



smarter, sustainable solutions

MPACT RECYCLING

Site Visit Presentation – 7 October 2013

Overview

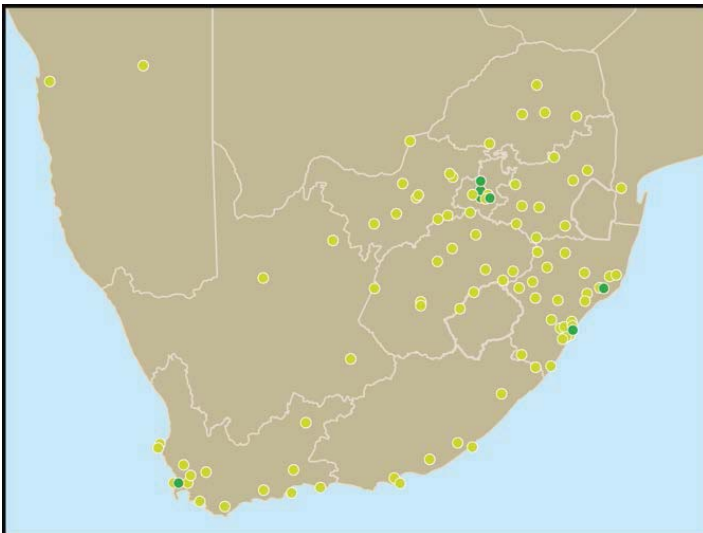
Raw materials

Recycling	Used and discarded paper and plastic
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Staff numbers

Employees	60 (permanent)
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Geographic Footprint - Recycling



Volumes

Recycling	460,000 tons in 2012
	330,000 tons sold to Mpack

Products

Recycling	Bales corrugated boxes, old newspapers and magazines, office papers and mixed papers
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Certifications/Accreditations

Recycling	ISO 14001 / 2004
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Recycling business overview

Purpose of the business

- Supply:
 - Mpact Paper mills; and
 - Mondi Shanduka Newsprintwith all their recovered paper requirements

