



Annual Financial Report

2009

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Management Report

1. POSITIONING OF THE MAYR-MELNHOF GROUP AND THE DIVISIONS

GROUP

The business activities of the Mayr-Melnhof Group focus on the two core competences cartonboard and folding carton production. They are managed as two individual profit centers, MM Karton and MM Packaging. Deliveries between the divisions are effected at market conditions. The Mayr-Melnhof Group is the European market leader in both segments.

The Company's core strategy focuses on these core competences in order to support sustainable and profitable growth as well as to strengthen the Group's competitiveness. On the basis of our leading market position in Europe, our goal is the expansion into attractive growth regions worldwide as well as market and costs leadership in all the regions the Group is active in. We are on the right path with the continuous optimization of processes and reduction in unit costs as well as with the market-driven, innovative development of our products.

MAYR-MELNHOF KARTON

MM Karton is the leading producer of coated recycled cartonboard, with a growing position in virgin fiber based cartonboard. As of year-end 2009, the division had 12 cartonboard machines at eight sites in five European countries: Germany, Austria, Switzerland, the Netherlands and Slovenia. Currently, the division's annual capacity is more than 1.7 million tons of cartonboard. Approx. 86 % thereof are attributable to a broad range of recycled cartonboard, complemented by several qualities of virgin fiber based cartonboard, thus covering a large number of markets with various requirements.

MM Karton's cartonboard products are mostly used for the production of folding cartons for the consumer goods industry and feature consistently high quality, reliability, application security and environmental compatibility. Due to a broad economic supply range, cartonboard is sold in more than one hundred countries. Our main sales market is Europe, where MM Karton has been the market leader for roughly two decades now.

We achieved this position mainly by way of acquisitions and early development of the markets in Central and Eastern Europe. At the same time, production was focused on the top performance units and less efficient machines were taken off the market. As a result, MM Karton today has a highly competitive production basis.

Fibers, energy and chemicals are the most essential input factors in cartonboard production. Recovered paper is the most important raw material from a strategic point of view. Due to a decade-long technological focus on the utilization of secondary fibers, we nowadays use mostly mixed recovered paper for the production of high-quality recycled cartonboard. Recovered paper is procured mostly on spot markets but also on the basis of long-term agreements with municipalities throughout Europe. Due to the high collection rate in Europe, we regard the supply of recovered paper for our cartonboard mills as secured.

According to our estimates, 33 million tons of cartonboard are used per year, whereas the development of the cartonboard demand is in close correlation with the development of private consumption and of the economy as a whole. Therefore, we expect that above all the emerging markets in Asia, Africa and Latin America will show particular growth within the next few years.

With its own distribution companies, our sales organization is active in all strategically important countries and regions on the main market Europe. In non-European countries, distribution is generally effected via vendors. The main customers of our cartonboard products are printing houses of the European folding carton industry, which shows a high structural fragmentation.

Unlike other paper products, cartonboard is distinguished by a very customer-specific production with a great variety of types and individual formats as well as by high logistic requirements for delivery to the customer. Correspondingly, European producers of folding cartons are almost exclusively supplied from Europe. The trade between the continents is thus of only minor importance.

MM Karton's leading consolidation activities made a significant contribution to the advanced concentration of the European cartonboard industry. Currently, the five largest producers account for roughly two thirds of the capacities. As competitive advantages can only be achieved from high-performance units or from a high degree of specialization, the consolidation trend will continue in the future. Although in the past 20 years no new cartonboard machine was built, there is strong competition between the producers due to the ongoing technological capacity expansion.

MAYR-MELNHOF PACKAGING

With an annual production volume of roughly 50 billion folding cartons, MM Packaging is the market leader in Europe and one of the leading producers of folding cartons worldwide. Within a network of 29 sites in Europe, Northern Africa and the Middle East, more than 630,000 tons of recycled cartonboard, virgin fiber based cartonboard and paper are processed into packaging. The main focus of production is on folding cartons for the consumer goods industry in the sectors of food, cigarettes, confectionery, detergents and sanitary products, with emphasis being placed on multinational companies.

Therefore, MM Packaging's production focus is on the industrial production of large volumes. Here, all standard and innovative printing and processing technologies are applied. The production of folding cartons is generally a multi-step process: the cartonboard is printed, cut, glued, refined by a variety of processes and finally delivered to the customers' packaging units. By means of standardized processes and an ambitious performance benchmarking in the production facilities and mills, optimizations are effected systematically and implemented quickly within the site network. Our aim is to strive for continuous growth and to strengthen and expand our market position and earning power on the basis of productivity and efficiency increases. Furthermore, the high degree of standardization and the large site network offers our customers highly reliable delivery due to corresponding back-up options.

The demand for folding cartons, just like the demand for cartonboard, is closely linked to private consumption and to the overall economic framework conditions. Folding cartons are mostly used for convenience goods packaging. For years, growth has been mainly based on displacement, but also on the development of new geographical markets.

Unlike the cartonboard industry, the European folding carton industry shows a considerably lower concentration of suppliers. The companies are generally small and medium-sized business enterprises, and we estimate that the five largest producers hold a market share of approx. one third. However, consolidation is already well-progressed among consumer goods producers and in the retail sector.

MM Packaging has successively expanded its position in Europe and in adjacent regions and has nearly multiplied its business volume by seven since the Group's IPO. This growth trend is driven by continuous acquisition activities and by building new sites and expanding existing ones. This is geared mostly to the needs of our mainly multinational customers. Their share in total business volume has increased considerably in recent years, with specialized customer service and development of this strategic customer segment being effected by a highly efficient key account management. Opportunities to gain new business with multinational customers result from the continuing trend to purchase packaging in a concentrated and cross-regional manner on the one hand and from production relocations and expansion in new markets on the other hand. As the economic transport radius of the individual production facilities is generally restricted to the respective regional markets, we accompany our customers both by way of acquisitions and by building new capacities and sites.

The business with multinational key accounts is subject to a continuous price pressure but also entails further growth opportunities. By combining high-performance production, investments in state-of-the-art technology and comprehensive innovation activities, we ensure a long-term cooperation as partners and keep the risk of a high customer concentration at bay.

2. DEVELOPMENT IN THE YEAR 2009

GENERAL ECONOMIC SITUATION

In 2009, almost all economies worldwide suffered from the most severe recession in the past decades, which gradually seized more and more sectors. While demand in the first few months of the year was mostly influenced by an extremely volatile buyer behavior and drastic reductions in working capital, after the first six months a tentative recovery began to show. However, such recovery was triggered by material government intervention, which in turn boosted public sector debts considerably. Moreover, the significant depreciation of individual currencies resulted in new competition barriers. Despite slightly positive indicators in the third quarter, the prospects for an economic stabilization remained very bleak, considering rising unemployment figures and insolvencies continuing throughout the year. Indeed, the recovery from this economic recession will require years of significant growth and, taking into account the decreasing employment figures and necessary budget restructuring programs, we anticipate a further decline in mass purchasing power. Therefore it is expected that the overall economic uncertainty will continue at least in the medium term.

INDUSTRY DEVELOPMENT

During the entire year, the development of the European cartonboard and folding carton industry correlated closely with the economy as a whole. Against this backdrop, customers reduced inventories due to high uncertainty and kept financing requirements at an absolute minimum, which means that the customers' buying behavior in the first two quarters was extremely volatile. Along with that, significant utilization fluctuations required cartonboard and folding carton manufacturers to be very flexible in their production processes. Only in the second half of the year did the volumes show a slow rise and the ordering behavior stabilized; however, this was rather short-term as a whole. Taking these factors as well as the quick recovery of Asian demand into consideration, the raw material markets for virgin fibers and recovered fibers saw an accelerated increase in prices after a supply surplus at the beginning of the year, which at the end of the year led to the announcement of price increases for cartonboard for the following year.

Overall, the European cartonboard industry did not yet suffer massive cuts in 2009. This was due to the facts that private consumption of convenience goods remained mostly stable, and that savings were primarily realized in prices and not in quantities. Accordingly, price pressure from retail, where end customers are attracted with always new price discounts, affected both industries significantly. Although the consolidation trend in the industry was rather cautious in 2009, further concentration measures are to be expected in the near future due to increasing competitive pressure.

DEVELOPMENT OF BUSINESS 2009

Group

The Mayr-Melnhof Group managed to hold its ground in the financial year 2009, despite the continuing global recession which affected the cartonboard and folding carton industries with high volatility in the customers' demand behavior. Due to a considerable decline, particularly in variable costs, we managed to improve our results in comparison to last year's figures, despite reduced sales. Both cartonboard production and processing were responsible for the improved earning power of the Group. The generation of a high cash flow reinforced the stable high equity financing power of the MM Group, thus facilitating dividends at last year's level.

CONSOLIDATED INCOME STATEMENT

Consolidated income statements (condensed version)

(in millions of EUR)	Year ended Dec. 31, 2009	Year ended Dec. 31, 2008	+/-
Sales	1,601.5	1,731.2	-7.5 %
Operating profit	149.9	136.9	+9.5 %
Impairment expenses	(14.2)	0.0	
Financial result and result from investments	(3.3)	1.1	
Income tax expense	(35.0)	(41.1)	
Profit for the year	97.4	96.9	+0.5 %

The Group's consolidated sales were at EUR 1,601.5 million and were thus 7.5 % or EUR 129.7 million below last year's level (2008: EUR 1,731.2 million). This decline was mainly attributable to lower quantities in both divisions and also to lower average prices for cartonboard. The regional sales distribution remained the same for the most part. With sales shares of 69.2 % and 23.0 % respectively, Western Europe and Eastern Europe were the Group's main sales markets (2008: 67.8 %; 24.2 %). At 7.8 % (2008: 8.0 %), the share of sales in non-European markets also remained on a par. Intra-Group sales between the individual divisions amounted to EUR 116.5 million (2008: EUR 135.5 million) and consisted mainly of cartonboard deliveries from MM Karton to MM Packaging.

Group sales by destination

(in %)	Year ended Dec. 31, 2009	Year ended Dec. 31, 2008
Western Europe (excl. Austria)	64.2 %	63.0 %
Austria	5.0 %	4.8 %
Eastern Europe	23.0 %	24.2 %
Asia	3.5 %	3.8 %
Other	4.3 %	4.2 %
Total	100.0 %	100.0 %

Cost of sales	Percentage of sales				
	Year ended Dec. 31, 2009	Year ended Dec. 31, 2008	+/-	Year ended Dec. 31, 2009	Year ended Dec. 31, 2008
(in millions of EUR)					
Cost of materials and purchased services	888.2	982.0	-9.6 %	55.5 %	56.8 %
Personnel expenses	240.6	240.5	0.0 %	15.0 %	13.9 %
Depreciation and amortization	76.7	76.5	0.3 %	4.8 %	4.4 %
Other expenses	48.6	64.9	-25.1 %	3.0 %	3.7 %
Cost of sales	1,254.1	1,363.9	-8.1 %	78.3 %	78.8 %

Costs of sales for the operating performance were EUR 1,254.1 million and thus EUR 109.8 million or 8.1 % lower than the year before (EUR 1,363.9 million). The decrease mainly resulted from lower costs for materials and purchased services during the business year as well as from a considerable inventories reduction in the previous year. However, the share of costs of sales in the Company's sales remained constant.

Selling and distribution, administrative and other operating expenses

	Percentage of sales				
	Year ended Dec. 31, 2009	Year ended Dec. 31, 2008	+/-	Year ended Dec. 31, 2009	Year ended Dec. 31, 2008
(in millions of EUR)					
Personnel expenses	89.4	86.8	3.0 %	5.6 %	5.0 %
Depreciation and amortization	6.9	7.0	-1.4 %	0.4 %	0.4 %
Other expenses	119.6	148.2	-19.3 %	7.5 %	8.6 %
Selling and distribution, administrative and other operating expenses	215.9	242.0	-10.8 %	13.5 %	14.0 %

As a consequence of the lower sales volumes and savings, the distribution and administrative expenses were lower by EUR 26.1 million in comparison to last year's figures. The share in sales went down considerably from 14.0 % to 13.5 %.

Other operating income went up by EUR 6.8 million to EUR 18.4 million, two thirds of this increase were attributable to insurance benefits after a fire damage at the Hirschwang mill.

Operating profit amounted to EUR 149.9 million (2008: EUR 136.9 million), up 9.5 % or EUR 13.0 million. This increase was mainly attributable to improved results in carton-board production. In folding carton production, we managed to match last year's high results once again. Therefore, the Group's operating margin leaped up from 7.9 % to 9.4 %. Return on capital employed amounted to 16.9 % (2008: 16.1 %).

Impairment expenses for tangible fixed assets at the Swiss cartonboard mill Deisswil amounted to EUR 14.2 million. This is due to a massive burden on future cash flows by the sharp increase of emission levies.

Due to low interest on liquidity, net interest income went down considerably despite attractive interest rates for financial liabilities. Financial income of EUR 7.1 million (2008: EUR 14.7 million) was counterbalanced by financial expenses of EUR -4.6 million (2008: EUR -8.1 million).

The change in the item "Other income (expenses) – net" from EUR -3.9 million to EUR -5.8 million is particularly attributable to fluctuations in exchange rates.

Profit before tax amounted to EUR 132.4 million, compared to EUR 138.0 million in the previous year.

Income tax expense declined from EUR 41.1 million to EUR 35.0 million. The higher value in the previous year is mainly attributable to taxation of non-recurring revenues from the sale of participations. The effective Group tax rate declined accordingly from 29.8 % to 26.4 %.

PROFIT FOR THE YEAR, EARNINGS PER SHARE

The profit for the year of the Mayr-Melnhof Group went up from EUR 96.9 million to EUR 97.4 million, and the net profit margin from 5.6 % to 6.1 %.

In the financial year 2009, a basic weighted average of 21,225,122 shares was outstanding. On this basis, basic earnings per share of EUR 4.44 (2008: EUR 4.38) were calculated.

VALUE ADDED

The Group's value added is the difference between the total operating revenue and expenditures on goods and services purchased from third parties. In the statement of distribution, the share of all contributors to the value added is shown.

Value added

(in millions of EUR)	Year ended Dec. 31, 2009	Year ended Dec. 31, 2009	Year ended Dec. 31, 2008	Year ended Dec. 31, 2008
Origin:				
Sales	1,601.5		1,731.2	
Other operating income	18.4		11.6	
Increase (decrease) in finished goods and own work capitalized	(0.2)		(16.5)	
Financial result and result from investments	(3.3)		1.1	
Total operating revenue	1,616.4		1,727.4	
(-) Expenditures on purchased goods and services	(1,052.4)		(1,175.5)	
(-) Depreciation and amortization ¹⁾	(97.8)		(83.5)	
Net value added	466.2	100.0 %	468.4	100.0 %
Distribution:				
Employees	(196.0)	(42.1 %)	(187.9)	(40.1 %)
Social benefit costs	(95.3)	(20.4 %)	(94.2)	(20.1 %)
Public authorities	(77.5)	(16.6 %)	(89.4)	(19.1 %)
Minority interests	(3.2)	(0.7 %)	(2.2)	(0.5 %)
Shareholders (proposed dividend 2009)	(35.9)	(7.7 %)	(36.1)	(7.7 %)
Company	58.3	12.5 %	58.6	12.5 %

¹⁾ The figure for 2009 includes EUR 14.2 million of impairment expenses.

In the financial year 2009, the Group generated total operating revenue of EUR 1,616.4 million following EUR 1,727.4 million in the previous year. Taking into account expenditures on goods and services as well as the amortizations and depreciations of EUR 1,150.2 million (2008: EUR 1,259.0 million), the net value added amounted to EUR 466.2 million (2008: EUR 468.4 million).

Over again in 2009, the major part of the net value added at 42.1 % or EUR 196.0 million went to the Group's employees, and showed a significant increase in comparison to last year's figures (2008: 40.1 %; EUR 187.9 million). The Management Board proposed that the shareholders of Mayr-Melnhof Karton AG are to receive a dividend of EUR 35.9 million or 7.7 % of the net value added (2008: EUR 36.1 million; 7.7 %). A profit of EUR 58.3 million or 12.5 % of the net value added is retained in the Group (2008: EUR 58.6 million; 12.5 %).

ASSETS, CAPITAL AND LIQUID FUNDS

Consolidated balance sheets (condensed version)

(in millions of EUR)	Dec. 31, 2009	Dec. 31, 2008
Non-current assets	606.1	641.8
Current assets	785.7	784.1
Total assets	1,391.8	1,425.9
Total equity	964.3	913.7
Non-current liabilities	145.2	183.7
Current liabilities	282.3	328.5
Total equity and liabilities	1,391.8	1,425.9

The Group's total assets as of December 31, 2009 amounted to EUR 1,391.8 million and were EUR 34.1 million lower compared to the year before. This change is mainly due to the reduction in financial liabilities, counterbalanced by a mostly profit-induced increase in equity. Total equity to total assets increased from 64.1 % to 69.3 %. The return on equity was 10.4 % (2008: 10.5 %). Due to reduced investment activities and impairment of tangible assets at the Deisswil site, non-current assets decreased by EUR 35.7 million to EUR 606.1 million compared to last year's value (December 31, 2008: EUR 641.8 million). Current assets remained almost at the same level at EUR 785.7 million (December 31, 2008: EUR 784.1 million).

Financial liabilities are mostly of a non-current nature and were reduced by net redemptions of EUR 89.2 million to EUR 67.8 million (December 31, 2008: EUR 157.0 million). Roughly EUR 5.6 million are allocated to current loans and EUR 62.2 million to non-current loans. Provisions for other non-current liabilities and charges of EUR 75.9 million are related to accruals for employee benefits which could be maintained at previous year's level (December 31, 2008: EUR 76.5 million).

The total funds available to the Group, mainly consisting of fixed deposits, increased from EUR 346.4 million to EUR 356.5 million. This was EUR 288.7 million more than the interest-bearing liabilities (December 31, 2008: EUR 189.4 million), so that the Group continues to show a net liquidity.

In addition, credit facilities amounting to EUR 250.0 million were available to the Group as of the end of the year which can be utilized at any time.

CASH FLOW DEVELOPMENT

Consolidated cash flow statements (condensed version)

(in millions of EUR)	Year ended Dec. 31, 2009	Year ended Dec. 31, 2008
Net cash provided by operating activities	200.5	176.6
Net cash provided by/used in investing activities	102.3	(220.2)
Net cash used in financing activities	(139.1)	(115.2)
Effect of exchange rate changes	(0.3)	(1.9)
Net change in cash and cash equivalents (< 3 months)	163.5	(160.7)
Cash and cash equivalents (< 3 months) at the end of the year	353.3	189.8
Current and non-current available-for-sale financial assets	3.2	156.6
Total funds available to the Group	356.5	346.4

Cash flow from operating activities amounted to EUR 200.5 million and was EUR 23.9 million above the previous year's level (2008: EUR 176.6 million). This increase was mainly the result of a significant reduction in working capital and lower income tax payments.

Cash flow from investing activities was EUR 102.3 million, following EUR -220.2 million in the previous year. This change is mainly due to the purchase of securities in the previous year, which were redeemed in 2009.

Net payments for investments in tangible and intangible fixed assets went down from EUR -96.6 million to EUR -57.7 million. The payments for acquisitions amounted to EUR -2.7 million (2008: EUR -12.4 million).

Investment expenditures of MM Karton amounted to EUR -33.2 million (2008: EUR -43.0 million) and were mainly made in connection with projects for the improvement of cost efficiency, in particular concerning energy.

Investment expenditures of MM Packaging were EUR -28.4 million (2008: EUR -55.2 million). The focus was on the utilization of state-of-the-art technology in order to further increase productivity.

Cash flow from financing activities was EUR -139.1 million, following EUR -115.2 million in the previous year. Here, lower payments for the purchase of own shares were counterbalanced by net redemptions of interest-bearing financial liabilities.

SHARE REPURCHASE PROGRAM

The 14th Ordinary Shareholders' Meeting of Mayr-Melnhof Karton AG authorized the Management Board to repurchase treasury shares on and outside the stock exchange up to and including November 7, 2010. In 2009, 154,892 shares were bought for EUR 9.5 million including expenses. Since the program started on November 27, 2007, a total of 895,260 shares have been repurchased for EUR 53.0 million including fees by December 31, 2009.

FURTHER INFORMATION

In January 2009, the division MM Packaging established the company MM Printing and Packaging Tehran Company, Tehran, Iran. The first step is the production of mostly cigarette cartons for the Iranian market.

DEFINITION OF FINANCIAL INDICATORS

Cash earnings

Sum of profit for the year before depreciation and amortization and before deferred taxes.

Cash earnings margin

Cash earnings divided by sales.

Total equity to total assets

Total equity divided by total assets.

Net debt/net liquidity

The sum of interest-bearing current and non-current financial liabilities subtracted by cash and current and non-current available-for-sale financial assets. In case that the sum of cash and available-for-sale financial assets exceeds the financial liabilities, a net liquidity exists.

Net profit margin

Profit for the year divided by sales.

Operating margin

Operating profit divided by sales.

Return on capital employed (ROCE)

Profit before tax excluding net interest (income) expenses and excluding the respective profit attributable to minority shareholders according to IAS 32 divided by the sum of average total equity plus average current and non-current interest-bearing financial liabilities, average provisions for other non-current liabilities and charges subtracted by average cash and current and non-current available-for-sale financial assets.

Return on equity (ROE)

Profit for the year divided by average total equity.

All indicators were calculated exclusively on the basis of the information in the consolidated financial statements.

Business development 2009 in the divisions

MM KARTON

In line with the economy as a whole, the cartonboard markets in 2009 suffered from regressive and very short-term demand, which particularly in the first half of the year was also very volatile. Under such challenges, MM Karton focused on securing cartonboard prices as best as possible and on maintaining its market shares. This goal was achieved mainly by proceeding selectively on the markets and maintaining high flexibility in production. As a consequence of the weak demand on the European main markets, sales on the non-European export markets were gradually increased.

While order backlog and capacity utilization in the first quarters were well below the previous year's level, in the second half of the year we managed to top last year's figures due to a step-by-step stabilization of demand. Average order backlog for the division increased from 48,000 tons to 56,000 tons.

A total of 1,499,000 tons of cartonboard were produced, 1.8 % less than in the previous year. Thus, 88 % of our capacities were utilized (2008: 86 %). The improvement of the degree of capacity utilization is attributable to the closure of the Bulgarian cartonboard site in 2008. With reference to the average number of employees, 589 tons per employee were produced (2008: 571 tons).

Against the background of the overall economic slowdown, the raw material markets, particularly recovered paper, experienced price reductions in the first few months of the year, which were followed by a noticeable upbeat in prices in the second half of the year.

At 1,481,000 tons, cartonboard sales were down 4.3 % compared to last year's figures (2008: 1,547,000 tons). Sales decreased disproportionately by 12.6 % as average prices were lower due to higher sales volumes in non-European markets. Approx. 70 % of sales were generated in Western Europe, 17 % in Eastern Europe and 13 % in non-European markets (2008: 68 %, 18 %, 14 %). With a share of 222,000 tons delivered, MM Packaging continued to be MM Karton's largest customer in 2009. As a whole, more than 1,000 customers are supplied, many of them medium sized cartonboard processing companies.

Operating profit went up by 31.7 % or EUR 12.4 million. However, a little more than a third thereof is attributable to insurance benefits paid after a fire damage at the Hirschwang mill early in 2009. Thus, the operating margin increased from 4.5 % to 6.7 %, the return on capital employed went up to 12.2 % (2008: 11.0 %). Cash earnings surged from EUR 69.1 million to EUR 81.0 million, leading to an improvement of the cash earnings margin from 7.9 % to 10.6 %.

MM PACKAGING

Against the backdrop of the economic slowdown, the European market for folding cartons showed an overall heterogeneous picture in 2009. Especially convenience goods had not yet suffered comprehensively from the recession, as the consumers' savings efforts focused on prices and not yet on quantities. However, a change from durable, high-grade consumer goods towards simpler products has been noticed.

Therefore, MM Packaging experienced positive demand in individual sales areas and differing from customers and regions on the one hand, but also under-utilization of some production facilities on the other.

Due to low raw materials costs, currency depreciations and the vehement protection of market shares by the competition, price pressure increased considerably on the markets. Moreover, customers continued trimming their inventories and planning very short-term, which led to a significant rise in volatility in the ongoing business.

Through measures taken in all steps of the value added chain to increase productivity and quality and maximum flexibility as well as through keeping close contact with our customers, MM Packaging was successful in securing and expanding its market shares even in an increasingly competitive environment.

Although the procurement behavior of some major customers was characterized by significantly higher volatility, approx. 630,000 tons of cartonboard were processed in 2009 (2008: 652,000 tons). This is a decrease of 3.4 % or 22,000 tons compared with the previous year. The tonnage processed per year and employee therefore declined from 115.1 tons to 112.3 tons.

Analogously to the quantity development, sales at EUR 952.0 million were below last year's figure by 3.8 % or EUR 38.0 million. Approx. 70 % of sales were attributable to Western Europe, 27 % to Eastern Europe and 3 % to non-European markets, maintaining the regional shares mostly on the same level (2008: 70 %, 28 %, 2 %).

MM Packaging has a broad customer base of more than 2000 customers in various consumer goods markets. About three quarters of the business are traditionally generated with multinational customers. Folding cartons for food and cigarettes as well as detergents remained the largest sales areas in 2009. Approx. 40 % of sales (2008: 41 %) were attributable to the top five customers.

Despite decreasing quantities, the operating profit of EUR 98.4 million still exceeded last year's results (2008: EUR 97.8 million). Therefore, the operating margin increased from 9.9 % to 10.3 %. The return on capital employed amounted to 20.0 % (2008: 19.8 %). Due to slightly lower depreciations, cash earnings amounting to EUR 103.9 million were generated (2008: EUR 106.5 million). Thus, the cash earnings margin was 10.9 % (2008: 10.8 %).

3. HUMAN RESOURCES

As of December 31, 2009, 8,112 staff members in 20 countries in Europe and adjacent regions were employed with the Mayr-Melnhof Group. Their professional know-how and commitment form the basis of our long-term success. The primary aim of our human resources activities is to secure framework conditions which enable our employees to develop their talents and use them in the best possible manner. In accordance with the high degree of internationalization of our Group and the very dynamic tasks, we adjust our Group-wide programs for human resources development, training and recruiting to current and future requirements on an ongoing basis. This process is managed by Group Management and Corporate Human Resources and implemented via our local structures.

Loyalty and honesty have always been the distinguishing values in our corporate culture, which is characterized by trust and the demand for excellent performance. Openness and subsidiarity are the decisive principles in our organization, which is marked by short decision-making processes and a high degree of individual responsibility. Thus we secure both a stable and highly efficient organization and the necessary speed and flexibility for long-term and sustainable competitive strength.

MM stands for sustainability and reliable continuity, which is also expressed in the development of our human resources.

We strive to fill vacant existing and new positions with our own staff members to the extent possible. This way we ensure that know-how remains within our Group and create attractive career opportunities. Employees who are specifically qualified, committed and mobile receive special support within the framework of a High Potential Program and are being prepared to assume leadership tasks in the future.

We consider the diversity and cultural variety of our staff as an asset in our respectful working atmosphere.

In view of the demographic development and the increasing shortage in qualified human resources, we established our “Young Professionals Program”, a training program within our Group, which goes far beyond a traditional apprenticeship. After an intensive assessment procedure, we guide our young professionals to develop top professional competencies, we promote their personality and help them to prove themselves in an international environment. As of the end of 2009, the Group had 192 apprentices (2008: 200).

Furthermore, our senior employees' experience and know-how is employed in projects and we thus support the transfer of know-how between generations within the Group.

As a rule, we use internal benchmarking such as ambitious competitions between different sites and production teams. It is our goal to guarantee best practice at all sites and to meet our requirement of cost leadership. In the course of our most recent internal innovation initiatives, state-of-the-art information technology was used for the corporate proposal system, featuring high transparency and availability at all sites.

Since its establishment in 2006, the MM Academy has been the central training institution with high acceptance among employees. In addition to expert know-how and languages, the training focus is on the development of social and leadership skills. Here, we pay special attention to the quick implementation of the acquired know-how and the developed projects within the Group. In 2009, approx. 1,300 staff members were trained in the MM Academy in about 700 training days.

The health of each individual employee is an essential requirement for continuously excellent performance and is therefore a top priority, which we support systematically. In this context, we offer our employees regular preventive medical check-up programs with a works doctor as well as training sessions as to health and work safety and sports opportunities.

