



HUHTAMÄKI OYJ INTERIM REPORT

January 1 – September 30, 2012



HUHTAMAKI

Q1-Q3 2012

Strong earnings growth

- Profitability improvement continued
- The North America segment's net sales and earnings developed strongly supported by positive contribution from acquisitions
- The Molded Fiber segment's solid performance continued
- Huhtamäki Oyj received the European Commission's statement of objections concerning alleged anticompetitive behavior

Key figures

EUR million	Q1-Q3 2012	Q1-Q3 2011	Q3 2012	Q3 2011	FY 2011
Net sales	1,756.3	1,521.8	588.1	515.8	2,043.6
EBIT*	126.4	100.0	43.2	32.6	127.6
EBIT margin*, %	7.2	6.6	7.3	6.3	6.2
EPS*, EUR	0.96	0.69	0.32	0.24	0.87
ROI, %	11.6	10.2			9.8
ROE, %	14.5	11.8			11.0

* Excluding EUR -7.0 million (net amount) non-recurring items (NRI) in FY 2011 and EUR -7.8 million in Q1-Q3 2011 and Q3 2011.

Overview

Unless otherwise stated, all statements and comments presented in this report relate to the reporting period January 1 – September 30, 2012, 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.

The Group's trading conditions remained relatively stable throughout the reporting period although market softness was evident at the end of the third quarter. Cautiousness increased as customers avoided building inventories. Foreign currency movements had a favorable impact on the Group's net sales and earnings.

The Group's net sales grew 15% during the reporting period. Slightly more than half of the growth was attributable to the acquired businesses, as organic growth slowed down during the third quarter. Organic growth was 4% in the reporting period, the strongest contributors being the North America and Molded Fiber segments. The Group's net sales were EUR 1,756 million (EUR 1,522 million) and EUR 588 million (EUR 516 million) in the third quarter.

As a result of net sales growth the Group's earnings before interest and taxes (EBIT) grew to EUR 126 million (EUR 100 million, excluding non-recurring items) and EUR 43 million (EUR 33 million, excluding non-recurring items) in the third quarter. Earnings growth was strongest in the North America segment. The acquired businesses had a positive contribution to the Group's earnings.

The Group's free cash flow improved and was EUR 57 million (EUR 1 million) and for the third quarter EUR 33 million (EUR 20 million). Return on investment (ROI) was 11.6% (10.2%) and return on equity (ROE) was 14.5% (11.8%). The quarter-on-quarter improvement of ROI and ROE continued.

The assets and business of Winterfield, LLC in the United States were acquired during the third quarter.

Huhtamäki Oyj received the European Commission's statement of objections concerning alleged anticompetitive behavior in the markets of plastic trays used for retail packaging of fresh food on September 28, 2012.

Business review by segment

The sales distribution by segment was the following: Flexible Packaging 26% (28%), Films 8% (9%), North America 30% (25%), Molded Fiber 11% (12%) and Foodservice Europe-Asia-Oceania 25% (26%).

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 and South America.

EUR million	Q1-Q3 2012	Q1-Q3 2011	Q3 2012	Q3 2011	FY 2011
Net sales	449.9	436.1	145.6	146.2	578.3
EBIT*	34.4	28.6	10.9	8.4	38.3
EBIT margin*, %	7.6	6.6	7.5	5.7	6.6
RONA, %	13.7	11.6			9.3

* Excluding EUR -7.8 million NRI in FY 2011, Q1-Q3 2011 and Q3 2011.

The Flexible Packaging segment's net sales growth was volume driven and mainly achieved during the first half of the year. Net sales growth slowed down during the third quarter as the growth in Asia did not fully offset the negative effect of the closure of the New Lynn site in New Zealand at the end of July 2012.

The segment's positive earnings development continued despite the flat net sales development during the third quarter. The positive development was due to favorable product mix, elimination of losses from the New Zealand business and good cost containment.

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-Q3 2012	Q1-Q3 2011	Q3 2012	Q3 2011	FY 2011
Net sales	148.9	134.5	47.7	48.0	177.0
EBIT	8.1	8.7	2.5	3.7	8.4
EBIT margin, %	5.4	6.5	5.2	7.7	4.7
RONA, %	5.0	7.9			6.2

The Films segment's reported net sales growth was attributable to the good progress in North America during the first half of the year as well as the net sales of the Brazilian unit acquired in 2011. Net sales decline in the third quarter was due to decreased demand of industrial films both in North America and in Europe.

Earnings decline in the third quarter was mainly due to low sales volumes.

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 the United States and Mexico.

