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")

UNAUDITED INTERIM RESULTS
for the six months ended 30 June 2014
and cash dividend
declaration with a
capitalisation share
alternative

2014

INTERIM RESULTS

2014 at a glance

Highlights

REVENUE UP

13.2% to R4.0 billion
June 2013: R3.5 billion

UNDERLYING OPERATING
PROFIT UP

14.5% to R270 million
June 2013: R236 million

BASIC UNDERLYING EARNINGS
PER SHARE UP

19.2% to 91.8 cents
June 2013: 77.0 cents

INTERIM GROSS CASH DIVIDEND
PER SHARE UP

18.2% to 26 cents
June 2013: 22 cents

RETURN ON CAPITAL
EMPLOYED OF

16.9%
June 2013: 15.5%

GEARING OF

32.5%
June 2013: 35.6%

Company profile

Mpact is one of the largest paper and plastics packaging businesses in southern Africa, listed on the JSE's Main Board in the Industrial - Paper and Packaging sector. Mpact has the 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 32 operating sites, of which 22 are manufacturing operations, in South Africa, Namibia, Mozambique and Zimbabwe. Approximately 91% of Mpact's sales were to South African-based customers for the current period while the balance is exported predominantly to customers in the rest of Africa.

As at 30 June 2014 Mpact employed 4,000 people.

Group performance

The trading environment for the six months ended 30 June 2014 was characterised by subdued GDP and consumer spending growth in South Africa and a decline in fruit exports which resulted in a reduced demand for fruit packaging. Above inflation input cost escalation was driven by rand depreciation, administered prices and wage settlements.

Mpact's results for the period reflect the Group's resilience, established market positions and benefits derived from investments made over the past years to improve productivity.

The R765 million upgrade of the Felixton mill, announced in March 2014, and which is due to be completed in 2017, progressed according to plan during the period under review.

Following the sale by Shanduka of its 10.45% shareholding in the business in November 2012, Mpact's B-BBEE status dropped to Level 6 (previously Level 4). However, successful interventions over the past 18 months have resulted in Mpact's B-BBEE status improving to Level 5 as of March 2014.

Revenue of R4.0 billion was 13.2% higher than the comparable prior year period, attributable mainly to higher selling prices and a favourable sales mix. Higher average selling prices only partially offset raw material and distribution cost increases, leading to a decline in gross margin when compared to the same period last year. External sales volume grew 1.8% during the period.

Underlying operating profit increased by 14.5% to R270.0 million. The operating profit margin increased to 6.8% from 6.7% in the comparable prior period through improved productivity and fixed cost savings across the Group.

ROCE for the period improved to 16.9% (June 2013: 15.5%).

Basic underlying earnings per share improved by 19.2% versus the same period last year, to 91.8 cents per share as a result of the increase in operating profit and unchanged finance costs.

Paper business

Revenue for the period was up 14.2% to R2.9 billion with external sales volume growth of 2.1%. Detpak, the business acquired in September 2013 contributed 0.9% to external sales volume growth. Underlying operating profit increased by 11.7% to R280.7 million (June 2013: R251.3 million). Productivity improvements resulting from recent investments in the Corrugated business as well as fixed cost savings across the Paper business partially offset the under-recovery of increased raw material costs.

Plastics business

Revenue increased by 10.4% to R1.1 billion due to higher average selling prices. Sales volumes measured in tons were in line with the comparable prior period, with good volume growth in bins and crates offset by a decline in certain products in the FMCG business due to rationalisation.

Underlying operating profit increased by 28.0% to R43.9 million (June 2013: R34.3 million) with margins increasing to 4.1% from 3.5% as a result of a more favourable product mix and management of fixed costs.

Net finance costs

Net finance costs of R59.6 million were in line with the comparable prior period. Higher interest rates on bank loans were offset by lower average net debt during the period.

Tax

The effective tax rate for the period was 30.0% (June 2013: 28.6%).

Earnings per share

Basic and underlying earnings per share increased by 19.2% to 91.8 cents (June 2013: 77.0 cents). Headline earnings per share for the period was 91.5 cents (June 2013: 76.7 cents).

Net debt

Net debt at 30 June 2014 was R1.4 billion, a decrease of R76 million from 30 June 2013. Average net debt was 4.4% lower than the comparable prior period with gearing of 32.5% (June 2013: 35.6%).

Outlook

A significant challenge for the second half of 2014 will be to recover cost inflation while economic growth remains modest. Despite this Mpact remains confident in its strategy, well established market positions and ability to generate shareholder returns.

The Group continues to identify investment opportunities that offer the prospect of enhanced shareholder returns while meeting other strategic objectives.

