



1-30/15

## Report for the first three quarters of 2015

- Strong third quarter
- Increase in sales and profit in both divisions
- High capacity utilization
- Good expectations for the whole year
- Acquisition of French folding carton group completed by end of October

# Group Key Indicators

(according to IFRS for interim financial reporting, unaudited)

(consolidated, in millions of EUR)	1 <sup>st</sup> - 3 <sup>rd</sup> Quarter		
	Jan. 1 - Sep. 30, 2015	Jan. 1 - Sep. 30, 2014	+/-
Sales	1,617.8	1,571.0	+3.0 %
EBITDA	225.5	203.6	+10.8 %
EBITDA margin (%)	13.9 %	13.0 %	
Operating profit	154.6	136.5	+13.3 %
Operating margin (%)	9.6 %	8.7 %	
Profit before tax	146.8	131.5	+11.6 %
Income tax expense	(38.6)	(34.0)	
Profit for the period	108.2	97.5	+11.0 %
Net profit margin (%)	6.7 %	6.2 %	
Basic and diluted earnings per share (in EUR)	5.36	4.86	
Cash earnings	180.5	167.4	+7.8 %
Cash earnings margin (%)	11.2 %	10.7 %	
Capital expenditures	84.0	97.3	-13.7 %
Depreciation and amortization	71.9	69.6	+3.3 %

	Balance sheet date	
	Sep. 30, 2015	Dec. 31, 2014
Total equity (in millions of EUR)	1,140.8	1,102.2
Total assets (in millions of EUR)	1,775.2	1,787.0
Total equity to total assets (%)	64.3 %	61.7 %
Net liquidity (in millions of EUR)	39.5	58.3
Enterprise value (in millions of EUR)	2,076.5	1,730.6
Employees	9,222	9,399

# Group Report

DEAR SHAREHOLDERS,

Your Company was able, as expected, to continue the positive development over the course of the year with a good third quarter. Under ongoing highly competitive conditions without any sign of economic upturn, sales as well as profit increased further over the first three quarters of 2015 compared to the same period of the previous year. Both divisions, MM Karton and MM Packaging, significantly contributed to maintaining the solid profitability of the Group with high levels of capacity utilization in the plants and increased productivity. The acquisition of a leading French folding carton group in the field of packaging for pharmaceuticals and luxury goods was completed successfully at the end of October 2015 and shall thereby, as hitherto, combine organic and acquisitive growth.

Expectations for the fourth quarter and 2015 as a whole remain intact. In November 2015, an interim dividend of EUR 1.60 per share was paid out for the financial year 2015.

## INCOME STATEMENT

The Group's consolidated sales totaled EUR 1,617.8 million and were thus 3.0 % or EUR 46.8 million above the previous year's figure (1-3Q 2014: EUR 1,571.0 million). This increase primarily results from higher business volumes in both divisions.

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

(in %)	1 <sup>st</sup> - 3 <sup>rd</sup> Quarter	
	Jan. 1 - Sep. 30, 2015	Jan. 1 - Sep. 30, 2014
Western Europe	58.3 %	58.7 %
Eastern Europe	26.4 %	26.0 %
Latin America	5.6 %	5.1 %
Asia	5.5 %	5.7 %
Other	4.2 %	4.5 %
<b>Total</b>	<b>100.0 %</b>	<b>100.0 %</b>

At EUR 154.6 million, operating profit was 13.3 % or EUR 18.1 million above the comparative value of the previous year (1-3Q 2014: EUR 136.5 million). Both divisions equally contributed to this. The Group's operating margin thus rose from 8.7 % to 9.6 %.

With ongoing low interests, financial income of EUR 1.4 million (1-3Q 2014: EUR 1.1 million) was offset by financial expenses of EUR -4.7 million (1-3Q 2014: EUR -3.7 million).

Profit before tax increased by 11.6 % to EUR 146.8 million after EUR 131.5 million in the first three quarters of the previous year. Income tax expense totaled EUR 38.6 million (1-3Q 2014: EUR 34.0 million), resulting in an effective Group tax rate of 26.3 % (1-3Q 2014: 25.9 %).

Profit for the period thus went up by 11.0 % to EUR 108.2 million (1-3Q 2014: EUR 97.5 million). Over the reporting period an unchanged total of 20,000,000 shares was outstanding, which translates into earnings per share of EUR 5.36 (1-3Q 2014: EUR 4.86).

## ASSETS, CAPITAL AND LIQUID FUNDS

As of September 30, 2015, the Group's total assets amounted to EUR 1,775.2 million following EUR 1,787.0 million at December 31, 2014. The Group's total equity increased mainly profit-related from EUR 1,102.2 million to EUR 1,140.8 million.

In contrast, financial liabilities, principally of a long-term character, decreased due to repayments from EUR 265.9 million (December 31, 2014) to EUR 207.9 million. Total funds available to the Group declined to EUR 247.4 million primarily as a result of dividend and redemption payments (December 31, 2014: EUR 324.2 million). The net liquidity of the Group was therefore at EUR 39.5 million (December 31, 2014: EUR 58.3 million).

The decline in cash and cash equivalents was offset by a rise in trade receivables and inventories due to increased business activity, meaning that current assets, at EUR 958.2 million (December 31, 2014: EUR 960.7 million), remained almost unchanged. At EUR 817.0 million, non-current assets also stayed largely constant (December 31, 2014: EUR 826.3 million).

