

Mpact Limited  
(Incorporated in the Republic of South Africa)  
(Company registration number 2004/025229/06)  
JSE Share Code: MPT JSE ISIN: ZAE 000156501  
("Mpact" or "the Company")

## AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011 AND CASH DIVIDEND DECLARATION

### HIGHLIGHTS

- *Underlying operating profit up 6.4% to R517 million*
- *Return on Capital Employed (ROCE) of 13.8% (2010: 13.1%)*
- *Underlying earnings per share increased to 102.9 cents (2010: 24.3 cents)*
- *Gearing down to 35% from 96% in prior year*
- *Maiden cash dividend declared of 40 cents per share*

The highlight of the year was undoubtedly Mpact's listing on the JSE on 11 July 2011 and the subsequent demerger from the Mondi Group, effective 18 July 2011. This demerger and rebranding has enabled us to position ourselves as a leading, independent and focused paper and plastics packaging company.

For the year under review, trading conditions were challenging with demand being under pressure across the industry for most of the reporting period. We attribute this mainly to the continued uncertain economic conditions prevailing both globally and locally. In the first half of the year, local demand for packaging was also negatively affected by import substitution of paper, packaging and finished goods as a result of the strength of the rand.

Despite these challenges, through proactive intervention, both the paper and plastics businesses realised substantial cost savings and improved operating performance which offset the effects of reduced volumes. The increase in underlying earnings is attributable mainly to lower financing costs and strong cash generation in the second half of the year.

### FINANCIAL OVERVIEW

Revenue of R6,281 million was in line with the comparable prior year period with higher average selling prices offset by lower volumes in the paper business and in Paperlink, the paper merchanting business, which was sold at the end of March 2011.

Underlying operating profit of R517 million was 6.4% up on the comparable prior year period. Return on capital employed for the year was 13.8% (2010: 13.1%).

#### Paper business

Revenue was 3.8% higher at R4,573 million. In line with seasonal trends, sales volumes for the second half of the year exceeded the first. However, volumes for the full year were down on the comparable prior year period, attributable predominantly to lower domestic sector growth, import substitution and reduced exports.

Underlying operating profit of R560 million for 2011 was 6.4% higher than the comparable prior year period owing mainly to productivity improvements, cost savings and higher average selling prices.

#### Plastics business

Revenue of R1,577 million grew 20.4% compared to 2010 due to increased volumes and higher average selling prices. Selling prices in this business increased on the back of higher raw material costs.

Underlying operating profit for the period increased by 25.6% over the prior year to R114 million due to higher sales volumes and cost savings.

#### Special items

In the year under review, special items include non-recurring costs amounting to R87.4 million relating to the listing and demerger from Mondi which are excluded from underlying profit before tax.

#### Finance costs

Net finance costs of R291 million were lower than the comparable prior year period by 24.8%.

On 5 July 2011 net debt was substantially reduced as part of the capital restructuring prior to listing on the JSE on 11 July 2011. Consequently, net interest costs in the second half of the year were substantially lower than the first half.

#### Tax

The effective tax rate is 39%, which is higher than the normal company income tax rate of 28% mainly due to non-deductible listing costs and disallowable interest.

#### Earnings per share

In terms of a special resolution passed on 28 April 2011 the number of ordinary shares in issue was increased from 159,950 ordinary shares to 23,192,750 ordinary shares following a share split. Thus the number of ordinary shares in issue on 30 June 2011 was 23,192,750.

On 5 July 2011 an additional 140,853,726 ordinary shares were issued to the then shareholders as part of Mpact's capital restructuring prior to listing. Consequently the company listed on 11 July 2011 with 164,046,476 issued ordinary shares.

On the basis of 164,046,476 issued ordinary shares, basic earnings per ordinary share for the year ended 31 December 2011 are 54.9 cents (2010: 22.4 cents) while underlying earnings per ordinary share are 102.9 cents (2010: 24.3 cents).

#### Borrowings

On 5 July 2011 the following major changes to the net debt occurred pursuant to the demerger of Mpact from Mondi and the listing on the JSE:

- A further 140,853,726 ordinary shares were issued for proceeds of R2,090 million;
- The company drew down R1,790 million against new banking facilities;
- Existing bank loans of R1,144 million were settled, and
- All outstanding shareholder loans amounting to R2,833 million were repaid

Consequently, at the date of listing, 11 July 2011, the Group's net debt amounted to R1,718 million. Net debt at 31 December 2011 was R1,307 million (2010: R3,640 million).

