

# Interim Report

## *January 1 – September 30, 2007*

*Huhtamäki Group is a leading manufacturer of consumer and specialty packaging with 2006 net sales totaling EUR 2.3 billion. Consumer goods and foodservice markets are served by some 15,000 employees in 66 manufacturing units and several sales offices in 36 countries. The parent company, Huhtamäki Oyj, has its head office in Espoo, Finland and is listed on the Helsinki Stock Exchange. Additional information is available at [www.huhtamaki.com](http://www.huhtamaki.com).*

## INTERIM REPORT JANUARY 1 – SEPTEMBER 30, 2007



During the third quarter, operational result dampened while net sales increased from the previous year

- Net sales growth of 4%
- Group EBIT reflects raw material price increases, negative currency impact and weak operational result in Asia-Oceania-Africa
- Full-year operational result expected to be around the level of 2006
- Strong measures being taken to decrease working capital and improve margins
- Strategic measures to accelerate earnings growth

### Key figures

EUR million	Q3 2007	Q3 2006	Q1-Q3 2007	Q1-Q3 2006	2006
Net sales	582.4	562.2	1,753.2	1,718.4	2,275.6
EBIT before corporate items, underlying	32.7	36.4	110.7	113.9	138.1
Corporate net	0.5	3.4	-4.1	20.0	19.5
EBIT, underlying*	33.2	39.8	106.6	133.9	157.6
EBIT margin %, underlying	5.7	7.1	6.1	7.8	6.9
EBIT, reported	33.2	38.1	106.6	125.1	145.5
EPS, reported	0.18	0.25	0.61	0.82	0.94

\* The underlying EBIT excludes restructuring charges

### Business review

In the third quarter, market demand for consumer packaging in the majority of the mature markets was stable. However, in North America a slowdown in demand was experienced, especially in September. Demand continued healthy in the emerging markets. While the prices for the main raw materials remained on a high level during the quarter, they showed a clear increase compared to the average level of the previous year.

Volume growth (+3%), although slower than expected, and price/mix changes (+2%) had a positive impact on reported net sales of EUR 582.4 million (+4%). The impact from currency translations on net sales was negative (-1%).

In January-September, net sales was EUR 1,753.2 million (+2%). The geographical distribution of sales was the following: Europe 53% (53%), Americas 30% (31%) and Asia-Oceania-Africa 17% (16%).

### Europe

EUR million	Q3 2007	Q3 2006	Q1-Q3 2007	Q1-Q3 2006	2006
Net sales	310.2	296.5	935.4	900.3	1,188.7
EBIT, underlying	14.7	14.9	43.0	48.7	52.1
EBIT margin %, underlying	4.7	5.0	4.6	5.4	4.4
EBIT, reported	14.7	13.2	43.0	39.9	40.3
RONA % underlying (12m roll.)	-	-	5.7	7.8	6.7

In Europe, sales growth within Consumer Goods segment in the third quarter was solid in the Flexibles business and improving in the Films business after temporary issues following the implementation of the new enterprise resource planning (ERP) platform. While sales



performance in the Rigid Consumer Goods business was overall stable, weakness in sales continued in the UK and was also experienced in Southern Europe. Within Foodservice segment, sales growth remained healthy driven by Eastern and Southern Europe. For the quarter, the reported net sales was EUR 310.2 million (+5%) with a positive impact from volume (+5%).

The region's underlying EBIT was EUR 14.7 million (-1%), corresponding to an EBIT margin of 4.7% (5.0%). This reflects favorable volume development and recovering profitability of the Films business, offset by weaker than expected price/mix development. The reported EBIT was EUR 14.7 million. In the previous year the reported EBIT of EUR 13.2 million included restructuring charges of EUR 1.7 million.

With reference to the earlier announced programs, the capacity expansion in Foodservice beverage cups in several European units was completed during the quarter.

In January-September, net sales was EUR 935.4 million (+4%). The underlying EBIT of EUR 43.0 million (-12%) corresponded to an EBIT margin of 4.6% (5.4%). The reported EBIT was 43.0 million (EUR 39.9 million).

