



1-3Q/16

Report for the first three quarters of 2016

- Increased sales and profit
- Solid volume development in both divisions
- Increase of recovered paper prices weighs on MM Karton margin
- European market development remains restrained
- Prospects for the financial year 2016 intact

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, 2016	Jan. 1 - Sep. 30, 2015	
Consolidated sales	1,713.8	1,617.8	+5.9 %
EBITDA	236.8	225.5	+5.0 %
EBITDA margin (%)	13.8 %	13.9 %	
Operating profit	160.2	154.6	+3.6 %
Operating margin (%)	9.3 %	9.6 %	
Profit before tax	155.9	146.8	+6.2 %
Income tax expense	(40.4)	(38.6)	
Profit for the period	115.5	108.2	+6.7 %
Net profit margin (%)	6.7 %	6.7 %	
Basic and diluted earnings per share (in EUR)	5.76	5.36	+7.5 %
Cash earnings	192.4	180.5	+6.6 %
Cash earnings margin (%)	11.2 %	11.2 %	
Capital expenditures (CAPEX)	94.6	84.0	+12.6 %
Depreciation and amortization	76.5	71.9	+6.4 %

	Balance sheet date	
	Sep. 30, 2016	Dec. 31, 2015
Total equity (in millions of EUR)	1,212.8	1,144.2
Total assets (in millions of EUR)	1,964.2	1,900.3
Total equity to total assets (%)	61.7 %	60.2 %
Net debt (in millions of EUR)	(7.6)	(35.0)
Enterprise value (in millions of EUR)	1,957.3	2,263.6
Employees	9,936	9,938

Group Report

DEAR SHAREHOLDERS,

Your Company was able to increase sales as well as profit in the first three quarters of 2016 compared to the reference period in an increasingly challenging economic environment lacking direction. Due to the broad geographical sales spectrum and the focus on various consumer goods industries it was possible to maintain capacity utilization at a high level in both divisions despite restrained overall conditions.

As expected, the situation on the European cartonboard and folding carton markets started to get more challenging due to a lack of momentum. Nevertheless, MM Packaging was able to grow further, primarily through last year's acquisition in France, and to maintain its high profit level with a favorable product mix. In contrast, the pressure on margins at MM Karton strengthened particularly due to a significant rise in recovered paper prices during the third quarter. Accordingly, we aim to continue the consequent price policy in Europe and to pass on the cost increase through higher cartonboard prices in a timely manner.

For the fourth quarter pressure on margins and volumes is expected still to persist mainly as a result of seasonality. However, based on the strong development in the first half-year, the positive prospects for 2016 as a whole remain intact.

INCOME STATEMENT

The Group's consolidated sales totaled EUR 1,713.8 million and were thus 5.9 % or EUR 96.0 million above the previous year's value (1-3Q 2015: EUR 1,617.8 million). This rise is primarily due to the acquisition-related higher business volume at MM Packaging.

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

(in %)	1 st - 3 rd Quarter	
	Jan. 1 - Sep. 30, 2016	Jan. 1 - Sep. 30, 2015
Western Europe	58.5 %	58.3 %
Eastern Europe	26.7 %	26.4 %
Asia	5.7 %	5.5 %
Latin America	5.0 %	5.6 %
Other	4.1 %	4.2 %
Total	100.0 %	100.0 %

At EUR 160.2 million, operating profit was 3.6 % or EUR 5.6 million above the comparative value of the previous year (1-3Q 2015: EUR 154.6 million). A significant increase at MM Packaging was contrasted with a decrease at MM Karton. The Group's operating margin reached 9.3 % (1-3Q 2015: 9.6 %).

Financial income totaled EUR 2.3 million (1-3Q 2015: EUR 1.4 million), while financial expenses amounted to EUR -4.7 million (1-3Q 2015: EUR -4.7 million).

