mpact

smarter, sustainable solutions

2015

Unaudited interim results

for the six months ended 30 June 2015 and declaration of scrip distribution with a cash dividend alternative

Highlights

REVENUE

10.8%

to R4.4 billion

(June 2014: R4.0 billion)

RETURN ON CAPITAL EMPLOYED OF

17.9%

(June 2014: 16.9%)

UNDERLYING OPERATING PROFIT

26.8%

to R342 million

(June 2014: R270 million)

INTERIM GROSS CASH DIVIDEND

15.4%

to 30 cents per share

(June 2014: 26 cents per share)

BASIC UNDERLYING EARNINGS PER SHARE

47.4%

to 135.3 cents

(June 2014: 91.8 cents)

B-BBEE RATING IMPROVED TO

Level 3

(Previously Level 5)

rPET project and phase 1 of the Felixton mill rebuild were commissioned on time and within budget

Company profile

Mpact is one of the leading paper and plastics packaging businesses in southern Africa, listed on the JSE's Main Board in the Industrial – Paper and Packaging sector. The Group has a leading market position in southern Africa in recovered paper collection, corrugated packaging, recycled-based cartonboard and containerboard, polyethylene-terephthalate (PET) preforms, styrene trays and plastic jumbo bins. These leading market positions allow Mpact to meet the increasing requirements of its customers, achieve economies of scale and cost effectiveness at the various operations.

Mpact has 33 operating sites, of which 23 are manufacturing operations, in South Africa, Namibia, Mozambique, Botswana and Zimbabwe. South African-based customers accounted for approximately 91% of Mpact's sales for the current period while the balance was predominantly to customers in the rest of Africa.

As at 30 June 2015 Mpact employed 4,366 people.

Group performance

The Group delivered a pleasing set of results for the six months to 30 June 2015.

The results reflect an improved performance in Plastics following the successful restructure of the FMCG business during 2014, good volume growth and a better operating profit margin, while the Paper business once again delivered steady growth underpinned by increased sales to the fruit sector.

Earnings were enhanced by a lower effective tax rate compared to the same period last year.

Group revenue of R4.4 billion was 10.8% higher than the comparable prior year period, attributable mainly to volume growth, a favourable sales mix and higher selling prices.

Underlying operating profit increased by 26.8% to R342 million and the operating profit margin increased to 7.8% from 6.8%.

ROCE for the period improved to 17.9% (June 2014: 16.9%).

On 1 April 2015 Mpact announced the successful implementation of a Broad-Based Black Economic Empowerment ("B-BBEE") transaction. This contributed to an improved B-BBEE rating of Level 3 from Level 5.

The R350 million PET recycling (rPET) plant and the first phase of the R765 million upgrade of the Felixton mill were commissioned on time and within budget. The next milestone in the rPET project is obtaining approval from customers for the use of Mpact's rPET in the production of bottles, which is expected during the last quarter of 2015. The second phase of the Felixton mill upgrade is on track to be completed in 2017.

Paper business

In the Paper business revenue for the period was up 12.1% to R3.3 billion with organic sales volume growth of 2.4%. Acquisitions improved revenue by 1.3%. Underlying operating profit increased by 12.4% to R315.4 million (June 2014: R280.7 million) due to higher selling prices and favourable product mix which were partially offset by increased raw material costs.

Plastics business

Revenue in the Plastics business increased by 7.3% to R1.1 billion on the back of good volume growth in all sectors, other than FMCG which declined following the restructuring in 2014. Underlying operating profit increased by 98.9% to R87.3 million (June 2014: R43.9 million) with the operating profit margin increasing to 7.6% from 4.1%, benefiting from a favourable product mix and cost savings.

Net finance costs

Net finance costs reduced by 2.9% to R57.9 million (June 2014: R59.6 million). Higher interest rates on increased average net debt over the period were offset by a non-recurring benefit received from the unwinding of an interest rate swap and interest capitalised on projects.

Tax

The effective tax rate for the period was 21.1%. (June 2014: 30.0%). The lower effective tax rate is due mainly to the recognition of deferred tax on previously unrecognised tax losses.

Earnings per share

Basic and underlying earnings per share increased by 47.4% to 135.3 cents (June 2014: 91.8 cents). Headline earnings per share for the period was up by 46.9% to 134.4 cents (June 2014: 91.5 cents).