To this end, Mpact is pleased to announce that it has entered into an agreement with the Industrial Development Corporation of South Africa Limited ("IDC") to build a state-of-the-art polyethylene terephthalate (PET) recycling plant in Gauteng. The plant is due to be commissioned during the second half of 2015 at a total investment cost of R350 million. The business will be held in a newly formed company, Mpact Polymers (Pty) Ltd, in which Mpact holds 79% and the IDC 21%.

To meet changing operational requirements and to remain competitive within the Mpact Plastics FMCG business, agreement has been reached with all affected parties to close the converting factory situated in Robertville, Gauteng and relocate certain plant to other Plastics operations. The closure is expected to be completed by the end of the 2014 financial year at an estimated non-recurring cost of R23 million which will be accounted for in the second half.

The direct financial cost of the four-week-long industry-wide strike that affected six plastics converting operations during July is estimated to be R20 million, which may be partly recovered during the balance of the year.

Cash Dividend and Capitalisation Share alternative

The Board has declared an interim gross cash dividend of 26 cents per ordinary share payable on Monday, 15 September 2014. In terms of the Income Tax Act, the dividend has been declared from income reserves and the Dividend Withholding Tax rate is 15%. Mpact has no STC credits. The net dividend amount is 22.10 cents per share for shareholders liable to pay Dividends Tax and 26 cents per share for shareholders exempt from paying Dividends Tax. The number of issued shares at the date of declaration is 163,575,656.

The dividend has been declared as a cash distribution but shareholders will be entitled to elect to receive ordinary shares in the Company as Capitalisation Shares in lieu of the cash dividend (the Capitalisation Shares). The number of Capitalisation Shares will be determined by the ratio of 26 cents over the volume weighted average price of Mpact's ordinary shares traded on the Johannesburg Stock Exchange (JSE) during the ten-day trading period ending 28 August 2014.

The cash dividend will be paid out of the Company's distributed profits while the issue price of the Capitalisation Shares will be settled by way of capitalisation of the Company's distributable profits. The Capitalisation Shares upon their issue will rank pari passu in all respects with the other ordinary shares then in issue.

Details of the ratio will be released on the Securities Exchange News Services (SENS) of the JSE by no later than 11:00 on Friday, 29 August 2014 and published in the South African press the following business day. Trading in the Strate Limited environment does not permit fractions and fractional entitlement. Accordingly, where a shareholder's entitlement to new ordinary shares calculated in accordance with the above formula gives rise to a fraction of a new ordinary share, such fraction of a new ordinary share will be rounded up to the nearest whole number where the fraction is greater than or equal to 0.5 and rounded down to the nearest whole number where the fraction is less than 0.5.

A circular relating to the cash dividend and Capitalisation Share alternative will be posted to the shareholders on or about Wednesday, 13 August 2014.

The salient dates for the cash dividend and Capitalisation Share alternative are as follows:

Circular and Form of Election posted to shareholders	Wednesday, 13 August 2014
Finalisation announcement released on SENS	Friday, 29 August 2014
Finalisation announcement published in the press	Monday, 1 September 2014
Last day to trade to receive a dividend	Friday, 5 September 2014
Shares commence trading "ex" dividend	Monday, 8 September 2014
Listing of maximum possible number of ordinary shares	Monday, 8 September 2014
Last day to elect to receive the Capitalisation Issue instead of the cash dividend, Forms of Election to reach the transfer secretaries by 12:00 on	Friday, 12 September 2014
Record date in respect of cash dividend/Capitalisation Shares	Friday, 12 September 2014
Dividend payment date	Monday, 15 September 2014
Result of Capitalisation Issue released on SENS	Monday, 15 September 2014
Listing of ordinary shares adjusted	Wednesday, 17 September 2014

Share certificates may not be dematerialised or rematerialised between Monday, 8 September 2014 and Friday, 12 September 2014, both days inclusive.

Tax implications

The cash dividend and the Capitalisation Issue 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 58 of 1962 ("the Income Tax Act"), the cash dividend will, unless exempt, be subject to Dividend Withholding Tax ("DWT") that was introduced with effect from 1 April 2012. 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 22.10 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 Capitalisation Issue is not subject to DWT in terms of the Income Tax Act, but the subsequent disposal of shares obtained as a result of the Capitalisation Issue is likely to have Income Tax or Capital Gains Tax ("CGT") implications. Where any future disposals of shares obtained as a result of the Capitalisation Issue 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 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 2014.

