

Nampak

2014 Interim Results



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.

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Key first half messages

- **Pleasing results – trading profit up 10%**
- **CEO transition completed**
- **Strategy confirmed**
 - **Accelerate Africa**
 - **Optimise South Africa**
- **Alucan acquisition confirms African intent**
- **Investment case remains solid**

Our strategy has two focus areas

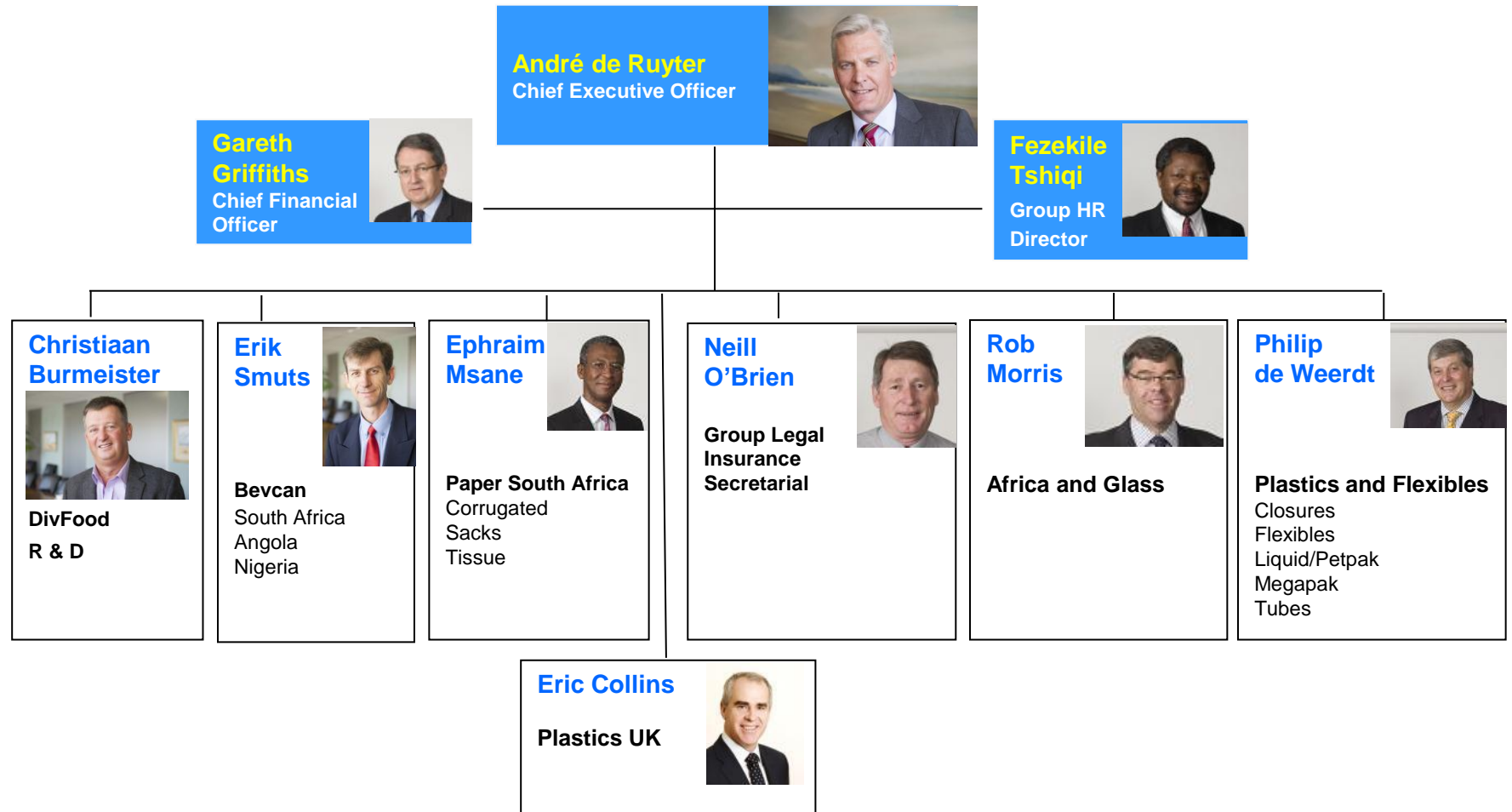
Unlock further value from base business

- Active portfolio management, including possible divestments
- Continue to grow metals, glass and plastics
- Stringent cost management
- Working capital management
- Business process improvement
 - Buying better
 - Making better
 - Selling better

Accelerate Africa growth

- Growth through greenfield investment and acquisitions
- Partner with major multinational customers
- Build market base through exports
- Establish local manufacture
- Diversify manufacturing to other Nampak products
- Build on existing hubs

Management structure



Executive directors

Summary of Results

- **HEPS up 9%**
- **Trading profit up 10%**
- **Trading profit in the rest of Africa up 23%**
- **Acquisition of Alucan Packaging for R3.3bn**
- **Capital expenditure of R1.0bn**
- **Dividend up 10% to 46.0 cents per share**

Group Results



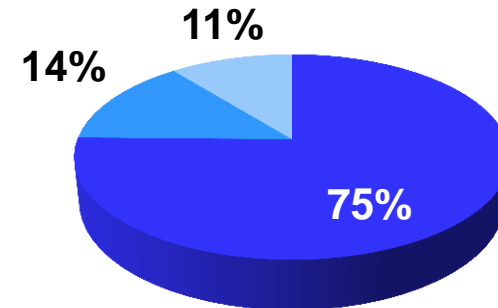
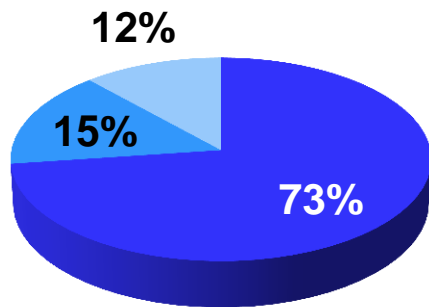
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Group Income Statement

