



Mondi Capital Markets Day

Fibre Packaging

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Fibre Packaging at a glance

The Fibre Packaging business consists of Mondi's primarily paper based downstream operations. It manufactures and sells a range of corrugated packaging products, industrial bags, extrusion coatings and release liner for a variety of consumer and industrial applications.

Product portfolio



Corrugated Packaging



Industrial Bags

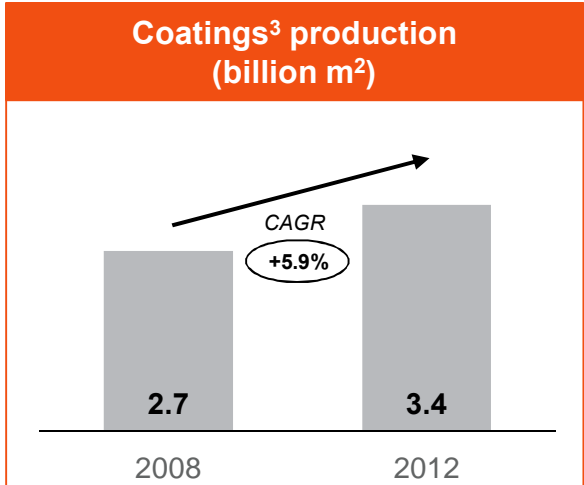
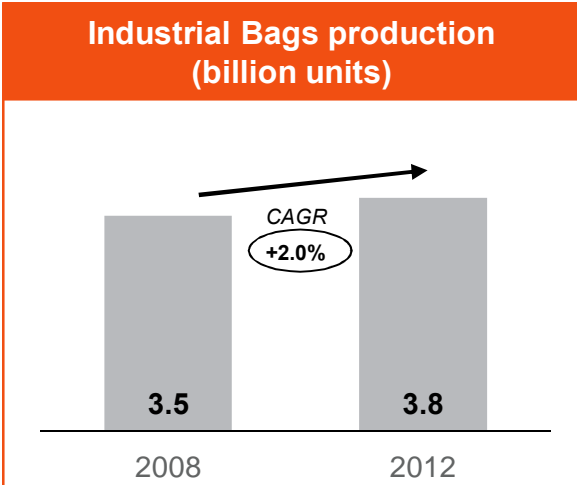
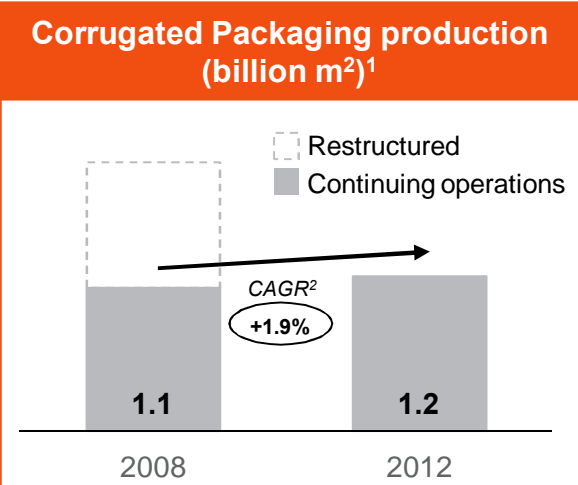


Release Liner



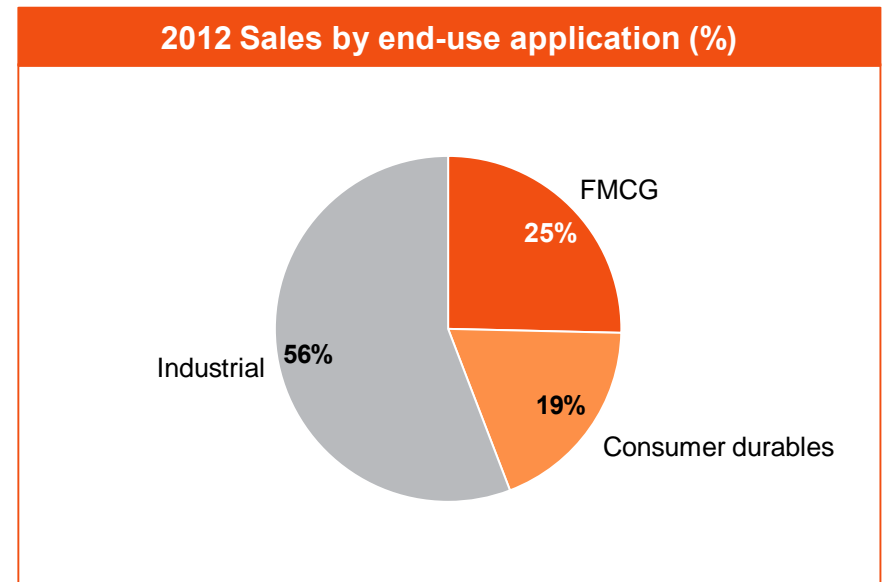
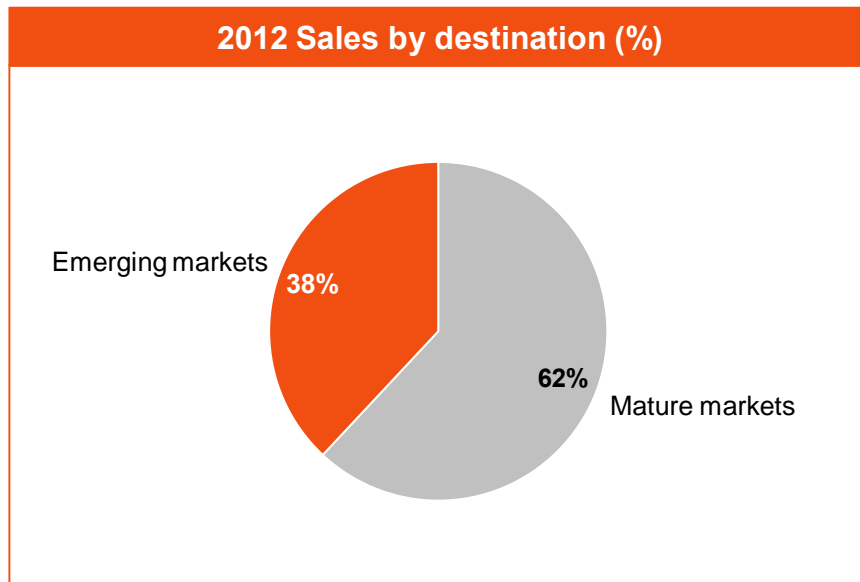
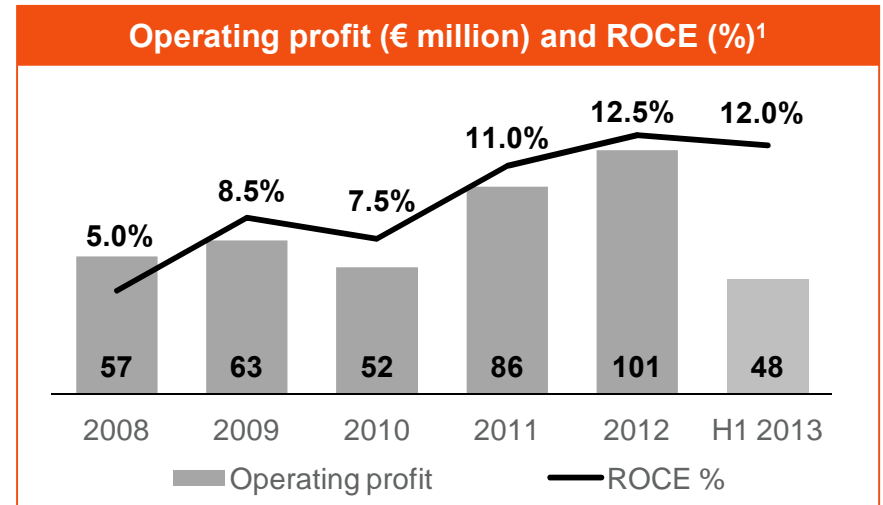
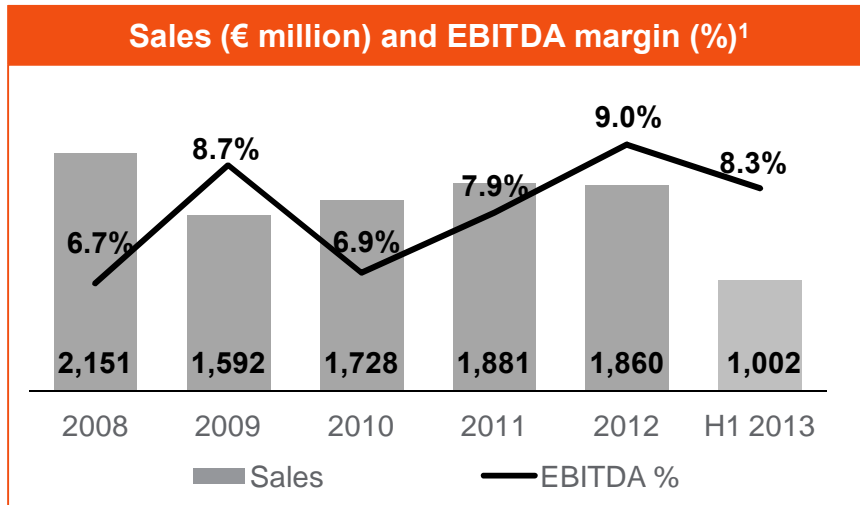
Extrusion Coatings

