



# HUHTAMÄKI OYJ INTERIM REPORT

*January 1 – March 31, 2013*



**HUHTAMAKI**

**Q1 2013**

## Net sales and EBIT increased

- Net sales growth of 4% led by the foodservice acquisition in Asia completed in 2012
- Continued strong earnings improvement in the Foodservice Europe-Asia-Oceania segment
- Solid net sales growth and earnings development in the Molded Fiber business segment
- Unfavorable product mix and soft demand for films and flexible packaging products in Europe impacted the Group's earnings
- Further investments in North America to strengthen the Group's global foodservice position

## Key figures

EUR million	Q1 2013	Q1 2012	FY 2012
Net sales	568.4	546.8	2,321.2
EBIT	37.2	34.3	163.5
EBIT margin, %	6.5	6.3	7.0
EPS, EUR	0.24	0.24	1.19
ROI, %	12.9	10.5	12.6
ROE, %	15.4	11.8	15.8

## Overview

*Unless otherwise stated, all statements and comments presented in this report relate to the reporting period January 1–March 31, 2013, and all comparisons are compared to the corresponding reporting period in 2012. 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 despite prevailing general economic uncertainty. Continued customer cautiousness had a negative impact on demand for consumer packaging. Order sizes remained small and customers focused on keeping inventory levels low. In addition, the prolonged winter period in Europe and in North America had a negative effect on the demand of seasonal products. Raw material prices remained stable.

The Group's net sales grew by 4%, driven by the impact of acquisitions completed in 2012. The Group's net sales were EUR 568 million (EUR 547 million). Reported net sales growth was EUR 22 million. Organic growth continued strong in the Molded Fiber business segment.

The Group's earnings before interest and taxes (EBIT) grew. EBIT was EUR 37 million (EUR 34 million). Earnings development was strongest in the Foodservice Europe-Asia-Oceania business segment, mainly resulting from continued good progress in the UK and Russia, as well as contribution of the acquired units in Asia.

The Group's free cash flow was EUR -21 million (EUR -11 million). Return on investment (ROI) was 12.9% (10.5%) and return on equity (ROE) was 15.4% (11.8%).

The purchase of a manufacturing facility in Batavia, Ohio, in the United States was completed on January 31, 2013, in order to begin setting up a new state of the art manufacturing and distribution unit. The initiation of efficiency improving measures within the Foodservice Europe-Asia-Oceania business segment and a cost savings program within the Films business segment were announced on March 4, 2013. As detailed action plans were not finalized by the end of the first quarter, the measures had no effect on the Group's financial figures.

## Business review by segment

The net sales distribution by business segment was the following: Flexible Packaging 26% (27%), Films 8% (9%), North America 29% (29%), Molded Fiber 11% (11%) and Foodservice Europe-Asia-Oceania 26% (24%).

### 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 2013	Q1 2012	FY 2012
Net sales	149.1	149.7	573.3
EBIT	11.2	12.0	44.6
EBIT margin, %	7.5	8.0	7.8
RONA, %	13.3	9.9	13.8

The Flexible Packaging segment's net sales were stable. The growth in Asia was driven by healthy organic growth and contribution from the newly acquired label business in India. However, this did not fully offset the lower net sales in Oceania resulting from the closure of the manufacturing unit in New Zealand at the end of July 2012. In Europe, market softness resulted in flat net sales development.

The segment's earnings declined due to negative development in Europe. In addition to flat net sales, product mix in Europe was unfavorable and costs were slightly higher due to starting up new investments.

### 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 2013	Q1 2012	FY 2012
Net sales	48.6	49.8	191.5
EBIT	1.8	2.9	9.2
EBIT margin, %	3.7	5.8	4.8
RONA, %	5.3	5.7	6.0

The Films segment's net sales declined due to weak demand in North America and Europe. In North America sales of films for the building and construction industry were negatively affected by the continued cold weather postponing the start of the roofing season. Net sales in Europe suffered from customer cautiousness. In Asia and South America net sales developed positively.

The segment's earnings decline was due to unfavorable product mix in Europe and low sales in North America.

