



Mayr-Melnhof Karton AG

Results 2006

March 14, 2007



Highlights 2006

Group

Key Indicators
MM Karton
MM Packaging

- **New record year**
- **Path of expansion continued**
- **Sales and profit increase in both Divisions**
- **At EUR 108.4 million profit for the year climbed + 14.3 %**
- **Dividend increase from EUR 2.60 / share to EUR 2.80 / share**



Mayr-Melnhof Group

34 plants in 15 countries, ~8,000 employees

Group

Key Indicators

MM Karton

MM Packaging



- The worldwide leading producer of recycled fiber based cartonboard



- Europe's largest manufacturer of folding cartons



Group

Key Indicators
MM Karton
MM Packaging

Strategic Position

- ✓ **Absolut concentration on core competences**
Cartonboard production and processing
- ✓ **Market AND cost leadership**
- ✓ **Long-term profit orientation**
- ✓ **Expansion**



Group Results 2006



Consolidated Results 2006

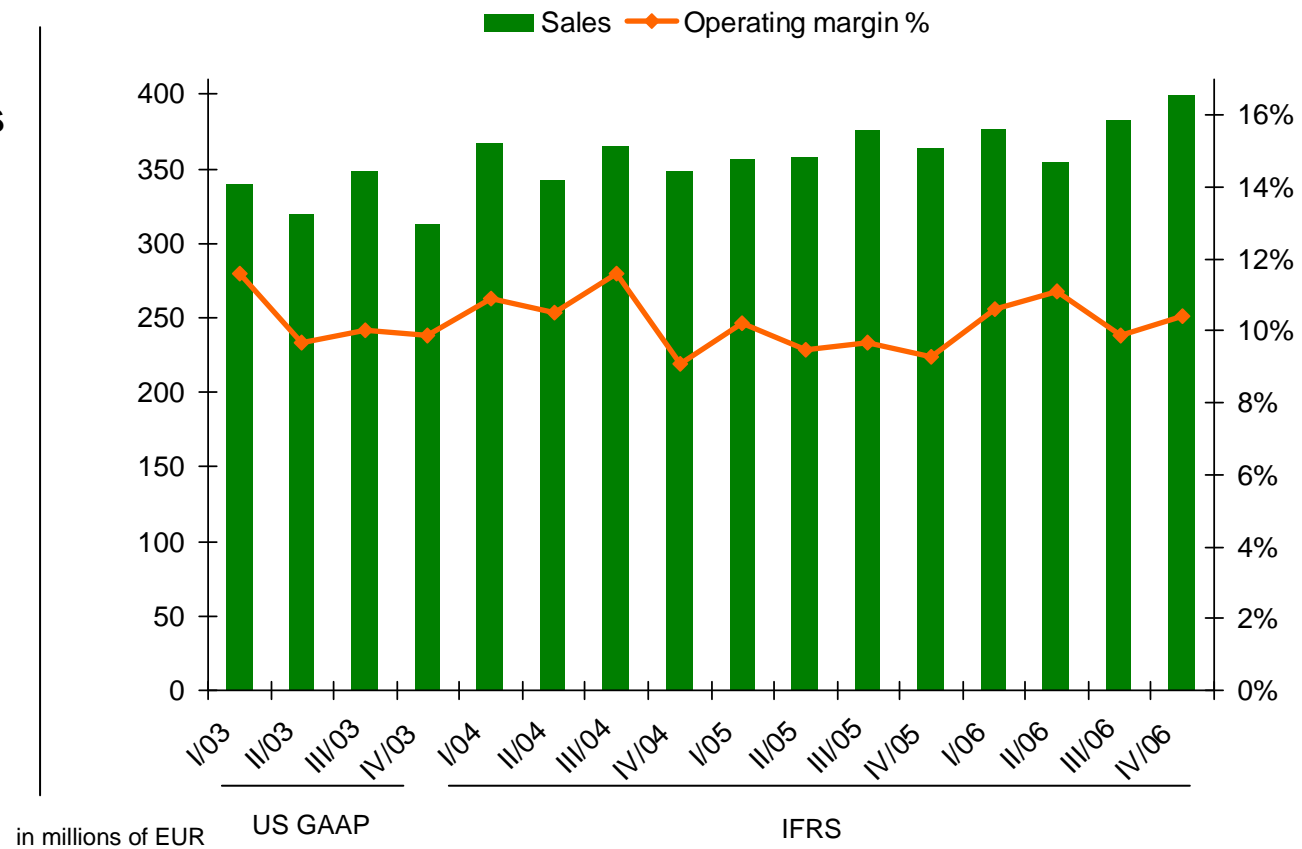
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Key Indicators
 MM Karton
 MM Packaging

