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)
LEI: 213800LOZA69QFDC9N34

JSE share code: MNP ISIN: GB00B1CRLC47
LSE share code: MNDI

3 August 2017

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

To comply with the requirements in Articles 7 and 9 of the regulatory technical standards of the Transparency Directive (2004/109/EC), this announcement is classified as additional regulated information required to be disclosed under the laws of a Member State.

Half-yearly results for the six months ended 30 June 2017

Highlights

- **Continued robust financial performance**
  - Revenue up 8%
  - Return on capital employed a strong 18.7%
  - Underlying operating profit of €497 million
  - Underlying EBITDA of €710 million
- **Good progress in delivering on major capital investment projects**
- **Integration of recent acquisitions on track, expanding the Group's geographic reach and product offering to better serve our customers**
- **Lower forestry fair value gain of €20 million (2016: €48 million) and higher maintenance shuts of €40 million (2016: €20 million) impacted first half results**
- **Interim dividend declared of 19.10 euro cents per share**

Financial Summary

€ million, except for percentages and per share measures	Six months ended 30 June 2017	Six months ended 30 June 2016	Six months ended 31 December 2016
Group revenue	**3,582**	3,312	3,350
Underlying EBITDA[1]	**710**	714	652
Underlying operating profit[1]	**497**	529	452
Operating profit	**502**	529	414
Profit before tax	**462**	482	361
Per share measures			
Basic underlying earnings per share[1] (euro cents)	**71.2**	75.0	62.8
Basic earnings per share (euro cents)	**72.3**	75.0	56.8
Interim dividend per share (euro cents)	**19.10**	18.81	
Cash generated from operations	**592**	620	781
Net debt[2]	**1,468**	1,491	1,383
Group return on capital employed (ROCE)[3]	**18.7%**	21.2%	20.3%

Notes:

1 The Group presents underlying EBITDA, operating profit and related per share information as measures which exclude special items in order to provide a more effective comparison of the underlying financial performance of the Group between financial reporting periods. A reconciliation of underlying EBITDA and underlying operating profit to profit before tax is provided in note 4 of the condensed combined and consolidated financial statements.

2 A measure comprising short, medium, and long-term interest-bearing borrowings and the fair value of debt-related derivatives less cash and cash equivalents and financial asset investments. A reconciliation of net debt to the condensed combined and consolidated statement of financial position is provided in note 15c of the condensed combined and consolidated financial statements.

3 ROCE is the 12-month rolling average underlying operating profit expressed as a percentage of the average rolling 12-month capital employed, adjusted for impairments and spend on strategic projects which are not yet in operation.

Peter Oswald, Mondi Group chief executive, said:

"Mondi delivered a robust performance in the first half of 2017, with revenue up 8%, underlying operating profit of €497 million and a return on capital employed of 18.7%, reflecting management's ongoing value focus and the strength of our business model. Profitability was down on the comparable prior year period, mainly driven by a significantly lower forestry fair value gain in South Africa and the impact of mill maintenance shuts.

We continue to drive growth through our capital investment programme. During the period, we commissioned the second phase of our major investment in the ongoing development of our world-class facility in Świecie, Poland, while good progress is being made on the modernisation of our kraft paper facility in Štětí, Czech Republic. The integration of acquisitions completed during 2016 and early 2017 is on track. These acquisitions enhance our geographic reach and product portfolio in Corrugated Packaging and Consumer Packaging.

The market outlook remains broadly positive. We saw strong demand across Packaging Paper and Corrugated Packaging in the first half and successfully implemented price increases across certain paper grades, the full effect of which is anticipated in the second half. The second half of the year will be impacted by planned maintenance shuts at a number of our mills and the usual seasonal downturn in Uncoated Fine Paper. While we continue to see some inflationary cost pressures, we remain confident of making progress in the year and continuing to deliver industry leading returns."

Group performance review

Underlying operating profit for the half-year ended 30 June 2017 of €497 million was down 6% compared to the first half of 2016. Sales volume growth and higher prices were more than offset by higher costs, a significantly lower forestry fair value gain (down €28 million year-on-year), the impact of maintenance shuts (up €20 million year-on-year) and a higher depreciation and amortisation charge. Underlying EBITDA for the half-year ended 30 June 2017, adjusted for the year-on-year movement in the forestry fair value gain, was up 3% on the first half of 2016.

Revenue was up 4% on a like-for-like basis, driven by higher sales volumes, higher sales prices and positive currency effects. Organic growth was supplemented by the acquisitions in our Corrugated Packaging and Consumer Packaging businesses in 2016 and the first quarter of 2017. Including acquisitions, revenue was up 8% compared to the first half of 2016.

Selling prices for the Group's packaging paper grades were, on average, above those of the comparable prior year period and South Africa also benefited from higher domestic paper prices. This was partially offset by marginally lower European uncoated fine paper prices.

Input costs were higher than the comparable prior year period. Wood costs were generally higher in local currency terms in central Europe and Russia, exacerbated by stronger emerging market currencies when translated into euros. Energy costs were higher than the comparable prior year period as a result of higher commodity input prices. Average benchmark paper for recycling costs were up 18% on the comparable prior year period and 4% higher compared to the second half of 2016. Cash fixed costs were higher as a result of inflationary cost pressures across the Group and the impact of mill maintenance shuts. Depreciation and amortisation charges were up 15% at €213 million resulting from a combination of acquisitions, foreign exchange effects and the ongoing capital investment programme.

In the first half of 2017, we completed a longer than anticipated annual maintenance shut at our Syktyvkar mill (Russia), a project-related shut at our Świecie mill (Poland) and some smaller shuts at a number of our other mills. The balance of our maintenance shuts are scheduled for the second half of the year. Based on prevailing market prices, the full year impact on underlying operating profit of the Group's maintenance shuts is now estimated at around €90 million (previously €80 million, 2016: €75 million) of which the first half effect was around €40 million (2016: €20 million).

Currency movements had a small net negative impact on underlying operating profit versus the comparable prior year period. The net positive impact of the stronger rouble on translation of the profits of our domestically focused Uncoated Fine Paper business was more than offset by the impact of the stronger rand and weaker Turkish lira.

Underlying earnings were down 5% to 71.2 euro cents per share, as lower net finance charges provided some offset to the lower underlying operating profit. After taking the effect of special items into account, basic earnings of 72.3 euro cents per share were down 4% on the comparable prior year period.

An interim dividend of 19.10 euro cents per share has been declared.

Packaging Paper

€ million	Six months ended 30 June 2017	Six months ended 30 June 2016	Six months ended 31 December 2016
Segment revenue	**1,113**	1,045	1,011
Underlying EBITDA	**273**	251	232
Underlying operating profit	**207**	192	169
Underlying operating profit margin	**18.6%**	18.4%	16.7%
Special items income	**5**	—	—
Capital expenditure	**116**	70	86
Net segment assets	**1,893**	1,712	1,760
ROCE	**22.6%**	23.5%	22.4%

Underlying operating profit of €207 million was up 8% on the comparable prior year period with higher selling prices and marginally higher sales volumes more than offsetting higher costs.

Strong demand, limited capacity additions and lower kraftliner imports drove European containerboard price increases during the period. Selling prices for containerboard were, on average, higher than the first half of 2016, although the magnitude of price increase varied by grade. Average benchmark European selling prices for unbleached kraftliner were up 4% on the comparable prior year period and up 6% on the second half of 2016. However, average benchmark European white-top kraftliner selling prices were similar to the first half of 2016 and marginally up on the second half of 2016, with only limited price increases achieved to date. Similarly, we have seen only limited price increases achieved to date in semi-chemical fluting. Average benchmark European selling prices for recycled containerboard were up 1% on the comparable prior year period, and up 7% on the second half of 2016.

In response to sustained good demand, a strong order position and higher input costs, we have announced further price increases of €50/tonne for recycled containerboard and unbleached kraftliner grades to take effect during July and August 2017, respectively.

Sack kraft paper selling prices increased by 3-4% from the beginning of 2017 in all markets. Markets remain very tight, with good demand, particularly in our export markets, coupled with constrained supply. During the second quarter, we implemented a further price increase of 3-4% in Europe, where most of our volumes are integrated. In overseas markets, prices were increased by 6-7% for the limited volumes that are not fixed by annual contracts.

We saw good demand across our range of speciality kraft papers during the period. Selling prices were, on average, similar to the comparable prior year period and higher than the second half of 2016.

Costs were above the comparable prior year period, driven by higher average paper for recycling costs, higher energy costs, inflationary increases on cash fixed costs and a higher depreciation charge. Green energy prices in Poland remained under pressure, limiting the contribution from the sale of green energy credits.

We completed a planned maintenance shut at our Syktyvkar mill and a project-related shut at Świecie during the first half of the year. A planned maintenance shut is scheduled at Świecie in the third quarter and the majority of our kraft paper mill shuts will take place in the fourth quarter of the year.

Fibre Packaging

€ million	Six months ended 30 June 2017	Six months ended 30 June 2016	Six months ended 31 December 2016
Segment revenue	**1,031**	968	961
Underlying EBITDA	**98**	94	100
Underlying operating profit	**60**	59	64
Underlying operating profit margin	**5.8%**	6.1%	6.7%
Special items charge	**—**	—	(13)
Capital expenditure	**47**	50	57
Net segment assets	**1,049**	993	1,006
ROCE	**13.0%**	12.6%	13.5%

Underlying operating profit of €60 million was up 2% on the comparable prior year period, with good volume growth and sales price increases partly offset by rising input costs and negative foreign exchange effects.

