



PRESS RELEASE

November 15, 2017

Results for the first three quarters of 2017

- Results close to last year's high level
- Solid sales and volumes
- Acquisition of cosmetics packaging site in Poland
- Expectations for 2017 intact

The Mayr-Melnhof Group was able to continue the ongoing improvement over the course of the year with the good third quarter and, as expected, after three quarters draw close to the high level of the previous year's results. Both divisions contributed to maintaining the Group's profitability with overall good utilization of the plant capacities and consistent price and cost management. Moreover, the cartonboard division succeeded in gradually compensating the sharp price increase for the strategic raw material of recovered paper.

With the acquisition of a packaging site for cosmetic and personal care products in Bydgoszcz, Poland, MM Packaging continued to expand its portfolio in the high-grade product segment. The folding carton company most recently generated annual sales of around EUR 16 million. The seller was ASG Poland. The company, MMP Premium Polska, will be integrated into the Group from the 4th quarter of 2017. The aim is to generate new growth and value creation potential through integration and productivity increase with now four packaging sites in Poland.

Furthermore, as a result of ongoing investment activity organic growth opportunities have been enhanced in and outside of Europe.

Our goal for 2017, to reach the result of the previous year as best as possible, remains unchanged.

GROUP KEY INDICATORS

| consolidated, in millions of EUR, IFRS | 1-3Q/2017 | 1-3Q/2016 | +/- |
|--|----------------|---------------------|--------|
| Sales | 1,749.1 | 1,713.8 | +2.1 % |
| Operating profit | 158.9 | 160.2 | -0.8 % |
| Operating margin (in %) | 9.1 % | 9.3 % | |
| Profit before tax | 151.9 | 155.9 | -2.6 % |
| Income tax expense | (38.6) | (40.4) | |
| Profit for the period | 113.3 | 115.5 | -1.9 % |
| Net profit margin (in %) | 6.5 % | 6.7 % | |
| Earnings per share (in EUR) | 5.65 | 5.76 | |
| Employees | 9,693 | 9,927 ¹⁾ | |
| Capital expenditures (CAPEX) | 122.0 | 94.6 | |
| Depreciation and amortization | 73.3 | 76.5 | |

¹⁾ as of December 31, 2016

The Group's consolidated sales totaled EUR 1,749.1 million and were thus 2.1 %, or EUR 35.3 million above the previous year's value (1-3Q 2016: EUR 1,713.8 million). Both divisions contributed to the slight increase.

With EUR 158.9 million, operating profit reached the previous year's level (1-3Q 2016: EUR 160.2 million). The Group's operating margin thus remained stable at 9.1 % (1-3Q 2016: 9.3 %).

Financial income of EUR 1.6 million (1-3Q 2016: EUR 2.3 million) contrasted with financial expenses of EUR -4.5 million (1-3Q 2016: EUR -4.7 million). As a result of the deconsolidation of the Tunisian packaging companies in the second quarter, a one-off expense of EUR 2.3 million was incurred due to accumulated foreign currency translation, which is reported under "Other financial result – net".

Accordingly, profit before tax totaled EUR 151.9 million and was 2.6 % below the comparative figure of the previous year (1-3Q 2016: EUR 155.9 million). Income tax expense amounted to EUR 38.6 million (1-3Q 2016: EUR 40.4 million), resulting in an effective Group tax rate of 25.4 % (1-3Q 2016: 25.9 %).

At EUR 113.3 million, the profit for the period almost reached the previous year's figure (1-3Q 2016: EUR 115.5 million).

DEVELOPMENT IN THE THIRD QUARTER

Improved demand dynamics and high capacity utilization characterized the development in both divisions throughout the third quarter.

Due to continuing high capacity utilization, improved average prices and optimization measures, the cartonboard division succeeded in increasing its operating margin compared to the third quarter of the previous year to 7.4 % (3Q 2016: 6.0 %), respectively maintaining the good level of the previous quarter (2Q 2017: 7.3 %). Capacity utilization was at 98 % (2Q 2017: 99 %; 3Q 2016: 98 %).

The operating margin of MM Packaging developed persistently solid with 10.3 % (2Q 2017: 9.8 %; 3Q 2016: 10.0 %).

The Group's operating profit amounted to EUR 56.8 million (2Q 2017: EUR 51.5 million; 3Q 2016: EUR 49.4 million), thus an operating margin of 9.5 % (2Q 2017: 9.1 %; 3Q 2016: 8.6 %) was achieved.

At EUR 41.4 million, the profit for the period exceeded the comparative figure of the previous year (3Q 2016: EUR 35.1 million) as well as the figure of the previous quarter (2Q 2017: EUR 35.0 million).

