

Good start to the year

Interim Report Q1 2016

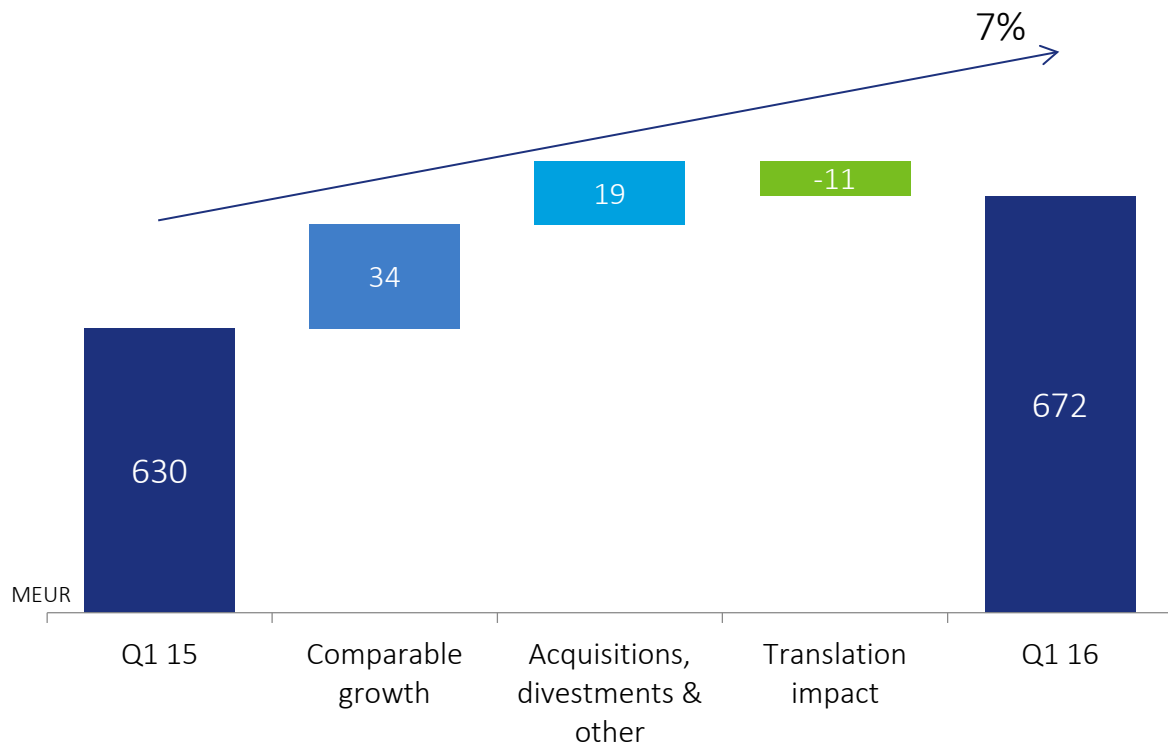
CEO Jukka Moisio

CFO Thomas Geust

Huhtamaki



Good comparable growth in Q1 16



Net sales growth split in Q1 16

- 6% comparable growth
- 8% in emerging markets
- 3% from acquisitions
- Negative 2% from currency translation, which turned negative during the quarter

Comparable growth picked up

	Q1 16	Q4 15	Q3 15	Q2 15	Q1 15	Mid-term ambition	FY 15	FY 14
Foodservice E-A-O	7%	8%	6%	2%	3%	5-7%	4%	4%
North America	10%	5%	7%	-2%	7%	4-6%	4%	6%
Flexible Packaging	1%	-1%	5%	4%	5%	8-10%	3%	7%
Molded Fiber	4%	6%	5%	5%	5%	5-7%	5%	9%
Group total	6%	4%	6%	1%	5%	5-7%	4%	6%

Q1 16

- Growth was strongest in the North America and Foodservice E-A-O segments
- Low comparable growth in Flexible Packaging reflects low raw material prices
- Stable development in Molded Fiber

