



DEUTSCHE BANK PAPER CONFERENCE

LONDON

14 NOVEMBER 2007

AGENDA



Strategic Overview

Growth

Markets

Financials

AGENDA



Strategic Overview

Growth

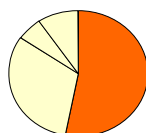
Markets

Financials

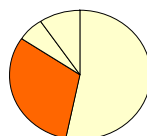
MONDI AT A GLANCE



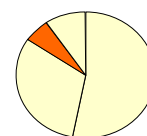
Sales H1 2007 ⁽¹⁾



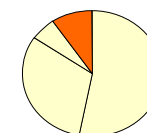
€1.7B



€1.0B



€0.2B



€0.3B

Products



Positions in Europe

- No. 1 Kraft Paper⁽²⁾
- No. 2 Kraftline⁽²⁾
- No. 1 Bag Converting⁽³⁾
- No. 3 Corrugated Packaging⁽⁴⁾

- No. 1 Office Paper⁽²⁾
- No. 2 UCWR⁽²⁾

- No. 1 Corrugated Packaging in SA⁽³⁾
- No. 1 Rigid Plastics in SA
- No. 1 in Cartonboard in SA

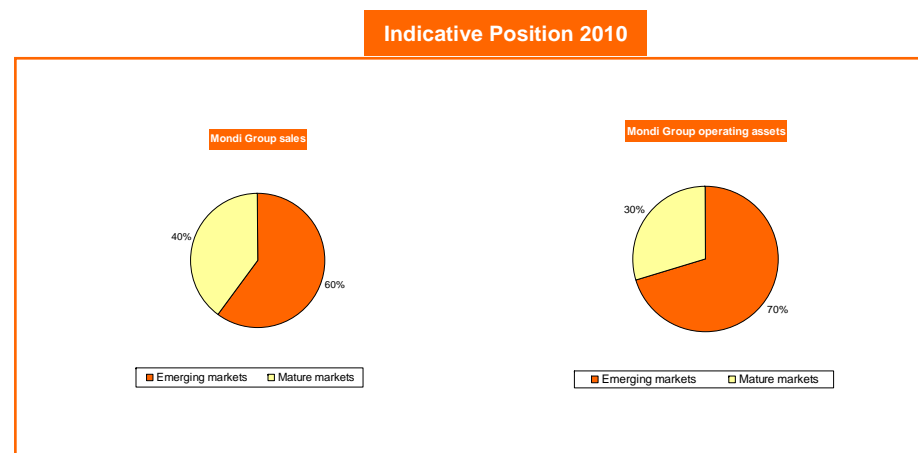
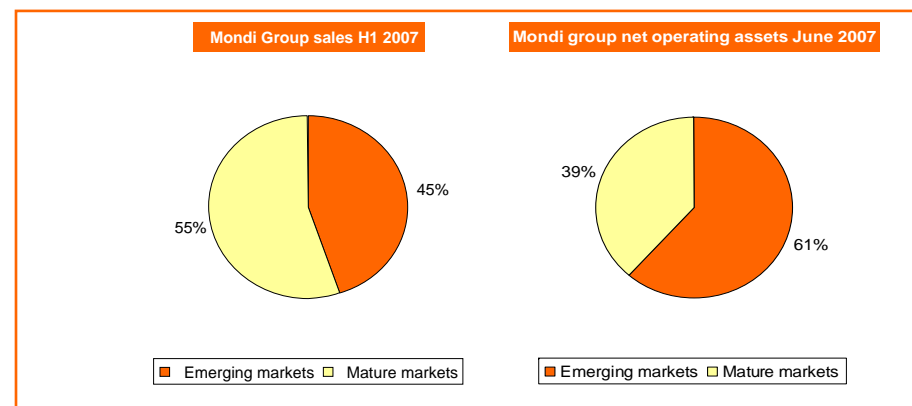
- No. 1 Newsprint in South Africa⁽²⁾
- Leading Positions in Emerging Europe⁽⁵⁾

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

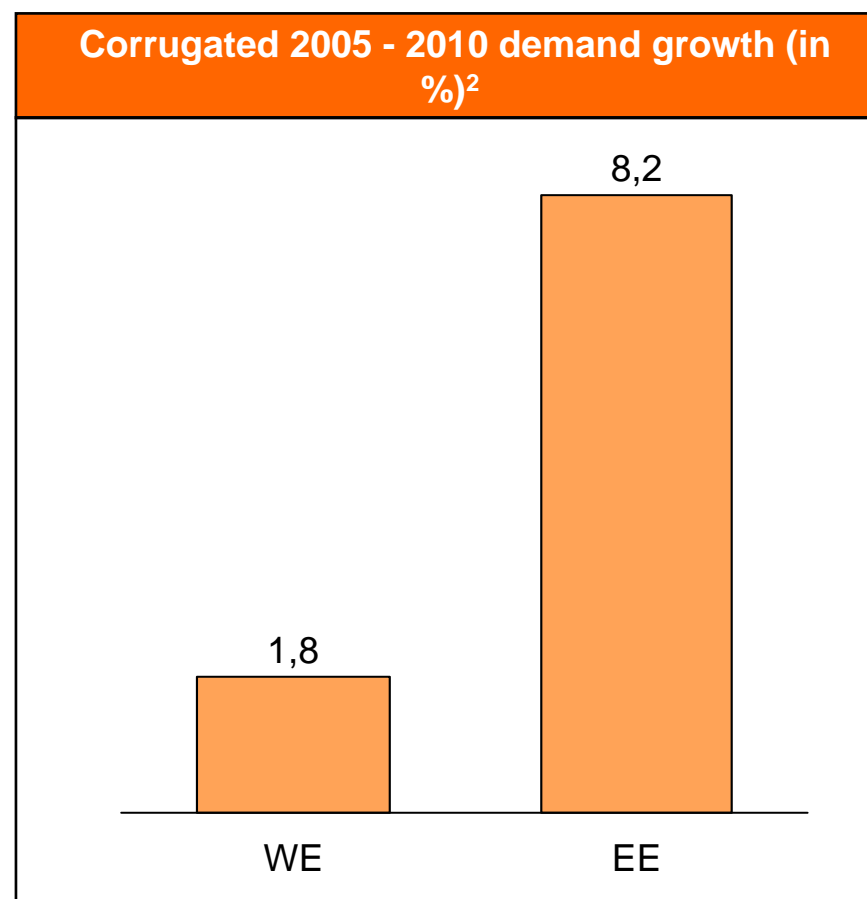
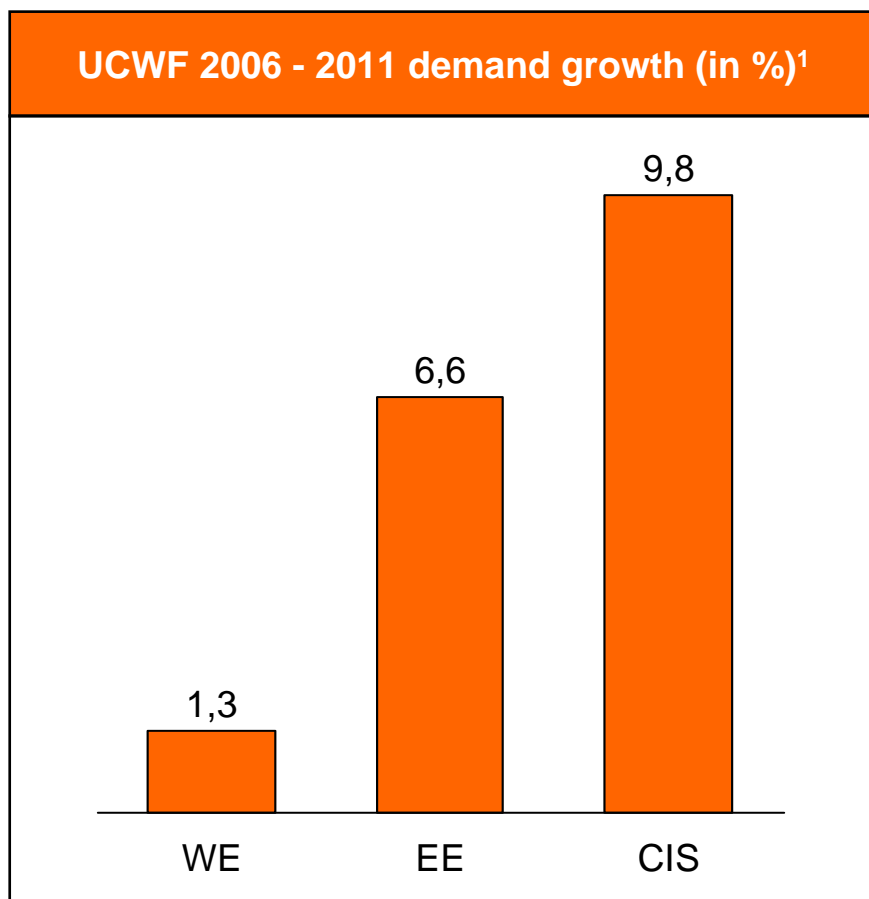
MONDI STRATEGIC DRIVERS



