



Mayr-Melnhof Karton AG

1st Half-Year 2004

April 25, 2004



Segments

Group

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- The worldwide leading producer of recycled fiber based cartonboard



- Europe's largest manufacturer of folding cartons



- A leading European packaging producer for cigarettes and confectionary



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Highlights: 1st Half-year 2004

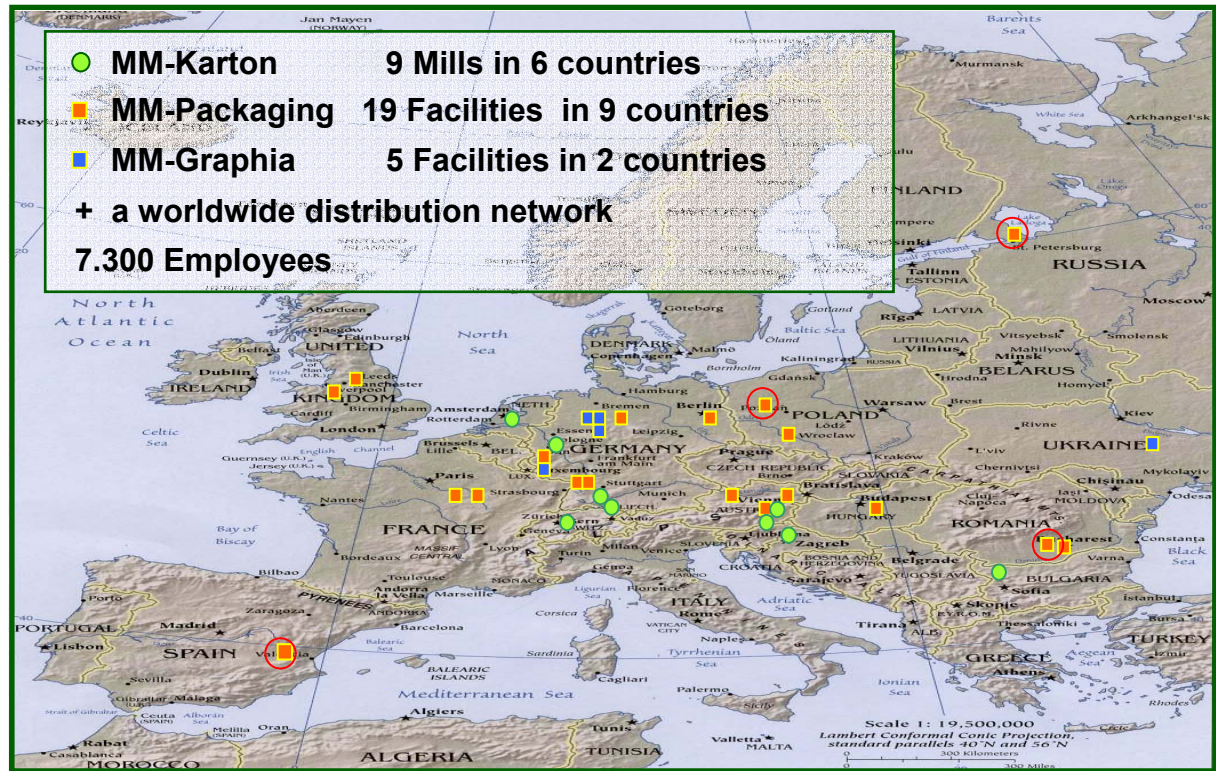
- **Best ever half-year results**
 - *Net income increased by + 32% to EUR 51.5 million*
- **High capacity utilization in all Divisions**
- **Successful cost management while price pressure prevails**
- **Acquisitions continued according to schedule**