#### **Dividends**

The board has declared a maiden cash dividend of 40 cents per ordinary share payable on 30 April 2012. The last day to trade will be Thursday, 19 April 2012. "Ex" dividend trading begins on Friday, 20 April 2012 and the record date will be Thursday, 26 April 2012. The dividend declared is in line with our stated dividend policy which reflects our strategy of creating value and growth, with the objective of offering our shareholders long-term dividend growth.

#### **OUTLOOK**

We expect margins in the paper business to remain under pressure as lower international paper prices and the threat of import substitution limit our ability to fully recover cost increases, especially energy, transport and labour.

Despite this, our strong market position in the paper business remains a key competitive advantage.

In the plastics business, we will continue with the optimisation of our existing operations while seeking further opportunities to establish Mpack as the leading South African rigid plastic packaging producer.

While the economy and trading conditions are expected to remain challenging in the near term, Mpack continues to be well positioned within the sectors it operates.

#### **Change in directorate**

Due to the demerger from Mondi and the listing of Mpack on the JSE, the following changes to the Board of directors were made:

The following directors were appointed on 21 April 2011:

AJ Phillips (Non-executive Chairman); EL Leong (Executive director); NP Dongwana (Non-executive director); NB Langa-Royds (Non-executive director); TDA Ross (Non-executive director and Chairman of the Audit committee)

The following directors and alternate directors resigned on 4 May 2011:

DA Hathorn; ACW King; PA Laubscher; KA Mills; MC Ramaphosa; RM Smith; RP von Veh; R Govender; K Sewpersad

On 1 December 2011, MN Sepuru was appointed company secretary.

AJ Phillips  
Chairman

BW Strong  
Chief Executive Officer

8 March 2012

#### **Directors:**

##### **Non-Executive:**

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

##### **Executive:**

BW Strong (Chief Executive Officer), EL Leong (Chief Financial Officer)

##### **Company secretary:**

MN Sepuru

##### **Registered office:**

4<sup>th</sup> 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)

##### **Sponsors:**

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

Note: Any reference to future financial performance included in this announcement, has not been reviewed or reported on, by the Company's external auditors.

**Audited condensed consolidated statement of comprehensive income  
for the year ended 31 December 2011**

R'millions	Note	2011			2010		
		Before special items	Special items (note 5)	After special items	Before special items	Special items (note 5)	After special items
<b>Revenue</b>	3	6,281.0	-	<b>6,281.0</b>	6,258.7	-	6,258.7
Cost of sales		(3,775.5)	-	<b>(3,775.5)</b>	(3,859.7)	-	(3,859.7)
<b>Gross margin</b>		2,505.5	-	<b>2,505.5</b>	2,399.0	-	2,399.0
Administration & other operating expenditure		(1,665.6)	(53.1)	<b>(1,718.7)</b>	(1,594.2)	-	(1,594.2)
Depreciation, amortisation & impairments		(323.4)	-	<b>(323.4)</b>	(319.5)	(6.3)	(325.8)
<b>Operating profit</b>	3/4	516.5	(53.1)	<b>463.4</b>	485.3	(6.3)	479.0
Profit on disposal of investments		-	0.3	<b>0.3</b>	-	-	-
Share of associates profit		2.3	-	<b>2.3</b>	3.4	-	3.4
<b>Total profit from operations and associates</b>		518.8	(52.8)	<b>466.0</b>	488.7	(6.3)	482.4
Investment income		28.4	-	<b>28.4</b>	48.1	-	48.1
Finance costs		(284.7)	(34.3)	<b>(319.0)</b>	(434.6)	-	(434.6)
<b>Profit/(loss) before taxation</b>		262.5	(87.1)	<b>175.4</b>	102.2	(6.3)	95.9
Tax (charge)/credit		(76.1)	8.4	<b>(67.7)</b>	(48.2)	1.8	(46.4)
<b>Profit/(loss) from continuing operations</b>		186.4	(78.7)	<b>107.7</b>	54.0	(4.5)	49.5
<b>Other comprehensive income/(loss), net of taxation</b>				<b>41.6</b>			(7.1)
Effects of option to equity holders				-			3.0
Effects of cash flow hedges				4.1			(7.5)
Actuarial gains/(losses) and surplus restriction on post-retirement benefit schemes				28.4			(13.7)
Exchange differences on translation of foreign operations				1.6			(0.4)
Cash flow hedge reserve recycled through profit and loss				23.1			-
Tax on other comprehensive income				(15.6)			11.5
<b>Total comprehensive income</b>				<b>149.3</b>			42.4
<b>Attributable to:</b>							
Equity holders of Mpact Limited				131.4			29.7
Non-controlling interests in subsidiaries				17.9			12.7
<b>Total comprehensive income</b>				<b>149.3</b>			42.4
<b>Profit from continuing operations attributable to:</b>							
Equity holders of Mpact Limited				90.1			36.8
Non-controlling interests in subsidiaries				17.6			12.7
<b>Profit from continuing operations</b>				<b>107.7</b>			49.5
<b>Earnings per share (EPS) for profit attributable to equity holders of Mpact:</b>	6						
Basic EPS (cents)				54.9			22.4
Diluted EPS (cents)				54.9			22.4

