



MAYR-MELNHOF KARTON AG

**Results for the
2001 FIRST HALF-YEAR**

August 28, 2001

MAYR-MELNHOF KARTON AG

CARTONBOARD

- 8 Mills
- 5 Countries
- 2,485 Employees *

PACKAGING

- 17 Facilities
- 7 Countries
- 2,802 Employees *

TWO PROFIT CENTERS



Best ever half-year results

- Net income of EUR 48.5 million - a 47 % increase
- Scheduled downtime adjusted cartonboard production to decrease in market demand
- Satisfactory capacity utilization in the Packaging Division
- 2nd quarter net income exceeded expectations due to the disposal of "Wall- Shareholdings"

- **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*
 - *Consolidate market leadership*

Consolidated Results 1st HY 2001



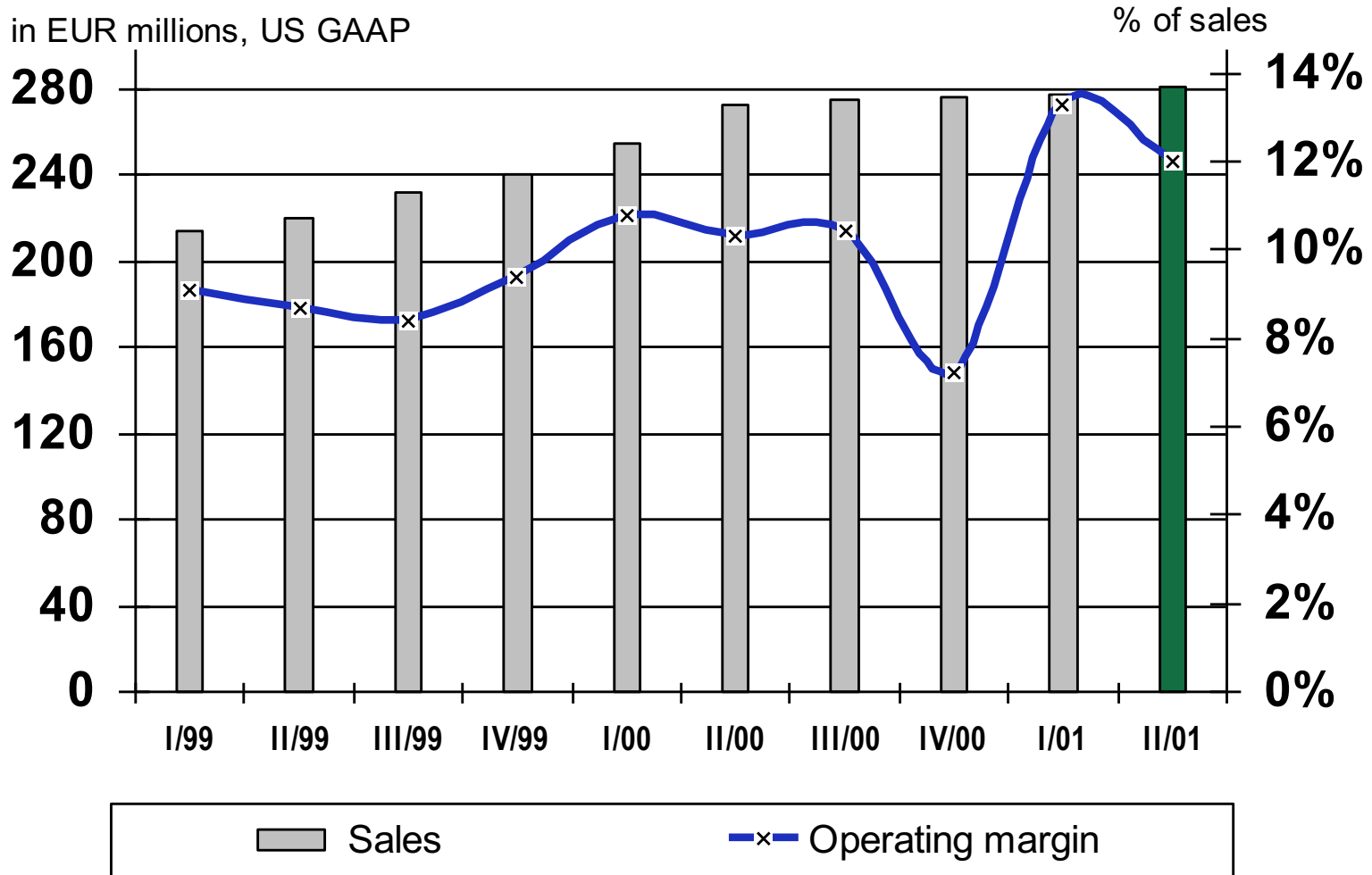
in EUR millions	1-6/2001	1-6/2000	+/-
Sales	558.9	527.0	+6.1%
Operating profit	70.6	55.5	+27.2%
Operating margin	12.6%	10.5%	
Other - net (including equity income)	5.2	(0.3)	
Income before income taxes and minority interests	74.7	52.7	+41.7%
Net income	48.5	33.0	+47.0%
in % of sales	8.7%	6.3%	
Basic and diluted earnings per share (in EUR)	4.04	2.75	
Cash earnings	86.5	71.6	+20.8%
in % of sales	15.5%	13.6%	

MM GROUP: Quarters

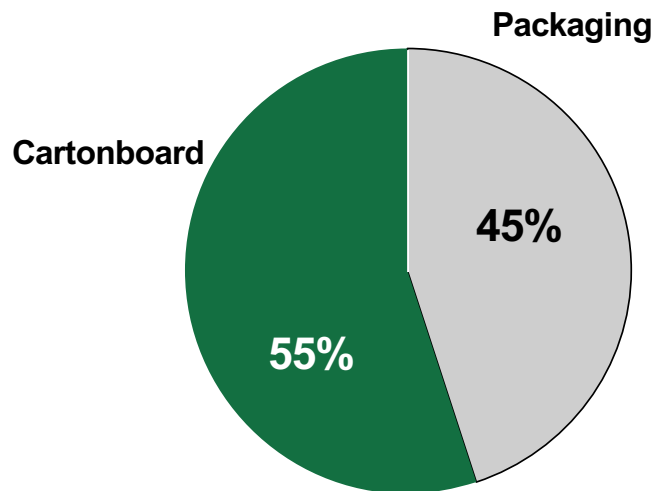


consolidated in EUR millions	II/2000	III/2000	IV/2000	I/2001	II/2001
Sales	272.3	275.4	275.9	277.8	281.1
Operating profit	28.1	28.7	20.0	36.9	33.7
Operating margin	10.3%	10.4%	7.2%	13.3%	12.0%
Net interest expense	(1.2)	(1.3)	0.4	(0.6)	(0.5)
Income before income taxes and minority interests	26.8	29.1	17.4	37.0	37.7
Income taxes	(9.5)	(9.5)	(2.7)	(13.0)	(12.6)
Net income	16.9	19.0	14.7	23.6	24.9
in % of sales	6.2%	6.9%	5.3%	8.5%	8.9%
Basic and diluted earnings per share (in EUR)	1.41	1.58	1.23	1.97	2.07