Profitability improved

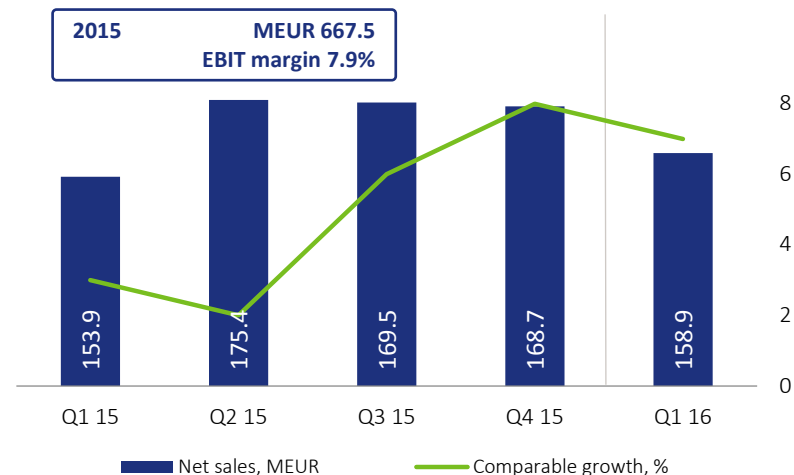
EUR million	Q1 16	Q1 15	Change	FY 15
Net sales	672.3	630.1	7%	2,726.4
EBITDA*	84.6	74.8	13%	342.0
EBITDA margin*	12.6%	11.9%		12.5%
EBIT*	57.8	49.7	16%	237.5
EBIT margin*	8.6%	7.9%		8.7%
EPS*, EUR	0.40	0.33	21%	1.65
ROI**	14.8%	12.8%		14.7%
ROE**	18.3%	16.2%		18.1%
Capital expenditure	24.3	24.7	-2%	146.9
Free cash flow	25.6	-19.4	232%	91.2

Q1 16
<ul style="list-style-type: none"> – Profitability improvement led by North America and supported by Flexible Packaging – Operational earnings development was good across segments – ROI all-time-high and close to our mid-term ambition

Business segment review

Foodservice Europe-Asia-Oceania: Good topline growth

- Good overall volumes in Eastern Europe
- Healthy volume growth for insulated paper cups in Western Europe continued
- Operational earnings improved
- Solid cash flow generation

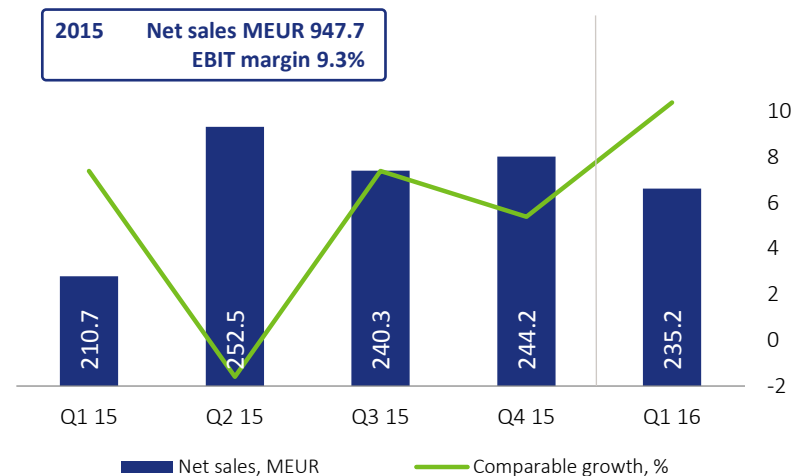


Key figures

MEUR	Q1 16	Q1 15	Change
EBIT	12.0	11.9	1%
EBIT margin	7.6%	7.7%	
RONA	14.0%	17.2%	
Capital expenditure	5.3	7.5	-29%
Operating cash flow	9.4	5.9	59%

North America: Strong first quarter

- Strong topline growth driven by packaging for QSR sector
 - New business onboarded
 - New capacity in Batavia up and running
- Good volumes and efficient operations management led to significant improvement in profitability
- Good RONA and cash flow development

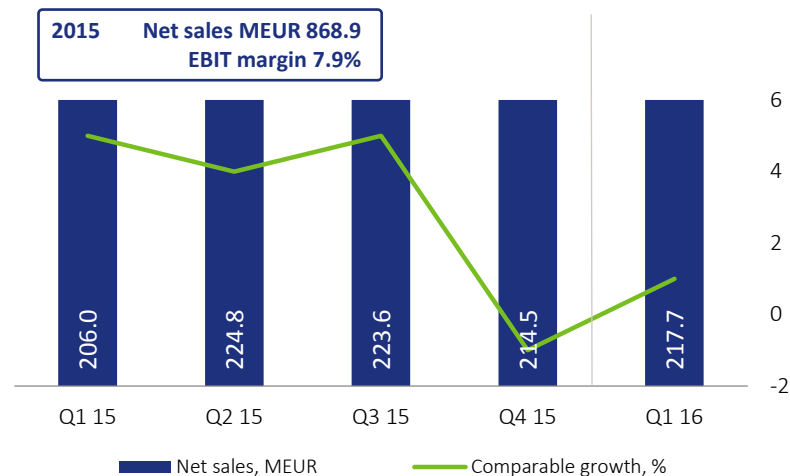


Key figures

MEUR	Q1 16	Q1 15	Change
EBIT	20.8	13.8	51%
EBIT margin	8.8%	6.5%	
RONA	14.9%	7.6%	
Capital expenditure	10.4	7.9	32%
Operating cash flow	10.3	-13.7	175%