In accordance with our corporate culture based on identification with our corporate success, performance-related remuneration systems in the form of individual agreements and site-specific bonus models have a long tradition within the MM Group. This way we ensure that the individual employee is rewarded for excellent performance and success.

DEVELOPMENT OF HEADCOUNT

In a year with challenges caused by the largest recession in the past decades, the Mayr-Melnhof Group was able to continue operations at all its production facilities, despite strong fluctuations in utilization. Adjustments in the number of employees were limited to individual cases at certain sites.

As of December 31, 2009, 8,112 staff members were employed with the Mayr-Melnhof Group (December 31, 2008: 8,240). 2,527 thereof were employed with the division MM Karton (December 31, 2008: 2,559) and 5,585 thereof were employed with the division MM Packaging (December 31, 2008: 5,681). The share of employees outside of Austria was 80.4 % (December 31, 2008: 80.4 %). In Eastern Europe, the Middle East and North Africa, we employed 30.4 % of our staff in 2009 (December 31, 2008: 30.5 %).

Employees Group

(in %)	Dec. 31, 2009	Dec. 31, 2008
Western Europe (excl. Austria)	50.0 %	49.9 %
Austria	19.6 %	19.6 %
Eastern Europe	27.0 %	27.0 %
Other	3.4 %	3.5 %
Total	100.0 %	100.0 %

The Management Board would like to thank all staff members for their excellent performance and their commitment in the business year 2009, which enabled us to achieve very positive results, even under increasingly difficult circumstances. We would like to thank the employee representatives for their trustful and constructive cooperation.

4. RESEARCH AND DEVELOPMENT

The cartonboard and folding carton solutions provided by the Mayr-Melnhof Group are modern, technically mature products which more than fulfill market requirements and can be used in a great variety of ways. For decades now, we have been developing our products and processes with the goal of achieving cost and technology leadership. The aim of our research and development activities is to increase the customer value of our products as well as the Group's long-term competitiveness through ongoing optimization of procedures and processes.

Research and development activities form an essential part of the Group's growth strategy and are controlled centrally and implemented in close cooperation with experts from the individual divisions.

INNOVATION LEADER WITH REINFORCED RESOURCES

In the past two years, we systematically restructured the Group's research and development activities using the latest methods of innovation and know-how management and strong involvement of our employees. In addition to being cost and technology leaders, we strive to become innovation leaders in cartonboard and packaging.

With a number of such projects within the framework of our programs "unliMMited Innovation" for MM Karton and "Break the Frame" for MM Packaging, innovation strength and innovation culture within the MM Group continued to improve considerably in 2009. Structural improvements refer particularly to the Group-wide management of the innovation processes by using state-of-the-art information technology as well as to an increased focus on the organization and utilization of resources. We concentrate on product innovation and differentiation by the utilization of new technologies in our processes.

MM Karton's product innovations in recycled cartonboard focused in particular on introducing a liner quality in the lower grammage range in order to enter new business segments. In virgin fiber based cartonboard, the focus was on a significant optimization of existing qualities (Kromopak, Kolicevo mill; Excellent Top, Baiersbronn mill) and on developing and marketing the new cartonboard Silvaboard (Eerbeek mill), featuring a high degree of whiteness, stiffness and caliper as well as optimized runnability. Furthermore, we expanded our multi-mill concept and effected a corresponding product clearing, thus increasing reliability by offering delivery from different production facilities as well as improving production efficiency.

Selective investments in research and development form a material part of MM Karton's "unliMMited Innovation" process. In this context, the establishment of our competence center of the cartonboard division at the Frohnleiten site with reinforced resources in research and development, product safety and analytical chemistry marks an essential milestone on our ambitious path toward innovation leadership.

Current development topics in this center focus on the use of fibers for cartonboard production, the optimization of cartonboard properties, the adjustment of the surface to various tasks as well as improvement of processability.

We continued our successful project-related cooperation with universities and research centers in fundamental research.

Regarding product safety, we effected a comprehensive study on migration patterns of cartonboard ingredients to the packaged goods based on stricter requirements for food packaging. The result confirms that MM Karton's recycled and virgin fiber based cartonboard has always been clearly below the limit set by the EU Plastics Directive 2002/72/EC as well as below the thresholds recommended for cartonboard. This confirms that our cartonboard is a stable and safe packaging material in full compliance with all provisions and regulations.

The organization of MM Packaging's innovation activities is based on the cooperation between interdisciplinary expert teams composed of market, technology and design experts within a division-wide network, which in turn is mainly founded on three structural focuses: PacProject, MM Packaging's innovation center in Hamburg, accompanies customers from the very first idea to market launch; technical sales and development teams support above all multinational customers in the packaging development processes and the technical implementation all over Europe and the packaging development centers of the individual sites provide mill-specific special know-how.

MM Packaging's innovative approach is comprehensive and covers the traditional printing and finishing processes as well as packaging production and upstream and downstream areas within the supply chain, as well as a broad range of services. Our goal is providing our customers with competitive advantages and differentiation opportunities on the market by way of innovations in packaging methods and design as well as by development of innovative processes and individual comprehensive solutions.

We systematically analyze the development of packaging trends in order to be able to adapt quickly and adequately to innovations. The current market trends focus on high-quality requirements in brand-name products and private labels, by way of combined high-quality finishing, demand for innovative promotional packaging, innovative additional benefits and environmentally friendly use of resources. We fulfill these requirements by using innovative material combinations, design and functionality.

Also in 2009 MM Packaging's packing solutions were awarded with international prizes such as the World Star Award, the "Deutsche Verpackungspreis", the Emballissimo Award, the Pro Carton/ECMA Award 2009 in the category "Food" and the well-known Trophée d'Emballage 2009.

5. RISK MANAGEMENT

As an internationally operating group, Mayr-Melnhof Group faces various risks. As a rule, risk means the possibility of a future negative development foreseeable at the time of determination, caused by an event occurring in future. The concept of risk covers both the possibility of a deviation from determined corporate goals and the occurrence of a loss or the non-realization of additional profit. However, due to our broad geographical positioning, the variety of sales markets as well as the possibilities to flexibly adjust production, the entire Group is never subject to individual, specific market or production risks.

It is the goal of our Group-wide risk management to systematically identify risks in due time and to take adequate measures in order to keep them within the specified acceptable parameters and thus improve the Group's risk position without restricting its opportunities to a large extent. Therefore, identified risk areas are systematically evaluated and monitored by the respective experts using a bottom-up approach. Our corporate risk management consolidates these reports, comments on them and communicates the information to Group management for Group-wide risk management purposes. By focusing on our core competences, we have a solid basis for identifying risks early and assessing possible consequences adequately.

Risk prevention is our top priority and is - to the extent economically justifiable - complemented by suitable hedging and management instruments as well as by the Group's insurance program. The Group's risk policy is generally conservative. The Group's auditor regularly assesses the functionality of the risk management system and reports to the Supervisory Board and the Management Board.

Hereinafter, the material risks and uncertainties the Group faces are described.

SALES

The consumption of cartonboard and folding cartons closely correlates with private consumption and is thus highly dependent on the economic development in the individual sales markets. Despite continuous consolidation, there is strong competition between the producers when it comes to terms and conditions due to over-capacities both on the cartonboard and the folding carton markets.

The Group's two divisions supply several thousand customers. MM Karton generates approx. 30 % of the division sales with 15 to 20 top customers, MM Packaging approx. 75 % with 25 to 30 top customers mainly from the multinational consumer goods industry. In this context, regular communication with our customers, ongoing contract monitoring, continuous cost and quality management as well as regular participation in tenders are the elements playing a material role in our protective and management measures. The dependency on individual customers may be classified as contained. For long-term supply agreements, price fluctuations of material input factors are taken into consideration.

Cartonboard and folding cartons as industrial mass products are subject to permanent price pressure. Thus, the Mayr-Melnhof Group maintains the leadership as to costs, competence and innovation with the aim to secure its two divisions' leading position on the market in the long run by way of high competitive strength. The strategy of being present on future growth markets as early as possible and of accompanying international customers in the course of their expansion will be continued.

PRODUCTION

The use of state-of-the-art technology, reasonable use of resources and regular quality and environmental audits are material elements in our sustainable production structures, adjusted to the best possible standards for economic, ecological and social purposes on a regular basis.

A high degree of technical operational availability is decisive both in cartonboard and in folding carton production. The most essential measures to secure continuous operations include systematic electronic monitoring of production steps, ongoing revisions and maintenance work as well as continuous risk engineering together with insurance companies and division-wide mill back-up concepts regulating the relocation of production between individual sites in case of long-term production stoppages.

Compliance with product standards and quality specifications is of high importance considering the long-term attractiveness and competitiveness of our products. By way of cooperating in national and international standardization bodies and special interest groups for years, we intend to be able to assess future developments and interpretations early and take them into account. In the course of the ongoing R & D activities, we systematically address the guaranteed safety of our products, in particular in the sensitive area of food packaging. Here, emphasis is currently placed on a continuous monitoring and analysis of interactions between packaging and filling materials.

By concentrating on our core business, sufficient test phases and Group-wide know-how transfer, we keep integration risks stemming from acquisitions and technological innovations at bay.

Planned investments undergo a multi-step approval process and a clearly defined tender procedure, involving suitable experts. Ongoing project controlling and management are geared to secure high investment efficiency.

Energy in the form of gas, electricity and fuel is a decisive input factor, in particular for the division MM Karton, regarding purchase prices, availability and sales opportunities (take or pay rules). We face the related risks by concluding long-term framework purchase contracts, continuously monitoring price developments, existing hedging contracts as well as by establishing a close link between production and sales planning and energy acquisition. Furthermore, specific projects to reduce the specific energy consumption are being pursued (e.g. "efficiency").

For the business years 2008 to 2012, cartonboard mills with sites within the European Union received CO₂ certificates free of charge. For our Swiss carton-board site, a levy per ton of carbon dioxide is charged for all fossil fuels, which can only be reduced or avoided by making significant investments or taking measures to increase energy efficiency. From today's point of view, sufficient CO₂ certificates are available for the sites within the EU until the end of 2012. A follow-up regulation to start at the beginning of 2013 until 2020 is still being discussed in Europe.

PROCUREMENT

In addition to energy, the most essential input factors in the cartonboard production are recovered paper, fibers, chemicals and logistics. MM Packaging's input factors focus on cartonboard and paper as well as on paints and varnishes. We meet risks of availability by dividing the requirements among several suppliers and by keeping in regular contact with the suppliers on the market. We maintain strategic inventories of recovered paper and purchase a part of our required quantities via long-term supply contracts, thus setting off short-term peaks in prices. High recycling quotas in Europe should ensure a sufficient supply in future. Continuous monitoring of existing contracts as well as of the requirements and market development is the core of our ongoing security and management measures in procurement. We regularly evaluate substitution alternatives. To the extent possible and reasonable, purchase volumes are tendered.

FINANCIAL RISKS

Corporate planning is based on estimates, assumptions and forecasts when it comes to presenting the future economic and financial development of the Group. A close cooperation between the mills and departments of the Group within specified, standardized planning processes is to reduce the risk of misjudgment.

A Group-wide cash and credit management always ensures sufficient liquidity and financing for the Group and its subsidiaries, provided in an optimized manner.

Interest and foreign exchange risks are systematically limited or eliminated by suitable hedging instruments. Here, a natural risk settlement takes place due to the balancing of accounts receivable and payable on company level, foreign exchange forwards and interest swaps. The most important currencies with exchange rate fluctuations to be hedged are the British pound, the US dollar, the Swiss franc and the Polish zloty. In Eastern and South East Europe, we minimize the foreign exchange risk to the extent possible by currency congruence for business transactions or by price adjustment mechanisms for long-term agreements. Derivative financial instruments are neither used for trading nor for speculation purposes.

Due to our central working capital management, value risks concerning inventory assets as well as default risks concerning customer accounts receivable are reduced.

ACCOUNTING

The internal control system for the accounting process and financial reporting guarantees the accuracy, reliability and traceability of the financial information and data processing systems. Moreover, the usefulness and efficiency of the processes as well as compliance with statutory, contractual and internal provisions are guaranteed.

The accounting process comprises all material steps guaranteeing that the accounting-relevant information is recorded in its entirety and the financial reporting is presented in accordance with the applicable accounting standards.

Organizational and operational structuring are determined centrally. The central functions “Corporate Accounting” and “Reporting and Planning” are responsible for designing uniform Group-wide guidelines as well as the organization and the control of financial reporting within the Group.

Financial reporting to the Supervisory Board and the Management Board is effected on a regular basis, comprehensively and in due time.

Compliance with Group guidelines and procedures for the recording, recognizing and accounting of transactions is controlled on a regular basis. Essential pre-defined control measures must be documented and reported immediately. The data processing systems used are specifically developed and optimized on an ongoing basis.

The accounting process and financial reporting are systematically reviewed as to all types of risks and evaluated by the Group’s risk management on a regular basis. Optimization measures are introduced expeditiously and implemented accordingly.

OTHER RISKS

We minimized the risk of a long-term total breakdown of the central data processing systems by installing geographically separated parallel systems.

Our Group might face other risks in addition to those mentioned herein. At this time, we are not aware of any such risks or consider them to be negligible.

From a current point of view, the assessment of the overall risk situation does not reveal any risks which could endanger the going concern of the Group.

6. ENVIRONMENTAL PROTECTION

Sustainable production of environmentally friendly cartonboard products and packaging solutions has always been the focus of the business activities of the Mayr-Melnhof Group. Cartonboard is made mainly from recovered paper fibers which are complemented by virgin fibers. This is used to produce high-quality folding carton products for the consumer goods industry, which can be almost completely utilized during the recycling process. The use of cartonboard as packaging material offers product-related technical and economic advantages and is an ecological packaging solution featuring utmost sustainability.

In our long-lasting pursuit of cost and market leadership, we rely on a sustainably economical utilization of resources and on the use of state-of-the-art technology. This way we guarantee the highest possible efficiency and quality in the production of our products, as well as strong competitiveness on our markets. We take our responsibility towards the environment very seriously and we regularly include production up-stream and down-stream areas. An ongoing Group-wide benchmarking including all mills guarantees the utilization of potentials at all sites.

Due to the continuous optimization and concentration on core competences in the Mayr-Melnhof cartonboard mills, we have achieved optimal values on a European level for many specific consumption and emission figures for a long time now. Thus, further improvements are hardly possible or are subject to technical innovations.

Currently, we concentrate our ongoing optimization measures on further savings of energy and raw materials. Division-wide programs of emphasis and eco-management schemes, which are implemented in an increasing number of sites, systematically support this process.

Eco-management systems for roughly half of the cartonboard production as well as four folding carton production sites were certified according to ISO 14001 as of the end of 2009. Group-wide audits according to ISO 9001 are effected in order to improve the corporate quality management. In addition, all cartonboard mills and folding carton production sites serving the food industry are certified in accordance with the HACCP hygiene management system, compliance with the new European hygiene management standard EN 15593 is also guaranteed as of 2009. The importance of workplace safety was accounted for by the certification of several mills in accordance with OHSAS. Regular recertifications document the ongoing optimization measures at a high level and create the necessary transparency.

In 2009, our focus was in particular on expanding the FSC and PEFC certifications (“Forest Stewardship Council” and “Program for Endorsement of Forest Certification Schemes”) to all eight cartonboard mills, after the virgin fiber cartonboard mills Baiersbronn and Eerbeek were already certified in the previous year. By using sustainable raw materials in production and due to the independent controls, the transparency of the fiber utilization for our customers and end consumers was improved providently. For purposes of traceability of the entire processing chain (chain of custody certification), three MM Packaging sites were certified according to FSC and PEFC; in 2010, more are to be certified.

The mills within the EU received the carbon dioxide emission certificate with regard to the use of fossil fuels. As was the case in the years before, there was no shortage as of December 31, 2009.

ENVIRONMENTAL PROTECTION MEASURES IN 2009

MM KARTON

Energy

The division-wide initiative “e.ffiiciency” to reduce the specific energy consumption was continued with top priority in 2009. Our various individual projects focused on waste heat recovery and insulation measures as well as the installation of units with high energy efficiency.

Air

In the course of the waste heat recovery projects, both the exhaust air temperature and CO₂ emissions were reduced.

Water

In the Kolicvevo and Eerbeek mills, the initiatives to reduce nitrogen and fiber concentration in waste water were implemented.

Noise

In Frohnleiten, sound insulations were installed for the cartonboard machine 3; also, the newly constructed direct connection of the cartonboard mill with the motorway contributes significantly to traffic calming.

Waste

Optimization of waste disposal and efficiency increases in the utilization of material contributed considerably to the further reduction of waste quantities.

MM PACKAGING

MM Packaging’s operational optimization measures in 2009 focused on the improvement of productivity and the efficiency of materials. With respect to the environment they were particularly achieved in decreases in consumption of energy, water and solvents as well as waste reduction. The project focus was on procedures for energy and material recovery.

7. DISCLOSURES ACCORDING TO SECTION 243a (1) OF THE AUSTRIAN COMMERCIAL CODE

Composition of capital, stock categories

Please refer to the information provided in the consolidated financial statements under note 12 A).

Restrictions concerning the voting rights and the transfer of shares

Approximately 63 % of the shares are held by the core shareholder families in a syndicate. A syndicate agreement exists, which regulates the transferability of shares within the syndicate and to outside parties. Issues that concern the Shareholders' Meeting are decided by the syndicate with a simple majority. Modifications of the syndicate agreement require a three-fourths majority.

Direct or indirect participation in capital of at least 10 %

According to the information provided to the Company, minimum participations of 10 % in the capital at year-end 2009 were as follows:

MMS Mayr-Melnhof-Saurau Beteiligungsverwaltung KG
CAMA Privatstiftung
MM Salzburg Privatstiftung

The owners of shares with special control rights and a description of these rights

There are no shares with special control rights.

The type of voting rights control for capital participation by employees, if they do not directly exercise the right to vote

There is no such capital participation model for employees.

The provisions for appointment and revocation of members of the Management Board and the Supervisory Board and regarding alteration of the Articles of Association of the Company that do not arise directly from the Act
There are no provisions of this type.

The authorizations of the members of the Management Board that do not arise directly from the Act, in particular with regard to the option of issuing or repurchasing shares

Please refer to the information provided in the consolidated financial statements under note 12 A).

All significant agreements to which the Company is a party and that take effect, are modified or terminated in the event of a change of control of the Company as a result of a takeover offer as well as their effects; excepted are agreements which would significantly damage the Company if made public, unless the Company is obligated to make such information public as a result of other statutory provisions

The protective clause with regard to the disclosure of this information is invoked. The scope of the business in question is considered reasonable.

Existence and significant contents of compensation agreements between the Company and the members of its Management and Supervisory Boards or employees in the event of a public takeover offer

There are no agreements of this type.

8. SUBSEQUENT EVENTS

On January 25, 2010 Mayr-Melnhof Karton AG informed that its holding of own shares now amounts to 2,015,260 shares or 9.16 % of the shares outstanding, thus surpassing the reportable threshold of 5 % of voting rights.

9. OUTLOOK ON THE FINANCIAL YEAR 2010

This outlook is based on the Management Board's assessment as of February 26, 2010 and does not take into consideration any effects of possible acquisitions, sales or other structural changes in the course of 2010. The previous and the following forward-looking statements are subject to known and unknown risks and uncertainties due to which the actual events might deviate from the statements made herein.

The current economic development is still subject to a high degree of uncertainty. Private consumption, so far the very pillar of and the main influencing factor on the consumption of cartonboard and folding cartons, is expected to continue to suffer from the increase in unemployment figures and decline in transfer payments.

Taking this into account, the combat for market shares intensified markedly. Permanent price pressure on consumer goods markets affects the cartonboard processing companies, which in turn try to pass on the price pressure to the cartonboard suppliers. Customers still only plan in the short term and keep their inventories at a low level.

Under these circumstances, the industry-wide cartonboard price increase announced for the first quarter of 2010 is slow-going in Europe, despite the fact that price inflation on the recovered paper markets showed a significant rise, with the low stocking quantities in the consumer industries as well as the continuing Asian demand being the main price boosters.

We are able to maintain our shares in the highly competitive markets for the cartonboard and folding carton businesses. The utilization of the divisions is currently as positive as it was in the second half of last year. However, we cannot be certain that the situation will continue as it is.

Therefore, just as was the case in the previous year, we will continue to focus our investing activities on projects with short-term payback and measures to increase cost efficiency and quality.

Overall, we expect an increase in pressure on the margins in both divisions resulting from the aggravated situation on the procurement and sales markets. Due to the short-term nature of the business, as of today we cannot forecast the results of the current year.

Sufficient liquidity and financing facilities in connection with the focus on a leading position as to costs continue to form a solid basis for us to proceed in strengthening our leading competitive and market position within the industry. New growth steps are being prepared and will be implemented in a risk-sensitive manner.

Vienna, February 26, 2010

The Management Board

Wilhelm Hörmanseder m.p.

Andreas Blaschke m.p.

Franz Rappold m.p.

Oliver Schumy m.p.

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Consolidated Balance Sheets

(all amounts in thousands of EUR)	Notes	Dec. 31, 2009	Dec. 31, 2008
ASSETS			
Property, plant and equipment	5	524,948.3	564,677.9
Intangible assets including goodwill	5	62,691.4	59,328.9
Available-for-sale financial assets	6	3,203.7	2,585.6
Other financial assets	6	5,323.1	5,451.3
Deferred income taxes	8	9,941.0	9,749.1
Non-current assets		606,107.5	641,792.8
Inventories	9	209,398.0	213,512.4
Trade receivables	10	185,281.4	181,055.4
Income tax receivables		12,134.6	13,121.3
Prepaid expenses and other current assets	11	25,657.0	32,605.4
Available-for-sale financial assets	6	0.0	154,046.2
Cash and cash equivalents		353,251.7	189,786.4
Current assets		785,722.7	784,127.1
TOTAL ASSETS		1,391,830.2	1,425,919.9
EQUITY AND LIABILITIES			
Share capital	12	88,000.0	88,000.0
Additional paid-in capital	12	168,453.4	168,453.4
Treasury shares	12	(53,041.7)	(43,508.7)
Retained earnings	12	766,220.9	708,225.2
Other reserves	12	(28,029.0)	(29,325.6)
Equity attributable to shareholders of the Company		941,603.6	891,844.3
Minority interests		22,741.8	21,806.4
Total equity		964,345.4	913,650.7
Interest-bearing financial liabilities	13	43,057.7	71,761.2
Provisions for other non-current liabilities and charges	14	75,909.8	76,482.9
Deferred income taxes	8	26,234.8	35,499.0
Non-current liabilities		145,202.3	183,743.1
Interest-bearing financial liabilities	13	24,768.1	85,274.1
Liabilities and provisions for income tax	15	11,772.7	15,268.6
Trade liabilities	16	129,111.9	113,138.8
Deferred income and other current liabilities	17	39,122.5	43,049.3
Provisions for other current liabilities and charges	18	77,507.3	71,795.3
Current liabilities		282,282.5	328,526.1
Total liabilities		427,484.8	512,269.2
TOTAL EQUITY AND LIABILITIES		1,391,830.2	1,425,919.9

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Income Statements

(all amounts in thousands of EUR except share and per share data)	Notes	Year ended Dec. 31, 2009	Year ended Dec. 31, 2008
Sales		1,601,487.4	1,731,194.1
Cost of sales		(1,254,088.2)	(1,363,852.6)
Gross margin		347,399.2	367,341.5
Other operating income	19	18,421.5	11,646.4
Selling and distribution expenses		(142,415.9)	(165,192.9)
Administrative expenses		(73,135.4)	(75,454.3)
Other operating expenses	20	(319.8)	(1,400.2)
Operating profit		149,949.6	136,940.5
Gain from disposal of businesses	4	0.0	19,992.1
Result from wound-up activities	4	0.0	(21,594.8)
Impairment expenses	5	(14,220.9)	0.0
Financial income		7,136.5	14,714.2
Financial expenses		(4,633.3)	(8,093.7)
Other income (expenses) - net	21	(5,855.4)	(3,999.6)
Profit before tax		132,376.5	137,958.7
Income tax expense	8	(34,994.0)	(41,049.3)
Profit for the year		97,382.5	96,909.4
Attributable to:			
Shareholders of the Company		94,157.3	94,745.1
Minority interests		3,225.2	2,164.3
Profit for the year		97,382.5	96,909.4
Earnings per share for profit attributable to the shareholders of the Company during the year:			
Basic and diluted average number of shares outstanding		21,225,122	21,637,343
Basic and diluted earnings per share		4.44	4.38

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Comprehensive Income Statements

(all amounts in thousands of EUR)	Year ended Dec. 31, 2009	Year ended Dec. 31, 2008
Profit for the year	97,382.5	96,909.4
Profit (loss) directly recognized in equity:		
Valuation of available-for-sale financial assets	(777.3)	808.1
Foreign currency translations	589.8	(33,784.9)
Total profit (loss) directly recognized in equity (net):	(187.5)	(32,976.8)
Total profit for the year	97,195.0	63,932.6
Attributable to:		
Shareholders of the Company	95,453.9	65,604.8
Minority interests	1,741.1	(1,672.2)
Total profit for the year	97,195.0	63,932.6

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Equity

(all amounts in thousands of EUR)	Notes	Equity attributable to shareholders of the Company									
		Share capital	Additional paid-in capital	Treasury shares	Retained earnings	Profit (loss) directly recognized in equity			Total	Minority interests	Total equity
						Valuation of available-for-sale financial assets	Foreign currency translations	Other reserves			
Balance at Jan. 1, 2008		88,000.0	168,453.4	(100.1)	650,462.3	(29.5)	(155.8)	(185.3)	906,630.3	27,265.8	933,896.1
Total profit for the year				94,745.1	826.2	(29,966.5)	(29,140.3)		65,604.8	(1,672.2)	63,932.6
Dividends paid				(36,982.2)			0.0		(36,982.2)	(1,176.2)	(38,158.4)
Acquisitions and dispositions of businesses							0.0	0.0		(2,611.0)	(2,611.0)
Purchase of treasury shares at cost				(43,408.6)			0.0		(43,408.6)		(43,408.6)
Balance at Dec. 31, 2008		88,000.0	168,453.4	(43,508.7)	708,225.2	796.7	(30,122.3)	(29,325.6)	891,844.3	21,806.4	913,650.7
Total profit for the year				94,157.3	(784.7)	2,081.3	1,296.6		95,453.9	1,741.1	97,195.0
Dividends paid	12			(36,133.0)			0.0		(36,133.0)	(1,017.0)	(37,150.0)
Capital contribution by minority shareholder				(28.6)			0.0		(28.6)	211.3	182.7
Purchase of treasury shares at cost				(9,533.0)			0.0		(9,533.0)		(9,533.0)
Balance at Dec. 31, 2009		88,000.0	168,453.4	(53,041.7)	766,220.9	12.0	(28,041.0)	(28,029.0)	941,603.6	22,741.8	964,345.4

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statements

(all amounts in thousands of EUR)	Notes	Year ended Dec. 31, 2009	Year ended Dec. 31, 2008
CASH FLOW FROM OPERATING ACTIVITIES:			
Profit for the year		97,382.5	96,909.4
Adjustments to reconcile profit for the year to net cash provided by operating activities:			
Income tax expense	8	34,994.0	41,049.3
Depreciation and amortization of property, plant and equipment, and intangible assets ¹⁾	5	97,772.8	83,479.6
Gains (losses) from disposals of property, plant and equipment, and intangible assets	19	(1,539.1)	(890.5)
Gains (losses) from disposals of available-for-sale and other financial assets		(33.3)	16.3
Gain from disposal of businesses	4	0.0	(19,992.1)
Result from wound-up activities	4	0.0	21,594.8
Interest income		(7,031.8)	(14,714.2)
Interest expense		4,561.9	8,071.1
Share of profit (loss) of associated companies		(386.3)	(667.8)
Other		(1,092.2)	(2,350.3)
Changes in working capital:			
Inventories		4,348.4	30,704.3
Trade receivables		(3,099.5)	15,169.1
Prepaid expenses and other current assets		5,204.1	8,404.2
Trade liabilities		16,109.5	(41,424.1)
Deferred income and other short-term liabilities		(4,088.5)	(3,705.2)
Provisions for other short-term liabilities and charges		5,266.0	(6,507.6)
Changes in working capital		23,740.0	2,640.7
Cash flow provided by operating activities excluding interest and taxes paid		248,368.5	215,146.3
Income taxes paid		(47,899.5)	(38,530.8)
Net cash provided by operating activities		200,469.0	176,615.5
CASH FLOW FROM INVESTING ACTIVITIES:			
Proceeds from disposals of property, plant and equipment, and intangible assets		3,909.4	1,637.2
Purchases of property, plant and equipment, and intangible assets		(61,624.4)	(98,203.3)
Acquisitions of companies or businesses, net of cash and cash equivalents acquired (2009: thous. EUR 83,6; 2008: thous. EUR 1,457.1)	4	(2,636.4)	(12,353.5)
Proceeds from disposal of companies or businesses	4	0.0	27,100.0
Proceeds from disposals of available-for-sale and other financial assets		153,448.6	3,872.9
Purchases of available-for-sale and other financial assets		(1,294.8)	(155,671.8)
Dividends received		386.3	667.8
Interest received		10,147.3	12,738.8
Net cash provided by/used in investing activities		102,336.0	(220,211.9)
CASH FLOW FROM FINANCING ACTIVITIES:			
Interest paid		(3,612.4)	(8,104.6)
Issuances of interest-bearing financial liabilities		2,914.6	1,638.7
Repayments of interest-bearing financial liabilities		(9,920.0)	(27,175.2)
Treasury shares	12	(9,533.0)	(43,408.6)
Dividends paid to the shareholders of the Company	12	(36,133.0)	(36,982.2)
Dividends paid to minority interests		(1,017.0)	(1,176.2)
Capital contribution by minority interests		211.3	(27.7)
Net cash used in financing activities		(139,089.5)	(115,235.8)
Effect of exchange rate changes on cash and cash equivalents		(250.2)	(1,875.5)
Net increase in cash and cash equivalents		163,465.3	(160,707.7)
Cash and cash equivalents at the beginning of the year		189,786.4	350,494.1
Cash and cash equivalents at the end of the year		353,251.7	189,786.4

The accompanying notes are an integral part of these consolidated financial statements.

