

33,000 Employees.  
113 Operations.  
35 Countries.  
**One Mondi.**



**Mondi Group**  
Half-Yearly Report 2007



# Financial summary

## Highlights

Group revenue up 7% at €3.1 billion.

EBITDA up 23% at €421 million.

Underlying operating profit up 46% at €243 million driven by an improved operating performance across the Group, significant pick up in the trading environment in Mondi Packaging and a major turnaround in the South African operations within Mondi Business Paper.

Successful listing of Mondi Group on the JSE and LSE on 3 July 2007 completes the demerger from Anglo American plc.

<i>€ million, except for percentages and per share measures</i>	<b>Six months June 2007</b>	Six months June 2006	Half year change %
Group revenue	<b>3,052</b>	2,857	+7
EBITDA <sup>1</sup>	<b>421</b>	343	+23
Underlying operating profit <sup>2</sup>	<b>243</b>	166	+46
Underlying profit before tax <sup>3</sup>	<b>203</b>	125	+62
Reported profit before tax	<b>250</b>	64	
Basic pro forma earnings per share (€ cents per share) <sup>4</sup>	<b>31.9</b>	2.7	
Underlying pro forma earnings per share (€ cents per share) <sup>4,5</sup>	<b>22.6</b>	11.9	+90
Headline pro forma earnings per share (€ cents per share) <sup>4,5</sup>	<b>17.3</b>	12.1	+43
Interim dividend per share (€ cents per share)	<b>7.3</b>	N/A	N/A
Cash inflow from operations	<b>356</b>	229	+55
Group ROCE <sup>6</sup>	<b>10.0%</b>	8.2%	+22

#### Notes:

- 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 The calculation of basic earnings, underlying earnings and headline earnings per share has been based on the actual number of shares issued on Admission to the Johannesburg and London stock exchanges of 514,137,127 shares.
- 5 The Group has presented underlying earnings per share to exclude the impact of special items, in order to present an additional comparison for the periods shown in the combined condensed and consolidated income statement, and headline earnings per share to exclude the impact of special items apart from demerger costs that have been reflected as special items.
- 6 Group return on capital employed (ROCE) is an annualised measure based on underlying operating profit plus share of associates net earnings divided by average trading capital employed.

# Introduction

“I am very pleased that Mondi’s first set of results as an independent Group shows a substantial recovery in operating profits and reflects an improved operating performance and trading environment across all business areas.

In the second half we expect to see continued pressure from rising input costs and weakness of the US dollar. However, the positive trends in Mondi’s key business segments are expected to continue and the Board is confident of achieving good progress for the year as a whole.”

**David Hathorn**

Mondi Group Chief Executive



**Welcome to Mondi’s first Half-Yearly Report, following the completion of our demerger from Anglo American plc in July.**

Mondi’s vision as an independent Group is to be the best performing paper and packaging business in the world – achieving the best returns for our shareholders, satisfying our customers, operating sustainably and engaging with our employees and the communities we serve.

Our strategy will continue to be to increase the value of our business through profitable growth, with a strong focus on emerging economies, including our existing positions in South Africa and Central and Eastern Europe, including Russia.

Mondi has a “Dual Listed Company” structure, with primary listings in Johannesburg and London. We have two holding companies, Mondi Limited and Mondi plc, but we are very much one Mondi. Shareholders in each company have equivalent economic and voting interests and we are one business, with the same Board members and management team.

I am very pleased that Mondi’s first set of results as an independent Group shows a substantial recovery in operating profits and reflects an improved operating performance and trading environment across all business areas.

I look forward to continuing to report to you on our progress.

# Group performance overview

The Group experienced a substantial improvement in operating performance in the first half of 2007, with underlying operating profit of €243 million up €77 million or 46% on the first half of 2006. We saw an improved operating performance across the Group and a significant pick up in the trading environment in Mondi Packaging, with price increases achieved across all major paper grades.

Mondi Business Paper also benefited from the improved operability of the PM31 paper machine in Merebank, South Africa, as well as modest increases in uncoated woodfree paper pricing. These positive developments were partially offset by significant inflation in fibre costs (wood, pulp and recycled fibre) as a result of strong Chinese fibre demand and alternative uses for wood in Europe.

Mondi Packaging's underlying operating profit increased by €48 million, up 49%, with the Corrugated Business benefiting from higher containerboard prices, coupled with some improvement in the converting operations and better performances in both the Bag and Flexibles Businesses. Mondi Business Paper's underlying operating profit increased by €34 million, or 74%, principally because of a significant turnaround in the South Africa operations. This was due to a restructuring of the business resulting in the improved operating performance of the PM31 paper machine in Merebank following the rebuild in 2005 and cost reductions throughout the business.

Mondi Packaging South Africa's underlying operating profit was in line with the prior year (rand exchange rate adversely impacted translation of results into euros), but was up 25% in local currency on the back of improved pricing and demand. Corporate costs were higher as a result of establishing Mondi's own corporate presence through the demerger from Anglo American plc.

Underlying operating margin was 8.0% (2006: 5.8%) reflecting the good operating performance and improvement in pricing, which was partially offset by input cost pressures. The Group achieved €73 million in cost savings and profit improvement initiatives in the first half of 2007, partly compensating for higher fibre and other input costs. The improved operating performance and lower capital employed in the current period meant that the Group's return on average capital employed to June 2007 was 10.0% versus 8.2% in the prior year.

Underlying pro forma earnings per share, calculated based on the combined number of ordinary shares for Mondi Limited and Mondi plc in issue on Admission to the Johannesburg and London stock exchanges for the period, were 22.6 euro cents per share, up 90% on the first half of 2006. The Group will pay a maiden interim dividend of 7.3 euro cents per share.

# Mondi Packaging

€ million	Six months June 2007	Six months June 2006	Half year change %
Segment revenue	<b>1,736</b>	1,550	+12
– of which inter-segment revenue	<b>19</b>	23	
EBITDA	<b>237</b>	191	+24
Underlying operating profit	<b>146</b>	98	+49
Corrugated Business	<b>66</b>	39	+69
Bag Business	<b>64</b>	49	+31
Flexibles Business	<b>16</b>	10	+60
Capital expenditure	<b>60</b>	106	-43
Net segment assets	<b>2,551</b>	2,412	+6
Return on net segment assets (%) <sup>7</sup>	<b>11.0%</b>	9.0%	+22

Notes:

<sup>7</sup> Return on net segment assets is an annualised measure based on underlying operating profit divided by average net segment assets.

Mondi Packaging results benefited from record production, ongoing productivity and efficiency gains, an improved trading environment and the restructuring actions taken in 2006. This was mitigated by increased wood and recycled paper costs which were up 27% and 26% respectively on the comparable period.

Within the Corrugated Business, the positive containerboard price trends and demand growth which were seen in 2006 have continued into 2007. Kraftliner prices were almost flat compared to the end of 2006, but up by some 15%<sup>1</sup> compared to the first half of 2006 with white top kraftliner up 4%<sup>1</sup>. Corrugated box prices increased, reflecting the passing on of containerboard price increases; however, profit margins remain at an unsatisfactory level and further box price increases are required. The increase in profits was supported by the restructuring of the downstream corrugated packaging operations in 2006.

The Bag Business recorded improved kraft paper prices and volumes and is further benefiting from the acquisition of Stambolijski in the second half of 2006. The Bag Business downstream converting operations also saw a strong improvement in demand in the first half, mainly from the construction industry, leading to an unusually high sales volume increase of 4%.

Improvement in the Flexibles Businesses was mainly driven by price increases and efficiency enhancements and also includes the benefit from acquisitions made in the second half of 2006.

Mondi Packaging delivered €33 million of profit improvements and cost savings in the period.

A record packaging paper production output was achieved (production volumes up 5%) with 5 out of 13 paper mills achieving new production records in the period. In addition, the Swiecie mill successfully completed the major rebuild of PM1.

During the period, the 40% associate equity stake in Bischof + Klein GmbH was disposed of for €57 million, resulting in a profit on sale of €19 million. In addition, to avoid a mandatory offer for the minority interests in Mondi Packaging Paper Swiecie S.A. following Mondi's demerger from Anglo American plc, a 5.3% stake in Swiecie was disposed of for €66 million, resulting in a profit on sale of €57 million (Mondi's ownership post disposal is 66%).

On 6 July 2007 Mondi Packaging announced the acquisition of 53.56% of Tire Kutsan, a Turkish corrugated packaging company, and 100% of the Austrian based Unterland flexible packaging operations, both subject to regulatory approval. The debt free enterprise valuation of these acquisitions is €190 million and €74 million respectively. Both these acquisitions are exciting additions to the Mondi Group and strengthen our packaging division in two of its key segments of corrugated and flexibles.

