



MONDI PACKAGING PAPER ŚWIECIE S.A.

Investor and Analyst
Presentation
27 November, 2007
Maciej Kunda



- Poland
- Company History
- Management team
- Mill overview
- Products
- Key financials
- Post acquisition highlights
- Competitive Advantages MPP Swiecie
- Site visit briefing

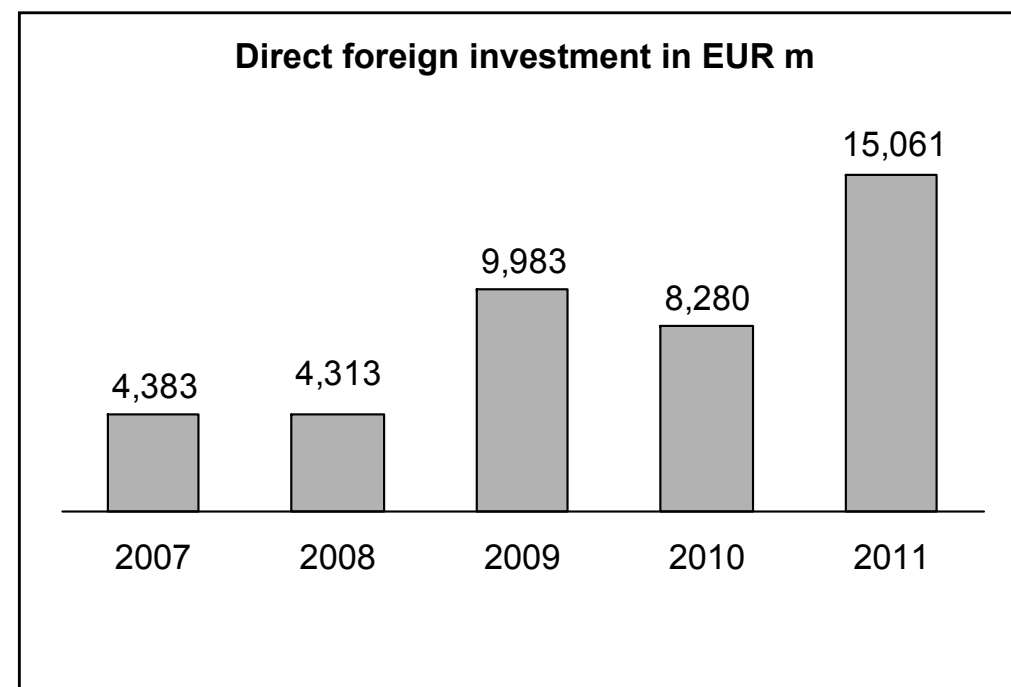
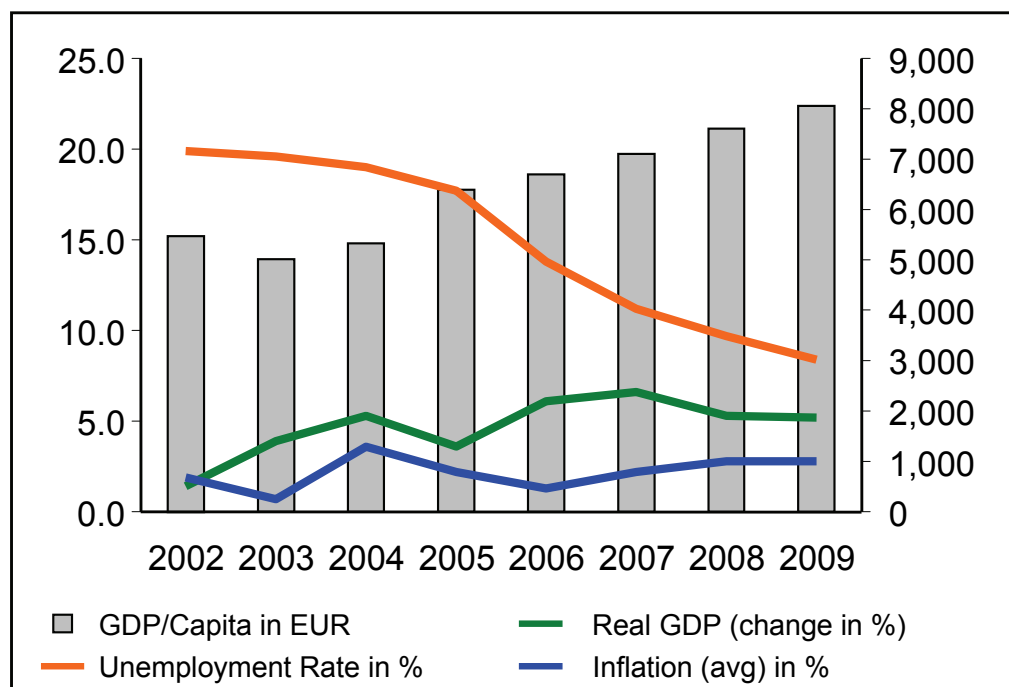
- **Area:** 312,685 km²
- **Population:** 38.5 million
- **Main industries:** coal, textile, chemical, machinery, iron and steel sectors
- **Forest land:** 28%



