

Group

Key figures

Cartonboard

Packaging



Mayr-Melnhof Group

Final Results 2001

April 23, 2002

<http://www.mayr-melnhof.com>



Highlights 2001

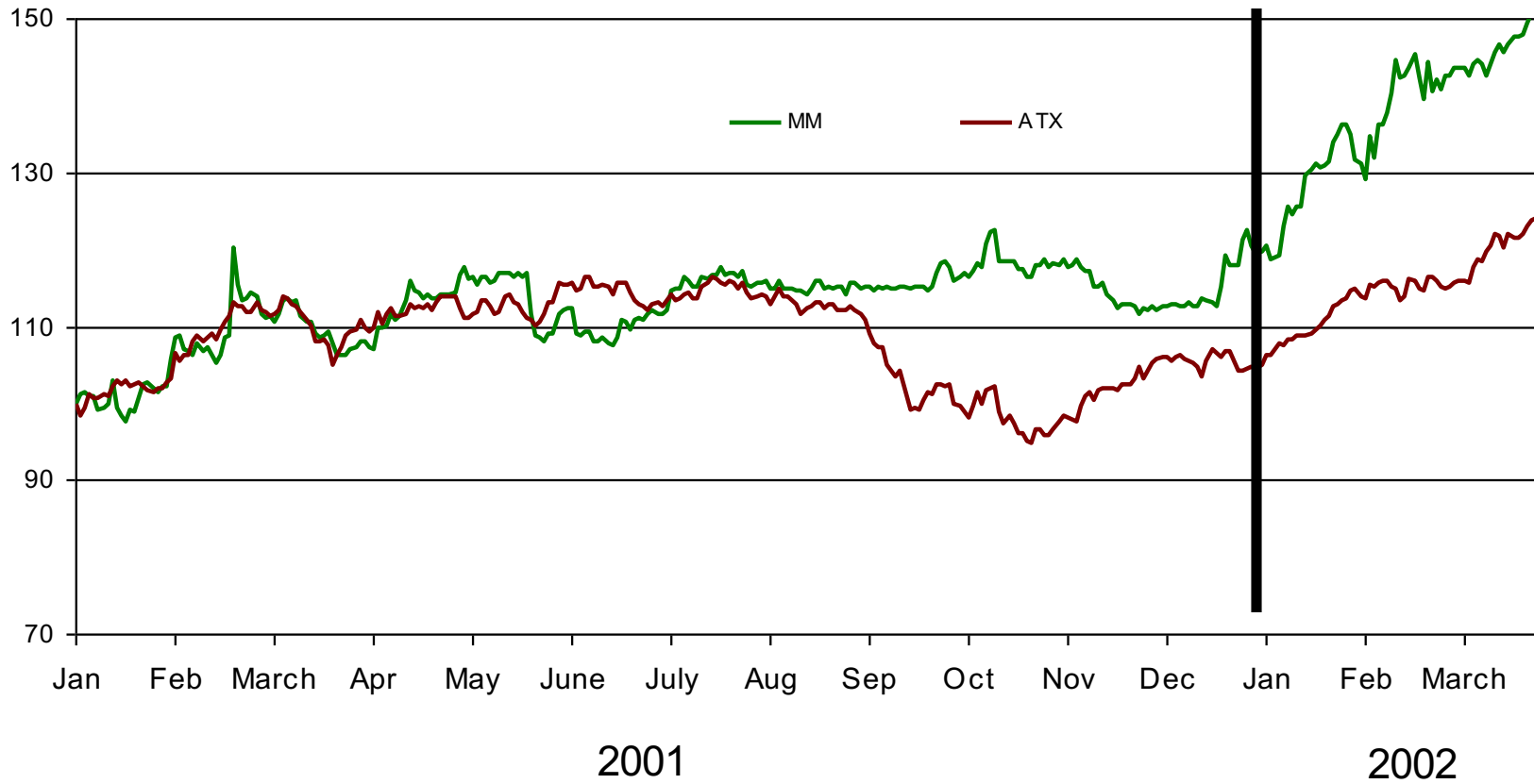
- **Best ever Group Results**
 - Net income for the year increased approximately 17 % to EUR 78 million
- **Increase of Dividend from 1.65 to 1.80 EUR / Share**
- **Satisfactory Share Price Development +13.2 %**
- **Successful Expansion**



MM Shares

Relative Performance of MM Shares 2001/2002

January 2, 2001 = 100

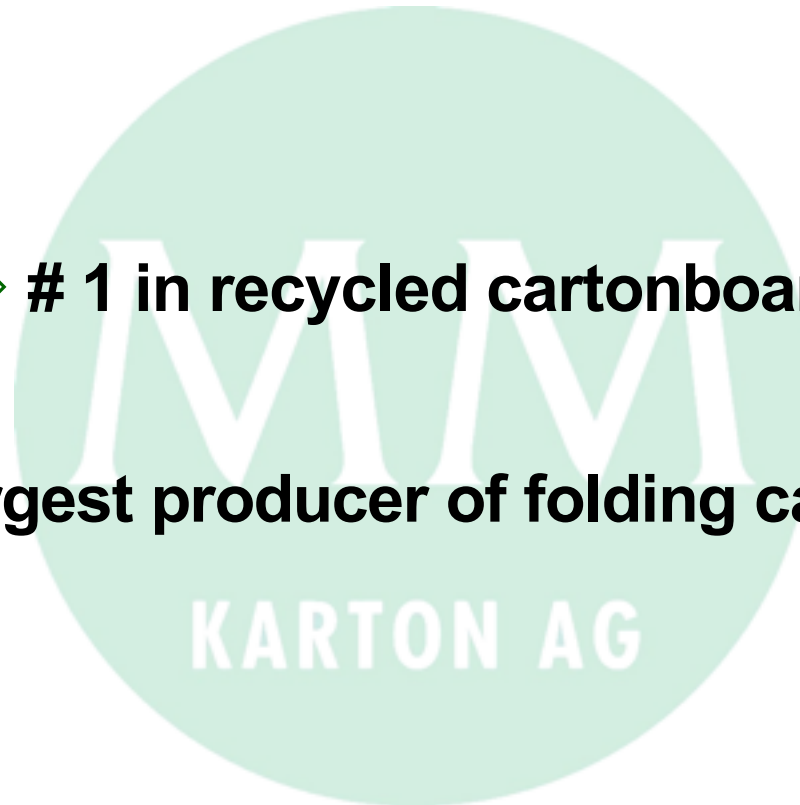




Market Position in Europe

⇒ **# 1 in recycled cartonboard**

⇒ **Largest producer of folding cartons**





Strategic Position

- **Concentration on core business**

(Cartonboard, Packaging)

- **Leadership**

- Market and cost leadership

- Best Practice in all areas of the Company

- **Profit orientation**

Profit centers, ROCE, ROE, Dividend

- **Expansion**

→ ***Increase the Company's value***

→ ***Strengthening of market leadership***

Concentration of the European Cartonboard Industry

Capacity in 000's of tons	1980		2000	2002e
Finnboard	430	Mayr-Melnhof	1,200	1,500
Feldmühle	280	Stora Enso	1,150	1,180
Saffa	230	Reno de Medici	760	1,080
Mayr-Melnhof	220	M-real	560	595
Kopparfors	220	Holmen	500	535
Top 5	1,380	Top 5	4,170	4,890
Total capacity	3,780	Total capacity	7,000	7,300
Market share	36%	Market share	60%	67%

Figures excl. Gray Board, LPB and CNK from the US

Source: MM 2002e

Concentration of the European Folding Carton Industry

Tonnage processed in 000's of tons

	1993		2002e
FCP/ECA	150	Mayr-Melnhof (incl. Graphia)	390
Mayr-Melnhof	95	Akerlund & Rausing	230
Van Genechten	75	Van Genechten	210
Van Leer	65	Chesapeake	175
Lawson Mardon	63	MY	155
Top 5	448	Top 5	1,160
Total tonnage	3,400	Total tonnage	3,500
Market share	13%	Market share	32%

