

# Interim Report

## *January 1 – June 30, 2009*

*Huhtamäki Group is a leading manufacturer of consumer and specialty packaging with 2008 net sales totaling EUR 2.3 billion. Foodservice and consumer goods markets are served by approximately 14,000 people in 60 manufacturing units and several sales offices in 34 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 – JUNE 30, 2009

### Earnings improvement continued

- Group net sales dampened by economic downturn and customer cautiousness, some volume recovery experienced in the second quarter
- Earnings improved due to successful cost containment, better operational control as well as price and mix management
- Free cash flow continued strong, debt reduced further
- Progress with strategic review of the rigid plastic consumer goods business; action taken in South America and Australia
- Full year sales outlook remains uncertain and pressure on margins is expected to increase during the course of the year

Key figures EUR million	H1 2009	H1 2008	Q2 2009	Q2 2008
Net sales	1,054.4	1,139.1	547.8	590.5
EBIT*	74.0	47.0	39.0	27.0
EBIT margin %	7.0	4.1	7.1	4.6
EPS	0.42	0.21	0.24	0.13
ROI % (12m roll.)	-3.2	0.2	-	-

\* EBIT includes non-recurring charges of EUR 3.8 million in Q2 2009 and EUR 6.8 million in Q2 2008.

### Overview

The demand for consumer packaging was characterized by uncertainty and customer cautiousness in the first half of the year. Although majority of the Group's segments are considered to be of a defensive nature with mainly food and personal care related packaging products, the Group net sales were not immune to the economic downturn and declined during the reporting period. The net sales decline was volume driven in the first quarter. While there was some improvement in volumes in the second quarter this was more than offset by negative price and mix development compared to the previous year.

Operating earnings for the reporting period continued well above the corresponding period in 2008 in spite of lower sales. Earnings improved due to successful cost containment, better operational control as well as price and mix management. Profitability improved markedly in North America and Rigid Consumer Goods Plastics segments.

At EUR 102 million, free cash flow improved by EUR 30 million compared to the previous year. Cash flow generation was good especially in North America and Flexibles Global segments. Strong reduction of net debt was achieved.

The ongoing strategic review of the rigid plastic consumer goods business progressed during the second quarter. The rigid plastic consumer goods business in South America as well as the expanded polystyrene (EPS) packaging business in Australia were divested.

### Business review by segment

The current segment structure for financial reporting was adopted as of January 1, 2009. The sales distribution by segment is the following: Flexibles Global 23% (22% against same period in 2008), Films Global 7% (9%), North America 27% (22%), Rough Molded Fiber Global 9% (10%), Foodservice Europe-Asia-Oceania 20% (20%) and Rigid Consumer Goods Plastics 14% (17%).



## Flexibles Global

*Flexibles business is organized as a global segment. Flexibles are used for consumer packaging of a wide range and variety of food, personal and health care and other products.*

<b>EUR million</b>	<b>H1 2009</b>	<b>H1 2008</b>	<b>Q2 2009</b>	<b>Q2 2008</b>
Net sales	239.3	255.2	119.0	126.4
EBIT	13.6	11.7	4.8	5.5
EBIT margin %	5.7	4.6	4.0	4.4
RONA % (12m roll.)	0.3	4.7	-	-

In Europe sales recovered in the second quarter after a weak start to the year. In Asia-Oceania sales development continued subdued due to market softness in the region.

Improved profitability reflects cost containment. The second quarter earnings were negatively impacted by an inventory revaluation in Europe due to lower raw material costs.

The discontinuation of the loss-making flexible packaging operations in Malvern, USA, was finalized in the second quarter 2009.

## Films Global

*Films business is organized as a global segment. 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.*

<b>EUR million</b>	<b>H1 2009</b>	<b>H1 2008</b>	<b>Q2 2009</b>	<b>Q2 2008</b>
Net sales	80.3	106.5	39.1	53.4
EBIT*	-2.9	4.1	-3.4	3.6
EBIT margin %	-3.6	3.8	-8.7	6.7
RONA % (12m roll.)	0.7	6.6	-	-

\* Q2 2009 EBIT includes EUR 3.8 million non-recurring charges.

Sales within the segment suffered from weak demand of industrial applications during the reporting period. The consumer related products were more resilient to the economic downturn.

Profitability reflects significant volume shortfall partially offset by cost reduction efforts and better operational control. The reported EBIT in the second quarter includes non-recurring charges following the divestment of the release paper business and further focus on release films in Forchheim, Germany. These resulted in the termination of approximately 100 permanent positions by the end of the first quarter 2010.

