



# HUHTAMÄKI OYJ

## INTERIM REPORT

*January 1 – March 31, 2012*



**HUHTAMAKI**

**Q1 2012**

## Good start to the year

- Net sales growth in all segments
- Improved profitability
- Strong performance of the North America segment
- Acquisition of a major foodservice packaging supplier in Asia announced

### Key figures

EUR million	Q1 2012	Q1 2011	2011
Net sales	550.1	478.0	2,043.6
EBIT*	33.9	27.4	127.6
EBIT margin*, %	6.2	5.7	6.2
EPS*, EUR	0.25	0.17	0.87
ROI, %	10.5	12.0	9.8
ROE, %	11.8	13.9	11.0

\* Excluding EUR -7.0 million (net amount) non-recurring items in 2011.

### Overview

*Unless otherwise stated, all statements and comments presented in this report relate to the reporting period and all comparisons are compared to the corresponding reporting period in 2011. ROI, ROE and RONA figures presented in this report are calculated on a 12 month rolling basis.*

Demand for consumer packaging was healthy during the first quarter of 2012 and the Group's trading conditions remained stable despite the general economic uncertainty. Raw material price levels started to increase at the beginning of the year and continued to increase throughout the quarter. Foreign currency movements did not have a major impact on Group's financial figures.

The Group achieved 7% organic growth in net sales during the reporting period, led by the North America segment. The businesses acquired during 2011 contributed a further 6% resulting to a total net sales growth of 15%, including a 2% favorable foreign currency impact. The Group's net sales were EUR 550 million (EUR 478 million).

As a result of volume growth the Group's earnings before interest and taxes (EBIT) grew to EUR 34 million (EUR 27 million). The growth was supported by favorable product mix development. Earnings development was particularly strong in the North America segment.

The Group's free cash flow for the reporting period was EUR -11 million (EUR -32 million). Return on investment (ROI) was 10.5% (12.0%) and return on equity (ROE) was 11.8% (13.9%). Both ROI and ROE improved from the year-end 2011 levels.

In March the Group signed its fourth acquisition in nine months. With the growth enhancing acquisition of Josco (Holdings) Limited, a major Asian foodservice packaging supplier, the Group continued to implement its strategy of quality growth. The transaction was completed on April 2, 2012.

## Business review by segment

The sales distribution by segment was the following: Flexible Packaging 28% (31%), Films 9% (9%), North America 28% (23%), Molded Fiber 12% (12%) and Foodservice Europe-Asia-Oceania 23% (25%).

### FLEXIBLE PACKAGING

*Flexible packaging is used for a wide range of consumer products including food, pet food, hygiene and health care products. The segment serves global markets from production units in Europe, Asia, Oceania and South America.*

EUR million	Q1 2012	Q1 2011	2011
Net sales	152.9	146.6	578.3
EBIT*	11.9	10.2	38.3
EBIT margin*, %	7.8	7.0	6.6
RONA, %	9.9	10.6	9.3

\* Excluding non-recurring items of EUR -7.8 million in 2011.

The Flexible Packaging segment's net sales continued to grow. Growth was strong especially in Europe. The net sales growth was volume driven. The net sales growth in Asia was negatively affected by adverse currency translations.

As a result of volume growth and margin recovery the segment's earnings improved.

The closure of the New Lynn site in New Zealand is progressing according to plan and is expected to be finalized by the end of July 2012.

### FILMS

*Films are mainly used for technical applications in the label, adhesive tape, hygiene and health care industries, as well as building and construction, automotive, packaging and graphic arts industries. The segment serves global markets from production units in Europe, Asia, North America and South America.*

EUR million	Q1 2012	Q1 2011	2011
Net sales	49.8	42.4	177.0
EBIT	2.8	3.1	8.4
EBIT margin, %	5.6	7.3	4.7
RONA, %	5.7	9.4	6.2

The Films segment's positive net sales development was due to its good performance in North America and the net sales of the acquired unit in Brazil. Volume growth was strongest in films for the industrial markets.

The segment's earnings declined slightly. However, improvement in volumes and earnings was visible compared to the fourth quarter in 2011.

## NORTH AMERICA

The North America segment serves local markets with Chinet® disposable tableware products, ice-cream containers as well as other consumer goods and foodservice products. The segment has production in North America and Mexico.

