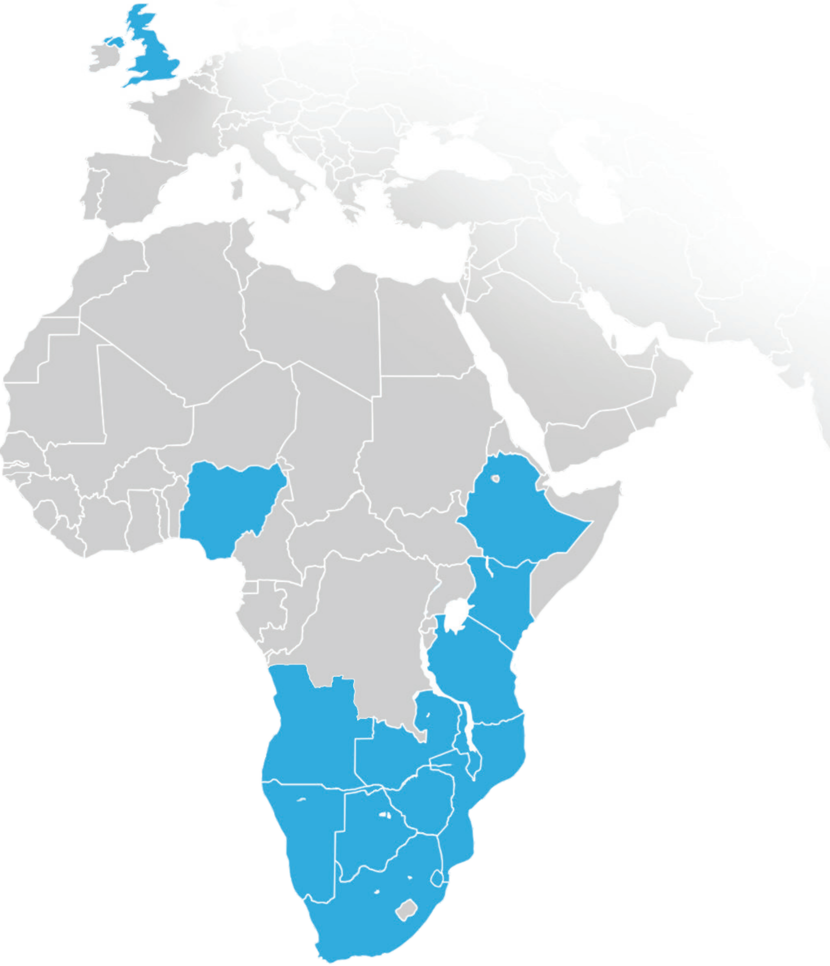
Nampak
packaging excellence



Unaudited interim report and dividend declaration for the six months ended 31 March 2014

Highlights

HEPS from continuing operations up **9%**

Trading profit up **10%**

Trading profit in the rest of Africa up **23%**

Acquisition of Alucan Packaging in Nigeria for **R3.3 billion**

Capital expenditure **R1.0 billion**

Dividend increased by **10%**

Group performance

Headline earnings per share from continuing operations rose by 9% to 121.4 cents as a result of the improvement in trading profit and a reduction in the effective tax rate.

Revenue grew by 12% with South Africa increasing by 9%, the rest of Africa by 24% and the United Kingdom by 22% in rand terms.

Group trading profit increased by 10%, with the rest of Africa increasing by 23%. The rest of Africa now constitutes 24% of the Group's trading profit, up from 22% in the previous year. Alucan Packaging Limited was acquired effective 25 February 2014 and contributed positively to the trading results in the period under review. Group operating profit declined by 2% due to once-off capital profits of R111 million included in the prior year.

The group continues to invest substantial amounts of capital to grow its presence in the rest of Africa and to further consolidate and strengthen its South African base. R3.3 billion was invested in Alucan Packaging Limited in Nigeria and R1.0 billion was spent on capital projects in the six months, predominantly in the beverage can and glass businesses in South Africa.

As a consequence of the above as well as the investment of R1.2 billion in working capital, net finance costs increased to R173 million from R102 million in the previous year. Net debt to equity now stands at 82% and net debt to EBITDA at 2.0 times which is well within management's and the board's self-imposed mandates.

The effective tax rate was 16.6% compared to 21.0% in 2013 and was favourably impacted by government incentives in Angola and South Africa and lower tax rates in jurisdictions outside of South Africa.

The interim gross dividend has been increased by 10% to 46.0 cents per share.

Geographical review (continuing operations)

	Revenue		*Trading profit**		*Margin*	
	2014 Rm	2013 Rm	**2014 Rm**	2013 Rm	**2014 %**	2013 %
South Africa	**7 137**	6 569	**609**	596	**8.5**	9.1
Rest of Africa	**1 509**	1 215	**261**	212	**17.3**	17.4
United Kingdom	**1 149**	941	**72**	61	**6.3**	6.5
Corporate Services			**134**	106		
Total	**9 795**	8 725	**1 076**	975	**11.0**	11.2

**Operating profit before abnormal items*

South Africa

Trading profit increased marginally but the margin declined to 8.5%. An improved performance from the metals and glass segment was offset by a reduced trading profit from the plastics segment. The paper and flexibles and tissue segments were at a similar level to last year. 2013 included a once-off profit on the sale of PET in-plant equipment in the Plastics segment.

