

Świecie, 26 March 2010

**Financial Supervision Commission
Warsaw Stock Exchange
Polish Press Agency**

**Mondi Świecie S.A.
Current report no. 11/2010**

Regarding report on the Supervisory Board activities

The Management Board of Mondi Świecie S.A. makes public the Report on Supervisory Board activities for 2009 and a concise evaluation of the Company's condition for 2009.

Enclosed please find:

- Report on Supervisory Board activities for 2009,
- Resolutions of the Supervisory Board.
- Audit Committee Report.

ANNUAL REPORT ON ACTIVITIES OF THE SUPERVISORY BOARD OF MONDI ŚWIECIE S.A. FOR THE FISCAL YEAR 2009

(including the appraisal of the Supervisory Board performance)

The VII term of office Supervisory Board of Mondi Świecie S.A. (appointed pursuant to the resolution of the Ordinary General Meeting of Shareholders on 23 January 2007) in the period of time from 1 January 2009 to 31 December 2009 was composed of:

I.

Peter Oswald – Chairman of the Supervisory Board

Peter Machacek – Deputy Chairman of the Supervisory Board

Jarosław Kurznik – Secretary of the Supervisory Board, elected by the Company's employees

Ryszard Gackowski – Member of the Supervisory Board, elected by the Company's employees

Karol Mergler – Member of the Supervisory Board, elected by the Company's employees

Franz Hiesinger – Member of the Supervisory Board

Kurt Mitterboeck – Member of the Supervisory Board (until 19 February 2009),

Gerhard Kornfeld – Member of the Supervisory Board (until 20 November 2009),

Ladimir Eleonore Pellizzaro – Member of the Supervisory Board (since 3 April 2009),

Klaus Peller – Member of the Supervisory Board (since 20 November 2009),

Walter Seyser – Member of the Supervisory Board (since 20 November 2009),

II.

Principles and mode of operation for the Supervisory Board of Mondi Świecie S.A. are governed by legal provisions applicable to public companies and:

- Statute of Mondi Świecie S.A.
- Regulations of the Supervisory Board of Mondi Świecie S.A.
- Principles of Corporate Governance.

The Supervisory Board of Mondi Świecie S.A. supervised the Company's business activities on a continuous basis through exercising Board functions during Supervisory Board meetings. In 2009, the Supervisory Board held four meetings: two in Vienna, one at the Company's registered office in Świecie and one via videoconference, during which particular Supervisory Board Members were present in Świecie and Vienna.

Regular items in the agenda for meetings of the Supervisory Board of Mondi Świecie S.A. included the report on:

- current performance of the Management Board,
- financial and social condition of the Company,
- budgetary discipline.

In 2009, the Supervisory Board of Mondi Świecie S.A. adopted 36 resolutions. The list of resolutions adopted by the Supervisory Board is attached hereto as Appendix no. 1.

The most important issues the Supervisory Board dealt with in 2009 are specified below:

The Meeting of Supervisory Board of Mondi Świecie S.A. on 9 March 2009 in Vienna

- examination of the financial statements of the Company for the fiscal year 2008 and of the report of the Management Board on the Company's business activities for 2008, evaluation of the Company's condition,
- examination of the consolidated financial statements of the Capital Group for the fiscal year 2008,
- opinion on the agenda of the Ordinary General Meeting of Shareholders of the Company,
- preparation of the reports on the evaluation of the Company's financial position for the General Meeting of Shareholders of the Company,
- opinion on the acceptance of the Management Board performance of duties,
- approval of the Report on activities of the Supervisory Board for the fiscal year 2008.

The Meeting of Supervisory Board of Mondi Świecie S.A. on 23 June 2009 at the registered office of the Company in Świecie

- evaluation of activities related to Paper Machine No. 7 (PM7) project,
- the Supervisory Board appointed Deloitte Audyt Sp. z o.o. to be a certified auditor to audit the Company's financial statements and consolidated financial statements of the Capital Group of Mondi Świecie for 2009 and review semi-annual 2009 financial statements of the Company and Group,
- becoming familiar with amendments to Polish public companies law and effects of such amendments on Mondi Świecie S.A.; it was decided to appoint a new, independent Supervisory Board Member and to establish the Audit Committee.

The Meeting of Supervisory Board of Mondi Świecie S.A. on 14 September 2009 in Świecie-Vienna (videoconference)

- approval of signing the significant agreements,
- resolution (no.300) regarding the opinion on proposed amendments to the Statute, appointment of the Audit Committee and issues covered by the agenda of the Extraordinary General Meeting of Shareholders of the Company,
- evaluation of the first stage of PM7 start-up and paper production beginning,
- resolution (no. 301) regarding the amendments to the Regulations of the Supervisory Board,
- evaluation of progress in PM7 work completion,
- approval of disposal by sale of redundant fixed assets,
- opinion on organisational changes in the Company – setting up a new area (PP7- PM7 Paper Production).