**Audited condensed consolidated statement of financial position  
as at 31 December 2011**

R'millions	Note	2011	2010
Total non-current assets		<b>3,121.5</b>	3,125.9
Total current assets		<b>2,483.7</b>	1,959.6
Non-current assets classified as held for sale		-	171.0
<b>Total assets</b>		<b>5,605.2</b>	5,256.5
Stated capital/share capital and premium	8	<b>2,334.1</b>	244.3
Accumulated loss and other reserves		<b>(33.0)</b>	(136.4)
Total attributable to equity holders of Mpact		<b>2,301.1</b>	107.9
Non-controlling interests in subsidiaries		<b>110.9</b>	73.2
<b>Total equity</b>		<b>2,412.0</b>	181.1
Non-current liabilities		<b>1,308.2</b>	3,761.3
Non-current borrowings	9	<b>1,151.2</b>	3,589.8
Other non-current liabilities		<b>157.0</b>	171.5
<b>Total current liabilities</b>		<b>1,885.0</b>	1,223.4
Non-current liabilities directly associated with assets classified as held for sale		-	90.7
<b>Total equity and liabilities</b>		<b>5,605.2</b>	5,256.5

**Audited condensed consolidated statement of changes in equity  
for the year ended 31 December 2011**

<b>R'millions</b>	Stated capital/share capital and premium	Other reserves <sup>1</sup>	Accumulate d loss	Total attributable to equity holders of Mpact Limited	Non- controlling interests	Total equity
<b>Balance at 31 December 2009</b>	<b>244.3</b>	<b>(73.5)</b>	<b>(97.2)</b>	<b>73.6</b>	<b>62.5</b>	<b>136.1</b>
Total comprehensive income for the year	-	(7.1)	36.8	<b>29.7</b>	12.7	<b>42.4</b>
Issue of shares under employee share plans	-	(1.8)	1.8	-	-	-
Share plan charges for the year	-	7.1	-	<b>7.1</b>	-	<b>7.1</b>
Dividends paid to non-controlling interests	-	-	-	-	(2.0)	<b>(2.0)</b>
Reclassification	-	(0.3)	0.3	-	-	-
Contribution paid to Mondi Incentive Scheme Trust	-	(2.5)	-	<b>(2.5)</b>	-	<b>(2.5)</b>
<b>Balance at 31 December 2010</b>	<b>244.3</b>	<b>(78.1)</b>	<b>(58.3)</b>	<b>107.9</b>	<b>73.2</b>	<b>181.1</b>
Total comprehensive income for the year	-	41.3	90.1	<b>131.4</b>	17.9	<b>149.3</b>
Demerger arrangements	-	(22.5)	(15.3)	<b>(37.8)</b>	-	<b>(37.8)</b>
Share plan charges for the year	-	12.3	-	<b>12.3</b>	-	<b>12.3</b>
Dividends paid to non-controlling interests	-	-	-	-	(1.5)	<b>(1.5)</b>
Reclassification	-	(0.1)	0.1	-	-	-
Change in functional currency of foreign subsidiary	-	24.6	(25.9)	<b>(1.3)</b>	-	<b>(1.3)</b>
Increase in shareholding of subsidiary	-	-	(1.2)	<b>(1.2)</b>	(2.4)	<b>(3.6)</b>
Increase in non-controlling interest in a subsidiary	-	-	-	-	23.7	<b>23.7</b>
Issue of shares	2,089.8	-	-	<b>2,089.8</b>	-	<b>2,089.8</b>
<b>Balance at 31 December 2011</b>	<b>2,334.1</b>	<b>(22.5)</b>	<b>(10.5)</b>	<b>2,301.1</b>	<b>110.9</b>	<b>2,412.0</b>

<sup>1</sup> Other reserves consist of the option to equity holder reserves, revaluation reserves, foreign currency translation reserves, share-based payment reserves, cash flow hedge reserves, and post retirement benefit reserves.

