



**Nampak**  
packaging excellence

AUDITED GROUP RESULTS AND  
DIVIDEND DECLARATION FOR THE  
YEAR ENDED 30 SEPTEMBER 2013



## Highlights

Trading profit in the rest of Africa up **60%**

Rest of Africa including exports now **36%** of group trading profits

Operating profit from continuing operations up **8%**

HEPS from continuing operations up **8,2%**

Dividend per share up **8%**

Net gearing **22%**

Acquisition of **Alucan** beverage can operation in Nigeria for **US\$301 million**

Option to acquire a **leading** rigid plastic manufacturer in Nigeria

Second beverage can line to be installed in Angola at a cost of **US\$100 million**

## Group performance

Headline earnings per share from continuing operations rose by 8.2% to 217.5 cents from 201.0 cents as a result of the improvement in operating profit and a reduction in the effective tax rate.

Operating profit from continuing operations increased by 8% largely as a result of a 60% increase in profits from the rest of Africa. Trading profit from the rest of Africa increased to R506 million from R316 million due primarily to the Angolan beverage can operation. The group trading margin at 10.5% was marginally lower than last year.

Net finance costs increased to R220 million as a result of the receipt at the end of May 2013 of \$175 million of funds raised in the United States private placement market. These funds were raised for the acquisition of Alucon in Nigeria. Net debt to equity decreased to 22% from 23% and net debt increased marginally to R1.6 billion from R1.4 billion in September 2012.

The effective tax rate was 22.1% compared to 27.3% in 2012 and was favourably impacted by government incentives in Angola and Zambia, gains from the reconsolidation of the Zimbabwean businesses, the revaluation of the original interest in Elopak and lower tax rates in jurisdictions outside South Africa.

The final dividend has been increased by 10% to 98.0 cents per share making a total of 140.0 cents for the year.

Total capital expenditure amounted to R1.5 billion compared to R1.1 billion in 2012, with R479 million spent on a new aluminium beverage can line and the conversion to aluminium of the tinplate beverage can lines at Springs. A further R95 million was invested in a new warehouse at the Springs operation and R161 million was spent on the third glass furnace.

Excluding foreign exchange translation differences, working capital increased by R248 million which was lower than last year and a significant improvement from the level at the half year. Inventories were well-controlled and the increase was mainly due to an increase in trade receivables.

## Segmental review (continuing operations)

	Revenue		Trading profit*		Margin	
	2013 Rm	2012 Rm	2013 Rm	2012 Rm	2013 %	2012 %
South Africa	13 607	12 764	1 139	1 334	8.4	10.5
Rest of Africa	2 751	2 087	506	316	18.4	15.1
United Kingdom	1 938	1 679	162	124	8.4	7.4
Corporate services			109	(2)		
<b>Total</b>	<b>18 296</b>	<b>16 530</b>	<b>1 916</b>	<b>1 772</b>	<b>10.5</b>	<b>10.7</b>

\*Operating profit before abnormal items

### South Africa

Trading profit decreased by 15% and the margin declined to 8.4%. This was partly due to lower selling prices agreed in the metals and glass businesses to secure long-term supply contracts as well as to lower food can and glass bottle demand. The margins in the paper, flexibles and plastics businesses also came under pressure from weak demand.

### Rest of Africa

Trading profit increased by 60% mainly due to increased contributions from Angola which operated at full capacity for most of the year and Kenya which benefitted from a good pineapple crop. Zambia continued to perform well. Margins in the rest of Africa increased to 18.4% compared to 15.1% in 2012.

### United Kingdom

Trading profit increased by 14% to £11.2 million with costs well-controlled and revenue marginally higher than last year. The increase in rand terms was 31%.

### Corporate Services

The trading profit for the year includes property rental income partly offset by the cost of corporate costs. Trading profit increased as a result of a saving in property maintenance and a gain on the fair value of financial instruments compared to a loss in 2012.

