



Report for the first three quarters of 2005

- Period results below last year's record level
- MM Packaging further on the road of success with a noticeable rise of results
- MM Karton defends cartonboard price – increased downtime and surge of crude oil related costs however exert pressure on results
- Intensified competition
- Focus on increase of productivity and rationalizations reinforced
- Acquisition strategy will be pursued further

Mayr-Melnhof Group Key Indicators

(in accordance with IFRS, unaudited)

(consolidated, in millions of EUR)	1 st - 3 rd Quarter		
	Jan. 1 - Sept. 30, 2005	Jan. 1 - Sept. 30, 2004	+/-
Sales	1,091.2	1,073.7	+1.6%
EBITDA	176.2	187.1	-5.8%
EBITDA margin (%)	16.1%	17.4%	
Operating profit	106.9	118.1	-9.5%
Operating margin (%)	9.8%	11.0%	
Profit before tax	110.1	117.8	-6.5%
Income tax expense	(36.8)	(36.4)	
Profit for the period	73.3	81.4	-10.0%
Net profit margin (%)	6.7%	7.6%	
Basic and diluted earnings per share (in EUR)	6.48	7.24	
Cash earnings	139.8	147.7	-5.3%
Cash earnings margin (%)	12.8%	13.8%	
Capital expenditures	59.5	54.9	+8.4%
Depreciation and amortization	66.1	69.3	-4.6%

	Balance sheet date	
	Sept. 30, 2005	Dec. 31, 2004
Total equity (in millions of EUR)	749.3	716.0
Total assets (in millions of EUR)	1,320.0	1,279.4
Total equity to total assets (%)	56.8%	56.0%
Net debt (in millions of EUR)	(124.2)	(121.8)
Enterprise value (in millions of EUR)	1,346.7	1,393.5
Employees	7,354	7,580

Group Report

Dear Shareholders,

During the first three quarters of 2005 development of results of your Company has been characterized by a high level of stability. This was achieved, despite ongoing weak consumer demand in the Western European main markets and a related tightening of competition as well as a significant price increase of energy and crude oil related input factors. While cartonboard converting posted new record results, earnings contribution from cartonboard production has markedly decreased.

At EUR 73.3 million, the period profit for the first three quarters of 2005 was down 10.0 % from last year's all time high.

MM Packaging particularly benefited from a continuous increase of productivity as well as growth from new business and last year's acquisitions. In order to preserve highest possible price stability, focused downtime at MM Karton remained however indispensable since the beginning of the year. In addition, the rapid surge of crude oil price related costs was increasingly impacting cartonboard production.

Statement of Income

Consolidated sales of the Mayr-Melnhof Group increased by EUR 17.5 million or 1.6 % during the first three quarters of 2005 and reached EUR 1,091.2 million (Q1-3 2004: EUR 1,073.7 million). Strong sales increases in cartonboard converting could more than compensate for the decline in cartonboard production.

The operating profit totaled EUR 106.9 million and was EUR 11.2 million or 9.5 % below last year's figure. This decline resulted from cartonboard production which generated significantly lower earnings due to a cut in capacity utilization and higher input costs. The rise in other income by EUR 2.1 million to EUR 7.8 million (Q1-3 2004: EUR 5.7 million) is mainly attributable to last year's charge in connection with the fire damage at the Eerbeek board mill and a sale of land at MM Packaging UK. This led to an operating margin of 9.8 % (Q1-3 2004: 11.0 %).

Profit before tax reached EUR 110.1 million (Q1-3 2004: EUR 117.8 million).

Income tax expense amounted to EUR 36.8 million (Q1-3 2004: EUR 36.4 million). Subsequent to non-recurring deferred tax income in the previous year the effective group tax rate increased from 30.9 % to 33.4 %.

The first three quarters of 2005 were therefore concluded with a profit for the period of EUR 73.3 million (Q1-3 2004: EUR 81.4 million) resulting in earnings per share of EUR 6.48 (Q1-3 2004: EUR 7.24).

