

| Gruppe

| Kennzahlen

| Karton

| Packaging



MAYR-MELNHOF KARTON AG

1st HALF-YEAR 2002

August 28, 2002

Market Position in Europe



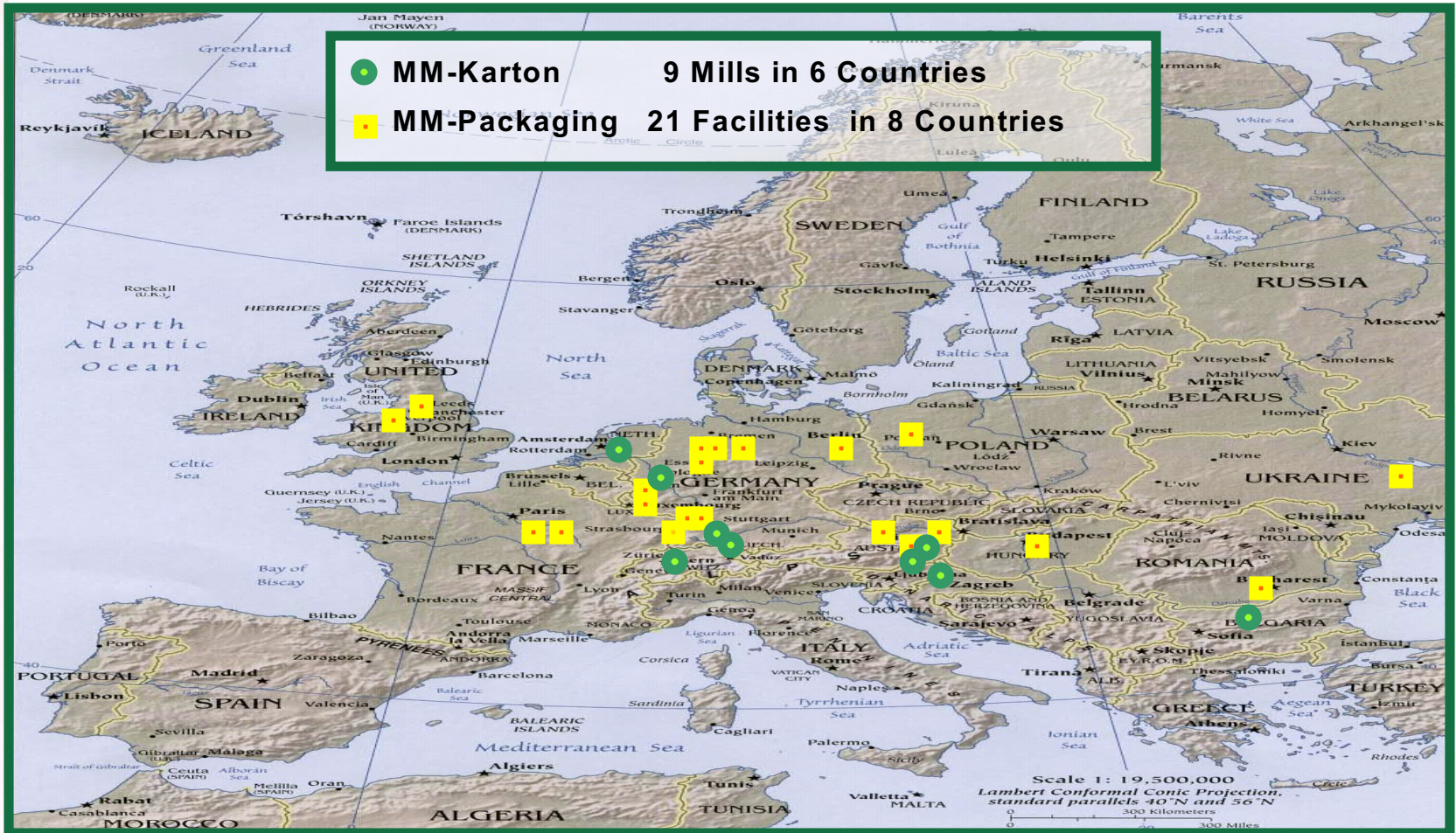
⇒ **# 1 in recycled cartonboard**

⇒ **Largest producer of folding cartons**

A collage of various consumer products packaged in folding cartons, including Asseco Cup Cornets, Kellogg's cereal, Aspirin, Butoni pizza, Dr. Oetker's Uhrteig, Chipsletten, and Teefix.



Mayr-Melnhof Group





Strategy and Corporate Conception

- **Concentration on core business**

(Cartonboard, Packaging)

