



- Growth in sales and operating profit continued
- Expansion program for high performance sites intensified
  - Closure of the Bulgarian board mill Nikopol
- Focus on price stability necessitates downtime at MM Karton in the 2<sup>nd</sup> quarter
- Gains in market share and productivity support positive development at MM Packaging
- 2008 first half-year results expected to come in slightly below last year's level

# REPORT FOR THE 1<sup>ST</sup> QUARTER OF 2008

# Mayr-Melnhof Group

## Key Indicators

(according to IFRS for interim financial reporting, unaudited)

(consolidated, in millions of EUR)	1 <sup>st</sup> Quarter		+/-
	Jan. 1 - Mar. 31, 2008	Jan. 1 - Mar. 31, 2007	
Sales	452.9	421.3	+7.5 %
EBITDA	62.3	63.7	-2.2 %
EBITDA margin (%)	13.8 %	15.1 %	
Operating profit	44.4	42.2	+5.2 %
Operating margin (%)	9.8 %	10.0 %	
Profit before tax	42.4	42.9	-1.2 %
Income tax expense	(15.1)	(14.2)	
Profit for the period	27.3	28.7	-4.9 %
Net profit margin (%)	6.0 %	6.8 %	
Basic and diluted earnings per share (in EUR)	1.23	1.29 <sup>1)</sup>	
Cash earnings	46.7	50.8	-8.1 %
Cash earnings margin (%)	10.3 %	12.1 %	
Capital expenditures	25.0	21.3	+17.4 %
Depreciation and amortization	21.5	21.5	+0.0 %

<sup>1)</sup> adapted to number of shares after share split 1:2

	Balance sheet date	
	Mar. 31, 2008	Dec. 31, 2007
Total equity (in millions of EUR)	945.4	933.9
Total assets (in millions of EUR)	1,498.8	1,533.5
Total equity to total assets (%)	63.1 %	60.9 %
Net liquidity (in millions of EUR)	195.2	172.5
Enterprise value (in millions of EUR)	1,426.7	1,658.3
Employees	8,489	8,657

# Group Report

## **DEAR SHAREHOLDERS,**

Your Company stood its ground and continued growth in sales and operating profit in the first quarter of 2008 in spite of the noticeable decline of the general economic setting. At EUR 27.3 million profit for the period came in slightly below last year's level of EUR 28.7 million due to non-recurring effects.

As already reported, the order backlog has come down again after the all-time high in mid-2007. Against this backdrop the Mayr-Melnhof Group recorded however still sound demand and high capacity utilization both in cartonboard and folding carton production during the first months of 2008.

In the course of persistently high prices of raw materials and increasing inflation-triggered slackening of private consumption the economy in Western Europe is visibly continuing to slow down. Under these more challenging conditions MM relies on additional productivity gains and price discipline to support high profitability for the Group. Within this context the expansion program for high performance sites is intensified by concentrating volumes and investments on these units.

In this connection production will be shut down at the Bulgarian cartonboard mill in Nikopol (capacity 60,000 tons p.a.) and transferred to more cost efficient high performance mills of MM Karton. Expenses for wound up activities amounting to EUR 22.6 million have been recorded in the first quarter.

The divestment of the recovered paper company Joh. Spiehs as well as the stake in the recovered paper companies "Papyrus-Group" and Parek was finalized. The gain from the disposal of businesses totals EUR 20.0 million.

## STATEMENT OF INCOME

Consolidated sales increased by 7.5 % or EUR 31.6 million to EUR 452.9 million. This increase resulted from rises in volume in both divisions and higher cartonboard prices.