## Metals and Glass

	Revenue		Trading profit*		Margin	
	2013 Rm	2012 Rm	2013 Rm	2012 Rm	2013 %	2012 %
South Africa	6 456	5 878	677	789	10.5	13.4
Rest of Africa	1 746	1 216	293	103	16.8	8.5
<b>Total</b>	<b>8 202</b>	<b>7 094</b>	<b>970</b>	<b>892</b>	<b>11.8</b>	<b>12.6</b>

\*Operating profit before abnormal items

### South Africa

There was good demand for beverage cans in all sectors with the exception of carbonated soft drinks. The increased volumes offset the impact of lower average selling prices agreed as part of long-term supply contracts. The conversion of beverage cans from tinplate to aluminium progressed well with a new aluminium manufacturing line installed and commissioned at the Springs factory.

Food can sales in almost every category were down, partly due to weak consumer spending. Fish catches were affected by inclement weather off the Cape coast whilst fruit pickings were affected by industrial action and poor crop-yields. There was moderate demand for aerosol and other cans.

The overall market for glass bottles declined and was impacted by increased exports of wine in bulk and the ongoing shift away from glass to cans and PET bottles. Some beer bottle business was lost to a competitor and this, together with lower selling prices agreed as part of long-term supply agreements, contributed to a reduction in margin. Long-term supply contracts signed with major customers supported the decision to install a third furnace, construction of which is on schedule for commissioning in the final quarter of the 2014 financial year.

### Rest of Africa

The beverage can operation in Angola performed exceptionally well with the manufacturing line running at above-design capacity for most of the year and this, together with the lifting of the consumption tax in March last year contributed to a significant improvement in trading profit.

The operation in Nigeria which, earlier in the year was negatively impacted by socio-political factors in the north of the country, improved in the last quarter. There was strong demand for food and diversified cans in Kenya. The operation in Zimbabwe was consolidated during the year and also contributed to the higher profit and margin.

## Paper and Flexibles

	Revenue		Trading profit*		Margin	
	2013 Rm	2012 Rm	2013 Rm	2012 Rm	2013 %	2012 %
South Africa	3 117	2 980	104	164	3.3	5.5
Rest of Africa	1 005	871	213	213	21.2	24.5
<b>Total</b>	<b>4 122</b>	<b>3 851</b>	<b>317</b>	<b>377</b>	<b>7.7</b>	<b>9.8</b>

\*Operating profit before abnormal items

### South Africa

Strong demand for corrugated boxes for agricultural products was more than offset by weak demand from the commercial sector. Export sales showed good growth.

There was mixed demand in the flexible packaging market with the food-related sector stronger but other sectors weaker. Volumes were flat in the early part of the year with a strong recovery evident in more recent months.

There was generally lower demand for cement, sugar and milling paper sacks.

Weak consumer demand affected margins in all the businesses in this segment.

An agreement was reached to sell the cartons and labels business subject to a number of conditions precedent, including approval by the Competition authorities. The business has been reclassified as a discontinued operation.

### Rest of Africa

The cartons business in Nigeria which was affected by customer-destocking in the first half, recovered in the second half with an increased contribution from non-cigarette customers. Zambia continued to perform well with increased sales of sorghum beer cartons. There was stable demand for self-opening flour bags in Kenya, whilst Malawi had a good year assisted by increased sales of sorghum beer cartons and corrugated boxes.

Plastics						
	Revenue		Trading profit*		Margin	
	2013 Rm	2012 Rm	2013 Rm	2012 Rm	2013 %	2012 %
South Africa	2 393	2 278	254	270	10.6	11.9
United Kingdom	1 938	1 679	162	124	8.4	7.4
<b>Total</b>	<b>4 331</b>	<b>3 957</b>	<b>416</b>	<b>394</b>	<b>9.6</b>	<b>10.0</b>

\*Operating profit before abnormal items

#### South Africa

The market for milk and juice was soft and this together with a move from fresh milk to long-life milk packed in cartons resulted in lower sales of plastic bottles. Sorghum beer carton sales were negatively impacted by a change in legislation in Botswana. The PET business is now more focused on the supply of lower-margin pre-forms.

