



**MONDI GROUP
DEUTSCHE CONFERENCE
12 NOVEMBER 2008**

AGENDA



1. Strategy

2. Current trading

3. Capital expenditure programme

4. Near term outlook




5. Appendices



Plantation, South Africa

KEY VALUE DRIVERS ALONG THE VALUE CHAIN



Value Chain Step	Products	Key Value Drivers
Primary Production	<ul style="list-style-type: none"> Forestry/ Pulp Wood Pulp 	<ul style="list-style-type: none"> Low production costs Access to low cost raw materials (ideally located close to low cost forestry resources)
Paper	<ul style="list-style-type: none"> Paper 	<ul style="list-style-type: none"> Cost efficiency (e.g. integration with pulp production) Access to low per unit production labour cost
Fully-Converted Product	<ul style="list-style-type: none"> Corrugated Boxes Flexible Packaging/ Specialities 	<ul style="list-style-type: none"> Right balance between transportation costs, low cost production and reaction time

Source: Mondi analysis

KEY PILLARS OF MONDI'S 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)

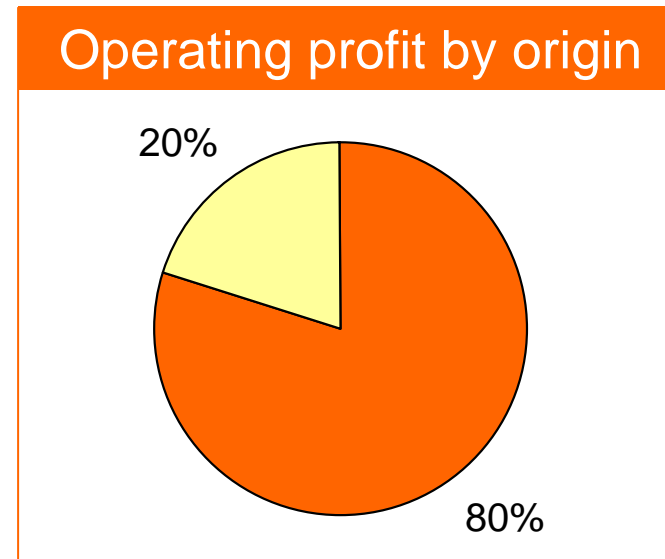
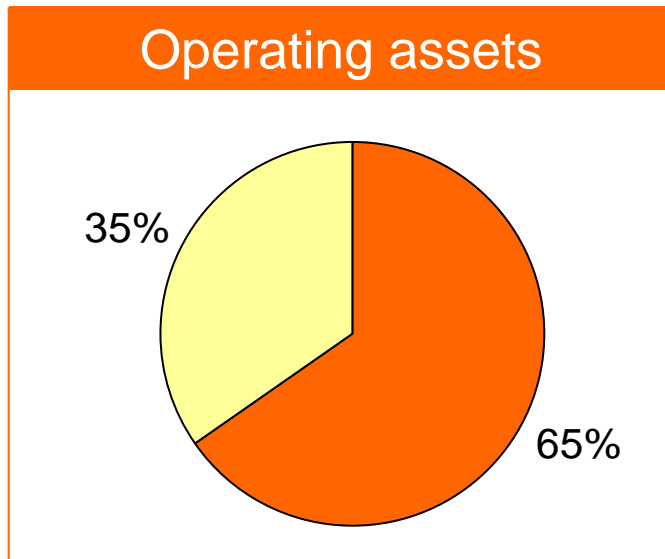
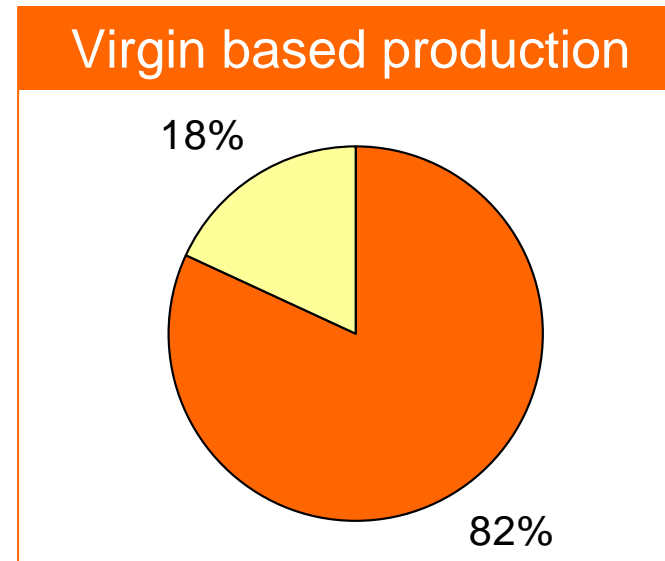
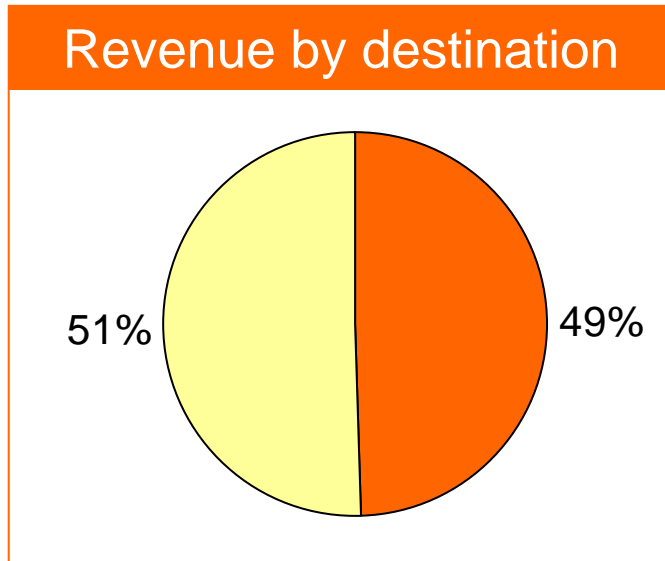
Focus on performance

