HUHTAMAKI VAN LEER

PACKAGING WORLDWIDE

Huhtamaki Van Leer, the newly merged global speciality packaging company, is pleased to report a 20% increase in net sales during the first quarter of 2000, against the corresponding pro forma figure for 1999. The robust sales performance is attributable to continued volume growth, price increases, currency translation effects and company acquisitions.
Despite the recent surge in key raw materials prices, resulting in margin erosion across the board, earnings before interest and tax (EBIT) improved by 15% and earnings per share (EPS) by 26% compared to the corresponding 1999 pro forma figures.

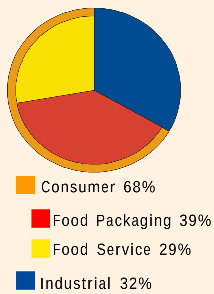
Key figures (compared to pro forma 1999)

- Net sales EUR 786 million (+ 20%)
- EBIT EUR 40 million (+ 15%)
- Profit before minority interest and taxes EUR 23 million (+ 14%)
- Net income EUR 14 million (+23%)
- EPS EUR 0.44 (+ 26%)
- Cash EPS (excluding goodwill amortisation) EUR 0.78 (+ 11%)

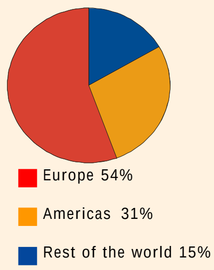
For the full year, Huhtamaki Van Leer anticipates a clear improvement over the 1999 pro forma earnings per share. Volume growth is expected to continue for both consumer and industrial packaging and improving sales are evident in several emerging markets. While the margin pressure from raw materials prices will continue through the second quarter, a more balanced price structure between raw materials and finished products is likely to be restored after the summer. Synergy effects will become visible during the second quarter.

Amstelveen, May 10, 2000
Huhtamäki Van Leer Oyj
Board of Directors

Net sales by division



Net sales by region



This report has been prepared according to Finnish Accounting Standards. It contains pro forma figures from 1999 which assume that 100% of Van Leer shares have been held by Huhtamaki Van Leer as from January 1, 1999, and that the company has divested its confectionery interests prior to that date. For a full explanation of adjustments made to the pro forma combined income statement, please refer to Huhtamaki Van Leer's 1999 Annual Report. Confectionary has been eliminated from the actual 1999 profit and loss figures.

The actual figures for 2000 as well as the pro forma figures for 1999 are unaudited.

Sales up by 20%

At EUR 786 million, the January-March Group sales were robust, especially in view of the preceding “Millennium” effect evident during the final quarter of 1999. The sales growth, 20 % against the previ ous year’s corresponding pro forma figure, reflects a 3% volume growth; a 6% contribution from price increases; 8% from currency translations, notably the strong USD and GBP; and 3% as the balance of company acquisitions and divestments.

Sales in Finland amounted to EUR 11 million, while the net sales of the parent company, Huhtamäki Van Leer Oyj, amounted to EUR 20 million.

Sales of consumer packaging increased by 21% to EUR 536 million, 68% of the total, while industrial packaging sales expanded by 16% to EUR 250 million, 32% of the total. The volume growth difference between the two divisions was less pronounced, however, as consumer packaging prices were subject to higher increases.

In consumer packaging, flexible packaging (both consumer flexibles and technical films and coatings) showed volume growth in excess of 10%, while rigid plastic, paper and moulded fibre packaging grew more moderately. On the industrial side, large steel drums and closures were in particularly strong demand.

Sales in **Europe** amounted to EUR 427 million, up by 13% and 54% of the total. The growth reflects mainly volume and price developments. Progress was disparate, however. For example, flexible packaging enjoyed healthy volume growth across the region. In rigid consumer packaging, North and South Europe were the strongest market areas, while the Central European and UK dairy packaging remained depressed and under heavy price pressure. Moulded fibre volumes suffered mainly from market disturbances in the UK and Italy. Industrial packaging was strong across Europe, with the exception of the UK, from where multinational customers within the chemical industry have relocated some export production to the Continent due to the strong GBP.

Reflecting the strong USD and company acquisitions during second half of 1999, sales in the **Americas** increased by 21% to EUR 242 million or 31% of the total. In North America, U.S. consumer packaging volumes remained on previous year’s level, with pricing following the raw materials developments with a delay. Industrial packaging sales were in line with the previous year’s figures. In Latin America, the newly acquired consumer packaging business (formerly Brasholanda) in Brazil continued to do well, and moulded fibre packaging picked up. Industrial packaging continued its good progress in Argentina and developed positively progress in most other markets.

