

Huhtamäki Oyj Half-yearly Report 2017

January 1–June 30, 2017

Huhtamäki



Net sales grew and profitability was at a good level

Q2 2017 in brief

- Net sales grew to EUR 772 million (EUR 742 million)
- Adjusted EBIT was EUR 75.6 million (EUR 77.8 million); EBIT EUR 75.6 million (EUR 77.6 million)
- Adjusted EPS was EUR 0.52 (EUR 0.54); EPS EUR 0.52 (EUR 0.53)
- Comparable net sales growth was 1% in total and -1% in emerging markets; Soft growth was due to significant net sales decline in India, where the Goods and Services Tax (GST) reform had a temporary adverse impact on demand
- Currency movements had a positive impact of EUR 17 million on the Group's net sales and EUR 2 million on EBIT

H1 2017 in brief

- Net sales grew to EUR 1,511 million (EUR 1,414 million)
- Adjusted EBIT was EUR 138.4 million (EUR 135.6 million); EBIT EUR 138.4 million (EUR 135.4 million)
- Adjusted EPS was EUR 0.95 (EUR 0.94); EPS EUR 0.95 (EUR 0.93)
- Comparable net sales growth was 2% in total and 1% in emerging markets
- Currency movements had a positive impact of EUR 36 million on the Group's net sales and EUR 4 million on EBIT
- Capital expenditure increased to EUR 95 million (EUR 56 million) and free cash flow weakened to EUR -12 million (EUR 38 million)

Key figures

EUR million	Q2 2017	Q2 2016	Change	H1 2017	H1 2016	Change	FY 2016
Net sales	771.9	742.0	4%	1,511.3	1,414.3	7%	2,865.0
Adjusted EBITDA ¹	106.4	105.9	0%	200.4	190.5	5%	381.8
Margin ¹	13.8%	14.3%		13.3%	13.5%		13.3%
EBITDA	106.4	105.7	1%	200.4	190.3	5%	380.1
Adjusted EBIT ¹	75.6	77.8	-3%	138.4	135.6	2%	267.9
Margin ¹	9.8%	10.5%		9.2%	9.6%		9.4%
EBIT	75.6	77.6	-3%	138.4	135.4	2%	266.2
Adjusted EPS, EUR ¹	0.52	0.54	-4%	0.95	0.94	1%	1.83
EPS, EUR	0.52	0.53	-2%	0.95	0.93	2%	1.81
ROI ¹				14.2%	14.9%		14.7%
ROE ¹				16.9%	18.3%		17.7%
Capital expenditure	48.4	31.7	53%	95.4	56.0	70%	199.1
Free cash flow	-3.0	12.0	-125%	-11.8	37.6	-131%	100.3

¹ Excluding IAC of EUR -0.2 million in Q2 2016 and H1 2016, and EUR -1.7 million in FY 2016.

Unless otherwise stated, all comparisons in this report are compared to the corresponding period in 2016. Figures of return on investment (ROI), return on equity (ROE) and return on net assets (RONA) presented in this report are calculated on a 12-month rolling basis.

As announced on April 24, 2017, Huhtamaki has changed the name of its Molded Fiber business segment to Fiber Packaging. The new name is taken into use as of April 27, 2017 and is used in this report.

In this report, Huhtamaki uses alternative performance measures in accordance with the guidelines issued by the European Securities and Markets Authority (ESMA). Alternative performance measures are derived from performance measures reported in accordance to International Financial Reporting Standards (IFRS) by adding or deducting the Items affecting comparability (IAC) and they are called Adjusted. Alternative performance measures are used to better reflect the operational business performance and to enhance comparability between financial periods. They are reported in addition to, but not substituting, the performance measures reported in accordance with IFRS.

Jukka Moisio, CEO:

“Our second quarter comparable net sales growth was 1%. In Europe our business grew well, driven by healthy demand. Quarterly growth in North America was modest due to capacity constraints, which we are addressing with on-going investments. The Flexible Packaging segment’s net sales development was negative due to significant net sales decline in India, where the GST reform weakened demand temporarily. The Group’s comparable growth in emerging markets was negative 1%, and without the Indian impact it would have been approx. 5%.

Our profitability was good and we had the second best quarter in the company history although we did not break the record achieved in Q2 2016. Profitability improved in the Foodservice Europe-Asia-Oceania segment and remained at the previous year level in the Fiber Packaging segment. The North America segment’s earnings were good, even if not reaching the high of the second quarter in 2016. The Flexible Packaging segment’s earnings were impacted by net sales decline in India.

In 2017, we pursue our growth strategy by building new capabilities to serve our customers better in 2018 and beyond. Our project in building a new manufacturing unit in Goodyear, Arizona, the U.S., is proceeding as planned. We will start to ramp up manufacturing of a full range of paper packaging products to the southwest and west coast markets towards the end of 2017. In addition, we expand in China by investing in our foodservice packaging operations in South China, and by acquiring two foodservice packaging units in Shanghai and Tianjin from International Paper. Despite temporary headwinds, particularly in India, we see good growth opportunities in food and drink packaging.”

Financial review Q2 2017

The Group's comparable net sales growth was 1% during the quarter. Strong growth in the Fiber Packaging business segment continued, and positive development in the Foodservice Europe-Asia-Oceania and North America business segments supported the Group's comparable growth. The Flexible Packaging business segment's net sales development was negative due to significant net sales decline in India, where the GST reform temporarily weakened demand for flexible packaging. This drew the Group's comparable growth in emerging markets down to -1%. Growth was solid in Eastern Europe, and at a good level also in Southeast Asia. The Group's net sales grew to EUR 772 million (EUR 742 million). Foreign currency translation impact on the Group's net sales was EUR 17 million (EUR -28 million) compared to 2016 exchange rates. Majority of the positive impact came from the US dollar and Indian rupee, while the impact from pound sterling and certain emerging market currencies was negative.