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

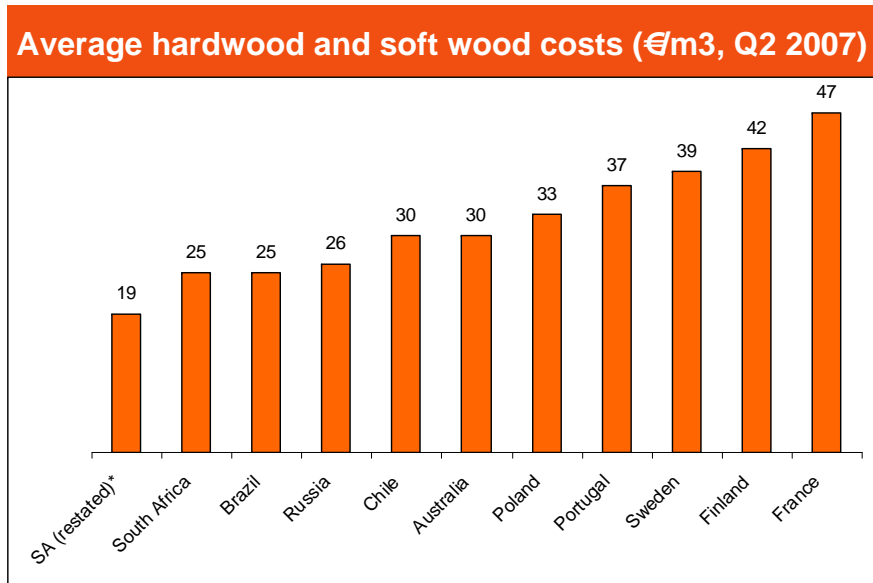
Growth

Continue to target **value-enhancing growth** through **organic expansion** and **acquisitions**

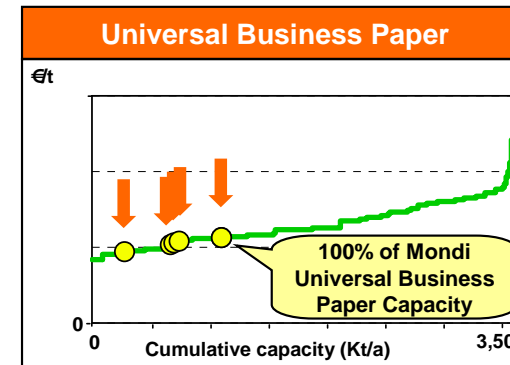
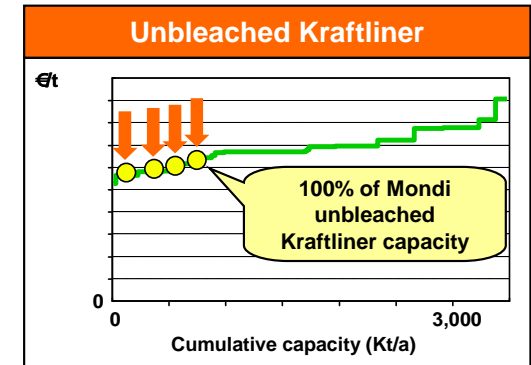
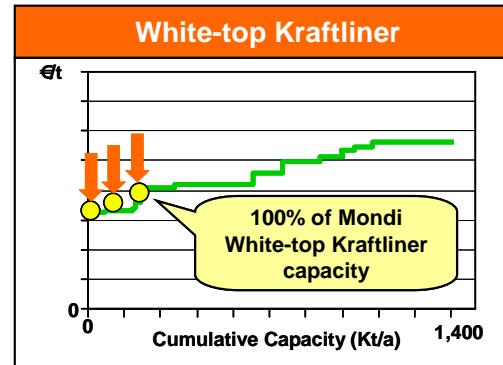
EMERGING MARKET FOCUS