- **Leading market position**
 - Leading market positions
 - High exposure to:
 - Attractive product segments
 - Attractive geographies
- **Strong asset base**
 - Upstream production cost advantages
 - 100% of kraftliner and 91% of universal office paper in lowest cost quartile
 - Vertically integrated
 - Up to 51% self-sufficient low cost wood
- **Focus on performance**
 - Comprehensive Business Excellence Programmes
 - Continuous cost reduction and productivity improvement
- **Growth**
 - Organic and through acquisition



UCWF and Corrugated demand growth per region

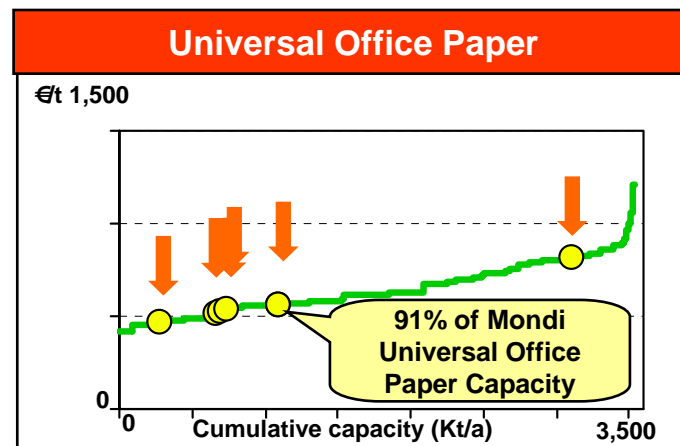
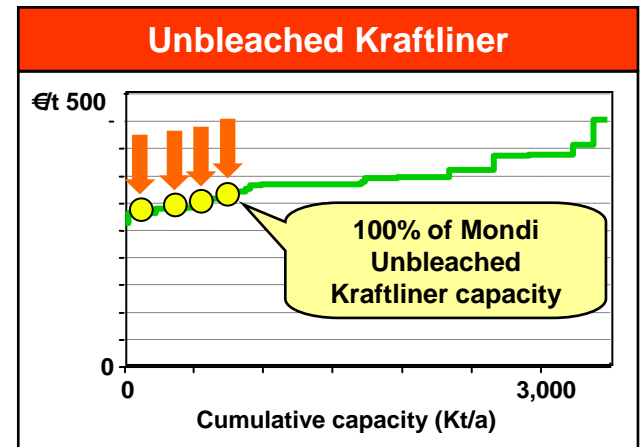
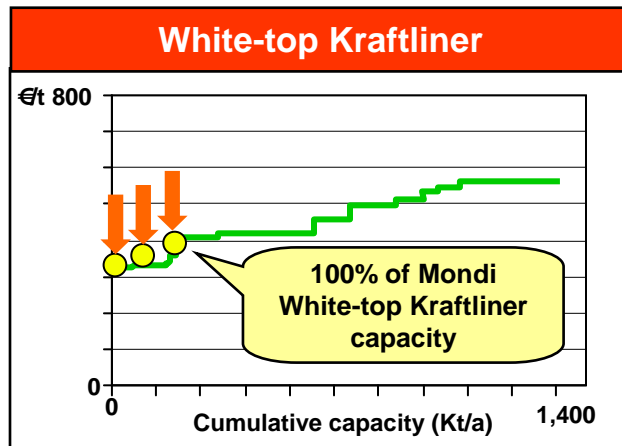


Demand growth in %.

¹Sources: EMGE Woodfree Forecast Report; October 2007 for Eastern and Western Europe. World Paper markets 2020, Pöyry 2005 Edition for CIS. CIS market growth from 2004 – 2010.

²Source: ICCA.