- **Market AND cost leadership**

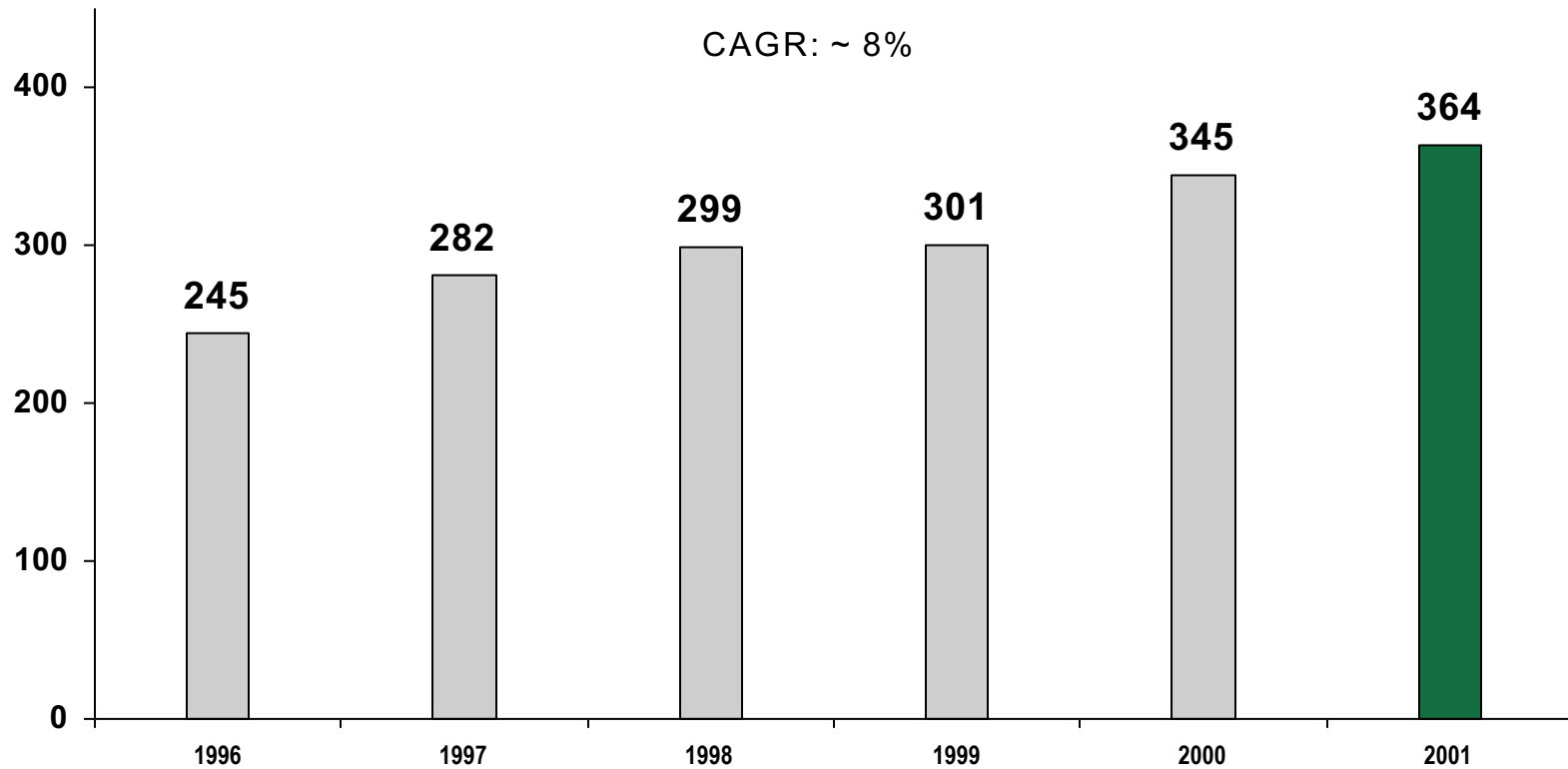
- **Long-term profit orientation**

- Continuous increase of earnings and dividend per share

- Increasing net value-added

Development: Net value-added

in EUR millions



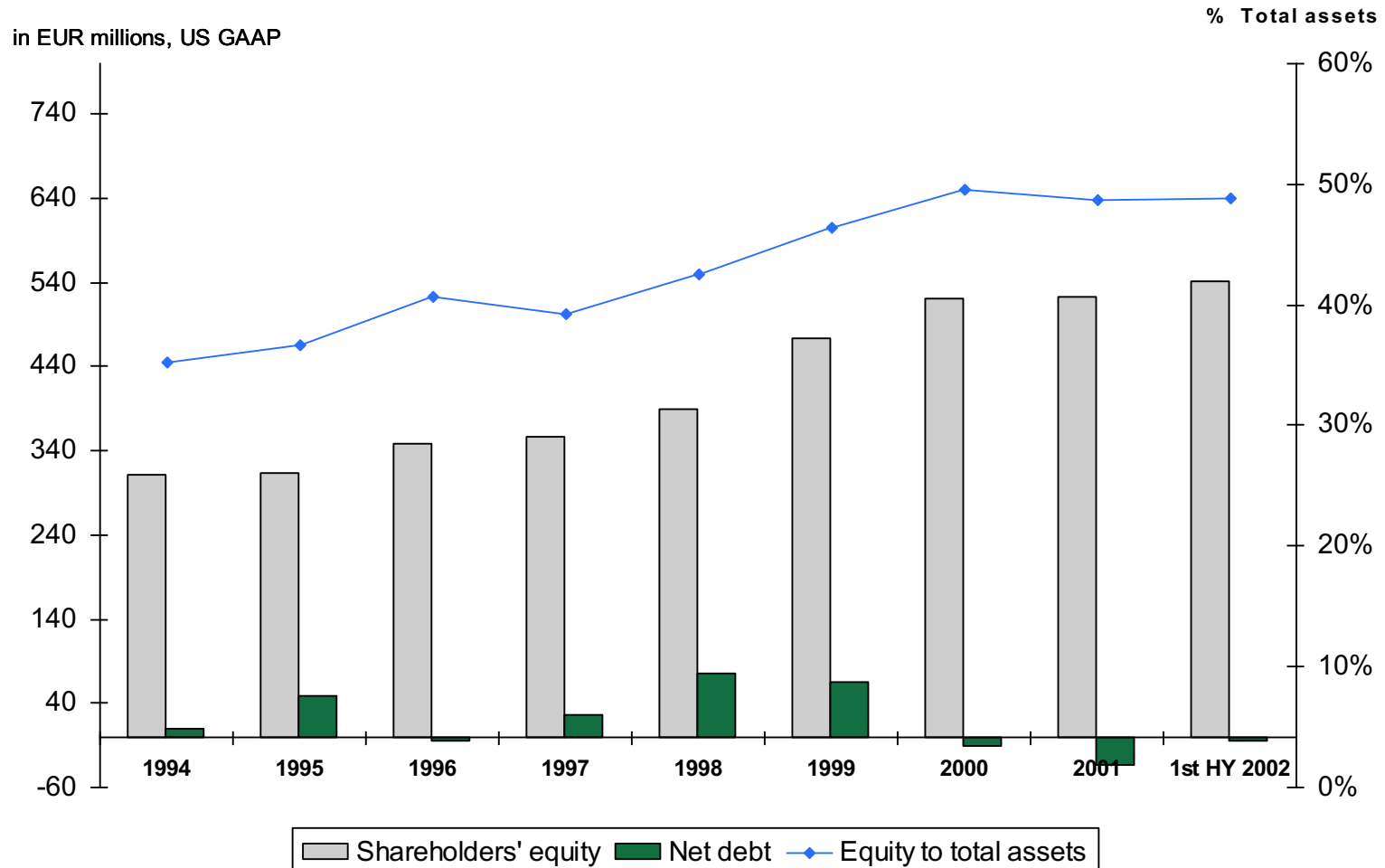


Strategy and Corporate Conception

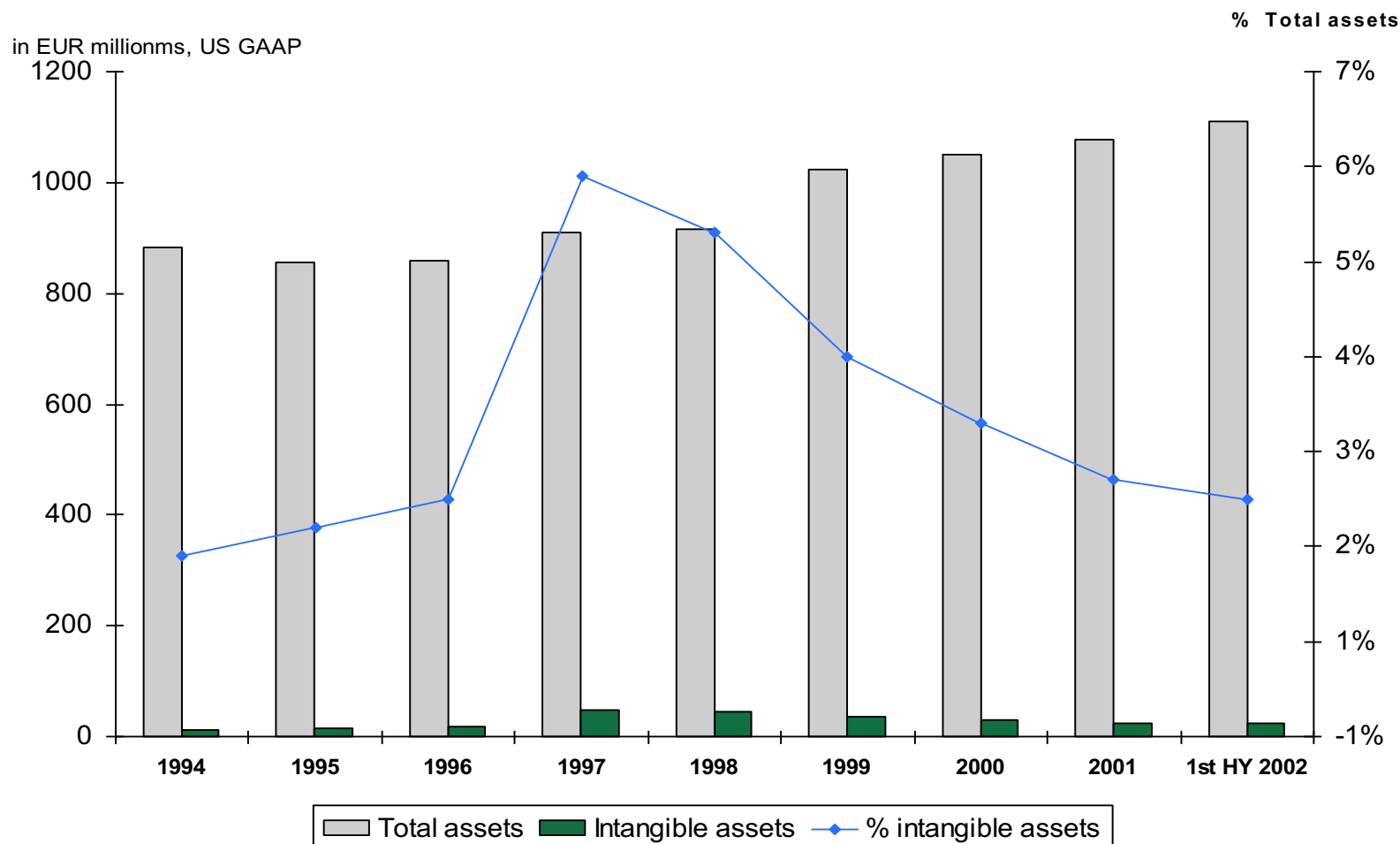
- **Concentration on core business**
(Cartonboard, Packaging)
- **Market AND cost leadership**
- **Long-term profit orientation**
 - *Continuous increase of earnings and dividend per share*
 - *Increasing net value-added*
- **Transparent accounting - solid balance sheet**
 - *No „off-balance sheet“ liabilities*
 - *High equity ratio - currently no net debt*
 - *Low share of intangible assets*