Assets, Capital Resources, Liquidity

The Group's balance sheet total increased by EUR 40.6 million to EUR 1,320.0 million compared to year-end 2004. Total equity went up by EUR 33.3 million to EUR 749.3 million mainly due to the profit for the period less dividend. This results in an equity ratio of 56.8 %. Financial liabilities declined slightly by EUR 3.3 million to EUR 177.1 million (December 31, 2004: EUR 180.4 million). Total funds available to the Group amounted to EUR 301.3 million (December 31, 2004: EUR 302.2 million). Thus the Group continues to have no net debt. Intangible assets totaled EUR 36.1 million (December 31, 2004: EUR 34.9 million), of which EUR 31.7 million (December 31, 2004: EUR 31.3 million) accounted for goodwill.

Cash Flow

The cash flow from operating activities amounted to EUR 105.1 million after EUR 118.9 million for the first three quarters of 2004. This difference is mainly a result of the build-up of working capital in connection with the resumption of production at the Eerbeek board mill following a release of working capital in the previous year resulting from the damage related downtime. Additional funds were tied-up in the folding carton companies which were acquired last year.

At EUR -59.3 million, the cash flow from investing activities was markedly below last year's reference value (Q1-3 2004: EUR -79.8 million) due to significantly lower disbursements for acquisitions. Net payments for investments in tangible and intangible assets increased slightly from EUR 55.9 million to EUR 56.8 million. The investment focus was on new buildings and the implementation of latest technology.

The cash flow from financing activities came to EUR -48.2 million essentially as a result of the higher dividend payment following last year's net inflow of funds from financing activities in the amount of EUR 9.0 million.

Further Information

Production at the smallest German folding carton facility, MM Packaging Behrens Berlin, was ceased according to schedule by midyear. The bulk of the business volume was transferred to more efficient MM Packaging plants.

In Romania, the offset business acquired from Rodata S.A., Bucharest, in the previous year was concentrated at the Ploesti site.

In France, production of MM Packaging France at the Seignelay site will be closed down in the second half of 2005 and transferred to the sister plant at Monetaeu.

Development in the third quarter

As expected, the third quarter of 2005 followed the second quarter with a high continuity in earnings. At EUR 24.0 million the profit for the period reached the same level as in the second quarter (Q3 2004: EUR 29.1 million). The operating profit amounted to EUR 36.3 million (Q2 2005: EUR 34.2 million; Q3 2004: EUR 42.2 million).

Due to market success and the lapse of non-recurring expenses related to site optimizations in the second quarter, MM Packaging achieved its so far best ever quarterly results in the third quarter.

In the cartonboard business, increased selective downtime was necessary during the third quarter in order to attain the goal of highest price discipline possible. At 91 % (Q3 2004: 97 %) capacity utilization of MM Karton was below the second quarter (94 %), with part of this decline resulting from temporary technical downtime at one machine. A slight increase in the average sales price compared to the second quarter is mainly attributable to higher sales in virgin fiber based cartonboard. While markets for the strategic raw material of recovered paper continued on fairly stable levels also during the summer months, the strong cost surge of all crude oil related input factors increasingly encumbered results. As a consequence, operating profit of MM Karton for the third quarter was significantly below the second quarter.

Outlook

In line with the current consumption forecasts, fairly unchanged demand for cartonboard and folding carton is anticipated for the coming months. Growth can therefore still only be expected from further market penetration and acquisitions.

In the cartonboard area focused downtime will remain necessary also in the fourth quarter particularly due to seasonality. Capacity utilization is therefore expected at a similar level as in the third quarter. Due to sustained higher costs for energy and other crude oil related input factors in the coming year, the whole industry currently demands higher cartonboard prices.

In cartonboard converting, productivity improvement and site optimizations shall continue to allow for high-level returns. Consequently favourable group results can be expected for the 2005 full-year, however below last year's record level. The Group's target remains to grow and acquire market share through both cost savings and acquisitions.

