

**PRESS RELEASE**May 14th, 2009**RESULTS FOR THE 1ST QUARTER OF 2009**

- Profit for the period slightly below previous year
- Profitability largely maintained
- Decreasing mass purchasing power to accelerate slowdown in demand
- Start expansion Iran

As expected, the Mayr-Melnhof Group achieved better machine utilization in the first quarter of 2009 than in the previous quarter. This was made possible by temporary downtime at the end of the year. Sales generated were however significantly below the level of the first quarter of 2008. Although the general economic framework constrained us with regard to both volume and exchange rates, profitability of business was maintained at a generally sound level with a Group operating margin of 9.3 % (1Q 2008: 9.8 %). This level was achieved through price discipline, consistent saving measures and a significant deflation of costs. The operating profit was consequentially 19.6 % below the previous year's level. The profit for the period, however, decreased marginally to EUR 26.5 million (1Q 2008: EUR 27.3 million) due to lower tax expense.

GROUP KEY INDICATORS

(in accordance with IFRS, unaudited)

consolidated, in millions of EUR	1Q/2009	1Q/2008	+/-
Sales	384.0	452.9	-15.2 %
Operating profit	35.7	44.4	-19.6 %
Operating margin (%)	9.3 %	9.8 %	
Profit before tax	36.2	42.4	-14.6 %
Profit for the period	26.5	27.3	-2.9 %
Net profit margin (%)	6.9 %	6.0 %	
thereof minority interests	0.4	0.2	
Employees	8,143	8,240 ¹⁾	

¹⁾ as of December 31, 2008

Consolidated sales amounted to EUR 384.0 million which is 15.2 % below the previous year's level (1Q 2008: EUR 452.9 million). This decline resulted chiefly from lower cartonboard sales and from devaluations of currencies versus the Euro.

Profitability was almost maintained at last year's level, with an operating margin of 9.3 % (1Q 2008: 9.8 %). The reduction in operating profit from EUR 44.4 million to EUR 35.7 million is primarily attributable to the volume decline at MM Karton.

Financial income amounted to EUR 3.1 million (1Q 2008: EUR 4.2 million) while financial expenses amounted to EUR -1.5 million (1Q 2008: EUR -2.2 million).

The profit before tax was EUR 36.2 million in the first quarter of 2009, i.e. 14.6 % below last year's value (1Q 2008: EUR 42.4 million). Income tax expense amounted to EUR 9.7 million. The higher value of EUR 15.1 million in the first quarter of 2008 was mainly due to taxation of non-recurring income from the disposal of businesses. The effective Group tax rate therefore declined to 26.8 % (1Q 2008: 35.6 %).

The Group's profit for the period reached EUR 26.5 million which is 2.9 % below last year's result (1Q 2008: EUR 27.3 million).

New folding carton plant in Iran

With the set up of a folding carton plant in Iran, we are continuing our expansion in the Middle East in line with our strategy. As a first step, Mayr-Melnhof Packaging Teheran will produce packaging for the Iranian cigarette market. Commissioning of the facility is planned for the second half of 2009.

OUTLOOK

Demand planning of our customers and the daily market picture became increasingly more short-term during the first quarter which made ongoing machine utilization more difficult.

The overall economic uncertainty is now also reflected in a high volatility of our end-markets. Forecasts as to developments during the current year vary highly. We estimate that the impacts of significantly decreasing employment rates and the consequential decline in mass purchasing power on consumption are yet to come. This would also affect the demand for packaging material made from cartonboard – with the exception of food packaging. Selective adjustments of capacity and headcount might therefore become unavoidable, especially where concepts for a transition to more flexible structures fail.

The decline in demand will further intensify the pressure on prices, since raw material prices have also decreased due to the drop in demand. In production, we are vehemently taking measures at every site, which will contribute to further improvements in the cost structure.

With a view to the expected development, consolidation and associated market adjustments are still about to come in our industry. Immediate action seems untimely and would entail unmanageable risks. Market and cost leadership will, however, enable us to benefit from further organic growth opportunities and to become even stronger.

DIVISIONS

MM Karton

Against the background of the accelerated recession, decline in the European demand for cartonboard continued. Our efforts to keep cartonboard prices stable by adjusting volumes have been successful during the first months of the year, but since the end of the first quarter a higher degree of flexibility has become necessary to stabilize our market shares.

The cartonboard volume sold amounted to 334,000 tons in the first three months of 2009, i.e. 21.8 % less than in the same period last year (1Q 2008: 427,000 tons). With 85 % (1Q 2008: 79 %), the share of sales in our home market Europe has considerably increased while the share of non-European business declined from 21 % to 15 %.

In line with extremely short-term planning of cartonboard customers and the delayed onset of demand at the beginning of the year, the average order backlog of MM Karton decreased considerably compared to the same period last year from 76,000 tons (1Q 2008) to approximately 35,000 tons.

As expected, cost deflation and internal savings supported profitability in the cartonboard business, which, however, could not fully reach the previous year's level due to reduced machine utilization.

The tonnage produced was 340,000 tons (1Q 2008: 430,000 tons), which translates into a capacity utilization of 81 % (1Q 2008: 96 %) at MM Karton. Almost parallel to volume development, sales decreased from EUR 240.0 million to EUR 182.7 million. The operating profit dropped from EUR 18.4 million to EUR 11.6 million, mainly as a result of lower machine utilization. Thus, the operating margin leveled at 6.3 % after 7.7 % last year.

MM Packaging

Despite clearly more moderate demand at the beginning of the year, development of MM Packaging was generally stable in the first quarter. Order intake demonstrated a largely sound development, but the distinct differences with regard to regions and sales areas that had become apparent at the end of 2008 persisted. While the consequences of the economic downturn were clearly noticed in the non-food area (e.g. detergents), packaging for daily consumer goods like food and cigarettes, in particular, has been mostly spared from these developments.

Significantly more short-term planning of customers has reduced visibility. Falling raw material prices and currency devaluations have further intensified price competition. Due to high productivity and processed volumes in the first quarter of 2009, MM Packaging succeeded in maintaining the business yield at the previous year's sound level.

The tonnage processed during the first three months of the year was 163,000 tons, i.e. slightly less than last year (1Q 2008: 165,000 tons). Sales decreased from EUR 248.7 million to EUR 236.0 million (-5.1 %), mainly as a result of currency developments. Operating profit fell almost in parallel by 7.3 % to EUR 24.1 million. The operating margin of 10.2 % was therefore slightly below the level of the first quarter of 2008 (10.5 %).

Please find our detailed Interim Report on the 1st Quarter of 2009 on the Internet at <http://www.mayr-melnhof.com>.

Forthcoming results: August 19, 2009 - Results for the 1st Half-Year of 2009

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