



HUHTAMÄKI OYJ
INTERIM REPORT
January 1 – June 30, 2013



HUHTAMAKI

H1 2013

Stable net sales and EBIT

- Earnings improvement maintained in the Foodservice Europe-Asia-Oceania segment
- Continued solid performance in the Molded Fiber segment
- Despite net sales growth earnings declined in the North America segment due to inventory reductions and higher investment costs
- Declining net sales and earnings in the Films segment due to weak demand of industrial films
- EPS declined as a result of higher financial and tax expenses

Key figures – excluding non-recurring items

EUR million	H1 2013	H1 2012	Q2 2013	Q2 2012	FY 2012
Net sales	1,187.3	1,161.3	618.9	614.5	2,321.2
EBIT*	86.4	83.9	49.2	49.6	163.5
EBIT margin*, %	7.3	7.2	7.9	8.1	7.0
EPS*, EUR	0.58	0.62	0.34	0.38	1.19
ROI*, %	12.3	11.0			12.6
ROE*, %	15.0	12.9			15.8

* Excluding EUR -7.3 million non-recurring items (NRI) in Q2 2013 and H1 2013.

Key figures – reported

EUR million	H1 2013	H1 2012	Q2 2013	Q2 2012	FY 2012
Net sales	1,187.3	1,161.3	618.9	614.5	2,321.2
EBIT	79.1	83.9	41.9	49.6	163.5
EBIT margin, %	6.7	7.2	6.8	8.1	7.0
EPS, EUR	0.51	0.62	0.27	0.38	1.19
ROI, %	11.7	11.0			12.6
ROE, %	14.1	12.9			15.8

Overview

Unless otherwise stated, all statements and comments presented in this report relate to the reporting period January 1–June 30, 2013, and all comparisons are compared to the corresponding reporting period in 2012. ROI, ROE and RONA figures presented in this report are calculated on a 12-month rolling basis.

The Group's trading conditions remained relatively stable despite continued general economic uncertainty and customer cautiousness. The Group's net sales grew by EUR 26 million (equaling 2%) and were EUR 1,187 million (EUR 1,161 million). Excluding the adverse currency translation impact, net sales growth was EUR 41 million (equaling 3%). During the second quarter all business segments except Films reported positive organic growth. Comparable organic growth was strongest in the Molded Fiber business segment.

The Group's earnings before interest and taxes (EBIT), excluding non-recurring items (NRI) of EUR 7 million, were EUR 86 million (EUR 84 million) and in the second quarter EUR 49 million (EUR 50 million). The reported EBIT was EUR 79 million (EUR 84 million) and in the second quarter EUR 42 million (EUR 50 million). Earnings development continued strong in the Foodservice Europe-Asia-Oceania business segment. In the North America business segment earnings declined despite net sales growth.

The Group's free cash flow was EUR 6 million (EUR 24 million) and for the second quarter EUR 27 million (EUR 35 million). Return on investment (ROI), excluding non-recurring items, was 12.3% (11.0%) and return on equity (ROE), excluding non-recurring items, was 15.0% (12.9%).

Further efficiency improving measures to improve the competitiveness of the Foodservice Europe-Asia-Oceania business segment were announced on June 13, 2013, in addition to measures initiated in the segment during the first quarter. The North American investments in foodservice disposables capabilities, announced during the first quarter, progressed according to plan.

Business review by segment

The net sales distribution by business segment was the following: Flexible Packaging 25% (26%), Films 8% (8%), North America 30% (30%), Molded Fiber 10% (10%) and Foodservice Europe-Asia-Oceania 27% (26%).

FLEXIBLE PACKAGING

Flexible packaging is used for a wide range of consumer products including food, pet food, hygiene and health care products. The segment serves global markets from production units in Europe, Asia and South America.

EUR million	H1 2013	H1 2012	Q2 2013	Q2 2012	FY 2012
Net sales	302.0	297.4	152.9	147.7	573.3
EBIT	23.2	23.7	12.0	11.7	44.6
EBIT margin, %	7.7	8.0	7.8	7.9	7.8
RONA, %	13.3	10.4			13.8

The Flexible Packaging segment's net sales grew slightly. In Asia volume growth and positive contribution from the label business, acquired in India in November 2012, continued. During the second quarter net sales development turned positive also in Europe. However, the lower net sales in Oceania resulting from the closure of the manufacturing unit in New Zealand at the end of July 2012 had a negative effect on the segment's net sales development.

The segment's earnings declined slightly mainly due to negative development in Europe during the first quarter. During the second quarter the segment's earnings development turned positive.