Production Sites

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○ HY 1, 2004





Group Results 1st Half-year 2004

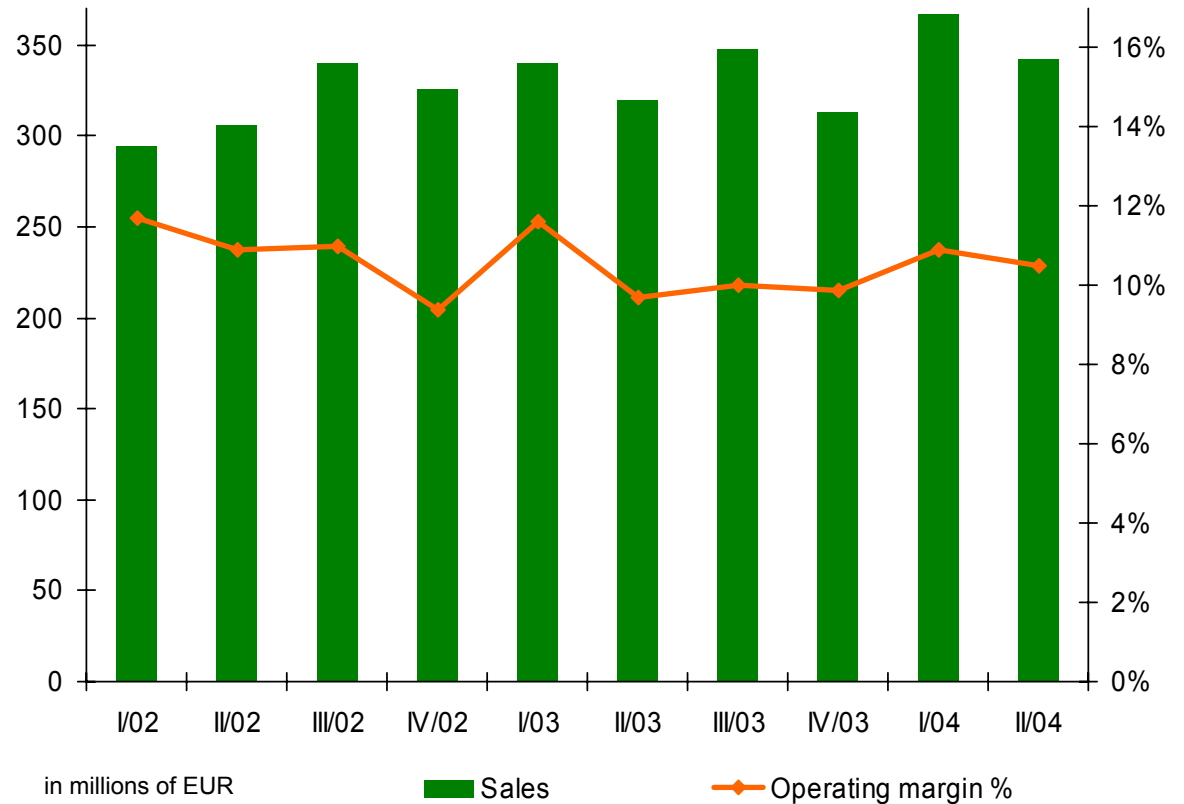
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Consolidated in millions of EUR, US GAAP	HY 1 / 2004	HY 1 / 2003	+/-
Sales	709.0	660.1	+7.4%
Operating profit	75.9	70.5	+7.7%
Operating margin	10.7%	10.7%	
Net interest	0.1	(0.7)	
Other net	(0.1)	(3.2)	
Income before income taxes	75.9	66.5	+14.1%
Income taxes	(23.7)	(26.3)	
Net income	51.5	38.9	+32.4%
% Sales	7.3%	5.9%	
Cash earnings	98.4	83.6	+17.7%
% Sales	13.9%	12.7%	



