



GROUP

April 24, 2012



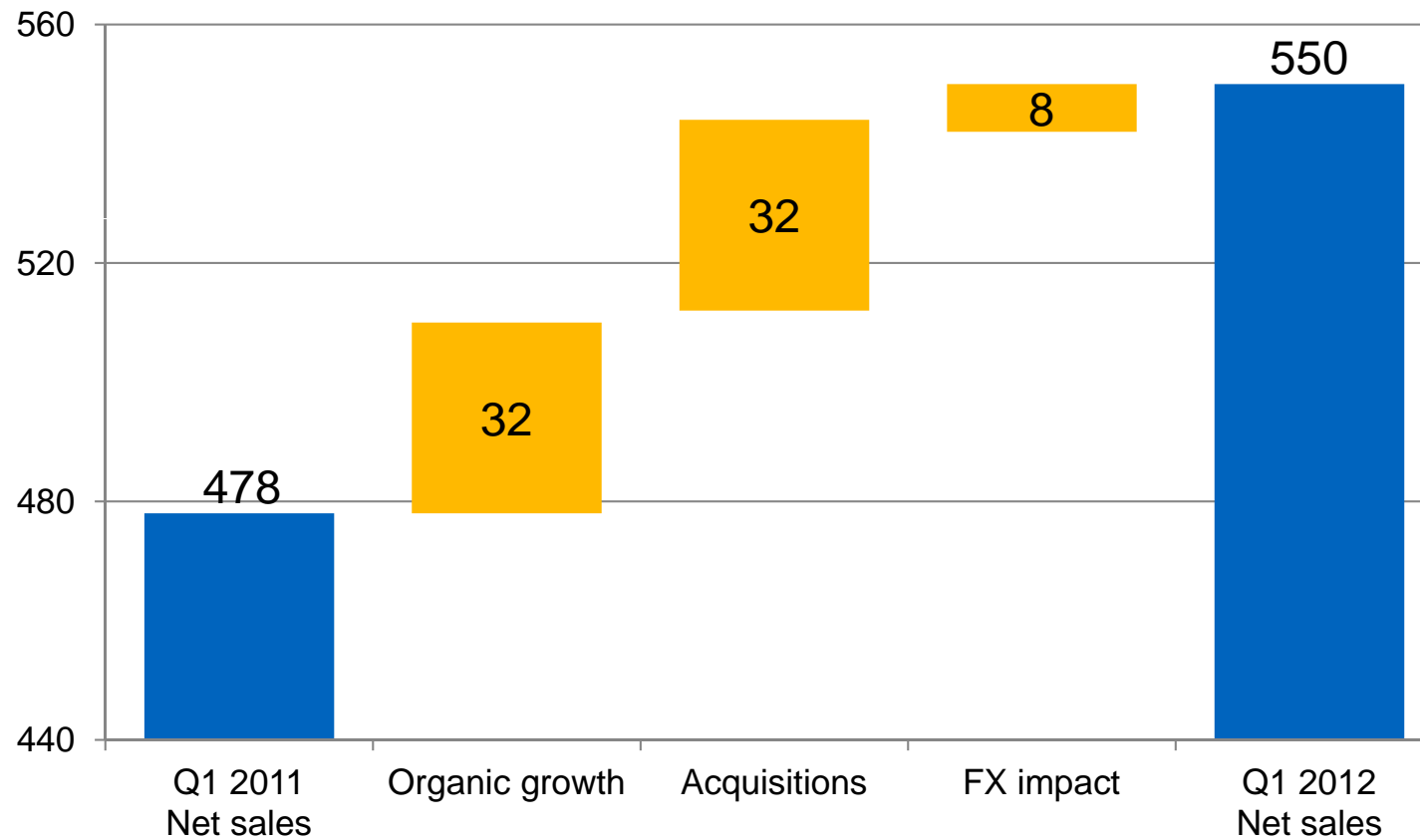
# Q1 2012 Interim Report

## *Good start to the year*

CEO Jukka Moisio  
CFO Timo Salonen

# 15% net sales growth in Q1 2012

- Growth achieved both organically and through acquisitions



# Group highlights

## *Q1 2012*

EUR million	Q1 2012	Q1 2011	FY 2011
Net sales	<b>550.1</b>	478.0	2,043.6
EBIT*	<b>33.9</b>	27.4	127.6
EBIT margin*, %	<b>6.2</b>	5.7	6.2
EPS*, EUR	<b>0.25</b>	0.17	0.87
ROI, %	<b>10.5</b>	12.0	9.8
ROE, %	<b>11.8</b>	13.9	11.0
Free cash flow	<b>-10.9</b>	-31.6	64.9

- Positive earnings development supported by volume growth and favorable mix
- Improvement in ROI and ROE compared to end of 2011



