

**PRESS RELEASE**

May 15, 2013

**Results for the 1<sup>st</sup> Quarter 2013**

- Sales and volumes affirmed
- Rebuild-related downtime in board mill and lower cartonboard prices weigh on operating profit
- Increasingly more cautious development of demand
- Construction of a fourth folding carton plant in Turkey

During the first quarter of 2013 the Mayr-Melnhof Group stood up firmly in an environment marked by stagnating volumes and significantly intensified competition in the main market Europe. Our cartonboard mills as well as folding carton plants recorded overall high capacity utilization, whereby sales and volumes in both divisions could be maintained at the same or above the level of the comparative period. However, at EUR 38.4 million, operating profit of the Group was EUR 4.8 million or 11.1 % below the previous year. This decline was exclusively due to cartonboard production, since the folding carton business achieved an increase in profit compared to the previous year. Loss in volume owing to the planned rebuild of a key aggregate in the cartonboard mill Neuss and lower average sales prices were the major reasons for the reduction in margins at MM Karton.

Looking to the future, there are actually no indications for a recovery in the development of demand, which has slowed progressively since the beginning of the year. Our customers' planning and the visibility remain short-term, the costs of raw materials largely unchanged. Against this background, we intend to safeguard the prices of our products as best as possible and to continue to increase our share in consolidated as well as growing markets in order to secure the long-term profitability of our Group.

**GROUP KEY INDICATORS – IFRS**

consolidated, in millions of EUR, IFRS	1Q/2013	1Q/2012	+/-
<b>Sales</b>	<b>496.7</b>	494.9	+0.4 %
<b>Operating profit</b>	<b>38.4</b>	43.2	-11.1 %
Operating margin (in %)	7.7 %	8.7 %	
<b>Profit before tax</b>	<b>36.2</b>	39.9	-9.3 %
<b>Profit for the period</b>	<b>27.0</b>	28.7	-5.9 %
Net profit margin (in %)	5.4 %	5.8 %	
Earnings per share (in EUR)	1.35	1.41	
<b>Employees</b>	<b>8,895</b>	8,836 <sup>1)</sup>	
Capital expenditures	25.8	23.5	
Depreciation and amortization	22.4	21.6	

<sup>1)</sup> as of December 31, 2012

At EUR 496.7 million, the Group's consolidated sales again reached the previous year's level (1Q 2012: EUR 494.9 million). Lower average prices for cartonboard could be countered by an increase in volume.

Operating profit amounted to EUR 38.4 million and was thus EUR 4.8 million or 11.1 % below the comparative value of the previous year (1Q 2012: EUR 43.2 million). The decrease chiefly results from rebuild-related non-recurring expenses and lower cartonboard prices.

Profit before tax totalled to EUR 36.2 million following EUR 39.9 million in the first quarter of the previous year. Income tax expense decreased from EUR 11.2 million (1Q 2012) to EUR 9.2 million (1Q 2013), resulting in an effective Group tax rate of 25.4 % (1Q 2012: 28.1 %).

As a consequence, the profit for the period, at EUR 27.0 million, was 5.9 % below the value for the first quarter of 2012 (EUR 28.7 million).

## **OUTLOOK**

While there may have been an occasional bright spot at the beginning of the year, cyclical cloud fields have gathered now over the economy in the euro area. Lower consumer confidence compared to the previous year leads to an increasing restraint in private consumption. For our industry this means consolidation in the core market Europe along with volatility in customer planning and intense price competition. A noticeable weakening of prices among input factors have so far failed to materialize. Recovered paper prices have thus continued their sideways movement of recent months.

Our efforts are therefore focused on increasing volumes and optimizing prices as best as possible. This is the only way to stabilize our margins. The course of expansion will be risk-consciously further pursued.

## DEVELOPMENT IN THE DIVISIONS

### MM Karton

in millions of EUR, IFRS	1Q/2013	1Q/2012	+/-
<b>Sales<sup>1)</sup></b>	<b>237.6</b>	231.4	+2.7 %
<b>Operating profit</b>	<b>11.3</b>	17.2	-34.3 %
<b>Operating margin (in %)</b>	<b>4.8 %</b>	7.4 %	
Tonnage sold (in thousands of tons)	<b>404</b>	378	+6.9 %
Tonnage produced (in thousands of tons)	<b>391</b>	390	+0.3 %

<sup>1)</sup> including interdivisional sales

With an average order backlog of 93,000 tons (1Q 2012: 74,000 tons), the ordering activity in the first quarter of 2013 passed the low point of the fourth quarter 2012. However, the visibility remained short-term since customers continue to plan on short sight in the light of an overall economic slowdown. Against this background, the pressure on prices with sufficient volumes of the industry has increasingly intensified in all regions in the last few months. MM Karton was unable to avoid this development, but made selective necessary adjustments while maintaining market shares.

