

Mondi Packaging to list on JSE

The Mondi Group on Tuesday, 31 May 2011, announced that it intends to demerge Mondi Packaging and list it as a separate entity on the containers and packaging sector of the main board of the Johannesburg Stock Exchange on 11 July.

It proposes to change the name Mondi Packaging to Mpact and its listing code will be "MPT". The new name will only be effective from the listing date.

The primary rationale for a separate listing is that it will allow Mondi Packaging to pursue its own growth strategy without the constraint of a shareholder with different strategic priorities.

Mondi also announced new board members for Mpact.

Tony Phillips will chair the board as non-executive director and Tim Ross, Neo Dongwana and Ntombi Langa-Royds join as non-executive members in addition to Andrew Thompson, an existing non-executive director.

Mondi Packaging CEO Bruce Strong said: "I am excited about the planned listing and increased flexibility to take advantage of our growth opportunities.

"Our leading market positions and experienced management team ensure we are well placed to continue the company's track record of profitable growth as a standalone packaging company under our new name Mpact."

Mondi Packaging is one of the largest manufacturers and suppliers of paper and plastic packaging products in South Africa with total revenues of 6.26 billion rand in 2010 - 9% derived from Africa, outside of South Africa.

The company has delivered an annual average compound EBITDA growth rate of 18.8% over the past 6 years.

Mondi Packaging has 22 manufacturing operations and 29 operating sites in South Africa, Namibia, Mozambique and Zimbabwe. As at the end of 2010, it employed around 3 500 people.

Mondi said the demerger would be implemented by way of a dividend in specie from Mondi Limited.

Shareholders' entitlement to the dividend in specie would be on the basis that each shareholder would receive one Mpact Share for every one Mondi Limited ordinary share held.

Prior to the demerger, it is intended that Mondi Limited and Shanduka will subscribe for new Mpact Shares; certain

shareholder loans made to Mpact will be repaid using the cash proceeds received from the new share subscription as well as newly arranged borrowing facilities; and the Mpact Shares held by Mondi Limited's employee share ownership trust will be acquired by the Mondi Group, such that the Mondi Group's shareholding in Mpact will increase to 89.55% of the total number of Mpact Shares in issue following these steps and Shanduka's shareholding will reduce to 10.45%.

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