



HUHTAMÄKI OYJ

INTERIM REPORT

January 1 – June 30, 2011



HUHTAMAKI

H1 2011

Net sales growth accelerated

- Healthy 5% net sales growth in constant currencies driven by emerging markets
- Strong performance continued in the Flexible Packaging segment
- Raw material price pressure, certain short term operational issues and adverse currency translations affected EBIT
- Earnings per share (EPS) were EUR 0.45

Key figures

| EUR million | H1 2011 | H1 2010 | Q2 2011 | Q2 2010 | 2010 |
|---|----------------|---------|---------|---------|---------|
| <i>Continuing operations</i> | | | | | |
| Net sales | 1,006.0 | 970.2 | 528.0 | 522.3 | 1,951.8 |
| EBIT | 67.4 | 73.2 | 40.0 | 44.3 | 134.3 |
| EBIT margin % | 6.7 | 7.5 | 7.6 | 8.5 | 6.9 |
| EPS, EUR | 0.45 | 0.47 | 0.28 | 0.30 | 0.92 |
| <i>Including discontinued operations divested in 2010</i> | | | | | |
| EPS, EUR | 0.45 | 0.51 | 0.28 | 0.32 | 1.02 |
| ROI % | 11.2 | 10.0 | | | 12.0 |

Overview

The Group's trading conditions were stable during the first half of the year. Demand for consumer packaging remained robust within emerging markets and the Group's net sales growth accelerated towards the end of the reporting period. Raw material price levels remained high throughout the reporting period and currencies moved adversely in the second quarter. The Group's trading conditions have been specified in the outlook for 2011.

As a result of favorable volume development, especially within the Flexible Packaging segment, Group net sales grew within the reporting period compared to the corresponding period in 2010. In constant currencies the Group's net sales grew by a healthy 5% in the reporting period. Emerging markets' net sales growth was 14%. Adverse currency translations, especially in North America, had a significant negative impact in reported net sales development in the second quarter.

Group earnings before interest and taxes (EBIT) for the reporting period were EUR 6 million lower compared to the corresponding period in 2010. Cost pressure from high raw material costs continued during the first half of the year. Net sales growth and continued cost containment were not sufficient to entirely offset the high costs caused by raw material prices and certain short term operational issues in the second quarter. Currency translations also had a negative impact on earnings during the second quarter.

The Group's free cash flow turned positive during the second quarter, but was EUR -19 million in the reporting period (EUR 44 million). Return on investment (ROI) was 11.2% (10.0%).

Business review by segment

The sales distribution by segment was the following: Flexible Packaging 29% (27%), Films 9% (9%), North America 25% (28%), Molded Fiber 12% (12%), Foodservice Europe-Asia-Oceania 24% (24%) and Other activities 1% (0%).

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, Oceania and South America.

| EUR million | H1 2011 | H1 2010 | Q2 2011 | Q2 2010 | 2010 |
|---------------|---------|---------|---------|---------|-------|
| Net sales | 289.9 | 257.2 | 143.3 | 130.4 | 524.6 |
| EBIT | 20.2 | 17.0 | 10.0 | 7.1 | 34.3 |
| EBIT margin % | 7.0 | 6.6 | 7.0 | 5.4 | 6.5 |
| RONA % | 11.4 | 10.0 | | | 10.7 |

The Flexible Packaging segment continued its strong performance and the segment's net sales grew at double digit rates in the reporting period. Net sales growth in Europe accelerated in the second quarter. Continued successful margin management and healthy volume growth more than offset the high raw material costs and the segment's earnings continued to develop positively during the reporting period compared to the corresponding period in 2010. Earnings developed especially positive during the second quarter although currency translations had a negative impact on net sales and earnings development in Asia.

FILMS

Films are mainly used for technical applications in the label, adhesive tape, hygiene and health care industries, as well as building and construction, automotive, packaging and graphic arts industries. The segment serves global markets from production units in Europe and North America.

| EUR million | H1 2011 | H1 2010 | Q2 2011 | Q2 2010 | 2010 |
|---------------|---------|---------|---------|---------|-------|
| Net sales | 86.5 | 83.3 | 44.1 | 42.1 | 163.7 |
| EBIT | 5.0 | 6.3 | 1.9 | 3.8 | 10.8 |
| EBIT margin % | 5.8 | 7.6 | 4.3 | 9.0 | 6.6 |
| RONA % | 7.7 | 5.5 | | | 9.1 |

The Films segment's net sales continued to develop steadily during the reporting period. Healthy volume growth continued within applications for the hygiene industry. The segment's negative earnings development during the reporting period was due to second quarter unfavorable product mix and a short term equipment issue that led to quality problems.

NORTH AMERICA

The North America segment serves local markets with Chinet® disposable tableware products, ice-cream containers as well as other consumer goods and foodservice products. The segment has production in North America and Mexico.

| EUR million | H1 2011 | H1 2010 | Q2 2011 | Q2 2010 | 2010 |
|---------------|--------------|---------|---------|---------|-------|
| Net sales | 254.3 | 271.4 | 142.7 | 157.8 | 535.6 |
| EBIT | 22.9 | 27.3 | 16.3 | 18.9 | 45.4 |
| EBIT margin % | 9.0 | 10.1 | 11.4 | 12.0 | 8.5 |
| RONA % | 10.8 | 11.7 | | | 11.9 |

Due to adverse currency translations during the second quarter the reported net sales for the North America segment declined during the reporting period compared to the corresponding period in 2010. In constant currency the reporting period net sales are at the same level as in the corresponding period in 2010. Consumer goods volumes and net sales continued to suffer from softness in the ice cream market during the second quarter. The retail business, however, led by Chinet branded items, developed positively.

