

Mondi Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1967/013038/06)
JSE share code: MND ISIN: ZAE000097051

Mondi plc
(Incorporated in England and Wales)
(Registration number: 6209386)
JSE share code: MNP ISIN: GB00B1CRLC47
LSE share code: MNDI

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.

6 May 2010

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, welcome to the third 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 once again to the marvel of technology, although we're on separate continents, David Williams and I, and our fellow board directors, take great pleasure in being able to talk to you this morning, as one.

As you know, David Williams and I share the chair of Mondi Group and we would both like to say a few words this morning about Mondi's progress over the last year. Your chief executive, David Hathorn, will then review the Group's performance and strategy in a little more detail as well as update you on the Group's interim management statement that we published earlier today. After this we will be delighted, as a board, to take your questions. But first, let me introduce you to your directors.

To my immediate left is Imogen Mkhize, an independent non-executive director. Next to her is David Hathorn, your chief executive officer. And on his left is Philip Laubscher, company secretary of Mondi Limited. Next to Philip is Andrew King, your chief financial officer.

With David Williams in London, we have Colin Matthews, an independent non-executive director and chairman of the DLC Sustainable Development Committee. Anne Quinn, our senior independent non-executive director and chair of the DLC Remuneration Committee. And beside her Carol Hunt, company secretary of Mondi plc.

To David's right, we have Peter Oswald, chief executive officer of the Europe & International Division and, finally, John Nicholas independent director and chairman of the DLC Audit Committee.

For the benefit of our new shareholders I should point out that, 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, 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.

You will not be surprised to hear me say that the challenging business environment continued in 2009 and that difficult trading conditions persisted for much of the year.

Mondi's focused strategy and rigorous attention to operational efficiency enabled us to emerge from the current economic downturn in good shape and well-positioned to deliver attractive returns to our shareholders in the longer term.

Mondi remains a strong Group with a robust strategic and operational model. We are a low-cost producer, fully integrated across the paper and packaging process, adding value at every stage of the product chain, from forestry, pulp and paper to the conversion of packaging papers into corrugated packaging and industrial bags.

The strength of our competitive position, backed by a strong balance sheet, is reflected in our long-term dividend policy and gives us the confidence to declare a final dividend of 7 euro cents per share – with the equivalent paid in South African rand. If approved, this will make a total dividend for the year of 9.5 euro cents per share.

Before I hand over to David Williams, I would just like to highlight a few areas in which we made particular progress last year.

Mondi employed an average of thirty one thousand people at 101 plants across 31 countries, with a particularly strong presence in central and eastern Europe, Russia and South Africa. Often, we are the single largest employer in the area in which we are located. This brings with it a great responsibility, which we take very seriously. We want Mondi to be a sustainable, socially-responsible business that makes a real and lasting contribution to every community within which we operate.

We evaluate the economic and social impact of each of our operations on its local community. This enables us to build tailored programmes that bring tangible benefits to those communities. In 2009 we invested well over EUR9 million in community projects with a focus on health and education. We also made charitable donations totaling EUR1.3 million.

Here in South Africa, we are a major supporter of the Government's policy of Broad-Based Black Economic Empowerment, which continues to influence many of our employment and procurement practices. We also play an active role in helping to reduce the prevalence of HIV/AIDS, through routine counselling and testing of our employees.

But one of the most significant developments for us in South Africa was the further progress we made on land restitution. The second set of land claims involving seven communities in Kwa-Zulu Natal was successfully concluded. We have developed a unique model, in close consultation with the South African Ministry of Land Affairs, which provides a long-term, mutually beneficial and sustainable solution to communities, government and the Group.

We have also taken steps to improve the working conditions in our forests including making improvements in education and training, transport, accommodation and the reintroduction of feeding schemes to make sure workers get a nourishing meal every day. I am delighted that our Food for Forests programme provides nutritious meals for about 9,500 forestry workers daily.

All of these developments and more are covered in detail in our Annual Report and Sustainability Summary Report, additional copies of which are available today – or you can download these from our web site.

With that, I'd like to hand over to my co-chairman, David Williams, in London. David.

David Williams, Joint Chairman, speaking from London:

Thank you, Cyril. As Cyril said, although Mondi is a dual listed company domiciled on two continents, it is a single group with a unified management. This means that the boards comprise the same directors, with independent non-executives in each, and those boards remain independent of the Executive Committee, led by David Hathorn, which manages the Group on a day-to-day basis.

This enables your boards to impose the highest possible standards of financial and operational control and to ensure that the key risks and performance criteria of the business are diligently scrutinised and reviewed on your behalf.

Although Mondi is less than three years old as an independently listed group, I am pleased to report that the boards are functioning to a very high standard. Your directors provided clear and decisive direction in an extremely difficult year, deploying their considerable skills and experience in support of the executive team. The board committees were effectively led and did some extremely good work during the year.

