

# Huhtamäki Oyj Results 2015

January 1-December 31, 2015

**Huhtamäki**





## Good progress throughout the year

### Q4 2015 in brief

- Net sales grew to EUR 691 million (EUR 581 million)
- EBIT improved to EUR 56 million (EUR 45 million)
- EPS were EUR 0.38 (EUR 0.39)
- Comparable net sales growth was 4% in total and 7% in emerging markets
- Currency movements had a positive impact of EUR 34 million on the Group's net sales, and EUR 3 million on EBIT

### FY 2015 in brief

- Net sales were EUR 2,726 million (EUR 2,236 million)
- EBIT excluding NRI was EUR 238 million (EUR 175 million)
- EPS excluding NRI were EUR 1.65 (EUR 1.24)
- Comparable net sales growth was 4% in total and 6% in emerging markets
- Currency movements had a positive impact of EUR 194 million on the Group's net sales, and EUR 16 million on EBIT
- Free cash flow improved to EUR 91 million (EUR 65 million)
- Acquisition of Positive Packaging, a flexible packaging company operating in India, United Arab Emirates and Africa, was closed at the end of January and the business was consolidated into the Flexible Packaging business segment as of February 1, 2015
- The European Commission imposed a fine of EUR 15.6 million on Huhtamaki based on infringements of EU's competition regulation in 2002-2006. Huhtamaki has launched an appeal on the decision.
- The Board of Directors proposes a dividend of EUR 0.66 (0.60) per share

### Key figures

EUR million	Q4 2015	Q4 2014	Change	FY 2015	FY 2014	Change
Net sales	690.5	580.5	19%	2,726.4	2,235.7	22%
EBITDA*	82.5	67.6	22%	342.0	259.0	32%
EBITDA margin*	11.9%	11.6%		12.5%	11.6%	
EBIT*	55.7	45.3	23%	237.5	174.9	36%
EBIT margin*	8.1%	7.8%		8.7%	7.8%	
EPS*, EUR	0.38	0.39	-3%	1.65	1.24	33%
ROI**				14.7%	12.6%	
ROE**				18.1%	16.1%	
Capital expenditure	50.5	49.8	1%	146.9	127.0	16%
Free cash flow	53.0	54.1	-2%	91.2	64.6	41%
<b>Including discontinued operations</b>						
EPS**, EUR	0.38	0.35	9%	1.65	1.28	29%
EPS, reported, EUR	0.38	0.40	-5%	1.42	1.33	7%

\* Excluding non-recurring items (NRI) of EUR -22.6 million in FY 2015.

\*\* Excluding NRI of EUR -23.9 million in FY 2015 and EUR 5.1 million in Q4 2014 and FY 2014.

Unless otherwise stated, all figures presented in this report, including corresponding periods in 2014, cover continuing operations only. Continuing operations include the Foodservice Europe-Asia-Oceania, North America, Flexible Packaging and Molded Fiber business segments. Discontinued operations for 2014 and 2015 include the Films business segment, which was sold at the end of December 2014. Unless

*otherwise stated, all comparisons in this report are compared to the corresponding period in 2014. ROI, ROE and RONA figures presented in this report are calculated on a 12-month rolling basis.*

## Jukka Moisio, CEO:

“Huhtamaki had another strong year in 2015 and we are pleased with the solid improvement in our profitability that yielded an all-time high EBIT, EBIT margin and EPS. North America business segment had excellent improvement with good organic net sales growth and strong profitability improvement. Flexible Packaging business segment made good progress, both organically and by integrating Positive Packaging into Huhtamaki. Both segments took actions to improve their margins and it was rewarding to see those actions succeed.

The comparable net sales growth was 4% during the year and uneven across geographies reflecting increasing economic uncertainty. Mostly this was visible in emerging markets, where our comparable growth was 6% compared to 10% in 2014. Growth was subdued in large markets like China and India, while our sales in constant currencies developed well in Russia, South America, Southeast Asia and in certain parts of Africa. Prices for plastic resins declined during the year and resulted in lower selling prices, which also had an impact on our comparable growth for 2015.

Despite high organic growth investments our free cash flow grew by EUR 26 million (41%) to EUR 91 million. This together with our ROI excluding NRI at 14.7% and ROE excluding NRI at 18.1% complements our good achievements for 2015. We're well on our way towards our mid-term ambitions communicated in March 2015.

2016 has begun with high volatility and uncertainty in the markets. We remain optimistic on the long term growth opportunities in food packaging and will continue to invest in our three businesses – foodservice packaging, flexible packaging and molded fiber packaging. We will utilize our presence in growth markets to dedicate our capital allocation to the best opportunities. The growth actions will be complemented by prudent housekeeping and continued focus on improving our performance.”

## Strategic review

2015 was the first full year of implementing the Group's new strategic direction with a focus on food and drink packaging as well as an ambition to become the preferred global food packaging brand. Global megatrends – population growth, growing middle class, urbanization and sustainable use of scarce resources – support the Group's growth plans both in the short and the long term. In emerging markets megatrends promote growth of modern retail and pre-packed food in the first phase, whereas in the developed markets growing popularity of food-to-go products and a growing demand for sustainable packaging solutions offer the most attractive growth opportunities.

Huhtamaki has good positions in the current growth markets: fast-growing emerging markets and North America together make up approximately 70% of the Group's net sales. These positions and the financial stability allow the Group to support its global customers' growth ambitions wherever they operate. At the same time, the Group can offer its packaging expertise and innovations capability to a large number of local and regional customers. This way Huhtamaki will keep on realizing its purpose which is helping great products reach more people, more easily.

## Financial review Q4 2015

The Group's comparable net sales growth was 4% during the quarter. Growth was strongest in the Foodservice Europe-Asia-Oceania business segment followed by the Molded Fiber and North America business segments. Growth was slightly negative in the Flexible Packaging business segment mainly due to the impact of lower raw material prices on selling prices. Comparable growth in emerging markets continued at the same level as in the previous quarter and was 7%. Growth continued to be strongest in Eastern Europe and South America, while net sales development was soft in India and China. The Group's net sales grew to EUR 691 million (EUR 581 million). Positive Packaging contributed EUR 54 million on the Group's net sales. Foreign currency translation impact on the Group's net sales was EUR 34 million compared to the 2014 exchange rates. Majority of the currency impact came from the strengthening of the US dollar versus euro, while many of the other currencies weakened against euro.

### Net sales by business segment

EUR million	Q4 2015	Q4 2014	Change	Of Group in Q4 2015
Foodservice Europe-Asia-Oceania	168.7	155.6	8%	24%
North America	244.2	205.7	19%	35%
Flexible Packaging	214.5	159.8	34%	31%
Molded Fiber	66.5	63.2	5%	10%
Elimination of internal sales	-3.4	-3.8		
<b>Group</b>	<b>690.5</b>	<b>580.5</b>	<b>19%</b>	

### Comparable growth by business segment

	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Foodservice Europe-Asia-Oceania	8%	6%	2%	3%
North America	5%	7%	-2%	7%
Flexible Packaging	-1%	5%	4%	5%
Molded Fiber	6%	5%	5%	5%
<b>Group</b>	<b>4%</b>	<b>6%</b>	<b>1%</b>	<b>5%</b>

The Group's earnings grew driven by the robust earnings improvement in the North America business segment. Earnings growth was further supported by good development in the Flexible Packaging business segment with a positive earnings contribution from Positive Packaging. Earnings development in the Foodservice Europe-Asia-Oceania and Molded Fiber business segments was negative. The impact of Other activities in the Group's earnings was primarily due to expenses related to the Group's long-term incentive plans. The Group's earnings before interest and taxes (EBIT) were EUR 56 million (EUR 45 million). Positive foreign currency translation impact on Group's EBIT was EUR 3 million.

