



- Significant increase of results in the 3<sup>rd</sup> quarter
- Rise in cartonboard prices compensates recent cost surge
- High capacity utilization in both divisions
- Good prospects for the 4<sup>th</sup> quarter and the full year

Report for the  
first three quarters of 2010

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**3Q/10**

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# Mayr-Melnhof Group

## Key Indicators

(according to IFRS for interim financial reporting, unaudited)

(consolidated, in millions of EUR)	1 <sup>st</sup> - 3 <sup>rd</sup> Quarter		
	Jan. 1 - Sep. 30, 2010	Jan. 1 - Sep. 30, 2009	+/-
Sales	1,315.7	1,186.5	+10.9 %
EBITDA	174.1	172.4	+1.0 %
EBITDA margin (%)	13.2 %	14.5 %	
Operating profit	123.3	110.1	+12.0 %
Operating margin (%)	9.4 %	9.3 %	
Profit before tax	113.9	110.2	+3.4 %
Income tax expense	(30.7)	(29.9)	
Profit for the period	83.2	80.3	+3.6 %
Net profit margin (%)	6.3 %	6.8 %	
Basic and diluted earnings per share (in EUR)	4.04	3.69	
Cash earnings	138.0	142.5	-3.2 %
Cash earnings margin (%)	10.5 %	12.0 %	
Capital expenditures	57.2	41.7	+37.2 %
Depreciation and amortization	58.7	63.9	-8.1 %

	Balance sheet date	
	Sep. 30, 2010	Dec. 31, 2009
Total equity (in millions of EUR)	954.2	964.3
Total assets (in millions of EUR)	1,446.6	1,391.8
Total equity to total assets (%)	66.0 %	69.3 %
Net liquidity (in millions of EUR)	178.8	288.7
Enterprise value (in millions of EUR)	1,511.2	1,542.2
Employees	8,666	8,112

# Group Report

Dear Shareholders,

As expected your Company managed to continue the positive business development of the previous quarters also in the third quarter 2010 supported by the temporary economic recovery. Thus, it was possible to improve sales and profits in the first three quarters of 2010 in comparison to last year, both in cartonboard production as well as in the folding carton business.

MM Karton primarily focused on passing on the massive increase in fiber prices. Due to the fact that capacities were fully utilized in the third quarter, the so far incurred cost burden could be passed on to a noticeable extent and the margin recovered.

MM Packaging managed to sustain profitability at a high level particularly due to growing sales and volumes. However, increasing cartonboard prices remain a great challenge.

Although we have already passed this year's order peaks, we still started the fourth quarter well booked. In line with the continuing positive order situation, we do not expect any significant price decreases on the procurement markets. In fact, the prices for chemicals and logistics are going up considerably, which is why another cartonboard price increase has been implemented since the beginning of October.

However, after last months' momentum, we expect a normalization in business development in the next few quarters.

## Income statement

At EUR 1,315.7 million, consolidated sales of the Group were up 10.9 %, i.e. EUR 129.2 million compared to the previous year (1-3Q 2009: EUR 1,186.5 million). A clear increase in volume in both divisions as well as higher cartonboard prices were the most significant reasons for this rise.

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

(in %)	1 <sup>st</sup> - 3 <sup>rd</sup> Quarter	
	Jan. 1 - Sep. 30, 2010	Jan. 1 - Sep. 30, 2009
Western Europe	68.1 %	70.3 %
Eastern Europe	24.8 %	22.3 %
Asia	3.4 %	2.9 %
Other	3.7 %	4.5 %
<b>Total</b>	<b>100.0 %</b>	<b>100.0 %</b>

The operating profit could be improved by 12.0 %, from EUR 110.1 million to EUR 123.3 million. With additional volume and higher cartonboard prices, the so far incurred price increase for input factors, in particular fibers, was compensated. Thus, the Group's operating margin remained stable at 9.4 % (1-3Q 2009: 9.3 %).

Resulting from lower interest rates, both financial income went down from EUR 6.8 million to EUR 1.8 million and financial expenses from EUR -3.9 million to EUR -1.7 million.

Non-recurring expenses from the disposal of participations amounted to EUR -6,9 million and resulted mainly from the discontinuation of cartonboard production and the sale of Karton Deisswil AG, Switzerland in the second quarter.

Profit before tax therefore amounted to EUR 113.9 million, compared to EUR 110.2 million in the comparative period of 2009.

At EUR 30.7 million and 27.0 % income tax expense as well as the effective Group tax rate remained almost on last year's level (1-3Q 2009: EUR 29.9 million, i.e. 27.1 %).

The profit for the period reached EUR 83.2 million, an increase of 3.6 % compared to the previous year. In the first three quarters of 2010, a basic weighted average of 20,095,509 shares were outstanding. On this basis, earnings per share added up to EUR 4.04 (1-3Q 2009: EUR 3.69).