“Coatings”



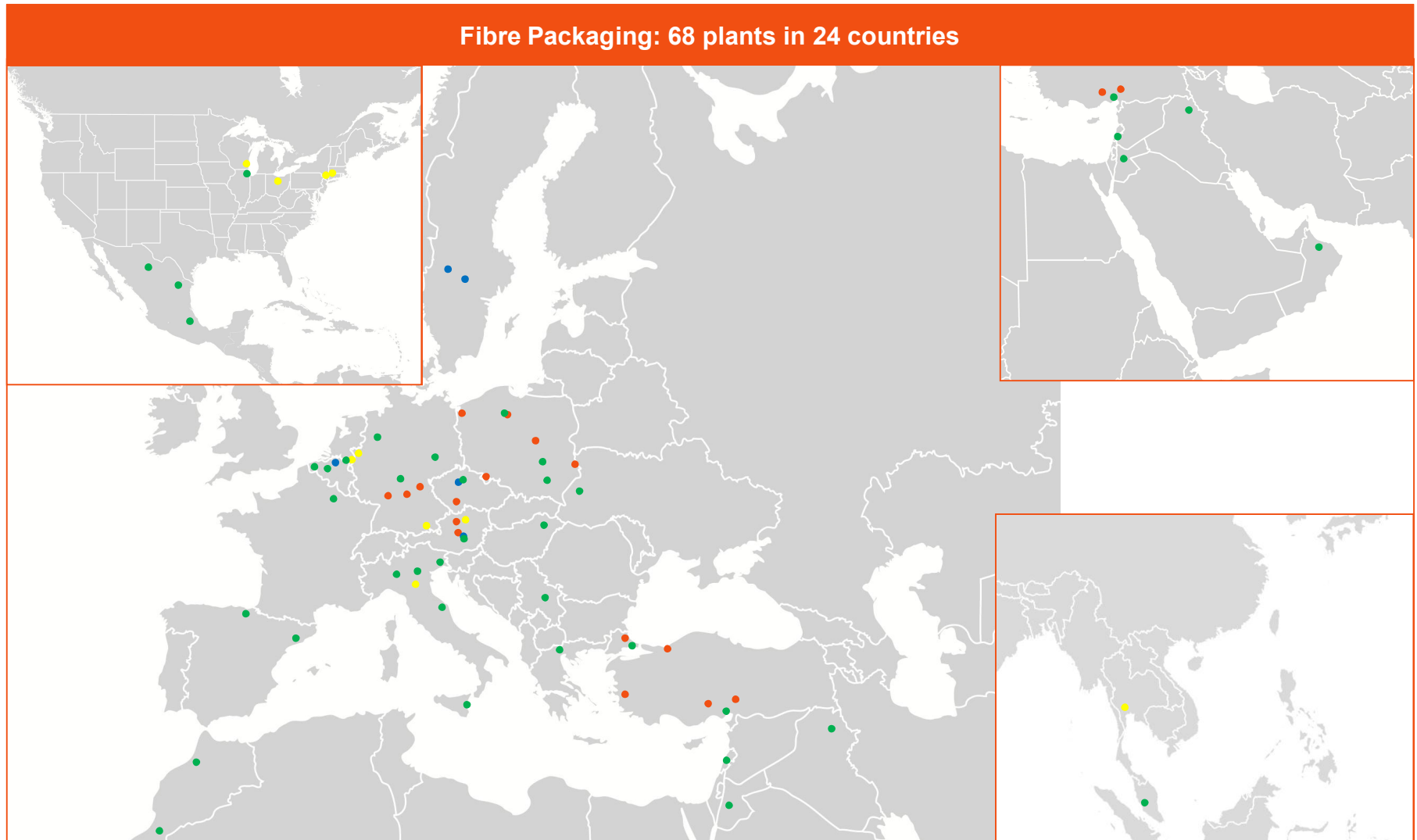
(1) Production shown relates to continuing operations only. (2) CAGR based on continuing operations only. (3) Includes Release Liner and Extrusion Coatings.

