



Mayr-Melnhof Group

1st Half-Year 2003

SEGMENTS



- the worldwide leading producer of recycled fiber based cartonboard (1.6 million tons)



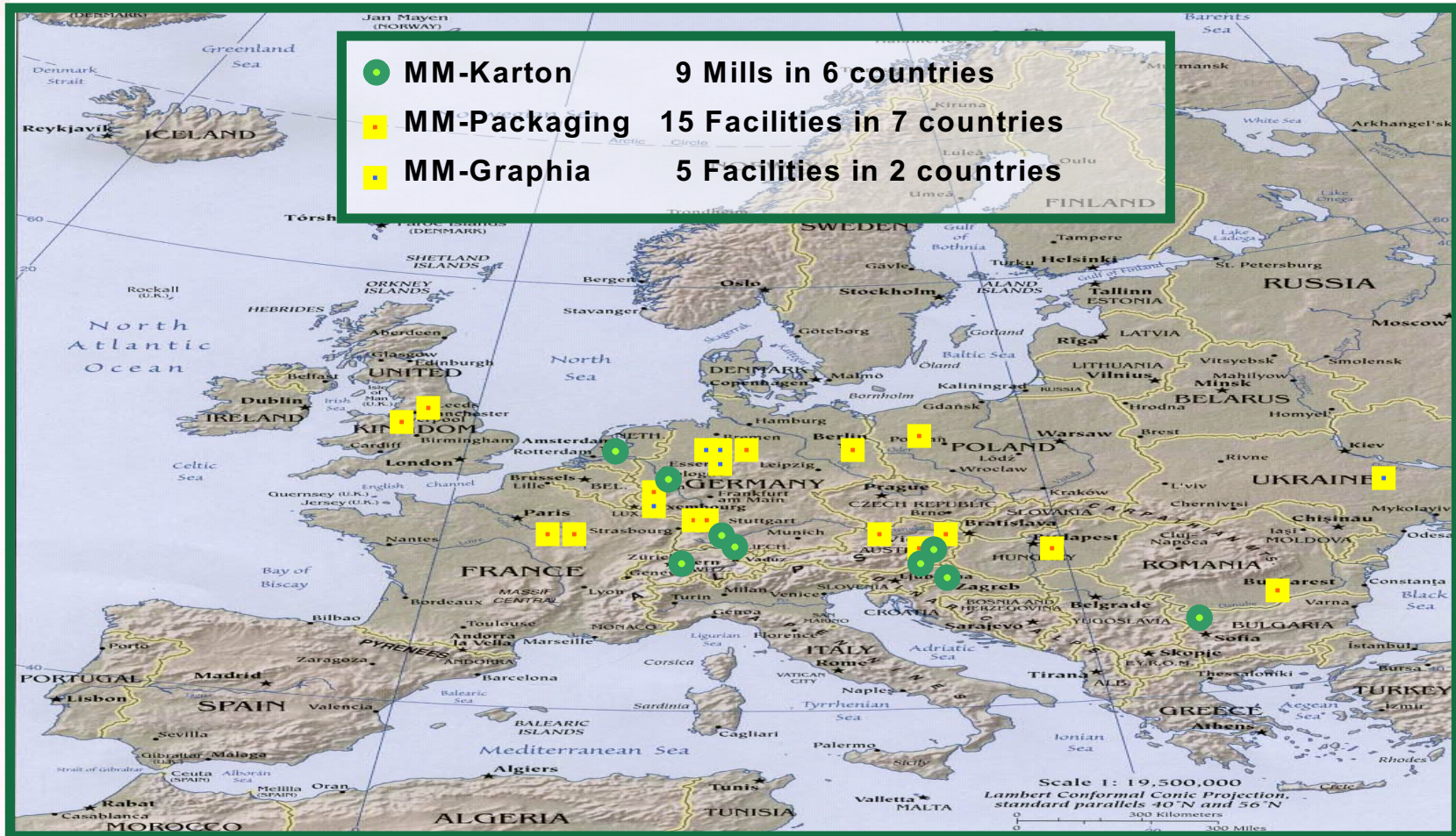
- Europe's largest manufacturer of folding cartons (330,000 tons)



- a leading European packaging producer for cigarettes and confectionery (85,000 tons)