# Business review by segment



Q1 2012

# Flexible Packaging

## *Q1 2012*

EUR million	Q1 2012	Q1 2011	FY 2011
Net sales	<b>152.9</b>	146.6	578.3
EBIT*	<b>11.9</b>	10.2	38.3
EBIT margin* %	<b>7.8</b>	7.0	6.6
RONA %	<b>9.9</b>	10.6	9.3
Operating cash flow	<b>4.6</b>	-4.9	39.7

- Volume driven net sales growth
- Strong growth in Europe continued
- Earnings improved due to volume growth and margin recovery



# Films

## *Q1 2012*

EUR million	Q1 2012	Q1 2011	FY 2011
Net sales	<b>49.8</b>	42.2	177.0
EBIT	<b>2.8</b>	3.1	8.4
EBIT margin %	<b>5.6</b>	7.3	4.7
RONA %	<b>5.7</b>	9.4	6.2
Operating cash flow	<b>-0.5</b>	-7.9	-4.3

- Good performance in North America
- Demand of films for industrial markets developed favorably
- Improved momentum compared to Q4 2011



# North America

## *Q1 2012*

EUR million	Q1 2012	Q1 2011	FY 2011
Net sales	<b>156.7</b>	111.6	532.3
EBIT	<b>10.1</b>	6.6	43.5
EBIT margin %	<b>6.4</b>	5.9	8.2
RONA %	<b>11.6</b>	11.4	11.2
Operating cash flow	<b>-15.8</b>	-6.6	43.5

- Strong organic development across all channels, especially in retail (Chinet®)
- Foodservice boosted further by units acquired in 2011
- Sales of ice cream packaging also robust after a long period of softness
- Earnings improvement driven by sales growth; the acquired units also had a positive contribution



# Molded Fiber

## *Q1 2012*

EUR million	Q1 2012	Q1 2011	FY 2011
Net sales	<b>65.9</b>	60.0	244.0
EBIT	<b>6.8</b>	5.4	20.9
EBIT margin %	<b>10.3</b>	9.0	8.6
RONA %	<b>12.7</b>	13.3	12.0
Operating cash flow	<b>4.0</b>	3.0	18.5

- Solid net sales growth due to positive volume and mix development
- Positive earnings development supported by favorable mix and stabilized raw material prices





# Foodservice Europe-Asia-Oceania

## *Q1 2012*

EUR million	Q1 2012	Q1 2011	FY 2011
Net sales	<b>128.0</b>	120.1	524.1
EBIT*	<b>4.4</b>	2.8	20.8
EBIT margin* %	<b>3.4</b>	2.3	4.0
RONA %	<b>8.2</b>	8.1	7.8
Operating cash flow	<b>3.9</b>	-4.5	10.7

- Net sales growth continued, especially in Eastern Europe
- Net sales growth, positive mix and successful restructuring activities in Germany contributed to positive earnings development
- Acquisition of Josco further strengthens the segment's position as the leading foodservice packaging supplier in Asia (consolidated as of April 1, 2012)



# Continued implementation of the quality growth strategy: Acquisition of Josco

- Net sales of MEUR 70 in 2011
- Market leader in China and Hong Kong with significant exports to Europe, the U.S. and Australia
- Two manufacturing units and two distribution centers in China
- Employs 1,350 people – experienced team and operations capability
- Strengthens further the Group's position as a leading foodservice packaging supplier in the fast growing Asian markets
- Debt free purchase price MEUR 67

