



MONDI GROUP
Investor presentation

October 2009

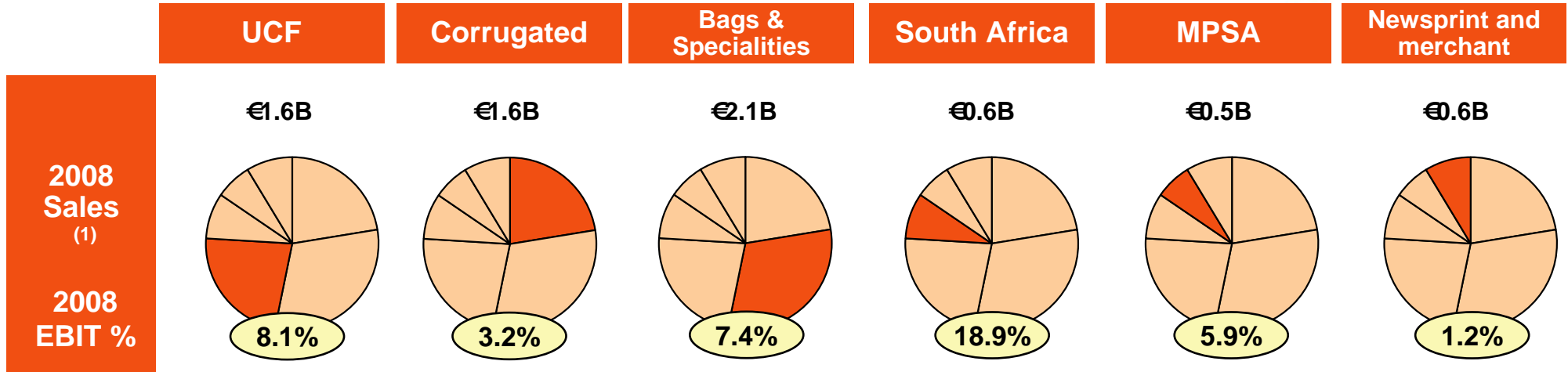
Agenda



➔ Delivering on Group strategy

Market update
Current trading
Major projects
Summary

Mondi at a glance



	Europe	South Africa	Europe/SA	
Positions in relevant markets	<ul style="list-style-type: none"> No. 1 Office Paper and UFP in emerging Europe (2) No. 2 Office Paper and UFP in all Europe(2) No. 1 Containerboard in emerging Europe; No. 3 in all Europe (2) No. 1 Corrugated Packaging in emerging Europe(2) 	<ul style="list-style-type: none"> No. 1 Kraft Paper(2) No. 1 Bag Converting(3) No. 1 Kraftliner (5) No. 1 in Office Paper and UFP (5) 	<ul style="list-style-type: none"> No. 1 Corrugated Packaging in SA(3) No. 1 Rigid Plastics in SA No. 1 in Cartonboard in SA 	<ul style="list-style-type: none"> No. 1 Newsprint in South Africa(2) Leading Positions in Emerging Europe(4)

(1) Segment revenues, including inter-segment revenues. EBIT% before special items. (2) Based on production capacity. (3) Based on sales. (4) Management estimate based on sales. (5) Based on capacity. Sources: RISI, Pöyry Forest Industry Consulting, Freedonia, BMI Foodpack, PAMSA, Mondi

Three key pillars to our strategy



Leading market positions

Build on leading positions in packaging and Uncoated Fine Paper (UFP), particularly in **emerging markets**

High quality, low cost asset base

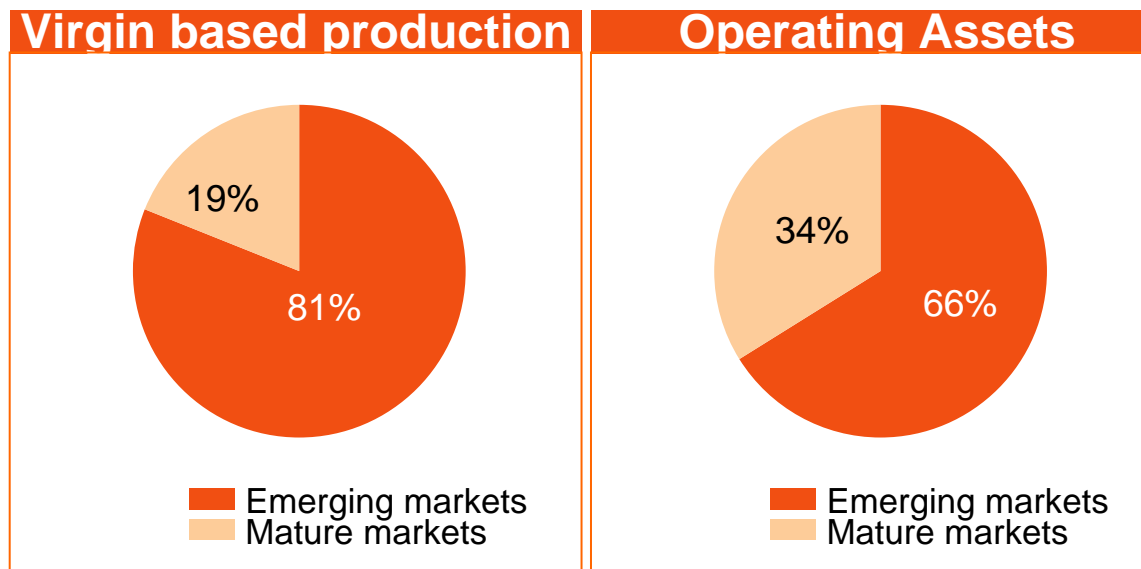
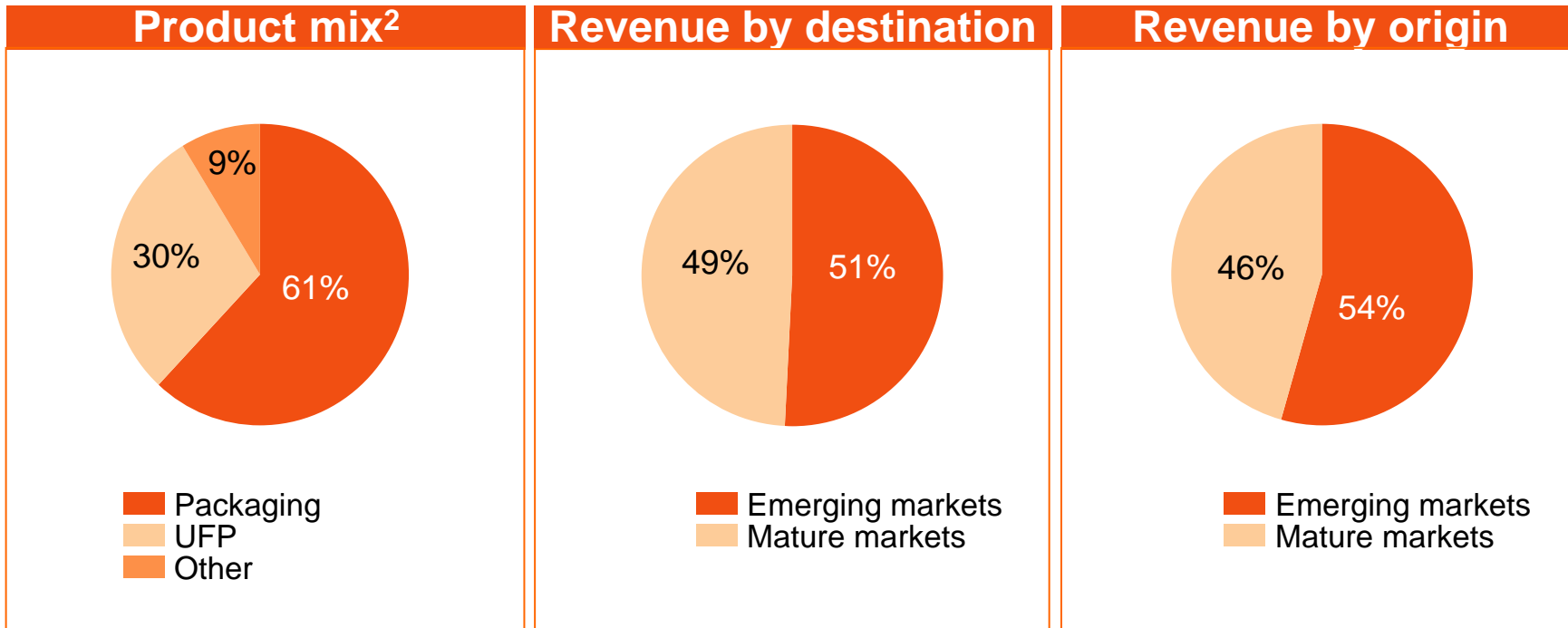
Maintain position as **lowest-cost producer** in our markets:

