



1-3Q/14

Report for the first three quarters of 2014

- Growth in sales and profit
- Solid volume development
- Increasingly restrained demand

Mayr-Melnhof Group

Key Indicators

(according to IFRS for interim financial reporting, unaudited)

(consolidated, in millions of EUR)	1 st - 3 rd Quarter		+/-
	Jan. 1 - Sep. 30, 2014	Jan. 1 - Sep. 30, 2013	
Sales	1,571.0	1,497.1	+4.9 %
EBITDA ¹⁾	203.6	195.6	+4.1 %
EBITDA margin (%)	13.0 %	13.1 %	
Operating profit ¹⁾	136.5	130.2	+4.8 %
Operating margin (%)	8.7 %	8.7 %	
Profit before tax ¹⁾	131.5	122.2	+7.6 %
Income tax expense	(34.0)	(29.4)	
Profit for the period ¹⁾	97.5	92.8	+5.1 %
Net profit margin (%)	6.2 %	6.2 %	
Basic and diluted earnings per share (in EUR) ¹⁾	4.86	4.62	
Cash earnings ¹⁾	167.4	160.0	+4.6 %
Cash earnings margin (%)	10.7 %	10.7 %	
Capital expenditures	97.3	79.4	+22.5 %
Depreciation and amortization	69.6	68.2	+2.1 %

¹⁾ The figures in 2013 include a non-recurring income of around EUR 10 million, as a result of the preliminary negative goodwill arising from an acquisition.

	Balance sheet date	
	Sep. 30, 2014	Dec. 31, 2013
Total equity (in millions of EUR)	1,092.8	1,111.8
Total assets (in millions of EUR)	1,675.9	1,702.5
Total equity to total assets (%)	65.2 %	65.3 %
Net liquidity (in millions of EUR)	20.6	133.9
Enterprise value (in millions of EUR)	1,692.2	1,810.1
Employees	9,532	9,477

Group Report

DEAR SHAREHOLDERS,

Your Company was able to stand up solidly in a flat overall economic environment also in the third quarter 2014 and could thus close the first three quarters of 2014 with a rise both in sales and profit. The cartonboard division, which benefited from productivity increases and lower specific costs, contributed particularly to this while the packaging division maintained the good profit level of the previous year in a highly competitive market environment through volume gains.

Due to weakened private consumption also more restrained demand for packaging in Europe is to be expected. In case this is a persisting trend increased pressure on prices will arise.

INCOME STATEMENT

The Group's consolidated sales amounted to EUR 1,571.0 million and therefore were 4.9 % or EUR 73.9 million above the previous year's figure (1-3Q 2013: EUR 1,497.1 million). This rise mainly results from an increase in volume in the packaging division as well as the sales of the Norwegian pulp mill acquired in the previous year in the cartonboard division.

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

(in %)	1 st - 3 rd Quarter	
	Jan. 1 - Sep. 30, 2014	Jan. 1 - Sep. 30, 2013
Western Europe	58.7 %	58.1 %
Eastern Europe	26.0 %	27.8 %
Asia	5.7 %	4.4 %
Latin America	5.1 %	5.1 %
Other	4.5 %	4.6 %
Total	100.0 %	100.0 %

At EUR 136.5 million, an operating profit of 4.8 % or EUR 6.3 million above the previous year's figure (1-3Q 2013: EUR 130.2 million) could be achieved. A clear rise in profit at the cartonboard division goes along with a stable profit development in the packaging division.

Financial income totaled EUR 1.1 million (1-3Q 2013: EUR 1.0 million), financial expenses EUR -3.7 million (1-3Q 2013: EUR -2.8 million).

Other financial result – net amounted to EUR -2.4 million (1-3Q 2013: EUR -6.2 million) as a non-recurring income of EUR 3.6 million in connection with the residual purchase price for last year's acquisition of Gráficas Los Andes, Colombia, was to be recorded.

Profit before tax therefore increased by 7.6 % to EUR 131.5 million following EUR 122.2 million in the first three quarters of the previous year. Income tax expense amounted to EUR 34.0 million (1-3Q 2013: EUR 29.4 million), resulting in an effective Group tax rate of 25.9 % (1-3Q 2013: 24.1 %).