Finalisation of the level of available support from the Polish authorities for the approved €350 million 470,000 tonne lightweight recycled containerboard machine and new 250 million m<sup>2</sup> per annum corrugated box plant at the Mondi Packaging Paper Swiecie S.A. mill in Poland is progressing well. The completion date is estimated to be mid to late 2009.

1. Source FOEX: PIX Packaging Europe Index History

## Mondi Business Paper

€ million	Six months June 2007	Six months June 2006	Half year change %
Segment revenue	<b>966</b>	958	+1
– of which inter-segment revenue	<b>86</b>	75	
EBITDA	<b>149</b>	114	+31
Underlying operating profit	<b>80</b>	46	+74
Capital expenditure	<b>52</b>	84	-38
Net segment assets	<b>2,180</b>	2,157	+1
Return on net segment assets (%) <sup>7</sup>	<b>6.4%</b>	5.0%	+28

Notes:

<sup>7</sup> Return in net segment assets is an annualised measure based on underlying operating profit divided by average net segment assets.

The increase in underlying operating profit was largely driven by the significant improvement in the South African operations. The operational difficulties experienced in the first half of 2006, following the 2005 rebuild of PM31 in Merebank, have now largely been addressed. The overall restructuring of the South African operations is progressing well.

Uncoated woodfree production was 7.2% higher (continuing operations) than the first half of 2006, supported by good performances at our Slovakian and Russian mills. Total pulp production was up 10%, with the Richards Bay RB720 pulp line operating at improved rates following commissioning in 2005.

The average uncoated woodfree paper price improvements of 5-6% since the beginning of the year were mostly offset by higher pulp input costs at the non-integrated mills and higher purchased wood costs. The overall fibre cost increase has been mitigated by our own low cost wood resources in South Africa and Russia. Cost savings and profit improvement initiatives contributed €37 million during the period.

Further increases in paper prices are required for returns to reach acceptable levels. Whilst industry mill operating rates have improved to over 90% (but traditionally soften as we move into the European summer) we do expect to see further improvement in operating rates post the European summer, helped by some industry plant closure announcements and the normal post-summer pick up in demand.

Mondi Business Paper will be taking usual downtime in the second half for planned maintenance shuts at its major mills. In addition, the headbox at the PM31 paper machine will be further modified to ensure optimum performance, a process which is scheduled to take up to 3 weeks. This will in total result in a capacity reduction of 35,000 tonnes in the second half.

Mondi Business Paper is making good progress in obtaining the necessary operating permits and agreement of governmental support for the approved €525 million modernisation and expansion at the Syktyvkar mill in Russia. Planning for the project is progressing well with completion expected by mid 2010.

## Mondi Packaging South Africa

€ million	Six months June 2007	Six months June 2006	Half year change %
Segment revenue	<b>173</b>	185	-6
– of which inter-segment revenue	<b>17</b>	13	
EBITDA	<b>21</b>	21	–
Underlying operating profit	<b>15</b>	15	–
Capital expenditure	<b>14</b>	16	-13
Net segment assets	<b>208</b>	202	+3
Return on net segment assets (%) <sup>7</sup>	<b>17.1%</b>	19.1%	-10

### Notes:

<sup>7</sup> Return in net segment assets is an annualised measure based on underlying operating profit divided by average net segment assets.

Demand across all business segments has been strong, largely due to an increase in local consumption and a good agricultural season. Underlying operating profit was 25% higher in local currency versus the first half of 2006, also benefiting from a good operational performance. However, as a result of the significantly weaker rand exchange rate, this improved result is flat year-on-year on translation into euro.

The Springs mill optimisation project, costing €12 million, is on track for commissioning in August 2007. The Felixton optimisation project, costing €25 million, which is due for commissioning in March 2008, is progressing well and will, when complete, enable Felixton to produce lighter weight paper and increase production by 50,000 tonnes of fluting.

Regulatory approval was received on 4 July 2007 for the €100 million acquisition of Lenco, a rigid plastics business. Lenco will be consolidated from the beginning of the second half of 2007.

## Merchant and Newsprint businesses

€ million	Six months June 2007	Six months June 2006	Half year change %
Segment revenue	<b>286</b>	260	+10
– of which inter-segment revenue	<b>1</b>	–	
EBITDA	<b>27</b>	22	+23
Underlying operating profit	<b>16</b>	12	+33
Capital expenditure	<b>8</b>	2	+300
Net segment assets	<b>284</b>	251	+13
Return on net segment assets (%) <sup>7</sup>	<b>12.3%</b>	7.7%	+60

### Notes:

<sup>7</sup> Return in net segment assets is an annualised measure based on underlying operating profit divided by average net segment assets.

Merchant and Newsprint underlying operating profit at €16 million is up 33% on the first half of 2006. This is due to improved pricing and volumes at Europapier and improved prices and lower input costs at Aylesford. Mondi Shanduka Newsprint underlying profit was higher in local currency but lower in euros as a result of the weaker rand.

## Corporate and other businesses

Corporate costs were €9 million higher than in the first half of 2006 due to Mondi establishing itself as an independent business, with certain functions previously performed by Anglo American plc now being resourced by the Mondi Group.

# Supplementary Group financials

## Operating special items

The pre-tax charge of €8 million is fully described in note 4 to the accounts and is mainly made up of an asset impairment and charges relating to retention arrangements.

## Net profit on disposals

Net profit on disposal includes the sale of Bischof + Klein GmbH (€19 million profit), the sale of a 5.3% stake in Mondi Packaging Paper Swiecie S.A. (€57 million profit), and the sale of various Corrugating converting operations (€8 million profit). These have been separately identified given their materiality. The Corrugated converting operations, which were held for sale at the end of 2006, were disposed of as part of a restructuring programme to improve the Corrugated results.

## Special finance charges

As part of the demerger from Anglo American plc, certain long term loans in South Africa were closed out at a cost of €29 million, representing largely the interest foregone on the settlement of the loans. Given the materiality of this amount, the Board believe that it is more appropriate to disclose this separately on the income statement.

## Net finance costs

Net finance costs of €42 million, before special financing items, are €3 million lower than 2006 (€45 million) following the debt restructuring in South Africa with Anglo American plc. It should be noted that, going forward, finance costs will reflect Mondi's new capital structure.

## Taxation

The effective tax rate at 30% was 3.6% lower than in 2006 due to the higher level of non deductible expenditure in 2006 and fewer prior year adjustments.

## Minority interests

Minority interests were €4 million higher than the first half of 2006 with higher earnings at the main non-wholly owned subsidiaries of Mondi Packaging Paper Swiecie S.A. and Mondi Business Paper (Ruzomberok) partly offset by the benefit in 2006 of higher income on green energy credits and CO<sub>2</sub> emission sales at both Swiecie and Ruzomberok.

## Underlying pro forma earnings per share

Underlying pro forma earnings per share have been calculated based on the number of ordinary shares in issue on Admission to the Johannesburg and London stock exchanges on 3 July 2007. The potential dilutive impact of the share schemes' awards coming into effect on or after 3 July 2007 will only be assessed in the Group's 2007 annual financial statements.

On a pro forma basis, underlying earnings per share were up 90% following the improved operating result.

## Interim dividend

A maiden interim dividend of 7.3 euro cents per share will be paid on 17 September 2007 to those shareholders on the register of Mondi plc on 31 August 2007.

An equivalent interim dividend will be paid in South African rand on 17 September 2007 to shareholders on the register of Mondi Limited on 31 August 2007. Holders of Mondi Limited Depositary Interests who hold their interests through the Lloyds TSB Registrars Corporate Nominee will receive their dividend in UK sterling on 25 September 2007.

The Board intend that the final and interim dividends will be paid in approximate proportions of two thirds (final) and one third (interim).

## Cash flow and borrowings

Cash inflows from operations of €356 million were €127 million up on the comparable period, benefiting from improved trading and tighter control of working capital. Capital expenditure in the period of €139 million was €39 million lower than depreciation. Capital expenditure is expected to increase in the second half as several capital projects are scheduled to take place, when a number of the large paper mills take maintenance downtime during the second half.

Mondi has now entered into new borrowing facilities and repaid the intercompany debt owed to its former parent Anglo American plc. As at 30 June 2007, Mondi had committed debt facilities of €2,648 million (at an average maturity of 3.7 years) of which €1,473 million was undrawn.

