



# **Interim Report**

## ***January 1 – March 31, 2010***

*Huhtamäki Group is a leading manufacturer of consumer and specialty packaging with 2009 net sales totaling EUR 2 billion. Foodservice and consumer goods markets are served by approximately 13,000 people in 54 manufacturing units and several sales offices in 33 countries. The parent company, Huhtamäki Oyj, has its head office in Espoo, Finland and is listed on the NASDAQ OMX Helsinki Ltd. Additional information is available at [www.huhtamaki.com](http://www.huhtamaki.com).*



## INTERIM REPORT JANUARY 1 – MARCH 31, 2010

### Volumes and margins stable, improved earnings per share (EPS)

- Group net sales stable but reported sales down due to divestments, and discontinued operations
- Volume growth achieved in Flexible Packaging, Films and Molded Fiber segments
- Financial charges considerably lower
- Successful cost containment and stable margins contributed to EPS growth

Key figures EUR million	Q1 2010	Q1 2009
Net sales	485.0	506.6
EBIT	30.8	35.0
EBIT margin %	6.4	6.9
EPS	0.19	0.18
ROI % (12m roll.)	9.5	-3.9

### Overview

Group net sales stabilized but, as a result of the divestments completed in 2009, the reported net sales were lower than in the corresponding period in 2009. Volumes increased in Flexible Packaging, Films and Molded Fiber. Foodservice Europe-Asia-Oceania segment's volumes remained stable. North America continued to experience softer markets, although some recovery was recorded in the end of the reporting period.

Volume growth contributed positively to earnings. Group earnings before interest and taxes (EBIT) were lower than prior year due to divestments and the negative impact of higher raw material costs particularly in Rigid Consumer Goods Plastics segment. North America segment's profitability was weaker due to soft volumes, higher marketing costs as well as higher raw material costs.

The financial expense was significantly lower than in the corresponding period in 2009 due to lower net debt and interest rates. Result before taxes and EPS improved versus the corresponding period last year.

The strategic review of the remaining Rigid Consumer Goods Plastics operations is ongoing.

### Business review by segment

The sales distribution by segment was following: Flexible Packaging 26% (23%), Films 8% (8%), North America 23% (25%), Molded Fiber 11% (10%), Foodservice Europe-Asia-Oceania 21% (19%) and Rigid Consumer Goods Plastics 11% (14%).

### Flexible Packaging

*Flexibles are used for consumer packaging of a wide range 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 2010	Q1 2009
Net sales	126.8	120.2
EBIT	9.9	8.8
EBIT margin %	7.8	7.3
RONA % (12m roll.)	9.3	0.4

The segment's volumes and net sales increased during the reporting period versus the corresponding period in 2009. Both Europe and Asia made a positive contribution.



The segment's earnings continued on a stable growth path, supported by volume growth. The adverse impact of increasing raw material prices was largely offset with a favorable product mix and successful 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 and North America.*

<b>EUR million</b>	<b>Q1 2010</b>	<b>Q1 2009</b>
Net sales	41.2	41.2
EBIT	2.5	0.5
EBIT margin %	6.1	1.2
RONA % (12m roll.)	-0.6	5.7

Films segment's business was restructured and refocused during 2009. The segment's net sales were on the same level as in the corresponding period in 2009 despite the divestment of the release paper business. Volumes, having fallen throughout 2009, recovered by nearly twenty per cent in the reporting period. The recovery in demand was most evident in the market for industrial applications, although there is a better sentiment in the hygiene and health care as well as in pressure sensitive markets.

The segment's earnings increase reflected its positive volume development. The improvement in EBIT was further supported by good operational control and lower cost base after restructuring and refocusing the business in 2009.

All manufacturing of the divested release paper business in Forchheim, Germany, was transferred to the buyer, B. Laufenberg GmbH, by the end of the first quarter of 2010.