Corrugated Packaging benefited from 9% like-for-like volume growth, driven by good market growth in central Europe, strong volume growth in e-commerce activities and a strong recovery in Turkey. This growth is supported by our focused capital investment programme which has allowed us to better serve our customers and meet their increasingly sophisticated product and service needs. Good progress was made during the period in implementing price increases required to compensate for the significant paper input cost increases. Efforts in this regard are ongoing, with short-term margin pressure anticipated due to the normal delays in passing on paper price increases. Profitability of this segment was negatively impacted by the significantly weaker Turkish lira.

Industrial Bags volumes were up around 1%, driven by strong growth in Africa, South East Asia and CIS, partly offset by lower European and North American volumes. Sales price increases and strong cost management more than offset the impact of higher paper prices during the period. Further selling price increases are being negotiated in light of recent paper price increases.

Consumer Packaging

€ million	Six months ended 30 June 2017	Six months ended 30 June 2016	Six months ended 31 December 2016
Segment revenue	**839**	765	797
Underlying EBITDA	**106**	100	98
Underlying operating profit	**63**	64	57
Underlying operating profit margin	**7.5%**	8.4%	7.2%
Special items charge	**—**	—	(19)
Capital expenditure	**36**	42	49
Net segment assets	**1,312**	1,148	1,270
ROCE	**9.7%**	11.6%	10.5%

Underlying operating profit of €63 million was marginally down on the comparable prior year period. Like-for-like performance was steady, while net acquisition benefits in the current period were largely offset by one-off gains in the first half of the prior year.

We continue to make progress in our initiatives to improve product and customer mix, although in the current period this was hindered by low growth in certain value-added product segments, notably personal care components and technical films. While like-for-like gross margin contribution improved, this was offset by fixed cost increases, negative foreign exchange effects and higher depreciation and amortisation charges.

We benefited from the successful integration of Kalenobel in Turkey and Uralplastic in Russia, acquired in the second half of 2016. In February 2017, we acquired Excelsior Technologies Limited in the UK, further supporting the development of Consumer Packaging in high-growth product applications. With this acquisition, we are currently evaluating opportunities to streamline activities at our UK based operations.

We continue to focus on initiatives to improve performance across our operations. Capital expenditure is directed at both growth opportunities and the modernisation of equipment at a number of our sites to ensure we are well positioned to serve our customers' needs.

Uncoated Fine Paper

€ million	Six months ended 30 June 2017	Six months ended 30 June 2016	Six months ended 31 December 2016
Segment revenue	**679**	625	621
Underlying EBITDA	**179**	172	171
Underlying operating profit	**135**	133	131
Underlying operating profit margin	**19.9%**	21.3%	21.1%
Capital expenditure	**35**	27	26
Net segment assets	**829**	864	851
ROCE	**36.7%**	30.3%	36.0%

Our Uncoated Fine Paper business continued to perform very strongly, with underlying operating profit of €135 million, delivering a 36.7% ROCE. Lower average European selling prices and higher costs were offset by the combination of ongoing cost improvement initiatives, stable domestic pricing in Russia and foreign exchange benefits from the significant strengthening of the Russian rouble.

Sales volumes were marginally up on the comparable prior year period. Supported by good demand, reduced imports and rising pulp prices, price increases totalling up to €50 per tonne were successfully implemented in the European market during the period, although prices were still on average lower than those achieved in the first half of 2016. Average benchmark European selling prices were down over 3% on the comparable prior year period and marginally down on the second half of 2016. In Russia, domestic selling prices were stable during the first half of 2017 despite increasing pressure from imports.

Variable input costs increased marginally due to higher wood and energy costs. Fixed costs were higher due to domestic inflationary cost pressures and a longer than anticipated maintenance shut at our Syktyvkar mill.

Maintenance shuts at our Ružomberok (Slovakia) and Neusiedler (Austria) mills are scheduled for the second half of the year. In line with previous years, the second half is also expected to be impacted by a seasonal slowdown in demand.

South Africa

€ million	Six months ended 30 June 2017	Six months ended 30 June 2016	Six months ended 31 December 2016
Segment revenue	**337**	290	304
Underlying EBITDA	**76**	114	68
Underlying operating profit	**55**	98	49
Underlying operating profit margin	**16.3%**	33.8%	16.1%
Special items charge	**—**	—	(6)
Capital expenditure	**20**	25	33
Net segment assets	**735**	640	731
ROCE	**17.6%**	37.4%	27.8%

Underlying operating profit of €55 million was down 44% on the first half of 2016, with a significantly lower fair value gain on our forestry assets (down €28 million year-on-year), the negative impact of a stronger rand, higher input costs and inflationary cost pressures more than offsetting higher average selling prices and volume growth.

Average domestic uncoated fine paper and containerboard prices were above both the comparable prior year period and the second half of 2016. Export selling prices for white-top kraftliner were in line with the comparable prior year period, while pulp export prices were up from those achieved in the first half of 2016.

Forestry gains are dependent on a variety of external factors, the most significant of which are the export price of timber and the exchange rate. Moderate increases in export prices coupled with a strengthening rand, resulted in a fair value gain of €20 million being recognised in the first half of the year, €28 million lower than the unusually high gain recorded in the comparable prior year period.

Tax

Based on the Group's geographic profit mix and the relevant tax rates applicable, we would expect our tax rate to be around 22%. However, we continued to benefit from tax incentives related to our capital investments in Poland and Russia. In addition, we recognised deferred tax assets related to previously unrecognised tax losses which we now expect to be able to utilise in the coming years. As such, our underlying effective tax rate in the first half was 19%, consistent with the comparable prior year period.

Special items

Special items are those items of financial performance that we believe should be separately disclosed to assist in the understanding of our underlying financial performance. Special items are considered to be material either in nature or in amount and generally exceed €10 million.

During the first half of the year, we recognised a €5 million gain in Packaging Paper on the release of restructuring and closure provisions following finalisation of the sale of our speciality kraft paper mill in Finland. Restructuring and closure costs and related impairment of assets of €14 million were previously recognised in special items in 2015.

After taking the effect of special items into account, operating profit of €502 million was down 5% on the comparable prior year period (€529 million).

Cash flow

Cash generated from operations of €592 million (2016: €620 million), including the impact of an increase in working capital, reflects the continued strong cash generating capacity of the Group.

Working capital at 30 June 2017 was 13.4% of revenue (30 June 2016: 13.3%), in line with our target of 12-14% and higher than the year-end level of 12.0%. This reflects the usual seasonal uptick in the first half of the year compounded by increasing average sales volumes and selling prices, giving rise to a net outflow of €141 million (2016: €61 million).

Significant net cash outflows from financing activities included the payment of the final 2016 dividend in May 2017, the final payment of the 5.75% coupon on the €500 million 2017 Eurobond, the redemption of this bond in April 2017, and payments of dividends to holders of non-controlling interests.

Capital investments

During the first half of the year we invested €254 million (2016: €214 million) in our property, plant and equipment.

Our recently completed capital projects in our Packaging Paper, Fibre Packaging and South African businesses are making strong contributions. The €94 million final phase of our €260 million investment programme in Świecie to provide an additional 100,000 tonnes per annum of softwood kraft pulp integrated to 80,000 tonnes per annum of lightweight kraftliner and increased share of kraft top liner, involving the rebuild of a paper machine, was commissioned during the period although ramp-up has been slower than anticipated. We are encouraged by the progress achieved in ramping up production of the requisite quality at our rebuilt paper and inline coating machine in Štětí, although technical challenges remain.

As a result of the prolonged start-up of the rebuilt paper machine at Świecie and ongoing challenges on the inline coating machine at Štětí, the incremental operating profit contribution in 2017 from our capital investment programme is now estimated to be €25 million (previously €30 million).

We have a strong major capital investment project pipeline totalling over €800 million:

- The European Commission has recently approved €49 million in tax incentives for our €310 million investment in a new 300,000 tonne per annum kraft top white machine and related pulp mill upgrade at our Ružomberok mill. This project remains subject to obtaining necessary permitting, which is taking longer than originally anticipated. Start-up is expected in 2020; and
- We are making good progress on our new woodyard and bleaching line at Štětí (€41 million). Work has also commenced on the modernisation of the mill, to replace the recovery boiler, rebuild the fibre lines and debottleneck the existing packaging paper machines, with start-up anticipated in late 2018. The investment in a new 90,000 tonne per annum machine glazed speciality kraft paper machine remains subject to obtaining approval for tax incentives. The total investment in the mill modernisation and new paper machine amounts to €470 million, of which the investment in the paper machine is €135 million.

Given the delays on the Ružomberok project, capital expenditure is expected to come in at the lower end of the previously indicated ranges of €600-€650 million for 2017 and €800-€850 million for 2018.

Treasury and borrowings

Net debt at 30 June 2017 was €1,468 million (31 December 2016: €1,383 million). The net debt to 12-month trailing EBITDA ratio was 1.1 times.

In April 2017, we redeemed our 5.75% €500 million Eurobond from available cash and undrawn debt facilities. At 30 June 2017, we had €2.0 billion of committed facilities of which €667 million were undrawn. The weighted average maturity of our committed debt facilities is approximately 4.3 years.

Finance charges of €40 million were below those of the comparable prior year period. Average net debt was down on the comparable prior year period. The average effective interest rate for the period was lower at 5.3% (six months ended 30 June 2016: 5.9%; six months ended 31 December 2016: 6.6%) mainly as a result of the 2017 Eurobond redemption. Cash interest paid was €52 million.

Dividend

The Boards' aim is to offer shareholders long-term dividend growth within a targeted dividend cover range of two to three times over the business cycle.