consolidated in millions of EUR, IFRS	2006	2005	+/-
Sales	1,512.5	1,455.2	+3.9%
Operating profit	158.6	140.7	+12.7%
Operating margin	10.5%	9.7%	
Profit before tax	160.3	145.4	+10.2%
Income tax expense	(51.9)	(50.6)	
Profit for the year	108.4	94.8	+14.3%
% Sales	7.2%	6.5%	
Cash earnings	192.5	183.0	+5.2%
% Sales	12.7%	12.6%	



MM Group – Quarters

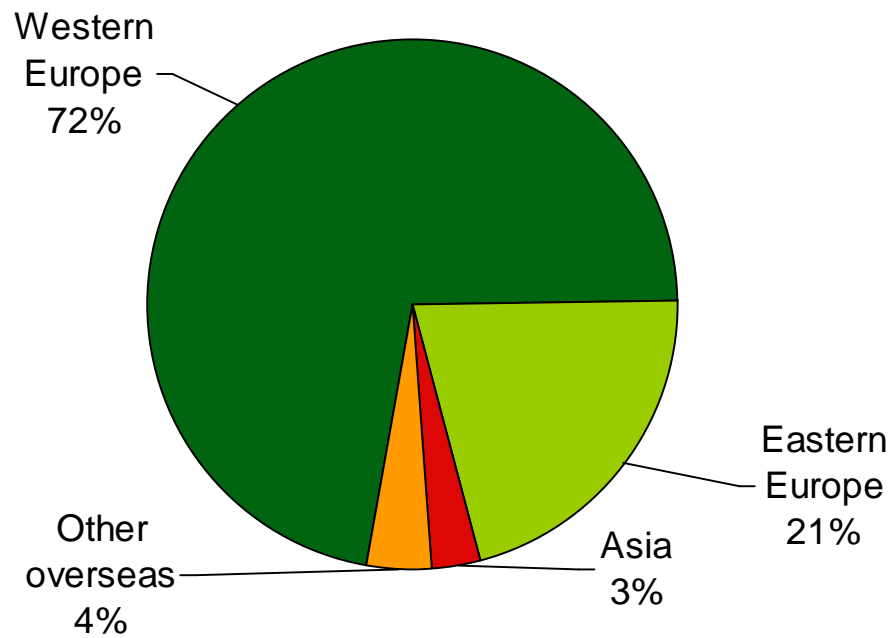
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Sales by Region

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Key Indicators
MM Karton
MM Packaging



(2006)



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Key Indicators
 MM Karton
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Consolidated Balance Sheets

