

## AUDITED GROUP RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2007

- Revenue up 12%
- Trading income up 18%
- Headline earnings per share up 22%
- Cash distribution up 20%

### CONDENSED GROUP INCOME STATEMENT

		2007	2006	Change
	Notes	Rm	Rm	%
<b>Revenue</b>		17 014.4	15 261.9	11.5
<b>Trading income before abnormal items</b>	2	1 781.0	1 508.6	18.1
Abnormal items	3	(159.8)	29.3	
<b>Profit from operations</b>		1 621.2	1 537.9	5.4
Finance costs		273.0	185.4	
Finance income		82.2	62.7	
Income from investments		7.0	4.8	
Share of profit of associates		4.3	-	
<b>Profit before tax</b>		1 441.7	1 420.0	1.5
Income tax expense		385.8	553.7	
<b>Profit for the year</b>		1 055.9	866.3	21.9
<b>Attributable to:</b>				
Equity holders of the company		1 054.2	861.8	22.3
Minority interest		1.7	4.5	
		1 055.9	866.3	
Basic earnings per share (cents)		181.0	148.6	21.8
Fully diluted earnings per share (cents)		172.0	144.1	19.4
Headline earnings per ordinary share (cents)		184.6	151.2	22.1
Fully diluted headline earnings per share (cents)		175.4	146.6	19.6
Cash distribution per share (cents)		115.3	96.1	20.0

**CONDENSED GROUP BALANCE SHEET**

		2007	2006
	Notes	Rm	Rm
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment and investment property		5 666.9	5 217.9
Goodwill and other intangible assets		1 079.3	1 093.3
Other non-current financial assets and associates		286.9	302.5
Deferred tax assets		9.6	9.6
		<b>7 042.7</b>	<b>6 623.3</b>
<b>Current assets</b>			
Inventories		2 356.2	2 169.2
Trade receivables and other current assets		2 921.9	3 109.3
Tax assets		67.0	64.2
Bank balances, deposits and cash	4	603.5	414.6
		<b>5 948.6</b>	<b>5 757.3</b>
Assets classified as held for sale		41.3	43.3
		<b>5 989.9</b>	<b>5 800.6</b>
<b>TOTAL ASSETS</b>		<b>13 032.6</b>	<b>12 423.9</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Capital reserves		552.3	1 076.2
Other reserves		105.1	195.4
Retained earnings		5 344.6	4 291.6
<b>Equity attributable to equity holders of the company</b>		<b>6 002.0</b>	<b>5 563.2</b>
Minority interest		47.5	40.7
<b>Total equity</b>		<b>6 049.5</b>	<b>5 603.9</b>
<b>Non-current liabilities</b>			
Loans and borrowings		526.5	1 021.8
Other non-current liabilities		13.7	18.9
Retirement benefit obligation		565.1	721.9
Deferred tax liabilities		742.7	683.4
		<b>1 848.0</b>	<b>2 446.0</b>
<b>Current liabilities</b>			
Trade payables, provisions and other current liabilities		2 807.2	3 027.0
Bank overdrafts and loans	4	2 001.8	978.8
Tax liabilities		326.1	363.1
		<b>5 135.1</b>	<b>4 368.9</b>
Liabilities directly associated with assets classified as held for sale		-	5.1
		<b>5 135.1</b>	<b>4 374.0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>13 032.6</b>	<b>12 423.9</b>

## GROUP STATEMENT OF RECOGNISED INCOME AND EXPENSE

	2007	2006
	Rm	Rm
Exchange differences on translation of foreign operations	(125.8)	562.0
Net actuarial gain/(loss) from retirement benefit obligations	100.6	(92.1)
Hyper-inflation capital adjustment	(7.5)	(2.4)
(Loss)/gain on cash flow hedges	(10.7)	29.5
Change in fair value of available-for-sale financial assets	(38.9)	-
Net (expense)/income recognised directly in equity	(82.3)	497.0
Transfer to plant and equipment – cash flow hedges	(16.5)	-
Transfer to income statement – cash flow hedges	(2.4)	-
Profit for the year	1 055.9	866.3
<b>Total recognised income and expense for the year</b>	<b>954.7</b>	<b>1 363.3</b>
<b>Attributable to:</b>		
Equity holders of the company	957.3	1 353.5
Minority interest	(2.6)	9.8
	<b>954.7</b>	<b>1 363.3</b>

