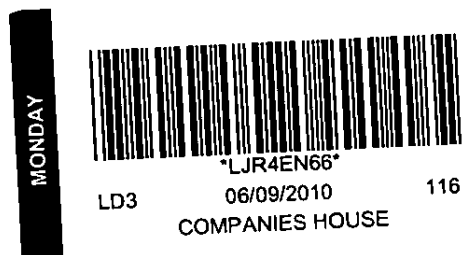


Company Registration No. 5265977

Mondi German Investments Limited

Report and Financial Statements

31 December 2009



Mondi German Investments Limited

Report and financial statements 2009

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Mondi German Investments Limited

Report and financial statements 2009

Officers and professional advisers

Directors

C A Hunt
A C W King
J C Paterson
P Wessels

Secretary

G P Fenwick

Registered Office

Building 1, 1st Floor
Aviator Park
Station Road
Addlestone
Surrey KT15 2PG

Bankers

Deutsche Bank AG
Winchester House
1 Great Winchester Street
London EC2N 2DB

Auditors

Deloitte LLP
Chartered Accountants
London, UK

Mondi German Investments Limited

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2009. The directors' report has been prepared in accordance with the special provisions relating to small companies under section 415A of the Companies Act 2006.

Company Number

05265977

Principal activity and future prospects

The Company is an investment holding company. The directors have the present intention of maintaining its business in its current form and believe the Company's future prospects to be satisfactory.

Going Concern

The directors believe that the Company will continue to act as an investment holding company for the Mondi group. The Company's ultimate holding company, Mondi plc, has confirmed that it will provide continued support for the Company to meet its obligations as they fall due for a period of not less than 12 months from the signing of the Company's annual financial statements.

As a result, the directors believe that the entity will continue to be a going concern into the foreseeable future and have adopted the going concern basis of accounting.

Results and dividends

The Company made a loss of €53,369 (2008: €152,655). The directors do not recommend payment of a dividend for the year (2008: nil).

Principal risks and uncertainties

The directors considered the risks attached to the Company's financial instruments, which principally comprise operating debtors, operating creditors and loans to and from other group companies. The directors have taken a prudent approach in their consideration of the various risks attached to the financial instruments of the Company. The Company's exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of assets, liabilities and the financial statements.

The directors' policy on hedging is to hedge all financial risks where it is feasible and cost effective to do so. The Company had no hedged transactions during the period.

Directors

The directors, who held office during the year and to the date of this report, except as noted, were as follows:

C A Hunt
A C W King
J C Paterson
P Wessels

Mondi German Investments Limited

Directors' report (continued)

Statement as to disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that

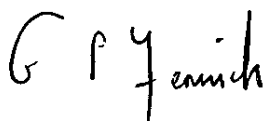
- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Auditors

Deloitte LLP have expressed their willingness to continue in office as auditors and in accordance with the Companies Act 2006 are deemed to remain in office as auditors of the Company

Approved by the Board of Directors
and signed on behalf of the Board



G P Fenwick
Secretary

6 September 2010

Mondi German Investments Limited

Statement of directors' responsibilities

The directors are responsible for preparing the report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Mondi German Investments Limited

We have audited the financial statements of Mondi German Investments Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Mondi German Investments Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report

Edward Hanson

Edward Hanson (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

6th September 2010

Mondi German Investments Limited

Profit and loss account

Year ended 31 December 2009

	Notes	2009 €	2008 €
Operating expenses		(1,675)	-
Operating loss	3	(1,675)	-
Interest payable to group companies		(52,716)	(165,448)
Loss on ordinary activities before taxation		(54,391)	(165,448)
Tax on loss on ordinary activities	4	1,022	12,793
Loss on ordinary activities after taxation		(53,369)	(152,655)
Retained loss for the financial year	9	(53,369)	(152,655)

All amounts derive from continuing operations

There are no recognised gains and losses for the current or prior period other than the loss shown above and therefore no separate statement of total recognised gains and losses has been presented

Mondi German Investments Limited

Balance sheet 31 December 2009

	Notes	2009 €	2008 €
Fixed assets			
Investments in subsidiaries	5	3,195,210	3,195,210
		<u>3,195,210</u>	<u>3,195,210</u>
Current assets			
Debtors (unpaid share capital)		-	1
Tax receivable		-	12,793
		<u>-</u>	<u>12,794</u>
Creditors: amounts falling due within one year	6	(3,485,835)	(3,445,260)
Net current liabilities		(3,485,835)	(3,432,466)
Total assets less current liabilities and net liabilities		<u>(290,625)</u>	<u>(237,256)</u>
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account	9	(290,626)	(237,257)
Total shareholders' deficits	9	<u>(290,625)</u>	<u>(237,256)</u>

These financial statements were approved by the Board of Directors on 6 September 2010

Signed on behalf of the Board of Directors



Director

Company Number 05265977

Mondi German Investments Limited

Notes to the accounts

Year ended 31 December 2009

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom generally accepted accounting principles (UK GAAP) and in accordance with UK Company law. The financial information has been prepared on a historical cost basis. As noted in the Directors' report, the financial statements have been prepared on a going concern basis.