#### Americas

EUR million	Q3 2007	Q3 2006	Q1-Q3 2007	Q1-Q3 2006	2006
Net sales	170.0	173.8	518.9	541.2	711.5
EBIT, underlying	13.5	14.0	52.2	47.4	61.3
EBIT margin %, underlying	7.9	8.1	10.1	8.8	8.6
EBIT, reported	13.5	14.0	52.2	47.4	61.3
RONA % underlying (12m roll.)	-	-	11.8	11.0	11.0

In the Americas, sales declined within Consumer Goods segment especially in the Frozen desserts and the Pet food categories during the quarter. The shortfall was partially mitigated by sales growth in Retail within Foodservice segment. Growth in the South American Rigid businesses continued on a good level. For the quarter, the positive impact from price/mix changes (+6%) compensated for the decline in volume (-2%). The reported net sales of EUR 170.0 million (-2%) was depressed by currency translations (-6%).

The region's underlying EBIT was EUR 13.5 million (-3%), corresponding to an EBIT margin of 7.9% (8.1%). This reflects volume shortfall and negative currency impact offset by favorable mix development, diligent price management and continued improvement in operational efficiency.

The new capacity added to the existing flexibles packaging facility in Malvern, USA, is on track and scheduled to be operational by year-end 2007.

In January-September, net sales was EUR 518.9 million (-4%). The underlying EBIT of EUR 52.2 million (+10%) corresponded to an EBIT margin of 10.1% (8.8%).

#### Asia-Oceania-Africa

EUR million	Q3 2007	Q3 2006	Q1-Q3 2007	Q1-Q3 2006	2006
Net sales	102.2	91.9	298.9	276.9	375.4
EBIT, underlying	4.5	7.5	15.5	17.8	24.7
EBIT margin %, underlying	4.4	8.2	5.2	6.4	6.6
EBIT, reported	4.5	7.5	15.5	17.8	24.4
RONA % underlying (12m roll.)	-	-	6.7	8.1	8.1



In Asia-Oceania-Africa, sales performance within Consumer Goods and Foodservice segments was solid during the third quarter. In Asia, volume growth remained favorable driven by the Flexibles business, especially with the introduction of new capacity in Rudrapur, India. In Oceania, sales growth in the Rigid businesses was overall steady. For the quarter, there was continued volume growth (+5%) and a positive impact from price/mix changes (+3%). The reported net sales of EUR 102.2 million (+11%) was boosted further by currency translations (+3%).

The region's underlying EBIT was EUR 4.5 million (-40%), corresponding to an EBIT margin of 4.4% (8.2%). This reflects start-up costs associated with investments in new capacity, especially in Guangzhou, China, as well as unfavorable margin development in India. In Oceania Foodservice, weakness in operational result was due to one-off items and operational inefficiency.

The relocation from Hong Kong, China, to the new rigid packaging facility in Guangzhou, China, progressed and is expected to be completed during the first quarter of 2008. Construction work at the new flexibles packaging facility in Bangkok, Thailand, started during the quarter with production expected to commence around mid 2008.

In January-September, net sales was EUR 298.9 million (+8%). The underlying EBIT of EUR 15.5 million (-13%) corresponded to an EBIT margin of 5.2% (6.4%).

#### **Financial review**

In the third quarter, the underlying EBIT before corporate items was EUR 32.7 million (-10%), corresponding to an EBIT margin of 5.6% (6.5%). Corporate net was EUR 0.5 million (EUR 3.4 million) reflecting the expected reduction in royalty income.

The underlying Group EBIT was EUR 33.2 million (EUR 39.8 million), corresponding to an EBIT margin of 5.7% (7.1%). The reported EBIT was EUR 33.2 million. In the previous year the reported EBIT of EUR 38.1 million included restructuring charges of EUR 1.7 million.

At EUR -10.7 million (EUR -9.0 million), the increase in net financial items was mainly due to higher interest rates and debt level. The reported profit for the period was EUR 18.7 million (EUR 26.6 million), and EPS was EUR 0.18 (EUR 0.25).

In January-September, the Group's underlying EBIT was EUR 106.6 million (-20%), corresponding to an EBIT margin of 6.1% (7.8%). This reflects mainly a EUR 24.1 million reduction in corporate net as well as a weaker operational result. The reported EBIT was 106.6 million. In the previous year the reported EBIT of EUR 125.1 million included restructuring charges of EUR 8.8 million. Net financial items were EUR 30.9 million (EUR 27.4 million). The income tax expense was EUR 13.5 million (EUR 13.9 million), corresponding to a tax rate of 17.8% (14.2%). The reported profit for the period was EUR 62.5 million (EUR 84.1 million), and EPS was EUR 0.61 (EUR 0.82).