Profit for the period rose by 5.1 % to EUR 97.5 million (1-3Q 2013: EUR 92.8 million). In the reporting period, a basic weighted average of 20,000,000 shares was outstanding, resulting into earnings per share of EUR 4.86 (1-3Q 2013: EUR 4.62).

ASSETS, CAPITAL AND LIQUID FUNDS

The Group's total assets as of September 30, 2014 amounted to EUR 1,675.9 million following EUR 1,702.5 million at year-end 2013. This difference is primarily attributable to the dividend payment for the financial year 2013 including an anniversary bonus. Accordingly, the Group's total equity at EUR 1,092.8 million was below the comparative value as of December 31, 2013 (EUR 1,111.8 million).

Financial liabilities, mainly of short-term character now, declined slightly to EUR 163.2 million (December 31, 2013: EUR 169.6 million). Total funds available to the Group decreased to EUR 183.8 million (December 31, 2013: EUR 303.5 million), especially due to dividends and investing activities, with net liquidity amounting to EUR 20.6 million (December 31, 2013: EUR 133.9 million).

Non-current assets went up, in particular as a result of investing activities, to EUR 812.3 million (December 31, 2013: EUR 791.3 million), while current assets at EUR 863.6 million were lower than at the end of 2013 (EUR 911.2 million), primarily due to the dividend payment, despite higher working capital.

CASH FLOW DEVELOPMENT

Cash flow from operating activities of EUR 97.8 million was earnings-related above the value of the comparative period of the previous year (1-3Q 2013: EUR 84.1 million).

Cash flow from investing activities increased from EUR -79.6 million to EUR -95.7 million. This rise was mainly due to higher expenditures for the acquisition of property, plant and equipment in the amount of EUR 97.3 million following EUR 79.4 million in the first three quarters of the previous year. The main focus is the rebuild of the larger one of the both cartonboard machines at the Austrian Frohnleiten mill for FOODBOARD™, a new kind of cartonboard that guarantees optimum protection for food.

Cash flow from financing activities changed from EUR -35.0 million to EUR -120.8 million, in particular as a result of the dividend payment including an anniversary bonus.

DEVELOPMENT IN THE THIRD QUARTER

As already in the two previous quarters, the cartonboard and folding carton markets lacked impulses from the overall economy also in the third quarter. Thus, short-term customer planning and strong competition sustained. However, both divisions managed to maintain or expand market shares with a solid volume development.

The capacities of the cartonboard division were fully utilized at 99 % (2Q 2014: 98 %; 3Q 2013: 99 %). Average prices could be maintained on a stable level. The packaging division reached again the result of the previous year's period through volume gains.

The operating margin of MM Karton was 7.8 % after 8.0 % in the second quarter of 2014 and 10.3 % in the third quarter of 2013, with the latter including the non-recurring income from the acquisition of MMK FollaCell.

The operating margin of MM Packaging amounted to 9.0 % (2Q 2014: 7.9 %; 3Q 2013: 9.2 %).

The Group's operating profit totaled EUR 47.8 million (2Q 2014: EUR 42.5 million; 3Q 2013: EUR 52.7 million), resulting in a Group operating margin of 8.9 % (2Q 2014: 8.3 %; 3Q 2013: 10.2 %).

The profit for the period reached EUR 36.5 million (2Q 2014: EUR 28.9 million; 3Q 2013: EUR 38.1 million).

FURTHER INFORMATION

In August 2014, the division MM Packaging made a payment for the increase of its longstanding share in CP Schmidt, Kaiserslautern, Germany, from 75 % to 100 %.

In September 2014, the division MM Packaging increased its share in MM Packaging Malaysia, Kuala Lumpur, Malaysia, from 51 % to 100 %.

RISK REPORT

Material single risks as well as the structure of the risk management system are described in our Annual Report of 2013. Further risks were not identified in the first three quarters of 2014 and are also not expected for the rest of the financial year.

OUTLOOK

Due to the weak economic development on our European core markets, we also expect an increasingly restrained demand for packaging. In case this trend persists competition will intensify with growing pressure on selling prices. Procurement markets are however stable, thus constantly increasing the degree of effort required to defend margins. Measures for higher productivity and cost-efficiency continue to aim at sustaining our profitability and competitiveness at a sound level also in a conceivable more difficult market environment. Due to the rebuild-related downtime of the large cartonboard machine in Frohnleiten for FOODBOARD™ as well as seasonality, a profit below the third quarter is to be expected for the fourth quarter.

