Quarterly Report January 1 - June 30, 2002

For consumer packaging specialist Huhtamaki, the second quarter of 2002 resulted in continued profit improvement despite soft market conditions leading to a slight decline in sales volume. Comparable sales were steady in Europe and declined in North America, while growth continued in the emerging markets of Asia, Oceania and Africa.

The Group EBITA margin improved by a full percentage point in the second quarter, to 11.3%. This reflects concentration to quality business, rationalization benefits, as well as the successful management of plastic raw materials prices, which increased significantly during the quarter. Timely currency hedging mitigated the effects of the weakening of the U.S. dollar.

Helped by a reduced number of shares in issue, earnings per share (before amortization) for the quarter were up by 33%, and the corresponding six-month figure improved by 37%, to EUR 2.89.

Key figures

EUR million	Q2	Change %	H1	Change %
Net sales	607	- 6	1,165	- 4
EBITA	69	+ 3	118	+ 5
EBITA margin, %	11.3	-	10.1	-
Profit before taxes	47	+ 7	74	+ 14
Net income	34	+ 9	51	+ 16
EPS*, EUR	1.78	+ 33	2.89	+ 37
ROI*, %	-	-	12.6	-

* Before amortization of goodwill and other intangible assets

A clear market recovery now appears less certain than early in the year. Price increases already agreed will nevertheless strengthen the sales figures in the third quarter, and important new products are gaining volume.

Huhtamaki is on track with its internal rationalization program. With conclusive measures to boost operational efficiency in implementation, and the exit from unattractive business segments largely accomplished, the company is confident about reaching an improvement in earnings per share in 2002, as well as meeting its 10% EBITA margin target for 2003. Efforts to accelerate growth through innovation and partnership with key customers will be further intensified.

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

Sales reflecting hesitant business climate

During the second quarter of 2002, the demand for consumer packaging was stable in most markets. In the United States, however, June was unexpectedly slow in all main categories. By contrast, strong growth continued in Asia.

Net sales for the quarter amounted to EUR 607 million, 6% below the previous year's figure. Sales volume, lower prices and product mix, as well as divested operations each explain for one percentage point of the decline, while adverse currency movements, mainly the weakening of the U.S. dollar, account for the rest.

At EUR 1,165 million, the six-month net sales were 4% below the previous year's figure. Over this period, the currency effect was less significant, negative by one percentage point, while the other growth parameters were closely in line with the second quarter. Europe accounted for 53% of the six-month sales, Americas 33%, and Asia, Oceania and Africa 14%. Finland's share of the total production was 4%.

European sales declined moderately during the second quarter, whereby the region's six-month sales amounted to EUR 615 million, down by 4%. The development reflects company divestments in 2001 as well as the exit from unattractive business segments. The demand for rigid packaging was steady, with strong sales of ice cream packaging offsetting the largely voluntary decline in dairy and edible fats containers. The flexibles and films units enjoyed good demand. Most molded fiber operations had a satisfactory quarter. Compared to previous quarters, Central Europe remained firm and South Europe showed cautious improvement, whereas demand in the U.K., Scandinavia and East Europe weakened somewhat.

Rationalization benefits and concentration to higher value added segments contributed to improving profitability across Europe. The EBITA from the region improved by 8% in the second quarter and by 12% in January-June, to EUR 57 million or 9.3% of net sales. RONA (return on net assets excluding goodwill) from the region improved to 15.2% from 12.2% a year ago.

The second quarter figures for the Americas, expressed in Euros, were affected by the weakening of the U.S. dollar. Net sales in the Americas amounted to EUR 204 million, down by 14% against the previous year's figure. In U.S. dollars, the decline was 10%. The corresponding six-month sales declined by 9% to EUR 388 million. Softness in the food service segment category continued, and consumer goods packaging suffered from order delays and volume cutbacks from many major customers. Overall, June was a disappointing month in North America. The Latin American units again posted a satisfactory performance amidst volatile economic conditions.

Higher productivity and efficiency in the Americas were evident the region's EBITA margin. While the second quarter EBITA declined by 9% when translated to Euros, the corresponding margin improved from 10.7% to 11.3%. At EUR 37 million, the six-month EBITA from Americas was up marginally, corresponding to 9.5% of net sales. RONA improved to 16.4% from 14.8%.

Sales in Asia, Oceania and Africa were steady in the second quarter. The six-month sales advanced by 4% to EUR 162 million, largely on the strength of the flexibles business in India and Thailand, as well as rigid packaging in China. Market conditions in Oceania remained soft. The South African operations continued to improve. EBITA from the region improved by 38% for the second quarter and by 41% in January-June, to EUR 16 million. The corresponding EBITA margin improved from 7.2% to 9.8% of net sales, and RONA from 11.3% to 15.0%.

