

Net sales grew and profitability was at a good level

Half-yearly Report 2017

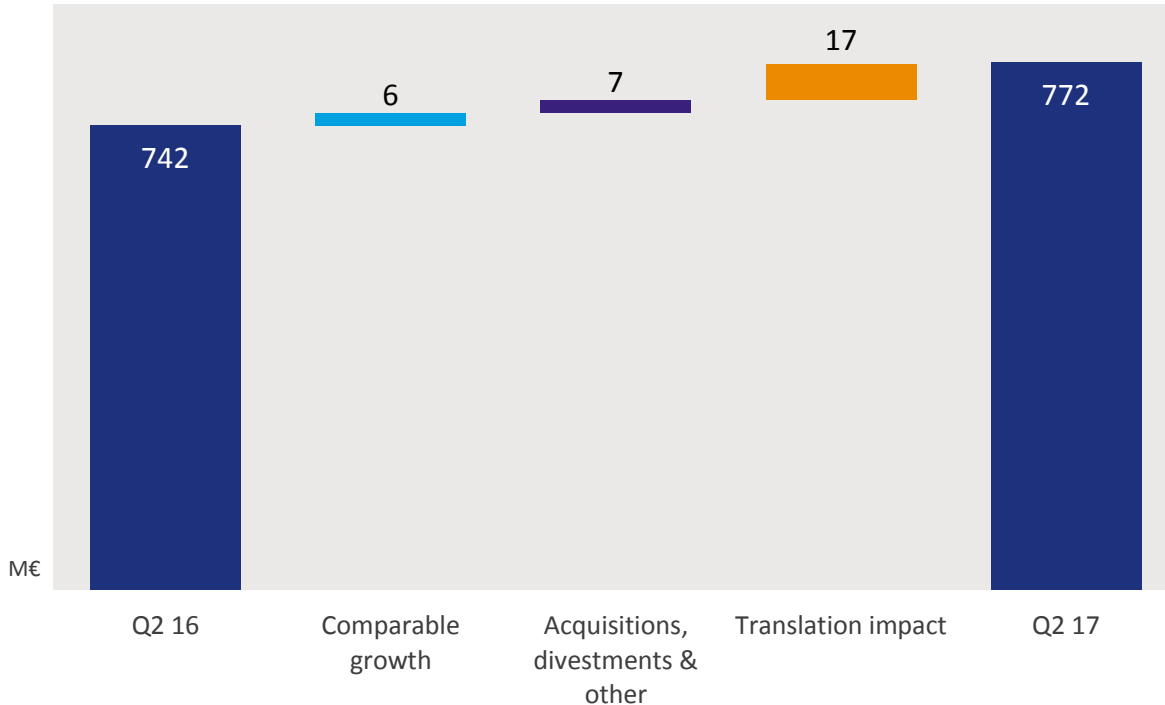
CEO Jukka Moisio

CFO Thomas Geust

Huhtamaki



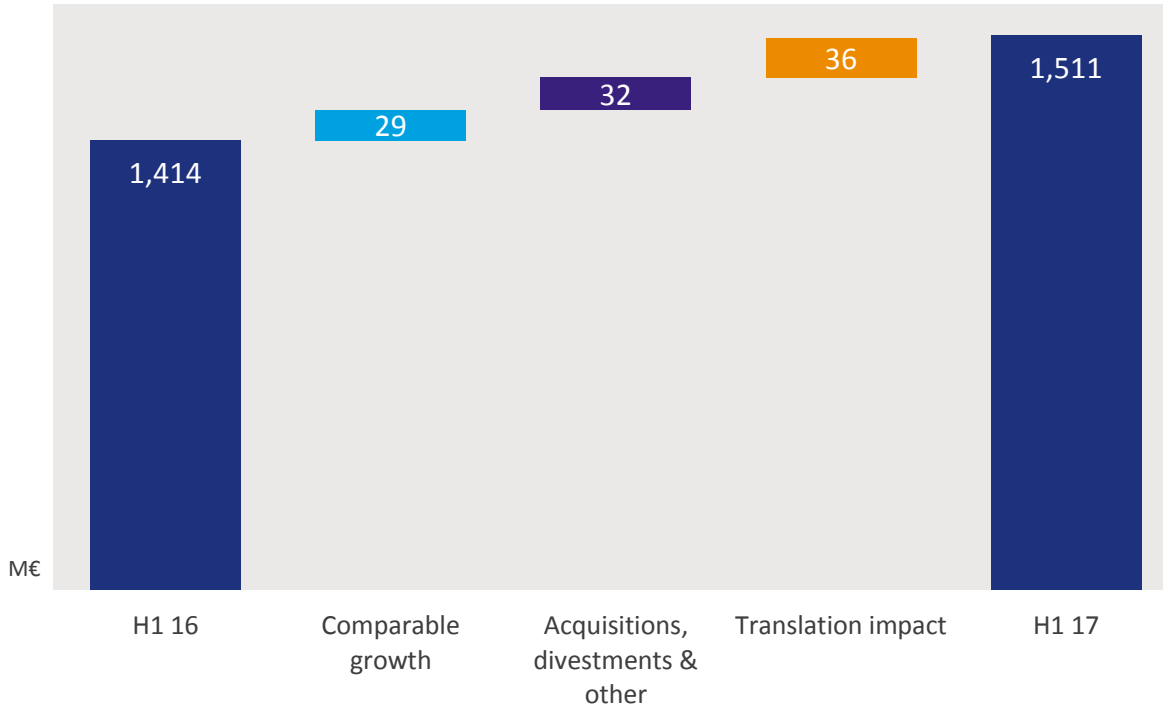
Topline growth continued



Net sales growth split in Q2 17

- 1% comparable growth
- Negative 1% in emerging markets
- 1% from acquisitions
- Positive currency translation impact of M€ 17
- GST* reform in India had a negative impact on Group's growth. Without the Indian impact:
 - Group's emerging market growth would have been 5-6%
 - Group's comparable growth would have been 2-3%

All-in-all 7% topline growth in H1 17



Net sales growth split in H1 17

- 2% comparable growth
- 1% in emerging markets
- 2% from acquisitions
- Positive currency translation impact of M€ 36
- India had a negative impact on Group's growth

Comparable growth

| | Q2 17 | Q1 17 | Q4 16 | Q3 16 | Q2 16 | Q1 16 | 2016 | Long-term ambitions |
|--------------------|------------|-------|-------|-------|-------|-------|-----------|---------------------|
| Foodservice EAO | 2% | 3% | 3% | 5% | 7% | 7% | 5% | 5-7% |
| North America | 1% | 2% | 5% | 2% | 8% | 10% | 6% | 2-5% |
| Flexible Packaging | -2% | 3% | -3% | -3% | 2% | 1% | -1% | 6-8% |
| Fiber Packaging | 8% | 4% | 6% | 6% | 5% | 4% | 5% | 5-7% |
| Group | 1% | 3% | 3% | 2% | 6% | 6% | 4% | 5+% |

