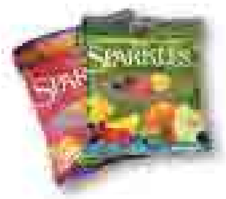
qualities

INNOVATIVE • DIVERSE • RESPONSIVE • FLEXIBLE • PROACTIVE

NAMPAK LIMITED Registration number: 1968/008070/06
ISIN code: ZAE000004933
Share code: NPK

Nampak is Africa's largest and most diversified packaging manufacturer, with the major market share in South Africa and manufacturing facilities in eight other countries in Africa. We export packaging from our South African operations to some 56 countries around the world. We are also extensively involved in collection and recycling activities in all areas of packaging.

Nampak produces a wide variety of packaging products from all the primary packaging raw materials – metals, paper, plastic and glass and our diversity of offerings is unique, making us one of the few companies in the world that can offer a total packaging solution to our customers.

Nampak is a significant player in rigid plastics in Europe, holding a strong position in supplying plastic bottles to the dairy industry in the United Kingdom.

In addition to packaging, Nampak is also South Africa's largest manufacturer of tissue paper products and holds a substantial share of the paper merchanting market.

Nampak's IT subsidiary, NamITech, develops and implements secure end-to-end business solutions.

GOALS

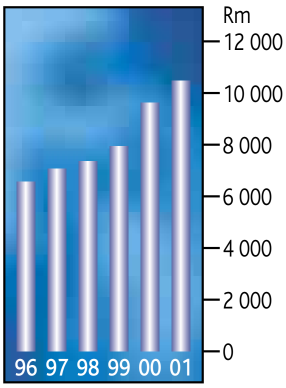
- To strengthen and grow our position as the leading manufacturer and marketer of packaging products on the African continent.
- To strengthen our offshore earnings capacity by increasing our presence internationally in selected markets.
- To grow and unlock value in our non-packaging interests.
- To create shareholder wealth by generating returns in excess of the annual inflation rate plus the economic growth rate.
- To build an organisation that reflects the diversities of the societies in which we operate.

VALUES

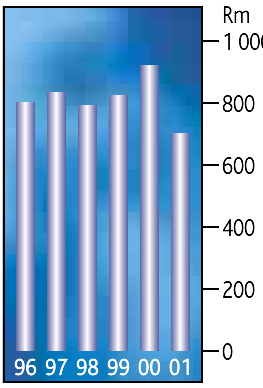
- We acknowledge the benefits of both operational ownership and corporate driven strategic initiatives, systems and best practices.
- We believe in a culture that actively recruits, develops and retains talent and diversity.
- We value mutually beneficial long-term partnerships with both our suppliers and customers, built on a foundation of superior quality, innovation and service.
- We uphold the principles of integrity, professional business ethics and internationally accepted standards.

FINANCIAL SUMMARY

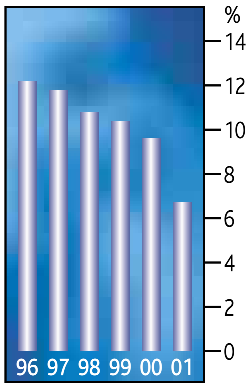
	2001	2000	Change %
REVENUE Rand million	10 474.3	9 632.8	+9
PROFIT BEFORE ABNORMAL ITEMS Rand million	860.5	955.7	-10
PROFIT FROM OPERATIONS Rand million	702.3	922.6	-24
NET PROFIT FOR THE YEAR Rand million	421.4	619.7	-32
BASIC EARNINGS PER SHARE Cents	82.7	121.7	-32
HEADLINE EARNINGS PER SHARE Cents	88.1	121.1	-27
DIVIDENDS PER SHARE Cents	53.3	53.3	—
NET ASSETS EMPLOYED Rand million	4 832.9	4 339.9	+11
MARKET CAPITALISATION Rand million	5 476.1	6 774.4	–19



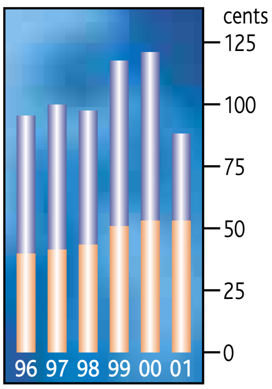
REVENUE



PROFIT FROM OPERATIONS

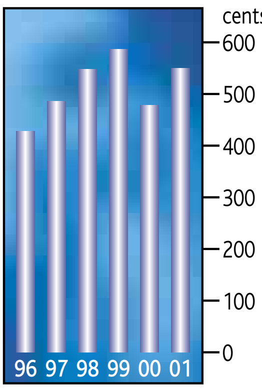


OPERATING MARGIN

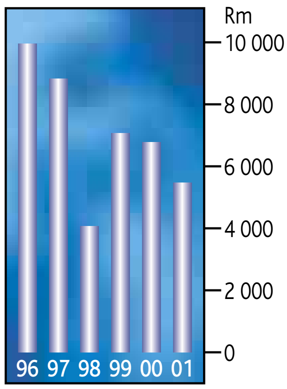


HEADLINE EARNINGS AND DIVIDENDS PER SHARE

headline earnings per share
dividends per share



NET ASSET VALUE PER SHARE

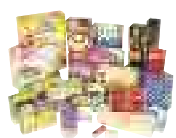


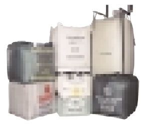
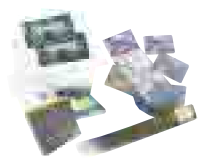
MARKET CAPITALISATION

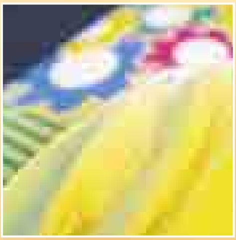
“Offering a packaging solution with
world-class products”

products

THE GROUP AT A GLANCE

DIVISION	MANAGING DIRECTOR	PRODUCTS
BEVCAN Tinplate beverage cans and aluminium ends for beer, carbonated soft drinks, alcoholic fruit beverages and fruit juice products. I&CS – suppliers of coding and inspection equipment to the beverage and packaging industries. Collect-A-Can, a joint venture with Iscor, collects 65% of South Africa's used beverage cans for recycling.	John Moyes (53)	
FOODCAN Tinplate cans for fruit, vegetables, meat, fish, pet food and other processed foods.	Charles Bromley (38) BSc Eng (Chem)	
DIVPAC A wide range of tinplate products for the industrial and household markets. These include paint, aerosol, oil and polish containers. Manufacturers of aluminium aerosols and a wide range of decorative tinware.	Charles Bromley (38) BSc Eng (Chem)	
BEVCAP Roll-on pilferproof aluminium closures for wine and spirits, metal closures for glass jars, plastic closures for carbonated soft drinks and specialised plastic closures for sports drinks, cordials, condiments, edible oils, chemicals and motor oils.	James MacDonald (41) BSc (Hons)	
MB GLASS Bottles for beer, carbonated soft drinks, wine, spirits and ketchup. A member of the Glass Recycling Association, which collects and recycles 100 000 tonnes of glass per annum.	Barry Kockott (60)	
NAMPAK LIQUID PACKAGING Polyethylene-coated cartons for sorghum beer, milk, mageu, wine and juices. Packaging systems for non-carbonated liquid foods. Plastic bottles for dairy, fruit juice, wine, sorghum beer and household products.	John Arnold (54) BComm	
NAMPAK CORRUGATED Corrugated-based packaging for a wide range of products predominantly for the manufacturing and agricultural industries.	Tom Reid (39) HND Mech Eng, BComm	
PRINTPAK High-quality folding cartons and labels for the food, cigarette, detergent, beverage, household products and pharmaceutical industries. Litho laminated products and packaging machine systems.	Rob Morris (39) Pr Eng, BSc Eng (Chem), BComm (Hons)	
NAMPAK TISSUE Manufacturer, distributor and marketer of tissue, feminine hygiene, baby diaper and foil products. South African market leader in tissue products. Nampak Paper Recycling collects 140 000 tonnes of paper waste per annum and recycles it for use in our tissue and corrugated manufacturing processes.	Roy Douglas (44) BSoc Sci, MBA	
PETERS PAPERS/SPICERS Distributors of local and imported fine papers and graphic materials.	Lawrence Mendoza (57) CA(SA)	

DIVISION	MANAGING DIRECTOR	PRODUCTS
PETPAK PET bottles and preforms for carbonated soft drinks, sports drinks, water, fruit juice and household products.	Peter van Lienden (55) BSc (Hons), MSc (cum laude)	
MEGAPAK Plastic crates and drums for the beverage, dairy, bakery, poultry, chemical and other non-food markets. Nampak Polycyclers recycles 4 500 tonnes of plastic annually for conversion by Megapak into crates and drums.	Peter van Lienden (55) BSc (Hons), MSc (cum laude)	
TUFBAG Polypropylene flexible intermediate bulk containers (bulk bags) for the sugar, chemical and base mineral markets as well as a range of flexible mining support systems.	Glenn Start-Taylor (37) ACIMA	
L&CP Laminated protective wrappings and foil-based roof insulations (Super Sisalation).	Rob Francois (40) BComm	
ROTOFLEX-QUIX Flexible packaging for the snacks, confectionery, biscuit and general food markets. Conversion of aluminium foil for the dairy, pharmaceutical, industrial, cigarette and beverage markets.	Graham Braby (42) MSc Mech Eng	
POLYFOIL Plastic check-out carrier bags for the retail, wholesale and cash-and-carry markets.	Riz Hassen (47) BCompt (Hons), CA(SA)	
NAMPAK SACKS Multiwall paper sacks and self-opening paper bags for granular/free flowing products such as sugar, maize, cement, chemicals, wheat products and pet food.	Tim Elliott (48) BComm	
NAMITECH Telecommunications – specialises in end-to-end telecommunication solutions. Financial Services – offers a broad range of secure products and solutions. New and Emerging Business – constantly seeks out new secure business solutions opportunities in the local and global arena. Velocit-e Gaming and Leisure – provides secure automated payment and cash-to-cashless gaming solutions for the casino, restaurant and hotel industries.	Nikki Kettles (39) BSc Eng, MBA Chris Steyn (54) BComm, CA(SA) Charles Laxton (42) William Wilsnagh (34) MSc Information Systems	
AFRICA Corrugated boxes, folding cartons, paper sacks, flexible packaging, plastic check-out bags, crates, poly-coated cartons, PET bottles, plastic bottles and tissue products.	Sandy McLeish (55) Pr Eng, C Eng, BSc (Hons)	
NAMPAK plc Liquid Foods – plastic containers for dairy and fruit juice products. Containers – plastic containers for automotive and agri-chemicals.	Nick Templeton-Ward (50) BA (Hons) Robin Moore (41) BComm James Crick (49) BA (Hons)	Nampak




GTX

South Africa

METALS

Bevcan
Divpac
Foodcan

Nampak 85%
Crown Cork 15%

Bevcap
Glass

PAPER

Printpak

Nampak 70%
Malbak 30%

Corrugated
Paper Merchants
Tissue

PLASTICS

L&CP
Liquid Packaging
Megapak
Petpak
Polyfoil
Rotoflex-Quix
Sacks
Tufbag

NAMITECH

Telecommunications
Financial
Gaming & Leisure
New & Emerging

Rest of Africa

Botswana
Kenya
Malawi
Mocambique
Namibia
Swaziland
Tanzania
Zambia
Zimbabwe

Europe

Containers
Liquid Foods
Personal Care

Belgium
France
Netherlands
Spain
United Kingdom

confidence in earnings recovery

"Despite the lower earnings an unchanged total dividend of 53.3 cents for the year has been declared, reflecting our confidence in an earnings recovery in 2002"

OVERVIEW

The past year has again been very challenging for the group. After disappointing volume growth in the first quarter, particularly in the South African packaging business, management decided to aggressively adjust the cost base of the group.

Projections of the costs associated with this action and the poor trading conditions led to a profit warning in January, the first such warning in our history.

The deterioration in the Zimbabwe situation resulted in a decision to deconsolidate the profits from that country.

Solid progress was made in the European businesses. Our IT business, NamITech, produced impressive profit growth.

During the year the new cluster organisational structure shown on page 8 was successfully bedded down and the Chairman of ten years' standing retired. A new Chairman and a new Group managing director were appointed from within the company.

THE YEAR'S PERFORMANCE

Revenue increased by 8.7% to R10.5 billion mainly as a result of last year's acquisition of Plysu plc (now known as Nampak plc) which was held for a full year against only nine months in 2000. In South Africa, revenue increased by only 6.7%, reflecting the pressure on selling prices and minimal growth in volumes.

Operating profit decreased by 23.9% primarily as a result of the costs associated with the restructuring exercise, product claims and other abnormal items. In aggregate, all abnormal items amounted to R158 million. Operating margin after adjusting for the abnormal costs was 8.2% (2000: 9.9%), a clear indication of the difficult trading environment. The magnitude of the product claims was abnormal compared to previous years. Analysis of the problem did not suggest that quality standards had deteriorated, but rather that a combination of unusual one-off circumstances had arisen.

A higher interest charge was incurred following the acquisition of Plysu and this, together with the lower operating profit, culminated in a decline of 32% in attributable profit and of 27.3% in headline earnings per share.

Despite the lower earnings, an unchanged total dividend of 53.3 cents for the year has been declared, reflecting our confidence in an earnings recovery in 2002. This has resulted in a temporary drop in the dividend cover to 1.6 times. Over time we

spending on non-durables continued

"Spending on non-durable items continued at the low levels experienced in previous years"

expect to return to the stated dividend cover objectives.

The balance sheet remains strong, despite the cash costs of restructuring, and the net debt-to-equity ratio ended at 31.6% (2000: 26.8%).

In addition, active steps were taken to manage the currency risks associated with the sterling debt, raised to purchase Plysu. During the year, the European operations were recapitalised, and the outstanding capital amount on the loan reduced accordingly. In addition, interest rate swaps were entered into to control the interest rate risk. It is expected that by December 2001, the capital balance of the sterling debt will be broadly equal to the net assets held in sterling, thereby providing a matched translation hedge.

THE TRADING ENVIRONMENT

Although the overall growth in the South African economy was 2.5%, spending on non-durable items continued at the low levels experienced in previous years. Services continued to command an increasing share of consumer spending. However, packaging demand from July 2001 suggests that this trend could be levelling off. Volumes in the important beverage sector of the market also appear more encouraging. This improvement is due more to our customers' export growth than to local demand.

The low volume growth domestically, coupled with industry overcapacity and high raw material costs, resulted in selling prices remaining under pressure throughout the year. Despite this, recently improved price increases to our customers have been achieved, although not at full recovery levels.

Growth in the United Kingdom manufacturing sector was disappointing and this had a negative effect on our Containers business. The Liquid Foods business continued to experience some growth in volumes.

The market for prepaid cell phone vouchers grew substantially, both in South Africa and the rest of the African continent, although the slow-down in the global economy has caused a surplus of silicone chips. This has resulted in a decrease in NamITech's margins.

In the rest of Africa, the instability in Zimbabwe resulted in hyperinflation and devaluation of the local currency to such an extent that a decision was made to only bring to account cash received. Prior year figures have been adjusted accordingly.

Trevor Evans

THE GLOBAL PACKAGING INDUSTRY

The past year has seen further consolidation taking place in the global packaging industry and there are indications that shareholder value is starting to return to the sector after many years of below average performance.

Although sometimes viewed as an unexciting investment, packaging companies nevertheless have the advantage of stable demand for their products and have been less affected by the boom-bust cycles that have characterised some other industries.

The consolidation phase is, however, not over and we expect to see further mergers and acquisitions in the coming year. Opportunities exist for Nampak to participate in the inevitable further consolidation of the European packaging industry.

THE SOUTH AFRICAN PACKAGING INDUSTRY

As previously indicated, the packaging industry in South Africa has, for a number of years, been adversely affected by low economic growth and changing consumer spending patterns which have led to overcapacity in most sectors. At the same time, customers have rigorously resisted price increases despite significant raw material price escalations, resulting in downward pressure on margins.

The packaging industry has responded by rationalising factories, improving efficiencies and reducing employee numbers. Margins in the industry as a whole are still below international levels, particularly when the cost of capital in South Africa is considered. It is significant to note that several packaging companies were liquidated during the year.

Some further industry consolidation may be required to restore returns to acceptable levels.

A REVIEW OF THE INITIATIVES INTRODUCED LAST YEAR

The cost base of the business has been substantially reduced. Unfortunately, this has resulted in the loss of more than 1 000 jobs in South Africa during the year and 600 jobs in Europe over the past 18 months. The sale of the loss-making Brands business in Europe (2000 turnover: £8 million) contributed to the reduction in jobs.

Retrenching is an unpleasant and debilitating task for all concerned. The company provides training, assistance and counselling to affected employees and pays above-average severance packages to alleviate hardship as much as practically possible.

european dairy contracts

"In Europe, important agreements have been signed with major dairies to manufacture a much larger percentage of milk and juice bottles in the dairies themselves"

The reduction in employee numbers was managed without any major industrial problems, either in South Africa or Europe.

Purchasing and logistic costs were also reduced together with a general tightening up of all expenditure on consumable items.

Further impetus was added to our diversification strategy with the acquisition by NamITech of Velocit-e for R68 million in August this year.

Whilst we were disappointed at not having made further acquisitions in Europe, much progress has been made in understanding the strategic fit of the various options being considered.

FUTURE GROWTH STRATEGIES

We do not believe that the growth in private consumption expenditure in South Africa will stimulate growth in the packaging industry to any appreciable degree for the next few years.

Whilst the effects of the growth in the new industries – cell phones and gambling, etc. have slowed down, the effect of AIDS is beginning to manifest itself. The net result is that we are planning for little or no growth in the overall demand from the South African market. The measures taken to reduce costs will make a major contribution towards improving earnings next year and to some extent the year thereafter.

The company has modern assets in most factories, a much lower cost base and globally competitive prices now enhanced by the weakening of the rand. As a consequence, a determined effort will be placed on both increasing direct exports and assisting our customers to develop higher levels of their exports.

The developments in Zimbabwe have not deterred the group from pursuing an African growth strategy. Efforts to find attractive investment opportunities will continue.

In Europe, important agreements have been signed with major dairies to manufacture a much larger percentage of milk and juice bottles in the dairies themselves. These agreements tie in volume with favourable long-term commercial benefits. The current year will involve capital expenditure of approximately R280 million to install the necessary equipment. Costs associated with the closure of some production capacity in one of the mother factories will be incurred.

The Liquid Foods division is now a world-class business, making acceptable returns in pounds sterling. The action planned for the year ahead will entrench its position for years to come. We continue to explore other acquisition opportunities in allied fields.

NamITech will also explore the many acquisition opportunities that could complement its business.

ENVIRONMENT

Packaging is a visible component of the waste stream in South Africa. This is less so in the developed world as societies are more disciplined in their disposal of packaging waste after use.

Nampak has, for many years, been very active in recycling the various packaging materials and we set out below our status for each raw material.

METALS

Collect-A-Can – a joint venture between Nampak and Iscor – is a model of collaborative effort in an industry. It was started in the early nineteen eighties and now collects some 65% of South Africa's used beverage cans, a world-class recovery rate.

PAPER

Our wholly owned paper recycling business collects some 140 000 tonnes of paper waste annually to feed our seven paper machines – six tissue and one paperboard – and these products are in turn sold through our Tissue and Corrugated divisions.

GLASS

Nampak is a member of the Glass Recycling Association which collects and recycles some 100 000 tonnes per annum.

PLASTICS

This group of products presents a significant challenge to the packaging industry as it is characterised by a huge variety of products made from different polymers which are not easy to identify and separate. Additionally there are many manufacturers in the plastics industry, making a joint industry initiative much more difficult. Collection and recycling rates for plastic are thus lower than for other materials.

The Minister of Environment and Tourism has confirmed that he intends to issue regulations that prohibit the use of plastic bags and packets with a wall thickness of less than 80 microns. To provide a comparison, the current thickness of plastic carrier bags is approximately 16 microns.

