

Company Registration No. 709093

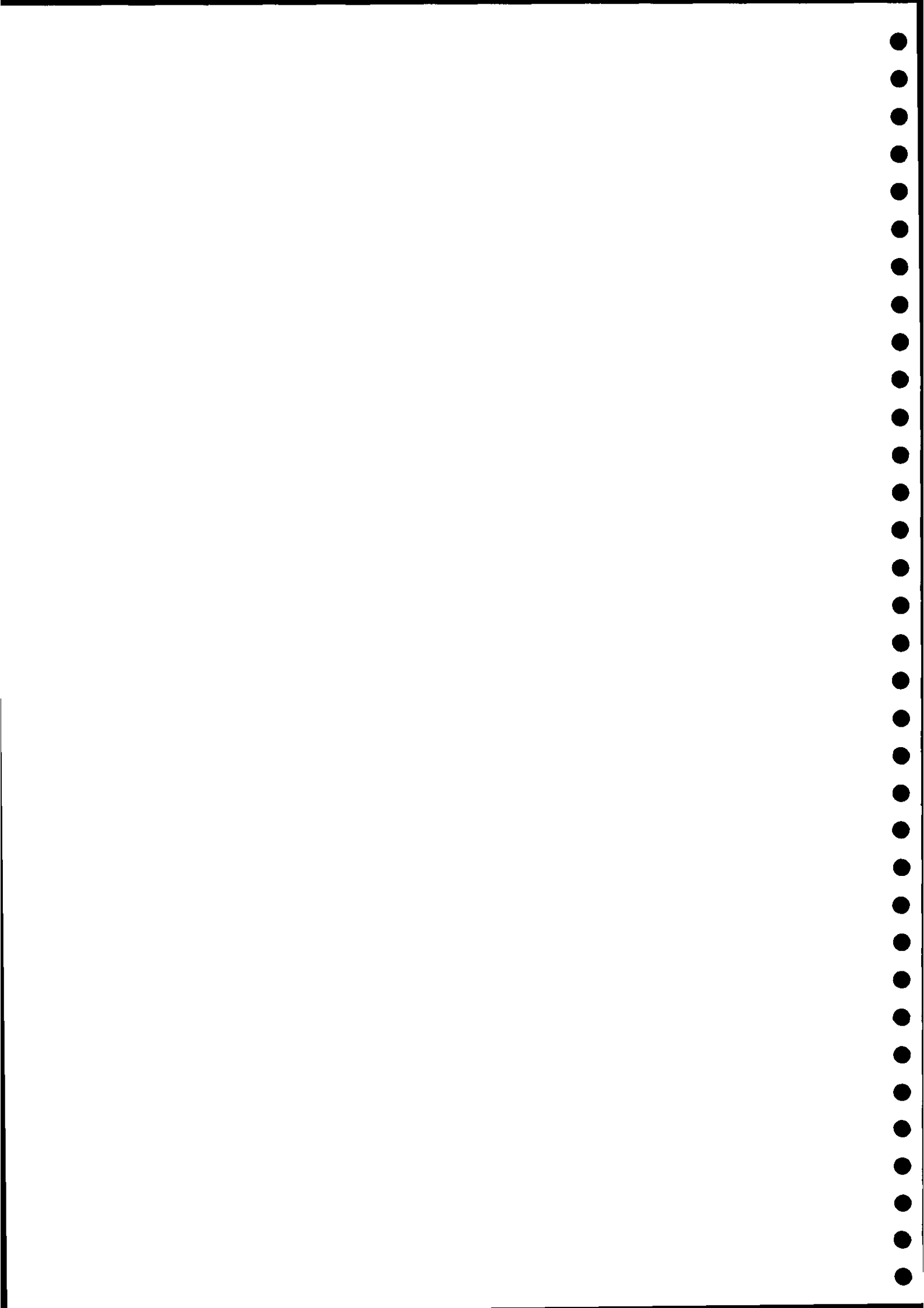
**Nampak Cartons and Healthcare Limited
(formerly M.Y.Operations Limited)**

Report and Financial Statements

Year ended 30 September 2005



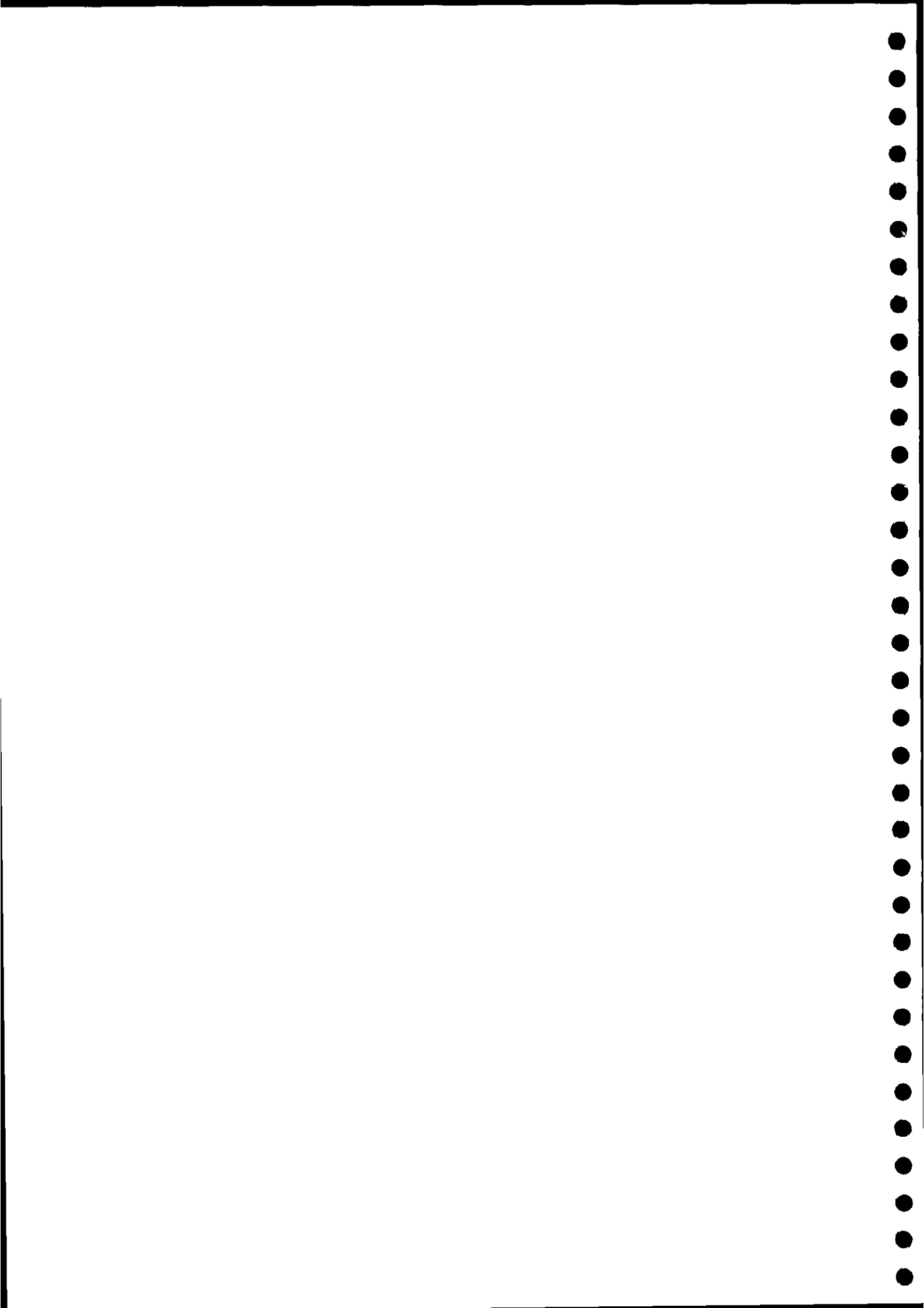
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**Nampak Cartons and Healthcare Limited
(formerly M.Y. Operations Limited)**