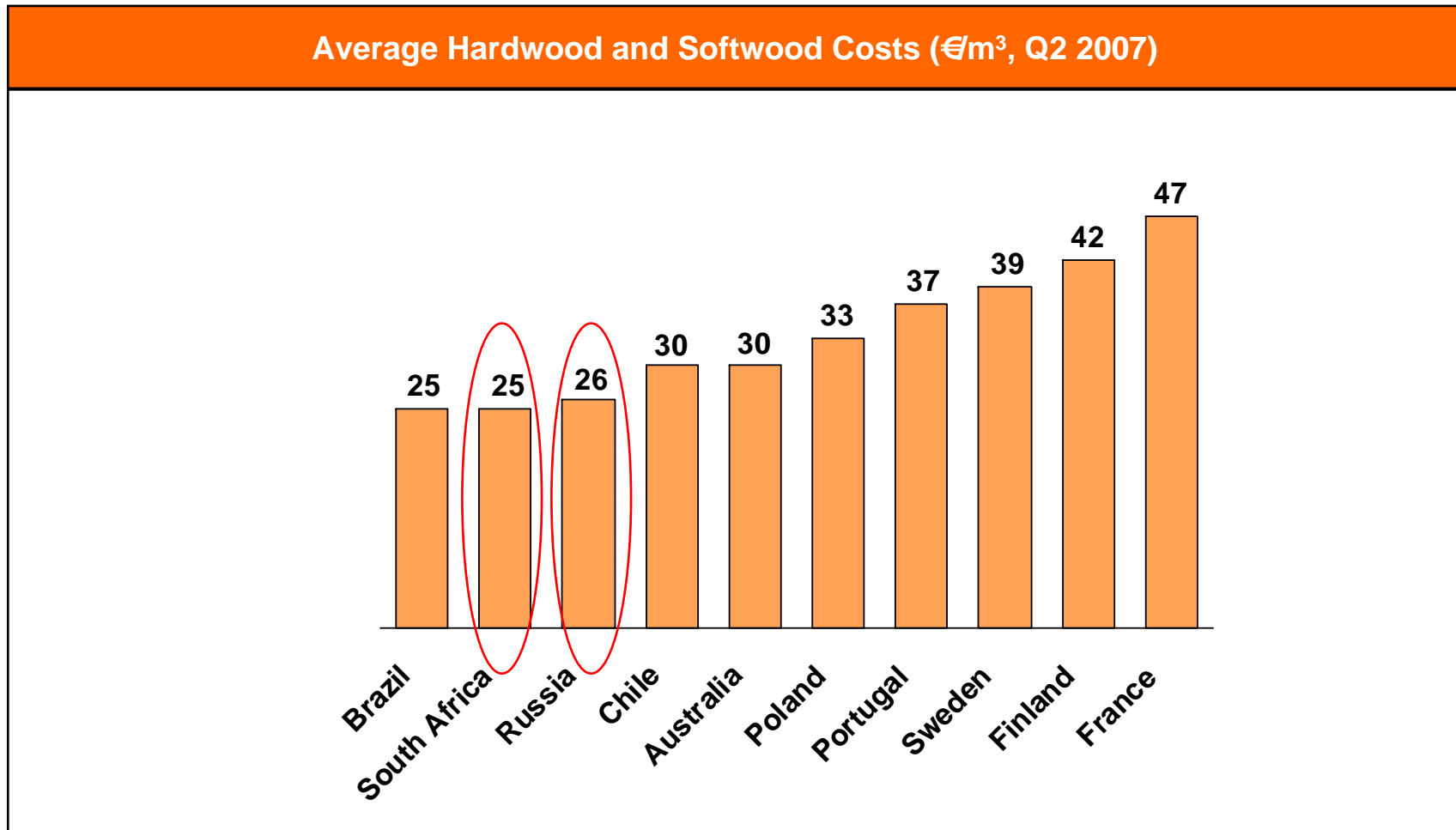
UPSTREAM PRODUCTION COST ADVANTAGES LOW-COST POSITIONS



● Mondi Paper Machines

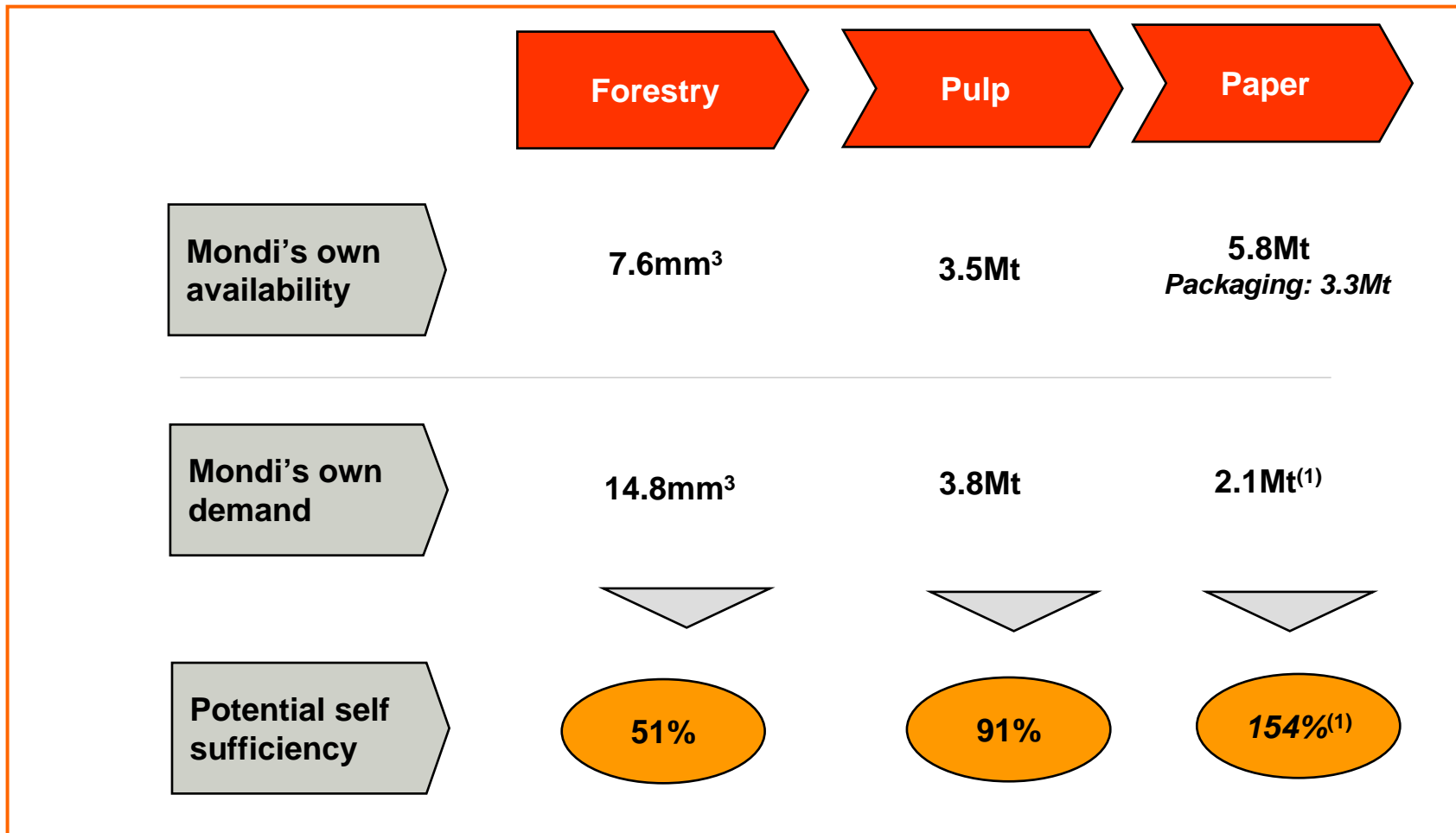
Note: The graphs show delivered cost to Frankfurt, Germany European Producers
Sources: Pöyry Forest Industry Consulting, Mondi

SUPERIOR ACCESS TO LOW-COST WOOD



Source: Pöyry Forest Industry Consulting

BENEFITING FROM INTEGRATED VALUE CHAIN



(1) Refers to Mondi's demand and self-sufficiency of packaging paper (including MP and MPSA). Paper is the end product for non-packaging businesses.
 Notes: 2006 figures. Forestry figures are based on annual allowable cut (excluding firewood).
 Source: Mondi

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- **At 30th June 2006 61% of asset base was deployed in emerging markets.**

- **Estimated emerging market share of asset base will grow to 70% by close of 2010**

- **Major investments targeted at emerging markets:**
 - **Containerboard and box plant – Eastern Europe**
 - **Syktyvkar modernisation expansion – Russia**
 - **Tire Kutsan acquisition - Turkey**

