



UBS European Conference

Mondi Group

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16 November 2016

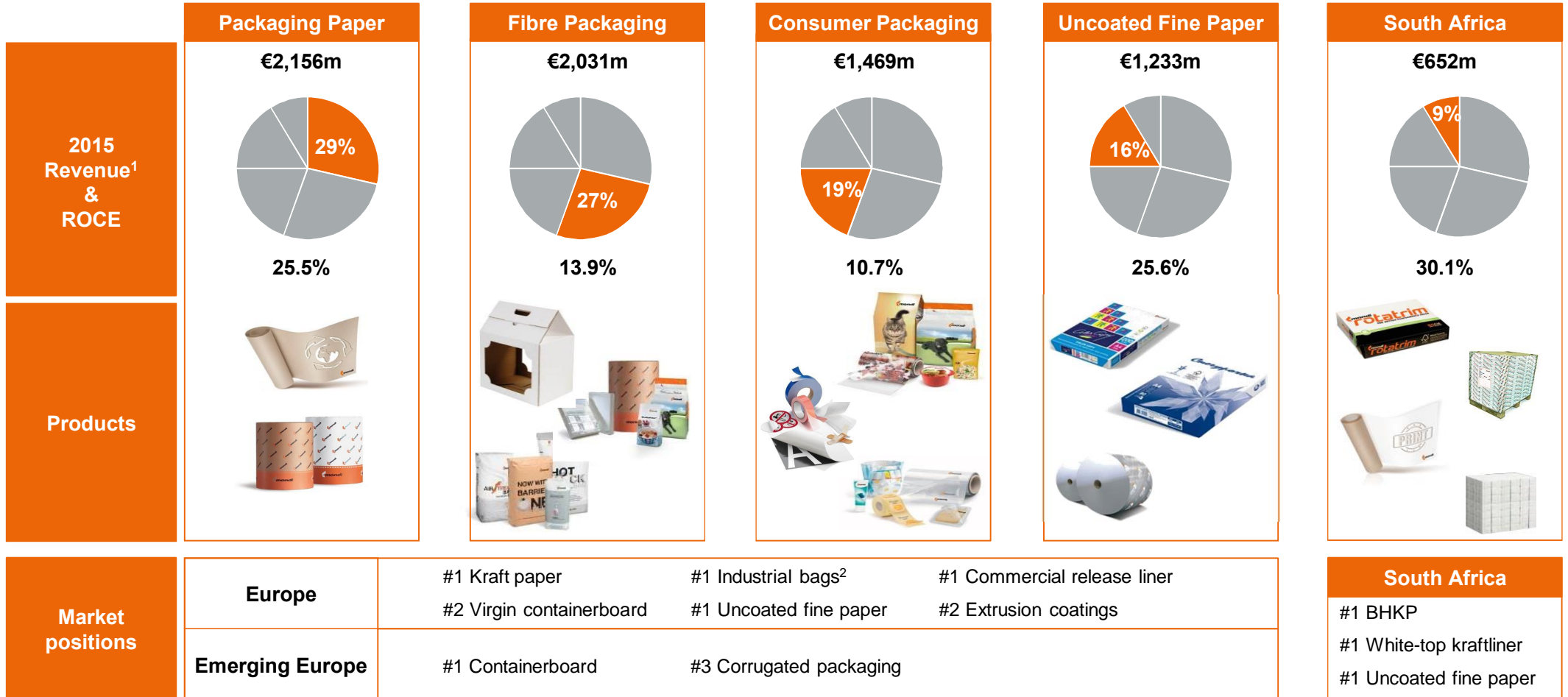
Group overview

Highlights from H1 2016

Q3 trading update and Business Unit reviews

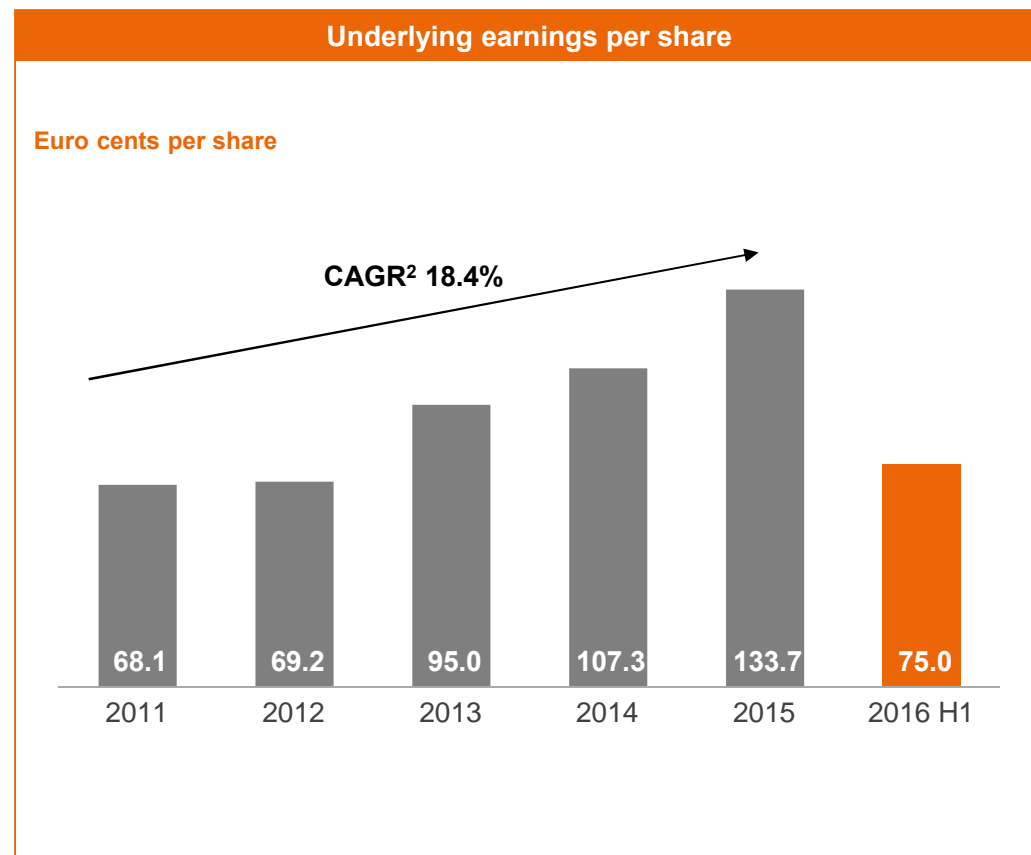
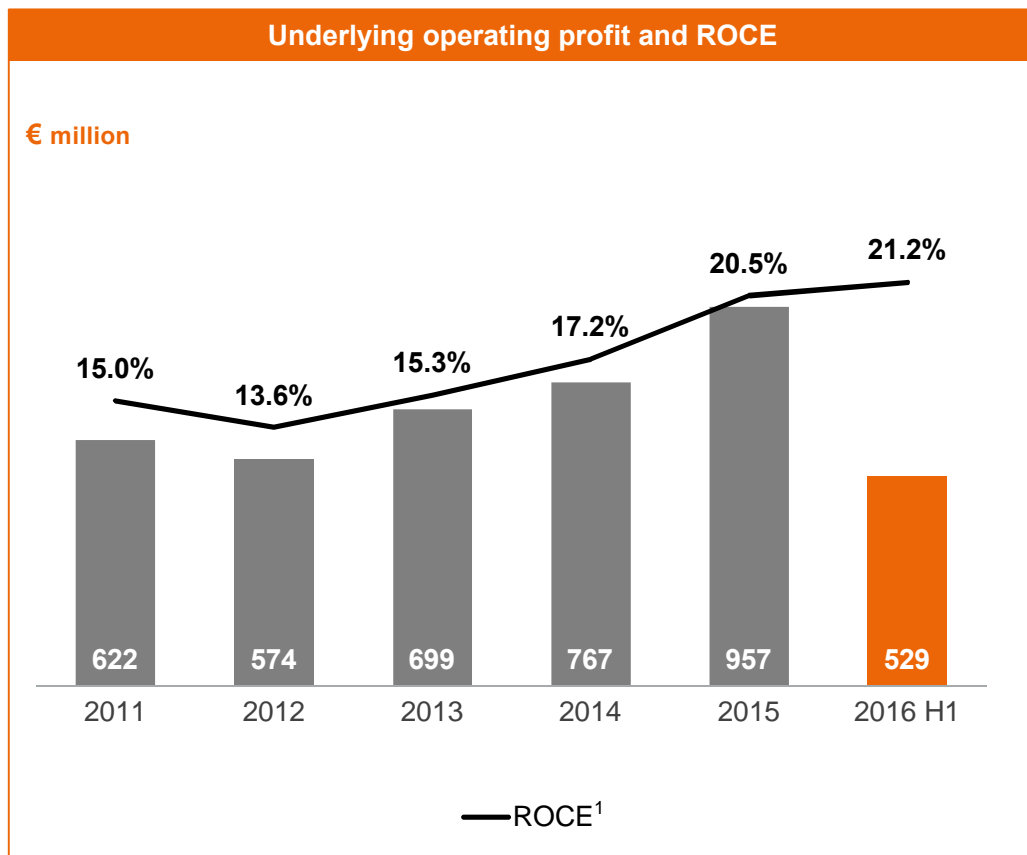


Mondi at a glance



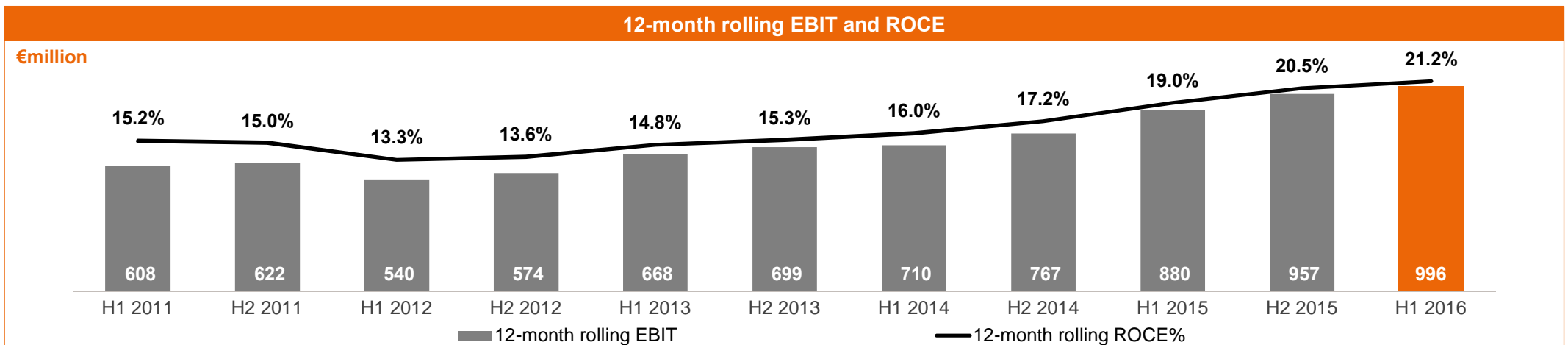
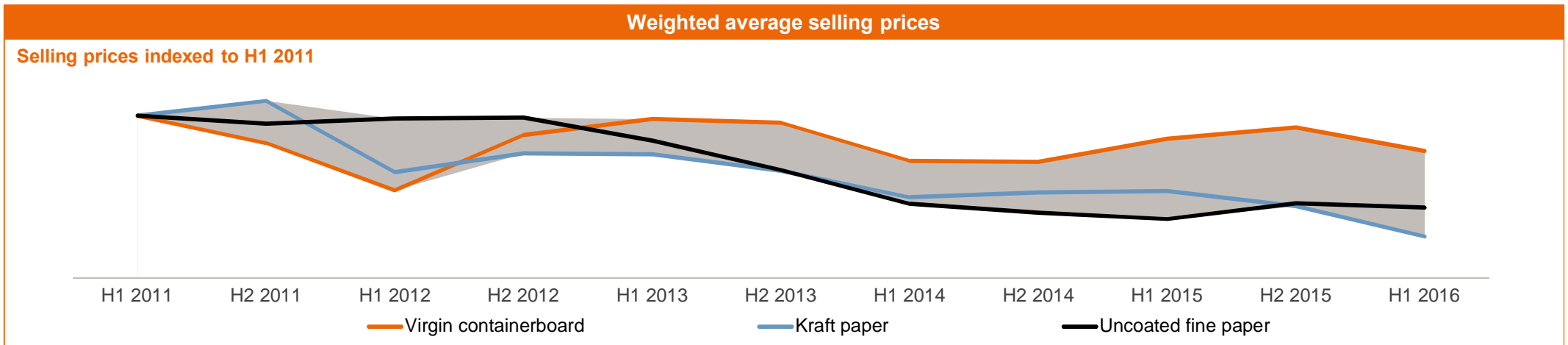
1) Segment revenues, before elimination of inter-segment revenues
 2) Also #1 industrial bags producer in North America
 3) Please see sources and definitions at the end of this document