### CONSOLIDATED SALES BY DESTINATION (according to IFRS for interim financial reporting, unaudited)

(in %)	1 <sup>st</sup> Quarter	
	Jan. 1 - Mar. 31, 2008	Jan. 1 - Mar. 31, 2007
Western Europe	67.0 %	70.6 %
Eastern Europe	24.1 %	23.8 %
Asia	4.4 %	2.4 %
Other Overseas	4.5 %	3.2 %
<b>Total</b>	<b>100.0 %</b>	<b>100.0 %</b>

The operating profit increased by 5.2 % to EUR 44.4 million. This improvement is attributable to a rise in profit at both MM Karton and MM Packaging. The operating margin reached 9.8 % (Q1 2007: 10.0 %).

Financial expenses amounted to EUR -2.2 million (Q1 2007: EUR -2.2 million), whereas financial income was EUR 4.2 million (Q1 2007: EUR 3.4 million).

Profit before tax came in at EUR 42.4 million which is slightly below the previous year's figure (Q1 2007: EUR 42.9 million). Income tax expense was at EUR 15.1 million after EUR 14.2 million in the first quarter of 2007. The effective Group tax rate went up from 33.1 % to 35.6 %. This rise is mainly attributable to the taxation of non-recurring income from the disposal of businesses. For the following quarters a decrease in the effective Group tax rate may be expected due to the lower German corporate tax rate in 2008.

Thus, the Group generated a profit for the first quarter of EUR 27.3 million after EUR 28.7 million in the previous year. In the reporting period a basic weighted average of 21,968,951 shares were outstanding, resulting in earnings per share of EUR 1.23 (Q1 2007: EUR 1.29).

## **ASSETS, CAPITAL AND LIQUID FUNDS**

The Group's total equity increased by EUR 11.5 million to EUR 945.4 million as of March 31, 2008 versus the end of 2007. This increase mainly resulted from the profit for the period.

Financial liabilities of predominantly non-current nature were reduced to EUR 146.9 million (December 31, 2007: EUR 182.5 million) through net repayments of EUR 35.6 million. The total funds available to the Group leveled at EUR 342.1 million (December 31, 2007: EUR 355.0 million). Thus the Group reports a net liquidity of EUR 195.2 million as of March 31, 2008 (December 31, 2007: EUR 172.5 million). Non-current assets decreased to EUR 640.1 million (December 31, 2007: EUR 675.8 million) mainly due to the closure of the Nikopol board mill. At EUR 858.7 million current assets stood at the same level as at year-end 2007 (December 31, 2007: EUR 857.7 million).

## **CASH FLOW DEVELOPMENT**

Cash flow from operating activities amounted to EUR 31.3 million. The difference compared to last year's level of EUR 21.5 million results mainly from a decrease in working capital and reduced expenditures for income taxes.

Cash flow from investing activities amounted to EUR -0.6 million (Q1 2007: EUR -6.9 million). This change is mainly attributable to net payments received from the disposal of businesses. Net cash payments for tangible and intangible assets increased to EUR 26.3 million (Q1 2007: EUR 21.0 million).

Cash flow from financing activities amounted to EUR -40.2 million versus EUR -1.2 million in the comparative period of last year, due to higher net redemption of interest bearing financial liabilities.

## OUTLOOK

In the course of progressing inflation and the strong appreciation of the Euro, the European economy has noticeably slowed down during the first months of this year. Against this backdrop our customers are planning clearly at shorter notice. As already indicated in mid-March business development during the first half-year of 2008 will be characterized by unchanged high costs as well as demand and currency (British Pound) driven price pressure.

In cartonboard production first quarter capacity utilization could still be sustained at a very high level due to increased sales to non-European markets. However, for the second quarter more downtime is inescapable as we focus on price stability and sales possibilities outside Europe are limited. On the cost side prices for the strategic raw material recovered paper have started easing only at a very slow pace. In contrast, all crude oil price related input factors are expected to face an upward trend. The first quarter operating margin will therefore not be reached in the second quarter.

The overall utilization rate of the Western European folding carton industry is gradually presenting a more heterogeneous picture. At MM Packaging we are however confident to keep profitability at a consistently high level also in the second quarter due to gains of further market shares and additional improvement in productivity.