Improving financial performance



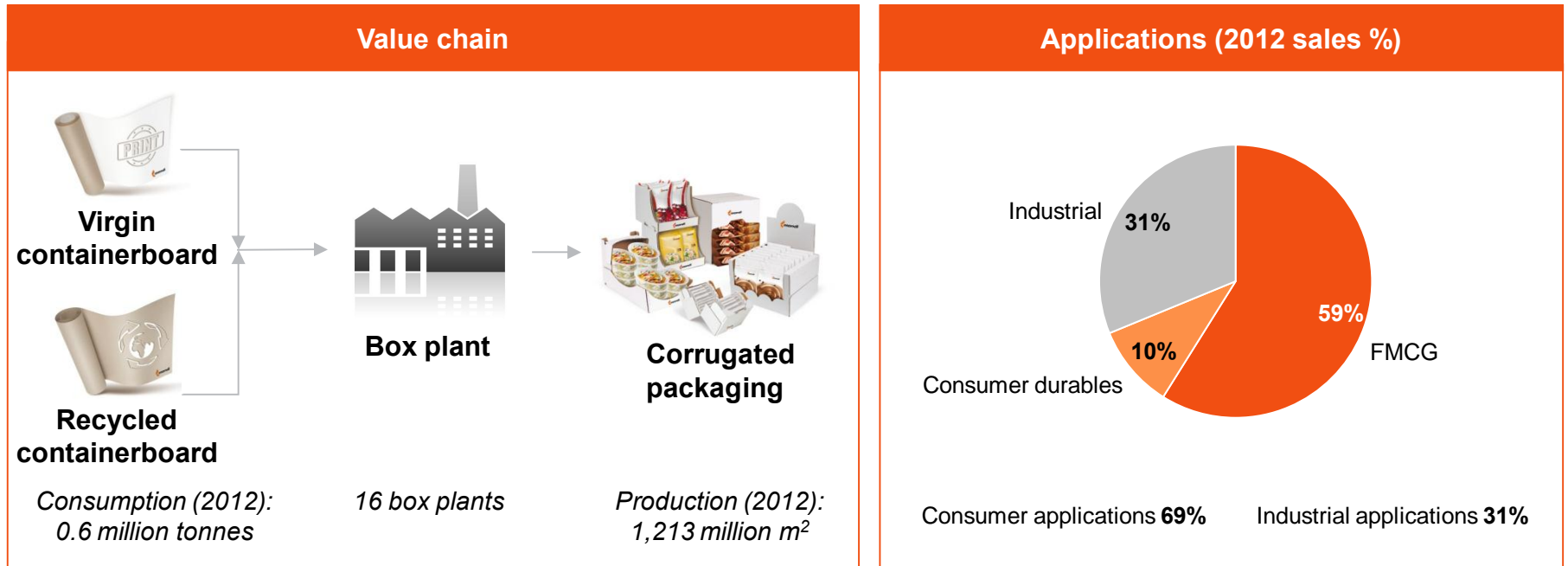
(1) Financial results shown in 2008 to 2012 are for the full financial year.

Strong operating platform to support growth opportunities

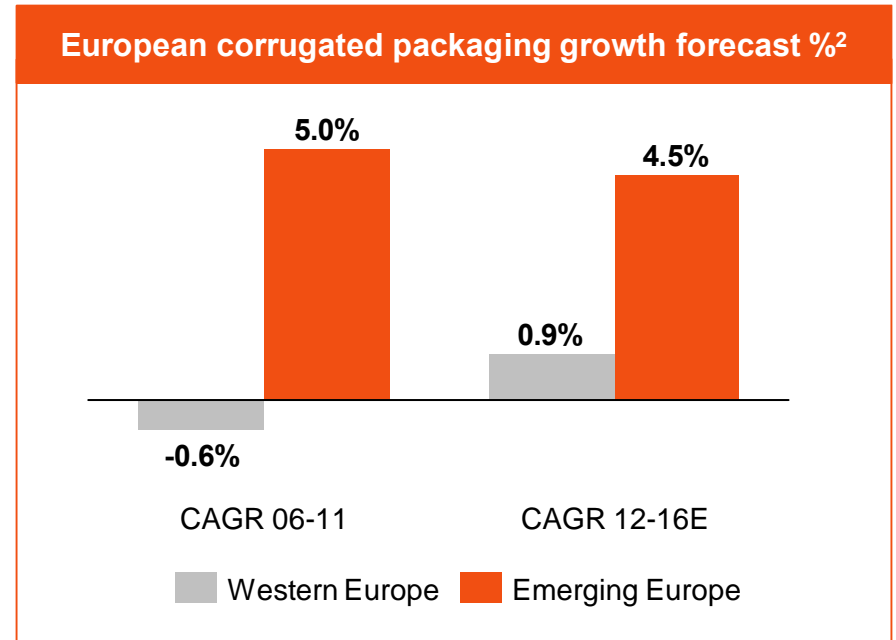
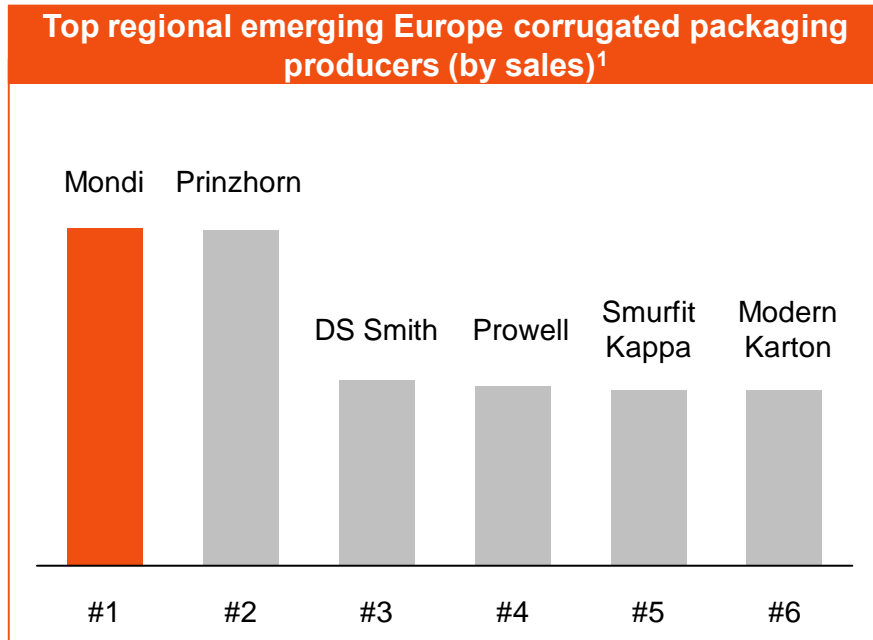


