



Huhtamaki – strong H1 result

Huhtamaki's history – and future – is filled with regeneration, innovation and solid development. Today our sustainably developed packaging carries the world's most renowned brands. We are 90 years old and still going strong!

Investor Relations
September 2010



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Group highlights

H1 and Q2 2010



EUR million	H1 2010	H1 2009	Q2 2010	Q2 2009	Q1-Q4 2009
Continuing operations					
Net sales	970.2	939.3	522.3	492.7	1,831.8
EBIT*	73.2	67.9	44.3	38.4	115.7
EBIT margin %	7.5	7.2	8.5	7.8	6.3
EPS	0.47	0.33	0.30	0.20	0.57
Free cash flow	44.3	102.4	37.2	65.1	208.0
Including discontinued operations					
EPS	0.51	0.42	0.32	0.24	0.63
ROI % (12m roll.)	10.0	-3.2	-	-	9.6

- Group net sales grew helped by a favorable currency effect and improved price/mix
- Earnings improved due to successful cost control
- Good cash flow
- Changes in reporting: Rigid Consumer Goods Plastics operations reported under discontinued operations



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Flexible Packaging

H1 and Q2 2010



EUR million	H1 2010	H1 2009	Q2 2010	Q2 2009	Q1-Q4 2009
Net sales	257.2	239.3	130.4	119.0	464.3
EBIT	17.0	13.6	7.1	4.8	28.4
EBIT margin %	6.6	5.7	5.4	4.0	6.1
Operating cash flow	8.9	43.4	7.7	23.4	81.8
RONA % (12m roll.)	10.0	0.3	-	-	8.8

- Increase in volumes and sales, Asia important contributor
- Growth slowed down in Europe during Q2
- Earnings improved, supported by increased volumes in Asia and improved product mix



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Films

H1 and Q2 2010



EUR million	H1 2010	H1 2009	Q2 2010	Q2 2009	Q1-Q4 2009
Net sales	83.3	80.3	42.1	39.1	154.4
EBIT*	6.3	0.9	3.8	0.4	1.1
EBIT margin %	7.6	1.1	9.0	1.0	0.7
Operating cash flow	-5.0	10.1	-0.2	8.2	23.5
RONA % (12m roll.)	5.5	0.7	-	-	-2.2

- Sales increased during H1 in spite of the release paper divestment in 2009
- Chosen core segments especially in North America contributed to a significant volume growth, accelerated in Q2
- Higher volumes and lower cost base increased earnings



North America

H1 and Q2 2010



EUR million	H1 2010	H1 2009	Q2 2010	Q2 2009	Q1-Q4 2009
Net sales	271.4	282.2	157.8	153.1	528.7
EBIT	27.3	38.1	18.9	23.6	55.5
EBIT margin %	10.1	13.5	12.0	15.4	10.1
Operating cash flow	31.0	37.4	18.4	22.9	55.9
RONA % (12m roll.)	11.7	13.0	-	-	14.8

- Sales and earnings lowered by soft market conditions during H1
- After a sluggish start to the year some volume improvement visible in Q2 in Retail and Foodservice
- Cost reduction and favorable currency translation effect had a positive impact on earnings in Q2, mitigating the impact of lower volumes and higher raw material cost



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Molded Fiber

H1 and Q2 2010



EUR million	H1 2010	H1 2009	Q2 2010	Q2 2009	Q1-Q4 2009
Net sales	114.7	99.6	59.2	51.3	207.6
EBIT	10.3	8.1	5.7	4.3	17.6
EBIT margin %	9.0	8.1	9.6	8.4	8.5
Operating cash flow	9.6	8.0	7.3	8.6	18.4
RONA % (12m roll.)	11.6	6.1	-	-	10.5

- Sales increased during H1, mostly as a result of successful price and product mix management
- Growth in earnings was based on good product mix and price management



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Foodservice Europe-Asia-Oceania

H1 and Q2 2010



EUR million	H1 2010	H1 2009	Q2 2010	Q2 2009	Q1-Q4 2009
Net sales	231.1	225.3	125.1	120.8	449.6
EBIT	11.7	8.8	8.2	6.4	16.3
EBIT margin %	5.1	3.9	6.6	5.3	3.6
Operating cash flow	4.9	5.0	5.2	7.1	32.9
RONA % (12m roll.)	8.3	-0.2	-	-	6.9

- Soft market conditions continued and volumes decreased during H1
- Earnings continued at an improving trend, driven by good cost containment