Report and financial statements 2005

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**Nampak Cartons and Healthcare Limited
(formerly M.Y. Operations Limited)**

Report and financial statements 2005

Officers and professional advisers

Directors

S R Goode
M S Ward
L. Taviansky
M Collet

Secretary

D T Lovell

Bankers

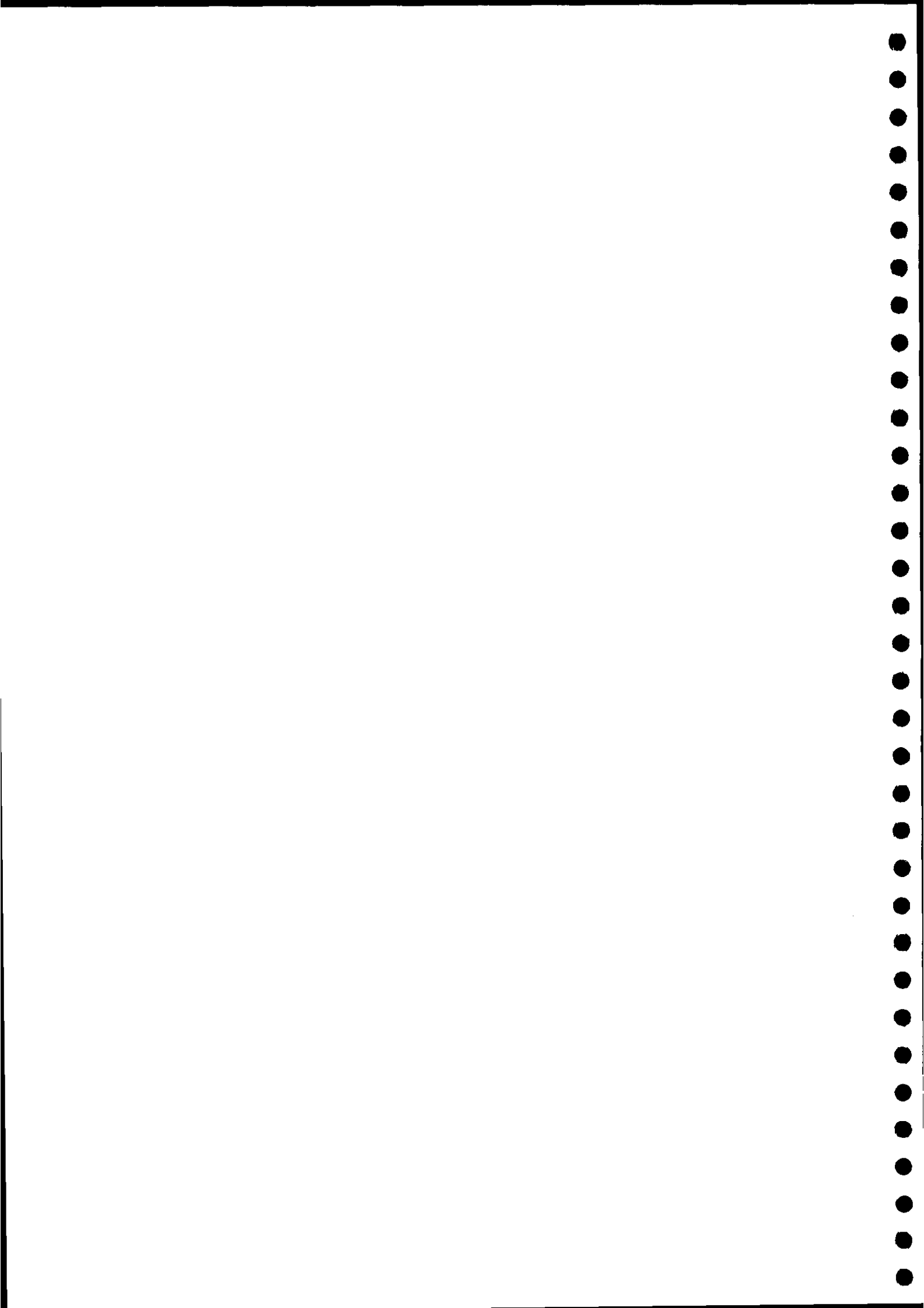
HSBC Bank plc
69 Pall Mall
London SW1Y 5EY

Registered office

Windlebrook House
Guildford Road
Bagshot
Surrey GU19 5NG

Auditors

Deloitte & Touche LLP
Chartered Accountants
London



Nampak Cartons and Healthcare Limited **(formerly M.Y. Operations Limited)**

Directors' report (continued)

The directors submit their report and accounts for the year ended 30 September 2005.

Results and dividends

The loss for the year ended 30 September 2005 after taxation was £5,451,448 (2004 – loss of £6,941,961). The directors do not recommend the payment of a dividend (2004 – £nil) leaving a retained loss of £5,451,448 (2004 – loss of £6,941,961).

Principal activity and review of the business

The company manufactures a variety of packaging products for the healthcare and consumer markets. On 30 September 2004, the company acquired the trading assets of fellow group companies, M.Y. Cartons Limited and M.Y. Healthcare Packaging Limited. These businesses have contributed to this year's trading results. On 26 September 2005, the name of the company was changed from M.Y Operations Limited to Nampak Cartons and Healthcare Limited.

The company has continued to invest for greater efficiencies and will continue to look for expansion opportunities.

To this end on 28 February 2006 an agreement was made to dispose of the Contract Packaging business.

The results of the group are shown on page 6.