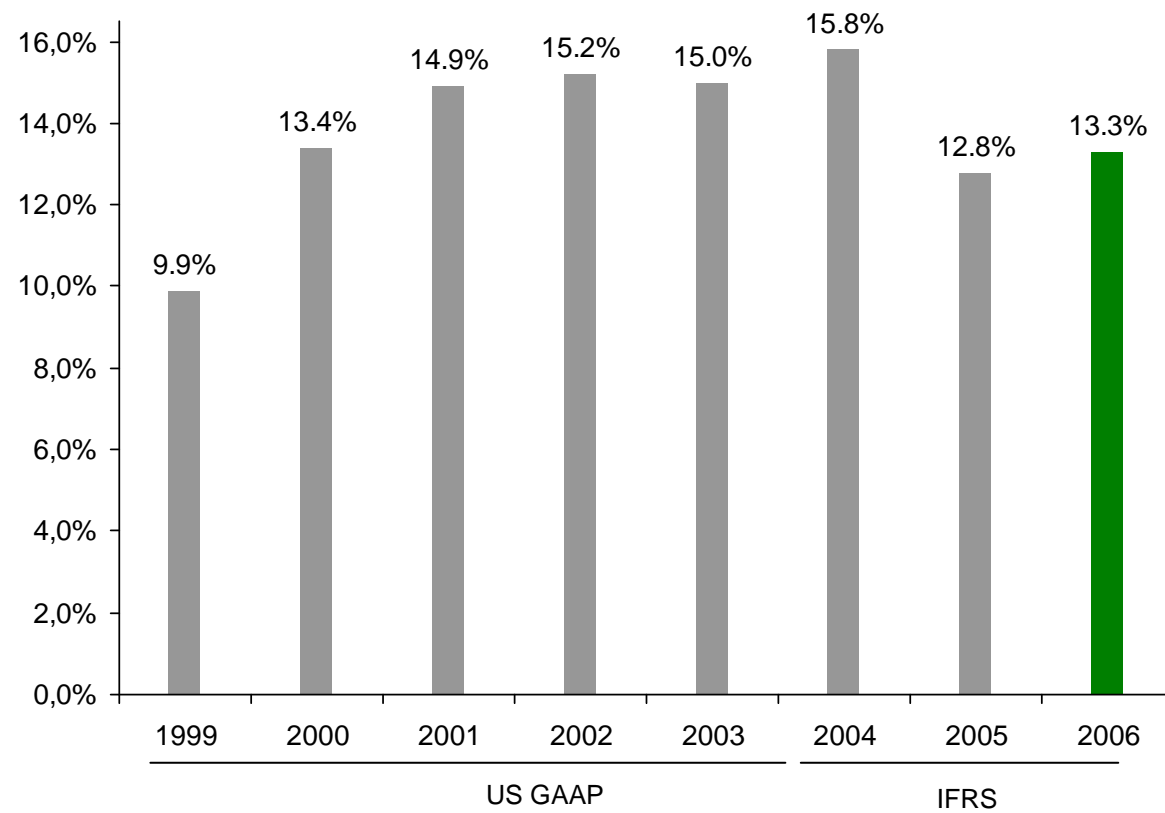
	31.12.2006	31.12.2005
consolidated in millions of EUR, IFRS		
Non-current assets	750.5	682.8
Current assets	745.5	663.6
Total assets	1,496.0	1,346.4
Equity	856.7	769.7
Liabilities	639.3	576.7
Total equity and liabilities	1,496.0	1,346.4
Total funds available to the Group	366.9	338.1

→ Net Cash Position



MM Group: Return on Equity

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Consolidated Cash Flow Statement

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 MM Karton
 MM Packaging

consolidated in millions of EUR, IFRS	2006	2005
Cash Flow from operating activities	155.9	158.4
Cash Flow from investing activities	(127.4)	(82.8)
Cash Flow from financing activities	1.0	(40.6)
Cash and cash equivalents beg. of year	263.0	227.6
Net increase in cash and cash equivalents	29.4	35.4
Cash and cash equivalents end of year	292.4	263.0
Available-for-sale financial assets	74.5	75.1
Total funds available to the Group	366.9	338.1

