

**PRESS RELEASE**

August 14, 2013

Results for the 1st Half-year 2013

- Profit for the period above previous year's value
- Sales and volumes affirmed
- Lower average prices weigh on operating profit
- Third quarter expected at second quarter level

The Mayr-Melnhof Group was able to stand up solidly in the first half of 2013 in an environment marked by a continuing economic slowdown and considerably intensified competition. The profit for the period at EUR 54.7 million was 6.0 % above the comparative value of the previous year. Cartonboard production as well as cartonboard processing recorded increased volumes and high capacity utilization. This enabled us to maintain the sales of both divisions at or slightly above the level of the comparative period despite significantly increasing price competition. However, at EUR 77.5 million, operating profit was 4.7 % below the corresponding period of the previous year, primarily due to prices.

Looking to the future, there is still no indication for a recovery in the development of demand, meaning that short-term planning of our customers along with continued pressure on prices is to be expected in the second half of the year. An objective under these challenging circumstances is to maintain the profitability of the Group as best as possible through price discipline and a high level of efficiency.

GROUP KEY INDICATORS – IFRS

consolidated, in millions of EUR, IFRS	1 st HY/2013	1 st HY/2012	+/-
Sales	981.8	975.0	+0.7 %
Operating profit	77.5	81.3	-4.7 %
Operating margin (in %)	7.9 %	8.3 %	
Profit before tax	73.4	72.4	+1.4 %
Profit for the period	54.7	51.6	+6.0 %
Net profit margin (in %)	5.6 %	5.3 %	
Earnings per share (in EUR)	2.72	2.57	
Employees	8,907	8,836 ¹⁾	
Capital expenditures	49.5	45.6	
Depreciation and amortization	45.3	43.4	

¹⁾ as of December 31, 2012

At EUR 981.8 million the Group's consolidated sales slightly exceeded the level of the previous year (1st half of 2012: EUR 975.0 million). In both divisions lower average prices were countered by an increase in volumes.

Operating profit declined by 4.7 % or EUR 3.8 million to EUR 77.5 million, due to prices. The Group's operating margin changed accordingly from 8.3 % to 7.9 %.

Following the lowered interest level, financial income totalled to EUR 0.7 million (1st half of 2012: EUR 1.5 million), financial expenses to EUR -1.8 million (1st half of 2012: EUR -3.0 million). Other financial result - net went down from EUR -7.4 million to EUR -3.0 million. This decline is primarily attributable to the shortfall of non-recurring expenses for the increase of the shareholding in the Chilean folding carton producer Marinetti in the previous year.

Profit before tax rose accordingly to EUR 73.4 million (1st half of 2012: EUR 72.4 million). Income tax expense decreased from EUR 20.8 million to EUR 18.7 million, resulting in an effective Group tax rate of 25.5 % (1st half of 2012: 28.7 %).

Profit for the period thus increased by 6.0 % to EUR 54.7 million (1st half of 2012: EUR 51.6 million).

DEVELOPMENT IN THE SECOND QUARTER

The Group's business development in the second quarter was characterized by continuity from the previous quarter and the previous year. While, with more than 99 %, capacity in cartonboard production was once again fully utilized (1Q 2013: 98 %; 2Q 2012: 97 %), folding carton production sites experienced noticeably more heterogeneous capacity utilization due to generally weaker consumer behavior. Sufficiently available capacity within the industry continued to keep high competitive pressure on prices in both divisions. In contrast, developments on the raw material markets provided no decisive support for margins.

Compared to the previous quarter (1Q 2013: 4.8 %) and the previous year (2Q 2012: 5.8 %), MM Karton was able to improve its operating margin to 6.5 %. The operating margin of MM Packaging was at 8.6 % (1Q 2013: 9.5 %; 2Q 2012: 9.1 %).

The Group's operating profit reached EUR 39.1 million following EUR 38.4 million in the first quarter of 2013 and EUR 38.2 million in the second quarter of the previous year, resulting in a Group operating margin of 8.1 % (1Q 2013: 7.7 %; 2Q 2012: 8.0 %).

The profit for the period amounted to EUR 27.7 million (1Q 2013: EUR 27.0 million; 2Q 2012: EUR 22.8 million).

OUTLOOK

Continuing weak economic development and increasing caution in private consumption will determine the overall conditions on our European main markets in the coming months. Visibility over incoming orders remains short-term, customer planning volatile and more unpredictable. It is therefore difficult to forecast whether the capacity utilization will remain at the current good level. The development on raw material markets, especially for recovered paper, appears to be stable but without any foreseeable support for profitability. However, the aim remains to affirm our prices, margins and market shares as best as possible despite significant competitive pressure. Our continuous measures are providing an important contribution to this. In the third quarter continuity of results on the level of the second quarter should therefore be achievable.

DEVELOPMENT IN THE DIVISIONS

MM Karton

in millions of EUR, IFRS	1 st HY/2013	1 st HY/2012	+/-
Sales¹⁾	476.7	466.5	+2.2 %
Operating profit	26.9	30.8	-12.7 %
Operating margin (in %)	5.6 %	6.6 %	
Tonnage sold (in thousands of tons)	803	765	+5.0 %
Tonnage produced (in thousands of tons)	804	788	+2.0 %

¹⁾ including interdivisional sales

Increasingly cautious consumer behavior of customers as well as high competitive pressure among suppliers characterized the development on the European cartonboard market in the first six months of the current year. MM Karton nevertheless succeeded in operating its cartonboard machines in a highly efficient manner without market-related downtime in the first half-year. Capacity utilization amounted to 99 % (1st half of 2012: 97 %), with an average order backlog of 89,000 tons (1st half of 2012: 75,000 tons).