SITES



Basis: 2003



OVERVIEW 1st HALF-YEAR 2003

- **Mayr-Melnhof remained strong also during 1st HY 2003**
- **Ongoing high-level earnings despite weak economic climate**
- **As expected, market-related downtime at MM-Karton in Q2 followed high utilization in Q1**
- **Positive development of business in the folding carton sector continued**

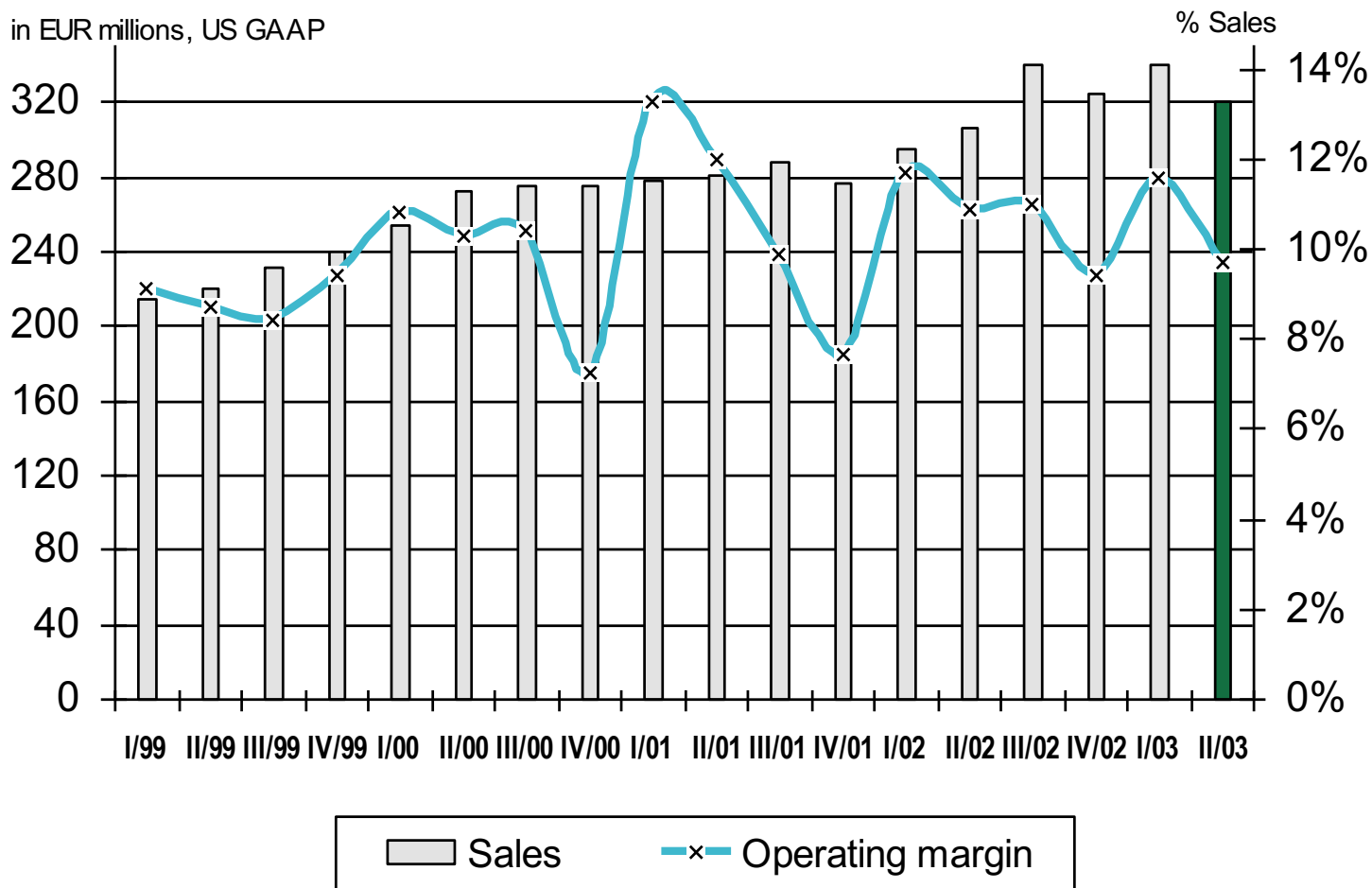


GROUP RESULTS 1st HALF-YEAR 2003

Consolidated in EUR millions, US GAAP	1 st HY 2003	1 st HY 2002	+/-
Sales	660.1	600.0	+10.0%
Operating profit	70.5	67.8	+4.0%
Operating margin	10.7%	11.3%	
Net interest expense	(0.7)	(0.5)	
Other - net	(3.2)	0.4	
Income before taxes	66.5	68.1	-2.3%
Income taxes	(26.3)	(24.4)	
Net income	38.9	43.5	-10.6%
% of sales	5.9%	7.3%	
Earnings per share (in EUR)	3.53	3.94	
Cash earnings	83.6	85.8	-2.6%
% of sales	12.7%	14.3%	