### EBIT by business segment

EUR million	Q4 2015	Q4 2014	Change	Of Group in Q4 2015
Foodservice Europe-Asia-Oceania	10.3	13.0	-21%	17%
North America	23.2	8.6	170%	39%
Flexible Packaging	18.3	12.4	48%	31%
Molded Fiber	8.0	10.0	-20%	13%
Other activities	-4.1	1.3		
<b>Group</b>	<b>55.7</b>	<b>45.3</b>	<b>23%</b>	

Net financial expenses were EUR 7 million (EUR 8 million). Tax expense was EUR 8 million (EUR 4 million positive).

Profit for the quarter was EUR 40 million (EUR 42 million). Earnings per share (EPS) were EUR 0.38 (EUR 0.39 and EUR 0.40 including discontinued operations).

## Financial review FY 2015

The Group's comparable net sales growth was 4% during the year. All business segments contributed relatively evenly to the net sales growth. Comparable growth in emerging markets was 6%, driven by good development in Eastern Europe, Southeast Asia and South America. Net sales development was relatively flat in India and negative in China. The Group's net sales grew to EUR 2,726 million (EUR 2,236 million). Positive Packaging contributed EUR 203 million on the Group's net sales. Foreign currency translation impact on the Group's net sales was EUR 194 million compared to the 2014 exchange rates. The foreign currency translation impact weakened towards the end of the year. The majority of the currency impact came from the strengthening of the US dollar versus euro.

### Net sales by business segment

EUR million	FY 2015	FY 2014	Change	Of Group in FY 2015
Foodservice Europe-Asia-Oceania	667.5	620.4	8%	24%
North America	947.7	769.4	23%	35%
Flexible Packaging	868.9	618.0	41%	32%
Molded Fiber	260.3	247.0	5%	9%
Elimination of internal sales	-18.0	-19.1		
<b>Group</b>	<b>2,726.4</b>	<b>2,235.7</b>	<b>22%</b>	

The Group's earnings were on a good level and grew throughout the year. Earnings improvement was strongest in the North America business segment, followed by Flexible Packaging business segment with good organic growth development as well as acquired growth brought by Positive Packaging. Earnings declined in the Foodservice Europe-Asia-Oceania and Molded Fiber business segments. The impact of Other activities in the Group's earnings was primarily due to expenses related to the Group's long-term incentive plans. The Group's EBIT was EUR 238 million, excluding NRI of EUR -23 million (EUR 175 million). Positive foreign currency translation impact on the Group's EBIT was EUR 16 million.

### EBIT by business segment

EUR million	FY 2015	FY 2014	Change	Of Group in FY 2015
Foodservice Europe-Asia-Oceania	52.4	57.4	-9%	22%
North America	88.2	38.4	130%	36%
Flexible Packaging	68.8	45.5	51%	28%
Molded Fiber	33.5	35.0	-4%	14%
Other activities	-5.4	-1.4		
<b>Group</b>	<b>237.5</b>	<b>174.9</b>	<b>36%</b>	

*Other activities EBIT excluding NRI of EUR -22.6 million in FY 2015.*

Net financial expenses increased to EUR 34 million (EUR 29 million). The payment of purchase price for Positive Packaging led to a higher amount of net debt and thus higher financial expenses. Tax expense was EUR 29 million (EUR 15 million). The corresponding tax rate was 16% (10%).

Profit for the year was EUR 151 million, including NRI of EUR -23 million (EUR 132 million). EPS excluding NRI were EUR 1.65 (EUR 1.24). Reported EPS were EUR 1.43 (EUR 1.24). Including discontinued operations, the reported EPS was EUR 1.42 (EUR 1.33).

## Statement of financial position and cash flow

The Group's net debt increased and was EUR 551 million (EUR 288 million) at the end of the year. The level of net debt corresponds to a gearing ratio of 0.53 (0.32) and the net debt to EBITDA ratio (excl. NRI) was 1.6 (1.0). The increase in net debt was to a large extent due to the payment of purchase price for Positive Packaging in the first quarter as well as currency translation impact. Average maturity of external committed credit facilities and loans was extended to 3.9 (2.5) years as the Group refinanced its EUR 400 million syndicated revolving credit facility for the period of five years in January 2015. In December, the maturity of the facility was extended with a further period of one year.

Cash and cash equivalents were EUR 103 million (EUR 351 million) at the end of the year and the Group had EUR 309 million (EUR 323 million) of unused committed credit facilities available.

Total assets on the statement of financial position were EUR 2,515 million (EUR 2,298 million).

In accordance with its strategy, the Group continued investments in organic growth. Capital expenditure increased to EUR 147 million (EUR 127 million). Largest investments for business expansion were made in the U.S., Brazil, Thailand, Russia and the UK. In addition to organic investments, the Group's asset base grew through acquisitions especially in India and the United Arab Emirates. The Group's free cash flow improved to EUR 91 million (EUR 65 million) despite high organic growth investments, the EUR 15.6 million fine paid to the European Commission during the third quarter and higher taxes paid compared to 2014.

## Acquisitions

On January 30, 2015 Huhtamaki completed the acquisition of Positive Packaging, a flexible packaging company with nine manufacturing facilities in India and the United Arab Emirates as well as significant business in Africa and other export markets. With the acquisition Huhtamaki continued to implement its strategy of quality growth and significantly strengthened its position in the fast-growing emerging markets. Net sales of the acquired business in February-December 2015 were EUR 203 million and it employs approximately 2,000 people in India and the UAE as well as in sales offices in seven countries. The debt free purchase price was USD 336 million. The business has been consolidated into the Flexible Packaging business segment as of February 1, 2015.

On March 13, 2015 Huhtamaki announced the acquisition of Butterworth Paper Cups, a privately owned paper cup and foodservice packaging manufacturer in Malaysia. The debt free purchase price of approximately EUR 8 million approximately corresponds with the annual net sales of the business. The company employs approximately 120 people in its manufacturing unit in Penang, Malaysia. The acquisition was closed on April 1, 2015 and the business became part of the Foodservice Europe-Asia-Oceania business segment.

On July 1, 2015 Huhtamaki acquired the assets and business of Pure-Stat Technologies, a privately owned company in the U.S. Pure-Stat's laminate is used as a component in a number of Huhtamaki's molded fiber products. The company employs 12 people in its manufacturing unit in Lewiston, Maine. The purchase price was approximately EUR 6 million and the acquired unit became part of the North America business segment as of July 1, 2015.

On December 23, 2015 Huhtamaki entered into an agreement to acquire FIOMO, a privately owned manufacturer of flexible packaging foils and labels in the Czech Republic. The annual net sales of the acquired business in 2015 were approximately EUR 21 million and it employs approximately 120 people in its manufacturing unit in the Prague area. The debt-free purchase price was approximately EUR 28 million. The transaction was closed on January 29, 2016 and the acquired unit became part of the Flexible Packaging business segment as of February 1, 2016.

## Significant events during the reporting period

On June 24, 2015 the European Commission announced the outcome of its investigations on anticompetitive behavior in the markets of plastic trays used for retail packaging. Huhtamäki Oyj had received in September 2012 the European Commission's statement of objections concerning alleged anticompetitive behavior in the markets of plastic trays used for retail packaging of fresh food during years 2000–2008. The European Commission found certain of Huhtamaki's former operations to have been involved in anticompetitive practices. The concerned operations are no longer part of Huhtamaki as they were part of the Group's rigid consumer goods business in Europe that was closed down or divested in years 2006 and 2010. Based on infringements in North-West Europe and France during years 2002–2006 the

European Commission imposed a EUR 15.6 million fine on Huhtamaki. The fine and legal costs of EUR 3 million related to the investigation and the appeal process were recognized as a non-recurring expense in the Group's Q2 2015 result and the payment of the fine was made during Q3 2015. Huhtamaki has launched an appeal against the decision before the General Court of the European Union.

