



20  
13

Annual Financial Report

# Contents

## **Management Report**

- 2 Positioning of the MM Group and the Divisions
- 6 Development in the Year 2013
- 17 Human Resources
- 20 Research and Development
- 22 Risk Management
- 30 Environmental Protection
- 35 Outlook

## 36 **Consolidated Financial Statements**

## 126 **Management Report and Annual Financial Statements of Mayr-Melnhof Karton AG (German Version)**

## 155 **Corporate Governance Report**

## 163 **Statement of the Management Board**

# Management Report

## 1 — POSITIONING OF THE MAYR-MELNHOF GROUP AND THE DIVISIONS

### GROUP

The core business of the Mayr-Melnhof Group is the production and sale of cartonboard and folding cartons. The resources of the Group are employed accordingly. MM Karton is the world's largest producer of coated recycled fiber based cartonboard with a growing position in virgin fiber based cartonboard, while MM Packaging is the leading producer of folding cartons in Europe with a growing presence outside of Europe. Cartonboard is the most important raw material in the production of folding cartons, which are one of the most important packaging materials for everyday consumer goods. Both core business areas are managed as segments with independent profit responsibility which carry out business transactions between each other at arm's length conditions.

The character of the Mayr-Melnhof Group is defined by its long-term orientation. Our goal is sustainable growth through high profitability in the areas of our core competences on a sound financial basis. Thereto we use economies of scale from the concentration on high-performance technology as well as the permanent establishment of best practices across the Group and continual investment in state-of-the-art technologies and our human resources. Thereby we create the foundation for the Group's high level of value creation and competitiveness on the basis of cost, competence and innovation leadership.

Our growth trend is orientated globally. Starting from our position as European market leader, we focus on expanding in markets with attractive future potential. Thus, our objective is to take a leading position in all the countries and regions in which we produce. Depending on the degree of maturity of the markets and the opportunities, we grow through acquisitions, the construction of new sites or intensified market penetration.

### MAYR-MELNHOF KARTON

With a production capacity of over 1.6 million tons per year, MM Karton is the world's largest producer of coated recycled fiber based cartonboard with a growing position in the market of virgin fiber based cartonboard. In 2013, around 81 % of production were directed to the production of recycled fiber based cartonboard and 19 % to a further optimized range of virgin fiber based board qualities. With a broad product range as well as the continual product development the cartonboard grades of MM Karton cover a variety of markets with widely differing requirements.

In 2013 the division MM Karton contained unchanged seven cartonboard mills with a total of nine cartonboard machines at sites in four European countries: Germany, Austria, Slovenia and the Netherlands. The standard cartonboard qualities are characterized by consistency, reliability, application

security and a high level of environmental compatibility and are complemented by innovative special solutions as well as an attractive range of services.

Cartonboard is primarily used as a raw material in the production of folding cartons for consumer goods packaging. MM Karton's customers are mainly packaging printing businesses in the still highly fragmented folding carton industry. Its sister division, MM Packaging, currently accounts for around 11 % of deliveries. Finally, our cartonboard products are to the main part used in the area of food packaging.

As a result of our competitive cost basis and our long-standing focus on international markets, our cartonboard products are sold in around a hundred countries worldwide. The main market is Europe, where MM Karton has maintained its leading market position for more than two decades. We have achieved this position by acquiring competitors and at the same time concentrating production and investment on highest performance cartonboard machines. Smaller machines with an inadequate efficiency level have been permanently decommissioned and dismantled.

MM Karton's sales organization focuses on the key qualities of recycled fiber based cartonboard, virgin fiber based cartonboard and liner (coated top layer for the corrugated board industry) in order to meet the specific requirements of our markets. All major sales countries and regions are supported by own distribution companies. Non-European business is largely effected by external vendors.

Cartonboard production is an industrial process with a high level of raw material and energy consumption. The most important input factors are fibers, in particular recovered paper and groundwood pulp, as well as energy and chemicals. Recovered paper is purchased externally in Europe in a wide range of qualities primarily on the spot market. Furthermore, depending on possibility and availability, we also conclude long-term purchase agreements with municipalities and waste-management companies. From our current perspective, we consider the continued supply of our cartonboard mills as secure due to the high and still rising recycling quotas in Europe. Groundwood pulp is produced internally in several cartonboard mills as well as at MMK FollaCell, but also purchased externally. The main source of energy is natural gas, which is used in highly efficient heat and power generating plants to produce both steam and electricity for cartonboard production.

Plastic packaging is the most important competitive product for cartonboard packaging with particularly high dependency on the crude oil price and a considerably broader specialization range.

Unlike other products in the paper industry, cartonboard is produced in highly customized forms in a great variety of grades as well as individual formats and supplied to customers in accordance with high logistical requirements. Accordingly, European producers of folding cartons are primarily supplied from Europe. Inter-continental trade therefore plays a subordinate role.

The demand for cartonboard develops largely in line with the overall economy, in particular with private consumption. In recent years new capacities have emerged in particular in Asia and Latin America, matching the dynamic development of consumption in these markets. According to our estimates, global cartonboard capacity amounts to more than 46 million tons, with packaging cartonboard amounting to around 80 % and other cartonboard products such as liquid packaging board and plasterboard accounting for approximately 20 %.

Concentration in the cartonboard industry is already far advanced in the USA and Europe. According to our sources the five largest suppliers currently account for around 70 % of the European cartonboard capacity. Although no new cartonboard machines have been installed in Europe since the beginning of the 1990s, there is intense competition among market participants due to continuous technological modernization and constant increases in efficiency.

## MAYR-MELNHOF PACKAGING

MM Packaging's business focuses on cartonboard packaging for everyday consumer goods. We produce over 50 billion packaging units each year on four continents and are therefore the leading producer of folding cartons in Europe as well as one of the largest worldwide. In 2013 the division processed around 671,000 tons of virgin fiber based and recycled cartonboard.

At the end of 2013, MM Packaging comprised 34 production sites in 17 countries in Europe, the region Middle East/North Africa, Latin America and the Far East. Through this extensive network of sites, we are always close to our customers and cover both large, mature markets as well as increasingly interesting growth regions.

Packaging for food, cigarettes, detergents and sanitary products is the focus of MM Packaging's sales activities. Thereby our activities concentrate primarily on business with large multinational customers in the consumer goods industry who currently account for more than three quarters of our sales. A professional Key Account Management ensures that the individual market requirements are met to the best possible level.

MM Packaging's plant and equipment cover a broad technological base and include all state-of-the-art preprinting, printing and finishing technologies. The continuous reduction of unit costs and optimization of products and processes are essential in order to secure sustainable competitiveness in the folding carton business.

Accordingly, MM Packaging has focused primarily on industrial volume business. Thus the processes in our plants are highly standardized allowing us to establish best practices as quickly as possible across all locations and to secure cost leadership. Furthermore, the aim is to bind customers to the Company at an early stage through innovative strength and expansion into new markets.

The production of folding cartons is a multi-step process that can basically be broken down as follows: cartonboard is printed, cut, glued and finished using a wide range of processes. In general the subsequent filling with consumer goods takes place in the customer's packing system. The range of services offered by MM Packaging is wide and supports the customer over the entire supply chain from the product idea, package development, design, optimization of the production and logistics process to packing technology.

Following the profit center principle, the main raw material, cartonboard, is purchased by an independent procurement organization of MM Packaging at market conditions. Therefore and due to the limited

internal supply of premium virgin fiber based cartonboard grades, only around one third of cartonboard requirements are currently purchased from the sister division MM Karton.

As in the cartonboard business, the demand for folding cartons correlates closely with private consumption and overall economic development.

Accordingly, growth in our main European markets has been achieved through displacement for years. Nevertheless, the European folding carton industry shows a far more fragmented structure than the cartonboard industry, with the majority of the providers made up of medium-sized companies. According to our estimates, the five leading European producers account for around one third of the market, with MM Packaging being by far the largest supplier.

In contrast to the cartonboard business, the economic supply radius of folding carton is generally restricted to the relevant regional market. For this reason it has long been our strategy to accompany our multi-national customers in their expansion into emerging markets and to grow with them. Thereby we rely on establishing an early presence in growth regions with highly efficient production facilities in order to participate in the market development and the concentration in supplier structure to the best possible extent.

Systematic investment in high-performance technology as well as internal and external consolidation has enabled us to grow with high profitability and an increasing global presence in a very intensive competitive market environment since going public. We will continue on this course with vigor and the necessary caution through further acquisitions, capacity expansion as well as the construction of new sites.

## 2 — DEVELOPMENT IN THE YEAR 2013

### GENERAL ECONOMIC SITUATION

The recovery of the global economy remained slow in 2013. While emerging markets lost some of their momentum, the USA recorded a noticeable improvement from the middle of the year. The signs of economic recovery in the Euro area have also been increasing in the second half of the year as a result of stronger international demand, but were considerably more restrained and varied from country to country. There is still a distinct gap between Germany and the other large European economies. Missing pressure from raw material prices resulted in a moderate average rate of inflation over the year. However, stagnating real wages and continuing high unemployment prevented any positive impulse from private consumption in demand for cartonboard and folding cartons.

### INDUSTRY DEVELOPMENT

Against the background of flat economic growth and sufficient supply capacity, the cartonboard and folding carton markets were marked by both steady demand and ongoing intensive price competition in 2013. The highly optimized supply chain and cautious planning by customers resulted in highly short-term visibility, especially in the cartonboard business. Prices for recovered paper continued their sideways trend from the middle of 2012, reflecting on the one hand the continuity of demand from the customer industries but on the other hand also the low expectations regarding consumption. Input factors dependent on the crude oil price also remained relatively stable so that developments in procurement markets over the course of the year turned out to be generally moderate. While the structure of the major European cartonboard producers remained largely unchanged, consolidation in the folding carton sector continued further. Following corporate acquisitions by financial investors in previous years, an increased number of industrial investors appeared as buyers now again.

## DEVELOPMENT OF BUSINESS 2013

*GROUP*

In the financial year 2013 the Mayr-Melnhof Group was able to follow up closely the high level of the previous year in terms of profit for the year and operating profit. Both divisions, MM Karton and MM Packaging, made a substantial contribution to this. Despite continuing restrained private consumption and increasingly intense competition in the main market Europe the Group succeeded in utilizing capacity to a high degree and maintaining its long-standing profitability. Expansion in the core competence areas cartonboard and folding cartons continued in line with strategy. In addition to its strong position in recycled fiber based cartonboard, MM Karton was able to gain additional market shares in virgin fiber based cartonboard. The acquisition of the mechanical wood pulp mill MMK FollaCell in Norway also extended the division's self-supply capability in the area of high-quality wood fibers. With newly constructed sites in Poland and Turkey as well as acquisitions in Vietnam and Colombia, MM Packaging continued its growth trend in markets with future potential. A proposal to the 20<sup>th</sup> Annual General Meeting on April 30, 2014 to approve a dividend of EUR 2.40 per share following EUR 2.25 per share in the previous year will be made. In addition, an anniversary bonus of EUR 2.40 per share shall be distributed for a further decade of listing of Mayr-Melnhof Karton AG.

## Consolidated income statement

**Consolidated income statement (condensed version)**

(in millions of EUR)	<b>Year ended Dec. 31, 2013</b>	<b>Year ended Dec. 31, 2012</b>	<b>+/-</b>
Sales	1,999.4	1,952.2	+2.4 %
Operating profit	165.4	170.5	-3.0 %
Financial result and result from investments	(9.0)	(9.2)	
Income tax expense	(33.5)	(41.0)	
<b>Profit for the year</b>	<b>122.9</b>	<b>120.3</b>	<b>+2.2 %</b>

At EUR 1,999.4 million, the Group's consolidated sales were 2.4 % or EUR 47.2 million above the previous year's figure (2012: EUR 1,952.2 million). This rise is mainly the result of increased volumes in both divisions. Regional sales allocation still shows our main focus on Western Europe, accounting for 58.0 % (2012: 61.6 %) followed by a slightly increased share of sales in Eastern Europe of 27.5 % (2012: 25.4 %) and 14.5 % (2012: 13.0 %) in non-European countries. Intra-group sales totalled EUR 104.0 million (2012: EUR 105.5 million) and mainly consisted of deliveries from MM Karton to MM Packaging.

**Group sales by destination**

(in %)	Year ended Dec. 31, 2013	Year ended Dec. 31, 2012
Western Europe (excl. Austria)	54.7 %	58.0 %
Austria	3.3 %	3.6 %
Eastern Europe	27.5 %	25.4 %
Asia	4.6 %	4.3 %
Latin America	5.1 %	4.4 %
Other	4.8 %	4.3 %
<b>Total</b>	<b>100.0 %</b>	<b>100.0 %</b>

**Cost of sales**

(in millions of EUR)	Percentage of sales				
	Year ended Dec. 31, 2013	Year ended Dec. 31, 2012	+/-	Year ended Dec. 31, 2013	Year ended Dec. 31, 2012
Cost of materials and purchased services	1,162.0	1,134.8	2.4 %	58.1 %	58.1 %
Personnel expenses	268.1	261.7	2.4 %	13.4 %	13.4 %
Depreciation and amortization	80.0	76.7	4.3 %	4.0 %	3.9 %
Other expenses	52.7	51.7	1.9 %	2.7 %	2.7 %
<b>Cost of sales</b>	<b>1,562.8</b>	<b>1,524.9</b>	<b>2.5 %</b>	<b>78.2 %</b>	<b>78.1 %</b>

At EUR 1,562.8 million cost of sales for operating performance was slightly above the previous year's comparative figure (2012: EUR 1,524.9 million). Therefore the share of cost of sales in the Company sales remained almost unchanged at 78.2 % (2012: 78.1 %).

**Selling and distribution,  
administrative and other operating expenses**

(in millions of EUR)	Percentage of sales				
	Year ended Dec. 31, 2013	Year ended Dec. 31, 2012	+/-	Year ended Dec. 31, 2013	Year ended Dec. 31, 2012
Personnel expenses	109.1	104.0	4.9 %	5.5 %	5.3 %
Depreciation and amortization	9.6	9.1	5.5 %	0.5 %	0.5 %
Other expenses	171.1	156.1	9.6 %	8.5 %	8.0 %
<b>Selling and distribution, administrative and other operating expenses</b>	<b>289.8</b>	<b>269.2</b>	<b>7.7 %</b>	<b>14.5 %</b>	<b>13.8 %</b>

Selling and distribution as well as administrative expenses increased from EUR 269.2 million to EUR 289.8 million primarily due to higher transport costs and personnel expenses. Their share in sales amounted to 14.5 % (2012: 13.8 %).

Since the capitalized assets of the acquired Norwegian mechanical wood pulp mill MMK FollaCell exceeded the purchase price, a temporary negative goodwill in the amount of around EUR 10 million had to be reported in the initial consolidation as non-recurring other operating income.

At EUR 165.4 million operating profit was 3.0 % or EUR 5.1 million lower than in the previous year (2012: EUR 170.5 million). The operating margin thus reached 8.3 % (2012: 8.7 %). The return on capital employed amounted to 15.4 % (2012: 17.5 %).

In line with the decreased level of interest, financial income fell to EUR 1.6 million (2012: EUR 2.6 million), and financial expenses declined to EUR -4.0 million (2012: EUR -5.2 million).

At EUR -6.6 million other financial result – net remained almost unchanged compared to the previous year (2012: EUR -6.6 million).

Profit before tax came to EUR 156.4 million after EUR 161.3 million in the previous year. Income taxes, which were paid in 27 countries, decreased from EUR 41.0 million to EUR 33.5 million, mainly due to a non-recurring tax refund in the current year. Accordingly the effective Group tax rate went down from 25.4 % to 21.4 %.

### Profit for the year, earnings per share

Thus the profit for the year increased from EUR 120.3 million to EUR 122.9 million. The net profit margin remained largely unchanged at 6.1 % (2012: 6.2 %). In the reporting period, a basic weighted average of 20,000,000 shares was outstanding, with earnings per share of EUR 6.11 (2012: EUR 6.00) related to the profit for the year attributable to the shareholders of the Company in the amount of EUR 122.3 million (2012: EUR 119.9 million).

Cash earnings generated by the Group amounted to EUR 204.1 million (2012: EUR 204.8 million).

## Value added

The Group's value added is the difference between total operating revenue and the products and services provided by third parties. In the statement of distribution, the shares of all parties participating in the value added are shown.

### Value added

(in millions of EUR)	Year ended Dec. 31, 2013	Year ended Dec. 31, 2013	Year ended Dec. 31, 2012	Year ended Dec. 31, 2012
<b>Origin:</b>				
Sales	1,999.4		1,952.2	
Other operating income	18.7		12.4	
Change in finished goods and own work capitalized	10.3		7.8	
Financial result and result from investments	(9.0)		(9.2)	
<b>Total operating revenue</b>	<b>2,019.4</b>		<b>1,963.2</b>	
(-) Expenditures on purchased goods and services	(1,393.2)		(1,346.2)	
(-) Depreciation and amortization	(89.6)		(85.8)	
<b>Net value added</b>	<b>536.6</b>	<b>100.0 %</b>	<b>531.2</b>	<b>100.0 %</b>
<b>Distribution:</b>				
Employees	(221.0)	(41.3 %)	(216.2)	(40.6 %)
Social benefit costs	(105.8)	(19.7 %)	(102.0)	(19.2 %)
Public authorities	(86.8)	(16.2 %)	(92.8)	(17.5 %)
Non-controlling (minority) interests	(0.6)	(0.1 %)	(0.4)	(0.1 %)
Shareholders' dividend (proposed for 2013)	(48.0)	(8.9 %)	(45.0)	(8.5 %)
Shareholders' anniversary bonus (proposed for 2013)	(48.0)	(8.9 %)	-	-
Company	26.4	4.9 %	74.8	14.1 %

The total operating revenue generated by the Group in the financial year 2013 amounted to EUR 2,019.4 million (2012: EUR 1,963.2 million). After deduction of expenditures on purchased goods and services as well as depreciation and amortization in the amount of EUR 1,482.8 million, a net value added of EUR 536.6 million was achieved (2012: EUR 531.2 million).

The major part of the net value added of EUR 221.0 million or 41.3 % was once again distributed to the Group's employees (2012: EUR 216.2 million; 40.6 %). The shareholders of Mayr-Melnhof Karton AG will receive a dividend, including an anniversary bonus of EUR 96.0 million or 17.8 % of net value added for the financial year 2013 (2012: EUR 45.0 million; 8.5 %). A profit of EUR 26.4 million or 4.9 % of net value added will be retained in the Group (2012: EUR 74.9 million; 14.1 %).

## Assets, capital and liquid funds

### Consolidated balance sheets (condensed version)

(in millions of EUR)	Dec. 31, 2013	Dec. 31, 2012
Non-current assets	791.3	730.3
Current assets	911.2	898.8
<b>Total assets</b>	<b>1,702.5</b>	<b>1,629.1</b>
Total equity	1,111.8	1,067.1
Non-current liabilities	216.2	217.4
Current liabilities	374.5	344.6
<b>Total equity and liabilities</b>	<b>1,702.5</b>	<b>1,629.1</b>

As of December 31, 2013 the Group's total assets were EUR 1,702.5 million, thus EUR 73.4 million above the comparative value of the previous year. Total equity rose from EUR 1,067.1 million to EUR 1,111.8 million. This increase primarily results from the profit for the period, which is offset by the dividend payment for 2012 as a deductible item. Total equity to total assets remained largely stable at 65.3 % (2012: 65.5 %). The return on equity amounted to 11.3 % (2012: 11.7 %).

Financial liabilities of a primarily long-term character increased by EUR 12.2 million to EUR 169.6 million due to the raising of low-interest loans. Provisions for non-current liabilities in the amount of EUR 99.1 million are related to accruals for employee benefits and were almost kept at the previous year's level (December 31, 2012: EUR 97.9 million).

At EUR 303.5 million, total funds available to the Group were below the figure as of December 31, 2012 (EUR 335.4 million), with net liquidity decreasing from EUR 178.0 million to EUR 133.9 million. Payments related to the acquisition of property, plant and equipment and subsidiaries were the main reasons for this development. In addition, as of year-end 2013, credit facilities amounting to EUR 479.1 million (December 31, 2012: EUR 345.9 million), which can be utilized at any time, were available to the Group.

Non-current assets rose by EUR 61.0 million to EUR 791.3 million (December 31, 2012: EUR 730.3 million) as a result of investments and acquisitions. At EUR 911.2 million, current assets were EUR 12.4 million above the previous year's figure (December 31, 2012: EUR 898.8 million), in particular due to a business-related increase in receivables and inventory.

## Cash flow development

### Consolidated cash flow statements (condensed version)

(in millions of EUR)	<b>Year ended Dec. 31, 2013</b>	<b>Year ended Dec. 31, 2012</b>
Net cash provided by operating activities	142.1	167.4
Net cash used in investing activities	(137.3)	(154.1)
Net cash used in financing activities	(35.7)	(32.1)
Effect of exchange rate changes	(1.3)	0.1
<b>Net change in cash and cash equivalents (&lt; 3 months)</b>	<b>(32.2)</b>	<b>(18.7)</b>
<b>Cash and cash equivalents (&lt; 3 months) at the end of the year</b>	<b>297.9</b>	<b>330.1</b>
Current and non-current securities	5.6	5.3
<b>Total funds available to the Group</b>	<b>303.5</b>	<b>335.4</b>

Cash flow from operating activities totalled EUR 142.1 million following EUR 167.4 million in 2012. This difference is primarily due to an increase in working capital.

Cash flow from investing activities declined from EUR -154.1 million to EUR -137.3 million. Expenditures for the acquisition of property, plant and equipment increased from EUR 102.7 million to EUR 116.2 million, while net payments for the acquisition of participations went down from EUR 55.0 million to EUR 26.7 million.

The investment expenditures of MM Karton amounted to EUR 44.4 million (2012: EUR 44.4 million). The main focus was related to technical modernization in cartonboard mills aimed at raising efficiency and quality.

The investment expenditures of MM Packaging were EUR 71.8 million (2012: EUR 58.3 million) and focused on the use of high-performance technology as well as on a new packaging plant in Bydgoszcz, Poland, and also on the construction of a fourth production site in Turkey.

Cash flow from financing activities changed from EUR -32.1 million to EUR -35.7 million. The raising of low-interest loans in the previous year was matched by lower repayments of financial liabilities in the current year.

### Further information

In July 2013, the division MM Karton acquired the mechanical wood pulp producer Södra Cell Folla, located near Trondheim in Norway, now MM Karton FollaCell AS. With an annual capacity of up to 130,000 tons, the external purchases will be replaced by self-supply in the future.

In August 2013, the division MM Packaging concluded an agreement to acquire 65.1 % of the shares in MM Packaging Vidon Limited Liability Company (formerly Binh Duong Vien Dong One Member Company Limited) located in Ho Chi Minh City, Vietnam. The company is focused on the production of high-quality folding cartons in rotogravure as well as offset printing and supplies international and local consumer goods producers.

In October 2013, the division MM Packaging acquired the entire business operations of the Colombian folding carton producer Gráficas Los Andes S.A.S., located in Santiago de Cali, in form of an asset deal. The 20 % interest held before was transferred back.

In November 2013, the division MM Packaging entered into an agreement regarding the acquisition of three A&R Carton sites – St. Petersburg, Timashevsk in Southern Russia and Augsburg in Germany – which, however, could not be closed due to changed circumstances.

## Definition of financial indicators

### **Cash earnings**

Sum of profit for the year before depreciation and amortization and before deferred taxes.

### **Cash earnings margin**

Cash earnings divided by sales.

### **Total equity to total assets**

Total equity divided by total assets.

### **Net debt/net liquidity**

The sum of interest-bearing current and non-current financial liabilities subtracted by cash and current and non-current securities. In case that the sum of cash and securities exceeds the financial liabilities, a net liquidity exists.

### **Net profit margin**

Profit for the year divided by sales.

### **Operating margin**

Operating profit divided by sales.

### **Return on capital employed (ROCE)**

Profit before tax excluding net interest income/expenses and excluding the respective profit attributable to non-controlling (minority) shareholders according to IAS 32 divided by the sum of average total equity plus average current and non-current interest-bearing financial liabilities, average provisions for non-current liabilities and charges and average obligations with regard to non-controlling (minority) shareholders according to IAS 32 subtracted by average cash and current and non-current securities.

### **Return on equity (ROE)**

Profit for the year divided by average total equity.

All indicators were calculated exclusively on the basis of the information provided in the consolidated financial statements.

## *BUSINESS DEVELOPMENT IN THE DIVISIONS*

### **MM Karton**

As in the previous year, short-term visibility resulting from continuing cautious customers planning and high competitive pressure characterized the development of demand in the European cartonboard markets. At 76,000 tons, the average order backlog was close to the average of the previous year (2012: 66,000 tons).

With an attractive portfolio of products and a high degree of flexibility in production MM Karton succeeded in maintaining its market shares in recycled fiber based cartonboard and extending them in virgin fiber based board. Thus the cartonboard machines could run in a highly efficient manner without any major market-related downtimes over the entire year. The average capacity utilization over the year amounted to 98 % (2012: 97 %).

Although the procurement markets, especially those for recovered paper and other fiber materials, showed stable prices, the pressure on selling prices continued unabated. MM Karton was unable to avoid this development. However, it succeeded in gradually raising average sales from the beginning of the year through systematic optimization measures while safeguarding market shares.

Both production as well as tonnage sold at 1,604,000 tons and 1,599,000 tons, respectively were above the comparable previous year's figures (2012: 1,572,000 tons and 1,534,000 tons, respectively). Based on the average number of employees, 652 tons per employee were produced (2012: 655 tons).

Sales rose in parallel to the quantity sold, from EUR 936.9 million to EUR 964.6 million. Thereof, Western Europe accounted for around 63 %, Eastern Europe for 21 % and non-European countries for 16 % (2012: 64 %; 20 %; 16 %). With a share of 180,000 tons delivered or 11 % of the sales volume (2012: 179,000 tons; 12 %) the division MM Packaging was again MM Karton's largest customer in 2013. Overall, more than 1,000 customers were supplied all over the world.

Operating profit totalled EUR 65.3 million, which included a non-recurring income of EUR 10.0 million from the acquisition of MMK FollaCell (2012: EUR 66.6 million). The operating margin was therefore 6.8 % (2012: 7.1 %), the return on capital employed was 15.7 % (2012: 18.2 %). Cash earnings amounted to EUR 86.0 million (2012: EUR 85.3 million), representing a cash earnings margin of 8.9 % (2012: 9.1 %).

## MM Packaging

While demand on the European folding carton markets was marked by continuing weakening in consumption during the first half of 2013, the development has become more robust again since the middle of the year. A high level of tender activities of customers and existing overcapacity continue to intensify competitive pressure among suppliers. Individual plant closures in the industry brought hardly any relief.

A large range of efficiency-raising measures and service initiatives enabled MM Packaging to remain highly competitive and attractive even in more tightened overall conditions. The folding carton production sites therefore again reported an overall high capacity utilization in 2013. Market shares within and outside Europe could be maintained or further extended.

In line with our dynamic growth in Poland, the newly constructed folding carton plant in Bydgoszcz was put into operation on schedule in spring of 2013.

In Gaziantep, in the center of the growth region of Eastern Anatolia, the fourth folding carton plant in Turkey was built. Production is planned to start there at the beginning of 2014.

Outside Europe, expansion into growth markets continued and a majority interest in a leading folding carton manufacturer in Vietnam, MMP Vidon, located in Ho Chi Minh City was acquired.

The tonnage processed by the division increased from 650,000 tons to 671,000 tons. At the same time, the number of printed sheets (sheet equivalent) was increased from 1,801,934,000 to 1,873,713,000 as a result of better material efficiency. The sheet equivalent per employee consequently improved from 282,701 to 286,764.

At EUR 1,138.7 million, sales were slightly higher than the previous year's value as a result of volumes (2012: EUR 1,120.7 million). With regards to geographical regions the shares of Western and Eastern Europe showed again a high level of continuity at 56 % and 32 % respectively (2012: 60 % and 30 % respectively), while business outside Europe rose from 10 % to 12 %.

MM Packaging supplies more than 2,000 customers in various consumer goods industries. The main areas in 2013 continued to be packaging for food and cigarettes. Due to the high degree of producer concentration in these markets, traditionally around three quarters of our business are generated with multinational consumer goods producers. In 2013, the top five customers accounted for 41 % of sales (2012: 43 %).

At EUR 100.1 million, operating profit was slightly below the comparative figure recorded in the previous year (2012: EUR 103.9 million), which was affected by a non-recurring expense due to the closure of a folding carton plant in Great Britain. The operating margin remained solid at 8.8 % (2012: 9.3 %).

The return on capital employed amounted to 15.3 % (2012: 17.1 %). Cash earnings reached EUR 118.1 million (2012: EUR 119.5 million), representing a cash earnings margin of 10.4 % (2012: 10.7 %).

### 3 — HUMAN RESOURCES

At year-end 2013 the Mayr-Melnhof Group employed a staff of 9,477 in 25 countries. Their high level of performance, responsibility and passion form the pillars of the sustained success of the Mayr-Melnhof Group. The aim of the Human Resources program is to ensure the framework conditions that enable our employees to develop as best as possible and to support the Group in a dynamic environment and with an increasingly global presence over the long term.

For this purpose, Human Resources activities are constantly evaluated and aligned accordingly with current requirements. The focus is on strategic personnel planning, recruitment, staff development and systematic knowledge management.

The Human Resources program of the Group is controlled by the central Corporate Human Resources function, which reports directly to the Chairman of the Management Board. Implementation is performed locally at the individual sites.

As a high-performance team with shared values we have a corporate culture characterized by a high degree of loyalty and mutual trust. Openness and subsidiarity are fundamental principles within our organization, which is marked by a high degree of personal responsibility and entrepreneurship. In this way we ensure the required efficiency, speed and flexibility to maintain our competitiveness over the long term. In 2013 we executed various initiatives to increase the transparency of our culture of leadership and reinforce our values in order to further raise their efficacy in the growing network of international locations.

The MM Group stands for continuity and responsible, well-timed change over the long term, which is also reflected in the development of our human resources.

As we have practiced successfully for generations, we endeavour to retain expertise within the Group and to open up attractive career opportunities. Vacant positions as well as new fields of responsibility are therefore filled from within our own ranks wherever possible. An essential requirement for this is the forward-looking, systematic further development and qualification of our employees, who are promoted at all levels and throughout their entire working life.

Our "Young Professionals" program offers ambitious young people a course of training within the Group that goes far beyond a conventional apprenticeship. Following a targeted selection process, we help our young talents not only to acquire a high level of professional competence but also to develop their personalities and to prove themselves in an international environment.

At the end of 2013 the Group had around 200 apprentices (2012: 215). The program traditionally focuses on industrial and technical professions.

The "Young Professionals ++" program introduced in 2012 leads to young professionals taking on technical and managerial responsibility just a few years after completing their education.

The "Ranger" program prepares our "High Potentials" for future key positions in the Group. The essential basic requirements for participation are particular technical qualifications, high motivation, language skills and willingness for international mobility.

With our internal "Sales-Explorer" and "Finance-Explorer" training initiatives we also offer attractive career paths in Key Account Management and Controlling.

The "MM-Academy" is the Group's central educational institution and aims to promote the transfer of knowledge and learning-on-the-job among employees at all levels. The range of offer includes in particular advanced specialist training, foreign language training, development of management and social skills as well as the "MM Apprentice Academy". In 2013 around 2,560 employees received 1,029 days of training through the "MM-Academy".

We are addressing the expected shortage of specialists resulting from the demographic change in Europe with foresight. For this purpose we rely not only on systematic training of apprentices and recruitment but also on projects intended to tie the expert knowledge of older employees to the Group over the long term ("Methusalems" program).

Through our presence in schools, universities and colleges we are positioning the MM Group as an attractive employer and establishing contacts with potential young professionals at an early stage. Supporting women in technical professions is thereby becoming increasingly important.

We attach particular importance to the Company's health management with the goal of ensuring that the vitality of our employees remains high over a long working life. Here the focus is on professional care from Company doctors, regular preventive check-ups and a continuous offer of health and occupational safety training courses and information events as well as the promotion of active participation in sports events.

The Mayr-Melnhof Group is growing with an increasingly global presence. We consider the cultural variety and diversity of the Group's employees to be an enrichment to achieve market, cost and competence leadership in an increasingly global environment. It is crucial that our employees implement best practice everywhere in accordance with market requirements and are equipped as best as possible to meet new challenges. Ambitious benchmarking between locations and the continual international exchange of employees and knowledge ensure that new potential can be rapidly exploited in the Group.

High identification with the Company's success has always held particular importance for us in our corporate culture. Accordingly, performance-related forms of remuneration have long been established within the Group. This ensures that every individual showing high performance and exceptional commitment can also participate in the success of the Company.

### Development of number of employees

As of December 31, 2013 the Group employed a staff of 9,477 (December 31, 2012: 8,836). Of these, 2,537 were employed in the division MM Karton (December 31, 2012: 2,413) and 6,940 in the division MM Packaging (December 31, 2012: 6,423). The share of employees in Europe totaled 83.1 % (December 31, 2012: 86.7 %), therefore non-European countries accounted for 16.9 % (December 31, 2012: 13.3 %). The number of employees in Austria totaled 1,635 (December 31, 2012: 1,617).

### Employees of the Group

	Dec. 31, 2013		Dec. 31, 2012	
	Number	%	Number	%
Western Europe (excl. Austria)	3,734	39.4 %	3,665	41.4 %
Austria	1,635	17.3 %	1,617	18.3 %
Eastern Europe	2,501	26.4 %	2,384	27.0 %
Asia	514	5.4 %	324	3.7 %
Latin America	909	9.6 %	669	7.6 %
Other	184	1.9 %	177	2.0 %
<b>Total</b>	<b>9,477</b>	<b>100.0 %</b>	<b>8,836</b>	<b>100.0 %</b>

The Management Board thanks all employees for their high level of performance and great commitment, which made the financial year 2013 another year of success. We express our thanks to the employee representatives for their trustful and constructive cooperation.

## 4 — RESEARCH AND DEVELOPMENT

The Group's research and development work focuses on improving and securing competitiveness in the core competence areas of cartonboard and folding cartons over the long-term. The aim is to maintain a sustainable, high level of value creation for our business in the global market on the basis of an attractive range of innovative solutions. All associated developments are aligned with market needs and long-term cooperation with our customers. Our approach to innovation covers the entire value chain and opens up perspectives that go beyond the traditional fields of application for cartonboard and folding cartons.

The basis of our R&D activities is the networked cooperation between experts from different technical departments within the Group. A systematic innovation management process has been set up for this purpose that focusses ideas and innovation, supporting them from the conceptual stage through to project development and implementation. Our business development activities and regular collaboration with research establishments and product standardization bodies help to ensure that we always satisfy the requirements demanded of our products and exploit opportunities that arise at an early stage.

Product safety, sustainability, functional packaging, reduced packaging weight (light weighting) and premium quality are the prevailing trends that we focus on in our development work.

### Innovation highlights 2013 in the MM Karton division

The technological basis of the production of cartonboard for folding cartons is developed and enhanced primarily in the R&D Center in Frohnleiten, where resources have been significantly expanded in recent years. Current specific topics are concerned in particular with optimizing surface properties and the associated development of functional coatings, with improving printability, optimizing the use of fibers to enhance the mechanical properties of cartonboard as well as innovation in the use and further processing of cartonboard.

With FOODBOARD™, MM Karton has created a new type of cartonboard that ensures the highest levels of safety for food packaged by using cartonboard. The core component is an innovative, environmentally safe and consumer friendly barrier concept. It enables packaged food to be perfectly protected from undesirable substances in the packaging surroundings. The Austrian main mill in Frohnleiten will supply FOODBOARD™ following a special investment of a mid-double-digit million euro amount.

MM X-Liner aqua-fit™ is a new liner quality with a moisture barrier on the front and back of the cartonboard. This product is intended to be used as a protective layer for corrugated board packages that come into contact with moisture along the supply chain.

The acquisition of mechanical wood pulp producer MMK FollaCell in Norway will enable MM Karton to increase its specific expertise in the area of virgin fibers. The main focus is on the optimization of existing products and formulations as well as the development of new, high-quality cartonboard solutions. The mill produces the mechanical pulps BCTMP and CTMP (bleached and unbleached chemo-thermo-mechanical pulp).

The well-introduced virgin fiber based quality KROMOPAK™ from the Kolicveo mill in Slovenia was considerably enhanced by a significant increase in its brilliant shine and its smoothness. The environmentally friendly use of top-quality grades of recovered paper combined with certified wood fibers makes a significant contribution to convincing sustainability values.

As in the previous year, Venoplex™, which is produced in the Hirschwang mill, won the "Pro Carton/ECMA Award" in the category "Carton of the Year"; this time for its use in the "Twinkle Box" of the Champagne producer Moët & Chandon, a top-quality isothermic package.

The German Packaging Award 2013 in the category "Best Packaging" went to our recycling cartonboard MCM (Multicolor Mirabell™) for the transmission of the universal ecological message of the natural cosmetic own brand "alverde" of "dm Drogerie-Märkte" also on the package.

### Innovation activity 2013 in the MM Packaging division

MM Packaging has restructured its approach to innovation as a modular system. At its center, there is a Competence Pool that offers a single point of contact tailored to customers for all their respective requirements. The core components are mainly PacProject, the MM Packaging Creative Center in Hamburg, the Premium Printing Center in Trier, the local Packaging Development Centers at individual locations and the Technical Account Management.

The aim of MM Packaging's strategy of innovation is to systematically lead customers to success through the close relationship of market proximity and technical expertise. The spectrum of innovation covers a broad area including the strategic aspects encountered at the beginning of the launch of a product and the production-related implementation of packing in addition to packaging innovation.

Due to our international market expertise that covers all product categories, we support our customers at the early stages of market analysis and strategy formulation.

By using our access to all types of printing technologies and finishing effects, we support them in creating design and prototypes. Packaging optimization and added value are subsequently achieved by improving production parameters, minimizing the use of material and increasing supply chain efficiency.

We continually monitor packaging innovation trends with the aim of being able to offer convincing solutions on time. In this context, increasing importance continues to be attached to the topic of sustainability in design and production which we can very well meet as a manufacturer of cartonboard packaging. We meet increasing demands for speed in retailing through the use of state-of-the-art technologies and the constant acceleration of processes.

The product "Kleenex Slim Pack for Facial Tissues" won the "ProCarton/ECMA Award" as "Carton of the Year 2013" in the category "Volume Market" for the highest packaging efficiency.

## 5 — RISK MANAGEMENT

Due to the high correlation between demand for cartonboard and folding cartons and the overall economy, the Group's risk position is marked primarily by current and expected economic developments. With widely constant demand on our main European markets and relatively stable raw material and energy markets, the risk situation for the reporting year 2013 and the beginning of 2014 shows an overall constant picture. In summary, the risks faced by Group remain manageable and the Group's continued existence and ability to develop are secured.

The Mayr-Melnhof Group, as a globally operating company, is exposed to a range of general and industry-specific risks. A Group-wide risk management system is deployed in order to identify and manage these risks at an early stage. The risk management process involves the systematic identification, assessment, control and reporting of risks. The aim is to secure the existence and the development of the Group as best as possible by taking appropriate measures.

By the term risk, we understand a negative deviation from the Group's corporate objectives as a result of an event that might occur in the future with a certain degree of probability.

For each risk that is identified and considered to be significant, individual control, steering and safeguarding measures are defined taking into account the Group-wide risk policy in order to manage the risk. These measures are continually evaluated and developed as well as amended in case of identification of further risks. The aim is to improve the Group's risk position without greatly restricting its opportunities.

