

Results 2008

Huhtamäki Group is a leading manufacturer of consumer and specialty packaging with 2008 net sales totaling EUR 2.3 billion. Consumer goods and foodservice markets are served by some 14,600 people in 65 manufacturing units and several sales offices in 35 countries. The parent company, Huhtamäki Oyj, has its head office in Espoo, Finland and is listed on the NASDAQ OMX Helsinki Ltd. Additional information is available at www.huhtamaki.com.

Huhtamäki Oyj

RESULTS 2008



Strong cash flow, significant debt reduction, stable sales

- Sales growth achieved in constant currencies
- Raw material, energy and distribution costs remained high with a rapid drop at year-end
- Reported earnings negative due to non-recurring charges
- Weak performance in Flexibles, Films and Asia-Oceania-Africa
- Strong cash flow improvement; significant debt reduction
- The Board of Directors proposes a dividend of EUR 0.34 (EUR 0.42 for 2007) per share

Key figures EUR million	Q1-Q4 2008	Q1-Q4 2007	Q4 2008	Q4 2007
Net sales	2,260.0	2,311.0	548.8	557.8
EBIT excl. non-recurring charges	91.0	136.1	10.9	29.5
EBIT margin %	4.0	5.9	2.0	5.3
EBIT*	-74.5	28.1	-147.7	-78.5
EPS	-1.12	-0.22	-1.43	-0.83
ROI % (12m roll.)	-4.8	1.8	-	-

* 2008 EBIT includes EUR 165.5 million (EUR 108.0 million) non-recurring charges.

CEO Jukka Moisio: "At the beginning of 2008 Huhtamaki targeted sales growth and stable earnings, but towards the end of the year focus was shifted to cash flow and debt reduction. Financially, our main achievement in 2008 was positive free cash flow of EUR 104 million. This compares favorably with negative cash flows in both 2007 and in 2006. As a whole our performance was not satisfactory and we have accordingly addressed loss-making units and implemented actions to reduce costs.

Furthermore, the Group's strategic direction was updated in 2008. Focus will be put on businesses with a strong market position and good growth potential. The smooth and rough molded fiber products, release films, flexible packaging, foodservice paper cups and other products based on paper forming technology were identified as stronghold areas. Rigid plastic Consumer Goods operations were reorganized as a separate business under strategic review. Following the annual impairment testing that was conducted based on the updated strategic direction and the new reporting segments, significant non-recurring charges were recorded in the fourth quarter. As a result, the reported earnings were negative in 2008.

2009 will be a demanding year for Huhtamaki. The economic downturn will subdue short-term growth prospects, although our stronghold businesses can, in normal circumstances, deliver 5% organic growth. Economic uncertainty calls for prudent house-keeping, and cost efficiency combined with strong positive cash flow are our priorities. Another focus area for 2009 and onwards is to improve our industrial performance through a worldwide implementation of the continuous improvement program."

Overview

The demand for consumer packaging remained stable during the year despite general economic uncertainty experienced in the majority of the markets towards year-end. The Group's reported net sales declined due to adverse currency translation impact while growth was achieved in constant currencies.

Earnings for 2008 were below previous year. This development reflects non-recurring charges as well as weak performance especially in Flexibles and Films Global. Profitability excluding non-recurring charges was on a good level in Rigid and Molded Fiber Americas as well as in Molded Fiber Europe. Margin pressure was experienced during most of the year as raw material costs in 2008 remained on a high level compared to 2007.

Cash flow generation was good due to clearly improved working capital management as well as lower capital expenditure. The inventory reduction achieved at year-end resulted in strong cash flow but depressed earnings due to unabsorbed manufacturing costs. Net debt reduced strongly by year-end.



Business review by segment

The sales distribution in 2008 was the following: Flexibles and Films Global 30% (31%), Rigid Europe 28% (27%), Molded Fiber Europe 6% (6%), Rigid and Molded Fiber Americas 27% (26%) as well as Rigid and Molded Fiber Asia-Oceania-Africa 9% (10%).