Profit before tax went up by 6.2 % to EUR 155.9 million, after EUR 146.8 million in the first three quarters of the previous year. Income tax expense amounted to EUR 40.4 million (1-3Q 2015: EUR 38.6 million), resulting in an effective Group tax rate of 25.9 % (1-3Q 2015: 26.3 %).

Thus, profit for the period rose by 6.7 % to EUR 115.5 million (1-3Q 2015: EUR 108.2 million) and earnings per share from EUR 5.36 to EUR 5.76.

ASSETS, CAPITAL AND LIQUID FUNDS

As of September 30, 2016, the Group's total assets climbed to EUR 1,964.2 million, following EUR 1,900.3 million at December 31, 2015. This rise is largely attributable to profit. The Group's total equity increased from EUR 1,144.2 million (December 31, 2015) to EUR 1,212.8 million.

Financial liabilities, mainly of a long-term nature, came down as a result of loan repayment compared to the end of 2015, from EUR 293.3 million to EUR 264.8 million. Total funds available to the Group remained almost unchanged at EUR 257.2 million (December 31, 2015: EUR 258.3 million), resulting in net debt decreasing from EUR -35.0 million (December 31, 2015) to EUR -7.6 million.

Current assets went up by EUR 52.9 million to EUR 1,025.1 million (December 31, 2015: EUR 972.2 million) particularly due to higher business activity compared to the end of 2015. Non-current assets rose from EUR 928.1 million (December 31, 2015) to EUR 939.1 million chiefly resulting from capital expenditure.

CASH FLOW DEVELOPMENT

Cash flow from operating activities totaled EUR 159.7 million and was EUR 24.3 million above the comparative value for the previous year (1-3Q 2015: EUR 135.4 million). This difference is mainly attributable to the rise in profit and a lower increase in working capital compared to the same period of the previous year.

Cash flow from investing activities was at EUR -98.1 million after EUR -96.8 million in the previous year's period. This difference arises primarily from higher payments for the purchase of property, plant and equipment. Main areas of investment in both divisions focused on technological modernizations, at MM Packaging also on extensions. Furthermore, the replacement of the power station at the Austrian cartonboard mill in Frohnleiten has started.

Cash flow from financing activities amounted to EUR -61.8 million (1-3Q 2015: EUR -112.5 million). This change is mainly due to lower loan repayments in the current year as well as a reduced dividend payment in the second quarter of 2016 owing to the interim dividend already paid out last year.

DEVELOPMENT IN THE THIRD QUARTER

As expected, the entire supply chain on the European cartonboard packaging market weakened in the third quarter although general economic indicators remained unchanged.

Accordingly, in the cartonboard division the order backlog from Europe did not improve and had to be supplemented with volumes from overseas, hence capacity utilization at 98 % remained at a high level (2Q 2016: 98 %; 3Q 2015: 99 %). Thus, average prices were however lower than in the comparative period of the previous year despite a consequent price policy in Europe. At the same time, European recovered paper prices recorded a sharp rise within a short period, however not as a result of a market recovery but due to increased stockpiling in the European recovered paper processing industry. Thereby the operating margin of MM Karton decreased to 6.0 %, after 7.3 % in the second quarter of 2016 and 9.6 % in the third quarter of 2015.

MM Packaging achieved an operating margin of 10.0 % after 11.1 % in the second quarter of 2016 and 10.5 % in the comparative period of the previous year.

The Group's operating profit totaled EUR 49.4 million (2Q 2016: EUR 55.6 million; 3Q 2015: EUR 58.1 million), translating into an operating margin of 8.6 % (2Q 2016: 9.8 %; 3Q 2015: 10.6 %).

The profit for the period amounted to EUR 35.1 million (2Q 2016: EUR 41.0 million; 3Q 2015: EUR 41.0 million).

RISK REPORT

Material single risks as well as the structure of the risk management system are described in our Annual Report 2015. The medium and long-term risks from the decision made by the United Kingdom to leave the EU and the political developments in Turkey are as before difficult to assess for the overall economy in Europe. However, the immediate impact on the Group is currently still manageable. Further risks were not identified in the first three quarters of 2016 and from today's perspective are not expected for the remaining financial year.