EUR million	Q1-Q3 2012	Q1-Q3 2011	Q3 2012	Q3 2011	FY 2011
Net sales	524.2	383.5	177.8	129.2	532.3
EBIT	44.5	33.3	14.1	10.4	43.5
EBIT margin, %	8.5	8.7	7.9	8.0	8.2
RONA, %	12.3	10.9			11.2

Net sales continued to develop favorably within the North America segment. During the third quarter, net sales growth was particularly strong within the foodservice business. In addition to the acquired folding carton packaging businesses, the foodservice business also grew organically. Continued success of recently launched product line extensions to the Chinet® range contributed to the positive net sales development of the retail business in the third quarter. Currency translations had a positive impact on the segment's net sales.

Positive volume development continued to fuel the segment's earnings growth. Operational efficiencies and the folding carton packaging units also contributed to the earnings increase. Additionally, earnings were positively impacted by currency translations.

The assets and business of a paper tableware manufacturer Winterfield, LLC, were acquired during the third quarter. The acquisition further strengthened the Group's positions in the North American retail and foodservice packaging markets. The business was consolidated into the North America segment as of September 1, 2012.

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-Q3 2012	Q1-Q3 2011	Q3 2012	Q3 2011	FY 2011
Net sales	196.9	181.6	65.1	60.2	244.0
EBIT	19.9	15.1	6.9	5.1	20.9
EBIT margin, %	10.1	8.3	10.6	8.5	8.6
RONA, %	14.8	12.3			12.0

Solid net sales growth continued within the Molded Fiber segment. The growth was attributable to continued positive volume and product mix development as well as excellent operational performance in Europe.

The segment's positive earnings development was attributable to favorable product mix, stabilized raw material prices as well as good cost containment.

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-Q3 2012	Q1-Q3 2011	Q3 2012	Q3 2011	FY 2011
Net sales	446.0	395.8	155.3	135.8	524.1
EBIT*	25.1	16.2	8.9	5.8	20.8
EBIT margin*, %	5.6	4.1	5.7	4.3	4.0
RONA, %	9.8	7.5			7.8

* Excluding EUR 0.8 million NRI in FY 2011.

The Foodservice Europe-Asia-Oceania segment's net sales continued to develop positively. Positive development in the third quarter was mainly due to the business acquired in Asia in the beginning of the second quarter as well as continued net sales growth in Russia. Currency translations also had a positive effect on the segment's net sales development.

The segment's earnings growth was mainly attributable to the successful restructuring activities in the segment's plastics unit in Germany and the contribution of the business acquired in Asia. During the third quarter also positive mix development in Europe contributed to the earnings growth.

Financial review

The Group EBIT was EUR 126 million (EUR 100 million, excluding non-recurring items), corresponding to an EBIT margin of 7.2% (6.6%). For the third quarter, the Group EBIT was EUR 43 million (EUR 33 million, excluding non-recurring items), corresponding to an EBIT margin of 7.3% (6.3%).

Increase in net debt and changes in debt structure raised financial expenses. Net financial items were EUR -16 million (EUR -12 million) and for the third quarter EUR -6 million (EUR -5 million). Tax expense was EUR 12 million (EUR 11 million) and for the third quarter EUR 4 million (EUR 1 million). The corresponding tax rate was 11% (13%).

Result for the period was EUR 100 million (EUR 71 million) and for the third quarter EUR 33 million (EUR 19 million). Earnings per share (EPS) were EUR 0.96 (EUR 0.69 excluding non-recurring items) and for the third quarter EUR 0.32 (EUR 0.24 excluding non-recurring items). In 2011, the EPS including non-recurring items for the reporting period were EUR 0.61 and for the third quarter EUR 0.16.

Foreign currency translation impact was positive. The impact on net sales was EUR 63 million and on EBIT EUR 5 million compared to the 2011 exchange rates. In the third quarter, impact on net sales was EUR 30 million and on EBIT EUR 2 million. The translation impact was mainly due to the strengthened U.S. dollar against euro.

The average number of outstanding shares used in EPS calculations was 101,553,639 (101,400,257), excluding 4,594,089 (4,591,089) of the Company's own shares. Based on share subscriptions with Huhtamäki Oyj's option rights 2006 C under the Company's Option Rights 2006 Plan, a total of 12,300 new shares of Huhtamäki Oyj were issued on March 29, 2012, a total of 169,379 new shares on June 7, 2012 and a total of 40,700 new shares on September 14, 2012. The corresponding increase in the Company's share capital was EUR 756,088.60.

STATEMENT OF FINANCIAL POSITION AND CASH FLOW

Free cash flow improved and was EUR 57 million (EUR 1 million) and for the third quarter EUR 33 million (EUR 20 million). The improvement was due to efficient working capital management and increased earnings. Capital expenditure was EUR 54 million (EUR 53 million) and for the third quarter EUR 20 million (EUR 20 million).

