Results 2007

Huhtamaki Group is a leading manufacturer of consumer and specialty packaging with 2007 net sales totaling EUR 2.3 billion. Consumer goods and foodservice markets are served by some 15,000 people in 66 manufacturing units and several sales units 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.

Huhtamäki Oyj

RESULTS 2007

Operational result at previous year's level

- **Group net sales were steady at EUR 2,311 million (+2%)**
- **Underlying result improved in Europe Rigid, remained on a good level in Americas and weakened in Global Flexibles and Films as well as in Asia-Oceania-Africa**
- **Non-cash goodwill and tangible asset impairment losses of EUR 104 million were booked in the fourth quarter**
- **Cash generation was positive at year-end and also net debt reduced**
- **The Board of Directors proposes an unchanged dividend at EUR 0.42 per share**
- **In 2008, Group EBIT is expected to be at the level of the underlying EBIT in 2007 (EUR 136 million)**

Key figures **EUR million**	**Q4 2007**	**Q4 2006**	**2007**	**2006**
Net sales	557.8	557.2	2,311.0	2,275.6
EBIT before corporate items, underlying	29.2	24.2	139.9	138.1
Corporate net	0.3	-0.5	-3.8	19.5
EBIT, underlying*	29.5	23.7	136.1	157.6
EBIT margin %, underlying	5.3	4.3	5.9	6.9
EBIT, reported	-78.5	20.4	28.1	145.5
EPS, reported	-0.83	0.12	-0.22	0.94

* The underlying EBIT excludes goodwill and tangible asset impairment losses and restructuring charges.

Interim CEO Timo Salonen: "Year 2007 was a challenging period for us. During the year the raw material costs increased, currency impact was adverse and a market slowdown in North America was seen in the second half. With these in mind we are satisfied that we achieved an underlying operational result at the previous year's level. Major growth investments were initiated and completed and those will provide an excellent platform for future success. We also defined our strategic direction more firmly and will execute our plans accordingly."

"In 2008, we have to continue to control expenses as well as improve productivity and effectiveness of passing on any increases in input costs to selling prices. Progress will be made with the defined strategy capitalizing on our positions of strength. Targeted capital allocation and driving growth from our recent investments will result in lower capital expenditure. This together with working capital reduction is expected to generate stronger cash flow."

Overview

In 2007, the overall market demand for consumer packaging was healthy in the emerging markets and stable in the majority of the mature markets. The Group net sales remained steady, while an unchanged operational result and an expected significant reduction in royalty income led to the underlying EBIT coming below the previous year's level.

The underlying result improved in the Rigid business in Europe, and weakened in the Global Flexibles and Films businesses as well as in Asia-Oceania-Africa. Profitability remained on a good level in the Americas despite softer volumes in the second half of the year.

In the fourth quarter it was decided to book non-cash goodwill and tangible asset impairment losses of EUR 104 million, mostly related to the Rigid plastics production in Europe. These impacted the reported Group EBIT. The cash generation turned positive at year-end, and also net debt reduced significantly.

The Company's Chief Executive Officer resigned in November. Also a number of changes took place in the Group Executive Team during the year.

Business review by region

The Group net sales were EUR 2,311 million (+2% compared to year 2006). Sales performance was driven by a positive price/mix (+2%), especially in the beginning of the year. Volume development (+1%) picked up in the second half of the year. The impact from currencies (-2%) was negative throughout the year.

The geographical distribution of sales was the following: Europe 53% (52%), Americas 29% (31%) and Asia-Oceania-Africa 18% (17%).

October-December 2007: Net sales were unchanged at EUR 558 million. Sales were positively impacted by volume growth (+2%) with minor effect from price/mix changes (+1%), but offset by currency translations (-3%).

Europe

EUR million	Q4 2007	Q4 2006	2007	2006
Net sales	294.0	288.4	1,229.4	1,188.7
EBIT, underlying	13.2	3.4	56.2	52.1
EBIT margin %, underlying	4.5	1.2	4.6	4.4
EBIT, reported	-65.7	0.4	-22.7	40.3
RONA % underlying (12m roll.)	-	-	6.9	6.7

In Europe, the Flexibles and Foodservice businesses were the main sales growth drivers. Growth opportunities in the Films business were not fully captured due to the implementation and stabilization of the new enterprise resource planning (ERP) platform. The sales performance in the Rigid Consumer Goods business varied during the year, however, with continued weakness in the UK and in Southern Europe. Within Foodservice business, sales growth remained healthy driven by Eastern Europe, which represented approximately 16% (11%) of the region's sales. Sales development in the Molded Fiber business was stable. For the full-year, the reported net sales were EUR 1,229 million (+3%) with a positive impact from volume (+2%) as well as minor impact from price/mix changes (+1%).