During 2009 there was a change of joint chairman when Sir John Parker relinquished his roles as chairman and board member of Mondi Limited and Mondi plc on 4 August 2009 following his appointment as chair of Anglo American plc. I would like to extend our thanks to Sir John Parker for his contribution to Mondi in the period leading up to its successful listing in 2007 and the first two years as an independently listed group. We also welcomed John Nicholas as non executive director to our Board.

We are satisfied that Mondi has in place the highest standards of governance practice. But we do not rest on our laurels. The operation of the boards and committees is regularly reviewed and the performances of the directors were thoroughly evaluated in 2009, producing clear action plans for further improvement in 2010.

As you will have read in our annual report, your directors took the opportunity to visit as many of Mondi's operations as possible in 2009, to see for ourselves the working conditions of our employees and our contractors.

Safety remains at the top of your boards' agenda and we were pleased with our progress in this area, particularly with the continuing reduction in lost time through injury. However, we were saddened by the death of a forestry contractor in our South African operation early in 2010. Clearly any fatality is completely unacceptable.

We took steps immediately to identify causes and contributing factors and have taken action to ensure that such an accident does not recur. We remain totally committed to eliminating all injuries and achieving 'zero harm' in our operations.

Our focus on safety, of course, is only one part of our commitment to sustainability across the Group. Every one of our sites is monitored against the very demanding standards of our integrated sustainable development management system and the DLC Sustainable Development Committee, under Colin Matthews' chairmanship, receives timely and accurate data using MORIS – our Mondi reporting and information system.

We are particularly pleased with our progress on sustainable forestry, resource usage and emission reductions. All our forests have now been assessed for forest stewardship council certification, with certification of the last outstanding area in Russia set to be completed in the first half of 2010.

We have reported significant progress in reducing and optimising our resource usage, in particular water and energy. More than half of our energy usage comes from biomass (renewable energy sources).

Operating as we do in emerging markets where the effects of climate change are likely to be exaggerated, we have given critical consideration both to our roles in respect of climate change and to the impact of climate change on our Group and our communities. During 2009 we reported a further reduction in CO₂ emissions and participated in the Carbon Disclosure Project's 2009 greenhouse gas emission and climate change survey.

The positive role played by sustainably managed forests has been recognised in the international climate change debate.

We had a 83% self-sufficiency rate in electricity production by the end of 2009. Chemical emissions were further reduced across the board, with CO₂ emissions from fossil fuels down 12 per cent since 2004. You can read more about our achievements in the sustainability section of our web site, where we report on all these areas in full.

It is in times of economic difficulty that the commitment and talents of a company's management and employees are most rigorously tested. The people of Mondi have shown resilience and commitment. I would, therefore, like to pay tribute to the dedication and hard work of our thirty one thousand people around the world, who have delivered an excellent performance in tough economic conditions. The management, and in particular the chief executive and senior leadership have been quick to react and wholehearted in their response to a rapidly changing and uncertain global environment.

We have already proved that we can move quickly and decisively in response to whatever the market might present us with and 2010 will be no different.

Looking further ahead, we believe the strategic advantage we have gained from our leading market positions and high-quality low-cost asset base will ensure that we emerge strongly from the current economic downturn and are well placed to deliver attractive returns for our shareholders in the longer term. We will continue to focus unwaveringly on operational efficiency, closely matching our resources and capacity to market demand.

Now I'd like to hand back to South Africa and to your Chief Executive, David Hathorn, who will expand on our performance in 2009 and also take you through the highlights of our latest interim management statement, released earlier this morning. David.

David Hathorn, Chief Executive Officer, speaking from Johannesburg:

Thank you, David. As your chairmen have said, 2009 continued to be both a challenging and rewarding year for the Mondi Group. The impact of the global recession on Mondi's business was significant, with difficult trading conditions prevailing particularly in the first half of 2009. These were first evident in Europe in late 2008 and, following a delay of about six months, profitability in South Africa was impacted.

European trading conditions improved as the year progressed, with the benefits of price increases in key grades starting to take effect in the final quarter, ensuring that Mondi's performance for the year exceeded expectations.

Throughout this period, the Mondi Group has risen to the challenges we faced, taking decisive actions to reduce capacity, lower the overall cost base and optimise cash flows while still continuing to invest in our two major projects in the lower-cost, high growth markets of Poland and Russia. As a result Mondi is now a better quality business than it was a year ago and we believe that we are very well positioned to deliver enhanced shareholder value in the future.

The Mondi Group is pleased to have delivered financial and operating results for the year that were ahead of expectations, with Group revenue of EUR5,257 million and underlying operating profit of EUR294 million, although down by 17% and 33% respectively compared to 2008, these figures still signify a very sound performance given the difficult trading conditions.

In all, we delivered cost savings of EUR251 million, exceeding our target of EUR180 million, we exited or mothballed 930 000 tonnes of high cost paper capacity in just over two years and closed or sold 18 converting sites.

We exercised very tight control of working capital, producing inflows of two hundred and forty eight million Euros and capital expenditure outside the two major projects reduced to 63% of depreciation.