FILMS

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

EUR million	H1 2013	H1 2012	Q2 2013	Q2 2012	FY 2012
Net sales	95.7	101.2	47.1	51.4	191.5
EBIT	3.6	5.9	1.8	3.0	9.2
EBIT margin, %	3.8	5.8	3.8	5.8	4.8
RONA, %	4.6	6.3			6.0

The Films segment's net sales declined. During the second quarter the net sales decline was primarily due to continued weak demand of films for the building and construction industry in North America. The demand for hygiene and pressure sensitive films was stable. Net sales continued to develop positively during the second quarter in Asia and South America.

The segment's earnings decline was due to negative volume development.

NORTH AMERICA

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

EUR million	H1 2013	H1 2012	Q2 2013	Q2 2012	FY 2012
Net sales	361.6	346.4	197.0	189.7	704.3
EBIT	22.8	29.2	15.0	19.7	53.0
EBIT margin, %	6.3	8.4	7.6	10.4	7.5
RONA, %	9.7	11.7			11.7

The North America segment's net sales continued to develop positively. During the second quarter net sales development was strong within the retail tableware business, led by the continued good progress of private label items. The growth of the foodservice packaging business accelerated slightly during the second quarter. Demand for ice cream packaging continued to be soft.

The segment's earnings declined. In the second quarter the earnings decline was due to high costs related to manufacturing optimization, build-up of new capacity and inventory reductions. In addition, adverse mix effect within the foodservice business had a negative effect on the segment's earnings decline.

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

MOLDED FIBER

Recycled molded fiber is used to make fresh product packaging, such as egg and fruit packaging. The segment has production in Europe, Oceania, Africa and South America.

EUR million	H1 2013	H1 2012	Q2 2013	Q2 2012	FY 2012
Net sales	119.6	119.2	59.0	59.7	237.3
EBIT	14.4	13.1	7.3	6.3	26.4
EBIT margin, %	12.0	11.0	12.4	10.6	11.1
RONA, %	17.1	13.8			16.1

Steady comparable net sales growth continued in the Molded Fiber segment. During the second quarter growth was driven by healthy volume growth particularly in the emerging markets. The segment's reported net sales were affected by negative currency movements.

The segment's earnings growth continued as a result of ongoing healthy volume growth and stable operations. Earnings were negatively affected by adverse currency movements.

FOODSERVICE EUROPE-ASIA-OCEANIA

Foodservice paper and plastic disposable tableware, such as cups, is supplied to foodservice operators, fast food restaurants and coffee shops. The segment has production in Europe, Middle-East, Asia and Oceania.

EUR million	H1 2013	H1 2012	Q2 2013	Q2 2012	FY 2012
Net sales	317.0	303.0	167.4	168.7	626.8
EBIT*	23.2	17.5	14.8	12.5	38.1
EBIT margin*, %	7.3	5.8	8.8	7.4	6.1
RONA*, %	12.4	9.7			11.6

* Excluding EUR -7.3 million non-recurring items (NRI) in Q2 2013 and H1 2013.

The Foodservice Europe-Asia-Oceania segment's net sales grew. This was mainly due to the first quarter growth from the business acquired in Asia in the beginning of the second quarter in 2012. The growth in Asia and the positive momentum in Russia and in the UK continued. However, this was not sufficient to offset the weak net sales development in other European markets and Oceania, leading to flat reported net sales development during the second quarter. In Europe demand for high-end paper cups for hot drinks continued healthy, whereas demand for plastic cups declined.

The segment's earnings growth continued. The positive earnings development in the second quarter was due to continued good cost containment and favorable product mix in Europe, as well as good progress with ongoing restructuring processes. Operational efficiency improvements also contributed to earnings growth.

Several efficiency enhancing measures were taken and initiated to improve the segment's competitiveness. Employee cooperation procedures in Hämeenlinna, Finland, initiated on March 4, 2013, resulted in the reduction of 29 employees. In South Africa, the manufacturing unit in Epping was decided to be closed at the end of September, 2013, affecting 51 employees. In Viul, Norway, employee cooperation procedures were initiated on June 13, 2013 with a view to close the manufacturing unit. In Alf, Germany, a reorganization of the unit was announced on June 13, 2013. Non-recurring charges will be booked during 2013 to cover the costs of the above mentioned measures. During the second quarter non-recurring charges of EUR 7 million were booked.

In addition, a strategic review was initiated in the loss-making plastics unit in Italy.

Financial review

The Group EBIT (excl. NRI) was EUR 86 million (EUR 84 million), corresponding to an EBIT margin of 7.3% (7.2%). For the second quarter, the Group EBIT (excl. NRI) was EUR 49 million (EUR 50 million). The reported Group EBIT was EUR 79 million (EUR 84 million), corresponding to an EBIT margin of 6.7% (7.2%). For the second quarter the reported Group EBIT was EUR 42 million (EUR 50 million).