## North America

*The segment includes the Rigid and Molded Fiber business in North America and Mexico. Rigid paper and plastic packaging, which serves ice-cream and other consumer goods as well as foodservice markets, is completed with Molded Fiber Chinet® disposable tableware products.*

<b>EUR million</b>	<b>H1 2009</b>	<b>H1 2008</b>	<b>Q2 2009</b>	<b>Q2 2008</b>
Net sales	282.2	252.7	153.1	138.6
EBIT	38.1	21.7	23.6	14.4
EBIT margin %	13.5	8.6	15.4	10.4
RONA % (12m roll.)	13.0	8.0	-	-



Sales within the segment grew during the reporting period. However, in constant currencies sales were slightly below the level of the corresponding period in 2008. Retail and Frozen desserts showed growth. Sales development in other market segments was weaker, partially as a result of product portfolio optimization.

The clear improvement in profitability reflects strong market positions and lower costs. Also, currency translation impact was favorable.

The closure of the rigid plastics site in Phoenix, USA, will be finalized in the third quarter 2009.

### **Rough Molded Fiber Global**

*The segment includes the Rough Molded Fiber business in Europe, Oceania, Africa and South America. Rough molded fiber is used to make fresh product packaging, such as egg and fruit packaging.*

<b>EUR million</b>	<b>H1 2009</b>	<b>H1 2008</b>	<b>Q2 2009</b>	<b>Q2 2008</b>
Net sales	99.6	108.9	51.3	54.2
EBIT	8.1	6.1	4.3	3.0
EBIT margin %	8.1	5.6	8.4	5.5
RONA % (12m roll.)	6.1	7.6	-	-

Sales growth was achieved in constant currencies and excluding ancillary operations, i.e. machine and waste paper trade businesses. In the second quarter demand increased driven by South America, Africa and Oceania.

The improvement in profitability reflects sales growth in certain market segments and cost containment. The adverse currency impact in the beginning of the year was less pronounced in the second quarter.

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

*Foodservice paper and plastic disposable tableware is supplied to foodservice operators and fast food restaurants.*

<b>EUR million</b>	<b>H1 2009</b>	<b>H1 2008</b>	<b>Q2 2009</b>	<b>Q2 2008</b>
Net sales	225.3	247.8	120.8	132.8
EBIT	8.8	7.7	6.4	5.3
EBIT margin %	3.9	3.1	5.3	4.0
RONA % (12m roll.)	-0.2	0.3	-	-

Sales recovered in Asia and remained on a good level in Oceania in the second quarter. Meanwhile, sales growth in Europe slowed down. Overall sales within the segment declined during the reporting period.

Profitability reflects lower costs and better operational control in Asia partially offset by adverse currency impact.

The closure of the site in Balakong, Malaysia, is expected by the end of the third quarter 2009.

### **Rigid Consumer Goods Plastics**

*The segment includes the Rigid Consumer Goods Plastics business in Europe and Oceania. Rigid plastic packaging serves the consumer goods markets with fresh food, dairy, ice cream and edible fats packaging.*



<b>EUR million</b>	<b>H1 2009</b>	<b>H1 2008</b>	<b>Q2 2009</b>	<b>Q2 2008</b>
Net sales	153.8	205.1	76.1	104.3
EBIT	11.7	-4.3	6.0	-4.8
EBIT margin %	7.6	-2.1	7.9	-4.6
RONA % (12m roll.)	-67.9	-24.2	-	-

\* Q2 2008 EBIT includes EUR 6.8 million non-recurring charges.

Sales within the segment declined during the reporting period. The discontinued operations in the UK and to a smaller extent the recently divested units had a negative impact on sales.

The clear improvement in profitability reflects better operational control and lower costs.

During the second quarter the rigid plastic consumer goods business in South America was sold to subsidiaries of Bemis Company, Inc. With three manufacturing units in Brazil and one in Argentina and some 640 employees the annual net sales of the divested businesses were approximately EUR 60 million. The agreed value for the transaction was EUR 30 million. Furthermore, the EPS packaging business in Australia was sold to Pact Group Pty Ltd. The annual net sales of the divested unit were approximately EUR 7 million and it employed some 40 people. The agreed value for the transaction was EUR 5 million. The transaction impact on earnings was neutral.

A strategic review of the remaining rigid plastic consumer goods operations in Europe and Australia is ongoing.

### **Financial review**

The Group EBIT for the reporting period was EUR 74 million (EUR 47 million), corresponding to an EBIT margin of 7.0% (4.1%). In the second quarter, the Group EBIT was EUR 39 million (EUR 27 million), corresponding to an EBIT margin of 7.1% (4.6%). Excluding the non-recurring charges of EUR 4 million (EUR 7 million), the Group EBIT for the reporting period was EUR 78 million (EUR 54 million), corresponding to an EBIT margin of 7.4% (4.7%), and for the second quarter EUR 43 million (EUR 34 million), corresponding to an EBIT margin of 7.8% (5.7%).

The net financial items for the reporting period were EUR -16 million (EUR -20 million) and for the second quarter EUR -7 million (EUR -11 million). Tax expense for the period was EUR 12 million (EUR 5 million) and for the second quarter EUR 7 million (EUR 3 million).

