



PRESS RELEASE

August 18, 2015

Results for the 1st Half-Year 2015

- Good first half-year
- Profit and sales increase in both divisions
- High capacity utilization
- Continuity expected for second half-year

The Mayr-Melnhof Group was able to successfully assert itself also in the first half-year of 2015. Ongoing high competition characterized the largely stable overall economic environment. Sales as well as profit exceed the previous year's figures. High capacity utilization and improved productivity considerably contributed to this. Both divisions, cartonboard production and cartonboard processing, succeeded in growing and maintaining the profitability at a good level. With the acquisition of a French folding carton group in the field of packaging for pharmaceuticals and luxury goods, organic and acquisitive growth will continue to complement each other.

Given the current order situation, continuity at a good level can be expected for the second half of the year, from today's perspective.

GROUP KEY INDICATORS - IFRS

consolidated, in millions of EUR, IFRS	1 st HY/2015	1 st HY/2014	+/-
Sales	1,069.6	1,033.1	+3.5 %
Operating profit	96.5	88.7	+8.8 %
Operating margin (in %)	9.0 %	8.6 %	
Profit before tax	90.8	82.7	+9.8 %
Income tax expense	(23.6)	(21.7)	
Profit for the period	67.2	61.0	+10.2 %
Net profit margin (in %)	6.3 %	5.9 %	
Earnings per share (in EUR)	3.33	3.03	
Employees	9,224	9,399 ¹⁾	
Capital expenditures	52.0	65.5	
Depreciation and amortization	48.6	46.5	

¹⁾ as of December 31, 2014

At EUR 1,069.6 million, the Group's consolidated sales were 3.5 % above the comparative value of the previous year (1st half of 2014: EUR 1,033.1 million). This increase results from the growth in business volumes.

Operating profit was improved by 8.8 % or EUR 7.8 million to EUR 96.5 million (1st half of 2014: EUR 88.7 million). Both divisions contributed significantly to this. The Group's operating margin was at 9.0 % (1st half of 2014: 8.6 %).

With unchanged low interests, financial income of EUR 0.8 million (1st half of 2014: EUR 0.9 million) was offset by financial expenses of EUR -3.2 million (1st half of 2014: EUR -2.6 million).

Profit before tax rose by 9.8 % to EUR 90.8 million (1st half of 2014: EUR 82.7 million). Income tax expense amounted to EUR 23.6 million following EUR 21.7 million in the comparative period of the previous year, resulting in an effective Group tax rate of 26.0 % (1st half of 2014: 26.2 %).

Profit for the period therefore increased by 10.2 % to EUR 67.2 million (1st half of 2014: EUR 61.0 million).

DEVELOPMENT IN THE SECOND QUARTER

With regards to profit, the second quarter was, as expected, below the first quarter of 2015 however above sales and profit of the comparative period of the previous year.

The cartonboard division recorded again full capacity utilization at 99 % (1Q 2015: 99 %; 2Q 2014: 98 %) and was able to improve the average prices in the course of the quarter. The operating margin reached 8.5 % (1Q 2015: 7.2 %; 2Q 2014: 8.0 %).

In the packaging division, non-recurring expenses of around EUR 3 million related to the site concentration of MM Packaging Austria on the larger plant in Vienna as well as the slightly lower production led to a decrease of the operating margin from 10.7 % in the first quarter of 2015 to 7.9 % (2Q 2014: 7.9 %).

The Group's operating profit amounted to EUR 45.7 million following EUR 50.8 million in the first quarter of 2015 and EUR 42.5 million in the second quarter of the previous year. Thus, the operating margin was at 8.5 % (1Q 2015: 9.5 %; 2Q 2014: 8.3 %).

The profit for the period totaled EUR 31.7 million (1Q 2015: EUR 35.5 million; 2Q 2014: EUR 28.9 million).

OUTLOOK

Without any indications for a sustainable upturn, continuity however characterizes the current market environment in Europe. In contrast, emerging markets continue to face weaker economic dynamics.

The order backlog in both divisions remains at an overall good level. Therefore, an ongoing satisfying capacity utilization is expected in the Group also during the second half of the year.

However, with the solid market conditions in Europe, the prices for a number of input factors are gradually increasing. The necessary price adjustment for our products has been implemented. Supported by a wide range of efficiency-raising measures, our aim is to maintain the good level of profitability as best as possible in an unchanged very competitive environment. We will pursue the long-term expansion course risk-consciously as before through organic growth as well as acquisitions.

DEVELOPMENT IN THE DIVISIONS

MM Karton

in millions of EUR, IFRS	1 st HY/2015	1 st HY/2014	+/-
Sales¹⁾	522.4	511.4	+2.2 %
Operating profit	40.9	39.0	+4.9 %
Operating margin (in %)	7.8 %	7.6 %	
Tonnage sold (in thousands of tons)	834	806	+3.5 %
Tonnage produced (in thousands of tons)	837	805	+4.0 %

¹⁾ including interdivisional sales

Against the background of solid demand on the European cartonboard market, the business development of MM Karton in the first two quarters of 2015 was characterized by high capacity utilization and improved productivity. At 99 % (1st half of 2014: 98 %) capacities continued to be almost fully utilized. At 91,000 tons, the average order backlog was significantly above the comparative figure of the previous year (1st half of 2014: 58,000 tons).