Net financial items were EUR -14 million (EUR -12 million) and for the second quarter EUR -7 million (EUR -6 million). Financial expenses increased mainly due to slightly higher average interest rates due to changes in debt structure. Tax expense was EUR 10 million (EUR 7 million) and for the second quarter EUR 6 million (EUR 5 million). The corresponding tax rate was 16% (10%).

Profit for the period was EUR 55 million (EUR 65 million) and for the second quarter EUR 29 million (EUR 39 million). Earnings per share (EPS), excluding non-recurring items, were EUR 0.58 (EUR 0.62) and for the second quarter EUR 0.34 (EUR 0.38). Reported EPS was EUR 0.51 (0.62) and for the second quarter EUR 0.27 (0.38).

Foreign currency translation impact was negative. The impact on net sales was EUR -15 million and on EBIT EUR -1 million compared to the 2012 exchange rates. The translation impact was mainly due to

the weakening of certain key market currencies against euro. In the second quarter the impact on net sales was EUR -9 million and on EBIT EUR -1 million.

The average number of outstanding shares used in EPS calculations was 102,873,988 (101,499,921), excluding 4,227,589 (4,591,089) of the Company's own shares. Based on share subscriptions with Huhtamäki Oyj's option rights 2006 C under the Company's Option Rights 2006 Plan, a total of 98,235 new shares of Huhtamäki Oyj were issued during the first quarter of 2013 and a total of 12,504 new shares during the second quarter of 2013. The corresponding increase in the Company's share capital was EUR 376,512.60.

STATEMENT OF FINANCIAL POSITION AND CASH FLOW

Capital expenditure increased to EUR 56 million (EUR 34 million) and in the second quarter to EUR 29 million (EUR 21 million). Majority of the capital expenditure was related to business expansion investments in the North America segment. As a result, free cash flow was EUR 6 million (EUR 24 million) and in the second quarter EUR 27 million (EUR 35 million).

During the second quarter, Huhtamäki Oyj issued a EUR 200 million fixed rate unsecured bond. The bond was listed on NASDAQ OMX Helsinki Ltd. The loan period is seven years and the bond pays a coupon of 3.375%. The funds are used for general purposes of the Group.

The Group's net debt was EUR 460 million (EUR 480 million) at the end of the reporting period. This corresponds to a gearing ratio of 0.58 (0.61). Net debt grew by EUR 54 million from year-end 2012 mainly as a result of higher capital expenditure as well as dividends paid. Net debt to EBITDA ratio (excl. NRI) was 1.8 (2.1). Average maturity of external committed credit facilities and loans was 3.9 (3.6) years.

The Group's liquidity position was solid. At the end of the reporting period cash and cash equivalents were EUR 183 million (EUR 125 million) and the Group had EUR 306 million (EUR 290 million) of unused committed credit facilities available.

Total assets on the statement of financial position were EUR 2,188 million (EUR 2,117 million).

Personnel

The Group had a total of 14,385 (14,150) employees at the end of June 2013.

Change in the Group Executive Team

Juha Salonen, Senior Vice President, Administration and Legal, and member of the Group Executive Team, retired as of May 1, 2013.

Resolutions of the Annual General Meeting 2013

Huhtamäki Oyj's Annual General Meeting of Shareholders (AGM) was held in Helsinki on April 25, 2013. The meeting adopted the Company's Annual Accounts and the Consolidated Annual Accounts for 2012 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 2012 was set at EUR 0.56 per share compared with EUR 0.46 paid for the previous year.

Seven members of the Board of Directors were elected for a term lasting until the end of the next AGM. To the Board of Directors were re-elected Ms. Eija Ailasmaa, Mr. Pekka Ala-Pietilä, Mr. William R. Barker, Mr. Rolf Börjesson, Ms. Maria Mercedes Corrales, Mr. Jukka Suominen and Ms. Sandra Turner. The Board of Directors convened immediately after the AGM and elected Mr. Pekka Ala-Pietilä as Chairman of the Board and Mr. Jukka Suominen as Vice-Chairman of the Board.

The Authorized Public Accountant firm Ernst & Young Oy was elected as Auditor of the Company for the financial year January 1 - December 31, 2013. 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.

