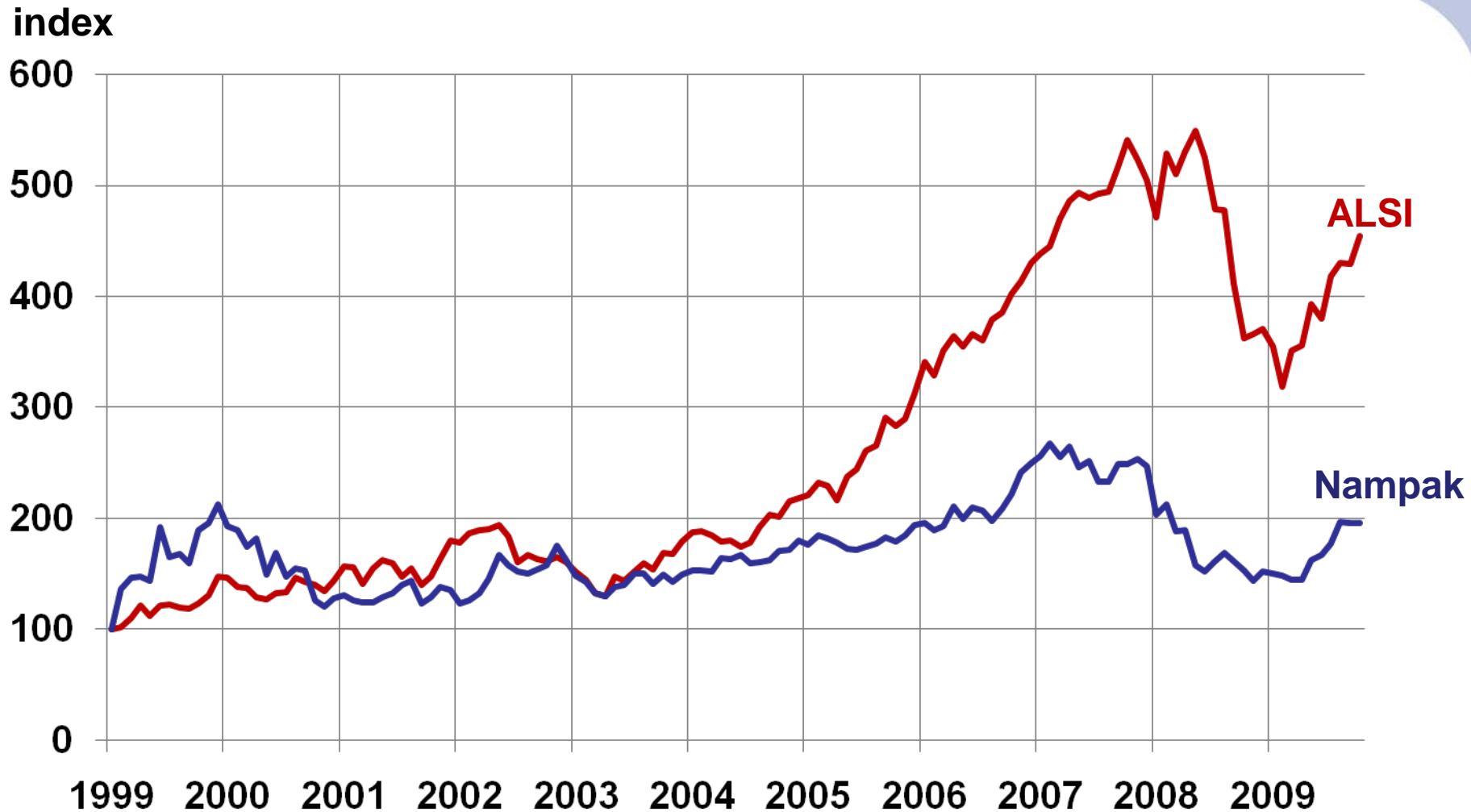
NAMPAK

A 10 YEAR UNDERPERFORMER

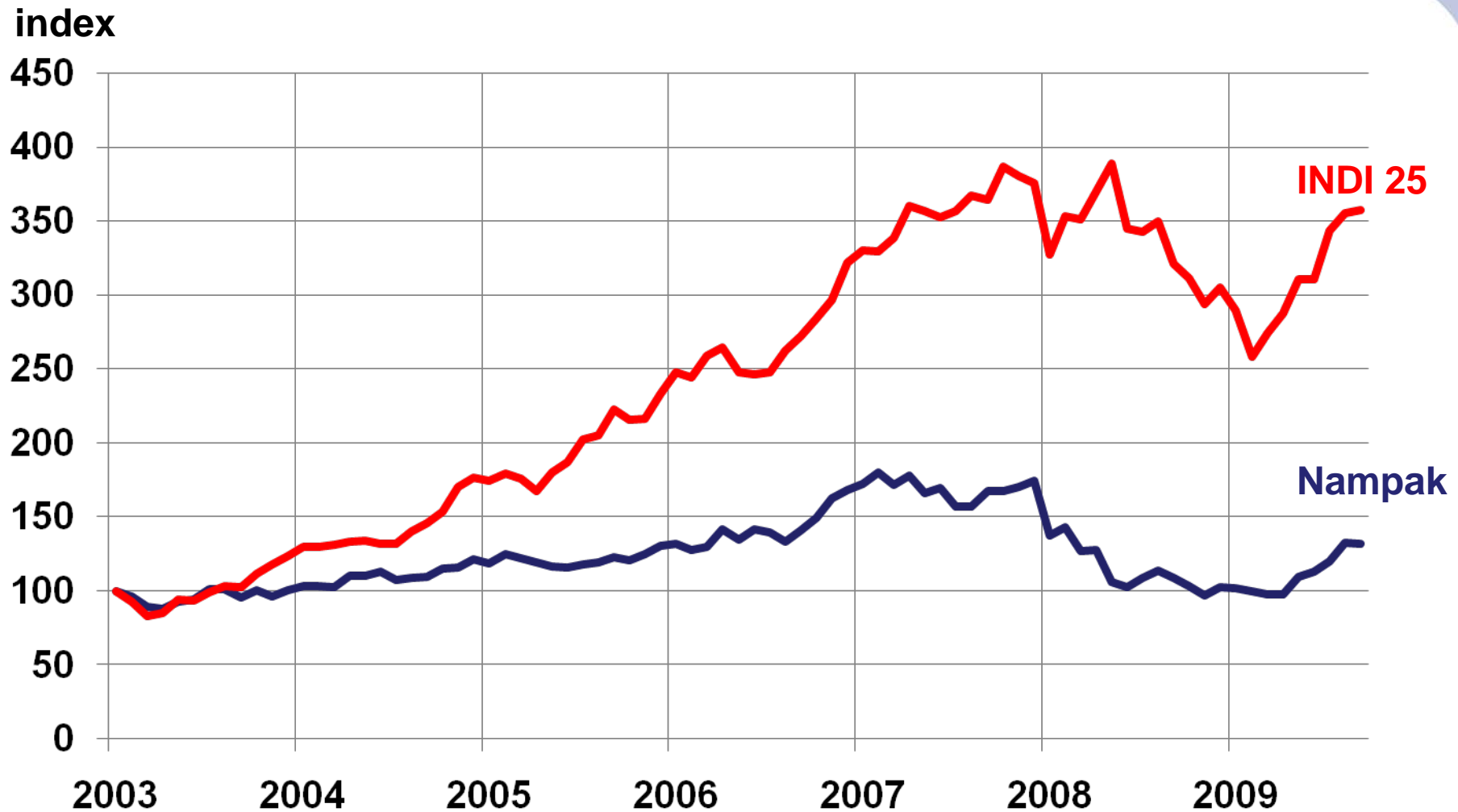
Nampak Market Cap Ranking

Ranking	1999	2004	2009
1			
5			
10			
15			
20			
25			
30	30 – R9.4bn		30 – R31.5bn
35			
40		38 – R10.0bn	
45			
50			
55			
60			60 – R11.3bn

Nampak vs Alsi



Nampak vs INDI 25



- **“Nampak never fails to disappoint, it always disappoints”,
Moneyweb Oct 09**
- **“If there was a prize for disappointing, Nampak would be right up
there”, Moneyweb Oct 09**
- **“The perpetually underperforming packaging company,
Nampak”, Sunday Times, Nov 09**

STRATEGIC REVIEW

MARCH 2009

Strategic Review

- **80% of Nampak operations are profitable and have sustainable competitive advantages in markets in which they operate**

- Sole supplier of beverage cans in South Africa
- High barriers to entry
- National geographic spread of plants