MM Group – Quarters

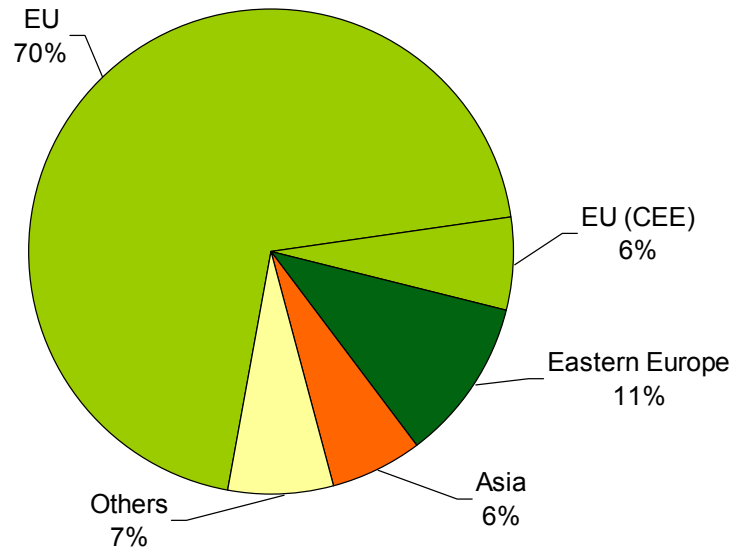
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Sales by Region

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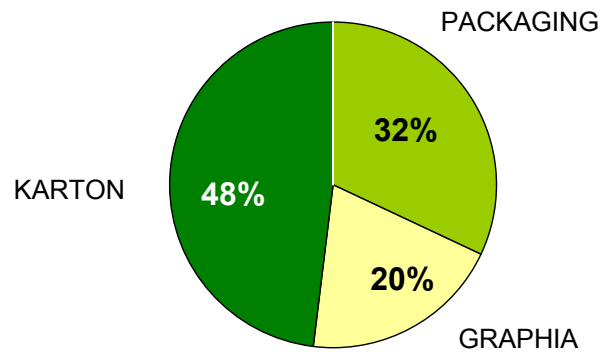


(HY 1, 2004)

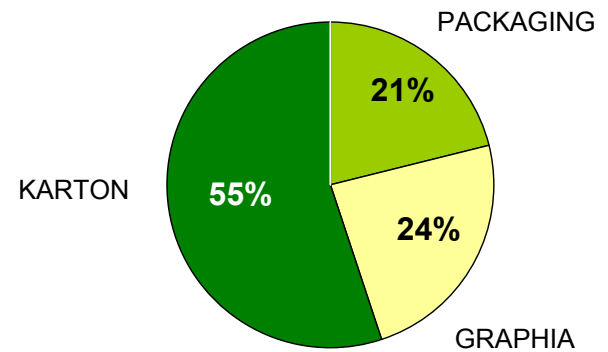


Sales and Operating Profit by Divisions

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Sales



Operating profit

(HY 1, 2004)



Group Balance Sheet

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Consolidated in millions of EUR, US GAAP	06/30/2004	12/31/2003
Current assets	577.5	527.9
Non-current assets	669.3	656.7
Total assets	1,246.8	1,184.6
Current liabilities	362.9	325.2
Non-current liabilities	204.0	213.0
Minority interests	13.6	9.1
Stockholders' equity	666.3	637.3
Balance sheet total	1,246.8	1,184.6
Cash and cash equivalents + available-for-sales securities	229.4	242.4



Group Cash Flow

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Consolidated in millions of EUR, US GAAP

	HY 1 / 2004	HY 1 / 2003	2003
Cash flow from operating activities	81.5	70.9	157
Cash flow from investing activities	(57.0)	(50.0)	(82)
Cash flow from financing activities	(34.9)	(32.8)	(57)
Net change in cash and cash equivalents	(9.7)	(13.0)	17
Cash and cash equivalents at the end of period	156.6	136.1	166
Current and non-current available-for-sale securities	72.8	95.6	76
Total funds available to the Group	229.4	231.7	242



Mayr-Melnhof KARTON



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MM-Karton: 1st Half-year 2004