Directors and their interests

The directors, who served during the year and since the end of year were as follows, except as noted:

C A Bruce (resigned 31 October 2004)
S R Goode
M S Ward
L. Taviansky
R P Wakley (resigned 30 September 2005)
M Collet (appointed 01 October 2005)

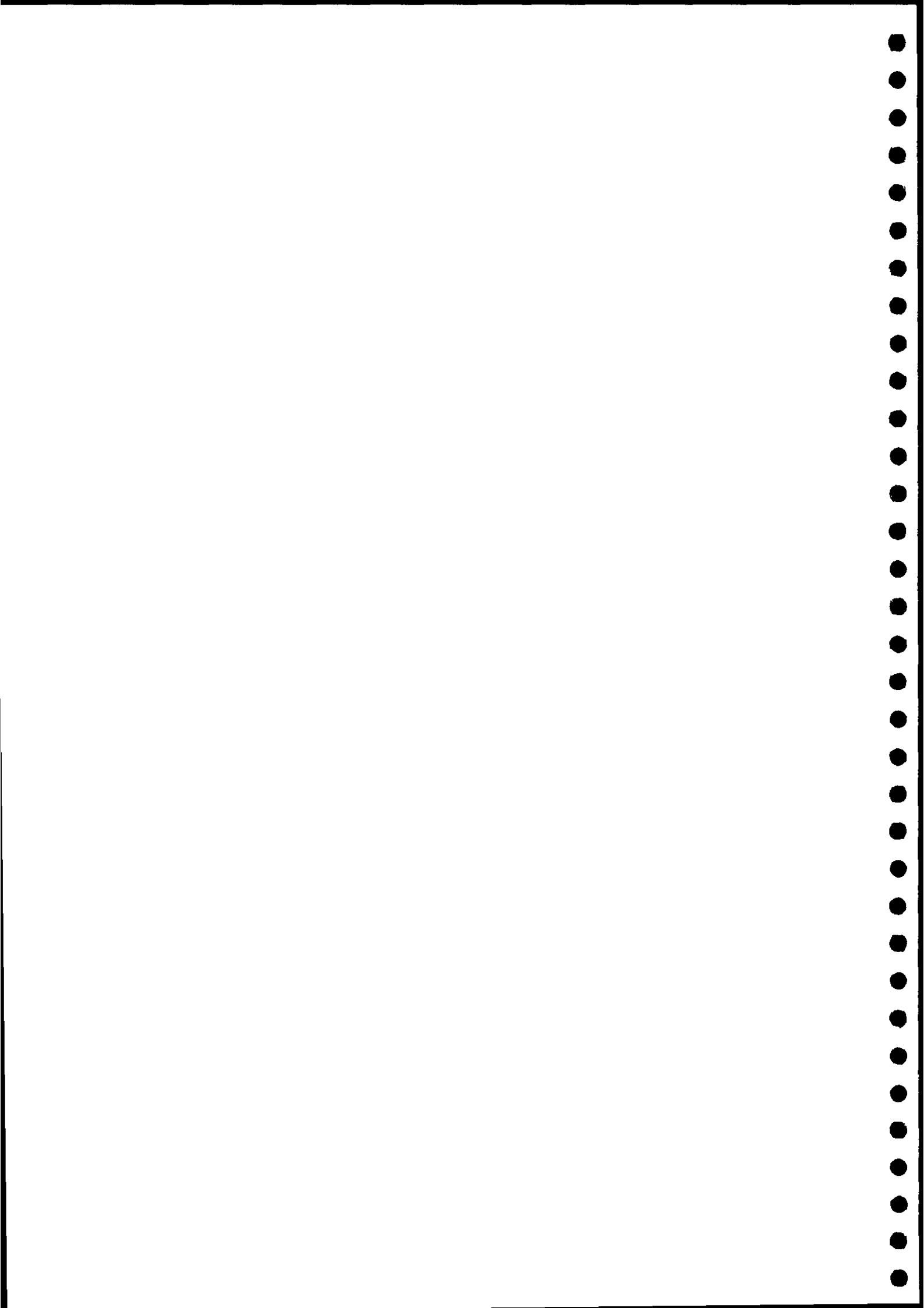
The directors and their families had no beneficial interests in the shares of the company or any other group company during the year.

Employee involvement

The company operates a positive policy of employee involvement. Well established methods of communications operate throughout the company.

Disabled employees

The company has a policy of encouraging the employment of disabled persons when their aptitude and abilities allow. Where an employee becomes disabled every effort is made to find a suitable alternative post.



Nampak Cartons and Healthcare Limited
(formerly M.Y. Operations Limited)

Directors' report (continued)

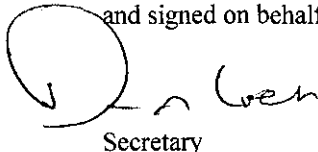
Relationships with suppliers

The company has no uniform code or standard on payment practice in respect of payments to suppliers. Each of the operations within the group is responsible for agreeing payment terms with its respective suppliers and it is the policy of the company that such arrangements be honoured.

Auditors

A resolution to re-appoint Deloitte & Touche LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

A handwritten signature, possibly reading "D. Chen", is written over a circular stamp or seal.

Secretary

30/3/2006

Nampak Cartons and Healthcare Limited (formerly M.Y. Operations Limited)

Statement of directors' responsibilities

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control and for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Independent auditors' report to the member of
Nampak Cartons and Healthcare Limited
(formerly M.Y. Operations Limited)**

We have audited the financial statements of Nampak Cartons and Healthcare Limited for the year ended 30 September 2005, which comprise the profit and loss account, the balance sheet and the related notes 1 to 23. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's member, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

London

30.9.

2006

Nampak Cartons and Healthcare Limited
(formerly M.Y. Operations Limited)

Profit and loss account
Year ended 30 September 2005

	Note	2005 £	2004 £
Turnover	1,2	136,105,709	76,291,561
Cost of sales		(119,825,356)	(57,011,905)
Gross Profit		16,280,353	19,279,656
Distribution costs		(6,209,526)	(3,256,957)
Administration costs		(13,333,334)	(8,155,070)
Operating (loss)/profit	3	(3,262,507)	7,867,629
Profit/(loss) on disposal of fixed assets	4	405,412	(211,958)
Cost of a fundamental reorganisation	4	(5,839,556)	(1,806,126)
Impairment of investment	10	-	(11,452,304)
Loss on ordinary activities before interest and taxation		(8,696,651)	(5,602,759)
Net interest receivable	6	992,679	737,557
Loss on ordinary activities before taxation		(7,703,972)	(4,865,202)
Tax credit/(charge) on loss on ordinary activities	7	2,252,524	(2,076,759)
Loss on ordinary activities after taxation	17	(5,451,448)	(6,941,961)

All results are derived from continuing operations in both the current and preceding year.

Statement of total recognised gains and losses

There are no recognised gains or losses other than the loss for the current and prior years. As such no statement of total recognised gains and losses is presented.

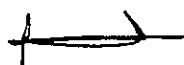
Nampak Cartons and Healthcare Limited
(formerly M.Y. Operations Limited)

Balance sheet
30 September 2005

	Note	2005 £	2004 £
Fixed assets			
Intangible assets	8	672,963	760,463
Tangible assets	9	44,730,577	44,127,626
Investments	10	32,803,902	32,803,902
		<u>78,207,442</u>	<u>77,691,991</u>
Current assets			
Stocks	11	11,307,930	12,478,067
Debtors	12	39,203,620	51,415,556
Cash and bank balances		655,284	462,286
		<u>51,166,834</u>	<u>64,355,909</u>
Creditors: amounts falling due within one year	13	<u>(19,633,485)</u>	<u>(23,738,061)</u>
Net current assets		<u>31,533,348</u>	<u>40,617,848</u>
Total assets less current liabilities		<u>109,740,791</u>	<u>118,309,839</u>
Creditors: amounts falling due After one year	14	<u>(63,454,888)</u>	<u>(66,089,267)</u>
Provision for liabilities and charges	15	<u>(5,990,518)</u>	<u>(6,473,739)</u>
Total net assets		<u>40,295,385</u>	<u>45,746,833</u>
Capital and reserves			
Called up share capital	16	142	142
Share premium account	17	39,999,960	39,999,960
Profit and loss account	17	295,283	5,746,731
Equity shareholders' funds	17	<u>40,295,385</u>	<u>45,746,833</u>

These financial statements were approved by the Board of Directors on **30 March** 2006.