The positive second quarter development in the retail business was not sufficient to compensate the impact of high raw material costs and weak ice cream markets, and the segment's earnings declined in the reporting period compared to the corresponding period in 2010. During the second quarter currency translations also had a negative impact in earnings development.

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 | H1 2011 | H1 2010 | Q2 2011 | Q2 2010 | 2010 |
|---------------|--------------|---------|---------|---------|-------|
| Net sales | 118.6 | 114.7 | 59.9 | 59.2 | 232.9 |
| EBIT | 10.0 | 10.3 | 4.6 | 5.7 | 21.9 |
| EBIT margin % | 8.4 | 9.0 | 7.7 | 9.6 | 9.4 |
| RONA % | 12.4 | 11.6 | | | 12.7 |

Despite weak consumer demand for eggs and resulting flat net sales development during the second quarter, the Molded Fiber segment's net sales increased during the reporting period compared to the corresponding period in 2010. The reporting period earnings declined slightly compared to the corresponding period in 2010. The second quarter negative earnings development was caused by unfavorable product mix and certain short term equipment issues.

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 | H1 2011 | H1 2010 | Q2 2011 | Q2 2010 | 2010 |
|---------------|--------------|---------|---------|---------|-------|
| Net sales | 239.4 | 231.1 | 128.9 | 125.1 | 467.6 |
| EBIT | 11.2 | 11.7 | 7.7 | 8.2 | 24.5 |
| EBIT margin % | 4.7 | 5.1 | 6.0 | 6.6 | 5.2 |
| RONA % | 10.0 | 8.3 | | | 10.6 |

The Foodservice Europe-Asia-Oceania segment's net sales continued to develop positively in Eastern Europe and Asia and the segment's net sales grew in the reporting period compared to the corresponding period in 2010. Despite positive sales development, the segment's reporting period earnings declined slightly compared to the corresponding period in 2010. The segment's second quarter earnings suffered from high raw material costs and operational issues that were not sufficiently compensated by positive mix development.

Financial review

The Group EBIT for the reporting period was EUR 67 million (EUR 73 million), corresponding to an EBIT margin of 6.7% (7.5%). For the second quarter, the Group EBIT was EUR 40 million (EUR 44 million), corresponding to an EBIT margin of 7.6% (8.5%).

Net financial items for the reporting period were EUR -7 million (EUR -8 million) and for the second quarter EUR -3 million (EUR -4 million). Financial expenses remained low in spite of increasing interest rates. Tax expense for the reporting period was EUR 9 million (EUR 12 million) and for the second quarter EUR 6 million (EUR 7 million). The corresponding tax rate for the reporting period was 15% (18%).

The result for the reporting period was EUR 52 million (EUR 54 million) and for the second quarter EUR 31 million (EUR 33 million). The earnings per share (EPS) for the reporting period were EUR 0.45 (EUR 0.47) and for the second quarter EUR 0.28 (EUR 0.30).

The majority of European Rigid Consumer Goods Plastics operations, reported as discontinued operations, was divested in 2010. Discontinued operations do not have an impact in the Group's financial figures in the reporting period. The result for January-June 2010, including discontinued operations, was EUR 57 million and for April-June 2010 EUR 35 million. The EPS for January-June 2010, including discontinued operations, were EUR 0.51 and for April-June 2010 EUR 0.32.

The average number of outstanding shares used in EPS calculations was 101,363,673 (101,185,001), excluding 4,591,089 (4,826,089) of the Company's own shares.

STATEMENT OF FINANCIAL POSITION AND CASH FLOW

Free cash flow for the reporting period was EUR -19 million (EUR 44 million) and for the second quarter EUR 12 million (EUR 37 million). Cash flow generation in the reporting period was adversely impacted by high raw material costs and inventory levels.

Capital expenditure for the reporting period was EUR 33 million (EUR 24 million). Second quarter capital expenditure was EUR 20 million (EUR 14 million). The amount of capital expenditure increased resulting mainly from investments in new capacity.

Net debt was EUR 331 million (EUR 378 million) at the end of the reporting period. This corresponds to a gearing ratio of 0.40 (0.46). Net debt to EBITDA ratio decreased compared to the corresponding period in 2010 and was 1.5 (1.9) at the end of the reporting period. Compared to December 31, 2010, net debt increased by EUR 61 million, and gearing increased from 0.32 to 0.40. As a result of renewing a revolving credit facility in March 2011, the average maturity of external committed credit facilities and loans at the end of the reporting period was extended to 4.1 (2.3) years. Dividend was paid during the second quarter and was EUR 45 million (EUR 38 million).

At the end of the reporting period, cash and cash equivalents were EUR 69 million (EUR 90 million) and the Group had EUR 264 million (EUR 301 million) of unused committed credit facilities available. The Group's liquidity position remained strong.

Total assets on the statement of financial position were EUR 1,819 million (EUR 1,974 million).

Personnel

The Group had 12,047 (13,712) employees at the end of June 2011.

Resolutions of the Annual General Meeting 2011

Huhtamäki Oyj's Annual General Meeting of Shareholders (AGM) was held on April 20, 2011, in Helsinki, Finland. The meeting adopted the Company's Annual Accounts and the Consolidated Annual Accounts for 2010 and discharged the members of the Company's Board of Directors and the CEO from liability. As proposed by the Board of Directors, dividend for 2010 was set at EUR 0.44 per share compared with EUR 0.38 paid for the previous year.

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

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

Short term risks and uncertainties

Volatile raw material and energy prices as well as movements in currency rates are considered to be relevant short-term business risks and uncertainties in the Group's operations. General economic and financial market conditions can also have an adverse effect on the implementation of the Group's strategy and on its business performance and earnings.