### Assets, capital and liquid funds

As of September 30, 2010, the total assets of the Group amounted to EUR 1,446.6 million and therefore exceeded the value at year-end 2009 by EUR 54.8 million (December 31, 2009: EUR 1,391.8 million). This was above all attributable to the acquisition of the folding carton producer Marinetti S.A., Chile. The Group's total equity amounted to EUR 954.2 million, compared to EUR 964.3 million on December 31, 2009. This difference basically results from the profit for the period which is offset by the dividend payment for 2009 and share repurchases during the current year as deductible items.

Financial liabilities, which are mainly of current nature, went up from EUR 67.8 million (December 31, 2009) to EUR 74.9 million. Total funds available to the Group, mainly consisting of fixed-term deposits, amounted to EUR 253.7 million as of the end of September 2010 (December 31, 2009: EUR 356.5 million), thus resulting in a net liquidity for the Group of EUR 178.8 million (December 31, 2009: EUR 288.7 million).

At EUR 657.2 million non-current assets were up EUR 51.1 million from the year-end value of 2009 (December 31, 2009: EUR 606.1 million) mostly due to the latest acquisition.

In January 2010, the Group acquired 1,120,000 own shares and increased its stock holding to 2,015,260 shares. According to the resolution of the 16th Ordinary Shareholders' Meeting, 2 million treasury shares were cancelled by way of a simplified capital reduction of share capital as of June 17, 2010. Thus, as of September 30, 2010, the Group holds 15,260 treasury shares, i.e. 0.08 % of equity. The book value per share is EUR 59.23. The share repurchase program from November 27, 2007 until November 7, 2010 at the latest, was terminated as scheduled.

#### Cash flow development

Cash flow from operating activities reached EUR 88.2 million, compared to EUR 129.6 million in the first three quarters of 2009. This difference was mostly attributable to an increase in working capital as a consequence of the higher business volume.

Cash flow from investing activities amounted to EUR -83.6 million compared to EUR 116.5 million in the year-on-year comparison. In this case, comprehensive securities redemptions in the previous year face higher net payments for the acquisition of tangible assets and a participation in the current year.

The cash flow from financing activities changed particularly due to higher expenditures for the acquisition of own shares, from EUR -66.7 million to EUR -109.7 million.

### Development in the third quarter

Business development in the third quarter was characterized by continued high utilization of capacities in both divisions as well as by a significant adjustment of cartonboard prices to the increased cost level.

At 99 % MM Karton's capacities were fully utilized in the third quarter following particularly high utilization rates already seen in the previous quarters (1Q 2010: 97 %; 2Q 2010: 98 %; 3Q 2009: 90 %). As a consequence of higher prices and volume, MM Karton's sales came in significantly higher compared to the second quarter's figures (EUR 225.0 million versus EUR 207.4 million), as well as compared to the third quarter in the previous year (3Q 2009: EUR 197.7 million). Due to the compensation of the increase in input factor costs so far incurred, the operating margin significantly improved to 8.8 % (2Q 2010: 6.3 %; 3Q 2009: 7.1 %).

Based on a strong quantity and sales development, MM Packaging's operating margin remained largely stable in the third quarter at 9.9 % (2Q 2010: 10.0 %; 3Q 2009: 10.5 %).

The operating profit of the Group registered a considerable increase to EUR 45.7 million (2Q 2010: EUR 37.4 million; 3Q 2009: EUR 39.9 million), resulting in an operating margin of 10.1 % (2Q 2010: 8.8 %; 3Q 2009: 9.6 %).

With a profit for the period of EUR 34.3 million, the third quarter ended with the highest historical period result.

### Further information

#### Discontinuation of production and disposal of Karton Deisswil AG

At the end of May 2010, MM Karton sold all shares in Karton Deisswil AG to a regional Swiss investor group. Cartonboard production was shut down permanently.

#### Purchase of the largest Chilean folding carton producer, Marinetti, accomplished

In September 2010, MM Packaging purchased a participation of 70 % in the folding carton manufacturer Marinetti S.A. located in Santiago, Chile. This was recorded in the balance sheet on September 30, 2010 and will be included in the income statement in the fourth quarter 2010.

## Outlook

Considering the current order situation, a good utilization of capacities in both divisions can at least be expected until year-end. However, there are rising indications that the dynamics of the current year will turn into a normalization of business within the next few quarters.

While on procurement markets, the prices for recovered paper and pulp should have stabilized at a high level, other cost factors particularly logistics and chemicals are still rising. Therefore, at the beginning of the fourth quarter, MM Karton once again adjusted its sales prices to the increased cost level.

