



Mayr-Melnhof Karton AG

Final Results 2004

April 26, 2005



Highlights 2004

Group

Key indicators

Karton

Packaging

- **Another record result**
Net income increased by ~14 % to EUR 103.3 million
- **Dividend increase of EUR 0.20 to EUR 2.40 per share**
+ Anniversary bonus EUR 1.50 per share
- **Successful growth**
- **High capacity utilization**
- **Further improvement of productivity**
- **MM Share soared the third year in a row by more than 30 %**



Segments

Group

Key indicators
Karton
Packaging



- The worldwide leading producer of recycled fiber based cartonboard



- Europe's largest manufacturer of folding cartons



- A leading European packaging producer for cigarettes and confectionary

1 Segment
MM Packaging
as of
Jan. 1, 2005



Group

Key indicators

Karton

Packaging

Strategic Position

- **Concentration on core competences**
(Cartonboard production and processing)
- **Market AND Cost leadership**
- **Long-term profit orientation**
- **Expansion**



Group Results 2004

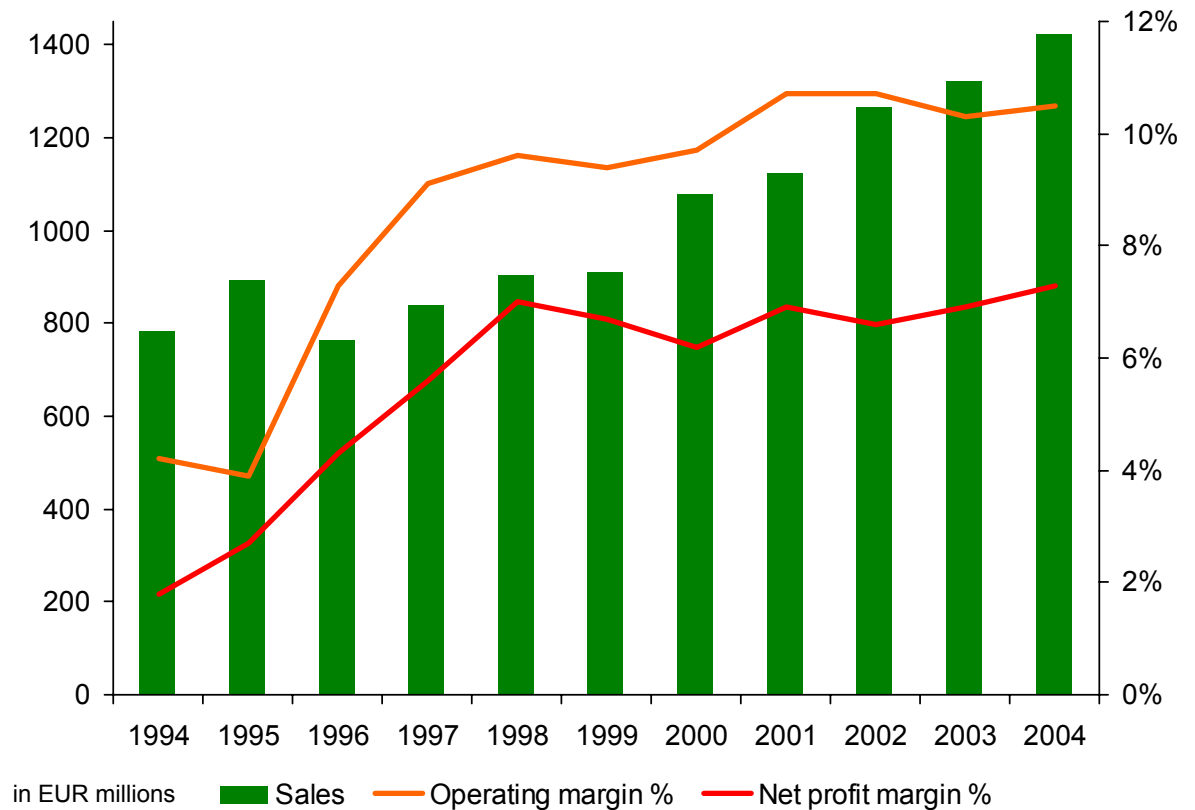
Group
Key indicators
 Karton
 Packaging

consolidated in EUR millions, US GAAP	2004	2003	+/-
Sales	1,422.2	1,320.6	+7.7%
Operating profit	148.8	136.2	+9.3%
Operating margin	10.5%	10.3%	
Income before taxes	148.2	132.3	+12.0%
Net income	103.3	90.9	+13.6%
% of sales	7.3%	6.9%	
Cash earnings	195.9	169.9	+15.3%
% of sales	13.8%	12.9%	