Management objective

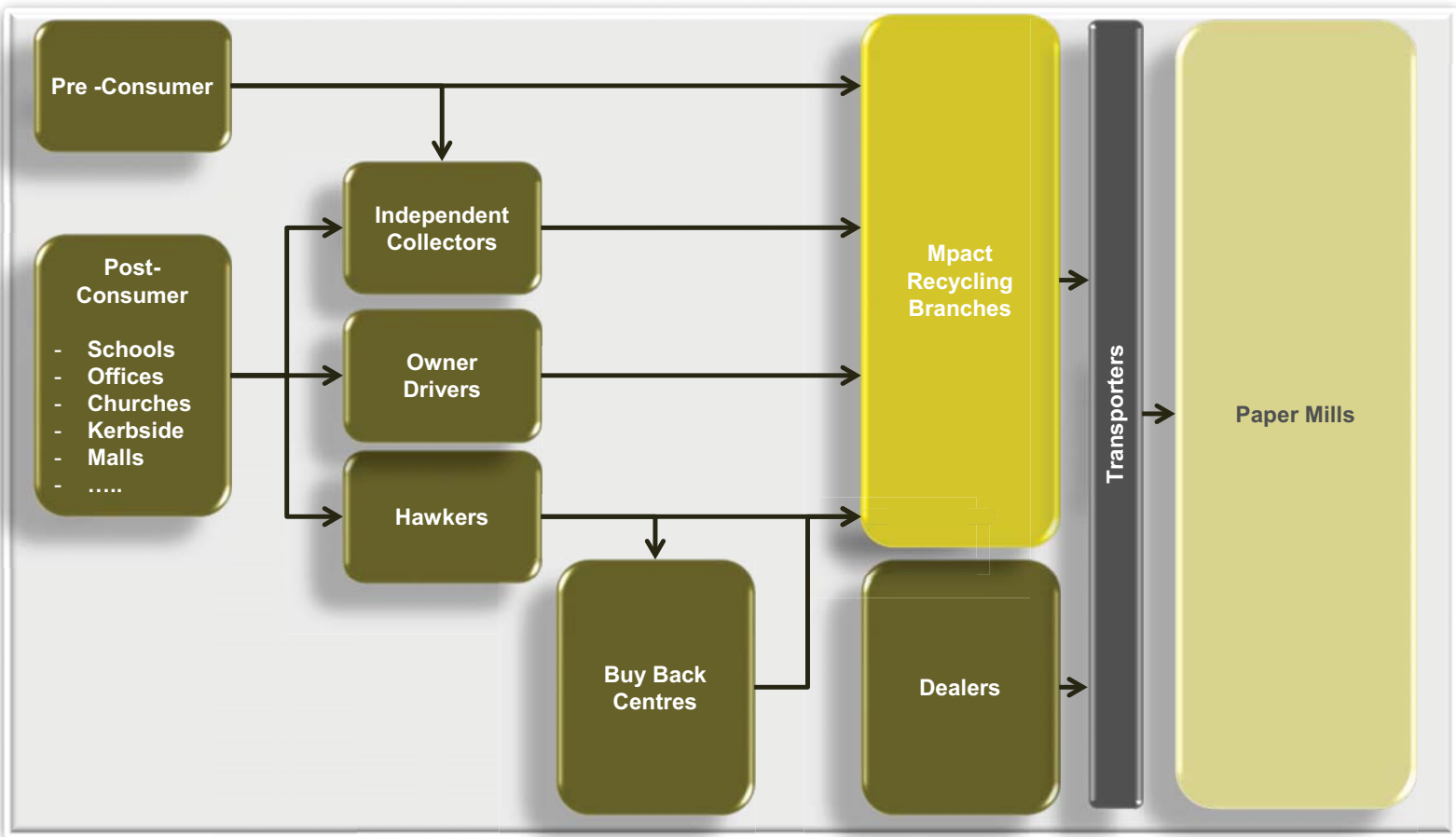
- Meeting the mills volume and quality requirements
- Competitive costs through effective supply chain management



Nature of Recycling business

- Collecting recyclable material is a local activity
 - Mpact's Recycling business depends on supporting and developing local entrepreneurs – form strong relationships
- Provide a service in exchange for access to material
 - Technical advice
 - Supply equipment – Mpact placed over 100 balers with dealers
 - Reliable market – take all paper grades
- Characterised by SMME's who depend on reliable off-take and prompt payment
- Strong dependence on good logistics
- Some materials have become globally traded commodities
- Two main types of business
 - Pre-consumer collections
 - Post-consumer collections
- Barriers to entry high – difficult to replicate this business model

Mpact's Recycling business model



Mpact Recycling - small business example

Mogmot Enterprises - Chamdor



Mpact Recycling - small business example



Lucky Kota at the Park Meadows Shopping Centre

- Entrepreneurs identify a location where they have access to recovered paper
- Mpact places a paper cage on the site and pays the entrepreneur for the paper collected