Rest of Africa

Trading profit increased by 23% due to a further improvement in performance from Angola and from both the metals and paper operations in Nigeria as well as a small contribution from Alucan. Malawi also had a good six months on increased tobacco box sales whilst Zambia was negatively affected by a shift to alternative forms of packaging.

United Kingdom

Trading profit in constant currency declined by 14% to £3.6 million from £4.2 million in 2013 as a result of higher pension fund costs following the adoption of the revised IAS 19 accounting standard. Sales volumes were ahead of last year due mainly to a fire at a competitor's premises. As a result of the weaker exchange rate, trading profit in rand improved by 18%.

Corporate Services

Trading profit includes property rental income, corporate head office costs as well as translation gains on foreign currency loans.

Segmental review (continuing operations)

Metals and Glass

	Revenue		Trading profit*		Margin	
	2014 Rm	2013 Rm	2014 Rm	2013 Rm	2014 %	2013 %
South Africa	3 669	3 152	413	347	11.3	11.0
Rest of Africa	1 010	809	167	123	16.5	15.2
Total	4 679	3 961	580	470	12.4	11.9

*Operating profit before abnormal items

South Africa

There was good demand for beverage cans with the 440ml pack contributing to most of the volume growth. The conversion of beverage cans from tinplate to aluminium is well advanced with a new aluminium manufacturing line installed and commissioned at the Springs factory. An existing tinplate line at Springs has been converted to aluminium and another is in the process of being converted.

Fish can sales were higher as a result of a carry-over from the 2013 fishing season. There was good demand for both vegetable and rectangular metal cans. Fruit can sales were lower as a result of lost market share. There was strong demand for aerosol cans whilst sales of paint and polish cans were at a similar level to last year.

The market for glass bottles declined and continued to be impacted by increased exports of wine in bulk and the ongoing shift away from glass to cans and PET bottles. Construction of the third furnace is on schedule for commissioning in July 2014. The business will then be in position to offer the broad spectrum of colours to customers without the need for expensive and time consuming colour changes. At the same time, an investment is being made in a UPS (uninterrupted power supply) at a substantial cost to mitigate the impact of unreliable power supply. The investment in the third furnace and the UPS will improve efficiencies and margins.

Rest of Africa

The beverage can operation in Angola continued to perform well and benefitted from additional can filling capacity installed at customers. The imposition of import duties is encouraging brand owners to establish local filling operations and this will further promote can demand. A second can manufacturing line is on order for commissioning during December 2014.

The Alucan beverage can business in Nigeria was acquired effective 25 February 2014 and sales volumes are growing in line with expectations. The general line can operation in Nigeria improved its performance against last year. In East Africa there was strong volume growth although some food can sales in Kenya were lost to in-house manufacture by the largest customer. The operation in Zimbabwe suffered from a lack of consumer demand and generally poor economic conditions.

Paper and Flexibles

	Revenue		Trading profit*		Margin	
	2014 Rm	2013 Rm	2014 Rm	2013 Rm	2014 %	2013 %
South Africa	1 524	1 487	37	40	2.4	2.7
Rest of Africa	499	406	94	89	18.8	21.9
Total	2 023	1 893	131	129	6.5	6.8

*Operating profit before abnormal items

South Africa

Demand for corrugated boxes from the agricultural sector was negatively impacted by poor weather conditions in the Western Cape and was partially offset by market-share gains in the commercial sector where conditions were weak during the period.

The flexible packaging market was relatively strong in the first quarter but demand has since weakened across all major segments. The weaker rand resulted in higher raw material prices and a lag in recovering the additional costs resulted in margins coming under pressure.

Despite an improvement in cement sack sales, imports of sugar and market share losses resulted in lower overall paper sack volumes.

Approval by the Competition authorities is still awaited in respect of the cartons and labels business which was sold last year. The business performed better during the period under review although the overall market for cartons and labels remains subdued. The business is classified as a discontinued operation.

Rest of Africa

There was strong volume growth at the cartons business in Nigeria with an increased contribution from non-cigarette customers. Sorghum beer carton sales in Zambia were lower as a result of a shift to alternative forms of packaging. Increased sales of tobacco boxes resulted in an improved performance from the business in Malawi.

Plastics

	Revenue		*Trading profit**		*Margin*	
	2014 Rm	2013 Rm	2014 Rm	2013 Rm	2014 %	2013 %
South Africa	1 247	1 220	113	162	9.1	13.3
United Kingdom	1 149	941	72	61	6.3	6.5
Total	2 396	2 161	185	223	7.7	10.3

**Operating profit before abnormal items*

South Africa

There was reduced consumer demand for milk and juice and this together with some loss of market share contributed to lower sales of plastic bottles. Market share was gained in sorghum beer cartons whilst sales to Botswana stabilised following the change in legislation last year. All the PET in-plant operations have now been sold to the respective customers and the business is now focused on the supply of lower-margin pre-forms.