Signed on behalf of the Board of Directors



Director



Nampak Cartons and Healthcare Limited **(formerly M.Y. Operations Limited)**

Notes to the accounts **Year ended 30 September 2005**

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are described below and have been applied consistently in the current and preceding year.

Basis of accounting

The financial statements are prepared under the historical cost convention.

Basis of consolidation

The company is exempt from producing consolidated accounts as it is a wholly owned subsidiary of Nampak Holdings (UK) PLC.

Statement of cash flow

The company has taken advantage of its exemption from the requirements under Financial Reporting Standard No. 1 "Statement of Cash Flows" (1996 revised) to produce a statement of cash flows.

Turnover

Turnover consists of the invoiced value of goods sold during the period stated net of value added tax.

Intangible fixed assets – Goodwill

On the acquisition of a business, where the price paid exceeds the fair value of the net tangible assets acquired, the difference is treated as goodwill, which is capitalised and amortised over its expected useful life.

Both purchased goodwill and know-how are capitalised and amortised over their expected useful lives of 20 years.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and provision for impairment. Depreciation is provided on all tangible fixed assets, except freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold property	-	Over 20 to 50 years
Long leasehold buildings	-	Over 50 years
Leasehold improvements	-	Over 5 to 20 years
Plant and machinery	-	Over 3 to 20 years
Motor vehicles	-	Over 2 to 4 years
Fixtures, fittings and office equipment	-	Over 4 to 5 years

Residual value is calculated on prices prevailing at the date of acquisition or revaluation. No depreciation is provided on land on lease with an unexpired term of 50 years or more.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future, have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains or losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Nampak Cartons and Healthcare Limited **(formerly M.Y. Operations Limited)**

Notes to the accounts **Year ended 30 September 2005**

1. Accounting policies (continued)

Stock and work in progress

This is valued at the lower of cost and net realisable value. Cost includes, where appropriate, a proportion of overhead expenses.

Cost incurred in bringing each product to its present location and condition is as follows:

Raw materials	-	Purchase cost on a first-in, first-out basis
Work in progress and finished goods	-	Cost of direct materials and labour plus overheads based on the normal level of activity

Operating leases

Assets held under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Pensions

The group operates both defined benefit and defined contribution schemes, the assets of which are held independently from the group. Contributions paid to the defined benefit schemes are charged to the profit and loss account so as to spread the cost of pensions over employees' average working lives with the group. Contributions in respect of the defined contribution scheme are charged to the profit and loss account as they become payable in accordance with the rules of the scheme and as incurred. Differences between contributions payable and amounts actually paid are shown on the balance sheet. The contributions by both the company and employees are held in trustee administered funds independent of the group's finances.

Foreign currencies

Assets, liabilities, revenue and costs expressed in foreign currencies are translated at the rates of exchange ruling at the date of the transaction except for monetary assets and liabilities which are translated at the rates ruling at the balance sheet date.

Exchange differences are taken into account in arriving at the operating profit.

2. Turnover

	2005	2004
	£	£
United Kingdom	131,863,051	75,805,405
Europe	3,841,158	486,156
Other	401,500	-
	<u>136,105,709</u>	<u>76,291,561</u>

Turnover represents the amounts charged for goods and services to customers after deducting credits and excluding VAT. All activities relate to the manufacturing and sale of packaging materials.

Nampak Cartons and Healthcare Limited
(formerly M.Y. Operations Limited)

Notes to the accounts
Year ended 30 September 2005

3. Operating (loss)/profit

	2005 £	2004 £
Operating (loss)/profit is stated after charging/(crediting):		
Auditors' remuneration		
- audit services	110,400	54,845
Depreciation of owned assets	5,807,051	3,372,587
(Profit)/Loss on foreign exchange	(1,779)	4,397
Operating lease rentals:		
- plant and machinery	292,010	-
- other	948,215	973,779
Amortisation of goodwill	87,500	27,150

4. Exceptional items

	Profit/ (loss) 2005 £	Tax on profit /(loss) 2005 £	Profit/(loss) after tax 2005 £
- Profit on disposal of tangible fixed assets	405,412	(121,624)	283,788
- Cost of a fundamental restructuring	(5,839,556)	1,751,867	(4,087,689)
Total exceptional items	(5,434,144)	1,630,243	(3,803,901)

The costs of a fundamental restructuring arose in respect of Cartons operations.

5. Directors' emoluments

	2005 £	2004 £
Emoluments	325,908	374,321
Company contributions paid to money purchase pension schemes	10,382	10,350
	No.	No.
Members of money purchase pension schemes	1	1
	£	£
The amounts paid in respect of the highest paid director	152,462	193,738
Company contributions paid to money purchase pension schemes	-	-
	152,462	193,738

C A Bruce, L Taviansky and R P Wakley are not remunerated for services to the company.

Nampak Cartons and Healthcare Limited
(formerly M.Y. Operations Limited)

Notes to the accounts
Year ended 30 September 2005

5. Staff costs including directors' emoluments (continued)

The average number of employees including those working part-time, during the year was made up as follows:

	2005	2004
	No.	No.
Manufacturing	1,161	535
Administration	227	192
	<u>1,388</u>	<u>727</u>
	£	£
Wages and salaries	33,667,742	19,001,541
Social security costs	3,264,227	1,891,803
Other pension costs	3,821,516	844,560
	<u>40,753,485</u>	<u>21,737,904</u>

6. Net interest receivable

	2005	2004
	£	£
External interest received	2,925	472,650
Group interest received	1,057,851	304,372
	<u>1,060,776</u>	<u>777,022</u>
Total interest received		
External interest paid	(68,097)	(39,465)
Total interest paid	<u>(68,097)</u>	<u>(39,465)</u>
Net interest receivable	<u>992,679</u>	<u>737,557</u>

7. Tax on loss on ordinary activities

	2005	2004
	£	£
Current tax		
Corporation tax credit/(charge)	2,412,300	(2,256,120)
Adjustments in respect of prior years	139,136	63,655
Total current tax	<u>2,551,436</u>	<u>(2,192,465)</u>
Deferred taxation		
Current period	(160,422)	212,599
Adjustments in respect of prior years	(138,490)	(96,893)
Total deferred tax	<u>(298,912)</u>	<u>115,706</u>
Total tax credit/(charge) for the year	<u>2,252,524</u>	<u>(2,076,759)</u>

