



PRESS RELEASE

November 12, 2015

Results for the first three quarters of 2015

- Strong third quarter
- Increase in sales and profit in both divisions
- High capacity utilization
- Good expectations for the whole year
- Acquisition of French folding carton group completed by end of October

The Mayr-Melnhof Group was able, as expected, to continue the positive development over the course of the year with a good third quarter. Under ongoing highly competitive conditions without any sign of economic upturn, sales as well as profit increased further over the first three quarters of 2015 compared to the same period of the previous year. Both divisions, MM Karton and MM Packaging, significantly contributed to maintaining the solid profitability of the Group with high levels of capacity utilization in the plants and increased productivity. The acquisition of a leading French folding carton group in the field of packaging for pharmaceuticals and luxury goods was completed successfully at the end of October 2015 and shall thereby, as hitherto, combine organic and acquisitive growth.

Expectations for the fourth quarter and 2015 as a whole remain intact. In November 2015, an interim dividend of EUR 1.60 per share was paid out for the financial year 2015.

GROUP KEY INDICATORS - IFRS

consolidated, in millions of EUR, IFRS	1-3Q/2015	1-3Q/2014	+/-
Sales	1,617.8	1,571.0	+3.0 %
Operating profit	154.6	136.5	+13.3 %
Operating margin (in %)	9.6 %	8.7 %	
Profit before tax	146.8	131.5	+11.6 %
Income tax expense	(38.6)	(34.0)	
Profit for the period	108.2	97.5	+11.0 %
Net profit margin (in %)	6.7 %	6.2 %	
Earnings per share (in EUR)	5.36	4.86	
Employees	9,222	9,399 ¹⁾	
Capital expenditures	84.0	97.3	
Depreciation and amortization	71.9	69.6	

¹⁾ as of December 31, 2014

The Group's consolidated sales totaled EUR 1,617.8 million and were thus 3.0 % or EUR 46.8 million above the previous year's figure (1-3Q 2014: EUR 1,571.0 million). This increase primarily results from higher business volumes in both divisions.

At EUR 154.6 million, operating profit was 13.3 % or EUR 18.1 million above the comparative value of the previous year (1-3Q 2014: EUR 136.5 million). Both divisions equally contributed to this. The Group's operating margin thus rose from 8.7 % to 9.6 %.

With ongoing low interests, financial income of EUR 1.4 million (1-3Q 2014: EUR 1.1 million) was offset by financial expenses of EUR -4.7 million (1-3Q 2014: EUR -3.7 million).

Profit before tax increased by 11.6 % to EUR 146.8 million after EUR 131.5 million in the first three quarters of the previous year. Income tax expense totaled EUR 38.6 million (1-3Q 2014: EUR 34.0 million), resulting in an effective Group tax rate of 26.3 % (1-3Q 2014: 25.9 %).

Profit for the period thus went up by 11.0 % to EUR 108.2 million (1-3Q 2014: EUR 97.5 million).

DEVELOPMENT IN THE THIRD QUARTER

Strong volume dynamics and high capacity utilization of the plants characterized development of both divisions in the third quarter of this year.

At 99 % (2Q 2015: 99 %; 3Q 2014: 99 %), capacities of the cartonboard division were almost fully utilized. Average prices for cartonboard were slightly above those of the previous year's period. The operating margin of MM Karton amounted to 9.6 % following 8.5 % in the second quarter of 2015 and 7.8 % in the third quarter of 2014.

The operating margin of MM Packaging reached 10.5 % (2Q 2015: 7.9 %; 3Q 2014: 9.0 %).

The Group's operating profit totaled EUR 58.1 million (2Q 2015: EUR 45.7 million; 3Q 2014: EUR 47.8 million), thus an operating margin of 10.6 % was achieved (2Q 2015: 8.5 %; 3Q 2014: 8.9 %).

The profit for the period amounted to EUR 41.0 million (2Q 2015: EUR 31.7 million; 3Q 2014: EUR 36.5 million).

OUTLOOK

Since the order intake from the cartonboard market is currently much more restrained, the order backlog of MM Karton has noticeably come down. Earnings performance is, however, expected to continue on a good level also in the fourth quarter of 2015 due to continuity at MM Packaging. So far, there is no sign of relief in prices for recovered paper, which significantly increased some months ago.

Current business remains focused on improvements in cost efficiency and product optimization in order to develop new market potential and maintain profitability. The expansion course shall continue through organic growth as well as acquisitions in the core business, cartonboard and folding cartons.

DEVELOPMENT IN THE DIVISIONS

MM Karton

in millions of EUR, IFRS	1-3Q/2015	1-3Q/2014	+/-
Sales¹⁾	787.4	767.9	+2.5 %
Operating profit	66.4	58.9	+12.7 %
Operating margin (in %)	8.4 %	7.7 %	
Tonnage sold (in thousands of tons)	1,252	1,218	+2.8 %
Tonnage produced (in thousands of tons)	1,259	1,213	+3.8 %

¹⁾ including interdivisional sales

Development on the European cartonboard market was characterized by a high degree of continuity in the first three quarters of 2015. At 99 % (1-3Q 2014: 98 %), capacities at MM Karton were almost fully utilized. At 88,000 tons, the average order backlog of the division was significantly above the value of the previous year's period (1-3Q 2014: 57,000 tons).

Due to the robust market development, prices for recovered paper recorded a significant increase towards the middle of the year, stabilizing at a high level over the summer months. Accordingly, a price increase of cartonboard was implemented.