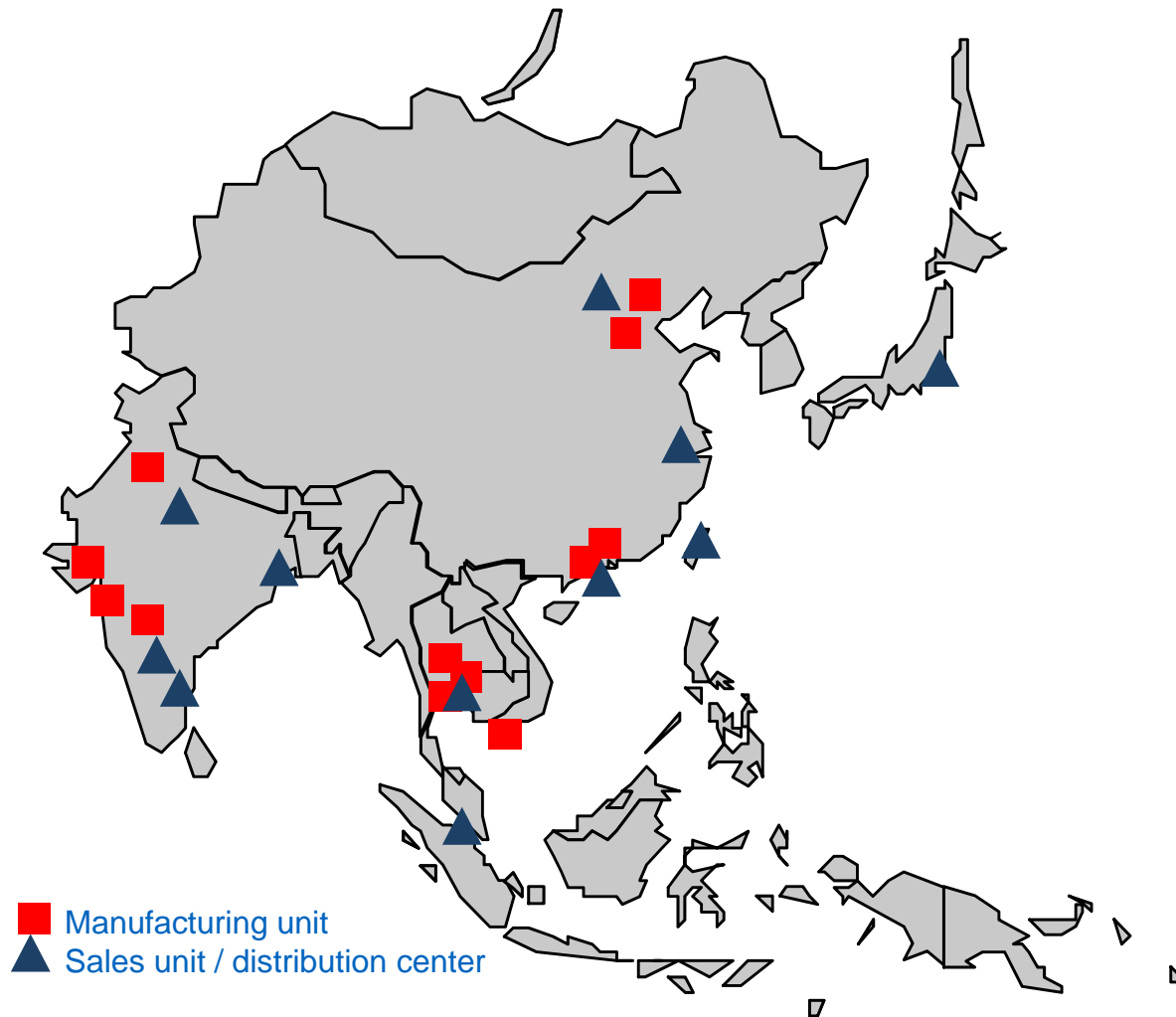


# Josco's product range is complementary

- Core competence and capacity in hot paper cups
- Complete range of sustainable single use tableware based on bagasse and PLA
- Highly competitive integrated network of external suppliers in China



# Huhtamaki has strong positions in Asia



- In total 12 manufacturing units and 4,400 people employed in Asia
- In 2012 approximately 15% of the Group's net sales are expected to come from Asia



# Financial review



Q1 2012

# Income statement

## *Q1 2012*

EUR million	Q1 2012	Q1 2011	FY 2011
<b>Net sales</b>	<b>550.1</b>	478.0	2,043.6
EBITDA*	<b>55.7</b>	47.1	208.0
EBITDA margin* %	<b>10.1</b>	9.9	10.2
<b>EBIT*</b>	<b>33.9</b>	27.4	127.6
EBIT margin* %	<b>6.2</b>	5.7	6.2
Net financial items	<b>-5.0</b>	-3.7	-16.1
<b>Result before taxes</b>	<b>29.1</b>	23.9	105.2
Taxes	<b>-2.9</b>	-3.6	-13.5
<b>Result for the period</b>	<b>26.2</b>	20.3	91.7
<b>EPS*</b>	<b>0.25</b>	0.17	0.87