The region's underlying EBIT was EUR 56 million (+8%), corresponding to an EBIT margin of 4.6% (4.4%). This reflects improved performance in the Rigid business, which was boosted by a EUR 5 million gain, net of one-off costs, realized in the fourth quarter following the sale of the facility in Portadown, UK. The positive development was offset by lower profitability in the Films business, and a weaker price/mix development experienced in the second half of the year in the Flexibles business. The reported EBIT was EUR -23 million including goodwill impairment losses of EUR 32 million, tangible asset impairment losses of EUR 46 million and restructuring charges of EUR 1 million. The impairment losses resulted from the adjustment of book values to lower future cash flow expectations in the Rigid plastics business. The restructuring charges related to the closure of the site in Göttingen, Germany, that was completed during the second quarter of 2007 as part of an earlier restructuring program. In the previous year the reported EBIT of EUR 40 million included EUR 12 million in restructuring charges. On a rolling 12-month basis, the region's underlying return on net assets (RONA) was 6.9% (6.7%).

During the year, capacity expansion in Foodservice beverage cup production was completed in several locations in Europe. Different strategic options for the Consumer Goods business unit in the UK were decided to be considered.

October-December 2007: In Europe, net sales were EUR 294 million (+2%) driven by volume growth (+4%) that was partly offset by price/mix changes (-2%). The region's underlying EBIT was EUR 13 million (EUR 3 million) in the quarter, corresponding to an EBIT margin of 4.5% (1.2%). The reported EBIT was EUR -66 million including goodwill impairment losses of EUR 32 million, tangible asset impairment losses of EUR 46 million and restructuring charges of EUR 1 million. In the previous year the reported EBIT of zero million included EUR 3 million in restructuring charges.

Americas

EUR million	Q4 2007	Q4 2006	2007	2006
Net sales	157.9	170.3	676.8	711.5
EBIT, underlying	10.7	13.9	62.9	61.3
EBIT margin %, underlying	6.8	8.2	9.3	8.6
EBIT, reported	-6.2	13.9	46.0	61.3
RONA % underlying (12m roll.)	-	-	11.7	11.0

In the Americas, sales growth in local currencies was solid in Retail, demonstrating the strong market position of the Chinet® brand. In the remaining Foodservice categories, growth picked up towards year-end as a result of new product introductions. Sales declined within Flexibles Pet food category and the Rigid Frozen desserts especially during the second half of the year due to the softness of market demand. In South America, which represented approximately 13% (14%) of the region's sales, growth was on a good level as a result of a favorable harvest season for fruit. For the full-year, the positive impact from price/mix changes (+6%) compensated for the decline in volume (-3%). The reported net sales of EUR 677 million (-5%) was depressed by currency translations (-7%).

The region's underlying EBIT was EUR 63 million (+3%), corresponding to an EBIT margin of 9.3% (8.6%). This includes approximately EUR 6 million received as damages compensation in the first quarter of 2007. On a comparable basis, the result reflects volume shortfall and negative currency impact largely compensated for by diligent price management and continued improvement in operational efficiency. The reported EBIT was EUR 46 million (EUR 61 million) including a goodwill impairment loss of EUR 5 million and tangible asset impairment losses of EUR 12 million. On a rolling 12-month basis, the region's underlying RONA was 11.7% (11.0%).

The new capacity added during the year to the flexibles packaging facility in Malvern, USA, is scheduled to be operational during the first quarter of 2008.

October-December 2007: In the Americas, the reported net sales figure of EUR 158 million (-7%) was impacted by currency translations (-9%). The positive effect from price/mix changes (+6%) was partly offset by volume decline (-4%). The region's underlying EBIT was EUR 11 million (EUR 14 million), corresponding to an EBIT margin of 6.8% (8.2%). The reported EBIT was EUR -6 million (EUR 14 million) including a goodwill impairment loss of EUR 5 million and tangible asset impairment losses of EUR 12 million.

Asia-Oceania-Africa

EUR million	Q4 2007	Q4 2006	2007	2006
Net sales	105.9	98.5	404.8	375.4
EBIT, underlying	5.3	6.9	20.8	24.7
EBIT margin %, underlying	5.0	7.0	5.1	6.6
EBIT, reported	-6.9	6.6	8.6	24.4
RONA % underlying (12m roll.)	-	-	6.0	8.1

In Asia-Oceania-Africa, favorable volume growth was driven by the Flexibles business, in which performance was solid in Thailand and accelerating during the year in India following the introduction of new capacity. In the Rigid businesses, sales performance was steady in Oceania but weak in South Africa and Asia. For the full-year, there was continued volume growth (+6%) and a positive impact from price/mix changes (+2%). The reported net sales were EUR 405 million (+8%) with a minor effect from currency translations (-1%). The emerging markets represented approximately 59% (43%) of the region's sales.

The region's underlying EBIT was EUR 21 million (-16%), corresponding to an EBIT margin of 5.1% (6.6%). This reflects profitability in Asia impacted by start-up costs associated with investments in new capacity as well as unfavorable margin development, especially in India. The reported EBIT was EUR 9 million including a goodwill impairment loss of EUR 10 million and restructuring charges of EUR 2 million related to the closure of the production site in Hong Kong, China. In the previous year the reported EBIT of EUR 24 million included EUR 0.3 million in restructuring charges. On a rolling 12-month basis, the region's underlying RONA was 6.0% (8.1%).