Group: Sales and Margins

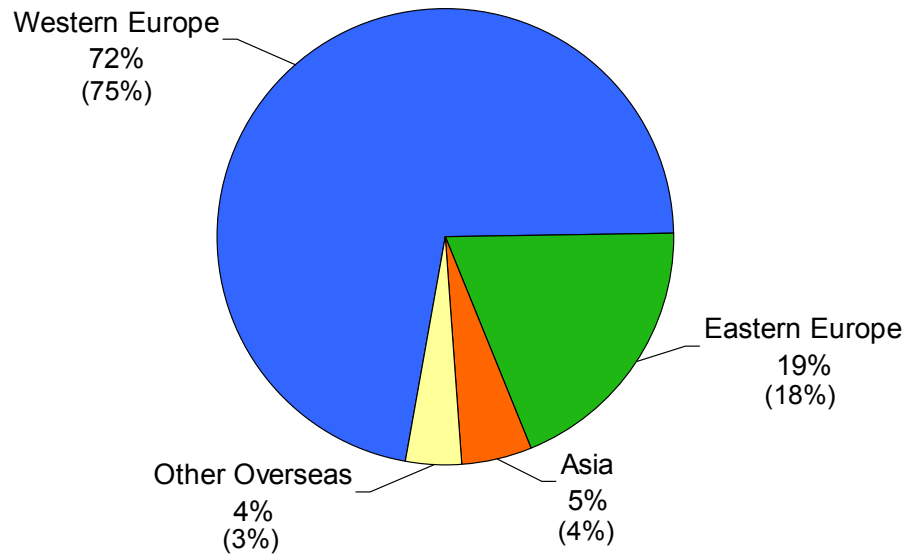
Group
Key indicators
Karton
Packaging





Sales by Region

Group
Key indicators
Karton
Packaging



2004 (2003)