¹⁾ The figure for 2009 includes thous. EUR 14,220.9 of impairment expenses.

Notes to the Consolidated Financial Statements

(1) Summary of significant accounting policies

A) GENERAL EXPLANATIONS

The Mayr-Melnhof Group

Mayr-Melnhof Karton AG and its subsidiaries (“the Group”) are primarily engaged in manufacturing and selling cartonboard and folding cartons within Europe. The Group is divided into two operating segments (see note 24): Mayr-Melnhof Cartonboard (“MM Karton”) and Mayr-Melnhof Packaging (“MM Packaging”). MM Karton manufactures and markets numerous grades of cartonboard, concentrating on coated cartonboard produced predominantly from recovered paper. MM Packaging converts cartonboard into industrial-printed folding cartons mainly for food (e.g. cereals, dried foods, sugar, confectionary and baked products), other consumer goods (e.g. cosmetics and toiletries, detergents, household articles and toys), and into cigarette packaging as well as high-grade confectionary packaging.

The parent company of the Group is Mayr-Melnhof Karton AG, located at Brahmplatz 6, 1041 Vienna, Austria.

Basic accounting principles

The consolidated financial statements and notes thereto of Mayr-Melnhof Karton AG and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (“IFRS” and “IAS”) as adopted by the International Accounting Standards Board (“IASB”) and the respective interpretations as adopted by the Standing Interpretations Committee (“SIC”) and by the International Financial Reporting Interpretations Committee (“IFRIC”) as to be applied within the European Union. The present consolidated financial statements have been prepared by the Management Board as of February 26, 2010 and will be presented to the Supervisory Board for review and approval.

There are no further liabilities or claims with regard to third parties other than those which have been recorded in the consolidated financial statements and notes thereto.

The preparation of the consolidated financial statements and the notes thereto in accordance with generally accepted accounting and recognition standards of IFRS is performed by making estimates and assumptions for certain items, which affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Actual amounts may differ from those estimates and assumptions.

All amounts herein, except share data and per share amounts, are specified in thousands of Euro unless otherwise stated.

B) CONSOLIDATION PRINCIPLES AND CONSOLIDATION METHODS

The consolidated financial statements and notes thereto include the accounts of Mayr-Melnhof Karton AG (“the Company”) and all wholly and majority-owned subsidiaries, except where control is temporary or does not reside within the Group. Minority interest represents the minority shareholders’ proportionate share of the equity and profit in several majority-owned subsidiaries of the Company. Investments in companies in which Mayr-Melnhof Karton AG has the ability to exercise significant influence over its operating and financial policies, generally when the Group holds at least 20 % but not more than a 50 % voting interest, are accounted for under the equity method. Investments in companies in which less than a significant influence is maintained are accounted for at cost or fair value as appropriate. All effects of intercompany transactions have been eliminated.

According to IFRS 3 “Business Combinations”, all acquisitions of companies and businesses shall be accounted for using the purchase method. Thereby, the cost of the acquired interest is offset against the acquirer’s interest in equity at the acquisition date. Any difference between the cost of acquisition and the acquirer’s interest in equity shall be allocated to the respective identifiable assets and liabilities of the acquired company or business up to its fair values irrespective of the percentage of the interest acquired. Accordingly, the interest of the remaining shareholders shall be recognized at fair value of their interest in equity. A remaining excess of the purchase price over the fair value of the equity interest acquired shall be capitalized as goodwill. Negative goodwill shall be recognized immediately in the income statement.

C) ACCOUNTING AND RECOGNITION PRINCIPLES

During the preparation of the consolidated financial statements and notes, relevant amendments to existing IAS, IFRS and interpretations as well as newly enacted IFRS and IFRIC interpretations, as published in the Official Journal of the European Union and put into effect no later than December 31, 2009, were taken into consideration.

In this context, amendments to IAS 23 “Borrowing costs”, which stipulates the capitalization of borrowing costs in case of purchasing certain assets, amendments to IFRS 2 “Share-based payment” and amendments to IAS 1 “Presentation of Financial Statements (revised 2007)”, were concerned. The latter results in adjustments regarding the presentation of the income statement and the statement of changes in equity. Furthermore, there were amendments to IAS 32 and IAS 1, which allow the classification of puttable instruments as equity under certain conditions, and amendments to IFRS 1 and IAS 27 in connection with the identification of acquisition costs of an investment at first-time adoption of IFRS. IFRS 7 was changed regarding further necessary details to financial instruments at fair value and liquidity risk. IFRIC 9 and IAS 39 expand the cases in which an embedded derivative has to be reassessed. The following interpretations came into effect in 2009: IFRIC 12 “Service Concessions Arrangements”, IFRIC 13 “customer loyalty programmes”, IFRIC 14 “IAS 19 – The Limit on a defined benefit Asset, Minimum Funding Requirements and their Interaction”, IFRIC 15 “Agreements for the Construction of Real Estate”, IFRIC 16 “Hedges of a Net Investment in a Foreign Operation”, and IFRIC 18 “Transfers of Assets from Customers”. These amendments and revised/superseded standards, as far as applicable, were implemented through appropriate information in the financial statements and notes.

Until December 31, 2009, the following standards and interpretations were changed. These changes were not effective for the financial year 2009. The regulations of IAS 27 “Consolidated and Separate Financial Statements” and IFRS 3 „Business Combinations“ were revised. Furthermore, additional changes were implemented in IAS 39 for hedging of one-sided risks by options and hedging of inflation risks. According to IAS 32, options in foreign currency will, under certain conditions, comply with the requirements for the classification as equity instrument. In the reporting period IFRIC 17 “Distribution of Non-cash Assets to Owners” was published. The mentioned changes or amendments are not expected to have significant impact on the Group’s financial statements and financial position on the current Group structure. The possibility of earlier application was not used.

Foreign currency translation

The assets and liabilities of foreign subsidiaries, where the functional currency is other than the Euro, are translated into Euro using exchange rates in effect at the balance sheet date. Revenues and expenses are translated using average exchange rates for the year. Differences arising from the translation of assets and liabilities in comparison with the previous periods are included as a separate part of shareholders' equity. Profit and loss resulting from foreign currency transactions are included in the results from operations as incurred.

Exchange differences arising on monetary items that form part of a net investment in a foreign operation are recognized initially in accordance with IAS 21.32 as a separate component of equity and recognized in profit or loss upon repayment or disposal of the net investment.

The exchange rates of the relevant currencies of non-Euro participating countries used in preparing the consolidated financial statements and notes thereto were as follows:

Currency:		Exchange rate at Dec. 31, 2009 1 EUR =	Exchange rate at Dec. 31, 2008 1 EUR =	Annual average exchange rate 2009 1 EUR =	Annual average exchange rate 2008 1 EUR =
Bulgaria	BGN	1.96	1.96	1.96	1.96
Czech Republic	CZK	26.47	26.88	26.50	25.13
Denmark	DKK	7.44	7.45	7.45	7.46
Great Britain	GBP	0.89	0.95	0.89	0.79
Iran	IRR	14,349.26	-	13,749.48	-
Jordan	JOD	1.01	1.00	0.99	1.04
Poland	PLN	4.10	4.15	4.32	3.52
Romania	RON	4.24	4.02	4.22	3.69
Russia	RUB	43.15	41.28	44.04	36.64
Switzerland	CHF	1.48	1.49	1.51	1.58
Tunisia	TND	1.89	1.84	1.88	1.80
Turkey	TRY	2.15	2.15	2.17	1.89
Ukraine	UAH	11.45	10.85	10.85	7.78

Revenue recognition

The Group recognizes revenue when convincing evidence of an arrangement exists, products are shipped to customers, the price of the transaction is fixed and determinable, and payment is reasonably assured. Revenues are recorded net of discounts, such as sales incentives, customer bonuses and rebates granted. Provisions for estimated costs related to product warranty and returns are made at the time the related sale is recorded. Shipping and handling costs are recorded as selling expenses.

Earnings per share

Earnings per share is calculated in accordance with IAS 33 "Earnings per Share". The standard requires the calculation of two key figures, basic and diluted earnings per share. Basic earnings per share is calculated by dividing profit or loss attributable to the shareholders of the Company by the weighted average number of shares outstanding during the financial year. Diluted earnings per share is calculated by adjusting outstanding shares, assuming conversion of all potentially dilutive stock options. Neither as of December 31, 2009, nor as of December 31, 2008, existed these kind of options.

Research and development costs

Research costs are recognized as expense as incurred. Development costs are capitalized only after the following criteria can be verified and are met cumulatively: it has to be possible among other criteria to use or sell internally generated intangible assets and, additionally, future economic benefits for the Group have to be achieved. Neither as of December 31, 2009, nor as of December 31, 2008, have development costs been capitalized.

Intangible assets including goodwill

Acquired intangible assets which are determined to have a finite useful life including licenses, patents, concessions, trademarks and assets regarding customer relationships are capitalized at cost and amortized on a straight-line basis over their estimated useful lives ranging from 5 to 10 years. Acquired intangible assets which are determined to have an indefinite useful life are not amortized but tested for impairment on an annual basis.

According to IFRS 3 “Business Combinations”, goodwill is not amortized but tested for impairment on an annual basis. The recoverability evaluation of goodwill is performed at least annually or when it is evident that an impairment exists. Such impairment test is conducted on the operating segment level. In this context, the value in use of the segment is compared to the carrying amounts of non-current assets, comprising property, plant and equipment and intangible assets including goodwill. A segment’s value in use is determined by the present value of the estimated future cash flows before tax in accordance with a discounted cash flow calculation (DCF). The discount rate used is based on weighted average cost of capital (WACC) before tax. If the fair value of the operating segment is less than these carrying amounts, the difference is recognized as an impairment loss.

Neither in 2009 nor in 2008 had goodwill to be amortized as a result of an impairment.

Property, plant and equipment

Property, plant and equipment are recognized at cost less accumulated depreciation. Therefore, depreciation expense is recognized using the straight-line method over the following estimated useful lives:

Buildings	10–50 years
Technical equipment and machines	8– 15 years
Other equipment, fixtures and fittings	4– 10 years

It is the policy of the Group to capitalize renewal investments and leasehold improvements. Generally, costs resulting in a prolongation of utilization or in an increase in future utilization of assets are capitalized. Current cost of maintenance and repairs is recognized as expense as incurred.

The cost of internally generated assets includes the respective direct costs as well as directly attributable material and manufacturing overhead costs including depreciation.

Leases

The Group is exclusively the lessee in operating lease transactions, recognizing the lease-related payments as expense as incurred.

Impairment of non-current-assets

A recoverability evaluation of non-current assets is performed as soon as events that have occurred and circumstances that have changed indicate that the carrying amount of an asset or a group of assets exceeds its recoverable amount. In such a case, the carrying amount of the asset or the group of assets is compared with the higher of the fair value less costs to sell or its present value of estimated future cash flows. In case that the reasons for an impairment no longer exist, a revaluation has to be conducted.

Investments in associated companies

Material investments in which the Company has a significant influence are accounted for using the equity method. In general, the accounting principles as stated in this section are also applied for investments in associated companies.

Securities

Securities are classified under measurement category “available-for-sale”. The fair value is calculated in reference to an active market. The corresponding unrealized profit and loss, if it does not represent a permanent loss, is directly recognized in equity, net of deferred income taxes.

Other financial assets

Other financial assets comprise investments in non-consolidated subsidiaries, other investments, loans to third parties and other financial investments. Investments in non-consolidated subsidiaries and other investments are in fact held as available-for-sale, but in general these investments are recognized at cost, as no active market exists for these investments and the respective fair values cannot be reliably measured within an economically justifiable period of time. In case of an indicated lower fair value, this value is recorded. Loans to third parties are classified under measurement category "Financial assets" measured at cost less accumulated depreciation, whereas non-interest and low-interest-bearing loans are recognized at present value. All remaining other investments are impaired in case of a permanent reduction in value. In case that the reasons for impairment no longer exist, a revaluation has to be conducted.

Deferred taxes

Deferred tax assets and liabilities are accounted for in accordance with IAS 12 "Income Taxes" for all temporary differences between the tax bases of existing assets and liabilities and their value in the financial statements. In this context, those enacted statutory tax rates have to be applied which are applicable in future periods in which these differences will be reversed. Permanent differences are not included in the calculation of deferred taxes. Furthermore, deferred tax assets are recorded for those tax loss carryforwards which can be utilized. The effect of tax rate changes on deferred tax assets and liabilities is recognized in income tax expense in the period of a tax rate change. If the realization of deferred tax assets becomes improbable, a valuation allowance will be recorded.

Inventories

Inventories are valued at the lower of cost or market, with cost determined on an average basis. In order to determine purchase costs of raw materials, manufacturing and operation supplies and goods for resale, a weighted average price method taking into consideration the sales market is applied. Work in process and finished goods are recorded including material, labor and manufacturing overhead costs. Allowances for slow moving and obsolete inventories are recognized considering the storage period and sales situation. Operating supplies and spare parts for technical equipment and machines are valued at cost and adjusted for time-based discounts.

Receivables and other assets

Receivables and other assets are accounted for at par value less bonuses, discounts and allowances and are classified under the measurement category "Financial assets".

Emission rights

In the course of the implementation of the Kyoto Protocol, Directive 2003/87/EC came into force within the European Union as of January 1, 2005. Based on this Directive, the Group is obliged to redeem specified emission rights for carbon dioxide emissions incurred during cartonboard production. These emission rights have been allocated to the Group's respective production sites for the period from January 1, 2008 to December 31, 2012 free of charge.

As IFRIC 3 "Emission Rights" has been withdrawn by the IASB, definite regulations concerning the accounting treatment of emission rights are missing. Therefore these emission rights are recognized in accordance with IAS 38 "Intangible Assets" as intangible assets in "Prepaid expenses and other current assets", measured at cost amounting to zero as the rights have been allocated free of charge. If effective carbon dioxide emissions exceed the number of existing emission rights during the reporting period at the balance sheet date, a provision for these missing emission rights in the amount of their market value has to be accounted for. As of December 31, 2009 and 2008, the Group had sufficient emission rights available.

Accordingly, only expenses from the utilization of acquired emission rights and income from the sale of redundant emission rights are recorded in the income statement.

Cash and cash equivalents

Cash and cash equivalents include cash, checks and short-term deposits at financial institutions. Cash and cash equivalents denominated in foreign currencies are translated into Euro using the exchange rate in effect at the balance sheet date. The cash and cash equivalents defined in this way are the basis for the cash flow statement.

Financial instruments

On the debit side, the Group's financial instruments consist of derivative financial instruments, financial assets comprising cash and cash equivalents, loans, trade receivables including allowances, the position "Prepaid expenses and other current assets" less tax receivables and prepaid expenses (see note 11) as well as available-for-sale financial assets. On the credit side, financial instruments include derivative financial instruments, financial liabilities, comprising interest-bearing financial liabilities, trade liabilities less advances from customers and the position "Deferred income and other current liabilities" less deferred income, tax liabilities and obligations for personnel and social costs (see note 17).

Derivative financial instruments

Derivative financial instruments are recognized in accordance with IAS 39 "Financial Instruments: Recognition and Measurement". According to IAS 39, all derivative financial instruments are recognized at market value as assets or liabilities. The market value corresponds to prices which are determined in active markets for identical assets or liabilities. Profit and loss resulting from changes in the fair value of derivative instruments is either recognized in profit or loss in the income statement or in profit or loss directly recognized in equity, depending on the intended use of the derivative and the compliance with certain requirements. In case of a Fair Value Hedge, the change in fair value is recognized in profit or loss as incurred by compensating the effect on profit or loss with a corresponding measurement of the underlying transaction. In case of a Cash Flow Hedge, the effective portion of the change in fair value is recognized directly in equity. Inefficiencies, classified as a non-complete hedge of the underlying instrument by the derivative instrument, were of insignificant importance to derivative instruments classified as Fair Value Hedge both in 2009 and 2008.

Concentration of financial risks

Financial instruments, which may cause a concentration of financial risks in certain cases, comprise primarily cash and cash equivalents, securities and trade receivables. The Group's trade receivables derive from a broad and diversified group of customers. The financial risk arising from customer bad debt is monitored by ongoing credit rating assessments. Additionally, the Group concludes credit insurance contracts in order to cover certain potentially uncollectible receivables. Furthermore, the Group makes allowances for losses based upon the expected collectible trade receivables.

Other non-current provisions

Defined benefit pension obligations and other benefits related to severance obligations are valued in accordance with IAS 19 "Employee benefits" using the projected unit credit method. The present value of defined benefit obligations is calculated based on the years of service, the anticipated development of the employee's compensation as well as the enacted contractual and statutory pension revaluation requirements. Actuarial gains and losses are recognized in profit or loss in accordance with IAS 19 using the corridor approach. Surpluses from pension funds are recorded in other non-current assets if the economic benefit can be determined with sufficient certainty.

Provisions for anniversary bonuses are accrued for non-current obligations against employees related to the number of years of their service based on collective or plant bargaining agreements.

Provisions for pre-retirement programs are accrued upon conclusion of individual contractual agreements as well as for probable pre-retirement agreements in the future if employees have the right to participate in pre-retirement programs based on plant bargaining agreements or collective agreements.

Other provisions

Other provisions are accounted for in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and IAS 19 "Employee Benefits". A provision is recognized when the Group has a present legal or factual obligation as a result of a past event and its settlement is expected to result in an outflow of resources embodying economic benefits. If material, non-current provisions are discounted using the present value method.

For the calculation of other provisions, particularly for warranty costs and losses from uncompleted contracts, the Group accounts for all cost components which are used for the calculation of inventories.

Provisions for restructuring costs are recognized when a detailed formal plan for the restructuring process has been approved and the management has either started its implementation or its public announcement.

Liabilities

Non-current liabilities including financial liabilities are classified under measurement category "Financial liabilities" and measured at amortized cost unless they are designated as the underlying item in a Fair Value Hedge. Current liabilities are stated at cost, which is the consideration to be paid.

Minority interests

Minority interests represent minority shareholders' investments in Group companies or business units other than Mayr-Melnhof Karton AG. At the date of first-time consolidation, these are recorded as proportionate share of equity in the respective company or business unit and are carried forward considering the share of profit or loss, paid dividends as well as contributions to and returns of capital.

According to IAS 32, minority interests are to be presented as liability in case of interests in partnerships with minority shareholders being entitled to resign or in such cases where the minority shareholder holds a put option for his share, provided these are reliably appraisable. In the consolidated balance sheet, these shares in equity are presented as liabilities under "Deferred income and other current liabilities". In the consolidated income statement, the corresponding profit is presented under "Other financial income - net".

(2) Key assumptions entailing a considerable risk of a change in value

The consolidated financial statements and notes thereto include the following material items for which the determination of their carrying amounts is highly dependent on the underlying assumptions and estimations:

Provisions for pensions and severance payments

The actuarial calculation of pension and severance obligations is based on assumptions about discount rates used, expected return on plan assets, future increases in salaries and life expectancies. Actual outcomes can be different from these assumptions due to changes in the economic environment and market conditions.

Impairment of non-current assets

Goodwill is reviewed for impairment annually. In the course of these impairment reviews, the evaluation of non-current assets is also based on budget assessments of market or company-specific discount rates, expected annual growth rates and foreign exchange rates. The assumptions involved in these calculations may change and cause an impairment loss in future periods.

Provisions for litigations

The outcome of litigations in progress cannot be anticipated with certainty. The Group recognizes adequate provisions if reasonable assessments can be made. The actual outcomes of litigations may differ from these assessments.

Provisions for restructuring costs

The calculation of provisions for restructuring costs is based on assumptions about the termination of contracts, staff redundancies or pension payments. The actual amounts to be considered may deviate from these assumptions.

Realization of deferred tax assets

Deferred taxes are calculated by applying enacted statutory tax rates applicable for future years to temporary differences as well as by evaluating the capacity of future taxable income. Potential tax rate changes or future taxable income which differs from the assumptions may result in the fact that the realization of deferred tax assets becomes improbable and consequently a valuation allowance of the respective assets has to be recorded.

Useful life of non-current assets

Property, plant and equipment, and acquired intangible assets are stated at cost and are amortized on a straight-line basis over their estimated useful lives. The estimation of the useful lives is based on assumptions about wear and tear, aging, technical standards, contract periods and changes in demand. Changes in these factors may cause a reduction of the useful life of the asset. Hence, the carrying amount would be amortized/depreciated over the remaining shorter useful life, resulting in higher annual depreciation/amortization expenses.

(3) Financial risk management

The Group is subject to various financial risks arising from its operating activities and the structure of its financing. These financial risks primarily comprise the credit risk, liquidity risk, currency risk and the risk of interest rate changes. These risks are mitigated using a centralized risk management, which is applied throughout the Group.

The identification, analysis and evaluation of the financial risks as well as the decisions concerning the application of financial instruments in order to manage these risks are taken by the Group's headquarters.

Credit risk

The credit risk represents the risk arising from non-fulfillment of contractual obligations by business partners which may result in losses. The immanent risk of default of business partners resulting from the underlying transaction is widely hedged by credit risk insurance as well as by bank guarantees and letters of credit. The definition criteria to be applied for credit ratings are based on contractual agreements with credit insurance institutions and are stipulated by internal guidelines.

The credit and default risks are continuously monitored, incidental and identifiable risks are provided for by recording appropriate allowances or provisions. For the assessment of the overall risk, existing insurance coverage, possible guarantees and letters of credit are taken into consideration. As a result of the broad and diversified customer base, a concentrated risk of default does not exist.

Liquidity risk

The liquidity risk is referred to as the risk to raise the required funds at any time in order to settle the amounts payable in due course. Based on well-timed liquidity management, sufficient cash and cash equivalents as well as current and non-current credit lines are available to the Group's subsidiaries. Consequently, liquidity risk is categorized as low.

Currency risk

The currency risk represents the risk arising from changes in the value of financial instruments due to fluctuations in exchange rates. This risk especially exists if business transactions are denominated and settled in currencies other than the Euro and these currencies do not correspond with the functional (local) currency of the company. This is particularly the case for business relations to customers and suppliers in British Pound, US Dollar, Swiss Franc, Polish Zloty, Russian Rouble, Turkish Lira and Ukrainian Hryvnia. The respective currency risks are as far as possible reduced by matching business transactions in similar currencies and by price adjustment mechanism in longer-term agreements as well as foreign exchange forward contracts (see note 7).

At December 31, 2009, if the exchange rate of the Euro had strengthened (weakened) 1.0 % against these currencies, the foreign currency exchange result including the performance of foreign exchange forward contracts would have been thous. EUR 125.4 higher (lower).

As of the balance sheet date, the interest-bearing financial liabilities are predominantly denominated in Euro. Therefore, no significant currency risk concerning these liabilities exists.

Interest rate risk

The interest rate risk is referred to as the risk arising from changes in the value of financial instruments due to fluctuations of market interest rates. It comprises the interest-rate related price risk for fixed interest-bearing financial instruments and the settlement risk of variable interest-bearing financial instruments. At December 31, 2009 the Group was predominately financed by fixed interest-bearing financial liabilities.

At December 31, 2009 and December 31, 2008, the Group showed a net liquidity. Therefore, a change in the market interest rate does not represent an interest expense risk.

Derivative financial instruments

The Group mainly applies derivative financial instruments to mitigate the risks from exchange rate and interest rate changes. In this context, the Group uses foreign exchange forward contracts in order to mitigate the effects of current exchange rate fluctuations and interest rate swap agreements in order to mitigate the current market interest rate risk. All counterparties in these transactions are reputable financial institutions with whom the Group conducts business on a regular basis. Accordingly, the Group considers the corresponding risk of default and related losses as being remote.

Fair values

In the consolidated balance sheet, the amounts recorded for trade and other receivables, current liabilities as well as cash and cash equivalents approximate substantially their fair values due to the short-term nature of these items. The amounts recorded for interest-bearing financial liabilities basically correspond to their present values.

(4) Significant changes in the consolidated companies

A) ACQUISITIONS AND FORMATIONS IN 2009

Acquisitions

In December 2009, the division MM Packaging acquired an interest of 100 % in R + S Stanzformen GmbH, located in Frankfurt am Main, Germany, for thous. EUR 2,720.0. The company produces diecutting tools for the production of folding cartons. In this context, an intangible asset for the acquired know-how in the amount of thous. EUR 3,784.1 was recorded.

Formations

In January 2009, the division MM Packaging formed MM Printing and Packaging Tehran Company, Private Joint Stock, located in Tehran, Iran.

B) ACQUISITIONS, DISPOSITIONS AND FORMATIONS IN 2008

Acquisitions

In November 2008, the division MM Packaging acquired an interest of 60.01 % in Superpak Ambalaj sanayi ve ticaret A.S., located in Izmir, Turkey. The company produces folding cartons for the Turkish consumer goods packaging market. Acquisition costs amounted to thous. EUR 6,178.6. Sales and profit before tax for the period since inclusion into the Group and the division amounted to thous. EUR 1,507.0 and thous. EUR 143.3.

Inclusion into the Group and division was effected on November 1, 2008. Fair values of assets and liabilities according to IFRS at this date were presented as follows:

Fair values according to IFRS

(in thousands of EUR)	Nov. 1, 2008
Property, plant and equipment	3,955.4
Intangible assets	2,368.4
Other current assets	2,193.7
Cash and cash equivalents	1,457.1
Non-current liabilities	(258.2)
Current liabilities	(1,836.2)
Deferred income taxes	(1,075.3)
Option liability	(3,534.7)
Goodwill	2,908.4
Net assets	6,178.6

The remaining goodwill reflects the company's market position on the Turkish packaging market.

Concerning the acquisition of the remaining minority interest of 39.99 %, both the division MM Packaging and the minority shareholder have an irrevocable option at a fixed price being exercisable in January 2011 at the earliest. The put option of the minority shareholder was recorded as option liability.

Until the acquisition date, the company exclusively prepared its financial statements according to local, country-specific accounting principles. Therefore, information on book values according to IFRS at the acquisition date and pro forma information cannot be calculated and presented reliably.

Dispositions

In February 2008, the division MM Karton closed the sale of its 100 % interest in Joh. Spiehs & Co GmbH, located in Vienna, Austria. In March 2008, the division MM Karton sold the majority interest of 63.34 % in “Papyrus” Altpapierservice Handelsgesellschaft m.b.H., located in Vienna, Austria, as well as the indirectly held majority interest of 63.34 % in “Papyrus” Altpapierservice Handelsgesellschaft m.b.H., located in Villach, Austria, and Papyrus Wertstoff Service GmbH, located in Bad Reichenhall, Germany, as well as the majority interest of 94.45 % in PAREK Papierverwertungs Gesellschaft m.b.H., located in Kapfenberg, Austria. The companies concerned operate in the business of recovered paper collection and trade. Herefrom a profit before tax of thous. EUR 19,992.1 was realized.

Formations

In December 2008, the division MM Packaging formed the trading company Al-Ekbal Paper Trading & Logistic Services W.L.L., located in Amman, Jordan.

