



MONDI FINANCE PLC

(incorporated with limited liability in England and Wales)

€2,500,000,000

Guaranteed Euro Medium Term Note Programme

guaranteed by

MONDI PLC

(incorporated with limited liability in England and Wales)

This Supplement (the “**Supplement**”) to the Prospectus (the “**Prospectus**”) dated 24 June 2015 which comprises a base prospectus, constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the “**FSMA**”) and is prepared in connection with the €2,500,000,000 Guaranteed Euro Medium Term Note Programme (the “**Programme**”) established by Mondi Finance plc (the “**Issuer**”) and guaranteed by Mondi plc (the “**Guarantor**”). Terms defined in the Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus and any other supplements to the Prospectus issued by the Issuer.

The Issuer and the Guarantor accept responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer and the Guarantor (having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Mondi Limited accepts responsibility for the information contained in this Supplement with respect to itself and the Deed Poll Guarantee. To the best of the knowledge of Mondi Limited (having taken all reasonable care to ensure that such is the case) the information contained in this Supplement with respect to itself and the Deed Poll Guarantee is in accordance with the facts and does not omit anything likely to affect the import of such information.

The purpose of this Supplement is to:

- (i) incorporate by reference the audited consolidated financial statements of the Guarantor, Mondi Limited and their subsidiaries (together, the “**Group**” or “**Mondi**”) for the financial year ended 31 December 2015, together with the audit report thereon (the “**Group Financial Statements**”) as set out on pages 138 to 216 of the Mondi Group Integrated Report and Financial Statements 2015, published on 5 April 2016;
 - (ii) incorporate by reference the audited non-consolidated financial statements of the Issuer for the financial year ended 31 December 2015, together with the audit report thereon (the “**Issuer Financial Statements**”, and together with the Group Financial Statements, the “**2015 Financial**”
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Statements") as set out in the Mondi Finance plc Report and Financial Statements 31 December 2015, published on 5 April 2016;

- (iii) update the section entitled "*Description of the Group – 7. Recent Developments*";
- (iv) update the significant change statement of the Issuer, the Guarantor and Mondi Limited; and
- (v) update the no material adverse change statement of the Issuer, the Guarantor and Mondi Limited, each as described in further detail below.

Documents Incorporated by Reference

On 5 April 2016, the Group published the Mondi Group Integrated Report and Financial Statements 2015, which included the Group Financial Statements as set out on pages 138 to 216 thereof and the Issuer published the Mondi Finance plc Report and Financial Statements 31 December 2015, which included the Issuer Financial Statements. A copy of each of the 2015 Financial Statements have been filed with the Financial Conduct Authority and, by virtue of this Supplement, each of the 2015 Financial Statements is incorporated in, and forms part of, the Prospectus. A copy of each of the 2015 Financial Statements can be obtained from the website of the Issuer at <http://www.mondigroup.com/desktopdefault.aspx/tabid-416/> and the page references to the Group Financial Statements specified above correspond to the pages of the Mondi Group Integrated Report and Financial Statements 2015 as published on the Issuer's website. The Issuer's website and its content are not incorporated into, and do not form part of, this Supplement or the Prospectus.

Description of the Group – 7. Recent Developments

The text set out under the section headed "*Description of the Group – 7. Recent Developments*" on pages 82 to 83 of the Prospectus shall be deleted and replaced with the following:

"The Group's revenue for the year ended 31 December 2015 was €6,819 million, 7 per cent. above the prior year ended 31 December 2014. Excluding the effects of acquisitions and disposals, revenue was up 3.9 per cent., driven by generally higher domestic selling prices in the upstream paper businesses and volume gains in containerboard, corrugated packaging and the Consumer Packaging Business. Currency movements also had a net positive effect on revenue.

In 2015, average European benchmark selling prices for unbleached kraftliner were up 4.4 per cent. on 2014 levels, with a series of price increases implemented during the year before some moderate price erosion towards the end of the year. White-top kraftliner prices were relatively stable during the year, with the average benchmark price marginally up compared to 2014.