### **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.*

<b>EUR million</b>	<b>Q1 2010</b>	<b>Q1 2009</b>
Net sales	113.6	129.1
EBIT	8.4	14.5
EBIT margin %	7.4	11.2
RONA % (12m roll.)	13.3	10.7

The segment's net sales decreased in the reporting period due to the exit of certain segments of the plastics business and generally weak demand on soft markets. Some recovery in sales performance was recorded in the end of the reporting period. Currency translation had a further negative impact on the segment's reported net sales compared to the corresponding period in 2009.

The earnings in the first quarter 2010 lag those of the corresponding period in 2009, primarily due to more expensive raw materials. Careful cost containment as well as favorable price and product mix together with margin management efforts mitigated some of this adverse impact.

The marketing and promotion actions related to Chinet® brand re-launch were continued in the reporting period but with a lower level of expenditure than in the fourth quarter of 2009.

### **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.*



<b>EUR million</b>	<b>Q1 2010</b>	<b>Q1 2009</b>
Net sales	55.5	48.3
EBIT	4.6	3.8
EBIT margin %	8.3	7.9
RONA % (12m roll.)	10.9	5.3

The segment's net sales increased compared to the corresponding period in the previous year, mostly as a result of higher market demand and successful price and product mix management.

Molded Fiber segment's earnings growth reflects good cost containment, efficient operations and a favorable price and product mix.

### **Foodservice Europe-Asia-Oceania**

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

<b>EUR million</b>	<b>Q1 2010</b>	<b>Q1 2009</b>
Net sales	106.0	104.5
EBIT	3.5	2.4
EBIT margin %	3.3	2.3
RONA % (12m roll.)	7.4	-0.6

The segment's net sales were stable compared to the corresponding period in 2009. A minor decrease in volumes was more than compensated by a favorable impact from currency translations.

The segment's EBIT was supported by good operational control and successful cost containment.

### **Rigid Consumer Goods Plastics**

*Rigid plastic packaging is supplied to fresh food, dairy, ice cream and edible fats manufacturers in Europe. The segment is under strategic review.*

<b>EUR million</b>	<b>Q1 2010</b>	<b>Q1 2009</b>
Net sales	53.1	77.7
EBIT	1.1	5.7
EBIT margin %	2.1	7.3
RONA % (12m roll.)	5.6	-59.3

The segment's net sales in the reporting period were lower than in the corresponding period prior year due to the divestments completed in 2009. Similarly, the impact of the divestments was reflected in a lower EBIT. More expensive raw materials compressed the segment's margins.

The strategic review of the remaining operations is ongoing.

### **Financial review**

The Group EBIT in the reporting period was EUR 31 million (EUR 35 million), corresponding to an EBIT margin of 6.4% (6.9%).

The net financial items were EUR -4 million (EUR -9 million). Tax expense was EUR 5 million (EUR 5 million).

The result for the reporting period was EUR 22 million (EUR 21 million) and the earnings per share (EPS) were EUR 0.19 (EUR 0.18). The average number of outstanding shares used in the EPS calculations was 101,023,681 (100,426,461) excluding 4,847,089 (5,061,089) of the Company's own shares.



### **Balance sheet and cash flow**

Free cash flow in the reporting period amounted to EUR 7 million (EUR 37 million). Capital expenditure was EUR 10 million (EUR 8 million).

Net debt was EUR 371 million (EUR 561 million) at the end of March 2010. This corresponds to a gearing ratio of 0.50 (0.77).

Total assets on the balance sheet were EUR 1,877 million (EUR 1,930 million).

### **Personnel**

The Group had 12,923 (14,294) employees at the end of March 2010.

### **Resolutions of Huhtamäki Oyj's Annual General Meeting of Shareholders**

Huhtamäki Oyj's Annual General Meeting of Shareholders (AGM) was held in Helsinki on March 24, 2010. The meeting adopted the Company's Annual Accounts and the Consolidated Annual Accounts for 2009 and discharged the members of the Company's Board of Directors and the CEO from liability. As proposed by the Board of Directors, dividend for 2009 was set at EUR 0.38 per share compared with EUR 0.34 paid for the previous year.