Sales in the rest of the world - Asia, Oceania and Africa - jumped by 51% to EUR 118 million or 15% of the total, largely on the back of major flexible packaging acquisitions in India and New Zealand in mid-1999.

Healthy progress continued in **Oceania**, where the newly acquired flexible packaging operation in New Zealand proved a valuable addition. Overall, both consumer and industrial packaging volumes were slightly up, with the sales figure further boosted by price increases.

Most **Asian** consumer packaging units reported improving sales, with rapid growth evident for flexible packaging in Thailand. Similarly, the market for industrial packaging was firming up, but the newly launched Japanese steel drum plant fell short of projected volumes.

African sales were up on the previous year’s, with the South African industrial packaging operations showing good progress. Consumer packaging also picked up despite adverse weather and political turmoil in certain markets.

Higher profits despite inflated raw materials prices

A significant factor affecting profitability during the first quarter was the continuing upward trend in key raw materials prices. Compared with their lowest prices in 1999, the market price for recycled paper has increased by up to 100%, main plastic resins (polystyrene, polypropylene and polyethylene) by 70%-80%, pulp by 37% and steel by 34%.

Although Huhtamaki Van Leer purchases its raw materials centrally and under long-term contracts, its is not isolated from these developments, which have caused the need to adjust the pricing of finished products accordingly. Due to contractual reasons and market dynamics, such historical corrections usually need a few months to take effect. Pricing equilibrium can be restored only after the raw materials surge has reached its climax.

Against these circumstances, the reported 15% increase in Group EBIT, to EUR 40 million, is satisfactory. Beyond price increases, main profit contributors were volume growth and improving capacity utilisation, as well as streamlining measures implemented during the second half of 1999. Merger synergies will become visible during the second quarter.

The EBIT from consumer packaging amounted to EUR 33 million, 5% more than the corresponding pro forma figure in 1999. The EBIT margin declined by one percentage point to 6.2%.

Industrial packaging reported an EBIT figure of EUR 14 million, including some income of non-recurring nature, which, falling on the short reporting period, contributed to the 25% growth and a slight margin improvement to 5.6%.

The corporate EBIT contribution was negative by EUR 7 million, as opposed to EUR 8 million pro forma in 1999. The figure consists of corporate income (EUR 6.6 million), corporate cost (EUR 2.8 million) and goodwill amortisation (EUR 10.8 million).

Regional EBIT data reveals no major differences between Europe and the Americas, both main markets being close to Group average figures, while several factors contributed to a margin dip in the rest of the world.

Compared to the 1999 pro forma figure, net financial expenses increased by 18% to EUR 17 million. The change reflects generally higher interest rates, the cost of fixing of a portion of corporate debt and the higher cost of serving USD-denominated debt..

At EUR 8 million, taxes were only marginally higher than in 1999. Hence, net income for the period inproved by 23% and earnings per share pro forma by 26%.

Integration

The detailed planning of integration measured following the Van Leer transaction continued into January, immediately followed by the launch of the “first wave” projects. The corporate reporting and treasury functions were concentrated to the Espoo Head office. A Global Sourcing organisation was established to coordinate an annual procurement volume of EUR 1.9 billion. The consumer packaging structure was streamlined, and several line and equipment relocations were launched. More fundamental restructuring measures will follow. In 2000, synergies are estimated to reach EUR 25 million.

Capital expenditure

Capital expenditure during the quarter amounted to EUR 37 million. Of this, the main part was dedicated to consumer packaging.

Financial position

The Group's financial position has not altered materially from year-end. At the end of March, net interest-bearing debt amounted to EUR 1,211 million, and the consolidated balance sheet showed a net debt to equity ratio of 1.05.

Annual General Shareholders' Meeting

The Annual General Shareholders' Meeting was held in Helsinki on April 12. The AGM approved the Board's dividend proposal of EUR 1.05 per share, a technical increase in the company's share capital in order to achieve an even countervalue for the shares in euros, and a new management stock option arrangement.

All Board members were re-elected for a new one-year term, except for Professor Urpo Kangas, who no longer was available and was replaced by Professor Jean Philippe Deschamps (IMD - International Institute for Management Development).

Share developments

During the first quarter, the Huhtamaki Van Leer share fluctuated within a range of EUR 31 - 35, with no clear direction. Daily trading volumes were generally thin, indicating low investor attention. The company's valuation relative to the packaging sector did improve, however.

Corporate structure - developments until mid-April

In line with Group strategy, certain non-core operations were divested during the period. Two metallized paper product units, one in the USA and one The Netherlands, were sold to separate buyers in January. The remaining metallized unit in the UK was sold in early April.