OUTLOOK

The economic trend for our main markets shows only slight growth without any increase in the consumption share. The situation on the European cartonboard packaging market therefore remains challenging. Sufficient available capacities and ongoing optimization at our customer industries keep competition high, setting continuous pressure on margins and volumes. Our immediate focus is on passing on the increased recovered paper prices. Moreover, we expect raw material costs now to remain on a high level.

The fourth quarter is likely to follow the level of the third quarter, especially owing to usually reduced business activity at year-end. Based on the strong profit development in the first half-year, the positive prospects for the financial year 2016 remain in place.

Due to short-term visibility and general economic uncertainties, a forecast for 2017 is not yet possible. However, the annual result for 2016 appears to become a challenge for 2017 from today's perspective. According to strategy, we will continue our growth course risk-consciously as hitherto.

DIVISIONS

DIVISIONS

MM Karton

On the European cartonboard market demand development for both recycling and virgin fiber-based board proved to be more restrained over the course of the year than in the comparative period of the previous year. Under these framework conditions, MM Karton concentrates on the continuation of the consequent price policy in Europe and supplying established export markets outside of Europe.

At 98 % (1-3Q 2015: 99 %), capacity utilization remained at a high level in the first three quarters. However, as a result of the increasingly short-term nature of business, the average order backlog of MM Karton decreased to 47,000 tons, after 88,000 tons in the previous year's period.

While procurement markets were characterized by fairly unchanged input prices in the first half-year, prices for the strategic raw material of recovered paper rose significantly in the third quarter. Consequently, a price increase for all recycling cartonboard products has been announced for the fourth quarter.

At 1,255,000 tons, tonnage produced was slightly below the previous year's level (1-3Q 2015: 1,259,000 tons), while tonnage sold, at 1,258,000 tons, was somewhat higher than in the same period a year ago (1-3Q 2015: 1,252,000 tons). Around 82 % of this was sold in Europe and 18 % in markets outside of Europe (1-3Q 2015: 84 %; 16 %).

Average prices were slightly lower owing to the country mix, thus sales, at EUR 777.5 million, did not fully reach the previous year's value (1-3Q 2015: EUR 787.4 million). Connected with the sharp price increase for recovered paper, operating profit decreased from EUR 66.4 million to EUR 54.4 million. The operating margin was therefore 7.0 % after 8.4 % in the comparative period of the previous year.

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, 2016	Jan. 1 - Sep. 30, 2015	
Sales ¹⁾	777.5	787.4	-1.3 %
Operating profit	54.4	66.4	-18.1 %
Operating margin (%)	7.0 %	8.4 %	
Tonnage sold (in thousands of tons)	1,258	1,252	+0.5 %
Tonnage produced (in thousands of tons)	1,255	1,259	-0.3 %

¹⁾ including interdivisional sales

MM Packaging

Similar to the consumer goods market, the European folding carton market was marked by low growth and intense competition in the first three quarters of the year. This overall picture could be seen across all countries and sectors and was therefore not limited to single developments. Even large economies like Germany were unable to provide any sustainable stimulus so far. Furthermore, global brand producers increasingly emphasize cost reduction.

Against this background, the focus of MM Packaging's operating activities was on the continuous improvement of cost efficiency, safeguarding of market shares as well as the development of new potential in terms of product technology and geography. The latter is currently presented especially by increased capital expenditure at the production sites in Iran and Vietnam.

On the whole, MM Packaging recorded a solid general development over the reporting period, however with heterogeneity in the contribution from individual markets and sites.

Major growth driver in 2016 remained last year's acquisition in France, which has been a part of the division since October 2015. The integration of the company specialized in packaging for pharmaceuticals and luxury goods, has proceeded according to schedule and meets the expectations.