LOW COST WOOD AND ASSET BASE



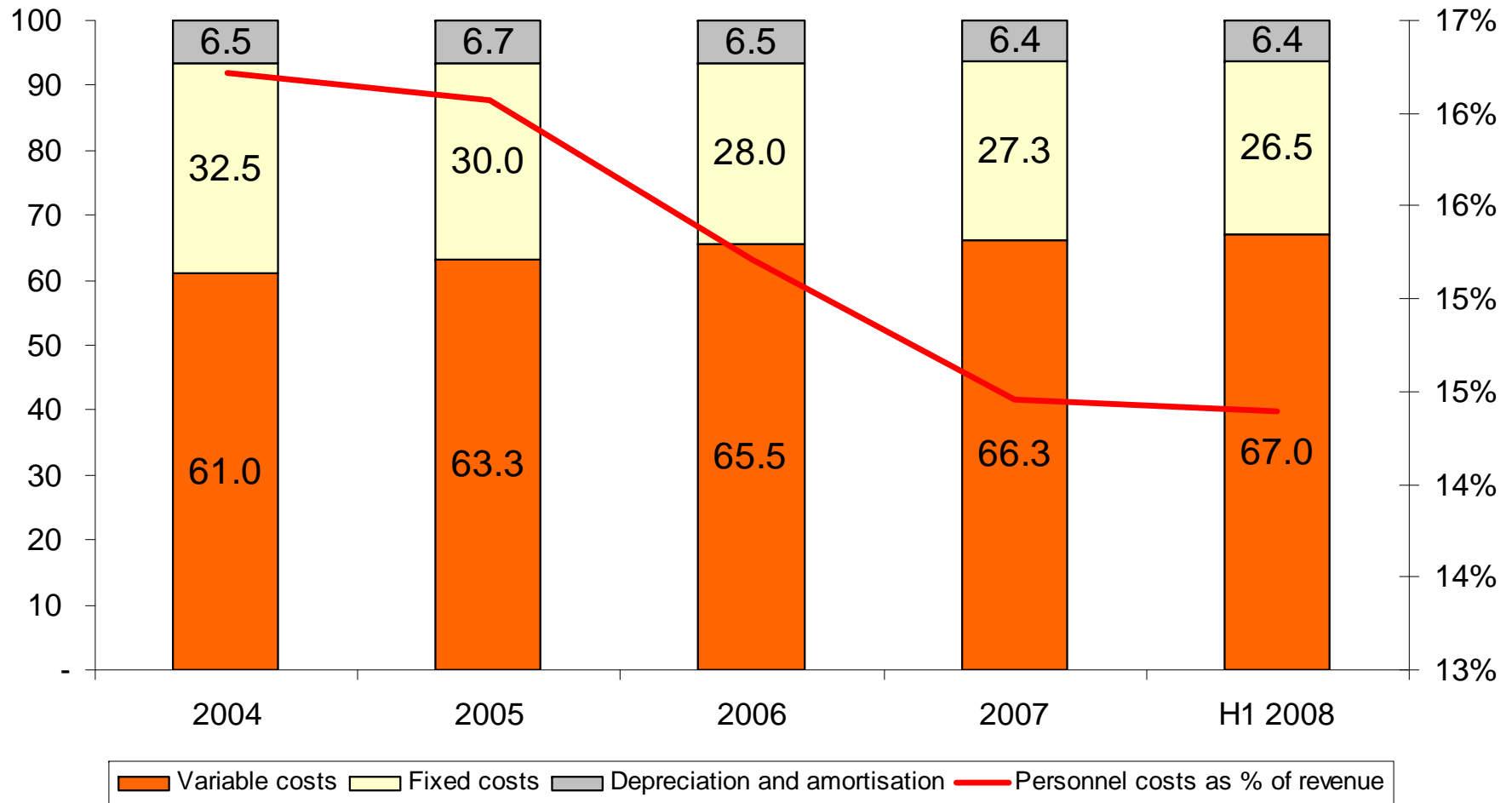
Source: Pöyry Forest Industry Consulting
 * Restated for current exchange rates



● Mondi Paper Machines

- Forests in Russia and South Africa make Mondi fully self-sufficient in two of the world's lowest-cost fibre-producing regions
- Mondi is 97% self sufficient in pulp
- Mondi is potentially 51% self sufficient in wood supply
- Mondi is ~1.0mtpa long in kraftliner and ~0.4mtpa long in kraft paper

