



1Q/16

Report for the 1st quarter of 2016

- Good first quarter
- Growth again in sales and profit
- Visibility is currently decreasing

Group Key Indicators

(according to IFRS for interim financial reporting, unaudited)

(consolidated, in millions of EUR)	1 st Quarter		+/-
	Jan. 1 - Mar. 31, 2016	Jan. 1 - Mar. 31, 2015	
Consolidated sales	576.0	533.9	+7.9 %
EBITDA	80.3	74.0	+8.5 %
EBITDA margin (%)	13.9 %	13.9 %	
Operating profit	55.2	50.8	+8.7 %
Operating margin (%)	9.6 %	9.5 %	
Profit before tax	53.2	47.6	+11.8 %
Income tax expense	(13.8)	(12.1)	
Profit for the period	39.4	35.5	+11.0 %
Net profit margin (%)	6.8 %	6.6 %	
Basic and diluted earnings per share (in EUR)	1.96	1.77	
Cash earnings	64.7	59.7	+8.4 %
Cash earnings margin (%)	11.2 %	11.2 %	
Capital expenditures (CAPEX)	31.9	22.0	+45.0 %
Depreciation and amortization	25.4	24.2	+5.0 %

	Balance sheet date	
	Mar. 31, 2016	Dec. 31, 2015
Total equity (in millions of EUR)	1,171.7	1,144.2
Total assets (in millions of EUR)	1,933.1	1,900.3
Total equity to total assets (%)	60.6 %	60.2 %
Net debt (in millions of EUR)	(35.2)	(35.0)
Enterprise value (in millions of EUR)	2,083.2	2,263.6
Employees	9,871	9,938

Group Report

DEAR SHAREHOLDERS,

Your Company was able to solidly maintain its position in the first quarter of 2016 despite a considerably restrained market environment. Both divisions succeeded in increasing their business volumes and thus registered an overall good capacity utilization of production sites. The acquisition of a folding carton group in France at the end of October last year contributed an expected growth compared to the previous year.

With a largely stable development on the procurement markets, high price discipline and cost efficiency enabled MM Karton and MM Packaging to keep the yield from the business at the good level of the previous year.

Due to a continuous lack of impulses from the overall economy, the situation on our markets is characterized by a further decrease in visibility and therefore high competition. The priority lies on safeguarding profitability as best as possible as well as maintaining respectively extending our market shares.

INCOME STATEMENT

The Group's consolidated sales rose by 7.9 % or EUR 42.1 million to EUR 576.0 million (1Q 2015: EUR 533.9 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 st Quarter	
	Jan. 1 - Mar. 31, 2016	Jan. 1 - Mar. 31, 2015
Western Europe	60.3 %	59.0 %
Eastern Europe	25.2 %	25.8 %
Asia	5.5 %	5.4 %
Latin America	4.7 %	5.5 %
Other	4.3 %	4.3 %
Total	100.0 %	100.0 %

Analogously, a rise in operating profit of 8.7 % or EUR 4.4 million to EUR 55.2 million (1Q 2015: EUR 50.8 million) was reached. It was therefore possible to maintain the Group's operating margin with 9.6 % at the good level of the comparative period of the previous year (1Q 2015: 9.5 %).

Financial income of EUR 0.7 million (1Q 2015: EUR 0.4 million) was offset by financial expenses of EUR -1.6 million (1Q 2015: EUR -1.6 million). The Mayr-Melnhof Group was not charged any negative interest for financial investments also in the first three months of 2016.

Profit before tax thus rose by 11.8 % to EUR 53.2 million (1Q 2015: EUR 47.6 million). Income tax expense totaled EUR 13.8 million (1Q 2015: EUR 12.1 million), resulting in an effective Group tax rate of 25.9 % (1Q 2015: 25.4 %).

Profit for the period went up by 11.0 % to EUR 39.4 million (1Q 2015: EUR 35.5 million). This corresponds to 6.8 % of sales (1Q 2015: 6.6 %). With an unchanged total of 20,000,000 shares outstanding, earnings per share amounted to EUR 1.96 (1Q 2015: EUR 1.77).

ASSETS, CAPITAL AND LIQUID FUNDS

As of March 31, 2016, the Group's total assets amounted to EUR 1,933.1 million and were thus EUR 32.8 million higher than the comparative figure as of December 31, 2015 (EUR 1,900.3 million). This growth primarily results from a profit-related rise in equity from EUR 1,144.2 million to EUR 1,171.7 million as well as an increase in working capital due to higher business activity.