EUR million	Q1 2012	Q1 2011	2011
Net sales	156.7	111.6	532.3
EBIT	10.1	6.6	43.5
EBIT margin, %	6.4	5.9	8.2
RONA, %	11.6	11.4	11.2

Performance of the North America segment was strong and net sales grew at double digit rates. Growth rates were particularly high in the retail business, led by the Chinet® branded items. Sales of ice cream packaging were also robust after a long period of softness. The folding carton packaging businesses acquired during 2011 contributed to the growth of the foodservice business. Sales in these units also developed favorably. The net sales of the acquired units were EUR 28 million. Currency translations had a positive impact of EUR 6 million on the segment's net sales.

The segment's earnings growth was driven by sales growth across all channels. The acquired units also had a positive contribution on earnings.

## MOLDED FIBER

Recycled molded fiber is used to make fresh product packaging, such as egg and fruit packaging. The segment has production in Europe, Oceania, Africa and South America.

EUR million	Q1 2012	Q1 2011	2011
Net sales	65.9	60.0	244.0
EBIT	6.8	5.4	20.9
EBIT margin, %	10.3	9.0	8.6
RONA, %	12.7	13.3	12.0

The Molded Fiber segment continued its solid performance. Net sales growth was attributable to both positive volume and product mix development. Volume growth was partially driven by the Easter season.

The segment's positive earnings development was supported by favorable product mix and stabilized raw material prices.

Certain changes in sales responsibilities and reporting were implemented between the Molded Fiber and the Foodservice Europe-Asia-Oceania segments as of January 1, 2012. The 2011 figures presented in this report have been restated accordingly. The impact of these changes to the Molded Fiber segment's full year 2011 net sales was EUR 6 million positive.

## FOODSERVICE EUROPE-ASIA-OCEANIA

Foodservice paper and plastic disposable tableware, such as cups, is supplied to foodservice operators, fast food restaurants and coffee shops. The segment has production in Europe, Middle-East, Asia and Oceania.

EUR million	Q1 2012	Q1 2011	2011
Net sales	128.0	120.1	524.1
EBIT*	4.4	2.8	20.8
EBIT margin*, %	3.4	2.3	4.0
RONA, %	8.2	8.1	7.8

\* Excluding non-recurring items of EUR 0.8 million in 2011.

The Foodservice Europe-Asia-Oceania segment's net sales increased, led by continued growth in Eastern Europe.

The segment's positive earnings development was attributable to net sales growth, positive product mix and successful restructuring activities in the segment's plastics unit in Germany.

The rigid plastic business in Italy, previously reported in Other activities, was integrated into the Foodservice Europe-Asia-Oceania segment as of January 1, 2012. In addition, certain changes in sales responsibilities and reporting were implemented between the Foodservice Europe-Asia-Oceania and the Molded Fiber segments as of January 1, 2012. The 2011 figures presented in this report have been restated accordingly. The net impact of these changes to the Foodservice Europe-Asia-Oceania segment's full year 2011 net sales was EUR 42 million positive.

The acquisition of Josco (Holdings) Limited, a major foodservice packaging supplier in Asia, was completed on April 2, 2012. The acquired business will be reported as part of the Foodservice Europe-Asia-Oceania segment. The annual net sales of the acquired business in 2011 were approximately EUR 70 million and it employs approximately 1,350 people, mainly in China.

### Financial review

The Group EBIT was EUR 34 million (EUR 27 million), corresponding to an EBIT margin of 6.2% (5.7%).

Net financial items were EUR -5 million (EUR -4 million). Increase in financial expenses was due to increase in net debt. Tax expense was EUR 3 million (EUR 4 million). The corresponding tax rate was 10% (15%).

The result for the period was EUR 26 million (EUR 20 million). The earnings per share (EPS) were EUR 0.25 (EUR 0.17).

The foreign currency translation impact was positive. Impact on net sales was EUR 8 million and on EBIT EUR 1 million.

The average number of outstanding shares used in EPS calculations was 101,472,501 (101,255,275), excluding 4,591,089 (4,594,089) of the Company's own shares. Based on share subscriptions with Huhtamäki Oyj's option rights 2006 C under company's Option Rights 2006 Plan, a total of 12,300 new shares of Huhtamäki Oyj were issued on March 29, 2012. The corresponding increase in the company's share capital was EUR 41,820.

## STATEMENT OF FINANCIAL POSITION AND CASH FLOW

Free cash flow was EUR -11 million (EUR -32 million) and capital expenditure was EUR 14 million (EUR 14 million). Majority of the capital expenditure was related to business expansion and half of these were allocated to emerging markets.