However, as a result of the robust market environment there is also an upward trend in the cost of raw materials, such as fibers and chemicals, over the last months. Accordingly, a price increase was gradually implemented in the second quarter.

At 837,000 tons and 834,000 tons respectively, both production as well as tonnage sold were around 4 % above the comparative figures of the previous year (1st half of 2014: 805,000 tons and 806,000 tons respectively). With a share of around 84 % (1st half of 2014: 82 %), slightly more was sold in Europe, with markets outside of Europe accounting for around 16 % (1st half of 2014: 18 %).

As a result of lower average prices, sales development was somewhat behind the volume dynamics with an increase of around 2 % to EUR 522.4 million (1st half of 2014: EUR 511.4 million). In contrast, operating profit could be improved by around 5 % to EUR 40.9 million (1st half of 2014: EUR 39.0 million), thus the operating margin reached 7.8 % (1st half of 2014: 7.6 %).

MM Packaging

in millions of EUR, IFRS	1 st HY/2015	1 st HY/2014	+/-
Sales¹⁾	598.2	573.0	+4.4 %
Operating profit	55.6	49.7	+11.9 %
Operating margin (in %)	9.3 %	8.7 %	
Tonnage processed (in thousands of tons)	358	351	+2.0 %
Sheet equivalent (in millions)	1,001.3	986.6	+1.5 %

¹⁾ including interdivisional sales

Demand for folding cartons on our European main markets was characterized by a high degree of stability in the first half of 2015. In contrast, the economic slowdown in emerging markets such as South America is becoming noticeable.

Due to sufficient production capacities, the European market remains highly competitive and continually requires all efforts to be concentrated. MM Packaging is thereby focusing on cost leadership through highly efficient production in major locations, convincing quality and services as well as the early entering into new markets for long-term cooperation with successful customers.

Based on this, a growth in both sales and profit was recorded in comparison to the previous year's period. High capacity utilization and overall good performance of the plants characterized the general positive picture. However, sustainable recovery is still not noticeable.

With an increase in sales by 4.4 % to EUR 598.2 million (1st half of 2014: EUR 573.0 million), operating profit rose by 11.9 % to EUR 55.6 million (1st half of 2014: EUR 49.7 million). The operating margin went up correspondingly from 8.7 % to 9.3 %.

The tonnage processed increased by 2.0 % from 351,000 tons to 358,000 tons, the sheet equivalent by 1.5 % from 986.6 million to 1,001.3 million.

Expansion Southeast Asia

The site MM Packaging Vidon in Vietnam will be developed for further exploitation of the market in Southeast Asia. The production of the start-up business MM Packaging Malaysia will therefore be integrated into the Vietnamese site by the end of 2015.

QUARTERLY OVERVIEW

MAYR-MELNHOF GROUP

consolidated, in millions of EUR, IFRS	1Q/2014	2Q/2014	3Q/2014	4Q/2014	1Q/2015	2Q/2015
Sales	523.9	509.2	537.9	516.4	533.9	535.7
EBITDA	68.5	65.0	70.1	64.8	74.0	70.1
EBITDA margin (in %)	13.1 %	12.8 %	13.0 %	12.5 %	13.9 %	13.1 %
Operating profit	46.2	42.5	47.8	43.7	50.8	45.7
Operating margin (in %)	8.8 %	8.3 %	8.9 %	8.5 %	9.5 %	8.5 %
Profit before tax	43.3	39.4	48.8	39.5	47.6	43.2
Income tax expense	(11.2)	(10.5)	(12.3)	(5.4)	(12.1)	(11.5)
Profit for the period	32.1	28.9	36.5	34.1	35.5	31.7
Net profit margin (in %)	6.1 %	5.7 %	6.8 %	6.6 %	6.6 %	5.9 %
Earnings per share (in EUR)	1.59	1.44	1.83	1.68	1.77	1.56

DIVISIONS

MM KARTON

in millions of EUR, IFRS	1Q/2014	2Q/2014	3Q/2014	4Q/2014	1Q/2015	2Q/2015
Sales¹⁾	259.4	252.0	256.5	234.9	258.9	263.5
Operating profit	18.8	20.2	19.9	15.8	18.6	22.3
Operating margin (in %)	7.2 %	8.0 %	7.8 %	6.7 %	7.2 %	8.5 %
Tonnage sold (in thousands of tons)	408	398	412	368	421	413
Tonnage produced (in thousands of tons)	401	404	408	372	415	422

¹⁾ including interdivisional sales

MM PACKAGING

in millions of EUR, IFRS	1Q/2014	2Q/2014	3Q/2014	4Q/2014	1Q/2015	2Q/2015
Sales¹⁾	290.4	282.6	309.0	305.7	300.7	297.5
Operating profit	27.4	22.3	27.9	27.9	32.2	23.4
Operating margin (in %)	9.4 %	7.9 %	9.0 %	9.1 %	10.7 %	7.9 %
Tonnage processed (in thousands of tons)	178	173	179	172	182	176
Sheet equivalent (in millions)	501.8	484.8	527.6	482.4	503.0	498.3

¹⁾ including interdivisional sales

The Half-Year Financial Report 2015 as well as the CEO video presentation and the details for today's CEO Conference Call are available on our website: www.mayr-melnhof.com

Forthcoming results:

November 12, 2015

Results for the first three Quarters of 2015

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