Shutdown

In the division MM Karton the production activities at the plant Mayr-Melnhof Nikopol A.D., Bulgaria, were ceased. The relevant winding-up expenses, consisting of the impairment of buildings and technical equipment as well as other expenses, amounted to thous. EUR 21,594.8.

In February 2010, after having sold the real estate, the liquidation of the company was resolved.

(5) Development of fixed assets

A) PROPERTY, PLANT AND EQUIPMENT

(in thousands of EUR)	Lands, similar land rights and buildings	Technical equipment and machines	Other equipment, fixtures and fittings	Payments on account and construction in progress	Property, plant and equipment
ACQUISITION OR MANUFACTURING COSTS:					
Balance at Jan. 1, 2009	430,554.1	1,314,044.6	124,559.0	36,409.8	1,905,567.5
Effect of exchange rate changes	(676.7)	(2,885.1)	(130.6)	(566.8)	(4,259.2)
Changes in consolidated companies	0.0	196.4	37.0	0.0	233.4
Additions	6,207.4	19,785.4	5,519.1	28,272.8	59,784.7
Disposals	(8,382.7)	(44,819.4)	(5,348.7)	(1,917.0)	(60,467.8)
Reclassifications	12,803.5	30,921.4	336.6	(44,041.5)	20.0
Balance at Dec. 31, 2009	440,505.6	1,317,243.3	124,972.4	18,157.3	1,900,878.6
DEPRECIATION/AMORTIZATION:					
Balance at Jan. 1, 2009	210,453.8	1,038,387.8	92,032.9	15.1	1,340,889.6
Effect of exchange rate changes	128.2	(2,297.6)	(35.3)	0.1	(2,204.6)
Changes in consolidated companies	0.0	0.0	0.0	0.0	0.0
Disposals	(6,350.8)	(44,724.3)	(5,152.9)	(1,869.5)	(58,097.5)
Depreciation/amortization expense for the year ¹⁾	14,909.6	68,908.2	9,611.1	1,900.9	95,329.8
Reclassifications	10.6	128.9	(125.1)	(1.4)	13.0
Balance at Dec. 31, 2009	219,151.4	1,060,403.0	96,330.7	45.2	1,375,930.3
NET BOOK VALUE:					
Net book value at Dec. 31, 2009	221,354.2	256,840.3	28,641.7	18,112.1	524,948.3
Net book value at Dec. 31, 2008	220,100.3	275,656.8	32,526.1	36,394.7	564,677.9

¹⁾ The position includes thous. EUR 14,220.9 of impairment expenses.

With January 1, 2008 Switzerland imposed a mandatory levy on the use of fossil fuels per ton of CO₂ emission. This levy also has to be paid on generating energy for the cartonboard production at our mill in Deisswil, Switzerland.

As of January 1, 2010 the amount to be paid per ton tripled, thus significantly reducing the future recoverable income from using the respective assets, in particular comprising technical equipment, machines and buildings.

Hence, the present value of estimated future cash flows from using the respective assets was determined, implying the higher levy in future, and compared to the preliminary book values per December 31, 2009. The calculated impairment expenses of thous. EUR 14,220.9 was recognized in the income statement of the financial year 2009. The underlying discount rate was at 5.534 %.

The Group held “Investment property” which was sold in 2009. At December 31, 2008, the book value and acquisition costs in this regard amounted to thous. EUR 1,758.9 and thous. EUR 7,251.1, respectively. In 2009, the Group herefrom achieved rental and other income in the amount of thous. EUR 400.1 (2008: thous. EUR 684.2), facing depreciation of thous. EUR 153.9.

B) INTANGIBLE ASSETS INCLUDING GOODWILL

(in thousands of EUR)	Concessions, licenses and similar rights, and payments on account	Goodwill	Other intangible assets	Intangible assets including goodwill
ACQUISITION OR MANUFACTURING COSTS:				
Balance at Jan. 1, 2009	41,790.3	61,920.0	4,428.1	108,138.4
Effect of exchange rate changes	(11.3)	105.8	(6.0)	88.5
Changes in consolidated companies	13.8	0.0	3,784.1	3,797.9
Additions	1,839.7	0.0	0.0	1,839.7
Disposals	(559.3)	0.0	0.0	(559.3)
Reclassifications	91.4	0.0	0.0	91.4
Balance at Dec. 31, 2009	43,164.6	62,025.8	8,206.2	113,396.6
DEPRECIATION/AMORTIZATION:				
Balance at Jan. 1, 2009	38,910.2	9,046.1	853.2	48,809.5
Effect of exchange rate changes	(8.4)	1.3	1.9	(5.2)
Changes in consolidated companies	0.0	0.0	0.0	0.0
Disposals	(559.3)	0.0	0.0	(559.3)
Depreciation/amortization expense for the year	1,590.7	0.0	852.3	2,443.0
Reclassifications	17.2	0.0	0.0	17.2
Balance at Dec. 31, 2009	39,950.4	9,047.4	1,707.4	50,705.2
NET BOOK VALUE:				
Net book value at Dec. 31, 2009	3,214.2	52,978.4	6,498.8	62,691.4
Net book value at Dec. 31, 2008	2,880.1	52,873.9	3,574.9	59,328.9

In 2009, the depreciation and amortization expense recorded in “Property, plant and equipment” and “Intangible assets including goodwill” amounted to thous. EUR 83,551.9 (2008: thous. EUR 83,479.6).

(6) Financial assets

A) AVAILABLE-FOR-SALE FINANCIAL ASSETS

At December 31, 2009 and December 31, 2008, the Group exclusively held available-for-sale financial assets. These securities are carried at fair values based on quoted market prices.

Unrealized profit or loss, net of deferred income taxes, is directly recognized in equity in other reserves. The amortized cost of debt securities in this category is adjusted for amortization of premiums and accretion of discounts to maturity. Such amortization is included in "Financial income" or "Financial expenses". Realized profit and loss from sale of available-for-sale financial assets are determined using the specific identification method. Declines in value classified to be other than temporary are included in "Financial income" or "Financial expenses".

Securities of the Group are composed as follows:

(in thousands of EUR)	Dec. 31, 2009			Dec. 31, 2008		
	Costs of acquisition	Estimated market value	Average effective interest rate	Costs of acquisition	Estimated market value	Average effective interest rate
Debt securities	254.4	254.4	2.25 %	152,771.2	154,046.2	4.00 %
Debt based funds	2,932.9	2,949.3	13.60 %	2,692.2	2,482.5	-7.26 %
Equity securities	0.0	0.0	0.00 %	118.4	103.1	0.00 %
Total	3,187.3	3,203.7	12.70 %	155,581.8	156,631.8	3.82 %

As of December 31, 2009, securities with estimated fair values of thous. EUR 2,949.3 (December 31, 2008: thous. EUR 2,482.5) have been given as security for provisions for pre-retirement programs within the scope of the respective legal commitments.

In 2009, proceeds from sales of available-for-sale financial assets amounted to thous. EUR 153,011.8 (2008: thous. EUR 3,047.8). The resulting realized profit or loss amounted to thous. EUR 104.7 (2008: thous. EUR 0.0) and thous. EUR 71.4 (2008: thous. EUR 22.6), respectively.

B) OTHER FINANCIAL ASSETS

Other financial assets have developed as follows:

(in thousands of EUR)	Investments in associated companies	Investments in unconsolidated subsidiaries	Other investments	Other loans receivable	Other non-current financial assets	Total
ACQUISITION OR MANUFACTURING COSTS:						
Balance at Jan. 1, 2009	74.5	187.1	7,159.8	1,072.6	2,396.4	10,890.4
Effect of exchange rate changes	0.0	0.0	0.0	0.0	0.0	0.0
Changes in consolidated companies	0.0	0.0	0.0	0.0	0.0	0.0
Additions	0.0	29.6	0.0	100.6	178.4	308.6
Disposals	0.0	0.0	(149.7)	(307.1)	(129.8)	(586.6)
Reclassifications	0.0	0.0	0.0	0.0	(0.0)	(0.0)
Balance at Dec. 31, 2009	74.5	216.7	7,010.1	866.1	2,445.0	10,612.4
DEPRECIATION/AMORTIZATION:						
Balance at Jan. 1, 2009	0.0	0.0	5,439.1	0.0	0.0	5,439.1
Effect of exchange rate changes	0.0	0.0	0.0	0.0	0.0	0.0
Changes in consolidated companies	0.0	0.0	0.0	0.0	0.0	0.0
Disposals	0.0	0.0	(149.8)	0.0	0.0	(149.8)
Depreciation/amortization expense for the year	0.0	0.0	0.0	0.0	0.0	0.0
Reclassifications	0.0	0.0	0.0	0.0	0.0	0.0
Balance at Dec. 31, 2009	0.0	0.0	5,289.3	0.0	0.0	5,289.3
NET BOOK VALUE:						
Net book value at Dec. 31, 2009	74.5	216.7	1,720.8	866.1	2,445.0	5,323.1
Net book value at Dec. 31, 2008	74.5	187.1	1,720.7	1,072.6	2,396.4	5,451.3

Detailed information concerning the Group's investments with an ownership percentage of more than 20 % is contained in the table of affiliated and associated companies (see note 26).

As at December 31, 2009, other loans receivable included loans to affiliated companies amounting to thous. EUR 216.5 (December 31, 2008: thous. EUR 309.4).

(7) Financial instruments

A) FINANCIAL INSTRUMENTS

The carrying amounts of financial instruments in accordance with measurement categories consist of:

(in thousands of EUR)	Dec. 31, 2009	Dec. 31, 2008
Derivative financial instruments	(567.2)	3,969.5
Financial receivables	544,134.9	379,690.7
Available-for-sale financial assets	3,203.7	156,631.8
Financial liabilities	211,621.5	287,693.6

The amounts on financial instruments presented in the Group's income statement by measurement categories are as follows:

(in thousands of EUR)	Year ended Dec. 31, 2009		Year ended Dec. 31, 2008	
	Profit/loss	Interest	Profit/loss	Interest
Derivative financial instruments	(3,511.9)		2,754.2	
Financial receivables	(209.5)	4,409.7	594.8	11,629.0
Available-for-sale financial assets	33.3	2,897.2	(22.6)	2,638.1
Financial liabilities		(6,681.4)		(9,618.7)

B) DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are valued at the amounts by which the respective contracts could be settled. The fair value of foreign exchange forward contracts is based on the spot foreign currency rates as of the balance sheet date, adjusted for time-related charges or discounts for the respective remaining term of the contract and compared with the contracted forward rate. Interest rate swap agreements are valued at fair values which are estimated by discounting the anticipated future cash flows.

Foreign exchange forward contracts

Foreign exchange forward contracts are principally used to protect the Group against exchange rate changes of the British Pound, the US Dollar, the Swiss Franc and the Polish Zloty. The changes in fair values of these derivatives are recognized in "Foreign currency exchange rate gains (losses) – net" (see note 21).

Interest rate swaps

The Group has interest rate swap agreements in order to convert fixed rate liabilities into floating rate liabilities. The change in fair value of the liabilities designated as hedged item is effectively offset by the related derivatives, having no net effect on the Group's net profit.

Existing interest rate swap agreements were sold in 2009. Proceeds from this sale are allocated as reduction of interest expenses over the maturity of the liabilities designated as hedged item.

Overview

The following table shows the market values and the nominal values of the derivatives as of the balance sheet dates:

(in thousands of EUR)	Dec. 31, 2009		Dec. 31, 2008	
	Nominal value	Market value	Nominal value	Market value
Foreign exchange forward contracts	39,510.5	(567.2)	46,336.8	2,669.6
Interest rate swaps	0.0	0.0	90,090.0	1,299.9
Total	39,510.5	(567.2)	136,426.8	3,969.5

The derivative financial instruments are recorded in the consolidated balance sheet under "Prepaid expenses and other current assets" in the amount of thous. EUR 41.1 (2008: thous. EUR 4,270.2) and under "Deferred income and other current liabilities" in the amount of thous. EUR 608.3 (2008: thous. EUR 300.7).

(8) Income taxes

The components of profit before tax by tax jurisdictions are as follows:

(in thousands of EUR)	Year ended Dec. 31, 2009	Year ended Dec. 31, 2008
Profit before tax:		
Austria	19,487.5	49,278.2
Other countries	112,889.0	88,680.5
Profit before tax	132,376.5	137,958.7

Income tax expense consists of the following:

(in thousands of EUR)	Austria	Other countries	Total
Financial year 2009:			
Current for the period	7,949.7	36,979.1	44,928.8
Current for prior periods	0.0	334.1	334.1
Deferred benefits excluding loss carryforwards	(3,322.7)	(7,129.7)	(10,452.4)
Deferred benefits of operating loss carryforwards	0.0	127.2	127.2
Deferred benefits due to tax rate changes	0.0	56.3	56.3
Income tax expense	4,627.0	30,367.0	34,994.0
Financial year 2008:			
Current for the period	16,225.4	29,687.3	45,912.7
Current for prior periods	146.8	(249.8)	(103.0)
Deferred benefits excluding loss carryforwards	(4,612.0)	(549.5)	(5,161.5)
Deferred benefits of operating loss carryforwards	0.0	526.9	526.9
Deferred benefits due to tax rate changes	0.0	(125.8)	(125.8)
Income tax expense	11,760.2	29,289.1	41,049.3

A reconciliation from the applicable tax rate, which results from the geographical allocation of income in the respective tax jurisdictions of the Group, to the effective tax rate is as follows:

(in %)	Year ended Dec. 31, 2009	Year ended Dec. 31, 2008
Applicable tax rate	27.21 %	26.05 %
Non-taxable expenses (income) – net	0.45 %	0.44 %
Valuation allowance and restructurings	(1.28 %)	3.26 %
Other	0.06 %	0.00 %
Effective tax rate	26.44 %	29.75 %

The item "Valuation allowance and restructurings" includes improvements in the Group's tax structure, restructurings and the use of tax loss carryforwards, which were regarded as unrealizable in prior periods, and valuation allowances relating to new loss carryforwards.

In the financial statements, deferred tax assets and liabilities are netted out according to maturities as follows:

(in thousands of EUR)	Dec. 31, 2009	Dec. 31, 2008
Current deferred tax assets	6,661.3	6,629.1
Non-current deferred tax assets	3,279.7	3,120.0
Current deferred tax liabilities	(734.6)	(1,401.9)
Non-current deferred tax liabilities	(25,500.2)	(34,097.1)
Net deferred tax liability	(16,293.8)	(25,749.9)

The tax effects of temporary differences and loss carryforwards representing deferred tax assets and liabilities are as follows:

(in thousands of EUR)	Dec. 31, 2009	Dec. 31, 2008
Intangible assets	396.1	1,668.0
Inventories	2,565.3	1,773.2
Benefit plans and other liabilities and charges	8,986.0	7,854.3
Operating loss carryforwards	7,401.0	8,783.8
Other	1,162.1	1,197.4
Gross deferred tax assets	20,510.5	21,276.7
Valuation allowance	(4,744.6)	(6,274.7)
Net deferred tax assets	15,765.9	15,002.0
Property, plant and equipment	(11,312.4)	(16,631.7)
Loans receivable, investments and financial assets	(20,327.9)	(23,686.0)
Other	(419.4)	(434.2)
Deferred tax liabilities	(32,059.7)	(40,751.9)
Net deferred tax liability	(16,293.8)	(25,749.9)

The Group has corporate and trade tax loss carryforwards available to reduce future taxable income of certain foreign subsidiaries. At December 31, 2009, the Group had corporate tax loss carryforwards of thous. EUR 30,094.1 (December 31, 2008: thous. EUR 49,957.9), which must be utilized within the next one to twelve (December 31, 2008: one to thirteen) years, and thous. EUR 3,180.2 (December 31, 2008: thous. EUR 851.4), which can be utilized over an indefinite period. Additionally, at December 31, 2009, the Group had trade tax loss carryforwards of thous. EUR 733.7 (December 31, 2008: thous. EUR 1,154.3) available in Germany, which can be utilized over an indefinite period.

At December 31, 2009, the Group believed that certain corporate and trade tax loss carryforwards will be utilized and hence recorded a deferred tax asset of thous. EUR 2,677.3 (December 31, 2008: thous. EUR 2,734.2).

In other subsidiaries with operating loss carryforwards, it is more likely that these deferred tax assets will not be realized. Consequently, valuation allowances amounting to thous. EUR 4,723.7 and thous. EUR 6,049.2 have been provided for the respective deferred tax assets at December 31, 2009 and 2008, respectively.

Corporate and trade tax loss carryforwards underlying this allowance amounted to thous. EUR 23,313.5 (December 31, 2008: thous. EUR 40,739.0), from which loss carryforwards in the amount of thous. EUR 3,443.2 (December 31, 2008: thous. EUR 810.8) can be utilized over an indefinite period and loss carryforwards in the amount of thous. EUR 19,870.3 (December 31, 2008: thous. EUR 39,928.2) must be utilized within the next twelve (December 31, 2008: thirteen) years.

In 2009, the Group consumed corporate and trade tax loss carryforwards amounting to thous. EUR 7,150.1 and thous. EUR 0.0 for which a valuation allowance for the deferred tax assets relating to these loss carryforwards was recorded in previous periods. In 2008, the Group used similar corporate and trade tax loss carryforwards amounting to thous. EUR 4,331.9 and thous. EUR 952.7, respectively.

At December 31, 2009 and 2008, no deferred taxes had been provided for the undistributed earnings of the Company's subsidiaries. Under current tax jurisdictions within the Group and existing tax treaties, these earnings can be remitted with little or no additional tax.

(9) Inventories

(in thousands of EUR)	Dec. 31, 2009	Dec. 31, 2008
Raw materials, manufacturing and operating supplies	108,935.2	112,487.8
Work in process	17,484.0	18,557.7
Finished goods and goods for resale	100,364.2	97,549.4
Total	226,783.4	228,594.9
Allowances	(17,385.4)	(15,082.5)
Inventories – net	209,398.0	213,512.4

In 2009, write-down of inventories recognized as an expense amounted to thous. EUR 8,705.8 (2008: thous. EUR 7,852.8). The reversal of write-down of inventories recognized as income amounted to thous. EUR 229.7 (2008: thous EUR 186.6). The carrying amount of inventories carried at fair value less cost to sell amounted to thous. EUR 15,981.9 (2008: thous. EUR 16,694.1).

A breakdown of cost of materials and purchased services is as follows:

(in thousands of EUR)	Year ended Dec. 31, 2009	Year ended Dec. 31, 2008
Cost of materials	872,921.1	963,621.6
Cost of purchased services	15,299.5	18,323.1
Total	888,220.6	981,944.7

(10) Trade receivables

(in thousands of EUR)	Dec. 31, 2009	Dec. 31, 2008
Trade receivables	186,816.3	182,382.2
Allowances	(1,534.9)	(1,326.8)
Trade receivables – net	185,281.4	181,055.4

At December 31, 2009, trade receivables in the amount of thous. EUR 3,187.1 (December 31, 2008: thous. EUR 2,094.6) were overdue more than 60 days, thereof thous. EUR 1,664.8 (December 31, 2008: thous. EUR 1,114.4) have been impaired.

Allowances for trade receivables developed as follows:

(in thousands of EUR)	2009	2008
Allowances at the beginning of the year	1,326.8	1,926.5
Effect of exchange rate changes	(1.4)	(33.2)
Changes in consolidated companies	0.0	28.3
Utilization	(436.6)	(615.4)
Reversal	(105.0)	(326.1)
Increase	751.1	346.7
Allowances at the end of the year	1,534.9	1,326.8

(11) Prepaid expenses and other current assets

Prepaid expenses and other current assets are as follows:

(in thousands of EUR)	Dec. 31, 2009	Dec. 31, 2008
Value-added tax receivables	11,599.8	11,543.0
Other tax receivables	5,796.8	5,332.5
Other receivables and other assets	4,776.8	12,046.5
Prepaid expenses	3,483.6	3,683.4
Prepaid expenses and other current assets	25,657.0	32,605.4

(12) Equity

A) SHARE CAPITAL/ADDITIONAL PAID-IN CAPITAL/TREASURY SHARES

The share capital of the Company amounts to thous. EUR 88,000.0 and comprises 22 million approved and issued no-par value shares.

Additional paid-in capital mainly derives from the share premium raised at the capital increase in the course of the initial public offer in 1994 and the cancelation of treasury shares, less the increase of the share capital by conversion of additional paid-in capital in 2008.

The 14th Ordinary Shareholders' Meeting of May 7, 2008 authorized the Management Board to repurchase treasury shares on and outside the stock exchange up to and including November 7, 2010 and at the same time revoked the authorization granted in the previous year for the period from April 25, 2007 to October 25, 2008.

In 2009 the Company repurchased 154,892 treasury shares for thous. EUR 9,533.0 and in 2008 739,043 treasury shares for thous. EUR 43,408.6 including fees.

At December 31, 2009, the details of the Group's treasury shares were as follows:

Number of shares acquired	Share of share capital (in thousands of EUR)	Share of share capital (in %)
895.260	3.581,0	4,0694 %

Treasury shares are accounted for under the cost method and reported as a deduction from total equity (see "Consolidated Statements of Changes in Equity").

B) RETAINED EARNINGS/DIVIDEND

Retained earnings comprise accumulated results from prior years.

Under Austrian Corporate Law the amount of dividend available for distribution to shareholders is based upon the unappropriated retained earnings of Mayr-Melnhof Karton AG, determined in accordance with the Austrian Commercial Code. At December 31, 2009, the distributable unappropriated retained earnings amounted to thous. EUR 50,000.0 (December 31, 2008: thous. EUR 70,000.0).

(in thousands of EUR)	2009	2008
Unappropriated retained earnings at Jan. 1	70,000.0	61,918.6
Net profit of the Company for the year ended Dec. 31	118,392.2	74,077.8
Changes in reserves	(102,259.2)	(29,014.1)
Dividend paid	(36,133.0)	(36,982.3)
Unappropriated retained earnings at Dec. 31	50,000.0	70,000.0

For the year ended December 31, 2009, the Management Board of the Company has proposed a dividend of EUR 1.70 (December 31, 2008: EUR 1.70) per voting share, as of the balance sheet date amounting to thous. EUR 35,878.1 (December 31, 2008: thous. EUR 36,141.4).

C) PROFIT AND LOSS DIRECTLY RECOGNIZED IN EQUITY, NET OF TAX

The other reserves comprise the following changes directly recognized in equity: differences from foreign currency translation and unrealized profit and loss from fair value changes of securities, after considering deferred income taxes.

A summary of components of profit and loss directly recognized in equity for the years ended December 31, 2009 and 2008, includes the following tax components:

(in thousands of EUR)	Year ended Dec. 31, 2009			Year ended Dec. 31, 2008		
	Pretax	Income tax	Net	Pretax	Income tax	Net
Available-for-sale financial assets	(1,043.2)	258.5	(784.7)	1,099.0	(272.8)	826.2
Foreign currency translations	2,081.3	0.0	2,081.3	(29,966.5)	0.0	(29,966.5)
Total	1,038.1	258.5	1,296.6	(28,867.5)	(272.8)	(29,140.3)

D) CAPITAL MANAGEMENT

The capital invested comprises the Group's total equity and interest-bearing financial liabilities less liquid assets. At December 31, 2009 and 2008 the Group held a net liquidity.

Capital management is designed to ensure a sound equity ratio that is adequate for the long-term economic development of the Group considering a continued dividend policy and shareholders' capital activities.

As of December 31, 2009 and 2008, total equity and total assets were as follows:

(in thousands of EUR)	Dec. 31, 2009	Dec. 31, 2008
Total equity	964,345.4	913,650.7
Total assets	1,391,830.2	1,425,919.9
Total equity to total assets	69.3 %	64.1 %

Capital management's aims are unchanged in comparison to last year. The Company meets the legal and statutory minimum capital requirements.

(13) Financial liabilities

A) INTEREST-BEARING FINANCIAL LIABILITIES

At December 31, 2009, the Group had current interest-bearing credit lines available in the amount of thous. EUR 10,719.3 (December 31, 2008: thous. EUR 21,503.6), of which thous. EUR 5,644.1 (December 31, 2008: thous. EUR 3,541.3) were outstanding as of the balance sheet date. At December 31, 2009, the weighted average interest rate of these current credit lines, essentially used by Eastern European companies, was at 9.937 % (December 31, 2008: 17.547 %). These credit line facilities are subject to normal banking terms and conditions.

At December 31, 2009 and December 31, 2008, non-current interest-bearing financial liabilities exclusively comprised bank liabilities. A summary of these non-current financial liabilities at current interest rates is as follows:

(in thousands of EUR)	Dec. 31, 2009	Dec. 31, 2008
0,490 % EUR bank loan due 2011	18,689.7	18,599.3
2,494 % EUR bank loan due 2012	15,000.0	20,000.0
0,660 % EUR bank loan due 2010	14,124.0	14,164.1
0,300 % EUR bank loan due 2011	7,331.2	7,316.6
0,450 % EUR bank loan due 2011	7,017.2	7,001.4
Other	19.6	86,412.6
Non-current financial liabilities	62,181.7	153,494.0

At December 31, 2009, the weighted average interest rate for these non-current financial liabilities was 0.985 % (December 31, 2008: 4.702 %).

Aggregate amounts of current and non-current interest-bearing financial liabilities maturing in each of the next five years and thereafter, beginning from the balance sheet dates December 31, 2009 and December 31, 2008, are as follows:

(in thousands of EUR)	Dec. 31, 2009		
	Interest-bearing financial liabilities		
	Current	Non-current	Total
Maturity:			
2010	5,644.1	19,124.0	24,768.1
2011		38,039.2	38,039.2
2012		5,001.1	5,001.1
Thereafter		17.4	17.4
Total	5,644.1	62,181.7	67,825.8

(in thousands of EUR)	Dec. 31, 2008		
	Interest-bearing financial liabilities		
	Current	Non-current	Total
Maturity:			
2009	3,541.3	81,732.8	85,274.1
2010		19,917.5	19,917.5
2011		45,825.1	45,825.1
2012		6,001.1	6,001.1
Thereafter		17.5	17.5
Total	3,541.3	153,494.0	157,035.3

The Group had current revolving bank liabilities available amounting to thous. EUR 38,050.5. These liabilities are classified as non-current liabilities as the Group has the intent and ability to use this funding on a non-current basis.

In 2009 these bank liabilities were paid back. Reusing is possible at any time. At December 31, 2008 these liabilities were included in the non-current interest-bearing financial liabilities under "Maturity 2009".

At December 31, 2009, the Group had unused financing arrangements available in the amount of thous. EUR 250,000.0 (December 31, 2008: thous. EUR 100,000.0).

B) LEASE LIABILITIES

At the balance sheet dates, the future minimum lease payments under non-redeemable lease obligations were as follows, due in the following years ending December 31:

(in thousands of EUR)	Dec. 31, 2009	Dec. 31, 2008
2010 (2009)	10,076.1	10,200.8
2011 (2010)	9,032.8	9,264.4
2012 (2011)	8,474.5	8,628.1
2013 (2012)	7,640.8	8,330.6
2014 (2013)	6,395.2	8,215.4
Thereafter	17,967.7	19,184.4
Total minimum lease payments	59,587.1	63,823.7

Expenses relating to operating lease agreements amounted to thous. EUR 10,652.5 and thous. EUR 10,413.1 for the years ended December 31, 2009 and 2008, respectively.

(14) Provisions for other non-current liabilities and charges

A) DEVELOPMENT OF PROVISIONS FOR OTHER NON-CURRENT LIABILITIES AND CHARGES

In 2009, the provisions for other non-current liabilities and charges developed as follows:

(in thousands of EUR)	Pensions	Severance	Anniversary bonuses	Pre-retirement programs	Other	Total
Balance at Jan. 1, 2009	46,527.1	16,091.2	6,946.4	5,456.9	1,461.3	76,482.9
Effect of exchange rate changes	81.5	0.7	(0.9)	0.0	(2.4)	78.9
Changes in consolidated companies	333.8	0.0	17.6	9.9	0.0	361.3
Utilization	(4,887.6)	(1,850.3)	(584.6)	(1,068.8)	(523.9)	(8,915.2)
Reversal	(147.7)	0.0	(209.4)	(27.1)	(14.8)	(399.0)
Increase	4,060.5	1,945.3	653.1	1,558.0	84.0	8,300.9
Balance at Dec. 31, 2009	45,967.6	16,186.9	6,822.2	5,928.9	1,004.2	75,909.8

In particular, the position "Other" includes the part of provisions for benefits due to the termination of employment which will be due after one year.