- Selectively investing in production capacity in lower-cost regions
- Exploiting benefits of upstream integration (including forestry)

Focus on performance

Focus on **continuous productivity improvement** and **cost reduction**, delivered through business excellence programmes and **rigorous asset management**

Focus on packaging and UFP in emerging markets¹



(1) 2008 full year data (2) Based on segment revenues, including inter-segment revenues.

Emerging market asset base leads to low cost positions across the Group's main grades...

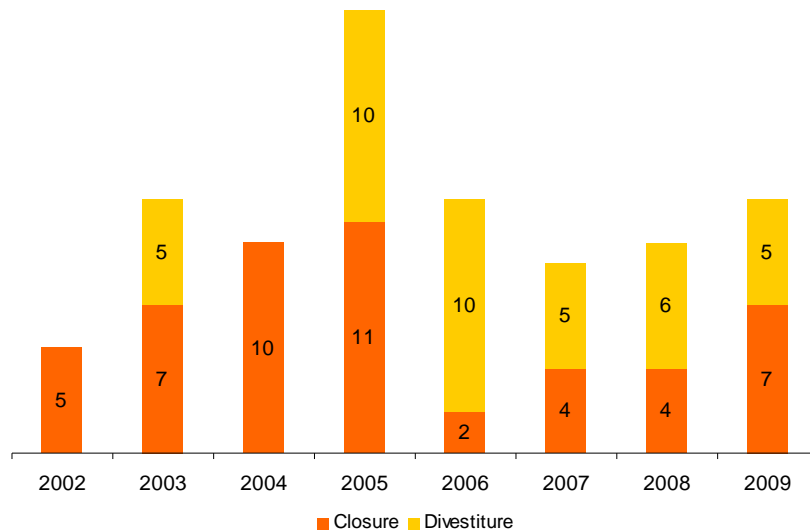


Grade	Percentage of Mondi Capacity ¹ in overall cost curve ²			
	1 st Quartile	2 nd Quartile	3 rd Quartile	4 th Quartile
White top Kraftliner ³	100%	-	-	-
Unbleached Kraftliner	100%	-	-	-
Testliner ⁴	71%	9%	13%	7%
Unbleached Sack Paper	2%	53%	44%	-
UFP (Universal) ^{5,6}	67%	12%	4%	17%
BHKP (Pulp) ^{3,6}	100%	-	-	-

high quality, low cost, well invested asset base

Source: Poyry; RISI (1) Excluding announced closures / moth-balling; (2) Delivered costs to Frankfurt ; (3) Including South Africa's Richard's bay capacity (4) Testliner includes lightweight Testliner and Mondi new Polish machine; (5) European capacity, excluding speciality grades (6) Delivered to Shanghai

Closures and Divestitures¹



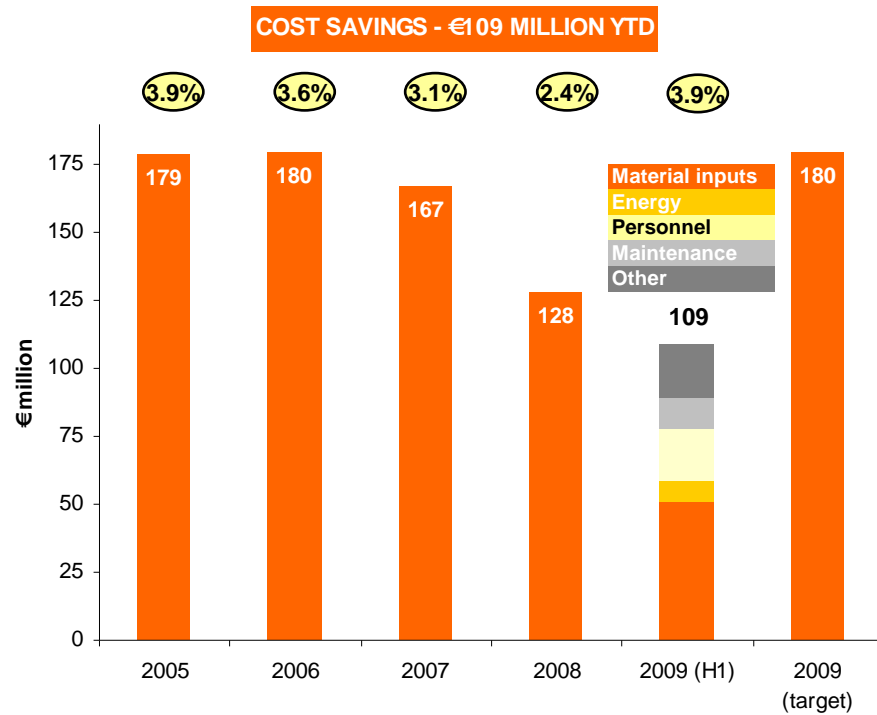
~760,000 tonne high cost paper exited
2008/9