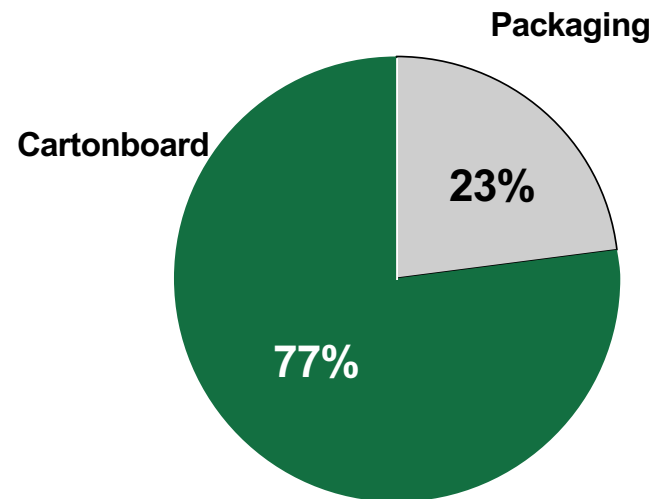
MM GROUP: Quarters



Sales & Operating Profit by Division



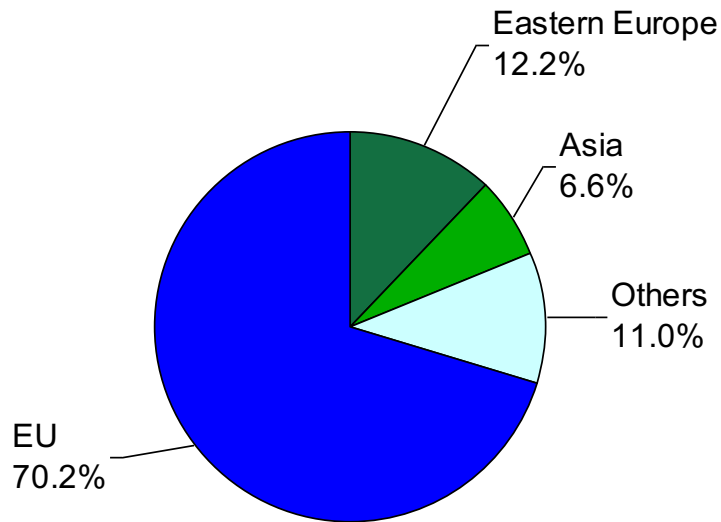
Sales



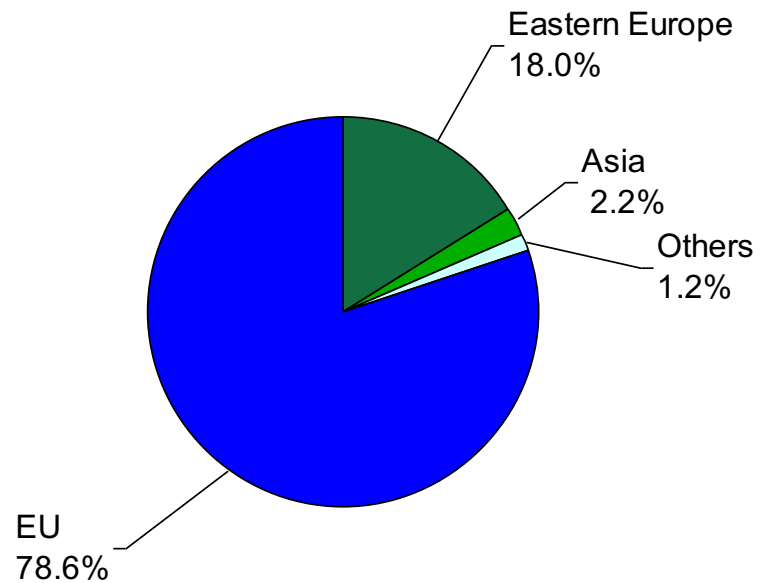
Operating Profit

(1st HY 2001)

Divisional Sales by Region



CARTONBOARD



PACKAGING

(1st HY 2001)