DIVISIONS

MM Karton

Continuing short-term visibility as a result of cautious customer planning characterized the largely constant demand development on the European cartonboard markets in the first three quarters of 2014 within a flat macro-economic environment. Even with ongoing weak demand dynamics, it was again possible to almost fully utilize the capacities of MM Karton at 98 % (1-3Q 2013: 99 %) due to high flexibility in sales and production. Despite a low average order backlog of 57,000 tons (1-3Q 2013: 82,000 tons) and increasing volatility in incoming orders, market shares were still successfully maintained.

Analogously to the sales markets, the raw material markets, especially for the strategic input factor of recovered paper, continued to move sideways as well. In contrast, energy prices recorded a lower level than in the comparative period of the previous year.

At 1,213,000 tons and 1,218,000 tons respectively, both production and tonnage sold were slightly above the comparative values of last year (1-3Q 2013: 1,212,000 tons and 1,213,000 tons respectively). As in the previous year, around 82 % of the quantity was sold in Europe and 18 % in markets outside of Europe (1-3Q 2013: 82 %; 18 %).

Sales went up by 5.7 % from EUR 726.2 million to EUR 767.9 million due to the extended product mix resulting in particular from the inclusion of the pulp mill MMK FollaCell, acquired in the previous year, as well as optimized prices. As a result of this and due to the shortfall of rebuild-related downtime costs from the comparative period, as well as further cost reductions, operating profit rose by 12.0 % to EUR 58.9 million (1-3Q 2013: EUR 52.6 million). Accordingly, the operating margin reached 7.7 % (1-3Q 2013: 7.2 %).

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

(in millions of EUR)	1 st - 3 rd Quarter		+/-
	Jan. 1 - Sep. 30, 2014	Jan. 1 - Sep. 30, 2013	
Sales ¹⁾	767.9	726.2	+5.7 %
Operating profit	58.9	52.6	+12.0 %
Operating margin (%)	7.7 %	7.2 %	
Tonnage sold (in thousands of tons)	1,218	1,213	+0.4 %
Tonnage produced (in thousands of tons)	1,213	1,212	+0.1 %

¹⁾ including interdivisional sales

Major investment FOODBOARD™

MM Karton invests this year around EUR 50 million at the Austrian Frohnleiten board mill for FOODBOARD™, an innovative cartonboard that guarantees optimum protection for food. The rebuilding of the cartonboard machine 3 is carried out as scheduled in the fourth quarter.

MM Packaging

The sale of consumer goods showed an increasingly restrained picture in the reporting period. Consequently positive impulses on the European folding carton market still fail to appear, whereby the competition amongst suppliers will intensify. The need to produce more volume to sustain profit has been ever-present. MM Packaging achieved a considerable volume growth and thus a solid profit development in the first three quarters of 2014.

A large number of measures for increasing productivity and efficiency within the Division is continuously aimed at sustaining the plants' competitiveness and profitability on a high level or increasing it further. Regional expansion efforts in the course of the current year focused in particular on plants in Poland, Romania, Turkey and Vietnam.

With a rise in the tonnage processed of 5.6 % to 530,000 tons (1-3Q 2013: 502,000 tons) and in the sheet equivalent of 8.1 % to 1,514.2 million (1-3Q 2013: 1,400.8 million), it was possible to realize the necessary volume gains in a flat market environment and to expand market shares throughout the first nine months of the year.

However, this volume growth faced a more restrained rise in sales of 3.8 % to EUR 882.0 million, whereby it was possible to keep production costs under control. Thus, with EUR 77.6 million, the operating profit of the previous year (1-3Q 2013: EUR 77.6 million) could be reached again. The operating margin levelled at 8.8 % (1-3Q 2013: 9.1 %).

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

(in millions of EUR)	1 st - 3 rd Quarter		+/-
	Jan. 1 - Sep. 30, 2014	Jan. 1 - Sep. 30, 2013	
Sales ¹⁾	882.0	849.5	+3.8 %
Operating profit	77.6	77.6	+0.0 %
Operating margin (%)	8.8 %	9.1 %	
Tonnage processed (in thousands of tons)	530	502	+5.6 %
Sheet equivalent (in millions)	1,514.2	1,400.8	+8.1 %

¹⁾ including interdivisional sales

Fourth site in Turkey

In Gaziantep, in the center of Eastern Anatolia, MM Packaging commissioned a newly constructed fourth folding carton site in Turkey during the first months of the year.