● Corrugated Packaging ● Industrial Bags ● Extrusion Coatings ● Release Liner

Corrugated Packaging value chain and products



Corrugated Packaging is focused on emerging Europe



- Mondi has a leading position in emerging Europe with a strong presence in its core clusters, especially Poland and Turkey
- Emerging Europe is experiencing robust growth
- Increased demand for optimised solutions (lightweight papers, smaller sizes), more complex products and high quality printing to visually enhance shelf-ready displays of FMCGs
- Changes in retail sector (growth of hard discounters) and opportunities based on increased e-commerce and demographic changes (smaller households and aging populations leading to higher packaging consumption)

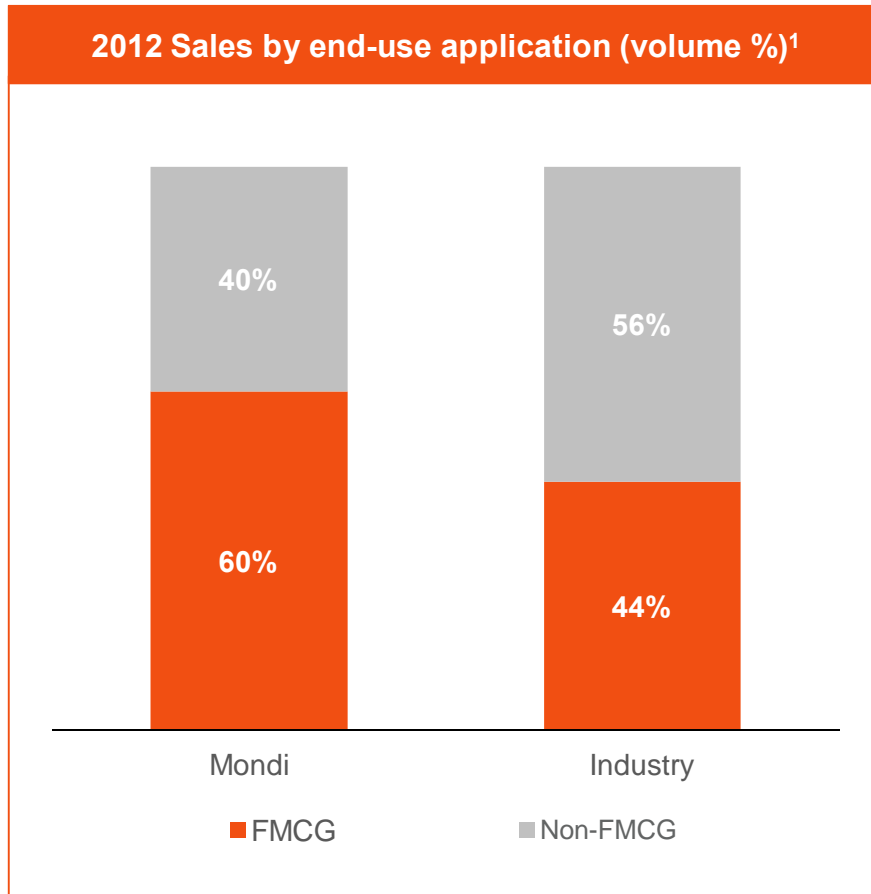
(1) See sources and definitions in Appendix.

(2) Source: ICCA, Global Corrugated Forecast 2012-2016.

Fast moving consumer goods are a key end-use application of Mondi Corrugated Packaging



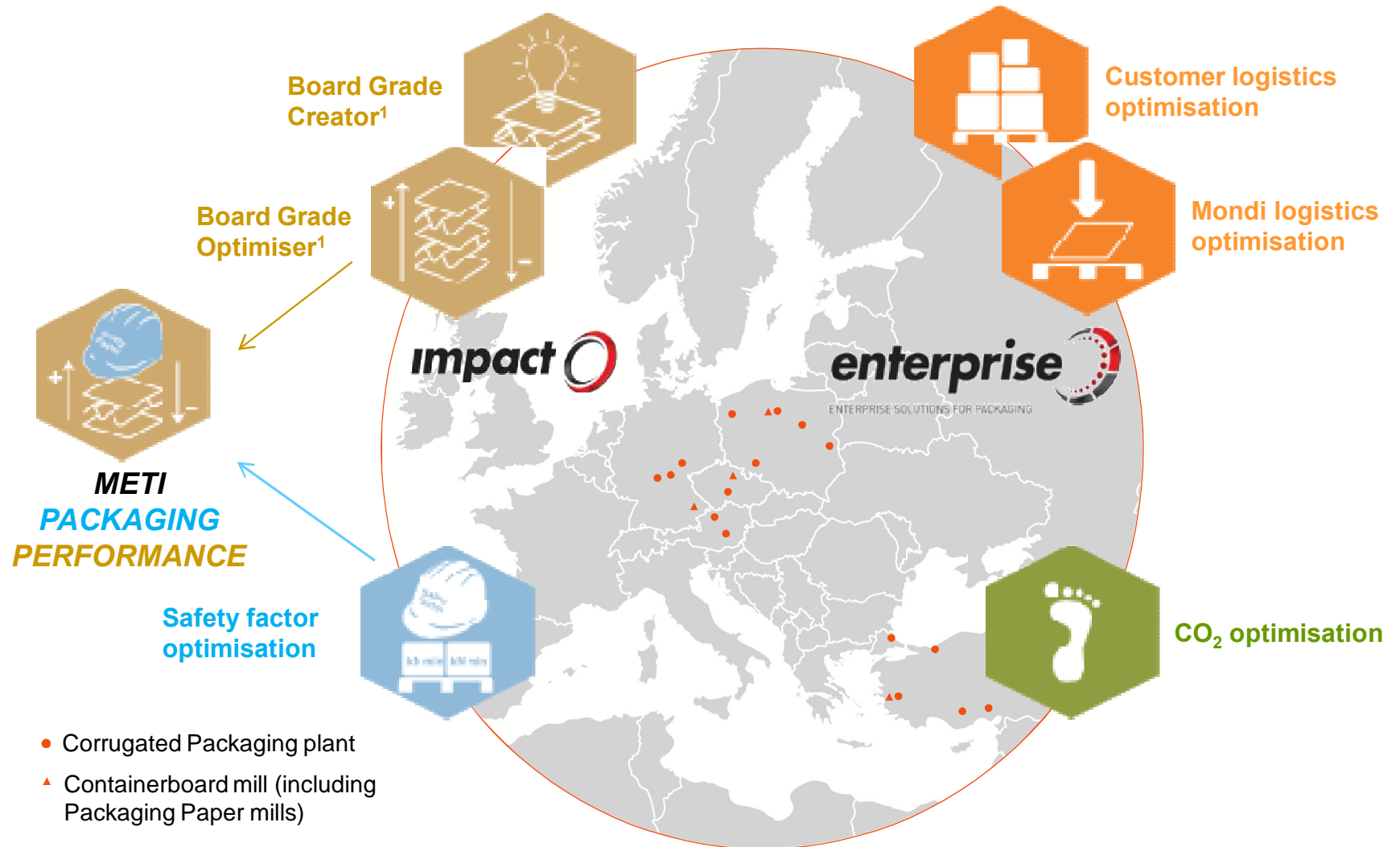
2012 Sales by end-use application (volume %)¹



- Mondi Corrugated Packaging has a higher exposure to consumer applications than the industry average
- As a result Corrugated Packaging enjoys more stable sales volumes that are supported by attractive long term growth dynamics
- This is supported by key account management that is jointly coordinated with other business units

(1) Mondi comparison with industry based on information from Verband der Wellpappenindustrie ("VDW"), the German corrugated board industry association.