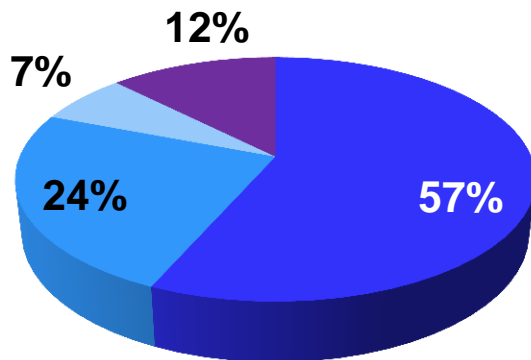
Rm	2014	2013	%
Revenue	9 795	8 725	12
Operating profit	1 065	1 086	2
Net finance costs	173	102	-
Income from JV's investments and associates	10	23	-
Profit before tax	902	1 007	11
Taxation	150	211	-
Profit for the period from continuing operations	752	796	6
Discontinued operations	11	17	-
Profit for the period	741	779	5
HEPS continuing	121.4c	111.8c	9

Geographical Revenue and Trading Profit

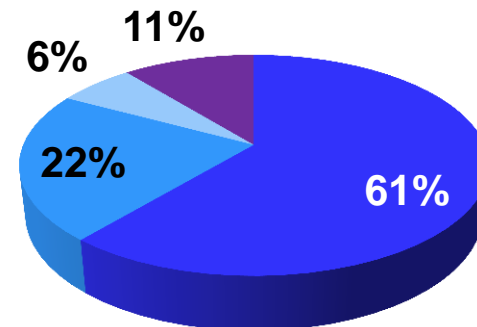
Revenue



Trading Profit



2014



2013

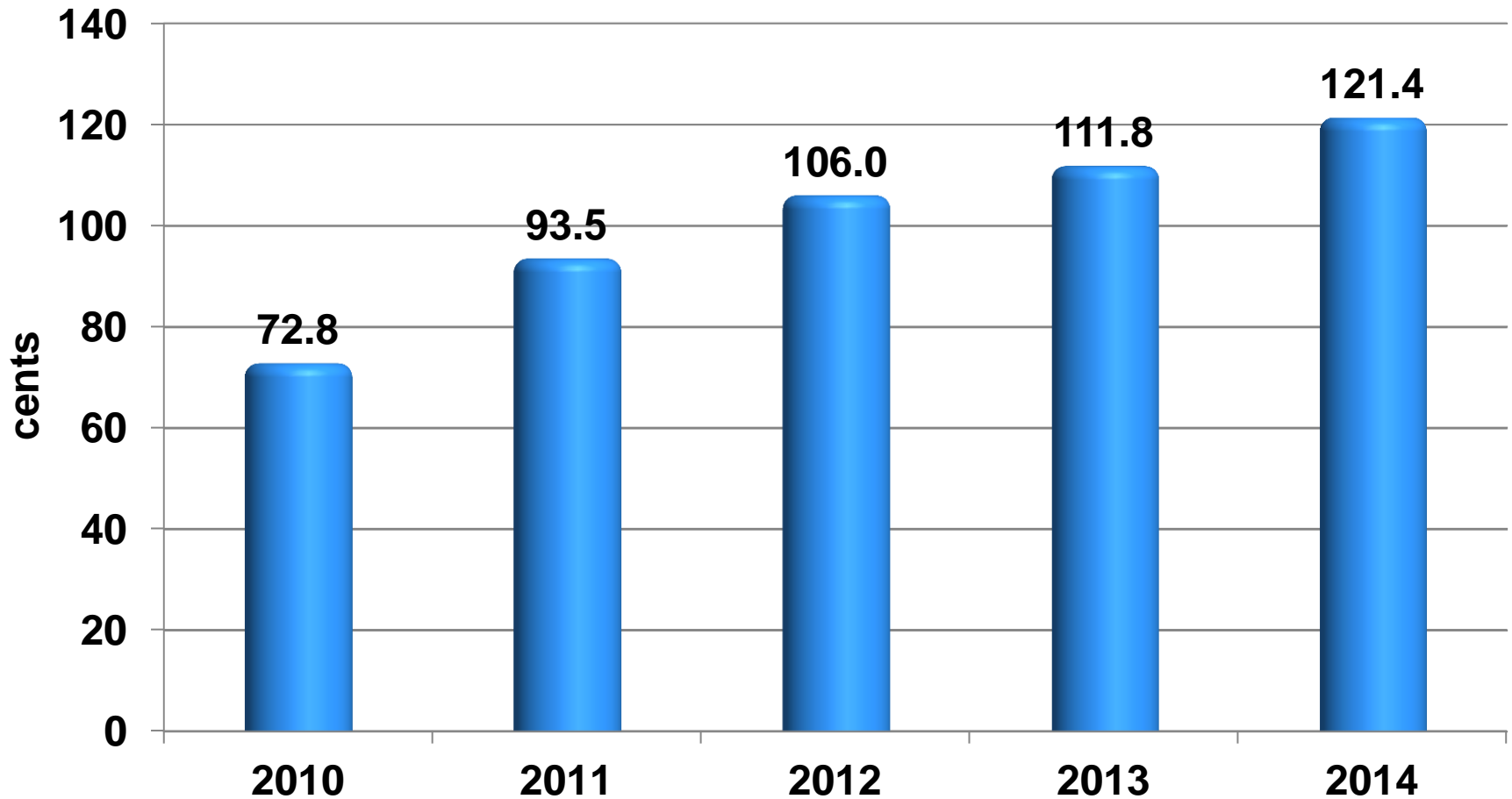
Operating and Trading Profit

Rm	2014	2013
TRADING PROFIT	1 076	975
Retrenchment and restructuring	11	-
Gain on revaluation of joint venture	-	23
Gain on reconsolidation of Zimbabwe	-	88
OPERATING PROFIT	1 065	1 086