Net debt grew by EUR 14 million during the first quarter and was EUR 408 million (EUR 295 million) at the end of the reporting period. This corresponds to a gearing ratio of 0.49 (0.35). Net debt increased due to the three acquisitions completed in 2011 and the redemption of EUR 75 million hybrid bond in November 2011. Net debt to EBITDA ratio (excluding non-recurring items reported in 2011) remained at the year-end 2011 level and was 1.9 (1.3) at the end of the reporting period. The average maturity of external committed credit facilities was at the end of the reporting period 3.7 (4.3) years.

The Group's liquidity position strengthened further. At the end of the reporting period cash and cash equivalents were EUR 98 million (EUR 45 million) and the Group had EUR 296 million (EUR 270 million) of unused committed credit facilities available.

Total assets on the statement of financial position were EUR 1,965 million (EUR 1,791 million).

## Personnel

The Group had 12,619 (11,776) employees at the end of March 2012. The amount of personnel increased due to acquisitions.

## Short term risks and uncertainties

Volatile raw material and energy prices as well as movements in currency rates are considered to be relevant short-term business risks and uncertainties in the Group's operations. General economic and financial market conditions can also have an adverse effect on the implementation of the Group's strategy and on its business performance and earnings.

## Outlook for 2012

The Group's trading conditions are expected to remain relatively stable during 2012. The good financial position and ability to generate a positive cash flow will enable the Group to further address profitable growth opportunities. Growth in net sales is expected to continue and earnings per share (EPS) are expected to increase compared to the EUR 0.87 (excluding non-recurring items) achieved in 2011. Capital expenditure is expected to be below EUR 100 million.

## Annual General Meeting 2012

The Annual General Meeting of Shareholders will be held on Tuesday, April 24, 2012 at 1 pm (Finnish time), at Finlandia Hall, Mannerheimintie 13 e, in Helsinki, Finland.

## Financial reporting schedule in 2012

Huhtamäki will publish the interim report for January 1 – June 30, 2012 on July 20 and January 1 – September 30, 2012 on October 19.

Espoo, April 23, 2012  
Huhtamäki Oyj  
Board of Directors

## Group income statement (IFRS) - unaudited

EUR million	Q1 2012	Q1 2011	Q1-Q4 2011
<b>Net sales</b>	<b>550.1</b>	478.0	2,043.6
Cost of goods sold	-466.2	-404.4	-1,735.1
<b>Gross profit</b>	<b>83.9</b>	73.6	308.5
Other operating income	4.9	4.2	19.6
Sales and marketing	-17.2	-15.9	-67.5
Research and development	-3.7	-4.1	-16.2
Administration costs	-31.3	-27.3	-108.9
Other operating expenses	-2.7	-3.1	-14.9
	<b>-50.0</b>	-46.2	-187.9
<b>Earnings before interest and taxes</b>	<b>33.9</b>	27.4	120.6
Financial income	1.4	0.9	5.7
Financial expenses	-6.4	-4.6	-21.8
Income of associated companies	0.2	0.2	0.7
<b>Result before taxes</b>	<b>29.1</b>	23.9	105.2
Income taxes	-2.9	-3.6	-13.5
<b>Result for the period</b>	<b>26.2</b>	20.3	91.7
Attributable to:			
Equity holders of the parent company	25.4	19.4	88.2
Non-controlling interest	0.8	0.9	3.5
<b>EUR</b>			
EPS result for the period	0.25	0.19	0.87
EPS attributable to hybrid bond investors	-	0.02	0.07
<b>EPS attributable to equity holders of the parent company</b>	<b>0.25</b>	0.17	0.80
Diluted:			
EPS result for the period	0.25	0.19	0.87
EPS attributable to hybrid bond investors	-	0.02	0.07
<b>EPS attributable to equity holders of the parent company</b>	<b>0.25</b>	0.17	0.80

## Group statement of comprehensive income (IFRS) - unaudited

EUR million	Q1 2012	Q1 2011	Q1-Q4 2011
<b>Result for the period</b>	<b>26.2</b>	20.3	91.7
<b>Other comprehensive income:</b>			
Translation differences	-11.8	-33.3	5.9
Equity hedges	5.4	10.5	-6.5
Fair value and other reserves	1.5	3.1	-3.1
Income tax related to components of other comprehensive income	-0.4	-0.8	0.5
<b>Other comprehensive income, net of tax</b>	<b>-5.3</b>	-20.5	-3.2
<b>Total comprehensive income</b>	<b>20.9</b>	-0.2	88.5
Attributable to:			
Equity holders of the parent company	20.1	-1.1	85.0
Non-controlling interest	0.8	0.9	3.5

