

**PRESS RELEASE**

May 15, 2014

Results for the 1st Quarter 2014

- Solid volume and price development in the Cartonboard Division
- Continuous business performance in the Packaging Division
- Still no tail wind from consumption
- Expansion course continued

In the first quarter of 2014 the Mayr-Melnhof Group recorded an overall solid business performance, though there were still no impulses from the economy as a whole, in particular from private consumption. However, due to improvements in prices and the product mix of cartonboard production as well as a slight increase in volumes in both divisions an overall healthy growth in sales and profit could be reached compared with the same period of the previous year. Our expansion course continued in line with strategy and the newly constructed fourth folding carton site in Turkey was put into operation.

A current look forward does not indicate any significant changes in the development of sales and procurement markets, either. Demand in our customer industries remains continuous, customer planning however still short-term. Under these overall circumstances our objective remains to secure the price structure for our products in a highly competitive environment as best as possible and to further increase our market shares in both mature as well as growth markets.

GROUP KEY INDICATORS - IFRS

consolidated, in millions of EUR, IFRS	1Q/2014	1Q/2013	+/-
Sales	523.9	496.7	+5.5 %
Operating profit	46.2	38.4	+20.3 %
Operating margin (in %)	8.8 %	7.7 %	
Profit before tax	43.3	36.2	+19.6 %
Income tax expense	(11.2)	(9.2)	
Profit for the period	32.1	27.0	+18.9 %
Net profit margin (in %)	6.1 %	5.4 %	
Earnings per share (in EUR)	1.59	1.35	
Employees	9,501	9,477 ¹⁾	
Capital expenditures	32.3	25.8	
Depreciation and amortization	23.2	22.4	

¹⁾ as of December 31, 2013

At EUR 523.9 million the Group's consolidated sales exceeded the previous year's value (1Q 2013: EUR 496.7 million) by 5.5 %. This is primarily due to improved average prices at MM Karton as well as an increase in volumes in both divisions.

Operating profit rose by 20.3 % or EUR 7.8 million to EUR 46.2 million. This growth results to a large degree from the Cartonboard Division, which recorded non-recurring rebuild-related expenses in the comparative period of the previous year. Accordingly the Group achieved an operating margin of 8.8 % (1Q 2013: 7.7 %).

Profit before tax thus increased by 19.6 % to EUR 43.3 million (1Q 2013: EUR 36.2 million). Income tax expense was at EUR 11.2 million (1Q 2013: EUR 9.2 million), resulting in an effective Group tax rate of 25.9 % (1Q 2013: 25.4 %).

Therefore the profit for the period went up by 18.9 % to EUR 32.1 million (1Q 2013: EUR 27.0 million). This corresponds to 6.1 % of sales (1Q 2013: 5.4 %).

OUTLOOK

Continuity and a calm market development should determine demand also over the coming months. The aim of MM still remains to grow in the European main market as well as in the future markets outside of Europe in order to maintain the profitability of the business at a high level. Accordingly we will continue to focus on a high level of efficiency and technology leadership in production as well as on expanding capacities in growth markets. The highlight of our investments this year is a large-scale investment of around EUR 50 million in the Austrian Frohnleiten main mill for FOODBOARD™, an innovative cartonboard that guarantees optimum protection for food. The implementation focus is planned for the fourth quarter.

DEVELOPMENT IN THE DIVISIONS

MM Karton

in millions of EUR, IFRS	1Q/2014	1Q/2013	+/-
Sales¹⁾	259.4	237.6	+9.2 %
Operating profit	18.8	11.3	+66.4 %
Operating margin (in %)	7.2 %	4.8 %	
Tonnage sold (in thousands of tons)	408	404	+1.0 %
Tonnage produced (in thousands of tons)	401	391	+2.6 %

¹⁾ including interdivisional sales

The cartonboard market was still characterized by cautious customer planning and broad stability across all types and sales regions in the first three months of 2014. The average order backlog of MM Karton was around 60,000 tons (1Q 2013: 93,000 tons), which documents the short-term visibility. However, due to a high degree of flexibility in planning the cartonboard machine program and an attractive range of products, a capacity utilization of around 97 % (1Q 2013: 98 %) could still be achieved for the division in the first quarter.

Analogously to the sales markets, the development on the procurement markets, especially for the strategic input materials recovered paper and energy, remained sustainably stable.

