MM KARTON AG

1-3Q/2011

Report for the first three quarters of 2011

- Increase in profit and sales
- Folding carton business largely stable
- Cartonboard Division increasingly affected by temporary downtime
- Pressure on margins steps up
- Expansion continued

Mayr-Melnhof Group
Key Indicators

(according to IFRS for interim financial reporting, unaudited)

	1st - 3rd Quarter		
(consolidated, in millions of EUR)	**Jan. 1 - Sep. 30, 2011**	Jan. 1 - Sep. 30, 2010	+/-
Sales	1,498.8	1,315.7	+13.9 %
EBITDA	195.6	174.1	+12.3 %
EBITDA margin (%)	13.1 %	13.2 %	
Operating profit	135.4	123.3	+9.8 %
Operating margin (%)	9.0 %	9.4 %	
Profit before tax	128.3	113.9	+12.6 %
Income tax expense	(36.4)	(30.7)	
Profit for the period	91.9	83.2	+10.5 %
Net profit margin (%)	6.1 %	6.3 %	
Basic and diluted earnings per share (in EUR)	4.58	4.04	
Cash earnings	151.6	138.0	+9.9 %
Cash earnings margin (%)	10.1 %	10.5 %	
Capital expenditures	82.0	57.2	+43.4 %
Depreciation and amortization	62.1	58.7	+5.8 %

	Balance sheet date	
	Sep. 30, 2011	Dec. 31, 2010
Total equity (in millions of EUR)	978.8	983.1
Total assets (in millions of EUR)	1,547.0	1,520.9
Total equity to total assets (%)	63.3 %	64.6 %
Net liquidity (in millions of EUR)	186.5	202.6
Enterprise value (in millions of EUR)	1,359.2	1,765.3
Employees	8,825	8,679

Group Report

Dear Shareholders,

Your Company managed to generate the second quarter's operating profit also in the third quarter. Thus, the reporting period from January to September 2011 showed improved results compared to the previous year. The folding carton business still demonstrated a stable development, in particular due to the so far persistent private consumption. However, as expected, the ongoing profit contribution from cartonboard production has decreased further. The reasons for that lie in the continued reduction in capacity utilization, as the customers plan very conservatively and consume their inventory from the still well-stocked supply chain.

Although the economic indicators point further downwards, the prices of input factors such as fibers and chemicals only declined slowly. However, the entire industry is challenged by an increasing price pressure related to the capacity utilization. We continue to pursue our goal of maintaining the cartonboard prices with a high discipline in order to delay a margin erosion as much as possible.

As planned, production at the newly built Turkish packaging site in Karaman, Central Anatolia, started at the end of the third quarter. Furthermore, in November 2011, we took a first step towards the Far East by acquiring a majority interest (51 %) in Firgos, a Malaysian cartonboard trader, located in Kuala Lumpur, with a folding carton site in the start-up process.

Income statement

The consolidated sales of the Group amounted to EUR 1,498.8 million and thus were 13.9 % or EUR 183.1 million above the previous year's comparative value. This increase was mainly attributable to higher cartonboard and folding carton prices.

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

	1st - 3rd Quarter	
(in %)	**Jan. 1 - Sep. 30, 2011**	Jan. 1 - Sep. 30, 2010
Western Europe	64.5 %	68.1 %
Eastern Europe	23.4 %	24.8 %
Asia	3.9 %	3.4 %
America	3.7 %	0.4 %
Other	4.5 %	3.3 %
Total	**100.0 %**	**100.0 %**

Operating profit was improved by 9.8 % or EUR 12.1 million to EUR 135.4 million (1-3Q 2010: EUR 123.3 million). This rise is mainly attributable to the considerable profit increase in cartonboard production. The Group's operating margin reached 9.0 % (1-3Q 2010: 9.4 %).

Financial income of EUR 3.1 million (1-3Q 2010: EUR 1.8 million) was offset by financial expenses of EUR -5.1 million (1-3Q 2010: EUR -1.7 million).

