



1-20/15

Half-year Financial Report 2015

- Good first half-year
- Profit and sales increase in both divisions
- High capacity utilization
- Continuity expected for second half-year

Group Key Indicators

(according to IFRS for interim financial reporting, unaudited)

(consolidated, in millions of EUR)	1 st - 2 nd Quarter		
	Jan. 1 - Jun. 30, 2015	Jan. 1 - Jun. 30, 2014	+/-
Sales	1,069.6	1,033.1	+3.5 %
EBITDA	144.1	133.5	+7.9 %
EBITDA margin (%)	13.5 %	12.9 %	
Operating profit	96.5	88.7	+8.8 %
Operating margin (%)	9.0 %	8.6 %	
Profit before tax	90.8	82.7	+9.8 %
Income tax expense	(23.6)	(21.7)	
Profit for the period	67.2	61.0	+10.2 %
Net profit margin (%)	6.3 %	5.9 %	
Basic and diluted earnings per share (in EUR)	3.33	3.03	
Cash earnings	114.7	107.5	+6.7 %
Cash earnings margin (%)	10.7 %	10.4 %	
Capital expenditures	52.0	65.5	-20.6 %
Depreciation and amortization	48.6	46.5	+4.5 %

	Balance sheet date	
	Jun. 30, 2015	Dec. 31, 2014
Total equity (in millions of EUR)	1,130.8	1,102.2
Total assets (in millions of EUR)	1,806.6	1,787.0
Total equity to total assets (%)	62.6 %	61.7 %
Net liquidity (in millions of EUR)	11.8	58.3
Enterprise value (in millions of EUR)	2,037.9	1,730.6
Employees	9,224	9,399

Group Report

DEAR SHAREHOLDERS,

Your Company was able to successfully assert itself also in the first half-year of 2015. Ongoing high competition characterized the largely stable overall economic environment. Sales as well as profit exceed the previous year's figures. High capacity utilization and improved productivity considerably contributed to this. Both divisions, cartonboard production and cartonboard processing, succeeded in growing and maintaining the profitability at a good level. With the acquisition of a French folding carton group in the field of packaging for pharmaceuticals and luxury goods, organic and acquisitive growth will continue to complement each other.

Given the current order situation, continuity at a good level can be expected for the second half of the year, from today's perspective.

INCOME STATEMENT

At EUR 1,069.6 million, the Group's consolidated sales were 3.5 % above the comparative value of the previous year (1st half of 2014: EUR 1,033.1 million). This increase results from the growth in business volumes.

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

(in %)	1 st - 2 nd Quarter	
	Jan. 1 - Jun. 30, 2015	Jan. 1 - Jun. 30, 2014
Western Europe	58.7 %	58.8 %
Eastern Europe	26.3 %	25.6 %
Latin America	5.5 %	5.1 %
Asia	5.5 %	6.0 %
Other	4.0 %	4.5 %
Total	100.0 %	100.0 %

Operating profit was improved by 8.8 % or EUR 7.8 million to EUR 96.5 million (1st half of 2014: EUR 88.7 million). Both divisions contributed significantly to this. The Group's operating margin was at 9.0 % (1st half of 2014: 8.6 %).

With unchanged low interests, financial income of EUR 0.8 million (1st half of 2014: EUR 0.9 million) was offset by financial expenses of EUR -3.2 million (1st half of 2014: EUR -2.6 million).

Profit before tax rose by 9.8 % to EUR 90.8 million (1st half of 2014: EUR 82.7 million). Income tax expense amounted to EUR 23.6 million following EUR 21.7 million in the comparative period of the previous year, resulting in an effective Group tax rate of 26.0 % (1st half of 2014: 26.2 %).

Profit for the period therefore increased by 10.2 % to EUR 67.2 million (1st half of 2014: EUR 61.0 million). With an unchanged total of 20,000,000 shares outstanding, earnings per share amounted to EUR 3.33 (1st half of 2014: EUR 3.03).