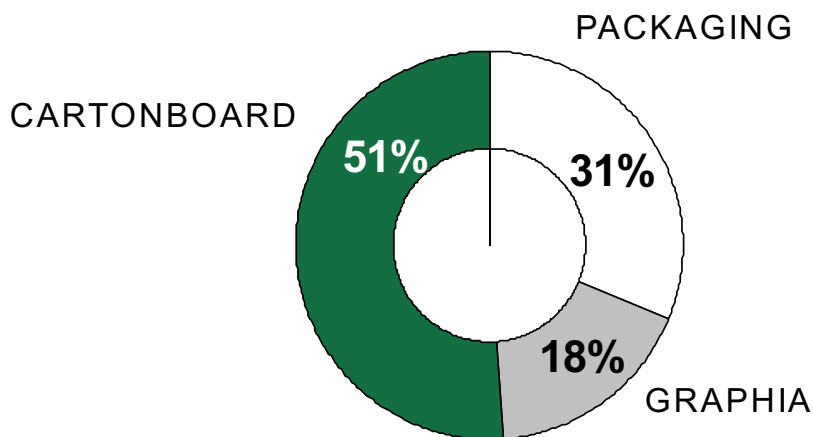


MM GROUP - QUARTERS

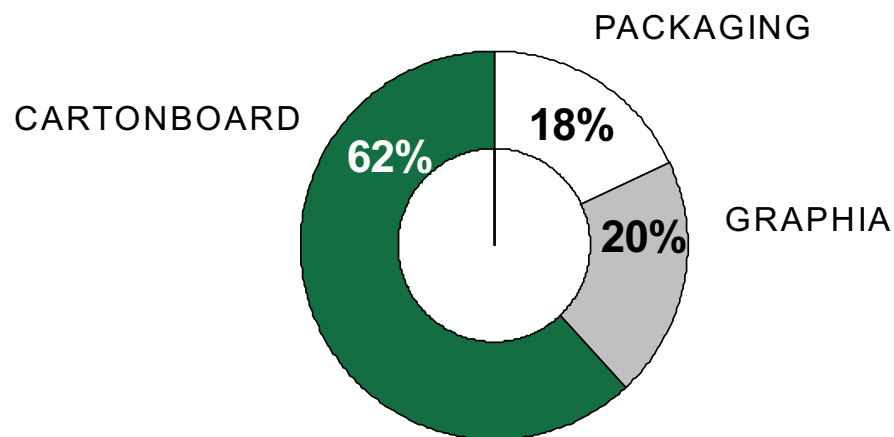




SALES AND OPERATING PROFIT BY DIVISION



Sales

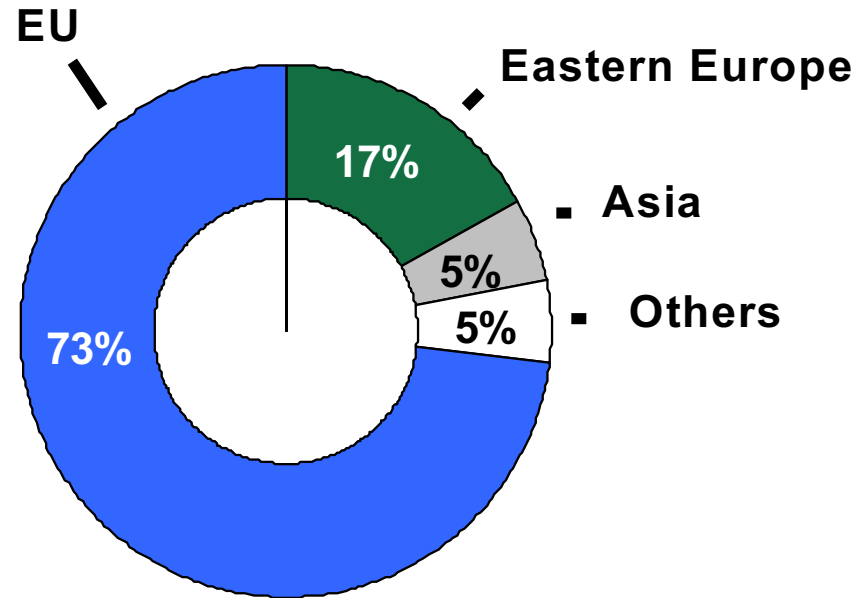


Operating profit

(1st HY / 2003)



SALES BY REGION



(1st HY / 2003)



GROUP BALANCE SHEET

Consolidated in EUR millions, US GAAP	30.06.2003	31.12.2002
Current assets	535.3	518.2
Non-current assets	653.3	657.0
Total assets	1,188.6	1,175.2
Current liabilities	364.6	354.7
Non-current liabilities	228.2	240.2
Minority interests	8.8	8.3
Stockholders' equity	587.0	572.0
Total liabilities and stockholders' equity	1,188.6	1,175.2
Cash and cash equivalents + available-for-sale securities	231.7	225.5



CONSOLIDATED STATEMENTS OF CASH FLOWS

In EUR millions, US GAAP	1st HY 2003	1st HY 2002	2002
Net cash provided by operating activities	70.9	68.7	173.8
Net cash used in investing activities	(50.0)	(76.0)	(119.1)
Net cash used in financing activities	(32.8)	(46.3)	(71.7)
Exchange rate changes	(1.1)	(0.4)	(0.5)
Net increase in cash and cash equivalents	(13.0)	(54.0)	(17.5)
Cash and cash equivalents at year-end	136.1	112.6	149.1
„Available-for-sale securities“	95.6	79.2	76.4
Total resources available to the Group	231.7	191.8	225.5



MAYR-MELNHOF KARTON



MM-KARTON: 1st Half-Year 2003

- Average sales price fairly flat during 1st HY 03 and above 1st HY 02 level
- Capacity utilization 1st HY 03: 88 % (1st HY 02: 98 %)
- Apart from a short-term hike in the waste paper price at the beginning of Q2 raw material prices remained almost unchanged