Upon elimination of non-recurring expenses for the disposal of businesses in the previous year, profit before tax was EUR 128.3 million, i.e. an increase of 12.6 % in comparison to the reference value (1-3Q 2010: EUR 113.9 million). Income tax expense amounted to EUR 36.4 million (1-3Q 2010: EUR 30.7 million), hence the effective tax rate of the Group was at 28.4 % (1-3Q 2010: 27.0 %).

This resulted in a profit for the period of EUR 91.9 million, outperforming the result for the first three quarters of the previous year (1-3Q 2010: EUR 83.2 million) by 10.5 %. In the reporting period, a basic weighted average of 19,984,740 shares were outstanding. On this basis, earnings per share were EUR 4.58 (1-3Q 2010: EUR 4.04).

Assets, capital and liquid funds

As of September 30, 2011, the Group's total assets amounted to EUR 1,547.0 million, i.e. EUR 26.1 million above the value at year-end 2010 (December 31, 2010: EUR 1,520.9 million). The Group's total equity amounted to EUR 978.8 million, compared to EUR 983.1 million as of December 31, 2010. This difference is basically the result of the profit for the period offset by the dividend payment for 2010 and the increase in participations.

Interest-bearing financial liabilities rose to EUR 140.0 million at the end of the quarter (December 31, 2010: EUR 129.7 million). Total funds available to the Group, amounted to EUR 326.5 million as of the end of September 2011 (December 31, 2010: EUR 332.3 million), resulting in a net liquidity for the Group of EUR 186.5 million (December 31, 2010: EUR 202.6 million). Non-current assets of EUR 663.5 million maintained the level they had at the end of last year (December 31, 2010: EUR 664.2 million), while current assets (EUR 883.5 million) exceeded the value at year-end 2010 (December 31, 2010: EUR 856.7 million) due to a price- and season-related higher amount of accounts receivables.

Cash flow development

The cash flow from operating activities reached EUR 123.7 million, compared to EUR 88.2 million in the first three quarters 2010. This rise is mostly attributable to the higher profit for the period and a minor build-up of working capital.

Cash flow from investing activities went up to EUR -98.4 million, following EUR -83.6 million in the previous year. This rise is both due to higher payments for the acquisition of fixed assets and the increase in participations.

Cash flow from financing activities decreased to EUR -30.4 million, from EUR -109.7 million in the previous year. This difference is particularly attributable to the payments for the purchase of own shares in the previous year and lower redemptions.

Development in the third quarter

High stock levels at our customers and an increasingly more conservative planning resulted, as expected, for the cartonboard division in a further reduction in the order intake and selective temporary production downtime during the quarter. MM Karton's capacities were utilized at 91 % in the third quarter (3Q 2010: 99 %), following full capacity utilization during the first two quarters 2011 (1Q 2011: 98 %; 2Q 2011: 99 %). At the same time, raw material prices hardly left the peaks recently reached, thus putting even more pressure on the margins despite firm sales prices. MM Karton's operating margin was at 5.6 %, compared to 7.6 % in the second quarter 2011 and 8.8 % in the third quarter 2010.

MM Packaging's performance is more consistent, thus the operating margin of 9.9 % reached again the level of previous year (2Q 2011: 8.7 %; 3Q 2010: 9.9 %).

At EUR 42.7 million the Group's operating profit was EUR 3.0 million lower than in the third quarter of 2010 (EUR 45.7 million), but at the same level with the second quarter's figure of the current year. The Group's operating margin amounted to 8.4 % (2Q 2011: 8.7 %; 3Q 2010: 10.1 %).

The profit for the period came in at EUR 27.9 million (2Q 2011: EUR 28.6 million; 3Q 2010: EUR 34.3 million).

Further information

In March 2011, the division MM Packaging acquired the remaining shares of 39.99 % in the Turkish folding carton producer Superpak, Izmir, and thus holds 100 %.

