Mondi Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1967/013038/06)
JSE share code: MND ISIN: ZAE000097051

Mondi plc
(Incorporated in England and Wales)
(Registration number: 6209386)
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LSE share code: MNDI

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

5 May 2011

MONDI LIMITED AND MONDI plc – ANNUAL GENERAL MEETINGS

ADDRESS TO SHAREHOLDERS BY THE JOINT CHAIRMEN AND CHIEF EXECUTIVE OFFICER

Cyril Ramaphosa, Joint Chairman, speaking from Johannesburg:

Good morning, ladies and gentlemen. On behalf of the boards of Mondi Limited and Mondi plc, welcome to the fourth Annual General Meeting of the Mondi Group. We are delighted that you have been able to join us here in Johannesburg and there in London. Thanks once again to the marvel of technology, although we're on separate continents, David Williams and I, and our fellow board directors, take great pleasure in being able to talk to you this morning, as one.

As you know, David Williams and I share the chair of Mondi Group and we would both like to say a few words this morning about Mondi's progress over the last year. Your Chief Executive, David Hathorn, will then review the Group's performance and strategy in a little more detail as well as update you on the Group's Interim Management Statement that we published earlier today. After this we will be delighted, as a board, to take your questions. But first, let me introduce you to your directors.

To my immediate left is Imogen Mkhize, an independent non-executive director. Next to her is David Hathorn, your Chief Executive Officer. And on his left is Philip Laubscher, Company Secretary of Mondi Limited. Next to Philip is Andrew King, your Chief Financial Officer.

With David Williams in London, we have Colin Matthews, an independent non-executive director and chairman of the DLC Sustainable Development Committee. Anne Quinn, our senior independent non-executive director and chair of the DLC Remuneration Committee. And beside her Carol Hunt, Company Secretary of Mondi plc.

To David's right, we have Stephen Harris, an independent non-executive director who joined the boards on 1 March 2011, Peter Oswald, Chief Executive Officer of the

Europe & International Division and, finally, John Nicholas independent director and chairman of the DLC Audit Committee.

For the benefit of our new shareholders I should point out that, although the dual listed company structure means that Mondi Limited in South Africa and Mondi plc in the UK are separate corporate entities, each with its own board and shareholders, Mondi operates as a single corporate group, managed as a single economic enterprise. The two companies have the same board members and the same management team. The DLC structure means that shareholders in each company fully share in the performance of the Group as a whole.

In 2010 the Mondi Group delivered very good results set against a backdrop of improved market conditions.

We achieved increased volumes and strong prices amid sector-wide demand growth.

The Group's streamlined operating base, comprising high-quality assets providing low-cost production with a focus on high-growth emerging markets, performed very well throughout the year.

We completed the largest capital project in our history in Syktyvkar, Russia on-time and within the revised budget of 545 million Euro. Also, our investment made at Swiecie in Poland, commissioned in late 2009, is running very well.

Mondi remains a strong Group with a robust strategy and operational model. As a low-cost producer, we are fully integrated across the paper and packaging process, adding value at every stage of the product chain, from forestry, pulp and paper to the conversion of packaging papers into corrugated packaging and industrial bags.

The strength of our financial performance in 2010, backed by our competitive position and a strong balance sheet, gives us the confidence to recommend a significant increase in the final dividend to 16.5 Euro cents per share. If approved, this will make a total dividend for the year of 20.0 Euro cents per share.

Before I hand over to David Williams, I would just like to highlight a few areas in which we made particular progress last year.

At the end of 2010 Mondi employed twenty nine thousand people at 103 separate operating sites across 31 countries, with a particularly strong presence in central and Eastern Europe, Russia and South Africa. Often, we are the single largest employer in the area in which we are located. This brings with it a great responsibility, which we take very seriously. We want Mondi to be a sustainable, socially-responsible business that makes a real and lasting contribution to every community within which we operate.

We evaluate the economic and social impact of each of our operations on its local community. This enables us to build tailored programmes that bring tangible benefits to those communities. In 2010 we invested over 12.6 million Euros in charitable donations and community projects with a focus on health and education.

Here in South Africa, we continue to be a supporter of the government's policy of broad-based black economic empowerment, which influences many of our employment and procurement practices. We also play an active role in helping to reduce the prevalence of HIV/AIDS in communities and through routine counselling and testing of our employees.