An interim dividend of 19.10 euro cents per share has been declared by the directors and will be paid on 19 September 2017 to those shareholders on the register of Mondi plc on 25 August 2017. An equivalent South African rand interim dividend will be paid on 19 September 2017 to shareholders on the register of Mondi Limited on 25 August 2017. The dividend will be paid from distributable reserves of Mondi Limited and Mondi plc, as presented in the respective company annual financial statements for the year ended 31 December 2016.

Outlook

The market outlook remains broadly positive. We saw strong demand across Packaging Paper and Corrugated Packaging in the first half and successfully implemented price increases across certain paper grades, the full effect of which is anticipated in the second half. The second half of the year will be impacted by planned maintenance shuts at a number of our mills and the usual seasonal downturn in Uncoated Fine Paper. While we continue to see some inflationary cost pressures, we remain confident of making progress in the year and continuing to deliver industry leading returns.

Reorganisation of business units

With effect from 1 October 2017, the Group will reorganise its business units to reflect the nature of the underlying products produced. The changes to the Group's business units, and consequently to the Group's segmental reporting, are as follows:

- Uncoated Fine Paper and South Africa, excluding the containerboard operations, will be merged into a single business unit;
- The containerboard operations of South Africa will be merged into Packaging Paper; and
- There will be no changes to the Fibre Packaging or Consumer Packaging business units.

We believe that this reorganisation both streamlines the organisational structure and offers the potential to deliver further synergies.

The reorganisation will have no impact on the overall Group result.

Restated segmental information will be published during the fourth quarter of 2017.

Principal risks and uncertainties

The Boards are responsible for the effectiveness of the Group's risk management activities and internal control processes. They have put procedures in place for identifying, evaluating, and managing the significant risks that the Group faces. In combination with the audit committee, at the beginning of 2017, the Boards have conducted a robust assessment of the principal risks to which Mondi is exposed and they are satisfied that the Group has effective systems and controls in place to manage its key risks within the risk tolerance levels established. There have been no significant changes to the principal risks since 31 December 2016 as described on pages 34 to 38 of the Group's Integrated report and financial statements 2016.

Risk management is by nature a dynamic and ongoing process. Our approach is flexible to ensure that it remains relevant at all levels of the business, and dynamic to ensure we can be responsive to changing business conditions. This is particularly important given the diversity of the Group's locations, markets and production processes. Our internal control environment is designed to safeguard the assets of the Group and to provide reasonable assurance that the Group's business objectives will be achieved.

Strategic risks

The industries and geographies in which we operate expose us to specific long-term risks which are accepted by the Boards as a consequence of the Group's chosen strategy and operating footprint.

While there have been no significant changes in our strategic risk exposure during the year, we continue to monitor recent capacity announcements and the developments in the process as the UK seeks to exit the European Union.

The executive committee and Boards monitor our exposure to these risks and evaluate investment decisions against our overall exposures so that our strategic capital investments and acquisitions take advantage of the opportunities arising from our deliberate exposure to such risks.

Our principal strategic risks relate to the following:

- Industry productive capacity
- Product substitution
- Fluctuations and variability in selling prices or gross margins
- Country risk

Financial risks

We aim to maintain an appropriate capital structure and to conservatively manage our financial risk exposures in compliance with all laws and regulations.

Despite ongoing short-term currency volatility and increased scrutiny of the tax affairs of multinational companies, our overall residual risk exposure remains similar to previous years, reflecting our conservative approach to financial risk management.

Our principal financial risks relate to the following:

- Capital structure
- Currency risk
- Tax risks

Operational risks

A low residual risk tolerance is demonstrated through our focus on operational excellence, investment in our people and commitment to the responsible use of resources.

Our investments to improve our energy efficiency, engineer out our most significant fatal risks, improve operating efficiencies, and renew our equipment continue to reduce the likelihood of operational risk events. However, the potential impact of any such event remains unchanged.

Our principal operational risks relate to the following:

- Cost and availability of raw materials
- Energy security and related input costs
- Technical integrity of our operating assets
- Environmental impact of our operations
- Employee and contractor safety

Compliance risks

We have a zero tolerance approach to compliance risks. Our strong culture and values, emphasised in every part of our business with a focus on integrity, honesty, and transparency, underpins our approach.

Our principal compliance risks relate to the following:

- Reputational risk
- Information technology risk

Going concern

The directors have reviewed the Group's budget and latest outlook for 2017, considered the assumptions contained therein and reviewed the critical risks which may impact the Group's performance in the near term. These include an evaluation of the current macroeconomic environment and reasonably possible changes in the Group's trading performance.

The Group's financial position, cash flows, liquidity position and borrowing facilities are described in the financial statements. At 30 June 2017, Mondi had €667 million of undrawn, committed debt facilities. The Group's debt facilities have maturity dates of between 1 and 8 years, with a weighted average maturity of 4.3 years.

Based on their evaluation, the Boards are satisfied that the Group remains solvent and has adequate liquidity to meet its obligations and continue in operational existence.

Accordingly, the Group continues to adopt the going concern basis in preparing the condensed combined and consolidated financial statements.

Capital Markets Day

The Group will hold a Capital Markets Day on the morning of Tuesday 17 October 2017 in London and a site visit to two consumer packaging plants in Germany on Wednesday 18 October 2017. This event will provide attendees with the opportunity to meet Mondi’s leadership team and gain insights into how the business is operated in line with its strategic priorities. If you have interest in attending this event please contact: ir@mondigroup.com.

Contact details

Mondi Group	
Peter Oswald	+43 1 79013 4000
Andrew King	+27 11 994 5415
Lora Rossler	+27 83 627 0292 or +43 664 234 7122
FTI Consulting	
Richard Mountain	+44 7909 684 466
Frances Elworthy	+44 20 3727 1671

Conference call dial-in and webcast details

Please see below details of our dial-in conference call and webcast that will be held at 09:00 (UK) and 10:00 (SA) today.

The conference call dial-in numbers are:

South Africa	0800 200 648 (toll-free)
UK	0808 162 4061 (toll-free)
Europe/ other	00800 246 78 700 (toll-free) or +27 10 201 6800

The webcast will be available via www.mondigroup.com/HYResults17.

The presentation will be available to download from the above website an hour before the webcast commences. Questions can be submitted via the dial-in conference call or via the webcast.

Should you have any issues on the day with accessing the dial-in conference call, please call +27 11 535 3600.

Should you have any issues on the day with accessing the webcast, please e-mail mondi@kraftwerk.co.at and you will be contacted immediately.

A video recording of the presentation will be available on Mondi's website during the afternoon of 3 August 2017.

Directors’ responsibility statement

The directors confirm that to the best of their knowledge:

- the condensed combined and consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards and in particular with International Accounting Standard 34, ‘Interim Financial Reporting’;
- the half-yearly results announcement includes a fair review of the significant events during the six months ended 30 June 2017 and a description of the principal risks and uncertainties for the remaining six months of the year ending 31 December 2017;
- there have been no significant individual related party transactions during the first six months of the financial year; and
- there have been no significant changes in the Group’s related party relationships from that reported in the Integrated report and financial statements 2016.

The Group’s condensed combined and consolidated financial statements, and related notes, were approved by the Boards and authorised for issue on 2 August 2017 and were signed on their behalf by:

Peter Oswald
Director

Andrew King
Director

2 August 2017

Independent review report of PricewaterhouseCoopers LLP to Mondi plc and PricewaterhouseCoopers Inc. to the shareholders of Mondi Limited

For the purpose of this report, the terms 'we' and 'our' denote PricewaterhouseCoopers LLP in relation to UK legal, professional and regulatory responsibilities and reporting obligations to Mondi plc and PricewaterhouseCoopers Inc. in relation to South African professional and regulatory responsibilities and reporting obligations to the shareholders of Mondi Limited. When we refer to PricewaterhouseCoopers LLP or PricewaterhouseCoopers Inc. such reference is to that specific entity to the exclusion of the other.

Report on the interim financial statements

Conclusion of PricewaterhouseCoopers LLP for Mondi plc

We have reviewed Mondi plc and Mondi Limited's condensed combined and consolidated half-yearly financial statements (the "interim financial statements") in the half-yearly results of the Group for the six month period ended 30 June 2017. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Conclusion of PricewaterhouseCoopers Inc. for Mondi Limited

We have reviewed Mondi plc and Mondi Limited's condensed combined and consolidated half-yearly financial statements (the "interim financial statements") in the half-yearly results of the Group for the six month period ended 30 June 2017. Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as issued by the International Accounting Standards Board (IASB), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the South African Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

What we have reviewed

The interim financial statements comprise:

- the condensed combined and consolidated statement of financial position as at 30 June 2017;
- the condensed combined and consolidated income statement and the condensed combined and consolidated statement of comprehensive income for the period then ended;
- the condensed combined and consolidated statement of cash flows for the period then ended;
- the condensed combined and consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the half-yearly results have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and as issued by the IASB and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the South African Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

As disclosed in note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards as adopted by the European Union and as issued by the IASB.

Responsibilities for the interim financial statements and the review

Responsibilities of the directors of Mondi plc and Mondi Limited

The half-yearly results, including the interim financial statements, are the responsibility of, and have been approved by, the directors. The directors are responsible for the preparation and presentation of the interim financial statements in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and as issued by the IASB, the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the South African Financial Reporting Standards Council and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibilities

Our responsibility is to express a conclusion on the interim financial statements based on our review. PricewaterhouseCoopers LLP have prepared this review report, including their conclusion, for and only for Mondi plc for the purpose of the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. PricewaterhouseCoopers LLP do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent review report of PricewaterhouseCoopers LLP to Mondi plc and PricewaterhouseCoopers Inc. to the shareholders of Mondi Limited (continued)

What a review of interim financial statements involves

PricewaterhouseCoopers LLP conducted their review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom.

