

**PRESS RELEASE**

August 19, 2014

Results for the 1st Half-Year 2014

- Profit and sales above previous year
- Margin at MM Karton improved
- Continuing lack of impulses from private consumption

The Mayr-Melnhof Group was able to stand up positively on the whole in the first half of 2014 despite a weak macro-economic environment marked by a lack of stimulus from private consumption. Both profit and sales are above the previous year's figures at the end of the first six months. While profitability at the cartonboard division improved as a result of increased productivity and lower specific energy prices, the packaging division could not entirely reach the operating margin of the previous year, primarily due to the more restrained market dynamics in the second quarter.

As a recovery in demand is not in sight, price discipline remains the order of the day, which could so far be accomplished in both divisions according to plan.

Targeted investments and operational measures will allow us to keep competitiveness, profitability and future prospects of the Group further on a high level.

GROUP KEY INDICATORS - IFRS

| consolidated, in millions of EUR, IFRS | 1 st HY/2014 | 1 st HY/2013 | +/- |
|--|-------------------------|-------------------------|---------|
| Sales | 1,033.1 | 981.8 | +5.2 % |
| Operating profit | 88.7 | 77.5 | +14.5 % |
| Operating margin (in %) | 8.6 % | 7.9 % | |
| Profit before tax | 82.7 | 73.4 | +12.7 % |
| Income tax expense | (21.7) | (18.7) | |
| Profit for the period | 61.0 | 54.7 | +11.5 % |
| Net profit margin (in %) | 5.9 % | 5.6 % | |
| Earnings per share (in EUR) | 3.03 | 2.72 | |
| Employees | 9,502 | 9,477 ¹⁾ | |
| Capital expenditures | 65.5 | 49.5 | |
| Depreciation and amortization | 46.5 | 45.3 | |

¹⁾ as of December 31, 2013

At EUR 1,033.1 million, the Group's consolidated sales exceeded the level of the previous year by 5.2 % (1st half of 2013: EUR 981.8 million). This growth mainly results from an increase in volumes in both divisions as well as an extended product mix and better average selling prices at MM Karton.

Operating profit could be increased by 14.5 % or EUR 11.2 million to EUR 88.7 million. A clear rise in profit at the cartonboard division set off a slight decline at the packaging division. Thus, the operating margin of the Group went up from 7.9 % to 8.6 %.

Financial income totaled to EUR 0.9 million (1st half of 2013: EUR 0.7 million), financial expenses to EUR -2.6 million (1st half of 2013: EUR -1.8 million).

Profit before tax rose by 12.7 % to EUR 82.7 million (1st half of 2013: EUR 73.4 million). Income tax expenses amounted to EUR 21.7 million following EUR 18.7 million in the comparative period of the previous year, resulting in an effective Group tax rate of 26.2 % (1st half of 2013: 25.5 %).

As a consequence, the profit for the period increased by 11.5 % to EUR 61.0 million (1st half of 2013: EUR 54.7 million).

DEVELOPMENT IN THE SECOND QUARTER

The Group's business development in the second quarter of 2014 was characterized by a slight increase in sales and profit compared to the previous year's period as well as a slight decline compared to the first quarter 2014. While, with 98 %, capacities in cartonboard production were once again almost fully utilized (1Q 2014: 97 %; 2Q 2013: 100 %), the volumes in the folding carton production were above the previous year but demand-related slightly below the first quarter of the current year. The development on raw material markets, similar to the sales market, was characterized by continuing stability, while energy prices were consistently below the previous year.

MM Karton was able to improve the operating margin compared to the previous quarter (1Q 2014: 7.2 %) as well as to the comparative quarter of the previous year (2Q 2013: 6.5 %) to 8.0 %.

The operating margin of MM Packaging amounted to 7.9 % (1Q 2014: 9.4 %; 2Q 2013: 8.6 %)

The operating profit of the Group totaled to EUR 42.5 million following EUR 46.2 million in the first quarter of 2014 and EUR 39.1 million in the second quarter of the previous year. Thus, the Group operating margin amounted to 8.3 % (1Q 2014: 8.8 %; 2Q 2013: 8.1 %).

The profit for the period reached EUR 28.9 million (1Q 2014: EUR 32.1 million; 2Q 2013: EUR 27.7 million).