Accordingly, sales increased by 11.6 % or EUR 105.5 million to EUR 1,013.4 million (1-3Q 2015: EUR 907.9 million). Supported by a favorable product mix, operating profit at EUR 105.8 million was 20.0 % above the comparative value of the previous year (1-3Q 2015: EUR 88.2 million). The operating margin thus reached 10.4 % (1-3Q 2015: 9.7 %).

Tonnage processed went up by 4.6 % from 545,000 tons to 570,000 tons, the sheet equivalent by 10.2 % to 1,689.3 million (1-3Q 2015: 1,532.4 million).

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, 2016	Jan. 1 - Sep. 30, 2015	
Sales ¹⁾	1,013.4	907.9	+11.6 %
Operating profit	105.8	88.2	+20.0 %
Operating margin (%)	10.4 %	9.7 %	
Tonnage processed (in thousands of tons)	570	545	+4.6 %
Sheet equivalent (in millions)	1,689.3	1,532.4	+10.2 %

¹⁾ including interdivisional sales

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, 2016	Dec. 31, 2015
ASSETS			
Property, plant and equipment	3	773,334	759,640
Intangible assets including goodwill	3	129,331	131,388
Securities and other financial assets		5,014	5,821
Deferred income taxes		31,424	31,248
Non-current assets		939,103	928,097
Inventories	6	329,427	320,420
Trade receivables		377,562	339,207
Income tax receivables		4,198	11,011
Prepaid expenses, securities and other current assets		59,238	46,634
Cash and cash equivalents		254,662	254,953
Current assets		1,025,087	972,225
TOTAL ASSETS		1,964,190	1,900,322
EQUITY AND LIABILITIES			
Share capital		80,000	80,000
Additional paid-in capital		172,658	172,658
Retained earnings		1,112,892	1,020,442
Other reserves		(159,660)	(137,550)
Equity attributable to shareholders of the Company		1,205,890	1,135,550
Non-controlling (minority) interests		6,922	8,605
Total equity		1,212,812	1,144,155
Interest-bearing financial liabilities	8	212,439	213,845
Provisions for non-current liabilities and charges		139,573	118,094
Deferred income taxes		15,510	19,655
Non-current liabilities		367,522	351,594
Interest-bearing financial liabilities	8	52,397	79,446
Current tax liabilities		12,798	20,873
Trade liabilities		193,840	186,287
Deferred income and other current liabilities		93,364	96,648
Provisions for current liabilities and charges		31,457	21,319
Current liabilities		383,856	404,573
Total liabilities		751,378	756,167
TOTAL EQUITY AND LIABILITIES		1,964,190	1,900,322

Consolidated Income Statements

(according to IFRS for interim financial reporting, unaudited)

	Notes	3 rd Quarter		1 st - 3 rd Quarter	
		Jul. 1 - Sep. 30, 2016	Jul. 1 - Sep. 30, 2015	Jan. 1 - Sep. 30, 2016	Jan. 1 - Sep. 30, 2015
(all amounts in thousands of EUR, except per share data)					
Sales	10	571,591	548,124	1,713,768	1,617,766
Cost of sales		(443,873)	(415,048)	(1,318,867)	(1,237,740)
Gross margin		127,718	133,076	394,901	380,026
Other operating income		1,987	2,603	8,579	6,917
Selling and distribution expenses		(53,468)	(52,171)	(161,085)	(156,588)
Administrative expenses		(26,910)	(25,470)	(82,173)	(75,754)
Other operating expenses		(7)	(11)	(54)	(50)
Operating profit		49,320	58,027	160,168	154,551
Financial income		749	654	2,309	1,452
Financial expenses		(1,539)	(1,587)	(4,696)	(4,746)
Other financial result – net		(1,534)	(1,143)	(1,917)	(4,489)
Profit before tax		46,996	55,951	155,864	146,768
Income tax expense		(11,888)	(14,999)	(40,319)	(38,589)
Profit for the period		35,108	40,952	115,545	108,179
Attributable to:					
Shareholders of the Company		35,033	40,609	115,198	107,275
Non-controlling (minority) interests		75	343	347	904
Profit for the period		35,108	40,952	115,545	108,179
Earnings per share for the profit attributable to the shareholders of the Company during the period:					
Basic and diluted earnings per share (in EUR)		1.75	2.03	5.76	5.36