High equity ratio - currently no net debt

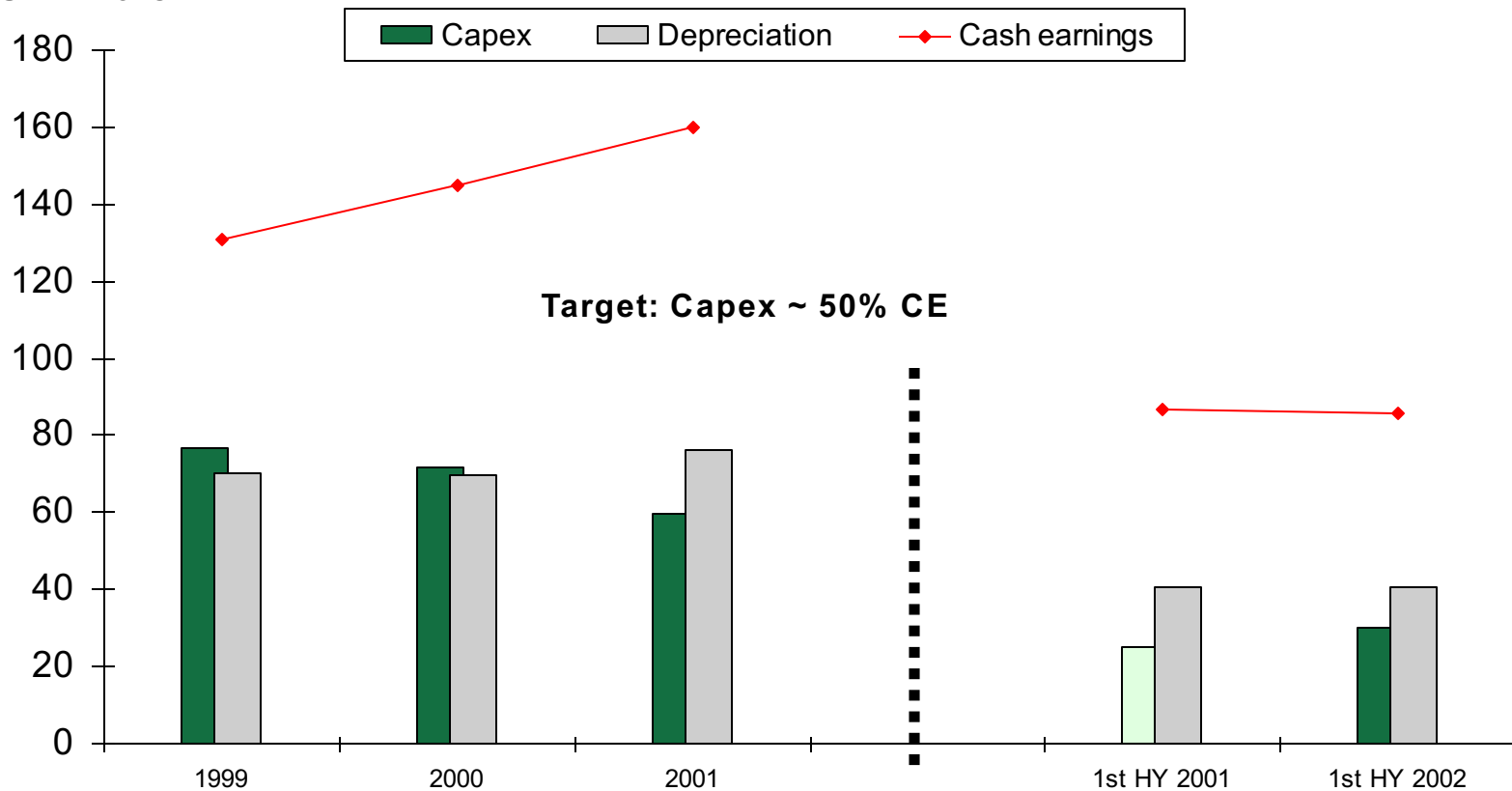


Low share of intangible assets - Low amortization risk



Capex - Depreciation

In EUR millions





Strategy and Corporate Conception

- **Best Practice in Corporate Governance**

- *Transparent Company management and disclosure*
- *Independent supervisory board (family shareholders not in management)*
- *Independent auditors*
(auditors no business consultants, max. 1/3 of advisory expenses for a single auditing company)
- *Performance based compensation of management*

- **Expansion will be continued**

- **Decentralized** - lean organization - profit centers

→ ***Management has for long pursued the principles of the „honorable businessman“***



Strategy and Corporate Conception

→ Increase of the Company's value

„A company's share price is justified on 10 to 20 years of value creating cash flow. Those who want to create value cannot only plan short-time. “

(Alfred Rappaport)

New Management Board (since May 14, 2002)



Herbert Noichl (36), CFO

Andreas Blaschke (41), COO Consumer Packaging

Franz Rappold (49), Member of the Board

Wilhelm Hörmanseder (48), CEO



Overview 1st Half-year 2002

- **Very successful development of business**
 - High capacity utilization in both Divisions
 - Sharp increase of waste paper prices necessitated price increase for cartonboard and cartons
 - As expected, half-year net income slightly below the previous year's record level
 - Expansion continued

Acquisition of the Graphia Folding Carton Group and the Nikopol Board Mill

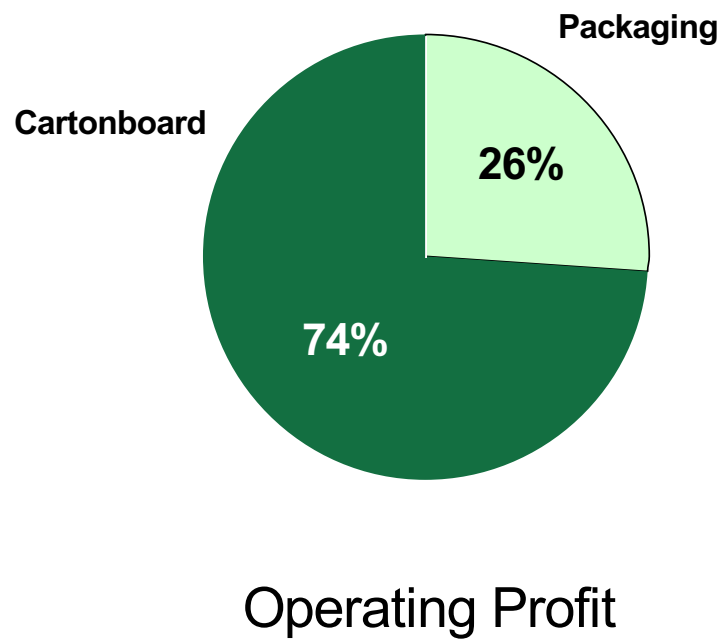
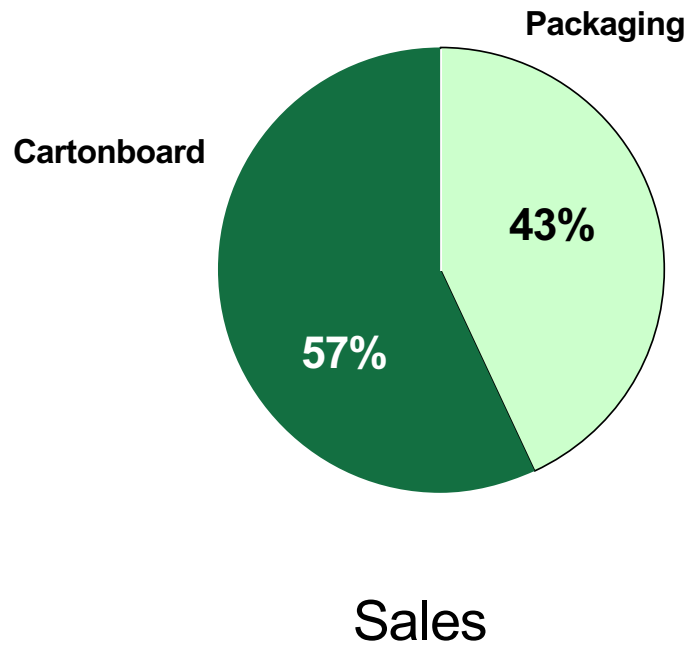


Consolidated Results 1st Half-year

In EUR millions, US GAAP	1-6/2002	1-6/2001	+/-
Sales	600.0	558.9	+7.4%
Operating profit	67.8	70.6	-4.0%
Operating margin	11.3%	12.6%	
Income before income taxes and minority interests	68.1	74.7	-8.8%
Net income	43.5	48.5	-10.3%
in % of sales	7.3%	8.7%	
Basic and diluted EPS (in EUR)	3.94	4.06	
Cash earnings	85.8	86.5	-0.8%
in % of sales	14.3%	15.5%	



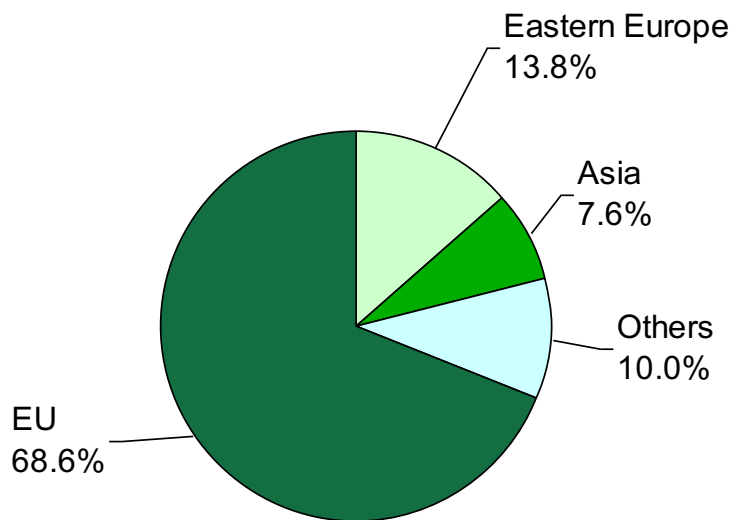
Sales & Operating Profit by Division



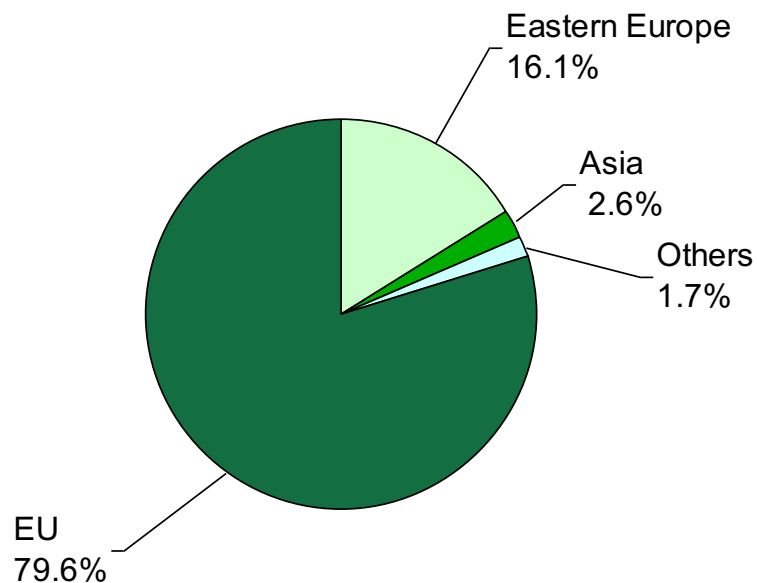
(1st HY 2002)



Divisional Sales by Region



CARTONBOARD



PACKAGING

(1st HY 2002)