## CASH FLOW DEVELOPMENT

At EUR 135.4 million, cash flow from operating activities was EUR 38.8 million above the comparative figure of the previous year (1-3Q 2014: EUR 96.6 million). This difference is primarily attributable to an increase in profit as well as lower working capital.

Cash flow from investing activities amounted to EUR -96.8 million after EUR -94.7 million in the same period of the previous year. The investment focus in both divisions principally concerned technical innovations.

Cash flow from financing activities totaled EUR -112.5 million (1-3Q 2014: EUR -120.7 million). Loan redemptions in the first three quarters of the current year were in particular offset by a higher dividend in the previous year due to an anniversary bonus.

## DEVELOPMENT IN THE THIRD QUARTER

Strong volume dynamics and high capacity utilization of the plants characterized development of both divisions in the third quarter of this year.

At 99 % (2Q 2015: 99 %; 3Q 2014: 99 %), capacities of the cartonboard division were almost fully utilized. Average prices for cartonboard were slightly above those of the previous year's period. The operating margin of MM Karton amounted to 9.6 % following 8.5 % in the second quarter of 2015 and 7.8 % in the third quarter of 2014.

The operating margin of MM Packaging reached 10.5 % (2Q 2015: 7.9 %; 3Q 2014: 9.0 %).

The Group's operating profit totaled EUR 58.1 million (2Q 2015: EUR 45.7 million; 3Q 2014: EUR 47.8 million), thus an operating margin of 10.6 % was achieved (2Q 2015: 8.5 %; 3Q 2014: 8.9 %).

The profit for the period amounted to EUR 41.0 million (2Q 2015: EUR 31.7 million; 3Q 2014: EUR 36.5 million).

## FURTHER INFORMATION

In July 2015, the division MM Packaging signed the purchase agreement for the acquisition of the folding carton business of Ileos SA, France, and closed the transaction by the end of October 2015. The inclusion into the Group has been effected as of October 30, 2015. The company produces folding cartons for the pharmaceutical industry at five sites and for luxury articles and cosmetics at two sites. The production sites are located in France. In the financial year 2014, sales of approximately EUR 115 million were generated and about 26,000 tons of cartonboard and 6,000 tons of paper were converted. Customer portfolio and market shares fit into the industrial growth strategy of MM Packaging.

## RISK REPORT

Material single risks as well as the structure of the risk management system are described in our Annual Report of 2014. Further risks were not identified in the first three quarters of 2015 and are also not expected for the remaining financial year.

## OUTLOOK

Since the order intake from the cartonboard market is currently much more restrained, the order backlog of MM Karton has noticeably come down. Earnings performance is, however, expected to continue on a good level also in the fourth quarter of 2015 due to continuity at MM Packaging. So far, there is no sign of relief in prices for recovered paper, which significantly increased some months ago.

Current business remains focused on improvements in cost efficiency and product optimization in order to develop new market potential and maintain profitability. The expansion course shall continue through organic growth as well as acquisitions in the core business, cartonboard and folding cartons.

## DIVISIONS

## DIVISIONS

### MM Karton

Development on the European cartonboard market was characterized by a high degree of continuity in the first three quarters of 2015. At 99 % (1-3Q 2014: 98 %), capacities at MM Karton were almost fully utilized. At 88,000 tons, the average order backlog of the division was significantly above the value of the previous year's period (1-3Q 2014: 57,000 tons).

Due to the robust market development, prices for recovered paper recorded a significant increase towards the middle of the year, stabilizing at a high level over the summer months. Accordingly, a price increase of cartonboard was implemented.

At 1,259,000 tons, cartonboard production of the first three quarters 2015 was 3.8 % above the comparative figure of the previous year, and tonnage sold, at 1,252,000 tons, was 2.8 % higher (1-3Q 2014: 1,213,000 tons; 1,218,000 tons). Around 84 % of this was sold in Europe and 16 % in markets outside of Europe (1-3Q 2014: 82 %; 18 %). Supported by numerous product optimizations, it was possible to maintain market shares and to seize new opportunities.

In line with volumes, sales increased by 2.5 % to EUR 787.4 million (1-3Q 2014: EUR 767.9 million). In contrast, operating profit improved by around 12.7 % to EUR 66.4 million (1-3Q 2014: EUR 58.9 million), primarily as a result of higher productivity and further cost reductions. The operating margin therefore climbed to 8.4 % (1-3Q 2014: 7.7 %).

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

(in millions of EUR)	1 <sup>st</sup> - 3 <sup>rd</sup> Quarter		+/-
	Jan. 1 - Sep. 30, 2015	Jan. 1 - Sep. 30, 2014	
Sales <sup>1)</sup>	787.4	767.9	+2.5 %
Operating profit	66.4	58.9	+12.7 %
Operating margin (%)	8.4 %	7.7 %	
Tonnage sold (in thousands of tons)	1,252	1,218	+2.8 %
Tonnage produced (in thousands of tons)	1,259	1,213	+3.8 %

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



## MM Packaging

Demand on the European folding carton market was overall solid in the first three quarters of 2015, but without any sign of an economic upturn. Due to sufficient production capacities available on the market, price competition remains with unabated intensity.

MM Packaging therefore focuses on cost leadership through highly efficient production at high-performance locations, convincing quality and comprehensive service along the entire value chain. Timely exploitation of new markets, close cooperation with strong customers and continuous optimization of the product range support the long-term growth course.