B) PROVISIONS FOR PENSIONS AND SEVERANCE PAYMENTS

The majority of the Group's employees is covered by government-sponsored pension and welfare programs whereas the Group makes periodic payments to various government agencies, which are expensed as incurred. In addition, the Group provides to certain employees additional retirement benefits through the sponsorship of defined contribution and defined benefit plans. The benefits provided by the Group depend on the legal, fiscal and economic circumstances of each particular country and are primarily based on the length of service and the employee's compensation. The Group holds pension benefit plans in the United Kingdom and Switzerland.

Under the defined contribution plans, the Group makes fixed payments to external pension funds. Once the contributions are made, the Group does not incur any further payment obligations towards the employees. These periodical contribution payments are recognized as part of the annual pension costs and amounted to thous. EUR 3,037.7 in 2009 (2008: thous. EUR 2,996.0).

Furthermore, in some countries the Group is obligated to make severance payments upon retirement and partly also in case of termination due to legal or contractual regulations. These obligations are dependent on the length of service and the compensation of the employee.

Defined benefit pension and other benefit plans are assessed and recognized according to the internationally common projected unit credit method by applying IAS 19. Under this method, the actuarial calculation of the future obligations is based on the proportionate obligations as of the balance sheet date.

Actuarial gains and losses, which result from changes in the number of plan participants and from differences between actual trends and estimates that are the basis for calculation, are recognized in profit or loss using the corridor method in accordance with IAS 19. Thus, actuarial gains and losses are recognized as income or expense over the expected remaining working life of the employee only if the amount exceeds either 10 % of the defined benefit obligation or 10 % of the plan assets as of the valuation date.

The calculation of pension and other benefit obligations is based on the following actuarial assumptions:

(in %)	Dec. 31, 2009		Dec. 31, 2008	
	Pensions	Severance	Pensions	Severance
Discount rate	4.4 %	5.4 %	4.9 %	5.9 %
Expected return on plan assets	3.6 %	-	3.8 %	-
Rate of compensation increase	1.5 %	2.6 %	1.5 %	2.6 %

Assumptions regarding the expected rate of return are based upon both actually realized non-current portfolio returns and forecasts on the development of all categories of securities included in these portfolios.

The components of net periodic benefit costs are as follows:

(in thousands of EUR)	Year ended Dec. 31, 2009		Year ended Dec. 31, 2008	
	Pensions	Severance	Pensions	Severance
Service cost	1,293.7	941.2	1,467.5	1,003.0
Interest cost	6,096.3	973.5	6,001.4	885.0
Expected return on plan assets	(3,745.6)	0.0	(4,813.7)	0.0
Actuarial gains and losses – net	1,909.7	3.7	9,178.1	40.3
Effects due to plan changes	0.0	26.9	(2,607.8)	65.6
Effects due to off-balance sheet surplus	(1,641.3)	0.0	(7,657.8)	0.0
Net periodic benefit cost	3,912.8	1,945.3	1,567.7	1,993.9

The defined benefit obligation and plan assets have developed as follows:

(in thousands of EUR)	2009		2008	
	Pensions	Severance	Pensions	Severance
Defined benefit obligation at the beginning of the year	127,237.5	17,020.3	171,680.0	18,685.8
Effect of exchange rate changes	1,504.4	(0.1)	254.2	(52.0)
Changes in consolidated companies	333.8	0.0	0.0	(294.1)
Service cost	1,293.7	941.2	1,467.5	1,003.0
Interest cost	6,096.3	973.5	6,001.4	885.0
Plan participants contributions	814.8	0.0	714.7	0.0
Actuarial gains and losses – net	6,895.0	250.0	(9,702.2)	(1,209.0)
Benefit payments	(7,324.6)	(1,850.3)	(6,614.0)	(1,940.3)
Transfers	(287.4)	0.0	(470.7)	0.0
Effects due to plan changes	0.0	22.8	(36,093.4)	(58.1)
Defined benefit obligation at the end of the year	136,563.5	17,357.4	127,237.5	17,020.3

(in thousands of EUR)	2009		2008	
	Pensions	Severance	Pensions	Severance
Fair value of plan assets at the beginning of the year	98,492.4	0.0	134,780.8	0.0
Effect of exchange rate changes	1,345.3	0.0	2,608.0	0.0
Expected return on plan assets	3,745.6	0.0	4,813.7	0.0
Actuarial gains and losses – net	(204.9)	0.0	(11,430.7)	0.0
Employer contributions	2,379.1	0.0	2,235.0	0.0
Plan participants contributions	814.8	0.0	714.7	0.0
Benefit payments	(4,816.1)	0.0	(4,166.1)	0.0
Transfers	(287.4)	0.0	(470.7)	0.0
Effects due to plan changes	0.0	0.0	(30,592.3)	0.0
Fair value of plan assets at the end of the year	101,468.8	0.0	98,492.4	0.0

In 2008 the defined pension benefit plan in the Netherlands was changed to a defined contribution plan by an agreement between employees and employer. The primary defined pension benefit plan was ceased. Therefor the obligation of the Group is limited to yearly contributions.

The impacts of this change are recognized in the net periodic pension cost and the development of the defined benefit obligation and the fair value of plan assets under “Effects due to plan changes”.

The structure of plan assets as at the balance sheet dates December 31, 2009 and December 31, 2008, is as follows:

(in %)	Dec. 31, 2009	Dec. 31, 2008
Equity securities	4.0 %	2.0 %
Debt securities	35.0 %	25.0 %
Real estate	20.0 %	21.0 %
Money market investments, bank deposits	31.0 %	43.0 %
Liability insurance	10.0 %	9.0 %

The employers' contributions to plan assets for the year 2010 are expected to amount to thous. EUR 2,171.4.

The net liability from pension and severance obligations, and the reconciliation to the net liability recognized are as follows:

(in thousands of EUR)	Dec. 31, 2009		Dec. 31, 2008	
	Pensions	Severance	Pensions	Severance
Defined benefit obligation	136,563.5	17,357.4	127,237.5	17,020.3
Thereof obligations not covered by funds	25,926.1	17,357.4	24,277.0	17,020.3
Thereof obligations covered by funds	110,637.1	0.0	102,960.5	0.0
Fair value of plan assets	101,468.8	0.0	98,492.4	0.0
Net liability	35,094.7	17,357.4	28,745.1	17,020.3
Unrecognized actuarial gains and losses – net	251.6	(1,170.5)	5,506.5	(929.1)
Not recognized as asset	10,621.3	0.0	12,275.5	0.0
Net liability recognized	45,967.6	16,186.9	46,527.1	16,091.2
Thereof provisions for other non-current liabilities and charges	45,967.6	16,186.9	46,527.1	16,091.2

In the years 2005 to 2009, defined benefit obligations, fair value of plan assets, net liability and actuarial gains and losses, based upon deviations between the underlying assumptions and actual trends, were as follows:

(in thousands of EUR)	2009	2008	2007	2006	2005
Pensions:					
Defined benefit obligation	136,563.5	127,237.5	171,680.0	185,016.5	193,061.1
Adjustment in defined benefit obligation ¹⁾	1,231.4	1,805.0	(18.3)	2,712.1	(855.2)
Fair value of plan assets	101,468.8	98,492.4	134,780.8	141,064.1	142,099.0
Adjustment in fair value of plan assets ¹⁾	(205.0)	(11,430.7)	(4,866.2)	(1,415.6)	4,903.6
Net liability	35,094.7	28,745.1	36,899.2	43,952.4	50,962.1

¹⁾ Gain/(loss)

(in thousands of EUR)	2009	2008	2007	2006	2005
Severance:					
Defined benefit obligation	17,357.4	17,020.3	18,685.8	19,865.6	20,196.3
Adjustment in defined benefit obligation ¹⁾	639.5	(295.8)	22.5	(55.5)	(826.3)
Net liability	17,357.4	17,020.3	18,685.8	19,865.6	20,196.3

¹⁾ Gain/(loss)

(15) Liabilities and provisions for income taxes

(in thousands of EUR)	Dec. 31, 2009	Dec. 31, 2008
Provisions for income taxes	8,691.0	13,602.8
Income tax liabilities	3,081.7	1,665.8
Liabilities and provisions for income taxes	11,772.7	15,268.6

(16) Trade liabilities

(in thousands of EUR)	Dec. 31, 2009	Dec. 31, 2008
Trade liabilities	127,785.0	111,387.0
Advances from customers	1,326.9	1,751.8
Trade liabilities	129,111.9	113,138.8

(17) Deferred income and other current liabilities

(in thousands of EUR)	Dec. 31, 2009	Dec. 31, 2008
Obligations for personnel and social costs	11,747.5	11,799.3
Other tax liabilities	8,631.5	9,343.2
Deferred income	2,124.5	2,334.8
Other liabilities	16,619.0	19,572.0
Deferred income and other current liabilities	39,122.5	43,049.3

(18) Provisions for other current liabilities and charges

In 2009, the provisions for other current liabilities and charges developed as follows:

(in thousands of EUR)	Personnel	Procurement	Customer rebates and bonuses	Sales	Other	Total
Balance at Jan. 1, 2009	25,701.8	19,819.1	12,221.8	3,121.5	10,931.1	71,795.3
Effect of exchange rate changes	117.4	43.4	20.1	(1.0)	59.3	239.2
Changes in consolidated companies	170.3	12.0	0.0	0.0	26.9	209.2
Utilization	(19,835.1)	(17,246.0)	(9,474.3)	(2,398.0)	(4,787.2)	(53,740.6)
Reversal	(712.2)	(1,020.7)	(900.3)	(52.3)	(273.9)	(2,959.4)
Increase	25,136.7	18,429.0	9,802.9	2,513.5	6,081.5	61,963.6
Balance at Dec. 31, 2009	30,578.9	20,036.8	11,670.2	3,183.7	12,037.7	77,507.3

In particular, provisions for personnel comprise payroll obligations, social security charges, premiums and bonuses, provisions for unused vacations as well as the part of provisions for benefits due to the termination of employment which will be due within one year.

Provisions for procurement are related to obligations for the delivery of products or services already supplied or rendered, but not yet invoiced.

Provisions for premiums and bonuses to customers include premium and bonus claims of customers calculated on the basis of the underlying customer arrangements.

Sales-related provisions concern product guarantee agreements and warranty costs, re-consignments, losses from uncompleted contracts and provisions related to sales staff commissions.

The position "Other" primarily contains provisions for litigation, legal advice, audit and consulting as well as obligations for other taxes and environmental matters.

(19) Other operating income

(in thousands of EUR)	Year ended Dec. 31, 2009	Year ended Dec. 31, 2008
Gains and losses from disposal of property, plant and equipment, and intangible assets - net	1,539.1	890.5
Insurance claims	5,184.4	2,320.2
Rental income	1,266.0	1,242.0
Other income - net	10,432.0	7,193.7
Other operating income	18,421.5	11,646.4

(20) Other operating expenses

(in thousands of EUR)	Year ended Dec. 31, 2009	Year ended Dec. 31, 2008
Depreciation and amortization	0.0	(653.4)
Other expenses	(319.8)	(746.8)
Other operating expenses	(319.8)	(1,400.2)

(21) Other income (expenses) - net

(in thousands of EUR)	Year ended Dec. 31, 2009	Year ended Dec. 31, 2008
Foreign currency exchange rate gains (losses) - net	(4,122.2)	(3,126.1)
Other financial income - net	(1,733.2)	(873.5)
Other income (expenses) - net	(5,855.4)	(3,999.6)

(22) Commitments and contingent liabilities

Commitments from legal proceedings and similar claims

The Group is subject to various claims and legal proceedings that arise in the ordinary course of business. Based on all of the facts available to the Management, the Group believes that the ultimate resolution of these claims and legal proceedings will not likely have a material adverse effect on the financial position or the results of its operations, although no assurances can be given with respect to the outcome of such claims or litigation.

Commitments from environmental matters

The Group is also subject to various environmental legislations and regulations in the countries in which it operates. Expenditures for environmental matters which relate to existing conditions caused by past operations and have no significant future benefit are expensed as incurred. The Group records an accrual for environmental matters when an expense is probable and can be reasonably estimated. Costs of assessment and remediation of environmental matters to be accrued are based on estimates by the Management. It is possible that the final assessment of some of these matters may require the Group to make expenditures in excess of the amounts currently provided. However, the Management believes that such additional amounts will not have a material effect on the Group's financial position or results of operations.

Expenses related to environmental matters were not material for the years ended December 31, 2009 and 2008.

Commitments and contingent liabilities

Commitments and contingencies contain guarantees with contractual values amounting to thous. EUR 144.9 (December 31, 2008: thous. EUR 144.8).

At December 31, 2009, purchase obligations for fixed assets regarding planned capital expenditures maturing within one year amounted to thous. EUR 16,855.8 (December 31, 2008: thous. EUR 16,556.4).

Concerning the minority interests of 49.95 % in MM Polygrafoformlenie Limited, Cyprus, the minority shareholder holds a put option which was exercisable in May 2008 at the earliest.

The minority shareholder of TEC MMP SARL has exercised the put option concerning the 49 %-interest. Regarding the determination of the transaction price an arbitration is pending. The Group does not expect liabilities that are higher than the minority interest shown in the balance sheet as of December 31, 2009 from this case.

(23) Subsequent events

On January 25, 2010 Mayr-Melnhof Karton AG informed that its holding of own shares now amounted to 2,015,260 shares or 9.16 % of the shares outstanding, thus surpassing the reportable threshold of 5 % of voting rights.

(24) Segment reporting information

Mayr-Melnhof Karton AG and its subsidiaries operate in two operating areas (production of cartonboard and production of folding cartons). The Group is organized in line with these two operating areas and is controlled by financial information generated thereon. Hence, the segments reported are congruent with these two operating areas:

MM Karton: This division manufactures and markets numerous grades of cartonboard, concentrating particularly on coated cartonboard primarily from recycled fiber.

MM Packaging: This division converts cartonboard into printed folding cartons purchased by customers in a variety of industries including food and other consumer goods (e.g. cereals, dried foods, sugar, confectionary and baked goods, cosmetics and toiletries, detergents, domestic appliances, toys, cigarette packaging and high-grade confectionary packaging).

Data of the management information system, on which the segment reporting is based, are in accordance with the accounting and recognition principles applied to the consolidated financial statements. Therefore reconciliation is not necessary. The Group measures the performance of its operating segments through the assessment of "Operating profit".

Intersegment sales are carried out on an arm's length basis.

Revenues are allocated based on the shipment destination countries of finished goods, whereas long-lived assets are allocated according to the location of the respective units.

Capital expenditures and depreciation/amortization relate to property, plant and equipment and intangible assets including goodwill (see note 5).

The "Impairment expenses" in 2009 (see note 5) as well as the "Gains from disposal of businesses" and the "Result from wound-up activities" in 2008 (see note 4) relate to MM Karton.

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The segment reporting information concerning the Group's operating segments can be illustrated as follows:

(in thousands of EUR)	2009			
	MM Karton	MM Packaging	Eliminations	Consolidated
Sales to external customers	651,070.5	950,416.9	0.0	1,601,487.4
Intersegment sales	115,008.3	1,526.1	(116,534.4)	0.0
Total sales	766,078.8	951,943.0	(116,534.4)	1,601,487.4
Operating profit	51,522.5	98,427.1	0.0	149,949.6
Financial income	6,803.1	816.2	(482.8)	7,136.5
Financial expenses	(1,761.7)	(3,354.4)	482.8	(4,633.3)
Profit before tax	42,812.0	89,564.5	0.0	132,376.5
Income tax expense	(11,164.5)	(23,829.5)	0.0	(34,994.0)
Profit for the year	31,647.5	65,735.0	0.0	97,382.5
Capital expenditures	33,244.4	28,380.0	0.0	61,624.4
Depreciation and amortization	(57,515.4)	(40,257.4)	0.0	(97,772.8)
Segment assets	806,829.2	656,933.2	(71,932.2)	1,391,830.2
Segment liabilities	230,684.0	268,733.0	(71,932.2)	427,484.8
Employees per segment as of December 31	2,527	5,585		8,112

(in thousands of EUR)	2008			
	MM Karton	MM Packaging	Eliminations	Consolidated
Sales to external customers	743,711.9	987,482.2	0.0	1,731,194.1
Intersegment sales	133,028.3	2,535.8	(135,564.1)	0.0
Total sales	876,740.2	990,018.0	(135,564.1)	1,731,194.1
Operating profit	39,121.8	97,818.7	0.0	136,940.5
Financial income	14,238.2	1,843.4	(1,367.4)	14,714.2
Financial expenses	(2,446.3)	(7,014.8)	1,367.4	(8,093.7)
Profit before tax	50,394.5	87,564.2	0.0	137,958.7
Income tax expense	(18,761.8)	(22,287.5)	0.0	(41,049.3)
Profit for the year	31,632.7	65,276.7	0.0	96,909.4
Capital expenditures	41,485.0	55,206.9	0.0	96,691.9
Depreciation and amortization	(41,768.1)	(41,711.5)	0.0	(83,479.6)
Segment assets	840,199.1	657,233.3	(71,512.5)	1,425,919.9
Segment liabilities	274,272.6	309,509.1	(71,512.5)	512,269.2
Employees per segment as of December 31	2,559	5,681		8,240

The following is a country-by-country breakdown of net sales based upon shipment destination as well as a summary of non-current assets and capital expenditures based upon location:

(in thousands of EUR)	2009			2008		
	Net sales	Non-current assets	Capital expenditures	Net sales	Non-current assets	Capital expenditures
Austria	79,795.5	83,117.6	14,806.7	83,005.3	84,766.0	17,368.7
Germany	421,176.9	242,167.7	24,358.7	446,460.3	247,641.7	39,583.9
United Kingdom	185,397.8	9,920.8	3,287.1	196,563.9	7,998.7	324.7
France	129,036.5	12,693.0	666.5	133,455.6	13,488.3	1,581.9
Other Western European countries	293,141.6	47,801.3	3,277.5	314,946.6	70,740.9	8,941.3
Eastern European countries	367,834.3	177,004.4	12,100.5	418,160.4	185,991.9	28,444.0
Asia	56,415.9	0.0	0.0	66,373.5	0.0	0.0
Other	68,688.9	14,934.9	3,127.4	72,228.5	13,379.3	447.4
Consolidated total	1,601,487.4	587,639.7	61,624.4	1,731,194.1	624,006.8	96,691.9

Non-current assets and capital expenditures comprise property, plant and equipment and intangible assets including goodwill (see note 5).

(25) Disclosure on transactions with related parties

In the financial year 2009 sales with related companies in terms of transportation services of thous. EUR 349.4 (2008: thous EUR 484.2) were achieved. Raw materials for the production of cartonboard amounting to thous. EUR 3,311.3 were purchased from related companies in 2009 (2008: thous. EUR 3,743.2).

At December 31, 2009, trade accounts receivable from related companies amounted to thous. EUR 64.9 (December 31, 2008: thous. EUR 35.6), and trade liabilities from related companies amounted to thous. EUR 428.0 (December 31, 2008: thous. EUR 299.6).

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

(26) Supplementary disclosures to the notes in accordance with section 245a of the Austrian Commercial Code

A) ADDITIONAL DISCLOSURES TO THE NOTES

Additional disclosures related to the application of the costs-of-goods-sold method

A breakdown of personnel expenses is as follows:

(in thousands of EUR)	Year ended Dec. 31, 2009	Year ended Dec. 31, 2008
Gross wages	162,248.6	165,971.1
Gross salaries	97,748.5	95,613.1
Severance expense	5,953.1	2,725.4
Pension expense	7,109.8	4,257.3
Expenses for statutory social security as well as payroll-related taxes and other contributions	52,044.0	53,634.6
Other welfare expenses	4,917.9	5,130.7
Total	330,021.9	327,332.2

Other information

The average number of employees is as follows:

(Number of persons)	Year ended Dec. 31, 2009	Year ended Dec. 31, 2008
Factory workers	6,163	6,294
Office staff	2,013	2,046
Total	8,176	8,340

The remuneration of the members of the Management Board is as follows:

(in thousands of EUR)	Year ended Dec. 31, 2009	Year ended Dec. 31, 2008
Base salary	1,499.0	1,368.7
Variable compensation	2,221.4	2,367.9
Total	3,720.4	3,736.6

The remuneration of the members of the Supervisory Board for the financial year 2009 amounted to thous. EUR 202.5 (2008: thous. EUR 167.1).

Concerning the remuneration of former members of the Management and Supervisory Boards, the clause on non-disclosure these remunerations by referring to the section of 241 paragraph 4 in conjunction with 266 figure 7 last sentence of the Austrian Commercial Code was applied.

The 15th Ordinary Shareholders' Meeting on April 29, 2009 appointed unitreu Wirtschaftsprüfungs- und Steuerberatungs GmbH to audit the consolidated and annual financial statements of Mayr-Melnhof Karton AG. Furthermore, unitreu Wirtschaftsprüfungs- und Steuerberatungs GmbH audits the annual financial statements of the Austrian subsidiaries.

In 2009, expenses for services rendered by unitreu Wirtschaftsprüfungs- und Steuerberatungs GmbH amounted to thous. EUR 401.3, thereof thous. EUR 313.2 related to audit and thous. EUR 88.1 to tax advisory and other services.

B) TABLE OF AFFILIATED AND ASSOCIATED COMPANIES

Company name	Registered office	Country	Primary activities	Currency	Nominal capital in thousand currency units	Shareholding in %	Type of consolidation
Mayr-Melnhof Karton Aktiengesellschaft	Vienna	AUT	Holding/Consulting	EUR	88,000	-	FC ¹⁾
MM KARTON							
Baiersbronn Frischfaser Karton GmbH	Baiersbronn	DEU	Cartonboard production	EUR	2,050	100.00 %	FC ¹⁾
CartPrint Insurance AG	Vaduz	LIE	Insurance company	EUR	3,000	100.00 %	FC ¹⁾
Colthrop Board Mill Limited	Lincolnshire	GBR	Owning company	GBP	7,000	100.00 %	FC ¹⁾
CP (CartPrint) International Trading AG	Stettlen	CHE	Sourcing	CHF	50	100.00 %	FC ¹⁾
FS-Karton GmbH	Baiersbronn	DEU	Cartonboard production	EUR	51,641	100.00 %	FC ¹⁾
Hermann Schött GmbH Offsetdruckerei	Baiersbronn	DEU	Owning company	EUR	2,733	100.00 %	FC ¹⁾
Industriewater Eerbeek B.V.	Eerbeek	NLD	Waste water purification	EUR	143	37.50 %	EC ²⁾
Karton Deisswil AG	Stettlen	CHE	Cartonboard production	CHF	6,000	100.00 %	FC ¹⁾
Kolicevo Karton Proizvodnja kartona, d.o.o.	Domzale	SVN	Cartonboard production	EUR	12,828	100.00 %	FC ¹⁾
Lokalbahn Payerbach-Hirschwang Gesellschaft m.b.H.	Reichenau an der Rax	AUT	Railway transport	ATS	2,500	100.00 %	NC ³⁾
Management Transport & Logistik GmbH	Frohnleiten	AUT	Logistics company	EUR	37	70.00 %	FC ¹⁾
Mayr-Melnhof Cartonboard International GmbH	Vienna	AUT	Holding company	EUR	450	100.00 %	FC ¹⁾
Mayr-Melnhof Eerbeek B.V.	Eerbeek	NLD	Cartonboard production	EUR	7,300	100.00 %	FC ¹⁾
Mayr-Melnhof Gernsbach GmbH	Gernsbach	DEU	Cartonboard production	EUR	9,205	100.00 %	FC ¹⁾
Mayr-Melnhof Holdings N.V.	Eerbeek	NLD	Holding/Consulting	EUR	67,254	100.00 %	FC ¹⁾
Mayr-Melnhof Karton Gesellschaft m.b.H.	Frohnleiten	AUT	Cartonboard production	ATS	100,000	100.00 %	FC ¹⁾
Mayr-Melnhof Nikopol A.D. i.l. ⁴⁾	Pleven	BGR	Cartonboard production	BGN	9,180	99.98 %	FC ¹⁾
MM Holding UK Limited	Lincolnshire	GBR	Holding company	GBP	5,170	100.00 %	FC ¹⁾
Stort Doonweg B.V.	Eerbeek	NLD	Waste dumping	EUR	18	50.00 %	NC ³⁾
W Ü R O Verwaltungsgesellschaft mit beschränkter Haftung	Würzburg	DEU	General partner	DEM	51	66.67 %	FC ¹⁾
WÜRO Papierverwertung GmbH & Co KG ⁵⁾	Würzburg	DEU	Recovered paper collection	DEM	420	66.67 %	FC ¹⁾

Company name	Registered office	Country	Primary activities	Currency	Nominal capital in thousand currency units	Shareholding in %	Type of consolidation
Trading companies & sales offices of MM Karton							
Austria Carton SA	Barcelona	ESP	Sales office	EUR	60	75.00 %	FC ¹⁾
Keminer Remmers Spiehs Kartonhandels GmbH	Gernsbach	DEU	Cartonboard trading	DEM	2,500	100.00 %	FC ¹⁾
Mayr-Melnhof Belgium N.V.	Zaventem	BEL	Sales office	EUR	62	100.00 %	FC ¹⁾
Mayr-Melnhof France SARL	Paris	FRA	Sales office	EUR	8	100.00 %	FC ¹⁾
Mayr-Melnhof Italia SRL	Milano	ITA	Sales office	EUR	51	75.00 %	FC ¹⁾
Mayr-Melnhof Karton Polska Sp. z o.o.	Poznan	POL	Sales office	PLN	50	100.00 %	FC ¹⁾
Mayr-Melnhof Mediterra SARL	Tunis	TUN	Sales office	TND	80	100.00 %	FC ¹⁾
Mayr-Melnhof Nederland B.V.	Amstelveen	NLD	Sales office	EUR	91	100.00 %	FC ¹⁾
Mayr-Melnhof UK Limited	Lincolnshire	GBR	Sales office	GBP	100	100.00 %	FC ¹⁾
MM Karton Bulgaria EOOD	Sofia	BGR	Sales office	BGN	5	100.00 %	FC ¹⁾
MM Karton Praha s.r.o.	Prague	CZE	Sales office	CZK	820	100.00 %	FC ¹⁾
MM Karton Russia LLC	Moscow	RUS	Sales office	RUB	14,290	100.00 %	FC ¹⁾
MM Kartonvertrieb GmbH	Neuss	DEU	Sales office	DEM	50	100.00 %	FC ¹⁾
MM Prodaja Kartona d.o.o.	Domzale	SVN	Sales office	EUR	30	75.00 %	FC ¹⁾
MM Scandinavia ApS i.l. ⁴⁾	Copenhagen	DNK	Sales office	DKK	210	100.00 %	FC ¹⁾
Varsity Packaging Limited	Lincolnshire	GBR	Cartonboard trading	GBP	300	100.00 %	FC ¹⁾