Development of integrated design tool for optimised packaging solutions

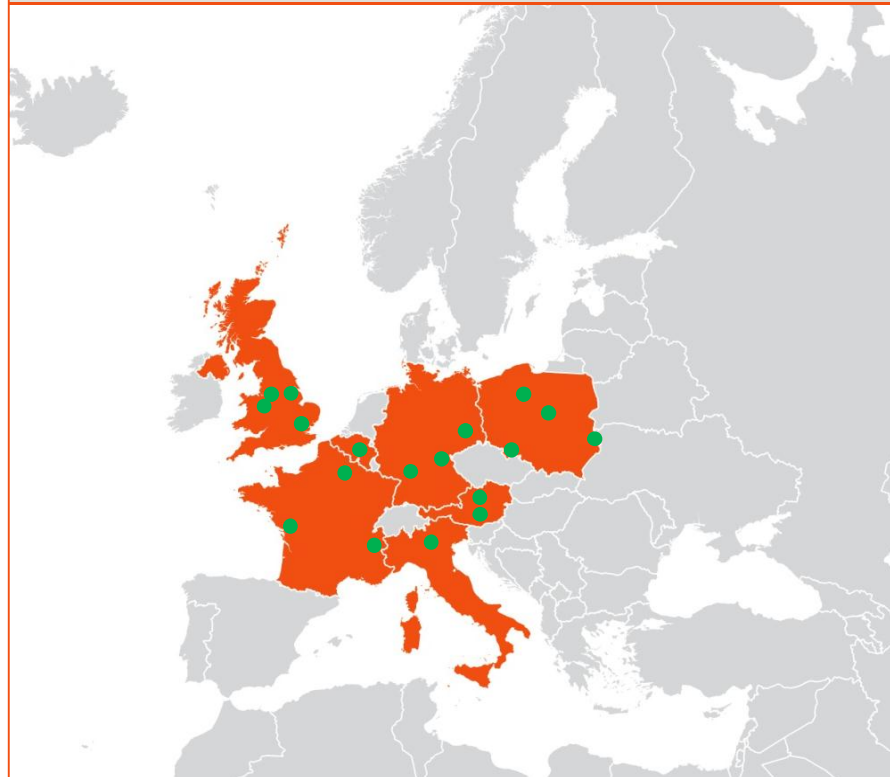


(1) In final development phase.

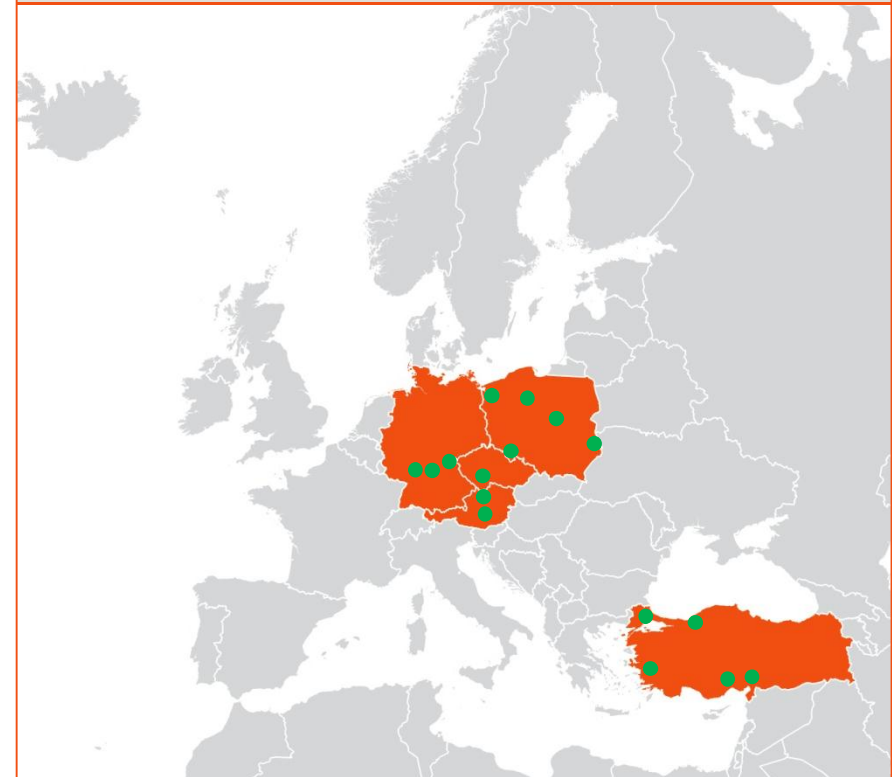
Continuous focus on performance and shift to emerging Europe



2005 Corrugated Packaging footprint	
Number of box plants in Western Europe	14
Number of box plants in emerging Europe	4
Total number of box plants ¹	18
Conversion cost per thousand m² index (2005 =100)	100