Source: MM 2002e

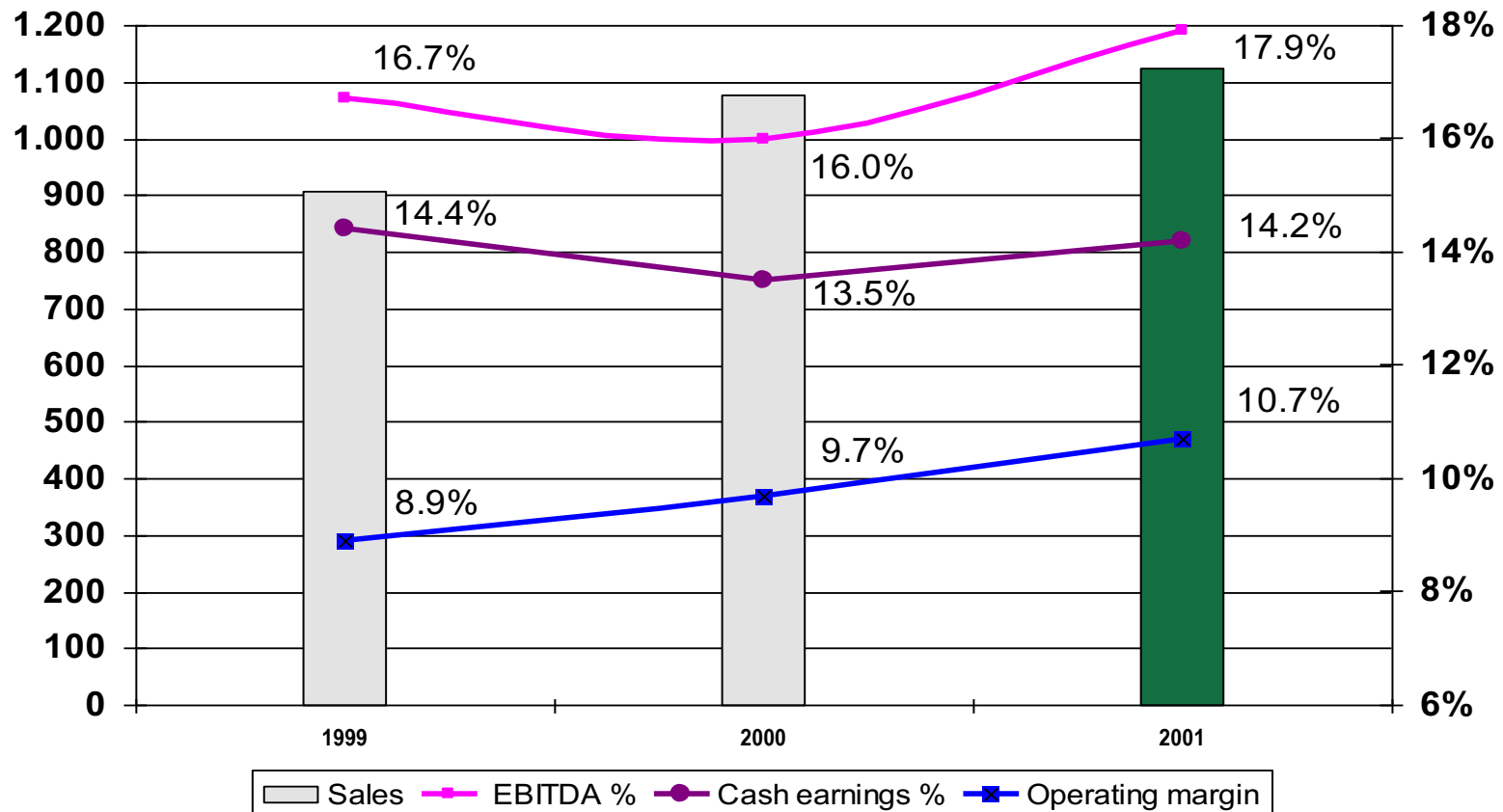
MM GROUP: Consolidated Results

in EUR millions, US GAAP	2001	2000	+/-
Sales	1,122.9	1,078.3	+4.1%
Operating profit	120.2	104.2	+15.4%
Operating Margin	10.7%	9.7%	
Income before taxes	123.2	99.2	+24.3%
Net income	77.9	66.7	+16.8%
% of sales	6.9%	6.2%	
Earnings per share in EUR	6.66	5.56	
Cash Earnings	159.7	145.1	
% of sales	14.4%	13.5%	+10.1%