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

Outlook for 2013

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

Financial Reporting Schedule in 2013

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

Espoo, July 18, 2013
Huhtamäki Oyj
Board of Directors

Group income statement (IFRS) – unaudited

EUR million	H1 2013	H1 2012*	Q2 2013	Q2 2012*	Q1-Q4 2012*
Net sales	1,187.3	1,161.3	618.9	614.5	2,321.2
Cost of goods sold	-1,008.1	-972.9	-525.4	-510.1	-1,949.2
Gross profit	179.2	188.4	93.5	104.4	372.0
Other operating income	8.4	9.5	4.1	5.0	20.3
Sales and marketing	-36.8	-37.3	-19.5	-20.0	-74.1
Research and development	-8.5	-7.9	-4.6	-4.1	-15.7
Administration costs	-59.2	-64.8	-29.1	-33.6	-129.5
Other operating expenses	-5.5	-5.5	-3.3	-2.8	-12.5
Share of profit of equity-accounted investments	1.5	1.5	0.8	0.7	3.0
	-100.1	-104.5	-51.6	-54.8	-208.5
Earnings before interest and taxes	79.1	83.9	41.9	49.6	163.5
Financial income	2.2	3.9	1.2	2.2	6.1
Financial expenses	-16.3	-15.9	-8.5	-8.0	-32.2
Profit before taxes	65.0	71.9	34.6	43.8	137.4
Income tax expense	-10.4	-7.4	-5.5	-4.6	-13.3
Profit for the period	54.6	64.5	29.1	39.2	124.1
Attributable to:					
Equity holders of the parent company	52.5	63.0	28.1	38.5	121.3
Non-controlling interest	2.1	1.5	1.0	0.7	2.8
EUR					
EPS attributable to equity holders of the parent company	0.51	0.62	0.27	0.38	1.19
Diluted EPS attributable to equity holders of the parent company	0.51	0.62	0.27	0.38	1.18

Group statement of comprehensive income (IFRS) – unaudited

EUR million	H1 2013	H1 2012*	Q2 2013	Q2 2012*	Q1-Q4 2012*
Profit for the period	54.6	64.5	29.1	39.2	124.1
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Remeasurements on defined benefit plans	1.2	-2.6	0.0	-0.4	-52.0
Income taxes related to items that will not be reclassified	-0.3	0.8	0.0	0.1	14.9
Total	0.9	-1.8	0.0	-0.3	-37.1
Items that may be reclassified subsequently to profit or loss					
Translation differences	-6.1	9.3	-25.3	19.0	-13.3
Equity hedges	-0.5	-5.9	4.1	-11.2	2.8
Cash flow hedges	2.7	-0.5	1.8	-2.0	2.0
Income taxes related to items that may be reclassified	-0.1	-0.2	0.0	0.2	-0.3
Total	-4.0	2.7	-19.4	6.0	-8.8
Other comprehensive income, net of tax	-3.1	0.9	-19.4	5.7	-45.9
Total comprehensive income	51.5	65.4	9.7	44.9	78.2
Attributable to:					
Equity holders of the parent company	49.4	63.9	8.7	44.2	75.4
Non-controlling interest	2.1	1.5	1.0	0.7	2.8

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

Group statement of financial position (IFRS) – unaudited

EUR million	Jun 30 2013	Dec 31 2012*	Jun 30 2012*
ASSETS			
Non-current assets			
Goodwill	452.3	452.0	447.8
Other intangible assets	25.5	29.2	33.7
Tangible assets	667.1	668.2	658.8
Equity-accounted investments	11.2	10.5	13.3
Available-for-sale investments	1.7	1.3	1.2
Interest-bearing receivables	17.5	16.9	15.1
Deferred tax assets	37.2	36.9	22.0
Employee benefit assets	31.6	33.1	34.8
Other non-current assets	9.1	4.5	5.1
	1,253.2	1,252.6	1,231.8
Current assets			
Inventory	325.7	318.1	330.1
Interest-bearing receivables	18.7	9.5	29.0
Current tax assets	2.1	2.3	3.1
Trade and other current receivables	404.8	351.4	397.3
Cash and cash equivalents	183.3	81.0	125.2
	934.6	762.3	884.7
Total assets	2,187.8	2,014.9	2,116.5
EQUITY AND LIABILITIES			
Share capital	364.9	364.5	361.2
Premium fund	114.7	114.1	107.2
Treasury shares	-38.9	-42.2	-42.2
Translation differences	-116.6	-110.0	-96.1
Fair value and other reserves	-84.4	-87.9	-55.0
Retained earnings	526.9	540.5	482.3
Total equity attributable to equity holders of the parent company	766.6	779.0	757.4
Non-controlling interest	25.9	26.5	24.3
Total equity	792.5	805.5	781.7
Non-current liabilities			
Interest-bearing liabilities	607.1	427.4	457.6
Deferred tax liabilities	56.5	56.1	60.8
Employee benefit liabilities	184.0	185.3	137.7
Provisions	36.7	38.5	42.9
Other non-current liabilities	8.6	4.5	4.5
	892.9	711.8	703.5
Current liabilities			
Interest-bearing liabilities			
Current portion of long term loans	23.6	12.4	84.3
Short-term loans	49.0	73.5	107.4
Provisions	5.2	4.1	6.3
Current tax liabilities	10.7	10.9	10.2
Trade and other current liabilities	413.9	396.7	423.1
	502.4	497.6	631.3
Total liabilities	1,395.3	1,209.4	1,334.8
Total equity and liabilities	2,187.8	2,014.9	2,116.5
	Jun 30 2013	Dec 31 2012*	Jun 30 2012*
Net debt	460.2	405.9	480.0
Net debt to equity (gearing)	0.58	0.50	0.61