Company name	Registered office	Country	Primary activities	Currency	Nominal capital in thousand currency units	Shareholding in %	Type of consolidation
MM PACKAGING							
Al-Ekbal Printing & Packaging Co.	Amman	JOR	Production of packaging	JOD	5,000	52.57 %	FC ¹⁾
Al-Ekbal Paper Trading & Logistic Services Ltd. Co.	Amman	JOR	Trading	JOD	30	52.57 %	NC ³⁾
C.P. Schmidt Verpackungs-Werk Beteiligungsgesellschaft mbH	Kaiserslautern	DEU	General partner	EUR	180	75.00 %	FC ¹⁾
C.P. Schmidt Verpackungs-Werk GmbH & Co. KG ⁵⁾	Kaiserslautern	DEU	Production of packaging	EUR	4,000	75.00 %	FC ¹⁾
Ernst Schausberger & Co. Gesellschaft m.b.H.	Gunskirchen	AUT	Production of packaging	EUR	2,910	100.00 %	FC ¹⁾
Graphia Gundlach Beteiligungsgesellschaft mbH	Bielefeld	DEU	Holding company	DEM	100	100.00 %	NC ³⁾
Herakles LLC	St. Petersburg	RUS	Owning company	RUB	33,000	50.03 %	FC ¹⁾
Mayr-Melnhof Graphia Izmir Karton sanayi ve ticaret anonim sirketi	Izmir	TUR	Production of packaging	TRY	24,613	100.00 %	FC ¹⁾
Mayr-Melnhof Gravure GmbH	Trier	DEU	Production of packaging	EUR	7,000	100.00 %	FC ¹⁾
Mayr-Melnhof Packaging Austria GmbH	Vienna	AUT	Production of packaging	EUR	3,050	100.00 %	FC ¹⁾
Mayr-Melnhof Packaging GmbH	Baiersbronn	DEU	Holding/Consulting	DEM	8,000	100.00 %	FC ¹⁾
Mayr-Melnhof Packaging Iberica SL	Valencia	ESP	Production of packaging	EUR	7,500	100.00 %	FC ¹⁾
Mayr-Melnhof Packaging International GmbH	Vienna	AUT	Holding/Consulting	EUR	3,500	100.00 %	FC ¹⁾
Mayr-Melnhof Packaging Romania S.R.L.	Blejoi	ROU	Production of packaging	RON	5,504	100.00 %	FC ¹⁾
Mayr-Melnhof Packaging UK Limited	Lincolnshire	GBR	Production of packaging	GBP	9,700	100.00 %	FC ¹⁾
MM Graphia Beteiligungs- und Verwaltungs GmbH	Baiersbronn	DEU	Holding/Consulting	EUR	5,538	100.00 %	FC ¹⁾
MM Graphia Bielefeld GmbH	Bielefeld	DEU	Production of packaging	EUR	526	100.00 %	FC ¹⁾
MM Graphia Dortmund GmbH	Dortmund	DEU	Production of packaging	EUR	100	100.00 %	FC ¹⁾
MM Graphia Innovaprint GmbH & Co. KG ⁵⁾	Bielefeld	DEU	Production of packaging	EUR	500	100.00 %	FC ¹⁾
MM Graphia Trier GmbH	Trier	DEU	Production of packaging	EUR	3,500	100.00 %	FC ¹⁾
MM Innovaprint Verwaltungs GmbH	Bielefeld	DEU	Limited partner	DEM	50	100.00 %	FC ¹⁾
MM Packaging Behrens GmbH & Co KG ⁵⁾	Alfeld (Leine)	DEU	Production of packaging	EUR	1,790	100.00 %	FC ¹⁾
MM Packaging Behrens Verwaltungs GmbH	Alfeld (Leine)	DEU	General partner	EUR	26	100.00 %	FC ¹⁾
MM Packaging Caesar GmbH & Co KG ⁵⁾	Traben-Trarbach	DEU	Production of packaging	EUR	5,120	100.00 %	FC ¹⁾

Company name	Registered office	Country	Primary activities	Currency	Nominal capital in thousand currency units	Shareholding in %	Type of consolidation
MM Packaging Caesar Verwaltungs GmbH	Traben-Trarbach	DEU	General partner	EUR	26	100.00 %	FC ¹⁾
MM PACKAGING France S.A.S.	Monetaeu	FRA	Production of packaging	EUR	7,289	100.00 %	FC ¹⁾
MM Packaging Polska Sp. z o.o.	Bydgoszcz	POL	Production of packaging	PLN	18,700	100.00 %	FC ¹⁾
MM Packaging Schilling GmbH	Heilbronn	DEU	Production of packaging	EUR	2,500	100.00 %	FC ¹⁾
MM Packaging St. Petersburg LLC	St. Petersburg	RUS	Production of packaging	RUB	43,929	100.00 %	FC ¹⁾
MM Packaging Ukraine LLC	Cherkassy	UKR	Production of packaging	UAH	56,896	100.00 %	FC ¹⁾
MM Polygrafoformlenie Limited	Nicosia	CYP	Holding company	EUR	7	50.03 %	FC ¹⁾
MM Polygrafoformlenie Packaging LLC	St. Petersburg	RUS	Production of packaging	RUB	565,851	50.03 %	FC ¹⁾
MM Printing and Packaging Tehran Company, Private Joint Stock	Tehran	IRN	Production of packaging	IRR	65,366,000	86.51 %	FC ¹⁾
Neupack Gesellschaft m.b.H.	Reichenau an der Rax	AUT	Production of packaging	ATS	25,000	100.00 %	FC ¹⁾
Neupack Polska Sp. z o.o.	Bydgoszcz	POL	Production of packaging	PLN	9,260	100.00 %	FC ¹⁾
PacProject GmbH	Hamburg	DEU	Development of packaging	EUR	26	69.77 %	FC ¹⁾
R + S Stanzformen GmbH	Frankfurt/Main	DEU	Production of cutting dies	DEM	500	100.00 %	FC ¹⁾
Superpak Ambalaj sanayi ve ticaret anonim sirketi	Izmir	TUR	Production of packaging	TRY	3,150	60.01 %	FC ¹⁾
TEC MMP SARL	Sfax	TUN	Production of packaging	TND	21,400	51.00 %	FC ¹⁾
Ukrainisch-Deutsche geschlossene Aktiengesellschaft "Graphia Ukraina"	Cherkassy	UKR	Production of packaging	UAH	5,880	94.78 %	FC ¹⁾
VTV Verpackungstechnische Verfahren GmbH	Kaiserslautern	DEU	Development of packaging	EUR	200	75.00 %	FC ¹⁾
OTHER							
free-com internet services GmbH	Vienna	AUT	IT services	EUR	35	36.00 %	FC ¹⁾
Syn-Group Unternehmensberatung GmbH	Vienna	AUT	Consulting	EUR	37	38.00 %	FC ¹⁾

¹⁾FC ... fully consolidated

²⁾EC ... consolidated at equity

³⁾NC ... non-consolidated

⁴⁾excluded from consolidation as of December 31, 2009

⁵⁾These consolidated financial statements represent an exemption for these partnerships according to section 264b of the German Commercial Code.

During the financial year 2009, the Board Members were as follows:

Management Board

Wilhelm HÖRMANSEDER, Purkersdorf (Chairman)

Andreas BLASCHKE, Perchtoldsdorf (Member of the Management Board)

Franz RAPPOLD, Laab im Walde (Member of the Management Board)

Oliver SCHUMY, Vienna (Member of the Management Board)

Supervisory Board

Michael GRÖLLER, Vienna (Chairman)

Romuald BERTL, Graz (Deputy Chairman)

Johannes GOESS-SAURAU, Neumarkt/Raab (Deputy Chairman)

Friedrich MAYR-MELNHOF, Grödig (Deputy Chairman until April 29, 2009)

Gerhard GLINZERER, Vienna

Guido HELD, Graz

Alexander LEEB, Frohnleiten

Georg MAYR-MELNHOF, Wals/Viehhausen

Michael SCHWARZKOPF, Reutte (since April 29, 2009)

Hubert ESSER, Neuss (Staff Council Representative, MM Karton)

Manfred GRUNDAUER, Frohnleiten (Staff Council Representative MM Karton
until July 14, 2009)

Andreas HEMMER, Frohnleiten (Staff Council Representative MM Karton
since October 20, 2009)

Gerhard NOVOTNY, Vienna (Staff Council Representative MM Packaging)

Vienna, February 26, 2010

The Management Board

Wilhelm Hörmanseder m.p.

Andreas Blaschke m.p.

Franz Rappold m.p.

Oliver Schumy m.p.

Auditor's Report

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Mayr-Melnhof Karton AG, Vienna, for the fiscal year from January 1, 2009 to December 31, 2009. These consolidated financial statements comprise the consolidated balance sheet as of December 31, 2009, the consolidated income statement, the consolidated cash flow statement and the consolidated statement of changes in equity for the fiscal year ended December 31, 2009, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the consolidated financial statements and for the accounting system

The Company's management is responsible for the group accounting system and for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility and description of type and scope of the statutory audit

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing, as well as in accordance with the International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of December 31, 2009 and of its financial performance and its cash flows for the fiscal year from January 1, 2009 to December 31, 2009 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Comments on the management report for the Group

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements and whether the disclosures pursuant to section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the management report for the Group is consistent with the consolidated financial statements. The disclosures pursuant to section 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, February 26, 2010

unitreu

Wirtschaftsprüfungs- und Steuerberatungs GmbH

Christoph ZIMMEL

Werner LEITER

Austrian Chartered Accountants

Lagebericht

gem. § 243 UGB der
Mayr-Melnhof Karton Aktiengesellschaft
über das Geschäftsjahr
1. Januar 2009 bis 31. Dezember 2009

Die Mayr-Melnhof Karton Aktiengesellschaft ist die geschäftsleitende Holdinggesellschaft des Mayr-Melnhof Konzerns. Die von ihr wahrgenommenen Führungs- und Steuerungsaufgaben umfassen die Bereiche Strategie, Investitionen, Rechnungswesen, Controlling, Steuern, Finanzmanagement, Investor Relations, Qualitätswesen, Einkauf, Informationstechnologie und Human Resources.

1. Geschäftsverlauf im Jahr 2009

A) VERMÖGENSLAGE

(in EUR)	31. Dez. 2009	31. Dez. 2008	Veränderung	
			in EUR	in %
Immaterielle Vermögensgegenstände und Sachanlagen	2.390.988,29	2.453.401,69	(62.413,40)	(2,5 %)
Finanzanlagen	303.467.981,77	276.330.418,32	27.137.563,45	9,8 %
Sonstiges Umlaufvermögen und Rechnungsabgrenzungsposten	315.514.977,88	231.800.808,60	83.714.169,28	36,1 %
Gesamtvermögen	621.373.947,94	510.584.628,61	110.789.319,33	21,7 %
Eigenkapital, ungesteuerte Rücklagen und Investitionszuschüsse	473.252.192,14	390.992.988,05	82.259.204,09	21,0 %
Rückstellungen	41.277.324,14	32.646.045,32	8.631.278,82	26,4 %
Verbindlichkeiten und Rechnungsabgrenzungsposten	106.844.431,66	86.945.595,24	19.898.836,42	22,9 %
Gesamtkapital	621.373.947,94	510.584.628,61	110.789.319,33	21,7 %

Eigenkapitalausstattung	=	Eigenkapital	=	473.252.192,14	=	2009	2008
		Gesamtkapital		621.373.947,94		76,2 %	76,6 %

B) ERTRAGSLAGE

	2009		2008		Veränderung	
	in EUR	in % der Umsatzerlöse	in EUR	in % der Umsatzerlöse	in EUR	in %
Finanzerfolg	120.840.284,35	100,00 %	77.024.741,08	100,00 %	43.815.543,27	56,9 %
Sonstige betriebliche Erträge	6.677.397,50	5,53 %	6.549.140,94	8,50 %	128.256,56	2,0 %
Verwaltungskosten	(8.846.097,31)	(7,32 %)	(8.824.872,93)	(11,46 %)	(21.224,38)	0,2 %
Betriebsergebnis	(2.168.699,81)	(1,79 %)	(2.275.731,99)	(2,95 %)	107.032,18	(4,7 %)
Ergebnis der gewöhnlichen Geschäftstätigkeit	118.671.584,54	98,21 %	74.749.009,09	97,05 %	43.922.575,45	58,8 %
Jahresüberschuss	118.392.244,54	97,97 %	74.077.769,09	96,17 %	44.314.475,45	59,8 %

				2009	2008
	+ Jahresüberschuss		118.392.244,54		
	+ Abschreibungen (auf Sachanlagen und immaterielle Vermögensgegenstände)	=	62.413,40	=	
Cash Earnings	+ latente Steuern	=	0,00	=	
				<u>118.454.657,94</u>	<u>74.145.056,08</u>
				2009	2008
Eigenkapitalrentabilität nach Steuern	=	$\frac{\text{Jahresüberschuss}}{\text{Durchschnittl. Eigenkapital}}$	=	$\frac{118.392.244,54}{432.122.590,10}$	=
				<u>27,4 %</u>	<u>19,9 %</u>

Die Beteiligungserträge erhöhten sich von 71,9 Mio. EUR im Jahr 2008 auf 103,2 Mio. EUR im Jahr 2009. Diese resultieren überwiegend aus der Dividende der Mayr-Melnhof Karton Gesellschaft m.b.H., Frohnleiten, in Höhe von 25,0 Mio. EUR (2008: 25,0 Mio. EUR), der Dividende der MM Graphia Beteiligungs- und Verwaltungsgesellschaft mbH, Baiersbrunn, in Höhe von 24,2 Mio. EUR (Vorjahr: 21,1 Mio. EUR), der Dividende der FS-Karton GmbH, Baiersbrunn, in Höhe von 30,2 Mio. EUR (2008: 9,1 Mio. EUR) und der Dividende der Mayr-Melnhof Cartonboard International GmbH, Wien, in Höhe von 11,4 Mio. EUR (2008: 7,2 Mio. EUR).

Die Zinserträge aus Wertpapieren betragen 2,8 Mio. EUR (2008: 2,6 Mio. EUR), die Zinserträge aus Festgeldern 1,6 Mio. EUR (2008: 5,1 Mio. EUR).

2. Geschäftsverlauf 2009 in den Segmenten

MM KARTON

Parallel zum Rückgang der Gesamtwirtschaft waren die Kartonmärkte im Jahr 2009 sowohl durch eine rückläufige Nachfrage als auch eine äußerst kurzfristige und vor allem in der ersten Jahreshälfte stark volatile Nachfrage gekennzeichnet. Unter diesen herausfordernden Rahmenbedingungen lag der Fokus von MM Karton auf einer bestmöglichen Absicherung der Kartonpreise und der Verteidigung von Marktanteilen. Dies konnte durch selektives Vorgehen auf den Märkten und hohe Flexibilität in der Produktion weitgehend erreicht werden. Infolge der schwachen Nachfrage auf den europäischen Hauptmärkten wurde der Absatz auf den außereuropäischen Exportmärkten sukzessiv verstärkt.

Obwohl Auftragsstände und Kapazitätsauslastung in den ersten Quartalen zwar deutlich unter dem Vorjahr lagen, konnten infolge einer schrittweisen Stabilisierung der Nachfrage während der zweiten Jahreshälfte für das Gesamtjahr Werte über dem Vorjahresniveau erzielt werden. Der durchschnittliche Auftragsstand der Division erhöhte sich von 48.000 Tonnen auf 56.000 Tonnen.

Insgesamt wurde mit 1.499.000 Tonnen Karton um 1,8 % weniger als im Vorjahr produziert, wodurch die Kapazitäten zu 88 % (2008: 86 %) ausgelastet werden konnten. Die Verbesserung des Kapazitätsnutzungsgrades resultiert dabei aus der Schließung des bulgarischen Kartonstandortes in 2008. Bezogen auf den durchschnittlichen Mitarbeiterstand wurden 589 Tonnen (2008: 571 Tonnen) pro Mitarbeiter produziert.

Vor dem Hintergrund des gesamtwirtschaftlichen Abschwungs waren die Rohstoffmärkte, insbesondere auch Altpapier, in den ersten Monaten des Jahres durch eine entsprechende Preisreduktion gekennzeichnet, dem jedoch spätestens seit Jahresmitte wieder eine spürbare Umkehr der Preisentwicklung folgte.

Der Kartonabsatz belief sich auf 1.481.000 Tonnen und lag damit um 4,3 % unter dem Vorjahreswert (2008: 1.547.000 Tonnen). Die Umsatzerlöse reduzierten sich dazu überproportional um 12,6 %, da der Durchschnittspreis insbesondere auch aufgrund der höheren Verkaufsmenge in außereuropäischen Märkten tiefer lag. Rund 70 % der Umsatzerlöse wurden in Westeuropa, 17 % in Osteuropa und 13 % außerhalb Europas erzielt (2008: 68 %, 18 %, 14 %). Mit einem Lieferanteil von 222.000 Tonnen war MM Packaging auch 2009 größter Kunde von MM Karton. Insgesamt werden über tausend Kunden, darunter viele mittelständische Verarbeitungsbetriebe, beliefert.

Beim betrieblichen Ergebnis konnte ein Anstieg um 31,7 % bzw. 12,4 Mio. EUR erzielt werden. Hiervon entfällt aber etwas mehr als ein Drittel auf die Versicherungsschädigung nach einem Brandschaden am Standort Hirschwang Anfang 2009. Die Operating Margin stieg demzufolge von 4,5 % auf 6,7 % wie auch der Return on Capital Employed auf 12,2 % (2008: 11,0 %). Die Cash Earnings stiegen von 69,1 Mio. EUR auf 81,0 Mio. EUR, wodurch sich die Cash Earnings Margin von 7,9 % auf 10,6 % verbesserte.

MM PACKAGING

Vor dem Hintergrund der konjunkturellen Abschwächung zeigte der europäische Faltschachtelmarkt im Jahr 2009 ein durchwegs heterogenes Bild. Vor allem Güter des täglichen Bedarfs wurden von der Rezession noch nicht voll erfasst, da die Konsumenten zuerst Einsparungen beim Preis und noch nicht bei der Menge suchten. Andererseits war bei langlebigeren und hochwertigeren Konsumgütern bereits ein rückläufiger Trend hin zu einfacheren Produkten festzustellen.

Demzufolge verzeichnete MM Packaging sowohl in einzelnen Absatzbereichen als auch unterschiedlich nach Kunden und Regionen einerseits gute Nachfrage, andererseits aber auch Unterauslastung einzelner Betriebe.

Infolge niedrigerer Rohstoffkosten, Währungsabwertungen und der vehementen Verteidigung von Marktanteilen durch den Wettbewerb hat der Preisdruck auf dem Markt stark zugenommen. Darüber hinaus forcierten unsere Kunden den Lagerabbau und disponierten sehr kurzfristig, weshalb die Volatilität im laufenden Geschäft insgesamt stark zunahm.

Durch Produktivitätssteigerungen auf sämtlichen Stufen der Wertschöpfung sowie Qualitätsoptimierungen und ein hohes Maß an Flexibilität gelang es MM Packaging aber, im engen Kontakt mit den Kunden auch unter zunehmend wettbewerbsintensiveren Rahmenbedingungen Marktanteile zu sichern bzw. auszubauen.

Trotz spürbar höherer Volatilität im Abnahmeverhalten einzelner Großkunden wurden 2009 insgesamt 630.000 Tonnen verarbeitet (2008: 652.000 Tonnen). Der Rückgang gegenüber dem Vorjahr belief sich damit auf 3,4 % bzw. 22.000 Tonnen. Die jährliche verarbeitete Tonnage pro Mitarbeiter reduzierte sich folglich von 115,1 Tonnen auf 112,3 Tonnen.

Analog zur Mengenentwicklung lagen die Umsatzerlöse mit 952,0 Mio. EUR um 3,8 % bzw. 38,0 Mio. EUR unter dem Vorjahresniveau. Rund 70 % der Umsatzerlöse entfielen auf Westeuropa, 27 % auf Osteuropa und 3 % auf außereuropäische Märkte, wodurch die regionale Verteilung weitgehend konstant blieb (2008: 70 %, 28 %, 2 %).

MM Packaging verfügt über eine breite Kundenbasis von mehr als 2000 Abnehmern in verschiedenen Konsumgüterindustrien. Rund drei Viertel des Geschäftes werden traditionell mit multinationalen Kunden erzielt. Faltschachteln für Lebensmittel, Zigaretten und Waschmittel waren auch 2009 die größten Absatzbereiche. Auf die Top-fünf-Kunden entfielen rund 40 % (2008: 41 %) der Umsatzerlöse.

Trotz geringerer Menge konnte mit 98,4 Mio. EUR ein operatives Ergebnis über dem Vorjahr erzielt werden (2008: 97,8 Mio. EUR). Die Operating Margin verbesserte sich damit von 9,9 % auf 10,3 %. Der Return on Capital Employed betrug 20,0 % (2008: 19,8 %). Aufgrund leicht niedrigerer Abschreibungen wurden Cash Earnings in Höhe von 103,9 Mio. EUR nach 106,5 Mio. EUR im Vorjahr erwirtschaftet. Die Cash Earnings Margin belief sich damit auf 10,9 % (2008: 10,8 %).

3. Finanzinstrumente und Risikoberichterstattung

Finanzinstrumente sind auf Vertrag basierende wirtschaftliche Vorgänge, die einen Anspruch auf Zahlungsmittel beinhalten. Dabei unterscheidet man einerseits originäre Finanzinstrumente wie Liquide Mittel, Wertpapiere, Forderungen und Verbindlichkeiten aus Lieferungen und Leistungen oder auch Finanzforderungen und Finanzverbindlichkeiten. Andererseits gehören hierzu auch die derivativen Finanzinstrumente, die als Sicherungsgeschäfte zur Absicherung gegen Risiken aus Änderungen von Währungskursen eingesetzt werden.

Die Gesellschaft ist mit einer Anzahl von Risiken konfrontiert, die ein systematisches und kontinuierliches Risikomanagement erforderlich machen. Zu den Finanzinstrumenten, die in der Gesellschaft in bestimmten Fällen eine Konzentration des Finanzrisikos verursachen können, zählen vor allem Liquide Mittel, Wertpapiere und Forderungen aus Beteiligungserträgen. Die Risiken und ihre potenziellen Auswirkungen werden im Rahmen des Risikomanagements erhoben, analysiert und auf Basis der definierten Risikopolitik bewältigt. Ziel ist es, die im Rahmen unserer Tätigkeit entstehenden potenziellen Risiken frühzeitig zu identifizieren, zu bewerten, ihre Folgen abzuschätzen und geeignete Vorsorge- und Sicherungsmaßnahmen einzuleiten.

Ein aktives Cash und Credit Management stellt sicher, dass ausreichend Liquidität (eigene Mittel bzw. jederzeit ausnutzbare Kreditlinien) verfügbar ist, um eingegangene Verbindlichkeiten zu begleichen.

Die Forderungen aus Lieferungen und Leistungen bestehen überwiegend gegenüber verbundenen Unternehmen. Für diese wurden daher keine Kundenkreditversicherungen abgeschlossen.

Fremdwährungsrisiken und Zinsänderungsrisiken werden, sofern wirtschaftlich vertretbar, durch den Einsatz geeigneter Sicherungsgeschäfte in Form von Devisentermingeschäften bzw. Zinsswap Vereinbarungen minimiert. Es werden keine Derivate zu Handels- oder Spekulationszwecken verwendet.

Das Risiko eines Verlustes aufgrund der Nichterfüllung eines Vertragspartners aus den derivativen Finanzinstrumenten ist überschaubar. Einerseits besteht die Möglichkeit der Aufrechnung von Forderungen und Verbindlichkeiten aus einem Finanzinstrument, andererseits sind alle Vertragspartner namhafte internationale Finanzinstitute, mit denen die Gesellschaft in laufenden Geschäftsbeziehungen steht. Die Gesellschaft betrachtet das Risiko der Nichterfüllung durch einen Vertragspartner als gering.

Das interne Kontrollsystem im Hinblick auf den Rechnungslegungsprozess und die Finanzberichterstattung gewährleistet die Vollständigkeit, Zuverlässigkeit und Nachvollziehbarkeit der Finanzinformationen und Datenverarbeitungssysteme. Darüber hinaus werden die Zweckmäßigkeit und Wirtschaftlichkeit der Prozesse sowie die Einhaltung der gesetzlichen, vertraglichen und internen Regelungen sichergestellt.

Der Rechnungslegungsprozess umfasst dabei alle wesentlichen Arbeitsschritte, die gewährleisten, dass die rechnungslegungsrelevanten Informationen vollständig erfasst werden und die Abbildung in der Finanzberichterstattung den Vorschriften des UGB entspricht.

Die Aufbau- und Ablauforganisation ist vorgegeben.

Die Finanzberichterstattung an Aufsichtsrat und Vorstand erfolgt regelmäßig, umfassend und zeitnah.

Die Einhaltung der gesellschaftsinternen Richtlinien und Verfahren für die Erfassung, Verbuchung und Bilanzierung von Geschäftsfällen wird regelmäßig kontrolliert. Wesentliche vordefinierte Kontrollaktivitäten müssen nachweislich erbracht und umgehend berichtet werden. Die verwendeten Datenverarbeitungssysteme werden gezielt weiterentwickelt und laufend optimiert.

Der Rechnungslegungsprozess und die Finanzberichterstattung werden systematisch auf mögliche Risiken geprüft und regelmäßig evaluiert. Optimierungsmaßnahmen werden rasch eingeleitet und zügig umgesetzt.

Für unser Geschäft können zusätzlich zu den aufgeführten Risiken weitere Risiken bestehen. Zum gegenwärtigen Zeitpunkt sind solche Risiken nicht bekannt oder werden diese von uns für vernachlässigbar gehalten.

Die Gesamteinschätzung der Risikosituation der Gesellschaft weist keine bestandsgefährdenden Elemente auf. Derartige Risiken sind auch im kommenden Geschäftsjahr nicht zu erwarten.

4. Forschung und Entwicklung

Die Karton- und Verpackungslösungen der Mayr-Melnhof Gruppe sind technologisch ausgereifte, moderne Produkte, die den Anforderungen des Marktes in hohem Maße entsprechen und vielseitig eingesetzt werden können. Bereits über Jahrzehnte entwickeln wir unsere Produkte und Prozesse entsprechend der Zielsetzung nach Kosten- und Technologieführerschaft. Im Mittelpunkt sämtlicher Forschungs- und Entwicklungstätigkeiten stehen die Erhöhung des Kundennutzens sowie die laufende Optimierung von Verfahren und Prozessen zur langfristigen Steigerung der Wettbewerbsfähigkeit des Konzerns.

Forschung und Entwicklung werden als bedeutender Teil unserer Wachstumsstrategie zentral gesteuert und in Zusammenarbeit mit unseren Experten aus den einzelnen Bereichen umgesetzt.

MIT VERSTÄRKTEN RESSOURCEN ZUM INNOVATIONSFÜHRER

In den vergangenen zwei Jahren haben wir die Forschungs- und Entwicklungstätigkeiten der Gruppe unter Einsatz neuester Methoden des Innovations- und Wissensmanagements sowie starker Einbeziehung der Mitarbeiter systematisch neu ausgerichtet. Ziel ist es, uns zusätzlich zu Kosten- und Technologieführerschaft auch als Innovationsführer bei Karton und Verpackungen zu behaupten.

Durch eine Vielzahl diesbezüglicher Projekte im Rahmen der Programme „unliMMited Innovation“ von MM Karton bzw. „Break the Frame“ von MM Packaging haben Innovationsstärke und Innovationskultur innerhalb der MM Gruppe auch im Jahr 2009 weiter deutlich zugenommen. Strukturelle Neuerungen betreffen insbesondere die konzernweite Steuerung der Innovationsprozesse unter Einsatz modernster Informationstechnologien sowie eine verstärkte Fokussierung in der Organisation und im Ressourceneinsatz. Schwerpunkte liegen insbesondere bei Produktinnovation sowie der Differenzierung über den Einsatz neuer Technologien in unseren Prozessen.

Die Produktinnovationen von MM Karton konzentrierten sich im Recyclingkartonbereich insbesondere auf die Einführung einer Linerqualität im niedrigen Grammaturbereich zur Erschließung neuer Geschäftsfelder. Im Frischfaserkartonbereich lag der Fokus neben der deutlichen Optimierung bestehender Qualitäten (Kromopak, Werk Kolicovo; Excellent Top, Werk Baiersbrunn) auf der Entwicklung und Vermarktung der neuen Kartonsorte Silvaboard (Werk Eerbeek), die sich insbesondere durch hohe Werte bei Weißgrad, Steifigkeit und Dicke sowie optimale Laufeigenschaften auszeichnet. Darüber hinaus wurde mit dem Ausbau des Multimill-Konzeptes und einem entsprechenden Sortenclearing sowohl die Verlässlichkeit durch Liefermöglichkeit aus mehreren Werken als auch die Produktionseffizienz weiter gesteigert.

Gezielte Investitionen in Forschung und Entwicklung sind ein wesentlicher Bestandteil des „unliMMited Innovation“-Prozesses von MM Karton. In diesem Zusammenhang markiert die Einrichtung eines Kompetenzzentrums der Kartondivision am Standort Frohnleiten mit deutlich verstärkten Ressourcen in den Bereichen Forschung & Entwicklung, Produktsicherheit und analytische Chemie einen bedeutenden Meilenstein auf dem ambitionierten Weg zur Innovationsführerschaft.

Aktuelle Entwicklungsthemen dieses Zentrums betreffen neben dem Fasereinsatz in der Rohkartonherstellung und der Optimierung von Kartoneigenschaften die Anpassung der Oberfläche an wechselnde Aufgaben sowie die Verbesserung der Weiterverarbeitbarkeit.

Die bereits lange erfolgreich praktizierte, projektbezogene Zusammenarbeit mit Forschungseinrichtungen und Universitäten im Bereich der Grundlagenforschung wurde fortgeführt.

