HUHTAMAKI

TAKING PACKAGING FURTHER

Consumer packaging specialist Huhtamaki reports improving margins and strong profit growth in the first quarter of 2002 against the corresponding period in 2001. Sales volumes met expectations in Europe and the Americas, and particularly good progress was evident in Asia. A slight decline in the reported sales reflects operations divested during 2001.

The operating profit (EBITA) increased by 8% to EUR 49 million, 8.8% of net sales. EBITA from operations, which excludes net corporate income, advanced by 22%, and the corresponding margin strengthened from 6.6% to 8.2%. The improvement came from rationalization benefits, a better product mix and lower plastic resin prices.

Key figures

EUR million	Q1 2002	Q1 2001	Change %
Net sales	**558**	571	- 2
EBITA	**49**	46	+ 8
EBITA margin, %	**8.8**	8.0	
Profit before taxes	**27**	21	+ 30
Net income	**17**	13	+ 33
EPS*, EUR	**1.11**	0.75	+ 48
ROI*, %	**12.1**	10.7	

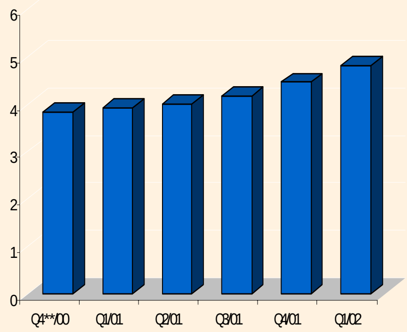
* Before amortization of goodwill and other intangible assets

Profit before minority interest and taxes improved by 30% to EUR 27 million, and net income by 33% to EUR 17 million. A significant decline in the number of shares in issue helped earnings per share (before amortization) improve even more sharply, by 48% to EUR 1.11. Return on capital improved clearly.

The business outlook for the important second and third quarters is solid. The rate of profit growth will nevertheless slow down from the first quarter, due to more demanding comparison figures and the anticipated return of resin prices to mid-2001 levels. The company remains optimistic about meeting its financial targets for 2002.

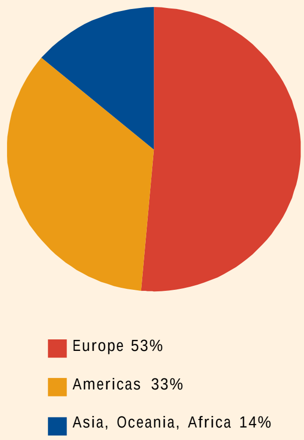
Espoo, Finland, April 25, 2002
Huhtamäki Oyj
Board of Directors

EPS*
(12 months rolling by quarter)



* before amortization
** consumer packaging pro forma

Net sales by region



A steady quarter

For Huhtamaki, the first quarter of 2002 marked the continuation of steady sales and improving margins, evident through much of 2001.

The consolidated net sales amounted to EUR 558 million, 2% below the corresponding figure in 2001. The decline was entirely attributable to structural changes, i.e. operations divested during 2001. Sales volume increased by 1% and currency translations had a similar effect, while lower prices contributed negatively by 2%. Volume growth was slow or stagnant in most established markets, reflecting portfolio pruning and softness in the food service category, whereas strong growth was evident in the emerging markets of Eastern Europe, Asia and Africa. Europe contributed 53% of the sales, Americas 33%, and Asia, Oceania and Africa 14%.

European sales declined by 4% to EUR 295 million, mainly reflecting divested operations. The consumer flexibles and films businesses had an excellent quarter. In rigid packaging, results varied more from one business unit to another. Molded fiber remained robust. Overall, North and Central Europe were solid regions, and operations in UK and France responded positively to streamlining measures. Most business units reported higher margins. Consequently, EBITA from Europe improved by 18% to EUR 25 million, 8.3% of net sales. RONA (return on net assets) improved from 11.6% a year ago to 14.7%.

Sales in the Americas amounted to EUR 185 million. The 3% decline was mainly caused by divested operations. Consumer goods packaging and retail products were robust, but food service was still a soft area. EBITA from the Americas increased by 19% to EUR 14 million or 7.6% of net sales. RONA improved from 14.3% to 16.3%.