Sales of metal closures for wine and spirits were depressed partly as a result of increased bulk wine exports. Food jar metal closures showed good growth whilst sales of plastic closures for sports drink, carbonated soft drink and water bottles also increased.

Sales of large drums to alcohol-export customers increased but there was reduced demand for small drums. There were higher sales of intermediate bulk containers. Plastic crate volumes were lower as a result of reduced customer demand and a shortage of raw material. The plastic crate and drum business has been restructured which will result in lower costs.

The toothpaste tube business had a slow start to the year due to overstocking in the market. Volumes have since improved as a result of export sales by the major customer.

Trading profits in 2013 were enhanced by a gain of R25 million on the sale of in-plant PET equipment.

United Kingdom

Sales volumes were ahead of last year due mainly to a fire at a competitor's premises. Over 500 million patented Infini lightweight bottles have now been sold to dairies in the United Kingdom containing up to 20% of recycled material. Trading profit declined to £3.6 million from £4.2 million in 2013 as a result of higher pension fund costs following the adoption of the revised IAS 19 accounting standard. The average exchange rate to the pound was R17.22 compared to R13.92 in 2013.

Tissue

	Revenue		*Trading profit**		*Margin*	
	2014 Rm	2013 Rm	2014 Rm	2013 Rm	2014 %	2013 %
South Africa	697	710	46	47	6.6	6.6

**Operating profit before abnormal items*

Overall volumes were up on the prior year but selling price pressure contributed to the lower trading profit.

Outlook

Trading conditions in South Africa are expected to remain challenging in the short term. The rest of Africa is expected to continue generating good results.

Declaration of ordinary dividend number 84

Notice is hereby given that a gross interim ordinary dividend number 84 of 46.0 cents per share (2013: 42.0 cents per share) has been declared in respect of the six months ended 31 March 2014, payable to shareholders recorded as such in the register of the company at the close of business on the record date, Friday, 4 July 2014. The last day to trade to participate in the dividend is Friday, 27 June 2014. Shares will commence trading "ex" dividend from Monday, 30 June 2014.

The important dates pertaining to this dividend are as follows:

Last day to trade ordinary shares "cum" dividend	Friday, 27 June 2014
Ordinary shares trade "ex" dividend	Monday, 30 June 2014
Record date	Friday, 4 July 2014
Payment date	Monday, 7 July 2014

Ordinary share certificates may not be dematerialised or rematerialised between Monday, 30 June 2014 and Friday, 4 July 2014, both days inclusive.

In accordance with the JSE Listings Requirements, the following additional information is disclosed:

The dividend has been declared from income reserves;

The dividend withholding tax rate is 15%;

No secondary tax on companies credits have been utilised;

The net local dividend amount is 39.1 cents per share for shareholders liable to pay the dividends tax and 46.0 cents per share for shareholders exempt from paying the dividends tax;

The issued number of ordinary shares at the declaration date is 700 643 220; and

Nampak Limited's tax number is 9875081714.

Changes in the directorate

Mr AM de Ruyter was appointed an executive director and CEO designate on 1 January 2014 and was appointed CEO on 1 March 2014.

Mrs V Magwentshu resigned as a non-executive director on 6 February 2014. Ms NV Lila was appointed as a non-executive director on 13 February 2014.

Mr AB Marshall retired from the Group on 31 March 2014.