- More solid demand in Western Europe; persisting dynamic development in the Central and Eastern European markets and Asia
- Capacity utilization: 1st HY 04: 97%; 1st HY 03: 88%
- Ongoing price pressure
- Recovered paper price on a higher level than at the beginning of the year; sharp upward price trend for all products related to the price of crude oil
- Countered by significant cost savings
- Fire- Damage at the Eerbeek Board Mill in April covered by insurance compensation; production partly resumed



MM-Karton: 1st Half-year 2004

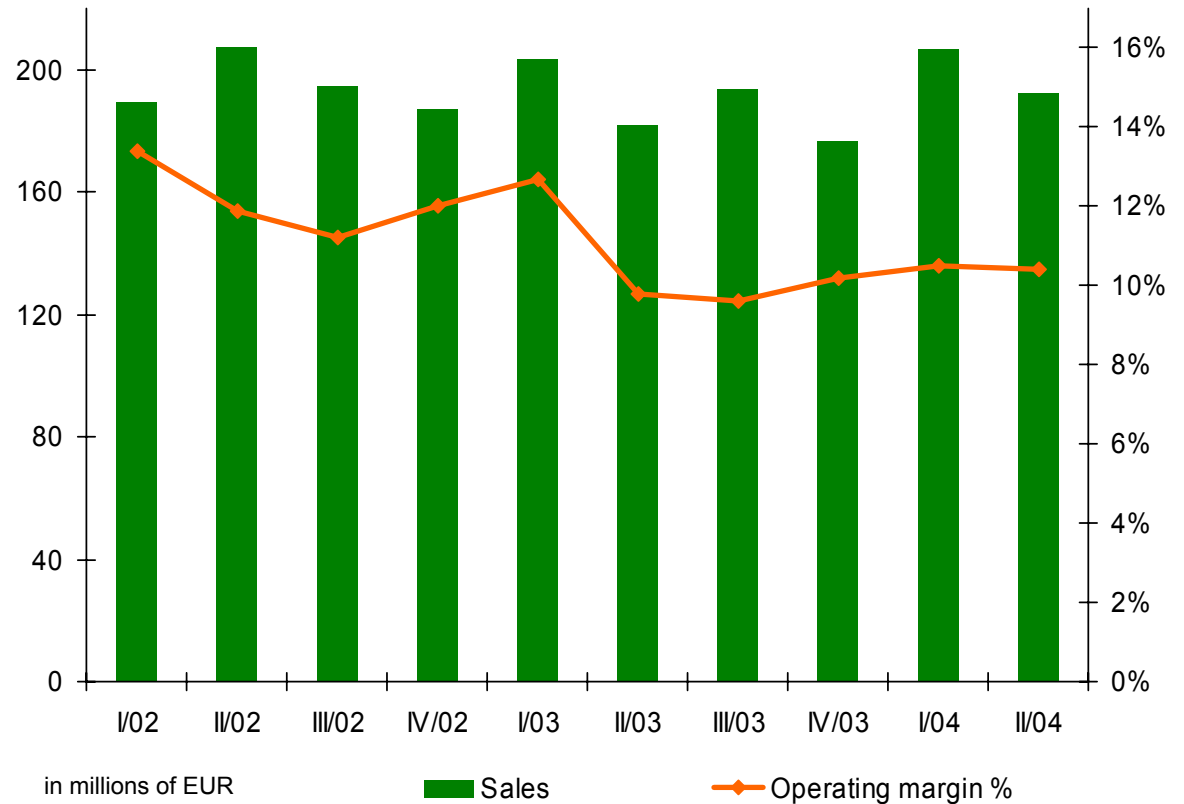
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in millions of EUR, US GAAP	HY 1 / 2004	HY 1 / 2003	+/-
Sales	399.4	385.4	+3.6%
Operating profit	41.8	43.7	-4.3%
Operating margin	10.5%	11.3%	
Tonnage produced (in thousands of tons)	790	716	+10.3%