- Europe & International ~640,000 tonne
- South Africa ~120,000 tonne UFP capacity mothballed
- 12% reduction of Group capacity
- ~470,000t downtime taken in 12 months to June 2009;
 - only ~21,000t in the third-quarter 2009
- 18 converting sites rationalised in 2008 / 2009

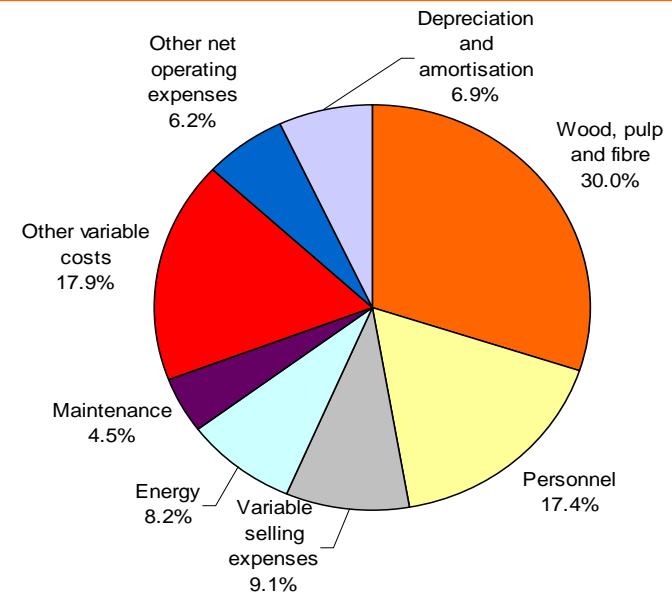
cutting back to low cost, high quality, well invested asset base

¹Note: European restructuring, and excludes mothballed operation: Stambolijski.

...and delivering cost savings



Cost structure first-half 2009



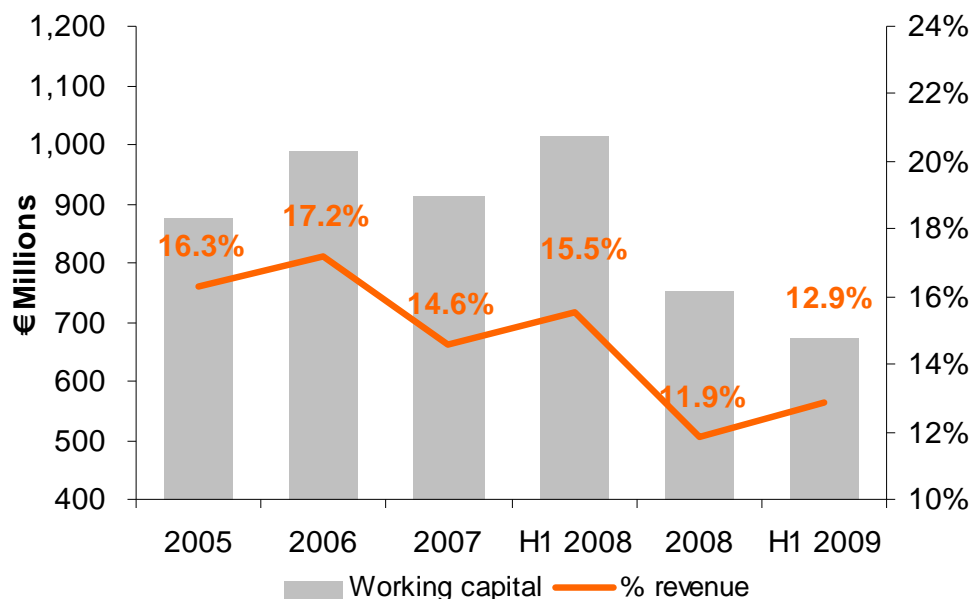
- 2009 cost savings target on track
- 39% of savings address fixed costs
- Progressive reduction in fixed costs relative to revenue (32% in 2004; 28% in 2009)

cost savings helping to offset revenue pressures

A sharp focus on working capital has resulted in significant cash benefits



Working capital management



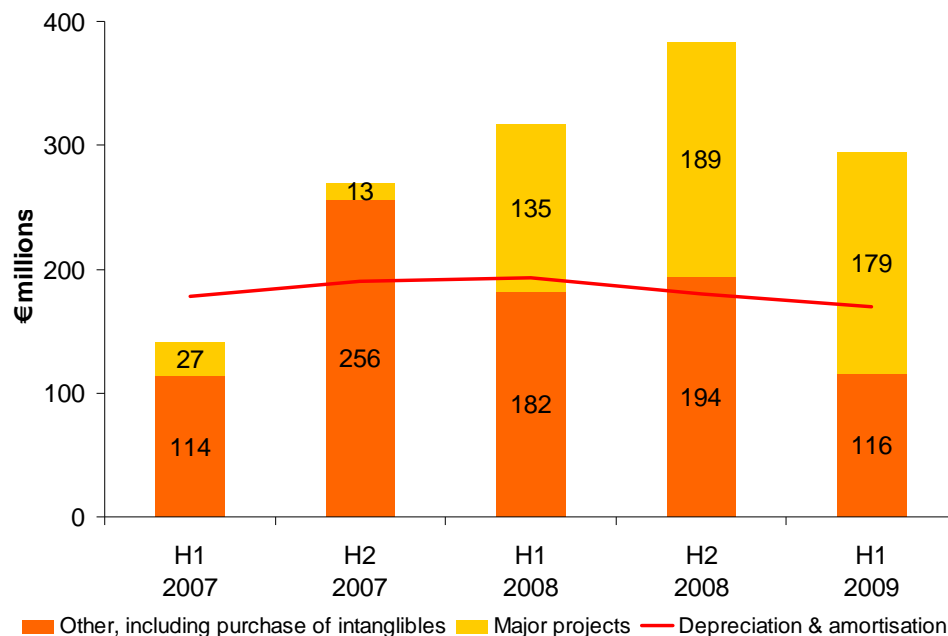
- 2009 relative (%) levels impacted mainly by SA operations due to closing euro weakness versus SA rand
- Final-quarter 2008 and first-half 2009 downtime & mothballing trends appear to be largely behind us
- Further working capital inflows achieved in the third-quarter

€282 million inflow from working capital over past two years

Limiting capital expenditure approvals to 40% of depreciation, without compromising on performance



Capital expenditure trends



- Mondi is well invested
 - On completion of the Syktyvkar capex programme, all our major mills have seen substantial investment
 - New approvals below 40% of depreciation since Q4 2008
- Excluding major projects, cash spend in first-half of 2009 was 68% of depreciation (2008: 101%)
- Approximately €332 million still to spend as at 30 June 2009 on major projects