## Business review by segment

### 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, South Africa, Middle East, Asia and Oceania.

EUR million	Q4 2015	Q4 2014	Change	FY 2015	FY 2014	Change
Net sales	168.7	155.6	8%	667.5	620.4	8%
EBIT	10.3	13.0	-21%	52.4	57.4	-9%
EBIT margin	6.1%	8.4%		7.9%	9.3%	
RONA				14.2%	17.6%	
Capital expenditure	10.2	14.4	-29%	39.6	33.6	18%
Operating cash flow	11.8	3.4	247%	35.4	41.9	-16%

#### Q4 2015

In Western Europe, demand for foodservice packaging, especially for insulated paper cups, remained on a good level. Demand for foodservice packaging continued flat in Russia and soft in China. Currency fluctuations had an effect on demand in many markets. Paperboard prices were relatively stable, although outside supply to the Eurozone decreased due to weaker euro. Prices for plastic resins continued to decline.

The Foodservice Europe-Asia-Oceania segment's net sales growth was strong, comparable growth being 8%. Net sales growth was strongest in Eastern Europe, particularly in Russia. Solid net sales growth in Western Europe continued. Net sales development was flat in China.

There was no significant foreign currency translation impact on the segment's reported net sales.

The segment's earnings declined. Main reasons for the earnings decline were certain underperforming units in Oceania and Asia together with flat net sales development and cost inflation in China. Good profitability development in other regions, particularly in Central and Western Europe, was not sufficient to offset the negative impacts of Oceania and Asia on the segment's earnings.

#### FY 2015

Demand for foodservice packaging varied between geographies during the year. In Western Europe demand for insulated paper cups in particular was on a good level. In Oceania, healthy demand continued throughout the year. Demand development was relatively flat in Russia and soft in China. Prices for plastic resins were on a downward trend during the year, while paperboard prices remained relatively stable.

The Foodservice Europe-Asia-Oceania segment's net sales grew with growth accelerating towards the end of the year. Comparable growth was 4%. Net sales growth was strongest in Europe, driven by strong development in overall foodservice packaging in Eastern Europe and in particular insulated paper cups in Western Europe. Net sales declined in China.

There was no significant foreign currency translation impact on the segment's reported net sales.

The segment's earnings declined. Positive earnings development in Eastern Europe together with improved competitiveness of plastics operations in Europe were not sufficient to offset the adverse effects of certain underperforming units in Oceania and Asia as well as the net sales decline and cost inflation in China.



## North America

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

EUR million	Q4 2015	Q4 2014	Change	FY 2015	FY 2014	Change
Net sales	244.2	205.7	19%	947.7	769.4	23%
EBIT	23.2	8.6	170%	88.2	38.4	130%
EBIT margin	9.5%	4.2%		9.3%	5.0%	
RONA				14.1%	7.2%	
Capital expenditure	12.0	14.9	-19%	40.9	36.7	11%
Operating cash flow	33.0	28.7	15%	61.1	18.7	227%

### Q4 2015

Market conditions in the United States remained stable. Demand for foodservice packaging and single use retail tableware grew moderately, whereas demand for frozen dessert packaging slowed down following the typical seasonal pattern. Raw material prices were stable.

The North America segment's net sales grew, comparable net sales growth being 5%. Growth was strongest in the foodservice packaging business with new business coming on stream during the quarter. Sales of frozen dessert packaging and Chinet® branded retail tableware also developed positively.

The segment's reported net sales were positively affected by currency movements. The translation impact was EUR 31 million.

The segment's strong earnings growth continued driven by net sales growth, favorable product mix, lower distribution and energy costs, and the segment's earlier actions to normalize its margins. The segment's earnings were also positively affected by currency movements.

### FY 2015

In general, market conditions in the United States were stable. Demand for frozen dessert packaging picked up in the first half of the year supported by lower producer ingredient costs, and continued on a good level. Demand development for foodservice packaging and retail tableware was positive. Prices for paperboard and recycled fiber were stable during the year, whereas there were more fluctuations in prices for plastic resins.

The North America segment's net sales grew, comparable growth being 4%. Growth was strongest in frozen dessert packaging, supported by good development in foodservice packaging. Net sales for retail tableware also developed positively.

The segment's reported net sales were positively affected by currency movements. The translation impact was EUR 156 million.

The segment's earnings growth was strong accelerating during the second half of the year. Earnings grew driven by net sales growth, improved operational efficiency, the segment's actions to normalize its margins, favorable product mix as well as lower distribution and energy costs. Additionally the segment's reported earnings were positively affected by currency movements. As a further note, the segment's earnings in FY 2014 included a EUR 8 million one-time gain related to a redesign of a pension plan.

## 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, Middle East, Asia and South America.

EUR million	Q4 2015	Q4 2014	Change	FY 2015	FY 2014	Change
Net sales	214.5	159.8	34%	868.9	618.0	41%
EBIT	18.3	12.4	48%	68.8	45.5	51%
EBIT margin	8.5%	7.8%		7.9%	7.4%	
RONA				12.3%	13.6%	
Capital expenditure	9.5	8.5	12%	31.6	24.7	28%
Operating cash flow	18.7	13.0	44%	63.5	27.8	128%

### Q4 2015

In general, a good growth momentum in flexible packaging continued in Europe, Middle East and Southeast Asia. In India soft domestic demand resulted from lower growth in consumer spending and some price inflation in food products. There was economic and operational uncertainty in the export-based African markets, caused by currency fluctuations. Prices for plastic resins continued to decrease.

The Flexible Packaging segment's reported net sales grew. However, comparable growth turned negative during the quarter, being -1%. This reflected mainly the impact of lower raw material prices on selling prices and soft volume development in Europe, which was partially due to exceptionally high volumes in Q4 2014. In India, net sales development was soft due to challenging market conditions both in domestic and export markets. Positive Packaging contributed EUR 54 million on the segment's net sales.

There was no significant foreign currency translation impact on the segment's reported net sales.

The segment's earnings growth was strong, driven by favorable product mix, particularly in Positive Packaging, and lower raw material costs throughout the segment.

### FY 2015

Demand across flexible packaging product categories was good throughout the year in Europe, Southeast Asia and Middle East. In India domestic demand turned subdued during the course of the year. Currency fluctuations and economic uncertainty had an adverse effect on demand on many export markets, particularly in Africa. Raw material prices were volatile during the year, but in general the prices for plastic resins declined compared to the end of 2014.

The Flexible Packaging segment's net sales grew. Comparable growth was 3%. Net sales growth was strongest in Southeast Asia driven by packaging for ready meals and snacks. Net sales growth was good also in Europe, whereas in India net sales development was subdued. Positive Packaging contributed EUR 203 million on the segment's net sales.

Currency movements had a positive impact on the segment's reported net sales. The translation impact was EUR 35 million.

The segment's earnings growth was strong throughout the year. Earnings grew mainly as a result of favorable product mix and raw material costs. In addition, good volume growth in certain regions as well as Positive Packaging contributed positively to the segment's earnings.

## 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	Q4 2015	Q4 2014	Change	FY 2015	FY 2014	Change
Net sales	66.5	63.2	5%	260.3	247.0	5%
EBIT	8.0	10.0	-20%	33.5	35.0	-4%
EBIT margin	12.0%	15.8%		12.9%	14.2%	
RONA				17.7%	20.4%	
Capital expenditure	18.4	10.1	82%	34.1	27.3	25%
Operating cash flow	-5.3	3.4	-256%	9.9	17.5	-43%

### Q4 2015

Demand for molded fiber egg packaging remained stable. In Russia, demand was on a good level, whereas in South America demand development was relatively flat. Raw material prices were stable across markets.