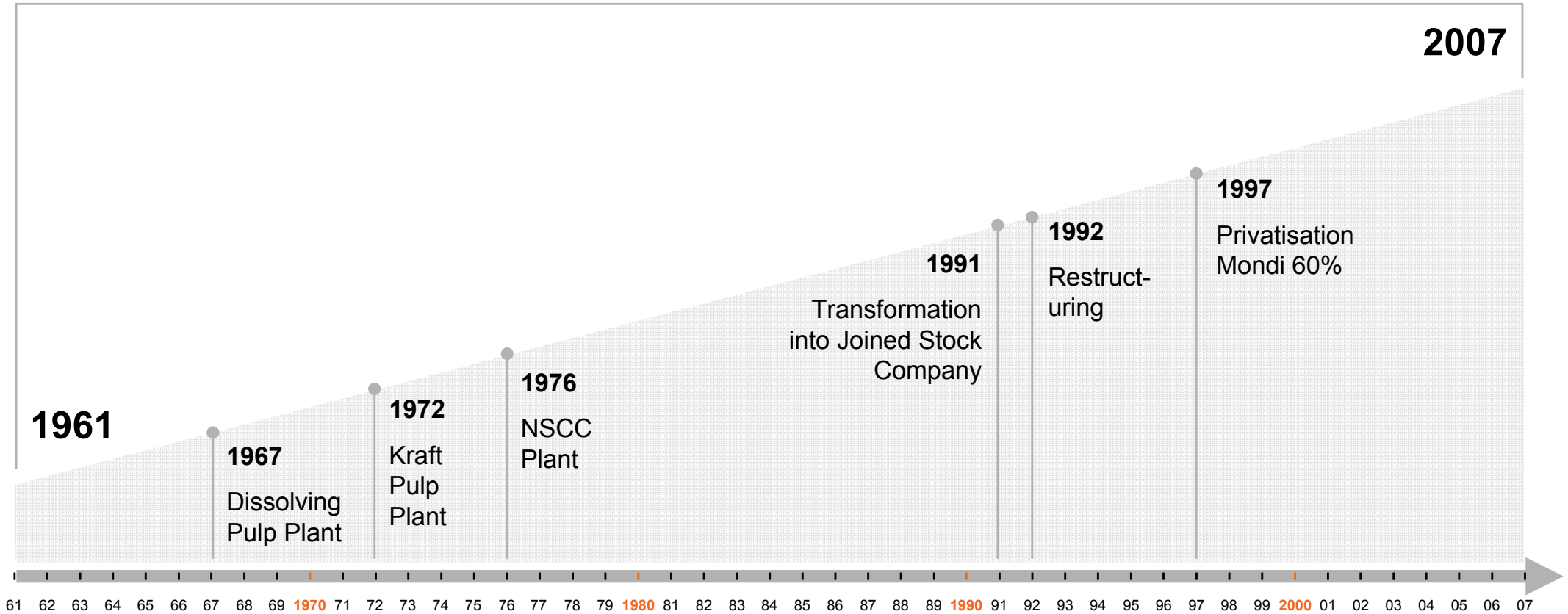
MACROECONOMIC INDICATORS – POLAND



	2002	2003	2004	2005	2006	2007	2008	2009
Real GDP (change in %)	1.4	3.9	5.3	3.6	6.1	6.6	5.3	5.2
Unemployment rate (in %)	19.9	19.6	19.0	17.7	13.8	11.2	9.7	8.4
Inflation (avg in %)	1.9	0.7	3.6	2.2	1.3	2.2	2.8	2.8
PLN/EUR (avg)	3.9	4.4	4.5	4.0	3.9	3.8	3.7	3.7
GDP/Capita (in EUR)	5,480	5,480	5,013	5,327	6,700	7,100	7,600	8,055



40 YEAR HISTORY



1970 – 1976
Start-up of 5 PMs



1997 – 2003
New strategy implementation



OVERVIEW - MANAGEMENT TEAM



Florian Stockert




Sales Director
(48 years of age)

Maciej Kunda



CEO
(41 years of age)

Jan Żukowski



Development and Investment Director
(55 years of age)