Capex outside major projects sharply reduced

Delivering strong returns across the cycle

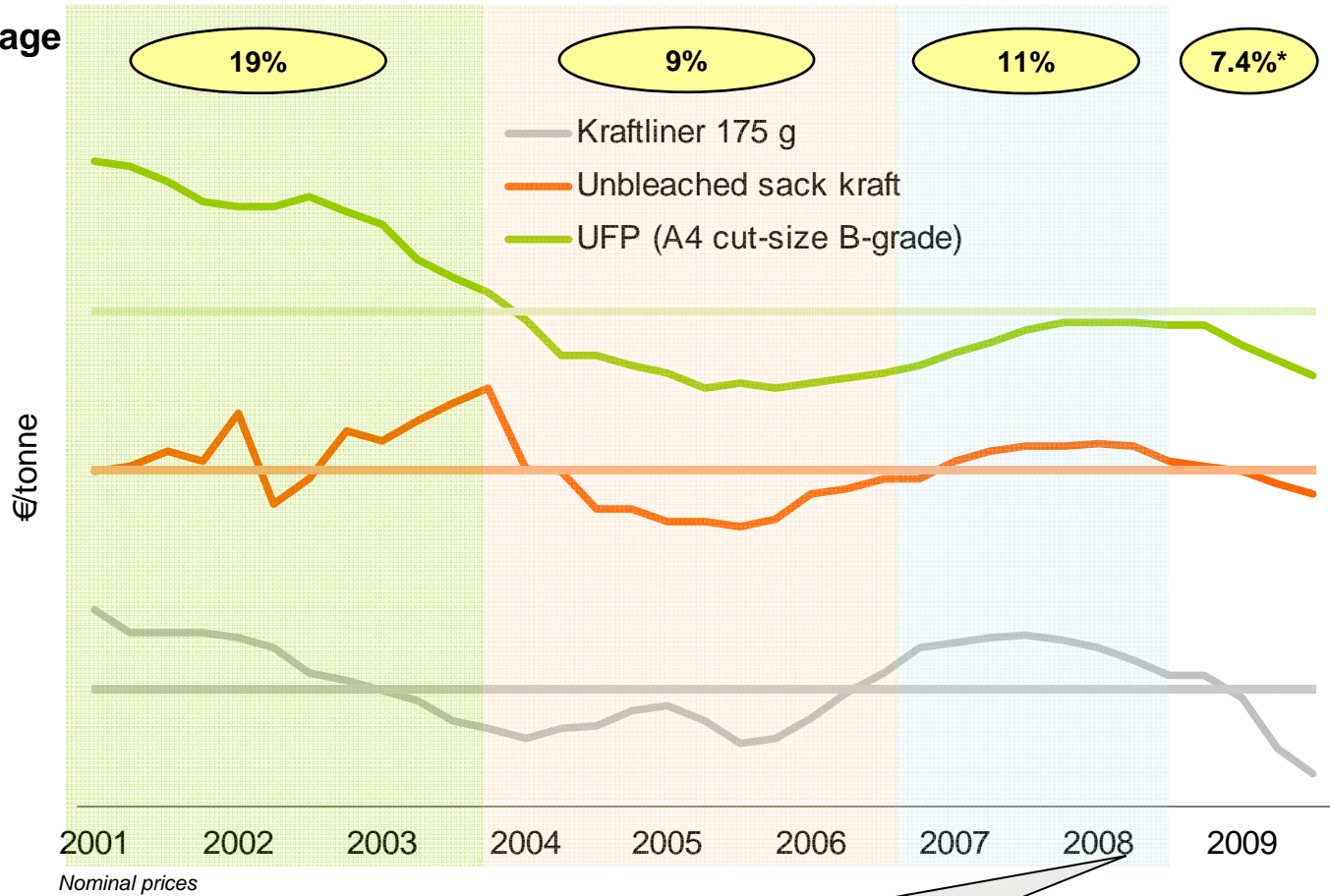


Leading market positions

High quality, low cost asset base

Focus on performance

Group average ROCE¹:



ROCE was significantly impacted by a decrease in volumes in the last quarter of the year.
12 month rolling ROCE to September 2008 was 10.6%

Well placed to benefit from upturn

1 – Group average ROCE is the simple averages over the group periods, where ROCE is defined as underlying operating profit including share of associates' net earnings before special items, divided by capital employed adjusted for impairments and strategic projects not yet commissioned. * - For the 12 months ended 30 June 2009;
SOURCES: PIX – FOEX Indexes Ltd; Mondi.