Flexible Packaging: Earnings growth

- Good overall volume development
- Low comparable growth reflecting the impact of lower raw material prices on selling prices
- Good earnings development supported by
 - Volume growth
 - Lower raw material costs
 - Favorable product mix
 - Good cost containment
- Solid operations management resulted in improved cash flow

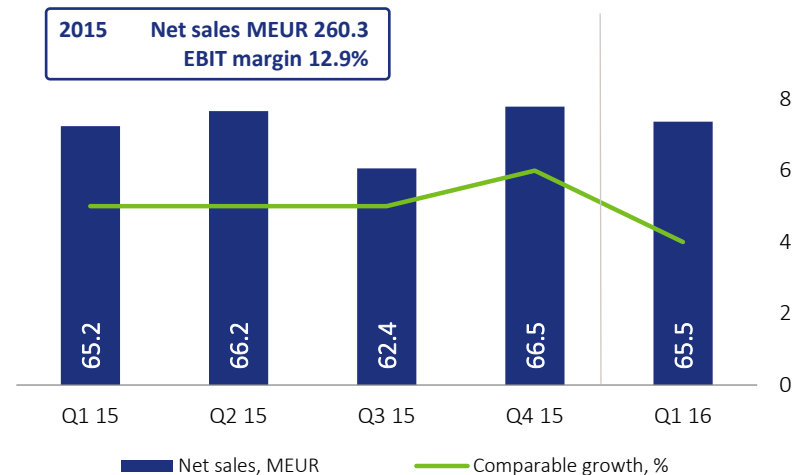


Key figures

MEUR	Q1 16	Q1 15	Change
EBIT	18.9	17.0	11%
EBIT margin	8.7%	8.3%	
RONA	11.5%	12.9%	
Capital expenditure	4.1	5.8	-29%
Operating cash flow	16.7	12.8	30%

Molded Fiber: Operationally solid quarter

- Net sales growth driven by good demand for premium egg packaging in Europe
- Recent capacity additions supported topline development
- Operational earnings improved; reported earnings declined due to currency translation



Key figures

MEUR	Q1 16	Q1 15	Change
EBIT	8.2	8.6	-5%
EBIT margin	12.5%	13.2%	
RONA	17.1%	20.4%	
Capital expenditure	4.3	3.4	26%
Operating cash flow	3.9	3.7	5%

Financial review

Improvement throughout the P&L

EUR million	Q1 16	Q1 15	Change	FY 15
Net sales	672.3	630.1	7%	2,726.4
EBITDA*	84.6	74.8	13%	342.0
<i>EBITDA margin*</i>	<i>12.6%</i>	<i>11.9%</i>		<i>12.5%</i>
EBIT*	57.8	49.7	16%	237.5
<i>EBIT margin*</i>	<i>8.6%</i>	<i>7.9%</i>		<i>8.7%</i>
Net financial items	-5.7	-8.9	-36%	-34.2
Profit before taxes*	52.1	40.8	28%	203.3
Income tax expense	-9.4	-5.8	62%	-29.3
Profit for the period*	42.7	35.0	22%	174.0
EPS, EUR*	0.40	0.33	21%	1.65

- | Q1 16 |
|--|
| – Strong operational earnings across segments |
| – Financial expenses decreased, tax expenses increased |
| – Solid improvement in bottom line |

Foreign currency translation impact turned negative in Q1 16

	Average rate Q1 15	Closing rate Q1 15	Closing rate Q2 15	Closing rate Q3 15	Closing rate Q4 15	Closing rate Q1 16	Average rate Q1 16
USD	1.13	1.08	1.12	1.12	1.09	1.14	1.10
INR	70.07	67.27	71.19	73.48	72.02	75.43	74.43
GBP	0.74	0.73	0.71	0.74	0.73	0.79	0.77
CNY	7.03	6.67	6.94	7.12	7.06	7.35	7.21
AUD	1.43	1.42	1.46	1.59	1.49	1.48	1.53
THB	36.77	35.02	37.80	40.71	39.25	40.02	39.29
RUB	71.09	62.44	62.35	73.24	80.67	76.31	82.54
BRL	3.22	3.50	3.47	4.48	4.31	4.12	4.31
NZD	1.50	1.44	1.65	1.76	1.59	1.64	1.66
ZAR	13.22	13.13	13.64	15.50	16.95	16.79	17.47