## Current year outlook

In the second half we expect to see continued pressure from rising input costs and weakness of the US dollar. However the positive trends in Mondi's key business segments are expected to continue and the Board is confident of achieving good progress for the year as a whole.

# Independent review report to Mondi Limited

## Introduction

We have been instructed by the company to review the financial information of the Mondi Group for the six months ended 30 June 2007 which comprises a combined condensed consolidated income statement, a combined condensed consolidated balance sheet, a combined condensed consolidated cash flow statement, a combined consolidated statement of total recognised income and expense and notes 1 to 16. We have read the other information contained in the half-yearly report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

## Directors' responsibilities

The half-yearly report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly report in accordance with the basis of preparation set out in Note 1, the JSE Listing Requirements and the requirements of IAS 34 which require that the accounting policies and presentation applied to the half-yearly figures are consistent with those applied in preparing the preceding audited financial information except where any changes, and the reasons for them, are disclosed.

## Review work performed

We conducted our review in accordance with the guidance contained in International Standards on Review Engagements 2410 – “Review of Interim Financial Information performed by Independent Auditors of the Entity” issued by the IASB. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

## Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2007.

### **Deloitte & Touche**

Per C Sagar

Partner

1 August 2007

#### Note:

A review does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the financial information since first published. These matters are the responsibility of the directors but no control procedures can provide absolute assurance in this area.

# Independent review report to Mondi plc

## Introduction

We have been instructed by the company to review the financial information of the Mondi Group for the six months ended 30 June 2007 which comprises a combined condensed consolidated income statement, a combined condensed consolidated balance sheet, a combined condensed consolidated cash flow statement, a combined consolidated statement of total recognised income and expense and notes 1 to 16. We have read the other information contained in the half-yearly report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the company in accordance with Bulletin 1999/4 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

## Directors' responsibilities

The half-yearly report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly report in accordance with the basis of preparation set out in Note 1, the Listing Rules of the Financial Services Authority and the requirements of IAS 34 which require that the accounting policies and presentation applied to the half-yearly figures are consistent with those applied in preparing the preceding audited financial information except where any changes, and the reasons for them, are disclosed.

## Review work performed

We conducted our review in accordance with the guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

## Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2007.

### **Deloitte & Touche LLP**

Chartered Accountants  
London  
1 August 2007

#### Notes:

A review does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the financial information since first published. These matters are the responsibility of the directors but no control procedures can provide absolute assurance in this area.

Legislation in the United Kingdom governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.

# Combined condensed consolidated income statement

For the six months ended 30 June 2007

€ million	Note	Reviewed Six months ended 30 June 2007		Reviewed Six months ended 30 June 2006		Audited Year ended 31 December 2006				
		Before special items	Special items (note 4)	Before special items	Special items (note 4)	Before special items	Special items (note 4)			
<b>Group revenue</b>	3	3,052	—	<b>3,052</b>	2,857	—	<b>2,857</b>	5,751	—	<b>5,751</b>
Materials, energy and consumables used		(1,577)	—	<b>(1,577)</b>	(1,458)	—	<b>(1,458)</b>	(2,960)	—	<b>(2,960)</b>
Variable selling expenses		(280)	—	<b>(280)</b>	(278)	—	<b>(278)</b>	(558)	—	<b>(558)</b>
<b>Gross margin</b>		1,195	—	<b>1,195</b>	1,121	—	<b>1,121</b>	2,233	—	<b>2,233</b>
Maintenance and other indirect expenses		(130)	—	<b>(130)</b>	(134)	—	<b>(134)</b>	(287)	—	<b>(287)</b>
Personnel costs		(446)	—	<b>(446)</b>	(447)	—	<b>(447)</b>	(874)	—	<b>(874)</b>
Other net operating expenses		(198)	(8)	<b>(206)</b>	(197)	(57)	<b>(254)</b>	(346)	(78)	<b>(424)</b>
Depreciation and amortisation		(178)	—	<b>(178)</b>	(177)	—	<b>(177)</b>	(349)	—	<b>(349)</b>
<b>Operating profit/(loss) from subsidiaries and joint ventures</b>	3	243	(8)	<b>235</b>	166	(57)	<b>109</b>	377	(78)	<b>299</b>
Net profit/(loss) on disposals	4	—	84	<b>84</b>	—	(4)	<b>(4)</b>	—	(4)	<b>(4)</b>
Net income from associates	3	2	—	<b>2</b>	4	—	<b>4</b>	5	—	<b>5</b>
<b>Total profit/(loss) from operations and associates</b>		245	76	<b>321</b>	170	(61)	<b>109</b>	382	(82)	<b>300</b>
Investment income		21	—	<b>21</b>	35	—	<b>35</b>	70	—	<b>70</b>
Interest expense		(63)	(29)	<b>(92)</b>	(80)	—	<b>(80)</b>	(147)	—	<b>(147)</b>
<b>Net finance costs</b>	5	(42)	(29)	<b>(71)</b>	(45)	—	<b>(45)</b>	(77)	—	<b>(77)</b>
Profit/(loss) before tax		203	47	<b>250</b>	125	(61)	<b>64</b>	305	(82)	<b>223</b>
Taxation (charge)/credit	6	(61)	1	<b>(60)</b>	(42)	14	<b>(28)</b>	(115)	21	<b>(94)</b>
<b>Profit/(loss) for the financial period</b>		142	48	<b>190</b>	83	(47)	<b>36</b>	190	(61)	<b>129</b>
Attributable to:										
Minority interests		26	—	<b>26</b>	22	—	<b>22</b>	51	—	<b>51</b>
Shareholders of the parent company		116	48	<b>164</b>	61	(47)	<b>14</b>	139	(61)	<b>78</b>
<b>Pro forma earnings per share (EPS) for profit attributable to equity holders</b>										
Basic EPS (€ cents)	7			<b>31.9</b>			<b>2.7</b>			<b>15.2</b>
Headline EPS (€ cents)	7			<b>17.3</b>			<b>12.1</b>			<b>28.2</b>
Underlying EPS (€ cents)	7			<b>22.6</b>			<b>11.9</b>			<b>27.0</b>

# Combined condensed consolidated balance sheet

## As at 30 June 2007

<i>€ million</i>	Note	Reviewed As at 30 June 2007	Reviewed As at 30 June 2006	Audited As at 31 December 2006
Intangible assets		381	366	381
Property, plant and equipment		3,594	3,534	3,659
Forestry assets		220	215	221
Investments in associates		7	42	7
Financial asset investments		25	48	39
Deferred tax assets		40	35	35
Retirement benefit surplus		25	1	35
<b>Total non-current assets</b>		<b>4,292</b>	<b>4,241</b>	<b>4,377</b>
Inventories		710	657	656
Trade and other receivables		1,355	1,257	1,268
Current tax assets		33	19	34
Cash and cash equivalents	9	176	421	415
Other current financial assets (derivatives)		7	15	11
<b>Total current assets</b>		<b>2,281</b>	<b>2,369</b>	<b>2,384</b>
Assets held for sale		2	20	106
<b>Total assets</b>		<b>6,575</b>	<b>6,630</b>	<b>6,867</b>
Short-term borrowings	9	(311)	(1,167)	(1,238)
Trade and other payables		(1,016)	(961)	(935)
Current tax liabilities		(87)	(24)	(71)
Provisions		(9)	(3)	(8)
Other current financial liabilities (derivatives)		(2)	(3)	(2)
<b>Total current liabilities</b>		<b>(1,425)</b>	<b>(2,158)</b>	<b>(2,254)</b>
Medium and long-term borrowings	9	(1,200)	(672)	(656)
Retirement benefit obligations		(212)	(229)	(220)
Deferred tax liabilities		(322)	(309)	(325)
Provisions		(42)	(50)	(40)
Other non-current liabilities		(15)	(14)	(16)
<b>Total non-current liabilities</b>		<b>(1,791)</b>	<b>(1,274)</b>	<b>(1,257)</b>
Liabilities directly associated with assets classified as held for sale		—	—	(39)
<b>Total liabilities</b>		<b>(3,216)</b>	<b>(3,432)</b>	<b>(3,550)</b>
<b>Net assets</b>		<b>3,359</b>	<b>3,198</b>	<b>3,317</b>
<b>Equity</b>				
Equity attributable to equity holders		3,007	2,913	2,986
Minority interests		352	285	331
<b>Total equity</b>		<b>3,359</b>	<b>3,198</b>	<b>3,317</b>
Pro forma net asset value per share (€ per share)		6.53	6.22	6.45