ASSETS, CAPITAL AND LIQUID FUNDS

As of June 30, 2015, the Group's total assets amounted to EUR 1,806.6 million following EUR 1,787.0 million at the end of 2014. This rise is primarily attributable to a profit-related increase in equity from EUR 1,102.2 million to EUR 1,130.8 million as well as higher working capital due to increased business activity.

Financial liabilities, principally of a long-term character, declined due to repayments from EUR 265.9 million (December 31, 2014) to EUR 254.5 million. Total funds available to the Group decreased to EUR 266.3 million primarily as a result of dividend payments (December 31, 2014: EUR 324.2 million). The net liquidity of the Group was therefore at EUR 11.8 million (December 31, 2014: EUR 58.3 million).

Current assets went up by EUR 17.8 million to EUR 978.5 million, particularly as a result of increased business activity compared to the end of 2014. At EUR 828.1 million, non-current assets remained largely constant (December 31, 2014: EUR 826.3 million).

CASH FLOW DEVELOPMENT

Cash flow from operating activities went up to EUR 70.8 million following EUR 59.6 million in the comparative period of the previous year, mainly as a result of increased profit.

Cash flow from investing activities, at EUR -61.9 million, was close to the previous year's figure (1st half of 2014: EUR -61.3 million). The main investment focus in both divisions principally concerned technical modernizations.

Cash flow from financing activities amounted to EUR -66.3 million following EUR -98.1 million in the comparative period of the previous year, in which an anniversary bonus was paid out with the dividend.

DEVELOPMENT IN THE SECOND QUARTER

With regards to profit, the second quarter was, as expected, below the first quarter of 2015 however above sales and profit of the comparative period of the previous year.

The cartonboard division recorded again full capacity utilization at 99 % (1Q 2015: 99 %; 2Q 2014: 98 %) and was able to improve the average prices in the course of the quarter. The operating margin reached 8.5 % (1Q 2015: 7.2 %; 2Q 2014: 8.0 %).

In the packaging division, non-recurring expenses of around EUR 3 million related to the site concentration of MM Packaging Austria on the larger plant in Vienna as well as the slightly lower production led to a decrease of the operating margin from 10.7 % in the first quarter of 2015 to 7.9 % (2Q 2014: 7.9 %).

The Group's operating profit amounted to EUR 45.7 million following EUR 50.8 million in the first quarter of 2015 and EUR 42.5 million in the second quarter of the previous year. Thus, the operating margin was at 8.5 % (1Q 2015: 9.5 %; 2Q 2014: 8.3 %).

The profit for the period totaled EUR 31.7 million (1Q 2015: EUR 35.5 million; 2Q 2014: EUR 28.9 million).

FURTHER INFORMATION

In June 2015, the division MM Packaging made an offer for the acquisition of the folding carton business of Ileos SA, France, and signed the purchase contract in July. The company produces folding cartons for the pharmaceutical industry at five sites and for luxury articles and cosmetics at two sites. The production sites are located in France. Customer portfolio and market shares fit into the industrial growth strategy of MM Packaging. The transaction is subject to the customary closing conditions.

RISK REPORT

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

OUTLOOK

Without any indications for a sustainable upturn, continuity however characterizes the current market environment in Europe. In contrast, emerging markets continue to face weaker economic dynamics.

The order backlog in both divisions remains at an overall good level. Therefore, an ongoing satisfying capacity utilization is expected in the Group also during the second half of the year.

However, with the solid market conditions in Europe, the prices for a number of input factors are gradually increasing. The necessary price adjustment for our products has been implemented. Supported by a wide range of efficiency-raising measures, our aim is to maintain the good level of profitability as best as possible in an unchanged very competitive environment. We will pursue the long-term expansion course risk-consciously as before through organic growth as well as acquisitions.

DIVISIONS

MM Karton

Against the background of solid demand on the European cartonboard market, the business development of MM Karton in the first two quarters of 2015 was characterized by high capacity utilization and improved productivity. At 99 % (1st half of 2014: 98 %) capacities continued to be almost fully utilized. At 91,000 tons, the average order backlog was significantly above the comparative figure of the previous year (1st half of 2014: 58,000 tons).