From today's perspective 2008 first half-year results are therefore expected to come in slightly below last year's level.

The path of expansion will be continued. The prospects are good.

## DIVISIONS

### MM Karton

As cartonboard customers are clearly planning at shorter notice compared to the previous year, the average order backlog of MM Karton resettled at a normal level of approximately 76,000 tons in the first quarter of 2008 along with a stable order intake after the atypically high level in the comparative period of the last year (Q1 2007: 149,000 tons).

During the first months of 2008 the costs of recovered paper and energy remained high, and therefore price discipline was a priority issue. Short market-related downtime occurred only selectively in smaller mills during the first quarter, whereas the high performance units were running at full capacity.

The tonnage produced increased by 5.7 % to 430,000 tons (Q1 2007: 407,000 tons), resulting in a capacity utilization of approximately 96 % (Q1 2007: 96 %).

Cartonboard sales reached approximately 427,000 tons, surpassing last year's level by 6.0 % (Q1 2007: 403,000 tons). With a sales share of some 21 % (Q1 2007: 15 %), the volume sold to non-European markets had to be significantly increased in order to support the mills' operating grade. 79 % went to the primary market, Europe, compared to 85 % in the first quarter of 2007.

Sales rose by 9.2 % from EUR 219.7 million to EUR 240.0 million. This increase resulted both from the increase in sales volume and higher average prices. By contrast, the operating profit came up from EUR 17.5 million to EUR 18.4 million. At 7.7 % the operating margin was therefore lower than last year (Q1 2007: 8.0 %).

#### DIVISIONAL INDICATORS MM KARTON (according to IFRS for interim financial reporting, unaudited)

(in millions of EUR)	1 <sup>st</sup> Quarter		+/-
	Jan. 1 - Mar. 31, 2008	Jan. 1 - Mar. 31, 2007	
Sales <sup>1)</sup>	240.0	219.7	+9.2 %
Operating profit	18.4	17.5	+5.1 %
Operating margin (%)	7.7 %	8.0 %	
Tonnage sold (in thousands of tons)	427	403	+6.0 %
Tonnage produced (in thousands of tons)	430	407	+5.7 %

<sup>1)</sup> including interdivisional sales

## MM Packaging

Under increasingly cautious market conditions MM Packaging nevertheless recorded high capacity utilization of its folding carton plants both in Western and in Eastern Europe during the first three months of 2008.

An overall satisfactory development of business as well as gradually starting production for new contracts provided positive impetus.

The ongoing task remains to use further savings and productivity potentials within our network of locations to reduce the cost per unit by highest possible industrialization of processes. Thereby we ensure the competitiveness of our production base for continuously expanding our business with predominantly multinational manufacturers of consumer goods.

The tonnage processed in the first quarter was approximately 165,000 tons and therefore slightly above last year's level (Q1 2007: 162,000 tons).

Sales rose by 5.4 % from EUR 236.0 million to EUR 248.7 million. The operating profit increased almost to the same extent by 5.3 % from EUR 24.7 million to EUR 26.0 million. Thus, the operating margin amounted to 10.5 % as in the first quarter last year.

### DIVISIONAL INDICATORS MM PACKAGING (according to IFRS for interim financial reporting, unaudited)

(in millions of EUR)	1 <sup>st</sup> Quarter		+/-
	Jan. 1 - Mar. 31, 2008	Jan. 1 - Mar. 31, 2007	
Sales <sup>1)</sup>	248.7	236.0	+5.4 %
Operating profit	26.0	24.7	+5.3 %
Operating margin (%)	10.5 %	10.5 %	
Tonnage processed (in thousands of tons)	165	162	+1.9 %

<sup>1)</sup> including interdivisional sales



# Consolidated Income Statements

(according to IFRS for interim financial reporting, unaudited)

