MM KARTON AG

1–2 Q|2012

Half-year Financial Report 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

Mayr-Melnhof Group Key Indicators

(according to IFRS for interim financial reporting, unaudited)

	1st - 2nd Quarter		
(consolidated, in millions of EUR)	**Jan. 1 - Jun. 30, 2012**	Jan. 1 - Jun. 30, 2011	+/-
Sales	975.0	988.2	-1.3 %
EBITDA	121.8	133.2	-8.6 %
EBITDA margin (%)	12.5 %	13.5 %	
Operating profit	79.1	92.7	-14.7 %
Operating margin (%)	8.1 %	9.4 %	
Profit before tax	71.9	88.8	-19.0 %
Income tax expense	(20.7)	(24.8)	
Profit for the period	51.2	64.0	-20.0 %
Net profit margin (%)	5.3 %	6.5 %	
Basic and diluted earnings per share (in EUR)	2.55	3.18	
Cash earnings	93.0	103.9	-10.5 %
Cash earnings margin (%)	9.5 %	10.5 %	
Capital expenditures	45.6	45.9	-0.7 %
Depreciation and amortization	43.4	41.6	+4.3 %

	Balance sheet date	
	Jun. 30, 2012	Dec. 31, 2011
Total equity (in millions of EUR)	1,021.4	1,005.9
Total assets (in millions of EUR)	1,554.0	1,566.6
Total equity to total assets (%)	65.7 %	64.2 %
Net liquidity (in millions of EUR)	150.1	208.6
Enterprise value (in millions of EUR)	1,454.8	1,321.0
Employees	8,618	8,882

Group Report

Dear Shareholders,

Your Company 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.

Income statement

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.

Consolidated sales by destination (according to IFRS for interim financial reporting, unaudited)

	1st - 2nd Quarter	
(in %)	**Jan. 1 - Jun. 30, 2012**	Jan. 1 - Jun. 30, 2011
Western Europe	62.4 %	64.6 %
Eastern Europe	25.2 %	23.6 %
Asia	4.4 %	4.0 %
Latin America	4.3 %	3.4 %
Other	3.7 %	4.4 %
Total	**100.0 %**	**100.0 %**

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).

Assets, capital and liquid funds

The total assets of the Group amounted to EUR 1,554.0 million as of June 30, 2012, whereas the difference compared to year-end 2011 (EUR 1,566.6 million) is mainly attributable to a reduction in current liabilities. With EUR 1,021.4 million, the Group's total equity was slightly above the value of December 31, 2011 (EUR 1,005.9 million) due to profit and dividend. Thus, total equity to total assets of the Group leveled at approximately 66 % by mid-year 2012.

The interest-bearing financial liabilities, consisting in almost equal parts of non-current and current liabilities, were reduced by approximately EUR 13.7 million to EUR 127.2 million (December 31, 2011: EUR 140.9 million) due to repayments. Total funds available to the Group, which are mainly invested in fixed deposits, amounted to EUR 277.3 million at the end of June 2012 (December 31, 2011: EUR 349.5 million). Thus, the Group's net liquidity declined to EUR 150.1 million (December 31, 2011: EUR 208.6 million) also due to the dividend paid.

Cash flow development

Cash flow from operating activities increased from EUR 51.3 million in the first half of 2011 to EUR 57.9 million. This rise is mostly attributable to a lower build-up of working capital.

Cash flow from investing activities went up from EUR -62.7 million to EUR -69.9 million in the previous year. This difference is mainly attributable to higher payments for the acquisition and increase in participations.

The cash flow from financing activities rose to EUR -60.3 million (1st half of 2011: EUR -32.6 million). The take up of financial liabilities in the previous year was offset by higher repayments in the current year.

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 hardly gave indications 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).

Further information

At the beginning of April 2012, the division MM Packaging acquired a share of 20 % in the largest Columbian folding carton manufacturer, Gráficas Los Andes S.A., located in Santiago de Cali. MM Packaging holds an option right to the remaining share of 80 %. Currently, the company generates annual sales of approximately EUR 17 million with about 200 employees.