The Group's net debt was EUR 456 million (EUR 351 million) at the end of the reporting period. Net debt grew by EUR 63 million from year-end 2011 as a result of acquisitions and dividends paid. The net debt corresponds to a gearing ratio of 0.53 (0.41). Net debt to EBITDA ratio (excluding non-recurring items reported in 2011) was 1.9 (1.7) at the end of the reporting period. The average maturity of external committed credit facilities at the end of the reporting period was 3.7 (4.0) years.

The Group's liquidity position was solid. At the end of the reporting period cash and cash equivalents were EUR 71 million (EUR 98 million) and the Group had EUR 305 million (EUR 298 million) of unused committed credit facilities available.

Total assets on the statement of financial position were EUR 2,048 million (EUR 1,905 million).

Personnel

The Group had 14,008 (12,507) employees at the end of September 2012. The amount of personnel increased due to acquisitions.

European Commission's statement of objections

Huhtamäki Oyj received on September 28, 2012 the European Commission's statement of objections concerning alleged anticompetitive behavior in the markets of plastic trays used for retail packaging of fresh food, such as meat and poultry, in South-West Europe, North-West Europe and France. The alleged infringements of EU competition regulations relate to the Group's operations during years 2000 – 2008. The operations referred to in the statement of objections were part of the Group's rigid plastic consumer goods business in Europe. Based on the statement of objections, the annual net sales of the affected business, as alleged by the European Commission, were EUR 40 – 50 million and the duration of the alleged infringements was on average 4 – 5 years depending on the market. Most of the operations concerned by the statement of objections have been closed down or divested in years 2006 and 2010, and the part of the concerned operations that currently remains in the Group is reported within the Foodservice Europe-Asia-Oceania segment and its annual net sales are approximately EUR 2 million. The Group's other business segments, Flexible Packaging, Films, North America and Molded Fiber, are not concerned by the statement of objections. The statement of objections is addressed to Huhtamäki Oyj and certain of its subsidiaries.

A statement of objections is a formal step in the European Commission's investigations into suspected violations of EU competition regulations. Huhtamäki Oyj will examine the documents received from the European Commission, respond to the statement of objections as requested by the European Commission and exercise its rights of defense in the process. The statement of objections does not prejudice the final outcome of the European Commission's investigation. Thus, no provisions have been made in the Group statement of financial position. It is expected that the European Commission's investigations will take several months.

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 the rest of 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 significantly compared to the EUR 0.87 (excluding non-recurring items) achieved in 2011. Capital expenditure is expected to be below EUR 100 million.

Financial reporting schedule in 2013

The Results 2012 will be published on February 13, 2013. Additionally, the interim reports will be published as follows:

- Interim Report January 1 – March 31, 2013 April 25, 2013
- Interim Report January 1 – June 30, 2013 July 19, 2013
- Interim Report January 1 – September 30, 2013 October 25, 2013

Huhtamäki Oyj's Annual General Meeting is planned to be held on April 25, 2013.

Espoo, October 18, 2012
Huhtamäki Oyj
Board of Directors

Group income statement (IFRS) - unaudited

EUR million	Q1-Q3 2012	Q1-Q3 2011	Q3 2012	Q3 2011	Q1-Q4 2011
Net sales	1,756.3	1,521.8	588.1	515.8	2,043.6
Cost of goods sold	-1,473.6	-1,292.1	-493.6	-444.6	-1,735.1
Gross profit	282.7	229.7	94.5	71.2	308.5
Other operating income	16.4	14.1	6.2	4.5	19.6
Sales and marketing	-55.6	-50.0	-18.5	-16.6	-67.5
Research and development	-11.9	-12.5	-4.1	-4.3	-16.2
Administration costs	-95.7	-80.8	-30.9	-27.9	-108.9
Other operating expenses	-9.5	-8.3	-4.0	-2.1	-14.9
	-156.3	-137.5	-51.3	-46.4	-187.9
Earnings before interest and taxes	126.4	92.2	43.2	24.8	120.6
Financial income	3.7	4.2	0.4	1.8	5.7
Financial expenses	-19.3	-15.8	-6.4	-6.4	-21.8
Income of associated companies	0.6	0.5	0.1	0.2	0.7
Result before taxes	111.4	81.1	37.3	20.4	105.2
Income taxes	-11.8	-10.5	-4.1	-1.4	-13.5
Result for the period	99.6	70.6	33.2	19.0	91.7
Attributable to:					
Equity holders of the parent company	97.4	68.0	32.5	18.2	88.2
Non-controlling interest	2.2	2.6	0.7	0.8	3.5
EUR					
EPS result for the period	0.96	0.67	0.32	0.18	0.87
EPS attributable to hybrid bond investors	-	0.06	-	0.02	0.07
EPS attributable to equity holders of the parent company	0.96	0.61	0.32	0.16	0.80
Diluted:					
EPS result for the period	0.96	0.67	0.32	0.18	0.87
EPS attributable to hybrid bond investors	-	0.06	-	0.02	0.07
EPS attributable to equity holders of the parent company	0.96	0.61	0.32	0.16	0.80

