

Mpact Limited

(the proposed new name for Mondi Packaging South Africa Limited)
(Incorporated in the Republic of South Africa)
(Registration number 2004/025229/06)
JSE share code: MPT ISIN: ZAE000156501
("Mpact" or the "Company")

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THE CONTENTS OF THIS ABRIDGED PRE-LISTING STATEMENT HAVE BEEN PREPARED BY AND ARE THE SOLE RESPONSIBILITY OF MPACT.

ABRIDGED PRE-LISTING STATEMENT

Abridged pre-listing statement relating to the listing of all of Mpact Limited's issued ordinary shares of no par value ("Ordinary Shares") by way of introduction (the "Listing"), on the main board of the securities exchange operated by the JSE Limited ("JSE") with effect from the commencement of business on Monday, 11 July 2011 (the "Date of Listing").

The Company issued a pre-listing statement on Tuesday, 31 May 2011, relating to the listing of the Ordinary Shares under the "Containers & Packaging" sub-sector of the main board of the JSE (the "Pre-listing Statement"). The information in this abridged pre-listing statement has been extracted from the Pre-listing Statement.

This abridged pre-listing statement is not an invitation to subscribe for or purchase shares in Mpact, but is issued in compliance with the Listings Requirements of the JSE for the purposes of providing information to the public with regard to the business and affairs of Mpact and its subsidiaries (the "Group") as at the Date of Listing.

1. Introduction, reasons for the demerger and demerger conditions precedent

On Thursday, 7 April 2011, the Mondi Group ("Mondi") announced its intention to demerge the Group (the "Demerger") and separately list the Company. The Demerger will be implemented by way of a dividend in specie from Mondi Limited to Mondi Limited ordinary shareholders ("Mondi Limited Shareholders") on Monday, 18 July 2011 on the basis of one Mpact ordinary share ("Demerged Share") for every one Mondi Limited Ordinary Share held by each such Mondi Limited Shareholder.

Mondi plc Shareholders will not be entitled to the Demerged Shares; rather, they will receive the benefit of an appropriate adjustment, a "matching action" (for the purpose of the Dual Listed Companies ("DLC") Agreements), to reflect the value distributed by Mondi Limited to Mondi Limited Shareholders. The Mondi Limited board and Mondi plc board (the "Mondi Boards") have determined that a consolidation of the Mondi Limited Ordinary Shares ("Mondi Limited Share Consolidation") is the most appropriate form of adjustment in the circumstances. The effect of the Mondi Limited Share Consolidation will be

that Mondi plc Shareholders will, collectively, hold an increased interest in Mondi. After the Demerger and the Mondi Limited Share Consolidation, Mondi Limited Shareholders will hold consolidated Mondi Limited Ordinary Shares ("New Mondi Limited Shares") as well as the newly listed Demerged Shares.

Following the Listing and Demerger, Mondi and the Group will operate independently of each other as separately listed and publicly traded groups. The Group will operate under a new name, Mpack Limited.

Mpack is essentially southern Africa focused with most of its operations located throughout South Africa and with single plants located in Namibia, Mozambique and Zimbabwe. It is an integrated producer of corrugated products, has a growing rigid plastics packaging business and is also involved in the production of cartonboard.

Mpack is unique within Mondi as no other part of Mondi produces rigid plastics or cartonboard. Mpack's primary growth opportunities going forward are expected to be in expanding the rigid plastics business, thereby diverging further from Mondi's core strategic focus. The primary rationale for seeking a separate JSE listing for Mpack is that it will allow it to pursue its own growth strategy without the constraint of a shareholder that has differing strategic priorities. It is considered that a separate listing for Mpack, with the ability to independently access capital in support of its strategic objectives, is in the best interests of Mpack, Mondi and related stakeholders, including employees. The Demerger thereby endorses Mpack's own strategy and provides a clear benefit as both Mondi and Mpack will be able to take better advantage of their respective growth opportunities.

The Demerger is conditional (amongst other things) on the approval of the resolutions set out below ("Demerger Conditions Precedent"). It should be noted that, although it is currently Mondi's intention that the Demerger should be concluded, Mondi shall be entitled to decide not to proceed with the Demerger at any time prior to Thursday, 30 June 2011 ("Finalisation Date").

The Demerger needs to be approved by the shareholders of each of Mondi Limited and Mondi plc, respectively.

The resolutions set out in the circulars from each of Mondi Limited and Mondi plc, inter alia:

a) authorise the Mondi Boards to pay the dividend in specie to effect the Demerger and authorise the Mondi Boards to do any other acts as may be necessary to effect the Demerger; and

b) approve the Mondi Limited Share Consolidation and authorise the Mondi Boards to do any other act necessary to effect the Mondi Limited Share Consolidation.