Eight members of the Board of Directors were elected for a term which lasts until the end of the AGM following the election. To the Board of Directors were re-elected Ms. Eija Ailasmaa, Mr. George V. Bayly, Mr. Rolf Börjesson, Ms. Siaou-Sze Lien, Mr. Mikael Lilius, Mr. Anthony J.B. Simon and Mr. Jukka Suominen. Mr. William R. Barker was elected as a new member of the Board of Directors. The Board of Directors elected Mr. Mikael Lilius as Chairman of the Board and Mr. Jukka Suominen as Vice-Chairman of the Board. In addition, the Board of Directors resolved upon members of its committees for a term which lasts until the end of the AGM following the election.

The Authorized Public Accountant firm Ernst & Young Oy was elected as Auditor of the Company. Mr. Harri Pärssinen, APA, shall be the Auditor with principal responsibility.

### **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 2010**

General economic and market conditions in 2010 remain uncertain. The Group is in a good financial position to address growth opportunities in stronghold segments when they arise. Capital expenditure is expected to be higher than in 2009 but below EUR 100 million.

### **Financial reporting in 2010**

Huhtamäki will publish the interim report for January 1 – June 30, 2010 on July 22 and January – September on October 21.

Espoo, April 21, 2010  
Huhtamäki Oyj  
Board of Directors

Group income statement (IFRS)

Unaudited

EUR million	Q1 2010	Q1 2009	Q1-Q4 2009
<b>Net sales</b>	<b>485.0</b>	<b>506.6</b>	<b>2,037.7</b>
Cost of goods sold	-407.1	-420.2	-1,699.1
<b>Gross profit</b>	<b>77.9</b>	<b>86.4</b>	<b>338.6</b>
Other operating income	5.5	3.6	19.0
Sales and marketing	-17.7	-17.8	-75.7
Research and development	-4.0	-4.0	-16.5
Administration costs	-27.3	-30.1	-120.8
Other operating expenses	-3.6	-3.1	-25.5
	-47.1	-51.4	-219.5
<b>Earnings before interest and taxes</b>	<b>30.8</b>	<b>35.0</b>	<b>119.1</b>
Financial income	1.5	3.3	24.1
Financial expenses	-5.5	-12.3	-49.9
Income of associated companies	0.1	0.2	0.6
<b>Result before taxes</b>	<b>26.9</b>	<b>26.2</b>	<b>93.9</b>
Income taxes	-4.6	-5.2	-20.4
<b>Result for the period</b>	<b>22.3</b>	<b>21.0</b>	<b>73.5</b>
Attributable to:			
Equity holders of the parent company	21.2	20.4	71.1
Non-controlling interest	1.1	0.6	2.4
EPS (EUR) from result for the period	0.21	0.20	0.71
EPS (EUR) attributable to hybrid bond investors	0.02	0.02	0.08
EPS (EUR) attributable to equity holders of the parent company	0.19	0.18	0.63
Diluted:			
EPS (EUR) from result for the period	0.21	0.20	0.71
EPS (EUR) attributable to hybrid bond investors	0.02	0.02	0.08
EPS (EUR) attributable to equity holders of the parent company	0.19	0.18	0.63

Group statement of comprehensive income (IFRS)

EUR million	Q1 2010	Q1 2009	Q1-Q4 2009
<b>Result for the period</b>	<b>22.3</b>	<b>21.0</b>	<b>73.5</b>
<b>Other comprehensive income:</b>			
Translation differences	24.7	10.4	0.7
Fair value and other reserves	-0.7	-3.1	1.2
Income tax related to components of other comprehensive income	0.2	0.7	-0.5
<b>Other comprehensive income, net of tax</b>	<b>24.2</b>	<b>8.0</b>	<b>1.4</b>
<b>Total comprehensive income</b>	<b>46.5</b>	<b>29.0</b>	<b>74.9</b>
Attributable to:			
Equity holders of the parent company	45.1	28.3	72.3
Non-controlling interest	1.4	0.7	2.6