Group statement of comprehensive income (IFRS) - unaudited

EUR million	Q1-Q3 2012	Q1-Q3 2011	Q3 2012	Q3 2011	Q1-Q4 2011
Result for the period	99.6	70.6	33.2	19.0	91.7
Other comprehensive income:					
Translation differences	-2.3	-16.3	-10.7	24.7	5.9
Equity hedges	-1.3	2.0	4.6	-11.9	-6.5
Fair value and other reserves	1.0	-0.9	1.5	-1.8	-3.1
Income tax related to components of other comprehensive income	-0.1	0.3	0.1	0.6	0.5
Other comprehensive income, net of tax	-2.7	-14.9	-4.5	11.6	-3.2
Total comprehensive income	96.9	55.7	28.7	30.6	88.5
Attributable to:					
Equity holders of the parent company	94.7	53.1	28.0	29.8	85.0
Non-controlling interest	2.2	2.6	0.7	0.8	3.5

Group statement of financial position (IFRS) - unaudited

EUR million	Sept 30 2012	Dec 31 2011	Sept 30 2011
ASSETS			
Non-current assets			
Goodwill	446.1	423.7	408.4
Other intangible assets	29.6	26.2	25.5
Tangible assets	662.0	645.5	609.3
Investments in associated companies	4.1	3.6	3.3
Available for sale investments	1.2	1.3	1.1
Interest bearing receivables	14.7	14.4	14.1
Deferred tax assets	17.0	15.7	15.3
Employee benefit assets	63.2	63.0	60.4
Other non-current assets	4.6	4.8	5.2
	1,242.5	1,198.2	1,142.6
Current assets			
Inventory	336.3	289.0	306.8
Interest bearing receivables	13.2	8.9	8.6
Current tax assets	3.6	2.3	2.7
Trade and other current receivables	381.0	342.2	345.8
Cash and cash equivalents	71.1	69.0	98.3
	805.2	711.4	762.2
Total assets	2,047.7	1,909.6	1,904.8
EQUITY AND LIABILITIES			
Share capital	361.6	360.6	360.6
Premium fund	107.3	106.8	106.8
Treasury shares	-42.2	-42.2	-42.2
Translation differences	-101.4	-97.8	-111.5
Fair value and other reserves	-4.5	-5.4	-3.5
Retained earnings	516.3	460.1	442.4
Total equity attributable to equity holders of the parent company	837.1	782.1	752.6
Non-controlling interest	25.4	22.9	23.0
Hybrid bond	-	-	75.0
Total equity	862.5	805.0	850.6
Non-current liabilities			
Interest bearing liabilities	434.9	260.8	259.5
Deferred tax liabilities	75.6	61.5	59.2
Employee benefit liabilities	96.6	97.0	98.9
Provisions	38.9	46.7	44.3
Other non-current liabilities	5.1	4.1	4.1
	651.1	470.1	466.0
Current liabilities			
Interest bearing liabilities			
- Current portion of long term loans	23.7	82.5	82.5
- Short term loans	96.3	142.4	130.3
Provisions	4.1	13.2	7.4
Current tax liabilities	11.4	6.8	11.4
Trade and other current liabilities	398.6	389.6	356.6
	534.1	634.5	588.2
Total liabilities	1,185.2	1,104.6	1,054.2
Total equity and liabilities	2,047.7	1,909.6	1,904.8
	Sept 30 2012	Dec 31 2011	Sept 30 2011
Net debt	455.9	393.4	351.3
Net debt to equity (gearing)	0.53	0.49	0.41