- 85% market share of food cans
- Sole supplier of aluminium aerosol cans in South Africa
- Leading supplier of other metal cans



- **Only two players**
 - Nampak 20%, Consol 80%
- **High barriers to entry**



- >50% market share of milk bottle market
- In-plant technology
- Systems approach
- Geographical footprint



Nampak Plastics Europe

- **>60% market share**
- **Low cost model**
- **In-plants and geographical footprint**
- **Long-term contracts**

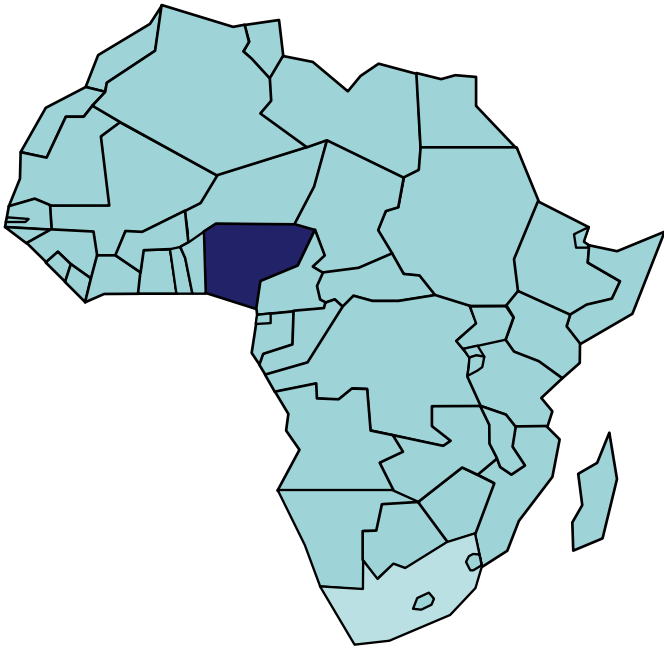


- **Sole supplier of twist-off closures**
- **Only 2 suppliers of ROPP closures**
- **Manufacturing licences**

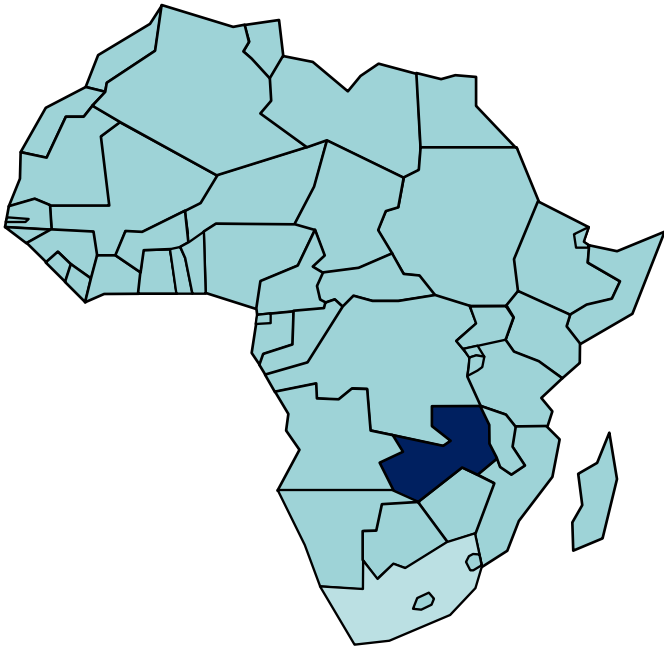


- **Established and trusted brands**
 - **Largest single-ply tissue brand**
 - **2nd largest 2-ply brand**
 - **Cuddlers 3rd largest diaper brand**
 - **Lifestyle 2nd largest fempro brand**
- **National footprint**
- **Control of recycled raw material**





- **Only manufacturer of cigarette packaging**
- **BAT – long-term contract**
- **Other folding carton business**
- **Superior equipment**
- **Growing consumer market**
- **Opportunities to expand metal packaging**



▪ Mini Nampak

- Crowns
- Steel drums
- Plastic crates
- Folding cartons
- Corrugated
- Liquid cartons
- Plastic bottles

Strategic Review

- 80% of Nampak operations are profitable and have sustainable competitive advantages in markets in which they operate
- **20% of Nampak operations are loss-making or earning returns less than hurdle rates and have been in this position for a number of years and have no sustainable competitive advantages**

