



# 1Q/14

## Report for the 1<sup>st</sup> Quarter of 2014

- Solid volume and price development at MM Karton
- Continuous business performance at MM Packaging
- Still no tail wind from consumption
- Expansion course continued

# Mayr-Melnhof Group

## Key Indicators

(according to IFRS for interim financial reporting, unaudited)

(consolidated, in millions of EUR)	1 <sup>st</sup> Quarter		
	Jan. 1 - Mar. 31, 2014	Jan. 1 - Mar. 31, 2013	+/-
Sales	523.9	496.7	+5.5 %
EBITDA	68.5	60.3	+13.6 %
EBITDA margin (%)	13.1 %	12.1 %	
Operating profit	46.2	38.4	+20.3 %
Operating margin (%)	8.8 %	7.7 %	
Profit before tax	43.3	36.2	+19.6 %
Income tax expense	(11.2)	(9.2)	
Profit for the period	32.1	27.0	+18.9 %
Net profit margin (%)	6.1 %	5.4 %	
Basic and diluted earnings per share (in EUR)	1.59	1.35	
Cash earnings	55.3	49.5	+11.7 %
Cash earnings margin (%)	10.6 %	10.0 %	
Capital expenditures	32.3	25.8	+25.2 %
Depreciation and amortization	23.2	22.4	+3.6 %

	Balance sheet date	
	Mar. 31, 2014	Dec. 31, 2013
Total equity (in millions of EUR)	1,127.7	1,111.8
Total assets (in millions of EUR)	1,744.4	1,702.5
Total equity to total assets (%)	64.6 %	65.3 %
Net liquidity (in millions of EUR)	144.8	133.9
Enterprise value (in millions of EUR)	1,826.1	1,810.1
Employees	9,501	9,477

# Group Report

DEAR SHAREHOLDERS,

In the first quarter of 2014 your Company recorded an overall solid business performance, though there were still no impulses from the economy as a whole, in particular from private consumption. However, due to improvements in prices and the product mix of cartonboard production as well as a slight increase in volumes in both divisions an overall healthy growth in sales and profit could be reached compared with the same period of the previous year. Our expansion course continued in line with strategy and the newly constructed fourth folding carton site in Turkey was put into operation.

A current look forward does not indicate any significant changes in the development of sales and procurement markets, either. Demand in our customer industries remains continuous, customer planning however still short-term. Under these overall circumstances our objective remains to secure the price structure for our products in a highly competitive environment as best as possible and to further increase our market shares in both mature as well as growth markets.

## INCOME STATEMENT

At EUR 523.9 million the Group's consolidated sales exceeded the previous year's value (1Q 2013: EUR 496.7 million) by 5.5 %. This is primarily due to improved average prices at MM Karton as well as an increase in volumes in both divisions.

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

(in %)	1 <sup>st</sup> Quarter	
	Jan. 1 - Mar. 31, 2014	Jan. 1 - Mar. 31, 2013
Western Europe	58.6 %	60.5 %
Eastern Europe	26.0 %	25.9 %
Asia	6.0 %	4.3 %
Latin America	5.1 %	5.2 %
Other	4.3 %	4.1 %
<b>Total</b>	<b>100.0 %</b>	<b>100.0 %</b>

Operating profit rose by 20.3 % or EUR 7.8 million to EUR 46.2 million. This growth results to a large degree from the Cartonboard Division, which recorded non-recurring rebuild-related expenses in the comparative period of the previous year. Accordingly the Group achieved an operating margin of 8.8 % (1Q 2013: 7.7 %).

Financial income of EUR 0.4 million (1Q 2013: EUR 0.3 million) was offset by financial expenses of EUR -1.3 million (1Q 2013: EUR -0.9 million).

Profit before tax thus increased by 19.6 % to EUR 43.3 million (1Q 2013: EUR 36.2 million). Income tax expense was at EUR 11.2 million (1Q 2013: EUR 9.2 million), resulting in an effective Group tax rate of 25.9 % (1Q 2013: 25.4 %).

Therefore the profit for the period went up by 18.9 % to EUR 32.1 million (1Q 2013: EUR 27.0 million). This corresponds to 6.1 % of sales (1Q 2013: 5.4 %). In the first quarter of 2014 a basic weighted average of 20,000,000 shares was outstanding, resulting into earnings per share of EUR 1.59 (1Q 2013: EUR 1.35).

