



Mondi Group
Full year results for the year ended 31 December 2015

25 February 2016

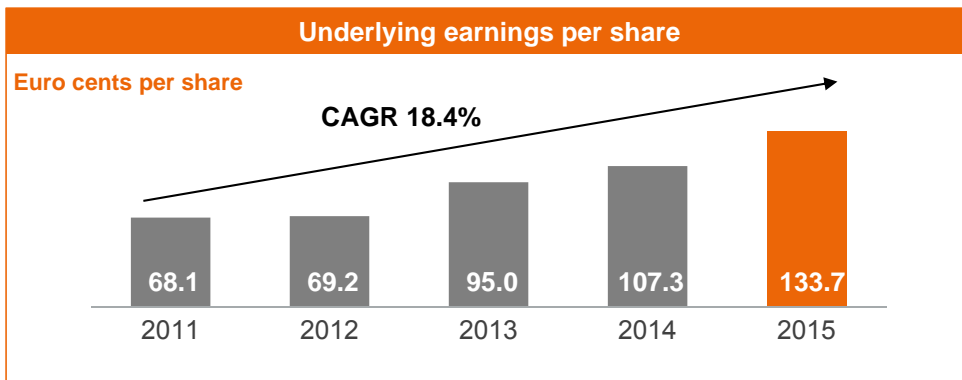
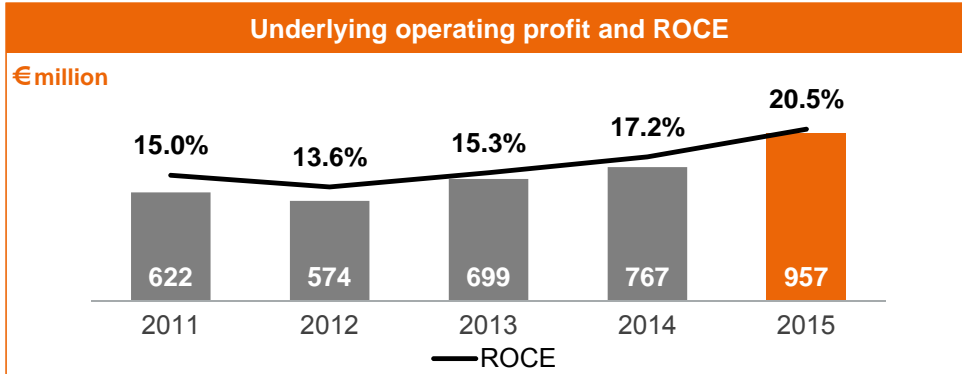
Agenda

Highlights

- Financial overview
- Operational overview
- Delivering on our strategy
- Outlook
- Appendices



Highlights



- Excellent results achieved
 - Underlying operating profit up 25%
 - Underlying earnings up 25%
 - ROCE of 20.5%
- Significant profit improvement across all business units
- Capital projects delivering growth
 - €50 million incremental contribution to underlying operating profit in 2015 from completed investments
 - Strong capital investment pipeline
- €94 million in acquisitions to enhance product offering in Consumer Packaging
- Recommended full year dividend of 52 euro cents per share, up 24% on prior year

Strong results on all key metrics

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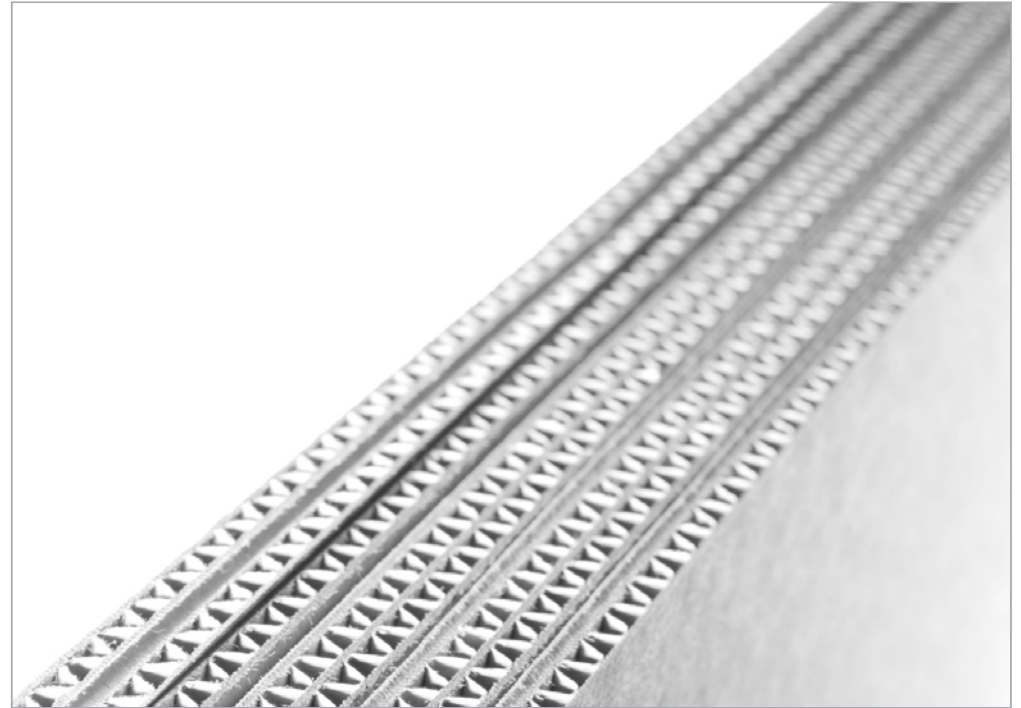
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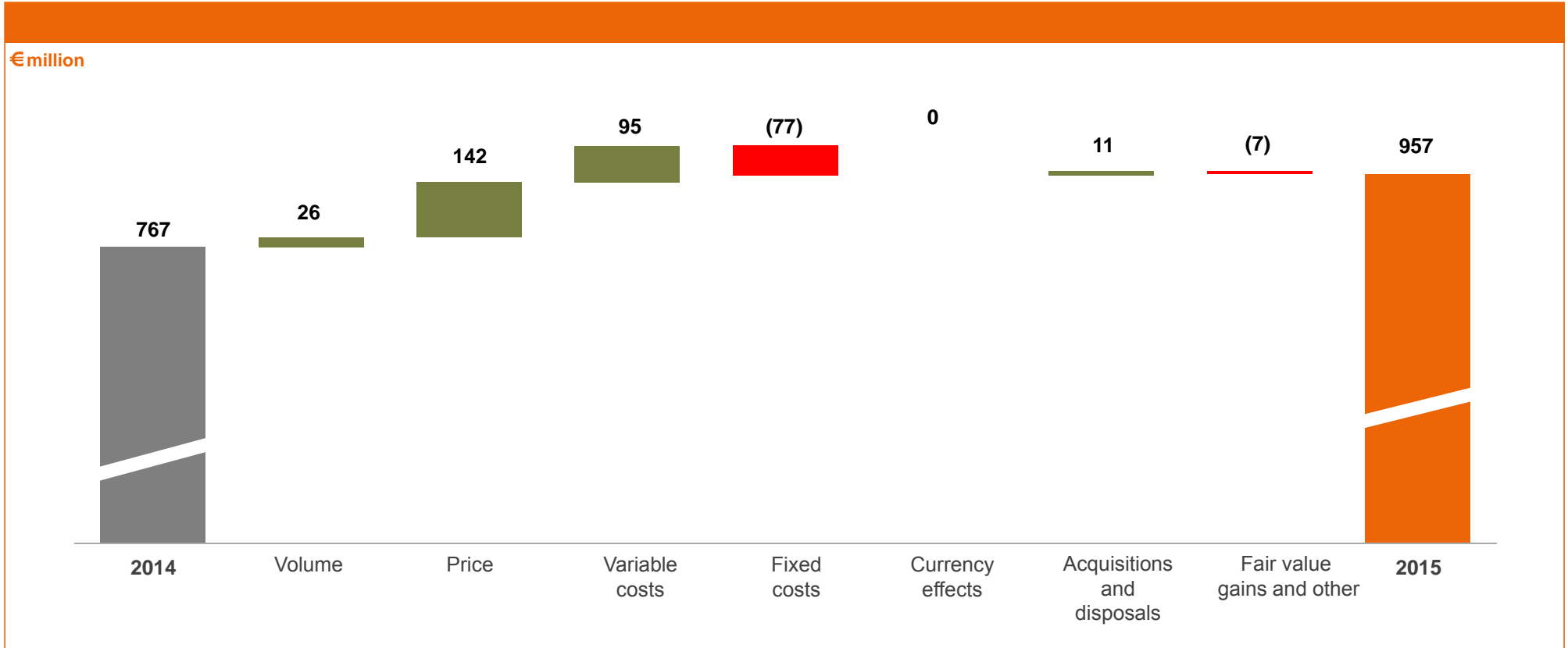
Operating financial highlights



€million	2014	2015	% change	H2 2014	H1 2015	H2 2015
Group Revenue	6,402	6,819	7%	3,254	3,459	3,360
Underlying EBITDA	1,126	1,325	18%	573	671	654
% Margin	17.6%	19.4%		17.6%	19.4%	19.5%
Underlying operating profit	767	957	25%	390	490	467
% Margin	12.0%	14.0%		12.0%	14.2%	13.9%
Group ROCE	17.2%	20.5%		17.2%	19.0%	20.5%

25% increase in operating profit and ROCE of 20.5%

Underlying operating profit development



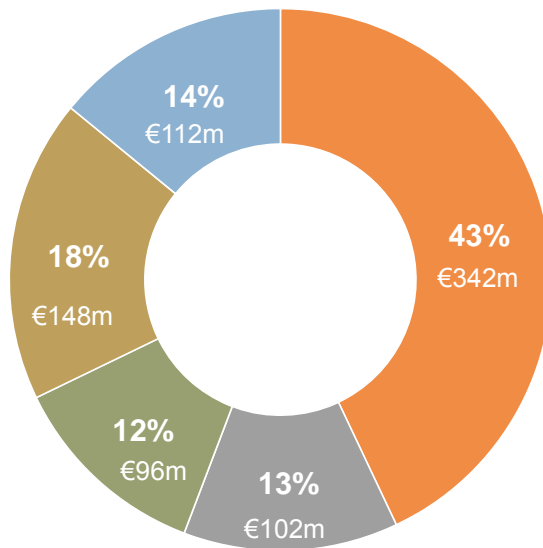
Price, volume and input costs driving profitability

Divisional operating profit contribution

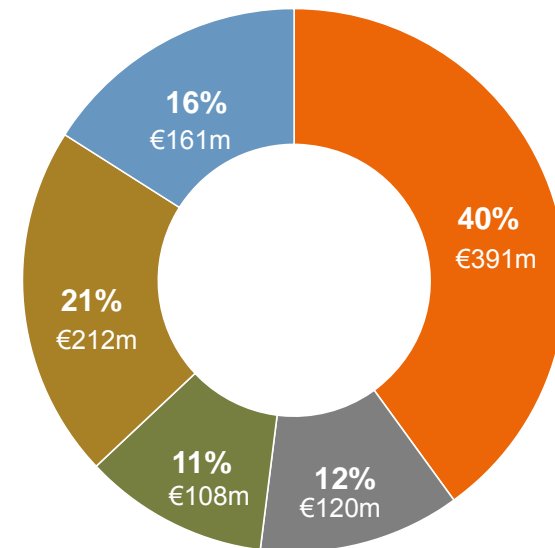


EBIT contribution by segment¹

2014



2015

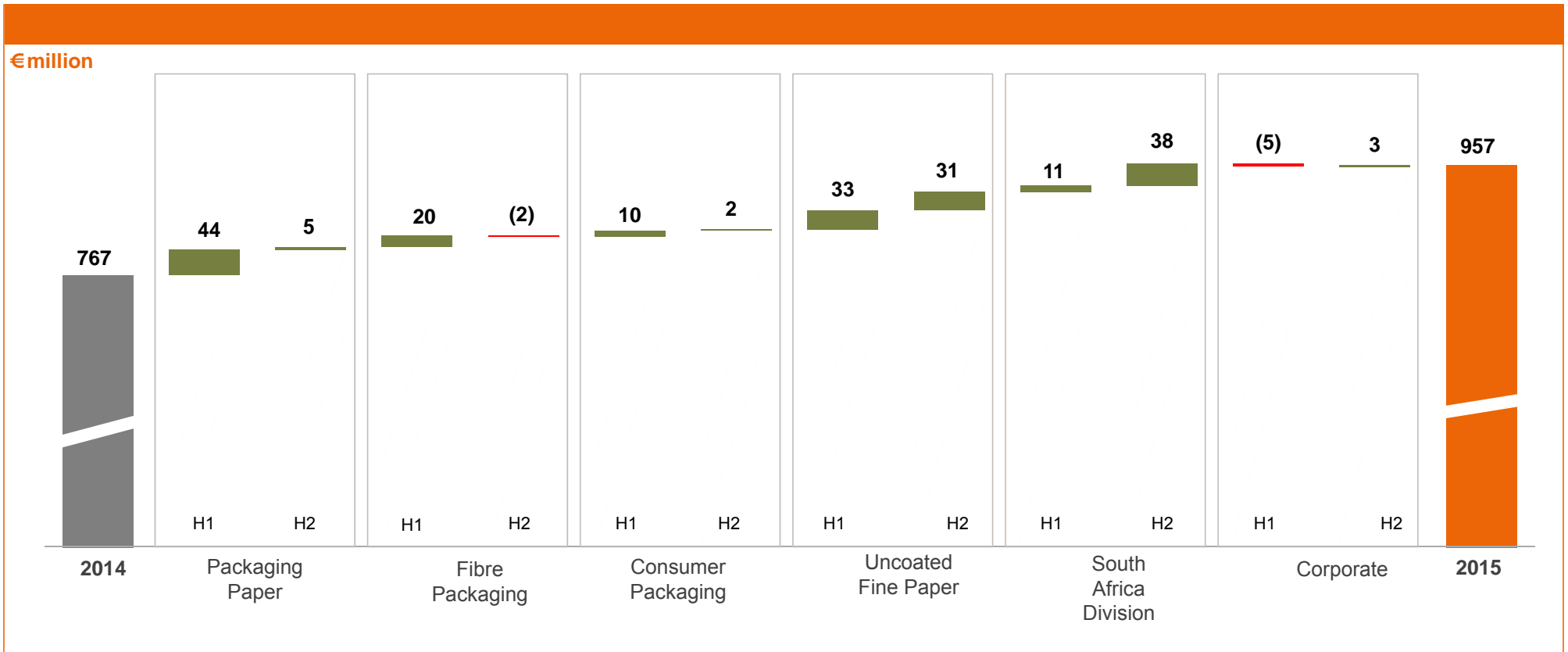


■ Packaging Paper ■ Fibre Packaging ■ Consumer Packaging ■ Uncoated Fine Paper ■ South Africa Division