**Audited condensed consolidated statement of cash flows  
for the year ended 31 December 2011**

R'millions	2011	2010
Net cash inflows from operating activities	789.5	649.4
Net cash outflows from investing activities	(255.2)	(274.3)
Net cash outflows from financing activities	(223.2)	(589.5)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>311.1</b>	<b>(214.4)</b>
Cash and cash equivalent at beginning of year	95.8	310.2
<b>Cash and cash equivalent at end of year <sup>1</sup></b>	<b>406.9</b>	<b>95.8</b>

<sup>1</sup> Cash and cash equivalents net of overdrafts

## NOTES

### 1. Basis of preparation

These condensed consolidated annual financial statements for the year ended 31 December 2011 have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (in particular IAS 34: Interim Financial Reporting), the AC500 standards as issued by the Accounting Practices Board, the JSE Limited's listing requirements and the South African Companies Act, 2008 as amended.

The Group's annual financial statements, from which these condensed annual financial statements have been derived, have been audited by the company's auditors, Deloitte & Touche, whose unmodified report is available for inspection at the registered office of the company.

The preparation of these condensed consolidated financial results for the year ended 31 December 2011 was supervised by the Chief Financial Officer, Mr EL Leong CA (SA).

These condensed consolidated annual financial statements should be read in conjunction with the Group's annual financial statements, from which they have been derived.

### 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 2010, except for:

The following new or revised accounting standards and interpretations, adopted in the current year which had no impact on the Group:

- IFRS 2 : Share-based Payment
- IAS 19 : Employee Benefits
- IAS 24 : Related Party Disclosures
- IAS 32 : Financial Instruments – Presentation
- IFRS 3 : Business Combinations
- IAS 34 : Interim Financial Reporting
- IFRIC 14 : The limit on a Deferred Benefit Asset, Minimum Funding Requirements and their Interaction.
- IFRIC 19 : Extinguishing Financial Liabilities with Equity Instruments

	2011 Rm	2010 Rm
<b>3. Group segment analysis</b>		
<b>External Revenue</b>		
Paper	4,572.6	4,406.8
Plastics	1,576.6	1,309.9
Corporate and other business <sup>1</sup>	131.8	542.0
<b>Total external revenue</b>	<b>6,281.0</b>	<b>6,258.7</b>
<b>Operating profit</b>		
Paper	560.3	526.7
Plastics	113.9	90.7
Corporate and other business <sup>1</sup>	(157.7)	(132.1)
Segment underlying operating profit	516.5	485.3
Special items	(87.1)	(6.3)
Share of associate's profit	2.3	3.4
Net finance costs (excluding financing special items)	(256.3)	(386.5)
<b>Group profit before tax</b>	<b>175.4</b>	<b>95.9</b>
<b>Special items per segments</b>		
Paper	(0.3)	0.7
Plastics	-	5.6
Corporate and other business	87.4	-
<b>Total special items</b>	<b>87.1</b>	<b>6.3</b>
<b>Assets</b>		
Paper	2,743.6	2,577.3
Plastics	1,120.9	1,028.0
Corporate and other business <sup>1</sup>	1,740.7	1,651.2
<b>Total assets</b>	<b>5,605.2</b>	<b>5,256.5</b>

<sup>1</sup> includes Paperlink, its paper merchant division, which was sold during the year.

	2011 Rm	2010 Rm
<b>4. Operating profit</b>		
Included in operating profit are:		
Amortisation of intangible assets	24.1	41.4
Depreciation	299.3	278.1
<b>5. Special items</b>		
Listing transaction costs <sup>1</sup>	46.3	-
Special financing costs <sup>2</sup>	34.3	-
Demerger arrangements <sup>3</sup>	6.8	-
<b>Total relating to listing and demerger</b>	87.4	-
(Profit) on disposal of part investment in associate	(0.3)	-
Impairment of property, plant and equipment	-	6.3
Related tax	(8.4)	(1.8)
<b>Net of tax</b>	78.7	4.5
Related non-controlling interests	-	(1.4)
<b>Total special items attributable to equity holders of Mpact</b>	78.7	3.1

<sup>1</sup> Listing transaction costs associated with the listing of the Company on the Johannesburg Stock Exchange.

