

**PRESS RELEASE**

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FINAL YEAR 2002 RESULTS**PREVIOUS YEAR'S RECORD RESULT OUTPERFORMED ONCE AGAIN**

- Net income increased 6.9% to EUR 83.3 million
- Increase of dividend from EUR 1.80 to EUR 2.00 per share

OUTLOOK

- Positive earnings development in the 1st quarter of 2003
- Cartonboard demand remains short-term – pressure on prices increases
- Continual favorable development in the folding carton segment

Despite the steadily worsening economic climate in the major Western European sales markets, the Mayr-Melnhof Group managed to assert its position successfully in all three Divisions throughout the 2002 financial year, thus even outperforming the previous year's record result.

GROUP KEY INDICATORS – US GAAP

consolidated, in EUR millions	2002	2001	+/-
Sales	1,265.7	1,122.9	+12.7%
Operating profit	135.7	120.2	+12.9%
Operating margin	10.7%	10.7%	
Income before taxes and minority interests	132.8	123.3	+7.7%
Net income	83.3	77.9	+6.9%
in % of sales	6.6%	6.9%	
Earnings per share (in EUR)	7.57	6,66	
Cash earnings	174.7	159.7	+9.4%
in % of sales	13.8%	14.2%	
Employees ¹	6,786	5,419	

¹ as of December 31

As a result of a noticeable increase in the sales volume during the first half-year and the number of acquisitions, the Mayr-Melnhof Group achieved consolidated sales in the amount of EUR 1,265.7 million (2001: EUR 1,122.9 million). This corresponds to an increase of 12.7% or EUR 142.8 million, with acquisitions accounting for approximately EUR 90 million thereof.

The Group further improved its profitability through increasing its operating profit by EUR 15.5 million (+12.9%) from EUR 120.2 million to EUR 135.7 million. This increase is mainly due to an improvement of results at the Packaging Division and partly to an increase at MM-Karton.

At 10.7%, the operating margin was consistent with the previous year's level, despite an increase in sales.

The net interest expense amounted to EUR -3.0 million (2001: EUR -1.5 million). The change in comparison with the previous year resulted from the decrease in the interest rate level as well as the acquisitions.

The Mayr-Melnhof Group recorded a total of EUR 48.8 million (2001: EUR 44.2 million) in income taxes for the 2002 financial year. The effective Group corporate tax rate was 36.7%, as compared to 35.8% in the previous year.

The Group successfully increased its consolidated net income by 6.9%, from EUR 77.9 million to EUR 83.3 million. As a result of the share repurchase program, a weighted average of 11,011,027 shares were in circulation during 2002, which led to earnings per share in the amount of EUR 7.57 (2001: EUR 6.66).

Due to the highly satisfactory earnings situation, the Management Board will propose an increase in dividends from EUR 1.8 to EUR 2.0 per share at the Annual Shareholders' Meeting.

Outlook:

1st Quarter 2003

Despite the increasingly rougher economic environment, the capacities of MM-Karton could be utilized to a satisfactory degree. Also MM-Packaging and MM-Graphia registered a positive development of business, resulting in very satisfactory earnings for the first quarter of 2003.

Current market development

Cartonboard customers continue to plan on a cautious and short-term basis. In line with this development, nervousness has risen on individual markets, increasing the pressure on cartonboard prices. As in the past, Mayr-Melnhof will continue to adjust cartonboard capacities to demand by taking selective downtime in order to maintain European sales prices as far as possible. From the overseas markets, only a few positive impulses can currently be expected. At approximately 45,000 tons in mid-April, the order backlog of MM-Karton was still at a low level (previous year: approximately 100,000 tons).

The situation on the raw materials markets has been characterized by a continuous increase in prices for several weeks.

In the folding carton business of MM-Packaging and MM-Graphia, the positive development is expected to continue.

Due to the short-term forecast horizon, no dependable estimate on the development of results for the second quarter and first half-year of 2003 can be presented at this time.

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The Mayr-Melnhof Group is...

MM-KARTON the worldwide leading producer of recycled cartonboard

MM-PACKAGING Europe's largest manufacturer of folding cartons

MM-GRAPHIA a leading European producer for cigarette and confectionery packaging

Forthcoming results:

May 12, 2003 Results for the 1st quarter of 2003

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