## Group statement of financial position (IFRS) - unaudited

EUR million	Mar 31 2012	Dec 31 2011	Mar 31 2011
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	420.7	423.7	396.0
Other intangible assets	25.2	26.2	26.4
Tangible assets	635.9	645.5	589.4
Investments in associated companies	3.9	3.6	3.0
Available for sale investments	1.2	1.3	1.1
Interest bearing receivables	14.2	14.4	12.8
Deferred tax assets	15.6	15.7	14.2
Employee benefit assets	61.0	63.0	57.7
Other non-current assets	5.6	4.8	3.1
	<b>1,183.4</b>	<b>1,198.2</b>	<b>1,103.7</b>
<b>Current assets</b>			
Inventory	309.7	289.0	298.8
Interest bearing receivables	10.8	8.9	18.0
Current tax assets	2.4	2.3	2.8
Trade and other current receivables	361.2	342.2	322.5
Cash and cash equivalents	97.6	69.0	44.9
	<b>781.7</b>	<b>711.4</b>	<b>687.0</b>
<b>Total assets</b>	<b>1,965.1</b>	<b>1,909.6</b>	<b>1,790.7</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	360.7	360.6	360.6
Premium fund	106.8	106.8	106.8
Treasury shares	-42.2	-42.2	-42.2
Translation differences	-104.2	-97.8	-120.0
Fair value and other reserves	-4.3	-5.4	-0.6
Retained earnings	486.6	460.1	443.8
<b>Total equity attributable to equity holders of the parent company</b>	<b>803.4</b>	<b>782.1</b>	<b>748.4</b>
Non-controlling interest	23.8	22.9	24.3
Hybrid bond	0.0	-	75.0
<b>Total equity</b>	<b>827.2</b>	<b>805.0</b>	<b>847.7</b>
<b>Non-current liabilities</b>			
Interest bearing liabilities	292.9	260.8	255.0
Deferred tax liabilities	63.0	61.5	50.9
Employee benefit liabilities	96.1	97.0	98.3
Provisions	43.6	46.7	44.7
Other non-current liabilities	4.3	4.1	3.1
	<b>499.9</b>	<b>470.1</b>	<b>452.0</b>
<b>Current liabilities</b>			
Interest bearing liabilities			
- Current portion of long term loans	82.5	82.5	55.5
- Short term loans	154.7	142.4	60.2
Provisions	12.1	13.2	2.4
Current tax liabilities	8.3	6.8	12.8
Trade and other current liabilities	380.4	389.6	360.1
	<b>638.0</b>	<b>634.5</b>	<b>491.0</b>
<b>Total liabilities</b>	<b>1,137.9</b>	<b>1,104.6</b>	<b>943.0</b>
<b>Total equity and liabilities</b>	<b>1,965.1</b>	<b>1,909.6</b>	<b>1,790.7</b>
	<b>Mar 31 2012</b>	<b>Dec 31 2011</b>	<b>Mar 31 2011</b>
Net debt	407.5	393.4	295.0
Net debt to equity (gearing)	0.49	0.49	0.35



## Statement of changes in equity (IFRS) - unaudited

EUR million	Attributable to equity holders of the parent company						Total	Non-controlling interest	Hybrid bond	Total equity
	Share capital	Share issue premium	Treasury shares	Translation diff.	Fair value and other reserves	Retained earnings				
<b>Balance at Dec 31, 2010</b>	<b>360.6</b>	<b>106.8</b>	<b>-44.4</b>	<b>-97.2</b>	<b>-2.9</b>	<b>426.0</b>	<b>748.9</b>	<b>24.8</b>	<b>75.0</b>	<b>848.7</b>
Share-based payments			2.2			-1.6	0.6			0.6
Total comprehensive income for the year				-22.8	2.3	19.4	-1.1	0.9		-0.2
Other changes								-1.4		-1.4
<b>Balance at Mar 31, 2011</b>	<b>360.6</b>	<b>106.8</b>	<b>-42.2</b>	<b>-120.0</b>	<b>-0.6</b>	<b>443.8</b>	<b>748.4</b>	<b>24.3</b>	<b>75.0</b>	<b>847.7</b>
<b>Balance at Dec 31, 2011</b>	<b>360.6</b>	<b>106.8</b>	<b>-42.2</b>	<b>-97.8</b>	<b>-5.4</b>	<b>460.1</b>	<b>782.1</b>	<b>22.9</b>	<b>0.0</b>	<b>805.0</b>
Share-based payments						0.9	0.9			0.9
Stock option excersised	0.1	0.0					0.1			0.1
Total comprehensive income for the year				-6.4	1.1	25.4	20.1	0.8		20.9
Other changes						0.2	0.2	0.1		0.3
<b>Balance at Mar 31, 2012</b>	<b>360.7</b>	<b>106.8</b>	<b>-42.2</b>	<b>-104.2</b>	<b>-4.3</b>	<b>486.6</b>	<b>803.4</b>	<b>23.8</b>	<b>0.0</b>	<b>827.2</b>