Packaging Paper remains the largest contributor

¹ Excludes Corporate costs of €35 million (2014: €33 million)

Divisional operating profit development



Strong contributions from all business units

Financial review



€million	2014	2015	% change	H2 2014	H1 2015	H2 2015
Underlying operating profit	767	957	25%	390	490	467
Net underlying finance costs	(97)	(105)	(8%)	(47)	(59)	(46)
Net profit from associates	1	1	-	-	-	1
Underlying profit before tax	671	853	27%	343	431	422
Tax before special items	(126)	(161)	(28%)	(64)	(82)	(79)
Total non-controlling interests	(26)	(45)	(73%)	(11)	(21)	(24)
Underlying earnings	519	647	25%	268	328	319
Special items (after tax and non-controlling interests)	(48)	(47)	2%	(32)	(36)	(11)
Reported profit after tax and non-controlling interests	471	600	27%	236	292	308
Basic earnings per share (euro cents)	97.4	124.0	27%	48.8	60.3	63.7
Underlying earnings per share (euro cents)	107.3	133.7	25%	55.4	67.8	65.9

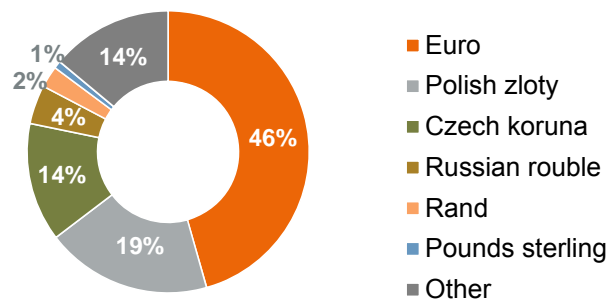
Underlying earnings per share up 25%

Finance costs and net debt

€ million	2014	2015	% change
Net debt	1,613	1,498	7%
Average net debt	1,675	1,650	2%
Net underlying finance costs	97	105	(8%)
Effective interest rate (before capitalised interest)	5.4%	6.3%	
Committed facilities	2,134	2,002	(6%)
Of which undrawn	456	598	
Net debt/12-month trailing EBITDA (times)	1.4	1.1	

- Sharply higher Russian interest rates in H1 and one-off effects increase effective interest rate
- Net debt down despite increasing capex spend
- Strong balance sheet provides strategic flexibility
- Public credit ratings
 - Moody's Investor Services at Baa2 (stable outlook)
 - Standard & Poor's at BBB (stable outlook) – upgraded in May 2015

Currency split of net debt €1,498 million



A robust financial position

Taxation

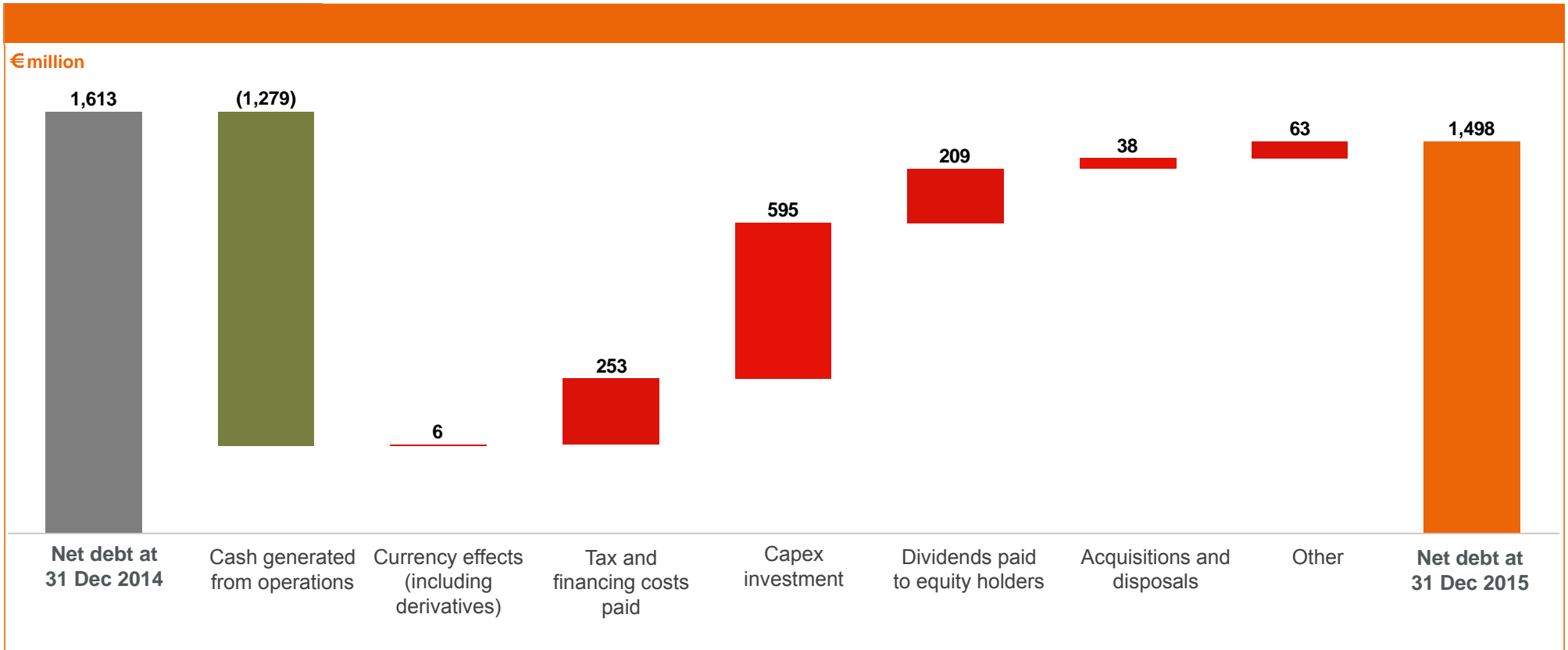


€million	2014	2015	% change
Tax charge	126	161	(28%)
Cash tax paid	106	160	(51%)
Effective tax rate	19%	19%	

- Effective tax rate reflects underlying profit mix of Group plus
 - Benefits of tax incentives related to our capital investments in Slovakia, Poland and Russia
 - Recognition of deferred tax assets on tax losses
- Expect tax rate to move towards 22% over next three years
 - Based on current geographic profit mix, prevailing tax rates and
 - In the absence of further investment related tax incentives

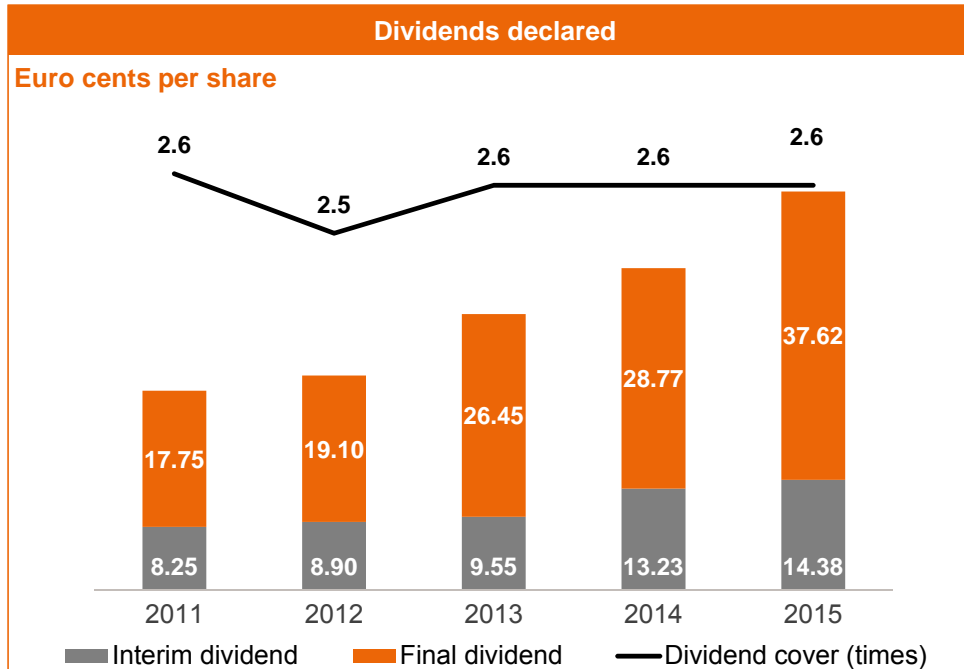
Stable tax rate

Cash flow effects - movement in net debt



Significant cash generation

Dividends



- Mondi's dividend policy aims to offer shareholders long term dividend growth within a target dividend cover range of two to three times underlying earnings on average over the cycle
- Given the Group's strong financial position and the Boards' stated objective to increase distributions to shareholders through the ordinary dividend, the Boards have recommended an increase in the final dividend to 37.62 euro cents per share
- Full year dividend of 52 euro cents per share, up 24% on prior year