Consistent strategy delivering industry leading returns

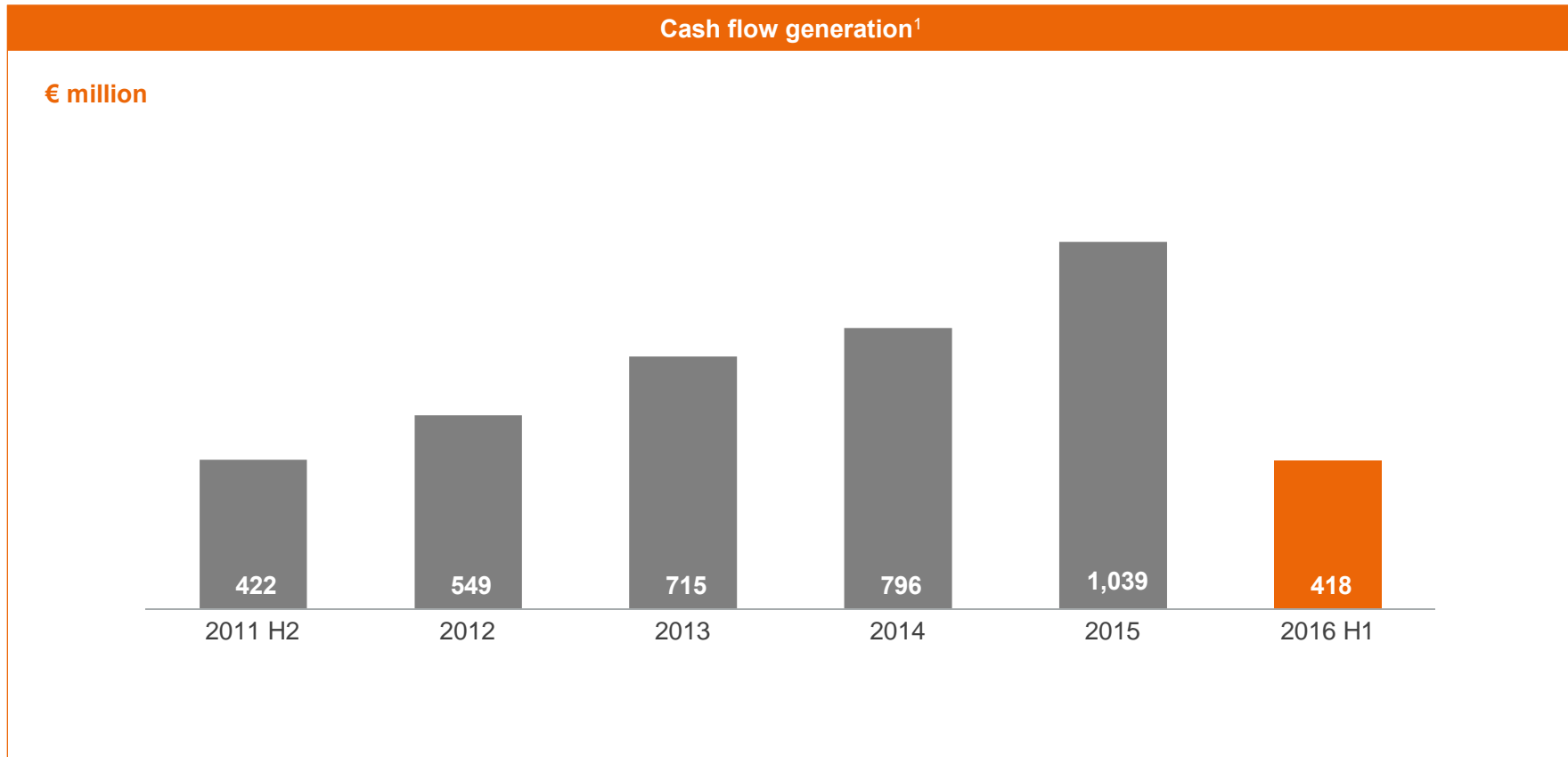


1) ROCE for H1 2016 is the 12-month rolling average
 2) CAGR based on 2011 - 2015

Improving returns despite selling price pressures



Strong cash flow generation through the cycle



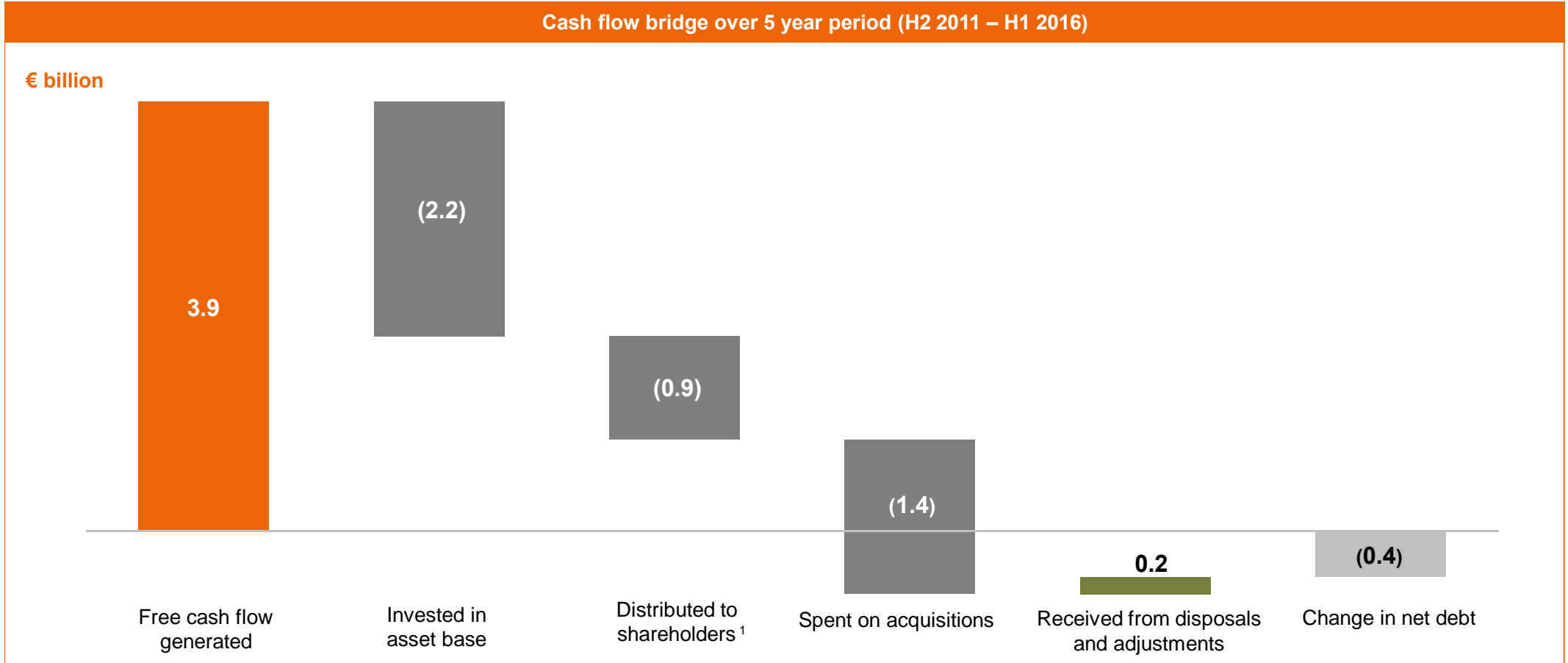
€3.9 billion cash generated over the last 5 years

1) Net cash generated before capital expenditure, shareholder distributions, acquisitions and disposals

...with a balance between reinvestment for growth and shareholder distributions



Cash flow bridge over 5 year period (H2 2011 – H1 2016)



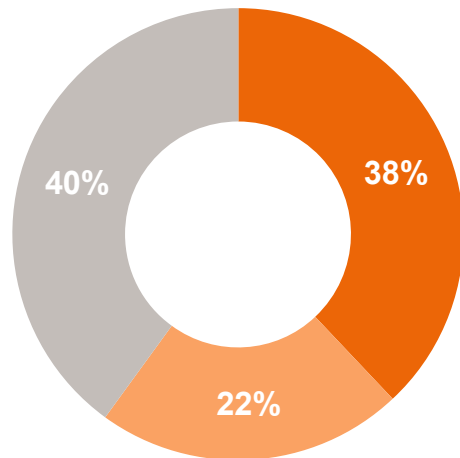
1) Excludes dividend in specie of €205 million

Benefiting from an emerging market asset base



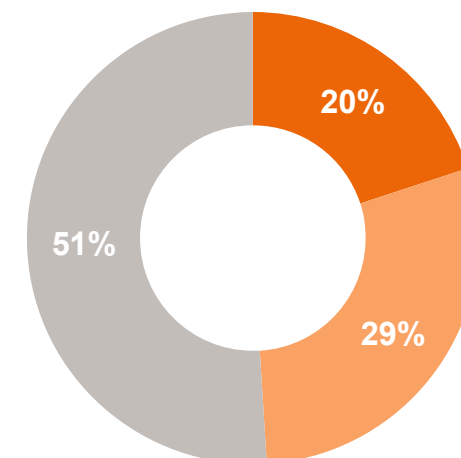
Asset base and sales by destination

2015 Net operating assets
by location (%)



€5.2 billion

Group's 2015 revenue
by destination (%)

