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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

As part of the dual listed company structure, Mondi Limited and Mondi plc (together 'Mondi Group', the 'Group' or 'Mondi') 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.

This announcement contains inside information.

19 November 2018

Simplification of corporate structure

The Boards of Mondi plc and Mondi Limited (the "Boards") announce that they are proposing to simplify the existing Mondi Group structure from the current dual listed company structure ("DLC") into a single holding company structure under Mondi plc. Mondi plc will continue to have a premium listing on the London Stock Exchange ("LSE") and will have an inward secondary listing on the Johannesburg Stock Exchange ("JSE") quoted in rand.

The simplification will be implemented by way of a South African scheme of arrangement whereby Mondi plc will acquire Mondi Limited. Mondi Limited shareholders will receive one new Mondi plc share in exchange for each Mondi Limited share held. Following the simplification, each Mondi plc shareholder will have the same voting and capital interests in the Group as each Mondi Limited and Mondi plc shareholder currently has.

Since its formation in 2007, Mondi has been an integrated corporate group established under a DLC structure with dual holding companies, Mondi plc, listed on the LSE with a secondary listing on the JSE holding the non-South African interests of the Group, and Mondi Limited, listed on the JSE holding the South African interests of the Group. Operating as a combined group, Mondi is governed by complex arrangements to maintain parity between the economic and voting rights of the Mondi plc and Mondi Limited shareholders. At the time of formation, this structure reflected the fact that the majority of Mondi's business was located in Europe, whilst recognising Mondi's South African heritage and its significant ongoing operations in the country. The shares in Mondi plc and Mondi Limited currently represent approximately 76% and 24%, respectively, of the Mondi Group's combined ordinary share capital.

Mondi has achieved very strong profit growth since listing and, as the Group has evolved, its non-South African interests have grown faster than its South African interests, reflecting the relative scale of

opportunities in the respective markets. Today, over 90% of the Group's underlying earnings are generated outside South Africa. This results in an imbalance between the share of the Group dividend Mondi Limited is required to support (approximately 24%) and the contribution of Mondi Limited to Mondi's profit available for distribution. The proposal will simplify cash and dividend flows.

Mondi remains fully committed to South Africa with the South African operations being an important part of Mondi, contributing to the Group's industry leading performance. Streamlining the corporate structure will facilitate continued investment in the South African operations, estimated at over R8 billion over the next five years, including the ongoing investment in forestry assets and modernisation of the Group's pulp, containerboard, and paper assets.

The simplification will also enhance strategic flexibility, increase transparency and remove the complexity associated with the current structure. The simplification will not result in any changes to the management, operations, locations, activities or staffing levels of the Mondi Group.

Mondi has received written approval from the Minister of Finance through the South African Reserve Bank ("SARB") to simplify the existing Mondi Group structure and to operate under Mondi plc as a single holding company.

Mondi plc will continue to be incorporated in the UK and will remain UK tax resident. Mondi Limited will remain incorporated and tax resident in South Africa and will become a subsidiary of Mondi plc. Mondi plc will continue to have a pound sterling quote on the LSE and will have an inward secondary listing on the JSE quoted in rand. Dividends will continue to be declared in euros. Shareholders holding Mondi plc shares on the JSE will continue to receive payment in rand. The Group's dividend policy remains unchanged.

Mondi plc shares will continue to be included in the FTSE 100 index. Today Mondi Limited shares are not eligible for inclusion in the FTSE 100 index. Following the issue of Mondi plc shares in exchange for Mondi Limited shares as a result of the simplification, it is expected that Mondi plc's weighting in the FTSE 100 index will increase. Mondi plc shares are expected to continue to be eligible for inclusion in the key JSE indices.

The simplification is not expected to have any significant impact on the reported profits or net assets of the business.

The simplification is subject to certain conditions, including, among other things, the approval of the shareholders of Mondi plc and Mondi Limited. A shareholder circular, scheme document and prospectus are expected to be made available to shareholders in the first half of 2019, with implementation of the simplification currently expected in the second half of 2019.

Peter Oswald, Chief Executive of Mondi, commented, "Mondi has delivered a strong track record of value accretive growth since listing. While we have successfully operated as a DLC to date, the evolution of the Group since its formation in 2007 means that we need to consider the appropriate structure for the future. The proposed simplification is a natural step to remove the complexities around our structure and make our corporate framework more efficient. Our South African operations remain important to the Group and the proposed simplification facilitates the modernisation of our Richards Bay mill and ongoing capital expenditure in South Africa. Our strategy of delivering value accretive growth focused around innovative and sustainable packaging and paper solutions remains unchanged".

Further details will be announced in due course.

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About Mondi

Mondi is a global leader in packaging and paper, delighting its customers and consumers with innovative and sustainable packaging and paper solutions. Mondi is fully integrated across the packaging and paper value chain - from managing forests and producing pulp, paper and plastic films, to developing and manufacturing effective industrial and consumer packaging solutions. Sustainability is embedded in everything Mondi does. In 2017, Mondi had revenues of €7.10 billion and underlying EBITDA of €1.48 billion.

Mondi has a dual listed company structure, with a primary listing on the JSE Limited for Mondi Limited under the ticker MND, and a premium listing on the London Stock Exchange for Mondi plc, under the ticker MNDI. Mondi is a FTSE 100 constituent, and has been included in the FTSE4Good Index Series since 2008 and the FTSE/JSE Responsible Investment Index Series since 2007.

Sponsor in South Africa: UBS South Africa Proprietary Limited.

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Forward-Looking Statements

All statements other than statements of historical fact included in this announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to statements containing words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might.” These statements reflect the Group’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. The forward-looking statements contained in this announcement speak only as of the date of this announcement and the Group does not assume or undertake any obligation or responsibility to update any of the forward-looking statements contained in this announcement, whether as a result of new information, future events or otherwise, except to the extent legally required.

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