If any of the Demerger Conditions Precedent are not fulfilled, the Demerger and the Listing will not proceed. Furthermore, if the Demerger Conditions Precedent are fulfilled but the Demerger is not implemented, the Listing will

not proceed.

2. Overview of the business of the Group

The Group is one of the largest South African packaging businesses, involved in the manufacture and supply of paper and plastic packaging products, with total revenues of R6,259 million in 2010, R5,774 million in 2009 and R5,711 million in 2008 and EBITDA of R805 million in 2010, R714 million in 2009 and R631 million in 2008. The Group's operations comprise its paper business and its plastics business. The paper business is integrated across the recycled paper-based corrugated packaging value chain and comprises three divisions: recycling, packaging and industrial paper and corrugated, while its plastics business manufactures rigid plastic packaging. The Group has 22 manufacturing operations and 29 operating sites in South Africa, Namibia, Mozambique and Zimbabwe. Approximately 91% of the Group's sales in 2010 were achieved in South Africa. As at 31 December 2010, the Group's workforce amounted to approximately 3,500 employees in total.

The Group is the leading producer of recycled-based cartonboard and containerboard, the leading collector of recovered paper and the leading producer of corrugated packaging in South Africa. The paper recycling division undertakes the collection of recovered paper for use in the production of cartonboard and containerboard. The packaging and industrial paper division produces cartonboard and containerboard products. The corrugated division undertakes the production of corrugated boxes and other corrugated packaging products. The Group's main paper production facilities are in Springs (Gauteng), Felixton (KwaZulu-Natal) and Piet Retief (Mpumalanga) in South Africa. In addition, the Group has nine corrugated box plants and two corrugated sheet plants.

In 2010, the Group collected approximately 448,000 tonnes of recovered paper as part of its recycling operations and produced approximately 399,000 tonnes of packaging and industrial papers and 387 million square metres of corrugated packaging products. The Group's paper business had external revenues of R4,407 million representing 77% of the Group's revenue (excluding Paperlink revenue) and EBITDA of R686 million in 2010 (excluding corporate services costs).

In addition, the Group is a leading producer of rigid plastic packaging in South Africa and is the largest South African producer of PET pre-forms, styrene trays and plastic jumbo bins. In 2010 the Group's plastics business produced over one billion pre-forms and PET bottles. The Group has eight plastics production facilities in the Western Cape, Gauteng and KwaZulu-Natal in South Africa, as well as one plant in Zimbabwe. The Group's plastics business had external revenues of R1,310 million, representing 23% of the Group's revenue (excluding Paperlink revenue) and EBITDA of R190 million in 2010 (excluding corporate services costs).

The Group has developed centres of excellence for its human resources, safety, health and environmental policy functions. In addition, the Group enjoys the benefits of shared services across its businesses for its finance, human resources administration and IS&T and has an R&D facility located in

Stellenbosch.

Immediately prior to the Demerger and the Listing, the Group will be 89.55% owned by Mondi, a global integrated paper and packaging group, and 10.45% owned by Shanduka, a broad-based black economic empowerment ("BBBEE") investment concern. The Listing positions the Group to pursue optimisation and growth initiatives in line with its strategic vision without the constraints of being part of Mondi, with its different strategic priorities which exclude the rigid plastics business. The Demerger will enable the Group to pursue attractive investment opportunities in its paper and plastics businesses and provides more potential to expand the Group's geographic footprint into African markets. As part of the re-organisation of the Group prior to the Listing, the Group sold its Paperlink business (paper merchant business), which had sales of R541 million in 2010, to Mondi Limited with effect from 1 April 2011 for R93 million. Furthermore the Group has agreed to sell 25% of its recycling division to Mondi Limited with effect from 1 July 2011.

Shanduka has undertaken that it will not sell any of its shares in the Company for a period of 180 days following the Demerger. The Group remains committed to the enhancement of BBBEE in South African society.

3. Competitive Strengths

The Group believes its key strengths include the following:

- leading market positions in South Africa;
- a customer-focused operating structure;
- an integrated corrugated packaging value chain; and
- a track record of profitable growth delivered by an experienced management team.

4. Strategies for growth

The Group's overall business strategy is to optimise its current operations and selectively grow its operations in each of its businesses. The Group intends to:

- develop and selectively grow its leading market positions in rigid plastic packaging, paper-based packaging and packaging paper in sub-Saharan Africa, where the Group is able to extract value through business, operational and management expertise as well as from product application, design and market knowledge;
- further develop its manufacturing and service footprint to deliver superior solutions to its customers underpinned by: a decentralised structure reflecting management depth and experience at all levels; an innovative customer-focused product offering; and leading market positions that enable the Group to achieve sustainable cost effectiveness through economies of scale; and
- focus on performance through business excellence programmes and sound asset

management enabling the Group to: provide its customers with quality products and services; retain a motivated and skilled workforce and deliver good returns to its shareholders.