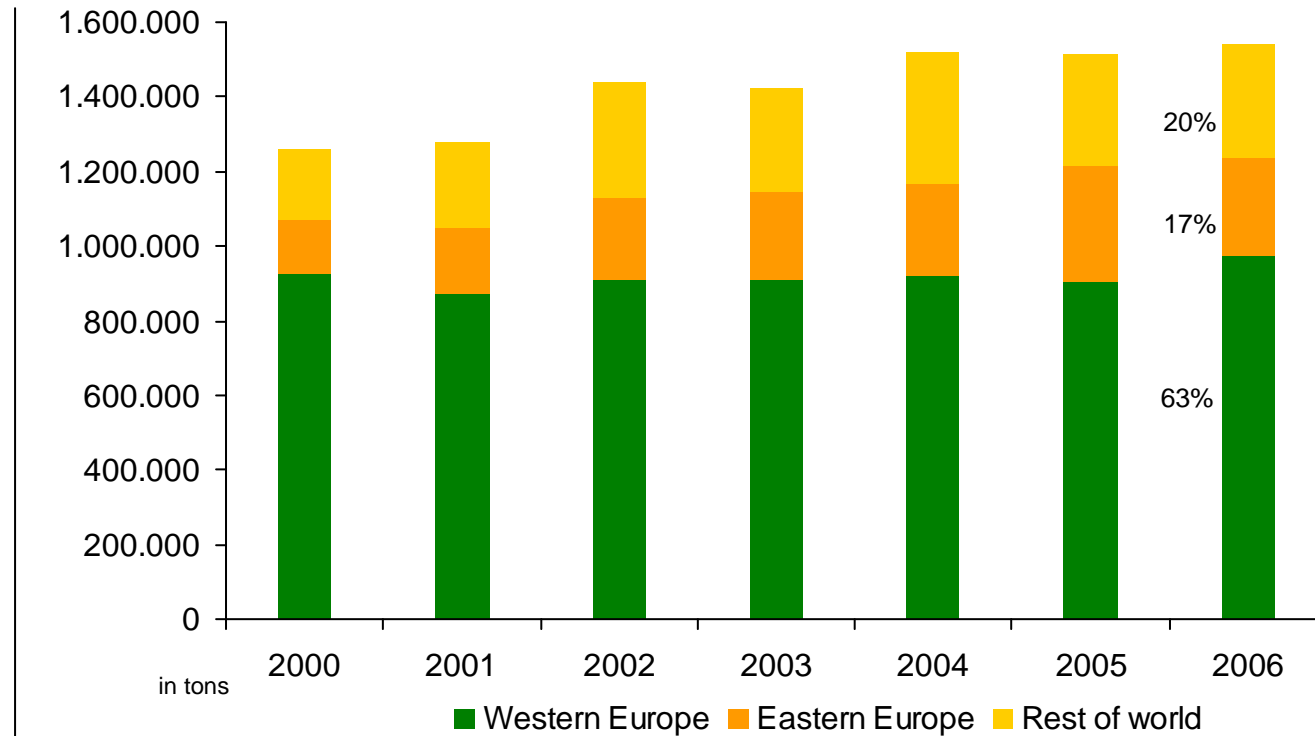


MM KARTON



MM Karton: Sales

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MM Packaging





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MM Karton: Overview 2006

- **Noticeable pick-up in demand**
- **Significant cost surge** (energy and crude oil related input factors) **of 2005 compensated by price increase in 1st half-year 2006**
- **Downtime at Nikopol mill supported price increase**
- **Further important cost rise in 2nd half-year**
- **New record levels in production and sales**



MM Karton: Results 2006

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	2006	2005	+/-
in millions of EUR, nach IFRS			
Sales	808.8	767.2	+5.4%
Operation profit	65.0	61.8	+5.2%
Operating margin	8.0%	8.1%	
Return on capital employed	12.3%	12.5%	
Tonnage produced (in 1,000 t)	1,553	1,529	+1.6%
Employees	2,848	2,994	
Capex	38.9	35.2	