## CONDENSED GROUP CASH FLOW STATEMENT

	2007	2006
	Rm	Rm
Operating profit before working capital changes	2 459.6	2 222.9
Working capital changes	(414.3)	(488.0)
<b>Cash generated from operations</b>	<b>2 045.3</b>	<b>1 734.9</b>
Net interest paid	(202.4)	(128.5)
Income from investments	7.0	4.8
Retirement benefits, contributions and settlements	(86.7)	(40.1)
Income tax paid	(379.3)	(364.2)
Replacement capital expenditure	(573.9)	(299.1)
<b>Cash retained from operations</b>	<b>810.0</b>	<b>907.8</b>
Dividends paid	(1.7)	(330.6)
Cash distributions paid	(577.4)	(174.4)
<b>Net cash retained from operating activities</b>	<b>230.9</b>	<b>402.8</b>
Net cash utilised in investing activities	(636.6)	(151.6)
<b>Net cash (utilised)/retained before financing activities</b>	<b>(405.7)</b>	<b>251.2</b>
Net cash utilised in financing activities	(100.1)	(1 051.0)
<b>Net decrease in cash and cash equivalents</b>	<b>(505.8)</b>	<b>(799.8)</b>
Cash and cash equivalents at beginning of year	(505.1)	364.8
Translation of cash in foreign subsidiaries	10.9	(70.1)
<b>Cash and cash equivalents at end of year</b>	<b>(1 000.0)</b>	<b>(505.1)</b>

NOTES

	2007	2006
	Rm	Rm
<b>1. Basis of preparation</b>		
The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34. The accounting policies are consistent with those used for the group's 2006 annual financial statements, which were prepared in accordance with International Financial Reporting Standards. The financial statements have been prepared on the historical cost basis except for the revaluation of certain financial instruments.		
<b>2. Included in trading income before abnormal items are:</b>		
Depreciation	632.3	589.9
Amortisation	69.4	68.5
<b>3. Abnormal items</b>		
Abnormal items are defined as items of income and expenditure 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.		
Financial instruments fair value (loss)/gain	(83.4)	88.6
Europe strategic review costs	(50.3)	-
Retrenchment and restructuring costs	(31.5)	(3.1)
Share-based payment expense on BEE transaction	(20.0)	(21.0)
Net profit on disposal of property	20.2	71.7
Net profit on disposal of businesses and other investments	16.8	0.7
Net impairment losses on goodwill, plant and equipment	(6.7)	(110.6)
Hyper-inflation monetary adjustment	(4.9)	3.0
	<b>(159.8)</b>	<b>29.3</b>
<b>4. Cash and cash equivalents</b>		
Bank overdrafts and loans	(2 001.8)	(978.8)
Less current portion of loans	398.3	59.9
Less bank balances, deposits and cash	603.5	414.6
Net cash and cash equivalents included in assets held for sale	-	(0.8)
	<b>(1 000.0)</b>	<b>(505.1)</b>
<b>5. Supplementary information</b>		
Capital expenditure	1 298.1	781.0
- expansion	656.6	390.3
- replacement	573.9	299.1
- intangibles	67.6	91.6
Capital commitments	1 687.6	962.1
- contracted	826.1	337.0
- approved not contracted	861.5	625.1
Lease commitments	431.9	414.4
- land and buildings	380.9	367.4
- other	51.0	47.0
Contingent liabilities	686.7	756.9
- customer claims and guarantees	16.5	10.6
- tax contingent liabilities	670.2	746.3

**6. Tax contingent liabilities**

The South African Revenue Service ("SARS") has raised assessments against a number of companies in the group. Discussions with SARS on these issues are at an advanced stage and details will be communicated once they have been concluded.

