

**PRESS RELEASE**

March 17, 2010

Annual Results 2009

- **Operating profit +9.5 %**
- **Profit for the year of EUR 97.4 million above previous year**
- **Dividend at 1.70 EUR / share maintained at last year's level**

Start 2010:

- **Good capacity utilization since the beginning of the year**
- **Sharp increase of recovered paper prices**

The Mayr-Melnhof Group managed to hold its ground in the financial year 2009, despite the continuing global recession which affected the cartonboard and folding carton industries with high volatility in the customers' demand behavior. Due to a considerable decline, particularly in variable costs, we managed to improve our results in comparison to last year's figures, despite reduced sales. Both cartonboard production and processing were responsible for the improved earning power of the Group. The generation of a high cash flow reinforced the stable high equity financing power of the MM Group, thus facilitating dividends at last year's level.

GROUP KEY INDICATORS – IFRS

consolidated, in millions of EUR	2009	2008	+/-
Sales	1,601.5	1,731.2	-7.5 %
Operating profit	149.9	136.9	+9.5 %
Operating margin (%)	9.4 %	7.9 %	
Profit before tax	132.4	138.0	-4.1 %
Income tax expense	(35.0)	(41.1)	
Profit for the year	97.4	96.9	+0.5 %
Net profit margin (%)	6.1 %	5.6 %	
thereof minority interests	3.2	2.2	
Earnings per share (in EUR)	4.44	4.38	
Cash earnings	184.9	175.6	+5.3 %
% of sales	11.5 %	10.1 %	
Employees	8,112	8,240	

The Group's consolidated sales reached EUR 1,601.5 million and were thus 7.5 % or EUR 129.7 million below last year's level (2008: EUR 1,731.2 million). This decline was mainly attributable to lower quantities in both divisions and also to lower average prices for cartonboard.

Operating profit amounted to EUR 149.9 million (2008: EUR 136.9 million), up 9.5 % or EUR 13.0 million. This increase was mainly attributable to improved results in cartonboard production. In folding carton production, we managed to match last year's high results once again. Therefore, the Group's operating margin leaped up from 7.9 % to 9.4 %. Return on capital employed amounted to 16.9 % (2008: 16.1 %).

Impairment expenses for tangible fixed assets at the Swiss cartonboard mill Deisswil amounted to EUR 14.2 million. This is due to a massive burden on future cash flows by the sharp increase of emission levies.

Financial income of EUR 7.1 million (2008: EUR 14.7 million) was counterbalanced by financial expenses of EUR -4.6 million (2008: EUR -8.1 million).

Profit before tax amounted to EUR 132.4 million, compared to EUR 138.0 million in the previous year.

The profit for the year of the Mayr-Melnhof Group went up from EUR 96.9 million to EUR 97.4 million.

CONSOLIDATED BALANCE SHEET

The Group's total assets as of 2009 amounted to EUR 1,391.8 million and were EUR 34.1 million lower compared to the year before. This change is mainly due to the reduction in financial liabilities, counterbalanced by a mostly profit-induced increase in equity. Total equity to total assets increased from 64.1 % to 69.3 %.

Financial liabilities are mostly of a non-current nature and were reduced by net redemptions of EUR 89.2 million to EUR 67.8 million (December 31, 2008: EUR 157.0 million).

The total funds available to the Group, mainly consisting of fixed deposits, increased from EUR 346.4 million to EUR 356.5 million. This was EUR 288.7 million more than the interest-bearing liabilities (December 31, 2008: EUR 189.4 million), so that the Group continues to show a net liquidity.

OUTLOOK

The current economic development is still subject to a high degree of uncertainty. Private consumption, so far the very pillar of and the main influencing factor on the consumption of cartonboard and folding cartons, is expected to continue to suffer from the increase in unemployment figures and decline in transfer payments.

Taking this into account, the combat for market shares intensified markedly. Permanent price pressure on consumer goods markets affects the cartonboard processing companies, which in turn try to pass on the price pressure to the cartonboard suppliers. Customers still only plan in the short term and keep their inventories at a low level.

Under these circumstances, the industry-wide cartonboard price increase announced for the first quarter of 2010 is slow-going in Europe, despite the fact that price inflation on the recovered paper markets showed a significant rise, with the low stocking quantities in the consumer industries as well as the continuing Asian demand being the main price boosters.