The Meeting of Supervisory Board of Mondi Świecie S.A. on 17 November 2009 in Vienna

- analysis of financial condition and Company's performance,
- approval of signing the significant agreements (with duration longer than one year),
- decision to establish the Supervisory Board Audit Committee after its new composition is approved by the Extraordinary General Meeting of Shareholders of the Company.

III.

Appraisal of the Supervisory Board performance of Mondi Świecie S.A.

The above Report presents only the main activities completed by the Supervisory Board in 2009. Each Supervisory Board Member exercised due diligence and was committed to exercise his obligations in the Supervisory Board.

The Supervisory Board positively appraised its performance in terms of proper functioning of the internal audit system and the significant risks management system, which, in the opinion of the Supervisory Board contributed to ensuring that financial information in statements and periodical reports is adequate and proper.

According to the Supervisory Board, the key component of the risk management at Mondi Świecie S.A. is internal audit by the Internal Audit Department, whose recommendations were used in the Company to improve control mechanism efficiency.

During the fiscal year, the Company regularly evaluated the quality of internal control and risk management systems in terms of preparation of financial statements.

Audit findings were reported both to the Management Board and Supervisory Board Members.

In the opinion of the Supervisory Board, through such approach it was possible to adhere to the adopted principles and at the same time Shareholders and Company were not exposed to possible cases of departing from following the adopted rules. The Principles of Corporate Governance as specified in Chapter III of the Code of Best Practice for WSE Listed Companies were duly followed by the Mondi Świecie Supervisory Board Members.

The Supervisory Board established the Audit Committee composed of the following Members:

Mr Walter Seyser – Member who is qualified in accounting and financial review and fulfils the condition of independency as specified in clause 56 subclause 3 points 1,3 and 5 of the Act of 7 May 2009 on certified auditors and their self-government, entities authorised to audit financial statements and public supervision (Journal of Laws no. 77, item 649)

Mr Franz Hiesinger – Member of the Supervisory Board

Mr Karol Mergler – Member of the Supervisory Board

The Report of the Audit Committee covering the term of its activities in 2009 is attached hereto.

This Report was approved by the Supervisory Board on 19 March 2010 by virtue of the relevant resolution.

Made by:

*Secretary of the Supervisory Board of Mondi Świecie S.A.
Jarosław Kurznik*

*Peter Machacek
Deputy Chairman of the Supervisory Board*

The list of Resolutions of the Supervisory Board Mondi Świecie S.A. in 2009

1. Resolution no. 275/VII/09 of 23.02.2009 regarding the approval of the adoption of the annual operating budget and the budget of disposal of fixed assets for the fiscal year 2009
2. Resolution no. 276/VII/09 of 23.02.2009 regarding bearing capital expenditures of 1st quarter 2009
3. Resolution no. 277/VII/09 of 23.02.2009 regarding the disposal by sale of real estate
4. Resolution no. 278/VII/09 of 23.02.2009 regarding the disposal by sale of real estate
5. Resolution no. 279/VII/09 of 23.02.2009 regarding signing the significant agreements
6. Resolution no. 280/VII/09 of 23.02.2009 regarding organisational changes in the Company
7. Resolution no. 281/VII/09 of 9.03.2009 regarding bearing capital expenditures of 2nd quarter 2009
8. Resolution no. 282/VII/09 of 9.03.2009 regarding the audit of the financial report of the Company for the fiscal year 2008
9. Resolution no. 283/VII/09 of 9.03.2009 regarding the evaluation of the report of the Management Board of Mondi Świecie S.A. business activities in the fiscal year 2008
10. Resolution no. 284/VII/09 of 9.03.2009 regarding the audit of the consolidated financial report of the Capital Group for the fiscal year 2008
11. Resolution no. 285/VII/09 of 9.03.2009 regarding the evaluation of the report of the Management Board of Mondi Świecie Capital Group business activities in the fiscal year 2008
12. Resolution no. 286/VII/09 of 9.03.2009 regarding the report of the Supervisory Board on its activity during the fiscal year 2008 including the appraisal of the Supervisory Board performance
13. Resolution no. 287/VII/09 of 9.03.2009 regarding the expression on opinion concerning the distribution of the Company's profit
14. Resolution no. 288/VII/09 of 9.03.2009 regarding the opinion on the acceptance of the Company's Management Board performance of duties in 2008
15. Resolution no. 289/VII/09 of 9.03.2009 regarding signing the significant agreements
16. Resolution no. 290/VII/09 of 9.03.2009 regarding the appointment of the Management Board of the VII term of office
17. Resolution no. 291/VII/09 of 23.06.2009 regarding bearing capital expenditures of 3rd quarter 2009
18. Resolution no. 292/VII/09 of 23.06.2009 regarding the appointment a certified auditor to examine the Company's financial statement and consolidated financial statement of the Capital Group for the fiscal year 2009
19. Resolution no. 293/VII/09 of 23.06.2009 regarding signing the significant agreements
20. Resolution no. 294/VII/09 of 23.06.2009 regarding the disposal of fixed assets – shares of PMP Fast Services Sp. z o.o.
21. Resolution no. 295/VII/09 of 14.09.2009 regarding bearing capital expenditures of 4th quarter 2009
22. Resolution no. 296/VII/09 of 14.09.2009 regarding signing the significant agreement
23. Resolution no. 297/VII/09 of 14.09.2009 regarding signing the significant agreement

