



PRESS RELEASE

November 15, 2011

RESULTS FOR THE FIRST THREE QUARTERS 2011

- Increase in profit and sales
- Folding carton business largely stable
- Cartonboard Division increasingly affected by temporary downtime
- Pressure on margins steps up
- Expansion continued

The Mayr-Melnhof Group managed to generate the second quarter's operating profit also in the third quarter. Thus, the reporting period from January to September 2011 showed improved results compared to the previous year. The folding carton business still demonstrated a stable development, in particular due to the so far persistent private consumption. However, as expected, the ongoing profit contribution from cartonboard production has decreased further. The reasons for that lie in the continued reduction in capacity utilization, as the customers plan very conservatively and consume their inventory from the still well-stocked supply chain.

Although the economic indicators point further downwards, the prices of input factors such as fibers and chemicals only declined slowly. However, the entire industry is challenged by an increasing price pressure related to the capacity utilization. We continue to pursue our goal of maintaining the cartonboard prices with a high discipline in order to delay a margin erosion as much as possible.

As planned, production at the newly built Turkish packaging site in Karaman, Central Anatolia, started at the end of the third quarter. Furthermore, in November 2011, we took a first step towards the Far East by acquiring a majority interest (51 %) in Firgos, a Malaysian cartonboard trader, located in Kuala Lumpur, with a folding carton site in the start-up process.

GROUP KEY INDICATORS – IFRS

| consolidated, in millions of EUR, IFRS | 1-3Q/2011 | 1-3Q/2010 | +/- |
|--|----------------|---------------------|---------|
| Sales | 1,498.8 | 1,315.7 | +13.9 % |
| Operating profit | 135.4 | 123.3 | +9.8 % |
| Operating margin (in %) | 9.0 % | 9.4 % | |
| Profit before tax | 128.3 | 113.9 | +12.6 % |
| Profit for the period | 91.9 | 83.2 | +10.5 % |
| Net profit margin (in %) | 6.1 % | 6.3 % | |
| thereof minority interests | 0.5 | 2.1 | |
| Earnings per share (in EUR) | 4.58 | 4.04 | |
| Employees | 8,825 | 8,679 ¹⁾ | |
| Capital expenditures | 82.0 | 57.2 | |
| Depreciation and amortization | 62.1 | 58.7 | |

¹⁾ as of December 31, 2010

The consolidated sales of the Group amounted to EUR 1,498.8 million and thus were 13.9 % or EUR 183.1 million above the previous year's comparative value. This increase was mainly attributable to higher cartonboard and folding carton prices.

Operating profit was improved by 9.8 % or EUR 12.1 million to EUR 135.4 million (1-3Q 2010: EUR 123.3 million). This rise is mainly attributable to the considerable profit increase in cartonboard production. The Group's operating margin reached 9.0 % (1-3Q 2010: 9.4 %).

Upon elimination of non-recurring expenses for the disposal of businesses in the previous year, profit before tax was EUR 128.3 million, i.e. an increase of 12.6 % in comparison to the reference value (1-3Q 2010: EUR 113.9 million). Income tax expense amounted to EUR 36.4 million (1-3Q 2010: EUR 30.7 million), hence the effective tax rate of the Group was at 28.4 % (1-3Q 2010: 27.0 %).

This resulted in a profit for the period of EUR 91.9 million, outperforming the result for the first three quarters of the previous year (1-3Q 2010: EUR 83.2 million) by 10.5 %.

DEVELOPMENT IN THE THIRD QUARTER

High stock levels at our customers and an increasingly more conservative planning resulted, as expected, for the cartonboard division in a further reduction in the order intake and selective temporary production downtime during the quarter. MM Karton's capacities were utilized at 91 % in the third quarter (3Q 2010: 99 %), following full capacity utilization during the first two quarters 2011 (1Q 2011: 98 %; 2Q 2011: 99 %). At the same time, raw material prices hardly left the peaks recently reached, thus putting even more pressure on the margins despite firm sales prices. MM Karton's operating margin was at 5.6 %, compared to 7.6 % in the second quarter 2011 and 8.8 % in the third quarter 2010.

MM Packaging's performance is more consistent, thus the operating margin of 9.9 % reached again the level of previous year (2Q 2011: 8.7 %; 3Q 2010: 9.9 %).

At EUR 42.7 million the Group's operating profit was EUR 3.0 million lower than in the third quarter of 2010 (EUR 45.7 million), but at the same level with the second quarter's figure of the current year. The Group's operating margin amounted to 8.4 % (2Q 2011: 8.7 %; 3Q 2010: 10.1 %).