# Combined condensed consolidated cash flow statement

## For the six months ended 30 June 2007

€ million	Note	Reviewed Six months ended 30 June 2007	Reviewed Six months ended 30 June 2006	Audited Year ended 31 December 2006
<b>Cash inflows from operations</b>		<b>356</b>	<b>229</b>	<b>657</b>
Dividends from associates		1	1	1
Dividends from financial investments		—	—	1
Income tax paid		(40)	(34)	(71)
<b>Net cash inflows from operating activities</b>		<b>317</b>	<b>196</b>	<b>588</b>
<b>Cash flows from investing activities</b>				
Acquisition of subsidiaries, associates and joint ventures, net of cash and cash equivalents		(7)	(68)	(113)
Investment in associates		—	—	(2)
Disposal of subsidiaries, associates and joint ventures, net of cash and cash equivalents		157	29	34
Purchases of property, plant and equipment	10	(139)	(209)	(460)
Proceeds from the disposal of property, plant and equipment		4	9	16
Investment in forestry assets		(19)	(26)	(50)
Purchases of financial/fixed asset investments		—	(1)	(1)
Purchase of intangible assets		(2)	—	(6)
Proceeds from the sale of financial/fixed asset investments		—	1	3
Loan repayments from related parties		11	14	9
Interest received		9	22	51
Other investing activities		(1)	(7)	(5)
<b>Net cash generated from/(used in) investing activities</b>		<b>13</b>	<b>(236)</b>	<b>(524)</b>
<b>Cash flows from financing activities</b>				
Repayment of short-term borrowings		(889)	(393)	(355)
Proceeds from medium and long-term borrowings		548	24	70
Interest paid		(88)	(77)	(130)
Dividends paid to minority investments		(21)	(29)	(38)
Dividends paid to Anglo American group companies		(202)	(22)	(75)
Proceeds from current asset investments		—	(1)	—
Increase in invested capital		105	294	289
Other financing activities		5	6	5
<b>Net cash used in financing activities</b>		<b>(542)</b>	<b>(198)</b>	<b>(234)</b>
<b>Net decrease in cash and cash equivalents<sup>1</sup></b>		<b>(212)</b>	<b>(238)</b>	<b>(170)</b>
Cash and cash equivalents <sup>1</sup> at start of period		358	574	574
Cash movements in the period		(212)	(238)	(170)
Reclassifications		(3)	—	(3)
Effects of changes in foreign exchange rates		(7)	(37)	(43)
<b>Cash and cash equivalents<sup>1</sup> at end of period</b>		<b>136</b>	<b>299</b>	<b>358</b>

Note:

1 Includes overdrafts and cash balances in disposal groups.

# Combined consolidated statement of recognised income and expense

For the six months ended  
30 June 2007

<i>€ million</i>	Reviewed Six months ended 30 June 2007	Reviewed Six months ended 30 June 2006	Audited Year ended 31 December 2006
(Loss)/gain on cash flow hedges	(6)	12	8
Actuarial (losses)/gains on post-retirement benefit schemes	(8)	5	60
Related deferred tax credit/(charge)	3	(4)	(21)
Exchange losses on translation of foreign operations	(35)	(179)	(137)
Other movements	2	(5)	3
<b>Net expense recognised directly in reserves</b>	<b>(44)</b>	<b>(171)</b>	<b>(87)</b>
Profit for the period	190	36	129
<b>Total recognised income and expense for the year</b>	<b>146</b>	<b>(135)</b>	<b>42</b>
Attributable to:			
Minority interests	32	10	65
Shareholders of the parent company	114	(145)	(23)

# Notes to the financial information

## 1 Basis of preparation

The combined condensed half-yearly financial information for the six months ended 30 June 2007 presents the financial record of those businesses held by Mondi Limited and Mondi plc at the date of Admission of their shares on the JSE Limited ("JSE") and the London Stock Exchange ("LSE") respectively. The combined condensed half-yearly financial information therefore comprises an aggregation of amounts included in the financial statements of Mondi entities and former Anglo American entities (together "the Group").

During the period and the prior periods presented, the Group did not form a separate legal group and therefore it is not meaningful to show the share capital or an analysis of reserves within the combined condensed half-yearly financial information, although the non-adjusting effects of the dual listing are analysed as part of a review of post balance sheet events. Instead the "Equity attributable to equity holders" is presented, which represents the aggregated share capital, share premiums and reserves of the Group's entities, and debtor and creditor balances between Anglo American and the Group, which are considered to be equity funding in nature. Any interest accruing on such balances is classified as a "dividend in specie" and recorded separately through reserves, not through the income statement.

The combined condensed half-yearly financial statements for the six months ended 30 June 2007, which were approved by the Board on 1 August 2007, do not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985 of the United Kingdom. This half-yearly financial information has been prepared in accordance with IAS 34, 'Interim Financial Reporting' and should be read in conjunction with the financial information for the year ended 31 December 2006 included within Part VIII: "Financial information", of the Prospectus dated 1 June 2007.

## 2 Accounting policies

The same accounting policies, presentation and measurement principles have been followed in the condensed set of half-yearly financial statements as applied in the Group's audited financial information for the year ended 31 December 2006, included within Part VIII: "Financial information", of the Prospectus dated 1 June 2007.

# Notes to the financial information continued

## 3 Segmental information

### Primary reporting format – by business segment

Primary segment disclosures for revenues are as follows:

€ million	Six months ended 30 June 2007			Six months ended 30 June 2006			Year ended 31 December 2006		
	Segment revenue	Inter-segment revenue	Group revenue	Segment revenue	Inter-segment revenue	Group revenue	Segment revenue	Inter-segment revenue	Group revenue
<b>Subsidiaries and joint ventures</b>									
Mondi Packaging									
Corrugated Business	768	(33)	<b>735</b>	731	(40)	691	1,497	(86)	1,411
Bag Business	634	(21)	<b>613</b>	561	(16)	545	1,162	(31)	1,131
Flexibles Business	384	(15)	<b>369</b>	304	(13)	291	607	(28)	579
Intra-group sales	(50)	50	—	(46)	46	—	(99)	99	—
	1,736	(19)	<b>1,717</b>	1,550	(23)	1,527	3,167	(46)	3,121
Mondi Business Paper	966	(86)	<b>880</b>	958	(75)	883	1,889	(163)	1,726
Mondi Packaging South Africa	173	(17)	<b>156</b>	185	(13)	172	360	(25)	335
Merchant and Newsprint businesses	286	(1)	<b>285</b>	260	—	260	539	(1)	538
Corporate and other businesses	14	—	<b>14</b>	15	—	15	31	—	31
Elimination of inter-segment revenue	(123)	123	—	(111)	111	—	(235)	235	—
<b>Total subsidiaries and joint ventures</b>	<b>3,052</b>	<b>—</b>	<b>3,052</b>	<b>2,857</b>	<b>—</b>	<b>2,857</b>	<b>5,751</b>	<b>—</b>	<b>5,751</b>
<b>Associates</b>									
Mondi Packaging	8	—	<b>8</b>	102	—	102	168	—	168
Mondi Business Paper	25	—	<b>25</b>	21	—	21	40	—	40
Mondi Packaging South Africa	3	—	<b>3</b>	1	—	1	8	—	8
<b>Total associates</b>	<b>36</b>	<b>—</b>	<b>36</b>	<b>124</b>	<b>—</b>	<b>124</b>	<b>216</b>	<b>—</b>	<b>216</b>
<b>Total Group operations</b>	<b>3,088</b>	<b>—</b>	<b>3,088</b>	<b>2,981</b>	<b>—</b>	<b>2,981</b>	<b>5,967</b>	<b>—</b>	<b>5,967</b>

Primary segment disclosures for profits are as follows:

€ million	Segment operating profit before special items <sup>1</sup>			Segment operating profit after special items <sup>1</sup>		
	Six months ended 30 June 2007	Six months ended 30 June 2006	Year ended 31 December 2006	Six months ended 30 June 2007	Six months ended 30 June 2006	Year ended 31 December 2006
<b>Subsidiaries and joint ventures</b>						
Mondi Packaging						
Corrugated Business	66	39	120	66	(10)	71
Bag Business	64	49	97	64	41	89
Flexibles Business	16	10	9	16	9	4
	146	98	226	146	40	164
Mondi Business Paper	80	46	104	76	47	88
Mondi Packaging South Africa	15	15	35	16	15	35
Merchant and Newsprint businesses	16	12	29	16	12	29
Corporate and other businesses	(14)	(5)	(17)	(19)	(5)	(17)
<b>Total subsidiaries and joint ventures</b>	<b>243</b>	<b>166</b>	<b>377</b>	<b>235</b>	<b>109</b>	<b>299</b>

# Notes to the financial information continued

## 3 Segmental information continued

Primary segment disclosures for profits are as follows:

€ million	Segment operating profit before special items <sup>1</sup>			Segment operating profit after special items <sup>1</sup>		
	Six months ended 30 June 2007	Six months ended 30 June 2006	Year ended 31 December 2006	Six months ended 30 June 2007	Six months ended 30 June 2006	Year ended 31 December 2006
<b>Net income from associates</b>						
Mondi Packaging	1	4	4	1	4	4
Mondi Business Paper	1	—	1	1	—	1
<b>Total associates</b>	<b>2</b>	<b>4</b>	<b>5</b>	<b>2</b>	<b>4</b>	<b>5</b>
<b>Total Group operations including net income from associates</b>	<b>245</b>	<b>170</b>	<b>382</b>	<b>237</b>	<b>113</b>	<b>304</b>
Net profit/(loss) on disposals	—	—	—	84	(4)	(4)
<b>Total profit from operations and associates</b>	<b>245</b>	<b>170</b>	<b>382</b>	<b>321</b>	<b>109</b>	<b>300</b>

Note:  
1 Special items are set out in note 4.