## Group statement of cash flow (IFRS) - unaudited

EUR million	Q1 2012	Q1 2011	Q1-Q4 2011
<b>Result for the period*</b>	<b>26.2</b>	20.3	91.7
Adjustments*	<b>27.9</b>	26.7	115.6
- Depreciation, amortization and impairment*	<b>21.8</b>	19.7	76.3
- Gain on equity of minorities*	<b>-0.2</b>	-0.1	-0.7
- Gain/loss from disposal of assets*	<b>-0.2</b>	-0.3	-0.1
- Financial expense/-income*	<b>5.0</b>	3.7	16.4
- Income tax expense*	<b>2.9</b>	3.6	13.5
- Other adjustments, operational*	<b>-1.4</b>	0.1	10.2
Change in inventory*	<b>-22.1</b>	-41.6	-8.3
Change in non-interest bearing receivables*	<b>-15.2</b>	-17.5	-41.7
Change in non-interest bearing payables*	<b>-5.3</b>	0.6	14.4
Dividends received*	<b>0.2</b>	0.3	0.9
Interest received*	<b>0.4</b>	0.4	2.6
Interest paid*	<b>-7.3</b>	-5.5	-18.1
Other financial expense and income*	<b>-0.6</b>	-0.5	-1.5
Taxes paid*	<b>-1.6</b>	-1.6	-9.4
<b>Net cash flows from operating activities</b>	<b>2.6</b>	-18.4	146.2
Capital expenditure*	<b>-13.8</b>	-13.6	-82.2
Proceeds from selling fixed assets*	<b>0.3</b>	0.4	0.9
Acquired subsidiaries	-	-	-51.4
Proceeds from long-term deposits	<b>0.2</b>	0.5	0.4
Payment of long-term deposits	-	-1.4	-2.8
Proceeds from short-term deposits	<b>0.4</b>	17.7	34.5
Payment of short-term deposits	<b>-2.5</b>	-1.6	-9.1
<b>Net cash flows from investing</b>	<b>-15.4</b>	2.0	-109.7
Proceeds from long-term borrowings	<b>41.3</b>	32.6	215.5
Repayment of long-term borrowings	<b>-9.9</b>	-59.5	-235.0
Proceeds from short-term borrowings	<b>440.7</b>	87.9	1,337.9
Repayment of short-term borrowings	<b>-430.2</b>	-115.2	-1,277.5
Dividends paid	-	-	-44.6
Hybrid bond equity	-	-	-75.0
Hybrid bond interest	-	-	-7.9
<b>Net cash flows from financing</b>	<b>41.9</b>	-54.2	-86.6
<b>Change in liquid assets</b>	<b>28.6</b>	-73.8	-49.7
Cash flow based	<b>29.1</b>	-70.6	-50.1
Translation difference	<b>-0.5</b>	-3.2	0.4
Liquid assets period start	<b>69.0</b>	118.7	118.7
Liquid assets period end	<b>97.6</b>	44.9	69.0
Free cash flow (including figures marked with *)	<b>-10.9</b>	-31.6	64.9

## Notes for the results report

This interim report has been prepared in accordance with IAS 34 Interim financial Reporting. The same accounting policies have been applied in the interim financial statements as in annual financial statements for 2011.

### Segments

Segment information is presented according to the IFRS standards. Items below EBIT - financial items and taxes - are not allocated to the segments.