We are able to maintain our shares in the highly competitive markets for the cartonboard and folding carton businesses. The utilization of the divisions is currently as positive as it was in the second half of last year. However, we cannot be certain that the situation will continue as it is.

Therefore, just as was the case in the previous year, we will continue to focus our investing activities on projects with short-term payback and measures to increase cost efficiency and quality.

Overall, we expect an increase in pressure on the margins in both divisions resulting from the aggravated situation on the procurement and sales markets. Due to the short-term nature of the business, as of today we cannot forecast the results of the current year.

Sufficient liquidity and financing facilities in connection with the focus on a leading position as to costs continue to form a solid basis for us to proceed in strengthening our leading competitive and market position within the industry. New growth steps are being prepared and will be implemented in a risk-sensitive manner.

DEVELOPMENT IN THE 4TH QUARTER 2009

In the fourth quarter, both divisions of the Mayr-Melnhof Group were able to continue their volume development from the third quarter, mainly because the seasonal decrease in incoming orders during the second half of December was offset by the good order situation in the two previous months. The average MM Karton capacity utilization during this quarter was at 93 % (3rd quarter 2009: 90 %, 4th quarter 2008: 68 %).

The recovered paper markets continued the significant price surge which was already noticeable in the previous quarters, leaving MM Karton's operating margin of 5.7 % (4th quarter 2008: 2.3 %) below the operating margin in the third quarter (7.1 %). MM Packaging's operating margin went up to 11.8 %, mainly due to an improved value added in the product mix (3rd quarter 2009: 10.5 %, 4th quarter 2008: 9.2 %).

Consolidated sales saw a quantity-related increase by 5.8 % to EUR 415.0 million (4th quarter 2008: EUR 392.4 million). Due to the improved earning power in both divisions, the Group's operating profit rose from EUR 26.0 million to EUR 39.8 million. Thus, the operating margin was 9.6 % (4th quarter 2008: 6.6 %).

Due to impairment of the tangible assets at the cartonboard mill Deisswil following the significant increase in emission levies, the profit for the period of EUR 17.1 million was below the comparative value in 2008 (4th quarter 2008: EUR 18.5 million).

DEVELOPMENT IN THE DIVISIONS

MM Karton

in millions of EUR, IFRS	2009	2008	+/-
Sales	766.0	876.7	-12.6 %
Operating profit	51.5	39.1	+31.7 %
Operating margin (%)	6.7 %	4.5 %	
Return on capital employed	12.2 %	11.0 %	
Tonnage sold (in thousands of tons)	1,481	1,547	-4.3 %
Tonnage produced (in thousands of tons)	1,499	1,527	-1.8 %

In line with the economy as a whole, the cartonboard markets in 2009 suffered from regressive and very short-term demand, which particularly in the first half of the year was also very volatile. Under such challenges, MM Karton focused on securing cartonboard prices as best as possible and on maintaining its market shares. This goal was achieved mainly by proceeding selectively on the markets and maintaining high flexibility in production. As a consequence of the weak demand on the European main markets, sales on the non-European export markets were gradually increased.

While order backlog and capacity utilization in the first quarters were well below the previous year's level, in the second half of the year we managed to top last year's figures due to a step-by-step stabilization of demand. Average order backlog for the division increased from 48,000 tons to 56,000 tons.

A total of 1,499,000 tons of cartonboard were produced, 1.8 % less than in the previous year. Thus, 88 % of our capacities were utilized (2008: 86 %). The improvement of the degree of capacity utilization is attributable to the closure of the Bulgarian cartonboard site in 2008.

Against the background of the overall economic slowdown, the raw material markets, particularly recovered paper, experienced price reductions in the first few months of the year, which were followed by a noticeable upbeat in prices in the second half of the year.

At 1,481,000 tons, cartonboard sales were down 4.3 % compared to last year's figures (2008: 1,547,000 tons). Sales decreased disproportionately by 12.6 % as average prices were lower due to higher sales volumes in non-European markets. Approx. 70 % of sales were generated in Western Europe, 17 % in Eastern Europe and 13 % in non-European markets (2008: 68 %, 18 %, 14 %).

Operating profit went up by 31.7 % or EUR 12.4 million to EUR 51.5 million. However, a little more than a third thereof is attributable to insurance benefits paid after a fire damage at the Hirschwang mill early in 2009. Thus, the operating margin increased from 4.5 % to 6.7 %, the return on capital employed went up to 12.2 % (2008: 11.0 %).

