

**Mondi Limited**

(Incorporated in the Republic of South Africa)

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Mondi plc

(Incorporated in England and Wales)

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As part of the dual listed company structure, Mondi Limited and Mondi plc notify both the JSE Limited and the London Stock Exchange of matters required to be disclosed under the JSE Listing Requirements and/or the Disclosure and Listing Rules of the United Kingdom Listing Authority.

7 May 2008

MONDI LIMITED AND MONDI plc – ANNUAL GENERAL MEETINGS**ADDRESS TO SHAREHOLDERS BY THE JOINT CHAIRMEN AND CHIEF EXECUTIVE OFFICER****Cyril Ramaphosa, Joint Chairman, speaking from Johannesburg:**

Good morning, ladies and gentlemen. On behalf of the Boards of Mondi Limited and Mondi plc, I would like to welcome you to the first annual general meeting of the Mondi Group. We are delighted that you have been able to join us here in Johannesburg and there in London. Thanks to the magic of technology, although we're six thousand miles apart, Sir John Parker and I, and our fellow Board directors, take great pleasure in being able to talk to you this morning, as one.

As you know, Sir John and I share the chair of Mondi Group and we both would like to say a few words this morning about Mondi's progress over the last year. Your chief executive, David Hathorn, will then take a few minutes to review the Group's strategy and performance. After this, we will be pleased, as a Board, to take your questions.

One of the highlights of the year, of course, was our successful demerger from Anglo American plc last July. For the first time in its history, Mondi is now a flourishing independent Group with dual listings in South Africa and London. Although the dual listed company structure means that Mondi Limited in South Africa and Mondi plc in the UK are separate corporate entities, each with its own board and shareholders, the important thing to remember is that Mondi operates as a single corporate group, managed as a single economic enterprise. The two companies have the same board members and the same management team.

The DLC structure means that shareholders in each company fully share in the performance of the Group as a whole.

And, as I'm sure you will agree, that performance has been extremely encouraging. The substantial increase in our underlying operating profit, up by a third to just over 500 million euros, reflects the hard work and commitment of our 35,000 employees



around the world, helped by a general improvement in market conditions during 2007.

This translates into a very healthy 74% increase in underlying earnings, to 46.9 euro cents per share, enabling us to propose a maiden final dividend of 15.7 euro cents per share – with the equivalent paid in South African rand – which, if approved, will make a total for the year of 23 euro cents per share.

Sir John will talk a little more in a moment about some of the Group's achievements over the year, but I would just like to highlight one area in which I am particularly proud of our progress. Mondi is one of the largest employers in most of the communities in which it operates.

We, therefore, have a duty to ensure that our corporate citizenship is of the highest calibre – we must make a positive social and economic impact on those communities.

I am especially pleased with our record in this area. In 2007 alone we invested some 6.5 million euros in community projects, supporting small businesses, funding education projects and financing sports facilities, particularly here in South Africa. We are committed to maintaining this investment in the coming year.

In a broader context, we are also a major supporter of the South African government's policy of broad-based black economic empowerment, which influences many of our employment and procurement practices.

In South Africa we face the particular challenge of HIV/AIDS. Although it has not been a significant issue for Mondi, we believe we have a role to play in reducing the prevalence of this terrible disease and we have provided counselling and testing as a matter of routine among our employees for the past five years.

It has often been suggested to me that Mondi is a complex business as it covers so many paper and packaging product areas and manages, owns or leases forests. But as you'll see from the excellent overview in the foldout spread at the beginning of our first annual report (incidentally hard copies of this report are available for you today or you can download this from our web site), in essence what we do is very simple: we harvest wood, we convert it into pulp and from that pulp we produce a wide range of packaging and business papers and converted packaging products, adding value at every stage of the product chain.

We then recycle as much used material as we can to produce more pulp, all the while replenishing our forestry stocks to ensure that the process can continue. In 2007 alone we replanted more than 18,000 hectares of new trees, ensuring that we put back into the environment as much as possible of what we have taken from it. It is a record of sustainability of which we can be proud.

With that, I'd like to hand over to my co-chairman, Sir John Parker, in London. Sir John.

Sir John Parker, Joint Chairman, speaking from London:

Thank you, Cyril. As you've heard, although Mondi is a dual listed company domiciled on two continents, it is a single group with a unified management.



The Boards comprise the same directors, with independent non-executives in each, and those Boards remain independent of the executive management team (which we call the executive committee or ExCo), led by David Hathorn. The executive committee manages the Group on a day-to-day basis.

I stress this because it is important for you to know that your Group is adhering to the best international practice in terms of its corporate governance. You can be assured that your Boards are committed to the highest possible standards of financial control and administration and that the key risks and performance criteria of the business are being assiduously monitored and reviewed on your behalf.

As Cyril and I said in our statement in the annual report, the very first item on our agenda at Board meetings is safety.

Mondi operates in a heavy industrial environment and we are acutely conscious of our responsibility to our people who work, as it were, at the sharp end of our business. Their safety is paramount.