PricewaterhouseCoopers Inc. conducted their review in accordance with International Standard on Review Engagements (ISRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' as issued by the International Auditing and Assurance Standards Board. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements. A review of interim financial statements in accordance with ISRE 2410 is a limited assurance engagement.

A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with either International Standards on Auditing (UK) or International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

As part of our review, we have read the other information contained in the half-yearly results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
London
2 August 2017

PricewaterhouseCoopers Inc.
Director: JFM Kotzé
Registered Auditor
Sunninghill
2 August 2017

a) The maintenance and integrity of the Mondi Group website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim financial statements since they were initially presented on the website.

b) Legislation in the United Kingdom and South Africa governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Condensed combined and consolidated income statement

for the six months ended 30 June 2017

€ million	Notes	(Reviewed) Six months ended 30 June 2017 Underlying	Special items (Note 5)	Total	(Reviewed) Six months ended 30 June 2016 Underlying	Special items (Note 5)	Total	(Audited) Year ended 31 December 2016 Underlying	Special items (Note 5)	Total
Group revenue		**3,582**	**—**	**3,582**	**3,312**	**—**	**3,312**	**6,662**	**—**	**6,662**
Materials, energy and consumables used		(1,746)	—	(1,746)	(1,614)	—	(1,614)	(3,249)	—	(3,249)
Variable selling expenses		(275)	—	(275)	(251)	—	(251)	(499)	—	(499)
Gross margin		**1,561**	**—**	**1,561**	**1,447**	**—**	**1,447**	**2,914**	**—**	**2,914**
Maintenance and other indirect expenses		(150)	—	(150)	(136)	—	(136)	(301)	—	(301)
Personnel costs		(544)	—	(544)	(493)	—	(493)	(996)	(13)	(1,009)
Other net operating expenses		(157)	5	(152)	(104)	—	(104)	(251)	(5)	(256)
Depreciation, amortisation and impairments		(213)	—	(213)	(185)	—	(185)	(385)	(20)	(405)
Operating profit		**497**	**5**	**502**	**529**	**—**	**529**	**981**	**(38)**	**943**
Net profit from equity accounted investees		—	—	—	—	—	—	1	—	1
Total profit from operations and equity accounted investees		**497**	**5**	**502**	**529**	**—**	**529**	**982**	**(38)**	**944**
Net finance costs	7	(40)	—	(40)	(47)	—	(47)	(101)	—	(101)
Profit before tax		**457**	**5**	**462**	**482**	**—**	**482**	**881**	**(38)**	**843**
Tax (charge)/credit	8	(87)	—	(87)	(92)	—	(92)	(166)	9	(157)
Profit for the period		**370**	**5**	**375**	**390**	**—**	**390**	**715**	**(29)**	**686**
Attributable to:										
Non-controlling interests		**25**		**25**	**27**		**27**	**48**		**48**
Shareholders		**345**		**350**	**363**		**363**	**667**		**638**
Earnings per share (EPS) for profit attributable to shareholders euro cents										
Basic EPS	9			**72.3**			**75.0**			**131.8**
Diluted EPS	9			**72.2**			**74.9**			**131.7**
Basic underlying EPS	9			**71.2**			**75.0**			**137.8**
Diluted underlying EPS	9			**71.2**			**74.9**			**137.7**
Basic headline EPS	9			**72.7**			**75.0**			**135.9**
Diluted headline EPS	9			**72.6**			**74.9**			**135.8**

Condensed combined and consolidated statement of comprehensive income

for the six months ended 30 June 2017

€ million	(Reviewed) Six months ended 30 June 2017	(Reviewed) Six months ended 30 June 2016	(Audited) Year ended 31 December 2016
Profit for the period	**375**	**390**	**686**
Items that may subsequently be reclassified to the condensed combined and consolidated income statement			
Cash flow hedges	2	—	—
Gains on available-for-sale investments	—	—	1
Exchange differences on translation of foreign operations	(46)	32	150
Share of other comprehensive expense of equity accounted investees	(2)	—	—
Items that will not subsequently be reclassified to the condensed combined and consolidated income statement			
Remeasurements of retirement benefits plans	14	(29)	(19)
Tax effect thereof	(3)	7	4
Other comprehensive (expense)/income for the period	**(35)**	**10**	**136**
Total comprehensive income for the period	**340**	**400**	**822**
Attributable to:			
Non-controlling interests	**22**	**27**	**44**
Shareholders	**318**	**373**	**778**

Condensed combined and consolidated statement of financial position

as at 30 June 2017

€ million	Notes	(Reviewed) As at 30 June 2017	(Reviewed) As at 30 June 2016	(Audited) As at 31 December 2016
Property, plant and equipment		3,822	3,598	3,788
Goodwill		696	592	681
Intangible assets		124	100	120
Forestry assets	11	312	267	316
Other non-current assets		61	55	61
Total non-current assets		**5,015**	**4,612**	**4,966**
Inventories		879	835	850
Trade and other receivables		1,146	1,041	1,049
Cash and cash equivalents	15b	104	322	404
Other current assets		29	43	41
Total current assets		**2,158**	**2,241**	**2,344**
Total assets		**7,173**	**6,853**	**7,310**
Short-term borrowings	12	(326)	(669)	(651)
Trade and other payables		(1,065)	(993)	(1,100)
Other current liabilities		(158)	(150)	(167)
Total current liabilities		**(1,549)**	**(1,812)**	**(1,918)**
Medium and long-term borrowings	12	(1,248)	(1,137)	(1,119)
Net retirement benefits liability		(223)	(243)	(240)
Deferred tax liabilities		(258)	(240)	(267)
Other non-current liabilities		(70)	(61)	(70)
Total non-current liabilities		**(1,799)**	**(1,681)**	**(1,696)**
Total liabilities		**(3,348)**	**(3,493)**	**(3,614)**
Net assets		**3,825**	**3,360**	**3,696**
Equity				
Share capital and stated capital		542	542	542
Retained earnings and other reserves		2,978	2,536	2,850
Total attributable to shareholders		**3,520**	**3,078**	**3,392**
Non-controlling interests in equity		305	282	304
Total equity		**3,825**	**3,360**	**3,696**

The Group's condensed combined and consolidated financial statements, and related notes 1 to 20, were approved by the Boards and authorised for issue on 2 August 2017 and were signed on their behalf by:

Peter Oswald
Director

Andrew King
Director

Mondi Limited company registration number: 1967/013038/06
Mondi plc company registered number: 6209386

Condensed combined and consolidated statement of changes in equity

for the six months ended 30 June 2017

€ million	Equity attributable to shareholders	Non-controlling interests	Total equity
At 1 January 2016 (Audited)	2,905	282	**3,187**
Total comprehensive income for the period	373	27	**400**
Dividends paid	(183)	(30)	**(213)**
Purchases of treasury shares	(20)	—	**(20)**
Other	3	3	**6**
At 30 June 2016 (Reviewed)	3,078	282	**3,360**
Total comprehensive income for the period	405	17	**422**
Dividends paid	(91)	(2)	**(93)**
Other	—	7	**7**
At 31 December 2016 (Audited)	3,392	304	**3,696**
Total comprehensive income for the period	318	22	**340**
Dividends paid	(180)	(21)	**(201)**
Purchases of treasury shares	(20)	—	**(20)**
Other	10	—	**10**
At 30 June 2017 (Reviewed)	**3,520**	**305**	**3,825**

Equity attributable to shareholders	(Reviewed)	(Reviewed)	(Audited)
€ million	Six months ended 30 June 2017	Six months ended 30 June 2016	Year ended 31 December 2016
Combined share capital and stated capital	542	542	542
Treasury shares	(26)	(24)	(24)
Retained earnings	3,382	3,031	3,217
Cumulative translation adjustment reserve	(581)	(653)	(536)
Post-retirement benefits reserve	(64)	(87)	(75)
Other reserves	267	269	268
Total	**3,520**	**3,078**	**3,392**

Condensed combined and consolidated statement of cash flows

for the six months ended 30 June 2017

€ million	Notes	(Reviewed) Six months ended 30 June 2017	(Reviewed) Six months ended 30 June 2016	(Audited) Year ended 31 December 2016
Cash flows from operating activities				
Cash generated from operations	15a	592	620	1,401
Dividends received from equity accounted investees		—	—	1
Income tax paid		(73)	(104)	(173)
Net cash generated from operating activities		**519**	**516**	**1,229**
Cash flows from investing activities				
Investment in property, plant and equipment		(254)	(214)	(465)
Investment in forestry assets		(25)	(18)	(45)
Acquisition of subsidiaries, net of cash and cash equivalents	14	(34)	(10)	(162)
Other investing activities		2	6	7
Net cash used in investing activities		**(311)**	**(236)**	**(665)**
Cash flows from financing activities				
Proceeds from medium and long-term borrowings		154	—	1
Repayment of medium and long-term borrowings		(8)	(145)	(166)
(Repayment of)/proceeds from Eurobonds		(500)	500	500
Net proceeds from/(repayment of) short-term borrowings		117	(109)	(152)
Interest paid		(52)	(46)	(82)
Dividends paid to shareholders	10	(180)	(183)	(274)
Dividends paid to non-controlling interests		(21)	(30)	(33)
Purchases of treasury shares		(20)	(20)	(20)
Net realised (loss)/gain on held-for-trading derivatives		(41)	10	4
Other financing activities		—	—	3
Net cash used in financing activities		**(551)**	**(23)**	**(219)**
Net (decrease)/increase in cash and cash equivalents		**(343)**	**257**	**345**
Cash and cash equivalents at beginning of period		377	36	36
Cash movement in the period	15c	(343)	257	345
Effects of changes in foreign exchange rates	15c	(2)	—	(4)
Cash and cash equivalents at end of period	15b	**32**	**293**	**377**

Notes to the condensed combined and consolidated financial statements
for the six months ended 30 June 2017

1 Basis of preparation

The Group has two separate legal parent entities, Mondi Limited and Mondi plc, which operate under a dual listed company (DLC) structure. The substance of the DLC structure is such that Mondi Limited and its subsidiaries, and Mondi plc and its subsidiaries, operate together as a single economic entity through a sharing agreement, with neither parent entity assuming a dominant role. Accordingly, Mondi Limited and Mondi plc are reported on a combined and consolidated basis as a single reporting entity.