Financial liabilities, principally of a long-term character, remained almost unchanged at EUR 292.4 million (December 31, 2015: EUR 293.3 million). Total funds available to the Group were largely constant at EUR 257.2 million (December 31, 2015: EUR 258.3 million), with the net debt of EUR -35.2 million (December 31, 2015: EUR -35.0 million) at the previous year's level.

Current assets climbed by EUR 25.1 million to EUR 997.3 million (December 31, 2015: EUR 972.2 million), primarily due to increased business activity compared to the end of 2015. With EUR 124.9 million provisions for non-current liabilities relating to employee benefits were, as a result of lower interest level, over the value as of December 31, 2015 of EUR 118.1 million.

CASH FLOW DEVELOPMENT

Cash flow from operating activities increased mainly profit-related from EUR 37.7 million to EUR 42.1 million.

Cash flow from investing activities went up from EUR -33.2 million to EUR -39.4 million. This rise is primarily attributable to higher payments for the acquisition of property, plant and equipment. Besides technological innovations in both divisions, one area of focus lies on the replacement of the power station at the cartonboard mill Frohnleiten, Austria.

Cash flow from financing activities decreased mainly due to lower repayments of financial liabilities to EUR -2.0 million following EUR -11.4 million in the comparative period of the previous year.

RISK REPORT

Material single risks as well as the structure of the risk management system are described in our Annual Report of 2015. Further risks were not identified in the first quarter of 2016 and are also not expected for the remaining financial year.

OUTLOOK

Looking ahead, the increasingly challenging overall conditions are apparent. The visibility of demand on the cartonboard and folding carton markets has currently become noticeably more short-term and thus, the situation ongoing competitive. Adherence to a consistent price policy ahead of capacity utilization remains as always our priority. Hence, the strong profit development in the first quarter will be a challenge for the subsequent quarters.

As in the past, aside from exploitation of organic growth possibilities, we will also lay a great emphasis on our course of expansion through acquisitions.

DIVISIONS

DIVISIONS

MM Karton

While demand on the European cartonboard markets continued to develop steadily in the first three months of 2016, it currently appears without any momentum. The main focus in a correspondingly competitive environment is on maintaining price levels and market shares.

The average order backlog for MM Karton was approximately 57,000 tons, following 85,000 tons in the comparative period of the previous year. At 97 %, capacity utilization of the cartonboard machines was slightly below the previous year (1Q 2015: 99 %). The main reasons for this were scheduled downtimes for necessary maintenance as well as investment projects.

Most input factors on the procurement markets showed a largely stable development in the first months of 2016. Prices for recovered paper declined from the peak values of the previous year and have since then been moving sideways at a high level.

With 419,000 tons produced and 427,000 tons sold, volumes were slightly higher than in the previous year (1Q 2015: 415,000 tons and 421,000 tons respectively). Of this, 81 % was sold on European markets and 19 % outside of Europe (1Q 2015: 82 %; 18 %).

Simultaneously to volumes, sales rose by 1.7 % from EUR 258.9 million to EUR 263.4 million. Operating profit went up by 8.6 % to EUR 20.2 million (1Q 2015: EUR 18.6 million), while with 7.7 % an operating margin above the first quarter of the previous year (1Q 2015: 7.2 %) could be achieved.

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

(in millions of EUR)	1 st Quarter		+/-
	Jan. 1 - Mar. 31, 2016	Jan. 1 - Mar. 31, 2015	
Sales ¹⁾	263.4	258.9	+1.7 %
Operating profit	20.2	18.6	+8.6 %
Operating margin (%)	7.7 %	7.2 %	
Tonnage sold (in thousands of tons)	427	421	+1.4 %
Tonnage produced (in thousands of tons)	419	415	+1.0 %

¹⁾ including interdivisional sales

Market launch FOODBOARD™

FOODBOARD™, a new, high-quality, coated cartonboard with a unique functional barrier for safe primary food packaging, has been available on the market since the first quarter of 2016.

MM Packaging

Demand on the European folding carton market was still throughout restrained in the first quarter of 2016. So far, even the core markets like Germany remained without momentum whereby the present development is consistently subdued.