The Group's risk management is the responsibility of the Management Board which defines the risk policy and sets the framework for the Group-wide risk management. The Group's risk policy is characterized on the whole by a conservative approach. Risk prevention and reduction play an important role and are, to the extent economically justifiable, achieved by suitable control instruments and supported by the Group's insurance program.

The "Risk Management Compliance" department reports directly to the Management Board. This ensures that the risk management system is implemented and practised by order and in the interest of the Management Board. Every risk area that is considered to be significant is assigned to a risk area officer with expertise who is responsible for analyzing, assessing, controlling and monitoring the respective risks. Identified risks are evaluated and analyzed in a matrix in terms of potential damage and probability of occurrence.

The Group's auditor has the task of regularly assessing the functionality of the risk management system and reports to the Supervisory Board and the Management Board.

In the following the most significant areas of risks and uncertainties to which the Group is exposed are described and the way in which they are managed is explained.

## Sales

The development of demand for cartonboard and folding cartons is to a large degree dependent on private consumption and therefore correlates highly with the overall economy. Market risks may thus arise in particular from economic developments and the political and general circumstances in the individual sales markets of the Group.

Due to the sufficient level of available capacity, the cartonboard as well as folding carton markets are characterized by a high level of competition.

In total, the two divisions of the Group supply several thousand customers. The division MM Karton supplies the highly fragmented folding carton industry and generates around 25 % of divisional sales with its top 15 to 20 customers. MM Packaging sells folding cartons to the consumer goods industry, generating around 75 % of divisional sales with multinational customers from the consumer goods industry. However, the level of dependency on individual customers is classified as manageable.

Multinational consumer goods producers are investing specifically in growth markets. This results in a relocation or reallocation of business. The risk for MM Packaging is that the demand from such customers cannot be met or can only be met insufficiently in the medium to long term. For this reason MM Packaging accompanies its customers in their expansion into growth markets such as Latin America and Asia in order to take a significant position in new markets at an early stage.

At the end of 2012 stricter regulations, for example with regard to larger warnings on cigarette packaging and a ban on additives and flavorings, were proposed by the EU Commission. The vote taken in the EU Parliament in October 2013 resulted in the original proposal being mitigated. The Trilogue negotiations on the amended draft were concluded in December 2013. The current draft is expected to be formally adopted as an EU Directive in the course of 2014 and must be implemented in national law within two years. However, it is not yet possible to assess the impact on the division MM Packaging from the current perspective.

A complex range of activities focuses on ensuring market shares and generating new business. In particular, these include the long-term monitoring of market trends, cooperation in research and development, close customer contact with constant monitoring, continuous quality and cost management as well as regular participation in tenders and the targeted expansion of our customer base and business segments.

The price fluctuations of important input factors are taken into account by appropriate clauses in long-term agreements.

As mass-produced goods in a highly competitive market, cartonboard and folding carton products are under permanent price pressure. The Mayr-Melnhof Group therefore pursues the long-term strategy of securing its market leadership position in both divisions on the basis of cost, competence and innovation leadership and using new opportunities.

## Production

The focus is on a sustainably economic and responsible production in order to create long-term benefits for our customers, shareholders and employees. As a consequence, production plants and processes in the Mayr-Melnhof Group are state-of-the-art and are improved continually.

Special emphasis is placed on ensuring the economical use of resources (in particular fibers, cartonboard, energy, water, chemicals, transport and logistics) with the highest possible levels of efficiency in production while protecting the environment. This process is accompanied and maintained by a constant process of innovation and the continuous development of our human resources.

High availability of technical equipment (operational readiness) is crucial in both cartonboard and folding carton production. Ongoing systematic electronic monitoring of individual machinery and sections of machinery, inspections, maintenance, certification and risk engineering in collaboration with insurance companies are among the most important measures for maintaining continuous operations. Furthermore, division-wide back-up concepts guarantee customer supplies even in the event of long-term interruptions of operations through the possibility of moving capacities between individual locations.

Guaranteeing compliance with product standards and required quality standards is crucial for the sustained competitiveness and attractiveness of our products. Ongoing systematic quality assurance measures across the value chain document compliance with high standards and ensure the traceability of products. Our continual R&D activity and longstanding collaboration with national and international standardization bodies and lobbies, enables us to quickly assess and consider future developments and new interpretations and findings. In order to ensure safe innovative products, we have significantly expanded our R&D capacity in recent years so that we can promptly offer reliable state-of-the-art solutions even in times of increasing requirements, particularly in the sensitive area of food packaging. In this way a current development is countered, which particularly points to a possible limitation of recycled fiber based cartonboard for food packaging for reasons related to migration.

FOODBOARD™ represents a new type of cartonboard that protects food against undesired substances from the packaging surroundings through the use of an innovative barrier concept that is both environment and user-friendly.

We keep risks relating to investments, technical innovations and the integration of acquisitions limited by concentrating on our core competence areas cartonboard and packaging as well as by Group-wide knowledge exchange. Investment projects are the subject of a regular multi-level approval process as well as clearly defined tendering procedures with the respective specialist departments involved.

New products and processes are always subject to extensive testing and are generally implemented in a pilot project before being rolled out.

Energy (gas and electricity) is an input factor of strategic importance especially for the division MM Karton. A considerable rise in the purchase price of energy has a material impact on profit, to the extent that it cannot be fully passed on to customers. In risk assessment, in particular the purchase price, basic availability and purchase opportunities are significant. The latter refer to the physical availability of energy which depends in particular on the political stability of the producer and transit countries.

In order to manage risk, we rely on concluding long-term framework purchase contracts, continually monitoring price developments and existing hedging contracts as well as linking production and sales planning to the purchase of energy. Furthermore, medium-term purchasing policy is managed through regular consultation between management and an energy procurement team with Group-wide responsibility. Furthermore measures aimed at reducing specific energy requirements are constantly undertaken on a project basis.

The so-called Renewable Energies Act (Erneuerbare Energien Gesetz - EEG) leads to a preferential treatment of the electricity supply of electricity-intensive companies in Germany, which apart from other sectors also includes the paper and board industry and thus the three German cartonboard mills. The EU Commission considers the relevant law not to be in line with Community law and therefore initiated an official action for breach of the treaties against the Federal Republic Germany in December 2013, the outcome of which cannot be determined at present. In the worst case it could lead to an increase in energy costs for the three German cartonboard mills.

The interaction between emission certificates (CO<sub>2</sub> certificates) and the price of energy has gained special significance in the overall analysis.

For MM Karton, trading in emission rights is subject to a risk of regulatory availability and to a price risk in the case that additional emission certificates have to be bought. According to our present knowledge, the volume allocation of CO<sub>2</sub> certificates in financial years 2013 up to and including 2020 to the seven cartonboard mills with locations within the European Union is largely effected free of charge due to their good status with regard to the industry benchmark. Accordingly, there is a sufficient number of CO<sub>2</sub> certificates available in the division MM Karton until the end of 2019. A reduction of approximately 20 % in CO<sub>2</sub> emissions until 2020 is considered to be the political objective of the European Union. In this context, free allocations of CO<sub>2</sub> are falling from 2013 onwards. The EU reserves the right to revise its free CO<sub>2</sub> allocation in the event of changes in the carbon leakage classification of individual sectors. A revision of the free CO<sub>2</sub> allocation for the years following 2014 is expected from the European Parliament in 2014. A shortfall in CO<sub>2</sub> certificates must be covered by additional purchases.

## Procurement

Fiber materials, in particular recovered paper and groundwood pulp, together with chemicals, logistics services and energy are the most important input factors in cartonboard production. For the production of folding cartons, these are especially cartonboard, paper, inks, varnishes and tools. There is an essential risk of availability with regard to quantity and quality as well as a price risk for procurement.

Regular market and demand monitoring and continual contact with a majority of suppliers proactively counters the risk of availability and ensures high price transparency in procurement. Regularly obtaining of certificates and constantly quality monitoring are aimed at ensuring compliance with the agreed properties. We procure recovered paper through our European purchasing organization primarily on the spot market. We also keep strategic stocks and cover a part of our requirement with long-term supply contracts, allowing short-term peaks in prices to be absorbed. As a result of high recycling quotas in Europe and a limited level of exports outside Europe, a sufficient supply of recovered paper should continue to be assured. In addition, we take specific measures to steer the consumption and optimize the use of raw materials in cooperation between production and engineering. Opportunities for substitution and adjustments of formulas are evaluated regularly. Tenders for available procurement volumes are completed where reasonable and possible. Cartonboard procurement for folding carton production is performed by the division's own purchasing organization with continuous monitoring of a majority of suppliers.

## Human Resources

The MM Group relies at all levels on qualified, motivated and performance-oriented employees for the sustainable generation of corporate success. In order to tie key personnel to the Group and find suitable top performers for vacancies, we promote long-term collaboration through systematic personnel development, appropriate remuneration and bonus systems and by positioning the Company as an attractive employer. The targeted promotion of young talent and foresighted succession planning are managed and ensured centrally by the "Corporate Human Resources" department. The Company's health management takes a wide range of measures for the long-term promotion of career and vitality with the goal of ensuring that the productivity of our employees remains high.

### Pensions/severance payments/preretirement

The majority of employees in the Group is covered by defined contribution plans as part of the statutory pension scheme. In addition to the statutory pension scheme, the Group has also made performance and contribution-based pension commitments to certain employees on the basis of individual commitments and company agreements. In addition, there are performance and contribution-based severance obligations and obligations as part of the statutory partial retirement scheme.

In accordance with the revised standard IAS 19, which is to be applied from 2013, actuarial gains and losses are to be reported in equity from now on. The resulting deduction in equity in 2013 (EUR 27.6 million after taxes) can be regarded as a manageable amount in comparison to equity (EUR 1,111.8 million). Predicted expenses for pensions and severance payments remain stable or are decreasing slightly.

### Financial risks

Corporate planning is based on professional assessments, assumptions and forecasts concerning future economic and financial developments in the Group and its subsidiaries. The risk of false estimation is minimized through the close cooperation of the mills with the specialist departments of the Group and the divisions within a clearly defined planning process.

We counter risks in the financing and liquidity of the Group and its subsidiaries in particular with centrally-managed cash and credit management, the careful selection and continuous monitoring of banking partners and sufficient availability of credit lines.

Foreign exchange and interest risks are monitored continually with system support and limited or eliminated by taking suitable hedging measures. Hence we concentrate primarily on naturally balancing risks by balancing receivables and liabilities at individual subsidiaries and at Group level as well as forward exchange or option transactions. For each currency hedging transaction, a central currency trading platform has to be used. Currencies that are hedged for fluctuations of their exchange rates are in particular the British pound, the US dollar, the Turkish lira and the Polish zloty. In Eastern Europe, South Eastern Europe, Latin America and Asia we pursue a policy of minimizing currency risk with currency congruence in business transactions and with price adjustment mechanisms in long-term agreements. As a matter of principle, derivative financial instruments are neither used for trading nor for speculative purposes.

A central management system continuously optimizes working capital and minimizes impairment risks for inventories. The risk of default on accounts receivable is minimized by obligation for customer credit insurances – with exception of international customers enjoying the highest credit assessment – and for continuous credit assessment.

## Accounting

The Company's management is responsible for establishing and developing an appropriate internal monitoring and risk management system for accounting and financial reporting. This ensures the completeness, reliability and transparency of financial information. In addition, the appropriateness and efficiency of processes as well as compliance with statutory, contractual and internal provisions is guaranteed.

The accounting process covers all of the essential tasks that ensure that the accounting-relevant information is recorded and processed completely, accurately and on time and that the financial reporting is presented in accordance with the applicable accounting standards.

In the organizational and operational structure, clear responsibilities are defined for the individual companies and the Group. The central functions of "Corporate Accounting" and "Planning and Reporting" are responsible for developing up-to-date uniform Group guidelines as well as the organization and control of financial reporting in the Group.

The Supervisory Board and Management Board are reported to regularly, comprehensively and in a timely manner. Compliance with internal Group guidelines and processes concerning the recording, posting and accounting of business transactions is monitored continually. Predefined key control activities have to be verifiably performed and reported immediately. The data processing systems that are used are developed in a targeted manner and continually improved. The accounting process and financial reporting are reviewed systematically for potential risks and regularly evaluated by the Group's internal Risk Management. Improvement measures are taken as quickly as possible and implemented swiftly. Focus audits are carried out by the auditor in collaboration with Internal Audit.

### Other risks

The compliance risk arising from possible non-conformity with standards, laws, ethical codes of conduct and where applicable voluntary commitments, is covered in particular through regular, systematic evaluation and control, protective measures in the systems, guidelines (e.g. Code of Conduct), and the four-eyes principle. Furthermore, we have set up the function of an independent Compliance Officer who is also responsible for ongoing training and internal and external communication.

We deal with the risk area of "Legal Compliance", which covers all actions and measures geared towards compliance with legal regulations and contractual provisions, through the position of a Legal Manager, the use of a central "Legal Compliance System" and where necessary by consulting external experts. The aim is to meet increasing regulation as well as to prevent any infringement of the law and possible sanction-related penalties.

The maintenance of the central data processing is secured by a geographically separated back-up computer center and a wide range of preventive measures and checks. Risks regarding information security are countered with a targeted strategy and the establishment of the function of an Information Protection Officer who ensures appropriate security standards.

In addition to the risks listed here, the Group and its subsidiaries may be exposed to further risks. We are not aware of any such risks or consider them to be insignificant.

## 6 — ENVIRONMENTAL PROTECTION

We make careful use of primarily renewable raw materials to manufacture high-quality cartonboard and folding carton products using state-of-the-art high performance technology. These materials can be completely recycled after use. Cartonboard packaging is therefore one of the most attractive forms of packaging solutions due to its product-related technical and economic advantages as well as in terms of environmental protection. Sustainability has thus always been a practiced part of the business activities of the Mayr-Melnhof Group.

As market and cost leader, our aim of establishing the consistently highest standards in all areas of the Company throughout the Group is being comprehensively implemented. This is how we meet our social responsibility as a whole for the benefit of our stakeholders, with whom we maintain a long-term open dialog. Central benchmarking among locations is aimed at ensuring that the Group's best practices are shared with all production sites. This enables us today to record top figures in the industry for many specific forms of consumption and emission, with the approach to improve these continually. This is often only possible in marginal ranges or requires technological innovation.

We evaluate existing and new products and processes with regard to their impact on the environment by taking into account their effects on the entire supply chain. This is the only way to offer permanently economically viable products.

This improvement process has long been supported by a broad range of certified management systems. We are currently focusing on continual reduction of specific raw material and energy consumption as well as product and process optimization.

New certification during 2013 related in particular to the successful establishment of energy management systems compliant with ISO 50001 in four production sites of the cartonboard division. The ISO 50001 standard is a systematic approach for measuring and optimizing the supply, use and consumption of energy in companies as well as for monitoring progress and identifying further energy-saving potential on an international comparative scale. In addition, all MM Karton production mills continue to work towards improving energy efficiency per manufactured ton of cartonboard as part of the internal long-term "efficiency" project, which is coordinated via a central register of measures being undertaken.

The acquisition of the Norwegian mechanical wood pulp mill MMK FollaCell, which produces high-quality mechanical pulp (BCTMP and CTMP) used in the MMK virgin as well as recycled fiber-based cartonboard qualities in various forms, has extended our supplies of raw materials for cartonboard production. Like all of our cartonboard production sites, the mill works with the highest environmental standards, obtaining processed pulp from sustainably and responsibly operated sources.

At the end of 2013 environmental management systems according to ISO 14001 had been set up in three cartonboard mills and seven folding carton production sites.

In addition, all cartonboard mills and folding carton production sites serving the food industry are certified in accordance with the hygiene management standard HACCP/EN 15593.

The long-term certification of all cartonboard mills in accordance with FSC and PEFC enables us to document the transparent use of virgin fibers from assured sustainably managed forests. In order to ensure traceability throughout the entire value chain (chain-of-custody certification), the number of FSC and PEFC certified MM Packaging production sites increased to 17 last year.

Moreover, certification in accordance with ISO 9001 ensures high standards of operations and continuous improvements in the Company's quality assurance system throughout the Group.

According to our present knowledge, the volume allocation of CO<sub>2</sub> certificates in the financial years 2013 up to and including 2020 to MM Karton's seven mills will be largely effected free of charge due to their good status with regard to the industry benchmark. Hence, there is a sufficient number of CO<sub>2</sub> certificates available for MM Karton until the end of 2019. A reduction of approximately 20 % in CO<sub>2</sub> emissions until 2020 is considered to be the political objective of the European Union. In this context, free allocations of CO<sub>2</sub> are falling from 2013 onwards. The EU reserves the right to revise its free CO<sub>2</sub> allocation in the event of changes in the carbon leakage classification of individual sectors.

MM Karton and MM Packaging took also part in the latest carbon footprint evaluation by ProCarton. The result was a renewed decrease in the carbon footprint from 964 kg (2008) to 915 kg of CO<sub>2</sub> equivalent per ton of folding carton (European average).

## Environmental aspects

### MM Karton

#### **Fibers**

Cartonboard is a product made from organic, renewable and recyclable fibers. MM Karton currently uses more than 1.6 million tons each year. Of this volume, around three quarters are accounted for by recovered paper and one quarter by virgin fibers from sustainably managed and controlled forests. Improvement in fiber utilization is a constant focus of our optimization programs.

Cartonboard can be composted and represents a valuable source of energy at the end of its life cycle. A single fiber can be recycled between five and seven times.

**Energy**

Natural gas is the primary energy source used in MMK cartonboard mills. In combined heat and power generating plants we produce steam and electricity for cartonboard production in a highly efficient manner. In addition, we also purchase external power from energy supply companies. MM Karton aims to increase its own electricity supply over the long term. Under the "e.ffiiciency" project set up in 2006 and coordinated via a central register of measures being undertaken including benchmarking, all MM Karton mills continue to work towards improving energy efficiency per manufactured ton of cartonboard. The most recent projects concentrated in particular on increasing efficiency by optimizing or replacing power generating units and on energy recovery.

**Water**

Specific water consumption is kept to an absolute minimum and further decreased as a result of closed circulation systems and efficiency improvements in the production process. Measures undertaken in 2013 contributed towards a further reduction in the specific use of fresh water and to a further increase in water quality. In the Frohnleiten mill, for example, fresh water consumption per kilogram of cartonboard has been reduced from 12.6 liters to 4.6 liters over the last 20 years.

**Exhaust air**

Exhaust air emissions are mainly caused by burning natural gas in energy production. Emissions of CO<sub>2</sub>, NO<sub>x</sub> and CO are constantly monitored in accordance with legal regulations whereby the values registered are always significantly below the limits. Furthermore, cartonboard machinery produces direct exhaust air consisting primarily of steam. MM Karton aims to constantly reduce exhaust air emissions in line with the latest technological standards. The continuous evaluation of energy consumed in the production process makes an important contribution towards this.

**Waste**

The principle of "prevention before recycling before disposal" applies to the waste management. Waste disposal is performed by authorized waste collectors, recyclers and disposers. The largest share of waste in terms of volume consists of residual material from recovered paper processing which is then used for thermal conversion.

**MM Packaging**

Operational improvements in 2013 once again focused on enhancing productivity and material usage. Particular emphasis in environment-related areas was placed on saving energy through the use of LED technology, reducing and recycling residual material and on preparing ISO 50001 energy management certification.

## 7 — DISCLOSURES ACCORDING TO SECTION 243A PARA. 1 OF THE AUSTRIAN COMMERCIAL CODE

### **Composition of capital, stock categories**

Please refer to the information provided in the consolidated financial statements under note 13 a.

### **Restrictions concerning the voting rights and the transfer of shares**

Approximately 59 % of the shares are held by the core shareholder families in a syndicate. A syndicate agreement exists, which regulates the transferability of shares within the syndicate and to outside parties. Issues that concern the Annual General Meeting are decided by the syndicate with 65 % of the voting rights. Modifications of the syndicate agreement require 90 % of the voting rights.

### **Direct or indirect participation in capital of at least 10 %**

According to the information provided to the Company, at year-end 2013 minimum participations of 10 % in the capital were as follows:

MMS Mayr-Melnhof-Saurau Beteiligungsverwaltung KG  
CAMA Privatstiftung

### **The owners of shares with special control rights and a description of these rights**

There are no shares with special control rights.

### **The type of voting rights control for capital participation by employees, if they do not directly exercise the right to vote**

There is no such capital participation model for employees.

### **The provisions for appointment and revocation of members of the Management Board and the Supervisory Board and regarding alteration of the Articles of Association of the Company that do not arise directly from the Act**

There are no provisions of this type.

### **The authorizations of the members of the Management Board that do not arise directly from the Act, in particular with regard to the option of issuing or repurchasing shares**

There are no authorizations of this type.

**All significant agreements to which the Company is a party and that take effect are modified or terminated in the event of a change of control of the Company as a result of a takeover offer as well as its effects; excepted are agreements which would significantly damage the Company if made public, unless the Company is obligated to make such information public as a result of other statutory provisions**

The protective clause with regard to the disclosure of this information is invoked. The scope of the business in question is considered reasonable.

**Existence and significant contents of compensation agreements between the Company and the members of its Management and Supervisory Boards or employees in the event of a public takeover offer**

There are no agreements of this type.

## 8 — SUBSEQUENT EVENTS

In November 2013, the division MM Packaging entered into an agreement regarding the acquisition of three A&R Carton sites – St. Petersburg, Timashevsk in Southern Russia and Augsburg in Germany – which, however, could not be closed due to changed circumstances.

## 9 — OUTLOOK ON THE FINANCIAL YEAR 2014

This outlook reflects the assessment of the Management Board as of February 28, 2014, and does not take into consideration the effects of any possible acquisitions, disposals or other structural changes in 2014. The preceding and subsequent forward-looking statements are subject to known as well as unknown risks and uncertainties that may result in actual events differing from the forecasts made here.

As a result of stable consumer expectations in the main European markets the cartonboard and folding carton business continues to be marked by strong competition and short-term but constant customer planning. The aim of MM remains to continue its course of long-term growth even in these overall conditions, both organically through further market penetration as well as through acquisitions, particularly in growth regions.

Increased volumes, productivity improvements and continuous optimization of the product portfolio in both divisions are intended to contribute towards defending or increasing market shares and to maintain the Group's long-term profit dynamic at a high level.

With the currently high level of capacity utilization in our plants and largely stable prices for fibers and energy, the Group develops correspondingly on course.

Investment activities continue to focus on the deployment of the latest technology and on improving cost efficiency. Furthermore, a special investment in a mid-double-digit million euro amount is planned for 2014 for the introduction of FOODBOARD™ in the Austrian main mill Frohnleiten, with implementation focus in the 4<sup>th</sup> quarter. An operating profit below the level of the previous year can be expected for MM Karton in 2014 as a consequence of the planned downtime due to construction work and due to the non-recurring income from the acquisition of the Norwegian mechanical wood pulp mill MMK FollaCell in the last year. In contrast, MM Packaging should continue to maintain a solid operating margin.

Vienna, February 28, 2014

### **The Management Board**

Wilhelm Hörmanseder m.p.

Andreas Blaschke m.p.

Franz Rappold m.p.

Oliver Schumy m.p.

# Consolidated Financial Statements

37	<b>Consolidated Balance Sheets</b>
38	<b>Consolidated Income Statements</b>
39	<b>Consolidated Comprehensive Income Statements</b>
39	<b>Consolidated Statements of Changes in Equity</b>
40	<b>Consolidated Cash Flow Statements</b>
	<b>Notes to the Consolidated Financial Statements</b>
41	(1) Basic information
41	(2) Principles of preparing the consolidated financial statements
44	(3) Summary of significant accounting and recognition principles
63	(4) Key assumptions and estimates
64	(5) Financial instruments disclosures
75	(6) Significant changes in the consolidated companies
82	(7) Development of fixed assets
86	(8) Securities and other financial assets
87	(9) Income taxes
91	(10) Inventories
91	(11) Trade receivables
93	(12) Prepaid expenses and other current assets
93	(13) Equity
95	(14) Financial liabilities
97	(15) Provisions for non-current liabilities and charges
108	(16) Trade liabilities
108	(17) Deferred income and other current liabilities
109	(18) Provisions for current liabilities and charges
110	(19) Segment reporting information
112	(20) Other operating income
113	(21) Personnel expenses
114	(22) Expenses for the Group auditor
114	(23) Research and development expenses
115	(24) Financial income
115	(25) Financial expenses
115	(26) Other financial result – net
116	(27) Earnings per share
117	(28) Commitments and contingent liabilities
118	(29) Disclosure on transactions with related parties
118	(30) Subsequent events
119	(31) Table of affiliated and associated companies
123	(32) Board Members
124	<b>Auditor's Report</b>

# Consolidated Balance Sheets

(all amounts in thousands of EUR)	Notes	Dec. 31, 2013	Dec. 31, 2012	Jan. 1, 2012
<b>ASSETS</b>				
Property, plant and equipment	7	663,901	618,064	592,274
Intangible assets including goodwill	7	101,329	88,314	86,027
Securities and other financial assets	8	9,209	11,244	5,397
Deferred income taxes	9	16,870	12,686	11,239
<b>Non-current assets</b>		<b>791,309</b>	<b>730,308</b>	<b>694,937</b>
Inventories	10	278,085	259,657	244,503
Trade receivables	11	277,571	253,984	235,859
Income tax receivables		14,150	16,026	11,225
Prepaid expenses and other current assets	12	43,420	39,012	33,416
Cash and cash equivalents		297,920	330,063	348,755
<b>Current assets</b>		<b>911,146</b>	<b>898,742</b>	<b>873,758</b>
<b>TOTAL ASSETS</b>		<b>1,702,455</b>	<b>1,629,050</b>	<b>1,568,695</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital	13	80,000	80,000	80,000
Additional paid-in capital	13	172,658	172,658	172,658
Treasury shares	13	0	0	(904)
Retained earnings	13	928,642	851,521	773,160
Other reserves	13	(79,570)	(43,041)	(42,489)
<b>Equity attributable to shareholders of the Company</b>		<b>1,101,730</b>	<b>1,061,138</b>	<b>982,425</b>
Non-controlling (minority) interests		10,072	6,007	11,795
<b>Total equity</b>		<b>1,111,802</b>	<b>1,067,145</b>	<b>994,220</b>
Interest-bearing financial liabilities	14	104,124	105,089	65,591
Financial lease liabilities	14	0	0	2,541
Provisions for non-current liabilities and charges	15	99,067	97,946	86,276
Deferred income taxes	9	12,997	14,338	16,526
<b>Non-current liabilities</b>		<b>216,188</b>	<b>217,373</b>	<b>170,934</b>
Interest-bearing financial liabilities	14	65,436	52,352	72,160
Financial lease liabilities	14	0	0	638
Current tax liabilities		10,403	5,621	13,234
Trade liabilities	16	172,029	171,630	168,903
Deferred income and other current liabilities	17	103,331	87,814	127,290
Provisions for current liabilities and charges	18	23,266	27,115	21,316
<b>Current liabilities</b>		<b>374,465</b>	<b>344,532</b>	<b>403,541</b>
<b>Total liabilities</b>		<b>590,653</b>	<b>561,905</b>	<b>574,475</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,702,455</b>	<b>1,629,050</b>	<b>1,568,695</b>

The accompanying notes are an integral part of these consolidated financial statements.

The information regarding the financial year 2012 has been adjusted due to the adoption of the revised standard IAS 19 and also other reclassifications, where required (see note 3), to ensure full comparability.

# Consolidated Income Statements

(all amounts in thousands of EUR except share and per share data)	Notes	<b>Year ended Dec. 31, 2013</b>	<b>Year ended Dec. 31, 2012</b>
Sales	19	1,999,400	1,952,155
Cost of sales		(1,562,828)	(1,524,872)
<b>Gross margin</b>		<b>436,572</b>	<b>427,283</b>
Other operating income	20	18,677	12,394
Selling and distribution expenses		(191,336)	(179,618)
Administrative expenses		(98,077)	(89,417)
Other operating expenses		(392)	(177)
<b>Operating profit</b>		<b>165,444</b>	<b>170,465</b>
Financial income	24	1,532	2,603
Financial expenses	25	(4,052)	(5,235)
Other financial result – net	26	(6,559)	(6,536)
<b>Profit before tax</b>		<b>156,365</b>	<b>161,297</b>
Income tax expense	9	(33,480)	(40,963)
<b>Profit for the year</b>		<b>122,885</b>	<b>120,334</b>
<b>Attributable to:</b>			
Shareholders of the Company		122,285	119,889
Non-controlling (minority) interests		600	445
<b>Profit for the year</b>		<b>122,885</b>	<b>120,334</b>
<b>Earnings per share for profit attributable to the shareholders of the Company during the year:</b>			
Basic and diluted average number of shares outstanding	27	20,000,000	19,985,282
<b>Basic and diluted earnings per share</b>	27	<b>6.11</b>	<b>6.00</b>

The accompanying notes are an integral part of these consolidated financial statements.

The information regarding the financial year 2012 has been adjusted due to the adoption of the revised standard IAS 19, where required (see note 3), to ensure full comparability.

# Consolidated Comprehensive Income Statements

(all amounts in thousands of EUR)

	Year ended Dec. 31, 2013	Year ended Dec. 31, 2012
<b>Profit for the year<sup>1)</sup></b>	<b>122,885</b>	<b>120,334</b>
<b>Profit (loss) directly recognized in equity:</b>		
Measurement of defined benefit pension and severance obligations	(3,478)	(13,223)
Effects of income taxes	(1,812)	2,627
<b>Total of items that will not be reclassified ("recycled") subsequently to the income statement</b>	<b>(5,290)</b>	<b>(10,596)</b>
Foreign currency translations	(31,704)	9,944
<b>Total of items that will be reclassified ("recycled") subsequently to the income statement</b>	<b>(31,704)</b>	<b>9,944</b>
<b>Total profit (loss) directly recognized in equity (net)<sup>1)</sup></b>	<b>(36,994)</b>	<b>(652)</b>
<b>Total profit for the year</b>	<b>85,891</b>	<b>119,682</b>
<b>Attributable to:</b>		
Shareholders of the Company	85,756	119,337
Non-controlling (minority) interests	135	345
<b>Total profit for the year</b>	<b>85,891</b>	<b>119,682</b>

The accompanying notes are an integral part of these consolidated financial statements.

The information regarding the financial year 2012 has been adjusted due to the adoption of the revised standard IAS 19, where required (see note 3), to ensure full comparability.

<sup>1)</sup> In the financial year 2013 an amount of thous. EUR -2,851 (2012: thous. EUR -3,419) was reclassified from total profit (loss) directly recognized in equity to the profit for the year.

# Consolidated Statements of Changes in Equity

(all amounts in thousands of EUR) Notes	Equity attributable to shareholders of the Company							Total	Non-controlling (minority) interests	Total equity
	Share capital	Additional paid-in capital	Treasury shares	Retained earnings	Foreign currency translations	Actuarial gains or losses	Other reserves			
<b>Balance at Jan. 1, 2012</b>	<b>80,000</b>	<b>172,658</b>	<b>(904)</b>	<b>773,160</b>	<b>(30,768)</b>	<b>0</b>	<b>(30,768)</b>	<b>994,146</b>	<b>11,795</b>	<b>1,005,941</b>
Adjustments to the revised version of IAS 19						(11,721)	(11,721)	(11,721)		(11,721)
<b>Adjusted balance at Jan. 1, 2012</b>	<b>80,000</b>	<b>172,658</b>	<b>(904)</b>	<b>773,160</b>	<b>(30,768)</b>	<b>(11,721)</b>	<b>(42,489)</b>	<b>982,425</b>	<b>11,795</b>	<b>994,220</b>
Total profit for the year				119,889	10,044	(10,596)	(552)	119,337	345	119,682
Dividends paid				(41,968)			0	(41,968)	(436)	(42,404)
Acquisition and increase of majority interests 13			904	440			0	1,344	(5,697)	(4,353)
<b>Balance at Dec. 31, 2012</b>	<b>80,000</b>	<b>172,658</b>	<b>0</b>	<b>851,521</b>	<b>(20,724)</b>	<b>(22,317)</b>	<b>(43,041)</b>	<b>1,061,138</b>	<b>6,007</b>	<b>1,067,145</b>
Total profit for the year				122,285	(31,294)	(5,235)	(36,529)	85,756	135	85,891
Dividends paid 13				(45,000)			0	(45,000)	(526)	(45,526)
Acquisition and increase of majority interests 13			0	(164)			0	(164)	4,456	4,292
<b>Balance at Dec. 31, 2013</b>	<b>80,000</b>	<b>172,658</b>	<b>0</b>	<b>928,642</b>	<b>(52,018)</b>	<b>(27,552)</b>	<b>(79,570)</b>	<b>1,101,730</b>	<b>10,072</b>	<b>1,111,802</b>

The accompanying notes are an integral part of these consolidated financial statements

The information regarding the financial year 2012 has been adjusted due to the adoption of the revised standard IAS 19, where required (see note 3), to ensure full comparability.

# Consolidated Cash Flow Statements

(all amounts in thousands of EUR)	Notes	Year ended Dec. 31, 2013	Year ended Dec. 31, 2012
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>			
Profit for the year		122,885	120,334
<b>Adjustments to reconcile profit for the year to net cash provided by operating activities:</b>			
Income tax expense	9	33,480	40,963
Depreciation and amortization of property, plant and equipment, and intangible assets	7	89,615	85,787
Gains (losses) from disposals of property, plant and equipment, and intangible assets	20	(1,240)	(3,694)
Preliminary negative goodwill	6	(10,033)	0
Financial income	24	(1,532)	(2,603)
Financial expense	25	4,052	5,235
Share of profit (loss) of associated companies and other investments		(234)	(454)
Gains (losses) from disposals of available-for-sale and other financial assets		(29)	0
Other adjustments		(5,153)	(1,870)
<b>Net cash provided by profit</b>		<b>231,811</b>	<b>243,698</b>
<b>Changes in working capital:</b>			
Inventories		(23,982)	(11,142)
Trade receivables		(31,712)	(17,122)
Prepaid expenses and other current assets		(4,785)	767
Trade liabilities		3,872	2,694
Deferred income and other short-term liabilities		5,836	(3,962)
Provisions for short-term liabilities and charges		(4,318)	7,264
<b>Changes in working capital</b>		<b>(55,089)</b>	<b>(21,501)</b>
<b>Cash flow provided by operating activities excluding interest and taxes paid</b>		<b>176,722</b>	<b>222,197</b>
Income taxes paid		(34,578)	(54,813)
<b>Net cash provided by operating activities</b>		<b>142,144</b>	<b>167,384</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Proceeds from disposals of property, plant and equipment, and intangible assets		2,217	5,346
Purchases of property, plant and equipment, and intangible assets		(116,178)	(102,714)
Acquisitions of companies or businesses, net of cash and cash equivalents acquired (2013: thous. EUR 674; 2012: thous. EUR 0)	6	(26,738)	(55,047)
Proceeds from disposal of companies or businesses, net of cash and cash equivalents disposed (2013: thous. EUR 0; 2012: thous. EUR 16)	6	0	609
Disposals and purchases of securities and other financial assets		1,328	(5,102)
Dividends received		234	385
Interest received		1,770	2,502
<b>Net cash provided by/used in investing activities</b>		<b>(137,367)</b>	<b>(154,021)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>			
Interest paid		(4,044)	(5,711)
Issuances of interest-bearing financial liabilities		14,926	40,294
Repayments of interest-bearing financial and financial lease liabilities		(1,024)	(25,288)
Treasury shares	13	0	1,000
Dividends paid to the shareholders of the Company	13	(45,000)	(41,968)
Dividends paid to non-controlling (minority) shareholders		(526)	(436)
<b>Net cash used in financing activities</b>		<b>(35,668)</b>	<b>(32,109)</b>
Effect of exchange rate changes on cash and cash equivalents		(1,252)	54
<b>Net increase in cash and cash equivalents</b>		<b>(32,143)</b>	<b>(18,692)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>330,063</b>	<b>348,755</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>297,920</b>	<b>330,063</b>

The accompanying notes are an integral part of these consolidated financial statements.

The information regarding the financial year 2012 has been adjusted due to the adoption of the revised standard IAS 19 and other reclassifications, where required (see note 3), to ensure full comparability.

# Notes to the Consolidated Financial Statements

## 1 — BASIC INFORMATION

### **The Mayr-Melnhof Group**

Mayr-Melnhof Karton AG and its subsidiaries (“the Group”) are primarily engaged in manufacturing and selling cartonboard and folding cartons with focus on Europe. The parent company of the Group is Mayr-Melnhof Karton AG, located at Brahmssplatz 6, 1041 Vienna, Austria. The shares of the Company are listed on the Vienna Stock Exchange.

### **Segment information**

The Group is divided into two operating segments (see note 19): Mayr-Melnhof Karton (“MM Karton”) and Mayr-Melnhof Packaging (“MM Packaging”). MM Karton manufactures and markets numerous grades of cartonboard, concentrating on coated cartonboard produced predominantly from recovered paper. MM Packaging converts cartonboard into industrial printed folding cartons mainly for the food industry (e.g. cereals, dried foods, sugar, confectionary and baked products), other consumer goods industries (e.g. cosmetics and toiletries, detergents, household articles and toys), and into cigarette packaging as well as high-grade confectionary packaging.

## 2 — PRINCIPLES OF PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS

### **Basic accounting principles and declaration of compliance**

The consolidated financial statements and notes thereto of Mayr-Melnhof Karton AG and its subsidiaries have been prepared applying section 245a of the Austrian Commercial Code in accordance with International Financial Reporting Standards (“IFRS” and “IAS”) as adopted by the International Accounting Standards Board (“IASB”) and the respective interpretations as adopted by the Standing Interpretations Committee (“SIC”), by the International Financial Reporting Interpretations Committee (“IFRIC”) and by IFRS Interpretations Committee (“IFRS-IC”) as to be applied within the European Union. Additional requirements according to section 245a paragraph 1 of the Austrian Commercial Code have been met.

There are no further liabilities or claims with regard to third parties other than those which have been recorded in the consolidated financial statements and notes thereto.

The consolidated financial statements, except for particular financial instruments, are prepared according to historical acquisition or manufacturing cost.

The preparation of the consolidated financial statements and the notes thereto in accordance with generally accepted accounting and recognition standards of IFRS is performed by making estimates and assumptions for certain items, which affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Actual amounts may in the end differ from those estimates and assumptions.

The present consolidated financial statements have been prepared by the Management Board as of February 28, 2014 and will be presented to the Supervisory Board for review and approval.

The consolidated financial statements are reported in Euro. All amounts herein, except share data and per share amounts, are specified in thousands of Euro unless otherwise stated.

#### **Application of new and changed standards**

During the preparation of the consolidated financial statements and notes, relevant amendments to existing IAS, IFRS and interpretations as well as newly enacted IFRS and IFRIC interpretations, as published in the Official Journal of the European Union and with an effective date no later than December 31, 2013, were taken into consideration.

<b>Standard</b>	<b>Content</b>	<b>Effective</b>
IFRS 1	First-time Adoption of International Financial Reporting Standards: Severe Hyperinflation and Removal of Fixed Dates	2013
IFRS 1	First-time Adoption of International Financial Standards: Government Loans	2013
IFRS 7	Financial instruments: Disclosures: Offsetting of financial assets and financial liabilities	2013
IFRS 13	Fair value measurement: Guidelines for measuring the fair value and associated disclosures	2013
IAS 12	Income Taxes: Deferred Taxes: Realization (Recovery) of underlying assets	2013
IAS 19	Employee Benefits: Immediate recognition of changes in the defined benefit obligation and the fair value of plan assets at the time of occurrence	2013
	Annual improvements cycle 2009-2011	2013

If applicable, the effective regulations were adopted in the present consolidated financial statements, with no considerable impact on the presentation of the financial situation and profitability, except for the effects of the adoption of the new IFRS 13 and the revised version of IAS 19.

