



MONDI LIMITED AND MONDI plc – 2016 ANNUAL GENERAL MEETINGS

ADDRESS TO SHAREHOLDERS BY THE JOINT CHAIRMEN, CHAIRMAN OF THE SOCIAL & ETHICS COMMITTEE AND CHIEF EXECUTIVE OFFICER

Fred Phaswana, Joint Chairman, speaking from Johannesburg:

Good morning, ladies and gentlemen. On behalf of the boards of Mondi Limited and Mondi plc, we welcome you to the Annual General Meeting of the Mondi Group. We are very pleased that you are joining us here in Johannesburg and there in London. As is custom at our meeting, although we're on separate continents with the use of modern technology, 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, we share the chair of the Mondi Group and David Williams and I would both like to say a few words this morning about Mondi's progress over the last year. Stephen will then report on the social and ethics committee before your chief executive, David Hathorn, reviews the Group's performance and strategy in a little more detail and updates you on the Group's trading update 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 Stephen Harris, an independent non-executive director and chair of the DLC sustainable development and Mondi Limited social and ethics committees. Next to him 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 John Nicholas, an independent non-executive director and chair of the DLC audit committee. Anne Quinn, our senior independent 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, our new independent non-executive director Dominique Reiniche.

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.

2015 was another successful year for the Group. Mondi delivered excellent results and also continued to make significant headway with its strategic initiatives including growing our packaging interests.

Mondi's strong financial performance and strong cash generation enabled the Group to further strengthen its financial position in 2015. On the back of this strong financial performance we are pleased to continue to offer shareholders long-term dividend growth within the targeted dividend cover range of two to three times, on average, over the cycle. The Boards have recommended a final dividend of 37.62 euro cents per share. If approved,

this dividend, together with the interim dividend, amounts to a total for the year of 52 euro cents per share, an increase of 24% from 2014.

Before I hand over to David Williams, I would just like to highlight a few areas.

At the end of 2015 Mondi employed some twenty five thousand people across more than thirty countries, with a particularly strong presence in central Europe, Russia, North America and South Africa. Often, we are the single largest employer in the areas in which we are located and with this comes 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 the communities within which we operate.

We evaluate the economic and social impact of our operations on the local community. This enables us to develop tailored programmes with tangible benefits to those communities. In 2015 we contributed €7 million to corporate social investment projects and charitable donations with a focus mainly on education and health.

Collaboration is fundamental to the way we do things and we work with many partners to find solutions to challenges and make progress together.

All of these developments are covered in detail in our integrated report and the sustainability section on our website, additional copies of our reports 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, Fred.

I would also like to take this opportunity to welcome you to the Mondi Annual General Meeting.

During 2015 there was a change of directors, with Imogen Mkhize retiring from the Mondi Boards at the end of September. We are grateful to Imogen for her valuable contribution to the boards and committees over what was nearly a nine year term and we wish her well for the future. We have also been pleased to welcome Dominique as a non-executive director to our Boards.

Fred has explained the board structure and we are confident that the strong and effective governance framework is providing the right level of oversight and challenge to maintain an effective relationship with management in the best interests of you, our shareholders.

It is important to us that the Boards and the Group as a whole engage with the spirit of good governance, operate from a robust ethical foundation, and demonstrate strong corporate values.

In continuing to focus on creating long-term value we will take advantage of selected growth opportunities, focusing particularly on growing the Group's packaging interests.

Two acquisitions made in 2015 provide opportunity for value-enhancing growth and cost optimisation in our consumer packaging business and develop our customer offering. Good progress has continued on all our major capital projects during the year.

Safety remains paramount to all of us and our operations have made significant progress over several years. It is however unacceptable that we experienced a fatality in 2015. Our goal of zero harm remains an absolute imperative for the business, and safety continues to be a key item on the agenda at every board meeting.

We are pleased with the ongoing progress we are making on sustainability in our business, having delivered successfully on the majority of our 2015 commitments. We are now in the process of rolling out new actions including a new set of commitments to 2020.

Once again Mondi's passion for driving productivity, efficiency and margin improvement by focusing on the things that really matter is a key strength across the business.

The constructive way in which everyone engages with each other and with our stakeholders has certainly been an important contributor to the Group's superior results. We extend our sincere thanks to everyone at Mondi who has worked so hard to make 2015 another successful year.

I now hand you back to South Africa and Stephen Harris, who will provide the report on the social and ethics committee. Stephen.

Stephen Harris, Mondi Limited social and ethics committee chairman speaking from South Africa:

Thank you, David.

During the past year the committee focused on reviewing Mondi Limited's compliance with the various obligations under the South African companies act.

This included the areas of corporate citizenship, covering community development and corporate social investment initiatives, employment equity and broad-based black economic empowerment, labour and employment matters, consumer relations, environment, health and public safety and anti corruption.

