



RMB Morgan Stanley Off-Piste Conference

2-3 October 2013

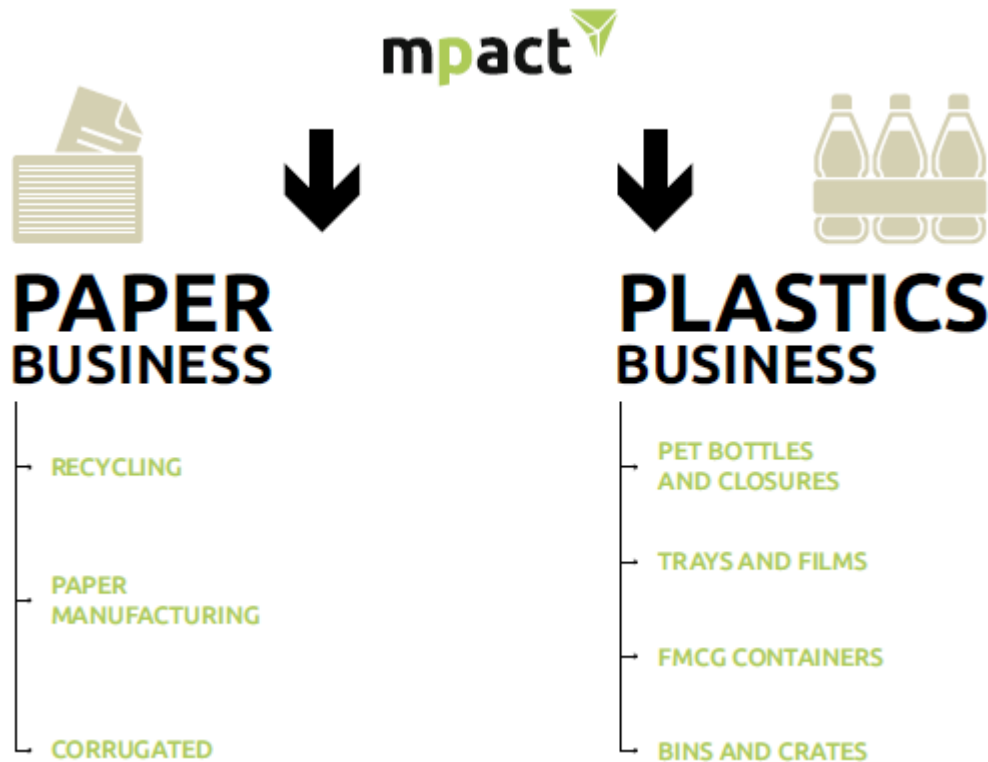
Cape Town

Agenda

- Introduction
- Mpac business overview
- Group financial performance review
- Strategy
- Outlook

Introduction

- Listed on JSE Main Board 11 July 2011 – demerged from Mondi Limited
- Mpact is a leading Southern African producer of paper and plastic packaging
- Market capitalisation – R4,4bn at 25 September 2013



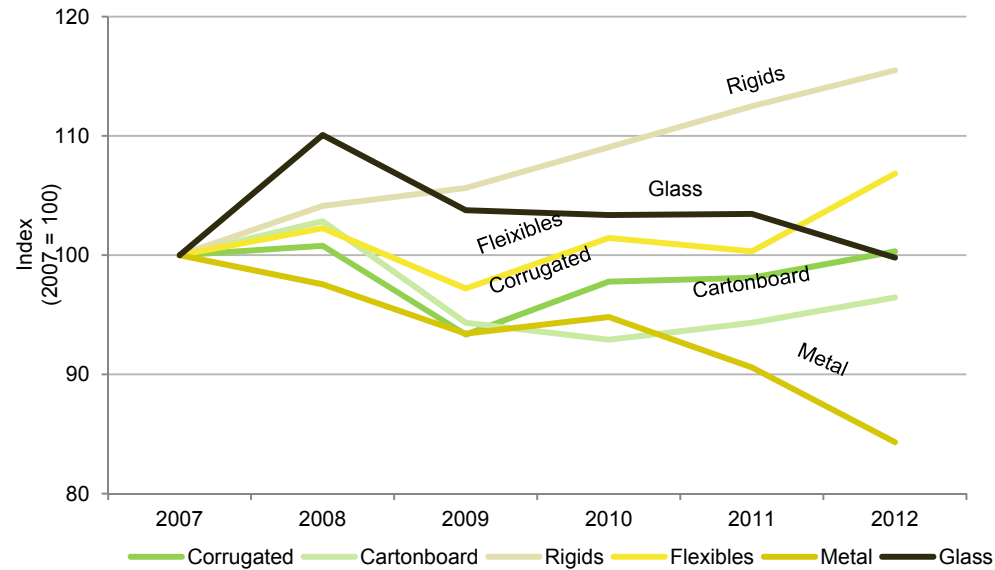
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- Introduction
- **Mpact business overview**
- Group financial performance review
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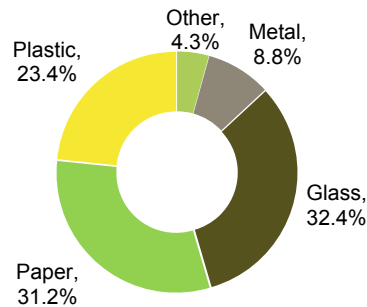
SA packaging sector overview