In June 2011, the division MM Packaging increased its interest in the Russian folding carton producer MM Polygrafoformlenie, St. Petersburg, from 50.025 % to 75.025 %.

By the end of September 2011, the division MM Packaging increased its shareholding in the Jordanian folding carton producer Al-Ekbal, Amman, from 52.566 % to 73.843 %.

At the beginning of November 2011, MM acquired 51 % of Firgos, a Malaysian cartonboard trader, located in Kuala Lumpur, with a folding carton site in the start-up process. Firgos' trade sales amount to approximately EUR 20 million. It will be included in the balance sheet as of December 31, 2011.

Outlook

Taking into account the increasingly conservative planning among our customers, the outlook is not promising a recovery in incoming orders for the cartonboard division also for the next few months. Due to the impending machine rebuilt in the Slovenian cartonboard mill Kolicevo Karton and the general market situation, capacity utilization in the fourth quarter is expected to decrease further, resulting in a correspondingly reduced quarterly result for MM Karton.

In view of the foreseeable continuing under-utilization of capacities in the European cartonboard industry, we expect that any prospective erosion of input prices will lead to softening cartonboard prices and hence to an increased pressure on margins. MM Karton continues to pursue the objective of maintaining existing price levels to the extent possible and adjusting production accordingly.

Demand for folding cartons remained quite stable in the main sales areas (food and tobacco), but in case of further economic decline increasing volatility and a considerably more intense competition are to be expected.

Our investment program in state-of-the-art technology and site expansions will be specifically pursued in order to gain competitiveness and to continue organic growth.

Markets with sustainable growth potential remain the focus of our acquisition strategy.

Divisions

MM Karton

As in the first half of 2011, cartonboard demand progressively reached normal levels following the uptrend in the previous year, the decrease in incoming orders in the European cartonboard industry has continued since summer accelerated by enduring customers' cartonboard destocking and their growing prudence in planning. This inevitably led to temporary machine downtime in the entire industry, which is also to be expected for the coming months.

Under these circumstances, the average order backlog of MM Karton at 105,000 tons for the first three quarters of 2011 was already considerably lower than the average value of the comparative period in 2010, which was still influenced by the order boom in that year (1-3Q 2010: 177,000 tons).

With a lot of discipline and pursuant to our strategy, we so far managed to defend our average prices in Europe and to maintain our market shares. After a fast-paced price increase in the first six months, the price for recovered paper remained hardly unchanged and offered no leeway at all.

As a consequence of a very good order situation in the first half of the year, MM Karton's capacities were utilized at 96 % during the first three quarters of 2011, despite necessary temporary downtime in the third quarter (1-3Q 2010: 98 %). Accordingly, production volume of 1,169,000 tons was similar to that in the reference period 2010 (1-3Q 2010: 1,182,000 tons). At 1,184,000 tons (1-3Q 2010: 1,194,000 tons) the volume sold remained stable as well, whereof approximately 79 % were sold in Europe and 21 % in non-European markets (1-3Q 2010: 83 % ; 17 %).

Based on considerably higher average cartonboard prices, sales increased by 12.5 %, from EUR 652.3 million to EUR 733.8 million. The operating profit was improved by 26.0 % to EUR 56.7 million (1-3Q 2010: EUR 45.0 million). Thus, the operating margin increased from 6.9 % to 7.7 %.

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

	1st - 3rd Quarter		
(in millions of EUR)	**Jan. 1 - Sep. 30, 2011**	Jan. 1 - Sep. 30, 2010	+/-
Sales[1]	733.8	652.3	+12.5 %
Operating profit	56.7	45.0	+26.0 %
Operating margin (%)	7.7 %	6.9 %	
Tonnage sold (in thousands of tons)	1,184	1,194	-0.8 %
Tonnage produced (in thousands of tons)	1,169	1,182	-1.1 %

[1] including interdivisional sales

Modernization in the Kolicevo cartonboard mill in Slovenia

As announced, in the last few weeks of 2011, the larger of the two cartonboard machines of the Kolicevo Karton mill will be modernized to meet future requirements and converted to a "swing machine" for the production of both recycled cartonboard as well as virgin-fiber-based board. The machine is scheduled to start production at the beginning of 2012 and develop new market potential. Investment expenditures will exceed EUR 40 million.

