HUHTAMAKI

GROUP

July 19, 2013

Q2 2013 Interim Report

Stable net sales and EBIT

CEO Jukka Moisio

Group highlights

Q2 2013

EUR million	**Q2 2013**	**Q2 2012**	**H1 2013**	**H1 2012**	**FY 2012**
Net sales	**618.9**	614.5	1,187.3	1,161.3	2,321.2
EBIT*	**49.2**	49.6	86.4	83.9	163.5
EBIT margin*, %	**7.9**	8.1	7.3	7.2	7.0
EPS*, EUR	**0.34**	0.38	0.58	0.62	1.19
ROI*, %			12.3	11.0	12.6
ROE*, %			15.0	12.9	15.8
Free cash flow	**27.2**	34.7	5.8	23.8	102.6

- Earnings improvement in Foodservice E-A-O and in Molded Fiber
- Earnings decline in North America and in Films
- EPS decline as a result of higher financial and tax expenses
- Good cash flow despite significant increase in capital expenditure
- Further efficiency improving measures announced in Foodservice E-A-O

* Excluding NRI of MEUR 7.3 in Q2 2013 and H1 2013.

Business review by segment

North America

Q2 2013

EUR million	**Q2 2013**	**Q2 2012**	**H1 2013**	**H1 2012**	**FY 2012**
Net sales	**197.0**	189.7	361.6	346.4	704.3
EBIT	**15.0**	19.7	22.8	29.2	53.0
EBIT margin, %	**7.6**	10.4	6.3	8.4	7.5
RONA, %			9.7	11.7	11.7
Operating cash flow	**7.0**	8.4	-8.1	-8.0	26.2

- Net sales development strong within retail tableware, led by continued good progress of private label items
- Growth in foodservice accelerated slightly, soft demand for ice cream
- Earnings decline due to high costs related to manufacturing optimization, build-up of new capacity and inventory reductions; additionally adverse mix effect

Value creation and growth in North America

- Traditional stronghold businesses, like frozen dessert systems and fiber plates, hold limited growth opportunities
- A larger foodservice position offers greater growth opportunities and aligns with the global foodservice strategy
- Foodservice sales margins are currently lower than traditional stronghold businesses as we are building our market presence and expanding our product offering
  - QSR, Catering and Distribution net sales have doubled from approximately MEUR 130 in 2010 to MEUR 260 in 2012
  - Growth in foodservice kicked off with acquisitions
  - Complementary investments, like the Batavia plant in Ohio, will help build competitive operations and platform for more profitable nationwide growth in the US

2010 net sales, MEUR 537

2012 net sales, MEUR 704





Foodservice Europe-Asia-Oceania

Q2 2013

EUR million	**Q2 2013**	**Q2 2012**	**H1 2013**	**H1 2012**	**FY 2012**
Net sales	**167.4**	168.7	317.0	303.0	626.8
EBIT*	**14.8**	12.5	23.2	17.5	38.1
EBIT margin*, %	**8.8**	7.4	7.3	5.8	6.1
RONA*, %			12.4	9.7	11.6
Operating cash flow	**10.8**	7.3	17.6	11.7	42.8

- Continued growth in Asia and positive momentum in Russia and UK; weak net sales development in other European markets and Oceania
- In Europe healthy demand for high-end paper cups for hot drinks
- Positive earnings development due to good cost containment and favorable product mix in Europe, as well as good progress with ongoing restructuring and operational efficiency improvement processes

* Excluding NRI of MEUR 7.3 in Q2 2013 and H1 2013.

Further actions to improve competitiveness in Foodservice E-A-O

- Further efficiency enhancing measures to improve the competitiveness of Foodservice E-A-O initiated in June 2013:
  - Employee cooperation procedures in Viul, Norway, with a view to close the plant during Q3 2013.
  - A reorganization of the plastics unit in Alf, Germany.
- In addition, a strategic review was initiated in the loss-making plastics business in Italy.
- Measures announced in March 2013:
  - Employee cooperation procedures in Hämeenlinna, Finland, resulted in the reduction of 29 employees.
  - The manufacturing unit in Epping, South Africa, to be closed at the end of Q3 2013.
- Altogether, the restructuring and efficiency improving measures announced during H1 2013* are expected to result into savings of approximately MEUR 10 in 2014 at cash cost of approximately MEUR 10. The majority of the savings will be reported in Foodservice E-A-O segment.

* Including a cost savings program within Films business segment.

Flexible Packaging

Q2 2013

EUR million	Q2 2013	Q2 2012	H1 2013	H1 2012	FY 2012
Net sales	**152.9**	147.7	302.0	297.4	573.3
EBIT	**12.0**	11.7	23.2	23.7	44.6
EBIT margin, %	**7.8**	7.9	7.7	8.0	7.8
RONA, %			13.3	10.4	13.8
Operating cash flow	**11.3**	7.5	8.4	12.4	42.2

- Continued volume growth in Asia and positive contribution from the acquired label business in India
- Net sales development turned positive in Europe
- Negative impact from lower net sales in Oceania
- Earnings development turned positive in the quarter

Molded Fiber

Q2 2013

EUR million	**Q2 2013**	**Q2 2012**	**H1 2013**	**H1 2012**	**FY 2012**
Net sales	**59.0**	59.7	119.6	119.2	237.3
EBIT	**7.3**	6.3	14.4	13.1	26.4
EBIT margin, %	**12.4**	10.6	12.0	11.0	11.1
RONA, %			17.1	13.8	16.1
Operating cash flow	**9.0**	12.1	12.2	16.2	25.5

- Steady growth continued with healthy volume growth particularly in emerging markets
- Positive earnings development as a result of ongoing strong volume growth and stable operations
- Reported net sales and earnings negatively affected by adverse currency movements

