

**PRESS RELEASE**

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ANNUAL RESULTS 2013

- Continuation of long-time path of success
- Growth in volume and high capacity utilization
- A further record result – Profit for the year EUR 123 million
- Dividend increase plus anniversary bonus
- Expansion continued

In the financial year 2013 the Mayr-Melnhof Group was able to follow up closely the high level of the previous year in terms of profit for the year and operating profit. Both divisions, MM Karton and MM Packaging, made a substantial contribution to this. Despite continuing restrained private consumption and increasingly intense competition in the main market Europe the Group succeeded in utilizing capacity to a high degree and maintaining its long-standing profitability. Expansion in the core competence areas cartonboard and folding cartons continued in line with strategy. In addition to its strong position in recycled fiber based cartonboard, MM Karton was able to gain additional market shares in virgin fiber based cartonboard. The acquisition of the mechanical wood pulp mill MMK FollaCell in Norway also extended the division's self-supply capability in the area of high-quality wood fibers. With newly constructed sites in Poland and Turkey as well as acquisitions in Vietnam and Colombia, MM Packaging continued its growth trend in markets with future potential. A proposal to the 20th Annual General Meeting on April 30, 2014 to approve a dividend of EUR 2.40 per share following EUR 2.25 per share in the previous year will be made. In addition, an anniversary bonus of EUR 2.40 per share shall be distributed for a further decade of listing of Mayr-Melnhof Karton AG – thus a total payout of EUR 4.80 per share.

GROUP KEY INDICATORS – IFRS

consolidated, in millions of EUR, IFRS	2013	2012	+/-
Sales	1,999.4	1,952.2	+2.4 %
Operating profit	165.4	170.5	-3.0 %
Operating margin (in %)	8.3 %	8.7 %	
Profit before tax	156.4	161.3	-3.0 %
Income tax expense	(33.5)	(41.0)	
Profit for the year	122.9	120.3	+2.2 %
Net profit margin (in %)	6.1 %	6.2 %	
Cash earnings	204.1	204.8	-0.3 %
Cash earnings margin (in %)	10.2 %	10.5 %	
Earnings per share (in EUR)	6.11	6.00	
Employees	9,477	8,836	
Capital expenditures	116.2	102.7	
Depreciation and amortization	89.6	85.8	

At EUR 1,999.4 million, the Group's consolidated sales were 2.4 % or EUR 47.2 million above the previous year's figure (2012: EUR 1,952.2 million). This rise is mainly the result of increased volumes in both divisions.

At EUR 165.4 million operating profit was 3.0 % or EUR 5.1 million lower than in the previous year (2012: EUR 170.5 million). The operating margin thus reached 8.3 % (2012: 8.7 %). The return on capital employed amounted to 15.4 % (2012: 17.5 %).

In line with the decreased level of interest, financial income fell to EUR 1.6 million (2012: EUR 2.6 million), and financial expenses declined to EUR -4.0 million (2012: EUR -5.2 million).

Profit before tax came to EUR 156.4 million after EUR 161.3 million in the previous year. Income taxes, decreased from EUR 41.0 million to EUR 33.5 million, mainly due to a non-recurring tax refund in the current year. Accordingly the effective Group tax rate went down from 25.4 % to 21.4 %.

Thus the profit for the year increased from EUR 120.3 million to EUR 122.9 million. The net profit margin remained largely unchanged at 6.1 % (2012: 6.2 %).

CONSOLIDATED BALANCE SHEET

As of December 31, 2013 the Group's total assets were EUR 1,702.5 million, thus EUR 73.4 million above the comparative value of the previous year. Total equity rose from EUR 1,067.1 million to EUR 1,111.8 million. This increase primarily results from the profit for the period, which is offset by the dividend payment for 2012 as a deductible item. Total equity to total assets remained largely stable at 65.3 % (2012: 65.5 %). The return on equity amounted to 11.3 % (2012: 11.7 %).

Financial liabilities of a primarily long-term character increased by EUR 12.2 million to EUR 169.6 million due to the raising of low-interest loans. Provisions for non-current liabilities in the amount of EUR 99.1 million are related to accruals for employee benefits and were almost kept at the previous year's level (December 31, 2012: EUR 97.9 million).

At EUR 303.5 million, total funds available to the Group were below the figure as of December 31, 2012 (EUR 335.4 million), with net liquidity decreasing from EUR 178.0 million to EUR 133.9 million. Payments related to the acquisition of property, plant and equipment and subsidiaries were the main reasons for this development.