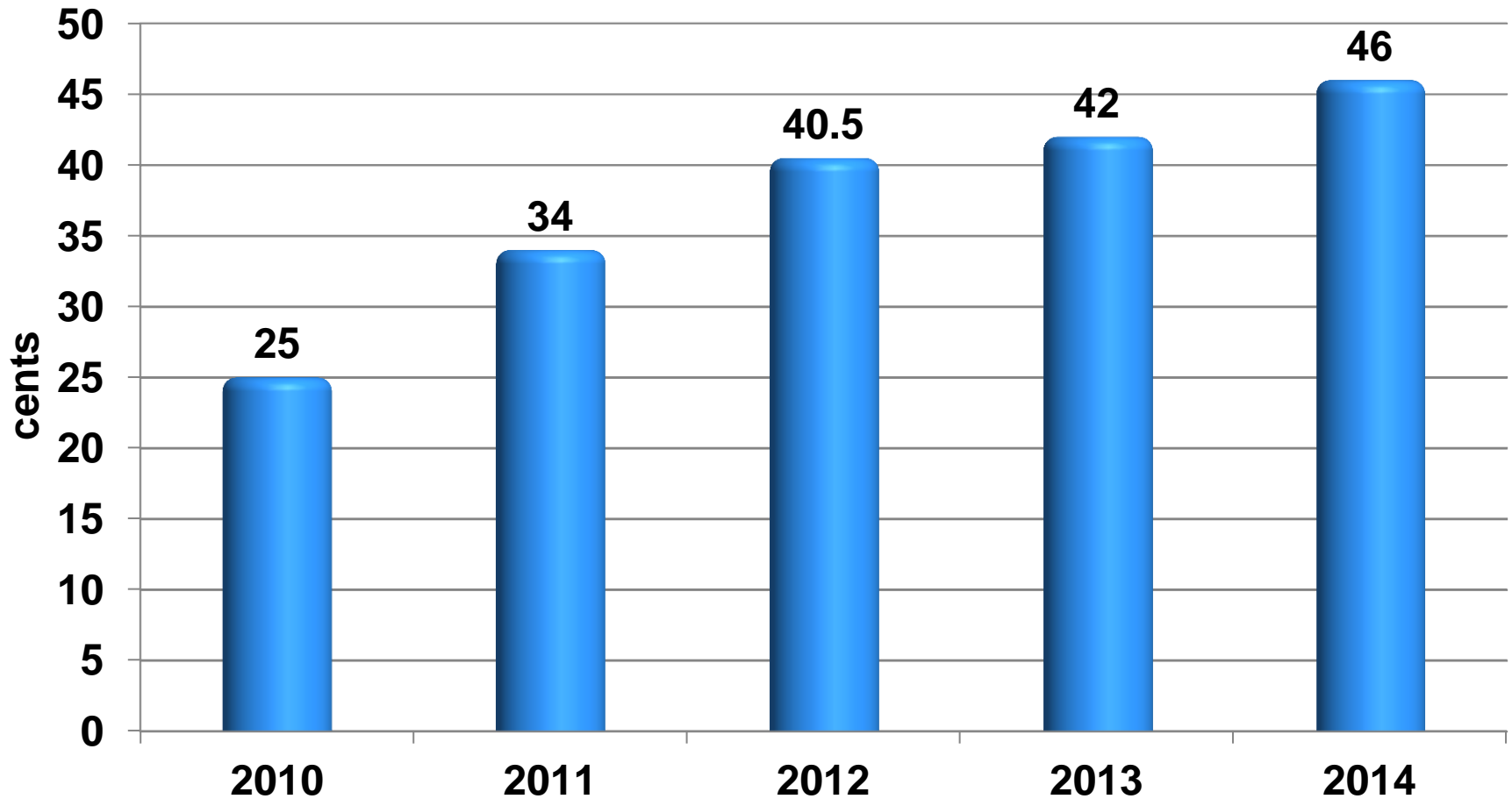
Tax Rate

Rm	2014	2013
Profit before tax	902	1 007
Tax	150	211
Effective tax rate	16.6%	21.0%
Government incentive	10.3%	1.4%
Foreign tax rate differential	3.2%	2.9%
Withholding taxes paid	1.4%	0.8%
Capital items	-	4.5%
Other	0.7%	1.0%
Standard tax rate	28.0%	28.0%

Headline Earnings per Share



Dividends per Share



Group Financial Position

Rm	2014	2013
Non-current assets	12 382	8 220
Bank balances, deposits and cash	1 013	2 080
Other current assets	7 214	6 109
Assets held for sale	524	-
TOTAL ASSETS	21 133	16 409
Total equity	7 273	6 743
Loans and borrowings	7 197	4 182
Retirement benefit obligations	2 264	1 637
Other liabilities	4 188	3 847
Liabilities associated with assets held for sale	211	-
TOTAL EQUITY AND LIABILITIES	21 133	16 409