Films

Q2 2013

EUR million	Q2 2013	Q2 2012	H1 2013	H1 2012	FY 2012
Net sales	**47.1**	51.4	95.7	101.2	191.5
EBIT	**1.8**	3.0	3.6	5.9	9.2
EBIT margin, %	**3.8**	5.8	3.8	5.8	4.8
RONA, %			4.6	6.3	6.0
Operating cash flow	**5.6**	4.1	3.1	3.7	12.2

- Net sales decline primarily due to continued weak demand of films for the building and construction industry in North America
- Stable demand for hygiene and pressure sensitive films, continued positive net sales development in Asia and South America
- Earnings decline due to negative volume development

Financial review

Income statement
Q2 2013

EUR million	Q2 2013	Q2 2012	H1 2013	H1 2012	FY 2012
Net sales	**618.9**	614.5	1,187.3	1,161.3	2,321.2
EBITDA*	**71.9**	71.4	131.6	127.4	253.5
EBITDA margin*, %	**11.6**	11.6	11.1	11.0	10.9
EBIT*	**49.2**	49.6	86.4	83.9	163.5
EBIT margin*, %	**7.9**	8.1	7.3	7.2	7.0
Net financial items	**-7.3**	-5.8	-14.1	-12.0	-26.1
Profit before taxes	**34.6**	43.8	65.0	71.9	137.4
Income tax expense	**-5.5**	-4.6	-10.4	-7.4	-13.3
Profit for the period	**29.1**	39.2	54.6	64.5	124.1
EPS*	**0.34**	0.38	0.58	0.62	1.19

* Excluding NRI of MEUR 7.3 in Q2 2013 and H1 2013.

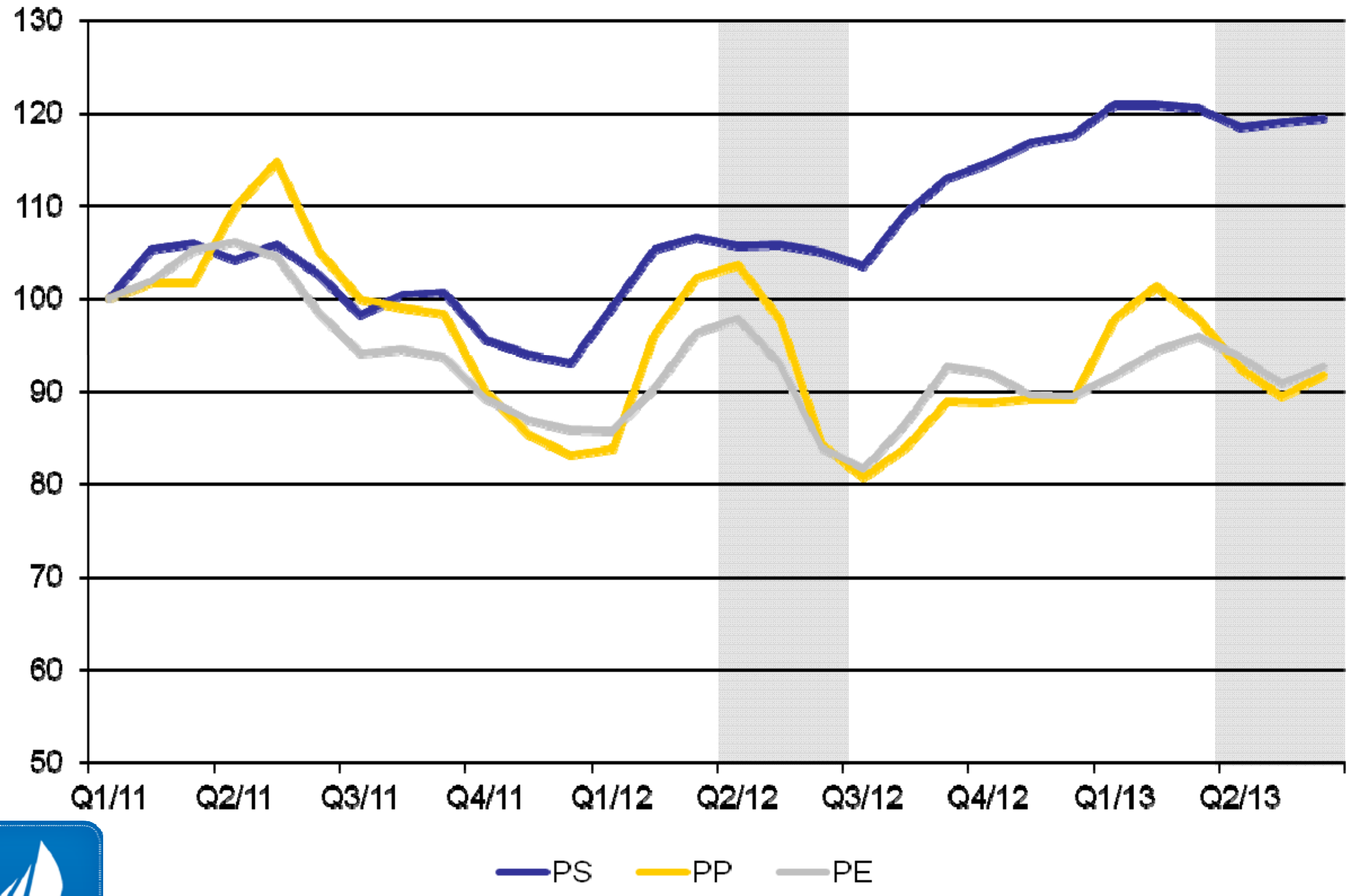
Growth by business segment
Q2 2013

*Comparable growth**

	Q2 2013	Q1 2013	H1 2013	FY 2012
North America	**3%**	3%	3%	6%
Foodservice E-A-O	**1%**	-1%	0%	1%
Flexible Packaging	**3%**	-1%	1%	1%
Molded Fiber	**5%**	4%	5%	8%
Films	**-7%**	-1%	-4%	1%
Group total	**2%**	1%	1%	3%

* In constant currencies, excluding acquisitions.