A study completed in NEDLAC, and limited to thin micron vest-type carrier bags, has supported the view held by industry and labour that the intended regulations would have significant socio-economic costs.

Nampak is working closely with its industry colleagues on this issue and supports an approach that doubles the thickness of plastic bags using current technologies and thereby creating recyclable value. Industry has also made a proposal to work with Government in a co-operative agreement to establish mechanisms that increase the overall recycling levels.

Nampak's activities in plastic recycling centre around Nampak Polycyclers, which recycles approximately 4 500 tonnes of plastic waste annually into crates, drums and garbage bins. In all, the plastics industry recycles well in excess of 100 000 tonnes per annum.

earnings boost anticipated

"We are expecting a significant improvement in earnings from our South African operations off a much lower cost base following the actions that were taken in 2001"

Nampak is a contributor to the Peace Parks Foundation, the World Wildlife Fund and its Wildlife College, as well as a number of other conservation organisations.

CORPORATE SOCIAL INVESTMENT

Education has remained the key focus of our corporate social investment during the year with more than 80% of our funding being allocated to this important sector. Our main support has been at tertiary level with a special focus on technical skills and on bridging education.

In addition to our own direct efforts, we contributed a further R1.25 million to the Business Trust which in turn also supports education, as well as tourism.

The National Business Initiative (NBI), of which Nampak is a member, is also involved in a number of initiatives on a national level including skills development, employment creation and service and infrastructure delivery.

We also supported a variety of charitable organisations whose aims are to help the less fortunate members of our society.

HIV/AIDS is starting to have a devastating effect on our population in South Africa and we have commissioned a pilot study in the worst affected region of the country. The results of this study will be used to establish a programme to prevent and reduce exposure to this disease, primarily through the education of our employees.

CORPORATE GOVERNANCE

Our compliance with the current King Code on Corporate Governance is detailed on pages 42 to 46.

In particular, we continue to:

- practise high ethical standards and good corporate governance;
- ensure transparency in our reporting and communication with stakeholders;
- act in a socially responsible manner as evidenced by the diverse range of initiatives in which we are involved;
- promote Black Economic Empowerment both through our employment policy and in seeking to establish viable business enterprises through appropriate partnerships.

Considerable work has already been completed to ensure that we will be able to comply substantially with any new governance recommendations arising from the revised King Report, due to be finalised soon.

MANAGEMENT

Brian Connellan retired as Chairman of the company on

30 June 2001 and I was appointed Executive Chairman on 1 July 2001. I am pleased that Brian has remained on as a non-executive director of the company.

Simultaneously, John Bortolan, who has over 20 years' experience in Nampak, was appointed Group managing director responsible for all operations, with the exception of NamITech, which continues to report to me.

With a few minor exceptions, the recommendations of the King Report on Corporate Governance on the roles of Chairman and Chief Executive Officer have been implemented by the company.

PROSPECTS

We are expecting a significant improvement in earnings from our South African operations next year, off a much lower cost base, following the actions that were taken in 2001. NamITech is also expected to achieve good growth in earnings on the strength of strong sales demand for existing and new technology solutions.

Profits from the rest of Africa are expected to be lower, due mainly to the uncertainty in Zimbabwe, but we are hoping that Zimbabwe's economy will settle down and resume growing after the March 2002 general elections in that country.

In Europe, profits are expected to be marginally lower in 2002 due to some duplicated costs associated with the major dairy in-plant projects, but will rebound in 2003.

Overall a strong earnings growth is expected for 2002, provided the domestic and European economies are not further disrupted by the current world crisis.

APPRECIATION

First of all, I thank Brian Connellan for his tremendous contribution to Nampak and wise counsel over many years and wish him the very best in his retirement.

Our Human Resources Director, Sipho Ngidi, resigned during the year to take up a senior position at a leading financial institution and I thank him for his efforts at Nampak and wish him well in his new challenge.

It has not been an easy year for management and staff as they managed the cost reduction and restructuring exercises and I thank them all for their understanding and effort and positive attitude in meeting the challenges.

A word of thanks also to our Zimbabwean colleagues who have managed through a uniquely difficult period.

The Group managing director and the executive directors have had a tremendous responsibility this past year to ensure that all the changes were implemented as effectively as possible, whilst ensuring that service to our customers continued at a high level. I thank them for their leadership under very difficult circumstances.

Finally, I thank the non-executive directors for their contribution and advice in shaping the future of Nampak.

Trevor Evans
CHAIRMAN

27 November 2001

tough operating conditions

"Operating margins continued to come under pressure from higher raw material prices and other costs, which could not be fully recovered in the market"

THE MARKET FOR OUR PRODUCTS

South Africa

Overall economic growth in South Africa was between 2% and 3% for the period under review. Despite this, spending on non-durables, upon which much of packaging demand depends, continued at the low level of recent years mainly as a result of the shift in consumer spending towards services.

With the exception of a few sectors, notably glass and flexibles where some growth was evident, demand for packaging was essentially unchanged from a year ago.

This ongoing low growth has meant that there is still spare capacity in the South African packaging industry, resulting in a highly competitive trading environment. Operating margins continued to come under pressure from higher raw material prices and other costs, which could not be fully recovered in the market.

Demand for toilet tissue was steady but the expected growth was affected by the general low consumer spending on non-durables. Demand for printing paper supplied by our paper merchants suffered from intense competition and lower activity in the printing industry.

Further growth of cellular telephones resulted in a strong demand for prepaid recharge vouchers and related solutions provided by NamITech.

Rest of Africa

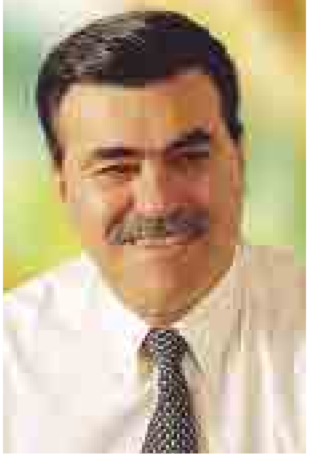
Although the total market for packaging in the rest of Africa is estimated at more than US$1 billion, high inflation in many African countries has seriously eroded consumer spending power.

We have, nevertheless, seen some growth in demand for plastic packaging for edible oil, cartons and toilet tissue as well as strong demand for cellphone prepaid recharge vouchers.

Climate plays an important role in the demand for packaging of export products in Africa and, with the exception of Kenya which has experienced some drought conditions, demand for corrugated boxes, especially for tobacco, held up reasonably well.

Europe

Economic activity in Europe began slowing towards the end of our financial year but we experienced steady demand for rigid plastic packaging.



John Bortolan

In the United Kingdom, where we generate more than half of our European turnover, consumer spending was relatively strong.

The European packaging industry, however, remained highly competitive due to ongoing surplus capacity, and selling price increases were difficult to achieve.

RAW MATERIAL PRICES

The slowdown in the global economy resulted in a levelling-off in commodity prices in dollar terms. The benchmark NBSK pulp price declined whilst polymer prices in dollars levelled off after their sharp rise in 2000.

However, due to the devaluation of the rand and import parity pricing by most raw material suppliers in South Africa, we did not benefit fully from the lower international prices.

PROFIT IMPROVEMENT INITIATIVES

The weak demand for packaging and pressure on margins, which we predicted in our last annual report, continued throughout much of this year and necessitated the implementation of a number of profit improvement initiatives.

REDUCTION IN GENERAL AND ADMINISTRATION COSTS

The division clustering structure that was introduced towards the end of last year allowed us to consolidate financial, personnel administration and information technology resources. This resulted in a reduction of employees involved in these services and, whilst significant retrenchment costs were incurred in the year under review, future cost savings are substantial.

Procurement and logistics

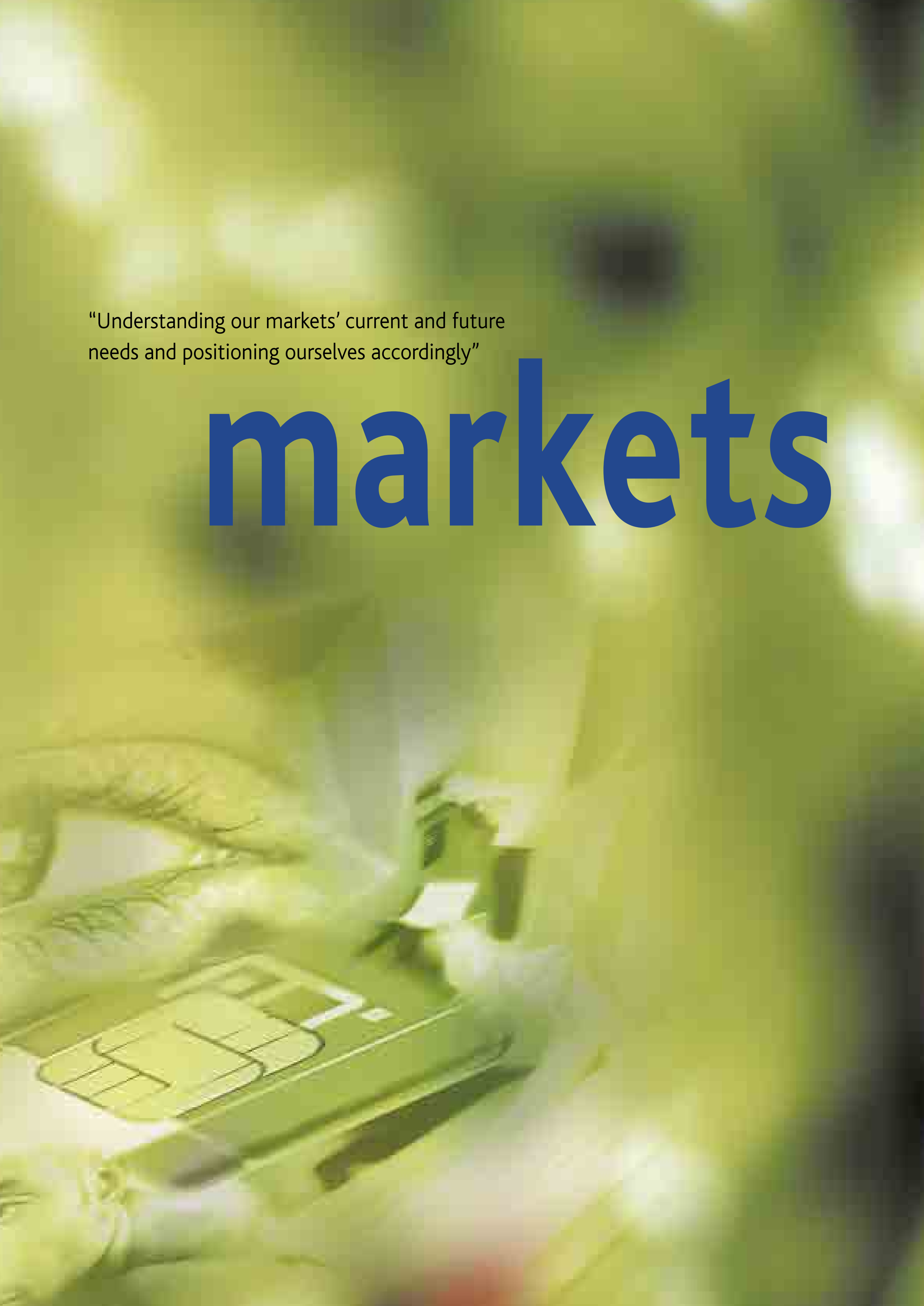
We centralised the purchasing of a range of items and this led to major savings being achieved. This is an ongoing exercise and we expect further benefits to arise as negotiations with suppliers are concluded.

Factory rationalisation

A number of factories were either closed or consolidated with others, where appropriate. Foodcan and Divpac Vanderbijlpark now operate under one management structure; Divpac Main Tin was closed, and three Sacks factories in KwaZulu-Natal were consolidated. The Megapak factory in Cape Town was closed and consolidated with Petpak.

“Understanding our markets’ current and future needs and positioning ourselves accordingly”

markets



Marketing

The Nampak product range is extensive and in many cases we have the capability to offer our customers a total packaging solution for their needs. We have developed a system called "Explorer" which enables Nampak to align with customers in understanding their packaging supply chain and thereby provide solutions for both packaging performance and efficiency.

Consumers are facing ever-increasing choices and marketers recognise that packaging will play a more important role in attracting and retaining customers. Innovation and speed to market are becoming more critical for our customers and Nampak is ensuring that it can assist in these vital areas of retailing and wholesaling of fast-moving consumer goods.

At the biennial Institute of Packaging Awards, which recognise excellence and innovation and which were announced in October 2001, Nampak won 35 of the 76 awards, including the overall winning trophy and 55% of the gold plaques.

We also entered five packs in the prestigious World Star Awards in which forty countries competed – and won awards for all our entries. This supports our contention that South African packaging is truly world-class, both in quality and innovation.

Our standing in the market place was confirmed in the past year by no less than twelve top supplier awards from customers.

The declining rand has significantly helped both export opportunities and import replacement. Our own direct exports from South Africa to 56 countries around the world grew to over R1 billion.

OPERATING PERFORMANCE

South Africa

Sales in South Africa increased by just under 7% to R8.5 billion with little growth in demand. In addition, the substantial increase in raw material costs could be only partially recovered in selling prices. Operating profits were down 21% following the restructuring and cost reduction exercise that took place, with abnormal costs amounting to some R155 million. This, together with selling price pressure, resulted in the operating margin declining from 9.3% of sales in 2000 to 6.9% in 2001.

Rest of Africa

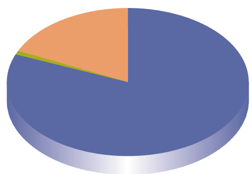
In rand terms the operations in all countries in which we are involved, with the exception of Zambia, increased their operating profits.

In view of the political uncertainty in Zimbabwe and the ongoing lack of foreign exchange, we changed the method of accounting for our businesses in that country to a cash received basis only.

Europe

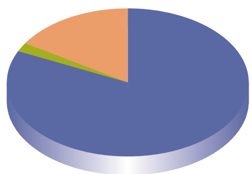
Sales in Europe reached almost R2 billion for the year against R1.6 billion for the nine

GEOGRAPHICAL ANALYSIS



SALES
R10,5 bn

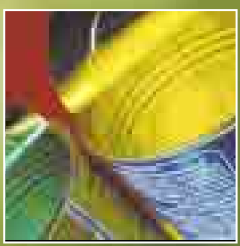
South Africa	80%
Rest of Africa	1%
Europe	19%



OPERATING PROFIT
R702 m

South Africa	82%
Rest of Africa	2%
Europe	16%


Charka
CROWN
GOLD
CARLING
Black Label
BEER
REDD'S
GOLD
CASTLE
LAGER
CASTLE
LAGER
HANSA
PILSENER



months in 2000, as a result of continuing good demand from the dairy industry in the United Kingdom and a higher rand/sterling exchange rate. The Brands business, with a turnover of some £8 million, and two properties were sold during the year.

Operating profit at R112 million was only slightly higher than the comparable period in 2000 due to some restructuring costs and a lower performance by the Containers and Personal Care businesses.

NamITech

NamITech substantially increased both sales and profits on strong growth in demand for prepaid cellular recharge vouchers. It expanded its offerings in secure end-to-end solutions with the acquisition of Velocit-e and The South African Certification Authority (SACA).

Other

Income from Property and Treasury declined mainly as a result of lower utilisation of group properties as the restructuring programme was completed. We also incurred an impairment write-down of R16 million on certain properties.

The decline in head office and other is due to various abnormal, consulting and other costs associated with the restructuring programme. Last year's figure also included some accumulated income from our offshore operations.

Group

In total, sales increased by 9% to R10.5 billion from R9.6 billion in 2000 partly as a result of the inclusion of Nampak plc for a full 12 months compared to only nine months in 2000. With volumes almost static, the low increase in sales value is indicative of the tough trading environment where selling prices were under constant pressure.

Profit from operations of R702 million was 24% down on last year due to the poor trading conditions, the restructuring which took place in South Africa and to extraneous product claims in Foodcan and Polyfoil amounting to some R34 million.

Interest paid increased to R71 million from R50 million last year as a result of a full year's interest on borrowings raised to fund the acquisition of Plysu. Headline earnings per share declined by 27% to 88.1 cents.

The balance sheet remained strong with the group generating cash from operations of R344.3 million after abnormal costs, extra tax payments and the depreciation in the value of the rand against sterling.

The largest single amount of capital expenditure was for dairy in-plant equipment in the United Kingdom. Capital expenditure totalled R391 million of which South Africa and the rest of Africa comprised R206 million, NamITech R43 million and Europe R142 million.


Castrol
Polyfilla
Exterior
Exterior
Yale
Alpha
Alpha
POLVIN

world-class packaging

"The Nampak product range is extensive and in many cases we have the capability to offer our customers a total packaging solution for their needs"

Significant items of capital expenditure are shown in the table below:

Division	Project	Rm	Justification
Europe	Dairy in-plants	66	Lower costs Long-term supply contracts
Bevcan	Super-end	28	Innovation Lower costs
Rotoflex	Gravure press	14	Increased demand Industry rationalisation
NamITech	Pre-paid voucher plant Information system	12 10	Increased demand Systems upgrade
Foodcan	Rectangular can Peel-off end	14 8	Innovation Innovation Export opportunities
Tissue	Diaper plant	7	Increased demand Modernisation
Liquid	Clarified polypropylene bottles	6	Innovation

DIVISIONAL REVIEWS

Segmental analysis

	Revenue			Operating profit		
	2001 Rm	2000 Rm	% change	2001 Rm	2000 Rm	% change
Bevcan	1 455.0	1 398.9	4	109.1	153.7	(29)
Foodcan and Divpac	1 181.7	1 176.1	—	82.8	118.4	(30)
Other	460.1	417.3	10	11.6	25.4	(54)
Metals	3 096.8	2 992.3	3	203.5	297.5	(32)
Corrugated and Printpak	1 736.7	1 586.5	9	160.5	155.2	3
Tissue	853.4	794.5	7	37.9	57.5	(34)
Paper Merchants	681.9	622.0	10	31.5	40.1	(21)
Other	70.7	87.1	(19)	12.4	29.9	(59)
Paper	3 342.7	3 090.1	8	242.3	282.7	(14)
Nampak plc	1 982.4	1 570.9	26	111.9	97.8	14
Rotoflex and Sacks	643.2	573.5	12	0.2	27.4	(99)
Petpak and Liquid	615.6	603.1	2	39.4	29.7	33
Other	623.3	675.2	(8)	16.3	25.2	(35)
Plastics	3 864.5	3 422.7	13	167.8	180.1	(7)
NamITech	256.5	149.2	72	37.3	22.3	67
Property and Treasury				69.9	93.0	(25)
Other	(86.2)	(21.5)		(18.5)	47.0	(139)
Other	(86.2)	(21.5)		51.4	140.0	(63)
Total	10 474.3	9 632.8	9	702.3	922.6	(24)

Metals

Bevcan

Volumes in the beverage sector remained under pressure due to the continuing shift in consumer spending patterns. Demand for beverage cans was also affected by the ongoing consumer preference for glass and PET.

Sales volumes in the domestic market were down on last year but were partially offset by market promotions and exports of filled cans by some customers.

The lower volumes and continued pressure on selling prices resulted in a fall in operating profits. These conditions also led to the closure of the only other manufacturer of beverage cans in Southern Africa.

Significant restructuring and cost reduction took place during the year and the replacement of the two older Cape Town production lines with the more modern, high speed Crown Cork Roodekop line will be completed in the first quarter of the new financial year.

The new Super-end, which lowers the overall cost of the can, was successfully introduced and is currently being launched nationally and in neighbouring territories.

We do not expect any improvement in domestic volumes next year but are planning to increase sales through further promotional campaigns and exports of filled cans by our customers. This, together with the cost reduction exercise completed this year, will result in an improvement in operating performance in 2002.