Im Bereich Produktsicherheit haben wir aufgrund der steigenden Anforderungen an Lebensmittelverpackungen eine umfangreiche Studie hinsichtlich des Migrationsverhaltens von Kartoninhaltsstoffen auf das Packgut durchgeführt. Das Ergebnis bestätigt, dass Recycling- und Frischfaserkarton von MM Karton immer deutlich unter dem Limit der EU-Richtlinie für Kunststoff 2002/72/EC sowie unter den für Karton empfohlenen Grenzwerten liegen. Dies untermauert, dass unser Karton als nachhaltig sichere Verpackung in vollem Einklang mit sämtlichen Vorschriften steht.

Die Organisation der Innovationstätigkeit von MM Packaging beruht auf dem Zusammenwirken interdisziplinärer Expertenteams aus Markt-, Technik- und Designspezialisten innerhalb eines divisionsweiten Netzwerks, das sich im Wesentlichen auf drei strukturelle Schwerpunkte stützt: PacProject, das Kreativzentrum von MM Packaging in Hamburg, welches Kunden von einer ersten Idee bis zur Markteinführung umfassend begleitet; Technical Sales and Development Teams, die vor allem multinationale Kunden im Verpackungsentwicklungsprozess und der technischen Umsetzung europaweit betreuen, sowie die Packaging Development Centers einzelner Standorte, welche insbesondere werksspezifisches Spezial-Know-how zur Verfügung stellen.

Der Innovationsansatz von MM Packaging ist weit gefasst und beinhaltet neben den gängigen Druck- und Veredelungsverfahren regelmäßig auch die der Verpackungsproduktion vor- und nachgelagerten Bereiche in der Supply Chain sowie ein breites Dienstleistungsspektrum. Ziel ist es, unseren Kunden durch Neuerungen in der Verpackungstechnik und -gestaltung sowie mit der Entwicklung innovativer Prozesse und individueller Gesamtlösungen Wettbewerbsvorteile und Differenzierungsmöglichkeiten auf dem Markt zu bieten.

Systematisch analysieren wir die Entwicklung von Verpackungstrends, um uns zeitgerecht adäquat auf Neuerungen auszurichten. Aktuelle Markttrends bestehen insbesondere hinsichtlich des Premium-Anspruchs im Bereich Markenartikel- und Private Label über zumeist kombinierten Einsatz hochwertiger Veredelungseffekte sowie Forderungen nach neuartigen Promotionsverpackungen, innovativem Zusatznutzen und umweltfreundlichem Ressourceneinsatz. Diesen entsprechen wir unter anderem durch neuartige Materialkombinationen, Funktionalität und Formgebung.

Auch 2009 wurden Verpackungslösungen von MM Packaging mit mehreren internationalen Preisen ausgezeichnet, unter anderem mit dem World Star Award, dem Deutschen Verpackungspreis, dem Emballissimo Award, dem Pro Carton/ECMA Award 2009 in der Kategorie „Food“ und mit der renommierten Trophée d'Emballage 2009.

5. Personal

Die Gesellschaft beschäftigt keine Arbeitnehmer.

6. Umweltschutz

Nachhaltige Produktion umweltfreundlicher Kartonprodukte und Verpackungslösungen steht seit jeher im Mittelpunkt der Geschäftstätigkeit des Mayr-Melnhof Konzerns. Karton wird zum überwiegenden Teil aus Altpapierfasern, die durch Frischfasern ergänzt werden, produziert. Hieraus werden hochwertige Faltschachtelprodukte für die Konsumgüterindustrie gefertigt, welche über den Recyclingprozess wieder nahezu vollständig verwertet werden können. Der Einsatz von Karton als Verpackungsmaterial ist damit, neben seinen produkttechnischen und ökonomischen Vorteilen, auch hinsichtlich des Schutzes der Umwelt eine durch höchste Nachhaltigkeit gekennzeichnete Verpackungslösung.

In langjähriger Verfolgung von Kosten- und Marktführerschaft setzen wir sowohl auf einen nachhaltig sparsamen Umgang mit den Ressourcen als auch auf den Einsatz modernster Technologien. Dadurch sichern wir größtmögliche Effizienz und Qualität in der Erzeugung unserer Produkte sowie hohe Wettbewerbsfähigkeit auf unseren Märkten. Unsere Verantwortung gegenüber der Umwelt nehmen wir umfassend wahr und schließen dabei auch regelmäßig die der Produktion vor- und nachgelagerten Bereiche mit ein. Ein laufendes konzernweites Benchmarking unter den Werken stellt dabei sicher, dass Potenziale an allen Standorten genutzt werden können.

Infolge kontinuierlicher Optimierungstätigkeit und der Konzentration auf die Kernkompetenzen erzielen die Mayr-Melnhof Kartonwerke bereits seit vielen Jahren hinsichtlich einer Vielzahl spezifischer Verbrauchs- und Emissionswerte im europäischen Branchenvergleich Bestwerte. Neuerliche Verbesserungen können daher oft nur noch im Marginalbereich erreicht werden bzw. setzen technologische Innovationen voraus.

Aktuell stehen insbesondere Verbesserungen beim Energie- und Rohstoffverbrauch im Mittelpunkt der laufenden Optimierungen. Diese werden sowohl durch divisionsweite Schwerpunktprogramme als auch durch die Umweltmanagementsysteme an einer Vielzahl von Standorten mit hoher Systematik begleitet.

7. Angaben nach § 243a Abs. 1 UGB

Zusammensetzung des Kapitals, Aktiengattungen

Es wird auf die Angaben im Konzernabschluss unter Anhangsangabe 12 A) verwiesen.

Beschränkungen hinsichtlich der Stimmrechte bzw. der Übertragung von Aktien

Rund 63 % der Aktien werden von den Kernaktionärsfamilien in einem Syndikat gehalten. Es besteht ein Syndikatsvertrag, welcher die Übertragbarkeit der Aktien innerhalb des Syndikates und nach außen regelt. Angelegenheiten, die die Hauptversammlung betreffen, beschließt das Syndikat mit einfacher Mehrheit. Änderungen des Syndikatsvertrages bedürfen einer Dreiviertelmehrheit.

Direkte oder indirekte Beteiligungen am Kapital, die zumindest 10 vom Hundert betragen

Nach den der Gesellschaft bekannt gegebenen Informationen bestanden per Jahresende 2009 folgende Beteiligungen von mindestens 10 % am Kapital:

MMS Mayr-Melnhof-Saurau Beteiligungsverwaltung KG
CAMA Privatstiftung
MM Salzburg Privatstiftung

Die Inhaber von Aktien mit besonderen Kontrollrechten und eine Beschreibung dieser Rechte

Es bestehen keine Aktien mit besonderen Kontrollrechten.

Die Art der Stimmrechtskontrolle bei einer Kapitalbeteiligung der Arbeitnehmer, wenn sie das Stimmrecht nicht unmittelbar ausüben

Es besteht kein derartiges Kapitalbeteiligungsmodell für Mitarbeiter.

Die sich nicht unmittelbar aus dem Gesetz ergebenden Bestimmungen über die Ernennung und Abberufung der Mitglieder des Vorstands und des Aufsichtsrats und über die Änderung der Satzung der Gesellschaft

Es bestehen keine Bestimmungen dieser Art.

Die sich nicht unmittelbar aus dem Gesetz ergebenden Befugnisse der Mitglieder des Vorstands, insbesondere hinsichtlich der Möglichkeit, Aktien auszugeben oder zurückzukaufen

Es wird auf die Angaben im Konzernabschluss unter Anhangsangabe 12 A) verwiesen.

Alle bedeutenden Vereinbarungen, an denen die Gesellschaft beteiligt ist und die bei einem Kontrollwechsel in der Gesellschaft infolge eines Übernahmeangebots wirksam werden, sich ändern oder enden, sowie ihre Wirkungen; ausgenommen hiervon sind Vereinbarungen, deren Bekanntmachung der Gesellschaft erheblich schaden würde, es sei denn, die Gesellschaft ist zur Bekanntgabe derartiger Informationen aufgrund anderer Rechtsvorschriften ausdrücklich verpflichtet

Es wird von der Schutzklausel hinsichtlich der Bekanntgabe Gebrauch gemacht. Die Größenordnung des betroffenen Geschäfts ist als überschaubar einzustufen.

Bestand und wesentlicher Inhalt von Entschädigungsvereinbarungen zwischen der Gesellschaft und ihren Vorstands- und Aufsichtsratsmitgliedern oder Arbeitnehmern für den Fall eines öffentlichen Übernahmeangebots

Es bestehen keine Vereinbarungen dieser Art.

8. Wesentliche Ereignisse nach dem Bilanzstichtag

Am 25. Januar 2010 gab die Mayr-Melnhof Karton Aktiengesellschaft bekannt, nunmehr 2.015.260 eigene Aktien bzw. 9,16 % der ausgegebenen Aktien zu halten, wodurch die meldepflichtige Anteilsschwelle von 5 % der Stimmrechte überschritten wurde.

9. Ausblick auf das Geschäftsjahr 2010

Die nachfolgenden vorausblickenden Aussagen unterliegen sowohl bekannten als auch unbekanntem Risiken und Unsicherheiten, die dazu führen können, dass die tatsächlichen Ereignisse von den hier getroffenen Aussagen abweichen können.

Ein hohes Maß an Unsicherheit prägt nach wie vor die aktuelle wirtschaftliche Entwicklung. Hinsichtlich des Privatkonsums, der bisherigen Konjunkturstütze und dem wesentlichen Einflussfaktor auf den Verbrauch von Karton und Faltschachteln, ist davon auszugehen, dass infolge wachsender Arbeitslosenzahlen sowie sinkender Transferzahlungen zunehmend weniger konsumiert werden wird.

Vor diesem Hintergrund hat sich der Kampf um die Marktvolumina deutlich verschärft. Andauernder Preisdruck auf den Konsumgüterendmärkten trifft die Kartonverarbeiter, welche diesen wiederum an die Kartonlieferanten weiterzugeben versuchen. Kurzfristigkeit bestimmt dabei nach wie vor das Dispositionsverhalten der Kunden, die ihre Lagerstände weiterhin niedrig halten.

Unter diesen Rahmenbedingungen findet die industrieweit für das erste Quartal 2010 angekündigte Kartonpreiserhöhung in Europa nur sehr zögerlich statt. Dies, obwohl die Preisinflation auf den Altpapiermärkten spürbar zugenommen hat, wobei vor allem die niedrige Bevorratung der Verbraucherindustrien sowie die ungebrochene asiatische Nachfrage preistreibend wirken.

Sowohl im Karton- als auch im Faltschachtelgeschäft können wir uns auf den stark umkämpften Märkten weiterhin gut behaupten. Die Auslastung der Divisionen zeigt aktuell ein ähnlich positives Bild wie in der zweiten Jahreshälfte des Vorjahres. Die Nachhaltigkeit dieser Situation ist allerdings ungewiss.

Dementsprechend werden wir unsere Investitionen wie im letzten Jahr auf Projekte mit kurzfristigem Pay-Back konzentrieren und den Schwerpunkt auf Maßnahmen zur Steigerung von Kosteneffizienz und Qualität setzen.

Insgesamt ist davon auszugehen, dass der Druck auf die Margen in beiden Divisionen infolge der verschärften Situation auf den Beschaffungs- und Absatzmärkten zunehmen wird. Aufgrund der Kurzfristigkeit des Geschäftes ist zum heutigen Zeitpunkt noch keine Ergebnisprognose für das laufende Jahr möglich.

Ausreichende Liquidität und Finanzierungsmöglichkeiten verbunden mit dem Fokus auf Kostenführerschaft werden uns weiterhin den Rücken für den Ausbau unserer führenden Wettbewerbs- und Marktposition stärken. Neuerliche Wachstumsschritte sind in Vorbereitung und werden risikobewusst umgesetzt.

Wien, am 26. Februar 2010

Der Vorstand

Dr. Wilhelm HÖRMANSEDER e.h.

Dr. Andreas BLASCHKE e.h.

Ing. Franz RAPPOLD e.h.

Dr. Oliver SCHUMY e.h.

Bilanz der Mayr-Melnhof Karton AG

AKTIVA (in EUR)	Stand 31. Dez. 2009	Stand 31. Dez. 2008	PASSIVA (in EUR)	Stand 31. Dez. 2009	Stand 31. Dez. 2008
A. ANLAGEVERMÖGEN			A. EIGENKAPITAL		
I. Sachanlagen			I. Grundkapital	88.000.000,00	88.000.000,00
1. Grundstücke und Bauten	2.364.234,63	2.424.762,93	II. Kapitalrücklagen		
davon Grundwert: EUR 577.352,82 (Vorjahr: EUR 577.352,82)			1. Gebundene	164.658.448,08	164.658.448,08
2. Andere Anlagen, Betriebs- und Geschäftsausstattung	26.753,66	28.638,76		164.658.448,08	164.658.448,08
	2.390.988,29	2.453.401,69	III. Gewinnrücklagen		
II. Finanzanlagen			1. Andere Rücklagen (Freie Rücklagen)	117.552.058,22	24.434.841,24
1. Anteile an verbundenen Unternehmen	248.788.072,40	231.164.781,79		117.552.058,22	24.434.841,24
2. Beteiligungen	494.917,78	494.917,78			
3. Eigene Anteile	53.041.685,84	43.508.691,27	IV. Rücklage für eigene Anteile	53.041.685,84	43.508.691,27
4. Wertpapiere (Wertrechte) des Anlagevermögens	1.143.305,75	1.162.027,48			
	303.467.981,77	276.330.418,32	V. Bilanzgewinn	50.000.000,00	70.000.000,00
	305.858.970,06	278.783.820,01		473.252.192,14	390.601.980,59
B. UMLAUFVERMÖGEN			B. UNVERSTEUERTE RÜCKLAGEN		
I. Forderungen und sonstige Vermögensgegenstände			1. Bewertungsreserve aufgrund von Sonderabschreibungen	0,00	391.007,46
1. Forderungen gegenüber verbundenen Unternehmen	564.838,87	862.658,40		0,00	391.007,46
2. Sonstige Forderungen und Vermögensgegenstände	36.665.055,37	24.247.382,55	C. RÜCKSTELLUNGEN		
	37.229.894,24	25.110.040,95	1. Rückstellungen für Abfertigungen	641.328,00	592.130,00
			2. Rückstellungen für Pensionen	1.749.558,00	1.807.340,00
II. Wertpapiere und Anteile	0,00	129.647.375,00	3. Steuerrückstellungen	36.806.628,41	29.058.992,84
			4. Sonstige Rückstellungen	2.079.809,73	1.187.582,48
III. Guthaben bei Kreditinstituten	278.250.338,48	77.010.447,00		41.277.324,14	32.646.045,32
	315.480.232,72	231.767.862,95	D. VERBINDLICHKEITEN		
C. RECHNUNGSABGRENZUNGSPOSTEN			1. Verbindlichkeiten gegenüber Kreditinstituten	18.200.000,00	26.859.000,00
	34.745,16	32.945,65	2. Verbindlichkeiten aus Leistungen	198.848,93	95.597,51
			3. Verbindlichkeiten gegenüber verbundenen Unternehmen	87.946.651,14	59.981.336,16
			4. Sonstige Verbindlichkeiten		
			a) Steuern	3.134,82	5.135,51
			b) soziale Sicherheit	5.432,29	3.755,12
			c) übrige	633,69	770,94
				9.200,80	9.661,57
				106.354.700,87	86.945.595,24
			E. PASSIVE RECHNUNGSABGRENZUNG	489.730,79	0,00
	621.373.947,94	510.584.628,61		621.373.947,94	510.584.628,61

Gewinn- und Verlustrechnung der Mayr-Melnhof Karton AG

(in EUR)	2009	2008
1. Erträge aus Beteiligungen		
a) verbundene Unternehmen	103.220.036,50	71.489.991,08
b) übrige	0,00	406.000,00
	103.220.036,50	71.895.991,08
2. Erträge aus anderen Wertpapieren und Ausleihungen des Finanzanlagevermögens		
a) übrige	2.778.082,23	2.568.737,58
	2.778.082,23	2.568.737,58
3. sonstige Zinsen und ähnliche Erträge		
a) übrige	1.570.564,45	5.151.228,38
	1.570.564,45	5.151.228,38
4. Erträge aus dem Abgang von und der Zuschreibung zu Finanzanlagen und Wertpapieren des Umlaufvermögens	25.544.787,88	0,00
5. Aufwendungen aus Finanzanlagen und aus Wertpapieren des Umlaufvermögens	(10.817.883,77)	(2.375,00)
6. Zinsen und ähnliche Aufwendungen		
a) verbundene Unternehmen	(576.818,81)	(1.319.788,14)
b) übrige	(878.484,13)	(1.269.052,82)
	(1.455.302,94)	(2.588.840,96)
7. Zwischensumme aus Z 1 bis 6 (Finanzerfolg)	120.840.284,35	77.024.741,08
8. sonstige betriebliche Erträge		
a) Erträge aus der Auflösung von Rückstellungen	14.268,88	294.380,00
b) übrige	6.663.128,62	5.867.360,94
	6.677.397,50	6.161.740,94
9. Personalaufwand		
a) Gehälter	(2.537.110,32)	(2.006.545,08)
b) Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeiterversorgungskassen	(53.549,34)	(50.457,00)
c) Aufwendungen für Altersversorgung	(111.204,29)	(81.301,81)
d) Aufwendungen für gesetzlich vorgeschriebene Sozialabgaben sowie vom Entgelt abhängige Abgaben und Pflichtbeiträge	(115.204,88)	(189.214,57)
	(2.817.068,83)	(2.327.518,46)
10. Abschreibungen		
a) auf Sachanlagen	(62.413,40)	(67.286,99)
	(62.413,40)	(67.286,99)
11. Sonstige betriebliche Aufwendungen		
a) Steuern, soweit sie nicht unter Steuern vom Einkommen und vom Ertrag fallen	(1.714,35)	(1.714,35)
b) übrige	(5.964.900,73)	(6.040.953,13)
	(5.966.615,08)	(6.042.667,48)
12. Zwischensumme aus Z 8 bis 11 (Betriebserfolg)	(2.168.699,81)	(2.275.731,99)
13. Ergebnis der gewöhnlichen Geschäftstätigkeit	118.671.584,54	74.749.009,09
14. Steuern vom Einkommen und vom Ertrag davon aus Vorjahren EUR 0,00 (Vorjahr: EUR (10.500,00))	(279.340,00)	(671.240,00)
15. Jahresüberschuss	118.392.244,54	74.077.769,09
16. Auflösung unverteilter Rücklagen	391.007,46	0,00
17. Zuweisung zur Rücklage für eigene Anteile	0,00	(4.579.252,09)
18. Zuweisung zu Gewinnrücklagen	(102.650.194,00)	(24.434.841,24)
19. Jahresgewinn	16.133.058,00	45.063.675,76
20. Gewinnvortrag aus dem Vorjahr	33.866.942,00	24.936.324,24
21. Bilanzgewinn	50.000.000,00	70.000.000,00

Anhang

I. Allgemeine Erläuterungen

Der vorliegende Jahresabschluss wurde unter Beachtung der Grundsätze ordnungsmäßiger Buchführung und der Generalnorm, ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Unternehmens zu vermitteln, aufgestellt. Die Bestimmungen des Unternehmensgesetzbuches stellen die Grundlage dieses Jahresabschlusses dar.

Die auf den vorjährigen Jahresabschluss angewandten Bewertungsmethoden wurden beibehalten.

Der Grundsatz der Vollständigkeit wurde bei der Erstellung des Jahresabschlusses eingehalten.

Bei der Bewertung der einzelnen Vermögensgegenstände und Schulden wurde der Grundsatz der Einzelbewertung beachtet und eine Fortführung des Unternehmens unterstellt.

Dem Vorsichtsprinzip wurde dadurch Rechnung getragen, dass nur die am Abschlussstichtag verwirklichten Gewinne ausgewiesen wurden. Alle erkennbaren Risiken und drohenden Verluste wurden berücksichtigt.

Die Gliederung der Gewinn- und Verlustrechnung wird, der Holdingfunktion der Mayr-Melnhof Karton Aktiengesellschaft entsprechend, so dargestellt, dass der Finanzerfolg an den Anfang der Gewinn- und Verlustrechnung gestellt wird.

II. Bilanzierungs- und Bewertungsmethoden

1. ANLAGEVERMÖGEN

a) Sachanlagen

Das Sachanlagevermögen ist mit Anschaffungs- zuzüglich Anschaffungsnebenkosten bewertet.

Die Ermittlung der planmäßigen Abschreibung erfolgt, von vernachlässigbaren Ausnahmen für gebrauchte Vermögensgegenstände abgesehen, linear unter Anwendung folgender Nutzungsdauern:

Gebäude	10 - 50 Jahre
Andere Anlagen, Betriebs- und Geschäftsausstattung	4 - 5 Jahre

Geringwertige Wirtschaftsgüter werden im Jahr der Anschaffung voll abgeschrieben und als Aufwand verbucht.

b) Finanzanlagen

Die Beteiligungen und Ausleihungen sind zu Anschaffungskosten bewertet, wobei wesentliche Wertminderungen durch außerplanmäßige Abschreibungen berücksichtigt werden.

Als verbundene Unternehmen werden alle Gesellschaften bezeichnet, die unmittelbar oder mittelbar im Mehrheitsbesitz der Gesellschaft stehen, unter einheitlicher Leitung der Gesellschaft stehen (§ 244 Absatz 1 UGB) oder auf die im Sinne des Kontrollkonzeptes (§ 244 Absatz 2 UGB) ein beherrschender Einfluss ausgeübt wird.

2. UMLAUFVERMÖGEN

Forderungen und sonstige Vermögensgegenstände sind mit dem Nennwert angesetzt. Erkennbare Einzelrisiken werden durch Wertberichtigungen berücksichtigt.

Die sonstigen Forderungen sind zur Gänze erst nach dem Bilanzstichtag zahlungswirksam.

3. RÜCKSTELLUNGEN

Rückstellungen werden nach dem Grundsatz der kaufmännischen Vorsicht in Höhe des voraussichtlichen Anfalls gebildet.

Die Pensions- und Abfertigungsverpflichtungen werden zum 31. Dezember 2009 gemäß den internationalen Rechnungslegungsstandards IFRS/IAS ermittelt.

4. VERBINDLICHKEITEN

Die Verbindlichkeiten sind mit ihrem Rückzahlungsbetrag erfasst.

Die sonstigen Verbindlichkeiten sind zur Gänze erst nach dem Bilanzstichtag zahlungswirksam.

5. WÄHRUNGSUMRECHNUNG

Fremdwährungsforderungen sowie die liquiden Mittel in Fremdwährungen sind mit dem Anschaffungskurs bzw. dem niedrigeren Devisenmittelkurs zum Bilanzstichtag bewertet.

Die Fremdwährungsverbindlichkeiten sind mit dem Anschaffungskurs bzw. dem höheren Devisenmittelkurs zum Bilanzstichtag bewertet.

III. Erläuterungen zu einzelnen Posten der Bilanz und Gewinn- und Verlustrechnung

1. BILANZ

A) ANLAGENSPIEGEL GEMÄß § 226 UGB

(in EUR)	Anschaffungs- oder Herstellungskosten				kumulierte	Buchwert		Außerplanmäßige	Ab- bzw.
	Stand 31. Dez. 2008	Zugänge 2009	Abgänge 2009	Stand 31. Dez. 2009	Abschreibungen 31. Dez. 2009	31. Dez. 2009	31. Dez. 2008	Abschreibungen des Geschäftsjahres 2009	Zuschreibungen *) des Geschäftsjahres 2009
I. Sachanlagen									
1. Grundstücke und Bauten									
Grundwert	577.352,82	0,00	0,00	577.352,82	0,00	577.352,82	577.352,82	0,00	0,00
Gebäudewert	2.678.740,10	0,00	0,00	2.678.740,10	891.858,29	1.786.881,81	1.847.410,11	0,00	60.528,30
	3.256.092,92	0,00	0,00	3.256.092,92	891.858,29	2.364.234,63	2.424.762,93	0,00	60.528,30
2. Andere Anlagen, Betriebs- und Geschäftsausstattung	138.631,29	0,00	0,00	138.631,29	111.877,63	26.753,66	28.638,76	0,00	1.885,10
Summe I	3.394.724,21	0,00	0,00	3.394.724,21	1.003.735,92	2.390.988,29	2.453.401,69	0,00	62.413,40
II. Finanzanlagen									
1. Anteile an verbundenen Unternehmen	256.606.944,67	2.999.011,50	0,00	259.605.956,17	10.817.883,77	248.788.072,40	231.164.781,79	10.817.883,77	25.442.162,88 *)
2. Beteiligungen	494.917,78	0,00	0,00	494.917,78	0,00	494.917,78	494.917,78	0,00	0,00
3. Eigene Aktien	43.508.691,27	9.532.994,57	0,00	53.041.685,84	0,00	53.041.685,84	43.508.691,27	0,00	0,00
4. Wertpapiere (Wertrechte) des Anlagevermögens	1.162.027,48	55.799,67	74.521,40	1.143.305,75	0,00	1.143.305,75	1.162.027,48	0,00	0,00
Summe II	301.772.581,20	12.587.805,74	74.521,40	314.285.865,54	10.817.883,77	303.467.981,77	276.330.418,32	10.817.883,77	25.442.162,88
GESAMT	305.167.305,41	12.587.805,74	74.521,40	317.680.589,75	11.821.619,69	305.858.970,06	278.783.820,01	10.817.883,77	25.379.749,48

B) AUFGLIEDERUNG DER ANTEILE AN VERBUNDENEN UNTERNEHMEN

	Anteil am Nennkapital (in %) 31. Dez. 2009	Eigenkapital (in TEUR) 31. Dez. 2008	Jahresüberschuss (in TEUR) 2008
Mayr-Melnhof Holdings N.V., Eerbeek	100,00	207.260,00	29.683,00
Mayr-Melnhof Karton Gesellschaft m.b.H., Frohnleiten	100,00	136.243,47	17.669,69
Mayr-Melnhof Packaging Austria GmbH, Wien	100,00	10.461,77	2.511,03
Neupack Gesellschaft m.b.H., Reichenau an der Rax	100,00	15.891,17	1.866,89
Mayr-Melnhof Cartonboard International GmbH, Wien	100,00	11.889,00	6.300,20
Mayr-Melnhof Packaging International GmbH, Wien	100,00	17.280,26	10.958,50
Ernst Schausberger & Co. Gesellschaft m.b.H., Gunskirchen	99,99	5.180,56	1.092,32
FS-Karton GmbH, Baiersbronn	60,40	130.475,24	9.167,37
MM Graphia Beteiligungs- und Verwaltungs GmbH, Baiersbronn	60,40	187.024,66	42.512,92
MM Polygrafoformlenie Ltd., Nikosia	50,05	29.082,75	583,16
Karton Deisswil AG, Stettlen	41,67	14.054,24	2.580,70
Syn-Group Unternehmensberatung GmbH, Wien	38,00	1.351,47	616,29

C) EIGENE ANTEILE

Mit Beschluss der 6. und aller folgenden bis inklusive der 14. ordentlichen Hauptversammlung der Mayr-Melnhof Karton Aktiengesellschaft wurde dem Vorstand der Mayr-Melnhof Karton Aktiengesellschaft die Ermächtigung zum Erwerb eigener Aktien nach § 65 Abs 1 Z 4 AktG erteilt.

Der Vorstand der Mayr-Melnhof Karton Aktiengesellschaft hat jeweils am 12. März 2001, am 19. November 2001, am 26. November 2002, am 2. Dezember 2003, am 18. November 2005, am 12. Dezember 2006, am 22. November 2007 und am 8. Mai 2008 beschlossen, von dieser Ermächtigung Gebrauch zu machen. Der Aufsichtsrat der Gesellschaft hat diesen Beschlüssen zugestimmt.

Gemäß § 254 Abs 4 UGB sind die eigenen Anteile nach ihrer Zweckbestimmung im Anlagevermögen gesondert ausgewiesen. Die eigenen Anteile sind zu Anschaffungskosten inklusive Anschaffungsnebenkosten bewertet, eine dementsprechende Rücklage für eigene Anteile wurde gebildet.

Im Berichtsjahr 2009 wurden insgesamt 154.892 Stück eigene Aktien für EUR 9.532.992,57 inklusive Spesen erworben.