## 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 2013	Q1 2012	FY 2012
Net sales	164.6	156.7	704.3
EBIT	7.8	9.5	53.0
EBIT margin, %	4.7	6.1	7.5
RONA, %	11.0	11.5	11.7

The North America segment's net sales developed positively. Successful promotions of the Chinet® branded products and the good progress of private label items contributed to the strong performance of retail tableware business. The foodservice packaging business also grew, despite weak traffic in quick service restaurants during the first quarter. Demand for ice cream packaging was soft.

The segment's earnings declined. Net sales growth and favorable product mix were not sufficient to offset the unusually high energy costs resulting from natural gas supply disruptions at one facility.

On January 31, 2013 a manufacturing facility in Batavia, Ohio, was acquired to set up a new state of the art manufacturing and distribution unit. With the purchase Huhtamaki continued its series of investments in expanding and strengthening its disposable product offering and capability in the United States. The total investment including the site purchase, improvements in infrastructure and machinery investments to set up capacity will be approximately EUR 45 million (USD 60 million). Majority of the investment will take place in 2013.

## 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 2013	Q1 2012	FY 2012
Net sales	60.6	59.5	237.3
EBIT	7.1	6.8	26.4
EBIT margin, %	11.7	11.4	11.1
RONA, %	16.4	12.5	16.1

The Molded Fiber segment's net sales growth was driven by healthy volume growth. Net sales developed favorably especially in Europe, South-Africa and New Zealand. Negative currency movements affected the segment's reported net sales.

Healthy volume growth and stable operations contributed to the segment's earnings growth. Earnings were negatively affected by adverse currency movements.

## 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 2013	Q1 2012	FY 2012
Net sales	149.6	134.3	626.8
EBIT	8.4	5.0	38.1
EBIT margin, %	5.6	3.7	6.1
RONA, %	12.1	8.8	11.6

The Foodservice Europe-Asia-Oceania segment's net sales growth was mainly due to the business acquired in Asia in the beginning of the second quarter in 2012. Positive momentum continued also in Russia and in the UK. The good progress of high-end paper cups for hot drinks affected the product mix positively, offsetting low demand for plastics products. In Europe, the start of the spring season was delayed due to unusually cold weather.

The segment's earnings growth continued. The positive earnings development was due to good cost containment and favorable product mix in Europe, and the contribution of the acquired units in Asia.

### Financial review

The Group EBIT was EUR 37 million (EUR 34 million), corresponding to an EBIT margin of 6.5% (6.3%).

Net financial items were EUR -7 million (EUR -6 million). Financial expenses increased mainly due to slightly higher average interest rates due to changes in debt structure as well as increase in net debt. Tax expense was EUR 5 million (EUR 3 million). The corresponding tax rate was 16% (10%).

Profit for the period was EUR 26 million (EUR 25 million). Earnings per share (EPS) were EUR 0.24 (EUR 0.24).

Foreign currency translation impact was negative. The impact on net sales was EUR -5 million and on EBIT EUR -1 million compared to the first quarter 2012 exchange rates. The translation impact was mainly due to the weakening of certain emerging market currencies against euro.

The average number of outstanding shares used in EPS calculations was 102,667,035 (101,472,501), excluding 4,332,589 (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 98,235 new shares of Huhtamäki Oyj were issued during the first quarter of 2013. The corresponding increase in the Company's share capital was EUR 333,999.00.

### STATEMENT OF FINANCIAL POSITION AND CASH FLOW

Capital expenditure increased to EUR 27 million (EUR 14 million) resulting to a free cash flow of EUR -21 million (EUR -11 million). Majority of the capital expenditure was related to business expansion investments in the North America segment.

The Group's net debt was EUR 433 million (EUR 410 million) at the end of the reporting period. This corresponds to a gearing ratio of 0.51 (0.53). Net debt grew by EUR 27 million from year-end 2012 mainly as a result of higher capital expenditure. With a net debt to EBITDA ratio of 1.7 (1.9) the Group's ability to invest in further growth opportunities remains good. The average maturity of external committed credit facilities and loans was 3.2 (4.3) years.

The Group's liquidity position was solid. At the end of the reporting period cash and cash equivalents were EUR 66 million (EUR 98 million) and the Group had EUR 303 million (EUR 296 million) of unused committed credit facilities available.