Sales of metal wine closures were similar to last year despite market-share gain, with the increased export of wine in bulk affecting demand. There was growth in demand for closures for plastic beverage bottles which benefited from further replacement of glass bottles.

There were good sales of plastic crates for beer and milk customers although margins came under pressure. Sales of both large and small drums increased especially to alcohol-export customers.

There were higher sales of toothpaste tubes.

#### United Kingdom

Trading profit increased by 14% to £11.2 million. Sales volumes were slightly lower than last year as a result of the ongoing transfer of business from a major dairy which is in the process of relocating. Good cost control contributed to a satisfactory performance. The average exchange rate to the pound was R14.49 compared to R12.71 in 2012.

Tissue						
	Revenue		Trading profit*		Margin	
	2013 Rm	2012 Rm	2013 Rm	2012 Rm	2013 %	2012 %
South Africa	1 641	1 628	104	111	6.3	6.8

\*Operating profit before abnormal items

Despite growth in demand for 1-ply toilet tissue, the market remained highly competitive and margins came under pressure. Disposable diaper sales were at a similar level to last year. Operational performance improved with cost savings being achieved in several areas.

## Acquisition of beverage can facility in Nigeria

An agreement has been concluded to acquire Alucan Packaging Limited ("APL"), a beverage can manufacturer in Nigeria for a consideration of US\$301 million. Nampak has also been granted an option to acquire a large rigid plastic manufacturer in Nigeria.

## Second beverage can line in Angola

Bond approval has been granted to install a second beverage can line in Angola at a cost of US\$100 million.

## Disposal of cartons and labels

In line with the group's strategy of focusing on specific regions and core products, an agreement was concluded to sell the South African Cartons and Labels business. The transaction is subject to a number of conditions precedent, including approval of the Competition authorities and the effective date is expected to be in the first quarter of 2014.

## Outlook

Nampak is strategically well-positioned with strong market positions in South Africa and a growing presence on the African continent. We believe that this will contribute to achieving sustainable earnings growth.

## Appointment of CEO

The group announced on 14 October 2013 that André de Ruyter has been appointed an executive director and CEO designate effective 1 January 2014 and will take over as CEO on 1 April 2014.

## Declaration of ordinary dividend number 83

Notice is hereby given that a gross final ordinary dividend number 83 of 98.0 cents per share (2012: 89.0 cents per share) has been declared in respect of the year ended 30 September 2013, payable to shareholders recorded as such in the register of the company at the close of business on the record date, Friday 17 January 2014. The last day to trade to participate in the dividend is Friday 10 January 2014. Shares will commence trading "ex" dividend from Monday 13 January 2014.

The important dates pertaining to this dividend are as follows:

Last day to trade ordinary shares "cum" dividend	Friday 10 January 2014
Ordinary shares trade "ex" dividend	Monday 13 January 2014
Record date	Friday 17 January 2014
Payment date	Monday 20 January 2014

Ordinary share certificates may not be de-materialised or re-materialised between Monday 13 January 2014 and Friday 17 January 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 ("STC") credits have been utilised;

The net local dividend amount is 83.3 cents per share for shareholders liable to pay dividends tax and 98.0 cents per share for shareholders exempt from paying dividends tax;

The issued number of ordinary shares at the declaration date is 697 897 394; and

Nampak Limited's tax number is 9875081714.