Group Balance Sheet

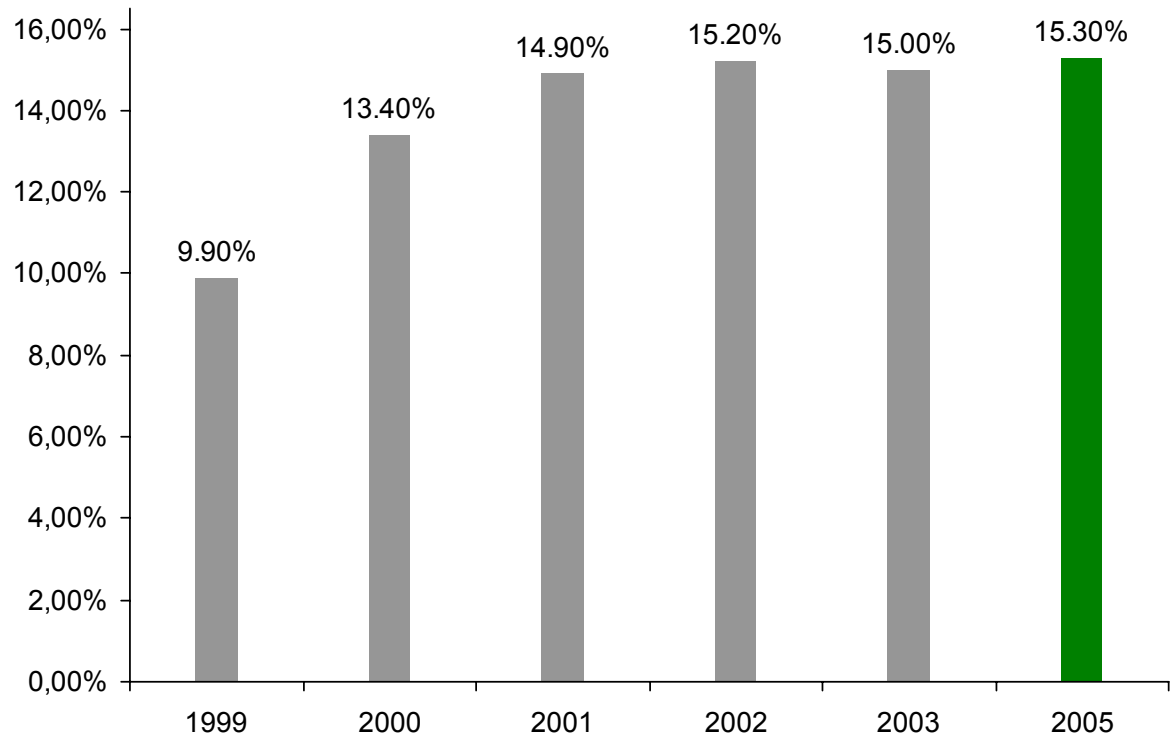
Group
Key indicators
 Karton
 Packaging

	Dec. 24, 2004	Dec.24, 2003
Current assets	606.9	527.9
Non-current assets	687.6	656.7
Total assets	1,294.5	1,184.6
Liabilities	580.9	547.3
Stockholders' equity	713.6	637.3
Total assets	1,294.5	1,184.6
Cash and cash equivalents + available-for-sales securities	302.2	242.4
Net debt free		



Return on Equity

Group
Key indicators
Karton
Packaging

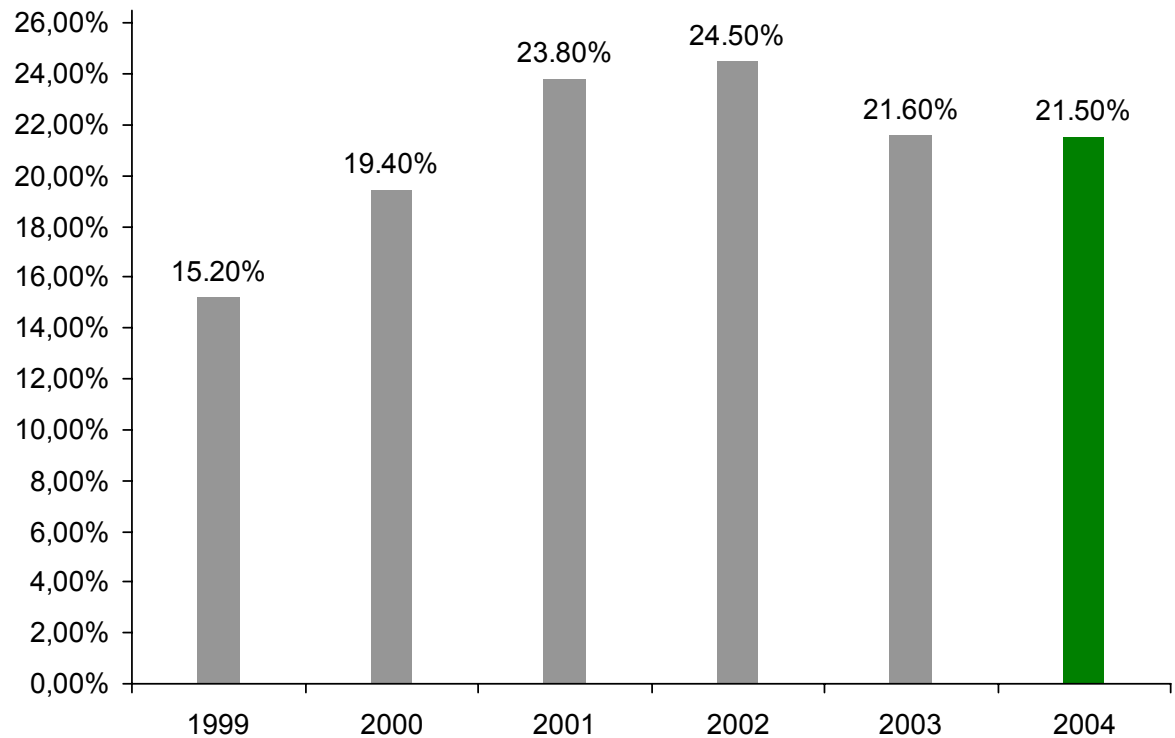


Defined: Net income / average stockholders' equity



Return on Capital Employed

Group
Key indicators
Karton
Packaging



Defined: $\frac{\text{Net income before minority interests, income taxes and net interest expense}}{\text{average stockholders' equity, minority interests and net debt (only if the interest bearing liabilities are greater than cash and cash equivalents)}}$