Consolidated Comprehensive Income Statements

(according to IFRS for interim financial reporting, unaudited)

	3 rd Quarter		1 st - 3 rd Quarter	
	Jul. 1 - Sep. 30, 2016	Jul. 1 - Sep. 30, 2015	Jan. 1 - Sep. 30, 2016	Jan. 1 - Sep. 30, 2015
(all amounts in thousands of EUR)				
Profit for the period¹⁾	35,108	40,952	115,545	108,179
Profit (loss) directly recognized in equity:				
Actuarial valuation of defined benefit pension and severance obligations	(7,562)	329	(26,539)	7,839
Effect of income taxes	891	(160)	4,560	(1,613)
Total of items that will not be reclassified subsequently to the income statement	(6,671)	169	(21,979)	6,226
Foreign currency translations ¹⁾	(2,610)	(31,010)	(444)	(22,702)
Total of items that will be reclassified subsequently to the income statement	(2,610)	(31,010)	(444)	(22,702)
Total profit (loss) directly recognized in equity (net)¹⁾	(9,281)	(30,841)	(22,423)	(16,476)
Total comprehensive income	25,827	10,111	93,122	91,703
Attributable to:				
Shareholders of the Company	25,852	10,405	93,088	90,945
Non-controlling (minority) interests	(25)	(294)	34	758
Total comprehensive income	25,827	10,111	93,122	91,703

¹⁾ In the first three quarters of 2016 no reclassifications from foreign currency translations directly recognized in equity to the profit for the period were made (1-3Q 2015: thous. EUR -727; 3Q 2015: thous. EUR 196).

Consolidated Statements of Changes in Equity

(according to IFRS for interim financial reporting, unaudited)

(all amounts in thousands of EUR) Notes	Equity attributable to shareholders of the Company							Non-controlling (minority) interests	Total equity
	Share capital	Additional paid-in capital	Retained earnings	Profit (loss) directly recognized in equity			Total		
				Foreign currency translations	Actuarial gains and losses	Other reserves			
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	115,198	(141)	(21,969)	(22,110)	93,088	34	93,122
Dividends paid 7	0	0	(24,000)	0	0	0	(24,000)	(373)	(24,373)
Change in majority interests	0	0	1,252	0	0	0	1,252	(1,344)	(92)
Balance at September 30, 2016	80,000	172,658	1,112,892	(98,361)	(61,299)	(159,660)	1,205,890	6,922	1,212,812
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	107,275	(22,555)	6,225	(16,330)	90,945	758	91,703
Dividends paid 7	0	0	(52,000)	0	0	0	(52,000)	(562)	(52,562)
Change in majority interests	0	0	(229)	0	0	0	(229)	(248)	(477)
Balance at September 30, 2015	80,000	172,658	1,018,165	(98,747)	(41,773)	(140,520)	1,130,303	10,529	1,140,832

Consolidated Cash Flow Statements

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

	1 st - 3 rd Quarter	
	Jan. 1 - Sep. 30, 2016	Jan. 1 - Sep. 30, 2015
(all amounts in thousands of EUR)		
Profit for the period	115,545	108,179
Adjustments to reconcile profit for the period to net cash from operating activities excluding interest and taxes paid	115,703	113,244
Net cash from profit	231,248	221,423
Changes in working capital	(29,881)	(54,897)
Cash flow from operating activities excluding interest and taxes paid	201,367	166,526
Income taxes paid	(41,619)	(31,105)
CASH FLOW FROM OPERATING ACTIVITIES	159,748	135,421
Payments for property, plant and equipment, and intangible assets (incl. payments on account)	(104,574)	(96,966)
Other items	6,436	160
CASH FLOW FROM INVESTING ACTIVITIES	(98,138)	(96,806)
Change in financial liabilities	(27,872)	(56,751)
Dividends paid to the shareholders of the Company	(24,000)	(52,000)
Other items	(9,940)	(3,693)
CASH FLOW FROM FINANCING ACTIVITIES	(61,812)	(112,444)
Effect of exchange rate changes on cash and cash equivalents	(89)	(2,248)
Change in cash and cash equivalents	(291)	(76,077)
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)	254,662	244,009
Adjustments to reconcile cash and cash equivalents to total funds available to the Group:		
Current and non-current securities	2,538	3,364
Total funds available to the Group	257,200	247,373