IFRS 13 "Fair Value Measurement" was issued in May 2011. The standard defines the term "Fair Value" and provides a single framework for measuring fair value. IFRS 13 applies, with a few exemptions, when another IFRS requires or permits fair value measurement or disclosures. As a result of the adoption of IFRS 13, extended disclosures in the notes regarding financial instruments are to be amended (see note 5).

The impact of the first adoption of the revised version of IAS 19 is to be disclosed in note 3.

Furthermore, the following Standards and Interpretations, which were not yet compulsorily applicable for the financial year 2013, have been changed since December 31, 2013.

<b>Standard</b>	<b>Content</b>	<b>Effective</b>
IFRS 10	Consolidated financial statements: Requirements for preparation and presentation of consolidated financial statements	2014
IFRS 11	Joint arrangements: Classification of joint arrangements as a joint operation or a joint venture	2014
IFRS 12	Disclosure of interests in other entities	2014
IAS 27	Consolidated and separate financial statements: New version of IAS 27, separate financial statements	2014
IAS 28	Investments in Associates and Joint Ventures: New version of IAS 28, Investments in Associates and Joint Ventures	2014
IAS 32	Financial instruments: Presentation: Offsetting financial assets and financial liabilities	2014
IAS 36	Impairment of assets: Recoverable amount of Non-Financial Assets	2014
IAS 39	Financial instruments: Novation of Derivatives and Continuation of Hedge Accounting	2014

From today's point of view the above mentioned revised versions of Standards are not expected to have any significant impact on the Group's financial statements. From the application of IFRS 12 only extended disclosures are expected. The possibility of earlier application of the mentioned regulations was not used.

### 3 — SUMMARY OF SIGNIFICANT ACCOUNTING AND RECOGNITION PRINCIPLES

#### **Presentation of the consolidated financial statements**

The present consolidated financial statements are prepared in accordance with IAS 1 "Presentation of financial statements". The consistency of presentation has been considered.

#### **Change in accounting principles**

The significant change from the adoption of the revised version of IAS 19 is the elimination of the corridor approach for the recognition of actuarial gains and losses from defined benefit pension and severance obligations. So far these amounts were recognized in the Group's income statement, if they have exceeded a certain corridor, distributed through average working life of those employees, for whom the relevant obligations were created. In the future these amounts will be directly presented in other comprehensive income of the Group's comprehensive income statement. Furthermore the two positions "interest cost on defined benefit obligation" and "expected return on plan assets" were replaced by the position "net interest expense or income", which is determined by applying the discount rate on the net defined benefit obligation and plan asset.

In the course of the adoption of the revised version of IAS 19, the net interest expense or income is now presented as part of the financial result and not as part of personnel expenses as before. This is the common disclosure method which enables comparability with other financial statements.

Additionally certain positions, which were reported in short-term provisions, will be classified as trade liabilities or deferred income and other current liabilities to ensure better interpretation. The short-term personnel provisions as well as legal, audit and consulting expenses, which were reported as a part of other short-term provisions, are now to be reported under the position deferred income and other current liabilities. The provisions for procurement are to be reported under trade liabilities. These adjustments should improve in particular the comparability with other financial statements.

The payments on account for property, plant and equipment are reclassified from non-current assets (Property, plant and equipment) to current assets to ensure better comparability with other international consolidated financial statements.

The adoption of the revised version of IAS 19 and the new presentation of the interest effect as well as the reclassification between provisions and liabilities and the reclassification of payments on account is made in accordance with IAS 8 retrospectively applicable from January 1, 2012 in order to provide direct comparative information.

The following tables represent the impact of the revised version of IAS 19 as well as reclassification of provisions and liabilities and payments on account for property, plant and equipment on the Group's balance sheets as of January 1, 2012 and December 31, 2012:

**Presentation of relevant positions of the consolidated balance sheet adjusted to the revised version of IAS 19 as well as to reclassification of provisions and payments on account for property, plant and equipment as of January 1, 2012**

(all amounts in thousands of EUR)	Jan. 1, 2012				Revised version
	Prior version	Necessary adjustment IAS 19	Reclassification of provisions	Reclassification of payments on account	
<b>ASSETS</b>					
Property, plant and equipment	594,585			(2,311)	592,274
Deferred income taxes	9,126	2,113			11,239
<b>Non-current assets</b>	<b>695,135</b>	<b>2,113</b>		<b>(2,311)</b>	<b>694,937</b>
Prepaid expenses and other current assets	31,105			2,311	33,416
<b>Current assets</b>	<b>871,447</b>			<b>2,311</b>	<b>873,758</b>
<b>TOTAL ASSETS</b>	<b>1,566,582</b>	<b>2,113</b>		<b>0</b>	<b>1,568,695</b>
<b>EQUITY AND LIABILITIES</b>					
Other reserves	(30,768)	(11,721)			(42,489)
<b>Equity attributable to the shareholders of the Company</b>	<b>994,146</b>	<b>(11,721)</b>			<b>982,425</b>
<b>Total equity</b>	<b>1,005,941</b>	<b>(11,721)</b>			<b>994,220</b>
Provisions for non-current liabilities and charges	72,442	13,834			86,276
<b>Non-current liabilities</b>	<b>157,100</b>	<b>13,834</b>			<b>170,934</b>
Trade liabilities	146,865		22,038		168,903
Deferred income and other current liabilities	88,101		39,189		127,290
Provisions for current liabilities and charges	82,543		(61,227)		21,316
<b>Current liabilities</b>	<b>403,541</b>		<b>0</b>		<b>403,541</b>
<b>Total liabilities</b>	<b>560,641</b>	<b>13,834</b>	<b>0</b>		<b>574,475</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,566,582</b>	<b>2,113</b>	<b>0</b>		<b>1,568,695</b>

**Presentation of relevant positions of the consolidated balance sheet adjusted to the revised version of IAS 19 as well as to reclassification of provisions and payments on account for property, plant and equipment as of December 31, 2012**

(all amounts in thousands of EUR)	Dec. 31, 2012				Revised version
	Prior version	Necessary adjustment IAS 19	Reclassification of provisions	Reclassification of payments on account	
<b>ASSETS</b>					
Property, plant and equipment	624,113			(6,049)	618,064
Deferred income taxes	11,057	1,629			12,686
<b>Non-current assets</b>	<b>734,728</b>	<b>1,629</b>		<b>(6,049)</b>	<b>730,308</b>
Prepaid expenses and other current assets	32,963			6,049	39,012
<b>Current assets</b>	<b>892,693</b>			<b>6,049</b>	<b>898,742</b>
<b>TOTAL ASSETS</b>	<b>1,627,421</b>	<b>1,629</b>		<b>0</b>	<b>1,629,050</b>
<b>EQUITY AND LIABILITIES</b>					
Retained earnings	850,697	824			851,521
Other reserves	(20,586)	(22,455)			(43,041)
<b>Equity attributable to the shareholders of the Company</b>	<b>1,082,769</b>	<b>(21,631)</b>			<b>1,061,138</b>
<b>Total equity</b>	<b>1,088,776</b>	<b>(21,631)</b>			<b>1,067,145</b>
Provisions for non-current liabilities and charges	71,850	26,096			97,946
Deferred income taxes	17,174	(2,836)			14,338
<b>Non-current liabilities</b>	<b>194,113</b>	<b>23,260</b>			<b>217,373</b>
Trade liabilities	154,495		17,135		171,630
Deferred income and other current liabilities	50,672		37,142		87,814
Provisions for current liabilities and charges	81,392		(54,277)		27,115
<b>Current liabilities</b>	<b>344,532</b>		<b>0</b>		<b>344,532</b>
<b>Total liabilities</b>	<b>538,645</b>	<b>23,260</b>	<b>0</b>		<b>561,905</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,627,421</b>	<b>1,629</b>	<b>0</b>		<b>1,629,050</b>

The following tables represent the impact of the revised version of IAS19 on the Group's income statement as well as comprehensive income statement in 2012:

**Presentation of relevant positions of the consolidated income statement adjusted to the revised version of IAS 19**

(all amounts in thousands of EUR)	Year ended Dec. 31, 2012		
	Prior version	Necessary adjustment IAS 19	Revised version
Cost of sales	(1,527,981)	3,109	(1,524,872)
<b>Gross margin</b>	<b>424,174</b>	<b>3,109</b>	<b>427,283</b>
Selling and distribution expenses	(180,140)	522	(179,618)
Administrative expenses	(90,131)	714	(89,417)
<b>Operating profit</b>	<b>166,120</b>	<b>4,345</b>	<b>170,465</b>
Other financial result - net	(3,289)	(3,247)	(6,536)
<b>Profit before tax</b>	<b>160,199</b>	<b>1,098</b>	<b>161,297</b>
Income tax expense	(40,689)	(274)	(40,963)
<b>Profit for the year</b>	<b>119,510</b>	<b>824</b>	<b>120,334</b>
<b>Attributable to:</b>			
Shareholders of the Company	119,065	824	119,889
<b>Basic and diluted earnings per share (in EUR)</b>	<b>5.96</b>	<b>0.04</b>	<b>6.00</b>

**Presentation of relevant positions of the consolidated comprehensive income statement adjusted to the revised version of IAS 19**

	Year ended Dec. 31, 2012		
	Prior version	Necessary adjustment IAS 19	Revised version
(all amounts in thousands of EUR)			
<b>Profit for the year</b>	<b>119,510</b>	<b>824</b>	<b>120,334</b>
<b>Profit (loss) directly recognized in equity:</b>			
Measurement of defined benefit pension and severance obligations	0	(13,223)	(13,223)
Effect of income taxes	0	2,627	2,627
<b>Total of items that will not be reclassified ("recycled") subsequently to the income statement</b>	<b>0</b>	<b>(10,596)</b>	<b>(10,596)</b>
Foreign currency translations	10,082	(138)	9,944
<b>Total of items that will be reclassified ("recycled") subsequently to the income statement</b>	<b>10,082</b>	<b>(138)</b>	<b>9,944</b>
<b>Total profit (loss) directly recognized in equity (net)</b>	<b>10,082</b>	<b>(10,734)</b>	<b>(652)</b>
<b>Total profit for the period</b>	<b>129,592</b>	<b>(9,910)</b>	<b>119,682</b>
<b>Attributable to:</b>			
Shareholders of the Company	129,247	(9,910)	119,337

### **Consolidation principles and methods**

The consolidated financial statements and notes thereto include the accounts of Mayr-Melnhof Karton AG ("the Company") as well as its subsidiaries. These are all entities, over which the Group has power to govern the financial and operating policies, generally accompanied by a shareholding giving the ownership of more than 50 % of voting shares. The existence and effect of potential voting rights that are currently exercisable or convertible, are considered when assessing whether the Group controls another entity. It is necessary to consider whether the Group has control over another entity even if the Group holds less than 50 % of voting rights but the possibility of governing the financial and operating policies exists.

The subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated on the date on which such control ceases to exist.

The changes in participation rates, which do not lead to a loss of control over the subsidiaries are reported only as equity transactions in the balance sheet and therefore have no impact on the consolidated income statement.

Non-controlling (minority) interests represent the non-controlling (minority) shareholders' proportionate share in the equity and total profit for the year in majority-owned subsidiaries of the Group. The minority interests are presented separately in the consolidated balance sheet within the equity.

All effects of intercompany transactions are eliminated.

### **Business Combinations**

All acquisitions of subsidiaries and businesses shall be accounted for using the acquisition method. The acquisition costs correspond to the fair value of the assets and liabilities transferred or incurred and the equity instruments issued at the transaction date. The acquisition costs also include the fair value of any assets or liabilities arising from a contingent or deferred consideration arrangement. On initial consolidation, the assets, liabilities and contingent liabilities identified in the course of a business combination are measured at their fair value at the acquisition date. The Group recognizes any non-controlling (minority) interest in the acquiree at the date of acquisition at the non-controlling (minority) interest's proportionate share in the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Contingent liabilities are measured at their fair value at the acquisition date. In accordance with IAS 39, the changes in the amount of contingent liability as a result of subsequent events are accounted for, classified as an asset or liability. Profit or loss arising from this transaction is recognized in the profit for the year. If the contingent liability is classified as equity, it is not remeasured and its subsequent settlement is accounted for directly in equity.

Any remaining excess of the acquisition costs over the fair value of identifiable net assets of the equity interest acquired shall be capitalized as goodwill. Negative goodwill, after repeatedly assessed, shall be recognized immediately in the income statement.

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 acquired non-controlling (minority) interests is recognized directly in equity.

### **Investments in associated companies and other investments**

Investments in companies in which the Group has the ability to exercise significant influence, but not dominant control, over its operating and financial policy, are accounted for under the equity method and primarily recognized at their acquisition costs. This is generally the case when the voting interest is between 20 % and 50 %. All other investments, which are not measured by equity method, are accounted for at their fair value. If no active market for these investments exists and the fair value of the justifiable expenses cannot be reliably determined, then they are assessed at their acquisition costs less impairment.

### **Foreign currency translation**

The assets and liabilities of foreign subsidiaries with a functional currency other than the Euro are translated into Euro using the exchange rates as of the balance sheet date. Revenues and expenses are translated using average exchange rates for the year. Differences arising from the translation of assets and liabilities in comparison with the previous periods are recognized as a separate component of equity. Gains and losses resulting from foreign currency transactions are recognized in the income statement as incurred.

The transactions of the Company in currencies other than the functional currency are translated using the exchange rates on the date of transaction. Monetary items in foreign currency are translated using the exchange rate at the balance sheet date. Resulting exchange rate differences as well as effects of the realization are recognized in the income statement under "Other financial result-net".

Exchange rate differences arising on monetary items that form part of a net investment in a foreign operation are recognized initially in accordance with IAS 21.32 as a separate component of equity and recognized in the income statement only upon repayment or disposal of the net investment.

The functional currency for Mayr-Melnhof Printing and Packaging Tehran Company, Private Joint Stock, was changed from Rial to Euro as of January 1, 2013. The existing sanctions against Iran required a business model adjusted to Euro for this subsidiary.

The exchange rates of the relevant currencies of non-Euro participating countries used in preparing the consolidated financial statements and notes thereto were as follows:

Country:	Currency:	Exchange rate at Dec. 31, 2013	Exchange rate at Dec. 31, 2012	Annual average exchange rate 2013	Annual average exchange rate 2012
		1 EUR =	1 EUR =	1 EUR =	1 EUR =
Bulgaria	BGN	1.96	1.96	1.96	1.96
Chile	CLP	721	633	659	631
Colombia	COP	2,656	2,353	2,484	2,344
Czech Republic	CZK	27.43	25.15	25.94	25.19
Denmark	DKK	7.46	7.46	7.46	7.44
Great Britain	GBP	0.83	0.82	0.85	0.81
Iran	IRR	-	16,197	-	15,704
Jordan	JOD	0.98	0.94	0.94	0.92
Malaysia	MYR	4.52	4.03	4.20	4.00
Norway	NOK	8.36	-	7.81	-
Poland	PLN	4.15	4.09	4.20	4.19
Romania	RON	4.47	4.44	4.42	4.45
Russia	RUB	44.97	40.23	42.28	40.10
Switzerland	CHF	1.23	1.21	1.23	1.21
Tunisia	TND	2.27	2.05	2.15	2.01
Turkey	TRY	2.94	2.35	2.53	2.31
Ukraine	UAH	11.04	10.54	10.63	10.30
Vietnam	VND	29,044	-	27,941	-

**Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods (numerous grades of cartonboard as well as packaging) and rendering of services in the ordinary course of activities. Revenue is reported less reductions such as bonuses, discounts and rebates. The Group recognizes revenues for the sales of goods when the significant risks and rewards, resulting from the ownership of the goods, are transferred to the customer and the Group retains neither continuing right of disposal to the degree usually associated with ownership nor effective control over the goods and products sold as well as the amount of revenue and cost incurred or to be incurred can be measured reliably and it is probable that the economic benefit associated with the transaction will flow to the Group.

**Property, plant and equipment**

Property, plant and equipment are recognized at cost less accumulated depreciation. Therefore, depreciation expense is recognized using the straight-line method over the following estimated useful lives:

Buildings	10 – 50 years
Technical equipment and machines	8 – 15 years
Other equipment, fixtures and fittings	4 – 10 years

It is the policy of the Group to capitalize renewal investments and leasehold improvements. Generally, costs resulting in a prolongation of utilization or in an increase in future utilization of assets are capitalized. Current cost of maintenance and repairs is recognized as expense as incurred.

The cost of internally generated assets includes the respective direct costs as well as directly attributable material and manufacturing overhead costs including depreciation.

**Leases**

The Group is predominantly the lessee in lease transactions. As far as the Group substantially bears all the risks and rewards incidental to the ownership of the asset, thereby being considered as beneficial owner ("Financial Lease"), the asset is recognized under non-current assets at the present value of the non-cancellable minimum lease payments, recording a corresponding lease obligation as liability. For all remaining lease transactions ("Operating Lease"), the lease-related payments are recognized over the relevant term of the lease as expense as incurred.

**Goodwill**

Goodwill is not amortized but tested for impairment on an annual basis according to IAS 36. The recoverability evaluation of goodwill is performed at least annually or when there is an indication that a significant impairment may exist.

*Goodwill allocation*

Goodwill within the Group is monitored for internal management purposes allocated on the level of operating segments MM Karton and MM Packaging. Therefore the impairment test is carried out on this organizational level. Goodwill is allocated to the segments as follows:

(in thousands of EUR)	<b>Dec. 31, 2013</b>	<b>Dec. 31, 2012</b>
Goodwill MM Karton	4,734	5,019
Goodwill MM Packaging	72,623	60,913
<b>Goodwill Group</b>	<b>77,357</b>	<b>65,932</b>

Any possible impairment will be recorded in the amount for which the book value of the respective operating segment including the respective goodwill assigned to this segment exceeds the so-called recoverable amount. The recoverable amount is defined as the higher of value in use and fair value less cost to sell of the Group's respective cash generating units. At the Mayr-Melnhof Group the respective recoverable amount is determined based on the calculation of value in use of each operating segment.

*Calculation of value in use*

Value in use is determined for the respective operating segment based on the present value of the estimated future cash flows (Free Cash Flows) before tax using the discounted cash flow method (DCF method) under the following underlying assumptions (parameters):

Discount rate	The discount rate represents the weighted average cost of capital (WACC) of the Group before taxes and for the current financial year it equals 12.82 % (2012: 10.32 %) for the segment MM Karton as well as 13.53 % (2012: 10.88 %) for the segment MM Packaging. Cost of equity is derived from a general risk premium, for which the Group's specific risk premium is taken into consideration by applying the beta factor. The beta factor as well as borrowing costs are derived from capital market information Peer-Group.
Growth rate	The Free Cash Flows after the five year detailed forecasting period are considered at a growth rate of 1.5 % p.a. (2012: 2.0 % p.a.)
Gross margin/Cost development	Provided that there is no contrary information, a stable gross margin and fix cost development is assumed.

In case that, using this procedure and these underlying assumptions, it is identified that the recoverable amount (value in use) is lower than the respective book value of the cash generating operating segment including the respective goodwill assigned, the difference is recorded as impairment. The Group has effected its annual impairment testing as of December 31, 2013 and December 31, 2012. Neither in 2013 nor in 2012 an impairment on goodwill on this basis was recognized.

*Underlying assumptions sensitivity*

Regarding the underlying parameters for calculating the value in use assumptions were made. From today's perspective after due deliberation no such significant changes of one or more underlying assumptions used for determining the value in use of both operating segments are expected, which would result in the book value of the respective operating segments including goodwill assigned to this segment exceeding the recoverable amount in the following financial year.

The respective pre-tax discount rate, according to which the value in use would equal the book value as of December 31, 2013, is 16.28 % (December 31, 2012: 17.38 %) for the operating segment MM Karton and 17.75 % (December 31, 2012: 19.66 %) for the operating segment MM Packaging.

As of December 31, 2013 the Group's market capitalization amounted to thous. EUR 1,800,000 (December 31, 2012: thous. EUR 1,617,600) and the book value of the equity amounted to thous. EUR 1,111,802 (December 31, 2012: thous. EUR 1,067,145).

**Other intangible assets**

Acquired intangible assets which are determined to have a finite useful life including licenses, patents, concessions, trademarks and assets regarding customer relationships are capitalized at cost and amortized on a straight-line basis over their estimated useful lives ranging from five to ten years. Acquired intangible assets which are determined to have an indefinite useful life are not amortized but tested for impairment on an annual basis.

Research costs are recognized as expense as incurred. Development costs are capitalized only after certain criteria of IAS 38.57 could be verified and are met cumulatively. Neither as of December 31, 2013, nor as of December 31, 2012, have development costs been capitalized.

In the course of the implementation of the Kyoto Protocol, Directive 2003/87/EC came into force within the European Union as of January 1, 2005. Based on this Directive, the Group is obliged to redeem specified emission rights for carbon dioxide emissions incurred during cartonboard production. The majority of these emission rights have been allocated free of charge to the Group's respective production sites for the period from 2013 to 2020.

As IFRIC 3 "Emission Rights" has been withdrawn by the IASB, definite regulations concerning the accounting treatment of emission rights are missing. Therefore these emission rights are recognized in accordance with IAS 38 "Intangible Assets" as intangible assets in "Prepaid expenses and other current assets", measured at cost amounting to zero, if the rights have been allocated free of charge. If effective carbon dioxide emissions exceed the number of existing emission rights during the reporting period at the balance sheet date, a provision for these missing emission rights in the amount of their market value has to be accounted for. As of December 31, 2013 and 2012, the Group had sufficient emission rights available.

Accordingly, only expenses from the utilization of acquired emission rights and income from the sale of redundant emission rights are recorded in the income statement.

**Impairment of non-current assets**

A recoverability evaluation of non-current assets is performed as soon as events that have occurred and circumstances that have changed indicate that the carrying amount of an asset or a group of assets exceeds its recoverable amount. In such a case, the carrying amount of the asset or the group of assets is compared with the higher of the fair value less costs to sell or its present value of estimated future cash flows. In case that the reasons for an impairment no longer exist, a revaluation has to be conducted.

**Financial instruments**

Financial instruments consist of financial assets and financial liabilities. Regular purchases and sales of financial instruments are recognized at their transaction date, at which the Group is obliged to purchase or sell the financial instrument.

The financial assets of the Group consist of securities, other financial assets, loans, trade receivables, other receivables and assets (except for the positions which do not represent any financial instruments, such as tax and other charges receivables), cash and cash equivalents as well as derivative financial instruments with a positive balance.

The financial assets are classified and measured as follows:

Category	Measurement
At fair value through profit and loss, e.g. derivatives	At fair value through profit and loss
Held-to-maturity investments, e.g. bonds	At amortized cost
Available-for-sale financial assets, e.g. available-for-sale securities	At fair value through other comprehensive income
Loans and receivables, e.g. trade receivables, loans	At amortized costs

The financial assets held for trading are assets measured at their fair value through profit and loss. A financial asset will be classified under this category if it was purchased with the intention to be sold in the short-term. The derivative financial instruments are included in this category as well, unless they are used as hedges.

Financial assets are classified as held-to-maturity investments with fixed maturity dates and without a risk of repayment as well as the ability and intention of the Group to hold them to maturity.

Available-for-sale financial assets are non-derivative financial instruments that are either classified under this category or not classified in any other of the above mentioned categories.

Credit lines and receivables are financial assets with fixed and determinable payments that are not quoted in an active market.

Financial assets not classified as “at fair value through profit and loss” are initially measured at their fair value plus transaction costs. Financial assets, classified in this category, are at first measured at their fair value; associated transaction costs are directly recognized in profit and loss. These financial assets are derecognized when the Group transfers all the rights for payment as well as all considerable risks and rewards associated with ownership.

Financial liabilities of the Group comprise interest-bearing financial liabilities, trade liabilities, other liabilities (except for the positions which do not represent financial instruments, such as tax liabilities and other charges liabilities) as well as derivative financial instruments with a negative balance.

Financial liabilities are classified and measured as follows:

<b>Category</b>	<b>Measurement</b>
At fair value through profit and loss, e.g. derivatives	At fair value through profit and loss
Other financial liabilities, e.g. interest-bearing financial liabilities, trade liabilities	At amortized cost using the effective interest rate method

Financial liabilities measured at fair value through profit and loss are at first determined at their fair value; transaction costs are directly recognized in profit and loss. Other financial liabilities are determined at their fair value net of transaction costs. Subsequently the financial liabilities are evaluated in following periods either at amortized costs, using the effective interest method or at their fair value in profit and loss.

Financial liabilities are derecognized when they are fully settled, which means the contract conditions are discharged, cancelled or expired.

**Securities**

The Group classifies its securities either as “Available-for-sale financial assets” or as “Held-to-maturity investments”.

Securities which are classified as “Available-for-sale financial assets” are measured at fair value in reference to an active market. The corresponding unrealized gains and losses, unless they represent a permanent loss, are directly recognized as other income (expenses) in the consolidated comprehensive income statement, net of deferred income taxes. Realized gains and losses from the sale of securities that are determined using the specific identification method and declines in value classified to be other than temporary are included in “Financial income” or “Financial expenses”.

Securities which are classified as “Held-to-maturity investments” are measured by applying the effective interest rate method of amortized cost. Premiums and accretion of discount of debt securities are allocated over the maturity and are included in the income statement in the positions “Financial income” or “Financial expenses”.

**Other financial assets**

Other financial assets comprise investments in associated companies and other investments, loans to third parties and other financial investments. Other investments are defined under the category “Available-for-sale financial assets”, but in general these investments are recognized at amortized cost net of allowances, as no active market exists for these investments and the respective fair values cannot be reliably measured with economically justifiable effort. In case of an indicated lower fair value, such value is recorded.

Loans to third parties are classified under the category “Loans and receivables” measured at cost less accumulated depreciation, whereas non-interest and low-interest-bearing loans are recognized at present value. All other investments are impaired in case of a permanent reduction in value. In case that the reasons for impairment no longer exist, a revaluation has to be conducted.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash, checks and short-term demand deposits at financial institutions with expiration dates within three months. Cash and cash equivalents denominated in foreign currencies are translated into Euro using the exchange rate in effect at the balance sheet date. The cash and cash equivalents defined in this way are the basis for the consolidated cash flow statement.

**Receivables**

Receivables are accounted for at amortized cost, i.e. at par value less bonuses, discounts and allowances and are classified under the category "Loans and receivables".

**Liabilities**

Non-current as well as current liabilities including financial liabilities are classified under the category "Other financial liabilities" and recognized at amortized cost. Thus, current liabilities are as a rule stated at cost, which is the consideration to be paid.

**Accruals**

Accruals comprise the liabilities that are in principle certain to arise but for which the exact time and/or amount is uncertain while being definite to a high degree of certainty. Even if the amount and the exact time are only estimated, the measurement precision is higher than by determination of provisions. Therefore they will be recognized according to their origin as trade liabilities, accruals and other short-term liabilities.

**Derivative financial instruments**

The Group recognizes derivative financial instruments as financial assets or liabilities measured at their fair value. Hedging relationships are established to secure cash flows or fair values related to single underlying transactions.

**Current and deferred taxes**

The income taxes are recognized in profit and loss except when they are associated with positions directly recognized in equity or other comprehensive income. In this case the income taxes are recorded in equity or other comprehensive income as well.

The current tax expense comprises current and deferred taxes and is recognized according to the tax regulations of the countries in which the subsidiaries are active and obtain their taxable income.

Deferred tax assets and liabilities are recognized according to IAS 12 "Income taxes" for all temporary differences between tax and the consolidated balance sheet. Deferred taxes are evaluated using the tax rates which are already in force on the balance sheet date or which have essentially been legally adopted and which are expected to be valid at the time of the realization of the deferred tax asset or the settlement of deferred tax liability. The deferred tax assets are accounted for only if there is a probability that the taxable profit will be available for utilization of the deductible temporary differences.

Deferred tax liabilities arising from temporary differences related to investments in subsidiaries and associated companies are recognized unless the Group is able to control the date of the reversal and it is probable that these temporary differences will not be reversed in the foreseeable future.

Deferred tax assets will be offset with deferred tax liabilities only if the entity has the legal right to settle on a net basis and they are levied by the same taxing authority on the same taxable entity or different taxable entities that intend to realize the asset and settle the liability at the same time.

The effect of tax rate changes on deferred tax assets and liabilities is recognized as income tax expense in the period of a tax rate change. In case of a distribution of retained earnings of certain subsidiaries an increase of a tax burden can occur under current tax jurisdictions and existing tax treaties, for which in some cases a deferred tax liability will be formed.

**Inventories**

Inventories are valued at the lower of acquisition or manufacturing costs and the net realizable value. The net realizable value is based on average market prices and taking into consideration remaining costs of completion if applicable. In order to determine purchase costs of raw materials, manufacturing and operation supplies and goods for resale, a weighted average price method taking into consideration the sales market is applied. Work in process and finished goods are recorded including material, labor and manufacturing overhead costs. Allowances for slow moving and obsolete inventories are recognized considering the storage period and sales situation. Operating supplies for technical equipment and machines are valued at cost and adjusted for time-based discounts.

**Equity**

Ordinary shares are classified as equity.

Should the Group acquire treasury shares, they are recognized at their acquisition costs and deducted from shareholders' equity. The purchase, sale, issuance and cancellation of treasury shares is recognized directly in equity. Any differences between book value and the price paid in case of reissuing shares are recognized as a share premium. The Group cannot exercise voting rights in connection with treasury shares. Furthermore, these shares are not entitled to dividend.

**Non-controlling (minority) interests**

Non-controlling (minority) interests comprise the interest on equity and total profit for the year attributable to non-controlling (minority) shareholders' investments in Group companies or business units other than Mayr-Melnhof Karton AG. These interests are measured according to IFRS at their fair value (Full goodwill method) or at part of the fair value of acquired assets and assumed liabilities (Partial goodwill method). The non-controlling (minority) interests as at the acquisition date are accounted for as part of net assets (equity) of the respective entity or businesses and in the following period adjusted with consideration of profit or loss attributable to the shareholders, dividend paid as well as paid-in or paid-out capital.

**Employee benefits**

Defined benefit pension obligations and other benefits related to severance obligations are valued actuarially in accordance with IAS 19 "Employee benefits" using the projected unit credit method. The present value of defined benefit obligations is calculated based on the years of service, the anticipated development of the employee's compensation as well as the enacted contractual and statutory pension revaluation requirements. The service costs are recognized in personnel cost; the net interest cost on the provisions are recognized in "other financial result- net". Actuarial gains and losses as well as gains from plan assets, excluding the amounts which are already included in the net interest on net liability, are recognized in other comprehensive income in the statement of comprehensive income in accordance with IAS 19.

Provisions for anniversary bonuses are accrued for non-current obligations against employees related to the number of years of their service based on collective or plant bargaining agreements.

Provisions for pre-retirement programs are accrued upon conclusion of individual contractual agreements as well as for probable pre-retirement agreements in the future if employees have the right to participate in pre-retirement programs based on plant bargaining agreements or collective agreements. Statutory deposits of securities for covering pre-retirement programs are netted with the provisions for pre-retirement programs, provided that they meet the definition of plan assets.

**Other provisions**

According to the IAS 37 the provisions are created only when a legal and constructive obligation to a third party as a result of past events exists, it is probable that it will be settled and that the amount of obligation can be reliably estimated. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period. If the interest effect is considerable then the provision is discounted with a market interest rate.

Provisions for large numbers of similar obligations e.g. warranties are measured at a probability-weighted expected value of assets reduction based on this group of obligations. A provision is recognized under liabilities, if the probability of a charge on assets is lower in relation to a single obligation in this group.

## 4 — KEY ASSUMPTIONS AND ESTIMATES

The consolidated financial statements and notes thereto include the following material items for which the determination of their carrying amounts is highly dependent on the underlying assumptions and estimations:

### **Useful life of non-current assets**

Property, plant and equipment and acquired intangible assets are stated at acquisition and manufacturing costs and are amortized on a straight-line basis over their estimated useful lives. The estimation of the useful lives is based on assumptions about wear and tear, aging, technical standards, contract periods and changes in demand. Changes in these factors may cause a reduction of the useful life of the asset. Hence, the carrying amount would be depreciated/amortized over the remaining shorter useful life, resulting in higher annual depreciation/amortization expenses.

### **Impairment of non-current assets**

Goodwill is tested for impairment annually. In the course of these impairment tests, the evaluation of non-current assets is also based on budget assessments of market or company-specific discount rates, expected annual growth rates and gross marginal/costs development. The assumptions involved in these calculations may change and cause an impairment loss in future periods.

### **Realization of deferred tax assets**

Deferred taxes are calculated by applying the tax rates which are effective on the balance sheet date or have essentially been legally adopted and which are expected to be valid at the time of the realization of the deferred tax asset or the settlement of deferred tax liability as well as by evaluating the capacity of future taxable income. Potential tax rate changes or future taxable result which differs from the assumptions may result in the fact that the realization of deferred tax assets becomes improbable and a valuation allowance for the respective assets has to be recorded.

### **Provisions for pensions and severance payments**

The actuarial calculation of pension and severance obligations is based on assumptions about discount rates, salary and pension adjustments, life expectancy and retirement age. Actual outcomes may be different from these assumptions due to changes in the economic environment and market conditions.

5 — FINANCIAL INSTRUMENTS DISCLOSURES

a — Classification and measurement of financial instruments

Financial instruments comprise financial assets and financial liabilities and are recognized in different categories, which determine the subsequent measurement method and thus also the resulting type of income and expense. Hereinafter, the financial instruments are assigned to the respective categories and measurement methods. Afterwards the carrying amounts included in the balance sheet that correspond to the respective categories are presented. In conclusion, the income and expenses resulting from the different categories are shown.

Financial assets of the Group comprise securities, other financial assets, loans, trade receivables, other receivables and assets (except for certain positions which do not represent financial instruments, such as receivables regarding taxes and other charges), cash and cash equivalents and derivative financial instruments with a positive balance.

Financial assets are classified and measured as follows:

Category	Measurement
At fair value through profit or loss, e.g. derivatives	At fair value through profit or loss
Held-to-maturity investments, e.g. bonds	At amortized cost
Available-for-sale financial assets, e.g. available-for-sale securities	At fair value through other comprehensive income
Loans and receivables, e.g. trade receivables, loans	At amortized cost using the effective interest rate method

Financial liabilities of the Group comprise interest-bearing financial liabilities, trade liabilities, other liabilities (except for certain positions, which do not represent financial instruments, such as liabilities regarding tax and other charges) as well as derivative financial liabilities with a negative balance.

Financial liabilities are classified and measured as follows:

Category	Measurement
At fair value through profit or loss, e.g. derivatives	At fair value through profit or loss
Other financial liabilities, e.g. interest-bearing financial liabilities, trade liabilities	At amortized cost using the effective interest rate method

The following table presents in which category the financial assets are included in the balance sheet recognized and by which method these financial instruments are measured:

	Financial assets measured at fair value through profit or loss				Total
	Available-for-sale financial assets	Held-to-maturity investments	Loans and receivables		
			At fair value	At amortized cost	
(in thousands of EUR)	<b>Carrying amount at Dec. 31, 2013</b>				
Securities and other financial assets <sup>1)</sup>	1,769	5,565	1,875		9,209
Trade receivables			277,571		277,571
Other receivables and assets, including derivatives	571		9,371		9,942
Cash and cash equivalents			297,920		297,920
<b>Total</b>	<b>571</b>	<b>1,769</b>	<b>5,565</b>	<b>586,737</b>	<b>594,642</b>
	<b>Carrying amount at Dec. 31, 2012</b>				
Securities and other financial assets <sup>1)</sup>	52	2,185	5,074	2,353	9,664
Trade receivables				253,984	253,984
Other receivables and assets, including derivatives	390			7,810	8,200
Cash and cash equivalents				330,063	330,063
<b>Total</b>	<b>442</b>	<b>2,185</b>	<b>5,074</b>	<b>594,210</b>	<b>601,911</b>

<sup>1)</sup> For measurement of other financial assets classified as available-for-sale see note 5f.

The following table presents in which category the financial liabilities included in the balance sheet are recognized and by which method these financial instruments are measured:

	<b>Financial liabilities measured at fair value through profit or loss</b>		<b>Other financial liabilities</b>	<b>Total</b>
	<b>At fair value</b>	<b>At amortized cost</b>		
(in thousands of EUR)	<b>Carrying amount at Dec. 31, 2013</b>			
Interest-bearing financial liabilities		169,560		169,560
Trade liabilities		172,029		172,029
Share purchase price and option liabilities		26,145		26,145
Other liabilities, including derivatives	958	14,565		15,523
<b>Total</b>	<b>958</b>	<b>382,299</b>		<b>383,257</b>
	<b>Carrying amount at Dec. 31, 2012</b>			
Interest-bearing financial liabilities		157,441		157,441
Trade liabilities		171,630		171,630
Share purchase price and option liabilities		17,249		17,249
Other liabilities, including derivatives	151	11,417		11,568
<b>Total</b>	<b>151</b>	<b>357,737</b>		<b>357,888</b>

The previous years' figures have been adjusted (see note 3).

The following table presents the types of income and expenses from financial assets assigned to categories and measurement methods:

	<b>Financial assets measured at fair value through profit or loss</b>	<b>Available-for-sale financial assets</b>	<b>Held-to-maturity investments</b>	<b>Loans and receivables</b>	<b>Total</b>
	<b>At fair value</b>		<b>At amortized cost</b>		
(in thousands of EUR)	<b>Income and expenses in 2013</b>				
<b>In profit for the year</b>	<b>181</b>	<b>(1)</b>	<b>64</b>	<b>1,287</b>	<b>1,531</b>
Interest			64	1,468	1,532
Fair value/Carrying amount changes	181	(1)		(181)	(1)
<i>Thereof impairment</i>				<i>(181)</i>	<i>(181)</i>
<b>In other comprehensive income</b>					
Changes in fair value					
<b>Net profit/ loss</b>	<b>181</b>	<b>(1)</b>	<b>64</b>	<b>1,287</b>	<b>1,531</b>
	<b>Income and expenses in 2012</b>				
<b>In profit for the year</b>	<b>212</b>	<b>12</b>	<b>16</b>	<b>2,912</b>	<b>3,152</b>
Interest			16	2,574	2,590
Fair value/Carrying amount changes	212	12		338	562
<i>Thereof impairment</i>				<i>338</i>	<i>338</i>
<b>In other comprehensive income</b>					
Changes in fair value					
<b>Net profit/ loss</b>	<b>212</b>	<b>12</b>	<b>16</b>	<b>2,912</b>	<b>3,152</b>

The following table presents the types of income and expenses from financial liabilities assigned to categories and measurement methods:

	<b>Financial liabilities measured at fair value through profit or loss</b>		<b>Other financial liabilities</b>	<b>Total</b>
	<b>At fair value</b>	<b>At amortized cost</b>		
	<b>Income and expenses in 2013</b>			
(in thousands of EUR)				
<b>In profit for the year</b>	<b>(807)</b>	<b>(4,775)</b>		<b>(5,582)</b>
Interest		(4,051)		(4,051)
Fair value / Carrying amount changes	(807)	(724)		(1,531)
<b>Net profit/ loss</b>	<b>(807)</b>	<b>(4,775)</b>		<b>(5,582)</b>
	<b>Income and expenses in 2012</b>			
<b>In profit for the year</b>	<b>235</b>	<b>(6,731)</b>		<b>(6,496)</b>
Interest		(5,234)		(5,234)
Fair value / Carrying amount changes	235	(1,497)		(1,262)
<b>Net profit/ loss</b>	<b>235</b>	<b>(6,731)</b>		<b>(6,496)</b>

There were no amounts presented in other comprehensive income associated with securities of the category "Available-for-sale financial assets", as there were no significant unrealized fair value changes as at both balance sheet dates due to short term, low volatility and market data.