Consolidated Statements of Cash Flows

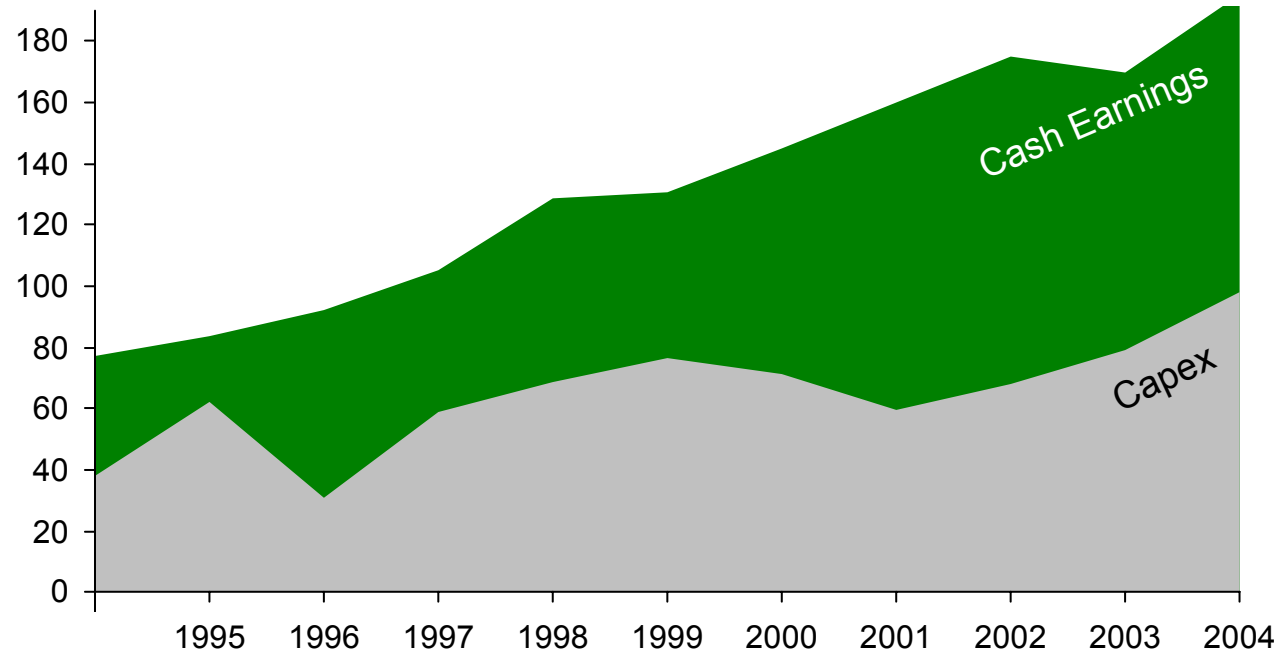
Group
Key indicators
 Karton
 Packaging

Consolidated in EUR millions, US GAAP	2004	2003
Net cash provided by operating activities	205.9	157.3
Net cash used in investing activities	(133.0)	(81.7)
Net cash used in financing activities	(11.6)	(57.0)
Change in cash and cash equivalents	61.3	17.2
Cash and cash equivalents at year-end	227.6	166.3
“Available-for-sales securities”	74.6	76.1
Total resources available to the Group	302.2	242.4