(all amounts in thousands of EUR, except per share data)	1 <sup>st</sup> Quarter	
	Jan. 1 - Mar. 31, 2008	Jan. 1 - Mar. 31, 2007
Sales	452,895.2	421,347.3
Cost of sales	(351,757.5)	(322,379.2)
<b>Gross margin</b>	<b>101,137.7</b>	<b>98,968.1</b>
Other operating income	2,519.3	2,170.1
Selling and distribution expenses	(41,508.5)	(40,501.3)
Administrative expenses	(17,547.7)	(18,269.1)
Other operating expenses	(217.5)	(185.2)
<b>Operating profit</b>	<b>44,383.3</b>	<b>42,182.6</b>
Gain from disposal of businesses	19,992.1	0.0
Result from wound up activities	(22,578.8)	0.0
Financial income	4,157.8	3,388.2
Financial expenses	(2,216.0)	(2,178.1)
Other income (expenses) – net	(1,318.6)	(507.2)
<b>Profit before tax</b>	<b>42,419.8</b>	<b>42,885.5</b>
Income tax expense	(15,147.3)	(14,204.7)
<b>Profit for the period</b>	<b>27,272.5</b>	<b>28,680.8</b>
<b>Attributable to:</b>		
Shareholders of the Company	27,040.1	28,383.1
Minority interests	232.4	297.7
<b>Profit for the period</b>	<b>27,272.5</b>	<b>28,680.8</b>
<b>Earnings per share for the profit attributable to the shareholders of the Company during the period:</b>		
Basic and diluted (in EUR)	1.23	1.29 <sup>1)</sup>

<sup>1)</sup> adapted to number of shares after share split 1:2

# Consolidated Balance Sheets

(according to IFRS for interim financial reporting, unaudited)

(all amounts in thousands of EUR)	Notes	End of 1 <sup>st</sup> Quarter	Year End
		Mar. 31, 2008	Dec. 31, 2007
<b>ASSETS</b>			
Property, plant and equipment	3	562,865.5	598,803.0
Investment property		1,874.4	1,913.0
Intangible assets including goodwill	3	55,765.3	55,919.6
Investments in associated companies		74.5	74.5
Available-for-sale financial assets		1,494.4	1,540.4
Other financial assets		6,048.6	6,048.8
Deferred income taxes		11,976.5	11,529.0
<b>Non-current assets</b>		<b>640,099.2</b>	<b>675,828.3</b>
Inventories		248,067.8	252,733.5
Trade receivables		228,391.1	203,880.6
Income tax receivables		7,731.2	9,686.3
Prepaid expenses and other current assets		33,886.1	37,871.2
Available-for-sale financial assets		0.0	3,000.0
Cash and cash equivalents		340,584.3	350,494.1
<b>Current assets</b>		<b>858,660.5</b>	<b>857,665.7</b>
<b>TOTAL ASSETS</b>		<b>1,498,759.7</b>	<b>1,533,494.0</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		88,000.0	88,000.0
Additional paid-in capital		168,453.4	168,453.4
Treasury shares	5	(3,943.1)	(100.1)
Retained earnings		677,502.4	650,462.3
Other reserves		(8,778.1)	(185.3)
<b>Equity attributable to shareholders of the Company</b>		<b>921,234.6</b>	<b>906,630.3</b>
Minority interests		24,159.1	27,265.8
<b>Total equity</b>		<b>945,393.7</b>	<b>933,896.1</b>
Interest bearing financial liabilities	6	86,665.9	114,329.1
Provisions for other non-current liabilities and charges		79,716.0	81,172.7
Deferred income taxes		38,609.4	39,976.8
<b>Non-current liabilities</b>		<b>204,991.3</b>	<b>235,478.6</b>
Interest bearing financial liabilities	6	60,283.6	66,631.2
Financial lease liabilities	6	0.0	1,540.0
Liabilities and provisions for income tax		8,266.9	4,199.9
Trade liabilities		145,969.3	157,831.1
Deferred income and other current liabilities		40,970.1	53,800.1
Provisions for other current liabilities and charges		92,884.8	80,117.0
<b>Current liabilities</b>		<b>348,374.7</b>	<b>364,119.3</b>
<b>Total liabilities</b>		<b>553,366.0</b>	<b>599,597.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,498,759.7</b>	<b>1,533,494.0</b>

