



Mayr-Melnhof Karton AG

Results 2005

March 14, 2006



Highlights 2005

Group

Key Indicators

MM Karton

MM Packaging

- **High stability despite dearth of market growth**
- **Record results in cartonboard processing stood in contrast to a clear downturn in the profit contribution in cartonboard production**
- **Expansion and consolidation continued**
- **Results, as expected, below record in the previous year**
Profit for the year EUR 94,8 million (2004: EUR 106,6 million)
- **Increase of dividend**
from EUR 2.40 (excl. anniversary bonus) **to EUR 2.60 per share**



Mayr-Melnhof Group

33 plants in 14 countries – 7,300 employees

Group

Key Indicators

MM Karton

MM Packaging



- The world's leading producer of recycled cartonboard



- Europe's largest manufacturer of folding cartons



Group

Key Indicators

MM Karton

MM Packaging

Strategic Position

- ✓ **Concentration on core competence**
(Cartonboard production and processing)
- ✓ **Market- AND Cost leadership**
- ✓ **Long-term profit orientation**
- ✓ **Expansion**



Group Results 2005



Consolidated Results 2005

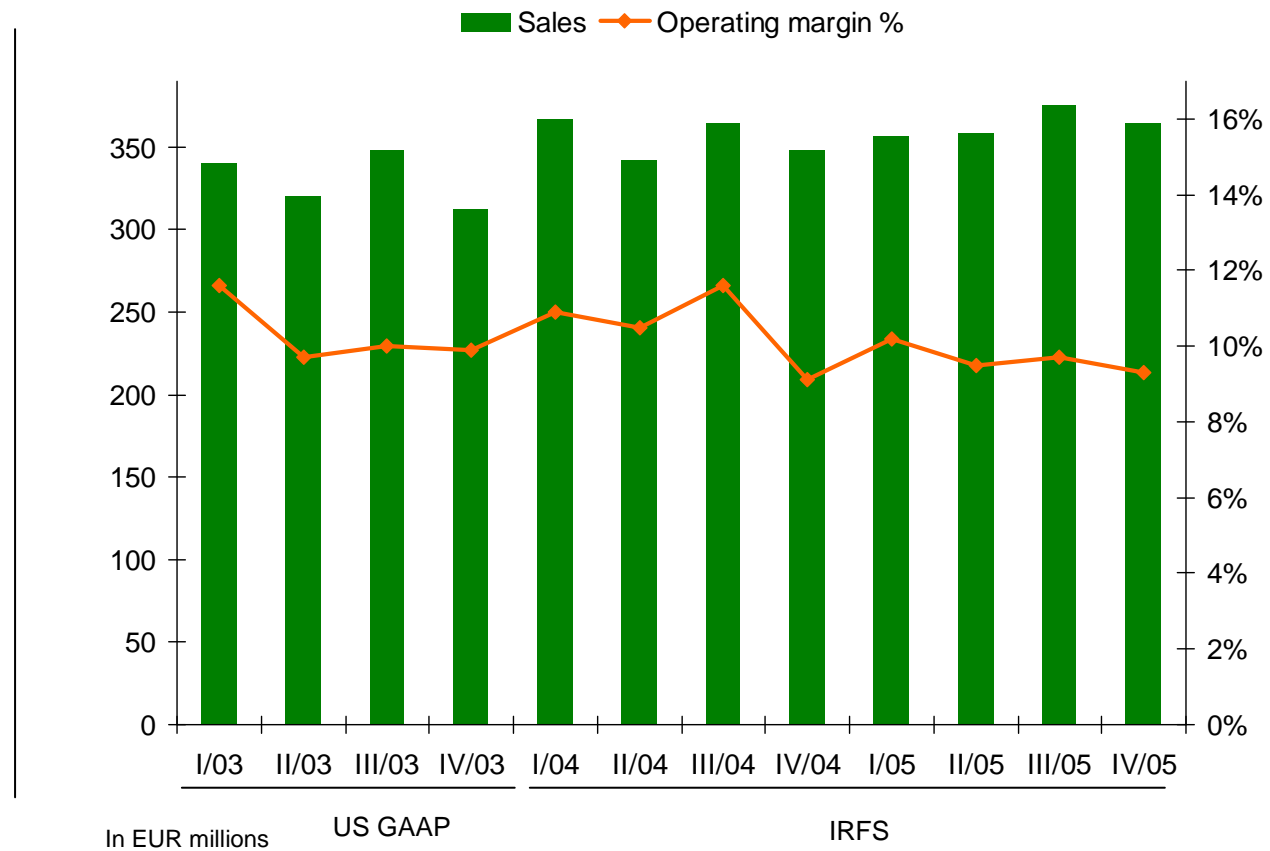
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 MM Packaging