Cash Earnings - Capex

Group
Key indicators
Karton
Packaging



in millions of EUR



Group
Key indicators
Karton
Packaging

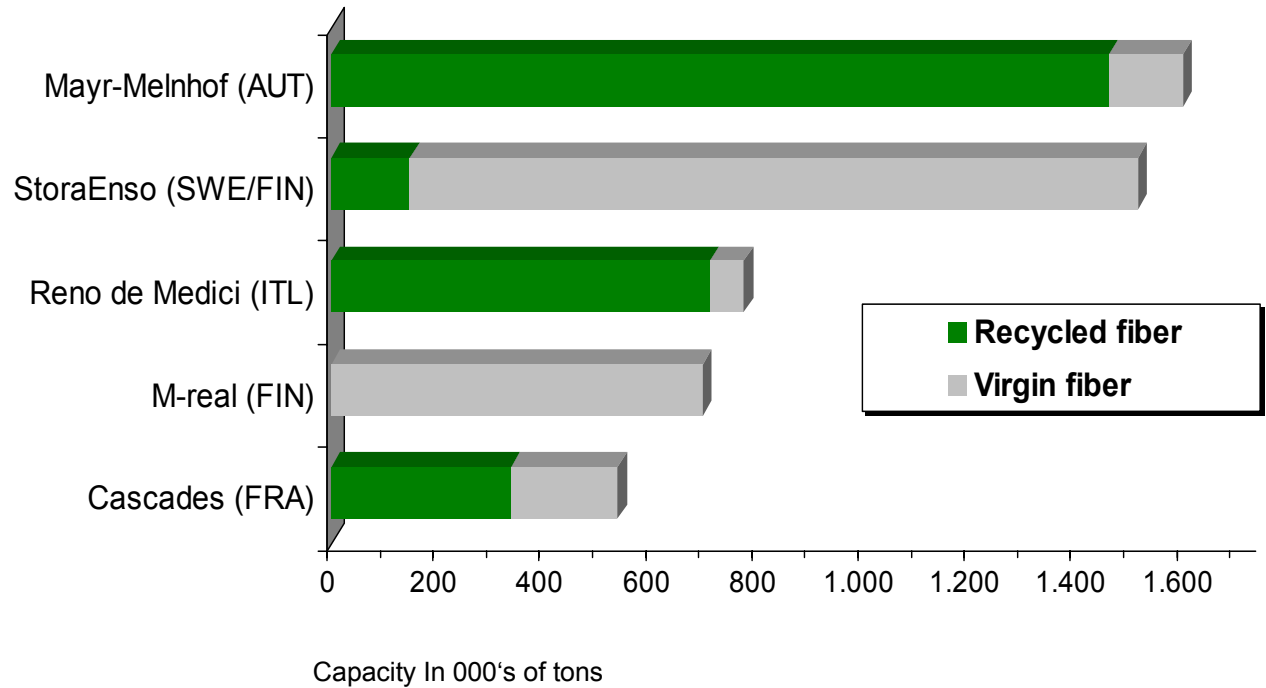
MM Karton

- 9 Mills in Austria, Germany, Switzerland, Netherlands, Slovenia and Bulgaria
- Capacity 2004: ~1.6 million tons / annum
- Sales: ~EUR 780 million
- 13 machines
- 90% Recycled fiber based cartonboard
- 10% Virgin fiber based cartonboard
- ~ 3.000 employees