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Financial review



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Changes in reporting

Rigid Consumer Goods Plastics



- Progress in the strategic review
 - Units in South America and Australia were divested in 2009
 - Carve out process for the European units has been completed during the second quarter 2010
- Result of the carve out
 - Operations segregated into separate legal entities
 - Income statement items, as well as assets and liabilities directly associated with those units have been separated
 - Units in Finland, France, Germany, Lithuania, Poland and Turkey classified as assets held for sale
 - Italian unit reported under Other activities (continuing operations)



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Changes in reporting

Rigid Consumer Goods Plastics



- Changes in reporting
 - Assets held for sale presented as a separate line item under “discontinued operations”
 - Quarterly results for 2009 and Q1 2010 have been restated accordingly
 - Results of units sold during 2009 included in the “discontinued operations” for respective quarters
- The segment no longer reported – as of Q2 2010 we have five segments and Other activities
- Result of **discontinued operation** lower than in 2009 due to divested units and higher raw material costs. The result of discontinued operations also includes a non-recurring charge of EUR 2 million related to the strategic review of the discontinued operations
- EBIT for **Other activities** includes an income of EUR 2 million related to a release of an arbitration provision; this amount sets off the losses reported in Italy
- The strategic review for all units will continue



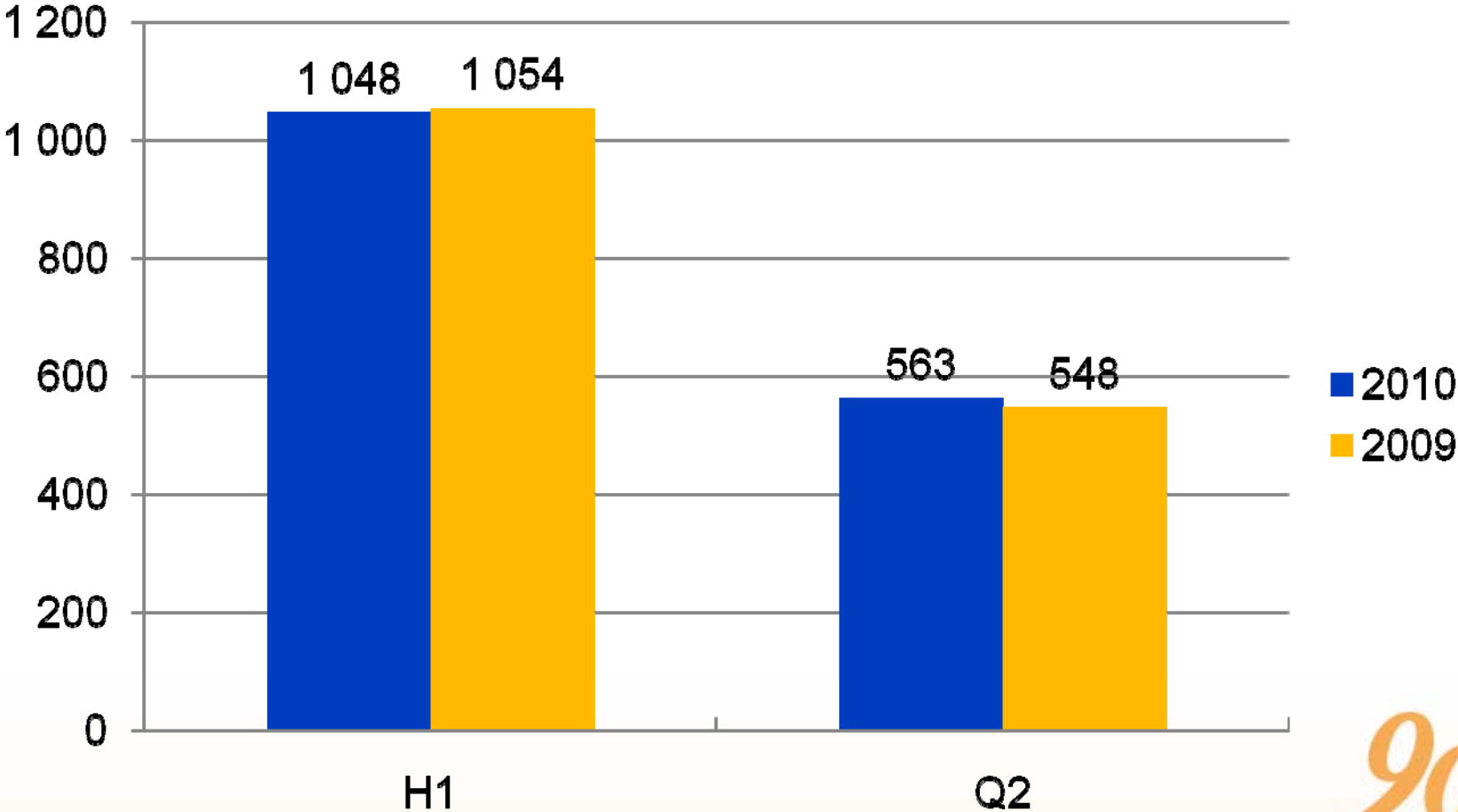
Income statement

Q2 and H1 2010



EUR million	H1 2010	H1 2009	Q2 2010	Q2 2009
Net sales	970.2	939.3	522.3	492.7
EBITDA	111.9	102.9	64.2	54.1
EBITDA margin %	11.5%	11.0%	12.3%	11.0%
EBIT	73.2	64.1	44.3	34.6
EBIT margin %	7.5%	6.8%	8.5%	7.0%
Net financial items	-8.2	-15.5	-4.2	-6.5
Result before taxes	65.3	48.9	40.3	28.2
Taxes	-11.6	-10.9	-7.2	-5.6
Result for the period continuing operations	53.7	38.0	33.1	22.6
Discontinued operations	3.5	9.1	1.8	3.5
Result for the period	57.2	47.1	34.9	26.1
EPS	0.51	0.42	0.32	0.24

Net sales including continuing and discontinuing operations



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Volume development, continuing segments