Net debt

Net debt at 30 June 2015 was R1.7 billion, an increase of 22.8% from 30 June 2014 due mainly to investments in major capital projects. The gearing ratio was 34.2% (June 2014: 32.5%). The variable interest rate on an existing R500 million facility was swapped to a fixed rate of 9.49% maturing on 23 December 2019. Effective 20 March 2015, Mpact secured an eight-year loan facility with the KZN Growth Fund of R200 million at a fixed interest rate of 9.15%.

Outlook

Subdued economic conditions in South Africa will make it difficult to maintain similar levels of volume growth in the second half. In addition, we are concerned about the level of inflation in input costs such as raw materials, labour, electricity and administered services.

While it is not possible to predict the short-term consequences of the recent developments in the South African paper packaging sector, we believe that our interventions such as the Felixton mill rebuild, rPET project and our other investments in the recycling and corrugated businesses will ultimately improve our prospects.

Second half earnings will be impacted by costs associated with the start-up of the recently commissioned rPET plant and Phase 1 of the Felixton mill rebuild.

It is anticipated that the effective tax rate for the full year will be at a similar level to the interim period.

Scrip distribution and cash dividend alternative

1. Introduction

Notice is hereby given that the Board has declared an interim distribution for the six months ended 30 June 2015, by way of the issue of fully-paid Mpact ordinary shares of no par value each ("the Scrip Distribution") as a scrip distribution payable to ordinary shareholders ("Shareholders") recorded in the register of the Company at the close of business on the Record Date, being Friday, 4 September 2015.

Shareholders will be entitled, in respect of all or part of their shareholding, to elect to receive a gross cash dividend of 30 cents per ordinary share in lieu of the Scrip Distribution, which will be paid only to those Shareholders who elect to receive the cash dividend, in respect of all or part of their shareholding, on or before 12:00 on Friday, 4 September 2015 ("the Cash Dividend").

The Cash Dividend has been declared from income reserves. A dividend withholding tax of 15% will be applicable to all Shareholders not exempt therefrom, after deduction of which the net Cash Dividend is 25.50 cents per Mpact ordinary share.

The new ordinary shares will, pursuant to the Scrip Distribution, be settled by way of capitalisation of the Company's distributable retained profits.

The Company's total number of issued ordinary shares as at 12 August 2015 is 165 331 235. Mpact's income tax reference number is 9003862175.

2. Terms of the Scrip Distribution

The number of Scrip Distribution shares to which each of the Shareholders will become entitled pursuant to the Scrip Distribution (to the extent that such Shareholders have not elected to receive the Cash Dividend) will be determined by reference to such Shareholder's ordinary shareholding in Mpact (at the close of business on the Record Date, being Friday, 4 September 2015 in relation to the ratio that 30 cents bears to the volume weighted average price ("VWAP") of an ordinary Mpact share traded on the JSE during the 30-day trading period ending on Thursday, 20 August 2015. Where the application of this ratio gives rise to a fraction of an ordinary share, the number of shares will be rounded up to the nearest whole number, if the fraction is 0.5 or more, and rounded down to the nearest whole number, if the fraction is less than 0.5.

Details of the ratio will be announced on the Stock Exchange News Service ("SENS") of the JSE in accordance with the timetable below.

3. Circular and salient dates

A circular providing Shareholder with full information on the Scrip Distribution and the Cash Dividend alternative, including a Form of Election to elect to receive the Cash Dividend alternative will be posted to Shareholders on or about Friday, 14 August 2015. The salient dates of events thereafter are as follows:

EVENT	2015
Announcement released on SENS in respect of the ratio applicable to the Scrip Distribution, based on the 30-day volume weighted average price ending on Thursday, 20 August 2015, by 11:00 on	Friday, 21 August
Announcement published in the press of the ratio applicable to the Scrip Distribution, based on the 30-day volume weighted average price ending on Thursday, 20 August 2015 on	Monday, 24 August
Last day to trade in order to be eligible for the Scrip Distribution and the Cash Dividend alternative	Friday, 28 August
Ordinary shares trade "ex" the Scrip Distribution and the Cash Dividend alternative on	Monday, 31 August
Listing and trading of maximum possible number of ordinary shares on the JSE in terms of the Scrip Distribution from the commencement of business on	Monday, 31 August
Last day to elect to receive the Cash Dividend alternative instead of the Scrip Distribution, Forms of Election to reach the Transfer Secretaries by 12:00 noon on	Friday, 4 September
Record Date in respect of the Scrip Distribution and the Cash Dividend alternative	Friday, 4 September
Scrip Distribution certificates posted and Cash Dividend payments made, CSDP/broker accounts credited/updated, as applicable, on	Monday, 7 September
Announcement relating to the results of the Scrip Distribution and the Cash Dividend alternative released on SENS on	Monday, 7 September
Announcement relating to the results of the Scrip Distribution and the Cash Dividend alternative published in the press on	Tuesday, 8 September
JSE listing of ordinary shares in respect of the Scrip Distribution adjusted to reflect the actual number of ordinary shares issued in terms of the Scrip Distribution at the commencement of business on or about	Wednesday, 9 September

All times provided are South African local times. The above dates and times are subject to change. Any change will be announced on SENS.

Share certificates may not be dematerialised or rematerialised between Monday, 31 August 2015 and Friday, 4 September 2015, both days inclusive.

4. Tax implications

The Scrip Distribution and the Cash Dividend alternative are likely to have tax implications for both resident and non-resident Shareholders. Shareholders are therefore encouraged to consult their professional tax advisers, should they be in any doubt as to the appropriate action to take. In terms of the Income Tax Act, No 58 of 1962 ("the Income Tax Act"), the Cash Dividend will, unless exempt, be subject to Dividend Withholding Tax ("DWT"). South African resident Shareholders that are liable for DWT will be subject to DWT at a rate of 15% of the Cash Dividend and this amount will be withheld from the Cash Dividend with the result that they will receive a net amount of 25.50 cents per share. Non-resident Shareholders may be subject to DWT at a rate of less than 15%, depending on their country of residence and the applicability of any Double Tax Agreement between South Africa and their country of residence.

The Scrip Distribution is not subject to DWT in terms of the Income Tax Act, but the subsequent disposal of ordinary shares obtained as a result of the Scrip Distribution is likely to have Income Tax or Capital Gains Tax ("CGT") implications. Where any future disposals of ordinary shares obtained as a result of the Scrip Distribution falls within the CGT regime, the base cost of such shares will be deemed to be zero in terms of the Income Tax Act (or the value at which such ordinary shares will be included in the determination of the weighted average base cost method will be zero).

Change in directorate

There has been no change to the Board of directors for the period ended 30 June 2015.

AJ Phillips
Chairman

BW Strong
Chief Executive Officer

12 August 2015

Condensed consolidated statement of comprehensive income

	Note	**(Unaudited) Six months ended 30 June 2015 Rm**	(Unaudited) Six months ended 30 June 2014 Rm	(Audited) Year ended 31 December 2014 Rm
Revenue	4	**4,413.9**	3,983.4	8,617.2
Cost of sales		**(2,756.5)**	(2,483.4)	(5,332.3)
Gross margin		**1,657.4**	1,500.0	3,284.9
Administration and other operating expenditure		**(1,315.0)**	(1,230.0)	(2,556.4)
Operating profit	5	**342.4**	270.0	728.5
Share of equity accounted investees' profit		**5.0**	3.1	15.6
Total profit from operations and equity accounted investees		**347.4**	273.1	744.1
Net finance costs		**(57.9)**	(59.6)	(121.0)
Finance costs	7	**(62.6)**	(63.4)	(130.7)
Investment income		**4.7**	3.8	9.7
Profit before tax		**289.5**	213.5	623.1
Tax charge		**(61.1)**	(64.0)	(176.9)
Profit for the period from continuing operations		**228.4**	149.5	446.2
Other comprehensive income, net of taxation		**(5.8)**	2.2	2.1
Items that will not be reclassified subsequently to profit or loss				
Actuarial gains on post-retirement benefit schemes		**–**	–	(0.6)
Tax effect		**–**	–	0.2
Items that may be reclassified subsequently to profit or loss				
Effect of cash flow hedges		**(9.7)**	2.6	0.2
Tax effect		**2.7**	(0.7)	(0.1)
Exchange differences on translation of foreign operations		**1.2**	0.3	2.4
Total comprehensive income		**222.6**	151.7	448.3
Profit attributable to:				
Equity holders of Mpact		**221.7**	149.5	423.0
Non-controlling interests in subsidiaries		**6.7**	–	23.2
Profit for the period		**228.4**	149.5	446.2
Comprehensive income attributable to:				
Equity holders of Mpact		**215.9**	151.7	425.1
Non-controlling interests in subsidiaries		**6.7**	–	23.2
Total comprehensive income		**222.6**	151.7	448.3
Earnings per share (EPS) attributable to equity holders of Mpact	8			
Basic EPS (cents)		**135.3**	91.8	259.1
Diluted EPS (cents)		**134.2**	91.2	256.9