Foodcan and Divpac

These divisions now operate under one management structure.

Demand for food cans grew during the year with increases in sales of fish, fruit and vegetable cans.

The technological improvements to the rectangular can mentioned last year were successfully implemented and a new aluminium foil peel-off end line was installed. Both innovations have created new opportunities for domestic and export markets.

With selling prices of food cans remaining under pressure, margins were maintained through further cost reduction and efficiency improvements.

Operating profits in Foodcan were marginally better than last year and we are expecting a much better result in the year ahead on the strength of cost savings already achieved.

Divpac saw a year of significant cost reduction and rationalisation. The Vanderbijlpark operation was successfully combined with that of Foodcan and has started to deliver substantial benefits.

Demand for aerosol cans continued to grow but sales of paint cans and motor-oil cans were lower due to the ongoing conversion to plastic.

Sales of cans for household products were in line with lower consumer spending.

Additional aluminium aerosol can capacity is being installed at our Durban factory to meet increasing demand and will be commissioned early in the new year.

The costs of restructuring and lower sales volumes caused operating profits in Divpac to fall well below those of last year, but we anticipate a considerable improvement in 2002 on a much reduced cost base and better volumes.

Bevcap

The metal closures market was affected by competition from imports, but good volume growth was achieved in plastic closures for sports drinks. Demand for plastic closures for carbonated soft drink bottles was similar to that of last year.

The substantial increase in polymer raw material prices could only be partly recovered and led to a deterioration in profit margins. This, together with restructuring costs, resulted in lower operating profits for the year.

However, we are expecting a much-improved performance next year due to a lower cost base and the introduction of new plastic products.

Glass

Strong demand for alcoholic fruit beverages helped to grow the total market for glass containers by some 9%. The demand for beer and soft drink glass bottles declined due to lower consumption of beer and the continuing trend towards PET packaging for soft drinks.

A major power interruption by the local municipality caused the collapse of a wall of a furnace, resulting in lost production and sales. The costs of this could only be partially recovered from insurers and a small operating loss was incurred for the year.

Continuing growth in the export of wine and the resurgence of returnable soft drink bottles are expected to increase the demand for glass packaging in the year ahead. Consequently we are expecting a significant improvement in profitability.

Other

During the year we acquired a share in Burcap Plastics, a niche manufacturer of quality plastic buckets.

Paper

Corrugated

The market for corrugated boxes did not show any growth in the year with reduced demand from the agricultural sector following a season of poor fruit quality, which negatively affected exports. There was marginal growth in the industrial and commercial sectors.

Operating profit improved following efficiency improvements and a reduction in converting


EPOL
FULL COURSE
illovo
WHITE
IWISA
IWISA
Lifestyle

cost base lowered

"We are expecting a substantial improvement in 2002 as the full benefits of cost reductions are realised"

costs which were offset to some extent by one-off restructuring costs and an inadequate recovery of raw material price increases.

The retail Redibox operations continued to show good growth by penetrating both existing and new markets.

Towards the end of the year we concluded an agreement with Houers Co-operative in terms of which we will close our factory in Tzaneen and sell the equipment to Houers in exchange for membership in the co-operative. We are confident that this will result in better returns despite the reduced demand for corrugated boxes in the area.

Better operating profits are expected next year on the lower cost base, increased exports and greater product innovation.

Printpak

Demand for folding cartons was disappointing and, when added to industry over-capacity, resulted in an intensely competitive trading environment. Under such conditions it was not possible to fully recover input cost increases but operating profit levels were nevertheless maintained through cost reduction and production efficiency improvements. These tough trading conditions also resulted in the liquidation of a competitor in the labels market.

Market demand domestically is expected to remain flat in 2002 although we anticipate some growth in export sales. Costs will be reduced still further but, without meaningful volume growth, we are expecting only a small increase in operating profits.

Paper Merchants

Lower volumes in the printing industry, rationalisation of some customers and a very competitive market caused margins and operating profits to fall compared to last year.

Despite lower pulp prices, the cost of imported papers nevertheless increased due to the devaluation of the rand. This extra cost could not in all instances be recovered in the market.

Costs and working capital were further reduced during the year and we are planning for a much-improved performance in 2002.

Tissue

Selling price increases that were implemented towards the end of the last financial year, to partly compensate for the dramatic rise in pulp and waste paper raw material prices, resulted in our initially losing some market share. This was, however, regained in the second half of the year once other manufacturers also increased their selling prices.

The loss of volume resulted in significant factory under-recoveries and a poor performance in the first half of the year. As market prices recovered, conditions improved in the second half but operating profit for the full year fell significantly below that of last year.

The new diaper plant at Kliprivier was commissioned during the year and is successfully supplying product to this growing market sector. We experienced strong growth in the fempro sector and gained market share.

The better trading conditions that were evident in the second half of the year are expected to continue into next year and we anticipate a substantial increase in operating profit.

Plastics

Liquid Packaging

Demand for both plastic bottles and paper cartons in the dairy, juice and sorghum beer markets was lower than in the previous year.

A weaker rand exchange rate and import parity pricing caused both imported paper and polymer raw material prices to rise.

Due to a more competitive trading environment, cost increases could not be adequately recovered in selling prices. A number of cost reduction initiatives were undertaken and the cost base significantly reduced, allowing operating profits to end higher than last year.

Manufacturing plant was upgraded and, together with planned productivity improvements, we are expecting an improved performance in the year ahead.

Petpak

Some volume growth was achieved in bottles for carbonated soft drinks, juice and sports drinks whilst we gained market share in preforms following technology improvements. The introduction of the 1 litre bottle for carbonated soft drinks also assisted in lifting bottle sales.

Further cost reductions took place which, together with plant rationalisations, resulted in operating profits being higher than last year.

The full benefits of the lower costs will be realised in the year ahead and will result in a better operating result.

Megapak

Demand for crates for beer and carbonated soft drink bottles fell away almost completely due to low growth in beverage sales, especially beer, which resulted in the life of crates in circulation being extended.

Sales to customers using our plastic drums to export their products were especially strong and we invested in additional capacity in our KwaZulu-Natal factory to meet growing demand.

Operating profits declined substantially as a result of low crate sales and the costs of major restructuring which included the Cape Town factory being closed and amalgamated with Petpak.

We are expecting a substantial improvement in 2002 as the full benefits of cost reductions are realised together with some recovery in demand for crates and continued growth in drum sales.

Polyfoil

This business continues to be affected by the uncertainty concerning the legislation on the future of lightweight carrier bags.

Although demand for bags was reasonably stable during the year, our manufacturing volumes declined in line with the rationalisation of productive capacity that was implemented last year.

Profit margins were maintained through factory rationalisation, cost reduction and efficiency improvements but operating profits were lower following a claim by an export customer.

Although we are confident of an improvement in operating profit next year, much will depend on the resolution of the issues facing the lightweight carrier bag.

Rotoflex-Quix

Although better demand for packaging for snack foods and confectionery was evident, the flexible packaging industry continued to be characterised by overcapacity, which diminished during the year with the closure of some competitors.

The introduction of new products assisted in increasing market share at major customers. This, together with tighter control of converting costs, improved operating profits substantially.

Some R20 million was invested in modern equipment to meet higher demand, as well as for improved quality and greater product innovation, which has become an important factor in growing the market for this type of packaging.

There are significant export opportunities for flexible packaging and, together with expected growth in domestic volumes, we anticipate a further improvement in operating profit next year.

Sacks

Domestic demand was weak but lower volumes were offset to some extent by stronger export sales. Selling prices remained under pressure in a highly competitive market, which also continues to be affected by the rationalisation of the grain milling industry and competitive pressures from


BOKOMO
CORN FLAKES
FROSTED FLAKES
BOKOMO
RUSKS
WEET-BIX
WEET-BIX
Maltabella
KRUSH
MINCED PEACH JAM
ALL GOLD
milk
parmalat

woven polypropylene cement sacks.

Further restructuring of the Durban and Cape Town factories took place resulting in some one-off costs and, together with tighter market conditions, an operating loss was incurred for the year.

We are anticipating a substantial turnaround next year on a much lower cost base and further growth in export sales.

L&CP

Export sales exceeded those of the previous year but, with domestic demand remaining weak, total volumes for the year were unchanged. An increase in sales of lower margin products, together with higher costs of raw materials that could not be fully recovered, led to lower operating profits.

Exports are expected to increase further and, with the introduction of new products and a reduction in costs, we are expecting a much better performance in the year ahead.

Tufbag

This business recorded a reduced loss in 2001 and traded profitably for the last six months.

Further rationalisation of production capacity took place and we are expecting a small profit in the year ahead.

NamITech

NamITech continued its evolution as a provider of secure business solutions in the security sector of the information technology industry. An appropriate structure focusing on market channels was implemented with operations, services and research and development being consolidated for maximum efficiency.

The acquisition of Velocit-e for R68 million, which is an innovative electronic security and transaction business, has a good fit with NamITech and will further enhance our technology base. This focus has been further strengthened through the recent acquisition of electronic security and authentication specialist, the South African Certification Authority (SACA), a VeriSign affiliate. VeriSign is the world's largest provider of Internet trust services, authentication and encryption for e-commerce transactions.

Demand for prepaid recharge vouchers for the cellular telephone industry was particularly strong and volumes doubled during the year. We are expecting further good growth next year, especially from countries in the rest of Africa where cellular telephones are still in their relative infancy.

Other growth areas include business solutions applications in which we have a leading position in telecommunications and financial services. Considerable prospects for the employment of secure solutions technology exist in the gaming and leisure


Surf
KIWI
cobra
Nugget
STAIN PENETRATING
skip
skip

sectors where we are well positioned.

Operating profit for the year increased substantially and we are expecting a further significant improvement in 2002. The currently depressed information technology industry offers scope for further acquisitions and we are carefully evaluating possible opportunities.

Rest of Africa

We are involved in packaging manufacturing operations in several African countries north of South Africa.

Kenya

Bullpak Limited, in which we have a 49% share, manufactures paper sacks for the milling industry and increased its operating profit through better manufacturing efficiencies and increased volumes.

Malawi

We have a 60% share in stock exchange-listed Packaging Industries Malawi Limited which is the country's largest packaging company. Operating profit increased over last year and additional investment has been added in the form of a flat bag production line.

Moçambique

Carmoc, in which we have a 55% shareholding, increased operating profit compared to last year. Although a relatively small market, packaging has been growing in Moçambique and we re-organised our factory during the year to improve both production and efficiency to meet demand for corrugated boxes and toilet rolls.

Tanzania

Our new tissue converting joint venture, Nasaba Tissue, commenced operations during the latter part of the year and sales volumes are growing as market penetration improves.

Zambia

We own 100% of International Cartons & Packaging in Zambia, which was affected by weak economic conditions and events in neighbouring Zimbabwe. These conditions caused a decline in operating profit. We are in the process of establishing a conical carton manufacturing facility to meet the needs of the local traditional beer market.

Zimbabwe

Zimbabwe represents the largest proportion of our business in the rest of Africa. We own 40% of Hunyani Holdings Limited, which is the country's largest paper and packaging manufacturer, 49% of Megapak Zimbabwe and 70% of Nampak Polyfoil Zimbabwe. We are pleased to note that all the businesses performed better than last year despite extremely difficult economic and political conditions.

Due to the uncertainty these conditions have created and a


Lay's
NEW
Chargrilled Steak
K.E.P.S.
Sprite
Lay's
100g + 25g EXTRA
Rolo
Toffchoc
Fanta
Crisp

strong earnings growth

"We expect a significant improvement in profitability from the South African operations in 2002"

lack of foreign currency in Zimbabwe, we no longer consolidate the results from this country.

Europe

The United Kingdom manufacturing sector was in decline for most of the year due to the high value of the pound sterling and some customers have begun shifting production to mainland Europe and consolidating on fewer sites.

Demand for milk and juice in the United Kingdom, in which we generate nearly half of our European sales, was steady. The trend to in-plant manufacture of bottles continued and we are presently spending some £20 million on new plant and equipment at two of our major dairy customers.

Demand for other products in the personal care and industrial sectors was not as strong and the industry continued to be affected by substantial overcapacity.

Operating profit in pounds sterling was better than last year following a significant reduction in the number of employees as well as an improvement in productivity from selected capital investments.

The dairy in-plant investments, which will initially involve some duplicated costs during the transition phase, will give us a secure volume base for a number of years.

Some sectors of the European rigid plastics industry are fragmented and suffer from overcapacity. The industry needs to consolidate to improve profitability and, with many businesses for sale, we are actively seeking opportunities that will provide synergies with our existing manufacturing capabilities and enhance our offering to customers.

We anticipate tough market conditions continuing until the industry benefits from consolidation. A marginal decrease in operating profits in 2002 is expected as the in-plant capital expenditure comes on stream, with some duplication of running costs incurred during full commissioning of the project.

The depreciation in the value of the rand should, however, result in an improved performance in rand terms.

Corporate services

Information technology

A group-wide marketing and customer data warehouse system was implemented during the year and is already assisting in our customer relationship management programmes.

We are currently implementing a new centralised information technology delivery model for the group, which will deliver superior services at a reduced cost. This includes the modernisation of technology infrastructure where appropriate and capital expenditure of R37 million has recently been approved.

We have commenced the implementation of a phased project to replace older systems with a modern enterprise resource plan (ERP) that will result in a further increase in the capability of our information systems. This will be a major area of investment over the next four to five years and will enable systems to be streamlined still further with a commensurate lowering of costs.

Purchasing and logistics

This newly created function identified and saved substantial costs in a variety of areas across the group and developed systems that will enable further savings to be made through the use of more effective purchasing and supply chain management.

Human resources

The management and development of all of our employees is regarded as one of the cornerstones of our success.

We are committed to the provisions of the Employment Equity Act and have elected to submit employment equity reports in respect of each division. Divisional managing directors are responsible for ensuring that employment equity strategies are implemented. New goals have been set as a result of the restructuring that has taken place and are linked to senior management incentive targets.

As a proportion of our management category, African managers represent 16.2% against a target of 20%, and managers from all previously disadvantaged groups represent 41.4% of all managers against an initial target of 35%.

Employment equity is a regular agenda topic at joint management/worker forums in the operations.

We also continued our management and other employee development programmes during the year and invested over R22 million in this important area.

Treasury

Our in-house treasury operation continued to efficiently manage our cash flows and the various financial risks associated with our growth into the global arena, thus minimising

Our staff complement in the management and skilled band, as per our latest reports to the Director-General of Labour as at 31 July 2001, is as follows:

	Male				Female			
	African	Coloured	Indian	White	African	Coloured	Indian	White
Management	177	69	91	754	31	5	17	142
Skilled	1 135	632	566	982	91	128	63	397

We currently employ 75 people who are disabled and 3 656 employees attended occupational training courses for the advancement of skills and knowledge during the reporting period as indicated below:

African	Coloured	Indian	White	Total
1 779	433	515	929	3 656

interest costs and covering currency fluctuation risks.

Group finance

Nampak now operates in more than 15 countries and we have strengthened our financial management to ensure that we continue to provide reliable and accurate financial information to our shareholders and to management.

Group legal

We continued to employ our own in-house legal counsel, which provided competitively priced expert advice and the drafting of a wide range of commercial and other agreements.

OUTLOOK FOR 2002

In South Africa most economists are forecasting a GDP growth rate next year of between 2% and 3%. Although signs are beginning to emerge suggesting that the trend towards spending on cellphones, gambling and lotteries is abating, spending on non-durables is expected to remain low.

The depreciation in the value of the rand that has taken place in recent months has made products manufactured in South Africa much more competitive on world markets. Our efforts to grow direct exports and exports by our customers have intensified and we expect to see the benefits in the year ahead.

Any extra volume that is generated off the much lower cost base following the restructuring that took place in 2001 will have a direct benefit on operating profits.


Fristi

We expect a significant improvement in profitability from the South African operations in 2002. NamITech is also expected to continue its rapid growth and will generate higher profits.

Due to the uncertainty that has taken place in Zimbabwe and the impact that this is having on their economy, we are expecting a decline in earnings from the rest of Africa.

Although trading in Europe is expected to be steady the extra costs associated with the dairy in-plant projects will result in a marginal decrease in operating profits in pounds sterling. In 2003 profits are expected to return to the levels achieved this year.

Overall we are expecting a substantially improved performance next year on a lower cost platform and gradually improving demand.

APPRECIATION

This has been an especially difficult year at Nampak and I thank all our employees for their ongoing commitment to maximising Nampak's performance and rising to the challenges that faced us.

I thank our customers for their continued support and trust that our approach to increasing value has been of benefit and we look forward to expanding this collaboration in the years ahead.

John Bortolan
GROUP MANAGING DIRECTOR

27 November 2001

The Nampak group is committed to the principles of openness, integrity and accountability advocated by the King Report on Corporate Governance. Except to the extent indicated below, the group complies with the material provisions of the Code of Corporate Practices and Conduct. It is noted that the King II Committee Report on Corporate Governance in South Africa will come into effect during the course of 2002 and, where appropriate, changes will be made to Nampak's corporate governance policy and procedures.

BOARD OF DIRECTORS

Nampak has a unitary board structure comprising ten executive directors, and eight non-executive directors chosen for their business acumen and skills. The board meets at least six times per annum. The group follows a decentralised approach with regard to the day-to-day running of its businesses but the board reserves to itself a range of key decisions to ensure that it retains the strategic direction of and proper control over material matters affecting the group. The service contracts of executive directors, details of which are set out in note17.9 to the financial statements, do not exceed a three-year term in any instance. Re-appointment of group non-executive directors is not automatic. The selection and appointment of all directors is dealt with by the board as a whole.

There are comprehensive management reporting disciplines in place which include the preparation of annual budgets by all operating units. The strategic plan and the group budget and summaries of divisional sales, operating profit and capital expenditure are reviewed and approved by the board. Results and the financial status of divisions are reported on at board meetings against approved budgets and compared to the prior year. Profit projections, forecast cash flows and working capital and borrowing levels are also reported on at these meetings.

CHAIRMAN

The posts of chairman and group managing director are separate and are filled by different directors. It is not considered to be in the best interests of the company to have a part-time non-executive chairman at this time.

REMUNERATION COMMITTEE

The group remuneration committee, which operates under a written mandate, is composed of four non-executive directors, one of whom chairs the committee. The committee approves the following:

- remuneration policy and changes thereto for executive directors and senior management;
- the remuneration of the chairman, group managing director and all executive directors (including alternates);
- the granting of options to acquire ordinary shares in terms of the Nampak 1985 Share Option Scheme.

The committee also considers the remuneration of non-executive directors and members of special committees of the board (including *ad hoc* committees) and, in conjunction with the chairman and group managing director, nominations of new directors, and makes recommendations thereon to the board for its approval.

The emoluments of the executive directors and non-executive directors are disclosed in total in the annual financial statements.

EXECUTIVE MANAGEMENT

The chairman and the group managing director meet regularly to consider various issues of strategic importance to the group. Ongoing succession planning within the group is an integral part of this process.

The executive directors meet frequently to consider a wide range of matters relating to the management of the group including:

- divisional budgets and strategic plans;
- continuing development and review of the group strategic plan and budget;
- significant capital expenditure proposals;
- affirmative action;
- world-class manufacturing and service;
- growth opportunities; and
- market-place developments.

A capital expenditure committee, consisting of the executive directors, meets regularly to consider capital expenditure proposals and to re-evaluate performance on previously approved capital expenditure proposals.

Executive directors conduct group visits of selected plants annually to obtain first-hand knowledge of their operations and to review progress with capital and other projects.

The chairman, the group managing director and the directors responsible for finance, legal and insurance affairs meet weekly to discuss matters of importance related to these portfolios.

RISK MANAGEMENT

Risk control audits of all plants against written standards, including compliance with the Occupational Health and Safety Act, are conducted annually by the group insurance/risk manager with the assistance of outside consultants. The group participates in a sophisticated self-insurance and external insurance programme designed to provide sound covers at a competitive cost.