Leading European Producers of coated Cartonboard

Group
Key indicators
Karton
Packaging

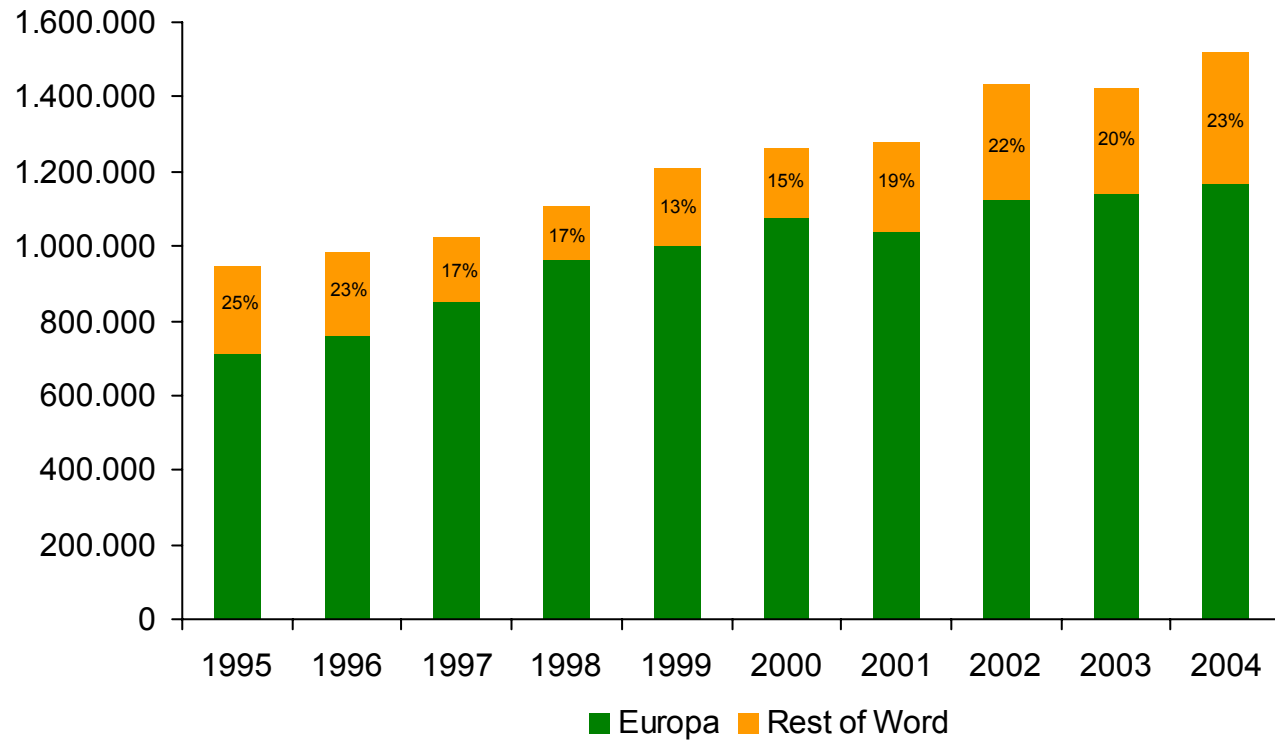


excl. Grey board, LPB, CNK



MM Karton: Tonnes Sold

Group
Key indicators
Karton
Packaging





Group
Key indicators
Karton
Packaging

Overview: MM Karton 2004

- **Significantly better capacity utilization than in 2003**
Utilization rate 95 % (2003: 87 %)
- **Strong price increase of all crude oil related input factors**
Increase of cartonboard price
- **Successful cost management**
- **MM-Eerbeek (NL): Production was concentrated on modern machine after fire in April 04 (insured)**
- **Profitability slightly below previous year**



MM-Karton: Results 2004

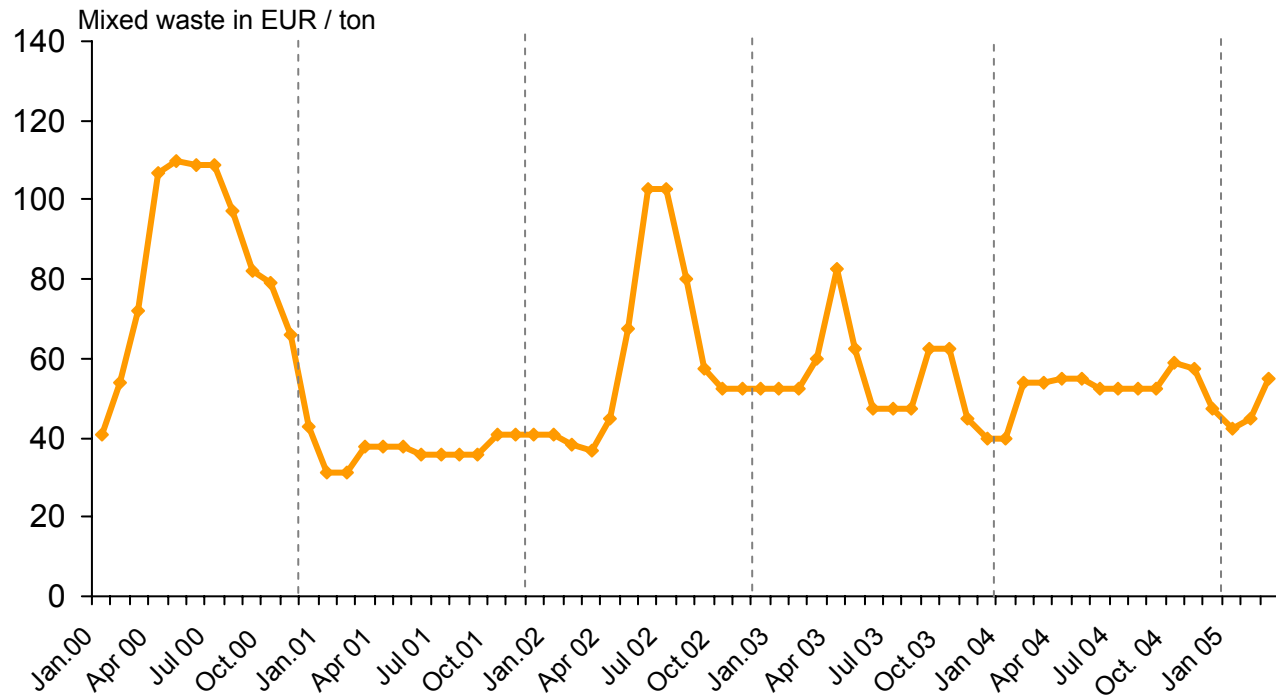
Group
Key indicators
Karton
Packaging

in EUR millions, US GAAP	2004	2003	+/-
Sales	777.9	755.6	+3.0%
Operating profit	78.0	80.3	-2.9%
Operating margin	10.0%	10.6%	
Tonnage produced (in 1,000 tons)	1,517	1,426	+6.4%
Employees	2,993	2,969	
Capex	58.5	55.0	