Compound annual growth rate in dividend over past 5 years of 19%

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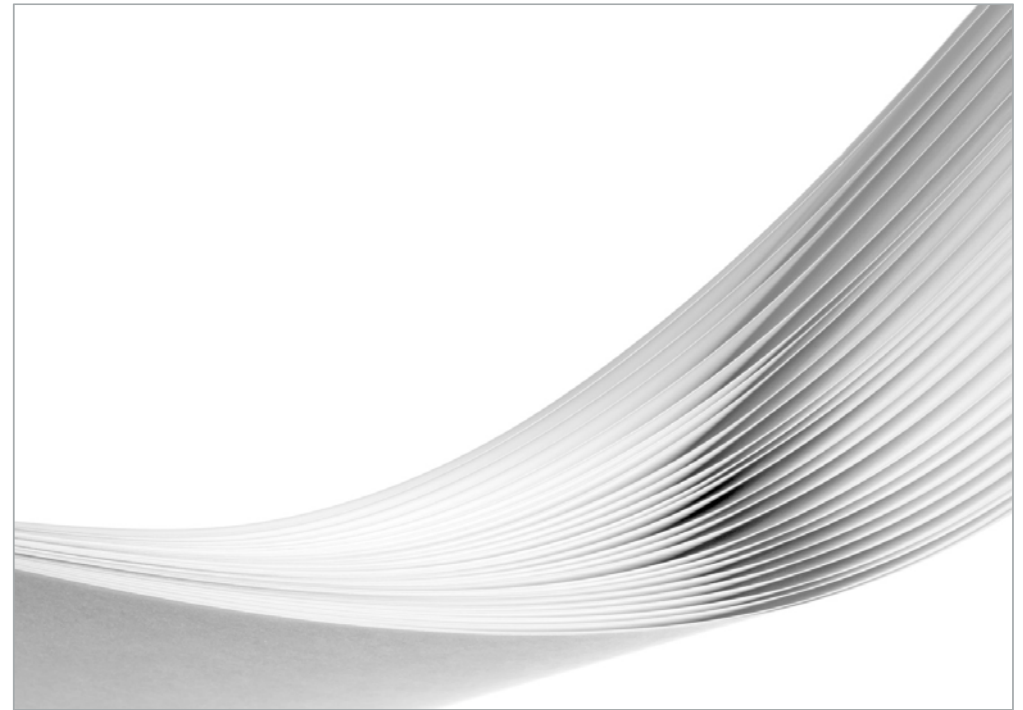
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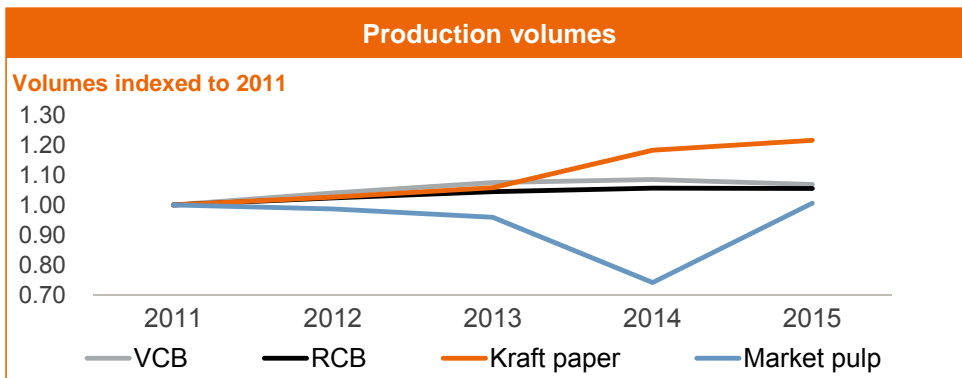
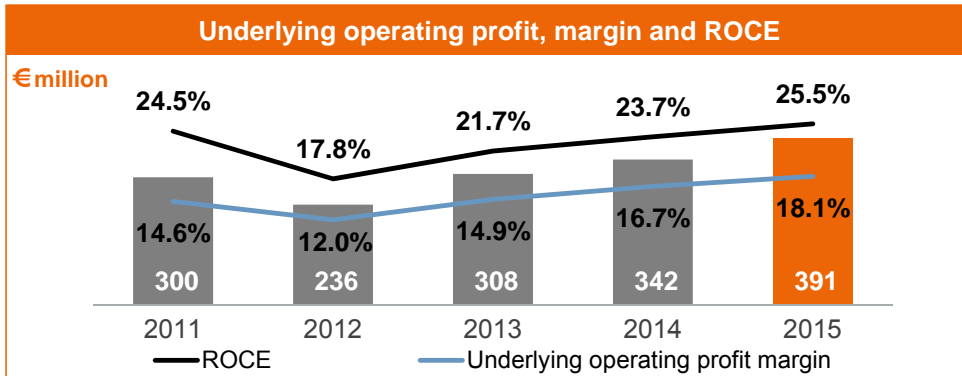
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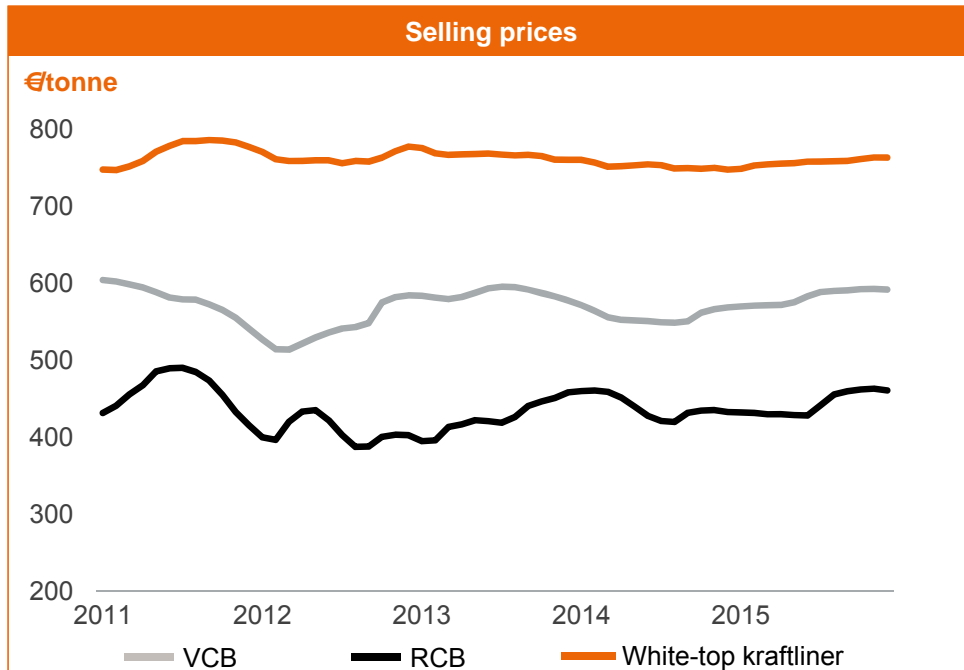


Packaging Paper



- Another strong performance, ROCE of 25.5% and underlying profit up 14% on prior year
- Supported by
 - Higher selling prices in Containerboard
 - Benefits of completed capital investments
 - Higher sales volumes of kraft paper and pulp
 - Lower energy costs
 - Positive currency effects
 - Strong cost control through cost savings initiatives and lower average wood, chemicals and energy costs

Packaging Paper | industry fundamentals



Virgin containerboard (VCB)

- European demand growth of 4.7% in 2015
- Average 2015 European benchmark selling prices
 - Kraftliner brown up 4.4%
 - White-top kraftliner marginally up
- Recent downward pressure on prices due to European capacity increases and competition from emerging markets enjoying weaker currencies
 - Average decline in unbleached kraftliner prices of around €20-€25/tonne in early 2016
 - White-top kraftliner down €10-€15/tonne

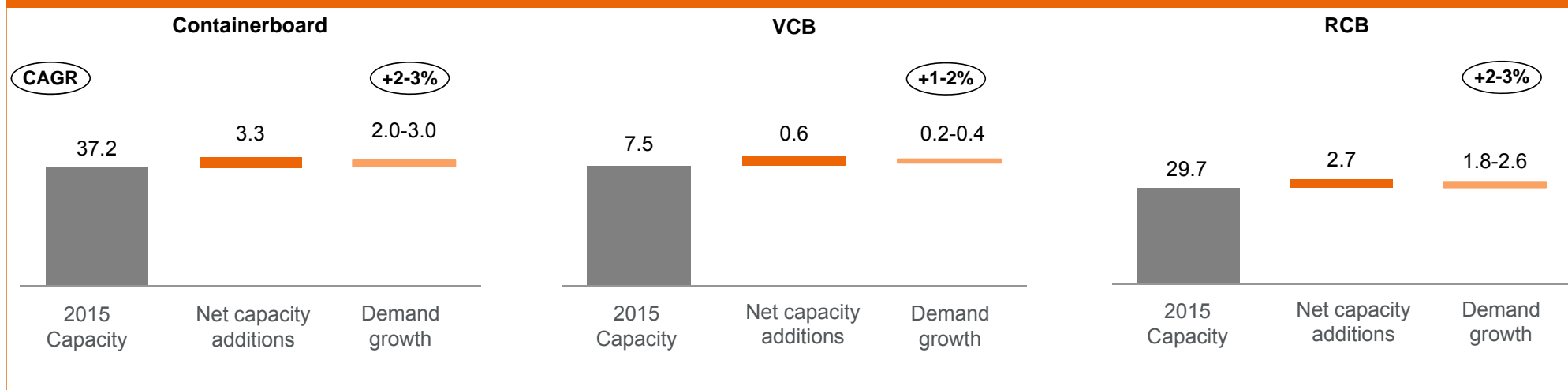
Recycled containerboard (RCB)

- European demand growth of 3.9% in 2015
- Average 2015 European benchmark selling prices up 0.9%
- Net capacity additions of ±800 ktpa in 2016, expected to be matched by demand growth

Incremental containerboard supply expected to be absorbed by demand in the medium term



2016E-2018E demand and capacity growth estimates in Europe (in mt)



- Overall containerboard capacity expected to grow in line with demand
- In VCB grades, announced capacity increase likely to be compensated by grade substitution and/or reduction in net imports
 - Net imports of 0.6 million tonnes estimated in 2015
 - US kraftliner can be sold domestically at €100-€140/t higher than in Southern Europe

Packaging Paper | industry fundamentals



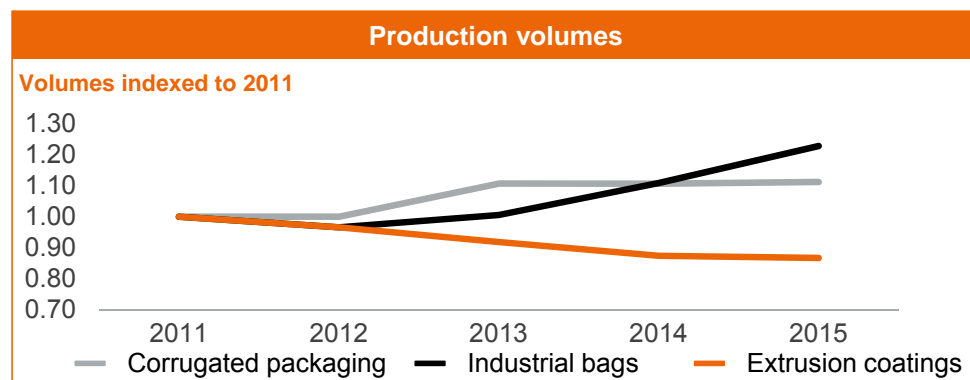
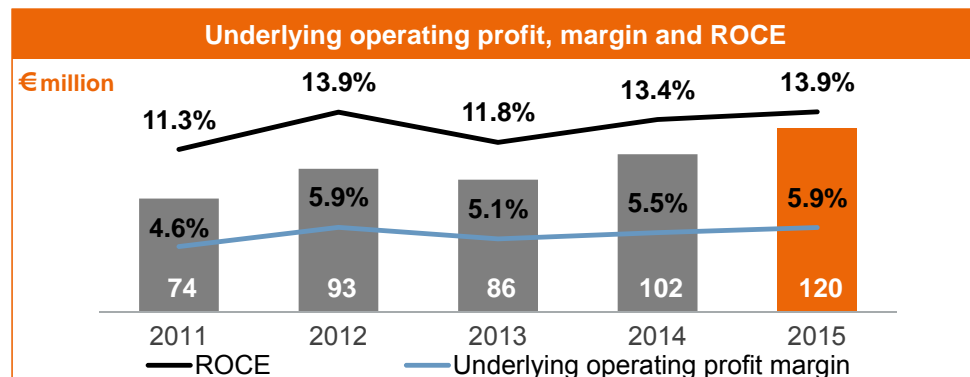
Sack kraft paper

- European demand moderately weaker
- Softness in export markets
 - Slowdown in construction activity in south east Asia
 - Political instability in Middle East and North Africa
- Average selling prices down 5-6% in early 2016

Speciality kraft paper

- Good demand growth
- Higher average selling prices in 2015
- Selling prices remain stable in early 2016

Fibre Packaging



Corrugated Packaging

- 3.3% higher like-for-like sales volumes, good growth in Poland and Czech Republic
- Good cost control and benefits of restructuring in 2014
- Turkey impacted by weaker Turkish lira, political instability and domestic inflation
- Capital investments contributed to improved performance

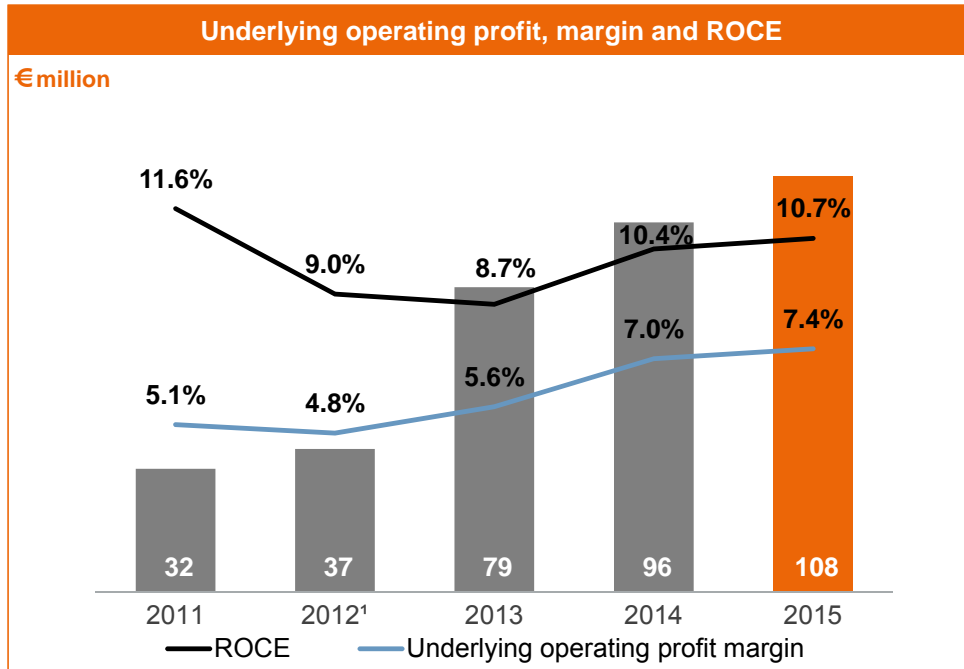
Industrial Bags

- Sales volumes up 11%
 - US acquisition
 - Market share growth in MENA and Europe
- Higher average selling prices
- Benefits from stronger USD, product innovation, commercial excellence projects and productivity improvements