Corrugated

- Limited pricing power
- Low barriers to entry in converting
- Not cost-competitive
- Overcapacity



Other Underperformers

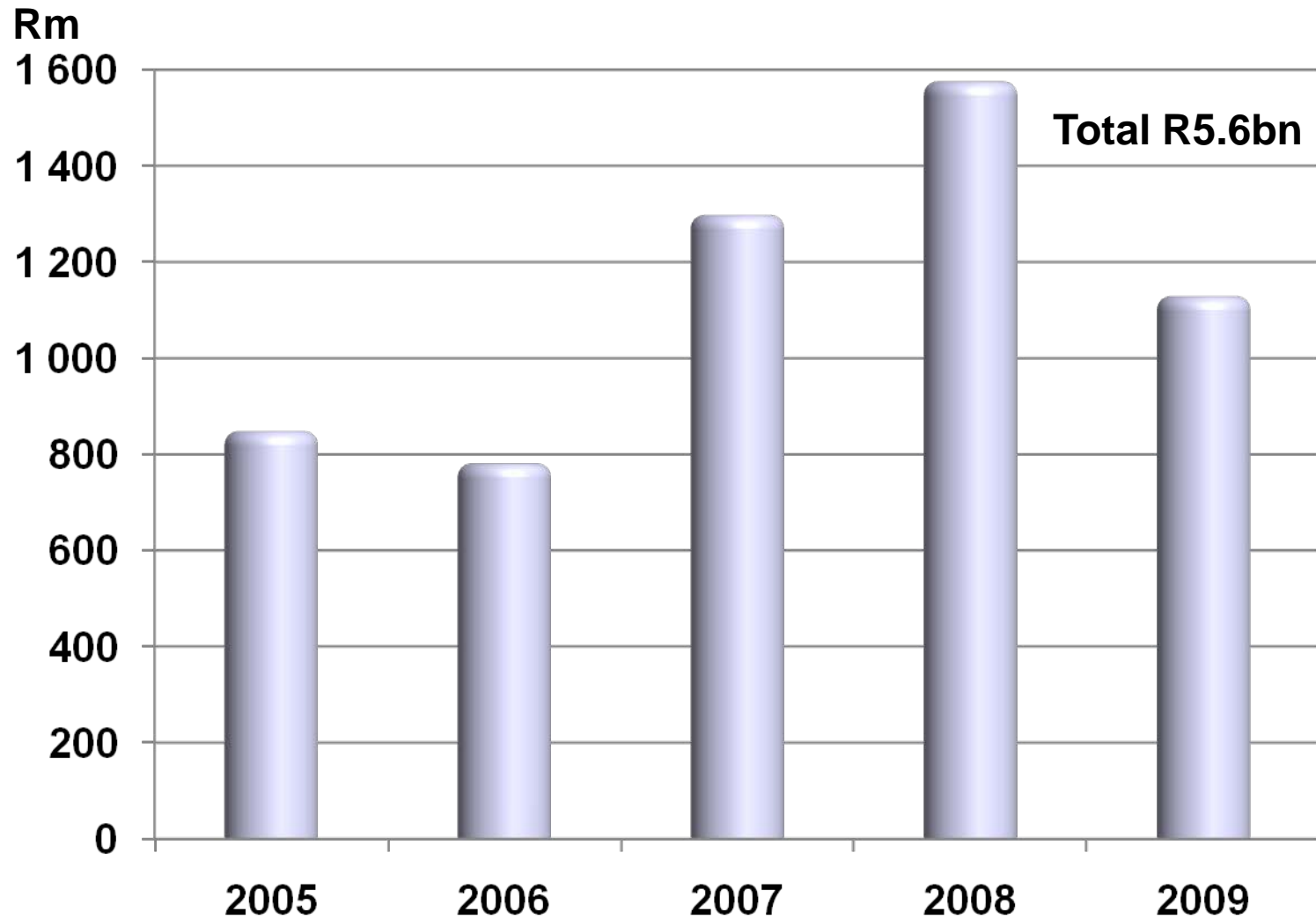
- **Flexpak - sold**
- **Foam - closed**
- **Others – in progress**