<sup>2</sup> As a result of the demerger from Mondi, and separate listing, the Group restructured, and settled its long term debt including its floating rate debt. As a result of the settlement of the floating rate debt, the corresponding interest rate swap was terminated. The costs of R23.1 million of early termination of the interest rate swap, have been included in finance costs for the current year. In addition, finance costs of R11.2 million were incurred on the debt financing arrangements.

<sup>3</sup> Equity-settled demerger arrangements for senior management have resulted in a fair value charge for the Group and Company in the current year.

#### 6. Earnings per share (EPS)

<b>Basic earnings per share for the financial year (cents)</b>		
Basic EPS	54.9	22.4
Diluted EPS	54.9	22.4
<b>Underlying earnings per share for the financial year (cents)<sup>1</sup></b>		
Basic underlying EPS	102.9	24.3
Diluted underlying EPS	102.8	24.3
<b>Headline earnings per share for the financial year (cents)</b>		
Basic headline EPS	54.3	23.1
Diluted headline EPS	54.2	23.1

<sup>1</sup>Underlying EPS excludes the impact of special items, referred to in note 5

The calculation of basic and diluted EPS, basic and diluted underlying EPS, and basic and diluted headline EPS is based on the following data :

	Rm	Rm
<b>Profit for the financial year attributed to equity holders of Mpact</b>	90.1	36.8
Special items (see note 5)	87.1	6.3
Related tax	(8.4)	(1.8)
Related non-controlling interest	-	(1.4)
<b>Underlying earnings for the financial year</b>	168.8	39.9
Profit on disposal of property, plant and equipment and intangible assets	(1.1)	(1.6)
Special items to be included in headline earnings	(87.4)	-
Related tax	8.7	(0.4)
<b>Headline earnings for the financial year</b>	89.0	37.9
<b>Number of ordinary shares</b>		
Basic number of ordinary shares outstanding <sup>1</sup>	164,046,476	164,046,476
Effect of dilutive potential ordinary shares <sup>2</sup>	173,484	-
Diluted number of ordinary shares outstanding	164,219,960	164,046,476

<sup>1</sup> The calculation of basic EPS, HEPS and underlying EPS has been based on the profit for the reported period, as shown above, and on 164,046,476 ordinary shares, which represents the aggregate number of shares that were listed on 11 July 2011. The Group was not a stand-alone entity prior to



the demerger date. The number of shares in issue has therefore been retrospectively applied to the comparative period, so that meaningful comparison can be made.

<sup>2</sup> Diluted EPS is calculated by adjusting the weighted average number of ordinary shares in issue, on the assumption of conversion of all potential dilutive ordinary shares.

## 7. Dividend per share (cents)

The company declared no dividends during the year ended 31 December 2011. On 6 March 2012 the Board declared a cash dividend of 40 cents per share, and will be paid in accordance with the following timetable:

Last day to trade to receive a dividend	Thursday, 19 April 2012
Shares commence trading "ex" dividend	Friday, 20 April 2012
Record date	Thursday, 26 April 2012
Payment date	Monday, 30 April 2012

Share certificates may not be dematerialised or rematerialised between Friday, 20 April 2012 and Thursday, 26 April 2012, both days inclusive.

	2011 Rm	2010 Rm
<b>8. Stated capital/share capital and premium</b>		
<b>Ordinary</b>		
Balance at beginning of year (159,950 shares of R0.001 each)	-	-
Conversion to shares of no par value	244.3	-
Issue of shares	2,089.8	-
Balance at end of year (164,046,476 shares with no par value)	2,334.1	-
<b>Share premium</b>		
Balance at beginning of the year	244.3	244.3
Conversion to shares of par value	(244.3)	-
<b>Total issued stated capital/share capital and premium</b>	<b>2,334.1</b>	<b>244.3</b>

By special resolution passed on 28 April 2011 the share capital of Mpact was altered by: (a) increasing the authorised share capital from 1,000,000 shares of R0.001 each to 1,500,000 ordinary shares of R0.001 each; (b) sub-dividing all authorised shares from 1,500,000 ordinary shares of R0.001 each into 217,500,000 ordinary shares of R0.0000069 each; (c) sub-dividing all issued shares from 159,950 ordinary shares of R0.001 each into 23,192,750 ordinary shares of R0.0000069 each; (d) converting all issued and authorised ordinary shares in the company with a par value of R0.0000069 each into ordinary shares of no par value.