Net sales by business segment

EUR million	Q2 2017	Q2 2016	Change	Of Group in Q2 2017
Foodservice Europe-Asia-Oceania	205.4	193.9	6%	27%
North America	274.3	265.7	3%	35%
Flexible Packaging	224.0	220.5	2%	29%
Fiber Packaging	71.8	66.2	8%	9%
Elimination of internal sales	-3.6	-4.3		
Group	771.9	742.0	4%	

Comparable growth by business segment

	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Foodservice Europe-Asia-Oceania	2%	3%	3%	5%
North America	1%	2%	5%	2%
Flexible Packaging	-2%	3%	-3%	-3%
Fiber Packaging	8%	4%	6%	6%
Group	1%	3%	3%	2%

The Group's earnings declined, but remained at a good level. Earnings of the Foodservice Europe-Asia-Oceania business segment developed favorably, whereas the North America and Flexible Packaging business segments' earnings declined. The positive earnings impact of Other activities is mostly related to changes in the Group's long-term incentive plan expenses. The Group's Adjusted earnings before interests and taxes (EBIT) were EUR 75.6 million (EUR 77.8 million) and reported EBIT EUR 75.6 million (EUR 77.6 million). Foreign currency translation impacted the Group's profitability by EUR 2 million (EUR -3 million).

Adjusted EBIT by business segment

EUR million	Q2 2017	Q2 2016	Change	Of Group in Q2 2017
Foodservice Europe-Asia-Oceania ¹	18.4	17.6	5%	25%
North America	32.6	37.2	-12%	45%
Flexible Packaging	14.0	19.1	-27%	19%
Fiber Packaging	8.1	8.2	-1%	11%
Other activities	2.5	-4.3		
Group¹	75.6	77.8	-3%	

¹ Excluding IACs of EUR -0.2 million in Q2 2016; reported EBIT for Q2 2016 EUR 77.6 million for the Group and EUR 17.4 million for the Foodservice Europe-Asia-Oceania business segment.

Net financial expenses decreased to EUR 6 million (EUR 8 million). Tax expense was EUR 15 million (EUR 14 million).

Profit for the quarter was EUR 55 million (EUR 57 million). Adjusted earnings per share (EPS) were EUR 0.52 (EUR 0.54) and reported EPS EUR 0.52 (EUR 0.53).

Financial review H1 2017

The Group's comparable net sales growth was 2% during the first half of the year with a positive contribution from all business segments. Comparable growth in emerging markets was 1%. Growth was strongest in Eastern Europe and Southeast Asia, while net sales declined significantly in India. The Group's net sales grew to EUR 1,511 million (EUR 1,414 million). Foreign currency translation impact on the Group's net sales was EUR 36 million (EUR -39 million) compared to 2016 exchange rates. The majority of the positive impact came from the US dollar, Russian ruble and Indian rupee, while the impact from pound sterling and certain emerging market currencies was negative.

Net sales by business segment

EUR million	H1 2017	H1 2016	Change	Of Group in H1 2017
Foodservice Europe-Asia-Oceania	397.9	352.8	13%	26%
North America	521.6	500.9	4%	34%
Flexible Packaging	456.3	438.2	4%	30%
Fiber Packaging	144.1	131.7	9%	10%
Elimination of internal sales	-8.6	-9.3		
Group	1,511.3	1,414.3	7%	

The Group's earnings grew. Good earnings improvement in the Foodservice Europe-Asia-Oceania business segment was the main contributor to the earnings growth. The positive earnings impact of Other activities is mostly related to changes in the Group's long-term incentive plan expenses. The Group's Adjusted EBIT were EUR 138.4 million (EUR 135.6 million) and reported EBIT EUR 138.4 million (EUR 135.4 million). Foreign currency translation impacted the Group's profitability by EUR 4 million (EUR -4 million).

Adjusted EBIT by business segment

EUR million	H1 2017	H1 2016	Change	Of Group in H1 2017
Foodservice Europe-Asia-Oceania ¹	33.8	29.6	14%	25%
North America	55.1	58.0	-5%	40%
Flexible Packaging	32.9	38.0	-13%	24%
Fiber Packaging	15.4	16.4	-6%	11%
Other activities	1.2	-6.4		
Group¹	138.4	135.6	2%	

¹ Excluding IACs of EUR -0.2 million in H1 2016; reported EBIT for H1 2016 EUR 135.4 million for the Group and EUR 29.4 million for the Foodservice Europe-Asia-Oceania business segment.

Net financial expenses decreased to EUR 11 million (EUR 13 million). Tax expense increased and was EUR 28 million (EUR 23 million). The corresponding tax rate was 22% (19%).

Profit for the period was EUR 100 million (EUR 99 million). Adjusted EPS were EUR 0.95 (EUR 0.94) and reported EPS EUR 0.95 (EUR 0.93).

Statement of financial position and cash flow

The Group's net debt increased during the first half of the year and was EUR 756 million (EUR 728 million) at the end of June. The level of net debt corresponds to a gearing ratio of 0.66 (0.68). Net debt to EBITDA ratio (excluding IACs) was 1.9 (2.0). Average maturity of external committed credit facilities and loans was 4.4 (4.0) years.

Cash and cash equivalents were EUR 114 million (EUR 102 million) at the end of June and the Group had EUR 312 million (EUR 310 million) of unused committed credit facilities available.

Total assets on the statement of financial position were EUR 2,914 million (EUR 2,748 million).

Capital expenditure was EUR 95 million (EUR 56 million). Largest investments for business expansion were made in the U.S. and China. The Group's free cash flow was EUR -12 million (EUR 38 million). Free cash flow declined mainly due to higher capital expenditure.

Acquisitions

On June 29, 2017 Huhtamaki announced that it has entered into an agreement to acquire International Paper's foodservice packaging operations in China. With the acquisition Huhtamaki expands its manufacturing footprint into the Eastern China region and strengthens its capacity and capability to serve customers operating in Northern China. The acquisition comprises of two manufacturing units located in Shanghai and Tianjin, employing altogether approx. 200 employees. The product range of the units to be acquired is similar to Huhtamaki's current product range in China, including paper cups for hot and cold beverages, food containers as well as snack food and ice-cream containers. The net sales of the business to be acquired were approx. EUR 19 million in 2016. The debt free purchase price is EUR 15 million. The business will become part of the Foodservice Europe-Asia-Oceania business segment. The transaction is expected to be finalized within 1-2 months from the date of the announcement subject to completing applicable registration obligations with authorities in China.

