

**PRESS RELEASE**

May 12, 2003

RESULTS FOR THE FIRST QUARTER OF 2003

- **Period results exceeded previous year's level**
- **Positive development of business in all Divisions**
- **Forecast horizon remains very short-term**
- **2nd quarter capacity utilization in the cartonboard area expected to level below 1st quarter 2003**
- **Ongoing favorable development in the folding carton sector**

Group Key Indicators

US GAAP, unaudited

Consolidated in millions of EUR	Q1/2003	Q1/2002	+/-
Sales	340.4	294.4	+15.6%
Operating profit	39.4	34.5	+14.2%
Operating margin	11.6%	11.7%	
Net interest expense	(0.4)	(0.3)	
Income before income taxes and minority interests	37.1	34.2	+8.5%
Income taxes	(14.5)	(12.2)	
Net income	22.2	21.9	+1.4%
in % of sales	6.5%	7.4%	

Against the general economic trend, the results of Mayr-Melnhof Group could be further increased in the first quarter of 2003 through consistent efforts toward cost reduction and integration as well as sound investment decisions.

The utilization of the plants was at a high level in all Divisions. MM-Karton showed an overall positive development of business – as MM-Packaging and MM-Graphia – despite a temporary plunge in cartonboard sales to the Near and Middle East caused by the war. As of the beginning of the second half of the quarter, the raw material markets for recycling fibers and chemicals that depend on the price of crude oil experienced price increases.

The consolidated sales stood at EUR 340.4 million, 15.6 % above the previous year's level. This represents a growth of EUR 46.0 million, of which some EUR 44.8 million is a result of the acquisitions made in 2002.

The operating profit was improved by EUR 4.9 million (+14.2 %). This can be basically traced back to the results of the Graphia plants acquired in 2002 and MM-Packaging.

The income before income taxes and minority interests came to EUR 37.1 million and was therefore 8.5 % above last year's level (Q1 2002: EUR 34.2 million). The effective tax rate stood at approximately 39 % (Q1 2002: approximately 36 %).

Overall, therefore, we were able to conclude the first quarter of 2003 with period results above the previous year's level. The net income for the period amounted to EUR 22.2 million (Q1 2002: EUR 21.9 million).

OUTLOOK

Stagnation in Europe and uncertainty on the future economic development will presumably determine the general economic situation in the coming months as well. In this environment, we expect 2nd quarter capacity utilization in the cartonboard area to fall below the level of the 1st quarter 2003 (95 %). As in the past, MM-Karton will selectively adjust cartonboard production to market conditions.

In the folding carton business of MM-Packaging and MM-Graphia, the favorable trend should continue in the coming months.

Since the effects of the war in Iraq on non-European cartonboard sales proved to be only temporary, it is not yet possible to assess when the stimuli from the Far East might resume. About 5 % of the cartonboard deliveries were sold in this region in 2002.

On the raw material markets we do not anticipate any significant changes during the second quarter from a current perspective.

Please find our detailed Interim Report for the 1st Quarter of 2003 on the Internet at <http://www.mayr-melnhof.com>.

Forthcoming results:

August 20, 2003 Results for the 1st half -year of 2003

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