Total assets on the statement of financial position were EUR 2,086 million (EUR 1,941 million).

## **Personnel**

The Group had a total of 14,357 (12,619) employees at the end of March 2013. The increase in the number of employees was due to acquisitions completed in 2012.

## **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.

In September 2012 Huhtamäki Oyj received the European Commission's statement of objections concerning alleged anticompetitive behavior during years 2000–2008. Huhtamäki Oyj has responded to the statement of objections and will exercise its rights of defense in the process, which is expected to take several months. The final outcome of the process is uncertain. More information on the matter is available in the Results 2012 report published on February 13, 2013.

## **Outlook for 2013**

The Group's trading conditions are expected to remain relatively stable during 2013. The good financial position and ability to generate a positive cash flow will enable the Group to further address profitable growth opportunities. Capital expenditure is expected to be above EUR 100 million. A significant part of the investments is due to the increases in foodservice disposables capabilities within the North America segment.

## **Financial Reporting Schedule in 2013**

Huhtamäki will publish the interim report for January 1 – June 30, 2013 on July 19 and January 1 – September 30, 2013 on October 25.

Espoo, April 24, 2013  
Huhtamäki Oyj  
Board of Directors

## Group income statement (IFRS) – unaudited

EUR million	Q1 2013	Q1 2012*	Q1-Q4 2012*
<b>Net sales</b>	<b>568.4</b>	546.8	2,321.2
Cost of goods sold	-482.7	-462.8	-1,949.2
<b>Gross profit</b>	<b>85.7</b>	84.0	372.0
Other operating income	4.3	4.5	20.3
Sales and marketing	-17.3	-17.3	-74.1
Research and development	-3.9	-3.8	-15.7
Administration costs	-30.1	-31.2	-129.5
Other operating expenses	-2.2	-2.7	-12.5
Share of profit of equity-accounted investments	0.7	0.8	3.0
	<b>-48.5</b>	-49.7	-208.5
<b>Earnings before interest and taxes</b>	<b>37.2</b>	34.3	163.5
Financial income	1.0	1.7	6.1
Financial expenses	-7.8	-7.9	-32.2
<b>Profit before taxes</b>	<b>30.4</b>	28.1	137.4
Income tax expense	-4.9	-2.8	-13.3
<b>Profit for the period</b>	<b>25.5</b>	25.3	124.1
Attributable to:			
Equity holders of the parent company	24.4	24.5	121.3
Non-controlling interest	1.1	0.8	2.8
<b>EUR</b>			
EPS attributable to equity holders of the parent company	0.24	0.24	1.19
Diluted EPS attributable to equity holders of the parent company	0.24	0.24	1.18

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

EUR million	Q1 2013	Q1 2012*	Q1-Q4 2012*
<b>Profit for the period</b>	<b>25.5</b>	25.3	124.1
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements on defined benefit plans	1.2	-2.2	-52.0
Income taxes related to items that will not be reclassified	-0.3	0.7	14.9
<b>Total</b>	<b>0.9</b>	-1.5	-37.1
<b>Items that may be reclassified subsequently to profit or loss</b>			
Translation differences	19.2	-9.7	-13.3
Equity hedges	-4.6	5.3	2.8
Cash flow hedges	0.9	1.5	2.0
Income taxes related to items that may be reclassified	-0.1	-0.4	-0.3
<b>Total</b>	<b>15.4</b>	-3.3	-8.8
<b>Other comprehensive income, net of tax</b>	<b>16.3</b>	-4.8	-45.9
<b>Total comprehensive income</b>	<b>41.8</b>	20.5	78.2
Attributable to:			
Equity holders of the parent company	40.7	19.7	75.4
Non-controlling interest	1.1	0.8	2.8