Polymer based raw material prices



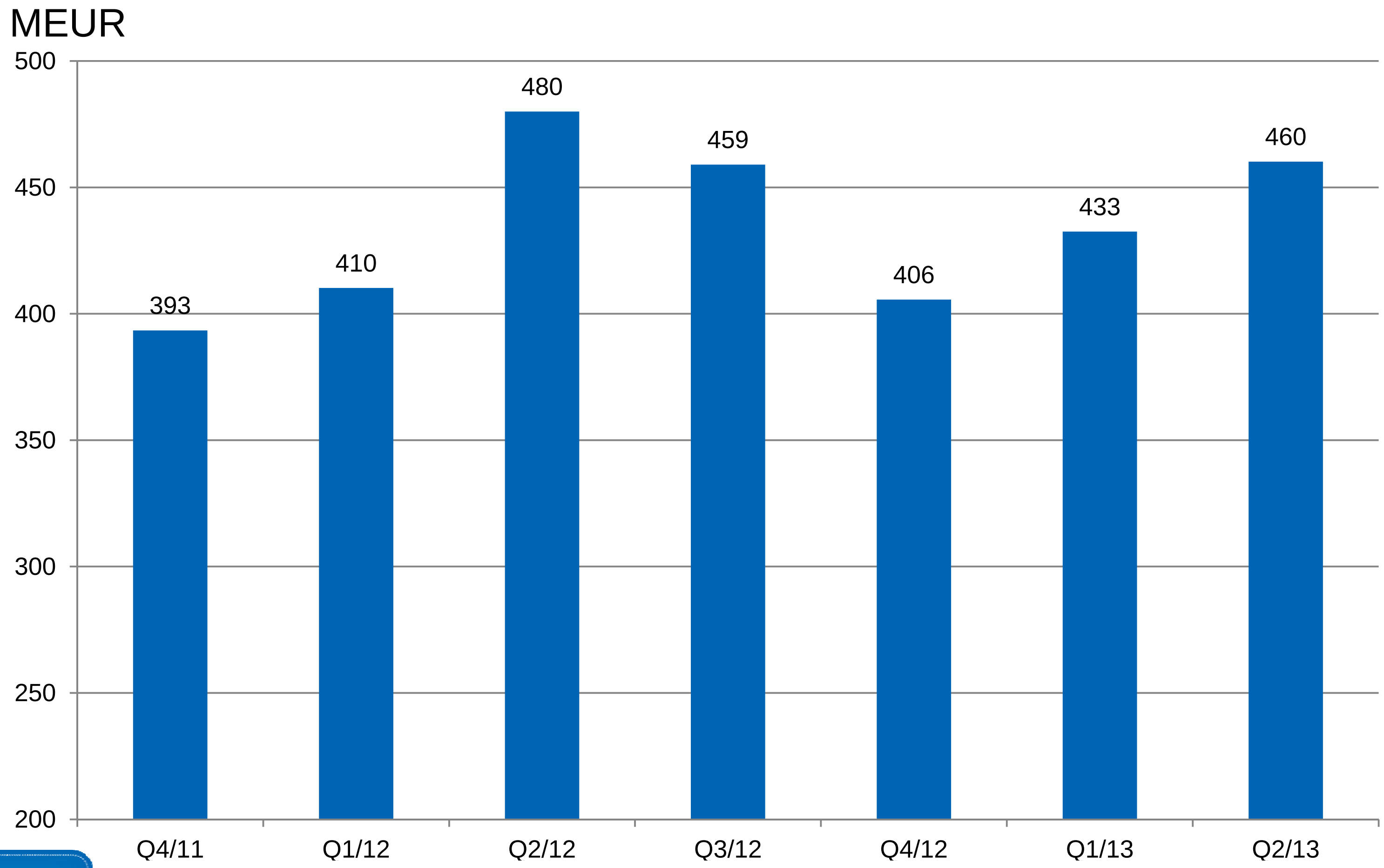
Group statement of financial position

Q2 2013

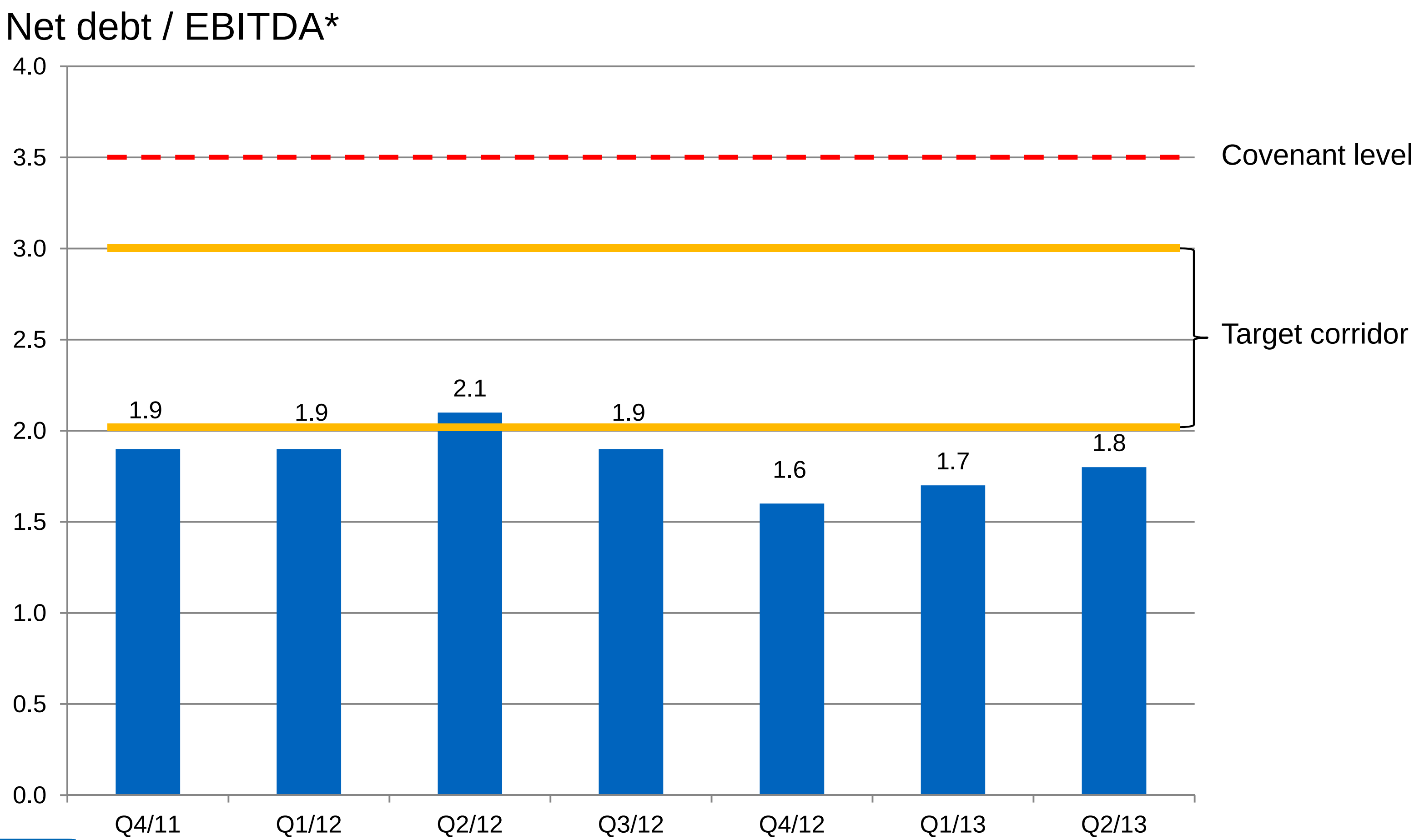
EUR million	Jun 2013	Dec 2012	Jun 2012
Total assets	**2,187.8**	2,014.9	2,116.5
Operating working capital	**411.0**	376.4	422.1
Net debt	**460.2**	405.9	480.0
Equity & non-controlling interest	**792.5**	805.5	781.7
Gearing	**0.58**	0.50	0.61
ROI*, %	**12.3**	12.6	11.0
ROE*, %	**15.0**	15.8	12.9

* Excluding NRI of MEUR 7.3 in Q2 2013 and H1 2013.

