



# Mayr-Melnhof Gruppe

## HALF-YEAR RESULTS 2008

August 19, 2008

# Mayr-Melnhof Group

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- The world's largest producer of recycled fiber based cartonboard



- Europe's largest manufacturer of folding cartons

# Production Sites

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- MM Board Mills (8)
  - MM Packaging Plants (28)
- ~ 8.470 Employees

# Highlights: Half-Year 2008

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- Half-year results as expected slightly below previous year.

*Profit for the period EUR 55.4 million (HY 1, 07: EUR 59.2 million)*

- Persistent cost pressure weighs on margin of MM Karton as addressed
- MM Packaging stands its grounds



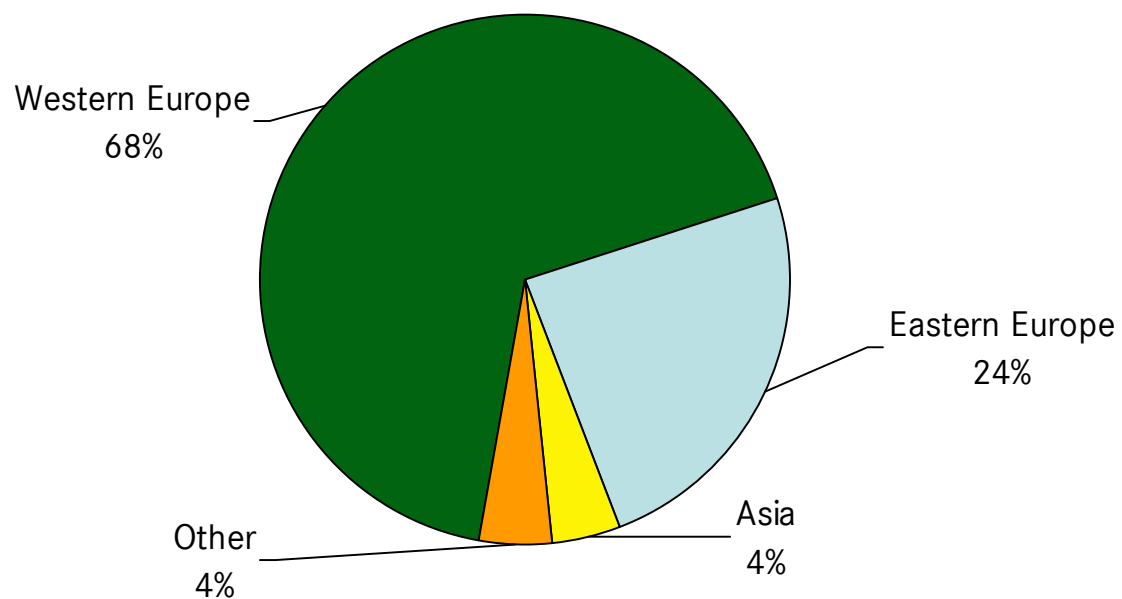
# RESULTS 1<sup>st</sup> HALF-YEAR 2008

# Consolidated Results 1<sup>st</sup> HY 2008

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consolidated in millions of EUR, IFRS	1 <sup>st</sup> HY 2008	1 <sup>st</sup> HY 2007	+/-
<b>Sales</b>	<b>894.9</b>	837.2	+6.9 %
<b>Operating profit</b>	<b>80.3</b>	85.5	-6.1 %
<b>Operating margin</b>	<b>9.0 %</b>	10.2 %	
<b>Profit before tax</b>	<b>81.3</b>	87.1	-6.7 %
Income tax expense	<b>(25.9)</b>	(27.9)	
<b>Profit for the year</b>	<b>55.4</b>	59.2	-6.4 %
% Sales	<b>6.2 %</b>	7.1 %	
<b>Cash earnings</b>	<b>96.6</b>	100.9	-4.3 %
% Sales	<b>10.8 %</b>	12.1 %	

# Sales by Region



# Consolidated Balance Sheet

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consolidated in millions of EUR, IFRS	June 30, 2008	Dec. 31, 2007
<b>Non-current assets</b>	<b>641.8</b>	675.8
<b>Current assets</b>	<b>817.0</b>	857.7
<b>Total assets</b>	<b>1,458.8</b>	1,533.5
<b>Equity</b>	<b>919.0</b>	933.9
<b>Liabilities</b>	<b>539.8</b>	599.6
<b>Total equity and liabilities</b>	<b>1,458.8</b>	1,533.5
<b>Total funds available to the Group</b>	<b>290.4</b>	355.0