## Group statement of financial position (IFRS)

## Unaudited

EUR million	Mar 31 2010	Dec 31 2009	Mar 31 2009
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	400.0	394.8	406.0
Other intangible assets	32.7	32.7	35.0
Tangible assets	622.7	604.2	672.9
Investments in associated companies	2.7	2.5	2.2
Available for sale investments	2.0	1.9	1.9
Interest bearing receivables	11.6	11.0	0.1
Deferred tax assets	16.6	16.5	14.6
Employee benefit assets	61.4	57.9	64.7
Other non-current assets	4.1	3.0	4.3
	<b>1,153.8</b>	<b>1,124.5</b>	<b>1,201.7</b>
<b>Current assets</b>			
Inventory	269.8	236.1	299.4
Interest bearing receivables	19.5	19.4	0.6
Current tax assets	4.1	9.1	7.8
Trade and other current receivables	341.5	305.5	356.9
Cash and cash equivalents	88.1	64.0	63.3
	<b>723.0</b>	<b>634.1</b>	<b>728.0</b>
<b>Total assets</b>	<b>1,876.8</b>	<b>1,758.6</b>	<b>1,929.7</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	360.6	360.6	358.7
Premium fund	106.8	106.8	104.7
Treasury shares	-44.5	-46.5	-46.5
Translation differences	-105.6	-130.0	-120.2
Fair value and other reserves	-4.8	-4.3	-7.3
Retained earnings	332.9	354.8	347.1
<b>Total equity attributable to equity holders of the parent company</b>	<b>645.4</b>	<b>641.4</b>	<b>636.5</b>
Non-controlling interest	23.4	20.2	19.0
Hybrid bond	75.0	75.0	75.0
<b>Total equity</b>	<b>743.8</b>	<b>736.6</b>	<b>730.5</b>
<b>Non-current liabilities</b>			
Interest bearing liabilities	297.9	294.3	471.4
Deferred tax liabilities	46.6	42.5	32.5
Employee benefit liabilities	104.8	102.8	105.0
Provisions	57.3	55.9	58.3
Other non-current liabilities	4.8	5.4	8.3
	<b>511.4</b>	<b>500.9</b>	<b>675.5</b>
<b>Current liabilities</b>			
Interest bearing liabilities			
- Current portion of long term loans	66.4	67.3	26.9
- Short term loans	125.9	101.1	127.1
Provisions	4.9	6.0	7.7
Current tax liabilities	7.9	10.9	7.5
Trade and other current liabilities	416.5	335.8	354.5
	<b>621.6</b>	<b>521.1</b>	<b>523.7</b>
<b>Total liabilities</b>	<b>1,133.0</b>	<b>1,022.0</b>	<b>1,199.2</b>
<b>Total equity and liabilities</b>	<b>1,876.8</b>	<b>1,758.6</b>	<b>1,929.7</b>
	<b>Mar 31 2010</b>	<b>Dec 31 2009</b>	<b>Mar 31 2009</b>
Net debt	371.0	368.3	561.4
Net debt to equity (gearing)	0.50	0.50	0.77

Statement of changes in equity  
Unaudited

EUR million	Attributable to equity holders of the parent company						Total	Minority 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, 2008</b>	<b>358.7</b>	<b>104.7</b>	<b>-46.5</b>	<b>-130.5</b>	<b>-5.0</b>	<b>327.5</b>	<b>608.9</b>	<b>18.4</b>	<b>75.0</b>	<b>702.3</b>
Dividend						-	-			-
Share-based payments						0.5	0.5			0.5
Total comprehensive income for the year				10.3	-2.3	20.3	28.3	0.7		29.0
Other changes						-1.2	-1.2	-0.1		-1.3
<b>Balance at Mar 31, 2009</b>	<b>358.7</b>	<b>104.7</b>	<b>-46.5</b>	<b>-120.2</b>	<b>-7.3</b>	<b>347.1</b>	<b>636.5</b>	<b>19.0</b>	<b>75.0</b>	<b>730.5</b>

