

Mondi Limited

(Incorporated in the Republic of South Africa)
(Registration number: 1967/013038/06)
JSE share code: MND ISIN: ZAE000156550

Mondi plc

(Incorporated in England and Wales)
(Registration number: 6209386)
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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.

3 May 2012

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 fifth 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. 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. 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 Stephen Harris, an independent non-executive director and chairman of the DLC sustainable development committee. Anne Quinn, our non-executive 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, 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. In 2011 the Mondi Group delivered record results set against a backdrop of initially much improved market conditions but ending with some broader macroeconomic weakness. This gave rise to some slowdown in demand and pricing pressures across certain of the Group's product areas.

The Group's streamlined high quality assets performed very well throughout the year, with the focus on low-cost production and high-growth emerging markets again delivering positive outcomes for shareholders, despite the more uncertain market conditions.

Mondi remains a strong Group with a robust strategy and operational model. As a low-cost producer, we are 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 financial performance in 2011, backed by our competitive position and a strong balance sheet, gives us the confidence to recommend a significant increase in the final dividend to 17.75 euro cents per share. If approved, this will make a total dividend for the year of 26.0 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.

At the end of 2011 Mondi employed twenty three thousand people at 82 separate operating sites across 28 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 2011 we invested over 17.3 million euros in charitable donations and community projects with a focus on health and education.

Here in South Africa, we continue to be a supporter of the government's policy of broad-based black economic empowerment, which influences many of our employment and procurement practices. We also play an active role in helping to reduce the prevalence of HIV/AIDS in communities and through routine counselling and testing of our employees.

But one of the most significant developments for us in South Africa was the continued progress we made on land restitution. To date we have concluded eleven land claims and reached agreement on the settlement of all outstanding KwaZulu Natal claims. Critical to Mondi's approach is to ensure that land claim beneficiaries receive meaningful and sustainable benefits and that sources of fibre are both assured and sustainably managed into the future.

Over several years, we have taken steps to improve the working conditions in our forests including reducing the extent to which employees are exposed to high-risk and heavy manual tasks and making improvements in education and training, transport, accommodation and our feeding schemes which ensures that workers get a nourishing meal every day.

All of these developments and more are covered in detail in our annual report and sustainability summary review, 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 exercise the highest 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 five years old as an independently listed Group, I am pleased to report that the boards are functioning at a high standard. Your directors provided guidance throughout the year, applying their skills and experience in support of the executive team. The board committees were effectively led and did valuable work during the year.

We continue to strive to maintain the highest standards of governance practice. The operation of the boards and committees is regularly reviewed and the performance of the directors in 2011 was evaluated, producing a clear action plan for further improvement in 2012.

Safety remains paramount to us across the Group and we continued to reduce accidents in the workplace. However, despite the improvements made in many areas of the business, we deeply regret that two people were fatally injured during the year, one in the US and one in South Africa. The Group's policy of zero harm remains our target and thorough investigations were undertaken after each incident to ensure that we continue to refine the safety measures, including training programmes necessary to keep all our employees and contractors safe. Safety is a key item on the agenda at every DLC board meeting and we

have tasked management with finding new ways to further entrench safe behaviour throughout our business.

We are pleased that in 2011 a number of our operations were very successful in their pursuit of zero harm, with eleven out of 20 mills and forest areas reporting more than a million lost time injury free hours.

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 our integrated sustainable development management system and the DLC sustainable development committee, now under Stephen Harris's chairmanship, receives timely and accurate data.

We are particularly pleased with our progress on sustainable forestry, the increased use of renewable energy sources and emission reductions. All our forests in Russia and South Africa have retained forest stewardship council certification.

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 a renewable energy source.

At the end of 2010 we concluded our first five-year commitment period. We were pleased that all our sustainability commitments set in 2005 were met or exceeded. In 2011 we set revised sustainability commitments for the next five years. Our environmental commitments are particularly thorough and include reducing our carbon intensity and emissions, as well as our water consumption through conservation, reuse and recycling.

The positive role played by sustainably managed forests has been recognised in the international climate change debate and we again participated in the carbon disclosure project's 2011 greenhouse gas emission and climate change survey.

You can read more about our achievements in the sustainability section of our web site, where we report on all these areas in full.

The record set of financial results in 2011 was in no small part thanks to the continued dedication of Mondi's twenty three thousand employees across the globe. We thank them all for their considerable efforts.

The Mondi Group's stable strategic course in 2011 facilitated a robust performance in an unpredictable year. Our strategic direction remains unchanged and David Hathorn will comment further on our priorities over the coming months. Looking further ahead, while the new year will no doubt continue to present challenges and opportunities, we are confident in the ability of the business to deliver sustainably strong cash flows. We will continue to assess the Group's product and asset portfolio to ensure maximum value is achieved across all our operation regions, taking opportunities to strengthen these as appropriate. We will also carefully consider selected value-enhancing growth opportunities.

Now I'd like to hand back to South Africa and to your chief executive, David Hathorn, who will expand on our performance in 2011 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, in 2011 Mondi Group had record results despite the challenging market conditions in the second half of the year. Supply side fundamentals for each of the Group's core grades remain good, while we enjoy limited exposure to grades suffering structural demand decline.

In the second half of 2011 broader macroeconomic weakness and destocking gave rise to some slowdown in demand and moderate price pressures across certain of the Group's product areas. We responded by taking production downtime to manage inventory levels and encouragingly, following recent improvement in orders, all operations are now back at full production.

The Mondi Group is pleased to have delivered record results for the year, with Group revenue of 5,739 million euros and underlying operating profit of 622 million euros, up by 36% compared to 2010.