## ASSETS, CAPITAL AND LIQUID FUNDS

As of March 31, 2014, the Group's total assets amounted to EUR 1,744.4 million and were thus EUR 41.9 million higher than the comparative figure of the previous year (December 31, 2013: EUR 1,702.5 million). This increase is primarily the result of a profit-related rise in equity from EUR 1,111.8 million to EUR 1,127.7 million as well as of a rise in working capital due to increased operating activities.

At EUR 172.5 million, financial liabilities, principally of a long-term character, remained broadly unchanged compared to year-end 2013 (December 31, 2013: EUR 169.6 million). Total funds available to the Group increased slightly from EUR 303.5 million as of December 31, 2013 to EUR 317.3 million, with a rise in net liquidity to EUR 144.8 million (December 31, 2013: EUR 133.9 million).

Current assets went up by EUR 47.2 million to EUR 958.4 million mainly due to increased operating activities compared to year-end 2013.

## CASH FLOW DEVELOPMENT

Cash flow from operating activities reached EUR 44.0 million and was thus EUR 12.9 million above the comparative value of the previous year (1Q 2013: EUR 31.1 million). This difference is primarily due to the increase in profit and lower income tax payments.

Cash flow from investing activities amounted to EUR -31.6 million after EUR -24.9 million in the first quarter of the previous year. This rise is mostly attributable to higher expenditures for the acquisition of property, plant and equipment. Investments focused on the larger one of the both cartonboard machines (KM 3) at the Frohnleiten board mill, capacity expansion in the recently constructed folding carton plants in Bydgoszcz, Poland, and Karaman, Turkey, as well as on technical modernization and expansion.

Cash flow from financing activities changed from EUR -1.2 million to EUR 1.7 million.

## FURTHER INFORMATION

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

## OUTLOOK

Continuity and a calm market development should determine demand also over the coming months. The aim of MM still remains to grow in the European main market as well as in the future markets outside of Europe in order to maintain the profitability of the business at a high level. Accordingly we will continue to focus on a high level of efficiency and technology leadership in production as well as on expanding capacities in growth markets. The highlight of our investments this year is a large-scale investment of around EUR 50 million in the Austrian Frohnleiten main mill for FOODBOARD™, an innovative cartonboard that guarantees optimum protection for food. The implementation focus is planned for the fourth quarter.

## DIVISIONS

## DIVISIONS

### MM Karton

The cartonboard market was still characterized by cautious customer planning and broad stability across all types and sales regions in the first three months of 2014. The average order backlog of MM Karton was around 60,000 tons (1Q 2013: 93,000 tons), which documents the short-term visibility. However, due to a high degree of flexibility in planning the cartonboard machine program and an attractive range of products, a capacity utilization of around 97 % (1Q 2013: 98 %) could still be achieved for the division in the first quarter.

Analogously to the sales markets, the development on the procurement markets, especially for the strategic input materials recovered paper and energy, remained sustainably stable.

Production increased by 2.6 % to 401,000 tons (1Q 2013: 391,000 tons). At 408,000 tons, the tonnage sold was above production as well as above the previous year (1Q 2013: 404,000 tons). Of this, 83 % was sold in Europe and 17 % in non-European markets (1Q 2013: 82 %; 18 %).

Sales rose by 9.2 % to EUR 259.4 million (1Q 2013: EUR 237.6 million) primarily as a result of improved average prices and an optimized product mix. In accordance with this and also due to the shortfall of rebuild and downtime costs from the comparative period of the previous year, operating profit reached EUR 18.8 million after EUR 11.3 million in the first quarter of 2013. The operating margin was therefore 7.2 % (1Q 2013: 4.8 %).