Significant events during the reporting period

On March 3, 2017 Huhtamaki announced that it will set up a greenfield paper cup manufacturing unit in Kiev, Ukraine. The new unit will manufacture a full range of paper cups for cold and hot drinks. Manufacturing operations are expected to begin during 2018 and the unit is expected to employ approx. 50 employees. The unit will become part of the Foodservice Europe-Asia-Oceania business segment.

On April 21, 2017 Huhtamaki announced that it has agreed to sell one of its manufacturing facilities and the related land usage rights in Guangzhou, China, to Guangzhou Yashao Investment Co. Ltd. The sale is part of the ongoing consolidation of Huhtamaki's foodservice packaging manufacturing operations in South China. The selling price is approx. EUR 14 million. As a result of the sale, a gain of approx. EUR 6 million will be booked as an item affecting comparability (IAC) in the Foodservice Europe-Asia-Oceania business segment once the transaction is closed.

On April 25, 2017 Huhtamaki announced that it has signed a freely transferable loan agreement (Schuldschein) of EUR 117 million and USD 35 million (approx. EUR 33 million). The loan is targeted to institutional investors. It includes several floating and fixed rate tranches with maturities of 5, 7 and 10 years. Huhtamaki will use the funds for refinancing and general corporate purposes of the Group.

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	Q2 2017	Q2 2016	Change	H1 2017	H1 2016	Change	FY 2016
Net sales	205.4	193.9	6%	397.9	352.8	13%	741.0
Adjusted EBIT ¹	18.4	17.6	5%	33.8	29.6	14%	63.2
Margin ¹	9.0%	9.1%		8.5%	8.4%		8.5%
EBIT	18.4	17.4	6%	33.8	29.4	15%	61.5
RONA ¹				12.5%	13.3%		13.7%
Capital expenditure	12.8	8.2	56%	24.3	13.5	80%	46.9
Operating cash flow	11.6	13.7	-15%	25.0	23.1	8%	38.0

¹ Excluding IAC of EUR -0.2 million in Q2 2016 and H1 2016 and EUR -1.7 million in FY 2016.

Q2 2017

Relatively robust demand for foodservice packaging continued across markets except in the Middle East and China, where the momentum was somewhat soft. Prices for paperboard were relatively stable. Prices for plastic resins decreased during the quarter, but were at a higher level compared to previous year.

The Foodservice Europe-Asia-Oceania segment's comparable net sales growth was 2%. Net sales growth was strongest in the UK and Western Europe driven by healthy volume development especially in cold paper and plastic drink cups. Growth was further supported by continued solid growth in Eastern Europe. Net sales development was flat in China.

Currency movements had a positive translation impact of EUR 2 million on the segment's reported net sales.

The segment's earnings grew. The profitability improvement was a result of healthy volume growth and improved cost position in certain markets, whereas product mix had a slightly adverse impact on earnings.

H1 2017

Demand for foodservice packaging was at a relatively good level both in Western and Eastern Europe, while the momentum was somewhat soft in the Middle East and China. Prices for paperboard were relatively stable, but prices for plastic resins were at a higher level compared to previous year.

The Foodservice Europe-Asia-Oceania segment's comparable net sales growth was 3%. Net sales growth was robust across the segment's key product categories in Western and Eastern Europe. Net sales declined slightly in China as the segment exited non-core product categories according to plan. Businesses acquired in 2016 had a significant contribution to the segment's reported net sales growth.

Currency movements had a positive translation impact of EUR 6 million on the segment's reported net sales.

The segment's earnings grew mainly as a result of good net sales development. Earnings growth was further supported by improved cost position in certain markets and the successful implementation of planned actions to improve competitiveness in China and New Zealand.

During Q1 2017 Huhtamaki announced that it will set up a greenfield paper cup manufacturing unit in Kiev, Ukraine. Manufacturing operations are expected to begin during 2018 and the unit is expected to employ approx. 50 employees.

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	Q2 2017	Q2 2016	Change	H1 2017	H1 2016	Change	FY 2016
Net sales	274.3	265.7	3%	521.6	500.9	4%	1,005.1
EBIT	32.6	37.2	-12%	55.1	58.0	-5%	107.6
Margin	11.9%	14.0%		10.6%	11.6%		10.7%
RONA				14.8%	16.6%		16.3%
Capital expenditure	23.8	13.0	83%	48.0	23.4	105%	97.9
Operating cash flow	14.4	22.1	-35%	-2.7	32.4	-108%	40.4

Q2 2017

Overall market conditions in the U.S. remained stable. Demand for retail tableware was robust, but demand for ice-cream packaging remained soft. Lower level of promotions dampened activity in the foodservice markets. Raw material and energy costs remained relatively moderate overall, but were at higher levels compared to prior year.

The North America segment's comparable net sales growth was 1%. Growth was moderated by capacity constraints in some of the segment's key product categories. Growth was strongest in the retail business driven by healthy volume development in private label tableware. Foodservice packaging volume development was subdued in disadvantageous market conditions. Net sales of frozen dessert packaging continued to decline.

Currency movements had a positive translation impact of EUR 7 million on the segment's reported net sales.

The segment's profitability was at a good level, but earnings declined against a strong comparison in the previous year. Solid manufacturing performance and healthy volume growth in retail business supported earnings, while the declining net sales of frozen dessert packaging had a negative impact on the segment's earnings. Increased raw material, energy and personnel insurance costs had a negative impact on profitability. In addition, active investment agenda has led to higher cost base for the segment.

H1 2017

Overall market conditions in the United States were relatively stable. Momentum in retail tableware was good throughout the period. Demand for ice cream packaging declined. Raw material prices were generally moderate, but at a higher level compared to prior year.

The North America segment's comparable net sales growth was 1%. Growth was strongest in the retail business, particularly in private label tableware. Sales of Chinet® branded tableware also developed favorably. Sales of foodservice packaging were flat. Net sales of frozen dessert packaging declined.