In 2015, average benchmark recycled containerboard prices were up 0.9 per cent. on 2014 levels. Price increases were implemented in the second half of 2015 and closing prices were 3.4 per cent. higher than the average price for the year.

Selling prices for sack kraft paper in Europe declined at the beginning of 2015, giving up much of the gains achieved in the second half of 2014. Thereafter prices remained stable for most of 2015, and average prices were broadly in line with those of the prior year.

In 2015, benchmark average selling prices for uncoated fine paper in Europe were down 0.7 per cent. on average over the prior year, but 1.9 per cent. up comparing the second half of 2015 to the first half of 2015.

Operating profit before special items for the year ended 31 December 2015 was €957 million, up 25 per cent. on the prior year ended 31 December 2014. The Packaging Paper Business delivered another very strong performance, supported by higher selling prices and volume growth in containerboard, the benefits of completed capital investments and positive currency effects. The Fibre Packaging Business

benefited from higher gross margins, currency benefits and the contribution from recently completed investments. The Group made steady progress in repositioning the Consumer Packaging Business, with good volume growth in higher value-added segments leading to margin expansion. The UFP Business benefited from domestic selling price increases and contributions from capital investments, which more than offset the negative currency effects from the weaker Russian rouble. The South Africa Division delivered strong results through higher selling prices, good cost control and currency benefits.

During the second half of 2015, the Group completed the acquisitions of Ascania nonwoven Germany GmbH and KSP, Co. (South Korea and Thailand), broadening its product portfolio and expanding its geographic reach in the Consumer Packaging Business. The Group decided to close the speciality kraft mill at Lohja, Finland, two consumer packaging plants in Italy and Spain, and three industrial bags plants in the United States and Germany. Three consumer packaging plants, two in Malaysia and one in Germany and a recycled containerboard mill at Raubling, Germany were sold during 2015.

During the year ended 31 December 2015, input costs were generally lower across most operations compared to the prior year. Central European wood costs were lower than the prior year given reduced industry consumption and stable supply. In Russia, higher domestic wood costs were more than offset by the weaker Russian rouble. Benchmark paper for recycling costs were around 7 per cent. higher on average than the prior year, with prices increasing in the second half of the year. Energy costs were significantly lower than the prior year due to lower average crude oil, gas and coal prices, together with the benefits of energy related investments completed in 2014. Polyethylene prices were highly volatile in 2015, but were, on average, at similar levels to the prior year.

Volatility in foreign exchange rates had a significant impact on the performance of the different businesses, although the net impact on the Group was minimal. The 34 per cent. weakening of the Russian rouble against the euro during 2015 had a net negative impact on translation of the profits of the domestically focused Russian uncoated fine paper business, although this was more than offset by domestic selling price increases and the transactional benefits from the export orientated Russian packaging paper operations. The stronger U.S. dollar had a net positive impact on U.S. dollar denominated sales, particularly in the Fibre Packaging Business, the Consumer Packaging Business and the South Africa Division.

The Group's capital investments completed during 2014 and 2015 contributed incremental operating profit of approximately €50 million in 2015.

In 2015, the Group made good progress on a number of major capital investment projects, including:

- the €166 million recovery and biofuel boiler project in Świecie, Poland, which started up as planned in the second half of 2015;
- the €94 million second phase of the Świecie project which is expected to provide an additional 100,000 tonnes per annum of softwood pulp and 80,000 tonnes per annum of lightweight kraftliner and remains on track for completion in early 2017;
- the ramp-up of the rebuilt paper and inline coating machine at Štětí in the Czech Republic was slower than anticipated, but is now progressing in line with the revised plan;
- in the South Africa Division, two major projects are progressing according to plan and are expected to be completed in the latter part of 2016. They involve upgrading the woodyard at Richards Bay and providing the mill with the capacity to produce unbleached kraftliner in addition to the current white-top kraftliner;
- in the corrugated packaging business, the Group invested in a number of new converting machines across its operations, improving customer offering, especially in the higher-value

product segments in the growing markets where the Group operates. These investments are delivering strong returns and the Group has approved further similar investments; and

- a number of smaller projects were completed or are in progress, primarily focused on the operations of the Packaging Paper Business, the Fibre Packaging Business and the Consumer Packaging Business.