	"Ex Converter" Sales		Global consumption CAGR ('10 - '15)
	Value CAGR ('07 - '12)	Volume CAGR ('07 - '12)	
Rigids	7.7%	2.9%	4.1%
Corrugated	5.0%	0.1%	2.4%
Cartonboard	6.0%	(0.7%)	
Flexibles	5.0%	1.3%	3.8%
Metal	1.5%	(3.4%)	1.7%
Glass	5.5%	0%	2.7%
GDP□		1.9%	
PCE□		2.6%	
World GDP□		2.8%	

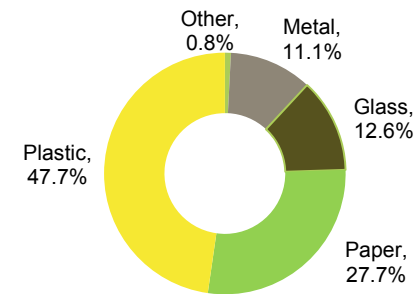
Total packaging volume % growth forecast in tons



SA packaging ex-converter sales¹ 2012 (Volume)



SA packaging ex-converter sales¹ 2012 (Value)



1. Source: BMI Report (2013)
2. "Ex converter" sales refer to sales of packaging materials converted in the country by local producers (includes imports and exports)
3. Private Consumption Expenditure (PCE) : Consumption spending by households, which is the largest component of total spending in the economy. Source: BMI (2013); ABSA and South African Reserve Bank
4. Source: IMF
- 5 | Mpact Limited 2013 RMB Morgan Stanley Off-piste Conference

Business overview

Mpact (Revenue R6,821m¹)

Paper (Revenue R5,042m¹)

Primary product categories

- Recovered paper collection
- Packaging and industrial papers such as cartonboard and containerboard
- Corrugated packaging and other

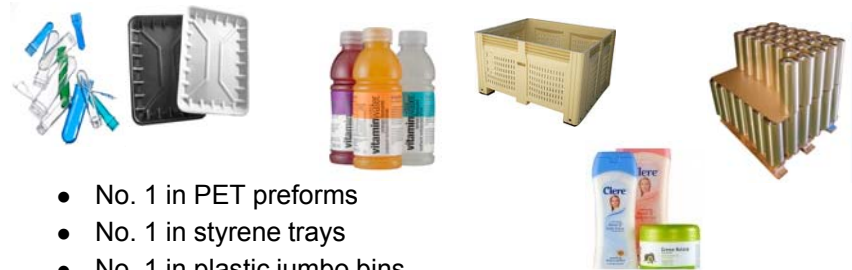


- No. 1 in corrugated packaging
- No. 1 in recycled based cartonboard and containerboard
- No. 1 in recovered paper collection

Plastics (Revenue R1,778m¹)

Primary product categories

- PET bottles and preforms, hot fill bottles, PET jars and closures
- Large injection moulded containers
- Styrene and PET trays, fast food containers and clear plastic films



- No. 1 in PET preforms
- No. 1 in styrene trays
- No. 1 in plastic jumbo bins

CENTRES OF EXCELLENCE

Human Resources, Safety, Health, Environment

SHARED SERVICES

Finance, IS&T, Stellenbosch R&D, Risk management

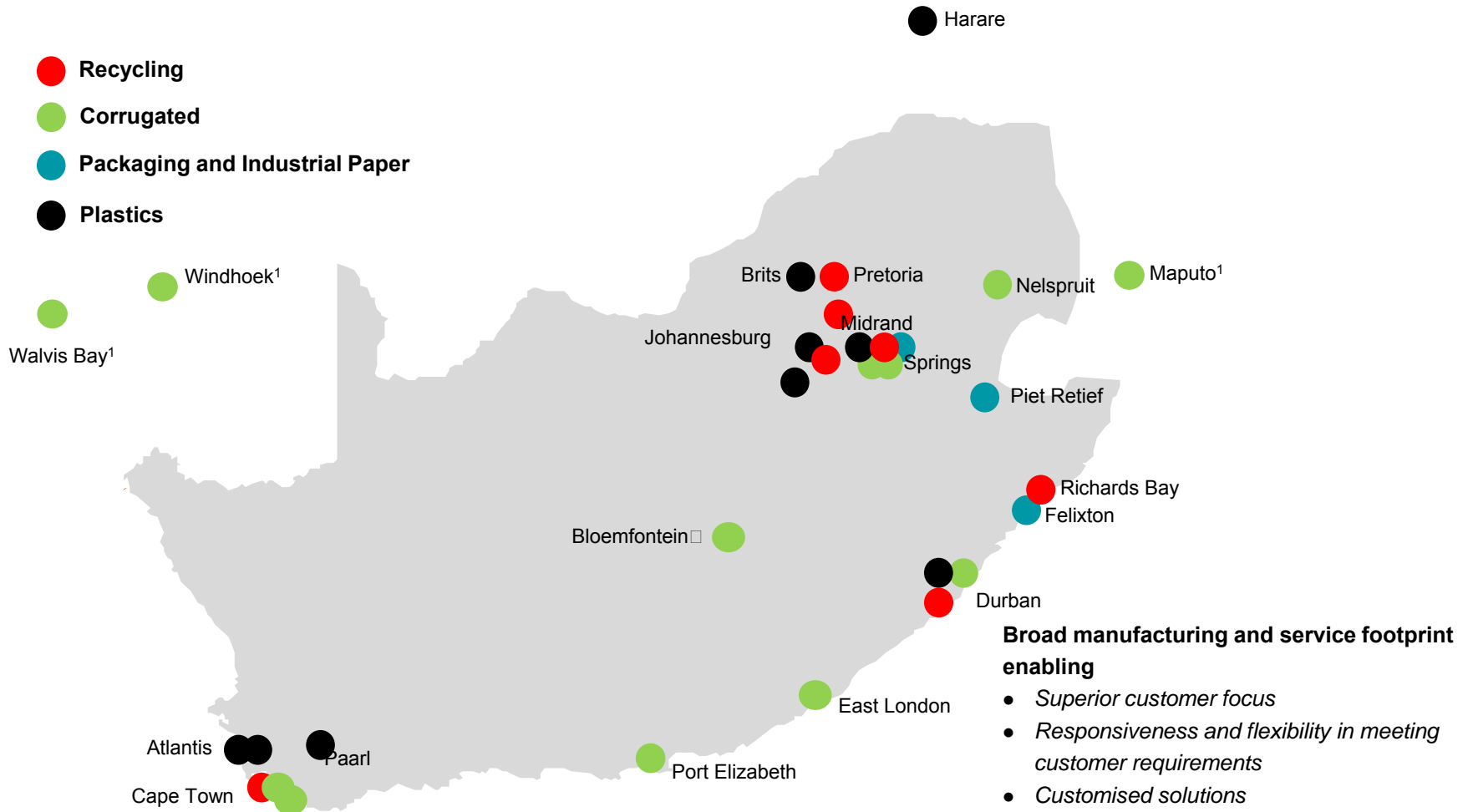
Approximately 3,790 people employed as at 31 December 2012, 32 operating sites