Outlook for 2011

The Group's trading conditions are expected to remain similar to the trading conditions experienced earlier in 2011. Raw material prices are not expected to increase further. Financial charges and tax expenses are expected to increase from the exceptionally low level in 2010.

The good financial position and ability to generate a positive cash flow will enable the Group to address profitable growth opportunities. Capital expenditure is expected to be around EUR 100 million.

Financial reporting schedule in 2011

Huhtamäki will publish the interim report for January 1 – September 30, 2011 on October 20.

Espoo, July 20, 2011
Huhtamäki Oyj
Board of Directors

Group income statement (IFRS) - unaudited

| EUR million | H1 2011 | H1 2010 | Q2 2011 | Q2 2010 | Q1-Q4 2010 |
|---|--------------|---------|--------------|---------|------------|
| CONTINUING OPERATIONS | | | | | |
| Net sales | 1,006.0 | 970.2 | 528.0 | 522.3 | 1,951.8 |
| Cost of goods sold | -847.5 | -805.1 | -443.1 | -429.4 | -1,631.9 |
| Gross profit | 158.5 | 165.1 | 84.9 | 92.9 | 319.9 |
| Other operating income | 9.6 | 10.4 | 5.4 | 5.6 | 22.0 |
| Sales and marketing | -33.4 | -36.7 | -17.5 | -20.2 | -70.1 |
| Research and development | -8.2 | -7.7 | -4.1 | -4.2 | -16.3 |
| Administration costs | -52.9 | -53.6 | -25.6 | -28.0 | -111.9 |
| Other operating expenses | -6.2 | -4.3 | -3.1 | -1.8 | -9.3 |
| | -91.1 | -91.9 | -44.9 | -48.6 | -185.6 |
| Earnings before interest and taxes | 67.4 | 73.2 | 40.0 | 44.3 | 134.3 |
| Financial income | 2.4 | 2.4 | 1.5 | 0.9 | 5.7 |
| Financial expenses | -9.4 | -10.6 | -4.8 | -5.1 | -19.9 |
| Income of associated companies | 0.3 | 0.3 | 0.1 | 0.2 | 0.6 |
| Result before taxes | 60.7 | 65.3 | 36.8 | 40.3 | 120.7 |
| Income taxes | -9.1 | -11.6 | -5.5 | -7.2 | -16.2 |
| Result for the period from continuing operations | 51.6 | 53.7 | 31.3 | 33.1 | 104.5 |
| DISCONTINUED OPERATIONS | | | | | |
| Result from operations | - | 5.5 | - | 3.8 | 12.2 |
| Loss relating to disposed operations | - | -2.0 | - | -2.0 | -2.0 |
| Result for the period from discontinued operations | - | 3.5 | - | 1.8 | 10.2 |
| Result for the period | 51.6 | 57.2 | 31.3 | 34.9 | 114.7 |
| Attributable to: | | | | | |
| Equity holders of the parent company | | | | | |
| Result for the period from continuing operations | 49.8 | 52.0 | 30.4 | 32.5 | 100.9 |
| Result for the period from discontinued operations | - | 3.5 | - | 1.8 | 10.2 |
| Result for the period attributable to owners of parent | 49.8 | 55.5 | 30.4 | 34.3 | 111.1 |
| Non-controlling interest | | | | | |
| Result for the period from continuing operations | 1.8 | 1.7 | 0.9 | 0.6 | 3.6 |
| Result for the period from discontinued operations | - | - | - | - | - |
| Result for the period attributable to non-controlling interest | 1.8 | 1.7 | 0.9 | 0.6 | 3.6 |
| EUR | | | | | |
| EPS result for the period from continuing operations | 0.49 | 0.51 | 0.30 | 0.32 | 1.00 |
| EPS attributable to hybrid bond investors | 0.04 | 0.04 | 0.02 | 0.02 | 0.08 |
| EPS continuing operations | 0.45 | 0.47 | 0.28 | 0.30 | 0.92 |
| EPS result for the period from discontinued operations | - | 0.04 | - | 0.02 | 0.10 |
| EPS attributable to equity holders of the parent company | 0.45 | 0.51 | 0.28 | 0.32 | 1.02 |
| EPS result for the period | 0.49 | 0.55 | 0.30 | 0.34 | 1.10 |
| Diluted: | | | | | |
| EPS result for the period from continuing operations | 0.49 | 0.51 | 0.30 | 0.32 | 1.00 |
| EPS attributable to hybrid bond investors | 0.04 | 0.04 | 0.02 | 0.02 | 0.08 |
| EPS continuing operations | 0.45 | 0.47 | 0.28 | 0.30 | 0.92 |
| EPS result for the period from discontinued operations | - | 0.04 | - | 0.02 | 0.10 |
| EPS attributable to equity holders of the parent company | 0.45 | 0.51 | 0.28 | 0.32 | 1.02 |
| EPS result for the period | 0.49 | 0.55 | 0.30 | 0.34 | 1.10 |

Group statement of comprehensive income (IFRS) - unaudited

| EUR million | H1 2011 | H1 2010 | Q2 2011 | Q2 2010 | Q1-Q4 2010 |
|--|--------------|---------|-------------|---------|------------|
| Result for the period | 51.6 | 57.2 | 31.3 | 34.9 | 114.7 |
| Other comprehensive income: | | | | | |
| Translation differences | -27.1 | 59.4 | -4.3 | 34.7 | 32.8 |
| Fair value and other reserves | 0.9 | -1.9 | -2.2 | -1.2 | 1.9 |
| Income tax related to components of other comprehensive income | -0.3 | 0.4 | 0.5 | 0.2 | -0.5 |
| Other comprehensive income, net of tax | -26.5 | 57.9 | -6.0 | 33.7 | 34.2 |
| Total comprehensive income | 25.1 | 115.1 | 25.3 | 68.6 | 148.9 |
| Attributable to: | | | | | |
| Equity holders of the parent company | 23.3 | 113.4 | 24.4 | 68.3 | 145.3 |
| Non-controlling interest | 1.8 | 1.7 | 0.9 | 0.3 | 3.6 |

