MAYR-MELNHOF KARTON Aktiengesellschaft

PRESS RELEASE

August 16, 2012

Results for the 1st Half-year 2012

- **Sales held up**
- **Non-recurring items weighed on solid results development**
- **High capacity utilization in the first half of the year - customers are however planning more cautiously**
- **Path of expansion continued**

The Mayr-Melnhof Group completed the first half-year of 2012, as expected, despite a solid development with a lower operating profit due to non-recurring expenses resulting from the closure of the folding carton plant in Liverpool. In the ongoing business, demand dynamics at the beginning of the year were a short-time restocking effect of the supply chain, followed by increased volatility and caution in our European core markets. Due to the widespread geographic presence and the focus on sustainable consumer goods, we were however in the position to maintain capacity utilization at a high level both in cartonboard production and processing during the first six months of the year. Nevertheless, significantly intensified competition has not seen any sustainable support on the procurement markets so far.

Against this background, we continue to pursue our objective of securing margins by employing highest possible price discipline, cost efficiency and flexibility. Ongoing operative optimizations create the basis for this.

In Latin America, expansion has been continued according to strategy by the acquisition of an interest in the largest Columbian folding carton manufacturer. In Europe, MM Packaging will put into operation the worldwide most modern development center for packaging gravure at the German Trier site by the beginning of September targeting on new growth opportunities. In line with the dynamic expansion in Poland, a state-of-the-art folding carton plant is currently built in Bydgoszcz, which will be commissioned in January 2013 as MM's third packaging site in Poland.

GROUP KEY INDICATORS – IFRS

consolidated, in millions of EUR, IFRS	1st HY/2012	1st HY/2011	+/-
Sales	**975.0**	988.2	-1.3 %
Operating profit	**79.1**	92.7	-14.7 %
Operating margin (in %)	**8.1 %**	9.4 %	
Profit before tax	**71.9**	88.8	-19.0 %
Profit for the period	**51.2**	64.0	-20.0 %
Net profit margin (in %)	**5.3 %**	6.5 %	
Earnings per share (in EUR)	**2.55**	3.18	
Employees	**8,618**	8,882[1)]	
Capital expenditures	**45.6**	45.9	
Depreciation and amortization	**43.4**	41.6	

[1)] as of December 31, 2011

With EUR 975.0 million consolidated sales came in 1.3 % below the previous year (1st half of 2011: EUR 988.2 million). An improvement in MM Packaging's average sales prices was offset by a decline in MM Karton's sales volumes.

Operating profit went down by approximately 14.7 % or EUR 13.6 million to EUR 79.1 million, with about EUR 9 million thereof resulting from non-recurring expenses related to the closure of the English packaging plant in Liverpool. As a consequence of this one-off effect, the Group's operating margin decreased from 9.4 % to 8.1 %.

Financial income was at EUR 1.5 million (1st half of 2011: EUR 2.1 million) and financial expenses came in at EUR -3.0 million (1st half of 2011: EUR -2.7 million).

Other income (expenses) amounted to EUR -5.7 million (1st half of 2011: EUR -3.3 million) as a non-recurring expense of EUR 4.2 million resulting from the increase in the interest in the Chilean folding carton manufacturer Marinetti from 70 % to 100 % had to be accounted for.

Thus, the profit before tax reached EUR 71.9 million (1st half of 2011: EUR 88.8 million). Income tax expense amounted to EUR 20.7 million (1st half of 2011: EUR 24.8 million), leading to an effective tax rate of the Group of 28.8 % (1st half of 2011: 27.9 %).

In such, the profit for the period amounted to EUR 51.2 million (1st half of 2011: EUR 64.0 million). In the first half-year of 2012, a simple weighted average of 19,984,740 shares was outstanding. On this basis, earnings per share totaled EUR 2.55 (1st half of 2011: EUR 3.18).

DEVELOPMENT IN THE SECOND QUARTER

Following the short-term acceleration in demand at the beginning of the year, incoming orders during the second quarter were rather cautious, in line with the economic slow-down in Europe. This was also manifested in a significant increase in competition both in the cartonboard and the folding carton business, whereas the procurement markets gave no indication of softening.

By enhanced sales focus on non-European markets, MM Karton however managed to maintain its capacity utilization at the level of the first quarter of approximately 97 % (1Q 2012: 97 %; 2Q 2011: 99 %). Lower average prices and higher input prices, especially for recovered paper, reduced the operating margin to 5.5 % (1Q 2012: 7.2 %; 2Q 2011: 7.6 %).

With 8.9 % MM Packaging was able to maintain the operating margin both at the level of the first quarter 2012 (8.8 %) and the second quarter 2011 (8.7 %) in spite of non-recurring expenses related to the closure of the plant in Liverpool. Essential contribution was particularly provided by the solid development in the cigarette packaging area.

Thus, the Group's operating profit reached EUR 37.0 million (1Q 2012: EUR 42.1 million, 2Q 2011: EUR 42.7 million), resulting in a Group operating margin of 7.7 % (1Q 2012: 8.5 %; 2Q 2011: 8.7 %).

The profit for the period amounted to EUR 22.7 million (1Q 2012: EUR 28.5 million, 2Q 2011: EUR 28.6 million).