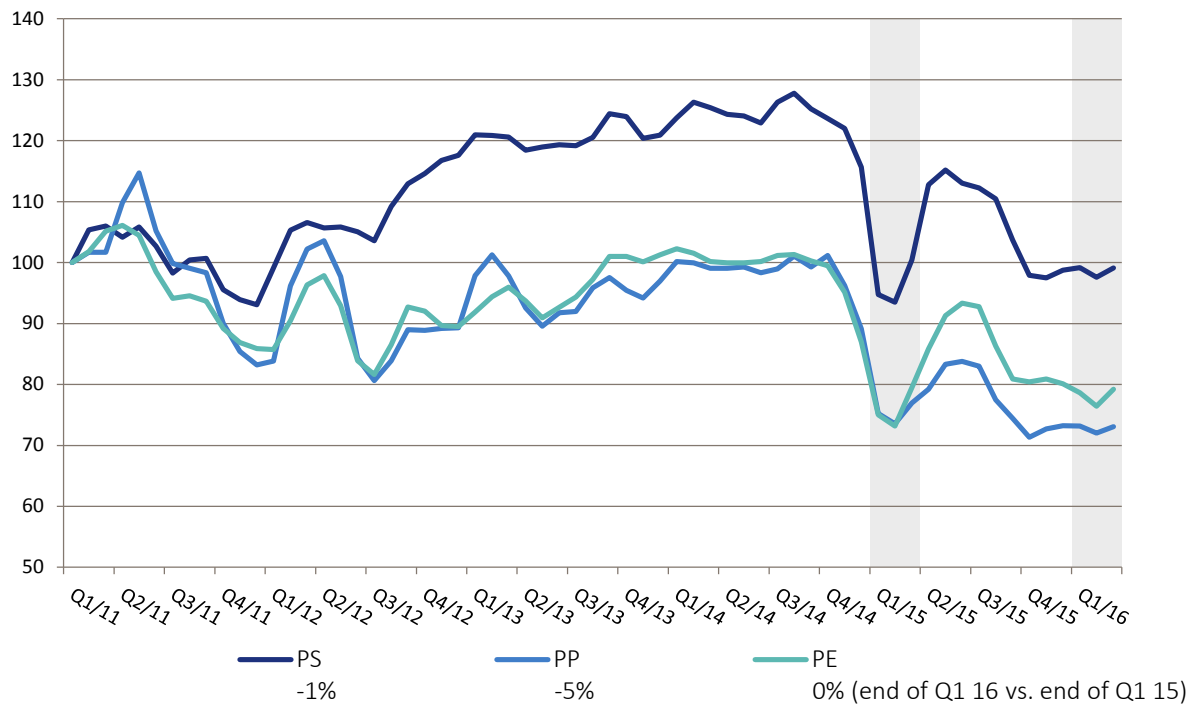
Foreign currency
translation impact

Q1 16:

MEUR -11 on net sales

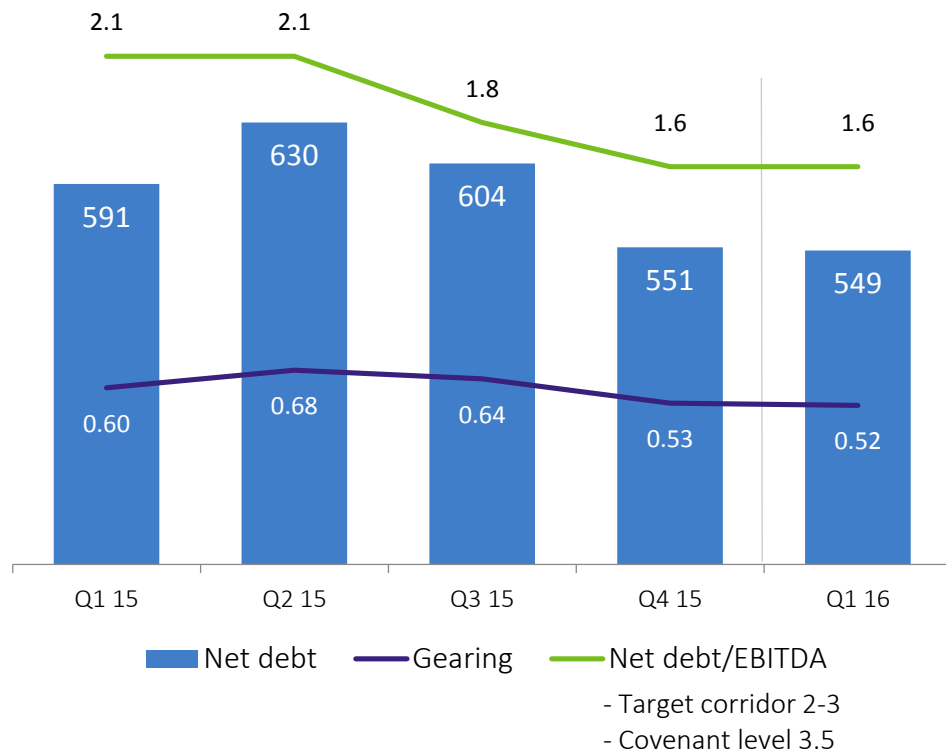
MEUR -1 on EBIT

Plastic resin prices continued relatively stable in Q1 16



- Polymer prices remained on a relatively low level
→ Topline impact
- Paperboard and recycled paper prices were relatively stable