The Molded Fiber segment's net sales grew, comparable net sales growth being 6%. Net sales growth was strongest in South America and Eastern Europe. In addition, recent capacity additions in Africa supported net sales growth. Net sales development was positive also in Europe and in Oceania.

Currency movements had a negative impact on the segment's reported net sales. The translation impact was EUR -2 million.

The segment's earnings declined. The positive impact of net sales growth was not sufficient to offset the negative impact caused mainly by costs related to additional technology investments and new product development.

### FY 2015

Overall demand for molded fiber egg packaging was relatively stable. In Europe demand was somewhat soft after Easter, whereas in other main markets demand remained solid throughout the year. In Oceania demand for molded fiber fruit packaging was negatively affected by adverse weather conditions during the first half of the year. Raw material prices and supply conditions remained relatively stable across markets.

The Molded Fiber segment's net sales grew steadily, comparable net sales growth being 5%. Net sales growth was strongest in South America, Eastern Europe and Africa. In these regions capacity additions were taken into production during the year. In Europe net sales development was relatively flat. In order to address the growing trend of organic and free-range eggs, the segment commercialized in the first quarter a completely new molded fiber packaging with 50% grass fiber content.

There was no significant foreign currency translation impact on the segment's reported net sales.

The segment's earnings declined. Positive earnings development earlier during the year, driven by volume growth, continued operational efficiency and favorable product mix, was not sufficient to cover the negative impact that costs related to additional technology investments and new product development had on the segment's earnings during the fourth quarter. As a further note, the segment's earnings in FY 2014 include a one-time gain related to a refund of historic energy costs in Brazil.

## Personnel

The Group had a total of 15,844 (13,818) employees at the end of 2015. The increase in the number of personnel was mainly due to the acquisition of Positive Packaging. The number of employees by segment was the following: Foodservice Europe-Asia-Oceania 4,188 (4,441), North America 3,553 (3,554), Flexible Packaging 6,358 (4,199), Molded Fiber 1,682 (1,565), and Other activities 63 (59). The average number of employees during the year was 15,987 (14,562). Huhtamäki Oyj employed 58 (56) people at the end of 2015. The annual average was 57 (55).

## Changes in management

Sami Pauni, Master of Laws (LL.M.), EMBA, previously Group Vice President, Legal, and General Counsel was appointed as Senior Vice President, Corporate Affairs and Legal, Group General Counsel and member of the Group Executive Team as of February 12, 2015.

Teija Sarajärvi, M.A., was appointed as Senior Vice President, Human Resources and a member of the Group Executive Team as of October 1, 2015. Sari Lindholm, Senior Vice President, Human Resources and a member of the Group Executive Team left the company.

Olli Koponen, M.Sc. (Eng., Process and Information Technology), previously Executive Vice President, Molded Fiber, was appointed as Executive Vice President, Flexible Packaging as of October 22, 2015. He continued as a member of the Group Executive Team. Shashank Sinha, Executive Vice President, Flexible Packaging and member of the Group Executive Team, left the company.

Petr Domin, previously Managing Director, Molded Fiber Europe, was appointed as interim Executive Vice President, Molded Fiber as of October 22, 2015.

## Share capital and shareholders

At the end of 2015, Huhtamäki Oyj's ("the Company") registered share capital was EUR 366 million (EUR 366 million) corresponding to a total number of shares of 107,760,385 (107,760,385), including 4,063,906 (4,206,064) Company's own shares. Own shares represent 3.8% (3.9%) of the total number of shares and votes. The number of outstanding shares excluding the Company's own shares was 103,696,479 (103,554,321). The average number of outstanding shares used in EPS calculations was 103,665,405 (103,505,319), excluding the Company's own shares. The Company has no ongoing option rights plans.

There were 24,484 (25,392) registered shareholders at the end of December 2015. Foreign ownership including nominee registered shares accounted for 50% (43%).

## Share trading

During 2015 the Company's share was quoted on Nasdaq Helsinki Ltd on the Nordic Large Cap list under the Industrials sector and it was a component of the Nasdaq Helsinki 25 Index.

At the end of December 2015, the Company's market capitalization was EUR 3,474 million (EUR 2,262 million) excluding the Company's own shares. With a closing price of EUR 33.50 the share price increased by 53% from the beginning of the year. During the year the volume weighted average price for the Company's share was EUR 28.72. The highest price paid was EUR 34.90 and the lowest price paid was EUR 21.35.

During the year the cumulative value of the Company's share turnover on Nasdaq Helsinki Ltd was EUR 1,787 million (EUR 1,042 million). The trading volume of 62 million (52 million) shares equaled an average daily turnover of 247,918 (208,754) shares. The cumulative value of the Company's share turnover including alternative trading venues, such as BATS Chi-X and Turquoise, was EUR 3,898 million (EUR 2,078 million). During the year, 54% (50%) of all trading took place outside Nasdaq Helsinki Ltd. (Source: Fidessa Fragmentation Index, [www.fragmentation.fidessa.com](http://www.fragmentation.fidessa.com))



## Resolutions of the Annual General Meeting 2015

Huhtamäki Oyj's Annual General Meeting of Shareholders was held in Helsinki on April 21, 2015. The meeting adopted the Company's Annual Accounts including the Consolidated Annual Accounts for 2014 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 2014 was set at EUR 0.60 per share compared to EUR 0.57 paid for the previous year.

Seven members of the Board of Directors were elected for a term ending at 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 elected Mr. Pekka Ala-Pietilä as the Chairman of the Board and Mr. Jukka Suominen as the Vice-Chairman of the Board.

Ernst & Young Oy, a firm of Authorized Public Accountants, was elected as Auditor of the Company for the financial year January 1–December 31, 2015. Mr. Harri Pärssinen, APA, has been the Auditor with principal responsibility.

The Board of Directors was authorized to resolve on the repurchase of an aggregate maximum of 10,776,038 of the Company's own shares. The Board of Directors was also authorized to decide on the issuance of shares and the issuance of special rights entitling to shares. The aggregate number of shares to be issued on the basis of the authorization may not exceed 10,776,038 shares. Both authorizations remain in force until the end of the next AGM, however, no longer than until June 30, 2016.

## Significant events after the reporting period

On January 29, 2016 Huhtamaki completed the acquisition of FIOMO, a privately owned manufacturer of flexible packaging foils and labels in the Czech Republic. The annual net sales of the acquired business in 2015 were approximately EUR 21 million and it employs approximately 120 people in its manufacturing unit in the Prague area. The debt-free purchase price was approximately EUR 28 million. The business has been consolidated into the Flexible Packaging business segment as of February 1, 2016.

## 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 political, economic and financial market conditions can also have an adverse effect on the implementation of the Group's strategy and on its business performance and earnings.

## Outlook for 2016

The Group's trading conditions are expected to remain relatively stable during 2016. The good financial position and ability to generate a positive cash flow will enable the Group to address profitable growth opportunities. Capital expenditure is expected to be approximately at the same level as in 2015 with the majority of the investments directed to business expansion.

## Dividend proposal

On December 31, 2015 Huhtamäki Oyj's non-restricted equity was EUR 696 million (EUR 743 million). The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.66 (EUR 0.60) per share be paid.

## Annual General Meeting 2016

The Annual General Meeting of Shareholders will be held on Thursday, April 21, 2016 at 13.00 (EET) at Finlandia Hall, Mannerheimintie 13e, in Helsinki, Finland.