Sources: Mpact, BMI Report (2013), PAMSA and PRASA

Notes: (1) External revenue as at 31 December 2012



Geographical footprint



Operating structure which enables superior flexibility and responsiveness to customer requirements

Source: Mpack

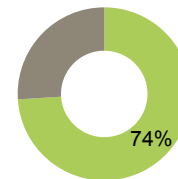
Notes: (1) Mpack has 2 sheet plants in Mozambique and Namibia in which it holds a controlling interest
 (2) Corrugated sales office

Paper business overview



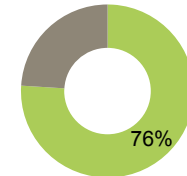
Divisions	: Recycling : Paper Manufacturing : Corrugated and converting
Key products	: Cartonboard : Containerboard : Retail ready packaging : Regular slotted cartons : POS packaging and displays : Die-cut solutions
Key customers	: Packaging converters (containerboard and cartonboard) : Agricultural producers : FMCG companies : Quick service restaurants : Other consumer and industrial packaging companies
Operations	: Recycling (7) : Paper Manufacturing (3) : Corrugated (9) + (2) ¹ + (1)
Employees	: 2,444

External Revenue (2012)



R5,042m

EBITDA (2012)



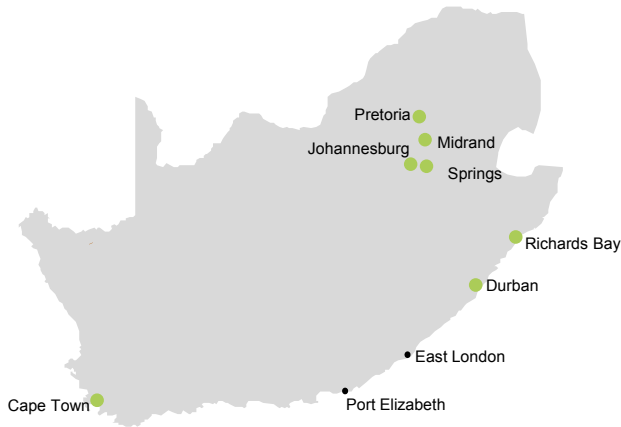
R746m

Leader in recovered paper collection, production of cartonboard, containerboard and corrugated packaging

Sources: Mpact and financial figures extracted from audited Mpact financial information
 Notes: (1) Mpact has 2 sheet plants in Mozambique and Namibia in which it holds a controlling interest

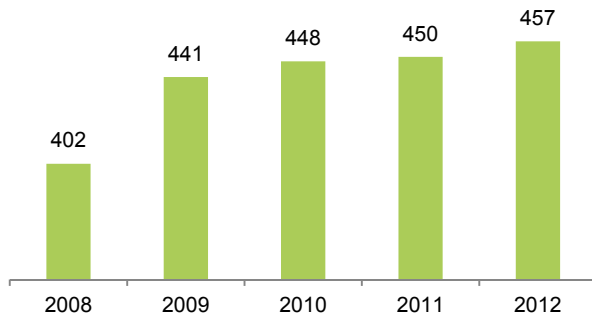
Recycling

Geographic footprint



- The largest paper recycler in SA
- Recovery and recycling of paper in SA ensures local beneficiation of raw materials and creation of jobs
- Over 100,000 people involved in the recycling industry in SA
- Seven operations in major centres and 42 buy-back centres
- Over 40 entrepreneurial companies empowered to facilitate collection strategies

Collected volumes (kt)