\*2012 restated figures, as published on Feb 25, 2013

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

EUR million	Mar 31 2013	Dec 31 2012*	Mar 31 2012*
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	456.1	452.0	420.7
Other intangible assets	28.2	29.2	25.2
Tangible assets	685.0	668.2	631.9
Equity-accounted investments	11.6	10.5	12.9
Available-for-sale investments	1.3	1.3	1.2
Interest-bearing receivables	17.0	16.9	14.2
Deferred tax assets	37.0	36.9	21.9
Employee benefit assets	33.0	33.1	33.3
Other non-current assets	6.0	4.5	5.5
	1,275.2	1,252.6	1,166.8
<b>Current assets</b>			
Inventory	345.7	318.1	307.5
Interest-bearing receivables	7.9	9.5	8.0
Current tax assets	1.7	2.3	2.4
Trade and other current receivables	389.9	351.4	359.0
Cash and cash equivalents	65.6	81.0	97.6
	810.8	762.3	774.5
<b>Total assets</b>	<b>2,086.0</b>	<b>2,014.9</b>	<b>1,941.3</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	364.8	364.5	360.7
Premium fund	114.3	114.1	106.8
Treasury shares	-39.8	-42.2	-42.2
Translation differences	-95.4	-110.0	-103.9
Fair value and other reserves	-86.2	-87.9	-52.9
Retained earnings	563.0	540.5	485.7
<b>Total equity attributable to equity holders of the parent company</b>	<b>820.7</b>	<b>779.0</b>	<b>754.2</b>
Non-controlling interest	28.7	26.5	23.8
<b>Total equity</b>	<b>849.4</b>	<b>805.5</b>	<b>778.0</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	433.3	427.4	292.9
Deferred tax liabilities	57.6	56.1	51.3
Employee benefit liabilities	185.5	185.3	135.5
Provisions	38.4	38.5	43.6
Other non-current liabilities	4.7	4.5	4.0
	719.5	711.8	527.3
<b>Current liabilities</b>			
Interest-bearing liabilities			
Current portion of long term loans	12.0	12.4	82.5
Short-term loans	77.7	73.5	154.6
Provisions	3.1	4.1	12.1
Current tax liabilities	11.5	10.9	8.3
Trade and other current liabilities	412.8	396.7	378.5
	517.1	497.6	636.0
<b>Total liabilities</b>	<b>1,236.6</b>	<b>1,209.4</b>	<b>1,163.3</b>
<b>Total equity and liabilities</b>	<b>2,086.0</b>	<b>2,014.9</b>	<b>1,941.3</b>
	<b>Mar 31 2013</b>	<b>Dec 31 2012*</b>	<b>Mar 31 2012*</b>
Net debt	432.5	405.9	410.2
Net debt to equity (gearing)	0.51	0.50	0.53

\*2012 restated figures, as published on Feb 25, 2013





## 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	Total equity
<b>Balance on Dec 31, 2011</b>	<b>360.6</b>	<b>106.8</b>	<b>-42.2</b>	<b>-97.8</b>	<b>-5.4</b>	<b>460.1</b>	<b>782.1</b>	<b>22.9</b>	<b>805.0</b>
Change in accounting policy (IAS19)				-1.7	-47.1		-48.8		-48.8
<b>Balance on Jan 1, 2012</b>	<b>360.6</b>	<b>106.8</b>	<b>-42.2</b>	<b>-99.5</b>	<b>-52.5</b>	<b>460.1</b>	<b>733.3</b>	<b>22.9</b>	<b>756.2</b>
Share-based payments						0.9	0.9		0.9
Stock option exercised	0.1						0.1		0.1
Total comprehensive income for the year				-4.4	-0.4	24.5	19.7	0.8	20.5
Other changes						0.2	0.2	0.1	0.3
<b>Balance on Mar 31, 2012</b>	<b>360.7</b>	<b>106.8</b>	<b>-42.2</b>	<b>-103.9</b>	<b>-52.9</b>	<b>485.7</b>	<b>754.2</b>	<b>23.8</b>	<b>778.0</b>
<b>Balance on Dec 31, 2012</b>	<b>364.5</b>	<b>114.1</b>	<b>-42.2</b>	<b>-110.0</b>	<b>-87.9</b>	<b>540.5</b>	<b>779.0</b>	<b>26.5</b>	<b>805.5</b>
Share-based payments			2.4			0.1	2.5		2.5
Stock option exercised	0.3	0.2					0.5		0.5
Total comprehensive income for the year				14.6	1.7	24.4	40.7	1.1	41.8
Other changes						-2.0	-2.0	1.1	-0.9
<b>Balance on Mar 31, 2013</b>	<b>364.8</b>	<b>114.3</b>	<b>-39.8</b>	<b>-95.4</b>	<b>-86.2</b>	<b>563.0</b>	<b>820.7</b>	<b>28.7</b>	<b>849.4</b>