Operations in the group have been accredited with the following ratings:

Rating	Number of operations
NOSA 5 stars	7
NOSA 4 stars	4
ISO 9001/2	41
American Institute of Baking	8
Hazard Analysis Critical Control Points	5

PROFESSIONAL ADVICE

All directors have access to the advice and services of the company secretary. In appropriate circumstances they may seek independent professional advice about the affairs of the company at the company's expense.

Unless this would be inappropriate, the director concerned would initially discuss and clear the matter with the chairman or the company secretary.

STAKEHOLDER COMMUNICATION

The board subscribes to the concepts of openness, fairness, relevance and promptness in communications, but believes that the best interests of the company should be considered in applying the concept of openness, as disclosures may not be appropriate in all circumstances and, in certain instances, may be in conflict with legal or regulatory requirements.

INTERNAL CONTROL AND INTERNAL AUDIT

The directors are responsible for and ensure that the group maintains adequate accounting records and internal controls and systems designed to provide reasonable assurance on the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability for its assets. Such controls are based on established policies and procedures and are implemented by trained personnel with an appropriate segregation of duties, except in isolated instances which are not material.

The effectiveness of these internal controls and systems is monitored in a number of ways, as set out below, dependent upon the particular circumstances:

- through the utilisation by management of internal control checklists;
- formalised reporting of material defalcations and other losses;
- the use of an internal audit department, which independently reviews the adequacy and effectiveness of internal controls and the systems which support them, at the various operating entities, as well as business and financial risks which could have an adverse effect on the group.

The external auditors, through the audit work that they perform, confirm that the above-mentioned monitoring procedures are being effectively applied.

The internal audit department is an independent appraisal function and has the respect and co-operation of both the board of directors and management. Weaknesses identified by the internal auditors are reported on and brought to the attention of the directors and management.

Nothing has come to the attention of the directors, nor to the attention of the internal or external auditors, to indicate that any material breakdown in the functioning of the above-mentioned internal controls and systems has occurred during the year under review.

FINANCIAL STATEMENTS

The directors of Nampak are responsible for preparing the financial statements and other information presented in the annual report in a manner that fairly presents the state of affairs and results of the operations of the company and the group. The external auditors are responsible for carrying out an independent examination of the financial statements in accordance with Statements of South African Auditing Standards and reporting their findings thereon. The auditors' report is set out on page 48.

The annual financial statements contained on pages 50 to 85 have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice. They are based on appropriate accounting policies which have been consistently applied and are supported by reasonable and prudent judgements and estimates.

The directors have no reason to believe that the group's businesses will not continue as going concerns in the year ahead, other than where closures or discontinuations are anticipated, in which case reasonable provision is made to reduce the carrying cost of the relevant assets to estimated net realisable value. Reasonable provision is also made for any future operating losses which are expected to be incurred from the date of discontinuance to the anticipated disposal date of such assets.

AUDIT COMMITTEE

The group audit committee adopted written terms of reference on 19 March 1996 and meets at least twice per year. The composition of the committee includes four non-executive directors, one of whom is the chairman of the committee. The external auditors and the head of internal audit have unrestricted access to the committee and its chairman and attend audit committee meetings. These meetings are also attended by appropriate executives including those responsible for finance. The audit committee reviews the effectiveness of the internal controls of the group with reference to the findings of both the internal and external auditors. Other areas covered include the review of important accounting issues, material pending litigation, specific disclosures in the financial statements, material defalcations, insurance covers and a review of the major external audit recommendations.

WORKER PARTICIPATION

The group has a variety of participative structures, at various levels, for handling issues which affect employees directly and materially. These include collective bargaining mechanisms, structures to drive the World Class Manufacturing and Service programme, safety committees and other participative forums. These structures, which have been set up with trade unions and other employee representatives, are designed to achieve good employer/employee relations through effective sharing of relevant information, the identification and resolution of conflict and consultation by management with the workforce about decisions that materially and directly affect employees, except where this is prohibited by law or regulation or would adversely affect the well-being of the company.

EMPLOYMENT EQUITY

The group has been engaged in an affirmative action programme for a number of years. This is designed to increase the number of previously disadvantaged persons appointed as managers in the group and, at another level, to empower disadvantaged employees on the factory floor.

As required by the Employment Equity Act, annual reports have been submitted to the Employment Equity Registry. Please refer to the Group managing director's report on page 37 for further particulars.

HIV/AIDS AWARENESS PROGRAMME

A pilot awareness and prevention programme for HIV/AIDS has been established for the Nampak operations in KwaZulu-Natal and the programme will be extended to operations in other regions during the course of 2002.

PRICE-SENSITIVE INFORMATION

In accordance with the JSE Securities Exchange South Africa's guidelines on price-sensitive information, the company has adopted a policy dealing with the determination of information as price-sensitive, confidentiality undertakings and discussions with the press, institutional investors and analysts. Only the chairman, the group managing director or the financial director may discuss matters which may involve price-sensitive information with third parties. The company follows a "closed period" principle, during which periods employees and directors are prohibited from dealing in the company's shares.
In order to preserve the confidentiality of price-sensitive information during closed periods, management will not hold discussions regarding the company's performance with analysts, institutional investors, the media or any other persons who may gain unfair advantage from such discussions.

The usual closed periods are from approximately the middle of March until the publication in May of the interim results for the six-month period ended 31 March and from approximately the middle of September until the publication in November of the financial results for the year ended 30 September. Additional periods may be declared "closed" from time to time if circumstances warrant this action.

ETHICS

Directors and employees are required to maintain the highest ethical standards, ensuring that business practices are conducted in a manner which, in all reasonable circumstances, is beyond reproach. With the approval of the board, the group has distributed a formal Code of Business Conduct to all its employees and explained its contents to them.

CERTIFICATE BY SECRETARY

I certify that the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Companies Act 61 of 1973 and that all such returns are true, correct and up to date.

N P O'Brien
SECRETARY

27 November 2001

APPROVAL BY THE DIRECTORS

To the members of Nampak Limited

The directors of the company are responsible for the preparation and integrity of the annual financial statements and related financial information included in this report. The financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice and incorporate full and responsible disclosure in line with the accounting philosophy of the group.

An audit committee, consisting of non-executive directors, meets periodically with the company's external auditors and executive management to discuss accounting, auditing, internal control and financial reporting matters.

The external auditors have unrestricted access to the audit committee.

These financial statements have been approved by the board of directors and are signed on its behalf by:

T Evans
CHAIRMAN

G E Bortolan
GROUP MANAGING DIRECTOR

Sandton
27 November 2001

REPORT OF THE INDEPENDENT AUDITORS

To the members of Nampak Limited

We have audited the annual financial statements and group annual financial statements set out on pages 50 to 85 for the year ended 30 September 2001. These annual financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these annual financial statements based on our audit.

SCOPE

We conducted our audit in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual financial statements are free of material misstatement. An audit includes :

- examining, on a test basis, evidence supporting the amounts and disclosures in the annual financial statements;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

AUDIT OPINION

In our opinion, these annual financial statements fairly present, in all material respects, the financial position of the company and the group at 30 September 2001 and the results of their operations and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act 1973 in South Africa.

Deloitte & Touche

Deloitte & Touche
REGISTERED ACCOUNTANTS AND AUDITORS
CHARTERED ACCOUNTANTS (SA)

Sandton
27 November 2001

VALUE ADDED STATEMENT

for the year ended 30 September

	Group			
	2001 R million	%	2000 R million	%
REVENUE	10 474.3		9 632.8	
Less: Paid and payable for raw materials, goods and services	7 022.5		6 260.0	
VALUE ADDED	3 451.8		3 372.8	
Income from investments	2.5		9.6	
TOTAL WEALTH CREATED	3 454.3	100.0	3 382.4	100.0
APPLIED AS FOLLOWS:				
EMPLOYEES' COSTS	2 208.9	63.9	2 005.1	59.3
GOVERNMENT (SEE BELOW)	238.6	6.9	254.0	7.5
PROVIDERS OF CAPITAL				
Net finance costs	71.0	2.1	49.9	1.5
Dividends to ordinary shareholders	91.7	2.7	271.4	8.0
Dividends to preference and outside shareholders	45.8	1.3	30.0	0.9
REINVESTED FOR FUTURE GROWTH				
Depreciation less surplus on disposal of property, plant and equipment	461.6	13.3	385.0	11.4
Deferred taxation	12.0	0.4	22.6	0.7
Retained profit in holding, subsidiary and joint venture companies	324.7	9.4	364.4	10.7
	3 454.3	100.0	3 382.4	100.0

DEALINGS WITH GOVERNMENTS

	2001 R million	2000 R million
GROSS CONTRIBUTION TO GOVERNMENTS		
Company taxes	159.4	192.4
RSC levies	16.7	14.9
Rates and taxes	33.1	24.6
Customs and excise duty	29.4	23.7
	238.6	255.6
Deduct: cash grants and subsidies	—	(1.6)
CHARGED AGAINST GROUP INCOME	238.6	254.0
COLLECTED ON BEHALF OF GOVERNMENTS		
PAYE and other employee taxes	550.3	340.8
Value added tax (net)	311.0	303.8
Non-resident shareholders' tax	—	0.2
	861.3	644.8

DIRECTORS' REPORT

for the year ended 30 September

NATURE OF BUSINESS

Nampak Limited is listed on the JSE Securities Exchange South Africa in the Packaging and Printing sector. It is the largest and most diversified packaging company in Africa, producing packaging products from metal, paper, plastic and glass. It is also a major manufacturer and distributor of tissue products and plays a significant role in the paper merchanting market. NamITech, a subsidiary company operating in the security sector of the IT industry, provides leading edge business solutions.

Nampak operates from manufacturing and distribution sites throughout South Africa and the rest of Africa and has blow-moulding businesses in Belgium, France, the Netherlands, Spain and the United Kingdom. Nampak also exports to many countries world-wide.

REVIEW OF OPERATIONS AND RESULTS

The performance of the divisions and the group's results are comprehensively reviewed on pages 16 to 40 and 54 to 85.

GROUP STRUCTURE

During the year, NamITech acquired the business of Velocit-e, a provider of secure technology systems, for a consideration of R68 million. As part of the merging of the NamITech and Velocit-e businesses, the vendors of the Velocit-e business acquired a 10% shareholding in NamITech Holdings. With effect from 1 November 2001, NamITech also acquired the business of The South African Certification Agency ("SACA"), a VeriSign affiliate, for a consideration of R4.5 million. VeriSign is the world's largest provider of Internet trust services.

Metal Box South Africa Limited acquired a 50% interest in Burcap Plastics (Pty) Limited at a cost of R4 million. Burcap manufactures and distributes plastic buckets for the paint, food and allied industries.

Nasaba Tissue Limited of Tanzania was formed during the year as a 50% joint venture with Saba Industries Limited for the purposes of manufacturing and distributing tissue products.

Subsequent to 30 September 2001, Consolidated Corrugated Containers (Pty) Ltd sold its business to Houers Co-operative in exchange for membership in the Co-operative. Certain group properties surplus to requirements were sold during the year for a total consideration of R26.6 million.

Subsequent to 30 September 2001, a further two properties were sold for a total consideration of R7.6 million.

SHARE CAPITAL

Details of the authorised and issued share capital are given in note 10 to the financial statements.

During the year the issued ordinary share capital was increased as follows:

	Ordinary shares of 5 cents each
Issued at 30 September 2000	509 350 500
Shares allotted to employees other than directors in terms of the Nampak 1985 Share Option Scheme	55 600
Issued at 30 September 2001	509 406 100

There were no changes to the issued 6.5% and 6% preference share capitals.

SHARE INCENTIVE SCHEMES

There are two share incentive schemes, the Nampak 1979 Share Purchase Scheme ("the Purchase Scheme") and the Nampak 1985 Share Option Scheme ("the Option Scheme").

55 600 ordinary shares were allotted during the year consequent upon the exercise of options.

The relevant particulars of the schemes are set out below:

	Ordinary shares	
	2001	2000
Unallocated shares set aside for utilisation at the commencement of the financial year	20 613 580	20 910 680
Shares in respect of which options were granted	3 875 000	590 200
Options forfeited as a result of resignations	696 100	293 100
Available for utilisation at the end of the financial year	17 434 680	20 613 580
STATUS OF SCHEMES AT THE END OF THE FINANCIAL YEAR		
– PURCHASE SCHEME		
Shares held for participants	1 533 100	1 716 400
Number of participants	53	54
Shares held by The Nampak 1979 Share Purchase Trust	57 000	2 000
– OPTION SCHEME		
Shares in respect of which options are outstanding: these are exercisable over periods between 1 October 2001 and 1 December 2010 at varying option prices, the weighted average price of which is 1 084 cents:		
Directors	2 763 400	1 620 400
Other employees and retirees	8 236 600	6 256 300
Total	11 000 000	7 876 700
Number of participants	254	256

DIVIDENDS

Details of dividends dealt with in the financial statements are shown below:

Class of share	Dividend No.	Cents per share	Declared	Paid/payable
6% cumulative preference	64	6.00	08/12/00	05/02/01
	65	6.00	21/06/01	31/07/01
6.5% cumulative preference	64	6.50	08/12/00	05/02/01
	65	6.50	21/06/01	31/07/01
Ordinary	65	17.8	14/05/01	10/07/01
	66	35.5	06/11/01	08/01/02

DIRECTORS AND SECRETARY

The names of the directors and secretary in office at the date of this report are set out on pages 88 and 89.

In terms of the company's articles of association, Messrs D E Cooper, T Evans, D A Hawton, J W C Sayers and R A Williams retire by rotation but, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Messrs D E Cooper, D A Hawton and R A Williams do not have directors' service contracts. The undermentioned directors' service contracts will expire on the dates indicated:

T Evans	30 September 2004
J W C Sayers	30 June 2004

INTERESTS OF DIRECTORS

The total direct and indirect beneficial and non-beneficial interests of the directors of Nampak Limited in the issued share capital of the company as at 30 September 2001 are shown below:

	Ordinary shares		Options to purchase ordinary shares*	
	2001	2000	2001	2000
Beneficial interests	1 472 632	1 807 632	2 763 400	1 620 400
Non-beneficial interests	16	16		

**In terms of the Option Scheme*

SPECIAL RESOLUTIONS

Special resolutions were passed by shareholders of the following South African subsidiary companies during the year under review:

SPECIAL RESOLUTIONS TO CHANGE COMPANY NAMES

From BDM Technologies (Pty) Limited to **NamITech (Pty) Limited**

From Ikar Trading (Pty) Limited to **NamITprepaidz (Pty) Limited**

From BN Card Technologies (Pty) Limited to **NamITcardz (Pty) Limited**

From BDM Security Printing (Pty) Limited to **Secure Document Solutionz (Pty) Limited**

From BDM Specialised Printing (Pty) Limited to **NamITdraftz (Pty) Limited**

From BNCT Investments (Pty) Limited to **NamITsmartz (Pty) Limited**

From Hentiq 2825 (Pty) Limited to **NamIT-IDz (Pty) Limited**

From Hentiq 2277 (Pty) Limited to **Velocit-e (Pty) Limited**

From NamITech (Pty) Limited to **NamITech Holdings (Pty) Limited**

From Secure Document Solutionz (Pty) Limited to **NamITech (Pty) Limited**

SPECIAL RESOLUTIONS TO AMEND ARTICLES OF ASSOCIATION

Nampak Products Limited

Metal Box South Africa Limited

SPECIAL RESOLUTION TO INCREASE THE AUTHORISED SHARE CAPITAL

Sancella S.A. (Pty) Limited

SPECIAL RESOLUTION TO CONVERT SHARE CAPITAL

NamITech Holdings (Pty) Limited (formerly NamITech (Pty) Limited)

SPECIAL RESOLUTION TO REDUCE SHARE PREMIUM ACCOUNT

NamITsmartz (Pty) Limited

SPECIAL RESOLUTION TO ADOPT NEW ARTICLES OF ASSOCIATION

NamITech Holdings (Pty) Limited

NAME CHANGES

The following foreign subsidiary companies changed their names during the period under review:

From Plysu plc to **Nampak plc**

From Plysu Halfweg BV to **Nampak Halfweg BV**

From Plysu Kerkrade BV to **Nampak Kerkrade BV**

From Plysu Gent NV to **Nampak Gent NV**

From Plysu Montpont SA to **Nampak Montpont SA**

From Plysu Belgium NV to **Nampak Belgium NV**

From Plysu France SA to **Nampak France SA**

From Plysu Deutschland GmbH to **Nampak Deutschland GmbH**

From Plysu Continental Holdings BV to **Nampak Continental Holdings BV**

RETIREMENT FUNDS

Details of retirement funds are reflected in note 2 to the financial statements.

BALANCE SHEETS

as at 30 September

	Notes	Group 2001 R million	Group 2000 R million	Company 2001 R million	Company 2000 R million
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5	3 500.6	3 340.9	—	—
Intangible assets	6	(73.8)	(101.6)	—	—
Investments	7	19.1	39.4	15.8	16.4
Investment in subsidiaries and joint ventures	8	108.6	72.2	865.2	794.7
Deferred tax	14	7.8	—	—	—
		3 562.3	3 350.9	881.0	811.1
CURRENT ASSETS					
Inventories	9	1 236.1	1 146.1	—	—
Trade and other receivables		1 862.6	1 685.9	—	—
Taxation		69.9	—	0.3	—
Subsidiary companies		13.1	0.8	237.3	256.1
Bank balances, deposits and cash		1 011.1	741.3	0.4	0.3
		4 192.8	3 574.1	238.0	256.4
TOTAL ASSETS		7 755.1	6 925.0	1 119.0	1 067.5
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Capital	10	357.6	357.1	357.6	357.1
Non-distributable reserves	11	54.7	10.5	—	—
Retained earnings	12	2 389.5	2 068.4	269.3	271.1
		2 801.8	2 436.0	626.9	628.2
OUTSIDE SHAREHOLDERS' INTEREST		242.2	222.0		
NON-CURRENT LIABILITIES					
Interest bearing debt	13	1 365.4	1 302.8	—	—
Deferred tax	14	423.5	379.1	—	—
		1 788.9	1 681.9	—	—
CURRENT LIABILITIES					
Trade and other payables		2 208.7	2 104.0	1.0	0.6
Interest bearing debt	13	606.2	150.6	—	—
Provisions	15	40.3	19.5	—	—
Subsidiary companies				491.1	240.8
Taxation		67.0	130.2	—	17.1
Shareholders for dividend		—	180.8	—	180.8
		2 922.2	2 585.1	492.1	439.3
TOTAL EQUITY AND LIABILITIES		7 755.1	6 925.0	1 119.0	1 067.5

INCOME STATEMENTS

for the year ended 30 September

	Notes	Group 2001 R million	Group 2000 R million	Company 2001 R million	Company 2000 R million
REVENUE	16	10 474.3	9 632.8	—	—
Selling expenses		182.4	171.6	—	—
Distribution costs		400.4	347.0	—	—
Raw materials		5 298.3	4 623.4	—	—
GROSS PROFIT		4 593.2	4 490.8	—	—
Employee costs		2 208.9	2 005.1	—	—
Depreciation and other amortisation expenses		456.9	385.2	—	—
Other operating expenses		1 278.0	1 196.9	2.1	2.3
Other operating income		(211.1)	(52.1)	—	—
PROFIT/(LOSS) BEFORE ABNORMAL ITEMS	17	860.5	955.7	(2.1)	(2.3)
Abnormal items	18	158.2	33.1	—	—
PROFIT/(LOSS) FROM OPERATIONS		702.3	922.6	(2.1)	(2.3)
Net finance (costs)/income	19	(71.0)	(49.9)	0.1	3.9
Income from investments	20	2.5	9.6	83.5	146.7
PROFIT BEFORE TAXATION		633.8	882.3	81.5	148.3
Taxation	21	171.4	215.0	(7.5)	24.9
PROFIT AFTER TAXATION		462.4	667.3	89.0	123.4
Share of associate companies' losses		—	1.4		
Attributable to outside shareholders		41.0	46.2		
NET PROFIT FOR THE YEAR		421.4	619.7	89.0	123.4
BASIC EARNINGS PER SHARE (CENTS)	22	82.7	121.7		
FULLY DILUTED EARNINGS PER SHARE (CENTS)	22	82.7	121.4		
HEADLINE EARNINGS PER SHARE (CENTS)	22	88.1	121.1		
FULLY DILUTED HEADLINE EARNINGS PER SHARE (CENTS)	22	88.1	120.8		
DIVIDENDS PER SHARE (CENTS)	23	53.3	53.3		