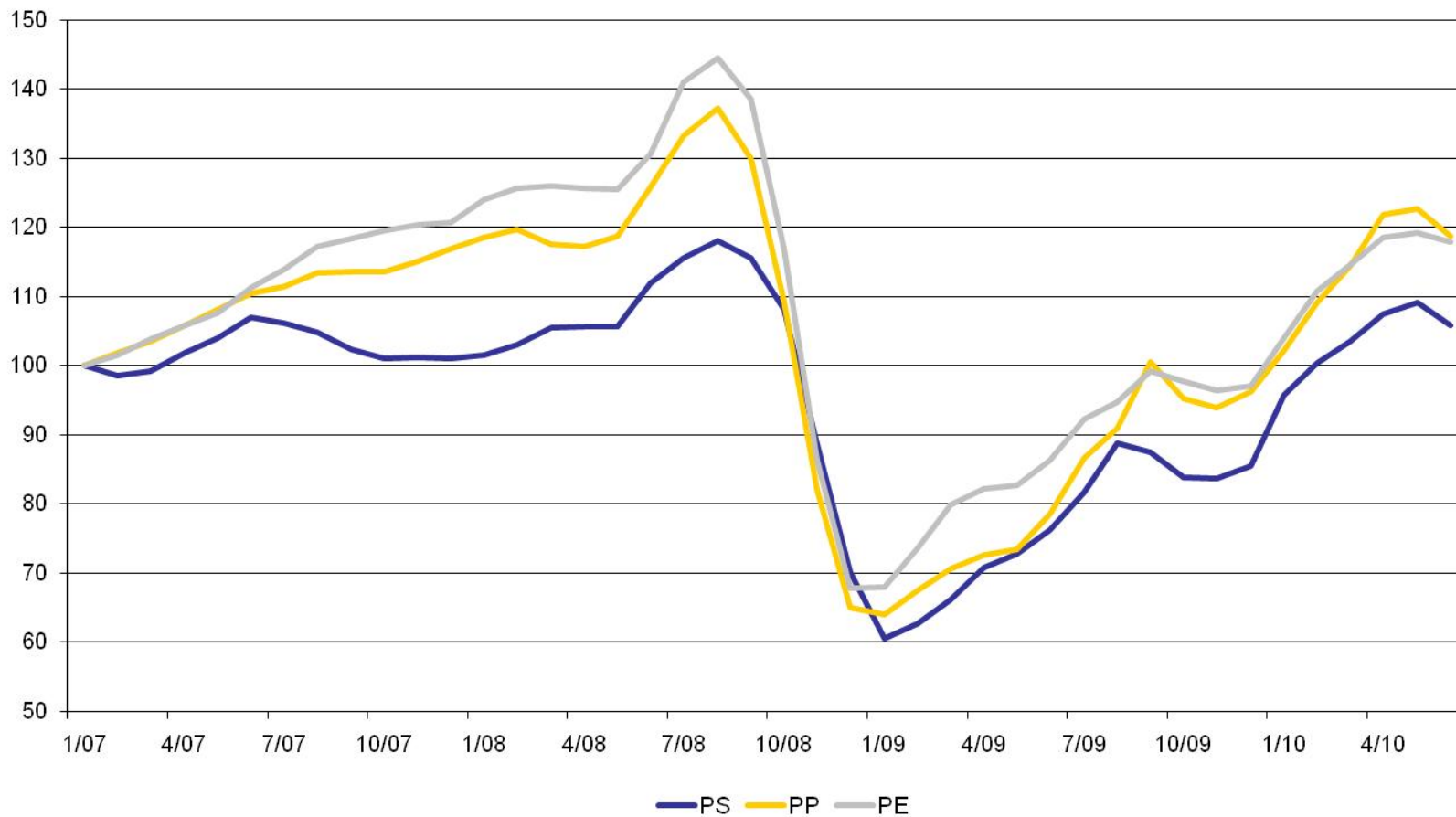


	Q2 2010	Q1 2010	H1 2010
Flexible Packaging	-1%	7%	3%
Films	32%	18%	25%
North America	-2%	-7%	-4%
Molded Fiber	-3%	-1%	-2%
Foodservice EAO	-4%	-2%	-3%
Continuing segments total	0%	0%	0%



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Polymer based raw material prices



Group statement of financial position

June 30, 2010