#### NET SALES

EUR million	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q1-Q4 2011
Flexible Packaging	152.6	142.2	146.0	143.0	146.2	577.4
- Intersegment net sales	0.3	0.0	0.2	0.3	0.4	0.9
Films	48.4	41.7	47.0	42.9	41.4	173.0
- Intersegment net sales	1.4	0.8	1.0	1.2	1.0	4.0
North America	155.9	148.2	128.2	141.9	110.9	529.2
- Intersegment net sales	0.8	0.6	1.0	0.8	0.7	3.1
Molded Fiber	65.5	61.8	59.5	60.9	59.7	241.9
- Intersegment net sales	0.4	0.6	0.7	0.5	0.3	2.1
Foodservice Europe-Asia-Oceania	127.7	127.9	135.1	139.3	119.8	522.1
- Intersegment net sales	0.3	0.4	0.7	0.6	0.3	2.0
Elimination of intersegment net sales	-3.2	-2.4	-3.6	-3.4	-2.7	-12.1
Segments total	550.1	521.8	515.8	528.0	478.0	2,043.6

#### EBIT

EUR million	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q1-Q4 2011
Flexible packaging <sup>(1)</sup>	11.9	9.7	0.6	10.0	10.2	30.5
Films	2.8	-0.3	3.7	1.9	3.1	8.4
North America	10.1	10.2	10.4	16.3	6.6	43.5
Molded Fiber	6.8	5.8	5.1	4.6	5.4	20.9
Foodservice Europe-Asia-Oceania <sup>(2)</sup>	4.4	4.6	5.8	7.6	2.8	20.8
Other activities	-2.1	-1.6	-0.8	-0.4	-0.7	-3.5
Segments total <sup>(3)</sup>	33.9	28.4	24.8	40.0	27.4	120.6

<sup>1)</sup> Q1-Q4 and Q3 2011 includes non-recurring items MEUR -7.8.

<sup>2)</sup> Q1-Q4 and Q4 2011 includes non-recurring items MEUR 0.8 (net amount).

<sup>3)</sup> Q1-Q4 2011 includes non-recurring items MEUR -7.0 (net amount), Q3 2011 MEUR -7.8 and Q4 2011 MEUR 0.8 (net amount).

#### EBITDA

EUR million	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q1-Q4 2011
Flexible Packaging <sup>(1)</sup>	16.6	14.5	7.6	14.7	14.9	51.7
Films	4.8	1.8	5.2	3.3	4.6	14.9
North America	16.1	15.7	15.3	21.2	11.5	63.7
Molded Fiber	10.0	8.8	8.1	7.7	8.5	33.1
Foodservice Europe-Asia-Oceania <sup>(2)</sup>	10.1	3.8	11.3	12.8	8.1	36.0
Other activities	-1.9	-1.3	-0.6	-0.1	-0.5	-2.5
Segments total <sup>(3)</sup>	55.7	43.3	46.9	59.6	47.1	196.9

<sup>1)</sup> Q1-Q4 and Q3 2011 includes non-recurring items MEUR -7.8.

<sup>2)</sup> Q1-Q4 and Q4 2011 includes non-recurring items MEUR 0.8 (net amount).

<sup>3)</sup> Q1-Q4 2011 includes non-recurring items MEUR -7.0 (net amount), Q3 2011 MEUR -7.8 and Q4 2011 MEUR 0.8 (net amount).

## Segments (continued)

### DEPRECIATION AND AMORTIZATION

EUR million	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q1-Q4 2011
Flexible Packaging	4.7	4.8	7.0	4.7	4.7	21.2
Films	2.0	2.1	1.5	1.4	1.5	6.5
North America	6.0	5.5	4.9	4.9	4.9	20.2
Molded Fiber	3.2	3.0	3.0	3.1	3.1	12.2
Foodservice Europe-Asia-Oceania	5.7	-0.8	5.5	5.2	5.3	15.2
Other activities	0.2	0.3	0.2	0.3	0.2	1.0
Segments total	21.8	14.9	22.1	19.6	19.7	76.3

### NET ASSETS ALLOCATED TO THE SEGMENTS

EUR million	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Flexible Packaging	318.7	313.7	327.9	332.7	333.0
Films	155.6	155.3	152.0	127.0	125.0
North America	442.9	425.1	413.0	368.9	370.4
Molded Fiber	178.2	174.5	173.8	175.4	176.0
Foodservice Europe-Asia-Oceania	278.5	275.2	272.3	274.3	261.0