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 September

	Group		Company	
	2001 R million	2000 R million	2001 R million	2000 R million
EQUITY AT BEGINNING OF YEAR	2 436.0	2 988.3	628.2	773.1
CHANGE IN ACCOUNTING POLICY		(106.4)		
CHANGES IN CAPITAL	0.5	3.2	0.5	3.2
Share capital	—	0.1	—	0.1
Share premium on new issues	0.5	3.1	0.5	3.1
CHANGES IN NON-DISTRIBUTABLE RESERVES	44.2	(63.6)	—	—
Increase/(decrease) in foreign currency translation reserve	44.2	(74.1)		
Transfer from retained earnings	—	10.5	—	—
CHANGES IN RETAINED EARNINGS	321.1	(385.5)	(1.8)	(148.1)
Goodwill written off	(0.7)	(723.2)	—	—
Subsidiaries not previously consolidated	(7.8)	—		
Net profit for the year	421.4	619.7	89.0	123.4
Preference shares – dividends	(0.1)	(0.1)	(0.1)	(0.1)
Ordinary shares – dividends	(91.7)	(271.4)	(90.7)	(271.4)
Transfer to non-distributable reserves	—	(10.5)	—	—
EQUITY AT END OF YEAR	2 801.8	2 436.0	626.9	628.2

CASH FLOW STATEMENTS

for the year ended 30 September

	Notes	Group 2001 R million	Group 2000 R million	Company 2001 R million	Company 2000 R million
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	27.1	1 030.3	1 118.5	267.4	237.0
Investment income		2.5	9.6	83.5	146.7
Interest received		101.0	84.5	0.1	5.1
Interest paid		(172.0)	(134.4)	—	(1.2)
Dividends paid		(318.3)	(295.7)	(271.6)	(269.5)
Taxation paid		(299.2)	(155.7)	(9.9)	(9.6)
Net cash inflow from operating activities		344.3	626.8	69.5	108.5
CASH FLOWS FROM INVESTING ACTIVITIES					
Replacement capital expenditure		(245.5)	(294.2)	—	—
Expansion capital expenditure		(145.1)	(119.4)	—	—
Acquisition of businesses	27.2	(35.0)	97.9	—	—
Increase in investment in subsidiaries		(3.5)	—	(70.5)	(266.1)
Proceeds on realisation of investments		7.2	—	0.6	—
Purchase of investments		—	(18.4)	—	—
Proceeds on the sale of property, plant and equipment		69.6	50.1	—	—
Proceeds on the sale of businesses		—	63.8	—	—
Net movement on loans and advances		—	4.1	—	4.2
Net cash outflow from investing activities		(352.3)	(216.1)	(69.9)	(261.9)
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest bearing debt raised		—	481.1	—	—
Interest bearing debt repaid		(201.4)	(928.3)	—	—
Movement on short-term interest bearing debt		—	1.0	—	—
Capital proceeds from issue of shares		0.5	3.2	0.5	3.2
Net cash (outflow)/inflow from financing activities		(200.9)	(443.0)	0.5	3.2
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(208.9)	(32.3)	0.1	(150.2)
Cash and cash equivalents at beginning of year		596.8	637.7	0.3	150.5
Translation of cash in foreign subsidiaries		20.4	(8.6)		
CASH AND CASH EQUIVALENTS AT END OF YEAR	27.3	408.3	596.8	0.4	0.3

SIX-YEAR FINANCIAL REVIEW

for the year ended 30 September

		2001	2000	1999	1998	1997	1996
STATISTICS							
EARNINGS AND DIVIDENDS DATA							
Weighted average number of ordinary shares in issue	'000	509 361	509 050	508 756	508 167	506 631	505 197
Headline earnings per ordinary share	cents	88.1	121.1	117.6	97.5	99.8	95.4
– Change over previous year	%	(27)	3	21	(2)	5	16
– 5-year compound annual growth rate	%	(2)	8	12	7	27	26
Earnings per ordinary share	cents	82.7	121.7	118.1	98.3	101.3	95.9
– Change over previous year	%	(32)	3	20	(3)	6	15
– 5-year compound annual growth rate	%	(3)	8	7	7	28	26
Dividends per ordinary share	cents	53.3	53.3	51.0	43.6	41.5	40.0
– Change over previous year	%	—	5	17	5	4	14
– 5-year compound annual growth rate	%	6	9	8	12	15	16
Dividend cover	times	1.6	2.3	2.4	2.3	2.4	2.4
FINANCIAL DATA							
Profit attributable to ordinary shareholders as a percentage of ordinary shareholders' interest	%	15	25	21	17	21	22
Return on total assets	%	11	17	18	17	20	21
Total asset turn	times	1.6	1.8	1.5	1.5	1.7	1.7
Liabilities: shareholders' funds	:1	1.55	1.61	0.65	0.56	0.54	0.69
Borrowings: shareholders' funds	:1	0.65	0.55	0.08	0.06	0.07	0.17
Interest cover	times	10	19	N/A	N/A	24	31
Effective rate of taxation	%	27.0	24.4	27.1	37.5	35.5	37.2
Number of ordinary shares in issue	'000	509 406	509 350	508 811	508 731	507 191	505 552
Net asset value per ordinary share	cents	550	478	587	548	486	428
– Change over previous year	%	15	(19)	7	13	14	16
Cash flow	R million						
– Cash generated from operations		1 030.3	1 118.5	955.1	1 157.7	1 208.0	1 010.5
– Cash inflow from operating activities		344.3	626.8	599.0	682.4	728.1	475.0
– additions to property, plant and equipment		(390.6)	(413.6)	(203.8)	(379.7)	(319.3)	(591.2)
– net (decrease)/increase in cash		(208.9)	(32.3)	279.7	226.6	336.8	(50.0)
Earnings before interest, taxation, depreciation and amortisation	R million	1 159.2	1 307.8	1 119.5	1 050.8	1 087.4	1 037.6
EMPLOYEE DATA							
Permanent employees		13 376	14 765	15 345	15 281	16 361	16 957
Turnover per employee	R'000	783	652	518	482	432	388
Wealth created per employee	R'000	258	229	181	169	156	140
Employment cost per employee	R'000	165	136	105	97	86	77
Productivity per employee	Index	148	135	114	112	104	100

		2001	2000	1999	1998	1997	1996
INFLATION ADJUSTED INFORMATION							
CPI index (base 1996 = 100)		139.4	135.0	126.0	117.1	109.8	100
Deflation factor (base 1996 = 100)		71.7	74.1	79.4	85.4	91.1	100
Headline earnings per share (cents)							
– Historical		88.1	121.1	117.6	97.5	99.8	95.4
– Deflated	†	63.2	89.7	93.3	83.3	90.9	95.4
Dividends per share (cents)							
– Historical		53.3	53.3	51.0	43.6	41.5	40.0
– Deflated	†	38.2	39.5	40.5	37.2	37.8	40.0
Total assets (Rm)							
– Historical		7 755.1	6 925.0	5 518.8	4 822.3	4 302.2	4 111.1
– Deflated	†	5 560.4	5 131.4	4 381.9	4 118.2	3 919.3	4 111.1

† = Historical statistics adjusted to 2001 money terms using the average Consumer Price Index

OPERATING RESULTS*	R million	2001	2000	1999	1998	1997	1996
Revenue		10 474.3	9 632.8	7 942.9	7 361.1	7 070.7	6 572.1
Profit from operations		702.3	922.6	824.9	792.0	835.6	804.2
Margin to revenue		6.7%	9.6%	10.4%	10.8%	11.8%	12.2%
Profit before taxation		633.8	882.3	861.9	824.3	826.4	798.5
Profit after taxation		462.4	667.3	628.5	515.5	532.8	501.7
Net profit for the year		421.4	619.7	600.9	499.4	513.3	484.3
BALANCE SHEETS*	R million						
Total shareholders' funds		3 044.0	2 658.0	3 202.7	2 869.7	2 543.7	2 237.4
Deferred taxation		423.5	379.1	242.9	350.5	282.3	253.9
Interest bearing debt		1 368.8	1 308.9	268.4	174.7	199.3	393.9
Current liabilities		2 918.8	2 579.0	1 804.8	1 427.4	1 276.9	1 225.9
TOTAL EQUITY AND LIABILITIES		7 755.1	6 925.0	5 518.8	4 822.3	4 302.2	4 111.1
Property, plant and equipment		3 500.6	3 340.9	2 451.4	2 237.3	2 066.5	1 927.4
Intangibles		(73.8)	(101.6)	—	—	—	—
Investments and deferred tax		135.5	111.6	45.0	114.0	44.7	43.2
Current assets		4 192.8	3 574.1	3 022.4	2 471.0	2 191.0	2 140.5
TOTAL ASSETS		7 755.1	6 925.0	5 518.8	4 822.3	4 302.2	4 111.1

**Amounts relating to years ended 1999 and prior have not been re-stated for the effects of the change in accounting policy*

DEFINITIONS

RETURN
Operating profit plus income from investments.

TOTAL LIABILITIES
The aggregate of long-term and current liabilities (deferred taxation is excluded).

SHAREHOLDERS' FUNDS
The aggregate of ordinary, preference and outside shareholders' interest.

TOTAL BORROWINGS
All interest bearing debt.

EBITDA
Earnings before interest, tax, depreciation and amortisation.

GROUP FINANCIAL OBJECTIVES

RETURN
To achieve a return before interest and taxation of at least 25% p.a. on average gross assets.

ASSET MANAGEMENT
To manage the investment in inventories and receivables to its commercially lowest level.

CASH FLOW
To generate sufficient cash flow after absorbing increases in working capital, financing charges, taxes and dividends, to fund capital expenditure for replacement of fixed assets.

EARNINGS
To achieve a growth in earnings per share of not less than the annual inflation rate plus the economic growth rate (gross domestic product).

DIVIDEND
To determine the annual dividend cover with regard to the group's funding requirements, with minimum cover of 2.4 times.

ACCOUNTING POLICIES

for the year ended 30 September

1. BASIS OF PREPARATION

These financial statements are presented in South African rand, being the currency in which the majority of the group's transactions are denominated.

The financial statements have been prepared under the historic cost convention, as modified by the revaluation of certain trading assets and liabilities to fair value and certain long-term assets which have been written down to recognise permanent diminutions in value.

These financial statements have been prepared in conformity with South African Statements of Generally Accepted Accounting Practice. The principal accounting policies adopted are set out below.

The principal accounting policies of the group have been applied consistently with the previous year except for the change set out in note 4.

2. BASIS OF CONSOLIDATION

The consolidated financial statements include the assets, liabilities, results and cash flow information of the company, its subsidiaries, associate companies and joint ventures. The results of subsidiaries, associate companies and joint ventures are included in the consolidated financial statements from the effective dates of acquisition until the effective date of disposal. Those subsidiaries and joint ventures operating out of Zimbabwe, which were previously consolidated, are now shown in the consolidated financial statements at carrying value.

All intercompany transactions, balances and unrealised surpluses and deficits on transactions between group companies have been eliminated.

3. SUBSIDIARY COMPANIES

Subsidiary companies are those companies in which the group has an interest of more than one half of the voting rights or otherwise has the power to exercise control over the operations.

The assets and liabilities of subsidiary companies are measured at their fair values at the date of acquisition. The interest of outside shareholders is stated at their proportion of the fair values of the assets and liabilities recognised.

4. ASSOCIATE COMPANIES

Associate companies are those companies in which the group holds a long-term equity interest and is in a position to exercise significant influence, but not control, through participation in the financial and operating policy decisions of the investee. The results, assets and liabilities of associate companies are incorporated in these consolidated financial statements using the equity method of accounting. The carrying amount of such investments is reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

5. JOINT VENTURES

A joint venture is a contractual arrangement whereby the group and outside parties undertake an economic activity which is subject to joint control.

Joint venture arrangements undertaken in a separate entity are referred to as jointly controlled entities. The group reports its interests in jointly controlled entities using proportionate consolidation, in terms of which the group's share of the assets, liabilities, results and cash flow information of jointly controlled entities are included in the consolidated financial statements on a line-by-line basis.

Where the group transacts with its jointly controlled entities, unrealised profits and losses are eliminated to the extent of the group's interest in the joint venture, except where unrealised losses provide evidence of an impairment of the asset transferred.

6. FOREIGN ENTITIES

Assets and liabilities of foreign entities are translated into South African rand at rates ruling at the balance sheet date. Income statement items are translated at the weighted average rate of exchange for the period. Equity and goodwill are translated at the rate ruling at date of acquisition. Exchange differences arising, if any, are classified as equity and are taken directly to a foreign currency translation reserve. Such translation differences are recognised as income or expenses in the period in which the operation is disposed of.

7. FOREIGN CURRENCIES

Assets and liabilities denominated in foreign currencies, other than those covered by forward exchange contracts, are translated at rates ruling at the balance sheet date. Transactions in foreign currencies are accounted for at the rate ruling at the date of the transaction. Profit or losses on translation are charged to the income statement in the period in which they are incurred except for differences on exchange arising on the purchase of plant and equipment prior to commissioning, which are recognised as part of the cost of such assets.

8. GOODWILL

Goodwill arising on consolidation represents the excess of the cost of an acquisition over the group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is recognised as an asset and amortised on a systematic basis over its useful economic life, subject to a maximum of twenty years. The assessment of useful economic life of goodwill is based on the nature of the specific underlying business acquired.

Negative goodwill represents the excess of the group's interest in the fair value of the identifiable assets and liabilities acquired over the cost of the acquisition. To the extent that negative goodwill relates to expected future losses and expenses it is recognised as income in the period when the future losses and expenses occur. To the extent that negative goodwill relates to an identifiable non-monetary asset, it is recognised as income over the estimated useful economic life of that asset not exceeding 20 years, provided that where the amount of negative goodwill is in excess of the fair value of the non-monetary asset, this portion is recognised as income immediately. To the extent that negative goodwill relates to monetary assets, it is recognised as income immediately.

On disposal of a subsidiary, associate or joint venture, any unamortised goodwill, or goodwill set off against shareholders' funds, is included in the determination of the profit or loss on disposal.

The carrying amount of goodwill is reviewed annually for impairment. Any provision for permanent impairment is charged against profit for the period in which the impairment arose.

The treatment of goodwill represents a change in accounting policy during the current year. Previously goodwill was charged directly against shareholders' funds in the acquisition period. Purchased goodwill has not been restated. Negative goodwill, which was previously included in non-distributable reserves, has been restated for the change in accounting policy and comparative amounts adjusted accordingly.

9. INTANGIBLES

Acquired intangible assets, including trademarks, are capitalised and amortised on a straight line basis over their estimated useful economic life, not exceeding 20 years.

Prior to 1 October 2000, intangibles acquired on acquisition were written off directly to shareholders' funds in the acquisition period.

10. RESEARCH, DEVELOPMENT AND RELATED EXPENDITURE

Research costs are recognised as an expense in the period in which they are incurred.

Expenditure on development is charged to income in the period in which it is incurred except where a clearly defined project is undertaken and it is reasonably anticipated that development costs will be recovered through future commercial activity. Such development costs are recognised as an intangible asset and amortised over the estimated useful economic life of the project from the date of commencement of the commercial operation, subject to a maximum of five years.

11. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are accounted for at cost less accumulated depreciation. All direct costs, including finance costs relating to major capital projects, are capitalised up to the date of commissioning. Where the recoverable amount of an asset has declined below its carrying amount, the carrying amount is reduced to reflect this decline in value.

Depreciation is charged so as to write off the cost or valuation of assets, other than freehold land and property, over their estimated useful economic lives, using the straight-line method. Depreciation is not provided in respect of freehold land and property except where a capitalised cost has been incurred to provide a specialised facility for the tenant.

Assets held under finance leases are depreciated over the lesser of expected useful life or the term of the lease.

The rates of depreciation used are:

Freehold specialised buildings	50 years
Leasehold buildings	Lease term
Plant and equipment	4 to 15 years
Furniture and equipment	4 to 15 years
Motor vehicles	4 to 5 years

12. INVESTMENTS

Long-term investments, other than subsidiary, associate companies and jointly controlled entities, are stated individually at the lower of cost and their recoverable amount. Recoverable amount is determined by taking the higher of net realisable value and value in use.

13. INVENTORIES

Inventories are stated at the lower of cost and net realisable value, after making allowance for slow-moving and redundant items. Cost comprises direct materials and, where applicable, direct labour and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in, first-out method.

14. TAXATION

The charge for the year is based on the results for the year as adjusted for items which are non-deductible or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided on the comprehensive basis using the balance sheet liability method. A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition of other assets and liabilities which affects neither the tax profit nor the accounting profit at the time of the transaction.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the future.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability settled.

15. OFFSET

Financial assets and liabilities are offset and disclosed on a net basis in the consolidated balance sheet when there is legal right to set off and there is either an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

16. PROVISIONS

Provisions are raised when a present obligation exists as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

17. IMPAIRMENT

On an annual basis the group reviews all assets, both tangible and intangible, carried on the balance sheet for impairment. Where the recoverable amount of an asset or cash generating unit is estimated to be lower than its carrying amount, its carrying amount is reduced to its recoverable amount. Impairment losses are charged against income in the period in which they are identified.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount. Such increases in carrying amount are limited to original cost. A reversal of an impairment loss is recognised in income in the period in which such reversal is identified.

18. REVENUE RECOGNITION

Sales of goods are recognised when goods are delivered or title has passed. Revenue comprises the net invoiced value of goods delivered and services rendered during the year and excludes value added tax.

Where companies act as agents and are remunerated on a commission basis, only the commission income, not the value of business handled, is recognised as revenue.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established, except in circumstances where severe long-term restrictions impair the ability of the underlying operation from transferring funds to the group. In these circumstances, dividends are recognised on a cash receipt basis.

19. SEGMENTAL REPORTING

For management purposes, the group is organised into business clusters.

Operating divisions are grouped into one or other of these clusters depending on the dominant nature of the underlying business.

In addition, the businesses are grouped by geographical location. The main geographic regions identified are South Africa, Africa and Europe. Geographic split is determined by location of the operating assets.

Inter-company transactions and balances are separately disclosed.

20. ABNORMAL ITEMS

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.

21. HEADLINE EARNINGS PER SHARE

The group has followed the recommendation contained in Accounting Task Force Opinion AC 306 and has published headline earnings per share in addition to attributable earnings per share. Headline earnings per share has been calculated in accordance with the requirements of AC 306. Attributable profit per share has been based on earnings attributable to ordinary shareholders.

22. COMPARATIVE FIGURES

Comparative figures have been restated to show the effect of the change in accounting policy for negative goodwill, and the effect of deconsolidating the Zimbabwe operations.

1. FINANCIAL RISK MANAGEMENT

TREASURY RISK MANAGEMENT

The group's treasury risk is managed through two subcommittees reporting to the board of directors. The role of these committees is to decide the appropriate philosophy to be adopted within the group regarding the management of treasury risks and for considering and managing the group's existing financial market risks by adopting strategies within the guidelines set by the board of directors.

The group has adopted the Value at Risk methodology for evaluating financial market risks. The main risk areas the group is exposed to are interest rates, liquidity, currency and commodity prices.

