

**PRESS RELEASE**November 16th, 2010**RESULTS FOR THE FIRST THREE QUARTERS 2010**

- Significant increase of results in the 3rd quarter
- Rise in cartonboard prices compensates recent cost surge
- High capacity utilization in both divisions
- Good prospects for the 4th quarter and the full year

As expected the Mayr-Melnhof Group managed to continue the positive business development of the previous quarters also in the third quarter 2010 supported by the temporary economic recovery. Thus, it was possible to improve sales and profits in the first three quarters of 2010 in comparison to last year, both in cartonboard production as well as in the folding carton business.

MM Karton primarily focused on passing on the massive increase in fiber prices. Due to the fact that capacities were fully utilized in the third quarter, the so far incurred cost burden could be passed on to a noticeable extent and the margin recovered.

MM Packaging managed to sustain profitability at a high level particularly due to growing sales and volumes. However, increasing cartonboard prices remain a great challenge.

Although we have already passed this year's order peaks, we still started the fourth quarter well booked. In line with the continuing positive order situation, we do not expect any significant price decreases on the procurement markets. In fact, the prices for chemicals and logistics are going up considerably, which is why another cartonboard price increase has been implemented since the beginning of October.

However, after last months' momentum, we expect a normalization in business development in the next few quarters.

GROUP KEY INDICATORS – IFRS

consolidated, in millions of EUR	1-3Q/2010	1-3Q/2009	+/-
Sales	1,315.7	1,186.5	+10.9 %
Operating profit	123.3	110.1	+12.0 %
Operating margin (%)	9.4 %	9.3 %	
Profit before tax	113.9	110.2	+3.4 %
Profit for the period	83.2	80.3	+3.6 %
Net profit margin (%)	6.3 %	6.8 %	
thereof minority interests	2.1	1.9	
Earnings per share (in EUR)	4.04	3.69	
Employees	8,666	8,112 ¹⁾	

¹⁾ as of December 31, 2009

At EUR 1,315.7 million, consolidated sales of the Group were up 10.9 %, i.e. EUR 129.2 million compared to the previous year (1-3Q 2009: EUR 1,186.5 million). A clear increase in volume in both divisions as well as higher cartonboard prices were the most significant reasons for this rise.

The operating profit could be improved by 12.0 %, from EUR 110.1 million to EUR 123.3 million. With additional volume and higher cartonboard prices, the so far incurred price increase for input factors, in particular fibers, was compensated. Thus, the Group's operating margin remained stable at 9.4 % (1-3Q 2009: 9.3 %).

Non-recurring expenses from the disposal of participations amounted to EUR -6,9 million and resulted mainly from the discontinuation of cartonboard production and the sale of Karton Deisswil AG, Switzerland in the second quarter.

Profit before tax therefore amounted to EUR 113.9 million, compared to EUR 110.2 million in the comparative period of 2009. At EUR 30.7 million and 27.0 % income tax expense as well as the effective Group tax rate remained almost on last year's level (1-3Q 2009: EUR 29.9 million, i.e. 27.1 %).

The profit for the period reached EUR 83.2 million, an increase of 3.6 % compared to the previous year.

DEVELOPMENT IN THE THIRD QUARTER

Business development in the third quarter was characterized by continued high utilization of capacities in both divisions as well as by a significant adjustment of cartonboard prices to the increased cost level.

At 99 % MM Karton's capacities were fully utilized in the third quarter following particularly high utilization rates already seen in the previous quarters (1Q 2010: 97 %; 2Q 2010: 98 %; 3Q 2009: 90 %). Due to the compensation of the increase in input factor costs so far incurred, the operating margin significantly improved to 8.8 % (2Q 2010: 6.3 %; 3Q 2009: 7.1 %).

Based on a strong quantity and sales development, MM Packaging's operating margin remained largely stable in the third quarter at 9.9 % (2Q 2010: 10.0 %; 3Q 2009: 10.5 %).

The operating profit of the Group registered a considerable increase to EUR 45.7 million (2Q 2010: EUR 37.4 million; 3Q 2009: EUR 39.9 million), resulting in an operating margin of 10.1 % (2Q 2010: 8.8 %; 3Q 2009: 9.6 %).

With a profit for the period of EUR 34.3 million, the third quarter ended with the highest historical period result.

OUTLOOK

Considering the current order situation, a good utilization of capacities in both divisions can at least be expected until year-end. However, there are rising indications that the dynamics of the current year will turn into a normalization of business within the next few quarters.

While on procurement markets, the prices for recovered paper and pulp should have stabilized at a high level, other cost factors particularly logistics and chemicals are still rising. Therefore, at the beginning of the fourth quarter, MM Karton once again adjusted its sales prices to the increased cost level.

The margins of MM Packaging will likely be impacted by significantly higher cartonboard prices. Therefore, the successive passing on of price increases is a top priority in the packaging division.

Still, we expect continued positive development for the fourth quarter and for the full year 2010.

High dedication is set on the continuation of our growth path. A strong focus will however be maintained on responding adequately to possible changes in the overall economic situation.

DEVELOPMENT IN THE DIVISIONS

MM Karton

in millions of EUR, IFRS	1-3Q/2010	1-3Q/2009	+/-
Sales¹⁾	652.3	565.6	+15.3 %
Operating profit	45.0	40.1	+12.2 %
Operating margin (%)	6.9 %	7.1 %	
Tonnage sold (in thousands of tons)	1,194	1,090	+9.5 %
Tonnage produced (in thousands of tons)	1,182	1,104	+7.1 %

¹⁾ including interdivisional sales

So far over the course of the year 2010, even temporary shortages in cartonboard had to be registered. This development is mainly attributable to the economic recovery and the filling-up of the supply chain as well as to the recent shut-downs of capacities in the industry. Taking these circumstances into account, at approximately 177,000 tons the average order backlog of MM Karton in the first three quarters of 2010 was considerably higher as compared to the average value in the previous year (1-3Q 2009: 47,000 tons).