## Group statement of cash flows (IFRS) – unaudited

EUR million	Q1 2013	Q1 2012	Q1-Q4 2012
<b>Profit for the period*</b>	<b>25.5</b>	25.3	124.1
Adjustments*	<b>33.2</b>	28.2	115.2
Depreciation and amortization*	<b>22.5</b>	21.6	90.0
Share of profit of equity-accounted investments*	<b>-0.7</b>	-0.8	-3.0
Gain/loss from disposal of assets*	<b>0.1</b>	-0.2	-0.6
Financial expense/-income*	<b>6.8</b>	6.2	26.1
Income tax expense*	<b>4.9</b>	2.8	13.3
Other adjustments, operational*	<b>-0.4</b>	-1.4	-10.6
Change in inventory*	<b>-21.9</b>	-22.2	-17.3
Change in non-interest bearing receivables*	<b>-37.8</b>	-14.1	9.1
Change in non-interest bearing payables*	<b>16.2</b>	-5.7	-9.2
Dividends received*	<b>0.1</b>	0.2	4.9
Interest received*	<b>0.4</b>	0.4	2.5
Interest paid*	<b>-5.3</b>	-7.3	-22.3
Other financial expense and income*	<b>-0.6</b>	-0.6	-2.8
Taxes paid*	<b>-4.6</b>	-1.6	-14.0
<b>Net cash flows from operating activities</b>	<b>5.2</b>	2.6	190.2
Capital expenditure*	<b>-26.8</b>	-13.8	-93.5
Proceeds from selling tangible assets*	<b>0.2</b>	0.3	5.9
Acquired subsidiaries	<b>-</b>	-	-57.5
Proceeds from long-term deposits	<b>0.2</b>	0.2	1.0
Payment of long-term deposits	<b>-0.2</b>	-	-3.6
Proceeds from short-term deposits	<b>2.9</b>	0.4	25.5
Payment of short-term deposits	<b>-1.0</b>	-2.5	-26.9
<b>Net cash flows from investing</b>	<b>-24.7</b>	-15.4	-149.1
Proceeds from long-term borrowings	<b>5.0</b>	41.3	231.3
Repayment of long-term borrowings	<b>-0.5</b>	-9.9	-81.7
Proceeds from short-term borrowings	<b>388.9</b>	440.7	1,136.6
Repayment of short-term borrowings	<b>-391.3</b>	-430.2	-1,279.0
Dividends paid	<b>-</b>	-	-46.7
Proceeds from stock option exercises	<b>0.6</b>	-	11.2
<b>Net cash flows from financing</b>	<b>2.7</b>	41.9	-28.3
<b>Change in liquid assets</b>	<b>-15.4</b>	28.6	12.0
Cash flow based	<b>-16.8</b>	29.1	12.8
Translation difference	<b>1.4</b>	-0.5	-0.8
Liquid assets period start	<b>81.0</b>	69.0	69.0
Liquid assets period end	<b>65.6</b>	97.6	81.0
Free cash flow (including figures marked with *)	<b>-21.4</b>	-10.9	102.6

## Notes for the results report

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. Except for the accounting policy changes listed below, the same accounting policies have been applied in the interim financial statements as in the annual financial statements for 2012.

The Group has adopted the following IFRS standards and interpretations considered applicable to Huhtamaki, with effect from January 1, 2013:

- Revised IAS 19 Employee Benefits. The corridor approach is removed and all actuarial gains and losses are recognized in other comprehensive income when incurred. The Group reports the service cost in personnel expenses and the net interest in financial items. The net interest is determined by applying the discount rate used to measure the defined benefit obligation instead of previously used expected rate of return for plan assets.
- IFRS 11 Joint Arrangements. The Group currently has an interest in a joint arrangement, which is classified as a joint venture and consolidated using the equity method instead of previously used proportional consolidation method. The Group's share of profit of equity-accounted investments is reported above earnings before interest and taxes.
- Amended IAS 1 Presentation of Items of Other Comprehensive Income. According to the amendment items that would be reclassified to the income statement at a future point of time are presented separately in the statement of comprehensive income.
- IFRS 13 Fair Value Measurement and Annual improvements (May 2012). New disclosures on financial assets and liabilities have been added to the interim financial statements.