## Financial reporting in 2016

Annual Accounts and Directors' Report 2015 will be published during week 8 on Huhtamaki's website at [www.huhtamaki.com](http://www.huhtamaki.com).

In 2016, Huhtamaki will publish the following interim reports during the course of the year:

Interim Report, January 1–March 31, 2016	April 21
Interim Report, January 1–June 30, 2016	July 22
Interim Report, January 1–September 30, 2016	October 26

Espoo, February 10, 2016

Huhtamäki Oyj  
Board of Directors

## Group income statement (IFRS)

<i>EUR million</i>	Q1-Q4 2015	Q1-Q4 2014	Q4 2015	Q4 2014
<b>Continuing operations</b>				
Net sales	2,726.4	2,235.7	690.5	580.5
Cost of goods sold	-2,255.5	-1,886.7	-570.8	-489.2
<b>Gross profit</b>	<b>470.9</b>	<b>349.0</b>	<b>119.7</b>	<b>91.3</b>
Other operating income	18.3	21.3	5.1	7.6
Sales and marketing	-74.1	-62.5	-19.9	-17.0
Research and development	-15.7	-13.3	-4.0	-3.4
Administration costs	-156.3	-113.7	-44.7	-31.6
Other operating expenses	-30.3	-7.5	-1.0	-2.0
Share of profit of equity-accounted investments	2.1	1.6	0.5	0.4
	<b>-256.0</b>	<b>-174.1</b>	<b>-64.0</b>	<b>-46.0</b>
<b>Earnings before interest and taxes</b>	<b>214.9</b>	<b>174.9</b>	<b>55.7</b>	<b>45.3</b>
Financial income	4.9	4.4	1.7	1.3
Financial expenses	-39.1	-33.3	-8.8	-8.9
<b>Profit before taxes</b>	<b>180.7</b>	<b>146.0</b>	<b>48.6</b>	<b>37.7</b>
Income tax expense	-29.3	-14.5	-8.4	4.2
<b>Profit for the period from continuing operations</b>	<b>151.4</b>	<b>131.5</b>	<b>40.2</b>	<b>41.9</b>
<b>Discontinued operations</b>				
Result from operations	-	4.6	-	-4.3
Result relating to disposed operations	-1.3	5.1	-	5.1
<b>Result for the period from discontinued operations</b>	<b>-1.3</b>	<b>9.7</b>	<b>-</b>	<b>0.8</b>
<b>Profit for the period</b>	<b>150.1</b>	<b>141.2</b>	<b>40.2</b>	<b>42.7</b>
<b>Attributable to:</b>				
Equity holders of the parent company				
Profit for the period from continuing operations	148.2	128.3	39.4	40.8
Result for the period from discontinued operations	-1.3	9.7	-	0.8
<b>Profit for the period attributable to equity holders of the parent company</b>	<b>146.9</b>	<b>138.0</b>	<b>39.4</b>	<b>41.6</b>
Non-controlling interest				
Profit for the period from continuing operations	3.2	3.2	0.8	1.1
Result for the period from discontinued operations	-	-	-	-
<b>Profit for the period attributable to non-controlling interest</b>	<b>3.2</b>	<b>3.2</b>	<b>0.8</b>	<b>1.1</b>
<b>EUR</b>				
EPS profit for the period from continuing operations	1.43	1.24	0.38	0.39
EPS result for the period from discontinued operations	-0.01	0.09	-	0.01
<b>EPS attributable to equity holders of the parent company</b>	<b>1.42</b>	<b>1.33</b>	<b>0.38</b>	<b>0.40</b>
<b>Diluted:</b>				
EPS profit for the period from continuing operations	1.43	1.24	0.38	0.39
EPS result for the period from discontinued operations	-0.01	0.09	-	0.01
<b>EPS attributable to equity holders of the parent company</b>	<b>1.42</b>	<b>1.33</b>	<b>0.38</b>	<b>0.40</b>

## Group statement of comprehensive income (IFRS)

<i>EUR million</i>	Q1-Q4 2015	Q1-Q4 2014	Q4 2015	Q4 2014
Profit for the period	150.1	141.2	40.2	42.7
Other comprehensive income:				
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurements on defined benefit plans	36.9	-57.5	37.7	-58.7
Income taxes related to items that will not be reclassified	-9.3	11.9	-9.6	12.5
<b>Total</b>	<b>27.6</b>	<b>-45.6</b>	<b>28.1</b>	<b>-46.2</b>
<b>Items that may be reclassified subsequently to profit or loss</b>				
Translation differences	51.7	83.8	21.4	25.7
Equity hedges	-23.4	-23.9	-6.2	-6.6
Cash flow hedges	-4.0	6.5	0.9	3.8
Income taxes related to items that may be reclassified	-0.1	-0.4	0.0	-0.1
<b>Total</b>	<b>24.2</b>	<b>66.0</b>	<b>16.1</b>	<b>22.8</b>
<b>Other comprehensive income, net of tax</b>	<b>51.8</b>	<b>20.4</b>	<b>44.2</b>	<b>-23.4</b>
<b>Total comprehensive income</b>	<b>201.9</b>	<b>161.6</b>	<b>84.4</b>	<b>19.3</b>
<b>Attributable to:</b>				
Equity holders of the parent company	198.7	158.4	83.6	18.2
Non-controlling interest	3.2	3.2	0.8	1.1



## Group statement of financial position (IFRS)

<i>EUR million</i>	Dec 31 2015	Dec 31 2014
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	571.3	431.5
Other intangible assets	29.7	19.1
Tangible assets	853.8	680.1
Equity-accounted investments	12.8	11.6
Available-for-sale investments	1.9	1.9
Interest-bearing receivables	4.1	4.2
Deferred tax assets	50.9	55.9
Employee benefit assets	48.8	48.8
Other non-current assets	8.6	7.4
	<b>1,581.9</b>	<b>1,260.5</b>
<b>Current assets</b>		
Inventory	385.7	312.7
Interest-bearing receivables	2.0	2.4
Current tax assets	3.8	9.8
Trade and other current receivables	438.7	361.8
Cash and cash equivalents	103.2	350.8
	<b>933.4</b>	<b>1,037.5</b>
<b>Total assets</b>	<b>2,515.3</b>	<b>2,298.0</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	366.4	366.4
Premium fund	115.0	115.0
Treasury shares	-37.3	-38.7
Translation differences	-49.5	-77.8
Fair value and other reserves	-75.8	-99.3
Retained earnings	682.1	596.6
<b>Total equity attributable to equity holders of the parent company</b>	<b>1,000.9</b>	<b>862.2</b>
Non-controlling interest	35.1	30.6
<b>Total equity</b>	<b>1,036.0</b>	<b>892.8</b>
<b>Non-current liabilities</b>		
Interest-bearing liabilities	503.1	527.4
Deferred tax liabilities	78.4	72.2
Employee benefit liabilities	199.2	232.7
Provisions	27.9	25.6
Other non-current liabilities	5.4	4.3
	<b>814.0</b>	<b>862.2</b>
<b>Current liabilities</b>		
Interest-bearing liabilities		
Current portion of long term loans	66.7	76.1
Short-term loans	90.8	41.9
Provisions	2.1	3.6
Current tax liabilities	12.9	8.8
Trade and other current liabilities	492.8	412.6
	<b>665.3</b>	<b>543.0</b>
<b>Total liabilities</b>	<b>1,479.3</b>	<b>1,405.2</b>
<b>Total equity and liabilities</b>	<b>2,515.3</b>	<b>2,298.0</b>
	<b>Dec 31 2015</b>	<b>Dec 31 2014</b>
Net debt	551.3	288.0
Net debt to equity (gearing)	0.53	0.32