CONTAINERBOARD EXPANSION PROJECT

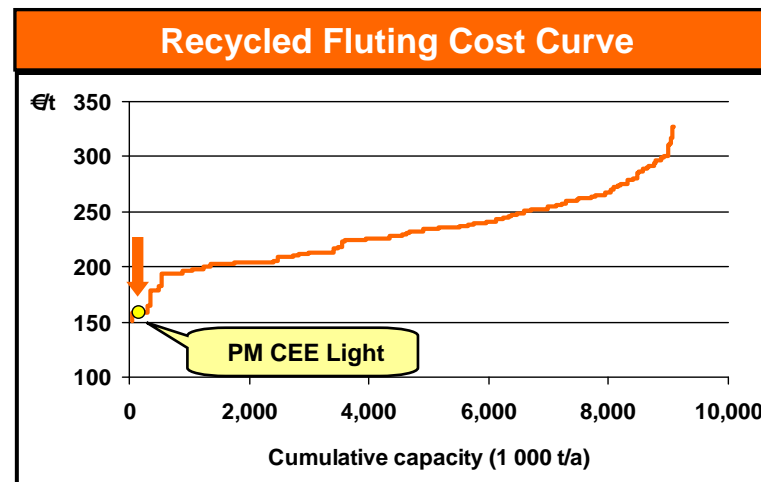


- **New 470,000 tons lightweight recycled containerboard machine plus a new corrugated box plant with capacity of approximately 250M m²/year corrugated board production**
- **Clear cost leader in Europe**
- **Investment cost of circa €350M**
- **Order for main machinery was placed in September 2007**
- **Start-up expected in mid 2009**
- **Investigating option of investing in own recovered paper collection operation**

CONTAINERBOARD EXPANSION PROJECT – PROJECT RATIONALE



- Target high-growth lightweight recycled containerboard market
- Supported by growing manufacturing base in CEE region which has resulted in a recycled containerboard supply deficit (0.7M tons in 2006)
- Efficient supply to state-of-the-art corrugators with 2.8m width
- Lower capital expenditure due to brownfield investment



- Leverage Mondi Packaging paper sales network in Europe
- Expand leading market position in strongly growing Polish corrugated packaging market by adding a state-of-the-art box plant with favourable logistic costs due to location next to the RCB mill

Note: The graph shows manufacturing cost. Source: Mondi/Pöyry Forest Industry Consulting

SYKTYVKAR MILL - PROJECT SCOPE



- **New and expanded**

- Wood handling facilities
- Recovery boiler and turbine
- Evaporation of Black Liquor
- Limekiln
- Pulp dryer

- **Upgraded/Rebuilt**

- Two chemical pulp lines
- PM14 UCWF machine
- PM21 containerboard machine

- **Benefits include**

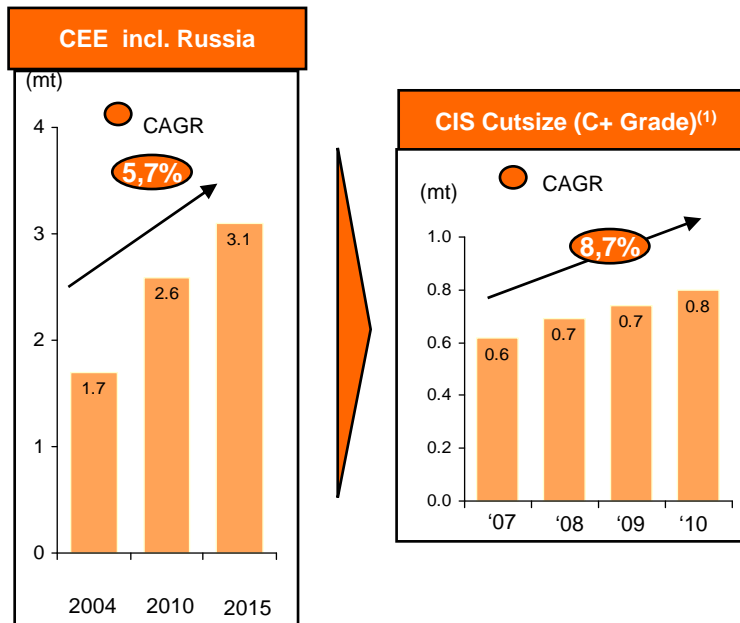
- Lower operating costs
- Improved efficiencies
- Expanded electricity generating capacity
- 190,000 tpa increase in pulp production capacity
- 52,000 tpa increase in UCWF production capacity
- 46,000 tpa increase in containerboard
- Reduced environmental footprint

SYKTYVKAR PROJECT - MARKET FORECAST



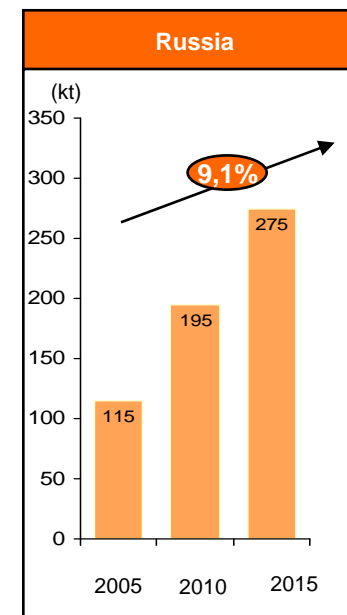
- This Project will enable Mondi to benefit from the strong growth in demand for UCWF and containerboard in the domestic Russian market

UCWF / Cut size Paper Demand Forecast



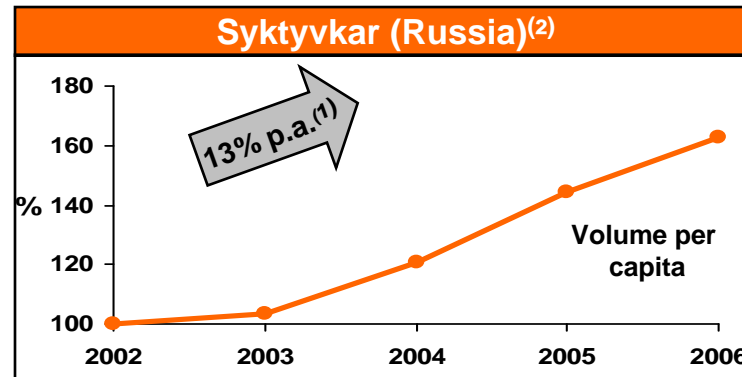
(1) Based on Mondi Research
Source: Pöyry (World Paper Markets up to 2020); Mondi Analysis

White-top liner Demand Forecast



Source: Pöyry (White-top Kraftliner and White-top Testliner cost competitiveness and Market Outlook); February 2007

- The Russian operation Syktyvkar has been a success story for Mondi, outperforming in the areas of safety, productivity, costs and environmental management



- Management control acquired in 2002
- Integrated operations

- In the process Mondi has developed highly valued relationships with the local government and stakeholders, which in conjunction with the above, positions Mondi uniquely to fully optimise this attractive value creating opportunity

(1) CAGR. (2) Forestry workers included. Note: Tons per capita based on employees year average Source: Mondi

- Milestones of the Project:

- Main equipment vendors chosen July/August 2007
- Start construction April 2008
- Project completion mid-2010