No Further Capex

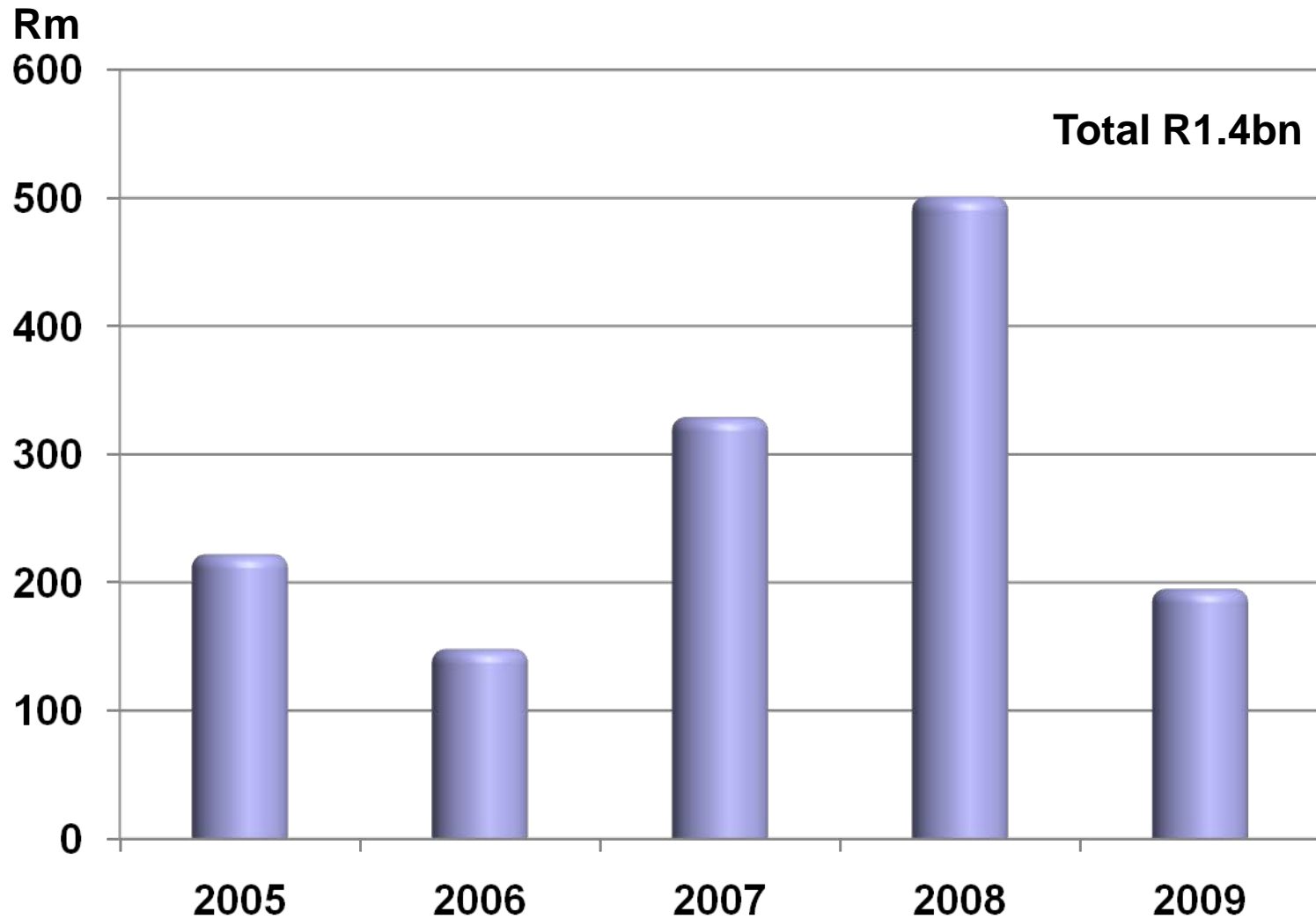
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- **Very high capex**