Nevertheless, against this background, MM Packaging achieved overall good capacity utilization at its production sites in the first quarter. The acquisition in France, which was integrated into the division from end of October last year, made the major contribution to growth compared with the previous year.

As a consequence, there was an increase in both sales and profit compared with the comparative period of the previous year. Sales went up by 12.8 % or EUR 38.5 million to EUR 339.2 million (1Q 2015: EUR 300.7 million) with a majority of this growth resulting from the last year's acquisition. Operating profit rose by 8.7 % to EUR 35.0 million (1Q 2015: EUR 32.2 million), thus the operating margin of 10.3 % (1Q 2015: 10.7 %) could be maintained at a high level.

Tonnage processed grew by 3.8 % from 182,000 tons to 189,000 tons, the sheet equivalent by 11.8 % from 503.0 million to 562.2 million.

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

(in millions of EUR)	1 st Quarter		+/-
	Jan. 1 - Mar. 31, 2016	Jan. 1 - Mar. 31, 2015	
Sales ¹⁾	339.2	300.7	+12.8 %
Operating profit	35.0	32.2	+8.7 %
Operating margin (%)	10.3 %	10.7 %	
Tonnage processed (in thousands of tons)	189	182	+3.8 %
Sheet equivalent (in millions)	562.2	503.0	+11.8 %

¹⁾ including interdivisional sales

Consolidated Balance Sheets

(according to IFRS for interim financial reporting, unaudited)

(all amounts in thousands of EUR)	Notes	End of 1 st Quarter	Year-end
		Mar. 31, 2016	Dec. 31, 2015
ASSETS			
Property, plant and equipment	2	765,646	759,640
Intangible assets including goodwill	2	131,189	131,388
Securities and other financial assets		5,441	5,821
Deferred income taxes		33,474	31,248
Non-current assets		935,750	928,097
Inventories	5	318,121	320,420
Trade receivables		365,912	339,207
Income tax receivables		8,649	11,011
Prepaid expenses, securities and other current assets		50,486	46,634
Cash and cash equivalents		254,150	254,953
Current assets		997,318	972,225
TOTAL ASSETS		1,933,068	1,900,322
EQUITY AND LIABILITIES			
Share capital		80,000	80,000
Additional paid-in capital		172,658	172,658
Retained earnings		1,059,599	1,020,442
Other reserves		(148,941)	(137,550)
Equity attributable to shareholders of the Company		1,163,316	1,135,550
Non-controlling (minority) interests		8,428	8,605
Total equity		1,171,744	1,144,155
Interest-bearing financial liabilities	7	210,000	210,073
Finance lease liabilities	7	3,342	3,772
Provisions for non-current liabilities and charges		124,897	118,094
Deferred income taxes		19,294	19,655
Non-current liabilities		357,533	351,594
Interest-bearing financial liabilities	7	77,293	77,743
Finance lease liabilities	7	1,721	1,703
Current tax liabilities		19,958	20,873
Trade liabilities		182,102	186,287
Deferred income and other current liabilities		98,113	96,648
Provisions for current liabilities and charges		24,604	21,319
Current liabilities		403,791	404,573
Total liabilities		761,324	756,167
TOTAL EQUITY AND LIABILITIES		1,933,068	1,900,322

Consolidated Income Statements

(according to IFRS for interim financial reporting, unaudited)

(all amounts in thousands of EUR, except per share data)	Notes	1 st Quarter	
		Jan. 1 - Mar. 31, 2016	Jan. 1 - Mar. 31, 2015
Sales	9	576,035	533,895
Cost of sales		(441,764)	(409,302)
Gross margin		134,271	124,593
Other operating income		2,273	2,509
Selling and distribution expenses		(53,489)	(52,183)
Administrative expenses		(27,849)	(24,132)
Other operating expenses		(27)	(6)
Operating profit		55,179	50,781
Financial income		702	363
Financial expenses		(1,643)	(1,557)
Other financial result – net		(1,065)	(1,948)
Profit before tax		53,173	47,639
Income tax expense		(13,828)	(12,098)
Profit for the period		39,345	35,541
Attributable to:			
Shareholders of the Company		39,157	35,318
Non-controlling (minority) interests		188	223
Profit for the period		39,345	35,541
Earnings per share for the profit attributable to the shareholders of the Company during the period:			
Basic and diluted earnings per share (in EUR)		1.96	1.77