On 5 July 2011 an additional 140,853,726 ordinary shares were issued to shareholders as part of the company's capital restructuring prior to listing on the Johannesburg Stock Exchange.

	2011 Rm	2010 Rm
<b>9. Long term borrowings</b>		
Bank borrowings	1,650.0	1,211.6
Shareholders loans	34.3	2,490.5
Finance lease liability	29.6	33.6
Long-term borrowings	1,713.9	3,735.7
Less: Short-term borrowings and short-term portion of long-term borrowings	(562.7)	(145.9)
<b>Total borrowings</b>	<b>1,151.2</b>	<b>3,589.8</b>

<sup>1</sup> Prior to listing on the 11 July 2011, the company settled existing loans of R1,144 million with Standard Bank, and drew down R1,790 million against new banking facilities negotiated between Standard Bank and Rand Merchant Bank, these new facilities are not ceded. Mezzanine and Shareholders loans amounting to R2,833 million were repaid.

## 10. Disposal of businesses

- The Merchant business acquired by the Group from Mondi Limited in 2007 has been sold back to Mondi Limited on 1 April 2011. The total consideration of the sale amounted to R90.0 million which represented the net value of the sales assets and liabilities.
- On 1 July 2011, Mpact Recycling (Pty) Ltd purchased the recycling business from Mpact for a purchase consideration of R94.2 million. This purchase consideration was funded by Mpact Recycling (Pty) Ltd through a subscription of its shares to Mondi Limited and Mpact, equalling the value of the purchase consideration. Mondi Limited and Mpact own a 25.1% and 74.9% shareholding in Mpact Recycling (Pty) Ltd respectively.

## 11. Business combinations

- The Group acquired a 100% interest in Plastic Omnium Urban Systems (Pty) Ltd, through its shareholding in Mpact Plastic Containers South Africa (Pty) Ltd for a purchase consideration of R19.7 million effective as of 31 January 2011. Profit for the year arising on this

acquisition was not material for the Group. The purchase price allocations are: non-current assets of R11.9m; current assets of R12.6m; non-current liabilities of R1.3m; current liabilities of R4.8m and the balance of R1.3m allocated to goodwill.

- b) The Group acquired a 49% shareholding in an associate company, with effect from 1 January 2011.
- c) The Group increased its shareholding in a subsidiary on 17 October 2011.

	2011 Rm	2010 Rm
<b>12. Capital commitments</b>		
- Contracted capital commitments	51.5	143.9
- Approved capital commitments	20.9	34.2
<b>Capital commitments</b>	<b>72.4</b>	<b>178.1</b>

These commitments will be met from existing resources and borrowing facilities available to the Group

### 13. Contingent liabilities

Contingent liabilities for the Group comprise aggregate amounts of R8.6 million (2010: R13.2 million) in respect of loans and guarantees given to banks and other third parties.

A dispute has arisen in respect of the value of shares put by a minority shareholder in a subsidiary.

There are a number of legal and tax claims against the Group. Provision is made for all liabilities that are expected to materialise.

A group mill is the subject of a land claim, which should not have a material impact on the financial position of the Group.

### 14. Asset value per share

Asset value per share is disclosed in accordance with the JSE Listing Requirements. Net asset value per share is defined as net assets divided by the number of ordinary shares in issue at 31 December 2011 (Retrospectively applied to the net assets of the comparative balance sheet).

The number of ordinary shares has been retrospectively restated to represent the aggregate number of shares at listing date, 11 July 2011.

Net asset value per share (cents)	1,470.3	110.4
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### 15. Related parties

The Group has a related party relationship with its associates and directors.

These transactions are under terms that are no less favourable than those arranged with third parties.

### 16. Events occurring after the reporting date

- a) In November 2011 the trustees of the defined benefit pension plan in South Africa, with the agreement from the participating pensioners and employees, resolved to wind up the fund subject to regulatory approval. Regulatory approval was received in January 2012. Mpact Limited will receive a reimbursement of the pension surplus of R19.1 million and a settlement charge of R7.5 million will be recognised in 2012.
- b) On 20 January 2012, a non-controlling shareholder exercised its put option in respect of 6.84% shares in a subsidiary.