At the beginning of 2007, a new flexible packaging facility started production in Rudrapur, India. Another major project was the ongoing relocation of the rigid packaging production from Hong Kong to a new larger facility in Guangzhou, China, which is expected to be fully operational during the first half of 2008. Furthermore, the construction of a new flexible packaging facility in Bangkok, Thailand, was started during the year with production expected to commence around mid 2008. Different strategic options were decided to be considered for all of the operations in South Africa.

October-December 2007: In Asia-Oceania-Africa, net sales of EUR 106 million (+8%) reflect positive volume growth. The region's underlying EBIT was EUR 5 million (EUR 7 million) in the quarter, corresponding to an EBIT margin of 5.0% (7.0%). The reported EBIT was EUR -7 million including a goodwill impairment loss of EUR 10 million and restructuring charges of EUR 2 million. In the previous year the reported EBIT of EUR 7 million included EUR 0.3 million in restructuring charges.

Financial review

For the full-year, the underlying Group EBIT before corporate items was EUR 140 million (EUR 138), corresponding to an EBIT margin of 6.1% (unchanged). Corporate net was EUR -4 million (EUR 20 million). Hence, the underlying EBIT was EUR 136 million (EUR 158 million), corresponding to an EBIT margin of 5.9% (6.9%). The reported EBIT was EUR 28 million including goodwill impairment losses of EUR 47 million, tangible asset impairment losses of EUR 58 million and final restructuring charges of EUR 4 million. In the previous year the reported EBIT of EUR 146 million included restructuring charges of EUR 12 million.

At EUR 43 million (EUR 37 million), the increase in net financial items was mainly due to higher level of debt. The income tax expense was EUR 6 million (EUR 13 million). The reported result for the period was EUR -20 million (EUR 97 million), and earnings per share (EPS) were EUR -0.22 (EUR 0.94).

The average number of outstanding shares used in the EPS calculation was 100,426,461 (99,169,003) excluding 5,061,089 (unchanged) Company's own shares.

On a rolling 12-month basis, the return on investment (ROI) was 1.8% (9.4%) and return on equity (ROE) was -2.4% (11.7%).

October-December 2007: The Group's underlying EBIT before corporate items was EUR 29 million (EUR 24 million), corresponding to an EBIT margin of 5.2% (4.3%). Corporate net in the quarter was zero (EUR -1 million). Hence, the underlying EBIT was EUR 30 million (EUR 24 million), corresponding to an EBIT margin of 5.3% (4.3%). The reported EBIT was EUR -79 million including goodwill impairment losses of EUR 47 million, tangible asset impairment losses of EUR 58 million and restructuring charges of EUR 4. In the previous year the reported EBIT of EUR 20 million included restructuring charges of EUR 3 million. Net financial items were EUR 12 million (EUR 9 million) in the quarter. The reported result for the period was EUR -83 million (EUR 13 million). The reported earnings per share (EPS) were EUR -0.83 (EUR 0.12).

Balance sheet and cash flow

Free cash flow of EUR -28 million (EUR -8 million) was burdened mainly by an increase in working capital as well as the continued high level of capital expenditure. The cash flow generation improved, and turned positive, in the second half of the year. Total capital expenditure in 2007 amounted to EUR 148 million (EUR 154 million), corresponding to an investment rate of 150% (162%) of depreciation before impairments.

Direct expenditure on research and development amounted to EUR 18 million (EUR 19 million).

At the end of December 2007, net debt was EUR 749 million (EUR 711 million). This corresponds to a gearing ratio of 0.94 (0.83).

October-December 2007: Free cash flow was EUR 17 million (EUR -36 million) including capital expenditure of EUR 55 million (EUR 81 million).

Strategic direction

The Group's strategic framework was defined further during 2007. The earlier confirmed financial targets for the Group remained unchanged. Earnings before interest and taxes (EBIT) margin is targeted at 9%, return on investment (ROI) target is 15%, gearing is at around 100%, and an average dividend payout ratio is 40%. Enhanced shareholder value will be created through focused growth, capitalizing on Huhtamaki's positions of strength.

Flexibles and Films will expand globally and be recognized as an innovative leader and 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 Retail in North America. Huhtamaki's leading paper and fiber capabilities strengthen its position also as a supplier of sustainable packaging alternatives.

To support the strategic direction, capital expenditure will be prioritized in areas with highest potential for profitable growth, such as Asia and Eastern Europe. As a consequence of the focused strategy, Huhtamaki will decrease its presence in business areas that do not meet its profitability requirements or do not create value in the execution of the Group strategy. In the short-term, working capital reduction is a high priority within the Group.

Risks and uncertainties

Key risks are categorized to strategic, operational and financial risks. All major business units and other units, on rotation principle, participate in a regular risk analysis. Necessary measures are taken to mitigate the potential effects of risks. However, if such risks materialized, they could have material adverse effects on the Group's business, financial condition and operating result.