OUTLOOK

After a pickup in the middle of the year, the volume of incoming orders settled again to a stable level. General conditions, however, continue to be marked by intense competition, and require continuous measures for improvement in cost efficiency and product optimization. MM Karton as well as MM Packaging are successful in maintaining their profile in this, with future business performance likely to be characterized by continuity. Despite a slight easing in peak prices for recovered paper, fiber costs are currently still at a high level. Our aim for 2017, to reach the record result of 2016, remains intact, but owing to the strong closing quarter of the previous year further on challenging.

DEVELOPMENT IN THE DIVISIONS

MM Karton

| in millions of EUR, IFRS | 1-3Q/2017 | 1-3Q/2016 | +/- |
|---|--------------|-----------|--------|
| Sales¹⁾ | 788.9 | 777.5 | +1.5 % |
| Operating profit | 54.6 | 54.4 | +0.4 % |
| Operating margin (in %) | 6.9 % | 7.0 % | |
| Tonnage sold (in thousands of tons) | 1,266 | 1,258 | +0.6 % |
| Tonnage produced (in thousands of tons) | 1,269 | 1,255 | +1.1 % |

¹⁾ including interdivisional sales

Following the gradual improvement in demand on the European cartonboard market throughout the first three quarters of 2017, MM Karton's average order backlog increased to around 82,000 tons, after 47,000 tons in the first nine months of the previous year. At 98 % (1-3Q 2016: 98 %) capacities of the division continued to be almost fully utilized.

A special challenge was the significant price increase for the strategic raw material of recovered paper, which could be successfully offset by successive improvements in cartonboard prices and a selective sales policy. Prices for recovered paper were driven by strong demand from Asia in the first half-year, as well as stockpiling for new European corrugated base paper plants and increasingly strengthening demand in Europe.

Both cartonboard production as well as tonnage sold, at 1,269,000 tons and 1,266,000 tons respectively, were above the comparative figures for the previous year (1-3Q 2016: 1,255,000 tons and 1,258,000 tons respectively). With a share in sales of approximately 80 % to Europe and 20 % to markets outside of Europe, slightly more was sold to non-European markets (1-3Q 2016: 82 % and 18 % respectively).

Sales rose moderately to EUR 788.9 million (1-3Q 2016: EUR 777.5 million) due to prices and volumes. Operating profit, at EUR 54.6 million, was slightly above the comparative period (1-3Q 2016: EUR 54.4 million), thus the operating margin at 6.9 % was maintained at previous year's level (1-3Q 2016: 7.0 %).

MM Packaging

| in millions of EUR, IFRS | 1-3Q/2017 | 1-3Q/2016 | +/- |
|--|----------------|-----------|--------|
| Sales¹⁾ | 1,036.8 | 1,013.4 | +2.3 % |
| Operating profit | 104.3 | 105.8 | -1.4 % |
| Operating margin (in %) | 10.1 % | 10.4 % | |
| Tonnage processed (in thousands of tons) | 570 | 570 | +0.0 % |
| Sheet equivalent (in millions) | 1,707.4 | 1,689.3 | +1.1 % |

¹⁾ including interdivisional sales

Following a restrained start of the year, demand on the European consumer goods market, and consequently also for folding cartons, has seen a slight upturn since the end of the second quarter. Incoming orders at MM Packaging followed this trend, resulting in overall improved capacity utilization but with continuing heterogeneity between the plants. Price competition remained intense, on the one hand because of high cost and optimization pressure in our customer industries, on the other hand as a consequence of sufficient production capacities on the European market. Additionally there was the need to pass on price increases for recycled cartonboard from the middle of the year.

MM Packaging, however, succeeded in maintaining the good profitability level under these challenging circumstances through a consistent focus on cost leadership as well as market and product development. Through increased investment activity growth opportunities in and outside of Europe were pursued, and new cost optimization potential addressed.

Sales climbed by 2.3 % to EUR 1,036.8 million (1-3Q 2016: EUR 1,013.4 million). At EUR 104.3 million, operating profit approached the previous year's figure (1-3Q 2016: EUR 105.8 million). The operating margin was accordingly solid at 10.1 % (1-3Q 2016: 10.4 %).

Tonnage processed remained unchanged at 570,000 tons, while the sheet equivalent rose slightly to 1,707.4 million (1-3Q 2016: 1,689.3 million).

Acquisition in Poland

At the beginning of October 2017, the division MM Packaging acquired the folding carton site of ASG Poland in Bydgoszcz, Poland, in form of an asset deal for around EUR 9.0 million. The company produces packages for cosmetic and personal care products. Integration into the Group will be effected from the 4th quarter of 2017.