The following new and amended standards, which have been adopted had no impact on the interim financial statements:

- IFRS 10 Consolidated Financial Statements.
- IFRS 12 Disclosure of Interests in Other Entities.
- Revised IAS 28 Investments in Associates and Joint Ventures.

## 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 2013	Q1-Q4 2012	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Flexible Packaging	148.9	572.6	134.0	141.6	147.6	149.4
- Intersegment net sales	0.2	0.7	0.1	0.2	0.1	0.3
Films	47.2	187.2	42.0	46.5	50.3	48.4
- Intersegment net sales	1.4	4.3	0.6	1.2	1.1	1.4
North America	163.8	700.9	179.2	176.8	189.0	155.9
- Intersegment net sales	0.8	3.4	0.9	1.0	0.7	0.8
Molded Fiber	59.9	235.1	58.9	57.9	59.2	59.1
- Intersegment net sales	0.7	2.2	0.6	0.7	0.5	0.4
Foodservice Europe-Asia-Oceania	148.6	625.4	161.5	161.5	168.4	134.0
- Intersegment net sales	1.0	1.4	0.7	0.1	0.3	0.3
Elimination of intersegment net sales	-4.1	-12.0	-2.9	-3.2	-2.7	-3.2
Segments total	568.4	2,321.2	575.6	584.3	614.5	546.8

### EBIT

EUR million	Q1 2013	Q1-Q4 2012	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Flexible packaging	11.2	44.6	10.0	10.9	11.7	12.0
Films	1.8	9.2	0.8	2.5	3.0	2.9
North America	7.8	53.0	10.4	13.4	19.7	9.5
Molded Fiber	7.1	26.4	6.4	6.9	6.3	6.8
Foodservice Europe-Asia-Oceania	8.4	38.1	10.9	9.7	12.5	5.0
Other activities	0.9	-7.8	-2.6	0.3	-3.6	-1.9
Segments total	37.2	163.5	35.9	43.7	49.6	34.3

## Segments (continued)

### EBITDA

EUR million	Q1 2013	Q1-Q4 2012	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Flexible Packaging	15.5	62.0	14.4	15.0	16.0	16.6
Films	3.8	17.2	2.7	4.6	5.0	4.9
North America	14.3	78.2	17.1	19.9	25.7	15.5
Molded Fiber	10.0	38.2	9.3	9.9	9.2	9.8
Foodservice Europe-Asia-Oceania	15.0	64.5	18.0	16.7	18.9	10.9
Other activities	1.1	-6.6	-2.3	0.8	-3.4	-1.7
Segments total	59.7	253.5	59.2	66.9	71.4	56.0

### DEPRECIATION AND AMORTIZATION

EUR million	Q1 2013	Q1-Q4 2012	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Flexible Packaging	4.3	17.4	4.4	4.1	4.3	4.6
Films	2.0	8.0	1.9	2.1	2.0	2.0
North America	6.5	25.2	6.7	6.5	6.0	6.0
Molded Fiber	2.9	11.8	2.9	3.0	2.9	3.0
Foodservice Europe-Asia-Oceania	6.6	26.4	7.1	7.0	6.4	5.9
Other activities	0.2	1.2	0.3	0.5	0.2	0.2
Segments total	22.5	90.0	23.3	23.2	21.8	21.7

### NET ASSETS ALLOCATED TO THE SEGMENTS

EUR million	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Flexible Packaging	344.9	325.1	329.7	324.8	320.9
Films	152.8	149.4	154.1	154.4	155.6
North America	494.2	453.2	479.1	471.5	442.9
Molded Fiber	163.4	159.3	161.0	163.3	169.5
Foodservice Europe-Asia-Oceania	356.8	352.1	349.8	364.1	290.2