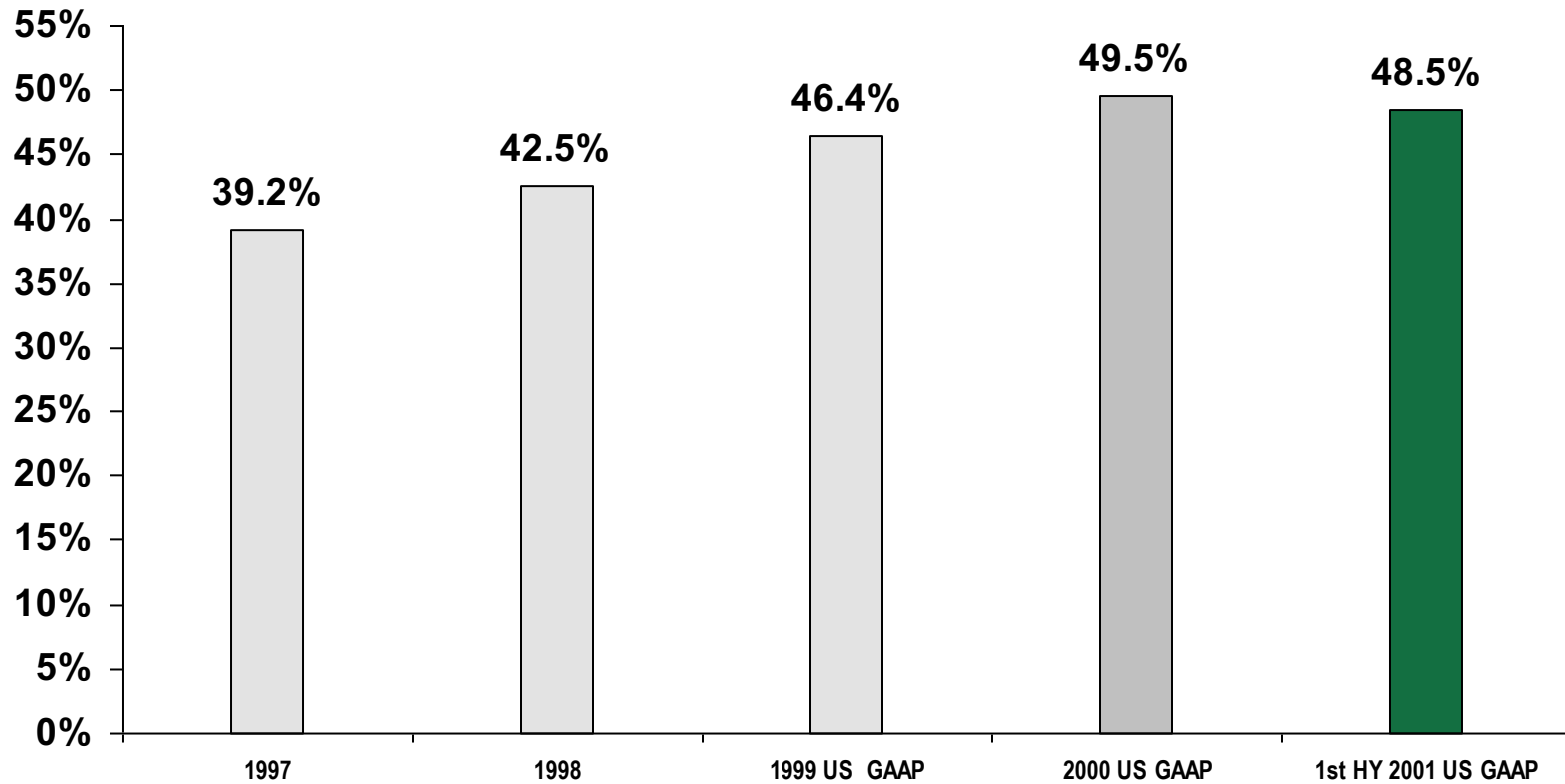
Group Balance Sheet as of June 30, 2001



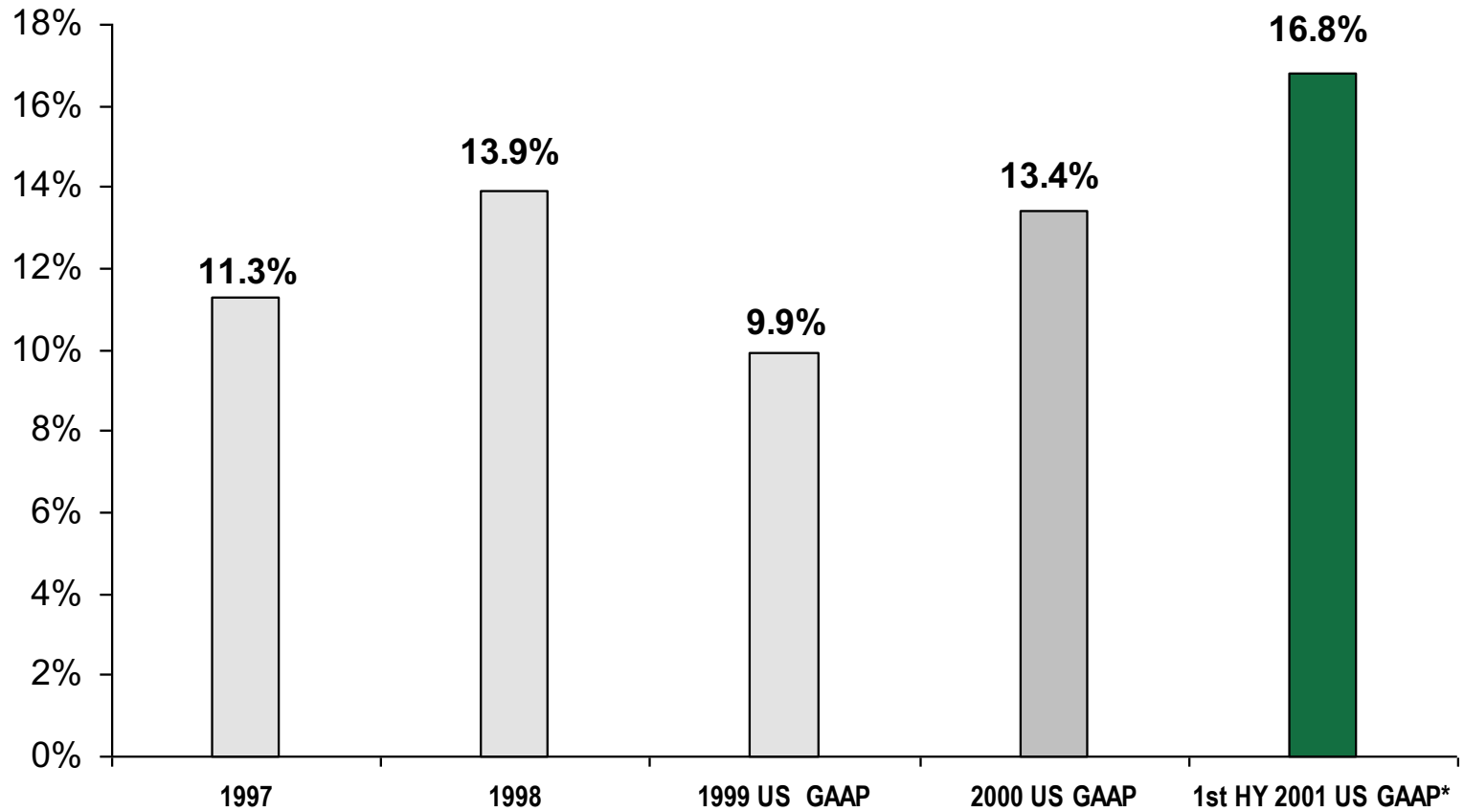
consolidated in EUR millions, US GAAP

	June 30, 2001	Dec. 31, 2000
Current assets	524.6	485.8
Non-current assets	584.2	564.7
Total assets	1,108.8	1,050.5
Current liabilities	327.4	280.0
Non-current liabilities	239.8	246.9
Minority interests	3.4	3.4
Stockholders' equity	538.2	520.2
Total liabilities and stockholders' equity	1,108.8	1,050.5
Liquid funds + securities	247.3	235.9
Investments in fixed assets	24.6	70.3