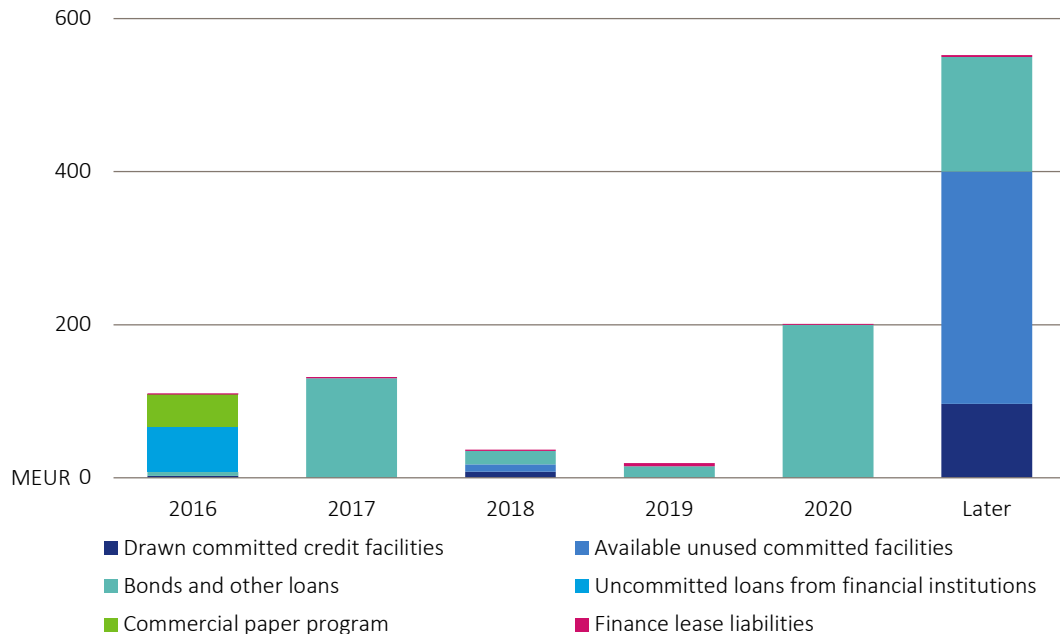
Stable net debt



- Net debt/EBITDA stable at 1.6 at the end of Q1 16
- At the end of March 2016
 - Cash and cash equivalents MEUR 183
 - Unused committed credit facilities available MEUR 313
- Funds available for acquisitions approx. MEUR 400-500

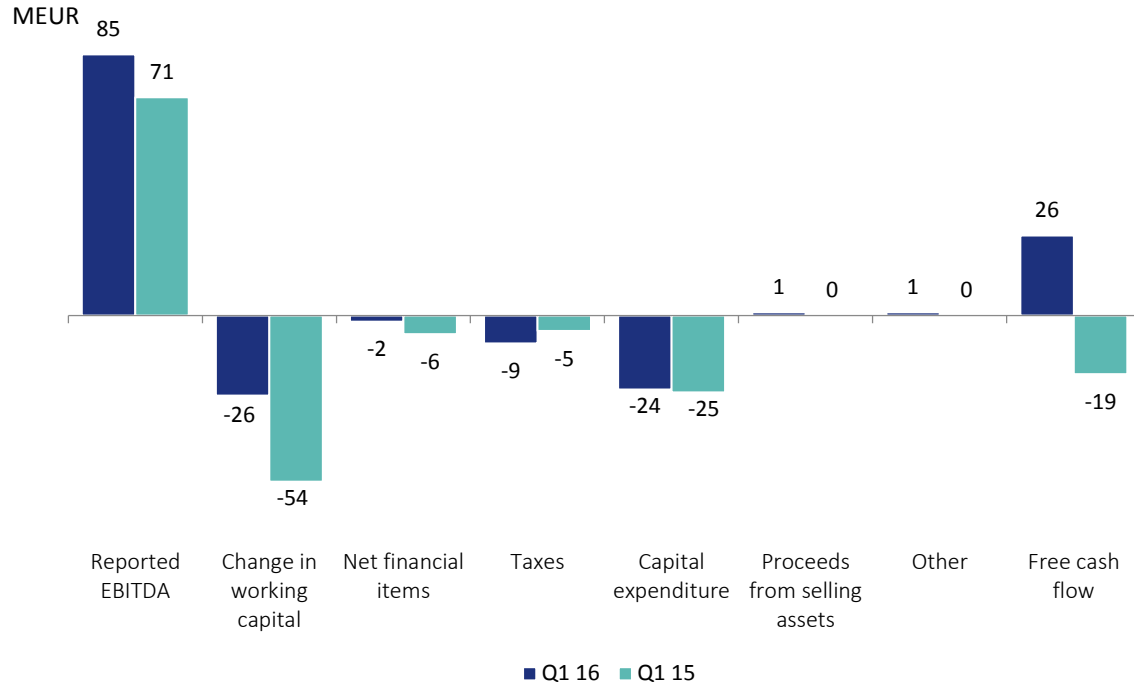
Debt maturity structure extended with a loan/bond issue