Extrusion Coatings

- Gains from improved product portfolio

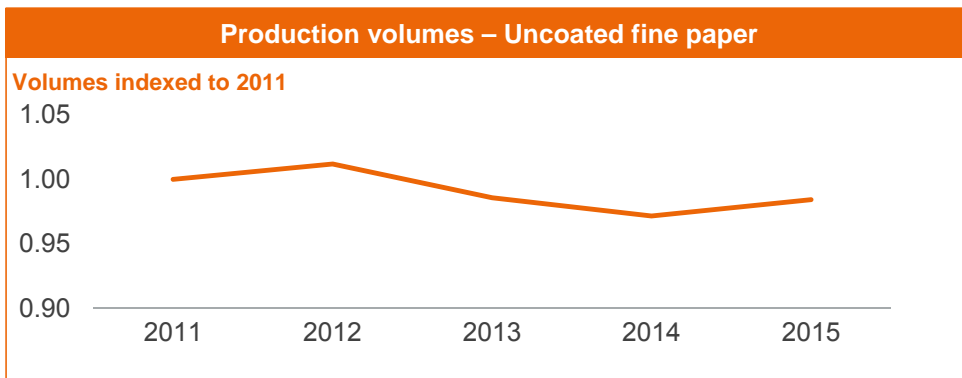
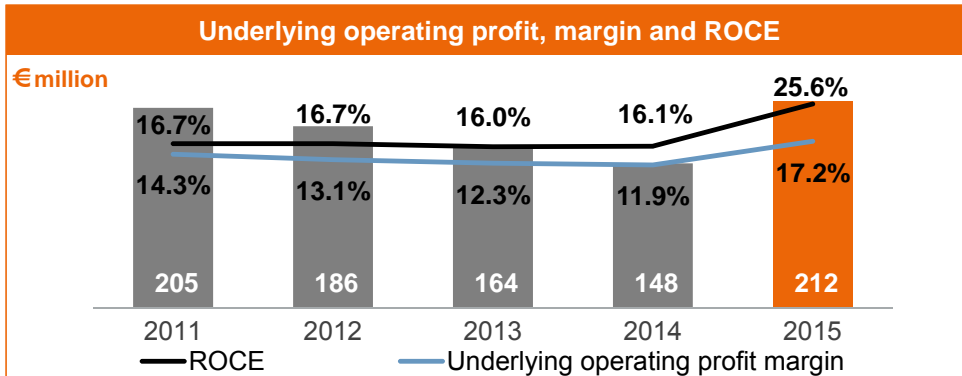
Consumer Packaging



- Underlying operating profit up 13% on prior year
- Margins supported by
 - Strong volume growth in higher value-added segments
 - Commercial excellence initiatives
 - Improved sales infrastructure
 - Material usage and efficiency
 - Improving productivity
 - Streamlining innovation process
- Good progress in repositioning business
 - Exposure to lower value-added products reduced
 - Closure of Spanish and Italian operations
 - Sale of Malaysian and German plants
 - Ramp-up of Chinese plant and 2014 Polish acquisition
 - Acquisitions of Ascania (Germany) and KSP (South Korea and Thailand)
 - Increase exposure to high-growth, high value-added segments

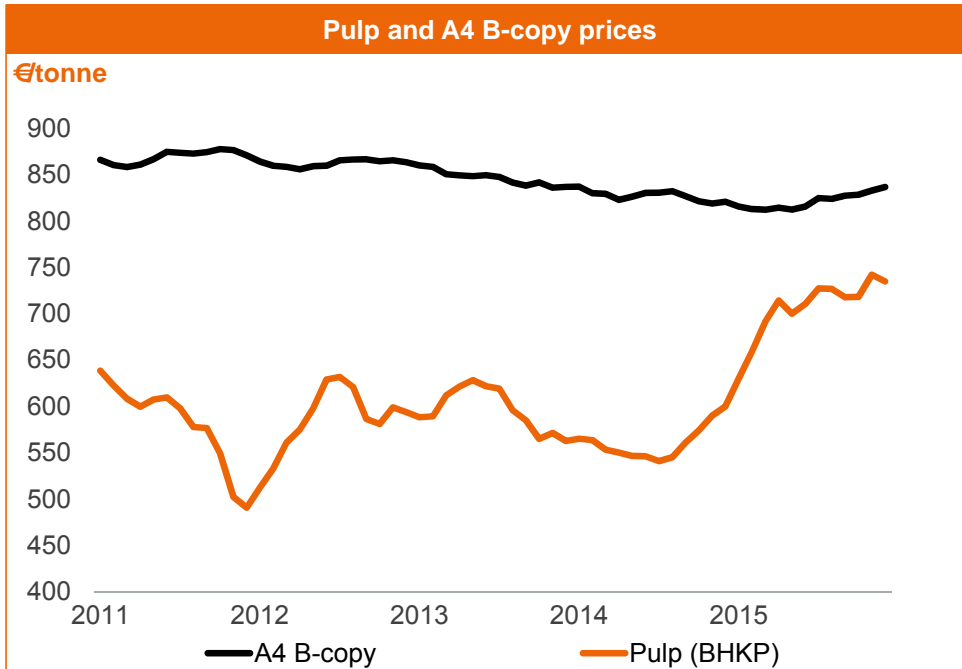
¹ Excludes €14 million one-off costs relating to Nordenia acquisition

Uncoated Fine Paper



- Strong performance with ROCE of 25.6% and 43% increase in underlying operating profit
- Selling price increases in Europe and Russia
- Sales volumes up 1.7%
- Good cost control through commercial excellence initiatives
 - Lower wood, energy and chemical costs
- Higher euro pulp costs (up 26%) impact Neusiedler operations
- Full realisation of benefits from new recovery boiler at the Ružomberok mill – providing energy efficiencies and increased pulp production

Uncoated Fine Paper | industry fundamentals



Demand

- Europe stable
- Decline in CIS of approximately 4%

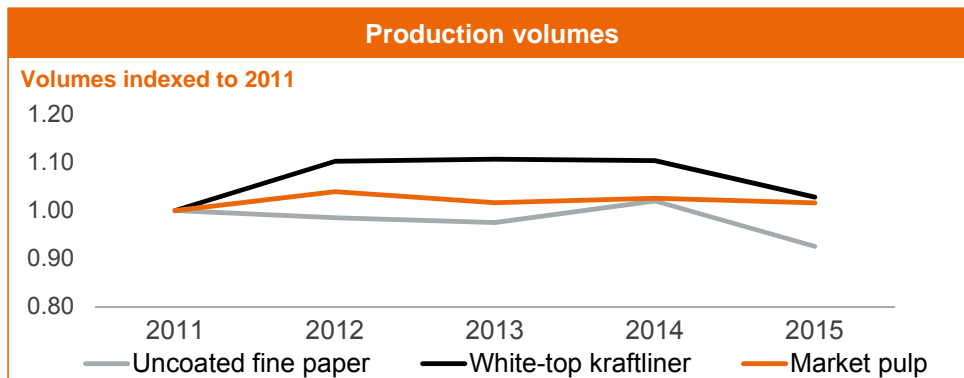
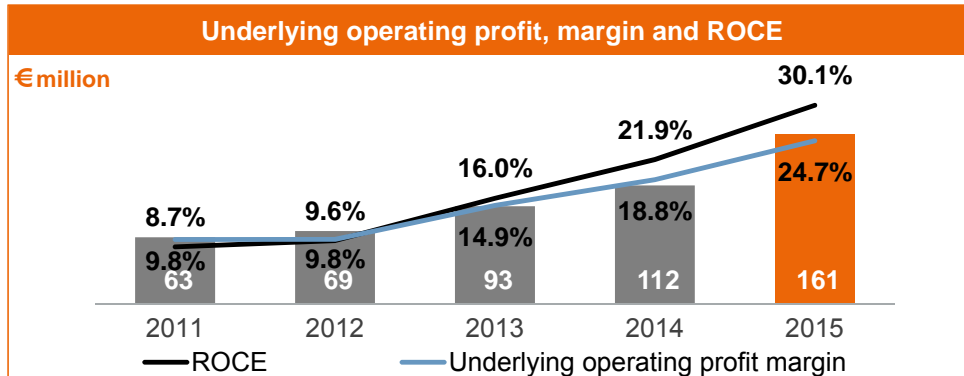
Supply

- Significant capacity rationalisation through closures and conversions - ±720 ktpa over 2015/2016

Prices

- Average benchmark pricing in Europe down 0.7% on prior year, but up 1.9% in second half
- Price increase in Europe of up to 4% implemented – effective February 2016
- Price increases in Russia announced for implementation during Q1 2016

South Africa Division



- Strong performance, underlying profit up 44% and ROCE of 30.1%
- Benefited from
 - Higher average selling prices in pulp and white-top kraftliner
 - Good cost control
 - Focus on improving productivity, driving efficiencies and reducing waste
 - Significant currency gains on export volumes
- Sales volumes marginally lower, impacted by extended Richards Bay shut
- Productivity improved by 90% over last three years

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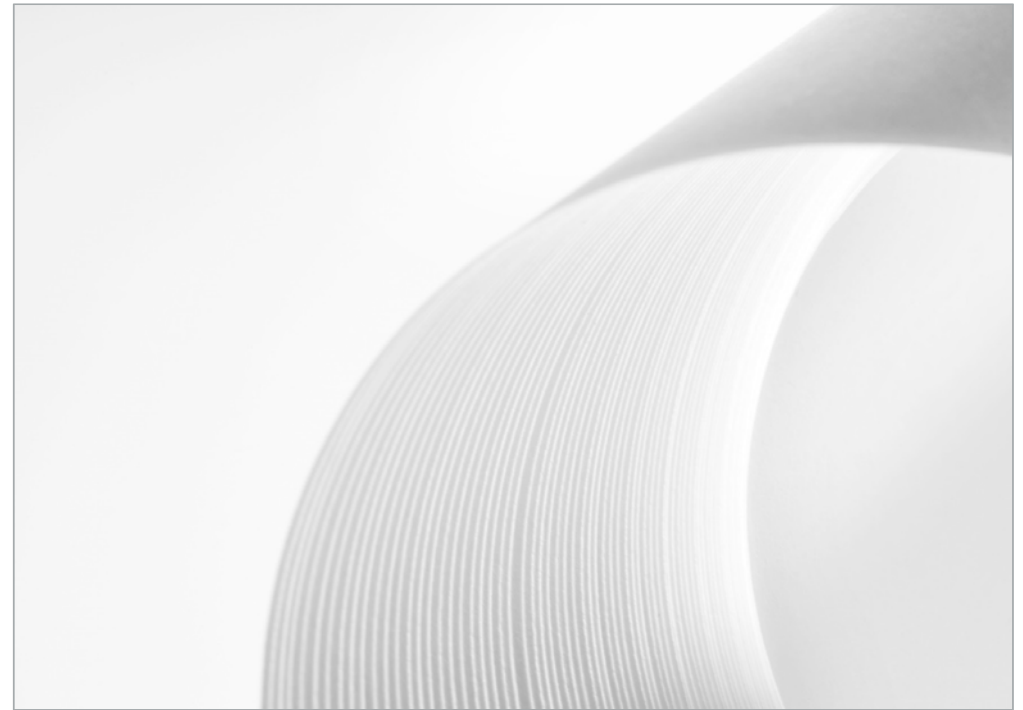
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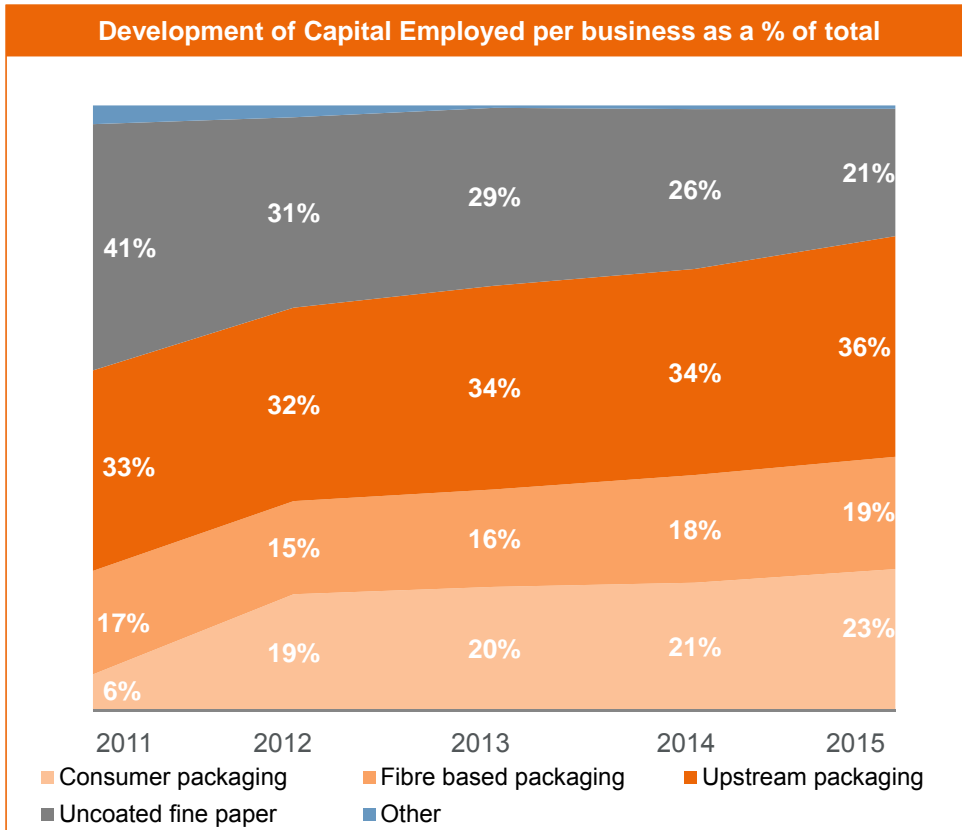
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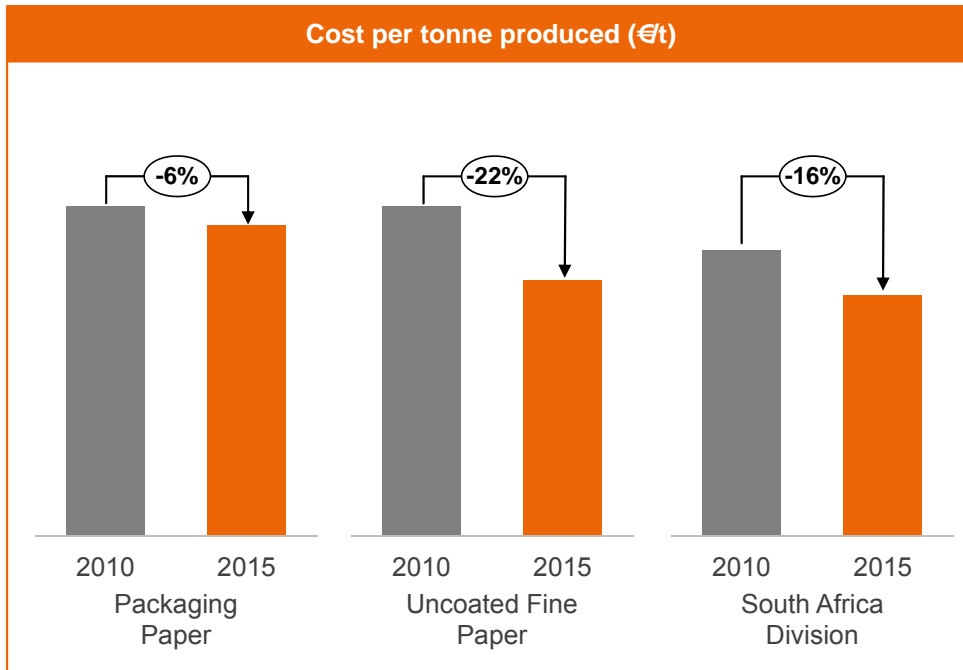