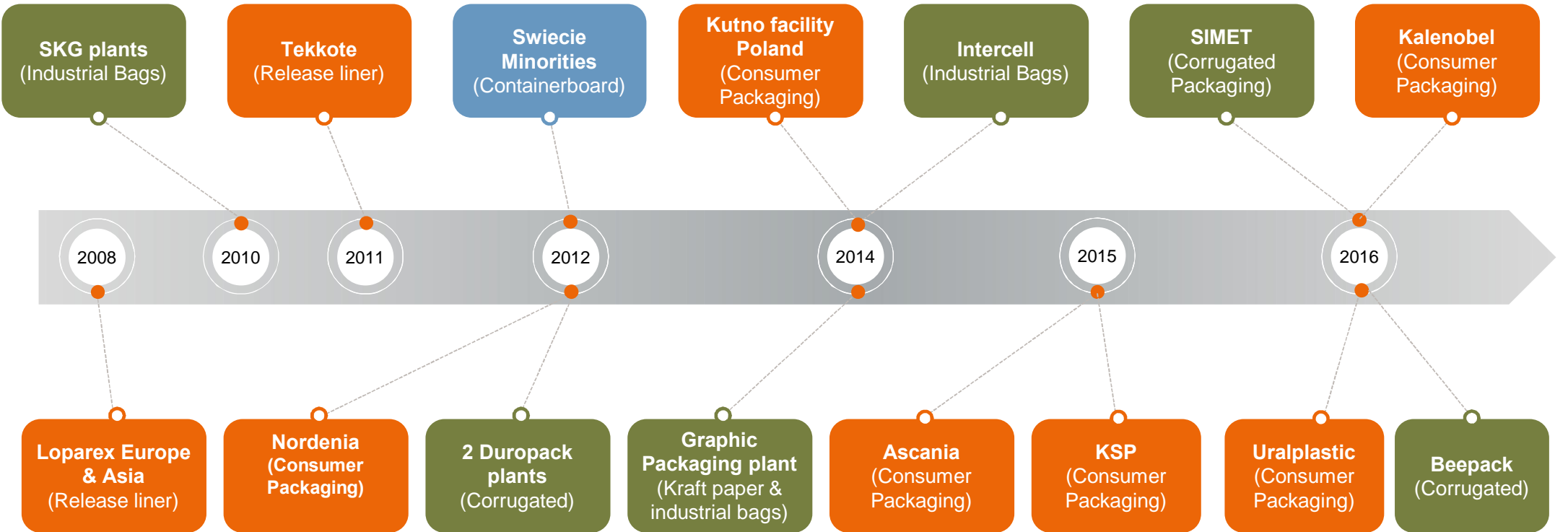


€6.8 billion

- Emerging Europe
- Other emerging markets
- Mature markets

...with a balance in sales between higher growth emerging markets and more stable mature markets

Strong track record of acquisitions



€1.6 billion invested in acquisitions since 2008



Packaging Paper

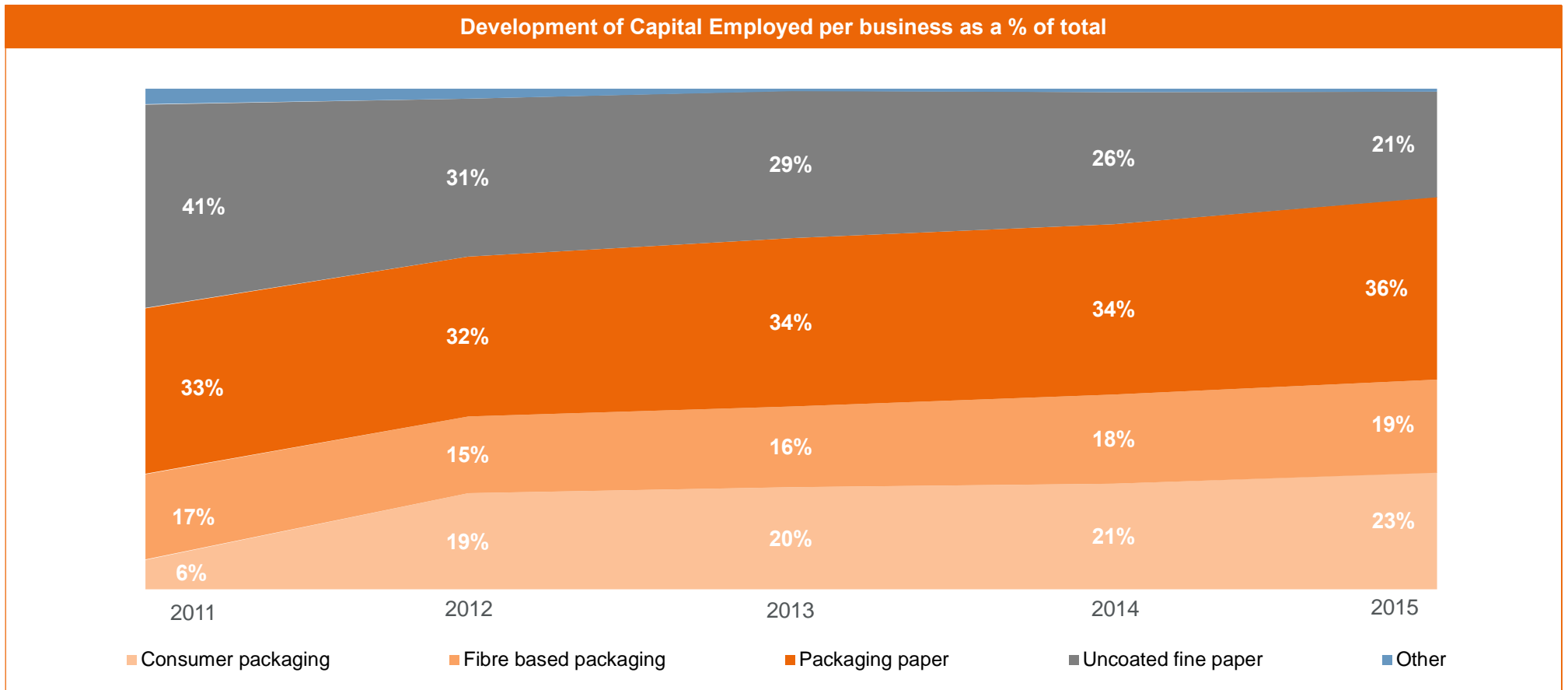


Fibre Packaging



Consumer Packaging

Consistent, clear strategic focus – growing our packaging business



Underpinned by our strategic value drivers...

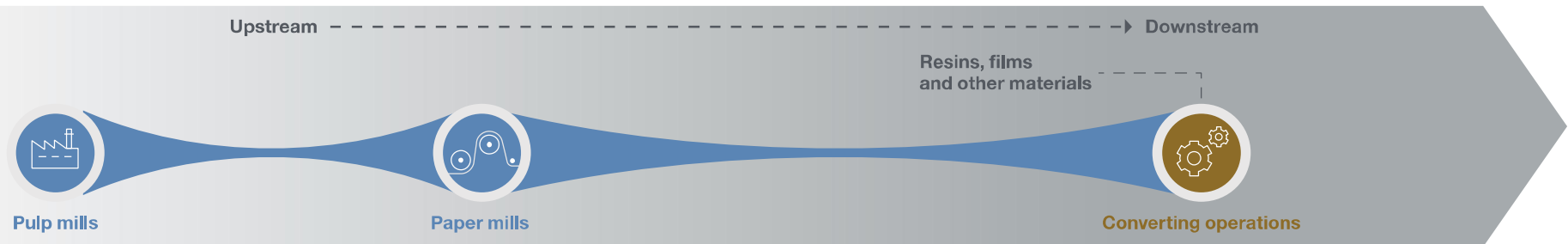


Strategic value drivers

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

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

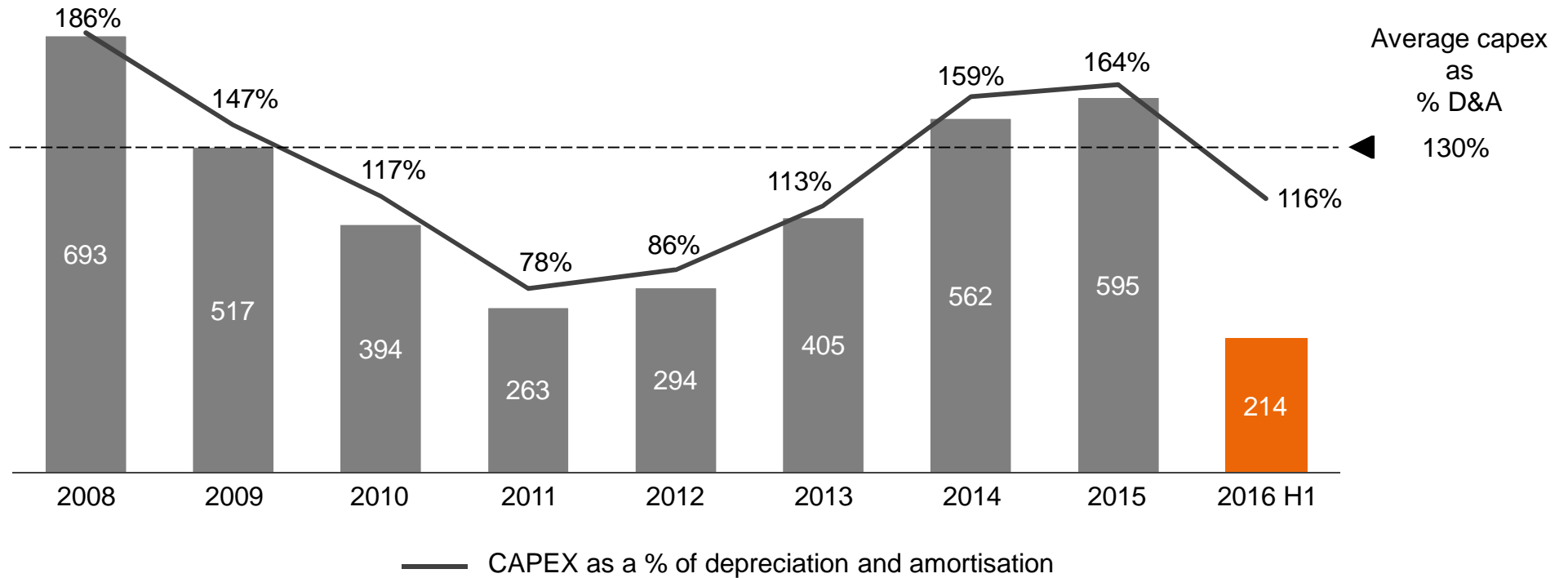


While all three strategic drivers are relevant to each business, priorities differ across the value chain

We have invested in the business through the cycle while reacting to the 2008 / 2009 downturn