Development – Recovered Paper Price

Group
Key indicators
Karton
Packaging



Source: EUWID



Group
Key indicators
Karton
Packaging

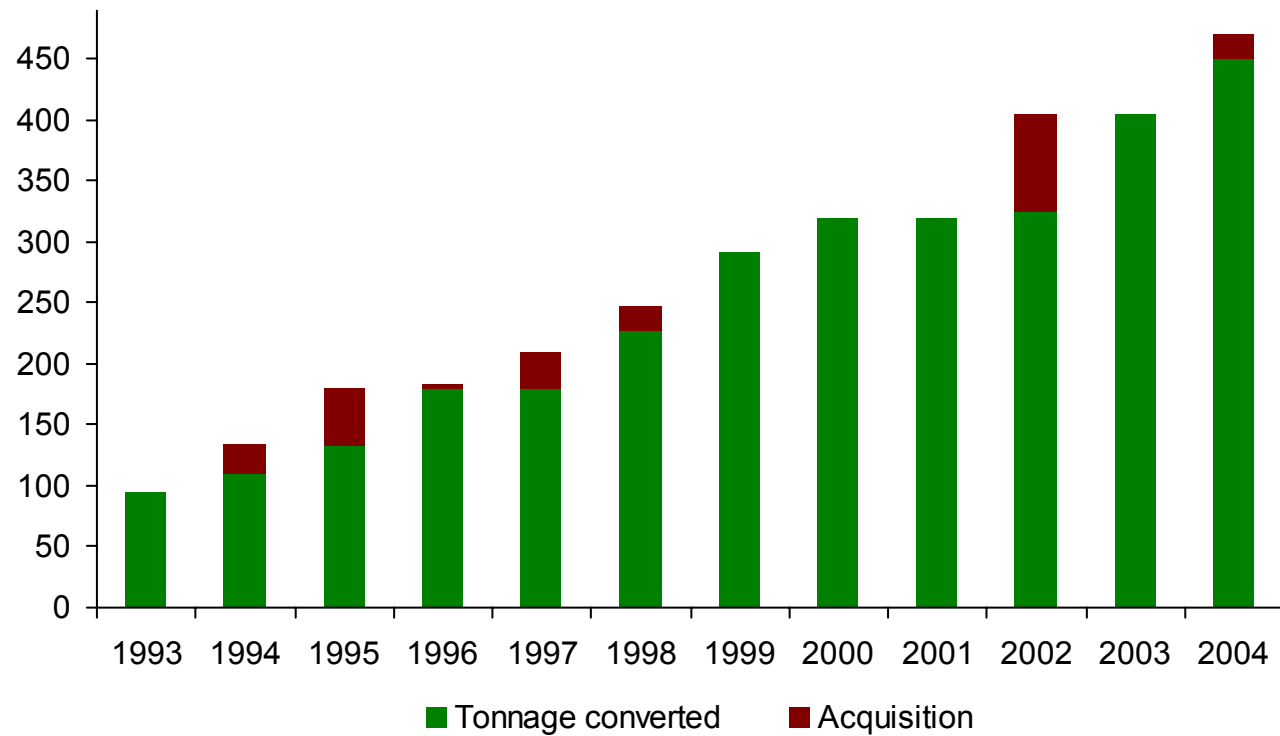
MM Packaging

- 21 Plants in 10 Countries
- Tonnage converted: 470,000 tons
- Sales: ~ EUR 750 million (Basis 2004)
- 4,580 Employees