The average number of outstanding shares used in the EPS calculation was 100,426,461 (98,935,107) excluding 5,061,089 (unchanged) company's own shares.

On a rolling 12-month basis, the return on investment (ROI) was 7.8% (9.8%) and return on equity (ROE) was 8.7% (11.8%).

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

In the end of the third quarter, free cash flow of EUR -2.0 million (EUR 9.6 million) was impacted by an increase in capital expenditure to EUR 35.4 million (EUR 27.3 million) as well



as elevated level of working capital. In January-September, free cash flow was EUR -44.7 million (27.3 million) with capital expenditure of EUR 92.5 million (EUR 73.3 million).

Net debt at the end of the third quarter was EUR 783.4 million (EUR 687.1 million), corresponding to a gearing ratio of 0.90 (0.81).

### **Personnel**

The Group had 14,963 (14,521) employees on September 30, 2007.

### **Strategic measures to accelerate earnings growth**

All businesses will focus on improving profitability and the earlier confirmed financial targets for the Group remain unchanged. Enhanced shareholder value will be created through focused growth, capitalizing on Huhtamaki's positions of strength.

The Flexibles and Films businesses will expand globally and be recognized as an innovative leader and a best-in-class performer in chosen product and market segments. Investments will be targeted on strengthening the position especially in North America and Asia.

Rigid Food and Beverage Packaging will grow selectively with particular focus on Foodservice in Europe and Asia and on Retail in North America. Huhtamaki's leading paper and fiber capabilities strengthen its position also as a supplier of sustainable packaging alternatives.

Huhtamaki will decrease its presence in such business areas that do not meet the profitability requirements or do not create value in the execution of the Group strategy. As a consequence, Huhtamaki is considering different strategic options for its Consumer Goods business unit in the UK and all of its operations in South Africa.

### **Events after the reporting period**

Huhtamaki revised the 2007 full-year outlook downwards on October 10, 2007. The revision was due to weakened volumes and operational results in September as well as softer volume outlook in the remainder of the year.

In the short-term, measures are being taken to adjust costs to meet the current volume levels. These include adaption of manning and overall cost containment.

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

Volatile raw material and energy prices as well as movements in currency translations are considered to be significant short-term business risks and uncertainties in the Group's operations.

### **Outlook for 2007**

The operational result is expected to be around the level of 2006 (EUR 138.1 million). There will be a significant reduction in corporate net mainly due to lower royalty income. Consequently, the underlying EBIT for the full-year is estimated to remain clearly below the level of 2006 (EUR 157.6 million). Increase in net financial items and higher tax rate will have an impact on earnings.



This interim report is unaudited.

Espoo, October 24, 2007  
Huhtamäki Oyj  
Board of Directors

The 2007 Results will be published on February 14, 2008.

Group Income statement (IFRS)

Unaudited

EUR million	Q1-Q3 2007	Q1-Q3 2006	Q3 2007	Q3 2006	Q1-Q4 2006
<b>Net sales</b>	<b>1,753.2</b>	<b>1,718.4</b>	<b>582.4</b>	<b>562.2</b>	<b>2,275.6</b>
Cost of goods sold	-1484.2	-1461.6	-494.5	-480.4	-1,946.4
<b>Gross profit</b>	<b>269.0</b>	<b>256.8</b>	<b>88.0</b>	<b>81.8</b>	<b>329.2</b>
Other operating income	16.5	41.7	3.1	12.1	56.2
Sales and marketing	-63.1	-61.7	-21.6	-20.7	-82.8
Research and development	-14.1	-15.1	-4.5	-4.8	-19.3
Administration costs	-90.8	-94.0	-29.2	-31.0	-126.5
Other operating expenses	-10.9	-2.6	-2.6	0.7	-11.3
	-162.4	-131.7	-54.8	-43.7	-183.7
<b>Earnings before interest and taxes</b>	<b>106.6</b>	<b>125.1</b>	<b>33.2</b>	<b>38.1</b>	<b>145.5</b>
Financial income	6.4	9.1	1.5	2.5	11.0
Financial expenses	-37.3	-36.5	-12.2	-11.5	-47.9
Income of associated companies	0.3	0.3	0.1	0.1	0.5
<b>Profit before taxes</b>	<b>76.0</b>	<b>98</b>	<b>22.6</b>	<b>29.2</b>	<b>109.2</b>
Income tax expense	-13.5	-13.9	-3.9	-2.6	-12.6
<b>Profit for the period</b>	<b>62.5</b>	<b>84.1</b>	<b>18.7</b>	<b>26.6</b>	<b>96.6</b>
Attributable to:					
Equity holders of the parent company	61.3	81.5	18.5	25.3	93.3
Minority interest	1.2	2.6	0.2	1.3	3.3
Basic earnings per share (EUR) for the shareholders of parent company	0.61	0.82	0.18	0.25	0.94
Diluted earnings per share (EUR) for the shareholders of parent company	0.61	0.81	0.19	0.25	0.93