- Solid growth in the Fiber Packaging segment
- Good progress in the Foodservice EAO
- Capacity constraints and strong comparison in the North America segment
- Negative net sales development in the Flexible Packaging segment due to significant net sales decline in India

Profitability at a good level

| M€ | Q2 17 | Q2 16 | Change |
|-------------------------------|--------------|-------|--------|
| Net sales | 771.9 | 742.0 | 4% |
| Adjusted EBITDA ¹ | 106.4 | 105.9 | 0% |
| <i>Margin</i> | 13.8% | 14.3% | |
| Adjusted EBIT ¹ | 75.6 | 77.8 | -3% |
| <i>Margin</i> | 9.8% | 10.5% | |
| Adjusted EPS ¹ , € | 0.52 | 0.54 | -4% |
| ROI ¹ | | | |
| ROE ¹ | | | |
| Capital expenditure | 48.4 | 31.7 | 53% |
| Free cash flow | -3.0 | 12.0 | -125% |

| | H1 17 | H1 16 | Change |
|-------------------------------|----------------|---------|--------|
| Net sales | 1,511.3 | 1,414.3 | 7% |
| Adjusted EBITDA ¹ | 200.4 | 190.5 | 5% |
| <i>Margin</i> | 13.3% | 13.5% | |
| Adjusted EBIT ¹ | 138.4 | 135.6 | 2% |
| <i>Margin</i> | 9.2% | 9.6% | |
| Adjusted EPS ¹ , € | 0.95 | 0.94 | 1% |
| ROI ¹ | 14.2% | 14.9% | |
| ROE ¹ | 16.9% | 18.3% | |
| Capital expenditure | 95.4 | 56.0 | 70% |
| Free cash flow | -11.8 | 37.6 | -131% |

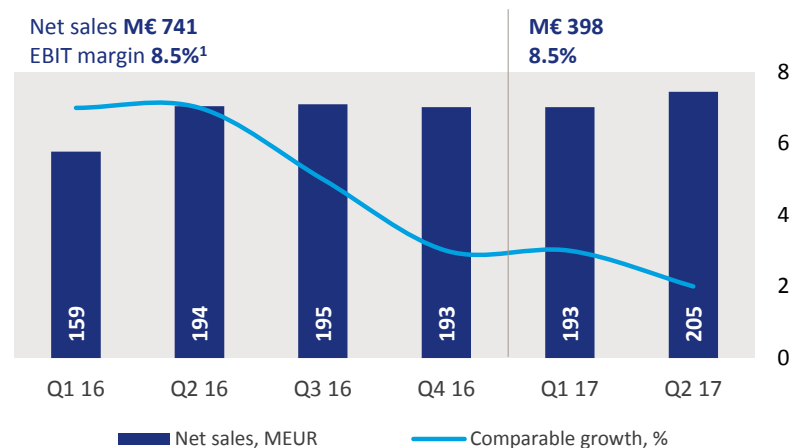
Q2 17 Highlights

- Earnings at a good level helped by Foodservice EAO improvement
- Quarterly results behind PY driven by underperformance in India
- Higher capex and lower cash flow due to the investment in the new facility in Arizona, the U.S.

Business segment review

Foodservice Europe-Asia-Oceania: Solid profitability improvement

- Strong growth in the UK and Western Europe driven by cold cups
- Good development in Eastern Europe continued
- Earnings grew driven by volume growth and improved cost position
- Majority of capex targeted to China expansion



| Key figures, M€ | Q2 17 | Q2 16 | Change |
|----------------------------|-------|-------|--------|
| Adjusted EBIT ¹ | 18.4 | 17.6 | 5% |
| Margin ¹ | 9.0% | 9.1% | |
| RONA ¹ | 12.5% | 13.3% | |
| Capital expenditure | 12.8 | 8.2 | 56% |
| Operating cash flow | 11.6 | 13.7 | -15% |

Focus on growth in foodservice packaging in China

Integration of foodservice packaging manufacturing operations in Southern China

- Consolidation of the foodservice packaging manufacturing operations in South China into one efficient, modernized unit progressing as planned
- M€ 15 investment in the expansion and modernization of the consolidated unit
- Consolidation expected to be completed and the other facility vacated during Q3 17
- Closing of the sale of the vacated facility waiting for final approvals from Chinese authorities
- Selling price M€ 14
- At the closing of the transaction, a gain of approx. M€ 6 is expected to be booked as IAC

Acquisition of IP's foodservice packaging manufacturing operations in China

- Two manufacturing units located in Shanghai and Tianjin
- Expands our manufacturing footprint into the Eastern China region
- 2016 net sales approx. M€ 19
- Approx. 200 employees
- Debt free purchase price M€ 15
- The transaction is expected to be finalized within 1-2 months from signing, subject to completing applicable registration obligations with authorities in China

Improvement of our geographic coverage in China

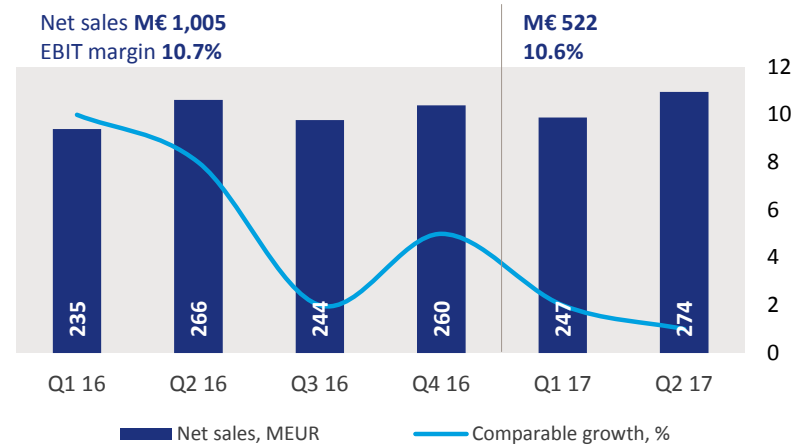


- Strong, modern operations in Southern China
- Entry into the greater Shanghai area
- Strengthened capability in Northern China

- Total population covered by our operations > 1 bn
- Areas of highest disposable income