The margins of MM Packaging will likely be impacted by significantly higher carton-board prices. Therefore, the successive passing on of price increases is a top priority in the packaging division.

Still, we expect continued positive development for the fourth quarter and for the full year 2010.

High dedication is set on the continuation of our growth path. A strong focus will however be maintained on responding adequately to possible changes in the overall economic situation.

## Divisions

### MM KARTON

So far over the course of the year 2010, even temporary shortages in cartonboard had to be registered. This development is mainly attributable to the economic recovery and the filling-up of the supply chain as well as to the recent shut-downs of capacities in the industry. Taking these circumstances into account, at approximately 177,000 tons the average order backlog of MM Karton in the first three quarters of 2010 was considerably higher as compared to the average value in the previous year (1-3Q 2009: 47,000 tons).

Due to strong demand, the prices on the procurement markets also showed a massive upsurge. In particular prices for recovered paper and pulp increased significantly and stabilized at a high level not before the third quarter. Due to full utilization of capacities and scarce availability, the planned cartonboard price increase could be completely implemented as of the middle of the year, thus resulting in a significant recovery of the margin in the third quarter.

The good order situation led to a utilization of 98 % of MM Karton's capacities in the first three quarters of 2010 (1-3Q 2009: 86 %). Approximately 1,182,000 tons were produced. That corresponds to an increase of 7.1 % compared to the previous year's value (1-3Q 2009: 1,104,000 tons).

Accordingly, cartonboard sold went up by 9.5 % to 1,194,000 tons. At approximately 83 %, the sales share in Europe rose considerably compared to last year (1-3Q 2009: 78 %), thus reducing the sales in non-European markets to 17 % (1-3Q 2009: 22 %).

Sales increased by 15.3 % both in terms of quantity and prices, from EUR 565.6 million to EUR 652.3 million. At the same time, operating profit was improved by 12.2 % to EUR 45.0 million (1-3Q 2009: EUR 40.1 million). The operating margin reached 6.9 %, after 7.1 % in the first three quarters of 2009.

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

(in millions of EUR)	1 <sup>st</sup> - 3 <sup>rd</sup> Quarter		
	Jan. 1 - Sep. 30, 2010	Jan. 1 - Sep. 30, 2009	+/-
Sales <sup>1)</sup>	652.3	565.6	+15.3 %
Operating profit	45.0	40.1	+12.2 %
Operating margin (%)	6.9 %	7.1 %	
Tonnage sold (in thousands of tons)	1,194	1,090	+9.5 %
Tonnage produced (in thousands of tons)	1,182	1,104	+7.1 %

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

## MM PACKAGING

The interim economic upswing of the last few months, driven especially by the unexpectedly strong economy in Germany, had a positive impact on private consumption and packaging demand. On this basis, the MM Packaging sites recorded an overall high capacity utilization during the first three quarters of 2010. Against this backdrop, long delivery periods for cartonboard and ensuring an adequate supply of our customers were a great challenge in the ongoing business.

The main focus was on passing on significantly higher cartonboard prices in a still very competitive market environment. The scarcity of cartonboard and the good employment situation, however, have had a supportive effect so far.

The focus of investment activity centered particularly on the establishment and start-up of MMP Tehran and modernizations of the machinery.

The tonnage processed rose by 7.0 % to 504,000 tons (1-3Q 2009: 471,000 tons).

Analogously, sales of EUR 755.2 million were 6.2 % higher compared to the previous year's level (1-3Q 2009: EUR 711.2 million). As a consequence of the momentum in quantities as well as high productivity and cost efficiency, the operating profit was improved by 11.9 % to EUR 78.3 million (1-3Q 2009: EUR 70.0 million).

Thus, the operating margin went up from 9.8 % to 10.4 %.

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

(in millions of EUR)	1 <sup>st</sup> - 3 <sup>rd</sup> Quarter		+/-
	Jan. 1 - Sep. 30, 2010	Jan. 1 - Sep. 30, 2009	
Sales <sup>1)</sup>	755.2	711.2	+6.2 %
Operating profit	78.3	70.0	+11.9 %
Operating margin (%)	10.4 %	9.8 %	
Tonnage processed (in thousands of tons)	504	471	+7.0 %

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

# Consolidated Balance Sheets

(according to IFRS for interim financial reporting, unaudited)