The result for the period was EUR 47 million (EUR 23 million) and the earnings per share (EPS) attributable to equity holders of the parent company were EUR 0.42 (EUR 0.21). Correspondingly in the second quarter these were EUR 26 million (EUR 13 million) and EUR 0.24 (EUR 0.13). The average number of outstanding shares used in the EPS calculations was 100,426,461 (unchanged) excluding 5,061,089 (unchanged) of the Company's own shares.

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

Free cash flow for the reporting period was EUR 102 million (EUR 73 million), with the second quarter amounting to EUR 65 million (EUR 85 million). The improvement was due to higher earnings, lower capital expenditure and prudent working capital management. North America and Flexibles Global segments continued as most successful in generating cash flow. Capital expenditure was EUR 18 million (EUR 31 million), with the second quarter spending at EUR 10 million (EUR 18 million).

Net debt was EUR 487 million (EUR 710 million) at the end of June 2009. This corresponds to a gearing ratio of 0.68 (0.94). Total assets on the balance sheet were EUR 1,889 million (EUR 2,207 million).



## **Personnel**

The Group had 13,712 (15,373) employees at the end of June 2009.

## **Short-term risks and uncertainties**

Volatile raw material and energy prices as well as movements in currency translations are considered to be relevant short-term business risks and uncertainties in the Group's operations. Material changes in general economic conditions or in the financial markets could have an adverse effect on the implementation of the Group's strategy and on its business performance and earnings.

## **Outlook for 2009**

Full year sales outlook remains uncertain and pressure on margins is expected to increase during the course of the year.

In the short-term, price and mix management, supply chain initiatives, control over costs and capital spending, positive cash flow generation and net debt reduction continue as key focus areas within the Group. Capital expenditure in 2009 is expected to be clearly below EUR 100 million.

## **Financial reporting in 2009**

Huhtamäki will publish the interim report for January 1 – September 30, 2009 on October 22.

Espoo, July 22, 2009  
Huhtamäki Oyj's Board of Directors

Group income statement (IFRS)

Unaudited

EUR million	H1 2009	H1 2008	Q2 2009	Q2 2008	Q1-Q4 2008
<b>Net sales</b>	<b>1,054.4</b>	<b>1,139.1</b>	<b>547.8</b>	<b>590.5</b>	<b>2,260.0</b>
Cost of goods sold	-873.8	-983.2	-453.6	-508.3	-2,043.2
<b>Gross profit</b>	<b>180.6</b>	<b>155.9</b>	<b>94.2</b>	<b>82.2</b>	<b>216.8</b>
Other operating income	10.5	7.3	6.9	3.6	21.6
Sales and marketing	-39.3	-42.1	-21.5	-22.3	-84.8
Research and development	-7.7	-8.5	-3.7	-4.2	-16.2
Administration costs	-62.0	-58.8	-31.9	-29.6	-117.2
Other operating expenses	-8.1	-6.8	-5.0	-2.7	-94.7
	-106.6	-108.9	-55.2	-55.2	-291.3
<b>Earnings before interest and taxes</b>	<b>74.0</b>	<b>47.0</b>	<b>39.0</b>	<b>27.0</b>	<b>-74.5</b>
Financial income	14.0	7.1	10.7	3.1	10.0
Financial expenses	-29.5	-27.1	-17.2	-14.5	-55.7
Income of associated companies	0.3	0.3	0.1	0.2	0.5
<b>Result before taxes</b>	<b>58.8</b>	<b>27.3</b>	<b>32.6</b>	<b>15.8</b>	<b>-119.7</b>
Income taxes	-11.7	-4.8	-6.5	-2.7	9.5
<b>Result for the period</b>	<b>47.1</b>	<b>22.5</b>	<b>26.1</b>	<b>13.1</b>	<b>-110.2</b>
Attributable to:					
Equity holders of the parent company	45.7	21.4	25.3	12.7	-111.9
Minority interest	1.4	1.1	0.8	0.4	1.7
EPS (EUR) from result for the period	0.46	0.21	0.28	0.13	-1.11
EPS (EUR) attributable to hybrid bond investors	0.04	-	0.04	-	0.01
EPS (EUR) attributable to equity holders of the parent company	0.42	0.21	0.24	0.13	-1.12
Diluted:					
EPS (EUR) from result for the period	0.46	0.21	0.28	0.13	-1.11
EPS (EUR) attributable to hybrid bond investors	0.04	-	0.04	-	0.01
EPS (EUR) attributable to equity holders of the parent company	0.42	0.21	0.24	0.13	-1.12

Group statement of comprehensive income (IFRS)