North America: Good performance

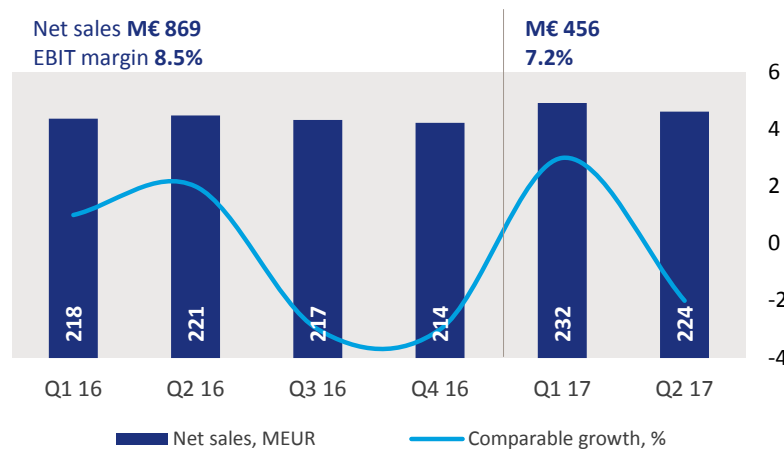
- Capacity constraints in key categories
 - Active investment agenda to address bottlenecks
- Growth was strongest in retail business driven by private label tableware
- Foodservice volume growth subdued, low promotional activity in QSR
- Sales of frozen dessert packaging declined
- Profitability on a good level against a strong comparison
- Investment in the new facility in Arizona continued and impacted operating cash flow



| Key figures, M€ | Q2 17 | Q2 16 | Change |
|---------------------|-------|-------|--------|
| EBIT | 32.6 | 37.2 | -12% |
| <i>Margin</i> | 11.9% | 14.0% | |
| RONA | 14.8% | 16.6% | |
| Capital expenditure | 23.8 | 13.0 | 83% |
| Operating cash flow | 14.4 | 22.1 | -35% |

Flexible Packaging: Net sales and earnings declined due to adverse development in India

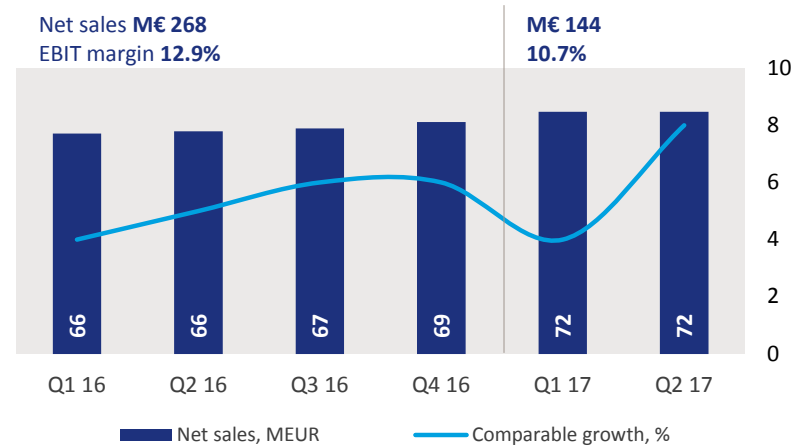
- Comparable net sales growth negative 2% due to net sales decline in India, where the GST reform caused severe headwind in consumer markets
- Without the negative impact of India the segment's comparable growth would have been approx. 4%
- Strong growth across product categories in Europe
- Adverse development in India led to weak earnings for the segment



| Key figures, M€ | Q2 17 | Q2 16 | Change |
|---------------------|-------|-------|--------|
| EBIT | 14.0 | 19.1 | -27% |
| <i>Margin</i> | 6.3% | 8.7% | |
| RONA | 10.7% | 11.6% | |
| Capital expenditure | 7.7 | 5.7 | 35% |
| Operating cash flow | -0.5 | 7.8 | -106% |

Fiber Packaging: Strong net sales growth

- Strong net sales growth driven by good egg packaging volumes in Eastern Europe, the UK and Africa
- Net sales and earnings in South America declined in challenging markets
- Earnings flat as the positive impact of net sales growth did not fully offset the negative mix impact



| Key figures, M€ | Q2 17 | Q2 16 | Change |
|---------------------|--------------|-------|--------|
| EBIT | 8.1 | 8.2 | -1% |
| <i>Margin</i> | 11.3% | 12.4% | |
| RONA | 15.3% | 16.2% | |
| Capital expenditure | 4.1 | 4.7 | -13% |
| Operating cash flow | 9.5 | 4.2 | 126% |

Financial review

Profitability at a good level, year-on-year improvement in H1

| M€ | Q2 17 | Q2 16 | Change | H1 17 | H1 16 | Change |
|-------------------------------|--------------|-------|--------|----------------|---------|--------|
| Net sales | 771.9 | 742.0 | 4% | 1,511.3 | 1,414.3 | 7% |
| Adjusted EBITDA ¹ | 106.4 | 105.9 | 0% | 200.4 | 190.5 | 5% |
| <i>Margin</i> | 13.8% | 14.3% | | 13.3% | 13.5% | |
| Adjusted EBIT ¹ | 75.6 | 77.8 | -3% | 138.4 | 135.6 | 2% |
| <i>Margin</i> | 9.8% | 10.5% | | 9.2% | 9.6% | |
| EBIT | 75.6 | 77.6 | -3% | 138.4 | 135.4 | 2% |
| Net financial items | -5.9 | -7.5 | -21% | -10.9 | -13.2 | -17% |
| Profit before taxes | 69.7 | 70.1 | -1% | 127.5 | 122.2 | 4% |
| Income tax expense | -15.2 | -13.6 | 12% | -28.0 | -23.0 | 22% |
| Profit for the period | 54.5 | 56.5 | -4% | 99.5 | 99.2 | 0% |
| Adjusted EPS ¹ , € | 0.52 | 0.54 | -4% | 0.95 | 0.94 | 1% |

Q2 17 Highlights

- Earnings at a good level despite slight decline vs. PY
- Gross profit impacted by higher depreciation and India
- Financial costs lower than PY

H1 17 Highlights

- Profitability improved
- Financial costs lower than PY
- Tax rate 22% (19%)

Foreign currency translation impact was positive

| | Average rate H1 16 | Closing rates | | | | | Average rate H1 17 |
|-----|--------------------|---------------|-------|-------|-------|--------------|--------------------|
| | | Q2 16 | Q3 16 | Q4 16 | Q1 17 | Q2 17 | |
| USD | 1.12 | 1.11 | 1.12 | 1.05 | 1.07 | 1.14 | 1.08 |
| INR | 74.99 | 74.96 | 75.03 | 71.09 | 69.69 | 73.71 | 71.11 |
| GBP | 0.78 | 0.83 | 0.86 | 0.85 | 0.86 | 0.88 | 0.86 |
| CNY | 7.29 | 7.38 | 7.48 | 7.27 | 7.40 | 7.74 | 7.44 |
| AUD | 1.52 | 1.49 | 1.46 | 1.45 | 1.40 | 1.49 | 1.44 |
| THB | 39.56 | 39.01 | 38.88 | 37.57 | 36.95 | 38.79 | 37.56 |
| RUB | 78.45 | 71.52 | 70.88 | 63.26 | 60.34 | 67.30 | 62.70 |
| BRL | 4.14 | 3.59 | 3.63 | 3.41 | 3.36 | 3.75 | 3.44 |
| NZD | 1.65 | 1.56 | 1.55 | 1.50 | 1.53 | 1.57 | 1.53 |
| ZAR | 17.21 | 16.45 | 15.47 | 14.29 | 13.82 | 14.83 | 14.31 |