Tomasz Katewicz



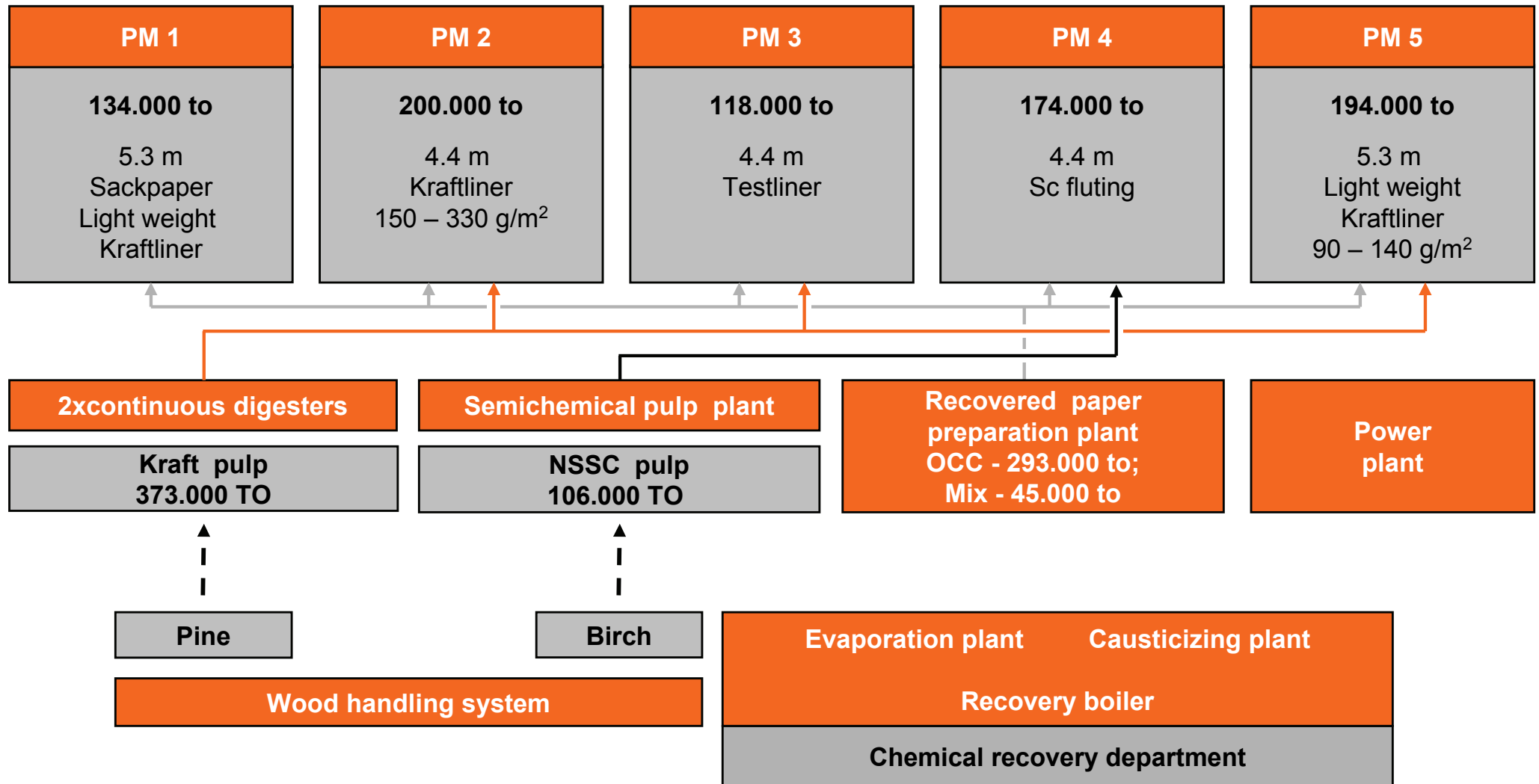
Production Director
(42 years of age)

Adam Mrzygłód



Financial Director
(34 years of age)