MM Packaging

The ongoing private consumption and consequently the demand for folding cartons have so far not been considerably affected by the downward economic trend. MM Packaging's incoming orders and capacity utilization remained quite stable in the first nine months of 2011, whereby only isolated machine downtime was necessary.

However, customers are beginning to anticipate the decreasing consumer trust and are planning more carefully also due to the well-stocked supply chain. At the same time, price moved again into the focus instead of supply security.

While we were able to pass on the most recent cartonboard price increases in the first months of this year, the high direct costs and ongoing price competition are still a great challenge.

Large investments were made mostly for the build-up of the third packaging site in Turkey, which started production in Karaman, Central Anatolia, according to plan in September and the expansion of the folding carton production in St. Petersburg, Russia, by a gravure printing line.

In the first three quarters of 2011, approximately 517,000 tons of cartonboard and paper were processed. This marks an increase of 2.6 % in comparison to previous year's figure (1-3Q 2010: 504,000 tons).

The sales increase of 12.6 %, from EUR 755.2 million to EUR 850.6 million, is by more than a half attributable to the passing on of cartonboard price increases to customers and another major part thereof is attributable to the acquisition of the Marinetti packaging plant, Chile, in the previous year.

At EUR 78.7 million, operating profit was slightly above the value of the same period in the last year (1-3Q 2010: EUR 78.3 million). The most recent increases in direct costs could however only be compensated step by step, resulting in a cumulated reduction of the operating margin for the first three quarters from 10.4 % to 9.3 %.

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

	1st - 3rd Quarter		
(in millions of EUR)	**Jan. 1 - Sep. 30, 2011**	Jan. 1 - Sep. 30, 2010	+/-
Sales[1]	850.6	755.2	+12.6 %
Operating profit	78.7	78.3	+0.5 %
Operating margin (%)	9.3 %	10.4 %	
Tonnage processed (in thousands of tons)	517	504	+2.6 %

[1] including interdivisional sales

Consolidated Balance Sheets

(according to IFRS for interim financial reporting, unaudited)

(all amounts in thousands of EUR)	Notes	End of 3rd Quarter Sep. 30, 2011	Year-end Dec. 31, 2010
ASSETS			
Property, plant and equipment	2	567,515	564,039
Intangible assets including goodwill	2	79,847	85,415
Available-for-sale and other financial assets		5,642	5,447
Deferred income taxes		10,479	9,284
Non-current assets		**663,483**	**664,185**
Inventories		242,885	257,792
Trade receivables		277,372	227,700
Income tax receivables		8,743	9,098
Prepaid expenses and other current assets		28,491	30,167
Cash and cash equivalents		326,024	332,004
Current assets		**883,515**	**856,761**
TOTAL ASSETS		**1,546,998**	**1,520,946**
EQUITY AND LIABILITIES			
Share capital		80,000	80,000
Additional paid-in capital		156,346	176,453
Treasury shares	4	(904)	(904)
Retained earnings		774,384	721,873
Other reserves		(40,026)	(19,659)
Equity attributable to shareholders of the Company		**969,800**	**957,763**
Non-controlling (minority) interests		9,033	25,356
Total equity		**978,833**	**983,119**
Interest-bearing financial liabilities	5	64,923	62,973
Financial lease liabilities	5	2,810	4,314
Provisions for other non-current liabilities and charges		72,593	72,030
Deferred income taxes		21,579	24,009
Non-current liabilities		**161,905**	**163,326**
Interest-bearing financial liabilities	5	71,870	61,257
Financial lease liabilities	5	353	1,178
Liabilities and provisions for income taxes		10,986	9,052
Trade liabilities		145,772	168,115
Deferred income and other current liabilities		72,122	59,289
Provisions for other current liabilities and charges		105,157	75,610
Current liabilities		**406,260**	**374,501**
Total liabilities		**568,165**	**537,827**
TOTAL EQUITY AND LIABILITIES		**1,546,998**	**1,520,946**