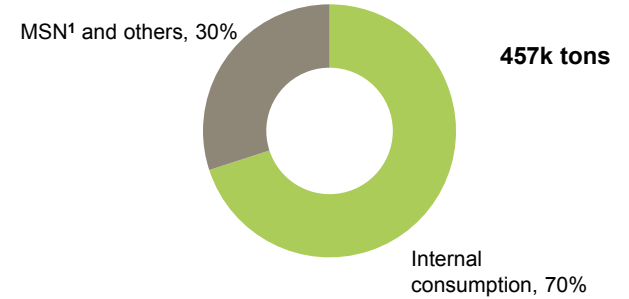


Source: Mpact
 Note: (1) Mondi Shanduka Newsprint

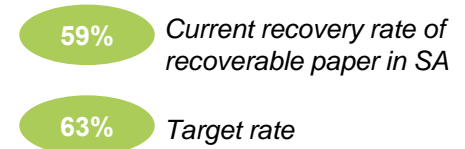
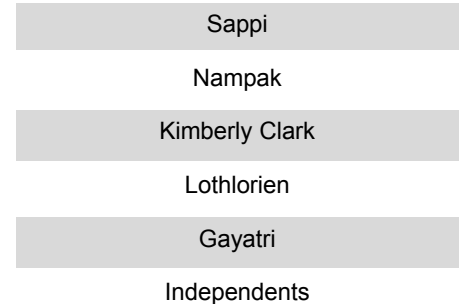
Sources of recovered paper



Customer base



Key competitors



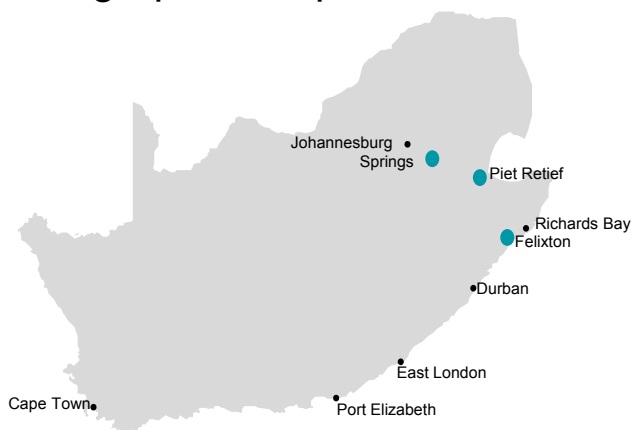
Mpact Recycling shareholding

- 75% Mpact Limited
- 25% Mondi Limited



Paper Manufacturing

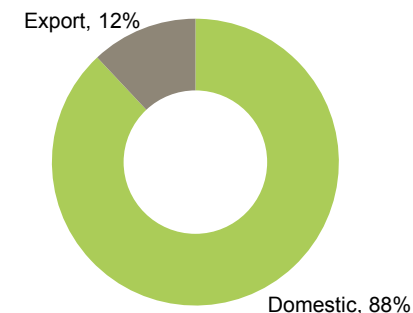
Geographic footprint



Customers

- Containerboard and cartonboard packaging converters (internal and external)

Geographic sales



Production capacity in kt

Mill/Plant	Main products	Capacity 2012 (ktpa)
Piet Retief	Linerboard and semi-chemical fluting	130
Felixton	Linerboard and semi-chemical fluting	155
Springs	Cartonboard and specialities	130

Additionally, Mpact distributes all containerboard products of Mondi Group's Richards Bay Mill, selling mainly into South Africa and selected markets in sub-Saharan Africa and Indian Ocean Islands

Key competitors

Non integrated

Sappi

Lothlorein

Imports

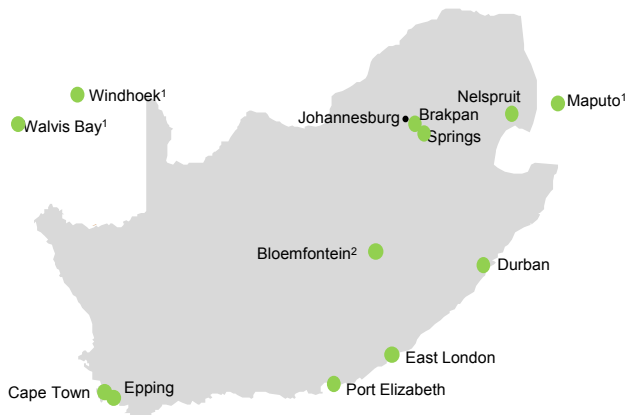
Integrated

Nampak

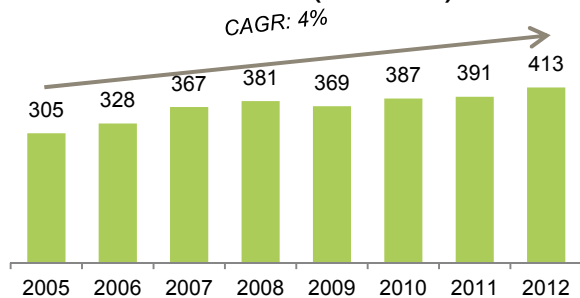
Gayatri

Corrugated Packaging

Geographic footprint



Production in m² (million)



Sources: Mpack and BMI Report (2013)

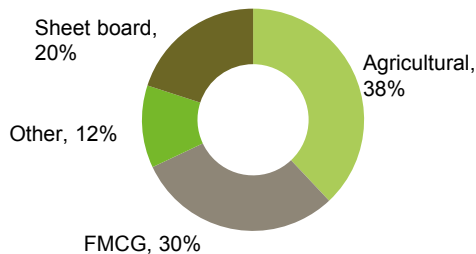
Notes: (1) Mpack has sheet plants in Mozambique and Namibia (holding a controlling interest)