The tax contingent liabilities include R189.1 million (2006: R243.8 million) for tax, R127.6 million (2006: R128.7 million) for penalties and R353.5 million (2006: R373.8 million) for interest.

	2007	2006
	Rm	Rm
<b>7. Determination of headline earnings</b>		
Net profit attributable to equity holders of the company for the year	1 054.2	861.8
Less: preference dividend	(0.1)	(0.1)
Basic earnings	1 054.1	861.7
Adjusted for :		
Net impairment losses on goodwill, plant, equipment and intangibles	6.7	110.6
Net profit on disposal of businesses and other investments	(16.8)	(0.7)
Net profit on disposal of property, plant, equipment and intangibles	(19.7)	(75.0)
Europe strategic review costs	50.3	-
Tax effects	0.6	(19.6)
Headline earnings for the year	1 075.2	877.0

**8. Share statistics**

Number of ordinary shares in issue (000)	655 972	653 726
Number of ordinary shares in issue - net of treasury shares (000)	583 481	581 235
Weighted average number of ordinary shares on which earnings per share are based (000)	582 505	579 968
Weighted average number of ordinary shares on which diluted earnings per share are based (000)	626 903	615 118

**9. Additional disclosures**

Net gearing	33%	28%
Interest cover	9 times	13 times
Total liabilities: equity	115%	122%
Return on equity	18%	15%
Return on net assets	18%	19%
Net worth per ordinary share (cents)*	1 037	964
Tangible net worth per ordinary share (cents)*	852	776

\* calculated on ordinary shares in issue – net of treasury shares.

## 10. 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. The detailed disclosure is available for inspection at the registered office of the company.

## COMMENTS

### NAMPAK PROFILE

Nampak is the largest and most diversified packaging manufacturer in Africa with extensive manufacturing operations in South Africa and a further 11 countries on the African continent. It produces packaging products from metal, glass, paper and plastics and is a major manufacturer and marketer of tissue products.

It is one of the leading suppliers of folding cartons to the food and healthcare sectors in Europe and it is the major supplier of plastic bottles to the dairy industry in the United Kingdom.

The group is actively engaged in the collection and recycling of all forms of used packaging.

### CORPORATE ACTIVITY IN 2007

The Flexpak business at Bellville in the Western Cape was sold to Transpaco for R52.3 million effective 4 December 2006.

Effective 26 March 2007, the group exercised its call option to acquire for R24.8 million the remaining 50% of the shares in Burcap Plastics (Pty) Limited.

Nampak Products Limited sold 25.1% of its shareholding in Interpak Books (Pty) Limited to a black empowerment company on 2 April 2007 for R16.3 million.

## GROUP PERFORMANCE

Rm	Revenue		Trading income*		Margin %	
	2007	2006	2007	2006	2007	2006
South Africa	11 466	10 501	1 329	1 129	11.6	10.8
Rest of Africa	991	892	140	108	14.1	12.1
Europe	4 887	4 157	312	272	6.4	6.5
Intersegment eliminations	(330)	(288)				
<b>Total</b>	<b>17 014</b>	<b>15 262</b>	<b>1 781</b>	<b>1 509</b>	<b>10.5</b>	<b>9.9</b>

\*Before abnormal items

### South Africa

Strong demand for non-durable goods benefited sales of packaging and resulted in volumes growing across virtually all product sectors. Total volumes grew by 4% with above-average growth in a number of products such as beverage cans, glass bottles, liquid cartons and plastic bottles for milk and juice. In the non-packaging sector both toilet tissue and disposable diapers enjoyed good growth.

Tinplate and aluminium prices increased substantially but the additional cost was generally recovered. Higher oil prices resulted in frequent increases in the price of polymer causing a lag in recovering these increases from customers. The price of certain grades of paper and board also increased and in some cases the additional cost had to be absorbed due to competitive pressures.