Key strategic risks are related to price management, execution of major change programs, and shifts in technologies and materials. Risks relating to price management include risks of sub-optimal pricing caused, for example, by raw material and energy price fluctuations or changes in clientele. Price management projects within this field have been continued. Careful project management aims to mitigate the risks related with major change programs, such as implementation of major business restructuring or development programs. During the year Huhtamaki has promoted collaboration between customers, R&D centers and business units in new product development projects in order to manage risks relating to shifts in technologies and materials. Environmental legal requirements on materials used in products and on disposables are strictly followed and the Group has adopted a global environmental policy supported by local manufacturing site level environmental procedures.

Key operational risks are destruction of production facilities, disruptions in raw material supply, product safety and quality risks, contractual risks and human resources risks. Special attention has been put on establishing systems and procedures to serve best practices deployment and compliance with these. Also Group-wide insurance programs have been maintained to govern insurable operational risks. The programs cover risks relating to property damage, business interruption, various liability exposures and cargo in the Group.

Financial risks are risks attached to credit, liquidity and interest rates as well as foreign exchange risks. More information on financial risks can be found in Note 27 to the Annual Accounts 2007.

Sustainability

Huhtamaki adheres to its Group Environmental Policy in order to ensure globally consistent operating principles. This is complemented by more detailed corporate instructions and guidelines such as the code of conduct for Group suppliers. In addition, the Company is a signatory to the International Chamber of Commerce (ICC) Business Charter for Sustainable Development.

Environmental management activities are carried out primarily on the site level. All manufacturing sites regularly report on their environmental performance through environmental key performance indicators. From the total number of reporting manufacturing sites, 47% (51%) follow an externally certified environmental management system such as ISO 14001, the Eco-Management and Audit Scheme (EMAS) or an internally audited program such as the US Environmental Care Program. The significant direct environmental aspects of operations are energy use, emissions into the air as well as solid waste.

Huhtamaki met its environmental targets, set in 2003 for 2007, on all dimensions except the volatile organic compounds (VOC) emissions. Increase in solvent based printing ink intensive production outweighed the emission reduction activities and investments taken.

The Group pursues continuous improvement in each of the economical, social and environmental dimensions of sustainability. During the reporting period new environmental objectives for the year 2011 were set. Customers are supported by offering biodegradable and compostable tableware, recyclable molded fiber products and lightweight flexible packaging.

Personnel

Huhtamaki had 15,092 (14,792) employees at year-end. The number of employees in Europe was 6,676 (6,731); the corresponding figure for the Americas was 3,830 (3,728) and for Asia-Oceania-Africa 4,586 (4,333). The average number of employees was 14,986 (14,749).

The parent company employed 794 (839) people at year-end, comprising of the Group and European head office in Espoo 71 (75) and the Finnish packaging operations 723 (764). The annual average was 825 (850).

Changes in Group Executive Team

Huhtamäki Oyj's Board of Directors and Chief Executive Officer (CEO) Heikki Takanen agreed on Heikki Takanen's resignation from the position of the Company's CEO as from November 14, 2007. With effect from the same date, the Board of Directors appointed Chief Financial Officer (CFO) Timo Salonen to act as an interim CEO. Furthermore, Clay Dunn, Executive Vice President, Americas, was appointed as the interim Chief Operating Officer (COO), to whom the regional Executive Vice Presidents report to. The Board of Directors commenced a process of recruiting a new CEO and the aforementioned appointments will be in force until the new CEO has been elected. Earlier in the year, following Sakari Ahdekivi leaving to join another company Timo Salonen was appointed as CFO with effect from July 1, 2007.

Resolutions taken by the Annual General Meeting in 2007

The Annual General Meeting of Shareholders (AGM) of Huhtamäki Oyj was held on April 12, 2007 in Helsinki, Finland. The meeting approved the Company's and consolidated financial statements for 2006 and discharged the members of the Board of Directors and the CEO from liability. The dividend for 2006 was set at EUR 0.42 per share, increasing by 11% from the previous year. The meeting approved the proposal of the Board of Directors regarding the amendment of the Articles of Association of Huhtamäki Oyj. The AGM granted the Board of Directors authorization to decide on the conveyance of the Company's own shares. The authorization is valid until December 31, 2009.

The Board of Directors was re-elected and comprises of the following persons: Ms. Eija Ailasmaa, Mr. George V. Bayly, Mr. Robertus van Gestel, Mr. Paavo Hohti, Mr. Mikael Lilius, Mr. Anthony J.B. Simon and Mr. Jukka Suominen. The Board of Directors subsequently elected Mikael Lilius as the Chairman and Jukka Suominen as Vice Chairman.

Events after the reporting period

Pii Kotilainen, Senior Vice President, Human Resources, and member of the Group Executive Team resigned as from March 31, 2008. Eric Le Lay was appointed Executive Vice President, Europe Rigid and a member of the Group Executive Team, effective from March 12, 2008, following the retirement of Walter Günter.

Possible remuneration based on the performance share incentive plan established on February 7, 2006 would have become payable in 2008. However, the targets set forth in the performance share incentive plan for a determined earnings period have not been reached and no remuneration will be paid under the plan.