Flexibles and Films Global

Flexibles and Films are organized as a global segment. Flexibles are used for food and pet food packaging as well as non-food consumer packaging. Films are mainly used for technical applications in the label, adhesive tape, hygiene and health care industries as well as building and construction, automotive, packaging and graphic arts industries.

EUR million	Q1-Q4 2008	Q1-Q4 2007	Q4 2008	Q4 2007
Net sales	691.5	709.2	158.0	168.7
EBIT excl. non-recurring charges	24.8	46.8	1.5	7.8
EBIT margin %	3.6	6.6	0.9	4.6
EBIT*	6.9	38.5	-16.4	-0.5
RONA % (12m roll.)	1.3	7.2	-	-

* 2008 EBIT includes EUR 17.9 million (EUR 8.3 million) non-recurring charges.

Sales within the segment declined during year. In Flexibles, sales development was weak in Europe and North America all year mainly due to softness in the pet food market; robust growth was seen in Asia-Oceania but in the fourth quarter demand declined rapidly due to intensified economic slowdown. In Films, sales were lower compared to the previous year's level; after a weak start to the year sales recovered in the second quarter but declined again due to market softness at the end of the year.

Profitability reflects margin pressure due to higher raw material costs, adverse currency translation impact, operational inefficiency and unabsorbed manufacturing costs due to inventory reduction.

The flexible packaging operations in Malvern, USA, were decided to be discontinued to address underutilized capacity and unsatisfactory profitability and the site will be dedicated to the Films business. The restructuring process at the Malvern facility will impact approximately 80 employees. A one-time charge of approximately EUR 18 million was booked in the fourth quarter 2008. The discontinuation of the loss-making Malvern Flexibles operation is expected by the end of the first quarter 2009.

Production at the new flexible packaging facility in Bangkok, Thailand, commenced in July 2008. The reconstructed flexible packaging facility in Thane, India, was partially operational at year-end 2008.

Rigid Europe

Rigid paper and plastic packaging serves foodservice and consumer goods markets in Europe with fresh food, dairy, ice cream, beverage and personal care packaging as well as disposable tableware. Rigid packaging is supplied to foodservice operators, fast food restaurants and food manufacturers.

EUR million	Q1-Q4 2008	Q1-Q4 2007	Q4 2008	Q4 2007
Net sales	626.0	633.9	139.9	150.2
EBIT excl. non-recurring charges	9.0	11.6	-3.1	4.6
EBIT margin %	1.4	1.8	-2.2	3.1
EBIT*	-98.6	-67.3	-103.8	-74.3
RONA % (12m roll.)	-27.9	-14.2	-	-

* 2008 EBIT includes EUR 107.6 million (EUR 78.9 million) non-recurring charges.

In 2008, the segment's sales in constant currencies were unchanged from the previous year's level. However, the growth seen in the first half of the year turned into a decline in the second half. The development in sales mainly reflects Consumer Goods where market softness continued in Germany and the discontinued operations in the UK had a negative impact. While Foodservice showed growth driven by



strong performance in Eastern Europe for the full year, it was not immune to the general economic uncertainty and experienced market softness towards year-end.

Profitability reflects the benefits from earlier pricing efforts visible in the second quarter. This was offset by operational inefficiency as well as adverse currency translation impact, unabsorbed manufacturing costs due to inventory reduction and an inventory revaluation in the fourth quarter.

The reported EBIT was EUR -99 million (EUR -67 million) including restructuring, goodwill impairment and tangible asset impairment charges, total amount EUR 108 million (EUR 79 million).

In the UK, it was decided to discontinue the Consumer Goods rigid plastic production in Portadown and in Gosport due to volume decline as well as continued increases in manufacturing and energy costs. The Consumer Goods business unit was loss-making with annual net sales of around EUR 30 million. The closure was completed by year-end 2008 and impacted 140 employees. Also, the rigid packaging site in Karlholmsbruk, Sweden, was closed by year-end and impacted approximately 40 employees. The annual net sales of the site were around EUR 4 million.