But one of the most significant developments for us in South Africa was the further progress we made on land restitution. To date we have concluded eleven land claims and reached agreement on the settlement of all outstanding Kwazulu Natal claims in the next two years. Based on a unique model, we are working in close consultation with the South African ministry of land affairs, which provides a long-term, mutually beneficial and sustainable solution to communities, government and the Group.

Over several years, we have taken steps to improve the working conditions in our forests including making improvements in education and training, transport, accommodation and our feeding schemes which ensures that workers get a nourishing meal every day.

All of these developments and more are covered in detail in our annual report and sustainability summary review, additional copies of which are available today – or you can download these from our web site.

With that, I'd like to hand over to my co-chairman, David Williams, in London. David.

David Williams, Joint Chairman, speaking from London:

Thank you, Cyril. As Cyril said, although Mondi is a dual listed company domiciled on two continents, it is a single group with a unified management. This means that the boards comprise the same directors, with independent non-executives in each, and those boards remain independent of the executive committee, led by David Hathorn, which manages the Group on a day-to-day basis.

This enables your boards to exercise the highest standards of financial and operational control and to ensure that the key risks and performance criteria of the business are diligently scrutinised and reviewed on your behalf.

Although Mondi is less than four years old as an independently listed Group, I am pleased to report that the boards are functioning at a high standard. Your directors provided clear guidance throughout the year, applying their skills and experience in support of the executive team. The board committees were effectively led and did some extremely good work during the year.

We are satisfied that Mondi has in place the highest standards of governance practice. But we are not at all complacent. The operation of the boards and committees is regularly reviewed and the performances of the directors were externally evaluated in 2010, producing clear action plans for further improvement in 2011.

As you will have read in our annual report, your directors took the opportunity to visit as many of Mondi's operations as possible in 2010, to see for ourselves the working conditions of our employees and our contractors.

Safety remains paramount to us across the Group and we continued to reduce accidents in the workplace. However, following 2009's success in delivering zero fatalities, we deeply regret that two people were fatally injured during the year, both in South Africa. The Group's policy of zero harm remains our target and a thorough investigation was undertaken after each incident to ensure that we continue to refine the safety measures, including training programmes necessary to keep all our employees and contractors safe. Safety is a key item on the agenda at every DLC board meeting and we have tasked management with finding new ways to further entrench safe behaviour throughout our business.

We are pleased that in 2010 a number of our operations were very successful in their pursuit of zero harm, with nine out of 21 mills and forest areas reporting more than a million lost time injury free hours.

Our focus on safety, of course, is only one part of our commitment to sustainability across the Group. Every one of our sites is monitored against the very demanding standards of our integrated sustainable development management system and the DLC sustainable development committee, under Colin Matthews' chairmanship, receives timely and accurate data using MORIS – our Mondi reporting and information system.

We are particularly pleased with our progress on sustainable forestry, resource usage and emission reductions. All our forests have now been assessed for forest stewardship council certification, with certification of the last outstanding area in Russia completed in 2010.

We have reported significant progress in reducing and optimising our resource usage, in particular water and energy. More than half of our energy usage comes from biomass a renewable energy sources.

Operating as we do in emerging markets where the effects of climate change are likely to have more impact, we have given critical consideration both to our role in respect of climate change and to the impact of climate change on our Group and our communities.

In 2010, we also reviewed our performance against our five year commitments in all our sustainable development areas and I am pleased to report that we achieved or exceeded all our environmental commitments. We reduced specific CO_2 equivalent emissions by 23% in the period 2004 to 2010. We had a 79% self-sufficiency rate in electricity production by the end of 2010. And between 2004 and 2010, we reduced our specific energy consumption for pulp and paper making by 11%.

The positive role played by sustainably managed forests has been recognised in the international climate change debate and we again participated in the Carbon Disclosure Project's 2010 Greenhouse Gas Emission and Climate Change Survey.

You can read more about our achievements in the sustainability section of our web site, where we report on all these areas in full.

The 2010 financial year has been one of vastly improved performance from both a financial and operational perspective and this is in no small part, thanks to the continued dedication of Mondi's twenty nine thousand employees across the globe. The management have been quick to react to change when necessary, and their professional approach has delivered the very good results we have seen.