Consolidated Income Statements

(according to IFRS for interim financial reporting, unaudited)

(all amounts in thousands of EUR, except per share data)	3rd Quarter **Jul. 1 - Sep. 30, 2011**	3rd Quarter Jul. 1 - Sep. 30, 2010	1st - 3rd Quarter **Jan. 1 - Sep. 30, 2011**	1st - 3rd Quarter Jan. 1 - Sep. 30, 2010
Sales	510,602	452,675	1,498,775	1,315,712
Cost of sales	(408,251)	(357,153)	(1,186,459)	(1,035,807)
Gross margin	**102,351**	**95,522**	**312,316**	**279,905**
Other operating income	1,667	2,411	6,784	7,807
Selling and distribution expenses	(41,870)	(34,509)	(123,522)	(111,084)
Administrative expenses	(19,066)	(17,702)	(59,580)	(53,202)
Other operating expenses	(288)	(10)	(549)	(134)
Operating profit	**42,794**	**45,712**	**135,449**	**123,292**
Result from disposal of businesses	0	942	0	(6,918)
Financial income	1,096	533	3,146	1,774
Financial expenses	(2,421)	(612)	(5,122)	(1,686)
Other income (expenses) – net	(1,963)	(178)	(5,207)	(2,590)
Profit before tax	**39,506**	**46,397**	**128,266**	**113,872**
Income tax expense	(11,528)	(12,107)	(36,321)	(30,669)
Profit for the period	**27,978**	**34,290**	**91,945**	**83,203**
Attributable to:				
Shareholders of the Company	27,959	33,396	91,481	81,124
Non-controlling (minority) interests	19	894	464	2,079
Profit for the period	**27,978**	**34,290**	**91,945**	**83,203**
Earnings per share for the profit attributable to the shareholders of the Company during the period:				
Basic and diluted earnings per share (in EUR)	1.40	1.67	4.58	4.04

Consolidated Comprehensive Income Statements

(according to IFRS for interim financial reporting, unaudited)

	3rd Quarter		1st - 3rd Quarter	
(all amounts in thousands of EUR)	**Jul. 1 - Sep. 30, 2011**	Jul. 1 - Sep. 30, 2010	**Jan. 1 - Sep. 30, 2011**	Jan. 1 - Sep. 30, 2010
Profit for the period	**27,978**	**34,290**	**91,945**	**83,203**
Profit (loss) directly recognized in equity:				
Valuation of financial assets	0	41	0	(7)
Foreign currency translations	(7,306)	(9,344)	(20,560)	8,477
Total profit (loss) directly recognized in equity – net:	**(7,306)**	**(9,303)**	**(20,560)**	**8,470**
Total profit for the period	**20,672**	**24,987**	**71,385**	**91,673**
Attributable to:				
Shareholders of the Company	20,174	26,758	71,114	88,593
Non-controlling (minority) interests	498	(1,771)	271	3,080
Total profit for the period	**20,672**	**24,987**	**71,385**	**91,673**