## Group statement of changes in equity (IFRS)

Attributable to equity holders of the parent company

<i>EUR million</i>	Share capital	Share issue premium	Treasury shares	Translation differences	Fair value and other reserves	Retained earnings	Total	Non-controlling interest	Total equity
Balance on Dec 31, 2013	365.9	114.8	-38.9	-137.7	-82.3	558.1	779.9	24.9	804.8
Dividends paid						-59.0	-59.0		-59.0
Share-based payments			0.2			-1.6	-1.4		-1.4
Stock option exercised	0.5	0.2					0.7		0.7
Total comprehensive income for the year				59.9	-39.5	138.0	158.4	3.2	161.6
Acquisition of non-controlling interest					0.0	-4.9	-4.9	-3.8	-8.7
Other changes					22.5	-34.0	-11.5	6.3	-5.2
Balance on Dec 31, 2014	366.4	115.0	-38.7	-77.8	-99.3	596.6	862.2	30.6	892.8
Dividends paid						-62.2	-62.2		-62.2
Share-based payments			1.4			3.6	5.0		5.0
Total comprehensive income for the year				28.3	23.5	146.9	198.7	3.2	201.9
Other changes						-2.8	-2.8	1.3	-1.5
Balance on Dec 31, 2015	366.4	115.0	-37.3	-49.5	-75.8	682.1	1,000.9	35.1	1,036.0

## Group statement of cash flows (IFRS)

EUR million	Q1-Q4 2015	Q1-Q4 2014	Q4 2015	Q4 2014
Profit for the period*	150.1	141.2	40.2	42.7
Adjustments*	164.6	119.3	41.3	22.6
Depreciation and amortization*	104.5	91.2	26.7	23.7
Share of profit of equity-accounted investments*	-2.1	-1.6	-0.5	-0.4
Gain/loss from disposal of assets*	-0.1	-1.0	0.1	-0.2
Financial expense/-income*	34.2	31.9	7.1	8.5
Income tax expense*	29.3	16.8	8.4	-2.0
Other adjustments, operational*	-1.2	-17.9	-0.5	-6.9
Change in inventory*	-28.3	-25.7	17.9	14.0
Change in non-interest bearing receivables*	-19.3	-46.1	14.1	31.2
Change in non-interest bearing payables*	25.8	37.1	6.4	0.1
Dividends received*	1.7	1.0	0.7	0.4
Interest received*	1.2	1.5	0.5	0.2
Interest paid*	-25.7	-25.2	-2.7	-2.0
Other financial expense and income*	-3.3	-2.1	-1.1	-0.3
Taxes paid*	-29.1	-22.1	-13.8	-5.2
<b>Net cash flows from operating activities</b>	<b>237.7</b>	<b>178.9</b>	<b>103.5</b>	<b>103.7</b>
Capital expenditure*	-146.9	-127.0	-50.5	-49.8
Proceeds from selling tangible assets*	0.4	12.7	0.0	0.2
Divested subsidiaries and associated companies	-	101.0	-	101.0
Acquired subsidiaries and assets	-210.8	-6.7	-	-2.0
Proceeds from long-term deposits	1.2	0.8	0.2	0.2
Payment of long-term deposits	-0.7	-1.1	0.0	-0.6
Proceeds from short-term deposits	5.4	19.4	4.0	0.8
Payment of short-term deposits	-4.8	-15.6	-3.0	-1.1
<b>Net cash flows from investing activities</b>	<b>-356.2</b>	<b>-16.5</b>	<b>-49.3</b>	<b>48.7</b>
Proceeds from long-term borrowings	40.0	17.1	11.9	2.3
Repayment of long-term borrowings	-94.5	-90.3	-14.2	-50.1
Proceeds from short-term borrowings	988.5	127.8	419.9	68.9
Repayment of short-term borrowings	-1,009.6	-54.7	-452.7	-15.9
Dividends paid	-62.2	-59.0	-	-
Proceeds from stock option exercises	-	0.7	-	-
Acquisition of non-controlling interest	-	-4.2	-	-
<b>Net cash flows from financing activities</b>	<b>-137.8</b>	<b>-62.6</b>	<b>-35.1</b>	<b>5.2</b>
<b>Change in liquid assets</b>	<b>-247.6</b>	<b>109.8</b>	<b>21.9</b>	<b>159.6</b>
Cash flow based	-256.3	99.8	19.1	157.6
Translation difference	8.7	10.0	2.8	2.0
Liquid assets period start	350.8	241.0	81.3	191.2
Liquid assets period end	103.2	350.8	103.2	350.8
Free cash flow (including figures marked with *)	91.2	64.6	53.0	54.1

## Notes for the results report

This results 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 results report as in the annual financial statements for 2014. The following amended standards and interpretations, which have been adopted with effect from January 1, 2015, had no impact on the results report:

- Revised IAS 19 Employee benefits. The amendment concerns defined benefit plans with contributions from employees or third parties.
- Annual improvements (December 2013). Annual improvements include smaller amendments to nine standards.

## 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

<i>EUR million</i>	Q1-Q4 2015	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q1-Q4 2014	Q4 2014	Q3 2014	Q2 2014	Q1 2014
<b>Continuing operations</b>										
Foodservice Europe-Asia-Oceania	660.4	166.9	168.8	173.6	151.1	613.0	154.4	158.9	160.1	139.6
Intersegment net sales	7.1	1.8	0.7	1.8	2.8	7.4	1.2	1.2	2.6	2.4
North America	939.0	243.0	238.0	249.6	208.4	760.4	203.7	188.8	205.6	162.3
Intersegment net sales	8.7	1.2	2.3	2.9	2.3	9.0	2.0	2.4	2.7	1.9
Flexible Packaging	868.7	214.5	223.5	224.8	205.9	617.5	159.7	155.2	151.9	150.7
Intersegment net sales	0.2	0.0	0.1	0.0	0.1	0.5	0.1	0.1	0.2	0.1
Molded Fiber	258.3	66.1	61.9	65.6	64.7	244.8	62.7	59.8	61.3	61.0
Intersegment net sales	2.0	0.4	0.5	0.6	0.5	2.2	0.5	0.7	0.5	0.5
Elimination of intersegment net sales	-18.0	-3.4	-3.6	-5.3	-5.7	-19.1	-3.8	-4.4	-6.0	-4.9
<b>Total continuing operations</b>	<b>2,726.4</b>	<b>690.5</b>	<b>692.2</b>	<b>713.6</b>	<b>630.1</b>	<b>2,235.7</b>	<b>580.5</b>	<b>562.7</b>	<b>578.9</b>	<b>513.6</b>
<b>Discontinued operations</b>										
Films	-	-	-	-	-	193.4	43.5	50.5	49.3	50.1
Intersegment net sales	-	-	-	-	-	6.0	1.5	1.8	1.1	1.6
Elimination of intersegment net sales	-	-	-	-	-	-6.0	-1.5	-1.8	-1.1	-1.6
<b>Total discontinued operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>193.4</b>	<b>43.5</b>	<b>50.5</b>	<b>49.3</b>	<b>50.1</b>

### EBIT

<i>EUR million</i>	Q1-Q4 2015	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q1-Q4 2014	Q4 2014	Q3 2014	Q2 2014	Q1 2014
<b>Continuing operations</b>										
Foodservice Europe-Asia-Oceania	52.4	10.3	13.8	16.4	11.9	57.4	13.0	16.0	17.4	11.0
North America	88.2	23.2	25.0	26.2	13.8	38.4	8.6	7.8	13.2	8.8
Flexible Packaging	68.8	18.3	15.7	17.8	17.0	45.5	12.4	10.8	11.3	11.0
Molded Fiber	33.5	8.0	7.9	9.0	8.6	35.0	10.0	7.4	10.0	7.6
Other activities <sup>1</sup>	-28.0	-4.1	0.0	-18.2	-5.7	-1.4	1.3	-1.8	-0.9	0.0
<b>Total continuing operations</b>	<b>214.9</b>	<b>55.7</b>	<b>62.4</b>	<b>51.2</b>	<b>45.6</b>	<b>174.9</b>	<b>45.3</b>	<b>40.2</b>	<b>51.0</b>	<b>38.4</b>
<b>Discontinued operations</b>										
Films <sup>2</sup>	-1.3	-	-	-1.3	-	15.0	4.0	4.7	3.3	3.0

<sup>1</sup> Q1-Q4 2015 includes non-recurring items MEUR -22.6, Q2 2015 MEUR -18.5 and Q1 2015 MEUR -4.1.