On February 13, 2008 the Board of Directors of the Company decided on establishing a new performance share incentive plan to form part of the incentive and commitment program for the key personnel of the Company and its subsidiaries. The plan offers a possibility to earn the Company's shares as remuneration for achieving targets established for the earnings criteria. The plan includes three (3) earnings periods which are calendar years 2008, 2009 and 2010. A possible remuneration shall be paid during the calendar year following each earnings period. The incentive plan is directed to approximately 20 persons. The aggregate maximum of 720,000 shares and a cash payment equivalent to taxes arising from the reward to the key personnel may be granted under the plan. As the cash proportion of the reward shall, however, be paid an amount equivalent to the transfer date value of the distributable shares in the maximum. The plan requires a receiver to own the shares at least two years following the grant. A receiver must also after the restriction period continue to own the shares at least in an amount equivalent to the value of 50 % of his/her annual gross salary, for a period lasting until the end of the employment or service.

Outlook for 2008

In 2008, Group EBIT is expected to be at the level of the underlying EBIT in 2007 (EUR 136 million). Group EBIT in the first quarter is estimated to be lower than in the same period in the previous year. Capital expenditure is expected to be clearly lower than in 2007 (EUR 148 million).

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

Dividend proposal

The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.42 (unchanged) per share be paid.

Annual General Meeting 2008

The Annual General Meeting of Shareholders will be held on Monday, March 31, 2008, at 4.30 pm (Finnish time), at Finlandia Hall, Mannerheimintie 13 e, Helsinki.

Financial reporting in 2008

Huhtamaki will publish the interim report for January – March on April 23, January – June on July 18 and January – September on October 22.

Espoo, February 13, 2008
Huhtamäki Oyj
Board of Directors

Huhtamäki Oyj
January-December 2007

Group income statement (IFRS)

EUR million	Q1-Q4 2007	Q1-Q4 2006	Q4 2007	Q4 2006
Net sales	**2,311.0**	**2,275.6**	**557.8**	**557.2**
Cost of goods sold	-2,028.0	-1,946.4	-543.8	-484.8
Gross profit	**283.0**	**329.2**	**14.0**	**72.4**
Other operating income	31.9	56.2	15.5	14.5
Sales and marketing	-83.6	-82.8	-20.6	-21.1
Research and development	-17.8	-19.3	-3.6	-4.2
Administration costs	-122.6	-126.5	-31.9	-32.5
Other operating expenses	-62.8	-11.3	-51.9	-8.7
	-254.9	-183.7	-92.5	-52.0
Earnings before interest and taxes	**28.1**	**145.5**	**-78.5**	**20.4**
Financial income	9.2	11.0	2.8	1.9
Financial expenses	-51.7	-47.8	-14.4	-11.3
Income of associated companies	0.4	0.5	0.1	0.2
Result before taxes	**-14.0**	**109.2**	**-90.0**	**11.2**
Income tax expense	-6.2	-12.6	7.3	1.3
Result for the period	**-20.2**	**96.6**	**-82.7**	**12.5**
Attributable to:				
Equity holders of the parent company	-22.5	93.3	-83.7	11.8
Minority interest	2.3	3.3	1.0	0.7
Basic earnings per share (EUR) for the shareholders of parent company	-0.22	0.94	-0.83	0.12
Diluted earnings per share (EUR) for the shareholders of parent company	-0.22	0.93	-0.83	0.12

Huhtamäki Oyj

January-December 2007

Group balance sheet (IFRS)

EUR million	Dec 31 2007	Dec 31 2006
ASSETS		
Non-current assets		
Goodwill	471.9	525.2
Other intangible assets	41.4	35.1
Tangible assets	799.3	840.1
Investments in associated companies	1.5	1.5
Available for sale investments	1.9	1.8
Interest bearing receivables	0.9	6.6
Deferred tax assets	13.7	14.1
Employee benefit assets	59.2	64.0
Other non-current assets	4.8	5.0
	1,394.6	**1,493.4**
Current assets		
Inventory	348.5	341.8
Interest bearing receivables	4.6	0.5
Current tax assets	17.9	9.9
Trade and other current receivables	394.8	400.7
Cash and cash equivalents	30.8	22.3
	796.6	**775.2**
Total assets	**2,191.2**	**2,268.6**
EQUITY AND LIABILITIES		
Share capital	358.7	358.7
Premium fund	104.7	104.7
Treasury shares	-46.5	-46.5
Translation differencies	-121.1	-106.7
Fair value and other reserves	1.4	2.1
Retained earnings	475.7	528.8
Total equity attributable to equity holders of the parent company	**772.9**	**841.1**
Minority interest	20.5	19.3
Total equity	**793.4**	**860.4**
Non-current liabilities		
Interest bearing liabilities	401.1	314.7
Deferred tax liabilities	38.8	62.9
Employee benefit liabilities	108.8	111.4
Provisions	60.3	46.8
Other non-current liabilities	4.3	3.9
	613.3	**539.7**
Current liabilities		
Interest bearing liabilities		
- Current portion of long term loans	17.9	41.7
- Short term loans	365.7	383.7
Provisions	8.0	11.9
Current tax liabilities	21.1	19.7
Trade and other current liabilities	371.8	411.5
	784.5	**868.5**
Total liabilities	**1,397.8**	**1,408.2**
Total equity and liabilities	**2,191.2**	**2,268.6**