At year-end the rigid packaging business organization was aligned with the earlier announced strategic direction. Foodservice business in Europe, Asia and Oceania was merged into one segment. Rigid plastic Consumer Goods operations were reorganized as a separate business under strategic review. In Europe and Oceania, this reorganization will lead to a reduction of approximately 170 employees, of which 160 in Europe, during the first half of 2009. The measures will improve the competitiveness of the business and reduce the cost base by EUR 8 million on an annual basis. A one-time restructuring charge of EUR 8 million was recorded for these measures in the fourth quarter of 2008.

Molded Fiber Europe

Molded fiber is used to make fresh product packaging, such as egg and fruit packaging.

EUR million	Q1-Q4 2008	Q1-Q4 2007	Q4 2008	Q4 2007
Net sales	138.2	139.4	33.6	36.7
EBIT	10.3	10.7	2.3	3.5
EBIT margin %	7.4	7.7	6.8	9.5
RONA % (12m roll.)	8.6	9.0	-	-

Sales and earnings within the segment were stable, despite a weaker fourth quarter. At year-end the continued favorable development in Eastern Europe was not enough to offset an adverse currency translation impact and a decline in the machine and waste paper trade businesses.

Rigid and Molded Fiber Americas

Rigid paper and plastic packaging, which serves ice-cream and other consumer goods as well as foodservice markets, is complemented with Molded Fiber Chinet® disposable tableware products. Similar market channels are a common denominator.

EUR million	Q1-Q4 2008	Q1-Q4 2007	Q4 2008	Q4 2007
Net sales	608.0	609.0	166.5	144.5
EBIT excl. non-recurring charges	45.3	60.3	8.4	10.6
EBIT margin %	7.5	9.9	5.0	7.3
EBIT*	40.1	43.5	3.2	-6.2
RONA % (12m roll.)	9.6	9.5	-	-

* 2008 EBIT includes EUR 5.2 million (EUR 16.8 million) non-recurring charges.

The segment's growth in constant currencies was solid throughout the year and accelerated towards year-end. In Retail, the positive volume development was accelerated in the second half of the year through promotional activity. The good sales momentum continued in South America. In Consumer Goods, the sales recovery that started at the end of the second quarter continued until year-end. In Foodservice, the demand was soft all year.



Profitability reflects higher raw material, energy and distribution costs as well as adverse currency translation impact partially offset by the price increases implemented during the year. Furthermore, while the trend in raw material prices and currency reversed in the fourth quarter the benefit from these was eroded by inventory revaluation and unabsorbed manufacturing costs due to inventory reduction.

At the end of the year it was decided to optimize the rigid plastic operations in North America and to close down the production unit in Phoenix, Arizona. The manufacturing equipment and operations will be consolidated into the Group's other plastics operations in Coleman, Michigan and New Vienna, Ohio. The restructuring process at the Phoenix facility will impact approximately 70 employees. A one-time charge of approximately EUR 5 million was booked in the fourth quarter 2008. The closure of the site is expected by the end of the first half of 2009.

Rigid and Molded Fiber Asia-Oceania-Africa

Rigid paper and plastic packaging serves foodservice and consumer goods markets. The segment also includes the Molded Fiber business which makes fresh product packaging.

EUR million	Q1-Q4 2008	Q1-Q4 2007	Q4 2008	Q4 2007
Net sales	209.8	233.3	53.1	60.9
EBIT excl. non-recurring charges	-0.2	10.4	-0.1	2.6
EBIT margin %	-	4.4	-	4.3
EBIT*	-35.0	6.5	-34.9	-1.3
RONA % (12m roll.)	-20.2	3.2	-	-

* 2008 EBIT includes EUR 34.8 million (EUR 3.9 million) non-recurring charges.