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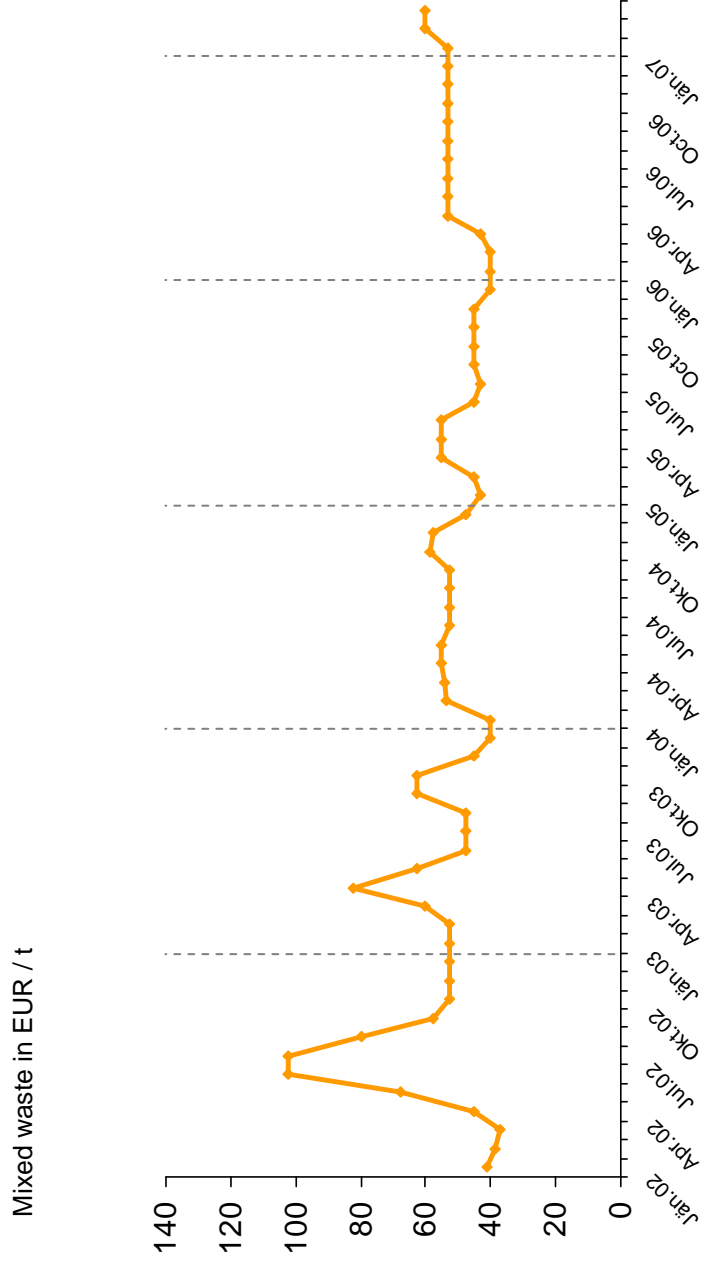
MM Karton: Start 2007

- **Positive order situation continues undiminishedly**
Good chances for on-going price increase
- **High costs remain a challenge**