AJ Phillips
Chairman
13 August 2014

BW Strong
Chief Executive Officer

Company information

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
4th Floor, No. 3 Melrose Boulevard
Melrose Arch, 2196
(Postnet Suite #179
Private Bag X1, Melrose Arch, 2076)
Transfer secretaries
Link Market Services
South Africa Proprietary Limited
13th Floor, Rennie House
19 Ameshoff Street, Braamfontein, 2001
(PO Box 4844, Johannesburg, 2000, South Africa)

Sponsor
Rand Merchant Bank
(a division of FirstRand Bank Limited)
1 Merchant Place
corner Fredman Drive and
Rivonia Road, Sandton, 2196
(PO Box 786273, Sandton, 2146)

Condensed Consolidated Statement of Comprehensive Income

	Note	(Unaudited) Six months ended 30 June 2014 Rm	(Unaudited) Six months ended 30 June 2013 Rm	(Audited) Year ended 31 December 2013 Rm
Revenue	4	3,983.4	3,519.5	7,697.8
Cost of sales		(2,483.4)	(2,156.3)	(4,746.7)
Gross margin		1,500.0	1,363.2	2,951.1
Administration and other operating expenditure		(1,230.0)	(1,127.3)	(2,298.7)
Operating profit	5	270.0	235.9	652.4
Share of equity accounted investees' profit		3.1	4.0	9.8
Total profit from operations and equity accounted investees		273.1	239.9	662.2
Net finance costs		(59.6)	(59.6)	(114.2)
Finance costs	7	(63.4)	(63.1)	(121.1)
Investment income		3.8	3.5	6.9
Profit before tax		213.5	180.3	548.0
Tax charge		(64.0)	(51.5)	(150.4)
Profit for the period from continuing operations		149.5	128.8	397.6
Other comprehensive income, net of taxation		2.2	11.8	22.5
Effect of cash flow hedges		2.6	12.0	10.4
Tax effect		(0.7)	(3.4)	(2.9)
Actuarial gains on post-retirement benefit schemes		–	–	12.0
Tax effect		–	–	(3.4)
Exchange differences on translation of foreign operations		0.3	3.2	6.4
Total comprehensive income		151.7	140.6	420.1
Profit attributable to:				
Equity holders of Mpact		149.5	126.1	380.1
Non-controlling interests in subsidiaries		–	2.7	17.5
Profit for the period		149.5	128.8	397.6
Comprehensive income attributable to:				
Equity holders of Mpact		151.7	137.9	402.4
Non-controlling interests in subsidiaries		–	2.7	17.7
Total comprehensive income		151.7	140.6	420.1
Earnings per share (EPS) attributable to equity holders of Mpact	8			
Basic EPS (cents)		91.8	77.0	232.5
Diluted EPS (cents)		91.2	76.5	230.5

Condensed Consolidated Statement of Financial Position

	Note	(Unaudited) As at 30 June 2014 Rm	(Unaudited) As at 30 June 2013 Rm	(Audited) As at 31 December 2013 Rm
ASSETS				
Non-current assets		3,408.3	3,223.6	3,280.4
Property, plant and equipment		2,205.2	2,058.2	2,076.0
Goodwill and other intangible assets		1,078.3	1,053.2	1,083.8
Other non-current financial assets and investment in equity accounted investee's		111.6	103.2	109.5
Deferred tax assets		13.2	9.0	11.1
Current assets		3,075.8	2,502.4	2,926.1
Inventories		1,030.8	883.9	944.1
Trade and other receivables		1,722.0	1,526.9	1,579.7
Cash and cash equivalents		323.0	91.6	402.3
Total assets		6,484.1	5,726.0	6,206.5
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital	9	2,326.0	2,326.0	2,326.0
Other reserves		4.0	42.8	(19.3)
Retained earnings		515.0	260.0	478.8
Equity attributable to the equity holders of Mpact		2,845.0	2,628.8	2,785.5
Non-controlling interests in subsidiaries		98.0	75.2	98.1
Total equity		2,943.0	2,704.0	2,883.6
Non-current liabilities		1,448.3	1,388.1	1,446.5
Non-current borrowings	10	1,141.5	1,118.5	1,120.8
Retirement benefit obligations		55.4	64.7	54.0
Deferred tax liabilities		183.1	204.9	202.5
Other non-current liabilities		68.3	–	69.2
Current liabilities		2,092.8	1,633.9	1,876.4
Short-term borrowings and bank overdraft	10	587.6	454.8	397.3
Trade and other payables and provisions		1,493.3	1,173.8	1,471.5
Current tax liabilities		11.9	5.3	7.6
Total equity and liabilities		6,484.1	5,726.0	6,206.5