# Consolidated Statements of Changes in Equity

(Condensed version according to IFRS for interim financial reporting, unaudited)

(all amounts in thousands of EUR)	Notes	1 <sup>st</sup> Quarter							Minority interests	Total equity
		Equity attributable to shareholders of the Company					Total			
		Share capital	Additional paid-in capital	Treasury shares	Retained earnings	Other reserves <sup>1)</sup>				
<b>Balance at January 1, 2008</b>		<b>88,000.0</b>	<b>168,453.4</b>	<b>(100.1)</b>	<b>650,462.3</b>	<b>(185.3)</b>	<b>906,630.3</b>	<b>27,265.8</b>	<b>933,896.1</b>	
Profit for the period					27,040.1		27,040.1	232.4	27,272.5	
Profit (loss) directly recognized in equity, net of tax						(8,592.8)	(8,592.8)	(734.2)	(9,327.0)	
<b>Total profit for the period</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>27,040.1</b>	<b>(8,592.8)</b>	<b>18,447.3</b>	<b>(501.8)</b>	<b>17,945.5</b>	
Business combinations and dispositions							0.0	(2,604.9)	(2,604.9)	
Purchase of treasury shares at cost	5			(3,843.0)			(3,843.0)		(3,843.0)	
<b>Balance at March 31, 2008</b>		<b>88,000.0</b>	<b>168,453.4</b>	<b>(3,943.1)</b>	<b>677,502.4</b>	<b>(8,778.1)</b>	<b>921,234.6</b>	<b>24,159.1</b>	<b>945,393.7</b>	
<b>Balance at January 1, 2007</b>		<b>87,240.0</b>	<b>169,213.4</b>	<b>(54,477.3)</b>	<b>623,189.5</b>	<b>3,504.4</b>	<b>828,670.0</b>	<b>22,796.2</b>	<b>851,466.2</b>	
Profit for the period					28,383.1		28,383.1	297.7	28,680.8	
Profit (loss) directly recognized in equity, net of tax						(1,823.6)	(1,823.6)	(77.6)	(1,901.2)	
<b>Total profit for the period</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>28,383.1</b>	<b>(1,823.6)</b>	<b>26,559.5</b>	<b>220.1</b>	<b>26,779.6</b>	
Dividends paid							0.0	(21.7)	(21.7)	
Capital contribution by minority shareholders							0.0	1,411.6	1,411.6	
Purchase of treasury shares at cost				(39.2)			(39.2)		(39.2)	
<b>Balance at March 31, 2007</b>		<b>87,240.0</b>	<b>169,213.4</b>	<b>(54,516.5)</b>	<b>651,572.6</b>	<b>1,680.8</b>	<b>855,190.3</b>	<b>24,406.2</b>	<b>879,596.5</b>	

<sup>1)</sup> Other reserves comprise the profit (loss) directly recognized in equity from the valuation of available-for-sale financial assets and derivative financial investments as well as differences from foreign currency translation.

# Consolidated Cash Flow Statements

(Condensed version according to IFRS for interim financial reporting, unaudited)