Price – Recovered Paper

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Source: EUWID



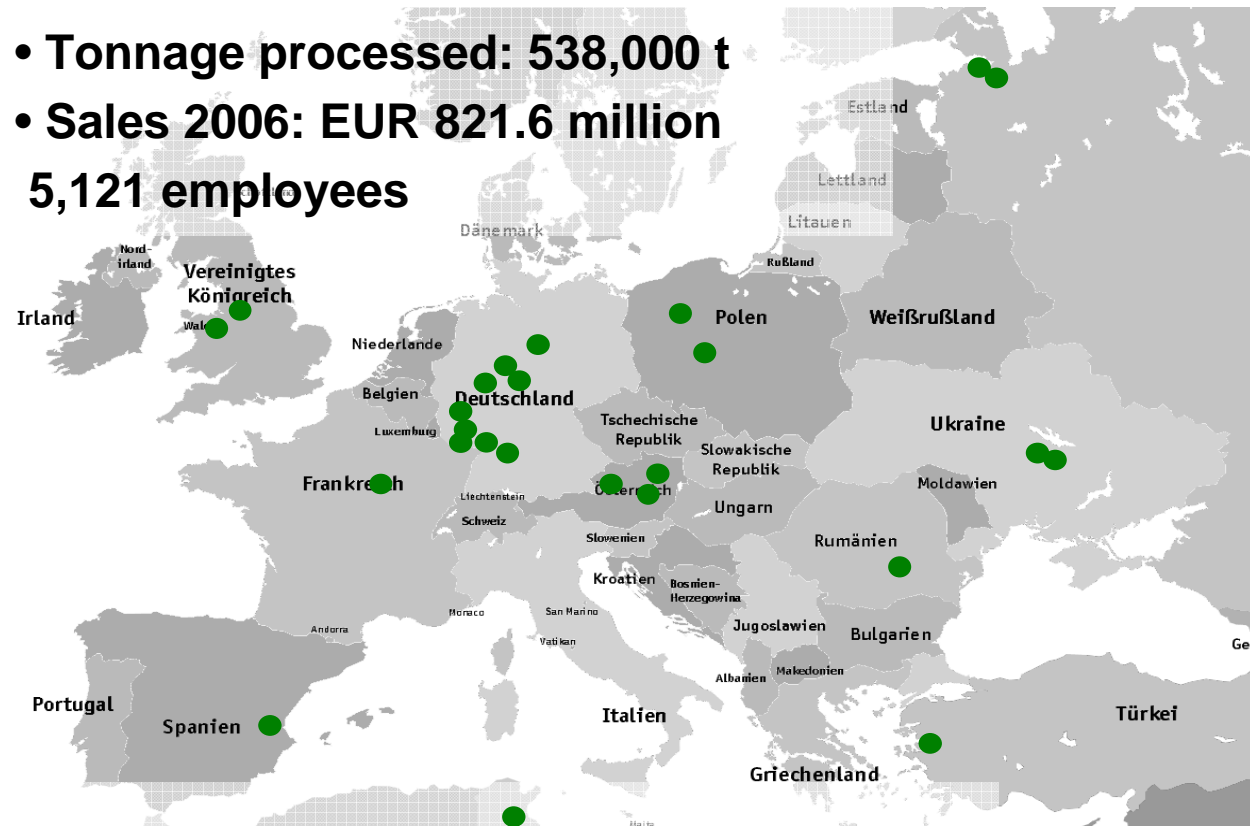
MM Packaging



MM Packaging: Sites

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- Tonnage processed: 538,000 t
- Sales 2006: EUR 821.6 million
- 5,121 employees**