<b>Balance at Dec 31, 2009</b>	<b>360.6</b>	<b>106.8</b>	<b>-46.5</b>	<b>-130.0</b>	<b>-4.3</b>	<b>354.8</b>	<b>641.4</b>	<b>20.2</b>	<b>75.0</b>	<b>736.6</b>
Dividend						-38.5	-38.5			-38.5
Share-based payments			2.0			-1.7	0.3			0.3
Interest on Hybrid Bond						-2.7	-2.7			-2.7
Total comprehensive income for the year				24.4	-0.5	21.2	45.1	1.4		46.5
Other changes						-0.2	-0.2	1.8		1.6
<b>Balance at Mar 31, 2010</b>	<b>360.6</b>	<b>106.8</b>	<b>-44.5</b>	<b>-105.6</b>	<b>-4.8</b>	<b>332.9</b>	<b>645.4</b>	<b>23.4</b>	<b>75.0</b>	<b>743.8</b>



## Group cash flow statement (IFRS)

## Unaudited

EUR million	Q1 2010	Q1 2009	Q1-Q4 2009
<b>Result for the period*</b>	<b>22.3</b>	<b>21.0</b>	<b>73.5</b>
Adjustments*	23.6	31.8	134.2
- Depreciation, amortization and impairment*	19.8	21.7	88.6
- Gain on equity of minorities*	-0.1	-0.2	-0.6
- Gain/loss from disposal of assets*	-2.1	-0.5	5.7
- Financial expense/-income*	4.0	8.9	25.8
- Income tax expense*	4.6	5.2	20.4
- Other adjustments, operational*	-2.6	-3.3	-5.7
Change in inventory*	-22.9	2.6	58.3
Change in non-interest bearing receivables*	-13.3	19.2	50.4
Change in non-interest bearing payables*	7.7	-22.0	-28.3
Dividends received*	0.1	0.1	0.5
Interest received*	1.1	0.4	2.2
Interest paid*	-4.5	-8.8	-21.0
Other financial expense and income*	-0.1	-0.1	-2.3
Taxes paid*	0.7	-2.1	-12.5
<b>Net cash flows from operating activities</b>	<b>14.7</b>	<b>42.1</b>	<b>255.0</b>
Capital expenditure*	-10.2	-8.0	-52.9
Proceeds from selling fixed assets*	2.6	3.0	5.9
Divested subsidiaries	-	-	69.0
Proceeds from long-term deposits	1.6	0.4	1.3
Payment of long-term deposits	-1.3	-0.4	-11.4
Proceeds from short-term deposits	2.4	2.4	13.7
Payment of short-term deposits	-1.7	-0.7	-29.2
<b>Net cash flows from investing</b>	<b>-6.6</b>	<b>-3.3</b>	<b>-3.6</b>
Proceeds from long-term borrowings	93.5	179.8	599.3
Repayment of long-term borrowings	-91.1	-184.4	-785.2
Proceeds from short-term borrowings	200.4	64.3	333.8
Repayment of short-term borrowings	-189.7	-104.7	-363.3
Dividends paid	-	-	-34.1
Hybrid bond interest	-	-	-7.9
Proceeds from stock options exercised	-	-	4.1
<b>Net cash flows from financing</b>	<b>13.1</b>	<b>-45.0</b>	<b>-253.3</b>
<b>Change in liquid assets</b>	<b>24.1</b>	<b>-4.5</b>	<b>-3.8</b>
Cash flow based	21.2	-6.2	-1.9
Translation difference	2.9	1.7	-1.9
Liquid assets period start	64.0	67.8	67.8
Liquid assets period end	88.1	63.3	64.0
Free cash flow (including figures marked with *)	7.1	37.1	208.0

**NOTES FOR THE INTERIM REPORT**

Except for accounting policy changes listed below, the same accounting policies have been applied in the interim financial statements as in annual financial statements for 2009.