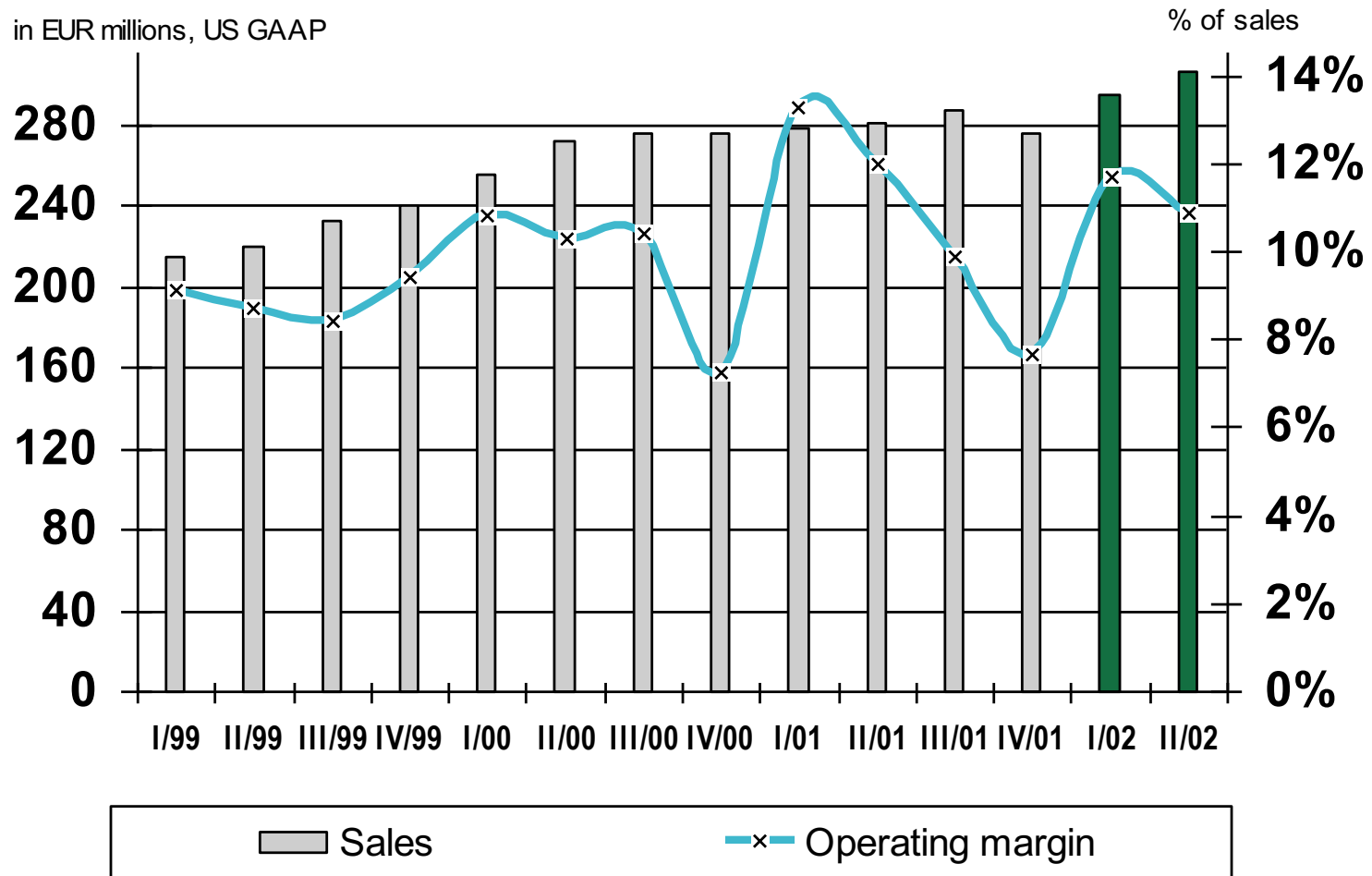


MM GROUP: Quarters 2001/2002

(consolidated in EUR millions)	I/2001	II/2001	III/2001	IV/2001	I/2002	II/2002
Sales	277.8	281.1	287.6	276.4	294.4	305.6
Operating profit	36.9	33.7	28.4	21.2	34.5	33.3
Operating margin	13.3%	12.0%	9.9%	7.7%	11.7%	10.9%
Net interest expense	(0.6)	(0.5)	(0.5)	0.1	(0.3)	(0.2)
Income before income taxes and minority interests	37.0	37.7	27.5	21.1	34.2	33.9
Income taxes	(13.0)	(12.6)	(9.3)	(9.3)	(12.2)	(12.2)
Net income	23.6	24.9	18.0	11.4	21.9	21.6
in % of sales	8.5%	8.9%	6.3%	4.1%	7.4%	7.1%
Basic and diluted earnings per share (in EUR)	1.97	2.09	1.55	1.05	1.98	1.96