Group statement of financial position (IFRS) - unaudited

| EUR million | Jun 30 2011 | Dec 31 2010 | Jun 30 2010 |
|---|--------------------|--------------------|--------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Goodwill | 394.8 | 400.8 | 407.8 |
| Other intangible assets | 24.4 | 26.7 | 30.1 |
| Tangible assets | 586.8 | 614.8 | 616.9 |
| Investments in associated companies | 3.1 | 3.1 | 3.0 |
| Available for sale investments | 1.1 | 1.2 | 1.2 |
| Interest bearing receivables | 14.0 | 11.9 | 1.1 |
| Deferred tax assets | 15.4 | 13.0 | 13.8 |
| Employee benefit assets | 56.8 | 61.3 | 67.3 |
| Other non-current assets | 3.2 | 4.5 | 4.3 |
| | 1,099.6 | 1,137.3 | 1,145.5 |
| Current assets | | | |
| Inventory | 297.2 | 265.2 | 272.1 |
| Interest bearing receivables | 8.4 | 35.4 | 34.6 |
| Current tax assets | 2.5 | 3.4 | 3.2 |
| Trade and other current receivables | 342.9 | 305.1 | 349.4 |
| Cash and cash equivalents | 68.6 | 118.7 | 90.2 |
| | 719.6 | 727.8 | 749.5 |
| Assets classified as held for sale | - | - | 78.6 |
| Total assets | 1,819.2 | 1,865.1 | 1,973.6 |
| EQUITY AND LIABILITIES | | | |
| Share capital | 360.6 | 360.6 | 360.6 |
| Premium fund | 106.8 | 106.8 | 106.8 |
| Treasury shares | -42.2 | -44.4 | -44.4 |
| Translation differences | -124.3 | -97.2 | -72.9 |
| Fair value and other reserves | -2.3 | -2.9 | -5.8 |
| Retained earnings | 425.8 | 426.0 | 373.7 |
| Amounts recognized in other comprehensive income and accumulated in equity relating to non/current assets held for sale | - | - | 2.3 |
| Total equity attributable to equity holders of the parent company | 724.4 | 748.9 | 720.3 |
| Non-controlling interest | 22.8 | 24.8 | 24.1 |
| Hybrid bond | 75.0 | 75.0 | 75.0 |
| Total equity | 822.2 | 848.7 | 819.4 |
| Non-current liabilities | | | |
| Interest bearing liabilities | 293.3 | 283.0 | 283.3 |
| Deferred tax liabilities | 54.6 | 51.7 | 51.4 |
| Employee benefit liabilities | 97.1 | 101.7 | 106.2 |
| Provisions | 43.1 | 47.5 | 57.2 |
| Other non-current liabilities | 4.0 | 4.5 | 6.0 |
| | 492.1 | 488.4 | 504.1 |
| Current liabilities | | | |
| Interest bearing liabilities | | | |
| - Current portion of long term loans | 12.7 | 61.4 | 94.7 |
| - Short term loans | 115.5 | 91.5 | 125.9 |
| Provisions | 1.1 | 2.5 | 2.3 |
| Current tax liabilities | 10.1 | 8.8 | 6.4 |
| Trade and other current liabilities | 365.5 | 363.8 | 380.6 |
| | 504.9 | 528.0 | 609.9 |
| Liabilities directly associated with assets classified as held for sale | - | - | 40.2 |
| Total liabilities | 997.0 | 1,016.4 | 1,154.2 |
| Total equity and liabilities | 1,819.2 | 1,865.1 | 1,973.6 |
| | Jun 30 2011 | Dec 31 2010 | Jun 30 2010 |
| Net debt | 330.5 | 269.9 | 378.0 |
| Net debt to equity (gearing) | 0.40 | 0.32 | 0.46 |

Statement of changes in equity (IFRS) - unaudited

| EUR million | Attributable to equity holders of the parent company | | | | | | | | | | |
|---|--|---------------------|-----------------|-------------------|-------------------------------|-------------------|-------------------------|--------------|--------------------------|-------------|--------------|
| | Share capital | Share issue premium | Treasury shares | Translation diff. | Fair value and other reserves | Retained earnings | Discontinued Operations | Total | Non-controlling interest | Hybrid bond | Total equity |
| Balance at Dec 31, 2009 | 360.6 | 106.8 | -46.5 | -130.0 | -4.3 | 354.8 | - | 641.4 | 20.2 | 75.0 | 736.6 |
| Corrections of previous period errors | | | | | | 7.7 | | 7.7 | | | 7.7 |
| Balance at Jan 1, 2010 | 360.6 | 106.8 | -46.5 | -130.0 | -4.3 | 362.5 | - | 649.1 | 20.2 | 75.0 | 744.3 |
| Dividend | | | | | | -38.5 | | -38.5 | | | -38.5 |
| Share-based payments | | | 2.1 | | | -1.3 | | 0.8 | | | 0.8 |
| Interest on Hybrid Bond | | | | | | -4.6 | | -4.6 | | | -4.6 |
| Total comprehensive income for the year | | | | 59.4 | -1.5 | 55.5 | | 113.4 | 1.7 | | 115.1 |
| Discontinued operations | | | | -2.3 | | | 2.3 | 0.0 | | | 0.0 |
| Other changes | | | | | | 0.1 | | 0.1 | 2.2 | | 2.3 |
| Balance at Jun 30, 2010 | 360.6 | 106.8 | -44.4 | -72.9 | -5.8 | 373.7 | 2.3 | 720.3 | 24.1 | 75.0 | 819.4 |
| Balance at Dec 31, 2010 | 360.6 | 106.8 | -44.4 | -97.2 | -2.9 | 426.0 | - | 748.9 | 24.8 | 75.0 | 848.7 |
| Dividend | | | | | | -44.6 | | -44.6 | | | -44.6 |
| Share-based payments | | | 2.2 | | | -1.2 | | 1.0 | | | 1.0 |
| Interest on Hybrid Bond | | | | | | -4.6 | | -4.6 | | | -4.6 |
| Total comprehensive income for the year | | | | -27.1 | 0.6 | 49.8 | | 23.3 | 1.8 | | 25.1 |
| Discontinued operations | | | | | | | | | | | - |
| Other changes | | | | | | 0.4 | | 0.4 | -3.8 | | -3.4 |
| Balance at Jun 30, 2011 | 360.6 | 106.8 | -42.2 | -124.3 | -2.3 | 425.8 | - | 724.4 | 22.8 | 75.0 | 822.2 |