After making enquiries, the directors have formed a judgement, that at the time of approving the financial statements, and having considered the Company's forecasts and projections that there is a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

The particular accounting policies adopted are consistent with those adopted in the prior year end and are described below.

Investments

Investments are held at cost, less provision for any impairment, where appropriate.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Cash flows

As the Company is a wholly-owned subsidiary, the cash flows of the Company are included in the consolidated cash flow statement of its parent undertaking. Consequently the Company is exempt under the provisions of Financial Reporting Standard 1 (Revised) – "Cash flow statements", from publishing a separate cash flow statement.

Foreign currency

Transactions in foreign currencies are recorded at the rates of exchange at the dates of the transactions or, if hedged, at the forward contract rates. Monetary assets and liabilities denominated in foreign currencies have been translated at the rates of exchange prevailing at the balance sheet date.

Reporting currency

As permitted by UK company law, the Company reports in Euros.

2. Directors and employees

The Company had no employees during the year (2008: none). The directors receive no remuneration or emoluments from the Company (2008: nil).

Mondi German Investments Limited

Notes to the accounts

Year ended 31 December 2009

3. Operating loss

The audit fee for the audit of the Company's annual accounts of £3,000 (2008 £3,000) has been borne by Mondi plc in both years

4. Tax on loss on ordinary activities

	2009 €	2008 €
Current tax:		
Prior year adjustment	1,022	-
Group relief	-	12,793
	<u>(54,391)</u>	<u>(165,448)</u>
Loss on ordinary activities before tax		
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 28.5%)	15,229	47,152
Effects of		
Non deductible interests	(14,760)	-
Prior year adjustment – current tax	1,022	(12,793)
Tax losses not recognised	(469)	(47,152)
	<u>1,022</u>	<u>(12,793)</u>
Current tax for the year		

5. Fixed assets - investments

	Shares in subsidiary undertakings €
Cost and net book value	
At 1 January 2009 and 31 December 2009	<u>3,195,210</u>

Mondi German Investments Limited

Notes to the accounts

Year ended 31 December 2009

5. Fixed assets – investments (continued)

The Company's subsidiary as at 31 December 2009 was as follows

Name	Country of incorporation	% Holding and voting rights	Nature of business
Subsidiaries:			
Mondi German Investments SA	Luxembourg	100	Investment Company

Group accounts are not presented as the Company is a wholly owned subsidiary undertaking of Mondi plc, which is registered in England and Wales. Accordingly, these accounts present information about the Company as an individual undertaking and not about its group. Consolidated financial statements have not been prepared because the Company is exempt under s400 of the Companies Act 2006.

6. Creditors: amounts falling due within one year

	2009 €	2008 €
Amounts owed to other group companies	<u>3,485,835</u>	<u>3,445,260</u>

Interest on amounts owing to group undertakings is charged at current market rates and amounts owing are payable on demand.

7. Provisions for deferred tax

	Provided 2009 €	Provided 2008 €	Not Provided 2009 €	Not Provided 2008 €
Tax losses carried forward	<u>-</u>	<u>-</u>	<u>3,603</u>	<u>(71,945)</u>
Undiscounted provision for deferred tax	<u>-</u>	<u>-</u>	<u>3,603</u>	<u>(71,945)</u>

Deferred tax assets in respect of tax losses have not been recognised as their use is not anticipated in the foreseeable future.

Mondi German Investments Limited

Notes to the accounts

Year ended 31 December 2009

8. Called up share capital

	2009	2008
	€	€
Called up and allotted		
1 ordinary share of £1 (2008 1)	1	1

9. Reconciliation of movement in shareholders' deficit

	Share capital €	Profit and loss account €	Total €
At 1 January 2009	1	(237,257)	(237,256)
Retained loss for the year	-	(53,369)	(53,369)
At 31 December 2009	1	(290,626)	(290,625)

10. Related party transactions

At 31 December 2009, as identified in note 11, Mondi plc was the Company's ultimate parent company. The Company has taken advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard 8 not to disclose related party transactions with Mondi group companies.

11. Ultimate parent company

The immediate parent company and controlling party is Mondi Investments Limited, a company incorporated in Great Britain and registered in England and Wales.

The ultimate parent company and ultimate controlling entity is Mondi plc, a company incorporated in Great Britain and registered in England and Wales. Mondi plc is the parent undertaking of the largest and smallest group which includes the Company and for which group accounts are prepared.

The financial statements of Mondi Investments Limited and Mondi plc may be obtained from the Company Secretary, Building 1, 1st Floor, Aviator Park, Station Road, Addlestone, Surrey KT15 2PG.