	Dec 31 2007	Dec 31 2006
Net debt	748.5	710.7
Net debt to equity (gearing)	0.94	0.83

Huhtamäki Oyj

January-December 2007

Changes in shareholders' equity

EUR million	Share capital	Share issue premium	Treasury shares	Translation diff.	Fair value and other reserves	Retained earnings	Total equity	Minority interest	Total
	Attributable to equity holders of the parent company								
Balance at Dec 31, 2005	**353.0**	**96.8**	**-46.5**	**-76.3**	**-0.2**	**475.2**	**802.0**	**18.4**	**820.4**
Cash flow hedges									
Hedge result deferred to equity					1.7		1.7		1.7
Hedge result recognized in income statement					2.2		2.2		2.2
Translation differences				-30.4			-30.4	-2.4	-32.8
Deferred tax in equity					-1.7		-1.7		-1.7
Other changes						-3.6	-3.6		-3.6
Income and expense recognized directly in equity				**-30.4**	**2.2**	**-3.6**	**-31.8**	**-2.4**	**-34.2**
Result for the period						93.3	93.3	3.3	96.6
Total recognized income and expense for the period				**-30.4**	**2.2**	**89.7**	**61.6**	**0.9**	**62.4**
Dividend						-37.5	-37.5		-37.5
Share-based payments						1.4	1.4		1.4
Stock options exercised	5.7	7.9					13.6		13.6
Balance at Dec 31, 2006	**358.7**	**104.7**	**-46.5**	**-106.7**	**2.1**	**528.8**	**841.1**	**19.3**	**860.4**

Balance at Dec 31, 2006	**358.7**	**104.7**	**-46.5**	**-106.7**	**2.1**	**528.8**	**841.1**	**19.3**	**860.4**
Cash flow hedges									
Hedge result deferred to equity					0.5		0.5		0.5
Hedge result recognized in income statement					-3.7		-3.7		-3.7
Hedge result transferred to carrying amount of hedged items					1.7		1.7		1.7
Translation differences				-14.4			-14.4	-1.1	-15.5
Deferred tax in equity					0.8		0.8		0.8
Other changes						10.0	10.0		10.0
Income and expense recognized directly in equity				**-14.4**	**-0.7**	**10.0**	**-5.1**	**-1.1**	**-6.2**
Result for the period						-22.5	-22.5	2.3	-20.2
Total recognized income and expense for the period				**-14.4**	**-0.7**	**-12.5**	**-27.6**	**1.2**	**-26.4**
Dividend						-42.2	-42.2		-42.2
Share-based payments						1.6	1.6		1.6
Stock options exercised									
Balance at Dec 31, 2007	**358.7**	**104.7**	**-46.5**	**-121.1**	**1.4**	**475.7**	**772.9**	**20.5**	**793.4**

Huhtamäki Oyj

January-December 2007

Group cash flow statement (IFRS)

EUR million	Q1-Q4 2007	Q1-Q4 2006	Q4 2007	Q4 2006
Result for the period*	**-20.2**	**96.6**	**-82.7**	**12.5**
Adjustments*	243.2	126.9	126.5	21.8
- Depreciation, amortization and impairment*	203.3	101.5	129.2	24.5
- Gain on equity of minorities*	-0.4	-0.5	-0.2	-0.2
- Gain/loss from disposal of assets*	-8.1	0.1	-8.6	0.2
- Financial expense/-income*	42.5	36.8	11.6	9.9
- Income tax expense*	6.2	12.6	-7.3	-1.2
- Other adjustments, operational*	-0.3	-23.6	1.9	-11.3
Change in inventory*	-14.8	-44.1	15.1	2.5
Change in non-interest bearing receivables*	-3.7	-9.7	27.3	34.0
Change in non-interest bearing payables*	-38.5	19.3	-5.3	-15.7
Dividends received*	0.9	1.0	0.5	0.7
Interest received*	1.3	2.7	0.0	0.0
Interest paid*	-42.7	-38.0	-10.7	-9.3
Other financial expense and income*	-1.1	0.7	-1.5	0.9
Taxes paid*	-18.6	-16.3	-8.9	-4.1
Net cash flows from operating activities	**105.8**	**139.1**	**60.3**	**43.3**
Capital expenditure*	-147.9	-154.0	-55.5	-80.7
Proceeds from selling fixed assets*	14.3	6.5	12.0	1.7
Divested subsidiaries	-	22.9	-	-0.4
Proceeds from long-term deposits	7.2	1.6	0.1	-
Payment of long-term deposits	-6.1	-3.9	-4.5	-0.5
Proceeds from short-term deposits	11.5	24.8	7.1	0.9
Payment of short-term deposits	-11.0	-8.1	-7.1	-0.8
Net cash flows from investing	**-132.0**	**-110.2**	**-47.9**	**-79.8**
Proceeds from long-term borrowings	520.2	409.0	188.5	16.0
Repayment of long-term borrowings	-434.4	-495.5	-153.9	-49.3
Proceeds from short-term borrowings	2,987.4	2,612.7	820.4	655.2
Repayment of short-term borrowings	-2,995.0	-2,543.6	-857.9	-600.7
Dividends paid	-42.2	-37.5	-	-
Proceeds from stock option exercises	-	13.5	-	8.7
Net cash flows from financing	**36.0**	**-41.4**	**-2.9**	**29.9**
Change in liquid assets	**8.5**	**-15.3**	**8.7**	**-6.3**
Cash flow based	9.8	-12.5	9.5	-6.6
Translation difference	-1.3	-2.8	-0.8	0.3
Liquid assets period start	22.3	37.6	22.1	28.6
Liquid assets period end	30.8	22.3	30.8	22.3
Free cash flow (including figures marked with *)	-27.8	-8.4	16.8	-35.7