EUR million	H1 2009	H1 2008	Q2 2009	Q2 2008	Q1-Q4 2008
<b>Result for the period</b>	<b>47.1</b>	<b>22.5</b>	<b>26.1</b>	<b>13.1</b>	<b>-110.2</b>
<b>Other comprehensive income:</b>					
Translation differences	3.8	-17.8	-6.6	6.6	-9.5
Fair value and other reserves	-1.3	-0.2	1.8	2.5	-9.0
Income tax related to components of other comprehensive income	0.1	0.0	-0.6	-0.6	2.7
<b>Other comprehensive income, net of tax</b>	<b>2.6</b>	<b>-18.0</b>	<b>-5.4</b>	<b>8.5</b>	<b>-15.8</b>
<b>Total comprehensive income</b>	<b>49.7</b>	<b>4.5</b>	<b>20.7</b>	<b>21.6</b>	<b>-126.0</b>
Attributable to:					
Equity holders of the parent company	48.2	3.6	19.9	21.5	-127.7
Minority interest	1.5	0.9	0.8	0.1	1.7

## Group statement of financial position (IFRS)

## Unaudited

EUR million	Jun 30 2009	Dec 31 2008	Jun 30 2008
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	396.1	402.4	466.7
Other intangible assets	32.5	34.5	40.2
Tangible assets	645.3	676.3	763.1
Investments in associated companies	2.2	1.9	1.6
Available for sale investments	2.0	1.9	1.9
Interest bearing receivables	0.4	0.1	1.9
Deferred tax assets	14.6	15.1	13.5
Employee benefit assets	60.6	62.5	55.0
Other non-current assets	4.1	3.7	3.8
	<b>1,157.8</b>	<b>1,198.4</b>	<b>1,347.7</b>
<b>Current assets</b>			
Inventory	263.8	296.7	354.8
Interest bearing receivables	12.5	2.1	25.4
Current tax assets	8.1	9.4	12.9
Trade and other current receivables	362.4	377.9	423.3
Cash and cash equivalents	84.8	67.8	42.8
	<b>731.6</b>	<b>753.9</b>	<b>859.2</b>
<b>Total assets</b>	<b>1,889.4</b>	<b>1,952.3</b>	<b>2,206.9</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	358.7	358.7	358.7
Premium fund	104.7	104.7	104.7
Treasury shares	-46.5	-46.5	-46.5
Translation differences	-126.8	-130.5	-138.8
Fair value and other reserves	-6.2	-5.0	1.3
Retained earnings	334.6	327.5	454.5
<b>Total equity attributable to equity holders of the parent company</b>	<b>618.5</b>	<b>608.9</b>	<b>733.9</b>
Minority interest	19.0	18.4	17.8
Hybrid bond	75.0	75.0	-
<b>Total equity</b>	<b>712.5</b>	<b>702.3</b>	<b>751.7</b>
<b>Non-current liabilities</b>			
Interest bearing liabilities	466.3	474.7	399.0
Deferred tax liabilities	37.9	29.8	41.8
Employee benefit liabilities	103.4	103.8	104.2
Provisions	56.1	58.4	57.9
Other non-current liabilities	6.5	6.5	2.3
	<b>670.2</b>	<b>673.2</b>	<b>605.2</b>
<b>Current liabilities</b>			
Interest bearing liabilities			
- Current portion of long term loans	26.5	25.2	18.0
- Short term loans	91.9	157.3	362.8
Provisions	8.3	10.1	11.6
Current tax liabilities	5.2	9.8	13.8
Trade and other current liabilities	374.8	374.4	443.8
	<b>506.7</b>	<b>576.8</b>	<b>850.0</b>
<b>Total liabilities</b>	<b>1,176.9</b>	<b>1,250.0</b>	<b>1,455.2</b>
<b>Total equity and liabilities</b>	<b>1,889.4</b>	<b>1,952.3</b>	<b>2,206.9</b>
	<b>Jun 30 2009</b>	<b>Dec 31 2008</b>	<b>Jun 30 2008</b>
Net debt	487.0	587.2	709.6
Net debt to equity (gearing)	0.68	0.84	0.94



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, 2007</b>	<b>358.7</b>	<b>104.7</b>	<b>-46.5</b>	<b>-121.1</b>	<b>1.4</b>	<b>475.7</b>	<b>772.9</b>	<b>20.5</b>	<b>-</b>	<b>793.4</b>
Dividend						-42.2	-42.2			-42.2
Share-based payments						0.4	0.4			0.4
Total comprehensive income for the year				-17.7	-0.1	21.4	3.6	0.9		4.5
Other changes						-0.8	-0.8	-3.6		-4.4
<b>Balance at Jun 30, 2008</b>	<b>358.7</b>	<b>104.7</b>	<b>-46.5</b>	<b>-138.8</b>	<b>1.3</b>	<b>454.5</b>	<b>733.9</b>	<b>17.8</b>	<b>-</b>	<b>751.7</b>
<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						-34.1	-34.1			-34.1
Share-based payments						1.5	1.5			1.5
Interest on Hybrid Bond						-4.7	-4.7			-4.7
Total comprehensive income for the year				3.7	-1.2	45.7	48.2	1.5		49.7
Other changes						-1.3	-1.3	-0.9		-2.2
<b>Balance at Jun 30, 2009</b>	<b>358.7</b>	<b>104.7</b>	<b>-46.5</b>	<b>-126.8</b>	<b>-6.2</b>	<b>334.6</b>	<b>618.5</b>	<b>19.0</b>	<b>75.0</b>	<b>712.5</b>