# Growth by business segment

## Q1 2012

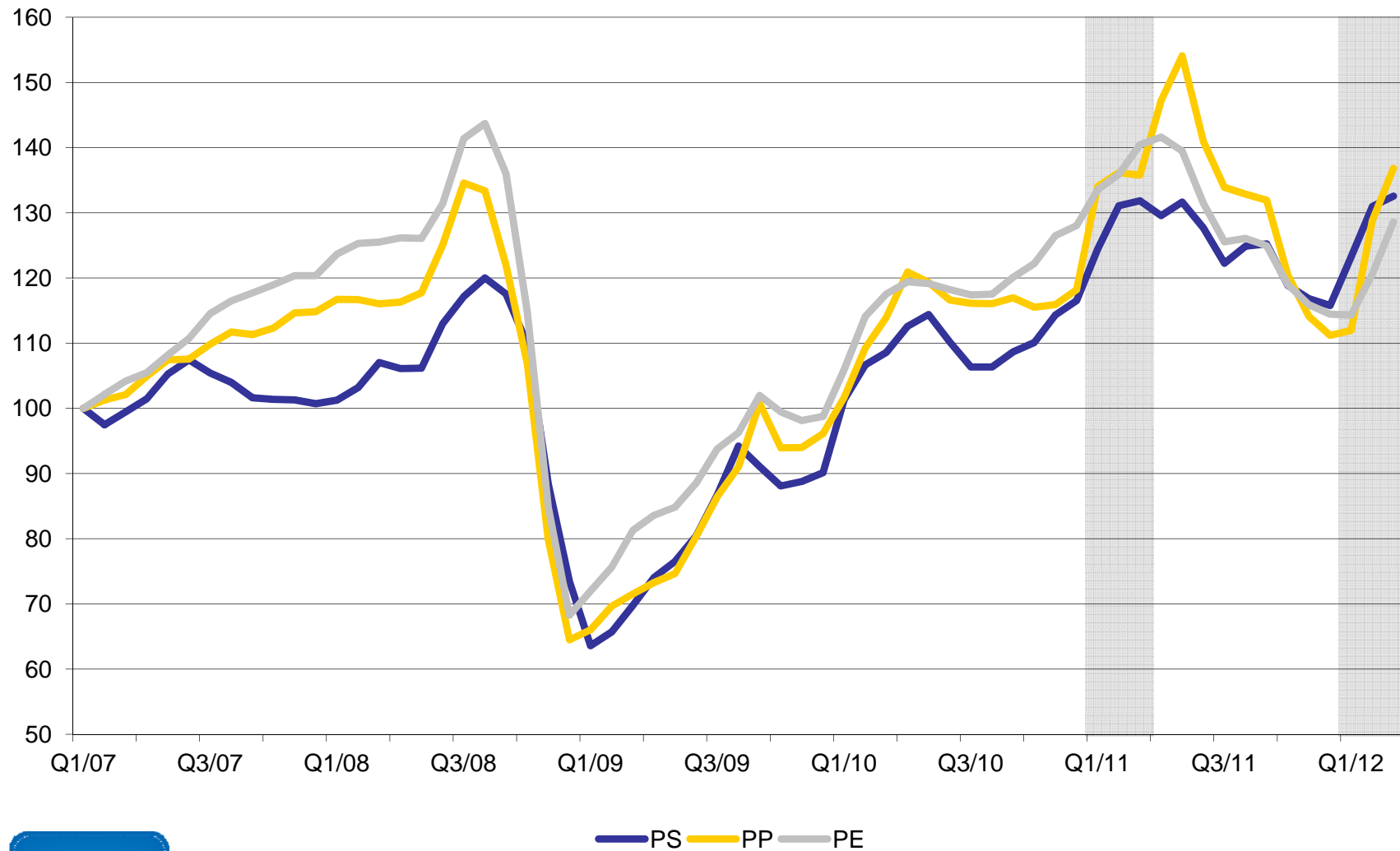
*Comparable growth\**

	Q1 2012	FY 2011
Flexible Packaging	5%	12%
Films	5%	6%
North America	11%	1%
Molded Fiber	11%	3%
Foodservice EAO	5%	3%
<b>Group total</b>	<b>7%</b>	<b>5%</b>