There were also significant increases in the prices of sand and soda ash used in the manufacture of glass bottles.

Revenue increased by 9% to R11.5 billion. Trading income increased by 18% to R1.3 billion whilst the trading margin improved to 11.6% from 10.8% in 2006.

### Rest of Africa

The businesses in Mozambique, Nigeria, Tanzania and Zambia all performed well. The Kenyan business lost market share to imports due to currency strength and product substitution. The cost of imported raw materials adversely affected profitability at the

Malawian operation. The results of the Zimbabwe operations ceased to be consolidated effective 1 June 2007.

Trading income increased by 30% to R140 million and the trading margin improved to 14.1% from 12.1% in 2006.

## **Europe**

In Europe, the countries in which we operate continued to enjoy steady economic growth. Selling prices, however, in some sectors of the folding cartons market remained under pressure due to overcapacity.

The plastic milk bottle business performed well in pounds sterling albeit at a lower level than last year due to some once-off benefits in 2006.

Results in the folding cartons business were mixed with an improvement in Leeds being more than offset by lower margins at Hoogerheide in the Netherlands and difficult conditions in the short-run business.

Healthcare packaging increased its market share and improved profitability.

Trading income was similar to last year in pounds but increased by 15% in rand to R312 million due to the weaker average exchange rate. The trading margin was virtually unchanged at 6.4%.

## **Group**

Revenue increased by 12% to R17.0 billion as a result of good volume growth and the recovery of higher raw material prices. Trading income increased by 18% to R1.8 billion and the trading margin improved to 10.5% from 9.9% in 2006.

Net financing costs increased by 56% to R191 million as a result of capital expenditure of R1.3 billion, increased working capital associated with higher trading activity and higher interest rates.



Cash generated from operations was R2.0 billion and with net cash outflow of R506 million, net debt increased to R1.9 billion. Net debt to equity ratio increased from 28% to 33%.

Taxation reduced from R554 million to R386 million with a rate decrease from 39% to 26.8%. This reduction in tax is primarily due to a reduction in the statutory tax rate in the U.K. from 30% to 28% resulting in a release of deferred tax, the release of provisions in Europe following the final assessment of the 2006 U.K. tax returns and lower effective secondary tax on companies (STC) as the final distribution for 2006 and the interim distribution for 2007 were declared out of share premium. The receipt of government incentives also contributed to the lower effective rate.

Headline earnings per share increased by 22% to 184.6 cents. Excluding the adjustment for the fair value of financial instruments, the increase was 39%.

### Segmental analysis

For segmental purposes, Bevcap is now included under Plastics (Africa) and not Metals (Africa). Comparative figures have been restated. The restatement resulted in R227.4 million in turnover and R46.3 million in profit from operations in 2006 being reclassified from Metals to Plastics.

### Metals and Glass

Rm	Revenue		Trading income*		Margin %	
	2007	2006	2007	2006	2007	2006
Africa	4 728	4 206	805	634	17.0	15.1

\*Before abnormal items

### Africa

Sales increased by 12% and trading income by 27% as a result of good volume growth in beverage cans and glass bottles and a much improved performance from the glass bottle business.

Sales volumes of beverage cans to South African customers increased by 8% as a result of good demand for carbonated soft drinks and most other beverages.

Food can volumes grew by 3% following good demand for canned vegetables, meat and fruit. Sales of fish cans were in line with long-term average volumes. Due to declining fish catches off Namibia, the Walvis Bay food can factory was closed and the production transferred to other factories in South Africa. Aerosol cans continued to show good growth and paint can sales were better than expected.

Sales of glass bottles were significantly higher than last year as a result of strong demand and improved stock availability. Manufacturing efficiencies improved to acceptable benchmark levels.

The Kenyan operation lost volume to international competitors as a result of a strengthening in the Kenyan shilling and product substitution. The Nigerian operation performed well but was disrupted by fuel and power shortages. The Tanzanian operation had a good year as did Zambia which experienced increased demand for crowns and steel drums.