Primary segment disclosures for segment assets and liabilities are as follows:

€ million	As at 30 June 2007			As at 30 June 2006			As at 31 December 2006		
	Segment assets	Segment liabilities	Net segment assets <sup>1</sup>	Segment assets	Segment liabilities	Net segment assets <sup>1</sup>	Segment assets	Segment liabilities	Net segment assets <sup>1</sup>
<b>Subsidiaries and joint ventures</b>									
Mondi Packaging									
Corrugated Business	1,244	(217)	<b>1,027</b>	1,220	(230)	990	1,263	(233)	1,030
Bag Business	1,311	(175)	<b>1,136</b>	1,270	(168)	1,102	1,265	(175)	1,090
Flexibles Business	467	(79)	<b>388</b>	390	(70)	320	432	(58)	374
	3,022	(471)	<b>2,551</b>	2,880	(468)	2,412	2,960	(466)	2,494
Mondi Business Paper	2,440	(260)	<b>2,180</b>	2,415	(258)	2,157	2,484	(253)	2,231
Mondi Packaging South Africa	261	(53)	<b>208</b>	230	(28)	202	247	(52)	195
Merchant and Newsprint businesses	348	(64)	<b>284</b>	314	(63)	251	317	(65)	252
Corporate and other businesses	26	(5)	<b>21</b>	26	(6)	20	34	(7)	27
	6,097	(853)	<b>5,244</b>	5,865	(823)	5,042	6,042	(843)	5,199
Unallocated:									
Investment in associates	7	—	<b>7</b>	42	—	42	7	—	7
Deferred tax assets/(liabilities)	40	(322)	<b>(282)</b>	35	(309)	(274)	35	(325)	(290)
Other non-operating assets/(liabilities)	230	(530)	<b>(300)</b>	219	(461)	(242)	329	(488)	(159)
<b>Trading capital employed</b>	<b>6,374</b>	<b>(1,705)</b>	<b>4,669</b>	<b>6,161</b>	<b>(1,593)</b>	<b>4,568</b>	<b>6,413</b>	<b>(1,656)</b>	<b>4,757</b>
Financial investments	25	—	<b>25</b>	48	—	48	39	—	39
Net debt	176	(1,511)	<b>(1,335)</b>	421	(1,839)	(1,418)	415	(1,894)	(1,479)
<b>Net assets</b>	<b>6,575</b>	<b>(3,216)</b>	<b>3,359</b>	<b>6,630</b>	<b>(3,432)</b>	<b>3,198</b>	<b>6,867</b>	<b>(3,550)</b>	<b>3,317</b>

Note:  
1 Net segment assets are operating assets less operating liabilities. Operating assets are intangible assets, tangible assets, forestry assets, retirement benefit surplus, inventories and operating receivables. Operating liabilities are non-interest bearing current liabilities, restoration and decommissioning provisions and provisions for post-retirement benefits.

# Notes to the financial information continued

## 3 Segmental information continued

### Secondary reporting format – by geographical segment

Secondary segmental information of revenue by customer location is as follows:

€ million	Revenue		
	Six months ended 30 June 2007	Six months ended 30 June 2006	Year ended 31 December 2006
<b>Subsidiaries and joint ventures</b>			
South Africa	291	307	592
Rest of Africa	93	95	186
Western Europe	1,587	1,470	2,932
Eastern Europe	492	424	856
Russia	258	220	453
North America	98	105	215
South America	10	9	26
Asia and Australia	223	227	491
<b>Total subsidiaries and joint ventures</b>	<b>3,052</b>	<b>2,857</b>	<b>5,751</b>
<b>Associates</b>			
South Africa	3	1	8
Rest of Africa	6	4	4
Western Europe	—	82	136
Eastern Europe	27	30	55
North America	—	3	6
South America	—	1	1
Asia and Australia	—	3	6
<b>Total associates</b>	<b>36</b>	<b>124</b>	<b>216</b>
<b>Total Group operations including associates</b>	<b>3,088</b>	<b>2,981</b>	<b>5,967</b>

# Notes to the financial information continued

## 3 Segmental information continued

Additional disclosure of secondary segmental information of revenue by origin is as follows:

€ million	Revenue		
	Six months ended 30 June 2007	Six months ended 30 June 2006	Year ended 31 December 2006
<b>Subsidiaries and joint ventures</b>			
South Africa	469	499	982
Rest of Africa	5	6	14
Western Europe	1,376	1,274	2,582
Eastern Europe	797	703	1,417
Russia	270	237	482
North America	61	62	121
Asia and Australia	74	76	153
<b>Total subsidiaries and joint ventures</b>	<b>3,052</b>	<b>2,857</b>	<b>5,751</b>
<b>Associates</b>			
South Africa	3	1	8
Rest of Africa	6	4	4
Western Europe	—	96	161
Eastern Europe	27	23	43
<b>Total associates</b>	<b>36</b>	<b>124</b>	<b>216</b>
<b>Total Group operations including associates</b>	<b>3,088</b>	<b>2,981</b>	<b>5,967</b>

The Group's geographical analysis of segment assets and liabilities, allocated based on where assets and liabilities are located, is:

€ million	As at 30 June 2007			As at 30 June 2006			As at 31 December 2006		
	Segment assets	Segment liabilities	Net segment assets	Segment assets	Segment liabilities	Net segment assets	Segment assets	Segment liabilities	Net segment assets
<b>Subsidiaries and joint ventures</b>									
South Africa	1,428	(183)	<b>1,245</b>	1,368	(131)	1,237	1,500	(203)	1,297
Rest of Africa	11	(6)	<b>5</b>	13	(6)	7	15	(7)	8
Western Europe	2,310	(378)	<b>1,932</b>	2,316	(438)	1,878	2,231	(357)	1,874
Eastern Europe	1,676	(196)	<b>1,480</b>	1,504	(156)	1,348	1,633	(181)	1,452
Russia	446	(35)	<b>411</b>	437	(36)	401	436	(34)	402
North America	113	(16)	<b>97</b>	111	(17)	94	121	(23)	98
Asia and Australia	113	(39)	<b>74</b>	116	(39)	77	106	(38)	68
<b>Total subsidiaries and joint ventures</b>	<b>6,097</b>	<b>(853)</b>	<b>5,244</b>	<b>5,865</b>	<b>(823)</b>	<b>5,042</b>	<b>6,042</b>	<b>(843)</b>	<b>5,199</b>

# Notes to the financial information continued

## 4 Special items

<i>€ million</i>	Six months ended 30 June 2007	Six months ended 30 June 2006	Year ended 31 December 2006
<b>Subsidiaries and joint ventures</b>			
<b>Operating special items</b>			
Mondi Packaging asset impairments	—	(58)	(62)
Mondi Business Paper asset impairments	(4)	1	(19)
Retention arrangements	(5)	—	—
Mondi Packaging South Africa negative goodwill	1	—	—
Mondi Business Paper negative goodwill	—	—	3
<b>Total operating special items</b>	<b>(8)</b>	<b>(57)</b>	<b>(78)</b>
<b>Profit and (losses) on disposals</b>			
Disposal of partial interest in Mondi Packaging Paper Swiecie S.A.	57	—	—
Disposal of interest in Bischof + Klein GmbH	19	—	—
Sale of assets and other items	8	(4)	(4)
<b>Net profit/(loss) on disposal</b>	<b>84</b>	<b>(4)</b>	<b>(4)</b>
Financing cost	(29)	—	—
<b>Total non-operating special items</b>	<b>55</b>	<b>(4)</b>	<b>(4)</b>
<b>Total special items before tax and minority interests</b>	<b>47</b>	<b>(61)</b>	<b>(82)</b>
Taxation	1	14	21
<b>Total attributable to shareholders of the parent company</b>	<b>48</b>	<b>(47)</b>	<b>(61)</b>

“Special items” are those items of financial performance that the Group believes should be separately disclosed on the face of the income statement to assist in the understanding of the underlying financial performance achieved by the Group and its businesses. Such items are material by nature or amount to the financial period’s/year’s results and require separate disclosure in accordance with IAS 1, “Presentation of Financial Statements”. Special items that relate to the operating performance of the Group are classified as special operating items and include impairment charges and reversals and other exceptional items including material restructuring costs. Non-operating special items include profits and losses on disposals of investments and businesses.