Statement of changes in equity (IFRS) - unaudited

Attributable to equity holders of the parent company

EUR million	Share capital	Share issue premium	Treasury shares	Translation diff.	Fair value and other reserves	Retained earnings	Total	Non-controlling interest	Hybrid bond	Total equity
Balance at Dec 31, 2010	360.6	106.8	-44.4	-97.2	-2.9	426.0	748.9	24.8	75.0	848.7
Dividend						-44.6	-44.6			-44.6
Share-based payments			2.2			-0.7	1.5			1.5
Interest on Hybrid Bond						-6.6	-6.6			-6.6
Total comprehensive income for the year				-14.3	-0.6	68.0	53.1	2.6		55.7
Other changes						0.3	0.3	-4.4		-4.1
Balance at Sept 30, 2011	360.6	106.8	-42.2	-111.5	-3.5	442.4	752.6	23.0	75.0	850.6
Balance at Dec 31, 2011	360.6	106.8	-42.2	-97.8	-5.4	460.1	782.1	22.9	-	805.0
Dividend						-46.7	-46.7			-46.7
Share-based payments						2.4	2.4			2.4
Stock option exercised	1.0	0.5					1.5			1.5
Total comprehensive income for the year				-3.6	0.9	97.4	94.7	2.2		96.9
Other changes						3.1	3.1	0.3		3.4
Balance at Sept 30, 2012	361.6	107.3	-42.2	-101.4	-4.5	516.3	837.1	25.4	-	862.5

Group statement of cash flows (IFRS) - unaudited

EUR million	Q1-Q3 2012	Q1-Q3 2011	Q3 2012	Q3 2011	Q1-Q4 2011
Result for the period*	99.6	70.6	33.2	19.0	91.7
Adjustments*	83.7	88.1	30.0	34.5	115.6
- Depreciation, amortization and impairment*	67.1	61.4	23.3	22.1	76.3
- Gain on equity of associated companies*	-0.6	-0.5	-0.1	-0.2	-0.7
- Gain/loss from disposal of assets*	-0.6	-0.4	0.0	-0.1	-0.1
- Financial expense/-income*	15.7	11.7	6.1	4.7	16.4
- Income tax expense*	11.8	10.5	4.1	1.4	13.5
- Other adjustments, operational*	-9.7	5.4	-3.4	6.6	10.2
Change in inventory*	-29.6	-37.2	-4.4	3.2	-8.3
Change in non-interest bearing receivables*	-23.0	-34.7	33.1	4.6	-41.7
Change in non-interest bearing payables*	-0.9	-16.0	-32.7	-16.6	14.4
Dividends received*	0.9	0.7	0.4	0.2	0.9
Interest received*	1.4	2.3	0.3	1.0	2.6
Interest paid*	-18.1	-13.6	-7.3	-5.0	-18.1
Other financial expense and income*	-1.6	-1.2	-1.4	-0.9	-1.5
Taxes paid*	-7.1	-5.6	-3.0	0.0	-9.4
Net cash flows from operating activities	105.3	53.4	48.2	40.0	146.2
Capital expenditure*	-54.1	-53.2	-19.7	-20.1	-82.2
Proceeds from selling tangible assets*	5.7	0.9	4.6	0.4	0.9
Acquired subsidiaries	-57.5	-28.9	-11.3	-28.9	-51.4
Proceeds from long-term deposits	0.8	0.7	0.4	0.1	0.4
Payment of long-term deposits	-1.1	-2.8	0.0	0.0	-2.8
Proceeds from short-term deposits	21.6	33.3	20.4	2.9	34.5
Payment of short-term deposits	-26.5	-7.7	-1.7	-3.1	-9.1
Net cash flows from investing	-111.1	-57.7	-7.3	-48.7	-109.7
Proceeds from long-term borrowings	229.5	211.1	-11.1	96.3	215.5
Repayment of long-term borrowings	-64.9	-230.6	-11.4	-127.0	-235.0
Proceeds from short-term borrowings	810.7	892.0	117.2	583.0	1,337.9
Repayment of short-term borrowings	-923.6	-836.2	-189.8	-513.9	-1,277.5
Dividends paid	-46.7	-44.6	-	-	-44.6
Hybrid bond equity	-	-	-	-	-75.0
Hybrid bond interest	-	-	-	-	-7.9
Proceeds from stock option exercises	1.4	-	0.4	-	-
Net cash flows from financing	6.4	-8.3	-94.7	38.4	-86.6
Change in liquid assets	2.1	-20.4	-54.1	29.7	-49.7
Cash flow based	0.6	-12.6	-53.8	29.7	-50.1
Translation difference	1.5	-7.8	-0.3	0.0	0.4
Liquid assets period start	69.0	118.7	125.2	68.6	118.7
Liquid assets period end	71.1	98.3	71.1	98.3	69.0
Free cash flow (including figures marked with *)	56.9	1.1	33.1	20.3	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 the 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-Q3 2012	Q3 2012	Q2 2012	Q1 2012	Q1-Q4 2011	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Flexible Packaging	449.3	145.4	151.3	152.6	577.4	142.2	146.0	143.0	146.2
- Intersegment net sales	0.6	0.2	0.1	0.3	0.9	0.0	0.2	0.3	0.4
Films	145.2	46.5	50.3	48.4	173.0	41.7	47.0	42.9	41.4
- Intersegment net sales	3.7	1.2	1.1	1.4	4.0	0.8	1.0	1.2	1.0
North America	521.7	176.8	189.0	155.9	529.2	148.2	128.2	141.9	110.9
- Intersegment net sales	2.5	1.0	0.7	0.8	3.1	0.6	1.0	0.8	0.7
Molded Fiber	195.3	64.4	65.4	65.5	241.9	61.8	59.5	60.9	59.7
- Intersegment net sales	1.6	0.7	0.5	0.4	2.1	0.6	0.7	0.5	0.3
Foodservice Europe-Asia-Oceania	444.8	155.0	162.1	127.7	522.1	127.9	135.1	139.3	119.8
- Intersegment net sales	1.2	0.3	0.6	0.3	2.0	0.4	0.7	0.6	0.3
Elimination of intersegment net sales	-9.6	-3.4	-3.0	-3.2	-12.1	-2.4	-3.6	-3.4	-2.7
Segments total	1,756.3	588.1	618.1	550.1	2,043.6	521.8	515.8	528.0	478.0