Equity to total assets



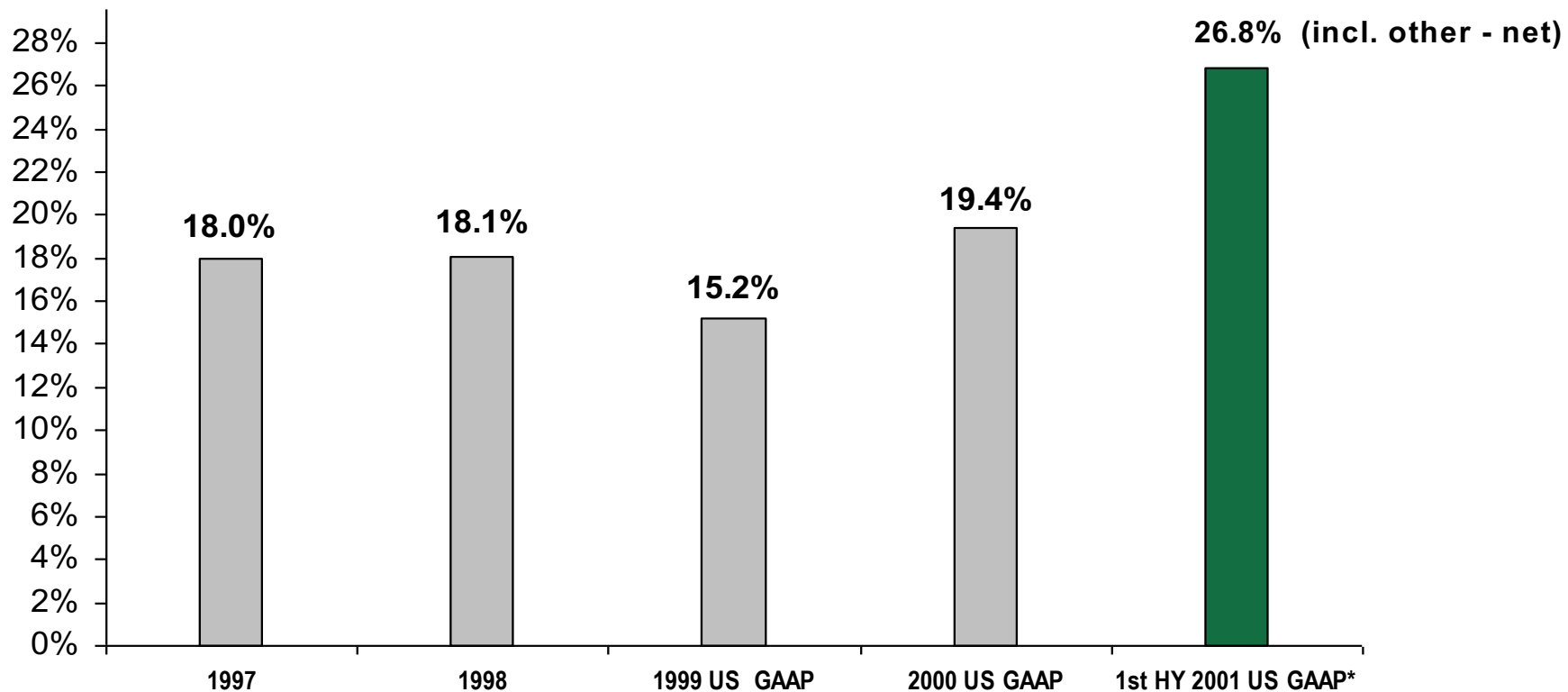
Development ROE



Defined: Net income / average stockholders' equity

* annualized

Development ROCE



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

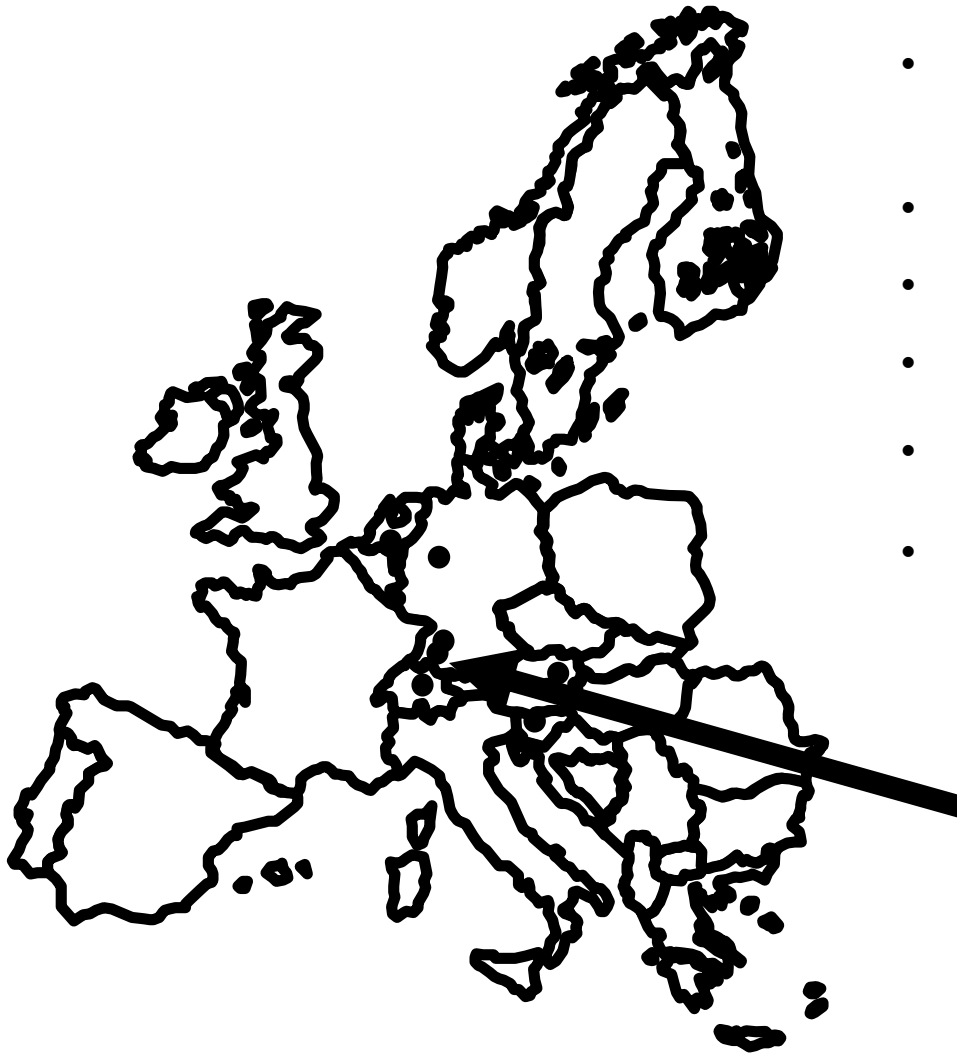
* annualized



- **Weaker demand due to persistent reduction of cartonboard customers' stocks and an evident slowdown of economic growth**
- **Production was adapted to lower demand by taking downtime during the second quarter resulting in a 17 % reduction in capacity utilization (approximately 64,000 tons)**
 - *Capacity utilization decreased from 98% in Q1 to 83% in Q2*
- **Generally stable raw materials prices allowed for stable European cartonboard prices**



- **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 since June 2001**



- ***Europe: 8 Mills in 5 Countries***
- ***13 machines***
- ***Capacity: 1.5 million tons***
- ***90% Recycled Board***
- ***World-wide selling organization***
- ***2,485 Employees ****

- Gruber+Weber Karton

- Emil Christ to be closed

Basis: 8/2001
* 1st HY 2001

Sales in nearly 100 countries

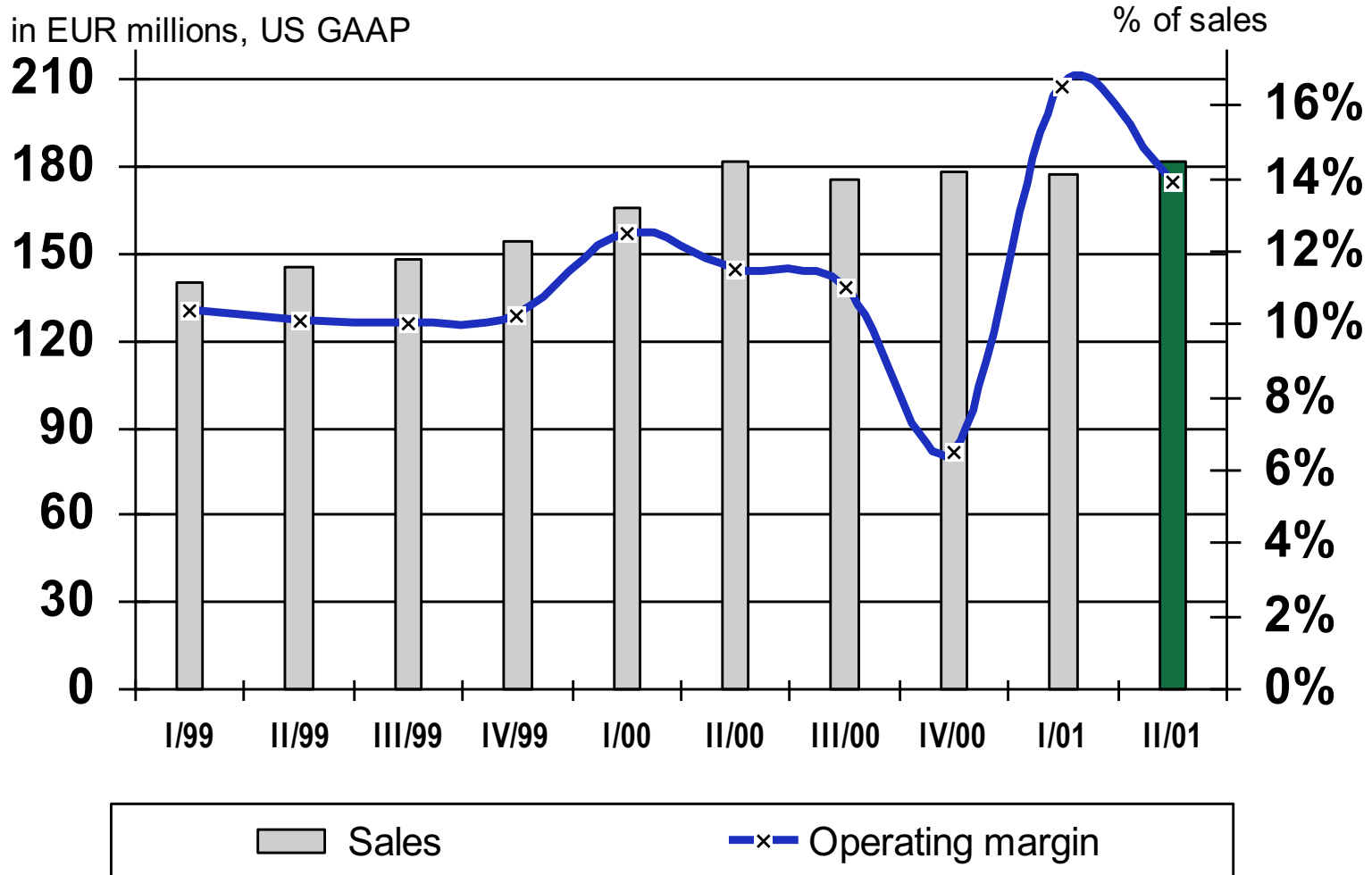
Albania	Denmark	Indonesia	Madagascar	Romania	Ukraine
Algeria	Dem.Rep. Congo	Iran	Malaysia	Russia	United Arab Emirat
Argentina	Dom. Republic	Ireland	Mali	Saudi-Arabia	USA
Australia	Egypt	Iceland	Malta	Senegal	Venezuela
Austria	El Salvador	Israel	Mauritius	Singapore	Vietnam
Auto. Gaza a. Jericho	Equador	Italy	Mexico	Slovakia	White Russia
Bahrain	Eritrea	Ivory Coast	Moldova	Slovenia	
Belgium	Estonia	Jemen	Morocco	South Africa	
Benin	Ethiopia	Jordan	Mosambique	Spain	
Bosnia-Herzegowina	Finland	Yugoslavia	Netherlands	Sri Lanka	
Brazil	France	Kasachstan	Nigeria	Sudan	
Bulgaria	Georgia	Kenya	Norway	Sweden	
Burundi	Germany	Kirgisistan	Pakistan	Switzerland	
Cameroon	Ghana	Kuwait	Panama	Syria	
China	Great Britain	Latvia	Peru	Taiwan	
Columbia	Greece	Liberia	Philippines	Tanzania	
Costa Rica	Guatemala	Lith	Poland	Trinidad u. Tobago	
Croatia	Hong Kong	Luxembourg	Portugal	Tunisia	
Cyprus	Hungary	Lybia	Rep. Honduras	Turkey	
Czech Republic	India	Macedonia	Reunion	Uganda	

CARTONBOARD : Results 1st HY 2001



in EUR millions, US GAAP	1-6/2001	1-6/2000	+/-
Sales	359.0	347.7	+3.2%
Operating profit	54.6	41.6	+31.3%
Operating margin	15.2%	12.0%	
Tonnage produced (in 000's of tons)	619	648	-4.5%