### Non-operating special items

The Group disposed of 5.3% of its interest in Mondi Packaging Paper Swiecie S.A., a subsidiary in which the Group retains control, on 15 May 2007 for consideration of €66 million and a profit of €57 million and its entire interest in Bischof + Klein GmbH, formerly an associate entity of the Group, on 22 February 2007 for consideration of €54 million and a profit of €19 million. Assets held for sale as at 31 December 2006 and representing the Group’s corrugated converting operations were disposed of in the six months ended 30 June 2007. The profit on disposal of these operations was €8 million. A one-off finance cost of €29 million resulted from a refinancing arrangement entered into in South Africa (see note 9).

### Operating special items

An impairment of the carbonless plant held in South Africa, resulting from a decline in the market for carbonless paper, accounts for €4 million of the operating special charge. Senior management, principally equity-settled, retention arrangements of €5 million represent the charge in the period of a total cost of approximately €24 million to be spread over the period until 3 July 2009. The cost of these two special items has been partially offset by negative goodwill of €1 million on an acquisition within the Mondi Packaging South Africa business segment.

# Notes to the financial information continued

## 5 Net finance costs

<i>€ million</i>	Six months ended 30 June 2007	Six months ended 30 June 2006	Year ended 31 December 2006
<b>Investment income</b>			
Interest and other financial income	9	27	39
Expected return on defined benefit arrangements	10	10	18
Foreign exchange gains/(losses)	2	(2)	12
Dividend income from financial/fixed asset investments	—	—	1
<b>Total investment income</b>	<b>21</b>	<b>35</b>	<b>70</b>
<b>Interest expense</b>			
Bank loans and overdrafts	(41)	(58)	(102)
Special items financing cost (note 4)	(29)	—	—
Other loans	(11)	(9)	(17)
Interest on defined benefit arrangements	(13)	(14)	(30)
	(94)	(81)	(149)
Less: interest capitalised	2	1	2
<b>Total interest expense</b>	<b>(92)</b>	<b>(80)</b>	<b>(147)</b>
<b>Net finance costs</b>	<b>(71)</b>	<b>(45)</b>	<b>(77)</b>

Finance costs and foreign exchange gains/(losses) are presented net of effective cash flow hedges for respective interest bearing and foreign currency borrowings.

## 6 Income tax expense

<i>€ million</i>	Six months ended 30 June 2007	Six months ended 30 June 2006	Year ended 31 December 2006
United Kingdom	—	(5)	(7)
Overseas	58	47	119
	58	42	112
Deferred taxation	2	(14)	(18)
	<b>60</b>	<b>28</b>	<b>94</b>

The Group's share of associated undertakings' taxation for the six months ended 30 June 2007 was €0.4 million (six months ended 30 June 2006: €1 million, year ended 31 December 2006: €1 million).

The Group's effective tax rate before special items for the six months ended 30 June 2007 is 30 per cent (six months ended 30 June 2006: 34 per cent). The Group's reported tax rate for the six months ended 30 June 2007 is 24 per cent (six months ended 30 June 2006: 44 per cent).

# Notes to the financial information continued

## 7 Pro forma EPS

<i>€ cents per share</i>	Six months ended 30 June 2007	Six months ended 30 June 2006	Year ended 31 December 2006
Basic EPS	31.9	2.7	15.2
Headline EPS <sup>1</sup>	17.3	12.1	28.2
Underlying EPS <sup>2</sup>	22.6	11.9	27.0

### Notes:

1 Headline earnings has been calculated in accordance with Circular 7/2002, 'Headline Earnings', as issued by the South African Institute of Chartered Accountants.

Please see the reconciliation below.

2 The directors believe that underlying earnings provides a useful additional measure of the Group's underlying performance.

The calculation of basic EPS has been based on the profit for the six month period/financial year, as shown below, and on 514,137,127 shares, which represents the aggregate number of shares that were issued upon Admission on 3 July 2007 (see note 16). The Group was not a stand-alone entity prior to the demerger date. The number of shares in issue has therefore been retrospectively applied to the comparative periods, so that a meaningful comparison can be made.

The Group has also presented underlying EPS and headline EPS. Underlying EPS excludes the impact of special items, in order to present an additional comparison for the periods shown in the combined condensed consolidated financial information. The presentation of headline EPS is mandated under the JSE Listing Requirements.

The calculation of headline earnings and underlying earnings, based on basic earnings is as follows:

<i>€ million</i>	Earnings		
	Six months ended 30 June 2007	Six months ended 30 June 2006	Year ended 31 December 2006
Attributable profit for the financial year	164	14	78
Special items: operating	8	57	78
Special items: financing costs	29	—	—
Net (profit)/loss on disposals	(84)	4	4
Related tax	(1)	(14)	(21)
<b>Underlying earnings</b>	<b>116</b>	<b>61</b>	<b>139</b>
Special items: financing costs	(29)	—	—
Special items: retention arrangements	(5)	—	—
Loss on disposal of tangible fixed assets	1	1	8
Related tax	6	—	(2)
<b>Headline earnings</b>	<b>89</b>	<b>62</b>	<b>145</b>

Diluted EPS is not presented as there are no dilutive potential ordinary shares in issue as at 30 June 2007. The potential dilutive impact of the Group's share scheme awards, which become effective on 3 July 2007, will only be assessed in the Group's 2007 Annual Report.

# Notes to the financial information continued

## 8 Dividends

€ million	Six months ended 30 June 2007
Interim dividend	38

The interim dividend for 2007 of 7.3 euro cents per ordinary share will be paid to equity holders, other than those holders within the Lloyds TSB Registrars Corporate Nominee, on 17 September 2007 based on the shareholder registers on 31 August 2007. The dividend will be paid from the distributable reserves of Mondi Limited, as presented in the annual financial statements of Mondi Limited for the year ended 31 December 2006 and from the distributable reserves of Mondi plc, as presented in the Initial Accounts for the period ended 2 July 2007.

The relevant dates for the payment of the dividends are:

	Mondi Limited	Mondi plc
<b>Currency conversion date</b>		
Euro/sterling	1 August 2007	1 August 2007
ZAR/euro	1 August 2007	1 August 2007
<b>Last date to trade shares cum-dividend</b>		
JSE Limited	24 August 2007	24 August 2007
LSE	Not applicable	28 August 2007
<b>Shares commence trading ex-dividend</b>		
JSE Limited	27 August 2007	27 August 2007
LSE	Not applicable	29 August 2007
<b>Record date</b>		
JSE Limited	31 August 2007	31 August 2007
LSE	Not applicable	31 August 2007
Last date for Dividend Reinvestment Plan (DRIP) elections by Central Securities Depository Participants	5 September 2007	5 September 2007
Last date for DRIP elections to UK Registrar and South African Transfer Secretaries by shareholders of Mondi Limited and Mondi plc	6 September 2007	6 September 2007
<b>Payment date</b>		
UK Register	Not applicable	17 September 2007
South African Register	17 September 2007	17 September 2007
Depository Interest Holders (dematerialised DIs)	17 September 2007	Not applicable
Payment date for holders within the Lloyds TSB Registrars Corporate Nominee	25 September 2007	Not applicable
<b>DRIP purchase settlement date</b>	25 September 2007	25 September 2007

Share certificates on the South African registers of Mondi Limited and Mondi plc may not be dematerialised or rematerialised between 27 August 2007 and 2 September 2007, both dates inclusive, nor may transfers between the UK and South African registers of Mondi plc take place between 1 August 2007 and 2 September 2007, both dates inclusive.