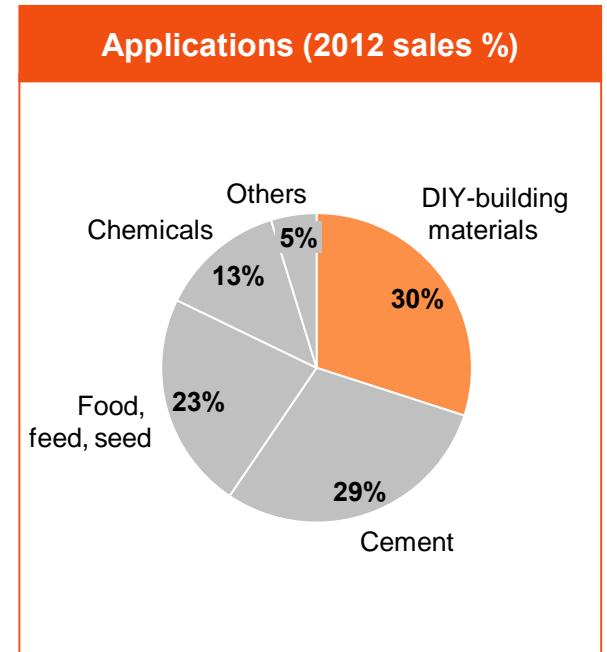
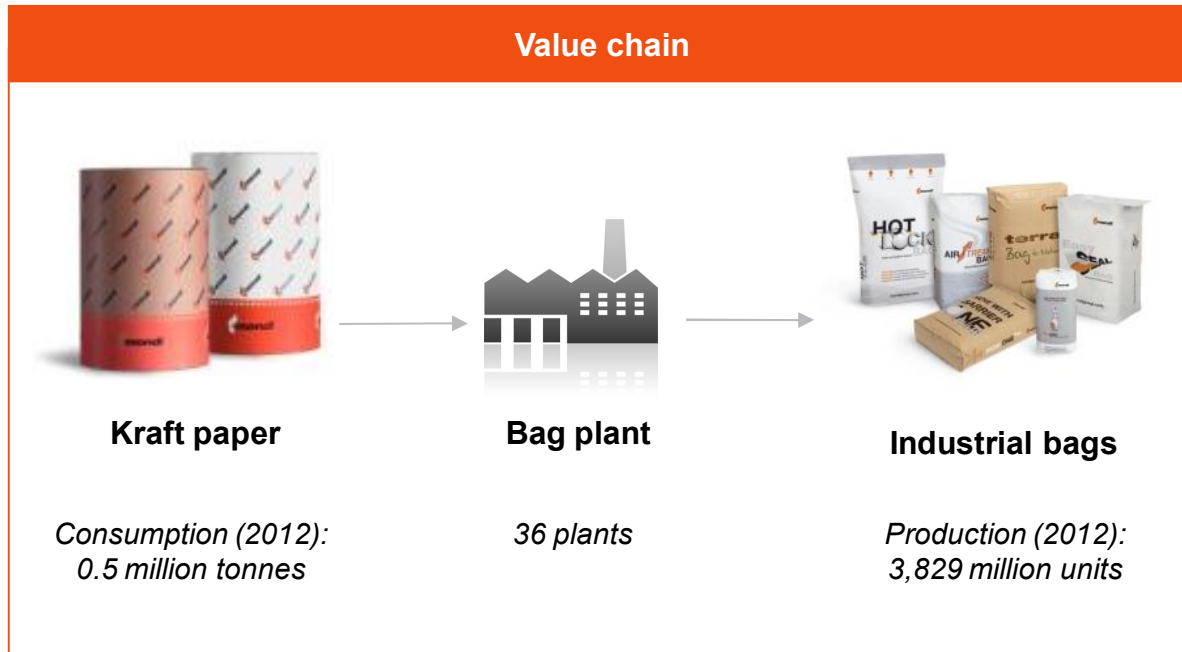


2013 Corrugated Packaging footprint	
Number of box plants in Western Europe	5
Number of box plants in emerging Europe	11
Total number of box plants ¹	16
Conversion cost per thousand m² index (2005 =100)	77



(1) European plants only. Excluding speciality and sheet plants and containerboard mills.

Industrial Bags value chain and products

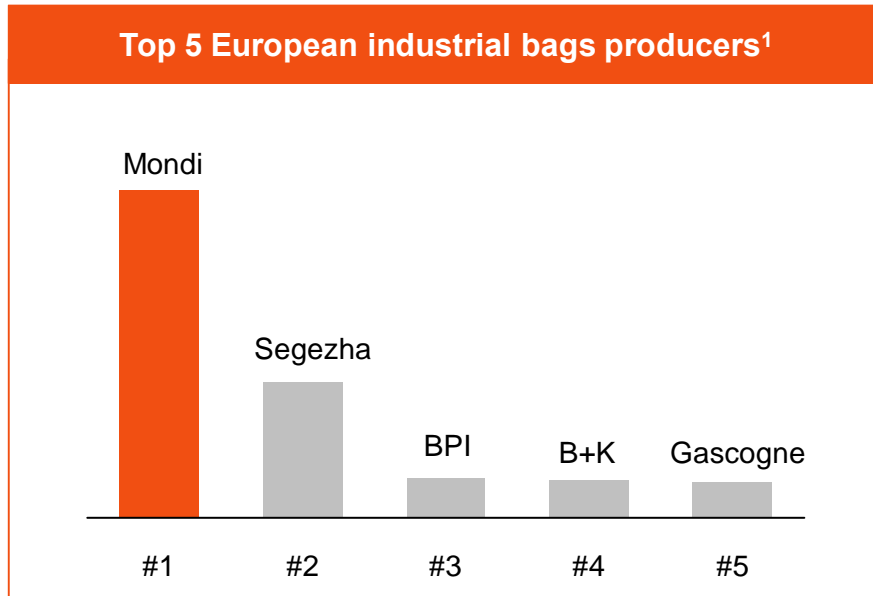


Product portfolio and features

The product portfolio includes the following types and features:

- Pinch bottom bags**: Shown with various food and consumer products.
- Open mouth bags**: Shown with instant milk powder.
- Valve bags**: Shown with cement bags.
- Easy seal valve**: A person is shown sealing a bag.
- Handle**: A person is shown carrying a bag with a handle.
- Effusion opening**: Shown with a white effusion bag.
- SOS bags**: Shown with a cat on the bag.
- Protector bags**: Shown with crumpled paper.

Industrial Bags leveraging strong European foothold



- Mondi is the European market leader in industrial bags and has operations in MENA, North America and (to a limited extent) Asia
- The industrial bags market is expected to decline in Western Europe due to subdued economic conditions. Consumption of DIY-building material bags has suffered from weakness in the construction sector both in Western and emerging Europe, but should show growth going forward
- Demand for industrial bags is expected to grow in Russia, MENA, Latin America and Asia Pacific in the medium term on the back of stronger economic growth, investment and construction activities
- Mondi aims to leverage its strong European platform and unique relationships with international key accounts to grow in emerging markets (e.g. Iraq)

(1) See Appendix for sources and definitions. (2) Source: Freedonia World Industrial Bags study, 2013 update for Mondi.