Net debt development



Strong financial position

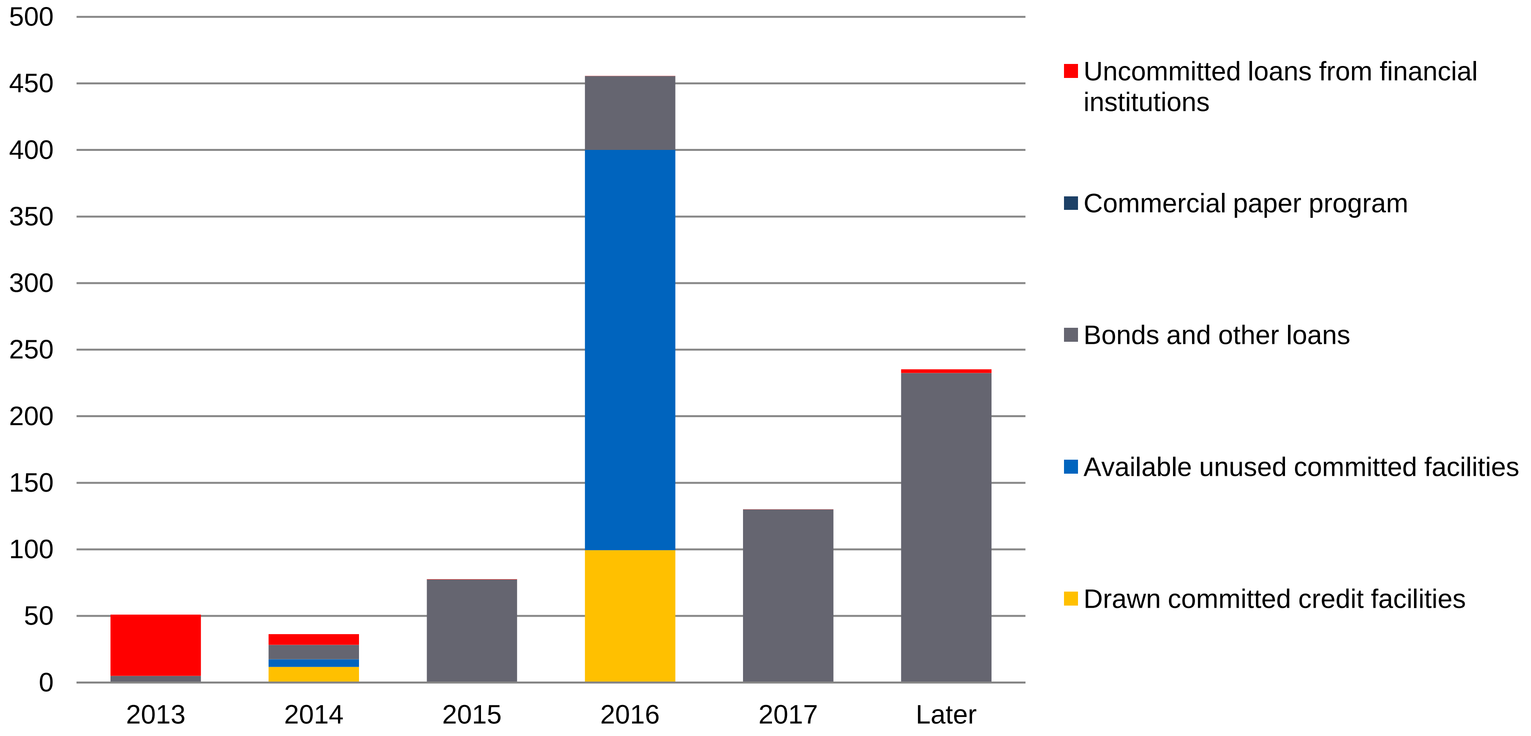


Q2 2013

* Excluding NRI.

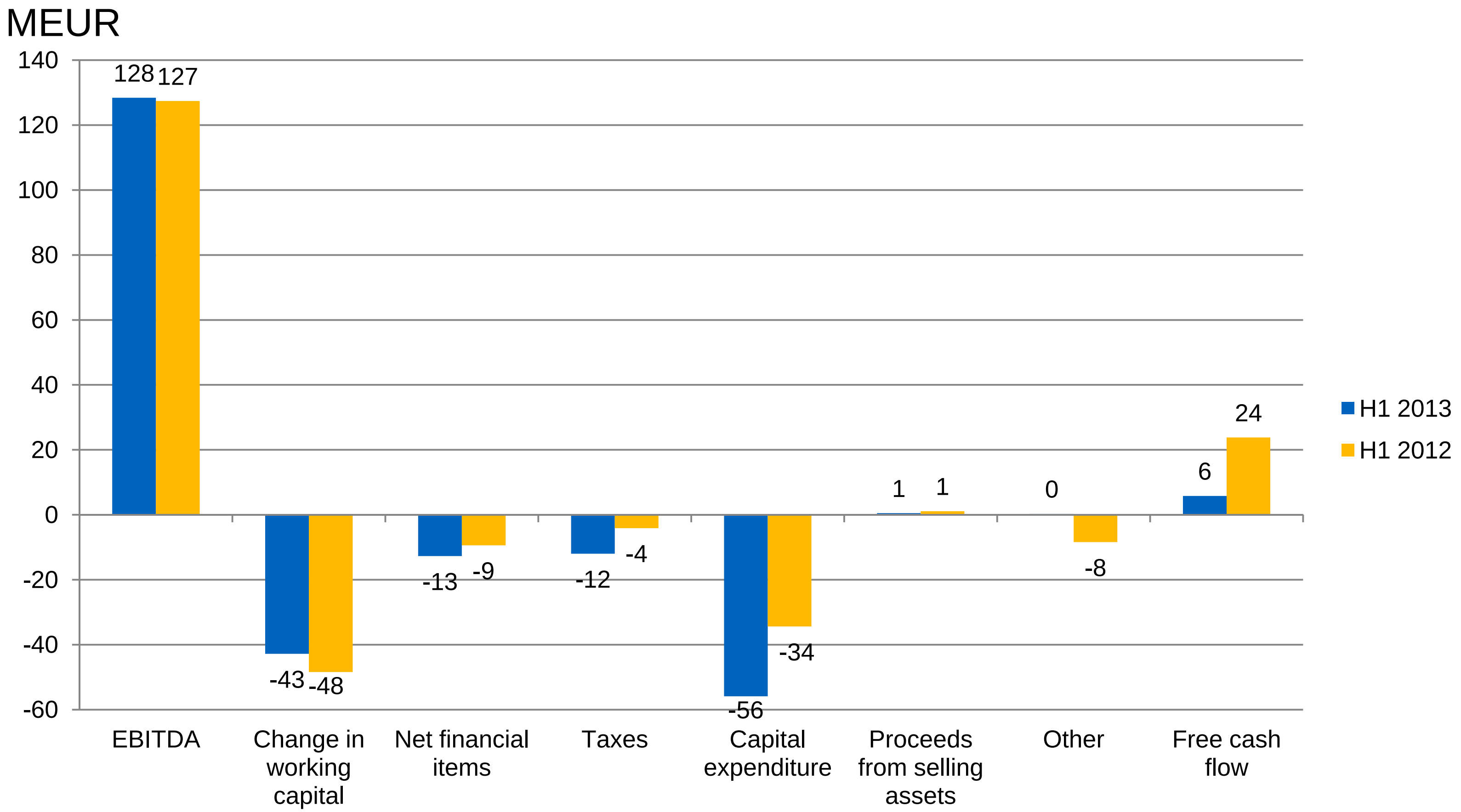
Debt maturity structure extended further

- MEUR 200 7-year fixed rate unsecured bond with a coupon of 3.375% issued in May 2013



Cash flow

H1 2013 vs. H1 2012



Looking forward

Outlook 2013

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

Short-term risks and uncertainties:

- Volatile raw material and energy prices as well as movements in currency rates are considered to be relevant short-term business risks and uncertainties in the Group's operations.
- General economic and financial market conditions can also have an adverse effect on the implementation of the Group's strategy and on its business performance and earnings.
- In September 2012 Huhtamäki Oyj received the European Commission’s statement of objections concerning alleged anticompetitive behavior during years 2000–2008. Huhtamäki Oyj has responded to the statement of objections and will exercise its rights of defense in the process, which is expected to take several months. The final outcome of the process is uncertain. More information on the matter is available in the Results 2012 report published on February 13, 2013.