Nampak Cartons and Healthcare Limited
(formerly M.Y. Operations Limited)

Notes to the accounts
Year ended 30 September 2005

7. Tax on loss on ordinary activities (continued)

Factors affecting the tax charge for the current period

The tax credit/(charge) for the year is different to that resulting from applying the standard rate of corporation tax in the UK of 30% (2004: 30%) and this is due to the factors set out below:

	2005	2004
	£	£
Loss on ordinary activities before taxation	(7,703,972)	(4,865,202)
Tax credit/(charge) at standard rate of tax 30% (2004: 30%)	2,311,192	1,459,560
Expenses not deductible for tax purposes	(54,240)	(3,503,130)
Capital allowances in excess of depreciation and other timing differences	284,548	(104,910)
Movement in short term timing differences	(129,200)	(107,640)
Adjustment to tax charge in respect of previous periods	139,136	63,655
Current tax credit/(charge)	<u>2,551,436</u>	<u>(2,192,465)</u>

8. Intangible assets

	Goodwill
	£
Cost:	
At 1 October 2004 and at 30 September 2005	<u>1,716,164</u>
Amortisation:	
At 1 October 2004	955,701
Provided during the year	<u>87,500</u>
At 30 September 2005	<u>1,043,201</u>
Net book value	
At 30 September 2005	<u>672,963</u>
At 30 September 2004	<u>760,463</u>

Nampak Cartons and Healthcare Limited
(formerly M.Y. Operations Limited)

Notes to the accounts
Year ended 30 September 2005

9. Tangible fixed assets

	Freehold property £	Long leasehold property improve- ments £	Short leasehold property improve- ments £	Plant, machinery and equipment £	Motor vehicles £	Total £
Cost:						
At 1 October 2004	12,449,201	4,101,356	1,802,896	84,191,311	1,515,138	104,059,902
Additions	1,500	29,957	234,107	7,740,617	111,683	8,117,864
Disposals	-	-	(22,588)	(19,517,439)	(565,740)	(20,105,767)
Intra-group disposals	-	-	-	(1,850)	-	(1,850)
At 30 September 2005	<u>12,450,701</u>	<u>4,131,313</u>	<u>2,014,415</u>	<u>72,412,639</u>	<u>1,061,081</u>	<u>92,070,149</u>
Depreciation:						
At 1 October 2004	1,102,660	579,491	768,373	56,592,426	889,326	59,932,276
Provided during the year	220,336	69,058	80,194	5,270,979	166,484	5,807,051
Disposals	-	-	(22,588)	(17,917,539)	(457,778)	(18,397,905)
Intra-group disposals	-	-	-	(1,850)	-	(1,850)
At 30 September 2005	<u>1,322,996</u>	<u>648,549</u>	<u>825,979</u>	<u>43,944,016</u>	<u>598,032</u>	<u>47,339,572</u>
Net book value						
At 30 September 2005	<u>11,127,705</u>	<u>3,482,764</u>	<u>1,188,436</u>	<u>28,468,623</u>	<u>463,049</u>	<u>44,730,577</u>
At 1 October 2004	<u>11,346,541</u>	<u>3,521,865</u>	<u>1,034,523</u>	<u>27,598,885</u>	<u>625,812</u>	<u>44,127,626</u>

10. Fixed asset investments

The company owns 90% of the share capital of M.Y. Healthcare Italy S.r.l., which is incorporated and registered in Italy and acts as a holding company. In addition, the Company owns 100% of the share capital of M.Y. Cartons Ltd and M.Y. Healthcare Packaging Ltd, which are incorporated and registered in the United Kingdom. There were no changes to the fixed asset investments for the year ended 30 September 2005.

	£
Cost:	
At 1 October 2004 and 30 September 2005	<u>44,256,206</u>
Provision for Impairment	
At 1 October 2004 and 30 September 2005	<u>11,452,304</u>
Net Book Value	
At 30 September 2004 and 30 September 2005	<u>32,803,902</u>

Nampak Cartons and Healthcare Limited
(formerly M.Y. Operations Limited)

Notes to the accounts
Year ended 30 September 2005

11. Stocks

	2005	2004
	£	£
Raw materials and consumables	2,726,544	2,718,914
Work in progress	3,006,796	3,356,013
Finished goods and goods for resale	5,574,590	6,403,140
	<u>11,307,930</u>	<u>12,478,067</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

12. Debtors

	2005	2004
	£	£
Trade debtors	24,056,480	27,361,868
Amounts owed by other group undertakings	11,236,920	22,025,248
Other debtors	686,637	1,405,274
Prepayments and accrued income	1,060,433	623,166
Corporation tax	2,163,150	-
	<u>39,203,620</u>	<u>51,415,556</u>

13. Creditors: amounts falling due within one year

	2005	2004
	£	£
Bank overdrafts	972,989	821,974
Trade creditors	9,986,922	11,556,546
Amounts owed to other group undertakings	366,558	1,408,854
Corporation tax payable	-	1,155,927
Other taxation and social security	1,125,467	1,983,179
Other creditors	1,528,715	2,814,616
Accruals and deferred income	5,652,834	3,996,965
	<u>19,633,485</u>	<u>23,738,061</u>

Nampak Cartons and Healthcare Limited
(formerly M.Y. Operations Limited)

Notes to the accounts
Year ended 30 September 2005

14. Creditors: amounts falling due after one year

	2005	2004
	£	£
Amounts owed to other group undertakings	63,454,888	66,089,267
	<u>63,454,888</u>	<u>66,089,267</u>

15. Provision for liabilities and charges

	Deferred taxation	Defined Benefit Pension	Other	Total
	£	£	£	£
At 1 October 2004	3,913,574	1,500,000	1,060,165	6,473,739
Profit and loss account charge	298,912	2,900,000	-	3,798,912
Utilised in the year	-	(3,500,000)	(182,133)	(4,282,133)
	<u>4,212,486</u>	<u>900,000</u>	<u>878,032</u>	<u>5,990,518</u>
At 30 September 2005	4,212,486	900,000	878,032	5,990,518

Other provisions relate to the closure of the Tring operations in 2004. Included in this closure provision is a provision for onerous leases relating to two properties leased by the Company. The total liability associated with these two onerous leases is dependant on the Company sub-letting the properties prior to the end of the lease-terms in 2014 and 2017.

