

# Interim Report January 1 – June 30, 2004



## VOLUME GROWTH AND PROFIT IMPROVEMENT CONTINUED IN THE SECOND QUARTER

Worldwide consumer packaging specialist Huhtamaki reports continued volume growth and profit improvement in the seasonally important second quarter of 2004, in line with the trend already visible in the first quarter. The sales volume increased by 6% in the quarter, mainly reflecting the ongoing recovery in North America. Product mix/price changes (- 4%), and adverse currency translations (- 2%) led to unchanged reported sales in the quarter. At EUR 1,052 million, net sales in the first half of the year were down by 2%.

The operating profit improved by 11% from the second quarter of 2003 to EUR 46 million. The profit before taxes was up by 16% and earnings per share by 15%. A clear improvement was evident in the six-month financial results as well. The profit before taxes was up by 12% and earnings per share by 13% against the first half of 2003.

NOTE: As of January 1, 2004, Huhtamaki has adopted the new IFRS 3 standard, according to which goodwill is not amortized but impairment tested. All commentary in this report is based on comparable figures.

### Key figures

EUR million	Q2 2004	Change y-o-y, %	H1 2004	Change y-o-y, %
Net sales	556	-	1,052	-2%
Operating profit	46	11%	84	5%
% of net sales	8.3	-	7.9	-
Profit before taxes	37	16%	67	12%
Net income	29	17%	52	12%
EPS, EUR	0.30	15%	0.54	13%
ROE, %	-	-	10.9	-
ROI, %	-	-	9.0	-

### Regional sales and volume developments

EUR million	Q2 2004	Sales change, %	Volume change, %	H1 2004	Sales change, %	Volume change, %
Europe	308	-2%	1%	590	-3%	1%
Americas	165	9%	16%	299	8%	14%
A-O-A	82	4%	3%	163	4%	4%
Total	556	2%	6%	1,052	1%	5%

Change reported at constant exchange rates.

### Outlook

The first half of 2004 progressed according to plans, with factory start-ups on schedule and recent restructuring measures resulting in efficiency improvements. Despite persistent plastic raw materials price pressures and market softness in Europe, the second half of the year should also exceed the corresponding period last year, whereby the company expects an improvement in the full-year earnings per share.

Espoo, Finland, July 22, 2004  
Huhtamäki Oyj  
Board of Directors



## Business review

In **Europe**, reported net sales declined by 2% to EUR 308 million in the second quarter. For the first six months, the corresponding figure was EUR 590 million (- 4%).

Sales volumes grew by 1% in the quarter, but product mix and, to a lesser extent price changes diminished the reported figure by 3%. The developments reflect both general market softness and the transfer of EUR 30 million (annualized) worth of business to the Americas. The sales of Consumer Goods packaging declined slightly, with softness persisting in rigid packaging and the demand for flexibles and films recovering only toward the end of the period. The molded fiber business was solid and sales of Foodservice packaging on the previous year's level.

The region's operating profit amounted to EUR 23 million in the second quarter against EUR 24 million a year ago. At EUR 41 million, the corresponding six-month figure showed a decline of 14%. The operating profit margin for the second quarter was unchanged at 7.5% but declined from 7.8% a year ago to 7.0% for the first half of the year. RONA was 9.3% against 9.9% at year-end 2003 and 10.5% a year ago.

In the **Americas**, net sales grew by 2% to EUR 165 million in the quarter, while the first-half sales amounted to EUR 299 million, still down by 2%. Sales volumes increased by 16% in the quarter. Currency translations lowered the reported figure by 7% and mix/price changes by another 7%. New businesses won in 2003 and early 2004 boosted the sales of Consumer Goods packaging, and strong growth was evident in the Chinet® retail products business. The successful launch of local films and flexibles production in North

and South America also contributed to volume growth.

The region's operating profit increased by 24% to EUR 13 million in the quarter and by 22% to EUR 19 million in the first half. The operating profit margin improved to 7.6% (6.3%) for the quarter and to 6.2% (5.0%) for the first half. RONA was 3.9% against 3.3% at year-end and 5.9% a year ago.