I am pleased to report that in monitoring Mondi Limited's activities in terms of regulation 43 of the South African Companies Act, the committee noted a high level of compliance and many social-upliftment initiatives undertaken during the period.

I would now like to go through just a few of the 2015 highlights.

An independent assessment confirmed that we retained our level three contributor status under the broad based black economic empowerment codes. Mondi Zimele, our small business development organisation, was involved in the creation of some 2,800 jobs mainly in rural areas. 83% of our employees received training as part of a continued investment in skills development. In the environmental area we made good progress that has been made against our 2015 environmental targets.

Further details of Mondi's approach and many initiatives are provided in the Group's integrated report and on-line sustainability reports.

I now hand you to your chief executive David Hathorn, David.

David Hathorn, Chief Executive Officer speaking from South Africa:

Thank you, Stephen.

We are pleased that 2015 was an extremely successful year for Mondi. We made significant progress across a number of key areas and delivered excellent results with a strong contribution from all our business units.

This performance, in what remains a challenging economic environment, is testament to our consistent strategy, robust business model and high-quality, low-cost asset base.

Underlying earnings per share increased by 25% and our return on capital employed of 20.5% was another record for the Group. Group revenue was 7% above the prior year, and excluding the effects of acquisitions and disposals, revenue was up 3.9%.

We continued to make good progress in driving growth through our capital investment programme, delivering incremental operating profit of around 50 million euro from major capital projects in 2015, with a further 60 million euro anticipated in 2016.

Our focus has remained on growing the packaging side of our business while at the same time investing appropriately in our uncoated fine paper operations.

During the year we completed the acquisitions of Ascania non-woven and KSP, broadening our product portfolio and expanding our geographic reach in the fast growing consumer packaging business.

While acquisition-led growth remains a key component of our strategy, and we continue to evaluate opportunities as they arise, we have been deterred in a number of instances by, in our view, inflated asset prices.

In 2015, we continued to make good progress.

On our major projects. Our 166 million euro Świecie recovery boiler project in Poland, started up as planned in July 2015 and is delivering the expected benefits. The €94 million second phase of the Świecie investment also remains on track for completion in early 2017. The ramp-up of the rebuilt paper and inline coating machine at Štětí in the Czech Republic while slower than anticipated, is now progressing in line with the revised plan.

In our South Africa Division, the two major projects involving upgrading of the wood yard and installing capacity to produce unbleached kraftliner, are also progressing according to plan.

In our corrugated packaging business we invested in a number of new converting machines across our operations. These investments are delivering strong returns and we have approved a strong pipeline of projects for implementation over the coming two years.

The Group continues to be strongly cash generative with cash generated from operations exceeding €1 billion.

I would now like to briefly summarise the main points from our trading update made earlier today.

Underlying operating profit for the first quarter of 2016 of €269 million was 14% above the comparable prior year period.

Strong contributions from consumer packaging, uncoated fine paper and the South Africa Division more than offset the impact of lower selling prices in certain packaging paper segments and margin pressure in fibre packaging.

On a like-for-like basis, sales volumes were in line with the comparable prior year period, with lower volumes in the industrial bags segment, offset by good growth in consumer packaging.

Selling prices for the Group's main paper grades were on average up on the comparable prior year period, with strong gains in uncoated fine paper, and more modest gains in the South Africa Division and containerboard, partly offset by lower kraft paper prices.

Wood and chemical costs were at similar levels to the comparable prior year period while paper for recycling costs were up 15%, but broadly unchanged from the fourth quarter of 2015. Energy costs were lower, driven by generally lower raw material input costs and the benefits from the green energy investments at Świecie, Poland, completed in the second half of 2015.

Currency movements had a net negative impact versus the comparable prior year period, with the benefits of weaker emerging market currencies in our export oriented businesses more than offset by the impact of the weaker rouble on our domestically focused uncoated fine paper operations in Russia.

There were no significant maintenance shuts during the first quarter.

While selling prices for the containerboard grades came under some pressure during the first quarter, given sustained good demand and a strong order position, we have announced a price increase of €40 per tonne for all kraftliner and kraft-top liner grades from 6 June 2016.

Good progress continues to be made on our previously announced major capital investment projects and these projects remain on schedule and on budget. Capital expenditure for the year is expected to remain in line with previous guidance of between €400 million and €450 million.

In April Mondi successfully issued a 1.5% 500 million eurobond with an 8 year term under our European Medium Term Note Programme, thereby extending the Group's maturity profile and ensuring ample liquidity.

As anticipated, we have seen some price weakness in certain of our packaging paper grades. However, demand for these products remains strong and we believe the fundamentals remain robust. Furthermore, we continue to benefit from higher uncoated fine paper prices, lower energy and related input costs and the incremental contributions from our recently completed capital investment projects, together with the stability afforded by our downstream converting businesses. Our outlook remains positive and we are confident of delivering in line with our expectations.

Now I would like to hand you back to our joint chairman, David Williams. David.