On behalf of the board

T T Mboweni
Chairman

AM de Ruyter
Chief executive officer

27 May 2014

Summarised group statement of comprehensive income

	Notes	Unaudited 6 months ended 31 March 2014 Rm	Restated Unaudited 6 months ended 31 March 2013 Rm	Change %	Restated Year ended 30 Sep 2013 Rm
Continuing operations					
Revenue		9 795.2	8 725.2	12.3	18 035.4
Operating profit	3	1 065.4	1 085.9	(1.9)	1 931.8
Finance costs		200.5	118.9		252.5
Finance income		27.8	16.7		39.1
Income from investments		7.2	5.4		5.4
Share of profit from associates and joint ventures		1.9	18.1		15.7
Profit before tax		901.8	1 007.2	(10.5)	1 739.5
Taxation		149.8	211.1		384.5
Profit for the period from continuing operations		752.0	796.1	(5.5)	1 355.0
Discontinued operation					
Loss for the period from discontinued operation	5	(11.4)	(17.3)		(87.9)
Profit for the period		740.6	778.8	(4.9)	1 267.1
Other comprehensive income/(expense) for the period, net of tax					
Items that will not be reclassified to profit or loss					
Net actuarial losses from retirement benefit obligations		–	–		(406.5)
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	14	111.0	237.9		653.4
(Losses)/gains on cash flow hedges		(3.4)	5.4		9.6
Other comprehensive income/(expense) for the period, net of tax		107.6	243.3	(55.8)	256.5
Total comprehensive income for the period		848.2	1 022.1		1 523.6
Profit attributable to:					
Owners of Nampak Limited		729.3	775.2	(5.9)	1 286.5
Non-controlling interest in subsidiaries		11.3	3.6		(19.4)
		740.6	778.8		1 267.1
Total comprehensive income/(expense) attributable to:					
Owners of Nampak Limited		839.5	1 023.0		1 549.2
Non-controlling interest in subsidiaries		8.7	(0.9)		(25.6)
		848.2	1 022.1		1 523.6
Continuing operations					
Basic earnings per share (cents)		124.3	133.6	(7.0)	231.7
Fully diluted basic earnings per share (cents)		116.9	127.0	(7.9)	217.5
Headline earnings per ordinary share (cents)		121.4	111.8	8.6	217.5
Fully diluted headline earnings per share (cents)		114.3	106.4	7.4	204.3
Continuing and discontinued operations					
Basic earnings per share (cents)		122.4	130.7	(6.4)	216.9
Fully diluted basic earnings per share (cents)		115.1	124.2	(7.3)	203.7
Headline earnings per ordinary share (cents)		121.5	108.8	11.7	209.3
Fully diluted headline earnings per share (cents)		114.3	103.6	10.3	196.6
Dividend per share (cents)		46.0	42.0	(100.0)	140.0

Summarised group statement of financial position

	Notes	Unaudited 6 months ended 31 March 2014 Rm	Restated Unaudited 6 months ended 31 March 2013 Rm	Restated Year ended 30 Sep 2013 Rm
ASSETS				
Non-current assets				
Property, plant and equipment and investment property		8 668.7	6 971.3	7 283.8
Goodwill and other intangible assets		3 179.8	808.5	814.5
Joint ventures, associates and other investments		316.2	194.9	204.7
Deferred tax assets		111.3	75.8	98.6
Other non-current assets		106.3	169.6	152.3
		12 382.3	8 220.1	8 553.9
Current assets				
Inventories		3 820.7	3 323.2	3 219.8
Trade receivables and other current assets		3 390.3	2 783.5	3 053.0
Tax assets		3.7	2.1	3.6
Bank balances, deposits and cash	10	1 012.6	2 079.9	4 465.0
		8 227.3	8 188.7	10 741.4
Assets classified as held for sale		523.7	–	551.6
Total assets		21 133.3	16 408.8	19 846.9
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital		36.0	35.9	36.0
Capital reserves		(682.1)	(704.4)	(700.3)
Other reserves		39.8	(77.8)	(70.2)
Retained earnings		7 950.5	7 544.7	7 806.4
Shareholders' equity		7 344.2	6 798.4	7 071.9
Non-controlling interest		(71.4)	(55.4)	(80.1)
Total equity		7 272.8	6 743.0	6 991.8
Non-current liabilities				
Loans and borrowings		3 569.3	1 560.3	3 488.7
Retirement benefit obligation		2 263.9	1 637.2	2 193.3
Deferred tax liabilities		605.6	730.1	519.0
Other non-current liabilities		46.6	14.5	51.8
		6 485.4	3 942.1	6 252.8
Current liabilities				
Trade payables, provisions and other current liabilities		3 395.7	2 980.7	3 716.5
Bank overdrafts	10	3 126.3	1 813.6	1 806.9
Loans and borrowings		501.5	808.1	695.8
Tax liabilities		140.1	121.3	142.4
		7 163.6	5 723.7	6 361.6
Liabilities directly associated with assets classified as held for sale		211.5	–	240.7
Total equity and liabilities		21 133.3	16 408.8	19 846.9

Summarised group statement of cash flows

	Notes	Unaudited 6 months ended 31 March 2014 Rm	Restated Unaudited 6 months ended 31 March 2013 Rm	Restated Year ended 30 Sep 2013 Rm
Operating profit before working capital changes		1 537.4	1 325.2	2 572.9
Working capital changes		(1 216.7)	(744.2)	(280.2)
Cash generated from operations		320.7	581.0	2 292.7
Net interest paid		(161.2)	(103.1)	(199.5)
Income from investments		7.2	5.4	5.4
Tax paid		(56.1)	(165.5)	(432.5)
Replacement capital expenditure		(405.5)	(494.7)	(1 043.4)
Cash (utilised in)/retained from operations		(294.9)	(176.9)	622.7
Dividends paid		(585.2)	(527.7)	(777.4)
Net cash utilised in operating activities		(880.1)	(704.6)	(154.7)
Expansion capital expenditure		(606.8)	(114.1)	(370.9)
Acquisition of businesses	7	(3 336.4)	(110.4)	(110.4)
Other investing activities		(157.5)	79.4	75.3
Net cash utilised before financing activities		(4 980.8)	(849.7)	(560.7)
Net cash (repaid in)/raised from financing activities		(98.6)	823.3	2 527.7
Net (decrease)/increase in cash and cash equivalents		(5 079.4)	(26.4)	1 967.0
Cash and cash equivalents at beginning of period		2 658.1	202.0	202.0
Cash acquired on reconsolidation of Zimbabwe subsidiary		–	–	6.0
Translation of cash in foreign subsidiaries		307.6	90.7	483.1
Net (overdraft)/cash and cash equivalents at end of period	10	(2 113.7)	266.3	2 658.1

