RESULTS PRESENTATION

for the six months ended 30 June

2018

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HALF-YEAR 2018 IN CONTEXT

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- OPERATING REVIEW
- FINANCIAL PEFORMANCE
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Half-year 2018 in context

- Operating profit in line with comparable prior period
  - Paper business showed good improvement
  - Offset by declines in the Plastics business
- External factors that impacted the Group's results included:
  - Chinese policy on waste importation
  - Overcapacity in styrene
  - Drought
  - Sugar tax
- Progress on strategic projects:
  - Felixton mill and PE corrugator performing in line with expectations
  - Mpact Polymers disappointing due to feedstock quality – bottle washing equipment ordered, commissioning towards the end of 2018
  - New PET extruder/thermo-formers commissioned in May 2018 – doubling tray capacity
- B-BBEE Level 4 on new codes
- Controllable costs and working capital well managed
- Balance sheet remains strong

- HALF-YEAR 2018 IN CONTEXT

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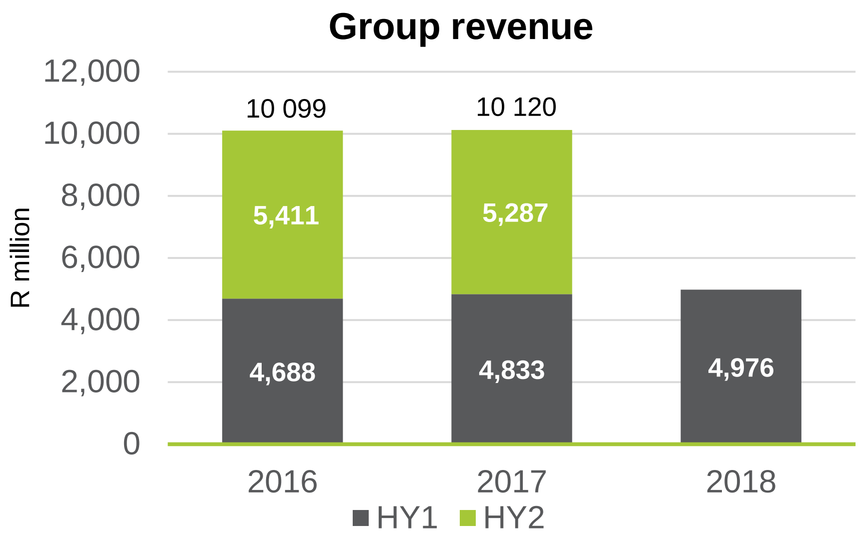
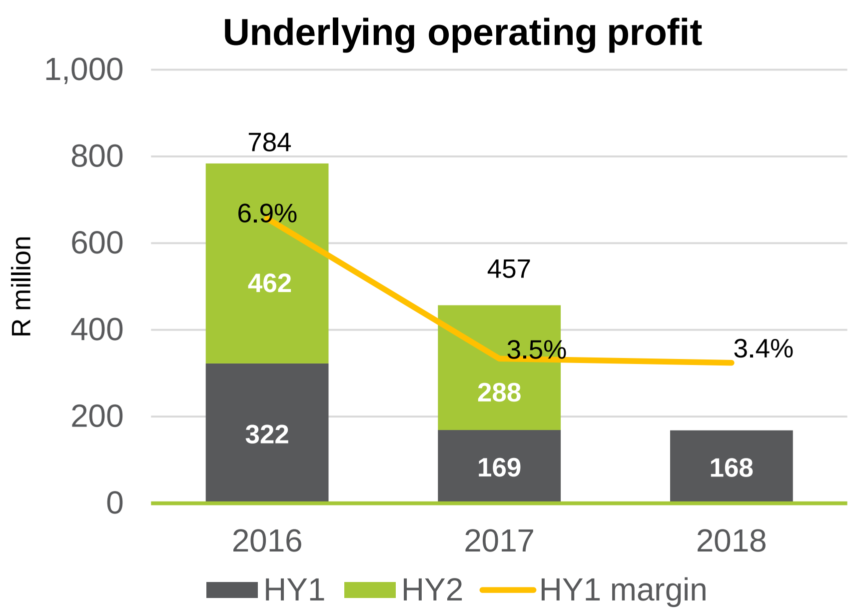
Financial review





- Revenue up 2.9% to R5.0bn
  - Volumes down 5.1%
    - Up 3.8% excluding Recycling
  - Average price increase reflects favourable sales mix variance
- EBITDA of R443m up 2.5%
- Underlying operating profit of R168m in line with comparable prior period
  - Gains in Paper reflect benefits of Felixton mill project and recovered paper prices
  - Offset by declines in Plastics
- Underlying earnings of 31.5 cps (June 2017: 34.3 cps)
- Gearing improved to 34.4% (June 2017: 36.3%)
- ROCE of 7.4% (June 2017: 10.6%)
- Interim dividend of 15 cps