CARTONBOARD : Quarters



CARTONBOARD : Quarters



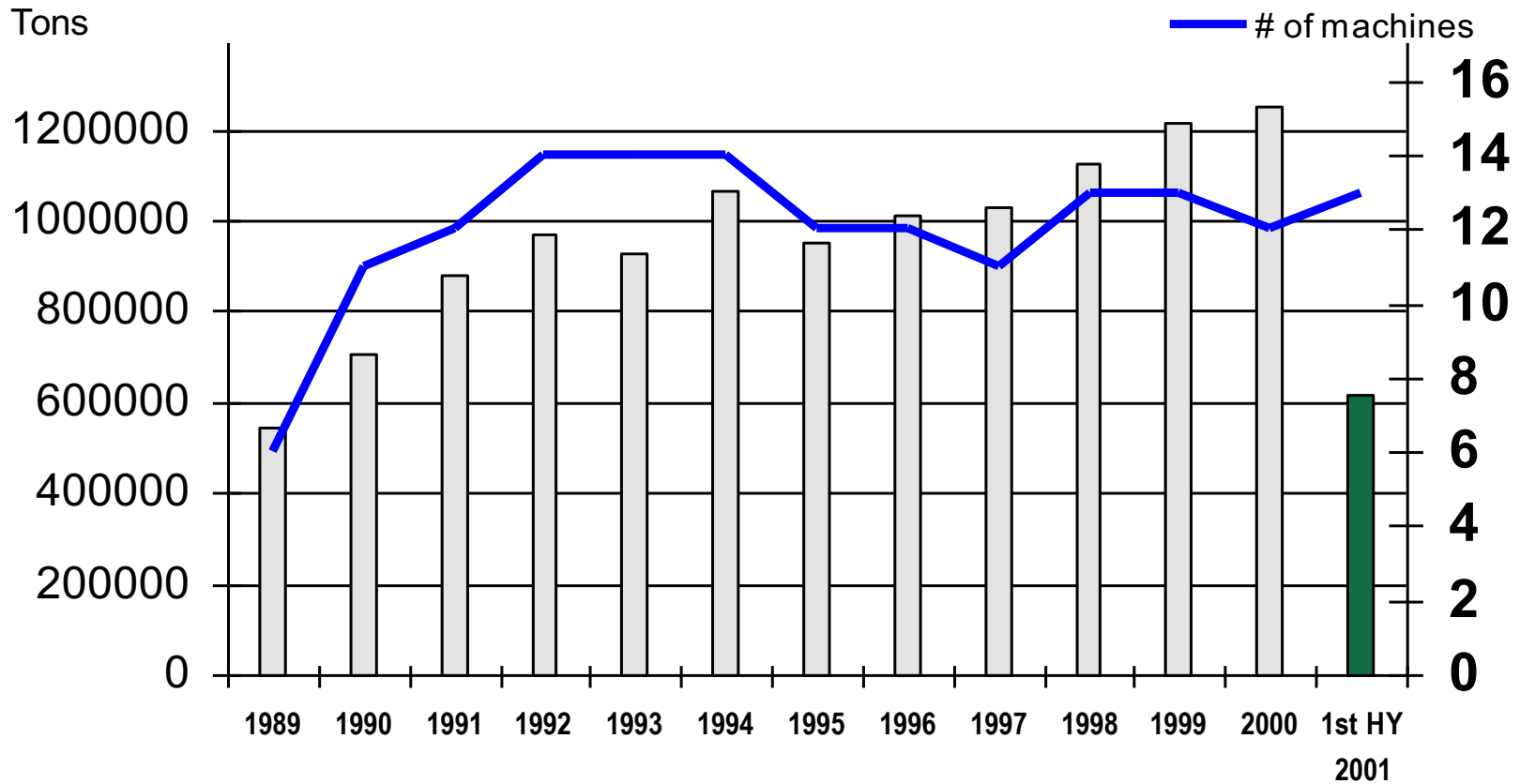
in EUR millions, US GAAP, unaudited	II/2000	III/2000	IV/2000	I/2001	II/2001
Sales ¹⁾	181.5	175.4	178.2	177.5	181.5
Operating profit	20.9	19.3	11.5	29.3	25.3
Operating margin	11.5%	11.0%	6.5%	16.5%	13.9%
Tonnage produced (in thousands of tons)	319	319	283	311	308