Report on the Divisions

The previously separately managed divisions MM-Packaging (general packaging) and MM-Graphia (cigarettes and confectionary packaging) have been merged into a single cartonboard converting segment, as from January 1, 2005. With the adoption of IFRS reporting, two divisions, MM Karton und MM Packaging, are reported as from the first quarter of 2005 onwards. Reference figures for the 2004 financial year have been adjusted accordingly.

Mayr-Melnhof Karton

In line with ongoing unchanged cartonboard demand in Western Europe and expectedly reduced sales potential on the overseas markets due to the massive capacity expansion in the Far East, volume as well as price pressure have considerably stepped up in the course of this year. In connection with very short term customers' planning the average order backlog decreased in the first three quarters to approximately 55,000 tons (Q1-3 2004: about 80,000 tons).

In this business environment MM Karton pursues a strategy of highest possible price stability through consequent volume discipline, which made it possible to maintain average sales prices largely at the level of the same period in the previous year. Otherwise capacity utilization of MM Karton declined from 97 % to 93 % in the period under review, with a part of this reduction being a result from the ramp-up of the modernized board machine in Eerbeek and rebuilding work at Nikopol. Accordingly, the production volume amounted to 1,146,000 tons which is 2.5 % below the previous year (1,176,000 tons).

The volume dispatched arrived at 1,127,000 tons (Q1-3 2004: 1,167,000 tons), of which approximately 80 % were sold in Europe and 20 % on the non-European markets (Q1-3 2004: 76 %; 24 %).

Procurement markets of MM Karton were predominantly characterized by the strong rise in prices of all crude oil price related input factors. In contrast, recovered paper prices registered a fairly stable development along with moderate demand.

In line with lower volume dispatched, sales declined from EUR 593.3 million to EUR 569.3 million (-4.0 %). The operating profit decreased from EUR 63.6 million to EUR 46.9 million particularly as a result of lower capacity utilization and higher input costs. The operating margin was therefore at 8.2 % (Q1-3 2004: 10.7 %).

Divisional Indicators MM Karton (in accordance with IFRS, unaudited)

(in millions of EUR)	1 st - 3 rd Quarter		+/-
	2005	2004	
Sales ¹⁾	569.3	593.3	-4.0%
Operating profit	46.9	63.6	-26.3%
Operating margin (%)	8.2%	10.7%	
Tonnage produced (in thousands of tons)	1,146	1,176	-2.5%

¹⁾ including interdivisional sales

Mayr-Melnhof Packaging

Price pressure resulting from a lack of consumption dynamics and overcapacities has led to a highly competitive environment on the Western European folding carton markets. Country and product specific, demand develops very inconsistently. In contrast, markets in Eastern Europe remain generally attractive.

With a focus on productivity increases and expansion, MM Packaging registered an on-going successful development during the first three quarters of 2005 despite rising competitive pressure. This progress was particularly supported by the areas of cigarette and detergent packaging. Both, gains in market share as well as last year's acquisitions contributed to growth.

Rationalizations and progression of efficiency mark the on-going business. In this concern production volumes of three smaller plants in Germany, Romania and France were concentrated on neighboring high performance facilities.

On the procurement markets crude oil derivatives in particular faced a strong rise in prices whereas the intensive competition on the cartonboard markets still offered interesting opportunities.

At 380,000 tons, the converted tonnage for the first three quarters was 35,000 tons up compared with the previous year. This is equivalent to a rise of 10.2 %. Sales increased by 7.0 % rising from EUR 567.6 million to EUR 607.2 million. At the same time operating profit was improved by 10.1 % to EUR 60.0 million. Thus the operating margin moved up from 9.6 % to 9.9 %.

In the course of expansion of the cigarette packaging business three new rotogravure printing presses will commence production at the beginning of 2006 at the sites in Cherkassy (Ukraine), Izmir (Turkey) and Trier (Germany).