ACTIVE COST MANAGEMENT

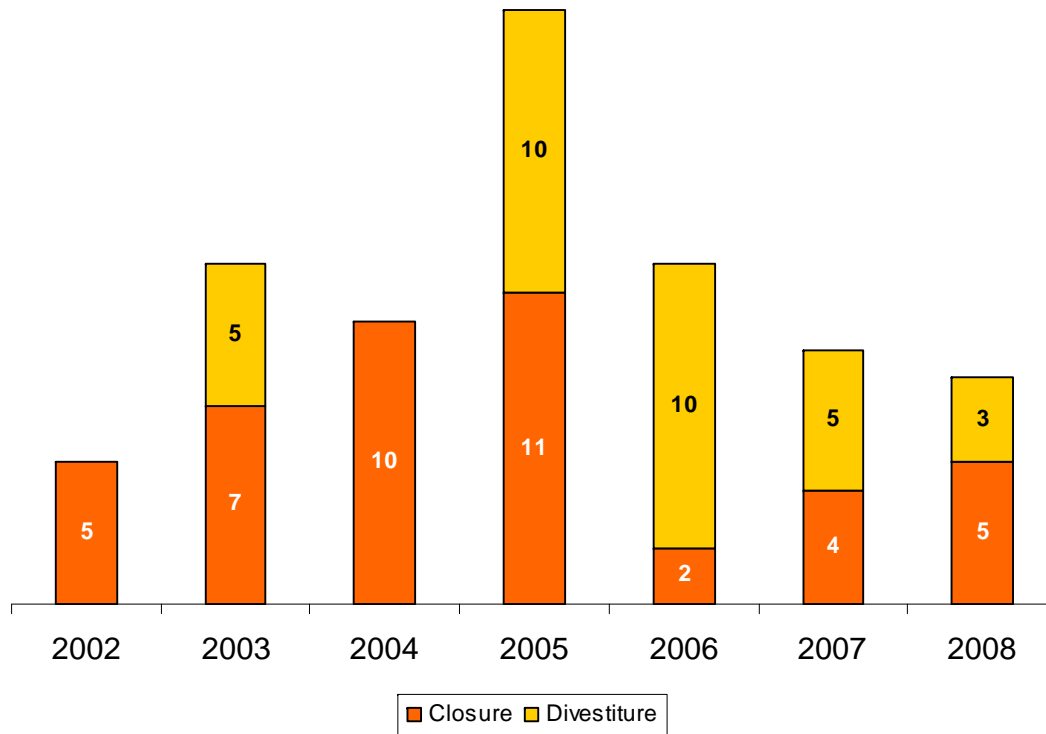


SUBSTANTIAL REDUCTION IN PROPORTION OF FIXED COST BASE

RESTRUCTURING ACTIVITY



Closures and divestitures

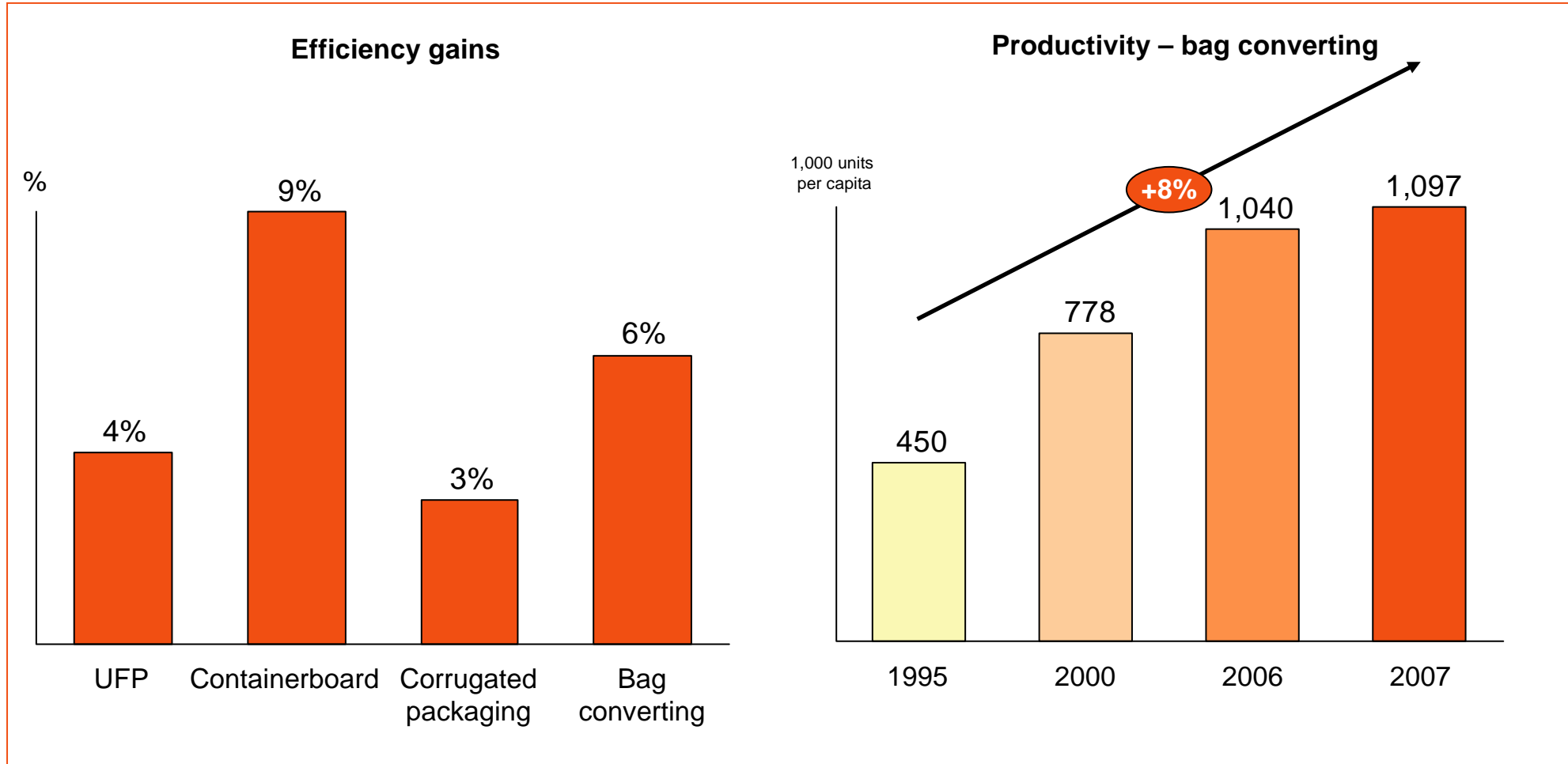


- Hungary mill now closed (production ceased 20 March)
- Nyborg plant in Denmark closed, announced Holcombe recycled containerboard and Zaragoza bag plant
- Sold 3 UK sheet feeder plants
- E&I UFP reorganisation completed, benefits higher than expected
- South Africa Division restructuring completed
- Reorganisation benefits to continue to flow in second half

MONDI IS FOCUSED ON OPERATIONAL PERFORMANCE



Ongoing operational excellence and efficiency gains in 2007



Source: Mondi

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Ruzomberok, Slovakia

INTERIM MANAGEMENT STATEMENT

20 OCTOBER 2008¹



“The recent downturn in Europe & International Division trading as a result of weakening macro-economic conditions will mean that Group underlying operating profit for the year is likely to be 10% to 15% below last year. This is despite the improvement in South Africa Division trading.

We will continue to proactively engage in restructuring actions where appropriate and as required by market conditions. Similarly, our capital expenditure programmes will be tailored to the more challenging trading environment which we now face.”

(1) Group's progress since the six months ended 30 June 2008, based on management accounts up to end of September 2008 and current October trading.

EUROPE & INTERNATIONAL Q3 HIGHLIGHTS



E&I

Bags & Specialities

- Higher sack kraft paper and converted bag prices vs. comparable period (+10%).
- Volumes much softer than anticipated due to weaker demand, notably from the construction industry.
- Slowdown appears to be exacerbated by an element of customer destocking.
- In response, business is taking market related downtime to balance inventories.