¹⁾ incl. interdivisional sales

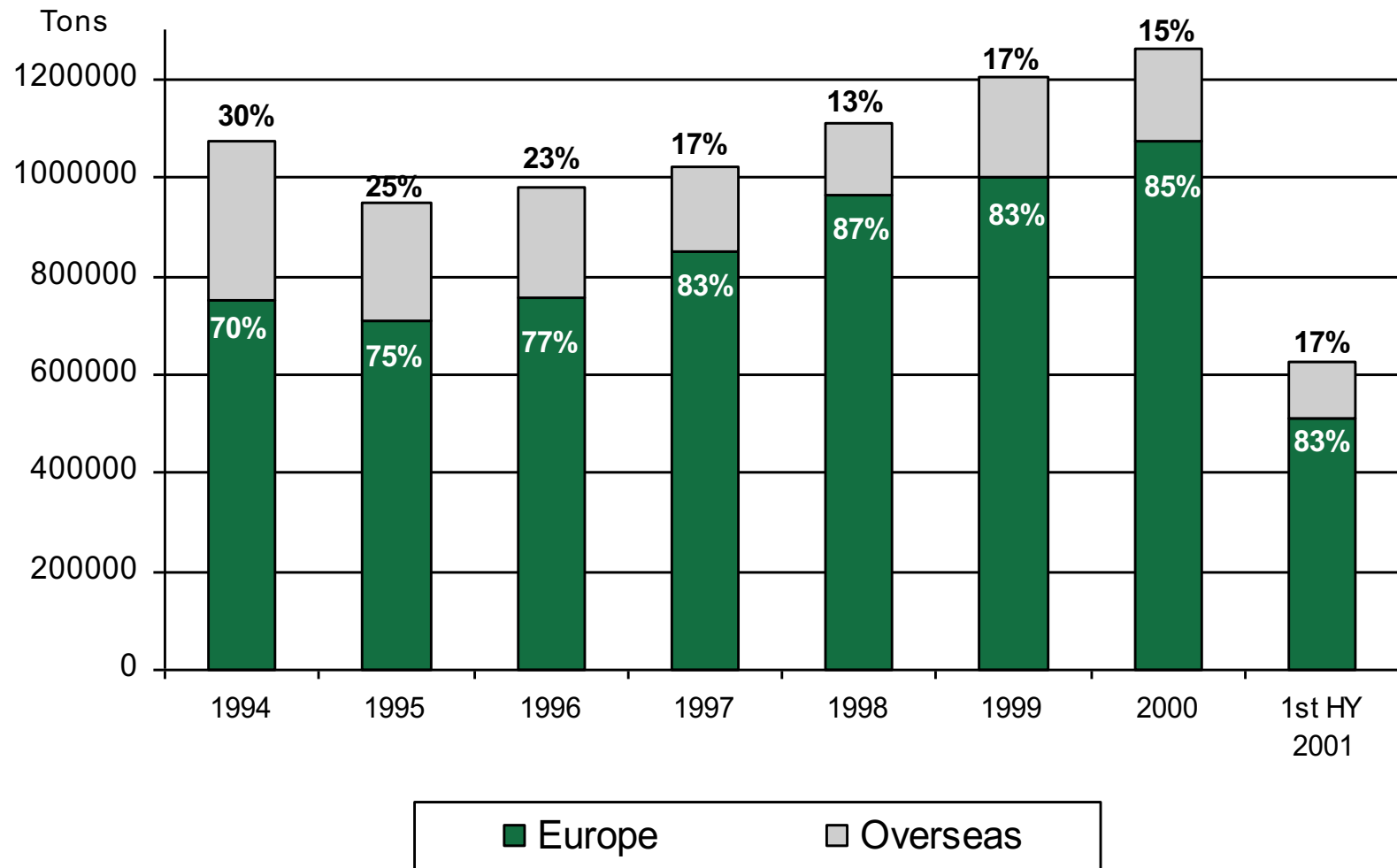
CARTONBOARD : Production



1 Board machine built
14 Board machines acquired
7 Board machines closed



CARTONBOARD: Sales



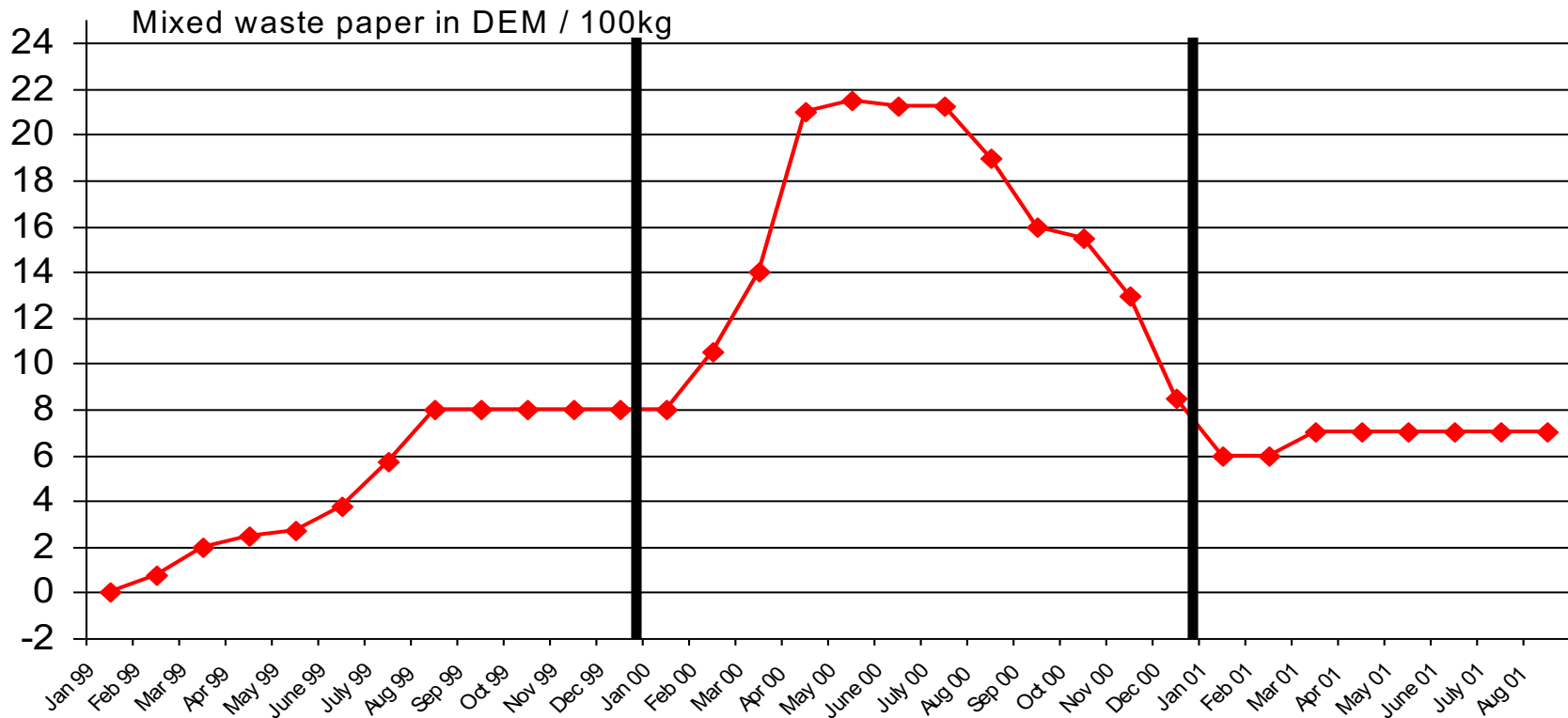
Waste paper price



1999

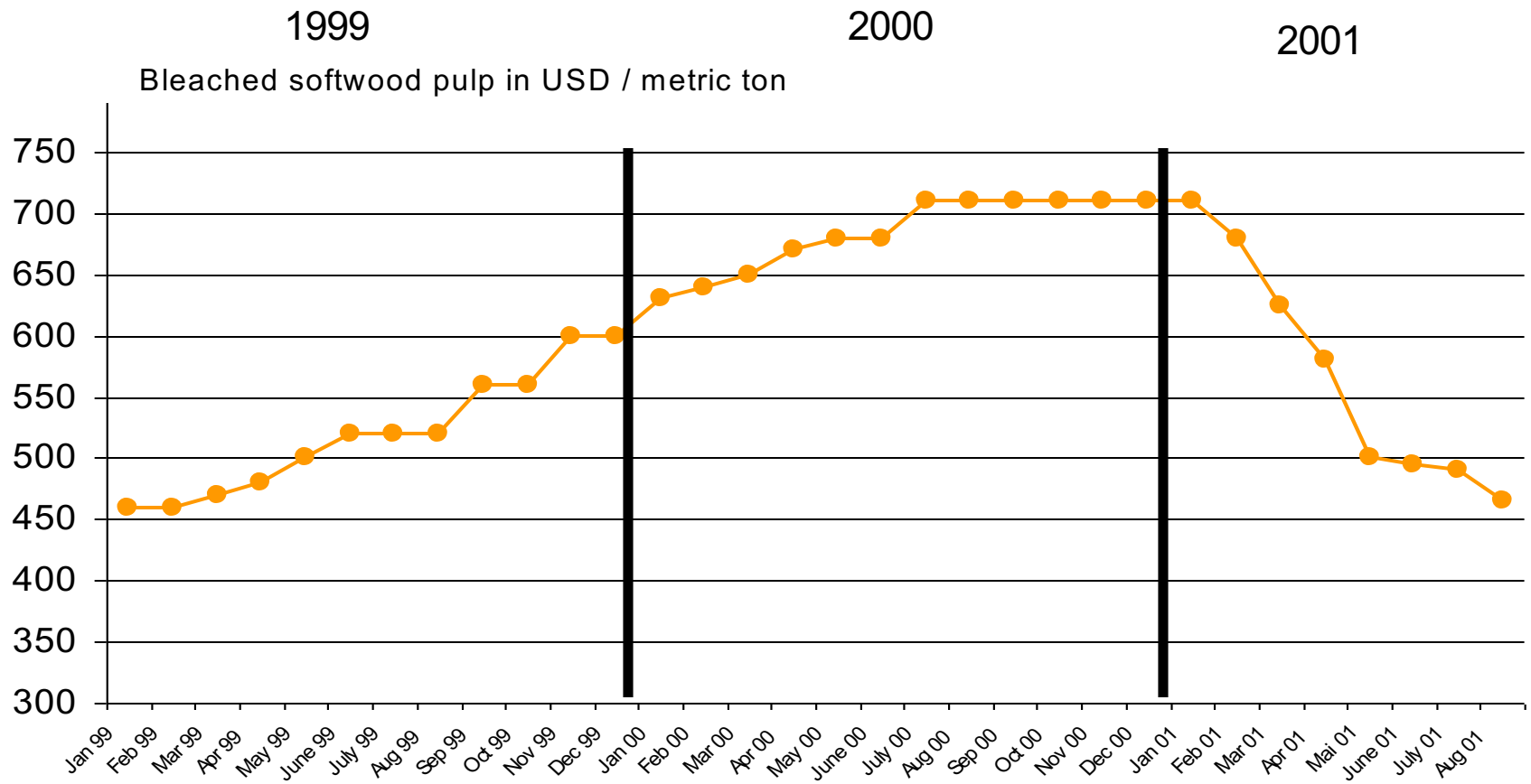
2000

2001



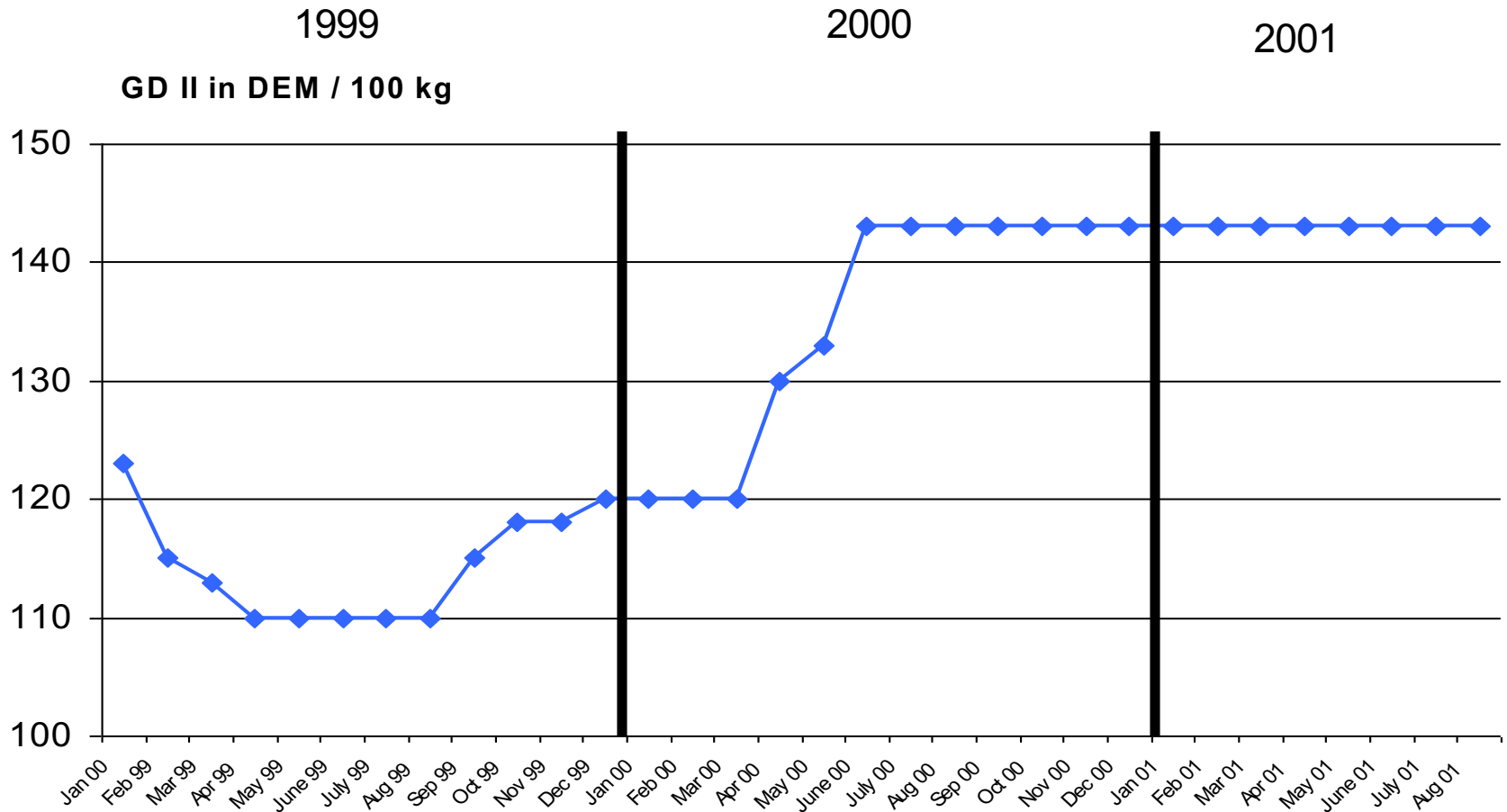
Source: EUWID

Pulp price



Source: EUWID

Average price of recycled cartonboard



Source: EUWID



- **Good demand in Western and Eastern Europe resulting in a generally satisfactory utilization of capacities**
- **Disposal of "Wall- Shareholdings"**
 - *Target of further developing the "Cigarette Packaging" business has not changed*