- The Group achieved 6% volume growth in Q1 2012 compared to 1% in FY 2011



# Polymer based raw material prices





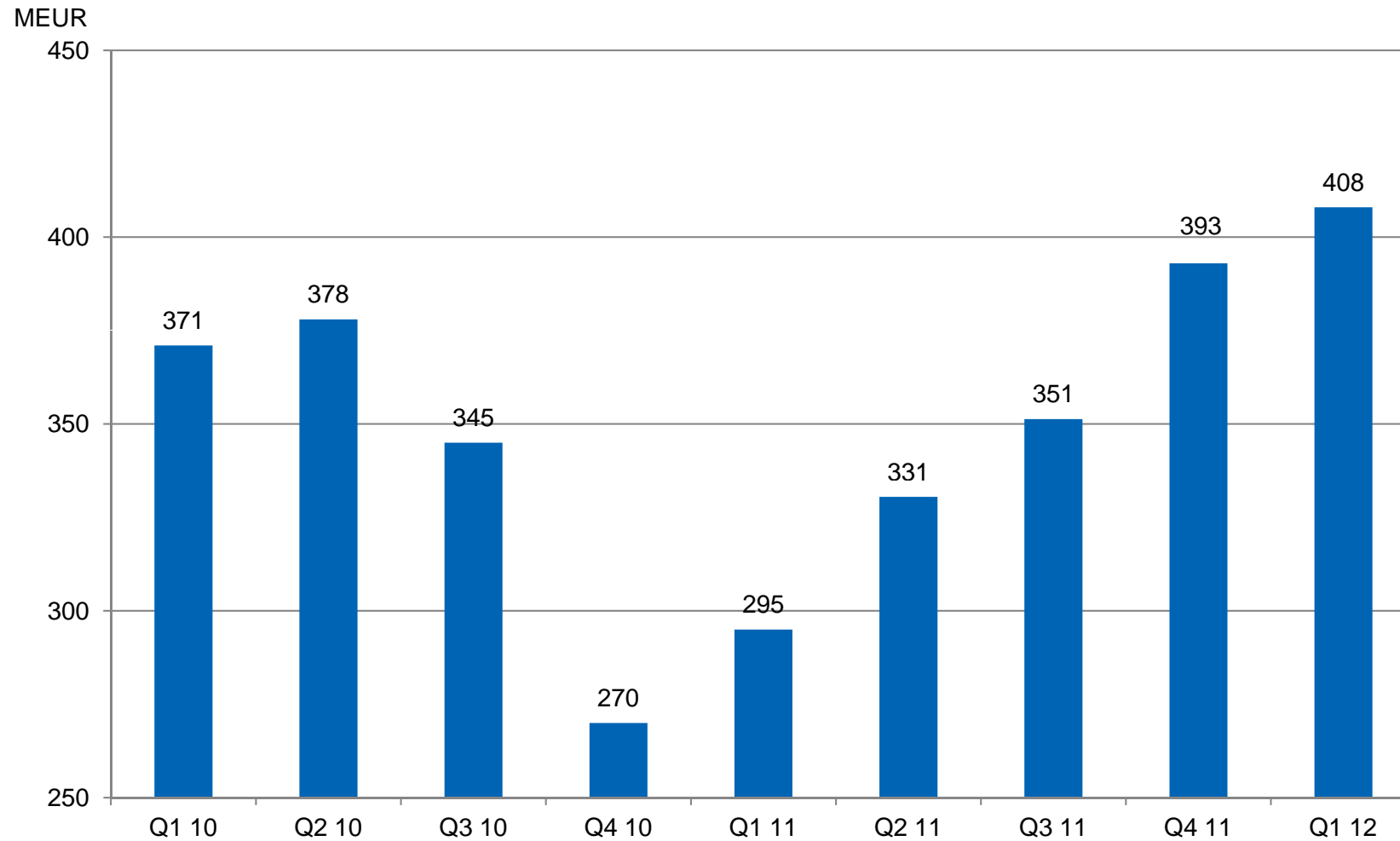
# Group statement of financial position

## *Q1 2012*

EUR million	Mar 2012	Dec 2011	Mar 2011
Total assets	<b>1,965.1</b>	1,909.6	1,790.7
Operating working capital	<b>382.6</b>	337.2	344.4
Net debt	<b>407.5</b>	393.4	295.0
Equity & non-controlling interest	<b>827.2</b>	805.0	847.7
Gearing	<b>0.49</b>	0.49	0.35
ROI %	<b>10.5</b>	9.8	12.0
ROE %	<b>11.8</b>	11.0	13.9