MM GROUP: Quarters



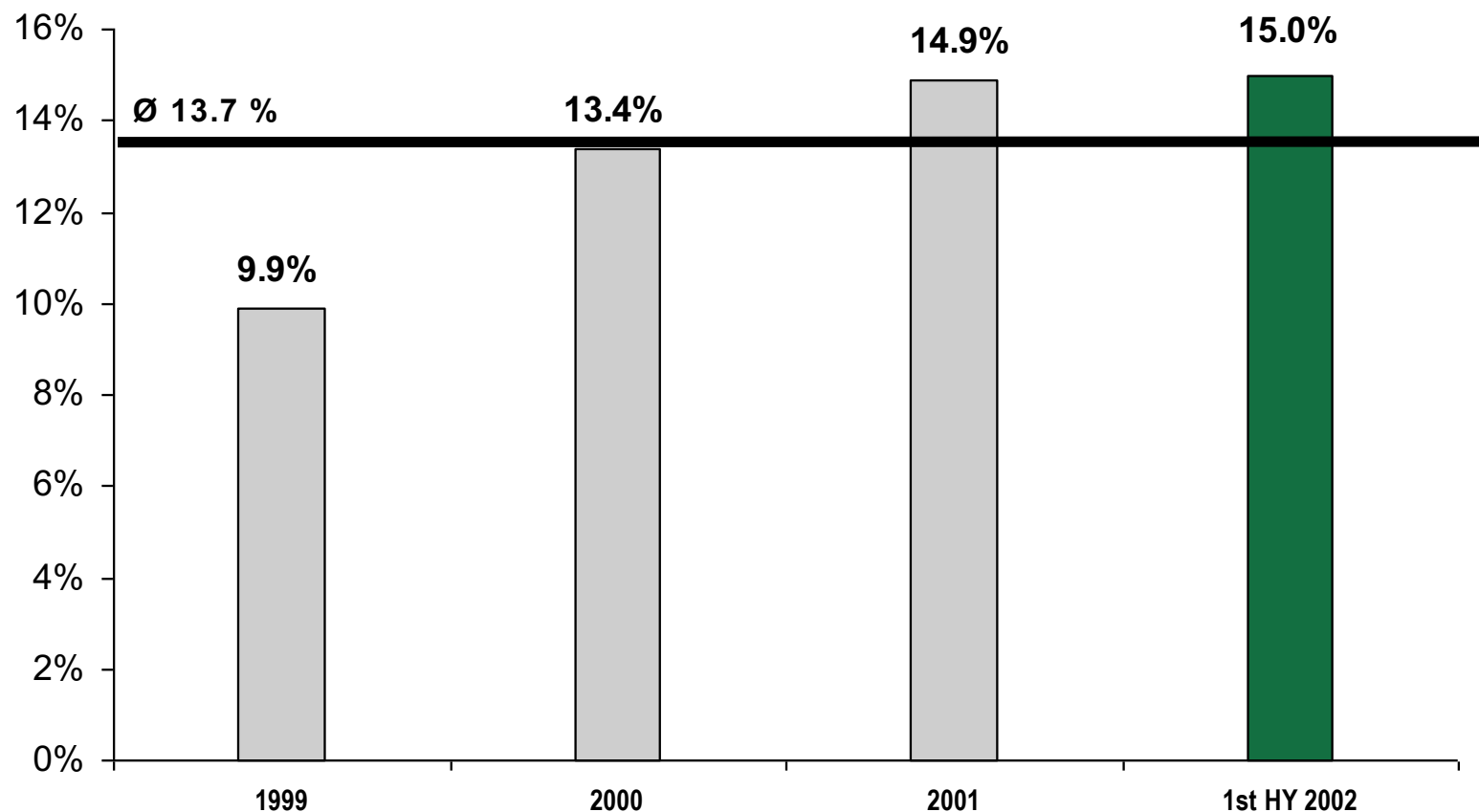


Group Balance Sheets

consolidated in EUR millions, US GAAP

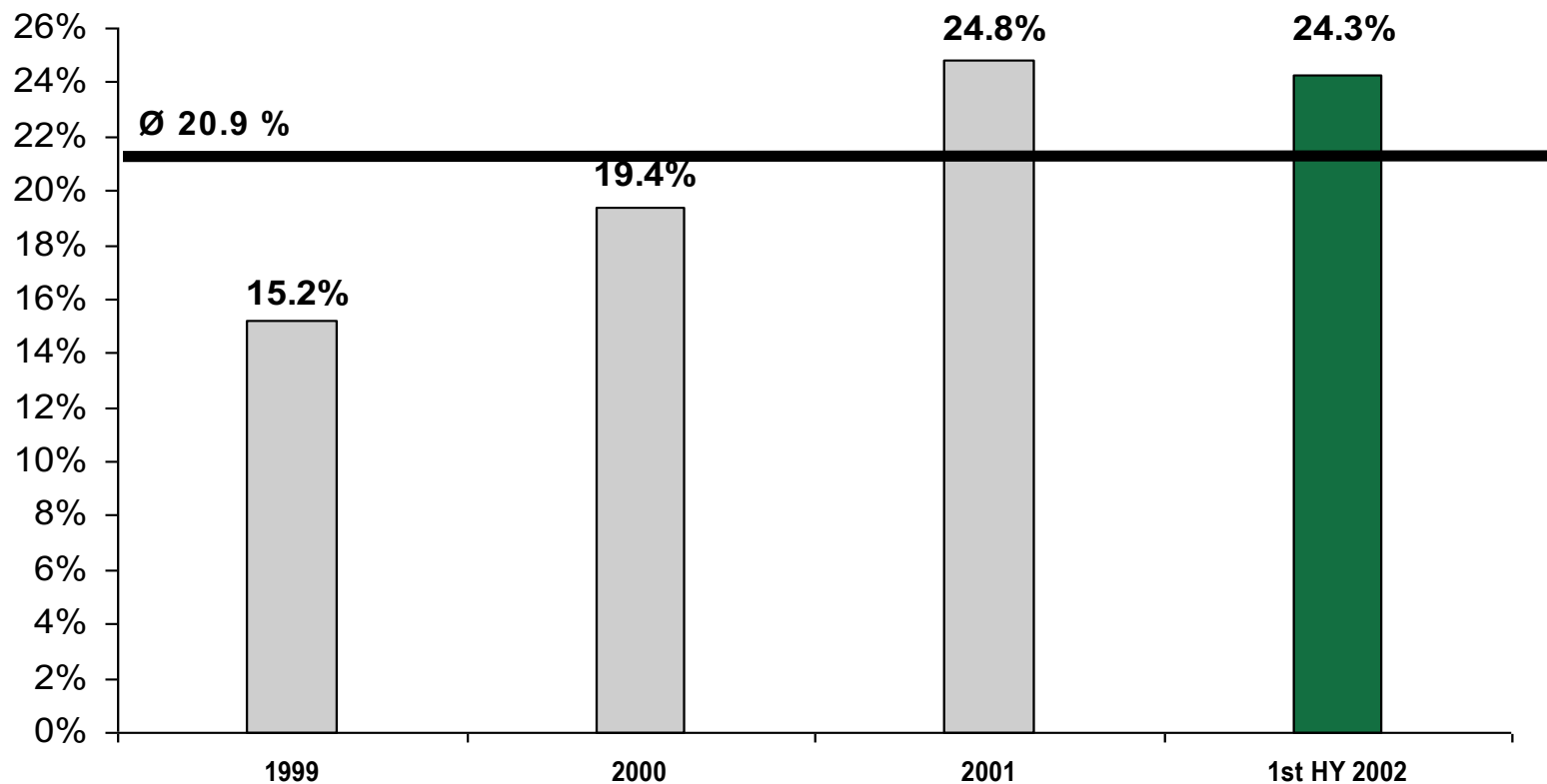
	Jun 30, 2002	Dec 31, 2001
Current assets	487.0	498.6
Non-current assets	621.9	577.3
Total assets	1,108.9	1,075.9
Current liabilities	336.8	315.2
Non-current liabilities	227.5	233.5
Minority interests	3.3	3.7
Stockholders' equity	541.3	523.5
Total liabilities and stockholders' equity	1,108.9	1,075.9
Liquid funds and securities	192	247

Development ROE



Defined: Net income / average stockholders' equity

Development ROCE



Defined: Net income before minority interests, income taxes and net interest expense / average stockholders' equity, minority interests and net debt



CARTONBOARD - Overview 1st HY 2002

- **Positive development of sales in Europe and overseas**
- **High capacity utilization**

97 % in 1Q , 99 % in 2Q

- **Decrease of average board price**

Increased share of overseas business with structurally lower prices

- **Sharp rise in waster paper prices in 2Q necessitated 10% cartonboard price increase**

- **Higher raw material prices only put pressure on end 2Q**

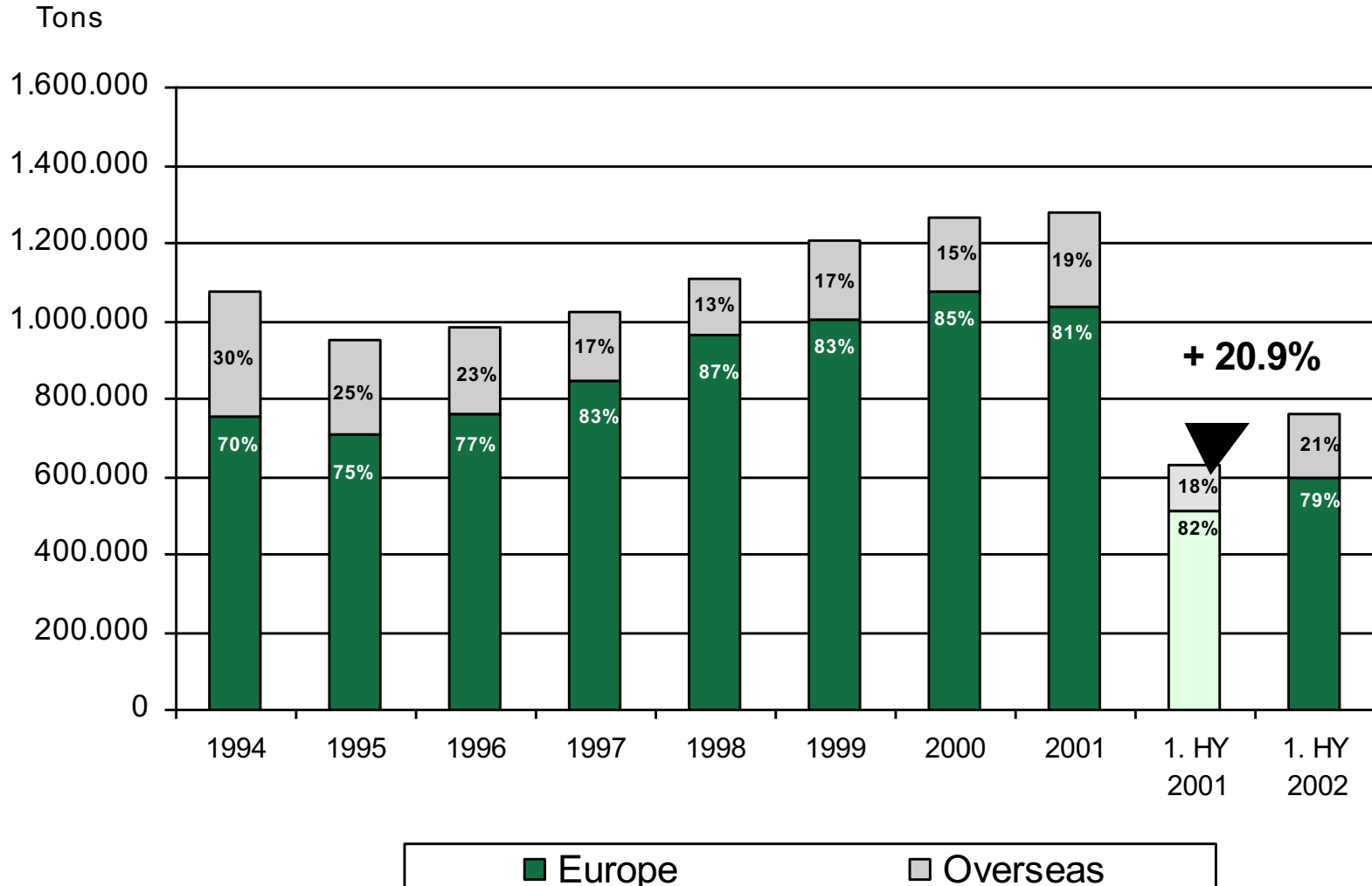
Cartonboard price increase has become effective at the beginning of July



CARTONBOARD: 1st Half-year 2002

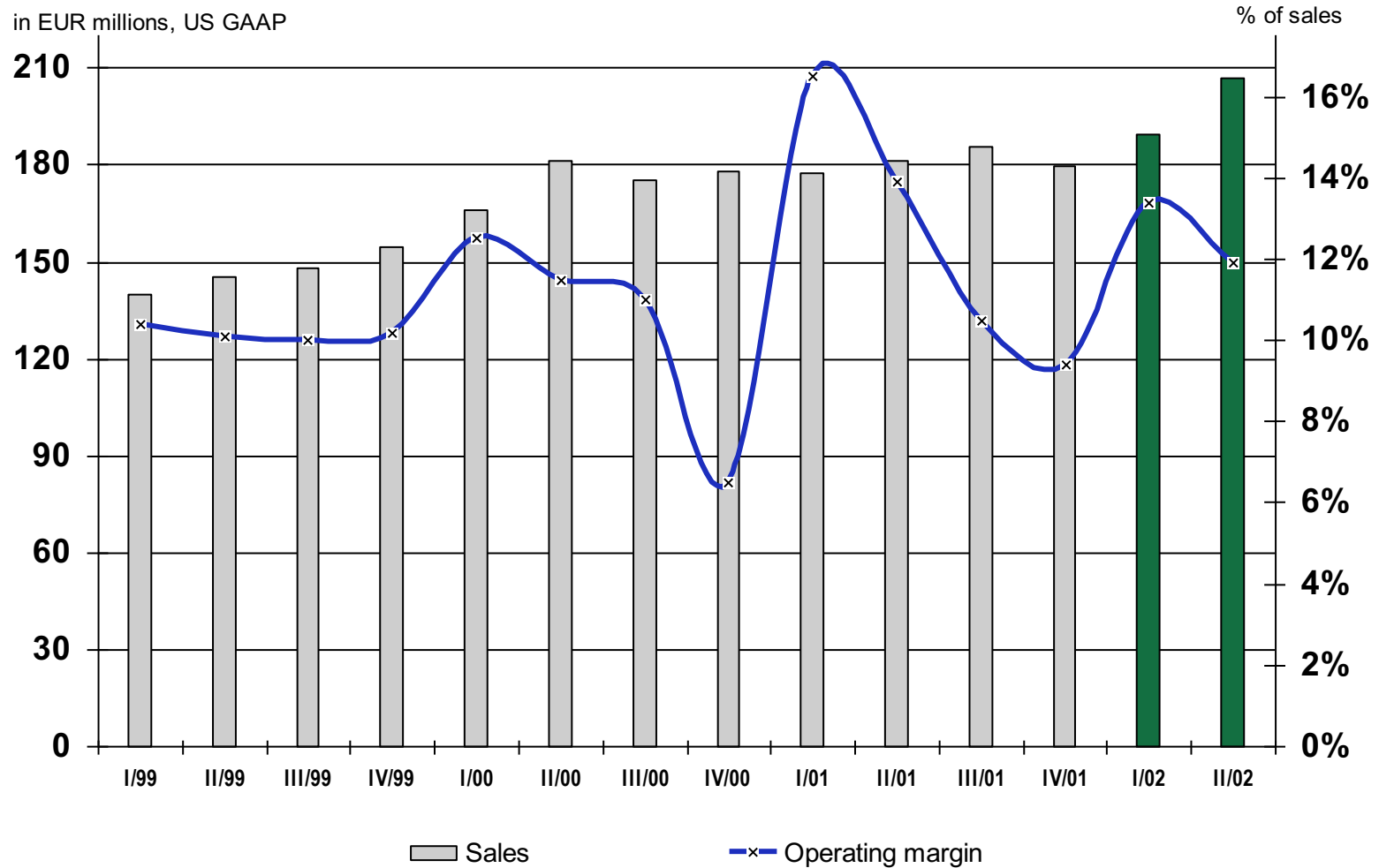
in EUR millions, US GAAP	1-6/2002	1-6/2001	+/-
Sales	396.7	359.0	+10.5%
Operating profit	50.1	54.6	-8.2%
Operating margin	12.6%	15.2%	
Tonnage produced (in 000's)	742	619	+19.9%