MM Packaging

in millions of EUR, IFRS	2009	2008	+/-
Sales	952.0	990.0	-3.8 %
Operating profit	98.4	97.8	+0.6 %
Operating margin (%)	10.3 %	9.9 %	
Return on capital employed	20.0 %	19.8 %	
Tonnage processed (in thousands of tons)	630	652	-3.4 %

Against the backdrop of the economic slowdown, the European market for folding cartons showed an overall heterogeneous picture in 2009. Especially convenience goods had not yet suffered comprehensively from the recession, as the consumers' savings efforts focused on prices and not yet on quantities. However, a change from durable, high-grade consumer goods towards simpler products has been noticed.

Therefore, MM Packaging experienced positive demand in individual sales areas and differing from customers and regions on the one hand, but also under-utilization of some production facilities on the other.

Due to low raw materials costs, currency depreciations and the vehement protection of market shares by the competition, price pressure increased considerably on the markets. Moreover, customers continued trimming their inventories and planning very short-term, which led to a significant rise in volatility in the ongoing business.

Through measures taken in all steps of the value added chain to increase productivity and quality and maximum flexibility as well as through keeping close contact with our customers, MM Packaging was successful in securing and expanding its market shares even in an increasingly competitive environment.

Although the procurement behavior of some major customers was characterized by significantly higher volatility, approx. 630,000 tons of cartonboard were processed in 2009 (2008: 652,000 tons). This is a decrease of 3.4 % or 22,000 tons compared with the previous year.

Analogously to the quantity development, sales at EUR 952.0 million were below last year's figure by 3.8 % or EUR 38.0 million. Approx. 70 % of sales were attributable to Western Europe, 27 % to Eastern Europe and 3 % to non-European markets, maintaining the regional shares mostly on the same level (2008: 70 %, 28 %, 2 %).

Despite decreasing quantities, the operating profit of EUR 98.4 million still exceeded last year's results (2008: EUR 97.8 million). Therefore, the operating margin increased from 9.9 % to 10.3 %. The return on capital employed amounted to 20.0 % (2008: 19.8 %).

QUARTERS OVERVIEW

MAYR-MELNHOF GROUP

(consolidated, in millions of EUR)	4Q/2008	1Q/2009	2Q/2009	3Q/2009	4Q/2009
Sales	392.4	384.0	385.4	417.1	415.0
EBITDA	42.6	57.9	54.1	60.4	57.3
EBITDA margin (%)	10.9 %	15.1 %	14.0 %	14.5 %	13.8 %
Operating profit	26.0	35.7	34.5	39.9	39.8
Operating margin (%)	6.6 %	9.3 %	9.0 %	9.6 %	9.6 %
Profit before tax	24.3	36.2	34.5	39.5	22.2
Income tax expense	(5.8)	(9.7)	(9.1)	(11.1)	(5.1)
Profit for the period	18.5	26.5	25.4	28.4	17.1
Net profit margin (%)	4.7 %	6.9 %	6.6 %	6.8 %	4.1 %
Earnings per share (basic and diluted in EUR)	0.85	1.23	1.17	1.29	0.75

DIVISIONS:

MM Karton

(in millions of EUR)

	4Q/2008	1Q/2009	2Q/2009	3Q/2009	4Q/2009
Sales	189.5	182.7	185.2	197.7	200.4
Operating profit	4.3	11.6	14.5	14.0	11.4
Operating margin	2.3 %	6.3 %	7.8 %	7.1 %	5.7 %
Tonnage sold (in thousands of tons)	307	334	365	391	391
Tonnage produced (in thousands of tons)	299	340	377	387	395

MM Packaging

(in millions of EUR)

	4Q/2008	1Q/2009	2Q/2009	3Q/2009	4Q/2009
Sales	234.7	236.0	227.5	247.7	240.8
Operating profit	21.7	24.1	20.0	25.9	28.4
Operating margin	9.2 %	10.2 %	8.8 %	10.5 %	11.8 %
Tonnage processed (in thousands of tons)	147	163	147	161	159

The Annual Report 2009 will be available on April 6, 2010.

Forthcoming Results:

May 18, 2010 Results for the first quarters of 2010

For further information please contact:

Stephan Sweerts-Sporck, Investor Relations, Mayr-Melnhof Karton AG, Brahmplatz 6, A-1041 Vienna

Tel.: (+43/1) 50136 – 91180, Fax: (+43/1) 50136 – 91195

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