In June 2012, the division MM Packaging acquired the remaining share of 30 % in the Chilean folding carton manufacturer Marinetti S.A., located in Santiago de Chile, and now holds 100 % of the shares.

Also in June 2012, the division MM Packaging acquired the remaining share of 49 % in the Tunisian folding carton manufacturer TEC MMP SARL, located in Sfax, and now holds 100 % of the shares.

In the first half-year of 2012, MM Packaging discontinued packaging production at the Liverpool site in Great Britain due to the economic situation and the most recent market development. This measure did not affect customers, as they are being supplied by the European production network.

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.

Divisions

MM KARTON

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 %).

Divisional indicators MM Karton (according to IFRS for interim financial reporting, unaudited)

	1st - 2nd Quarter		
(in millions of EUR)	**Jan. 1 - Jun. 30, 2012**	Jan. 1 - Jun. 30, 2011	+/-
Sales[1)]	466.5	492.5	-5.3 %
Operating profit	29.5	43.3	-31.9 %
Operating margin (%)	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

MM PACKAGING

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 %).

Divisional indicators MM Packaging (according to IFRS for interim financial reporting, unaudited)

	1st - 2nd Quarter		
(in millions of EUR)	**Jan. 1 - Jun. 30, 2012**	Jan. 1 - Jun. 30, 2011	+/-
Sales[1)]	560.6	554.0	+1.2 %
Operating profit	49.6	49.4	+0.4 %
Operating margin (%)	8.8 %	8.9 %	
Tonnage processed (in thousands of tons)	323	345	-6.4 %

1) including interdivisional sales

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.

Consolidated Balance Sheets

(according to IFRS for interim financial reporting, unaudited)

		End of 2nd Quarter	Year-end
(all amounts in thousands of EUR)	Notes	Jun. 30, 2012	Dec. 31, 2011
ASSETS			
Property, plant and equipment	2	601,570	594,585
Intangible assets including goodwill	2	87,335	86,027
Securities and other financial assets		6,781	5,397
Deferred income taxes		11,491	9,126
Non-current assets		**707,177**	**695,135**
Inventories		240,216	244,503
Trade receivables		278,179	235,859
Income tax receivables		15,937	11,225
Prepaid expenses and other current assets		35,612	31,105
Cash and cash equivalents		276,857	348,755
Current assets		**846,801**	**871,447**
TOTAL ASSETS		**1,553,978**	**1,566,582**
EQUITY AND LIABILITIES			
Share capital		80,000	80,000
Additional paid-in capital		172,658	172,658
Treasury shares	4	(904)	(904)
Retained earnings		784,022	773,160
Other reserves		(20,277)	(30,768)
Equity attributable to shareholders of the Company		**1,015,499**	**994,146**
Non-controlling (minority) interests		5,942	11,795
Total equity		**1,021,441**	**1,005,941**
Interest-bearing financial liabilities	5	65,897	65,591
Financial lease liabilities	5	0	2,541
Provisions for other non-current liabilities and charges		72,278	72,442
Deferred income taxes		16,401	16,526
Non-current liabilities		**154,576**	**157,100**
Interest-bearing financial liabilities	5	61,259	72,160
Financial lease liabilities	5	0	638
Liabilities and provisions for income taxes		7,014	13,234
Trade liabilities		144,482	146,865
Deferred income and other current liabilities		67,083	88,101
Provisions for other current liabilities and charges		98,123	82,543
Current liabilities		**377,961**	**403,541**
Total liabilities		**532,537**	**560,641**
TOTAL EQUITY AND LIABILITIES		**1,553,978**	**1,566,582**

Consolidated Income Statements

(according to IFRS for interim financial reporting, unaudited)