(all amounts in thousands of EUR)	Notes	1 <sup>st</sup> Quarter	
		Jan. 1 - Mar. 31, 2008	Jan. 1 - Mar. 31, 2007
Cash flow from operating activities	7	31,279.1	21,501.4
Cash flow from investing activities		(646.2)	(6,926.2)
Cash flow from financing activities		(40,155.2)	(1,221.1)
Effect of exchange rate changes on cash and cash equivalents		(387.5)	(172.2)
<b>Net change in cash and cash equivalents (&lt; 3 months)</b>		<b>(9,909.8)</b>	<b>13,181.9</b>
Cash and cash equivalents (< 3 months) at the beginning of the period		350,494.1	292,427.2
<b>Cash and cash equivalents (&lt; 3 months) at the end of the period</b>		<b>340,584.3</b>	<b>305,609.1</b>
<b>Adjustments to reconcile cash and cash equivalents to total funds available to the Group:</b>			
Current and non-current available-for-sale financial assets		1,494.4	61,477.9
<b>Total funds available to the Group</b>		<b>342,078.7</b>	<b>367,087.0</b>

# Notes to the Consolidated Quarterly Financial Statements

## **(1) BASIC ACCOUNTING POLICIES**

The condensed quarterly consolidated financial statements and notes thereto of Mayr-Melnhof Karton AG and its subsidiaries have been prepared in accordance with IFRS for interim financial reporting as adopted by the European Union.

These condensed quarterly consolidated financial statements have been prepared using the same accounting principles as for the consolidated financial statements as of December 31, 2007. The set of standards and interpretations to be applied in the European Union has been unchanged since January 1, 2008.

## **(2) DISPOSAL OF BUSINESSES AND WOUND UP ACTIVITIES**

In February 2008 the division MM Karton sold its 100 % stake in Joh. Spiehs & Co GmbH. In March 2008 the disposal of its majority interest of 63.34 % in "Papyrus" Altpapierservice Handelsgesellschaft m.b.H. and its two subsidiaries as well as the majority interest of 94.45 % in PAREK Papierverwertungs Gesellschaft m.b.H. followed. These companies are in the business of recovered paper collection predominantly in Austria.

These transactions result in a profit before tax amounting to thous. EUR 19,992.1.

In the division MM Karton the production activities of Mayr-Melnhof Nikopol A.D., Bulgaria, are being ceased.

As a result of this step, winding up expenses concerning the impairment of buildings and technical equipment totalling thous. EUR 22,578.8 have been recorded in the first quarter.

## **(3) DEVELOPMENT OF FIXED ASSETS**

The Group spent a total of thous. EUR 25,027.7 (Q1 2007: thous. EUR 21,345.0) on acquiring property, plant and equipment and intangible assets in the first quarter of 2008.

Net book values of “Property, plant and equipment” and “Intangible assets including goodwill” are composed as follows:

(all amounts in thousands of EUR)	End of 1 <sup>st</sup> Quarter	Year End
	Mar. 31, 2008	Dec. 31, 2007
Lands, similar land rights and buildings	204,050.2	216,797.6
Technical equipment and machines	273,006.4	300,508.0
Other equipment, fixtures and fittings	28,345.4	31,997.5
Payments on account and construction in progress	57,463.5	49,499.9
<b>Property, plant and equipment</b>	<b>562,865.5</b>	<b>598,803.0</b>

(all amounts in thousands of EUR)	End of 1 <sup>st</sup> Quarter	Year End
	Mar. 31, 2008	Dec. 31, 2007
Concessions, licenses and similar rights, and payments on account	2,941.2	3,035.1
Goodwill	51,039.1	50,994.5
Other intangible assets	1,785.0	1,890.0
<b>Intangible assets including goodwill</b>	<b>55,765.3</b>	<b>55,919.6</b>

Depreciation and amortization for “Property, plant and equipment”, “Intangible assets including goodwill” and “Investment property” amounted to thous. EUR 21,465.4 (Q1 2007: thous. EUR 21,535.3). The decline in property, plant and equipment by the end of the first quarter 2008 is mainly attributable to winding-up of the Nikopol mill.

#### (4) PURCHASE COMMITMENTS

On March 31, 2008 purchase obligations for fixed assets regarding planned capital expenditures maturing within one year amounted to thous. EUR 27,258.6 (December 31, 2007: thous. EUR 32,689.3).

