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

TRADING STATEMENT

In terms of the Listings Requirements of the JSE Limited ("JSE"), companies are required to publish a trading statement as soon as they are satisfied that a reasonable degree of certainty exists that the financial results for the period to be reported on next will differ by 20% or more from the financial results of the previous corresponding reporting period.

The factors that negatively impacted the interim results of the Group for the six months ended 30 June 2016 continue to adversely affect the Group for the year ending 31 December 2016. These include lower sales of containerboard as a consequence of certain Mpact customers acquiring their own paper mills, a higher effective tax rate, higher finance costs as well as losses incurred at Mpact Polymers.

The Group has initiated the closure of its plastics manufacturing operation in Zimbabwe. It is anticipated that the charge to the income statement relating to the closure will be an after tax amount of approximately R40 million. For the year ended 31 December 2015, the Zimbabwe manufacturing operation reported a turnover of approximately R87 million (less than 1% of Group turnover) and a loss after tax of R3 million.

In light of the above factors, shareholders are advised that Mpact expects its basic earnings per share ("EPS") and headline earnings per share ("HEPS") for the year ending 31 December 2016 to be lower than the corresponding period by at least 30% or lower by at least 110.1 cents and 109.7 cents respectively, when compared to reported EPS and HEPS of 366.9 and 365.8 cents respectively, for the year ended 31 December 2015.

There is currently insufficient certainty to enable the Group to provide specific guidance on the extent of the impact of the above factors on EPS and HEPS. It is anticipated that Mpact will publish a further trading statement on the Stock Exchange News Service on or about 16 February 2017 closer to the release of its financial results for the year ending 31 December 2016, expected to be during the week of 2 March 2017.

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
12 December 2016

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