Group cash flow statement (IFRS)  
Unaudited

EUR million	H1 2009	H1 2008	Q2 2009	Q2 2008	Q1-Q4 2008
<b>Result for the period*</b>	<b>47.1</b>	<b>22.5</b>	<b>26.1</b>	<b>13.1</b>	<b>-110.2</b>
Adjustments*	68.1	72.4	36.3	41.5	280.0
- Depreciation, amortization and impairment*	48.9	46.2	27.2	23.1	245.9
- Gain on equity of minorities*	-0.3	-0.3	-0.1	-0.3	-0.5
- Gain/loss from disposal of assets*	0.7	-0.5	1.2	-0.5	-4.3
- Financial expense/-income*	15.5	20.0	6.6	11.4	45.7
- Income tax expense*	11.8	4.8	6.6	2.8	-9.5
- Other adjustments, operational*	-8.5	2.2	-5.2	5.0	2.7
Change in inventory*	32.3	-14.7	29.7	7.3	38.2
Change in non-interest bearing receivables*	3.1	-21.5	-16.1	-13.2	8.2
Change in non-interest bearing payables*	-16.4	62.8	5.5	62.9	2.8
Dividends received*	0.1	0.2	0.0	0.1	0.5
Interest received*	1.0	0.9	0.6	0.1	1.7
Interest paid*	-10.0	-20.5	-1.2	-10.5	-43.2
Other financial expense and income*	-2.6	2.7	-2.4	0.7	-2.1
Taxes paid*	-5.6	-3.0	-3.5	-1.5	-5.0
<b>Net cash flows from operating activities</b>	<b>117.1</b>	<b>101.8</b>	<b>75.0</b>	<b>100.5</b>	<b>170.9</b>
Capital expenditure*	-17.7	-31.3	-9.7	-17.8	-74.3
Proceeds from selling fixed assets*	3.0	2.0	0.0	1.8	7.1
Divested subsidiaries	35.3	-	35.3	-	-
Proceeds from long-term deposits	0.4	1.2	0.0	0.2	3.3
Payment of long-term deposits	-0.7	-2.2	-0.3	-1.8	-2.5
Proceeds from short-term deposits	2.4	5.0	0.0	0.3	33.4
Payment of short-term deposits	-12.0	-25.7	-11.3	-22.6	-31.4
<b>Net cash flows from investing</b>	<b>10.7</b>	<b>-51.0</b>	<b>14.0</b>	<b>-39.9</b>	<b>-64.4</b>
Proceeds from long-term borrowings	353.5	156.0	173.7	27.3	489.3
Repayment of long-term borrowings	-365.4	-158.0	-181.0	-14.4	-415.9
Proceeds from short-term borrowings	123.5	1,450.6	59.2	601.5	2,446.3
Repayment of short-term borrowings	-189.7	-1,443.8	-85.0	-630.0	-2,620.5
Dividends paid	-34.1	-42.2	-34.1	-42.2	-42.2
Hybrid bond	-	-	-	-	75.0
<b>Net cash flows from financing</b>	<b>-112.2</b>	<b>-37.4</b>	<b>-67.2</b>	<b>-57.8</b>	<b>-68.0</b>
<b>Change in liquid assets</b>	<b>17.0</b>	<b>12.0</b>	<b>21.5</b>	<b>2.3</b>	<b>37.0</b>
Cash flow based	15.6	13.4	21.8	2.8	38.5
Translation difference	1.4	-1.4	-0.3	-0.5	-1.5
Liquid assets period start	67.8	30.8	63.3	40.5	30.8
Liquid assets period end	84.8	42.8	84.8	42.8	67.8
Free cash flow (including figures marked with *)	102.4	72.5	65.1	84.5	103.7

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 2008.

Changes in accounting principles

The Group has adopted the following IFRS standards and interpretations considered applicable to Huhtamäki, with effect from January 1, 2009:

- IAS 23 Borrowing cost. The amendment requires capitalization of borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of asset.
- IAS 1 Presentation of Financial Statements - amendment. Amended standard has changed the presentation of income statement and statement of changes in shareholders' equity.
- IFRIC 13 Customer Loyalty Programmes. The interpretation addresses the accounting by entities that operate customer loyalty programmes with their customers.