**Asia, Oceania and Africa** reported net sales of EUR 82 million for the second quarter, up by 6%. The January-June sales also increased by 6% to EUR 163 million. Sales volumes increased by 3% in the quarter and currency translations added another 3% to the reported number. Both business segments were in growth.

The region's operating profit for the quarter was EUR 5 million, slightly below prior. The startup phase of the new flexibles factory in Vietnamese factory had a dampening effect. The corresponding figure for the first half was EUR 11 million, unchanged from last year's. A moderate decline of the operating profit margin was evident, from 6.5% to 5.5% in the quarter and from 7.0% to 6.6% in the first half. RONA was 7.4% against 7.3% at year-end and 9.5% a year ago.

## Financial review

**Operating Profit before corporate items** amounted to EUR 40 million (+ 3%) in the second quarter and to EUR 70 million (- 5%) in the first half. Group income and unallocated expense showed a net income of EUR 6 million in the quarter, compared to EUR 3 million previously. The corresponding six-month figure was EUR 13 million against EUR 6 million a year ago. Approximately half of this improvement is due to a higher allocation of corporate costs to

operating units, while the other half represents higher income.

**The Group Operating Profit** increased to EUR 46 million (+ 11%) in the second quarter, corresponding to an operating profit margin of 8.3% (7.5%) of net sales. The respective figures for the first half were EUR 84 million (+ 5%) for the operating profit and 7.9% (7.4%) for the operating profit margin.

**Net financial expenses** declined to EUR 9 million in the quarter compared to EUR 10 million a year ago. Hence, the **profit before taxes** improved by 16% to EUR 37 million. In the first half, net financial expenses declined from EUR 21 million to EUR 17 million, leading to a pre-tax profit of EUR 67 million (+ 12%).

**Taxes** amounted to EUR 7 million (+ 14%) in the quarter and to EUR 13 million (+ 14%) in the first half, while minority interest remained flat at EUR 1 million. The resulting **net income** was EUR 29 million (+ 17%) in the quarter and EUR 52 million (+ 12%) in the first half.

The average number of shares declined from 96.4 million to 96.2 million, reflecting mainly share repurchases undertaken in 2003. **Earnings per share** improved by 15% from EUR 0.26 to EUR 0.30. The corresponding improvement in the first half was 13%, from EUR 0.48 to EUR 0.54

Calculated on a rolling 12-month basis, return on investment (**ROI**) was 9.0%, up by 0.4 percentage points from December 2003 but 1.4 percentage points down from the second quarter of 2003. At 10.9%, return on equity (**ROE**) was slightly up from the year-end figure of 10.3% and



2.1 percentage points below the corresponding figure a year ago.

### Financial position

A **dividend** of EUR 36.5 million was paid during the quarter.

**Cash flows from operating activities** in the second quarter amounted to EUR 32 million (EUR 56 million in 2003), whereby the corresponding figure for the first half of the year showed a steep increase, from EUR 56 million to EUR 85 million. In similar pattern **free cash flow** declined to EUR 14 million in the second quarter (EUR 37 million) but increased to EUR 53 million in the first half (EUR 21 million).

**Net debt** stood at EUR 765 million at the end of June, down by EUR 6 million from year-end 2003 and by EUR 92 million from June 2003.

**Gearing** improved to 96%, compared with 100% at year-end.

**Capital expenditure** amounted to EUR 18 million for the quarter and to EUR 32 million for the first six months. Full-year capital expenditure will remain below EUR 100 million.

### Share Developments

#### Share prices

January 2	EUR 9.40 <i>low</i>
April 27	EUR 11.45 <i>high</i>
June 30	EUR 10.55

The Huhtamäki share price was EUR 10.55 on June 30, up by 13% from EUR 9.35 at the end of 2003. During the same period, the HEX portfolio index advanced by 4%. A total of 301,600 new shares of Huhtamäki Oyj were issued during June following conversions of stock options attached to the company's 1997 A and B as well as 2000 A and B stock option plans. The corresponding increase in the

company's share capital was EUR 1,025,440.