(2) Corrugated sales office in Bloemfontein

(3) Management estimates

Customers

- Localised customer base
- Customers include producers of agricultural, food durable and non durable goods³:



Key competitors

Nampak
New Era
APL
Corruseal
Houers

Overview

- Three high-graphic printing machines situated in Springs, Pinetown and Epping offering high-quality graphic printing on corrugated board. These are complimented by in-house graphic design facilities
- ISO 14,000 and ISO 9,000 environmental and quality management systems, respectively
- Corrugated packaging products include:
 - Corrugated regular cases
 - Die-cut cases
 - Folded glued cases
 - Trays
 - Point of sale displays



Plastics business overview

PET Preforms, Bottles and Jars



Plastic Jumbo Bins, Wheelie Bins, Plastic Crates and Pallets



FMCG Bottles, Jars, Closures and In-Mould Labelling



Styrene and PET Trays, Fast Food Containers and Clear Plastic Film



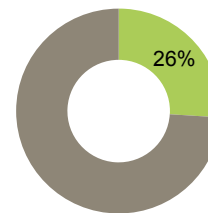
Key products : PET preforms, bottles and jars
 : Plastic jumbo bins, wheelie bins, plastic crates
 : Plastic containers such as bottles, jars, closures, with in-mould labelling capability
 : Styrene and PET trays, fast food containers and clear plastic films

Key customers : FMCG companies (carbonated soft drinks, personal care, pharmaceuticals, food producers)
 : Fast food producers
 : Agricultural producers
 : Retail chains

Operations : Styrene trays and clear plastic films (3)
 : Large injection moulds (2)
 : PET injection (1) , FMCG plastic packaging (3) and closures (1)

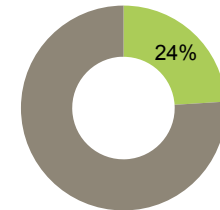
Employees : 1,234

External Revenue (2012)



R1,778m

EBITDA (2012)



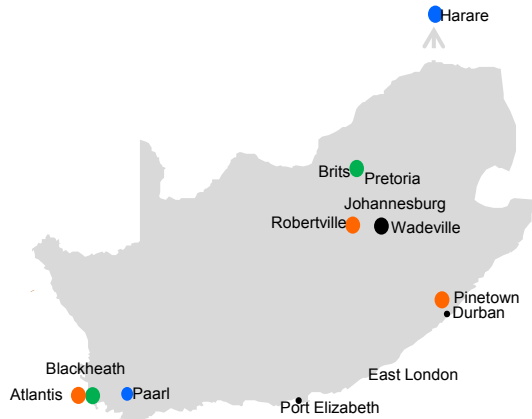
R226m

Leader in the manufacture of PET preforms, styrene trays and plastic jumbo bins

Sources: *Mpact and financial figures extracted from audited Mpact financial information*

Plastics segment overview

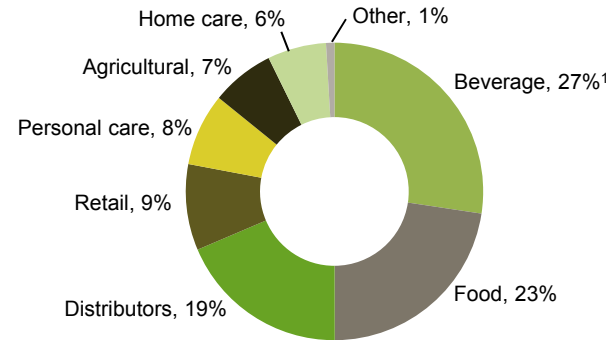
Geographic footprint



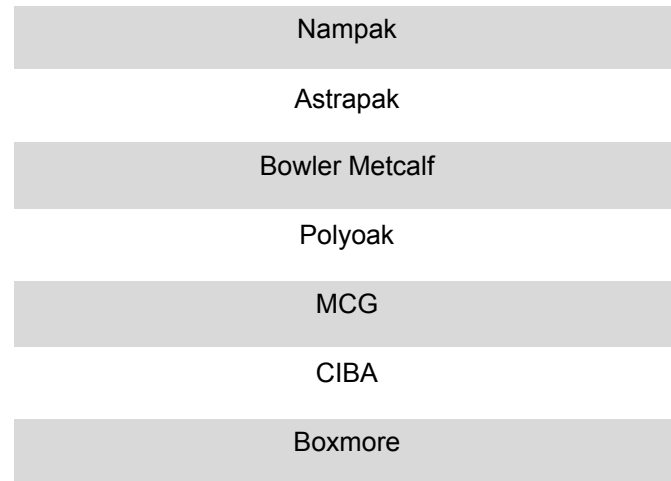
Mills/plants and main products

Mill/Plant	Main products
Wadeville	PET preforms, jars, bottles and hot fill bottles, closures Injection moulding, blow moulding
Atlantis (Large Injection)	Plastic jumbo bins, wheelie bins, plastic crates Injection moulding
Brits	Plastic jumbo bins, wheelie bins, plastic crates Injection moulding
Pinetown	FMCG packaging bottles, jars, closures, in-mould labels Injection moulding, blow moulding, IML
Robertville	FMCG plastic bottles, jars, closures Injection moulding, blow moulding, compression moulding
Atlantis (FMCG)	FMCG plastic bottles, jars, closures Injection moulding, blow moulding, PET bottles and printing
Versapak Paarl	Styrene trays, fast food containers, PET trays and blisterpack and clear plastic films
Versapak Harare	Styrene trays, fast food containers and clear plastic films