Due to strong demand, the prices on the procurement markets also showed a massive upsurge. In particular prices for recovered paper and pulp increased significantly and stabilized at a high level not before the third quarter. Due to full utilization of capacities and scarce availability, the planned cartonboard price increase could be completely implemented as of the middle of the year, thus resulting in a significant recovery of the margin in the third quarter.

The good order situation led to a utilization of 98 % of MM Karton's capacities in the first three quarters of 2010 (1-3Q 2009: 86 %). Approximately 1,182,000 tons were produced. That corresponds to an increase of 7.1 % compared to the previous year's value (1-3Q 2009: 1,104,000 tons).

Accordingly, cartonboard sold went up by 9.5 % to 1,194,000 tons. At approximately 83 %, the sales share in Europe rose considerably compared to last year (1-3Q 2009: 78 %), thus reducing the sales in non-European markets to 17 % (1-3Q 2009: 22 %).

Sales increased by 15.3 % both in terms of quantity and prices, from EUR 565.6 million to EUR 652.3 million. At the same time, operating profit was improved by 12.2 % to EUR 45.0 million (1-3Q 2009: EUR 40.1 million). The operating margin reached 6.9 %, after 7.1 % in the first three quarters of 2009.

MM Packaging

in millions of EUR, IFRS	1-3Q/2010	1-3Q/2009	+/-
Sales¹⁾	755.2	711.2	+6.2 %
Operating profit	78.3	70.0	+11.9 %
Operating margin (%)	10.4 %	9.8 %	
Tonnage processed (in thousands of tons)	504	471	+7.0 %

¹⁾ including interdivisional sales

The interim economic upswing of the last few months, driven especially by the unexpectedly strong economy in Germany, had a positive impact on private consumption and packaging demand. On this basis, the MM Packaging sites recorded an overall high capacity utilization during the first three quarters of 2010. Against this backdrop, long delivery periods for cartonboard and ensuring an adequate supply of our customers were a great challenge in the ongoing business.

The main focus was on passing on significantly higher cartonboard prices in a still very competitive market environment. The scarcity of cartonboard and the good employment situation, however, have had a supportive effect so far.

The focus of investment activity centered particularly on the establishment and start-up of MMP Tehran and modernizations of the machinery.

The tonnage processed rose by 7.0 % to 504,000 tons (1-3Q 2009: 471,000 tons).

Analogously, sales of EUR 755.2 million were 6.2 % higher compared to the previous year's level (1-3Q 2009: EUR 711.2 million). As a consequence of the momentum in quantities as well as high productivity and cost efficiency, the operating profit was improved by 11.9 % to EUR 78.3 million (1-3Q 2009: EUR 70.0 million).

Thus, the operating margin went up from 9.8 % to 10.4 %.

QUARTERLY OVERVIEW

MAYR-MELNHOF GROUP

consolidated in millions of EUR, IFRS	1Q/2009	2Q/2009	3Q/2009	4Q/2009	1Q/2010	2Q/2010	3Q/2010
Sales	384.0	385.4	417.1	415.0	439.2	423.8	452.7
EBITDA	57.9	54.1	60.4	57.3	58.9	48.8	66.4
EBITDA margin (%)	15.1 %	14.0 %	14.5 %	13.8 %	13.4 %	11.5 %	14.7 %
Operating profit	35.7	34.5	39.9	39.8	40.2	37.4	45.7
Operating margin (%)	9.3 %	9.0 %	9.6 %	9.6 %	9.2 %	8.8 %	10.1 %
Profit before tax	36.2	34.5	39.5	22.2	39.0	28.5	46.4
Income tax expense	(9.7)	(9.1)	(11.1)	(5.1)	(11.2)	(7.4)	(12.1)
Profit for the period	26.5	25.4	28.4	17.1	27.8	21.1	34.3
Net profit margin (%)	6.9 %	6.6 %	6.8 %	4.1 %	6.3 %	5.0 %	7.6 %
Earnings per share (basic and diluted in EUR)	1.23	1.17	1.29	0.75	1.33	1.04	1.67

DIVISIONS

MM Karton

in millions of EUR, IFRS	1Q/2009	2Q/2009	3Q/2009	4Q/2009	1Q/2010	2Q/2010	3Q/2010
Sales¹⁾	182.7	185.2	197.7	200.4	219.9	207.4	225.0
Operating profit	11.6	14.5	14.0	11.4	12.2	13.0	19.8
Operating margin (%)	6.3 %	7.8 %	7.1 %	5.7 %	5.5 %	6.3 %	8.8 %
Tonnage sold (in thousands of tons)	334	365	391	391	415	387	392
Tonnage produced (in thousands of tons)	340	377	387	395	404	381	397

¹⁾ including interdivisional sales

MM Packaging

in millions of EUR, IFRS	1Q/2009	2Q/2009	3Q/2009	4Q/2009	1Q/2010	2Q/2010	3Q/2010
Sales¹⁾	236.0	227.5	247.7	240.8	249.6	245.1	260.5
Operating profit	24.1	20.0	25.9	28.4	28.0	24.4	25.9
Operating margin (%)	10.2 %	8.8 %	10.5 %	11.8 %	11.2 %	10.0 %	9.9 %
Tonnage processed (in thousands of tons)	163	147	161	159	170	163	171

¹⁾ including interdivisional sales

Please find our detailed Interim Report on the 3rd Quarter of 2010 on the Internet at <http://www.mayr-melnhof.com>.

Forthcoming results: March 17th, 2011 Financial Results 2010

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