On behalf of the board

**TT Mboweni**

Chairman

21 November 2013

**AB Marshall**

Chief executive officer

## Summarised group statement of comprehensive income

	Notes	2013 R million	Restated 2012 R million
<b>Continuing operations</b>			
Revenue		18 295.6	16 530.3
Operating profit	2	1 934.9	1 800.0
Finance costs		(259.4)	(216.7)
Finance income		39.5	48.1
Income from investments		5.4	5.3
Share of profit of associates		18.6	8.3
<b>Profit before tax</b>		<b>1 739.0</b>	<b>1 645.0</b>
Taxation		384.0	448.3
<b>Profit for the year from continuing operations</b>		<b>1 355.0</b>	<b>1 196.7</b>
<b>Discontinued operation</b>			
Loss for the year from discontinued operation	3	(87.9)	(4.9)
<b>Profit for the year</b>		<b>1 267.1</b>	<b>1 191.8</b>
<b>Other comprehensive income/(expense) for the year, net of tax</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Net actuarial losses from retirement benefit obligations		(406.5)	(159.8)
<b>Items that may be reclassified subsequently to profit or loss</b>			
Exchange differences on translation of foreign operations		653.7	143.4
Gains/(losses) on cash flow hedges		9.6	(4.5)
<b>Other comprehensive income/(expense) for the year, net of tax</b>		<b>256.8</b>	<b>(20.9)</b>
<b>Total comprehensive income for the year</b>		<b>1 523.9</b>	<b>1 170.9</b>
<b>Profit/(loss) attributable to:</b>			
Owners of Nampak Limited		1 286.5	1 207.1
Non-controlling interest in subsidiaries		(19.4)	(15.3)
		1 267.1	1 191.8
<b>Total comprehensive income/(expense) attributable to:</b>			
Owners of Nampak Limited		1 549.5	1 187.2
Non-controlling interest in subsidiaries		(25.6)	(16.3)
		1 523.9	1 170.9
<b>Continuing operations</b>			
Basic earnings per share (cents)		231.7	204.8
Fully diluted earnings per share (cents)		217.5	198.2
Headline earnings per ordinary share (cents)		217.5	201.0
Fully diluted headline earnings per share (cents)		204.3	194.6
<b>Continuing and discontinued operations</b>			
Basic earnings per share (cents)		216.9	204.0
Fully diluted earnings per share (cents)		203.7	197.4
Headline earnings per ordinary share (cents)		209.3	200.8
Fully diluted headline earnings per share (cents)		196.6	194.4
Dividend per share (cents)		140.0	129.5



## Summarised group statement of financial position

	Notes	2013 R million	2012 Rm
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment and investment property		7 346.8	6 612.1
Goodwill and other intangible assets		814.5	715.1
Other non-current financial assets and associates		268.1	153.2
Deferred tax assets		99.8	65.5
		<b>8 529.2</b>	<b>7 545.9</b>
<b>Current assets</b>			
Inventories		3 307.8	3 336.3
Trade receivables and other current assets		2 874.4	2 557.0
Tax assets		3.6	2.9
Bank balances, deposits and cash	8	4 477.4	1 780.0
		<b>10 663.2</b>	<b>7 676.2</b>
Assets classified as held for sale	4	551.6	27.9
		<b>19 744.0</b>	<b>15 250.0</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital		36.0	35.9
Capital reserves		(700.3)	(736.6)
Other reserves		(70.2)	(349.9)
Retained earnings		7 806.4	7 321.5
		<b>7 071.9</b>	<b>6 270.9</b>
<b>Shareholders' equity</b>		<b>7 071.9</b>	<b>6 270.9</b>
Non-controlling interest		(80.1)	(54.5)
		<b>6 991.8</b>	<b>6 216.4</b>
<b>Non-current liabilities</b>			
Loans and borrowings		3 537.7	1 594.9
Retirement benefit obligation		2 193.1	1 618.3
Deferred tax liabilities		519.9	650.1
Other non-current liabilities		51.8	13.7
		<b>6 302.5</b>	<b>3 877.0</b>
<b>Current liabilities</b>			
Trade payables, provisions and other current liabilities		3 560.9	3 471.7
Bank overdrafts	8	1 808.2	1 575.7
Loans and borrowings		695.9	18.1
Tax liabilities		144.0	91.1
		<b>6 209.0</b>	<b>5 156.6</b>
Liabilities directly associated with assets classified as held for sale	4	240.7	—
		<b>19 744.0</b>	<b>15 250.0</b>
<b>Total equity and liabilities</b>			