The fibre cores and tubes operations in Sweden and The Netherlands were sold at the end of February.

In mid-April, an agreement was signed for the acquisition of the Mono Containers food packaging business in South Africa from Nampak Limited.

Management

As of March 1, Mr. Henk Koekoek was appointed Executive Vice President, Consumer Packaging Technology and R&D. He also became and Executive Committee member, succeeding Mr. Alexander Schuit, who resigned to pursue other interests.

The appointment prompted changes in Group organisation. The Food Packaging and Food Service Divisions were combined as Consumer Packaging. Mr. Matti Tikkakoski, Executive Committee Member, was appointed Executive Vice President Consumer Packaging Product Categories.

Mr. Jan Lång was appointed Group Vice President, Global Sourcing.

Personnel

At the end of March, there were 23,625 company employees based in 54 countries, 251 less than at year-end. The largest operating country was the United States with 3,652 persons, followed by the UK (2,915) and Germany (2,820) and

Outlook

The outlook for the remainder of 2000 is one of continued volume growth and a struggle to catch up with the raw materials prices. The second quarter is critical in this respect. So far, the Group has not lost market share or important customer accounts while pursuing higher prices.

Several important projects are nearing fruition. These include the Polarcup EarthShell joint-venture, which plans to launch production in Europe before the end of the year. As well, the company is looking into offering integrated protective packaging solutions, combining its know-how of different materials and technologies with that of strategic partners. A strategy to introduce electronic commerce in both procurement and own sales/marketing is being finalised.

The entire Technical Films and Coatings business, of the which the metallised paper products units formed a part, will be divested. The combined annual sales of units under divestment or already sold amount to approx. EUR 290 million. Certain complementary acquisitions in speciality consumer packaging segments are under consideration.

The steep increases in raw material prices are expected to abate around mid-year. Based on this, and first concrete synergies from post-merger integration, the company expects the full-year earnings per share to show a clear improvement over the 1999 pro forma figure.

Income Statement	**Jan-Mar**	**Jan-Mar**	**Change**	**Jan-Dec**
EUR million	**2000**	**1999***	**%**	**1999***
Net sales	786.2	656.3	19.8	2,951.9
EBITDA	87.6	76.8	14.1	366.9
EBIT	40.3	34.9	15.5	190.5
Net financial +income/-expense	-17.2	-14.6	17.8	-62.3
+Gain/-loss on equity of associated companies	0.2	0.2	0.0	0.6
Profit before minority interest and taxes	23.3	20.5	13.7	128.8
Taxes	7.7	7.6	1.3	42.3
Minority interest	1.7	1.6	6.2	6.7
Net income	13.9	11.3	23.0	79.8

Divisions - Net Sales	**Jan-Mar**	**Jan-Mar**	**Change**	**Jan-Dec**
EUR million	**2000**	**1999***	**%**	**1999***
Consumer	536.1	441.5	21.4	2,022.0
Food Packaging	306.6	248.7	23.3	1,117.9
Food Service	229.5	192.8	19.1	904.1
Industrial	250.1	214.8	16.4	929.9
Total	**786.2**	**656.3**	**19.8**	**2,951.9**

Divisions - EBIT	**Jan-Mar**	**Jan-Mar**	**Change**	**Jan-Dec**
EUR million	**2000**	**1999***	**%**	**1999***
Consumer	33.4	31.9	4.7	169.1
% of Net Sales	6.2	7.2		8.4
Industrial	14.0	11.2	25.0	53.2
% of Net Sales	5.6	5.2		5.7
Corporate, net	-7.1	-8.2	13.4	-31.8
Total	**40.3**	**34.9**	**15.5**	**190.5**
% of Net Sales	5.1	5.3		6.5

Regions - Net Sales	**Jan-Mar**	**Jan-Mar**	**Change**	**Jan-Dec**
EUR million	**2000**	**1999***	**%**	**1999***
Europe	426.5	378.5	12.7	1,619.7
Americas	241.5	199.4	21.1	927.2
Rest of the world	118.2	78.5	50.6	405.0
Total	**786.2**	**656.3**	**19.8**	**2,951.9**

Regions - EBIT	**Jan-Mar**	**Jan-Mar**	**Change**	**Jan-Dec**
EUR million	**2000**	**1999***	**%**	**1999***
Europe	26.5	26.0	2.1	118.3
% of Net Sales	6.2	6.9		7.3
Americas	15.3	12.2	24.7	77.4
% of Net Sales	6.3	6.1		8.3
Rest of the world	5.7	4.9	17.3	26.6
% of Net Sales	4.8	6.2		6.6
Total operations	**47.5**	**43.1**	**10.2**	**222.3**