Consolidated in millions of EUR, IFRS	2005	2004	+/-
Sales	1,455.2	1.422.2	+2.3%
Operating profit	140.7	149.9	-6.1%
Operating margin	9.7%	10.5%	
Profit before tax	145.4	149.4	-2.7%
Income tax expense	(50.6)	(42.8)	
Pofit for the year	94.8	106.6	-11.1%
% Sales	6.5%	7.5%	
Cash earnings	183.0	197.1	-7.2%
% Sales	12.6%	13.9%	



MM Group – Quarters

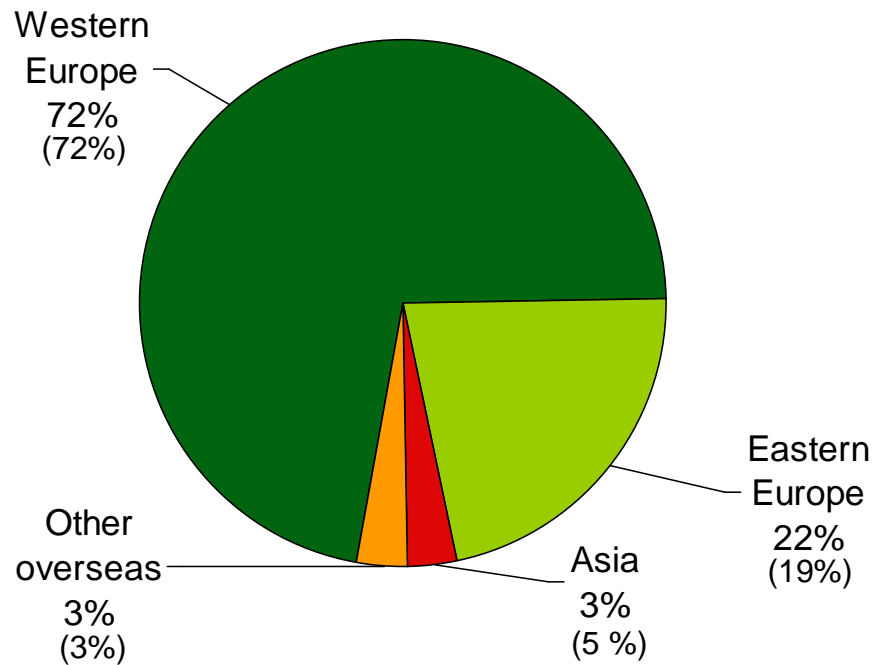
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Sales by Region

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Key Indicators
MM Karton
MM Packaging



(2005 / 2004)