However, as a result of the robust market environment there is also an upward trend in the cost of raw materials, such as fibers and chemicals, over the last months. Accordingly, a price increase was gradually implemented in the second quarter.

At 837,000 tons and 834,000 tons respectively, both production as well as tonnage sold were around 4 % above the comparative figures of the previous year (1st half of 2014: 805,000 tons and 806,000 tons respectively). With a share of around 84 % (1st half of 2014: 82 %), slightly more was sold in Europe, with markets outside of Europe accounting for around 16 % (1st half of 2014: 18 %).

As a result of lower average prices, sales development was somewhat behind the volume dynamics with an increase of around 2 % to EUR 522.4 million (1st half of 2014: EUR 511.4 million). In contrast, operating profit could be improved by around 5 % to EUR 40.9 million (1st half of 2014: EUR 39.0 million), thus the operating margin reached 7.8 % (1st half of 2014: 7.6 %).

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

(in millions of EUR)	1 st - 2 nd Quarter		+/-
	Jan. 1 - Jun. 30, 2015	Jan. 1 - Jun. 30, 2014	
Sales ¹⁾	522.4	511.4	+2.2 %
Operating profit	40.9	39.0	+4.9 %
Operating margin (%)	7.8 %	7.6 %	
Tonnage sold (in thousands of tons)	834	806	+3.5 %
Tonnage produced (in thousands of tons)	837	805	+4.0 %

¹⁾ including interdivisional sales

MM Packaging

Demand for folding cartons on our European main markets was characterized by a high degree of stability in the first half of 2015. In contrast, the economic slowdown in emerging markets such as South America is becoming noticeable.

Due to sufficient production capacities, the European market remains highly competitive and continually requires all efforts to be concentrated. MM Packaging is thereby focusing on cost leadership through highly efficient production in major locations, convincing quality and services as well as the early entering into new markets for long-term cooperation with successful customers.

Based on this, a growth in both sales and profit was recorded in comparison to the previous year's period. High capacity utilization and overall good performance of the plants characterized the general positive picture. However, sustainable recovery is still not noticeable.

With an increase in sales by 4.4 % to EUR 598.2 million (1st half of 2014: EUR 573.0 million), operating profit rose by 11.9 % to EUR 55.6 million (1st half of 2014: EUR 49.7 million). The operating margin went up correspondingly from 8.7 % to 9.3 %.

The tonnage processed increased by 2.0 % from 351,000 tons to 358,000 tons, the sheet equivalent by 1.5 % from 986.6 million to 1,001.3 million.

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

(in millions of EUR)	1 st - 2 nd Quarter		
	Jan. 1 - Jun. 30, 2015	Jan. 1 - Jun. 30, 2014	+/-
Sales ¹⁾	598.2	573.0	+4.4 %
Operating profit	55.6	49.7	+11.9 %
Operating margin (%)	9.3 %	8.7 %	
Tonnage processed (in thousands of tons)	358	351	+2.0 %
Sheet equivalent (in millions)	1,001.3	986.6	+1.5 %

¹⁾ including interdivisional sales

Expansion Southeast Asia

The site MM Packaging Vidon in Vietnam will be developed for further exploitation of the market in Southeast Asia. The production of the start-up business MM Packaging Malaysia will therefore be integrated into the Vietnamese site by the end of 2015.

Consolidated Balance Sheets

(according to IFRS for interim financial reporting, unaudited)