INTEREST RATE RISK MANAGEMENT

Interest rate risk is the possibility that the group may suffer financial loss if either a fluctuating interest rate or fixed interest rate position is entered into and interest rates move adversely. The group uses swaps, options, forward rate agreements and other standard market instruments to manage this risk. The risk profile of financial assets and liabilities at balance sheet date is detailed below:

	Floating rate liabilities R million	Fixed rate liabilities R million	Floating rate assets R million	Net liability/ (asset) R million
South African rand	407.5	69.2	39.1	437.6
UK pounds	1 308.4	—	869.7	438.7
Other currencies	120.1	—	—	120.1
TOTAL AT 30 SEPTEMBER 2001	1 836.0	69.2	908.8	996.4
South African rand	50.0	85.9	230.0	(94.1)
UK pounds	1 231.1	—	436.6	794.5
Other currencies	79.2	—	—	79.2
TOTAL AT 30 SEPTEMBER 2000	1 360.3	85.9	666.6	779.6

LIQUIDITY RISK MANAGEMENT

Liquidity risk is the possibility that the group may suffer financial loss through liquid funds not being available or that excessive finance costs must be paid to obtain funds to meet payment requirements. The group manages this risk through forecasting and monitoring cash flow requirements on a daily basis, and by maintaining sufficient undrawn facilities. Significant liquid resources were held at the year end. The group had the following undrawn facilities available at the balance sheet date:

	South Africa R million	Europe R million	Total R million
EXPIRY PERIOD AT 30 SEPTEMBER 2001			
One year	1 795.0	56.2	1 851.2
Two to five years	395.0	686.1	1 081.1
	2 190.0	742.3	2 932.3
EXPIRY PERIOD AT 30 SEPTEMBER 2000			
One year	1 735.0	42.7	1 777.7
Two to five years	445.0	394.7	839.7
	2 180.0	437.4	2 617.4

1. FINANCIAL RISK MANAGEMENT *(continued)*

CURRENCY RISK MANAGEMENT

Currency risk is the possibility that the group may suffer financial loss as a consequence of a depreciation in a reporting currency relative to a foreign currency prior to payment of a commitment in that foreign currency or of the reporting currency strengthening prior to receiving payment in that foreign currency. The group also has translation risk arising from the consolidation of foreign entities into South African rands.

The group uses swaps, options and other financial instruments, in particular forward contracts, to manage transactional currency risks. Specific translation risks are managed through the selective use of options and hedge positions. Net currency exposures and hedging positions are centrally controlled and managed for South African operations. The currency exposure of the group's European operations is centrally controlled and managed through the Isle of Man. Speculative positions are not permitted.

All imports and exports are fully covered at balance sheet date. The values of forward contracts entered into at 30 September are:

	Contract rate	2001 R million	2000 R million
US dollars	8.40	132.8	173.0
Euro	7.52	94.1	84.3
UK pounds	12.04	(6.3)	(14.6)
Other		4.8	4.4
		225.4	247.1

Currency conversion guide at 30 September	2001	2000
US dollars	8.9940	7.2530
Euro	8.2183	6.3620
UK pounds	13.1951	10.6681

COMMODITY PRICE RISK MANAGEMENT

Commodity price risk is the risk that the group may suffer financial loss when a fluctuating price contract obligation is entered into and commodity prices increase or when a fixed price agreement is entered into and commodity prices fall. The following open commodity positions were held at 30 September:

	2001 R million	2000 R million
Aluminium futures	70.9	10.3

The group uses derivative instruments including forward agreements and futures to hedge commodity price risk.

CREDIT RISK MANAGEMENT

Potential concentrations of credit risk consist principally of cash investments and trade debtors. The group only deposits cash surpluses with major banks of high standing.

Trade debtors comprise a large, widespread customer base. Ongoing credit evaluations on the financial condition of customers are performed and, where appropriate, credit guarantee insurance cover is purchased or provisions made.

The group does not consider there to be any significant concentration of credit risk which had not been insured or adequately provided for at the balance sheet date.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts reported in the balance sheet for liquid resources, trade debtors and trade creditors approximate fair value.

2. RETIREMENT BENEFIT INFORMATION

2.1 RETIREMENT BENEFITS

The policy of the group is to provide retirement benefits for its permanent employees through defined benefit and defined contribution pension and provident funds, except where employees are required, either by legislation and/or negotiation, to be members of a designated industry scheme.

All funds are fully funded with their assets held in trust funds controlled by trustees which include elected employee representatives or in funds effectively managed by independent experts.

South African funds are governed by the Pension Funds Act of 1956. United Kingdom funds are governed by the Pensions Act 1995. Defined benefit funds are actuarially valued at intervals of not more than three years using the attained age method in South Africa and the minimum funding basis in the United Kingdom. Where any deficit is identified it is funded by the entity concerned by way of increased future contributions or by the payment of an actuarially determined lump sum.

Current contribution costs in respect of defined benefit retirement funds are actuarially determined, and service costs in respect of existing employees, including changes in actuarial assumptions, fund amendments and experience adjustments, are recognised as an expense systematically over the expected remaining working lives of the relevant employees. However, any surplus income arising is only recognised to the extent that a contribution holiday is taken. Past service adjustments required in respect of retired employees are raised as an expense in the period in which the relevant fund implements its amendment.

Membership costs and unrecognised surpluses for each fund are as follows:

	Country	Employees	Members	Contribution costs R million	Reserves† R million
DEFINED BENEFIT FUNDS					
Nampak Group Pension Fund*	RSA	18	26	—	1.7
Nampak plc Pension Plan	UK	895	1 818	2.4	94.9
Nampak plc Staff Pension Plan	UK	151	320	4.8	36.4
		1 064	2 164	7.2	133.0
DEFINED CONTRIBUTION FUNDS					
Nampak Group Pension Fund	RSA	2 261	2 293	—	
Nampak Group Provident Fund	RSA	4 668	4 764	29.6	
Metal Box Provident Fund	RSA	3 157	3 157	21.0	
Crown Cork Provident Fund	RSA	71	71	1.0	
Metal Box Namibia Provident Fund	Namibia	18	18	—	
BlowMocan Polysystems Retirement Benefit Scheme	UK	156	469	2.2	
		10 331	10 772	53.8	

2. RETIREMENT BENEFIT INFORMATION *(continued)*

	Country	Employees	Members	Contribution costs R million
EXTERNAL FUNDS				
External funds**	Europe	337	337	4.0
Industry funds	RSA	1 644	1 644	4.2
		1 981	1 981	8.2
TOTALS		13 376	14 917	69.2

**Closed fund* ***Funded by insurance policies* *†Reserves at revaluation date*

The actuarial valuations and basis of valuation of the defined benefit funds are as follows:

	Valuation date	Fair value of assets R million	Present value of liabilities R million	Valuation basis
DEFINED BENEFIT FUNDS				
Nampak Group Pension Fund#	Feb 01	20.5	18.8	AA
Nampak plc Pension Plan	Apr 00	403.0	308.1	MFR
Nampak plc Staff Pension Plan	Apr 00	306.8	270.4	MFR

AA: attained age method MFR: minimum funding requirements
#Valuation subject to approval by Trustees

The latest actuarial valuations in respect of the defined benefit funds found them in sound financial condition. In arriving at their findings the actuaries have taken into account reasonable long-term estimates of inflation, future increases in wages, salaries and pensions and sustainable investment returns.

2.2 POST-RETIREMENT MEDICAL BENEFITS

The group policy is not to provide post-retirement medical benefits for employees who joined the company after 1 June 1996. The cost of funding current pensioner and future post-retirement medical contributions to persons employed before the change in policy is expensed as and when incurred. Premiums paid this year in respect of pre-funded post-retirement contribution cover amounted to R20.5 million (2000: R0.5 million).

The actuarially determined exposure in respect of past service costs relating to covered employees was R258 million at the last valuation dated 1 January 1999. The group has fully insured this exposure through a pre-funded post-retirement policy. The next valuation is due to take place as at 31 March 2002.

	Revenue 2001 R million	Revenue 2000 R million	Profit/(loss) from operations 2001 R million	Profit/(loss) from operations 2000 R million	Operating margin 2001 %	Operating margin 2000 %
3. SEGMENTAL REPORT						
METALS	3 096.8	2 992.3	203.5	297.5	6.6	9.9
Bevcan	1 455.0	1 398.9	109.1	153.7	7.5	11.0
Foodcan and Divpac	1 181.7	1 176.1	82.8	118.4	7.0	10.1
Other	460.1	417.3	11.6	25.4	2.5	6.1
PAPER	3 342.7	3 090.1	242.3	282.7	7.2	9.2
Corrugated/Printpak	1 736.7	1 586.5	160.5	155.2	9.2	9.8
Tissue	853.4	794.5	37.9	57.5	4.4	7.2
Paper Merchants	681.9	622.0	31.5	40.1	4.6	6.4
Other	70.7	87.1	12.4	29.9	17.5	34.3
PLASTICS	3 864.5	3 422.7	167.8	180.1	4.3	5.3
Nampak plc	1 982.4	1 570.9	111.9	97.8	5.6	6.2
Rotoflex and Sacks	643.2	573.5	0.2	27.4	0.0	4.8
Petpak and Liquid	615.6	603.1	39.4	29.7	6.4	4.9
Other	623.3	675.2	16.3	25.2	2.6	3.7
OTHER	170.3	127.7	88.7	162.3	52.1	127.1
Property and Treasury	—	—	69.9	93.0	—	—
NamITech	256.5	149.2	37.3	22.3	14.5	15.0
NIL	124.5	127.7	(7.7)	52.9	(6.2)	41.4
Other	(210.7)	(149.2)	(10.8)	(5.9)	5.1	4.0
TOTAL	10 474.3	9 632.8	702.3	922.6	6.7	9.6
GEOGRAPHICAL ANALYSIS						
South Africa	8 507.3	7 976.8	585.8	742.0	6.9	9.3
Africa	70.8	87.1	12.3	29.9	17.4	34.3
Europe – Nampak plc	1 982.4	1 570.9	111.9	97.8	5.6	6.2
Europe – NIL	124.5	127.7	(7.7)	52.9	(6.2)	41.4
Intergroup eliminations	(210.7)	(129.7)				
TOTAL	10 474.3	9 632.8	702.3	922.6	6.7	9.6

EBITDA		Operating assets		Operating liabilities		Capital expenditure		Depreciation and amortisation	
2001 R million	2000 R million	2001 R million	2000 R million	2001 R million	2000 R million	2001 R million	2000 R million	2001 R million	2000 R million
304.8	386.5	1 504.2	1 453.8	635.1	678.0	93.6	104.2	101.3	89.0
153.0	193.1	656.5	650.9	251.0	281.3	46.5	33.5	43.9	39.4
104.7	138.6	540.0	497.2	280.5	278.6	37.2	56.5	21.9	20.2
47.1	54.8	307.7	305.7	103.6	118.1	9.9	14.2	35.5	29.4
340.6	386.9	1 693.1	1 669.3	1 020.5	1 015.6	36.1	50.1	98.3	104.2
218.4	215.3	774.1	808.6	391.6	378.2	20.0	19.9	57.9	60.1
77.3	98.6	593.9	547.5	499.2	485.5	13.6	24.6	39.4	41.1
33.2	41.8	261.0	268.1	108.8	130.1	1.2	1.7	1.7	1.7
11.7	31.2	64.1	45.1	20.9	21.8	1.3	3.9	(0.7)	1.3
406.1	367.4	2 821.6	2 467.3	1 106.4	1 149.0	207.6	217.4	238.3	187.3
273.3	208.8	1 952.6	1 587.7	741.4	722.2	142.4	135.1	161.4	111.0
17.0	41.9	268.9	253.0	135.4	158.0	27.3	21.0	16.8	14.5
73.0	64.8	337.5	354.6	112.7	132.5	25.7	32.3	33.6	35.1
42.8	51.9	262.6	272.0	116.9	136.3	12.2	29.0	26.5	26.7
107.7	167.0	647.4	593.3	(513.0)	(538.3)	53.3	41.9	19.0	4.7
70.1	93.1	403.3	435.8	110.0	2.8	5.5	22.7	0.2	0.1
45.0	27.4	243.5	73.1	86.0	27.1	42.5	16.0	7.7	5.1
(7.4)	53.1	1 159.7	680.5	124.1	26.1	—	0.5	0.3	0.2
—	(6.6)	(1 159.1)	(596.1)	(833.1)	(594.3)	5.3	2.7	10.8	(0.7)
1 159.2	1 307.8	6 666.3	6 183.7	2 249.0	2 304.3	390.6	413.6	456.9	385.2
881.7	1 014.8	3 489.9	3 870.4	1 362.6	1 534.2	246.9	274.1	295.9	272.8
11.6	31.2	64.1	45.1	20.9	21.8	1.3	3.9	(0.7)	1.3
273.3	208.7	1 952.6	1 587.7	741.4	722.2	142.4	135.1	161.4	110.9
(7.4)	53.1	1 159.7	680.5	124.1	26.1	—	0.5	0.3	0.2
1 159.2	1 307.8	6 666.3	6 183.7	2 249.0	2 304.3	390.6	413.6	456.9	385.2

	Group 2001 R million	Group 2000 R million	Company 2001 R million	Company 2000 R million
4. CHANGE IN ACCOUNTING POLICY				
The group has changed its accounting policy in respect of intangible assets and goodwill to comply with the requirements of AC129 – Intangible Assets, and AC131 – Business Combinations.				
The aggregate effect of the change in accounting policy on the annual financial statements for the year ended 30 September is as follows:				
Net profit for the year as previously stated	416.5	625.0		
Business combinations – negative goodwill	4.9	4.9		
PROFIT AFTER EFFECT OF CHANGE IN ACCOUNTING POLICY	421.4	629.9		
Deconsolidation of Zimbabwean operations	—	(10.2)		
PROFIT PER INCOME STATEMENT	421.4	619.7		
The aggregate effect of the change in accounting policy on opening retained income is as follows:				
Opening retained income as previously stated		2 382.9		
Prior year adjustment – business combinations		71.0		
OPENING RETAINED INCOME AFTER CHANGE IN ACCOUNTING POLICY		2 453.9		

	Freehold land and buildings R million	Leasehold buildings R million	Plant, equipment and vehicles R million	Capitalised leased plant and vehicles R million	Total R million
5. PROPERTY, PLANT AND EQUIPMENT					
2001					
COST					
Balance at beginning of year	1 022.3	44.4	5 643.1	1.8	6 711.6
Additions	8.7	0.5	381.2	0.2	390.6
Acquisition of businesses	—	—	28.3	—	28.3
Disposals	29.9	2.5	284.9	0.2	317.5
Impairment loss	20.7	—	0.8	—	21.5
Translation differences and other movements	227.8	12.3	463.3	(0.8)	702.6
BALANCE AT END OF YEAR	1 208.2	54.7	6 230.2	1.0	7 494.1
DEPRECIATION					
Balance at beginning of year	101.0	25.4	3 242.7	1.6	3 370.7
Acquisition of businesses	—	—	9.6	—	9.6
Charge for the year	(5.3)	0.6	446.0	2.2	443.5
Depreciation on disposals	1.5	—	245.6	—	247.1
Translation differences and other movements	1.1	2.5	416.1	(2.9)	416.8
BALANCE AT END OF YEAR	95.3	28.5	3 868.8	0.9	3 993.5
NET BOOK VALUE AT 30 SEPTEMBER 2001	**1 112.9**	**26.2**	**2 361.4**	**0.1**	**3 500.6**
NET BOOK VALUE AT 30 SEPTEMBER 2000	921.3	19.0	2 400.4	0.2	3 340.9

The open market value of the group's freehold land and buildings, as determined by The Property Partnership at 30 September 1999, adjusted for subsequent additions, disposals, impairments and translation difference totalled R1 107.8 million (2000: R924.4 million). A schedule of the group's properties is available to users of the financial statements on receipt of a written request. The insured value of the plant, equipment and vehicles at 30 September 2001 was R13 998.0 million (2000: R12 627.3 million).

Refer to note 13 for details of property, plant and equipment encumbered.

	Goodwill R million	Negative goodwill R million	Other R million	Total R million
6. INTANGIBLE ASSETS				
2001				
COST				
Balance at beginning of year	—	(193.2)	17.6	(175.6)
Acquisition of business	41.2	—	—	41.2
BALANCE AT END OF YEAR	41.2	(193.2)	17.6	(134.4)
AMORTISATION				
Balance at beginning of year	—	(74.0)	—	(74.0)
Charge for the year	0.7	(4.9)	17.6	13.4
BALANCE AT END OF YEAR	0.7	(78.9)	17.6	(60.6)
CARRYING VALUE AT 30 SEPTEMBER 2001	**40.5**	**(114.3)**	**—**	**(73.8)**
CARRYING VALUE AT 30 SEPTEMBER 2000	—	(119.2)	17.6	(101.6)

	Group 2001 R million	Group 2000 R million	Company 2001 R million	Company 2000 R million
7. INVESTMENTS				
(Refer to Annexure B for details)				
Shares at cost less amounts written off	3.3	10.0	—	—
DIRECTORS' VALUATION	3.3	10.0	—	—
Loans				
– Nampak 1979 Share Purchase Scheme	14.6	15.2	14.6	15.2
– Other	1.2	14.2	1.2	1.2
Total loans	15.8	29.4	15.8	16.4
TOTAL	19.1	39.4	15.8	16.4

	Group 2001 R million	Group 2000 R million	Company 2001 R million	Company 2000 R million
8. INVESTMENT IN SUBSIDIARIES AND JOINT VENTURES				
(Refer to Annexure A for details)				
Interest in subsidiaries and joint ventures not consolidated	121.7	73.0		
Interest in subsidiaries and joint ventures			611.4	810.0
Net amount (due by)/due to subsidiaries and joint ventures	(13.1)	(0.8)	253.8	(15.3)
SHARES AT COST LESS AMOUNTS WRITTEN OFF	108.6	72.2	865.2	794.7
9. INVENTORIES				
Raw materials	309.7	288.7	—	—
Work in progress	68.5	55.8	—	—
Finished goods	505.5	446.7	—	—
Consumables	352.4	352.8	—	—
Development land	—	2.1	—	—
TOTAL	1 236.1	1 146.1	—	—
10. CAPITAL				
SHARE CAPITAL				
Authorised:				
600 000 000 ordinary shares of 5 cents each	30.0	30.0	30.0	30.0
100 000 6.5% cumulative preference shares of R2 each	0.2	0.2	0.2	0.2
400 000 6% cumulative preference shares of R2 each	0.8	0.8	0.8	0.8
TOTAL	31.0	31.0	31.0	31.0
Issued:				
509 406 100 (2000: 509 350 500) ordinary shares of 5 cents each	25.5	25.5	25.5	25.5
100 000 6.5% cumulative preference shares of R2 each	0.2	0.2	0.2	0.2
400 000 6% cumulative preference shares of R2 each	0.8	0.8	0.8	0.8
TOTAL	26.5	26.5	26.5	26.5

28 434 680 ordinary shares (2000: 28 490 280) have been set aside for employees' share schemes. The balance of unissued shares of 62 159 220 (2000: 62 159 220) has been placed at the disposal of the directors until the next annual general meeting.