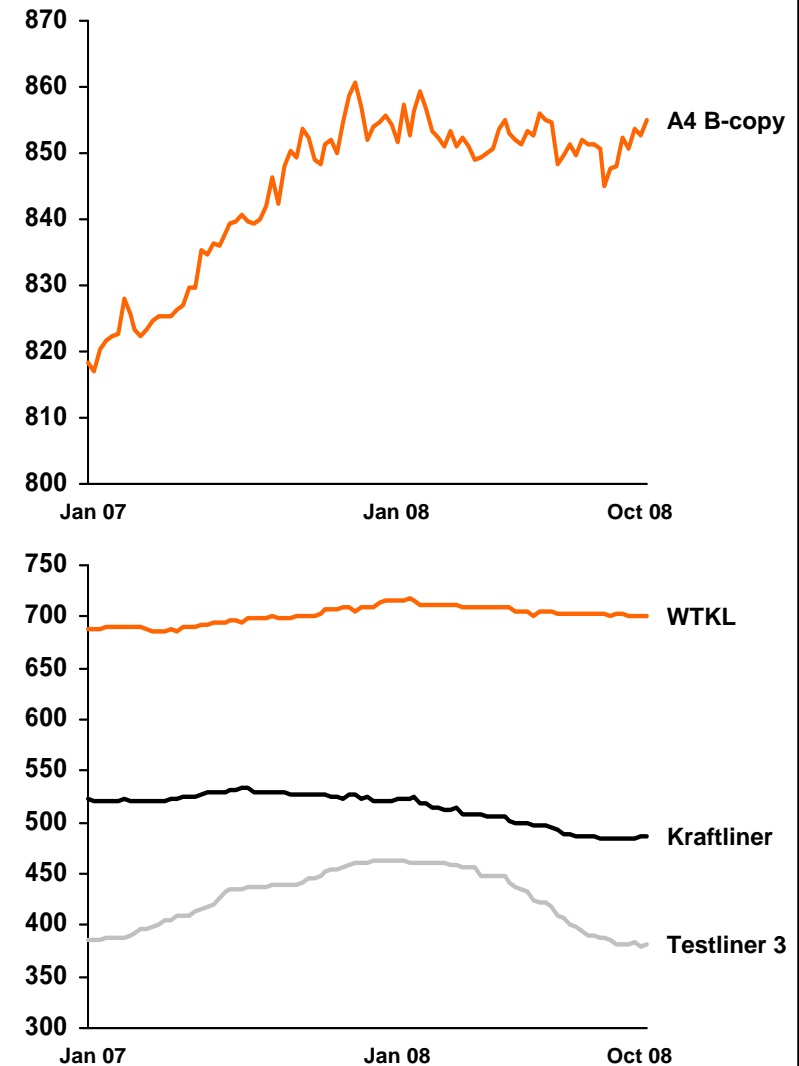
UFP

- Selling prices up against comparable period and stable since the half year.
- Volumes impacted by weaker trading environment and closure of Hungary.
- Overall results are up as the business continues to benefit from restructuring actions announced in 2007.

Corrugated

- Trading remains challenging particularly in RCB.
- Testliner prices down c.9% since the half year.
- Kraftliner prices under pressure, down 2% since the half year.
- Box prices have held up during the period but have recently come under pressure.

Main grades European PIX prices



Source: PIX (FOEX Indexes Oy Ltd)

Q3 HIGHLIGHTS (CONT)



MSAD

- Improvement in results both from product mix changes and price increases.
- Domestic price increases were implemented while export sales benefited from weaker rand.
- Significant breakthrough achieved in the settlement of land claims in South Africa.

MPSA

- Underlying operating profit marginally down on comparable period.
- Pricing has improved (+ c.15-20% from October) but has lagged input cost pressures, particularly from recycled fibre.
- Results are also impacted by weaker rand when translated into Euros.
- Agreement has been reached to refinance MPSA through a ZAR1bn cash injection (loans and equity) from Mondi Ltd to repay external debt. As a result Mondi's shareholding will increase to 70% from current 55%.

Merchant and newsprint

- Europapier trading above comparable period.
- Aylesford continues to be highly impacted by lower selling prices and rising energy and fibre input cost. As a result is currently loss making. Recent capacity restructuring should support increase in selling prices in 2009.
- MSN underlying operating profit is down on the comparable period as a result of higher input pressures and weaker rand when translated into Euros.

Other items

- Cost pressures continue, particularly chemicals and energy. Recovered fibre costs have eased slightly.
- Mondi has announced the closure of Holcombe (105ktpa RCB capacity) and the Zaragoza bag converting plant. Mondi continues to evaluate the closure of high cost operations.
- Progress continues to be made on the two major strategic projects: Russia (€525m mill modernisation and expansion) and Poland (€350 lightweight containerboard and box plant expansion).
- Given well invested asset base following completion of these major projects, capex expenditure plans will be reviewed and limited to well below depreciation.

DEBT FACILITIES

30 SEPTEMBER 2008



- As at the end of September 2008, **net debt** stood at **circa €1.7bn**.
- Despite capex on major expansion projects, debt has increased by only €70m from the 30 June 2008 position. This is partly due to a reduction in the working capital position.
- Mondi still has **just under €1.1bn of undrawn committed debt facilities** (total facilities €2.75bn).
- **Main facility** (of €1.55bn) **expires on 22 June 2012**, of which €0.7m is undrawn.
- **Average maturity of Group's committed debt facilities** at the end of September **was 3.6 years**.