The systematic pursuit of this strategy enabled us to increase both sales and profit compared with the same period of the previous year. The overall high capacity utilization of the plants as well as productivity improvements in manufacturing contributed significantly to this.

Sales went up by 2.9 % to EUR 907.9 million (1-3Q 2014: EUR 882.0 million). At EUR 88.2 million, operating profit was 13.7 % above the value of the previous year (1-3Q 2014: EUR 77.6 million) as a result of improved cost efficiency. The operating margin thus amounted to 9.7 % (1-3Q 2014: 8.8 %).

Tonnage processed rose by 2.8 % from 530,000 tons to 545,000 tons and the sheet equivalent by 1.2 % to 1,532.4 million (1-3Q 2014: 1,514.2 million).

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

(in millions of EUR)	1 <sup>st</sup> - 3 <sup>rd</sup> Quarter		
	Jan. 1 - Sep. 30, 2015	Jan. 1 - Sep. 30, 2014	+/-
Sales <sup>1)</sup>	907.9	882.0	+2.9 %
Operating profit	88.2	77.6	+13.7 %
Operating margin (%)	9.7 %	8.8 %	
Tonnage processed (in thousands of tons)	545	530	+2.8 %
Sheet equivalent (in millions)	1,532.4	1,514.2	+1.2 %

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

### MM Packaging Austria concentrates folding carton production on Vienna

MM Packaging Austria with two sites, Vienna and Gunskirchen, Upper Austria, concentrates production on the larger facility in Vienna, securing its future as a high-performance site.

### Expansion Southeast Asia

The site MM Packaging Vidon in Vietnam will be developed for further exploitation of the market in Southeast Asia. The production of the start-up business MM Packaging Malaysia will therefore be integrated into the Vietnamese site.

# Consolidated Balance Sheets

(according to IFRS for interim financial reporting, unaudited)

(all amounts in thousands of EUR)	Notes	End of 3 <sup>rd</sup> Quarter	Year-end
		Sep. 30, 2015	Dec. 31, 2014
<b>ASSETS</b>			
Property, plant and equipment	3	697,036	697,724
Intangible assets including goodwill	3	93,082	97,697
Securities and other financial assets		5,914	7,680
Deferred income taxes		21,005	23,239
<b>Non-current assets</b>		<b>817,037</b>	<b>826,340</b>
Inventories	6	302,787	283,021
Trade receivables		352,090	301,162
Income tax receivables		10,395	10,984
Prepaid expenses, securities and other current assets		48,892	45,418
Cash and cash equivalents		244,009	320,086
<b>Current assets</b>		<b>958,173</b>	<b>960,671</b>
<b>TOTAL ASSETS</b>		<b>1,775,210</b>	<b>1,787,011</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		80,000	80,000
Additional paid-in capital		172,658	172,658
Retained earnings		1,018,165	963,119
Other reserves		(140,520)	(124,190)
<b>Equity attributable to shareholders of the Company</b>		<b>1,130,303</b>	<b>1,091,587</b>
Non-controlling (minority) interests		10,529	10,581
<b>Total equity</b>		<b>1,140,832</b>	<b>1,102,168</b>
Interest-bearing financial liabilities	8	131,273	156,724
Provisions for non-current liabilities and charges		112,505	121,211
Deferred income taxes		11,650	12,336
<b>Non-current liabilities</b>		<b>255,428</b>	<b>290,271</b>
Interest-bearing financial liabilities	8	76,647	109,187
Current tax liabilities		19,424	12,925
Trade liabilities		168,171	170,821
Deferred income and other current liabilities		85,900	83,699
Provisions for current liabilities and charges		28,808	17,940
<b>Current liabilities</b>		<b>378,950</b>	<b>394,572</b>
<b>Total liabilities</b>		<b>634,378</b>	<b>684,843</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,775,210</b>	<b>1,787,011</b>

# Consolidated Income Statements

(according to IFRS for interim financial reporting, unaudited)

	Notes	3 <sup>rd</sup> Quarter		1 <sup>st</sup> - 3 <sup>rd</sup> Quarter	
		Jul. 1 - Sep. 30, 2015	Jul. 1 - Sep. 30, 2014	Jan. 1 - Sep. 30, 2015	Jan. 1 - Sep. 30, 2014
(all amounts in thousands of EUR, except per share data)					
Sales	10	548,124	537,898	1,617,766	1,570,994
Cost of sales		(415,048)	(415,848)	(1,237,740)	(1,214,763)
<b>Gross margin</b>		<b>133,076</b>	<b>122,050</b>	<b>380,026</b>	<b>356,231</b>
Other operating income		2,603	1,638	6,917	7,473
Selling and distribution expenses		(52,171)	(51,220)	(156,588)	(153,147)
Administrative expenses		(25,470)	(24,498)	(75,754)	(73,740)
Other operating expenses		(11)	(94)	(50)	(284)
<b>Operating profit</b>		<b>58,027</b>	<b>47,876</b>	<b>154,551</b>	<b>136,533</b>
Financial income		654	252	1,452	1,115
Financial expenses		(1,587)	(1,147)	(4,746)	(3,763)
Other financial result – net		(1,143)	1,769	(4,489)	(2,429)
<b>Profit before tax</b>		<b>55,951</b>	<b>48,750</b>	<b>146,768</b>	<b>131,456</b>
Income tax expense		(14,999)	(12,225)	(38,589)	(33,965)
<b>Profit for the period</b>		<b>40,952</b>	<b>36,525</b>	<b>108,179</b>	<b>97,491</b>
<b>Attributable to:</b>					
Shareholders of the Company		40,609	36,451	107,275	97,138
Non-controlling (minority) interests		343	74	904	353
<b>Profit for the period</b>		<b>40,952</b>	<b>36,525</b>	<b>108,179</b>	<b>97,491</b>
<b>Earnings per share for the profit attributable to the shareholders of the Company during the period:</b>					
Basic and diluted earnings per share (in EUR)		2.03	1.83	5.36	4.86