Currency movements had a positive translation impact of EUR 16 million on the segment's reported net sales.

The segment's profitability was at a good level, but weakened against a strong comparison especially in the second quarter. Good volume growth in retail and solid overall manufacturing efficiency had a positive impact on profitability, whereas lower frozen dessert volumes, higher input costs and product mix had an adverse effect. The higher capital expenditure throughout the first half of the year is to a large extent related to the investment in a new facility in Goodyear, Arizona. The new distribution center commenced operations during the first quarter, while initial ramp up of manufacturing is expected late 2017.

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	Q2 2017	Q2 2016	Change	H1 2017	H1 2016	Change	FY 2016
Net sales	224.0	220.5	2%	456.3	438.2	4%	868.6
EBIT	14.0	19.1	-27%	32.9	38.0	-13%	73.8
Margin	6.3%	8.7%		7.2%	8.7%		8.5%
RONA				10.7%	11.6%		11.6%
Capital expenditure	7.7	5.7	35%	14.6	9.8	49%	25.7
Operating cash flow	-0.5	7.8	-106%	15.7	24.5	-36%	87.9

Q2 2017

Good demand for flexible packaging in Europe and Southeast Asia continued. In India, the GST reform caused significant uncertainty in the market and many FMCG customers destocked their inventories, which led to a temporary decline in the demand for flexible packaging. Uncertainty in trading environment due to currency fluctuations, as well as constrained availability of currency, continued to have a negative impact on exports to many African markets. Prices for plastic resins were volatile, but remained at a higher level compared to Q2 2016.

The Flexible Packaging segment's comparable net sales growth was -2%. Net sales growth was strong in Europe, where demand for flexible packaging was healthy across product categories. Net sales grew also in Southeast Asia and Middle East. In India net sales declined significantly due to customer destocking activity caused by the GST reform, impacting the segment's comparable net sales growth.

Currency movements had a positive translation impact of EUR 7 million on the segment's reported net sales.

The segment's earnings declined due to adverse profitability development in India.

H1 2017

Demand for flexible packaging was at a good level in Europe and Southeast Asia. In India, demand for flexible packaging was subdued throughout the first half of the year. In the first quarter, this was mostly due to the demonetization action executed by the government in November 2016. In the second quarter, the GST reform caused significant uncertainty in the market. Uncertainty in trading environment due to currency fluctuations, as well as constrained availability of currency, had a negative impact on demand for flexible packaging in many African markets. Prices for plastic resins were at a higher level compared to prior year. Competition was tight.

The Flexible Packaging segment's comparable net sales growth was 1%. Growth was at a good level in Europe, Southeast Asia and Middle East across product categories with pet food, coffee and pharmaceutical packaging accounting for the strongest growth. Net sales declined in India.

Currency movements had a positive translation impact of EUR 13 million on the segment's reported net sales.

The segment's earnings declined due to adverse earnings development in the second quarter in India.

Fiber Packaging

Recycled and other natural fibers are used to make fresh product packaging, such as egg, fruit, food and drink packaging. The segment has production in Europe, Oceania, Africa and South America.

EUR million	Q2 2017	Q2 2016	Change	H1 2017	H1 2016	Change	FY 2016
Net sales	71.8	66.2	8%	144.1	131.7	9%	267.8
EBIT	8.1	8.2	-1%	15.4	16.4	-6%	34.6
Margin	11.3%	12.4%		10.7%	12.5%		12.9%
RONA				15.3%	16.2%		16.4%
Capital expenditure	4.1	4.7	-13%	8.4	9.0	-7%	27.6
Operating cash flow	9.5	4.2	126%	14.7	8.1	81%	16.7

Q2 2017

Good demand for fiber packaging continued across markets except in Oceania and South America. In Oceania, the delayed fruit harvest season moderated demand for fruit trays. In Brazil, the challenging economic conditions continued to have an adverse impact on demand for fiber egg packaging. Prices for recycled fiber were volatile during the quarter, but remained at a high level. Competitive situation was tight.

The Fiber Packaging segment's comparable net sales growth was 8%. Growth was mainly driven by good volume development particularly in Eastern Europe, the UK and Africa. Net sales declined in South America.

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

The segment's earnings were at the previous year's level. Good volume growth supported earnings, while negative net sales development in South America, together with changes in product mix, had an adverse impact on profitability.

H1 2017

Overall demand for fiber egg packaging was good across markets with the exception of South America, where the challenging economic conditions in Brazil had an adverse impact on demand. Demand for fruit trays was subdued across markets due to challenging harvest conditions. Prices for recycled fiber were at a high level.

The Fiber Packaging segment's comparable net sales growth was 6%. Growth was mainly driven by good volume development particularly in the UK, Eastern Europe and Africa, where recent capacity additions were fully utilized. Net sales declined in South America.

Currency movements had a positive translation impact of EUR 1 million on the segment's reported net sales.

The segment's earnings declined due to adverse development in the first quarter. The positive earnings impact resulting from volume growth was not sufficient to cover the adverse impact caused by unfavorable product mix and lower net sales in South America.

Personnel

The Group had a total of 17,430 (16,814) employees at the end of June 2017. The number of employees by segment was the following: Foodservice Europe-Asia-Oceania 4,866 (4,895), North America 3,906 (3,653), Flexible Packaging 6,876 (6,533), Fiber Packaging 1,710 (1,666), and Other activities 72 (67).

Share capital and shareholders

At the end of June 2017, 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 3,648,318 (3,903,846) Company's own shares. Own shares represent 3.4% (3.6%) of the total number of shares and votes. The number of outstanding shares excluding the Company's own shares was 104,112,067 (103,856,539). The average number of outstanding shares used in EPS calculations was 103,988,164 (103,786,948), excluding the Company's own shares.

There were 30,128 (23,530) registered shareholders at the end of June 2017. Foreign ownership including nominee registered shares accounted for 47% (52%).