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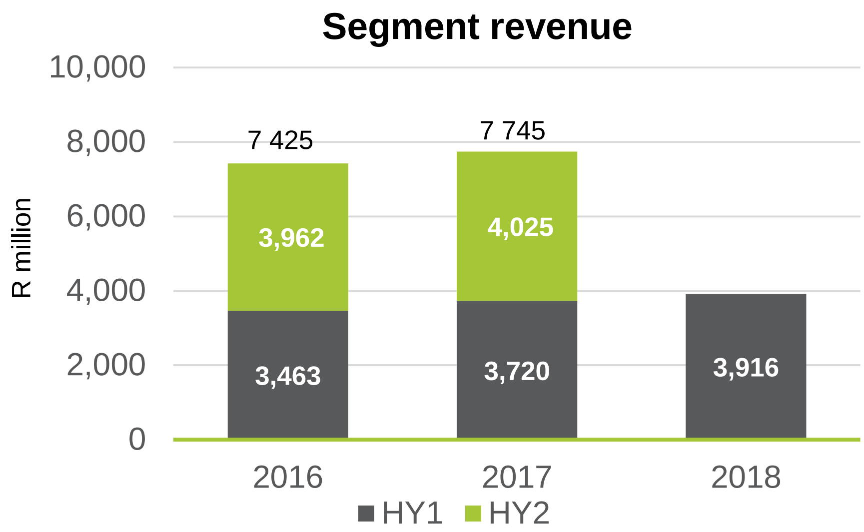
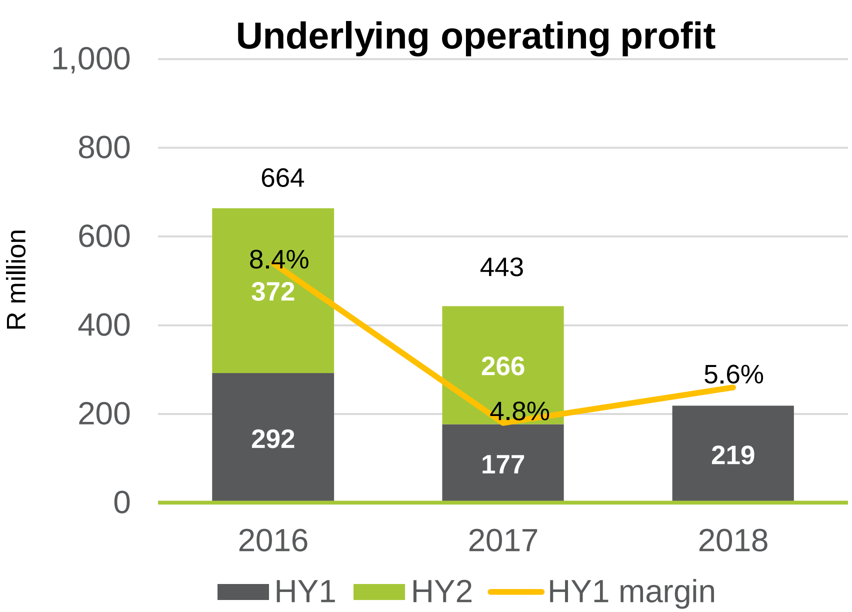
Paper business