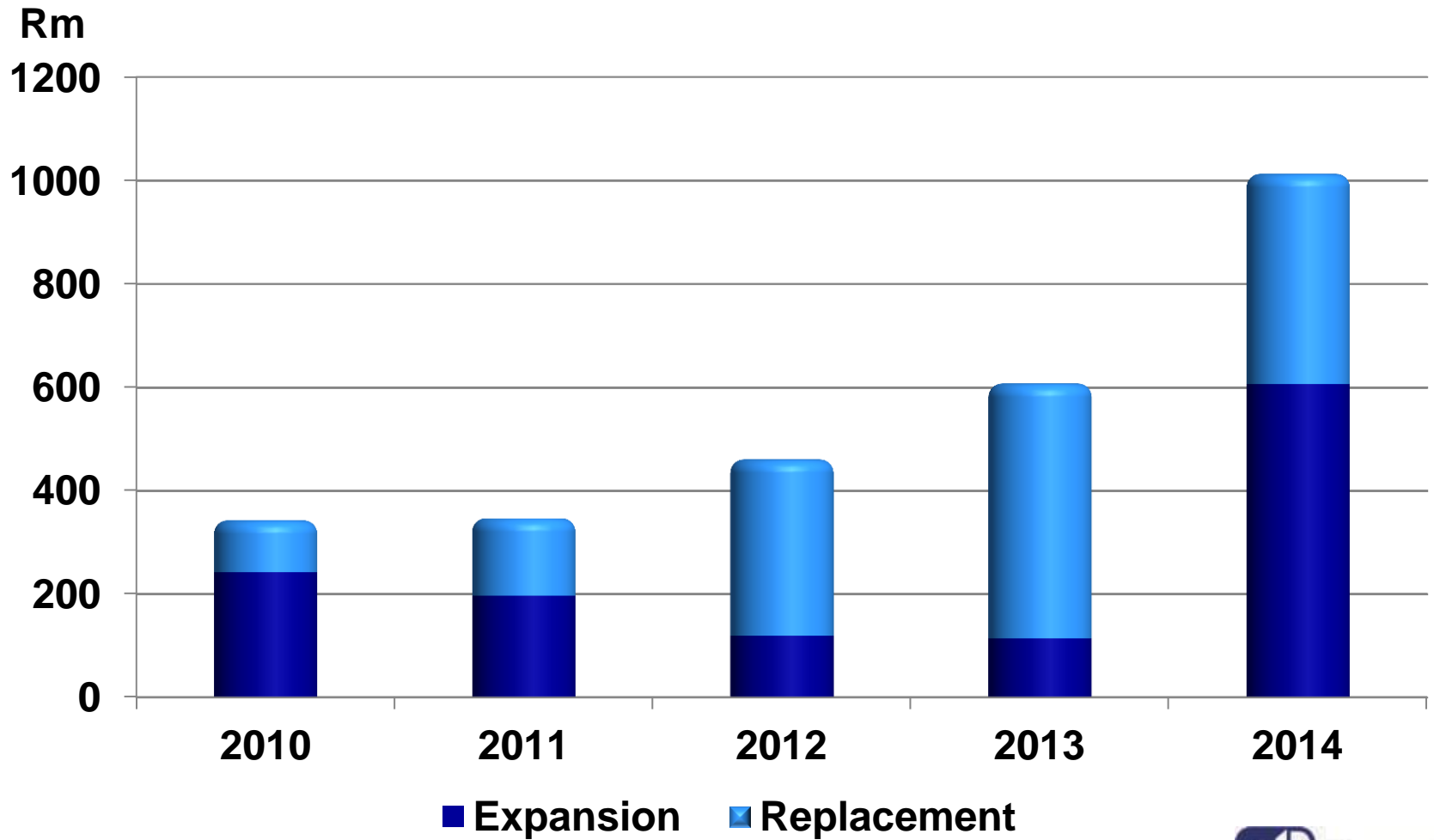
Group Cash Flow

Rm	2014	2013
Operating profit before working capital changes	1 537	1 325
Working capital changes	1 216	744
Cash generated from operations	321	581
Net interest paid	161	103
Tax paid	56	165
Dividends /cash distributions paid	585	528
Capex	1 012	609
Acquisition of business	3 337	110
Other	151	854
Cash outflow before financing activities	4 981	849
Net borrowings repaid/raised	98	823
Net decrease in cash	5 079	26

Working Capital Movement

Rm	2014	2013
Inventories	446	40
Receivables	184	211
Payables	586	573
Total increase in working capital	1 216	744

Capex



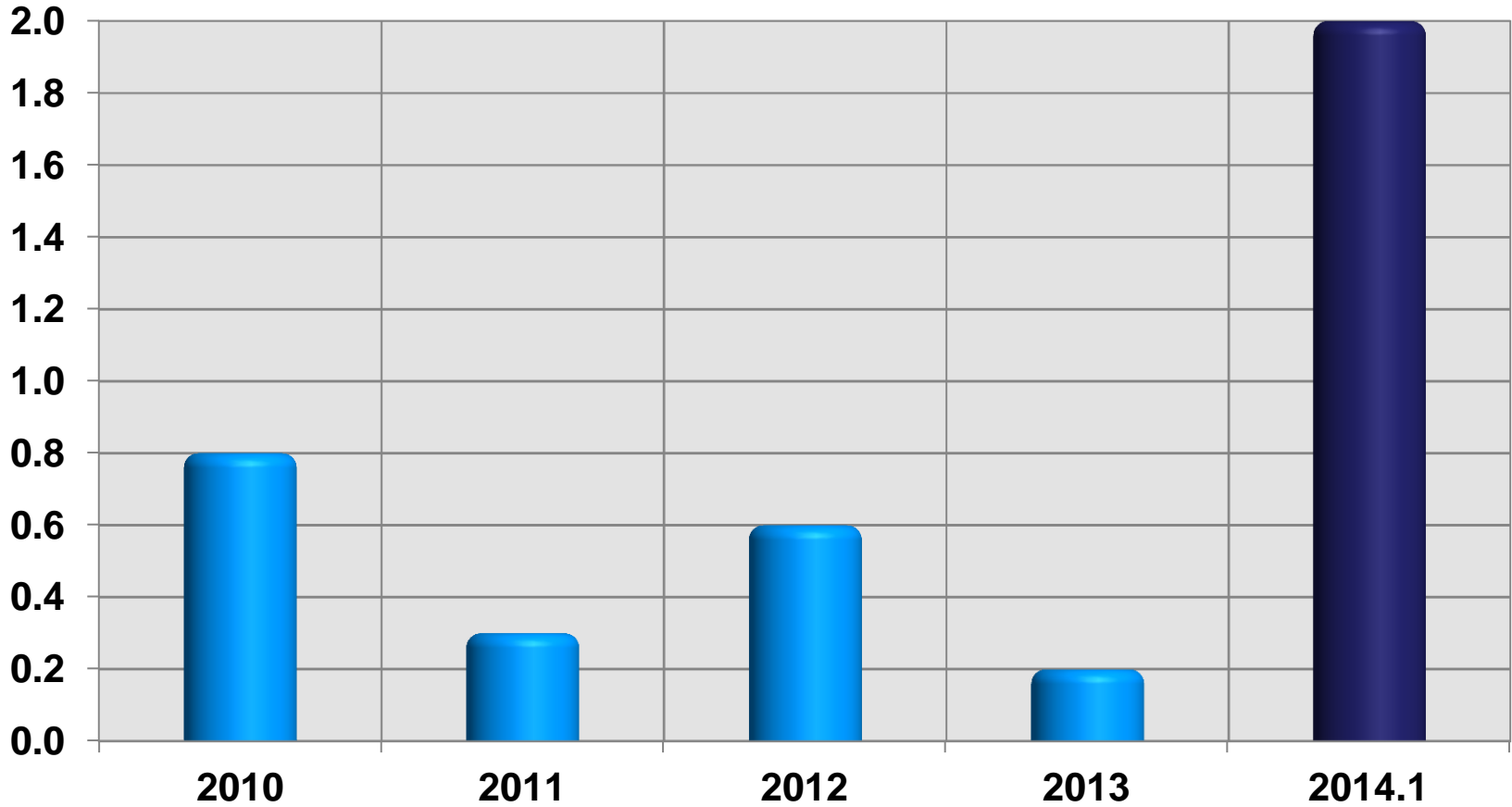
Major Capexes : Interim 2014

	Rm
Growth Capex	
Glass 3rd furnace	458
Plastics – water/oil	36
Angola warehouse and 2nd line	27
Maintenance Capex	
Bevcan aluminium conversion	182
Zambia - printer	27