## Summarised group statement of cash flows

	Notes	2013 Rm	2012 Rm
<b>Cash generated from operations before working capital changes</b>		<b>2 700.5</b>	<b>2 601.8</b>
Working capital changes		(247.7)	(339.6)
<b>Cash generated from operations</b>		<b>2 452.8</b>	<b>2 262.2</b>
Net interest paid		(207.4)	(154.2)
Income from investments		5.4	5.3
Retirement benefits, contributions and settlements		(118.3)	(104.7)
Tax paid		(432.0)	(417.2)
Replacement capital expenditure		(1 044.5)	(778.7)
<b>Cash retained from operations</b>		<b>656.0</b>	<b>812.7</b>
Dividends paid		(777.4)	(421.1)
Cash distributions paid		—	(257.1)
<b>Net cash (utilised in)/retained from operating activities</b>		<b>(121.4)</b>	<b>134.5</b>
Expansion capital expenditure		(393.7)	(303.7)
Acquisition of business	5	(110.4)	(977.5)
Other investing activities		73.0	21.5
<b>Net cash utilised before financing activities</b>		<b>(552.5)</b>	<b>(1 125.2)</b>
Net cash raised from financing activities		2 527.7	465.4
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1 975.2</b>	<b>(659.8)</b>
Net cash and cash equivalents at beginning of year	8	204.3	797.9
Cash acquired on reconsolidation of Zimbabwe subsidiaries	6	6.0	—
Translation of cash in foreign subsidiaries		483.7	66.2
<b>Net cash and cash equivalents at end of year</b>	<b>8</b>	<b>2 669.2</b>	<b>204.3</b>

## Summarised group statement of changes in equity

	2013 Rm	2012 Rm
<b>Opening balance</b>	<b>6 216.4</b>	<b>5 694.9</b>
Net shares issued during the year	28.1	21.8
Share-based payment expense	19.4	19.2
Share grants exercised	(10.9)	(16.7)
Share of movement in associate's non-distributable reserve	0.9	(0.4)
Transfer from hedging reserve to related assets	(10.8)	1.7
Gain on available-for-sale financial assets	2.2	3.2
Total comprehensive income for the year	<b>1 523.9</b>	<b>1 170.9</b>
Dividends paid	(777.4)	(421.1)
Cash distributions from share premium	—	(257.1)
<b>Closing balance</b>	<b>6 991.8</b>	<b>6 216.4</b>
<b>Comprising:</b>		
Share capital	36.0	35.9
Capital reserves	(700.3)	(736.6)
Share premium	45.6	17.6
Treasury shares	(1 104.3)	(1 104.3)
Share-based payments reserve	358.4	350.1
Other reserves	(70.2)	(349.9)
Foreign currency translation reserve	927.9	268.0
Hyperinflation capital adjustment	—	(24.3)
Financial instruments hedging reserve	4.4	5.6
Recognised actuarial losses	(984.6)	(578.1)
Share of non-distributable reserves in associates	1.9	0.9
Available-for-sale financial assets revaluation reserve	(20.0)	(22.2)
Other	0.2	0.2
Retained earnings	<b>7 806.4</b>	<b>7 321.5</b>
<b>Shareholders' equity</b>	<b>7 071.9</b>	<b>6 270.9</b>
Non-controlling interest	(80.1)	(54.5)
<b>Total equity</b>	<b>6 991.8</b>	<b>6 216.4</b>