OUTLOOK

The forecasts for private consumption and thus also for demand for cartonboard and folding cartons still show an overall stable but regionally more heterogeneous picture again. There is a lack of momentum across the whole market, resulting in continuing intensified predatory competition. Due to largely stable raw material prices, we continue to pay close attention to the best possible price discipline.

Offering an attractive portfolio of products and range of services, we aim to maintain market shares and acquire new business even in weak overall conditions. Programs for increasing cost efficiency continue to focus on keeping competitiveness and profitability at a high level.

As a consequence of the extremely short-term visibility, it is not possible from today's perspective to provide a profit estimate for the whole year 2014. Due to the non-recurring income in the third quarter of the previous year as well as the rebuild of the large cartonboard machine in Frohnleiten for FOODBOARD™ in the fourth quarter, a profit contribution below the previous year is expected in the second half of 2014.

DEVELOPMENT IN THE DIVISIONS

MM Karton

| in millions of EUR, IFRS | 1 st HY/2014 | 1 st HY/2013 | +/- |
|---|-------------------------|-------------------------|---------|
| Sales¹⁾ | 511.4 | 476.7 | +7.3 % |
| Operating profit | 39.0 | 26.9 | +45.0 % |
| Operating margin (in %) | 7.6 % | 5.6 % | |
| Tonnage sold (in thousands of tons) | 806 | 803 | +0.4 % |
| Tonnage produced (in thousands of tons) | 805 | 804 | +0.1 % |

¹⁾ including interdivisional sales

Short-term planning and continuing caution characterized the ordering behavior of customers across all product qualities and sales regions during the first half-year. Due to a high degree of flexibility in sales and production, it was though still possible to achieve almost full capacity utilization of 98 % (1st half of 2013: 99 %) at MM Karton and to safeguard market shares. However, owing to the lack of market dynamics, the average order backlog at 58,000 tons (1st half of 2013: 89,000 tons) remained consistently low.

Analogously to the sales markets, raw material markets, especially for the strategic input factor recovered paper, were characterized by a constantly flat development as well. In contrast a decline was recorded in the specific energy prices.

At 805,000 tons and 806,000 tons respectively, production and tonnage sold in the first half-year were slightly above the comparative values of the previous year (1st half of 2013: 804,000 tons and 803,000 tons respectively). In geographical terms, similar to the previous year, 82 % was sold in Europe and 18 % in markets outside Europe (1st half of 2013: 83 %; 17 %).

Mainly as a result of an extended product mix and better prices, sales increased by 7.3 % from EUR 476.7 million to EUR 511.4 million. In accordance with this and due to the shortfall of rebuild and downtime costs from the comparative period of the previous year as well as further cost reductions, operating profit rose to EUR 39.0 million following EUR 26.9 million in the first half-year of 2013. The operating margin was therefore 7.6 % (1st half of 2013: 5.6 %).

MAJOR INVESTMENT FOODBOARD™

Investment highlight of MM Karton this year is a major investment of around EUR 50 million in the Austrian Frohnleiten main mill for FOODBOARD™, an innovative cartonboard that guarantees optimum protection for food. The implementation is planned for the fourth quarter.

MM Packaging

| in millions of EUR, IFRS | 1st HY/2014 | 1 st HY/2013 | +/- |
|--|-------------------------------|-------------------------|--------|
| Sales¹⁾ | 573.0 | 557.5 | +2.8 % |
| Operating profit | 49.7 | 50.6 | -1.8 % |
| Operating margin (in %) | 8.7 % | 9.1 % | |
| Tonnage processed (in thousands of tons) | 351 | 334 | +5.1 % |
| Sheet equivalent (in millions) | 986.6 | 924.9 | +6.7 % |

¹⁾ including interdivisional sales

Demand on the European folding carton market still remains restrained, thus reflecting the overall weak picture of private consumption in Europe. Positive impulses have so far failed to appear, which is also the reason why intensified price competition is continuing unabated among suppliers. Thereby, consolidation within the industry is so far only progressing at a slow pace.

Against this background, MM Packaging is relying on a large number of measures aimed at increasing efficiency and productivity in order to keep the competitiveness and profitability of the plants at a high level. However, increasing regional heterogeneity in capacity utilization and permanent price pressure remain an ongoing challenge.