(all amounts in thousands of EUR)	Notes	End of 3 <sup>rd</sup> Quarter Sep. 30, 2010	Year-end Dec. 31, 2009
<b>ASSETS</b>			
Property, plant and equipment	3	555,716.4	524,948.3
Intangible assets including goodwill	3	85,216.2	62,691.4
Available-for-sale financial assets		3,450.6	3,203.7
Other financial assets		5,710.5	5,323.1
Deferred income taxes		7,102.4	9,941.0
<b>Non-current assets</b>		<b>657,196.1</b>	<b>606,107.5</b>
Inventories		239,657.8	209,398.0
Trade receivables		262,269.1	185,281.4
Income tax receivables		11,255.6	12,134.6
Prepaid expenses and other current assets		25,995.1	25,657.0
Cash and cash equivalents		250,212.9	353,251.7
<b>Current assets</b>		<b>789,390.5</b>	<b>785,722.7</b>
<b>TOTAL ASSETS</b>		<b>1,446,586.6</b>	<b>1,391,830.2</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		80,000.0	88,000.0
Additional paid-in capital		176,453.4	168,453.4
Treasury shares	5	(903.8)	(53,041.7)
Retained earnings		694,895.7	766,220.9
Other reserves		(20,560.8)	(28,029.0)
<b>Equity attributable to shareholders of the Company</b>		<b>929,884.5</b>	<b>941,603.6</b>
Minority interests		24,337.8	22,741.8
<b>Total equity</b>		<b>954,222.3</b>	<b>964,345.4</b>
Interest-bearing financial liabilities	6	14,369.8	43,057.7
Financial lease liabilities	6	5,219.0	0.0
Provisions for other non-current liabilities and charges		75,394.2	75,909.8
Deferred income taxes		21,754.9	26,234.8
<b>Non-current liabilities</b>		<b>116,737.9</b>	<b>145,202.3</b>
Interest-bearing financial liabilities	6	54,187.4	24,768.1
Financial lease liabilities	6	1,122.3	0.0
Liabilities and provisions for income taxes		11,498.4	11,772.7
Trade liabilities		152,249.9	129,111.9
Deferred income and other current liabilities		55,404.5	39,122.5
Provisions for other current liabilities and charges		101,163.9	77,507.3
<b>Current liabilities</b>		<b>375,626.4</b>	<b>282,282.5</b>
<b>Total liabilities</b>		<b>492,364.3</b>	<b>427,484.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,446,586.6</b>	<b>1,391,830.2</b>

# Consolidated Income Statements

(according to IFRS for interim financial reporting, unaudited)

	3 <sup>rd</sup> Quarter		1 <sup>st</sup> - 3 <sup>rd</sup> Quarter	
	Jul. 1 - Sep. 30, 2010	Jul. 1 - Sep. 30, 2009	Jan. 1 - Sep. 30, 2010	Jan. 1 - Sep. 30, 2009
(all amounts in thousands of EUR, except per share data)				
Sales	452,674.6	417,059.5	1,315,711.6	1,186,455.4
Cost of sales	(357,152.4)	(325,635.0)	(1,035,807.1)	(924,097.9)
<b>Gross margin</b>	<b>95,522.2</b>	<b>91,424.5</b>	<b>279,904.5</b>	<b>262,357.5</b>
Other operating income	2,410.7	3,536.0	7,807.0	10,925.7
Selling and distribution expenses	(34,508.8)	(37,180.2)	(111,083.7)	(108,747.3)
Administrative expenses	(17,702.2)	(17,841.6)	(53,202.2)	(54,275.7)
Other operating expenses	(10.4)	(17.5)	(133.2)	(138.3)
<b>Operating profit</b>	<b>45,711.5</b>	<b>39,921.2</b>	<b>123,292.4</b>	<b>110,121.9</b>
Result from disposal of businesses	941.6	0.0	(6,918.0)	0.0
Financial income	533.0	1,047.7	1,773.6	6,767.8
Financial expenses	(612.0)	(1,102.8)	(1,685.8)	(3,863.1)
Other income (expenses) - net	(177.1)	(431.8)	(2,590.1)	(2,863.6)
<b>Profit before tax</b>	<b>46,397.0</b>	<b>39,434.3</b>	<b>113,872.1</b>	<b>110,163.0</b>
Income tax expense	(12,107.2)	(10,999.2)	(30,669.4)	(29,874.4)
<b>Profit for the period</b>	<b>34,289.8</b>	<b>28,435.1</b>	<b>83,202.7</b>	<b>80,288.6</b>
<b>Attributable to:</b>				
Shareholders of the Company	33,395.8	27,491.1	81,124.4	78,410.6
Minority interests	894.0	944.0	2,078.3	1,878.0
<b>Profit for the period</b>	<b>34,289.8</b>	<b>28,435.1</b>	<b>83,202.7</b>	<b>80,288.6</b>
<b>Earnings per share for the profit attributable to the shareholders of the Company during the period:</b>				
Basic and diluted earnings per share (in EUR)	1.67	1.29	4.04	3.69

# Consolidated Comprehensive Income Statements

(according to IFRS for interim financial reporting, unaudited)