# Consolidated Comprehensive Income Statements

(according to IFRS for interim financial reporting, unaudited)

	3 <sup>rd</sup> Quarter		1 <sup>st</sup> - 3 <sup>rd</sup> Quarter	
	Jul. 1 - Sep. 30, 2015	Jul. 1 - Sep. 30, 2014	Jan. 1 - Sep. 30, 2015	Jan. 1 - Sep. 30, 2014
(all amounts in thousands of EUR)				
<b>Profit for the period<sup>1)</sup></b>	<b>40,952</b>	<b>36,525</b>	<b>108,179</b>	<b>97,491</b>
<b>Profit (loss) directly recognized in equity:</b>				
Measurement of defined benefit pension and severance obligations	329	(7,854)	7,839	(15,582)
Effects of income taxes	(160)	1,252	(1,613)	2,986
<b>Total of items that will not be reclassified ("recycled") subsequently to the income statement</b>	<b>169</b>	<b>(6,602)</b>	<b>6,226</b>	<b>(12,596)</b>
Foreign currency translations	(31,010)	(34)	(22,702)	(6,797)
<b>Total of items that will be reclassified ("recycled") subsequently to the income statement</b>	<b>(31,010)</b>	<b>(34)</b>	<b>(22,702)</b>	<b>(6,797)</b>
<b>Total profit (loss) directly recognized in equity – net<sup>1)</sup></b>	<b>(30,841)</b>	<b>(6,636)</b>	<b>(16,476)</b>	<b>(19,393)</b>
<b>Total profit for the period</b>	<b>10,111</b>	<b>29,889</b>	<b>91,703</b>	<b>78,098</b>
<b>Attributable to:</b>				
Shareholders of the Company	10,405	29,182	90,945	77,233
Non-controlling (minority) interests	(294)	707	758	865
<b>Total profit for the period</b>	<b>10,111</b>	<b>29,889</b>	<b>91,703</b>	<b>78,098</b>

<sup>1)</sup> In the first three quarters of 2015 an amount of thous. EUR -727 (1-3Q 2014: thous. EUR -2,698) was reclassified from foreign currency translations directly recognized in equity to the profit for the period, thereof thous. EUR 196 in the third quarter of 2015 (3Q 2014: thous. EUR -1,121).

# Consolidated Statements of Changes in Equity

(according to IFRS for interim financial reporting, unaudited)

(all amounts in thousands of EUR) Notes	Equity attributable to shareholders of the Company							Non-controlling (minority) interests	Total equity
	Share capital	Additional paid-in capital	Retained earnings	Profit (loss) directly recognized in equity			Total		
				Foreign currency translations	Actuarial gains and losses	Other reserves			
<b>Balance at January 1, 2015</b>	<b>80,000</b>	<b>172,658</b>	<b>963,119</b>	<b>(76,192)</b>	<b>(47,998)</b>	<b>(124,190)</b>	<b>1,091,587</b>	<b>10,581</b>	<b>1,102,168</b>
Total profit for the period			107,275	(22,555)	6,225	(16,330)	90,945	758	91,703
Dividends paid 7			(52,000)				(52,000)	(562)	(52,562)
Change in majority interests			(229)				(229)	(248)	(477)
<b>Balance at September 30, 2015</b>	<b>80,000</b>	<b>172,658</b>	<b>1,018,165</b>	<b>(98,747)</b>	<b>(41,773)</b>	<b>(140,520)</b>	<b>1,130,303</b>	<b>10,529</b>	<b>1,140,832</b>
<b>Balance at January 1, 2014</b>	<b>80,000</b>	<b>172,658</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>
Total profit for the period			97,138	(7,346)	(12,559)	(19,905)	77,233	865	78,098
Dividends paid 7			(96,000)				(96,000)	(1,214)	(97,214)
Change in majority interests			(399)	34		34	(365)	479	114
<b>Balance at September 30, 2014</b>	<b>80,000</b>	<b>172,658</b>	<b>929,381</b>	<b>(59,330)</b>	<b>(40,111)</b>	<b>(99,441)</b>	<b>1,082,598</b>	<b>10,202</b>	<b>1,092,800</b>