Divisional Indicators MM Packaging (in accordance with IFRS, unaudited)

(in millions of EUR)	1 st - 3 rd Quarter		+/-
	2005	2004	
Sales ¹⁾	607.2	567.6	+7.0%
Operating profit	60.0	54.5	+10.1%
Operating margin (%)	9.9%	9.6%	
Tonnage processed (in thousands of tons)	380	345	+10.2%

¹⁾ including interdivisional sales

Consolidated Income Statements

(in accordance with IFRS, unaudited)

(all amounts in thousands of EUR, except per share data)	3 rd Quarter		1 st - 3 rd Quarter	
	July 1 - Sept. 30, 2005	July 1 - Sept. 30, 2004	Jan. 1 - Sept. 30, 2005	Jan. 1 - Sept. 30, 2004
Sales	375,800.0	364,658.5	1,091,244.8	1,073,690.0
Cost of sales	(288,807.9)	(274,409.9)	(836,136.5)	(808,221.1)
Gross margin	86,992.1	90,248.6	255,108.3	265,468.9
Other income	1,526.0	2,845.9	7,759.2	5,659.0
Selling and distribution expenses	(35,239.3)	(34,924.1)	(102,009.0)	(102,414.4)
Administrative expenses	(16,640.6)	(15,674.1)	(52,599.2)	(50,213.7)
Other expenses	(305.0)	(266.0)	(1,315.8)	(379.1)
Operating profit	36,333.2	42,230.3	106,943.5	118,120.7
Financial expenses	(1,472.2)	(1,462.9)	(4,479.7)	(4,270.7)
Financial income	1,642.0	1,373.5	4,617.5	4,292.6
Share of profit (loss) of associates	354.6	112.3	914.9	177.5
Other - net	261.5	(300.1)	2,134.7	(472.4)
Profit before tax	37,119.1	41,953.1	110,130.9	117,847.7
Income tax expense	(13,171.7)	(12,827.5)	(36,846.7)	(36,456.3)
Profit for the period	23,947.4	29,125.6	73,284.2	81,391.4
Attributable to:				
Equity holders of the Company	23,446.6	28,291.0	71,463.5	79,852.6
Minority interests	500.8	834.6	1,820.7	1,538.8
Profit for the period	23,947.4	29,125.6	73,284.2	81,391.4
Earnings per share for the profit attributable to the equity holders of the Company during the period:				
Basic and diluted (in EUR)	2.12	2.56	6.48	7.24

Consolidated Balance Sheets

(in accordance with IFRS, unaudited)

	End of 3 rd Quarter Sept. 30, 2005	Year End Dec. 31, 2004
ASSETS (all amounts in thousands of EUR)		
Property, plant and equipment	528,467.4	534,256.5
Investment property	2,578.7	2,703.8
Intangible assets including goodwill	36,050.9	34,928.2
Investments in associates accounted for using the equity method	12,533.1	10,454.9
Available-for-sale financial assets	75,695.6	74,552.8
Other financial assets	5,185.9	5,498.3
Other assets	906.3	1,023.1
Deferred income taxes	19,852.5	19,044.8
Non-current assets	681,270.4	682,462.4
Inventories	166,065.8	169,473.1
Trade receivables	203,006.8	155,902.4
Income tax receivables	14,715.7	10,284.1
Prepaid expenses and other current assets	29,284.1	33,734.0
Cash and cash equivalents	225,628.8	227,582.4
Current assets	638,701.2	596,976.0
TOTAL ASSETS	1,319,971.6	1,279,438.4
EQUITY AND LIABILITIES (all amounts in thousands of EUR)		
Share capital	87,240.0	87,240.0
Additional paid-in capital	169,213.4	169,213.4
Treasury shares	(53,100.8)	(53,100.8)
Retained earnings	525,203.8	496,734.5
Other reserves	7,921.1	3,665.2
Equity attributable to equity holders of the Company	736,477.5	703,752.3
Minority interests	12,831.1	12,228.2
Total equity	749,308.6	715,980.5
Interest bearing loans and borrowings	81,119.1	94,914.5
Financial lease obligations	765.3	4,474.6
Provisions for other long-term liabilities and charges	80,613.2	79,770.6
Deferred income taxes	45,653.8	44,350.5
Non-current liabilities	208,151.4	223,510.2
Interest bearing loans and borrowings	86,321.1	73,454.9
Financial lease obligations	8,832.3	7,540.9
Income tax payables	22,049.5	15,207.3
Trade payables	105,194.1	113,258.7
Deferred income and other short-term payables	38,578.6	50,223.9
Provisions for other short-term liabilities and charges	101,536.0	80,262.0
Current liabilities	362,511.6	339,947.7
Total liabilities	570,663.0	563,457.9
TOTAL EQUITY AND LIABILITIES	1,319,971.6	1,279,438.4