**Changes in accounting principles**

The Group has adopted the following IFRS standards and interpretations considered applicable to Huhtamäki, with effect from January 1, 2010:

- Revised IFRS 3 Business Combination.
- Amended IAS 27 Consolidated and Separate Financial Statements.
- Amended IAS 39 Financial Instruments: Recognition and Measurement - Eligible Hedged Items.
- IFRIC 17 Distribution of Non-cash Assets to Owners.
- IFRIC 18 Transfers of Assets from Customers.
- Improvements to IFRSs (April 2009).
- IFRS 2 Share-based Payment: Group Cash-settled Share-based Payment Transactions.
- Amendment IAS 32 Financial Instruments: Presentation - Classification of Rights Issues.

These newly adopted standards have not had impact on the reported results.

**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 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q1-Q4 2009
Flexible Packaging	126.4	109.5	114.0	118.2	119.7	461.4
- Intersegment net sales	0.4	0.7	0.8	0.8	0.6	2.9
Films	40.0	32.1	40.4	38.3	40.0	150.8
- Intersegment net sales	1.2	0.7	0.9	0.8	1.2	3.6
North America	112.8	116.5	128.3	152.1	128.1	525.0
- Intersegment net sales	0.8	0.7	1.0	1.0	1.0	3.7
Molded Fiber	55.4	56.6	51.6	51.0	48.3	207.5
- Intersegment net sales	0.1	-0.6	0.4	0.3	0.0	0.1
Foodservice Europe-Asia-Oceania	100.7	103.8	111.2	117.8	97.1	429.9
- Intersegment net sales	5.3	4.3	5.0	3.0	7.4	19.7
Rigid Consumer Goods Plastics	49.7	57.7	61.6	70.4	73.4	263.1
- Intersegment net sales	3.4	4.2	4.9	5.7	4.3	19.1
Elimination of intersegment net sales	-11.2	-10.0	-13.0	-11.6	-14.5	-49.1
Total	485.0	476.2	507.1	547.8	506.6	2,037.7

**EBIT**

EUR million	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q1-Q4 2009
Flexible Packaging	9.9	7.2	7.6	4.8	8.8	28.4
Films <sup>1)</sup>	2.5	-1.3	1.5	-3.4	0.5	-2.7
North America	8.4	2.9	14.5	23.6	14.5	55.5
Molded Fiber	4.6	4.8	4.7	4.3	3.8	17.6
Foodservice Europe-Asia-Oceania	3.5	0.7	6.8	6.4	2.4	16.3
Rigid Consumer Goods Plastics <sup>2)</sup>	1.1	-6.6	4.5	6.0	5.7	9.6
Other activities	0.8	-1.2	-1.0	-2.7	-0.7	-5.6
Total <sup>3)</sup>	30.8	6.5	38.6	39.0	35.0	119.1

<sup>1)</sup> Q2 and Q1-Q4 2009 includes non-recurring charges MEUR 3.8.

<sup>2)</sup> Q4 and Q1-Q4 2009 includes non-recurring charges MEUR 10.1.

<sup>3)</sup> Q4 2009 includes non-recurring charges MEUR 10.1, Q2 2009 includes non-recurring charges MEUR 3.8, Q1-Q4 2009 includes non-recurring charges MEUR 13.9.