Consolidated Balance Sheets

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 MM Karton
 MM Packaging

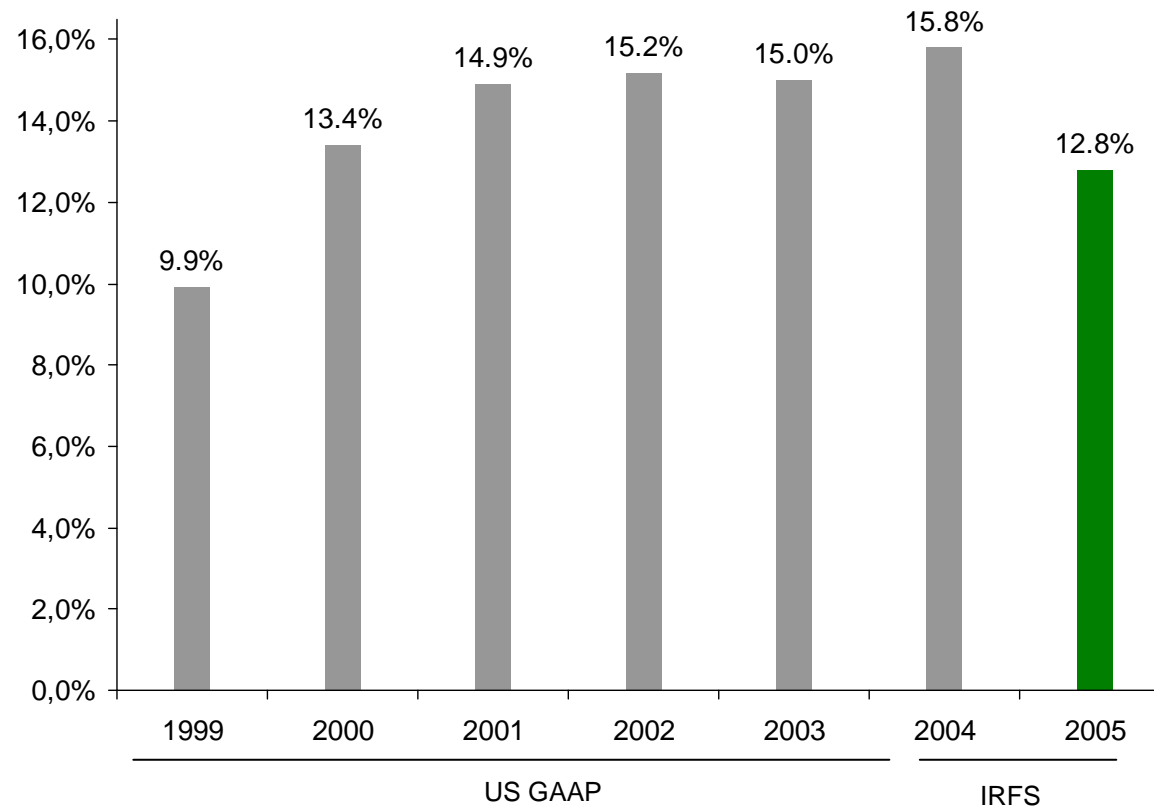
Consolidated in EUR millions, IFRS	Dec 31,2005	Dec 31,2004
Non-current assets	682.8	682.4
Current assets	663.6	597.0
Total assets	1,346.4	1,279.4
Equity	769.7	716.0
Liabilities	576.7	563.4
Total equity and liabilities	1,346.4	1,279.4
Total fund available to the Group	338.1	302.2

→ Net Cash Position



Development ROE

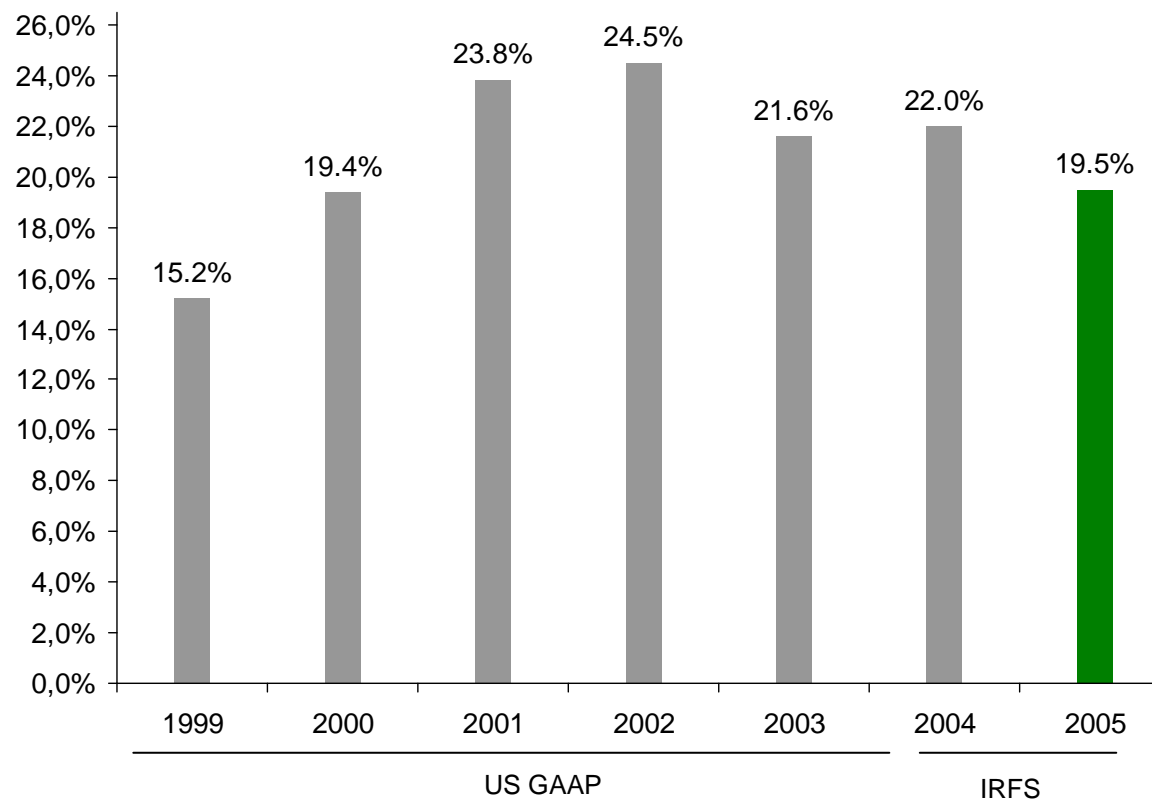
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MM Packaging