You will be reassured to know that our record in this regard is good. We made significant progress in reducing our frequency of lost-time injuries in 2007, but we will not be satisfied until all injuries have been eliminated from our business and we have achieved our vision of "zero harm".

Our focus on safety, of course, is only one part of our commitment to sustainability across the Group, recognising that our people are our most valuable asset. We recognise, too, that we have a broader responsibility to achieve a realistic balance between ecological, social and economic values.

That means leading the way in sustainable forestry practices, which Cyril has already alluded to. It also means working hard to reduce our environmental footprint, both by reducing emissions and by cutting the quantity of waste we produce. We are pleased with our track record in these areas, which you can read about in our detailed sustainability report, copies of which are available today and which you can also download from our website.

As you will have read in the annual report, one of the first tasks of your Boards following the demerger was to thoroughly review the Group's operations and management structure. On completion of that review towards the end of last year, we decided to put in place a new and more streamlined organisational structure. Accordingly, from 1 January this year, Mondi has been managed through two geographical divisions: Europe & International; and South Africa. These replace the Mondi Packaging and Mondi Business Paper business units with which you will all have been familiar.

Within these two new geographical divisions we continue to be involved in the manufacture of packaging and paper and converted packaging products: uncoated fine paper; and speciality products and processes, including coating, release liner and consumer flexibles.

As a result of this re-structure, I would like to welcome to the Boards Peter Oswald, a member of Mondi's senior management team for the last 16 years, who was



appointed CEO of the Europe & International Division and a director of Mondi Limited and Mondi plc at the beginning of this year.

This re-organisation has enabled us to simplify our management reporting lines and eliminate duplication, further reducing costs and improving our competitiveness. We look forward to reporting the tangible benefits of these improvements at the end of this financial year.

This morning we announced our interim management statement and shortly your chief executive, David Hathorn, will take you through what we have announced.

We have a clear ambition: to be the best-performing paper and packaging group in the world. David Hathorn, will talk more in a moment about the strategy we are pursuing to realise that ambition. But, in conclusion, I would like to reiterate on behalf of your Boards our commitment to securing the best possible returns for you, our shareholders, whilst operating sustainably and recognising the needs of all our stakeholders, both inside and outside the Group.

Before I hand you over to David Hathorn, I would like to add that I am personally delighted to be working with Cyril and the Boards of Mondi Limited and Mondi plc. I feel that the business has achieved an enormous amount in a relatively short space of time since our de-merger. In managing the Boards, Cyril and I work very closely and have an excellent and productive working relationship that enables us to manage your dual listed business to optimum effect.

And now I will hand you over to David Hathorn in South Africa. David.

David Hathorn, Chief Executive Officer, speaking from Johannesburg:

Thank you, Sir John. As your chairmen have said, 2007 was an eventful and encouraging year. Our underlying operating profits were substantially ahead, up 33% thanks to improved pricing and greater efficiency across the Group.

We generated a very healthy operating cash flow of just under a billion euros.

We made a strong step forward in one of our key performance indicators, lifting our return on capital employed by two and a half percentage points to 10.6 percentage points.

This reflects both improved profitability and tighter management of our capital employed. However, we will be putting considerable emphasis into securing cost reductions and further productivity improvements this year. I will touch on our target for return on capital employed in a few moments.

Thanks to the efforts of our first-class workforce, we achieved productivity records at most of our paper mills and delivered cost savings of 167 million euros. We further rationalised and restructured the business. This also includes the closure of 140,000 tonnes of our uncoated fine paper capacity at our Hungarian mill.

All this whilst continuing to invest in our future, including the approval of investing 875 million euros on upgrading and expanding our operations in Poland and Russia.



I believe we can attribute much of our success over recent years to a sharply focused strategy which is designed to make us the best-performing paper and packaging group in the world. That strategy has four key drivers.

Firstly, in a competitive global business, we believe it is right to concentrate our sales efforts on those markets which offer us above-average long-term growth potential, hence our focus on building on our market positions in the emerging territories of Europe, Russia and South Africa.

We have built number one or two positions in packaging and uncoated fine paper in almost all our chosen markets. For example, Mondi is the number one producer of kraft paper in Europe and of corrugated packaging in South Africa.

We are also the number one producer of office paper in Europe and also of uncoated fine paper and newsprint in South Africa.

In 2007, nearly half our sales came from emerging markets and you can expect to see this proportion grow over the next few years.

The second driver of our strategy is to be the lowest-cost producer in our industry, by investing in production capacity in lower cost regions and by being as vertically integrated as possible across our operations.

We have, therefore, invested in production facilities and forestry in emerging Europe, Russia and South Africa.

Two-thirds of our assets are now deployed in these markets and, once again, we expect to increase this proportion over the coming years.

You can see the benefits of this in the significant upstream cost advantages we enjoy in many of our product segments.

For example, the Group's entire production capacity in three of its major products is in the industry's lowest cost quartile. We are self-sufficient in wood, our primary raw material, in two of the world's lowest-cost fibre-producing regions, South Africa and Russia.