**EBITDA**

EUR million	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q1-Q4 2009
Flexible Packaging	14.6	12.6	12.1	9.3	13.3	47.3
Films	3.9	0.3	3.0	-2.0	2.1	3.4
North America	12.9	7.7	20.4	29.4	19.8	77.3
Molded Fiber	7.6	8.6	7.5	7.0	6.5	29.6
Foodservice Europe-Asia-Oceania	8.2	6.7	11.9	11.0	7.2	36.8
Rigid Consumer Goods Plastics	2.4	-4.8	6.3	8.5	8.1	18.1
Other activities	1.0	-0.9	-0.9	-2.5	-0.5	-4.8
Total	50.6	30.2	60.3	60.7	56.5	207.7

**Depreciation and amortization**

EUR million	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q1-Q4 2009
Flexible Packaging	4.7	5.4	4.5	4.5	4.5	18.9
Films	1.4	1.6	1.5	1.4	1.6	6.1
North America	4.5	4.8	5.9	5.8	5.3	21.8
Molded Fiber	3.0	3.8	2.8	2.7	2.7	12.0
Foodservice Europe-Asia-Oceania	4.7	6.0	5.1	4.6	4.8	20.5
Rigid Consumer Goods Plastics	1.3	1.8	1.8	2.5	2.4	8.5
Other activities	0.2	0.3	0.1	0.2	0.2	0.8
Total	19.8	23.7	21.7	21.7	21.5	88.6

Net assets allocated to the segments <sup>4)</sup>

EUR million	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Flexible Packaging	320.4	305.5	311.5	325.8	342.2
Films	119.3	111.0	117.5	125.2	135.8
North America	385.1	364.8	365.8	370.8	393.9
Molded Fiber	174.2	166.0	167.1	169.9	170.4
Foodservice Europe-Asia-Oceania	228.2	225.7	236.8	246.6	241.7
Rigid Consumer Goods Plastics	76.8	72.6	103.3	103.8	137.3

<sup>4)</sup> Following statement of financial position items are included in net assets: intangible and tangible assets, other non-current assets, inventories, trade and other current receivables (excluding accrued interest income), other non-current liabilities and trade and other current liabilities (excluding accrued interest expense).

Capital expenditure

EUR million	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q1-Q4 2009
Flexible Packaging	2.2	3.3	2.3	3.2	2.1	10.9
Films	0.4	0.4	0.2	0.3	0.2	1.1
North America	2.9	6.5	6.5	2.8	1.0	16.8
Molded Fiber	1.2	3.7	0.7	0.8	1.6	6.8
Foodservice Europe-Asia-Oceania	3.0	5.1	2.7	1.4	2.3	11.5
Rigid Consumer Goods Plastics	0.4	2.1	1.6	1.0	0.8	5.5
Other activities	0.1	0.1	0.0	0.2	0.0	0.3
Total	10.2	21.2	14.0	9.7	8.0	52.9

RONA, % (12m roll.)

	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Flexible Packaging	9.3%	8.8%	1.4%	0.3%	0.4%
Films	-0.6%	-2.2%	-1.0%	0.7%	5.7%
North America	13.3%	14.8%	14.3%	13.0%	10.7%
Molded Fiber	10.9%	10.5%	6.8%	6.1%	5.3%
Foodservice Europe-Asia-Oceania	7.4%	6.9%	0.2%	-0.2%	-0.6%
Rigid Consumer Goods Plastics	5.6%	9.2%	-85.6%	-67.9%	-59.3%

Operating Cash Flow

EUR million	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q1-Q4 2009
Flexible Packaging	1.2	21.1	17.3	23.4	20.0	81.8
Films	-4.8	5.0	8.4	8.2	1.9	23.5
North America	12.6	8.9	9.6	22.9	14.5	55.9
Molded Fiber	2.3	6.1	4.3	8.6	-0.6	18.4
Foodservice Europe-Asia-Oceania	-0.3	9.6	18.3	7.1	-2.1	32.9
Rigid Consumer Goods Plastics	4.2	4.7	7.9	11.1	0.7	24.4

Reportable segments net sales and EBIT forms Groups' total net sales and EBIT, so no reconciliations to corresponding amounts are presented.