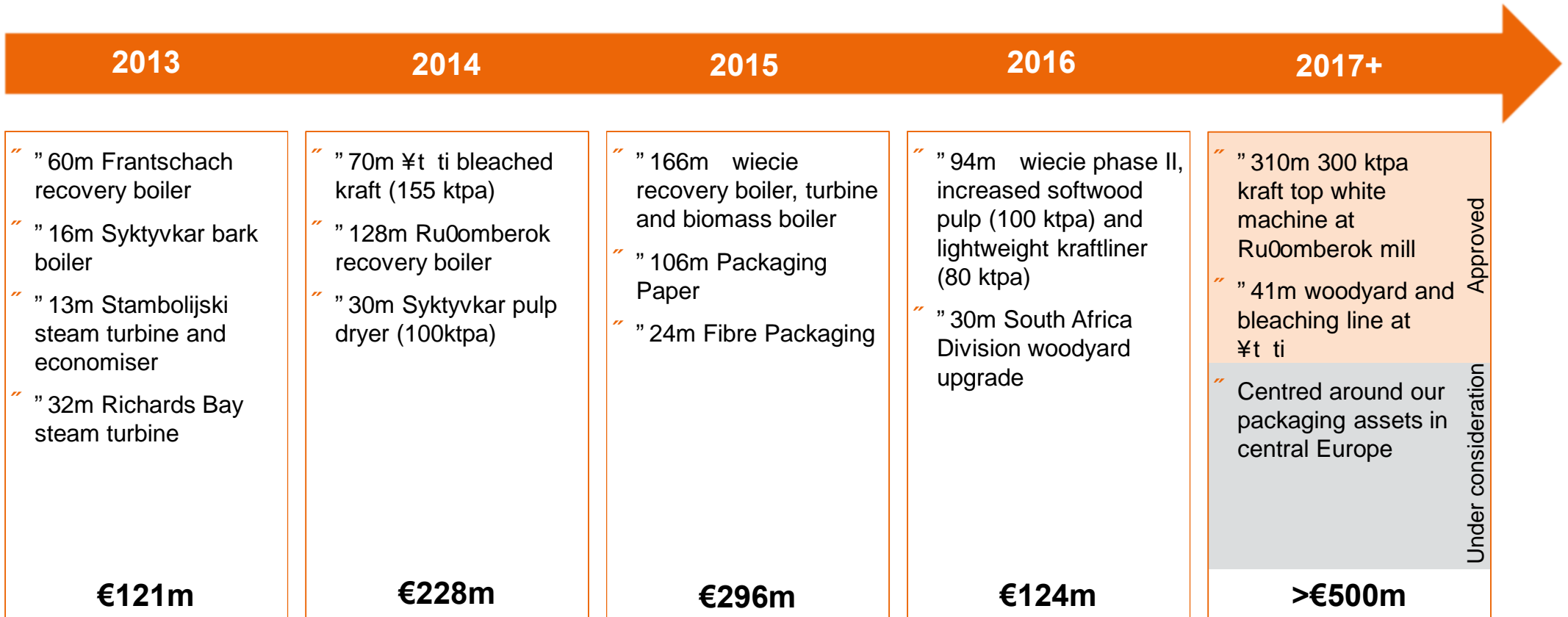


Capital expenditure in € million and as % depreciation and amortisation



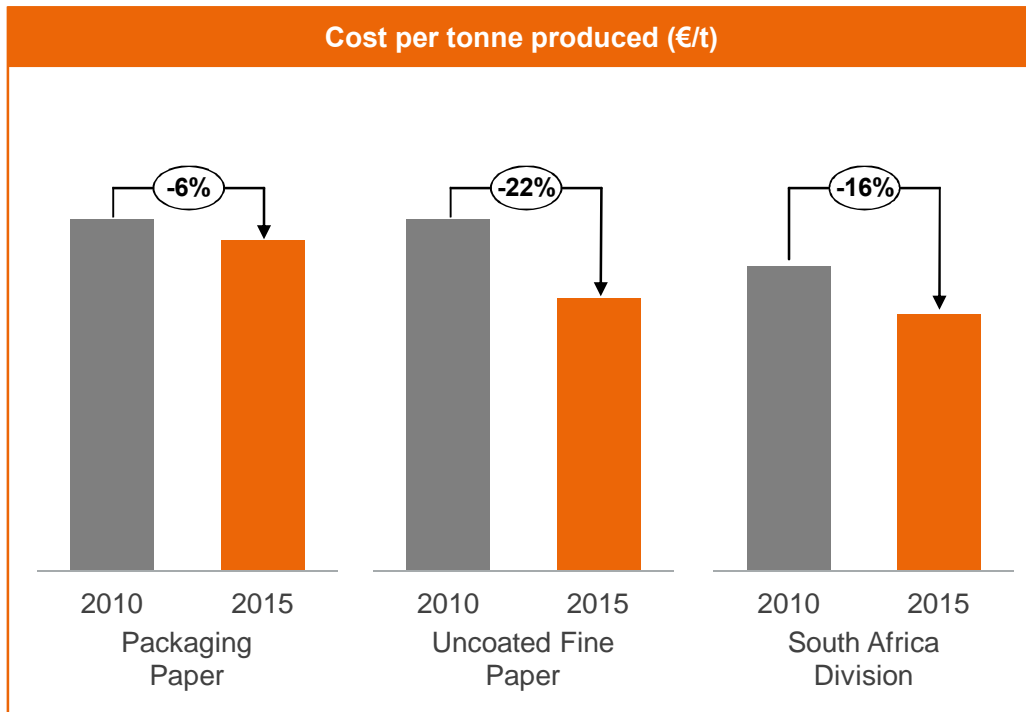
€3.9 billion invested in capex since 2008

Major project pipeline delivering strongly



€100 million incremental operating profit delivered from major projects in 2014/2015
 €50 million incremental operating profit benefit expected in 2016

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

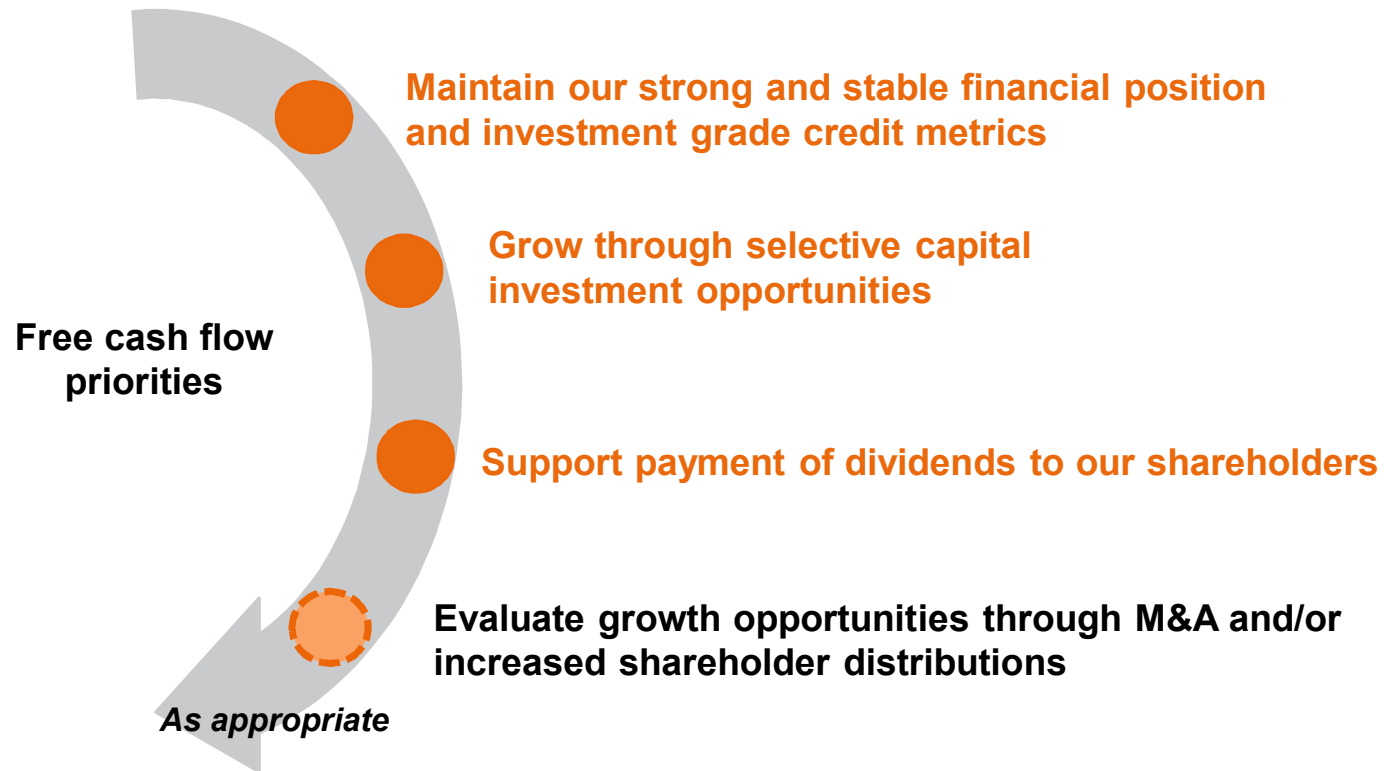
Rationalisation of high-cost capacity . 4 mills closed or sold

Ongoing focus on operational efficiency

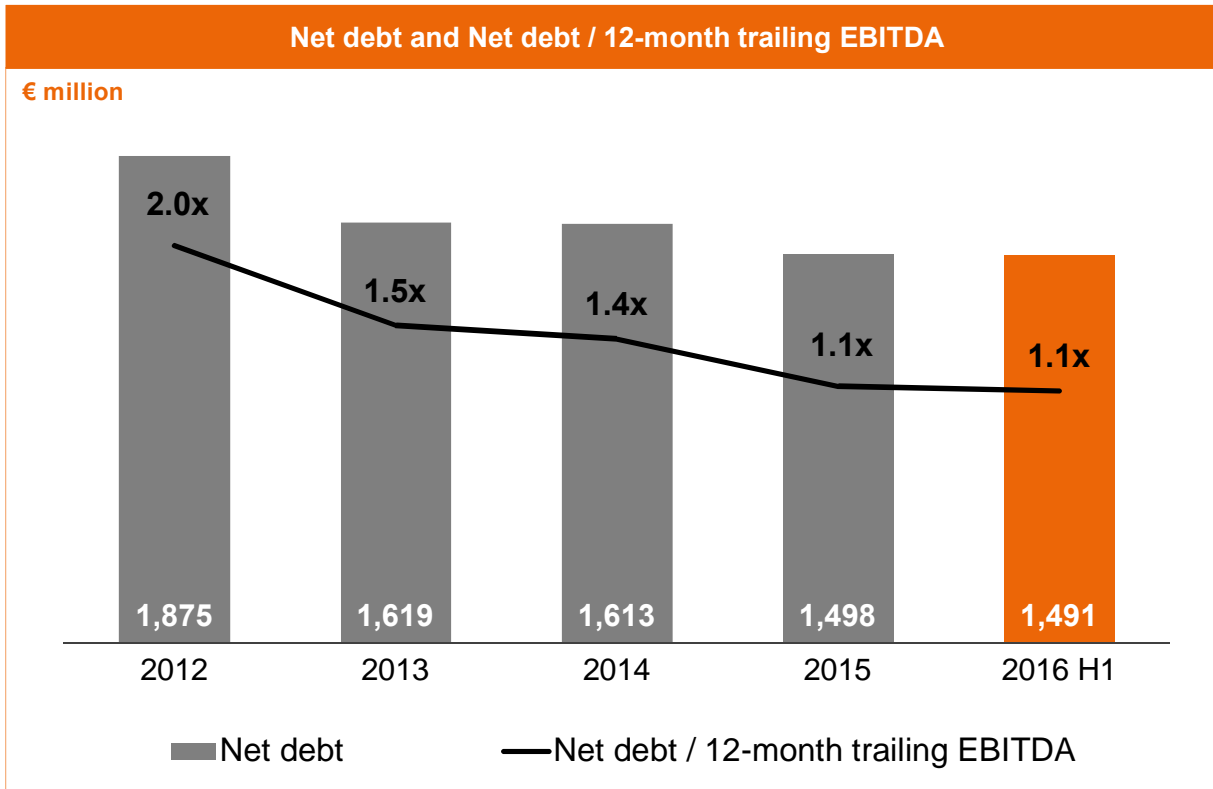
- Exceeded target of 2% reduction in cash cost base per annum, offsetting inflationary pressures

Currency benefits in 2010 . 2015 due to emerging market currency weakness mainly in Uncoated Fine Paper and South Africa Division

Our cash flow priorities remain unchanged



Robust financial position



Financial policy focused on retaining investment grade ratings

Provides confidence and ability to invest through the cycle

Current credit ratings:

- Moody's Baa2 (stable)
- S&P BBB (stable)