As part of its overall optimisation strategy, the Group has established business excellence programmes aimed at reducing costs and improving profitability. These programmes specifically focus on operational performance and prudent asset management and target continuous improvement of productivity, efficiency and reliability of operations, cost reduction programmes and profit improvement initiatives. These programmes also encompass sustainability, human resources development, customer focus and product innovation. Management believes that business excellence and rigorous cost control programmes are key in improving its cost position. Management will continue to focus on these initiatives and believes they will continue to deliver future benefits to the Group.

Management also believes operational excellence can only be achieved by empowering the Group's operational management and employees. Remuneration of management and supervisors is linked to performance against key performance indicators. To this end, the Group has a well-established decentralised structure and has initiated several skills and development programmes for employees. Finally, the Group's commitment to sustainable development in each of its businesses, by adopting leading industry health and safety standards, obtaining raw materials from accredited sources and ensuring its businesses are constantly seeking to reduce their environmental impact, has enhanced the Group's reputation throughout the markets in which it operates.

5. Directors

The names, ages, nationalities, business addresses and functions of the directors of Mpact are set out below:

On the Date of Listing, the board of Mpact will comprise:

Name	Business Address	Occupation/Function
Executive directors		
Bruce William Strong (42) South African and United Kingdom	4th Floor 3 Melrose Boulevard Melrose Arch 2196 Gauteng, South Africa	Chief Executive Officer
Egar Leslie Leong (61) South African	4th Floor 3 Melrose Boulevard Melrose Arch 2196 Gauteng, South Africa	Chief Financial Officer

Non-executive directors

Anthony John Phillips* (65) South African and United Kingdom	4th Floor 3 Melrose Boulevard Melrose Arch 2196 Gauteng, South Africa	Chairman
Neo Phakama Dongwana* (39) South African	4th Floor 3 Melrose Boulevard Melrose Arch 2196 Gauteng, South Africa	Non-Executive Director
Nomalizo Beryl Langa-Royds* (49) South African	4th Floor 3 Melrose Boulevard Melrose Arch 2196 Gauteng, South Africa	Non-Executive Director
Timothy Dacre Aird Ross* (66) South African	4th Floor 3 Melrose Boulevard Melrose Arch 2196 Gauteng, South Africa	Non-Executive Director
Andrew Murray Thompson* (54) South African	4th Floor 3 Melrose Boulevard Melrose Arch 2196 Gauteng, South Africa	Non-Executive Director

Notes:

* Independent director

6. Salient dates and times

	2011
Issue of notices for the Mondi Limited general meeting and Mondi plc general meeting	Tuesday, 31 May
Publication of the Pre-listing Statement	Tuesday, 31 May
Last date for lodging of proxy forms for the Mondi Limited general meeting and Mondi plc general meeting by 12:00	Tuesday, 28 June
Mondi Limited general meeting (at 12:00) and Mondi plc general meeting (at 11:00 UK time)	Thursday, 30 June
Results of Mondi Limited general meeting and Mondi plc general meeting released on SENS	Thursday, 30 June
Results of Mondi Limited general meeting published in the (South African) press	Friday, 1 July
Last Day to trade in Mondi Limited Ordinary Shares on the JSE in order to be recorded in Mondi Limited's register of members on the Demerger Record Date	Friday, 8 July
Mondi Limited Ordinary Shares trade ex the entitlement to the Demerged Shares from the commencement of business	Monday, 11 July
Date of Listing on the JSE	Monday, 11 July
Demerger Record Date	Friday, 15 July
Demerger effected	Monday, 18 July
Share certificates in respect of Demerged Shares posted to Mondi Limited Shareholders who hold Mondi Limited Ordinary	

Shares in certificated form on or about Monday, 18 July
Mondi Limited Shareholders who hold Mondi Limited accounts
at their CSDP or broker updated with Demerged Shares on Monday, 18 July

Any material change to the timetable will be released on SENS and published in South African press.

7. Share capital

At the Date of Listing, the (a) authorised share capital of the Company will be comprised of 217,500,000 Ordinary Shares, and (b) issued share capital of the Company will be comprised of 164,046,476 Ordinary Shares. All the issued Ordinary Shares of the Company are expected to be listed on the main board of the stock exchange operated by the JSE. All Ordinary Shares rank pari passu in all respects, there being no conversion or exchange rights attaching thereto, and have equal rights to participate in capital, dividend and profit distributions by the Company. There will be no other class of shares in issue by the Company as at the Date of Listing. As at the Date of Listing no shares will be held by the Company or its subsidiaries as treasury shares.