Share turnover during the first half amounted to EUR 335.0 million (EUR 215.7 million) with 32,375,538 (24,301,402) shares traded. Shareholders' equity amounted to EUR 785 million at the end of June, compared with a market capitalization on the Helsinki Stock Exchange of EUR 1.1 billion. Foreign ownership increased from 24% at year-end to 26% at the end of June.

### Management changes

On June 7, the Board of Directors appointed Mr. Heikki Takanen (52), Chief Purchasing Officer of AB Electrolux and a Swedish citizen of Finnish parentage, as the new CEO of Huhtamäki Oyj with effect from September 1, 2004. At that point, the present CEO Timo Peltola will retire from active management and continue his service as a Board member.

In May, Mr. Mark Staton, Executive VP Americas, announced his resignation in order to pursue a career outside the company. His duties were assigned, for the time being, to Mr. Kalle Tanhuanpää, Executive VP Marketing and Development, who is currently based in North America.

### Personnel

At the end of June, Huhtamäki had 15,914 employees (16,193). The decline is mainly attributable to restructuring measures.

### Changes to accounting principles

The IASB has issued a new standard IFRS 3 Business Combinations on March 31, 2004. Revisions were also made to IAS 36 Impairment of Assets and IAS 38 Intangible Assets. These standards have been adopted as of January 1, 2004. In accordance with the new

standard, goodwill and other intangible assets with an indefinite useful life are not amortized. Instead these assets are tested at least annually for impairment according to IAS 36. Consequently goodwill items are not amortized since December 31, 2003. No impairment losses have been recognized in the first half of 2004.

## Income statement

EUR million	H1	H1	Change	2003	Q2	Q2	Change
	2004	2003	%		2004	2003	%
Net sales	1,051.8	1,074.4	-2.1%	2,108.3	555.5	555.6	0.0%
Operating profit before depreciations	136.0	130.8	4.0%	239.7	72.5	66.7	8.7%
Operating profit	83.5	79.8	4.6%	136.6	46.0	41.5	10.8%
-% of net sales	7.9%	7.4%	-	6.5%	8.3%	7.5%	-
EBIT	83.5	59.7	39.9%	96.6	46.0	31.5	46.0%
-% of net sales	7.9%	5.6%	-	4.6%	8.3%	5.7%	-
Net financial items	-17.0	-21.0	19.0%	-42.7	-8.9	-9.8	9.2%
Income of associated companies	0.2	0.5	-60.0%	0.8	0.1	0.4	-75.0%
Profit before taxes	66.7	39.2	70.2%	54.8	37.2	22.1	68.3%
Taxes	-13.3	-11.7	-13.7%	-15.8	-7.3	-6.4	-14.1%
Minority interest	-1.1	-1.1	0.0%	-2.7	-0.6	-0.6	0.0%
Net income	52.3	26.4	98.1%	36.3	29.3	15.1	95.4%
Earnings per share (EUR)	0.54	0.27	100.0%	0.38	0.30	0.15	100.0%
Earning per share (EUR) - diluted	0.54	0.27	100.0%	0.38	0.30	0.15	100.0%
Earnings per share before amortization (EUR)	0.54	0.48	12.5%	0.79	0.30	0.26	15.4%
Earnings per share before amortization (EUR) - diluted	0.54	0.48	12.5%	0.79	0.30	0.26	15.4%

## Regions

### Net Sales

EUR million	H1	H1	Change	2003	Q2	Q2	Change
	2004	2003	%		2004	2003	%
Europe	589.6	614.9	-4.1%	1,185.4	307.9	315.3	-2.3%
Americas	298.9	305.5	-2.2%	599.6	165.4	162.8	1.6%
Asia, Oceania, Africa	163.3	154.0	6.0%	323.3	82.2	77.5	6.1%
Total	1,051.8	1,074.4	-2.1%	2,108.3	555.5	555.6	0.0%

Intersegment sales is not significant.

