

Mondi Limited

Incorporated in the Republic of South Africa
Registration number: 1967/013038/06
JSE share code: MND ISIN: ZAE000156550

Mondi plc

Incorporated in England and Wales
Registered number: 6209386
LEI: 213800LOZA69QFDC9N34
JSE share code: MNP ISIN: GB00B1CRLC47
LSE share code: MNDI

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As part of the dual listed company structure, Mondi Limited and Mondi plc (together “Mondi Group” or “Mondi”) notify both the JSE Limited and the London Stock Exchange of matters required to be disclosed under the Listings Requirements of the JSE Limited and/or the Disclosure Guidance and Transparency Rules and the Listing Rules of the United Kingdom Listing Authority. This announcement contains inside information and falls within the ‘inside information’ classification pursuant to the requirements in Articles 7 and 9 of the regulatory technical standards of the Transparency Directive (2004/109/EC).

Modernisation and expansion of the Steti mill in the Czech Republic

As previously stated, Mondi continues to assess capital investment opportunities centred on the Group’s high-quality, low-cost packaging paper assets in central Europe.

The Mondi Boards have approved the modernisation and expansion of the Steti mill for a total investment of €470 million, subject to obtaining approval for various tax incentives and necessary permitting. The project consists of the installation of a new recovery boiler, the rebuild of the fibre lines, the debottlenecking of the paper machines and an investment in a new 90,000 tonnes per annum machine glazed kraft paper machine. Key benefits of the project are:

- Increased electricity self-sufficiency, lower energy costs and reduced environmental footprint of the mill
- Increased pulp production of 130,000 tonnes per annum and lower pulp production costs per tonne
- Debottlenecking of existing packaging paper machines providing total incremental production of 55,000 tonnes per annum
- Additional capacity to produce 90,000 tonnes per annum of machine glazed kraft paper to supply fast growing end-uses in flexible packaging and food service applications
- Avoidance of maintenance capital expenditure over the next five years of around €105 million.

The new recovery boiler and rebuilt fibre lines are expected to start up in late 2018 while the new paper machine is expected to start up in the first half of 2019. Based on the current timetable, capital expenditure on the project is expected to be incurred in the three years from 2017 to 2019.

Given the approved project pipeline, the Group’s annual capital expenditure is now expected to be in the range of €600-650 million in 2017 and €800-850 million in 2018.

Commenting on the project, Mondi Group CEO David Hathorn said, “This investment represents an exciting step in the continued development of our Packaging Paper business, further leveraging our low-cost production footprint in central Europe to produce high quality products that meet the growing needs of our customers.”



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We are Mondi: In touch every day

At Mondi, our products protect and preserve the things that matter.

Mondi is an international packaging and paper Group, employing around 25,000 people across more than 30 countries. Our key operations are located in central Europe, Russia, North America and South Africa. We offer over 100 packaging and paper products, customised into more than 100,000 different solutions for customers, end consumers and industrial end uses - touching the lives of millions of people every day. In 2015, Mondi had revenues of €6.8 billion and a return on capital employed of 20.5%.

The Mondi Group is fully integrated across the packaging and paper value chain - from managing forests and producing pulp, paper and compound plastics, to developing effective and innovative industrial and consumer packaging solutions. Our innovative technologies and products can be found in a variety of applications including hygiene components, stand-up pouches, super-strong cement bags, clever retail boxes and office paper. Our key customers are in industries such as automotive; building and construction; chemicals; food and beverage; home and personal care; medical and pharmaceutical; packaging and paper converting; pet care; and office and professional printing.

Mondi has a dual listed company structure, with a primary listing on the JSE Limited for Mondi Limited under the ticker code MND and a premium listing on the London Stock Exchange for Mondi plc, under the ticker code MNDI.

For us, acting sustainably makes good business sense and is part of the way we work every day. We have been included in the FTSE4Good Index Series since 2008 and the JSE's Socially Responsible Investment (SRI) Index since 2007.

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