Consolidated Statements of Changes in Equity

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

		1st - 3rd Quarter							
		Equity attributable to shareholders of the Company							
(all amounts in thousands of EUR)	Notes	Share capital	Additional paid-in capital	Treasury shares	Retained earnings	Other reserves[1]	**Total**	Non-controlling (minority) interests	**Total equity**
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					91,481	(20,367)	**71,114**	271	**71,385**
Dividends paid	4				(38,970)		**(38,970)**	(548)	**(39,518)**
Change in non-controlling (minority) interests			(20,107)				**(20,107)**	(16,046)	**(36,153)**
Balance at September 30, 2011		**80,000**	**156,346**	**(904)**	**774,384**	**(40,026)**	**969,800**	**9,033**	**978,833**
Balance at January 1, 2010		**88,000**	**168,453**	**(53,042)**	**766,221**	**(28,028)**	**941,604**	**22,742**	**964,346**
Total profit for the period					81,124	7,469	**88,593**	3,080	**91,673**
Dividends paid					(33,974)		**(33,974)**	(804)	**(34,778)**
Business combinations and dispositions							**0**	(681)	**(681)**
Purchase of treasury shares at cost				(66,338)			**(66,338)**		**(66,338)**
Cancelation of treasury shares		(8,000)	8,000	118,476	(118,476)		**0**		**0**
Balance at September 30, 2010		**80,000**	**176,453**	**(904)**	**694,895**	**(20,559)**	**929,885**	**24,337**	**954,222**

[1] 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)

		1st - 3rd Quarter	
(all amounts in thousands of EUR)	Notes	**Jan. 1 - Sep. 30, 2011**	Jan. 1 - Sep. 30, 2010
Cash flow from operating activities	6	123,689	88,246
Cash flow from investing activities		(98,423)	(83,553)
Cash flow from financing activities		(30,421)	(109,729)
Effect of exchange rate changes on cash and cash equivalents		(825)	1,997
Net change in cash and cash equivalents		**(5,980)**	**(103,039)**
Cash and cash equivalents at the beginning of the period		332,004	353,252
Cash and cash equivalents at the end of the period		**326,024**	**250,213**
Adjustments to reconcile cash and cash equivalents to total funds available to the Group:			
Current and non-current available-for-sale financial assets		498	3,451
Total funds available to the Group		**326,522**	**253,664**

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, 2010. The amendments to existing standards as published in the Official Journal of the European Union and effective since January 1, 2011 have not shown significant impact on the Group's financial statements and financial position.

In case of an increase of majority interests the difference between the costs of acquisition or the contractually fixed obligation and the carrying amount of the additionally purchased non-controlling (minority) interests is recognized directly in equity (see note 9).

(2) Development of fixed assets

The Group spent a total of thous. EUR 82,001 (1-3Q 2010: thous. EUR 57,207) on acquiring property, plant and equipment and intangible assets in the first three quarters of 2011.

Depreciation and amortization on "Property, plant and equipment" and "Intangible assets including goodwill" amounted to thous. EUR 62,064 (1-3Q 2010: thous. EUR 58,694).

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

	End of 3rd Quarter	Year-end
(all amounts in thousands of EUR)	**Sep. 30, 2011**	Dec. 31, 2010
Lands, similar land rights and buildings	223,091	232,292
Technical equipment and machines	250,454	271,798
Other equipment, fixtures and fittings	34,564	31,945
Payments on account and construction in progress	59,406	28,004
Property, plant and equipment	**567,515**	**564,039**

	End of 3rd Quarter	Year-end
(all amounts in thousands of EUR)	**Sep. 30, 2011**	Dec. 31, 2010
Concessions, licenses and similar rights, and payments on account	3,273	3,419
Goodwill	61,360	63,546
Other intangible assets	15,214	18,450
Intangible assets including goodwill	**79,847**	**85,415**

(3) Purchase commitments

On September 30, 2011 purchase obligations for fixed assets regarding planned capital expenditures maturing within one year amounted to thous. EUR 40,481 (December 31, 2010: thous. EUR 21,536).

(4) Equity

Treasury shares

As of September 30, 2011, 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 17th Ordinary Shareholder's Meeting, a dividend of EUR 1.95 per voting share was resolved for the year 2010 (2009: EUR 1.70) and was due on May 9, 2011. By September 30, 2011 the Group distributed to the shareholders a total of thous. EUR 38,970 (September 30, 2010: thous. EUR 33,974).