Deferred taxation

	2005	2004
	£	£
Accelerated capital allowances	5,031,756	4,733,793
Short term timing differences	(819,270)	(820,219)
	<u>4,212,486</u>	<u>3,913,574</u>

16. Share capital

	2005	2004
	£	£
Authorised, allotted, called up and fully paid:		
142 Ordinary shares of £1 each (2004:142)	142	142
	<u>142</u>	<u>142</u>

17. Reconciliation of movements in shareholder's funds and movement in reserves

	Share capital	Share premium	Profit and loss account	Total
	£	£	£	£
At 28 September 2004	142	39,999,960	5,746,731	45,746,833
Loss for the year	-	-	(5,451,448)	(5,451,448)
	<u>142</u>	<u>39,999,960</u>	<u>295,283</u>	<u>40,295,385</u>
At 30 September 2005	142	39,999,960	295,283	40,295,385

Nampak Cartons and Healthcare Limited **(formerly M.Y. Operations Limited)**

Notes to the accounts **Year ended 30 September 2005**

18. Pensions

The company participates in the following group-wide pension scheme and continues to account for this scheme in accordance with SSAP24. The scheme provides benefits on both a defined benefit and defined contribution basis. The assets are held in an independent, trustee administered fund

The total pension charge for the Company calculated under SSAP24 was £3.8 million (2004 - £2.9 million). The balance sheet provision at 30 September 2005 was £0.9 million (2004 - £1.5 million). These arose as follows:

Defined benefit schemes

The contributions and pension cost are determined by an independent qualified actuary on the basis of triennial valuations using the projected unit credit method of valuation.

MY Group scheme

The most recent valuations were as at 5 April 2004 which showed that the aggregate market value of the schemes' assets was £24.6 million and that the actuarial value of those assets represented 71% of the benefits that had accrued to members after allowing for expected future increases in earnings. The market value of the defined benefit section assets at 5 April 2004 was £24.6 million. The market value of defined contribution section assets at that date was £14.0 million.

The pension cost for the year for the defined benefit scheme amounted to £2.9 million (2004 - £2.3 million). Contributions of £3.5 million (2004 - £Nil) were made by the group. The amount included in provisions for liabilities and charges in respect of the scheme is £0.9 million (2004 - £1.5 million).

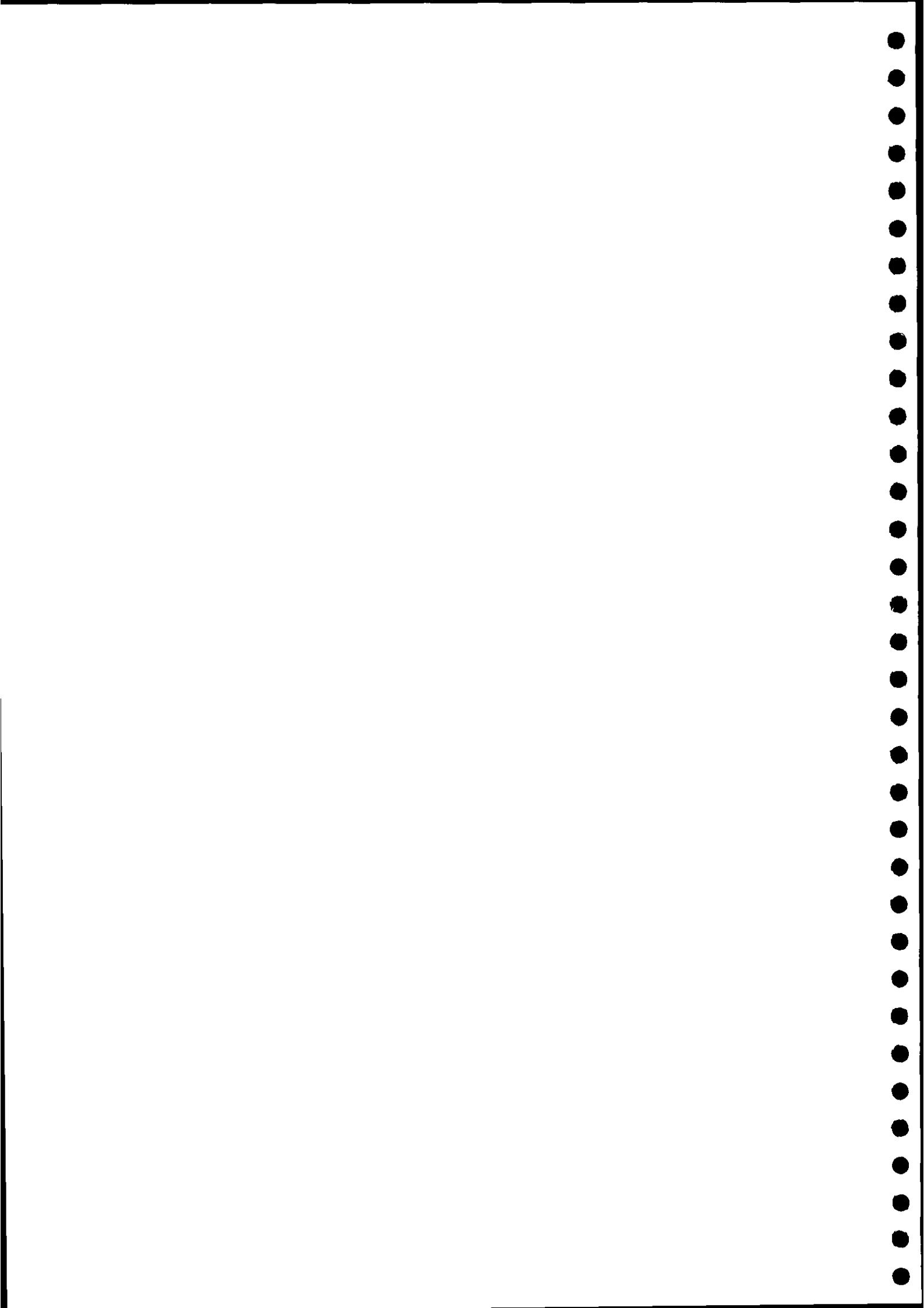
During the year the defined benefit section was closed to future benefit accrual and accrued liabilities for in service members are no longer based on Final Pensionable Salary. Following the closure of the scheme to future defined benefit accrual during the year, there was a one-off reduction in the defined benefit liabilities. All accumulated losses, after allowing for the reduction in liabilities due to closure, have been recognised immediately. Previously these have been recognised over the expected future service lifetime of active members.

Until 1 July 2005, the company contribution rate payable for members of the defined benefit section was 9.6% of Pensionable Salary for the majority of members. In addition the company paid a lump sum of £3.0 million during the year.

The actuarial assumptions that have the most significant effect on the pension cost disclosure are:

- | | |
|------------------------------------|----------|
| ▪ rate of return on investments | |
| - pre retirement | 6.75% pa |
| - post retirement | 5.50% pa |
| ▪ rate of future pension increases | |
| - before 1991 | 3.00% pa |
| - after 1991 | 2.50% pa |

Assets were taken at market value.



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18. Pensions (continued)

Defined contribution schemes

Contributions for members of the defined contribution section are payable in addition in accordance with the rules of that section. No prepayments, accruals or provisions were included in the group's balance sheet in relation to these schemes. The pension charge for the year amounts to £0.6 million (2004:£0.6 million).

Following the closure of the final DB scheme, the company introduced a stakeholder pension plan, named "The M.Y Holdings Plc Group Stakeholder Pension Plan". The new arrangement does not fall under the occupational pension provision, although the company has agreed to match employee benefits up to a defined limit. The pension charge for the year amounts to £0.3 million (2004:£Nil).