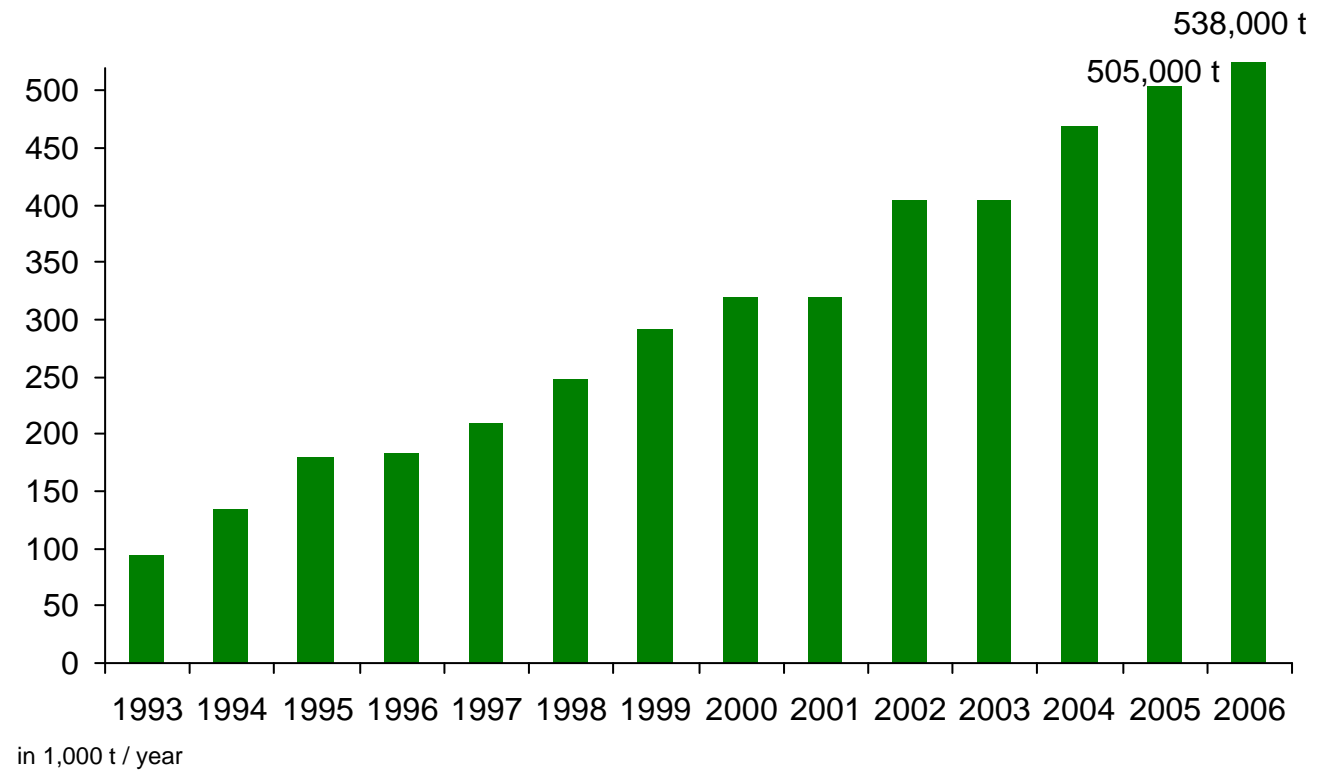


25 plants in 11 countries



MMP: Tonnage processed

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MM Packaging: Business Units

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Food



Cigarettes



Detergents



Confectionery





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MM Packaging: Overview 2006

- **Important expansion and acquisition steps**
 - *Three new rotogravure plants: Trier (D), Cherkassy (UA), Izmir (TK)*
 - *Start of expansion North Africa*
- **Overall good plant utilization**
- **MMP industrializes processes**
- **Expansion of market share**
- **Considerable improvement in profits and volume**



MM Packaging: Results 2006

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in millions of EUR, IFRS	2006	2005	+/-
Sales	821.6	802.2	+2.4%
Operation profit	93.6	78.9	+18.6%
Operating margin	11.4%	9.8%	
Return on capital employed	28.6%	32.9%	
Tonnage processed (in 000's of t)	538	505	+6.5%
Employees	5,121	4,302	
Capex	72.2	51.3	



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MM Packaging: Start 2007

- **On-going good order intake**
- **Challenge: Passing-on cartonboard price increase**
- **Further growth effects from the newly built rotogravure plants and recent acquisitions in Tunisia and Russia**
Important capacity expansion at several sites



Group

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Outlook

- **Sound order intake and good capacity utilization at MM Karton and MM Packaging**
- **Higher recovered paper prices expected in coming months due to strong demand; prices for natural gas and electricity have to date not followed decline in crude oil price**
- **Implementation price increases, cost cutting programs indication of the scope of the cost compensation expected with Q1 2007 results**
- **Expansion will be continued**