Scheduled events in 2013

- Interim Report Q3 2013 October 25, 2013

Thank you!

www.huhtamaki.com

Appendices


天然食品
From 100% Nature
Crispy Cereal
香脆谷类饼
Any time
Any place
Always great tasting
No Preservatives No MSG
Premium Quality
优越品质
Original
Flavour

Huhtamaki businesses in brief

Businesses	Foodservice disposables*	Flexible packaging	Molded fiber packaging	Films
				
Share of net sales**	58%	24%	10%	8%
Operations in	• North America • Europe • Asia • Oceania • Middle East • Africa	• Europe • Asia • Oceania • South America	• Europe • Oceania • South America • Africa	• Europe • North America • South America • Asia

In total**				
	EUR 2.4 billion in net sales	**14,400** people employed	**31** operating countries	**64** manufacturing units

Q2 2013

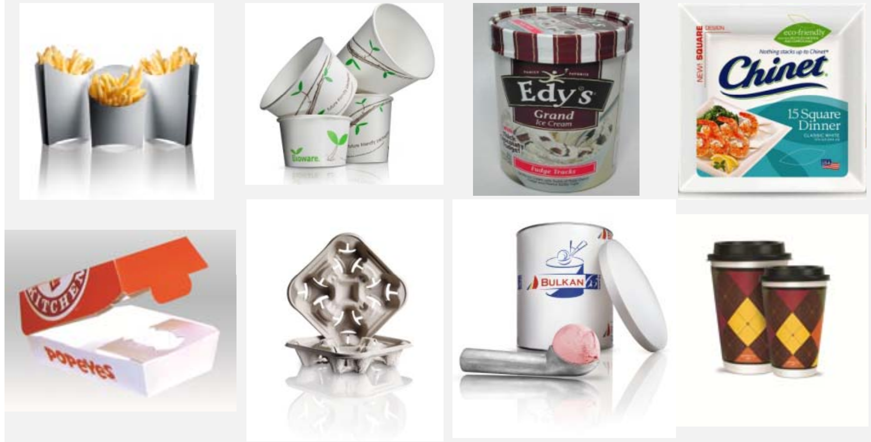
* Includes reporting segments North America and Foodservice E-A-O.
** LTM Q2/2013 figures.

Reporting segment North America:

Leveraging global foodservice expertise to accelerate growth

Markets and products

QSR	Catering & Distribution	Consumer Goods	Retail



Major customers

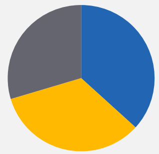
Costco Wholesale, Kroger, Nestlé, Sam's Club, Sysco

Major players

Dixie, International Paper, Pactiv, Solo

Q2 2013

Sales by market channel



MEUR	LTM Q2/2013	FY 2012	FY 2011	FY 2010
Net sales	719.5	704.3	532.3	535.6
EBIT	46.6	53.0	43.5	45.4
EBIT margin, %	6.5	7.5	8.2	8.5
RONA, %	9.7	11.7	11.2	11.9

Market position

- Leading position in shaped containers for frozen desserts
- Leading position in premium branded tableware market (Chinet® products)
- Leveraging current positions with expanded disposable product offering for foodservice and retail private label markets

Competitive advantage

Chinet

- Chinet® brand – Consumer reputation
- Paper forming expertise and systems capability
- Operation and supply chain excellence
- Molded fiber technology and cost position

Growth potential

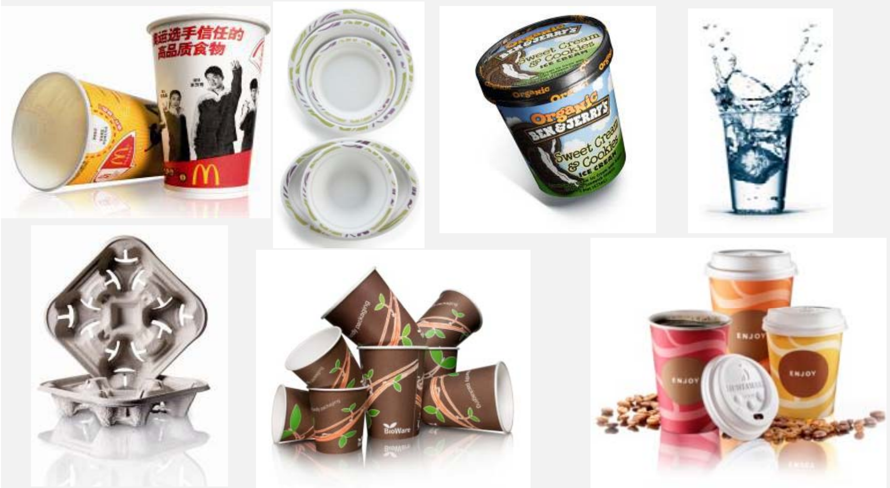
- 3-4% p.a. - driven by Retail and Foodservice

Reporting segment Foodservice E-A-O:

Global footprint brings competitive advantage

Markets and products

QSR	Catering & Distribution	Consumer Goods	Vending



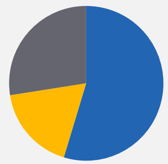
Customers

Burger King, Bunzl, Costa, McDonald's, Metro, Selecta, Sodexo, Unilever

Major players

International Paper, Seda International Packaging Group, Solo, Veriplast

Sales by geography



MEUR	LTM Q2/2013	FY 2012	FY 2011	FY 2010
Net sales	640.8	626.8	524.1	467.6
EBIT*	43.8	38.1	20.0	24.5
EBIT margin*, %	6.8	6.1	3.8	5.2
RONA, %	12.4*	11.6	7.8	10.6