MM GROUP: Sales and Margins

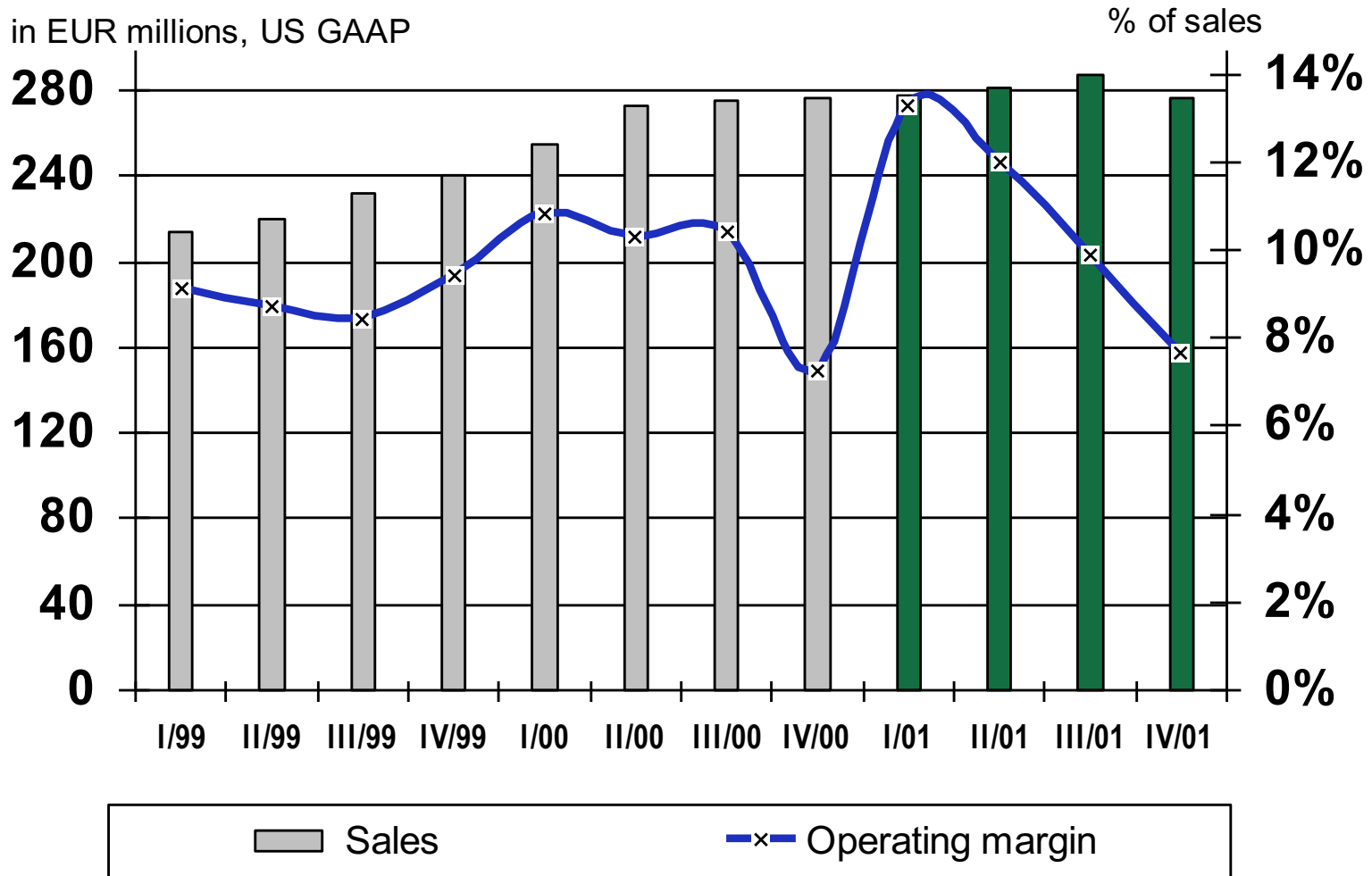
in EUR millions

% of sales



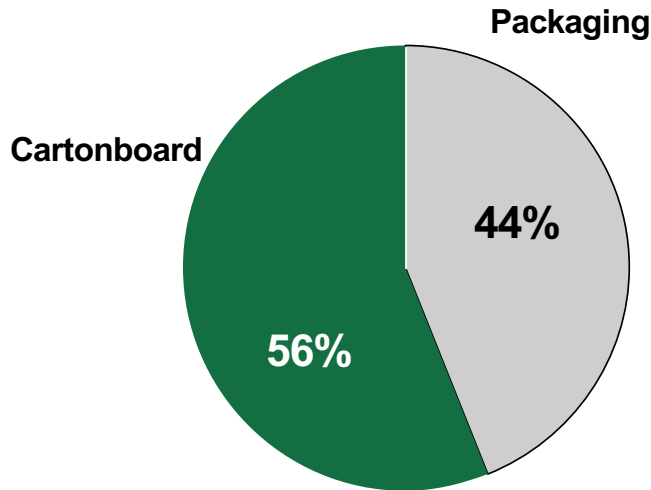


MM GROUP: Quarters

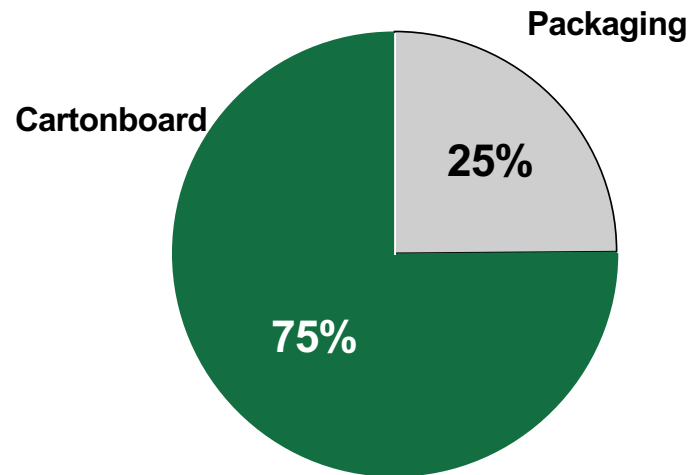




Sales & Operating Profit by Division



Sales

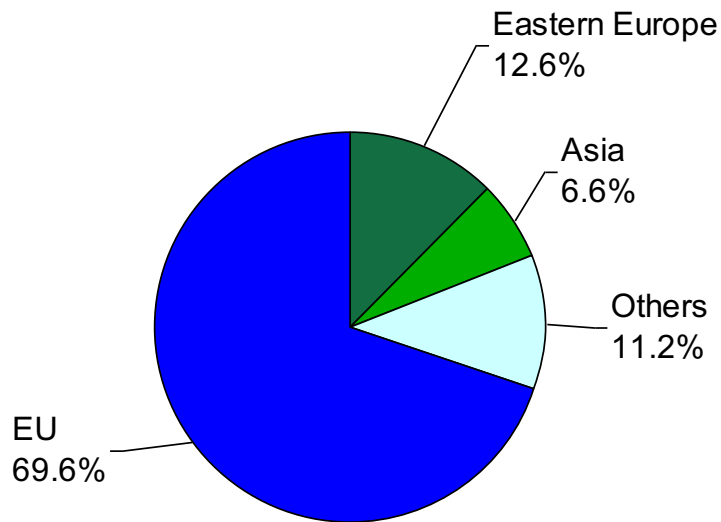


Operating profit

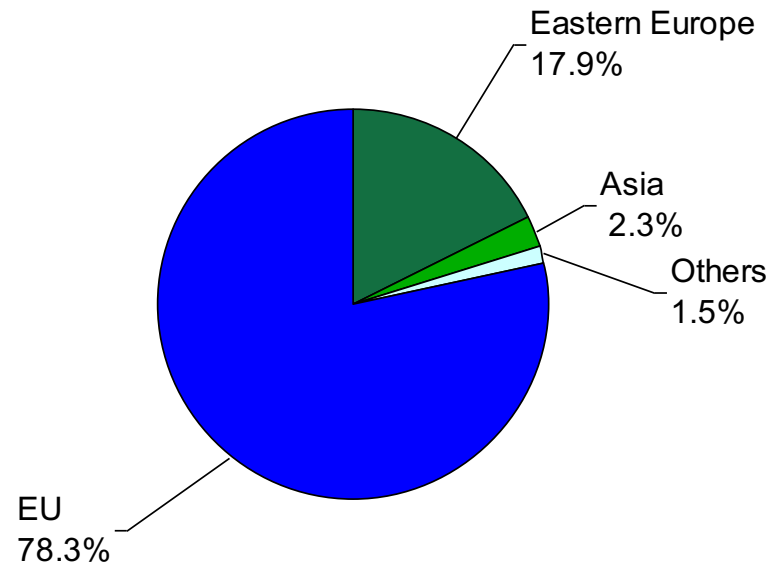
(2001)



Divisional Sales by Region



CARTONBOARD



PACKAGING

(2001)

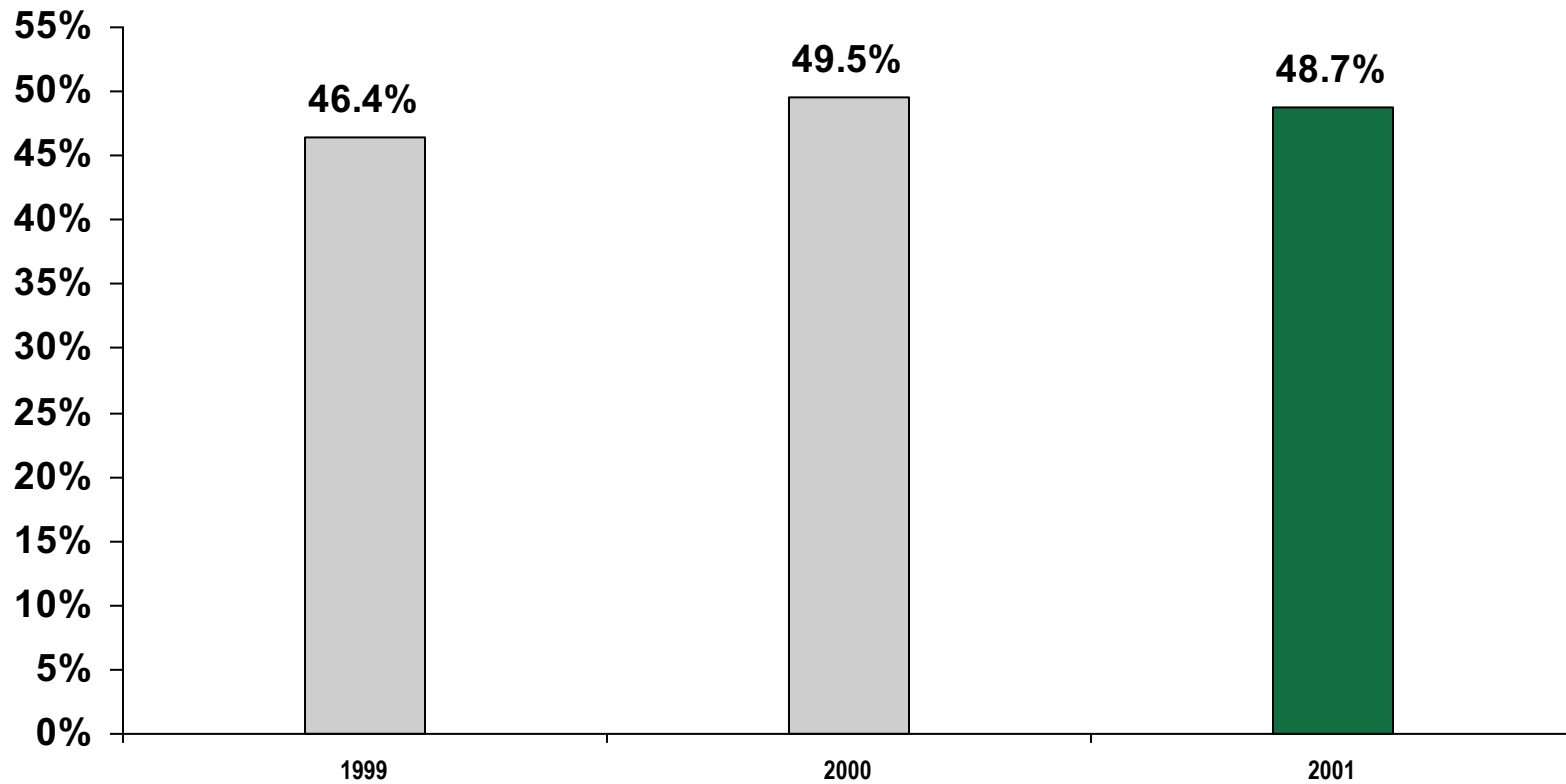


Group Balance Sheets

consolidated in EUR millions, US GAAP

	Dec. 31, 2001	Dec. 31, 2000
Current assets	498.6	485.8
Non-current assets	577.3	564.7
Total assets	1,075.9	1,050.5
Current liabilities	315.2	280.0
Non-current liabilities	233.5	246.9
Minority interests	3.7	3.4
Stockholders' equity	523.5	520.2
Total liabilities and stockholders' equity	1,075.9	1,050.5
Cash and cash equivalents + available-for-sale securities	247.0	235.9