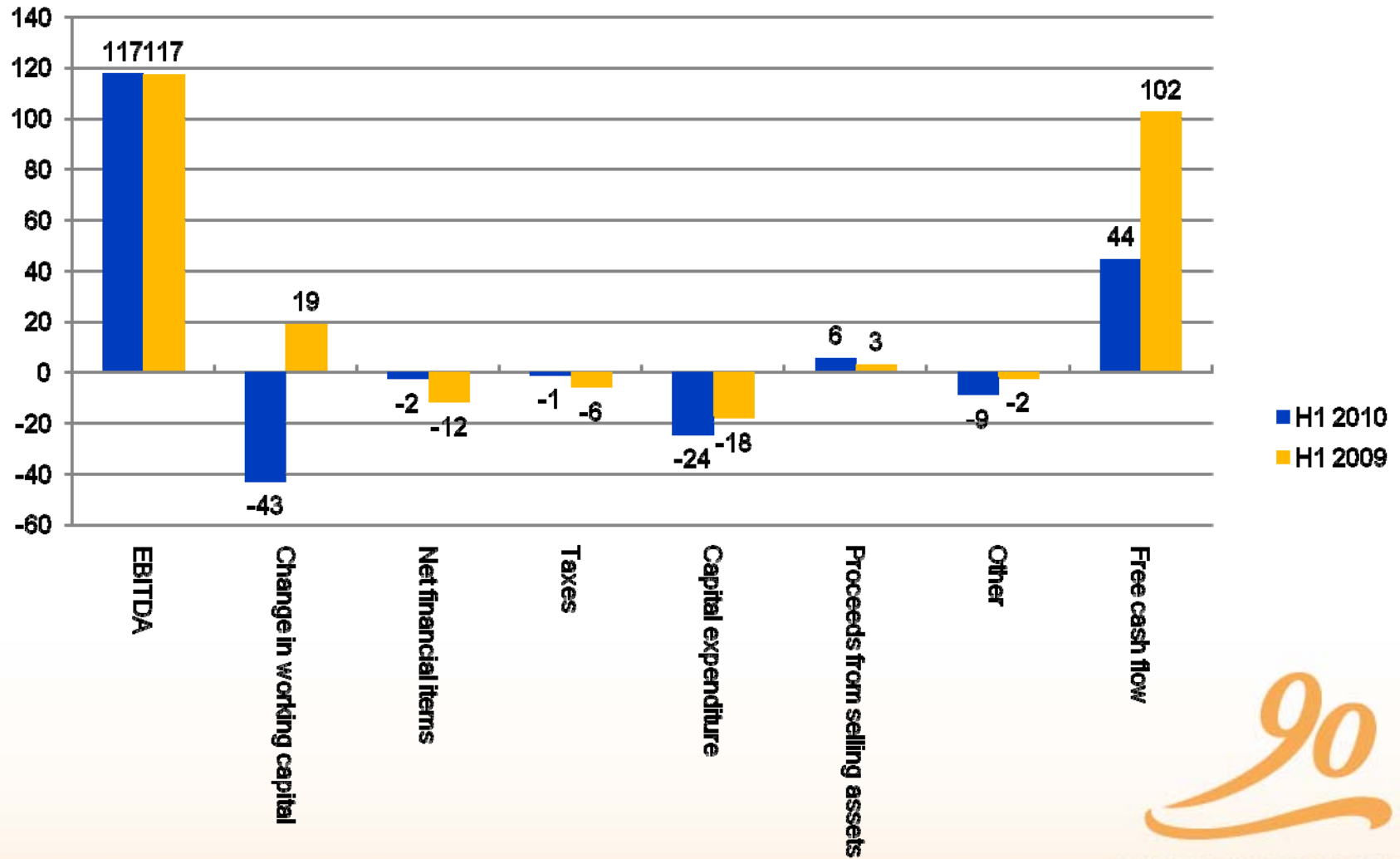
EUR million	June 2010	Mar 2010	December 2009	June 2009
Total assets	1,965.9	1,876.8	1,758.6	1,889.4
Operating working capital	361.1	335.0	299.4	366.7
Net debt	378.0	371.0	368.3	487.0
Equity + non-controlling interest	811.7	743.8	736.6	712.5
Gearing	0.47	0.50	0.50	0.68
ROI % (12m roll.)	10.0	9.5	9.6	-3.2
ROE % (12m roll.)	11.2	10.2	10.1	-11.7