Although procurement markets, in particular in the field of fibers, recorded no significant softening, price pressure has increased considerably. MM Karton could not stay neutral to this development, but made selective necessary price adjustments while maintaining market shares.

At 804,000 tons, production in the first half almost reached the comparative value of the previous year (1st half of 2012: 788,000 tons) while the tonnage sold could be increased by approximately 5.0 %. Of this, 83 % was sold in Europe, slightly more compared to last year (1st half of 2012: 81 %), with markets outside Europe accounting for 17 % (1st half of 2012: 19 %).

Sales increased, due to volumes, from EUR 466.5 million to EUR 476.7 million. However, as a result of the rebuild and downtime costs in the German cartonboard mill Neuss as well as price-related, operating profit decreased to EUR 26.9 million following EUR 30.8 million in the first half of the previous year. The operating margin was therefore at 5.6 % (1st half of 2012: 6.6 %).

MM Packaging

in millions of EUR, IFRS	1 st HY/2013	1 st HY/2012	+/-
Sales¹⁾	557.5	560.6	-0.6 %
Operating profit	50.6	50.5	+0.2 %
Operating margin (in %)	9.1 %	9.0 %	
Tonnage processed (in thousands of tons)	333	323	+3.1 %

¹⁾ including interdivisional sales

Whereas the year started with an overall robust order situation, the proceeding weakening in consumption was increasingly reflected on the European folding carton markets. This is demonstrated particularly in over-capacity and continuing strong competitive pressure among suppliers. A small number of plant closures in the industry have therefore brought hardly noticeable relief.

Against this background, our folding carton sites recorded increasingly heterogeneous capacity utilization in the second quarter. In contrast, numerous measures aimed at increasing efficiency are maintaining the competitiveness and profitability of our plants even in more demanding circumstances. However, permanent price pressure and increasing volatility in planning of our customers remain a major challenge.

It was possible to achieve required increases in volumes in the first six months. The tonnage processed went up from 323,000 tons (1st half of 2012) to 333,000 tons, with material efficiency also increasing at the same time.

However, this rise in volume is countered by a decrease in sales of approximately EUR 3.1 million to EUR 557.5 million, whereby it was possible to keep specific production costs under control. A stable operating profit of EUR 50.6 million was accordingly generated in the first half of 2013 at the same level as in the previous year (1st half of 2012: EUR 50.5 million). The latter was impacted by non-recurring expenses resulting from the closure of the folding carton production in Liverpool. The operating margin thus remains constant at around 9 %.

Third folding carton site in Poland

In spring of this year, the newly built third folding carton site in Poland, Bydgoszcz, was put into operation on schedule. The technological focus of the plant is on the production of packaging from microwave. A significant proportion of production is exported to European markets.

Construction of a fourth folding carton plant in Turkey

In Gaziantep in the center of the growth region of Eastern Anatolia, Mayr-Melnhof Packaging is constructing now its fourth folding carton plant in Turkey. Production is planned to start at the end of 2013.

QUATERLY OVERVIEW

MAYR-MELNHOF GROUP

consolidated, in millions of EUR, IFRS	1Q/2012	2Q/2012	3Q/2012	4Q/2012	1Q/2013	2Q/2013
Sales	494.9	480.1	492.2	485.0	496.7	485.1
EBITDA	63.7	60.3	71.8	59.0	60.3	61.8
EBITDA margin (in %)	12.9 %	12.6 %	14.6 %	12.2 %	12.1 %	12.7 %
Operating profit	43.2	38.2	51.9	37.2	38.4	39.1
Operating margin (in %)	8.7 %	8.0 %	10.5 %	7.7 %	7.7 %	8.1 %
Profit before tax	39.9	32.5	52.6	36.3	36.2	37.2
Income tax expense	(11.2)	(9.7)	(12.7)	(7.4)	(9.2)	(9.5)
Profit for the period	28.7	22.8	39.9	28.9	27.0	27.7
Net profit margin (in %)	5.8 %	4.7 %	8.1 %	6.0 %	5.4 %	5.7 %
Earnings per share (in EUR)	1.41	1.16	1.99	1.44	1.35	1.37

DIVISIONS

MM KARTON

in millions of EUR, IFRS	1Q/2012	2Q/2012	3Q/2012	4Q/2012	1Q/2013	2Q/2013
Sales¹⁾	231.4	235.1	237.2	233.2	237.6	239.1
Operating profit	17.2	13.6	20.7	15.1	11.3	15.6
Operating margin (in %)	7.4 %	5.8 %	8.7 %	6.5 %	4.8 %	6.5 %
Tonnage sold (in thousands of tons)	378	387	385	384	404	399
Tonnage produced (in thousands of tons)	390	398	398	386	391	413

¹⁾ including interdivisional sales

MM PACKAGING

in millions of EUR, IFRS	1Q/2012	2Q/2012	3Q/2012	4Q/2012	1Q/2013	2Q/2013
Sales¹⁾	289.3	271.3	281.9	278.2	285.6	271.9
Operating profit	26.0	24.6	31.2	22.1	27.1	23.5
Operating margin (in %)	9.0 %	9.1 %	11.1 %	7.9 %	9.5 %	8.6 %
Tonnage processed (in thousands of tons)	166	157	167	160	168	165

¹⁾ including interdivisional sales

Please find the Half-year Financial Report of 2013 on our website
<http://www.mayr-melnhof.com>.

Forthcoming results:

November 14, 2013 Results for the first three quarters of 2013

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