Mpact Recycling: Buy-back centre

Khombisile Buthelezi's buy-back centre in Alberton
– 90 to 100 tonnes per month



Mpact Recycling: Owner-Driver Scheme

Owner-driver
delivering paper to
Mpact's Richards Bay
operation



Desmond Moloisi's truck delivering
paper from a printer

Mpact Recycling: Outsourced operations

Tulisa Park – Twin Cities

Midrand – T&V Waste Management

Pretoria – Paper Planet

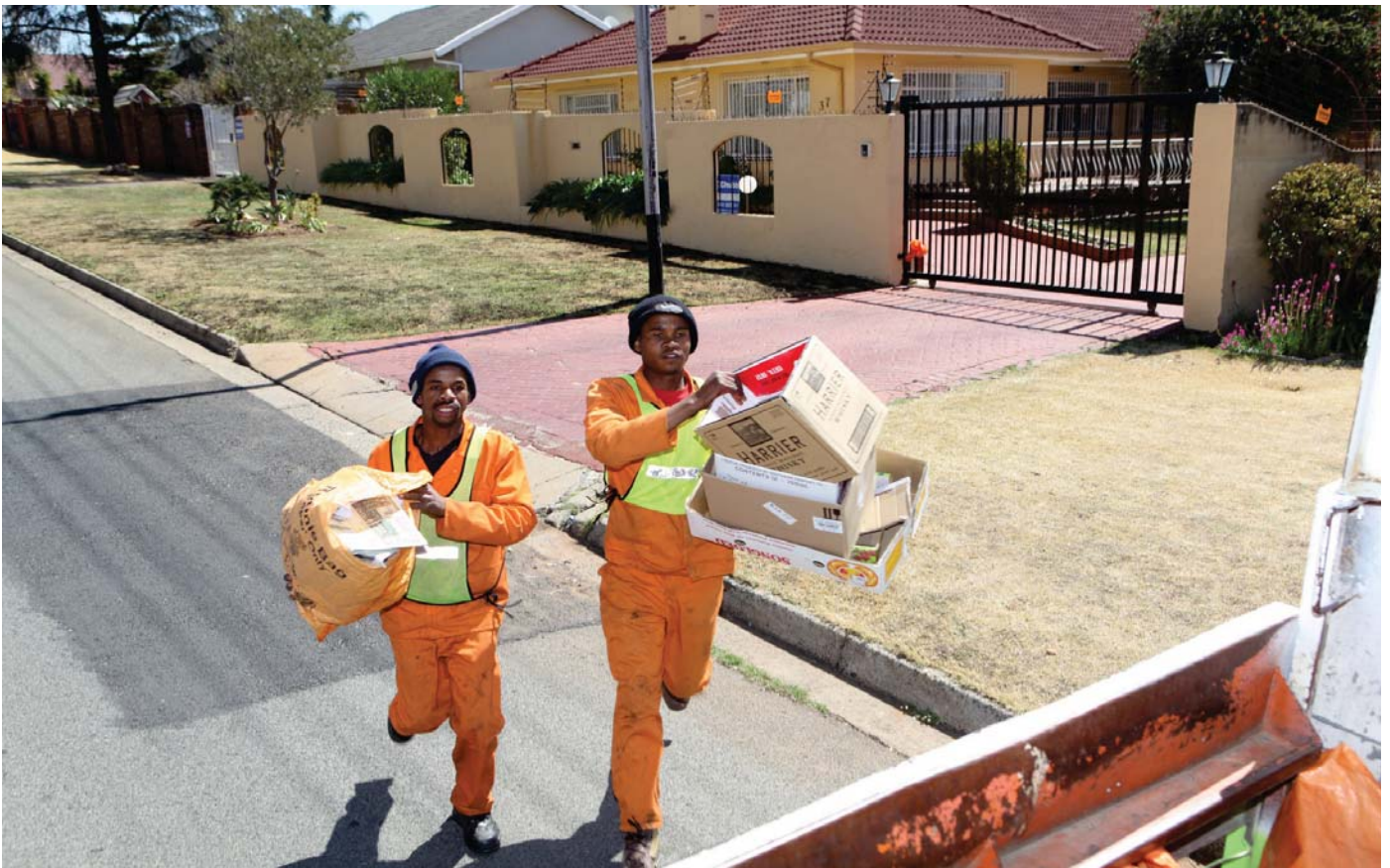
Springs – Twin Cities

Maydon Road – Sasuka Recycling

Parow – Ilitha Recycling



Mpact Recycling: Kerbside collections



Future of recycling

- Expansion into plastic collections
- Limited expansion into waste management where Mpact can secure recyclable volumes
- Paper volume expansion driven by mill demand