Consistent, clear strategic focus – growing our packaging business



- Capital expenditure in packaging business between 2011-2015 represents 75% of total Group expenditure over period
- €1.4 billion spent on packaging acquisitions over the last 5 years
 - Świecie minorities and power plant (Containerboard)
 - 2 Duropack plants (Corrugated)
 - Industrial bags and kraft paper business of Graphic Packaging in the US and industrial bags business Intercell (Kraft Paper and Industrial Bags)
 - Nordenia, Kutno, Ascania and KSP (Consumer packaging)
- Organic growth in our consumer exposed packaging businesses exceeds GDP growth

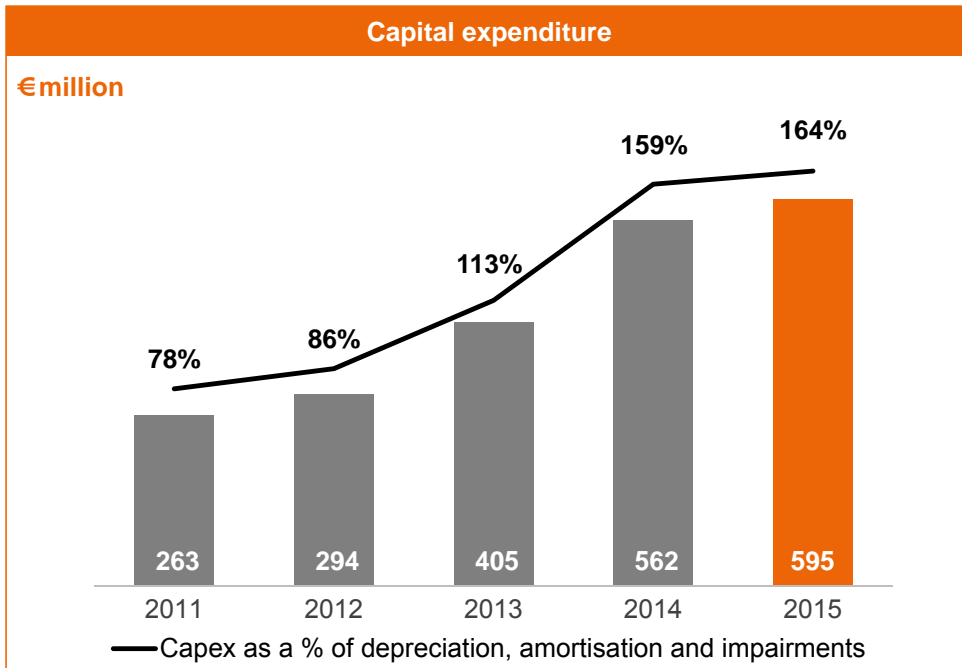
Continuing to strengthen our cost leadership position by investing in our low-cost, high-quality asset base



- Cost reductions driven by
 - Capital investment programme
 - In excess of €650 million invested over past 5 years in major projects delivering cost and volume benefits
 - Rationalisation of high-cost capacity – 4 mills closed or sold
 - Ongoing focus on operational efficiency
 - Exceeded target of 2% reduction in cash cost base per annum, offsetting inflationary pressures
 - Currency benefits due to emerging market currency weakness mainly in Uncoated Fine Paper and South Africa Division

Structural improvements in cost base driving profit growth

Growth options | Organic capital investments



- €770 million committed to major projects over 2013-2016
 - Completed major capital investments already contributing meaningfully
 - Delivered incremental operating profit of around €100 million over past two years
 - Incremental operating profit of around €60 million expected in 2016
- Approved new 300 ktpa kraft top white machine at Ružomberok mill in Slovakia: €310 million
 - Subject to tax incentives and permitting
- Strong pipeline of projects under consideration
 - Centred around our high-quality, low-cost packaging paper assets in central Europe
- Capital expenditure expected to be in the range of €400-€450 million per annum over next two years

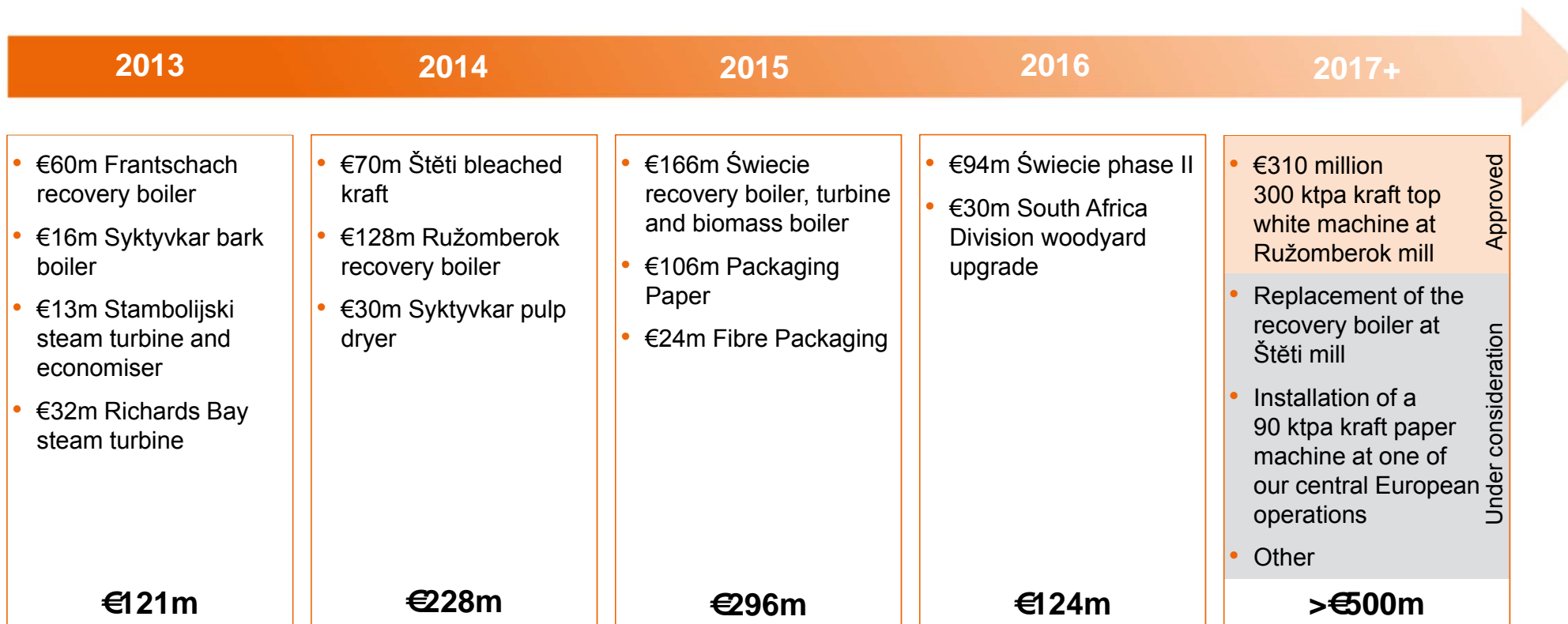
New €310 million, 300 ktpa kraft top white machine investment



Ružomberok mill, Slovakia

Project description	<ul style="list-style-type: none"> ● 300,000 tonne per annum kraft top white machine ● Debottlenecking pulp mill – increasing capacity by 100,000 tonnes per annum
Benefits	<ul style="list-style-type: none"> ● Unique product offering <ul style="list-style-type: none"> ○ targeted at fast growing white-top testliner and white-top kraftliner end uses ○ virgin top layer provides higher brightness, printability and stability while recycled layer provides a cost advantage for customer ○ based on Mondi's proven concept of unbleached kraft top liner grades ● Improves pulp production costs and the mill's energy balance further benefiting Ružomberok's overall cost position
ROCE %	In excess of Group's 13% hurdle rate for new investments within 3 years of start-up
Expected Start-up	Mid 2019
Conditions	<ul style="list-style-type: none"> ● Tax incentives ● Necessary permitting

Major project pipeline delivering strongly



€100 million incremental operating profit delivered from major projects in 2014/2015
€60 million incremental operating profit benefit expected in 2016

Further integrating sustainable development into our strategy



Progress against our 2015 commitments:
29 out of 35 commitments* achieved

Securing access to sustainable fibre

Highlight: 100% of owned and leased land is FSC®-certified

Contributing to our communities

Highlight: Community engagement plans at all key operations

Minimising our contribution to climate change

Highlight: 103% electrical self-sufficiency across our pulp and paper mills

Operating in a world of constrained resources

Highlight: 25% of managed land set aside for conservation

Focusing on safety & health and securing talent

Highlight: Industry-leading safety performance

Increasing the eco-efficiency of our products

Highlight: 22% reduction of waste to landfill

Looking ahead to 2020:
16 commitments across 10 action areas

Employee and contractor safety

A skilled and committed workforce

Fairness and diversity in the workplace

Sustainable fibre

Climate change

Constrained resources and environmental impacts

Biodiversity and ecosystems

Supplier conduct and responsible procurement

Relationships with communities

Solutions that create value for our customers

*excluding two climate-related commitments for the period 2004-2014

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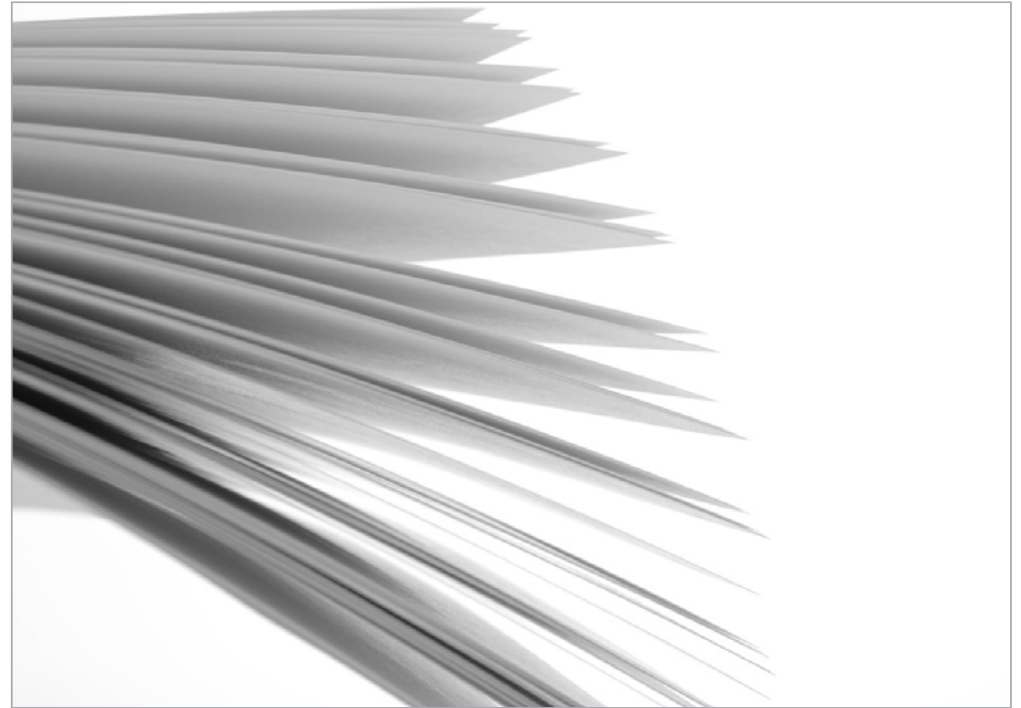
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Outlook



Our outlook for the business remains positive. While we are currently seeing some softness in certain of our packaging paper grades, we are also seeing firmer prices in the European uncoated fine paper markets following recent industry capacity rationalisation. In addition, lower energy and related input costs, the generally positive impact of weaker emerging market currencies and the incremental contribution from recently completed major capital projects are expected to benefit the Group's performance in the near term.