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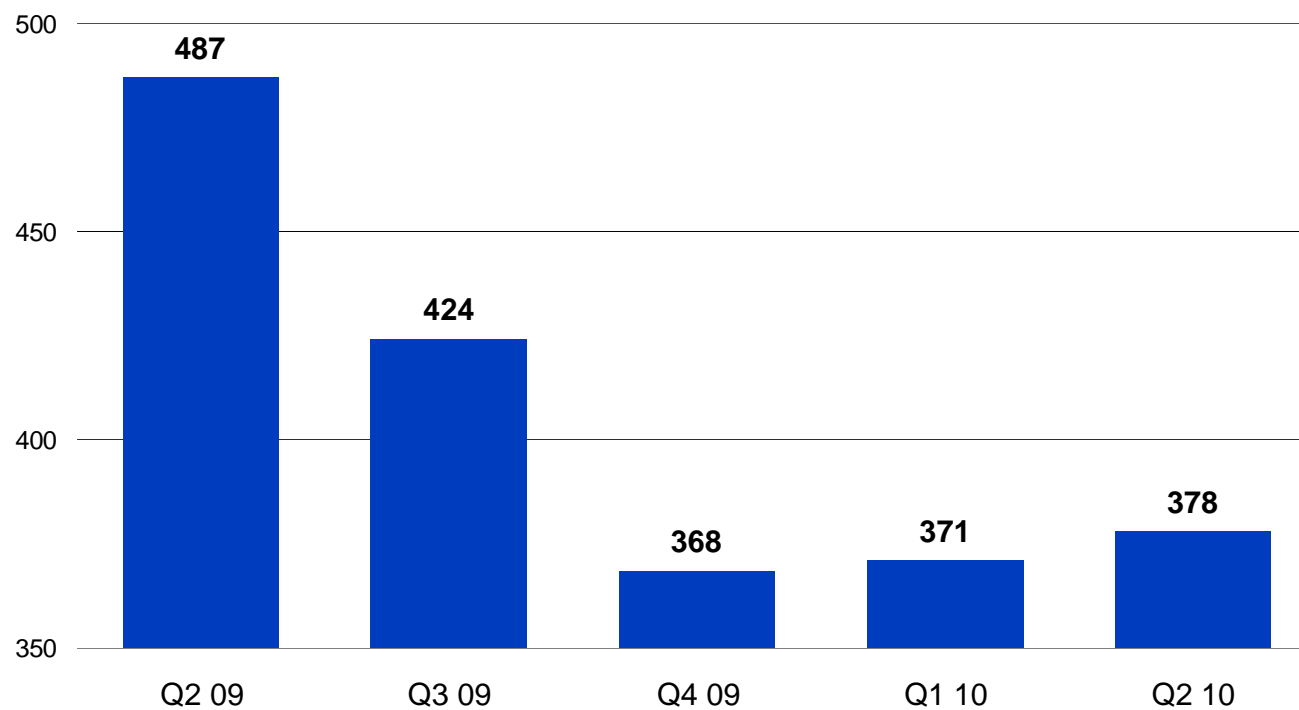
Cash flow

H1 2010 and H1 2009



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Net debt development



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2010 guidance



Outlook:

- General economic and market conditions for the second half of 2010 remain uncertain
- The Group is in a good financial position to address growth opportunities in stronghold segments when they arise
- Capital expenditure is expected to be higher than in 2009 but 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

Profitability :

- Based on the good first half year result, it is expected that the full year 2010 EPS will be higher than in 2009 before non-recurring charges (EUR 0.74)

Key focus areas in the short-term



- Price management
- Cost containment
- Good cash generation
- Completion of CG strategic review
- Capitalizing on strong market positions for profitable growth
- Recent decisions on new investments in stronghold areas on the back of improving market sentiment
 - Films
 - Molded Fiber
 - North America
 - Emerging Markets