EBIT

EUR million	Q1-Q3 2012	Q3 2012	Q2 2012	Q1 2012	Q1-Q4 2011	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Flexible packaging ⁽¹⁾	34.4	10.9	11.6	11.9	30.5	9.7	0.6	10.0	10.2
Films	8.1	2.5	2.8	2.8	8.4	-0.3	3.7	1.9	3.1
North America	44.5	14.1	20.3	10.1	43.5	10.2	10.4	16.3	6.6
Molded Fiber	19.9	6.9	6.2	6.8	20.9	5.8	5.1	4.6	5.4
Foodservice Europe-Asia-Oceania ⁽²⁾	25.1	8.9	11.8	4.4	20.8	4.6	5.8	7.6	2.8
Other activities	-5.6	-0.1	-3.4	-2.1	-3.5	-1.6	-0.8	-0.4	-0.7
Segments total ⁽³⁾	126.4	43.2	49.3	33.9	120.6	28.4	24.8	40.0	27.4

EBITDA

EUR million	Q1-Q3 2012	Q3 2012	Q2 2012	Q1 2012	Q1-Q4 2011	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Flexible Packaging ⁽¹⁾	47.8	15.1	16.1	16.6	51.7	14.5	7.6	14.7	14.9
Films	14.2	4.6	4.8	4.8	14.9	1.8	5.2	3.3	4.6
North America	63.0	20.6	26.3	16.1	63.7	15.7	15.3	21.2	11.5
Molded Fiber	29.2	9.9	9.3	10.0	33.1	8.8	8.1	7.7	8.5
Foodservice Europe-Asia-Oceania ⁽²⁾	44.0	15.9	18.0	10.1	36.0	3.8	11.3	12.8	8.1
Other activities	-4.7	0.4	-3.2	-1.9	-2.5	-1.3	-0.6	-0.1	-0.5
Segments total ⁽³⁾	193.5	66.5	71.3	55.7	196.9	43.3	46.9	59.6	47.1

¹⁾ Q1-Q4 and Q3 2011 includes non-recurring items MEUR -7.8.

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

³⁾ 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-Q3 2012	Q3 2012	Q2 2012	Q1 2012	Q1-Q4 2011	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Flexible Packaging	13.4	4.2	4.5	4.7	21.2	4.8	7.0	4.7	4.7
Films	6.1	2.1	2.0	2.0	6.5	2.1	1.5	1.4	1.5
North America	18.5	6.5	6.0	6.0	20.2	5.5	4.9	4.9	4.9
Molded Fiber	9.3	3.0	3.1	3.2	12.2	3.0	3.0	3.1	3.1
Foodservice Europe-Asia-Oceania	18.9	7.0	6.2	5.7	15.2	-0.8	5.5	5.2	5.3
Other activities	0.9	0.5	0.2	0.2	1.0	0.3	0.2	0.3	0.2
Segments total	67.1	23.3	22.0	21.8	76.3	14.9	22.1	19.6	19.7

NET ASSETS ALLOCATED TO THE SEGMENTS

EUR million	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Flexible Packaging	327.3	322.5	318.7	313.7	327.9	332.7	333.0
Films	154.1	154.4	155.6	155.3	152.0	127.0	125.0
North America	479.1	471.5	442.9	425.1	413.0	368.9	370.4
Molded Fiber	169.5	172.6	178.2	174.5	173.8	175.4	176.0
Foodservice Europe-Asia-Oceania	337.9	351.3	278.5	275.2	272.3	274.3	261.0