CAPITAL INVESTED AND FINANCING



€ millions

Trading capital employed

Group ROCE ⁽¹⁾

Shareholders funds

Return on shareholders funds (post tax) ⁽²⁾

Net debt

Gearing (Net debt/Equity)

EBITDA interest cover (times)

	30 June 2008	31 Dec 2007	31 Dec 2006
Trading capital employed	4,922	4,818	4,737
Group ROCE ⁽¹⁾	11.1%	10.6%	8.1%
Shareholders funds	2,885	2,963	2,966
Return on shareholders funds (post tax) ⁽²⁾	8.6%	8.1%	4.8%
Net debt	1,655	1,507	1,479
Gearing (Net debt/Equity)	50.3%	45.2%	44.9%
EBITDA interest cover (times)	8.6	9.6	9.3

⁽¹⁾ Group ROCE is trailing twelve month underlying operating profit including share of associates' net earnings divided by average trading capital employed (excluding capital employed on the major strategic projects in Russia and Poland).

⁽²⁾ Return on shareholders funds is annualised underlying earnings divided by average shareholders funds.

STRONG AND ROBUST FINANCIAL POSITION

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Steti, Czech Republic

CAPITAL EXPENDITURE



- Mondi well invested
 - Extensive programme of mill modernisation since 2001/02
 - On completion of the Syktyvkar capex programme (mid 2010), all our major mills would have seen substantial investment
- Post completion of the Polish and Russian projects, capex will reduce substantially
- Going forwards we will target capex to be below depreciation

TARGET CAPEX BELOW DEPRECIATION

Major growth projects



- Both projects on time and within budgeted capital cost
- All main equipment orders placed and work commenced
- Swiecie box plant (€45m) now proceeding
- Targeted completion dates:
 - Swiecie – mid to late 2009
 - Syktyvkar – mid 2010
- Return expectations of 15-20% ROCE

ON TIME AND WITHIN BUDGET

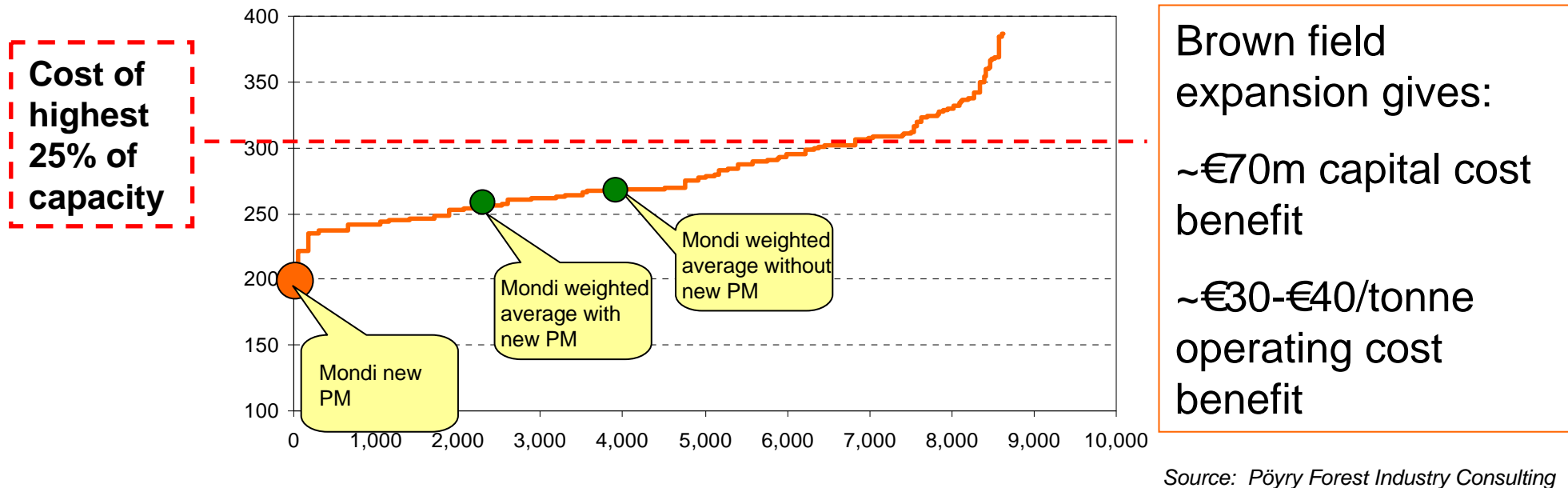
Syktyvkar mill expansion - €525m



Swiecie expansion - €350m



Mondi's cost positioning in European recycled supply



- Polish expansion project puts Mondi at the bottom of the cost curve
- Circa 50% of production will be consumed in own plants
- Confirmed new capacity in 2009/10 less than 4% of total market

GOOD CASH RETURNS EVEN AT PRICES BELOW AVERAGE INDUSTRY COST

SYKTYVKAR MILL MODERNISATION



Wood/pulp production

- Wood yard 33% capacity increase and 10% efficiency improvement.
- Additional 180ktpa pulp – 150ktpa integrated and 30ktpa external sales
- Significant maintenance and other operating cost reductions

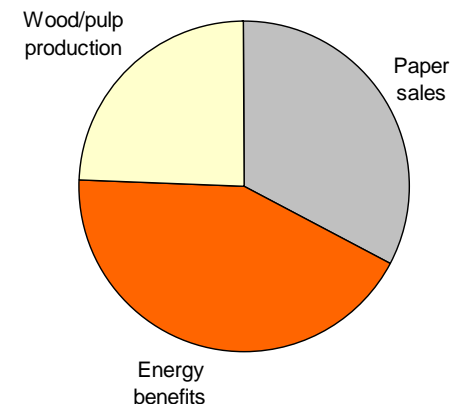
Sales growth

- 55ktpa UFP production (circa 5% of Russian demand)
- 65ktpa Containerboard (circa 3% of Russian demand)