The Group's condensed combined and consolidated half-yearly financial statements and notes 1 to 20 for the six months ended 30 June 2017 have been prepared in accordance with International Financial Reporting Standard IAS 34, 'Interim Financial Reporting'; the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee; the requirements of the Companies Act of South Africa; and Financial Reporting Pronouncements as issued by the Financial Reporting Council. They should be read in conjunction with the Group's Integrated report and financial statements 2016, prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). There are no differences for the Group in applying IFRS as issued by the IASB and IFRS as adopted by the European Union (EU) and therefore the Group also complies with Article 4 of the EU IAS Regulation.

The condensed combined and consolidated financial statements have been prepared on a going concern basis as discussed in the commentary under the heading 'Going concern'.

The financial information set out above does not constitute statutory accounts as defined by section 434 of the UK Companies Act 2006. A copy of the statutory accounts for the year ended 31 December 2016 has been delivered to the Registrar of Companies. The previous auditors have reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the previous auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the UK Companies Act 2006.

These condensed combined and consolidated financial statements have been prepared on the historical cost basis, except for the fair valuing of financial instruments and forestry assets.

The preparation of these condensed combined and consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed combined and consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's Integrated report and financial statements 2016, with the exception of changes in estimates that are required in determining the provision for income taxes for an interim period.

These financial statements have been prepared under the supervision of the Group chief financial officer, Andrew King CA (SA).

2 Accounting policies

The same accounting policies, methods of computation and presentation have been followed in the preparation of the condensed combined and consolidated financial statements for the six months ended 30 June 2017 as were applied in the preparation of the Group's annual financial statements for the year ended 31 December 2016, except as follows:

- A number of amendments to IFRS became effective for the financial period beginning on 1 January 2017, but the Group did not have to change its accounting policies or make material retrospective adjustments as a result of adopting these new standards; and
- Taxes on income in the interim period are accrued using the tax rate that would be applicable to expected total annual profits or losses.

3 Seasonality

The seasonality of the Group's operations had no significant impact on the condensed combined and consolidated financial statements.

4 Operating segments

Identification of the Group's externally reportable operating segments

The Group's externally reportable operating segments reflect the internal reporting structure of the Group. Due to its unique characteristics in terms of geography, currency and underlying risks, the operating segment South Africa is managed and reported as a separate geographic segment. The remaining operating segments are managed based on the nature of the underlying products produced by those businesses and comprise four distinct segments.

Each of the reportable business segments derives its income from the sale of manufactured products.

4 Operating segments (continued)

Six months ended 30 June 2017 (Reviewed)

€ million, unless otherwise stated	Packaging Paper	Fibre Packaging	Consumer Packaging	Uncoated Fine Paper	South Africa	Corporate	Intersegment elimination	Total
Segment revenue	1,113	1,031	839	679	337	—	(417)	**3,582**
Internal revenue	(335)	(17)	(2)	(4)	(59)	—	417	**—**
External revenue	778	1,014	837	675	278	—	—	**3,582**
Underlying EBITDA	273	98	106	179	76	(22)	—	**710**
Depreciation and impairments	(64)	(35)	(32)	(43)	(21)	(1)	—	**(196)**
Amortisation	(2)	(3)	(11)	(1)	—	—	—	**(17)**
Underlying operating profit/ (loss)	207	60	63	135	55	(23)	—	**497**
Special items	5	—	—	—	—	—	—	**5**
Operating segment assets	2,220	1,390	1,555	1,045	852	7	(230)	**6,839**
Operating net segment assets	1,893	1,049	1,312	829	735	4	—	**5,822**
Additions to non-current non-financial assets	114	49	76	38	44	—	—	**321**
Capital expenditure cash payments	116	47	36	35	20	—	—	**254**
Operating margin (%)	*18.6*	*5.8*	*7.5*	*19.9*	*16.3*	—	—	***13.9***
Return on capital employed (%)	*22.6*	*13.0*	*9.7*	*36.7*	*17.6*	—	—	***18.7***
Average number of employees (thousands)[1]	5.1	8.1	6.0	5.4	1.7	0.1	—	**26.4**

Six months ended 30 June 2016 (Reviewed)

€ million, unless otherwise stated	Packaging Paper	Fibre Packaging	Consumer Packaging	Uncoated Fine Paper	South Africa	Corporate	Intersegment elimination	Total
Segment revenue	1,045	968	765	625	290	—	(381)	**3,312**
Internal revenue	(305)	(17)	(2)	(2)	(55)	—	381	**—**
External revenue	740	951	763	623	235	—	—	**3,312**
Underlying EBITDA	251	94	100	172	114	(17)	—	**714**
Depreciation and impairments	(58)	(33)	(28)	(38)	(16)	—	—	**(173)**
Amortisation	(1)	(2)	(8)	(1)	—	—	—	**(12)**
Underlying operating profit/ (loss)	192	59	64	133	98	(17)	—	**529**
Operating segment assets	2,078	1,288	1,347	1,043	749	7	(192)	**6,320**
Operating net segment assets	1,712	993	1,148	864	640	6	—	**5,363**
Additions to non-current non-financial assets	60	65	40	22	42	—	—	**229**
Capital expenditure cash payments	70	50	42	27	25	—	—	**214**
Operating margin (%)	*18.4*	*6.1*	*8.4*	*21.3*	*33.8*	—	—	***16.0***
Return on capital employed (%)	*23.5*	*12.6*	*11.6*	*30.3*	*37.4*	—	—	***21.2***
Average number of employees (thousands)[1]	5.0	7.6	4.9	5.6	1.7	0.1	—	**24.9**

Note:

1 Presented on a full time employee equivalent basis.

4 Operating segments (continued)

Year ended 31 December 2016 (Audited)

€ million, unless otherwise stated	Packaging Paper	Fibre Packaging	Consumer Packaging	Uncoated Fine Paper	South Africa	Corporate	Intersegment elimination	Total
Segment revenue	2,056	1,929	1,562	1,246	594	—	(725)	**6,662**
Internal revenue	(585)	(32)	(4)	(4)	(100)	—	725	**—**
External revenue	1,471	1,897	1,558	1,242	494	—	—	**6,662**
Underlying EBITDA	483	194	198	343	182	(34)	—	**1,366**
Depreciation and impairments	(118)	(66)	(59)	(77)	(35)	(1)	—	**(356)**
Amortisation	(4)	(5)	(18)	(2)	—	—	—	**(29)**
Underlying operating profit/ (loss)	361	123	121	264	147	(35)	—	**981**
Special items	—	(13)	(19)	—	(6)	—	—	**(38)**
Operating segment assets	2,092	1,315	1,502	1,064	857	4	(178)	**6,656**
Operating net segment assets	1,760	1,006	1,270	851	731	—	—	**5,618**
Additions to non-current non-financial assets	149	161	217	50	103	—	—	**680**
Capital expenditure cash payments	156	107	91	53	58	—	—	**465**
Operating margin (%)	*17.6*	*6.4*	*7.7*	*21.2*	*24.7*	—	—	***14.7***
Return on capital employed (%)	*22.4*	*13.5*	*10.5*	*36.0*	*27.8*	—	—	***20.3***
Average number of employees (thousands)[1]	5.0	7.7	5.3	5.6	1.7	0.1	—	**25.4**

Note:
1 Presented on a full time employee equivalent basis.

Reconciliation of underlying EBITDA and underlying operating profit to profit before tax

€ million	(Reviewed) Six months ended 30 June 2017	(Reviewed) Six months ended 30 June 2016	(Audited) Year ended 31 December 2016
Underlying EBITDA	**710**	**714**	**1,366**
Depreciation and impairments	(196)	(173)	(356)
Amortisation	(17)	(12)	(29)
Underlying operating profit	**497**	**529**	**981**
Special items (see note 5)	5	—	(38)
Net profit from equity accounted investees	—	—	1
Net finance costs	(40)	(47)	(101)
Profit before tax	**462**	**482**	**843**

Reconciliation of operating segment assets

€ million	(Reviewed) As at 30 June 2017		(Reviewed) As at 30 June 2016		(Audited) As at 31 December 2016	
	Segment assets	Net segment assets	Segment assets	Net segment assets	Segment assets	Net segment assets
Segments total	**6,839**	**5,822**	**6,320**	**5,363**	**6,656**	**5,618**
Unallocated						
Investment in equity accounted investees	6	6	10	10	9	9
Deferred tax assets/(liabilities)	23	(235)	19	(221)	26	(241)
Other non-operating assets/(liabilities)	190	(300)	174	(301)	209	(307)
Group capital employed	**7,058**	**5,293**	**6,523**	**4,851**	**6,900**	**5,079**
Financial instruments/(net debt)	115	(1,468)	330	(1,491)	410	(1,383)
Total assets/equity	**7,173**	**3,825**	**6,853**	**3,360**	**7,310**	**3,696**