The segment's sales development in constant currencies was unfavorable, despite small growth being recorded in the fourth quarter. The sales decline in Oceania and in South Africa reflects general market softness. In Asia, sales performance was disappointing as a result of the slower than planned generation of new business.

Profitability reflects low sales, operational inefficiency as well as adverse currency translation impact.

The relocation from the site in Hong Kong to the new rigid packaging facility in Guangzhou, China, was completed in May 2008. Production in Hong Kong ceased at the end of the second quarter.

Financial review

The Group EBIT in 2008 was EUR -75 million (EUR 28 million), corresponding to an EBIT margin of -3.3% (1.2%). In the fourth quarter, the Group EBIT was EUR -148 million (EUR -79 million), corresponding to an EBIT margin of -26.9% (-14.1%).

The full year Group EBIT includes tangible asset impairment charges EUR 77 million (EUR 58 million), goodwill impairment charges EUR 72 million (EUR 47 million) and restructuring charges EUR 16 million (EUR 4 million), total amount EUR 166 million (EUR 108 million). Of the total amount, EUR 149 million were non-cash impairment charges. These were mainly related to rigid plastics Consumer Goods businesses in Europe and Oceania following the adjustment of book values to lower future cash flow expectations as annual impairment testing was conducted in accordance with the updated strategic direction and the new reporting segments. Additionally, the non-cash impairment charges were related to the processes to discontinue operations in Phoenix and Malvern.

The distribution of the non-recurring charges by segment was the following:

Flexibles and Films segment EBIT includes tangible asset impairment charges EUR 9 million, goodwill impairment charges EUR 7 million (EUR 8 million) and restructuring charges EUR 2 million, total amount EUR 18 million (EUR 8 million).



Rigid Europe segment EBIT includes tangible asset impairment charges EUR 62 million (EUR 46 million), goodwill impairment charges EUR 35 million (EUR 32 million) and restructuring charges EUR 11 million (EUR 1 million), total amount EUR 108 million (EUR 79 million).

Rigid and Molded Fiber Americas segment EBIT includes tangible asset impairment charges EUR 3 million (EUR 12 million) and restructuring charges EUR 2 million, additionally Q4 2007 included goodwill impairment charges EUR 5 million, total amount EUR 5 million (EUR 17 million).

Rigid and Molded Fiber Asia-Oceania-Africa EBIT includes tangible asset impairment charges EUR 3 million, goodwill impairment charges EUR 30 million (EUR 2 million) and restructuring charges EUR 1 million (EUR 2 million), total amount EUR 35 million (EUR 4 million).

The full year Group EBIT excluding non-recurring charges was EUR 91 million (EUR 136 million), corresponding to an EBIT margin of 4.0% (5.9%).

The net financial items were EUR -46 million (EUR -43 million), with the fourth quarter amounting to EUR -12 million (unchanged). Tax income was EUR 10 million (EUR -6 million) with the fourth quarter accounting for EUR 16 million (EUR 7 million).

The 2008 result was EUR -110 million (EUR -20 million) and the earnings per share (EPS) were EUR -1.12 (EUR -0.22). Correspondingly, in the fourth quarter the result was EUR -143 million (EUR -83 million) and EPS were EUR -1.43 (EUR -0.83). The average number of outstanding shares used in the EPS calculations was 100,426,461 (unchanged) excluding 5,061,089 (unchanged) of the Company's own shares.

Balance sheet and cash flow

Free cash flow in 2008 amounted to EUR 104 million (EUR -28 million) and in the fourth quarter to EUR 37 million (EUR 17 million). The strong improvement was due to emphasis on more efficient working capital management especially on the inventory side, as well as lower capital expenditure with focus on earlier made investments in new flexible and foodservice packaging production in Asia. Capital expenditure in 2008 was EUR 74 million (EUR 148 million), with the fourth quarter spending at EUR 27 million (EUR 56 million).