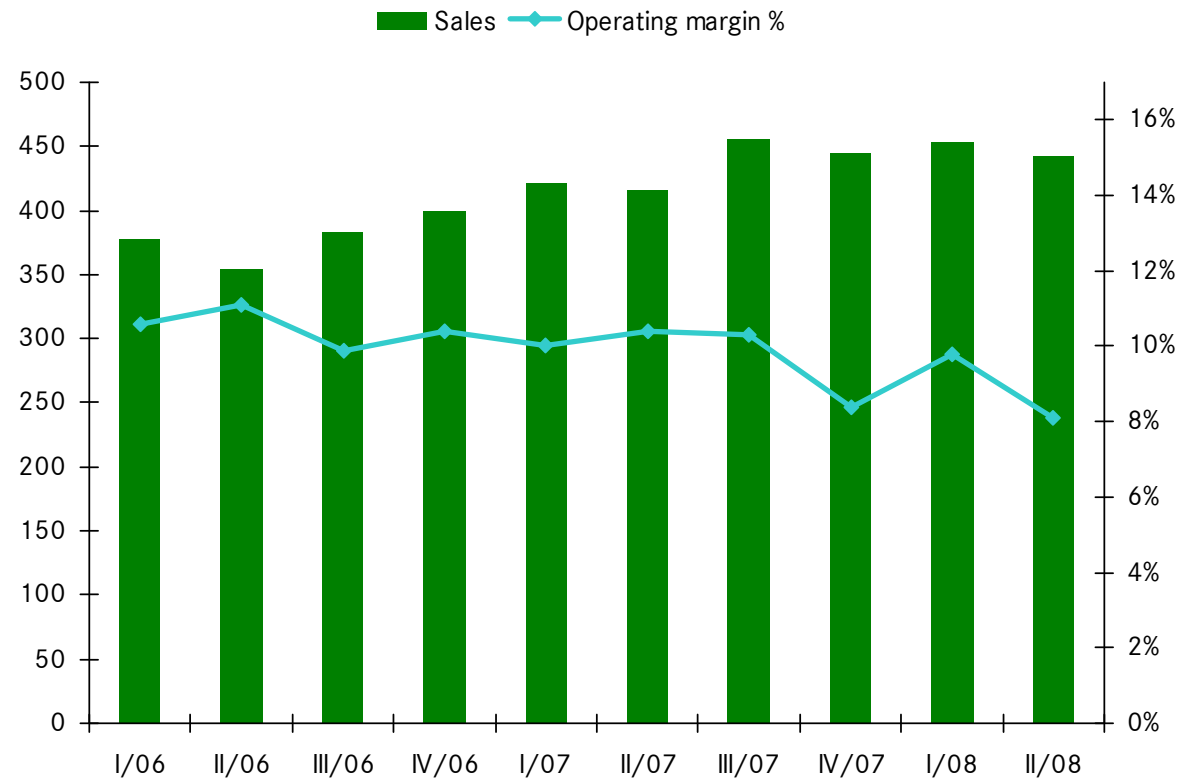


# Consolidated Cash Flow Statement

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consolidated in millions of EUR, IFRS	1 <sup>st</sup> HY 2008	1 <sup>st</sup> HY 2007
<b>Cash Flow from operating activities</b>	<b>68,7</b>	52,7
<b>Cash Flow from investing activities</b>	<b>(88,3)</b>	(15,3)
<b>Cash Flow from financing activities</b>	<b>(111,4)</b>	(56,9)
<b>Cash and cash equivalents beg. of period</b>	<b>350,5</b>	292,4
Net change in cash and cash equivalents	<b>(131,4)</b>	(19,6)
<b>Cash and cash equivalents end of period</b>	<b>219,1</b>	272,8
Available-for-sale financial assets	<b>71,4</b>	60,3
<b>Total funds available to the Group</b>	<b>290,4</b>	333,1