OVERVIEW - STRUCTURE OF THE MIL



Operation certified ISO 9001, ISO 14001, OHSAS 18001 and FSC

MARKET SEGMENTATION BY END-USE APPLICATION



Lafarge, Bayer

- Cement
- Premixes
- Feed



- Fruits
- Vegetables
- Meat
- Flowers
- Heavy duty packaging
- Chemicals

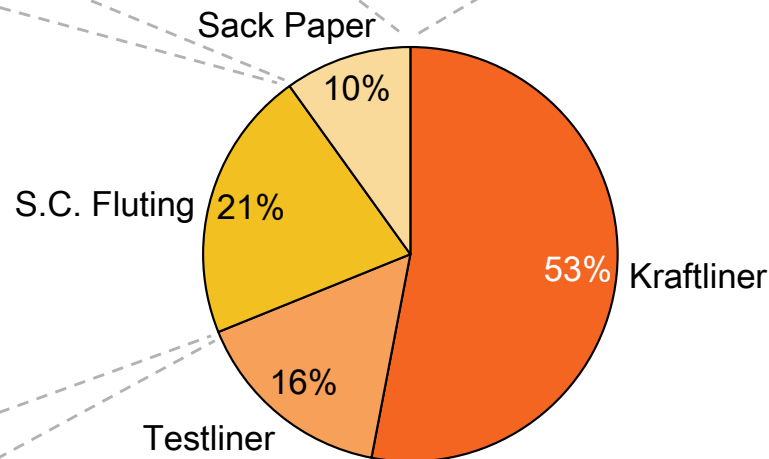


P&G, Pizza Hut, Kimberly & Clark

- Merchant
- Chemicals
- Beverages
- Furnitures



IKEA, P&G, Kimberley & Clark



Higher gsm

- Fruits, vegetables, meat
- Heavy duty packaging
- Chemicals
- Electronics



Lower gsm

- Cosmetics, medicines
- Internet sales

Pizza boxes

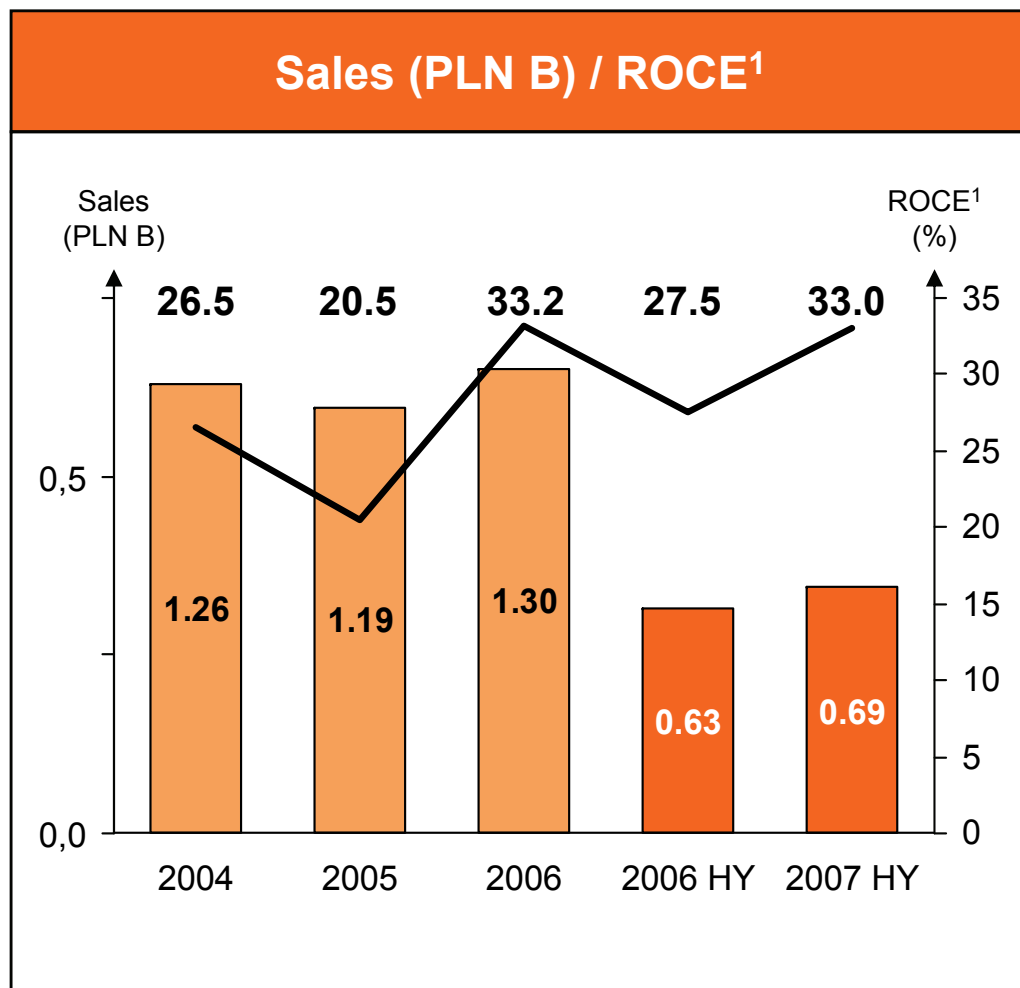
- Industrial
- Coating



Henkel, Pizza Hut, Nestle, Tesco, Carrefour



FINANCIAL INDICATORS MPP SWIECIE



Profitability (HY 2007)

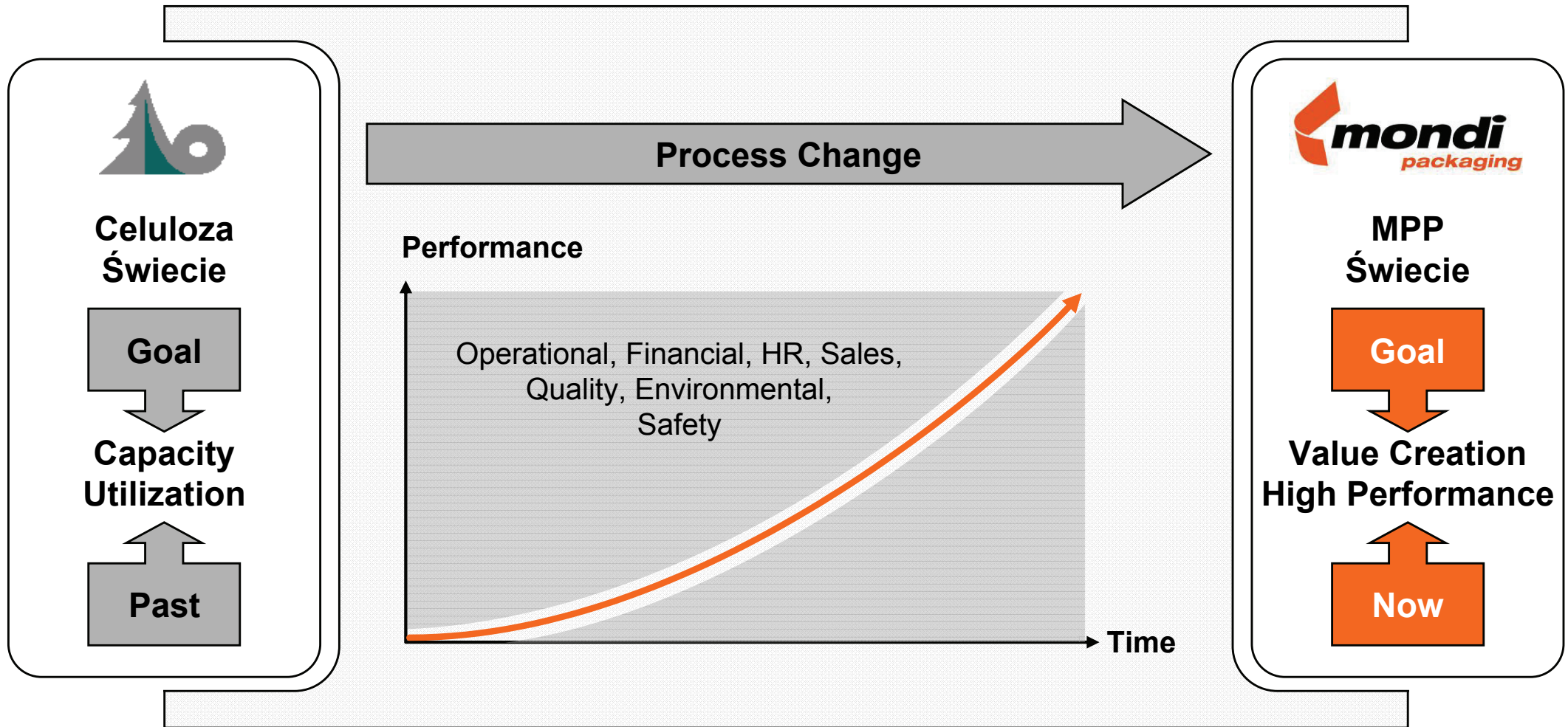
	2007	2006	% change
EBITDA	PLN 220 M	184 M	19.6
EBITDA Margin	31.9 %	29.6%	7.7
Capital Employed	PLN 1 032 M	956 M	7.9
ROCE¹	33.0%	27.5%	20.1