	2nd Quarter		1st - 2nd Quarter	
(all amounts in thousands of EUR, except per share data)	**Apr. 1 - Jun. 30, 2012**	Apr. 1 - Jun. 30, 2011	**Jan. 1 - Jun. 30, 2012**	Jan. 1 - Jun. 30, 2011
Sales	480,063	493,512	974,955	988,173
Cost of sales	(381,866)	(388,297)	(775,887)	(778,208)
Gross margin	**98,197**	**105,215**	**199,068**	**209,965**
Other operating income	4,537	2,041	7,263	5,117
Selling and distribution expenses	(43,297)	(43,247)	(83,609)	(81,652)
Administrative expenses	(22,221)	(21,159)	(43,391)	(40,514)
Other operating expenses	(182)	(233)	(202)	(261)
Operating profit	**37,034**	**42,617**	**79,129**	**92,655**
Financial income	575	1,081	1,513	2,050
Financial expenses	(1,502)	(1,522)	(3,007)	(2,701)
Other income (expenses) – net	(3,832)	(1,927)	(5,754)	(3,244)
Profit before tax	**32,275**	**40,249**	**71,881**	**88,760**
Income tax expense	(9,540)	(11,691)	(20,664)	(24,793)
Profit for the period	**22,735**	**28,558**	**51,217**	**63,967**
Attributable to:				
Shareholders of the Company	22,608	28,284	50,924	63,522
Non-controlling (minority) interests	127	274	293	445
Profit for the period	**22,735**	**28,558**	**51,217**	**63,967**
Earnings per share for the profit attributable to the shareholders of the Company during the period:				
Basic and diluted earnings per share (in EUR)	1.15	1.42	2.55	3.18

Consolidated Comprehensive Income Statements

(according to IFRS for interim financial reporting, unaudited)

(all amounts in thousands of EUR)	2nd Quarter Apr. 1 - Jun. 30, 2012	2nd Quarter Apr. 1 - Jun. 30, 2011	1st - 2nd Quarter Jan. 1 - Jun. 30, 2012	1st - 2nd Quarter Jan. 1 - Jun. 30, 2011
Profit for the period	**22,735**	**28,558**	**51,217**	**63,967**
Profit (loss) directly recognized in equity:				
Foreign currency translations	3,508	(4,453)	10,500	(13,255)
Total profit (loss) directly recognized in equity – net:	**3,508**	**(4,453)**	**10,500**	**(13,255)**
Total profit for the period	**26,243**	**24,105**	**61,717**	**50,712**
Attributable to:				
Shareholders of the Company	25,882	24,234	61,415	50,940
Non-controlling (minority) interests	361	(129)	302	(228)
Total profit for the period	**26,243**	**24,105**	**61,717**	**50,712**

Consolidated Statements of Changes in Equity

(condensed version according to IFRS for interim financial reporting, unaudited)

1st - 2nd Quarter

(all amounts in thousands of EUR)	Notes	Equity attributable to shareholders of the Company: Share capital	Additional paid-in capital	Treasury shares	Retained earnings	Other reserves[1]	**Total**	Non-controlling (minority) interests	**Total equity**
Balance at January 1, 2012		**80,000**	**172,658**	**(904)**	**773,160**	**(30,768)**	**994,146**	**11,795**	**1,005,941**
Total profit for the period					50,924	10,491	**61,415**	302	**61,717**
Dividends paid	4				(41,968)		**(41,968)**	(436)	**(42,404)**
Increase in majority interests					1,906		**1,906**	(5,719)	**(3,813)**
Balance at June 30, 2012		**80,000**	**172,658**	**(904)**	**784,022**	**(20,277)**	**1,015,499**	**5,942**	**1,021,441**
Balance at January 1, 2011		**80,000**	**176,453**	**(904)**	**721,873**	**(19,659)**	**957,763**	**25,356**	**983,119**
Total profit for the period					63,522	(12,582)	**50,940**	(228)	**50,712**
Dividends paid					(38,970)		**(38,970)**	(545)	**(39,515)**
Increase in majority interests			(20,190)				**(20,190)**	(15,929)	**(36,119)**
Balance at June 30, 2011		**80,000**	**156,263**	**(904)**	**746,425**	**(32,241)**	**949,543**	**8,654**	**958,197**

[1] Other reserves comprise the profit (loss) directly recognized in equity from foreign currency translations.