### Operating profit

EUR million	H1	H1	Change	2003	Q2	Q2	Change
	2004	2003	%		2004	2003	%
Europe	41.1	47.7	-13.8%	81.8	23.2	23.8	-2.5%
% of net sales	7.0%	7.8%	-	6.9%	7.5%	7.5%	-
Americas	18.5	15.2	21.7%	20.2	12.6	10.2	23.5%
% of net sales	6.2%	5.0%	-	3.4%	7.6%	6.3%	-
Asia, Oceania, Africa	10.8	10.8	0.0%	20.4	4.5	5.0	-10.0%
% of net sales	6.6%	7.0%	-	6.3%	5.5%	6.5%	-
Operating profit before corporate items	70.4	73.7	-4.5%	122.4	40.3	39.0	3.3%
% of net sales	6.7%	6.9%	-	5.8%	7.3%	7.0%	-
Corporate net	13.1	6.1	114.8%	14.2	5.7	2.5	128.0%
Total	83.5	79.8	4.6%	136.6	46.0	41.5	10.8%
% of net sales	7.9%	7.4%	-	6.5%	8.3%	7.5%	-

<b>EBIT</b>							
<b>EUR million</b>	<b>H1 2004</b>	<b>H1 2003</b>	<b>Change %</b>	<b>2003</b>	<b>Q2 2004</b>	<b>Q2 2003</b>	<b>Change %</b>
Europe	41.1	39.2	4.8%	64.8	23.2	19.5	19.0%
% of net sales	7.0%	6.4%	-	5.5%	7.5%	6.2%	-
Americas	18.5	6.6	180.3%	3.3	12.6	6.0	110.0%
% of net sales	6.2%	2.2%	-	0.6%	7.6%	3.7%	-
Asia, Oceania, Africa	10.8	7.8	38.5%	14.3	4.5	3.5	28.6%
% of net sales	6.6%	5.1%	-	4.4%	5.5%	4.5%	-
Corporate net	13.1	6.1	114.8%	14.2	5.7	2.5	128.0%
<b>Total</b>	<b>83.5</b>	<b>59.7</b>	<b>39.9%</b>	<b>96.6</b>	<b>46.0</b>	<b>31.5</b>	<b>46.0%</b>
% of net sales	7.9%	5.6%	-	4.6%	8.3%	5.7%	-

#### NET ASSETS and RONA % (12 m. roll.)

<b>EUR million</b>	<b>Jun 30 2004</b>	<b>Jun 30 2003</b>	<b>Change %</b>	<b>Dec 31 2003</b>
Europe	801.6	836.8	-4.2%	808.5
RONA-%	9.3%	10.5%	-	9.9%
Americas	595.8	636.1	-6.3%	571.4
RONA-%	3.9%	5.9%	-	3.3%
Asia, Oceania, Africa	279.3	282.7	-1.2%	275.9
RONA-%	7.4%	9.5%	-	7.3%

#### Business Segments

##### Net Sales

<b>EUR million</b>	<b>H1 2004</b>	<b>H1 2003</b>	<b>Change %</b>	<b>2003</b>	<b>Q2 2004</b>	<b>Q2 2003</b>	<b>Change %</b>
Consumer Goods	705.1	726.4	-2.9%	1,406.2	360.0	362.2	-0.6%
Foodservice	346.7	348.0	-0.4%	702.1	195.5	193.4	1.1%
<b>Total</b>	<b>1,051.8</b>	<b>1,074.4</b>	<b>-2.1%</b>	<b>2,108.3</b>	<b>555.5</b>	<b>555.6</b>	<b>0.0%</b>

Intersegment sales is not significant.