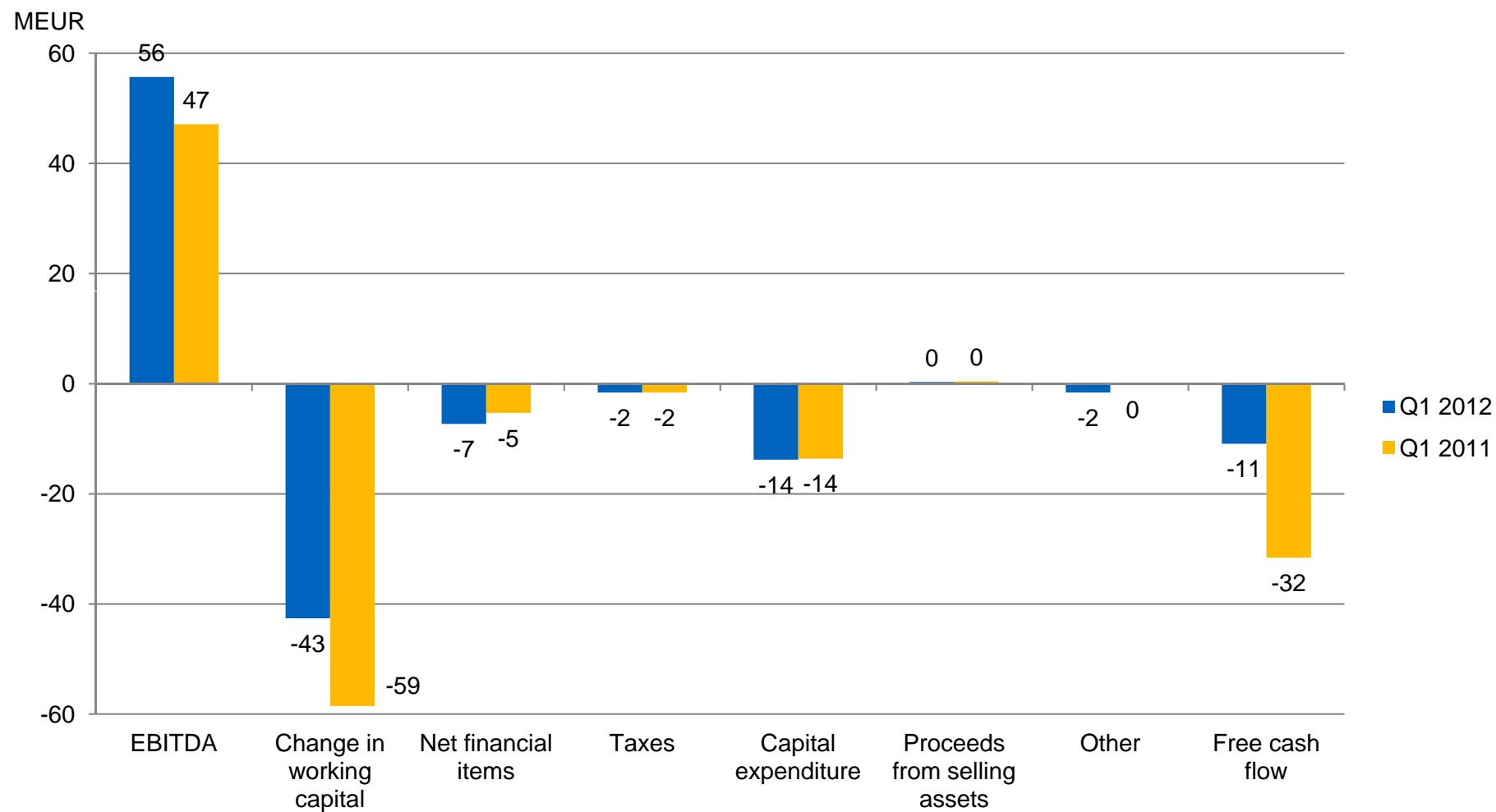
# Net debt development



Q1 2012

# Cash flow

*Q1 2012 vs. Q1 2011*



Q1 2012

# Looking forward



Q1 2012

# Outlook 2012

- The Group's trading conditions are expected to remain relatively stable during 2012.
- Good financial position and ability to generate a positive cash flow will enable the Group to further address profitable growth opportunities.
- Growth in net sales is expected to continue.
- Earnings per share (EPS) are expected to increase compared to the EUR 0.87 (excluding NRI) achieved in 2011.
- Capital expenditure is expected to be below EUR 100 million.

## **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.



# Scheduled events in 2012

- Annual General Meeting April 24
- Interim Report Q2 2012 July 20
- Interim Report Q3 2012 October 19