Consolidated Comprehensive Income Statements

(according to IFRS for interim financial reporting, unaudited)

	1 st Quarter	
	Jan. 1 - Mar. 31, 2016	Jan. 1 - Mar. 31, 2015
(all amounts in thousands of EUR)		
Profit for the period	39,345	35,541
Profit (loss) directly recognized in equity:		
Actuarial valuation of defined benefit pension and severance obligations	(10,818)	(11,135)
Effects of income taxes	2,525	1,371
Total of items that will not be reclassified subsequently to the income statement	(8,293)	(9,764)
Foreign currency translations	(3,386)	15,612
Total of items that will be reclassified subsequently to the income statement	(3,386)	15,612
Total profit (loss) directly recognized in equity – net	(11,679)	5,848
Total comprehensive income	27,666	41,389
Attributable to:		
Shareholders of the Company	27,766	40,170
Non-controlling (minority) interests	(100)	1,219
Total comprehensive income	27,666	41,389

Consolidated Statements of Changes in Equity

(according to IFRS for interim financial reporting, unaudited)

	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		
(all amounts in thousands of EUR)				Foreign currency translations	Actuarial gains and losses	Other reserves			
Balance at January 1, 2016	80,000	172,658	1,020,442	(98,220)	(39,330)	(137,550)	1,135,550	8,605	1,144,155
Total comprehensive income	0	0	39,157	(3,103)	(8,288)	(11,391)	27,766	(100)	27,666
Change in majority interests	0	0	0	0	0	0	0	(77)	(77)
Balance at March 31, 2016	80,000	172,658	1,059,599	(101,323)	(47,618)	(148,941)	1,163,316	8,428	1,171,744
Balance at January 1, 2015	80,000	172,658	963,119	(76,192)	(47,998)	(124,190)	1,091,587	10,581	1,102,168
Total comprehensive income	0	0	35,318	14,606	(9,754)	4,852	40,170	1,219	41,389
Change in majority interests	0	0	(6)	0	0	0	(6)	(71)	(77)
Balance at March 31, 2015	80,000	172,658	998,431	(61,586)	(57,752)	(119,338)	1,131,751	11,729	1,143,480

Consolidated Cash Flow Statements

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

	1 st Quarter	
	Jan. 1 - Mar. 31, 2016	Jan. 1 - Mar. 31, 2015
(all amounts in thousands of EUR)		
Profit for the period	39,345	35,541
Adjustments to reconcile profit for the period to net cash from operating activities excluding interest and taxes paid	37,459	36,644
Net cash from profit	76,804	72,185
Changes in working capital	(22,226)	(23,347)
Cash flow from operating activities excluding interest and taxes paid	54,578	48,838
Income taxes paid	(12,434)	(11,188)
CASH FLOW FROM OPERATING ACTIVITIES	42,144	37,650
Payments for property, plant and equipment, and intangible assets (incl. payments on account)	(40,369)	(33,981)
Other items	944	829
CASH FLOW FROM INVESTING ACTIVITIES	(39,425)	(33,152)
Change in financial liabilities	(1,056)	(10,463)
Other items	(949)	(966)
CASH FLOW FROM FINANCING ACTIVITIES	(2,005)	(11,429)
Effect of exchange rate changes on cash and cash equivalents	(1,517)	(492)
Change in cash and cash equivalents	(803)	(7,423)
Cash and cash equivalents at the beginning of the period (according to the consolidated balance sheet)	254,953	320,086
Cash and cash equivalents at the end of the period (according to the consolidated balance sheet)	254,150	312,663
Adjustments to reconcile cash and cash equivalents to total funds available to the Group:		
Current and non-current securities	3,098	3,885
Total funds available to the Group	257,248	316,548

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, 2015.

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, 2015.

As of January 1, 2016 the following revised accounting regulations are initially applicable:

Revised standards	Content	Effective
IAS 1	Disclosure Initiative	Jan. 1, 2016
IAS 27	Separate Financial Statements: Equity Method in Separate Financial Statements	Jan. 1, 2016
IAS 16/IAS 38	Clarification of Acceptable Methods of Depreciation and Amortization	Jan. 1, 2016
IAS 16/IAS 41	Agriculture: Bearer Plants	Jan. 1, 2016
IFRS 11	Acquisitions of Interests in Joint Operations	Jan. 1, 2016
	Annual Improvements to IFRSs – 2012-2014 Cycle	Jan. 1, 2016

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 presentation of the divisions in the quarterly management report on page 6 f.