Condensed consolidated statement of financial position

	Note	(Unaudited) As at 30 June 2015 Rm	(Unaudited) As at 30 June 2014 Rm	(Audited) As at 31 December 2014 Rm
ASSETS				
Non-current assets		**3,965.8**	3,408.3	3,632.8
Property, plant and equipment		**2,761.7**	2,205.2	2,422.9
Goodwill and other intangible assets		**1,071.2**	1,078.3	1,076.4
Other non-current financial assets and investment in equity accounted investee's		**110.7**	111.6	115.0
Deferred tax assets		**22.2**	13.2	18.5
Current assets		**3,328.2**	3,075.8	3,430.0
Inventories		**1,237.2**	1,030.8	1,125.8
Trade and other receivables[1]		**1,894.9**	1,722.0	1,769.1
Cash and cash equivalents		**196.1**	323.0	535.1
Total assets		**7,294.0**	6,484.1	7,062.8
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital	9	**2,397.3**	2,326.0	2,344.1
Other reserves		**(0.3)**	4.0	9.2
Retained earnings		**842.6**	515.0	738.0
Equity attributable to the equity holders of Mpact		**3,239.6**	2,845.0	3,091.3
Non-controlling interests in subsidiaries		**101.8**	98.0	114.8
Total equity		**3,341.4**	2,943.0	3,206.1
Non-current liabilities		**1,585.9**	1,448.3	1,256.0
Non-current borrowings	10	**1,265.0**	1,141.5	950.3
Retirement benefit obligations		**58.5**	55.4	57.4
Deferred tax liabilities		**225.2**	183.1	214.0
Other non-current liabilities		**37.2**	68.3	34.3
Current liabilities		**2,366.7**	2,092.8	2,600.7
Short-term borrowings and bank overdraft	10	**658.3**	587.6	887.7
Trade and other payables and provisions[1]		**1,693.7**	1,493.3	1,706.5
Current tax liabilities		**14.7**	11.9	6.5
Total equity and liabilities		**7,294.0**	6,484.1	7,062.8

[1] *Included in these balances are derivative financial instruments which comprise of forward exchange contracts and an interest rate swap, of which the inputs in determining fair values are classified as level 2 in terms of IFRS.*