<sup>2</sup> Q1-Q4 2015 and Q2 2015 include non-recurring items MEUR -1.3, Q1-Q4 2014 and Q4 2014 MEUR 5.1.



## Segments (continued)

### EBITDA

<i>EUR million</i>	Q1-Q4 2015	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q1-Q4 2014	Q4 2014	Q3 2014	Q2 2014	Q1 2014
<b>Continuing operations</b>										
Foodservice Europe-Asia-Oceania	79.2	17.2	20.4	23.3	18.3	82.5	19.5	22.3	23.6	17.1
North America	124.6	32.7	34.0	35.1	22.8	67.2	16.6	14.9	20.0	15.7
Flexible Packaging	96.6	25.2	22.9	25.2	23.3	63.5	17.1	15.4	15.7	15.3
Molded Fiber	46.4	11.2	11.2	12.2	11.8	46.5	12.9	10.3	12.9	10.4
Other activities <sup>1</sup>	-27.4	-3.9	0.1	-18.1	-5.5	-0.7	1.5	-1.7	-0.7	0.2
<b>Total continuing operations</b>	<b>319.4</b>	<b>82.4</b>	<b>88.6</b>	<b>77.7</b>	<b>70.7</b>	<b>259.0</b>	<b>67.6</b>	<b>61.2</b>	<b>71.5</b>	<b>58.7</b>
<b>Discontinued operations</b>										
Films <sup>2</sup>	-1.3	-	-	-1.3	-	22.1	5.4	6.6	5.2	4.9

<sup>1</sup> Q1-Q4 2015 includes non-recurring items MEUR -22.6, Q2 2015 MEUR -18.5 and Q1 2015 MEUR -4.1.

<sup>2</sup> Q1-Q4 2015 and Q2 2015 include non-recurring items MEUR -1.3, Q1-Q4 2014 and Q4 2014 MEUR 5.1.

### Depreciation and amortization

<i>EUR million</i>	Q1-Q4 2015	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q1-Q4 2014	Q4 2014	Q3 2014	Q2 2014	Q1 2014
<b>Continuing operations</b>										
Foodservice Europe-Asia-Oceania	26.8	6.9	6.6	6.9	6.4	25.1	6.5	6.3	6.2	6.1
North America	36.4	9.5	9.0	8.9	9.0	28.8	8.0	7.1	6.8	6.9
Flexible Packaging	27.8	6.9	7.2	7.4	6.3	18.0	4.7	4.6	4.4	4.3
Molded Fiber	12.9	3.2	3.3	3.2	3.2	11.5	2.9	2.9	2.9	2.8
Other activities	0.6	0.2	0.1	0.1	0.2	0.7	0.2	0.1	0.2	0.2
<b>Total continuing operations</b>	<b>104.5</b>	<b>26.7</b>	<b>26.2</b>	<b>26.5</b>	<b>25.1</b>	<b>84.1</b>	<b>22.3</b>	<b>21.0</b>	<b>20.5</b>	<b>20.3</b>
<b>Discontinued operations</b>										
Films	-	-	-	-	-	7.1	1.4	1.9	1.9	1.9

### Net assets allocated to the segments<sup>3</sup>

<i>EUR million</i>	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
<b>Continuing operations</b>								
Foodservice Europe-Asia-Oceania	371.5	372.9	385.0	377.7	344.5	335.1	321.4	316.9
North America	638.9	634.8	643.0	653.5	558.7	568.8	537.6	522.1
Flexible Packaging	611.3	604.1	608.5	630.8	346.2	346.3	335.4	330.2
Molded Fiber	197.8	192.5	189.5	189.1	177.4	183.1	170.9	163.5
<b>Discontinued operations</b>								
Films	-	-	-	-	-	140.5	135.6	134.9

<sup>3</sup> Following statement of financial position items are included in net assets: intangible and tangible assets, equity-accounted investments, other non-current assets, inventories, trade and other current receivables (excluding accrued interest income), other non-current liabilities and trade and other current liabilities (excluding accrued interest expense).

## Segments (continued)

### Capital expenditure

<i>EUR million</i>	Q1-Q4 2015	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q1-Q4 2014	Q4 2014	Q3 2014	Q2 2014	Q1 2014
<b>Continuing operations</b>										
Foodservice Europe-Asia-Oceania	39.6	10.2	12.1	9.8	7.5	33.6	14.4	8.0	5.6	5.6
North America	40.9	12.0	11.2	9.8	7.9	36.7	14.9	5.7	7.0	9.1
Flexible Packaging	31.6	9.5	5.2	11.1	5.8	24.7	8.5	6.7	5.3	4.2
Molded Fiber	34.1	18.4	6.3	6.0	3.4	27.3	10.1	9.8	4.9	2.5
Other activities	0.7	0.4	0.0	0.2	0.1	0.7	0.3	0.2	0.1	0.1
<b>Total continuing operations</b>	<b>146.9</b>	<b>50.5</b>	<b>34.8</b>	<b>36.9</b>	<b>24.7</b>	<b>123.0</b>	<b>48.2</b>	<b>30.4</b>	<b>22.9</b>	<b>21.5</b>
<b>Discontinued operations</b>										
Films	-	-	-	-	-	4.0	1.6	1.2	0.7	0.5

### RONA (12m roll.)

<i>EUR million</i>	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
<b>Continuing operations</b>								
Foodservice Europe-Asia-Oceania	14.2%	15.2%	16.2%	17.2%	17.6%	11.9%	9.7%	6.5%
North America	14.1%	12.0%	9.5%	7.6%	7.2%	6.7%	7.5%	8.0%
Flexible Packaging	12.3%	12.4%	12.8%	12.9%	13.6%	13.0%	13.0%	13.2%
Molded Fiber	17.7%	19.1%	19.2%	20.4%	20.4%	20.1%	19.9%	18.4%
<b>Discontinued operations</b>								
Films	-	-	-	-	-	8.3%	5.0%	3.8%

### Operating cash flow

<i>EUR million</i>	Q1-Q4 2015	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q1-Q4 2014	Q4 2014	Q3 2014	Q2 2014	Q1 2014
<b>Continuing operations</b>										
Foodservice Europe-Asia-Oceania	35.4	11.8	10.0	7.7	5.9	41.9	3.4	18.5	9.8	10.2
North America	61.1	33.0	31.7	10.1	-13.7	18.7	28.7	14.0	-2.5	-21.5
Flexible Packaging	63.5	18.7	9.5	22.5	12.8	27.8	13.0	9.9	2.8	2.1
Molded Fiber	9.9	-5.3	4.0	7.5	3.7	17.5	3.4	4.8	4.2	5.1
<b>Discontinued operations</b>										
Films	-	-	-	-	-	10.3	6.5	-0.4	4.0	0.2

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

## Business combinations

On January 30, 2015 Huhtamaki completed the acquisition of Positive Packaging, a privately owned flexible packaging company with nine manufacturing facilities in India and the United Arab Emirates (UAE) as well as significant business in Africa and other countries. With the acquisition Huhtamaki continued to implement its strategy of quality growth and strengthen its position in the fast-growing emerging markets. The acquired business has been consolidated into Flexible Packaging business segment as of February 1, 2015. The goodwill is expected to be non-deductible for income tax purposes. The initial accounting of business combination has been updated during the quarter. The revised consideration amounted to EUR 199.6 million. The consideration was paid in cash. The costs of EUR 4.1 million relating to advice etc. services are included in the Group income statement in account Other operating expenses. The initial accounting of business combination is ongoing and the presented values of assets, liabilities and goodwill may change when the accounting is finalized.