## Paper

Rm	Revenue		Trading income*		Margin %	
	2007	2006	2007	2006	2007	2006
Africa	4 819	4 415	337	305	7.0	6.9
Europe	3 050	2 613	112	90	3.7	3.4
<b>Total</b>	<b>7 869</b>	<b>7 028</b>	<b>449</b>	<b>395</b>	<b>5.7</b>	<b>5.6</b>

\*Before abnormal items

## Africa

Revenue increased by 9% and trading income by 10% with the trading margin remaining almost unchanged. Under-recovery of raw material and overhead cost increases in the corrugated box market, together with higher costs of production and a strike in the tissue business, adversely affected the performance of this segment.

Sales of corrugated boxes which were good in the first half fell away in the second half following a slackening in demand from the commercial sector. Construction of the new paper mill is on schedule and within budget and it is planned to commence production in the last quarter of 2008.

The cartons and labels business had a good year with volume growth of over 3%. There was strong demand from the fast-food sector buoyed by further conversion from polystyrene to cartons. Product substitution in the packaging of powdered detergents will result in lower sales of folding cartons in 2008.

There was continued firm demand for cement paper sacks but sales of sugar and maize meal bags were relatively flat.

Buoyant consumer spending resulted in strong demand for toilet tissue and disposable diapers.

The Nigerian folding cartons operation continued to perform well, whilst the business in Malawi was adversely affected by the cost of imported raw materials.

## Europe

Performance at the Leeds folding cartons factory in the United Kingdom continued to improve, however margins came under pressure at Hoogerheide in the Netherlands. The short-run business, which supplies mainly retail packaging, did not perform satisfactorily.

The healthcare packaging business grew volumes and market share and improved its performance.

## Plastics

Rm	Revenue		Trading income*		Margin %	
	2007	2006	2007	2006	2007	2006
Africa	2 910	2 781	247	241	8.5	8.7
Europe	1 556	1 291	157	154	10.1	11.9
<b>Total</b>	<b>4 466</b>	<b>4 072</b>	<b>404</b>	<b>395</b>	<b>9.0</b>	<b>9.7</b>

\*Before abnormal items

## Africa

Revenue was up by 5% to R2.9 billion and trading income up by 2% to R247 million. Frequent polymer price increases caused a lag in recovering the additional raw material costs and resulted in margin erosion.

Sales of PET bottles continued to grow following strong demand for carbonated soft drinks and juices. Demand for high density plastic bottles for milk and juice improved whilst sales of cartons for sorghum beer, juice and milk all achieved good growth. Plastic beverage closures grew but market share was lost which will impact on the year ahead.

Market share was regained in the toothpaste-tube market and plastic tubs continued to show good growth. Some market share was lost in plastic crates and sales of large plastic drums were affected by higher raw material costs and lower customer-exports.

Performance of the flexible packaging business improved further in 2007 with the benefits of restructuring being realised. However, selling prices and margins remained under pressure due to imports and excess domestic capacity which resulted in an under-recovery of raw material price increases. Good growth was achieved in certain niche areas and investments were made in support of these growing markets.

## Europe

Although selling prices rose in line with polymer price increases, sales revenue in pounds was similar to last year following the renegotiation of some supply agreements. Trading income in pounds was lower due to some once-off benefits in the prior year.

## Group services

Rm	Revenue		Trading income*	
	2007	2006	2007	2006
Africa	-	(9)	79	57
Europe	281	253	44	28
Total	281	244	123	85

\*Before abnormal items

Group services includes head office activities, procurement, treasury and property rentals. The improvement in trading income is mainly due to reduced spend on professional services and an increase in rentals, royalties and corporate fees received.

## **AUDITED RESULTS**

The consolidated financial statements for the year have been audited by Deloitte & Touche and their accompanying unmodified audit report, as well as their unmodified audit report on this set of summarised financial information, are available for inspection at the registered office of the company. The annual report will be posted to shareholders in December.