Underpinned by the Group's robust business model, centred around our high-quality, low-cost asset base, clear strategic focus and culture of continuous improvement, we remain confident of continuing to deliver an industry-leading performance.

Q&A

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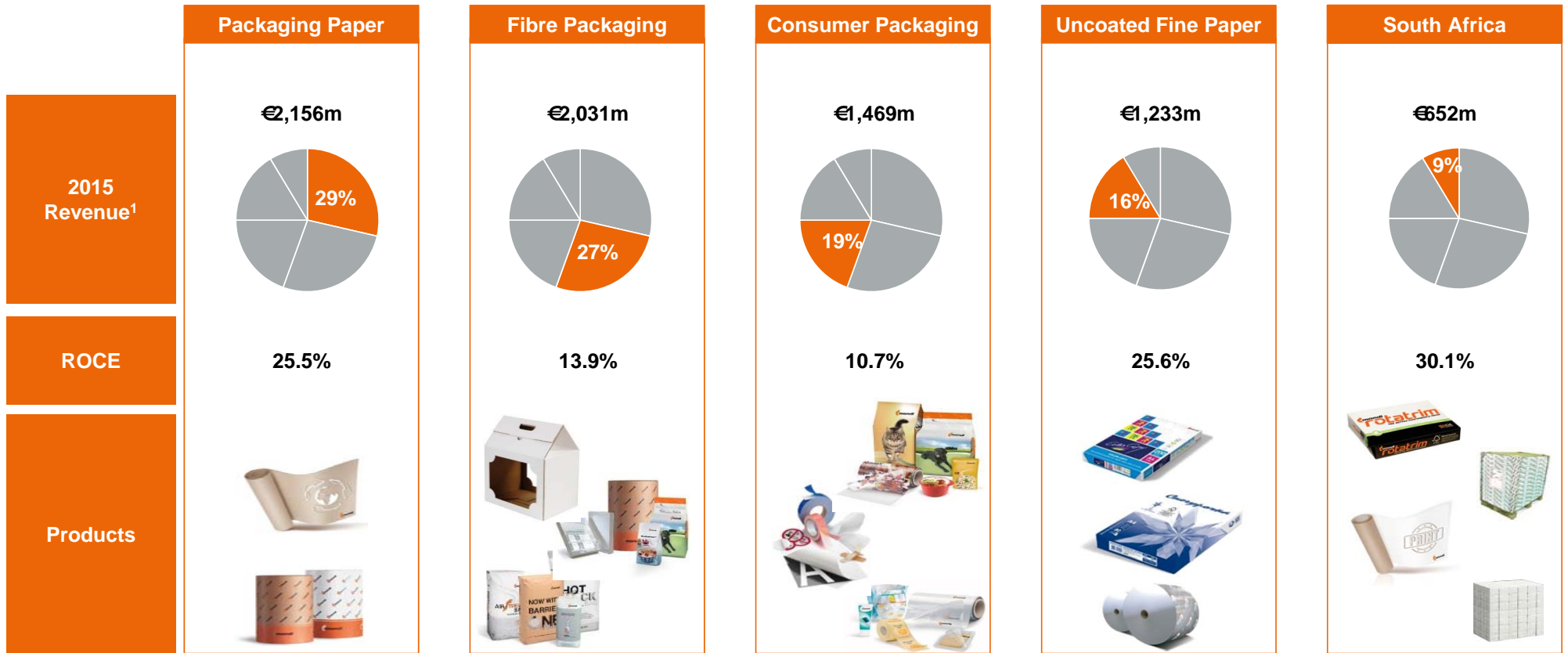
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Mondi at a glance

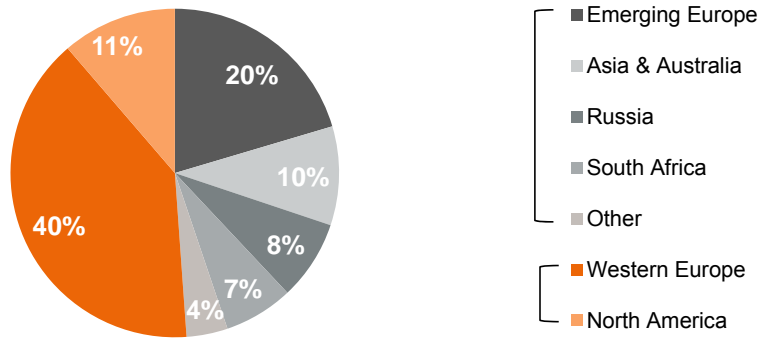


¹ Segment revenues, before elimination of inter-segment revenues

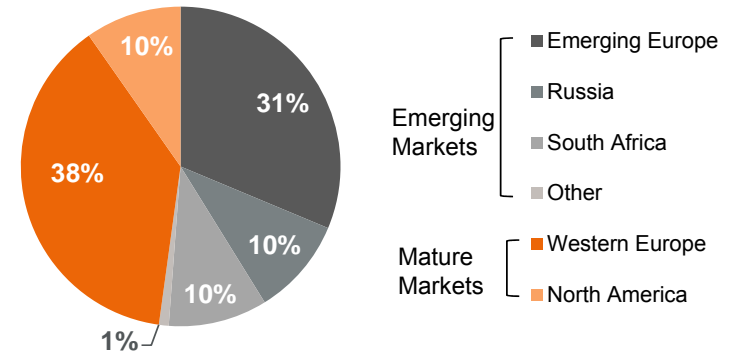
Strong global presence



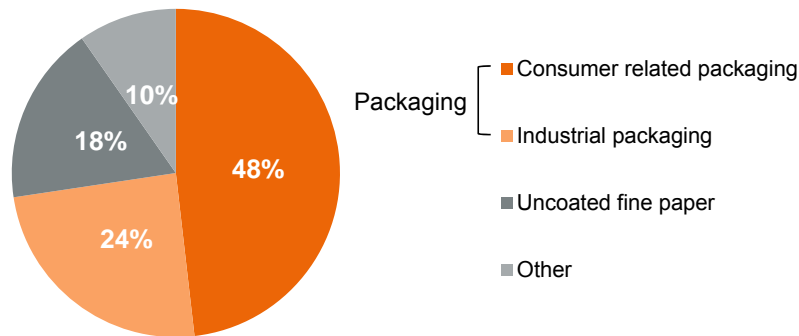
Sales by location of customer €6,819 million



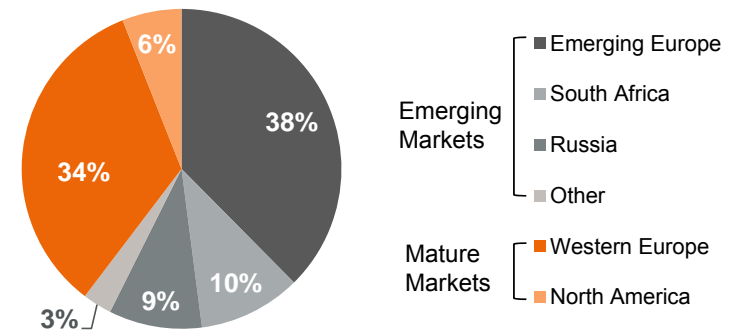
Sales by location of production €6,819 million



Product mix



Operating net segment assets by geography €5,219 million



Our strategic value drivers



Our clear strategic focus is on growth in packaging

We invest in our high-quality, low-cost assets

keeping us competitive and giving us sustainable cost advantages

We work with our customers to find innovative solutions

growing our product range and geographic reach

We are passionate about performance
driving productivity and efficiency / margin improvement



- Our passion for performance is important across all our businesses and we consistently focus on driving productivity, improving efficiencies and reducing costs
- Our value drivers of investing in our high-quality, low cost assets and working with our customers to find innovative solutions apply to all our operations, although the priorities differ across the value chain

Growing in line with our strategy



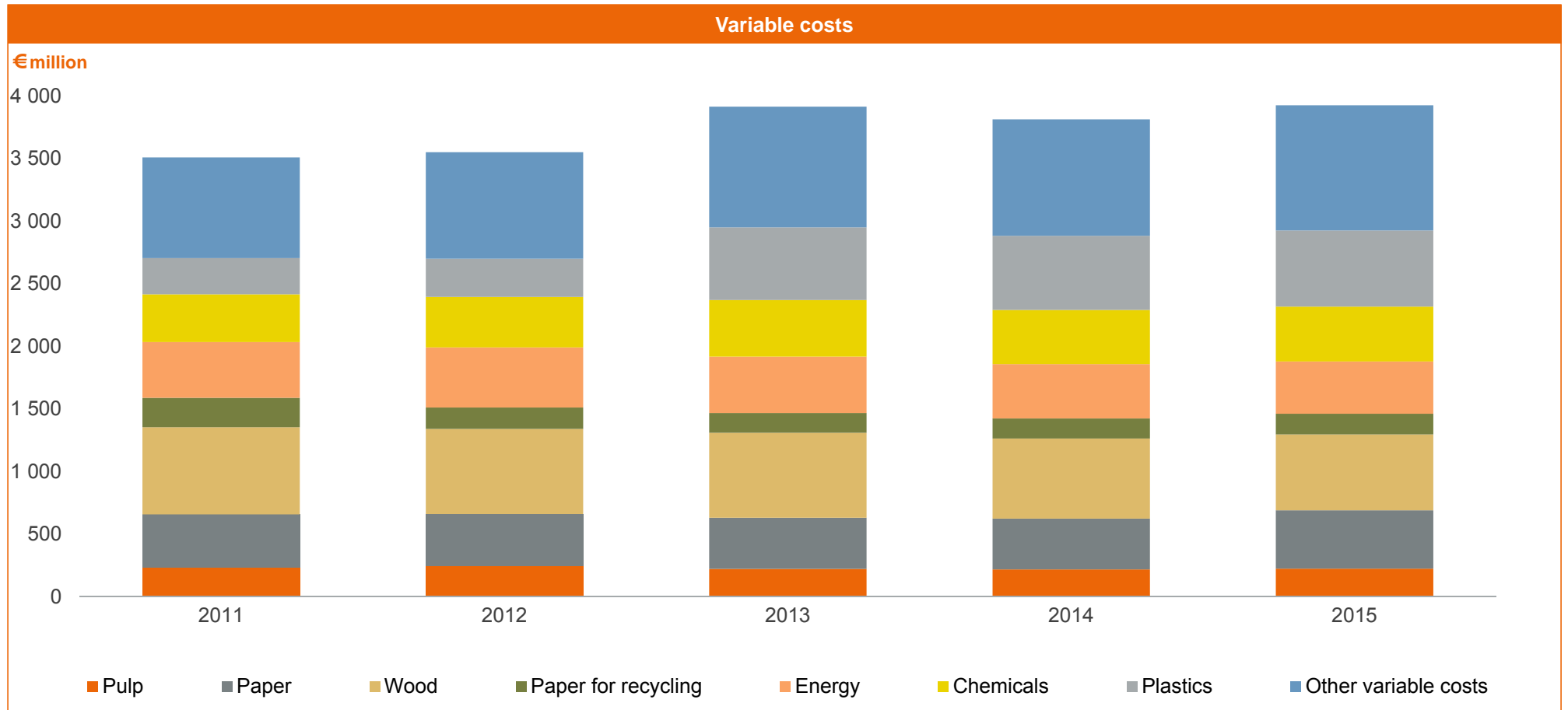
A strong financial position allows us to pursue growth options through capital investment and/or M&A