# Consolidated Cash Flow Statements

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

	1 <sup>st</sup> - 3 <sup>rd</sup> Quarter	
	Jan. 1 - Sep. 30, 2015	Jan. 1 - Sep. 30, 2014
(all amounts in thousands of EUR)		
Profit for the period	108,179	97,491
Adjustments to reconcile profit for the period to net cash from operating activities excluding interest and taxes paid	113,244	101,295
<b>Net cash from profit</b>	<b>221,423</b>	<b>198,786</b>
Changes in working capital	(54,897)	(72,703)
<b>Cash flow from operating activities excluding interest and taxes paid</b>	<b>166,526</b>	<b>126,083</b>
Income taxes paid	(31,105)	(29,461)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>135,421</b>	<b>96,622</b>
Purchases of property, plant and equipment, and intangible assets (incl. payments on account)	(96,966)	(96,166)
Other items	160	1,478
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(96,806)</b>	<b>(94,688)</b>
Change in interest-bearing financial liabilities	(56,751)	(7,012)
Dividends paid to the shareholders of the Company	(52,000)	(96,000)
Other items	(3,693)	(17,733)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(112,444)</b>	<b>(120,745)</b>
Effect of exchange rate changes on cash and cash equivalents	(2,248)	(84)
<b>Change in cash and cash equivalents</b>	<b>(76,077)</b>	<b>(118,895)</b>
<b>Cash and cash equivalents at the beginning of the period (according to the consolidated balance sheet)</b>	<b>320,086</b>	<b>297,920</b>
<b>Cash and cash equivalents at the end of the period (according to the consolidated balance sheet)</b>	<b>244,009</b>	<b>179,025</b>
<b>Adjustments to reconcile cash and cash equivalents to total funds available to the Group:</b>		
Current and non-current securities	3,364	4,756
<b>Total funds available to the Group</b>	<b>247,373</b>	<b>183,781</b>

In the consolidated cash flow statement for the first three quarters of 2014 insignificant reclassifications were made.

# Notes to the Consolidated Quarterly Financial Statements

## 1 — GENERAL

These condensed consolidated quarterly financial statements and notes thereto of Mayr-Melnhof Karton AG and its controlled subsidiaries have been prepared in accordance with IFRS for interim financial reporting (IAS 34) as adopted by the European Union and were neither voluntarily audited nor reviewed by an auditor. The condensed consolidated quarterly financial statements do not include all obligatory information and disclosures required in the annual financial statements, and therefore should be read in conjunction with the Group's annual financial statements as of December 31, 2014.

The present condensed consolidated quarterly financial statements have been prepared using the same accounting principles as for the consolidated financial statements as of December 31, 2014.

As of January 1, 2015 respectively February 1, 2015 the following new or revised accounting regulations are initially applicable:

<b>New interpretation</b>	<b>Content</b>	<b>Effective</b>
IFRIC 21	Levies	Jan. 1, 2015
<b>Revised standards</b>	<b>Content</b>	<b>Effective</b>
IAS 19	Employee Benefits: Employee Contributions to Defined Benefit Plans	Feb. 1, 2015
	Annual Improvements to IFRSs – 2010-2012 Cycle	Feb. 1, 2015
	Annual Improvements to IFRSs – 2011-2013 Cycle	Jan. 1, 2015

If individually applicable, the effective regulations were adopted in the present condensed consolidated quarterly financial statements. However, this does not have any significant impact on the presentation of the financial situation and profitability.

The business performance of Mayr-Melnhof Karton AG is generally not affected by any significant seasonal effects. Information regarding the cyclical influences on the business activity of the Group can be found in the quarterly management report.

The increase in working capital, primarily inventories and trade receivables, was caused by higher business activity.

The valuation of defined benefit pension and severance obligations is determined on the basis of an actuarial opinion as of the respective annual reporting date. If any significant changes in the actuarial assumptions arise during the current financial year, a remeasurement of the recognized net defined benefit liability will be recorded.

The change in provisions for non-current liabilities and charges was primarily due to an adjustment of the discount rate for defined benefit pension respectively severance obligations to 2.81 % for both as of September 30, 2015 (December 31, 2014: both at 2.40 %).

The rise in provisions for current liabilities and charges mainly results from an increase in provisions for premiums and bonuses to customers.

## 2 — CHANGES IN THE CONSOLIDATED COMPANIES AND FURTHER INFORMATION

In January 2015, the division MM Karton founded the sales office MM Karton Turkey Ticaret Limited Sirketi, located in Istanbul, Turkey.

In May 2015 MM Graphia Dortmund GmbH, located in Dortmund, Germany, was merged with MM Graphia Bielefeld GmbH, located in Bielefeld, Germany.

In August 2015, the division MM Packaging settled the outstanding contingent share purchase price liability related to the acquisition of MM Packaging Vidon Limited Liability Company, Ho Chi Minh City, Vietnam, in December 2013, in the amount of thous. VND 85,929,266 (equivalent to thous. EUR 3,532). The interest in the company remains unchanged at 65.10 %.

By September 30, 2015 the division MM Packaging acquired additional shares in Al-Ekbal Printing & Packaging Co., Amman, Jordan, so that the interest increased from 84.32 % as of December 31, 2014 to 86.66 %.

By September 30, 2015, the division MM Packaging acquired additional shares of Mayr-Melnhof Printing and Packaging Tehran Company, Private Joint Stock, Tehran, Iran, so that the interest increased from 96.75 % as of December 31, 2014 to 99.29 %.

By the end of 2015, the division MM Packaging will cease the production of the Austrian site Gunskirchen and integrate it into the bigger site of Mayr-Melnhof Packaging Austria GmbH in Vienna. The restructuring expenses booked until September 30, 2015 amounted to thous. EUR 3,237.

By the end of 2015, the division MM Packaging will cease the production at the site MM Packaging Malaysia SDN. BHD., Kuala Lumpur, Malaysia, which will be integrated into the Vietnamese site in Ho Chi Minh City.