MM-Karton – Quarters

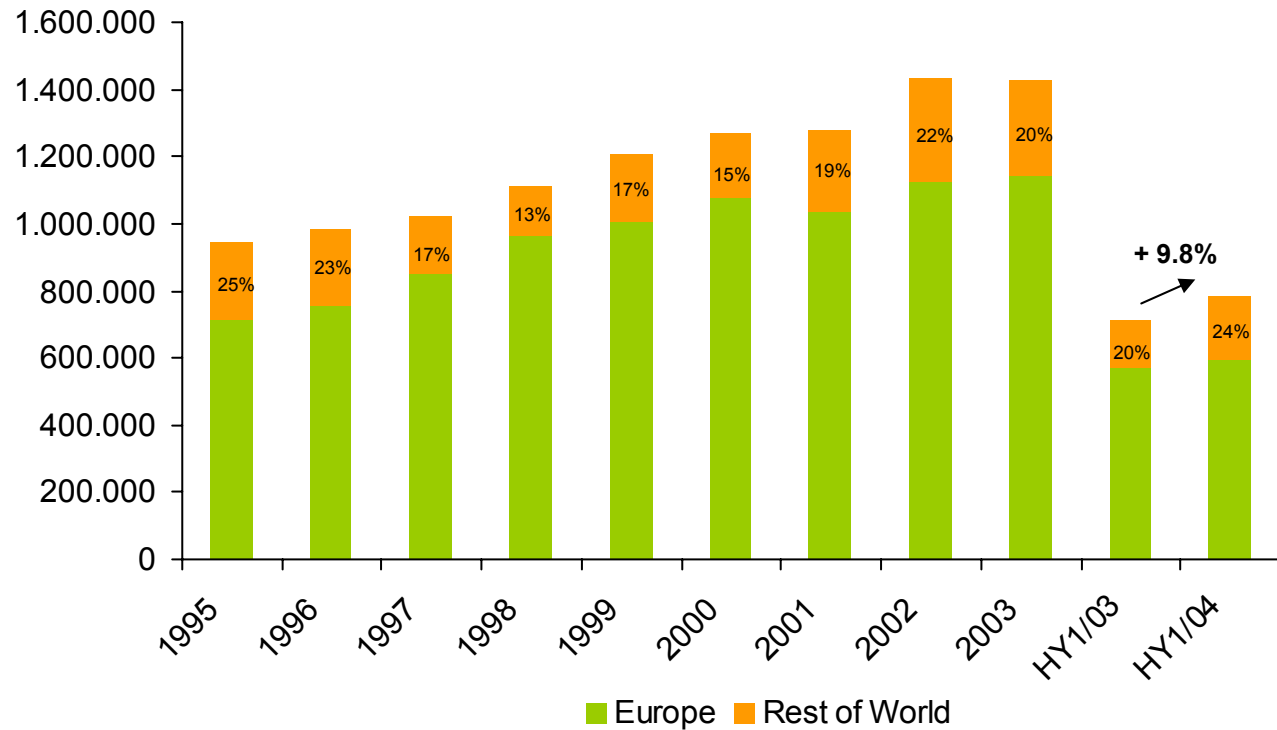
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Cartonboard Sold