Profit improvement supported by active raw materials, currency management

The realization of synergy and rationalization benefits, focus on working capital reduction, a lower number of shares in issue and an optimal balance sheet structure all contributed to Group's financial health, as evidenced by firmer EBITA margins, a declining trend in inventory levels, the continuing upward trend in earnings per share, as well as improving returns on capital.

The second quarter of 2002 posed two particular financial challenges: managing the sharp rise of key plastic raw materials prices, and coping with the accelerating decline of the U.S. dollar in relation to the Euro.

Raw materials are purchased centrally. The up to 50% increases in plastic spot prices from the start of the year have been a largely European phenomenon caused by supply irregularities. American prices have moved less vigorosly, and Asian spot prices have already come down significantly.

Contract prices, which for the main part are now set on a quarterly basis between Huhtamaki and its key suppliers, do not move as sharply, facilitating the necessary price adjustments to finished products. Plastics prices appear to have stabilized again. Paperboard prices have been agreed for the whole year. Waste paper prices are volatile by nature; even sharp changes normally play a minor role in the pricing and profitability of molded fiber products.

The weakening of the U.S. dollar has been contained in two ways. Transaction exposure for USD-denominated exports and royalty revenue from USA has been hedged at a favorable rate. A larger portion of Group debt has been converted to U.S. dollars during the first half of 2002, already showing in a reduction of total debt in the balance sheet, as well as a decline in financial expenses.

For the second quarter, Group royalty income and unallocated expenses showed a net income of EUR 5 million, whereby total EBITA improved by 3% to EUR 69 million or 11.3% of net sales. Operating profit after amortization of goodwill and other intangible assets (EBIT) amounted to EUR 58 million, up by 4%. The corresponding six-month EBITA was EUR 118 million, up by

5% and 10.1% of net sales. The six-month EBIT increased by 6% to EUR 96 million.

Net financial expenses were EUR 11 million for the quarter, whereby the period's profit before minority interest and taxes amounted to EUR 47 million, up by 7%. The corresponding six-month profit improved by 14% to EUR 74 million. The rolling 12-month pre-tax profit figure improved by 22% to EUR 139 million, EUR 9 million ahead of the result in fiscal 2001. Taxes were EUR 11 million for the second quarter and EUR 19 million for the half-year, 6% ahead of the previous year's figure. Net income increased by 9% to EUR 34 million for the quarter and by 16% to EUR 51 million for the half-year.

Share repurchases and cancellations in 2001 caused the average number of shares in issue to decline from 31.3 million in the first half of 2001 to the current figure of 25.3 million. The full effect of this was evident in earnings per share, which improved by 33% to EUR 1.78 (before amortization) and by 34% to EUR 1.34 (after amortization) for the second quarter. The corresponding six-month figures were EUR 2.89 (+ 37%) before and EUR 2.02 (+ 44%) after amortization. The earnings-accretive effect of the reduced share count will be less pronounced in the third quarter and tape off in the fourth; for the full year, the effect will be approx. 16%.

On a rolling 12-month basis, return on equity (ROE) improved to 14.8% from 11.8% and return on investment (ROI) to 12.6% from 10.5% a year ago. The figures are before amortization.

Favorable Balance Sheet Development

During the second quarter, Huhtamaki's consolidated balance sheet continued to develop favorably. Net debt declined by EUR 51 million to EUR 831 million; from the beginning of the year, the debt has declined by EUR 70 million. Gearing (net debt to equity) declined to 90%, from 93% at the end of March and 94% at the start of the year. At the end of June, interest-bearing liabilities amounted to EUR 860 million.

Capital Expenditure

Capital expenditure for the second quarter amounted to EUR 24 million, bringing the half-year total to EUR 41 million or 25% less than a year ago. New flexibles capacity was under construction in Asia. Site reconstruction in Russia and Poland was approaching completion, and a new Logistics Center in Finland advanced on schedule. The full-year estimate for capital expenditure is approx. EUR 120 million.

Share Developments and Share Capital

Share prices	
January 2	EUR 35.80 *low*
April 18	EUR 49.50 *high*
July 23	EUR 40.70 *latest*

The Huhtamaki share price responded positively to the company's first quarter results and stayed in the vicinity of EUR 48 for the most part of the second quarter. In June, the price slipped to the EUR 44-46 range, as a more pessimistic market sentiment set in. Unrest in world stock markets caused a further decline in July. Even so, the share has performed strongly against the HEX index and, recently, international peer companies.

The average daily trading volume for the first six months was approx. 70,000 shares on the Helsinki Exchanges (HEX). By the end of June, the cumulative turnover was 33% of the shares outstanding.

The share of non-Finnish shareholding continued to increase during the second quarter. At the end of June, foreign ownership amounted to 32.5%, 11.5 percentage points more than at the start of the year. Major Finnish institutions have reduced their holdings accordingly. The U.S. fund management company Tweedy, Browne announced on May 31 that the amount of Huhtamaki shares held under its management has declined just below 5%.