Consolidated Cash Flow Statements

(condensed version according to IFRS for interim financial reporting, unaudited)

(all amounts in thousands of EUR)	Notes	1st - 2nd Quarter Jan. 1 - Jun. 30, 2012	Jan. 1 - Jun. 30, 2011
Cash flow from operating activities	6	57,910	51,289
Cash flow from investing activities		(69,921)	(62,739)
Cash flow from financing activities		(60,301)	(32,593)
Effect of exchange rate changes on cash and cash equivalents		414	(1,045)
Net change in cash and cash equivalents		**(71,898)**	**(45,088)**
Cash and cash equivalents at the beginning of the period		348,755	332,004
Cash and cash equivalents at the end of the period		**276,857**	**286,916**
Adjustments to reconcile cash and cash equivalents to total funds available to the Group:			
Current and non-current securities		431	448
Total funds available to the Group		**277,288**	**287,364**

Notes to the Consolidated Half-year Financial Statements

(1) General

These condensed consolidated half-year financial statements and notes thereto of Mayr-Melnhof Karton AG and its subsidiaries have been prepared in accordance with IFRS for interim financial reporting as adopted by the European Union and were neither voluntarily audited nor reviewed by an auditor.

The present condensed consolidated half-year financial statements have been prepared using the same accounting principles as for the consolidated financial statements as of December 31, 2011. The amendments to existing standards as published in the Official Journal of the European Union and effective since January 1, 2012 have not shown significant impact on the Group's financial statements and financial position.

(2) Development of fixed assets

The Group spent a total of thous. EUR 45,626 (1st half of 2011: thous. EUR 45,913) on acquiring property, plant and equipment and intangible assets in the first half-year of 2012.

Depreciation and amortization on "Property, plant and equipment" and "Intangible assets including goodwill" amounted to thous. EUR 43,437 (1st half of 2011: thous. EUR 41,648).

Net book values of "Property, plant and equipment" and "Intangible assets including goodwill" are composed as follows:

(all amounts in thousands of EUR)	End of 2nd Quarter Jun. 30, 2012	Year-end Dec. 31, 2011
Lands, similar land rights and buildings	235,712	237,298
Technical equipment and machines	279,734	295,966
Other equipment, fixtures and fittings	34,656	36,091
Payments on account and construction in progress	51,468	25,230
Property, plant and equipment	**601,570**	**594,585**

(all amounts in thousands of EUR)	End of 2nd Quarter Jun. 30, 2012	Year-end Dec. 31, 2011
Concessions, licenses and similar rights, and payments on account	5,131	4,460
Goodwill	65,703	64,666
Other intangible assets	16,501	16,901
Intangible assets including goodwill	**87,335**	**86,027**

(3) Purchase commitments

On June 30, 2012 purchase obligations for fixed assets regarding planned capital expenditures maturing within one year amounted to thous. EUR 27,816 (December 31, 2011: thous. EUR 30,753).

(4) Equity

TREASURY SHARES

As of June 30, 2012, the Group held 15,260 treasury shares, which is equivalent to 0.08 % of the capital stock. The last share repurchase program was terminated according to schedule on November 7, 2010.

DIVIDEND

By the 18th Ordinary Shareholder's Meeting, a dividend of EUR 2.10 per voting share was resolved for the year 2011 (2010: EUR 1.95) and was due on May 7, 2012. By June 30, 2012 the Group distributed to the shareholders a total of thous. EUR 41,968 (June 30, 2011: thous. EUR 38,970).