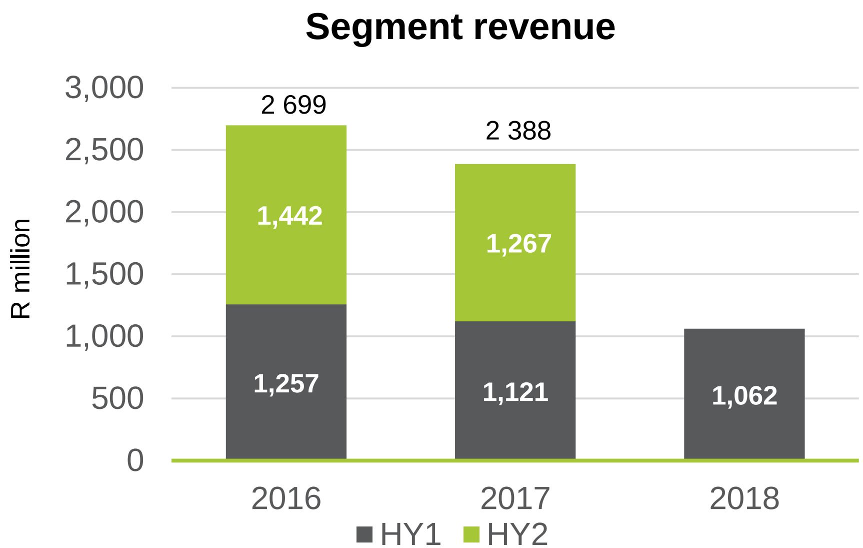


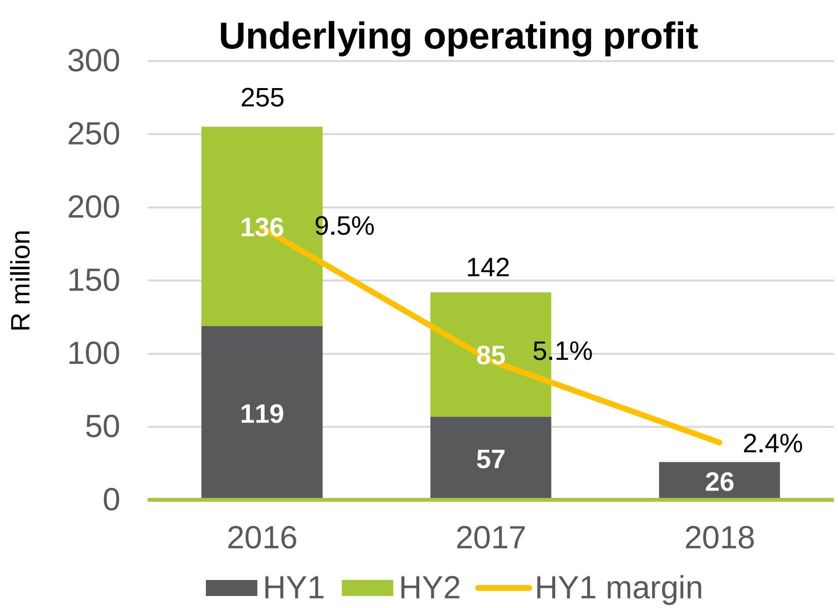


- Revenue up 5.3% to R3.9bn
  - Segment volumes declined by 5.0%
    - Up 6.5% excluding Recycling
      - Containerboard and cartonboard up 9.4%
      - Converted paper packaging up 2.1%
    - Recycling volumes declined due to increased integration and closure of customer's newsprint machine
  - Average price increase reflects favourable sales mix variance

- Underlying operating profit up 23.8% to R219m
  - Higher throughput and gross profit from Felixton mill post rebuild
  - Average recovered paper prices in line with 1H2017
  - PE corrugator performing well

Plastics business – Converting[1]





- Revenue down 5.3% to R1.1bn
  - Volumes down 11.7%
    - Primarily due to preforms, crates and jumbo bins
  - Average price up 6.4%
- Underlying operating profit of R26m
  - Lower gross profit in styrene due to overcapacity in sector
  - Drought effect on jumbo bin sales
  - Customer backward integration into preforms and sugar tax
- New PET tray capacity commissioned May 2018, benefit expected 2H2018

Note:
1. Plastics Converting is defined as the Plastics business excluding Mpact Polymers.

Plastics business – Mpact Polymers

- Operating loss of R39m (June 2017: R30m)
  - Production in line with prior period, below target
    - Low yields and higher maintenance costs due to dirty feedstock and inadequate washing facilities – bottle washing equipment to be installed in 4Q2018
  - Global PET benchmark prices up on prior period
- Profitability will continue to be undermined until new equipment is commissioned despite higher anticipated throughput and selling prices 2H2018
- Balance sheet restructure successfully completed in July 2018
  - IDC senior loan facility restructured into:
    - R83m interest bearing loan (Prime + 1%)
    - R146m non-interest bearing subordinated loan
    - IDC increased shareholding by 10% at nominal value (IDC shareholding: 31%, Mpact: 69%)
  - Further cash injection by way of shareholders subscribing for preference shares of R90m, ranking ahead of subordinated loans

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Financial performance

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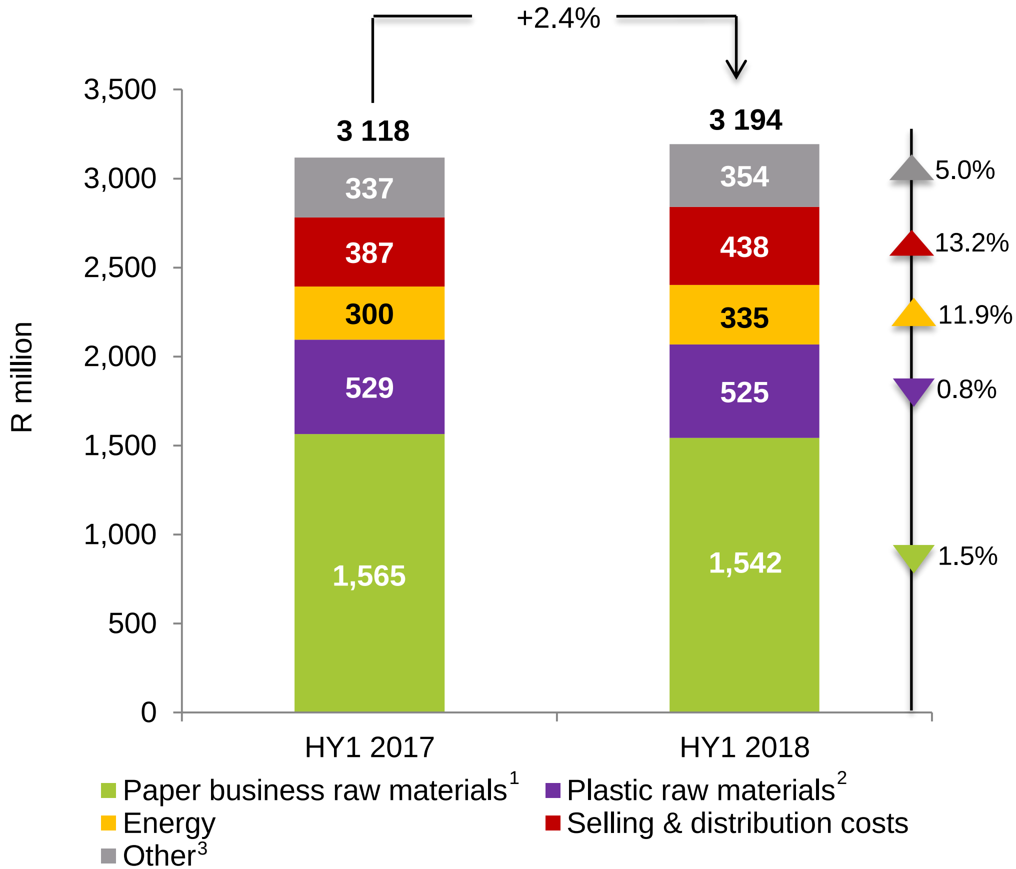
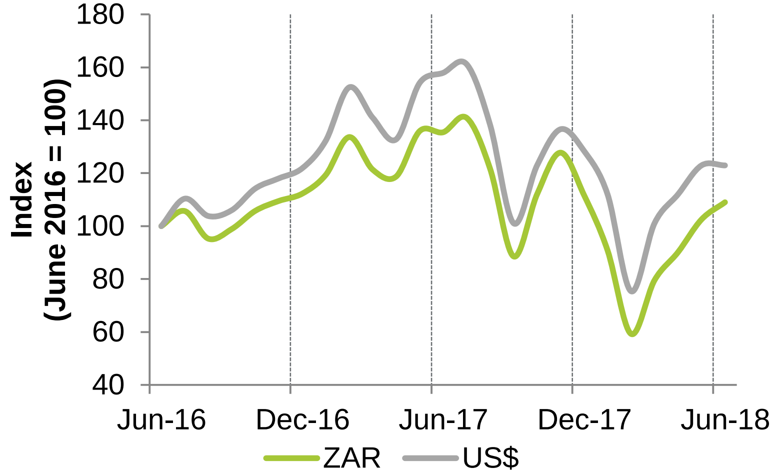
Revenue	2.9%	R5.0 billion
Underlying operating profit	No change	R168 million
Underlying EPS	8.2%	31.5 cents per share
Interim dividend	No change	15 cents per share
ROCE	3.2	7.4%
Gearing %	1.9	34.4%