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	Q2 2009	Q1 2009	H1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q1-Q4 2008
Flexibles Global	118.2	119.7	237.9	117.9	123.9	124.7	127.8	494.3
- Intersegment net sales	0.8	0.6	1.4	-0.8	1.4	1.7	1.0	3.3
Films Global	38.3	40.0	78.3	40.9	50.8	51.6	50.5	193.8
- Intersegment net sales	0.8	1.2	2.0	1.0	1.5	1.8	2.6	6.9
North America	152.1	128.1	280.2	148.5	132.4	137.6	113.3	531.8
- Intersegment net sales	1.0	1.0	2.0	1.4	1.0	1.0	0.8	4.2
Rough Molded Fiber Global	51.0	48.3	99.3	51.5	53.1	54.1	54.7	213.4
- Intersegment net sales	0.3	0.0	0.3	0.2	0.3	0.1	0.0	0.6
Foodservice Europe-Asia-Oceania	117.8	97.1	214.9	107.0	118.7	124.6	106.4	456.7
- Intersegment net sales	3.0	7.4	10.4	7.9	8.1	8.2	8.6	32.8
Rigid Consumer Goods Plastics	70.4	73.4	143.8	83.0	93.2	97.9	95.9	370.0
- Intersegment net sales	5.7	4.3	10.0	3.8	4.7	6.4	4.9	19.8
Elimination of intersegment net sales	11.6	14.5	26.1	13.5	17.0	19.2	17.9	67.6
Total	547.8	506.6	1,054.4	548.8	572.1	590.5	548.6	2,260.0

EBIT

EUR million	Q2 2009	Q1 2009	H1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q1-Q4 2008
Flexibles Global <sup>(1)</sup>	4.8	8.8	13.6	-16.6	3.9	5.5	6.2	-1.0
Films Global <sup>(2)</sup>	-3.4	0.5	-2.9	0.1	3.7	3.6	0.5	7.9
North America <sup>(3)</sup>	23.6	14.5	38.1	1.2	10.5	14.4	7.3	33.4
Rough Molded Fiber Global <sup>(4)</sup>	4.3	3.8	8.1	-1.4	3.7	3.0	3.1	8.4
Foodservice Europe-Asia-Oceania <sup>(5)</sup>	6.4	2.4	8.8	-15.2	5.9	5.3	2.4	-1.6
Rigid Consumer Goods Plastics <sup>(6)</sup>	6.0	5.7	11.7	-117.7	-1.4	-4.8	0.5	-123.4
Other activities	-2.7	-0.7	-3.4	1.9	-0.1	0.0	0.0	1.8
Total <sup>(7)</sup>	39.0	35.0	74.0	-147.7	26.2	27.0	20.0	-74.5

<sup>1)</sup> Q4 2008 includes restructuring charges MEUR 1.7, goodwill impairment charges MEUR 7.4 and tangible asset impairment charges MEUR 8.8.

<sup>2)</sup> Q2 and H1 2009 includes restructuring charges MEUR 3.8.

<sup>3)</sup> Q4 2008 includes restructuring charges MEUR 2.0 and tangible asset impairment charges MEUR 3.2.

<sup>4)</sup> Q4 2008 includes goodwill impairment charges MEUR 3.7.

<sup>5)</sup> Q4 2008 includes restructuring charges MEUR 3.3, goodwill impairment charges MEUR 7.1 and tangible asset impairment charges MEUR 4.1.

<sup>6)</sup> Q4 2008 includes restructuring charges MEUR 2.3, goodwill impairment charges MEUR 54.1 and tangible asset impairment charges MEUR 60.9, Q3 2008 includes restructuring charges MEUR 0.1, Q2 2008 includes restructuring charges MEUR 6.8.

<sup>7)</sup> Q2 and H1 2009 includes restructuring charges MEUR 3.8. Q4 2008 includes restructuring charges MEUR 9.3, goodwill impairment charges MEUR 72.3 and tangible asset impairment charges MEUR 77.0, Q3 2008 includes restructuring charges MEUR 0.1, Q2 2008 includes restructuring charges MEUR 6.8, total amount MEUR 165.5.

EBITDA

EUR million	Q2 2009	Q1 2009	H1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q1-Q4 2008
Flexibles Global	9.3	13.3	22.6	-11.4	9.0	10.0	10.7	18.3
Films Global	-2.0	2.1	0.1	1.2	5.4	5.2	1.9	13.7
North America	29.4	19.8	49.2	6.4	14.8	18.7	11.6	51.5
Rough Molded Fiber Global	7.0	6.5	13.5	1.3	6.5	5.9	6.1	19.8
Foodservice Europe-Asia-Oceania	11.0	7.2	18.2	-9.7	13.5	10.5	7.6	21.9
Rigid Consumer Goods Plastics	8.5	8.1	16.6	-113.8	3.0	-0.4	5.0	-106.2
Other activities	-2.5	-0.5	-3.0	2.5	0.2	0.2	0.2	3.1
Total	60.7	56.5	117.2	-123.5	52.4	50.1	43.1	22.1