Energy production/sales

- Installation of new recovery boiler generates increased energy supply
- Produce 185% more electricity and 100% increase in heat
- Additional 67 MW/h sold to the grid
- Electricity sales pricing agreed

Project returns



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Richards Bay, South Africa

NEAR TERM OUTLOOK



RISKS

- Economic downturn impacting demand
 - Volumes
 - Pricing
- Capacity increases in UFP and recycled containerboard

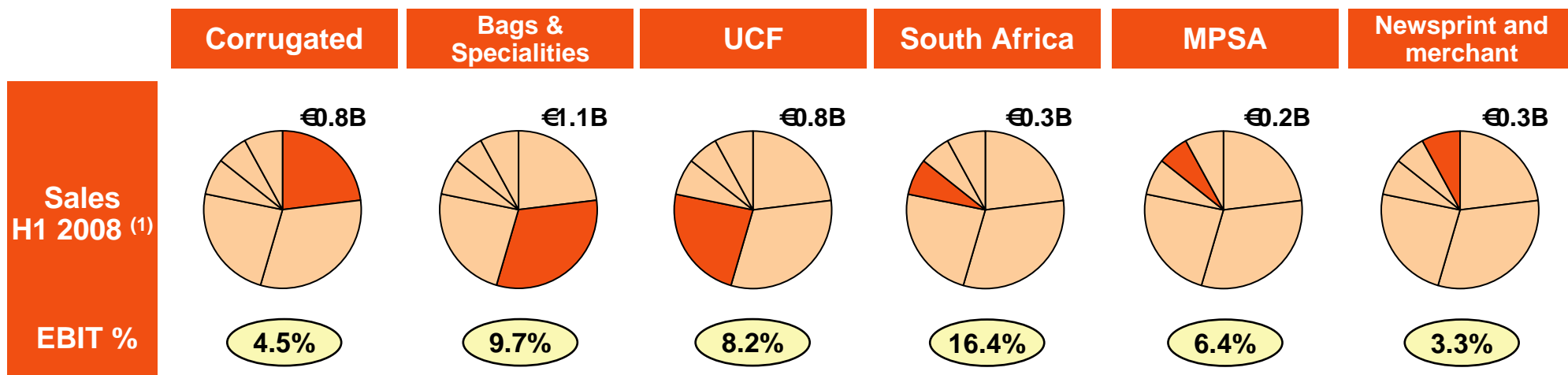
OPPORTUNITIES

- Industry rationalisation 2008
 - IP Inverurie 250,000t (UFP)
 - M-Real UK 230,000t (UFP)
 - Mondi Holcombe 105,000t (recycled containerboard)
 - Other recycled containerboard 300,000t (Spain, UK, Italy)
- Weaker production currencies
 - Rand
 - Eastern European currencies
- Stronger dollar supporting European pricing
- Input cost reductions



APPENDICES

MONDI AT A GLANCE



	Europe			South Africa			Europe/SA
Positions in relevant markets	<ul style="list-style-type: none"> No. 2 Kraftliner⁽²⁾ No. 3 Corrugated packaging 	<ul style="list-style-type: none"> No. 1 Kraft Paper⁽²⁾ No. 1 Bag converting⁽³⁾ 	<ul style="list-style-type: none"> No. 1 Office paper⁽²⁾ No. 2 UFP⁽²⁾ 	<ul style="list-style-type: none"> 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

FINANCIAL HIGHLIGHTS



€ millions, except for per share measures and ROCE

Group revenue

EBITDA ¹

Underlying operating profit ²

Underlying profit before tax ³

Underlying earnings per share (€ cents per share) ⁴

Interim dividend per share (€ cents per share)

Cash inflow from operations

Group ROCE ⁵

	H1 2008	H1 2007	% Change
Group revenue	3,263	3,052	+ 7
EBITDA ¹	456	421	+ 8
Underlying operating profit ²	263	243	+ 8
Underlying profit before tax ³	210	203	+ 3
Underlying earnings per share (€ cents per share) ⁴	24.8	22.6	+ 10
Interim dividend per share (€ cents per share)	7.7	7.3	+ 5
Cash inflow from operations	310	356	-13
Group ROCE ⁵	11.1%	10.0%	+ 11

¹ EBITDA is operating profit of subsidiaries and joint ventures before special items, depreciation and amortisation. ² Underlying operating profit is operating profit of subsidiaries and joint ventures before special items. ³ Underlying profit before tax is reported profit before tax before special items. ⁴ Underlying earnings per share is before special items and 2007 based on shares issued on admission. ⁵ Group ROCE is trailing twelve month underlying operating profit including share of associates' net earnings divided by average trading capital employed (excluding capital employed on major strategic expansion projects in Russia and Poland).