# Notes to the financial information continued

## 9 Net debt

The Group's net debt position, excluding disposal groups for relevant periods, is as follows:

€ million	Cash and cash equivalents <sup>1</sup>	Debt due within one year <sup>2</sup>	Debt due after one year	Loans to related parties	Total net debt
<b>Balance at 1 January 2006</b>	<b>574</b>	<b>(1,490)</b>	<b>(710)</b>	<b>14</b>	<b>(1,612)</b>
Cash flow	(238)	393	(24)	(14)	117
Business combinations/ disposal of business	—	(24)	—	—	(24)
Currency movements	(37)	76	62	—	101
<b>Closing balance at 30 June 2006</b>	<b>299</b>	<b>(1,045)</b>	<b>(672)</b>	<b>—</b>	<b>(1,418)</b>
Cash flow	68	(38)	(46)	—	(16)
Business combinations/ disposal of business	—	(18)	(8)	—	(26)
Transfer to disposal groups	(3)	—	4	—	1
Reclassifications	—	(78)	78	—	—
Currency movements	(6)	(2)	(12)	—	(20)
<b>Closing balance at 31 December 2006</b>	<b>358</b>	<b>(1,181)</b>	<b>(656)</b>	<b>—</b>	<b>(1,479)</b>
Cash flow	(212)	889	(548)	—	129
Business combinations/ disposal of business	—	7	—	—	7
Reclassifications	(3)	3	—	—	—
Currency movements	(7)	11	4	—	8
<b>Closing balance at 30 June 2007</b>	<b>136</b>	<b>(271)</b>	<b>(1,200)</b>	<b>—</b>	<b>(1,335)</b>

Notes:

1 The Group operates in certain countries (principally South Africa) where the existence of exchange controls may restrict the use of certain cash balances. These restrictions are not expected to have any material effect on the Group's ability to meet its ongoing obligations.

2 Excludes overdrafts, which are included as cash and cash equivalents. At 30 June 2007, short-term borrowings on the balance sheet of €311 million (30 June 2006: €1,167 million, 31 December 2006: €1,238 million) include €40 million of overdrafts (30 June 2006: €122 million, 31 December 2006: €57 million).

In order to provide for its ongoing capital needs, the Group entered into two additional external financing arrangements prior to the period end. The amounts drawn down on these facilities have been used to refinance existing debt obligations outstanding to the Anglo American Group and other third parties.

### €1.55 billion Syndicated Revolving Credit Facility (UKRCF)

The UKRCF is a five year multi-currency revolving credit facility which was signed on 22 June 2007. Interest is charged on the balance outstanding at a market-related rate linked to LIBOR.

### ZAR 2 billion Term Loan Facility (SATF)

The SATF is a South African rand three year amortising term loan which was signed and drawn down on 4 May 2007. Interest is charged on the balance outstanding at a market-related rate linked to JIBAR.

# Notes to the financial information continued

## 10 Capital expenditure<sup>1</sup>

<i>€ million</i>	Six months ended 30 June 2007	Six months ended 30 June 2006	Year ended 31 December 2006
<b>By business segment</b>			
Mondi Packaging			
Corrugated Business	31	38	125
Bag Business	21	59	118
Flexibles Business	8	9	24
	60	106	267
Mondi Business Paper	52	84	156
Mondi Packaging South Africa	14	16	27
Merchant and Newsprint businesses	8	2	9
Corporate and other businesses	5	1	1
<b>Capital expenditure</b>	<b>139</b>	<b>209</b>	<b>460</b>

Note:  
1 Excludes business combinations.

## 11 EBITDA

A reconciliation of cash inflows from operations to EBITDA is presented as follows:

<i>€ million</i>	Six months ended 30 June 2007	Six months ended 30 June 2006	Year ended 31 December 2006
<b>Cash inflows from operations</b>	356	229	657
Share option expense	(3)	(3)	(6)
Fair value gains on forestry assets	13	16	37
Cost of felling	(26)	(32)	(58)
Decrease in provisions and post-employment benefits	10	32	39
Increase in inventories	52	30	14
Increase in operating receivables	99	78	48
(Increase)/decrease in operating payables	(92)	(9)	20
Other adjustments	12	2	(25)
<b>EBITDA<sup>1</sup></b>	<b>421</b>	<b>343</b>	<b>726</b>

Note:  
1 EBITDA is operating profit of subsidiaries and joint ventures before special items plus depreciation and amortisation.

# Notes to the financial information continued

## 11 EBITDA continued

EBITDA by primary business segment is presented as follows:

<i>€ million</i>	Six months ended 30 June 2007	Six months ended 30 June 2006	Year ended 31 December 2006
<b>By business segment</b>			
Mondi Packaging			
Corrugated Business	106	83	206
Bag Business	103	86	174
Flexibles Business	28	22	32
	237	191	412
Mondi Business Paper	149	114	237
Mondi Packaging South Africa	21	21	46
Merchant and Newsprint businesses	27	22	48
Corporate and other businesses	(13)	(5)	(17)
<b>EBITDA</b>	<b>421</b>	<b>343</b>	<b>726</b>

EBITDA is stated before special items and is reconciled to "Total profit from operations and associates" as follows:

<i>€ million</i>	Six months ended 30 June 2007	Six months ended 30 June 2006	Year ended 31 December 2006
Total profit from operations and associates	321	109	300
Operating special items (excluding associates)	8	57	78
Net (profit)/loss on disposals (excluding associates)	(84)	4	4
Depreciation and amortisation: subsidiaries and joint ventures	178	177	349
Share of associates' net income	(2)	(4)	(5)
<b>EBITDA</b>	<b>421</b>	<b>343</b>	<b>726</b>

# Notes to the financial information continued

## 12 Retirement benefits

### Material schemes

The Group's material defined benefit scheme liabilities were actuarially assessed on a roll-forward basis for the six months ended 30 June 2007. The net change in actuarial assumptions from the year ended 31 December 2006 resulted in an immaterial impact on the present value of the scheme liabilities. The assets backing these material scheme liabilities were updated to reflect their market values as at 30 June 2007. Any difference between the expected return on assets and the actual return on assets has been recognised as an actuarial movement in the combined consolidated statement of recognised income and expense in accordance with the Group's accounting policy. The restriction of the surplus on the South African schemes increased by €12 million as a result of a decrease in anticipated future employee contributions.

### Other Group schemes

The other Group defined benefit schemes are calculated on a year-to-date basis, using the same assumptions as were used in the actuarial valuation carried out for the year ended 31 December 2006. There have not been any significant fluctuations or one-off events in the period that would require adjustment to these actuarial assumptions.

## 13 Capital commitments

€ million	As at 30 June 2007	As at 30 June 2006	As at 31 December 2006
Contracted but not provided	79	40	37

## 14 Contingent liabilities

Contingent liabilities comprise aggregate amounts at 30 June 2007 of €17 million (30 June 2006: €21 million, 31 December 2006: €34 million) in respect of loans and guarantees given to banks and other third parties.

## 15 Related party transactions

The Group has a related party relationship with its associates and joint ventures.

The Group and its subsidiaries, in the ordinary course of business, enter into various sales, purchase and service transactions with joint ventures and associates and others in which the Group has a material interest. These transactions are under terms that are no less favourable than those arranged with third parties. These transactions, in total, are not considered to be significant.

Mr Ramaphosa, non-executive Joint Chairman of Mondi, has a 39.96% stake in Shanduka Group (Pty) Limited, an entity that has controlling interests in Shanduka (Pty) Limited, Shanduka Packaging (Pty) Limited and participating interests in Mondi Shanduka Newsprint (Pty) Limited, Kangra Coal (Pty) Limited and Mondi Packaging South Africa (Pty) Limited. Fees of €200,000 and €345,000 were paid to Shanduka (Pty) Limited and Shanduka Packaging (Pty) Limited respectively for management services provided to the Group in the six months ended 30 June 2007. Shanduka Packaging (Pty) Limited has also provided finance to the Group. The balance outstanding as at 30 June 2007 was €7 million. In the normal course of business, and on an arm's length basis, the Group purchased supplies from Kangra Coal (Pty) Limited totalling €8 million during the period. €1 million remains outstanding on these purchases as at 30 June 2007. Comparatives have not been disclosed because Mr Ramaphosa became a related party on his appointment as non-executive Joint Chairman on 16 May 2007.

Dividends received from associates for the six months ended 30 June 2007 totalled €1 million (six months ended 30 June 2006: €1 million, 31 December 2006: €1 million), as disclosed in the combined condensed consolidated cash flow statement.