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



Statement of changes in equity (IFRS) – unaudited

Attributable to equity holders of the parent company

EUR million	Share capital	Share issue premium	Treasury shares	Translation diff.	Fair value and other reserves	Retained earnings	Total	Non-controlling interest	Total equity
Balance on Dec 31, 2011	360.6	106.8	-42.2	-97.8	-5.4	460.1	782.1	22.9	805.0
Change in accounting policy (IAS19)				-1.7	-47.1		-48.8		-48.8
Balance on Jan 1, 2012	360.6	106.8	-42.2	-99.5	-52.5	460.1	733.3	22.9	756.2
Dividends paid						-46.7	-46.7		-46.7
Share-based payments						2.0	2.0		2.0
Stock option exercised	0.6	0.4					1.0		1.0
Total comprehensive income for the year				3.4	-2.5	63.0	63.9	1.5	65.4
Other changes						3.9	3.9	-0.1	3.8
Balance on Jun 30, 2012	361.2	107.2	-42.2	-96.1	-55.0	482.3	757.4	24.3	781.7
Balance on Dec 31, 2012	364.5	114.1	-42.2	-110.0	-87.9	540.5	779.0	26.5	805.5
Dividends paid						-57.7	-57.7		-57.7
Share-based payments			3.3			0.2	3.5		3.5
Stock option exercised	0.4	0.6					1.0		1.0
Total comprehensive income for the year				-6.6	3.5	52.5	49.4	2.1	51.5
Other changes						-8.6	-8.6	-2.7	-11.3
Balance on Jun 30, 2013	364.9	114.7	-38.9	-116.6	-84.4	526.9	766.6	25.9	792.5

Group statement of cash flows (IFRS) – unaudited

EUR million	H1 2013	H1 2012	Q2 2013	Q2 2012	Q1-Q4 2012
Profit for the period*	54.6	64.5	29.1	39.2	124.1
Adjustments*	74.1	54.5	40.9	26.3	115.2
Depreciation and amortization*	49.3	43.5	26.8	21.9	90.0
Share of profit of equity-accounted investments*	-1.5	-1.5	-0.8	-0.7	-3.0
Gain/loss from disposal of assets*	-0.1	-0.6	-0.2	-0.4	-0.6
Financial expense/-income*	14.1	12.0	7.3	5.8	26.1
Income tax expense*	10.4	7.4	5.5	4.6	13.3
Other adjustments, operational*	1.9	-6.3	2.3	-4.9	-10.6
Change in inventory*	-11.2	-25.5	10.7	-3.3	-17.3
Change in non-interest bearing receivables*	-50.9	-53.9	-13.1	-39.8	9.1
Change in non-interest bearing payables*	19.3	31.0	3.1	36.7	-9.2
Dividends received*	0.5	0.5	0.4	0.3	4.9
Interest received*	1.3	1.0	0.9	0.6	2.5
Interest paid*	-12.6	-10.8	-7.3	-3.5	-22.3
Other financial expense and income*	-1.9	-0.1	-1.3	0.5	-2.8
Taxes paid*	-12.0	-4.1	-7.4	-2.5	-14.0
Net cash flows from operating activities	61.2	57.1	56.0	54.5	190.2
Capital expenditure*	-55.9	-34.4	-29.1	-20.6	-93.5
Proceeds from selling tangible assets*	0.5	1.1	0.3	0.8	5.9
Acquired subsidiaries	-	-46.2	-	-46.2	-57.5
Proceeds from long-term deposits	0.4	0.3	0.2	0.1	1.0
Payment of long-term deposits	-0.9	-1.0	-0.7	-1.0	-3.6
Proceeds from short-term deposits	5.2	1.2	2.3	0.8	25.5
Payment of short-term deposits	-14.5	-24.8	-13.5	-22.3	-26.9
Net cash flows from investing	-65.2	-103.8	-40.5	-88.4	-149.1
Proceeds from long-term borrowings	189.2	240.6	184.2	199.3	231.3
Repayment of long-term borrowings	-6.3	-53.5	-5.8	-43.6	-81.7
Proceeds from short-term borrowings	708.1	693.5	319.2	252.8	1,136.6
Repayment of short-term borrowings	-725.7	-733.8	-334.4	-303.6	-1,279.0
Dividends paid	-57.7	-46.7	-57.7	-46.7	-46.7
Proceeds from stock option exercises	1.0	1.0	0.4	1.0	11.2
Net cash flows from financing	108.6	101.1	105.9	59.2	-28.3
Change in liquid assets	102.3	56.2	117.7	27.6	12.0
Cash flow based	104.6	54.4	121.4	25.3	12.8
Translation difference	-2.3	1.8	-3.7	2.3	-0.8
Liquid assets period start	81.0	69.0	65.6	97.6	69.0
Liquid assets period end	183.3	125.2	183.3	125.2	81.0
Free cash flow (including figures marked with *)	5.8	23.8	27.2	34.7	102.6