Consolidated Statements of Changes in Equity

(Condensed version in accordance with IFRS, unaudited)

(all amounts in thousands of EUR)	1 st - 3 rd Quarter							Minority interests	Total equity
	Equity attributable to equity holders of the Company						Total		
	Share capital	Additional paid-in capital	Treasury shares	Retained earnings	Other reserves				
Balance at January 1, 2005	87,240.0	169,213.4	(53,100.8)	496,734.5	3,665.2	703,752.3	12,228.2	715,980.5	
Profit for the period				71,463.5		71,463.5	1,820.7	73,284.2	
Fair value gains (losses), net of tax					4,255.9	4,255.9	76.7	4,332.6	
Total profit for the period				71,463.5	4,255.9	75,719.4	1,897.4	77,616.8	
Dividends paid				(42,994.2)		(42,994.2)	(1,294.5)	(44,288.7)	
Balance at September 30, 2005	87,240.0	169,213.4	(53,100.8)	525,203.8	7,921.1	736,477.5	12,831.1	749,308.6	
Balance at January 1, 2004	87,240.0	169,213.4	(53,100.8)	417,035.0	2,613.7	623,001.3	13,643.9	636,645.2	
Profit for the period				79,852.6		79,852.6	1,538.8	81,391.4	
Fair value gains (losses), net of tax					909.3	909.3	5.9	915.2	
Total profit for the period				79,852.6	909.3	80,761.9	1,544.7	82,306.6	
Dividends paid				(24,253.1)		(24,253.1)	(1,179.1)	(25,432.2)	
Balance at September 30, 2004	87,240.0	169,213.4	(53,100.8)	472,634.5	3,523.0	679,510.1	14,009.5	693,519.6	

Consolidated Cash Flow Statements

(Condensed version in accordance with IFRS, unaudited)

(all amounts in thousands of EUR)	1 st - 3 rd Quarter	
	Jan. 1 - Sept. 30, 2005	Jan. 1 - Sept. 30, 2004
Cash flow from operating activities	105,129.6	118,873.8
Cash flow from investing activities	(59,329.1)	(79,798.0)
Cash flow from financing activities	(48,156.9)	8,976.1
Effect of exchange rate changes on cash and cash equivalents	402.8	124.6
Net change in cash and cash equivalents (< 3 months)	(1,953.6)	48,176.5
Cash and cash equivalents (< 3 months) at the beginning of the period	227,582.4	167,375.9
Cash and cash equivalents (< 3 months) at the end of the period	225,628.8	215,552.4
Adjustments to reconcile cash and cash equivalents to total funds available to the Group:		
Current and non-current available-for-sale financial assets	75,695.6	73,707.3
Total funds available to the Group	301,324.4	289,259.7

Quarterly Overview

(in accordance with IFRS, unaudited)