## Group balance sheet (IFRS)

## Unaudited

EUR million	Sep 30 2007	Dec 31 2006	Sep 30 2006
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	517.4	525.2	528.8
Other intangible assets	36.3	35.1	8.3
Tangible assets	842.5	840.1	816.7
Investments in associated companies	1.7	1.5	1.9
Available for sale investments	1.7	1.8	1.9
Interest bearing receivables	1.0	6.6	6.1
Deferred tax assets	19.4	14.1	14.0
Employee benefit assets	60.9	64.0	65.7
Other non-current assets	4.9	5.0	4.8
	<b>1,485.8</b>	<b>1,493.4</b>	<b>1,448.2</b>
<b>Current assets</b>			
Inventory	367.5	341.8	346.3
Interest bearing receivables	0.0	0.5	0.6
Current tax assets	8.6	9.9	7.4
Trade and other current receivables	426.1	400.7	418.1
Cash and cash equivalents	22.1	22.3	28.6
	<b>824.3</b>	<b>775.2</b>	<b>801.0</b>
<b>Total assets</b>	<b>2,310.1</b>	<b>2,268.6</b>	<b>2,249.2</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	358.7	358.7	354.7
Premium fund	104.7	104.7	98.9
Treasury shares	-46.5	-46.5	-46.5
Translation differences	-120.6	-106.7	-102.6
Fair value and other reserves	2.1	2.1	3.7
Retained earnings	552.5	528.8	519.2
<b>Total equity attributable to equity holders of the parent company</b>	<b>850.9</b>	<b>841.1</b>	<b>827.4</b>
Minority interest	20.0	19.3	18.7
<b>Total equity</b>	<b>870.9</b>	<b>860.4</b>	<b>846.1</b>
<b>Non-current liabilities</b>			
Interest bearing liabilities	367.7	314.7	349.0
Deferred tax liabilities	59.5	62.9	76.7
Employee benefit liabilities	110.6	111.4	112.3
Provisions	54.4	46.8	54.9
Other non-current liabilities	3.8	3.9	4.2
	<b>596.0</b>	<b>539.7</b>	<b>597.1</b>
<b>Current liabilities</b>			
Interest bearing liabilities			
- Current portion of long term loans	40.8	41.7	17.1
- Short term loans	398.1	383.7	356.3
Provisions	6.0	11.9	14.6
Current tax liabilities	21.7	19.7	11.2
Trade and other current liabilities	376.6	411.5	406.8
	<b>843.2</b>	<b>868.5</b>	<b>806.0</b>
<b>Total liabilities</b>	<b>1,439.2</b>	<b>1,408.2</b>	<b>1,403.1</b>
<b>Total equity and liabilities</b>	<b>2,310.1</b>	<b>2,268.6</b>	<b>2,249.2</b>
	<b>Sep 30 2007</b>	<b>Dec 31 2006</b>	<b>Sep 30 2006</b>
Net debt	783.4	710.7	687.1
Net debt to equity (gearing)	0.90	0.83	0.81