## b — Derivatives

The Group applies derivative financial instruments to manage the risks from exchange rate and interest rate changes. In this context, the Group uses foreign exchange forward contracts and option contracts in order to mitigate the short-term effects of exchange rate fluctuations.

The most significant foreign currencies, for which the Group protects itself against the effect from fluctuation, are British Pound, US Dollar, Turkish Lira and Polish Zloty. The changes in fair values of these derivatives are recognized in "Foreign currency exchange rate gains (losses) – net" (see note 26).

At December 31, 2013 the Group closed foreign exchange forward contracts with a nominal value of thous. EUR 81,440 (December 31, 2012: thous. EUR 83,325) and a negative market value of thous. EUR 387 (December 31, 2012: positive market value of thous. EUR 239).

The derivative financial instruments are recorded in the consolidated balance sheet under "Prepaid expenses and other current assets" as current assets in the amount of thous. EUR 571 (2012: thous. EUR 390) and under "Deferred income and other current liabilities" as current liabilities in the amount of thous. EUR 958 (2012: thous. EUR 151).

## c — Financial Risk Management

The Group is exposed to various financial risks arising from its operating activities and the structure of its financing. These financial risks comprise primarily the credit risk, liquidity risk, currency risk and the risk of interest rate changes. These risks are limited using centralized risk management, which is applied throughout the Group. The identification, analysis and evaluation of the financial risks as well as the decisions concerning the application of financial instruments in order to manage these risks are carried out by the Group's headquarters.

### **Credit and default risk**

The credit risk represents the risk arising from non-fulfillment of contractual obligations by business partners which may result in losses. The immanent risk of default of business partners resulting from the underlying transaction is widely hedged by credit risk insurance as well as by bank guarantees and letters of credit. The criteria to be applied for credit ratings are based on contractual agreements with credit insurance institutions and are stipulated by internal guidelines.

The credit and default risks are continuously monitored, existing and identifiable risks are provided for by recording appropriate allowances or provisions. For the assessment of the overall risk, existing insurance coverage, possible guarantees and letters of credit are taken into consideration. Financial instruments, which may cause a concentration of financial risks in certain cases within the Group, comprise primarily cash and cash equivalents, securities and trade receivables. Trade receivables derive from a broad and diversified group of customers. The financial risk arising from customers is monitored by ongoing credit rating assessments. Additionally, the Group concludes credit insurance contracts in order to cover certain potentially non-collectible receivables. Furthermore, the Group forms allowances based on the expected

collectability of the total receivables volume. As a result of the broad and diversified customer base and the existing credit insurance contracts, a concentrated risk of default does not exist.

The Group uses also foreign exchange forward and option contracts. All of the related contract partners are renowned international financial institutions, with which the Group has an ongoing business relationship. Therefore, the Group considers the risk of a non-fulfillment from a contract partner and the related risk of loss as low.

Theoretical maximum default risk as at the balance sheet date is reflected in particular by the carrying amount of trade receivables as well as securities and other financial assets in the amount of thous. EUR 286,780 as presented in the balance sheet.

### Liquidity risk

The liquidity risk is referred to as the risk of having to raise the required funds at any time in order to settle the amounts payable in due course. Based on well-timed liquidity management, sufficient liquidity of all the Group's subsidiaries is provided through availability of adequate cash and cash equivalents as well as credit lines. Consequently, liquidity risk is categorized as low.

The following table shows the financial liabilities from interest-bearing financial liabilities, trade liabilities and liabilities arising from derivative financial instruments of the Group according to due date, based on the remaining maturity as at the balance sheet date or referred to the contractually agreed maturity. Values included in the table represent undiscounted amounts to be paid.

(in thousands of EUR)	<b>Up to 3 months</b>	<b>3 months up to 1 year</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>Over 5 years</b>
<b>Balance at Dec. 31, 2013</b>					
Interest-bearing financial liabilities	9,953	55,483	59,281	44,843	0
Trade liabilities	169,831	2,198	0	0	0
Derivative financial instruments	958				
<b>Balance at Dec. 31, 2012</b>					
Interest-bearing financial liabilities	7,165	45,187	11,103	93,986	0
Trade liabilities	166,093	5,528	9	0	0
Derivative financial instruments	151				

The previous years' figures have been adjusted (see note 3).

### Currency risk

The currency risk represents the risk arising from changes in the value of financial instruments due to fluctuations in exchange rates. This risk especially exists when business transactions are processed in currencies other than the functional (local) currency of the Company. This is particularly the case for business relations to customers and suppliers in British Pound, US Dollar and Euro, from the perspective of companies, which do not have the Euro as functional currency. The respective currency risks are, as far as possible, reduced by matching business transactions in similar currencies and by price adjustment mechanisms in longer-term agreements as well as foreign exchange forward and option contracts.

Provided that currencies related to current and non-current receivables and liabilities as of December 31, 2013 (December 31, 2012) stated below had changed at below-stated percentage ("Volatility"), the profit for the year, all other variables remaining constant, would have increased or decreased by the following values.

Currency	Volatility	Impact on profit of the year and equity in thousand EUR	
		2013	2012
EUR <sup>1)</sup>	+/- 5 %	+/- 43	+/- 262
GBP	+/- 5 %	+/- 87	-/+ 19
USD	+/- 5 %	-/+ 171	+/- 55

<sup>1)</sup> From the perspective of companies, which do not have the Euro as functional currency.

### Interest rate risk

The interest rate risk is referred to as the risk arising from fluctuation in the value of balance sheet items due to changes in market interest rate or fluctuation in cash flows. For balance sheet items with fixed interest the risk consists mainly of fluctuation in value (price risk); when the market interest rate changes, the (present) value of financial instruments with fixed interest payments changes as well. Due to these value fluctuations profit or loss can arise which will be particularly realized, when the financial instrument will be sold before maturity. For balance sheet items with variable interest rate, mainly the risk of fluctuating cash flows exists. In the case the market interest rate changes, the amount of interest receivable or payable from financial instruments with variable interest payments changes as well. Such changes would alter the ongoing interest payments and therefore also the interest income and expense. As of December 31, 2013 the Group is financed solely from financial liabilities with variable interest rate and holds solely financial assets with variable interest rate; hence, the Group is essentially only exposed to the interest rate risk from cash flows.

If the interest rates as of December 31, 2013 had been higher or lower by ten basis points (i.e. 0.1 %), all other variables remaining constant, the profit for the year would have increased or decreased for the whole year as follows:

	Change in interest rate	Impact on profit of the year and equity in thousand EUR	
		2013	2012
Financial assets with variable interest rate	+/- 0.1 %	+/- 215	+/- 254
Financial liabilities with variable interest rate	+/- 0.1 %	-/+ 170	-/+ 157

#### Hedge of a net investment

As of December 31, 2013, an option liability of thous. EUR 3,356 (December 31, 2012: thous. EUR 4,156) quoted in Malaysian Ringgit existed, which was designated as the hedge of a net investment in the Malaysian subsidiaries Firgos (Malaysia) SDN BHD and MM Packaging Malaysia SDN BHD and also a liability quoted in Vietnamese Dong at thous. EUR 4,304, which was designated as the hedge for Vietnamese subsidiary MM Packaging Vidon Limited Liability Company. These liabilities are being used to hedge the Group's exposure to foreign exchange risk on these net investments. Gains or losses on the translation of these liabilities are directly transferred to the Group's equity to offset any gains or losses on translation of the net investments in the subsidiaries. There was no ineffectiveness regarding these hedges as of December 31, 2013.

## d — Capital management

Capital employed includes the equity of the Group and also interest-bearing financial liabilities less cash and cash equivalents. Both as of December 31, 2013 and also December 31, 2012 the Group holds net liquidity.

Capital management aims at ensuring an equity to total assets ratio that is appropriate for the long-term economic development of the Group by taking into consideration a continuous dividend policy and capital measures of the shareholders.

Equity and total assets as of December 31, 2013 and December 31, 2012 amounted to:

(in thousands of EUR)	Dec. 31, 2013	Dec. 31, 2012
Total equity	1,111,802	1,067,145
Total assets	1,702,455	1,629,050
Total equity to total assets	65.3 %	65.5 %

The information regarding the financial year 2012 has been adjusted due to the adoption of the revised standard IAS 19 and also other reclassifications, where required (see note 3), to ensure full comparability.

The aim of capital management for a total equity to total assets ratio in the range of 50 – 70 % is unchanged in comparison to the previous the year. The Company fulfills the legal and statutory minimum capital requirements.

## e — Measurement at fair value

The overview of financial assets and financial liabilities that are measured at fair value is as follows:

(in thousands of EUR)	Dec. 31, 2013		
	Level 1	Level 2	Total
<b>Financial assets:</b>			
Securities			
Derivative financial instruments		571	571
<b>Financial liabilities:</b>			
Derivative financial instruments		958	958

(in thousands of EUR)	Dec. 31, 2012		
	Level 1	Level 2	Total
<b>Financial assets:</b>			
Securities	303		303
Derivative financial instruments		390	390
<b>Financial liabilities:</b>			
Derivative financial instruments		151	151

### Measurement methods

The Group applies the following hierarchy to determine the measurement method and to identify the fair value of financial instruments, depending on the availability of information about market prices:

Availability of information, sorted by level	Measurement method used
Level 1 – Quoted market prices are available	Measurement based on quoted market prices for identical financial instruments
Level 2 – Quoted market prices for identical instruments are not available, but all necessary measurement inputs can be derived from active markets	Measurement based on measurement method using directly or indirectly observable market data

The fair value of securities (Level 1 measurement), primarily bonds, is determined based on the quoted price on the active market.

The fair value for foreign exchange rate forward contracts (Level 2 measurement) is determined on the basis of spot prices as at the balance sheet date taking into account forward premiums or discounts with relevant maturity.

In principle, there are also financial instruments for which the fair value determination is made based on inputs for which there are no observable market data (Level 3 measurement) available. In the Mayr-Melnhof Group there are currently no such financial instruments, for which this measurement method is used.

### f — Measurement at amortized cost

The amounts reported in the consolidated balance sheets for trade receivables, securities measured at amortized cost, cash and cash equivalents, share purchase price and option liabilities and also other financial liabilities represent appropriate approximation to the fair value.

Other financial assets classified as “Available-for-sale financial assets” include as of December 31, 2013 investments in unconsolidated companies in the amount of thous. EUR 1,769 (December 31, 2012: thous. EUR 1,934). There is no active market for these investments. As the related future cash flows cannot be determined reliably, the market value based on valuation models is not measurable. Therefore, the investments in perspective companies are recognized at amortized cost. There is no intention to sell these investments, in this regard no derecognitions were made and no remeasurements were recorded.

6 — SIGNIFICANT CHANGES IN THE CONSOLIDATED COMPANIES

a — Acquisitions, formations and restructurings in 2013

**Acquisitions**

In July 2013, the division MM Karton acquired 100 % of the shares in MM Karton FollaCell AS, a Norwegian pulp producer, located in Verran near Trondheim, Norway. With an annual capacity of up to 130,000 tons, the external purchase of raw materials will be replaced by self-supply in the future.

After the close-down of production, it was resumed at the beginning of September. The consolidated income statement comprises sales in the amount of thous. EUR 6,067 and profit before tax in the amount of thous. EUR -3,642. Disclosure on sales and result, assuming that the acquisition had occurred on January 1, 2013, is not feasible due to the close-down of production directly before the acquisition.

Inclusion into the Group and division was effected on July 22, 2013. The consideration transferred and the fair values of the acquired assets and liabilities according to IFRS at the acquisition date were presented preliminarily as follows:

(in thousands of EUR)	<b>Jul. 22, 2013</b>
Cash and cash equivalents	3,053
Contingent consideration	1,258
<b>Consideration transferred</b>	<b>4,311</b>

The Group is obliged to pay the seller an additional consideration in the amount of thous. NOK 10,000, 12 months after the acquisition date, if production is continued at this point of time. This obligation was recognized in the balance sheet at an amount of thous. EUR 1,258 as contingent consideration.

**Fair values according to IFRS (preliminary)**

(in thousands of EUR)	<b>Jul. 22, 2013</b>
Property, plant and equipment	15,351
Current assets	543
Cash and cash equivalents	497
Current liabilities	(2,047)
<b>Net assets</b>	<b>14,344</b>

The preliminary negative goodwill according to IFRS 3.45 was recognized as a result of the acquisition as follows:

(in thousands of EUR)	<b>Jul. 22, 2013</b>
Consideration transferred	4,311
Fair value of identifiable net assets	(14,344)
<b>Preliminary negative goodwill</b>	<b>(10,033)</b>

The preliminary negative goodwill was reported under other income in the consolidated income statement and mainly results from the fact that the seller decided to completely close down production in Norway (two sites) after high losses. According to highly limited utilization possibilities for the seller, based on this publicly announced decision, the purchase price was below the fair values.

Until December 31, 2013, acquisition-related costs in the amount of thous. EUR 215 were recorded as expense in the financial year and reported under administrative expense in the consolidated income statement.

The purchase price allocation has not been finalized, because the valuations have not been completely finalized.

In October 2013 the division MM Packaging acquired the Colombian folding carton producer Gráficas Los Andes S.A.S, located in Santiago de Cali, in form of an asset deal. In this connection the 20 % interest of the associated company held since April 2012 and so far accounted for under the equity method was transferred back. The objective of the full takeover of Gráficas Los Andes is to strengthen the market position in Colombia.

The acquisition costs for the purchase amounted to thous. EUR 17,947. Inclusion into the Group and division was effected on October 7, 2013. The consideration transferred preliminary consist of:

(in thousands of EUR)	<b>Oct. 7, 2013</b>
Cash and cash equivalents	12,754
Contingent consideration	4,627
Deferred consideration	566
<b>Consideration transferred</b>	<b>17,947</b>

The Group has an obligation toward the seller to provide a final settlement for which no minimum or maximum amount has been agreed and which is based solely on the 2014 results of the Colombian site. This consideration has been determined in the amount of thous. EUR 4,931 and after discounting has been recognized as contingent consideration in the balance sheet at thous. EUR 4,627. In December 2013 an advance payment in the total amount of thous. EUR 885 was made on the deferred and contingent consideration.

Fair values of the acquired assets and liabilities according to IFRS as at the acquisition date are presented as follows:

**Fair values according to IFRS (preliminary)**

(in thousands of EUR)	<b>Oct. 7, 2013</b>
Property, plant and equipment	5,155
Intangible assets and financial assets	2,493
Current assets	2,344
Current liabilities	(135)
Deferred income taxes	312
Goodwill	7,778
<b>Net assets</b>	<b>17,947</b>

The current assets consist of inventory in the amount of thous. EUR 2,209 as well as receivables against the seller from the outstanding personnel-related liabilities amounting to thous. EUR 135, because in the course of the acquisition the employees were also taken over.

The remaining goodwill of thous. EUR 7,778 reflects the leading market position of the business on the Colombian folding carton market. A tax amortization possibility of thous. EUR 2,896 arises from Goodwill.

The acquisition-related costs of thous. EUR 67 were recorded as expense in the financial year and reported under administrative expenses in the consolidated income statement. The net outflow from the acquisition amounts to thous. EUR 18,014.

Sales and profit before tax for the time the business belonged to the Group and division in the financial year 2013 amounted to thous. EUR 4,674 and thous. EUR -794. If the acquisition would have been concluded as at January 1, 2013, Gráficas Los Andes could have contributed thous. EUR 19,008 to the Group's sales and thous. EUR 341 to Group's result.

In addition to the transferred consideration an annual payment of thous. EUR 117 for management services has been agreed for the years 2013 and 2014. This will be recorded as an expense in the respective financial year and reported under administrative expenses in the consolidated income statement.

The purchase price allocation has not been finalized, because the valuations have not been completely finalized.

In December 2013 the division MM Packaging acquired 65.1 % of the Vietnamese folding carton producer “Binh Duong Vien Dong One Member Company Limited” (renamed MM Packaging Vidon Limited Liability Company), located in Ho Chi Minh City. The objective of the acquisition was the entry on the Vietnamese folding carton market.

The acquisition costs for the purchase amounted to thous. EUR 14,783. Inclusion into the Group and division was effected on December 6, 2013. The consideration transferred preliminarily consists of:

(in thousands of EUR)	<b>Dec. 6, 2013</b>
Cash and cash equivalents	10,435
Contingent consideration	4,348
<b>Consideration transferred</b>	<b>14,783</b>

The Group has an obligation toward the seller to provide a final settlement based on the results of the Vietnamese site in the financial years 2014 and 2015. This consideration has been determined in the amount of thous. EUR 4,348 and considered in the balance sheet as contingent consideration.

Fair values of the acquired assets and liabilities according to IFRS as at the acquisition date are presented preliminarily as follows:

**Fair values according to IFRS (preliminary)**

(in thousands of EUR)	<b>Dec. 6, 2013</b>
Property, plant and equipment	10,870
Intangible assets and financial assets	2,508
Current assets	1,555
Cash and cash equivalents	177
Current liabilities	(878)
Deferred income taxes	(1,123)
Goodwill	6,249
Non-controlling (minority) interests	(4,575)
<b>Net assets</b>	<b>14,783</b>

The current assets contain trade receivables in the amount of thous. EUR 806 as well as other receivables in the amount of thous. EUR 460. Based on the good customer creditworthiness the present value corresponds to the gross amount.

The remaining goodwill of thous. EUR 6,249 reflects the leading market position of the business on the Vietnamese folding carton market. The non-controlling (minority) interest of thous. EUR 4,575 has been determined as a proportionate share of the acquiree's identifiable net assets.

The acquisition-related costs of thous. EUR 305 were recorded as expense in the financial year and reported under administrative expenses in the consolidated income statement. The net outflow from the acquisition amounts to thous. EUR 15,088.

Sales and profit before tax for the time the business belonged to the Group and division in the financial year 2013 amounted to thous. EUR 945 and thous. EUR 112. Before the acquisition the business was carved out from a local group of companies, which used local country specific accounting standards, into a newly formed company. The pro forma financial information in respect of the contribution of the business to the Group's sales and the Group's profit before tax if the acquisition would have occurred at January 1, 2013, therefore cannot be reliably determined.

The purchase price allocation has not been finalized, because the valuations have not been completely finalized.

#### **Formations**

In October 2013, the division MM Packaging founded the company Tunesie Converting SARL located in Tunis, Tunisia.

#### **Restructurings**

In April 2013 Mayr-Melnhof Packaging GmbH located in Kaiserslautern, Germany was merged with its parent company MM Packaging Beteiligungs- und Verwaltungs GmbH located in Kaiserslautern, Germany.

In April 2013 Mayr-Melnhof Holdings 2 B.V. located in Eerbeek, Netherlands, was founded as a spin off from the Mayr-Melnhof Holdings B.V. located in Eerbeek, Netherlands.

The mentioned restructurings have no impact on the asset, financial and profit position of the Group.

## b — Acquisitions, formations and liquidations in 2012

### **Acquisitions**

In June 2012, the division MM Packaging acquired the remaining interest of 30 % in the Chilean folding carton producer Marinetti S.A., located in Santiago de Chile, for thous. EUR 22,730 and thereby holds 100 % shares of the company. For the correspondent purchase option a liability existed and the annual valuation changes were recognized in other financial result-net. The last expense resulting from this transaction in 2012 amounted to thous. EUR 4,178.

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

In September 2012, the division MM Packaging acquired the remaining interest of 24.975 % in the Russian folding carton producer MM Polygrafoformlenie Packaging LLC, located in St. Petersburg, for thous. EUR 14,273 and thereby holds 100 % shares of the company. The purchase price consisted of two components, a cash payment of thous. EUR 13,273 and the transfer of 15,260 treasury shares of Mayr-Melnhof Karton AG to the buyer. For the purchase option a liability existed and the annual valuation changes were recognized in other financial result-net. The last income resulting from this transaction in 2012 amounted to thous. EUR 3,937.

In September 2012, the division MM Packaging acquired Plegacol, a leading Columbian folding carton producer, located in Santiago de Cali, in form of an asset deal. The goal of the acquisition was the market entry in Columbia. The transferred cash from the purchase amounted to thous. EUR 14,120. Sales and profit before tax for the time the company belonged to the Group and division in the financial year 2012 amounted to thous. EUR 1,091 and thous. EUR 43. Until the acquisition date the Plegacol business was an integral part of a local group of companies which uses local country specific accounting standards. Pro forma financial information in respect of the contribution of the Plegacol business to the Group's sales and Group's profit before tax if the merger would have occurred at January 1, 2012, cannot be reliably determined.

Inclusion into the Group and division was effected on November 30, 2012. Fair values of assets and liabilities according to IFRS at this acquisition date were presented as follows:

**Fair values according to IFRS**

(in thousands of EUR)	<b>Dec. 31, 2012</b>
Property, plant and equipment	10,171
Intangible assets	1,397
Current assets	2,679
Current liabilities	(127)
<b>Net assets</b>	<b>14,120</b>

Current assets comprise inventories and VAT receivables but no trade receivables.

The acquisition-related costs in the amount of thous. EUR 326 were recorded as expense and reported under other expenses in the consolidated income statement. The net cash outflow from the acquisition amounted to thous. EUR 14,446.

In April 2012, MM Packaging acquired an interest of 20 % in the folding carton producer Graficas Los Andes S.A., located in Santiago de Cali, Colombia. MM Packaging held a purchase option regarding the remaining share of 80 %. The inclusion into the Group's balance sheet is effected according to the equity method and presented as "Investments in associated companies and other investments" as of December 31, 2012 with a carrying amount of thous. EUR 1,580. As of December 31, 2012 the associated company, so far reported under equity method, held assets in the amount of thous. EUR 9,638 and liabilities in the amount of thous. EUR 5,281 and generated sales of thous. EUR 17,680 and a profit for the year of thous. EUR 858. The respective figures are in accordance with IFRS. In 2012 income in the amount of thous. EUR 69 (2011: thous. EUR 0) resulted from the associated company presented according to the equity method.

**Formations**

In September 2012, the division MM Karton founded the sales company MM Guang Zhou Yue Ran Paper Co. Ltd. located in Guangzhou, China.

**Disposals**

In February 2012, the division MM Packaging sold the branch of activity "Gravure printing for flexible packaging" for thous. EUR 2,890. Transferred net assets amounted to thous. EUR 2,928. Thereby, the division realized a loss before tax in the amount of thous. EUR 38.

In October 2012, the division MM Karton sold its share in Management Transport & Logistik GmbH for thous. EUR 625. Transferred net assets amounted to thous. EUR 373. Thereby, the division realized a profit before tax in the amount of thous. EUR 252.

7 — DEVELOPMENT OF FIXED ASSETS

a — Property, plant and equipment

**Development of property, plant and equipment 2013**

(in thousands of EUR)	Lands, similar land rights and buildings	Technical equipment and machines	Other equipment, fixtures and fittings	Construction in progress	<b>Property, plant and equipment</b>
<b>ACQUISITION OR MANUFACTURING COSTS:</b>					
<b>Balance at Jan. 1, 2013</b>	<b>457,390</b>	<b>1,341,320</b>	<b>130,468</b>	<b>38,380</b>	<b>1,967,558</b>
Effect of exchange rate changes	(8,790)	(16,955)	(1,398)	(1,596)	(28,739)
Changes in consolidated companies	11,855	18,927	341	254	31,377
Additions	7,720	28,949	9,178	62,946	108,793
Disposals	(377)	(24,215)	(4,612)	(24)	(29,228)
Reclassifications	10,081	54,236	4,223	(60,769)	7,771
<b>Balance at Dec. 31, 2013</b>	<b>477,879</b>	<b>1,402,262</b>	<b>138,200</b>	<b>39,191</b>	<b>2,057,532</b>
<b>ACCUMULATED DEPRECIATION:</b>					
<b>Balance at Jan. 1, 2013</b>	<b>209,248</b>	<b>1,049,907</b>	<b>90,424</b>	<b>(85)</b>	<b>1,349,494</b>
Effect of exchange rate changes	(1,290)	(8,922)	(575)	3	(10,784)
Changes in consolidated companies	0	0	0	0	0
Disposals	(377)	(23,481)	(4,476)	0	(28,334)
Depreciation/amortization expense for the year	13,018	59,890	11,452	0	84,360
Reclassifications	(1,683)	(1,038)	1,616	0	(1,105)
<b>Balance at Dec. 31, 2013</b>	<b>218,916</b>	<b>1,076,356</b>	<b>98,441</b>	<b>(82)</b>	<b>1,393,631</b>
<b>NET BOOK VALUE:</b>					
<b>Net book value at Dec. 31, 2013</b>	<b>258,963</b>	<b>325,906</b>	<b>39,759</b>	<b>39,273</b>	<b>663,901</b>
<b>Net book value at Dec. 31, 2012</b>	<b>248,142</b>	<b>291,413</b>	<b>40,044</b>	<b>38,465</b>	<b>618,064</b>

The previous years' figures have been adjusted (see note 3).

**Development of property, plant and equipment 2012**

(in thousands of EUR)	Lands, similar land rights and buildings	Technical equipment and machines	Other equipment, fixtures and fittings	Construction in progress	<b>Property, plant and equipment</b>
<b>ACQUISITION OR MANUFACTURING COSTS:</b>					
<b>Balance at Jan. 1, 2012</b>	<b>435,453</b>	<b>1,314,263</b>	<b>136,466</b>	<b>22,836</b>	<b>1,909,018</b>
Effect of exchange rate changes	2,116	4,886	469	105	7,576
Changes in consolidated companies	5,886	(5,105)	(2,724)	0	(1,943)
Additions	7,050	28,861	10,427	46,083	92,421
Disposals	(220)	(20,430)	(19,105)	0	(39,755)
Reclassifications	7,105	18,845	4,935	(30,644)	241
<b>Balance at Dec. 31, 2012</b>	<b>457,390</b>	<b>1,341,320</b>	<b>130,468</b>	<b>38,380</b>	<b>1,967,558</b>
<b>ACCUMULATED DEPRECIATION:</b>					
<b>Balance at Jan. 1, 2012</b>	<b>198,155</b>	<b>1,018,297</b>	<b>100,375</b>	<b>(83)</b>	<b>1,316,744</b>
Effect of exchange rate changes	263	2,541	208	(2)	3,010
Changes in consolidated companies	0	(9,040)	(1,984)	0	(11,024)
Disposals	(187)	(18,942)	(18,974)	0	(38,103)
Depreciation/amortization expense for the year	12,467	57,670	10,843	0	80,980
Reclassifications	(1,450)	(619)	(44)	0	(2,113)
<b>Balance at Dec. 31, 2012</b>	<b>209,248</b>	<b>1,049,907</b>	<b>90,424</b>	<b>(85)</b>	<b>1,349,494</b>
<b>NET BOOK VALUE:</b>					
<b>Net book value at Dec. 31, 2012</b>	<b>248,142</b>	<b>291,413</b>	<b>40,044</b>	<b>38,465</b>	<b>618,064</b>
<b>Net book value at Dec. 31, 2011</b>	<b>237,298</b>	<b>295,966</b>	<b>36,091</b>	<b>22,919</b>	<b>592,274</b>

The previous years' figures have been adjusted (see note 3).

## b — Intangible assets including goodwill

**Development of intangible assets including goodwill 2013**

(in thousands of EUR)	Concessions, licenses and similar rights, and payments on account	Goodwill	Other intangible assets	<b>Intangible assets including goodwill</b>
<b>ACQUISITION OR MANUFACTURING COSTS:</b>				
<b>Balance at Jan. 1, 2013</b>	<b>47,867</b>	<b>74,981</b>	<b>24,666</b>	<b>147,514</b>
Effect of exchange rate changes	(69)	(2,602)	(2,537)	(5,208)
Changes in consolidated companies	4	14,027	4,997	19,028
Additions	3,385	0	0	3,385
Disposals	(1,366)	0	(2,100)	(3,466)
Reclassifications	123	0	0	123
<b>Balance at Dec. 31, 2013</b>	<b>49,944</b>	<b>86,406</b>	<b>25,026</b>	<b>161,376</b>
<b>ACCUMULATED AMORTIZATION:</b>				
<b>Balance at Jan. 1, 2013</b>	<b>42,105</b>	<b>9,049</b>	<b>8,046</b>	<b>59,200</b>
Effect of exchange rate changes	(90)	0	(920)	(1,010)
Changes in consolidated companies	0	0	0	0
Disposals	(1,283)	0	(2,100)	(3,383)
Depreciation/amortization expense for the year	2,712	0	2,543	5,255
Reclassifications	(15)	0	0	(15)
<b>Balance at Dec. 31, 2013</b>	<b>43,429</b>	<b>9,049</b>	<b>7,569</b>	<b>60,047</b>
<b>NET BOOK VALUE:</b>				
<b>Net book value at Dec. 31, 2013</b>	<b>6,515</b>	<b>77,357</b>	<b>17,457</b>	<b>101,329</b>
<b>Net book value at Dec. 31, 2012</b>	<b>5,762</b>	<b>65,932</b>	<b>16,620</b>	<b>88,314</b>

**Development of intangible assets including goodwill 2012**

(in thousands of EUR)	Concessions, licenses and similar rights, and payments on account	Goodwill	Other intangible assets	<b>Intangible assets including goodwill</b>
<b>ACQUISITION OR MANUFACTURING COSTS:</b>				
<b>Balance at Jan. 1, 2012</b>	<b>46,626</b>	<b>73,708</b>	<b>22,338</b>	<b>142,672</b>
Effect of exchange rate changes	138	1,273	1,015	2,426
Changes in consolidated companies	(16)	0	1,405	1,389
Additions	3,473	0	0	3,473
Disposals	(1,889)	0	(92)	(1,981)
Reclassifications	(465)	0	0	(465)
<b>Balance at Dec. 31, 2012</b>	<b>47,867</b>	<b>74,981</b>	<b>24,666</b>	<b>147,514</b>
<b>ACCUMULATED AMORTIZATION:</b>				
<b>Balance at Jan. 1, 2012</b>	<b>42,166</b>	<b>9,042</b>	<b>5,437</b>	<b>56,645</b>
Effect of exchange rate changes	66	7	143	216
Changes in consolidated companies	(29)	0	0	(29)
Disposals	(1,889)	0	(92)	(1,981)
Depreciation/amortization expense for the year	2,235	0	2,572	4,807
Reclassifications	(444)	0	(14)	(458)
<b>Balance at Dec. 31, 2012</b>	<b>42,105</b>	<b>9,049</b>	<b>8,046</b>	<b>59,200</b>
<b>NET BOOK VALUE:</b>				
<b>Net book value at Dec. 31, 2012</b>	<b>5,762</b>	<b>65,932</b>	<b>16,620</b>	<b>88,314</b>
<b>Net book value at Dec. 31, 2011</b>	<b>4,460</b>	<b>64,666</b>	<b>16,901</b>	<b>86,027</b>

In 2013, the depreciation and amortization expense recorded in "Property, plant and equipment" and "Intangible assets including goodwill" amounted to thous. EUR 89,615 (2012: thous. EUR 85,787).

There was no pledge right implied on the Group's property to secure the liabilities.

8 — SECURITIES AND OTHER FINANCIAL ASSETS

The carrying amounts of securities and other financial assets consist of:

(in thousands of EUR)	<b>Dec. 31, 2013</b>	<b>Dec. 31, 2012</b>
Securities	5,565	5,377
Investments in associated companies and other investments	1,769	3,514
Liability insurance not pledged to beneficiaries	1,875	2,300
Other loans receivable	0	53
<b>Securities and other financial assets</b>	<b>9,209</b>	<b>11,244</b>

Securities of the Group comprise debt securities and debt-based funds with a book value of thous. EUR 5,565 (December 31, 2012: thous. EUR 5,377).

In the financial year 2013, proceeds from sales of securities amounted to thous. EUR 250 (2012: thous. EUR 252). The resulting realized profit in 2013 amounted to thous. EUR 1.

The position "Investment in associated companies and other investments" as of December 31, 2013 consisted exclusively of other investments. As of December 31, 2012, there an interest of 20 % in Colombian folding carton producer Gráficas Los Andes S.A.S. (see note 6) was included as well.

At December 31, 2013, other loans receivable included loans to affiliated companies amounting to thous. EUR 0 (December 31, 2012: thous. EUR 15).

9 — INCOME TAXES

a — Deferred taxes recognized in the balance sheet

Deferred taxes due to temporary differences and tax loss carryforwards recognized in the balance sheet as at the balance sheet dates are as follows:

(in thousands of EUR)	<b>Dec. 31, 2013</b>	<b>Dec. 31, 2012</b>
Inventories	3,695	3,663
Pension plans and other liabilities and charges	12,373	11,666
Operating loss carryforwards	12,481	6,583
Other	3,915	2,097
<b>Gross deferred tax assets</b>	<b>32,464</b>	<b>24,009</b>
Unrecognized deferred tax assets	(15,265)	(6,076)
<b>Net deferred tax assets</b>	<b>17,199</b>	<b>17,933</b>
Offset	(329)	(5,247)
<b>Deferred tax assets in the balance sheet</b>	<b>16,870</b>	<b>12,686</b>
Intangible assets	(3,645)	(3,276)
Property, plant and equipment	(4,705)	(5,511)
Loans receivable, investments and financial assets	(2,454)	(7,234)
Other	(2,522)	(3,564)
<b>Net deferred tax liabilities</b>	<b>(13,326)</b>	<b>(19,585)</b>
Offset	329	5,247
<b>Deferred tax liabilities in the balance sheet</b>	<b>(12,997)</b>	<b>(14,338)</b>

The information regarding the financial year 2012 has been adjusted due to the adoption of the revised standard IAS 19, where required (see note 3), to ensure full comparability.

The position “Unrecognized deferred tax assets” represents tax loss carryforwards in the amount of thous. EUR 9,160 (December 31, 2012: thous. EUR 6,053) and a valuation allowance of other assets in the amount of thous. EUR 6,105 (December 31, 2012: thous. EUR 23).

The following table shows the expected realization of deferred tax assets and liabilities:

(in thousands of EUR)	Dec. 31, 2013	Dec. 31, 2012
Deferred tax assets, realized within 12 months	7,826	6,340
Deferred tax assets, realized after 12 months	9,373	11,593
<b>Deferred tax assets</b>	<b>17,199</b>	<b>17,933</b>
Deferred tax liabilities, realized within 12 months	(2,522)	(3,578)
Deferred tax liabilities, realized after 12 months	(10,804)	(16,007)
<b>Deferred tax liabilities</b>	<b>(13,326)</b>	<b>(19,585)</b>

The information regarding the financial year 2012 has been adjusted due to the adoption of the revised standard IAS 19, where required (see note 3), to ensure full comparability.

Deferred tax liabilities amounting to thous. EUR 3,106 (December 31, 2012: thous. EUR 218) for capital gains and withholding taxes were not recognized for certain subsidiaries, as a distribution of these retained earnings is not intended because of reinvestment of the respective profits. These retained earnings amounted to thous. EUR 22,669 at December 31, 2013 (December 31, 2012: thous. EUR 11,700). For those retained earnings which are provided for distribution, the valuation of deferred tax liabilities was adjusted according to the applicable capital gains and withholding taxes for profit distribution.

## b — Tax loss carryforwards

An overview of the Group's tax loss carryforwards as at the respective balance sheet dates is as follows:

(in thousands of EUR)	Dec. 31, 2013	Dec. 31, 2012
Operating loss carryforwards with expiration	9,655	3,637
Operating loss carryforwards with no expiration	38,771	26,397
<b>Operating loss carryforwards</b>	<b>48,426</b>	<b>30,034</b>

  

(in thousands of EUR)	Dec. 31, 2013	Dec. 31, 2012
Recognized operating loss carryforwards	12,802	2,282
Unrecognized operating loss carryforwards	35,624	27,752
<b>Operating loss carryforwards</b>	<b>48,426</b>	<b>30,034</b>

In case that the limited operating loss carryforwards are not be utilized, they will expire between 2018 and 2031.

The assessment of the recognition of loss carryforwards led to the result that for thous. EUR 12,802 (December 31, 2012: thous. EUR 2,282) deferred tax assets amounting to thous. EUR 3,320 (December 31, 2012: thous. EUR 531) were recognized. For the remaining amount of thous. EUR 35,624 (December 31, 2012: thous. EUR 27,752) no deferred tax assets amounting to thous. EUR 9,160 (December 31, 2012: thous. EUR 6,053) were recorded in the balance sheet. The expiry dates of this unrecognized loss carryforwards are as follows:

(in thousands of EUR)	Year ended Dec. 31, 2013	Year ended Dec. 31, 2012
1 year		
2 years		
3 years		
4 years		
5 years	2,975	
After 5 years	2,604	3,632
No expiration	30,045	24,120
<b>Unrecognized loss carryforwards</b>	<b>35,624</b>	<b>27,752</b>

c — “Income tax expense” recognized in the income statement

The position “Income tax expense” is comprised as follows:

(in thousands of EUR)	Year ended Dec. 31, 2013	Year ended Dec. 31, 2012
<b>Current taxes:</b>		
Current period	40,210	44,288
Prior periods	1,686	(1,957)
<b>Deferred taxes:</b>		
Due to temporary differences	(7,163)	(1,356)
Due to operating loss carryforwards	(1,247)	(526)
Due to tax rate changes	(6)	514
<b>Income tax expense</b>	<b>33,480</b>	<b>40,963</b>

The information regarding the financial year 2012 has been adjusted due to the adoption of the revised standard IAS 19, where required (see note 3), to ensure full comparability.

d — Tax effects on “Other comprehensive income”

The basis for the amount of income taxes recognized in other comprehensive income are actuarial gains and losses from defined benefit plans at an amount of thous. EUR 30,535 (December 31, 2012: thous. EUR 27,057). Deferred taxes of thous. EUR 2,928 (December 31, 2012: thous. EUR 4,740) were recognized on this amount. Therefore actuarial gains and losses from defined benefit plans after tax amounted to thous. EUR 27,607 (December 31, 2012: thous. EUR 22,317).

e — Group tax rate

A reconciliation from the applicable tax rate, which results from the geographical allocation of income and the current nominal tax rates of the respective tax jurisdictions, to the effective tax rate, which burdens the profit before tax, is as follows:

(in %)	Year ended Dec. 31, 2013	Year ended Dec. 31, 2012
<b>Applicable tax rate</b>	<b>24.76 %</b>	<b>27.84 %</b>
Non-deductible expenses and tax-free income	(2.28 %)	(2.41 %)
Tax effect from unrecognized loss carryforwards of the financial year	2.24 %	1.37 %
Tax effect from the recognition of loss carryforwards of previous years	(0.90 %)	0.00 %
Tax effect from utilization of unrecognized loss carryforwards	(0.74 %)	(0.38 %)
Tax effect from deferred tax assets allowances	2.60 %	0.12 %
Tax effect from capital gains and withholding tax	(0.30 %)	(1.74 %)
Tax effect from tax rate changes	0.00 %	0.32 %
Tax effect from previous years	(3.60 %)	0.20 %
Other effects	(0.37 %)	0.08 %
<b>Effective tax rate</b>	<b>21.41 %</b>	<b>25.40 %</b>

The information regarding the financial year 2012 has been adjusted due to the adoption of the revised standard IAS 19, where required (see note 3), to ensure full comparability.

10 — INVENTORIES

(in thousands of EUR)	Dec. 31, 2013	Dec. 31, 2012
Raw materials, manufacturing and operating supplies	151,252	138,096
Work in process	20,501	20,625
Finished goods and goods for resale	124,755	118,424
<b>Total</b>	<b>296,508</b>	<b>277,145</b>
Allowances	(18,423)	(17,488)
<b>Inventories – net</b>	<b>278,085</b>	<b>259,657</b>

As of December 31, 2013 and December 31, 2012, the allowances recorded on inventories were caused by the methodology of recording usage concerning operating supplies for technical equipment and machines in terms of time-based discounts.