Mayr-Melnhof Group

	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	1 st Quarter	2 nd Quarter	3 rd Quarter
(consolidated, in millions of EUR)	2004	2004	2004	2004	2005	2005	2005
Sales	367.1	341.9	364.7	348.5	357.1	358.3	375.8
EBITDA	62.1	60.2	64.8	56.0	60.1	57.1	59.0
EBITDA margin (%)	16.9%	17.6%	17.8%	16.1%	16.8%	15.9%	15.7%
Operating profit	39.9	36.0	42.2	31.8	36.4	34.2	36.3
Operating margin (%)	10.9%	10.5%	11.6%	9.1%	10.2%	9.5%	9.7%
Profit before tax	39.9	36.0	41.9	31.6	37.4	35.6	37.1
Income tax expense	(13.3)	(10.3)	(12.8)	(6.4)	(12.1)	(11.6)	(13.1)
Profit for the period	26.6	25.7	29.1	25.2	25.3	24.0	24.0
Net profit margin (%)	7.2%	7.5%	8.0%	7.2%	7.1%	6.7%	6.4%
Basic and diluted earnings per share (in EUR)	2.38	2.30	2.56	2.19	2.23	2.13	2.12

Divisions

MM Karton

	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	1 st Quarter	2 nd Quarter	3 rd Quarter
(in millions of EUR)	2004	2004	2004	2004	2005	2005	2005
Sales ¹⁾	206.8	192.6	193.9	184.6	185.5	190.4	193.4
Operating profit	21.8	19.9	21.9	16.2	16.9	16.5	13.5
Operating margin (%)	10.5%	10.3%	11.3%	8.8%	9.1%	8.7%	7.0%
Tonnage produced (in thousands of tons)	401	389	386	341	373	389	384

MM Packaging

	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	1 st Quarter	2 nd Quarter	3 rd Quarter
(in millions of EUR)	2004	2004	2004	2004	2005	2005	2005
Sales ¹⁾	188.9	177.8	200.9	188.5	200.8	196.6	209.8
Operating profit	18.1	16.1	20.3	15.6	19.5	17.7	22.8
Operating margin (%)	9.6%	9.1%	10.1%	8.3%	9.7%	9.0%	10.9%
Tonnage processed (in thousands of tons)	107	112	126	125	125	125	130

¹⁾ including interdivisional sales

Explanatory Report IFRS

1. Legal framework

The European Parliament and the Council have passed regulation (EC) No. 1606/2002, the so-called "IAS-regulation" (International Accounting Standards), which requires mandatory application of International Financial Reporting Standards ("IFRS") within European Union law for consolidated financial statements of listed corporations as from the fiscal year 2005. Therefore, Mayr-Melnhof Karton AG is obligated to prepare consolidated financial statements for the fiscal year 2005 according to IFRS including reference figures for the fiscal year 2004. According to the standard IFRS 1 "First-time Adoption of International Financial Reporting Standards", which is relevant to the IFRS transition, the Standards and Interpretations enacted as of the date of first-time reporting (December 31, 2005) shall be applied to the consolidated financial statements.

IAS/IFRS Standards are adopted into Community law on the basis of IAS-regulations with the European Commission having limited rights of inspection before standards are announced in the official journal of the European Communities and thus become law for the companies affected ("endorsement"). Neither the process of generating and completing the standards to be applied in 2005, nor its adoption by the European Commission has been finalized. For this reason the Standards and Interpretations valid for 2005 have not yet been determined. Therefore, any announced new Standard, Interpretation and amendment within the process of adoption by the European Commission may require further adjustments in the future.

2. Adaptation of financial reporting in accordance with IFRS

The report on the first three quarters of 2005 has for the first time been prepared in accordance with the IFRS valid as of the reporting date. The reference figures for the previous years have been prepared and adapted accordingly by applying the same accounting principles. The adjustments made in this regard have no significant impact on the presentation of the financial position and financial performance of the Group and the Divisions.