### CAPITAL EXPENDITURE

EUR million	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q1-Q4 2011
Flexible Packaging	2.8	8.5	3.3	4.8	2.0	18.6
Films	0.4	1.5	1.9	1.8	1.9	7.1
North America	4.8	7.7	6.1	5.2	5.0	24.0
Molded Fiber	1.5	3.8	3.6	1.9	1.9	11.2
Foodservice Europe-Asia-Oceania	4.3	7.3	5.1	5.7	2.8	20.9
Other activities	0.0	0.2	0.1	0.1	0.0	0.4
Segments total	13.8	29.0	20.1	19.5	13.6	82.2

### RONA, % (12m roll.)

	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Flexible Packaging	9.9%	9.3%	9.2%	11.4%	10.6%
Films	5.7%	6.2%	7.9%	7.7%	9.4%
North America	11.6%	11.2%	10.9%	10.8%	11.4%
Molded Fiber	12.7%	12.0%	12.3%	12.6%	13.3%
Foodservice Europe-Asia-Oceania	8.2%	7.8%	7.5%	8.2%	8.1%

### OPERATING CASH FLOW

EUR million	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q1-Q4 2011
Flexible Packaging	4.6	23.2	10.5	10.9	-4.9	39.7
Films	-0.5	2.1	1.0	0.5	-7.9	-4.3
North America	-15.8	31.3	9.3	9.5	-6.6	43.5
Molded Fiber	4.0	6.0	4.0	5.5	3.0	18.5
Foodservice Europe-Asia-Oceania	3.9	16.4	5.7	-6.9	-4.5	10.7

## Business combinations

Huhtamäki Oyj's subsidiary entered into an agreement to acquire all the shares of Josco (Holdings) Limited ("Josco"), a manufacturer and distributor of paper and plastic disposable packaging products headquartered in Hong Kong and with manufacturing in China. With the acquisition the Group continues to implement its strategy of quality growth and significantly strengthens its position as a global provider of high quality foodservice packaging products.

Josco's net sales in 2011 were approximately EUR 70 million. Together with its subsidiaries it employs approximately 1,350 people. The acquired business will be consolidated into Foodservice Europe-Asia-Oceania segment as of April 1, 2012.

Consideration, the fair values of the acquired net asset and the amount of goodwill will be presented when the fair value process is finalized.

## Other information

### KEY INDICATORS

	Q1 2012	Q1-Q4 2011	Q1 2011
Equity per share (EUR)	7.92	7.72	7.38
ROE, % (12m roll.)	11.8	11.0	13.9
ROI, % (12m roll.)	10.5	9.8	12.0
Personnel	12,619	12,738	11,776
Result before taxes (12m roll.)	110.4	105.2	128.1
Depreciation	20.1	70.7	18.3
Amortization of other intangible assets	1.7	5.6	1.4

### CONTINGENT LIABILITIES

EUR million	Mar 31 2012	Dec 31 2011	Mar 31 2011
Mortgages	14.5	14.5	14.5
Guarantee obligations	0.4	0.0	0.0
Lease payments	53.6	55.3	58.0
Capital expenditure commitments	29.8	28.3	34.6

### NOMINAL VALUES OF DERIVATIVE INSTRUMENTS

EUR million	Mar 31 2012	Dec 31 2011	Mar 31 2011
Currency forwards, transaction risk hedges	42	49	37
Currency forwards, translation risk hedges	82	84	58
Currency swaps, financing hedges	112	96	103
Currency options	0	0	3
Interest rate swaps	149	109	126
Cross currency swaps	48	48	48
Electricity forwards	1	1	1

### EXCHANGE RATES

Income statement, average:	Q1 2012	Q1 2011
AUD 1 =	0.805	0.735
GBP 1 =	1.198	1.172
INR 1 =	0.015	0.016
RUB 1 =	0.025	0.025
THB 1 =	0.025	0.024
USD 1 =	0.763	0.731
Statement of financial position, month end:	March 31, 2012	March 31, 2011
AUD 1 =	0.779	0.728
GBP 1 =	1.199	1.132
INR 1 =	0.015	0.016
RUB 1 =	0.025	0.025
THB 1 =	0.024	0.023
USD 1 =	0.749	0.704

## Other information (continued)

### SHARE CAPITAL AND SHAREHOLDERS

At the end of reporting period, the Company's registered share capital was EUR 360,657,108.00 (360,615,288.00) corresponding to a total number of outstanding shares of 106,075,620 (106,063,320) including 4,591,089 (4,594,089) Company's own shares. The Company's own shares had the total accountable par value of EUR 15,609,702.60 (EUR 15,619,902.60), representing 4.3% (4.3%) of the total number of shares and voting rights. The amount of outstanding shares net of Company's own shares was 101,484,531 (101,469,231).