The draft values of acquired assets and liabilities at time of acquisition were as follows:

### EUR million

Customer relations	7.1
Intangible assets	4.3
Tangible assets	93.1
Inventories	29.6
Trade and other receivables	62.6
Cash and cash equivalents	2.5
<b>Total assets</b>	<b>199.2</b>
Deferred taxes	-4.2
Interest-bearing loans	-69.5
Trade and other payables	-42.4
<b>Total liabilities</b>	<b>-116.1</b>
<b>Net assets total</b>	<b>83.1</b>
Goodwill	116.5
Consideration	199.6

## Analysis of cash flows of acquisition

### EUR million

Purchase consideration, paid in cash*	-199.6
Cash and cash equivalents in acquired companies	2.5
Transaction costs of the acquisition	-4.1
Net cash flow on acquisition	-201.2

\* Revised estimate

The net sales of the acquired business included in the Group income statement since acquisition date were EUR 203.0 million and profit for the period was EUR 6.5 million. The Group net sales from continuing operations would have been EUR 2,742.0 million, profit for the period from continuing operations EUR 151.7 million and profit for the period EUR 150.4 million, if the acquired business had been consolidated from January 1, 2015.

## Business combinations

On April 1, 2015 Huhtamaki completed the acquisition of Butterworth Paper Cups Sdn Bhd, a privately owned paper cup and foodservice packaging manufacturer in Malaysia. With the acquisition Huhtamaki expanded its foodservice manufacturing footprint to Southeast Asia and significantly strengthened its presence and capability to serve customers in Malaysia, Singapore and other regional Southeast Asian markets. The acquired business has been consolidated into Foodservice Europe-Asia-Oceania business segment as of April 1, 2015. The goodwill is expected to be non-deductible for income tax purposes. The consideration of EUR 5.8 million was paid in cash. The costs of EUR 0.2 million relating to advice etc. services are included in the Group income statement in account Other operating expenses.

On July 1, Huhtamaki completed the acquisition of assets and business of Pure-Stat Technologies Inc., a privately owned laminate manufacturer in the United States. Pure-Stat's laminate is used as a component in a number of Huhtamaki's molded fiber products. The acquired business has been consolidated into North America business segment as of July 1, 2015. The goodwill is expected to be deductible for income tax purposes. The consideration of EUR 6.6 million was paid in cash. The costs relating to advice etc. services are not considered to be material.

The combined values of acquired assets and liabilities at time of acquisition were as follows:

### EUR million

Customer relations	0.6
Tangible assets	4.9
Inventories	1.4
Trade and other receivables	2.0
Cash and cash equivalents	0.1
<b>Total assets</b>	<b>9.0</b>
Deferred taxes	-0.2
Interest-bearing loans	-2.7
Trade and other payables	-0.9
<b>Total liabilities</b>	<b>-3.8</b>
<b>Net assets total</b>	<b>5.2</b>
Goodwill	7.2
Consideration	12.4

## Analysis of combined cash flows of acquisitions

### EUR million

Purchase consideration, paid in cash	-12.4
Cash and cash equivalents in acquired companies	0.1
Transaction costs of the acquisition	-0.2
Net cash flow on acquisition	-12.5

The combined net sales of the acquired businesses included in the Group income statement since acquisition date were EUR 6.1 million and profit for the period was EUR 0.3 million. The net sales and the profit for the period of the acquired businesses would not have had material effect in the Group income statement, if the acquired businesses had been consolidated from January 1, 2015.

## Other information

### Key indicators

	Q1-Q4 2015	Q1-Q4 2014
Equity per share (EUR)	9.65	8.33
ROE, % (12m roll.)	15.6	16.7
ROI, % (12m roll.)	13.3	13.0
Personnel	15,844	13,818
Profit before taxes (EUR million, 12m roll.)	180.7	146.0
Depreciation of tangible assets (EUR million)	97.7	76.7
Amortization of intangible assets (EUR million)	6.8	7.4

### Contingent liabilities

EUR million	Dec 31 2015	Dec 31 2014
Mortgages	0.0	0.0
Guarantee obligations	0.5	0.7
Lease payments	67.4	65.7
Capital expenditure commitments	30.4	31.7

### Financial instruments measured at fair value

EUR million	Dec 31 2015	Dec 31 2014
Derivatives - assets		
Currency forwards, transaction risk hedges	2.4	3.4
Currency forwards, for financing purposes	2.0	1.0
Currency options, transaction risk hedges	0.4	0.3
Interest rate swaps	3.8	4.0
Electricity forwards	0.0	0.0
Available-for-sale investments	1.9	1.9
Derivatives - liabilities		
Currency forwards, transaction risk hedges	1.5	0.9
Currency forwards, translation risk hedges	2.2	11.4
Currency forwards, for financing purposes	1.3	2.7
Currency options, transaction risk hedges	0.1	0.2
Interest rate swaps	1.8	2.0
Cross currency swaps	-	0.9
Electricity forwards	0.3	0.2

The fair values of the financial instruments measured at fair value have been indirectly derived from market prices. Only fair values of electricity forwards are based on quoted prices in active markets. Quoted and unquoted shares are classified as available-for-sale investments. Quoted shares are measured at fair value. For unquoted shares the fair value cannot be measured reliably, as a result of which the investments are carried at cost.

### Interest-bearing liabilities

EUR million	Dec 31 2015		Dec 31 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current	503.1	502.1	527.4	524.0
Current	157.5	157.5	118.0	118.0
<b>Total</b>	<b>660.6</b>	<b>659.6</b>	<b>645.4</b>	<b>642.0</b>

## Other information (continued)

### Exchange rates

Income statement, average:

	Q1-Q4 2015	Q1-Q4 2014
AUD 1 =	0.6774	0.6791
GBP 1 =	1.3776	1.2400
INR 1 =	0.0141	0.0123
RUB 1 =	0.0147	0.0196
THB 1 =	0.0263	0.0232
USD 1 =	0.9015	0.7525

Statement of financial position, month end:

	Dec 31 2015	Dec 31 2014
AUD 1 =	0.6713	0.6744
GBP 1 =	1.3625	1.2839
INR 1 =	0.0139	0.0130
RUB 1 =	0.0124	0.0138
THB 1 =	0.0255	0.0251
USD 1 =	0.9185	0.8237

## Definitions for key indicators

Earnings per share (EPS) from profit for the period from continuing operations =

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

Earnings per share (EPS) from profit for the period from discontinued operations =

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

Earnings per share (EPS) attributable to equity holders of the parent company =

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

Diluted earnings per share (EPS) from profit for the period from continuing operations =

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

Diluted earnings per share (EPS) from profit for the period from discontinued operations =

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

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

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

Net debt to equity (gearing) =

$\frac{\text{Interest-bearing net debt}}{\text{Total equity}}$

Return on net assets (RONA) =

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

Operating cash flow =

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

Shareholders' equity per share =

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

Return on equity (ROE) =

$\frac{100 \times \text{Profit for the period}}{\text{Total equity (average)}}$

Return on investment (ROI) =

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