- **Site optimization continued**
 - *Concentration of the folding carton production on the most efficient sites*
 - *Closing of the German Schött printing plant at the beginning of 2002*



- ***17 facilities***
in 7 countries
 - ***320,000 tons processed***
 - ***2,802 employees ****
- *Wall MM Gravure sold*
- *Schött printing plant to be closed*

Basis: 8/2001
* 1st HY 2001

MM PACKAGING: Results 1st HY 2001



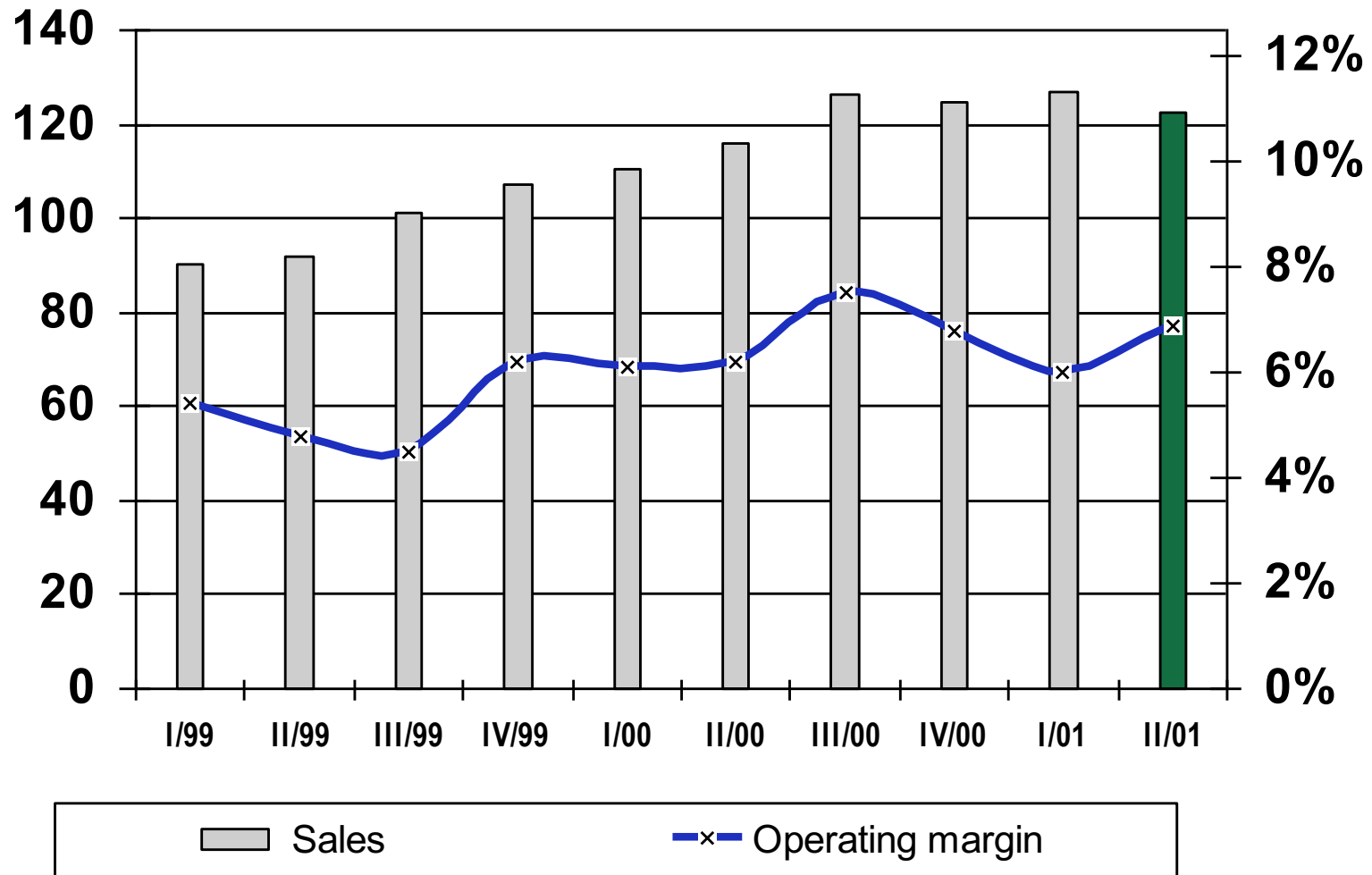
in EUR millions, US GAAP	1-6/2001	1-6/2000	+/-
Sales	249.3	226.2	+10.2%
Operating profit	16.0	13.9	+15.1%
Operating margin	6.4%	6.1%	
Tonnage processed (in thousands of tons)	165	162	+1.9%