OUTLOOK

As a result of stable consumer expectations in the main European markets the cartonboard and folding carton business continues to be marked by strong competition and short-term but constant customer planning. The aim of MM remains to continue its course of long-term growth even in these overall conditions, both organically through further market penetration as well as through acquisitions, particularly in growth regions.

Increased volumes, productivity improvements and continuous optimization of the product portfolio in both divisions are intended to contribute towards defending or increasing market shares and to maintain the Group's long-term profit dynamic at a high level.

With the currently high level of capacity utilization in our plants and largely stable prices for fibers and energy, the Group develops correspondingly on course.

Investment activities continue to focus on the deployment of the latest technology and on improving cost efficiency. Furthermore, a special investment in a mid-double-digit million euro amount is planned for 2014 for the introduction of FOODBOARD™ in the Austrian main mill Frohnleiten, with implementation focus in the 4th quarter. An operating profit below the level of the previous year can be expected for MM Karton in 2014 as a consequence of the planned downtime due to construction work and due to the non-recurring income from the acquisition of the Norwegian mechanical wood pulp mill MMK FollaCell in the last year. In contrast, MM Packaging should continue to maintain a solid operating margin.

DEVELOPMENT IN THE 4TH QUARTER 2013

The fourth quarter was traditionally marked by a seasonal slowdown in incoming orders and investment related downtime in the second half of December.

At around 95 %, capacity utilization in cartonboard production was at the same level as in the previous year. The operating margin of MM Karton amounted to 5.3 % after 6.5 % in the fourth quarter of the previous year. The operating margin of the previous quarter could not be maintained as a result of capacity utilization and due to the non-recurring income from the acquisition of the mechanical wood pulp mill MMK FollaCell in the third quarter of 2013 (3rd quarter 2013: 10.3 %).

MM Packaging achieved an operating margin of 7.8 % after 9.2 % in the third quarter of 2013 and 7.9 % in the fourth quarter of the previous year.

Due to higher sales volumes and improved cartonboard prices, consolidated sales of EUR 502.3 million were generated exceeding those recorded in the comparative period of the previous year (4th quarter 2012: EUR 485.0 million). Operating profit amounted to EUR 35.2 million (4th quarter 2012: EUR 37.2 million). The Group's operating margin thus reached 7.0 % (4th quarter 2012: 7.7 %).

Profit before tax totaled EUR 34.2 million (4th quarter 2012: EUR 36.3 million).

As a result of tax refunds, the profit for the period of EUR 30.1 million was slightly above the comparative figure of the previous year (4th quarter 2012: EUR 28.9 million).

DEVELOPMENT IN THE DIVISIONS

MM Karton

in millions of EUR, IFRS	2013	2012	+/-
Sales¹⁾	964.6	936.9	+3.0 %
Operating profit	65.3	66.6	-2.0 %
Operating margin (in %)	6.8 %	7.1 %	
Tonnage sold (in thousands of tons)	1,599	1,534	+4.2 %
Tonnage produced (in thousands of tons)	1,604	1,572	+2.0 %

¹⁾ including interdivisional sales

As in the previous year, short-term visibility resulting from continuing cautious customers planning and high competitive pressure characterized the development of demand in the European cartonboard markets. At 76,000 tons, the average order backlog was close to the average of the previous year (2012: 66,000 tons).

With an attractive portfolio of products and a high degree of flexibility in production MM Karton succeeded in maintaining its market shares in recycled fiber based cartonboard and extending them in virgin fiber based board. Thus the cartonboard machines could run in a highly efficient manner without any major market-related downtimes over the entire year. The average capacity utilization over the year amounted to 98 % (2012: 97 %).

Although the procurement markets, especially those for recovered paper and other fiber materials, showed stable prices, the pressure on selling prices continued unabated. MM Karton was unable to avoid this development. However, it succeeded in gradually raising average sales from the beginning of the year through systematic optimization measures while safeguarding market shares.

Both production as well as tonnage sold at 1,604,000 tons and 1,599,000 tons, respectively were above the comparable previous year's figures (2012: 1,572,000 tons and 1,534,000 tons, respectively).

Sales rose in parallel to the quantity sold, from EUR 936.9 million to EUR 964.6 million. Thereof, Western Europe accounted for around 63 %, Eastern Europe for 21 % and non-European countries for 16 % (2012: 64 %; 20 %; 16 %).

Operating profit totalled EUR 65.3 million, which included a non-recurring income of EUR 10.0 million from the acquisition of MMK FollaCell (2012: EUR 66.6 million). The operating margin was therefore 6.8 % (2012: 7.1 %).