24. Resolution no. 298/VII/09 of 14.09.2009 regarding signing the significant agreement – corporate guarantee
25. Resolution no. 299/VII/09 of 14.09.2009 regarding signing the significant agreements
26. Resolution no. 300/VII/09 of 14.09.2009 regarding the opinion on proposed amendments to the Statute, appointment of the Audit Committee and issues covered by the agenda of the Extraordinary General Meeting of Shareholders of the Company
27. Resolution no. 301/VII/09 of 14.09.2009 regarding the amendments to the Regulation of the Supervisory Board
28. Resolution no. 302/VII/09 of 14.09.2009 regarding the organisational changes in the Company
29. Resolution no. 303/VIIa/09 of 29.10.2009 regarding consent for contracting a credit facility, encumbering the Company's assets and executing the significant agreement
30. Resolution no. 303/VIIb/09 of 29.10.2009 regarding consent for contracting a credit facility, encumbering the Company's assets and executing the significant agreement
31. Resolution no. 303/VIIc/09 of 29.10.2009 regarding consent for contracting a loan and executing the significant agreement
32. Resolution no. 304/VII/09 of 17.11.2009 regarding signing the significant agreements
33. Resolution no. 305/VII/09 of 17.11.2009 regarding the expression of the opinion on acceptance of seat in the board of Aylesford Newsprint
34. Resolution no. 306/VII/09 of 21.12.2009 regarding the approval of the adoption of the annual operating budget and the budget of disposal of fixed assets for the fiscal year 2010
35. Resolution no. 307/VII/09 of 21.12.2009 regarding the motivation system for the Company's employees
36. Resolution no. 308/VII/09 of 21.12.2009 regarding signing the significant agreements.

Resolution No. 310/VII/10
of the Supervisory Board of Mondi Świecie S.A.
of March 19, 2010

***regarding the audit of the financial statements
of the Company for the fiscal year 2009.***

The Supervisory Board of the Company adopts the following resolution:

1. Having audited the financial statements for the fiscal year 2009 that comprise the statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows as well as notes, including information on the adopted accounting policy and other explanatory notes; and taking into account the auditors' opinion and report on the audit of the financial statements prepared by Deloitte Audyt Sp. z o.o., - an auditor of the Company, the Supervisory Board states that the financial statements for the fiscal year 2009 submitted by the Management Board that comprise:
 - a) statement of financial position prepared as of 31 December 2009, with total assets and liabilities plus equity of PLN 2,306,135,997.34
 - b) statement of comprehensive income for the period from 1 January 2009 to 31 December 2009, disclosing a net profit of PLN 70,176,510.08 and a total comprehensive income of PLN 116,948,679.37
 - c) statement of changes in equity for the period from 1 January 2009 to 31 December 2009, disclosing an increase in equity of PLN 116,948,679.37
 - d) statement of cash flows for the period from 1 January 2009 to 31 December 2009, showing a cash inflow of PLN 59,584,093.25
 - e) notes, including information on the adopted accounting policy and other explanatory notes.have been prepared in accordance with the books and documents of the Company as well as with the factual state, and that the statements properly reflect the financial condition of the Company in the period under review.
2. The Supervisory Board places a motion to approve the financial statements of the Company for the fiscal year 2009.