A EUR 75 million hybrid bond was issued in November 2008 in order to strengthen the Group's capital structure. The bond has no maturity but the Company may call the bond after three years. The bond is treated as equity in the Group's IFRS financial statements. The cash amount received from the transaction was used to pay down debt.

Net debt was EUR 587 million (EUR 749 million) at the end of December 2008. This corresponds to a gearing ratio of 0.84 (0.94).

Total assets on the balance sheet were EUR 1,952 million (EUR 2,191 million).

Strategic direction

During the second half of 2008 it was decided that the Group will focus on packaging operations in which it has a competitive advantage, a good market position and which create value for the Group and its customers. The smooth and rough molded fiber products, release films, flexible packaging, foodservice paper cups and other products based on paper forming technology were identified as stronghold areas.

Different strategic alternatives will be reviewed for the Rigid plastic consumer goods operations as it, for the most part, does not meet the criteria for financial performance and its profitability has been below the Group average. This operation has annual sales of approximately EUR 400 million.

Huhtamaki's main financial targets, return on investment (ROI) at 15% and dividend payout ratio of 40%, remain unchanged. The commitment to deliver good positive cash flow continues to be a priority.



During 2008, actions to reduce costs were implemented and loss-making units in Europe and North America were addressed. The Group's organizational structure was revised and is now more strongly based on product and service offerings instead of a traditional regional emphasis.

The current reporting segments adopted from the beginning of 2008 were decided to be modified further to reflect the new stronghold areas. As of January 1, 2009 the new reporting segments are: Flexibles Global, Films Global, North America, Rough Molded Fiber Global, Foodservice Europe-Asia-Oceania and Rigid Consumer Goods Plastics.

Group structure

The Group structure was clarified by separating the Foodservice and Consumer Goods businesses in the production unit in Hämeenlinna, Finland and transferring the businesses into wholly owned subsidiaries of Huhtamäki Oyj. As of December 31, 2008 the Foodservice business in Finland will be conducted by Huhtamäki Foodservice Finland Oy and Consumer Goods business by Huhtamäki Consumer Goods Finland Oy.

Personnel

The Group had 14,644 (15,092) employees at the end of December 2008. The number of employees by segment was the following: Flexibles and Films Global 4,515 (4,502), Rigid Europe 3,604 (3,822), Molded Fiber Europe 922 (unchanged), Rigid and Molded Fiber Americas 3,512 (3,608), Rigid and Molded Fiber Asia-Oceania-Africa 2,034 (2,174) and other 57 (64). The average number of employees was 15,044 (14,986).

Huhtamäki Oyj employed 52 (794) people at year-end. The decrease in the figure is due to the aforementioned separation of the Foodservice and Consumer Goods businesses from the parent company into its wholly owned subsidiaries. The annual average was 723 (825).

Changes in Group Executive Team

Mr. Jukka Moisio was appointed by the Board of Directors as Huhtamäki Oyj's Chief Executive Officer on February 28, 2008 and effective from April 1, 2008. Mr. Eric Le Lay was appointed Executive Vice President, Europe Rigid, effective from March 12, 2008, following the retirement of Mr. Walter Günter. During the year Eric Le Lay's responsibilities were aligned with the updated strategy. Following the resignation of Mr. Maurice Petitjean, Executive Vice President, Flexibles and Films Global, as from May 22, 2008, the segment was headed by Jukka Moisio for an interim period. Mr. Suresh Gupta was appointed as Executive Vice President, Flexibles Global and Mr. Peter Wahsner, as Executive Vice President, Films Global; both starting on January 1, 2009. Mr. George Lai, Executive Vice President, Rigid and Molded Fiber Asia-Oceania-Africa, resigned as of December 31, 2008. Ms. Pii Kotilainen, Senior Vice President, Human Resources resigned as from March 31, 2008. Mr. Juha Salonen was appointed as Senior Vice President, Administration and General Counsel starting on April 22, 2008.