Flexibility within current ratings

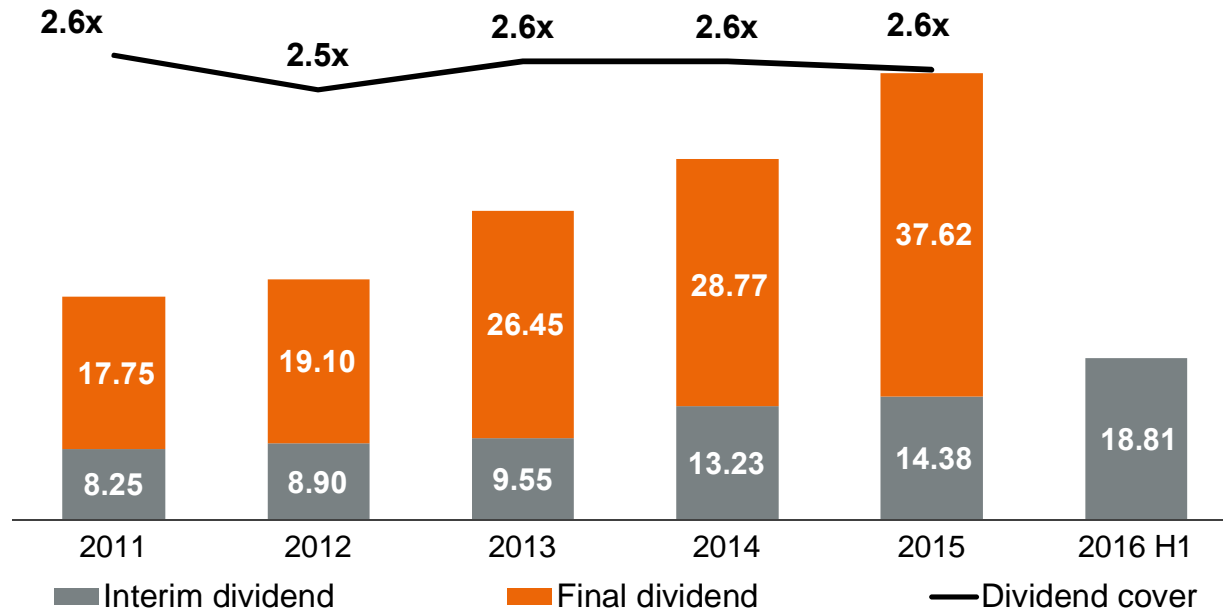
Strong cash flow generation and robust balance sheet provide financial flexibility

Strong growth in shareholder returns without sacrificing cover



Dividends per share and dividend cover

Euro cents per share



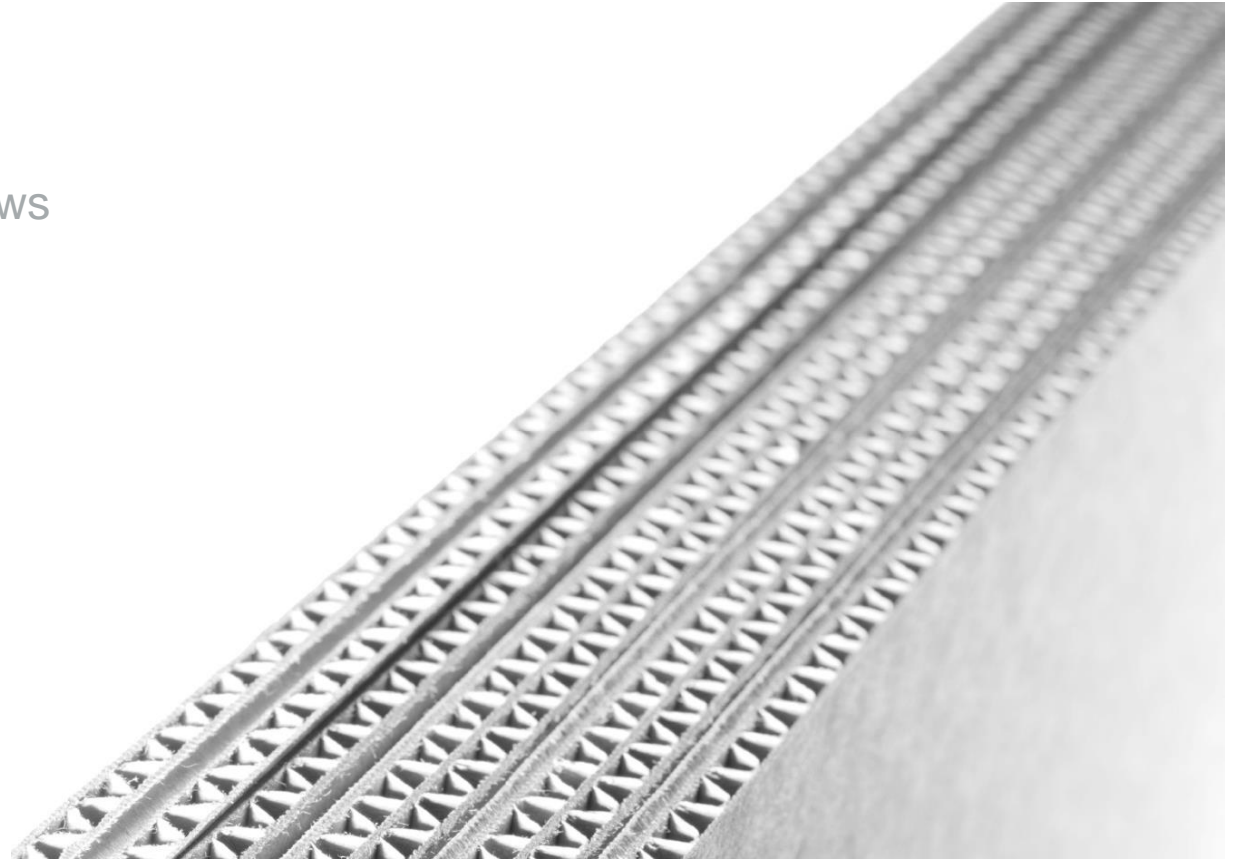
2-3x dividend cover policy across the cycle

Option to return excess capital to shareholders by way of one-off distribution in the absence of attractive M&A / Capex opportunities

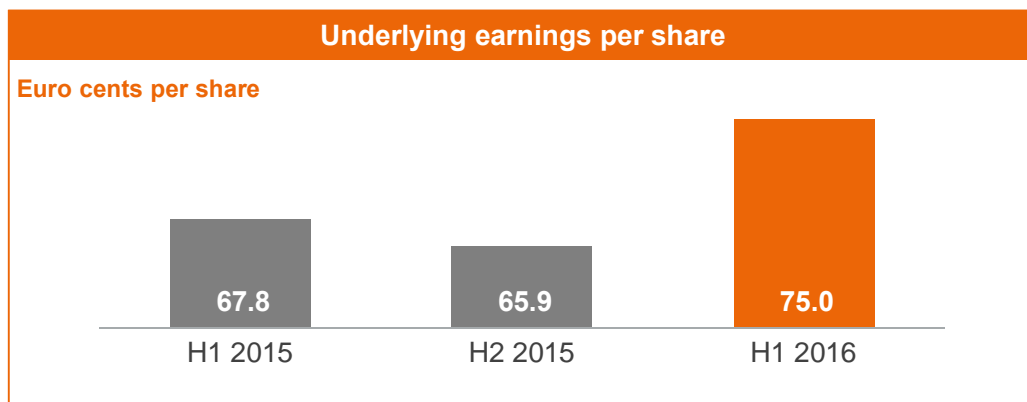
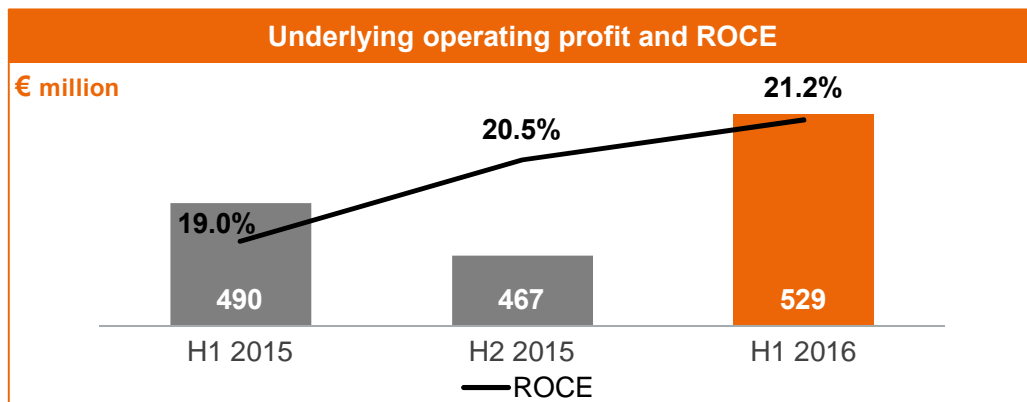
Group overview

Highlights from H1 2016

Q3 trading update and Business Unit reviews



Highlights H1 2016



Continued strong financial performance

- Underlying operating profit up 8% on H1 2015
- Underlying earnings up 11% on H1 2015
- ROCE of 21.2%

Capital projects delivering growth

- ” 50 million incremental contribution expected to underlying operating profit in 2016
- Strong capital investment pipeline

Complemented by acquisitions

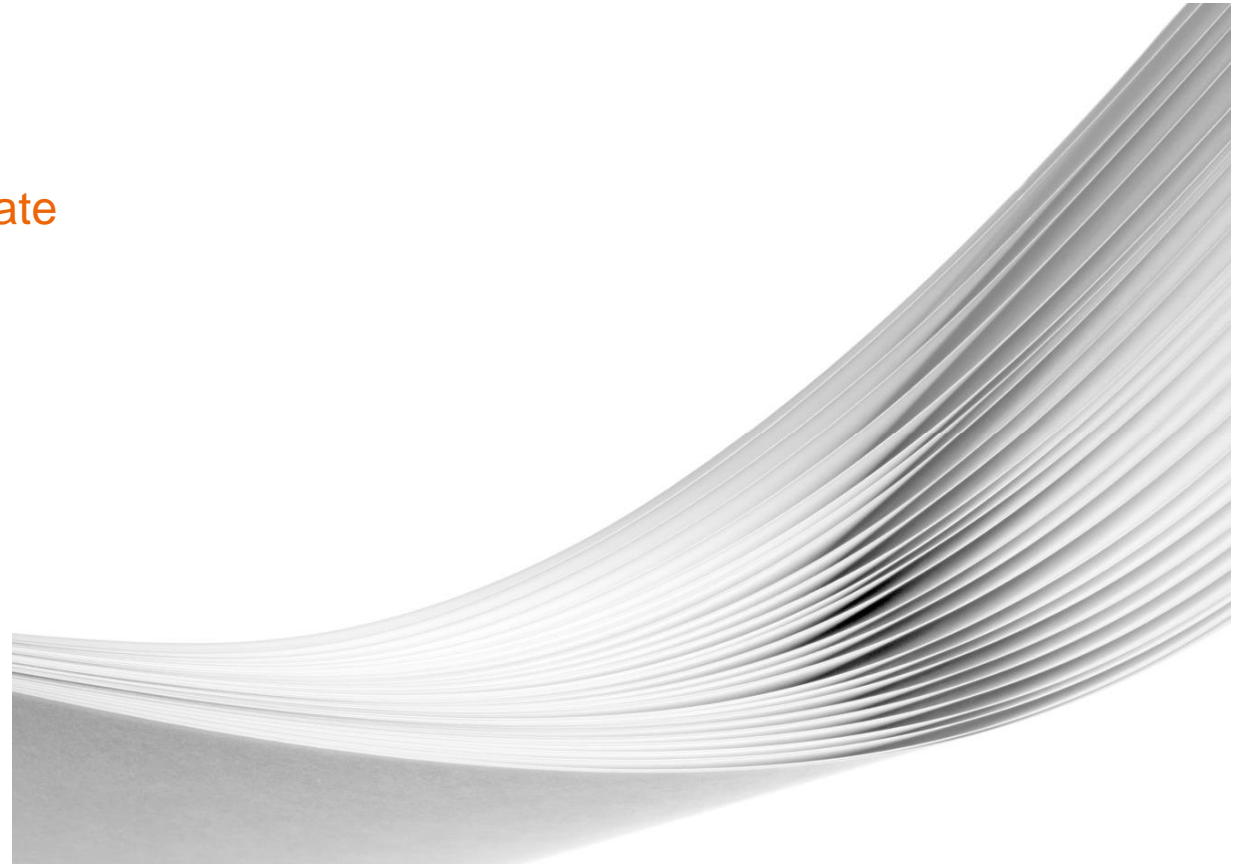
- Acquisitions completed in prior year and current period successfully integrated
- Two acquisitions completed in July to enhance product offering and geographic footprint in Consumer Packaging

Interim dividend of 18.81 euro cents per share declared

Group overview

Highlights from H1 2016

Business Unit reviews and Q3 trading update



Trading update – Overview



€227 million underlying operating profit for the third quarter of 2016, up 3% on the third quarter of 2015.