CARTONBOARD: Tons sold





CARTONBOARD: Quarters



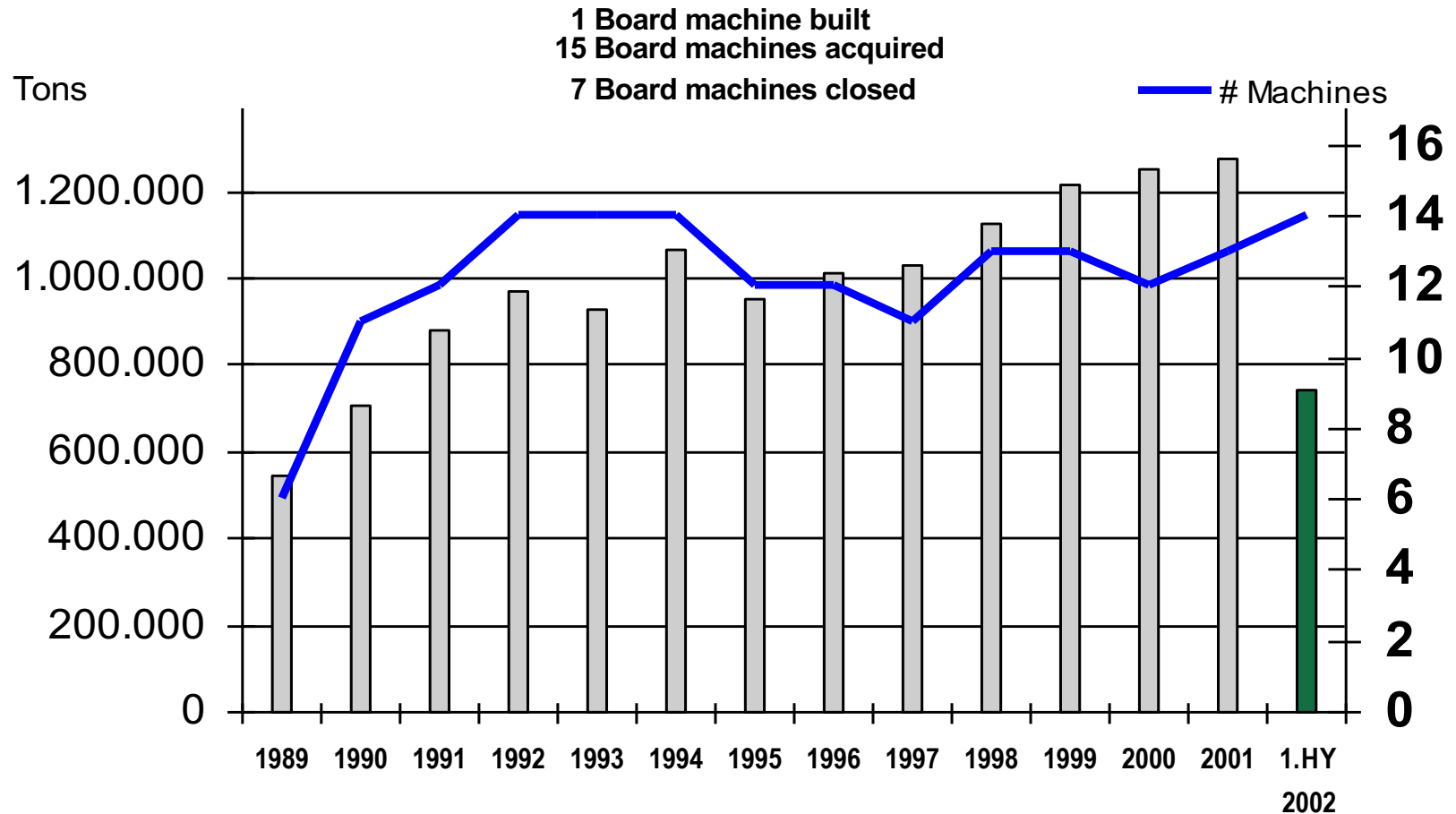
CARTONBOARD: Quarters 2001/2002

(in EUR millions)	I/2001	II/2001	III/2001	IV/2001	I/2002	II/2002
Sales ¹⁾	177.5	181.5	185.5	179.6	189.5	207.2
Operating profit	29.3	25.3	19.4	16.4	25.4	24.7
Operating margin	16.5%	13.9%	10.5%	9.1%	13.4%	11.9%
Tonnage produced (in 000's)	311	308	335	321	362	380

¹⁾ incl. interdivisional sales



CARTONBOARD: Production



CARTONBOARD: Mills



- ***9 Mills in 6 Countries***
- ***14 Machines***
- ***Capacity: approx. 1.5 million tons***
- ***91% Recycled fiber based board***
- ***Worldwide sales organization***
- ***2,453 Employees (excl. Nikopol)***

- Acquisition ***NIKOPOL*** mill

Basis: 1st HY 2002

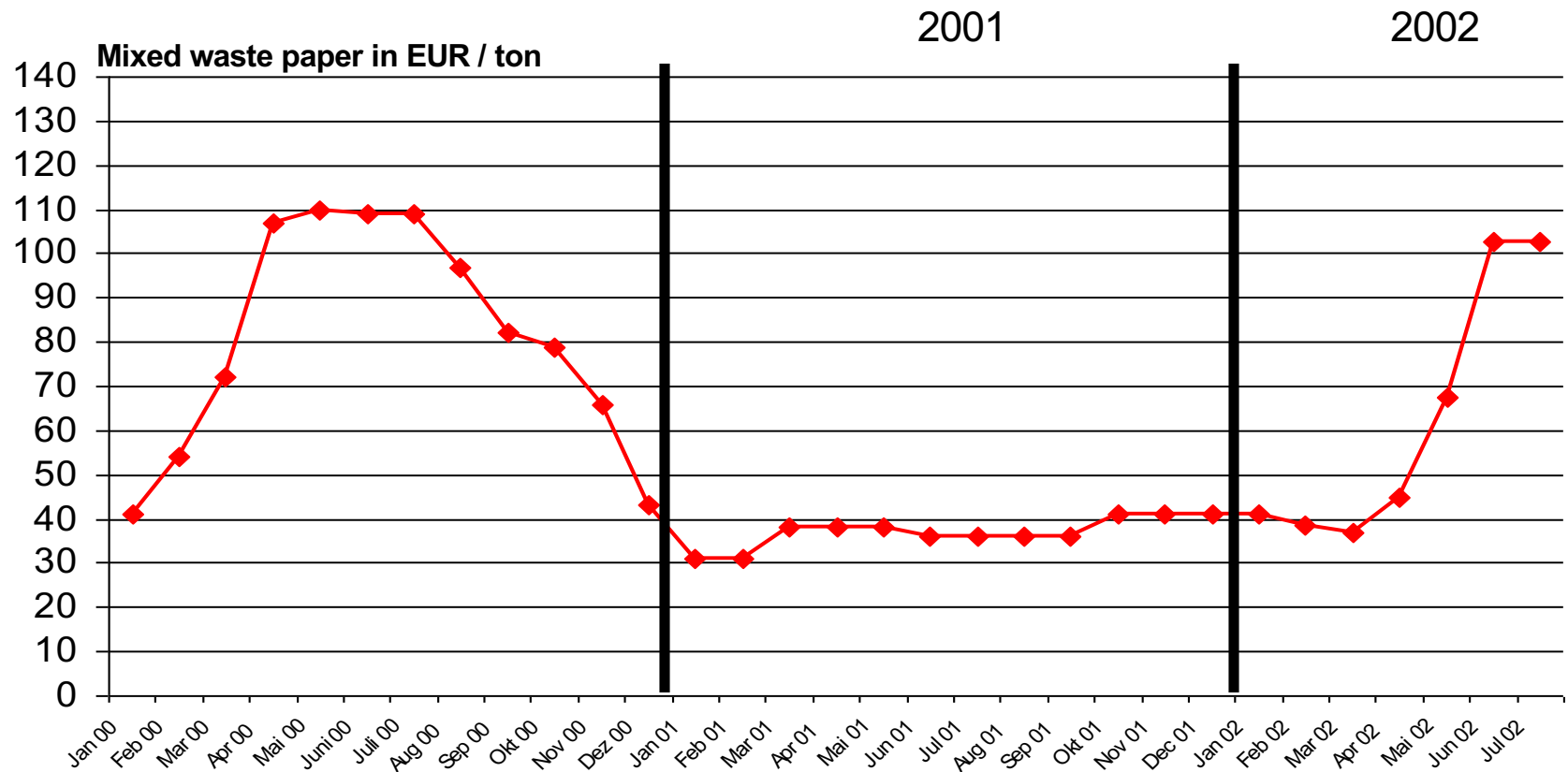
Acquisition MM - NIKOPOL, Bulgaria

- **Mill in a growth market** (Central Europe, Russia, Turkey)
- **Machine with high potential** (4,4m trim)
 - Daily tonnage 200 tons (FL 800, KK 440)
- **285 employees** (number decreasing)
- **Dynamic management**