Summarised group statement of changes in equity

	Notes	Unaudited 6 months ended 31 March 2014 Rm	Restated Unaudited 6 months ended 31 March 2013 Rm	Restated Year ended 30 Sep 2013 Rm
Opening balance		6 991.8	6 216.4	6 216.4
Net shares issued during the period		98.9	22.6	28.1
Share-based payment expense		10.3	9.6	19.4
Share grants exercised		(91.0)	–	(10.9)
Share of movement in associate's non-distributable reserve		(0.2)	–	1.2
Transfer from hedging reserve to related assets		–	–	(10.8)
Gain on available-for-sale financial assets		–	–	2.2
Total comprehensive income for the period		848.2	1 022.1	1 523.6
Dividends paid		(585.2)	(527.7)	(777.4)
Closing balance		7 272.8	6 743.0	6 991.8
Comprising:				
Share capital		36.0	35.9	36.0
Capital reserves		(682.1)	(704.4)	(700.3)
Share premium		144.5	40.2	45.6
Treasury shares		(1 104.3)	(1 104.3)	(1 104.3)
Share-based payments reserve		277.7	359.7	358.4
Other reserves		39.8	(77.8)	(70.2)
Foreign currency translation reserve		1 030.3	499.5	916.7
Financial instruments hedging reserve		1.0	11.0	4.4
Recognised actuarial losses		(984.6)	(578.1)	(984.6)
Share of non-distributable reserves in associates		12.9	11.8	13.1
Available-for-sale financial assets revaluation reserve		(20.0)	(22.2)	(20.0)
Other		0.2	0.2	0.2
Retained earnings		7 950.5	7 544.7	7 806.4
Shareholders' equity		7 344.2	6 798.4	7 071.9
Non-controlling interest		(71.4)	(55.4)	(80.1)
Total equity		7 272.8	6 743.0	6 991.8

Notes

1. Basis of preparation and accounting policies

The summarised interim consolidated financial statements have been prepared in accordance with the framework concepts, measurement and recognition criteria of the International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and in accordance with the Listings Requirements of the JSE Limited.

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

2. Accounting policies and restated comparatives

The accounting policies adopted and methods of computation used are consistent with those applied for the group's 2013 annual financial statements other than where the group has adopted new or revised accounting standards as set out below.

The group has adopted all the new, revised or amended accounting pronouncements as issued by the IASB which became effective to the group on 1 October 2013, including some of the more significant changes as listed below.

IFRS 10 Consolidated Financial Statements

The objective of IFRS 10 is to provide the framework on when an entity is controlled and must be consolidated. This standard is to be applied retrospectively and did not have a material impact on the financial statements in either the current or comparative periods.

IFRS 11 Joint Arrangements

Where joint arrangements exist the investor is required to assess whether the joint arrangement is a joint operation or a joint venture based on the legal structure of the investee and the investor's right to and obligations for the underlying assets and liabilities of the investee. IFRS 11 requires that joint ventures are equity accounted and eliminates the proportionate consolidation option of accounting. This standard is to be applied retrospectively and impacted the financial statements in both the current and comparative periods. The main impact of this change on the statement of comprehensive income was the reclassification of the contribution of the joint ventures to "share of net profit from associates and joint ventures" with no impact on net profit, while the main impact of this change on the statement of financial position was the reclassification of the contribution of the joint ventures to "joint ventures, associates and other investments" with no impact on net assets. The statement of cash flows was consequently adjusted for the impact on the statement of financial position. These reclassifications were not material.

IFRS 12 Disclosure of Interest in Other Entities

IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and unconsolidated entities. In general, the disclosure requirements in IFRS 12 are more extensive. This standard is to be applied prospectively, and had no impact on the disclosure in the current period.

IFRS 13 Fair Value Measurement

IFRS 13 aims to improve consistency and reduce complexity by providing a single definition of fair value and a basis for fair value measurement and disclosure requirements for use across all accounting standards. This standard is to be applied prospectively, and had no impact on the financial statements in the current period.

IAS 19 Employee Benefits

The amendments to IAS 19 require all actuarial gains and losses to be recognised immediately in other comprehensive income so that the pension asset or liability reflects the full value of the plan deficit or surplus. This standard is to be applied retrospectively and did not have a material impact on the financial statements in either the current or comparative periods.

Restatement

In addition to the changes to the comparative financial statements (March 2013 and September 2013) as brought about by the new and revised accounting standards above, the comparatives for March (March 2013) have also been restated for the impact of the discontinued operation, whereby the results and the net assets of the discontinued operation have been classified separately in the statement of comprehensive income and statement of financial position respectively (see note 5).