Tonnage Converted

Group
Key indicators
Karton
Packaging

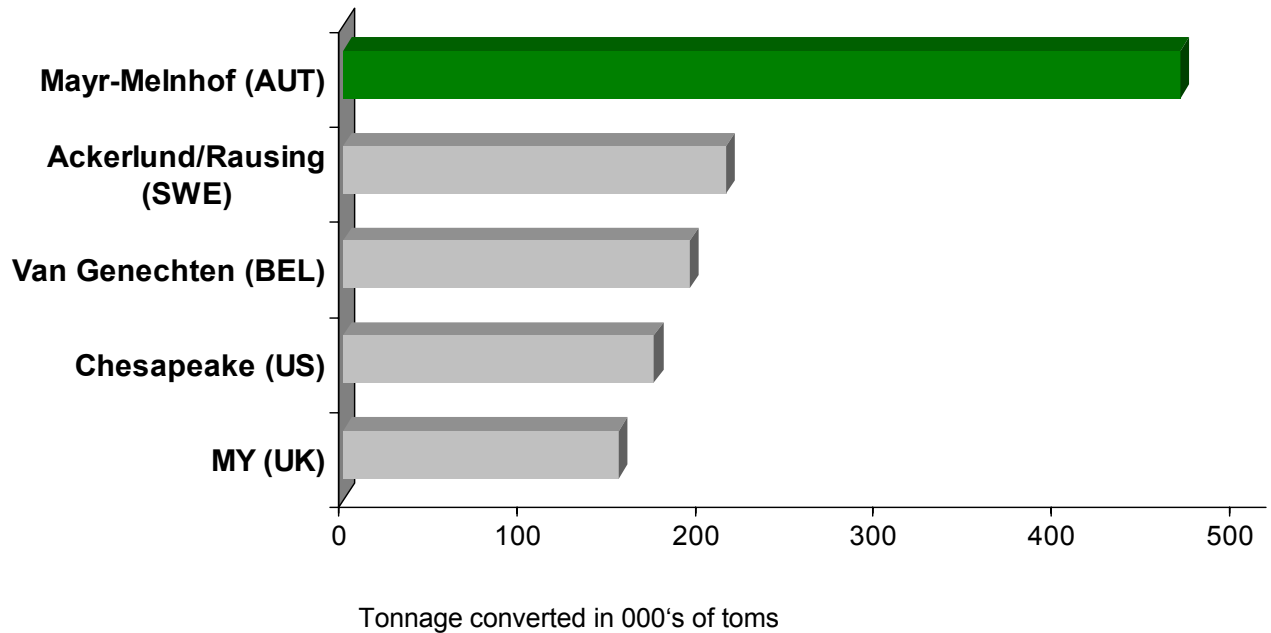


in 000's of tons/ year



Leading European Producers of Folding Cartons

Group
Key indicators
Karton
Packaging





MM-Packaging: Overview 2004

Group
Key indicators
Karton
Packaging

→ Successful growth in sales and earnings

- **Converting operations remained strong in highly competitive environment**

- **Significant improvement in productivity**

- **New Business**

MMP benefits from on-going concentration in consumer goods industry

- **4 Acquisitions** (Spain, Poland, Romania, Russia)

+ Increase of interest in German folding carton company CP Schmidt



MM-Packaging: Results 2004

Group
Key indicators
Karton
Packaging

consolidated in EUR millions, US GAAP	2004	2003	+/-
Sales	472.4	399.7	+18.2%
Operating profit	31.1	24.7	+25.9%
Operating margin	6.6%	6.2%	
Tonnage converted (in 1,000 tons)	375	314	+19.4%
Employees	3,464	2,635	
Capex	30.9	14.4	



MM-Graphia: Results 2004

Group
Key indicators
Karton
Packaging

consolidated in EUR millions, US GAAP	2004	2003	+/-
Sales	284.6	262.0	+8.6%
Operating profit	39.7	31.2	+27.2%
Operating margin	13.9%	11.9%	
Tonnage converted (in 1,000 t)	95	91	+4.4%
Employees	1,123	1,202	
Capex	7.2	9.8	



Reorganization MM Packaging

as of Jan. 1, 2005

Group
Key indicators
Karton
Packaging

→ Earnings and Growth

- **Utilize increased synergy potentials**
Cost reduction / Enhance productivity
- **Focus sales in strategic Business Units**

Cigarettes

Confectionary

Detergents

FMCG



Outlook

Group

Key indicators

Karton

Packaging

- Cartonboard and Folding Carton demand still in light of the sluggish economic development
- Increased price competition
- Both divisions hold up well
- Increase of productivity and cost reductions - Top priority
- Cartonboard sales Q1/05 below last year's record level
- Good results expected for 1st Quarter 2005, only slightly below the previous year's level
- The acquisition path will be continued