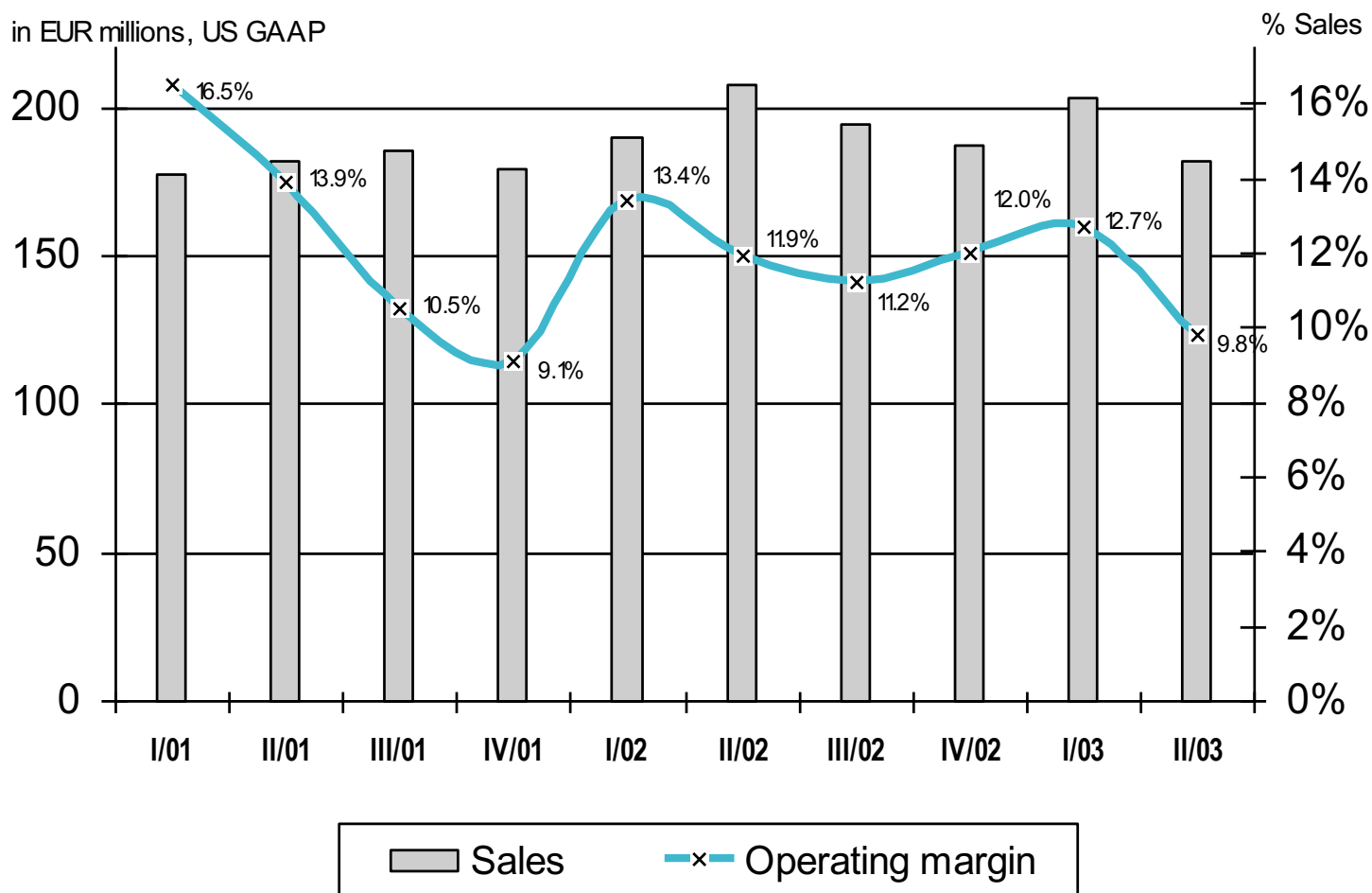


MM-KARTON: 1st Half-Year 2003

In EUR millions, US GAAP	Q1/2003	Q2/2003	1 st HY 2003	1 st HY 2002	+/-
Sales	203.4	182.0	385.4	396.7	-2.8%
Operating profit	25.9	17.8	43.7	50.1	-12.8%
Operating margin	12.7%	9.8%	11.3%	12.6%	
Tonnage produced in 000's of tons	373	343	716	742	-3.5%