As a continuum to the strategy update and the revised organizational layout, the members of the Group Executive Team are: Jukka Moisio (Chairman), Chief Executive Officer; Timo Salonen, Chief Financial Officer; Juha Salonen, Senior Vice President, Administration and General Counsel; Clay Dunn, Executive Vice President, Americas and Rough Molded Fiber Global; Suresh Gupta, Executive Vice President, Flexibles Global; Eric Le Lay, Executive Vice President, Foodservice Europe-Asia-Oceania; and Peter Wahsner, Executive Vice President, Films Global.

Resolutions of Huhtamäki Oyj's Annual General Meeting in 2008

Huhtamäki Oyj's Annual General Meeting of Shareholders was held in Helsinki on March 31, 2008. The meeting adopted the Company's Financial Statements and the Consolidated Financial Statements for 2007 and discharged the Company's Board of Directors and the CEO from liability. The dividend for 2007 was set at EUR 0.42 per share, unchanged from the previous year.



Seven members of the Board of Directors were elected for a term which lasts until the end of the Annual General Meeting of Shareholders following the election. Ms. Eija Ailasmaa, Mr. George V. Bayly, Mr. Robertus van Gestel, Mr. Mikael Lilius, Mr. Anthony J.B. Simon and Mr. Jukka Suominen were re-elected to the Board of Directors. Mr. Rolf Börjesson was elected as a new member. The Board of Directors subsequently elected Mikael Lilius as Chairman of the Board and Jukka Suominen as Vice-Chairman of the Board.

Short-term risks and uncertainties

Volatile raw material and energy prices as well as movements in currency translations are considered to be relevant short-term business risks and uncertainties in the Group's operations. Material changes in general economic conditions or in the financial markets could have an adverse effect on the implementation of the Group's strategy and on its business performance and earnings.

Outlook for 2009

The year has started with uncertainty about the severity of the economic downturn, as well as the timing and scope of a potential recovery in the global economy. However, as the majority of the Group's segments are considered to be of a defensive nature, with food and personal care related packaging products, relatively stable market development is expected in 2009. At the beginning of the year, the costs for polymer based raw materials are expected to be lower than the average in 2008.

In the short-term, pricing and supply chain initiatives, control over costs and capital spending, positive cash flow generation and net debt reduction continue as key focus areas within the Group. Capital expenditure in 2009 is expected to be below EUR 100 million.

Dividend proposal

The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.34 (EUR 0.42) per share be paid.

Annual General Meeting 2009

The Annual General Meeting of Shareholders will be held on Friday, April 3, 2009, at 3.00 pm (Finnish time), at Finlandia Hall, Mannerheimintie 13 e, in Helsinki, Finland.

Financial reporting in 2009

Huhtamäki will publish the interim report for January–March on April 23, January–June on July 23 and January–September on October 22.

Espoo, February 9, 2009
Huhtamäki Oyj's Board of Directors

Group Income statement (IFRS)

EUR million	Q1-Q4 2008	Q1-Q4 2007	Q4 2008	Q4 2007
Net sales	2,260.0	2,311.0	548.8	557.8
Cost of goods sold	-2,043.2	-2,028.0	-564.0	-543.8
Gross profit	216.8	283.0	-15.2	14.0
Other operating income	21.6	31.9	7.4	15.5
Sales and marketing	-84.8	-83.6	-21.3	-20.6
Research and development	-16.2	-17.8	-4.2	-3.6
Administration costs	-117.2	-122.6	-30.1	-31.9
Other operating expenses	-94.7	-62.8	-84.3	-51.9
	-291.3	-254.9	-132.5	-92.5
Earnings before interest and taxes	-74.5	28.1	-147.7	-78.5
Financial income	10.0	9.2	2.5	2.8
Financial expenses	-55.7	-51.7	-14.1	-14.4
Income of associated companies	0.5	0.4	0.1	0.1
Result before taxes	-119.7	-14.0	-159.2	-90.0
Income taxes	9.5	-6.2	16.4	7.3
Result for the period	-110.2	-20.2	-142.8	-82.7
Attributable to:				
Equity holders of the parent company	-111.9	-22.5	-142.9	-83.7
Minority interest	1.7	2.3	0.1	1.0
Basic earnings per share (EUR) for the shareholders of parent company	-1.12	-0.22	-1.43	-0.83
Diluted earnings per share (EUR) for the shareholders of parent company	-1.12	-0.22	-1.43	-0.83