Sales in the Asia-Oceania-Africa region increased by 9% to EUR 79 million, with strong progress across Asia and a recovery in Africa more than offsetting stagnation in Oceania. The region's operating profit was EUR 7 million, which corresponds to 9.2% of net sales. RONA from the region improved from 11.2% to 13.6%.

The sales of the consumer goods category amounted to EUR 327 million, 59% of the total and up by 2%. Comparison to the previous year is hampered by changes in product classification in North America. A shift to higher value added products boosted rigid packaging margins, and flexible packaging was in good demand in Europe and Asia. The category's EBITA contribution improved by 50% to EUR 28 million or 8.6% net sales.

Food service (including fresh foods) packaging sales amounted to EUR 231 million. The 8 % decline reflects divestments and product reclassification, but also a soft market. In parts of Europe, the introduction of the euro may have led to consumer hesitation. The North American food service market remained depressed as well, but the Chinet® retail products were again strong. The category's operating profit amounted to EUR 18 million, down by 6% and 7.6% of net sales.

Profit improvement continued

The Group's financial performance continued in line with the latter part of 2001. EBITA from operations was EUR 46 million, up by 22%. Group royalty income and unallocated expenses showed a net income of nearby EUR 4 million, whereby total EBITA improved by 8% to EUR 49 million or 8.8% of net sales. After a virtually unchanged amortization charge for goodwill and other intangible assets, the corresponding operating profit after amortization (EBIT) amounted to EUR 38 million, up by 10%.

Net financial expenses for the quarter amounted to EUR 12 million, 19% below the corresponding figure in 2001. Profit before minority interest and taxes came in at EUR 27 million, up by 30%. Taxes amounted to EUR 8 million, up by 21%, and minority interest was EUR 2 million, whereby net income for the quarter increased by 33% to EUR 17 million.

Share repurchases and cancellations in 2001 caused the average number of shares in issue to decline from 31.5 million in early 2001 to 25.3 million. This helped the earnings per share figures to a strong growth, by 48% to EUR 1.11 (before amortization) and by 65% to EUR 0.68 (after amortization).

Return on equity (ROE) improved from 11.8% to 13.6% and return on investment (ROI), from 10.7% to 12.1%. The figures are before amortization.

Cash Flow and Balance Sheet Development

The consolidated balance sheet did not change significantly from year-end. Net debt declined by EUR 19 million to EUR 882; interest-bearing debt amounted to EUR 910 million at the end of the quarter. Gearing (net debt to equity) was 93%, in line with targets. Working capital was seasonally up from year-end. The quarter's free cash flow amounted to EUR 29 million.

Capital Expenditure

Capital expenditure for the quarter amounted to EUR 17 million, 18% below the previous year's figure, as previous major projects were approaching completion and new ones had not been started yet. The relocation of production required investments in the U.S. and Germany. New flexibles capacity was under construction in Asia, and Russian rigid packaging capacity was upgraded.

Spending is likely to accelerate during the remainder of the year. The full-year estimate for capital expenditure is EUR 110-120 million.

Annual General Shareholders' Meeting

The Annual General Shareholders' Meeting was held in Helsinki on March 25. The AGM approved the annual accounts and the Board's dividend proposal of EUR 1.25 per share. The Board of Directors was authorized to introduce a new share repurchase program covering up to 5% of the company's outstanding shares within a year, and to decide on the conveyance of such shares that have come to the company's possession. The Board has not yet decided to implement the program.

All Board members were re-elected for a new one-year term.

Share Developments

Share prices
January 2 EUR 35.80 *low*
February 18 EUR 44.40 *high*
March 27 EUR 43.25

The upward trend evident in the Huhtamaki share price through most of 2001 continued into the first quarter. The release of the company's results for 2001 triggered a run on the share in February, with high daily trading volumes and the stock price rising to around EUR 44, approx. 80% above its lowest point a year earlier. During the quarter, the share overperformed the HEX index by 28%. Another run started on the third week of April; daily trading volumes were exceptionally high, and the share price reached its highest level in four years, EUR 49.50 on April 18.

The average daily trading volume for the first quarter was approx. 74,000 shares on the Helsinki Exchanges (HEX), 77% above the annual average in 2001. Trading was particularly brisk in February, with a daily average of almost 123,000 shares.