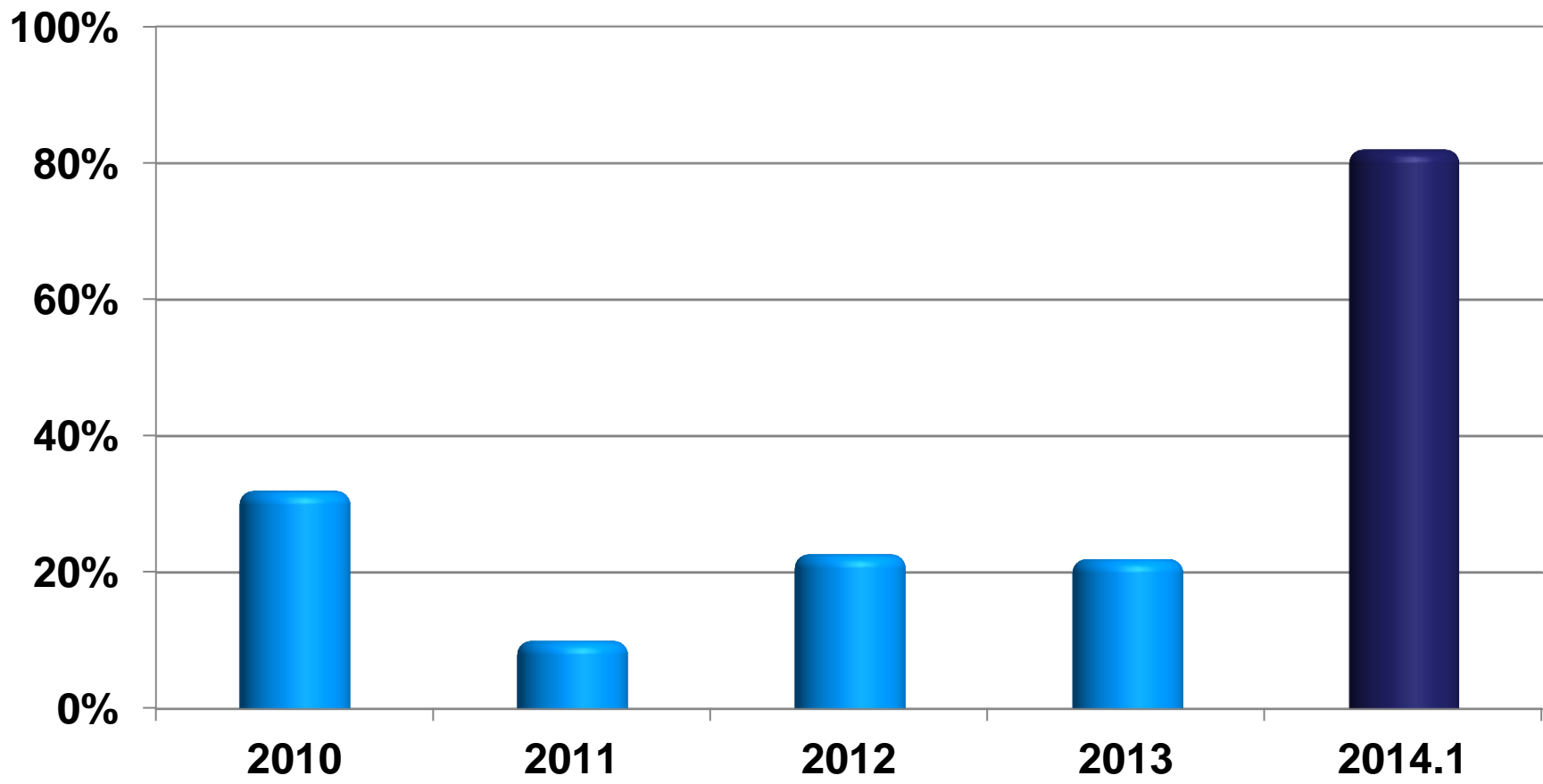
Net Debt : EBITDA



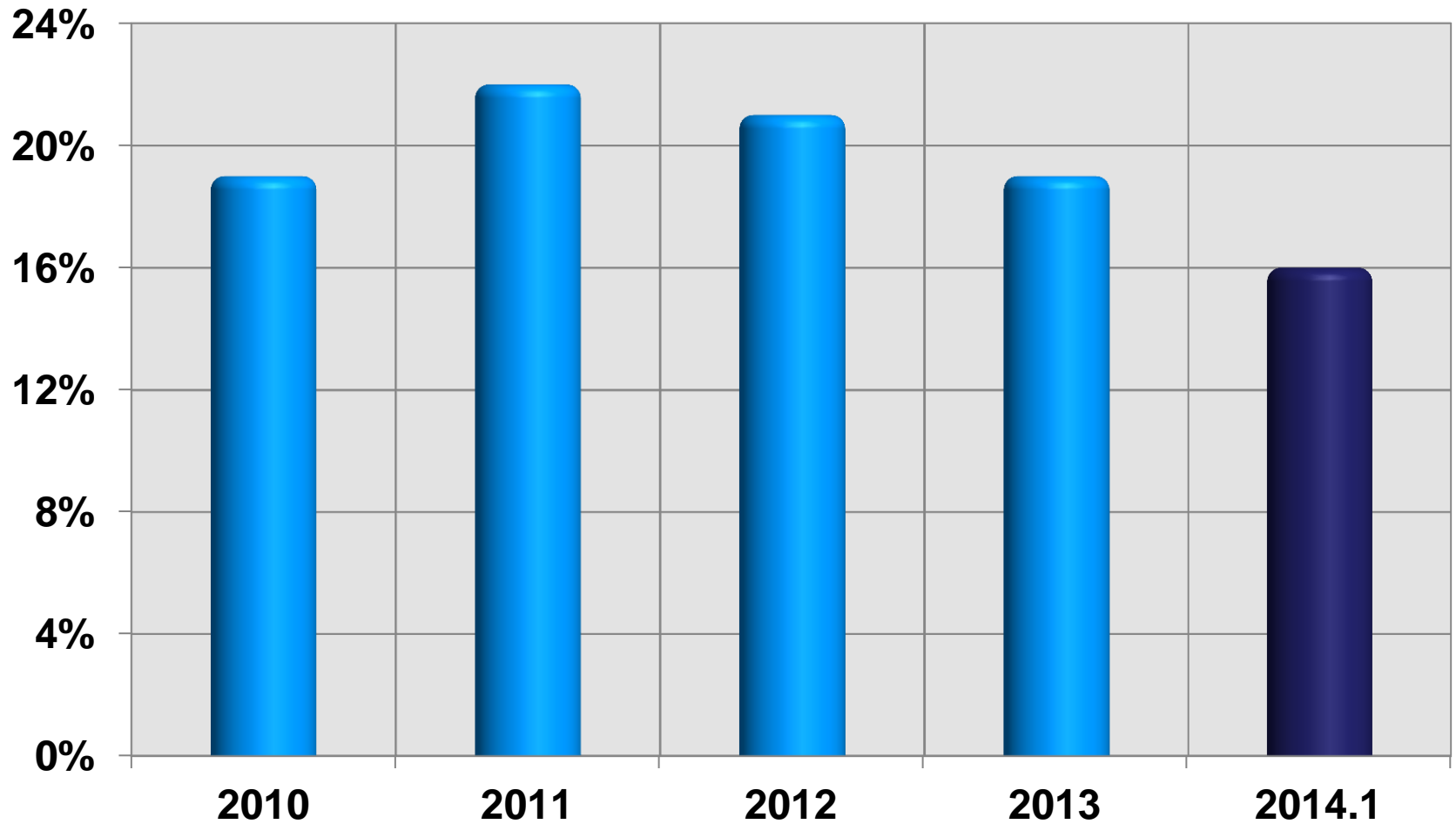
times



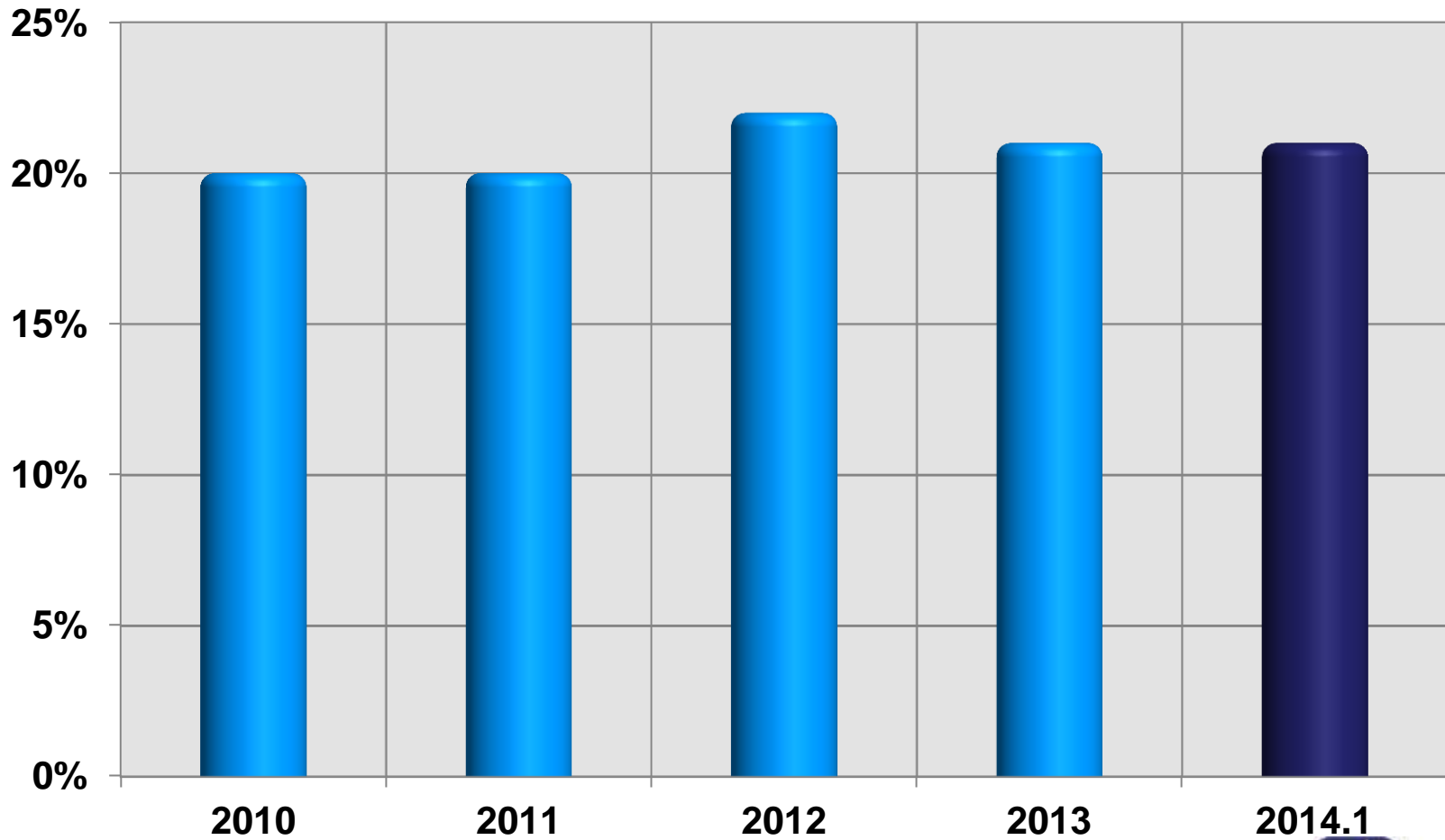
Net Debt : Equity



RONA



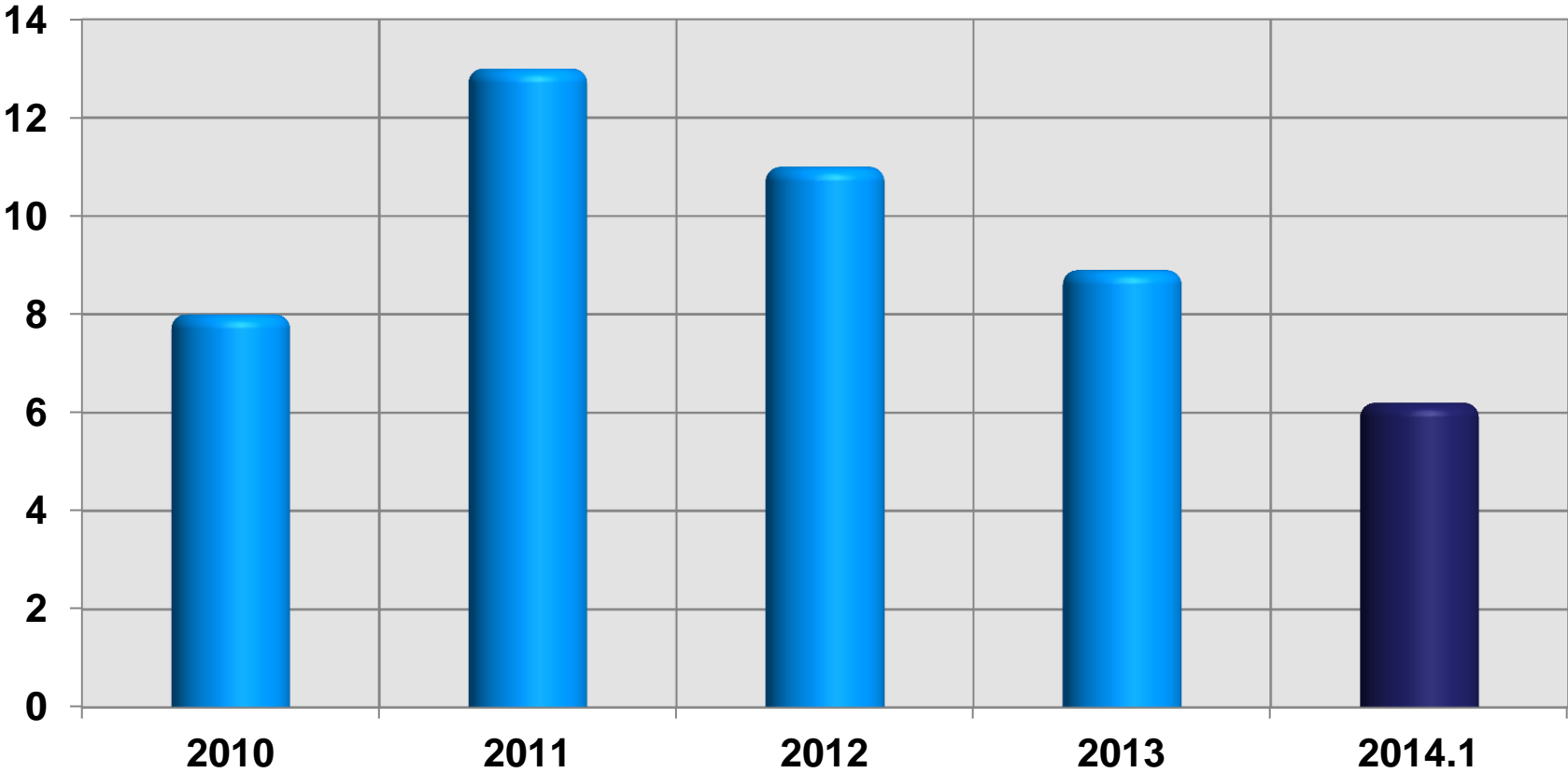
ROE



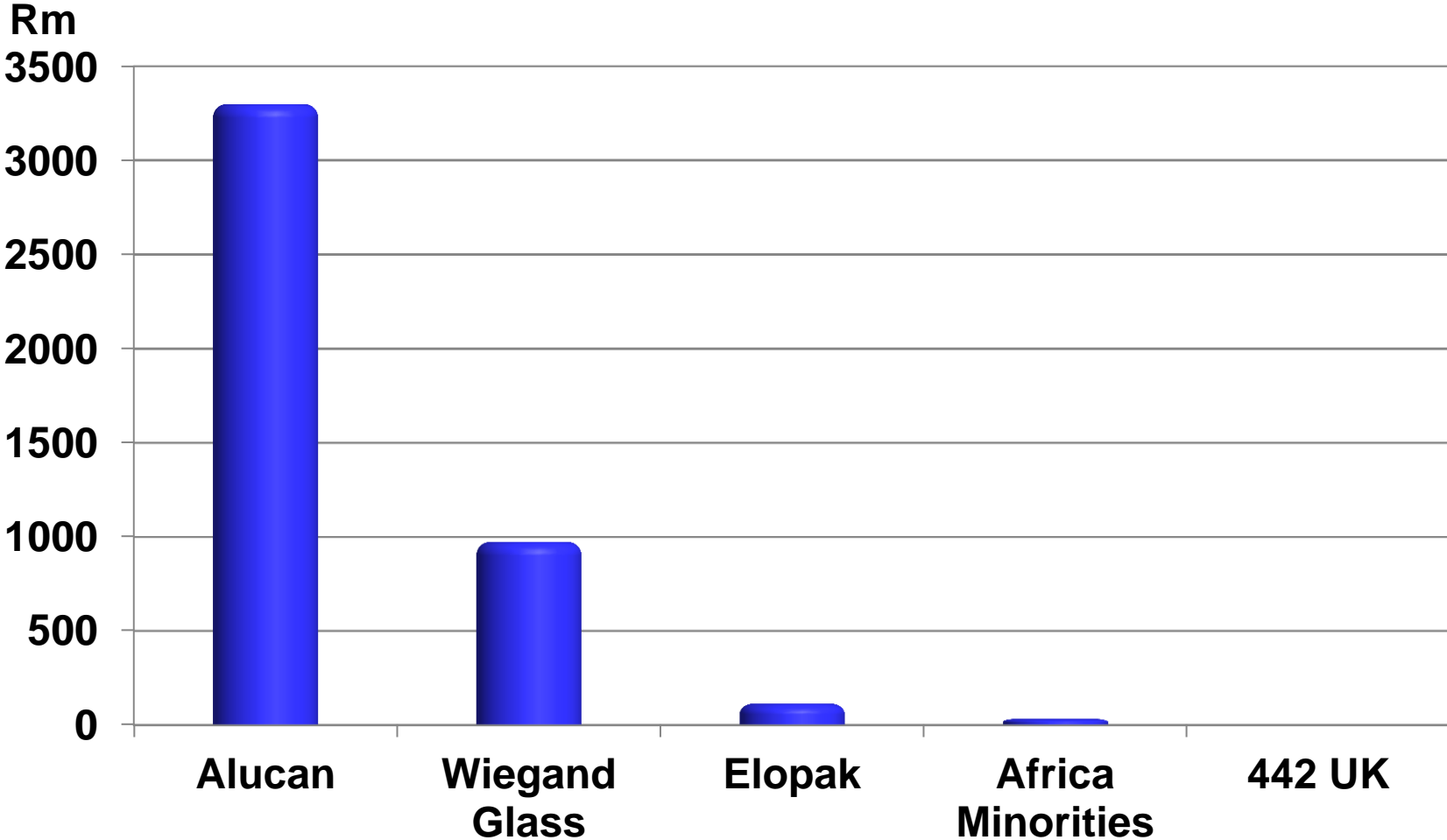
Interest Cover



times



Acquisitions past 5 years

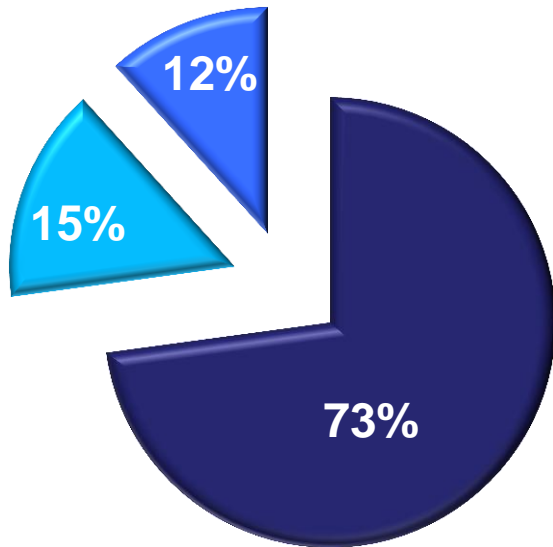


Operational Review



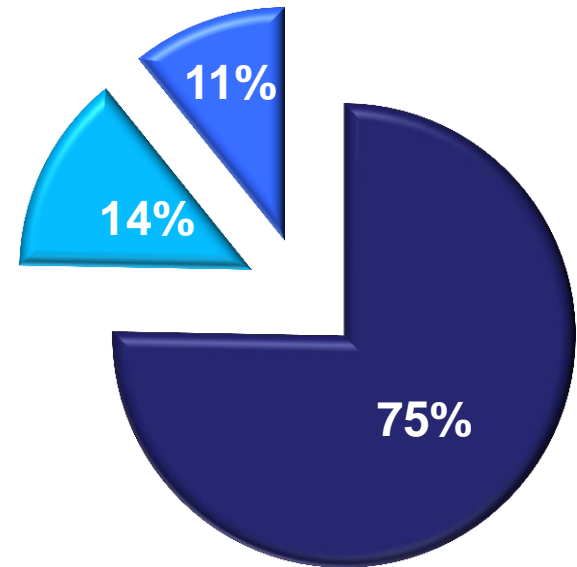
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Geographical Revenue



2014

- South Africa
- Rest of Africa
- UK



2013

Trading Profit and Margin

Solid performance of Africa business

	Trading Profit Rm		Margin %	
	2014	2013	2014	2013
South Africa	609	596	8.5	9.1
Rest of Africa	261	212	17.3	17.4
UK	72	61	6.3	6.5
Corporate Services	134	106		
Group	1 076	975	11.0	11.2

South Africa : Metals & Glass

Metals performed well while glass was under pressure

Rm	Revenue		Trading Profit		Margin	
	2014	2013	2014	2013	2014	2013
	3 669	3 152	413	347	11.3%	11.0%

- Good demand for 440ml beverage cans
- Aluminium conversion on track
- Fish, vegetable and meat cans up but fruit cans down
- Strong demand for aerosol cans
- Glass market declined – shift to cans and PET bottles
- 3rd furnace due for commissioning in July 2014