The increase in working capital, primarily 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 2.12 % respectively 2.11 % as of March 31, 2016 (December 31, 2015: both at 2.60 %).

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

2 — DEVELOPMENT OF FIXED ASSETS

The Group spent a total of thous. EUR 31,932 (1Q 2015: thous. EUR 21,980) on acquiring property, plant and equipment and intangible assets in the first quarter of 2016. The carrying amount of disposals of property, plant and equipment and intangible assets amounted to thous. EUR 384 (1Q 2015: thous. EUR 130).

Depreciation and amortization on property, plant and equipment and intangible assets amounted to thous. EUR 25,436 (1Q 2015: thous. EUR 24,227).

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

	End of 1st Quarter	Year-end
(all amounts in thousands of EUR)	Mar. 31, 2016	Dec. 31, 2015
Lands, similar land rights and buildings	281,955	285,352
Technical equipment and machines	397,623	400,618
Other equipment, fixtures and fittings	39,406	40,416
Construction in progress	46,662	33,254
Property, plant and equipment	765,646	759,640
	End of 1st Quarter	Year-end
(all amounts in thousands of EUR)	Mar. 31, 2016	Dec. 31, 2015
Concessions, licenses and similar rights	8,244	7,699
Goodwill	109,152	109,291
Other intangible assets	13,793	14,398
Intangible assets including goodwill	131,189	131,388

3 — PURCHASE COMMITMENTS

On March 31, 2016 purchase obligations for fixed assets regarding planned capital expenditures maturing within one year amounted to thous. EUR 47,696 (December 31, 2015: thous. EUR 24,317).

4 — 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 including finance lease, 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:

	Level 2	
	End of 1 st Quarter	Year-end
	Mar. 31, 2016	Dec. 31, 2015
(all amounts in thousands of EUR)		
Financial assets:		
Derivative financial instruments	1,346	1,325
Financial liabilities:		
Derivative financial instruments	1,169	1,100

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 March 31, 2016 these liabilities were at thous. EUR 6,921 (December 31, 2015: thous. EUR 6,859). The change is primarily attributed to the valuation of the option liability arising from the acquisition in Malaysia.

The available-for-sale financial assets include equity shares in non-consolidated companies as of March 31, 2016 in amount of thous. EUR 1,699 (December 31, 2015: 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.

5 — INVENTORIES

In the first quarter of 2016 the write-downs of inventories recognized as an expense under costs of goods sold amounted to thous. EUR 4,217 (1Q 2015: thous. EUR 4,559), the reversal of write-downs of inventories recognized as income amounted to thous. EUR 105 (1Q 2015: thous. EUR 65).

6 — EQUITY

Dividend

By the 22nd Ordinary Shareholder's Meeting, a dividend of EUR 1.20 per voting share, which was due on May 10, 2016, was resolved for the year 2015. On schedule a total of thous. EUR 24,000 was distributed to the shareholders.

In addition to the interim dividend of EUR 1.60 per share, in total thous. EUR 32,000, already paid out in November 2015, this results in a total dividend of thous. EUR 56,000 (previous year: thous. EUR 52,000), equivalent to EUR 2.80 (2014: EUR 2.60) per share, for the financial year 2015.

7 — FINANCIAL LIABILITIES

Financial liabilities of the Group are as follows:

	End of 1st Quarter	Year-end
(all amounts in thousands of EUR)	Mar. 31, 2016	Dec. 31, 2015
Non-current interest-bearing financial liabilities	210,000	210,073
Current interest-bearing financial liabilities	77,293	77,743
Interest-bearing financial liabilities	287,293	287,816
Non-current finance lease liabilities	3,342	3,772
Current finance lease liabilities	1,721	1,703
Finance lease liabilities	5,063	5,475
Financial liabilities	292,356	293,291

8 — DISCLOSURE ON TRANSACTIONS WITH RELATED PARTIES

Raw materials for the production of cartonboard amounting to thous. EUR 1,370 were purchased from other related companies in the first quarter of 2016 (1Q 2015: thous. EUR 2,038). On March 31, 2016, trade liabilities with other related companies amounted to thous. EUR 607 (December 31, 2015: thous. EUR 979).