Customer base



Key competitors



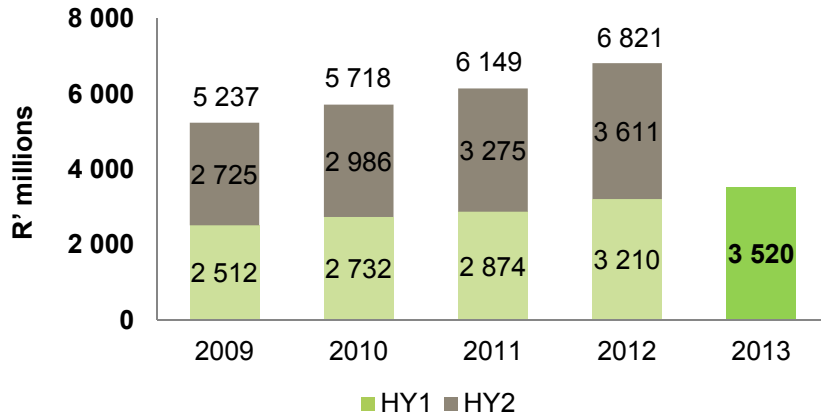
Note: (1) A significant proportion of beverage sales is made up by an Amalgamated Beverages (ABI) contract for PET preforms

Agenda

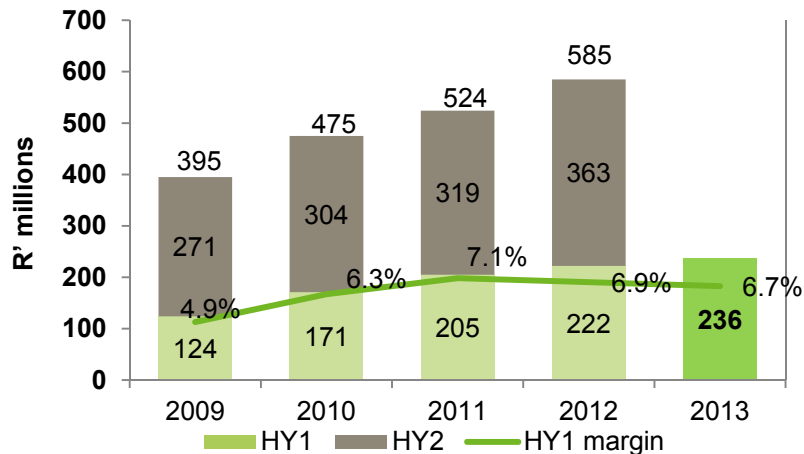
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Interim results for the six months ended 30 June 2013

Group revenue



Group underlying operating profit



- Revenue up 9.7% to R3.5bn
 - Plastics volume growth
 - Product mix
 - Overall volume growth of 2.5%
- Underlying operating profit margin down to 6.7% from 6.9%
 - Under recovery of raw material cost increases
- Underlying operating profit up 6.1% to R236m
 - Cost savings and other initiatives
- Underlying earnings per share up 20.9% to 77.0 cents
- ROCE at 15.5%

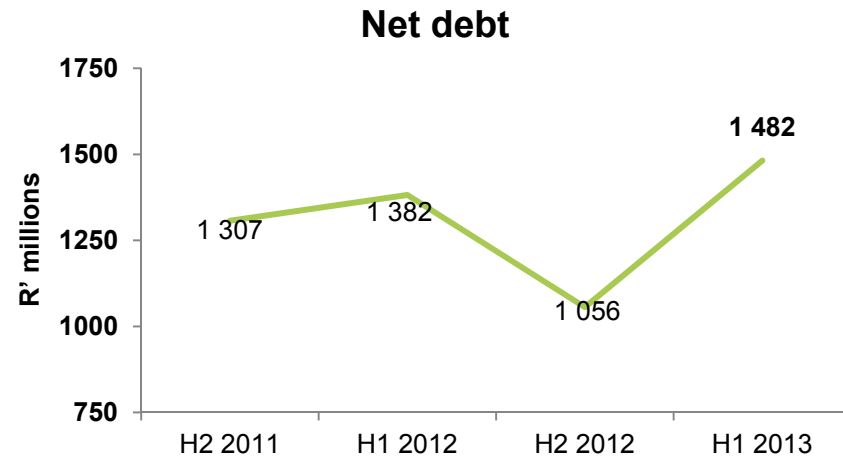
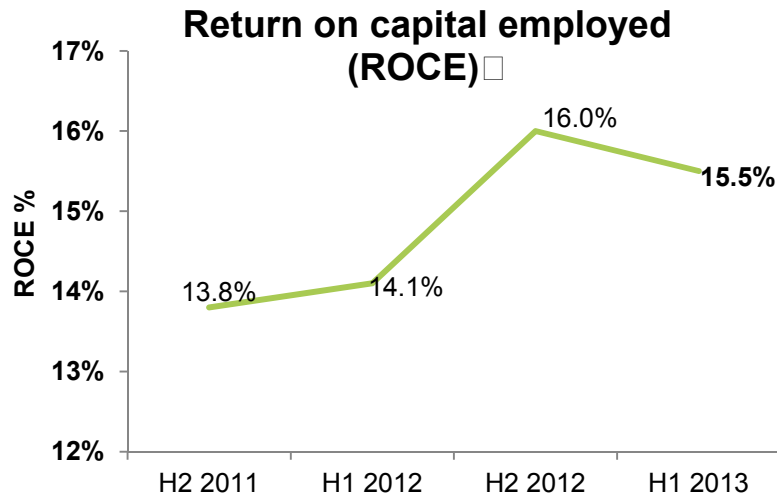
1 Revenue and underlying operating profit excludes Paperlink from 2009 to 2011 financial years