Agenda



Delivering on Group strategy

➔ **Market update**

Current trading

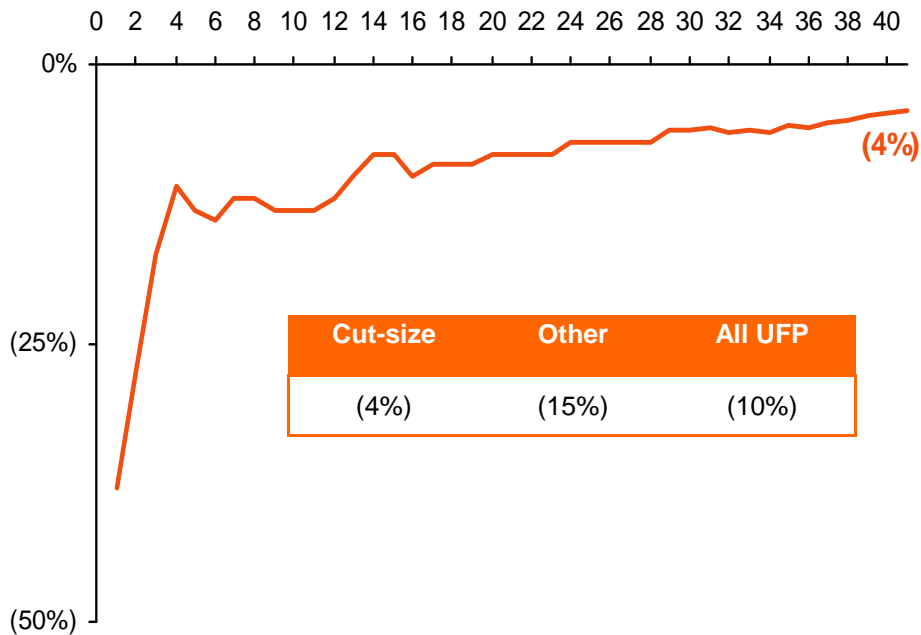
Major projects

Summary

Industry fundamentals – Uncoated Fine Paper

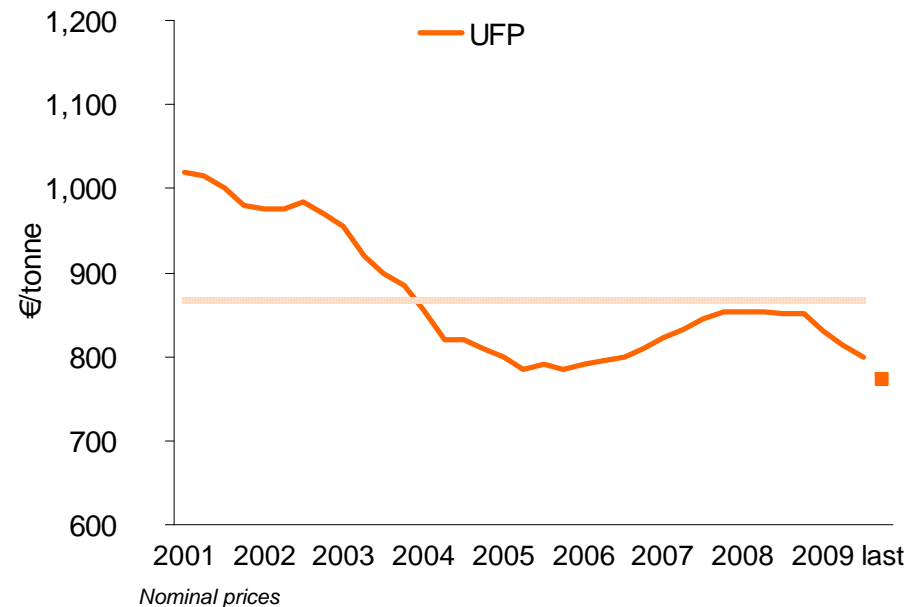


UFP cumulative cut-size order inflow 2009 vs. 2008 (% growth)¹



- Mondi enjoys favourable emerging European markets and cut-size positioning
- European summer – seasonally weak, seeing good post-summer pick up in demand

● Marginally lower pricing in third-quarter

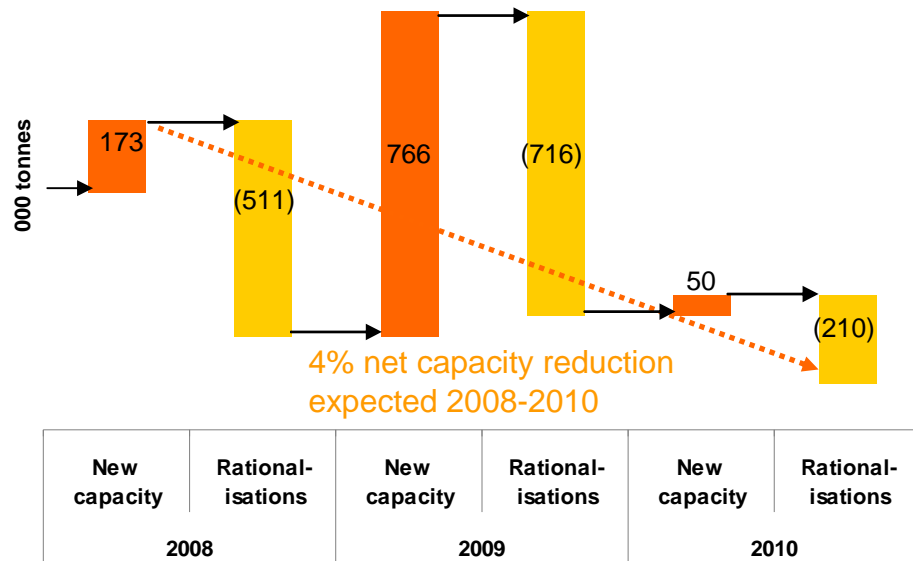


Source: (1) CEPIFINE - Cumulative orders by Western European markets from CEPI countries (Finland, Sweden, Norway, Denmark, Belgium, Netherlands, U.K, Austria, Germany, Hungary, Poland, Slovakia, Switzerland, Italy, Spain, Portugal, France); PIX – FOEX Indexes Ltd

Industry fundamentals – Uncoated Fine Paper



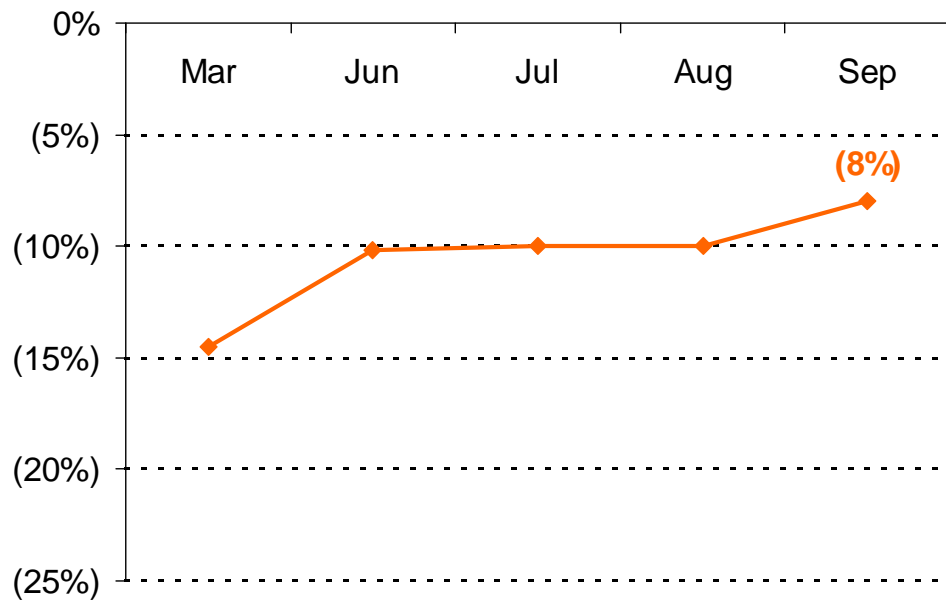
UFP capacity developments¹



- ~766kt (~7%) additional capacity¹, mainly from Portucel
 - Limited impact to date, although too soon to conclude on full impact
- ~12% capacity closures in 2008 / 2009
 - Further 2% announced in the quarter effective Q1 2010

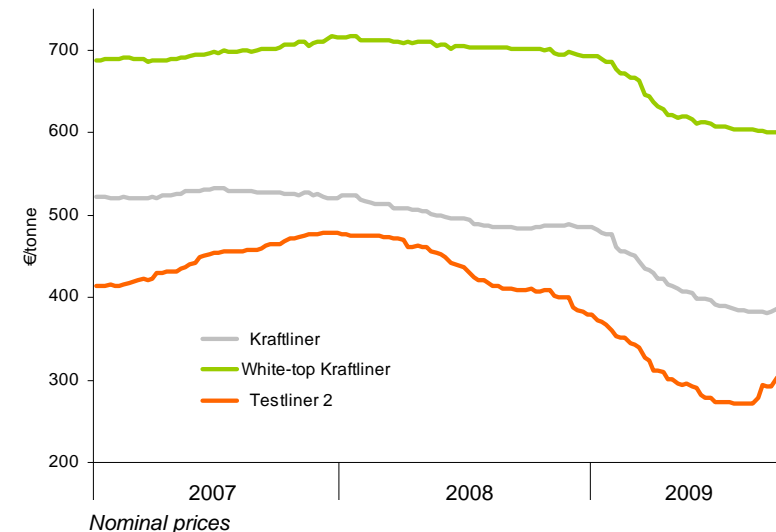
Industry fundamentals – Corrugated

cumulative corrugated order inflow 2009 vs. 2008 (% growth)¹



- Industry order inflows recovering from weak first quarter

- Trading environment remains challenging although notable positive price developments in recent weeks across all grades