#### (5) EQUITY

##### Share Repurchase Program

Since November 27, 2007 the Mayr-Melnhof Group has repurchased own shares. In accordance with the Austrian Companies Act the share repurchase program limits the maximum repurchase volume to 10 % of the capital stock of Mayr-Melnhof Karton AG. In the first quarter of 2008, the Group has repurchased 57,156 own shares for thous. EUR 3,843.0. Therefore, on March 31, 2008 the Group held 58,481 own shares which is equivalent to 0.27 % of the capital stock. The 14<sup>th</sup> Ordinary Shareholders’ Meeting held on May 7, 2008 authorized the Management Board to repurchase treasury shares on or outside the stock exchange up to and including November 7, 2010 and concurrently withdrew last year’s approval for the period from April 25, 2007 to October 25, 2008. All transactions are published on the Internet at [www.mayr-melnhof.com](http://www.mayr-melnhof.com).

## Dividend

A dividend of EUR 1.70 per voting share was resolved for the year 2007 (2006: EUR 1.40 – adapted to number of shares after share split 1:2) and will be due on May 21, 2008.

## (6) FINANCIAL LIABILITIES

Financial liabilities of the Group are as follows:

(all amounts in thousands of EUR)	End of 1 <sup>st</sup> Quarter	Year End
	Mar. 31, 2008	Dec. 31, 2007
Non-current interest bearing financial liabilities	86,665.9	114,329.1
Current interest bearing financial liabilities	60,283.6	66,631.2
<b>Interest bearing financial liabilities</b>	<b>146,949.5</b>	<b>180,960.3</b>
Current financial lease liabilities	0.0	1,540.0
<b>Total financial liabilities</b>	<b>146,949.5</b>	<b>182,500.3</b>

## (7) CASH FLOW FROM OPERATING ACTIVITIES

The cash flow from operating activities and income taxes paid are as follows:

(all amounts in thousands of EUR)	1 <sup>st</sup> Quarter	
	Jan. 1 - Mar. 31, 2008	Jan. 1 - Mar. 31, 2007
Cash flow provided by operating activities excluding interest and taxes paid	42,473.6	35,157.8
Income taxes paid	(11,194.5)	(13,656.4)
<b>Cash flow from operating activities</b>	<b>31,279.1</b>	<b>21,501.4</b>

## (8) DISCLOSURE ON TRANSACTIONS WITH RELATED PARTIES

In the first quarter of 2008 and 2007, respectively, no material business transactions were concluded between the Group and related parties. Transactions are carried out on an arm's length basis. The respective sales, receivables and liabilities are not of substantial importance.

## (9) SUBSEQUENT EVENTS

No events that require disclosure took place between the balance sheet date March 31, 2008 and the publication approval on May 14, 2008.

# Quarterly Overview

(according to IFRS for interim financial reporting, unaudited)

## MAYR-MELNHOF GROUP

(consolidated, in millions of EUR)	1 <sup>st</sup> Quarter 2007	2 <sup>nd</sup> Quarter 2007	3 <sup>rd</sup> Quarter 2007	4 <sup>th</sup> Quarter 2007	1 <sup>st</sup> Quarter 2008
Sales	421.3	415.9	455.3	444.5	452.9
EBITDA	63.7	65.5	67.7	59.1	62.3
EBITDA margin (%)	15.1 %	15.7 %	14.9 %	13.3 %	13.8 %
Operating profit	42.2	43.3	46.7	37.2	44.4
Operating margin (%)	10.0 %	10.4 %	10.3 %	8.4 %	9.8 %
Profit before tax	42.9	44.3	47.1	36.6	42.4
Income tax expense	(14.2)	(13.7)	(14.5)	(11.9)	(15.1)
Profit for the period	28.7	30.5	32.7	24.7	27.3
Net profit margin (%)	6.8 %	7.3 %	7.2 %	5.6 %	6.0 %
Earnings per share (basic and diluted in EUR)	1.29 <sup>1)</sup>	1.37 <sup>1)</sup>	1.45	1.11	1.23