Average **selling prices were generally lower** and on a like-for-like basis, **sales volumes** of key paper grades **were in line** with the third quarter of 2015.

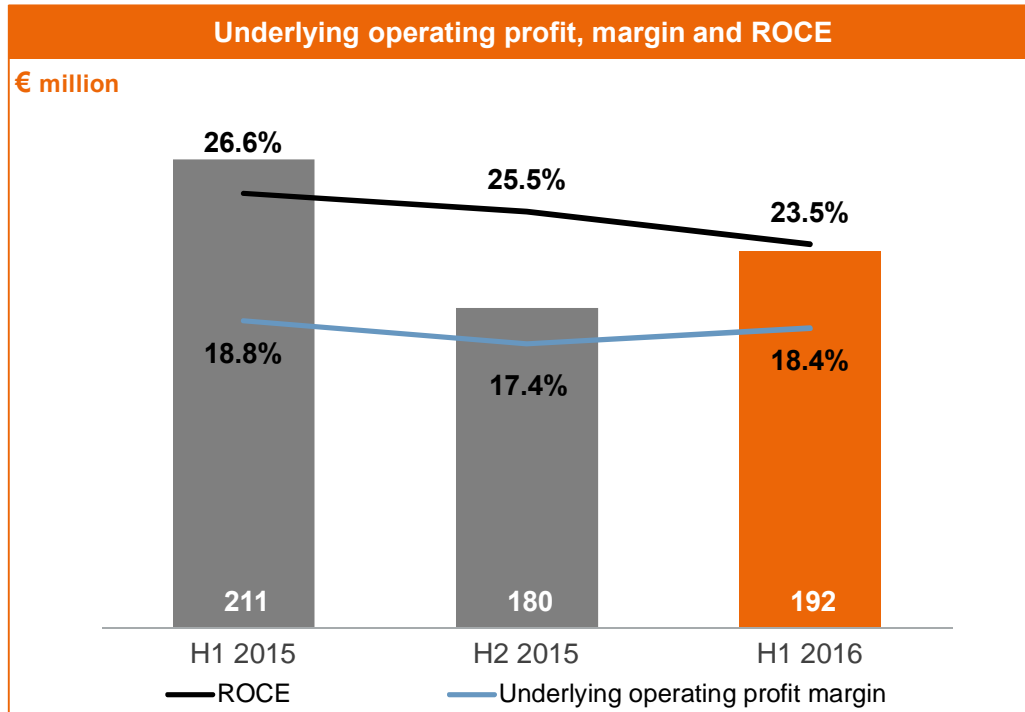
During the third quarter of 2016, the Group **concluded the acquisitions of Kalenobel (Turkey) and Uralplastic (Russia)**, supporting the growth of the Consumer Packaging business.

The Group also **agreed to acquire Beepack** . a corrugated packaging facility in Russia (LLC Beepack) for a consideration of RUB2,825 million (EUR41 million) on a cash and debt free basis, supporting the ongoing development of our Corrugated Packaging business in central and eastern Europe.

Outlook

We expect to benefit from stable to higher selling prices in a number of key product segments as we move into 2017 following the downward pressure seen over the course of 2016. Costs remain generally stable, albeit with near-term pressure in certain areas. Our ongoing capital investment programme continues to deliver strong returns. With our clear strategy, robust business model and culture of continuous improvement, we remain confident of continuing to deliver an industry leading performance.+

Packaging Paper



H1 2016

Lower average selling prices

Like-for-like sales volumes marginally up on H1 2015

Underlying operating profit down 9% on H1 2015

Benefits from currency gains on exports, good cost management and lower energy costs

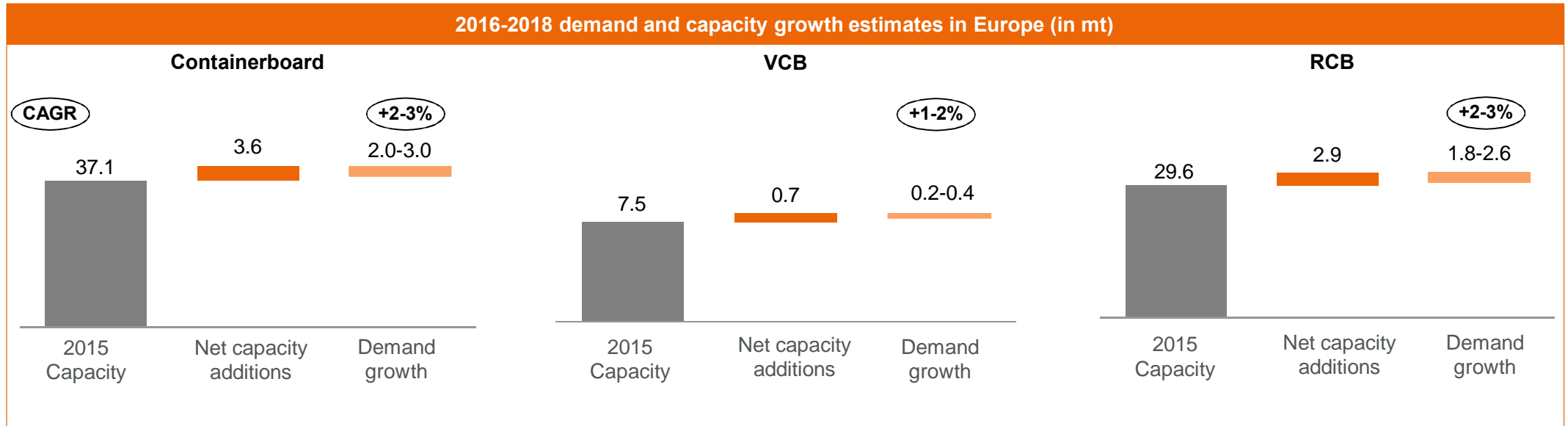
Q3 2016

Virgin containerboard prices similar to Q2 2016 but over 7% down on Q3 2015. Kraftliner price increase of " 20/tonne implemented in August across Europe excluding southern Europe

Recycled containerboard prices down by 3% on Q2 2016 and 7% down on Q3 2015

Kraft paper prices marginally down on Q2 2016 and 8% down on Q3 2015. Announced " 60/tonne increase in sack kraft paper prices for all European markets and 8-12% increase in export markets

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



Overall containerboard capacity expected to grow in line with demand over 2016 - 2018

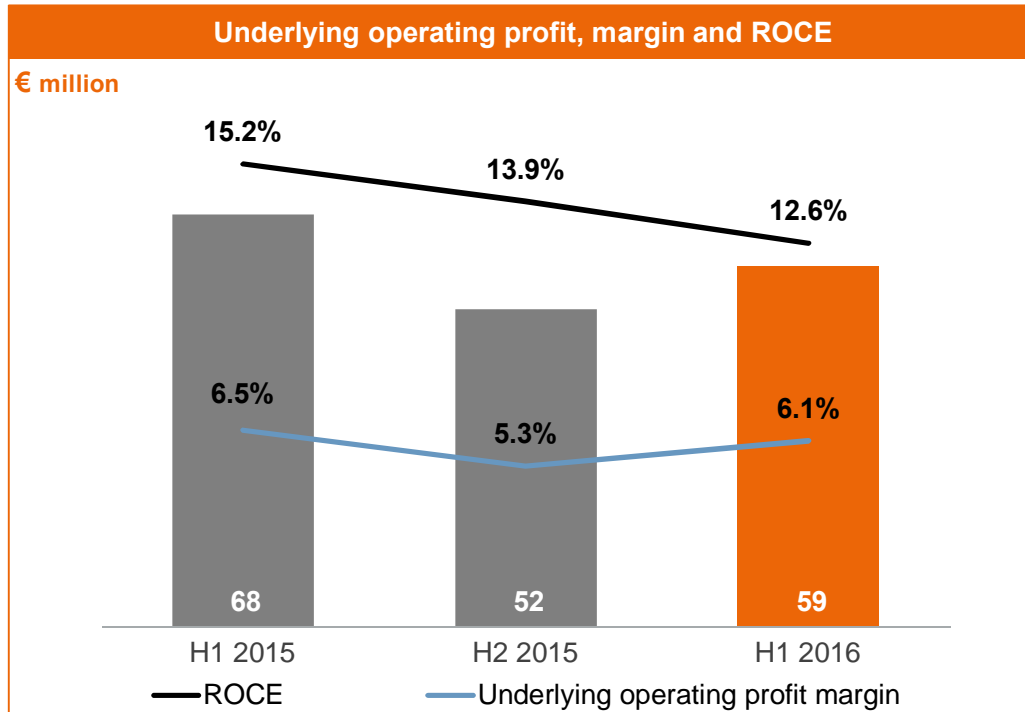
In VCB grades

Announced capacity increase likely to be compensated by grade substitution and/or reduction in net imports

US kraftliner can be sold domestically at " 100-" 140/t higher than in Southern Europe

Source: RISI, CEPI Containerboard deliveries and Mondi estimates

Fibre Packaging



Corrugated Packaging

H1 2016 sales volumes in line with H1 2015

Good growth in central Europe

Political instability in Turkey impacting sales volume growth

Russian embargo affecting Polish exports of FF&V¹

Completed acquisition of Simet and agreed Beepack acquisition in Q3 2016

Industrial Bags

Higher European volumes year-to-date

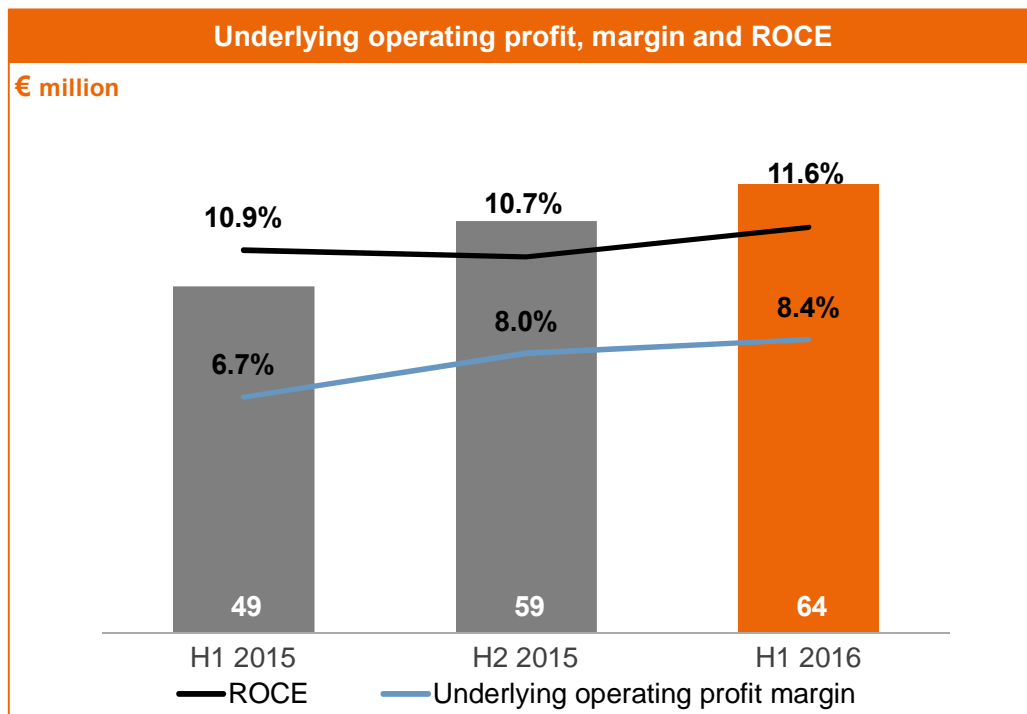
Decline in sales volumes in US and CIS region year-to-date due to challenging market conditions

