



PRESS RELEASE

November 15, 2012

RESULTS FOR THE FIRST THREE QUARTERS 2012

- Sustainable profitability maintained in the first three quarters
- Remarkable profit improvement in the 3rd quarter
- Good capacity utilization in the course of the year - quantity dynamics flattening off
- No sign of relief for input prices - increasing pressure on margins
- Continued path of expansion

The Mayr-Melnhof Group closed the third quarter of 2012 with a clear profit improvement compared to the previous quarters. In the reporting period from January to September 2012, we thus managed to maintain the previous year's high-level earnings despite non-recurring expenses in connection with the closure of a folding carton plant in Great Britain and increasingly challenging market conditions. Due to the economic downturn, the demand in our European main markets remained volatile and restrained. However, our focus on packaging for convenience goods and the wide geographical distribution of sales permitted a good capacity utilization in the first three quarters.

With the acquisition of Plegacol, another major Columbian folding carton manufacturer, Mayr-Melnhof Packaging has become the market leader in folding carton packaging in Columbia. Moreover, additional growth momentum is being provided particularly by the new plants in Poland and Turkey as well as by selected cartonboard export markets.

GROUP KEY INDICATORS – IFRS

consolidated, in millions of EUR, IFRS	1-3Q/2012	1-3Q/2011	+/-
Sales	1,467.2	1,498.8	-2.1 %
Operating profit	130.0	135.4	-4.0 %
Operating margin (in %)	8.9 %	9.0 %	
Profit before tax	124.2	128.3	-3.2 %
Profit for the period	90.9	91.9	-1.1 %
Net profit margin (in %)	6.2 %	6.1 %	
Earnings per share (in EUR)	4.53	4.58	
Employees	8,716	8,882 ¹⁾	
Capital expenditures	70.6	82.0	
Depreciation and amortization	64.6	62.1	

¹⁾ as of December 31, 2011

The consolidated sales of the Group totaled EUR 1,467.2 million and were therefore 2.1 % or EUR 31.6 million below the previous year's figure (1-3Q 2011: EUR 1,498.8 million). An increase in MM Packaging's average sales prices is offset by a slight decline in the cartonboard sales volume.

Operating profit amounted to EUR 130.0 million, and was thus 4.0 % or EUR 5.4 million down from the previous year's value (1-3Q 2011: EUR 135.4 million), whereby non-recurring expenses of around EUR 9 million relating to the closure of the English packaging plant in Liverpool also had to be accounted for. However, the Group's operating margin of 8.9 % almost reached the previous year's level (1-3Q 2011: 9.0 %).

Profit before tax totaled EUR 124.2 million compared to EUR 128.3 million in the first three quarters of the previous year. The income tax expense amounted to EUR 33.3 million (1-3Q 2011: EUR 36.4 million), resulting in an effective Group tax rate of 26.8 % (1-3Q 2011: 28.4 %).

Thus, the profit for the period came in at EUR 90.9 million, which was slightly below the previous year's figure (1-3Q 2011: EUR 91.9 million). In the reporting period, a simple weighted average of 19,984,740 shares was outstanding, resulting in earnings per share of EUR 4.53 (1-3Q 2011: EUR 4.58).

DEVELOPMENT IN THE THIRD QUARTER

Against the background of the continuing economic downturn and the customers' clearly more cautious ordering behavior, the Group's overall performance was still very successful in the third quarter.

MM Karton managed to maintain both the volumes and average prices of the second quarter. A capacity utilization of 99 % was achieved compared to a utilization of 97 % in the first two quarters of the year (3Q 2011: 91 %). At the same time, prices for fibers have fallen from a high in the first half of the year. MM Karton's operating margin therefore rose to 8.5 % after 5.5 % in the second quarter of 2012 and 5.6 % in the third quarter of 2011.

MM Packaging was able to maintain the high profit level of the second quarter, which was affected by the non-recurring expenses relating to the closure of the folding carton plant in Liverpool. The operating margin reached 10.9 % (2Q 2012: 8.9 %; 3Q 2011: 9.9 %). The solid development in the cigarette packaging area constituted a particularly important contribution in this connection.