(5) Financial liabilities

Financial liabilities of the Group are as follows:

	End of 3rd Quarter	Year-end
(all amounts in thousands of EUR)	**Sep. 30, 2011**	Dec. 31, 2010
Non-current interest-bearing financial liabilities	64,923	62,973
Current interest-bearing financial liabilities	71,870	61,257
Interest-bearing financial liabilities	**136,793**	**124,230**
Non-current financial lease liabilities	2,810	4,314
Current financial lease liabilities	353	1,178
Financial lease liabilities	**3,163**	**5,492**
Total financial liabilities	**139,956**	**129,722**

(6) Cash flow from operating activities

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

	1st - 3rd Quarter	
(all amounts in thousands of EUR)	**Jan. 1 - Sep. 30, 2011**	Jan. 1 - Sep. 30, 2010
Cash flow provided by operating activities excluding interest and taxes paid	160,914	122,686
Income taxes paid	(37,225)	(34,440)
Cash flow from operating activities	**123,689**	**88,246**

(7) Disclosure on transactions with related parties

In the first three quarters of 2011 and 2010 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 - 3rd Quarter 2011			
(all amounts in thousands of EUR)	MM Karton	MM Packaging	Eliminations	**Consolidated**
Sales to external customers	650,031	848,744	0	1,498,775
Intersegment sales	83,788	1,838	(85,626)	0
Total sales	**733,819**	**850,582**	**(85,626)**	**1,498,775**
Operating profit	56,725	78,724	0	135,449

	1st - 3rd Quarter 2010			
(all amounts in thousands of EUR)	MM Karton	MM Packaging	Eliminations	**Consolidated**
Sales to external customers	561,819	753,893	0	1,315,712
Intersegment sales	90,550	1,423	(91,973)	0
Total sales	**652,369**	**755,316**	**(91,973)**	**1,315,712**
Operating profit	45,094	78,198	0	123,292

(9) Further information

At the end of March 2011, the division MM Packaging acquired the remaining shares of 39.99 % in the Turkish folding carton producer Superpak A.S., located in Izmir, for thous. EUR 3,535 and thereby holds a participation of 100 % of the company.

In June 2011, the division MM Packaging increased its interest in MM Polygrafoformlenie, a Russian folding carton producer based in St. Petersburg, to 75.025 % paying thous. EUR 14,650. The remaining interest which represents 24.975 % of shares is subject to a share transfer agreement that can be executed anytime until June 30, 2020. In this context, a preliminary liability of thous. EUR 19,210 has been recognized in the position “Deferred income and other current liabilities”.

Until the end of September 2011, the division MM Packaging increased its interest in the Jordanian folding carton producer Al-Ekbal Printing & Packaging Co. based in Amman to 73.843 % at a purchase price of thous. EUR 1,293.

In September 2009 the non-controlling (minority) shareholder of the Tunisian folding carton producer TEC MMP SARL based in Sfax has exercised the put option concerning the 49 %-interest. The correspondent arbitration has been closed at July 7, 2011. The subsequent transaction price is below the carrying amount of the currently recognized non-controlling (minority) interest. The execution is expected to be carried out in the fourth quarter after implementation of the local approval process.

(10) Subsequent events

At the beginning of November 2011, MM acquired 51 % of Firgos, a Malaysian cartonboard trader, located in Kuala Lumpur, with a folding carton site in the start-up process for thous. EUR 5,669. Firgos’ trade sales amount to approximately EUR 20 million. It will be included in the balance sheet as of December 31, 2011.

In November 2011 the division MM Packaging agreed to acquire the remaining minority interest of 25 % of the German folding carton producer C. P. Schmidt, located in Kaiserslautern, whereby the shares can be purchased any time until December 31, 2014 at the latest.