Such high volumes were reflected in the company's shareholder structure. The share of institutional investors outside Finland increased from approx. 21% of the equity at the beginning of the year to approx. 28% at the end of the quarter. Several major Finnish institutions reduced their holdings accordingly.

A listing was sought for the company's stock options on the HEX. Quoting for the 1997 A and B options started on April 1, 2002. The 2000 A options will be quoted from May 2, 2002, with the 2000 B and C options to follow in May 2003 and, respectively, 2004.

Corporate Structure

There were no changes in corporate structure during the first quarter. However, the closure and relocation of the U.S. East Providence (R.I.) rigid plastic packaging operations by the end of October 2002 was announced in January. The move will affect approx. 190 persons. Further rationalization measures were announced locally in the U.K.

Personnel

Huhtamaki had 16,500 employees at the end of March, 1,200 less than a year earlier. The decline reflects the streamlining of manufacturing operations, as well as divestments of non-core operations during 2001. A slight increase from year-end reflects seasonality.

Outlook

The business outlook for the important second and third quarters is solid. Profit growth will continue but at a slower rate than in the first quarter, due to more demanding comparison figures and the anticipated return of resin prices to mid-2001 levels. The company remains optimistic about meeting its financial targets for 2002.

Income Statement

EUR million	Q1 2002	Q1 2001	Change %	2001
Net sales	**558.3**	570.8	-2.2	2,382.4
EBITDA	**77.5**	74.1	4.6	334.4
Operating profit (EBITA)	**49.3**	45.6	8.2	221.7
EBIT	**38.3**	34.9	9.8	178.3
% of net sales	**6.87**	6.12	12.2	7.48
Net financial +income/-expense	**-11.6**	-14.4	19.1	-49.2
+Gain/-loss on equity of associated companies	**0.1**	0.2	-38.5	1.1
Profit before minority interest and taxes	**26.8**	20.7	29.9	130.3
Taxes	**8.0**	6.6	21.4	36.6
Minority interest	**1.7**	1.2	36.7	6.6
Net income	**17.1**	12.9	32.6	87.1

Regions
Net Sales

EUR million	Q1 2002	Q1 2001	Change %	2001
Europe	**294.5**	307.1	-4.1	1,233.2
Americas	**184.6**	190.9	-3.3	825.7
Asia, Oceania, Africa	**79.2**	72.9	8.6	323.5
Total	**558.3**	570.8	-2.2	2,382.4

Operating profit (EBITA) and RONA

EUR million	Q1 2002	Q1 2001	Change %	2001
Europe	**24.5**	20.7	18.4	96.3
% of net sales	**8.3**	6.7		7.8
RONA %	**14.7**	11.6		14.7
Americas	**13.9**	11.7	19.2	74.6
% of net sales	**7.6**	6.1		9.0
RONA %	**16.3**	14.3		15.8
Asia, Oceania, Africa	**7.3**	5.1	43.1	27.6
% of net sales	**9.2**	7.0		8.5
RONA %	**13.6**	11.2		12.6
Total	**45.8**	37.5	22.3	198.5
% of net sales	**8.2**	6.6		8.3

Categories

Net Sales

EUR million	Q1 2002	Q1 2001	Change %	2001
Consumer Goods	**327.5**	320.6	2.2	1,295.7
Food Service	**230.8**	250.2	-7.8	1,086.7
Total	**558.3**	570.8		2,382.4

Operating profit (EBITA)

EUR million	Q1 2002	Q1 2001	Change %	2001
Consumer Goods	**28.2**	18.8	50.0	93.0
% of net sales	**8.6**	5.9		7.2
Food Service	**17.6**	18.7	-5.9	105.5
% of net sales	**7.6**	7.5		9.7
Total from operations	**45.8**	37.5	22.1	198.5
% of net sales	**8.2**	6.6		8.3
Corporate net	**3.5**	8.1	-56.8	23.2
Total	**49.3**	45.6	8.1	221.7
% of net sales	**8.8**	8.0	10.5	9.3