In 2013, write-downs of inventories recognized as an expense under cost of goods sold amounted to thous. EUR 7,509 (2012: thous. EUR 7,737), the reversal of write-downs as a result of changes in prices of inventories recognized as income amounted to thous. EUR 529 (2012: thous. EUR 283). The carrying amount of inventories carried at net realizable value amounted to thous. EUR 37,392 (2012: thous. EUR 34,807).

A breakdown of cost of materials and purchased services is as follows:

(in thousands of EUR)	Year ended Dec. 31, 2013	Year ended Dec. 31, 2012
Cost of materials	1,140,213	1,116,907
Cost of purchased services	21,885	17,854
<b>Total</b>	<b>1,162,098</b>	<b>1,134,761</b>

11 — TRADE RECEIVABLES

(in thousands of EUR)	Dec. 31, 2013	Dec. 31, 2012
Trade receivables	278,714	255,092
Allowances	(1,143)	(1,108)
<b>Trade receivables – net</b>	<b>277,571</b>	<b>253,984</b>

At December 31, 2013, the aging of trade receivables overdue but not impaired is as follows:

(in thousands of EUR)	<b>Dec. 31, 2013</b>	<b>Dec. 31, 2012</b>
up to 30 days overdue	7,652	5,237
31 - 60 days overdue	1,861	2,353
61 - 365 days overdue	1,278	1,504
more than 365 days overdue	23	22
<b>Total of trade receivables overdue but not impaired</b>	<b>10,814</b>	<b>9,116</b>

For explanation of the criteria, which were considered for the determination of the allowances please see the comments on credit and default risk (note 5).

Allowances for trade receivables developed as follows:

(in thousands of EUR)	<b>2013</b>	<b>2012</b>
<b>Allowances at the beginning of the year</b>	<b>1,108</b>	<b>1,682</b>
Effect of exchange rate changes	(30)	(2)
Changes in consolidated companies	0	(39)
Utilization	(116)	(195)
Reversal	(241)	(662)
Increase	422	324
<b>Allowances at the end of the year</b>	<b>1,143</b>	<b>1,108</b>

12 — PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets are as follows:

(in thousands of EUR)	Dec. 31, 2013	Dec. 31, 2012
Value-added tax receivables	17,560	12,534
Other tax receivables	6,288	7,014
Payments on account	4,000	6,049
Other receivables and other assets	10,718	8,978
Prepaid expenses	4,854	4,437
<b>Prepaid expenses and other current assets</b>	<b>43,420</b>	<b>39,012</b>

The previous years' figures have been adjusted (see note 3).

Other receivables and other assets comprise a property held for sale and not used for operating purposes in the amount of thous. EUR 759.

13 — EQUITY

a — Share capital/additional paid-in capital/treasury shares

The share capital of the Company amounts to thous. EUR 80,000 and comprises 20,000,000 approved and issued no-par value shares.

Additional paid-in capital derives from the share premium raised at the capital increase in the course of the initial public offer in 1994 and the cancelation of treasury shares, less the increase of the share capital by conversion of additional paid-in capital in 2008 and 2010, representing the amount of the tied capital reserve.

b — Retained earnings/dividend

Retained earnings comprise accumulated results from prior years.

Due to the increase of majority interests a residual amount of thous. EUR 164 was recognized directly in equity in the financial year 2013, which decreased the revenue reserves. Due to the acquisition and the increase of majority interests a residual amount of thous. EUR 440 was recognized directly in equity in 2012, which increased revenue reserves.

Under Austrian Corporate Law the amount of dividend available for distribution to shareholders is based upon the unappropriated retained earnings of Mayr-Melnhof Karton AG, determined in accordance with the Austrian Commercial Code. At December 31, 2013, the distributable unappropriated retained earnings amounted to thous. EUR 100,000 (December 31, 2012: thous. EUR 50,000).

(in thousands of EUR)	<b>2013</b>	<b>2012</b>
<b>Unappropriated retained earnings at Jan. 1</b>	<b>50,000</b>	<b>50,000</b>
Net profit of the Company for the year ended Dec. 31	58,199	75,697
Changes in reserves	36,801	(33,729)
Dividend paid	(45,000)	(41,968)
<b>Unappropriated retained earnings at Dec. 31</b>	<b>100,000</b>	<b>50,000</b>

For the year ended December 31, 2013, the Management Board of the Company has proposed a dividend of EUR 2.40 (2012: EUR 2.25) per voting share, as of the balance sheet date amounting to thous. EUR 48,000 (December 31, 2012: thous. EUR 45,000). In addition an anniversary bonus of EUR 2.40 per voting share (2012: EUR 0) as of the balance sheet date amounting to thous. EUR 48,000 (2012: thous. EUR 0) is proposed for 2013.

### c — Other comprehensive income of the consolidated comprehensive income statement

Other reserves comprise of certain changes directly recognized in equity. In particular these are differences from foreign currency translation, actuarial gains and losses arising from the defined benefit pension and severance obligations and unrealized gains and losses from fair value changes of securities, the last two after considering deferred income taxes.

In 2013, profit and loss recognized in other comprehensive income consisted of foreign currency translations with a negative amount of thous. EUR 31,704 (2012: positive amount of thous. EUR 9,944) as well as actuarial losses in the amount of thous. EUR 3,478 (2012: negative amount of thous. EUR 13,223). Thereon attributable deferred taxes amounted to thous. EUR 1,812 (2012: positive amount of thous. EUR 2,627).

Neither in 2013 nor in 2012 did the profit or loss recognized in other comprehensive income include fair value changes of securities.

14 — FINANCIAL LIABILITIES

a — Interest-bearing financial liabilities

At December 31, 2013, the Group had current interest-bearing credit lines available in the amount of thous. EUR 49,131 (December 31, 2012: thous. EUR 45,867), of which thous. EUR 9,892 (December 31, 2012: thous. EUR 7,080) were used as of the balance sheet date. At December 31, 2013, the weighted average interest rate of these current credit lines, used by subsidiaries outside the Euro participating countries, was 5.941 % (December 31, 2012: 7.447 %). These credit line facilities are subject to normal banking terms and conditions.

At December 31, 2013 and December 31, 2012, interest-bearing financial liabilities comprised exclusively bank liabilities. A summary of these financial liabilities at current interest rates is as follows:

(in thousands of EUR)	Dec. 31, 2013	Dec. 31, 2012
1.441 % EUR bank loan due 2015	52,660	52,660
0.950 % EUR bank loan due 2014	41,450	41,450
1.411 % EUR bank loan due 2016	40,000	40,000
1.721 % EUR bank loan due 2016	20,000	10,000
5.750 % MYR bank loan due 2016	1,990	2,974
0.525 % EUR bank loan due 2014	2,900	2,900
Other	668	377
<b>Financial liabilities</b>	<b>159,668</b>	<b>150,361</b>

At December 31, 2013, the weighted average interest rate for these financial liabilities was 1.395 % (December 31, 2012: 1.434 %).

No collateral was provided in order to secure the financial liabilities described above. At December 31, 2013, the Group had unused financing arrangements available in the amount of thous. EUR 430,000 (December 31, 2012: thous. EUR 300,000).

## b — Operating lease

At the balance sheet dates, the future minimum lease payments under operating non-redeemable lease obligations, due on December 31 of the following years, were as follows:

(in thousands of EUR)	<b>Dec. 31, 2013</b>	<b>Dec. 31, 2012</b>
2014 (2013)	9,964	9,962
2015 (2014)	9,156	8,669
2016 (2015)	8,121	8,526
2017 (2016)	7,989	7,605
2018 (2017)	7,646	7,502
Thereafter	20,408	19,982
<b>Total minimum lease payments</b>	<b>63,284</b>	<b>62,246</b>

The Group rents and leases especially buildings, land, warehouses, offices and other facilities. Expenses relating to operating lease agreements amounted to thous. EUR 10,494 for the year ended December 31, 2013 (2012: thous. EUR 10,585).

## 15 — PROVISIONS FOR NON-CURRENT LIABILITIES AND CHARGES

## a — Development of provisions for non-current liabilities and charges

In 2013 the provisions for non-current liabilities and charges developed as follows:

(in thousands of EUR)	Pensions	Severance	Anniversary bonuses	Pre-retirement programs	Other	Total
<b>Balance at Jan. 1, 2013</b>	<b>64,594</b>	<b>23,916</b>	<b>7,230</b>	<b>1,235</b>	<b>971</b>	<b>97,946</b>
Effect of exchange rate changes	(214)	(252)				(466)
Utilization	(5,266)	(2,212)	(465)	(774)	(15)	(8,732)
Reversal					(359)	(359)
Increase	3,560	2,169	657	775	39	7,200
IAS 19 remeasurements through other comprehensive income	2,725	753				3,478
<b>Balance at Dec. 31, 2013</b>	<b>65,399</b>	<b>24,374</b>	<b>7,422</b>	<b>1,236</b>	<b>636</b>	<b>99,067</b>

In 2012 the provisions for non-current liabilities and charges developed as follows:

(in thousands of EUR)	Pensions	Severance	Anniversary bonuses	Pre-retirement programs	Other	Total
<b>Balance at Jan. 1, 2012</b>	<b>55,136</b>	<b>21,364</b>	<b>6,775</b>	<b>2,117</b>	<b>884</b>	<b>86,276</b>
Effect of exchange rate changes	154	46	(5)			195
Changes in consolidated companies	(93)	(225)	(105)			(423)
Utilization	(4,456)	(2,354)	(551)	(966)	(38)	(8,365)
Reversal			(12)			(12)
Increase	3,354	2,361	1,128	84	125	7,052
IAS 19 remeasurements through other comprehensive income	10,499	2,724				13,223
<b>Balance at Dec. 31, 2012</b>	<b>64,594</b>	<b>23,916</b>	<b>7,230</b>	<b>1,235</b>	<b>971</b>	<b>97,946</b>

As of December 31, 2013, securities with an estimated fair value of thous. EUR 1,737 (December 31, 2012: thous. EUR 2,264) had been given as security for provisions for pre-retirement programs within the scope of the respective legal commitments. At December 31, 2013 and 2012, those securities were deducted from the underlying obligations.

The position "Other" includes in particular the part of provisions for benefits due to the termination of employment which will become due after one year.

## b — Provisions for pensions and severance payments

The majority of the Group's employees are covered by government-sponsored pension and welfare programs whereas the Group makes periodic payments to various government agencies, which are expensed as incurred. In addition, the Group provides certain employees with additional retirement benefits through the sponsorship of defined contribution plans and defined benefit plans. The benefits provided by the Group depend on the legal, fiscal and economic circumstances of each particular country and are primarily based on the length of service and the employee's compensation.

Under the defined contribution plans, the Group makes fixed payments to external pension funds. Once the contributions are made, the Group does not have any further payment obligations towards the employees. These periodical contribution payments are recognized as part of the annual pension costs and amounted to thous. EUR 3,804 in 2013 (2012: thous. EUR 3,645).

Defined benefit obligations in the Group consist of pensions and severance. These obligations are present in several countries, where the Group has employees, most significantly in Germany, Austria and Great Britain.

The pension obligations cover the arrangement of a pension program for active employees and, after fulfillment of the vesting period, for former employees, including their surviving dependents. Essentially, these are managers and also employees, by which corresponding commitment originating from time before the acquisition of such subsidiary was assumed by the Group. Therefore, the obligation exists both towards employees under existing employment relationship and also towards employees who have left or retired.

Expected payments under the pension plan may depend on the salary received by the employee in the last year of service or on the average of more years and as a rule are based on the length of service. Pension benefits are granted as a nonrecurring payment or as monthly retirement payments. In case of retirement payments, the Group bears to the full extent the risk of longevity and inflation due to pension adjustments.

The Group operates a defined benefit pension plan in Great Britain, which is governed by a board of trustees, composed of representatives of the Company and plan participants. Responsibility for investment decisions and contribution schedules lies jointly with the Company and the board of trustees.

Obligations from severance of employees cover legal and contractual claims for nonrecurring severance payments from the Group to employees, which result from certain causes such as termination, dissolution of an employment relationship by mutual agreement, retirement or death of the employee.

Defined benefit pension and other benefit plans are measured and recognized applying the internationally common projected unit credit method according to IAS 19. Under this method, the actuarial calculation of the future obligations is based on the proportionate obligations as of the balance sheet date. The valuation was conducted based on assumptions and assessments as at the balance sheet date. Significant influential factors were the discount interest rate, average life expectancy, expected salary growth rate, expected pension growth rate as well as retirement age.

Actuarial gains and losses, which result from changes in the number of plan participants and from differences between actual trends and estimates that are the basis for calculation, are recognized in other comprehensive income in the consolidated comprehensive income statement according to IAS 19.

The calculation of pension and other benefit obligations is based on the following actuarial assumptions:

(in %)	Dec. 31, 2013		Dec. 31, 2012	
	Pensions	Severance	Pensions	Severance
Discount rate	3.6 %	3.5 %	3.7 %	3.7 %
Salary growth rate	2.5 %	2.7 %	2.5 %	2.7 %
Pension growth rate	2.5 %		2.3 %	

Valuation of life expectancy was performed based on local mortality tables. These are in particular for Austria: AVÖ 2008-P "Angestellte" (Pagler & Pagler), for Germany: Richttafeln 2005 G (Prof. Dr. Klaus Heubeck), for Great Britain: Post Retirement: S1PA CMI\_2012\_M/F [1.25%] (yob) and Pre Retirement: 90%AMC00/100%AFC00. As a rule the retirement age corresponds to the respective country-specific legal regulations.

The following expenses were recorded for defined benefit pension and severance commitments:

(in thousands of EUR)	2013		2012	
	Pensions	Severance	Pensions	Severance
Service cost	1,230	1,326	947	1,144
Net interest on the net defined benefit liability	2,231	867	2,312	935
Past service costs		(26)		111
Effects due to plan changes		2		171
Administration costs	99		95	
<b>Net periodic benefit cost</b>	<b>3,560</b>	<b>2,169</b>	<b>3,354</b>	<b>2,361</b>

The defined benefit obligation and plan assets developed as follows:

(in thousands of EUR)	2013		2012	
	Pensions	Severance	Pensions	Severance
<b>Defined benefit obligation at the beginning of the year</b>	<b>99,640</b>	<b>23,916</b>	<b>87,362</b>	<b>21,364</b>
Effect of exchange rate changes	(651)	(252)	620	83
Changes in consolidated companies			(102)	(225)
Service cost	1,230	1,326	947	1,144
Interest cost	3,565	867	3,700	935
Past service costs		(26)		111
Remeasurements	2,641	753	11,022	2,724
<i>Thereof (gains)/losses from change in demographic assumptions (e.g. life expectancy, retirement age)</i>	<i>(49)</i>	<i>(5)</i>		
<i>Thereof (gains)/losses from change in financial assumptions (e.g. discount rate, salary growth rate, pension growth rate)</i>	<i>3,070</i>	<i>469</i>	<i>10,557</i>	<i>1,963</i>
<i>Thereof experience (gains)/losses (deviation between actual value and planned value)</i>	<i>(380)</i>	<i>289</i>	<i>465</i>	<i>761</i>
Benefit payments	(3,942)	(2,212)	(3,909)	(2,354)
Effects due to plan changes		2		134
<b>Defined benefit obligation at the end of the year</b>	<b>102,483</b>	<b>24,374</b>	<b>99,640</b>	<b>23,916</b>

  

(in thousands of EUR)	2013		2012	
	Pensions	Severance	Pensions	Severance
<b>Fair value of plan assets at the beginning of the year</b>	<b>35,046</b>		<b>32,226</b>	
Effect of exchange rate changes	(437)		459	
Interest income	1,334		1,388	
Administrative expense	(99)		(95)	
Remeasurements	(84)		523	
<i>Thereof return on plan assets excluding amounts included in interest income -net</i>	<i>(84)</i>		<i>523</i>	
Employer contributions	2,905		1,905	
Benefit payments	(1,581)		(1,360)	
<b>Fair value of plan assets at the end of the year</b>	<b>37,084</b>		<b>35,046</b>	

An overview of the geographic and divisional allocation of net periodic benefit cost for pensions and severance, defined benefit obligation and the fair value of plan assets for the financial year 2013 and 2012 is represented as follows:

(in thousands of EUR)	2013							
	MM Karton				MM Packaging			
	Germany	Austria	Other countries <sup>1)</sup>	Total	Germany	Austria	Other countries	Total
Net periodic benefit cost	881	1,735	507	3,123	1,323	862	421	2,606
Defined benefit obligation at the end of the year	22,524	30,377	31,011	83,912	26,716	14,031	2,198	42,945
Fair value of plan assets at the end of the year	950	12,322	21,191	34,463	411	2,210		2,621

<sup>1)</sup> This basically includes the pension plan in Great Britain.

(in thousands of EUR)	2012							
	MM Karton				MM Packaging			
	Germany	Austria	Other countries <sup>1)</sup>	Total	Germany	Austria	Other countries	Total
Net periodic benefit cost	980	1,616	388	2,984	1,353	869	509	2,731
Defined benefit obligation at the end of the year	22,298	28,369	31,297	81,964	26,076	13,298	2,218	41,592
Fair value of plan assets at the end of the year	917	10,633	21,100	32,650	378	2,018		2,396

<sup>1)</sup> This basically includes the pension plan in Great Britain.

The employers' contributions to plan assets for the year 2014 are expected to amount to thous. EUR 2,243. Included therein is the yearly obligatory contribution to plan assets in Great Britain in the amount of thous. EUR 600.

### The structure of plan assets

In Austria and Germany the plan assets for pension obligations are present in form of qualifying insurance policies, which are pledged to respective beneficiaries. The Group contributes to qualifying insurance policies as required.

Further plan assets include a pension plan in Great Britain, which is assessed by external asset management according to directives of the responsible board of trustees. Current directives allow for proportionate investment at 30 % in equity instruments and at 70 % in debt instruments; minimum diversification is prescribed to diversify the default risk, by which single investment value is limited to 2 % of the portfolio and the total value of all investments in one company is limited to 4 % of the portfolio. Investments in Private Equity Funds and Hedge Funds are forbidden. The objective of the asset management is to maximize the return at an adequate level of risk; index – based benchmarks are given to asset management to measure the achievement of objectives. The Group is obliged to provide regular contributions to the plan assets in Great Britain based on a contribution plan stretching over several years.

The portfolio structure of plan assets as at December 31, 2013 and at December 31, 2012 is as follows:

(in thousands of EUR)	<b>Dec. 31, 2013</b>	<b>in %</b>	<b>Dec. 31, 2012</b>	<b>in %</b>
<b>Equity instruments:</b>				
– developed markets	5,870		4,233	
– emerging markets	582		648	
– other	428		390	
<b>Total</b>	<b>6,880</b>	<b>19 %</b>	<b>5,271</b>	<b>15 %</b>
<b>Debt instruments:</b>				
– Corporate bonds	12,673		14,664	
– Government bonds			517	
<b>Total</b>	<b>12,673</b>	<b>33 %</b>	<b>15,181</b>	<b>43 %</b>
<b>Qualifying insurance policy pledged to beneficiaries</b>	15,893	43 %	13,946	40 %
<b>Money market investment/Bank deposit</b>	1,638	5 %	648	2 %
<b>Total</b>	<b>37,084</b>	<b>100 %</b>	<b>35,046</b>	<b>100 %</b>

All instruments in the category equity instruments and debt instruments are traded on active markets. Ratings of investments in debt instruments correspond at least to a rating of “BBB”.

#### **Plan assets market price risk**

Return on plan assets is assumed in accordance with IAS 19 using the discount rate for the underlying obligation. That corresponds with the return on corporate bonds with good credit rating. Provided that the actual return on plan assets exceeds (falls below) the used discount interest rate, net liability from the present plans decreases (increases). Due to the proportion of investments in equity in the plan assets in Great Britain the actual return may exceed on the one hand the return on corporate bonds with good credit rating in the long term and on the other hand result in higher plan asset volatility in the short term. Related price risk is considered by the Group as manageable as the proportion of investments in equity on total plan assets is low. Furthermore, the obligations, which come to maturity in the upcoming years, can be fulfilled from current cash flow of the Group and from remaining components of plan assets.

The net liability from pension and severance obligations, and the reconciliation to the net liability recognized are as follows:

(in thousands of EUR)	Dec. 31, 2013		Dec. 31, 2012	
	Pensions	Severance	Pensions	Severance
<b>Defined benefit obligation</b>	<b>102,483</b>	<b>24,374</b>	<b>99,640</b>	<b>23,916</b>
<i>Thereof obligations covered by provisions</i>	<i>50,035</i>	<i>24,374</i>	<i>49,083</i>	<i>23,916</i>
<i>Thereof obligations covered by funds</i>	<i>52,448</i>		<i>50,557</i>	
Less fair value of plan assets	(37,084)		(35,046)	
<b>Net liability recognized as provision for non-current liabilities and charges</b>	<b>65,399</b>	<b>24,374</b>	<b>64,594</b>	<b>23,916</b>

In the years 2009 to 2013, defined benefit obligations, fair value of plan assets, net liability and actuarial gains and losses, based upon deviations between the underlying assumptions and actual trends, were as follows:

(in thousands of EUR)	2013	2012	2011	2010	2009
<b>Pensions:</b>					
Defined benefit obligation	102,483	99,640	87,362	85,479	136,564
Adjustment in defined benefit obligation <sup>1)</sup>	(380)	465	674	(36)	1,231
Fair value of plan assets	37,084	35,046	32,226	30,353	101,469
Adjustment in fair value of plan assets <sup>1)</sup>	(84)	523	(811)	(127)	(205)
Net liability	65,399	64,594	55,136	55,126	35,095

<sup>1)</sup> Gain/(loss)

(in thousands of EUR)	2013	2012	2011	2010	2009
<b>Severance:</b>					
Defined benefit obligation	24,374	23,916	21,364	20,679	17,357
Adjustment in defined benefit obligation <sup>1)</sup>	289	(761)	(167)	(695)	640
Net liability	24,374	23,916	21,364	20,679	17,357

<sup>1)</sup> Gain/(loss)

The following sensitivity analysis for pension and severance provisions presents the impact on the obligation resulting from a possible change in significant actuarial assumptions. As one respective significant assumption is changed, the remaining assumptions are held constant.

(in %)	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.25 %	Decrease by 3.5 %	Increase by 3.7 %
Salary growth rate	0.25 %	Increase by 0.9 %	Decrease by 0.9 %
Pension growth rate	0.25 %	Increase by 2.3 %	Decrease by 2.2 %
		<b>Increase by one year in assumption</b>	
Retirement age		Decrease by 1.4 %	
Life expectancy		Increase by 3.5 %	

The weighted average duration of the defined benefit obligation is 14.8 years as of the balance sheet date.

The expected maturity analysis of defined benefit obligations for the next ten years as at December 31, 2013 in relation to actual payments is as follows:

(in thousands of EUR)	Less than a year	Between 1-2 years	Between 2-5 years	Between 5-10 years	Total
Defined benefit plans	4,884	5,414	16,101	34,668	61,067
<b>Total</b>	<b>4,884</b>	<b>5,414</b>	<b>16,101</b>	<b>34,668</b>	<b>61,067</b>

The impact of the changes of presentation and measurement methods as in the revised version of IAS 19 is as follows:

**Presentation of relevant positions in the consolidated balance sheet adjusted to the revised version of IAS 19 as of December 31, 2013**

	Dec. 31, 2013		
	Prior version	Necessary adjustment IAS 19 revised	Revised version
(all amounts in thousands of EUR)			
<b>ASSETS</b>			
Deferred income taxes	14,548	2,322	16,870
<b>Non-current assets</b>	<b>788,987</b>	<b>2,322</b>	<b>791,309</b>
<b>TOTAL ASSETS</b>	<b>1,700,133</b>	<b>2,322</b>	<b>1,702,455</b>
<b>EQUITY AND LIABILITIES</b>			
Retained earnings	925,832	2,810	928,642
Other reserves	(52,166)	(27,404)	(79,570)
<b>Equity attributable to the shareholders of the Group</b>	<b>1,126,324</b>	<b>(24,594)</b>	<b>1,101,730</b>
Non-controlling (minority) interests	10,125	(53)	10,072
<b>Total equity</b>	<b>1,136,449</b>	<b>(24,647)</b>	<b>1,111,802</b>
Provisions for non-current liabilities and charges	72,098	26,969	99,067
<b>Non-current liabilities</b>	<b>189,219</b>	<b>26,969</b>	<b>216,188</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,700,133</b>	<b>2,322</b>	<b>1,702,455</b>

**Presentation of relevant positions in the consolidated income statement adjusted to the revised version of IAS 19**

	Jan. 1 - Dec. 31, 2013		
	Prior version	Necessary adjustment IAS 19 revised	Revised version
(all amounts in thousands of EUR)			
Cost of sales	(1,566,691)	3,863	(1,562,828)
<b>Gross margin</b>	<b>432,709</b>	<b>3,863</b>	<b>436,572</b>
Selling and distribution expenses	(191,988)	652	(191,336)
Administrative expenses	(98,960)	883	(98,077)
<b>Operating profit</b>	<b>160,046</b>	<b>5,398</b>	<b>165,444</b>
Other financial result - net	(3,461)	(3,098)	(6,559)
<b>Profit before tax</b>	<b>154,065</b>	<b>2,300</b>	<b>156,365</b>
Income tax expense	(32,894)	(586)	(33,480)
<b>Profit for the year</b>	<b>121,171</b>	<b>1,714</b>	<b>122,885</b>
<b>Attributable to:</b>			
Shareholders of the Company	120,573	1,712	122,285
Non-controlling (minority) interests	598	2	600
<b>Basic and diluted earnings per share (in EUR)</b>	<b>6.03</b>	<b>0.08</b>	<b>6.11</b>

**Presentation of relevant positions in the consolidated comprehensive income statement adjusted to the revised version of IAS 19**

	Jan. 1 - Dec. 31, 2013		
	Prior version	Necessary adjustment IAS 19 revised	Revised version
(all amounts in thousands of EUR)			
<b>Profit for the year</b>	<b>121,171</b>	<b>1,714</b>	<b>122,885</b>
<b>Profit (loss) directly recognized in equity:</b>			
Measurement of defined benefit pension and severance obligations	0	(3,478)	(3,478)
Effect of income taxes	0	(1,812)	(1,812)
<b>Total of items that will not be reclassified ("recycled") subsequently to the income statement</b>	<b>0</b>	<b>(5,290)</b>	<b>(5,290)</b>
Foreign currency translations	(31,556)	(148)	(31,704)
<b>Total of items that will be reclassified ("recycled") subsequently to the income statement</b>	<b>(31,556)</b>	<b>(148)</b>	<b>(31,704)</b>
<b>Total profit (loss) directly recognized in equity (net)</b>	<b>(31,556)</b>	<b>(5,438)</b>	<b>(36,994)</b>
<b>Total profit for the period</b>	<b>89,615</b>	<b>(3,724)</b>	<b>85,891</b>
<b>Attributable to:</b>			
Shareholders of the Company	89,425	(3,669)	85,756
Non-controlling (minority) interests	190	(55)	135

16 — TRADE LIABILITIES

(in thousands of EUR)	<b>Dec. 31, 2013</b>	<b>Dec. 31, 2012</b>
Trade liabilities	170,534	170,736
Advances from customers	1,495	894
<b>Trade liabilities</b>	<b>172,029</b>	<b>171,630</b>

The previous years' figures have been adjusted (see note 3).

17 — DEFERRED INCOME AND OTHER CURRENT LIABILITIES

(in thousands of EUR)	<b>Dec. 31, 2013</b>	<b>Dec. 31, 2012</b>
Obligations for personnel and social costs	50,407	48,417
Share purchase price and option liabilities	26,145	17,249
Other tax liabilities	10,480	9,556
Deferred income	780	1,024
Other liabilities	15,519	11,568
<b>Deferred income and other current liabilities</b>	<b>103,331</b>	<b>87,814</b>

The previous years' figures have been adjusted (see note 3).

The mentioned share purchase price and option liabilities are exclusively related to liabilities in connection with shares in certain subsidiaries held by non-controlling (minority) shareholders, which are evaluated according to the individual contractual terms. These share purchase price and option liabilities are calculated as a multiple of a result-dependent component (e.g. EBITDA) of the subsidiary less potential net debt, respectively in the amount of the remaining share.

Obligations for personnel and social costs include particularly unused vacations, premiums and bonuses for employees as well as other deferred personnel related obligations.

## 18 — PROVISIONS FOR CURRENT LIABILITIES AND CHARGES

In 2013 provisions for current liabilities and charges developed as follows:

(in thousands of EUR)	Customer rebates and bonuses	Sales	Other provisions	Total
<b>Balance at Jan. 1, 2013</b>	<b>13,752</b>	<b>2,898</b>	<b>10,465</b>	<b>27,115</b>
Effect of exchange rate changes	(33)	(107)	(297)	(437)
Changes in consolidated companies	0	0	696	696
Utilization	(10,199)	(1,128)	(4,742)	(16,069)
Reversal	(1,774)	(1,314)	(3,033)	(6,121)
Increase	7,552	3,614	6,916	18,082
<b>Balance at Dec. 31, 2013</b>	<b>9,298</b>	<b>3,963</b>	<b>10,005</b>	<b>23,266</b>

In 2012 provisions for current liabilities and charges developed as follows:

(in thousands of EUR)	Customer rebates and bonuses	Sales	Other provisions	Total
<b>Balance at Jan. 1, 2012</b>	<b>11,761</b>	<b>2,534</b>	<b>7,021</b>	<b>21,316</b>
Effect of exchange rate changes	14	22	(26)	10
Changes in consolidated companies	(40)	0	0	(40)
Utilization	(6,719)	(1,646)	(2,876)	(11,241)
Reversal	(1,180)	(235)	(274)	(1,689)
Increase	9,916	2,223	6,620	18,759
<b>Balance at Dec. 31, 2012</b>	<b>13,752</b>	<b>2,898</b>	<b>10,465</b>	<b>27,115</b>

The previous years' figures have been adjusted (see note 3).

Provisions for premiums and bonuses to customers include premium and bonus claims of customers calculated on the basis of the underlying customer arrangements.

The provisions for sales are recognized primarily on product warranties, guarantees, return of goods and distribution fees. The provisions for product warranty and guarantee are made both on legal and contractual base.

The position "Other provisions" primarily contains provisions for other taxes and environmental matters.

## 19 — SEGMENT REPORTING INFORMATION

Mayr-Melnhof Karton AG and its subsidiaries operate in two operating areas (production of cartonboard and production of folding cartons and packaging). The Group is organized in line with these two operating areas and is managed by the management board based on the financial information generated thereon. Hence, the segments reported are congruent with these two operating areas:

The division MM Karton manufactures and markets numerous grades of cartonboard, concentrating particularly on coated cartonboard made primarily from recycled fiber.

The division MM Packaging converts cartonboard into printed folding cartons purchased by customers in a variety of industries including food and consumer goods (e.g. packaging for cereals, dried foods, sugar, confectionary and baked goods, cosmetics and toiletries, detergents, domestic appliances, toys, cigarette packaging and high-grade confectionary).

Data provided by the management information system, on which the segment reporting is based, are in accordance with the accounting and recognition principles applied to the consolidated financial statements. The central operations are completely allocated to the operating segments, in analogy with the procedures in the management information system through an allocation system. Results from inter-segment transactions are already eliminated in the segment results.

The Group measures the performance of its operating segments through the assessment of "Operating profit" and "Profit for the year", as they are presented in the Group's income statement.

Intersegment sales are carried out on an arm's length basis.

Revenues are allocated based on the shipment destinations of finished goods, whereas long-lived assets are allocated according to the location of the respective units.

Capital expenditures and depreciation/amortization relate to property, plant and equipment and intangible assets including goodwill (see note 7).

The segment reporting information concerning the Group's operating segments can be illustrated as follows:

(in thousands of EUR)	2013			
	MM Karton	MM Packaging	Eliminations	Consolidated
Sales to external customers	861,540	1,137,860	0	1,999,400
Intersegment sales	103,107	864	(103,971)	0
<b>Total sales</b>	<b>964,647</b>	<b>1,138,724</b>	<b>(103,971)</b>	<b>1,999,400</b>
Operating profit	65,272	100,172	0	165,444
Financial income	1,477	1,148	(1,093)	1,532
Financial expenses	(2,182)	(2,963)	1,093	(4,052)
Profit from associated companies	0	84	0	84
Profit before tax	63,140	93,225	0	156,365
Income tax expense	(9,742)	(23,738)	0	(33,480)
Profit for the year	53,398	69,487	0	122,885
Capital expenditures	44,370	71,808	0	116,178
Depreciation and amortization	(36,434)	(53,181)	0	(89,615)
Segment assets	922,781	850,424	(70,750)	1,702,455
Segment liabilities	267,997	393,406	(70,750)	590,653
Employees per segment as of December 31	2,537	6,940		9,477

(in thousands of EUR)	2012			
	MM Karton	MM Packaging	Eliminations	Consolidated
Sales to external customers	832,852	1,119,303	0	1,952,155
Intersegment sales	104,082	1,369	(105,451)	0
<b>Total sales</b>	<b>936,934</b>	<b>1,120,672</b>	<b>(105,451)</b>	<b>1,952,155</b>
Operating profit	66,573	103,892	0	170,465
Financial income	2,330	973	(700)	2,603
Financial expenses	(1,989)	(3,946)	700	(5,235)
Profit from associated companies	0	69	0	69
Profit before tax	65,796	95,501	0	161,297
Income tax expense	(13,644)	(27,319)	0	(40,963)
Profit for the year	52,152	68,182	0	120,334
Capital expenditures	44,389	58,325	0	102,714
Depreciation and amortization	(34,617)	(51,170)	0	(85,787)
Segment assets	911,487	792,742	(75,179)	1,629,050
Segment liabilities	283,964	353,120	(75,179)	561,905
Employees per segment as of December 31	2,413	6,423		8,836

The information regarding the financial year 2012 has been adjusted due to the adoption of the revised standard IAS 19, where required (see note 3), to ensure full comparability.

The following is a country-by-country breakdown of net sales based upon shipment destination as well as a summary of non-current assets and capital expenditures based upon location:

(in thousands of EUR)	2013			2012		
	Net sales	Non-current assets	Capital expenditures	Net sales	Non-current assets	Capital expenditures
Austria	67,069	94,744	27,984	70,535	88,407	13,078
Germany	401,361	251,423	31,636	421,154	249,241	34,933
Great Britain	202,073	4,212	898	214,051	4,881	211
France	157,878	12,649	820	146,570	13,245	1,094
Other Western European countries	333,105	48,145	4,393	350,023	35,287	4,422
Eastern Europe	549,377	233,715	41,083	496,801	225,720	39,294
Asia	91,063	44,013	3,792	83,945	24,097	5,337
Latin America	101,575	72,237	4,673	84,958	66,953	4,093
Other	95,899	4,092	899	84,118	4,596	252
<b>Consolidated total</b>	<b>1,999,400</b>	<b>765,230</b>	<b>116,178</b>	<b>1,952,155</b>	<b>712,427</b>	<b>102,714</b>

The previous years' figures have been adjusted (see note 3).

Non-current assets and capital expenditures comprise property, plant and equipment, and intangible assets including goodwill (see note 7) as well as payments on account for property, plant and equipment (see note 12).

## 20 — OTHER OPERATING INCOME

(in thousands of EUR)	Year ended Dec. 31, 2013	Year ended Dec. 31, 2012
Preliminary negative goodwill <sup>1)</sup>	10,033	0
Gains and losses from disposal of property, plant and equipment, and intangible assets – net	1,240	3,694
Insurance claims	570	918
Rental income	924	826
Other income – net	5,910	6,956
<b>Other operating income</b>	<b>18,677</b>	<b>12,394</b>

<sup>1)</sup> Acquisition of MM Karton FollaCell AS (see note 6).

Other income - net includes income from compensation for damages in the amount of thous. EUR 1,267 (2012: thous. EUR 1,416) as well as income from energy sales in the amount of thous. EUR 912 (2012: thous. EUR 897).

## 21 — PERSONNEL EXPENSES

A breakdown of personnel expenses from all Group areas is as follows:

(in thousands of EUR)	Year ended Dec. 31, 2013	Year ended Dec. 31, 2012
Gross wages	172,135	166,068
Gross salaries	126,341	119,617
Severance expenses	5,601	9,877
Pension expenses	4,475	4,162
Expenses for statutory social security as well as payroll-related taxes and other contributions	61,127	58,819
Other welfare expenses	7,485	7,147
<b>Total</b>	<b>377,164</b>	<b>365,690</b>

The information regarding the financial year 2012 has been adjusted due to the adoption of the revised standard IAS 19, where required (see note 3), to ensure full comparability.

The average number of employees is as follows:

(Number of persons)	Year ended Dec. 31, 2013	Year ended Dec. 31, 2012
Factory workers	6,900	6,705
Office staff	2,096	2,067
<b>Total</b>	<b>8,996</b>	<b>8,772</b>

### Remuneration of the management

The key management of the Group includes the Management Board and the Supervisory Board. The remuneration of the management is as follows:

(in thousands of EUR)	Year ended Dec. 31, 2013	Year ended Dec. 31, 2012
Salaries and other short-term employee benefits	4,906	4,156
Post-employment benefits	191	11
Other long-term benefits	2,341	992
<b>Total</b>	<b>7,438</b>	<b>5,159</b>

The remuneration of the members of the Management Board is as follows:

(in thousands of EUR)	<b>Year ended Dec. 31, 2013</b>	<b>Year ended Dec. 31, 2012</b>
Base salary	1,813	1,715
Variable compensation	2,842	2,210
<b>Total</b>	<b>4,655</b>	<b>3,925</b>

The remuneration of the members of the Supervisory Board elected by the shareholders for the financial year 2013 amounted to thous. EUR 251 (2012: thous. EUR 235).

Concerning the remuneration of former members of the Management and Supervisory Boards, the provision on non-disclosure of such remuneration was applied by referring to section 241 paragraph 4 in conjunction with section 266 figure 7 last sentence of the Austrian Commercial Code was applied.

## 22 — EXPENSES FOR THE GROUP AUDITOR

The 19<sup>th</sup> Ordinary Shareholders' Meeting on May 7, 2013 appointed Grant Thornton Unitreu GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft as the auditor of the consolidated and individual financial statements of Mayr-Melnhof Karton AG. Furthermore, they audited the individual financial statements of the Austrian subsidiaries. In 2013, expenses for services rendered by Grant Thornton Unitreu amounted to thous. EUR 707 (2012: thous. EUR 373), of which thous. EUR 372 (2012: thous. EUR 370) related to auditing and other assurance services and thous. EUR 335 (2012: thous. EUR 3) to other services.

## 23 — RESEARCH AND DEVELOPMENT EXPENSES

Research and development costs recognized as expenses in the income statement amounted to thous. EUR 3,650 in the financial year 2013 (2012: thous. EUR 3,715).

24 — FINANCIAL INCOME

(in thousands of EUR)	<b>Year ended Dec. 31, 2013</b>	<b>Year ended Dec. 31, 2012</b>
Interest from bank deposits	1,373	2,279
Other financial income	159	324
<b>Total financial income</b>	<b>1,532</b>	<b>2,603</b>

25 — FINANCIAL EXPENSES

(in thousands of EUR)	<b>Year ended Dec. 31, 2013</b>	<b>Year ended Dec. 31, 2012</b>
Interest expense related to financial liabilities	(2,712)	(3,356)
Interest expense on capital leases	0	(99)
Other financial expenses	(1,340)	(1,780)
<b>Total financial expenses</b>	<b>(4,052)</b>	<b>(5,235)</b>

Commitment fees for unused credit lines are included in other financial expenses.