### 3 — DEVELOPMENT OF FIXED ASSETS

The Group spent a total of thous. EUR 84,022 (1-3Q 2014: thous. EUR 97,305) on acquiring property, plant and equipment and intangible assets in the first three quarters of 2015. The carrying amount of disposals of property, plant and equipment and intangible assets amounted to thous. EUR 1,393 (1-3Q 2014: thous. EUR 918).

Depreciation and amortization on property, plant and equipment and intangible assets amounted to thous. EUR 71,860 (1-3Q 2014: thous. EUR 69,643).

Net book values of property, plant and equipment and intangible assets including goodwill are composed as follows:

	<b>End of 3<sup>rd</sup> Quarter</b>	<b>Year-end</b>
(all amounts in thousands of EUR)	<b>Sep. 30, 2015</b>	<b>Dec. 31, 2014</b>
Lands, similar land rights and buildings	248,684	257,211
Technical equipment and machines	322,557	348,112
Other equipment, fixtures and fittings	36,867	39,247
Construction in progress	88,928	53,154
<b>Property, plant and equipment</b>	<b>697,036</b>	<b>697,724</b>
	<b>End of 3<sup>rd</sup> Quarter</b>	<b>Year-end</b>
(all amounts in thousands of EUR)	<b>Sep. 30, 2015</b>	<b>Dec. 31, 2014</b>
Concessions, licenses and similar rights	7,132	7,007
Goodwill	75,062	77,273
Other intangible assets	10,888	13,417
<b>Intangible assets including goodwill</b>	<b>93,082</b>	<b>97,697</b>

### 4 — PURCHASE COMMITMENTS

On September 30, 2015 purchase obligations for fixed assets regarding planned capital expenditures maturing within one year amounted to thous. EUR 35,042 (December 31, 2014: thous. EUR 29,545).



## 5 — 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.

Financial assets of the Group consist of 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 as well as derivative financial instruments with a positive balance.

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 taxes and other charges) as well as derivative financial instruments with a negative balance.

The financial assets and financial liabilities are measured either at fair value or at amortized cost.

### a — Measurement at fair value

The amounts of financial assets, which are recorded in the consolidated balance sheet under the position "Prepaid expenses, securities and other current assets" as well as of financial liabilities, recorded in the consolidated balance sheet under the position "Deferred income and other current liabilities", which are recognized at their fair value, are as follows:

(all amounts in thousands of EUR)	Level 2	
	End of 3 <sup>rd</sup> Quarter	Year-end
	Sep. 30, 2015	Dec. 31, 2014
<b>Financial assets:</b>		
Derivative financial instruments	739	1,264
<b>Financial liabilities:</b>		
Derivative financial instruments	640	970

### Measurement methods

Depending on the availability of market price information, the Group uses the following hierarchy for the determination of the measurement method and presentation of fair values of financial instruments:

Availability of information, broken down by levels	Measurement method used
Level 2 – Quoted market prices for identical instruments are not available but all required measurement parameters can be derived from active markets	Measurement based on valuation methods by applying directly or indirectly observable market data

The fair values of foreign currency forward contracts (level 2 measurement) are measured according to the spot rates at the balance sheet date considering forward premiums and discounts with corresponding maturities.

In general there are also financial instruments measured at fair value based on the prices quoted on active markets (level 1 measurement) or using parameters for which no observable market data exists (level 3 measurement). Currently there are no such significant financial instruments in the Mayr-Melnhof Group, for which these measurement methods would be applicable.

## b — Measurement at amortized costs

The amounts of trade receivables, held-to-maturity securities measured at amortized cost, cash and cash equivalents, share purchase price and option liabilities and other financial liabilities disclosed in the consolidated balance sheet represent a reasonable approximation value of the fair value.

The 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. As of September 30, 2015 these liabilities were at thous. EUR 6,484 (December 31, 2014: thous. EUR 8,885). The change is primarily attributed to the valuation and payment of the contingent share purchase price liability arising from the acquisition of interest in Vietnam as well as the valuation of the option liability attributed to the acquisition in Malaysia.

The available-for-sale financial assets include equity shares in non-consolidated companies as of September 30, 2015 in amount of thous. EUR 1,699 (December 31, 2014: thous. EUR 1,699). There is no active market for these equity shares. As in this regard the future cash flows cannot be reliably measured, a market value cannot be determined by valuation models. The equity shares in these companies are therefore reported at amortized cost. There is basically no intention to sell these equity shares. No derecognition or significant valuation results were recorded.

## 6 — INVENTORIES

In the first three quarters of 2015 the write-downs of inventories recognized as an expense under costs of goods sold amounted to thous. EUR 6,568 (1-3Q 2014: thous. EUR 6,206), the reversal of write-downs of inventories recognized as income amounted to thous. EUR 71 (1-3Q 2014: thous. EUR 71).

## 7 — EQUITY

**Dividend**

By the 21<sup>st</sup> Ordinary Shareholder's Meeting, a dividend of EUR 2.60 (2013: EUR 2.40 plus an anniversary bonus of EUR 2.40) per voting share, which was due on May 12, 2015, was resolved for the year 2014. On schedule a total of thous. EUR 52,000 (previous year: thous. EUR 48,000 plus an anniversary bonus of thous. EUR 48,000) was distributed to the shareholders.

Furthermore Mayr-Melnhof Karton AG has distributed an interim dividend of EUR 1.60 per voting share, resolved in October, for the financial year 2015, which was due on November 10, 2015. On schedule a total of thous. EUR 32,000 was paid to the shareholders.