Debt maturity structure March 31, 2016



- Schuldschein of MEUR 150 was issued in March
 - Floating and fixed rate tranches for 5 and 7 years
- Average maturity extended to 4.2 years (3.9 at the end of FY 15)

Strong cash flow



- Strong operational cash flow in all segments
 - Good profitability and efficient working capital management
- Lower interest payments compensate higher taxes paid
- Capex on previous year's level due to timing

Stable financial position

EUR million	Mar 16	Dec 15	Mar 15
Total assets	2,596.4	2,515.3	2,559.5
Operating working capital	473.5	458.9	483.6
Net debt	549.3	551.3	591.2
Equity & non-controlling interest	1,050.3	1,036.0	989.7
Gearing	0.52	0.53	0.60
ROI*	14.8%	14.7%	12.8%
ROE*	18.3%	18.1%	16.2%



- Currency translation impacting balance sheet values
- Dividends of approx. MEUR 69 will be paid in May
 - EUR 0.66 per share -> payout ratio 40%**
 - Dividend yield 2%***

On track towards our mid-term ambitions

	FY 2012	FY 2013	FY 2014	FY 2015	YTD 2016	Mid-term ambition
Organic growth	3%	3%	6%	4%	6%	5-7%
EBITDA margin	10.9%	11.2%	11.6%	12.5%	12.6%	13+%
EBIT margin	7.0%	7.4%	7.8%	8.7%	8.6%	9+%
ROI	12.6%	12.1%	12.6%	14.7%	14.8%	15%
ROE	15.8%	15.8%	16.1%	18.1%	18.3%	16+%
Capex/EBITDA	37%	50%	49%	43%	29%	40%
Net debt/EBITDA	1.6	1.6	1.0	1.6	1.6	2-3
Free cash flow, MEUR	103	56	65	91	26	100
Dividend payout ratio	47%	47%	47%	40%*	n/a	40-50%

Looking forward

Outlook 2016 – unchanged

- 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.

Coming next

April 21

AGM 2016

July 22

Interim Report
Q2 2016

October 26

Interim Report
Q3 2016




Helping great
products reach more
people, more easily

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.

Appendices

Huhtamaki at a glance

- 
- We're the global specialist in packaging for food and drink
 - Helping great products reach more people, more easily
 - Our ambition is to be the preferred global food packaging brand
 - Our three business areas are Foodservice packaging, Flexible packaging and Molded fiber packaging
 - We're listed as Huhtamäki Oyj on NASDAQ OMX Helsinki Ltd.

€2.7bn
net sales

15,800
employees

71
manufacturing
sites

4%
comparable
growth

9%
EBIT
margin

15%
ROI

Our three business areas are organized into four reporting segments

Foodservice packaging



Foodservice Europe-Asia-Oceania and North America

- 38 plants on 5 continents
- 7,700 employees
- €1.6bn net sales

Flexible packaging



Flexible Packaging

- 22 plants on 3 continents
- 6,400 employees
- €870mn net sales

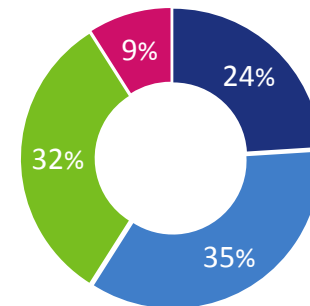
Molded fiber packaging



Molded Fiber

- 11 plants on 4 continents
- 1,700 employees
- €260mn net sales

Share of net sales per segment in 2015



- Foodservice Europe-Asia-Oceania
- North America
- Flexible Packaging
- Molded Fiber

We have strong positions in growth markets



Foodservice E-A-O: Expanding our footprint and product portfolio

Foodservice paper and plastic disposable tableware, such as cups and lids, is supplied to foodservice operators, fast food restaurants and coffee shops. The segment has production in Europe, South Africa, Middle East, Asia and Oceania.

Our products



Net sales by geography



Our competitive advantages

- Unique footprint
- Thorough knowledge of key conversion technologies
- Innovations
- Operating efficiency and up-to-date manufacturing capacity
- Relations with key customers

MEUR	Mid-term ambition	LTM Q1 16	2015	2014	2013	2012	2011
Net sales		672.5	667.5	620.4	629.1	626.8	524.1
Comparable growth	5-7%	7%**	4%	4%	2%	-1%	0%
EBIT*		52.5	52.4	57.4	46.9	38.1	20.0
EBIT margin*	9-11%	7.8%	7.9%	9.3%	7.5%	6.1%	3.8%
RONA*	18+%	14.0%	14.2%	17.6%	13.9%	11.6%	7.8%
Capex		37.4	39.6	33.6	16.8	21.1	20.9
Operating cash flow		38.9	35.4	41.9	55.9	39.7	10.7

Our customers



Market position



Key competitors

Seda, HK Cups, International Paper and local players



Focus areas

- Footprint expansion
 - Product portfolio expansion
 - Market consolidation to create customer value
- Become the category leader for our customers and serve them globally, being local

North America: Focus on growth and margin improvement

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.