At 1,259,000 tons, cartonboard production of the first three quarters 2015 was 3.8 % above the comparative figure of the previous year, and tonnage sold, at 1,252,000 tons, was 2.8 % higher (1-3Q 2014: 1,213,000 tons; 1,218,000 tons). Around 84 % of this was sold in Europe and 16 % in markets outside of Europe (1-3Q 2014: 82 %; 18 %). Supported by numerous product optimizations, it was possible to maintain market shares and to seize new opportunities.

In line with volumes, sales increased by 2.5 % to EUR 787.4 million (1-3Q 2014: EUR 767.9 million). In contrast, operating profit improved by around 12.7 % to EUR 66.4 million (1-3Q 2014: EUR 58.9 million), primarily as a result of higher productivity and further cost reductions. The operating margin therefore climbed to 8.4 % (1-3Q 2014: 7.7 %).

MM Packaging

in millions of EUR, IFRS	1-3Q/2015	1-3Q/2014	+/-
Sales¹⁾	907.9	882.0	+2.9 %
Operating profit	88.2	77.6	+13.7 %
Operating margin (in %)	9.7 %	8.8 %	
Tonnage processed (in thousands of tons)	545	530	+2.8 %
Sheet equivalent (in millions)	1,532.4	1,514.2	+1.2 %

¹⁾ including interdivisional sales

Demand on the European folding carton market was overall solid in the first three quarters of 2015, but without any sign of an economic upturn. Due to sufficient production capacities available on the market, price competition remains with unabated intensity.

MM Packaging therefore focuses on cost leadership through highly efficient production at high-performance locations, convincing quality and comprehensive service along the entire value chain. Timely exploitation of new markets, close cooperation with strong customers and continuous optimization of the product range support the long-term growth course.

The systematic pursuit of this strategy enabled us to increase both sales and profit compared with the same period of the previous year. The overall high capacity utilization of the plants as well as productivity improvements in manufacturing contributed significantly to this.

Sales went up by 2.9 % to EUR 907.9 million (1-3Q 2014: EUR 882.0 million). At EUR 88.2 million, operating profit was 13.7 % above the value of the previous year (1-3Q 2014: EUR 77.6 million) as a result of improved cost efficiency. The operating margin thus amounted to 9.7 % (1-3Q 2014: 8.8 %).

Tonnage processed rose by 2.8 % from 530,000 tons to 545,000 tons and the sheet equivalent by 1.2 % to 1,532.4 million (1-3Q 2014: 1,514.2 million).

QUARTERLY OVERVIEW

MAYR-MELNHOF GROUP

consolidated, in millions of EUR, IFRS	1Q/2014	2Q/2014	3Q/2014	4Q/2014	1Q/2015	2Q/2015	3Q/2015
Sales	523.9	509.2	537.9	516.4	533.9	535.7	548.1
EBITDA	68.5	65.0	70.1	64.8	74.0	70.1	81.4
EBITDA margin (in %)	13.1 %	12.8 %	13.0 %	12.5 %	13.9 %	13.1 %	14.9 %
Operating profit	46.2	42.5	47.8	43.7	50.8	45.7	58.1
Operating margin (in %)	8.8 %	8.3 %	8.9 %	8.5 %	9.5 %	8.5 %	10.6 %
Profit before tax	43.3	39.4	48.8	39.5	47.6	43.2	56.0
Income tax expense	(11.2)	(10.5)	(12.3)	(5.4)	(12.1)	(11.5)	(15.0)
Profit for the period	32.1	28.9	36.5	34.1	35.5	31.7	41.0
Net profit margin (in %)	6.1 %	5.7 %	6.8 %	6.6 %	6.6 %	5.9 %	7.5 %
Earnings per share (in EUR)	1.59	1.44	1.83	1.68	1.77	1.56	2.03

DIVISIONS

MM KARTON

in millions of EUR, IFRS	1Q/2014	2Q/2014	3Q/2014	4Q/2014	1Q/2015	2Q/2015	3Q/2015
Sales¹⁾	259.4	252.0	256.5	234.9	258.9	263.5	265.0
Operating profit	18.8	20.2	19.9	15.8	18.6	22.3	25.5
Operating margin (in %)	7.2 %	8.0 %	7.8 %	6.7 %	7.2 %	8.5 %	9.6 %
Tonnage sold (in thousands of tons)	408	398	412	368	421	413	418
Tonnage produced (in thousands of tons)	401	404	408	372	415	422	422

¹⁾ including interdivisional sales

MM PACKAGING

in millions of EUR, IFRS	1Q/2014	2Q/2014	3Q/2014	4Q/2014	1Q/2015	2Q/2015	3Q/2015
Sales¹⁾	290.4	282.6	309.0	305.7	300.7	297.5	309.7
Operating profit	27.4	22.3	27.9	27.9	32.2	23.4	32.6
Operating margin (in %)	9.4 %	7.9 %	9.0 %	9.1 %	10.7 %	7.9 %	10.5 %
Tonnage processed (in thousands of tons)	178	173	179	172	182	176	187
Sheet equivalent (in millions)	501.8	484.8	527.6	482.4	503.0	498.3	531.1

¹⁾ including interdivisional sales

The Interim Report for the first three quarters of 2015 is available on our website:
www.mayr-melnhof.com

Forthcoming results:

March 15, 2016 Financial results of 2015

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