Group balance sheet (IFRS)

EUR million	Dec 31 2008	Dec 31 2007
ASSETS		
Non-current assets		
Goodwill	402.4	471.9
Other intangible assets	34.5	41.4
Tangible assets	676.3	799.3
Investments in associated companies	1.9	1.5
Available for sale investments	1.9	1.9
Interest bearing receivables	0.1	0.9
Deferred tax assets	15.1	13.7
Employee benefit assets	62.5	59.2
Other non-current assets	3.7	4.8
	1,198.4	1,394.6
Current assets		
Inventory	296.7	348.5
Interest bearing receivables	2.1	4.6
Current tax assets	9.4	17.9
Trade and other current receivables	377.9	394.8
Cash and cash equivalents	67.8	30.8
	753.9	796.6
Total assets	1,952.3	2,191.2
EQUITY AND LIABILITIES		
Share capital	358.7	358.7
Premium fund	104.7	104.7
Treasury shares	-46.5	-46.5
Translation differences	-130.5	-121.1
Fair value and other reserves	-5.0	1.4
Retained earnings	327.5	475.7
Total equity attributable to equity holders of the parent company	608.9	772.9
Minority interest	18.4	20.5
Hybrid bond	75.0	-
Total equity	702.3	793.4
Non-current liabilities		
Interest bearing liabilities	474.7	401.1
Deferred tax liabilities	29.8	38.8
Employee benefit liabilities	103.8	108.8
Provisions	58.4	60.3
Other non-current liabilities	6.5	4.3
	673.2	613.3
Current liabilities		
Interest bearing liabilities		
- Current portion of long term loans	25.2	17.9
- Short term loans	157.3	365.7
Provisions	10.1	8.0
Current tax liabilities	9.8	21.1
Trade and other current liabilities	374.4	371.8
	576.8	784.5
Total liabilities	1,250.0	1,397.8
Total equity and liabilities	1,952.3	2,191.2
	Dec 31 2008	Dec 31 2007
Net debt	587.2	748.5
Net debt to equity (gearing)	0.84	0.94

Changes in shareholders' equity

EUR million	Attributable to equity holders of the parent company						Total equity	Minority interest	Hybrid bond	Total
	Share capital	Share issue premium	Treasury shares	Translation diff.	Fair value and other reserves	Retained earnings				
Balance at Dec 31, 2006	358.7	104.7	-46.5	-106.7	2.1	528.8	841.1	19.3	-	860.4
Cash flow hedges										
Hedge result deferred to equity					0.5		0.5			0.5
Hedge result recognized in income statement					-3.7		-3.7			-3.7
Hedge result transferred to carrying amount of hedged items					1.7		1.7			1.7
Translation differences				-14.4			-14.4	-1.1		-15.5
Deferred tax in equity					0.8		0.8			0.8
Other changes						10.0	10.0			10.0
Income and expense recognized directly in equity				-14.4	-0.7	10.0	-5.1	-1.1		-6.2
Result for the period						-22.5	-22.5	2.3		-20.2
Total recognized income and expense for the period				-14.4	-0.7	-12.5	-27.6	1.2		-26.4
Dividend						-42.2	-42.2			-42.2
Share-based payments						1.6	1.6			1.6
Balance at Dec 31, 2007	358.7	104.7	-46.5	-121.1	1.4	475.7	772.9	20.5	-	793.4
Balance at Dec 31, 2007	358.7	104.7	-46.5	-121.1	1.4	475.7	772.9	20.5	-	793.4
Cash flow hedges										
Hedge result deferred to equity					-5.5		-5.5			-5.5
Hedge result recognized in income statement					-2.9		-2.9			-2.9
Hedge result transferred to carrying amount of hedged items					-0.7		-0.7			-0.7
Translation differences				-9.4			-9.4	-3.8		-13.2
Deferred tax in equity					2.7		2.7			2.7
Other changes						4.7	4.7			4.7
Income and expense recognized directly in equity				-9.4	-6.4	4.7	-11.1	-3.8		-14.9
Result for the period						-111.9	-111.9	1.7		-110.2
Total recognized income and expense for the period				-9.4	-6.4	-107.2	-123.0	-2.1		-125.1
Dividend						-42.2	-42.2			-42.2
Share-based payments						1.2	1.2			1.2
Hybrid bond									75.0	75.0
Balance at Dec 31, 2008	358.7	104.7	-46.5	-130.5	-5.0	327.5	608.9	18.4	75.0	702.3