Foreign currency translation impact

Q2 17:

M€ 17 on net sales

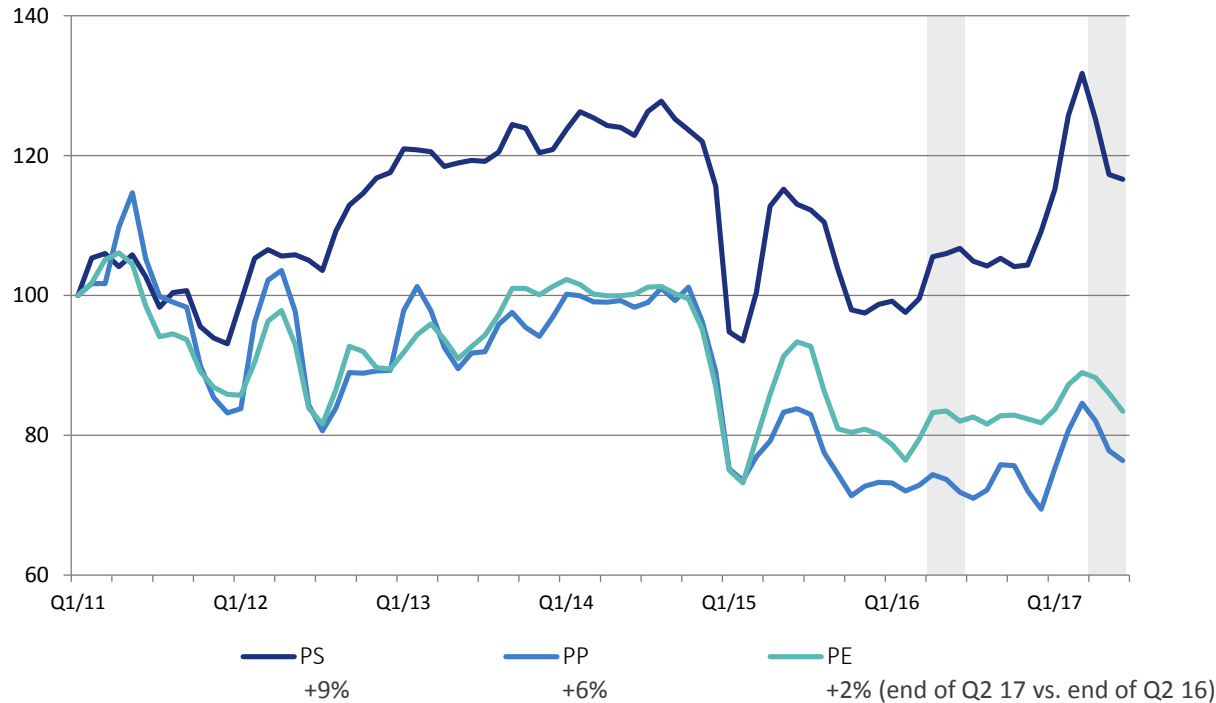
M€ 2 on EBIT

H1 17:

M€ 36 on net sales

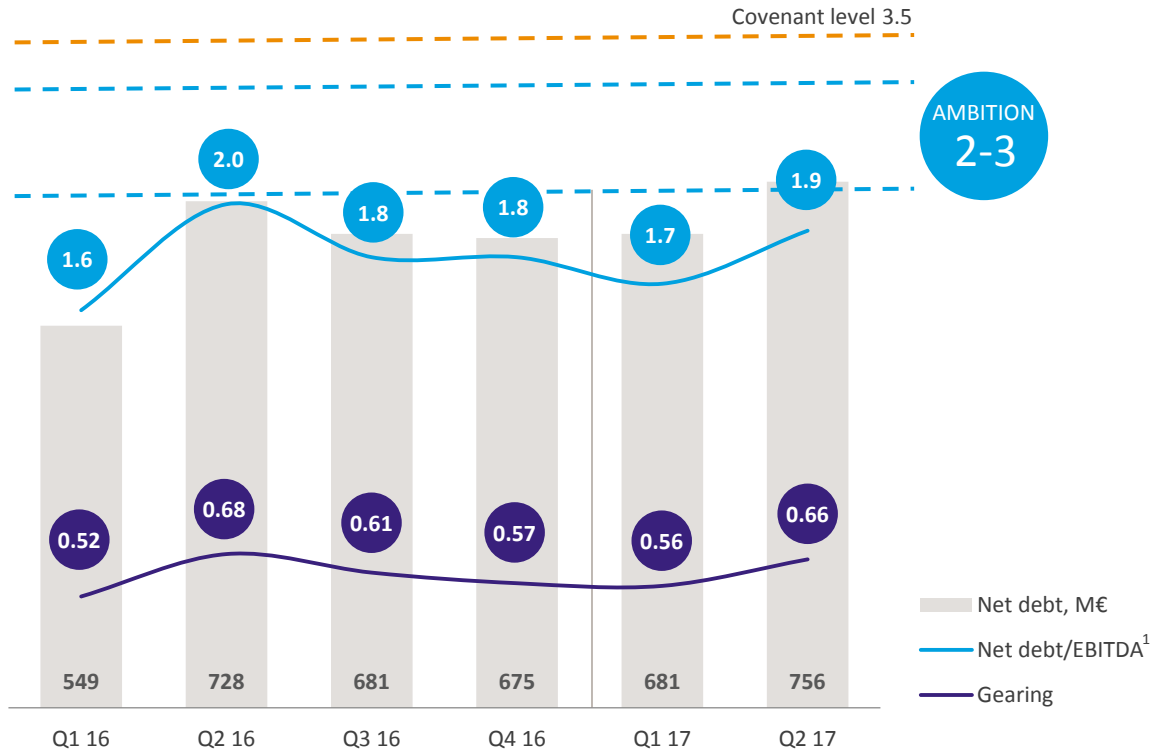
M€ 4 on EBIT

Prices for plastic resins higher year-on-year



- Prices for plastic resins and recycled fiber were volatile during Q2, but higher vs. PY
- Prices for paperboard were relatively stable