Our products



Net sales by market channel



Our competitive advantages

- Global in foodservice packaging
- Leading shaped paperboard converter
- Recent investments in up-to-date capacity
- Chinet® brand and molded fiber competence
- Ice-cream systems offering

MEUR	Mid-term ambition	LTM Q1 16	2015	2014	2013	2012	2011
Net sales		972.2	947.7	769.3	725.3	704.3	532.3
Comparable growth	4-6%	10%*	4%	6%	5%	5%	-4%
EBIT		95.2	88.2	38.4	38.4	53.0	43.5
EBIT margin	7-9%	9.8%	9.3%	5.0%	5.3%	7.5%	8.2%
RONA	~12%	14.9%	14.1%	7.2%	8.0%	11.7%	11.2%
Capex		43.4	40.9	36.7	66.7	31.5	24.0
Operating cash flow		85.1	61.1	18.7	-15.0	28.7	43.5

Our customers



Market position

#1 globally operating foodservice packaging company

Key competitors

International Paper, Dart/Solo, Gen Pak, Reynolds/Pactiv, AJM, Koch/Georgia Pacific, Aspen, Rock Tenn



Focus areas

- Margin management by pricing, cost management and operational efficiency
- Leverage the paperboard packaging capacity now in place
- Grow Chinet® thru product line extensions

Flexible Packaging: Building on our focus on emerging markets

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.

Our products



Sales by geography



Our competitive advantages

- Unmatched footprint in emerging markets
- Innovation track record
- Strong reputation
- Blue-chip customers
- Reliable & responsible partner
- Technical expertise

Our customers



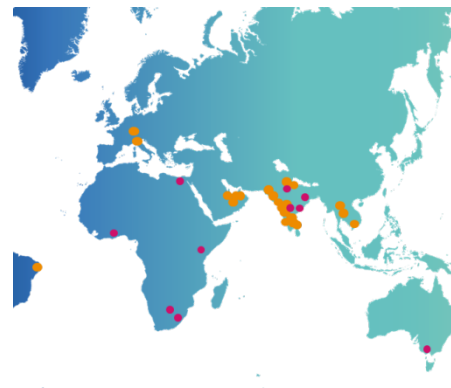
Market position



Key competitors

Amcor, Constantia, Bemis, Dai Nippon, regional and local players

MEUR	Mid-term ambition	LTM Q1 16	2015	2014	2013	2012	2011
Net sales		880.6	868.9	618.0	585.8	573.3	578.3
Comparable growth	8-10%	1%**	3%	7%	4%	2%	4%
EBIT*		70.7	68.8	45.5	44.0	44.6	38.3
EBIT margin*	8-9%	8.0%	7.9%	7.4%	7.5%	7.8%	6.6%
RONA*	15-18%	11.5%	12.3%	13.6%	13.3%	13.8%	9.3%
Capex		29.9	31.6	24.7	15.6	19.8	18.6
Operating cash flow		67.4	63.5	27.8	34.8	41.4	39.7



Focus areas

- Outperform the market with improved go-to-market capability
 - Operational and sourcing excellence to improve profitability
 - Integration of Positive Packaging
 - Disciplined investment strategy
- Leverage our emerging market leadership

Molded Fiber: Innovation and emerging markets driving growth

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.

Our products



Sales by geography



■ Europe
■ ROW

Our competitive advantages

- Local service strengthened by global knowledge
- New product development
- Own recycled paper trading
- Own machine development
- Passionate people

Our customers



Gebr. Van Beek Group



Market position



in molded fiber globally

Key competitors

Hartmann, Pactiv, local players, plastics manufacturers

MEUR	Mid-term ambition	LTM Q1 16	2015	2014	2013	2012	2011
Net sales		260.6	260.3	247.0	236.3	237.3	244.0
Comparable growth	5-7%	4%*	5%	9%	6%	4%	3%
EBIT		33.1	33.5	35.0	29.6	26.4	20.9
EBIT margin	13-15%	12.7%	12.9%	14.2%	12.5%	11.1%	8.6%
RONA	20+%	17.1%	17.7%	20.4%	18.2%	16.1%	12.0%
Capex		35.0	34.1	27.3	18.9	14.8	11.2
Operating cash flow		10.1	9.9	17.5	21.0	25.6	18.5