Thanks to the above actions, our balance sheet remained strong with a net debt decline of EUR173 million to EUR1,517 million despite capital expenditure of EUR300 million on the two major expansion projects in Poland and Russia.

We know that our shareholders are very pleased that the large price differential that used to exist between the shares of Mondi Limited and Mondi plc on the Johannesburg stock exchange is now a thing of the past.

As you know, earlier today we released our interim management statement. I would like to take this opportunity to briefly summarise the main points of the announcement.

We are trading in line with our expectations at the time of issuing the full year results. The Group's underlying operating profit in the first quarter 2010 was moderately above that of the fourth quarter 2009. This reflects a continued improvement in the European trading environment, first witnessed in the fourth quarter 2009, as well as the ongoing positive impact of the decisive actions taken to restructure the cost base of the business during 2008 and 2009. Results were significantly above the comparable period in the prior year.

Volumes in most areas of the business continue to recover, with first quarter sales volumes reflecting an increase over the fourth quarter of the previous year. Similarly, the upward momentum in selling prices in most of our key grades seen in the fourth quarter 2009 has continued, with previously announced price increases successfully implemented and maintained. A rising cost base due to commodity input cost pressures has partially offset these revenue gains.

The Europe & International Division continued to perform well with underlying operating profit for the first quarter moderately above the previous quarter performance and well above the comparable period in the prior year.

The South Africa Division increased underlying operating profit from a very low base in the previous quarter on the back of increased export selling prices but remains under pressure from the strength of the rand. Results were down on the comparable period in the prior year.

Mondi Packaging South Africa's operating profit was down on the fourth quarter due to normal seasonal variations, but above the comparable period in the prior year.

In line with Mondi's strategy to strengthen its leading market position in industrial and consumer bags in Europe, and further increase the forward integration of kraft paper into bags, an agreement was concluded in April with Smurfit Kappa Group (SKG) for the acquisition of its western European industrial and consumer bag operations in France, Spain and Italy. As part of the same transaction, Mondi sold all three of its corrugated box plants in the UK to SKG thus concluding Mondi's western European corrugated packaging and recycled containerboard restructuring programme. The transaction was completed on 4 May 2010. The net funds received of EUR51 million were used to reduce the Group's net debt.

In early May 2010, an agreement was concluded to sell the central European paper merchant, Europapier to the Heinzl Group for a consideration of EUR60 million on a cash and debt free basis. The funds will be utilised to reduce Mondi's net debt. This disposal further enables the Group to focus on its core businesses. The transaction is subject to approval by the relevant competition authorities.

During the period under review, Mondi successfully launched a EUR500 million, 7-year Eurobond, further strengthening the Group's already robust financial position as evidenced by the long term corporate credit ratings received of Baa3 from Moody's Investor Service and BB+ from Standard & Poor's, both with a stable outlook. The funds have been utilised to settle existing short and medium term debt.

As expected, operating cash flows for the first quarter were negatively impacted by an increase in working capital on the back of increased selling prices and volumes, but remain strong.

The financial position of the Group at 31 March 2010 remained robust with net assets moderately up on the back of higher working capital and exchange impacts on translation into Euro. Following the launch of the Eurobond, the average maturity of Group debt has increased to four years. Unutilised committed borrowing facilities have also increased to approximately EUR1.4 billion.

The previously announced initiatives to curtail capital expenditure outside of the major project in Russia are ongoing with benefits in cash flows clearly evident.

The project to modernise Mondi's mill in Syktyvkar is progressing well despite severe weather conditions in December 2009 / January 2010. Management remains confident of completing the project within the revised budget level of EUR545 million.

The current improvement in the trading environment is evident. Order inflows are strong across all key grades, while selling prices continue to improve from the lows seen in the third quarter 2009. However, costs are increasing, including currency impacts, and demand in certain products may be benefitting from some restocking.

The decisive actions taken to reduce costs and exit higher-cost capacity, coupled with a high-quality, expanding low-cost asset base and strong financial position, ensure Mondi is benefitting from these improving trading conditions.

In closing, I would like add my enormous thanks to our workforce. They have demonstrated a resolute and focused commitment to Mondi during very difficult times and have more than earned the Boards' gratitude.

About Mondi

Mondi is an international paper and packaging company, with production operations across 31 countries and revenues of €5.3 billion in 2009. The Group's key operations are located in western and emerging Europe, Russia and South Africa and employed 31,000 people on average in 2009.

Mondi is fully integrated across the paper and packaging process, from the growing of wood and the manufacture of pulp and paper (including recycled paper), to the conversion of packaging papers into corrugated packaging and industrial bags.

The Group is principally involved in the manufacture of uncoated fine paper (UFP), packaging paper and converted packaging products, as well as speciality products.

Mondi is a dual listed company, with primary listings on the Johannesburg and London stock exchanges under the ticker codes MND (JSE) and MNDI (LSE) respectively. The Group has been recognised for its sustainability performance through its inclusion in the FTSE4Good UK, Europe and Global indices in 2008 and 2009 and the JSE's Socially Responsible Investment (SRI) Index in 2007, 2008 and 2009.