We believe, particularly in these uncertain economic times, that vertical integration is crucial to securing supply and reducing our exposure to price volatility in our major raw materials.

In addition, we are 82% self sufficient in energy in our major mills.

Our third strategic driver is an unremitting focus on performance. I believe this is a major differentiator for Mondi: we have a culture of continuous productivity improvement and rigorous cost-reduction at all levels of the business. We are fortunate to have an outstanding and highly experienced management team with a track record in managing complex international businesses and experience in integrating new value-adding businesses.

We have achieved marked improvements in productivity in many of our plants in Russia and emerging Europe. This is coupled with a disciplined plant rationalisation



programme which has enabled us to trim our cost base, eliminate excess capacity and thereby improve the supply-demand balance in many of our grades.

This process of on-going cost reduction and mill headcount reduction continues. Where sites do not meet our strict performance criteria they are improved, divested or closed.

We have already announced the closure of our uncoated fine paper machine in Hungary, removing another 140,000 tonnes of capacity from the market.

The Chairmen have also referred to the re-organisation which took effect at the beginning of this year, which has aligned our business model across the Group and enabled us to eliminate duplication and reduce overheads throughout the business.

In the past three years alone we have delivered cumulative cost reductions of around 10% of total cash costs and there is more to come.

The fourth and final strategic driver behind Mondi is growth. I have already said that we are committed to expanding our asset and sales bases in key emerging markets.

We will do this both organically and by selective value-enhancing acquisitions. We have a very straightforward criterion for these investments: they must enable us to secure a sustained low-cost position which will deliver a return in excess of our cost of capital over the cycle.

As mentioned earlier, the Group is investing 875 million euros in its two biggest projects in Poland and Russia.

In Poland we are investing in a new lightweight recycled containerboard machine and new box plant at our Swiecie mill.

In Russia we are investing in modernising and expanding our low cost mill at Syktyvkar. This mill has already proven to be a great success, earning very good returns. The wood-handling facilities will be modernised and expanded and the fibre lines will be upgraded.

On completion, it is estimated that the two chipping lines and debarking units will be the largest in the world by capacity.

These investments will enable us to exploit the growing demand for converted packaging in central and eastern Europe and for containerboard and uncoated fine paper in Russia. Both investments will also enable us to appreciably reduce our production costs.

Acquisition also plays an important part in our growth. We have developed a strong track record of successfully integrating the businesses we acquire and leveraging synergies with our existing operations. In 2007, among other acquisitions, we acquired a major stake in Turkey's leading producer of corrugated packaging, securing immediate market leadership in the Turkish market.

These four drivers of our strategy are designed to secure a combination of sustained growth and continuously improving business excellence. We are confident that over



time they will enable us to achieve our objective of a 13% return on capital employed and the growth in shareholder value that will come with it.

Today we released our interim management statement. I would now like to take you through the main points of today's statement.

Mondi's underlying operating profit has come in ahead of the comparable period in 2007, helped by a strong performance in the Europe & International Division.

Within the Europe & International Division;

- Unit volumes in the Corrugated business held up, but as expected the pricing environment was impacted by the weaker US dollar with kraftliner prices down 2% since the year end and box prices have increased marginally.
- Bags & Specialties has benefitted from strong sack kraft paper and converted bag prices, up around 5% since the year end. The results were also helped by the acquisition of Unterland in the second half of last year which is trading in line with expectations.
- In the Uncoated Fine Paper business unit revenues were up despite the closure of our Hungarian mill during the period and selling prices are up 4% on average but relatively unchanged since the year end.

In the South Africa division the planned maintenance shut of Richards Bay for two weeks has impacted results and sales volumes were impacted as we realign the sales mix to higher margin products. Overall we are confident that the measures we are taking to improve our profitability are working and with effect from 1 May we have implemented a 5% price increase in the domestic market.

Within Mondi Packaging South Africa demand and pricing remain positive, however, results will be impacted on translation into euros at the much weaker rand rate.

Within Merchant and Newsprint, Europapier and Mondi Shanduka Newsprint have had a reasonable start to the year. However, Aylesford Newsprint, our UK joint venture, has seen a significant deterioration in profitability as a result of falling selling prices and rising input costs.

Whilst input cost pressures remain a concern, particularly energy, Mondi's ongoing focus on cost reductions, restructuring and productivity improvements will help to partially offset cost inflation. Indeed, we are now seeing the benefits of various restructuring actions coming through including the closure of our uncoated fine paper mill in Hungary where production ceased on 20 March 2008 and the simplification of our European uncoated fine paper divisional structure.

With respect to our two major projects in Poland and Russia, they both remain on track and I am pleased to say that we have commenced construction in Russia.

In conclusion, whilst there is some uncertainty over pricing and demand developments, Mondi's product mix, emerging market focus, continued push to drive down costs and willingness to respond quickly to changing market conditions, gives us confidence that we will make further progress in 2008.