### CAPITAL EXPENDITURE

EUR million	Q1 2013	Q1-Q4 2012	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Flexible Packaging	3.6	19.8	9.3	3.9	3.8	2.8
Films	0.6	5.5	2.3	1.0	1.8	0.4
North America	18.0	31.5	11.0	8.9	6.8	4.8
Molded Fiber	2.5	13.6	10.3	1.0	1.5	0.8
Foodservice Europe-Asia-Oceania	2.1	22.3	6.3	4.7	6.3	5.0
Other activities	0.0	0.8	0.2	0.2	0.4	0.0
Segments total	26.8	93.5	39.4	19.7	20.6	13.8

### RONA (12m roll.)

	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Flexible Packaging	13.3%	13.8%	13.6%	10.4%	9.9%
Films	5.3%	6.0%	5.3%	6.3%	5.7%
North America	11.0%	11.7%	11.8%	11.7%	11.5%
Molded Fiber	16.4%	16.1%	15.1%	13.8%	12.5%
Foodservice Europe-Asia-Oceania	12.1%	11.6%	10.5%	9.7%	8.8%

### OPERATING CASH FLOW

EUR million	Q1 2013	Q1-Q4 2012	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Flexible Packaging	-2.9	42.2	20.5	9.3	7.5	4.9
Films	-2.5	12.2	6.8	1.7	4.1	-0.4
North America	-15.1	26.2	26.6	7.6	8.4	-16.4
Molded Fiber	3.2	25.5	1.5	7.8	12.1	4.1
Foodservice Europe-Asia-Oceania	6.8	42.8	11.7	19.4	7.3	4.4



## Other information

### KEY INDICATORS

	Q1 2013	Q1-Q4 2012	Q1 2012
Equity per share (EUR)	7.97	7.59	7.92
ROE, % (12m roll.)	15.4	15.8	11.8
ROI, % (12m roll.)	12.9	12.6	10.5
Personnel	14,357	14,228	12,619
Profit before taxes (EUR million, 12m roll.)	139.7	137.4	110.4
Depreciation (EUR million)	20.5	82.3	20.1
Amortization of other intangible assets (EUR million)	2.0	7.7	1.7

### CONTINGENT LIABILITIES

EUR million	Mar 31 2013	Dec 31 2012	Mar 31 2012
Mortgages	-	-	14.5
Guarantee obligations	0.4	0.4	0.4
Lease payments	58.2	57.9	53.6
Capital expenditure commitments	37.9	29.0	29.8

### FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

EUR million	Mar 31 2013	Dec 31 2012	Mar 31 2012
Fair value through profit and loss - assets			
Currency forwards, transaction risk hedges	1.6	1.7	0.6
Currency forwards, translation risk hedges	0.1	1.4	0.5
Currency forwards, for financing purposes	0.6	1.1	0.6
Currency options, transaction risk hedges	0.1	0.0	-
Interest rate swaps	0.2	0.0	0.7
Cross currency swaps	5.9	2.4	2.9
Electricity forwards	0.0	-	-
Available-for-sale investments	1.3	1.3	1.2
Fair value through profit and loss - liabilities			
Currency forwards, transaction risk hedges	0.7	0.5	1.4
Currency forwards, translation risk hedges	0.9	0.2	0.2
Currency forwards, for financing purposes	1.4	1.1	1.2
Currency options, transaction risk hedges	0.1	0.0	-
Interest rate swaps	3.3	3.3	3.3
Cross currency swaps	1.7	2.0	1.7
Electricity forwards	0.1	0.1	0.1

Valuation techniques based on observable market data are used to measure the fair values of the above financial instruments, except for the electricity forwards. Fair values of the electricity forwards are based on quoted prices in active markets.

### INTEREST-BEARING LIABILITIES

EUR million	Mar 31 2013		Dec 31 2012		Mar 31 2012	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Non-current	433.3	429.3	427.4	420.9	292.9	289.5
Current	89.7	89.7	85.9	85.9	237.1	237.1
Total	523.0	519.0	513.3	506.8	530.0	526.6

## Other information (continued)

### EXCHANGE RATES

<b>Income statement, average:</b>	<b>Q1 2013</b>	<b>Q1 2012</b>
AUD 1 =	0.7893	0.8050
GBP 1 =	1.1836	1.1982
INR 1 =	0.0140	0.0152
RUB 1 =	0.0249	0.0253
THB 1 =	0.0254	0.0246
USD 1 =	0.7607	0.7627