(all amounts in thousands of EUR)	3 <sup>rd</sup> Quarter		1 <sup>st</sup> - 3 <sup>rd</sup> Quarter	
	Jul. 1 - Sep. 30, 2010	Jul. 1 - Sep. 30, 2009	Jan. 1 - Sep. 30, 2010	Jan. 1 - Sep. 30, 2009
<b>Profit for the period</b>	<b>34,289.8</b>	<b>28,435.1</b>	<b>83,202.7</b>	<b>80,288.6</b>
<b>Profit (loss) directly recognized in equity:</b>				
Valuation of financial assets	40.9	125.7	(6.7)	(797.7)
Foreign currency translations	(9,343.5)	(3,133.7)	8,477.2	(5,079.0)
<b>Total profit (loss) directly recognized in equity – net:</b>	<b>(9,302.6)</b>	<b>(3,008.0)</b>	<b>8,470.5</b>	<b>(5,876.7)</b>
<b>Total profit for the period</b>	<b>24,987.2</b>	<b>25,427.1</b>	<b>91,673.2</b>	<b>74,411.9</b>
<b>Attributable to:</b>				
Shareholders of the Company	26,758.5	24,818.6	88,592.6	74,514.1
Minority interests	(1,771.3)	608.5	3,080.6	(102.2)
<b>Total profit for the period</b>	<b>24,987.2</b>	<b>25,427.1</b>	<b>91,673.2</b>	<b>74,411.9</b>

# Consolidated Statements of Changes in Equity

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

(all amounts in thousands of EUR)	Notes	1 <sup>st</sup> - 3 <sup>rd</sup> Quarter							
		Equity attributable to shareholders of the Company					Total	Minority interests	Total equity
Share capital	Additional paid-in capital	Treasury shares	Retained earnings	Other reserves <sup>1)</sup>					
<b>Balance at January 1, 2010</b>		<b>88,000.0</b>	<b>168,453.4</b>	<b>(53,041.7)</b>	<b>766,220.9</b>	<b>(28,029.0)</b>	<b>941,603.6</b>	<b>22,741.8</b>	<b>964,345.4</b>
Total profit for the period					81,124.4	7,468.2	88,592.6	3,080.6	91,673.2
Dividends paid	5				(33,974.1)		(33,974.1)	(803.5)	(34,777.6)
Business combinations and dispositions							0.0	(681.1)	(681.1)
Purchase of treasury shares at cost	5			(66,337.6)			(66,337.6)		(66,337.6)
Cancellation of treasury shares	5	(8,000.0)	8,000.0	118,475.5	(118,475.5)		0.0		0.0
<b>Balance at September 30, 2010</b>		<b>80,000.0</b>	<b>176,453.4</b>	<b>(903.8)</b>	<b>694,895.7</b>	<b>(20,560.8)</b>	<b>929,884.5</b>	<b>24,337.8</b>	<b>954,222.3</b>
<b>Balance at January 1, 2009</b>		<b>88,000.0</b>	<b>168,453.4</b>	<b>(43,508.7)</b>	<b>708,225.2</b>	<b>(29,325.6)</b>	<b>891,844.3</b>	<b>21,806.4</b>	<b>913,650.7</b>
Total profit for the period					78,410.6	(3,896.5)	74,514.1	(102.2)	74,411.9
Dividends paid					(36,133.0)		(36,133.0)	(970.8)	(37,103.8)
Capital contribution by minority shareholders					(5.5)		(5.5)	208.2	202.7
Purchase of treasury shares at cost				(243.0)			(243.0)		(243.0)
<b>Balance at September 30, 2009</b>		<b>88,000.0</b>	<b>168,453.4</b>	<b>(43,751.7)</b>	<b>750,497.3</b>	<b>(33,222.1)</b>	<b>929,976.9</b>	<b>20,941.6</b>	<b>950,918.5</b>

<sup>1)</sup> Other reserves comprise the profit (loss) directly recognized in equity from the valuation of available-for-sale financial assets and foreign currency translations.

# Consolidated Cash Flow Statements

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

(all amounts in thousands of EUR)	Notes	1 <sup>st</sup> - 3 <sup>rd</sup> Quarter	
		Jan. 1 - Sep. 30, 2010	Jan. 1 - Sep. 30, 2009
Cash flow from operating activities	7	88,245.8	129,644.3
Cash flow from investing activities		(83,553.2)	116,451.6
Cash flow from financing activities		(109,729.0)	(66,661.6)
Effect of exchange rate changes on cash and cash equivalents		1,997.6	(455.3)
<b>Net change in cash and cash equivalents</b>		<b>(103,038.8)</b>	<b>178,979.0</b>
Cash and cash equivalents at the beginning of the period		353,251.7	189,786.4
<b>Cash and cash equivalents at the end of the period</b>		<b>250,212.9</b>	<b>368,765.4</b>
<b>Adjustments to reconcile cash and cash equivalents to total funds available to the Group:</b>			
Current and non-current available-for-sale financial assets		3,450.6	3,281.9
<b>Total funds available to the Group</b>		<b>253,663.5</b>	<b>372,047.3</b>

## Notes to the Consolidated Quarterly Financial Statements

### (1) General

These condensed consolidated quarterly 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 quarterly financial statements have been prepared using the same accounting principles as for the consolidated financial statements as of December 31, 2009. The amendments to existing standards as published in the Official Journal of the European Union and effective since January 1, 2010 have not shown significant impact on the Group's financial statements and financial position.