Transitional FRS 17 disclosures

The additional disclosures required by FRS 17 during the transitional period for the defined benefit schemes are set out below. They are based on the most recent actuarial valuations described above, which have been updated by independent professionally qualified actuaries to take account of the requirements of FRS 17. The financial assumptions (per annum) used in the update were as follows:

	MY Pension Scheme		
	2005	2004	2003
Rate of increases in salaries	n/a	4.0%	4.0%
Rate of increase in pensions in payment	3.0%	3.0%	2.5%
Discount rate	5.1%	5.75%	5.5%
Inflation assumption	2.5%	2.5%	2.5%

During the year the defined benefit section was closed to future benefit accrual and accrued liabilities for in service members are no longer based on Final Pensionable Salary.

The fair value of the assets in the scheme, the present value of the liabilities in the scheme and the expected rate of return at each balance sheet date were:

MY pension scheme	Expected rate of return	2005 £m	Expected rate of return	2004 £m	Expected rate of return	2003 £m
Equities	6.5%	16.5	7.0%	12.4	7.0%	11.5
Bonds	4.0%	13.1	4.5%	10.1	4.5%	9.0
Other	6.5%	3.3	7.0%	2.6	7.0%	2.2
Total market value of assets		32.9		25.1		22.7
Present value of scheme liabilities		(39.0)		(36.5)		(33.2)
Net pension deficit		(6.1)		(11.4)		(10.5)
Related deferred tax asset		1.8		3.4		3.2
Net pension liability		(4.3)		(8.0)		(7.3)

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Notes to the accounts
Year ended 30 September 2005

18. Pensions (continued)

Analysis of the amount that would be charged to operating profit:

	2005	2004
	£m	£m
Current service costs	1.5	2.0
Gain on curtailment	(6.1)	-
	<u>(4.6)</u>	<u>2.0</u>

Analysis of the amount that would be credited to other finance income:

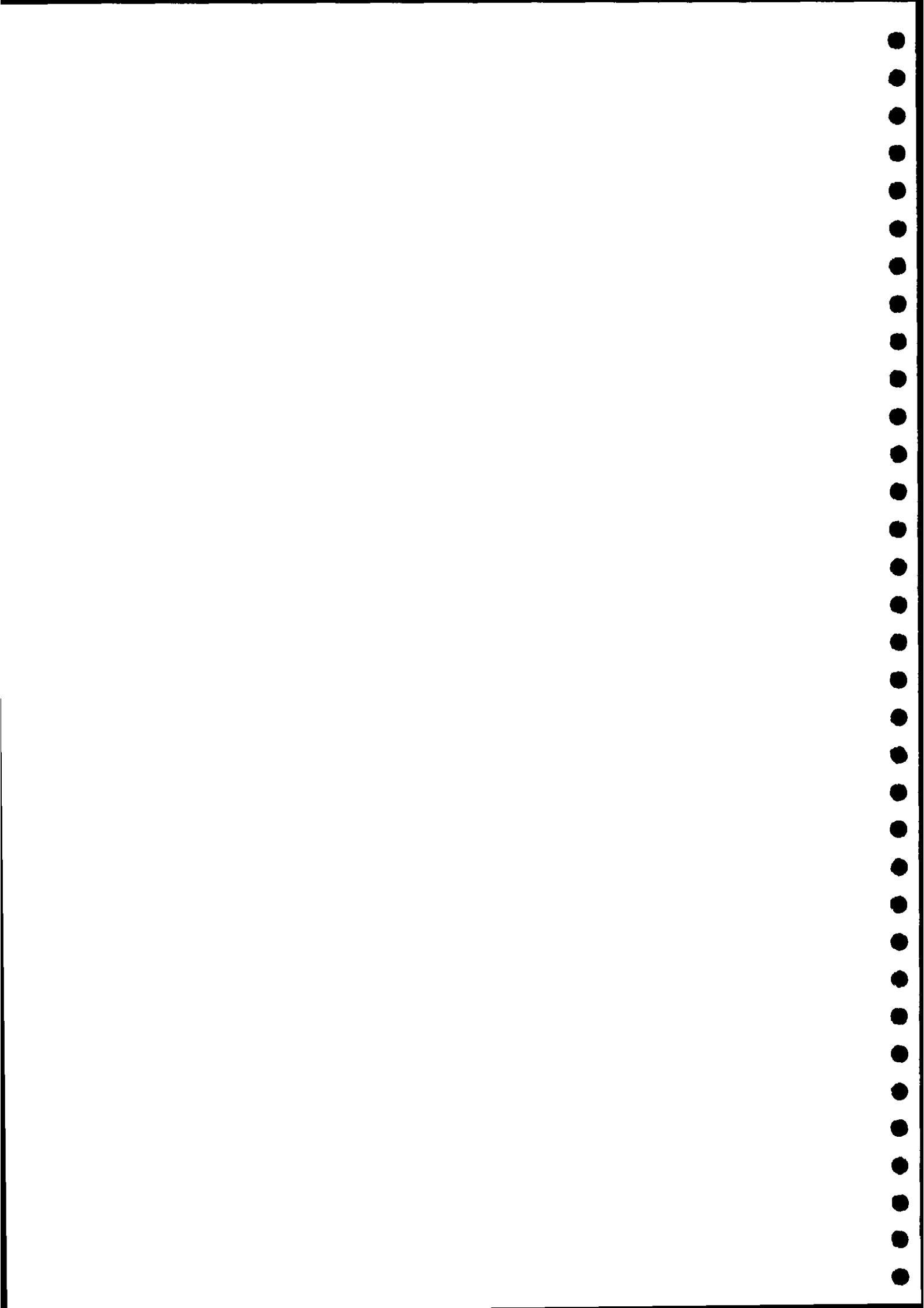
	2005	2004
	£m	£m
Expected return on pension scheme assets	1.5	1.4
Interest on pension scheme liabilities	(2.1)	(1.9)
	<u>(0.6)</u>	<u>(0.5)</u>

Analysis of the amount that would be recognised in the consolidated statement of total recognised gains and losses (STRGL):

	2005	2004
	£m	£m
Actual returns less expected return on pension scheme assets	3.4	-
Experience gains and losses arising on scheme liabilities	-	(0.2)
Changes in assumptions underlying the present value of scheme liabilities	(6.2)	0.4
	<u>(2.8)</u>	<u>0.2</u>

Movement in deficit during the year:

	2005	2004
	£m	£m
Deficit at beginning of the year	(11.4)	(10.5)
Movement in year:		
Current service cost	(1.5)	(2.0)
Contributions	4.1	1.4
Other finance income	(0.6)	(0.5)
Curtailment gain	6.1	-
Actuarial loss	(2.8)	0.2
	<u>(6.1)</u>	<u>(11.4)</u>



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Notes to the accounts
Year ended 30 September 2005