Changes in shareholders' equity  
Unaudited

EUR million	Attributable to equity holders of the parent company						Total equity	Minority interest	Total
	Share capital	Share issue premium	Treasury shares	Translation diff.	Fair value and other reserves	Retained earnings			
<b>Balance at Dec 31, 2005</b>	<b>353.0</b>	<b>96.8</b>	<b>-46.5</b>	<b>-76.3</b>	<b>-0.2</b>	<b>475.2</b>	<b>802.0</b>	<b>18.4</b>	<b>820.4</b>
Cash flow hedges									
Hedge result deferred to equity					2.6		2.6		2.6
Hedge result recognized in income statement					1.8		1.8		1.8
Translation differences				-26.3			-26.3	-2.3	-28.6
Deferred tax in equity					-1.5		-1.5		-1.5
Other changes						-1.3	-1.3		-1.3
<b>Net income recognized directly in equity</b>				<b>-26.3</b>	<b>2.9</b>	<b>-1.3</b>	<b>-24.7</b>	<b>-2.3</b>	<b>-27.0</b>
Net income for the period						81.5	81.5	2.6	84.1
<b>Total recognized income and expense for the period</b>				<b>-26.3</b>	<b>2.9</b>	<b>80.2</b>	<b>56.8</b>	<b>0.3</b>	<b>57.1</b>
Dividend						-37.5	-37.5		-37.5
Share-based payments						1.2	1.2		1.2
Stock options exercised	1.7	2.1			1.0		4.9		4.9
<b>Balance at Sep 30, 2006</b>	<b>354.7</b>	<b>98.9</b>	<b>-46.5</b>	<b>-102.6</b>	<b>3.7</b>	<b>519.1</b>	<b>827.4</b>	<b>18.7</b>	<b>846.1</b>
<b>Balance at Dec 31, 2006</b>	<b>358.7</b>	<b>104.7</b>	<b>-46.5</b>	<b>-106.7</b>	<b>2.1</b>	<b>528.8</b>	<b>841.1</b>	<b>19.3</b>	<b>860.4</b>
Cash flow hedges									
Hedge result deferred to equity					0.8		0.8		0.8
Hedge result recognized in income statement					-1.9		-1.9		-1.9
Hedge result transferred to carrying amount of hedged items					0.5		0.5		0.5
Translation differences				-13.9			-13.9	-0.5	-14.4
Deferred tax in equity					0.6		0.6		0.6
Other changes						3.4	3.4		3.4
<b>Net income recognized directly in equity</b>				<b>-13.9</b>	<b>0.0</b>	<b>3.4</b>	<b>-10.5</b>	<b>-0.5</b>	<b>-11.0</b>
Net income for the period						61.3	61.3	1.2	62.5
<b>Total recognized income and expense for the period</b>				<b>-13.9</b>	<b>0.0</b>	<b>64.7</b>	<b>50.7</b>	<b>0.7</b>	<b>51.5</b>
Dividend						-42.2	-42.2		-42.2
Share-based payments						1.2	1.2		1.2
Stock options exercised	0.0	0.0			0.0		0.0		0.0
<b>Balance at Sep 30, 2007</b>	<b>358.7</b>	<b>104.7</b>	<b>-46.5</b>	<b>-120.6</b>	<b>2.1</b>	<b>552.5</b>	<b>850.9</b>	<b>20.0</b>	<b>870.9</b>