## (2) Acquisitions and disposals

### ACQUISITIONS

In September 2010, the division MM Packaging acquired an interest of 70 % in Marinetti S.A., located in Santiago, Chile. The company produces folding cartons for the Chilean consumer goods packaging market. Acquisition costs amounted to thous. EUR 32,800.0.

Inclusion into the balance sheet of Group and division was effected on September 30, 2010. Inclusion into the income statement will be effected from the fourth quarter of 2010 onwards. Fair values of assets and liabilities according to IFRS at this date were presented as follows:

Fair values according to IFRS	
(all amounts in thousands of EUR)	Sep. 30, 2010
Property, plant and equipment	33,301.5
Intangible assets and financial assets	14,214.6
Other current assets	21,326.5
Cash and cash equivalents	1,925.3
Non-current liabilities	(9,738.7)
Current liabilities	(18,689.4)
Deferred income taxes	(3,707.8)
Option liability	(15,597.0)
Goodwill	9,765.0
<b>Net assets</b>	<b>32,800.0</b>

The remaining goodwill reflects the company's market position on the Chilean packaging market. Concerning the acquisition of the remaining minority interest of 30 %, both the division MM Packaging and the minority shareholder have an irrevocable option being exercisable in January 2015 at the earliest. The put option of the minority shareholder was recorded as option liability.

### DISPOSALS

In the second quarter of 2010 the division MM Karton sold its 100 % stake in Karton Deisswil AG, Switzerland. The production of cartonboard remains discontinued. Furthermore, the majority interest of 66.67 % in WÜRO Papierverwertung GmbH & Co KG, Germany, a company in the business of recovered paper collection, was sold. These disposals of businesses result in total expenses before tax amounting to thous. EUR 6,918.0.

### (3) Development of fixed assets

The Group spent a total of thous. EUR 57,207.0 (1-3Q 2009: thous. EUR 41,658.7) on acquiring property, plant and equipment and intangible assets in the first three quarters of 2010.

Depreciation and amortization on “Property, plant and equipment” and “Intangible assets including goodwill” amounted to thous. EUR 58,693.5 (1-3Q 2009: thous. EUR 63,931.0).

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

	<b>End of 3<sup>rd</sup> Quarter</b>	Year-end
(all amounts in thousands of EUR)	<b>Sep. 30, 2010</b>	Dec. 31, 2009
Lands, similar land rights and buildings	224,605.0	221,354.2
Technical equipment and machines	271,884.2	256,840.3
Other equipment, fixtures and fittings	30,716.8	28,641.7
Payments on account and construction in progress	28,510.4	18,112.1
<b>Property, plant and equipment</b>	<b>555,716.4</b>	<b>524,948.3</b>
	<b>End of 3<sup>rd</sup> Quarter</b>	Year-end
(all amounts in thousands of EUR)	<b>Sep. 30, 2010</b>	Dec. 31, 2009
Concessions, licenses and similar rights, and payments on account	3,309.1	3,214.2
Goodwill	63,210.8	52,978.4
Other intangible assets	18,696.3	6,498.8
<b>Intangible assets including goodwill</b>	<b>85,216.2</b>	<b>62,691.4</b>

### (4) Purchase commitments

On September 30, 2010 purchase obligations for fixed assets regarding planned capital expenditures maturing within one year amounted to thous. EUR 22,268.6 (December 31, 2009: thous. EUR 16,855.8).

## (5) Equity

### SHARE REPURCHASE PROGRAM

The 14<sup>th</sup> Ordinary Shareholders' Meeting held on May 7, 2008 authorized the Management Board to repurchase treasury shares on or outside the stock. This share repurchase program was terminated according to schedule on November 7, 2010. In January 2010, the Group has repurchased 1,120,000 own shares for thous. EUR 66,337.6. Therefore, the Group held 2,015,260 own shares before cancellation which was equivalent to 9.16 % of the capital stock. On June 17, 2010, the cancellation of 2,000,000 treasury shares took place. As of September 30, 2010, the Group held 15,260 treasury shares, which is equivalent to 0.08 % of the capital stock. All transactions are published on the Internet at [www.mayr-melnhof.com](http://www.mayr-melnhof.com).