Development ROCE

Group
Key Indicators
Karton
Packaging





Cash Flow Development

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Consolidated in millions of EUR, IFRS	2005	2004
Cash flow from operating activities	158.4	205.5
Cash flow from investing activities	(82.8)	(127.3)
Cash flow from financing activities	(40.6)	(17.9)
Cash and cash equivalents beg. of year	227.6	167.4
Net increase in cash and cash equivalents	35.4	60.2
Cash and cash equivalents end of year	263.0	227.6
Available-for-sales financial assets	75.1	74.6
Total funds available to the Group	338.1	302.2



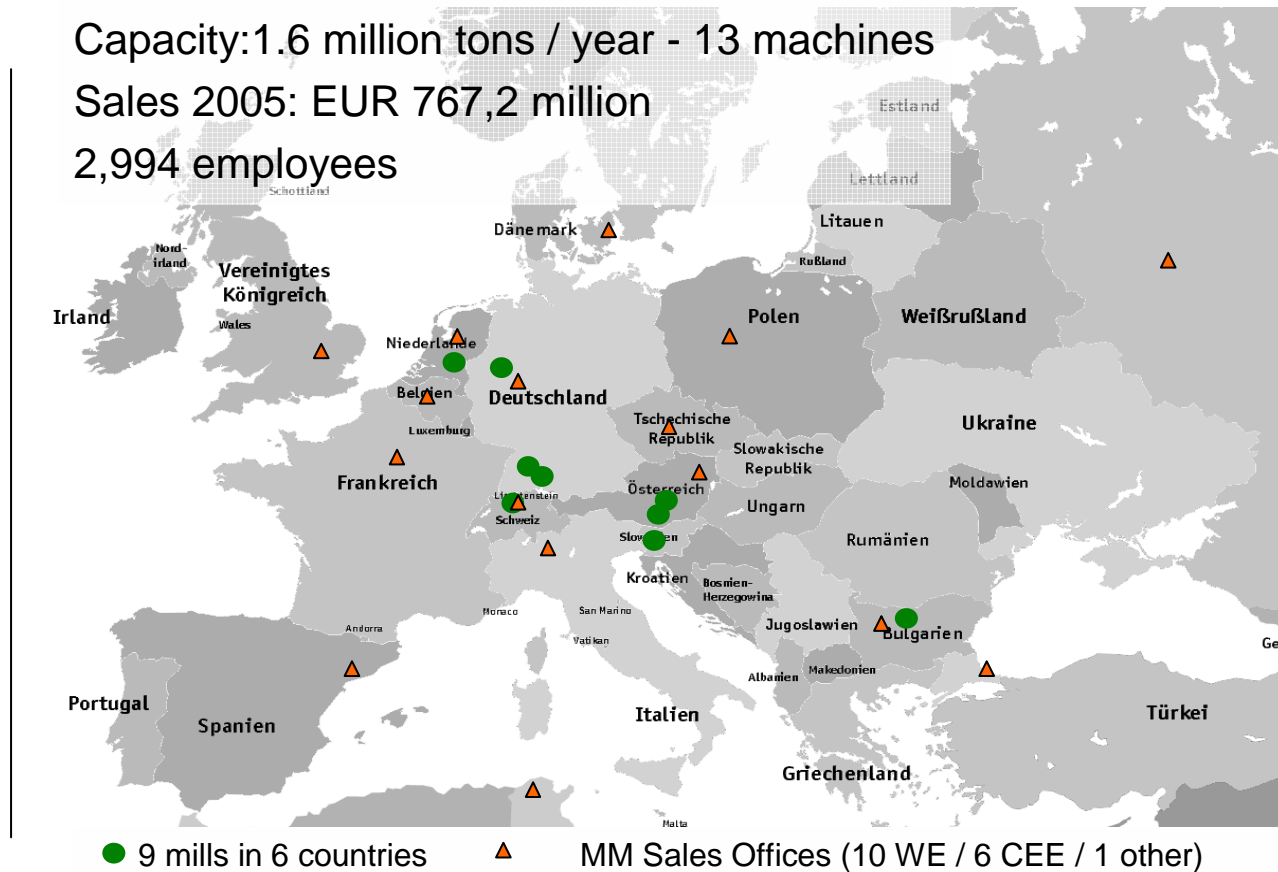
MM Karton



MM Karton: Sites

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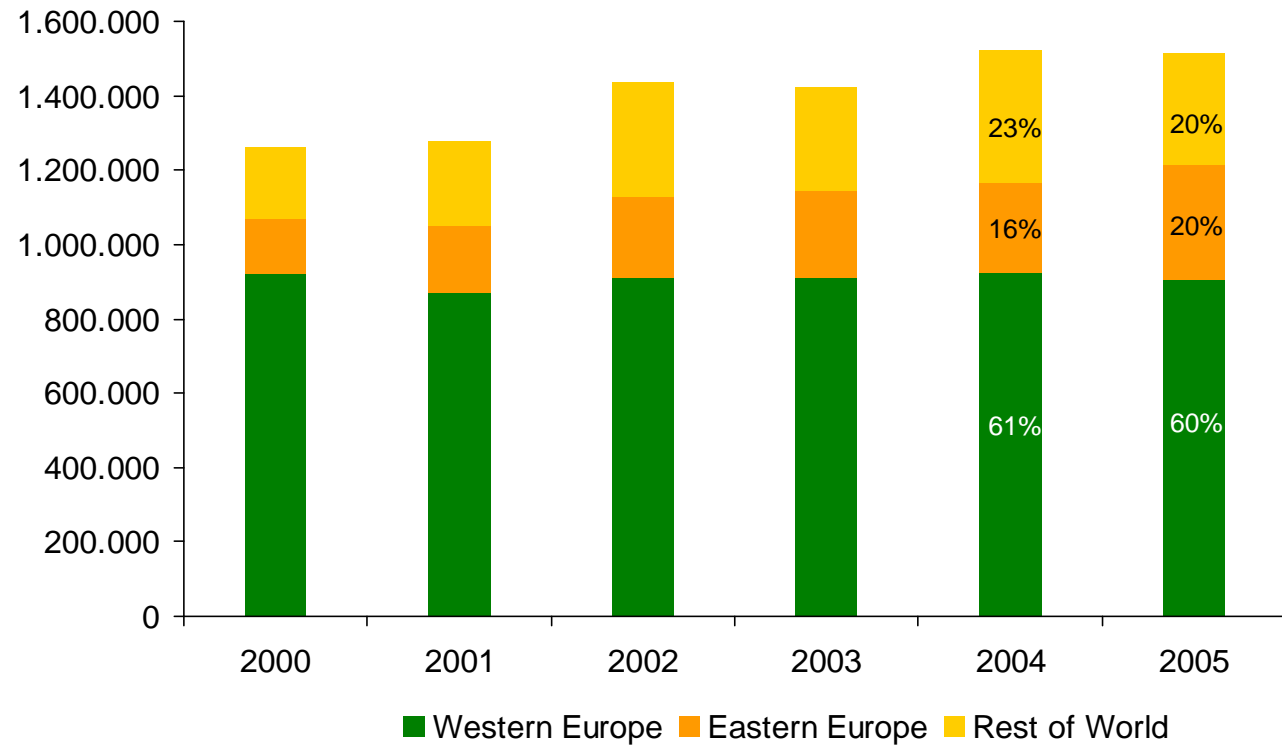
Capacity: 1.6 million tons / year - 13 machines
Sales 2005: EUR 767,2 million
2,994 employees