Share trading

During January-June 2017 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 June 2017, the Company's market capitalization was EUR 3,592 million (EUR 3,861 million) excluding the Company's own shares. With a closing price of EUR 34.50 (EUR 37.18) the share price decreased 2% from the beginning of the year. During the reporting period the volume weighted average price for the Company's share was EUR 34.52. The highest price paid was EUR 36.86 and the lowest price paid was EUR 32.26.

During the reporting period the cumulative value of the Company's share turnover on Nasdaq Helsinki Ltd was EUR 1,263 million (EUR 873 million). The trading volume of 37 million (26 million) shares equaled an average daily turnover of 295,144 (211,686) shares. The cumulative value of the Company's share turnover including alternative trading venues, such as BATS Chi-X and Turquoise, was EUR 3,353 million (EUR 2,653 million). During the reporting period, 42% (67%) of all trading took place outside Nasdaq Helsinki Ltd. (Source: Fidessa Fragmentation Index, www.fragmentation.fidessa.com)

Resolutions of the Annual General Meeting 2017

Huhtamäki Oyj's Annual General Meeting of Shareholders (AGM) was held in Helsinki on April 27, 2017. The meeting adopted the Annual Accounts including the Consolidated Annual Accounts for 2016 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 2016 was set at EUR 0.73 per share compared to EUR 0.66 paid for the previous year.

Eight members of the Board of Directors were elected for a term ending at the end of the next AGM. Ms. Eija Ailasmaa, Mr. Pekka Ala-Pietilä, Mr. Doug Baillie, Mr. William R. Barker, Mr. Rolf Börjesson, Mr. Jukka Suominen and Ms. Sandra Turner were re-elected as members of the Board of Directors and Ms. Kerttu Tuomas was elected as a new member of the Board of Directors. 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, 2017. Mr. Mikko Järventausta, APA, will be 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 resolve 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 14,000,000 shares, however so that the number of new shares to be issued may not exceed 10,000,000

shares and the number of own treasury shares to be transferred may not exceed 4,000,000 shares. The authorizations remain in force until the end of the next AGM, however, no longer than until June 30, 2018.

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 2017

The Group's trading conditions are expected to remain relatively stable during 2017. 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 2016 with the majority of the investments directed to business expansion.

Financial reporting in 2017

In 2017, Huhtamaki will publish financial information as follows:

Interim Report, January 1–September 30, 2017

October 26

Espoo, July 20, 2017

Huhtamäki Oyj
Board of Directors

Group income statement (IFRS) – unaudited

<i>EUR million</i>	H1 2017	H1 2016	Q2 2017	Q2 2016	Q1-Q4 2016
Net sales	1,511.3	1,414.3	771.9	742.0	2,865.0
Cost of goods sold	-1,248.4	-1,157.2	-634.8	-603.4	-2,355.8
Gross profit	262.9	257.1	137.1	138.6	509.2
Other operating income	3.6	16.1	2.0	12.5	24.7
Sales and marketing	-40.0	-37.9	-20.9	-19.6	-75.4
Research and development	-9.6	-8.7	-4.7	-4.4	-17.2
Administration costs	-74.7	-84.1	-35.8	-45.2	-162.7
Other operating expenses	-4.9	-8.1	-2.5	-4.8	-14.4
Share of profit of equity-accounted investments	1.1	1.0	0.4	0.5	2.0
	-124.5	-121.7	-61.5	-61.0	-243.0
Earnings before interest and taxes	138.4	135.4	75.6	77.6	266.2
Financial income	4.9	2.3	1.9	0.7	5.3
Financial expenses	-15.8	-15.5	-7.8	-8.2	-32.2
Profit before taxes	127.5	122.2	69.7	70.1	239.3
Income tax expense	-28.0	-23.0	-15.2	-13.6	-47.8
Profit for the period	99.5	99.2	54.5	56.5	191.5
Attributable to:					
Equity holders of the parent company	98.9	96.9	54.5	55.4	187.8
Non-controlling interest	0.6	2.3	0.0	1.1	3.7
<i>EUR</i>					
EPS attributable to equity holders of the parent company	0.95	0.93	0.52	0.53	1.81
Diluted EPS attributable to equity holders of the parent company	0.95	0.93	0.52	0.53	1.80

Group statement of comprehensive income (IFRS) – unaudited

<i>EUR million</i>	H1 2017	H1 2016	Q2 2017	Q2 2016	Q1-Q4 2016
Profit for the period	99.5	99.2	54.5	56.5	191.5
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Remeasurements on defined benefit plans	0.9	0.0	0.1	0.0	-34.1
Taxes related to items that will not be reclassified	-0.2	0.0	0.0	0.0	6.2
Total	0.7	0.0	0.1	0.0	-27.9
Items that may be reclassified subsequently to profit or loss					
Translation differences	-78.9	-11.4	-68.2	24.5	44.2
Equity hedges	17.8	6.4	12.4	-4.3	-6.1
Cash flow hedges	-0.1	-3.4	0.8	-0.4	0.7
Taxes related to items that may be reclassified	0.1	0.5	-0.1	0.0	-0.3
Total	-61.1	-7.9	-55.1	19.8	38.5
Other comprehensive income, net of tax	-60.4	-7.9	-55.0	19.8	10.6
Total comprehensive income	39.1	91.3	-0.5	76.3	202.1
Attributable to:					
Equity holders of the parent company	38.5	89.0	-0.5	75.2	198.4
Non-controlling interest	0.6	2.3	0.0	1.1	3.7