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 1 January 2013 (audited)	2,326.0	10.3	(3.4)	(0.3)	4.6	215.6	2,552.8	89.6	2,642.4
Dividends paid						(81.8)	(81.8)		(81.8)
Total comprehensive income			8.6		3.2	126.1	137.9	2.7	140.6
Decrease in non-controlling interest and put option exercised					16.0	0.5	16.5	(11.7)	4.8
Share scheme charges for the period		5.9					5.9		5.9
Dividends paid to non-controlling shareholders								(5.4)	(5.4)
Issue of shares options		(1.3)				1.3			
Purchase of shares(1)						(2.5)	(2.5)		(2.5)
Reclassification					(0.8)	0.8			
Balance at 30 June 2013 (unaudited)	2,326.0	14.9	5.2	(0.3)	23.0	260.0	2,628.8	75.2	2,704.0
Dividends paid						(35.9)	(35.9)		(35.9)
Total comprehensive income			(1.1)	8.6	3.0	254.0	264.5	15.0	279.5
Purchase of shares1					(30.3)	2.5	(27.8)		(27.8)
Share scheme charges for the period		15.2					15.2		15.2
Dividends paid to non-controlling shareholders								(1.7)	(1.7)
Decrease in non-controlling interest and put option exercised					(2.8)	(1.1)	(3.9)		(3.9)
Put option held by non-controlling shareholder of subsidiary					(54.8)		(54.8)	12.1	(42.7)
Increase in shareholding in a subsidiary								(3.1)	(3.1)
Reclassification					0.1	(0.7)	(0.6)	0.6	
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

^ 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 2014, there are 15,643 treasury shares on hand.

Condensed Consolidated Statement of Cash Flows

	(Unaudited) Six months ended 30 June 2014 Rm	(Unaudited) Six months ended 30 June 2013 Rm	(Audited) Year ended 31 December 2013 Rm
Operating cash flows before movements in working capital	464.5	409.9	1,027.9
Net increase in working capital	(212.6)	(428.3)	(220.6)
Cash generated/(absorbed) from operations	251.9	(18.4)	807.3
Taxation paid	(72.6)	(11.3)	(121.8)
Dividends received from equity accounted investees	2.5	–	3.1
Net cash inflows/(outflows) from operating activities	181.8	(29.7)	688.6
Investment in property, plant and equipment	(312.9)	(206.7)	(387.4)
Acquisition of business	–	(15.0)	(51.7)
Other investing activities	6.4	(5.1)	9.8
Net cash outflows from investing activities	(306.5)	(226.8)	(429.3)
Purchase of treasury shares	(10.8)	(2.5)	(30.3)
Net proceeds from borrowings	200.9	119.1	47.4
Finance costs paid	(59.7)	(57.1)	(112.6)
Dividends paid to Mpact shareholders	(94.9)	(81.8)	(117.7)
Repayment of other non-current liabilities	–	(27.7)	(27.7)
Other financing activities	(0.2)	(5.3)	(7.1)
Net cash inflows/(outflows) from financing activities	35.3	(55.3)	(248.0)
Net (decrease)/increase in cash and cash equivalents	(89.4)	(311.8)	11.3
Cash and cash equivalents at beginning of the period ^	392.4	381.1	381.1
Cash and cash equivalents at end of the period ^	303.0	69.3	392.4

^ Cash and cash equivalents net of overdrafts.

Notes

1. Basis of preparation
The condensed, consolidated interim financial statements has 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 Financial Reporting Pronouncements as issued by 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 2014 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 2013.
The following revised accounting standards, which had no significant impact on the Group, were adopted in the current period:
- IAS 27: Separate financial statements
- IAS 32: Financial instruments - Presentation
- IAS 36: Impairment of Assets
- IAS 39: Financial Instruments - Recognition and Measurement
- IFRS 10: Consolidated financial statements
- IFRS 12: Disclosure of interests in other entities

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 2014 Rm	(Unaudited) Six months ended 30 June 2013 Rm	(Audited) Year ended 31 December 2013 Rm
4.	Group segment analysis			
	Revenue			
	Paper	2,923.0	2,559.5	5,593.8
	Plastics	1,069.7	968.8	2,123.8
		3,992.7	3,528.3	7,717.6
	Less: Inter-segment revenue	(9.3)	(8.8)	(19.8)
	Total revenue	3,983.4	3,519.5	7,697.8
	Operating profit			
	Paper	280.7	251.3	635.3
	Plastics	43.9	34.3	105.8
	Corporate	(54.6)	(49.7)	(86.3)
	Underlying segment total	270.0	235.9	654.8
	Special items (note 6)	–	–	(2.4)
	Share of equity accounted investee's profit	3.1	4.0	9.8
	Net finance cost	(59.6)	(59.6)	(114.2)
	Profit before tax	213.5	180.3	548.0
	Assets			
	Paper	3,426.8	2,900.5	3,112.5
	Plastics	1,381.2	1,377.0	1,360.5
	Corporate(1)	1,676.1	1,448.5	1,733.5
	Total assets	6,484.1	5,726.0	6,206.5

(1) Includes intangible and other non-operating assets.

