Świecie, 17 March 2011

Financial Supervision Commission
Warsaw Stock Exchange
Polish Press Agency

Mondi Świecie S.A.

Current report no. 9/2011

Regarding report on the Supervisory Board activities

The Management Board of Mondi Świecie S.A. makes public the Report on Supervisory Board activities for 2010 and a concise evaluation of the Company's condition for 2010.

Enclosed please find:

- Report on Supervisory Board activities for 2010,
- Resolutions of the Supervisory Board,
- Audit Committee Report.

Tomasz Katewicz
Member of the Board

Jan Żukowski
Member of the Board

ANNUAL REPORT ON ACTIVITIES

OF THE SUPERVISORY BOARD OF MONDI ŚWIECIE S.A.

FOR THE FISCAL YEAR 2010

including the appraisal of the Supervisory Board performance.

From 1 January 2010 to 16 April 2010 – VIIth term of office of the Supervisory Board
From 16 April 2010 to 31 December 2010 – VIIIth term of office of the Supervisory Board
The Supervisory Board of Mondi Świecie S.A. in the period of time from 1 January 2010

to 31 December 2010 was composed of:

I

Mr Peter Oswald – Chairman of the Supervisory Board
Mr Peter Machacek – Deputy Chairman of the Supervisory Board
Mr Jarosław Kurznik – Secretary of the Supervisory Board, elected by the Company's employees
Mr 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 (Audit Committee Member)
Mr Franz Hiesinger – Member of the Supervisory Board (Audit Committee Member)
Mr Ladimir Eleonore Pellizzaro – Member of the Supervisory Board
Mr Klaus Peller – Member of the Supervisory Board
Mr Walter Seyser – Member of the Supervisory Board (Audit Committee Chairman)

The Ordinary General Meeting of the Company on 16 April 2010 decided that the Supervisory Board should be composed of nine members and appointed the following people Supervisory Board Members of VIII term of office, who were holding such positions since the beginning of 2010: Messrs: Peter Oswald, Peter Machacek, Jarosław Kurznik, Ryszard Gackowski, Franz Hiesinger, Karol Mergler, Klaus Peller, Ladimir Enore Pellizzaro and Walter Seyser.

II

The Supervisory Board supervises on a continuous basis all areas of the Company's business and performs activities provided by the following legal provisions:

1. Act of 15 September 2000 Commercial Companies Code *(Journal of Laws 94.1037 with later amendments),*
2. Statute of Mondi Świecie S.A. *(available at the Company's website),*
3. Regulations of the Supervisory Board of Mondi Świecie S.A. *(available at the Company's website),*
4. Declaration of Mondi Świecie S.A. on compliance with Best Practice of Corporate Governance, excluding the rules specified under B.

The detailed description of the Supervisory Board procedure of operation is available at the Company's website.

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 2010, the Supervisory Board held five meetings: two in Vienna, one in Świecie and two via videoconference.

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

1. Current performance of the Management Board

2. Financial and social condition of the Company

3. Budgetary discipline

In 2010, 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 raised during the Supervisory Board Meetings in 2010 are specified below:

The Meeting of Supervisory Board of Mondi Świecie S.A. on 19 March 2010

1. Report on Safety.
2. Report on Current Business:

3.1.Financial Results.
3.2. Current Market Overview.
3.3. Production and Environment Protection.
3.4. Diamond Approach.

4. CAPEX, Approval of capital expenditures for 2nd quarter 2010.
5. Examination of the statement of financial position of the Company for the fiscal year 2009 and of the report of the Management Board on the Company's business activities. Evaluation of the Company's condition in 2009.

   Preparation of a written report for the General Meeting on the findings of the examination of the above-mentioned activities.

6. Examination of the consolidated statement of financial position of the Capital Group for the fiscalyear 2009 and the report of the Management Board on the business activities of the Capital Group Mondi Świecie S.A.
   Preparation of a written report for the General Meeting on the findings of the examination of the above-mentioned activities.
7. Approval of the Report of the Supervisory Board on the activities in the fiscal year 2009 and Audit Committee Report.
8. Evaluation of the profit distribution for 2009 as proposed by the Management Board.
9. Expression of an opinion on the acceptance of the Management Board performance of duties in 2009.
10. Approval of signing significant contracts with duration exceeding one year.
11. Approval of the disposal by sale of real estate.
12. Adoption of the resolution regarding the appointment of the Audit Committee Chairman.
13. Opinion on the amendments to the Declaration of the Company on the observance of Best Practices of Corporate Governance 2007.
14. Information on the planned agenda of the Ordinary General Meeting of Shareholders of the Company.
15. Opinion on the motivation system of the Company's managers.