Financial review

R'millions	H1 2012	H1 2013	Change
Underlying operating profit ¹	222	236	6.1%
Net finance costs	(64)	(60)	6.4%
Associates and JV net earnings	2	4	81.8%
Underlying profit before tax	160	180	12.1%
Tax before special items	(50)	(51)	(2.4%)
Total non-controlling interests	(6)	(3)	55.0%
Underlying earnings	104	126	20.7%
Special items (after tax and minorities)	(4)	-	100%
Reported profit after tax and non-controlling interests	100	126	25.4%
Underlying earnings per share (cents)	63.7	77.0	20.9%

¹ Underlying operating profit includes operating profit of subsidiaries before special items.

ROCE and net debt

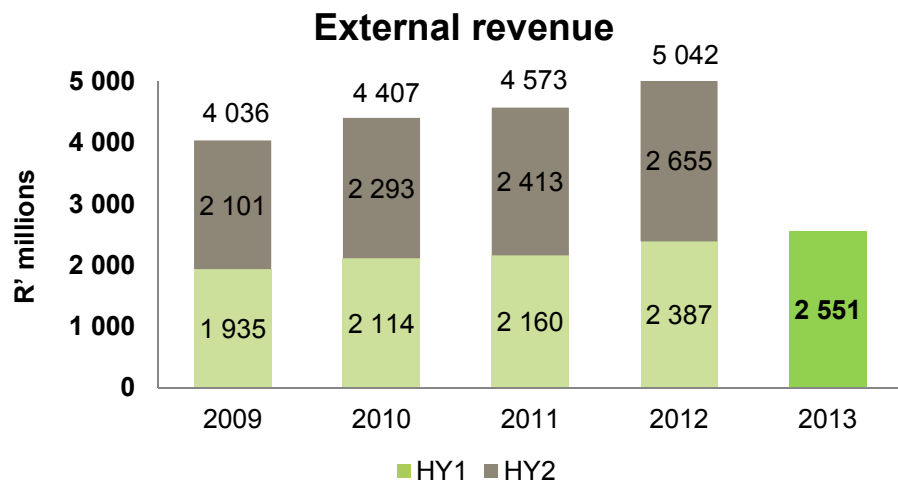


- ROCE of 15.5% (June 2012: 14.1%); above the through-the-cycle target of 15%

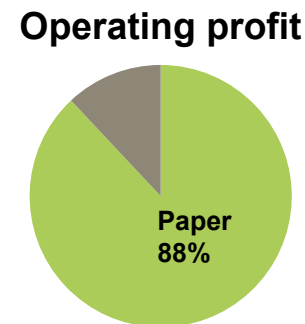
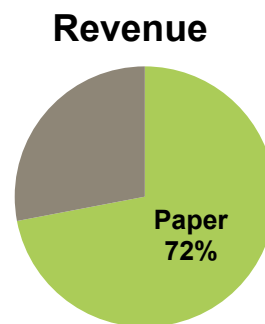
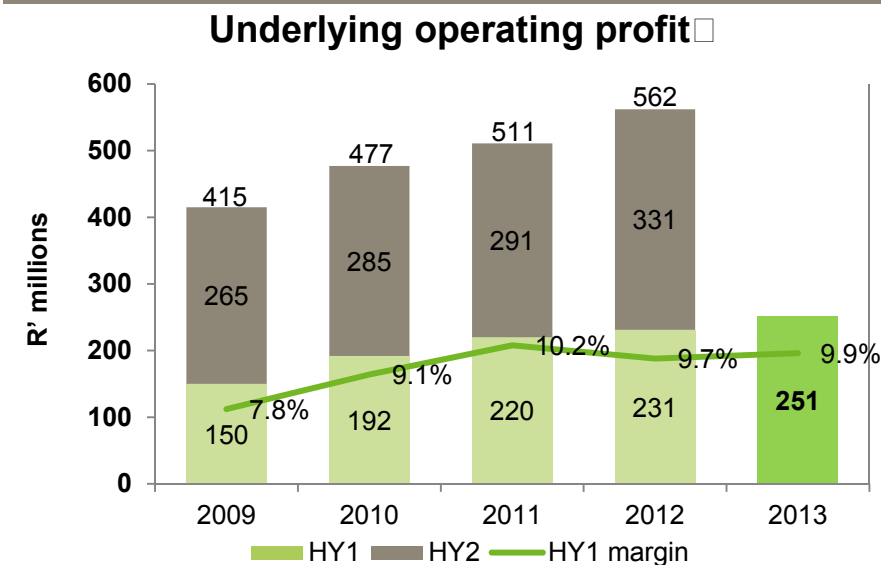
- Gearing down to 35.6% (June 2012: 36.0%)
- Net debt up to R1.5bn (June 2012: R1.4bn)

¹ Return on Capital Employed (ROCE) is an annualised measure based on underlying operating profit plus share of equity accounted investees' net earnings divided by average capital employed before impairments