(5) Financial liabilities

Financial liabilities of the Group are as follows:

	End of 2nd Quarter	Year-end
(all amounts in thousands of EUR)	Jun. 30, 2012	Dec. 31, 2011
Non-current interest-bearing financial liabilities	65,897	65,591
Current interest-bearing financial liabilities	61,259	72,160
Interest-bearing financial liabilities	**127,156**	**137,751**
Non-current financial lease liabilities	0	2,541
Current financial lease liabilities	0	638
Financial lease liabilities	**0**	**3,179**
Total financial liabilities	**127,156**	**140,930**

(6) Cash flow from operating activities

The cash flow from operating activities and income taxes paid are as follows:

	1st - 2nd Quarter	
(all amounts in thousands of EUR)	Jan. 1 - Jun. 30, 2012	Jan. 1 - Jun. 30, 2011
Cash flow provided by operating activities excluding interest and taxes paid	92,357	76,011
Income taxes paid	(34,447)	(24,722)
Cash flow from operating activities	**57,910**	**51,289**

(7) Disclosure on transactions with related parties

In the first half-year of 2012 and 2011 no material business transactions were concluded between the Group and related parties. Transactions are carried out on an arm's length basis. Sales, receivables and payables are not of material significance.

(8) Segment reporting information

The Group's operating segments can be illustrated as follows:

	1st - 2nd Quarter 2012			
(all amounts in thousands of EUR)	MM Karton	MM Packaging	Eliminations	**Consolidated**
Sales to external customers	414,849	560,106	0	974,955
Intersegment sales	51,639	503	(52,142)	0
Total sales	**466,488**	**560,609**	**(52,142)**	**974,955**
Operating profit	29,491	49,638	0	79,129

	1st - 2nd Quarter 2011			
(all amounts in thousands of EUR)	MM Karton	MM Packaging	Eliminations	**Consolidated**
Sales to external customers	435,392	552,781	0	988,173
Intersegment sales	57,096	1,184	(58,280)	0
Total sales	**492,488**	**553,965**	**(58,280)**	**988,173**
Operating profit	43,286	49,369	0	92,655

(9) Further information

In April 2012, MM Packaging acquired an interest of 20 % in the folding carton producer Gráficas Los Andes S.A., located in Santiago de Cali, Colombia, for thous. EUR 1,500. The inclusion into the balance sheet will be effected according to the at-equity method.

In June 2012, the division MM Packaging acquired the remaining share of 30 % in the Chilean folding carton producer Marinetti S.A., located in Santiago de Chile, for thous. EUR 22,730 and thereby holds a participation of 100 % of the company. For the correspondent purchase option a liability was recorded and the changes of the annual valuation were recognized in other income (expenses). The last expense resulting from this issue in 2012 amounts to thous. EUR 4,178.

In September 2009, the non-controlling (minority) shareholder of the Tunisian folding carton producer TEC MMP SARL based in Sfax exercised the put option concerning the 49 %-interest. The correspondent arbitration was closed on July 7, 2011. In June 2012, the division MM Packaging acquired the remaining shares after completion of the local approval process for a price of thous. EUR 3,924 and thereby holds a participation of 100 % of the company.

(10) Subsequent events

No events that require disclosure took place between the balance sheet date June 30, 2012 and the publication approval on August 14, 2012.

Statement of the Management Board

according to section 87 of the Austrian Stock Exchange Act

We confirm to the best of our knowledge that the condensed interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements, of the principal risks and uncertainties for the remaining six months of the financial year as well as of the major related party transactions to be disclosed.

Vienna, August 14, 2012

The Management Board

Wilhelm Hörmanseder m.p.
Chairman of the Management Board

Andreas Blaschke m.p.
Member of the Management Board

Franz Rappold m.p.
Member of the Management Board

Oliver Schumy m.p.
Member of the Management Board

Quarterly Overview

(according to IFRS for interim financial reporting, unaudited)

Mayr-Melnhof Group

(consolidated, in millions of EUR)	1st Quarter 2011	2nd Quarter 2011	3rd Quarter 2011	4th Quarter 2011	**1st Quarter 2012**	**2nd Quarter 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 (%)	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 (%)	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 (%)	7.2 %	5.8 %	5.5 %	5.8 %	5.8 %	4.7 %
Earnings per share (basic and diluted in EUR)	1.76	1.42	1.40	1.33	1.40	1.15