Group statement of cash flow (IFRS) - unaudited

| EUR million | H1 2011 | H1 2010 | Q2 2011 | Q2 2010 | Q1-Q4 2010 |
|--|---------------|---------|---------------|---------|------------|
| Result for the period* | 51.6 | 57.2 | 31.3 | 34.9 | 114.7 |
| Adjustments* | 53.6 | 51.6 | 26.9 | 28.0 | 102.0 |
| - Depreciation, amortization and impairment* | 39.3 | 40.6 | 19.6 | 20.8 | 81.2 |
| - Gain on equity of minorities* | -0.3 | -0.3 | -0.2 | -0.2 | -0.6 |
| - Gain/loss from disposal of assets* | -0.3 | -2.7 | 0.0 | -0.6 | -2.2 |
| - Financial expense/-income* | 7.0 | 8.2 | 3.3 | 4.2 | 14.2 |
| - Income tax expense* | 9.1 | 11.7 | 5.5 | 7.1 | 16.5 |
| - Other adjustments, operational* | -1.2 | -5.9 | -1.3 | -3.3 | -7.1 |
| Change in inventory* | -40.4 | -24.1 | 1.2 | -1.2 | -32.1 |
| Change in non-interest bearing receivables* | -39.3 | -39.3 | -21.8 | -26.0 | -3.6 |
| Change in non-interest bearing payables* | 0.6 | 20.8 | 0.0 | 13.1 | 24.3 |
| Dividends received* | 0.5 | 0.1 | 0.2 | - | 0.5 |
| Interest received* | 1.3 | 2.1 | 0.9 | 1.0 | 5.3 |
| Interest paid* | -8.6 | -5.3 | -3.1 | -0.8 | -12.8 |
| Other financial expense and income* | -0.3 | 0.8 | 0.2 | 0.9 | -0.4 |
| Taxes paid* | -5.6 | -0.8 | -4.0 | -1.5 | -6.6 |
| Net cash flows from operating activities | 13.4 | 63.1 | 31.8 | 48.4 | 191.3 |
| Capital expenditure* | -33.1 | -24.3 | -19.5 | -14.1 | -85.8 |
| Proceeds from selling fixed assets* | 0.5 | 5.5 | 0.1 | 2.9 | 7.4 |
| Divested subsidiaries | - | - | - | - | 52.0 |
| Proceeds from long-term deposits | 0.6 | 12.2 | 0.1 | 10.6 | 12.8 |
| Payment of long-term deposits | -2.8 | -1.3 | -1.4 | - | -12.6 |
| Proceeds from short-term deposits | 30.4 | 3.2 | 12.7 | 0.8 | 6.4 |
| Payment of short-term deposits | -4.6 | -15.2 | -3.0 | -13.5 | -18.8 |
| Net cash flows from investing | -9.0 | -19.9 | -11.0 | -13.3 | -38.6 |
| Proceeds from long-term borrowings | 114.8 | 122.5 | 82.2 | 29.0 | 274.2 |
| Repayment of long-term borrowings | -103.6 | -136.6 | -44.1 | -45.5 | -288.3 |
| Proceeds from short-term borrowings | 309.0 | 416.1 | 221.1 | 215.7 | 1,154.6 |
| Repayment of short-term borrowings | -322.3 | -393.8 | -207.1 | -204.1 | -1,195.6 |
| Dividends paid | -44.6 | -38.4 | -44.6 | -38.4 | -38.4 |
| Hybrid bond interest | - | - | - | - | -7.9 |
| Net cash flows from financing | -46.7 | -30.2 | 7.5 | -43.3 | -101.5 |
| Change in liquid assets | -50.1 | 26.2 | 23.7 | 2.1 | 54.7 |
| Cash flow based | -42.3 | 13.0 | 28.3 | -8.2 | 51.2 |
| Translation difference | -7.8 | 13.2 | -4.6 | 10.3 | 3.5 |
| Liquid assets period start | 118.7 | 64.0 | 44.9 | 88.1 | 64.0 |
| Liquid assets period end | 68.6 | 90.2 | 68.6 | 90.2 | 118.7 |
| Free cash flow (including figures marked with *) | -19.2 | 44.3 | 12.4 | 37.2 | 112.9 |

Notes for the results report

This interim report has been prepared in accordance with IAS 34 Interim financial Reporting. 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 2010.