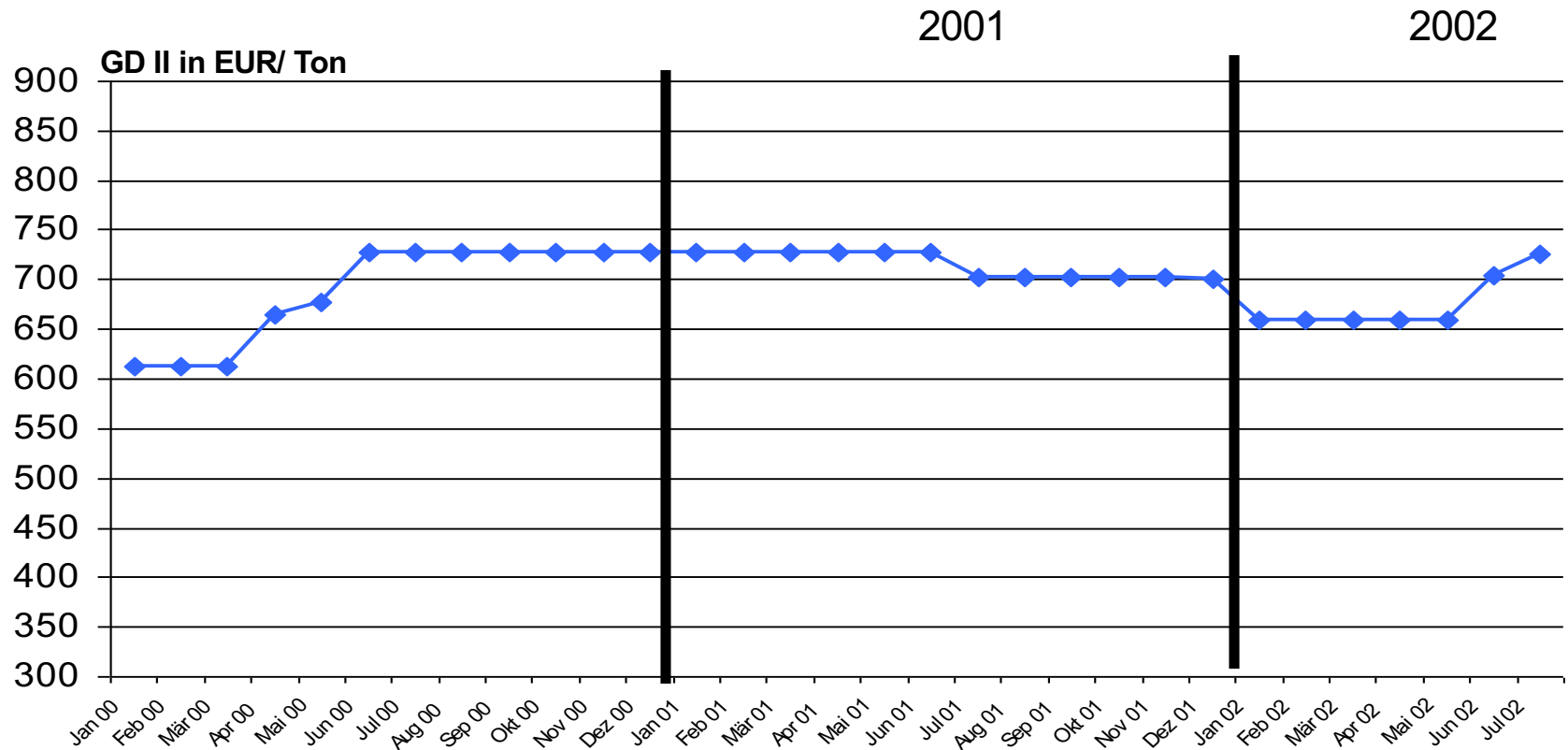
Further Steps:

- ⇒ **Start-up of production** (expected for Sept. 02)
- ⇒ **Production of European standard quality**
- ⇒ **Positive earnings contribution not before 2003**

Development of waste paper price



Development of board price



Source: EUWID



MM PACKAGING - 1st Half-year 2002

- **Stable demand**
- **Resulting from acquisitions, tonnage processed rose by 7,3 %**
- **Solid earnings development in „Consumer Packaging“ as well as in „Cigarette Packaging“**
- **Acquisition of the Graphia Group**
- **Site optimization continued**

Production in the French facility Copacarton was ceased, as the company could not reach a profitable size - order volumes will be transferred to more efficient MMP-facilities

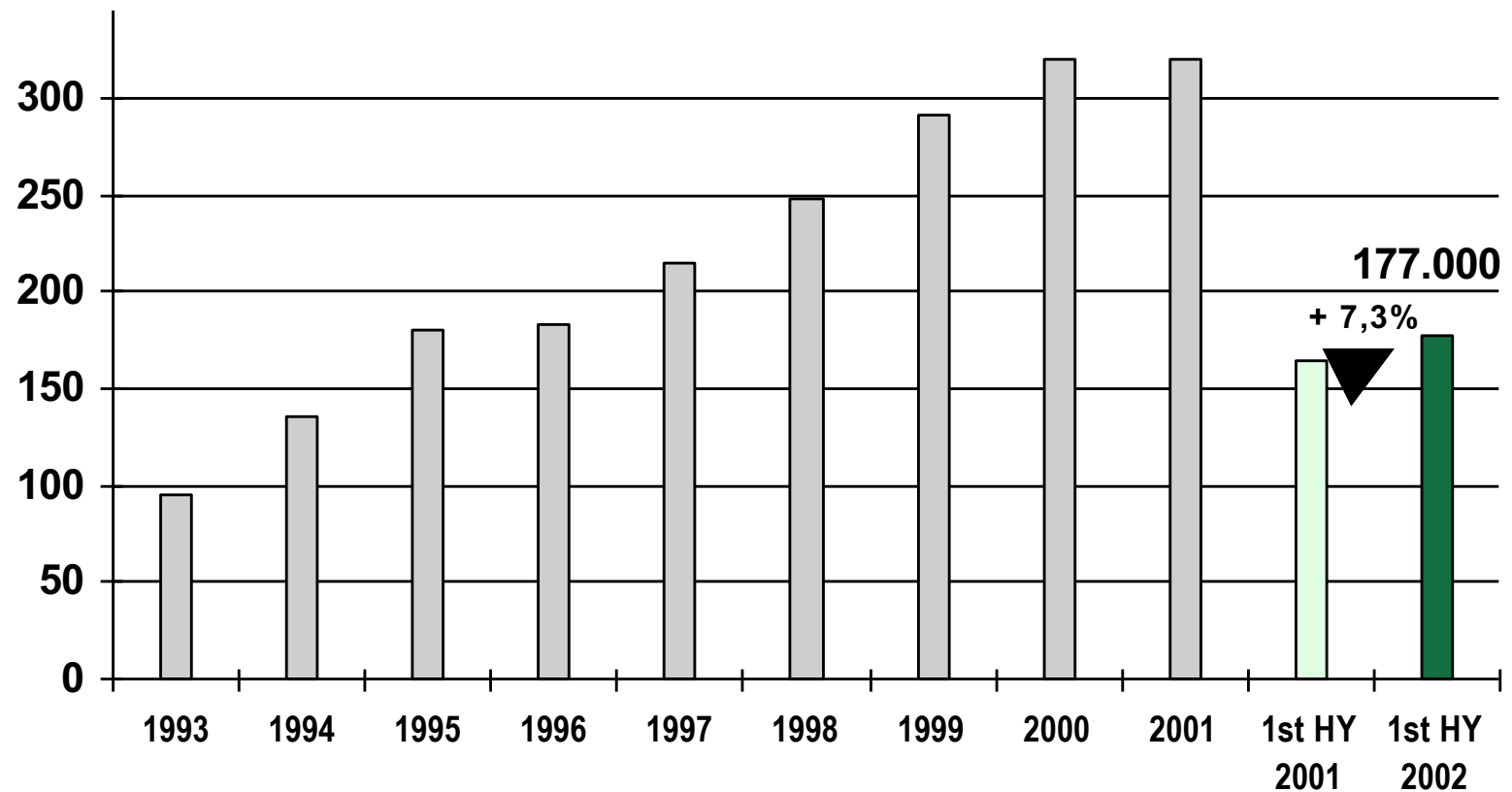


MM PACKAGING: 1st Half-year 2002

in EUR millions, US GAAP	1-6/2002	1-6/2001	+/-
Sales	256.8	249.3	+3.0%
Operating profit	17.7	16.0	+10.6%
Operating margin	6.9%	6.4%	
Tonnage processed (in 1.000 t)	177	165	+7.3%