4 Operating segments (continued)

€ million	External revenue by location of production			External revenue by location of customer		
	(Reviewed) Six months ended 30 June 2017	(Reviewed) Six months ended 30 June 2016	(Audited) Year ended 31 December 2016	(Reviewed) Six months ended 30 June 2017	(Reviewed) Six months ended 30 June 2016	(Audited) Year ended 31 December 2016
Revenue						
Africa						
South Africa	337	286	594	211	189	407
Rest of Africa	7	6	13	106	98	200
Africa total	344	292	607	317	287	607
Western Europe						
Austria	545	500	1,018	71	73	143
Germany	448	445	897	478	466	929
United Kingdom	37	17	33	116	116	224
Rest of western Europe	258	273	529	684	666	1,278
Western Europe total	1,288	1,235	2,477	1,349	1,321	2,574
Emerging Europe						
Poland	464	465	900	287	274	546
Rest of emerging Europe	688	625	1,246	460	433	883
Emerging Europe total	1,152	1,090	2,146	747	707	1,429
Russia	456	350	760	379	273	602
North America	301	302	588	389	371	729
South America	—	—	—	35	34	70
Asia and Australia	41	43	84	366	319	651
Group total	**3,582**	**3,312**	**6,662**	**3,582**	**3,312**	**6,662**

5 Special items

€ million	(Reviewed) Six months ended 30 June 2017	(Reviewed) Six months ended 30 June 2016	(Audited) Year ended 31 December 2016
Operating special items			
Impairment of assets	—	—	(22)
Reversal of impairment of assets	—	—	2
Restructuring and closure costs:			
Personnel costs	—	—	(13)
Other restructuring and closure costs	5	—	(5)
Total special items before tax and non-controlling interests	**5**	**—**	**(38)**
Tax credit (see note 8)	—	—	9
Total special items attributable to shareholders	**5**	**—**	**(29)**

Operating special items
Release of restructuring and closure provisions of €5 million in Packaging Paper on finalisation of the sale of a speciality kraft paper mill in Finland. Restructuring and closure costs and related impairment of assets of €14 million were previously recognised in special items in 2015.

6 Write-down of inventories to net realisable value

€ million	(Reviewed) Six months ended 30 June 2017	(Reviewed) Six months ended 30 June 2016	(Audited) Year ended 31 December 2016
Write-down of inventories to net realisable value	(19)	(21)	(29)
Aggregate reversal of previous write-down of inventories	14	13	18

7 Net finance costs

€ million	(Reviewed) Six months ended 30 June 2017	(Reviewed) Six months ended 30 June 2016	(Audited) Year ended 31 December 2016
Investment income	**2**	**3**	**5**
Net foreign currency losses	**—**	**(2)**	**(4)**
Finance costs			
Interest expense			
Interest on bank overdrafts and loans	(38)	(46)	(97)
Net interest expense on net retirement benefits liability	(4)	(4)	(10)
Total interest expense	(42)	(50)	(107)
Less: Interest capitalised	—	2	5
Total finance costs	**(42)**	**(48)**	**(102)**
Net finance costs	**(40)**	**(47)**	**(101)**

8 Tax charge

The Group's effective rate of tax before special items for the six months ended 30 June 2017, calculated on profit before tax before special items and including net profit from equity accounted investees, was 19% (six months ended 30 June 2016: 19%; year ended 31 December 2016: 19%).

€ million	(Reviewed) Six months ended 30 June 2017	(Reviewed) Six months ended 30 June 2016	(Audited) Year ended 31 December 2016
UK corporation tax at 19.5% (2016: 20.0%)	1	1	1
SA corporation tax at 28% (2016: 28%)	13	17	22
Overseas tax	81	71	134
Current tax in respect of prior periods	—	1	5
Current tax	**95**	**90**	**162**
Deferred tax in respect of the current period	4	9	28
Deferred tax in respect of prior periods	(12)	(7)	(22)
Deferred tax attributable to a change in the rate of domestic income tax	—	—	(2)
Total tax charge before special items	**87**	**92**	**166**
Current tax on special items	—	—	(1)
Deferred tax on special items	—	—	(8)
Total tax credit on special items (see note 5)	**—**	**—**	**(9)**
Total tax charge	**87**	**92**	**157**

9 Earnings per share

The calculation of basic and diluted EPS, basic and diluted underlying EPS and basic and diluted headline EPS is based on the following data:

	Earnings		
€ million	(Reviewed) Six months ended 30 June 2017	(Reviewed) Six months ended 30 June 2016	(Audited) Year ended 31 December 2016
Profit for the period attributable to shareholders	**350**	**363**	**638**
Special items (see note 5)	(5)	—	38
Related tax (see note 5)	—	—	(9)
Underlying earnings for the period attributable to shareholders	**345**	**363**	**667**
Special items not excluded from headline earnings	5	—	(18)
Loss/(profit) on disposal of property, plant and equipment	2	(1)	—
Impairments not included in special items	—	1	5
Related tax	—	—	4
Headline earnings for the period attributable to shareholders	**352**	**363**	**658**

9 Earnings per share (continued)

million	Weighted average number of shares (Reviewed) Six months ended 30 June 2017	(Reviewed) Six months ended 30 June 2016	(Audited) Year ended 31 December 2016
Basic number of ordinary shares outstanding	**484.3**	**484.1**	**484.2**
Effect of dilutive potential ordinary shares	0.4	0.3	0.3
Diluted number of ordinary shares outstanding	**484.7**	**484.4**	**484.5**

10 Dividends

The interim dividend for the year ending 31 December 2017 of 19.10 euro cents per share will be paid on 19 September 2017 to those shareholders on the register of Mondi plc on 25 August 2017. An equivalent South African rand interim dividend will be paid on 19 September 2017 to shareholders on the register of Mondi Limited on 25 August 2017. The dividend will be paid from distributable reserves of Mondi Limited and Mondi plc, as presented in the respective company annual financial statements for the year ended 31 December 2016.

Dividends paid to the shareholders of Mondi Limited and Mondi plc are presented on a combined basis.

euro cents per share	(Reviewed) Six months ended 30 June 2017	(Reviewed) Six months ended 30 June 2016	(Audited) Year ended 31 December 2016
Final dividend paid (in respect of prior year)	38.19	37.62	37.62
Interim dividend paid			18.81
Interim dividend declared for the six months ended 30 June	**19.10**	**18.81**	
Final dividend proposed for the year ended 31 December 2016			38.19

€ million	(Reviewed) Six months ended 30 June 2017	(Reviewed) Six months ended 30 June 2016	(Audited) Year ended 31 December 2016
Final dividend paid (in respect of prior year)	180	183	183
Interim dividend paid			91
Total dividends paid	**180**	**183**	**274**
Interim dividend declared for the six months ended 30 June	**93**	**91**	
Final dividend proposed for the year ended 31 December 2016			185
Declared by Group companies to non-controlling interests	21	30	32

10 Dividends (continued)

Dividend timetable

The interim dividend for the year ending 31 December 2017 will be paid in accordance with the following timetable:

	Mondi Limited	Mondi plc
Last date to trade shares cum-dividend		
JSE Limited	22 August 2017	22 August 2017
London Stock Exchange	Not applicable	23 August 2017
Shares commence trading ex-dividend		
JSE Limited	23 August 2017	23 August 2017
London Stock Exchange	Not applicable	24 August 2017
Record date		
JSE Limited	25 August 2017	25 August 2017
London Stock Exchange	Not applicable	25 August 2017
Last date for receipt of Dividend Reinvestment Plan (DRIP) elections by Central Securities Depository Participants	31 August 2017	31 August 2017
Last date for DRIP elections to UK Registrar and South African Transfer Secretaries by shareholders of Mondi Limited and Mondi plc	1 September 2017	25 August 2017*
Payment Date		
South African Register	19 September 2017	19 September 2017
UK Register	Not applicable	19 September 2017
DRIP purchase settlement dates (subject to market conditions and the purchase of shares in the open market)	26 September 2017	21 September 2017**
Currency conversion dates		
ZAR/euro	3 August 2017	3 August 2017
Euro/sterling	Not applicable	1 September 2017

*1 September 2017 for Mondi plc South African branch register shareholders
**26 September 2017 for Mondi plc South African branch register shareholders

Share certificates on the South African registers of Mondi Limited and Mondi plc may not be dematerialised or rematerialised between 23 August 2017 and 27 August 2017, both dates inclusive, nor may transfers between the UK and South African registers of Mondi plc take place between 16 August 2017 and 27 August 2017, both dates inclusive.

Information relating to the dividend tax to be withheld from Mondi Limited shareholders and Mondi plc shareholders on the South African branch register will be announced separately, together with the ZAR/euro exchange rate to be applied, on or shortly after 3 August 2017.

11 Forestry assets

€ million	(Reviewed) Six months ended 30 June 2017	(Reviewed) Six months ended 30 June 2016	(Audited) Year ended 31 December 2016
At 1 January	316	219	219
Capitalised expenditure	24	17	39
Acquisition of assets	1	1	6
Fair value gains	20	48	64
Disposal of assets	—	—	(1)
Felling costs	(41)	(26)	(57)
Currency movements	(8)	8	46
At 30 June / 31 December	**312**	**267**	**316**

The fair value of forestry assets is a level 3 measure in terms of the fair value measurement hierarchy (see note 18), consistent with prior years. The fair value of forestry assets is determined using a market approach.