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

9 — 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 st Quarter 2016			
	MM Karton	MM Packaging	Eliminations	Consolidated
Sales to external customers	237,003	339,032	0	576,035
Intersegment sales	26,366	195	(26,561)	0
Total sales	263,369	339,227	(26,561)	576,035
Operating profit	20,227	34,952	0	55,179
Profit for the period	14,831	24,514	0	39,345
Segment assets ¹⁾	1,009,066	999,140	(75,138)	1,933,068
Segment liabilities ¹⁾	327,097	509,365	(75,138)	761,324

¹⁾ as of March 31, 2016

(all amounts in thousands of EUR)	1 st Quarter 2015			
	MM Karton	MM Packaging	Eliminations	Consolidated
Sales to external customers	233,380	300,515	0	533,895
Intersegment sales	25,545	150	(25,695)	0
Total sales	258,925	300,665	(25,695)	533,895
Operating profit	18,607	32,174	0	50,781
Profit for the period	12,949	22,592	0	35,541
Segment assets ¹⁾	992,651	984,364	(76,693)	1,900,322
Segment liabilities ¹⁾	320,047	512,813	(76,693)	756,167

¹⁾ as of December 31, 2015

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.

10 — SIGNIFICANT SUBSEQUENT EVENTS

No events that require disclosure took place between the balance sheet date March 31, 2016 and the publication approval on May 18, 2016.

Quarterly Overview

(according to IFRS for interim financial reporting, unaudited)

MAYR-MELNHOF GROUP

(consolidated, in millions of EUR)	1 st Quarter 2015	2 nd Quarter 2015	3 rd Quarter 2015	4 th Quarter 2015	1 st Quarter 2016
Sales	533.9	535.7	548.1	563.8	576.0
EBITDA	74.0	70.1	81.4	73.2	80.3
EBITDA margin (%)	13.9 %	13.1 %	14.9 %	13.0 %	13.9 %
Operating profit	50.8	45.7	58.1	45.3	55.2
Operating margin (%)	9.5 %	8.5 %	10.6 %	8.0 %	9.6 %
Profit before tax	47.6	43.2	56.0	43.8	53.2
Income tax expense	(12.1)	(11.5)	(15.0)	(9.9)	(13.8)
Profit for the period	35.5	31.7	41.0	33.9	39.4
Net profit margin (%)	6.6 %	5.9 %	7.5 %	6.0 %	6.8 %
Earnings per share (basic and diluted in EUR)	1.77	1.56	2.03	1.72	1.96

DIVISIONS

MM Karton

(in millions of EUR)	1 st Quarter 2015	2 nd Quarter 2015	3 rd Quarter 2015	4 th Quarter 2015	1 st Quarter 2016
Sales ¹⁾	258.9	263.5	265.0	259.3	263.4
Operating profit	18.6	22.3	25.5	16.2	20.2
Operating margin (%)	7.2 %	8.5 %	9.6 %	6.2 %	7.7 %
Tonnage sold (in thousands of tons)	421	413	418	408	427
Tonnage produced (in thousands of tons)	415	422	422	418	419

¹⁾ including interdivisional sales

MM Packaging

(in millions of EUR)	1 st Quarter 2015	2 nd Quarter 2015	3 rd Quarter 2015	4 th Quarter 2015	1 st Quarter 2016
Sales ¹⁾	300.7	297.5	309.7	329.4	339.2
Operating profit	32.2	23.4	32.6	29.1	35.0
Operating margin (%)	10.7 %	7.9 %	10.5 %	8.8 %	10.3 %
Tonnage processed (in thousands of tons)	182	176	187	184	189
Sheet equivalent (in millions)	503.0	498.3	531.1	526.9	562.2

¹⁾ including interdivisional sales

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

The results of the first half-year of 2016 will be published on August 18, 2016.

Mayr-Melnhof Shares

Relative performance of MM shares 2015 / 2016 (December 30, 2014 = 100)



Share price (closing price)	
as of May 12, 2016	103.10
2016 High	111.45
2016 Low	98.00
Stock performance (Year-end 2015 until May 12, 2016)	-9.96 %
Number of shares issued	20 million
Market capitalization as of May 12, 2016 (in millions of EUR)	2,062.00
Trading volume (average per day 1Q 2016 in millions of EUR)	1.39

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.

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