MM PACKAGING: Tonnage processed

in 1.000 t

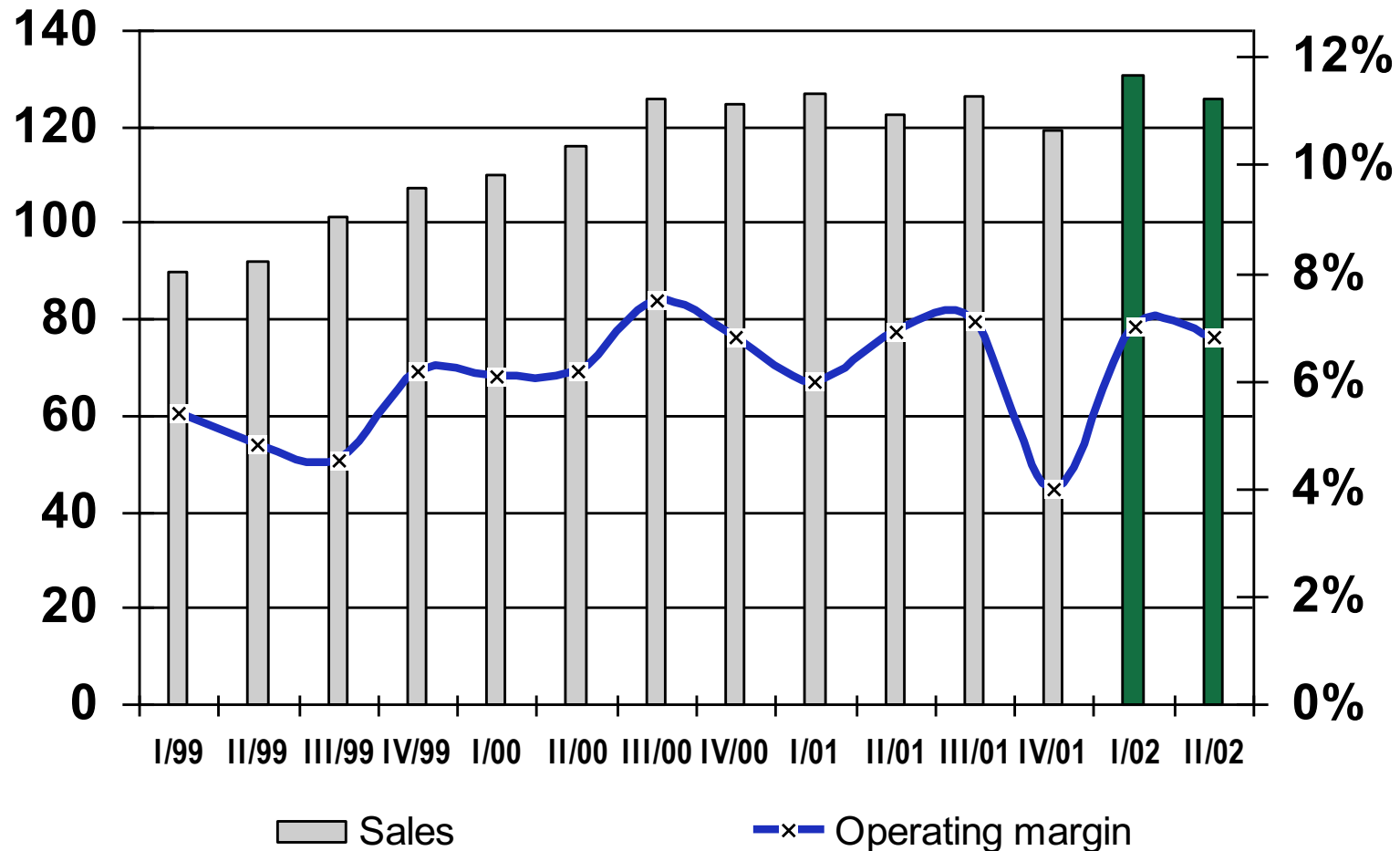




MM PACKAGING: Quarters

in EUR millions, US GAAP

% of sales





MM PACKAGING: Quarters 2001/2002

(in EUR millions)	I/2001	II/2001	III/2001	IV/2001	I/2002	II/2002
Sales ¹⁾	127.0	122.3	126.2	119.2	130.9	125.9
Operating profit	7.6	8.4	9.0	4.8	9.1	8.6
Operating margin	6.0%	6.9%	7.1%	4.0%	7.0%	6.8%
Tonnage processed (in 000's)	87	78	80	75	88	89

¹⁾ incl. interdivisional sales

MM PACKAGING: Facilities

Incl. Graphia Group

- ***21 Facilities in 8 Countries***
- ***Tonnage processed 390.000 t***
- ***approx. 4,000 employees***

- ***Closure of Copacarton***



Graphia ■

Basis: 1st HY 2002



Integration of the Graphia Group

- **Rotogravure, offset- and flexo printing technologies**
 - An ideal strategic expansion in connection with Mayr-Melnhof's existing cigarette packaging business
- **Integration process will last until the end of 2002**
- **Integration costs are expected to be entirely covered by the companies' earnings**
- **Included in MM's consolidated accounts as from 3Q**
 - in 2001: Sales approx. EUR 150 million; Tonnage processed 50,000 tons
 - approx. 1,000 employees

Divisionalization: Consumer and Cigarette Packaging

Consumer Packaging

- **15 Facilities**
- **A,GER,GB,F,PL,HUN,RO**
- **~ 2,700 Employees**

Cigarette Packaging

- **5 Facilities** (incl. Graphia)
- **4 GER, 1 UKR**
- **~ 1,300 Employees**

S e p a r a t e M a n a g e m e n t

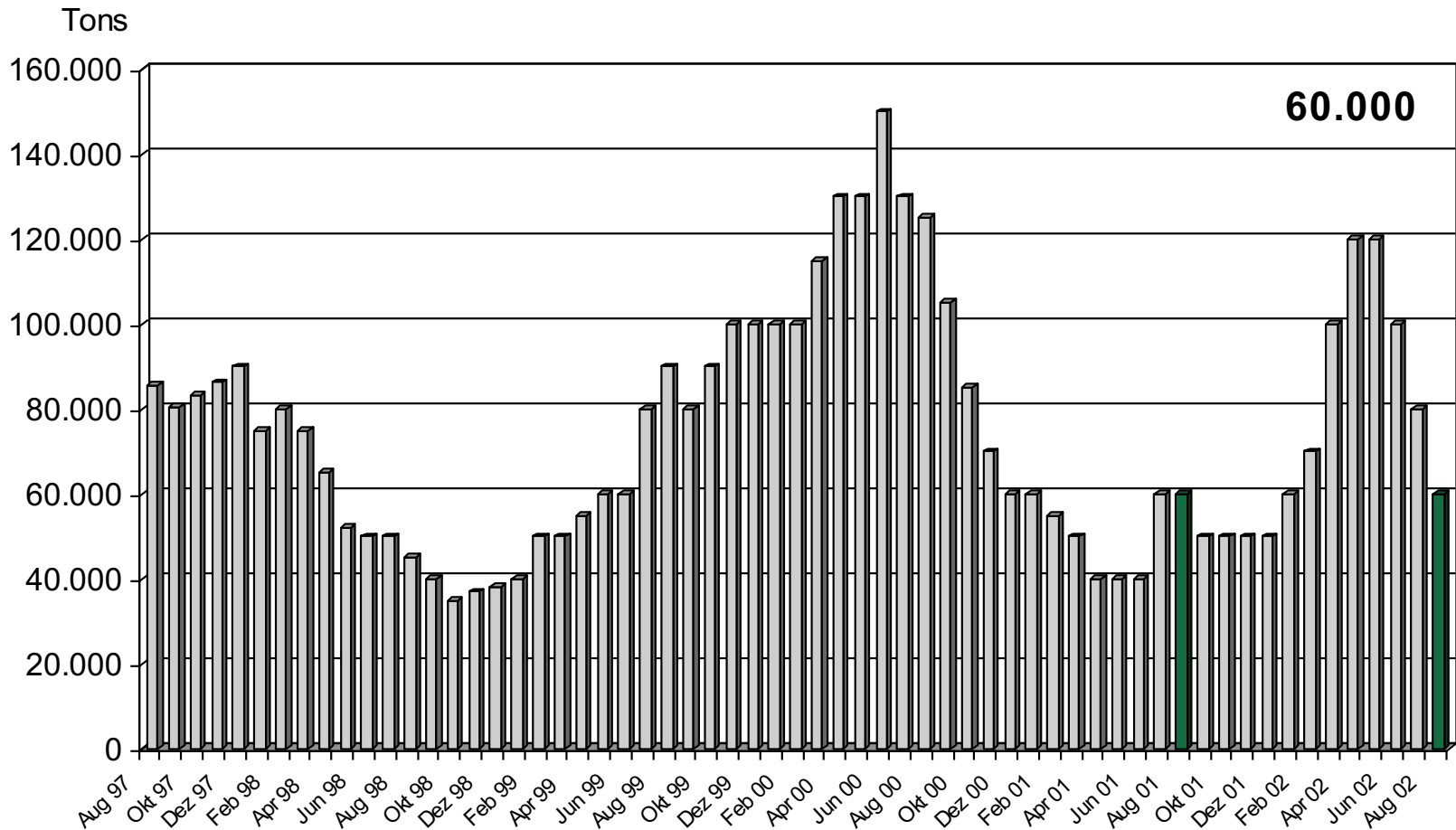


OUTLOOK

- **Price increases will become effective for the Cartonboard as well as the Packaging Division during 3Q**
- **Far reaching compensation for the strong rise in raw material costs can already be expected for 3Q especially in the Cartonboard Division**
- **Waste paper prices - stable on a high level**
- **Economic environment remains uncertain**
 - Customers plan on a more cautious and short-term basis
 - Order backlog of the Cartonboard Division points to a continued satisfactory utilization rate also in the month of August



CARTONBOARD: Order Backlog





OUTLOOK

- **Further development of business highly dependent on the dynamics of private consumption**
- **MM will adjust production to demand, if necessary**
- **Current limitations to visibility allow us to expect a continuation of the positive business trend first of all in the third quarter**