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
IAS 28/IFRS 10/12	Investment Entities: Applying the Consolidation Exception	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 8 f.

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

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

The change in provisions for non-current liabilities and charges was primarily due to an adjustment of the discount rate for defined benefit pension respectively severance obligations to 1.37 % respectively 1.68 % as of September 30, 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 — FURTHER INFORMATION

In May 2016, the division MM Karton increased its majority interest in the Malaysian cartonboard trader Firgos (Malaysia) SND BHD, located in Kuala Lumpur, to 100 % for a price of thous. EUR 6,921, for which a corresponding purchase price liability was recognized.

3 — DEVELOPMENT OF FIXED ASSETS

The Group spent a total of thous. EUR 94,632 (1-3Q 2015: thous. EUR 84,022) on acquiring property, plant and equipment and intangible assets in the first three quarters of 2016. The carrying amount of disposals of property, plant and equipment and intangible assets amounted to thous. EUR 2,133 (1-3Q 2015: thous. EUR 1,393).

Depreciation and amortization on property, plant and equipment and intangible assets amounted to thous. EUR 76,479 (1-3Q 2015: thous. EUR 71,860).

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, 2016	Dec. 31, 2015
Lands, similar land rights and buildings	273,731	285,352
Technical equipment and machines	381,972	400,618
Other equipment, fixtures and fittings	37,925	40,416
Construction in progress	79,706	33,254
Property, plant and equipment	773,334	759,640
	End of 3rd Quarter	Year-end
(all amounts in thousands of EUR)	Sep. 30, 2016	Dec. 31, 2015
Concessions, licenses and similar rights	7,625	7,699
Goodwill	109,306	109,291
Other intangible assets	12,400	14,398
Intangible assets including goodwill	129,331	131,388

4 — PURCHASE COMMITMENTS

As of September 30, 2016 purchase obligations for fixed assets regarding planned capital expenditures maturing within one year amounted to thous. EUR 59,116 (December 31, 2015: thous. EUR 24,317).

5 — FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities and are recognized in different categories, which determine the subsequent measurement method and thus also the resulting type of income and expense.

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

Financial liabilities of the Group comprise interest-bearing financial liabilities 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 3 rd Quarter	Year-end
	Sep. 30, 2016	Dec. 31, 2015
(all amounts in thousands of EUR)		
Financial assets:		
Derivative financial instruments	654	1,325
Financial liabilities:		
Derivative financial instruments	1,488	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 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 sheets represent a reasonable approximation value of the fair value.

The share purchase price and option liabilities as of December 31, 2015 were related to liabilities in connection with shares in certain subsidiaries held by non-controlling (minority) shareholders, which are evaluated according to the individual contractual terms. These share purchase price and option liabilities are calculated as a multiple of a result-dependent component (e. g. EBITDA) of the subsidiary less potential net debt, respectively in the amount of the remaining share. As of September 30, 2016, such liabilities no longer exist (December 31, 2015: thous. EUR 6,859). The change is attributed to the payment of the purchase price arising from the acquisition of interest in Malaysia.

The available-for-sale financial assets include equity shares in non-consolidated companies as of September 30, 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.