ACQUISITION TIRE KUTSAN, TURKEY



- On September 3, 2007 Mondy Packaging acquired 54% of Tire Kutsan, the leading Turkish corrugated packaging company
- The company has one paper mill producing 120,000 tons of recycled containerboard plus 5 corrugated box plants in Turkey with a board production capacity of approximately 450M m²/year
- The company was acquired from the Ülker Group, a leading Turkish family owned group with sales of USD 7B mainly in the food business. The Ülker Group will keep 10% in Tire Kustan for 3 years and Mondy Packaging and the Ülker Group have signed a business cooperation agreement
- The acquisition price for 54% was USD 106M equivalent to a cash and debt free enterprise value for 100% of c. €190M
- The remaining shares are traded on Istanbul Stock Exchange and Mondy Packaging is currently in the process of making a mandatory tender offer

ACQUISITION TIRE KUTSAN PROJECT RATIONALE



- Turkey is forecasted to have the highest growth rates in corrugated packaging in Europe with 12% per annum or additional 1.6 M m² between 2005 and 2010

	Production in M m ²			Growth 00-05		Growth 05-10		Pop 05	Prod. / capita	
	2000	2005	2010	CAGR	M m ²	CAGR	M m ²		2005	2010E
Poland	1.129	2.054	2.986	12,7%	925	7,8%	932	39	53	77
Russia	1.124	2.351	3.464	15,9%	1.227	8,1%	1.113	143	16	25
Turkey	1.400	2.111	3.701	8,6%	711	11,9%	1.590	73	29	47
Other EE	2.048	3.168	4.198	9,1%	1.120	5,8%	1.030	110	29	36
Total EE	5.701	9.684	14.349	11,2%	3.983	8,2%	4.665	375	26	38
Total WE	33.790	35.574	38.962	1,0%	1.784	1,8%	3.388	394	90	97
EUROPE	39.491	45.258	53.311	2,8%	5.767	3,3%	8.053	769	59	69

Source: ICCA

- Acquisition makes Mondi Packaging the market leader in Turkey and Emerging Europe in corrugated
- Reinforces Mondi's strategy of high emerging market exposure
- Strengthens Mondi Packaging's position in the European corrugated market by expanding its European footprint

Source: Mondi

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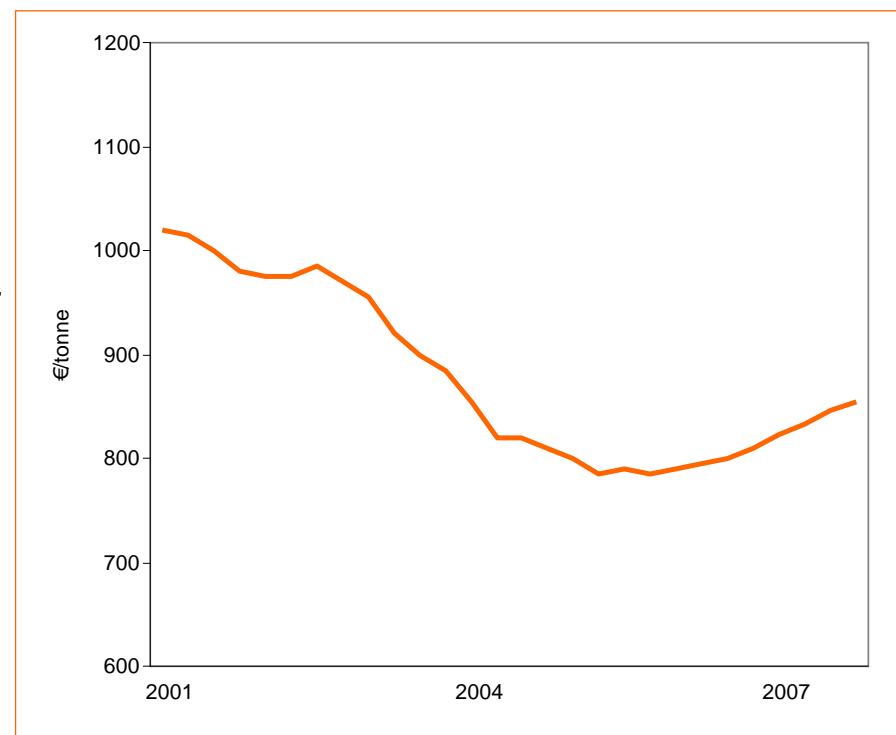
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INDUSTRY FUNDAMENTALS: EUROPEAN UNCOATED FINE PAPER



- Circa 12 million tonne market, growing at 3%¹ pa
 - Western Europe 2%²
 - Eastern Europe 7%²
- European capacity closures in 2006/2007 of 720,000 tpa
- Following these closures, capacity utilisation anticipated to be attractive
- Favourable demand supply balance forecast for foreseeable future
- Only confirmed major expansion in Europe is a new 500Ktpa machine at Portucel's Setubal mill, planned for commissioning in Q3 2009



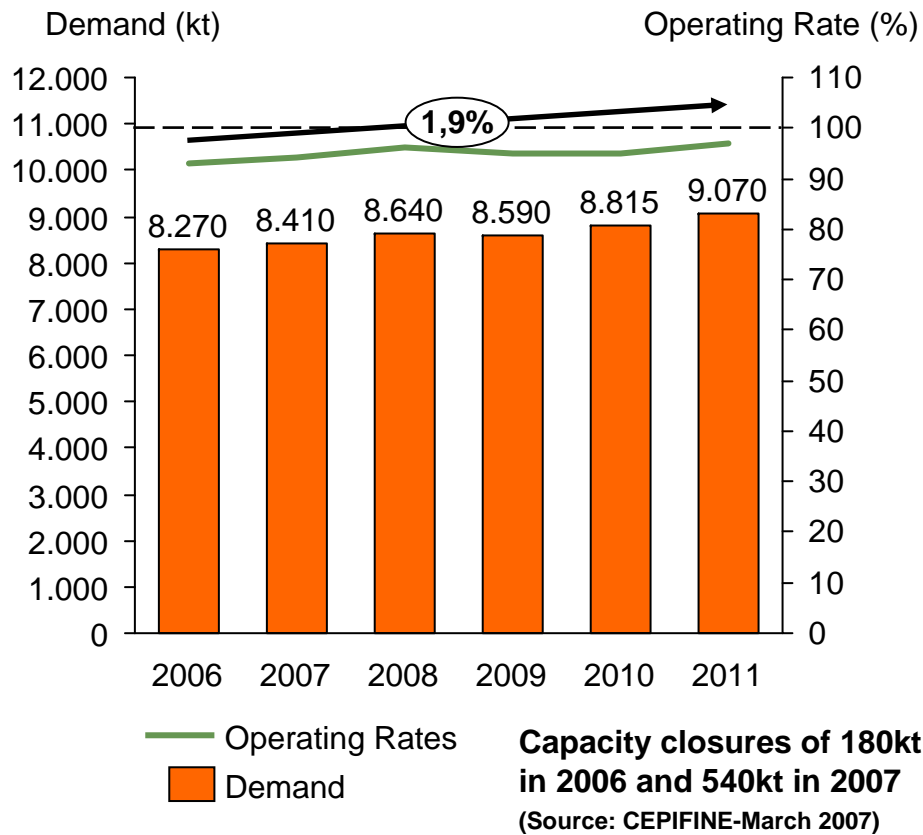
- (1) Volume growth based on 2000 to 2006 demand estimates by Pöyry Forest Industry Consulting.
(2) 2005 - 2006
(3) Demand estimates by Pöyry Forest Industry Consulting.
(4) Q4 2001 – Q3 2007.