Condensed consolidated statement of changes in equity

	Stated capital Rm	Share-based payments reserves Rm	Cash flow hedge reserves Rm	Post-retirement benefits reserves Rm	Other reserves^ Rm	Retained earnings Rm	Total attributable to equity holders of Mpact Rm	Non-controlling interests Rm	Total equity Rm
Balance at 31 December 2013 (audited)	2,326.0	30.1	4.1	8.3	(61.8)	478.8	2,785.5	98.1	2,883.6
Dividends paid						(94.9)	(94.9)		(94.9)
Total comprehensive income			1.9		0.3	149.5	151.7		151.7
Share scheme charges for the period		7.4					7.4		7.4
Dividends paid to non-controlling shareholders								(0.1)	(0.1)
Issue/exercise of shares options		(16.2)			38.2	(15.9)	6.1		6.1
Purchase of shares[1]					(10.8)		(10.8)		(10.8)
Reclassification					2.5	(2.5)	–		
Balance at 30 June 2014 (unaudited)	2,326.0	21.3	6.0	8.3	(31.6)	515.0	2,845.0	98.0	2,943.0
Dividends paid	18.1					(42.3)	(24.2)		(24.2)
Total comprehensive income			(1.8)	(0.4)	2.1	273.5	273.4	23.2	296.6
Purchase of shares[1]					(38.6)		(38.6)		(38.6)
Share scheme charges for the period		8.0					8.0		8.0
Dividends paid to non-controlling shareholders								(4.5)	(4.5)
Issue/exercise of shares options		0.1			2.5	(3.4)	(0.8)		(0.8)
Put option held by non-controlling shareholder of subsidiary					33.1		33.1		33.1
Acquisition of subsidiary								(1.9)	(1.9)
Deferred settlement charge						(4.6)	(4.6)		(4.6)
Reclassification					0.2	(0.2)			
Balance at 31 December 2014 (audited)	**2,344.1**	**29.4**	**4.2**	**7.9**	**(32.3)**	**738.0**	**3,091.3**	**114.8**	**3,206.1**
Dividends paid[2]	**53.2**				**(0.5)**	**(107.8)**	**(55.1)**		**(55.1)**
Total comprehensive income			**(7.0)**		**1.2**	**221.7**	**215.9**	**6.7**	**222.6**
Share scheme charges for the period		**9.4**					**9.4**		**9.4**
Dividends paid to non-controlling shareholders								**(4.1)**	**(4.1)**
Issue/exercise of shares options		**(15.2)**			**49.7**	**(24.9)**	**9.6**		**9.6**
Purchase of shares[1]					**(47.1)**		**(47.1)**		**(47.1)**
Decrease of non-controlling interest[3]						**15.6**	**15.6**	**(15.6)**	
Balance at 30 June 2015 (unaudited)	**2,397.3**	**23.6**	**(2.8)**	**7.9**	**(29.0)**	**842.6**	**3,239.6**	**101.8**	**3,341.4**

^ *Other reserves consist of the option to equity holder reserves, revaluation reserves, foreign currency translation reserves and treasury shares*

[1] *Treasury shares purchased represent the cost of shares in Mpact Limited purchased in the market and held by the Mpact Incentive Share Trust to satisfy share awards under the Group's share scheme. As at 30 June 2015, there are 886,023 treasury shares on hand.*

[2] *Dividends declared amounted to R107.8 million of which R53.2 million related to a capitalisation issue, of which R0.5 million were issued to the Mpact Incentive Share Trust.*

[3] *During the current period Mpact increased its shareholding in a subsidiary company by acquiring 9% of the shareholding from the minority shareholders.*

Condensed consolidated statement of cash flows

	(Unaudited) Six months ended 30 June 2015 Rm	(Unaudited) Six months ended 30 June 2014 Rm	(Audited) Year ended 31 December 2014 Rm
Operating cash flows before movements in working capital	**531.3**	464.5	1,146.5
Net increase in working capital	**(223.4)**	(212.6)	(156.6)
Cash generated from operations	**307.9**	251.9	989.9
Taxation paid	**(49.1)**	(72.6)	(167.2)
Dividends received from equity accounted investees	**6.1**	2.5	5.4
Net cash inflows from operating activities	**264.9**	181.8	828.1
Investment in property, plant and equipment	**(512.1)**	(312.9)	(700.7)
Acquisition of business	**–**	–	(1.9)
Other investing activities	**9.3**	6.4	18.9
Net cash outflows from investing activities	**(502.8)**	(306.5)	(683.7)
Purchase of treasury shares	**(47.1)**	(10.8)	(49.4)
Net proceeds from borrowings	**81.3**	200.9	274.6
Finance costs paid	**(79.1)**	(59.7)	(127.6)
Dividends paid to Mpact shareholders	**(55.1)**	(94.9)	(119.1)
Other financing activities	**(4.1)**	(0.2)	(4.6)
Net cash (outflows)/inflows from financing activities	**(104.1)**	35.3	(26.1)
Net (decrease)/increase in cash and cash equivalents	**(342.0)**	(89.4)	118.3
Cash and cash equivalents at beginning of the period ^	**510.7**	392.4	392.4
Cash and cash equivalents at end of the period ^	**168.7**	303.0	510.7

^ *Cash and cash equivalents net of overdrafts.*

Notes

1. Basis of preparation

The condensed, consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council, and the requirements of the Companies Act of South Africa. The preparation of the Group's consolidated results for the half year ended 30 June 2015 was supervised by the Chief Financial Officer, BDV Clark CA(SA). These results are unaudited.