The unqualified annual financial statements for the year ended 30 September 2013 are available on the Nampak website. Restatement of prior year financial information as a result of the adoption of change in accounting standards, as set out above, have not been subject to audit by the external auditors.

Notes *(continued)*

	Unaudited 6 months ended 31 March 2014 Rm	Restated Unaudited 6 months ended 31 March 2013 Rm	Restated Year ended 30 Sep 2013 Rm
3. Included in operating profit are:			
Depreciation	363.8	337.3	695.3
Amortisation	21.3	18.4	38.1
Net gain on shareholder loan (see note 4)	99.0	–	–
Reconciliation of operating profit and trading profit			
Operating profit	1 065.4	1 085.9	1 931.8
Abnormal losses/(gains)*	10.2	(111.1)	(20.2)
Retrenchment and restructuring costs	10.1	0.1	30.5
Net impairment losses on investments, plant, property and equipment, goodwill and other intangible assets	0.2	0.7	61.4
Net loss on disposal of investments	–	–	0.1
Cash flow hedge ineffectiveness	(0.1)	(0.4)	(0.4)
Net profit on disposal of property	–	(0.7)	(0.8)
Gain on revaluation of original interest in joint venture acquired	–	(23.2)	(23.2)
Gain on reconsolidation of Zimbabwe entities	–	(87.6)	(87.8)
Trading profit	1 075.6	974.8	1 911.6

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

4. Reclassification of shareholder loan

The group had, in previous years, accounted for the shareholder loan between Nampak Products Ltd and its direct subsidiary, Angolata Lda, as a net investment in a foreign operation in accordance with IAS 21 (The effects of changes in foreign exchange rates) as no repayment terms were agreed on, nor did short-term expectations of repayment exist at the date that the loan was granted. The translation gains and losses arising from this loan were therefore recognised in the translation reserve on consolidation.

Having regard to the repayment of the loan in the current year, the loan was consequently treated as no longer qualifying as part of the net investment in Angolata Lda and hence reclassified as a normal loan. As a result of this reclassification, the accumulated net gains in the translation reserve are now being recycled through profit or loss proportionally with the repayment of the loan. These items are included in trading profit, above, but are excluded from headline earnings (see note 9). Further gains or losses arising on the loan subsequent to the reclassification are now accounted for in trading profit and included in headline earnings.

	Unaudited 6 months ended 31 March 2014 Rm	Restated Unaudited 6 months ended 31 March 2013 Rm	Restated Year ended 30 Sep 2013 Rm
5. Discontinued operation			
During May 2013, the board approved of a plan to dispose of the Cartons and Labels business. On 13 September 2013, the group entered into a sale agreement to this effect and expects to complete the sale by July 2014. The disposal is consistent with the group's strategy of exiting its non-core and underperforming businesses.			
The results of the discontinued operation included in the statement of comprehensive income are set out below:			
Results of the discontinued operation for the period			
Revenue	556.8	534.6	1 080.7
Expenses	(572.7)	(561.5)	(1 202.7)
Loss before tax	(15.9)	(26.9)	(122.0)
Attributable income tax benefit	4.5	9.6	34.1
Loss for the period from discontinued operation	(11.4)	(17.3)	(87.9)
Cash flows from the discontinued operation			
Net cash flows from operating activities	(11.5)	(91.9)	(7.0)
Net cash flows from investing activities	–	–	2.9
Net cash flows	(11.5)	(91.9)	(4.1)
The Cartons and Labels business has been classified and accounted for at 31 March as a disposal group held for sale (see note 6). The comparatives for March (March 2013) have been restated.			
6. Assets held for sale			
Assets which are expected to be sold in the next 12 months are classified as held for sale and are presented separately in the statement of financial position.			
As described in note 5, the group entered into a sale agreement to dispose of the Cartons and Labels business with the disposal expected to be completed by July 2014. The disposal group continues to be disclosed as a discontinued operation during the current year. It had previously been included in the South Africa Paper and Flexibles segment for segmental reporting purposes. Impairment losses of R15.9 million (2013: R55.0 million) have been recognised for the period in respect of the disposal group.			
Assets classified as held for sale			
Assets relating to the discontinued operation	523.7	–	551.6
Liabilities associated with assets held for sale			
Liabilities relating to the discontinued operation	211.5	–	240.7