12 Borrowings

Financing facilities
Group liquidity is provided through a range of committed debt facilities. The principal loan arrangements in place are the following:

€ million	Maturity	Interest rate %	(Reviewed) Six months ended 30 June 2017	(Reviewed) Six months ended 30 June 2016	(Audited) Year ended 31 December 2016
Financing facilities					
Syndicated Revolving Credit Facility	July 2021	EURIBOR/LIBOR + margin	750	750	750
€500 million Eurobond	April 2017	5.75%	—	500	500
€500 million Eurobond	September 2020	3.375%	500	500	500
€500 million Eurobond	April 2024	1.50%	500	500	500
European Investment Bank Facility	June 2025	EURIBOR + margin	76	86	81
Export Credit Agency Facility	June 2020	EURIBOR + margin	43	63	53
Other	Various	Various	136	82	113
Total committed facilities			**2,005**	**2,481**	**2,497**
Drawn			(1,338)	(1,724)	(1,685)
Total committed facilities available			**667**	**757**	**812**

The €500 million Eurobond maturing in 2020 contains a coupon step-up clause whereby the coupon will be increased by 1.25% per annum if the Group fails to maintain at least one investment grade credit rating from either Moody's Investors Service or Standard & Poor's. Mondi currently has investment grade credit ratings from both Moody's Investors Service (Baa2, outlook stable) and Standard & Poor's (BBB, outlook positive).

€ million	(Reviewed) Six months ended 30 June 2017	(Reviewed) Six months ended 30 June 2016	(Audited) Year ended 31 December 2016
Secured	**4**	**7**	**3**
Unsecured			
Bonds	995	1,493	1,495
Bank loans and overdrafts	564	292	260
Other loans	11	14	12
Total unsecured	**1,570**	**1,799**	**1,767**
Total borrowings	**1,574**	**1,806**	**1,770**
Maturity of borrowings			
Current	**326**	669	651
Non-current	**1,248**	1,137	1,119

13 Retirement benefits

All assumptions related to the Group's material defined benefit schemes and post-retirement medical plan liabilities were re-assessed individually and the remaining defined benefit schemes and unfunded statutory retirement obligations were re-assessed in aggregate for the six months ended 30 June 2017. The net retirement benefit liability decreased by €17 million mainly due to changes in assumptions. The assets backing the defined benefit scheme liabilities reflect their market values as at 30 June 2017. Net remeasurement gains arising from changes in assumptions amounting to €14 million before tax have been recognised in the condensed combined and consolidated statement of comprehensive income.

14 Business combinations

To 30 June 2017

Acquisition of Excelsior Technologies Limited
Mondi acquired 100% of the outstanding share capital of Excelsior Technologies Limited (Excelsior) on 3 February 2017 from funds managed by Endless LLP and certain other minority shareholders, for a total consideration of GBP34 million (€40 million) on a debt and cash-free basis. Excelsior is a vertically-integrated producer of innovative flexible packaging solutions, mainly for food applications, with a unique packaging technology for microwave steam cooking. The acquisition of Excelsior supports the development of Mondi's Consumer Packaging business in high growth product applications.

14 Business combinations (continued)

Excelsior's revenue for the six months ended 30 June 2017 was €27 million with a profit after tax of €nil. Excelsior's revenue of €21 million and loss after tax of €1 million since the date of acquisition have been included in the condensed combined and consolidated income statement.

Acquisition of Smurfit Kappa Recycling CE, s.r.o.
Mondi acquired Smurfit Kappa Recycling CE, s.r.o. (SK Recycling) on 8 March 2017 for a consideration of €1 million on a debt and cash-free basis. SK Recycling operates eight paper recycling sites in Slovakia. The acquisition allows Mondi to increase the availability of high quality paper for recycling that is procured by our Central and Eastern European mills.

SK Recycling's revenue for the six months ended 30 June 2017 was €2 million with a profit after tax of €nil. SK Recycling's revenue of €1 million and profit after tax of €nil since the date of acquisition have been included in the condensed combined and consolidated income statement.

Details of the net assets acquired, as adjusted from book to fair value, are as follows:

	(Reviewed)		
€ million	**Book value**	**Revaluation**	**Fair value**
Net assets acquired			
Property, plant and equipment	5	1	6
Intangible assets	—	15	15
Share of joint venture	1	—	1
Inventories	3	3	6
Trade and other receivables	9	(1)	8
Cash and cash equivalents	2	—	2
Total assets	20	18	**38**
Trade and other payables	(7)	—	(7)
Deferred tax liabilities	—	(4)	(4)
Other non-current liabilities	(1)	1	—
Total liabilities (excluding debt)	(8)	(3)	**(11)**
Short-term borrowings	(1)	—	(1)
Medium and long-term borrowings	(8)	—	(8)
Debt assumed	(9)	—	**(9)**
Net assets acquired	**3**	**15**	**18**
Goodwill arising on acquisition			16
Goodwill arising on purchase price adjustment (Uralplastic)			2
Cash acquired net of overdrafts			(2)
Net cash paid per condensed combined and consolidated statement of cash flows			**34**

	(Reviewed)		
€ million	**Goodwill**	**Net assets**	**Net cash paid**
Excelsior	16	17	31
SK Recycling	—	1	1
Acquisitions total	**16**	**18**	**32**
Purchase price adjustment (Uralplastic)	2	—	2
Acquisitions total including adjustments	**18**	**18**	**34**

Transaction costs of €1 million were charged to the condensed combined and consolidated income statement.

Goodwill arising on the above business combinations is not tax deductible.

The fair value accounting of these acquisitions is provisional in nature. The nature of the businesses is such that further adjustments to the carrying values of acquired assets and/or liabilities, and adjustments to the purchase price, are possible as the detail of the acquired businesses is evaluated post acquisition. If necessary, any adjustments to the fair values recognised will be made within 12 months of the acquisition date.

In respect of trade and other receivables, the gross contractual amounts receivable less the best estimates at the acquisition date of the contractual cash flows not expected to be collected approximate the book values as presented.

14 Business combinations (continued)

To 31 December 2016

Mondi acquired 100% of the outstanding share capital of SIMET S.A. (SIMET) on 27 April 2016 for a consideration of €13 million on a debt and cash-free basis. SIMET is a corrugated plant that produces a wide range of flexo printed packaging.

On 12 July, Mondi acquired a 90% interest in Kale Nobel Ambalaj Sanayi ve Ticaret Anonim Sirketi (Kalenobel) for a consideration of €90 million on a debt and cash-free basis. Kalenobel is a consumer packaging company focused on the manufacture of flexible consumer packaging for ice cream and other applications as well as aseptic cartons.

On 15 July, Mondi acquired a 100% interest in ZAO Uralplastic-N (Uralplastic) for a consideration of RUB2,949 million (€41 million) on a debt and cash-free basis. Uralplastic manufactures a range of consumer flexible packaging products for food, hygiene, homecare and other applications.

On 20 October, Mondi acquired 100% of the outstanding share capital of LLC Beepack (Lebedyan) for a consideration of RUB2,825 million (€41 million) on a debt and cash-free basis. Lebedyan produces a range of corrugated packaging trays and boxes for food and agricultural products including beverages, fruit and vegetables, poultry and dairy.

		(Audited)	
€ million	**Goodwill**	**Net assets**	**Net cash paid**
SIMET	4	6	10
Kalenobel	42	31	68
Uralplastic	22	6	28
Lebedyan	13	28	41
Acquisitions total	**81**	**71**	**147**
Purchase price adjustment (KSP)	13	—	13
Deferred acquisition consideration (Ascania)			2
Acquisitions total including adjustments	**94**	**71**	**162**

15 Consolidated cash flow analysis

(a) Reconciliation of profit before tax to cash generated from operations

€ million	**(Reviewed) Six months ended 30 June 2017**	**(Reviewed) Six months ended 30 June 2016**	**(Audited) Year ended 31 December 2016**
Profit before tax	**462**	**482**	**843**
Depreciation and amortisation	213	184	380
Net cash flow effect of current and prior period special items	(5)	(10)	17
Net finance costs	40	47	101
Decrease in provisions and net retirement benefits	(11)	(4)	(14)
Movement in working capital	(141)	(61)	68
Fair value gains on forestry assets	(20)	(48)	(64)
Felling costs	41	26	57
Loss/(profit) on disposal of property, plant and equipment	2	(1)	—
Other adjustments	11	5	13
Cash generated from operations	**592**	**620**	**1,401**

(b) Cash and cash equivalents

€ million	**(Reviewed) As at 30 June 2017**	**(Reviewed) As at 30 June 2016**	**(Audited) As at 31 December 2016**
Cash and cash equivalents per condensed combined and consolidated statement of financial position	104	322	404
Bank overdrafts included in short-term borrowings	(72)	(29)	(27)
Cash and cash equivalents per condensed combined and consolidated statement of cash flows	**32**	**293**	**377**

15 Consolidated cash flow analysis (continued)

(c) Movement in net debt

The Group's net debt position is as follows:

€ million	Cash and cash equivalents	Debt due within one year	Debt due after one year	Financial asset investments	Debt-related derivative financial instruments	Total net debt
At 1 January 2016 (Audited)	36	(222)	(1,319)	2	5	**(1,498)**
Cash flow	257	109	(355)	—	—	**11**
Business combinations	—	1	—	—	—	**1**
Movement in unamortised loan costs	—	—	(2)	—	—	**(2)**
Net movement in derivative financial instruments	—	—	—	—	(13)	**(13)**
Reclassification	—	(527)	527	—	—	**—**
Currency movements	—	(1)	12	—	(1)	**10**
At 30 June 2016 (Reviewed)	293	(640)	(1,137)	2	(9)	**(1,491)**
Cash flow	88	43	20	—	—	**151**
Business combinations	—	(18)	(19)	—	—	**(37)**
Net movement in derivative financial instruments	—	—	—	—	(10)	**(10)**
Reclassification	—	(14)	20	—	—	**6**
Currency movements	(4)	5	(3)	—	—	**(2)**
At 31 December 2016 (Audited)	377	(624)	(1,119)	2	(19)	**(1,383)**
Cash flow	(343)	383	(146)	(1)	—	**(107)**
Business combinations	—	(1)	(8)	—	—	**(9)**
Movement in unamortised loan costs	—	—	(1)	—	—	**(1)**
Net movement in derivative financial instruments	—	—	—	—	19	**19**
Reclassification	—	(18)	18	2	—	**2**
Currency movements	(2)	6	8	—	(1)	**11**
At 30 June 2017 (Reviewed)	**32**	**(254)**	**(1,248)**	**3**	**(1)**	**(1,468)**

16 Capital commitments

Capital commitments are based on capital projects approved to date and the budget approved by the Boards. As previously indicated, capital expenditure is expected to be at the lower end of the €600-€650 million range as previously published. These capital projects are expected to be financed from existing cash resources and borrowing facilities.