Consolidated Balance Sheets

(according to IFRS for interim financial reporting, unaudited)

(all amounts in thousands of EUR)	Notes	End of 3 rd Quarter	Year-end
		Sep. 30, 2014	Dec. 31, 2013
ASSETS			
Property, plant and equipment	3	685,685	663,901
Intangible assets including goodwill	3	100,284	101,329
Securities and other financial assets		8,435	9,209
Deferred income taxes		17,871	16,870
Non-current assets		812,275	791,309
Inventories	6	287,705	278,085
Trade receivables		337,734	277,571
Income tax receivables		11,795	14,150
Prepaid expenses and other current assets		47,390	43,420
Cash and cash equivalents		179,025	297,920
Current assets		863,649	911,146
TOTAL ASSETS		1,675,924	1,702,455
EQUITY AND LIABILITIES			
Share capital		80,000	80,000
Additional paid-in capital		172,658	172,658
Retained earnings		929,381	928,642
Other reserves		(99,441)	(79,570)
Equity attributable to shareholders of the Company		1,082,598	1,101,730
Non-controlling (minority) interests		10,202	10,072
Total equity		1,092,800	1,111,802
Interest-bearing financial liabilities	8	45,715	104,124
Provisions for non-current liabilities and charges		114,217	99,067
Deferred income taxes		11,012	12,997
Non-current liabilities		170,944	216,188
Interest-bearing financial liabilities	8	117,454	65,436
Current tax liabilities		12,339	10,403
Trade liabilities		165,198	172,029
Deferred income and other current liabilities		88,636	103,331
Provisions for current liabilities and charges		28,553	23,266
Current liabilities		412,180	374,465
Total liabilities		583,124	590,653
TOTAL EQUITY AND LIABILITIES		1,675,924	1,702,455

Consolidated Income Statements

(according to IFRS for interim financial reporting, unaudited)

	Notes	3 rd Quarter		1 st - 3 rd Quarter	
		Jul. 1 - Sep. 30, 2014	Jul. 1 - Sep. 30, 2013	Jan. 1 - Sep. 30, 2014	Jan. 1 - Sep. 30, 2013
(all amounts in thousands of EUR, except per share data)					
Sales	10	537,898	515,378	1,570,994	1,497,140
Cost of sales		(415,848)	(402,719)	(1,214,763)	(1,173,993)
Gross margin		122,050	112,659	356,231	323,147
Other operating income		1,638	11,595	7,473	16,308
Selling and distribution expenses		(51,220)	(46,754)	(153,147)	(137,554)
Administrative expenses		(24,498)	(24,683)	(73,740)	(71,376)
Other operating expenses		(94)	(109)	(284)	(322)
Operating profit		47,876	52,708	136,533	130,203
Financial income		252	359	1,115	1,030
Financial expenses		(1,147)	(994)	(3,763)	(2,780)
Other financial result – net		1,769	(3,267)	(2,429)	(6,264)
Profit before tax		48,750	48,806	131,456	122,189
Income tax expense		(12,225)	(10,623)	(33,965)	(29,347)
Profit for the period		36,525	38,183	97,491	92,842
Attributable to:					
Shareholders of the Company		36,451	38,102	97,138	92,482
Non-controlling (minority) interests		74	81	353	360
Profit for the period		36,525	38,183	97,491	92,842
Earnings per share for the profit attributable to the shareholders of the Company during the period:					
Basic and diluted earnings per share (in EUR)		1.83	1.90	4.86	4.62

Consolidated Comprehensive Income Statements

(according to IFRS for interim financial reporting, unaudited)