(all amounts in thousands of EUR)	Notes	End of 2 nd Quarter	Year-end
		Jun. 30, 2015	Dec. 31, 2014
ASSETS			
Property, plant and equipment	3	700,974	697,724
Intangible assets including goodwill	3	98,181	97,697
Securities and other financial assets		6,273	7,680
Deferred income taxes		22,689	23,239
Non-current assets		828,117	826,340
Inventories	6	298,612	283,021
Trade receivables		350,136	301,162
Income tax receivables		11,868	10,984
Prepaid expenses, securities and other current assets		55,451	45,418
Cash and cash equivalents		262,441	320,086
Current assets		978,508	960,671
TOTAL ASSETS		1,806,625	1,787,011
EQUITY AND LIABILITIES			
Share capital		80,000	80,000
Additional paid-in capital		172,658	172,658
Retained earnings		977,562	963,119
Other reserves		(110,316)	(124,190)
Equity attributable to shareholders of the Company		1,119,904	1,091,587
Non-controlling (minority) interests		10,903	10,581
Total equity		1,130,807	1,102,168
Interest-bearing financial liabilities	8	155,729	156,724
Provisions for non-current liabilities and charges		113,468	121,211
Deferred income taxes		12,188	12,336
Non-current liabilities		281,385	290,271
Interest-bearing financial liabilities	8	98,792	109,187
Current tax liabilities		16,424	12,925
Trade liabilities		167,998	170,821
Deferred income and other current liabilities		84,495	83,699
Provisions for current liabilities and charges		26,724	17,940
Current liabilities		394,433	394,572
Total liabilities		675,818	684,843
TOTAL EQUITY AND LIABILITIES		1,806,625	1,787,011

Consolidated Income Statements

(according to IFRS for interim financial reporting, unaudited)

	Notes	2 nd Quarter		1 st - 2 nd Quarter	
		Apr. 1 - Jun. 30, 2015	Apr. 1 - Jun. 30, 2014	Jan. 1 - Jun. 30, 2015	Jan. 1 - Jun. 30, 2014
(all amounts in thousands of EUR, except per share data)					
Sales	10	535,747	509,208	1,069,642	1,033,096
Cost of sales		(413,390)	(394,203)	(822,692)	(798,915)
Gross margin		122,357	115,005	246,950	234,181
Other operating income		1,805	3,380	4,314	5,835
Selling and distribution expenses		(52,234)	(50,853)	(104,417)	(101,927)
Administrative expenses		(26,152)	(24,978)	(50,284)	(49,242)
Other operating expenses		(33)	(94)	(39)	(190)
Operating profit		45,743	42,460	96,524	88,657
Financial income		435	427	798	863
Financial expenses		(1,602)	(1,287)	(3,159)	(2,616)
Other financial result – net		(1,398)	(2,165)	(3,346)	(4,198)
Profit before tax		43,178	39,435	90,817	82,706
Income tax expense		(11,492)	(10,537)	(23,590)	(21,740)
Profit for the period		31,686	28,898	67,227	60,966
Attributable to:					
Shareholders of the Company		31,348	28,796	66,666	60,687
Non-controlling (minority) interests		338	102	561	279
Profit for the period		31,686	28,898	67,227	60,966
Earnings per share for the profit attributable to the shareholders of the Company during the period:					
Basic and diluted earnings per share (in EUR)		1.56	1.44	3.33	3.03

Consolidated Comprehensive Income Statements

(according to IFRS for interim financial reporting, unaudited)

	2 nd Quarter		1 st - 2 nd Quarter	
	Apr. 1 - Jun. 30, 2015	Apr. 1 - Jun. 30, 2014	Jan. 1 - Jun. 30, 2015	Jan. 1 - Jun. 30, 2014
(all amounts in thousands of EUR)				
Profit for the period¹⁾	31,686	28,898	67,227	60,966
Profit (loss) directly recognized in equity:				
Measurement of defined benefit pension and severance obligations	18,645	(6,074)	7,510	(7,728)
Effects of income taxes	(2,824)	1,427	(1,453)	1,734
Total of items that will not be reclassified ("recycled") subsequently to the income statement	15,821	(4,647)	6,057	(5,994)
Foreign currency translations	(7,304)	8,017	8,308	(6,763)
Total of items that will be reclassified ("recycled") subsequently to the income statement	(7,304)	8,017	8,308	(6,763)
Total profit (loss) directly recognized in equity - net¹⁾	8,517	3,370	14,365	(12,757)
Total profit for the period	40,203	32,268	81,592	48,209
Attributable to:				
Shareholders of the Company	40,370	32,110	80,540	48,051
Non-controlling (minority) interests	(167)	158	1,052	158
Total profit for the period	40,203	32,268	81,592	48,209

¹⁾ In the first half-year of 2015 an amount of thous. EUR -923 (1st half of 2014: thous. EUR -1,577) was reclassified from foreign currency translations directly recognized in equity to the profit for the period, thereof thous. EUR -923 in the second quarter of 2015 (2Q 2014: thous. EUR -938).