# MM Group - Quarters





# MAYR-MELNHOF KARTON

# MM Karton: 1<sup>st</sup> Half-Year 2008

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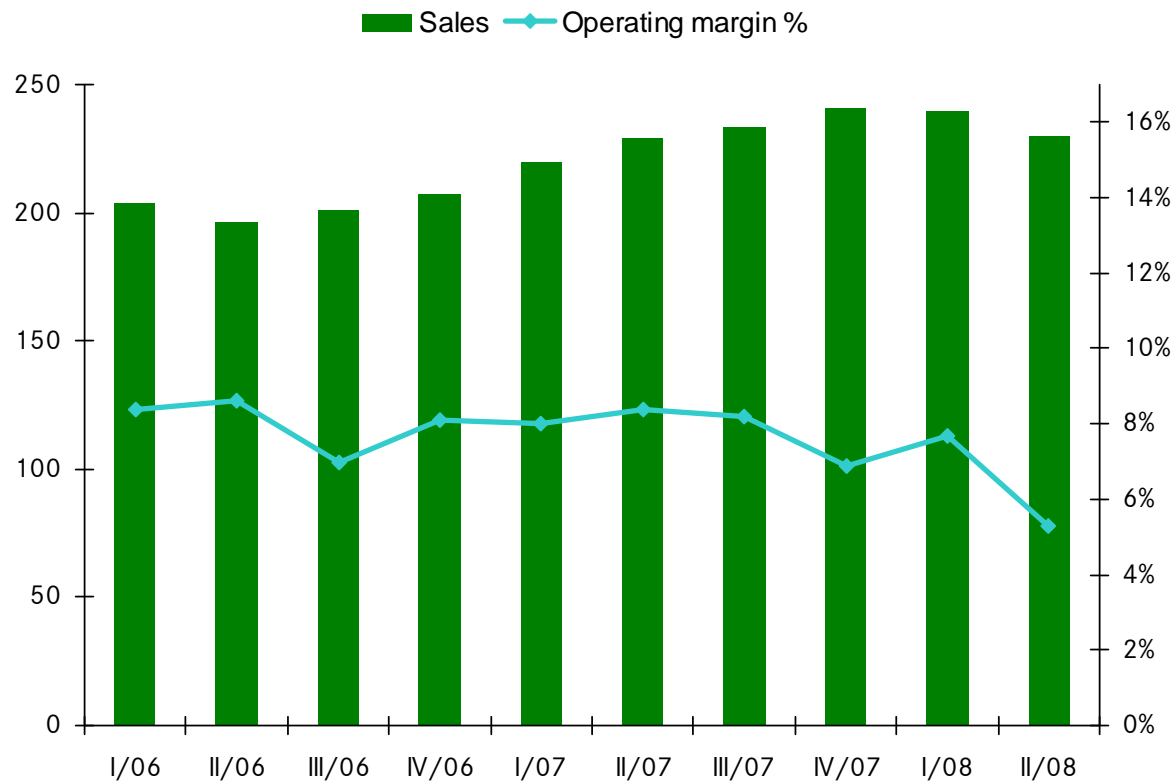
- Customers plan clearly shorter-term
- Good sales performance and stable order during first months
- Average capacity utilization 96 % (HY 1, 2007: 97 %)
  - *Utilitation rate clearly below average by end Q2*
  - *Market related downtime*
- Significant increase in cost
  - *crude oil related input factors, machine downtime*
- Closure of Bulgarian Board mill Nikopol (May 08)
- Divestment recovered paper companies (Q1 08)

# MM Karton: Results 1<sup>st</sup> HY 2008

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in millions of EUR, IFRS	1 <sup>st</sup> HY 2008	1 <sup>st</sup> HY 2007	+/-
<b>Sales</b>	<b>470.3</b>	449.3	+4.7 %
<b>Operating profit</b>	<b>30.5</b>	36.8	-17.1 %
<b>Operating margin</b>	6.5%	8.2%	
<b>Tonnage sold</b> (in 000's of tons)	<b>848</b>	820	+3.4 %
<b>Tonnage produced</b> (in 000's of tons)	<b>857</b>	830	+3.3 %