Variable costs



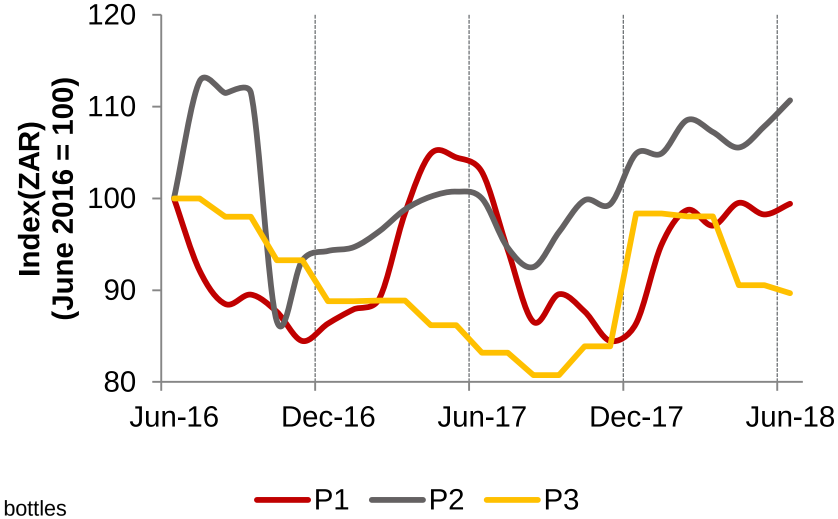
- Lower volumes of recovered paper purchases, offset by increased virgin containerboard
- Lower plastic raw material cost
  - Volumes down 11.7%

Benchmark recovered paper prices (OCC)



Source: RISI – PPI Asia, Old Corrugated Containers (OCC), CNF China US$, converted to ZAR