The Group's operating profit amounted to EUR 50.9 million and thus exceeded both the figure of the comparative period in 2011 (3Q 2011: EUR 42.7 million) and the value of the second quarter of the current year (2Q 2012: EUR 37.0 million). The Group's operating margin reached 10.3 % (2Q 2012: 7.7 %; 3Q 2011: 8.4 %).

The profit for the period amounted to EUR 39.7 million (2Q 2012: EUR 22.7 million, 3Q 2011: EUR 27.9 million).

OUTLOOK

The latest forecasts confirm our mid-year outlook. Our main sales market Europe is still dominated by a continuing recession. Pressure on volumes and competition will therefore continue to increase. The order backlog and visibility will remain short-term, as the demand for cartonboard and folding cartons continues to be characterized by a cautious ordering behavior.

On the other hand, there is still no sign of a relief for input prices, as the recent fall in prices for fibers is no longer sustainable and the costs of personnel, energy, logistics and chemicals remain at a high level.

In the short run, the stabilization of profitability at a high level achieved in the current year will therefore be faced with both challenging cost developments and a continued market consolidation. Preserving a sound basis for the Group built on a healthy position and the goal of maintaining the best possible margins remain the orders of the day.

We will continue to pursue our growth strategy with determination, focusing primarily on the future markets outside Western Europe.

DEVELOPMENT IN THE DIVISIONS

MM KARTON

in millions of EUR, IFRS	1-3Q/2012	1-3Q/2011	+/-
Sales¹⁾	703.7	733.8	-4.1 %
Operating profit	49.6	56.7	-12.5 %
Operating margin (in %)	7.0 %	7.7 %	
Tonnage sold (in thousands of tons)	1,150	1,184	-2.9 %
Tonnage produced (in thousands of tons)	1,186	1,169	+1.5 %

¹⁾ including interdivisional sales

After a short-term upturn in demand at the beginning of the year, which mainly resulted from a restocking of the supply chain, the development of demand for the rest of the year was characterized by caution and orders at short notice. Against this background, the average order backlog of MM Karton in the first three quarters of 2012 amounted to 71,000 tons and was thus significantly lower than the average in the comparative period of the previous year (1-3Q 2011: 105,000 tons), as customers in Europe, our main market, are increasingly planning in the short run.

Due to the high flexibility in production and sales, MM Karton's capacity was, however, almost fully utilized at 98 % in the first three quarters of 2012 (1-3Q 2011: 96 %).

Although there were signs of relief in the development of waste paper prices from mid-year, following a sharp rise at the beginning of the year, the main focus was placed on maintaining the average sales prices as best as possible in line with the sustained high input costs of energy, chemicals and logistics.

1,186,000 tons were produced in the first three quarters, slightly more than in the comparative period of the previous year (1-3Q 2011: 1,169,000 tons). In contrast, the volume sold fell by 34,000 tons or 2.9 % from 1,184,000 tons to 1,150,000 tons. Thereof, 81 % were sold in Europe and 19 % in markets outside Europe (1-3Q 2011: 79 %; 21 %).

The decline in the volume sold also led to a decline in sales by 4.1 % from EUR 733.8 million to EUR 703.7 million. Operating profit reached EUR 49.6 million, which is EUR 7.1 million or 12.5 % below the previous year's record result (1-3Q 2011: EUR 56.7 million), primarily due to costs. The operating margin therefore amounted to 7.0 % (1-3Q 2011: 7.7 %).

MM PACKAGING

in millions of EUR, IFRS	1-3Q/2012	1-3Q/2011	+/-
Sales¹⁾	842.5	850.6	-1.0 %
Operating profit	80.4	78.7	+2.2 %
Operating margin (in %)	9.5 %	9.3 %	
Tonnage processed (in thousands of tons)	490	517	-5.2 %

¹⁾ including interdivisional sales

The European folding carton markets have also been characterized by a continued downturn in the course of the year, which is due to customers significantly reducing their stocks and the general downturn in consumption. Market activities are thus increasingly determined by orders at short notice, the volatility in incoming orders and intensified competition.

MM Packaging is facing these growing challenges by continually improving its highly efficient production and by placing an intense focus on customers. As a result, the division managed to maintain its profitability at a high level in the first three quarters of this year.