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

(in millions of EUR)	1 <sup>st</sup> Quarter		+/-
	Jan. 1 - Mar. 31, 2014	Jan. 1 - Mar. 31, 2013	
Sales <sup>1)</sup>	259.4	237.6	+9.2 %
Operating profit	18.8	11.3	+66.4 %
Operating margin (%)	7.2 %	4.8 %	
Tonnage sold (in thousands of tons)	408	404	+1.0 %
Tonnage produced (in thousands of tons)	401	391	+2.6 %

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

## MM Packaging

Our folding carton plants were also able to start 2014 with an overall stable order situation. In parallel to the development of private consumption, demand on the European folding carton market still remained restrained. There is a lack of positive market impulses, which is the reason for the unabated ongoing of the intensified price competition among market players. Against this background, MM Packaging was again able to maintain its position in the first three months of the year due to a high level of efficiency in production and further volume growth, however with an increasing heterogeneity in capacity utilization among the plants.

The newly built fourth folding carton site in Turkey, in Gaziantep, was put into operation on schedule. The technological focus of the plant is on the production of packaging for consumer goods, in particular food, using offset printing.

At EUR 290.4 million, sales were slightly above the value of the previous year (1Q 2013: EUR 285.6 million). Operating profit developed similarly from EUR 27.1 million to EUR 27.4 million, with the operating margin remaining constant at 9.4 % (1Q 2013: 9.5 %).

The tonnage processed increased by 6.0 % from 168,000 tons to 178,000 tons, the sheet equivalent by 7.8 % from 465.7 million to 501.8 million.

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

(in millions of EUR)	1 <sup>st</sup> Quarter		+/-
	Jan. 1 - Mar. 31, 2014	Jan. 1 - Mar. 31, 2013	
Sales <sup>1)</sup>	290.4	285.6	+1.7 %
Operating profit	27.4	27.1	+1.1 %
Operating margin (%)	9.4 %	9.5 %	
Tonnage processed (in thousands of tons)	178	168	+6.0 %
Sheet equivalent (in millions)	501.8	465.7	+7.8 %

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

# Consolidated Balance Sheets

(according to IFRS for interim financial reporting, unaudited)

(all amounts in thousands of EUR)	Notes	End of 1 <sup>st</sup> Quarter	Year-end
		Mar. 31, 2014	Dec. 31, 2013
<b>ASSETS</b>			
Property, plant and equipment	3	659,442	663,901
Intangible assets including goodwill	3	99,914	101,329
Securities and other financial assets		9,166	9,209
Deferred income taxes		17,497	16,870
<b>Non-current assets</b>		<b>786,019</b>	<b>791,309</b>
Inventories	6	270,118	278,085
Trade receivables		314,876	277,571
Income tax receivables		10,097	14,150
Prepaid expenses and other current assets		51,531	43,420
Cash and cash equivalents		311,757	297,920
<b>Current assets</b>		<b>958,379</b>	<b>911,146</b>
<b>TOTAL ASSETS</b>		<b>1,744,398</b>	<b>1,702,455</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		80,000	80,000
Additional paid-in capital		172,658	172,658
Retained earnings		960,533	928,642
Other reserves		(95,520)	(79,570)
<b>Equity attributable to shareholders of the Company</b>		<b>1,117,671</b>	<b>1,101,730</b>
Non-controlling (minority) interests		10,070	10,072
<b>Total equity</b>		<b>1,127,741</b>	<b>1,111,802</b>
Interest-bearing financial liabilities	8	104,071	104,124
Provisions for non-current liabilities and charges		98,993	99,067
Deferred income taxes		13,205	12,997
<b>Non-current liabilities</b>		<b>216,269</b>	<b>216,188</b>
Interest-bearing financial liabilities	8	68,422	65,436
Current tax liabilities		13,005	10,403
Trade liabilities		188,081	172,029
Deferred income and other current liabilities		103,637	103,331
Provisions for current liabilities and charges		27,243	23,266
<b>Current liabilities</b>		<b>400,388</b>	<b>374,465</b>
<b>Total liabilities</b>		<b>616,657</b>	<b>590,653</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,744,398</b>	<b>1,702,455</b>



# Consolidated Income Statements

(according to IFRS for interim financial reporting, unaudited)