Notes *(continued)*

	Unaudited 6 months ended 31 March 2014 Rm	Restated Unaudited 6 months ended 31 March 2013 Rm	Restated Year ended 30 Sep 2013 Rm
7. Business combinations			
In line with the group's strategy to grow its core businesses, the group acquired with effect from 25 February 2014, the entire equity of Alucan Investments Limited ("AIL") and its sole subsidiary, Alucan Packaging Limited for an amount of R3 445.1 million paid in cash.			
In the previous period, the group acquired with effect from 1 November 2012 the remaining 50% interest in Elopak SA (Pty) Ltd ("Elopak"), which had been held by Elopak AS for an amount of R116.2 million paid in cash.			
Assets acquired and liabilities recognised at the date of acquisition:			
Current assets			
Inventories	114.9	13.5	13.5
Trade and other receivables	81.4	20.8	20.8
Bank and cash	108.7	5.8	5.8
Non-current assets			
Property, plant and equipment	708.1	23.2	23.2
Intangibles	–	43.9	43.9
Loans	–	2.3	2.3
Current liabilities			
Trade and other payables	(7.2)	(7.8)	(7.8)
Non-current liabilities			
Deferred tax	–	(16.2)	(16.2)
	1 005.9	85.5	85.5
The initial accounting for the acquisition of the AIL group had only been provisionally determined at the end of March 2014 as the necessary market valuations and other calculations have not been finalised. The assets acquired and liabilities recognised were therefore based on their carrying values as at 25 February 2014.			
Goodwill arising on acquisition			
Consideration paid in cash	3 445.1	116.2	116.2
Plus: net gain on revaluation of originally held interest	–	23.2	23.2
Less: fair value of identifiable net assets acquired	(1 005.9)	(85.5)	(85.5)
Goodwill arising on acquisition	2 439.2	53.9	53.9
Goodwill arose on the acquisition of AIL and the remaining interest in Elopak as the cost of the combination included a control premium. The consideration paid also included the expected benefits of revenue growth and future profitability.			
Net cash outflow on acquisition			
Consideration paid in cash	3,445.1	116.2	116.2
Deduct: bank and cash balances acquired	(108.7)	(5.8)	(5.8)
Net cash outflow on acquisition	3,336.4	110.4	110.4

Impact of the acquisition on the results of the group (current period)

Included in the group net revenue and profit after tax for the period is R30.7 million and R1.5 million respectively which is attributable to the interest acquired in AIL.

	Unaudited 6 months ended 31 March 2014 Rm	Restated Unaudited 6 months ended 31 March 2013 Rm	Restated Year ended 30 Sep 2013 Rm
8. Reconsolidation of the Zimbabwe entities			

The group reconsolidated the Zimbabwe operating entities effective 1 October 2012. These entities consist of CarnaudMetalbox Zimbabwe Ltd ("CMB"), a wholly owned subsidiary, and two associates, Hunyani Holdings Ltd (38.91% interest) and Megapak Zimbabwe (Pvt) Ltd (49% interest). In addition, the holding company of Megapak Zimbabwe (Pvt) Ltd, Megaplastics Ltd, being a wholly owned subsidiary, was also reconsolidated effective 1 October 2012. The entities had previously been deconsolidated in 2007 due to Nampak Ltd having lost control over these entities. The circumstances that led to this loss of control were the threat of indigenisation and pricing legislation, restrictions on the repatriation of funds from these entities to their holding companies (outside Zimbabwe) and the hyperinflationary environment in which these entities were operating. It is believed that these circumstances no longer exist or their impact has been reduced significantly such that reconsolidating these entities reflects a more accurate position of the performance of the group.

On reconsolidation, the equity of CMB was valued at US$ 0.5 million, while the equity of the associates, Hunyani Holdings Ltd and Megapak Zimbabwe (Pvt) Ltd, were valued at US$ 10.3 million and US$ 9.5 million respectively.

Assets acquired and liabilities recognised for CMB at the date of its reconsolidation:	Unaudited 6 months ended 31 March 2014 Rm	Restated Unaudited 6 months ended 31 March 2013 Rm	Restated Year ended 30 Sep 2013 Rm
Current assets			
Inventories	–	29.6	29.6
Trade and other receivables	–	21.8	21.8
Bank and cash	–	6.0	6.0
Non-current assets			
Property, plant and equipment	–	38.9	39.1
Current liabilities			
Trade and other payables	–	(69.9)	(69.9)
Non-current liabilities			
Loans	–	(11.1)	(11.1)
Deferred tax	–	(2.5)	(2.5)
	–	12.8	13.0

The initial accounting for the reconsolidation of CMB had only been provisionally determined at the end of March 2013 as the necessary market valuations and other calculations had not been finalised. The assets acquired and liabilities recognised at that date were therefore based on their carrying values as at 1 October 2012, which had been provisionally determined as being the best estimates of their fair value.

The gain on the reconsolidation of the Zimbabwe interests includes a gain of R8.6 million attributable to the fair value of the original interest in CMB being less than the carrying value of its net identifiable assets.