Der Bestand an eigenen Anteilen zum 31. Dezember 2009 stellt sich wie folgt dar:

Rückgekaufte Stückanzahl	Anteil am Grundkapital %	Anteil am Grundkapital EUR	Gewichteter Erwerbspreis je Stk EUR	Gesamte Anschaffungs- kosten EUR
895.260	4,0694 %	3.581.072,00	59,25	53.041.685,84

D) FORDERUNGSSPIEGEL

(in EUR)	GESAMT- BETRAG	davon Restlaufzeit unter 1 Jahr
1. Forderungen gegenüber verbundenen Unternehmen	564.838,87	564.838,87
davon aus sonstigen Forderungen	255.449,63	255.449,63
davon aus Lieferungen und Leistungen	309.389,24	309.389,24
2. Sonstige Forderungen und Vermögensgegenstände	36.665.055,37	36.665.055,37
Forderungen insgesamt	37.229.894,24	37.229.894,24

E) EIGENKAPITAL

Grundkapital

Das Grundkapital in der Höhe von EUR 88.000.000 ist in 22.000.000 Stück nennbetragslose Stückaktien eingeteilt, von denen jede am Grundkapital in gleichem Umfang beteiligt ist.

Rücklage für eigene Anteile

Zum Bilanzstichtag werden von der Gesellschaft 895.260 Stück eigene Aktien gehalten, für die gemäß § 225 Abs 5 UGB eine Rücklage für eigene Anteile in Höhe von EUR 53.041.685,84 gebildet wurde.

F) UNVERSTEUERTE RÜCKLAGEN

(in EUR)	Stand 1. Jan. 2009	Auflösung	Zuweisung	Stand 31. Dez. 2009
Bewertungsreserve auf Grund von Sonderabschreibungen aus der Übertragung stiller Rücklagen gemäß § 12 ESTG 1988				
Anteile an verbundenen Unternehmen	391.007,46	391.007,46	0,00	0,00

G) RÜCKSTELLUNGEN

Rückstellungen werden nach dem Grundsatz der kaufmännischen Vorsicht in Höhe des voraussichtlichen Anfalls gebildet.

Pensions- und Abfertigungsverpflichtungen

Die Pensions- und Abfertigungsverpflichtungen werden zum 31. Dezember 2009 gemäß den internationalen Rechnungslegungsstandards IFRS/IAS analog den Vorschriften von IAS 19 bilanziert. Bei der Berechnung, die nach dem Anwartschaftsbarwertverfahren ("Projected Unit Credit Method") erfolgt, werden die zukünftigen Lohn- und Gehaltssteigerungen in Form einer langfristigen Prognose berücksichtigt. Der Zinssatz wird nach dem aktuellen langfristigen Zinssatz am Kapitalmarkt zum Bilanzstichtag bemessen.

(in %)	31. Dez. 2009		31. Dez. 2008	
	Pensionen	Abfertigungen	Pensionen	Abfertigungen
Abzinsungsfaktor	5,25 %	5,25 %	5,75 %	5,75 %
Langfristige Gehaltssteigerungsraten	2,50 %	2,50 %	2,50 %	2,50 %
Langfristige Rentensteigerungsraten	2,00 %	0,00 %	2,00 %	0,00 %

Versicherungsmathematische Gewinne bzw. Verluste, die sich aufgrund von Änderungen im Bestand der Versorgungsberechtigten und Abweichungen der tatsächlichen Entwicklung gegenüber den der Berechnung zugrunde gelegten Annahmen ergeben, werden nach der Korridormethode erfolgswirksam erfasst. Demnach werden die versicherungsmathematischen Gewinne bzw. Verluste erst dann über die erwartete Restdienstzeit der Arbeitnehmer amortisiert, wenn dieser Betrag 10 % der Verpflichtung in Form des Anwartschaftsbarwerts zum Bewertungsstichtag überschreitet. Der Berechnung wurde zudem das frühest mögliche Anfallsalter für die (vorzeitige) Alterspension gemäß Pensionsreform 2004 (Budgetbegleitgesetz 2003) unter Berücksichtigung der Übergangsregelungen zugrunde gelegt.

Die Pensionsrückstellungen wurden aufgrund des Saldierungsverbots nicht, wie eigentlich nach IAS 19 vorgesehen, mit den zu ihrer Deckung bestimmten Vermögenswerten saldiert.

Die Anwartschaftsbarwerte betreffend Abfertigungs- und Pensionsverpflichtungen sowie die Überleitung zum bilanzierten Rückstellungsbetrag stellen sich wie folgt dar:

(in EUR)	31. Dez. 2009	
	Abfertigungen	Pensionen
Anwartschaftsbarwert	534.053,0	1.852.727,0
Noch nicht berücksichtigte versicherungsmathematische Gewinne bzw. Verluste	107.275,0	(103.169,0)
Bilanzierte langfristige Rückstellung	641.328,00	1.749.558,00

Sonstige Rückstellungen

Sonstige Rückstellungen umfassen im Wesentlichen Rückstellungen für Beratung, leistungsabhängige Vergütungen und für die Aufsichtsratsstätigkeit.

H) VERBINDLICHKEITENSPIEGEL

(in EUR)	GESAMT- BETRAG	davon Restlaufzeit unter 1 Jahr	davon Restlaufzeit über 1 Jahr bis 5 Jahre
1. Verbindlichkeiten gegenüber Kreditinstituten	18.200.000,00	0,00	18.200.000,00
2. Verbindlichkeiten aus Lieferungen und Leistungen	198.848,93	198.848,93	0,00
3. Verbindlichkeiten gegenüber verbundenen Unternehmen	87.946.651,14	87.946.651,14	0,00
davon aus sonstigen Verbindlichkeiten	88.060.055,23	88.060.055,23	0,00
davon aus Leistungen	(113.404,09)	(113.404,09)	0,00
4. Sonstige Verbindlichkeiten	9.200,80	9.200,80	0,00
a) Steuern	3.134,82	3.134,82	0,00
b) Soziale Sicherheit	5.432,29	5.432,29	0,00
c) Übrige	633,69	633,69	0,00
Verbindlichkeiten insgesamt	106.354.700,87	88.154.700,87	18.200.000,00

2. GEWINN- UND VERLUSTRECHNUNG

A) ERTRÄGE AUS DEM ABGANG VON UND DER ZUSCHREIBUNG ZU FINANZANLAGEN UND WERTPAPIEREN DES UMLAUFVERMÖGENS

Der Verwaltungsgerichtshof hat sich mit Erkenntnis vom 22.04.2009 in Abweichung zur bisherigen Praxis für die verpflichtende Zuschreibung einer zuvor auf eine Beteiligung vorgenommenen außerplanmäßigen Teilwertabschreibung ausgesprochen, ohne wie bisher die seinerzeitigen Gründe für die Teilwertabschreibung zu berücksichtigen, sofern insgesamt eine entsprechende Wertsteigerung eingetreten ist.

Dieser geänderten Auffassung folgend, war die auf die Anschaffungskosten der Beteiligung an der Mayr-Melnhof Holdings N.V. in Vorjahren vorgenommene Teilwertabschreibung in Höhe von 25.442.162,88 neu zu beurteilen und eine Zuschreibung in selber Höhe vorzunehmen.

B) SONSTIGE BETRIEBLICHE ERTRÄGE

Diese stammen zum wesentlichen Teil aus Erlösen für Dienstleistungen an verbundene Unternehmen sowie Auflösung von Rückstellungen.

C) PERSONALAUFWAND

Der Gesamtbetrag der Aufwendungen für Abfertigungen und Altersversorgung für den Vorstand gliedert sich wie folgt:

(in EUR)	2009	2008
Zuführung zur Abfertigungsrückstellung	49.198,00	50.457,00

D) SONSTIGE BETRIEBLICHE AUFWENDUNGEN

Zu den Aufwendungen, die im Geschäftsjahr auf die Tätigkeit des Abschlussprüfers entfallen, wird auf die Angaben im Konzernabschluss zum 31. Dezember 2009 der Mayr-Melnhof Karton AG verwiesen.

E) STEUERN VOM EINKOMMEN

Im Dezember 2005 hat die Gesellschaft als Gruppenträger einen Antrag auf Feststellung einer Unternehmensgruppe gemäß § 9 Abs 8 KStG 1988 mit nachfolgend angeführten verbundenen Unternehmen als Gruppenmitglieder zum Zwecke der Gruppenbesteuerung ab dem Veranlagungsjahr 2005 eingebracht. Es wurde ein Steuerumlagevertrag abgeschlossen, der die Belastungsmethode vorsieht.

Die aktuellen Gruppenmitglieder sind:

Mayr-Melnhof Karton Gesellschaft m.b.H., Frohnleiten
 Mayr-Melnhof Cartonboard International GmbH
 Mayr-Melnhof Packaging International GmbH, Wien
 Ernst Schausberger & Co. GmbH, Gunskirchen
 Neupack GmbH, Reichenau an der Rax
 Mayr-Melnhof Packaging Austria GmbH, Wien

Ehemalige Gruppenmitglieder sind:

MM-Karton Export GmbH, Wien (Verschmelzung auf die Mayr-Melnhof Cartonboard International GmbH mit 27. Juli 2008)
 Joh. Spiehs & Co GmbH
 „Papyrus“ Altpapierservice Handelsgesellschaft m.b.H. (Wien)
 „Papyrus“ Altpapierservice Handelsgesellschaft m.b.H. (Villach)
 PAREK Papierverwertungs Gesellschaft m.b.H.
 Mayr-Melnhof Nikopol A.D.

Aufgrund des Umlagevertrages zwischen den inländischen Gesellschaften wurden EUR 7.468.295,57 (Vorjahr EUR 15.243.058,14) an die Gruppenmitglieder weiterverrechnet.

Die Steuern vom Einkommen in Höhe von EUR 279.340,00 belasten das Ergebnis der gewöhnlichen Geschäftstätigkeit mit EUR 181.588,14. Die Auswirkung der Veränderung der un versteuerten Rücklagen beträgt EUR 97.751,87.

Die aktivierbaren latenten Ertragsteuern, die in Ausübung des Wahlrechtes gemäß § 198 Abs 10 UGB in der Bilanz nicht angesetzt sind, betragen zum 31. Dezember 2009 EUR 157.843,25 (Vorjahr EUR 149.063,25).

IV. Sonstige Angaben

A) ANGABEN ÜBER ORGANE UND MITGLIEDER

Die Gesellschaft beschäftigt keine Arbeitnehmer.

Die Organbezüge können wie folgt aufgegliedert werden:

(in EUR)	2009	2008
Bezüge des Vorstandes		
a) von der Gesellschaft	2.221.427,18	2.367.887,59
b) von verbundenen Unternehmen	1.498.986,94	1.368.732,51
Gesamt	3.720.414,12	3.736.620,10
Davon		
Fixe Bezüge	1.498.986,90	1.368.732,51
Variable Bezüge	2.221.427,20	2.367.887,59
Gesamt	3.720.414,10	3.736.620,10
(in EUR)	2009	2008
Bezüge des Aufsichtsrates		
a) von der Gesellschaft	195.000,00	150.000,00
b) von verbundenen Unternehmen	7.450,33	17.060,39
Gesamt	202.450,33	167.060,39

Hinsichtlich der Bezüge an ehemalige Organmitglieder wird von der Schutzklausel des § 241 Abs 4 UGB Gebrauch gemacht.

Die Organe der Gesellschaft setzten sich im abgelaufenen Geschäftsjahr wie folgt zusammen:

Vorstand

Dr. Wilhelm HÖRMANSEDER, Purkersdorf (Vorsitzender)
Dr. Andreas BLASCHKE, Perchtoldsdorf (Mitglied des Vorstandes)
Ing. Franz RAPPOLD, Laab im Walde (Mitglied des Vorstandes)
Dr. Oliver SCHUMY, Wien (Mitglied des Vorstandes)

Aufsichtsrat

Dkfm. Michael GRÖLLER, Wien (Vorsitzender)
o. Univ.-Prof. Dr. Romuald BERTEL, Graz (Stellvertretender Vorsitzender)
Mag. Johannes GOESS-SAURAU, Neumarkt/Raab (Stellvertretender Vorsitzender)
Dipl.-Ing. Friedrich MAYR-MELNHOF, Grödig (Stellvertretender Vorsitzender bis 29. April 2009)
Dr. Gerhard GLINZERER, Wien
Dr. Guido HELD, Graz
Dr. Alexander LEEB, Frohnleiten
MMMg. Georg MAYR-MELNHOF, Wals/Viehhausen
Dipl.-Ing. Dr. Michael SCHWARZKOPF, Reutte (seit 29. April 2009)
Hubert ESSER, Neuss (Delegierter des Europäischen Betriebsrates von MM Karton)
Manfred GRUNDAUER, Frohnleiten (Delegierter des Europäischen Betriebsrates von MM Karton
bis 14. Juli 2009)
Andreas HEMMER, Frohnleiten (Delegierter des Europäischen Betriebsrates von MM Karton
seit 20. Oktober 2009)
Gerhard NOVOTNY, Wien (Delegierter der Divisionsvertretung von MM Packaging)

B) GEWINNVERWENDUNG

Der Vorstand schlägt vor, aus dem Bilanzgewinn für das Geschäftsjahr 2009 eine Dividende von EUR 1,70 je Aktie auszuschütten.

Wien, am 26. Februar 2010

Der Vorstand
Dr. Wilhelm HÖRMANSEDER e.h.

Dr. Andreas BLASCHKE e.h. Ing. Franz RAPPOLD e.h. Dr. Oliver SCHUMY e.h.

Bestätigungsvermerk

Bericht zum Jahresabschluss

Wir haben den beigefügten Jahresabschluss der

Mayr-Melnhof Karton Aktiengesellschaft,
Wien,

für das Geschäftsjahr vom 1. Januar 2009 bis zum 31. Dezember 2009 unter Einbeziehung der Buchführung geprüft. Dieser Jahresabschluss umfasst die Bilanz zum 31. Dezember 2009, die Gewinn- und Verlustrechnung für das am 31. Dezember 2009 endende Geschäftsjahr sowie eine Zusammenfassung der wesentlichen angewandten Bilanzierungs- und Bewertungsmethoden und sonstige Anhangsangaben.

Verantwortung der gesetzlichen Vertreter für den Jahresabschluss und für die Buchführung

Die gesetzlichen Vertreter der Gesellschaft sind für die Buchführung sowie für die Aufstellung und den Inhalt eines Jahresabschlusses verantwortlich, der ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften vermittelt. Diese Verantwortung beinhaltet die Gestaltung, Umsetzung und Aufrechterhaltung eines internen Kontrollsystems, soweit dieses für die Aufstellung des Jahresabschlusses und die Vermittlung eines möglichst getreuen Bildes der Vermögens-, Finanz- und Ertragslage der Gesellschaft von Bedeutung ist, damit dieser frei von wesentlichen Fehldarstellungen ist, sei es auf Grund von beabsichtigten oder unbeabsichtigten Fehlern; die Auswahl und Anwendung geeigneter Bilanzierungs- und Bewertungsmethoden sowie die Vornahme von Einschätzungen, die unter Berücksichtigung der gegebenen Rahmenbedingungen angemessen erscheinen.

Verantwortung des Abschlussprüfers und Beschreibung von Art und Umfang der gesetzlichen Abschlussprüfung

Unsere Verantwortung besteht in der Abgabe eines Prüfungsurteils zu diesem Jahresabschluss auf der Grundlage unserer Prüfung. Wir haben unsere Prüfung unter Beachtung der in Österreich geltenden gesetzlichen Vorschriften und Grundsätze ordnungsgemäßer Abschlussprüfung durchgeführt. Diese Grundsätze erfordern, dass wir die Standesregeln einhalten und die Prüfung so planen und durchführen, dass wir uns mit hinreichender Sicherheit ein Urteil darüber bilden können, ob der Jahresabschluss frei von wesentlichen Fehldarstellungen ist.

Eine Prüfung beinhaltet die Durchführung von Prüfungshandlungen zur Erlangung von Prüfungsnachweisen hinsichtlich der Beträge und sonstigen Angaben im Jahresabschluss. Die Auswahl der Prüfungshandlungen liegt im pflichtgemäßen Ermessen des Abschlussprüfers unter Berücksichtigung seiner Einschätzung des Risikos eines Auftretens wesentlicher Fehldarstellungen, sei es auf Grund von beabsichtigten oder unbeabsichtigten Fehlern. Bei der Vornahme dieser Risikoeinschätzung berücksichtigt der Abschlussprüfer das interne Kontrollsystem, soweit es für die Aufstellung des Jahresab-

schlusses und die Vermittlung eines möglichst getreuen Bildes der Vermögens-, Finanz- und Ertragslage der Gesellschaft von Bedeutung ist, um unter Berücksichtigung der Rahmenbedingungen geeignete Prüfungshandlungen festzulegen, nicht jedoch um ein Prüfungsurteil über die Wirksamkeit der internen Kontrollen der Gesellschaft abzugeben. Die Prüfung umfasst ferner die Beurteilung der Angemessenheit der angewandten Bilanzierungs- und Bewertungsmethoden und der von den gesetzlichen Vertretern vorgenommenen wesentlichen Einschätzungen sowie eine Würdigung der Gesamtaussage des Jahresabschlusses.

Wir sind der Auffassung, dass wir ausreichende und geeignete Prüfungsnachweise erlangt haben, sodass unsere Prüfung eine hinreichend sichere Grundlage für unser Prüfungsurteil darstellt.

Prüfungsurteil

Unsere Prüfung hat zu keinen Einwendungen geführt. Auf Grund der bei der Prüfung gewonnenen Erkenntnisse entspricht der Jahresabschluss der Mayr-Melnhof Karton Aktiengesellschaft nach unserer Beurteilung den gesetzlichen Vorschriften sowie den ergänzenden Bestimmungen in der Satzung und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage der Gesellschaft zum 31. Dezember 2009 sowie der Ertragslage der Gesellschaft für das Geschäftsjahr vom 1. Januar 2009 bis zum 31. Dezember 2009 in Übereinstimmung mit den österreichischen Grundsätzen ordnungsmäßiger Buchführung.

Aussagen zum Lagebericht

Der Lagebericht ist auf Grund der gesetzlichen Vorschriften darauf zu prüfen, ob er mit dem Jahresabschluss in Einklang steht und ob die sonstigen Angaben im Lagebericht nicht eine unzutreffende Vorstellung von der Lage der Gesellschaft erwecken. Der Bestätigungsvermerk hat auch eine Aussage darüber zu enthalten, ob der Lagebericht mit dem Jahresabschluss in Einklang steht und ob die Angaben nach § 243a UGB zutreffen.

Der Lagebericht steht nach unserer Beurteilung in Einklang mit dem Jahresabschluss. Die Angaben gemäß § 243a UGB sind zutreffend.

Wien, am 26. Februar 2010

unitreu

Wirtschaftsprüfungs- und Steuerberatungs GmbH

MMag. Christoph ZIMMEL
Wirtschaftsprüfer

Mag. Werner LEITER
Wirtschaftsprüfer

Corporate Governance Report

The strategy of the Mayr-Melnhof Group is focused on long-term profitable business activities in the core competence areas cartonboard and folding carton production. Here, the consistent compliance with the principles of diligent Corporate Governance has been the basis of our goal for a long time, with high transparency and protection of the interests of our stakeholders, thus generating management and control of the Company for long-term value added. In this context, we make the equal treatment of all our shareholders a top priority. In 2002, the Austrian Corporate Governance Code (ÖCGK) came into effect. Ever since the Code became effective, Mayr-Melnhof Karton AG has voluntarily committed itself to compliance with the Code, with the goal of always fulfilling up-to-date international standards of responsible corporate governance.

The Code is based on the provisions of Austrian stock corporation, stock exchange and capital market laws, EU recommendations on the tasks of Supervisory Board members and on the compensation of the directors as well as the guidelines contained in the OECD Principles of Corporate Governance. The Code is regularly checked against national and international developments and adjusted accordingly. The most recent version of the Code can be found online at www.corporate-governance.at.

Adherence to Corporate Governance in the business year 2009 was evaluated on the basis of the most recent version of the Code of January 2010 as amended. Just as has been the case so far, Mayr Melnhof Karton AG continues to comply with all legal provisions without any restrictions. Additional recommendations or suggestions contained in the Code, which do not require any explanation in case of deviations, have been implemented almost entirely.

The Company deviates from the following C Rules (“comply or explain”) of the Code and explains as follows:

- Rule 27 Non-financial criteria are not taken into account for the variable compensation of the members of the Management Board.
Explanation: Contents of current contracts with the members of the Management Board.
- Rule 27a In case of an early termination of a member of the Management Board without good cause, such member shall be compensated for no more than the remaining term of contract. The economic situation of the company shall not be taken into account.
Explanation: Contents of current contracts with the members of the Management Board.
- Rule 30 The upper limits currently applicable to variable compensation shall not be stated.
Explanation: We do not believe this information is material or relevant for any decisions.
- Rule 31 Disclosure of the compensation of each individual member of the Management Board
Explanation: We do not believe this information is material or relevant for any decisions.
- Rule 51 Disclosure of the compensation of each individual member of the Supervisory Board
Explanation: We do not believe this information is material or relevant for any decisions.

BOARD MEMBERS

THE MANAGEMENT BOARD

Wilhelm HÖRMANSEDER

Chairman

Member of the Management Board

since March 9, 1994

appointed until December 31, 2014

born 1954

Andreas BLASCHKE

Member of the Management Board

since May 14, 2002

appointed until May 14, 2010

born 1961

Franz RAPPOLD

Member of the Management Board

since May 14, 2002

appointed until May 14, 2010

born 1952

Oliver SCHUMY

Member of the Management Board

since June 1, 2008

appointed until May 14, 2010

born 1971

The members of the Management Board do not hold any mandates in Group-external supervisory boards.

THE SUPERVISORY BOARD

Michael GRÖLLER

Chairman since June 8, 2002

born 1941

Romuald BERTL

Deputy Chairman since March 2, 1994

born 1953

Johannes GOESS-SAURAU

Deputy Chairman since May 7, 2008

Member of the Board since May 18, 2005

born 1955

Friedrich MAYR-MELNHOF

Deputy Chairman from March 2, 1994

until April 29, 2009

born 1924

Gerhard GLINZERER

Member of the Board since June 17, 1997

born 1954

Guido HELD

Member of the Board since May 7, 2008

born 1944

Alexander LEEB

Member of the Board since May 7, 2008

born 1959

Georg MAYR-MELNHOF

Member of the Board since May 7, 2008

born 1968

Michael SCHWARZKOPF

Member of the Board since April 29, 2009

born 1961

Hubert ESSER

Member of the Board since May 10, 1995

born 1959

Delegate of the European Staff Council of
MM Karton

Manfred GRUNDAUER

Member of the Board from June 17, 1997

until July 14, 2009

born 1948

Delegate of the European Staff Council of
MM Karton

Andreas HEMMER

Member of the Board since October 20, 2009

born 1968

Delegate of the European Staff Council of
MM Karton

Gerhard NOVOTNY

Member of the Board since May 10, 1995

born 1963

Divisional representative of MM Packaging

The current mandate of all members of the Supervisory Board elected by the shareholders will expire with the 16th Ordinary Shareholders' Meeting in 2010 on the financial year 2009.

All mandates of the Supervisory Board members delegated by the employee representation bodies are for an indefinite period of time.

Members in the committees of the Supervisory Board

Committee for Management Board Issues

Michael GRÖLLER, Chairman
 Romuald BERTL
 Johannes GOESS-SAURAU
 Friedrich MAYR-MELNHOF until April 29, 2009

Audit Committee

Romuald BERTL, Chairman
 Johannes GOESS-SAURAU
 Michael GRÖLLER
 Manfred GRUNDAUER until July 14, 2009
 Gerhard NOVOTNY since December 17, 2009

Members of the Supervisory Board with additional supervisory board mandates within publicly listed companies

Michael GRÖLLER
 Chairman of the Supervisory Board, RHI AG, Vienna, Austria

Gerhard GLINZERER
 Member of the Supervisory Board, S.C. Armatura S.A., Cluj-Napoca, Romania

Michael SCHWARZKOPF
 Member of the Supervisory Board, voestalpine AG, Linz, Austria

Independence of the members of the Supervisory Board

The guidelines of the Austrian Corporate Governance Code formed the basis for the determination of the independence criteria for the members of the Supervisory Board. The criteria are published on the Company's website at <http://www.mayr-melnhof.com/en/about-mm/governance/independence-supervisory-board.html>.

All members of the Supervisory Board declared their independence in accordance with these criteria. Consequently this also applies to any committees of the Supervisory Board.

Contracts between members of the Supervisory Board and the Company subject to approval

There are no such contracts.

Share owners or representation of interests of a share > 10 % in Mayr-Melnhof Karton AG

No member of the Supervisory Board holds a share in Mayr-Melnhof Karton AG exceeding 10 % or represents a legal entity with a shareholding beyond 10 %.

INFORMATION ON THE PROCEDURES OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

Allocation of rights and duties within the Management Board

Wilhelm HÖRMANSEDER	CEO
Oliver SCHUMY	CFO
Andreas BLASCHKE	Sales, Marketing MM Packaging
Franz RAPPOLD	Sales, Marketing MM Karton

Type and decision-making power of the committees of the Supervisory Board

Committee for Management Board Issues

This committee decides on issues concerning the Management Board in accordance with statutory provisions and also fulfills the appointment and compensation committees' functions. The quality of the committee's work is guaranteed by its long time experience and know-how in compensation policy.

Audit Committee

The decision-making power derives from statutory provisions. The quality of the committee's work is guaranteed by its long time experience and know-how in finance and accounting as well as reporting.

Focuses of the Supervisory Board

The Supervisory Board held six meetings in the fiscal year 2009, with the participation of the Management Board, and fulfilled its tasks and obligations in accordance with the law and the articles of association. In addition to the discussion on the current business development, the Supervisory Board above all addressed the implementation of the strategy within the individual segments, acquisition projects, planned investments and financing activities. The efficiency of the activities of the Supervisory Board was ensured by its organization and regular exchange of information.

Focuses of the committees of the Supervisory Board

The Committee for Management Board issues met four times in 2009. Matters concerning the Management Board were addressed and Supervisory Board meetings were prepared. The committee was responsible for the implementation of the regulations applicable to the compensation of the members of the Management Board as well as for the review of the underlying compensation policy.

In 2009, the Audit Committee held two meetings and fulfilled its statutory duties.

Advancement of women as members of the Management Board or Supervisory Board and in leading positions

All positions in the Management Board, the Supervisory Board as well as all leading positions are exclusively staffed in accordance with professional and personal qualifications.

COMPENSATION OF THE MANAGEMENT BOARD

The compensation of the members of the Management Board depends on the responsibility, personal performance and on the tasks covered by each member of the Management Board as well as on the achievement of the Company's objectives and the economic situation of the Company. Such compensation is comprised of fixed and variable components. The variable compensation depends above all on sustainable, long-term and multi-year performance criteria without giving reasons for taking unreasonable risks. Non-financial criteria are not being taken into account at this time.

The variable component of the compensation of the members of the Management Board, which is proportionally high in comparison to the fixed compensation, is subject to an upper limit and is based on the annual result, cash earnings and the return on capital employed. The variable compensation of the members of the Management Board is paid on the basis of the data audited by the auditor in the year following the year of their economic reference base.

In the business year 2009, the total amount of compensation of the members of the Management Board was thous. EUR 3,720.4, thous. EUR 1,499.0 thereof were allocable to fixed compensation, thous. EUR 2,221.4 to variable compensation.

The members of the Management Board participate in the company pension scheme and are entitled to receive a portion of the fixed pension amount upon retirement depending on the qualifying period.

In case the function is terminated, statutory rights on the basis of the employment contract shall apply. Severance payments in case of early termination shall not exceed the compensation of the member of the Management Board for the remaining term of the member's contract and take into account the circumstances of such termination of the respective member of the Management Board.

The Company took out a D&O (Directors-and-Officers) insurance.

COMPENSATION OF THE SUPERVISORY BOARD

The compensation of the Supervisory Board for the current business year will be determined by the Shareholders' Meeting in the following year and is paid subsequently. The allocation of the total compensation among the members shall be the Supervisory Board's responsibility. The members of the Supervisory Board were not granted any additional compensation.

Information on corporate governance is regularly published on the Group's website at <http://www.mayr-melnhof.com/en/about-mm/governance/report.html>

Vienna, February 26, 2010

The Management Board

Wilhelm Hörmanseder m.p.

Andreas Blaschke m.p.

Franz Rappold m.p.

Oliver Schumy m.p.

Statement of the Management Board

according to section 82 (4) of the Austrian Stock Exchange Act

We confirm to the best of our knowledge that the consolidated 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 the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

We confirm to the best of our knowledge that the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Vienna, February 26, 2010

The Management Board

Wilhelm Hörmanseder m.p.
Chairman of the Management Board

Andreas Blaschke m.p.
Member of the
Management Board

Franz Rappold m.p.
Member of the
Management Board

Oliver Schumy m.p.
Member of the
Management Board