The first-time adoption leads to deviations from the respective US GAAP reference figures for the consolidated statements of changes in equity and the consolidated income statements, which are from now on presented in accordance with IFRS. These deviations result from the adjustment of the reference values made for the previous year, which were generated in this regard as if IFRS had always been applied. The resulting differences between the balance sheet values of the IFRS opening balance as of January 1, 2004, and the consolidated balance sheets as of December 31, 2003, prepared under US GAAP were included in equity, and therefore did not affect profit.

2.1. Reconciliation of equity

According to IFRS 1 "First-time Adoption of International Financial Reporting Standards", the following table presents the transition of consolidated total equity from US GAAP to IFRS for the previous periods' reporting dates included in this report for the first three quarters:

Reconciliation of Equity

(in accordance with US GAAP/IFRS, quarterly figures unaudited)

(all amounts in thousands of EUR)	Balance sheet date		
	Jan. 1, 2004	Dec. 31, 2004	Sept. 30, 2004
Equity including minority interests in accordance with US GAAP	646,473.0	725,867.9	708,370.1
Full consolidation of C.P. Schmidt companies from January 1, 2004, onwards	4,575.2	0.0	0.0
Pensions and other post-employment benefits	(23,637.6)	(16,920.9)	(24,144.5)
Provisions for pre-retirement programs	(2,306.1)	(2,925.5)	(2,306.1)
Other adjustments	(216.1)	1,112.4	(94.5)
Deferred taxes	11,756.8	8,846.6	11,694.6
Total equity in accordance with IFRS	636,645.2	715,980.5	693,519.6

2.2. Reconciliation of profit for the period

The effects of the IFRS adjustments on the consolidated income statements for the comparison periods within this quarterly report are as follows:

Reconciliation of Profit for the Period

(in accordance with US GAAP/IFRS, quarterly figures unaudited)

(all amounts in thousands of EUR)	Period	
	Jan. 1 - Dec. 31, 2004	Jan. 1 - Sept. 30, 2004
Profit for the period including minority interests in accordance with US GAAP	105,918.1	81,589.5
Pensions and other post-employment benefits	1,489.1	(302.8)
Provisions for pre-retirement programs	(619.4)	0.0
Other adjustments	290.0	172.7
Deferred taxes	(481.8)	(68.0)
Profit for the period in accordance with IFRS	106,596.0	81,391.4

2.3. Explanations

By adopting IFRS, differences to financial accounting and valuation principles applied up to now according to US GAAP, arise particularly for the financial accounting and valuation of the following positions:

2.3.1. Provisions for severance and pensions

In accordance with IFRS 1, the "fresh start"-method has been applied and all actuarial gains and losses accumulated until the IFRS transition date (January 1, 2004) have been accounted for in consolidated total equity not affecting profit. Furthermore, prepaid pension costs have been qualified as plan assets and netted with the corresponding liabilities. A minimum pension liability, unlike in US GAAP, has not been accounted for. Surpluses are measured according to their economic benefit.

2.3.2. Differences from foreign currency translation

Regarding accumulated differences resulting from the foreign currency translation of financial statements of foreign subsidiaries, the option to reset the values accounted for in other reserves to zero as of the IFRS transition date (January 1, 2004) by netting this position with retained earnings has been exercised. Overall, consolidated total equity therefore remains unchanged.

2.3.3. Acquisitions

Regarding the financial accounting and reporting for business combinations, the option to retain the initially and thereafter applied accounting and valuation principles for acquisitions made before the IFRS transition date (January 1, 2004) has been exercised.

2.3.4. Pre-retirement programs

According to US GAAP, provisions for pre-retirement programs have to be made on the date when an individual contractual pre-retirement agreement is concluded. According to IFRS provisions for pre-retirement agreements have to be made for all employees qualifying for future pre-retirement programs due to factory or labour agreements.

2.3.5. Deferred taxes

The changes in deferred taxes essentially result from the adjustments of provisions for severance and pensions as well as for provisions for pre-retirement programs.