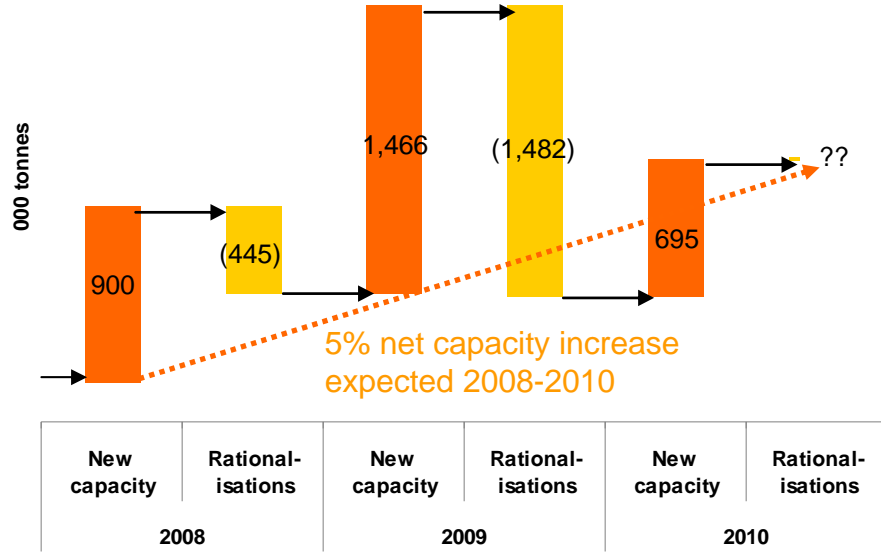
- Significant portion of industry remains in cash loss position
- Converted box prices stabilised

¹ Source: Mondi accumulation from various European national statistics; PIX – FOEX Indexes Ltd

Industry fundamentals – Corrugated

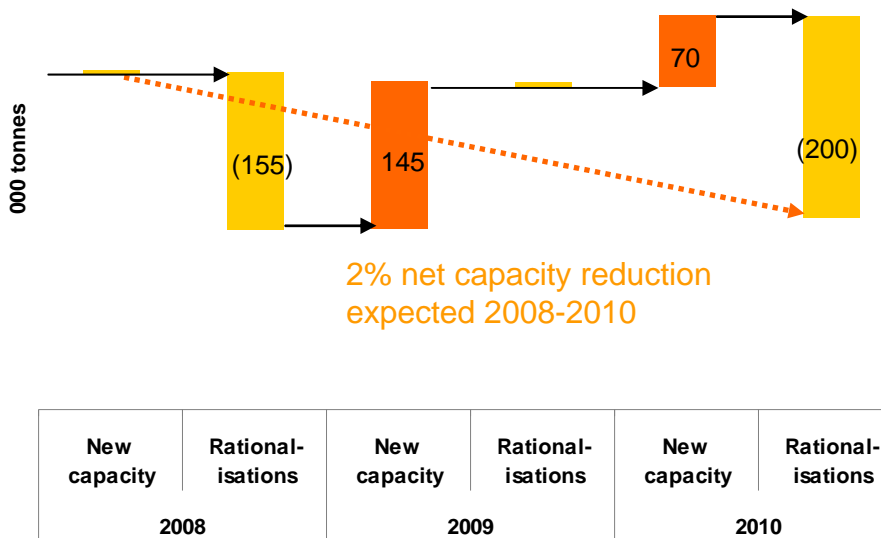


RCB¹ capacity developments³



- ~8% capacity closures in 2008 / 2009
- Substantial new Testliner capacity in construction
 - Pricing impact uncertain

VCB² capacity developments³

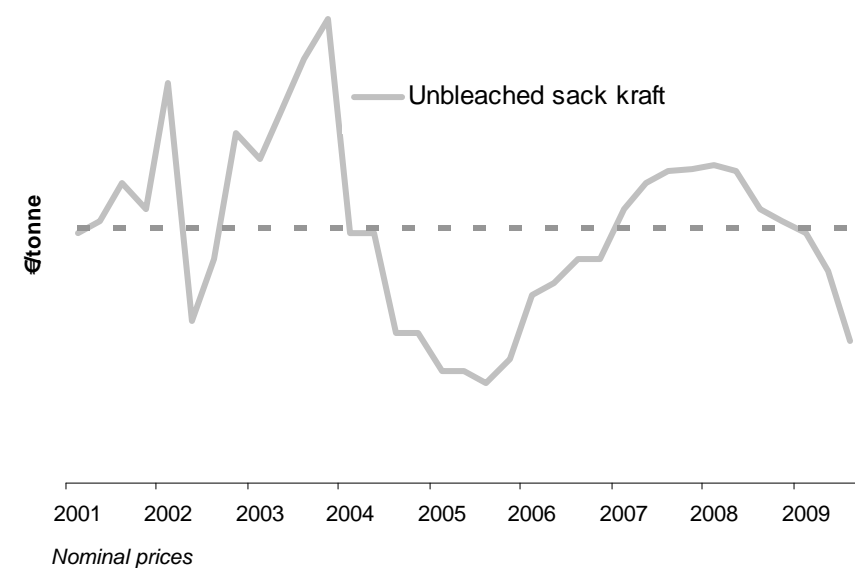
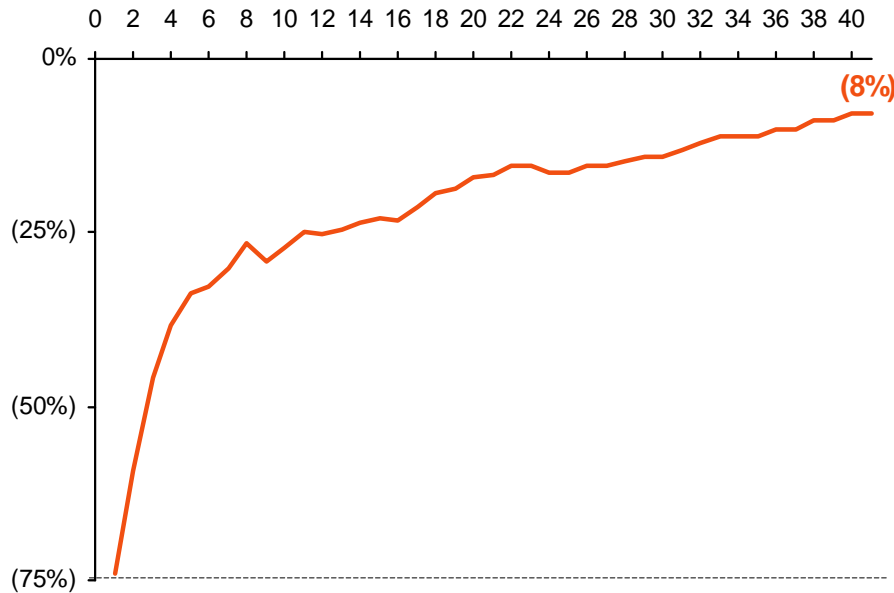