17 Contingent liabilities

Contingent liabilities comprise aggregate amounts as at 30 June 2017 of €6 million (as at 30 June 2016: €10 million; as at 31 December 2016: €11 million) in respect of loans and guarantees given to banks and other third parties. No acquired contingent liabilities have been recorded in the Group's condensed combined and consolidated statement of financial position for all periods presented.

Provision is made for all liabilities that are expected to materialise through legal and tax claims against the Group.

18 Fair value measurement

Financial instruments that are measured in the condensed combined and consolidated statement of financial position at fair value, or where the fair value of financial instruments has been disclosed in the notes to the condensed combined and consolidated financial statements, are based on the following fair value measurement hierarchy:

- level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- level 3 – inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The only assets measured at fair value on level 3 of the fair value measurement hierarchy are the Group's forestry assets as set out in note 11 and certain assets acquired or liabilities assumed in business combinations.

There have been no transfers of assets or liabilities between levels of the fair value hierarchy during the period.

18 Fair value measurement (continued)

The fair values of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) are determined using generally accepted valuation techniques. These valuation techniques maximise the use of observable market data where available and rely as little as possible on Group specific estimates.

Specific valuation methodologies used to value financial instruments include:

- the fair values of interest rate swaps and foreign exchange contracts are calculated as the present value of expected future cash flows based on observable yield curves and exchange rates;
- the Group's commodity price derivatives are valued by independent third parties, who in turn calculate the fair values as the present value of expected future cash flows based on observable market data; and
- other techniques, including discounted cash flow analysis, are used to determine the fair values of other financial instruments.

Except as detailed below, the directors consider that the carrying values of financial assets and financial liabilities recorded at amortised cost in the condensed combined and consolidated financial statements are approximately equal to their fair values.

	Carrying amount			Fair value		
	(Reviewed)	(Reviewed)	(Audited)	(Reviewed)	(Reviewed)	(Audited)
€ million	As at 30 June 2017	As at 30 June 2016	As at 31 December 2016	As at 30 June 2017	As at 30 June 2016	As at 31 December 2016
Financial liabilities						
Borrowings	**1,574**	**1,806**	**1,770**	**1,634**	**1,902**	**1,844**

19 Related party transactions

The Group and its subsidiaries, in the ordinary course of business, enter into various sale, purchase and service transactions with equity accounted investees and others in which the Group has a material interest. These transactions are under terms that are no less favourable than those arranged with third parties. These transactions, in total, are not considered to be significant.

Transactions between Mondi Limited, Mondi plc and their respective subsidiaries, which are related parties, have been eliminated on consolidation.

There have been no significant changes to the related parties as disclosed in note 31 of the Group's Integrated report and financial statements 2016.

20 Events occurring after 30 June 2017

With the exception of the interim dividend declared for the six months ended 30 June 2017 (see note 10) there have been no material reportable events since 30 June 2017.

Production statistics

		Six months ended 30 June 2017	Six months ended 30 June 2016	Year ended 31 December 2016
Packaging Paper				
Containerboard	'000 tonnes	987	1,001	2,000
Kraft paper	'000 tonnes	606	601	1,204
Softwood pulp	'000 tonnes	952	950	1,870
Internal consumption	'000 tonnes	878	866	1,698
Market pulp	'000 tonnes	74	84	172
Hardwood pulp	'000 tonnes	183	181	364
Internal consumption	'000 tonnes	179	181	364
Market pulp	'000 tonnes	4	—	—
Fibre Packaging				
Corrugated board and boxes	million m²	820	681	1,448
Industrial bags	million units	2,513	2,523	4,881
Extrusion coatings	million m²	667	651	1,249
Consumer Packaging				
Consumer packaging	million m²	3,783	3,511	7,156
Uncoated Fine Paper				
Uncoated fine paper	'000 tonnes	697	704	1,408
Softwood pulp	'000 tonnes	175	169	334
Internal consumption	'000 tonnes	167	160	315
Market pulp	'000 tonnes	8	9	19
Hardwood pulp	'000 tonnes	420	423	853
Internal consumption	'000 tonnes	380	387	777
Market pulp	'000 tonnes	40	36	76
Newsprint	'000 tonnes	106	102	202
South Africa				
Containerboard	'000 tonnes	132	127	253
Uncoated fine paper	'000 tonnes	121	129	258
Hardwood pulp	'000 tonnes	322	305	602
Internal consumption	'000 tonnes	152	167	322
Market pulp	'000 tonnes	170	138	280
Softwood pulp – internal consumption	'000 tonnes	75	75	148
Newsprint	'000 tonnes	53	55	111

Exchange rates

	Average			Closing		
versus euro	Six months ended 30 June 2017	Six months ended 30 June 2016	Year ended 31 December 2016	Six months ended 30 June 2017	Six months ended 30 June 2016	Year ended 31 December 2016
South African rand	14.31	17.20	16.27	14.92	16.45	14.46
Czech koruna	26.78	27.04	27.03	26.20	27.13	27.02
Polish zloty	4.27	4.37	4.36	4.23	4.44	4.41
Pounds sterling	0.86	0.78	0.82	0.88	0.83	0.86
Russian rouble	62.76	78.31	74.16	67.54	71.52	64.30
Turkish lira	3.94	3.26	3.34	4.01	3.21	3.71
US dollar	1.08	1.12	1.11	1.14	1.11	1.05

Glossary of financial terms

This announcement contains a number of terms which are explained below:

Return on capital employed (ROCE)	Trailing 12-month underlying operating profit, including share of equity accounted investees' net profit, divided by trailing 12-month average capital employed and for segments has been extracted from management reports. Capital employed is adjusted for impairments in the 12-month period and spend on those strategic projects which are not yet in production.
Special items	Those financial items which the Group believes should be separately disclosed on the face of the condensed combined and consolidated income statement to assist in understanding the underlying financial performance achieved by the Group. Special items generally exceed €10 million and affect year-on-year comparability and the Group therefore excludes these items when reporting underlying earnings and related measures in order to provide a measure of the underlying performance of the Group on a basis that is comparable from year to year.
Underlying EBITDA	Operating profit before special items, depreciation and amortisation.
Underlying operating profit	Operating profit before special items.
Underlying profit before tax	Profit before tax and special items.
Underlying earnings	Net profit after tax attributable to shareholders, before special items.

Forward-looking statements

This document includes forward-looking statements. All statements other than statements of historical facts included herein, including, without limitation, those regarding Mondi's financial position, business strategy, market growth and developments, expectations of growth and profitability and plans and objectives of management for future operations, are forward-looking statements. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believe", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned" or "anticipates" or the negative thereof, other variations thereon or comparable terminology. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Mondi, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements and other statements contained in this document regarding matters that are not historical facts involve predictions and are based on numerous assumptions regarding Mondi's present and future business strategies and the environment in which Mondi will operate in the future. These forward-looking statements speak only as of the date on which they are made.

No assurance can be given that such future results will be achieved; various factors could cause actual future results, performance or events to differ materially from those described in these statements. Such factors include in particular but without any limitation: (1) operating factors, such as continued success of manufacturing activities and the achievement of efficiencies therein, continued success of product development plans and targets, changes in the degree of protection created by Mondi's patents and other intellectual property rights and the availability of capital on acceptable terms; (2) industry conditions, such as strength of product demand, intensity of competition, prevailing and future global market prices for Mondi's products and raw materials and the pricing pressures thereto, financial condition of the customers, suppliers and the competitors of Mondi and potential introduction of competing products and technologies by competitors; and (3) general economic conditions, such as rates of economic growth in Mondi's principal geographical markets or fluctuations of exchange rates and interest rates.

Mondi expressly disclaims a) any warranty or liability as to accuracy or completeness of the information provided herein; and b) any obligation or undertaking to review or confirm analysts' expectations or estimates or to update any forward-looking statements to reflect any change in Mondi's expectations or any events that occur or circumstances that arise after the date of making any forward-looking statements, unless required to do so by applicable law or any regulatory body applicable to Mondi, including the JSE Limited and the LSE.

Any reference to future financial performance included in this announcement has not been reviewed or reported on by the Group's auditors.

Editors' notes

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. In 2016, Mondi had revenues of €6.7 billion and a return on capital employed of 20.3%.

We are 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. With over 100 products customised into more than 100,000 solutions, we offer more than you may expect. Leading brands around the world rely on our innovative technologies and products across a variety of industries such as agriculture; automotive; building and construction; chemicals and dangerous goods; food and beverages; graphic and photographic; home and personal care; medical and pharmaceutical; office and professional printing; packaging and paper converting; pet care; retail and e-commerce; and shipping and transport.

We believe sustainable development makes good business sense. It's integral to our responsible and profitable growth, and embedded in everything we do, every day. We continue to look for ways to do more with less, promote the responsible management of ecosystems, develop and inspire our people, and enhance the value that our sustainable product solutions create.

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. 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 Proprietary Limited