Group statement of financial position (IFRS) – unaudited

<i>EUR million</i>	Jun 30, 2017	Dec 31, 2016	Jun 30, 2016
ASSETS			
Non-current assets			
Goodwill	643.7	669.2	647.8
Other intangible assets	34.5	39.5	42.2
Tangible assets	1,021.7	1,035.8	915.2
Equity-accounted investments	5.1	7.0	5.6
Other investments	1.6	1.6	2.0
Interest-bearing receivables	3.5	4.6	3.6
Deferred tax assets	58.0	58.6	48.2
Employee benefit assets	50.3	55.8	47.1
Other non-current assets	7.0	9.6	8.0
	1,825.4	1,881.7	1,719.7
Current assets			
Inventory	430.0	401.9	403.2
Interest-bearing receivables	1.7	2.2	2.7
Current tax assets	6.2	6.8	2.7
Trade and other current receivables	537.2	476.1	517.6
Cash and cash equivalents	113.6	105.9	102.4
	1,088.7	992.9	1,028.6
Total assets	2,914.1	2,874.6	2,748.3
EQUITY AND LIABILITIES			
Share capital	366.4	366.4	366.4
Premium fund	115.0	115.0	115.0
Treasury shares	-33.5	-35.9	-35.9
Translation differences	-72.5	-11.4	-54.5
Fair value and other reserves	-102.6	-103.3	-78.7
Retained earnings	822.0	803.8	710.8
Total equity attributable to equity holders of the parent company	1,094.8	1,134.6	1,023.1
Non-controlling interest	46.8	47.6	43.2
Total equity	1,141.6	1,182.2	1,066.3
Non-current liabilities			
Interest-bearing liabilities	651.5	520.8	535.4
Deferred tax liabilities	88.0	92.2	80.2
Employee benefit liabilities	223.3	229.2	194.8
Provisions	27.0	26.4	28.7
Other non-current liabilities	5.0	5.5	6.6
	994.8	874.1	845.7
Current liabilities			
Interest-bearing liabilities			
Current portion of long term loans	10.4	137.0	137.6
Short-term loans	212.4	129.9	163.4
Provisions	2.7	7.7	8.6
Current tax liabilities	11.6	10.4	13.3
Trade and other current liabilities	540.6	533.3	513.4
	777.7	818.3	836.3
Total liabilities	1,772.5	1,692.4	1,682.0
Total equity and liabilities	2,914.1	2,874.6	2,748.3
Net debt	755.5	675.0	727.7
Net debt to equity (gearing)	0.66	0.57	0.68

Group statement of changes in equity (IFRS) – unaudited

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, 2015	366.4	115.0	-37.3	-49.5	-75.8	682.1	1,000.9	35.1	1,036.0
Dividends paid						-68.5	-68.5		-68.5
Share-based payments			1.4			3.2	4.6		4.6
Total comprehensive income for the year				-5.0	-2.9	96.9	89.0	2.3	91.3
Other changes						-2.9	-2.9	5.8	2.9
Balance on Jun 30, 2016	366.4	115.0	-35.9	-54.5	-78.7	710.8	1,023.1	43.2	1,066.3
Balance on Dec 31, 2016	366.4	115.0	-35.9	-11.4	-103.3	803.8	1,134.6	47.6	1,182.2
Change in accounting policy (IFRS 15) ¹						-1.1	-1.1		-1.1
Balance on Jan 1, 2017	366.4	115.0	-35.9	-11.4	-103.3	802.7	1,133.5	47.6	1,181.1
Dividends paid						-76.0	-76.0		-76.0
Share-based payments			2.4			-1.3	1.1		1.1
Total comprehensive income for the year				-61.1	0.7	98.9	38.5	0.6	39.1
Other changes						-2.3	-2.3	-1.4	-3.7
Balance on Jun 30, 2017	366.4	115.0	-33.5	-72.5	-102.6	822.0	1,094.8	46.8	1,141.6

¹ The Group has adopted IFRS 15 Revenue from Contracts with Customers using a modified retrospective approach. An adjustment related to cash discounts has been done to the opening balance of retained earnings at the date of initial application.

Group statement of cash flows (IFRS) – unaudited

<i>EUR million</i>	H1 2017	H1 2016	Q2 2017	Q2 2016	Q1-Q4 2016
Profit for the period*	99.5	99.2	54.5	56.5	191.5
Adjustments*	101.8	92.2	53.2	48.8	185.2
Depreciation and amortization*	62.0	54.9	30.8	28.1	113.9
Share of profit of equity-accounted investments*	1.4	0.7	-0.5	-0.3	-0.1
Gain/loss from disposal of assets*	0.0	0.1	0.0	0.0	-0.1
Financial expense/-income*	10.9	13.2	5.9	7.5	26.9
Income tax expense*	28.0	23.0	15.2	13.6	47.8
Other adjustments, operational*	-0.5	0.3	1.8	-0.1	-3.2
Change in inventory*	-47.7	-7.0	-12.1	7.2	8.8
Change in non-interest bearing receivables*	-76.8	-73.2	-25.5	-54.3	-11.1
Change in non-interest bearing payables*	45.3	16.4	4.7	9.4	-7.4
Dividends received*	0.7	0.8	0.4	0.4	1.9
Interest received*	0.8	0.5	0.4	0.3	1.3
Interest paid*	-15.5	-15.1	-11.2	-12.1	-20.4
Other financial expense and income*	-0.6	-0.8	-0.7	-0.8	-1.5
Taxes paid*	-24.8	-20.7	-19.0	-12.0	-50.8
Net cash flows from operating activities	82.7	92.3	44.7	43.4	297.5
Capital expenditure*	-95.4	-56.0	-48.4	-31.7	-199.1
Proceeds from selling tangible assets*	0.9	1.3	0.7	0.3	1.9
Acquired subsidiaries and assets	-	-115.6	-	-92.0	-120.7
Proceeds from long-term deposits	0.9	0.7	0.3	0.3	1.4
Payment of long-term deposits	0.0	-0.3	0.0	0.0	-1.7
Proceeds from short-term deposits	0.6	1.3	0.4	0.9	2.0
Payment of short-term deposits	-0.3	-1.8	0.0	-0.7	-2.0
Net cash flows from investing activities	-93.3	-170.4	-47.0	-122.9	-318.2
Proceeds from long-term borrowings	150.0	166.6	149.6	15.2	174.1
Repayment of long-term borrowings	-15.4	-154.7	-9.1	-146.3	-179.1
Proceeds from short-term borrowings	1,611.6	839.5	903.5	462.9	2,040.4
Repayment of short-term borrowings	-1,646.6	-701.9	-946.5	-265.7	-1,943.2
Dividends paid	-76.0	-68.5	-76.0	-68.5	-68.5
Net cash flows from financing activities	23.6	81.0	21.5	-2.4	23.7
Change in liquid assets	7.7	-0.8	13.5	-80.7	2.7
Cash flow based	13.0	2.9	19.2	-81.9	3.0
Translation difference	-5.3	-3.7	-5.7	1.2	-0.3
Liquid assets period start	105.9	103.2	100.1	183.1	103.2
Liquid assets period end	113.6	102.4	113.6	102.4	105.9
Free cash flow (including figures marked with *)	-11.8	37.6	-3.0	12.0	100.3