  

<b>Statement of financial position, month end:</b>	<b>Mar 31 2013</b>	<b>Mar 31 2012</b>
AUD 1 =	0.8125	0.7791
GBP 1 =	1.1826	1.1992
INR 1 =	0.0144	0.0147
RUB 1 =	0.0251	0.0254
THB 1 =	0.0267	0.0243
USD 1 =	0.7809	0.7487

## Other information (continued)

### SHARE CAPITAL AND SHAREHOLDERS

At the end of the reporting period, the Company's registered share capital was EUR 364,834,351.40 (360,657,108.00) corresponding to a total number of shares of 107,304,221 (106,075,620) including 4,332,589 (4,591,089) Company's own shares. The accountable par value of the Company's own shares was EUR 3.40 per share, totaling EUR 14,730,802.60 (EUR 15,609,702.60) which represents 4.0% (4.3%) of the total number of shares and voting rights. The amount of outstanding shares excluding the Company's own shares was 102,971,632 (101,484,531).

There were 24,932 (25,447) registered shareholders at the end of the reporting period. Foreign ownership including nominee registered shares accounted for 35% (28%).

### SHARE DEVELOPMENTS

As of January 1, 2013 the Company's share is quoted on NASDAQ OMX Helsinki Ltd on the Nordic Large Cap list under the industry classification Industrials (sub-industry classification Industrial Goods and Services). As of February 1, 2013 the Company's share is a component of the OMX Helsinki 25 Index.

At the end of the reporting period the Company's market capitalization was EUR 1,645 million (EUR 1,156 million) and EUR 1,579 million (EUR 1,106 million) excluding the Company's own shares. With a closing price of EUR 15.33 (EUR 10.90) the share price increased by 25% (19%) from the beginning of the year, while the OMX Helsinki Cap PI Index increased by 6% (13%) and the OMX Helsinki Industrials PI Index increased by 10% (14%). During the reporting period the volume weighted average price for the Company's share was EUR 13.97 (EUR 9.96). The highest price paid was EUR 15.50 and the lowest price paid was EUR 12.32.

### SHARE TRADING

During the reporting period the cumulative value of the Company's share turnover on NASDAQ OMX Helsinki Ltd was EUR 147 million (EUR 138 million). The trading volume of 11 million (14 million) shares equaled an average daily turnover of EUR 2.4 million (EUR 2.1 million) or, correspondingly 170,542 (216,437) shares.

In addition to NASDAQ OMX Helsinki Ltd, the Company's shares can also be traded on alternative trading venues, such as BATS Chi-X, Burgundy and Turquoise. During the reporting period 38% (32%) of all trading took place outside NASDAQ OMX Helsinki Ltd. The cumulative value of the Company's share turnover on NASDAQ OMX Helsinki Ltd and alternative trading venues was EUR 239 million (EUR 203 million) in the reporting period. (Source: Fidessa Fragmentation Index, [www.fragmentation.fidessa.com](http://www.fragmentation.fidessa.com))

The total turnover of the Company's 2006 C option rights was EUR 1,094,562.10 corresponding to a trading volume of 135,170 option rights. In January 1 – March 31, 2012 turnover of the Company's 2006 B and C option rights was EUR 929,345.51 corresponding to a trading volume of 396,020 option rights.

### DEFINITIONS FOR KEY INDICATORS

EPS attributable to equity holders of the parent company =

$$\frac{\text{Profit for the period - non-controlling interest}}{\text{Average number of shares outstanding}}$$

EPS attributable to equity holders of the parent company (diluted) =

$$\frac{\text{Diluted profit for the period - non-controlling interest}}{\text{Average fully diluted number of shares outstanding}}$$

Net debt to equity (gearing) =

$$\frac{\text{Interest bearing net debt}}{\text{Equity + non-controlling interest}}$$

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) =

$$\frac{100 \times (\text{Profit for the period}) (12 m roll.)}{\text{Equity + non-controlling interest (average)}}$$

Return on investment (ROI) =

$$\frac{100 \times (\text{Profit before taxes + interest expenses + net other financial expenses}) (12 m roll.)}{\text{Statement of financial position total - Interest-free liabilities (average)}}$$

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