* 1999 comparison on Pro Forma basis

Other key information EUR million	Jan-Mar 2000	Jan-Mar 1999	Change %	Jan-Dec 1999
Earnings per share (EUR) *	0.44	0.35	25.7	2.54
Profit before minority interest and taxes (12 m roll.) *	131.6	105.6	24.6	128.8
Personnel *	23,625	21,648	9.1	23,876
Earnings per share (EUR) **	0.44	0.36	22.2	2.39
Return on investment, % (12m roll.) **	9.6	12.8	-25.0	10.4
Equity per share (EUR) **	31.89	25.41	25.5	30.44
Capital expenditure **	37.5	11.0	240.9	100.7
Depreciation **	36.5	10.5	247.6	67.6
Amortisation **	10.8	3.0	260.0	20.6
Personnel **	23,625	7,065	234.4	23,876

Balance Sheet EUR million	Jan-Mar 2000	%	Jan-Mar 1999	%	Jan-Dec 1999	%
Assets						
Intangible assets	785.9	22.8	260.4	19.2	808.5	24.0
Tangible assets	1,324.3	38.5	558.6	41.1	1,323.8	39.3
Investments	10.5	0.3	8.3	0.6	9.7	0.3
Inventory	434.8	12.6	183.9	13.6	398.6	11.8
Interest bearing receivables	11.8	0.4	4.5	0.3	23.3	0.7
Other receivables	823.9	23.9	309.4	22.8	763.2	22.7
Cash and marketable securities	51.3	1.5	33.0	2.4	41.2	1.2
	3,442.5	100.0	1,358.1	100.0	3,368.3	100.0
Liabilities and equity						
Shareholders' equity	1,003.7	29.2	682.9	50.3	958.1	28.4
Minority interest	90.1	2.6	-	-	87.8	2.6
Interest bearing liabilities	1,211.1	35.2	281.3	20.7	1,205.7	35.8
Other current liabilities	1,137.6	33.0	393.9	29.0	1,116.7	33.2
	3,442.5	100.0	1,358.1	100.0	3,368.3	100.0

* 1999 comparison on Pro Forma basis
** 1999 comparison on actual basis

The following EUR rates have been applied to GBP, SEK, AUD and USD conversions:

Income statement:
(Average)
Jan-Mar/00
GBP 1= 1.627
SEK 1= 0.118
AUD 1= 0.640
USD 1= 1.013
Jan-Mar/99
GBP 1= 1.454
SEK 1= 0.111
AUD 1= 0.565
USD 1= 0.890

Jan-Dec/99
GBP 1= 1.517
SEK 1= 0.114
AUD 1= 0.605
USD 1= 0.938

Balance sheet:
(Month-end)
Jan-Mar/00
GBP 1= 1.671
SEK 1= 0.121
AUD 1= 0.632
USD 1= 1.047
Jan-Mar/99
GBP 1= 1.501
SEK 1= 0.113
AUD 1= 0.586
USD 1= 0.931

Jan-Dec/99
GBP 1= 1.608
SEK 1= 0.117
AUD 1= 0.648
USD 1= 0.995

Statutory Income Statement	Jan-Mar	Jan-Mar	Change	Jan-Dec
EUR million	2000	1999**	%	1999**
Net sales	786.2	184.7	325.6	1,412.1
EBIT	40.3	14.8	171.8	113.9
Net financial +income/-expense	-17.2	-3.1	454.8	-20.1
+Gain/-loss on equity of associated companies	0.2	0.2	-	0.6
Profit before exceptional items, minority interest and taxes	23.3	11.9	96.1	94.4
Taxes	7.7	2.2	250.0	25.5
Minority interest	1.7	0.0	-	1.9
Integration expenses	0.0	0.0	-	92.9
Discontinued operations	0.0	0.0	-	127.7
Net income	13.9	9.7	43.6	101.8

** 1999 comparison on actual basis

Contingent liabilities	Mar 31 2000		Mar 31 1999		Dec 31 1999	
EUR million	Group	Parent	Group	Parent	Group	Parent
Mortgages	21.2	1.7	9.4	4.6	22.6	1.8
Guarantee obligations						
For subsidiaries	-	870.0	-	267.6	-	897.0
For associated companies	-	-	-	-	-	-
For others	-	-	-	0.1	-	-
Lease payments	48.4	0.2	30.8	0.7	51.0	0.4