	3 rd Quarter		1 st - 3 rd Quarter	
	Jul. 1 - Sep. 30, 2014	Jul. 1 - Sep. 30, 2013	Jan. 1 - Sep. 30, 2014	Jan. 1 - Sep. 30, 2013
(all amounts in thousands of EUR)				
Profit for the period	36,525	38,183	97,491	92,842
Profit (loss) directly recognized in equity:				
Measurement of defined benefit pension and severance obligations	(7,854)	115	(15,582)	2,134
Effects of income taxes	1,252	(23)	2,986	(23)
Total of items that will not be reclassified ("recycled") subsequently to the income statement	(6,602)	92	(12,596)	2,111
Foreign currency translations	(34)	(8,770)	(6,797)	(22,680)
Total of items that will be reclassified ("recycled") subsequently to the income statement	(34)	(8,770)	(6,797)	(22,680)
Total profit (loss) directly recognized in equity – net	(6,636)	(8,678)	(19,393)	(20,569)
Total profit for the period	29,889	29,505	78,098	72,273
Attributable to:				
Shareholders of the Company	29,182	29,668	77,233	72,180
Non-controlling (minority) interests	707	(163)	865	93
Total profit for the period	29,889	29,505	78,098	72,273

Consolidated Statements of Changes in Equity

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

	Notes	1 st - 3 rd Quarter					Non-controlling (minority) interests	Total equity
		Equity attributable to shareholders of the Company						
(all amounts in thousands of EUR)		Share capital	Additional paid-in capital	Retained earnings	Other reserves ¹⁾	Total		
Balance at January 1, 2014		80,000	172,658	928,642	(79,570)	1,101,730	10,072	1,111,802
Total profit for the period				97,138	(19,905)	77,233	865	78,098
Dividends paid	7			(96,000)		(96,000)	(1,214)	(97,214)
Change in majority interests				(399)	34	(365)	479	114
Balance at September 30, 2014		80,000	172,658	929,381	(99,441)	1,082,598	10,202	1,092,800
Balance at January 1, 2013		80,000	172,658	851,521	(43,041)	1,061,138	6,007	1,067,145
Total profit for the period				92,482	(20,302)	72,180	93	72,273
Dividends paid	7			(45,000)		(45,000)	(527)	(45,527)
Change in majority interests				(180)		(180)	(68)	(248)
Balance at September 30, 2013		80,000	172,658	898,823	(63,343)	1,088,138	5,505	1,093,643

¹⁾ Other reserves comprise the profit (loss) directly recognized in equity from foreign currency translations and from the measurement of defined benefit pension and severance obligations.

Consolidated Cash Flow Statements

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

	1 st - 3 rd Quarter	
	Jan. 1 - Sep. 30, 2014	Jan. 1 - Sep. 30, 2013
(all amounts in thousands of EUR)		
Profit for the period	97,491	92,842
Adjustments to reconcile profit for the period to net cash provided by operating activities excluding interest and taxes paid	101,295	84,661
Net cash provided by profit	198,786	177,503
Changes in working capital	(71,564)	(64,239)
Cash flow provided by operating activities excluding interest and taxes paid	127,222	113,264
Income taxes paid	(29,461)	(29,126)
CASH FLOW FROM OPERATING ACTIVITIES	97,761	84,138
CASH FLOW FROM INVESTING ACTIVITIES	(95,732)	(79,607)
CASH FLOW FROM FINANCING ACTIVITIES	(120,840)	(35,029)
Effect of exchange rate changes on cash and cash equivalents	(84)	(855)
Net change in cash and cash equivalents	(118,895)	(31,353)
Cash and cash equivalents at the beginning of the period	297,920	330,063
Cash and cash equivalents at the end of the period	179,025	298,710
Adjustments to reconcile cash and cash equivalents to total funds available to the Group:		
Current and non-current securities	4,756	5,834
Total funds available to the Group	183,781	304,544

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 interim condensed consolidated quarterly financial statements do not include all the 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, 2013.

The condensed consolidated quarterly financial statements have been prepared using the same accounting principles as for the consolidated financial statements as of December 31, 2013.

As of January 1, 2014 the following new or revised standards are initially applicable:

New standards	Content
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
Revised standards	Content
IAS 27 (2011)	Separate Financial Statements
IAS 28 (2011)	Investments in Associates and Joint Ventures
IAS 32 (2011)	Offsetting Financial Assets and Financial Liabilities
IAS 36 (2013)	Recoverable Amount Disclosures for Non-Financial Assets
IAS 39 (2013)	Novation of Derivatives and Continuation of Hedge Accounting
IFRS 10/11/12 (2012)	Transition Guidance
IFRS 10/12 and IAS 27 (2012)	Investment Entities

The first adoption of the new standards as well as the revised version of the existing standards did not have any significant impact on the condensed consolidated quarterly financial statements.