Market position

- Europe: #1
- Asia-Oceania: #1

Competitive advantage

- Long term presence in emerging markets, global network and footprint
- Leading in sustainable solutions - BioWare
- Paper forming expertise
- High quality standards

Growth potential

- ~5% p.a. – driven by Eastern Europe and Asia

Q2 2013

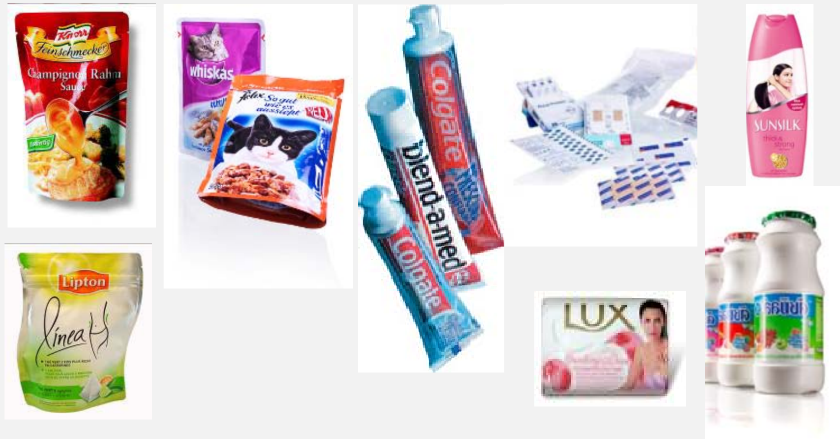
* Excluding NRI of MEUR 0.8 (net amount) in FY 2011 and MEUR 7.3 in LTM Q2/2013.

Reporting segment Flexible Packaging:

A leader in technology and innovation

Markets and products

Food & Beverages	Petfood	Tube laminates	Personal care & household	Labels



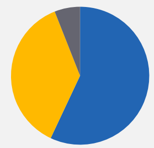
Major customers

COLGATE-PALMOLIVE MARS Mondelēz International Nestlé Unilever

Major players

amcor BEMIS Constantia Flexibles mondi Sealed Air Our Products Protect Your Products

Sales by geography



MEUR	LTM Q2/2013	FY 2012	FY 2011	FY 2010
Net sales	577.9	573.3	578.3	524.6
EBIT*	44.1	44.6	38.3	34.3
EBIT margin*, %	7.6	7.8	6.6	6.5
RONA, %	13.3	13.8	9.3	10.7

Strong market position in

- Biscuits, confectionary and labels in India
- Coffee in Thailand and Vietnam
- Chocolate in Europe
- Tube laminates and petfood worldwide

Competitive advantage

- Excellent technical knowhow
- Leading in South and Southeast Asia
- Strong anchor in Europe
- High focus on innovation, NPD

Growth potential

- 6-8% p.a. - mainly driven by Asia and selected market segments in Europe

* Excluding NRI of MEUR 7.8 in FY 2011.

Reporting segment Molded Fiber:

Global network and strong technological knowhow

Markets and products

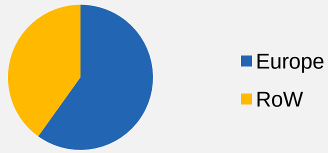
Egg packaging | Fruit & vegetable trays

Major customers

- Packers
- Retailers

Major players

Sales by geography



MEUR	LTM Q2/2013	FY 2012	FY 2011	FY 2010
Net sales	237.7	237.3	244.0	232.9
EBIT	27.7	26.4	20.9	21.9
EBIT margin, %	11.7	11.1	8.6	9.4
RONA, %	17.1	16.1	12.0	12.7

Market position

- Global #1

Competitive advantage

- Local presence
- In-house proprietary technology
- Experienced team
- In-house recycled paper sourcing

Growth potential

- 3-4% p.a. – driven by emerging markets

Reporting segment Films:

Leading competencies and technical knowhow

Markets and products

Consumer	Industrial	Pressure sensitive

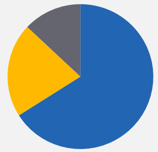




Major customers

Major players

Sales by geography



MEUR	LTM Q2/2013	FY 2012	FY 2011	FY 2010
Net sales	186.0	191.5	177.0	163.7
EBIT	6.9	9.2	8.4	10.8
EBIT margin,%	3.7	4.8	4.7	6.6
RONA, %	4.6	6.0	6.2	9.1