<sup>1)</sup> adapted to number of shares after share split 1:2

## DIVISIONS

### MM Karton

(in millions of EUR)	1 <sup>st</sup> Quarter 2007	2 <sup>nd</sup> Quarter 2007	3 <sup>rd</sup> Quarter 2007	4 <sup>th</sup> Quarter 2007	1 <sup>st</sup> Quarter 2008
Sales <sup>1)</sup>	219.7	229.6	233.8	241.3	240.0
Operating profit	17.5	19.3	19.2	16.6	18.4
Operating margin (%)	8.0 %	8.4 %	8.2 %	6.9 %	7.7 %
Tonnage sold (in thousands of tons)	403	417	410	425	427
Tonnage produced (in thousands of tons)	407	423	440	412	430

<sup>1)</sup> including interdivisional sales

### MM Packaging

(in millions of EUR)	1 <sup>st</sup> Quarter 2007	2 <sup>nd</sup> Quarter 2007	3 <sup>rd</sup> Quarter 2007	4 <sup>th</sup> Quarter 2007	1 <sup>st</sup> Quarter 2008
Sales <sup>1)</sup>	236.0	227.1	253.4	242.1	248.7
Operating profit	24.7	24.0	27.5	20.6	26.0
Operating margin (%)	10.5 %	10.6 %	10.9 %	8.5 %	10.5 %
Tonnage processed (in thousands of tons)	162	157	171	163	165

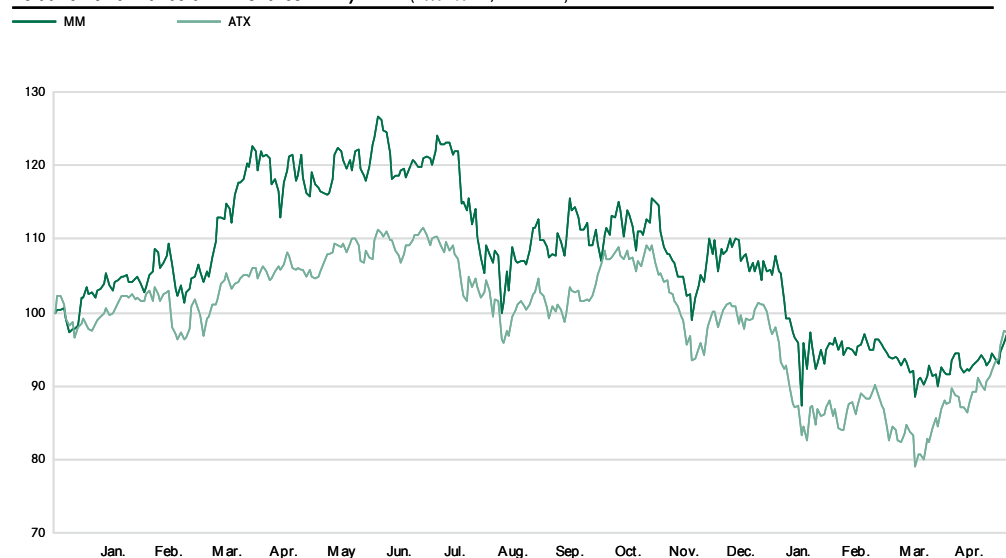
<sup>1)</sup> including interdivisional sales

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

The half-year report 2008 will be published on August 19, 2008.

# Mayr-Melnhof Shares

**Relative Performance of MM Shares 2007/2008** (December 28, 2006 = 100)



Share price (closing price)

as of May 8, 2008	67.10
2008 High	76.40
2008 Low	62.00
Stock performance (Year-end 2007 until May 8, 2008)	-9.50 %
Number of shares issued	22 million
Market capitalization as of May 8, 2008 (in millions of EUR)	1,459.71
Trading volume (average per day Q1 2008 in millions of EUR)	3.53

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