Quoting for the company's 1997 A and B options started on the HEX on April 1, 2002, followed by the 2000 A options from May 2, 2002. By the end of June, some 200,000 options had been traded, representing almost 30% of the options available for exchange.

Following conversions of A-options attached to the 1997 stock option plan, a total of 1,500 new shares were issued on May 30, augmenting the company's share capital by EUR 5,100.

Personnel

Huhtamaki had 16,346 employees at the end of June, 1,775 less than a year earlier. The decline results from the streamlining of manufacturing operations, as well as divestments of non-core operations during 2001.

Outlook

A clear market recovery now appears less certain than early in the year. Price increases already agreed will nevertheless strengthen the sales figures in the third quarter, and important new products are gaining volume.

Huhtamaki is on track with its internal rationalization program. With conclusive measures to boost operational efficiency in implementation, and the exit from unattractive business segments largely accomplished, the company is confident about reaching an improvement in earnings per share in 2002, as well as meeting its 10% EBITA margin target for 2003. Efforts to accelerate growth through innovation and partnership with key customers will be further intensified.

Income Statement

EUR million	H1 2002	H1 2001	Change %	2001	Q2 2002	Q2 2001	Change %
Net sales	**1,165.3**	1,219.5	-4.4	2,382.4	**607.0**	648.7	-6.4
EBITDA	**174.0**	171.0	1.8	334.4	**96.5**	96.9	-0.4
Operating profit (EBITA)	**118.2**	112.5	5.1	221.7	**68.8**	67.0	2.6
EBIT	**96.3**	90.7	6.3	178.3	**58.0**	55.7	4.1
% of net sales	**8.27**	7.43	-	7.48	**9.55**	8.59	-
Net financial +income/-expense	**-22.7**	-26.2	13.4	-49.2	**-11.1**	-11.8	6.4
+Gain/-loss on equity of associated companies	**0.3**	0.4	-21.0	1.1	**0.2**	0.3	-33.6
Profit before minority interest and taxes	**74.0**	64.9	14.0	130.3	**47.1**	44.2	6.6
Taxes	**19.2**	18.1	6.0	36.6	**11.2**	11.5	-2.9
Minority interest	**3.6**	2.8	27.9	6.6	**1.9**	1.6	21.2
Net income	**51.2**	44.0	16.2	87.1	**34.0**	31.1	9.4

Regions

Net Sales

EUR million	H1 2002	H1 2001	Change %	2001	Q2 2002	Q2 2001	Change %
Europe	**615.3**	637.6	-3.5	1,233.2	**320.8**	330.5	-3.0
Americas	**388.4**	427.1	-9.1	825.7	**203.8**	236.3	-13.8
Asia, Oceania, Africa	**161.7**	154.8	4.5	323.5	**82.4**	81.9	0.6
Total	**1,165.3**	1,219.5	-4.4	2,382.4	**607.0**	648.7	-6.4

EBITA and RONA

EUR million	H1 2002	H1 2001	Change %	2001	Q2 2002	Q2 2001	Change %
Europe	**57.0**	50.7	12.3	96.3	**32.5**	30.0	8.2
% of net sales	**9.3**	8.0	-	7.8	**10.1**	9.1	-
RONA % (12 m roll.)	**15.2**	12.2	-	14.7	-	-	-
Americas	**37.1**	36.9	0.4	74.6	**23.1**	25.2	-8.5
% of net sales	**9.5**	8.6	-	9.0	**11.3**	10.7	-
RONA % (12 m roll.)	**16.4**	14.8	-	15.8	-	-	-
Asia, Oceania, Africa	**15.8**	11.2	41.1	27.6	**8.4**	6.1	37.7
% of net sales	**9.8**	7.2	-	8.5	**10.2**	7.4	-
RONA % (12 m roll.)	**15.0**	11.3	-	12.6	-	-	-

Categories

Net Sales

EUR million	H1 2002	H1 2001	Change %	2001	Q2 2002	Q2 2001	Change %
Consumer Goods	**665.6**	668.1	-0.4	1,295.7	**338.1**	347.5	-2.7
Food Service	**499.7**	551.4	-9.4	1,086.7	**268.9**	301.2	-10.7
Total	**1,165.3**	1,219.5	-	2,382.4	**607.0**	648.7	-