Market position

- Global leader in release films

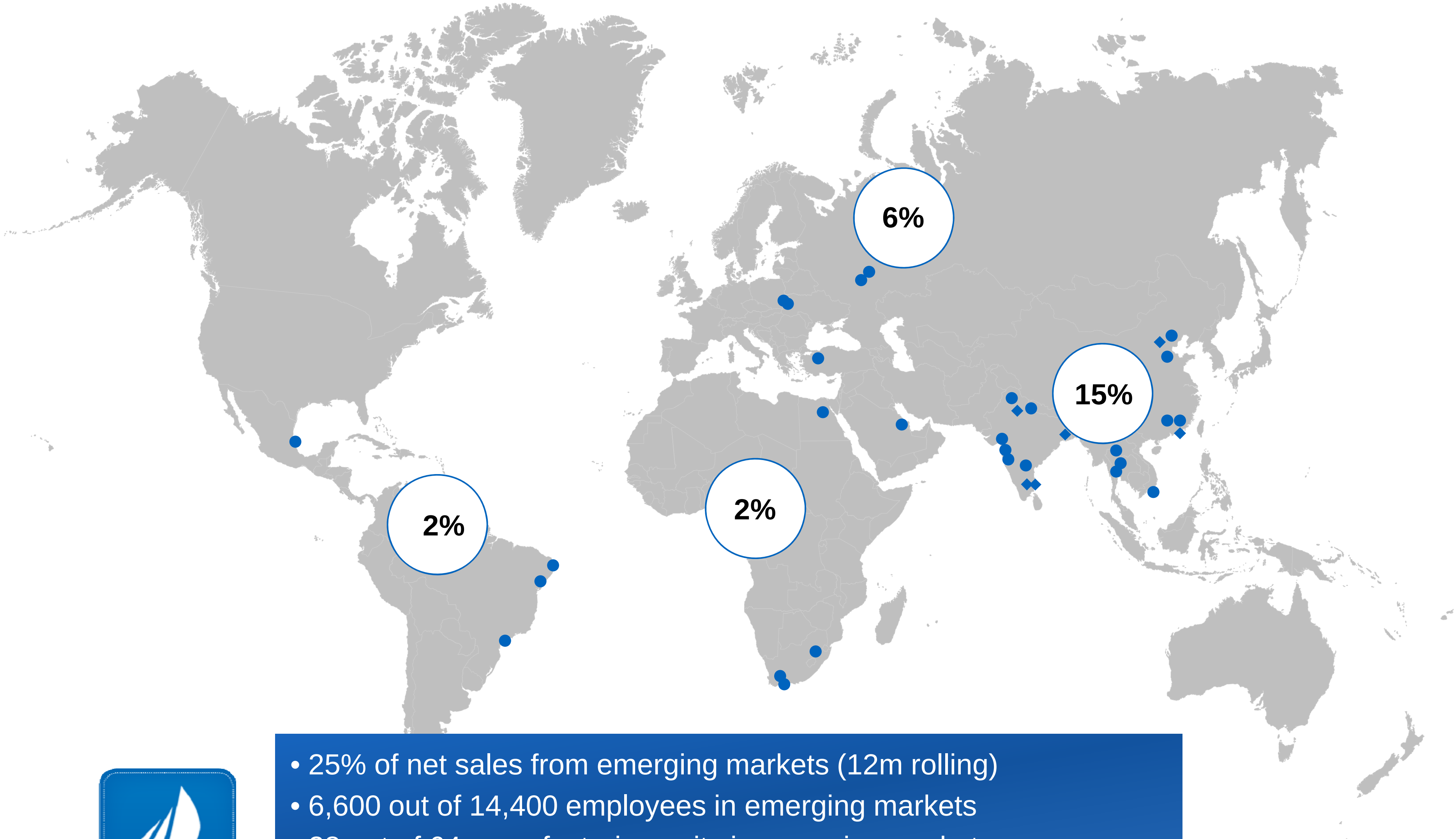
Competitive advantage

- Strong technical knowhow, especially in silicone coating
- Global manufacturing capability
- High focus on innovations
- Competence in release film applications and bio films

Growth potential

- 5-10% p.a.

Emerging markets' share of net sales



- 25% of net sales from emerging markets (12m rolling)
- 6,600 out of 14,400 employees in emerging markets
- 28 out of 64 manufacturing units in emerging markets

Successful implementation of the quality growth strategy

- Six acquisitions completed to date:
  - Prisma Pack, September 2011 (Films)
  - Paris Packaging, Inc., September 2011 (North America)
  - Ample Industries, Inc., November 2011 (North America)
  - Josco (Holdings) Limited, April 2012 (Foodservice E-A-O)
  - Winterfield, LLC, August 2012 (North America)
  - Webtech Labels Private Limited, November 2012 (Flexible Packaging)
- In total MEUR 230 of annual net sales acquired for MEUR 150*

* As announced at the time of the acquisitions and including assumed debt.

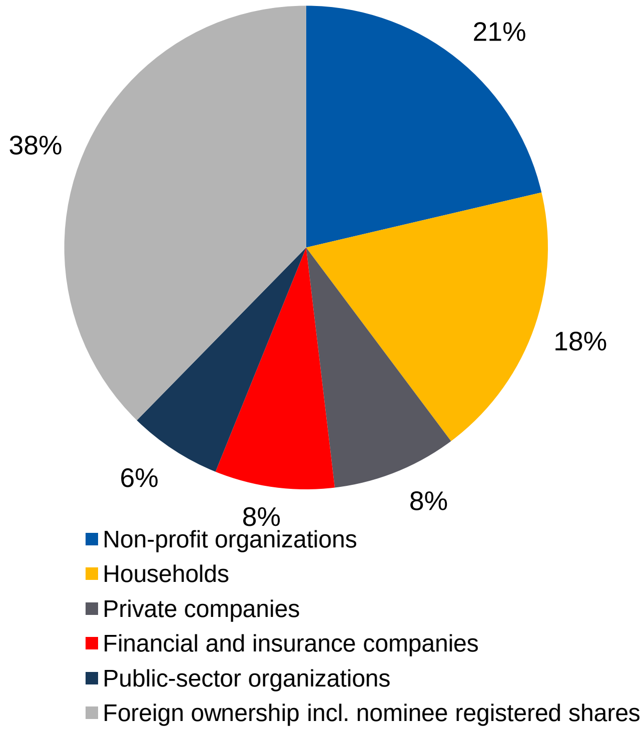
Financial targets

- ROI 15%
- Net debt/EBITDA target corridor at 2-3
- Free cash flow around MEUR 100 annually
- Dividend policy: 40-50% of result

Ownership

- 25,199 registered shareholders at the end of June 2013
- 62% of shares in domestic ownership
- 21% of shares controlled by non-profit organizations
  - Finnish Cultural Foundation a major owner since 1943, current ownership 15%

Shareholder distribution by sector
June 30, 2013



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