Production increased by 2.6 % to 401,000 tons (1Q 2013: 391,000 tons). At 408,000 tons, the tonnage sold was above production as well as above the previous year (1Q 2013: 404,000 tons). Of this, 83 % was sold in Europe and 17 % in non-European markets (1Q 2013: 82 %; 18 %).

Sales rose by 9.2 % to EUR 259.4 million (1Q 2013: EUR 237.6 million) primarily as a result of improved average prices and an optimized product mix. In accordance with this and also due to the shortfall of rebuild and downtime costs from the comparative period of the previous year, operating profit reached EUR 18.8 million after EUR 11.3 million in the first quarter of 2013. The operating margin was therefore 7.2 % (1Q 2013: 4.8 %).

MM Packaging

in millions of EUR, IFRS	1Q/2014	1Q/2013	+/-
Sales¹⁾	290.4	285.6	+1.7 %
Operating profit	27.4	27.1	+1.1 %
Operating margin (in %)	9.4 %	9.5 %	
Tonnage processed (in thousands of tons)	178	168	+6.0 %
Sheet equivalent (in millions)	501.8	465.7	+7.8 %

¹⁾ including interdivisional sales

Our folding carton plants were also able to start 2014 with an overall stable order situation. In parallel to the development of private consumption, demand on the European folding carton market still remained restrained. There is a lack of positive market impulses, which is the reason for the unabated ongoing of the intensified price competition among market players. Against this background, MM Packaging was again able to maintain its position in the first three months of the year due to a high level of efficiency in production and further volume growth, however with an increasing heterogeneity in capacity utilization among the plants.

The newly built fourth folding carton site in Turkey, in Gaziantep, was put into operation on schedule. The technological focus of the plant is on the production of packaging for consumer goods, in particular food, using offset printing.

At EUR 290.4 million, sales were slightly above the value of the previous year (1Q 2013: EUR 285.6 million). Operating profit developed similarly from EUR 27.1 million to EUR 27.4 million, with the operating margin remaining constant at 9.4 % (1Q 2013: 9.5 %).

The tonnage processed increased by 6.0 % from 168,000 tons to 178,000 tons, the sheet equivalent by 7.8 % from 465.7 million to 501.8 million.

QUARTERLY OVERVIEW

MAYR-MELNHOF GROUP

consolidated, in millions of EUR, IFRS	1Q/2013	2Q/2013	3Q/2013	4Q/2013	1Q/2014
Sales	496.7	485.1	515.3	502.3	523.9
EBITDA	60.3	61.8	73.5	56.7	68.5
EBITDA margin (in %)	12.1 %	12.7 %	14.3 %	11.3 %	13.1 %
Operating profit	38.4	39.1	52.7	35.2	46.2
Operating margin (in %)	7.7 %	8.1 %	10.2 %	7.0 %	8.8 %
Profit before tax	36.2	37.2	48.8	34.2	43.3
Income tax expense	(9.2)	(9.5)	(10.7)	(4.1)	(11.2)
Profit for the period	27.0	27.7	38.1	30.1	32.1
Net profit margin (in %)	5.4 %	5.7 %	7.4 %	6.0 %	6.1 %
Earnings per share (in EUR)	1.35	1.37	1.90	1.49	1.59

DIVISIONS

MM KARTON

in millions of EUR, IFRS	1Q/2013	2Q/2013	3Q/2013	4Q/2013	1Q/2014
Sales¹⁾	237.6	239.1	249.5	238.4	259.4
Operating profit	11.3	15.6	25.7	12.7	18.8
Operating margin (in %)	4.8 %	6.5 %	10.3 %	5.3 %	7.2 %
Tonnage sold (in thousands of tons)	404	399	410	386	408
Tonnage produced (in thousands of tons)	391	413	408	392	401

¹⁾ including interdivisional sales

MM PACKAGING

in millions of EUR, IFRS	1Q/2013	2Q/2013	3Q/2013	4Q/2013	1Q/2014
Sales¹⁾	285.6	271.9	292.0	289.2	290.4
Operating profit	27.1	23.5	27.0	22.5	27.4
Operating margin (in %)	9.5 %	8.6 %	9.2 %	7.8 %	9.4 %
Tonnage processed (in thousands of tons)	168	166	168	169	178
Sheet equivalent (in millions)	465.7	459.2	475.9	472.9	501.8

¹⁾ including interdivisional sales

The Interim Report for the 1st Quarter of 2014 is available on our homepage
<http://www.mayr-melnhof.com>

Forthcoming results:

August 19, 2014 Results for the first half-year of 2014

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