2. Accounting policies

The accounting policies and methods of computation used are consistent with those applied in the preparation of the annual financial statements for the year ended 31 December 2014.

The following revised accounting standards, which had no significant impact on the Group, were adopted in the current period:

– IAS 19: Employee benefits – Defined benefit plans

3. Seasonality

Seasonal effects in the Group's markets have historically resulted in higher revenue and operating profits for the second half, when compared to the first half.

	(Unaudited) Six months ended 30 June 2015 Rm	(Unaudited) Six months ended 30 June 2014 Rm	(Audited) Year ended 31 December 2014 Rm
4. Group segment analysis			
Revenue			
Paper	**3,279.9**	2,923.0	6,294.0
Plastics	**1,147.6**	1,069.7	2,344.4
	4,427.5	3,992.7	8,638.4
Less: Inter-segment revenue	**(13.6)**	(9.3)	(21.2)
Total revenue	**4,413.9**	3,983.4	8,617.2
Operating profit			
Paper	**315.4**	280.7	710.6
Plastics	**87.3**	43.9	132.0
Corporate	**(60.3)**	(54.6)	(91.1)
Underlying segment total	**342.4**	270.0	751.5
Special items (note 6)	**–**	–	(23.0)
Share of equity accounted investee's profit	**5.0**	3.1	15.6
Net finance cost	**(57.9)**	(59.6)	(121.0)
Profit before tax	**289.5**	213.5	623.1
Assets			
Paper	**3,967.6**	3,426.8	3,720.6
Plastics	**1,721.1**	1,381.2	1,500.6
Corporate[1]	**1,605.3**	1,676.1	1,841.6
Total assets	**7,294.0**	6,484.1	7,062.8

[1] *Includes intangible and other non-operating assets.*

Notes continued

	(Unaudited) Six months ended 30 June 2015 Rm	(Unaudited) Six months ended 30 June 2014 Rm	(Audited) Year ended 31 December 2014 Rm
5. Operating profit			
Included in operating profit are:			
Amortisation of intangible assets	**5.6**	5.5	11.0
Depreciation	**182.6**	184.5	385.5
6. Special items			
Impairment of property, plant and equipment	**–**	–	9.3
Restructure costs	**–**	–	13.7
	–	–	23.0
7. Finance costs			
Bank and other borrowings	**68.6**	60.9	130.0
Defined benefit arrangements	**2.4**	2.5	5.0
Interest capitalised to qualifying assets	**(8.4)**	–	(4.3)
	62.6	63.4	130.7

	(Unaudited) months ended 30 June 2015 Cents	(Unaudited) Six months ended 30 June 2014 Cents	(Audited) Year ended 31 December 2014 Cents
8. Earnings per share			
Earnings per share (EPS)			
Basic EPS	**135.3**	91.8	259.1
Diluted EPS	**134.2**	91.2	256.9
Underlying earnings per share[1]			
Basic underlying EPS[2]	**135.3**	91.8	269.2
Diluted underlying EPS[2]	**134.2**	91.2	267.0
Headline earnings per share[3]			
Basic headline EPS	**134.4**	91.5	262.7
Diluted headline EPS	**133.3**	90.8	260.5

[1] *Underlying EPS excludes the impact of special items.*

[2] *Underlying earnings is arrived at by adjusting the profit attributable to equity holders of Mpact for special items, net of tax (see note 6).*

[3] *The presentation of headline EPS is mandated under the JSE Listings Requirements. Headline earnings has been calculated in accordance with Circular 2/2013, 'Headline Earnings', as issued by the South African Institute of Chartered Accountants.*

8. Earnings per share continued

The calculation of headline earnings, based on basic earnings is as follows:

	(Unaudited) Six months ended 30 June 2015 Rm	(Unaudited) Six months ended 30 June 2014 Rm	(Audited) Year ended 31 December 2014 Rm
Profit for the period attributable to equity holders of Mpact	**221.7**	149.5	423.0
Profit on disposal of tangible and intangible assets	**(1.9)**	(0.8)	(1.0)
Impairment of tangible assets	**–**	–	9.3
Related tax	**0.5**	0.2	(2.4)
Headline earnings for the period	**220.3**	148.9	428.9
	Weighted number of shares	Weighted number of shares	Weighted number of shares
Weighted average number of ordinary shares in issue	**163,876,224**	162,804,567	163,268,866
Effect of dilutive potential ordinary shares	**1,363,434**	1,096,139	1,362,284
Diluted number of ordinary shares in issue[1]	**165,239,658**	163,900,706	164,631,150