CHANGES IN ACCOUNTING PRINCIPLES

The Group has adopted the following IFRS standards and interpretations considered applicable to Huhtamaki, with effect from January 1, 2011:

- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments.
- IFRIC 14 Prepayments of a Minimum Funding Requirement.
- Amended IAS 24 Related Party Disclosures.
- Improvements to IFRS (May 2010)

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 | H1 2011 | Q2 2011 | Q1 2011 | Q1-Q4 2010 | Q4 2010 | Q3 2010 | Q2 2010 | Q1 2010 |
|---------------------------------------|---------|---------|---------|------------|---------|---------|---------|---------|
| Continuing operations | | | | | | | | |
| Flexible Packaging | 289.2 | 143.0 | 146.2 | 523.1 | 133.9 | 132.9 | 129.9 | 126.4 |
| - Intersegment net sales | 0.7 | 0.3 | 0.4 | 1.5 | 0.2 | 0.4 | 0.5 | 0.4 |
| Films | 84.3 | 42.9 | 41.4 | 159.1 | 35.2 | 42.9 | 41.0 | 40.0 |
| - Intersegment net sales | 2.2 | 1.2 | 1.0 | 4.6 | 1.2 | 1.1 | 1.1 | 1.2 |
| North America | 252.8 | 141.9 | 110.9 | 532.4 | 127.2 | 135.5 | 156.9 | 112.8 |
| - Intersegment net sales | 1.5 | 0.8 | 0.7 | 3.2 | 0.6 | 0.9 | 0.9 | 0.8 |
| Molded Fiber | 118.4 | 59.8 | 58.6 | 232.6 | 60.9 | 57.1 | 59.2 | 55.4 |
| - Intersegment net sales | 0.2 | 0.1 | 0.1 | 0.3 | 0.1 | 0.1 | 0.0 | 0.1 |
| Foodservice Europe-Asia-Oceania | 236.8 | 127.4 | 109.4 | 447.9 | 110.7 | 116.6 | 119.9 | 100.7 |
| - Intersegment net sales | 2.6 | 1.5 | 1.1 | 19.7 | 4.3 | 4.9 | 5.2 | 5.3 |
| Other activities | 24.5 | 13.0 | 11.5 | 56.7 | 13.9 | 14.8 | 15.4 | 12.6 |
| - Intersegment net sales | 1.5 | 0.9 | 0.6 | 3.2 | 0.7 | 0.8 | 1.0 | 0.7 |
| Elimination of intersegment net sales | -8.7 | -4.8 | -3.9 | -32.5 | -7.1 | -8.2 | -8.7 | -8.5 |
| Total continuing operations | 1,006.0 | 528.0 | 478.0 | 1,951.8 | 481.8 | 499.8 | 522.3 | 447.9 |
| Discontinued operations | | | | | | | | |
| Rigid consumer goods plastics | - | - | - | 154.7 | 37.1 | 40.3 | 40.2 | 37.1 |
| - Intersegment net sales | - | - | - | 12.2 | 2.4 | 3.5 | 3.5 | 2.8 |
| Elimination of intersegment net sales | - | - | - | -12.2 | -2.4 | -3.5 | -3.5 | -2.8 |
| Total discontinued operations | - | - | - | 154.7 | 37.1 | 40.3 | 40.2 | 37.1 |

EBIT

| EUR million | H1 2011 | Q2 2011 | Q1 2011 | Q1-Q4 2010 | Q4 2010 | Q3 2010 | Q2 2010 | Q1 2010 |
|--|---------|---------|---------|------------|---------|---------|---------|---------|
| Continuing operations | | | | | | | | |
| Flexible Packaging | 20.2 | 10.0 | 10.2 | 34.3 | 9.6 | 7.7 | 7.1 | 9.9 |
| Films | 5.0 | 1.9 | 3.1 | 10.8 | 1.5 | 3.0 | 3.8 | 2.5 |
| North America | 22.9 | 16.3 | 6.6 | 45.4 | 8.0 | 10.1 | 18.9 | 8.4 |
| Molded Fiber | 10 | 4.6 | 5.4 | 21.9 | 6.2 | 5.4 | 5.7 | 4.6 |
| Foodservice Europe-Asia-Oceania | 11.2 | 7.7 | 3.5 | 24.5 | 4.1 | 8.7 | 8.2 | 3.5 |
| Other activities | -1.9 | -0.5 | -1.4 | -2.6 | -1.7 | -1.5 | 0.6 | 0.0 |
| Total continuing operations | 67.4 | 40.0 | 27.4 | 134.3 | 27.7 | 33.4 | 44.3 | 28.9 |
| Discontinued operations | | | | | | | | |
| Rigid consumer goods plastics ⁽¹⁾ | - | - | - | 10.6 | 3.1 | 3.9 | 1.7 | 1.9 |

¹⁾ Q2 and Q1-Q4 2010 includes non-recurring charges MEUR 2.0.

Segments (continued)

EBITDA

| EUR million | H1 2011 | Q2 2011 | Q1 2011 | Q1-Q4 2010 | Q4 2010 | Q3 2010 | Q2 2010 | Q1 2010 |
|--|---------|---------|---------|------------|---------|---------|---------|---------|
| Continuing operations | | | | | | | | |
| Flexible Packaging | 29.6 | 14.7 | 14.9 | 53.8 | 14.4 | 12.7 | 12.1 | 14.6 |
| Films | 7.9 | 3.3 | 4.6 | 16.7 | 3.0 | 4.5 | 5.3 | 3.9 |
| North America | 32.7 | 21.2 | 11.5 | 64.6 | 13.0 | 14.9 | 23.8 | 12.9 |
| Molded Fiber | 16.2 | 7.7 | 8.5 | 34.4 | 9.6 | 8.5 | 8.7 | 7.6 |
| Foodservice Europe-Asia-Oceania | 21.4 | 12.8 | 8.6 | 44.8 | 9.5 | 13.8 | 13.3 | 8.2 |
| Other activities | -1.1 | -0.1 | -1.0 | -0.7 | -1.2 | -1.0 | 1.0 | 0.5 |
| Total continuing operations | 106.7 | 59.6 | 47.1 | 213.6 | 48.3 | 53.4 | 64.2 | 47.7 |
| Discontinued operations | | | | | | | | |
| Rigid consumer goods plastics ⁽¹⁾ | - | - | - | 12.5 | 3.1 | 3.9 | 2.6 | 2.9 |

¹⁾ Q2 and Q1-Q4 2010 includes non-recurring charges MEUR 2.0.

