

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)
(Registered 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 Listing Requirements of the JSE Limited and/or the Disclosure and Listing Rules of the United Kingdom Listing Authority.

13 May 2015

MONDI LIMITED AND MONDI plc – 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 eighth 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. Imogen 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 as well as updating 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 and chair of the Mondi Limited social and ethics committee. 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 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 and International Division and, finally, John Nicholas independent non-executive 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.

2014 was another successful year for the Group. Mondi delivered exceptionally strong results and also made significant headway with its strategic initiatives. We continued to make progress in developing our packaging interests in a sustainable way, expanded our packaging converting footprint through acquisitions and completed a number of capital projects successfully.

Mondi's record financial performance and strong cash generation enabled the Group to further strengthen its financial position in 2014. 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 28.77 euro cents per share. If approved, this dividend, together with the interim dividend amounts to a total for the year of 42 euro cents per share, an increase of 17% from 2013.

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 2014 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 every community within which we operate.

We evaluate the economic and social impact of our operations on the local community. This enables us to build tailored programmes that bring tangible benefits to those communities. In 2014 we contributed seven million euros to corporate social investment projects and charitable donations with a focus mainly on education and health.

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.

Collaboration is fundamental to the way we do things and we work with many partners to find solutions to challenges and make progress together. An important development for us was the three year strategic global partnership we signed with WWF International focusing on environmental stewardship in the packaging and paper sectors through ecosystems management, manufacturing practices and product stewardship.

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.

As a board we strive to maintain the highest standards of corporate governance and best practice. Following the positive external board review conducted in 2013, we conducted an internal process in 2014. We consider these reviews important and benefit from the opportunity to stand back and reflect on how we can continue to perform effectively.

We openly discuss strategic decisions bringing a constructive level of challenge and support.

In continuing to deliver long-term value we will take advantage of selected growth opportunities, focusing particularly on developing the Group's packaging interests. In addition, our aim is to fully realise the potential of acquisitions made in recent years, successfully deliver ongoing capital expenditure projects and continue to manage costs.

Safety remains paramount to all of us in the Group and for several years we have continued to improve our overall performance. Our goal of zero harm is an imperative for the business and safety continues to be a key item on the agenda at every board meeting.

Our commitment to sustainability covers a wide range of aspects beyond safety. We are particularly pleased with our continued progress in sustainable forestry, the increased use of renewable energy sources, energy self-sufficiency and reducing our reliance on carbon intensive energy sources. Our significant capital investment projects have also contributed to environmental improvements. You can read more about our achievements and progress in our printed and online sustainability reports.

Considering the challenging economic environment many of our businesses continue to face, Mondi's ability to deliver strongly across the cycle is testament to the quality of the business, the strength of our strategy and especially our people. We thank all the Mondi team for their determination, innovation and focus on building a successful business.

I now hand you back to South Africa and Imogen Mkhize, who will provide the report on the Social and Ethics Committee. Imogen.

Imogen Mkhize, Chairman of the Mondi Limited Social & Ethics Committee, speaking from Johannesburg:

Thank you, David.

During the year the committee focused on reviewing Mondi Limited's compliance with the various obligations under the South African companies act and regulation. This included social and economic development, broad-based black economic empowerment, corporate citizenship, safety, health and the environment, consumer relationships and labour, employment and skills development and employment equity. While the report detailing the full extent of the initiatives reviewed by the committee

during the year can be found in Mondi's integrated report I would like to highlight just a few.

In terms of the South African government's broad-based black economic empowerment codes of good practice, an independent assessment confirmed that Mondi again maintained its status as a level three contributor in 2014.

In addition to Mondi's partnership with WWF International, environmental highlights included the ISO 14001 certification of forestry operations and a successful Forest Stewardship Council audit of forestry operations.

The work of Mondi Zimele, the small development initiative, has contributed to growing small businesses in Mondi's supply chain. Their employment footprint was 2,600 jobs and in addition 400 potential entrepreneurs and business people were trained in 2014.

In Mkhondo – Mpumalanga, through a public-private partnership with government, Mondi facilitates access to homes with security of tenure, basic services, social amenities and economic opportunities for people currently living on Mondi's land.

In conclusion, it is evident to the committee that Mondi demonstrates a commitment to sustainability and responsible business. Additional information on these and other company initiatives can be found in both the integrated report as well as the printed and online sustainable development reports.

With that, I'd like to hand over to your Chief Executive, David Hathorn. David.

David Hathorn, Chief Executive Officer, speaking from Johannesburg:

Thank you, Imogen.

As your chairmen have said, in 2014 Mondi had another very successful year with strong contributions from all our business units. Underlying earnings per share increased by 13% and our return on capital employed of 17.2% was a record for the Group. Pleasingly, for the past four years we have consistently delivered returns above the Group's through-the-cycle hurdle rate of 13%. The Group's solid financial results, delivered despite continued slow economic growth in a number of key markets, are testament to our robust business model and high-quality low-cost asset base.

Revenue was broadly in line with the prior year. On a like-for-like basis, selling prices and volumes were similar to the prior year with revenue boosted by the acquisition of the bags business in the United States, offset by negative currency impacts and disposals or closures of non-core businesses.

Our packaging paper business continued to deliver very strongly despite a generally weaker pricing environment, driven by cost reduction and currency benefits.