Huhtamäki Oyj

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NOTES FOR THE RESULT REPORT

Changes in accounting principles

The Group has adopted the following IFRS standards and interpretations considered applicable to Huhtamaki, 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	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q1-Q4 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q1-Q4 2006
Europe	294.0	310.2	320.3	304.9	1,229.4	288.4	296.5	311.2	292.6	1,188.7
Americas	157.9	170.0	185.2	163.7	676.8	170.3	173.8	191.1	176.3	711.5
Asia-Oceania-Africa	105.9	102.2	100.6	96.1	404.8	98.5	91.9	91.8	93.2	375.4
Total	557.8	582.4	606.1	564.7	2,311.0	557.2	562.2	594.1	562.1	2,275.6

Interregional sales are not significant.

EBIT

EUR million	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q1-Q4 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q1-Q4 2006
Europe	-65.7	14.7	14.7	13.6	-22.7	0.4	13.2	16.4	10.2	40.3
Americas	-6.2	13.5	20.2	18.5	46.0	13.9	14.0	19.7	13.7	61.3
Asia-Oceania-Africa	-6.9	4.5	5.3	5.7	8.6	6.6	7.5	4.1	6.3	24.4
EBIT before corporate items	-78.8	32.7	40.2	37.8	31.9	20.9	34.7	40.2	30.2	126.0
Corporate net	0.3	0.5	-4.5	-0.1	-3.8	-0.5	3.4	9.6	7.0	19.5
Total	-78.5	33.2	35.7	37.7	28.1	20.4	38.1	49.8	37.2	145.5

Underlying EBIT

EUR million	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q1-Q4 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q1-Q4 2006
Europe	13.2	14.7	14.7	13.6	56.2	3.4	14.9	19.8	13.9	52.1
Americas	10.7	13.5	20.2	18.5	62.9	13.9	14.0	19.7	13.7	61.3
Asia-Oceania-Africa	5.3	4.5	5.3	5.7	20.8	6.9	7.5	4.1	6.3	24.7
EBIT before corporate items	29.2	32.7	40.2	37.8	139.9	24.2	36.4	43.6	33.9	138.1
Corporate net	0.3	0.5	-4.5	-0.1	-3.8	-0.5	3.4	9.6	7.0	19.5
Total	29.5	33.2	35.7	37.7	136.1	23.7	39.8	53.2	40.9	157.6

Net assets and RONA % (12m roll.)

EUR million	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006
Europe	812.6	819.5	803.8	789.7	782.7	779.4	778.6	784.8
RONA-% underlying	6.9 %	5.7 %	5.8 %	6.6%	6.7%	7.8%	8.2%	8.7%
RONA-% reported	-2.8 %	5.3 %	5.2 %	5.5%	5.1%	6.1%	5.5%	0.1%
Americas	539.4	558.7	565.0	566.2	558.1	564.5	565.9	573.4
RONA-% underlying	11.7 %	11.8 %	11.8 %	11.7%	11.0%	11.0%	10.9%	9.7%
RONA-% reported	8.5 %	11.8 %	11.8 %	11.7%	11.0%	11.0%	10.9%	4.3%
Asia-Oceania-Africa	345.0	332.6	319.0	303.4	301.0	295.8	292.2	293.9
RONA-% underlying	6.0 %	6.7 %	7.9 %	7.9%	8.1%	8.1%	7.7%	8.4%
RONA-% reported	2.5 %	6.7 %	7.9 %	7.9%	8.1%	6.1%	5.6%	5.8%

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Business segments

Net sales

EUR million	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q1-Q4 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q1-Q4 2006
Consumer Goods	356.9	377.4	390.2	389.2	1,513.7	359.0	368.2	379.6	388.5	1,495.3
Foodservice	200.9	205.0	215.9	175.5	797.3	198.2	194.0	214.5	173.6	780.3
Total	557.8	582.4	606.1	564.7	2,311.0	557.2	562.2	594.1	562.1	2,275.6

Intersegment sales are not significant.