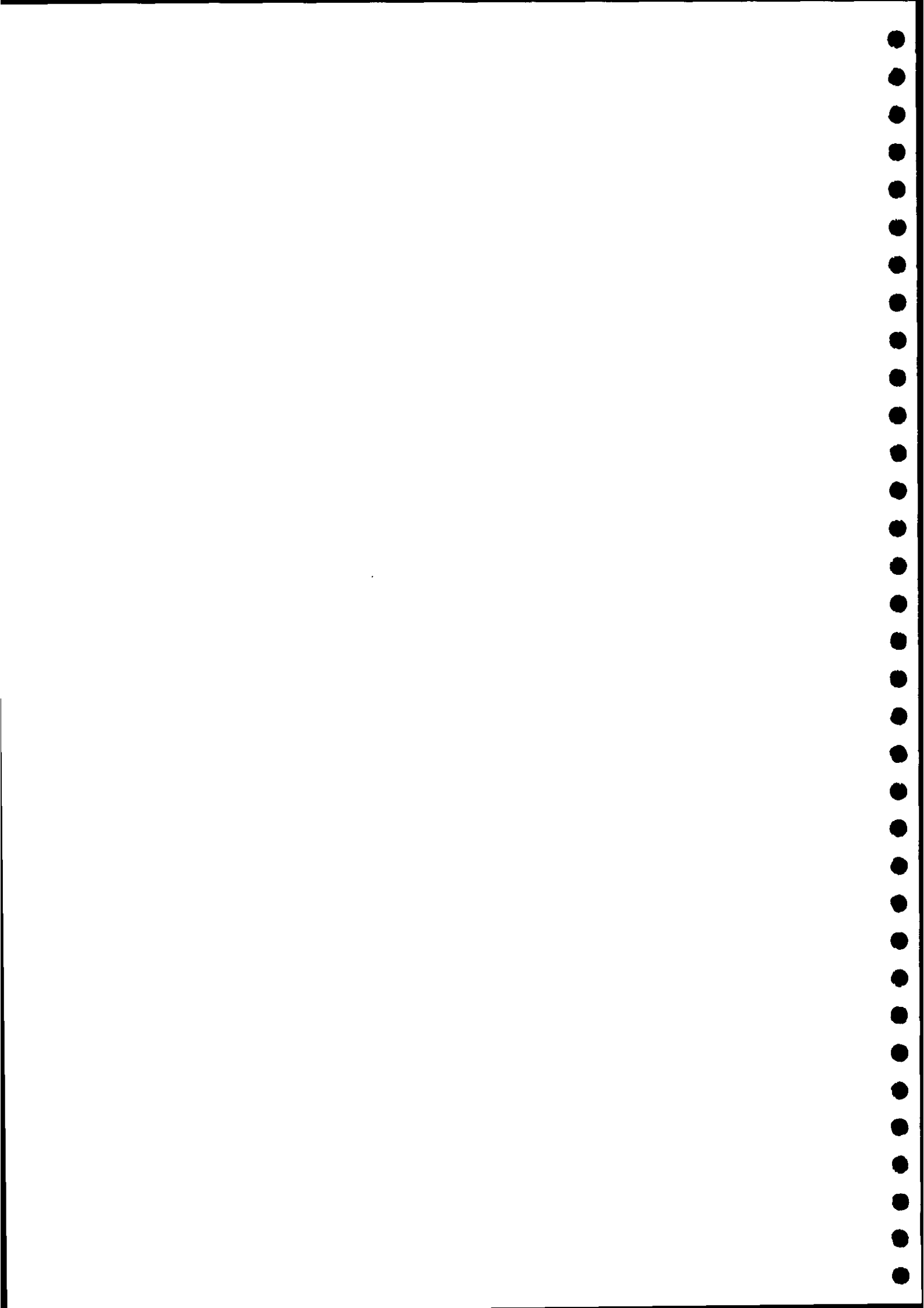
18. Pensions (continued)

History of experience gains and losses:

	2005	2004	2003
Difference between the expected and actual return on scheme assets			
Amount (£m)	3.4	-	(2.8)
Percentage of scheme assets (%)	10.3	-	(12.0)
Experience gains and losses on scheme liabilities			
Amount (£m)	-	(0.2)	-
Percentage of present value of the scheme liabilities (%)	-	(0.5)	-
Total actuarial gain recognised in statement of total recognised gains and losses			
Amount (£m)	(2.8)	0.2	(8.8)
Percentage of present value of the scheme liabilities (%)	(7.2)	0.5	(26.5)

If FRS17 had been adopted in these financial statements, the Group's net assets and profit and loss reserve would have been as follows:

	2005 £m	2004 £m	2003 £m
Net assets	40.3	45.7	12.7
FRS 17 Pension liability (net of deferred tax)	(4.3)	(8.0)	(7.3)
	<u>36.0</u>	<u>37.7</u>	<u>5.4</u>
<i>Less: SSAP24 items included in net assets that will be reversed on implementation of FRS 17 (See note 17)</i>	0.9	1.5	-
Net assets on FRS 17 basis	<u>36.9</u>	<u>39.2</u>	<u>5.4</u>
 Profit and loss reserve excluding pension liability	 0.3	 5.7	 12.7
FRS 17 Pension liability (net of deferred tax)	(4.3)	(8.0)	(7.3)
	<u>(4.0)</u>	<u>(2.3)</u>	<u>5.4</u>
<i>Less: SSAP24 items included in net assets that will be reversed on implementation of FRS 17 (See note 17)</i>	0.9	1.5	-
Profit and loss reserve on FRS 17 basis	<u>(3.1)</u>	<u>(0.8)</u>	<u>5.4</u>



Nampak Cartons and Healthcare Limited **(formerly M.Y. Operations Limited)**

Notes to the accounts **Year ended 30 September 2005**

19. Capital expenditure and operating lease commitments

At 30 September 2005 the company had the following capital expenditure commitments:

	2005 £	2004 £
Authorised and contracted	-	2,950,053
Authorised but not contracted	13,000	13,800

At 30 September 2005 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings		Plant and machinery	
	2005 £	2004 £	2005 £	2004 £
Within one year	-	27,535	25,138	33,786
Within two to five years	55,750	55,750	229,819	119,578
After five years	1,033,725	1,018,000	-	-
	<u>1,089,475</u>	<u>1,101,285</u>	<u>254,957</u>	<u>153,364</u>

20. Contingent liability

The company has entered into a joint and several guarantee with certain other subsidiaries of Nampak Holdings (UK) PLC, the company's ultimate UK parent company, for the indebtedness under its Loan Facility Agreement and has given a guarantee to a Bank Club headed by HSBC plc in respect of the indebtedness of other group undertakings.

21. Subsequent events

On 28 February 2006, the company disposed of the Contract Packaging business.

22. Related parties

The company has taken advantage of the exemption in Financial Reporting Standard 8 from disclosing transactions with related parties that are part of the Nampak Holdings (UK) PLC Group.

23. Ultimate parent undertaking

The company's immediate parent company is Nampak Paper Holdings Limited (formerly M.Y. Holdings plc). The company's ultimate parent company and controlling party at the date of signing is Nampak Limited, a company incorporated in South Africa and the largest of such group undertakings of which the company is a member and for which group accounts are prepared. The smallest company in the group for which group accounts are prepared is Nampak Holdings UK plc, this company's ultimate UK parent company. Copies of both financial statements are publicly available from Nampak Centre, 114 Dennis Road, Atholl Gardens, Sandton, 2196, South Africa.

