

Results for the 1st Quarter of 2015

- Good first quarter
- High capacity utilization
- Notable profit increase at MM Packaging
- MM Karton maintains a high level

The Mayr-Melnhof Group started the business year 2015 with a good first quarter. High capacity utilization and productivity increases contributed significantly to the profit growth of the Group compared to the previous year's period. Improved performance of the packaging plants had a major part in this, while MM Karton was able to maintain the solid earnings level of the previous year.

However, a sustainable economic upturn cannot be inferred from this as the slight increase in incoming orders at the beginning of the year has now returned to the usual seasonal level due to a lack of further impulses. Nevertheless, we keep our goal to grow further with high profitability also in 2015.

consolidated, in millions of EUR, IFRS	1Q/2015	1Q/2014	+/-
Sales	533.9	523.9	+1.9 %
Operating profit	50.8	46.2	+10.0 %
Operating margin (in %)	9.5 %	8.8 %	
Profit before tax	47.6	43.3	+9.9 %
Income tax expense	(12.1)	(11.2)	
Profit for the period	35.5	32.1	+10.6 %
Net profit margin (in %)	6.6 %	6.1 %	
Earnings per share (in EUR)	1.77	1.59	
Employees	9,302	9,399 ¹⁾	
Capital expenditures	22.0	32.3	
Depreciation and amortization	24.2	23.2	

¹⁾ as of December 31, 2014

The Group's consolidated sales went up to EUR 533.9 million and thus were 1.9 % above the comparative figure of the previous year (1Q 2014: EUR 523.9 million). This rise is mainly the result of increased business volume in the packaging division.

Operating profit rose by 10.0 % or EUR 4.6 million to EUR 50.8 million. This growth is primarily attributable to the overall improved performance of the MM Packaging plants. Accordingly, the Group's operating margin reached 9.5 %, following 8.8 % in the first three months of the previous year.

Financial income of EUR 0.4 million (1Q 2014: EUR 0.4 million) was offset by financial expenses of EUR -1.6 million (1Q 2014: EUR -1.3 million).

Profit before tax thus rose by 9.9 % to EUR 47.6 million (1Q 2014: EUR 43.3 million). Income tax expense totaled EUR 12.1 million (1Q 2014: EUR 11.2 million), resulting in an effective Group tax rate of 25.4 % (1Q 2014: 25.9 %).

Profit for the period therefore increased by 10.6 % to EUR 35.5 million (1Q 2014: EUR 32.1 million). This corresponds to 6.6 % of sales (1Q 2014: 6.1 %).

OUTLOOK

Impulses for demand from the overall economy for our industry cannot be determined. Therefore incoming orders reached the usual seasonal level again after a slight upturn at the beginning of the year. The current order backlog further enables a solid performance in both divisions. The strong profit development in the first quarter is a challenge for the subsequent quarters. Intense competition requires all efforts to be continually concentrated. However, maximum efficiency in production, optimum price level and continued long-term expansion should allow further progress at a high level of profitability. As in the past, organic and acquisition growth will complement each other.

DEVELOPMENT IN THE DIVISIONS

MM Karton

in millions of EUR, IFRS	1Q/2015	1Q/2014	+/-
Sales¹⁾	258.9	259.4	-0.2 %
Operating profit	18.6	18.8	-1.1 %
Operating margin (in %)	7.2 %	7.2 %	
Tonnage sold (in thousands of tons)	421	408	+3.2 %
Tonnage produced (in thousands of tons)	415	401	+3.5 %

¹⁾ including interdivisional sales

The seasonally weaker end of the previous year was followed by a pleasing recovery in demand on the European cartonboard market in the first few weeks of 2015, which now turned again to a movement towards the normal level of incoming orders.

In the first three months of this year the average order backlog at MM Karton amounted to around 85,000 tons following 60,000 tons in the previous year, and thus documents the improved visibility and planning for the cartonboard machines. Against this background the capacities in the division could be fully utilized at 99 % in the first quarter of 2015 (1Q 2014: 97 %).

Developments on the procurement markets, especially for the strategic input materials recovered paper and energy, remained quite stable without any major indications of a change in this trend.

With 415,000 tons produced and 421,000 tons sold, volumes were approximately 3 % higher than in the previous year (1Q 2014: 401,000 tons and 408,000 tons respectively). Of this, with 82 %, a little less was sold in Europe and, with 18 %, slightly more in markets outside of Europe (1Q 2014: 83 %; 17 %).

However, as a result of lower average prices, especially due to the product and regional mix, sales at EUR 258.9 million, remained at the previous year's level (1Q 2014: EUR 259.4 million). Operating profit was similarly unchanged at EUR 18.6 million (1Q 2014: EUR 18.8 million), thus the operating margin was maintained at 7.2 % (1Q 2014: 7.2 %).

MM Packaging

in millions of EUR, IFRS	1Q/2015	1Q/2014	+/-
Sales¹⁾	300.7	290.4	+3.5 %
Operating profit	32.2	27.4	+17.5 %
Operating margin (in %)	10.7 %	9.4 %	
Tonnage processed (in thousands of tons)	182	178	+2.2 %
Sheet equivalent (in millions)	503.0	501.8	+0.2 %

¹⁾ including interdivisional sales

Demand on the European folding carton market was overall solid in the first three months of the year. A good level of incoming orders, high capacity utilization and a sound performance of the plants with decreasing heterogeneity between sites characterized the positive overall picture of the division in the first quarter of 2015.

However, impulses for a sustainable upturn are still not apparent. Therefore a continuation of the intense predatory competition can be expected for the industry. Ongoing mergers in the European and international consumer goods industry will also increase the pressure on packaging producers.

With regard to this scenario, MM Packaging is focusing on maximum efficiency and productivity in cartonboard processing as well as long-term cooperation with successful customers.

The success of this approach was clearly visible in the first quarter of this year.

While sales increased by 3.5 % to EUR 300.7 million (1Q 2014: EUR 290.4 million), operating profit went up by 17.5 % or EUR 4.8 million to EUR 32.2 million (1Q 2014: EUR 27.4 million). The operating margin improved accordingly from 9.4 % to 10.7 %.

The tonnage processed rose by 2.2 % from 178,000 tons to 182,000 tons, the sheet equivalent by 0.2 % from 501.8 million to 503.0 million.

QUARTERLY OVERVIEW

MAYR-MELNHOF GROUP

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

DIVISIONS

MM KARTON

in millions of EUR, IFRS	1Q/2014	2Q/2014	3Q/2014	4Q/2014	1Q/2015
Sales¹⁾	259.4	252.0	256.5	234.9	258.9
Operating profit	18.8	20.2	19.9	15.8	18.6
Operating margin (in %)	7.2 %	8.0 %	7.8 %	6.7 %	7.2 %
Tonnage sold (in thousands of tons)	408	398	412	368	421
Tonnage produced (in thousands of tons)	401	404	408	372	415

¹⁾ including interdivisional sales

MM PACKAGING

in millions of EUR, IFRS	1Q/2014	2Q/2014	3Q/2014	4Q/2014	1Q/2015
Sales¹⁾	290.4	282.6	309.0	305.7	300.7
Operating profit	27.4	22.3	27.9	27.9	32.2
Operating margin (in %)	9.4 %	7.9 %	9.0 %	9.1 %	10.7 %
Tonnage processed (in thousands of tons)	178	173	179	172	182
Sheet equivalent (in millions)	501.8	484.8	527.6	482.4	503.0

¹⁾ including interdivisional sales

Forthcoming Results:

August 18, 2015 Half-Year Results 2015

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