There were 25,447 (26,895) registered shareholders at the end of the reporting period. Foreign ownership including nominee registered shares accounted for 28% (26%).

### SHARE DEVELOPMENTS

In January 2012, the Company's share was quoted on the NASDAQ OMX Helsinki Ltd on the Nordic Mid Cap list under the Materials sector. As of February 1, 2012, NASDAQ OMX applied globally a new industry classification standard. According to the new classification, the Company's share is quoted on the NASDAQ OMX Helsinki Ltd on the Nordic Mid Cap list under the Industrials sector (subindustry Industrial Goods and Services).

At the end of reporting period, the Company's market capitalization was EUR 1,156 million (EUR 1,061 million) and EUR 1,106 million (EUR 1,015 million) excluding Company's own shares. With a closing price of EUR 10.90 (EUR 10.00 on March 31, 2011 and EUR 9.16 on December 31, 2011) the share price increased by 19% (decreased 3%) from the beginning of the year, while the OMX Helsinki Cap PI Index increased by 13% (was unchanged) and the OMX Helsinki Industrial Goods and Services PI Index increased by 13% (decreased 3%). During the reporting period the volume weighted average price for the Company's share was EUR 9.96 (EUR 10.21). The highest price paid was EUR 10.92 and the lowest price paid was EUR 8.88.

### SHARE TRADING

During the reporting period the cumulative value of the Company's share turnover in NASDAQ OMX Helsinki Ltd was EUR 138 million (EUR 132 million). The trading volume of 14 million (13 million) shares equaled an average daily turnover of EUR 2.1 million (EUR 2.1 million) or, correspondingly 216,437 (205,848) shares.

In addition to NASDAQ OMX Helsinki Ltd, the Company's shares can also be traded in alternative trading venues, such as Chi-X, Turquoise and Bats Europe. During the reporting period, 32% (23%) of all trading took place outside NASDAQ OMX Helsinki Ltd. The cumulative value of the Company's share turnover in NASDAQ OMX Helsinki Ltd and alternative trading venues was EUR 201 million (EUR 173 million) in the reporting period. (Source: Fidessa Fragmentation Index, [www.fragmentation.fidessa.com](http://www.fragmentation.fidessa.com))

In total, turnover of the Company's 2006 B and C option rights was EUR 929,345.51 (EUR 182,130.38) corresponding to a trading volume of 396,020 (278,334) option rights.

### DEFINITIONS FOR KEY INDICATORS

EPS result for the period =	$\frac{\text{Result for the period - non-controlling interest}}{\text{Average number of shares outstanding}}$
EPS result for the period (diluted) =	$\frac{\text{Diluted result for the period - non-controlling interest}}{\text{Average fully diluted number of shares outstanding}}$
EPS attributable to hybrid bond investors =	$\frac{\text{Hybrid bond interest}}{\text{Average number of shares outstanding}}$
EPS attributable to hybrid bond investors (diluted) =	$\frac{\text{Hybrid bond interest}}{\text{Average fully diluted number of shares outstanding}}$
EPS attributable to equity holders of the parent company =	$\frac{\text{Result for the period - non-controlling interest - hybrid bond interest}}{\text{Average number of shares outstanding}}$
EPS attributable to equity holders of the parent company (diluted) =	$\frac{\text{Diluted result for the period - non-controlling interest - hybrid bond interest}}{\text{Average fully diluted number of shares outstanding}}$
Net debt to equity (gearing) =	$\frac{\text{Interest bearing net debt}}{\text{Equity + non-controlling interest + hybrid bond}}$
Return on net assets (RONA), % =	$\frac{100 \times \text{Earnings before interest and taxes (12 m roll.)}}{\text{Net assets (12 m roll.)}}$
Operating cash flow =	Ebit + depreciation and amortization (including impairment) - capital expenditures + disposals +/- change in inventories, trade receivables and trade payables
Shareholders' equity per share =	$\frac{\text{Total equity attributable to equity holders of parent company}}{\text{Issue-adjusted number of shares at period end}}$
Return on equity (ROE) =	$\frac{100 \times (\text{Result for the period}) (12 m roll.)}{\text{Equity + non-controlling interest + hybrid bond (average)}}$
Return on investment (ROI) =	$\frac{100 \times (\text{Result before taxes + interest expenses + net other financial expenses}) (12 m roll.)}{\text{Statement of financial position total - Interest-free liabilities (average)}}$

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