In the first six months of the year the division further succeeded in gaining new volumes. Tonnage processed increased by 5.1 % from 334,000 tons to 351,000 tons, the sheet equivalent by 6.7 % from 924.9 million to 986.6 million.

However, this volume growth was countered by a more restrained increase in sales of 2.8 % to EUR 573.0 million, whereby it was possible to keep production costs under control. Accordingly, an operating profit of EUR 49.7 million was achieved in the first half-year, close to the previous year's value (1st half of 2013: EUR 50.6 million). The operating margin was thus 8.7 %, following 9.1 % in the previous year.

COMMISSIONING OF A FOURTH PLANT IN TURKEY

In Gaziantep, in the center of Eastern Anatolia, MM Packaging put into operation the newly constructed fourth folding carton site in Turkey in the first months of the year.

QUARTERLY OVERVIEW

MAYR-MELNHOF GROUP

| consolidated, in millions of EUR, IFRS | 1Q/2013 | 2Q/2013 | 3Q/2013 | 4Q/2013 | 1Q/2014 | 2Q/2014 |
|--|---------|---------|---------|---------|---------------|---------------|
| Sales | 496.7 | 485.1 | 515.3 | 502.3 | 523.9 | 509.2 |
| EBITDA | 60.3 | 61.8 | 73.5 | 56.7 | 68.5 | 65.0 |
| EBITDA margin (in %) | 12.1 % | 12.7 % | 14.3 % | 11.3 % | 13.1 % | 12.8 % |
| Operating profit | 38.4 | 39.1 | 52.7 | 35.2 | 46.2 | 42.5 |
| Operating margin (in %) | 7.7 % | 8.1 % | 10.2 % | 7.0 % | 8.8 % | 8.3 % |
| Profit before tax | 36.2 | 37.2 | 48.8 | 34.2 | 43.3 | 39.4 |
| Income tax expense | (9.2) | (9.5) | (10.7) | (4.1) | (11.2) | (10.5) |
| Profit for the period | 27.0 | 27.7 | 38.1 | 30.1 | 32.1 | 28.9 |
| Net profit margin (in %) | 5.4 % | 5.7 % | 7.4 % | 6.0 % | 6.1 % | 5.7 % |
| Earnings per share (in EUR) | 1.35 | 1.37 | 1.90 | 1.49 | 1.59 | 1.44 |

DIVISIONS

MM KARTON

| in millions of EUR, IFRS | 1Q/2013 | 2Q/2013 | 3Q/2013 | 4Q/2013 | 1Q/2014 | 2Q/2014 |
|--------------------------------------|---------|---------|---------|---------|--------------|--------------|
| Sales¹⁾ | 237.6 | 239.1 | 249.5 | 238.4 | 259.4 | 252.0 |
| Operating profit | 11.3 | 15.6 | 25.7 | 12.7 | 18.8 | 20.2 |
| Operating margin (in %) | 4.8 % | 6.5 % | 10.3 % | 5.3 % | 7.2 % | 8.0 % |
| Tonnage sold (in thous. of tons) | 404 | 399 | 410 | 386 | 408 | 398 |
| Tonnage produced (in thous. of tons) | 391 | 413 | 408 | 392 | 401 | 404 |

¹⁾ including interdivisional sales

MM PACKAGING

| in millions of EUR, IFRS | 1Q/2013 | 2Q/2013 | 3Q/2013 | 4Q/2013 | 1Q/2014 | 2Q/2014 |
|---------------------------------------|---------|---------|---------|---------|--------------|--------------|
| Sales¹⁾ | 285.6 | 271.9 | 292.0 | 289.2 | 290.4 | 282.6 |
| Operating profit | 27.1 | 23.5 | 27.0 | 22.5 | 27.4 | 22.3 |
| Operating margin (in %) | 9.5 % | 8.6 % | 9.2 % | 7.8 % | 9.4 % | 7.9 % |
| Tonnage processed (in thous. of tons) | 168 | 166 | 168 | 169 | 178 | 173 |
| Sheet equivalent (in millions) | 465.7 | 459.2 | 475.9 | 472.9 | 501.8 | 484.8 |

¹⁾ including interdivisional sales

The Half-Year Financial Report 2014 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 13, 2014 Results for the first three Quarters of 2014

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