The Meeting of Supervisory Board of Mondi Świecie S.A. on 16 June 2010

1. Appointment of the Chairman, Deputy Chairman and Secretary of the Supervisory Board.
2. Report on Safety.
3. Report on Current Business:

4.1.Financial Results.
4.2. Current Market Overview.
4.3. Production and Environment Protection.
4.4. Diamond Approach.
5. Capex, Approval of capital expenditures for 3rd quarter 2010.
6. Appointment of an auditor for 2010.
7. Approval of signing significant contracts with duration exceeding one year (sales of paper, purchase of electric energy, chemical agents, consignment stock for bearings, transport services, maintenance services, waste management).

The Meeting of Supervisory Board of Mondi Świecie S.A. on 9 September 2010

1. Report on Safety.
2. Report on Current Business:
3. Financial Results.
4. Current Market Overview.
5. Production and Environment Protection.
6. Diamond Approach.

7.Capex:
7.1. Approval of capital expenditures for 4th quarter 2010.

8. Approval of signing significant contracts with duration exceeding one year (annex to credit agreements, sales of paper, electric energy purchase, consignment spare parts and MP7 service, maintenance services).
9. Information reg. Company’s Declaration concerning the compliance with the Best Practices of Corporate Governance.

The Meeting of Supervisory Board of Mondi Świecie S.A. on 26 November 2010

1. Report on Safety.
2. Report on Current Business:
3. Financial Results.
4. Current Market Overview.
5. Production and Environment Protection.
6. Capex.
7. Diamond Approach.
8. Approval of actions set forth in paragraph 14 (2)(c) and paragraph 21(2)(7) of the Company's Statute.
9. Approval of 2011 Budget. Adoption of the annual operating budget and the budget of expenditures for acquisition and divestiture of fixed assets for the fiscal year 2011.
10. Capex, Approval of capital expenditures for 1st quarter 2011.
11. Approval of signing significant contracts with duration exceeding one year (recovered paper deliveries, energy).
12. Company’s Declaration concerning the compliance with the Best Practices of Corporate Governance_annual report for 2010.

The Meeting of Supervisory Board of Mondi Świecie S.A. on 29 December 2010

1. Appointment of Mr Bogusław Bielecki Member of the Management Board of the Company effective 1 January 2011 and consenting to the amendments to his employment relationship.

2. Changes of remuneration arising from employment contracts of the Members of the Company’s Management Board and consenting to the amendment of their employment relationships respectively.

3. Authorisation of three Members of the Company’s Supervisory Board, i.e. Mr Peter J. Oswald, Peter Machacek and Franz Hiesinger to exercise Resolutions of the Supervisory Board dated 29 December 2010 and to jointly sign (at least two of them) on behalf of the Company the documents providing for the alteration of the employment relationships of the Company’s Management Board Members.

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 2010. All Supervisory Board Members exercised due diligence and were committed to exercise their obligations in the Supervisory Board.

The Supervisory Board positively appraised its performance in terms of proper functioning of the internal audit and the significant risks management systems. In the opinion of the Supervisory Board, the key component of the risk management at Mondi Świecie S.A. is internal audit by the Internal Audit Department. During the fiscal year under review, 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. The Supervisory Board has the Audit Committee composed of the following Members:

Mr Walter Seyser (Chairman of the Committee), Mr Franz Hiesinger and Mr Karol Mergler (Members of the Committee). The Audit Committee meetings take place on the day of the Supervisory Board session.

The Report of the Mondi Świecie Supervisory Board Audit Committee is attached hereto as Appendix no. 2.

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.

Made by:

Secretary of the Supervisory Board

Jarosław Kurznik

____

Peter Machacek

Deputy Chairman of the Supervisory Board

Appendix no. 1
to the Report of the Supervisory Board for fiscal year 2010

Resolutions adopted by the Supervisory Board of Mondi Świecie S.A. in 2010

1. Resolution no. 309/VII/10 of 19.03.2010 regarding the release of capital expenditures of 2nd quarter 2010
2. Resolution no. 310/VII/10 of 19.03.2010 regarding the audit of the financial statements of the Company for 2009
3. Resolution no. 311/VII/10 of 19.03.2010 regarding the evaluation of the report of the Management Board on Mondi Świecie S.A. business activities in the fiscal year 2009
4. Resolution no. 312/VII/10 of 19.03.2010 regarding the audit of the consolidated financial statements of the Mondi Świecie Capital Group for 2009.
5. Resolution no. 313/VII/10 of 19.03.2010 regarding the evaluation of the report of the Management Board on Mondi Świecie Capital Group business activities in the fiscal year 2009
6. Resolution no. 314/VII/10 of 19.03.2010 regarding the report of the Supervisory Board on its activities during the fiscal year 2009 including the appraisal of the Supervisory Board performance and Audit Committee report
7. Resolution no. 315/VII/10 of 19.03.2010 regarding the expression of an opinion concerning the distribution of the Company's profit
8. Resolution no. 316/VII/10 of 19.03.2010 regarding the opinion on the acceptance of the Company's Management Board performance of duties in 2009
9. Resolution no. 317/VII/10 of 19.03.2010 regarding signing the significant agreements
10. Resolution no. 318/VII/10 of 19.03.2010 regarding the disposal by sale of real estate
11. Resolution no. 319/VII/10 of 19.03.2010 regarding the appointment of the Audit Committee Chairman
12. Resolution no. 320/VII/10 of 19.03.2010 regarding the amendments to the Company's declaration concerning the compliance with the Code of Best Practice of WSE Listed Companies
13. Resolution no. 321/VII/10 of 19.03.2010 regarding the proposed agenda of the Ordinary General Meeting of Shareholders in 2010.
14. Resolution no. 322/VII/10 of 19.03.2010 regarding the motivation system for the Company's managers
15. Resolution no. 323/VII/10 of 19.03.2010 regarding the acquisition of real estate
16. Resolution no. 324/VIII/10 of 16.06.2010 regarding the appointment of the Chairman of the Company's Supervisory Board.
17. Resolution no. 325/VIII/10 of 16.06.2010 regarding the appointment of the Deputy Chairman of the Company's Supervisory Board.
18. Resolution no. 326/VIII/10 of 16.06.2010 regarding the appointment of the Secretary of the Company's Supervisory Board.
19. Resolution no. 327/VIII/10 of 16.06.2010 regarding bearing capital expenditures of the 3rd quarter 2010
20. Resolution no. 328/VIII/10 of 16.06.2010 regarding the appointment of a certified auditor to audit the consolidated financial statement of the Capital Group for the fiscal year 2010
21. Resolution no. 329/VIII/10 of 16.06.2010 regarding signing the significant agreements
22. Resolution no. 330/VIII/10 of 16.06.2010 regarding the approval of signing significant agreements

23. Resolution no. 331/VIII/10 of 16.06.2010 regarding the approval of signing significant agreements
24. Resolution no. 332/VIII/10 of 16.06.2010 regarding the opinion on granting the power of attorney (proxy)
25. Resolution no. 333/VIII/10 of 16.06.2010 regarding signing significant agreements
26. Resolution no. 334/VIII/10 of 11.08.2010 regarding signing significant agreements
27. Resolution no. 335/VIII/10 of 09.09.2010 regarding bearing capital expenditures of the 4^{th}quarter 2010
28. Resolution no. 336/VIII/10 of 09.09.2010 regarding signing significant agreements
29. Resolution no. 337/VIII/10 of 26.11.2010 regarding the approval of the adoption of the annual operating budget and the budget of expenditures for acquisition and divestiture of fixed assets for the fiscal year 2011.
30. Resolution no. 338/VIII/10 of 26.11.2010 regarding bearing capital expenditures of 1^{st}quarter 2010
31. Resolution no. 339/VIII/10 of 26.11.2010 regarding signing significant agreements
32. Resolution no. 340/VIII/10 of 26.11.2010 regarding granting suretyship to Świecie Recykling Sp.z o.o.
33. Resolution no. 341/VIII/10 of 26.11.2010 regarding the approval of actions referred to in § 14 (2) (c) and § 21 (2) (7) of the Company's Statute
34. Resolution no. 342/VIII/10 of 29.12.2010 regarding appointment of Mr Bogusław Bielecki Member of the Management Board of the Company effective 1 January 2011 and consenting to the amendments to his employment relationship
35. Resolution no. 343/VIII/10 of 29.12.2010 regarding changes of remuneration of the Members of the Company's Management Board and consenting to the amendment of their employment relationships respectively.
36. Resolution no. 344/VIII/10 of 29.12.2010 regarding authorisation of the Members of the Company's Supervisory Board to exercise Resolutions of the Supervisory Board dated 29 December 2010 and to sign the documents providing for the alteration of the employment relationships of the Company's Management Board Members.

