

**PRESS RELEASE**

April 23, 2002

Final Year 2001 Group Results**ANNUAL GROUP RESULT REACHES NEW PEAK**

- Net income increased 16.8 % to EUR 77.9 million
- Increase of dividend from EUR 1.65 to EUR 1.80 EUR per share

OUTLOOK

- Good results for 1st quarter 2002, however below last year's record level
- Cartonboard and Packaging Divisions expected to register satisfactory capacity utilization in the 2nd quarter
- Course of expansion will be pursued

During 2001, the Mayr-Melnhof Group managed to assert its position successfully against the background of a significantly weaker economic environment and increasing cartonboard overcapacities, thus recording the best result in Group history.

The strategy of adapting cartonboard production to demand and of maintaining European cartonboard prices while raw material prices remain more or less stable, has proved successful. As a result of focusing on non-durable consumption goods, the Packaging Division experienced a stable overall business development with satisfactory capacity utilization throughout the entire year.

CONSOLIDATED RESULTS

in EUR millions, US GAAP	2001	2000	+/-
Sales	1,122.9	1,078.3	+4.1%
Operating profit	120.2	104.2	+15.4%
Operating margin	10.7%	9.7%	
Income before income taxes and minority interests	123.3	99.2	+24.3%
Net income	77.9	66.7	+16.8%
% of sales	6.9%	6.2%	
Earnings per share (EUR)	6.66	5.56	
Cash earnings	159.7	145.1	+10.1%
% of sales	14.2%	13.5%	
Employees ¹	5,419	4,961	

¹ as of Dec 31st

For the 2001 financial year, consolidated sales totaled EUR 1,122.9 million (2000: EUR 1,078.3 million). This 4.1 % rise was primarily due to acquisitions and higher average prices.

The Group further improved its profitability in 2001 through increasing its operating profit by EUR 16.0 million (+15.4 %) from EUR 104.2 million to EUR 120.2 million. The Cartonboard Division registered a 24.9 % increase in its operating profit, from EUR 72.4 million to EUR 90.4 million. The Packaging Division recorded an operating profit of EUR 29.8 million. Largely due to closing a facility, this constitutes a slight decrease in comparison with the previous year (2000: EUR 31.8 million).

The increase in the Group's operating margin from 9.7 % to 10.7 % clearly exhibits the continued positive business performance of the Mayr-Melnhof Group.

The net interest expense improved from the previous year's amount of EUR -3.4 million to EUR -1.5 million. This net decrease primarily resulted from higher interest income.

The Group recorded a total amount of EUR 44.2 million (2000: EUR 31.0 million) in income taxes for the 2001 financial year. As a result, the effective Group corporate tax rate increased from 31.3 % to 35.8 % in comparison with the previous year. This increase is primarily due to the untaxed disposals of land and investments in 2000.

The Group increased its consolidated net income by 16.8 %, from EUR 66.7 million to EUR 77.9 million. The share repurchase program resulted in a weighted average of 11,700,786 shares in circulation during 2001, which led to an earnings per share of EUR 6.66 compared with the previous year's per share amount of EUR 5.56.

Due to this positive development of business, the Management Board will propose an increase in the dividend from EUR 1.65 to EUR 1.80 per share.

OUTLOOK:

Apart from the uncertainties surrounding the economic environment the existing overcapacities will significantly influence the European cartonboard industry in 2002.

However, due to satisfactory demand on the European folding carton market a more or less stable demand situation is likely to continue in 2002.

Cartonboard Division production capacities could be almost fully utilized during the first quarter of 2002, resulting from a significant expansion of non-European sales as well as better than expected demand in Europe. As cartonboard prices in Europe remained stable the average sales price, however, declined due to a marked decrease of the price level in the overseas markets compared with the previous year. The Packaging Division registered an on-going stable development of business. Overall, a better than expected income for the first quarter of 2002 was achieved, although below last year's record level.

The increase in the price of waste paper, which was so far expected for the third quarter of 2002, has already affected April contracts due to increased demand. Therefore, a cartonboard price increase cannot be ruled out for the second quarter of 2002.

In mid-April, the Cartonboard Division's order backlog was at a satisfactory level of approximately 100,000 tons (April 2001: approximately 40,000 tons).

Despite a positive outlook concerning the capacity utilization in both Divisions, the Group's interim results for the first half year of 2002 are expected to fall below the previous year's record level due to lower profitability of the overseas business and non-recurring income in 2001.

The Mayr-Melnhof Group will continue to pursue its course of expansion in both the Cartonboard and Packaging segments.

Forthcoming results:

May 13, 2002 Results for the 1st quarter 2002

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