6 — INVENTORIES

In the first three quarters of 2016 the write-downs of inventories recognized as an expense amounted to thous. EUR 6,106 (1-3Q 2015: thous. EUR 6,568), the reversal of write-downs of inventories recognized as income amounted to thous. EUR 82 (1-3Q 2015: thous. EUR 71) both under cost of goods sold.

7 — 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.

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, 2016	Dec. 31, 2015
Non-current interest-bearing financial liabilities	210,000	210,073
Current interest-bearing financial liabilities	50,638	77,743
Interest-bearing financial liabilities	260,638	287,816
Non-current finance lease liabilities	2,439	3,772
Current finance lease liabilities	1,759	1,703
Finance lease liabilities	4,198	5,475
Financial liabilities	264,836	293,291

9 — DISCLOSURE ON TRANSACTIONS WITH RELATED PARTIES

Raw materials for the production of cartonboard amounting to thous. EUR 3,860 were purchased from other related companies in the first three quarters of 2016 (1-3Q 2015: thous. EUR 5,777). As of September 30, 2016, trade liabilities with other related companies amounted to thous. EUR 913 (December 31, 2015: thous. EUR 979).

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

10 — SEGMENT REPORTING INFORMATION

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

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

(all amounts in thousands of EUR)	1 st - 3 rd Quarter 2016			
	MM Karton	MM Packaging	Eliminations	Consolidated
Sales to external customers	700,918	1,012,850	0	1,713,768
Intersegment sales	76,618	501	(77,119)	0
Total sales	777,536	1,013,351	(77,119)	1,713,768
Operating profit	54,311	105,857	0	160,168
Profit for the period	40,261	75,284	0	115,545
Segment assets ¹⁾	1,015,398	1,024,367	(75,575)	1,964,190
Segment liabilities ¹⁾	329,531	497,422	(75,575)	751,378

¹⁾ as of September 30, 2016

(all amounts in thousands of EUR)	1 st - 3 rd Quarter 2015			
	MM Karton	MM Packaging	Eliminations	Consolidated
Sales to external customers	710,663	907,103	0	1,617,766
Intersegment sales	76,793	771	(77,564)	0
Total sales	787,456	907,874	(77,564)	1,617,766
Operating profit	66,403	88,148	0	154,551
Profit for the period	46,917	61,262	0	108,179
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.

11 — SIGNIFICANT SUBSEQUENT EVENTS

No events that require disclosure took place between the balance sheet date September 30, 2016 and the publication approval on November 14, 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	2 nd Quarter 2016	3 rd Quarter 2016
Sales	533.9	535.7	548.1	563.8	576.0	566.2	571.6
EBITDA	74.0	70.1	81.4	73.2	80.3	83.6	72.9
EBITDA margin (%)	13.9 %	13.1 %	14.9 %	13.0 %	13.9 %	14.8 %	12.8 %
Operating profit	50.8	45.7	58.1	45.3	55.2	55.6	49.4
Operating margin (%)	9.5 %	8.5 %	10.6 %	8.0 %	9.6 %	9.8 %	8.6 %
Profit before tax	47.6	43.2	56.0	43.8	53.2	55.7	47.0
Income tax expense	(12.1)	(11.5)	(15.0)	(9.9)	(13.8)	(14.7)	(11.9)
Profit for the period	35.5	31.7	41.0	33.9	39.4	41.0	35.1
Net profit margin (%)	6.6 %	5.9 %	7.5 %	6.0 %	6.8 %	7.2 %	6.1 %
Earnings per share (basic and diluted in EUR)	1.77	1.56	2.03	1.72	1.96	2.05	1.75

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	2 nd Quarter 2016	3 rd Quarter 2016
Sales ¹⁾	258.9	263.5	265.0	259.3	263.4	258.5	255.6
Operating profit	18.6	22.3	25.5	16.2	20.2	18.9	15.3
Operating margin (%)	7.2 %	8.5 %	9.6 %	6.2 %	7.7 %	7.3 %	6.0 %
Tonnage sold (in thousands of tons)	421	413	418	408	427	417	414
Tonnage produced (in thousands of tons)	415	422	422	418	419	420	416