(all amounts in thousands of EUR, except per share data)	Notes	1 <sup>st</sup> Quarter	
		Jan. 1 - Mar. 31, 2014	Jan. 1 - Mar. 31, 2013
Sales	10	523,888	496,694
Cost of sales		(404,712)	(393,999)
<b>Gross margin</b>		<b>119,176</b>	<b>102,695</b>
Other operating income		2,455	2,472
Selling and distribution expenses		(51,074)	(43,976)
Administrative expenses		(24,264)	(22,689)
Other operating expenses		(96)	(111)
<b>Operating profit</b>		<b>46,197</b>	<b>38,391</b>
Financial income		436	347
Financial expenses		(1,329)	(899)
Other financial result – net		(2,033)	(1,681)
<b>Profit before tax</b>		<b>43,271</b>	<b>36,158</b>
Income tax expense		(11,203)	(9,178)
<b>Profit for the period</b>		<b>32,068</b>	<b>26,980</b>
<b>Attributable to:</b>			
Shareholders of the Company		31,891	26,910
Non-controlling (minority) interests		177	70
<b>Profit for the period</b>		<b>32,068</b>	<b>26,980</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)		1.59	1.35

# Consolidated Comprehensive Income Statements

(according to IFRS for interim financial reporting, unaudited)

(all amounts in thousands of EUR)	1 <sup>st</sup> Quarter	
	Jan. 1 - Mar. 31, 2014	Jan. 1 - Mar. 31, 2013
<b>Profit for the period</b>	<b>32,068</b>	<b>26,980</b>
<b>Profit (loss) directly recognized in equity:</b>		
Measurement of defined benefit pension and severance obligations	(1,654)	0
Effects of income taxes	307	0
<b>Total of items that will not be reclassified ("recycled") subsequently to the income statement</b>	<b>(1,347)</b>	<b>0</b>
Foreign currency translations	(14,780)	4,388
<b>Total of items that will be reclassified ("recycled") subsequently to the income statement</b>	<b>(14,780)</b>	<b>4,388</b>
<b>Total profit (loss) directly recognized in equity – net</b>	<b>(16,127)</b>	<b>4,388</b>
<b>Total profit for the period</b>	<b>15,941</b>	<b>31,368</b>
<b>Attributable to:</b>		
Shareholders of the Company	15,941	31,163
Non-controlling (minority) interests	0	205
<b>Total profit for the period</b>	<b>15,941</b>	<b>31,368</b>

# Consolidated Statements of Changes in Equity

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

(all amounts in thousands of EUR)	1 <sup>st</sup> Quarter					Non-controlling (minority) interests	Total equity
	Equity attributable to shareholders of the Company						
	Share capital	Additional paid-in capital	Retained earnings	Other reserves <sup>1)</sup>	Total		
<b>Balance at January 1, 2014</b>	<b>80,000</b>	<b>172,658</b>	<b>928,642</b>	<b>(79,570)</b>	<b>1,101,730</b>	<b>10,072</b>	<b>1,111,802</b>
Total profit for the period			31,891	(15,950)	15,941		15,941
Increase in majority interests						(2)	(2)
<b>Balance at March 31, 2014</b>	<b>80,000</b>	<b>172,658</b>	<b>960,533</b>	<b>(95,520)</b>	<b>1,117,671</b>	<b>10,070</b>	<b>1,127,741</b>
<b>Balance at January 1, 2013</b>	<b>80,000</b>	<b>172,658</b>	<b>851,521</b>	<b>(43,041)</b>	<b>1,061,138</b>	<b>6,007</b>	<b>1,067,145</b>
Total profit for the period			26,910	4,253	31,163	205	31,368
Dividends paid						(192)	(192)
Increase in majority interests			(183)		(183)	(9)	(192)
<b>Balance at March 31, 2013</b>	<b>80,000</b>	<b>172,658</b>	<b>878,248</b>	<b>(38,788)</b>	<b>1,092,118</b>	<b>6,011</b>	<b>1,098,129</b>