Paper business

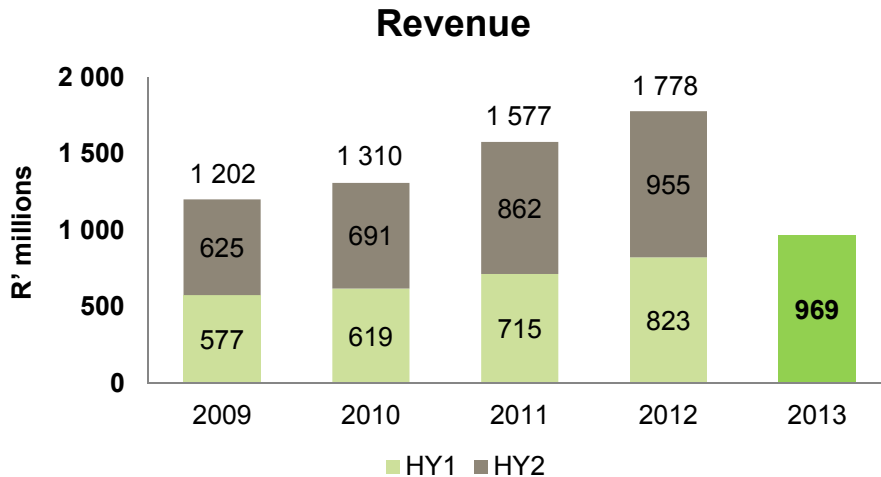


- Revenue up 6.9% to R2.6bn
 - Volumes up 1.3%
 - Price increases below inflation
 - Favourable product mix variance
- Underlying operating profit up 8.9% to R251m
 - Stringent cost control
 - Offset by exchange rate driven raw material cost increases
 - Integration benefits

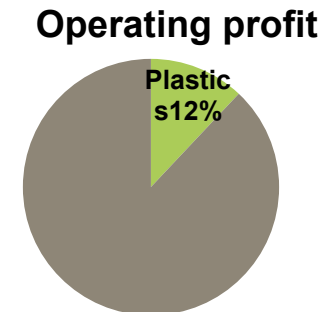
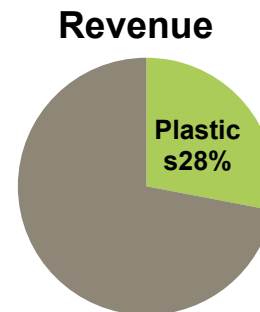
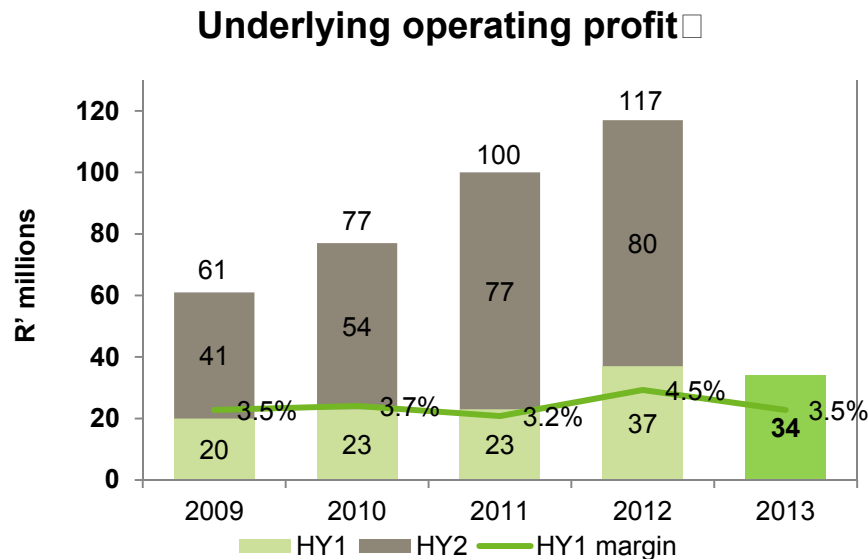


¹ For comparative purposes, full year 2009, 2010 and 2011 underlying operating profit has been restated to reflect corporate costs of R50 million directly attributable, but previously not charged to the Paper business

Plastics business



- Revenue up 17.7% to R969m
 - Volumes up 14.1% (beverages, trays and films, and acquisitions)
 - Price increases below inflation
- Underlying operating profit down 7.6% to R34m
 - Under recovery of polymer prices
 - Improvements in FMCG and preforms & closures



1 For comparative purposes, full year 2009, 2010 and 2011 underlying operating profit has been restated to reflect corporate costs of R14 million directly attributable, but previously not charged to the Plastics business

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Strategy

- Leading market positions
 - New business, market share, key products and geographical areas
 - Through strategic acquisitions and organic growth
- Customer focused operating structure
 - Investing to meet changing customer needs and to remain cost competitive
 - Continue to develop geographic footprint
- Focus on performance
 - Delivering acceptable returns to our shareholders
 - Cost containment and improved efficiencies

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Outlook

- GDP and consumer spending growth expected to remain subdued
- Cost increases in labour, electricity and other administered services expected to be above inflation
- Trading conditions to remain highly competitive with associated margin pressures
- Weak rand should improve competitive position relative to imports, offset by related cost increases
- Focus on profitability, cash generation and ROCE
- Group is well positioned in the sectors in which it operates

Thank you for your participation

For further information:

www.mpact.co.za

info@mpact.co.za

Bruce Strong, CEO
(011) 994-5508

or

Marlize Keyter
Keyter Rech Investor Solutions
(011) 447-5204

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