DEPRECIATION AND AMORTIZATION

| EUR million | H1 2011 | Q2 2011 | Q1 2011 | Q1-Q4 2010 | Q4 2010 | Q3 2010 | Q2 2010 | Q1 2010 |
|---------------------------------|---------|---------|---------|------------|---------|---------|---------|---------|
| Continuing operations | | | | | | | | |
| Flexible Packaging | 9.4 | 4.7 | 4.7 | 19.5 | 4.8 | 5.0 | 5.0 | 4.7 |
| Films | 2.9 | 1.4 | 1.5 | 5.9 | 1.5 | 1.5 | 1.5 | 1.4 |
| North America | 9.8 | 4.9 | 4.9 | 19.2 | 5.0 | 4.8 | 4.9 | 4.5 |
| Molded Fiber | 6.2 | 3.1 | 3.1 | 12.5 | 3.4 | 3.1 | 3.0 | 3.0 |
| Foodservice Europe-Asia-Oceania | 10.2 | 5.1 | 5.1 | 20.3 | 5.4 | 5.1 | 5.1 | 4.7 |
| Other activities | 0.8 | 0.4 | 0.4 | 1.9 | 0.5 | 0.5 | 0.4 | 0.5 |
| Total continuing operations | 39.3 | 19.6 | 19.7 | 79.3 | 20.6 | 20.0 | 19.9 | 18.8 |
| Discontinued operations | | | | | | | | |
| Rigid consumer goods plastics | - | - | - | 1.9 | 0.0 | 0.0 | 0.9 | 1.0 |

NET ASSETS ALLOCATED TO THE SEGMENTS ⁽²⁾

| EUR million | Q2 2011 | Q1 2011 | Q4 2010 | Q3 2010 | Q2 2010 | Q1 2010 |
|---------------------------------|---------|---------|---------|---------|---------|---------|
| Continuing operations | | | | | | |
| Flexible Packaging | 332.7 | 333.0 | 328.2 | 325.6 | 328.6 | 320.4 |
| Films | 127.0 | 125.0 | 118.8 | 120.4 | 125.0 | 119.3 |
| North America | 368.9 | 370.4 | 369.8 | 376.0 | 411.2 | 385.1 |
| Molded Fiber | 174.6 | 175.2 | 173.1 | 172.1 | 176.0 | 174.2 |
| Foodservice Europe-Asia-Oceania | 252.5 | 240.3 | 238.5 | 227.7 | 237.3 | 228.2 |
| Discontinued operations | | | | | | |
| Rigid consumer goods plastics | - | - | - | 44.7 | 42.5 | 47.3 |

²⁾ Following statement of financial position items are included in net assets: intangible and tangible assets, other non-current assets, inventories, trade and other current receivables (excluding accrued interest income), other non-current liabilities and trade and other current liabilities (excluding accrued interest expense).

Segments (continued)

CAPITAL EXPENDITURE

| EUR million | H1 2011 | Q2 2011 | Q1 2011 | Q1-Q4 2010 | Q4 2010 | Q3 2010 | Q2 2010 | Q1 2010 |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|
| Continuing operations | | | | | | | | |
| Flexible Packaging | 6.8 | 4.8 | 2.0 | 12.8 | 5.5 | 3.6 | 1.5 | 2.2 |
| Films | 3.7 | 1.8 | 1.9 | 7.5 | 3.7 | 2.3 | 1.1 | 0.4 |
| North America | 10.2 | 5.2 | 5.0 | 22.3 | 6.7 | 7.1 | 5.6 | 2.9 |
| Molded Fiber | 3.8 | 1.9 | 1.9 | 15.8 | 8.9 | 4.9 | 0.8 | 1.2 |
| Foodservice Europe-Asia-Oceania | 8.3 | 5.6 | 2.7 | 18.6 | 7.7 | 4.4 | 3.5 | 3.0 |
| Other activities | 0.3 | 0.2 | 0.1 | 2.2 | 0.8 | 0.2 | 1.0 | 0.2 |
| Total continuing operations | 33.1 | 19.5 | 13.6 | 79.2 | 33.3 | 22.5 | 13.5 | 9.9 |
| Discontinued operations | | | | | | | | |
| Rigid consumer goods plastics | - | - | - | 6.6 | 4.8 | 0.9 | 0.6 | 0.3 |

RONA, % (12m roll.)

| | Q2 2011 | Q1 2011 | Q4 2010 | Q3 2010 | Q2 2010 | Q1 2010 |
|---------------------------------|---------|---------|---------|---------|---------|---------|
| Continuing operations | | | | | | |
| Flexible Packaging | 11.4% | 10.6% | 10.7% | 10.0% | 10.0% | 9.3% |
| Films | 7.7% | 9.4% | 9.1% | 6.7% | 5.5% | -0.6% |
| North America | 10.8% | 11.4% | 11.9% | 10.6% | 11.7% | 13.3% |
| Molded Fiber | 12.4% | 13.1% | 12.7% | 12.0% | 11.6% | 10.9% |
| Foodservice Europe-Asia-Oceania | 10.0% | 10.7% | 10.6% | 9.1% | 8.3% | 7.4% |
| Discontinued operations | | | | | | |
| Rigid consumer goods plastics | - | - | - | 0.9% | 1.9% | 6.2% |