Consolidated Statements of Changes in Equity

(according to IFRS for interim financial reporting, unaudited)

	Equity attributable to shareholders of the Company							Non-controlling (minority) interests	Total equity
	Share capital	Additional paid-in capital	Retained earnings	Profit (loss) directly recognized in equity			Total		
(all amounts in thousands of EUR) Notes				Foreign currency translations	Actuarial gains and losses	Other reserves			
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 profit for the period			66,666	7,820	6,054	13,874	80,540	1,052	81,592
Dividends paid 7			(52,000)				(52,000)	(495)	(52,495)
Change in majority interests			(223)				(223)	(235)	(458)
Balance at June 30, 2015	80,000	172,658	977,562	(68,372)	(41,944)	(110,316)	1,119,904	10,903	1,130,807
Balance at January 1, 2014	80,000	172,658	928,642	(52,018)	(27,552)	(79,570)	1,101,730	10,072	1,111,802
Total profit for the period			60,687	(6,653)	(5,983)	(12,636)	48,051	158	48,209
Dividends paid 7			(96,000)				(96,000)	(340)	(96,340)
Change in majority interests			(134)				(134)	213	79
Balance at June 30, 2014	80,000	172,658	893,195	(58,671)	(33,535)	(92,206)	1,053,647	10,103	1,063,750

Consolidated Cash Flow Statements

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

	1 st - 2 nd Quarter	
	Jan. 1 - Jun. 30, 2015	Jan. 1 - Jun. 30, 2014
(all amounts in thousands of EUR)		
Profit for the period	67,227	60,966
Adjustments to reconcile profit for the period to net cash from operating activities excluding interest and taxes paid	74,165	67,630
Net cash from profit	141,392	128,596
Changes in working capital	(48,554)	(51,626)
Cash flow from operating activities excluding interest and taxes paid	92,838	76,970
Income taxes paid	(22,051)	(17,323)
CASH FLOW FROM OPERATING ACTIVITIES	70,787	59,647
Purchases of property, plant and equipment, and intangible assets (incl. payments on account)	(63,542)	(63,514)
Other items	1,631	2,241
CASH FLOW FROM INVESTING ACTIVITIES	(61,911)	(61,273)
Change in interest-bearing financial liabilities	(11,511)	609
Dividends paid to the shareholders of the Company	(52,000)	(96,000)
Other items	(2,754)	(2,755)
CASH FLOW FROM FINANCING ACTIVITIES	(66,265)	(98,146)
Effect of exchange rate changes on cash and cash equivalents	(256)	(210)
Change in cash and cash equivalents	(57,645)	(99,982)
Cash and cash equivalents at the beginning of the period (according to the consolidated balance sheet)	320,086	297,920
Cash and cash equivalents at the end of the period (according to the consolidated balance sheet)	262,441	197,938
Adjustments to reconcile cash and cash equivalents to total funds available to the Group:		
Current and non-current securities	3,874	5,022
Total funds available to the Group	266,315	202,960

In the consolidated cash flow statement for the first half-year of 2014 insignificant reclassifications were made.

Notes to the Consolidated Half-year Financial Statements

1 — GENERAL

These condensed consolidated half-year 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 half-year financial statements do not include all obligatory information and disclosures required in the annual financial statements, and therefore should be read in conjunction with the Group's annual financial statements as of December 31, 2014.

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

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

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

If individually applicable, the effective regulations were adopted in the present condensed consolidated half-year 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 half-year management report.

The increase in working capital, primarily inventories and trade receivables, was caused by higher business activity in the first half-year of 2015.

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

The change in provisions for non-current liabilities and charges was primarily due to an adjustment of the discount rate for defined benefit pension respectively severance obligations to 2.81 % respectively 2.88 % as of June 30, 2015 (December 31, 2014: both at 2.40 %).