Total Group Capex



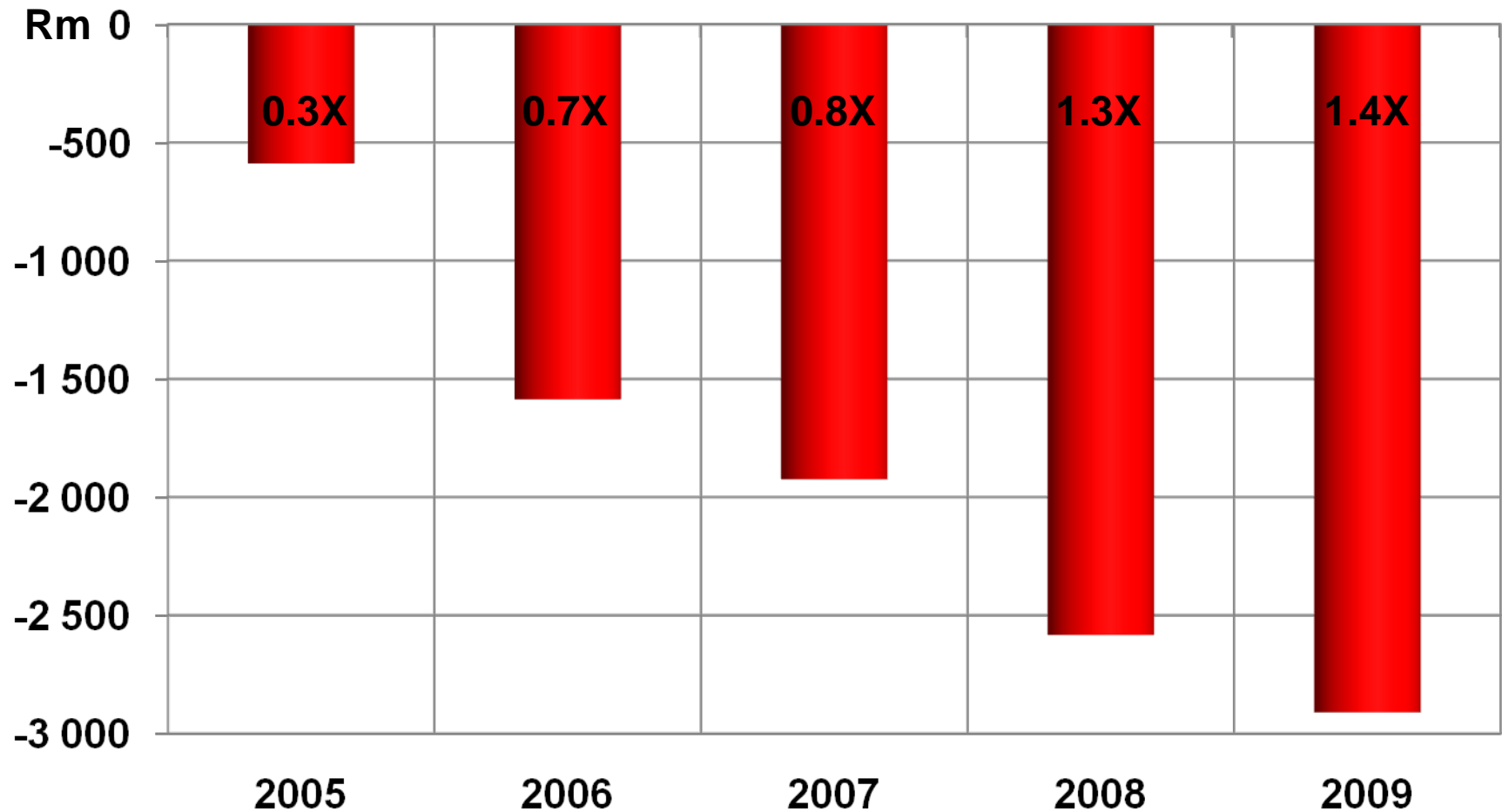
Capex on Underperformers



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- Very high capex
- **High debt levels**

Net Debt



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- High debt levels
- **Lack of operational focus**

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- Very high capex
- High debt levels
- Lack of operational focus
- **High group and head office costs**