OPERATING CASH FLOW

| EUR million | H1 2011 | Q2 2011 | Q1 2011 | Q1-Q4 2010 | Q4 2010 | Q3 2010 | Q2 2010 | Q1 2010 |
|---------------------------------|---------|---------|---------|------------|---------|---------|---------|---------|
| Continuing operations | | | | | | | | |
| Flexible Packaging | 6.0 | 10.9 | -4.9 | 34.6 | 22.3 | 3.4 | 7.7 | 1.2 |
| Films | -7.4 | 0.5 | -7.9 | 5.7 | 5.5 | 5.2 | -0.2 | -4.8 |
| North America | 2.9 | 9.5 | -6.6 | 59.0 | 19.0 | 9.0 | 18.4 | 12.6 |
| Molded Fiber | 8.3 | 5.6 | 2.7 | 23.1 | 7.5 | 6.0 | 7.3 | 2.3 |
| Foodservice Europe-Asia-Oceania | -9.1 | -5.2 | -3.9 | 21.8 | 5.4 | 11.5 | 5.2 | -0.3 |
| Discontinued operations | | | | | | | | |
| Rigid consumer goods plastics | - | - | - | -3.7 | -11.4 | 2.7 | 0.2 | 4.8 |

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

Other information

KEY INDICATORS

| | H1 2011 | H1 2010 | Q1-Q4 2010 |
|---|---------|---------|------------|
| Equity per share (EUR) | 7.14 | 7.12 | 7.40 |
| ROE, % (12m roll.) | 13.2 | 11.2 | 14.5 |
| ROI, % (12m roll.) | 11.2 | 10.0 | 12.0 |
| Personnel | 12,047 | 13,049 | 11,687 |
| Result before taxes (12m roll.) | 123.1 | 103.9 | 131.2 |
| Depreciation | 36.5 | 37.5 | 75.1 |
| Amortization of other intangible assets | 2.8 | 3.1 | 6.1 |

CONTINGENT LIABILITIES

| EUR million | Jun 30 2011 | Dec 31 2010 | Jun 30 2010 |
|---------------------------------|-------------|-------------|-------------|
| Mortgages | 14.5 | 14.5 | 14.5 |
| Guarantee obligations | 0.0 | 0.0 | 0.4 |
| Lease payments | 53.9 | 67.3 | 56.6 |
| Capital expenditure commitments | 33.8 | 19.7 | 32.2 |

NOMINAL VALUES OF DERIVATIVE INSTRUMENTS

| EUR million | Jun 30 2011 | Dec 31 2010 | Jun 30 2010 |
|--|-------------|-------------|-------------|
| Currency forwards, transaction risk hedges | 40 | 47 | 54 |
| Currency forwards, translation risk hedges | 69 | 47 | 27 |
| Currency swaps, financing hedges | 115 | 116 | 127 |
| Currency options | 3 | 0 | - |
| Interest rate swaps | 110 | 151 | 162 |
| Cross currency swaps | 48 | 48 | - |
| Electricity forwards | 1 | 1 | 1 |

EXCHANGE RATES

| Income statement, average: | H1 2011 | H1 2010 |
|---|-------------|-------------|
| GBP 1 = | 1.152 | 1.149 |
| INR 1 = | 0.016 | 0.016 |
| AUD 1 = | 0.736 | 0.673 |
| USD 1 = | 0.713 | 0.753 |
| Statement of financial position, month end: | Jun 30 2011 | Jun 30 2010 |
| GBP 1 = | 1.108 | 1.223 |
| INR 1 = | 0.015 | 0.018 |
| AUD 1 = | 0.742 | 0.694 |
| USD 1 = | 0.692 | 0.815 |

Other information (continued)

SHARE CAPITAL AND SHAREHOLDERS

At the end of reporting period, the Company's registered share capital was EUR 360,615,288.00 (unchanged) corresponding to a total number of outstanding shares of 106,063,320 (unchanged) including 4,591,089 (4,826,089) Company's own shares. The Company's own shares had the total accountable par value of EUR 15,609,702.60 (EUR 16,408,702.60), representing 4.3% (4.6%) of the total number of shares and voting rights. The amount of outstanding shares net of Company's own shares was 101,472,231 (101,237,231).

There were 27,115 (25,891) registered shareholders at the end of the reporting period. Foreign ownership including nominee registered shares accounted for 24% (24%).

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 reporting period, the Company's market capitalization was EUR 934 million (EUR 805 million) and EUR 894 million (EUR 768 million) excluding Company's own shares. With a closing price of EUR 8.81 (EUR 7.59) the share price decreased by 15% (-22%) from the beginning of the year, while the OMX Helsinki Cap PI Index decreased by 10% (+1%) and the OMX Helsinki Materials PI Index increased by 9% (+12%). During the reporting period the volume weighted average price for the Company's share was EUR 9.78 (EUR 8.51). The highest price paid was EUR 10.75 and the lowest price paid was EUR 8.23.

During the reporting period the cumulative value of the Company's share turnover was EUR 265 million (EUR 422 million). The trading volume of 27 million (50 million) shares equaled an average daily turnover of EUR 2.1 million (EUR 3.4 million) or, correspondingly 218,758 (403,510) shares.

In total, turnover of the Company's 2006 A, B and C option rights was EUR 9,606.37 (EUR 190,118.50) corresponding to a trading volume of 6,192 (155,486) option rights.

DEFINITIONS FOR KEY INDICATORS

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

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