The Mondi Group maintained its strategic course in 2010 and the effectiveness of this strategy, as evidenced in the robust performance of the past year, places us in a strong position in 2011. With the completion of our major European projects in 2010 we should see strong cash generation in the period ahead. We plan to use this to ensure our asset base remains appropriately invested and our debt levels are such that we maintain investment grade credit metrics. This strong cashflow should enable the Group to continue to provide increasing cash returns to shareholders.

Looking further ahead, the world economy continues to strive to steady itself in the wake of the 2008 crisis. There remain a number of uncertainties, and a close watch will be maintained over pricing levels and input costs as we seek to further improve the Group's performance in the year ahead.

I'm sure that you will have seen the announcement that Mondi is planning to demerge Mondi Packaging South Africa during this year. David Hathorn addresses this in a little more detail in his presentation.

Before I hand back to South Africa I would like to extend our appreciation to Colin Matthews, who steps down from the boards at the conclusion of these AGMs for his contribution to the Mondi Group over the last 4 years as a non-executive director and particularly for his contribution as chairman of the sustainable development committee. Stephen Harris who joined us as a non-executive director in March will take over from Colin as chairman of the committee and we wish him well in this capacity.

Now I'd like to hand back to South Africa and to your Chief Executive, David Hathorn, who will expand on our performance in 2010 and also take you through the highlights of our latest Interim Management Statement, released earlier this morning. David.

David Hathorn, Chief Executive Officer, speaking from Johannesburg:

Thank you, David. As your chairmen have said, 2010 saw a much improved financial performance for the Mondi Group. After the turmoil of 2008 and early 2009 created by the global financial crisis, the recovery we noted in late 2009 continued into 2010.

Demand growth over the past eighteen months has been very encouraging with volumes in most grades and geographic regions back to satisfactory levels. During 2011 further demand growth is evident, albeit at more modest rates. Industry capacity adjustments through the downturn have also resulted in generally stronger fundamentals which has resulted in a positive pricing environment.

The Mondi Group is pleased to have delivered much improved financial and operating results for the year, with Group revenue of 6,228 million Euros and underlying operating profit of 509 million Euros, up by 18% and 73% respectively compared to 2009. These figures signify a very good performance against the backdrop of improved market conditions.

Capital expenditure for the year amounted to 64% of depreciation. This follows the decision to limit capital expenditure in 2008 and 2009 during the recession. We will now return to more normal levels of ongoing capital expenditure of around 80% of depreciation.

During the year, restructuring activities led to a further refinement of the Group's portfolio, with the sale of the UK corrugated businesses, Europapier merchant business and a reduction of the Group's interest in Mondi Hadera to 25% from 50.1%. Furthermore, the Group acquired industrial bag plants in Spain, France and Italy and also completed the second of its two major capital projects, being the modernisation of the Syktyvkar mill in Russia, In April 2011, Mondi Group announced its intention to separate its interest in Mondi Packaging South Africa via a demerger whereby all the ordinary shares in MPSA held by Mondi Limited will be distributed to the Mondi Limited ordinary shareholders. MPSA would be listed under a new name on the securities exchange operated by the JSE Limited.

MPSA's future growth plans, particularly with respect to its rigid plastics business, are constrained by the Mondi Group's differing strategic focus. The demerger endorses MPSA's own strategy and provides shareholders with a clear benefit as both businesses would be able to take better advantage of their respective growth opportunities.

Going forward, we will regularly assess our product portfolio to ensure maximum value is achieved and while growth clearly remains an option, we will continue to be disciplined as regards acquisitions and expansionary capital expenditure and will use this free cash flow to reduce debt and increase distributions to shareholders.

Our balance sheet remains strong with net debt at year end of 1,364 million Euros, or about 1.5 times EBITDA.

In April 2011 Mondi announced the signing of a new 750 million Euro, 5-year multi currency revolving credit facility to refinance its existing 1.55 billion Euro credit facility that was due to mature in June 2012. This completes the refinancing of the 1.55 billion Euro facility that was partially refinanced via Mondi's inaugural 500 million Euro 7 year Eurobond in March 2010.