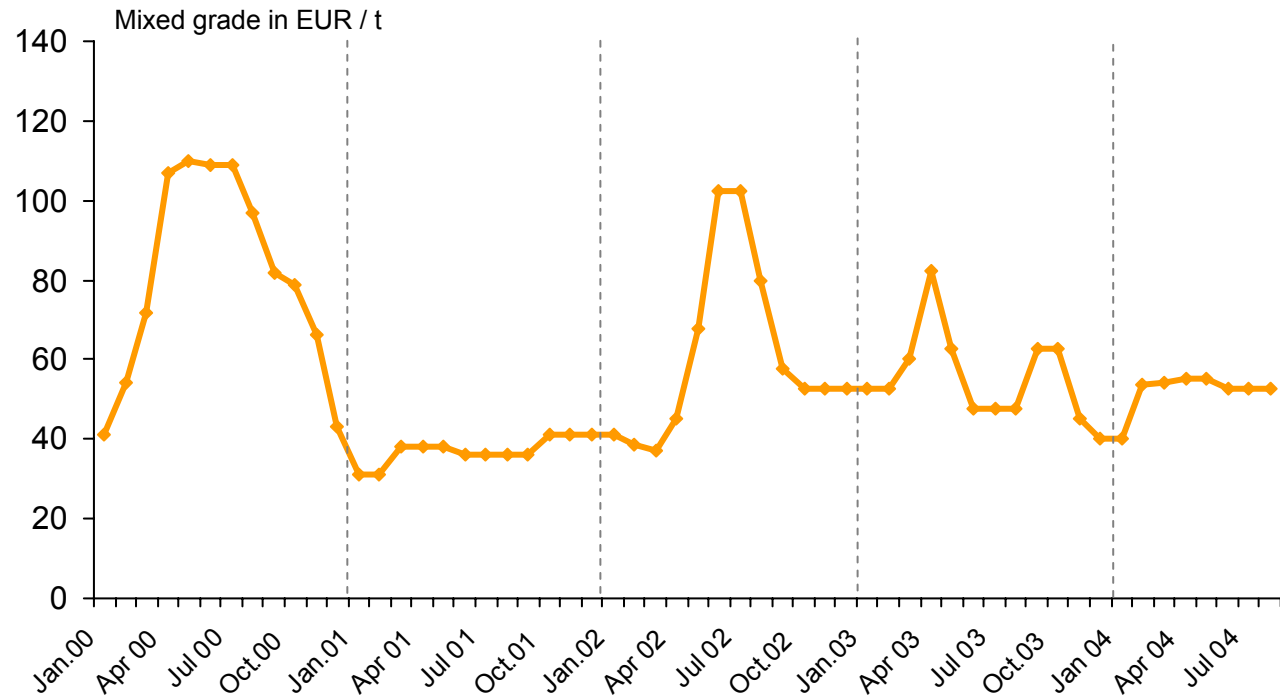
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Recovered Paper Price



Source: EUWID



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MM-Packaging: 1st Half-year 2004

- MMP successfully held its ground despite strong competition
- Specialization on specific market segments and customers
- Focused cost saving programs
- We follow our customers
 - 4 Acquisitions in Western and Eastern Europe