<sup>1)</sup> 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 <sup>st</sup> Quarter	
	Jan. 1 - Mar. 31, 2014	Jan. 1 - Mar. 31, 2013
(all amounts in thousands of EUR)		
Profit for the period	32,068	26,980
Adjustments to reconcile profit for the period to net cash provided by operating activities excluding interest and taxes paid	31,044	30,708
<b>Net cash provided by profit</b>	<b>63,112</b>	<b>57,688</b>
Changes in working capital	(14,782)	(17,197)
<b>Cash flow provided by operating activities excluding interest and taxes paid</b>	<b>48,330</b>	<b>40,491</b>
Income taxes paid	(4,379)	(9,398)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>43,951</b>	<b>31,093</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(31,562)</b>	<b>(24,899)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>1,713</b>	<b>(1,178)</b>
Effect of exchange rate changes on cash and cash equivalents	(265)	289
<b>Net change in cash and cash equivalents</b>	<b>13,837</b>	<b>5,305</b>
Cash and cash equivalents at the beginning of the period	297,920	330,063
<b>Cash and cash equivalents at the end of the period</b>	<b>311,757</b>	<b>335,368</b>
<b>Adjustments to reconcile cash and cash equivalents to total funds available to the Group:</b>		
Current and non-current securities	5,542	5,380
<b>Total funds available to the Group</b>	<b>317,299</b>	<b>340,748</b>

# Notes to the Consolidated Quarterly Financial Statements

## 1 — GENERAL

These condensed consolidated quarterly financial statements and notes thereto of Mayr-Melnhof Karton AG and its subsidiaries have been prepared in accordance with IFRS for interim financial reporting (IAS 34) as adopted by the European Union and were neither voluntarily audited nor reviewed by an auditor.

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. Amendments to existing standards as published in the Official Journal of the European Union and effective since January 1, 2014 have not shown significant impact on the Group's financial statements and financial situation.

The discount rate for the valuation of the defined benefit pension respectively severance obligations is at 3.5 % respectively 3.4 % (December 31, 2013: 3.6 % respectively 3.5 %).

## 2 — SIGNIFICANT CHANGES IN THE CONSOLIDATED COMPANIES

There have been no changes to the consolidation circle since December 31, 2013.

## 3 — DEVELOPMENT OF FIXED ASSETS

The Group spent a total of thous. EUR 32,269 (1Q 2013: thous. EUR 25,754) on acquiring property, plant and equipment and intangible assets in the first quarter of 2014. The carrying amount of disposals of property, plant and equipment and intangible assets amounted to thous. EUR 73 (1Q 2013: thous. EUR 643).

Depreciation and amortization on property, plant and equipment and intangible assets including goodwill amounted to thous. EUR 23,160 (1Q 2013: thous. EUR 22,441).

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

	<b>End of 1<sup>st</sup> Quarter</b>	<b>Year-end</b>
(all amounts in thousands of EUR)	<b>Mar. 31, 2014</b>	<b>Dec. 31, 2013</b>
Lands, similar land rights and buildings	254,419	258,963
Technical equipment and machines	310,393	325,906
Other equipment, fixtures and fittings	37,221	39,759
Construction in progress	57,409	39,273
<b>Property, plant and equipment</b>	<b>659,442</b>	<b>663,901</b>
	<b>End of 1<sup>st</sup> Quarter</b>	<b>Year-end</b>
(all amounts in thousands of EUR)	<b>Mar. 31, 2014</b>	<b>Dec. 31, 2013</b>
Concessions, licenses and similar rights	6,861	6,515
Goodwill	76,658	77,357
Other intangible assets	16,395	17,457
<b>Intangible assets including goodwill</b>	<b>99,914</b>	<b>101,329</b>

#### 4 — PURCHASE COMMITMENTS

On March 31, 2014 purchase obligations for fixed assets regarding planned capital expenditures maturing within one year amounted to thous. EUR 41,546 (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 financial assets and financial liabilities, which were recognized at their fair value, are as follows:

(all amounts in thousands of EUR)	Level 2	
	End of 1 <sup>st</sup> Quarter	Year-end
	Mar. 31, 2014	Dec. 31, 2013
<b>Financial assets:</b>		
Derivative financial instruments	254	571
<b>Financial liabilities:</b>		
Derivative financial instruments	675	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 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 available-for-sale financial assets include equity shares in non-consolidated companies as of March 31, 2014 in amount of thous. EUR 1,797 (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 no intention to sell these equity shares, no derecognition or valuation results were recorded.

## 6 — INVENTORIES

In the first quarter of 2014 the write-downs of inventories recognized as an expense under costs of goods sold amounted to thous. EUR 5,984 (1Q 2013: thous. EUR 3,773), the reversal of write-downs of inventories recognized as income amounted to thous. EUR 16 (1Q 2013: thous. EUR 10).