MM Karton: Sales

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MM Karton: Overview 2005

- **Capacity not fully utilized**
 - *Utilization rate 92 % (2004: 95%)*
- **Average selling price defended**
- **High pressure from massive price increase of energy and all crude oil price driven costs**



MM Karton: Results 2005

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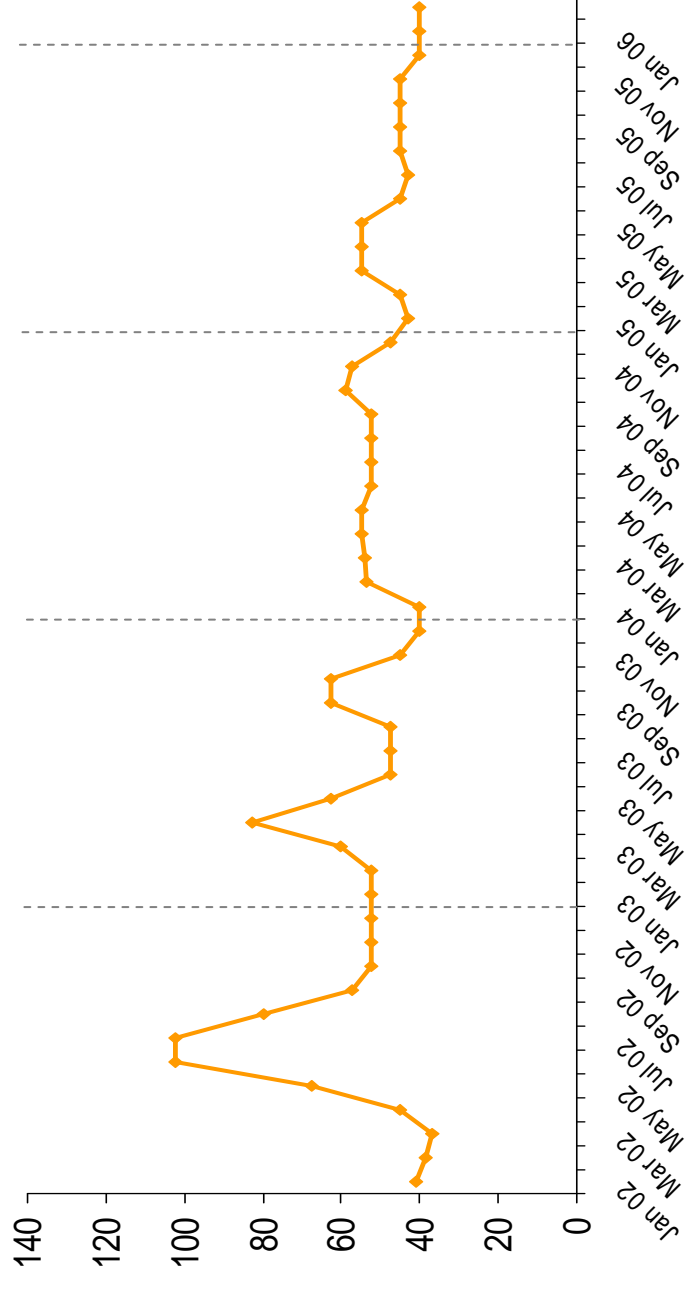
in millions of EUR, IFRS	2005	2004	+/-
Sales	767.2	777.9	-1.4%
Operating profit	61.8	79.8	-22.6%
Operating margin	8.1%	10.3%	
Return on capital employed	12.5%	17.0%	
Tonnage produced (000's of tons)	1,529	1,517	+0.8%
Employees	2,994	2,993	
Capex	35.2	58.6	



Price – Recovered Paper

Mixed waste in EUR / t

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Source: EUWID



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MM Karton: Start 2006

- **Increase of cartonboard prices successively implemented since the beginning of the year**
- **Support of the price increase**
Production at the Nikopol mill has been halted until mid-year
- **Further internal cost optimization**
Project: New power station at MMK Frohnleiten mill