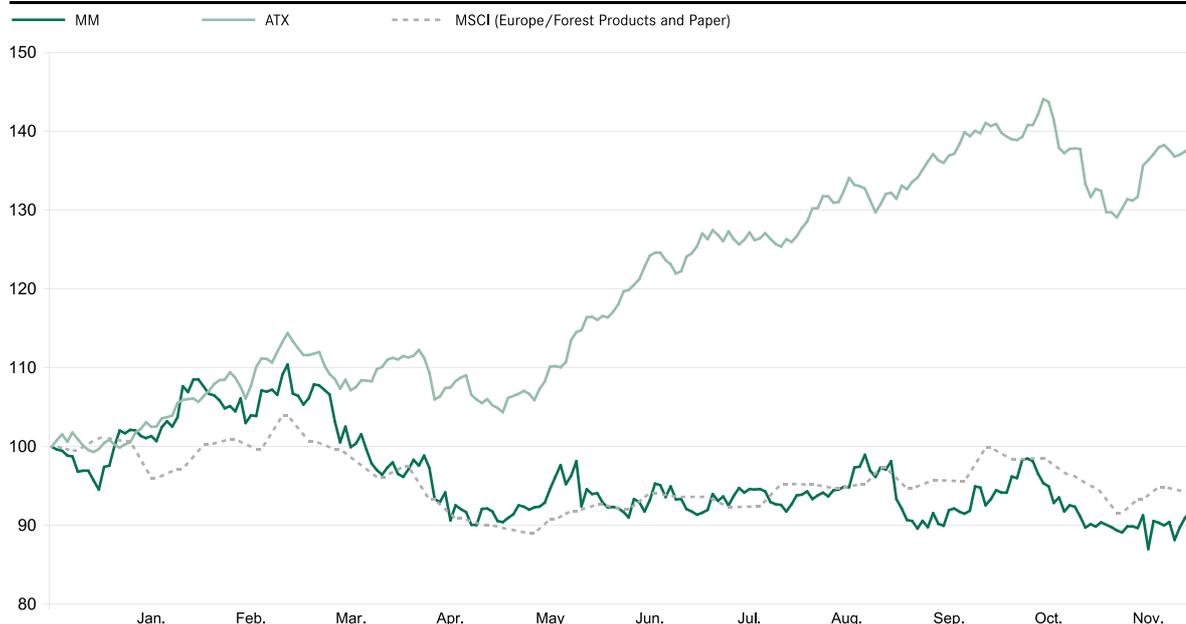
2.3.6. Other adjustments

Other adjustments basically comprise valuation adjustments for inventory and other provisions.

***The Management Board
of Mayr-Melnhof Karton AG***

Mayr-Melnhof Shares

Relative Performance of MM Shares 2005 (December 30th, 2004 = 100)



Share price (closing price)

as of November 15, 2005	115.15 EUR
2005 High	138.36 EUR
2005 Low	109.05 EUR
Stock performance (Year-end 2004 until November 15, 2005)	-8.1%
Number of shares issued	12 million
Market capitalization	
as of November 15, 2005 (in millions of EUR)	1,269
Trading volume (daily average Q1-3 2005 in millions of EUR)	3.50

Share Repurchase Program

Since March 19, 2001 the Mayr-Melnhof Group has purchased 975,848 own shares, which is equivalent to 8.1 % of the capital stock, for EUR 53.1 million including fees. The maximum repurchase volume is limited to 1.2 million shares or 10 % of the capital stock. Thus a maximum of further 224.152 shares can be repurchased in the current buy back program lasting from November 18, 2005 to November 18, 2006. All transactions are published on the Internet at www.mayr-melnhof.com.

Financial Calendar 2006

March 14, 2006	Financial results for 2005
April 25, 2006	12 th Annual General Meeting - Vienna
May 3, 2006	Ex-Dividend Day
May 10, 2006	Dividend payment date
May 15, 2006	Results for the 1 st quarter of 2006
August 17, 2006	Results for the 1 st half-year of 2006
November 15, 2006	Results for the first three quarters of 2006

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