Depreciation and amortization

EUR million	Q2 2009	Q1 2009	H1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q1-Q4 2008
Flexibles Global	4.5	4.5	9.0	5.2	5.1	4.5	4.5	19.3
Films Global	1.4	1.6	3.0	1.1	1.7	1.6	1.4	5.8
North America	5.8	5.3	11.1	5.2	4.3	4.3	4.3	18.1
Rough Molded Fiber Global	2.7	2.7	5.4	2.7	2.8	2.9	3.0	11.4
Foodservice Europe-Asia-Oceania	4.6	4.8	9.4	5.5	7.6	5.2	5.2	23.5
Rigid Consumer Goods Plastics	2.5	2.4	4.9	3.9	4.4	4.4	4.5	17.2
Other activities	0.2	0.2	0.4	0.6	0.3	0.2	0.2	1.3
Total	21.7	21.5	43.2	24.2	26.2	23.1	23.1	96.6

Net assets allocated to the segments<sup>(8)</sup>

EUR million	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Flexibles Global	325.8	342.2	359.7	389.2	373.1	381.4
Films Global	125.2	135.8	133.1	146.2	140.8	145.3
North America	370.8	393.9	379.2	390.2	358.9	370.0
Rough Molded Fiber Global	169.9	170.4	164.1	177.6	180.2	182.6
Foodservice Europe-Asia-Oceania	246.6	241.7	244.2	284.0	286.0	293.6
Rigid Consumer Goods Plastics	103.8	137.3	129.7	262.0	267.7	276.3

<sup>(8)</sup> Net assets include the following balance sheet items: 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	Q2 2009	Q1 2009	H1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q1-Q4 2008
Flexibles Global	3.2	2.1	5.3	4.9	3.0	8.6	4.7	21.2
Films Global	0.3	0.2	0.5	0.5	0.8	1.0	2.1	4.4
North America	2.8	1.0	3.8	5.9	4.0	2.6	1.3	13.8
Rough Molded Fiber Global	0.8	1.6	2.4	4.8	3.1	1.0	0.8	9.7
Foodservice Europe-Asia-Oceania	1.4	2.3	3.7	6.3	4.2	3.2	3.2	16.9
Rigid Consumer Goods Plastics	1.0	0.8	1.8	4.1	1.3	1.4	0.7	7.5
Other activities	0.2	0.0	0.2	0.1	0.0	0.0	0.7	0.8
Total	9.7	8.0	17.7	26.6	16.4	17.8	13.5	74.3

RONA, % (12m roll.)

	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Flexibles Global	0.3%	0.4%	-0.3%	3.7%	4.7%	5.5%
Films Global	0.7%	5.7%	5.6%	5.9%	6.6%	6.8%
North America	13.0%	10.7%	8.9%	7.8%	8.0%	8.7%
Rough Molded Fiber Global	6.1%	5.3%	4.8%	7.6%	7.6%	8.1%
Foodservice Europe-Asia-Oceania	-0.2%	-0.6%	-0.6%	1.0%	0.3%	0.3%
Rigid Consumer Goods Plastics	-67.9%	-59.3%	-52.8%	-27.2%	-24.2%	-21.1%

Operating Cash Flow

EUR million	Q2 2009	Q1 2009	H1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q1-Q4 2008
Flexibles Global	23.4	20.0	43.4	12.7	-3.2	6.7	4.6	20.8
Films Global	8.2	1.9	10.1	13.9	0.5	7.7	2.5	24.6
North America	22.9	14.5	37.4	16.5	6.7	23.1	-3.9	42.4
Rough Molded Fiber Global	8.6	-0.6	8.0	3.6	3.9	8.7	1.2	17.4
Foodservice Europe-Asia-Oceania	7.1	-2.1	5.0	3.6	7.6	14.5	1.3	27.0
Rigid Consumer Goods Plastics	11.1	0.7	11.8	11.6	-1.2	19.9	5.5	35.8

As net sales and EBIT of reportable segments form Groups' total net sales and EBIT, reconciliations to corresponding amounts are not presented.

Other information

EUR million	H1 2009	H1 2008	Q1-Q4 2008
Equity per share (EUR)	6.91	7.31	6.81
ROE, % (12m roll.)	-11.7	-5.3	-14.8
ROI, % (12m roll.)	-3.2	0.2	-4.8
Personnel	13,712	15,373	14,644
Result before taxes (12m roll.)	-88.2	-40.1	-119.7
Depreciation	40.3	42.5	89.2
Amortization of other intangible assets	2.9	3.7	7.4

Share capital and shareholders

At the end of June 2009, the Company's registered share capital was EUR 358,657,670.00 (unchanged) corresponding to a total number of outstanding shares of 105,487,550 (unchanged) including 5,061,089 (unchanged) Company's own shares. The Company's own shares had the total accountable par value of EUR 17,207,702.60, representing 4.8% of the total number of shares and voting rights. The amount of outstanding shares net of Company's own shares was 100,426,461 (unchanged).