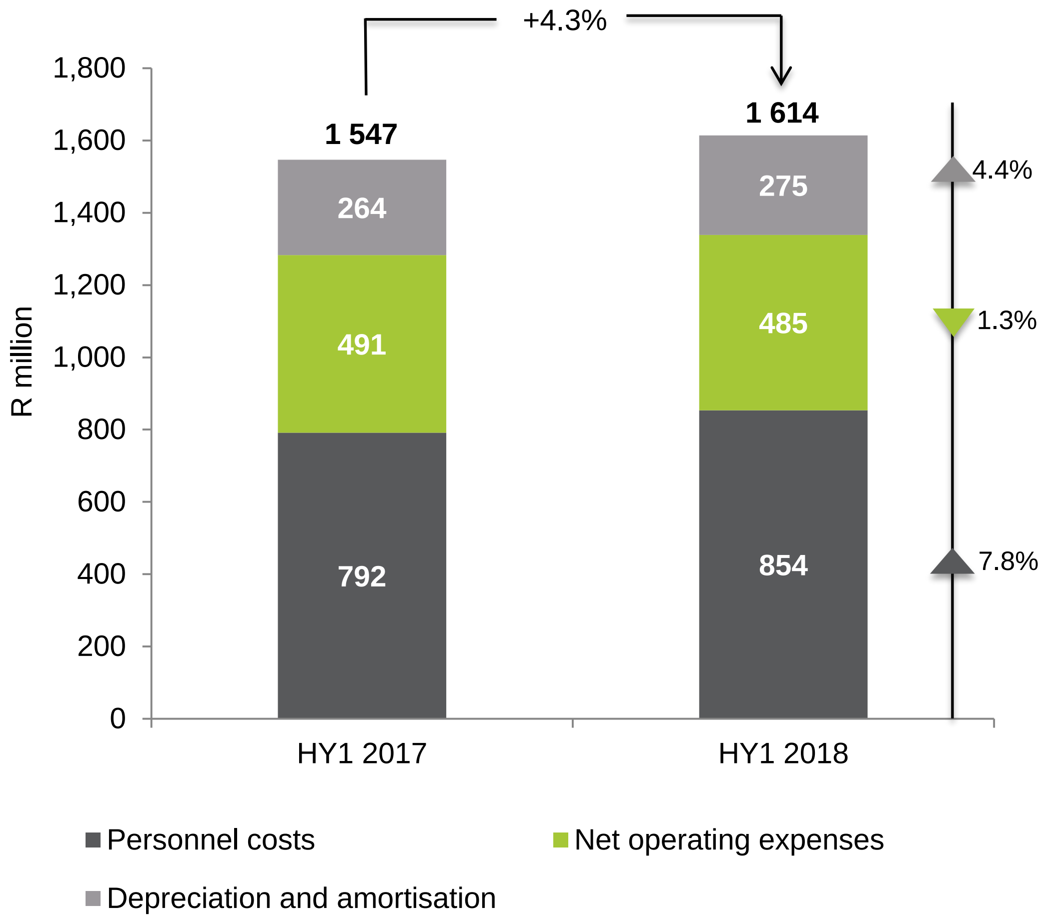
Benchmark polymer prices



Source: Mpact

Notes:
1. Paper business raw materials include purchased paper, wood, pulp and recovered paper.
2. Plastic raw materials include styrene, PET, HDPE, PVC, polypropylene and post consumer PET bottles
3. Other variable costs include chemicals, packaging costs and stock movements.

Fixed costs

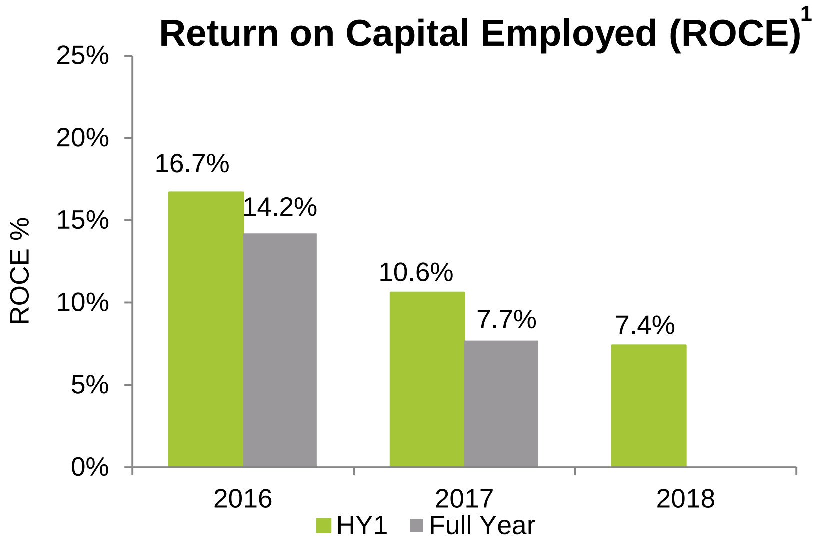


- Fixed costs up 4.3%
  - Personnel costs excluding cost capitalised to the Felixton project increased by 6.6%
  - Net operating expenses down 1.3%
    - Cost saving and unrealised foreign exchange gains

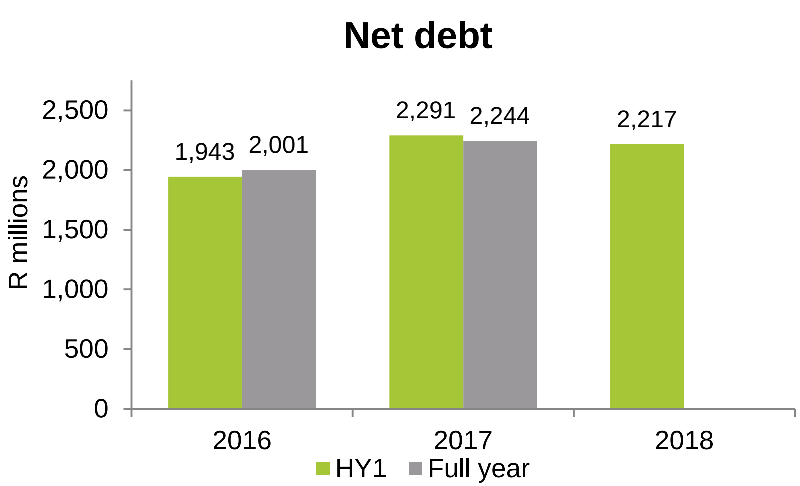
Financial review

R million	HY1 2017	HY1 2018	change
Underlying operating profit	169	168	(0.5%)
Net finance costs	(100)	(112)	12.7%
Earnings from equity accounted investees and profit on disposals	5	13	>100%
Underlying profit before tax	74	69	(6.9%)
Tax charge before special items	(22)	(20)	(7.7%)
Non-controlling interests	6	5	(14.1%)
Underlying earnings	**58**	**54**	**(7.2%)**
Special items, net of tax	-	(3)	100%
Reported earnings for the year	**58**	**51**	**(12.9%)**
Underlying earnings per share (cps)	**34.3**	**31.5**	**(8.2%)**