Equity to total assets





Consolidated Statements of Cash Flows

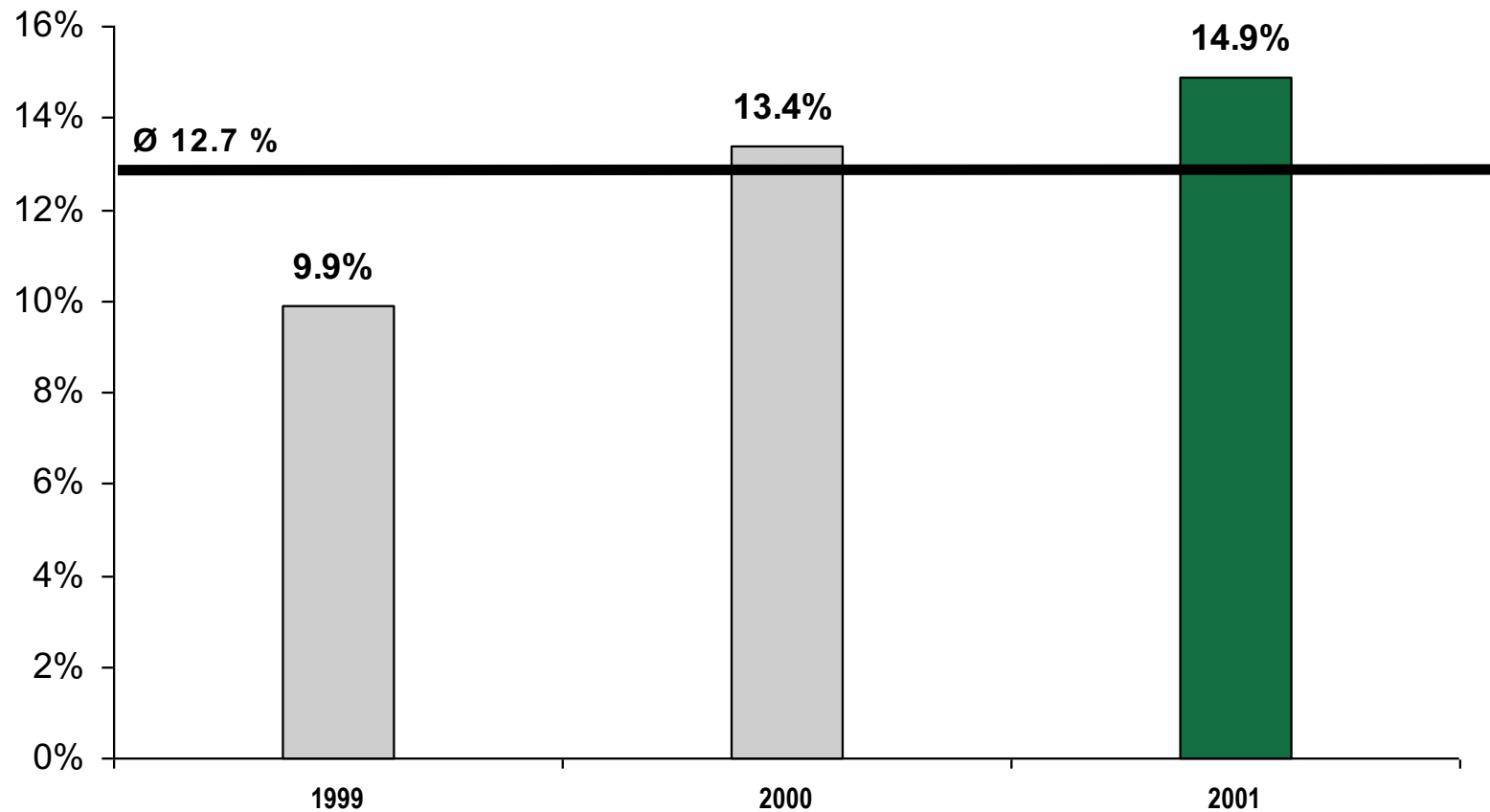
in EUR millions, US GAAP

2001

2000

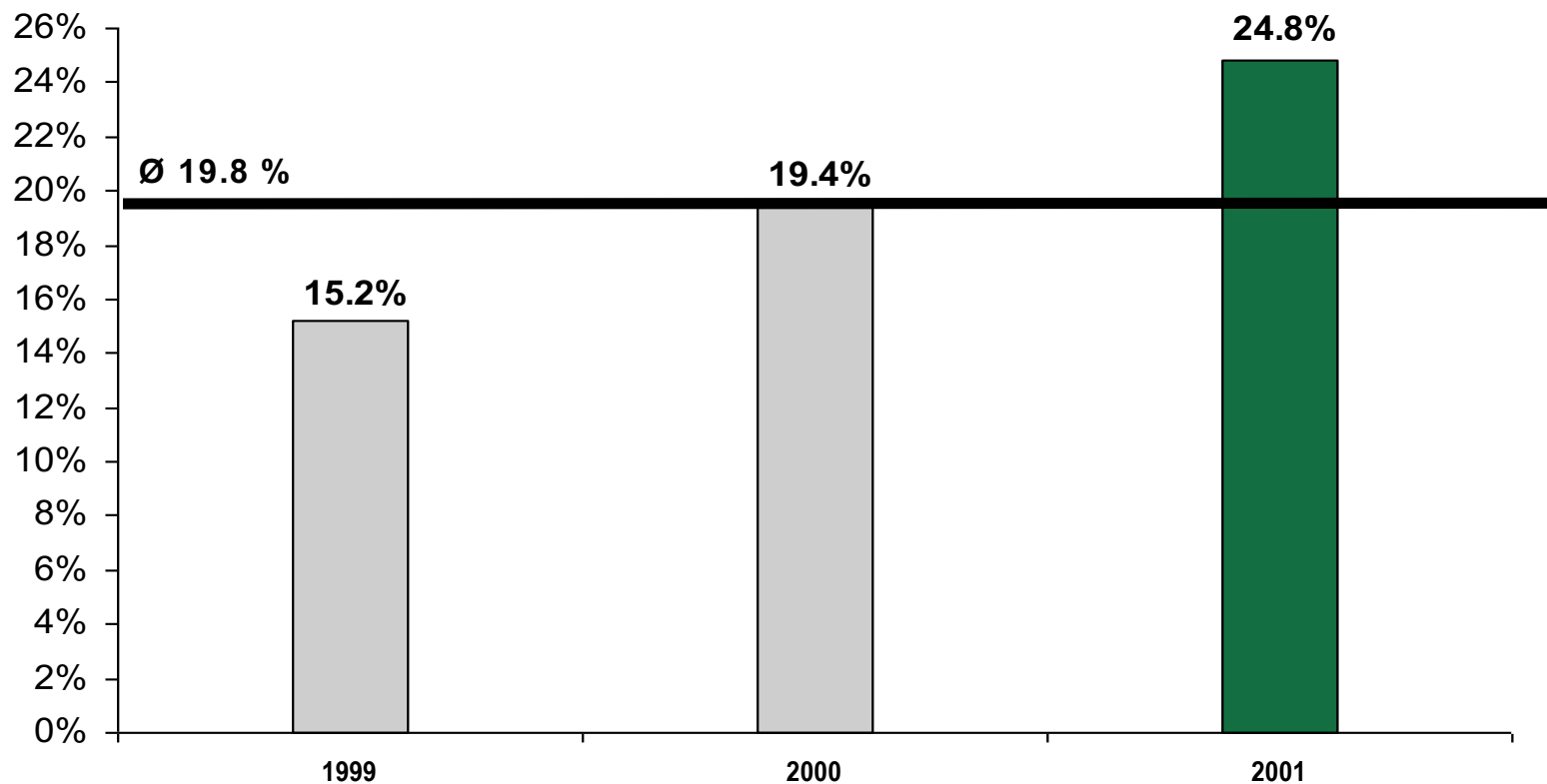
Net cash provided by operating activities	179.7	117.5
Net cash used in investing activities	(68.1)	(25.3)
Net cash used in financing activities	(112.8)	(33.9)
Exchange rate changes	0.5	0.2
Net increase in cash and cash equivalents	(0.7)	58.5
Cash and cash equivalents at the end of the year	166.6	167.4
Available-for-sale securities	80.4	68.5
Total resources available to the Group	247.0	235.9

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 2001

- **Customers planned on a cautious and short-term basis**
- **Cartonboard production was adjusted to decrease in sales by taking downtime**
 - *Capacity utilization decreased from 97% in 2000 to 89% 2001*
- **Generally stable raw materials prices allowed for stable European cartonboard prices**