Notes for the results report

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

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

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

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

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

Segments

Segment information is presented according to the IFRS standards. Items below EBIT - financial items and taxes - are not allocated to the segments.

NET SALES

EUR million	H1 2013	Q2 2013	Q1 2013	Q1-Q4 2012	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Flexible Packaging	301.6	152.7	148.9	572.6	134.0	141.6	147.6	149.4
- Intersegment net sales	0.4	0.2	0.2	0.7	0.1	0.2	0.1	0.3
Films	93.1	45.9	47.2	187.2	42.0	46.5	50.3	48.4
- Intersegment net sales	2.6	1.2	1.4	4.3	0.6	1.2	1.1	1.4
North America	360.1	196.3	163.8	700.9	179.2	176.8	189.0	155.9
- Intersegment net sales	1.5	0.7	0.8	3.4	0.9	1.0	0.7	0.8
Molded Fiber	118.5	58.6	59.9	235.1	58.9	57.9	59.2	59.1
- Intersegment net sales	1.1	0.4	0.7	2.2	0.6	0.7	0.5	0.4
Foodservice Europe-Asia-Oceania	314.0	165.4	148.6	625.4	161.5	161.5	168.4	134.0
- Intersegment net sales	3.0	2.0	1.0	1.4	0.7	0.1	0.3	0.3
Elimination of intersegment net sales	-8.6	-4.5	-4.1	-12.0	-2.9	-3.2	-2.7	-3.2
Segments total	1,187.3	618.9	568.4	2,321.2	575.6	584.3	614.5	546.8

EBIT

EUR million	H1 2013	Q2 2013	Q1 2013	Q1-Q4 2012	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Flexible packaging	23.2	12.0	11.2	44.6	10.0	10.9	11.7	12.0
Films	3.6	1.8	1.8	9.2	0.8	2.5	3.0	2.9
North America	22.8	15.0	7.8	53.0	10.4	13.4	19.7	9.5
Molded Fiber	14.4	7.3	7.1	26.4	6.4	6.9	6.3	6.8
Foodservice Europe-Asia-Oceania ⁽¹⁾	15.9	7.5	8.4	38.1	10.9	9.7	12.5	5.0
Other activities	-0.8	-1.7	0.9	-7.8	-2.6	0.3	-3.6	-1.9
Segments total ⁽¹⁾	79.1	41.9	37.2	163.5	35.9	43.7	49.6	34.3

¹⁾ H1 and Q2 2013 include non-recurring items MEUR -7.3.



Segments (continued)

EBITDA

EUR million	H1 2013	Q2 2013	Q1 2013	Q1-Q4 2012	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Flexible Packaging	32.0	16.5	15.5	62.0	14.4	15.0	16.0	16.6
Films	7.6	3.8	3.8	17.2	2.7	4.6	5.0	4.9
North America	35.8	21.5	14.3	78.2	17.1	19.9	25.7	15.5
Molded Fiber	20.0	10.0	10.0	38.2	9.3	9.9	9.2	9.8
Foodservice Europe-Asia-Oceania ⁽¹⁾	33.3	18.3	15.0	64.5	18.0	16.7	18.9	10.9
Other activities	-0.3	-1.4	1.1	-6.6	-2.3	0.8	-3.4	-1.7
Segments total ⁽¹⁾	128.4	68.7	59.7	253.5	59.2	66.9	71.4	56.0

¹⁾ H1 and Q2 2013 include non-recurring items MEUR -3.2.