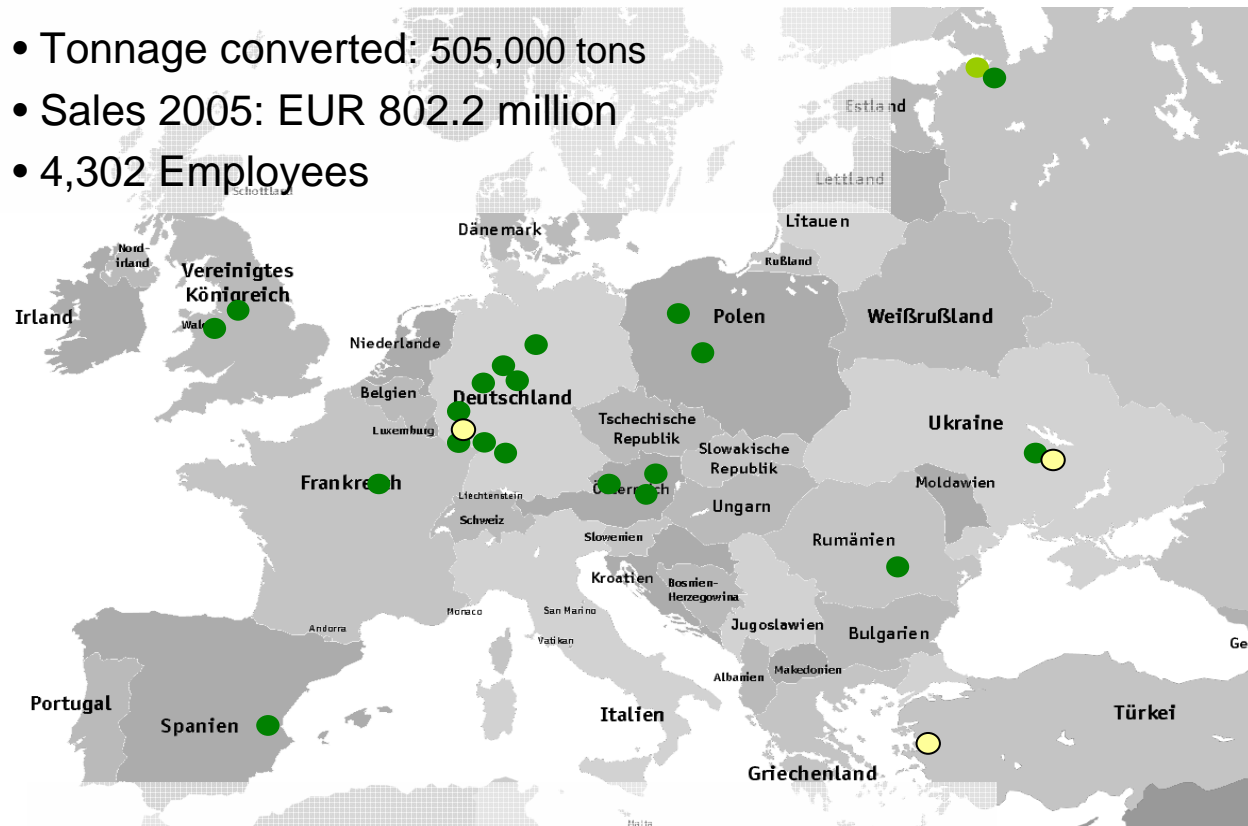
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MM Packaging: Sites

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- Tonnage converted: 505,000 tons
- Sales 2005: EUR 802.2 million
- 4,302 Employees

