

**PRESS RELEASE**

May 15, 2012

Results for the 1st Quarter 2012

- Sales held up on previous year's level
- Operating profit below last year's record value due to a sharp increase in input prices
- Growing pressure from increasing demand volatility
- Expansion in Latin America continued

The Mayr-Melnhof Group recorded high capacity utilization in the first quarter of 2012 in both divisions, although the previous quarters were marked by a considerable slowdown in the order intake due to destocking at our customers and seasonal influences. At EUR 494.9 million, sales reached previous year's level, while the operating profit was below the historical record value of the comparative period in 2011 due to a significant increase in input costs but in line with precedent quarters. The operating margin of the Group reached 8.5 % (1Q 2011: 10.1 %).

From today's point of view, the better volume development in the first three months of this year probably only served the restocking of the emptied supply chain. Thus, the volatility in demand again shows material increases for both Cartonboard and Packaging, as consumers in Europe reduce their expenditure and our customers plan accordingly in the short term.

In line with strategy, the expansion in Latin America has proceeded and a participation in the largest Columbian folding carton manufacturer, Gráficas Los Andes S.A., located in Santiago de Cali, was acquired.

GROUP KEY INDICATORS – IFRS

consolidated, in millions of EUR, IFRS	1Q/2012	1Q/2011	+/-
Sales	494.9	494.7	+0.0 %
Operating profit	42.1	50.0	-15.8 %
Operating margin (in %)	8.5 %	10.1 %	
Profit before tax	39.6	48.5	-18.4 %
Profit for the period	28.5	35.4	-19.5 %
Net profit margin (in %)	5.8 %	7.2 %	
thereof minority interests	0.2	0.2	
Earnings per share (in EUR)	1.40	1.76	
Employees	8,888	8,882 ¹⁾	
Capital expenditures	23.5	25.3	
Depreciation and amortization	21.6	20.8	

¹⁾ as of December 31, 2011

The consolidated sales of the Group of EUR 494.9 million again reached previous year's level (1Q 2011: EUR 494.7 million), especially due to improved average prices.

Operating profit was at EUR 42.1 million, thus EUR 7.9 million or 15.8 % below the historical peak value of the first quarter 2011 (EUR 50.0 million). This difference is mainly attributable to the significant increase in input costs.

The profit before tax reached EUR 39.6 million, following EUR 48.5 million in the first quarter of the previous year. Income tax expense amounted to EUR 11.1 million (1Q 2011: EUR 13.1 million), hence the effective tax rate of the Group was 28.0 % (1Q 2011: 27.0 %).

Consequently, the profit for the period of EUR 28.5 million reached previous quarters' levels (4Q 2011: EUR 26.8 million; 3Q 2011: EUR 27.9 million; 2Q 2011: EUR 28.6 million), but was below the record value of the first quarter 2011 (EUR 35.4 million).

OUTLOOK

The economic forecasts are still gloomy, causing a lot of uncertainty and insecurity on the economic climate. Thereby the stagnation in our main market Europe remains more than evident, as the consumers restrict their spending and the savings rate among private households rises again. In the light of this, the improved quantity dynamics of the first quarter are likely to be merely a reflection of the restocking of the supply chain. The volatility in demand is gaining momentum both for Cartonboard and Packaging. Therefore, our customers plan accordingly in the short term.

If the current volatility in demand remains unchanged, our input markets will follow with the consequence that the challenges for price and cost management will increase significantly.

However, it is still our goal to defend our margins as best possible in an environment of intense competition and to resolutely push market penetration and expansion.

DEVELOPMENT IN THE DIVISIONS

MM Karton

in millions of EUR, IFRS	1Q/2012	1Q/2011	+/-
Sales¹⁾	231.4	243.4	-4.9 %
Operating profit	16.6	24.3	-31.7 %
Operating margin (in %)	7.2 %	10.0 %	
Tonnage sold (in thousands of tons)	378	399	-5.3 %
Tonnage produced (in thousands of tons)	390	390	+0.0 %

¹⁾ including interdivisional sales

While the last two quarters in the previous year saw a considerable decrease in incoming orders due to on-going destocking at our customers, the cartonboard business experienced a noticeable recovery in demand in the first quarter of 2012 as the supply chain was being restocked. However, with an average order backlog of 74,000 tons (1Q 2011: 135,000 tons), the dynamics in demand were significantly more restrained than in the first quarter 2011, which was still profiting from the expiring boom of 2010.

However, in line with improved demand the procurement markets for recovered paper and all input factors related to crude oil prices were again characterized by a strong upward trend. This was a particular challenge, as the cartonboard markets have been subject to an extremely intense price competition for months as a consequence of the weakening economic development.

At a high capacity utilization of around 97 % (1Q 2011: 98 %), we managed however again to achieve a good operating margin of 7.2 % (4Q 2011: 5.5 %; 3Q 2011: 5.6 %; 2Q 2011: 7.6 %), though standing below the peak value of the first quarter 2011 (10.0 %).