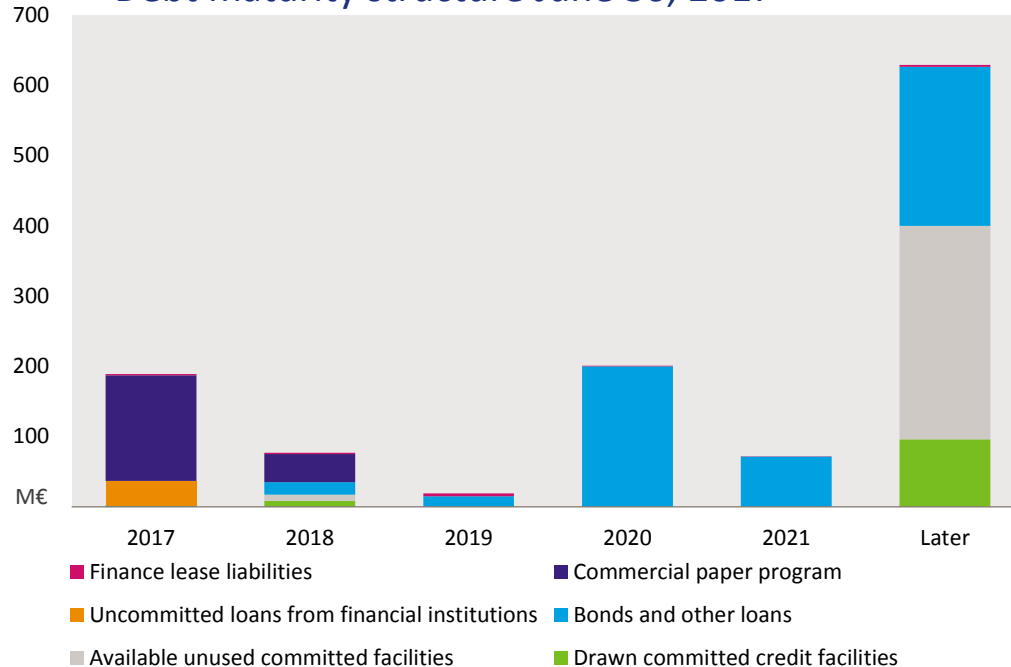
Stable debt position



- Net debt/EBITDA stable at 1.9
- At the end of Q2 17
 - Cash and cash equivalents M€ 114
 - Unused committed credit facilities available M€ 312
- Debt maturity extended by Schuldschein issued in April
- Funds available for acquisitions approx. M€ 400-500

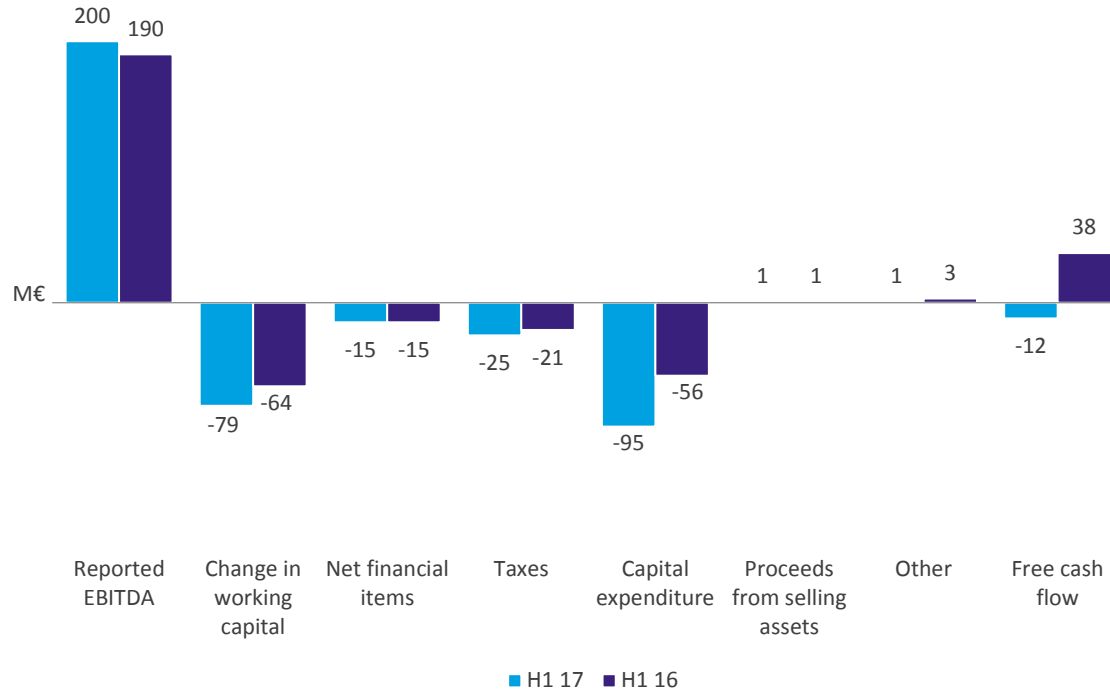
Debt maturity structure extended with new Schuldschein issuance

Debt maturity structure June 30, 2017



- Debt maturity extended by M€ 150 Schuldschein issued in April
- Average maturity 4.4 years at the end of Q2 17 (3.9 at the end of 2016)

Free cash flow burdened by high capex



- Capex significantly above PY level due to high growth investments especially in the U.S. and China
- High receivables due to strong deliveries at the end of the quarter

Solid financial position

| M€ | June 2017 | Dec 2016 | June 2016 |
|-----------------------------------|--------------|----------|-----------|
| Total assets | 2,914 | 2,875 | 2,748 |
| Operating working capital | 535 | 515 | 527 |
| Net debt | 756 | 675 | 728 |
| Equity & non-controlling interest | 1,142 | 1,182 | 1,066 |
| Gearing | 0.66 | 0.57 | 0.68 |
| ROI ¹ | 14.2% | 14.7% | 14.9% |
| ROE ¹ | 16.9% | 17.7% | 18.3% |

- As a result of active investment agenda
 - Higher asset base
 - ROI burdened as latest investments not delivering earnings yet
 - Higher net debt despite higher EBITDA

Progress towards our long-term ambitions

| | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | H1 2017 | Long-term ambition |
|-----------------------|---------|---------|---------|---------|---------|---------|--------------------|
| Organic growth | 3% | 3% | 6% | 4% | 4% | 2% | 5+% |
| EBITDA margin | 10.9% | 11.2% | 11.6% | 12.5% | 13.3% | 13.3% | 14+% |
| EBIT margin | 7.0% | 7.4% | 7.8% | 8.7% | 9.4% | 9.2% | 10+% |
| ROI | 12.6% | 12.1% | 12.6% | 14.7% | 14.7% | 14.2% | 15+% |
| ROE | 15.8% | 15.8% | 16.1% | 18.1% | 17.7% | 16.9% | 18% |
| Capex/EBITDA | 37% | 50% | 49% | 43% | 52% | 48% | 40% |
| Net debt/EBITDA | 1.6 | 1.6 | 1.0 | 1.6 | 1.8 | 1.9 | 2-3 |
| Free cash flow, M€ | 103 | 56 | 65 | 91 | 100 | -12 | 150 |
| Dividend payout ratio | 47% | 47% | 47% | 40% | 40% | n/a | 40-50% |

Looking forward

Outlook 2017 – unchanged

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 calendar 2017

October 26

Q3 17 Interim Report



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

We're the global specialist in packaging for food and drink

Net sales

€3.0bn

Comparable growth

2%



EBIT margin

9.2%

ROI

14.2%



Our ambition

The preferred global
food packaging brand

Employees

17,400



Manufacturing sites

76

Operations in
34 countries



Our purpose

Helping great products
reach more people,
more easily.