Group cash flow statement (IFRS)  
Unaudited

EUR million	Q1-Q3 2007	Q1-Q3 2006	Q3 2007	Q3 2006	Q1-Q4 2006
<b>Profit for the period*</b>	<b>62.5</b>	<b>84.1</b>	<b>18.7</b>	<b>26.6</b>	<b>96.6</b>
Adjustments*	116.7	105.1	42.5	35.2	126.9
- Depreciation and amortization*	74.2	77.0	25.1	23.2	101.5
- Gain on equity of minorities*	-0.3	-0.3	-0.1	-0.2	-0.5
- Gain/loss from disposal of assets*	0.5	-0.1	0.2	-0.4	0.1
- Financial expense/-income*	30.9	26.9	10.6	8.5	36.8
- Income tax expense*	13.5	13.8	3.9	2.5	12.6
- Other adjustments, operational*	-2.0	-12.3	2.9	1.7	-23.6
Change in inventory*	-29.8	-46.6	1.2	-19.0	-44.1
Change in non-interest bearing receivables*	-30.9	-43.7	17.6	14.8	-9.7
Change in non-interest bearing payables*	-33.2	35.0	-34.3	-9.4	19.3
Dividends received*	0.4	0.3	0.1	0.0	1.0
Interest received*	1.3	2.7	0.6	0.7	2.7
Interest paid*	-32.1	-28.7	-11.5	-11.5	-38.0
Other financial expense and income*	0.4	-0.2	0.0	0.3	0.7
Taxes paid*	-9.8	-12.2	-2.2	-3.0	-16.3
<b>Net cash flows from operating activities</b>	<b>45.5</b>	<b>95.8</b>	<b>32.7</b>	<b>34.7</b>	<b>139.1</b>
Capital expenditure*	-92.5	-73.3	-35.4	-27.3	-154.0
Proceeds from selling fixed assets*	2.3	4.8	0.7	2.1	6.5
Divested subsidiaries	0.0	23.3	0.0	0.0	22.9
Proceeds from long-term deposits	7.1	-	6.6	1.5	1.6
Payment of long-term deposits	-1.6	-1.8	-0.1	-	-3.9
Proceeds from short-term deposits	4.4	16.6	3.9	14.0	24.8
Payment of short-term deposits	-3.9	-	0.0	-	-8.1
<b>Net cash flows from investing</b>	<b>-84.2</b>	<b>-30.4</b>	<b>-24.3</b>	<b>-9.6</b>	<b>-110.2</b>
Proceeds from long-term borrowings	331.6	393.0	91.4	162.9	409.0
Repayment of long-term borrowings	-280.5	-446.3	-93.2	-183.7	-495.5
Proceeds from short-term borrowings	2,167.0	1,957.5	598.4	656.2	2,612.7
Repayment of short-term borrowings	-2,137.1	-1,942.8	-608.4	-668.7	-2,543.6
Dividends paid	-42.2	-37.5	0.0	0.0	-37.5
Proceeds from stock option exercises	0.0	4.8	0.0	1.7	13.5
<b>Net cash flows from financing</b>	<b>38.9</b>	<b>-71.3</b>	<b>-11.7</b>	<b>-31.6</b>	<b>-41.4</b>
<b>Change in liquid assets</b>	<b>-0.2</b>	<b>-9.0</b>	<b>-3.8</b>	<b>-6.1</b>	<b>-15.3</b>
Cash flow based	0.2	-5.9	-3.2	-6.5	-12.5
Translation difference	-0.3	-3.1	-0.7	0.4	-2.8
Liquid assets period start	22.3	37.6	25.9	34.7	37.6
Liquid assets period end	22.1	28.6	22.1	28.6	22.3
Free cash flow (including figures marked with *)	-44.7	27.3	-2.0	9.5	-8.4

NOTES FOR THE INTERIM 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 2006. Interim report is unaudited.

Changes in accounting principles

The Group has adopted the following IFRS standards and interpretations considered applicable to Huhtamäki, with effect from January 1, 2007

IAS 1 Presentation of Financial statements: Capital disclosures: The Amendment to IAS 1 requires information about capital and capital management during the accounting period.

IFRIC 8 Scope of IFRS 2 Share-Based Payments: The interpretation applies to share-based payments, where the received compensation is below the fair value of granted equity instrument.

IFRIC 9 Reassessment of Embedded Derivatives: The interpretation requires the determination of whether the arrangement contains embedded derivatives, which have to be reported separately as derivative instruments.

IFRIC 10 Interim Financial reporting and Impairment: IFRIC 10 denies to reverse the impairment charge reported in interim report at later closing dates.

The effect of these newly adopted standards has not had a material impact on the reported results or disclosures.

In 2006 in the Americas segment the price reduction type item has been transferred from sales and marketing costs to amend net sales. In the business segment the whole item fell on the Foodservice segment. The effect of this restatement on net sales was EUR -3.9 million in Q1, EUR -6.7 million in Q2 and EUR -3.2 million in Q3 of 2006. The restatement did not have material impact on net sales based key ratios.

Regions

Net sales

EUR million	Q3 2007	Q2 2007	Q1 2007	Q1-Q3 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q1-Q4 2006
Europe	310.2	320.3	304.9	935.4	288.4	296.5	311.2	292.6	1,188.7
Americas	170	185.2	163.7	518.9	170.3	173.8	191.1	176.3	711.5
Asia-Oceania-Africa	102.2	100.6	96.1	298.9	98.5	91.9	91.8	93.2	375.4
Total	582.4	606.1	564.7	1,753.2	557.2	562.2	594.1	562.1	2,275.6

Interregional sales are not significant.