Value creation drivers



Flexible Packaging

Grow in Asia and improve market positions through innovation

Films

Leverage leading technology position and global manufacturing footprint

Molded Fiber

Execute expansion projects & seek additional growth opportunities

North America

Accelerate investments to further strengthen market positions

Foodservice Europe-Asia-Oceania

Build on the strong network and leverage long term presence in emerging markets

Scheduled events in 2010



- October 21 Interim Report Q3 2010



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HUHTAMAKI

Appendices

Huhtamaki in 2010: 4 core businesses



Key Figures

€2.0
Billion in sales in 2009

13,000+
People employed

54
Manufacturing units

33
Operating countries

Businesses

Globally Organized

Flexibles



Films



Molded Fiber



Geographically Organized

Disposables



Reporting Segments

Flexibles

Films

Molded Fiber

North America

Food Service E-A-O

Share of Turnover

26%

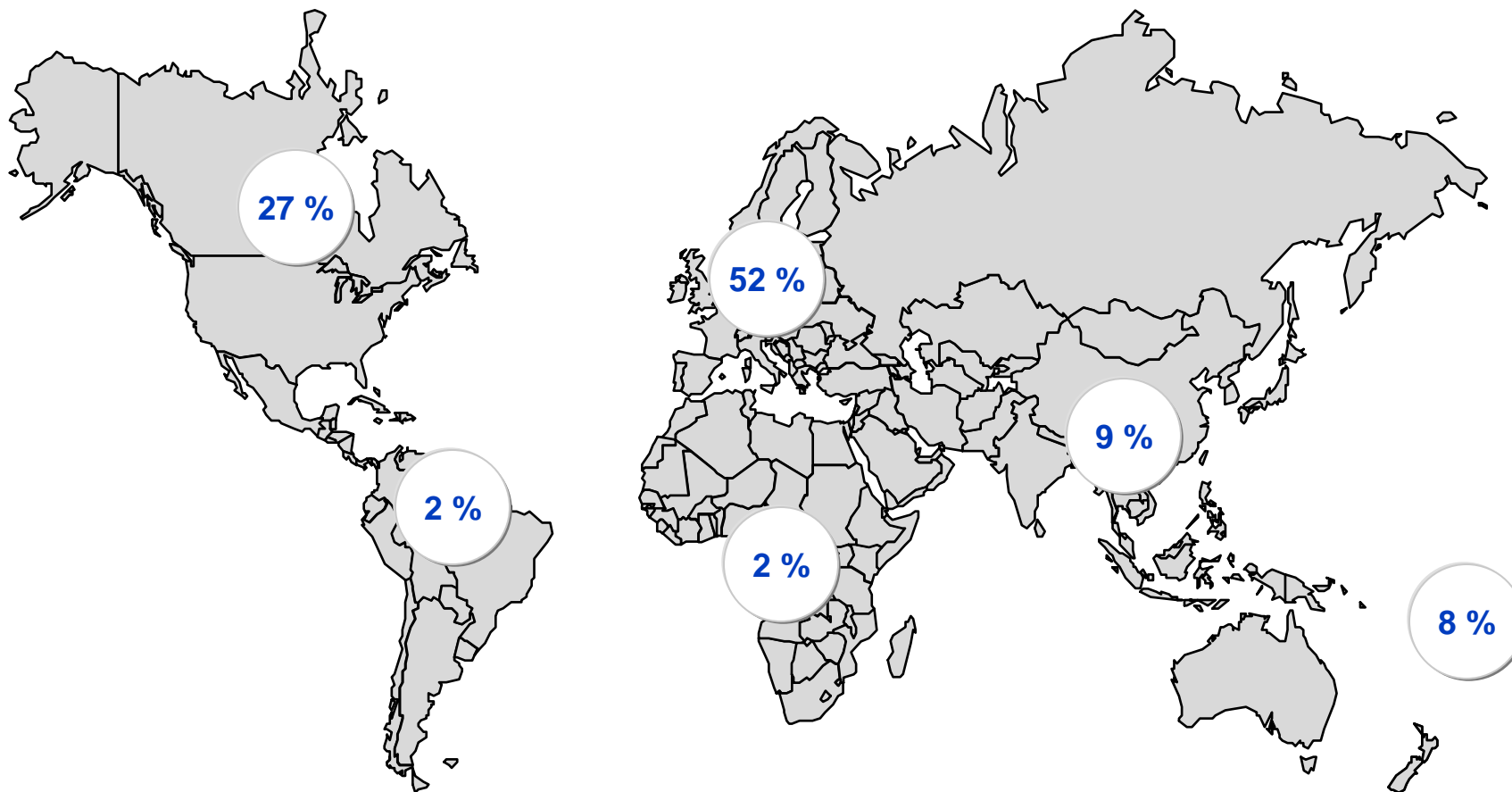
8%

12%

28%

23%

20% of sales from the emerging markets



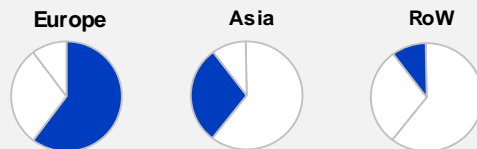
Flexible Packaging: Grow in Asia and improve market positions through innovation