### CANCELLATION OF TREASURY SHARES

The 16<sup>th</sup> Ordinary Shareholders' Meeting of Mayr-Melnhof Karton AG held on April 28, 2010 has resolved on a simplified reduction of the Company's share capital from thous. EUR 88,000.0 to thous. EUR 80,000.0 by cancellation of 2 million treasury shares in the pro rata amount of thous. EUR 8,000.0 of the share capital. On June 10, 2010 the entry into the company register at the commercial court in Vienna has been affected. On June 17, 2010 the cancellation of 2 million treasury shares took place. Subsequently the Company's share capital amounts to thous. EUR 80,000.0 and is divided into 20,000,000 no-par bearer shares.

### DIVIDEND

A dividend of EUR 1.70 per voting share was resolved for the year 2009 (2008: EUR 1.70) and was due on May 11, 2010. By September 30, 2010 the Group distributed to the shareholders a total of thous. EUR 33,974.1 (September 30, 2009: thous. EUR 36,133.0).

## (6) Financial liabilities

Financial liabilities of the Group are as follows:

	End of 3 <sup>rd</sup> Quarter	Year-end
(all amounts in thousands of EUR)	Sep. 30, 2010	Dec. 31, 2009
Non-current interest-bearing financial liabilities	14,369.8	43,057.7
Current interest-bearing financial liabilities	54,187.4	24,768.1
<b>Interest-bearing financial liabilities</b>	<b>68,557.2</b>	<b>67,825.8</b>
Non-current financial lease liabilities	5,219.0	0.0
Current financial lease liabilities	1,122.3	0.0
<b>Financial lease liabilities</b>	<b>6,341.3</b>	<b>0.0</b>
<b>Total financial liabilities</b>	<b>74,898.5</b>	<b>67,825.8</b>

(7) Cash flow from operating activities

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

(all amounts in thousands of EUR)	1 <sup>st</sup> - 3 <sup>rd</sup> Quarter	
	Jan. 1 - Sep. 30, 2010	Jan. 1 - Sep. 30, 2009
Cash flow provided by operating activities excluding interest and taxes paid	122,686.1	167,009.7
Income taxes paid	(34,440.3)	(37,365.4)
<b>Cash flow from operating activities</b>	<b>88,245.8</b>	<b>129,644.3</b>

(8) Disclosure on transactions with related parties

In the first three quarters of 2010 and 2009 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.

(9) Segment reporting information

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

(all amounts in thousands of EUR)	1 <sup>st</sup> - 3 <sup>rd</sup> Quarter 2010			
	MM Karton	MM Packaging	Eliminations	Consolidated
Sales to external customers	561,819.1	753,892.5	0.0	1,315,711.6
Intersegment sales	90,550.2	1,423.4	(91,973.6)	0.0
<b>Total sales</b>	<b>652,369.3</b>	<b>755,315.9</b>	<b>(91,973.6)</b>	<b>1,315,711.6</b>
Operating profit	45,094.3	78,198.1	0.0	123,292.4

(all amounts in thousands of EUR)	1 <sup>st</sup> - 3 <sup>rd</sup> Quarter 2009			
	MM Karton	MM Packaging	Eliminations	Consolidated
Sales to external customers	476,425.8	710,029.6	0.0	1,186,455.4
Intersegment sales	89,212.5	1,140.3	(90,352.8)	0.0
<b>Total sales</b>	<b>565,638.3</b>	<b>711,169.9</b>	<b>(90,352.8)</b>	<b>1,186,455.4</b>
Operating profit	40,097.7	70,024.2	0.0	110,121.9

(10) Subsequent events

No events that require disclosure took place between the balance sheet date September 30, 2010 and the publication approval on November 15, 2010.

# Quarterly Overview

(according to IFRS for interim financial reporting, unaudited)

## Mayr-Melnhof Group

(consolidated, in millions of EUR)	1 <sup>st</sup> Quarter 2009	2 <sup>nd</sup> Quarter 2009	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2009	1 <sup>st</sup> Quarter 2010	2 <sup>nd</sup> Quarter 2010	3 <sup>rd</sup> Quarter 2010
Sales	384.0	385.4	417.1	415.0	439.2	423.8	452.7
EBITDA	57.9	54.1	60.4	57.3	58.9	48.8	66.4
EBITDA margin (%)	15.1 %	14.0 %	14.5 %	13.8 %	13.4 %	11.5 %	14.7 %
Operating profit	35.7	34.5	39.9	39.8	40.2	37.4	45.7
Operating margin (%)	9.3 %	9.0 %	9.6 %	9.6 %	9.2 %	8.8 %	10.1 %
Profit before tax	36.2	34.5	39.5	22.2	39.0	28.5	46.4
Income tax expense	(9.7)	(9.1)	(11.1)	(5.1)	(11.2)	(7.4)	(12.1)
Profit for the period	26.5	25.4	28.4	17.1	27.8	21.1	34.3
Net profit margin (%)	6.9 %	6.6 %	6.8 %	4.1 %	6.3 %	5.0 %	7.6 %
Earnings per share (basic and diluted in EUR)	1.23	1.17	1.29	0.75	1.33	1.04	1.67