MM-Packaging: 1st Half-year 2004

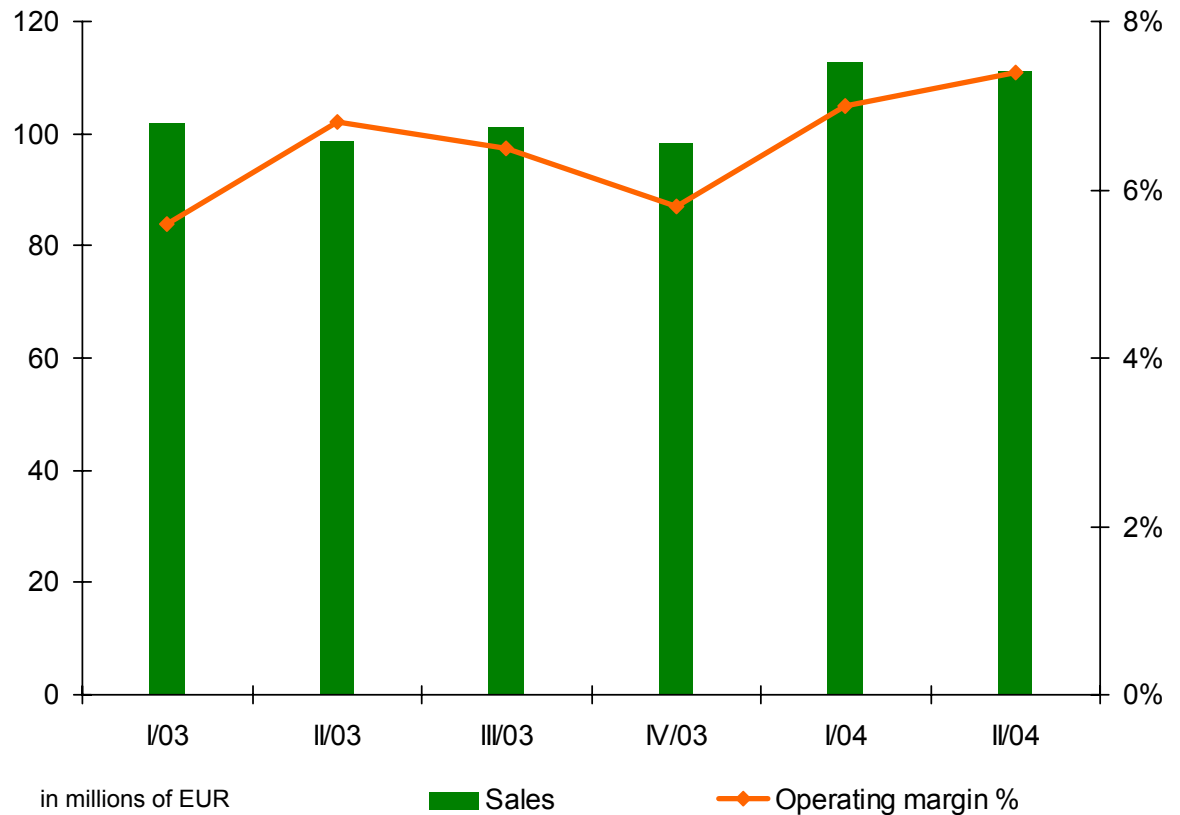
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In millions of EUR, US GAAP	HY 1 / 2004	HY 1 / 2003	+/-
Sales	223.9	200.2	+11.8%
Operating profit	16.1	12.4	+29.8%
Operating margin	7.2%	6.2%	
Tonnage processed (in thousands of tons)	171	153	+11.8%



MM-Packaging – Quarters

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MM-Packaging Acquisitions in the 1st Half-year 2004

- **GERMANY**

Increase of the interest in C.P. Schmid, Kaiserslautern, from 50% to 75%, (1/04)

- **SPAIN**

Takeover of the second largest Spanish folding carton producer from Alcan Packaging, Valencia (5/04)

- **POLAND**

Purchase of Poligram, located near Warsaw (End of 6/04)

- **ROMANIA**

Takeover of the folding carton operations of Rodata, Bucharest (8/04)

- **RUSSIA**

Purchase of ZAO Polygraph Center, St.Petersburg (Approval of relevant anti-trust authorities is pending)



Mayr-Melnhof GRAPHIA



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MM-Graphia: 1st Half-year 2004

- Consistently strong sales performance
- Dynamic growing demand on Eastern and South Eastern European markets – Already noticeable effect of significant tobacco tax hikes in Western Europe
- Continuous cost saving programs
- Positive earnings development
- We follow our customers
 - Capacities in the Ukraine are on the way to be doubled
 - New facility is being established in Izmir (TR)(Both projects proceed according to schedule – completion in 2005)