Notes *(continued)*

	Unaudited 6 months ended 31 March 2014 Rm	Restated Unaudited 6 months ended 31 March 2013 Rm	Restated Year ended 30 Sep 2013 Rm
9. Determination of headline earnings			
Continuing operations			
Profit attributable to equity holders of the company for the period	740.7	792.5	1 374.4
Less: preference dividend	–	–	(0.1)
Basic earnings	740.7	792.5	1 374.3
Adjusted for:			
Net impairment losses on investments, property, plant and equipment, goodwill and other intangible assets	0.2	0.7	61.4
Net loss on disposal of investments	–	–	0.1
Net profit on disposal of property, plant and equipment and intangible assets	(3.7)	(26.3)	(24.7)
Gain on revaluation of original interest in joint venture acquired	–	(23.2)	(23.2)
Gain on reconsolidation of Zimbabwe entities	–	(87.6)	(87.8)
Net gain on shareholder loan recycled from translation reserve	(23.7)	–	–
Tax effects and non-controlling interest	10.2	7.0	(10.4)
Headline earnings for the period	723.7	663.1	1 289.7
Continuing and discontinued operations			
Profit attributable to equity holders of the company for the period	729.3	775.2	1 286.5
Less: preference dividend	–	–	(0.1)
Basic earnings	729.3	775.2	1 286.4
Adjusted for:			
Net impairment losses on investments, property, plant and equipment, goodwill and other intangible assets	16.1	0.7	116.4
Net loss on disposal of investments	–	–	0.1
Net profit on disposal of property, plant and equipment and intangible assets	(3.7)	(26.9)	(25.2)
Gain on revaluation of original interest in joint venture acquired	–	(23.2)	(23.2)
Gain on reconsolidation of Zimbabwe entities	–	(87.6)	(87.8)
Net gain on shareholder loan recycled from translation reserve	(23.7)	–	–
Tax effects and non-controlling interest	5.7	7.2	(25.7)
Headline earnings for the period	723.7	645.4	1 241.0

	Unaudited 6 months ended 31 March 2014 Rm	Restated Unaudited 6 months ended 31 March 2013 Rm	Restated Year ended 30 Sep 2013 Rm
10. Net (overdraft)/cash and cash equivalents			
Bank balances, deposits and cash	1 012.6	2 079.9	4 465.0
Bank overdrafts	(3 126.3)	(1 813.6)	(1 806.9)
	(2 113.7)	266.3	2 658.1
11. Supplementary information			
Capital expenditure	1 012.3	608.8	1 414.3
– expansion	606.8	114.1	370.9
– replacement	405.5	494.3	1 010.5
– intangibles	–	0.4	32.9
Capital commitments	3 387.6	2 338.3	2 386.1
– contracted	1 266.4	766.5	1 113.3
– approved not contracted	2 121.2	1 571.8	1 272.8
Lease commitments	209.3	257.7	312.1
– land and buildings	148.2	139.4	244.9
– other	61.1	118.3	67.2
Contingent liabilities	3.8	5.6	6.2
– customer claims and guarantees	3.8	5.6	3.0
– tax contingent liabilities	–	–	3.2
12. Share statistics			
Ordinary shares in issue (000)	700 643	697 484	697 897
Ordinary shares in issue – net of treasury shares (000)	596 346	593 187	593 600
Weighted average number of ordinary shares on which headline earnings and basic earnings per share are based (000)	595 853	593 001	593 064
Weighted average number of ordinary shares on which diluted headline earnings and diluted basic earnings per share are based (000)	642 289	630 324	639 500

Notes *(continued)*

	Unaudited 6 months ended 31 March 2014 Rm	Restated Unaudited 6 months ended 31 March 2013 Rm	Restated Year ended 30 Sep 2013 Rm
13. Additional disclosures			
EBITDA*	1 467.1	1 431.5	2 690.7
Net gearing	82%	29%	19%
Net debt: EBITDA*	2.0 times	0.7 times	0.2 times
Interest cover	6.2 times	9.5 times	8.9 times
EBITDA: Interest cover*	8.4 times	14.0 times	12.6 times
Return on equity – continuing operations	21%	25%	21%
Return on net assets – continuing operations	16%	20%	19%
Net worth per ordinary share (cents)**	1 220	1 137	1 178
Tangible net worth per ordinary share (cents)**	686	1 000	1 041

**EBITDA is calculated before net impairments*

***Calculated on ordinary shares in issue – net of treasury shares*

Where applicable, comparative ratios have been restated due to the implementation of the new accounting standard on joint arrangements (see note 2).

14. Translation reserve movement

Due to the weakening of the rand, a translation gain of R125.5 million (2013: R 237.9 million gain) was realised for the period. Net translation gains on the shareholder loan between Nampak Products Ltd and Angolata Lda of R14.5 million after tax were recycled from the translation reserve in the current period on the reclassification of the loan (see note 4).

The closing exchange rates at 31 March 2014 for the rand against the UK pound and US dollar respectively were 17.55 (September 2013: 16.25) and 10.52 (September 2013: 10.05).

15. 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.

Administration

Nampak Limited
Registration number 1968/008070/06
Incorporated in the Republic of South Africa
Share code: NPK ISIN: ZAE000071676

Independent non-executive directors:
TT Mboweni (Chairman), RC Andersen, E Ikazoboh, RJ Khoza, NV Lila, PM Madi, I Mkhari, DC Moephuli, CWN Molope, RV Smither, PM Surgey.

Executive directors:
AM de Ruyter (Chief executive officer), G Griffiths (Chief financial officer), FV Tshiqi (Group human resources director).

Secretary:
NP O'Brien

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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.

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