South Africa : Paper & Flexibles

Challenging market conditions impact profit

Rm	Revenue		Trading Profit		Margin	
	2014	2013	2014	2013	2014	2013
	1 524	1 487	37	40	2.4%	2.7%

- Gained market share in corrugated commercial sector
- Agricultural market affected by poor weather in Western Cape
- Demand for flexibles strong in 1st quarter but weaker in 2nd quarter
- Paper sacks affected by sugar imports and loss of market share



South Africa : Plastics

Margins satisfactory on a normalized basis

Rm	Revenue		Trading Profit		Margin	
	2014	2013	2014	2013	2014	2013
	1 247	1 220	113	162	9.1%	13.3%

- Lower demand for milk and juice bottles – some market share loss
- 2013 included R25m profit on sale of PET in-plant equipment
- Wine bottle closures impacted by increased bulk wine exports
- Increased demand for food jar and plastic bottle closures
- Good demand for large drums from alcohol-export customers
- Plastic crate sales lower
- Toothpaste tube sales picked up in 2nd quarter



South Africa : Tissue

Some volume growth as selling prices remain under pressure

Rm	Revenue		Trading Profit		Margin	
	2014	2013	2014	2013	2014	2013
	697	710	46	47	6.6%	6.6%

- Some volume growth but selling prices remained under pressure
- Sancellia now accounted for as an associate