DEPRECIATION AND AMORTIZATION

EUR million	H1 2013	Q2 2013	Q1 2013	Q1-Q4 2012	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Flexible Packaging	8.8	4.5	4.3	17.4	4.4	4.1	4.3	4.6
Films	4.0	2.0	2.0	8.0	1.9	2.1	2.0	2.0
North America	13.0	6.5	6.5	25.2	6.7	6.5	6.0	6.0
Molded Fiber	5.6	2.7	2.9	11.8	2.9	3.0	2.9	3.0
Foodservice Europe-Asia-Oceania	17.4	10.8	6.6	26.4	7.1	7.0	6.4	5.9
Other activities	0.5	0.3	0.2	1.2	0.3	0.5	0.2	0.2
Segments total	49.3	26.8	22.5	90.0	23.3	23.2	21.8	21.7

NET ASSETS ALLOCATED TO THE SEGMENTS⁽²⁾

EUR million	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Flexible Packaging	334.7	344.9	325.1	329.7	324.8	320.9
Films	145.6	152.8	149.4	154.1	154.4	155.6
North America	493.2	494.2	453.2	479.1	471.5	442.9
Molded Fiber	162.5	163.4	159.3	161.0	163.3	169.5
Foodservice Europe-Asia-Oceania	338.0	356.8	352.1	349.8	364.1	290.2

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).

CAPITAL EXPENDITURE

EUR million	H1 2013	Q2 2013	Q1 2013	Q1-Q4 2012	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Flexible Packaging	7.9	4.3	3.6	19.8	9.3	3.9	3.8	2.8
Films	1.1	0.5	0.6	5.5	2.3	1.0	1.8	0.4
North America	32.4	14.4	18.0	31.5	11.0	8.9	6.8	4.8
Molded Fiber	8.8	6.3	2.5	13.6	10.3	1.0	1.5	0.8
Foodservice Europe-Asia-Oceania	5.6	3.5	2.1	22.3	6.3	4.7	6.3	5.0
Other activities	0.1	0.1	0.0	0.8	0.2	0.2	0.4	0.0
Segments total	55.9	29.1	26.8	93.5	39.4	19.7	20.6	13.8

RONA (12m roll.)

	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Flexible Packaging	13.3%	13.3%	13.8%	13.6%	10.4%	9.9%
Films	4.6%	5.3%	6.0%	5.3%	6.3%	5.7%
North America	9.7%	11.0%	11.7%	11.8%	11.7%	11.5%
Molded Fiber	17.1%	16.4%	16.1%	15.1%	13.8%	12.5%
Foodservice Europe-Asia-Oceania	10.4%	12.1%	11.6%	10.5%	9.7%	8.8%

Segments (continued)

OPERATING CASH FLOW

EUR million	H1 2013	Q2 2013	Q1 2013	Q1-Q4 2012	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Flexible Packaging	8.4	11.3	-2.9	42.2	20.5	9.3	7.5	4.9
Films	3.1	5.6	-2.5	12.2	6.8	1.7	4.1	-0.4
North America	-8.1	7.0	-15.1	26.2	26.6	7.6	8.4	-16.4
Molded Fiber	12.2	9.0	3.2	25.5	1.5	7.8	12.1	4.1
Foodservice Europe-Asia-Oceania	17.6	10.8	6.8	42.8	11.7	19.4	7.3	4.4

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 2013	Q1-Q4 2012	H1 2012
Equity per share (EUR)	7.44	7.59	7.45
ROE, % (12m roll.)	14.1	15.8	12.9
ROI, % (12m roll.)	11.7	12.6	11.0
Personnel	14,385	14,228	14,150
Profit before taxes (EUR million, 12m roll.)	130.4	137.4	118.5
Depreciation (EUR million)	45.2	82.3	40.1
Amortization of other intangible assets (EUR million)	4.1	7.7	3.4

CONTINGENT LIABILITIES

EUR million	Jun 30 2013	Dec 31 2012	Jun 30 2012
Mortgages	-	-	14.5
Guarantee obligations	0.4	0.4	0.4
Lease payments	54.5	57.9	54.2
Capital expenditure commitments	27.6	29.0	41.1

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

EUR million	Jun 30 2013	Dec 31 2012	Jun 30 2012
Fair value through profit and loss - assets			
Currency forwards, transaction risk hedges	2.0	1.7	0.5
Currency forwards, translation risk hedges	1.0	1.4	-
Currency forwards, for financing purposes	2.8	1.1	0.9
Currency options, transaction risk hedges	0.4	-	0.0
Interest rate swaps	0.7	-	-
Cross currency swaps	1.8	2.4	1.3
Available-for-sale investments	1.7	1.3	1.2
Fair value through profit and loss - liabilities			
Currency forwards, transaction risk hedges	0.4	0.5	1.3
Currency forwards, translation risk hedges	-	0.2	4.2
Currency forwards, for financing purposes	0.3	1.1	1.7
Currency options, transaction risk hedges	0.2	-	-
Interest rate swaps	4.3	3.3	3.8
Cross currency swaps	-	2.0	-
Electricity forwards	0.2	0.1	0.2