The profit for the period came in at EUR 27.9 million (2Q 2011: EUR 28.6 million; 3Q 2010: EUR 34.3 million).

OUTLOOK

Taking into account the increasingly conservative planning among our customers, the outlook is not promising a recovery in incoming orders for the cartonboard division also for the next few months. Due to the impending machine rebuilt in the Slovenian cartonboard mill Kolicvo Karton and the general market situation, capacity utilization in the fourth quarter is expected to decrease further, resulting in a correspondingly reduced quarterly result for MM Karton.

In view of the foreseeable continuing under-utilization of capacities in the European cartonboard industry, we expect that any prospective erosion of input prices will lead to softening cartonboard prices and hence to an increased pressure on margins. MM Karton continues to pursue the objective of maintaining existing price levels to the extent possible and adjusting production accordingly.

Demand for folding cartons remained quite stable in the main sales areas (food and tobacco), but in case of further economic decline increasing volatility and a considerably more intense competition are to be expected.

Our investment program in state-of-the-art technology and site expansions will be specifically pursued in order to gain competitiveness and to continue organic growth.

Markets with sustainable growth potential remain the focus of our acquisition strategy.

DEVELOPMENT IN THE DIVISIONS

MM KARTON

| in millions of EUR, IFRS | 1-3Q/2011 | 1-3Q/2010 | +/- |
|---|--------------|-----------|---------|
| Sales¹⁾ | 733.8 | 652.3 | +12.5 % |
| Operating profit | 56.7 | 45.0 | +26.0 % |
| Operating margin (in %) | 7.7 % | 6.9 % | |
| Tonnage sold (in thousands of tons) | 1,184 | 1,194 | -0.8 % |
| Tonnage produced (in thousands of tons) | 1,169 | 1,182 | -1.1 % |

¹⁾ including interdivisional sales

As in the first half of 2011, cartonboard demand progressively reached normal levels following the uptrend in the previous year, the decrease in incoming orders in the European cartonboard industry has continued since summer accelerated by enduring customers' cartonboard destocking and their growing prudence in planning. This inevitably led to temporary machine downtime in the entire industry, which is also to be expected for the coming months.

Under these circumstances, the average order backlog of MM Karton at 105,000 tons for the first three quarters of 2011 was already considerably lower than the average value of the comparative period in 2010, which was still influenced by the order boom in that year (1-3Q 2010: 177,000 tons).

With a lot of discipline and pursuant to our strategy, we so far managed to defend our average prices in Europe and to maintain our market shares. After a fast-paced price increase in the first six months, the price for recovered paper remained hardly unchanged and offered no leeway at all.

As a consequence of a very good order situation in the first half of the year, MM Karton's capacities were utilized at 96 % during the first three quarters of 2011, despite necessary temporary downtime in the third quarter (1-3Q 2010: 98 %). Accordingly, production volume of 1,169,000 tons was similar to that in the reference period 2010 (1-3Q 2010: 1,182,000 tons). At 1,184,000 tons (1-3Q 2010: 1,194,000 tons) the volume sold remained stable as well, whereof approximately 79 % were sold in Europe and 21 % in non-European markets (1-3Q 2010: 83 % ;17 %).

Based on considerably higher average cartonboard prices, sales increased by 12.5 %, from EUR 652.3 million to EUR 733.8 million. The operating profit was improved by 26.0 % to EUR 56.7 million (1-3Q 2010: EUR 45.0 million). Thus, the operating margin increased from 6.9 % to 7.7 %.

MM PACKAGING

| in millions of EUR, IFRS | 1-3Q/2011 | 1-3Q/2010 | +/- |
|--|--------------|-----------|---------|
| Sales¹⁾ | 850.6 | 755.2 | +12.6 % |
| Operating profit | 78.7 | 78.3 | +0.5 % |
| Operating margin (in %) | 9.3 % | 10.4 % | |
| Tonnage processed (in thousands of tons) | 517 | 504 | +2.6 % |

¹⁾ including interdivisional sales

The ongoing private consumption and consequently the demand for folding cartons have so far not been considerably affected by the downward economic trend. MM Packaging's incoming orders and capacity utilization remained quite stable in the first nine months of 2011, whereby only isolated machine downtime was necessary.

However, customers are beginning to anticipate the decreasing consumer trust and are planning more carefully also due to the well-stocked supply chain. At the same time, price moved again into the focus instead of supply security.

While we were able to pass on the most recent cartonboard price increases in the first months of this year, the high direct costs and ongoing price competition are still a great challenge.