On the whole, the division's capacity utilization was resilient in the reporting period. There is, however, a growing heterogeneity among the individual plants as they focus on different regions and sales segments. The performance in the cigarette packaging segment was particularly remarkable, while in the food segment increasing consolidation in Europe is becoming noticeable.

Amounting to around 490,000 tons, the tonnage processed in the first nine months of 2012 was 5.2 % down from the previous year's figure (1-3Q 2011: 517,000 tons). This reduction is primarily the result of material savings due to an improved efficiency and changes in the product mix.

At EUR 842.5 million, sales almost reached the previous year's level (1-3Q 2011: EUR 850.6 million). Despite high non-recurring expenses relating to the closure of the English packaging plant in Liverpool, operating profit increased slightly from EUR 78.7 million to EUR 80.4 million. Thus, the operating margin amounted to 9.5 % (1-3Q 2011: 9.3 %).

New folding carton plant in Poland

As a result of the dynamic growth of MM Packaging in Poland, we are currently establishing a third state-of-the-art Polish folding carton plant in Bydgoszcz. The plant is scheduled to commence operations in January 2013.

Development center for packaging gravure in Trier

In Trier, the worldwide most modern development center for packaging gravure has been built with the aim of exploiting new growth opportunities in this technology sector in close collaboration with our customers.

QUARTERLY OVERVIEW

MAYR-MELNHOF GROUP

consolidated, in millions of EUR, IFRS	1Q/2011	2Q/2011	3Q/2011	4Q/2011	1Q/2012	2Q/2012	3Q/2012
Sales	494.7	493.5	510.6	460.8	494.9	480.1	492.2
EBITDA	70.7	62.5	62.4	56.2	62.6	59.2	70.7
EBITDA margin (in %)	14.3 %	12.7 %	12.2 %	12.2 %	12.6 %	12.3 %	14.4 %
Operating profit	50.0	42.7	42.7	35.5	42.1	37.0	50.9
Operating margin (in %)	10.1 %	8.7 %	8.4 %	7.7 %	8.5 %	7.7 %	10.3 %
Profit before tax	48.5	40.3	39.5	33.5	39.6	32.3	52.3
Income tax expense	(13.1)	(11.7)	(11.6)	(6.7)	(11.1)	(9.6)	(12.6)
Profit for the period	35.4	28.6	27.9	26.8	28.5	22.7	39.7
Net profit margin (in %)	7.2 %	5.8 %	5.5 %	5.8 %	5.8 %	4.7 %	8.1 %
Earnings per share (in EUR)	1.76	1.42	1.40	1.33	1.40	1.15	1.98

DIVISIONS

MM Karton

in millions of EUR, IFRS	1Q/2011	2Q/2011	3Q/2011	4Q/2011	1Q/2012	2Q/2012	3Q/2012
Sales¹⁾	243.4	249.1	241.3	213.4	231.4	235.1	237.2
Operating profit	24.3	19.0	13.4	11.7	16.6	12.9	20.1
Operating margin (in %)	10.0 %	7.6 %	5.6 %	5.5 %	7.2 %	5.5 %	8.5 %
Tonnage sold (in thousands of tons)	399	404	381	327	378	387	385
Tonnage produced (in thousands of tons)	390	407	372	322	390	398	398

¹⁾ including interdivisional sales

MM Packaging

in millions of EUR, IFRS	1Q/2011	2Q/2011	3Q/2011	4Q/2011	1Q/2012	2Q/2012	3Q/2012
Sales¹⁾	281.2	272.8	296.6	274.3	289.3	271.3	281.9
Operating profit	25.7	23.7	29.3	23.8	25.5	24.1	30.8
Operating margin (in %)	9.1 %	8.7 %	9.9 %	8.7 %	8.8 %	8.9 %	10.9 %
Tonnage processed (in thousands of tons)	177	168	172	163	166	157	167

¹⁾ including interdivisional sales

The detailed Interim Report for the first three quarters of 2012 is available on our website <http://www.mayr-melnhof.com>.

Forthcoming results:

March 14, 2013 Financial Results 2012

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