Like in the previous year, approximately 390,000 tons of cartonboard were produced in the first three months, while the tonnage sold went down by roughly 5.3 % to 378,000 tons (1Q 2011: 399,000 tons). Thereof, 82 % were sold within Europe and 18 % in non-European markets (1Q 2011: 81 %; 19 %).

Accordingly, sales went down by 4.9 % to EUR 231.4 million (1Q 2011: EUR 243.4 million). The operating profit, due to costs as well as quantity, amounted to EUR 16.6 million, compared to EUR 24.3 million in the first quarter of 2011.

MM Packaging

in millions of EUR, IFRS	1Q/2012	1Q/2011	+/-
Sales¹⁾	289.3	281.2	+2.9 %
Operating profit	25.5	25.7	-0.8 %
Operating margin (in %)	8.8 %	9.1 %	
Tonnage processed (in thousands of tons)	166	177	-6.2 %

¹⁾ including interdivisional sales

Analogously to the consumer goods industry, the folding carton markets in Europe have entered into a very intense price competition since the beginning of the year preparing for a stagnation and constriction of quantities. Taking that into account, MM Packaging concentrates on defending its market shares and margins as best possible, focusing on cost leadership by employing highly efficient production methods and sustainable fulfillment of customer requirements.

Despite increasing headwinds, MM Packaging managed to maintain a good level for both operating income and sales in the first three months of 2012; however, the heterogeneity in the contribution to the operating income of the individual mills saw a significant rise. The sales sectors food and cigarettes remained stable, however, they are also experiencing the increased volatility in demand.

In particular due to price factors, sales went up by 2.9 % to EUR 289.3 million (1Q 2011: EUR 281.2 million), while the operating profit of EUR 25.5 million was below the comparative value (1Q 2011: EUR 25.7 million) especially because of expenses in connection with the closure of the British folding carton plant in Liverpool. This resulted in an operating margin of 8.8 %, subsequent to 9.1 %.

The tonnage processed decreased by 11,000 tons to 166,000 tons, mostly due to changes in the product mix and savings.

Acquisition of share in Colombian market leader

At the beginning of April 2012, MM Packaging acquired a share of 20 % in the largest Colombian folding carton manufacturer, Gráficas Los Andes S.A., located in Santiago de Cali. MM Packaging holds an option right to the remaining share of 80 %. Gráficas Los Andes S.A. currently generates annual sales of approximately EUR 17 million with about 200 employees.

QUARTERLY OVERVIEW

MAYR-MELNHOF GROUP

consolidated, in millions of EUR, IFRS	1Q/2011	2Q/2011	3Q/2011	4Q/2011	1Q/2012
Sales	494.7	493.5	510.6	460.8	494.9
EBITDA	70.7	62.5	62.4	56.2	62.6
EBITDA margin (in %)	14.3 %	12.7 %	12.2 %	12.2 %	12.6 %
Operating profit	50.0	42.7	42.7	35.5	42.1
Operating margin (in %)	10.1 %	8.7 %	8.4 %	7.7 %	8.5 %
Profit before tax	48.5	40.3	39.5	33.5	39.6
Income tax expense	(13.1)	(11.7)	(11.6)	(6.7)	(11.1)
Profit for the period	35.4	28.6	27.9	26.8	28.5
Net profit margin (in %)	7.2 %	5.8 %	5.5 %	5.8 %	5.8 %
Earnings per share (in EUR)	1.76	1.42	1.40	1.33	1.40

DIVISIONS

MM KARTON

in millions of EUR, IFRS	1Q/2011	2Q/2011	3Q/2011	4Q/2011	1Q/2012
Sales¹⁾	243.4	249.1	241.3	213.4	231.4
Operating profit	24.3	19.0	13.4	11.7	16.6
Operating margin (in %)	10.0 %	7.6 %	5.6 %	5.5 %	7.2 %
Tonnage sold (in thousands of tons)	399	404	381	327	378
Tonnage produced (in thousands of tons)	390	407	372	322	390

¹⁾ including interdivisional sales

MM PACKAGING

in millions of EUR, IFRS	1Q/2011	2Q/2011	3Q/2011	4Q/2011	1Q/2012
Sales¹⁾	281.2	272.8	296.6	274.3	289.3
Operating profit	25.7	23.7	29.3	23.8	25.5
Operating margin (in %)	9.1 %	8.7 %	9.9 %	8.7 %	8.8 %
Tonnage processed (in thousands of tons)	177	168	172	163	166

¹⁾ including interdivisional sales

The Interim Report for the 1st Quarter of 2012 is available on our homepage
<http://www.mayr-melnhof.com>.

Forthcoming results:

August 16, 2012 Results for the first half-year of 2012

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