26 — OTHER FINANCIAL RESULT – NET

(in thousands of EUR)	<b>Year ended Dec. 31, 2013</b>	<b>Year ended Dec. 31, 2012</b>
Net interest cost - defined benefit plans	(3,098)	(3,247)
Foreign currency exchange rate gains (losses) – net	(3,084)	(2,254)
Valuation of (contingent) share purchase price and option liabilities	(717)	(1,787)
Other expenses and income – net	340	752
<b>Other financial result – net</b>	<b>(6,559)</b>	<b>(6,536)</b>

The information regarding the financial year 2012 has been adjusted due to the adoption of the revised standard IAS 19, where required (see note 3), to ensure full comparability.

The position “Other expenses and income – net” includes an income of thous. EUR 84 in 2013 (2012: thous. EUR 69), resulting from an associated company presented according to the equity method.

## 27 — EARNINGS PER SHARE

Earnings per share are calculated in accordance with IAS 33 “Earnings per Share”. The standard requires the calculation and disclosure of two key figures, basic and diluted earnings per share. Basic earnings per share are calculated by dividing profit or loss attributable to the shareholders of the Company by the weighted average number of shares outstanding during the financial year. Diluted earnings per share are calculated by adjusting outstanding shares, assuming conversion of all potentially dilutive stock options. Neither as of December 31, 2013, nor as of December 31, 2012, these kind of options existed.

Basic earnings per share are calculated by dividing net profit for the year attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the year.

	<b>Year ended Dec. 31, 2013</b>	<b>Year ended Dec. 31, 2012</b>
Profit attributable to ordinary shareholders of the parent company (in thousands of EUR)	122,285	119,889
Weighted average number of ordinary shares	20,000,000	19,985,282
Undiluted earnings per share attributable to ordinary shareholders of the parent company (in EUR)	6.11	6.00

As of December 31, 2013 the number of shares issued amounted to 20,000,000 shares (December 31, 2012: 20,000,000 shares). Since 2012 the Group has not held any treasury shares.

## 28 — COMMITMENTS AND CONTINGENT LIABILITIES

**Commitments from legal proceedings and similar claims**

The Group is subject to various claims and legal proceedings that have arisen in the ordinary course of business. Based on all of the facts available to the Management, the Group believes that the ultimate resolution of these claims and legal proceedings will not be likely to have a material adverse effect on its financial position or the results of its operations, although no assurance can be given with respect to the outcome of such claims or litigation.

**Commitments from environmental matters**

The Group is also subject to various environmental legislations and regulations in the countries in which it operates. Expenditures for environmental matters which relate to existing conditions caused by past operations and have no significant future benefit are expensed as incurred. The Group records an accrual for environmental matters when an expense is probable and may be reasonably estimated. For the assessment of the amount of accruals estimates have to be taken to a certain extent. It is possible that the final assessment of some of these matters may require the Group to make expenditures in excess of the amounts currently provided for. However, the Management believes that such additional amounts will not have a material effect on the Group's financial position or results of operations.

Expenses related to environmental matters were not material for the years ended December 31, 2013 and 2012.

**Other contingent liabilities**

At December 31, 2013, purchase obligations for fixed assets regarding planned capital expenditures maturing within one year amounted to thous. EUR 26,262 (December 31, 2012: thous. EUR 17,161).

## 29 — DISCLOSURE ON TRANSACTIONS WITH RELATED PARTIES

In 2013, sales with associated companies amounted to thous. EUR 437 (2012: thous. EUR 0). Cost of purchased material and services were at thous. EUR 837 (2012: thous. EUR 7). At December 31, 2013, trade liabilities with associated companies amounted to thous. EUR 0 (December 31, 2012: thous. EUR 7).

In the financial year 2013, sales with other related companies in terms of transportation services amounted to thous. EUR 0 (2012: thous. EUR 423). Raw materials for the production of cartonboard amounting to thous. EUR 8,413 were purchased from other related companies in 2013 (2012: thous. EUR 8,266). At December 31, 2013, trade liabilities with other related companies amounted to thous. EUR 1,270 (December 31, 2012: thous. EUR 1,313).

Transactions with these companies are carried out on an arm's length basis.

For information about contributions to the pension benefit plan in Great Britain see note 15.

## 30 — SUBSEQUENT EVENTS

In November 2013, the division MM Packaging entered into an agreement to acquire three A&R Carton sites, St. Petersburg, Timashevsk, Southern Russia, and Augsburg, Germany, which could not be closed due to changed circumstances.

## 31 — TABLE OF AFFILIATED AND ASSOCIATED COMPANIES

2013					2012				
Company name	Currency	Nominal capital in thousand currency units	Shareholding in %	Type of consolidation	Company name	Currency	Nominal capital in thousand currency units	Shareholding in %	Type of consolidation
Mayr-Melnhof Karton Aktiengesellschaft, Vienna (AUT)	EUR	80,000	-	FC <sup>1)</sup>	Mayr-Melnhof Karton Aktiengesellschaft, Vienna (AUT)	EUR	80,000	-	FC <sup>1)</sup>
<b>MM KARTON</b>					<b>MM KARTON</b>				
Baiersbronn Frischfaser Karton GmbH, Baiersbronn (DEU)	EUR	2,050	100.00 %	FC <sup>1)</sup>	Baiersbronn Frischfaser Karton GmbH, Baiersbronn (DEU)	EUR	2,050	100.00 %	FC <sup>1)</sup>
CartPrint Insurance AG, Vaduz (LIE)	EUR	3,000	100.00 %	FC <sup>1)</sup>	CartPrint Insurance AG, Vaduz (LIE)	EUR	3,000	100.00 %	FC <sup>1)</sup>
CP (CartPrint) International Trading AG, Worb (CHE)	CHF	100	100.00 %	FC <sup>1)</sup>	CP (CartPrint) International Trading AG, Worb (CHE)	CHF	50	100.00 %	FC <sup>1)</sup>
free-com internet services GmbH, Vienna (AUT)	EUR	35	64.33 %	FC <sup>1)</sup>	free-com internet services GmbH, Vienna (AUT)	EUR	35	36.00 %	FC <sup>1)</sup>
FS-Karton GmbH, Baiersbronn (DEU)	EUR	51,641	100.00 %	FC <sup>1)</sup>	FS-Karton GmbH, Baiersbronn (DEU)	EUR	51,641	100.00 %	FC <sup>1)</sup>
Industriewater Eerbeek B.V., Eerbeek (NLD)	EUR	143	37.50 %	NC <sup>2)</sup>	Industriewater Eerbeek B.V., Eerbeek (NLD)	EUR	143	37.50 %	EC <sup>2)</sup>
Kolicevo Karton Proizvodnja kartona, d.o.o., Domzale (SVN)	EUR	12,828	100.00 %	FC <sup>1)</sup>	Kolicevo Karton Proizvodnja kartona, d.o.o., Domzale (SVN)	EUR	12,828	100.00 %	FC <sup>1)</sup>
Lokalbahn Payerbach-Hirschwang Gesellschaft m.b.H., Reichenau/Rax (AUT)	EUR	190	100.00 %	FC <sup>1)</sup>	Lokalbahn Payerbach-Hirschwang Gesellschaft m.b.H., Reichenau/Rax (AUT)	EUR	190	100.00 %	NC <sup>2)</sup>
Mayr-Melnhof Cartonboard International GmbH, Vienna (AUT)	EUR	5,000	100.00 %	FC <sup>1)</sup>	Mayr-Melnhof Cartonboard International GmbH, Vienna (AUT)	EUR	5,000	100.00 %	FC <sup>1)</sup>
Mayr-Melnhof Eerbeek B.V., Eerbeek (NLD)	EUR	7,300	100.00 %	FC <sup>1)</sup>	Mayr-Melnhof Eerbeek B.V., Eerbeek (NLD)	EUR	7,300	100.00 %	FC <sup>1)</sup>
Mayr-Melnhof Gernsbach GmbH, Gernsbach (DEU)	EUR	9,205	100.00 %	FC <sup>1)</sup>	Mayr-Melnhof Gernsbach GmbH, Gernsbach (DEU)	EUR	9,205	100.00 %	FC <sup>1)</sup>
Mayr-Melnhof Holdings B.V., Eerbeek (NLD)	EUR	67,254	100.00 %	FC <sup>1)</sup>	Mayr-Melnhof Holdings B.V., Eerbeek (NLD)	EUR	67,254	100.00 %	FC <sup>1)</sup>
Mayr-Melnhof Holdings 2 B.V., Eerbeek (NLD)	EUR	10	100.00 %	FC <sup>1)</sup>	-	-	-	-	-
Mayr-Melnhof Karton Gesellschaft m.b.H., Frohnleiten (AUT)	EUR	7,500	100.00 %	FC <sup>1)</sup>	Mayr-Melnhof Karton Gesellschaft m.b.H., Frohnleiten (AUT)	ATS	100,000	100.00 %	FC <sup>1)</sup>
MM Karton FollaCell AS, Verran (NOR)	NOK	100,000	100.00 %	FC <sup>1)</sup>	-	-	-	-	-
Stort Doonweg B.V., Eerbeek (NLD)	EUR	18	50.00 %	NC <sup>2)</sup>	Stort Doonweg B.V., Eerbeek (NLD)	EUR	18	50.00 %	NC <sup>2)</sup>
Syn-Group Unternehmensberatung GmbH, Vienna (AUT) <sup>3)</sup>	EUR	37	38.00 %	FC <sup>1)</sup>	Syn-Group Unternehmensberatung GmbH, Vienna (AUT) <sup>3)</sup>	EUR	37	38.00 %	FC <sup>1)</sup>

Company name	Currency	Nominal capital in thousand currency units	Shareholding in %	Type of consolidation	Company name	Currency	Nominal capital in thousand currency units	Shareholding in %	Type of consolidation
<b>Trading companies &amp; sales offices of MM Karton</b>					<b>Trading companies &amp; sales offices of MM Karton</b>				
Austria Cartón S.A., Barcelona (ESP)	EUR	60	75.00 %	FC <sup>1)</sup>	Austria Cartón S.A., Barcelona (ESP)	EUR	60	75.00 %	FC <sup>1)</sup>
Firgos (Malaysia) SDN BHD, Kuala Lumpur (MYS)	MYR	500	51.00 %	FC <sup>1)</sup>	Firgos (Malaysia) SDN BHD, Kuala Lumpur (MYS)	MYR	500	51.00 %	FC <sup>1)</sup>
Keminer Remmers Spiehs Kartonhandels GmbH, Gernsbach (DEU)	EUR	1,280	100.00 %	FC <sup>1)</sup>	Keminer Remmers Spiehs Kartonhandels GmbH, Gernsbach (DEU)	EUR	1,280	100.00 %	FC <sup>1)</sup>
Mayr-Melnhof Belgium N.V., Sint-Katelijne-Waver (BEL)	EUR	62	100.00 %	FC <sup>1)</sup>	Mayr-Melnhof Belgium N.V., Sint-Katelijne-Waver (BEL)	EUR	62	100.00 %	FC <sup>1)</sup>
Mayr-Melnhof Cartonboard UK Limited, Lincolnshire (GBR)	GBP	1,000	100.00 %	FC <sup>1)</sup>	Mayr-Melnhof Cartonboard UK Limited, Lincolnshire (GBR)	GBP	1,000	100.00 %	FC <sup>1)</sup>
Mayr-Melnhof France SARL, Paris (FRA)	EUR	8	100.00 %	FC <sup>1)</sup>	Mayr-Melnhof France SARL, Paris (FRA)	EUR	8	100.00 %	FC <sup>1)</sup>
Mayr-Melnhof Italia S.R.L., Milano (ITA)	EUR	51	75.00 %	FC <sup>1)</sup>	Mayr-Melnhof Italia S.R.L., Milano (ITA)	EUR	51	75.00 %	FC <sup>1)</sup>
Mayr-Melnhof Karton Polska Sp. z o.o., Poznan (POL)	PLN	50	100.00 %	FC <sup>1)</sup>	Mayr-Melnhof Karton Polska Sp. z o.o., Poznan (POL)	PLN	50	100.00 %	FC <sup>1)</sup>
Mayr-Melnhof Karton Schweiz GmbH, Worb (CHE)	CHF	20	100.00 %	FC <sup>1)</sup>	Mayr-Melnhof Karton Schweiz GmbH, Worb (CHE)	CHF	20	100.00 %	FC <sup>1)</sup>
Mayr-Melnhof Mediterra SARL, Tunis (TUN)	TND	80	100.00 %	FC <sup>1)</sup>	Mayr-Melnhof Mediterra SARL, Tunis (TUN)	TND	80	100.00 %	FC <sup>1)</sup>
Mayr-Melnhof Nederland B.V., Amstelveen (NLD)	EUR	91	100.00 %	FC <sup>1)</sup>	Mayr-Melnhof Nederland B.V., Amstelveen (NLD)	EUR	91	100.00 %	FC <sup>1)</sup>
Mayr-Melnhof & Wilfried Heinzl Tehran Co., Tehran (IRN)	IRR	100,000	36.00 %	NC <sup>3)</sup>	Mayr-Melnhof & Wilfried Heinzl Tehran Co., Tehran (IRN)	IRR	100,000	36.00 %	NC <sup>3)</sup>
MM Guang Zhou Yue Ran Paper Co., Ltd., Guangzhou (CHN)	RMB	1,500	100.00 %	NC <sup>3)</sup>	MM Guang Zhou Yue Ran Paper Co., Ltd., Guangzhou (CHN)	RMB	1,500	100.00 %	NC <sup>3)</sup>
MM Karton Bulgaria EOOD, Sofia (BGR)	BGN	5	100.00 %	FC <sup>1)</sup>	MM Karton Bulgaria EOOD, Sofia (BGR)	BGN	5	100.00 %	FC <sup>1)</sup>
MM Karton Praha s.r.o., Prague (CZE)	CZK	820	100.00 %	FC <sup>1)</sup>	MM Karton Praha s.r.o., Prague (CZE)	CZK	820	100.00 %	FC <sup>1)</sup>
MM Karton Russia LLC, Moscow (RUS)	RUB	14,290	100.00 %	FC <sup>1)</sup>	MM Karton Russia LLC, Moscow (RUS)	RUB	14,290	100.00 %	FC <sup>1)</sup>
MM Kartonvertrieb GmbH, Neuss (DEU)	EUR	26	100.00 %	FC <sup>1)</sup>	MM Kartonvertrieb GmbH, Neuss (DEU)	EUR	26	100.00 %	FC <sup>1)</sup>
MM Prodaja Kartona d.o.o., Domzale (SVN)	EUR	30	75.00 %	FC <sup>1)</sup>	MM Prodaja Kartona d.o.o., Domzale (SVN)	EUR	30	75.00 %	FC <sup>1)</sup>
Varsity Packaging Limited, Lincolnshire (GBR)	GBP	300	100.00 %	FC <sup>1)</sup>	Varsity Packaging Limited, Lincolnshire (GBR)	GBP	300	100.00 %	FC <sup>1)</sup>

Company name	Currency	Nominal capital in thousand currency units	Shareholding in %	Type of consolidation	Company name	Currency	Nominal capital in thousand currency units	Shareholding in %	Type of consolidation
<b>MM PACKAGING</b>					<b>MM PACKAGING</b>				
Al-Ekbal Printing & Packaging Co., Amman (JOR)	JOD	5,000	81.86 %	FC <sup>1)</sup>	Al-Ekbal Printing & Packaging Co., Amman (JOR)	JOD	5,000	80.26 %	FC <sup>1)</sup>
Al-Ekbal Paper Trading & Logistic Services Ltd. Co., Amman (JOR)	JOD	30	81.86 %	NC <sup>9)</sup>	Al-Ekbal Paper Trading & Logistic Services Ltd. Co., Amman (JOR)	JOD	30	80.26 %	NC <sup>9)</sup>
C.P. Schmidt Verpackungs-Werk Beteiligungsgesellschaft mbH, Kaiserslautern (DEU)	EUR	180	75.00 %	FC <sup>1)</sup>	C.P. Schmidt Verpackungs-Werk Beteiligungsgesellschaft mbH, Kaiserslautern (DEU)	EUR	180	75.00 %	FC <sup>1)</sup>
C.P. Schmidt Verpackungs-Werk GmbH & Co. KG, Kaiserslautern (DEU) <sup>9)</sup>	EUR	4,000	75.00 %	FC <sup>1)</sup>	C.P. Schmidt Verpackungs-Werk GmbH & Co. KG, Kaiserslautern (DEU) <sup>9)</sup>	EUR	4,000	75.00 %	FC <sup>1)</sup>
Ernst Schausberger & Co. Gesellschaft m.b.H., Gunkirchen (AUT)	EUR	2,910	100.00 %	FC <sup>1)</sup>	Ernst Schausberger & Co. Gesellschaft m.b.H., Gunkirchen (AUT)	EUR	2,910	100.00 %	FC <sup>1)</sup>
-	-	-	-	-	Graficas Los Andes S.A.S., Santiago de Cali (COL)	COP	330,625	20.00 %	EC <sup>2)</sup>
Graphia Gundlach Beteiligungsgesellschaft mbH, Bielefeld (DEU)	EUR	52	100.00 %	FC <sup>1)</sup>	Graphia Gundlach Beteiligungsgesellschaft mbH, Bielefeld (DEU)	EUR	52	100.00 %	FC <sup>1)</sup>
Mayr-Melnhof Graphia Izmir Karton sanayi ve ticaret anonim sirketi, Izmir (TUR)	TRY	24,613	100.00 %	FC <sup>1)</sup>	Mayr-Melnhof Graphia Izmir Karton sanayi ve ticaret anonim sirketi, Izmir (TUR)	TRY	24,613	100.00 %	FC <sup>1)</sup>
Mayr-Melnhof Gravure GmbH, Trier (DEU)	EUR	7,000	100.00 %	FC <sup>1)</sup>	Mayr-Melnhof Gravure GmbH, Trier (DEU)	EUR	7,000	100.00 %	FC <sup>1)</sup>
Mayr-Melnhof Packaging Austria GmbH, Vienna (AUT)	EUR	3,050	100.00 %	FC <sup>1)</sup>	Mayr-Melnhof Packaging Austria GmbH, Vienna (AUT)	EUR	3,050	100.00 %	FC <sup>1)</sup>
-	-	-	-	-	Mayr-Melnhof Packaging GmbH, Kaiserslautern (DEU)		8,000	100.00 %	FC <sup>1)</sup>
Mayr-Melnhof Packaging Iberica SL, Valencia (ESP)	EUR	7,500	100.00 %	FC <sup>1)</sup>	Mayr-Melnhof Packaging Iberica SL, Valencia (ESP)	EUR	7,500	100.00 %	FC <sup>1)</sup>
Mayr-Melnhof Packaging International GmbH, Vienna (AUT)	EUR	5,000	100.00 %	FC <sup>1)</sup>	Mayr-Melnhof Packaging International GmbH, Vienna (AUT)	EUR	5,000	100.00 %	FC <sup>1)</sup>
Mayr-Melnhof Packaging Marinetti Limitada, Santiago de Chile (CHL)	CLP	5,000	100.00 %	FC <sup>1)</sup>	Mayr-Melnhof Packaging Marinetti Limitada, Santiago de Chile (CHL)	CLP	5,000	100.00 %	FC <sup>1)</sup>
Mayr-Melnhof Packaging Romania S.R.L., Blejoi (ROU)	RON	5,504	100.00 %	FC <sup>1)</sup>	Mayr-Melnhof Packaging Romania S.R.L., Blejoi (ROU)	RON	5,504	100.00 %	FC <sup>1)</sup>
Mayr-Melnhof Packaging UK Limited, Lincolnshire (GBR)	GBP	9,700	100.00 %	FC <sup>1)</sup>	Mayr-Melnhof Packaging UK Limited, Lincolnshire (GBR)	GBP	9,700	100.00 %	FC <sup>1)</sup>
MM Graphia Beteiligungs- und Verwaltungs GmbH, Baiersbronn (DEU)	EUR	5,538	100.00 %	FC <sup>1)</sup>	MM Graphia Beteiligungs- und Verwaltungs GmbH, Baiersbronn (DEU)	EUR	5,538	100.00 %	FC <sup>1)</sup>
MM Graphia Bielefeld GmbH, Bielefeld (DEU)	EUR	526	100.00 %	FC <sup>1)</sup>	MM Graphia Bielefeld GmbH, Bielefeld (DEU)	EUR	526	100.00 %	FC <sup>1)</sup>
MM Graphia Dortmund GmbH, Dortmund (DEU)	EUR	100	100.00 %	FC <sup>1)</sup>	MM Graphia Dortmund GmbH, Dortmund (DEU)	EUR	100	100.00 %	FC <sup>1)</sup>
MM Graphia Innovaprint GmbH, Bielefeld (DEU)	EUR	500	100.00 %	FC <sup>1)</sup>	MM Graphia Innovaprint GmbH, Bielefeld (DEU)	EUR	500	100.00 %	FC <sup>1)</sup>
MM Graphia Trier GmbH, Trier (DEU)	EUR	3,500	100.00 %	FC <sup>1)</sup>	MM Graphia Trier GmbH, Trier (DEU)	EUR	3,500	100.00 %	FC <sup>1)</sup>
MM Packaging Behrens GmbH, Alfeld (Leine) (DEU)	EUR	3,000	100.00 %	FC <sup>1)</sup>	MM Packaging Behrens GmbH & Co KG, Alfeld (Leine) (DEU) <sup>4)</sup>	EUR	1,790	100.00 %	FC <sup>1)</sup>
MM Packaging Behrens Verwaltungs GmbH, Alfeld (Leine) (DEU)	EUR	26	100.00 %	FC <sup>1)</sup>	MM Packaging Behrens Verwaltungs GmbH, Alfeld (Leine) (DEU)	EUR	26	100.00 %	FC <sup>1)</sup>

CONSOLIDATED FINANCIAL STATEMENTS

Company name	Currency	Nominal capital in thousand currency units	Shareholding in %	Type of consolidation	Company name	Currency	Nominal capital in thousand currency units	Shareholding in %	Type of consolidation
MM Packaging Beteiligungs- und Verwaltungs GmbH, Baiersbronn (DEU)	EUR	500	100.00 %	FC <sup>1)</sup>	MM Packaging Beteiligungs- und Verwaltungs GmbH, Baiersbronn (DEU)	EUR	500	100.00 %	FC <sup>1)</sup>
MM Packaging Caesar GmbH, Traben-Trarbach (DEU)	EUR	3,000	100.00 %	FC <sup>1)</sup>	MM Packaging Caesar GmbH & Co KG, Traben-Trarbach (DEU) <sup>4)</sup>	EUR	5,120	100.00 %	FC <sup>1)</sup>
MMP Premium Printing Center GmbH, Trier (DEU)	EUR	500	100.00 %	FC <sup>1)</sup>	MMP Premium Printing Center GmbH, Trier (DEU)	EUR	500	100.00 %	FC <sup>1)</sup>
MM Packaging Colombia S.A.S., Santiago de Cali (COL)	COP	75,000,000	100.00 %	FC <sup>1)</sup>	MM Packaging Colombia S.A.S., Santiago de Cali (COL)	COP	39,300,000	100.00 %	FC <sup>1)</sup>
MM PACKAGING France S.A.S., Moneteau (FRA)	EUR	7,289	100.00 %	FC <sup>1)</sup>	MM PACKAGING France S.A.S., Moneteau (FRA)	EUR	7,289	100.00 %	FC <sup>1)</sup>
MM Packaging Malaysia SDN. BHD., Kuala Lumpur (MYS)	MYR	6,000	51.00 %	FC <sup>1)</sup>	MM Packaging Malaysia SDN. BHD., Kuala Lumpur (MYS)	MYR	6,000	51.00 %	FC <sup>1)</sup>
MMP Neupack Polska Sp.z.o.o., Bydgoszcz (POL)	PLN	28,700	100.00 %	FC <sup>1)</sup>	MMP Neupack Polska Sp.z.o.o., Bydgoszcz (POL)	PLN	28,700	100.00 %	FC <sup>1)</sup>
MM Packaging Schilling GmbH, Heilbronn (DEU)	EUR	2,500	100.00 %	FC <sup>1)</sup>	MM Packaging Schilling GmbH, Heilbronn (DEU)	EUR	2,500	100.00 %	FC <sup>1)</sup>
MM Packaging Ukraine LLC, Cherkassy (UKR)	UAH	56,896	100.00 %	FC <sup>1)</sup>	MM Packaging Ukraine LLC, Cherkassy (UKR)	UAH	56,896	100.00 %	FC <sup>1)</sup>
MM Packaging Vidon Limited Liability Company, Ho Chi Minh City (VNM)	VND	280,000,000	65.10 %	FC <sup>1)</sup>	-	-	-	-	-
MM Polygrafoformlenie Limited, Nicosia (CYP)	EUR	7	100.00 %	FC <sup>1)</sup>	MM Polygrafoformlenie Limited, Nicosia (CYP)	EUR	7	100.00 %	FC <sup>1)</sup>
MM Polygrafoformlenie Packaging LLC, St. Petersburg (RUS)	RUB	565,851	100.00 %	FC <sup>1)</sup>	MM Polygrafoformlenie Packaging LLC, St. Petersburg (RUS)	RUB	565,851	100.00 %	FC <sup>1)</sup>
MM Polygrafoformlenie Rotogravure LLC, St. Petersburg (RUS)	RUB	33,000	100.00 %	FC <sup>1)</sup>	MM Polygrafoformlenie Rotogravure LLC, St. Petersburg (RUS)	RUB	33,000	100.00 %	FC <sup>1)</sup>
Mayr-Melnhof Printing and Packaging Tehran Company, Private Joint Stock, Tehran (IRN)	IRR	110,513,000	96.75 %	FC <sup>1)</sup>	Mayr-Melnhof Printing and Packaging Tehran Company, Private Joint Stock, Tehran (IRN)	IRR	110,513,000	96.75 %	FC <sup>1)</sup>
Neupack Gesellschaft m.b.H., Reichenau/Rax (AUT)	EUR	1,820	100.00 %	FC <sup>1)</sup>	Neupack Gesellschaft m.b.H., Reichenau/Rax (AUT)	EUR	1,820	100.00 %	FC <sup>1)</sup>
PacProject GmbH, Hamburg (DEU)	EUR	26	69.77 %	FC <sup>1)</sup>	PacProject GmbH, Hamburg (DEU)	EUR	26	69.77 %	FC <sup>1)</sup>
R + S Stanzformen GmbH, Niederdorfelden (DEU)	EUR	260	100.00 %	FC <sup>1)</sup>	R + S Stanzformen GmbH, Niederdorfelden (DEU)	EUR	260	100.00 %	FC <sup>1)</sup>
Superpak Ambalaj sanayi ve ticaret anonim sirketi, Izmir (TUR)	TRY	3,150	100.00 %	FC <sup>1)</sup>	Superpak Ambalaj sanayi ve ticaret anonim sirketi, Izmir (TUR)	TRY	3,150	100.00 %	FC <sup>1)</sup>
TEC MMP SARL, Sfax (TUN)	TND	21,400	100.00 %	FC <sup>1)</sup>	TEC MMP SARL, Sfax (TUN)	TND	21,400	100.00 %	FC <sup>1)</sup>
Tunisie Converting SARL, Tunis (TUN)	TND	100	100.00 %	FC <sup>1)</sup>	-	-	-	-	-
Public Joint Stock Company „Graphia Ukraina“, Cherkassy (UKR)	UAH	5,880	94.78 %	FC <sup>1)</sup>	Public Joint Stock Company „Graphia Ukraina“, Cherkassy (UKR)	UAH	5,880	94.78 %	FC <sup>1)</sup>
VTV Verpackungstechnische Verfahren GmbH, Kaiserlautern (DEU)	EUR	200	75.00 %	FC <sup>1)</sup>	VTV Verpackungstechnische Verfahren GmbH, Kaiserlautern (DEU)	EUR	200	75.00 %	FC <sup>1)</sup>

<sup>1)</sup>FC ... fully consolidated

<sup>2)</sup>EC ... consolidated according to equity method

<sup>3)</sup>NC ... non-consolidated

<sup>4)</sup>These consolidated financial statements represent an exemption for these partnerships according to section 264b of the German Commercial Code.

<sup>5)</sup>The Group consolidates Syn-Group Unternehmensberatung GmbH due to statutory defined rights to influence the business activity of the subsidiary. Thus according to IAS 27/SIC 22 there is control over the company even though the voting interest on the general assembly is below 50 %. The Group does not assume any risks for the Group above its participation on equity of the Syn-Group Unternehmensberatung GmbH.

32 — BOARD MEMBERS

During the financial year 2013, the Board Members were as follows:

**Management Board**

Wilhelm HÖRMANSEDER, Purkersdorf (Chairman)  
 Andreas BLASCHKE, Perchtoldsdorf (Member of the Management Board)  
 Franz RAPPOLD, Laab im Walde (Member of the Management Board)  
 Oliver SCHUMY, Vienna (Member of the Management Board)

**Supervisory Board**

Michael GRÖLLER, Vienna (Chairman)  
 Romuald BERTL, Graz (Deputy Chairman)  
 Johannes GOESS-SAURAU, Neumarkt/Raab (Deputy Chairman)  
 Guido HELD, Graz  
 Alexander LEEB, Frohnleiten  
 Georg MAYR-MELNHOF, Wals/Viehhausen  
 Michael SCHWARZKOPF, Reutte  
 Nikolaus ANKERSHOFEN, Vienna  
 Hubert ESSER, Neuss (Staff Council Representative, MM Karton)  
 Andreas HEMMER, Frohnleiten (Staff Council Representative, MM Karton)  
 Gerhard NOVOTNY, Vienna (Staff Council Representative, MM Packaging)

Vienna, February 28, 2014

**The Management Board**

Wilhelm Hörmanseder m.p.

Andreas Blaschke m.p.

Franz Rappold m.p.

Oliver Schumy m.p.

# Auditor's Report

## **Report on the consolidated financial statements**

We have audited the accompanying consolidated financial statements of Mayr-Melnhof Karton AG, Vienna, for the fiscal year from January 1, 2013 to December 31, 2013. These consolidated financial statements comprise the consolidated balance sheet as of December 31, 2013, the consolidated income statement, the consolidated cash flow statement and the consolidated statement of changes in equity for the fiscal year ended December 31, 2013, and the notes.

## **Management's responsibility for the consolidated financial statements and for the accounting system**

The Company's management is responsible for the group accounting system and for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances.

## **Auditor's responsibility and description of type and scope of the statutory audit**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing, as well as in accordance with the International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

**Opinion**

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of December 31, 2013 and of its financial performance and its cash flows for the fiscal year from January 1, 2013 to December 31, 2013 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

**Comments on the management report for the Group**

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements and whether the disclosures pursuant to section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the management report for the Group is consistent with the consolidated financial statements. The disclosures pursuant to section 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, February 28, 2014

**Grant Thornton Unitreu GmbH**  
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Christian PAJER m.p.

Werner LEITER m.p.

Austrian Chartered Accountants

# Lagebericht

gem. § 243 UGB der Mayr-Melnhof Karton Aktiengesellschaft  
über das Geschäftsjahr 1. Januar 2013 bis 31. Dezember 2013

Die Mayr-Melnhof Karton Aktiengesellschaft ist die geschäftsleitende Holdinggesellschaft des Mayr-Melnhof Konzerns, der in zwei operativen Segmenten geführt wird: Mayr-Melnhof Karton („MM Karton“) und Mayr-Melnhof Packaging („MM Packaging“). MM Karton produziert und vermarktet eine vielfältige Palette an Kartonsorten, hauptsächlich gestrichenen Faltschachtelkarton auf Basis von Recycling- und Frischfasern. MM Packaging verarbeitet Karton zu Faltschachteln hauptsächlich für die Nahrungsmittel-, Zigaretten- und sonstige Konsumgüterindustrie. Die von der Gesellschaft wahrgenommenen Führungs- und Steuerungsaufgaben umfassen die Bereiche Strategie, Investitionen, Rechnungswesen, Controlling, Steuern, Finanz- und Risikomanagement, Investor Relations, Qualitätswesen, Einkauf, Informationstechnologie und Human Resources.

## 1 — ENTWICKLUNG IM JAHR 2013

### a — Allgemeine Wirtschaftslage

Die Erholung der globalen Konjunktur verlief in 2013 weiterhin schleppend. Während die Schwellenländer etwas an Fahrt verloren haben, verzeichneten die USA seit Jahresmitte eine sichtliche Verbesserung. Auch im Euroraum haben sich im Zuge verstärkter internationaler Nachfrage die Anzeichen für eine Konjunkturerholung in der zweiten Jahreshälfte verdichtet, jedoch wesentlich verhaltener und uneinheitlich unter den einzelnen Ländern. Nach wie vor deutlich zeigt sich dabei die Kluft zwischen Deutschland und den anderen großen europäischen Volkswirtschaften. Fehlender Druck von Seiten der Rohstoffpreise ließ die Inflation im Jahresdurchschnitt moderat verlaufen. Infolge stagnierender Real-löhne sowie anhaltend hoher Arbeitslosigkeit blieben jedoch positive Impulse aus dem Privatkonsum für die Karton- und Faltschachtelnachfrage aus.

### b — Branchenentwicklung

Vor dem Hintergrund der flachen Konjunktorentwicklung und eines ausreichenden Kapazitätsangebots waren die Karton- und Faltschachtelmärkte in 2013 einerseits durch stete Nachfrage, andererseits aber auch durch anhaltend intensiven Preiswettbewerb gekennzeichnet. Die hohe Optimierung der Supply Chain und die vorsichtige Disposition der Kunden manifestierten sich, vor allem im Kartongeschäft, in sehr kurzfristiger Visibilität. Die Preise für Altpapier setzten den seit Mitte 2012 andauernden Seitwärtstrend fort, worin sich zum einen die Kontinuität im Bedarf der Abnehmerbranchen, zum anderen aber auch die flachen Konsumerwartungen widerspiegeln. Relativ stabil zeigten sich ebenso die rohölpreisabhängigen Inputfaktoren, sodass die Entwicklung auf den Beschaffungsmärkten im Jahresverlauf insgesamt moderat ausfiel. Während die Struktur der großen europäischen Kartonproduzenten weitgehend unverändert blieb, setzte sich die Konsolidierung in der Faltschachtelbranche weiter fort. Nach Firmenübernahmen durch Finanzinvestoren in den vergangenen Jahren traten nunmehr wieder vermehrt industrielle Investoren als Käufer auf.

## 2 — GESCHÄFTSVERLAUF DER GESELLSCHAFT IM JAHR 2013

## a — Vermögenslage

(in EUR)	31.12.2013	31.12.2012	Veränderung	
			in EUR	in %
Immaterielle Vermögensgegenstände und Sachanlagen	2.177.236,39	2.234.882,12	(57.645,73)	(2,58 %)
Finanzanlagen	285.556.910,81	285.587.027,51	(30.116,70)	(0,01 %)
Sonstiges Umlaufvermögen und Rechnungsabgrenzungsposten	233.469.118,05	272.191.513,76	(38.722.395,71)	(14,23 %)
<b>Gesamtvermögen</b>	<b>521.203.265,25</b>	<b>560.013.423,39</b>	<b>(38.810.158,14)</b>	<b>(6,93 %)</b>
Eigenkapital	513.405.122,67	500.205.432,75	13.199.689,92	2,64 %
Rückstellungen	3.684.120,23	5.760.477,69	(2.076.357,46)	(36,04 %)
Verbindlichkeiten und Rechnungsabgrenzungsposten	4.114.022,35	54.047.512,95	(49.933.490,60)	(92,39 %)
<b>Gesamtkapital</b>	<b>521.203.265,25</b>	<b>560.013.423,39</b>	<b>(38.810.158,14)</b>	<b>(6,93 %)</b>

Der Posten Verbindlichkeiten und Rechnungsabgrenzungsposten veränderte sich von EUR 54.047.512,95 auf EUR 4.114.022,35. Diese Differenz resultiert im Wesentlichen aus dem Wegfall der Verbindlichkeit der konzerninternen Cash-Pool-Verrechnung im Vorjahr in Höhe von EUR 52.921.566,42. Dieser steht im laufenden Jahr eine Forderung aus der konzerninternen Cash-Pool-Verrechnung in Höhe von EUR 8.838.648,29 gegenüber.

<b>Eigenkapitalausstattung</b>	=	Eigenkapital	=	513.405.122,67	=	<b>2013</b>	<b>2012</b>
		Gesamtkapital				=	521.203.265,25

## b — Finanzlage

**Geldflussrechnung**

(in EUR)	2013	2012
<b>1. Netto-Geldfluss aus laufender Geschäftstätigkeit</b>		
Ergebnis der gewöhnlichen Geschäftstätigkeit	58.027.617,94	75.270.166,08
+/- Abschreibungen auf Vermögensgegenstände des Investitionsbereiches	57.644,68	57.644,68
-/- sonstige zahlungsunwirksame Erträge	(42.148,09)	(138.854,86)
<b>Geldfluss aus dem Ergebnis</b>	<b>58.043.114,53</b>	<b>75.188.955,90</b>
-/- Abnahme der Vorräte, der Forderungen aus Lieferungen und Leistungen sowie anderer Aktiva	(225.580,42)	(234.956,20)
+/-Veränderung von Rückstellungen	100.624,56	(137.036,22)
+/- Zunahme der Verbindlichkeiten aus anderer Passiva	3.526.737,93	526.087,75
<b>Netto-Geldzufluss aus der gewöhnlichen Geschäftstätigkeit</b>	<b>61.444.896,60</b>	<b>75.343.051,23</b>
+/- Zahlungen für Ertragsteuern	3.215.564,51	(3.843.051,25)
<b>Netto-Geldzufluss aus laufender Geschäftstätigkeit</b>	<b>64.660.461,11</b>	<b>71.499.999,98</b>
<b>2. Netto-Geldfluss aus der Investitionstätigkeit</b>		
+/- Einzahlungen aus Finanzanlagenabgang und sonstigen Finanzinvestitionen	76.508,94	76.128,36
- / - Auszahlungen für Finanzanlagenzugang und sonstige Finanzinvestitionen	(4.025,35)	(19.557.319,29)
<b>Netto-Geldfluss aus der Investitionstätigkeit</b>	<b>72.483,59</b>	<b>(19.481.190,93)</b>
<b>3. Netto-Geldabfluss aus der Finanzierungstätigkeit</b>		
- / - Auszahlungen für Dividenden	(45.000.000,00)	(41.967.954,00)
-/- Auszahlungen in konzerninternen Cash-Pool	(61.760.214,71)	(27.157.859,88)
<b>Netto-Geldabfluss aus der Finanzierungstätigkeit</b>	<b>(106.760.214,71)</b>	<b>(69.125.813,88)</b>
Zahlungswirksame Veränderung des Finanzmittelbestandes (Z 1.+2.+3.)	(42.027.270,01)	(17.107.004,83)
+/- Finanzmittelbestand am Beginn der Periode	257.223.494,66	274.330.499,49
<b>4. Finanzmittelbestand am Ende der Periode</b>	<b>215.196.224,65</b>	<b>257.223.494,66</b>

Der Netto-Geldzufluss aus laufender Geschäftstätigkeit verringerte sich von EUR 71.499.999,98 in 2012 auf EUR 64.660.461,11 im aktuellen Jahr. Diese Veränderung ist im Wesentlichen auf die niedrigeren Beteiligungserträge zurückzuführen.

Der Netto-Geldzufluss aus der Investitionstätigkeit belief sich auf EUR 72.483,59 nach einem Netto-Geldabfluss in Höhe von EUR 19.481.190,93 in 2012. Diese Differenz resultiert aus einer Beteiligungsaufstockung im letzten Jahr.