Sources: Mondi, Pöyry Forest Industry Consulting, CEPIFINE, RISI, PIX (FOEX Indexes Oy Ltd)

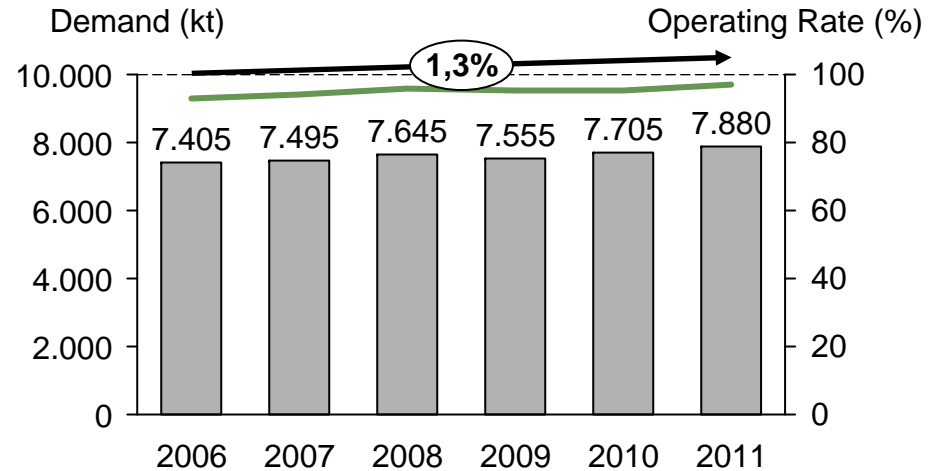
EUROPEAN DEMAND AND OPERATING RATES EXPECTED TO REMAIN STRONG FOR UNCOATED FINE PAPER



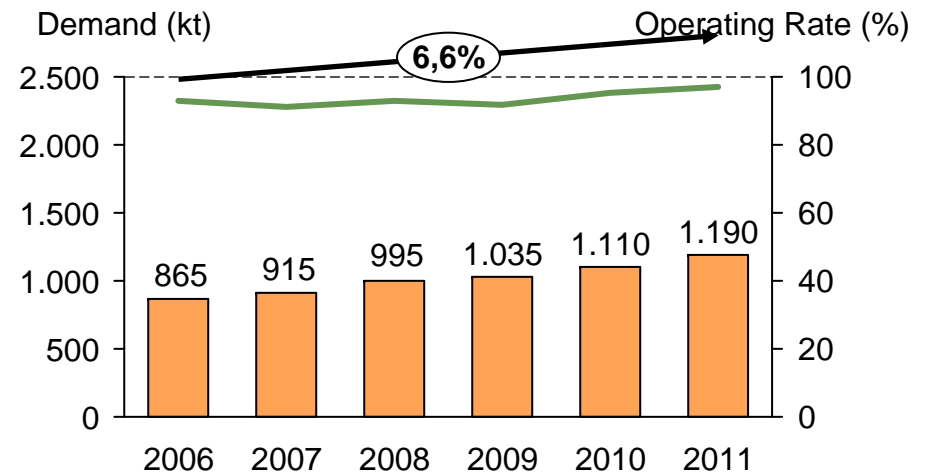
Europe 30



W. Europe 16



E. Europe 14

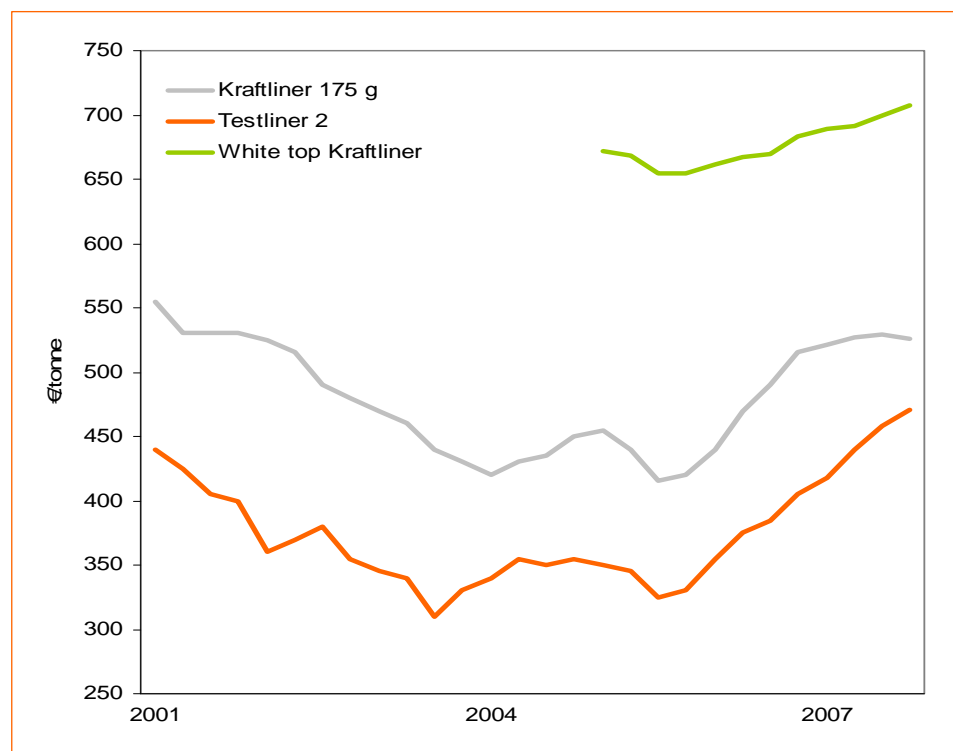


Source: EMGE Woodfree Forecast Report; October 2007

INDUSTRY FUNDAMENTALS: EUROPEAN CONTAINERBOARD AND CORRUGATED PACKAGING



- Circa 26 million tonne market growing at 2.7%¹ pa
 - Western Europe 1.4%¹
 - Eastern Europe 11.0%¹
- Good demand growth, particularly in Germany and Emerging Europe
- Capacity closures in recycled grades of 2.4 mtpa in 2005/2006
- Now operating at attractive capacity utilisation levels
- Aside from Modern Karton in Turkey (400 ktpa), no new paper machine capacity scheduled until mid to late 2009



- (1) Growth on tonnage basis 2000 to 2006 based on 2006 forecasts.
(2) Q4 2001 – Q3 2007.