Continuing to deliver on our strategy



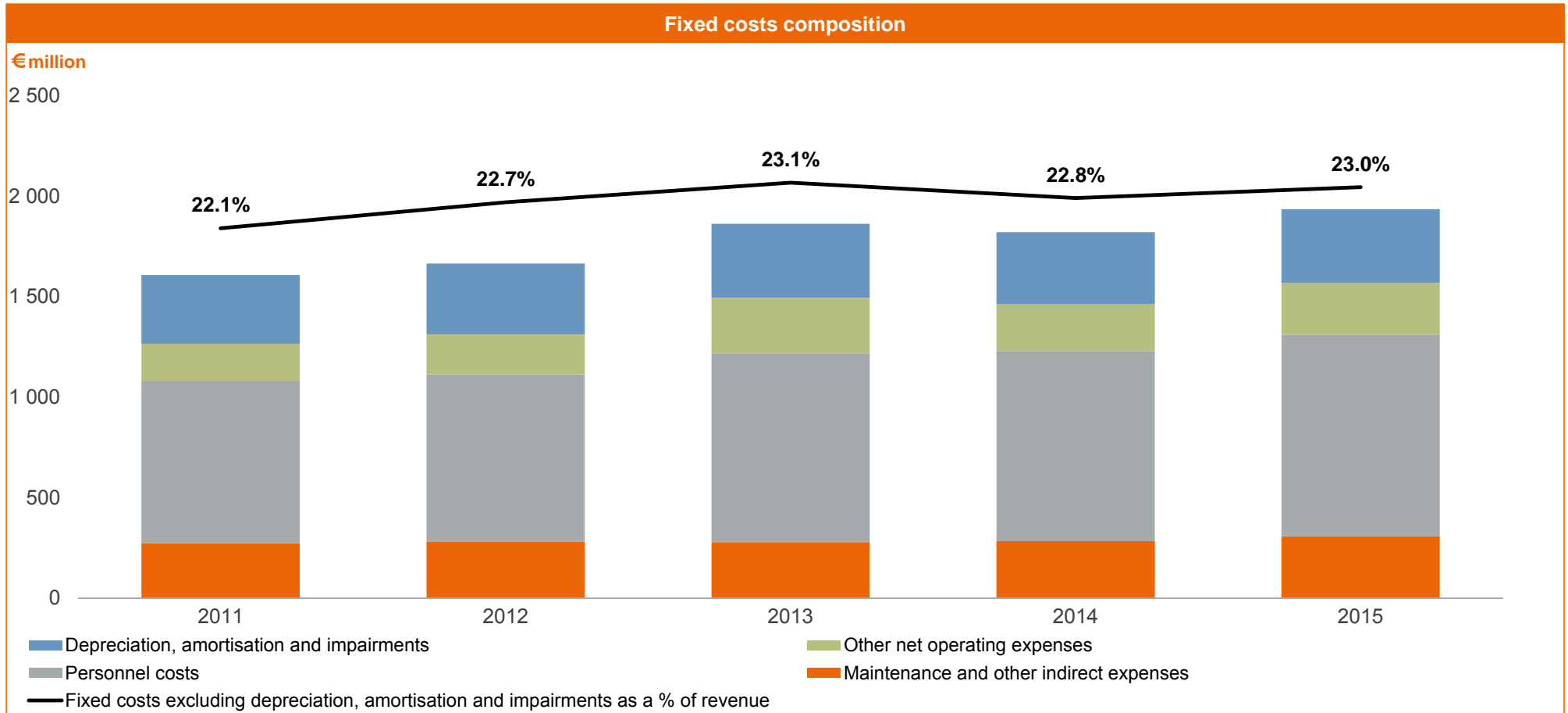
	2015 Developments	We are passionate about performance	We invest in our high-quality, low-cost assets	We work with our customers to find innovative solutions
Packaging Paper	<ul style="list-style-type: none"> • Completion of first phase of Świecie Green (Poland) • Completion of various strategic capital projects mainly at our kraft paper operations • Sale of Raubling (Germany) and closure of Lohja (Finland) • Evaluating significant new packaging investments in integrated mills in central Europe 	<ul style="list-style-type: none"> ✓ ✓ 	<ul style="list-style-type: none"> ✓ ✓ ✓ 	<ul style="list-style-type: none"> ✓
Fibre Packaging	<ul style="list-style-type: none"> • Investment in various Corrugated Packaging operations • Closure of 2 US bags plants and Sendenhorst (Germany) 	<ul style="list-style-type: none"> ✓ 	<ul style="list-style-type: none"> ✓ 	<ul style="list-style-type: none"> ✓
Consumer Packaging	<ul style="list-style-type: none"> • Acquisition of Ascania (Germany) • Acquisition of KSP (South Korea and Thailand) • Sale of Ipoh (Malaysia) and Osterburken (Germany) • Closure of Iberica (Spain) and Silicart (Italy) 	<ul style="list-style-type: none"> ✓ ✓ 	<ul style="list-style-type: none"> ✓ 	<ul style="list-style-type: none"> ✓ ✓

Input costs



Comparatives for 2011 have not been restated to include 100% of Mondi Shanduka Newsprint in South Africa Division and consequently reflect a 58% portion

Fixed costs



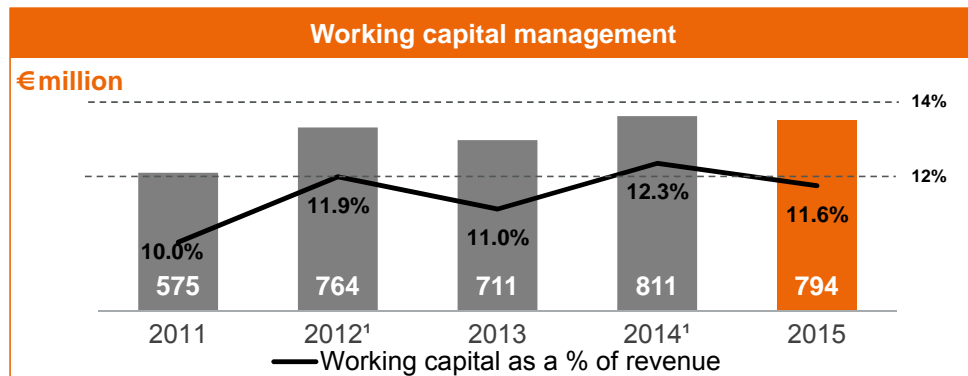
Comparatives for 2011 have not been restated to include 100% of Mondi Shanduka Newsprint in South Africa Division and consequently reflect a 58% portion

Special items

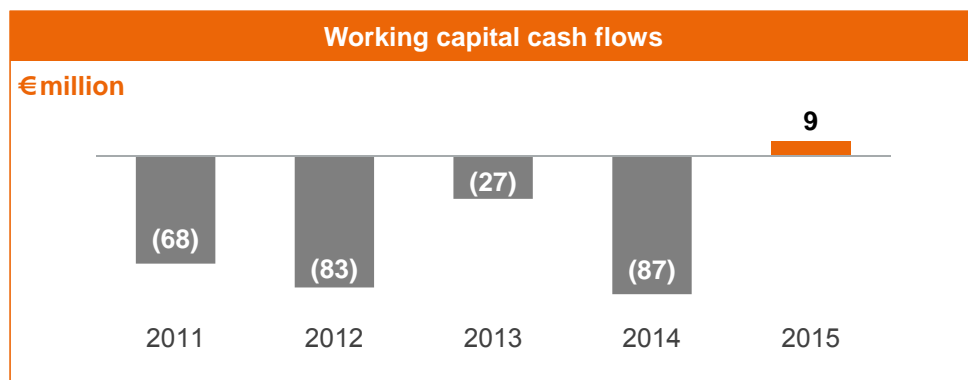
Operating special items – €57 million charge

- Packaging Paper
 - Closure of speciality kraft paper mill in Finland (€14 million)
- Fibre Packaging
 - Restructuring following the acquisition of the bags business from Graphic Packaging (€10 million)
 - Closure of plants in Germany and France in Industrial Bags (€11 million)
- Consumer Packaging
 - Closure of a plant in Spain (€14 million)
- Write off of receivable and provision for settlement of a legal case relating to the 2012 Nordenia acquisition (€8 million)

Working capital

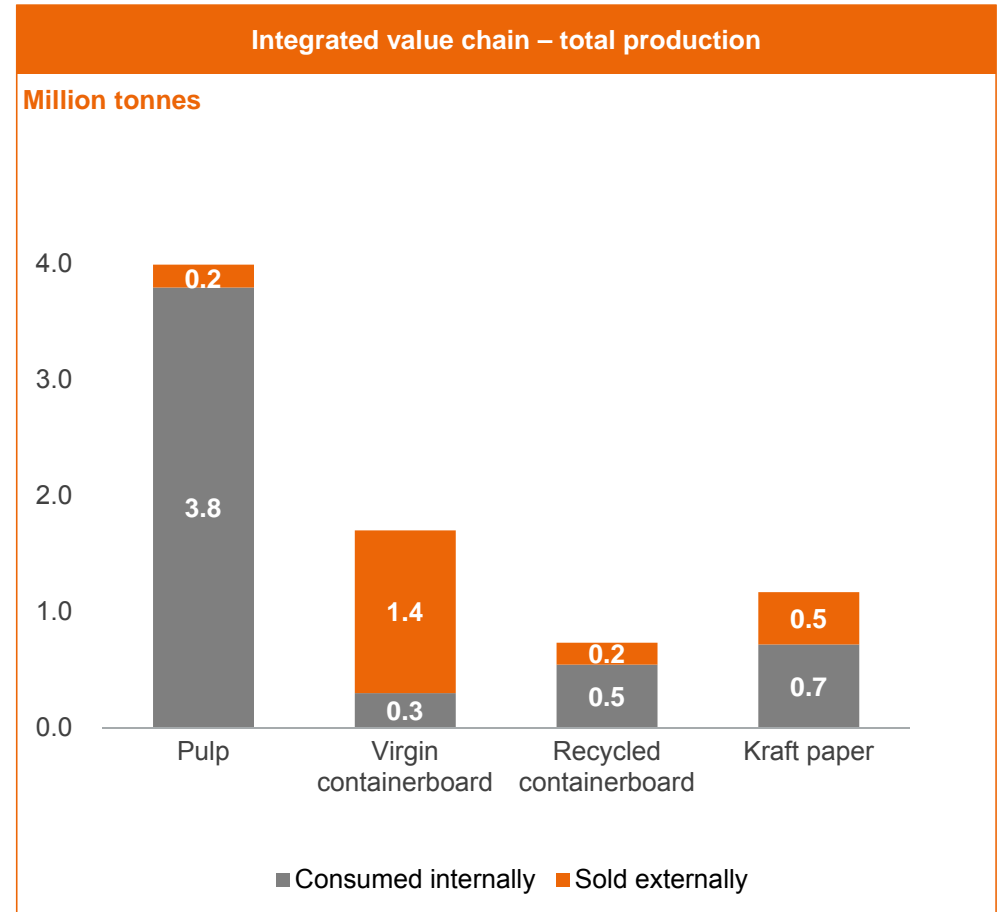
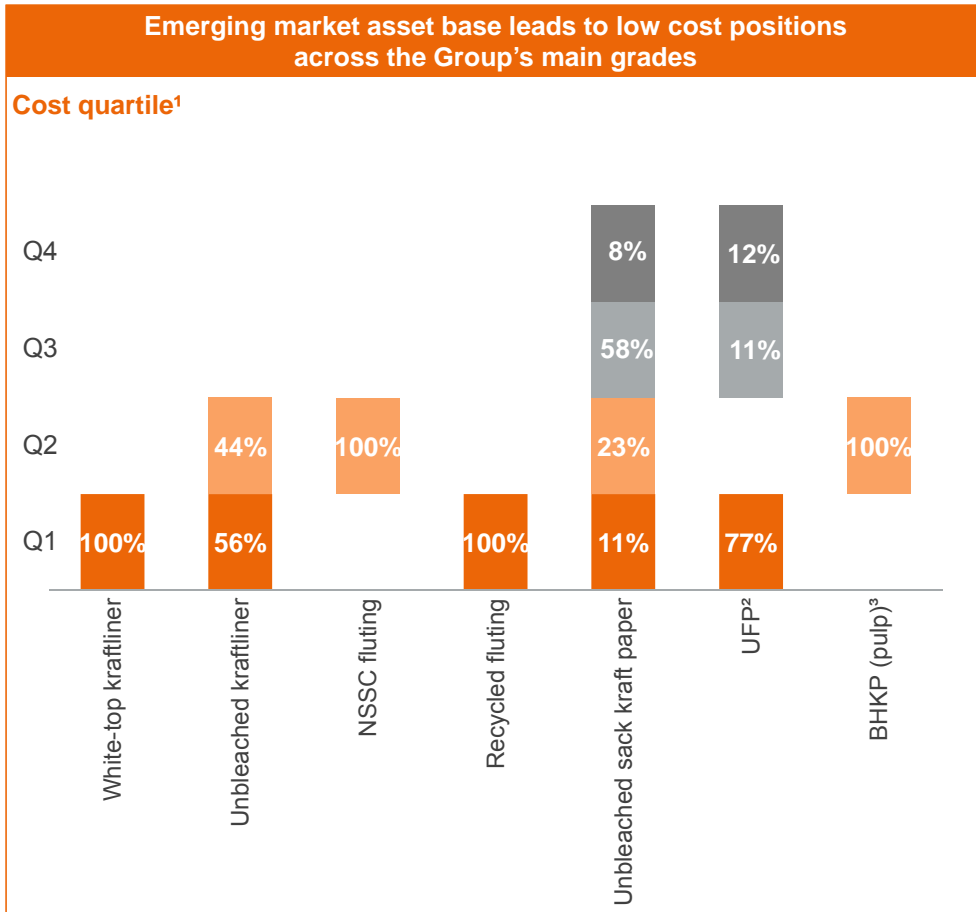