## Notes

	2013 Rm	2012 Rm
<b>1. Basis of preparation</b>		
The summarised consolidated financial statements have been prepared in accordance with the framework concepts, measurement and recognition criteria of the International Financial Reporting Standards ("IFRS") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and in accordance with the Listings Requirements of the JSE Limited, IFRS including the information required by IAS 34: Interim Financial Reporting.		
The accounting policies applied are consistent with those applied for the group's 2012 annual financial statements.		
The summarised preliminary financial statements have been prepared under the supervision of the group financial manager MS Botyan CA(SA).		
<b>2. Included in operating profit are:</b>		
Depreciation	711.4	600.3
Amortisation	38.0	27.1
<b>Reconciliation of operating profit and trading profit</b>		
Operating profit	1 934.9	1 800.0
Abnormal (gains)/losses*	(19.4)	(28.1)
Net impairment losses on plant, equipment and goodwill	61.4	4.7
Retrenchment and restructuring costs	31.2	8.8
Net loss/(profit) on disposal of investments	0.1	(0.5)
Cash flow hedge ineffectiveness	(0.4)	3.1
Net profit on disposal of property	(0.7)	(0.2)
Gain on revaluation of original interest in joint venture acquired	(23.2)	(44.0)
Gain on reconsolidation of Zimbabwe entities	(87.8)	—
Trading profit	1 915.5	1 771.9

\*Abnormal (gains)/losses are defined as (gains)/losses 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.

## Notes

	2013 Rm	2012 Rm
<b>3. Discontinued operation</b>		
During May 2013, the directors of the group 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 March 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:		
<i>Results of the discontinued operation for the year</i>		
Revenue	1 080.7	1 130.7
Expenses	(1 202.7)	(1 137.6)
Loss before tax	(122.0)	(6.9)
Attributable income tax benefit	34.1	2.0
Loss for the year from discontinued operation	(87.9)	(4.9)
<i>Cash flows from the discontinued operation</i>		
Net cash flows from operating activities	(7.0)	(22.3)
Net cash flows from investing activities	2.9	0.4
Net cash flows	(4.1)	(21.9)
The Cartons and Labels business has been classified and accounted for at 30 September as a disposal group held for sale (see note 4).		
<b>4. Assets held for sale</b>		
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 3, the group has entered into a sale agreement to dispose of the Cartons and Labels business with the disposal expected to be completed by March 2014. The disposal group has been disclosed as a discontinued operation during the current year and was previously included in the South Africa Paper and Flexibles segment for segmental reporting purposes. Impairment losses of R55.0 million (R50.4 million on reclassification as held for sale) have been recognised for the year in respect of the disposal group.		
In the prior year, a property in South Africa was classified as held for sale as it was surplus to the group's requirements. This asset was sold during December 2012. The property was included in the Other segment for segmental reporting purposes.		
<i>Assets classified as held for sale</i>		
Assets relating to the discontinued operation	551.6	—
Carrying value of property classified as held for sale	—	27.9
	551.6	27.9
<i>Liabilities associated with assets held for sale</i>		
Liabilities relating to the discontinued operation	240.7	—

Notes *(continued)*

	2013 Rm	2012 Rm
<b>5. Business combinations</b>		
In line with the group's strategy to grow its core businesses, the group acquired with effect from 1 November 2012 the remaining 50% interest in Elopak (Pty) Ltd ("Elopak") from Elopak AS for an amount of R116.2 million paid in cash.		
During the prior year, the group acquired with effect from 1 March 2012, the remaining 50% interest in Nampak Wiegand Glass (Pty) Ltd which was held by Wiegand Glas (SA) (Pty) Ltd for an amount of R974.5 million paid in cash.		
<b>Assets acquired and liabilities recognised at the date of acquisition:</b>		
<b>Current assets</b>		
Inventories	13.5	86.7
Trade and other receivables	20.8	78.6
Cash	5.8	—
<b>Non-current assets</b>		
Property, plant and equipment	23.2	491.1
Intangibles	43.9	237.5
Non-current receivables	2.3	—
<b>Current liabilities</b>		
Trade and other payables	(7.8)	(67.2)
Bank overdraft	—	(3.0)
<b>Non-current liabilities</b>		
Loans	—	(17.8)
Retirement benefit obligation	—	(6.9)
Deferred tax	(16.2)	(101.6)
	<b>85.5</b>	<b>697.4</b>
<b>Goodwill arising on acquisition</b>		
Consideration transferred	116.2	974.5
Gain on revaluation of original interest	23.2	44.0
Fair value of identifiable net assets acquired	(85.5)	(697.4)
Goodwill recognised	<b>53.9</b>	<b>321.1</b>
Goodwill arose on the acquisitions as the cost of the combinations included a control premium. The consideration paid also included the expected benefits of revenue growth and future profitability. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. The goodwill recognised is not deductible for tax purposes.		
<b>Cash flow impact of the acquisitions</b>		
Consideration paid in cash	116.2	974.5
(Cash)/bank overdraft acquired	(5.8)	3.0
Net outflow on acquisition	<b>110.4</b>	<b>977.5</b>
<b>Impact of the acquisition on the results of the group</b>		
Included in the group net revenue and profit after tax for the period is R104.5 million and R11.8 million respectively which is attributable to the remaining interest acquired in Elopak.		
Had Elopak been acquired with effect from 1 October 2012, the net revenue of the group from continuing operations would have been R18 304.5 million, while the profit after tax would have been R1 356.1 million.		