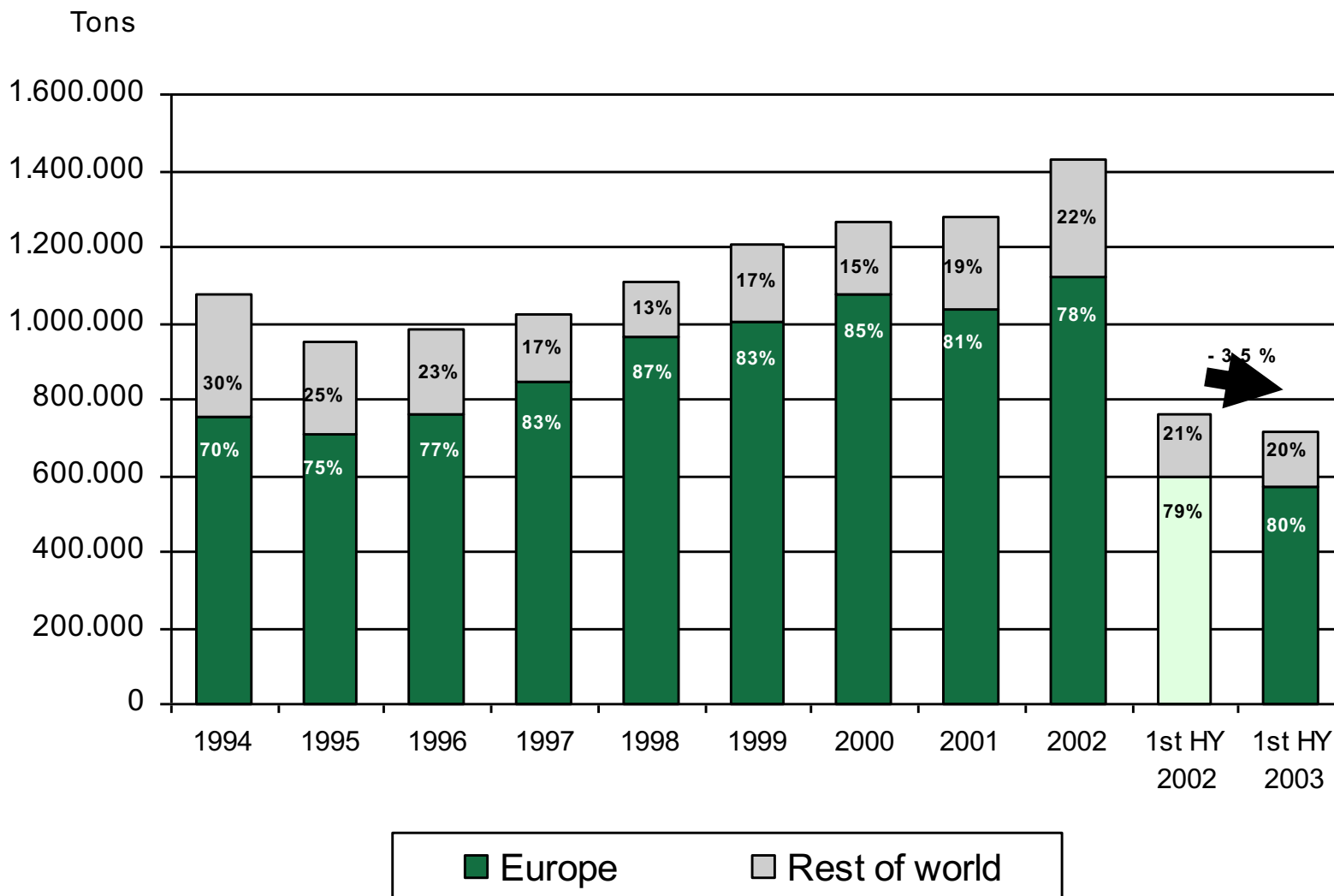


MM-KARTON - QUARTERS





CARTONBOARD SOLD





MAYR-MELNHOF PACKAGING



MMP – SPEZIALIZATION



FOOD



DETERGENTS



PET FOOD



MICROFLUTE



PHARMA



MULTIPACK



MAYR-MELNHOF GRAPHIA



CIGARETTE PACKAGING





HIGH-GRADE CONFECTIONERY PACKAGING





MM-PACKAGING / MM-GRAPHIA: 1stHY 2003

- **Positive development of business continued**
- **Market position strengthened**

- Relatively stable demand due to products very close to consumption

- ***MM-Packaging:*** Successful cost management and new customers

- ***MM-Graphia:***
 - Integration was terminated in Q1
 - Stable development of sales in cigarette as well as confectionary packaging
 - Success expansion on Eastern European markets



MM-PACKAGING: 1st Half-Year 2003

In EUR millions, US GAAP	Q1/2003	Q2/2003	1st HY 2003
Sales	101.9	98.3	200.2
Operating profit	5.7	6.7	12.4
Operating margin	5.6%	6.8%	6.2%
Tonnage converted in 000's of tons	79	74	153



MM-GRAPHIA: 1st HALF-YEAR 2003

In EUR millions, US GAAP	Q1/2003	Q2/2003	1 st HY 2003
Sales	58.9	63.0	121.9
Operating profit	7.8	6.6	14.4
Operating margin	13.2%	10.5%	11.8%
Tonnage converted in 000's of tons	23	22	45



OUTLOOK

- **Forecast horizon still extremely short-term**
- **Positive development at MM-Packaging and MM-Graphia should also continue in the 3rd quarter**
- **Cartonboard business to remain short-term**
 - As in the past, MM-Karton will adjust production to market conditions by taking selective downtime.
(satisfactory development in July expected to be followed by capacity utilization exceeding Q2 level (83 %) also in the month of August)
 - The target of keeping prices will be maintained
- **Stability on waste paper markets** in line with current assumption on demand
- **Stay confident for the overall 2003 financial year**