Negative currency impacts in H1 2016

Strong cost management

1) Fresh fruit and vegetables

Consumer Packaging



H1 2016

Underlying operating profit up 31% on H1 2015

Supported by

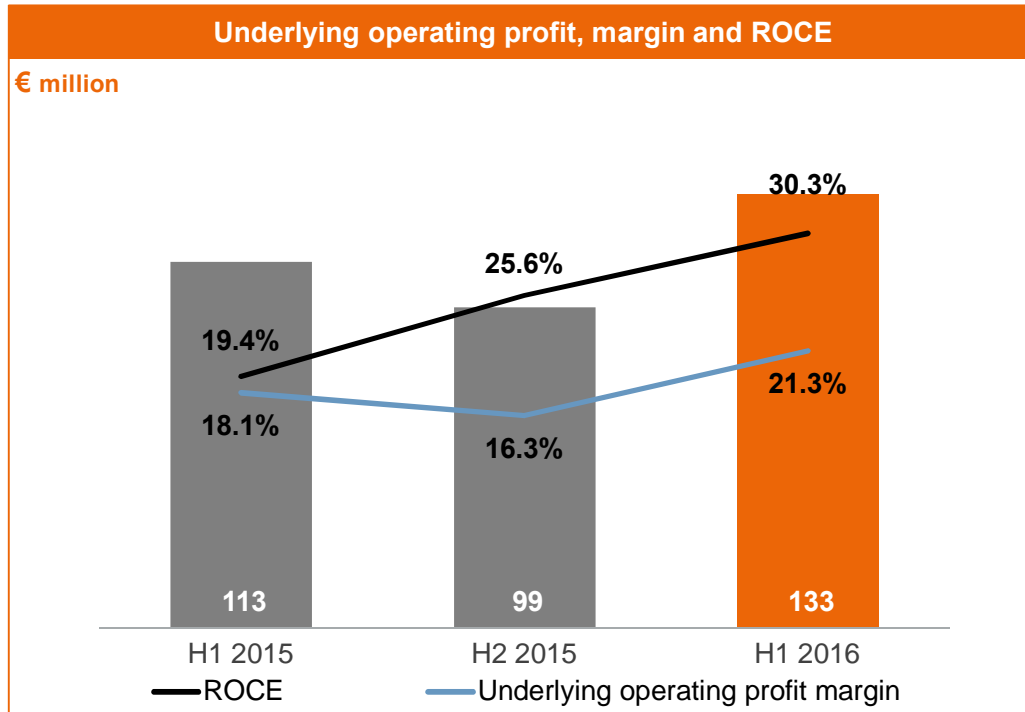
- Strong volume growth in higher value-added segments
- Benefits from commercial excellence initiatives
- Good contribution from acquisitions in 2015 (Ascania and KSP)

Q3 2016

Acquisitions of Kalenobel (Turkey) and Uralplastic (Russia) completed in July 2016

- Increase exposure to growing markets
- Enhanced product offering
- Small net charge expected in H2 2016 due to transactions costs and effects of acquisition accounting

Uncoated Fine Paper



H1 2016

Strong performance with 18% increase in underlying operating profit vs H1 2015

Stable sales volumes compared to H1 2015, despite industry demand contraction

Benefits from lower input costs

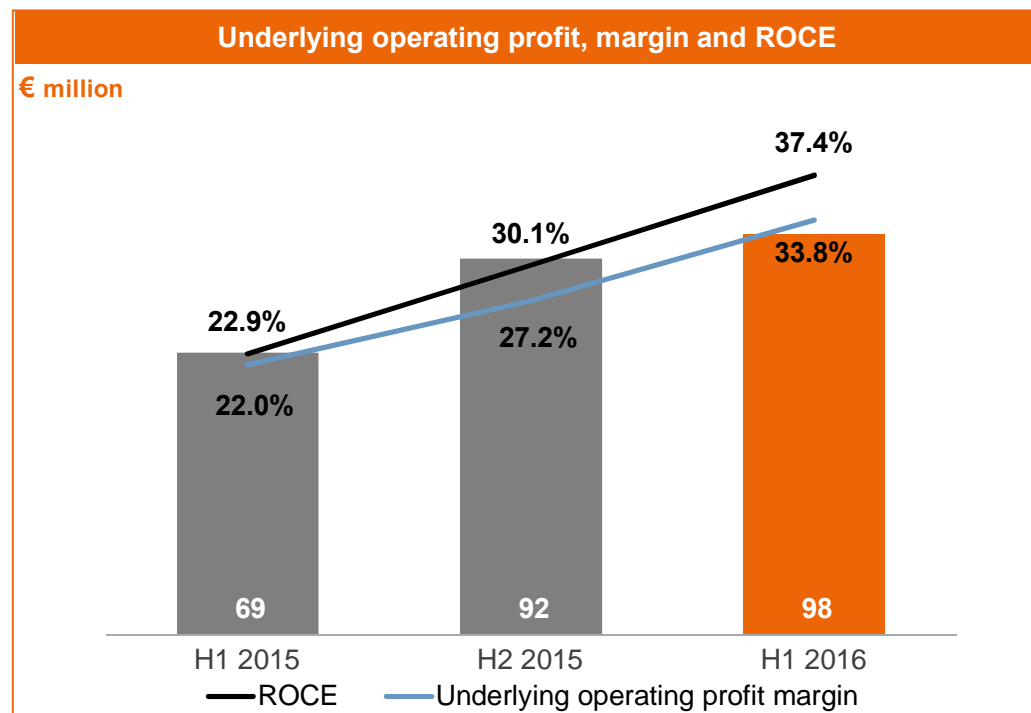
Q3 2016

UFP prices down 1% on Q2 2016 and marginally down on Q3 2015 on seasonally weak demand and pressure from imports

Pricing stabilising, order books have strengthened into the seasonally stronger winter months

Marginally stronger Rouble resulted in translation gain

South Africa Division



H1 2016

Strong performance, underlying operating profit up 42% on H1 2015

Higher average domestic selling prices across all grades offset by lower export pulp prices

Fair value gains on forestry assets

” 25 million up on H1 2015

Level of gain not expected to repeat in H2 2016

Richards Bay shut scheduled for Q4 2016 (Q1 2015)

Q3 2016

Results impacted by

Notable strengthening of the rand

Weakness of USD pulp price (down 16% on Q3 2015 and 3% on Q2 2016)

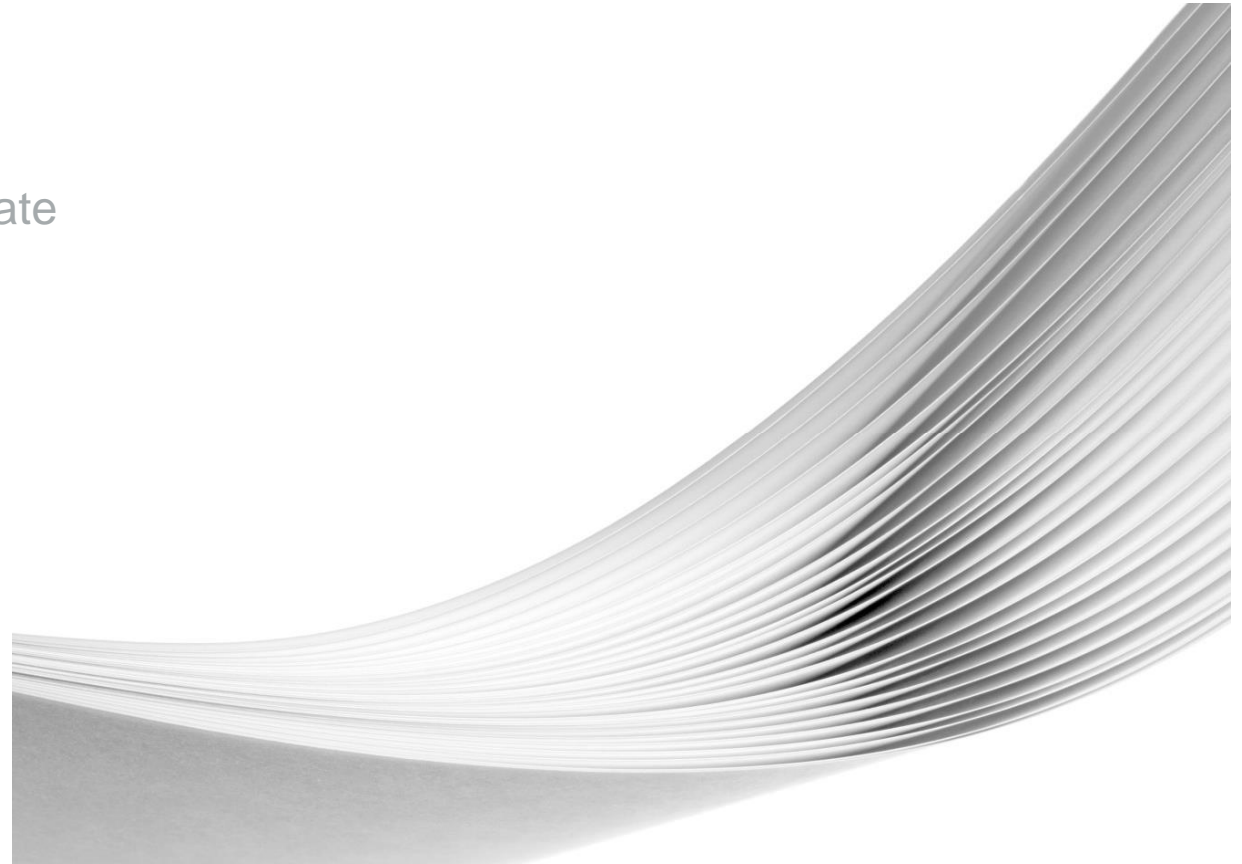
Forestry gains lower as expected (” 8m in Q3 compared to ” 48m in H1 2016)