Production in the first three months of 2013 amounted to 391,000 tons (1Q 2012: 390,000 tons), whereby MM Karton capacities were again nearly fully utilized (1Q 2013: 98 %, 1Q 2012: 97 %).

At 404,000 tons, the volume sold was above production as well as around 6.9 % above the previous year. As in the first quarter of the previous year, 82 % thereof was sold in Europe and 18 % in non-European markets.

Sales rose correspondingly from EUR 231.4 million to EUR 237.6 million despite lower average prices. As a result of the rebuild and downtime costs in the German cartonboard mill Neuss as well as due to prices, the operating profit totalled EUR 11.3 million after EUR 17.2 million in the first quarter of the previous year. The operating margin therefore decreased to 4.8 % (1Q 2012: 7.4 %).

## **MM Packaging**

in millions of EUR, IFRS	1Q/2013	1Q/2012	+/-
<b>Sales<sup>1)</sup></b>	<b>285.6</b>	289.3	-1.3 %
<b>Operating profit</b>	<b>27.1</b>	26.0	+4.2 %
<b>Operating margin (in %)</b>	<b>9.5 %</b>	9.0 %	
Tonnage processed (in thousands of tons)	<b>168</b>	166	+1.2 %

<sup>1)</sup> including interdivisional sales

Our folding carton plants were also able to start 2013 with an overall positive order situation and good capacity utilization. However, towards the end of the first quarter there were increasing indications of more cautious planning in the consumer goods industry.

Nevertheless, MM Packaging was able to maintain its sales and profit at a solid level in the first three months of 2013.

The newly built third folding carton site in Poland, Bydgoszcz, was set into operation on schedule. The technological focus of the plant is on the manufacture of folding cartons from microwave. A significant proportion of production is exported to European markets.

At EUR 285.6 million, sales again nearly reached the value of the comparative period of the previous year (1Q 2012: EUR 289.3 million). In comparison, operating profit increased by around 4.2 % from EUR 26.0 million to EUR 27.1 million, thereby the operating margin improved from 9.0 % to 9.5 %.

The tonnage processed went up from 166,000 tons to 168,000 tons.

### **Construction of a fourth folding carton plant in Turkey**

Mayr-Melnhof Packaging is constructing in Gaziantep in the center of the growth region of Eastern Anatolia now its fourth folding carton plant in Turkey. Production is planned to start at the end of 2013. The aim is to supply local and international consumer goods producers in Turkey and the neighbouring export markets.

## QUARTERLY OVERVIEW

### MAYR-MELNHOF GROUP

consolidated, in millions of EUR, IFRS	1Q/2012	2Q/2012	3Q/2012	4Q/2012	1Q/2013
<b>Sales</b>	494.9	480.1	492.2	485.0	496.7
<b>EBITDA</b>	63.7	60.3	71.8	59.0	60.3
EBITDA margin (in %)	12.9 %	12.6 %	14.6 %	12.2 %	12.1 %
<b>Operating profit</b>	43.2	38.2	51.9	37.2	38.4
Operating margin (in %)	8.7 %	8.0 %	10.5 %	7.7 %	7.7 %
<b>Profit before tax</b>	39.9	32.5	52.6	36.3	36.2
Income tax expense	(11.2)	(9.7)	(12.7)	(7.4)	(9.2)
<b>Profit for the period</b>	28.7	22.8	39.9	28.9	27.0
Net profit margin (in %)	5.8 %	4.7 %	8.1 %	6.0 %	5.4 %
Earnings per share (in EUR)	1.41	1.16	1.99	1.44	1.35

### DIVISIONS

#### MM KARTON

in millions of EUR, IFRS	1Q/2012	2Q/2012	3Q/2012	4Q/2012	1Q/2013
<b>Sales<sup>1)</sup></b>	231.4	235.1	237.2	233.2	237.6
<b>Operating profit</b>	17.2	13.6	20.7	15.1	11.3
Operating margin (in %)	7.4 %	5.8 %	8.7 %	6.5 %	4.8 %
Tonnage sold (in thousands of tons)	378	387	385	384	404
Tonnage produced (in thousands of tons)	390	398	398	386	391

<sup>1)</sup> including interdivisional sales

#### MM PACKAGING

in millions of EUR, IFRS	1Q/2012	2Q/2012	3Q/2012	4Q/2012	1Q/2013
<b>Sales<sup>1)</sup></b>	289.3	271.3	281.9	278.2	285.6
<b>Operating profit</b>	26.0	24.6	31.2	22.1	27.1
Operating margin (in %)	9.0 %	9.1 %	11.1 %	7.9 %	9.5 %
Tonnage processed (in thousands of tons)	166	157	167	160	168

<sup>1)</sup> including interdivisional sales

The Interim Report for the 1<sup>st</sup> Quarter of 2013 is available on our homepage <http://www.mayr-melnhof.com>.

#### Forthcoming results:

August 14, 2013 Results for the first half-year of 2013

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