OUTLOOK

The general climate with recession indication in our main European sales markets holds up. Conservative and short-term planning affects the demand for cartonboard and folding cartons, while noticeable intensified competition prevails in supply. Against this background, we rely on the highest possible flexibility and cost efficiency in order to defend our margins and market shares. Any softening of raw material prices currently seems only of a short-term nature and will not offer any sustainable support.

Therefore, we expect few changes in the course of business during the third quarter. Our investment activities will be continued with the goal to maintain and increase our competitiveness and growth potential. Our recent expansion steps show a dynamic development and will be continued risk consciously with a focus on future markets.

DEVELOPMENT IN THE DIVISIONS

MM Karton

in millions of EUR, IFRS	**1st HY/2012**	1st HY/2011	+/-
Sales[1)]	**466.5**	492.5	-5.3 %
Operating profit	**29.5**	43.3	-31.9 %
Operating margin (in %)	**6.3 %**	8.8 %	
Tonnage sold (in thousands of tons)	**765**	803	-4.7 %
Tonnage produced (in thousands of tons)	**788**	797	-1.1 %

[1)] including interdivisional sales

While the beginning of the year was characterized by a noticeable recovery in the cartonboard business due to restocking of the supply chain, caution and short-term planning in line with the development of the economy in the European main market impacted the further course of demand until mid-year. The average order backlog of 75,000 tons was therefore below the comparative value in the first half of 2011 (125,000 tons), but demonstrated an overall stable development during the period under review. This was achieved mainly through enhanced supply of non-European customers starting in the second quarter.

As a consequence, MM Karton's capacities were almost fully utilized with 97 % in the first half-year of 2012, similar to the previous year (1st half of 2011: 99 %).

The situation on the procurement markets, in particular with regard to the strategic raw material of recovered paper, only eased around mid-year following another strong upswing, thus still exercising high pressure on the margins.

Close to the previous year, approximately 788,000 tons of cartonboard were produced in the first six months of this year (1st half of 2011: 797,000 tons), while the tonnage sold went down by about 4.7 % to 765,000 tons (1st half of 2011: 803,000 tons). Thereof, 81 % were sold in Europe and 19 % in non-European markets.

Accordingly, sales went down by 5.3 % from EUR 492.5 million to EUR 466.5 million. Both in terms of quantity and due to lower average prices and increased costs, operating profit was at EUR 29.5 million after a record value of EUR 43.3 million in the first half of the previous year. Thus, the operating margin came in at 6.3 % (1st half of 2011: 8.8 %).

MM Packaging

in millions of EUR, IFRS	1st HY/2012	1st HY/2011	+/-
Sales[1)]	**560.6**	554.0	+1.2 %
Operating profit	**49.6**	49.4	+0.4 %
Operating margin (in %)	**8.8 %**	8.9 %	
Tonnage processed (in thousands of tons)	**323**	345	-6.4 %

[1)] including interdivisional sales

In line with the economy as a whole, the European folding carton business was marked both by a general decline in consumption as well as a considerable destocking at our customers throughout the first half-year of 2012. Accordingly, price competition has strongly intensified during the first half.

Focusing on cost leadership and attractive market segments as well as on highly efficient production, MM Packaging was however in the position to hold up its ground despite increasing market challenges during the first six months of the year. Thus, profitability could be preserved compared to the same period of last year as well as the previous quarter.

Nevertheless, increasing heterogeneity in capacity utilization and profit contribution among the individual plants remains evident, in particular due to their specific orientation by region and sales sector. Cigarette and food packaging were particularly stable in the first half, with the first one demonstrating notably positive dynamics.

According to the changed product mix and as a consequence of the efficiency-related material savings, the tonnage processed of 323,000 tons came in 22,000 tons below the comparative value of the previous year (1st half of 2011: 345,000 tons).

At EUR 560.6 million, sales were slightly above last year due to improved average prices. Despite high non-recurring expenses related to the closure of the folding carton plant in Liverpool, the operating profit of EUR 49.6 million was maintained at the level of the first six months of 2011, mainly due to the positive development in cigarette packaging. Thus, the operating margin stayed stable at 8.8 % (1st half of 2011: 8.9 %).

Development center for packaging gravure in Trier

MM Packaging has established the worldwide most modern development center for packaging gravure at its German site in Trier. The aim is to make use of new growth opportunities in this technology together with our customers. Operations will start in September 2012.

Expansion in Poland

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

QUARTERLY OVERVIEW

MAYR-MELNHOF GROUP

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

DIVISIONS

MM KARTON

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

[1)] including interdivisional sales

MM PACKAGING

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

[1)] including interdivisional sales

The Half-year Financial Report of 2012 is available on our website http://www.mayr-melnhof.com.

Forthcoming results:
November 15, 2012 Results for the first three quarters of 2012

For further information, please contact:
Stephan Sweerts-Sporck, Investor Relations, Mayr-Melnhof Karton AG,
Brahmsplatz 6, A-1041 Vienna
Phone: +43 1 50136-91180, Fax: +43 1 50136-91195
E-Mail: investor.relations@mm-karton.com
Website: http://www.mayr-melnhof.com