(Legal basis: Article 382 §3 of the Commercial Companies Code and § 21 (2) (8-9) of the Company's Statute)

Resolution No. 311/VII/10
of the Supervisory Board of Mondi Świecie S.A.
of March 19, 2010

***regarding the evaluation of the report of the Management Board
on Mondi Świecie S.A. business activities in the fiscal year 2009.***

The Supervisory Board of the Company adopts the following resolution:

1. Having evaluated the report of the Management Board on the Company's business activities in the fiscal year 2009, the Supervisory Board assesses that the report truly and properly reflects the Company's operating environment, the economic and financial standing as well as the activities of the Management Board in the fiscal year 2009.
2. The Supervisory Board positively evaluates the activities of the Management Board in the period under review – also in terms of proper functioning of the internal control system and the significant risk management system. In the opinion of the Supervisory Board, the business activities of the Management Board contributed to the preservation of the Company's economic standing.

(Legal basis: Article 382 §3 of the Commercial Companies Code and § 21 (2) (8-9) of the Company's Statute)

Resolution No. 312/VII/10
of the Supervisory Board of Mondi Świecie S.A.
of March 19, 2010

***regarding the audit of the consolidated financial statements
of the Mondi Świecie Capital Group for the fiscal year 2009.***

The Supervisory Board of the Company adopts the following resolution:

1. Having audited the consolidated financial statements of the Mondi Świecie Capital Group for the fiscal year 2009 that comprise the consolidated statement of financial position, consolidated statement of comprehensive income, statement of changes in consolidated equity, consolidated statement of cash flows as well as notes, including information on the adopted accounting policy and other explanatory notes; and taking into account the auditors' opinion and the report on the audit of the financial statements prepared by Deloitte Audyt Sp. z o.o., - an auditor of the Company, the Supervisory Board states that the consolidated financial statements of the Group for the fiscal year 2009 submitted by the Management Board that comprise:
 - a) consolidated statement of financial position prepared as of 31 December 2009, with total assets and liabilities plus equity of PLN 2,279,713,650.02

- b) consolidated statement of comprehensive income for the period from 1 January 2009 to 31 December 2009, disclosing a net profit of PLN 71,406,809.66 and a total comprehensive income of PLN 118,179,158.95
- c) statement of changes in consolidated equity for the period from 1 January 2009 to 31 December 2009, disclosing an increase in equity of PLN 118,179,158.95
- d) consolidated statement of cash flows for the period from 1 January 2009 to 31 December 2009, showing a cash inflow of PLN 59,490,666.81
- e) notes, including information on the adopted accounting policy and other explanatory notes

have been prepared in accordance with the books and documents of the Company as well as with the factual state, and that the statements properly reflect the financial condition of the Mondi Świecie Capital Group in the period under review.

2. The Supervisory Board places a motion to approve the financial statements of the Mondi Świecie Capital Group for the fiscal year 2009.

(Legal basis: Article 382 §3 of the Commercial Companies Code and § 21 (2) (8-9) of the Company's Statute)

Resolution No. 313/VII/10
of the Supervisory Board of Mondi Świecie S.A.
of March 19, 2010

***regarding the evaluation of the report of the Management Board
on Mondi Świecie Capital Group business activities in the fiscal year 2009.***

The Supervisory Board of the Company adopts the following resolution:

1. Having evaluated the report of the Management Board on the business activities of Mondi Świecie Capital Group in the fiscal year 2009, the Supervisory Board assesses that the report truly and properly reflects the Company's operating environment, the economic and financial standing as well as the activities of the Management Board in the fiscal year 2009.
2. The Supervisory Board positively evaluates the activities of the Management Board in the period under review – also in terms of proper functioning of the internal control system and the significant risk management system. In the opinion of the Supervisory Board, the business activities of the Management Board contributed to the preservation of the Group's economic standing.

(Legal basis: Article 382 §3 of the Commercial Companies Code and § 21 (2) (8-9) of the Company's Statute)

AUDIT COMMITTEE REPORT

MONDI SWIECIE S.A.

The Audit Committee has been set up in November 2009.

The members of the Committee are Franz Hiesinger, Karol Mergler, Walter Seyser.

A internal audit meeting was held on 17, November 2009 in Vienna in which the internal audit activities have been presented and discussed.

Fulfilling its responsibilities to monitor the efficiency of internal control system, internal audit system, risk management system and financial reporting process, the Audit Committee has reviewed a report of the internal audit to the Audit Committee. The report has covered the internal audit activities from 1, July 2008 until 31, December 2009. The results of the reviews of selected business processes have been presented in the report in order to verify the efficiency of the internal control environment. A follow up report on the implementation of audit recommendations has been given.

The internal audit schedule 2010 has been defined and it will be reviewed by the Audit Committee accordingly.

The members of the Audit Committee have reviewed the financial statements of Mondi Swiecie S.A. for 2009. The Committee issues a positive opinion on these statements.

The meetings of the Audit Committee in 2010 have been scheduled on 19, March 2010, 16, June 2010, 20, September 2010, 26, November 2010.