STRATEGIC PLAN

- **Grow our core profitable operations**

Angola



2-Piece Food Can Production



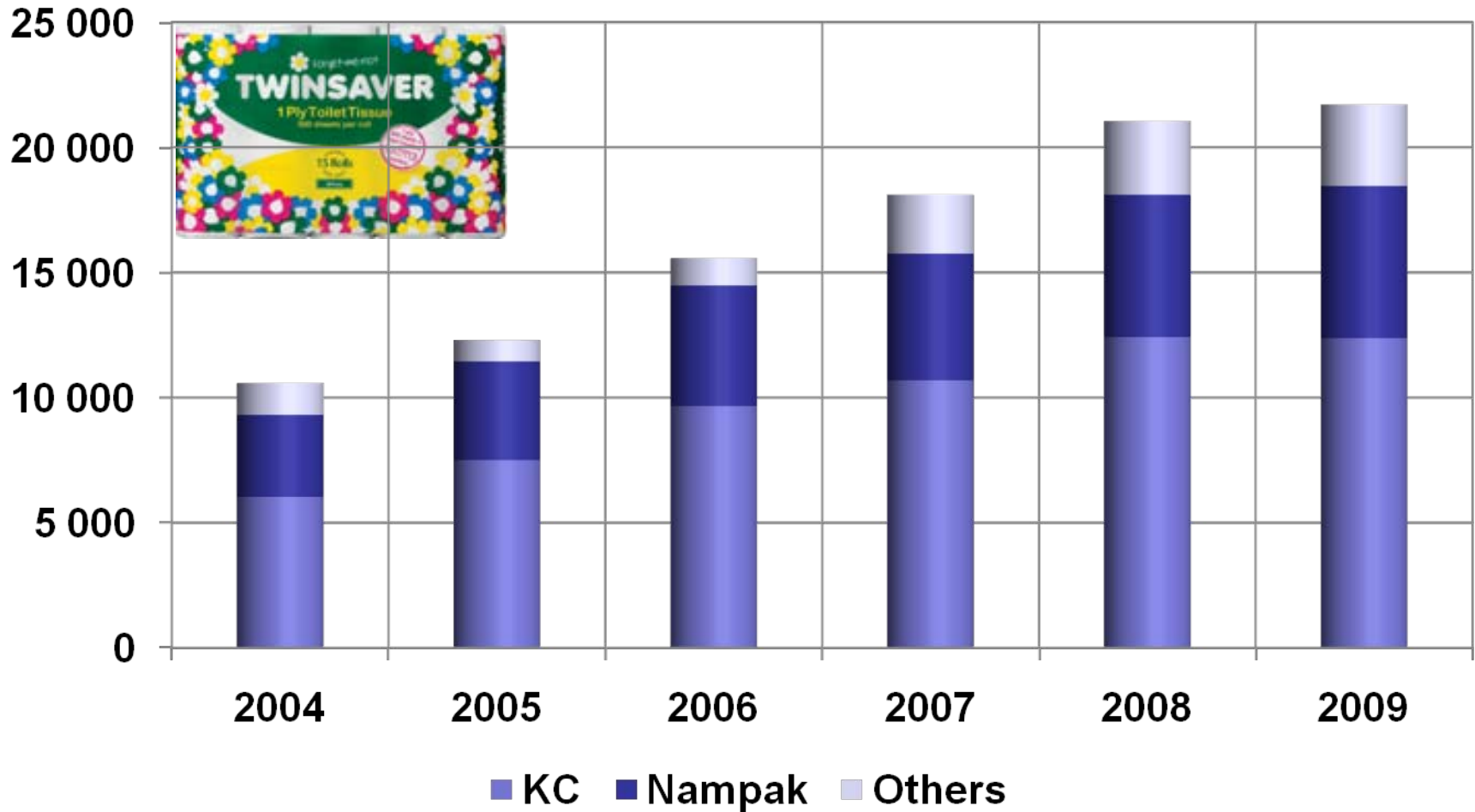
Nampak
packaging excellence

New Business in Nigeria



2-ply Tissue Growth

tons



Other Growth Products



Nampak
packaging excellence

- Grow our core profitable operations (80%)
- **Non-performing operations being fixed/sold/closed (20%)**
 - Industry solutions/rationalisation being pursued where appropriate
 - **No further capex on non-performers**
 - ✓ Corrugated – improvement
 - ✓ Leeds – break-even
 - ✓ Flexpak – sold
 - ✓ Foam – closed
 - ✓ Others