Sources: ICCA, RISI, Pöyry Forest Industry Consulting and PIX (FOEX Indexes Oy Ltd)

While current USD makes Europe attractive for imports and pressures exports, overall threat limited

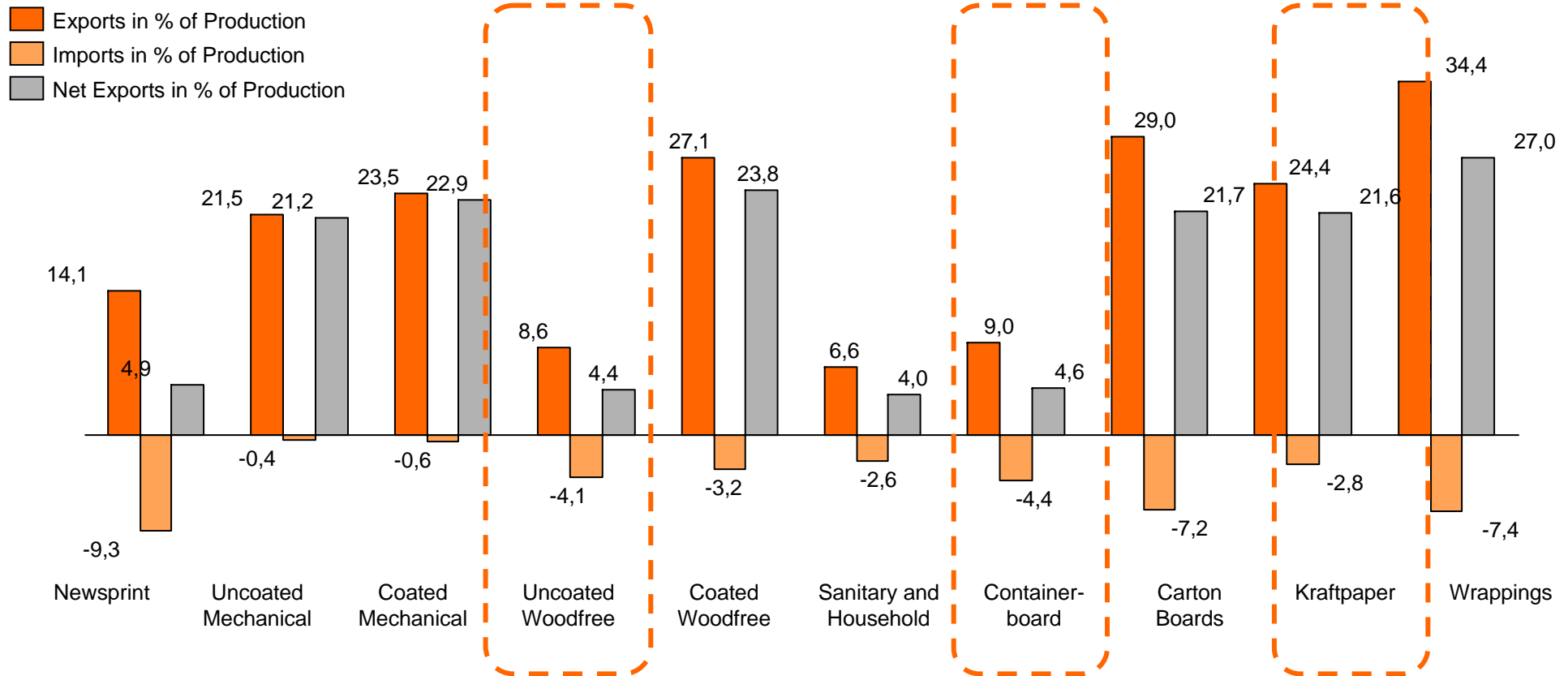


- The impact on Mondi should be limited for the following reasons:
 - UCWF:
 - 8% of volume exposed to exports (about 4% for cut size)
 - Relative high entry barriers (distribution channels, Customer own labels, environmental standing of overseas suppliers)
 - Corrugated:
 - Overall limited exposure to exchange rates as corrugated is largely traded on a regional level
- Coated and graphic grades (which Mondi not exposed to) see much higher trade flows – circa 20% export dependency.

Nevertheless with the exception of the export heavy Kraft paper, the impact on Mondi's grades is limited



Overview of Export dependence European Paper Business
(Imports, Exports and Net Trade in % of Production)



Note: CEPI covers Austria, Belgium, Czech Republic, Finland, France, Germany, Hungary, Italy, the Netherlands, Norway, Poland, Portugal, Slovak Republic, Spain, Sweden, Switzerland, United Kingdom

Source: CEPI European Pulp and Paper Industry Trade Statistics and Annual Statistics 2006; Cepifime for Uncoated Woodfree, Eurokraft/ Mondi Estimates for Kraftpaper)

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INTERIM FINANCIAL HIGHLIGHTS



€ millions, except for percentages

Group revenue

EBITDA ¹

Underlying operating profit ²

Underlying profit before tax ³

Reported profit before tax

Underlying pro forma earnings per share (€ cents per share) ⁴

Interim dividend per share (€ cents per share)

Cash inflow from operations

Group ROCE ⁵

	H1 2007	H1 2006	%Change
Group revenue	3,052	2,857	+ 7
EBITDA ¹	421	343	+ 23
Underlying operating profit ²	243	166	+ 46
Underlying profit before tax ³	203	125	+ 62
Reported profit before tax	250	64	
Underlying pro forma earnings per share (€ cents per share) ⁴	22.6	11.9	+ 90
Interim dividend per share (€ cents per share)	7.3	n/a	n/a
Cash inflow from operations	356	229	+ 55
Group ROCE ⁵	10.0%	8.2%	+ 22

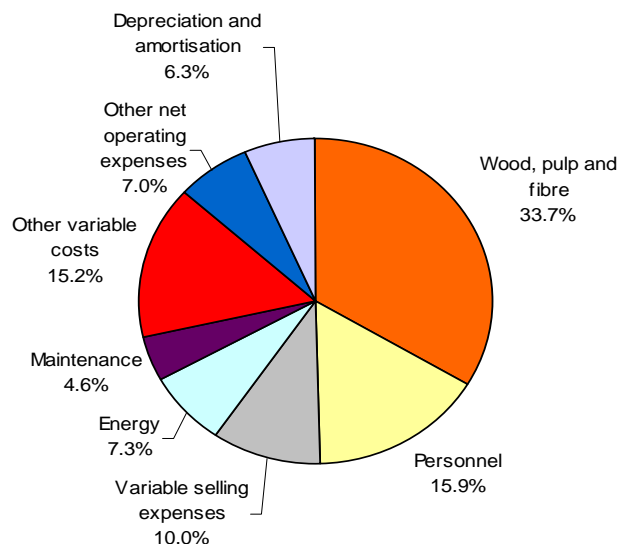
¹ EBITDA is operating profit of subsidiaries and joint ventures before special items, depreciation and amortisation. ² Underlying operating profit is operating profit of subsidiaries and joint ventures before special items. ³ Underlying profit before tax is reported profit before tax before special items. ⁴ Underlying earnings per share is before special items and based on shares issued on admission. ⁵ Group ROCE is an annualised measure based on underlying operating profit including share of associates' net earnings divided by average trading capital employed.