MM PACKAGING: Quarters



in EUR millions, US GAAP

% of sales



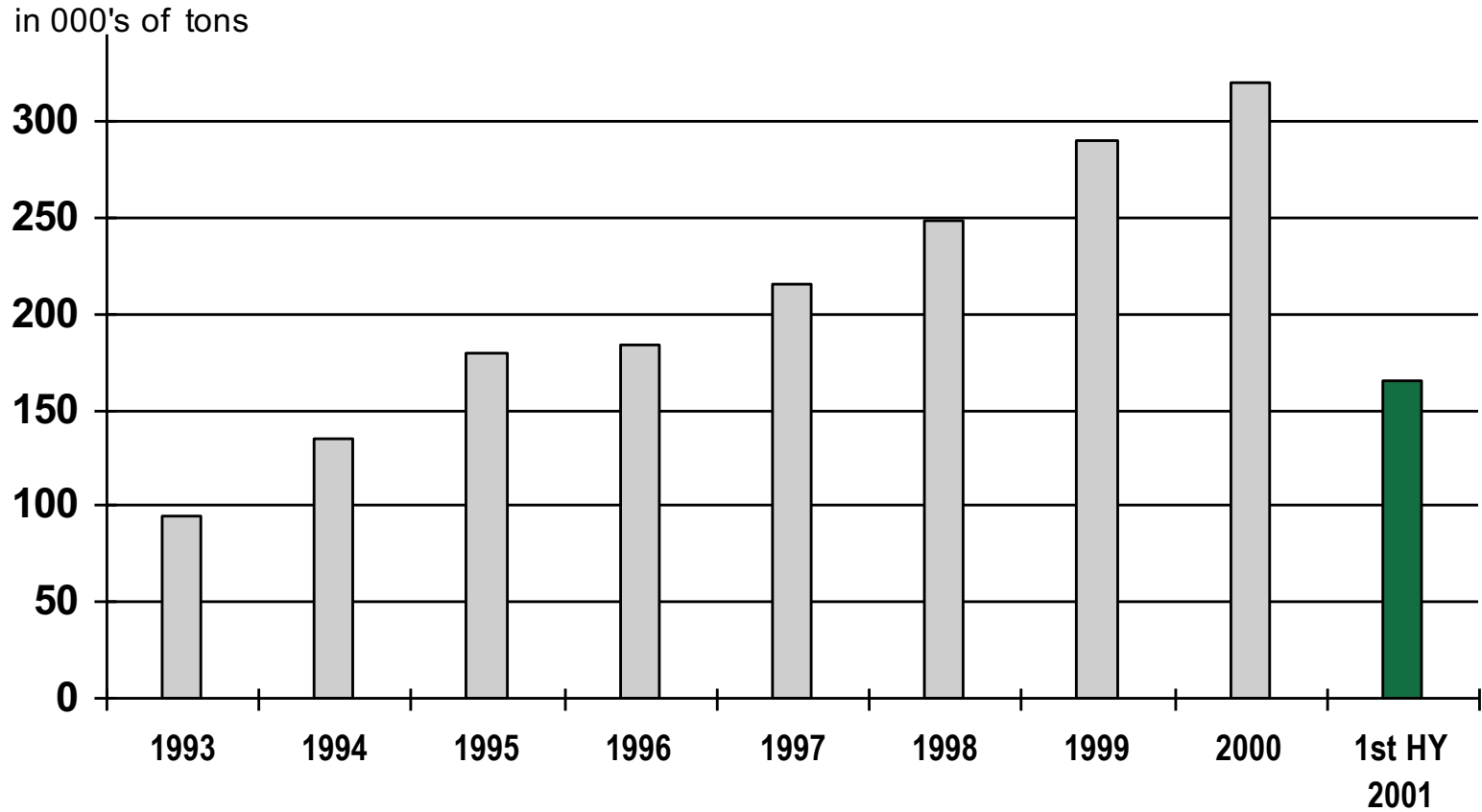
MM PACKAGING: Quarters



in EUR millions, US GAAP, unaudited	II/2000	III/2000	IV/2000	I/2001	II/2001
Sales ¹⁾	116.0	126.1	124.8	127.0	122.3
Operating profit	7.2	9.4	8.5	7.6	8.4
Operating margin	6.2%	7.5%	6.8%	6.0%	6.9%
Tonnage processed (in thousands of tons)	84	78	80	87	78

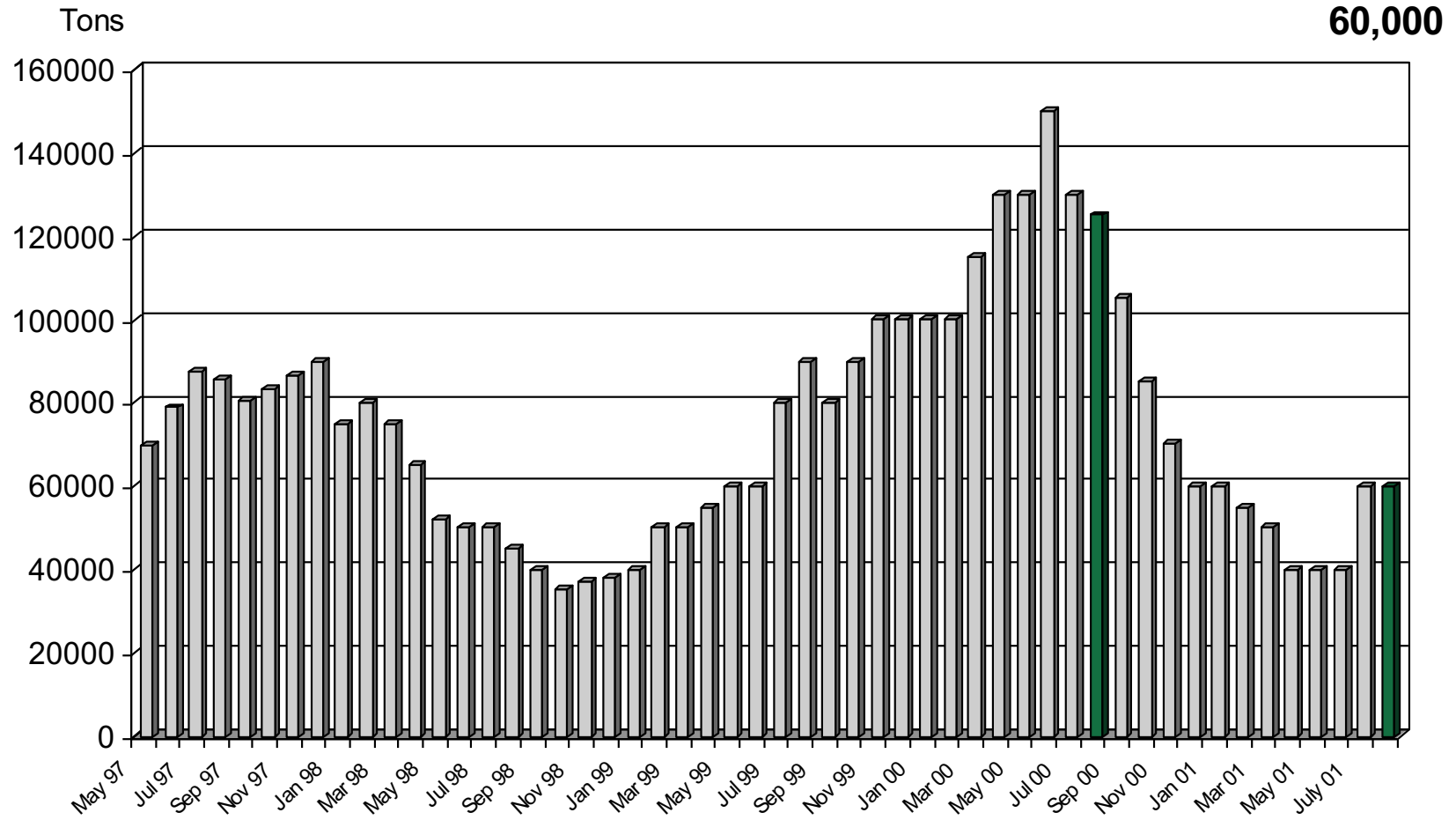
¹⁾ incl. interdivisional sales

MM PACKAGING: Tonnage processed



- **Demand in Q3 and Q4 highly dependent on economic development**
- **Cartonboard Division**
 - *reduction of cartonboard customers' stocks came to a halt*
 - *order backlog remains at low level due to a weak economic development*

CARTONBOARD: Order Backlog



- Demand in Q3 and Q4 highly dependent on economic development
- Cartonboard Division
 - *reduction of cartonboard customers' stocks came to a halt*
 - *order backlog remains at low level due to weak economic development*
 - **production will be adjusted to demand**
 - **raw materials prices expected to remain stable**
 - **Target: Stability of cartonboard prices in West. and East. Europe**
- **Packaging Division**
 - ***slowing economy is expected to affect demand and capacity utilization***
- **Group operating profit in 2nd HY will fall below 1st HY**
- **Very satisfactory results expected for the 2001 year**