Notes for the half-yearly results report

This half-yearly 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 half-yearly financial statements as in the annual financial statements for 2016. The following new and amended standards and interpretations were adopted with effect from January 1, 2017:

- Revised IAS 7 Statement of Cash Flows. Disclosure Initiative. The amendment requires the disclosure of changes in liabilities arising from financing activities including both cash based and non-cash based changes. The amendment had no impact on the half-yearly financial statements.
- Revised IAS 12 Income Taxes. The amendment clarifies the requirements on recognition of deferred tax asset for unrealized losses on debt instruments measured at fair value. The amendment had no impact on the half-yearly financial statements.
- IFRS 9 Financial Instruments. The new standard replaces current IAS 39 Financial Instruments: Recognition and measurement -standard. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. The new standard had no impact on the half-yearly financial statements.
- IFRS 15 Revenue from Contracts with Customers. The standard establishes a new five-step framework to account revenue arising from contracts with customers. The revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Group has adopted the standard using a modified retrospective approach. A minor adjustment related to cash discounts has been done to the opening balance of retained earnings at the date of initial application. The new standard had no material impact on the half-yearly financial statements.

Segments

Segment information is presented according to the IFRS standards. Items below EBIT – financial items and taxes – are not allocated to the segments. Reportable segments' net sales and EBIT form Group's total net sales and EBIT, so no reconciliations to corresponding amounts are presented.

Net sales

<i>EUR million</i>	H1 2017	Q2 2017	Q1 2017	Q1-Q4 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Foodservice Europe-Asia-Oceania	395.1	204.3	190.8	734.5	191.6	194.0	192.3	156.6
Intersegment net sales	2.8	1.1	1.7	6.5	1.4	1.2	1.6	2.3
North America	517.3	272.4	244.9	996.4	257.6	242.1	263.7	233.0
Intersegment net sales	4.3	1.9	2.4	8.7	2.2	2.3	2.0	2.2
Flexible Packaging	456.2	224.0	232.2	868.4	213.9	216.5	220.4	217.6
Intersegment net sales	0.1	0.0	0.1	0.2	0.0	0.0	0.1	0.1
Fiber Packaging	142.7	71.2	71.5	265.7	68.4	66.6	65.6	65.1
Intersegment net sales	1.4	0.6	0.8	2.1	0.6	0.5	0.6	0.4
Elimination of intersegment net sales	-8.6	-3.6	-5.0	-17.5	-4.2	-4.0	-4.3	-5.0
Total	1,511.3	771.9	739.4	2,865.0	731.5	719.2	742.0	672.3

EBIT

<i>EUR million</i>	H1 2017	Q2 2017	Q1 2017	Q1-Q4 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Foodservice Europe-Asia-Oceania ¹	33.8	18.4	15.4	61.5	13.8	18.3	17.4	12.0
North America	55.1	32.6	22.5	107.6	25.1	24.5	37.2	20.8
Flexible Packaging	32.9	14.0	18.9	73.8	17.6	18.2	19.1	18.9
Fiber Packaging	15.4	8.1	7.3	34.6	9.9	8.3	8.2	8.2
Other activities	1.2	2.5	-1.3	-11.3	-2.5	-2.4	-4.3	-2.1
Total¹	138.4	75.6	62.8	266.2	63.9	66.9	77.6	57.8

¹ Q1-Q4 2016 includes items affecting comparability MEUR -1.7, Q4 2016 MEUR -1.5 and Q2 2016 MEUR -0.2.

Segments (continued)

EBITDA

<i>EUR million</i>	H1 2017	Q2 2017	Q1 2017	Q1-Q4 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Foodservice Europe-Asia-Oceania ¹	51.9	27.5	24.4	93.6	22.5	26.9	25.5	18.7
North America	75.4	42.6	32.8	144.9	35.1	33.6	46.2	30.0
Flexible Packaging	48.0	21.5	26.5	103.8	25.5	25.7	26.5	26.1
Fiber Packaging	23.4	12.1	11.3	48.2	12.9	11.9	11.7	11.7
Other activities	1.7	2.7	-1.0	-10.4	-2.3	-2.0	-4.2	-1.9
Total¹	200.4	106.4	94.0	380.1	93.7	96.1	105.7	84.6

¹ Q1-Q4 2016 includes items affecting comparability MEUR -1.7, Q4 2016 MEUR -1.5 and Q2 2016 MEUR -0.2.

Depreciation and amortization

<i>EUR million</i>	H1 2017	Q2 2017	Q1 2017	Q1-Q4 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Foodservice Europe-Asia-Oceania	18.1	9.1	9.0	32.1	8.7	8.6	8.1	6.7
North America	20.3	10.0	10.3	37.3	10.0	9.1	9.0	9.2
Flexible Packaging	15.1	7.5	7.6	30.0	7.9	7.5	7.4	7.2
Fiber Packaging	8.0	4.0	4.0	13.6	3.0	3.6	3.5	3.5
Other activities	0.5	0.2	0.3	0.9	0.2	0.4	0.1	0.2
Total	62.0	30.8	31.2	113.9	29.8	29.2	28.1	26.8

Net assets allocated to the segments²

<i>EUR million</i>	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Foodservice Europe-Asia-Oceania	528.9	540.1	534.5	520.3	514.6	366.9
North America	736.7	756.6	727.0	654.2	654.3	631.1
Flexible Packaging	638.4	645.1	644.9	639.8	648.3	631.9
Fiber Packaging	218.5	224.6	220.5	216.6	215.1	202.6

² 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).