## Divisions

### MM KARTON

(in millions of EUR)	1 <sup>st</sup> Quarter 2009	2 <sup>nd</sup> Quarter 2009	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2009	1 <sup>st</sup> Quarter 2010	2 <sup>nd</sup> Quarter 2010	3 <sup>rd</sup> Quarter 2010
Sales <sup>1)</sup>	182.7	185.2	197.7	200.4	219.9	207.4	225.0
Operating profit	11.6	14.5	14.0	11.4	12.2	13.0	19.8
Operating margin (%)	6.3 %	7.8 %	7.1 %	5.7 %	5.5 %	6.3 %	8.8 %
Tonnage sold (in thousands of tons)	334	365	391	391	415	387	392
Tonnage produced (in thousands of tons)	340	377	387	395	404	381	397

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

### MM PACKAGING

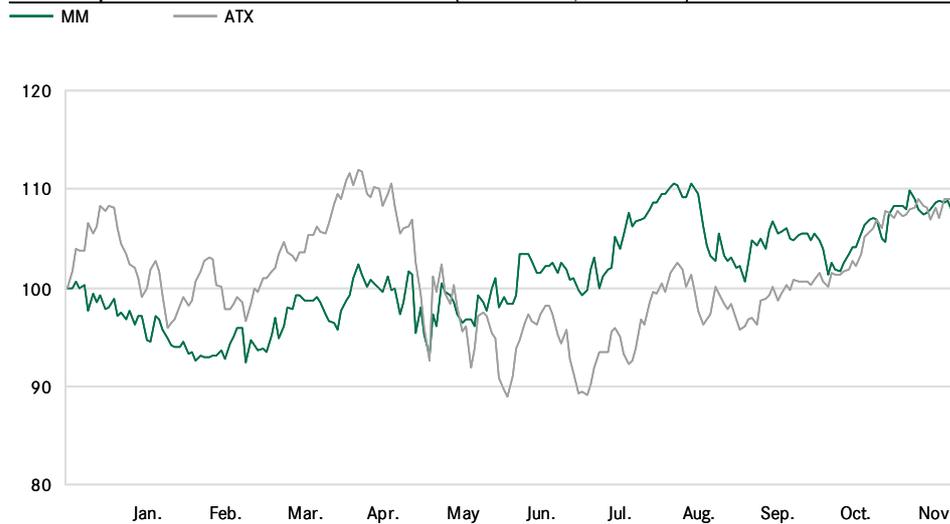
(in millions of EUR)	1 <sup>st</sup> Quarter 2009	2 <sup>nd</sup> Quarter 2009	3 <sup>rd</sup> Quarter 2009	4 <sup>th</sup> Quarter 2009	1 <sup>st</sup> Quarter 2010	2 <sup>nd</sup> Quarter 2010	3 <sup>rd</sup> Quarter 2010
Sales <sup>1)</sup>	236.0	227.5	247.7	240.8	249.6	245.1	260.5
Operating profit	24.1	20.0	25.9	28.4	28.0	24.4	25.9
Operating margin (%)	10.2 %	8.8 %	10.5 %	11.8 %	11.2 %	10.0 %	9.9 %
Tonnage processed (in thousands of tons)	163	147	161	159	170	163	171

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

***The Management Board  
of Mayr-Melnhof Karton AG***

# Mayr-Melnhof Shares

Relative performance of MM shares 2010 (December 30, 2009 = 100)



Share price (closing price)	
as of November 9, 2010	77.67
2010 High	79.66
2010 Low	66.50
Stock performance (Year-end 2009 until November 9, 2010)	+7.88 %
Number of shares issued	20 million
Market capitalization as of November 9, 2010 (in millions of EUR)	1,552.21
Trading volume (average per day 1-3Q 2010 in millions of EUR)	1.68

## FINANCIAL CALENDAR 2011

March 17, 2011	Financial results for 2010
April 27, 2011	17 <sup>th</sup> Ordinary Shareholders' Meeting - Vienna
May 2, 2011	Ex-dividend day
May 9, 2011	Dividend payment date
May 12, 2011	Results for the 1 <sup>st</sup> quarter of 2011
August 17, 2011	Results for the 1 <sup>st</sup> half-year of 2011
November 15, 2011	Results for the first three quarters of 2011

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