CARTONBOARD Overview 2001

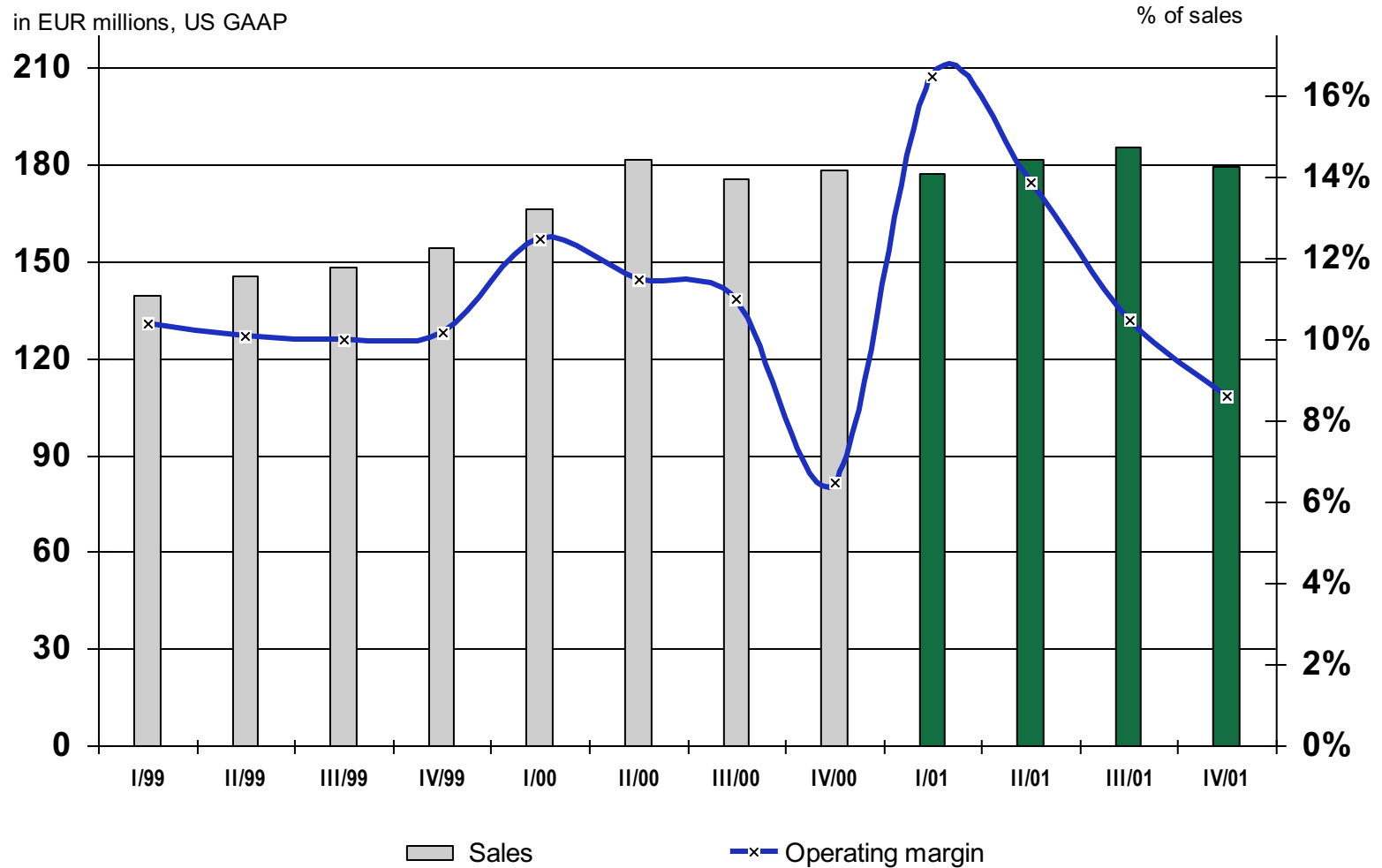
- **Acquisition of the German board mill, Gruber+Weber Karton**
- **Acquisition and shutdown of the Swiss cartonboard producer Christ**
 - *Concentration of production and sales at the MM Deisswil mill*
- **E-commerce - MM-Community®**
 - *available to all customers as of June 2001*



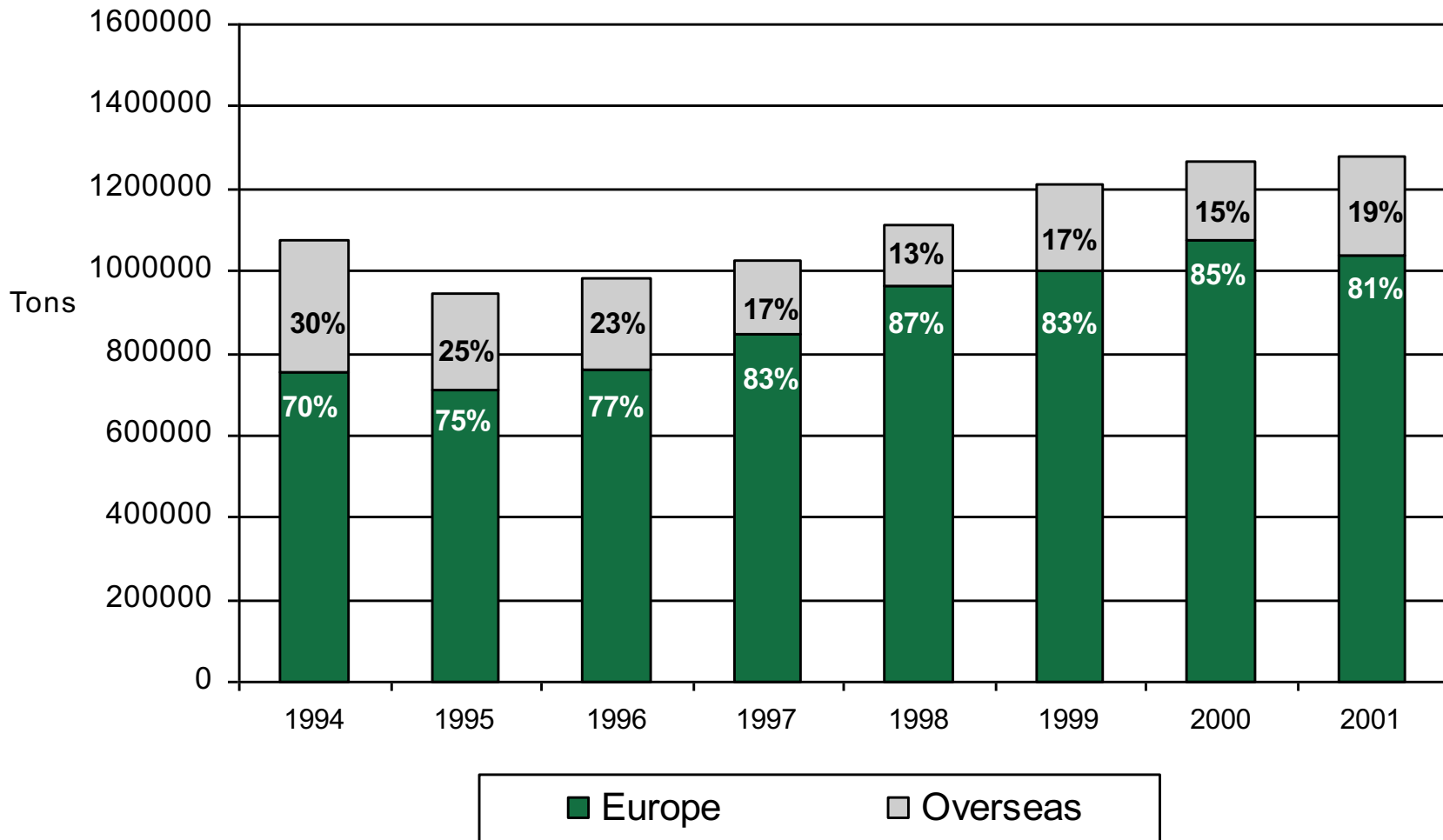
CARTONBOARD : Results 2001

in EUR millions, US GAAP	2001	1999	+/-
Sales	724.1	701.3	+3.3%
Operating profit	90.4	72.4	+24.9%
Operating margin	12.5%	10.3%	
Tonnage produced (in 000's of tons)	1,275	1,250	+0.8%