8. Copies of the Pre-listing Statement

The Pre-listing Statement is available in English only and copies thereof may be obtained during normal business hours from Tuesday, 31 May 2011 until Thursday, 30 June 2011 from Mpact, Rand Merchant Bank (a division of FirstRand Bank Limited) and Link Market Services South Africa (Proprietary) Limited, at their respective physical addresses which appear below:

The registered office of Mpact:
4th Floor
3 Melrose Boulevard
Melrose Arch 2196
Gauteng, South Africa

The office of Rand Merchant Bank:
1 Merchant Place
Cnr Rivonia Road and Fredman Drive
Sandton
Johannesburg
2196
South Africa

The office of Link Market Services
South Africa (Proprietary) Limited
13th Floor, Rennie House
19 Ameshoff Street
Braamfontein 2001
(PO Box 4844, Johannesburg 2000)
South Africa

9. Holders of Mondi Limited Ordinary Shares in the United States and the Restricted Shareholders

Mondi Limited Shareholders with registered addresses in any of Australia, Canada or Japan (each an "Excluded Territory") or who are located or resident in an Excluded Territory ("Restricted Shareholders") and, subject to certain exceptions, Mondi Limited Shareholders with registered addresses in the United

States or located or resident in the United States ("US Mondi Limited Shareholders") will not receive any Demerged Shares pursuant to the Demerger. A mechanism will be put in place so that the Demerged Shares due to such Restricted Mondi Limited Shareholders and, subject to certain exceptions, the US Mondi Limited Shareholders will not be delivered to such shareholders personally, but rather will be delivered, following the Demerger, to a third party in South Africa nominated by Mondi, which will hold such Demerged Shares on behalf of such Restricted Mondi Limited Shareholders and US Mondi Limited Shareholders. Mondi Limited or the third party shall co-ordinate the disposal of the Demerged Shares due to such Restricted Mondi Limited Shareholders and US Mondi Limited Shareholders for cash in South Africa and distribute the cash proceeds therefrom (translated into the relevant local currency or US dollars (as the case may be) from South African rand at the ruling exchange rate at the relevant time net of applicable fees, expenses, taxes and charges) to such Restricted Mondi Limited Shareholders and US Mondi Limited Shareholders, in proportion to such shareholders' entitlement to Demerged Shares. There can be no assurance as to what price such Restricted Mondi Limited Shareholders or US Mondi Limited Shareholders will receive from the disposal of such Demerged Shares or the timing of such receipt or the exchange rate that is achieved in converting the proceeds of the disposal of such Demerged Shares from South African rand into the relevant Restricted Mondi Limited Shareholders' or US Mondi Limited Shareholders' local currency. The disposal of Demerged Shares due to such Restricted Mondi Limited Shareholders and US Mondi Limited Shareholders will be pursuant to Regulation S under the US Securities Act.

Johannesburg
31 May 2011

Financial adviser and sponsor to the Group
Rand Merchant Bank (a division of FirstRand Bank Limited)

Financial advisers and transaction sponsor to Mondi
NM Rothschild & Sons Limited
And
NM Rothschild & Sons (South Africa) (Proprietary) Limited

Attorneys
Webber Wentzel, Legal adviser to Mpact and Mondi as to South African law
Linklaters LLP, Legal adviser to Mondi as to English and US law
White & Case LLP, Legal adviser to Mpact as to English law

Reporting accountants and auditors
Deloitte & Touche

The release, publication or distribution of this abridged pre-listing statement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this abridged pre-listing statement is released, published or distributed should inform themselves about and observe such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the laws of any such jurisdiction.

This abridged pre-listing statement does not constitute an offer to purchase or to subscribe for shares or other securities or a solicitation of any vote or approval in any jurisdiction.

This abridged pre-listing statement does not constitute an offer to sell nor a solicitation to buy securities as such terms are defined under the US Securities Act of 1933 (the "US Securities Act").

The Demerged Shares have not been and will not be registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold or taken up, directly or indirectly, within the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offer of the Demerged Shares in the United States.

TO NEW HAMPSHIRE RESIDENTS: NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

The Demerged Shares have not been and will not be registered under the securities laws of any of Australia, Canada and Japan and may not be offered, sold or taken up, directly or indirectly, by any Restricted Mondi Limited Shareholder, except pursuant to an applicable exemption from and in compliance with any applicable securities laws.