We're well positioned to deliver on our ambitions

Who we are:

Who we serve:

What we offer:

Main materials we use:

#1

FOODSERVICE
packaging company
operating globally



Paperboard

#1

FIBER PACKAGING
company globally



Recycled fibers

#1

FLEXIBLE PACKAGING
company in emerging
markets



Plastic & other
materials

Our three business areas are organized into four reporting segments

Foodservice packaging



Foodservice Europe-Asia-Oceania and North America

- 39 plants on 5 continents
- 8,800 employees
- €1.7bn net sales

Flexible packaging



Flexible Packaging

- 26 plants on 3 continents
- 6,900 employees
- €870mn net sales

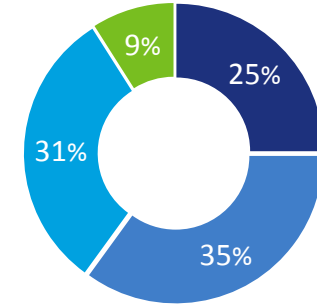
Fiber packaging



Fiber Packaging

- 11 plants on 4 continents
- 1,700 employees
- €270mn net sales

Share of net sales per segment in 2016



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

Foodservice E-A-O: Geared for profitable growth

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
- Wide product range
- High standards to operate applied in all locations
- Renewed innovations roadmap
- Sourcing ability
- Solid operating efficiency and up-to-date manufacturing capacity

Our customers



Market position



Key competitors

Seda, HK Cups, International Paper and local players

| M€ | Long-term ambition | LTM Q2 17 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---------------------|--------------------|-----------------|-------|-------|-------|-------|-------|-------|
| Net sales | | 786.1 | 741.0 | 667.5 | 620.4 | 629.1 | 626.8 | 524.1 |
| Comparable growth | 5-7% | 3% ¹ | 5% | 4% | 4% | 2% | -1% | 0% |
| EBIT | | 67.4 | 63.2 | 52.4 | 57.4 | 46.9 | 38.1 | 20.0 |
| Margin | 9-11% | 8.6% | 8.5% | 7.9% | 9.3% | 7.5% | 6.1% | 3.8% |
| RONA | 15+% | 12.5% | 13.7% | 14.2% | 17.6% | 13.9% | 11.6% | 7.8% |
| Capex | | 57.7 | 46.9 | 39.6 | 33.6 | 16.8 | 21.1 | 20.9 |
| Operating cash flow | | 39.9 | 38.0 | 35.4 | 41.9 | 55.9 | 39.7 | 10.7 |



Focus areas

- Footprint expansion
- Product portfolio expansion, especially folded carton and bags & wraps
- Execution of the renewed innovation roadmap with emphasis on sustainability and aim for enhanced differentiation
- Sourcing collaboration across segments

North America: Continue on the growth path

The North America segment serves local markets with foodservice packaging, Chinet® disposable tableware 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

- Leading shaped paperboard converter
- 21st century new capacity
- Capability for customer promotions
- Molded fiber competence and scale, Chinet® brand
- Uniquely global in foodservice packaging
- Ice-cream systems offering

| M€ | Long-term ambition | LTM Q2 17 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---------------------|--------------------|-----------------|---------|-------|-------|-------|-------|-------|
| Net sales | | 1,025.8 | 1,005.1 | 947.7 | 769.3 | 725.3 | 704.3 | 532.3 |
| Comparable growth | 2-5% | 1% ¹ | 6% | 4% | 6% | 5% | 5% | -4% |
| EBIT | | 104.7 | 107.6 | 88.2 | 38.4 | 38.4 | 53.0 | 43.5 |
| Margin | 9-10% | 10.2% | 10.7% | 9.3% | 5.0% | 5.3% | 7.5% | 8.2% |
| RONA | 11-14% | 14.8% | 16.3% | 14.1% | 7.2% | 8.0% | 11.7% | 11.2% |
| Capex | | 122.5 | 97.9 | 40.9 | 36.7 | 66.7 | 31.5 | 24.0 |
| Operating cash flow | | 5.3 | 40.4 | 61.1 | 18.7 | -15.0 | 28.7 | 43.5 |

Our customers



Market position



Key competitors

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



Focus areas

- Replicate Batavia success in Goodyear, AZ
- Build culture to attract best employees and best customers
- Leverage our capacity in foodservice paperboard packaging and retail store brands



¹ For H1 17

Flexible Packaging: Strengthening our position

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
- Good reputation among blue-chip customers
- Global R&D knowhow to speed up innovations & commercialization
- Wide product offering
- Strong teams & resource pool in India

| M€ | Long-term ambition | LTM Q2 17 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---------------------|--------------------|-----------------|-------|-------|-------|-------|-------|-------|
| Net sales | | 886.7 | 868.6 | 868.9 | 618.0 | 585.8 | 573.3 | 578.3 |
| Comparable growth | 6-8% | 1% ¹ | -1% | 3% | 7% | 4% | 2% | 4% |
| EBIT | | 68.7 | 73.8 | 68.8 | 45.5 | 44.0 | 44.6 | 38.3 |
| Margin | 9-11% | 7.7% | 8.5% | 7.9% | 7.4% | 7.5% | 7.8% | 6.6% |
| RONA | 15+% | 10.7% | 11.6% | 12.3% | 13.6% | 13.3% | 13.8% | 9.3% |
| Capex | | 30.5 | 25.7 | 31.6 | 24.7 | 15.6 | 19.8 | 18.6 |
| Operating cash flow | | 79.1 | 87.9 | 63.5 | 27.8 | 34.8 | 41.4 | 39.7 |

Our customers

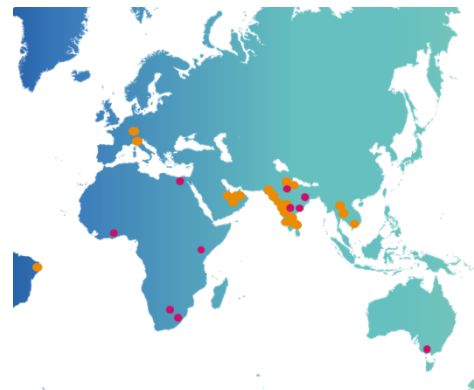


Market position



Key competitors

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



Focus areas

- Harvest full benefits of the recent growth initiatives
- Seize the momentum with global key accounts
- Offer best-in-market innovation capability
- Build capacity for organic growth and seek for potential acquisition targets

Huhtamaki

Fiber Packaging: Focus on profitable growth to enhance our positions

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.