# Notes to the financial information continued

## 15 Related party transactions continued

<i>€ million</i>	Anglo American Group	Joint Ventures	Associates
<b>Six months ended 30 June 2007</b>			
Sales to related parties	—	—	1
Purchases from related parties	(6)	—	(68)
Net finance income/(costs)	2	(2)	—
Dividends paid to related parties	(202)	—	—
Dividends <i>in specie</i>	(32)	—	—
Receivables due from related parties	—	1	—
Cash held by related parties	—	2	—
Total borrowings from related parties	(4)	(7)	—
<b>Six months ended 30 June 2006</b>			
Sales to related parties	—	—	3
Purchases from related parties	—	—	(3)
Net finance costs	(21)	—	—
Dividends paid to related parties	(22)	—	—
Dividends <i>in specie</i>	(32)	—	—
Loans to related parties	—	35	—
Receivables due from related parties	1	3	1
Cash held by related parties	329	—	—
Financial assets and liabilities	1	—	—
Total borrowings from related parties	(836)	—	—
<b>Year ended 31 December 2006</b>			
Sales to related parties	—	10	—
Purchases from related parties	—	(2)	—
Net finance costs	(31)	—	—
Dividends (paid)/received to/from related parties	(75)	—	1
Dividends <i>in specie</i>	(68)	—	—
Loans to related parties	—	35	—
Receivables due from related parties	4	3	1
Payables due to related parties	(2)	—	—
Cash held by related parties	286	—	—
Total borrowings from related parties	(942)	—	—

# Notes to the financial information continued

## 16 Events occurring after 30 June 2007

On 2 July 2007, the execution of the final demerger transaction resulted in the Mondi companies successfully demerging from Anglo American plc and becoming the Mondi Group ("the legal Group"). The legal Group has a dual listed structure and the shares of both Mondi Limited and Mondi plc, the ultimate holding companies for the African and the non-African assets respectively, were admitted to the JSE and LSE on 3 July 2007.

The sharing agreement between Mondi Limited and Mondi plc has the effect that their shareholders can be regarded as having the interests of a single economic group. Accordingly, the legal Group will present combined and consolidated financial information representing the combined interests of both sets of shareholders and encompass the businesses of Mondi Limited and Mondi plc and their respective subsidiaries, joint ventures and associates.

### Share capital

The share capital of Mondi plc was created by way of a dividend *in specie* made to Anglo American plc equity holders on a pro rata basis initially of one Mondi plc ordinary share for every one Anglo American plc ordinary share held. The share capital was then subsequently reduced by order of the United Kingdom High Court on 2 July 2007 in order to capitalise Mondi Limited and generate distributable reserves for the ongoing needs of the Group and its shareholders.

	Number of shares	€ million		Total
		Ordinary shares	Share premium	
<b>As at 30 June 2007<sup>1</sup></b>	—	—	—	—
Shares issued on the JSE	146,896,322	3	540	543
Shares issued on the LSE	367,240,805	74	—	74
<b>As at 2 July 2007<sup>2</sup></b>	<b>514,137,127</b>	<b>77</b>	<b>540</b>	<b>617</b>

Notes:

1 No comparatives have been presented because the Group's shares were issued on Admission to the JSE and LSE on 3 July 2007.

Prior to this date the Group was owned by Anglo American plc and presentation of this ownership interest is not considered to provide a meaningful comparison.

2 In addition, there are special converting shares in issue in both Mondi Limited of 367,240,805 (€8 million) and Mondi plc of 146,896,322 (€29 million) that are held on trust and do not carry voting or dividend rights. The special converting shares provide a mechanism for equality of treatment on termination for both Mondi Limited and Mondi plc ordinary equity holders.

Mondi plc also issued 50,000 5% cumulative £1 preference shares. The Group will classify these preference shares as a liability, and not as equity instruments, since they contractually obligate the Group to make cumulative dividend payments to the holders. These dividend payments will be treated as a finance cost rather than distributions in subsequent reporting periods.

### Other reserves

€ million	Retained earnings	Share-based payment reserve	Cumulative translation adjustment reserve	Fair value and other reserves <sup>1</sup>	Minority Interests	Total
<b>As at 2 July 2007</b>	<b>2,166</b>	<b>17</b>	<b>(40)</b>	<b>242</b>	<b>352</b>	<b>2,737</b>

Note:

1 Including €237 million in respect of the merger reserve created on demerger from Anglo American plc and in aggregating Mondi Limited and Mondi plc.

### Acquisitions

Mondi Packaging South Africa received regulatory approval on 4 July 2007 for the €100 million acquisition of Lenco, a South African rigid plastics business. Following the successful completion of this acquisition, Lenco's results will be consolidated from the second half of 2007.

# Production statistics and exchange rates

Production statistics as follows:

		Six months ended 30 June 2007	Six months ended 30 June 2006	Year ended 31 December 2006
<b>Mondi Packaging</b>				
Containerboard	tonnes	1,035,932	1,009,005	2,044,391
Kraft paper	tonnes	444,625	400,941	850,271
Corrugated board and boxes	m m <sup>2</sup>	985	1,071	2,103
Industrial bags	m units	1,910	1,799	3,606
Coating and release liners	m m <sup>2</sup>	1,549	1,186	2,360
Pulp – external	tonnes	91,834	89,025	180,166
<b>Mondi Business Paper</b>				
Uncoated wood free paper	tonnes	1,039,145	1,015,481	2,012,295
Newsprint	tonnes	99,738	92,056	187,100
Pulp – external	tonnes	84,563	52,221	114,099
Wood chips	bone dry tonnes	362,089	475,665	886,612
<b>Mondi Packaging South Africa</b>				
Packaging papers	tonnes	141,339	149,078	369,300
Corrugated board and boxes	m m <sup>2</sup>	171	142	328
<b>Newsprint Joint Ventures</b>				
Newsprint (attributable share)	tonnes	156,102	162,065	320,876
Aylesford (attributable share)	tonnes	94,354	100,272	196,864
Shanduka (attributable share)	tonnes	61,748	61,793	124,012

Exchange rates as follows:

	Six months ended 30 June 2007	Six months ended 30 June 2006	Year ended 31 December 2006
<b>Closing rates against the euro</b>			
South African rand	9.53	9.13	9.22
Pounds sterling	0.67	0.69	0.67
Polish zloty	3.77	4.08	3.84
Russian rouble	34.83	34.32	34.68
Slovakian koruna	33.61	38.43	34.56
US dollar	1.35	1.28	1.32
Czech koruna	28.71	28.57	27.50
<b>Average rates for the period against the euro</b>			
South African rand	9.52	7.76	8.51
Pounds sterling	0.67	0.69	0.68
Polish zloty	3.84	3.89	3.90
Russian rouble	34.67	34.03	34.14
Slovakian koruna	34.05	37.59	37.25
US dollar	1.33	1.23	1.26
Czech koruna	28.16	28.52	28.37

# Shareholder information

## Key dates

Interim dividend payment	17 September 2007
Annual results announcement	28 February 2008
Annual report	April 2008
Annual General Meeting	7 May 2008
Final dividend payment	May 2008

## Shareholder enquiries

Administrative enquiries concerning shareholdings in Mondi Limited and Mondi plc such as changes of address and the replacement of share certificates, should be sent directly to Link Market Services South Africa (Pty) Limited, the South African Transfer Secretaries, to Lloyds TSB Registrars or Capita Registrars in the UK, at the relevant address below:

### South African Transfer Secretaries

For queries relating to holdings in Mondi Limited or Mondi plc shares on the South African Branch Register:  
Link Market Services South Africa (Pty) Limited  
11 Diagonal Street, Johannesburg, 2001, South Africa (PO Box 4844, Johannesburg, 2000, South Africa)

**Telephone** In South Africa: 011 630 0888  
From outside South Africa: +27 11 630 0888

### UK Registrars

For queries relating to holdings in Mondi plc or Mondi Limited Depository Interests held in the Lloyds TSB Registrars  
Corporate Nominee: Lloyds TSB Registrars:  
The Causeway, Worthing, West Sussex BN99 6DA, United Kingdom

**Telephone** In the UK: 0870 195 6479  
From outside the UK: +44 121 415 7047

To view up-to-date information about your Mondi plc shares or your Mondi Limited Depository Interests, visit the Lloyds TSB Registrars shareview website at [www.shareview.co.uk](http://www.shareview.co.uk)

For non South African resident shareholders with Mondi Limited Depository Interests:  
Capita Registrars  
34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom

**Telephone** In the UK: 0870 162 3100  
From outside the UK: +44 20 8639 3399

## Registered and Head Office

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**Registered number** 1967/013038/06

Registered in South Africa

### Registered office

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**Registered number** 06209386

Registered in England and Wales

Additional information about the Group can be found on Mondi's website at [www.mondigroup.com](http://www.mondigroup.com)