• Markets and products

Food & Beverage	Pet Food	Personal Care	Non Food

• Sales by geography



• Market position

- India: #1, Thailand: #2, Europe: #6
- Global leader in tube laminate and pet food

• Major customers



• Major players



MEUR	H1/ 10	H1/ 09	2009
Net sales	257.2	239.3	464.3
EBIT	17.0	13.6	28.4
EBIT margin, %	6.6	5.7	6.1
RONA %, (12m roll.)	10.0	0.3	8.8

• Competitive advantage

- Strong position in South East Asia
- Differentiation through innovation
- Leading know-how in specific technologies

• Growth potential

- 5-10% p.a. (mainly driven by Asia and selected market segments Europe)

Films: Leverage leading technology position and global manufacturing footprint



• Markets and products

- Building and construction
- Pressure sensitive
- Hygiene and Healthcare
- Technical Mkts, Food & Specialities



• Sales by geography



• Market position

- Global leader in release films

• Major customers



• Major players



MEUR	H1/ 10	H1/ 09	2009
Net sales	83.3	80.3	150.8
EBIT	6.3	-2.9*	-2,7
EBIT margin, %	7.6	-3.6	neg.
RONA %, (12m roll.)	5.5	0.7	-2,2%

*Incl. non-recurring charge of 3.8.

• Competitive advantage

- Excellent technical know-how
- Strong capability in silicone coating
- High focus on innovation
- Competence in release applications and bio films

• Growth potential

- 5-10% p.a.

Molded Fiber: Accelerate growth in new geographies and new products

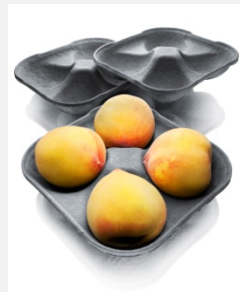


Markets and products

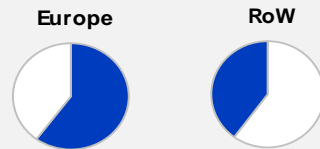
Egg packaging



Fruit trays



Sales by geography



Market position

- Global #1

Major customers

- Retailers
- Packers



Major players



MEUR	H1/ 10	H1/ 09	2009
Net sales	114.4	99.6	207.6
EBIT	10.3	8.1	17.6
EBIT margin, %	9.0	8.1	8.5
RONA %, (12m roll.)	11.6	6.1	10.5

Competitive advantage

- Integrated value chain
- Sustainability and NPD
- Technology know-how
- Geographical coverage

Growth potential

- 1-3% p.a.

North America: Accelerate investments to further strengthen market positions



Markets and products

Retail	Frozen Desserts	Foodservice

Sales by market channel



Market position

- Frozen desserts: #1
- Retail disposables: #3

Major customers



Major players



MEUR	H1/ 10	H1/ 09	2009
Net sales	271.4	282.2	528.7
EBIT	27.3	38.1	55.5
EBIT margin, %	10.1	13.5	10.5
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Competitive advantage

- Strong Chinet brand
- Systems sales in Frozen desserts
- Leveraging global technology in paper and fiber



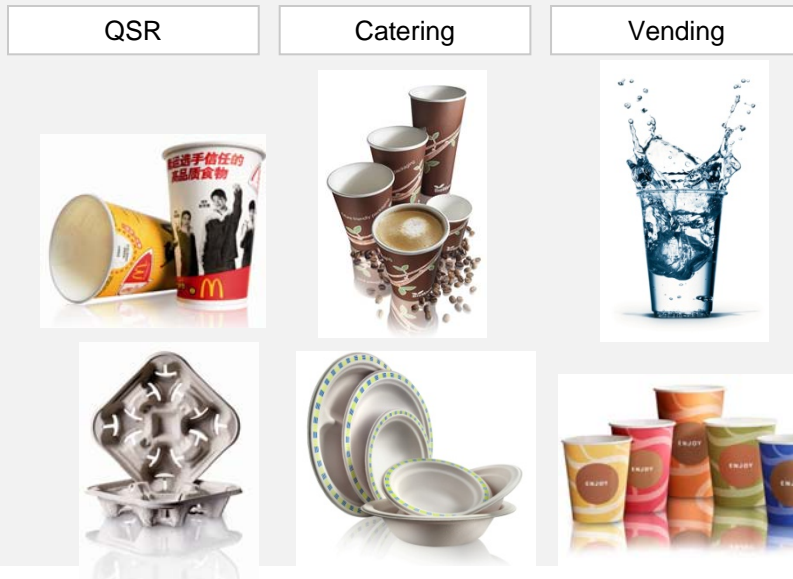
Growth potential

- 4-6% p.a. (driven by Retail)