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

Other information (continued)

INTEREST-BEARING LIABILITIES

EUR million	Jun 30 2013		Dec 31 2012		Jun 30 2012	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Non-current	607.1	592.5	427.4	420.9	457.6	453.7
Current	72.6	72.6	85.9	85.9	191.7	191.7
Total	679.7	665.1	513.3	506.8	649.3	645.4

EXCHANGE RATES

Income statement, average:	H1 2013	H1 2012
AUD 1 =	0.773	0.796
GBP 1 =	1.180	1.216
INR 1 =	0.014	0.015
RUB 1 =	0.025	0.025
THB 1 =	0.025	0.025
USD 1 =	0.763	0.771

Statement of financial position, month end:	Jun 30 2013	Jun 30 2012
AUD 1 =	0.706	0.810
GBP 1 =	1.167	1.239
INR 1 =	0.013	0.014
RUB 1 =	0.023	0.024
THB 1 =	0.025	0.025
USD 1 =	0.765	0.794

Other information (continued)

SHARE CAPITAL AND SHAREHOLDERS

At the end of the reporting period, the Company's registered share capital was EUR 364,876,865.00 (361,232,996.60) corresponding to a total number of shares of 107,316,725 (106,244,999) including 4,227,589 (4,591,089) Company's own shares. The accountable par value of the Company's own shares was EUR 3.40 per share, totaling EUR 14,373,802.60 (EUR 15,609,702.60) which represents 3.9% (4.3%) of the total number of shares and voting rights. The amount of outstanding shares excluding the Company's own shares was 103,089,136 (101,653,910).

There were 25,199 (24,380) registered shareholders at the end of the reporting period. Foreign ownership including nominee registered shares accounted for 38% (32%).

SHARE DEVELOPMENTS

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

At the end of the reporting period the Company's market capitalization was EUR 1,531 million (EUR 1,244 million) and EUR 1,471 million (EUR 1,190 million) excluding the Company's own shares. With a closing price of EUR 14.27 (EUR 11.71) the share price increased by 16% (28%) from the beginning of the year, while the OMX Helsinki Cap PI Index increased by 1% (decreased by 4%) and the OMX Helsinki Industrials PI Index increased by 2% (8%). During the reporting period the volume weighted average price for the Company's share was EUR 14.43 (EUR 10.63). The highest price paid was EUR 15.84 and the lowest price paid was EUR 12.32.

SHARE TRADING

During the reporting period the cumulative value of the Company's share turnover on NASDAQ OMX Helsinki Ltd was EUR 333 million (EUR 278 million). The trading volume of 23 million (26 million) shares equaled an average daily turnover of EUR 2.7 million (EUR 2.2 million) or, correspondingly 187,919 (211,747) shares.

In addition to NASDAQ OMX Helsinki Ltd, the Company's shares can also be traded on alternative trading venues, such as BATS Chi-X, Burgundy and Turquoise. During the reporting period 39% (44%) of all trading took place outside NASDAQ OMX Helsinki Ltd. The cumulative value of the Company's share turnover on NASDAQ OMX Helsinki Ltd and alternative trading venues was EUR 547 million (EUR 494 million) in the reporting period. (Source: Fidessa Fragmentation Index, www.fragmentation.fidessa.com)

The total turnover of the Company's 2006 C option rights was EUR 1,216,493.93 corresponding to a trading volume of 147,614 option rights. In January 1 – June 30, 2012 turnover of the Company's 2006 B and C option rights was EUR 1,887,422.44 corresponding to a trading volume of 670,840 option rights.

DEFINITIONS FOR KEY INDICATORS

EPS attributable to equity holders of the parent company =

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

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

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

Net debt to equity (gearing) =

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

Return on net assets (RONA) =

$$\frac{100 \times \text{Earnings before interest and taxes (12 m roll.)}}{\text{Net assets (12 m roll.)}}$$

Operating cash flow =

Ebit + depreciation and amortization (including impairment) - capital expenditure + disposals +/- change in inventories, trade receivables and trade payables

Shareholders' equity per share =

$$\frac{\text{Total equity attributable to equity holders of parent company}}{\text{Issue-adjusted number of shares at period end}}$$

Return on equity (ROE) =

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

Return on investment (ROI) =

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

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