EBITA

EUR million	H1 2002	H1 2001	Change %	2001	Q2 2002	Q2 2001	Change %
Consumer Goods	**57.3**	47.3	21.1	93.0	**29.1**	28.5	2.1
% of net sales	**8.6**	7.1	-	7.2	**8.6**	8.2	-
Food Service	**52.5**	51.5	1.9	105.5	**34.9**	32.5	7.4
% of net sales	**10.5**	9.3	-	9.7	**13.0**	10.8	-
Total from operations	**109.8**	98.8	11.1	198.5	**64.0**	61.3	4.4
% of net sales	**9.4**	8.1	-	8.3	**10.5**	9.4	-
Corporate net	**8.4**	13.7	-38.7	23.2	**4.9**	5.6	-12.5
Total	**118.2**	112.5	5.1	221.7	**68.8**	66.9	2.8
% of net sales	**10.1**	9.2	-	9.3	**11.3**	10.3	-

Other key information

	H1 2002	H1 2001	Change %	2001
Earnings per share (EUR)	**2.02**	1.41	43.8	2.97
Earnings per share before amortization (EUR)	**2.89**	2.10	37.3	4.45
Equity per share (EUR)	**33.2**	34.1	-2.8	34.6
ROE, %	**10.3**	7.4	39.2	8.6
ROI , %	**10.3**	8.6	19.8	9.6
ROI before amortization, %	**12.6**	10.5	20.0	11.8
ROE before amortization, %	**14.8**	11.8	25.4	12.6
Capital expenditure	**41.3**	55.1	-25.0	144.0
Personnel	**16,346**	18,121	-9.8	16,417
Profit before minority interest and taxes EUR million (12m roll.)	**139.4**	114.4	21.8	130.3
Depreciation	**54.5**	57.7	-5.6	110.8
Amortization	**23.2**	22.6	2.7	45.2

	Jun 30 2002	Jun 30 2001	Change %	Dec 31 2001
Net debt	**830.9**	856.1	-2.9	901.1
Gearing	**0.90**	0.75	-	0.94

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

Income statement:
Average

H1/02	GBP	1=1.608
	INR	1=0.023
	AUD	1=0.596
	USD	1=1.114
H1/01	GBP	1=1.604
	INR	1=0.024
	AUD	1=0.581
	USD	1=1.114
2001	GBP	1=1.608
	INR	1=0.024
	AUD	1=0.577
	USD	1=1.117

Balance sheet:
Month end

June/02	GBP	1=1.539
	INR	1=0.021
	AUD	1=0.565
	USD	1=1.003
June/01	GBP	1=1.658
	INR	1=0.025
	AUD	1=0.598
	USD	1=1.179
Dec/01	GBP	1=1.643
	INR	1=0.024
	AUD	1=0.579
	USD	1=1.135

Balance sheet

EUR million	**Jun 30 2002**	%	Jun 30 2001	%	Dec 31 2001	%
Assets						
Intangible assets	**681.0**	26.7	778.2	26.9	730.7	27.6
Tangible assets	**934.3**	36.7	1,048.2	36.3	1,010.3	38.1
Investments	**6.1**	0.2	7.9	0.3	7.7	0.3
Inventory	**308.2**	12.1	342.5	11.9	287.9	10.9
Interest bearing receivables	**13.9**	0.5	13.5	0.5	11.6	0.4
Other receivables	**589.2**	23.1	652.3	22.6	584.4	22.0
Cash and marketable securities	**15.7**	0.6	47.2	1.6	18.2	0.7
	2,548.3	100.0	2,889.8	100.0	2,650.8	100.0
Liabilities and equity						
Shareholders' equity	**839.2**	32.9	1,068.5	37.0	874.6	33.0
Minority interest	**79.5**	3.1	79.8	2.8	80.4	3.0
Interest bearing liabilities	**860.5**	33.8	916.8	31.7	930.9	35.1
Other current liabilities	**769.1**	30.2	824.6	28.5	764.9	28.9
	2,548.3	100.0	2,889.8	100.0	2,650.8	100.0

Contingent liabilities

EUR million	**Jun 30 2002 Group**	**Jun 30 2002 Parent**	Jun 30 2001 Group	Jun 30 2001 Parent	Dec 31 2001 Group	Dec 31 2001 Parent
Mortgages	**6.2**	**0.3**	9.3	0.7	7.0	0.2
Guarantee obligations						
For subsidiaries	**-**	**894.8**	-	858.1	-	938.4
For associated companies	**-**	**-**	-	-	-	0.4
For others	**1.1**	**1.1**	-	-	1.1	1.1
Lease payments	**70.5**	**0.5**	47.7	0.3	61.1	0.5

Outstanding off-balance sheet instruments

EUR million	**Jun 30 2002 Group**	Jun 30 2001 Group	Dec 31 2001 Group
Currency forwards, transaction risk hedges	**39**	67	68
Currency forwards, translation risk hedges	**58**	0	0
Currency swaps,financing hedges	**50**	445	57
Currency options	**5**	0	0
Forward rate agreements, gross	**10**	0	50
Forward rate agreements, net	**10**	0	50
Interest rate swaps	**424**	207	240
Interest rate options	**10**	0	0

HUHTAMAKI
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