1 Half year ROCE is calculated as underlying profit H1 2007 times 2 divided by average capital employed as of June 30 and December 31



POST ACQUISITION HIGHLIGHTS

POST ACQUISITION HIGHLIGHTS - TRANSFORMATION OF THE COMPANY



POST ACQUISITION HIGHLIGHTS – MAJOR CAPITAL PROJECTS 1998-2006



Proactive Investment Strategy

Early action against foreseen trends, developments and changes in business environment (markets, customer needs, changes in operational environment).

Market Development Focus

Project Targets / Achievements

2001 Paper Machine #5 Rebuild

Focus: Increase of production of lightweight kraftliner grades

- Effective production of high quality LW KLB
- Production increase +50,000 t / +90,000 t

2003 Paper Machine #3 Rebuild

Focus: Ability to produce 2-layer medium and lightweight recycled containerboard quality

- Effective production of 2 layer TL and WBFL
- Quality targets 100% met

2007 Paper Machine #1 Rebuild

Focus: Increase of production of lightweight kraftliner grades

- Effective production of high quality 2 layer LW KLB
- Capacity increase from 130,000 to 180,000 t

Promises kept - delivered more

POST ACQUISITION HIGHLIGHTS – MAJOR CAPITAL PROJECTS 1998-2006



Proactive Investment Strategy

Early action against foreseen trends, developments and changes in business environment (markets, customer needs, changes in operational environment).

Early Action against foreseen changes in operational environment

Project Targets / Achievements

2001 New Woodyard

Focus: Improvement of wood pulp quality; reduction of wood losses

- Wood losses reduction by 70%
- High quality of chips and pulp produced

2004 CFB Biofuel Boiler

Focus: Energy cost savings / green energy generation

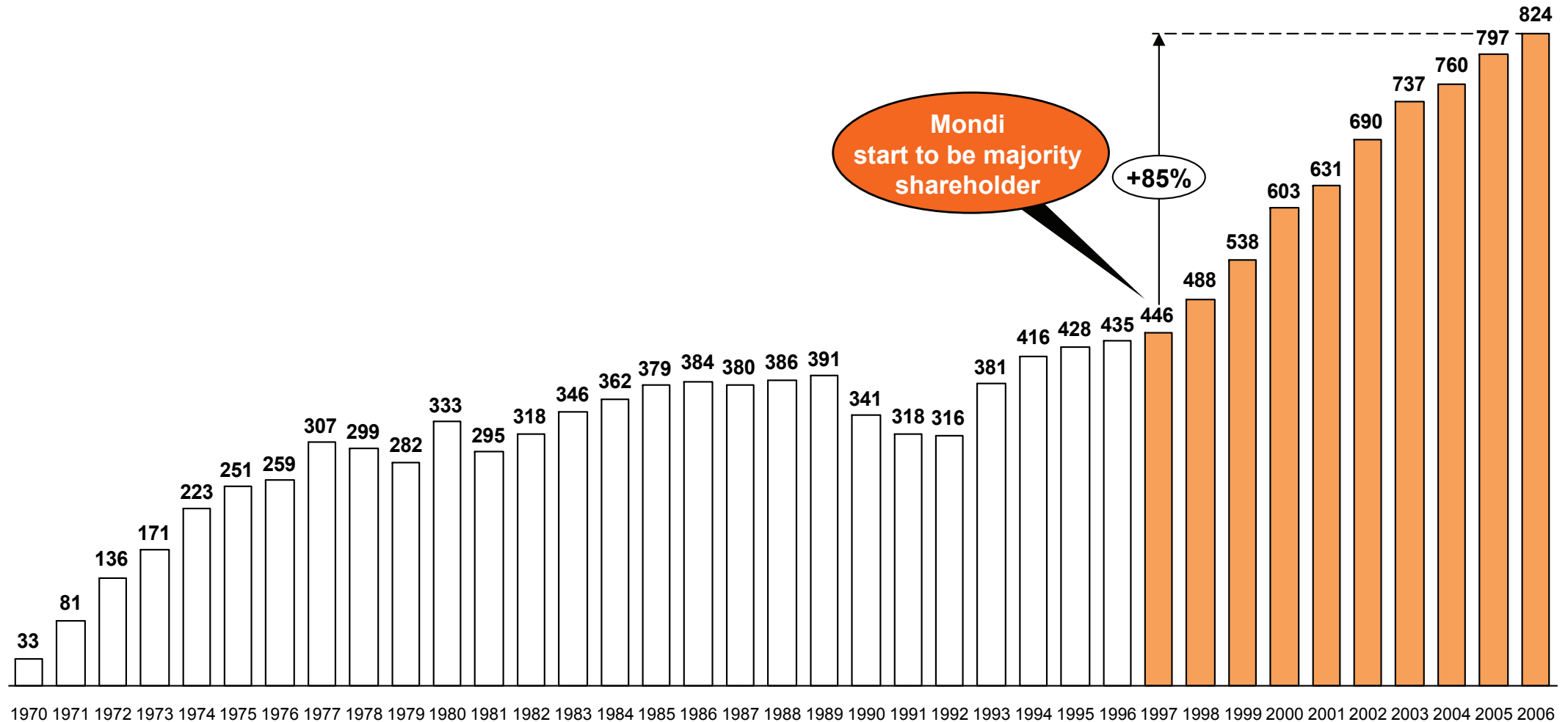
- Effective green energy production based on biofuel
- Reduction of coal usage by 130,000 tpa together with substantial reduction of emission