Expansion in Iran and Vietnam

The development of our sites in Tehran, Iran, and Ho Chi Minh City, Vietnam, continued with the extension of our machinery in technology and capacity with a focus on high performance and quality.

Expansion in Jordan

In Jordan, capacities at the site in Amman were expanded as well as technologically enhanced in order to allow further progress in the growth with international customers.

New set-up in Tunisia

In Tunisia, the production of MM Packaging was transferred to the local market leader, Société Tunisienne des Emballages Modernes, in return for a share of 45 % in that company in order to exploit synergies.

QUARTERLY OVERVIEW

MAYR-MELNHOF GROUP

| consolidated, in millions of EUR, IFRS | 1Q/2016 | 2Q/2016 | 3Q/2016 | 4Q/2016 | 1Q/2017 | 2Q/2017 | 3Q/2017 |
|--|---------|---------|---------|---------|---------------|---------------|---------------|
| Sales | 576.0 | 566.2 | 571.6 | 558.9 | 584.5 | 565.8 | 598.8 |
| EBITDA | 80.3 | 83.6 | 72.9 | 77.2 | 74.8 | 73.8 | 81.3 |
| EBITDA margin (in %) | 13.9 % | 14.8 % | 12.8 % | 13.8 % | 12.8 % | 13.0 % | 13.6 % |
| Operating profit | 55.2 | 55.6 | 49.4 | 53.5 | 50.6 | 51.5 | 56.8 |
| Operating margin (in %) | 9.6 % | 9.8 % | 8.6 % | 9.6 % | 8.7 % | 9.1 % | 9.5 % |
| Profit before tax | 53.2 | 55.7 | 47.0 | 53.3 | 49.2 | 47.8 | 54.9 |
| Income tax expense | (13.8) | (14.7) | (11.9) | (15.4) | (12.3) | (12.8) | (13.5) |
| Profit for the period | 39.4 | 41.0 | 35.1 | 37.9 | 36.9 | 35.0 | 41.4 |
| Net profit margin (in %) | 6.8 % | 7.2 % | 6.1 % | 6.8 % | 6.3 % | 6.2 % | 6.9 % |
| Earnings per share (in EUR) | 1.96 | 2.05 | 1.75 | 1.91 | 1.84 | 1.74 | 2.07 |

DIVISIONS

MM KARTON

| in millions of EUR, IFRS | 1Q/2016 | 2Q/2016 | 3Q/2016 | 4Q/2016 | 1Q/2017 | 2Q/2017 | 3Q/2017 |
|---|---------|---------|---------|---------|--------------|--------------|--------------|
| Sales¹⁾ | 263.4 | 258.5 | 255.6 | 245.5 | 261.9 | 262.3 | 264.7 |
| Operating profit | 20.2 | 18.9 | 15.3 | 13.7 | 15.9 | 19.2 | 19.5 |
| Operating margin (in %) | 7.7 % | 7.3 % | 6.0 % | 5.6 % | 6.1 % | 7.3 % | 7.4 % |
| Tonnage sold (in thousands of tons) | 427 | 417 | 414 | 413 | 426 | 418 | 422 |
| Tonnage produced (in thousands of tons) | 419 | 420 | 416 | 414 | 421 | 423 | 425 |

¹⁾ including interdivisional sales

MM PACKAGING

| in millions of EUR, IFRS | 1Q/2016 | 2Q/2016 | 3Q/2016 | 4Q/2016 | 1Q/2017 | 2Q/2017 | 3Q/2017 |
|--|---------|---------|---------|---------|---------------|--------------|---------------|
| Sales¹⁾ | 339.2 | 332.1 | 342.1 | 339.2 | 344.6 | 330.0 | 362.2 |
| Operating profit | 35.0 | 36.7 | 34.1 | 39.8 | 34.7 | 32.3 | 37.3 |
| Operating margin (in %) | 10.3 % | 11.1 % | 10.0 % | 11.7 % | 10.1 % | 9.8 % | 10.3 % |
| Tonnage processed (in thousands of tons) | 189 | 191 | 190 | 191 | 190 | 185 | 195 |
| Sheet equivalent (in millions) | 562.2 | 565.8 | 561.3 | 550.8 | 569.9 | 548.9 | 588.6 |

¹⁾ including interdivisional sales

The Interim Report for the first three quarters of 2017 is available on our website:
www.mayr-melnhof.com

Forthcoming results:

March 20, 2018 Financial results of 2017

For further information, please contact:

Stephan Sweerts-Sporck, Investor Relations, Mayr-Melnhof Karton AG,

Brahmsplatz 6, A-1040 Vienna

Tel.: +43 1 501 36-91180, Fax: +43 1 501 36-191195

E-Mail: investor.relations@mm-karton.com, Website: <http://www.mayr-melnhof.com>