CARTONBOARD: Quarters

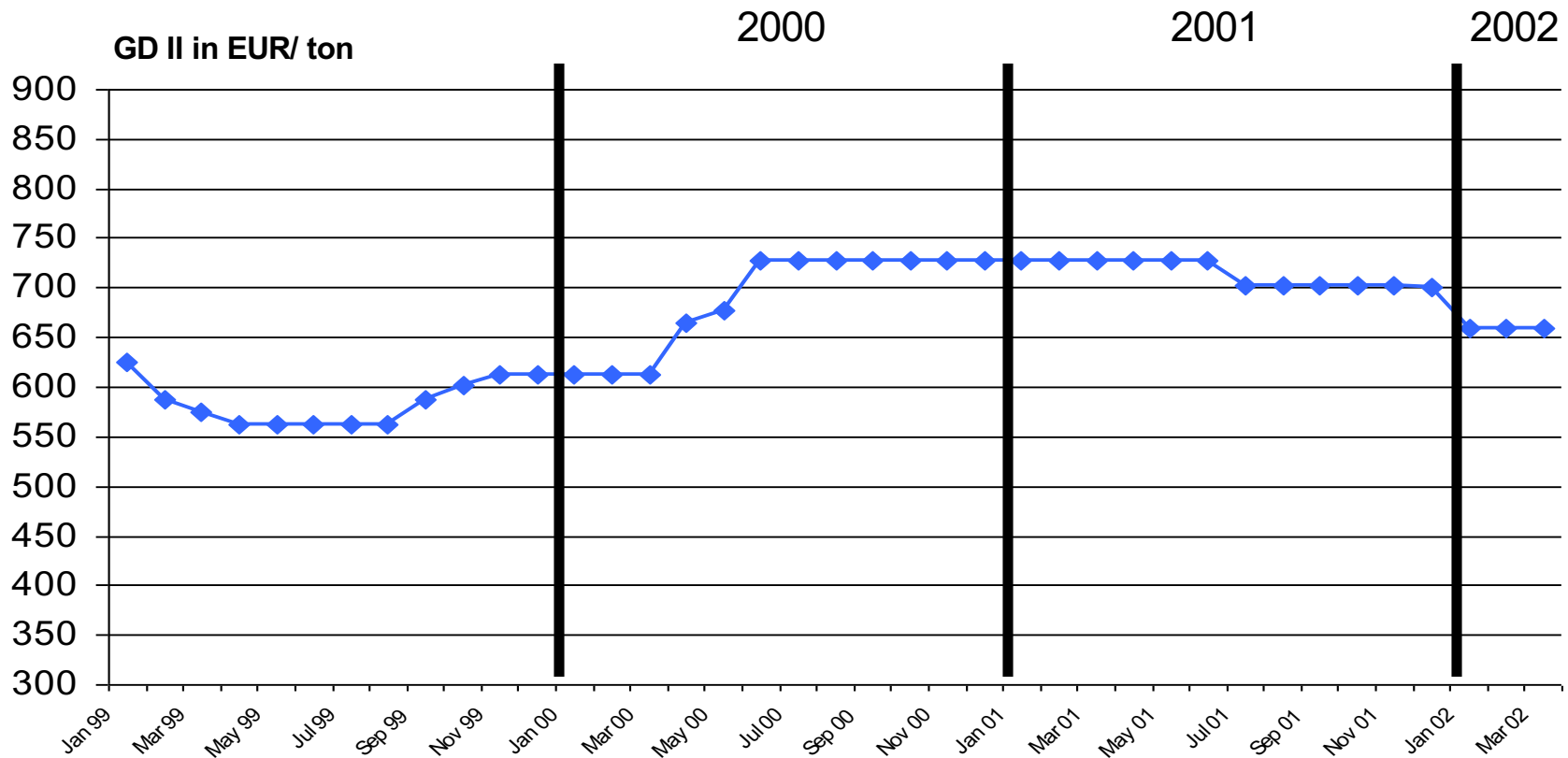


CARTONBOARD: Sales



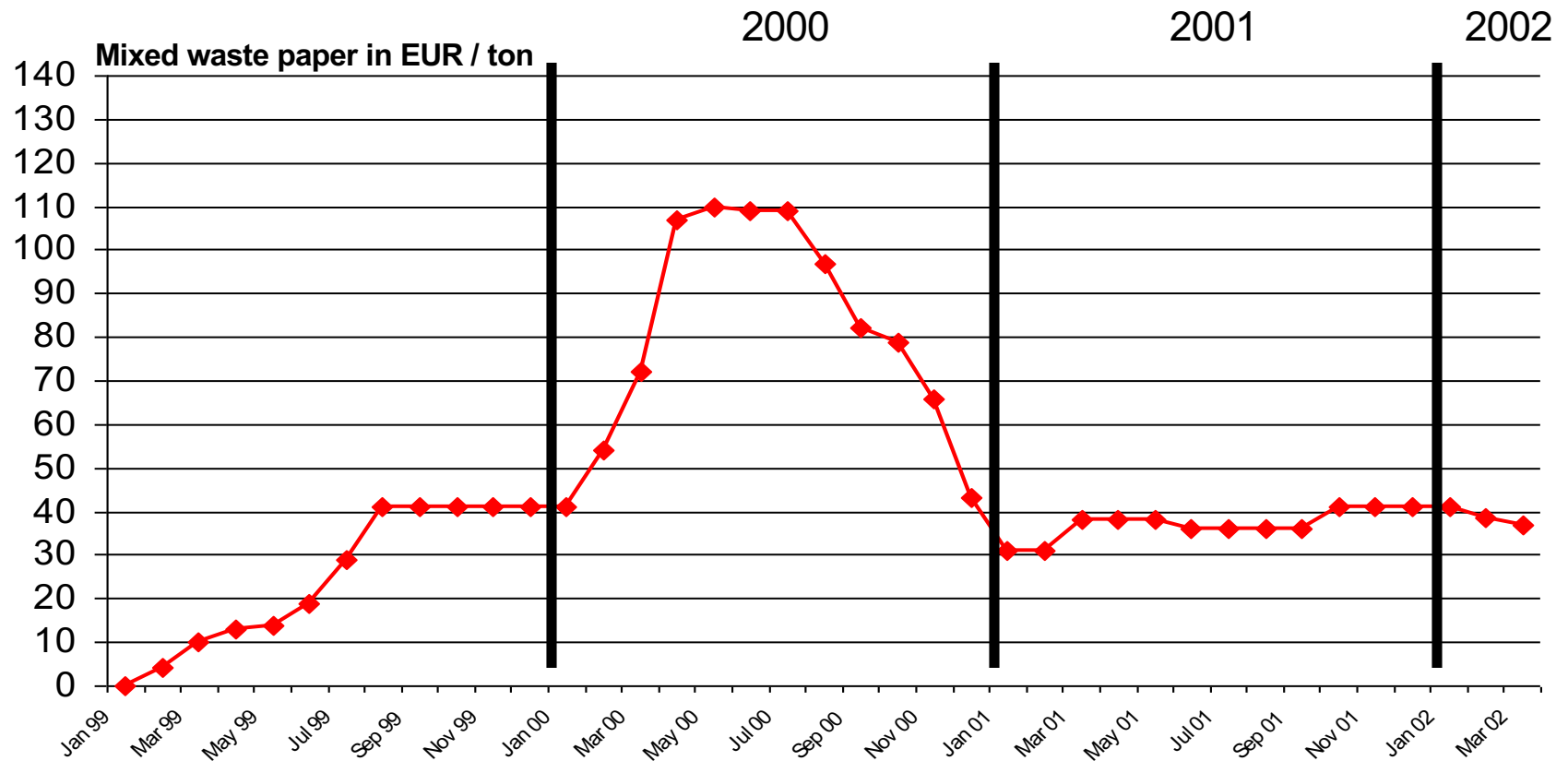


Development of board price



Source: EUWID

Development of waste paper price



CARTONBOARD: Mills



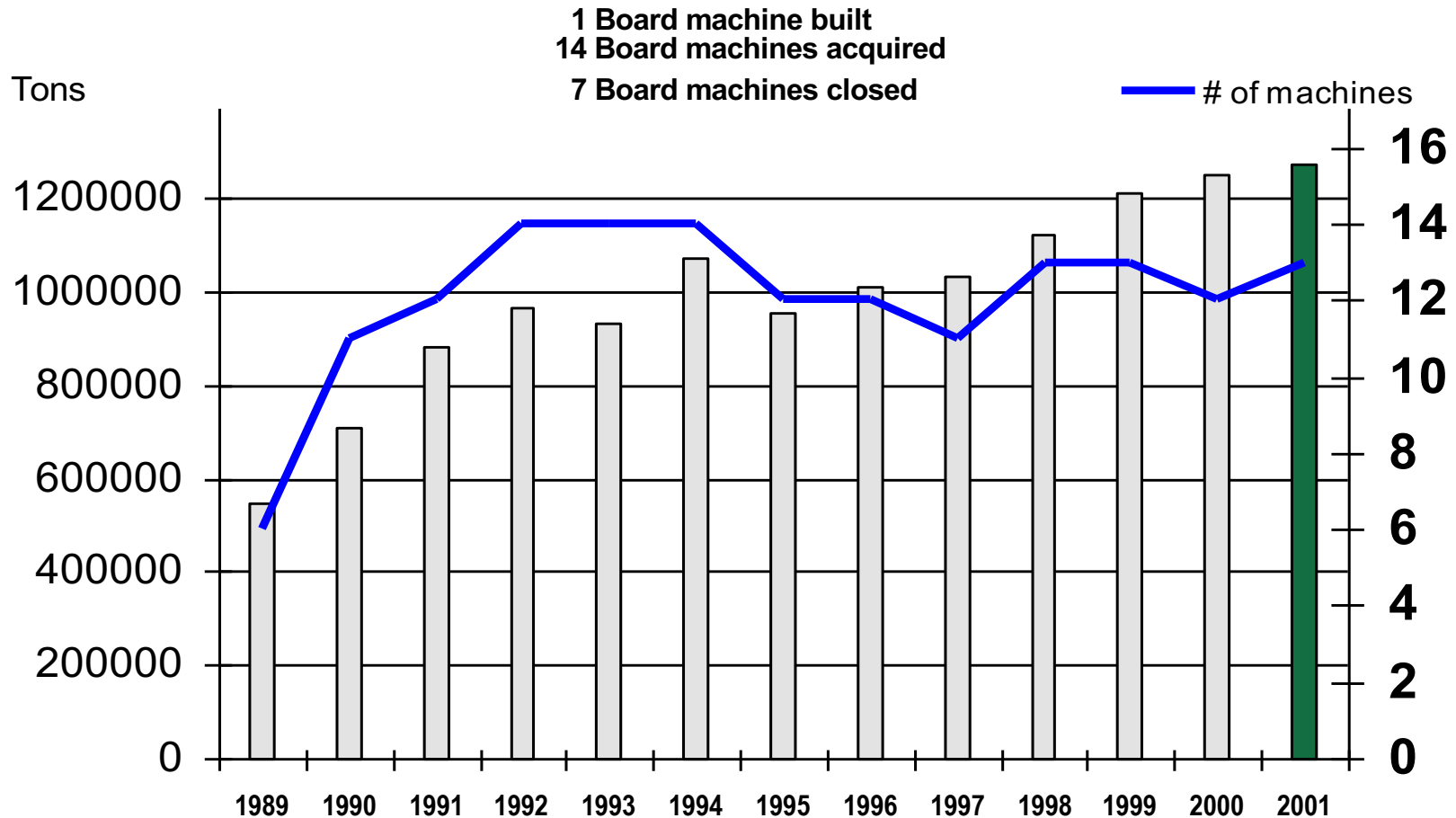
- ***8 Mills in 5 countries***
- ***13 Machines***
- ***Capacity: 1.5 million tons***
- ***91% Recycled board***
- ***World-wide selling organization***
- ***2,453 Employees***

- ***Acquisition Gruber+Weber Karton***

- ***Acquisition and closure of Emil Christ AG***

Basis: 2002

CARTONBOARD: Production





MM PACKAGING - Overview 2001

- **Good demand in Western and Eastern Europe results in a generally satisfactory utilization of capacities**