Quarterly Overview

(according to IFRS for interim financial reporting, unaudited)

Mayr-Melnhof Group

(consolidated, in millions of EUR)	1st Quarter 2010	2nd Quarter 2010	3rd Quarter 2010	4th Quarter 2010	**1st Quarter 2011**	**2nd Quarter 2011**	**3rd Quarter 2011**
Sales	439.2	423.8	452.7	463.2	494.7	493.5	510.6
EBITDA	58.9	48.8	66.4	62.4	70.7	62.5	62.4
EBITDA margin (%)	13.4 %	11.5 %	14.7 %	13.5 %	14.3 %	12.7 %	12.2 %
Operating profit	40.2	37.4	45.7	39.0	50.0	42.7	42.7
Operating margin (%)	9.2 %	8.8 %	10.1 %	8.4 %	10.1 %	8.7 %	8.4 %
Profit before tax	39.0	28.5	46.4	37.8	48.5	40.3	39.5
Income tax expense	(11.2)	(7.4)	(12.1)	(10.6)	(13.1)	(11.7)	(11.6)
Profit for the period	27.8	21.1	34.3	27.2	35.4	28.6	27.9
Net profit margin (%)	6.3 %	5.0 %	7.6 %	5.9 %	7.2 %	5.8 %	5.5 %
Earnings per share (basic and diluted in EUR)	1.33	1.04	1.67	1.35	1.76	1.42	1.40

Divisions

MM Karton

(in millions of EUR)	1st Quarter 2010	2nd Quarter 2010	3rd Quarter 2010	4th Quarter 2010	**1st Quarter 2011**	**2nd Quarter 2011**	**3rd Quarter 2011**
Sales[1]	219.9	207.4	225.0	227.4	243.4	249.1	241.3
Operating profit	12.2	13.0	19.8	20.1	24.3	19.0	13.4
Operating margin (%)	5.5 %	6.3 %	8.8 %	8.8 %	10.0 %	7.6 %	5.6 %
Tonnage sold (in thousands of tons)	415	387	392	370	399	404	381
Tonnage produced (in thousands of tons)	404	381	397	397	390	407	372

[1] including interdivisional sales

MM Packaging

(in millions of EUR)	1st Quarter 2010	2nd Quarter 2010	3rd Quarter 2010	4th Quarter 2010	**1st Quarter 2011**	**2nd Quarter 2011**	**3rd Quarter 2011**
Sales[1]	249.6	245.1	260.5	265.5	281.2	272.8	296.6
Operating profit	28.0	24.4	25.9	18.9	25.7	23.7	29.3
Operating margin (%)	11.2 %	10.0 %	9.9 %	7.1 %	9.1 %	8.7 %	9.9 %
Tonnage processed (in thousands of tons)	170	163	171	171	177	168	172

[1] including interdivisional sales

The Management Board
of Mayr-Melnhof Karton AG

Mayr-Melnhof Shares

Relative performance of MM shares 2011 (December 30, 2010 = 100)

Share price (closing price)	
as of November 9, 2011	67.80
2011 High	88.70
2011 Low	62.36
Stock performance (Year-end 2010 until November 9, 2011)	-22.12 %
Number of shares issued	20 million
Market capitalization as of November 9, 2011 (in millions of EUR)	1,354.97
Trading volume (average per day 1-3Q 2011 in millions of EUR)	2.02

Financial Calendar 2012

March 15, 2012	Financial results for 2011
April 25, 2012	18th Ordinary Shareholders' Meeting - Vienna
April 30, 2012	Ex-dividend day
May 7, 2012	Dividend payment date
May 15, 2012	Results for the 1st quarter of 2012
August 16, 2012	Results for the 1st half-year of 2012
November 15, 2012	Results for the first three quarters of 2012

Editorial information

Editor (publisher):
Mayr-Melnhof Karton AG
Brahmsplatz 6, A-1041 Vienna

For further information, please contact:
Stephan Sweerts-Sporck, Investor Relations
Phone: +43 1 50136 91180
Fax: +43 1 50136 91195
e-mail: investor.relations@mm-karton.com
Website: http://www.mayr-melnhof.com