## 8 — FINANCIAL LIABILITIES

Financial liabilities of the Group are as follows:

	<b>End of 3<sup>rd</sup> Quarter</b>	<b>Year-end</b>
(all amounts in thousands of EUR)	<b>Sep. 30, 2015</b>	<b>Dec. 31, 2014</b>
Non-current interest-bearing financial liabilities	131,273	156,724
Current interest-bearing financial liabilities	76,647	109,187
<b>Interest-bearing financial liabilities</b>	<b>207,920</b>	<b>265,911</b>

## 9 — DISCLOSURE ON TRANSACTIONS WITH RELATED PARTIES

Raw materials for the production of cartonboard amounting to thous. EUR 5,777 were purchased from other related companies in the first three quarters of 2015 (1-3Q 2014: thous. EUR 6,593). On September 30, 2015, trade liabilities with other related companies amounted to thous. EUR 720 (December 31, 2014: thous. EUR 1,031).

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

## 10 — SEGMENT REPORTING INFORMATION

The Group measures the performance of its operating segments through the assessment of operating profit and profit for the period, as they are presented in the consolidated income statements.

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

(all amounts in thousands of EUR)	1 <sup>st</sup> - 3 <sup>rd</sup> Quarter 2015			
	MM Karton	MM Packaging	Eliminations	Consolidated
Sales to external customers	710,663	907,103	0	1,617,766
Intersegment sales	76,793	771	(77,564)	0
<b>Total sales</b>	<b>787,456</b>	<b>907,874</b>	<b>(77,564)</b>	<b>1,617,766</b>
Operating profit	66,403	88,148	0	154,551
Profit for the period	46,917	61,262	0	108,179
Segment assets <sup>1)</sup>	975,991	876,042	(76,823)	1,775,210
Segment liabilities <sup>1)</sup>	299,297	411,904	(76,823)	634,378

<sup>1)</sup> as of September 30, 2015

(all amounts in thousands of EUR)	1 <sup>st</sup> - 3 <sup>rd</sup> Quarter 2014			
	MM Karton	MM Packaging	Eliminations	Consolidated
Sales to external customers	689,656	881,338	0	1,570,994
Intersegment sales	78,227	649	(78,876)	0
<b>Total sales</b>	<b>767,883</b>	<b>881,987</b>	<b>(78,876)</b>	<b>1,570,994</b>
Operating profit	58,927	77,606	0	136,533
Profit for the period	42,979	54,512	0	97,491
Segment assets <sup>1)</sup>	992,732	864,765	(70,486)	1,787,011
Segment liabilities <sup>1)</sup>	342,022	413,307	(70,486)	684,843

<sup>1)</sup> as of December 31, 2014

The operating profit and profit for the period in the total column "consolidated" correspond to the consolidated income statements. The reconciliation from operating profit to profit for the period can therefore be derived from the consolidated income statements.

## 11 — SIGNIFICANT SUBSEQUENT EVENTS

As of October 30, 2015, the division MM Packaging acquired 100 % of the shares in Alliora SAS (renamed to MMP Premium SAS) as well as in its 100 % subsidiary Packetis SAS (renamed to MM Packetis SAS), France. The company produces folding cartons for pharmaceutical industry at five sites and for luxury articles and cosmetics at two sites. The aim of the acquisition is intensified exploitation of these markets. For the debt-free acquisition thous. EUR 85,488 have been paid. The contractual parties are bound to a final settlement based on the working capital as well as net debt of the acquired plants as of the closing date, which can lead to minor adjustments of the payment. Additionally, service agreements on arm's length basis were closed with the seller, which are not part of the acquisition. As a consequence of the time restrictions of the closing few days prior to issuing the quarterly financial statements, there are neither interim financial statements of the acquired companies nor final valuation reports as of October 30, 2015 available and therefore there is no further information, which would have enabled us to make comprehensive disclosures. Consequently, these will be reported in the consolidated financial statements as of December 31, 2015.

# Quarterly Overview

(according to IFRS for interim financial reporting, unaudited)

## MAYR-MELNHOF GROUP

(consolidated, in millions of EUR)	1 <sup>st</sup> Quarter 2014	2 <sup>nd</sup> Quarter 2014	3 <sup>rd</sup> Quarter 2014	4 <sup>th</sup> Quarter 2014	1 <sup>st</sup> Quarter 2015	2 <sup>nd</sup> Quarter 2015	3 <sup>rd</sup> Quarter 2015
Sales	523.9	509.2	537.9	516.4	533.9	535.7	548.1
EBITDA	68.5	65.0	70.1	64.8	74.0	70.1	81.4
EBITDA margin (%)	13.1 %	12.8 %	13.0 %	12.5 %	13.9 %	13.1 %	14.9 %
Operating profit	46.2	42.5	47.8	43.7	50.8	45.7	58.1
Operating margin (%)	8.8 %	8.3 %	8.9 %	8.5 %	9.5 %	8.5 %	10.6 %
Profit before tax	43.3	39.4	48.8	39.5	47.6	43.2	56.0
Income tax expense	(11.2)	(10.5)	(12.3)	(5.4)	(12.1)	(11.5)	(15.0)
Profit for the period	32.1	28.9	36.5	34.1	35.5	31.7	41.0
Net profit margin (%)	6.1 %	5.7 %	6.8 %	6.6 %	6.6 %	5.9 %	7.5 %
Earnings per share (basic and diluted in EUR)	1.59	1.44	1.83	1.68	1.77	1.56	2.03