Notes *(continued)*

	2013 Rm	2012 Rm
<b>6. Reconsolidation of the Zimbabwe entities</b>		
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, Megapak Zimbabwe (Pvt) Ltd (49% interest) ("Megapak Zim") and Hunyani Holdings Ltd (38.91% interest) ("Hunyani"). In addition, the holding company of Megapak Zim, Megaplastics Ltd ("Megaplast"), being a wholly owned subsidiary, was also reconsolidated effective 1 October 2012. The entities had previously been deconsolidated in 2007 due to Nampak Limited 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, Megapak Zim and Hunyani, were valued at US\$9.5 million and US\$10.3 million respectively.		
<b><i>Assets and liabilities of the subsidiaries recognised at the date of their reconsolidation:</i></b>		
<b><i>Current assets</i></b>		
Inventories	29.6	—
Trade and other receivables	21.8	—
Bank and cash	6.0	—
<b><i>Non-current assets</i></b>		
Property, plant and equipment	39.1	—
<b><i>Current liabilities</i></b>		
Trade and other payables	(69.9)	—
<b><i>Non-current liabilities</i></b>		
Loans	(11.1)	—
Deferred tax	(2.5)	—
	13.0	—

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.

***Impact of the reconsolidation on the results of the group (current year)***

Net revenue for the group includes R126.1 million attributable to the subsidiaries, while profit after tax for the group includes R1.4 million attributable to the subsidiaries, as well as R20.7 million attributable to the associates, Megapak Zim and Hunyani.

Notes *(continued)*

	2013 Rm	2012 Rm
<b>7. Determination of headline earnings</b>		
<i>Continuing operations</i>		
Profit attributable to equity holders of the company for the year	1 374.4	1 212.0
Less: preference dividend	(0.1)	(0.1)
Basic earnings	1 374.3	1 211.9
Adjusted for:		
Net impairment losses on plant, equipment and goodwill	61.4	4.7
Net loss/(profit) on disposal of investments	0.1	(0.5)
Net (profit)/loss on disposal of property, plant, equipment and intangible assets	(24.7)	26.1
Gain on revaluation of original interest in joint venture acquired	(23.2)	(44.0)
Gain on reconsolidation of Zimbabwe entities	(87.8)	—
Tax effects and non-controlling interest	(10.4)	(8.6)
Headline earnings for the year	1 289.7	1 189.7
<i>Continuing and discontinued operations</i>		
Profit attributable to equity holders of the company for the year	1 286.5	1 207.1
Less: preference dividend	(0.1)	(0.1)
Basic earnings	1 286.4	1 207.0
Adjusted for:		
Net impairment losses on plant, equipment and goodwill	116.4	9.5
Net loss/(profit) on disposal of investments	0.1	(0.5)
Net (profit)/loss on disposal of property, plant, equipment and intangible assets	(25.2)	26.5
Gain on revaluation of original interest in joint venture acquired	(23.2)	(44.0)
Gain on reconsolidation of Zimbabwe entities	(87.8)	-
Tax effects and non-controlling interest	(25.7)	(10.1)
Headline earnings for the year	1 241.0	1 188.4
<b>8. Cash and cash equivalents</b>		
Bank balances, deposits and cash	4 477.4	1 780.0
Bank overdrafts	(1 808.2)	(1 575.7)
	2 669.2	204.3