Promises kept - delivered more

POST ACQUISITION HIGHLIGHTS – TOTAL PM PRODUCTION 1970 – 2007



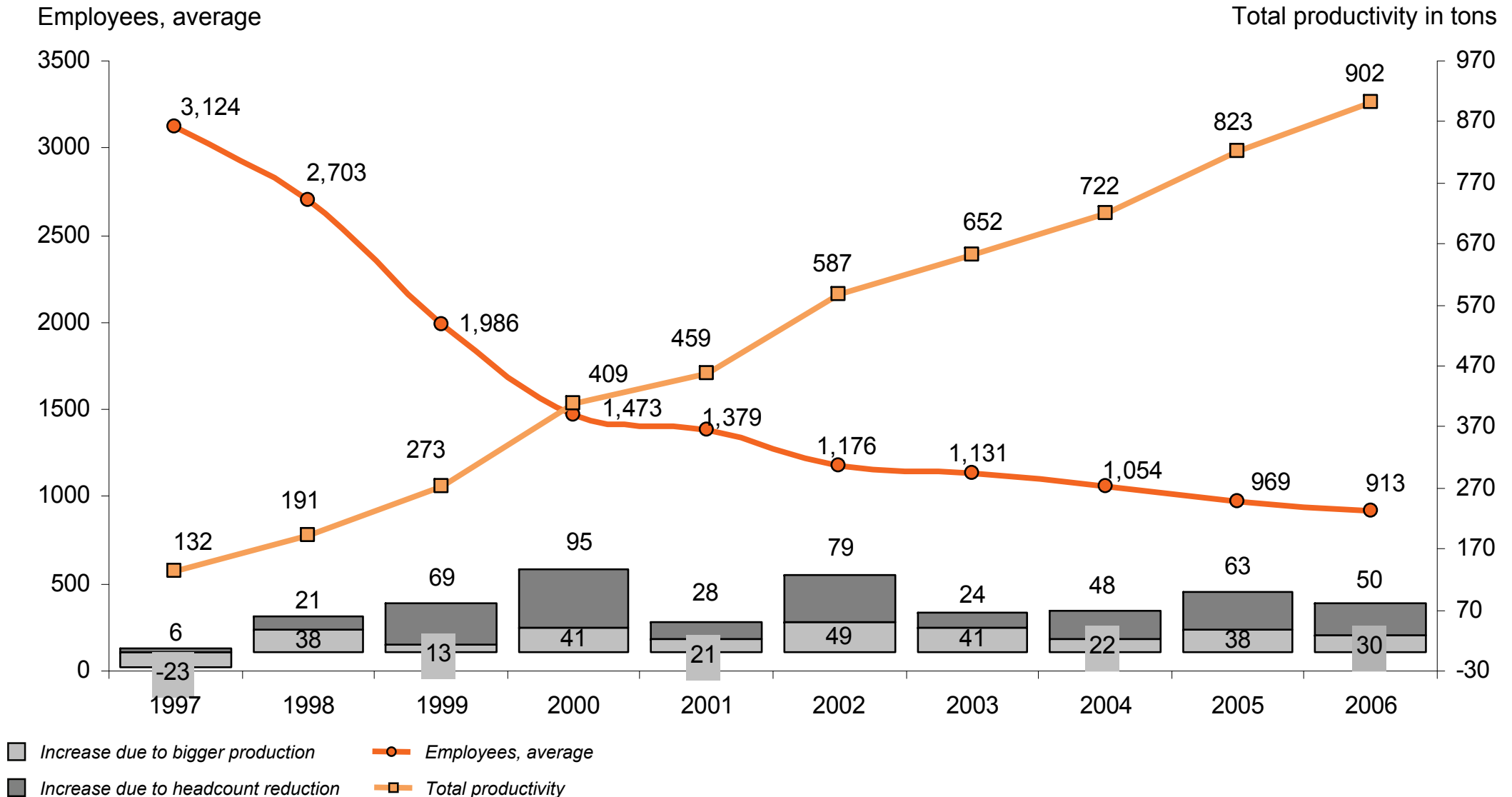
Production nearly doubled during last 10 years: 1.000 tons