 - Volumes and margin under pressure



Rest of Africa: Metals & Glass

Alucan acquisition profitable from Day One

Rm	Revenue		Trading Profit		Margin	
	2014	2013	2014	2013	2014	2013
	1 010	809	167	123	16.5%	15.2%

- Ongoing good demand in Angola
- Import duties will improve demand from local fillers
- 2nd line on order for December 2014 commissioning
- Alucan in Nigeria acquired 25 February 2014
- General-line can business in Nigeria improved
- Strong volume growth in East Africa but some food cans lost to in-house manufacture

Angolata 2nd Line Factory Building



Alucan Factory



Alucan Beverage Equipment



Rest of Africa: Paper & Flexibles

Strong demand supports improved profit

Rm	Revenue		Trading Profit		Margin	
	2014	2013	2014	2013	2014	2013
	499	406	94	89	18.8%	21.9%

- Strong demand for cigarette cartons in Nigeria
- Good growth in non-cigarette cartons
- Sorghum beer carton sales in Zambia lower
- Malawi improved on higher sales of tobacco boxes



United Kingdom: Plastics

Continued solid performance

£m	Revenue		Trading Profit		Margin	
	2014	2013	2014	2013	2014	2013
	66.9	66.6	3.6	4.2	5.4%	6.3%

- Sales volumes increased
- Adoption of revised IAS 19 accounting standard - £0.5m
- Over 500m Infini lightweight bottles sold since launch



Nampak investment proposition

Solid foundation business

Strong cash flow from base business

Offers packaging **solutions across the major packaging substrates** (metal, glass, paper and plastic)

Number 1 supplier of beverage cans in Africa

Managed through a **two-pronged strategy**:

1. Unlock further value from base business
2. Accelerate Africa growth

Compelling Africa growth story

Africa's largest packaging company with operations in South Africa and 12 countries in the rest of Africa

Strong project pipeline to capture **further growth opportunity** in Africa

Strong relationships with multinational corporates reduces market risk and enhances growth prospects

First mover advantage in key African markets

Solid outlook



- **South Africa trading conditions expected to remain challenging**
- **BevCan aluminium conversion fully complete by July 2015, energy and labour cost saving combined with volume gains expected**
- **Third glass furnace comes on stream in July, efficiency and volume gains expected**
- **Angolan import duties have now been imposed**
- **Alucan to contribute further in the 2nd half**
- **The rest of Africa expected to continue generating good growth**

Thank You



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