DELIVERED FURTHER IMPROVEMENTS IN FINANCIAL PERFORMANCE

DIVISIONAL RESULTS



€ millions	Group revenue ¹			EBITDA ²			Underlying operating profit ³		
	H1 2008	H1 2007	Change	H1 2008	H1 2007	Change	H1 2008	H1 2007	Change
EUROPE & INTERNATIONAL									
Bags & Specialities	1,121	994	127	164	132	32	109	80	29
Uncoated Fine Paper	846	837	9	122	100	22	69	48	21
Corrugated Business	830	756	74	78	89	(11)	37	54	(17)
	2,742	2,544	198	364	321	43	215	182	33
SOUTH AFRICA									
Uncoated Fine Paper	221	248	(27)	48	48	-	30	32	(2)
Corrugated	63	60	3	19	17	2	15	12	3
	274	295	(21)	67	65	2	45	44	1
MPSA	223	173	50	27	21	6	14	15	(1)
MERCHANT & NEWSPRINT	293	286	7	18	27	(9)	10	16	(6)
CORPORATE & OTHER	-	14	(14)	(20)	(13)	(7)	(21)	(14)	(7)
Inter-segment eliminations	(269)	(260)	(9)						
MONDI GROUP	3,263	3,052	211	456	421	35	263	243	20

¹ Group revenue includes intra-segment revenues. ² EBITDA is operating profit of subsidiaries and joint ventures before special items, depreciation and amortisation. ³ Underlying operating profit is operating profit of subsidiaries and joint ventures before special items.

**STRONG FIRST HALF AT EUROPE & INTERNATIONAL
AND IMPROVING TREND IN SA DIVISION**

DIVISIONAL RETURNS



	ROCE (%) ¹		EBITDA return(%) ²		Return on Sales (%) ³	
	H1 2008	H1 2007	H1 2008	H1 2007	H1 2008	H1 2007
EUROPE & INTERNATIONAL	12.0	9.8	13.3	12.6	7.8	7.2
SOUTH AFRICA	10.6	9.9	24.5	22.0	16.4	14.9
MPSA	11.1	18.8	12.1	12.1	16.4	14.9
MERCHANT & NEWSPRINT	15.0	14.1	6.1	9.4	3.4	5.6
MONDI GROUP	11.1	10.0	14.0	13.8	8.1	8.0

¹ ROCE is trailing twelve month underlying operating profit including share of associates' net earnings divided by average trading capital employed (excluding capital employed on major strategic expansion projects in Russia and Poland). ² EBITDA return is EBITDA divided by revenue. ³ Return on sales is underlying operating profit divided by revenue.

OVERALL GROUP RETURNS ARE UP

ABRIDGED INCOME STATEMENT ¹



€millions	H1 2008	H1 2007	Change
Group revenue	3,263	3,052	211
Materials, energy and consumables used	(1,729)	(1,577)	(152)
Variable selling expenses	(281)	(280)	(1)
Gross margin	1,253	1,195	58
Maintenance and other indirect expenses	(143)	(130)	(13)
Personnel costs	(470)	(446)	(24)
Other net operating expenses	(184)	(198)	14
EBITDA	456	421	35
Depreciation and amortisation	(193)	(178)	(15)
Operating profit from subsidiaries and joint ventures	263	243	20
Net income from associates	2	2	-
Net finance charges	(55)	(42)	(13)
Profit before tax	210	203	7
Taxation charge	(61)	(61)	-
Profit for the financial period	149	142	7
Minority interests	(23)	(26)	3
Underlying earnings	126	116	10

¹ Before special items

CASH FLOW



€ millions

	H1 2008	H1 2007	Change
EBITDA	456	421	35
Working capital movements	(126)	(59)	(67)
Other operating cash flow adjustments	(20)	(6)	(14)
Cash inflows from operations	310	356	(46)
Dividends from associates and financial investments	-	1	(1)
Tax paid	(27)	(40)	13
Net cash inflow from operating activities	283	317	(34)
Capital expenditure	(313)	(139)	(174)
Investment in forestry assets	(22)	(19)	(3)
Acquisitions	(35)	(7)	(28)
Disposals	2	157	(155)
Proceeds on sale of fixed assets and other	4	10	(6)
	(81)	319	(400)

Total CAPEX on Russian and Polish projects in the period was €140 million (H1 2007: nil)

DELIVERED €310 MILLION IN CASH FLOW FROM OPERATIONS

PRODUCTION VOLUMES



		H1 2008	H1 2007	% Change
Europe and International Division				
Containerboard	tonnes	965,319	916,815	+ 5
Corrugated board and boxes	m m ²	1,143	985	+ 16
Kraft paper	tonnes	461,754	444,625	+ 4
Bag converting	m units	1,902	1,910	+ 0
Coating and release liners	m m ²	1,414	1,549	-9
Uncoated fine paper	tonnes	754,364	800,943	-6
Newsprint	tonnes	97,821	99,738	-2
Total hardwood pulp	tonnes	607,356	603,868	+ 1
Total softwood pulp	tonnes	970,356	875,019	+ 11
External hardwood pulp	tonnes	38,171	34,508	+ 11
External softwood pulp	tonnes	105,299	107,934	-2
South Africa Division				
Containerboard	tonnes	117,449	119,117	-1
Uncoated fine paper	tonnes	229,938	238,202	-3
Wood chips	bone dry tonnes	364,247	362,089	+ 1
Total hardwood pulp	tonnes	264,003	326,019	-19
Total softwood pulp	tonnes	50,321	43,954	+ 14
External hardwood pulp	tonnes	13,214	34,719	-62
Mondi Packaging South Africa				
Packaging papers	tonnes	146,179	141,339	+ 3
Corrugated board and boxes	m m ²	183	171	+ 7
Total hardwood pulp	tonnes	40,147	32,631	+ 23
Total softwood pulp	tonnes	34,090	28,967	+ 18
Newsprint Joint Ventures				
Newsprint (attributable share)	tonnes	163,753	156,102	+ 5
Aylesford (attributable share)	tonnes	99,639	94,354	+ 6
Shanduka (attributable share)	tonnes	64,114	61,749	+ 4
Shanduka total attributable softwood pulp	tonnes	40,816	40,715	+ 0