 - *Despite the slow-down in the European economy, positive development during 2001*
- **Site optimization continued**
 - *Concentration of the folding carton production on the most efficient sites*
 - *Closure of the German printing plant Schött*



MM PACKAGING - Overview 2001

- **Expansion in micro-flute packaging**

→ Acquisition of the special printing plant Schilling

- **Disposal of "Wall- Shareholdings"**

- *Target of further developing the "Cigarette Packaging" business has not changed*



MM PACKAGING: Results 2001

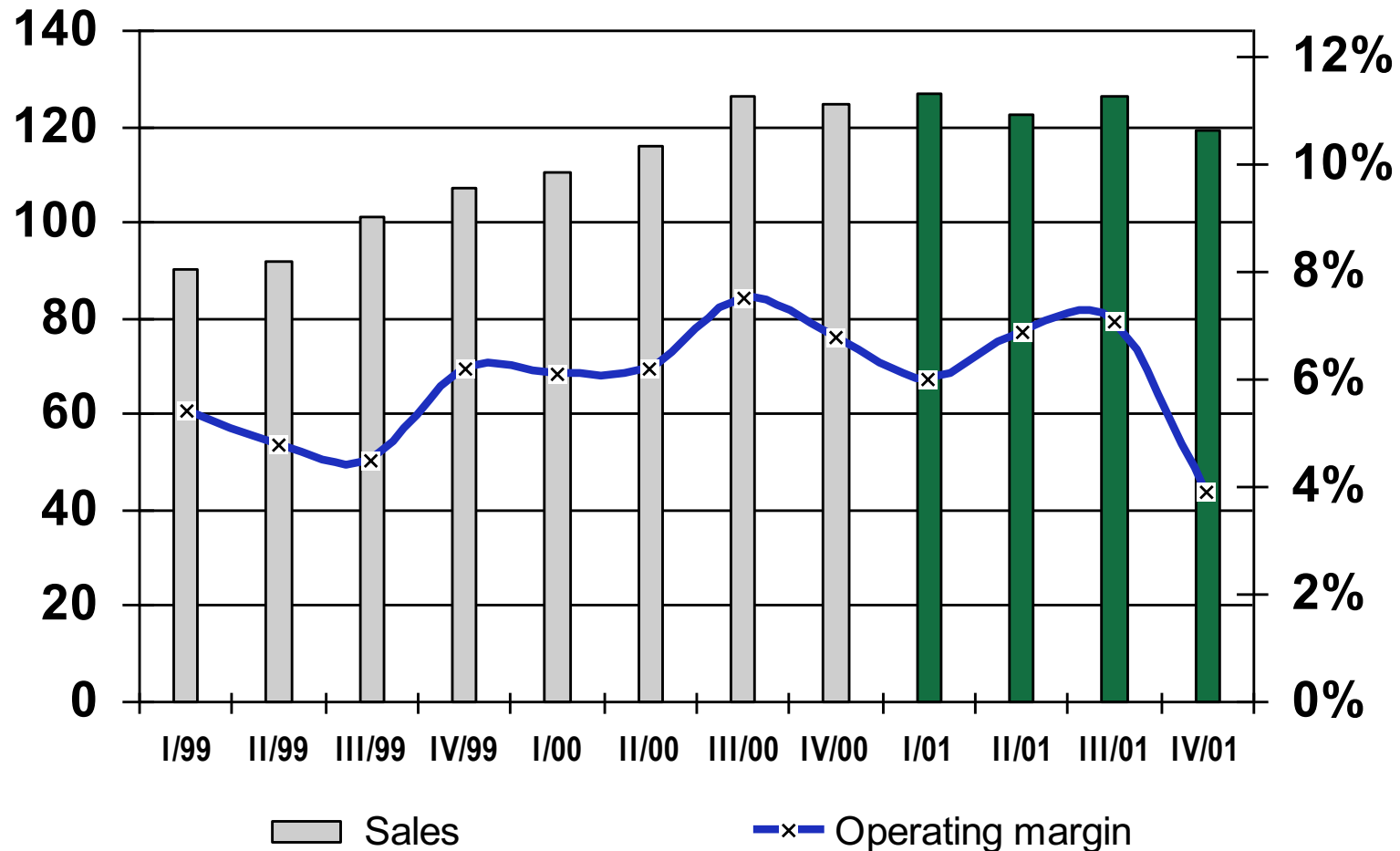
in EUR millions, US GAAP	2001	2000	+/-
Sales	494.7	477.1	+3.7%
Operating profit	29.8	31.8	-6.3%
Operating margin	6.0%	6.7%	
Tonnage processed (in 000's of tons)	320	320	+0.0%