CAPITAL EXPENDITURE

EUR million	Q1-Q3 2012	Q3 2012	Q2 2012	Q1 2012	Q1-Q4 2011	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Flexible Packaging	10.5	3.9	3.8	2.8	18.6	8.5	3.3	4.8	2.0
Films	3.2	1.0	1.8	0.4	7.1	1.5	1.9	1.8	1.9
North America	20.5	8.9	6.8	4.8	24.0	7.7	6.1	5.2	5.0
Molded Fiber	4.4	1.2	1.7	1.5	11.2	3.8	3.6	1.9	1.9
Foodservice Europe-Asia-Oceania	14.9	4.5	6.1	4.3	20.9	7.3	5.1	5.7	2.8
Other activities	0.6	0.2	0.4	0.0	0.4	0.2	0.1	0.1	0.0
Segments total	54.1	19.7	20.6	13.8	82.2	29.0	20.1	19.5	13.6

RONA (12m roll.)

	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Flexible Packaging	13.7%	10.5%	9.9%	9.3%	9.2%	11.4%	10.6%
Films	5.0%	6.0%	5.7%	6.2%	7.9%	7.7%	9.4%
North America	12.3%	12.0%	11.6%	11.2%	10.9%	10.8%	11.4%
Molded Fiber	14.8%	13.7%	12.7%	12.0%	12.3%	12.6%	13.3%
Foodservice Europe-Asia-Oceania	9.8%	9.2%	8.2%	7.8%	7.5%	8.2%	8.1%

OPERATING CASH FLOW

EUR million	Q1-Q3 2012	Q3 2012	Q2 2012	Q1 2012	Q1-Q4 2011	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Flexible Packaging	21.1	9.1	7.4	4.6	39.7	23.2	10.5	10.9	-4.9
Films	5.1	1.7	3.9	-0.5	-4.3	2.1	1.0	0.5	-7.9
North America	1.5	8.3	9.0	-15.8	43.5	31.3	9.3	9.5	-6.6
Molded Fiber	23.6	8.1	11.5	4.0	18.5	6.0	4.0	5.5	3.0
Foodservice Europe-Asia-Oceania	29.3	18.3	7.1	3.9	10.7	16.4	5.7	-6.9	-4.5

Business combinations

On April 2, 2012 Huhtamäki Oyj's subsidiary entered into an agreement to acquire all the shares of Josco (Holdings) Limited, 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 continued to implement its strategy of quality growth and significantly strengthened its position as a global provider of high quality foodservice packaging products. The acquired business has been consolidated into Foodservice Europe-Asia-Oceania -segment as of April 1, 2012. In the preliminary purchase price allocation, the allocation of intangible assets includes the fair valuation of customer relationships. The acquired goodwill is primarily based on high growth potential, operational capabilities and expected synergy benefits. The goodwill is expected to be non-deductible for income tax purposes.

On August 30, 2012 Huhtamäki Oyj's US based subsidiary, Huhtamaki, Inc. acquired the assets and business of privately held Winterfield, LLC, a manufacturer of paper tableware in the United States. With the acquisition Huhtamaki further strengthened its position in the North American retail and foodservice packaging markets. The acquired business has been consolidated into North America -segment as of September 1, 2012. The goodwill is expected to be deductible for income tax purposes.

The following table summarizes the combined consideration paid and the provisional amounts of the assets and liabilities assumed recognized at the acquisition date, prepared according to IFRS and Huhtamaki accounting principles. Because the process of fair valuation of the acquired assets and liabilities was not completed as of reporting date, the fair values of the acquired net assets and the amount of goodwill may be subject to adjustments until the fair value process is finalized.

RECOGNIZED AMOUNTS OF IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED

EUR million

Intangible assets	1.9
Customer relations	9.0
Tangible assets	20.7
Inventories	14.1
Trade and receivables	17.5
Cash and bank	1.3
Total assets	64.5
Deferred taxes	-1.6
Interest bearing loans	-11.0
Accrued taxes	-2.4
Trade and other payables	-12.8
Total liabilities	-27.8
Net assets total	36.7
Non-controlling interest	-1.2
Goodwill	22.0
Consideration	57.5

ANALYSES OF CASH FLOW ON ACQUISITION

EUR million

Purchase consideration	57.5
Cash and cash equivalents in acquired companies	1.3
Transactions costs of the acquisition	1.6
Net cash flow on acquisition	60.4

The Group has recognized a cost of EUR 1.6 million relating to transaction advice and services for acquisition of Josco (Holdings) Limited. EUR 1.1 million costs are included in Other operating expenses in the Group income statement of the reporting period and EUR 0.5 million in the Group income statement of the reporting period ended December 31, 2011.

