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 12 December 2016, advising that Mpact expects its basic earnings per share ("EPS") and headline earnings per share ("HEPS") for the year ended 31 December 2016 to be lower than the previous corresponding period by at least 30%. 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.

The factors that negatively impacted the interim results of the Group for the six months ended 30 June 2016 continued to adversely affect the Group for the full year ended 31 December 2016. These included 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.

During the period, the Group initiated the closure of its plastics manufacturing operation in Zimbabwe. It is estimated that the charge to the income statement relating to the closure will be an after tax amount of approximately R30 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.

Group revenue is expected to increase by approximately 5.8% (December 2015 revenue: R9,548 million), with an estimated underlying earnings before interest, tax and special items (underlying EBIT) decline of between 12% and 16% (December 2015 EBIT: R909 million) when compared to the prior year.

In light of the above factors, shareholders are advised that Mpact expects EPS, HEPS and underlying earnings per share (underlying EPS) for the year ended 31 December 2016 to be within the range of 225 cents and 255 cents. This corresponds to a decline of between 30% and 39% when compared to reported EPS and underlying EPS of 366.9, and HEPS of 365.8 cents for the year ended 31 December 2015.

Mpact expects to release its results for the year ended 31 December 2016 on SENS on or about 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
16 February 2017

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