- Working capital as a percentage of revenue marginally below revised target range of 12%-14% at year end
- Target range increased to reflect increased contribution from more working capital intensive downstream businesses



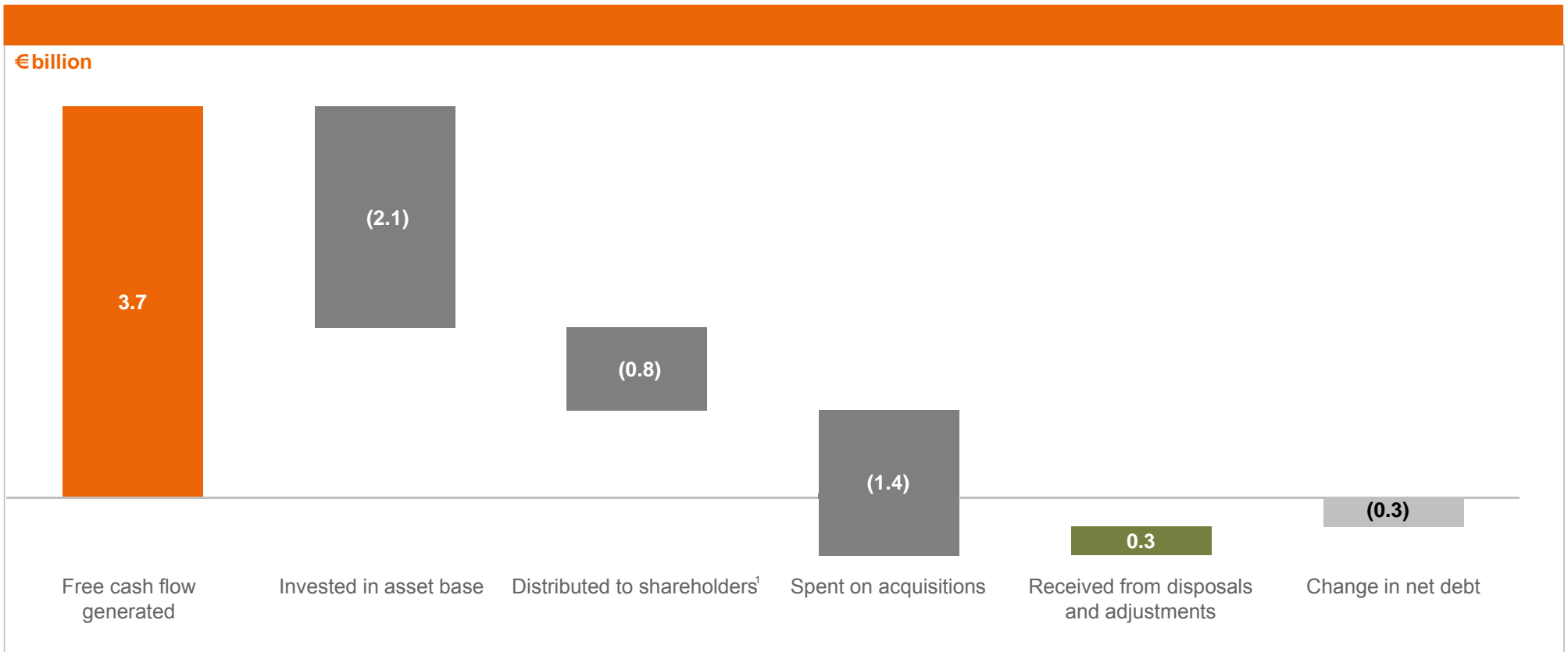
¹ Working capital as a % of revenue is based on annualised revenue from acquisitions

Our integrated low-cost operations



1 Delivered to Frankfurt except where noted | 2 Includes specialties | 3 Delivered to Rotterdam
Source: RISI and Mondi estimates

Five-year cumulative free cash flow



¹ Excludes dividend in specie of €205 million

Cash flow (reconciling to movement in net debt)



€million	2014	2015	% change
Underlying EBITDA	1,126	1,325	18%
Working capital movements	(87)	9	
Other operating cash flow items	(6)	(55)	
Cash generated from operations	1,033	1,279	24%
Dividends from financial investments and associates	2	-	
Taxes paid	(106)	(160)	(51%)
Net cash inflow from operating activities	929	1,119	20%
Capital expenditure, excluding intangible assets	(562)	(595)	(6%)
Investment in intangibles and forestry assets	(45)	(50)	(11%)
Acquisitions ¹	(104)	(94)	
Disposals	-	56	
Financing costs	(125)	(93)	26%
Dividends paid to shareholders	(193)	(209)	(8%)
Other investing and financing activities	94	(19)	
Net decrease/(increase) in net debt	(6)	115	

Statement of financial position



€million	2014	2015
Property, plant and equipment	3,432	3,554
Goodwill	545	590
Working capital	811	794
Other assets	434	422
Other liabilities	(715)	(675)
Net assets excluding net debt	4,507	4,685
Equity	2,628	2,905
Non-controlling interests in equity	266	282
Net debt	1,613	1,498
Capital employed	4,507	4,685

Production volumes



			2014	2015	% change
Europe & International					
Containerboard	'000 tonnes		2,160	2,138	(1%)
Kraft paper	'000 tonnes		1,130	1,162	3%
Softwood pulp	'000 tonnes		2,085	2,108	1%
Corrugated board and boxes	million m ²		1,343	1,350	1%
Industrial bags	million units		4,446	4,925	11%
Extrusion coatings	million m ²		1,401	1,389	(1%)
Consumer packaging ¹	million m ²		6,501	6,594	1%
Uncoated fine paper	'000 tonnes		1,361	1,379	1%
Hardwood pulp	'000 tonnes		1,127	1,161	3%
Newsprint	'000 tonnes		202	197	(2%)
South Africa Division					
Containerboard	'000 tonnes		253	247	(2%)
Uncoated fine paper	'000 tonnes		258	240	(7%)
Hardwood pulp	'000 tonnes		649	619	(5%)
Newsprint	'000 tonnes		117	113	(3%)
Softwood pulp	'000 tonnes		139	138	(1%)

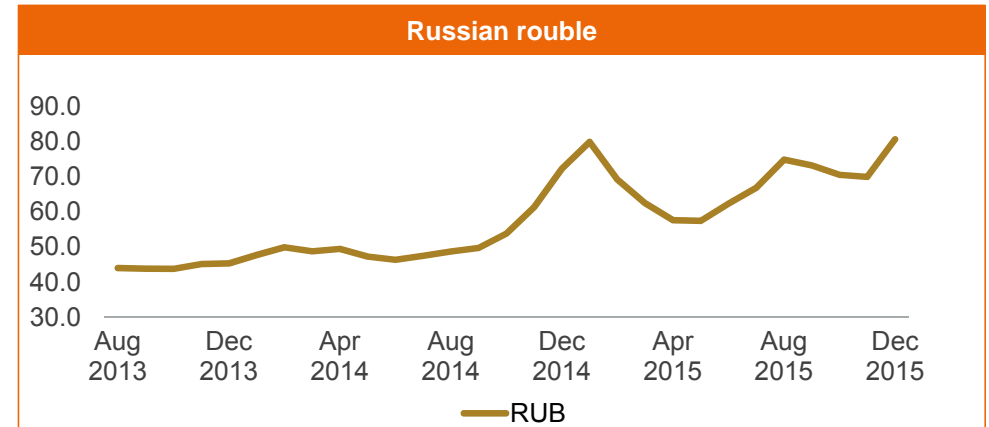
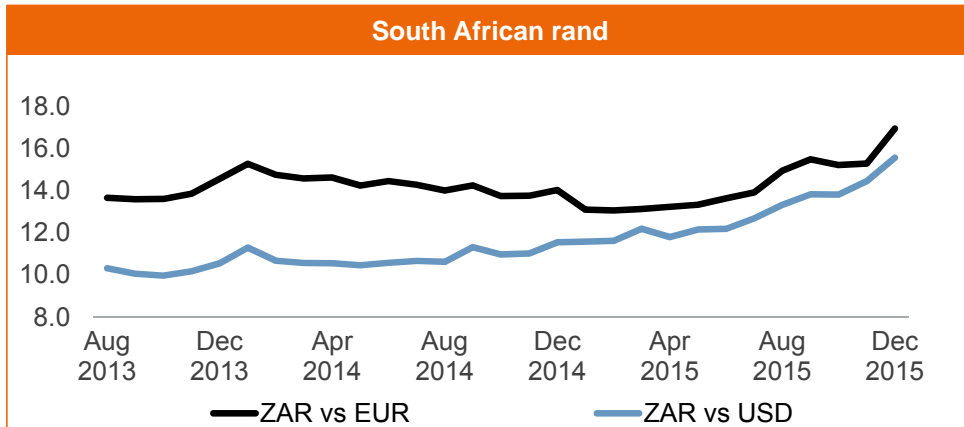
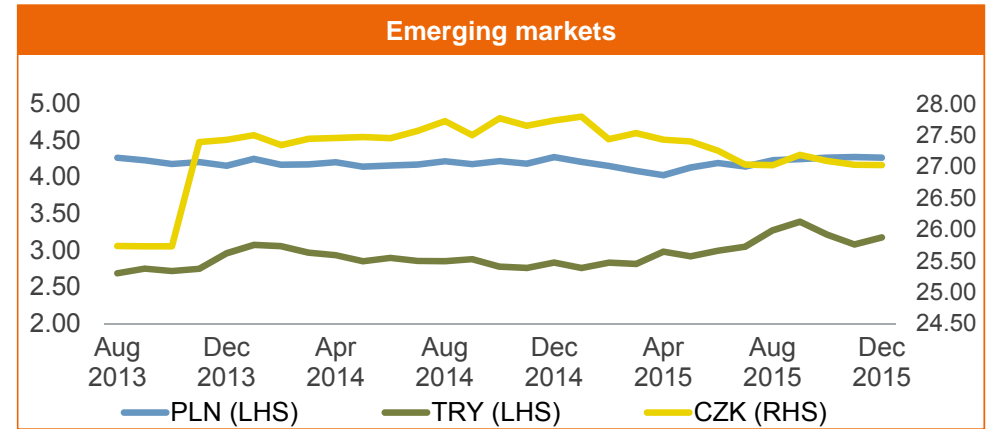
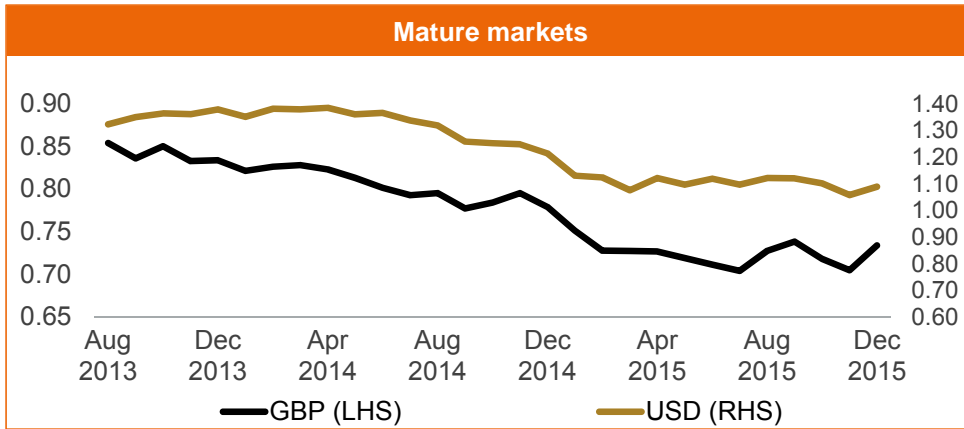
¹ 2014 figure restated

Exchange rates



	2014	2015	% change
Closing rates against the euro			
South African rand	14.04	16.95	21%
Czech koruna	27.74	27.02	(3%)
Polish zloty	4.27	4.26	-
Pounds sterling	0.78	0.73	(6%)
Russian rouble	72.34	80.67	12%
Turkish lira	2.83	3.18	12%
US dollar	1.21	1.09	(10%)
Average rates for the year against the euro			
South African rand	14.42	14.17	(2%)
Czech koruna	27.53	27.28	(1%)
Polish zloty	4.18	4.18	-
Pounds sterling	0.81	0.73	(10%)
Russian rouble	50.73	68.04	34%
Turkish lira	2.91	3.02	4%
US dollar	1.33	1.11	(17%)

Exchange rate development vs EUR





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