Notes *(continued)*

	2013 Rm	2012 Rm
<b>9. Supplementary information</b>		
Capital expenditure	1 471.1	1 084.2
– expansion	393.7	303.7
– replacement	1 044.5	778.7
– intangibles	32.9	1.8
Capital commitments	2 386.1	1 093.7
– contracted	1 113.3	406.3
– approved not contracted	1 272.8	687.4
Lease commitments	312.1	184.1
– land and buildings	244.9	136.1
– other	67.2	48.0
Contingent liabilities	10.1	48.8
– tax contingent liabilities	3.2	36.2
– customer claims and guarantees	6.9	12.6
<b>10. Share statistics</b>		
Ordinary shares in issue (000)	697 897	696 712
Ordinary shares in issue – net of treasury shares (000)	593 600	592 415
Weighted average number of ordinary shares on which basic earnings and headline earnings per share are based (000)	593 064	591 750
Weighted average number of ordinary shares on which diluted basic earnings and diluted headline earnings per share are based (000)	639 500	622 488
<b>11. Additional disclosures</b>		
Net gearing	22%	23%
EBITDA*	2 700.2	2 462.9
Net debt: EBITDA*	0.6 times	0.7 times
Interest cover	9 times	11 times
EBITDA: Interest cover*	12 times	15 times
Return on equity – continuing operations	22%	22%
Return on net assets – continuing operations	19%	21%
Net worth per ordinary share (cents)**	1 178	1 049
Tangible net worth per ordinary share (cents)**	1 041	929
Net asset value	6 991.8	6 216.4

\*EBITDA is calculated before net impairments

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

## Notes *(continued)*

### 12. Translation reserve movement

Due to the weakening of the rand towards the end of the financial year, a translation gain of R653.7 million (2012: R143.4 million gain) was recognised for the year. The closing exchange rate at 30 September was £1: R16.25 (2012: £1: R13.39).

### 13. 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.

### 14. Independent auditors' opinion

The auditors, Deloitte & Touche, have issued their opinion on the group's financial statements for the year ended 30 September 2013. The audit was conducted in accordance with International Standards on Auditing. They have issued an unmodified audit opinion. A copy of the auditors' report together with a copy of the audited financial statements are available for inspection at the company's registered office.

These summarised financial statements have been derived from the group's financial statements and are consistent in all material respects with the group's financial statements. A copy of their audit report is available for inspection at the company's registered office. These summarised financial statements have been audited by the company's auditors who have issued an unmodified opinion. The auditors' report does not necessarily report on all the information contained in this announcement. Any reference to future financial information included in this announcement, has not been reviewed or reported on by the company's auditors. Shareholders are advised, that in order to obtain a full understanding of the nature of the auditors' engagement they should obtain a copy of that report together with the accompanying financial information from the company's registered office.

### 15. Subsequent events

An agreement has been concluded to acquire Alucan Packaging Limited ("APL"), a beverage can manufacturer in Nigeria for a consideration of US\$301 million. Nampak has also been granted an option to acquire a large rigid plastic manufacturer in Nigeria.

## 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, PM Madi, VN Magwentshu, I Mkhari, DC Moephuli, CWN Malope, RV Smither, PM Surgey.

### **Executive directors:**

AB Marshall (Chief executive officer), G Griffiths (Chief financial officer), FV Tshiqi (Group human resources director).

### **Secretary:**

NP O'Brien.

### **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 (Pty) Ltd

70 Marshall Street, Johannesburg, 2001, South Africa

(PO Box 61051, Marshalltown, 2107, South Africa)

Telephone +27 11 370 5000

### **Sponsor:**

UBS South Africa (Pty) Ltd

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

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