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 activities of the Group can be found in the quarterly management report.

The discount rate for the valuation of the defined benefit pension respectively severance obligations is at 2.8 % respectively 2.6 % (December 31, 2013: 3.6 % respectively 3.5 %).

2 — SIGNIFICANT CHANGES IN THE CONSOLIDATED COMPANIES AND FURTHER INFORMATION

In July 2014, the division MM Karton settled the outstanding contingent consideration related to MM Karton FollaCell AS, acquired in July 2013, in the amount of thous. NOK 10,000 by a payment in the same amount (equivalent to thous. EUR 1,195).

In August 2014, the division MM Packaging provided a payment for the remaining share of 25 % in the German folding carton producer C.P. Schmidt Verpackungs-Werk GmbH & Co. KG as well as in C.P. Schmidt Verpackungs-Werk Beteiligungsgesellschaft mbH, both located in Kaiserlautern. The purchase price consists of a fix amount of thous. EUR 12,875, for which a liability in the amount of thous. EUR 13,093 was recorded in the balance sheet, as well as a variable amount depending on the result of 2014. The valuation of the purchase price liability was recognized in the position other financial result – net.

In September 2014, the interest of the division MM Karton in Syn-Group Unternehmensberatung GmbH was reduced through restructuring from 38 % to around 1.2 %. As a consequence of the following deconsolidation an insignificant disposal of assets and liabilities has arisen. In November 2014, as further step the division MM Karton disposed of the share in Syn-Group Unternehmensberatung GmbH.

In September 2014, the division MM Packaging increased its majority interest in the Malaysian folding carton producer MM Packaging Malaysia SND. BHD., located in Kuala Lumpur, to 100 % for a price of thous. EUR 300. The valuation of the underlying purchase price liability resulted in an expense of thous. EUR 300 in the third quarter, which was recognized in other financial result – net.

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, which included a contingent consideration with maturity in 2015. In 2014 the purchaser and the seller reached an agreement on the premature settlement of the outstanding liability. This results as of September 30, 2014 in a gain of thous. EUR 3,579 recognized in other financial result – net. The payment of the residual purchase price was settled in the fourth quarter of 2014.

Until September 30, 2014, shares in free-com solutions GmbH (former free-com internet services GmbH) were transferred. Thereby the interest changed from 64.33 % as of December 31, 2013 to 51 %. The inclusion into the Group remains unchanged.

Until September 30, 2014, the division MM Packaging acquired 0.26 % of shares in Al-Ekbal Printing & Packaging Co., so that the interest increased from 81.86 % as of December 31, 2013 to 82.12 %.

Furthermore, in the third quarter of 2014 the companies MM Graphia GmbH und MM Guang Zhou Yue Ran Paper Co. Ltd. were included into the Group for the first time.

3 — DEVELOPMENT OF FIXED ASSETS

The Group spent a total of thous. EUR 97,305 (1-3Q 2013: thous. EUR 79,413) on acquiring property, plant and equipment and intangible assets in the first three quarters of 2014. The carrying amount of disposals of property, plant and equipment and intangible assets amounted to thous. EUR 918 (1-3Q 2013: thous. EUR 712).

Depreciation and amortization on property, plant and equipment and intangible assets including goodwill amounted to thous. EUR 69,643 (1-3Q 2013: thous. EUR 68,196).

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

	End of 3rd Quarter	Year-end
(all amounts in thousands of EUR)	Sep. 30, 2014	Dec. 31, 2013
Lands, similar land rights and buildings	257,681	258,963
Technical equipment and machines	310,338	325,906
Other equipment, fixtures and fittings	37,446	39,759
Construction in progress	80,220	39,273
Property, plant and equipment	685,685	663,901

	End of 3rd Quarter	Year-end
(all amounts in thousands of EUR)	Sep. 30, 2014	Dec. 31, 2013
Concessions, licenses and similar rights	6,854	6,515
Goodwill	77,891	77,357
Other intangible assets	15,539	17,457
Intangible assets including goodwill	100,284	101,329

4 — PURCHASE COMMITMENTS

On September 30, 2014 purchase obligations for fixed assets regarding planned capital expenditures maturing within one year amounted to thous. EUR 38,177 (December 31, 2013: thous. EUR 26,262).