EBIT

EUR million	Q3 2007	Q2 2007	Q1 2007	Q1-Q3 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q1-Q4 2006
Europe	14.7	14.7	13.6	43.0	0.4	13.2	16.4	10.2	40.3
Americas	13.5	20.2	18.5	52.2	13.9	14.0	19.7	13.7	61.3
Asia-Oceania-Africa	4.5	5.3	5.7	15.5	6.6	7.5	4.1	6.3	24.4
EBIT before corporate items	32.7	40.2	37.8	110.7	20.9	34.7	40.2	30.2	126.0
Corporate net	0.5	-4.5	-0.1	-4.1	-0.5	3.4	9.6	7.0	19.5
Total	33.2	35.7	37.7	106.6	20.4	38.1	49.8	37.2	145.5

Underlying EBIT

EUR million	Q3 2007	Q2 2007	Q1 2007	Q1-Q3 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q1-Q4 2006
Europe	14.7	14.7	13.6	43.0	3.4	14.9	19.8	13.9	52.1
Americas	13.5	20.2	18.5	52.2	13.9	14.0	19.7	13.7	61.3
Asia-Oceania-Africa	4.5	5.3	5.7	15.5	6.9	7.5	4.1	6.3	24.7
EBIT before corporate items	32.7	40.2	37.8	110.7	24.2	36.4	43.6	33.9	138.1
Corporate net	0.5	-4.5	-0.1	-4.1	-0.5	3.4	9.6	7.0	19.5
Total	33.2	35.7	37.7	106.6	23.7	39.8	53.2	40.9	157.6

Net assets and RONA % (12m roll.)

EUR million	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006
Europe	819.5	803.8	789.7	782.7	779.4	778.6	784.8
RONA-% underlying	5.7 %	5.8 %	6.6%	6.7%	7.8%	8.2%	8.7%
RONA-% reported	5.3 %	5.2 %	5.5%	5.1%	6.1%	5.5%	0.1%
Americas	558.7	565.0	566.2	558.1	564.5	565.9	573.4
RONA-% underlying	11.8 %	11.8 %	11.7%	11.0%	11.0%	10.9%	9.7%
RONA-% reported	11.8 %	11.8 %	11.7%	11.0%	11.0%	10.9%	4.3%
Asia-Oceania-Africa	332.6	319.0	303.4	301.0	295.8	292.2	293.9
RONA-% underlying	6.7 %	7.9 %	7.9%	8.1%	8.1%	7.7%	8.4%
RONA-% reported	6.7 %	7.9 %	7.9%	8.1%	6.1%	5.6%	5.8%

## Business segments

### Net sales

EUR million	Q3 2007	Q2 2007	Q1 2007	Q1-Q3 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q1-Q4 2006
Consumer Goods	377.4	390.2	389.2	1,156.8	359.0	368.2	379.6	388.5	1,495.3
Foodservice	205	215.9	175.5	596.4	198.2	194.0	214.5	173.6	780.3
Total	582.4	606.1	564.7	1,753.2	557.2	562.2	594.1	562.1	2,275.6

Intersegment sales are not significant.

### EBIT

EUR million	Q3 2007	Q2 2007	Q1 2007	Q1-Q3 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q1-Q4 2006
Consumer Goods	23.4	26.8	26.5	76.7	11.6	23.7	21.1	18.1	74.7
Foodservice	9.3	13.4	11.3	48.1	9.3	11.0	19.1	12.1	51.3
EBIT before corporate items	32.7	40.2	37.8	110.7	20.9	34.7	40.2	30.2	126.0
Corporate net	0.5	-4.5	-0.1	-4.1	-0.5	3.4	9.6	7.0	19.5
Total	33.2	35.7	37.7	106.6	20.4	38.1	49.8	37.2	145.5

### Underlying EBIT

EUR million	Q3 2007	Q2 2007	Q1 2007	Q1-Q3 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q1-Q4 2006
Consumer Goods	23.4	26.8	26.5	76.7	14.5	25.2	23.5	20.9	84.1
Foodservice	9.3	13.4	11.3	34.0	9.7	11.2	20.1	13.0	54.0
EBIT before corporate items	32.7	40.2	37.8	110.7	24.2	36.4	43.6	33.9	138.1
Corporate net	0.5	-4.5	-0.1	28.1	-0.5	3.4	9.6	7.0	19.5
Total	33.2	35.7	37.7	138.8	23.7	39.8	53.2	40.9	157.6