	Group 2001 R million	Group 2000 R million	Company 2001 R million	Company 2000 R million
10. CAPITAL *(continued)*				
SHARE PREMIUM				
Balance at beginning of year	330.6	327.5	330.6	327.5
Premium on ordinary shares issued	0.5	3.1	0.5	3.1
BALANCE AT END OF YEAR	331.1	330.6	331.1	330.6
TOTAL	357.6	357.1	357.6	357.1
11. NON-DISTRIBUTABLE RESERVES				
Balance at beginning of year	10.5	74.1	—	—
Movements in non-distributable reserves	44.2	(63.6)	—	—
BALANCE AT END OF YEAR	54.7	10.5	—	—
Comprising:				
Foreign currency translation reserve	54.5	10.3	—	—
Other	0.2	0.2	—	—
TOTAL	54.7	10.5	—	—
12. RETAINED EARNINGS				
Balance at beginning of year	2 068.4	2 453.9	271.1	419.2
Changes in retained earnings	321.1	(385.5)	(1.8)	(148.1)
BALANCE AT END OF YEAR	2 389.5	2 068.4	269.3	271.1

			Group		Company	
			2001 R million	2000 R million	2001 R million	2000 R million

13. INTEREST BEARING DEBT

	Redeemable/ repayable	Year end interest rates	Group 2001 R million	Group 2000 R million	Company 2001 R million	Company 2000 R million
Secured loans*						
– other	2001/2005	11.5% to 13.75%	6.5	—	—	—
– foreign	2003	6.31%	0.1	0.8	—	—
Unsecured loans						
– other	2001/2005	16.03%	69.0	91.0	—	—
– foreign	2003	6.31%	1 293.2	1 217.1	—	—
TOTAL LONG-TERM			1 368.8	1 308.9	—	—
Less: instalments due for repayment within one year, reflected as short-term loans			3.4	6.1	—	—
NET LONG-TERM			1 365.4	1 302.8	—	—

Secured by the encumbrance of immovable properties, plant and equipment having a book value of R 17.5 million (2000: R126.6 million)

	Group 2001 R million	Group 2000 R million	Company 2001 R million	Company 2000 R million
SHORT-TERM AND CURRENT				
Current portion of long-term loans	3.4	6.1	—	—
Amounts due to bankers	602.8	144.5	—	—
TOTAL SHORT-TERM AND CURRENT	606.2	150.6	—	—
TOTAL INTEREST BEARING DEBT	1 971.6	1 453.4	—	—

Summary of liabilities by year of redemption or payment		*Total	Rand	Foreign currency
TOTAL OWING	2001	1 368.8	75.5	1 293.3
Repayable during the year ending 30 September	2002	3.4	3.4	—
	2003	1 293.3	—	1 293.3
	2004	—	—	—
	2005	72.1	72.1	—

**Group liabilities including redemptions and repayments within one year*

	Group 2001 R million	Group 2000 R million	Company 2001 R million	Company 2000 R million
14. DEFERRED TAX				
Accelerated wear and tear for taxation purposes on property, plant and equipment	408.8	439.6	—	—
Other	51.4	(56.3)	—	—
Estimated losses	(44.5)	(4.2)	—	—
NET DEFERRED TAX LIABILITY	415.7	379.1	—	—
Reconciliation between deferred tax opening and closing balance:				
Net deferred tax liability at beginning of year	379.1	242.9	—	—
Deconsolidation adjustment to opening balance	—	(0.6)	—	—
Taxation rate adjustment	0.3	—	—	—
Originating temporary differences on acquisition of businesses	—	111.8	—	—
Originating temporary differences on property, plant, equipment and other	36.3	25.0	—	—
NET DEFERRED TAX LIABILITY AT END OF YEAR	415.7	379.1	—	—
Analysed between:				
Deferred tax assets	(7.8)	—	—	—
Deferred tax liabilities	423.5	379.1	—	—
NET DEFERRED TAX LIABILITY AT END OF YEAR	415.7	379.1	—	—

15. PROVISIONS

	Restructuring R million	Rebates R million	Customer claims R million	Total R million
Opening balance	—	15.8	3.7	19.5
Additions	22.9	10.7	3.6	37.2
Usage	(1.5)	(9.6)	(0.6)	(11.7)
Reversals	—	(1.4)	(3.3)	(4.7)
CLOSING BALANCE	21.4	15.5	3.4	40.3

All the above provisions are expected to be utilised in full during the next financial year.

	Group 2001 R million	Group 2000 R million	Company 2001 R million	Company 2000 R million
16. REVENUE				
(Inter-group transactions and VAT are excluded)				
NET INVOICED SALES	10 474.3	9 632.8	—	—
17. PROFIT/(LOSS) BEFORE ABNORMAL ITEMS				
is stated after taking account of the following items:				
17.1 AUDITORS' REMUNERATION				
Audit fees	9.5	8.6	0.1	0.1
Expenses	0.4	0.2	—	—
Other services	1.2	1.8	—	—
TOTAL	11.1	10.6	0.1	0.1
17.2 DEPRECIATION AND AMORTISATION				
Freehold, specialised and leasehold buildings	(4.7)	5.3	—	—
Plant, equipment and vehicles	448.2	384.8	—	—
Intangible assets	13.4	(4.9)	—	—
TOTAL	456.9	385.2	—	—
17.3 ADMINISTRATION AND TECHNICAL FEES	42.2	43.9	—	—
17.4 RENTALS IN RESPECT OF OPERATING LEASES				
– property	58.0	48.5	—	—
– plant, equipment and vehicles	4.1	5.7	—	—
TOTAL	62.1	54.2	—	—
17.5 RESEARCH AND DEVELOPMENT COSTS EXPENSED				
– Research and development expenditure	5.1	3.1	—	—
– technology, royalty and associated costs	7.0	8.5	—	—
TOTAL	12.1	11.6	—	—
17.6 SURPLUS ON DISPOSAL OF PLANT AND EQUIPMENT	—	5.1	—	—

	Group 2001 R million	Group 2000 R million	Company 2001 R million	Company 2000 R million
17. PROFIT/(LOSS) BEFORE ABNORMAL ITEMS *(continued)*				
17.7 NET PROFIT ON FOREIGN EXCHANGE	10.9	20.7	—	—
17.8 DIRECTORS' EMOLUMENTS				
Executive directors				
For managerial services			16.2	14.5
Retirement fund contributions for managerial services			1.5	1.5
TOTAL (a)			17.7	16.0
Non-executive directors				
For services as directors			0.5	0.4
For managerial services			2.4	1.0
TOTAL (b)			2.9	1.4
Paid by:				
Subsidiary companies			20.6	17.4
TOTAL (a) + (b)			20.6	17.4
Gains made on the exercise of share options			1.4	3.6

17.9 DIRECTORS' SERVICE CONTRACTS

The following executive directors and alternate directors have fixed term contracts for periods which vary, the unexpired terms of which exceed one year in each instance, but do not exceed three years effective 1 October 2001:

G E Bortolan, N Cumming, P A de Weerdt, T Evans, A S Lang, A M Marthinusen, A D S Morais and J W C Sayers. The contract periods are necessary to retain the management skills and expertise of the persons concerned for the benefit of the company for periods commensurate with the expertise and age of the individual and the difficulty likely to be experienced in recruiting a replacement.

	Group		Company	
	2001 R million	2000 R million	**2001 R million**	2000 R million
18. ABNORMAL ITEMS				
Retrenchment and restructuring costs	**98.0**	23.1	**—**	—
Product claims	**34.2**	3.1	**—**	—
Impairment losses	**21.5**	—	**—**	—
Net loss on disposal of business and property	**0.8**	4.6	**—**	—
Loss on re-organisation of debt	**3.7**	2.3	**—**	—
TOTAL	**158.2**	33.1	**—**	—
19. NET FINANCE (COSTS)/INCOME				
Gross interest paid	**(172.0)**	(134.4)	**—**	(1.2)
Deduct: interest received	**101.0**	84.5	**0.1**	5.1
NET FINANCE (COSTS)/INCOME	**(71.0)**	(49.9)	**0.1**	3.9
20. INCOME FROM INVESTMENTS				
Dividends	**2.5**	8.5	**90.8**	143.2
Interest received (paid to)/from subsidiaries	**—**	—	**(9.5)**	1.0
Fees	**—**	—	**2.0**	1.4
Interest received from other investments	**—**	1.1	**0.2**	1.1
TOTAL	**2.5**	9.6	**83.5**	146.7
Sources:				
– South African	**—**	1.1	**83.5**	146.7
– Foreign	**2.5**	8.5	**—**	—
21. TAXATION				
South African normal taxation				
– Current year	**163.6**	145.9	**0.1**	8.9
– Prior year	**(27.4)**	(19.8)	**(0.1)**	—
Deferred tax				
– Current year	**11.2**	28.3	**—**	—
– Prior year	**0.8**	(5.7)	**—**	—
Secondary taxation on companies	**19.4**	40.8	**(7.5)**	16.0
Withholding and foreign taxation	**3.8**	25.5	**—**	—
TOTAL	**171.4**	215.0	**(7.5)**	24.9

		Group		Company	
		2001 R million	2000 R million	2001 R million	2000 R million
21. TAXATION *(continued)*					
Reconciliation of rate of taxation:					
Effective group rate of taxation	%	27.0	24.4		
Reduction in tax charge due to:					
– other exempt income (including capital profits)	%	0.6	3.3		
– utilisation of deferred tax asset not previously recognised	%	3.9	—		
– foreign tax rate differential	%	2.6	3.7		
– prior taxation losses utilised	%	0.9	1.4		
– dividend income	%	—	0.3		
– adjustment for prior year	%	4.2	2.3		
Increase in tax charge due to:					
– withholding taxes	%	(0.6)	(0.3)		
– disallowable expenses	%	(5.5)	(0.5)		
– secondary taxation on companies	%	(3.1)	(4.6)		
SOUTH AFRICAN NORMAL TAXATION RATE	%	30.0	30.0		
The estimated tax losses of certain subsidiaries and joint ventures available for set-off against future taxable income		142.0	19.0		

22. BASIC, FULLY DILUTED AND HEADLINE EARNINGS PER ORDINARY SHARE

The calculation of basic earnings per ordinary share is based on earnings of R421.3 million (2000: R619.6 million) and the weighted average of 509 361 025 (2000: 509 050 174) ordinary shares in issue during the year.

The calculation of fully diluted earnings per ordinary share is based on earnings of R421.3 million (2000: R619.6 million) and the weighted average of 509 361 025 (2000: 510 418 232) ordinary shares in issue during the year.

	2001 R million	2000 R million	2001 R million	2000 R million
DETERMINATION OF BASIC EARNINGS AND NET PROFIT				
Net profit per income statement	421.4	619.7		
Less: Preference dividend	0.1	0.1		
BASIC EARNINGS	421.3	619.6		

The calculation of headline earnings per ordinary share is based on earnings of R448.5 million (2000: R616.7 million) and the weighted average number of ordinary shares in issue throughout the year.

	Group		Company	
	2001	2000	**2001**	2000
	R million	R million	**R million**	R million

22. BASIC, FULLY DILUTED AND HEADLINE EARNINGS PER ORDINARY SHARE *(continued)*

DETERMINATION OF HEADLINE EARNINGS				
Net profit per income statement	**421.4**	619.7		
After tax adjustment for:				
Impairment losses	**16.0**	—		
Goodwill written off	**(4.2)**	(4.9)		
Provision for retrenchments	**12.2**	—		
Loss on sale of operations	**3.2**	2.0		
Profit on sale of property, plant and equipment	**(2.7)**	(2.4)		
Loss on re-organisation of debt	**2.6**	2.3		
HEADLINE EARNINGS	**448.5**	616.7		

23. DIVIDENDS PER SHARE

The final dividend declared for the current year of 35.5 cents per share has not been provided for in the annual financial statements in terms of AC 130 – Provisions, Contingent Liabilities and Contingent Assets.

24. OPERATING LEASE COMMITMENTS

The group has certain lease commitments in respect of land and buildings, plant, equipment and vehicles, which are payable as follows:

Year ending 30 September	Group 2001 R million	Group 2000 R million	Company 2001 R million	Company 2000 R million
2001		44.3		—
2002	**66.1**	44.9	**—**	—
2003	**56.1**	39.9	**—**	—
2004	**47.7**	37.9	**—**	—
2005	**43.4**	55.5	**—**	—
2006 and beyond	**51.5**	—	**—**	—
TOTAL	**264.8**	222.5	**—**	—
Comprising:				
Land and buildings	**229.8**	205.1	**—**	—
Vehicles	**12.8**	5.5	**—**	—
Other	**22.2**	11.9	**—**	—
	264.8	222.5	**—**	—

	Group 2001 R million	Group 2000 R million	Company 2001 R million	Company 2000 R million
25. CONTINGENT LIABILITIES				
Guarantees in respect of housing loans	1.0	3.6	—	—
Claims in respect of defective cans	—	25.0	—	—
Customers' claims and other	1.7	—	—	—
TOTAL	2.7	28.6	—	—
26. CAPITAL COMMITMENTS				
Property, plant and equipment – contracted	149.0	200.1	—	—
– approved	201.6	59.4	—	—
TOTAL	350.6	259.5	—	—
The expenditure, which will become payable in the following year, will be financed from group resources and, if required, additional borrowings.				
27. NOTES TO THE CASH FLOW STATEMENTS				
27.1 RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS				
Profit before taxation	633.8	882.3	81.5	148.3
Adjusted for:				
Depreciation and amortisation	456.9	385.2	—	—
Net loss on disposal of businesses and property	0.8	4.6	—	—
Surplus on disposal of plant and equipment	—	(5.1)	—	—
Loss on re-organisation of debt	3.7	2.3	—	—
Income from investments	(2.5)	(9.6)	(83.5)	(146.7)
Impairment losses	21.5	—	—	—
Net finance costs/(income)	71.0	49.9	(0.1)	(3.9)
Operating profit/(loss) before working capital changes	1 185.2	1 309.6	(2.1)	(2.3)
Increase in inventories	(49.8)	(80.1)	—	—
(Increase)/decrease in trade and other receivables	(55.0)	39.9	—	—
(Decrease)/increase in trade and other payables	(37.8)	(194.1)	0.4	(0.3)
Movement in intergroup accounts	(12.3)	43.2	269.1	239.6
CASH GENERATED FROM OPERATIONS	1 030.3	1 118.5	267.4	237.0

	Group 2001 R million	Group 2000 R million	Company 2001 R million	Company 2000 R million

27. NOTES TO THE CASH FLOW STATEMENTS *(continued)*

27.2 ACQUISITION OF BUSINESSES

With effect 1 June 2001 50% of the issued share capital of Burcap Plastics (Pty) Ltd was acquired. With effect from 1 August 2001 the issued share capital of Velocit-e (Pty) Ltd was acquired in exchange for a 10% share in the issued share capital of NamITech Holdings (Pty) Ltd., as well as cash. The fair value of assets acquired and liabilities assumed at those dates are as follows:

	Group 2001 R million	Group 2000 R million	Company 2001 R million	Company 2000 R million
Non-current assets	18.7	954.2	—	—
Non-current liabilities	(9.7)	(540.6)	—	—
Net working capital	0.3	(87.6)	—	—
Outside shareholders' interest	(15.9)	(0.4)	—	—
	(6.6)	325.6	—	—
Goodwill arising on acquisition	41.2	723.2	—	—
Discount on acquisition of businesses	—	(17.1)	—	—
Total purchase consideration	34.6	1 031.7	—	—
Overdraft/(cash) acquired	0.4	(96.3)	—	—
Less: long-term loan raised	—	(1 016.8)	—	—
Less: investments in subsidiaries now consolidated	—	(16.5)		
	35.0	(97.9)	—	—

27.3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	Group 2001 R million	Group 2000 R million	Company 2001 R million	Company 2000 R million
Bank balances, cash and deposits	1 011.1	741.3	0.4	0.3
Interest bearing borrowings – amounts due to bankers (note 13)	(602.8)	(144.5)	—	—
	408.3	596.8	0.4	0.3

INTEREST IN SUBSIDIARIES AND JOINT VENTURES

ANNEXURE A

	Type (see note below)	Country of incorporation	Issued share capital	Effective percentage holding 2001 %	Effective percentage holding 2000 %	Interest of holding company: Shares at book value 2001 Rm	Shares at book value 2000 Rm	Indebtedness 2001 Rm	Indebtedness 2000 Rm
1. SUBSIDIARIES (CONSOLIDATED)									
Amalgamated Packaging Industries (Pty) Ltd	I	RSA	R2 834 224	100	100	—	—	—	—
AMK Plastics Ltd	D	UK	£2	100	100	—	—	—	—
BDM Properties (Riverside Durban) (Pty) Ltd	P	RSA	R30	100	100	—	—	—	—
BlowMocan Polysystems Ltd	D	UK	£4 530 000	100	100	—	—	—	—
BlowMocan Holdings Ltd	I	UK	£101	100	100	—	—	—	—
Buduff Handling Ltd	D	Isle of Man	£2 000	100	100	—	—	—	—
Buduff Incorporated Ltd	I	Isle of Man	$182 682	100	100	—	—	—	—
CCSA Property (Pty) Ltd	P	RSA	R1 000	100	100	—	—	—	—
Ciskei Buyers (Pty) Ltd	D	RSA	R10 000	100	100	—	—	—	—
Consolidated Corrugated Containers (Pty) Ltd	O	RSA	R600 000	100	100	6.4	6.4	8.4	9.7
Crown Nampak (Pty) Ltd	O	RSA	R8 776	85	85	—	—	—	—
KDY Properties (Pty) Ltd	P	RSA	R2	100	100	—	—	—	—
Megapak Tanzania Ltd	D	Tanzania	SHS300 000	100	100	—	—	—	—
Metal Box Botswana (Pty) Ltd	O	Botswana	P224 435	100	100	—	—	—	—
Metal Box Namibia (Pty) Ltd	O	Namibia	N$1	100	100	—	—	—	—
Metal Box South Africa Ltd	O	RSA	R68 153 240	100	100	367.2	367.2	134.8	213.3
The Metal Press Co 1973 (Pty) Ltd	D	RSA	R3 000	100	100	—	—	—	—
NamITcardz (Pty) Ltd	O	RSA	R168 960	100	100	—	—	—	—
NamITdraftz (Pty) Ltd	O	RSA	R250 000	100	100	—	—	—	—
NamITech (Isle of Man) Ltd	D	Isle of Man	£1	100		—	—	—	—
NamITech (Pty) Ltd	O	RSA	R777 778	100	100	—	—	—	—
NamITech Holdings (Pty) Ltd	I	RSA	R500 000	90	100	—	—	—	—
NamIT-IDz (Pty) Ltd	O	RSA	R100	100		—	—	—	—
NamITprepaidz (Pty) Ltd	O	RSA	R1 000	82	100	—	—	—	—
NamITsmartz (Pty) Ltd	O	RSA	R600	100	100	—	—	—	—
Nampak Belgium NV	O	Belgium	€247 900	100	100	—	—	—	—
Nampak Confirming Ltd	D	Isle of Man	£1	100		—	—	—	—
Nampak Continental Holdings BV	I	Netherlands	€59 890	100	100	—	—	—	—
Nampak Corrugated PMB (Pty) Ltd	O	RSA	R100	70	70	—	—	—	—
Nampak Deutschland GmbH	O	Germany	DM50 000	100	100	—	—	—	—
Nampak France SA	I	France	€7 257 936	100	100	—	—	—	—
Nampak Gent NV	O	Belgium	€2 480 650	100	100	—	—	—	—
Nampak Halfweg BV	O	Netherlands	€1 837 900	100	100	—	—	—	—
Nampak Holdings (UK) plc	I	UK	£1 401 000	100	100	—	—	—	—
Nampak Holdings Ltd	I	Mauritius	$1 000	100	100	—	—	—	—
Nampak International Ltd	I	Isle of Man	£32 949	100	100	473.3	402.8	1.4	73.9
Nampak Kerkrade BV	O	Netherlands	€2 178 200	100	100	—	—	—	—
Nampak Leasing (Pty) Ltd	F	RSA	R100	100	100	—	—	—	—
Nampak Montpont SA	O	France	€3 136 740	100	100	—	—	—	—
Nampak Paper Ltd	D	RSA	R2 307 533	100	100	7.5	7.5	—	—
Nampak plc	O	UK	£4 863 281	100	100	—	—	—	—
Nampak Polycyclers (Pty) Ltd	O	RSA	R20 000	100	100	—	—	—	—
Nampak Products Ltd	O	RSA	R3 528 641	100	100	10.5	10.5	(407.8)	(292.2)
Nampak Properties (Isle of Man) Ltd	P	Isle of Man	£100	100	100	—	—	—	—
Nampak Resources Ltd	F	Isle of Man	£1 393	100	100	—	—	—	—
Nampak Technical Services Ltd	O	Isle of Man	£1	100	100	—	—	—	—
Nampak Tissue (Pty) Ltd	O	RSA	R100	100	100	—	—	—	—
National Containers (Pty) Ltd	I	RSA	R245 000	100	100	0.3	0.3	9.4	10.6
Neopac Swaziland Ltd	O	Swaziland	E250 000	90	90	—	—	—	—
Ombar Properties (Pty) Ltd	P	RSA	R2	100	100	—	—	—	—
Packaging Industries (Malawi) Ltd	O/L	Malawi	MK13 450 000	60	60	—	—	—	—
Pak Projects (Pty) Ltd	D	RSA	R4	100	100	—	—	—	—
Paklite Ltd	D	UK	£100	100	100	—	—	—	—
Plysu Brands Ltd	O	UK	£1 042	100	100	—	—	—	—
Plysu Containers Ltd	D	UK	£600	100	100	—	—	—	—
Plysu Envases Alimentarios	O	Spain	Pts720 000	96	96	—	—	—	—
Plysu Protection Systems Ltd	O	UK	£7 000	100	100	—	—	—	—
Polyad (Pty) Ltd	D	RSA	R200	100	100	—	—	—	—
Printpak Ltd	O	RSA	R5 833 333	70	70	—	—	—	—
Simon Renfrew Containers Ltd	D	UK	£3 187	100	100	—	—	—	—
Teknol BV	I	Netherlands	NLG40 000	100	100	—	—	—	—
Teknol NV	I	Netherlands	NLG15 000	100	100	—	—	—	—
Thermakeep Ltd	D	UK	£50 000	100	100	—	—	—	—
Transmar (Isle of Man) Ltd	I	Isle of Man	£364 232	100	100	—	—	—	—
Twinsaver (Pty) Ltd	D	Namibia	N$1000	100	100	—	—	—	—
Velocit-e (Pty) Ltd	D	RSA	R100	100		—	—	—	—