Resolution No. 351/VIII/11

of the Supervisory Board of Mondi Świecie S.A.

of March 11, 2011

regarding the audit of the financial statements of the Company for the fiscal year 2010.

The Supervisory Board of the Company adopts the following resolution:

1. Having audited the financial statements for the fiscal year 2010 that comprise the statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows as well as additional information, including information on the adopted accounting policy and other explanatory information; 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 2010 submitted by the Management Board that comprise:

   a) statement of financial position prepared as of 31 December 2010, with total assets and liabilities plus equity of PLN 2,345,765,108.65

   b) statement of comprehensive income for the period from 1 January 2010 to 31 December 2010, disclosing a net profit of PLN 250,172,438.92 and a total comprehensive income of PLN 250,172,438.92

   c) statement of changes in equity for the period from 1 January 2010 to 31 December 2010, disclosing an increase in equity of PLN 250,172,438.92

   d) statement of cash flows for the period from 1 January 2010 to 31 December 2010, disclosing a decrease in cash of PLN -8,231,143.93

   e) additional information, including information on the adopted accounting policy and other explanatory information

   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 2010.

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

Resolution No. 352/VIII/11

of the Supervisory Board of Mondi Świecie S.A.

of March 11, 2011

regarding the evaluation of the report of the Management Board on Mondi Świecie S.A. business activities and evaluation of the Company's condition in the fiscal year 2010.

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 2010, 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 2010 and that the activities of the Management Board in the period under review deserve to receive a positive evaluation.

2. The Supervisory Board positively evaluates the Company's condition in 2010, in particular the increase in productivity thanks to the operation of new Paper Machine no. 7 and consistent implementation of the Company's strategy that aims at ensuring the continuation of its sustainable development through improving all the processes and development of human capital. The Supervisory Board acknowledges that the internal control system and the significant risk management system function properly, thus strengthening 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. 353/VIII/11

of the Supervisory Board of Mondi Świecie S.A.

of March 11, 2011

regarding the audit of the consolidated financial statements of the Mondi Świecie Capital Group for the fiscal year 2010.

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 2010 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 2010 submitted by the Management Board that comprise:

a) consolidated statement of financial position prepared as of 31 December 2010, with total assets and liabilities plus equity of PLN 2,319,698,111.95

b) consolidated statement of comprehensive income for the period from 1 January 2010 to 31 December 2010, disclosing a net profit of PLN 249,316,589.40 and a total comprehensive income of PLN 249,316,589.40

c) statement of changes in consolidated equity for the period from 1 January 2010 to 31 December 2010, disclosing an increase in equity of PLN 249,316,589.40

d) consolidated statement of cash flows for the period from 1 January 2010 to 31 December 2010, disclosing a decrease in cash of PLN 7,935,725.60

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 consolidated financial statements of the Mondi Świecie Capital Group for the fiscal year 2010.

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

Resolution No. 354/VIII/11

of the Supervisory Board of Mondi Świecie S.A.

of March 11, 2011

regarding the evaluation of the report of the Management Board on Mondi Świecie Capital Group business activities in the fiscal year 2010.

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 2010, 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 2010.

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)

Resolution No. 355/VIII/11

of the Supervisory Board of Mondi Świecie S.A.

of March 11, 2011

regarding the report of the Supervisory Board on its activities during the fiscal year 2010 including the appraisal of the Supervisory Board performance and Audit Committee report.

The Supervisory Board approves the report on its activities during the fiscal year 2010 including the appraisal of the Supervisory Board performance and Audit Committee report; enclosed to this resolution.

AUDIT COMMITTEE REPORT

MONDI SWIECIE S.A.

February 2011

The Audit Committee was set up in November 2009.

In 2010, the Audit Committee met four times: on 19 March, 16 June, 20 September and 26 November.

Audit Committee throughout the whole 2010 period remained unchanged and was comprised of Franz Hiesinger, Karol Mergler and Walter Seyser.

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 Company's Supervisory Board. The report has covered the internal audit activities from 1 January 2010 until 31 December 2010. 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.

At the year end there was a change on the position of Internal Auditor of Mondi Świecie. Mr Artur Frąckowiak replaced Mr Łukasz Wiankowski, who decided to continue his career outside Mondi.

The internal audit schedule for 2011 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 2010. The Committee issues a positive opinion on these statements.

The meetings of the Audit Committee in 2011 have been scheduled on 11 March, 9 June, 14 September and 8 November 2011.

Signed by:

……………………………………….	………………………………………….	……………………………………………
Franz Hiesinger	*Karol Mergler*	*Walter Seyser*