ALL KEY INDICATORS UP

COSTS AND COST SAVING INITIATIVES

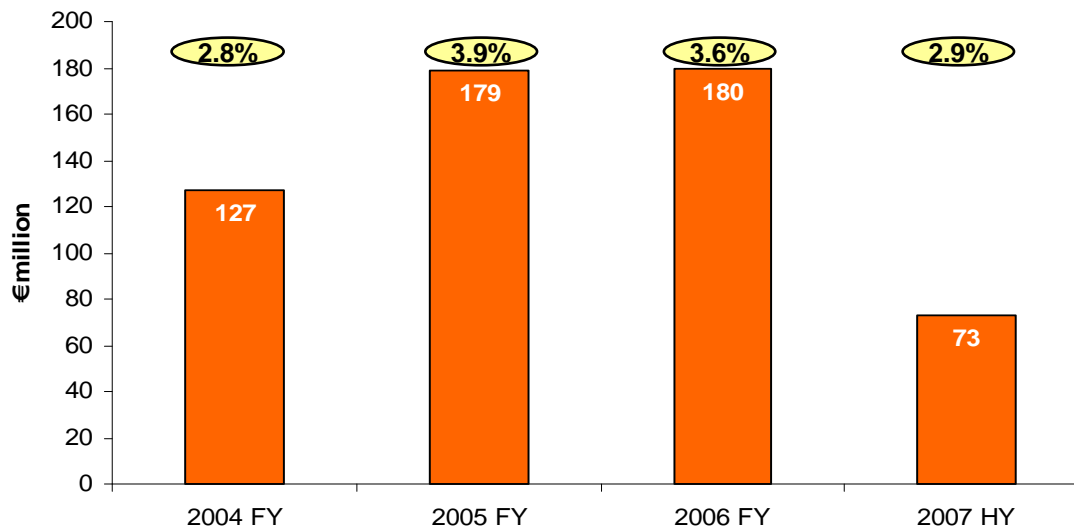


COST STRUCTURE FIRST HALF 2007



- External fibre cost inflation
 - Mondi Packaging wood 27%, recycled paper 26%
 - Mondi Business Paper 25%
 - Some recent easing in prices
 - Mitigated by own wood resources which account for up to 50% of requirements
- Fixed costs flat in euros period on period

COST SAVINGS - €73 MILLION



- €37 million material input cost savings
- €18 million saving in energy costs
- Costs savings represent 2.9% of prior year cash cost base

COST SAVINGS OF €73 MILLION HELPED TO OFFSET COST INFLATION

INTERIM CASH FLOW



€ millions	H1 2007	H1 2006	Change
EBITDA	421	343	78
Working capital movements	(59)	(99)	40
Other operating cash flow adjustments	(6)	(15)	9
Cash inflows from operations	356	229	127
Dividends from associates	1	1	-
Tax paid	(40)	(34)	(6)
Net cash inflow from operating activities	317	196	121
Capital expenditure	(139)	(209)	70
Investment in forestry assets	(19)	(26)	7
Acquisitions	(7)	(69)	62
Disposals	157	29	128
Interest received	9	22	(13)
Other and proceeds on sale of fixed assets	12	17	(5)
Net cash flow after investing activities	330	(40)	370

GENERATED €127 MILLION MORE IN CASH INFLOWS FROM OPERATIONS

INTERIM MANAGEMENT STATEMENT (14TH NOVEMBER)



Group

- Overall positive trends and trading momentum of first half have continued
- Weakness of US dollar is impacting trade flows
- External fibre cost inflation has eased

Mondi Packaging

- Benefited from a favourable Packaging Paper trading environment
- Returns in downstream converting still at unsatisfactory levels
- €25m restructuring programme announced to close/downsize 6 converting operations with loss of 350 jobs

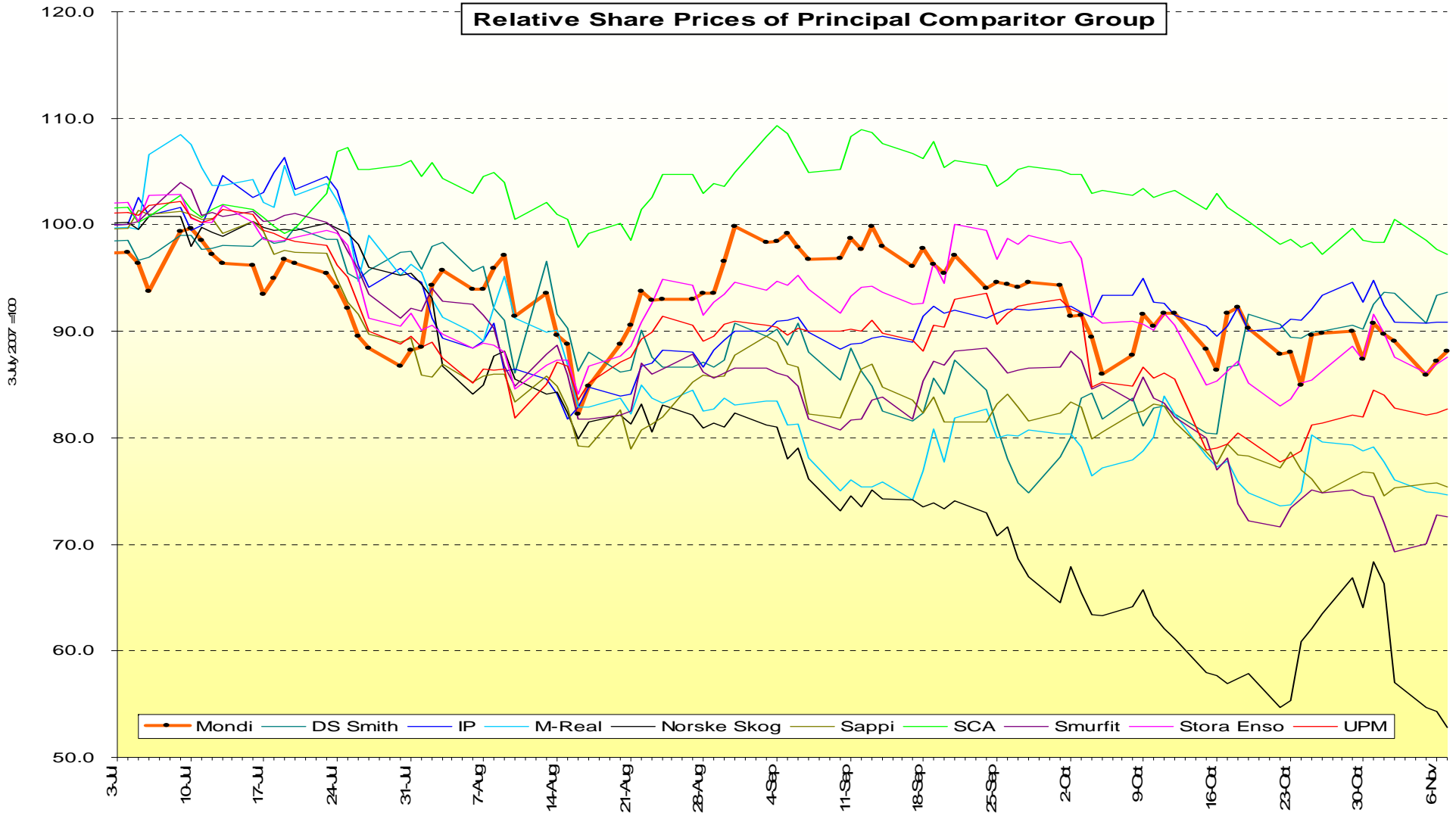
Mondi Business Paper

- Secured further price increases of circa 3-4%
- Taken production downtime of circa 75,000 tonnes
- PM31 headbox successfully modified

Summary

- Mondi is benefiting from favourable product mix, emerging market exposure and competitive cost position
- Despite booking €25m restructuring charge, expect earnings to be in line with management expectations

Share Price Performance





Q & A