ROCE and net debt



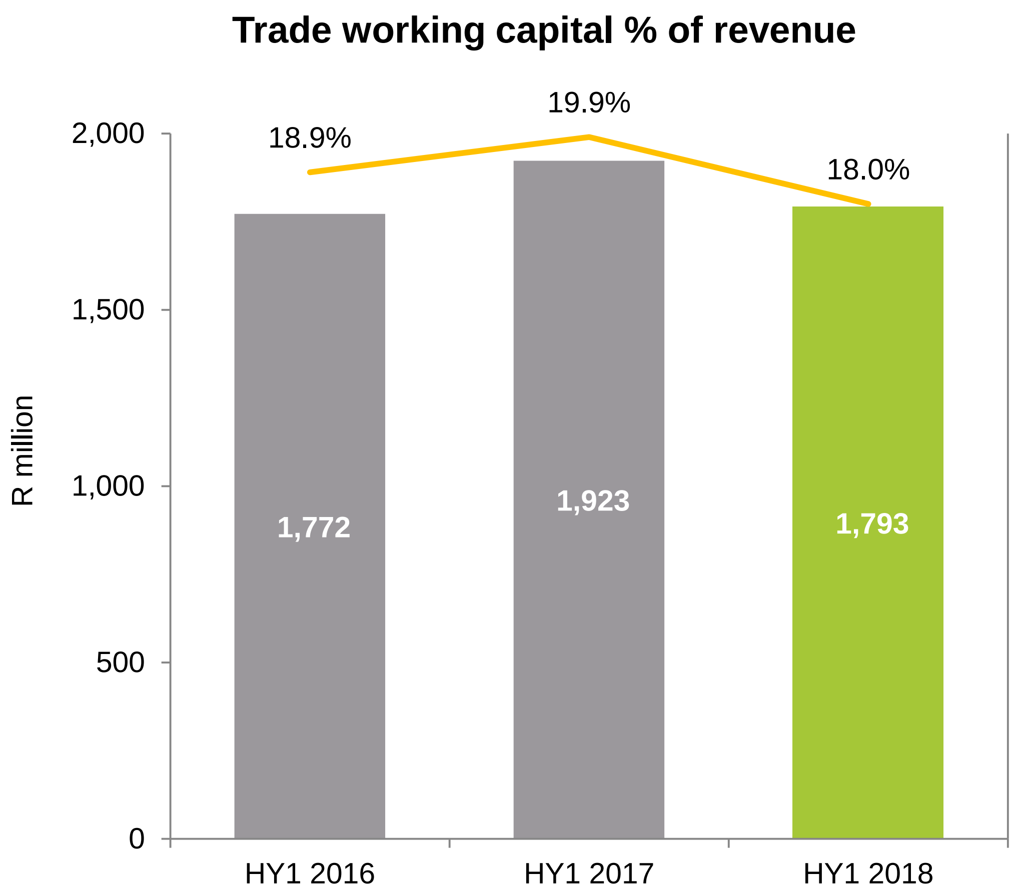
- ROCE of 7.4% (June 2017: 10.6%)
    - Investments in new capital projects



- Net debt marginally decreased to R2.2bn
    - Investments in capital projects offset by improvement in trade working capital
- Gearing improved to 34.4% (June 2017: 36.3%)