The net sales of the acquired businesses are included in the Group income statement since acquisition date and were EUR 36.1 million. Result for the period for the acquired businesses since acquisition date was EUR 1.6 million. If the acquired businesses had been consolidated from January 1, 2012, the Group net sales would have been EUR 1,789.5 million and result for the period EUR 106.6 million.

Other information

KEY INDICATORS

	Q1-Q3 2012	Q1-Q4 2011	Q1-Q3 2011
Equity per share (EUR)	8.23	7.71	7.42
ROE, % (12m roll.)	14.5	11.0	11.8
ROI, % (12m roll.)	11.6	9.8	10.2
Personnel	14,008	12,739	12,507
Result before taxes (EUR million, 12m roll.)	135.5	105.2	109.3
Depreciation (EUR million)	61.3	70.7	57.3
Amortization of other intangible assets (EUR million)	5.7	5.6	4.1

CONTINGENT LIABILITIES

EUR million	Sept 30 2012	Dec 31 2011	Sept 30 2011
Mortgages	14.5	14.5	14.5
Guarantee obligations	0.4	0.0	0.0
Lease payments	58.7	55.3	53.8
Capital expenditure commitments	51.6	28.3	28.0

NOMINAL VALUES OF DERIVATIVE INSTRUMENTS

EUR million	Sept 30 2012	Dec 31 2011	Sept 30 2011
Currency forwards, transaction risk hedges	66.4	49.0	37.0
Currency forwards, translation risk hedges	97.0	84.0	80.0
Currency swaps, financing hedges	93.1	96.0	98.0
Currency options	-	0.0	1.0
Interest rate swaps	105.1	109.0	113.0
Cross currency swaps	48.0	48.0	48.0
Electricity forwards	0.9	1.0	1.0

EXCHANGE RATES

Income statement, average:	Q1-Q3 2012	Q1-Q3 2011
AUD 1 =	0.807	0.739
GBP 1 =	1.231	1.148
INR 1 =	0.015	0.016
RUB 1 =	0.025	0.025
THB 1 =	0.025	0.023
USD 1 =	0.780	0.711

Statement of financial position, month end:	Sept 30 2012	Sept 30 2011
AUD 1 =	0.807	0.721
GBP 1 =	1.253	1.154
INR 1 =	0.015	0.015
RUB 1 =	0.025	0.023
THB 1 =	0.025	0.024
USD 1 =	0.773	0.741

Other information (continued)

SHARE CAPITAL AND SHAREHOLDERS

At the end of reporting period, the Company's registered share capital was EUR 361,371,376.60 (360,615,288.00) corresponding to a total number of shares of 106,285,699 (106,063,320) including 4,594,089 (4,591,089) Company's own shares. The Company's own shares had the total accountable par value of EUR 15,619,902.60 (EUR 15,609,702.60), 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 101,691,610 (101,472,231).

There were 24,439 (26,899) registered shareholders at the end of the reporting period. Foreign ownership including nominee registered shares accounted for 32% (24%).

SHARE DEVELOPMENTS

The Company's share is quoted on NASDAQ OMX Helsinki Ltd. on the Nordic Mid Cap list under the Industrials sector (subindustry Industrial Goods and Services).

At the end of the reporting period, the Company's market capitalization was EUR 1,319 million (EUR 835 million) and EUR 1,262 million (EUR 799 million) excluding Company's own shares. With a closing price of EUR 12.41 (EUR 7.87 on September 30, 2011 and EUR 9.16 on December 30, 2011) the share price increased by 35% (decreased 24%) from the beginning of the year, while the OMX Helsinki Cap PI Index increased by 3% (decreased 30%) and the OMX Helsinki Industrial Goods and Services PI Index increased by 17% (decreased 33%). During the reporting period the volume weighted average price for the Company's share was EUR 10.95 (EUR 9.19). The highest price paid was EUR 12.55 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 381 million (EUR 382 million). The trading volume of 35 million (41 million) shares equaled an average daily turnover of EUR 2.0 million (EUR 2.0 million) or, correspondingly 184,779 (218,036) shares.

In addition to NASDAQ OMX Helsinki Ltd., the Company's shares can also be traded in alternative trading venues, such as BATS Chi-X, Burgundy and Turquoise. During the reporting period, 39% (36%) 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 628 million (EUR 596 million) in the reporting period. (Source: Fidessa Fragmentation Index, www.fragmentation.fidessa.com)

In total, the trading value of the Company's 2006 B and C option rights was EUR 2,696,725.51 corresponding to a trading volume of 1,048,766 option rights. In January 1 – September 30, 2011, turnover of the Company's 2006 A, B and C option rights was EUR 1,007,542.36 corresponding to a trading volume of 807,317 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 expenditure + 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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