Focus areas

- Investment and NPD projects
- Introduction of innovations as game changers
- Development of alternative fibers and energy
- Implementation of cost out projects
- Knowledge sharing and succession readiness

Huhtamaki

Group financials 2009-2015

		2015	2014 ⁽¹⁾	2013 ⁽¹⁾	2012 ⁽²⁾	2011	2010	2009
Net sales	MEUR	2,726	2,236	2,161	2,321	2,043	1,952	1,832
Comparable growth ⁽³⁾	%	4	6	3	3	5	3	-5
EBITDA ⁽⁴⁾	MEUR	342	259	242	254	208	214	193
EBITDA margin ⁽⁴⁾	%	12.5	11.6	11.2	10.9	10.2	11.0	10.5
EBIT ⁽⁴⁾	MEUR	238	175	160	164	128	134	112
EBIT margin ⁽⁴⁾	%	8.7	7.8	7.4	7.0	6.2	6.9	6.1
EPS ⁽⁴⁾	EUR	1.65	1.24	1.17	1.19	0.87	0.92	0.57
ROI ⁽⁴⁾	%	14.7	12.6	12.1	12.6	9.8	12.0	9.6
ROE ⁽⁴⁾	%	18.1	16.1	15.8	15.8	11.0	14.5	10.1
Capex	MEUR	147	127	121	94	82	86	53
Free cash flow	MEUR	91	65	56	103	65	113	208
Gearing		0.53	0.32	0.50	0.50	0.49	0.32	0.50
Net debt to EBITDA ⁽⁴⁾		1.6	1.0	1.6	1.6	1.9	1.2	1.7
Dividend per share	EUR	0.66 ⁽⁵⁾	0.60	0.57	0.56	0.46	0.44	0.38

We've successfully implemented our quality growth strategy with eleven acquisitions completed since 2011

- Paris Packaging, Inc., US, September 2011 (North America)
- Ample Industries, Inc., US, November 2011 (North America)
- Josco (Holdings) Limited, China, April 2012 (Foodservice E-A-O)
- Winterfield, LLC, US, August 2012 (North America)
- Webtech Labels Private Limited, India, November 2012 (Flexible Packaging)
- BCP Fluted Packaging Ltd., UK, November 2013 (Foodservice E-A-O)
- Interpac Packaging Ltd., New Zealand, August 2014 (Foodservice E-A-O)
- Positive Packaging, India, January 2015 (Flexible Packaging)
- Butterworth Paper Cups, Malaysia, March 2015 (Foodservice E-A-O)
- Pure-Stat Technologies, Inc., US, July 2015 (North America)
- FIOMO a.s., Czech Republic, January 2016 (Flexible Packaging)
- APPCO (increase of ownership from 40% to 50%), Saudi Arabia, March 2016 (Foodservice E-A-O)

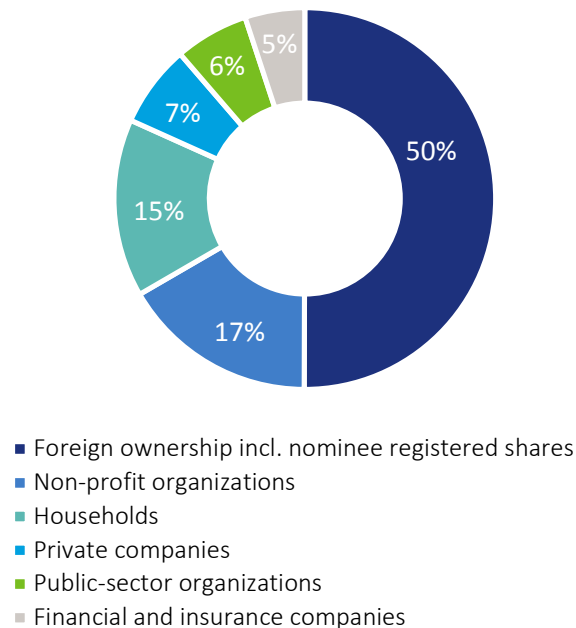
In total approx. MEUR 535 of annual net sales acquired for MEUR 510*

More details per acquisition are available on our website www.huhtamaki.com/investors/financial-information/acquisitions-and-divestments

Ownership

- 24,381 registered shareholders at the end of March 2016
- 50% of shares in domestic ownership
- 17% of shares controlled by non-profit organizations
 - Finnish Cultural Foundation a major owner since 1943, current ownership 11%
- Number of outstanding shares 107,760,385 including 3,949,426 of the Company's own shares

Shareholder distribution by sector
December 31, 2015



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) =

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

Operating cash flow =

$$\text{EBIT} + \text{depreciation and amortization (including impairment)} - \text{capital expenditure} + \text{disposals} \pm \text{change in inventories, trade receivables and trade payables}$$

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) =

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

Disclaimer

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