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

2 — CHANGES IN THE CONSOLIDATED COMPANIES AND FURTHER INFORMATION

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

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

Until June 30, 2015 the division MM Packaging acquired additional shares in Al-Ekbal Printing & Packaging Co., Amman, Jordan, so that the interest increased from 84.32 % as of December 31, 2014 to 86.47 %.

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

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

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

In June 2015, the division MM Packaging made a binding offer to acquire the folding carton business of Ileos SA, France, and signed the purchase agreement in July. The company has five sites producing folding cartons for pharmaceutical industry and two sites producing folding cartons for luxury articles and cosmetics. The purchase price will amount to approximately EUR 80 million. The closing of the transaction will be subject to customary closing conditions including the approval by the respective antitrust authorities and is expected to be effective in the second half-year of 2015.

3 — DEVELOPMENT OF FIXED ASSETS

The Group spent a total of thous. EUR 51,971 (1st half of 2014: thous. EUR 65,484) on acquiring property, plant and equipment and intangible assets in the first half-year of 2015. The carrying amount of disposals of property, plant and equipment and intangible assets amounted to thous. EUR 239 (1st half of 2014: thous. EUR 567).

Depreciation and amortization on property, plant and equipment and intangible assets amounted to thous. EUR 48,581 (1st half of 2014: thous. EUR 46,499).

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

	End of 2nd Quarter	Year-end
(all amounts in thousands of EUR)	Jun. 30, 2015	Dec. 31, 2014
Lands, similar land rights and buildings	255,579	257,211
Technical equipment and machines	329,631	348,112
Other equipment, fixtures and fittings	38,544	39,247
Construction in progress	77,220	53,154
Property, plant and equipment	700,974	697,724
	End of 2nd Quarter	Year-end
(all amounts in thousands of EUR)	Jun. 30, 2015	Dec. 31, 2014
Concessions, licenses and similar rights	7,337	7,007
Goodwill	78,149	77,273
Other intangible assets	12,695	13,417
Intangible assets including goodwill	98,181	97,697

4 — PURCHASE COMMITMENTS

On June 30, 2015 purchase obligations for fixed assets regarding planned capital expenditures maturing within one year amounted to thous. EUR 34,068 (December 31, 2014: thous. EUR 29,545).

5 — FINANCIAL INSTRUMENTS

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

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

Financial liabilities of the Group comprise interest-bearing financial liabilities, trade liabilities, other liabilities (except for certain positions, which do not represent financial instruments, such as liabilities regarding taxes and other charges) as well as derivative financial instruments with a negative balance.

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

a — Measurement at fair value

The amounts of significant financial assets, which are recorded in the consolidated balance sheet under the position "Prepaid expenses, securities and other current assets" as well as of significant 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 2 nd Quarter	Year-end
	Jun. 30, 2015	Dec. 31, 2014
(all amounts in thousands of EUR)		
Financial assets:		
Derivative financial instruments	839	1,264
Financial liabilities:		
Derivative financial instruments	1,105	970

Measurement methods

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

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

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

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

b — Measurement at amortized costs

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

The share purchase price and option liabilities are exclusively related to liabilities in connection with shares in certain subsidiaries held by non-controlling (minority) shareholders, which are evaluated according to the individual contractual terms. These share purchase price and option liabilities are calculated as a multiple of a result-dependent component (e. g. EBITDA) of the subsidiary less potential net debt, respectively in the amount of the remaining share. As of June 30, 2015 these liabilities were at thous. EUR 10,204 (December 31, 2014: thous. EUR 8,885). The change is primarily attributed to the valuation of the share purchase price and option liabilities arising from the acquisitions in Malaysia and Vietnam.

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

6 — INVENTORIES

In the first half-year of 2015 the write-downs of inventories recognized as an expense under costs of goods sold amounted to thous. EUR 5,188 (1st half of 2014: thous. EUR 6,514), the reversal of write-downs of inventories recognized as income amounted to thous. EUR 135 (1st half of 2014: thous. EUR 63).