##### Operating Profit

<b>EUR million</b>	<b>H1 2004</b>	<b>H1 2003</b>	<b>Change %</b>	<b>2003</b>	<b>Q2 2004</b>	<b>Q2 2003</b>	<b>Change %</b>
Consumer Goods	47.3	49.4	-4.3%	79.5	26.2	22.9	14.4%
% of net sales	6.7%	6.8%	-	5.7%	7.3%	6.3%	-
Foodservice	23.1	24.3	-4.9%	42.9	14.1	16.1	-12.4%
% of net sales	6.7%	7.0%	-	6.1%	7.2%	8.3%	-
Operating profit before corporate items	70.4	73.7	-4.5%	122.4	40.3	39.0	3.3%
% of net sales	6.7%	6.9%	-	5.8%	7.3%	7.0%	-
Corporate net	13.1	6.1	114.8%	14.2	5.7	2.5	128.0%
<b>Total</b>	<b>83.5</b>	<b>79.8</b>	<b>4.6%</b>	<b>136.6</b>	<b>46.0</b>	<b>41.5</b>	<b>10.8%</b>
% of net sales	7.9%	7.4%	-	6.5%	8.3%	7.5%	-

#### EBIT

<b>EUR million</b>	<b>H1 2004</b>	<b>H1 2003</b>	<b>Change %</b>	<b>2003</b>	<b>Q2 2004</b>	<b>Q2 2003</b>	<b>Change %</b>
Consumer Goods	47.3	35.4	33.6%	51.5	26.2	15.9	64.8%
% of net sales	6.7%	4.9%	-	3.7%	7.3%	4.4%	-
Foodservice	23.1	18.2	26.9%	30.9	14.1	13.1	7.6%
% of net sales	6.7%	5.2%	-	4.4%	7.2%	6.8%	-
Corporate net	13.1	6.1	114.8%	14.2	5.7	2.5	128.0%
<b>Total</b>	<b>83.5</b>	<b>59.7</b>	<b>39.9%</b>	<b>96.6</b>	<b>46.0</b>	<b>31.5</b>	<b>46.0%</b>
% of net sales	7.9%	5.6%	-	4.6%	8.3%	5.7%	-

## Balance sheet

EUR million	Jun 30		Jun 30		Dec 31	
	2004	%	2003	%	2003	%
<b>ASSETS</b>						
<b>Non-current assets</b>						
Intangible assets	591.0	24.6%	620.7	25.2%	587.2	25.1%
Tangible assets	863.2	35.9%	883.0	35.8%	869.7	37.2%
Investments	3.4	0.1%	5.7	0.2%	3.3	0.1%
Interest bearing receivables	22.3	0.9%	30.2	1.2%	24.5	1.1%
Deferred tax assets	82.6	3.4%	82.1	3.3%	85.8	3.7%
Other non-current assets	80.9	3.4%	85.9	3.5%	81.3	3.5%
	1,643.4	68.3%	1,707.6	69.3%	1,651.8	70.7%
<b>Current assets</b>						
Inventory	292.6	12.2%	297.2	12.1%	268.0	11.4%
Interest bearing receivables	12.3	0.5%	5.7	0.2%	6.4	0.3%
Trade and other current receivables	420.5	17.5%	431.6	17.5%	384.2	16.5%
Cash and cash equivalents	36.6	1.5%	21.3	0.9%	24.7	1.1%
	762.0	31.7%	755.8	30.7%	683.3	29.3%
<b>Total Assets</b>	<b>2,405.4</b>	<b>100.0%</b>	<b>2,463.4</b>	<b>100.0%</b>	<b>2,335.1</b>	<b>100.0%</b>
<b>EQUITY AND LIABILITIES</b>						
Shareholders' equity	784.5	32.6%	765.3	31.1%	755.2	32.4%
Minority interest	14.6	0.6%	14.6	0.6%	14.8	0.6%
	799.1	33.2%	779.9	31.7%	770.0	33.0%
<b>Non-current liabilities</b>						
Interest bearing liabilities	411.9	17.1%	454.0	18.4%	337.2	14.5%
Deferred tax liabilities	111.7	4.6%	106.6	4.3%	112.7	4.8%
Provisions	86.0	3.7%	95.7	3.9%	83.4	3.6%
Other non-current liabilities	142.7	5.9%	150.0	6.1%	149.7	6.4%
	752.3	31.3%	806.3	32.7%	683.0	29.3%
<b>Current Liabilities</b>						
Interest bearing liabilities	424.6	17.6%	460.2	18.7%	489.4	21.0%
Provisions	11.0	0.5%	13.5	0.5%	14.5	0.6%
Other current liabilities	418.4	17.4%	403.5	16.4%	378.2	16.1%
	854.0	35.5%	877.2	35.6%	882.1	37.7%
<b>Total Liabilities and Equity</b>	<b>2,405.4</b>	<b>100.0%</b>	<b>2,463.4</b>	<b>100.0%</b>	<b>2,335.1</b>	<b>100.0%</b>
	<b>Jun 30</b>	<b>Change</b>	<b>Jun 30</b>		<b>Dec 31</b>	<b>Change</b>
	<b>2004</b>	<b>%</b>	<b>2003</b>		<b>2003</b>	<b>%</b>
Net debt	765.3	-10.7%	857.0	-	770.8	-0.7%
Net debt to equity (Gearing)	0.96	-	1.10	-	1.00	-