EBIT

EUR million	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q1-Q4 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q1-Q4 2006
Consumer Goods	-59.0	23.4	26.8	26.5	17.7	11.6	23.7	21.1	18.1	74.7
Foodservice	-19.8	9.3	13.4	11.3	14.2	9.3	11.0	19.1	12.1	51.3
EBIT before corporate items	-78.8	32.7	40.2	37.8	31.9	20.9	34.7	40.2	30.2	126.0
Corporate net	0.3	0.5	-4.5	-0.1	-3.8	-0.5	3.4	9.6	7.0	19.5
Total	-78.5	33.2	35.7	37.7	28.1	20.4	38.1	49.8	37.2	145.5

Underlying EBIT

EUR million	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q1-Q4 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q1-Q4 2006
Consumer Goods	20.1	23.4	26.8	26.5	96.8	14.5	25.2	23.5	20.9	84.1
Foodservice	9.1	9.3	13.4	11.3	43.1	9.7	11.2	20.1	13.0	54.0
EBIT before corporate items	29.2	32.7	40.2	37.8	139.9	24.2	36.4	43.6	33.9	138.1
Corporate net	0.3	0.5	-4.5	-0.1	-3.8	-0.5	3.4	9.6	7.0	19.5
Total	29.5	33.2	35.7	37.7	136.1	23.7	39.8	53.2	40.9	157.6

Other information

EUR million	Q1-Q4 2007	Q1-Q4 2006
Equity per share (EUR)	7.70	8.37
ROE, %	-2.4	11.7
ROI, %	1.8	9.4
Capital expenditure	147.9	154.0
Personnel	15,092	14,792
Profit before taxes (12m roll.)	-14.0	109.2
Depreciation	92.9	92.6
Amortization of other intangible assets	6.0	2.7

Share capital and shareholders

At year-end 2007, the Company's registered share capital was EUR 358,657,670.00 (unchanged) corresponding to a total number of outstanding shares of 105,487,550 (unchanged) including 5,061,089 (unchanged) Company's own shares. The Company's own shares represent 4.8% of the total number of shares. The net figure of outstanding shares was 100,426,461 (unchanged).

The ownership structure relating to the largest registered shareholders was not subject to major changes over the year. At the end of December 2007 there were 21,424 (21,582) registered shareholders. Nominee registrations including foreign ownership accounted for 26% (24%).

Share developments

The Company's share was quoted on the Helsinki Stock Exchange on the Nordic Large Cap list under the Materials sector until the end of 2007. From the beginning of 2008, the Company's share is quoted on the Nordic Mid Cap list for the same sector.

At the end of December 2007, the Company's market capitalization was EUR 857 million (EUR 1,570 million) and EUR 816 million (EUR 1,494 million) excluding Company's own shares. With a closing price of EUR 8.12 (EUR 14.88) the share price decreased by 45% (+7%) from the beginning of the year, while the OMX Helsinki CAP PI Index increased by 4% (+25%). During the period, the highest price paid for the Company's share was EUR 15.89 on January 15, 2007 (EUR 16.73 on April 7, 2006), and the lowest price paid was EUR 7.65 on December 28, 2007 (EUR 12.21 on June 13, 2006). The volume weighted average price was EUR 11.33 (EUR 14.35).

The cumulative value of the Company's share turnover was EUR 1,483 million (EUR 1,086 million). The trading volume of 131 million (76 million) shares equalled an average daily turnover of EUR 6 million (EUR 4 million) or, correspondingly 524,202 (301,371) shares.

In total, turnover of the Company's 2003 A, B and C option rights was EUR 4 million, corresponding to a trading volume of 1,138,781. In 2006, turnover of the Company's 2000 A, B and C as well as 2003 A and B option rights was EUR 15 million, corresponding to a trading volume of 1,252,614. The Company's 2003 C option rights were listed on the Helsinki Stock Exchange on May 2, 2007.

Contingent liabilities

EUR million	Dec 31 2007	Dec 31 2006
Mortgages	14.5	14.7
Guarantee obligations	2.8	3.8
Lease payments	55.6	59.3
Capital expenditure commitments	19.4	27.4

Nominal values of derivative instruments

EUR million	Dec 31 2007	Dec 31 2006
Currency forwards, transaction risk hedges	45	54
Currency forwards, translation risk hedges	101	112
Currency swaps, financing hedges	143	107
Currency options	-1	1
Interest rate swaps	164	139
Electricity forwards	1	2

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

		Q4/07	Q4/06
Income statement, average:	GBP 1 =	1.461	1.467
	INR 1 =	0.018	0.018
	AUD 1 =	0.612	0.600
	USD 1 =	0.729	0.796
		Q4/07	Q4/06
Balance sheet, month end:	GBP 1 =	1.364	1.489
	INR 1 =	0.017	0.017
	AUD 1 =	0.597	0.599
	USD 1 =	0.679	0.759

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) = $\frac{\text{Interest bearing net debt}}{\text{Equity + minority interest (average)}}$

Return on net assets (RONA) = $\frac{\text{100 x Earnings before interest and taxes (12 m roll.)}}{\text{Net assets (12 m roll.)}}$

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

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

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

HUHTAMAKI

Huhtamäki Oyj
Keilaranta 10, FI-02150 Espoo, Finland
Tel +358 (0)10 686 7000, Fax +358 (0)10 686 7992,
www.huhtamaki.com
Domicile: Espoo, Finland
Business Identity Code: 0140879-6