Q1 2012

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# Appendices





# Huhtamaki in 2012

**EUR 2.0**  
billion in net  
sales in 2011

**14,000**  
people  
employed

**61**  
manufacturing  
units

**31**  
operating  
countries

Businesses

## Globally Organized

### Flexibles



### Films



### Molded Fiber



## Geographically Organized

### Disposables



Reporting  
segments

**Flexible  
Packaging**

**Films**

**Molded  
Fiber**

**North  
America**

**Foodservice  
E-A-O**

Share of  
net sales\*

**28%**

**9%**

**12%**

**26%**

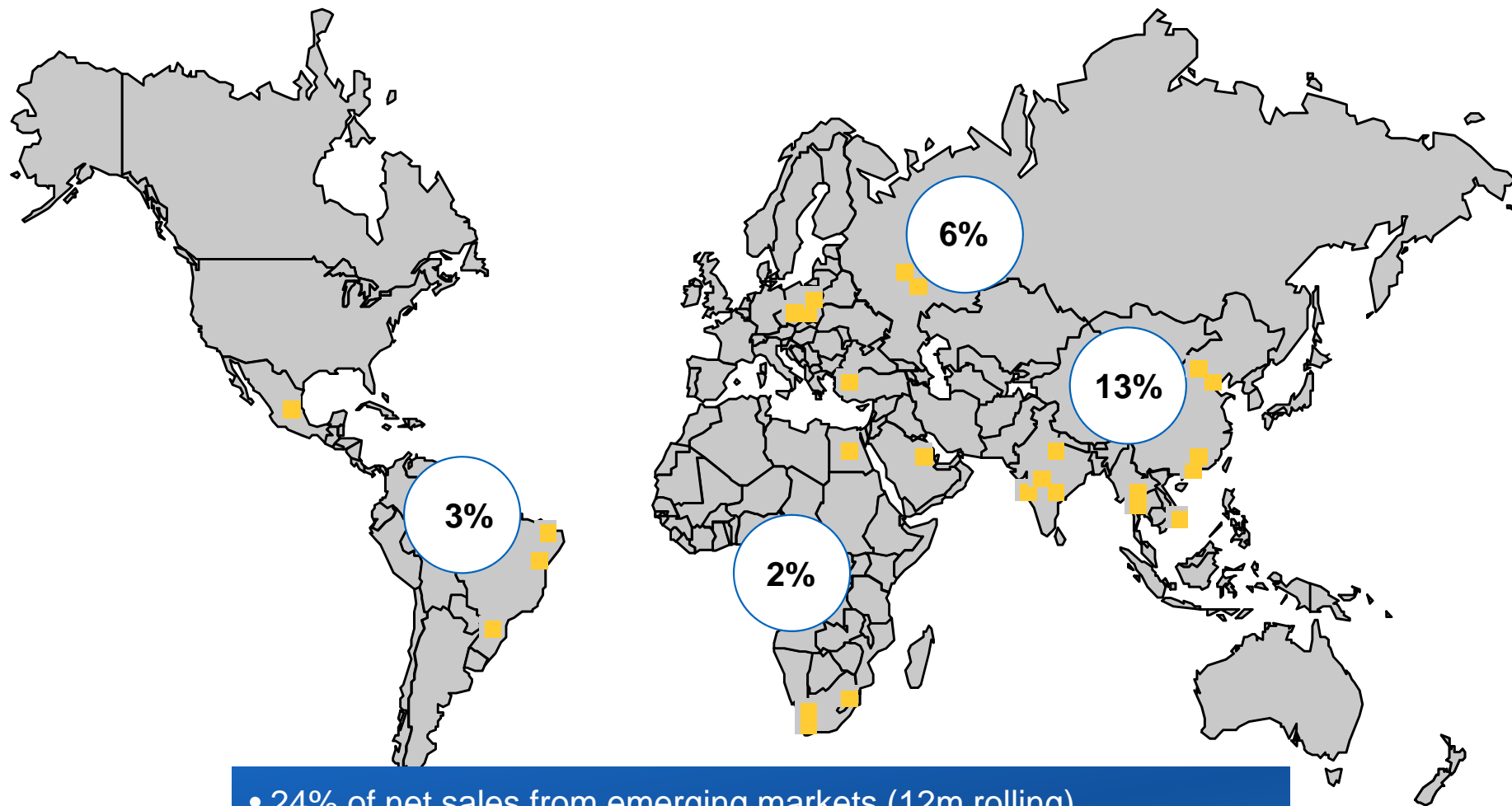
**23%**



Q1 2012

\* Other activities 2%.

# Emerging markets' share of net sales



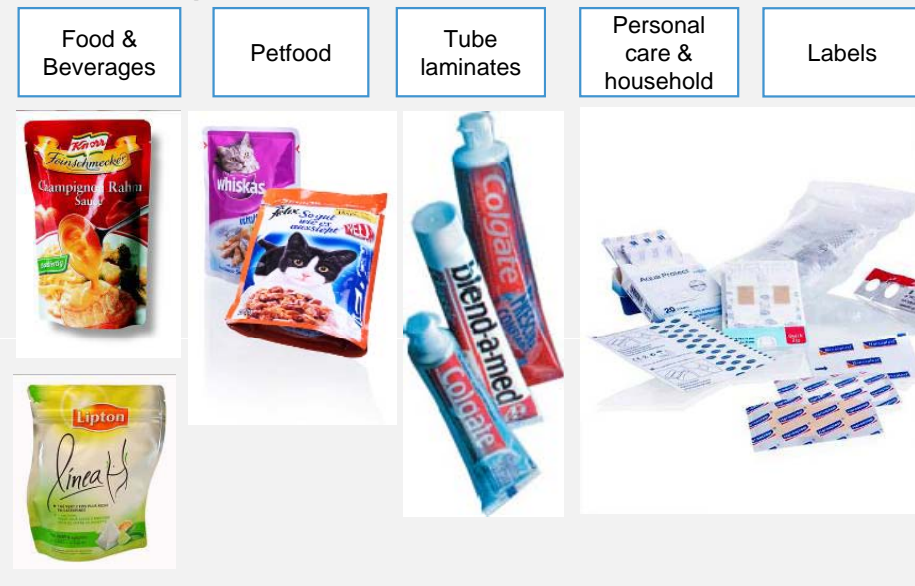
- 24% of net sales from emerging markets (12m rolling)
- 5,900 out of 14,000 employees in emerging markets
- 26 out of 61 manufacturing units in emerging markets



# Flexible Packaging:

*A leader in technology and innovation*

## Markets and products



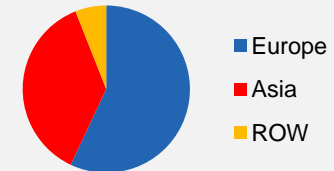
## Major customers



## Major players



## Sales by geography



MEUR	Q1 2012	Q1 2011	FY 2011
Net sales	152.9	146.6	578.3
EBIT*	11.9	10.2	38.3
EBIT margin* %	7.8	7.0	6.6
RONA %	9.9	10.6	9.3

## Strong market position in

- Biscuits and confectionary in India
- Coffee in Thailand and Vietnam
- Chocolate in Europe
- Tube laminates and pet food worldwide

## Competitive advantages

- 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



Q1 2012

\* Excluding NRI MEUR -7.8 in FY 2011.