## Cash Flow Statement

EUR Millions	H1 2004	H1 2003	2003	Q2 2004	Q2 2003
<b>Net income *</b>	<b>52.3</b>	<b>26.4</b>	<b>36.3</b>	<b>29.3</b>	<b>15.1</b>
Adjustments *	78.6	99.2	192.7	39.9	47.7
Change in inventory *	-20.4	-18.4	1.6	2.1	4.8
Change in non-interest bearing receivables *	-42.2	-76.5	-8.7	-41.3	-35.3
Change in non-interest bearing payables *	46.6	58.1	25.4	19.0	37.9
Dividends received *	0.4	0.5	1.4	0.3	0.4
Interest received *	2.6	2.8	5.4	1.7	2.1
Interest paid *	-19.9	-23.1	-45.4	-8.5	-12.6
Other financial expense and income *	-0.8	-0.3	-3.9	-0.8	0.1
Paid taxes *	-12.6	-12.5	-16.2	-9.5	-4.3
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>84.6</b>	<b>56.1</b>	<b>188.6</b>	<b>32.2</b>	<b>56.0</b>
Capital expenditure *	-32.2	-40.8	-117.7	-18.1	-24.0
Proceeds from selling other investments *	0.0	0.1	1.5	0.0	0.2
Proceeds from selling tangible assets *	0.6	5.2	10.5	0.2	4.8
Change in long-term deposits	2.2	0.0	5.6	2.4	-0.1
Change in short-term deposits	-5.8	3.0	2.4	-5.9	2.0
<b>CASH FLOWS FROM INVESTING</b>	<b>-35.2</b>	<b>-32.5</b>	<b>-97.7</b>	<b>-21.5</b>	<b>-17.1</b>
Proceeds from long-term borrowings	108.2	355.2	211.6	0.2	329.7
Repayment of long-term borrowings	-35.7	-325.6	-296.3	-7.0	-276.8
Proceeds from short-term borrowings	799.9	717.8	1,563.5	428.0	248.2
Repayment of short-term borrowings	-877.0	-718.1	-1,513.4	-432.0	-292.4
Dividends paid	-36.5	-36.5	-36.5	-36.5	-36.5
Proceeds from stock option exercises	4.3	-	-	4.3	-
Share repurchases	-	-14.8	-14.8	-	-
<b>CASH FLOWS FROM FINANCING</b>	<b>-36.8</b>	<b>-22.0</b>	<b>-85.9</b>	<b>-43.0</b>	<b>-27.8</b>
<b>CHANGE IN LIQUID ASSETS</b>	<b>12.6</b>	<b>1.6</b>	<b>5.0</b>	<b>-32.3</b>	<b>11.0</b>
Liquid assets period start	24.1	19.7	19.7	69.0	10.3
Liquid assets period end	36.7	21.3	24.7	36.7	21.3
Free cash flow (including figures marked with *)	53.0	20.6	82.9	14.3	37.0



