



PRESS RELEASE

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MAYR-MELNHOF CONTINUES EXPANSION IN EASTERN EUROPE

MM Packaging acquires interest in leading Russian folding carton producer

Mayr-Melnhof continues its expansion in Eastern Europe and announces a further acquisition step in cartonboard converting. On December 19, 2005 MM Packaging, Europe's largest producer of folding cartons, acquired 50 % plus one share in the offset segment of Polygrafoformlenie located in St. Petersburg. The remaining shares will stay with the former owner. Together, ambitious organic and acquisitive growth plans are envisaged for the Russian and Central Asian markets. The current management team will stay in office.

Polygrafoformlenie is one of Russia's largest folding carton producers. Its activities in the area of flexible packaging are not included in the agreement.

The future joint venture MM Polygrafoformlenie generates annual sales of approximately EUR 35 million in offset printing and converts approximately 26.000 tons of cartonboard, supplying mainly international consumer goods producers. The company employs some 650 people.

The existing MM Packaging site in St. Petersburg, acquired last year, will be part of the joint venture.

For the cigarette packaging segment, an investment program in rotogravure printing is in a planning stage.

The transaction will be formally completed after the approval by the relevant competition authorities, expected beginning next year.

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