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.

The financial assets of the Group consist of securities, other financial assets, loans, trade receivables, other receivables and investments (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 significant financial assets and financial liabilities, which were recognized at their fair value, are as follows:

	Level 2	
	End of 3 rd Quarter	Year-end
	Sep. 30, 2014	Dec. 31, 2013
(all amounts in thousands of EUR)		
Financial assets:		
Derivative financial instruments	605	571
Financial liabilities:		
Derivative financial instruments	1,365	958

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 disclosed 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, 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 an appropriate approximate value of the fair value.

The share purchase price and option liabilities amount to thous. EUR 8,657 as of September 30, 2014 (December 31, 2013: thous. EUR 26,145). This change is primarily attributed to the payment of the purchase prices respectively liabilities from the acquisition of shares in Germany and Norway in the previous years as well as to the valuation of the purchase price liabilities arising from the acquisitions in Colombia and Malaysia.

The available-for-sale financial assets include equity shares in non-consolidated companies as of September 30, 2014 in amount of thous. EUR 1,901 (December 31, 2013: thous. EUR 1,769). 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 acquisition cost. There is, with exception of the remaining share of around 1.2 % in Syn-Group Unternehmensberatung GmbH, no intention to sell these equity shares. No derecognition or significant valuation results were recorded.

6 — INVENTORIES

In the first three quarters of 2014 the write-downs of inventories recognized as an expense under costs of goods sold amounted to thous. EUR 6,206 (1-3Q 2013: thous. EUR 5,353), the reversal of write-downs of inventories recognized as income amounted to thous. EUR 71 (1-3Q 2013: thous. EUR 13).

7 — EQUITY

Dividend

By the 20th Ordinary Shareholder's Meeting, a dividend of EUR 2.40 (2012: EUR 2.25) as well as an anniversary bonus of EUR 2.40 (2012: EUR 0.00) per voting share, due on May 13, 2014, was resolved for the year 2013. On schedule a total of thous. EUR 96,000 (previous year: thous. EUR 45,000) was distributed to the shareholders.

8 — FINANCIAL LIABILITIES

Financial liabilities of the Group are as follows:

	End of 3rd Quarter	Year-end
(all amounts in thousands of EUR)	Sep. 30, 2014	Dec. 31, 2013
Non-current interest-bearing financial liabilities	45,715	104,124
Current interest-bearing financial liabilities	117,454	65,436
Interest-bearing financial liabilities	163,169	169,560

9 — DISCLOSURE ON TRANSACTIONS WITH RELATED PARTIES

In the first three quarters of 2014, there were no transactions with associated companies. In the first three quarters of 2013 sales with associated companies amounted to thous. EUR 437. Cost of purchased material and services were at thous. EUR 837.

Raw materials for the production of cartonboard amounting to thous. EUR 6,593 were purchased from other related companies in the first three quarters of 2014 (1-3Q 2013: thous. EUR 5,748). On September 30, 2014, trade liabilities with other related companies amounted to thous. EUR 761 (December 31, 2013: thous. EUR 1,270).

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

10 — SEGMENT REPORTING INFORMATION

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

(all amounts in thousands of EUR)	1 st - 3 rd 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
Total sales	767,883	881,987	(78,876)	1,570,994
Operating profit	58,927	77,606	0	136,533
Profit for the period	42,979	54,512	0	97,491
Segment assets ¹⁾	852,981	895,287	(72,344)	1,675,924
Segment liabilities ¹⁾	205,683	449,785	(72,344)	583,124

¹⁾ as of September 30, 2014

(all amounts in thousands of EUR)	1 st - 3 rd Quarter 2013			
	MM Karton	MM Packaging	Eliminations	Consolidated
Sales to external customers	648,336	848,804	0	1,497,140
Intersegment sales	77,892	667	(78,559)	0
Total sales	726,228	849,471	(78,559)	1,497,140
Operating profit	52,567	77,636	0	130,203
Profit for the period	39,179	53,663	0	92,842
Segment assets ¹⁾	922,781	850,424	(70,750)	1,702,455
Segment liabilities ¹⁾	267,997	393,406	(70,750)	590,653

¹⁾ as of December 31, 2013

11 — SIGNIFICANT SUBSEQUENT EVENTS

No events that require disclosure took place between the balance sheet date September 30, 2014 and the publication approval on November 12, 2014.