# MM Karton: Quarters





# MAYR-MELNHOF PACKAGING

# MM Packaging: 1<sup>st</sup> Half-Year 2008

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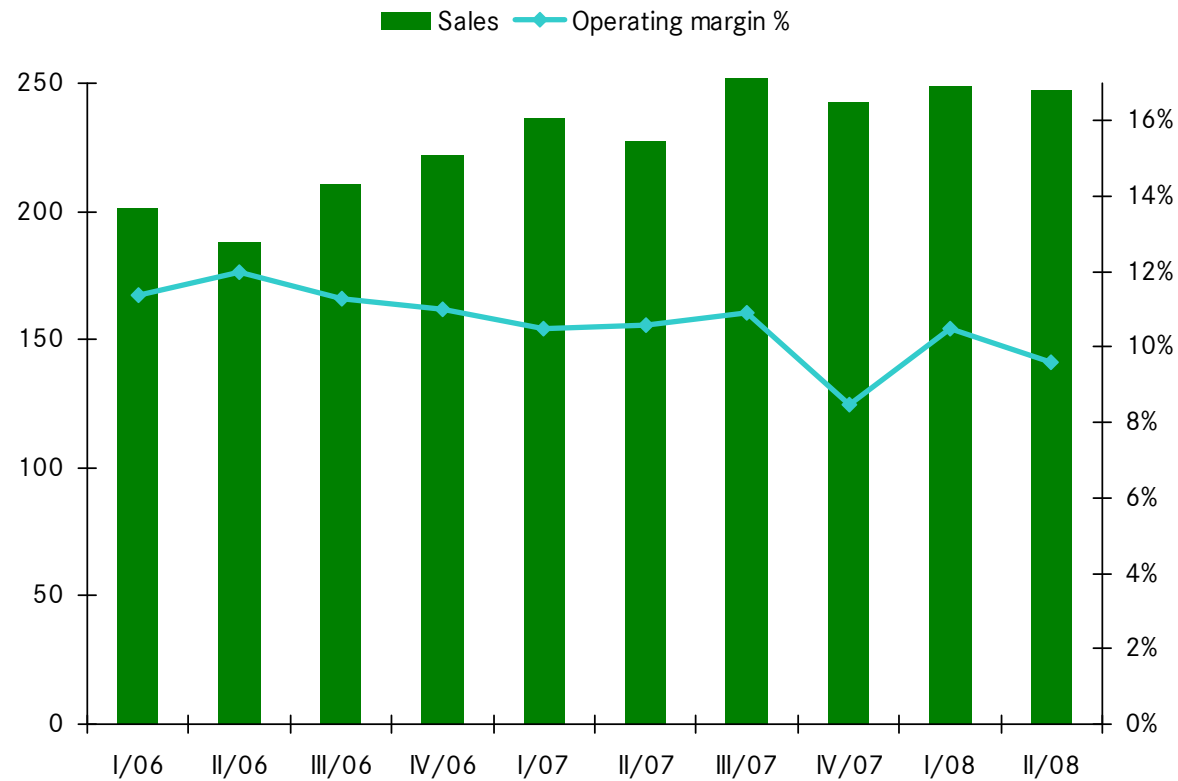
- Growth faster than market
  - *Implementation of new contracts*
- Economic slowdown affects also folding carton industry
- Cost-inflation so far successfully met
  - *Productivity gains, improved material efficiency*
- Increase in sales and earnings



# MM Packaging: Results 1<sup>st</sup> HY 2008

in millions of EUR, IFRS	1 <sup>st</sup> HY 2008	1 <sup>st</sup> HJ 2007	+/-
<b>Sales</b>	<b>495.9</b>	463.1	+7.1 %
<b>Operating profit</b>	<b>49.8</b>	48.7	+2.3 %
<b>Operating margin</b>	10.0 %	10.5 %	
<b>Tonnage processed</b> (in 000's of tons)	<b>336</b>	319	+5.3 %

# MM Packaging: Quarters



# Outlook

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- No improvement of markets but reversal of trend at costs expected by year-end
- Cost pressure – increase in crude oil related input factors
- Cartonboard price increase in autumn
- Ongoing selective board machine downtime
- MM Packaging – cost cutting by productivity increase
- Focus on gain of new business / Good chances for acquisitions
- Earnings and ongoing robust Cash Flow – allow continuation of dynamic dividend policy