Innovative anti-piracy solutions for industrial bags customers



Challenge

- Product piracy rates are increasing globally and are a significant issue faced by the building products industry:
 - Infringement of intellectual property rights is a focus of EU authorities with 90,000 cases recorded and 40 million articles detained by the EU authorities in 2012
 - Building materials associations in some emerging European countries report falsified products exceed 20% of the market
- Forged cement has lower strength and durability, and increases risk to civil structures and health and safety. For our customer this means:
 - Reputational risk resulting in turnover losses
 - Possible related claims

Multi feature bag

- Highly sophisticated anti-counterfeiting label enables end-users to verify genuine products
- 3 international customers in CIS states



Security label bag

- Provides multiple proof points on the bag. Information is promoted by the customer to help end-users identify a genuine bag

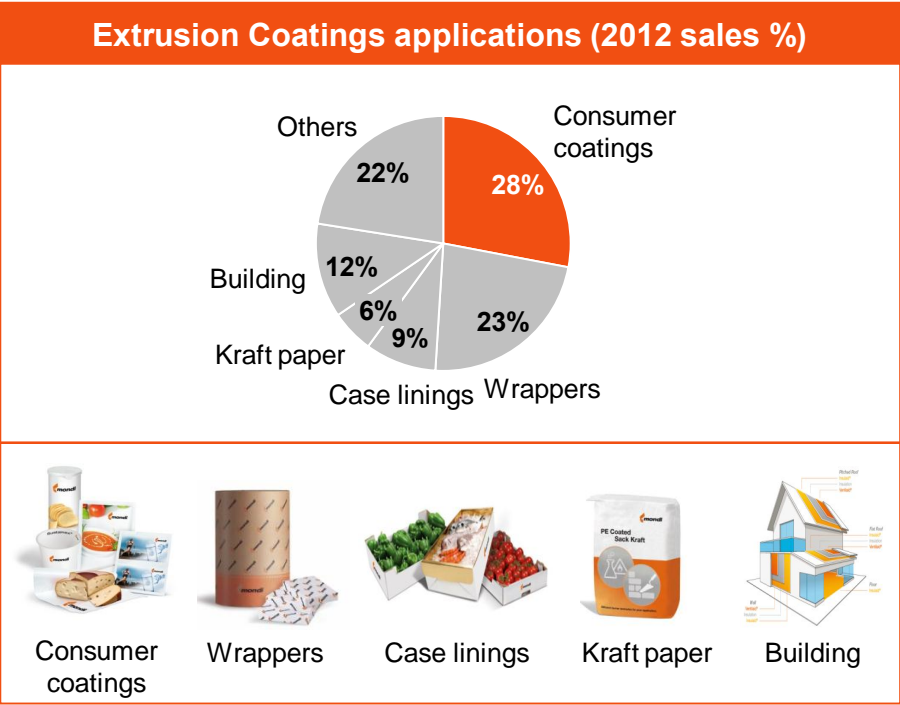
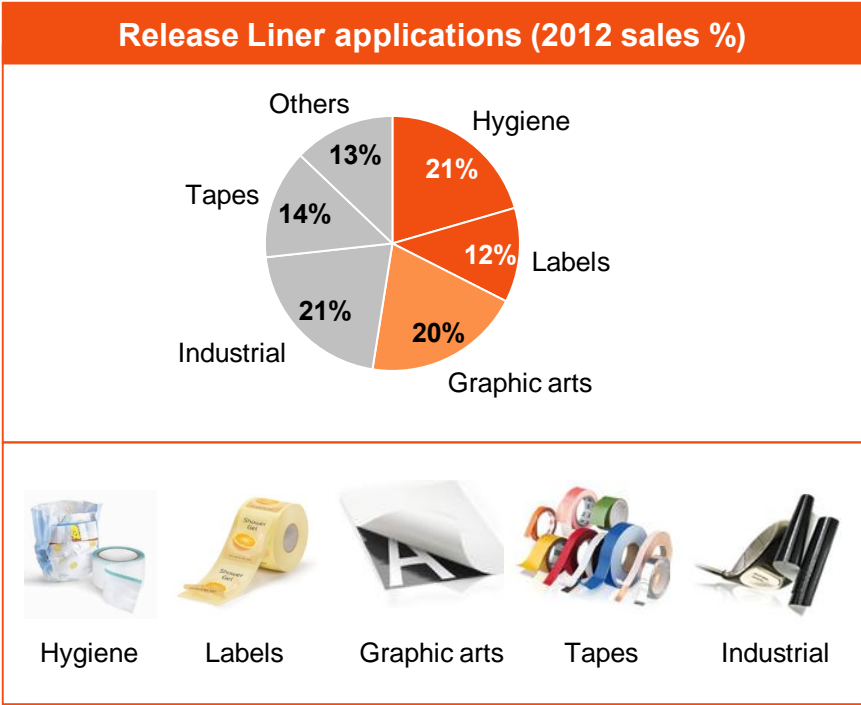
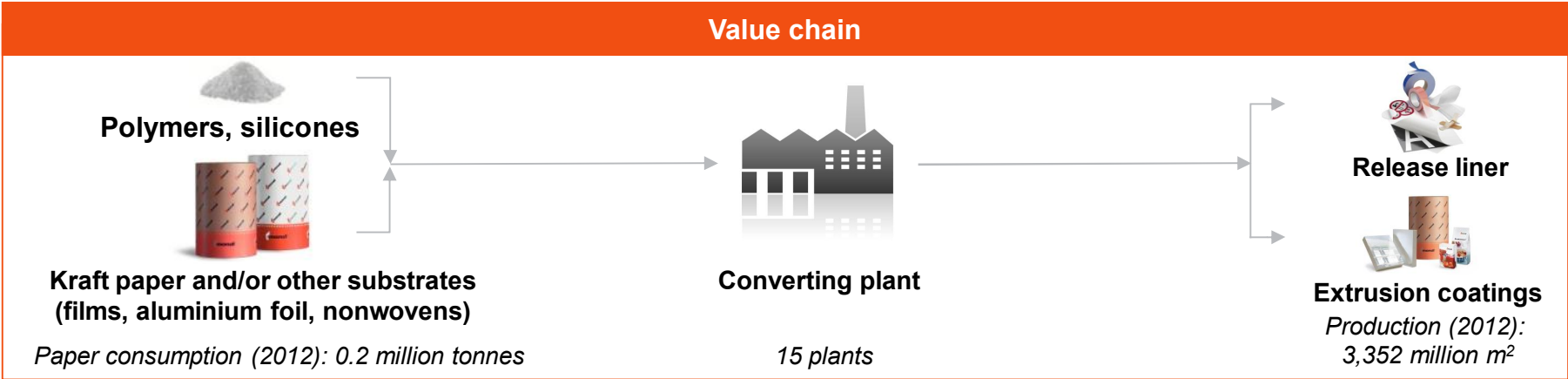