In addition to those projects already in development for start-up over the coming two years, in February 2016, the Group approved an investment of €310 million in a new 300,000 tonnes per annum kraft top white machine at the Ružomberok mill in Slovakia and related pulp mill upgrades, subject to obtaining approval for various tax incentives from the European Commission and necessary permitting. The project offers low-cost production in a fast growing containerboard grade. Based on the current timetable, significant capital expenditure on the project is only expected to start in 2017, with the new containerboard machine expected to start production in 2019.

Additional projects under consideration for implementation in the medium term include:

- the replacement of the recovery boiler at the Štětí mill in the Czech Republic as part of a debottlenecking and optimisation project; and
- the installation of a 90,000 tonne per annum kraft paper machine at one of the Group's central European operations with integrated pulp capacity, producing machine glazed paper to replace capacity reductions as a result of the closure of the Lohja mill and conversions to other grades at the Štětí mill.

The Group anticipates being in a position to make a final investment decision on these projects during the course of 2016.

On 22 May 2015, the Group announced it had agreed to acquire two of Walki Oy's ("**Walki**") extrusion coatings plants located in Finland and Poland, subject to regulatory approval. The Group and Walki entered into discussions with the European Commission about ways to alleviate concerns related to the impact on the competitive environment. However, no workable solution suitable for all parties was found. As a result, on 15 December 2015, the Group and Walki announced that they had decided to withdraw the application to the European Commission and terminate the acquisition agreement.

In February 2016, the Group agreed to acquire SIMET S.A., a corrugated plant in Poznan, Poland, and upgrade the plant to a high-efficiency box plant, improving the Group's customer offering and supporting the strong growth in this region.

On 25 February 2016, Mondi announced that it had signed an agreement to sell its wholly owned uncoated fine paper operations in Austria, Hausmending and Kematen (together, "**Neusiedler**") to one of its subsidiaries, Mondi SCP, a.s. ("**SCP**"), which owns and operates the uncoated fine paper mill in Ružomberok, Slovakia. Mondi has a 51 per cent. interest in SCP, while the remaining 49 per cent. is held by ECO-INVEST, a.s., ("**Ecoinvest**"). The disposal reduces Mondi's effective ownership in Neusiedler from 100 per cent. to 51 per cent., with Ecoinvest owning the remaining 49 per cent. The transaction will enable Neusiedler and SCP to better align and optimise their product portfolio and production capacity."

On 30 March 2016, the Federal Antimonopoly Service of the Russian Federation ("**FAS**") announced in a press release that it had initiated an investigation into Mondi Syktyvkar for violation of the antimonopoly law in respect of the pricing of offset paper. Mondi is committed to complying with all applicable antimonopoly laws and believes it has not violated any such laws.

Significant Change and No Material Adverse Change

There has been no significant change in the financial or trading position of the Issuer or Mondi Limited or its subsidiaries since 31 December 2015 and no material adverse change in the prospects of the Issuer, the Guarantor or Mondi Limited since 31 December 2015.

There has been no significant change in the financial or trading position of the Guarantor or its subsidiaries since 31 December 2015.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.

If documents which are incorporated by reference to this Supplement themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement for the purposes of the Prospectus Directive (**Directive 2003/71/EC**), as amended, except where such information or other documents are stated within this Supplement as specifically being incorporated by reference or where this Supplement is specifically defined as including such information.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in the Prospectus or this Supplement.