Large investments were made mostly for the build-up of the third packaging site in Turkey, which started production in Karaman, Central Anatolia, according to plan in September and the expansion of the folding carton production in St. Petersburg, Russia, by a gravure printing line.

In the first three quarters of 2011, approximately 517,000 tons of cartonboard and paper were processed. This marks an increase of 2.6 % in comparison to previous year's figure (1-3Q 2010: 504,000 tons).

The sales increase of 12.6 %, from EUR 755.2 million to EUR 850.6 million, is by more than a half attributable to the passing on of cartonboard price increases to customers and another major part thereof is attributable to the acquisition of the Marinetti packaging plant, Chile, in the previous year.

At EUR 78.7 million, operating profit was slightly above the value of the same period in the last year (1-3Q 2010: EUR 78.3 million). The most recent increases in direct costs could however only be compensated step by step, resulting in a cumulated reduction of the operating margin for the first three quarters from 10.4 % to 9.3 %.

QUARTERLY OVERVIEW

MAYR-MELNHOF GROUP

| consolidated, in millions of EUR, IFRS | 1Q/2010 | 2Q/2010 | 3Q/2010 | 4Q/2010 | 1Q/2011 | 2Q/2011 | 3Q/2011 |
|--|---------|---------|---------|---------|---------|---------|---------|
| Sales | 439.2 | 423.8 | 452.7 | 463.2 | 494.7 | 493.5 | 510.6 |
| EBITDA | 58.9 | 48.8 | 66.4 | 62.4 | 70.7 | 62.5 | 62.4 |
| EBITDA margin (in %) | 13.4 % | 11.5 % | 14.7 % | 13.5 % | 14.3 % | 12.7 % | 12.2 % |
| Operating profit | 40.2 | 37.4 | 45.7 | 39.0 | 50.0 | 42.7 | 42.7 |
| Operating margin (in %) | 9.2 % | 8.8 % | 10.1 % | 8.4 % | 10.1 % | 8.7 % | 8.4 % |
| Profit before tax | 39.0 | 28.5 | 46.4 | 37.8 | 48.5 | 40.3 | 39.5 |
| Income tax expense | (11.2) | (7.4) | (12.1) | (10.6) | (13.1) | (11.7) | (11.6) |
| Profit for the period | 27.8 | 21.1 | 34.3 | 27.2 | 35.4 | 28.6 | 27.9 |
| Net profit margin (in %) | 6.3 % | 5.0 % | 7.6 % | 5.9 % | 7.2 % | 5.8 % | 5.5 % |
| Earnings per share (in EUR) | 1.33 | 1.04 | 1.67 | 1.35 | 1.76 | 1.42 | 1.40 |

DIVISIONS

MM Karton

| in millions of EUR, IFRS | 1Q/2010 | 2Q/2010 | 3Q/2010 | 4Q/2010 | 1Q/2011 | 2Q/2011 | 3Q/2011 |
|---|---------|---------|---------|---------|---------|---------|---------|
| Sales¹⁾ | 219.9 | 207.4 | 225.0 | 227.4 | 243.4 | 249.1 | 241.3 |
| Operating profit | 12.2 | 13.0 | 19.8 | 20.1 | 24.3 | 19.0 | 13.4 |
| Operating margin (in %) | 5.5 % | 6.3 % | 8.8 % | 8.8 % | 10.0 % | 7.6 % | 5.6 % |
| Tonnage sold (in thousands of tons) | 415 | 387 | 392 | 370 | 399 | 404 | 381 |
| Tonnage produced (in thousands of tons) | 404 | 381 | 397 | 397 | 390 | 407 | 372 |

¹⁾ including interdivisional sales

MM Packaging

| in millions of EUR, IFRS | 1Q/2010 | 2Q/2010 | 3Q/2010 | 4Q/2010 | 1Q/2011 | 2Q/2011 | 3Q/2011 |
|--|---------|---------|---------|---------|---------|---------|---------|
| Sales¹⁾ | 249.6 | 245.1 | 260.5 | 265.5 | 281.2 | 272.8 | 296.6 |
| Operating profit | 28.0 | 24.4 | 25.9 | 18.9 | 25.7 | 23.7 | 29.3 |
| Operating margin (in %) | 11.2 % | 10.0 % | 9.9 % | 7.1 % | 9.1 % | 8.7 % | 9.9 % |
| Tonnage processed (in thousands of tons) | 170 | 163 | 171 | 171 | 177 | 168 | 172 |

¹⁾ including interdivisional sales

The Report for the first three quarters of 2011 is available on our homepage
<http://www.mayr-melnhof.com>.

Forthcoming results:

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