ANNEXURE A *(continued)*

	Type (see note below)	Country of incorporation	Issued share capital	Effective percentage holding 2001 %	2000 %	Interest of holding company: Shares at book value 2001 Rm	2000 Rm	Indebtedness 2001 Rm	2000 Rm
2. JOINT VENTURES (PROPORTIONATELY CONSOLIDATED)									
Burcap Plastics (Pty) Ltd	O	RSA	R1 000	50		—	—	—	—
Collect-A-Can (Pty) Ltd	O	RSA	R4 000 000	40	40	—	—	—	—
Elopak South Africa (Pty) Ltd	O	RSA	R16 982 710	50	50	—	—	—	—
Integrated Card Technology (Pty) Ltd	O	RSA	R100	25	25	—	—	—	—
Sancella South Africa (Pty) Ltd	O	RSA	R5 000	50	50	—	—	—	—
3. SUBSIDIARIES AND JOINT VENTURES (NOT CONSOLIDATED)									
Bullpak Ltd	O	Kenya	S233 240	49	49	—	—	—	—
Cartonagens de Mocambique LDA	O	Mocambique	MT20 million	55	55	—	—	—	—
Crown Cork Mocambique LDA	O	Mocambique	MT2375 million	40	40	—	—	—	—
Embalagens de Mocambique SARL	O	Mocambique	MT20 million	52	52	—	—	—	—
Hunyani Holdings Ltd	O/L	Zimbabwe	Z$31 391 000	40	40	—	—	—	—
International Cartons and Packaging Ltd	O	Zambia	K77 526 000	100	100	—	—	—	—
Megapak Zimbabwe (Pvt) Ltd	O	Zimbabwe	Z$20 000	49	49	—	—	—	—
Nampak Polyfoil Zimbabwe (Pvt) Ltd	O	Zimbabwe	Z$200	70	70	—	—	—	—
Nampak Zambia Ltd	D	Zambia	K1 000	100	100	—	—	—	—
Nasaba Tissue Ltd	O	Tanzania	SHS200 000	50		—	—	—	—

Type

O – Operating F – Finance I – Investment holding P – Property owning D – Dormant L – Listed

INVESTMENTS

ANNEXURE B

	Type (see note below)	Number of shares held by group 2001	2000	Effective percentage holding 2001	2000
UNLISTED INVESTMENTS					
National Sorghum Breweries Ltd	O	250 000	250 000	<1	<1
Business Partners Ltd	F	212 161	212 161	<1	<1
New Farmers Development Corporation Ltd	O	150 000	150 000	<1	<1

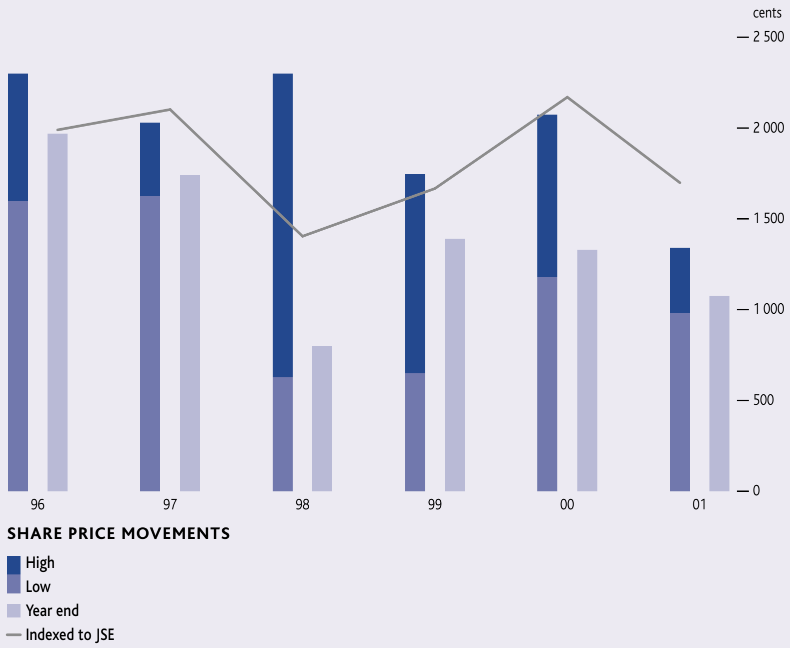
Type

O – Operating F – Finance

SHARE PERFORMANCE

JSE SECURITIES EXCHANGE SOUTH AFRICA		2001	2000	1999	1998	1997	1996
Market price per share							
– Highest	cents	1 340	2 075	1 745	2 300	2 030	2 300
– Lowest	cents	980	1 180	650	630	1 625	1 600
– Year end	cents	1 075	1 330	1390	800	1 740	1 970
Net asset value per share	cents	550	501	587	548	486	428
Number of ordinary shares in issue	000	509 406	509 350	508 811	508 731	507 191	505 552
Market capitalisation*	R million	5 476	6 774	7 072	4 070	8 825	9 959
Transactions recorded	number	37 265	34 710	14 537	13 591	9 029	5 211
Volume of shares traded	000	330 127	242 459	150 858	83 627	52 302	30 147
Value of shares traded	R million	3 773.0	3 577.7	1 905.3	1 225.1	963.6	580.1
Volume of shares traded as a percentage of total issued shares	%	64.8	47.6	29.6	16.4	10.3	6.0
Earnings yield*	%	7.7	9.2	8.5	14.1	6.2	5.3
Dividend yield*	%	5.0	4.0	3.5	5.5	2.4	2.0
Price/earnings ratio*	:1	13.0	10.9	11.7	7.1	16.1	18.9

**Based on year end market price*



SHARE PRICE MOVEMENTS

ORDINARY SHAREHOLDERS' ANALYSIS

at 30 September 2001

Category	Number of shareholders	% of shareholders	Number of shares held	% of total issued shares
HOLDINGS				
1 – 5 000	5 514	89.3	2 203 343	0.4
5 001 – 25 000	230	3.7	2 161 346	0.4
25 001 – 50 000	41	0.7	1 464 639	0.3
50 001 – upwards	389	6.3	503 576 772	98.9
	6 174	100.0	509 406 100	100.0
Nominee companies	125	2.0	493 037 203	96.7
Private individuals	5 820	94.3	10 200 347	2.0
Pension funds	7	0.1	4 861 568	1.0
Companies	158	2.6	1 099 583	0.2
Other corporate bodies	64	1.0	207 399	0.1
	6 174	100.0	509 406 100	100.0
South African	4 800	77.7	508 335 644	99.8
Foreign	1 374	22.3	1 070 456	0.2
	6 174	100.0	509 406 100	100.0

MAJOR INDIVIDUAL HOLDINGS

According to the register of shareholders at 30 September 2001, the following registered shareholders held 5% or more of the issued share capital:

Nedcor Bank Nominees (Pty) Limited	153 329 841	30.1
CSD Dematerialised Control Account	87 183 400	17.1
Standard Bank Nominees (Tvl) (Pty) Limited	81 909 328	16.1
Old Mutual Nominees (Pty) Limited	60 567 685	11.9
ABSA Nominees (Pty) Limited	36 364 279	7.1
CMB Nominees (Pty) Limited	31 315 893	6.1

NOMINEE DISCLOSURES

Pursuant to the provisions of Section 140(A) 8(a) of the Companies Act of 1973, as amended, the following beneficial shareholdings exceeding 5% in aggregate at 30 September 2001 were disclosed by the above nominee companies or by other nominee companies:

Old Mutual group	86 292 419	16.9
RMB group	58 909 991	11.6
Public Investment Commissioner	47 708 757	9.4
Standard/Liberty group	31 771 536	6.2
Sanlam group	30 441 148	6.0

DIRECTORATE AND ADMINISTRATION

EXECUTIVE DIRECTORS

T EVANS (56)
BSc, SEP (Stanford)
Chairman

Joined Metal Box in 1967.

Appointed to the board in 1990.

Appointed managing director in 1992 and deputy chairman and chief executive officer in 2000.

Appointed Chairman in 2001.

G E BORTOLAN (53)
SEP (Stanford)
Group managing director

Joined Peters Papers in 1980.

Appointed to the board in 1990.

Appointed managing director – South Africa and Africa in 2000.

Appointed group managing director in 2001.

N CUMMING (47)
MSoc Sci, EDP (IMD Switzerland), HDPM, Reg. Industrial Psychologist

Executive director, responsible for Corrugated, Paper Merchants, Printpak, Redibox and the Africa operations outside of South Africa.

Joined Metal Box in 1986.

Appointed alternate director in 1991 and a full director in 1994.

P A de WEERDT (47)
BSc, MBA, SEP (Stanford)

Alternate executive director, responsible for Liquid Packaging, Megapak and Petpak.

Joined Metal Box in 1980.

Appointed alternate director in 1998.

G V D DUFFEY (61)
BA LLB (cum laude), MBL

Executive director, responsible for Insurance and Legal and Secretarial Affairs and NMS Services.

Joined Metal Box in 1977.

Appointed alternate director in 1994 and a full director in 1998.

A S LANG (55) (British)
CA, EDP (Columbia)

Executive director, responsible for Bevcan, Bevcap, Divpac, Foodcan and Glass.

Joined Metal Box in 1970.

Appointed to the board in 1990.

A M MARTHINUSEN (53)
BComm, SEP (Stanford)

Executive director, responsible for Group marketing, exports and R&D.

Joined Nampak Sacks in 1983.

Appointed to the board in 1990.

A D S MORAIS (47)
BComm, MBA, CA (SA), SEP (Stanford)

Alternate executive director, responsible for L&CP, Polyfoil, Rotoflex-Quix, Sacks and Tufbag.

Joined Nampak Corrugated in 1981.

Appointed alternate director in 1998.

J W C SAYERS (55)
BA (Hons), FCA, CA (SA), MCT (SA), PMD (UCT)

Executive director, Finance, responsible for financial functions, Property and Treasury.

Joined Nampak in 1996.

Appointed to the board in 1996.

R G TOMLINSON (39)
BComm, HDPM, SEP (Stanford)

Executive director, responsible for NamITech.

Rejoined Nampak in 1996.

Appointed alternate director in 1996 and a full director in 1999.

NON-EXECUTIVE DIRECTORS

P L CAMPBELL** (64)
CA (SA), AMP (Harvard)

Chairman, Hudaco Industries Limited and Pangbourne Properties Limited. Director of companies.

Appointed to the board in 1984.

B P CONNELLAN*‡ (61)
CA (SA)

Director, Sasol Limited, ABSA Limited and other listed companies.

Appointed to the board in 1988.

D E COOPER† (61)
CA (SA)

Chairman STANBIC. Director of companies.

Appointed to the board in 1986.

D A HAWTON† (64)
FCIS

Executive chairman, Kersaf Investments Limited. Director of companies.

Appointed to the board in 1991.

M M KATZ*† (56)
BComm LLB, LLM, LLD (h.c.)

Hon. Professor of Company Law, University of the Witwatersrand.

Chairman, Edward Nathan & Friedland (Pty) Limited. Director of companies.

Appointed to the board in 1985.

K M MOKOAPE (54)
BSc, MM (Human Resources)

Chairman, Log-Tek Engineering Solutions (Pty) Limited. Director of companies.

Appointed to the board in 1998.

M L NDLOVU (50)
Dip LR (UNISA), MAP (Wits), EDP (North Western USA), AMP (Harvard)

Chief executive officer, Peoples Bank – a division of Nedcor Bank Limited. Director of companies.

Appointed to the board in 1993.

R A WILLIAMS* (60)
BA LLB

Chairman, Tiger Brands Limited. Director of companies.

Appointed to the board in 1990.

***Chairman of the audit committee*
**Member of the audit committee*
‡Chairman of the remuneration committee
†Member of the remuneration committee

SECRETARY

N P O'Brien BProc

AUDITORS

Deloitte & Touche

BUSINESS ADDRESS AND REGISTERED OFFICE

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Mercantile Registrars Limited
11 Diagonal Street, Johannesburg 2001,
South Africa.

(PO Box 1053, Johannesburg 2000)

Telephone +27 11 370 5000

NOTICE OF ANNUAL GENERAL MEETING

NAMPAK LIMITED

Notice is hereby given that the thirty-fourth annual general meeting of shareholders will be held at 114 Dennis Road, Atholl Gardens, Sandton, South Africa on Wednesday, 23 January 2002 at 12:30 for the following purposes:

1. To receive and consider the annual financial statements of the company and of the group for the year ended 30 September 2001.

2. To elect directors in place of Messrs D E Cooper, T Evans, D A Hawton, J W C Sayers and R A Williams who retire by rotation but, being eligible, offer themselves for re-election.

3. To renew the general authority of the directors granted on 25 January 2001 to allot and issue the unissued ordinary shares upon such terms and conditions as they deem fit in accordance with the provisions of Section 221 of the Companies Act, 1973, as amended. No issue of these shares is however contemplated at the present time and no issue will be made which could effectively transfer control of the company without the prior approval of shareholders in general meeting.

4. To fix the remuneration of the directors with effect from 1 October 2001, at R50 000 per director per annum payable in quarterly payments in arrear.

5. To consider and, if deemed fit, to pass with or without modification, the following resolution as an ordinary resolution:

"RESOLVED THAT, subject to the approval of the JSE Securities Exchange South Africa hereto being obtained, the directors of the company be and they are hereby authorised to amend:

5.1 the Nampak 1979 Share Purchase Scheme adopted by resolution of shareholders passed on 27 September 1979 (as amended) by the deletion in paragraph 3(a)i of the figure '1 325 000' and the substitution therefor of the figure '2 000 000'.

5.2 the Nampak 1985 Share Option Scheme adopted by resolution of shareholders passed on 15 July 1985 (as amended) by the deletion in paragraph 3.1 of the figure '1 325 000' and the substitution therefor of the figure '2 000 000'."

SPECIAL BUSINESS

6. To consider and, if deemed fit, to pass with or without modification, the following resolution as a special resolution:

"RESOLVED THAT, subject to compliance with the requirements of the JSE Securities Exchange South Africa ("JSE"), the directors of the company be and are hereby authorised in their discretion to procure that the company or subsidiaries of the company acquire by purchase on the JSE ordinary shares issued by the company provided that:

(i) the number of ordinary shares acquired in any one financial year shall not exceed 10% of the ordinary shares in issue at the date on which this resolution is passed;

(ii) this authority shall lapse on the earlier of the date of the next annual general meeting of the company or the date 15 months after the date on which this resolution is passed;

(iii) the price paid per ordinary share may not be greater than 10% above the weighted average of the market value of the ordinary shares for the five business days immediately preceding the date on which a purchase is made;

(iv) the number of shares purchased by subsidiaries of the company shall not exceed 10% in the aggregate of the number of issued shares in the company at the relevant times."

The reason for this special resolution is to authorise the directors, if they deem it appropriate in the interests of the company, to procure that the company or subsidiaries of the company acquire or purchase ordinary shares issued by the company subject to the restrictions contained in the above resolution.

The effect of this special resolution will be to authorise the directors of the company to procure that the company or subsidiaries of the company acquire or purchase shares issued by the company on the JSE. Such purchases:

(i) may not in any financial year exceed 10% of the company's ordinary shares in issue at the date of passing the above resolution;

(ii) may not be made at prices in excess of 10% above the weighted average of the market value of the ordinary shares for the five days preceding the date of purchase;

(iii) must comply with the requirements of the JSE;

(iv) if made by a subsidiary or subsidiaries may not exceed 10% in the aggregate of the issued shares in the company.

The general authority granted by this resolution will lapse on the earlier of the date of the next annual general meeting of the company or the date 15 months after the date of this resolution.

At the present time the directors have no specific intention with regard to the utilisation of this authority which will only be used if the circumstances are appropriate. If the authority is exercised the ordinary shares will be purchased on the JSE.

The directors, after considering the effect of a repurchase of up to 10% of the company's issued ordinary shares, are of the opinion that if such repurchase is implemented:

(i) the company and its subsidiaries will be able to pay their debts in the ordinary course of business for a period of 12 months after the date of this notice;

(ii) recognised and measured in accordance with the accounting policies used in the latest audited annual group financial statements, the assets of the company and its subsidiaries will exceed the liabilities of the company and its subsidiaries for a period of 12 months after the date of this notice;

(iii) the ordinary capital and reserves of the company and its subsidiaries will be adequate for the purposes of the business of the company and its subsidiaries for a period of 12 months after the date of this notice;

(iv) the working capital of the company and its subsidiaries will be adequate for the purposes of the business of the company and its subsidiaries for a period of 12 months after the date of this notice.

7. To consider and, if deemed fit, to pass with or without modification, the following resolution as a special resolution:

"RESOLVED THAT the company adopt the new articles of association tabled at the 34th annual general meeting of the company and initialled by the Chairman of the meeting for purposes of identification in substitution for the present articles of association."

The reason for this special resolution is to bring the articles of association of the company into line with modern practice, recent amendments to the Companies Act and recent amendments to the listings requirements of the JSE Securities Exchange South Africa.

The effect of this special resolution will be the adoption of new articles of association in substitution for the present articles of association.

The proposed new articles of association are available for inspection at the registered office of the company.

A member qualified to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote in his/her stead.

A proxy need not be a member of the company.

Proxy forms must reach the company's share transfer secretaries not later than 24 hours prior to the meeting.

By order of the board

N P O'Brien
COMPANY SECRETARY

7 December 2001

Nampak Limited
114 Dennis Road
Atholl Gardens, Sandton 2196
South Africa

SHAREHOLDERS' DIARY

Annual general meeting	23 January 2002
Interim statement and dividend announcement for the half year ending 31 March 2002	May 2002
Group results and ordinary dividend announcement for the year ending 30 September 2002	November 2002

DIVIDENDS

ORDINARY

Final for the year ended 30 September 2001	To be paid on 8 January 2002
Interim for the half year ending 31 March 2002	To be paid July 2002

PREFERENCE

6.5% and 6% Cumulative	Payable twice per annum during February and August

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