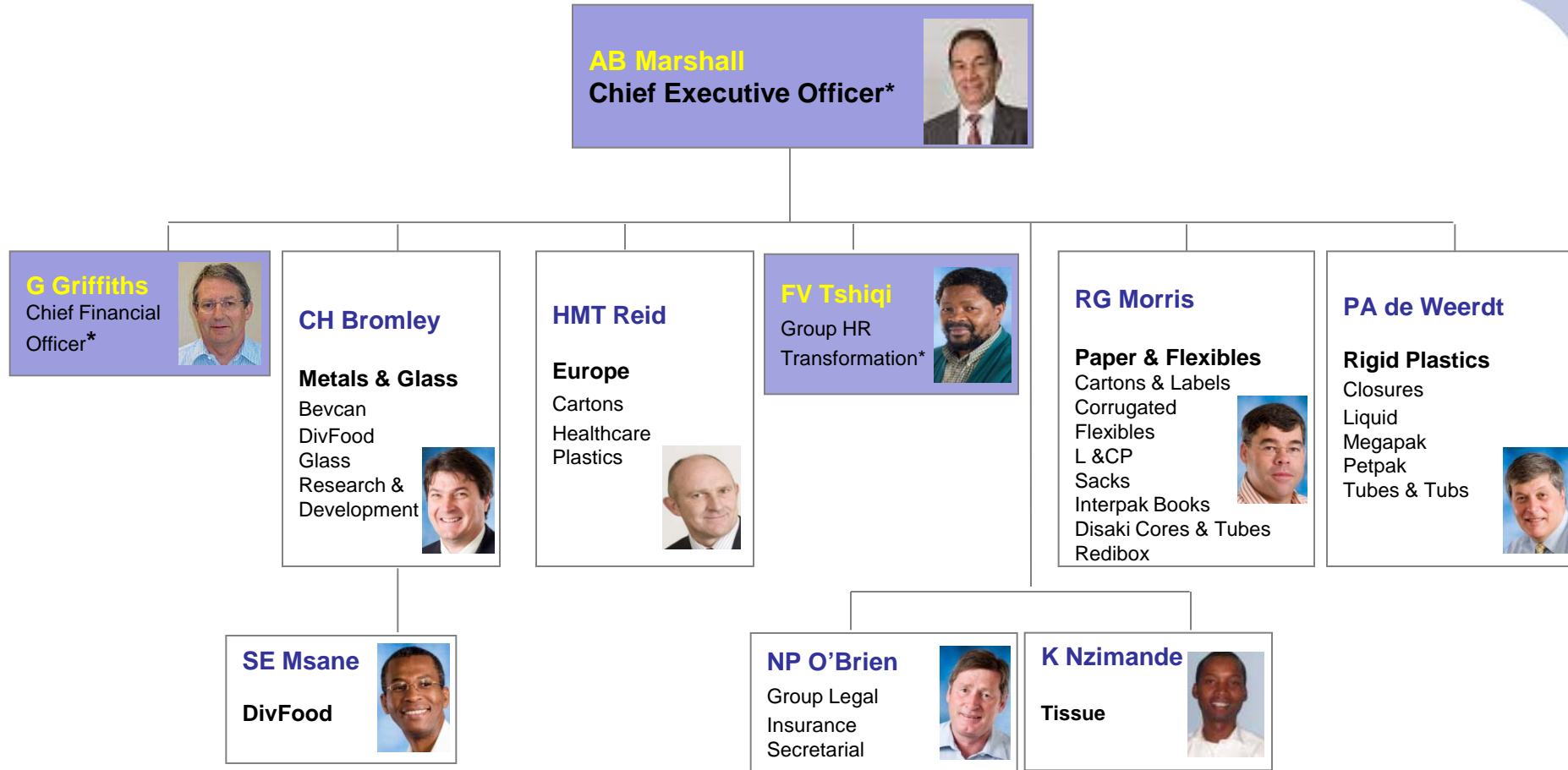
Strategic Plan

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- **Capex < depreciation for next 2/3 years**

Strategic Plan

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- Capex < depreciation for next 2/3 years
- **New management structure and decentralised/operational focus**

Executive Management Structure



* Executive Directors

Mar 09 - 12
Sep 09 - 10 more operationally focused

Board Changes

Current Members Non-executive



Retired/resigned



Executive



Strategic Plan

- Grow our core profitable operations (80%)
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 - No further capex on non-performers
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- **R35m reduction in head office costs**

Strategic Plan

- Grow our core profitable operations (80%)
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 - Industry solutions/rationalisation being pursued where appropriate
 - No further capex on non-performers
- Industry solutions
- Capex < depreciation for next 2/3 years
- New management structure and decentralised/operational focus
- R35m reduction in head office costs
- **Reduced debt and interest charges**

- 80% of Nampak is profitable with strong market positions –

GROW

- 20% is loss-making and needs to be fixed/sold/closed
- Capex restricted
- Further cost reductions
- Operational, hand-on management
- **ACTION** and **IMPLEMENTATION**

THANK YOU