## **PROSPECTS**

Trading income is anticipated to increase in 2008. This will be moderated by the loss of some folding carton business in South Africa as a result of packaging substitution, the Zimbabwe profits that are no longer consolidated and the possible negative impact of a stronger rand. However, real earnings growth is expected in the year ahead.

## **DIRECTORATE**

Mr PL Campbell retired as a non-executive director with effect from 31 May 2007.

Mrs CWN Molope was appointed a non-executive director on 1 June 2007.

## **ORDINARY SHARE CASH DISTRIBUTION**

Notice is hereby given that cash distribution No. 4 of 82.3 cents (2006: 66.1 cents) per ordinary share in lieu of a dividend by way of a reduction of share premium (event code CR) has been declared in respect of the year ended 30 September 2007, payable to shareholders recorded as such in the register at the close of business on the record date, Friday 11 January 2008, making a total distribution for the year of 115.3 cents (2006: 96.1 cents). The last day to trade to participate in the cash distribution is Friday 4 January 2008. Shares will commence trading "ex" distribution from Monday 7 January 2008.

The important dates pertaining to this cash distribution are as follows:

Last day to trade ordinary shares "cum" distribution	Friday 4 January 2008
Ordinary shares trade "ex" distribution	Monday 7 January 2008
Record date	Friday 11 January 2008

Payment date

Monday 14 January 2008

Ordinary share certificates may not be dematerialised or re-materialised between Monday 7 January 2008 and Friday 11 January 2008, both days inclusive.

On behalf of the board

T Evans                                      Chairman  
GE Bortolan                                Chief executive officer

21 November 2007

These results and a presentation to analysts and shareholders are available on the group's website [www.nampak.com](http://www.nampak.com).

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**Non-executive directors:**

T Evans\* (*Chairman*), DA Hawton\*, MM Katz\*, RJ Khoza, KM Mokoape\*, CWN Molope\*, ML Ndlovu\*, RV Smither\*, MH Visser, RA Williams\*.

*\*Independent*

**Executive directors:**

GE Bortolan (*Chief executive officer*), N Cumming, TN Jacobs (*Chief financial officer*).

**Secretary:**

NP O'Brien.

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**Registered office:**

Nampak Centre  
114 Dennis Road  
Atholl Gardens  
Sandton 2196  
South Africa  
(PO Box 784324 Sandton 2146 South Africa)  
Telephone +27 11 719 6300

**Share registrar:**

Computershare Investor Services 2004 (Pty) Limited  
70 Marshall Street  
Johannesburg 2001  
South Africa  
(PO Box 61051 Marshalltown 2107 South Africa)  
Telephone +27 11 370 5000

**Sponsor:**  
UBS South Africa (Pty) Limited

**Website:** [www.nampak.com](http://www.nampak.com)

SUPPLEMENTARY INFORMATION

	Profit from operations		Abnormal items		Trading income before abnormal items		Margin before abnormal items	
	2007 Rm	2006 Rm	2007 Rm	2006 Rm	2007 Rm	2006 Rm	2007 %	2006 %
<b>Segmental information</b>								
<b>Metals and Glass</b>								
Africa	751	654	(54)	20	805	634	17.0	15.1
<b>Paper</b>								
Africa	290	349	(47)	44	337	305	7.0	6.9
Europe	98	86	(14)	(4)	112	90	3.7	3.4
<b>Plastics</b>								
Africa	227	233	(20)	(8)	247	241	8.5	8.7
Europe	155	153	(2)	(1)	157	154	10.1	11.9
<b>Group Services</b>								
Africa	60	30	(20)	(27)	79	57		
Europe	40	33	(3)	5	44	28		
<b>TOTAL</b>	<b>1 621</b>	<b>1 538</b>	<b>(160)</b>	<b>29</b>	<b>1 781</b>	<b>1 509</b>	<b>10.5</b>	<b>9.9</b>