- Marginal virgin containerboard capacity reductions

Industry fundamentals – Kraft Paper



cumulative sack kraft paper order inflow 2009 vs. 2008 (% growth)¹



- Market stabilised following the lows reached over December 2008 – January 2009, when destocking appeared to be at it's height

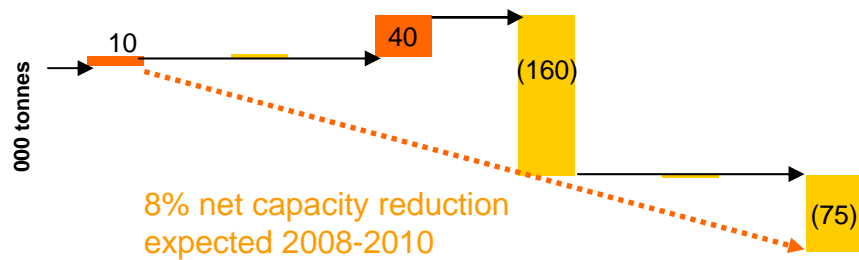
- Recent pricing environment improvements
 - ~12% Kraft paper price increase announced – impact through the value chain to be felt in the new year

¹ Source: CEPI EUOKRAFT (includes brown & white sack paper grades) - Cumulative orders by Western European markets from CEPI countries (Finland, Sweden, Norway, Denmark, Belgium, Netherlands, U.K, Austria, Germany, Hungary, Poland, Slovakia, Switzerland, Italy, Spain, Portugal, France); PIX – FOEX Indexes Ltd

Industry fundamentals – Kraft Paper



Sack Kraft Paper capacity developments¹



New capacity	Rationalisations	New capacity	Rationalisations	New capacity	Rationalisations
2008		2009		2010	

- ~10% (~235ktpa) of sack kraft paper capacity closures in 2009/2010, of which ~8% (~180ktpa) is Mondi capacity
- No major new capacity announcements

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Delivering on Group strategy
Market update

➔ **Current trading**

Major projects
Summary

Half-year 2009 financial highlights

- Earnings down versus half-year 2008
 - EBITDA down 32% at €308 million
 - Underlying operating profit down 48% at €138 million
 - Underlying EPS down 67% at 8.3 euro cents
 - Group ROCE of 7.4%

- Substantial cash inflow from operations of €392 million, 26% above prior period

- Net debt at €1.66 billion (€29 million lower than 2008 year-end)
 - €179 million spent on major capital projects
 - Benefit from €99 million of working capital inflows

- Interim dividend of 2.5 euro cents per ordinary share

Resilient performance in challenging conditions

Adequate debt facilities available in medium-term

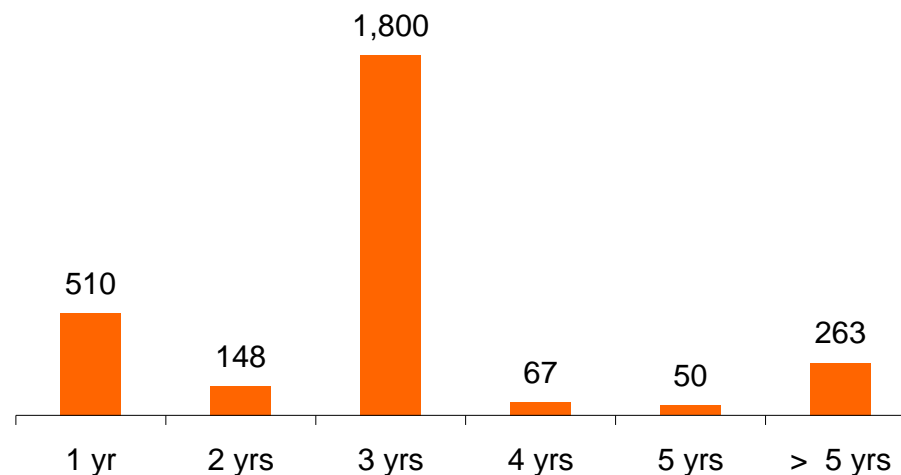


€millions

	H1 2008	H2 2008	H1 2009	% Change (H1 09/H1 08)	% Change (H1 09/H2 08)
Net debt	1,655	1,690	1,661	-	- 2
Committed facilities	2,746	2,752	2,838	+ 3	+ 3
Of which undrawn	1,088	1,062	1,073	- 1	+ 1
Gearing (Net debt / Trading capital employed)	33.6%	38.7%	37.9%	+ 13	- 2
Net Debt / trailing 12 month EBITDA (times)	1.8	2.3	2.5	+ 37	+ 9

- Main facility is €1.55 billion syndicated revolver maturing on 21 June 2012, of which €818 million is undrawn
- €264 million of borrowings, net of cash, due over next 12 months
- Further reductions in net debt achieved in the third-quarter

Maturity profile of committed facilities (€m)



Strong liquidity position

October 2009 trading highlights

- Trading is in line with expectations
 - Effect of lower average selling prices compared to first-half is evident
 - Order inflows recovering from Q1 lows, despite traditional European summer weakness

- Europe & international continuing to perform well
 - Downtime significantly reduced
 - UFP business impacted by a weaker Russian rouble
 - Expected benefits from restructuring actions coming through in downstream operations
 - Marginal impact expected from Swiecie's PM7 in 2009
 - Defensive nature of Specialities evident with profits up

- Positive price developments in packaging paper grades offer some encouragement

October 2009 trading highlights

- South Africa Division's market fundamentals remain challenging
 - Rand strength, exacerbating export weakness
 - Further restructuring of cost base in progress

- Other businesses broadly in line
 - MPSA benefitting from domestic prices and Rand strength
 - Merchant weakness partially offset by Newsprint pricing gains

- On track to meet €180 million cost savings target

- Net debt under control, down €50 million in the third-quarter to around €1.6 billion, despite ongoing spend on major projects