MM PACKAGING: Quarters

in EUR millions, US GAAP

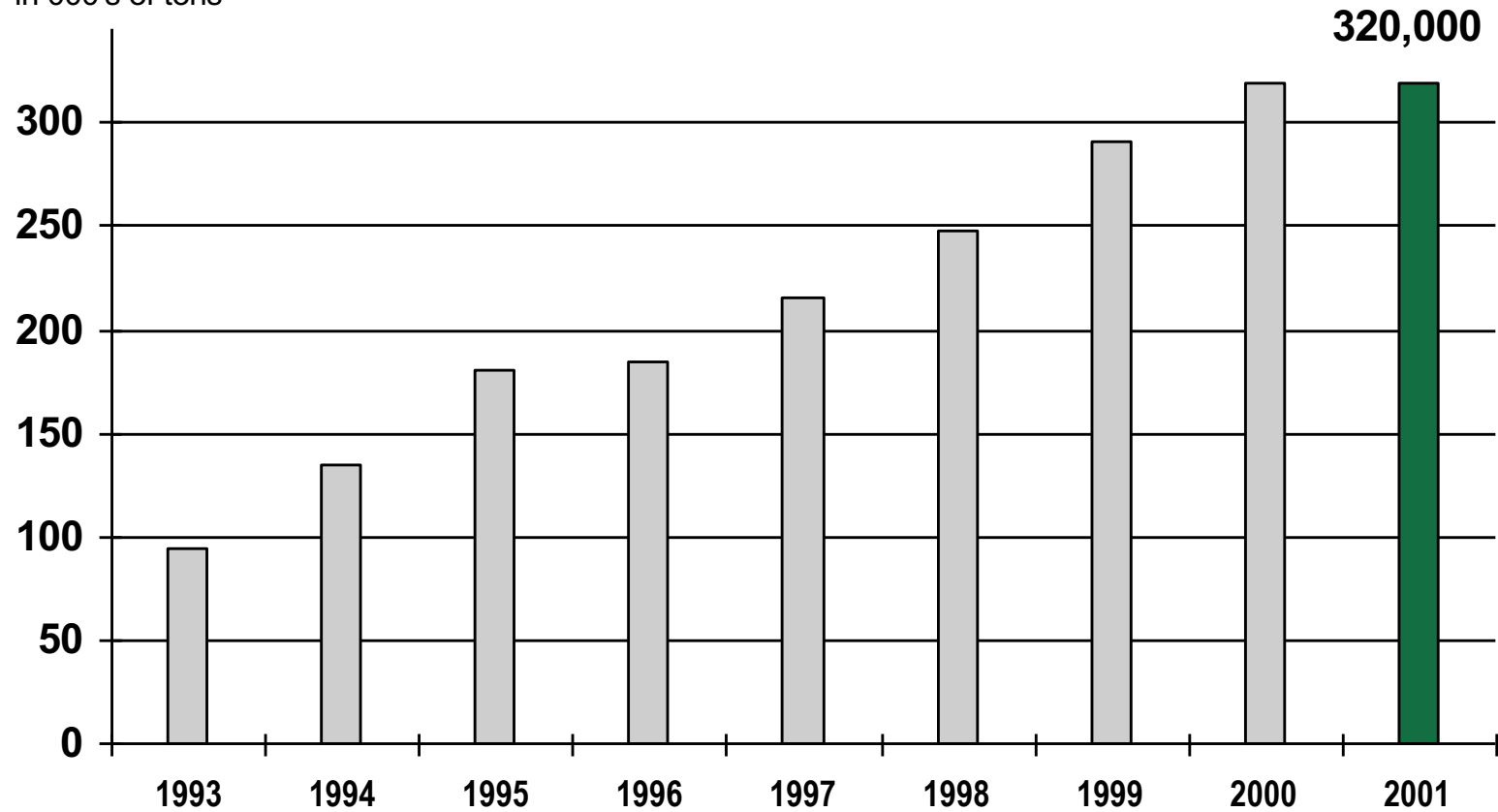
% of sales





MM PACKAGING: Tonnage processed

in 000's of tons



MM PACKAGING: Facilities

- *21 facilities in 8 countries*
- *390,000 tons processed*
- *~ 4,000 employees*

- *Schött printing plant was closed*

- *Acquisition of Schilling plant
(detergent & micro-flute packaging)*

Graphia ■

Basis: 2001



Acquisition of Graphia Group

“Perfect fit”



- A renowned producer of cigarette packaging, specializing in rotogravure, offset and flexo printing technologies
- 3 facilities in Germany, 1 facility in the Ukraine
- Customers: International cigarette producers such as Reemtsma, Philip Morris and BAT
- Staff: ~ 1,000 people
- Consolidated sales in 2001 ~ EUR 150 million



Acquisition of Graphia Group

“Perfect fit”

- Combination of Mayr-Melnhof’s existing cigarette packaging business in offset printing, with Graphia’s rotogravure and flexo printing technology- an ***ideal strategic expansion***.
 - Expansion of the "Cigarette Packaging“ Segment
 - *Share of Group sales to rise from 10 to 20%*
 - Strengthening of position in Eastern Europe
- ***Mayr-Melnhof, a leading European producer of cigarette packaging***

Divisionalization: Consumer and Cigarette Packaging

Consumer Packaging

- 16 Facilities
- A, GER, GB, F, PL, HUN, RO
- ~ 2,700 Employees
- Sales: ~EUR 430 million

Cigarette Packaging

- 5 Facilities (incl. Graphia)
- 4 GER, 1 UKR
- ~ 1,300 Employees
- Sales: ~ EUR 220 million (incl. Graphia)

Separate Management

Outlook

- **Positive Development in the 1st Quarter of 2002**

High capacity utilization in the Cartonboard Division

- *Expansion of cartonboard sales in overseas markets*
- *European demand better than expected*

Decrease in average cartonboard price

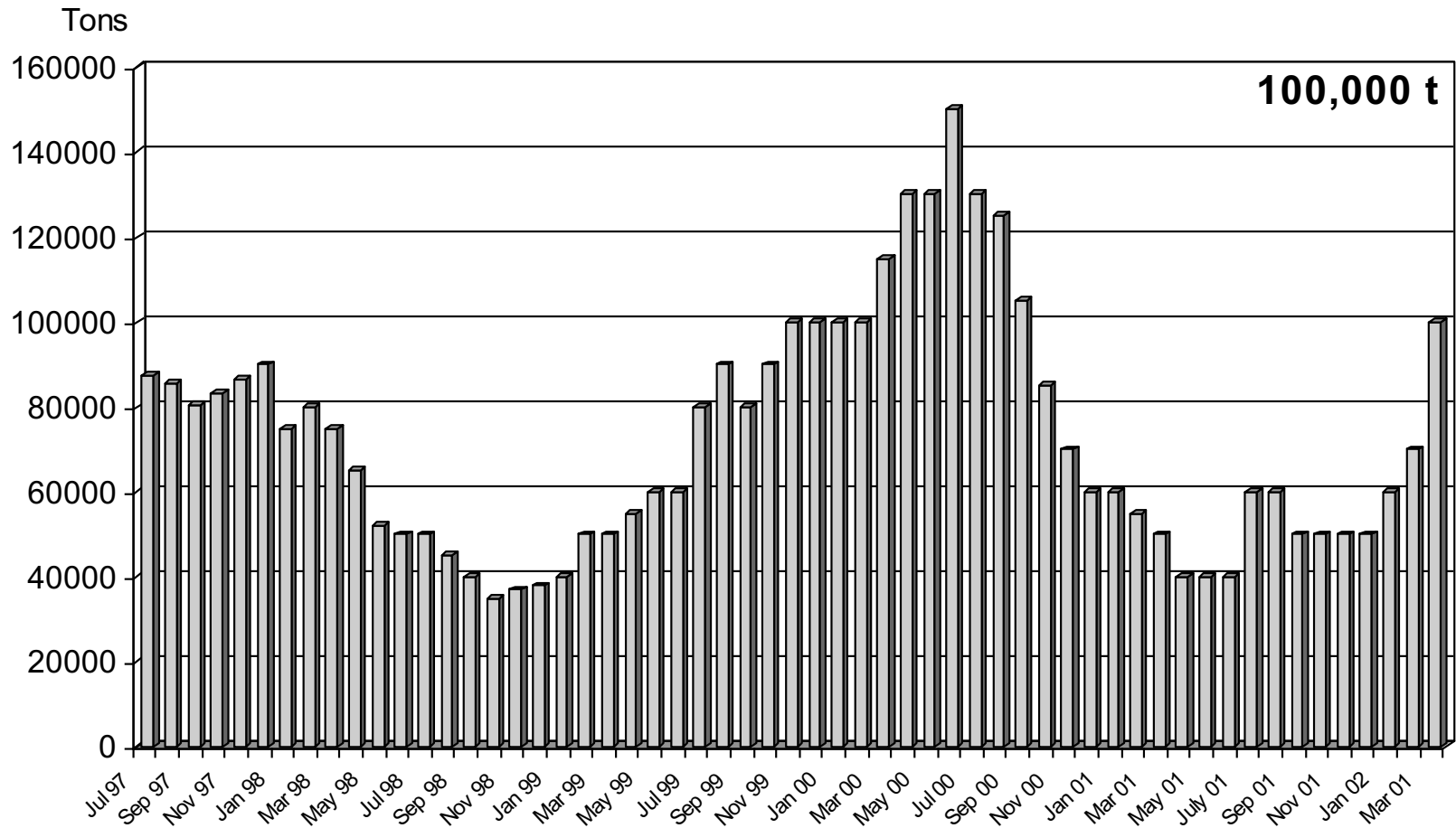
- *Stable prices in Europe*
- *Significantly lower price level on the overseas markets*

Stable development of business in the Packaging Division

→ *Profit for period exceeds expectations, however below last year's record level*



CARTONBOARD: Order Backlog



Outlook

- Cartonboard and Packaging Divisions expected to register satisfactory capacity utilization in the 2nd quarter
- Negative: Increase of waste paper prices
- Increase of cartonboard price considered for 2nd quarter
- Result for the first half-year of 2002 expected below previous year's level
 - Lower profitability of the overseas business*
 - Non-recurrent income in the previous year*
- Course of expansion will be pursued