There were 22,058 (22,120) registered shareholders at the end of the reporting period. Foreign ownership including nominee registered shares accounted for 26.4% (22.8%).

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 June 2009, the Company's market capitalization was EUR 775.3 million (EUR 573.9 million) and EUR 738.1 million (EUR 546.3 million) excluding Company's own shares. With a closing price of EUR 7.35 (EUR 5.44) the share price increased by 67% (-33%) from the beginning of the year, while the OMX Helsinki Cap PI Index increased by 9% (-20%) and the OMX Helsinki Materials PI Index decreased by 7% (-24%). During the reporting period the volume weighted average price for the Company's share was EUR 6.12 (EUR 6.97). The highest price paid was EUR 6.19 on May 7, 2009 and the lowest price paid was EUR 4.46 on January 2, 2009.

During the reporting period the cumulative value of the Company's share turnover was EUR 244.3 million (EUR 397.3 million). The trading volume of 39.9 million (57.0 million) shares equaled an average daily turnover of EUR 2.0 million (EUR 3.2 million) or, correspondingly 327,004 (455,689) shares.

In total, turnover of the Company's 2003 A, B and C as well as 2006 A option rights was EUR 218,077 corresponding to a trading volume of 383,637.

**Contingent liabilities**

	Jun 30 2009	Dec 31 2008	Jun 30 2008
<b>EUR million</b>			
Mortgages	14.5	14.5	14.6
Guarantee obligations	3.2	2.9	1.9
Lease payments	49.1	49.8	59.7
Capital expenditure commitments	24.4	7.3	30.7

**Nominal values of derivative instruments**

	Jun 30 2009	Dec 31 2008	Jun 30 2008
<b>EUR million</b>			
Currency forwards, transaction risk hedges	33	49	51
Currency forwards, translation risk hedges	24	34	47
Currency swaps, financing hedges	104	105	137
Currency options	1	-	-
Interest rate swaps	174	160	158
Interest rate options	8	7	10
Electricity forwards	-	6	-

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

		H1/09	H1/08
Income statement, average:	GBP 1 =	1.118	1.290
	INR 1 =	0.015	0.016
	AUD 1 =	0.532	0.604
	USD 1 =	0.751	0.653
		Q2/09	Q2/08
Balance sheet, month end:	GBP 1 =	1.174	1.262
	INR 1 =	0.015	0.015
	AUD 1 =	0.576	0.611
	USD 1 =	0.708	0.634

**Definitions for key indicators**

<b>EPS from the result for the period =</b>	$\frac{\text{Result for the period - minority interest}}{\text{Average number of shares outstanding}}$
<b>EPS from the result for the period (diluted) =</b>	$\frac{\text{Diluted result for the period - minority interest}}{\text{Average fully diluted number of shares outstanding}}$
<b>EPS attributable to hybrid bond investors =</b>	$\frac{\text{Hybrid bond interest}}{\text{Average number of shares outstanding}}$
<b>EPS attributable to hybrid bond investors (diluted) =</b>	$\frac{\text{Hybrid bond interest}}{\text{Average fully diluted number of shares outstanding}}$
<b>EPS attributable to equity holders of the parent company =</b>	$\frac{\text{Result for the period - minority interest - hybrid bond interest}}{\text{Average number of shares outstanding}}$
<b>EPS attributable to equity holders of the parent company (diluted) =</b>	$\frac{\text{Diluted result for the period - minority interest - hybrid bond interest}}{\text{Average fully diluted number of shares outstanding}}$
<b>Net debt to equity (gearing) =</b>	$\frac{\text{Interest bearing net debt}}{\text{Equity + minority interest + hybrid bond (average)}}$
<b>RONA, % =</b>	$\frac{100 \times \text{Earnings before interest and taxes (12 m roll.)}}{\text{Net assets (12 m roll.)}}$
<b>Operating cash flow =</b>	Ebit + depreciation and amortization (including impairment) - capital expenditures + disposals +/- change in inventories, trade receivables and trade payables
<b>Shareholders' equity per share =</b>	$\frac{\text{Equity}}{\text{Issue-adjusted number of shares at period end}}$
<b>Return on equity (ROE) =</b>	$\frac{100 \times (\text{Result for the period}) (12 m roll.)}{\text{Equity + minority interest + hybrid bond (average)}}$
<b>Return on investment (ROI) =</b>	$\frac{100 \times (\text{Result before taxes + interest expenses + net other financial expenses}) (12 m roll.)}{\text{Balance sheet total - Interest-free liabilities (average)}}$