7 — EQUITY

Dividend

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

8 — FINANCIAL LIABILITIES

Financial liabilities of the Group are as follows:

	End of 2nd Quarter	Year-end
(all amounts in thousands of EUR)	Jun. 30, 2015	Dec. 31, 2014
Non-current interest-bearing financial liabilities	155,729	156,724
Current interest-bearing financial liabilities	98,792	109,187
Interest-bearing financial liabilities	254,521	265,911

9 — DISCLOSURE ON TRANSACTIONS WITH RELATED PARTIES

Raw materials for the production of cartonboard amounting to thous. EUR 3,911 were purchased from other related companies in the first half-year of 2015 (1st half of 2014: thous. EUR 4,582). On June 30, 2015, trade liabilities with other related companies amounted to thous. EUR 598 (December 31, 2014: thous. EUR 1,031).

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

10 — SEGMENT REPORTING INFORMATION

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

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

(all amounts in thousands of EUR)	1 st - 2 nd Quarter 2015			
	MM Karton	MM Packaging	Eliminations	Consolidated
Sales to external customers	471,913	597,729	0	1,069,642
Intersegment sales	50,506	403	(50,909)	0
Total sales	522,419	598,132	(50,909)	1,069,642
Operating profit	40,933	55,591	0	96,524
Profit for the period	29,259	37,968	0	67,227
Segment assets ¹⁾	995,006	884,003	(72,384)	1,806,625
Segment liabilities ¹⁾	332,737	415,465	(72,384)	675,818

¹⁾ as of June 30, 2015

(all amounts in thousands of EUR)	1 st - 2 nd Quarter 2014			
	MM Karton	MM Packaging	Eliminations	Consolidated
Sales to external customers	460,519	572,577	0	1,033,096
Intersegment sales	50,841	411	(51,252)	0
Total sales	511,360	572,988	(51,252)	1,033,096
Operating profit	39,040	49,617	0	88,657
Profit for the period	28,126	32,840	0	60,966
Segment assets ¹⁾	992,732	864,765	(70,486)	1,787,011
Segment liabilities ¹⁾	342,022	413,307	(70,486)	684,843

¹⁾ as of December 31, 2014

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

11 — SIGNIFICANT SUBSEQUENT EVENTS

No events that require disclosure took place between the balance sheet date June 30, 2015 and the publication approval on August 17, 2015.

Statement of the Management Board

according to section 87 of the Austrian Stock Exchange Act

We confirm to the best of our knowledge that the condensed interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements, of the principal risks and uncertainties for the remaining six months of the financial year as well as of the major related party transactions to be disclosed.

Vienna, August 17, 2015

The Management Board

Wilhelm Hörmanseder m. p.
Chairman of the Management Board

Andreas Blaschke m. p.
Member of the Management Board

Gotthard Mayringer m. p.
Member of the Management Board

Franz Rappold m. p.
Member of the Management Board

Quarterly Overview

(according to IFRS for interim financial reporting, unaudited)

MAYR-MELNHOF GROUP

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

DIVISIONS

MM Karton

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

¹⁾ including interdivisional sales

MM Packaging

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

¹⁾ including interdivisional sales

Mayr-Melnhof Shares

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



Share price (closing price)

as of August 11, 2015	102.00
2015 High	106.40
2015 Low	86.49
Stock performance (Year-end 2014 until August 11, 2015)	18.60 %
Number of shares issued	20 million
Market capitalization as of August 11, 2015 (in millions of EUR)	2,040.00
Trading volume (average per day 1 st HY 2015 in millions of EUR)	1.22

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

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

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

Financial Calendar 2015 / 2016

November 12, 2015	Results for the first three quarters of 2015
March 15, 2016	Financial results for 2015
April 28, 2016	22 nd Ordinary Shareholders' Meeting - Vienna
May 3, 2016	Ex-dividend day
May 10, 2016	Dividend payment date
May 19, 2016	Results for the 1 st quarter of 2016
August 18, 2016	Results for the 1 st half-year of 2016
November 15, 2016	Results for the first three quarters of 2016

Editorial information

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