As you know, earlier today we released our Interim Management Statement. I would like to take this opportunity to briefly summarise the main points of the announcement.

The Group's underlying operating profit in the first quarter 2011 of 187 million Euros was above that of each of the last two quarters of the prior year and well in excess of that of the comparable period of the prior year. This reflects both the positive trading environment and a very strong operating performance.

Price increases have been realised across all major products in the first quarter of 2011. Coupled with sales volume increases across all businesses on a like for like basis, this has more than offset the ongoing cost pressures being experienced across most business segments.

The financial position of the Group at 31 March 2011 remained robust with net assets largely unchanged from the position at 31 December 2010.

In our Europe & International Division, the Uncoated Fine Paper (UFP) business continued to perform very strongly. Underlying operating profit was well above that of the comparable period of the prior year and the final quarter of 2010, which was largely attributable to a strong operating performance at the Group's integrated Syktyvkar and Ruzomberok mills, with the former now benefiting from the recently completed mill modernisation programme. The unintegrated operations also benefited from lower average input pulp prices.

In the corrugated business, underlying operating profit was well above the first quarter of 2010 and above that achieved in the fourth quarter of last year on the back of increased volumes from the Swiecie plant.

In the Bags & Coatings business, underlying operating profit was up significantly on both the comparable period in the prior year and the fourth quarter of 2010 primarily due to an improved performance in the kraft paper business. When compared to the fourth quarter 2010 performance, results were also positively impacted by a recovery in the profitability of the industrial bags business with price increases having been successfully implemented on annual contract volumes. The Coatings & Consumer Packaging business continues to deliver good results with price and volume improvements over the prior year.

The South Africa Division's underlying operating profit was up significantly on the comparable period in the prior year, and broadly in line with the fourth quarter of 2010. The continued strength of the local currency remains a challenge for the business, while a maintenance shut in Richards Bay will impact results for the second quarter.

Mondi Packaging South Africa continues to perform well with operating profit for the first quarter exceeding that of the comparable prior year period. Profitability is impacted by seasonal effects with results in the second half of the year typically higher than those of the first half.

Cash flow from operations remains strong despite an increase in working capital, largely attributable to increased revenue and seasonal effects. Following the conclusion of the major capital projects, capital expenditure was markedly reduced when compared to the first quarter of 2010.

Rising input costs are impacting on margins, and the recent weakening of the US dollar is a concern to the extent it may inhibit the ability to pass on further cost increases. However fundamentals generally remain strong in the Group's key paper grades, with the upward pricing momentum witnessed in 2010 continuing into the first quarter of 2011. Given the Group's favourable product and geographic exposures, coupled with its integrated low cost position and focus on performance, we are confident of making further progress in 2011.

I would like add my enormous thanks to our workforce. They continue to demonstrate a dedication and commitment to Mondi which contributes to our success and particularly the improved results of the past year.

In closing, I would like to acknowledge two valued colleagues who are retiring from the Mondi Group. Firstly, I would like to thank Peter Machacek CEO of our Uncoated Fine Paper and Containerboard business in our Europe & International Division for his contribution to the Group over many years. He retires at the end of this year.

Secondly, I would also like to thank Ladimir Pellizzaro our Group Technical Director who retires at the end of September, for his contribution over many years and particularly for the role he played in the successful completion of our large capital investment projects over the last two years. John Lindahl has been appointed Group Technical Director effective 1 August.
Thank you.

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

About Mondi

Mondi is an international paper and packaging Group, with production operations across 31 countries and revenues of €6.2 billion in 2010. The Group's key operations are located in central Europe, Russia and South Africa and as at the end of 2010, Mondi employed 29,000 people.

Mondi is fully integrated across the paper and packaging process, from the growing of wood and the manufacture of pulp and paper (including recycled paper), to the conversion of packaging papers into corrugated packaging, industrial bags and coatings.

The Group is principally involved in the manufacture of packaging paper, converted packaging products and uncoated fine paper (UFP).

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. The Group has been recognised for its sustainability through its inclusion in the FTSE4Good UK, Europe and Global indices in 2008, 2009 and 2010 and the JSE's Socially Responsible Investment (SRI) Index in 2007, 2008, 2009 and 2010.