Other key information

	Q1 2002	Q1 2001	Change %	2001
Earnings per share (EUR)	**0.68**	0.41	65.0	2.97
Earnings per share (before amortization) (EUR)	**1.11**	0.75	48.2	4.45
Equity per share (EUR)	**34.1**	33.2	2.9	34.6
ROE, %	**9.5**	7.9	20.3	8.6
ROI, %	**9.9**	8.9	11.2	9.6
ROE (before amortization) %	**13.6**	11.8	15.3	12.6
ROI (before amortization) %	**12.1**	10.7	13.1	11.8
Capital expenditure	**16.7**	20.4	-18.1	144.0
Personnel	**16,500**	17,700	-6.8	16,417
Profit before minority interest and taxes				
EUR million (12m roll.)	**136.4**	118.5	15.1	130.3
Depreciation	**27.6**	28.5	-3.3	110.8
Amortization	**11.6**	11.0	5.6	45.2

	Mar 31 2002	Mar 31 2001	Change %	Dec 31 2001
Net debt	**881.8**	824.5	7.0	901.1
Gearing	**0.93**	0.73		0.94

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

Income statement:
Average

Q1/02	GBP 1=1.627 INR 1=0.024 AUD 1=0.591 USD 1=1.141
Q1/01	GBP 1=1.581 INR 1=0.023 AUD 1=0.575 USD 1=1.084
2001	GBP 1=1.608 INR 1=0.024 AUD 1=0.577 USD 1=1.117

Balance sheet:
Month end

Mar/02	GBP 1=1.631 INR 1=0.023 AUD 1=0.610 USD 1=1.146
Mar/01	GBP 1=1.615 INR 1=0.024 AUD 1=0.551 USD 1=1.132
Dec/01	GBP 1=1.643 INR 1=0.024 AUD 1=0.579 USD 1=1.135

Balance sheet

EUR million	Mar 31 2002	%	Mar 31 2001	%	Dec 31 2001	%
Assets						
Intangible assets	**722.0**	27.0	766.3	27.3	730.7	27.6
Tangible assets	**1,006.0**	37.6	1,027.2	36.6	1,010.3	38.1
Investments	**7.8**	0.3	7.2	0.3	7.7	0.3
Inventory	**308.6**	11.5	363.1	13.0	287.9	10.9
Interest bearing receivables	**8.6**	0.3	11.9	0.4	11.6	0.4
Other receivables	**606.0**	22.6	597.4	21.3	584.4	22.0
Cash and marketable securities	**19.6**	0.7	32.2	1.1	18.2	0.7
	2,678.5	100.0	2,805.3	100.0	2,650.8	100.0
Liabilities and equity						
Shareholders' equity	**864.1**	32.3	1,044.4	37.2	874.6	33.0
Minority interest	**81.0**	3.0	80.0	2.9	80.4	3.0
Interest bearing liabilities	**910.0**	34.0	868.6	31.0	930.9	35.1
Other current liabilities	**823.5**	30.7	812.3	29.0	764.9	28.9
	2,678.5	100.0	2,805.3	100.0	2,650.8	100.0

Contingent liabilities

EUR million	Mar 31 2002 Group	Mar 31 2002 Parent	Mar 31 2001 Group	Mar 31 2001 Parent	Dec 31 2001 Group	Dec 31 2001 Parent
Mortgages	**6.6**	**0.3**	10.6	0.8	7.0	0.2
Guarantee obligations						
For subsidiaries	**-**	**912.4**	-	868.8	-	938.4
For associated companies	**-**	**-**	-	0.6	-	0.4
For others	**1.1**	**1.1**	-	-	1.1	1.1
Lease payments	**72.0**	**0.5**	49.3	0.4	61.1	0.5

Outstanding off-balance sheet instruments

EUR million	Mar 31 2002 Group	Mar 31 2001 Group	Dec 31 2001 Group
Currency forwards, transaction risk hedges	**55**	55	68
Currency forwards, translation risk hedges	**186**	0	0
Currency swaps, financing hedges	**50**	441	57
Currency options	**3**	0	0
Forward rate agreements, gross	**73**	50	50
Forward rate agreements, net	**73**	50	50
Interest rate swaps	**453**	200	240
Interest rate options	**0**	0	0

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