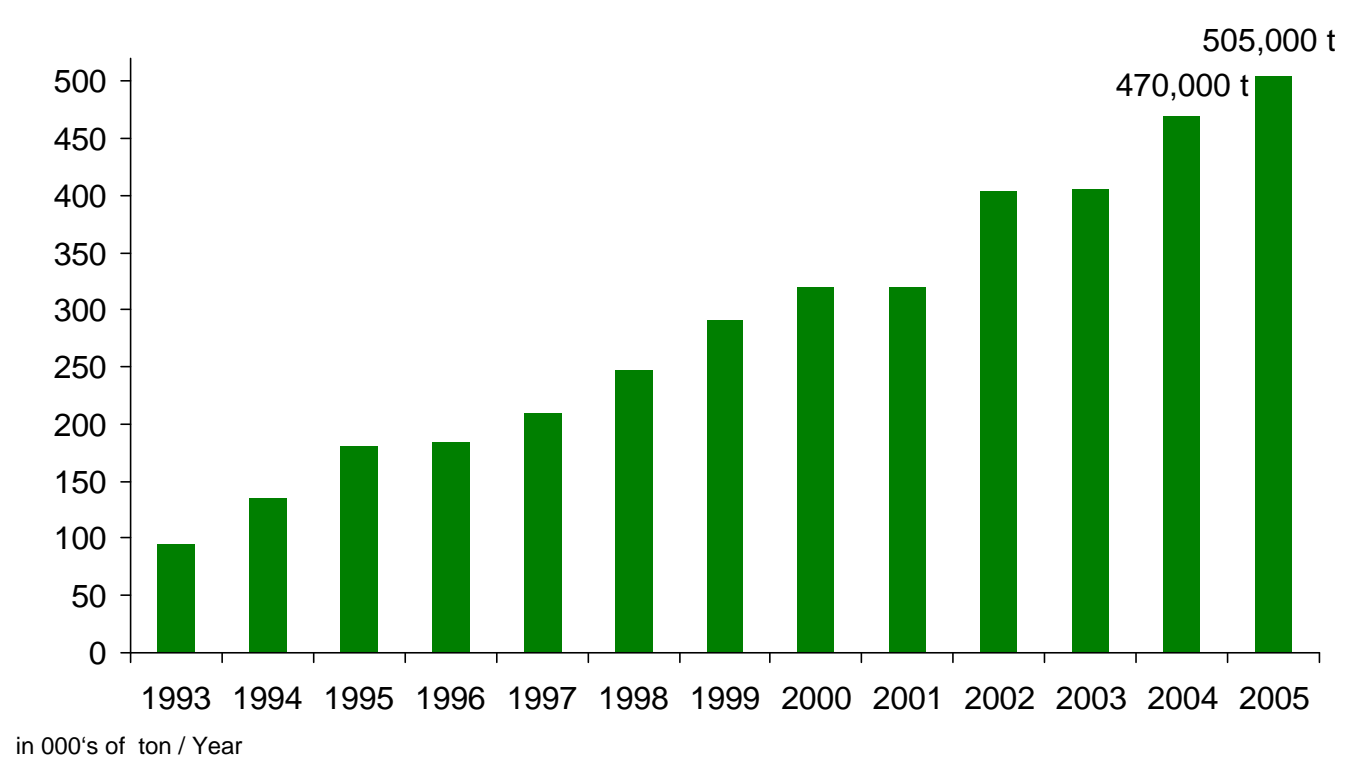


24 Facilities in 10 Countries ● Start of production in 2006



Tonnage Converted

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MM Packaging: Business Units

Food



Tobacco



Detergents



Confectionery





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MM Packaging: Overview 2005

- **Increase of sales**
Extension of business and acquisitions
- **Market with highly fragmented supply structure**
Crowding out competition
- **Increase of earnings**
MMP industrializes processes
Increase of productivity by best practice and rationalization
- **Cartonboard price increase 2006**
Price increase of folding cartons - order of the day



MM Packaging: Results 2005

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in millions of EUR, IFRS	2005	2004	+/-
Sales	802.2	756.1	+6.1%
Operating profit	78.9	70.1	+12.6%
Operating margin	9.8%	9.3%	
Return on capital employed	32.9%	33.1%	
Tonnage converted (in 000's of t)	505	470	+7.4%
Employees	4,302	4,587	
Capex	51.3	38.1	



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MM Packaging: Start 2006

- **In December 2005 MM has acquired 50% + 1 share in the leading Russian folding carton producer, Polygrafoformlenie in St. Petersburg.** (approval of the competition authorities still pending)
- **3 newly built sites shortly before start-up of production**
Trier (Germany), Izmir (Turkey) Cherkassy (Ukraine)



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Outlook

- **High utilization of capacities at MM Karton and MM Packaging since the beginning of the year**
- **Upswing in demand still not perceivable**
- **Cartonboard price increase becomes effective**
Indications on degree of cost compensation and extend will be available with 1st quarter 2006
- **Path of acquisitions will be continued**
Focus Europe and neighboring regions