### Other information

EUR million	Q1-Q3 2007	Q1-Q3 2006	Q1-Q4 2006
Equity per share (EUR)	8.48	8.34	8.37
ROE, %	8.7	11.8	11.7
ROI, %	7.8	9.8	9.4
Capital expenditure	92.5	73.3	154.0
Personnel	14,963	14,521	14,792
Profit before taxes (12m roll.)	87.2	112.0	109.2
Depreciation	69.6	68.6	92.6
Amortization of other intangible assets	4.4	2.0	2.7

### Share capital and shareholders

At the end of the review period, the company's registered share capital was EUR 358,657,670.00 (354,700,872.40) corresponding to a total number of outstanding shares of 105,487,550 (104,323,786) including 5,061,089 (unchanged) company's own shares. The company's own shares represent 4.8% of the total number of shares. The net figure of outstanding shares was 100,426,461 (99,262,697).

At the end of September there were 21,273 (21,157) registered shareholders. Nominee registered shares including foreign ownership accounted for 26.9% (22.5%).

### Share developments

Huhtamäki's share is quoted on the Helsinki Stock Exchange on the Nordic Large Cap list under the Materials sector. At the end of September, the company's market capitalization was EUR 1,125.6 million (EUR 1,424.0 million) and EUR 1,071.5 million (EUR 1,354.9 million) excluding company's own shares.

With a closing price of EUR 10.67 (EUR 13.65) the share price decreased by 28.3% (-1.9%) from the beginning of the year, while the OMX Helsinki CAP PI Index increased by 14.5% (+11.4%). In January-September, the volume weighted average price for the Huhtamäki share was EUR 12.40 (EUR 14.42). The highest price paid was EUR 15.89 on January 15, 2007 and the lowest price paid was EUR 10.37 on July 27, 2007.

During the first nine months, the cumulative value of the Huhtamäki share turnover was EUR 1,083.2 million (EUR 789.0 million). The trading volume of 87.7 million (54.7 million) shares equaled an average daily turnover of EUR 5.7 million (EUR 4.2 million) or, correspondingly 464,239 (289,285) shares. In total, turnover of the company's 2003 A, B and C option rights was EUR 3.1 million, corresponding to a trading volume of 732,138.

**Contingent liabilities**

	Sep 30 2007	Dec 31 2006	Sep 30 2006
<b>EUR million</b>			
Mortgages	14.5	14.7	14.8
Guarantee obligations	5.6	3.8	4.1
Lease payments	53.8	59.3	59.5
Capital expenditure commitments	45.0	27.4	33.2

**Nominal values of derivative instruments**

	Sep 30 2007	Dec 31 2006	Sep 30 2006
<b>EUR million</b>			
Currency forwards, transaction risk hedges	67	54	75
Currency forwards, translation risk hedges	106	112	84
Currency swaps, financing hedges	142	107	185
Currency options	2	1	0
Interest rate swaps	154	139	225
Electricity forwards	-	2	-

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

	Q3/07	Q3/06
Income statement, average:		
GBP 1 =	1.478	1.459
INR 1 =	0.018	0.018
AUD 1 =	0.611	0.601
USD 1 =	0.744	0.804
Balance sheet, month end:	Q3/07	Q3/06
GBP 1 =	1.435	1.476
INR 1 =	0.018	0.017
AUD 1 =	0.622	0.589
USD 1 =	0.705	0.790

**Definitions for key indicators**

**Earnings per share =**  $\frac{\text{Profit before taxes - minority interest - taxes}}{\text{Average number of shares outstanding}}$

**Earnings per share = (diluted)**  $\frac{\text{Diluted profit before taxes - minority interest - taxes}}{\text{Average fully diluted number of shares outstanding}}$

**Net debt to equity (gearing) =**  $\frac{\text{Interest bearing net debt}}{\text{Equity + minority interest (average)}}$

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

**Shareholders' equity per share =**  $\frac{\text{Equity}}{\text{Issue-adjusted number of shares at period end}}$

**Return on equity (ROE) =**  $\frac{100 \times (\text{Profit for the period})}{\text{Equity + minority interest (average)}}$

**Return on investment (ROI) =**  $\frac{100 \times (\text{Profit before taxes + interest expenses + net other financial expenses})}{\text{Balance sheet total - Interest-free liabilities (average)}}$