The fibre packaging business benefited from lower paper input costs and good volume growth.

Consumer packaging saw a strong improvement in trading in the second half of the year. Coupled with the benefits of a number of sales and margin improvement initiatives, the business was able to deliver a pleasing improvement in year-on-year performance.

Uncoated fine paper came under pressure from weaker pricing and negative currency effects, but nevertheless continued to deliver strongly, while the South Africa Division benefited from higher average selling prices and the weak rand.

Contributing to these results were the benefits from the recently completed capital investments, primarily around energy efficiencies and cost optimisation in the pulp and paper operations, and continued strong cost management across the Group. Good progress is also being made with the integration of acquisitions made during the year.

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

Net debt of 1.6 billion euro was at similar levels to the previous year despite a significant pick-up in capital expenditure on major projects and over 100 million euro spent on acquisitions.

We are pleased that Mondi's credit rating has recently been upgraded by Standard and Poor's from BBB- to BBB stable. This follows the upgrade from Moody's Investors Service from Baa3 to Baa2 last year.

While acquisition led growth remains a key component of our strategy, and we will continue to evaluate opportunities as they arise, we currently see greater opportunity for value-enhancing growth through capital investments in our existing operations.

To this end we successfully completed a number of major projects during the year, and have approved a strong pipeline of projects for implementation over the coming two years.

In April 2014 our 70 million euro, 155,000 tonne per annum bleached kraft paper machine in Steti, Czech Republic was successfully started up and in November, we commissioned the new 128 million euro recovery boiler in Ruzomberok, Slovakia, making the mill 100% energy self-sufficient and significantly improving its environmental footprint, in addition to reducing ongoing costs and providing additional pulp production capacity.

In November we also completed the 100,000 tonne 30 million euro pulp dryer in Syktyvkar, Russia.

The 166 million euro project in Swiecie, Poland, bringing forward the planned replacement of the recovery boiler and coal fired boilers, is progressing according to plan and on track for start-up in the second half of 2015.

Early this year, the Boards approved 94 million euro for the second phase of the Swiecie project to ensure full utilisation of the new recovery boiler's capacity, providing an additional 100,000 tonnes per annum of softwood pulp, 80,000 tonnes per annum of kraftliner and further improving the mill's product mix flexibility.

At the South Africa Division's Richards Bay mill approximately 30 million euro was approved to upgrade its wood yard. Other significant projects in progress or approved during the year, amounting to approximately 130 million euro, include projects intended to further modernise some of the Group's kraft paper and converting operations, provide additional capacity and production flexibility and reduce ongoing operating and maintenance costs.

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.

First quarter underlying operating profit of 236 million euro was 29% above the comparable prior year period, on volume growth and lower input costs across most of the European businesses, with good contributions from capital projects and acquisitions, and higher selling prices in Russia and South Africa. The result was 9% above the fourth quarter of 2014.

Average selling prices in Europe for all key paper grades were broadly in line with those in the previous quarter and, with the exception of recycled containerboard, also in line with the comparable prior year period. Average benchmark recycled containerboard prices were around 6% lower than the first quarter of 2014.

On a like-for-like basis, sales volumes were up across most businesses on both the comparable prior year period and the previous quarter.

The Group benefited from generally lower input costs relative to the comparable prior year period, driven in part by currency impacts. Wood costs, paper for recycling, resin, energy and chemicals costs were all lower than the comparable prior year period. Inflationary pressures in a number of the emerging markets in which the Group operates are expected to increase going forward. In addition, the recent recovery in the oil price is expected to negatively affect the cost of energy, resin and chemicals.

The strengthening of the US dollar versus the euro provided a net benefit to the Group and the weaker Russian rouble in the early part of the year had a net negative impact on the domestically focused uncoated fine paper business offset in part by the export-oriented Russian packaging paper operations. However, during the quarter, the rouble strengthened sharply from its lows.

Good progress is being made on the Group's major capital investment projects, with all projects proceeding on schedule and within budget.

Much depends on the macroeconomic environment. However, given the Group's robust business model and clear strategic focus, management remains confident of continuing to deliver industry leading performance and making good progress for the year.

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

ENDS

We are Mondi: In touch every day

Mondi is an international packaging and paper Group, employing around 25,000 people across more than 30 countries. Our key operations are located in central Europe, Russia, North America and South Africa. We offer over 100 packaging and paper products, customised into more than 100,000 different solutions for customers and end consumers. In 2014, Mondi had revenues of €6.4 billion and a return on capital employed of 17.2%.

The Mondi Group is fully integrated across the packaging and paper value chain - from managing forests and producing pulp, paper and compound plastics, to developing effective and innovative industrial and consumer packaging

solutions. Our innovative technologies and products can be found in a variety of applications including hygiene components, stand-up pouches, super-strong cement bags, clever retail boxes and office paper. Our key customers are in industries such as automotive; building and construction; chemicals; food and beverage; home and personal care; medical and pharmaceutical; packaging and paper converting; pet care; and office and professional printing.

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.

For us, sustainable development makes good business sense. We don't just talk about sustainability; we make it part of the way we work every day. We have been included in the FTSE4Good Index Series since 2008 and the JSE's Socially Responsible Investment (SRI) Index since 2007.

Sponsor in South Africa: UBS South Africa (Pty) Ltd