Quarterly Overview

(according to IFRS for interim financial reporting, unaudited)

MAYR-MELNHOF GROUP

(consolidated, in millions of EUR)	1 st Quarter 2013	2 nd Quarter 2013	3 rd Quarter 2013	4 th Quarter 2013	1 st Quarter 2014	2 nd Quarter 2014	3 rd Quarter 2014
Sales	496.7	485.1	515.3	502.3	523.9	509.2	537.9
EBITDA	60.3	61.8	73.5	56.7	68.5	65.0	70.1
EBITDA margin (%)	12.1 %	12.7 %	14.3 %	11.3 %	13.1 %	12.8 %	13.0 %
Operating profit	38.4	39.1	52.7	35.2	46.2	42.5	47.8
Operating margin (%)	7.7 %	8.1 %	10.2 %	7.0 %	8.8 %	8.3 %	8.9 %
Profit before tax	36.2	37.2	48.8	34.2	43.3	39.4	48.8
Income tax expense	(9.2)	(9.5)	(10.7)	(4.1)	(11.2)	(10.5)	(12.3)
Profit for the period	27.0	27.7	38.1	30.1	32.1	28.9	36.5
Net profit margin (%)	5.4 %	5.7 %	7.4 %	6.0 %	6.1 %	5.7 %	6.8 %
Earnings per share (basic and diluted in EUR)	1.35	1.37	1.90	1.49	1.59	1.44	1.83

DIVISIONS

MM Karton

(in millions of EUR)	1 st Quarter 2013	2 nd Quarter 2013	3 rd Quarter 2013	4 th Quarter 2013	1 st Quarter 2014	2 nd Quarter 2014	3 rd Quarter 2014
Sales ¹⁾	237.6	239.1	249.5	238.4	259.4	252.0	256.5
Operating profit	11.3	15.6	25.7	12.7	18.8	20.2	19.9
Operating margin (%)	4.8 %	6.5 %	10.3 %	5.3 %	7.2 %	8.0 %	7.8 %
Tonnage sold (in thousands of tons)	404	399	410	386	408	398	412
Tonnage produced (in thousands of tons)	391	413	408	392	401	404	408

¹⁾ including interdivisional sales

MM Packaging

(in millions of EUR)	1 st Quarter 2013	2 nd Quarter 2013	3 rd Quarter 2013	4 th Quarter 2013	1 st Quarter 2014	2 nd Quarter 2014	3 rd Quarter 2014
Sales ¹⁾	285.6	271.9	292.0	289.2	290.4	282.6	309.0
Operating profit	27.1	23.5	27.0	22.5	27.4	22.3	27.9
Operating margin (%)	9.5 %	8.6 %	9.2 %	7.8 %	9.4 %	7.9 %	9.0 %
Tonnage processed (in thousands of tons)	168	166	168	169	178	173	179
Sheet equivalent (in millions)	465.7	459.2	475.9	472.9	501.8	484.8	527.6

¹⁾ including interdivisional sales

*The Management Board
of Mayr-Melnhof Karton AG*

Mayr-Melnhof Shares

Relative performance of MM shares 2014 (December 30, 2013 = 100)



Share price (closing price)

as of November 10, 2014	84.33
2014 High	95.00
2014 Low	79.00
Stock performance (Year-end 2013 until November 10, 2014)	-6.30 %
Number of shares issued	20 million
Market capitalization as of November 10, 2014 (in millions of EUR)	1,686.60
Trading volume (average per day 1-3Q 2014 in millions of EUR)	1.70

We have prepared this report and checked 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. We wish to note that a wide variety of factors could cause actual circumstances – and hence actual results – to deviate from the forecasts 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 2015

March 24, 2015	Financial results for 2014
April 29, 2015	21 st Ordinary Shareholders' Meeting - Vienna
May 5, 2015	Ex-dividend day
May 12, 2015	Dividend payment date
May 19, 2015	Results for the 1 st quarter of 2015
August 18, 2015	Results for the 1 st half-year of 2015
November 12, 2015	Results for the first three quarters of 2015

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