¹⁾ including interdivisional sales

MM Packaging

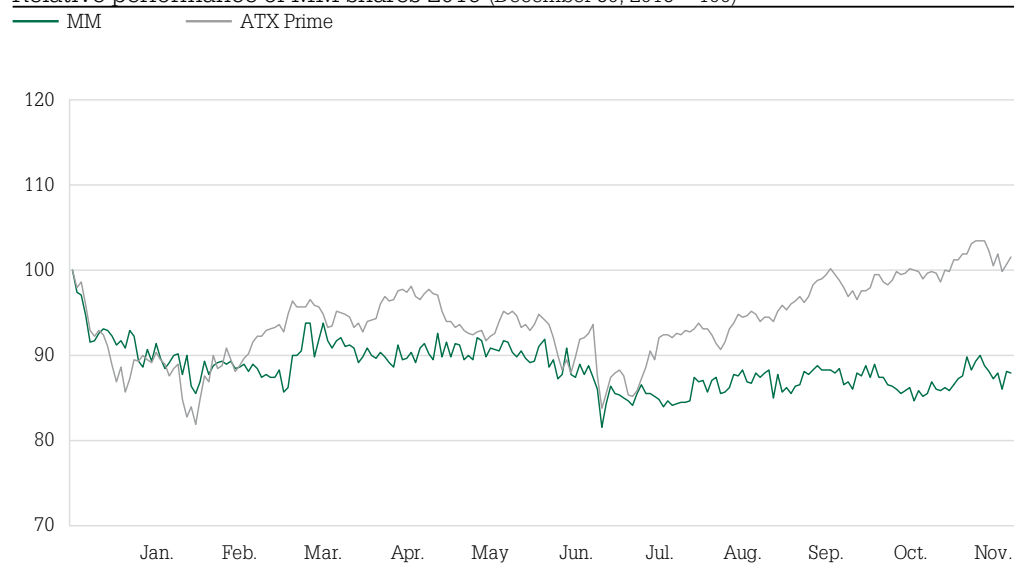
(in millions of EUR)	1 st Quarter 2015	2 nd Quarter 2015	3 rd Quarter 2015	4 th Quarter 2015	1 st Quarter 2016	2 nd Quarter 2016	3 rd Quarter 2016
Sales ¹⁾	300.7	297.5	309.7	329.4	339.2	332.1	342.1
Operating profit	32.2	23.4	32.6	29.1	35.0	36.7	34.1
Operating margin (%)	10.7 %	7.9 %	10.5 %	8.8 %	10.3 %	11.1 %	10.0 %
Tonnage processed (in thousands of tons)	182	176	187	184	189	191	190
Sheet equivalent (in millions)	503.0	498.3	531.1	526.9	562.2	565.8	561.3

¹⁾ including interdivisional sales

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

Mayr-Melnhof Shares

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



Share price (closing price)	
as of November 8, 2016	100.60
2016 High	111.45
2016 Low	93.34
Stock performance (Year-end 2015 until November 8, 2016)	-12.14 %
Number of shares issued	20 million
Market capitalization as of November 8, 2016 (in millions of EUR)	2,012.00
Trading volume (average per day 1-3Q 2016 in millions of EUR)	1.05

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.

The determination of key indicators, which cannot be reconciled directly from the quarterly financial report, can be found on our website under section “investors/key indicators”.

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 2017

March 21, 2017	Financial results for 2016
April 16, 2017	Record date "Ordinary Shareholders' Meeting"
April 26, 2017	23 rd Ordinary Shareholders' Meeting – Vienna
May 2, 2017	Ex-dividend day
May 3, 2017	Record date "Dividends"
May 9, 2017	Dividend payment date
May 18, 2017	Results for the 1 st quarter of 2017
August 17, 2017	Results for the 1 st half-year of 2017
November 15, 2017	Results for the first three quarters of 2017

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