## 7 — EQUITY

**Dividend**

By the 20<sup>th</sup> 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:

	<b>End of 1<sup>st</sup> Quarter</b>	<b>Year-end</b>
(all amounts in thousands of EUR)	<b>Mar. 31, 2014</b>	<b>Dec. 31, 2013</b>
Non-current interest-bearing financial liabilities	104,071	104,124
Current interest-bearing financial liabilities	68,422	65,436
<b>Interest-bearing financial liabilities</b>	<b>172,493</b>	<b>169,560</b>

## 9 — DISCLOSURE ON TRANSACTIONS WITH RELATED PARTIES

In the first quarter of 2014, there were no transactions with associated companies. In the first quarter of 2013 sales with associated companies amounted to thous. EUR 17. Cost of purchased material and services were at thous. EUR 85.

Raw materials for the production of cartonboard amounting to thous. EUR 2,073 were purchased from other related companies in the first quarter of 2014 (1Q 2013: thous. EUR 1,189). At March 31, 2014, trade liabilities with other related companies amounted to thous. EUR 800 (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 <sup>st</sup> Quarter 2014			
	MM Karton	MM Packaging	Eliminations	Consolidated
Sales to external customers	233,669	290,219	0	523,888
Intersegment sales	25,774	196	(25,970)	0
<b>Total sales</b>	<b>259,443</b>	<b>290,415</b>	<b>(25,970)</b>	<b>523,888</b>
Operating profit	18,791	27,406	0	46,197
Profit for the period	13,768	18,300	0	32,068
Segment assets <sup>1)</sup>	957,009	861,350	(73,961)	1,744,398
Segment liabilities <sup>1)</sup>	289,308	401,310	(73,961)	616,657

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

(all amounts in thousands of EUR)	1 <sup>st</sup> Quarter 2013			
	MM Karton	MM Packaging	Eliminations	Consolidated
Sales to external customers	211,277	285,417	0	496,694
Intersegment sales	26,299	201	(26,500)	0
<b>Total sales</b>	<b>237,576</b>	<b>285,618</b>	<b>(26,500)</b>	<b>496,694</b>
Operating profit	11,286	27,105	0	38,391
Profit for the period	7,767	19,213	0	26,980
Segment assets <sup>1)</sup>	922,781	850,424	(70,750)	1,702,455
Segment liabilities <sup>1)</sup>	267,997	393,406	(70,750)	590,653

<sup>1)</sup> as of December 31, 2013

## 11 — FURTHER INFORMATION

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

## 12 — SUBSEQUENT EVENTS

No events that require disclosure took place between the balance sheet date March 31, 2014 and the publication approval on May 14, 2014.

# Quarterly Overview

(according to IFRS for interim financial reporting, unaudited)

## MAYR-MELNHOF GROUP

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

## DIVISIONS

### MM Karton

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

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

### MM Packaging

(in millions of EUR)	1 <sup>st</sup> Quarter 2013	2 <sup>nd</sup> Quarter 2013	3 <sup>rd</sup> Quarter 2013	4 <sup>th</sup> Quarter 2013	1 <sup>st</sup> Quarter 2014
Sales <sup>1)</sup>	285.6	271.9	292.0	289.2	290.4
Operating profit	27.1	23.5	27.0	22.5	27.4
Operating margin (%)	9.5 %	8.6 %	9.2 %	7.8 %	9.4 %
Tonnage processed (in thousands of tons)	168	166	168	169	178
Sheet equivalent (in millions)	465.7	459.2	475.9	472.9	501.8

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

*The Management Board  
of Mayr-Melnhof Karton AG*

The results of the first half-year of 2014 will be published on August 19, 2014.

# Mayr-Melnhof Shares

Relative performance of MM shares 2013 / 2014 (December 28, 2012 = 100)



Share price (closing price)	
as of May 12, 2014	86.64
2014 High	95.00
2014 Low	85.67
Stock performance (Year-end 2013 until May 12, 2014)	-3.73 %
Number of shares issued	20 million
Market capitalization as of May 12, 2014 (in millions of EUR)	1,732.80
Trading volume (average per day 1Q 2014 in millions of EUR)	1.29

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