Our products



Sales by geography



Our competitive advantages

- Full control throughout the value chain from raw material sourcing to NPD
- Centralized R&D
- Sustainability knowhow
- Local service backed by global knowledge
- Strong teams and continuous knowledge sharing

| M€ | Long-term ambition | LTM Q2 17 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---------------------|--------------------|-----------------|-------|-------|-------|-------|-------|-------|
| Net sales | | 280.2 | 267.8 | 260.3 | 247.0 | 236.3 | 237.3 | 244.0 |
| Comparable growth | 5-7% | 6% ¹ | 5% | 5% | 9% | 6% | 4% | 3% |
| EBIT | | 33.6 | 34.6 | 33.5 | 35.0 | 29.6 | 26.4 | 20.9 |
| Margin | 13-15% | 12.0% | 12.9% | 12.9% | 14.2% | 12.5% | 11.1% | 8.6% |
| RONA | 18+% | 15.3% | 16.4% | 17.7% | 20.4% | 18.2% | 16.1% | 12.0% |
| Capex | | 27.0 | 27.6 | 34.1 | 27.3 | 18.9 | 14.8 | 11.2 |
| Operating cash flow | | 23.3 | 16.7 | 9.9 | 17.5 | 21.0 | 25.6 | 18.5 |

Our customers



Market position



Key competitors

Hartmann, Pactiv, local players, plastics manufacturers



Focus areas

- Continued investments in new capacity
- Expansion of product portfolio
- Active interest in potential acquisitions
- Innovations and sustainability
- Continuous improvement: operational efficiency, cost mgmt
- Knowledge sharing

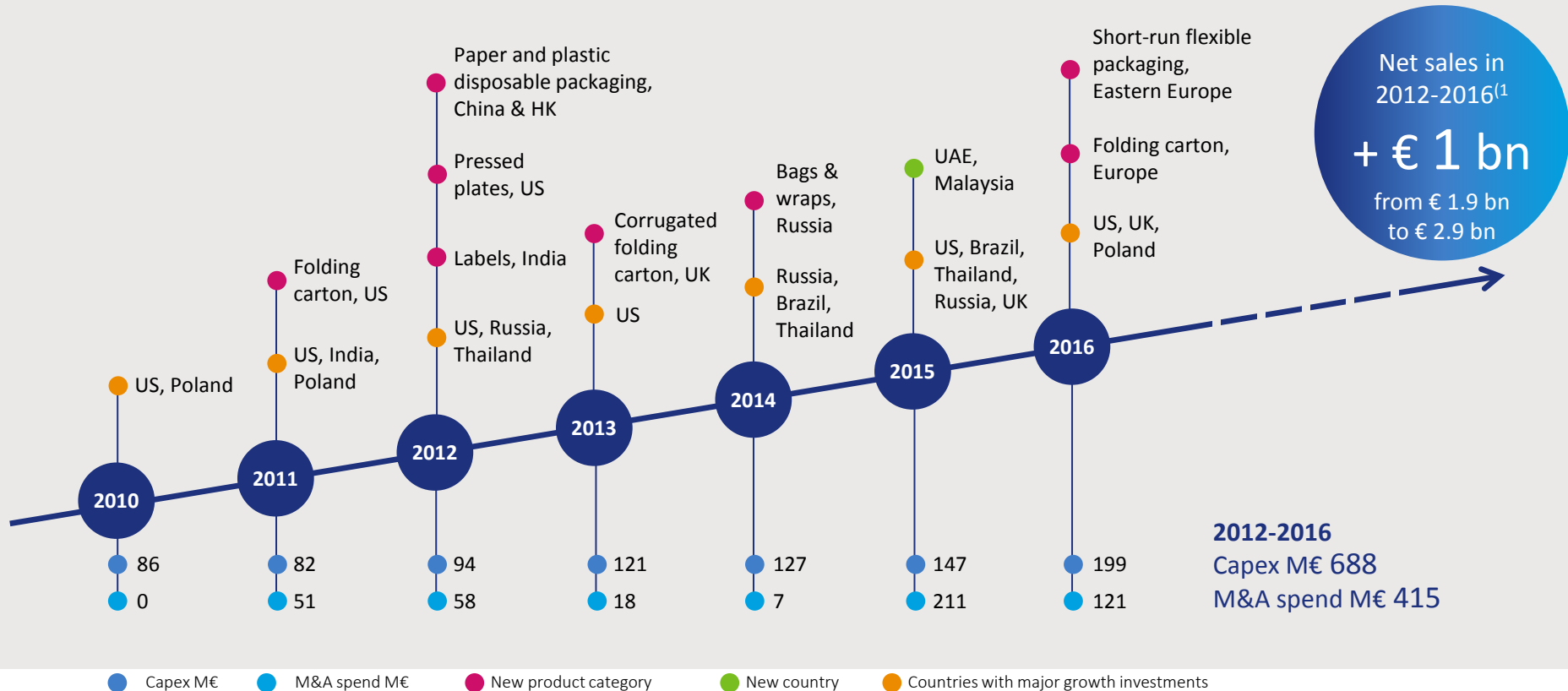
Group financials 2009-2016

| | | 2016 | 2015 | 2014 ⁽¹⁾ | 2013 ⁽¹⁾ | 2012 ⁽²⁾ | 2011 | 2010 | 2009 |
|---|----|---------------------------|-------|---------------------|---------------------|---------------------|-------|-------|-------|
| Net sales | M€ | 2,865 | 2,726 | 2,236 | 2,161 | 2,321 | 2,043 | 1,952 | 1,832 |
| <i>Comparable growth ⁽³⁾</i> | % | 4 | 4 | 6 | 3 | 3 | 5 | 3 | -5 |
| Adjusted EBITDA ⁽⁴⁾ | M€ | 382 | 342 | 259 | 242 | 254 | 208 | 214 | 193 |
| <i>Margin ⁽⁴⁾</i> | % | 13.3 | 12.5 | 11.6 | 11.2 | 10.9 | 10.2 | 11.0 | 10.5 |
| Adjusted EBIT ⁽⁴⁾ | M€ | 268 | 238 | 175 | 160 | 164 | 128 | 134 | 112 |
| <i>Margin ⁽⁴⁾</i> | % | 9.4 | 8.7 | 7.8 | 7.4 | 7.0 | 6.2 | 6.9 | 6.1 |
| Adjusted EPS ⁽⁴⁾ | € | 1.83 | 1.65 | 1.24 | 1.17 | 1.19 | 0.87 | 0.92 | 0.57 |
| ROI ⁽⁴⁾ | % | 14.7 | 14.7 | 12.6 | 12.1 | 12.6 | 9.8 | 12.0 | 9.6 |
| ROE ⁽⁴⁾ | % | 17.7 | 18.1 | 16.1 | 15.8 | 15.8 | 11.0 | 14.5 | 10.1 |
| Capex | M€ | 199 | 147 | 127 | 121 | 94 | 82 | 86 | 53 |
| Free cash flow | M€ | 100 | 91 | 65 | 56 | 103 | 65 | 113 | 208 |
| Gearing | | 0.57 | 0.53 | 0.32 | 0.50 | 0.50 | 0.49 | 0.32 | 0.50 |
| Net debt to EBITDA ⁽⁴⁾ | | 1.8 | 1.6 | 1.0 | 1.6 | 1.6 | 1.9 | 1.2 | 1.7 |
| Dividend per share | € | 0.73⁽⁵⁾ | 0.66 | 0.60 | 0.57 | 0.56 | 0.46 | 0.44 | 0.38 |