Der Netto-Geldabfluss aus der Finanzierungstätigkeit belief sich auf EUR 106.760.214,71 nachdem dieser Wert im Vorjahr aufgrund geringerer Auszahlungen für Cash-Pool-Verbindlichkeiten bei EUR 69.125.813,88 lag.

## c — Ertragslage

(in EUR)	2013	in % des Finanz- erfolges	2012	in % des Finanz- erfolges	Veränderung	
					in EUR	in %
<b>Finanzerfolg</b>	<b>65.433.103,80</b>	<b>100,00 %</b>	<b>78.813.444,43</b>	<b>100,00 %</b>	<b>(13.380.340,63)</b>	<b>(16,98 %)</b>
Sonstige betriebliche Erträge	13.707.656,91	20,95 %	11.385.202,83	14,45 %	2.322.454,08	20,40 %
Verwaltungskosten	(21.113.142,77)	(32,27 %)	(14.928.481,18)	(18,94 %)	(6.184.661,59)	41,43 %
<b>Betriebsergebnis</b>	<b>(7.405.485,86)</b>	<b>(11,32 %)</b>	<b>(3.543.278,35)</b>	<b>(4,50 %)</b>	<b>(3.862.207,51)</b>	<b>109,00 %</b>
<b>Ergebnis der gewöhnlichen Geschäftstätigkeit</b>	<b>58.027.617,94</b>	<b>88,68 %</b>	<b>75.270.166,08</b>	<b>95,50 %</b>	<b>(17.242.548,14)</b>	<b>(22,91 %)</b>
<b>Jahresüberschuss</b>	<b>58.199.471,95</b>	<b>88,94 %</b>	<b>75.697.372,13</b>	<b>96,05 %</b>	<b>(17.497.900,18)</b>	<b>(23,12 %)</b>

Im Jahr 2013 reduzierten sich die Beteiligungserträge auf EUR 65.449.775,00 (2012: EUR 78.000.000,00). Diese resultieren aus den Dividenden der Mayr-Melnhof Cartonboard International GmbH in Höhe von EUR 25.000.000,00, der Mayr-Melnhof Packaging International GmbH in Höhe von EUR 25.000.000,00 sowie der Mayr-Melnhof Holdings B.V. in Höhe von EUR 15.000.000 (2012: Mayr-Melnhof Karton Gesellschaft m.b.H. EUR 30.000.000,00 sowie Mayr-Melnhof Holdings B.V. EUR 48.000.000,00).

Die Zinserträge aus Festgeldern betragen EUR 460.099,85 (2012: EUR 1.375.657,68).

			<b>2013</b>	<b>2012</b>
	+ Jahresüberschuss	58.199.471,95		
<b>Cash Earnings</b>	= + Abschreibungen (auf Sachanlagen und immaterielle Vermögensgegenstände)	= 57.644,68	= <b>58.257.116,63</b>	75.755.016,81
	+ latente Steuern	0,00		
			<b>2013</b>	<b>2012</b>
<b>Eigenkapitalrentabilität nach Steuern</b>	= $\frac{\text{Jahresüberschuss}}{\text{Durchschnittl. Eigenkapital}}$	= $\frac{58.199.471,95}{506.805.277,71}$	= <b>11,48 %</b>	15,70 %

### 3 — GESCHÄFTSVERLAUF 2013 IN DEN DIVISIONEN

#### a — MM Karton

Kurzfristige Visibilität infolge anhaltend vorsichtiger Disposition der Kunden sowie hoher Wettbewerbsdruck prägten, ähnlich wie im Vorjahr, die Nachfrageentwicklung auf den europäischen Kartonmärkten. Der durchschnittliche Auftragsstand lag mit 76.000 Tonnen nahe am Vorjahresdurchschnitt (2012: 66.000 Tonnen).

Mit einem attraktiven Produktportfolio sowie hoher Flexibilität in der Fertigung gelang es MM Karton, die Marktanteile bei Recyclingkarton zu festigen und bei Frischfaserkarton weiter auszubauen. Dadurch konnten die Kartonmaschinen über das gesamte Jahr mit hoher Effizienz ohne bedeutende marktbedingte Stillstände durchfahren. Die Kapazitätsauslastung lag im Jahresdurchschnitt bei 98 % (2012: 97 %).

Obgleich die Beschaffungsmärkte, insbesondere bei Altpapier und anderen Faserstoffen, ein anhaltend stabiles Preisbild zeigten, hat sich der Druck auf die Verkaufspreise unvermindert fortgesetzt. Dieser Entwicklung konnte sich auch MM Karton nicht entziehen. Dennoch gelang es, durch konsequente Optimierungsmaßnahmen die durchschnittlichen Verkaufserlöse seit Jahresbeginn unter Wahrung der Marktanteile schrittweise zu erhöhen.

Sowohl die Produktion als auch die verkaufte Tonnage lagen mit 1.604.000 Tonnen bzw. 1.599.000 Tonnen über den Vergleichswerten des Vorjahres (2012: 1.572.000 Tonnen bzw. 1.534.000 Tonnen). Bezogen auf den durchschnittlichen Mitarbeiterstand wurden 652 Tonnen (2012: 655 Tonnen) erzeugt.

Parallel zur verkauften Menge erhöhten sich die Umsatzerlöse von 936,9 Mio. EUR auf 964,6 Mio. EUR. Rund 63 % davon entfielen auf Westeuropa, 21 % auf Osteuropa und 16 % auf das außereuropäische Geschäft (2012: 64 %; 20 %; 16 %). Mit einem Absatzanteil von 180.000 Tonnen bzw. 11 % am Verkaufsvolumen (2012: 179.000 Tonnen, 12 %) war die Schwesterdivision MM Packaging auch in 2013 größter Kunde von MM Karton. Insgesamt werden weltweit über 1.000 Kunden beliefert.

Das betriebliche Ergebnis belief sich, inklusive des Einmalertrags in Höhe von 10,0 Mio. EUR aus der Akquisition MMK FollaCell, auf 65,3 Mio. EUR (2012: 66,6 Mio. EUR). Die Operating Margin betrug demnach 6,8 % (2012: 7,1 %), der Return on Capital Employed 15,7 % (2012: 18,2 %). Cash Earnings wurden in Höhe von 86,0 Mio. EUR (2012: 85,3 Mio. EUR) erwirtschaftet, womit eine Cash Earnings Margin von 8,9 % (2012: 9,1 %) erzielt wurde.

#### b — MM Packaging

Zeigte sich die Nachfrage auf den europäischen Faltschachtelmärkten in der ersten Jahreshälfte 2013 in zunehmendem Maße von fortschreitender Konsumabschwächung geprägt, war seit Jahresmitte wieder eine etwas robustere Entwicklung spürbar. Ein hohes Maß an Ausschreibungsaktivitäten der Großkunden und bestehende Überkapazitäten intensivieren weiterhin den Wettbewerbsdruck unter den Anbietern. Einzelne Werksschließungen in der Branche brachten dabei jedoch kaum Entspannung.

Mit einer breiten Vielfalt von Effizienzsteigerungsmaßnahmen und Serviceinitiativen konnte MM Packaging die Werke auch unter verschärften Rahmenbedingungen wettbewerbsstark und attraktiv halten. Daher verzeichneten die Faltschachtelbetriebe in 2013 wieder eine insgesamt hohe Auslastung. Marktanteile innerhalb und außerhalb Europas konnten gehalten bzw. weiter ausgebaut werden.

Unserer dynamischen Entwicklung in Polen entsprechend wurde im Frühjahr 2013 der neu errichtete Faltschachtelstandort in Bydgoszcz plangemäß in Betrieb genommen.

In Gaziantep, im Zentrum der Wachstumsregion Ostanatolien, wurde der nunmehr vierte Faltschachtelstandort in der Türkei errichtet. Der Produktionsstart ist für Anfang 2014 geplant.

Außerhalb Europas wurde die Expansion in Wachstumsmärkte fortgesetzt und ein Mehrheitsanteil an einem führenden Faltschachtelhersteller in Vietnam, MMP Vidon mit Sitz in Ho Chi Minh City, erworben.

Die verarbeitete Tonnage der Division erhöhte sich von 650.000 Tonnen auf 671.000 Tonnen. Gleichzeitig wurde die Anzahl an bedruckten Bögen (Bogenäquivalent) infolge zunehmender Materialeffizienz von 1.801.934.000 auf 1.873.713.000 gesteigert. Demzufolge verbesserte sich das Bogenäquivalent je Mitarbeiter von 282.701 auf 286.764.

Die Umsatzerlöse lagen mengenbedingt mit 1.138,7 Mio. EUR leicht über dem Vorjahreswert (2012: 1.120,7 Mio. EUR). In geographischer Hinsicht waren West- und Osteuropa mit einem Umsatzanteil von 56 % bzw. 32 % weiterhin von hoher Kontinuität geprägt (2012: 60 % bzw. 30 %), während das außereuropäische Geschäft von 10 % auf 12 % zulegen konnte.

MM Packaging beliefert mehr als 2.000 Abnehmer in verschiedenen Konsumgüterbranchen. Schwerpunkte lagen auch 2013 bei Verpackungen für Lebensmittel und Zigaretten. Infolge der starken Herstellerkonzentration auf diesen Märkten werden rund drei Viertel unseres Geschäfts mit multinationalen Konsumgüterproduzenten umgesetzt. In 2013 entfielen auf die fünf größten Kunden 41 % der Umsatzerlöse (2012: 43 %).

Mit 100,1 Mio. EUR lag das betriebliche Ergebnis leicht unter dem Vergleichswert des Vorjahres (2012: 103,9 Mio. EUR), welcher durch Einmalaufwendungen infolge der Schließung eines Faltschachtelwerkes in England belastet war. Die Operating Margin zeigte sich mit 8,8 % (2012: 9,3 %) weiterhin solide.

Der Return on Capital Employed belief sich auf 15,3 % (2012: 17,1 %). Die Cash Earnings erreichten 118,1 Mio. EUR (2012: 119,5 Mio. EUR), sodass eine Cash Earnings Margin von 10,4 % erzielt wurde (2012: 10,7 %).

## 4 — FINANZINSTRUMENTE UND RISIKOBERICHTERSTATTUNG

Finanzinstrumente sind auf Vertrag basierende wirtschaftliche Vorgänge, die einen Anspruch auf Zahlungsmittel beinhalten. Dabei unterscheidet man einerseits originäre Finanzinstrumente wie Liquide Mittel, Wertpapiere, Forderungen und Verbindlichkeiten aus Lieferungen und Leistungen oder auch Finanzforderungen und Finanzverbindlichkeiten. Andererseits gehören hierzu auch die derivativen Finanzinstrumente, die als Sicherungsgeschäfte zur Absicherung gegen Risiken aus Änderungen von Währungskursen eingesetzt werden.

Die Gesellschaft ist als geschäftsleitende Holding mit einer Anzahl von Risiken konfrontiert, die ein systematisches und kontinuierliches Risikomanagement erforderlich machen. Zu den Finanzinstrumenten, die in der Gesellschaft in bestimmten Fällen eine Konzentration des Finanzrisikos verursachen können, zählen vor allem Liquide Mittel, Wertpapiere und Forderungen aus Beteiligungserträgen. Die Risiken und ihre potenziellen Auswirkungen werden im Rahmen des Risikomanagements erhoben, analysiert und auf Basis der definierten Risikopolitik bewältigt. Ziel ist es, die im Rahmen unserer Tätigkeit entstehenden potenziellen Risiken frühzeitig zu identifizieren, zu bewerten, ihre Folgen abzuschätzen und geeignete Vorsorge- und Sicherungsmaßnahmen einzuleiten.

Ein aktives Cash und Credit Management stellt sicher, dass ausreichend Liquidität (eigene Mittel bzw. jederzeit ausnutzbare Kreditlinien) verfügbar ist, um eingegangene Verbindlichkeiten zu begleichen.

Die Forderungen aus Lieferungen und Leistungen bestehen überwiegend gegenüber verbundenen Unternehmen. Für diese wurden daher keine Kundenkreditversicherungen abgeschlossen.

Das interne Kontrollsystem im Hinblick auf den Rechnungslegungsprozess und die Finanzberichterstattung gewährleistet die Vollständigkeit, Zuverlässigkeit und Nachvollziehbarkeit der Finanzinformationen und Datenverarbeitungssysteme. Darüber hinaus werden die Zweckmäßigkeit und Wirtschaftlichkeit der Prozesse sowie die Einhaltung der gesetzlichen, vertraglichen und internen Regelungen sichergestellt.

Der Rechnungslegungsprozess umfasst dabei alle wesentlichen Arbeitsschritte, die gewährleisten, dass die rechnungslegungsrelevanten Informationen vollständig erfasst werden und die Abbildung in der Finanzberichterstattung den Vorschriften des Unternehmensgesetzbuches entspricht.

In der Aufbau- und Ablauforganisation sind klare und eindeutige Verantwortungen bezogen auf die Einzelgesellschaften und den Konzern vorgegeben. Den zentralen Funktionsbereichen „Konzernrechnungslegung“ sowie „Berichtswesen und Planungsrechnung“ obliegt dabei die Ausgestaltung einheitlicher Konzernrichtlinien auf dem neuesten fachlichen Stand sowie die Organisation und Kontrolle der Finanzberichterstattung im Konzern.

Die Finanzberichterstattung an Aufsichtsrat und Vorstand erfolgt regelmäßig, umfassend und zeitnah.

Die Einhaltung der gesellschaftsinternen Richtlinien und Verfahren für die Erfassung, Verbuchung und Bilanzierung von Geschäftsfällen wird regelmäßig kontrolliert. Wesentliche vordefinierte Kontrollaktivi-

täten müssen nachweislich erbracht und umgehend berichtet werden. Die verwendeten Datenverarbeitungssysteme werden gezielt weiterentwickelt und laufend optimiert.

Der Rechnungslegungsprozess und die Finanzberichterstattung werden systematisch auf mögliche Risiken geprüft und regelmäßig evaluiert. Optimierungsmaßnahmen werden rasch eingeleitet und zügig umgesetzt.

Für unser Geschäft können zusätzlich zu den aufgeführten Risiken weitere Risiken bestehen. Zum gegenwärtigen Zeitpunkt sind solche Risiken nicht bekannt oder werden diese von uns für vernachlässigbar gehalten.

Die Gesamteinschätzung der Risikosituation der Gesellschaft weist keine bestandsgefährdenden Elemente auf. Derartige Risiken sind auch im kommenden Geschäftsjahr nicht zu erwarten.

## 5 — FORSCHUNG UND ENTWICKLUNG

Die Forschungs- und Entwicklungsarbeiten des Konzerns sind darauf ausgerichtet, die Wettbewerbsfähigkeit in den Kernkompetenzbereichen Karton und Faltschachtel langfristig zu verbessern bzw. abzusichern. Ziel dabei ist die Wahrung einer nachhaltig hohen Wertschöpfung unseres Geschäftes innerhalb eines globalen Marktes durch ein attraktives Angebot innovativer Lösungen. Sämtliche Entwicklungen orientieren sich dabei an den Marktbedürfnissen und der langen Zusammenarbeit mit unseren Kunden. Unser Innovationsansatz erstreckt sich über die gesamte Wertschöpfungskette und eröffnet Perspektiven auch jenseits der klassischen Anwendungsbereiche von Karton und Faltschachteln.

Basis unserer F&E-Leistungen ist das vernetzte Zusammenwirken von Experten aus verschiedenen Fachabteilungen des Konzerns. Dazu ist ein systematischer Innovationsmanagementprozess eingerichtet, der die Ideen und Innovationsleistungen bündelt und von der Konzeptphase über die Projektentwicklung bis zur Umsetzung begleitet. Unser Business Development sowie die regelmäßige Zusammenarbeit mit Forschungsstätten und Gremien der Produktnormung tragen dazu bei, den Anforderungen an unsere Produkte stets gerecht zu werden und sich bietende Chancen frühzeitig zu nutzen.

Produktsicherheit, Nachhaltigkeit, funktionale Verpackung, Reduktion des Verpackungsgewichtes (Light Weighting) und Hochwertigkeit zählen aktuell zu den maßgeblichen Trends, denen entsprechende Schwerpunkte in unserer Entwicklungsarbeit gewidmet sind.

### a — Innovationsschwerpunkte 2013 im Segment MM Karton

Technologische Grundlagen für die Produktion von Faltschachtelkarton werden schwerpunktmäßig im F&E-Zentrum in Frohnleiten, dessen Ressourcen in den letzten Jahren maßgeblich ausgebaut wurden, erarbeitet und weiterentwickelt. Aktuelle inhaltliche Themen betreffen insbesondere die Optimierung der Oberflächeneigenschaften und die in diesem Zusammenhang stehende Entwicklung von funktionalen Beschichtungen, die Verbesserung der Bedruckbarkeit, Optimierungen im Fasereinsatz zur Stei-

gerung der mechanischen Kartoneigenschaften sowie Neuerungen in der Anwendung und Weiterverarbeitung von Karton.

Mit FOODBOARD™ hat MM Karton eine neue Art von Karton geschaffen, welche für die höchstmögliche Sicherheit von kartonverpackten Lebensmitteln sorgt. Ein innovatives, umweltverträgliches und verbraucherfreundliches Barrierenkonzept bildet die Kernkomponente. Dadurch werden verpackte Lebensmittel vor unerwünschten Substanzen aus der Verpackungsumgebung perfekt geschützt. Nach einer Sonderinvestition in Höhe eines mittleren zweistelligen Millionen-Euro-Betrags wird das österreichische Stammwerk in Frohnleiten FOODBOARD™ liefern.

MM X-Liner aqua-fit™ ist eine neue Linerqualität, welche mit einer Feuchtigkeitsbarriere auf der Vorder- und Rückseite des Kartons ausgestattet ist. Anwendung findet diese Sorte als Deckschicht von Wellpappenverpackungen, die entlang der Supply Chain mit Feuchtigkeit in Berührung kommen.

Mit dem Erwerb des Holzstoff-Erzeugers MMK FollaCell in Norwegen vertieft MM Karton das spezifische Know-how im Frischfaserbereich. Im Vordergrund stehen die Optimierung bestehender Produkte und Rezepturen sowie die Entwicklung neuer hochwertiger Kartonlösungen. Das Werk produziert die Holzstoffe BCTMP und CTMP (Bleached und Unbleached Chemothermomechanical Pulp).

Die gut eingeführte Frischfaserkartonqualität KROMOPAK™ aus dem slowenischen Werk Kolicovo wurde durch eine signifikante Steigerung der Glanz- und Glättewerte deutlich aufgewertet. Die umweltfreundliche Verwendung hochwertigster Altpapiersorten kombiniert mit zertifizierten Holzfasern liefert einen wesentlichen Beitrag zu überzeugenden Nachhaltigkeitswerten.

Venoplex™, produziert im Werk Hirschwang, konnte wie bereits im Vorjahr den „Pro Carton/ECMA Award“ in der Kategorie „Carton of the Year“ für sich entscheiden; diesmal für den Einsatz in der „Twinkle Box“ des Champagnerherstellers Moët & Chandon, einer sehr hochwertigen isothermischen Verpackung.

Der Deutsche Verpackungspreis 2013 in der Kategorie „Beste Verpackung“ ging an unseren Recyclingkarton MCM (Multicolor Mirabell™) für die Übertragung des durchgängigen Öko-Konzepts der Naturkosmetik-Eigenmarke „alverde“ der „dm Drogerie-Märkte“ auch auf die Verpackung.

## b — Innovationstätigkeit 2013 im Segment MM Packaging

MM Packaging hat seinen Innovationsansatz als modulares System neu aufgesetzt. Im Zentrum steht ein Competence Pool, der dem Kunden maßgeschneidert für die jeweiligen Anforderungen mit einem einzigen Kontaktpunkt gesamthaft zur Verfügung steht. Kernkomponenten sind im Wesentlichen PacProject, das Kreativzentrum von MM Packaging in Hamburg, das Premium Printing Center in Trier, die lokalen Packaging Development Center einzelner Standorte sowie das Technical Account Management.

Zielsetzung der Innovationsstrategie von MM Packaging ist es, Kunden durch die enge Verbindung von Marktnähe und technischem Know-how gezielt zum Erfolg zu führen. Das Innovationsspektrum

ist weit gefasst und schließt neben der Verpackungsinnovation auch die strategischen Aspekte am Beginn einer Produkteinführung sowie die produktionstechnische Umsetzung der Abpackung mit ein.

Durch unser internationales Produktkategorie-übergreifendes Markt-Know-how unterstützen wir unsere Kunden bereits in der Phase der Marktanalyse und Strategiebildung.

Mit Rückgriff auf sämtliche Drucktechnologien und Veredelungseffekte begleiten wir diese in der Erstellung von Design und Prototypen. Verpackungsoptimierung und Mehrwert generieren wir in der Folge durch Verbesserung der Produktionsparameter, Minimierung der Materialverbräuche sowie erhöhte Supply-Chain-Effizienz.

Kontinuierlich beobachten wir Trends rund um das Thema Verpackung mit der Zielsetzung, rechtzeitig überzeugende Lösungen anbieten zu können. Dem Thema Nachhaltigkeit wird in diesem Zusammenhang weiterhin ein steigendes Maß an Bedeutung bei Design und Herstellung beigemessen, dem wir als Erzeuger von Kartonverpackungen sehr gut entsprechen können. Zunehmenden Anforderungen nach Geschwindigkeit im Handel begegnen wir durch Einsatz modernster Technologien und laufende Beschleunigung der Prozesse.

Für höchste Verpackungseffizienz wurde das Produkt „Kleenex Slim Pack for Facial Tissues“ in der Kategorie „Volumen-Markt“ mit dem „ProCarton/ECMA Award“ als „Carton of the Year 2013“ ausgezeichnet.

## 6 — PERSONAL

Die Gesellschaft beschäftigt keine Arbeitnehmer.

## 7 — UMWELTSCHUTZ

Unter Einsatz modernster Hochleistungstechnologien verarbeiten wir ressourcenschonend vorwiegend nachwachsende Rohstoffe zu hochwertigen Karton- und Faltschachtelprodukten. Diese können nach Gebrauch stofflich vollständig wiederverwertet werden. Kartonverpackungen zählen dadurch neben den produkttechnischen und ökonomischen Vorteilen auch hinsichtlich des Schutzes der Umwelt zu den attraktivsten Verpackungslösungen. Nachhaltigkeit ist somit seit jeher gelebter Teil der Geschäftstätigkeit des Mayr-Melnhof Konzerns.

Unsere Zielsetzung, als Markt- und Kostenführer kontinuierlich bestmögliche Standards konzernweit in sämtlichen Unternehmensbereichen zu etablieren, wird umfassend umgesetzt. So nehmen wir unsere gesellschaftliche Verantwortung zum Nutzen unserer Stakeholder, mit denen wir in einem langfristigen offenen Dialog stehen, gesamtheitlich wahr. Ein zentraler Benchmarkvergleich unter den Standorten ist darauf ausgerichtet, dass „Best Practice“ aus dem Konzern allen Werken zugutekommen kann. Dadurch verzeichnen wir heute bei vielen spezifischen Verbräuchen und Emissionen industrielle Spitzenwerte mit dem Anspruch, diese laufend zu optimieren. Oftmals ist dies nur mehr in Grenzbereichen möglich oder setzt technologische Neuerungen voraus.

Bestehende sowie neue Produkte und Prozesse evaluieren wir regelmäßig im Hinblick auf ihre Umweltauswirkungen unter Einbeziehung der Effekte auf die gesamte Supply Chain. Nur so ist es möglich, dauerhaft werthaltige Produkte anzubieten.

Ein breites Spektrum von zertifizierten Managementsystemen begleitet seit Langem systematisch diesen Verbesserungsprozess. Schwerpunkte liegen auf der kontinuierlichen Reduktion des spezifischen Rohstoff- und Energieverbrauchs sowie auf Produkt- und Prozessoptimierungen.

## 8 — ANGABEN NACH § 243A ABS. 1 UGB

**Zusammensetzung des Kapitals, Aktiengattungen**

Es wird auf die Anhangsangabe 3d verwiesen.

**Beschränkungen hinsichtlich der Stimmrechte bzw. der Übertragung von Aktien**

Rund 59 % der Aktien werden von den Kernaktionärsfamilien in einem Syndikat gehalten. Es besteht ein Syndikatsvertrag, welcher die Übertragbarkeit der Aktien innerhalb des Syndikates und nach außen regelt. Angelegenheiten, die die Hauptversammlung betreffen, beschließt das Syndikat mit 65 % der Stimmen. Änderungen des Syndikatsvertrages bedürfen 90 % der Stimmen.

**Direkte oder indirekte Beteiligungen am Kapital, die zumindest 10 vom Hundert betragen**

Nach den der Gesellschaft bekannt gegebenen Informationen bestanden per Jahresende 2013 folgende Beteiligungen von mindestens 10 Prozent am Kapital:

MMS Mayr-Melnhof-Saurau Beteiligungsverwaltung KG  
CAMA Privatstiftung

**Die Inhaber von Aktien mit besonderen Kontrollrechten und eine Beschreibung dieser Rechte**

Es bestehen keine Aktien mit besonderen Kontrollrechten.

**Die Art der Stimmrechtskontrolle bei einer Kapitalbeteiligung der Arbeitnehmer, wenn sie das Stimmrecht nicht unmittelbar ausüben**

Es besteht kein derartiges Kapitalbeteiligungsmodell für Mitarbeiter.

**Die sich nicht unmittelbar aus dem Gesetz ergebenden Bestimmungen über die Ernennung und Abberufung der Mitglieder des Vorstandes und des Aufsichtsrates und über die Änderung der Satzung der Gesellschaft**

Es bestehen keine Bestimmungen dieser Art.

**Die sich nicht unmittelbar aus dem Gesetz ergebenden Befugnisse der Mitglieder des Vorstandes, insbesondere hinsichtlich der Möglichkeit, Aktien auszugeben oder zurückzukaufen**

Es bestehen keine Befugnisse dieser Art.

**Alle bedeutenden Vereinbarungen, an denen die Gesellschaft beteiligt ist und die bei einem Kontrollwechsel in der Gesellschaft infolge eines Übernahmeangebots wirksam werden, sich ändern oder enden, sowie ihre Wirkungen; ausgenommen hiervon sind Vereinbarungen, deren Bekanntmachung der Gesellschaft erheblich schaden würde, es sei denn, die Gesellschaft ist zur Bekanntgabe derartiger Informationen aufgrund anderer Rechtsvorschriften ausdrücklich verpflichtet**

Es wird von der Schutzklausel hinsichtlich der Bekanntgabe Gebrauch gemacht. Die Größenordnung des betroffenen Geschäftes ist als überschaubar einzustufen.

**Bestand und wesentlicher Inhalt von Entschädigungsvereinbarungen zwischen der Gesellschaft und ihren Vorstands- und Aufsichtsratsmitgliedern oder Arbeitnehmern für den Fall eines öffentlichen Übernahmeangebots**

Es bestehen keine Vereinbarungen dieser Art.

9 — EREIGNISSE NACH DEM BILANZSTICHTAG

Mit Notariatsakt vom 12. Februar 2014 wurden rückwirkend zum 1. Jänner 2014 die von der Mayr-Melnhof Karton AG bis zum 31. Dezember 2013 gehaltenen Beteiligungen an der niederländischen Mayr-Melnhof Holdings B.V. und der niederländischen Mayr-Melnhof Holdings 2 B.V. auf die jeweilige Branchenholding Mayr-Melnhof Packaging International GmbH bzw. Mayr-Melnhof Cartonboard International GmbH verschmolzen. Dieser konzerninterne Umgründungsvorgang hat keine Auswirkung auf die Vermögenslage der Gesellschaft.

## 10 — AUSBLICK AUF DAS GESCHÄFTSJAHR 2014

Dieser Ausblick entspricht den Einschätzungen des Vorstandes zum 28. Februar 2014 und berücksichtigt keine Auswirkungen von möglichen Akquisitionen, Veräußerungen oder anderen strukturellen Änderungen innerhalb des Jahres 2014. Die vorangegangenen und nachfolgenden vorausblickenden Aussagen unterliegen sowohl bekannten als auch unbekanntem Risiken und Unsicherheiten, die dazu führen können, dass die tatsächlichen Ereignisse von den hier getroffenen Aussagen abweichen können.

Infolge stabiler Konsumerwartungen auf den europäischen Hauptmärkten bleibt das Karton- und Faltschachtelgeschäft von hoher Wettbewerbsintensität sowie kurzfristiger, aber steter Disposition der Kunden geprägt. Ziel von MM bleibt es, auch unter diesen Rahmenbedingungen den langfristigen Wachstumskurs fortzusetzen, sowohl organisch durch verstärkte Marktdurchdringung als auch durch Akquisitionen, insbesondere in Wachstumsregionen.

Mehrmenge, Produktivitätserhöhungen und kontinuierliche Optimierungen des Produktportfolios in beiden Divisionen sollen dazu beitragen, Marktanteile zu verteidigen bzw. auszubauen und die langfristige Ergebnisdynamik des Konzerns auf hohem Niveau zu halten.

Mit der aktuell guten Kapazitätsauslastung unserer Werke sowie einem weitgehend stabilen Kostenbild bei Faserstoffen und Energie entwickelt sich der Konzern entsprechend auf Kurs.

Die Investitionstätigkeit wird ungebrochen mit Fokus auf den Einsatz neuester Technologie sowie Verbesserung der Kosteneffizienz fortgesetzt. Darüber hinaus ist für 2014 eine Sonderinvestition in Höhe eines mittleren zweistelligen Millionen-Euro-Betrags für die Einführung von FOODBOARD™ im österreichischen Stammwerk Frohnleiten mit Umsetzungsschwerpunkt im 4. Quartal vorgesehen. Infolge des geplanten Umbaustillstands sowie des Einmalertrags aus der Akquisition des norwegischen Holzstoffwerkes MMK FollaCell im letzten Jahr ist bei MM Karton in 2014 ein betriebliches Ergebnis unter Vorjahr zu erwarten. Demgegenüber sollte sich MM Packaging weiterhin mit einer soliden Operating Margin behaupten.

Aus heutiger Sicht ist für die Gesellschaft selbst von einer kontinuierlichen Ergebnisentwicklung auszugehen.

Wien, am 28. Februar 2014

Der Vorstand

Dr. Wilhelm HÖRMANSEDER e.h.

Dr. Andreas BLASCHKE e.h.

Ing. Franz RAPPOLD e.h.

Dr. Oliver SCHUMY e.h.

# Bilanz der Mayr-Melnhof Karton AG

AKTIVA (in EUR)	Stand 31. Dez. 2013	Stand 31. Dez. 2012	PASSIVA (in EUR)	Stand 31. Dez. 2013	Stand 31. Dez. 2012
<b>A. ANLAGEVERMÖGEN</b>			<b>A. EIGENKAPITAL</b>		
I. Sachanlagen			I. Grundkapital	80.000.000,00	80.000.000,00
1. Grundstücke und Bauten	2.158.023,76	2.213.783,76	II. Kapitalrücklagen		
davon Grundwert: EUR 577.352,82 (Vorjahr: EUR 577.352,82)			1. Gebundene Kapitalrücklage	172.658.448,08	172.658.448,08
2. Andere Anlagen, Betriebs- und Geschäftsausstattung	19.212,63	21.098,36		<b>172.658.448,08</b>	<b>172.658.448,08</b>
	<b>2.177.236,39</b>	<b>2.234.882,12</b>	III. Gewinnrücklagen		
II. Finanzanlagen			1. Andere freie Rücklagen	160.746.674,59	197.546.984,67
1. Anteile an verbundenen Unternehmen	284.043.971,06	284.039.945,71		<b>160.746.674,59</b>	<b>197.546.984,67</b>
2. Beteiligungen	494.917,78	494.917,78			
3. Wertpapiere (Wertrechte) des Anlagevermögens	1.018.021,97	1.052.164,02			
	<b>285.556.910,81</b>	<b>285.587.027,51</b>	IV. Bilanzgewinn	100.000.000,00	50.000.000,00
			davon Gewinnvortrag: EUR 5.000.000,00 (Vorjahr: TEUR 8.032)		
	<b>287.734.147,20</b>	<b>287.821.909,63</b>		<b>513.405.122,67</b>	<b>500.205.432,75</b>
<b>B. UMLAUFVERMÖGEN</b>			<b>B. RÜCKSTELLUNGEN</b>		
I. Forderungen und sonstige Vermögensgegenstände			1. Rückstellungen für Abfertigungen	558.032,00	546.978,00
1. Forderungen gegenüber verbundenen Unternehmen	8.976.696,26	581.085,96	2. Rückstellungen für Pensionen	2.092.685,00	1.628.661,00
2. Sonstige Forderungen und Vermögensgegenstände	9.124.866,21	14.312.475,17	3. Steuerrückstellungen	642.653,23	2.819.635,25
	<b>18.101.562,47</b>	<b>14.893.561,13</b>	4. Sonstige Rückstellungen	390.750,00	765.203,44
				<b>3.684.120,23</b>	<b>5.760.477,69</b>
II. Guthaben bei Kreditinstituten	215.196.224,65	257.223.494,66	<b>C. VERBINDLICHKEITEN</b>		
	<b>233.297.787,12</b>	<b>272.117.055,79</b>	1. Verbindlichkeiten aus Leistungen	249.137,80	83.307,44
<b>C. RECHNUNGSABGRENZUNGSPOSTEN</b>	171.330,93	74.457,97	2. Verbindlichkeiten gegenüber verbundenen Unternehmen	3.839.950,05	53.941.684,98
			3. Sonstige Verbindlichkeiten		
			a) Steuern	5.038,30	4.755,71
			b) soziale Sicherheit	7.118,41	6.724,87
			c) übrige	12.777,79	11.039,95
				<b>24.934,50</b>	<b>22.520,53</b>
				<b>4.114.022,35</b>	<b>54.047.512,95</b>
	<b>521.203.265,25</b>	<b>560.013.423,39</b>		<b>521.203.265,25</b>	<b>560.013.423,39</b>

# Gewinn- und Verlustrechnung der Mayr-Melnhof Karton AG

(in EUR)	2013	2012
1. Erträge aus Beteiligungen		
a) verbundene Unternehmen	65.449.775,00	78.000.000,00
b) übrige	70.000,00	70.000,00
	<b>65.519.775,00</b>	<b>78.070.000,00</b>
2. sonstige Zinsen und ähnliche Erträge		
a) übrige	493.501,64	1.468.677,12
	<b>493.501,64</b>	<b>1.468.677,12</b>
3. Erträge aus dem Abgang von und der Zuschreibung zu Finanzanlagen und Wertpapieren des Anlagevermögens	0,00	96.150,20
4. Zinsen und ähnliche Aufwendungen		
a) verbundene Unternehmen	(79.974,97)	(282.098,27)
b) übrige	(500.197,87)	(539.284,62)
	<b>(580.172,84)</b>	<b>(821.382,89)</b>
<b>5. Zwischensumme aus Z 1 bis 4 (Finanzerfolg)</b>	<b>65.433.103,80</b>	<b>78.813.444,43</b>
6. sonstige betriebliche Erträge		
b) übrige	13.707.656,91	11.385.202,83
	<b>13.707.656,91</b>	<b>11.385.202,83</b>
7. Personalaufwand		
a) Gehälter	(2.841.871,97)	(2.210.000,10)
b) Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen	(1.113,30)	(22.142,51)
c) Aufwendungen für Altersversorgung	(605.371,66)	(222.878,26)
d) Aufwendungen für gesetzlich vorgeschriebene Sozialabgaben sowie vom Entgelt abhängige Abgaben und Pflichtbeiträge	(252.677,19)	(216.364,20)
	<b>(3.701.034,12)</b>	<b>(2.671.385,07)</b>
8. Abschreibungen		
a) auf Sachanlagen	(57.644,68)	(57.644,68)
	<b>(57.644,68)</b>	<b>(57.644,68)</b>
9. Sonstige betriebliche Aufwendungen		
a) Steuern, soweit sie nicht unter Steuern vom Einkommen und vom Ertrag fallen	(6.254,59)	(1.714,35)
b) übrige	(17.348.209,38)	(12.197.737,08)
	<b>(17.354.463,97)</b>	<b>(12.199.451,43)</b>
<b>10. Zwischensumme aus Z 6 bis 9 (Betriebserfolg)</b>	<b>(7.405.485,86)</b>	<b>(3.543.278,35)</b>
<b>11. Ergebnis der gewöhnlichen Geschäftstätigkeit</b>	<b>58.027.617,94</b>	<b>75.270.166,08</b>
12. Steuern vom Einkommen und vom Ertrag	171.854,01	427.206,05
<b>13. Jahresüberschuss</b>	<b>58.199.471,95</b>	<b>75.697.372,13</b>
14. Auflösung Gewinnrücklagen	36.800.528,05	218,01
15. Zuweisung zu Gewinnrücklagen	0,00	(33.729.636,14)
<b>16. Jahresgewinn</b>	<b>95.000.000,00</b>	<b>41.967.954,00</b>
17. Gewinnvortrag aus dem Vorjahr	5.000.000,00	8.032.046,00
<b>18. Bilanzgewinn</b>	<b>100.000.000,00</b>	<b>50.000.000,00</b>

# Anhang

## der Mayr-Melnhof Karton Aktiengesellschaft für das Geschäftsjahr 1. Jänner 2013 bis 31. Dezember 2013

### 1 — ALLGEMEINE ERLÄUTERUNGEN

Der vorliegende Jahresabschluss wurde unter Beachtung der Grundsätze ordnungsmäßiger Buchführung und der Generalnorm, ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Unternehmens zu vermitteln, aufgestellt. Die Bestimmungen des Unternehmensgesetzbuches stellen die Grundlage dieses Jahresabschlusses dar.

Die auf den vorjährigen Jahresabschluss angewandten Bewertungsmethoden wurden beibehalten.

Der Grundsatz der Vollständigkeit wurde bei der Erstellung des Jahresabschlusses eingehalten.

Bei der Bewertung der einzelnen Vermögensgegenstände und Schulden wurde der Grundsatz der Einzelbewertung beachtet und eine Fortführung des Unternehmens unterstellt.

Dem Vorsichtsprinzip wurde dadurch Rechnung getragen, dass nur die am Abschlussstichtag verwirklichten Gewinne ausgewiesen wurden. Alle erkennbaren Risiken und drohenden Verluste wurden berücksichtigt.

Die Gliederung der Gewinn- und Verlustrechnung wird, der Holdingfunktion der Mayr-Melnhof Karton Aktiengesellschaft entsprechend, so dargestellt, dass der Finanzerfolg an den Anfang der Gewinn- und Verlustrechnung gestellt wird.

Die Bestimmungen des Unternehmensgesetzbuches erlauben, die Bewertung der Pensions- und Abfertigungsverpflichtungen nach der Methodik des internationalen Rechnungslegungsstandard IAS 19 vorzunehmen. Daher sind auch die Auswirkungen der nunmehrigen Neufassung von IAS 19 im Jahresabschluss nach dem Unternehmensgesetzbuch ab dem Geschäftsjahr 2013 entsprechend zu erfassen. Demnach erhöhen die im Zusammenhang mit Pensions- und Abfertigungsverpflichtungen anfallenden versicherungsmathematischen Gewinne und Verluste die entsprechenden Verpflichtungen und ihre Änderung ist nunmehr erfolgswirksam auszuweisen (siehe Anhangsangabe 3e). Des Weiteren ist jener Zinsaufwand, der sich aus der Diskontierung der leistungsorientierten Pensions- und Abfertigungsverpflichtungen ergibt, nunmehr als Teil des Finanzerfolges und nicht wie bisher als Teil des Personalaufwands auszuweisen. Die in diesem Zusammenhang notwendige Anpassung der Vorjahrswerte ist ausschließlich im Jahr der Änderung vorzunehmen, weshalb die Vergleichbarkeit mit den Vorjahreszahlen nur bedingt möglich ist.