## Changes in shareholders' equity

	Share Capital	Share issue premium	Treasury Shares	Translation Diff.	Fair Value and other reserves	Retained earnings	Total equity	Minority interest	Total equity and minority interest
<b>EUR million</b>									
TOTAL EQUITY AT 1.1.2003	344.2	85.4	-34.1	-70.3	-11.6	491.9	805.5	14.9	820.4
Repurchase of shares			-12.4				-12.4		-12.4
Translation differences				-16.0			-16.0	-0.9	-16.9
Cashflow hedges					-1.7		-1.7		-1.7
Available-for-sale investments					-0.1		-0.1		-0.1
Dividend						-36.5	-36.5	-0.5	-37.0
Net Income for the period						26.4	26.4	1.1	27.5
Other changes					-0.1	0.1	0.1		0.1
BALANCE AT 30.06.2003	344.2	85.4	-46.5	-86.3	-13.5	481.9	765.3	14.6	779.9
<b>EUR million</b>									
BALANCE AT 31.12.2003	344.2	85.4	-46.5	-110.3	-7.7	490.1	755.2	14.8	770.0
Stock options exercised	1.0	1.5			1.7		4.2		4.2
Translation differences				7.2			7.2	0.3	7.5
Cashflow hedges					2.7		2.7		2.7
Dividend						-36.5	-36.5	-1.5	-38.0
Net Income for the period						52.3	52.3	1.1	53.4
Other changes					-0.7		-0.7		-0.7
BALANCE AT 30.06.2004	345.2	86.9	-46.5	-103.1	-3.9	505.9	784.5	14.6	799.1

## Other key information

	H1 2004	H1 2003	Change %	2003
<b>EUR million</b>				
Equity per share (EUR)	8.13	7.96	2.1%	7.85
ROE before amortization, %	10.9	13.0	-	10.3
ROI before amortization, %	9.0	10.4	-	8.6
Capital expenditure	32.2	40.8	-21.1%	117.7
Personnel	15,914	16,193	-1.7%	15,508
Profit before minority interest and taxes (12m roll)	82.3	90.8	-9.4%	54.8
Depreciation	50.0	49.8	0.4%	99.5
Amortization of other intangible assets	2.3	21.5	-89.3%	43.7



Contingent liabilities	Jun 30		Jun 30		Dec 31	
	2004		2003		2003	
EUR million	Group	Parent	Group	Parent	Group	Parent
Mortgages	17.1	16.3	16.9	15.5	15.6	14.7
Guarantee obligations						
For subsidiaries	-	114.9	-	765.0	-	490.1
For others	8.9	8.9	1.1	1.1	8.7	8.7
Lease payments	61.6	0.5	55.0	0.5	63.0	0.7

#### Nominal Values of Derivative Instruments

EUR million	Jun 30		Jun 30		Dec 31	
	2004		2003		2003	
	Group	Parent	Group	Parent	Group	Parent
Currency forwards, transaction risk hedges	39		38		44	
Currency forwards, translation risk hedges	55		33		53	
Currency swaps, financing hedges	111		130		81	
Forward rate agreements and futures contracts, gross	0		170		112	
Forward rate agreements and futures contracts, net	0		10		48	
Interest rate swaps	356		411		380	

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

		Q2/04	Q2/03
Income statement, average:	GBP 1 =	1.481	1.458
	INR 1 =	0.018	0.019
	AUD 1 =	0.601	0.558
	USD 1 =	0.818	0.905
		Q2/04	Q2/03
Balance sheet, month end:	GBP 1 =	1.491	1.443
	INR 1 =	0.018	0.019
	AUD 1 =	0.570	0.584
	USD 1 =	0.823	0.875



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