Outstanding off-balance sheet instruments

	Mar 31 2000	Mar 31 1999	Dec 31 1999
EUR million	Group	Group	Group
Currency forwards, transaction risk hedges	62	43	78
Currency swaps, financing hedges	193	131	396
Currency options	2	-	4
Forward rate agreements, gross	321	310	197
Forward rate agreements, net	221	210	-
Interest rate swaps	553	19	452
Interest rate options	-	20	-

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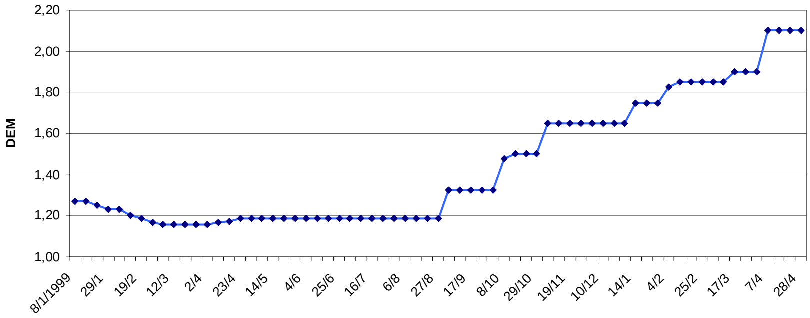
Key raw material prices

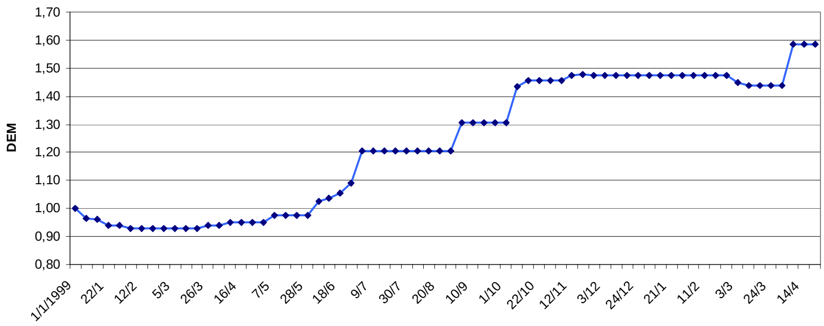
Polystyrene



Increase 81 %

Polystyrene Consumption
HVL Global Volume
150,000 tons

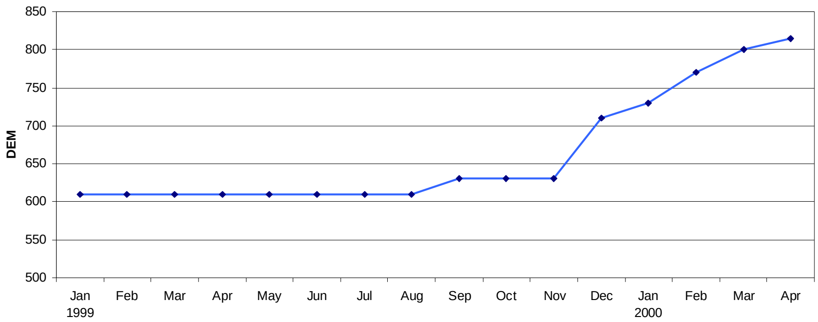
Polypropylene



Increase 71 %

Polypropylene Consumption
HVL Global Volume
60,000 tons

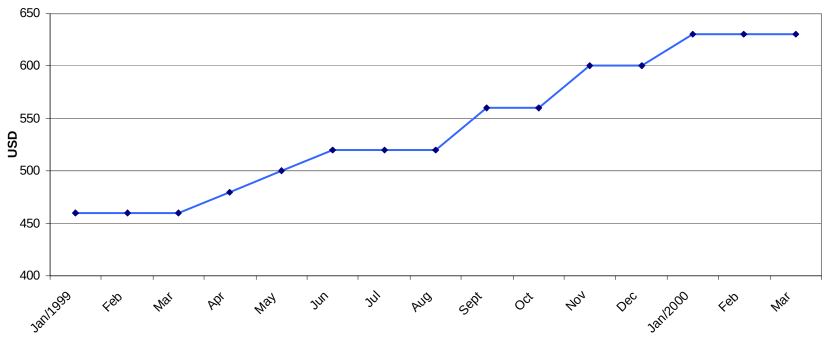
Steel



Increase 34 %

Steel Consumption
HVL Global Volume
725,000 tons

Pulp



Increase 37 %

Paper Consumption
HVL Global Volume
120,000 tons