POST ACQUISITION HIGHLIGHTS – PRODUCTIVITY INCREASE



Productivity increase by 770 tons per capita, compared to 1997

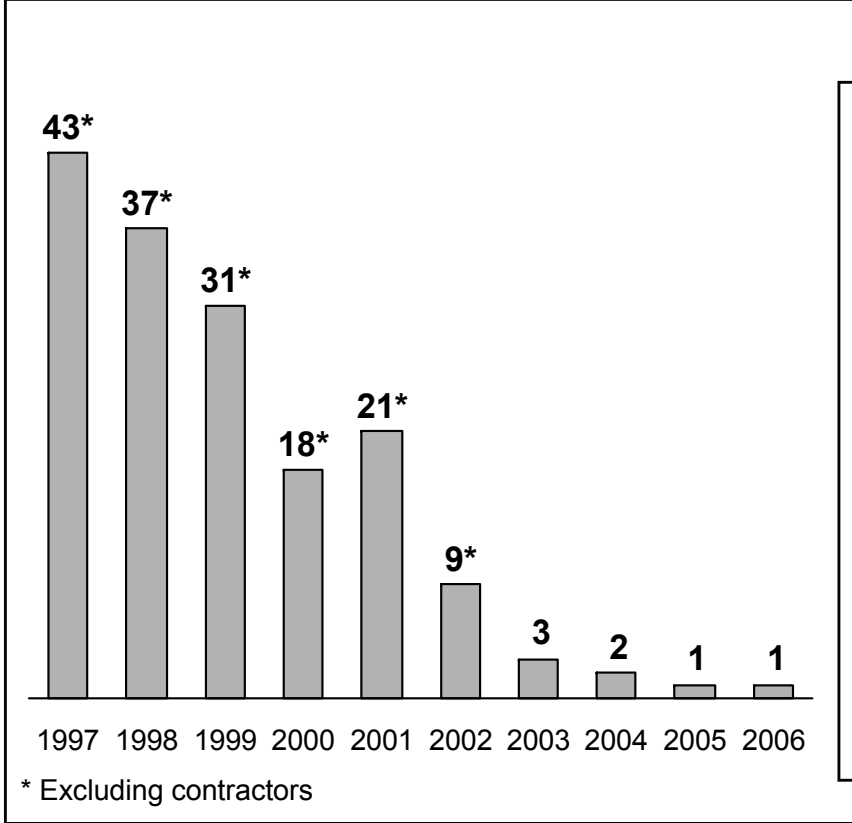


POST ACQUISITION HIGHLIGHTS – PROGRESS IN SAFETY

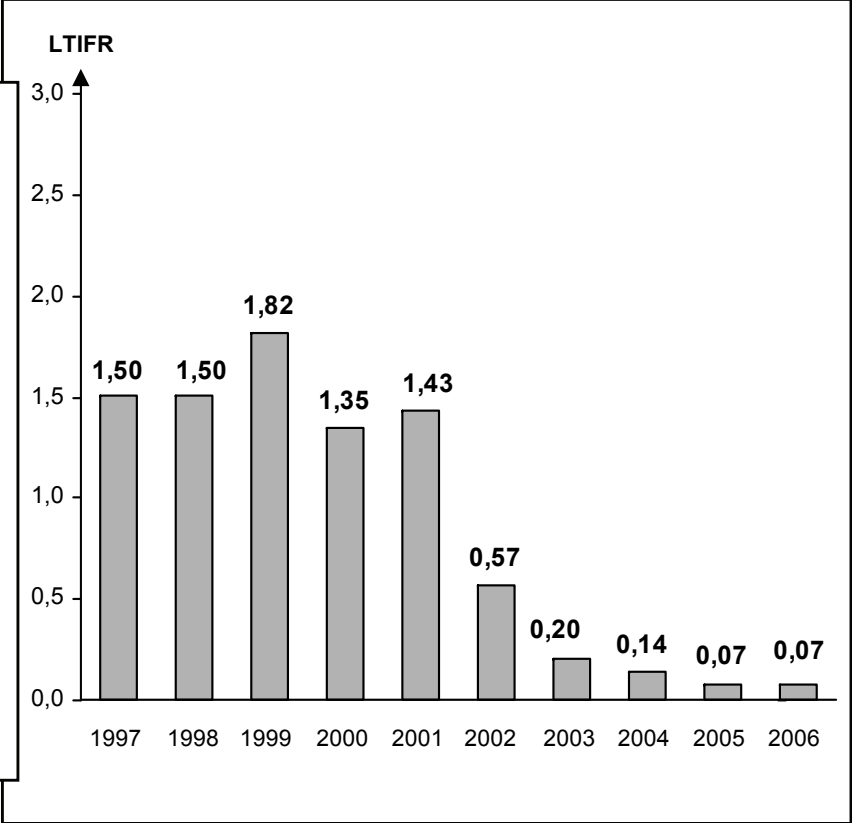


OTTO
Zero Tolerance Target Zero

**Number of Accidents 1997-2006
(including sub contractors)**



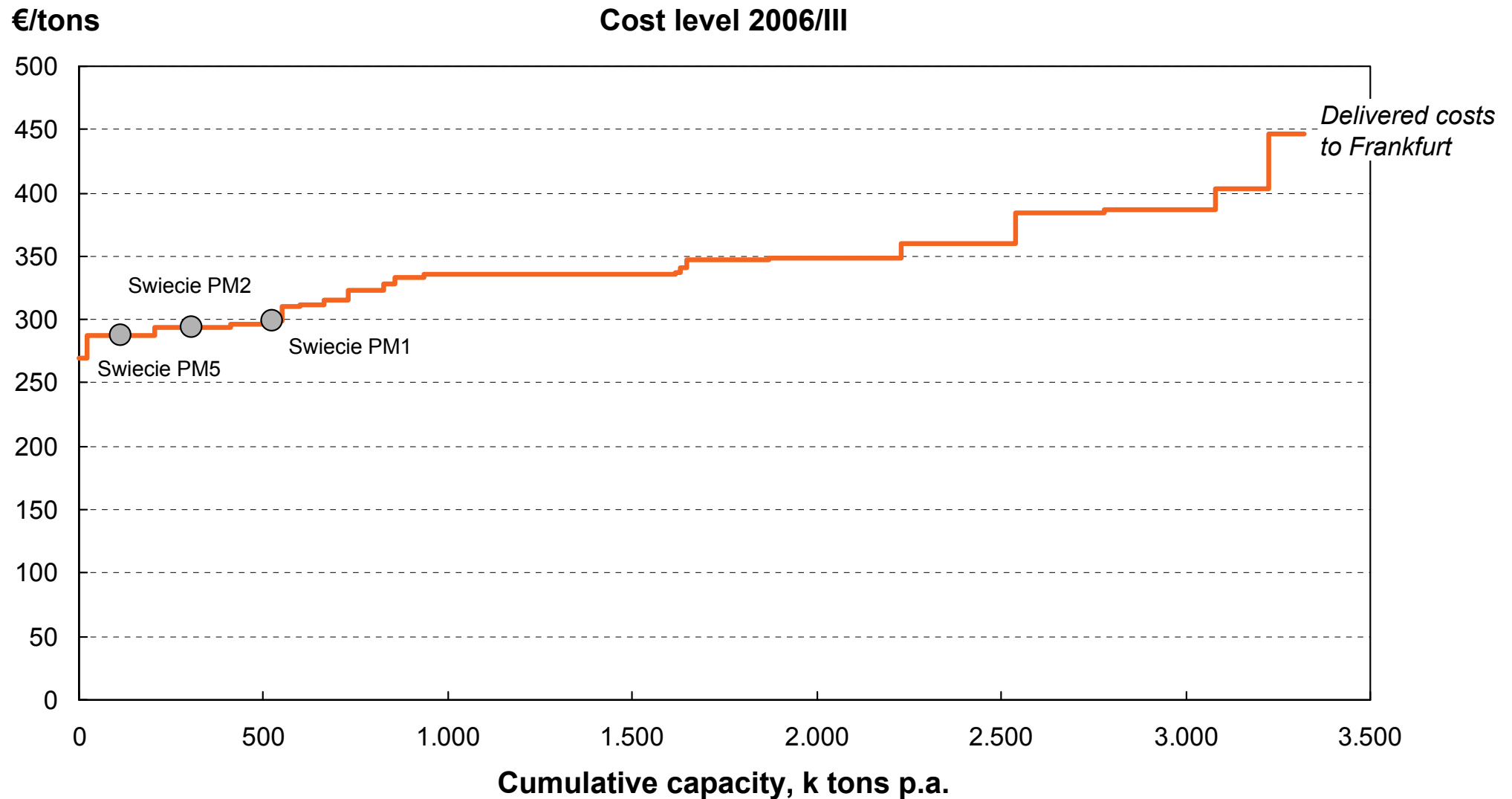
**Development of Lost Time Injury
Frequency Rate (LTIFR) 1997 - 2006**



Competitive Advantage of MPP Świecie driven by

- Clear cost advantage in energy and labor cost
- Cost advantage in transportation to European markets
- Capability of most effective fibre mix (wood and recovered fibre)
- Swiecie is a world class mill in terms of productivity
- Swiecie has an excellent track record with all big capex: they were flawlessly executed within time and within budget increasing Company Value
- Organization culture managed by objectives, employees creativity
- Excellent Technical service
- Innovative products

COST COMPETITIVENESS OF UNBLEACHED KRAFTLINER



1 Including European supply and imports

2 Depreciations + ROCE 10%

Source: Pöyry Forest Industry Consulting



SITE VISIT BRIEFING

SITE VISIT BRIEFING