Other information

EUR million	Q1 2010	Q1 2009	Q1-Q4 2009
Equity per share (EUR)	6.37	6.34	6.35
ROE, % (12m roll.)	10.2	-13.3	10.1
ROI, % (12m roll.)	9.5	-3.9	9.6
Personnel	12,923	14,294	12,900
Result before taxes (12m roll.)	94.6	-105.0	93.9
Depreciation	18.2	20.0	82.6
Amortization of other intangible assets	1.6	1.5	5.9

Share capital and shareholders

At the end of March 2010, the Company's registered share capital was EUR 360,615,288.00 (358,657,670.00) corresponding to a total number of outstanding shares of 106,063,320 (105,487,550) including 4,847,089 (5,061,089) Company's own shares. The Company's own shares had the total accountable par value of EUR 16,480,102.60, representing 4.6% of the total number of shares and voting rights. The amount of outstanding shares net of Company's own shares was 101,216,231 (100,426,461).

There were 25,840 (22,186) registered shareholders at the end of the reporting period. Foreign ownership including nominee registered shares accounted for 23.6% (23.0%).

Share developments

The Company's share is quoted on the NASDAQ OMX Helsinki Ltd on the Nordic Mid Cap list under the Materials sector.

At the end of March 2010, the Company's market capitalization was EUR 855.9 million (EUR 540.1 million) and EUR 816.8 million (EUR 514.2 million) excluding Company's own shares. With a closing price of EUR 8.07 (EUR 5.12) the share price decreased by 17% (increased 16%) from the beginning of the year, while the OMX Helsinki Cap PI Index increased by 14% (-13%) and the OMX Helsinki Materials PI Index increased by 11% (-34%). During the reporting period the volume weighted average price for the Company's share was EUR 8.67 (EUR 5.32). The highest price paid was EUR 10.19 on Jan 11, 2010 and the lowest price paid was EUR 7.72 on Feb 12, 2010.

During the reporting period the cumulative value of the Company's share turnover was EUR 219.6 million (EUR 83.9 million). The trading volume of 25.3 million (15.7 million) shares equaled an average daily turnover of EUR 3.5 million (EUR 1.4 million) or, correspondingly 408,701 (253,101) shares.

In total, turnover of the Company's 2006 A and B option rights was EUR 142,165 corresponding to a trading volume of 115,626.

Contingent liabilities

	Mar 31 2010	Dec 31 2009	Mar 31 2009
<b>EUR million</b>			
Mortgages	14.5	14.5	14.5
Guarantee obligations	0.4	2.5	2.7
Lease payments	53.1	54.0	49.5
Capital expenditure commitments	16.2	10.2	13.0

Nominal values of derivative instruments

	Mar 31 2010	Dec 31 2009	Mar 31 2009
<b>EUR million</b>			
Currency forwards, transaction risk hedges	32	25	55
Currency forwards, translation risk hedges	24	29	24
Currency swaps, financing hedges	127	123	97
Currency options	2	3	-
Interest rate swaps	173	167	187
Electricity forwards	1	1	-

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

		Q1/10	Q1/09
Income statement, average:	GBP 1 =	1.128	1.101
	INR 1 =	0.016	0.015
	AUD 1 =	0.653	0.509
	USD 1 =	0.723	0.768
		Q1/10	Q1/09
Balance sheet, month end:	GBP 1 =	1.124	1.074
	INR 1 =	0.017	0.015
	AUD 1 =	0.678	0.520
	USD 1 =	0.742	0.751

Definitions for key indicators

EPS from the result for the period =	$\frac{\text{Result for the period - non-controlling interest}}{\text{Average number of shares outstanding}}$
EPS from the 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) =	$\frac{\text{Interest bearing net debt}}{\text{Equity + non-controlling interest + hybrid bond}}$
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) =	$\frac{100 \times (\text{Result before taxes + interest expenses + net other financial expenses}) (12 m roll.)}{\text{Statement of financial position total - Interest-free liabilities (average)}}$