## 2 — BILANZIERUNGS- UND BEWERTUNGSMETHODEN

### a — Anlagevermögen

#### **Sachanlagen**

Das Sachanlagevermögen ist mit Anschaffungs- zuzüglich Anschaffungsnebenkosten bewertet.

Die Ermittlung der planmäßigen Abschreibung erfolgt, von vernachlässigbaren Ausnahmen für gebrauchte Vermögensgegenstände abgesehen, linear unter Anwendung folgender Nutzungsdauern:

Gebäude	10 - 50 Jahre
Andere Anlagen, Betriebs- und Geschäftsausstattung	4 - 5 Jahre

Geringwertige Wirtschaftsgüter werden im Jahr der Anschaffung gemäß §13 EStG in Verbindung mit §205 Abs. 1 UGB sofort abgeschrieben und als Aufwand verbucht.

#### **Finanzanlagen**

Die Anteile an verbundenen Unternehmen und Beteiligungen sind zu Anschaffungskosten bewertet. Voraussichtlich dauerhafte und wesentliche Wertminderungen werden durch außerplanmäßige Abschreibungen berücksichtigt.

Als verbundene Unternehmen werden alle Gesellschaften bezeichnet, die unmittelbar oder mittelbar im Mehrheitsbesitz der Gesellschaft stehen, unter einheitlicher Leitung der Gesellschaft stehen (§ 244 Absatz 1 UGB) oder auf die im Sinne des Kontrollkonzeptes (§ 244 Absatz 2 UGB) ein beherrschender Einfluss ausgeübt wird.

Die Wertpapiere (Wertrechte) sind zu Anschaffungskosten bewertet. Unter Wertpapiere (Wertrechte) sind die Rückdeckversicherungen zu den Pensionsverpflichtungen ausgewiesen. Diese sind zugunsten des Pensionsberechtigten verpfändet.

### b — Umlaufvermögen

Forderungen und sonstige Vermögensgegenstände sind mit dem Nennwert angesetzt. Erkennbare Einzelrisiken werden durch Wertberichtigungen berücksichtigt.

### c — Rückstellungen

Rückstellungen werden nach dem Grundsatz der kaufmännischen Vorsicht in Höhe des voraussichtlichen Anfalls gebildet.

Die Pensions- und Abfertigungsverpflichtungen werden gemäß den internationalen Rechnungslegungsstandards IFRS/IAS analog den Vorschriften von IAS 19 bilanziert. Bei der Berechnung, die nach dem Anwartschaftsbarwertverfahren ("Projected Unit Credit Method") erfolgt, werden die zukünftigen Lohn- und Gehaltssteigerungen in Form einer langfristigen Prognose berücksichtigt. Der Zinssatz wird nach dem aktuellen langfristigen Zinssatz am Kapitalmarkt zum Bilanzstichtag bemessen.

Der Berechnung der Pensions- und Abfertigungsverpflichtungen wurde das frühest mögliche Anfallsalter für die (vorzeitige) Alterspension gemäß Pensionsreform 2004 (Budgetbegleitgesetz 2003) unter Berücksichtigung der Übergangsregelungen zugrunde gelegt. Für Vorstandsmitglieder wurde ausschließlich auf die Dauer des Vorstandsmandats abgestellt.

d — **Verbindlichkeiten**

Die Verbindlichkeiten sind mit ihrem Rückzahlungsbetrag erfasst.

e — **Währungsumrechnung**

Fremdwährungsforderungen sowie die liquiden Mittel in Fremdwährungen sind mit dem Anschaffungskurs bzw. dem niedrigeren Devisenkurs zum Bilanzstichtag bewertet.

Die Fremdwährungsverbindlichkeiten sind mit dem Anschaffungskurs bzw. dem höheren Devisenkurs zum Bilanzstichtag bewertet.

## 3 — ERLÄUTERUNGEN ZU EINZELNEN POSTEN DER BILANZ UND GEWINN- UND VERLUSTRECHNUNG

## BILANZ

## a — Anlagenspiegel gemäß § 226 UGB

(in EUR)	Anschaffungs- oder Herstellungskosten					kumulierte Abschreibungen				Buchwert 31.12.2013	Buchwert 31.12.2012	Ab- bzw. Zuschreibungen des Geschäftsjahres 2013
	Stand	Zugänge	Abgänge	Umbuchungen	Stand	Stand	Zugänge	Abgänge	Stand			
	01.01.2013	2013	2013	2013	31.12.2013	01.01.2013	2013	2013	31.12.2013			
<b>I. Sachanlagen</b>												
1. Grundstücke und Bauten												
Grundwert	577.352,82	0,00	0,00	0,00	577.352,82	0,00	0,00	0,00	0,00	577.352,82	577.352,82	0,00
Gebäudewert	2.697.851,77	0,00	56.683,72	0,00	2.641.168,05	1.061.420,83	55.759,58	56.683,30	1.060.497,11	1.580.670,94	1.636.430,94	55.759,58
	<b>3.275.204,59</b>	<b>0,00</b>	<b>56.683,72</b>	<b>0,00</b>	<b>3.218.520,87</b>	<b>1.061.420,83</b>	<b>55.759,58</b>	<b>56.683,30</b>	<b>1.060.497,11</b>	<b>2.158.023,76</b>	<b>2.213.783,76</b>	<b>55.759,58</b>
<b>2. Andere Anlagen, Betriebs- und Geschäftsausstattung</b>	<b>138.631,29</b>	<b>0,00</b>	<b>11.439,27</b>	<b>0,00</b>	<b>127.192,02</b>	<b>117.532,93</b>	<b>1.885,10</b>	<b>11.438,64</b>	<b>107.979,39</b>	<b>19.212,63</b>	<b>21.098,36</b>	<b>1.885,10</b>
<b>Summe I</b>	<b>3.413.835,88</b>	<b>0,00</b>	<b>68.122,99</b>	<b>0,00</b>	<b>3.345.712,89</b>	<b>1.178.953,76</b>	<b>57.644,68</b>	<b>68.121,94</b>	<b>1.168.476,50</b>	<b>2.177.236,39</b>	<b>2.234.882,12</b>	<b>57.644,68</b>
<b>II. Finanzanlagen</b>												
1. Anteile an verbundenen Unternehmen	284.039.945,71	4.025,35	0,00	0,00	284.043.971,06	0,00	0,00	0,00	0,00	284.043.971,06	284.039.945,71	0,00
2. Beteiligungen	494.917,78	0,00	0,00	0,00	494.917,78	0,00	0,00	0,00	0,00	494.917,78	494.917,78	0,00
3. Wertpapiere (Wertrechte) des Anlagevermögens	1.052.164,02	42.366,89	76.508,94	0,00	1.018.021,97	0,00	0,00	0,00	0,00	1.018.021,97	1.052.164,02	0,00
<b>Summe II</b>	<b>285.587.027,51</b>	<b>46.392,24</b>	<b>76.508,94</b>	<b>0,00</b>	<b>285.556.910,81</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>285.556.910,81</b>	<b>285.587.027,51</b>	<b>0,00</b>
<b>Gesamt</b>	<b>289.000.863,39</b>	<b>46.392,24</b>	<b>144.631,93</b>	<b>0,00</b>	<b>288.902.623,70</b>	<b>1.178.953,76</b>	<b>57.644,68</b>	<b>68.121,94</b>	<b>1.168.476,50</b>	<b>287.734.147,20</b>	<b>287.821.909,63</b>	<b>57.644,68</b>

## b — Aufgliederung der Anteile an verbundenen Unternehmen

(in EUR)	31.12.2013	Geschäftsjahr 2012	
	Anteil in %	Eigenkapital	Jahresüberschuss
Lokalbahn Payerbach-Hirschwang Gesellschaft m.b.H., Reichenau an der Rax (AUT)	100,00	10.768.934,87	(5.675,66)
Mayr-Melnhof Cartonboard International GmbH, Wien (AUT)	100,00	75.898.465,26	4.186.595,29
Mayr-Melnhof Holdings B.V., Eerbeek (NLD)	100,00	173.542.000,00	3.831.000,00
Mayr-Melnhof Holdings 2 B.V., Eerbeek (NLD)	100,00	-	-
Mayr-Melnhof Packaging International GmbH, Wien (AUT)	100,00	111.604.981,61	699.194,95
MM Polygrafoformlenie Ltd., Nikosia (CYP)	49,98	30.153.667,00	2.013.065,00
Syn-Group Unternehmensberatung GmbH, Wien (AUT)	38,00	757.337,29	29.753,99

## c — Forderungenspiegel

(in EUR)	Gesamtbetrag	Davon mit Restlaufzeit unter 1 Jahr
<b>1. Forderungen gegenüber verbundenen Unternehmen</b>		
a) aus Lieferungen und Leistungen	620.139,71	620.139,71
b) aus sonstigen Forderungen	8.356.556,55	8.356.556,55
	<b>8.976.696,26</b>	<b>8.976.696,26</b>
<b>2. Sonstige Forderungen und Vermögensgegenstände</b>	<b>9.124.866,21</b>	<b>9.124.866,21</b>
<b>Gesamt</b>	<b>18.101.562,47</b>	<b>18.101.562,47</b>

In den sonstigen Forderungen und Vermögensgegenständen sind Erträge in Höhe von EUR 42.559,16 enthalten, welche erst nach dem Bilanzstichtag zahlungswirksam werden.

## d — Eigenkapital

**Grundkapital**

Das Grundkapital in der Höhe von EUR 80.000.000,00 ist in 20.000.000 Stück nennbetragslose Stückaktien eingeteilt, von denen jede am Grundkapital in gleichem Umfang beteiligt ist.

## e — Rückstellungen

**Pensions- und Abfertigungsverpflichtungen**

Der Zinssatz zu den jeweiligen Stichtagen stellt sich wie folgt dar:

(in %)	31.12.2013		31.12.2012	
	Pensionen	Abfertigungen	Pensionen	Abfertigungen
Abzinsungsfaktor	3,25 %	3,25 %	3,50 %	3,50 %
Langfristige Gehaltssteigerungsraten	2,50 %	2,50 %	2,50 %	2,50 %
Langfristige Rentensteigerungsraten	2,00 %	n.a.	2,00 %	n.a.

Versicherungsmathematische Gewinne bzw. Verluste, die sich aufgrund von Änderungen im Bestand der Versorgungsberechtigten und Abweichungen der tatsächlichen Entwicklung gegenüber den der Berechnung zugrunde gelegten Annahmen ergeben, sind gemäß der am 16. Juni 2011 beschlossenen Neufassung des IAS 19 nicht mehr im Rahmen der Korridormethode, sondern sind ab dem Geschäftsjahr 2013 im unternehmensrechtlichen Jahresabschluss zur Gänze erfolgswirksam zu erfassen. Diese Änderung ist erstmals auf Geschäftsjahre anzuwenden, die am 1. Jänner 2013 oder später beginnen.

Erfolgsauswirkungen, die sich aufgrund von Änderungen von Bewertungsmethoden (dazu gehört auch der Wegfall der Korridormethode) ergeben, sind im Jahr der Änderung oder auf fünf Jahre verteilt im unternehmensrechtlichen Jahresabschluss in der Gewinn- und Verlustrechnung zu erfassen. Von der Möglichkeit, die Auswirkungen dieser Bewertungsänderung auf die Höhe der Pensions- und Abfertigungsrückstellungen (Unterschiedsbetrag aus der Anwendung der Neufassung des IAS 19) über einen Zeitraum von höchstens fünf Jahren linear zu verteilen wird nicht Gebrauch gemacht. Der sich daraus ergebende einmalige erfolgswirksame Effekt beträgt EUR 315.666,00.

Die Pensionsrückstellungen wurden aufgrund des Saldierungsverbots mit den zu ihrer Deckung bestimmten Vermögenswerten nicht saldiert.

(in EUR)	<b>Abfertigungen</b>	<b>Pensionen</b>
<b>Bilanzierte langfristige Rückstellung 31.12.2012</b>	<b>546.978,00</b>	<b>1.628.661,00</b>
Unterschiedsbetrag aus der Anwendung der Neufassung des IAS 19	(73.369,00)	389.035,00
<b>Anwartschaftsbarwert 31.12.2012</b>	<b>473.609,00</b>	<b>2.017.696,00</b>
Zuführung Dienstzeitaufwand 2013	21.781,00	-
Zuführung Zinsaufwand 2013	16.576,00	66.895,00
Auszahlungen 2013	-	(250.609,00)
Versicherungsmathematische Gewinne bzw. Verluste 2013	46.066,00	258.703,00
<b>Bilanzierte langfristige Rückstellung 31.12.2013</b>	<b>558.032,00</b>	<b>2.092.685,00</b>

### **Sonstige Rückstellungen**

Sonstige Rückstellungen umfassen im Wesentlichen Rückstellungen für Rechts-, Prüfungs- und Beratungsaufwand und die Vergütung für die Aufsichtsrats-tätigkeit.

## f — Verbindlichkeitspiegel

(in EUR)	<b>Gesamtbetrag</b>	<b>Davon Restlaufzeit unter 1 Jahr</b>	<b>Davon Restlaufzeit über 1 Jahr bis 5 Jahre</b>	<b>Davon Restlaufzeit über 5 Jahre</b>
<b>1. Verbindlichkeiten aus Lieferungen und Leistungen</b>	<b>249.137,80</b>	<b>249.137,80</b>	<b>0,00</b>	<b>0,00</b>
<b>2. Verbindlichkeiten gegenüber verbundenen Unternehmen</b>				
a) aus Lieferungen und Leistungen	4.046.307,06	4.046.307,06	0,00	0,00
b) aus sonstigen Verbindlichkeiten	(206.357,01)	(206.357,01)	0,00	0,00
	<b>3.839.950,05</b>	<b>3.839.950,05</b>	<b>0,00</b>	<b>0,00</b>
<b>3. Sonstige Verbindlichkeiten</b>				
a) Steuern	5.038,30	5.038,30	0,00	0,00
b) Soziale Sicherheit	7.118,41	7.118,41	0,00	0,00
c) Übrige	12.777,79	12.777,79	0,00	0,00
	<b>24.934,50</b>	<b>24.934,50</b>	<b>0,00</b>	<b>0,00</b>
<b>Gesamt</b>	<b>4.114.022,35</b>	<b>4.114.022,35</b>	<b>0,00</b>	<b>0,00</b>

Die sonstigen Verbindlichkeiten enthalten zur Gänze Aufwendungen, die erst nach dem Bilanzstichtag zahlungswirksam werden.

**GEWINN- UND VERLUSTRECHNUNG****a — Sonstige betriebliche Erträge**

Diese stammen zum wesentlichen Teil aus Erlösen für Dienstleistungen an verbundene Unternehmen.

**b — Personalaufwand**

Die unter den Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen enthaltenen Beiträge an die Mitarbeitervorsorgekasse betragen EUR 6.635,30 (2012: EUR 6.502,51).

Der Gesamtbetrag der Aufwendungen für Abfertigungen und Altersversorgung für den Vorstand gliedert sich wie folgt:

(in EUR)	<b>2013</b>	<b>2012</b>
Anpassung der Abfertigungsrückstellung	(5.522,00)	15.640,00

**c — Sonstige betriebliche Aufwendungen**

Zu den Aufwendungen, die im Geschäftsjahr auf die Tätigkeit des Abschlussprüfers entfallen, wird auf die Angaben im Konzernabschluss zum 31. Dezember 2013 der Mayr-Melnhof Karton AG verwiesen.

**d — Steuern vom Einkommen und Ertrag**

Im Dezember 2005 hat die Gesellschaft als Gruppenträger einen Antrag auf Feststellung einer Unternehmensgruppe gemäß § 9 Abs 8 KStG 1988 mit nachfolgend angeführten verbundenen Unternehmen als Gruppenmitglieder zum Zwecke der Gruppenbesteuerung ab dem Veranlagungsjahr 2005 eingebracht. Es wurde ein Steuerumlagevertrag abgeschlossen, der die Belastungsmethode vorsieht.

Die zum Vorjahr unveränderten Gruppenmitglieder sind:

Mayr-Melnhof Karton Gesellschaft m.b.H., Frohnleiten

Mayr-Melnhof Cartonboard International GmbH, Wien

Mayr-Melnhof Packaging International GmbH, Wien

Ernst Schausberger & Co. GmbH, Gunskirchen

Neupack GmbH, Reichenau an der Rax

Mayr-Melnhof Packaging Austria GmbH, Wien

Aufgrund des Umlagevertrages zwischen den inländischen Gesellschaften wurden im Geschäftsjahr 2013 EUR 181.534,33 (2012: EUR 3.178.688,03) an die Gruppenmitglieder weiterverrechnet.

Die Steuern vom Einkommen und Ertrag weisen in 2013 einen Ertrag von EUR 171.854,01 auf (2012: EUR 427.206,05). Die aktivierbaren latenten Ertragsteuern, die in Ausübung des Wahlrechtes gemäß § 198 Abs 10 UGB in der Bilanz nicht angesetzt sind, betragen zum 31. Dezember 2013 EUR 217.947,41 (2012: EUR 109.312,00).

## 4 — SONSTIGE ANGABEN

## a — Angaben über Organe und Mitglieder

Die Gesellschaft beschäftigt keine Arbeitnehmer.

Die Organbezüge gliedern sich wie folgt:

**Bezüge des Vorstandes**

(in EUR)	2013	2012
Von der Gesellschaft	2.842.098,95	2.210.000,10
Von verbundenen Unternehmen	1.813.349,76	1.714.949,71
<b>Gesamt</b>	<b>4.655.448,71</b>	<b>3.924.949,81</b>
Davon		
Fixe Bezüge	1.813.349,76	1.714.949,70
Variable Bezüge	2.842.098,95	2.210.000,10
<b>Gesamt</b>	<b>4.655.448,71</b>	<b>3.924.949,80</b>

**Bezüge des Aufsichtsrates**

(in EUR)	2013	2012
Von der Gesellschaft	251.000,00	235.000,00
Von verbundenen Unternehmen	0,00	0,00
<b>Gesamt</b>	<b>251.000,00</b>	<b>235.000,00</b>

Hinsichtlich der Bezüge an ehemalige Organmitglieder wird von der Schutzklausel des § 241 Abs 4 UGB Gebrauch gemacht.

Die Organe der Gesellschaft setzten sich im abgelaufenen Geschäftsjahr wie folgt zusammen:

**Vorstand**

Dr. Wilhelm HÖRMANSEDER, Purkersdorf (Vorsitzender)  
Dr. Andreas BLASCHKE, Perchtoldsdorf (Mitglied des Vorstandes)  
Ing. Franz RAPPOLD, Laab im Walde (Mitglied des Vorstandes)  
Dr. Oliver SCHUMY, Wien (Mitglied des Vorstandes)

**Aufsichtsrat**

Dkfm. Michael GRÖLLER, Wien (Vorsitzender)  
o. Univ.-Prof. Dr. Romuald BERTL, Graz (Stellvertretender Vorsitzender)  
Mag. Johannes GOESS-SAURAU, Neumarkt/Raab (Stellvertretender Vorsitzender)  
Dr. Nikolaus ANKERSHOFEN, Wien  
Dr. Guido HELD, Graz  
Dr. Alexander LEEB, Frohnleiten  
MMM Mag. Georg MAYR-MELNHOF, Wals/Viehhausen  
Dipl.-Ing. Dr. Michael SCHWARZKOPF, Reutte  
Hubert ESSER, Neuss (Delegierter des Europäischen Betriebsrates von MM Karton)  
Andreas HEMMER, Frohnleiten (Delegierter des Europäischen Betriebsrates von MM Karton )  
Gerhard NOVOTNY, Wien (Delegierter der Divisionsvertretung von MM Packaging)

**b — Gewinnverwendung**

Der Vorstand schlägt vor, aus dem Bilanzgewinn für das Geschäftsjahr 2013 eine Dividende von EUR 2,40 je Aktie auszuschütten.

Darüber hinaus soll anlässlich eines weiteren Jahrzehnts Notierung der Mayr-Melnhof Karton AG ein Jubiläumsbonus von ebenfalls EUR 2,40 je Aktie ausgeschüttet werden.

Wien, am 28. Februar 2014

Der Vorstand

Dr. Wilhelm HÖRMANSEDER e.h.

Dr. Andreas BLASCHKE e.h.

Ing. Franz RAPPOLD e.h.

Dr. Oliver SCHUMY e.h.

# Bestätigungsvermerk

## **Bericht zum Jahresabschluss**

Wir haben den beigefügten Jahresabschluss der

### **Mayr-Melnhof Karton Aktiengesellschaft,**

Wien,

für das Geschäftsjahr vom 1. Jänner 2013 bis zum 31. Dezember 2013 unter Einbeziehung der Buchführung geprüft. Dieser Jahresabschluss umfasst die Bilanz zum 31. Dezember 2013, die Gewinn- und Verlustrechnung für das am 31. Dezember 2013 endende Geschäftsjahr sowie den Anhang.

## **Verantwortung der gesetzlichen Vertreter für den Jahresabschluss und für die Buchführung**

Die gesetzlichen Vertreter der Gesellschaft sind für die Buchführung sowie für die Aufstellung und den Inhalt eines Jahresabschlusses verantwortlich, der ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften vermittelt. Diese Verantwortung beinhaltet die Gestaltung, Umsetzung und Aufrechterhaltung eines internen Kontrollsystems, soweit dieses für die Aufstellung des Jahresabschlusses und die Vermittlung eines möglichst getreuen Bildes der Vermögens-, Finanz- und Ertragslage der Gesellschaft von Bedeutung ist, damit dieser frei von wesentlichen Fehldarstellungen ist, sei es auf Grund von beabsichtigten oder unbeabsichtigten Fehlern; die Auswahl und Anwendung geeigneter Bilanzierungs- und Bewertungsmethoden sowie die Vornahme von Einschätzungen, die unter Berücksichtigung der gegebenen Rahmenbedingungen angemessen erscheinen.

## **Verantwortung des Abschlussprüfers und Beschreibung von Art und Umfang der gesetzlichen Abschlussprüfung**

Unsere Verantwortung besteht in der Abgabe eines Prüfungsurteils zu diesem Jahresabschluss auf der Grundlage unserer Prüfung. Wir haben unsere Prüfung unter Beachtung der in Österreich geltenden gesetzlichen Vorschriften und Grundsätze ordnungsgemäßer Abschlussprüfung durchgeführt. Diese Grundsätze erfordern, dass wir die Standesregeln einhalten und die Prüfung so planen und durchführen, dass wir uns mit hinreichender Sicherheit ein Urteil darüber bilden können, ob der Jahresabschluss frei von wesentlichen Fehldarstellungen ist.

Eine Prüfung beinhaltet die Durchführung von Prüfungshandlungen zur Erlangung von Prüfungsnachweisen hinsichtlich der Beträge und sonstigen Angaben im Jahresabschluss. Die Auswahl der Prüfungshandlungen liegt im pflichtgemäßen Ermessen des Abschlussprüfers unter Berücksichtigung seiner Einschätzung des Risikos eines Auftretens wesentlicher Fehldarstellungen, sei es auf Grund von beabsichtigten oder unbeabsichtigten Fehlern. Bei der Vornahme dieser Risikoeinschätzung berücksichtigt der Abschlussprüfer das interne Kontrollsystem, soweit es für die Aufstellung des Jahresabschlusses und die Vermittlung eines möglichst getreuen Bildes der

Vermögens-, Finanz- und Ertragslage der Gesellschaft von Bedeutung ist, um unter Berücksichtigung der Rahmenbedingungen geeignete Prüfungshandlungen festzulegen, nicht jedoch um ein Prüfungsurteil über die Wirksamkeit der internen Kontrollen der Gesellschaft abzugeben. Die Prüfung umfasst ferner die Beurteilung der Angemessenheit der angewandten Bilanzierungs- und Bewertungsmethoden und der von den gesetzlichen Vertretern vorgenommenen wesentlichen Einschätzungen sowie eine Würdigung der Gesamtaussage des Jahresabschlusses.

Wir sind der Auffassung, dass wir ausreichende und geeignete Prüfungsnachweise erlangt haben, sodass unsere Prüfung eine hinreichend sichere Grundlage für unser Prüfungsurteil darstellt.

### **Prüfungsurteil**

Unsere Prüfung hat zu keinen Einwendungen geführt. Auf Grund der bei der Prüfung gewonnenen Erkenntnisse entspricht der Jahresabschluss der Mayr-Melnhof Karton Aktiengesellschaft nach unserer Beurteilung den gesetzlichen Vorschriften und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage der Gesellschaft zum 31. Dezember 2013 sowie der Ertragslage der Gesellschaft für das Geschäftsjahr vom 1. Jänner 2013 bis zum 31. Dezember 2013 in Übereinstimmung mit den österreichischen Grundsätzen ordnungsmäßiger Buchführung.

### **Aussagen zum Lagebericht**

Der Lagebericht ist auf Grund der gesetzlichen Vorschriften darauf zu prüfen, ob er mit dem Jahresabschluss in Einklang steht und ob die sonstigen Angaben im Lagebericht nicht eine unzutreffende Vorstellung von der Lage der Gesellschaft erwecken. Der Bestätigungsvermerk hat auch eine Aussage darüber zu enthalten, ob der Lagebericht mit dem Jahresabschluss in Einklang steht und ob die Angaben nach § 243a UGB zutreffen.

Der Lagebericht steht nach unserer Beurteilung in Einklang mit dem Jahresabschluss. Die Angaben gemäß § 243a UGB sind zutreffend.

Wien, am 28. Februar 2014

**Grant Thornton Unitreu GmbH**  
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag Christian PAJER eh  
Wirtschaftsprüfer

Mag Werner LEITER eh  
Wirtschaftsprüfer

# Corporate Governance Report

The Mayr-Melnhof Group pursues a long-term responsible business activity with a focus on sustainable profitability and solidity in both core competence areas, cartonboard and folding carton production. For this purpose, we have always consistently complied with the principles of proper Corporate Governance. This encourages the confidence of our employees, customers, suppliers, shareholders and the public in the management and control of the Company geared toward long-term value creation.

The Mayr-Melnhof Karton AG has voluntarily committed itself to compliance with the Austrian Corporate Governance code, ever since it became effective. The Code is based on the provisions of Austrian stock corporation, stock exchange and capital market laws, EU recommendations as well as the guidelines contained in the OECD Principles of Corporate Governance. The Code is regularly reviewed in accordance with national and international developments and adjusted accordingly. The applicable version of the Austrian Corporate Governance Code (Österreichischer Corporate Governance Kodex – ÖCGK) can be found online on the website of the Austrian Working Group for Corporate Governance at [www.corporate-governance.at](http://www.corporate-governance.at). Part of the Corporate Governance Program is the annual evaluation of compliance with the Code.

Adherence to Corporate Governance in the business year 2013 was evaluated on the basis of the amendment of the Code of July 2012. Just as has been the case so far, Mayr Melnhof Karton AG continues to comply with all legal provisions without any restrictions. Additional C Rules (Comply or Explain) and R Rules (Recommendations) contained in the Code, which do not require any explanation in case of deviations, have been implemented almost entirely.

The Company gives the following explanations to deviations from C Rules in 2013:

Rule 27	Non-financial criteria are not taken into account for the variable compensation of the members of the Management Board. Explanation: Contents of current contracts with the members of the Management Board.
Rule 27a	In case of an early termination of a member of the Management Board without good cause, such member shall be compensated for no more than the remaining term of contract. Explanation: Contents of current contracts with the members of the Management Board.
Rule 30	The upper limits currently applicable to variable compensation shall not be stated. Explanation: We do not believe this information is material or relevant for any decisions. A cap is designated by all means.
Rule 51	No disclosure of the compensation of each individual member of the Supervisory Board Explanation: We do not believe this information is material or relevant for any decisions.

## BOARD MEMBERS

### THE MANAGEMENT BOARD

Wilhelm HÖRMANSEDER  
Chairman  
Member of the Management Board  
since March 9, 1994  
appointed until December 31, 2019  
born 1954

Andreas BLASCHKE  
Member of the Management Board  
since May 14, 2002  
appointed until May 14, 2015  
born 1961

Franz RAPPOLD  
Member of the Management Board  
since May 14, 2002  
appointed until May 14, 2015  
born 1952

Oliver SCHUMY  
Member of the Management Board  
since June 1, 2008  
appointed until May 14, 2015  
born 1971

The members of the Management Board do not hold any mandates in Group-external supervisory boards.

### THE SUPERVISORY BOARD

Michael GRÖLLER  
Chairman since June 8, 2002  
born 1941

Romuald BERTL  
Deputy Chairman since March 2, 1994  
born 1953

Johannes GOESS-SAURAU  
Deputy Chairman since May 7, 2008  
Member of the Board since May 18, 2005  
born 1955

Nikolaus ANKERSHOFEN  
Member of the Board since April 28, 2010  
born 1969

Guido HELD  
Member of the Board since May 7, 2008  
born 1944

Alexander LEEB  
Member of the Board since May 7, 2008  
born 1959

Georg MAYR-MELNHOF  
Member of the Board since May 7, 2008  
born 1968

Michael SCHWARZKOPF  
Member of the Board since April 29, 2009  
born 1961

Hubert ESSER  
Member of the Board since May 10, 1995  
born 1959  
Delegate of the European Staff Council of  
MM Karton

Andreas HEMMER  
Member of the Board since October 20, 2009  
born 1968  
Delegate of the European Staff Council of  
MM Karton

Gerhard NOVOTNY  
Member of the Board since May 10, 1995  
born 1963  
Divisional representative of MM Packaging

The current mandates of all members of the Supervisory Board elected by the shareholders will expire upon the 21<sup>st</sup> Ordinary Shareholders' Meeting in 2015 on the financial year 2014.

All mandates of the Supervisory Board members delegated by the employee representation bodies are for an indefinite period of time.

### **Members of the Committees of the Supervisory Board**

#### *Presidium (Committee for Management Board Issues)*

Michael GRÖLLER, Chairman  
 Romuald BERTL  
 Johannes GOESS-SAURAU  
 Nikolaus ANKERSHOFEN

#### *Audit Committee*

Romuald BERTL, Chairman  
 Johannes GOESS-SAURAU  
 Michael GRÖLLER  
 Nikolaus ANKERSHOFEN  
 Gerhard NOVOTNY

### **Members of the Supervisory Board with additional supervisory board mandates within publicly listed companies**

Michael SCHWARZKOPF  
 Member of the Supervisory Board, voestalpine AG, Linz, Austria  
 Member of the Supervisory Board, Molibdenos y Metales S.A., Santiago, Chile  
 Member of the Supervisory Board, Molycorp Inc., Denver CO, USA

### **Independence of the members of the Supervisory Board**

The members of the Supervisory Board have orientated themselves towards the guidelines of the Austrian Corporate Governance Code for determining the criteria of their independence:

The Supervisory Board member must not maintain, or have maintained in the past year, any business relations with the Company or any of its subsidiaries to an extent of significance for the member of the Supervisory Board. This also applies to relationships with companies in which a member of the Supervisory Board has a considerable commercial interest, but not to the performance of institutional functions in the Group. The approval of individual transactions by the Supervisory Board in accordance with L-Rule 48 (Company Contracts with Members of the Supervisory Board outside of their activity in the Supervisory Board) does not automatically qualify the person as not independent.

The Supervisory Board member must not have acted as an auditor of the Company or have owned a share in the auditing company or have worked there as an employee in the past three years.

The Supervisory Board member must not be a member of the Management Board of another company in which a member of the Company's Management Board is a Supervisory Board member.

The Supervisory Board member must not be closely related (direct offspring, spouse, life partner, parent, uncle, aunt, brother, sister, niece, nephew) to a member of the Management Board or to employees in leading positions, to the auditor or to employees of the auditing company.

In accordance with these criteria all members of the Supervisory Board have declared their independence. Consequently this also holds for any members of Committees of the Supervisory Board.

#### **Contracts between members of the Supervisory Board and the Company subject to approval**

There are no such contracts.

#### **Share owners or representation of interests of a share > 10 % in Mayr-Melnhof Karton AG**

In the Supervisory Board there is one member representing a legal entity with a shareholding beyond 10 %.

Nikolaus ANKERSHOFEN

### Information on the procedures of the Management Board and the Supervisory Board

#### **Allocation of rights and duties within the Management Board**

Wilhelm HÖRMANSEDER	CEO
Oliver SCHUMY	CFO
Andreas BLASCHKE	Sales, Marketing MM Packaging
Franz RAPPOLD	Sales, Marketing MM Karton

The Management Board manages the business in accordance with the law, the bylaws and the Articles of Association of the Company. The bylaws of the Management Board govern the assignment of business as well as the cooperation within the Management Board and include a catalogue of business cases which require the prior consent of the Supervisory Board. The members of the Management Board cooperate closely as colleagues, informing one another of all significant measures and occurrences within their respective areas of operation. The Management Board of Mayr-Melnhof Karton AG holds regular meetings on material Group-relevant and division-relevant topics. The Chairman of the Management Board is responsible for chairing and preparing the meeting and for exchanging information with the Supervisory Board.

### **Type and decision-making power of the Committees of the Supervisory Board**

The Supervisory Board has established the following Committees from among its members:

#### *Presidium (Committee for Management Board Issues)*

The principal task of the Presidium is to discuss the Company's strategy and direction on a continuous basis as well as to prepare resolutions for the Supervisory Board concerning all strategic matters. Furthermore, this Committee decides on issues concerning the Management Board in accordance with statutory provisions and also fulfills the appointment and compensation committees' functions. The quality of the Committee's work is guaranteed by its long-time experience and know-how in compensation policy.

#### *Audit Committee*

The decision-making power derives from statutory provisions. The quality of the Committee's work is guaranteed by its long-time experience and know-how in finance and accounting as well as reporting.

It is guaranteed that the Supervisory Board and the Committees are able to take decisions quickly in urgent cases. Each Chairman of the Committee informs the Supervisory Board on a regular basis about the activities of the Committee.

### **Focuses of the Supervisory Board**

The Supervisory Board held six meetings in the business year 2013, with the participation of the Management Board, and fulfilled its tasks and obligations in accordance with the law and the Articles of Association. Each member attended at least five meetings.

In addition to the current business development, key aspects were above all the implementation of the strategy within the individual segments, acquisition projects, planned investments, financing activities, insurance as well as issues regarding Group structure and the medium term planning.

The efficiency of the activities of the Supervisory Board is mainly ensured by its bylaws and regular exchange of information.

### **Focus of the Committees of the Supervisory Board**

In 2013 the Presidium (Committee for Management Board Issues) met six times. It dealt in particular with Group strategy as well as matters relating to the Management Board and prepared the meetings of the Supervisory Board. An agreement was reached with Mr. Hörmanseder to extend his contract of employment as CEO for a further period of five years from January 1, 2015 to December 31, 2019. The implementation of the regulations applicable to the compensation of the members of the Management Board as well as the review of the underlying compensation policy has been taken care of.

In 2013, the Audit Committee held two meetings and fulfilled its statutory duties. The focus lay on dealing with the financial statements of the Group and the individual financial statements for 2012 as well as the preparation of the respective financial statements for 2013.

### **Advancement of women as members of the Management Board or Supervisory Board and in leading positions**

All positions on the Management Board, the Supervisory Board as well as all leading positions are exclusively staffed in accordance with professional and personal qualifications. The appointment of a woman to a position on the Management Board is currently not foreseen as there are no plans to expand the Management Board. Diversity is supported on a broad basis. Being an attractive employer for women in technical occupations is becoming increasingly important, with new career opportunities opening up.

### **Compensation of the Management Board**

The compensation of the members of the Management Board is orientated towards the responsibility, personal performance and tasks covered by each member of the Management Board as well as the achievement of the Company's objectives and the economic situation of the Company. The compensation contains fixed and variable components. The variable compensation depends above all on sustainable, long-term and multi-year performance criteria without giving cause to take unreasonable risks. Non-financial criteria are not being taken into account at this time.

The variable component of the compensation of the members of the Management Board, which is proportionally high in comparison to the fixed compensation, is subject to an upper limit and depends on the annual result, cash earnings, dividend payments and the return on capital employed. The variable compensation of the members of the Management Board is paid on the basis of the data audited by the auditor in the year following the year of their economic reference base.

In the business year 2013, the total amount of compensation of the members of the Management Board was thous. EUR 4,655 (2012: thous. EUR 3,925). Thereof, thous. EUR 1,813 (2012: thous. EUR 1,715) were allocable to fixed compensation and thous. EUR 2,842 (2012: thous. EUR 2,210) to variable compensation. The compensation of each member is comprised as follows: Wilhelm Hörmanseder accounts for a fixed compensation of thous. EUR 706 and a variable compensation of thous. EUR 1,367, Franz Rappold accounts for a fixed compensation of thous. EUR 392 and a variable compensation of thous. EUR 520, Andreas Blaschke accounts for a fixed compensation of thous. EUR 390 and a variable compensation of thous. EUR 521 and Oliver Schumy a fixed compensation of thous. EUR 325 and a variable compensation of thous. EUR 434.

Regarding the Company pension scheme there is an entitlement to receive a pension from the 65<sup>th</sup> year of life depending on the qualifying period.

In case the function is terminated, statutory rights on the basis of the employment contract shall apply. Severance payments in case of early termination shall not exceed the compensation of the member of the Management Board for the remaining term of the member's contract and take into account the circumstances of such termination of the respective member of the Management Board.

The Company took out a D&O (Directors-and-Officers) insurance.

### Compensation of the Supervisory Board

The compensation of the Supervisory Board for the current business year will be determined by the Shareholders' Meeting in the following year and paid subsequently. The Supervisory Board's compensation in 2012 amounted to thous. EUR 251. The allocation of the total compensation among the members shall be the Supervisory Board's responsibility. In addition to this the members of the Supervisory Board are granted a compensation for any additional expenses incurred.

Information on Corporate Governance is regularly provided on the Group's website.

### Audit

Upon the Supervisory Board's recommendation, Grant Thornton Unitreu GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft was appointed Group and Company auditor of Mayr-Melnhof Karton AG by the 19<sup>th</sup> General Meeting of April 24, 2013 and will also audit the individual financial statements of the Austrian subsidiaries.

In the business year 2013, of the expenses for the services rendered by Grant Thornton Unitreu, thous. EUR 372 were attributable to auditing and other certification services and thous. EUR 335 to other services.

## Compliance

Compliance as the collection of measures aimed at adherence to laws, codes of conduct, voluntary commitments and other standards is a key management task for the Management Board in the Mayr-Melnhof Group, which is matched by a Compliance Program that is subject to continual development.

In order to prevent insider transactions, all persons concerned are subject to a mandatory internal compliance policy, incorporating the provisions of the Issuer Compliance Regulations of the Financial Market Supervisory Authority.

Any director's dealings are regularly published on the Company's website at <http://www.mayr-melnhof.com/unternehmen/governance/directors-dealings.html> immediately upon information of the Company.

The Group's position on violations of anti-trust legislation is expressed in an anti-trust law compliance guideline, which sets out required conduct in dealing with competitors. Regular information and training sessions are designed to deepen understanding for compliance of all employees within the Group over the long term.

Vienna, February 28, 2014

### **The Management Board**

Wilhelm Hörmanseder m.p.

Andreas Blaschke m.p.

Franz Rappold m.p.

Oliver Schumy m.p.

# Statement of the Management Board

according to section 82 (4) of the Austrian Stock  
Exchange Act

We confirm to the best of our knowledge that the consolidated 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 the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

We confirm to the best of our knowledge that the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Vienna, February 28, 2014

## **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