## DIVISIONS

### MM Karton

(in millions of EUR)	1 <sup>st</sup> Quarter 2014	2 <sup>nd</sup> Quarter 2014	3 <sup>rd</sup> Quarter 2014	4 <sup>th</sup> Quarter 2014	1 <sup>st</sup> Quarter 2015	2 <sup>nd</sup> Quarter 2015	3 <sup>rd</sup> Quarter 2015
Sales <sup>1)</sup>	259.4	252.0	256.5	234.9	258.9	263.5	265.0
Operating profit	18.8	20.2	19.9	15.8	18.6	22.3	25.5
Operating margin (%)	7.2 %	8.0 %	7.8 %	6.7 %	7.2 %	8.5 %	9.6 %
Tonnage sold (in thousands of tons)	408	398	412	368	421	413	418
Tonnage produced (in thousands of tons)	401	404	408	372	415	422	422

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

### MM Packaging

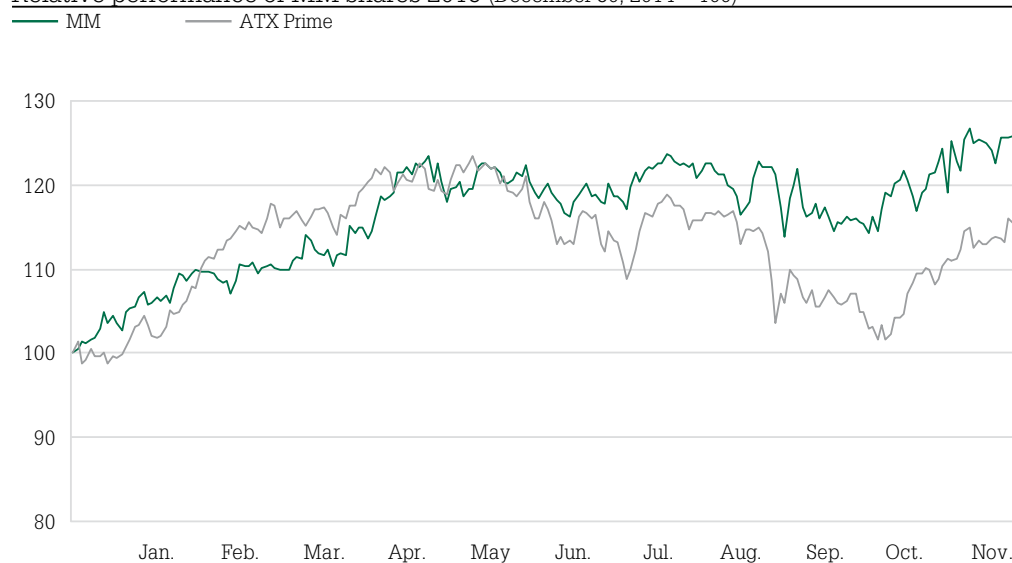
(in millions of EUR)	1 <sup>st</sup> Quarter 2014	2 <sup>nd</sup> Quarter 2014	3 <sup>rd</sup> Quarter 2014	4 <sup>th</sup> Quarter 2014	1 <sup>st</sup> Quarter 2015	2 <sup>nd</sup> Quarter 2015	3 <sup>rd</sup> Quarter 2015
Sales <sup>1)</sup>	290.4	282.6	309.0	305.7	300.7	297.5	309.7
Operating profit	27.4	22.3	27.9	27.9	32.2	23.4	32.6
Operating margin (%)	9.4 %	7.9 %	9.0 %	9.1 %	10.7 %	7.9 %	10.5 %
Tonnage processed (in thousands of tons)	178	173	179	172	182	176	187
Sheet equivalent (in millions)	501.8	484.8	527.6	482.4	503.0	498.3	531.1

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

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

# Mayr-Melnhof Shares

Relative performance of MM shares 2015 (December 30, 2014 = 100)



Share price (closing price)

as of November 9, 2015	108.25
2015 High	108.90
2015 Low	86.49
Stock performance (Year-end 2014 until November 9, 2015)	25.87 %
Number of shares issued	20 million
Market capitalization as of November 9, 2015 (in millions of EUR)	2,165.00
Trading volume (average per day 1-3Q 2015 in millions of EUR)	1.08

We have prepared this report and reviewed the figures with the greatest possible care. Nevertheless, rounding, typographical and printing errors cannot be excluded. The aggregation of rounded amounts and percentages may result in rounding differences due to the use of automated computational aids. This report also contains forward-looking estimates and statements based on the information currently available to us. Please note that a wide variety of factors could cause actual circumstances – and hence actual results – to deviate from the expectations contained in this report.

Statements referring to people are valid for both men and women.

This interim report is also available in German. In case of doubt, the German version takes precedence.

# Financial Calendar 2016

March 15, 2016	Financial results for 2015
April 28, 2016	22 <sup>nd</sup> Ordinary Shareholders' Meeting – Vienna
May 3, 2016	Ex-Dividend day
May 4, 2016	Record date "dividends"
May 10, 2016	Dividend payment date
May 19, 2016	Results for the 1 <sup>st</sup> quarter of 2016
August 18, 2016	Results for the 1 <sup>st</sup> half-year of 2016
November 15, 2016	Results for the first three quarters of 2016

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