Both recent major capital investments, the modernised Syktyvkar mill in Russia and the new lightweight containerboard paper machine at Swiecie in Poland, are running well and contributed significantly to the Group's profitability in 2011.

Excluding major expansionary investments, the Group targets to maintain its capital expenditure at between 60 and 80% of depreciation.

The Group has approved approximately 170 million euros in capital expenditure for certain energy and de-bottlenecking investments across a number of its operations. The energy projects are focused on improving energy efficiency and self-sufficiency whilst providing opportunities to capture additional benefits in the form of electricity sales.

Mondi Group further focused its strategic priorities when the demerger of Mpact, previously Mondi Packaging South Africa, was approved by shareholders and in July Mpact commenced trading as an independently listed entity.

Mondi is delighted to have had investment grade credit ratings confirmed by both Moody's Investors Service (Baa3 outlook positive) and Standard & Poors (upgraded to BBB- outlook positive) during the period.

Going forward, we will focus on maintaining our investment grade credit metrics and identifying selective capital investment opportunities, mainly around cost optimisation. We will support dividends and will continue to be disciplined as regards acquisitions and increase shareholder distributions. We also continue to regularly assess our portfolio to ensure maximum value is achieved.

Our balance sheet remains strong with net debt at year end of 831 million euros, or about 0.83 times EBITDA.

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.

Overall performance for the first quarter 2012 was in line with our expectations. As anticipated, the generally weaker trading environment seen towards the end of the prior year, continued into the early part of the first quarter. The Group's underlying operating profit of 120 million euros in the period was below that achieved in the previous quarter and below that achieved in the strong trading environment prevalent in the comparable prior year period.

Pleasingly, following the low levels of demand seen towards the end of the previous quarter and into the early part of 2012, there was a clear trend of improving demand and on average sales volumes were higher than the previous quarter across all paper grades. Similarly, although selling prices across all major paper grades were on average lower than those achieved in the previous quarter, a trend of improving prices towards the end of the quarter was evident on the back of improving demand and increasing fibre input costs. The benefits of these improving prices are expected to be realised from the second quarter onwards.

In our Europe and International Division, the Uncoated Fine Paper business continued to perform very strongly, albeit at somewhat lower levels of profitability than in the comparable prior year period. Underlying operating profit was in line with that of the previous quarter with higher sales volumes being offset by lower average selling prices.

In the Corrugated business underlying operating profit was well below the comparable prior year period and below that achieved in the previous quarter. This was largely attributable to lower average containerboard selling prices and some commercial downtime as a result of weak demand for virgin containerboard in the early part of the year. The business successfully implemented price increases during February and March. These have gone some way to recover the price erosion seen towards the end of 2011. Further price increases for all containerboard grades have been announced to take effect in the second quarter.

During April 2012, the tender offer to acquire the 34% non-controlling interest in Mondi Swiecie was concluded, resulting in Mondi's shareholding increasing to 93.2%. A process has been implemented to acquire the remaining shares from those shareholders who did not respond to the initial offer.

In addition, Mondi Swiecie has acquired the power and heat generating plant which provides most of its electricity requirements and all of its heat and steam needs with effect from 2 May 2012, for an enterprise value of approximately 100 million euros (subject to a claim of approximately 9 million euros against the selling party, Polish Energy Partners S.A.).

In the Bags & Coatings business, underlying operating profit was well below the comparable prior year period and at similar levels to that achieved in the final quarter of 2011.

In the Kraft Paper segment, significantly lower prices were agreed on contract volumes for the New Year, giving rise to lower average net selling prices in the quarter than achieved in the final quarter of 2011. Furthermore, ongoing demand weakness in the early part of the year, largely due to destocking led to the business taking further downtime at certain operations to manage inventory levels, albeit significantly less than in the fourth quarter of 2011. The destocking process appears to have come to an end, with order books improving

more recently and operations back at full production. Price increases of up to 10% have been announced effective from June.

The Coatings & Consumer Packaging business continued to be impacted by weaker volumes in certain industrial product segments, but order books are improving and operating profit was higher than that achieved in the final quarter of 2011.

The South Africa Division's underlying operating profit was well down on the comparable prior year period and the final quarter of 2011. Lower pulp selling prices severely impacted returns, although prices have trended upwards from their lows in January 2012, which should contribute to an improved performance in the second quarter.

Cash flow from operations remained strong with working capital levels maintained within the Group's targeted range (10% to 12% of turnover). Capital expenditure was at similar levels to that incurred in each of the previous two quarters of 2011 and is expected to increase during the remainder of the year as expenditure on the energy and debottlenecking investment projects start to ramp up.

As anticipated, first quarter performance was impacted by generally weaker pricing and lower volumes, largely due to the continuation of the destocking witnessed in the prior quarter. While macroeconomic uncertainties remain, encouragingly, there are clear signs of an improvement in the trading environment, with volumes recovering and positive pricing momentum witnessed in most grades over the review period.

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

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About Mondi

Mondi is an international paper and packaging Group, with production operations across 28 countries and revenues of €5.7 billion in 2011. The Group's key operations are located in central Europe, Russia and South Africa and as at the end of 2011, Mondi employed 23,400 people.

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, industrial bags and coatings.

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

Mondi has a dual listed company structure, with a primary listing on the JSE Limited for Mondi Limited under the ticker code MND and a premium listing on the London Stock Exchange for Mondi plc, under the ticker code MNDI. The Group has been recognised for its sustainability through its inclusion in the FTSE4Good Global, European and UK Index Series (since 2008) and the JSE's Socially Responsible Investment (SRI) Index since 2007. Mondi was also included in the FTSE350 Carbon Disclosure Leadership Index for the second year.