MM-Graphia: 1st Half-year 2004

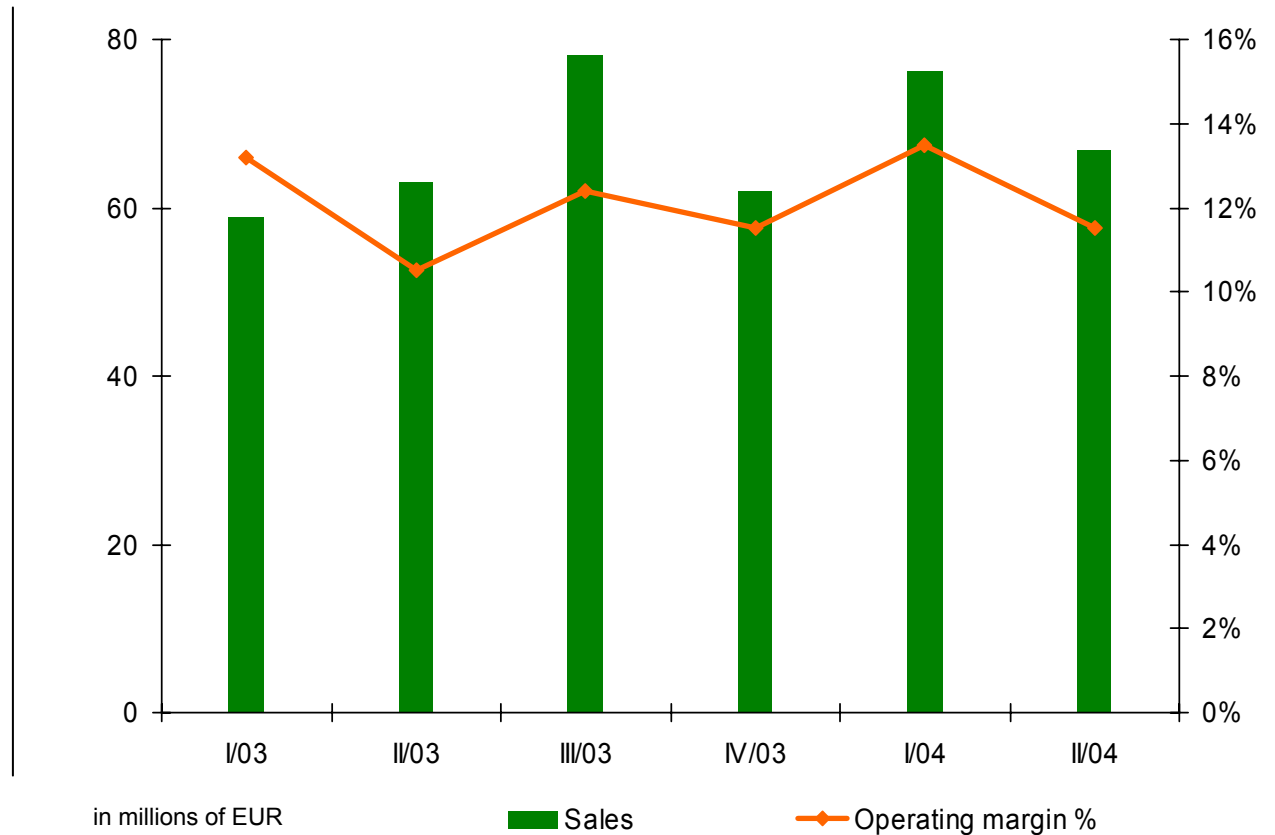
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In millions of EUR, US GAAP	HY 1 / 2004	HY 1 / 2003	+/-
Sales	143.0	121.9	+17.3%
Operating profit	18.0	14.4	+25.0%
Operating margin	12.6%	11.8%	
Tonnage processed (in thousands of tons)	48	45	+6.7%



MM-Graphia – Quarters

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Outlook

- Order intake remained at high level in all Divisions at the beginning of the third quarter of 2004
- Demand still lacks impulses from the private consumer sector on the main market of Western Europe
- Competition remains strong – cost reductions and efficiency increases to be continued with highest priority
- Increase of European cartonboard prices envisaged due to the rise in input prices
- Expansion will be continued
- Overall positive forecast for the second half of 2004 – attention will have to be paid to uncertain developments in the Far East