Divisions

MM KARTON

(in millions of EUR)	1st Quarter 2011	2nd Quarter 2011	3rd Quarter 2011	4th Quarter 2011	**1st Quarter 2012**	**2nd Quarter 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 (%)	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

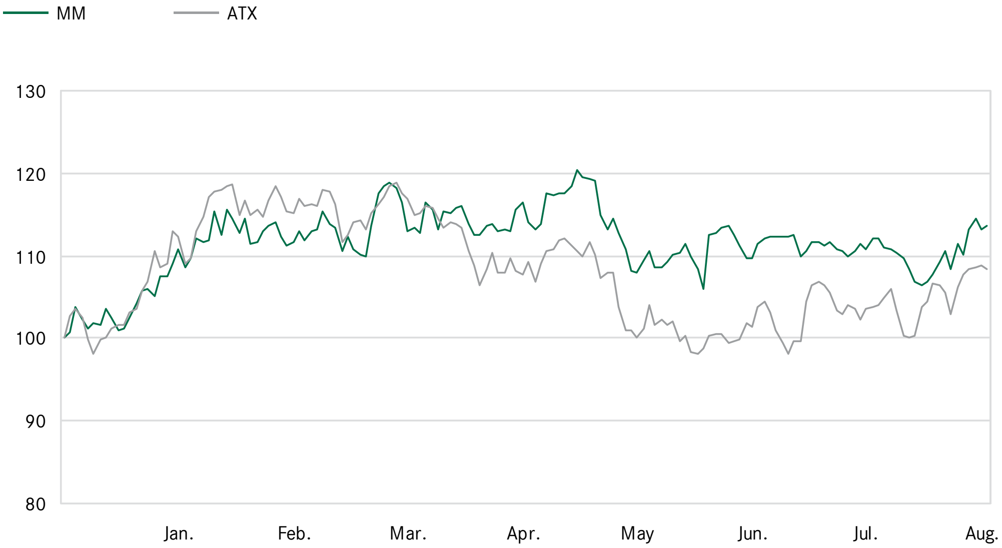
MM PACKAGING

(in millions of EUR)	1st Quarter 2011	2nd Quarter 2011	3rd Quarter 2011	4th Quarter 2011	**1st Quarter 2012**	**2nd Quarter 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 (%)	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

Mayr-Melnhof Shares

Relative performance of MM shares 2012 (December 30, 2011 = 100)



Share price (closing price)	
as of August 10, 2012	74.50
2012 High	78.80
2012 Low	66.02
Stock performance (Year-end 2011 until August 10, 2012)	+13.72 %
Number of shares issued	20 million
Market capitalization as of August 10, 2012 (in millions of EUR)	1,488.86
Trading volume (average per day 1st HY 2012 in millions of EUR)	1.04

EXCHANGE AND CANCELLATION OF EFFECTIVELY ISSUED SHARE CERTIFICATES

In accordance with legal regulations, Mayr-Melnhof Karton AG is obliged to replace all bearer share certificates still in circulation (effective share certificates) with a collective instrument and, if necessary, to declare as void any bearer share certificates that have not been presented pursuant to Austrian Stock Corporation Act. Detailed information on the ongoing process of exchange is published on the Company's website www.mayr-melnhof.com.

As of September 28, 2012 only those shares designated as ISIN AT0000938204 that are securitized in collective certificates will be listed and traded as common shares on the Vienna Stock Exchange.

Financial Calendar 2012 / 2013

November 15, 2012	Results for the first three quarters of 2012
March 14, 2013	Financial results for 2012
April 24, 2013	19^{th} Ordinary Shareholders' Meeting - Vienna
April 30, 2013	Ex-dividend day
May 7, 2013	Dividend payment date
May 15, 2013	Results for the 1^{st} quarter of 2013
August 14, 2013	Results for the 1^{st} half-year of 2013
November 14, 2013	Results for the first three quarters of 2013

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