# North America:

*A leading position based on molded fiber and shaped paperboard*

## Markets and products

### Consumer Goods



### Retail



### Foodservice



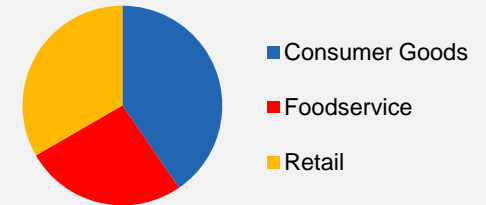
## Major customers



## Major players



## Sales by market channel



MEUR	Q1 2012	Q1 2011	FY 2011
Net sales	156.7	111.6	532.3
EBIT	10.1	6.6	43.5
EBIT margin %	6.4	5.9	8.2
RONA %	11.6	11.4	11.2

## Strong market positions

- Leading position in shaped containers for frozen desserts
- Leading position in premium branded tableware market (Chinet® products)

## Competitive advantage

- 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



Q1 2012

# Foodservice E-A-O:

*Global footprint brings competitive advantage*

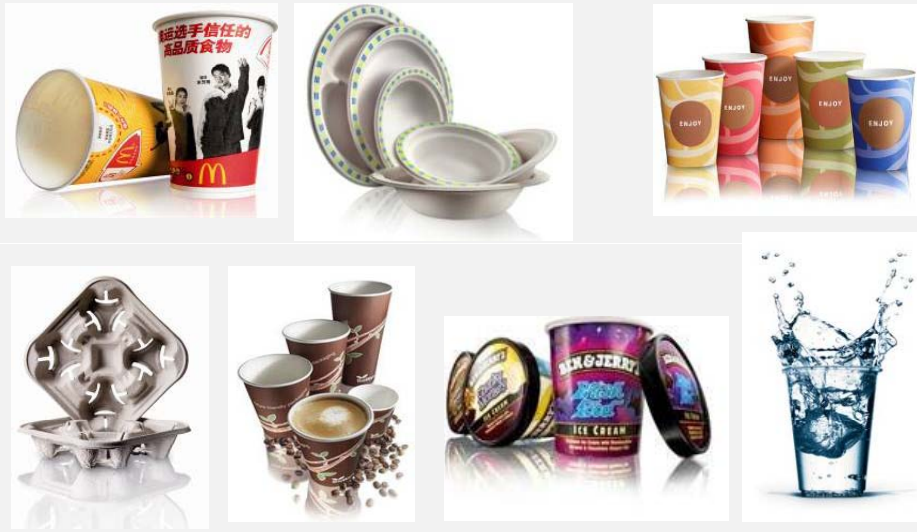
## Markets and products

QSR

Catering

Industry

Vending



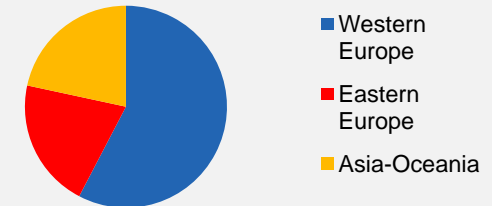
## Customers



## Major players



## Sales by geography



MEUR	Q1 2012	Q1 2011	FY 2011
Net sales	128.0	120.1	524.1
EBIT*	4.4	2.8	20.8
EBIT margin* %	3.4	2.3	4.0
RONA %	8.2	8.1	7.8

## Strong market positions

- 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



Q1 2012

\* Excluding NRI of EUR 0.8 million in FY 2011.



# Molded Fiber:

*Global presence and strong technological knowhow*

## Markets and products

### Egg packaging



### Fruit trays



## Major customers

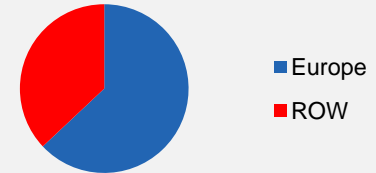
- Retailers
- Packers



## Major players



## Sales by geography



MEUR	Q1 2012	Q1 2011	FY 2011
Net sales	65.9	60.0	244.0
EBIT	6.8	5.4	20.9
EBIT margin %	10.3	9.0	8.6
RONA %	12.7	13.3	12.0

## 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



Q1 2012

# Films:

## *Leading competencies and technical knowhow*

### Markets and products

Building and construction

Pressure sensitive

Hygiene and healthcare

Technical markets and speciality packing



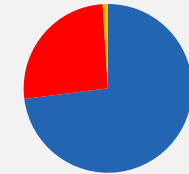
### Major customers



### Major players



### Sales by geography



■ Europe  
■ NA  
■ Asia

MEUR	Q1 2012	Q1 2011	FY 2011
Net sales	49.8	42.4	177.0
EBIT	2.8	3.1	8.4
EBIT margin %	5.6	7.3	4.7
RONA %	5.7	9.4	6.2

### 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.



Q1 2012

# Solid domestic shareholding

- 25,447 registered shareholders at the end of March 2012
- 24% of shares controlled by non-profit organizations
  - Finnish Cultural Foundation a major owner since 1943, current ownership 17.2%
- 72% of shares in domestic ownership

Shareholder distribution by sector  
March 30, 2012