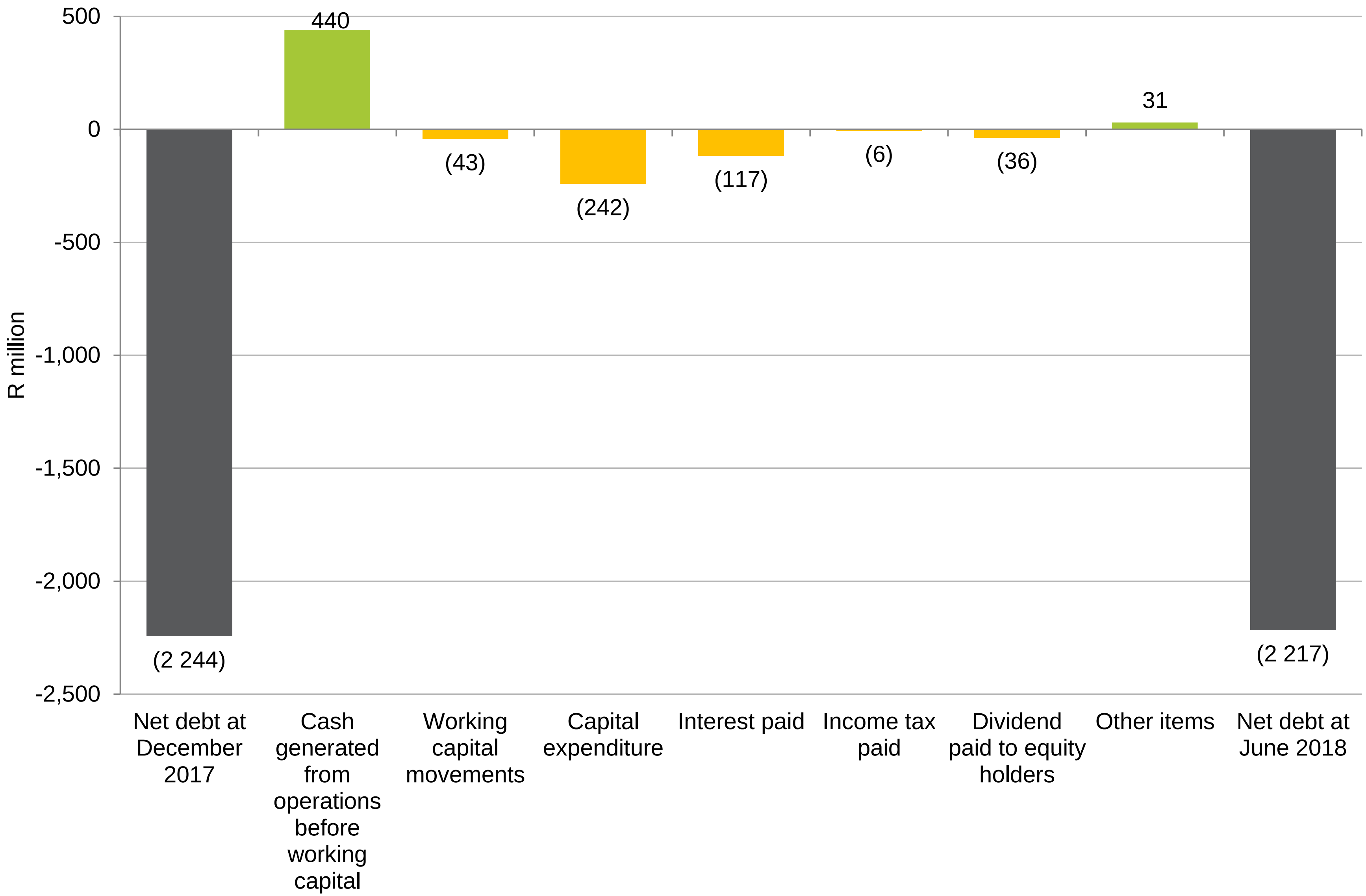
1. Return on Capital Employed (ROCE) is an annualised measure based on underlying operating profit plus share of equity accounted investees' net earnings divided by average capital employed before impairments.

Trade working capital



- Trade working capital reduced by R130m
- Improved creditor payment terms

Movement in net debt



Net finance cost and net debt

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R million	Full year 2017	HY1 2017	HY1 2018	change
Net debt - close	2 244	2 291	2 217	(3.2%)
Net debt - average	2 316	2 304	2 492	8.2%
Net finance costs	203	100	112	12.7%
Gearing %	34.8%	36.3%	34.4%	(1.9)
Interest cover (underlying EBIT) (times)	2.3	1.7	1.5	
Net debt to EBITDA (times)	2.2	2.0	2.2	

Taxation

R million	HY1 2017	HY1 2018	change
Taxation charge[1]	22	20	(7.7%)
Effective tax rate	29.8%	29.6%	(0.2)
Tax paid	47	6	(87.9%)

- Effective tax rate marginally lower, primarily due to
  - Non-recognisition of deferred tax in Mpact Polymers
- Full year effective tax rate is expected to be higher than FY2017
  - Non-recurring S12i tax incentive of R114m for the Felixton mill rebuild recognised in 2H2017

Note:
1. Taxation charge excludes tax on special items

Capital expenditure cash flows[1]

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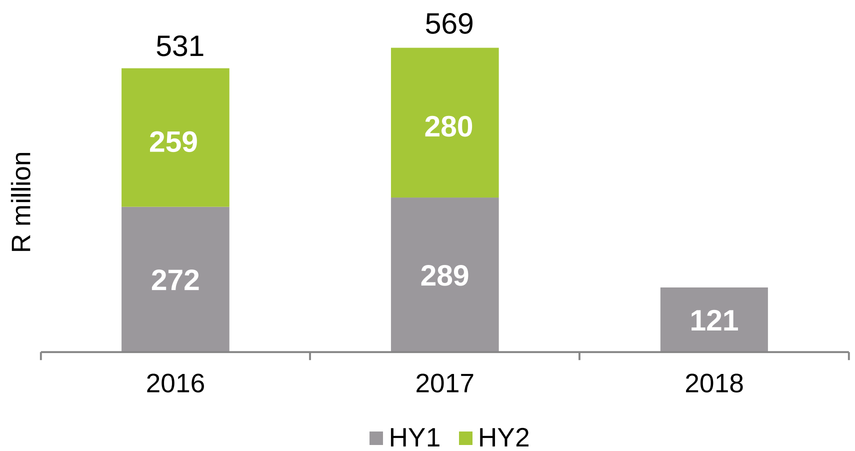
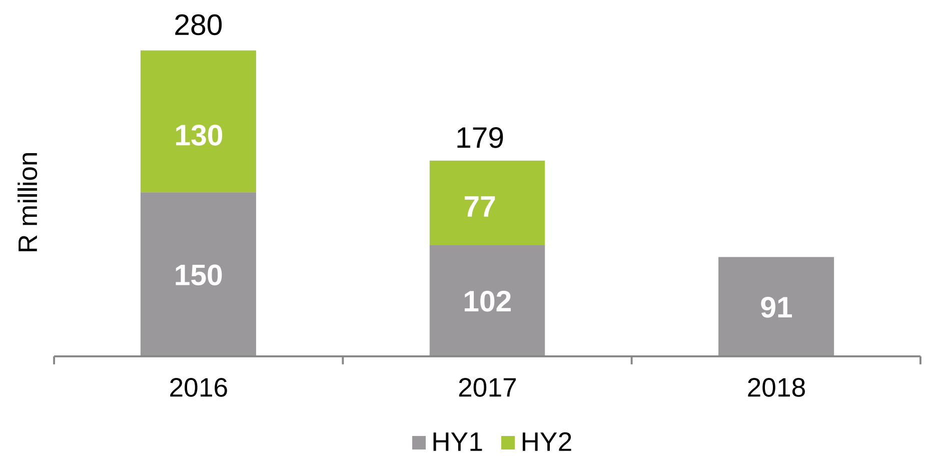