Quarterly comparable growth by business segment since 2015

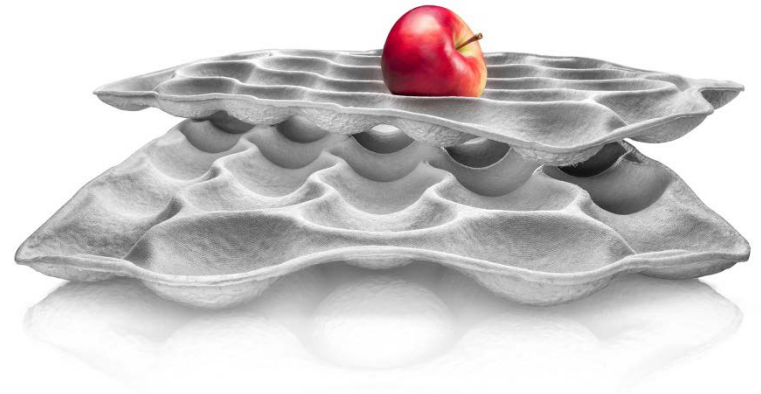
| | Q2 17 | Q1 17 | Q4 16 | Q3 16 | Q2 16 | Q1 16 | Q4 15 | Q3 15 | Q2 15 | Q1 15 | FY 16 | FY 15 | FY 14 | Long-term ambition |
|--------------------|------------|-------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|-----------|-----------|--------------------|
| Foodservice E-A-O | 2% | 3% | 3% | 5% | 7% | 7% | 8% | 6% | 2% | 3% | 5% | 4% | 4% | 5-7% |
| North America | 1% | 2% | 5% | 2% | 8% | 10% | 5% | 7% | -2% | 7% | 6% | 4% | 6% | 2-5% |
| Flexible Packaging | -2% | 3% | -3% | -3% | 2% | 1% | -1% | 5% | 4% | 5% | -1% | 3% | 7% | 6-8% |
| Fiber Packaging | 8% | 4% | 6% | 6% | 5% | 4% | 6% | 5% | 5% | 5% | 5% | 5% | 9% | 5-7% |
| Group total | 1% | 3% | 3% | 2% | 6% | 6% | 4% | 6% | 1% | 5% | 4% | 4% | 6% | 5+% |

We have made major investments in growth in 2010-2016



13 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)
- Delta Print and Packaging Ltd., UK, May 2016 (Foodservice E-A-O)
- Val Pack Solutions Private Limited, India, July 2016 (Foodservice E-A-O)



In total approx. M€ 585 of annual net sales acquired for M€ 466⁽¹⁾

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

Growing into the preferred global food packaging brand

– continuing on our strategic path

Grow

AMBITION
10+%

- Organic and innovative growth 5+%
- Acquisitive growth 5+%

Build more

- Continue organic investments
- Continue disciplined acquisitions

Achieve our ambition

The preferred global food packaging brand

Raise EBIT margin

AMBITION
10+%

- Topline growth
- Operating efficiency

Strengthen collaboration

- Focus on food
- Engaged and high performing teams

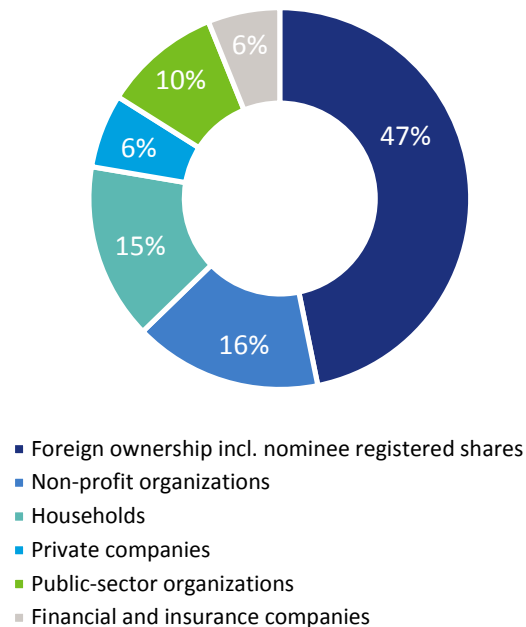
Live our purpose every day

Helping great products reach more people, more easily.

Ownership

- 30,128 registered shareholders at the end of June 2017
- 53% of shares in domestic ownership
- 16% 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 3,648,318 of the Company's own shares

Shareholder distribution by sector
June 30, 2017



Definitions for performance measures

Performance measures according to IFRS

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 (diluted EPS) attributable to equity holders of the parent company =

$\frac{\text{Diluted profit for the period} - \text{non-controlling interest}}{\text{Average fully diluted number of shares outstanding}}$

Alternative performance measures

EBITDA =

EBIT + depreciation and amortization

Net debt to equity (gearing) =

$\frac{\text{Interest-bearing net debt}}{\text{Total equity}}$

Return on net assets (RONA) =

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

Operating cash flow =

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

Shareholders' equity per share =

$\frac{\text{Total equity attributable to equity holders of the parent company}}{\text{Issue-adjusted number of shares at period end}}$

Return on equity (ROE) =

$\frac{100 \times \text{Profit for the period (12m roll.)}}{\text{Total equity (average)}}$

Return on investment (ROI) =

$\frac{100 \times (\text{Profit before taxes} + \text{interest expenses} + \text{net other financial expenses}) (12m roll.)}{\text{Statement of financial position total} - \text{Interest-free liabilities (average)}}$

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.

Disclaimer

Information presented herein contains, or may be deemed to contain, forward-looking statements. These statements relate to future events or Huhtamäki Oyj's or its affiliates' ("Huhtamäki") future financial performance, including, but not limited to, strategic plans, potential growth, expected capital expenditure, ability to generate cash flows, liquidity and cost savings that involve known and unknown risks, uncertainties and other factors that may cause Huhtamäki's actual results, performance or achievements to be materially different from those expressed or implied by any forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Such risks and uncertainties include, but are not limited to: (1) general economic conditions such as movements in currency rates, volatile raw material and energy prices and political uncertainties; (2) industry conditions such as demand for Huhtamäki's products, pricing pressures and competitive situation; and (3) Huhtamäki's own operating and other conditions such as the success of manufacturing activities and the achievement of efficiencies therein as well as the success of pending and future acquisitions and restructurings and product innovations. Future results may vary from the results expressed in, or implied by, forward-looking statements, possibly to a material degree. All forward-looking statements made in this presentation are based on information currently available to the management and Huhtamäki assumes no obligation to update or revise any forward-looking statements. Nothing in this presentation constitutes investment advice and this presentation shall not constitute an offer to sell or the solicitation of an offer to buy any securities or otherwise to engage in any investment activity.

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