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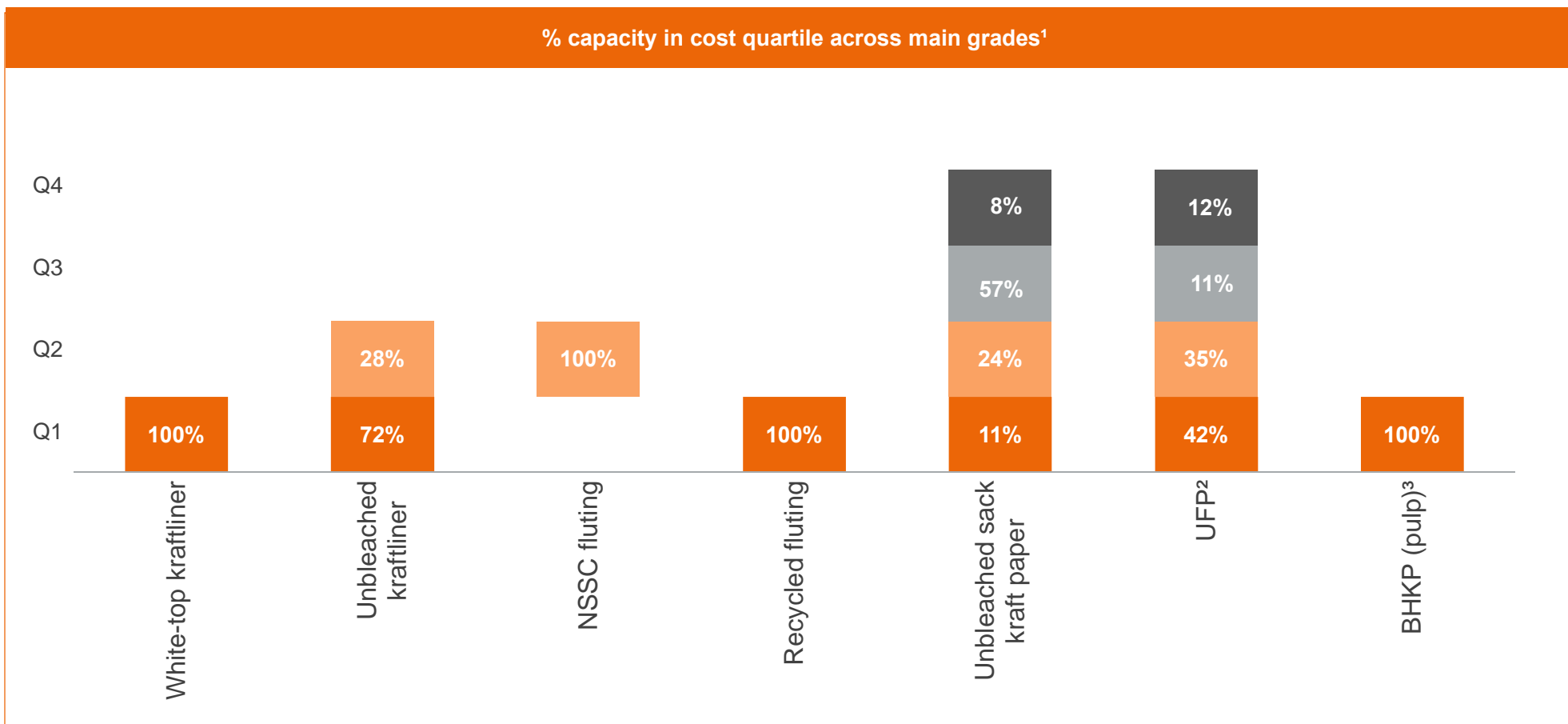
Appendix



Low-cost asset base



% capacity in cost quartile across main grades¹



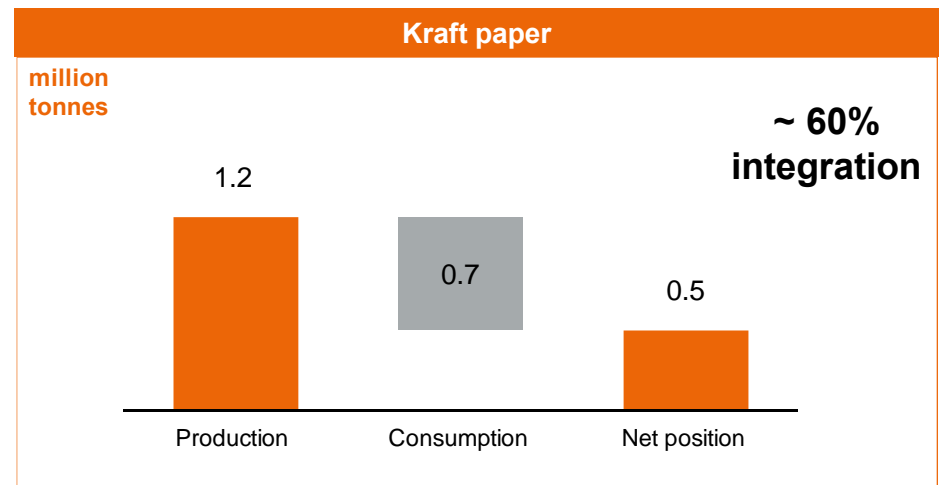
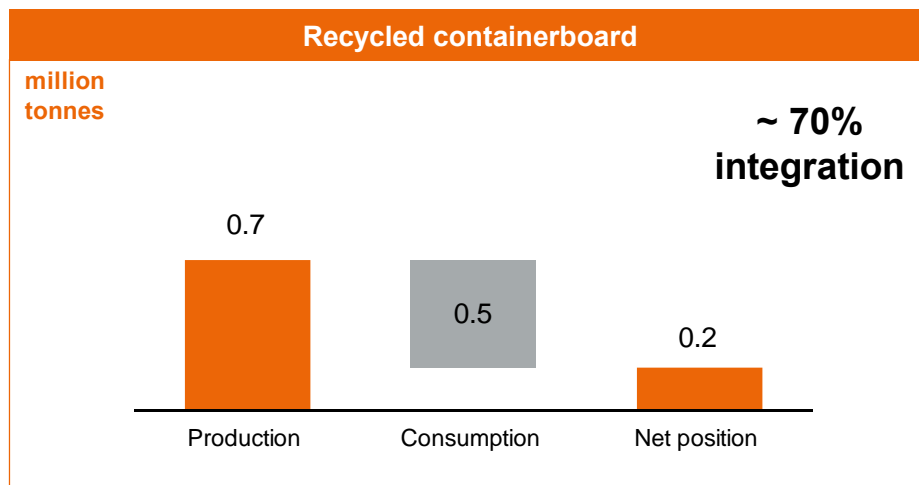
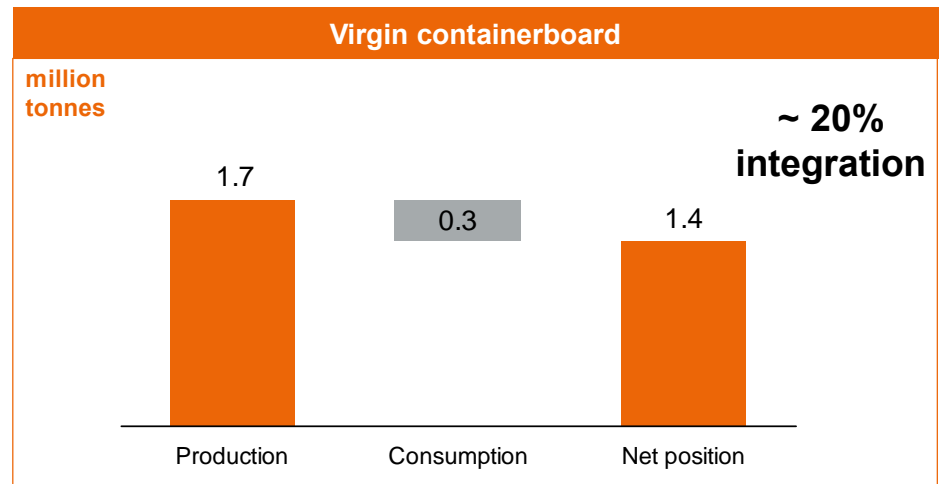
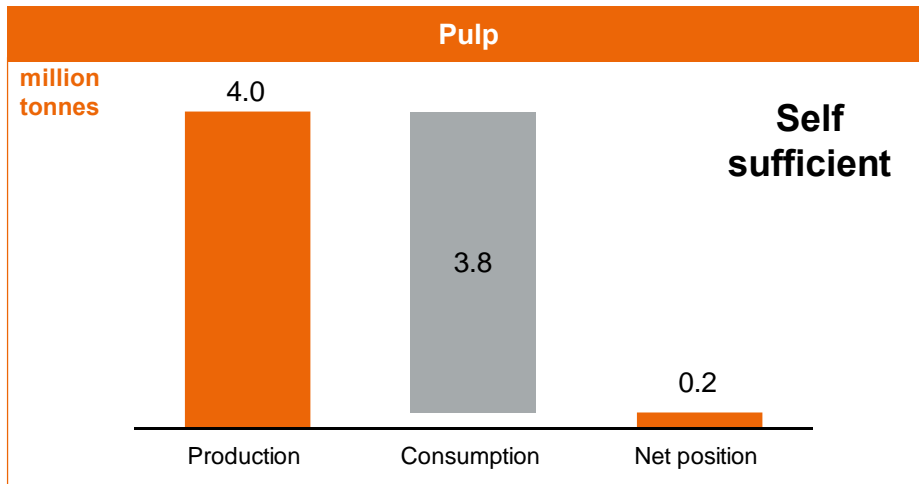
1) Delivered to Frankfurt except where noted

2) Includes specialities

3) Delivered to Rotterdam

Source: RISI and Mondi estimates, Q1 2016. Average Q1 2016 EUR/RUB FX rate of 82.45.

Pulp and paper integration



Note: Consumption represents total consumption by Mondi's downstream operations, including consumption of externally produced paper. Above figures are for 2015.

Market positions sources and definitions



Mondi region definitions:

Europe - Europe including Russia and Turkey

Emerging Europe - Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Georgia, Hungary, Latvia, Lithuania, Macedonia, Malta, Moldova, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia, Turkey, Ukraine

North America: Canada, Mexico, USA

Sources for market position estimates:

Virgin containerboard (VCB) Europe and Containerboard emerging Europe based on capacity - Source: RISI European Paper Packaging Capacity Report October 2015 and Mondi estimates

Kraft paper Europe based on capacity - Source: RISI European Paper Packaging Capacity Report, RISI Mill Asset Database, Pöyry Smart Terminal Service and Mondi estimates

Industrial bags Europe based on sales volume - Source: Eurosac, Freedonia World Industrial Bags 2011 study (revised in 2013) and Mondi estimates

Industrial bags North America based on sales volumes - Source: Mondi estimates

Corrugated packaging emerging Europe based on production - Source: Henry Poole Consulting and Mondi estimates

Extrusion coatings Europe based on sales volumes - Source: AWA Extrusion Coated Materials European Market Study version 2015 and Mondi estimates

Commercial release liner Europe based on sales volumes - Source: AWA Global Industrial Release Liner AWAreness report 2015 and Mondi estimates

Uncoated Fine Paper (UFP) Europe based on sales volumes, Ilim JV considered separate from IP – Source: Euro-Graph delivery statistics, EMGE Woodfree Forecast, EMGE World Graphic Papers, Pyrabelisk / Eastconsult and Mondi estimates

Bleached Hardwood Kraft Pulp (BHKP), White-top Kraftliner (WTKL) and UFP South Africa based on management estimates



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No assurance can be given that such future results will be achieved; various factors could cause actual future results, performance or events to differ materially from those described in these statements. Such factors include in particular but without any limitation: (1) operating factors, such as continued success of manufacturing activities and the achievement of efficiencies therein, continued success of product development plans and targets, changes in the degree of protection created by Mondi's patents and other intellectual property rights and the availability of capital on acceptable terms; (2) industry conditions, such as strength of product demand, intensity of competition, prevailing and future global market prices for Mondi's products and raw materials and the pricing pressures thereto, financial condition of the customers, suppliers and the competitors of Mondi and potential introduction of competing products and technologies by competitors; and (3) general economic conditions, such as rates of economic growth in Mondi's principal geographical markets or fluctuations of exchange rates and interest rates.

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