5.	Operating profit			
	Included in operating profit are:			
	Amortisation of intangible assets	5.5	3.9	8.6
	Depreciation	184.5	163.5	346.8
6.	Special items			
	Impairment of property, plant and equipment	–	–	2.4
		–	–	2.4
7.	Finance costs			
	Bank and other borrowings	60.9	59.3	114.8
	Defined benefit arrangements	2.5	2.6	5.1
	Fair value losses	–	1.2	1.2
		63.4	63.1	121.1

		(Unaudited) Six months ended 30 June 2014 Rm Cents	(Unaudited) Six months ended 30 June 2013 Rm Cents	(Audited) Year ended 31 December 2013 Rm Cents
8.	Earnings per share			
	Earnings per share (EPS)			
	Basic EPS	91.8	77.0	232.5
	Diluted EPS	91.2	76.5	230.5
	Underlying earnings per share(1)			
	Basic underlying EPS(2)	91.8	77.0	233.5
	Diluted underlying EPS(2)	91.2	76.5	231.5
	Headline earnings per share(3)			
	Basic headline EPS	91.5	76.7	233.3
	Diluted headline EPS	90.8	76.2	231.5

(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.

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

	(Unaudited) Six months ended 30 June 2014 Rm	(Unaudited) Six months ended 30 June 2013 Rm	(Audited) Year ended 31 December 2013 Rm
Profit for the period attributable to equity holders of Mpact	149.5	126.1	380.1
Profit on disposal of tangible and intangible assets	(0.8)	(0.7)	(0.7)
Impairment of tangible assets	–	–	2.4
Related tax	0.2	0.2	(0.4)
Headline earnings for the period	148.9	125.6	381.4
	Number of shares	Number of shares	Number of shares
Basic number of shares outstanding	162,804,567	163,815,846	163,510,495
Effect of dilutive potential ordinary shares	1,096,139	969,216	1,404,161
Diluted number of ordinary shares outstanding(1)	163,900,706	164,785,062	164,914,656

(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 2014 Rm	(Unaudited) Six months ended 30 June 2013 Rm	(Audited) Year ended 31 December 2013 Rm
9.	Stated capital			
	Authorised			
	217,500,000 shares of no par value	–	–	–
	Issued			
	163,575,656 shares of no par value	2,326.0	2,326.0	2,326.0
10.	Borrowings			
	– Bank borrowings	1,124.3	1,100.0	1,100.0
	– Long-term shareholder loans	–	2.6	1.0
	– Finance lease liability	17.2	15.9	19.8
	Long-term borrowings	1,141.5	1,118.5	1,120.8
	Short-term borrowings and short-term portion of long-term borrowings	541.5	430.0	361.0
	Short-term shareholder loans	26.1	2.5	26.4
	Bank overdraft	20.0	22.3	9.9
	Total borrowings	1,729.1	1,573.3	1,518.1
	The Company's borrowing powers are not restricted. There have been no changes to the overall terms of the banking facilities.			
11.	Capital commitments			
	– Contracted capital commitments	476.6	43.9	111.1
	– Approved capital commitments	711.9	49.5	66.9
	Capital commitments	1,188.5	93.4	178.0
	Commitments of R737.9 million will be spent in the next 12 months. The balance of R450.6 million will be spent between 1 to 5 years. These commitments will be met from existing cash resources and borrowing facilities available to the Group.			
12.	Contingent liabilities			
	(a) Bank guarantees	7.4	7.5	7.4
	(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 2013 to 2018, subject to a maximum amount of R15.7 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)	1,799.2	1,653.1	1,762.9

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 2014 that require any additional disclosure or adjustment to the interim financial statements.

Disclaimer
This document including, without limitation, those statements concerning the demand outlook, expansion projects and its capital resources and expenditure, may be considered to be forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty and although Mpact believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government action and business and operational risk management. While Mpact has taken reasonable care to ensure the accuracy of the information presented, Mpact accepts no responsibility for any consequential, indirect, special or incidental damages, whether foreseeable or unforeseeable, based on claims arising out of misrepresentation or negligence arising in connection with a forward-looking statement. This document is not intended to contain any profit forecasts or profit estimates.

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