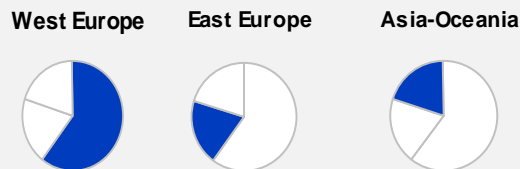
Foodservice E-A-O: Build on the strong network and leverage long term presence in emerging markets



Markets and products



Sales by geography



Market position

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

Customers



Major players



MEUR	H1/ 10	H1/ 09	2009
Net sales	231.1	225.3	449.6
EBIT	11.7	8.8	16.3
EBIT margin, %	5.1	3.9	3.6
RONA %, (12m roll.)	8.3	-0.2	6.9

Competitive advantage

- Wide network of operations
- Experience in emerging markets
- Leveraging global technology in paper and fiber
- Leading in sustainable solutions - BioWare



Growth potential

- 2-4% p.a. in Europe
- 5-10% p.a. In Asia

Increasing the weight of sustainable and non-cyclical raw materials in the portfolio



Flexibles		Films		Molded Fiber		Disposables	
Plastics	Plastics	Plastics	Plastics	Recycled Fiber	Paper	Recycled Fiber	Plastics
85%	100%	100%	100%	50%	25%	25%	25%



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Growth driven value creation



Organic growth

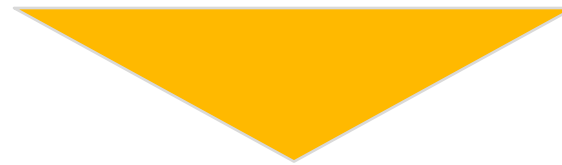
- Operating leverage from current operations
- Presence in the emerging markets
- Innovative products and services

Innovation

- Core competencies -based
- Apply our know how to customer needs

Acquisitions

- Cost synergies
- Channel synergies
- Market consolidation



Capital expenditure

- 70-100 MEUR, annually

Acquisition firepower

- Funds for acquisitions at MEUR 200-300
- Maintain “Net debt/ EBITDA” -ratio at 2-3



Ambition to grow



Continue to run solid operations

- Practice continuous improvement
- Use versatile raw materials and source well
- Improve cost efficiency and productivity

Shift focus to top line growth

- Invest in organic growth
- Improve mix with higher value added products
- Manage margins

Seek synergistic bolt-on acquisitions

- North America, Molded Fiber, and Foodservice segments
- Emerging markets

Deliver predictable financial performance

- ROI 15%
- Free cash flow of around MEUR 100/year
- Pay good dividends



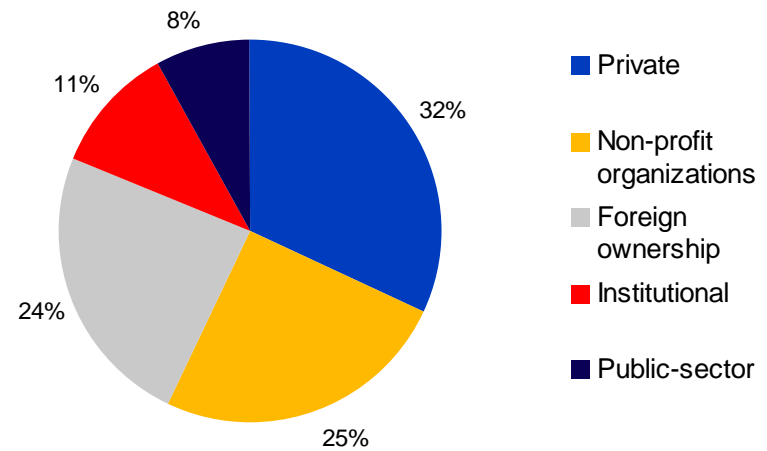
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Solid domestic shareholding



- 25,891 registered shareholders at the end of June 2010
- 25% of shares controlled by Non-profit organizations
 - Finnish Cultural Foundation a major owner since 1943, current ownership 17,2%
- 75% of shares in domestic ownership

Shareholder distribution by sector
June 30, 2010





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Thank you for your attention!

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