Smart ID bag

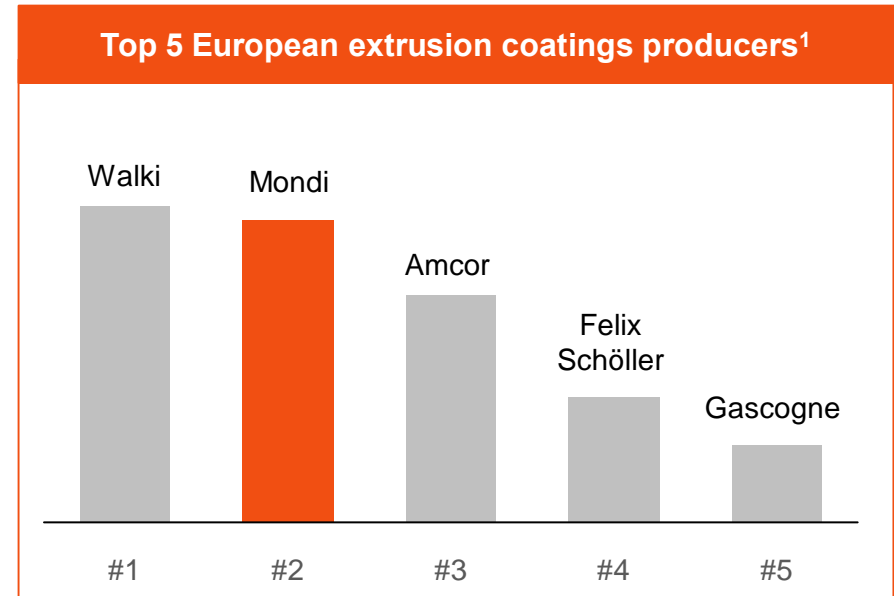
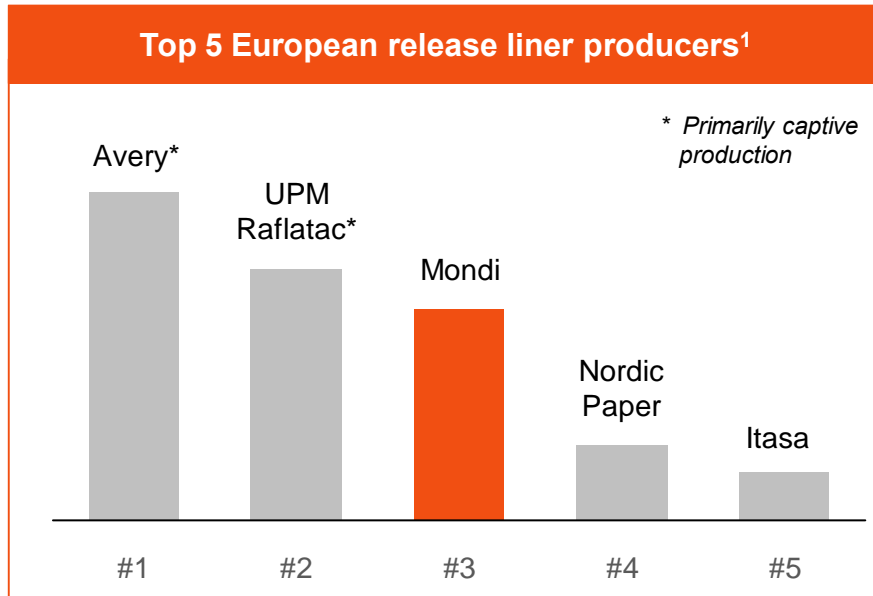
- Equipped with unique serialised 2D code, the SmartID Bag can be identified along the supply chain all the way to the end customer
- Still in project phase, pilot tests



Coatings value chain and products



Coatings with leading positions in chosen applications



- **Release liner:**

- Mondi is the second largest global producer of commercial release liner and is close to the number one position. In Europe Mondi is the clear leader for commercial release liner, with a medium position in North America and small presence in Asia
- Demand is expected to grow moderately in the medium term in mature markets and achieve higher growth in emerging markets due to growing demand for consumer applications (hygiene, medical, labels)



- **Extrusion coatings:**

- Demand in Europe is expected to be stable resulting from flat or declining growth in certain end applications (paper wrapping, envelopes) offset by growth in consumer applications (e.g. healthcare products) and certain technical coatings (building, corrugated packaging)

(1) See Appendix for sources and definitions. Extrusion Coatings excludes liquid packaging board.

Responding to regulatory changes and customer demand through technology development



Challenge	Solution: OLMO Paper 2.0+
<ul style="list-style-type: none">● Peelable process liners in flexible foam production are becoming more and more a standard● Double digit growth rates have attracted new competitors that simply copy the current process liner specification● Commoditization and margin erosion due to a missing USP (lack of product innovation) between the top suppliers and Mondi's product  	<ul style="list-style-type: none">● OLMO Paper 2.0+ is an optimised solution that combines a strong Mondi paper with a special polymer layer which is tailor-made for the foam industry● It provides outstanding product performance with added value services such as:<ul style="list-style-type: none">○ Improved surface smoothness (foaming like a mirror+)○ Technical assistance to run the liner most efficiently and support of cost optimisation projects● Zero waste concept● New value based sales approach focusing on customer value (TCO and services)● Dedicated sales channels (chemical suppliers) and tools (value calculator, sales kit, OLMO Paper 2.0+ community) to fully support a value based approach● In-sourcing potential of about 6,000 tonnes per annum of base paper for the new process liner

Challenges and opportunities

Challenges

- Slow European economic environment
- European construction sector (including Eastern Europe) currently declining, which has a negative impact on Industrial Bags and Extrusion Coatings
- The above has led to overcapacity and pressure on margins

Opportunities

- Improve margins via product innovation and cost reduction by further plant specialisation
- Improve Mondy's strong position in emerging Europe and Russia profitably
- Grow Mondy's existing production and sales footprint in emerging markets (MENA and Asia)
- Leverage upstream paper integration to deliver cost efficient and innovative solutions
- Utilize Mondy Consumer Packaging relationships and expertise to grow Extrusion Coatings and Release Liners consumer business
- Leverage customer contacts across Industrial Bags and Consumer Packaging

Summary



Group strategic framework

Achieve leading market positions

Maintain a high-quality, low-cost asset base

Grow through customer focused development

Continuous focus on performance

Fibre Packaging value drivers

Leading positions in chosen areas

Focused on growing in emerging Europe and other emerging markets

High-quality asset base, upstream paper integration

Focused on developing our business with our international customers

Continuous focus on performance and optimisation of plant networks



Appendices

Fibre Packaging market positions sources and definitions



Region definitions:

Europe - Europe including Russia and Turkey.

Emerging Europe - Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Georgia, Hungary, Latvia, Lithuania, Macedonia, Malta, Moldova, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia, Turkey, Ukraine.

Market position sources:

Corrugated packaging - Based on sales volume. Source: Henry Poole Consulting 2012 and management estimates.

Industrial bags - Based on sales volume. Source: Eurosac, Freedonia World Industrial Bags 2011 study, AMI 2012 study prepared for Mondi and management estimates.

Extrusion coatings - Based on sales. Source: AWA Extrusion Coated Material European Market Study 2008, Dun & Bradstreet and management estimates.

Release liner - Based on sales volume. Source: AWA Release Liner Markets Global Review 2013 & AWA Industry Survey, September 2012 report and management estimates.

FORWARD - LOOKING STATEMENTS

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