Capital expenditure

<i>EUR million</i>	H1 2017	Q2 2017	Q1 2017	Q1-Q4 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Foodservice Europe-Asia-Oceania	24.3	12.8	11.5	46.9	19.6	13.8	8.2	5.3
North America	48.0	23.8	24.2	97.9	62.1	12.4	13.0	10.4
Flexible Packaging	14.6	7.7	6.9	25.7	11.0	4.9	5.7	4.1
Fiber Packaging	8.4	4.1	4.3	27.6	10.7	7.9	4.7	4.3
Other activities	0.1	0.0	0.1	1.0	0.5	0.2	0.1	0.2
Total	95.4	48.4	47.0	199.1	103.9	39.2	31.7	24.3

RONA (12m roll.)

<i>EUR million</i>	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Foodservice Europe-Asia-Oceania	12.5%	13.1%	13.3%	13.5%	13.3%	14.0%
North America	14.8%	16.0%	16.3%	16.5%	16.6%	14.9%
Flexible Packaging	10.7%	11.5%	11.6%	11.9%	11.6%	11.5%
Fiber Packaging	15.3%	15.6%	16.4%	16.0%	16.2%	17.1%

Operating cash flow

<i>EUR million</i>	H1 2017	Q2 2017	Q1 2017	Q1-Q4 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Foodservice Europe-Asia-Oceania	25.0	11.6	13.4	38.0	7.7	7.2	13.7	9.4
North America	-2.7	14.4	-17.1	40.4	-13.0	21.0	22.1	10.3
Flexible Packaging	15.7	-0.5	16.2	87.9	36.2	27.2	7.8	16.7
Fiber Packaging	14.7	9.5	5.2	16.7	5.1	3.5	4.2	3.9

Other information

Key indicators

	H1 2017	Q1-Q4 2016	H1 2016
Equity per share (EUR)	10.52	10.93	9.85
ROE, % (12m roll.)	16.8	17.6	18.3
ROI, % (12m roll.)	14.1	14.7	14.9
Personnel	17,430	17,076	16,814
Profit before taxes (EUR million, 12m roll.)	244.6	239.3	223.7
Depreciation of tangible assets (EUR million)	57.8	105.3	50.8
Amortization of other intangible assets (EUR million)	4.2	8.6	4.1

Contingent liabilities

<i>EUR million</i>	Jun 30, 2017	Dec 31, 2016	Jun 30, 2016
Lease payments	96.2	81.9	61.2
Capital expenditure commitments	73.9	70.5	46.7

Financial instruments measured at fair value

<i>EUR million</i>	Jun 30, 2017	Dec 31, 2016	Jun 30, 2016
Derivatives - assets			
Currency forwards, transaction risk hedges	2.1	2.5	1.6
Currency forwards, translation risk hedges	2.7	-	2.9
Currency forwards, for financing purposes	8.5	0.5	7.0
Currency options, transaction risk hedges	0.3	0.6	1.1
Interest rate swaps	3.6	5.1	4.2
Electricity forwards	0.0	0.1	0.0
Other investments	1.6	1.6	2.0
Derivatives - liabilities			
Currency forwards, transaction risk hedges	1.3	3.3	2.8
Currency forwards, translation risk hedges	-	8.5	1.4
Currency forwards, for financing purposes	0.5	4.5	2.7
Currency options, transaction risk hedges	0.2	0.5	0.1
Interest rate swaps	0.6	0.7	3.1
Cross currency swaps	1.3	-	-
Electricity forwards	0.1	0.1	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. Other investments include quoted and unquoted shares. 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

<i>EUR million</i>	Jun 30, 2017 Carrying amount	Fair value	Dec 31, 2016 Carrying amount	Fair value	Jun 30, 2016 Carrying amount	Fair value
Non-current	651.5	647.5	520.8	520.9	535.4	536.8
Current	222.8	222.8	266.9	266.9	301.0	301.0
Total	874.3	870.3	787.7	787.8	836.4	837.8

Other information (continued)

Exchange rates

As of July 2016 the exchange rates used at the month end are the rates of the date prior to the last working day of the month, due to the change of publication time of the ECB euro foreign exchange reference rates.

Income statement, average:

	H1 2017	H1 2016
AUD 1 =	0.6968	0.6567
GBP 1 =	1.1630	1.2846
INR 1 =	0.0141	0.0133
RUB 1 =	0.0159	0.0127
THB 1 =	0.0266	0.0253
USD 1 =	0.9243	0.8963

Statement of financial position, month end:

	Jun 30, 2017	Jun 30, 2016
AUD 1 =	0.6726	0.6698
GBP 1 =	1.1365	1.2099
INR 1 =	0.0136	0.0133
RUB 1 =	0.0149	0.0140
THB 1 =	0.0258	0.0256
USD 1 =	0.8762	0.9007

Definitions for performance measures

Performance measures according to IFRS

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

Profit for the period – non-controlling interest
Average number of shares outstanding

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

Diluted profit for the period – non-controlling interest
Average fully diluted number of shares outstanding

Alternative performance measures

EBITDA =

EBIT + depreciation and amortization

Net debt to equity (gearing) =

Interest-bearing net debt
Total equity

Return on net assets (RONA) =

100 x Earnings before interest and taxes (12m roll.)
Net assets (12m roll.)

Operating cash flow =

EBIT + depreciation and amortization - capital expenditure
+ disposals +/- change in inventories, trade receivables and trade payables

Shareholders' equity per share =

Total equity attributable to equity holders of the parent company
Issue-adjusted number of shares at period end

Return on equity (ROE) =

100 x Profit for the period (12m roll.)
Total equity (average)

Return on investment (ROI) =

100 x (Profit before taxes + interest expenses + net other financial expenses) (12m roll.)
Statement of financial position total - interest-free liabilities (average)

In addition to IFRS and alternative performance measures presented above, Huhtamaki may present adjusted performance measures, which are derived from IFRS or alternative performance measures by adding or deducting items affecting comparability (IAC). The adjusted performance measures are used in addition to, but not substituting, the performance measures reported in accordance with IFRS.