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➔ **Major projects**

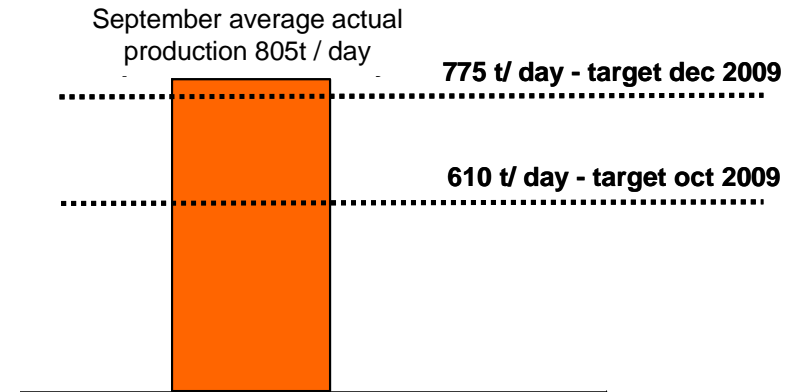
Summary

Operational excellence evidenced in the start-up of Swiecie's PM7

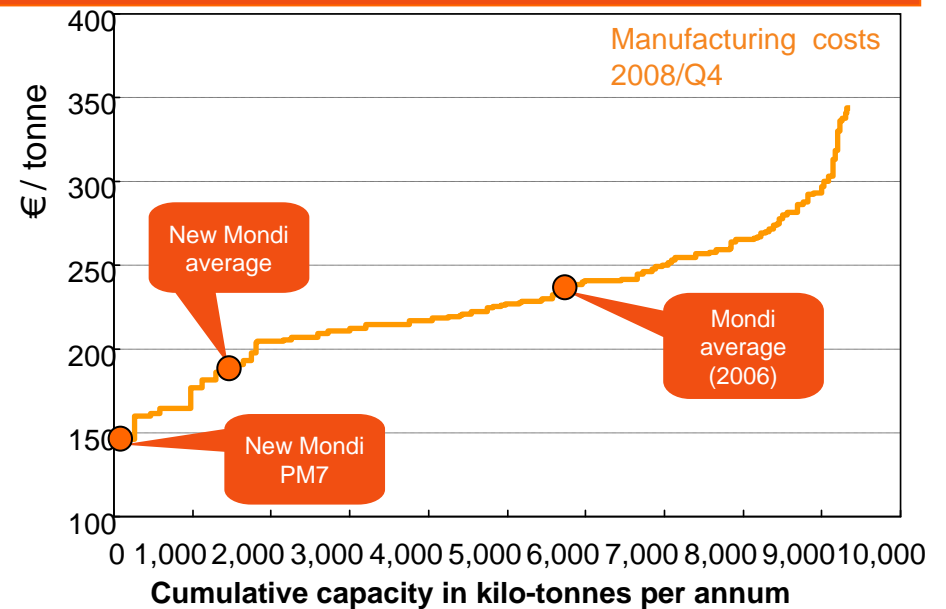


- Brown field expansion – lowest operating cost of its type :
 - ~€70m capital cost benefit
 - ~€30-€40 / tonne operating cost benefit
- On time and within budgeted capital cost
- “A” grade recycled containerboard production achieved early in September
 - currently operating well – production well ahead of business plan
- Market risk effectively managed
 - Order book position “full”
 - broadly 50% of output sold to internal converting network
- €45m related box plant on schedule

Swiecie PM7 - €305m



RCB cost curve



Sustainably lowering cost base

The Syktyvkar mill modernisation will further enhance Mondi's low cost position

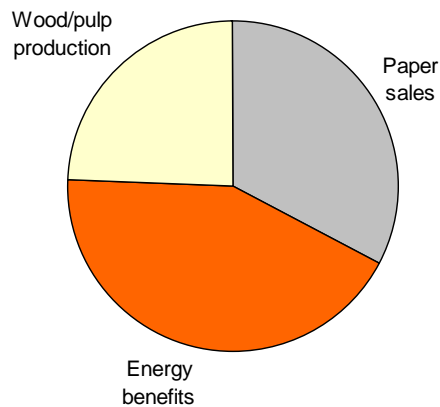


- On track for mid-2010 completion
- Within capital cost target
- Limited market risk

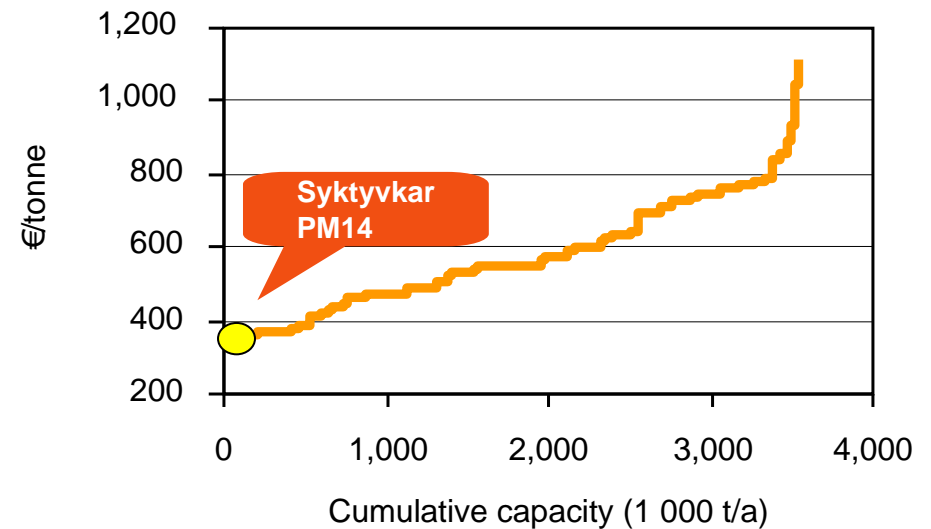
Syktyvkar - €525m



Project returns



UFP (universal) cost curve



Sustainably lowering cost base

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➔ **Summary**

Summary



- Resilient performance in challenging conditions / strong financial position
 - Uncoated fine paper continues to perform
 - Low-cost base supported continued profitability
 - Substantial cash inflow from operations despite economic back-drop
 - Debt under control despite major project spend – substantial headroom on committed facilities

- Focus on cash and costs helped offset revenue pressures
 - Continuous reduction in fixed cost base with more to come
 - Working capital continues to be a key focus of management
 - 2009 capex approvals below 40% of depreciation

- Restructuring initiatives enhancing the Group's overall cost competitiveness
 - ~470,000t downtime taken in 12 months to June 2009; only ~21,000t in the third quarter 2009
 - ~760,000t annual capacity of high cost paper exited in 2008 / 2009
 - 18 converting sites rationalised in 2008 / 2009

- Consolidate leading cost position in our chosen markets
 - Major projects will sustainably lower cost base

Cutting back to low-cost, high-quality, well-invested core

