Mpact Limited
(Incorporated in the Republic of South Africa)
(Registration number 2004/025229/06)
JSE share code: MPT ISIN: ZAE000156501
("Mpact" or "the Company")

FURTHER TRADING STATEMENT

Shareholders are referred to the trading statement released on the Johannesburg Stock Exchange News Service ("SENS") on 23 May 2016, advising that Mpact expects its basic earnings per share ("EPS") and headline earnings per share ("HEPS") for the six months ended 30 June 2016 to be lower than the previous corresponding period ("corresponding period") by at least 20%. In the same announcement, the Company undertook to issue a further trading statement once there was clarity on the specific range in EPS and HEPS. Accordingly, shareholders are advised as follows:

- Group revenue is expected to increase by approximately 6% (June 2015 revenue: R4,414 million), with an estimated earnings before interest and tax (EBIT) decline of between 4% and 9% (June 2015 EBIT: R342 million) when compared to the corresponding period. The expected decline in EBIT is attributable to lower sales of containerboard and a slower than anticipated ramp-up of Mpact Polymers, partially offset by an improved performance in the rest of the Paper and Plastics businesses.

- Compared to the corresponding period, net finance costs increased due to higher average net debt and interest rates as well as the borrowing costs related to the Mpact Polymers and Felixton (Phase 1) projects no longer being capitalised, following their completion in 2015. The effective tax rate is anticipated to be above the statutory tax rate. Consequently, both EPS and HEPS are expected to be between 90 and 100 cents per share ("cps") (June 2015 EPS: 135.3 cps, and HEPS: 134.4 cps), a decrease of between 26% and 33% compared to the corresponding period.

- Mpact expects to release its interim results for the six months ended 30 June 2016 on SENS on or about 11 August 2016.

Shareholders are advised that the financial information on which this trading statement is based has not been reviewed and reported on by the Company's external auditors.

Melrose Arch
21 July 2016

Sponsor
RAND MERCHANT BANK (A division of FirstRand Bank Limited)