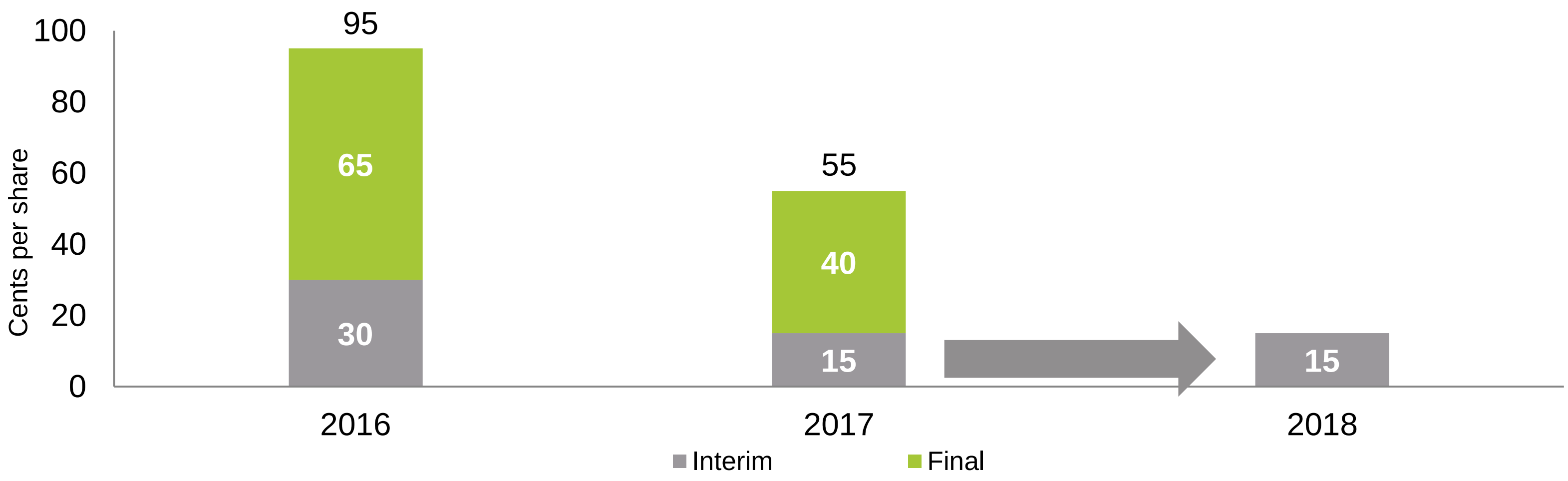
Plastics business



- Capital expenditure spend equals 88% of depreciation
- Projects completed
  - PET extruder and thermo-formers
  - PE corrugator
  - Piet Retief mill forming section

Note:
1. Excludes Corporate capital expenditure of R29 million which comprise spends related mainly to the purchase of Land and Buildings.

Dividends



- Scrip distribution with an option to receive a cash dividend

Salient dates for the 2018 Interim Scrip Distribution and Cash Dividend alternative

Last day to trade to be eligible for the Scrip Distribution or Cash Dividend alternative	Tuesday, 4 September 2018
Shares commence trading “ex” the Scrip Distribution and Cash Dividend alternative	Wednesday, 5 September 2018
Record date in respect of Scrip Distribution and Cash Dividend alternative	Friday, 7 September 2018
Scrip Distribution certificates posted and Cash Dividend payments	Monday, 10 September 2018

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Outlook

- Benefits from the Felixton mill upgrade and lower recovered paper prices
- Difficult trading conditions affecting the Plastics converting business expected to persist
- Mpact Polymers should benefit from:
  - higher selling prices
  - increased throughput
  - lower finance costs compared to 2H2017
    - Profitability will continue to be under pressure until the bottle washing equipment has been installed
- Higher effective tax rate than prior year due to non-recurring S12i in 2017
- Significant investments are expected to bear fruit in 2H2018 and beyond