MM Packaging

in millions of EUR, IFRS	2013	2012	+/-
Sales¹⁾	1,138.7	1,120.7	+1.6 %
Operating profit	100.1	103.9	-3.7 %
Operating margin (in %)	8.8 %	9.3 %	
Tonnage processed (in thousands of tons)	671	650	+3.2 %
Sheet equivalent (in thousands)	1,873,713	1,801,934	+4.0 %

¹⁾ including interdivisional sales

While demand on the European folding carton markets was marked by continuing weakening in consumption during the first half of 2013, the development has become more robust again since the middle of the year. A high level of tender activities of customers and existing overcapacity continue to intensify competitive pressure among suppliers. Individual plant closures in the industry brought hardly any relief.

A large range of efficiency-raising measures and service initiatives enabled MM Packaging to remain highly competitive and attractive even in more tightened overall conditions. The folding carton production sites therefore again reported an overall high capacity utilization in 2013. Market shares within and outside Europe could be maintained or further extended.

In line with our dynamic growth in Poland, the newly constructed folding carton plant in Bydgoszcz was put into operation on schedule in spring of 2013.

In Gaziantep, in the center of the growth region of Eastern Anatolia, the fourth folding carton plant in Turkey was built. Production is planned to start there at the beginning of 2014.

Outside Europe, expansion into growth markets continued and a majority interest in a leading folding carton manufacturer in Vietnam, MMP Vidon, located in Ho Chi Minh City was acquired.

The tonnage processed by the division increased from 650,000 tons to 671,000 tons. At the same time, the number of printed sheets (sheet equivalent) was increased from 1,802 million, to 1,874 million as a result of better material efficiency.

At EUR 1,138.7 million, sales were slightly higher than the previous year's value as a result of volumes (2012: EUR 1,120.7 million). With regards to geographical regions the shares of Western and Eastern Europe showed again a high level of continuity at 56 % and 32 % respectively (2012: 60 % and 30 % respectively), while business outside Europe rose from 10 % to 12 %.

At EUR 100.1 million, operating profit was slightly below the comparative figure recorded in the previous year (2012: EUR 103.9 million), which was affected by a non-recurring expense due to the closure of a folding carton plant in Great Britain. The operating margin remained solid at 8.8 % (2012: 9.3 %).

QUARTERLY OVERVIEW

MAYR-MELNHOF GROUP

consolidated, in millions of EUR, IFRS	4Q/2012	1Q/2013	2Q/2013	3Q/2013	4Q/2013
Sales	485.0	496.7	485.1	515.3	502.3
EBITDA	59.0	60.3	61.8	73.5	56.7
EBITDA margin (in %)	12.2 %	12.1 %	12.7 %	14.3 %	11.3 %
Operating profit	37.2	38.4	39.1	52.7	35.2
Operating margin (in %)	7.7 %	7.7 %	8.1 %	10.2 %	7.0 %
Profit before tax	36.3	36.2	37.2	48.8	34.2
Income tax expense	(7.4)	(9.2)	(9.5)	(10.7)	(4.1)
Profit for the period	28.9	27.0	27.7	38.1	30.1
Net profit margin (in %)	6.0 %	5.4 %	5.7 %	7.4 %	6.0 %
Cash earnings	50.8	49.5	50.7	59.8	44.1
Cash earnings margin (in %)	10.5 %	10.0 %	10.5 %	11.6 %	8.8 %
Earnings per share (in EUR)	1.44	1.35	1.37	1.90	1.49

DIVISIONS

MM KARTON

in millions of EUR, IFRS	4Q/2012	1Q/2013	2Q/2013	3Q/2013	4Q/2013
Sales¹⁾	233.2	237.6	239.1	249.5	238.4
Operating profit	15.1	11.3	15.6	25.7	12.7
Operating margin (in %)	6.5 %	4.8 %	6.5 %	10.3 %	5.3 %
Tonnage sold (in thousands of tons)	384	404	399	410	386
Tonnage produced (in thousands of tons)	386	391	413	408	392

¹⁾ including interdivisional sales

MM PACKAGING

in millions of EUR, IFRS	4Q/2012	1Q/2013	2Q/2013	3Q/2013	4Q/2013
Sales¹⁾	278.2	285.6	271.9	292.0	289.2
Operating profit	22.1	27.1	23.5	27.0	22.5
Operating margin (in %)	7.9 %	9.5 %	8.6 %	9.2 %	7.8 %
Tonnage processed (in thousands of tons)	160	168	166	168	169

¹⁾ including interdivisional sales

The Annual Report 2013 will be available on April 9, 2014.

Forthcoming Results:

May 15, 2014 Results for the first quarter of 2014

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