[1] *Diluted EPS is calculated by adjusting the weighted average number of ordinary shares in issue, on the assumption of conversion of all potentially dilutive ordinary shares.*

	(Unaudited) Six months ended 30 June 2015 Rm	(Unaudited) Six months ended 30 June 2014 Rm	(Audited) Year ended 31 December 2014 Rm
9. Stated capital			
Authorised			
217,500,000 shares of no par value	**–**	–	–
Issued			
165,331,235 shares of no par value	**2,397.3**	2,326.0	2,344.1
On 20 April 2015, 1,230,438 new ordinary shares were issued to shareholders who elected to receive capitalisation shares in terms of the capitalisation issue in lieu of a cash dividend.			
10. Borrowings			
– Bank borrowings	**900.0**	1,124.3	900.0
– Other loans[1]	**320.0**	–	–
– Finance lease liability	**21.2**	17.2	25.5
– Instalment loan facility	**23.8**	–	24.8
Long-term borrowings	**1,265.0**	1,141.5	950.3
Short-term borrowings and short-term portion of long-term borrowings	**564.2**	541.5	795.8
Short-term shareholder loans	**66.7**	26.1	67.5
Bank overdraft	**27.4**	20.0	24.4
Total borrowings	**1,923.3**	1,729.1	1,838.0

[1] *Other loans consist of IDC loan of R120.0 million, and KZN Growth Fund of R200.0 million. The Company's borrowing powers are not restricted.*

	(Unaudited) Six months ended 30 June 2015 Rm	(Unaudited) Six months ended 30 June 2014 Rm	(Audited) Year ended 31 December 2014 Rm
11. Capital commitments			
– Contracted capital commitments	**548.0**	476.6	503.8
– Approved capital commitments	**591.8**	711.9	848.4
Capital commitments	**1,139.8**	1,188.5	1,352.3
Commitments of R682.5 million will be spent in the next 12 months. The balance of R457.3 million will be spent between one to five years.			
These commitments will be met from existing cash resources and borrowing facilities available to the Group.			
12. Contingent liabilities			
(a) Bank guarantees	**79.6**	7.4	7.8
In the current period R70.0 million of bank guarantees have been issued for the purchase price of properties to be acquired.			
(b) A settlement agreement relating to the valuation of put options previously held in a Group subsidiary provides for a deferred payment contingent upon achievement of certain EBITDA and ROCE levels for the years 2015 to 2018, subject to a maximum amount of R11.1 million.			
13. Net asset value per share			
Net asset value per share is defined as net assets divided by the number of ordinary shares in issue as at the period end.			
Net asset value per share (cents)	**2,021.0**	1,799.2	1,953.7

14. Related parties

Transactions between the Company and its respective subsidiaries, which are related parties, have been eliminated on consolidation.

The Group and its subsidiaries, in the ordinary course of business, enter into various sales, purchases and service transactions with associates and others in which the Group has a material interest. These transactions are under terms that are no less favourable than those arranged with third parties. These transactions in total are not significant.

There have been no significant changes to the related parties in this interim reporting period.

15. Post-balance sheet events

The directors are not aware of any matters or circumstances arising subsequent to 30 June 2015 that require any additional disclosure or adjustment to the interim financial statements.

Company information

Mpact Limited

(Incorporated in the Republic of South Africa)
(Company registration number 2004/025229/06)
Income tax number: 9003862175
JSE share code: MPT JSE ISIN: ZAE 000156501
("Mpact" or "the Group" or "the Company")

Directors:

Independent non-executive
AJ Phillips (Chairman)
NP Dongwana, NB Langa-Royds
TDA Ross, AM Thompson

Executive
BW Strong (Chief Executive Officer)
BDV Clark (Chief Financial Officer)

Company secretary
MN Sepuru

Registered office
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Transfer secretaries
Link Market Services
South Africa Proprietary Limited
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South Africa)

Sponsor
Rand Merchant Bank
(a division of FirstRand Bank Limited)
1 Merchant Place
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Rivonia Road, Sandton, 2196
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