Group cash flow statement (IFRS)

EUR million	Q1-Q4 2008	Q1-Q4 2007	Q4 2008	Q4 2007
Result for the period*	-110.2	-20.2	-142.8	-82.7
Adjustments*	280.0	243.2	170.2	126.5
- Depreciation, amortization and impairment*	245.9	203.3	173.4	129.2
- Gain on equity of minorities*	-0.5	-0.4	-0.1	-0.2
- Gain/loss from disposal of assets*	-4.3	-8.1	-0.4	-8.6
- Financial expense/-income*	45.7	42.5	11.6	11.6
- Income tax expense*	-9.5	6.2	-16.4	-7.3
- Other adjustments, operational*	2.7	-0.3	2.1	1.9
Change in inventory*	38.2	-14.8	56.6	15.1
Change in non-interest bearing receivables*	8.2	-3.7	17.4	27.3
Change in non-interest bearing payables*	2.8	-38.5	-30.0	-5.3
Dividends received*	0.5	0.9	0.3	0.5
Interest received*	1.7	1.3	0.3	0.0
Interest paid*	-43.2	-42.7	-9.5	-10.7
Other financial expense and income*	-2.1	-1.1	-1.8	-1.5
Taxes paid*	-5.0	-18.6	1.5	-8.9
Net cash flows from operating activities	170.9	105.8	62.2	60.3
Capital expenditure*	-74.3	-147.9	-26.6	-55.5
Proceeds from selling fixed assets*	7.1	14.3	1.2	12.0
Proceeds from long-term deposits	3.3	7.2	0.3	0.1
Payment of long-term deposits	-2.5	-6.1	0.0	-4.5
Proceeds from short-term deposits	33.4	11.5	3.8	7.1
Payment of short-term deposits	-31.4	-11.0	-3.1	-7.1
Net cash flows from investing	-64.4	-132.0	-24.4	-47.9
Proceeds from long-term borrowings	489.3	520.2	171.7	188.5
Repayment of long-term borrowings	-415.9	-434.4	-131.9	-153.9
Proceeds from short-term borrowings	2,446.3	2,987.4	328.6	820.4
Repayment of short-term borrowings	-2,620.5	-2,995.0	-456.6	-857.9
Dividends paid	-42.2	-42.2	-	-
Hybrid equity	75.0	-	75.0	-
Net cash flows from financing	-68.0	36.0	-13.2	-2.9
Change in liquid assets	37.0	8.5	23.4	8.7
Cash flow based	38.5	9.8	24.6	9.5
Translation difference	-1.5	-1.3	-1.2	-0.8
Liquid assets period start	30.8	22.3	44.4	22.1
Liquid assets period end	67.8	30.8	67.8	30.8
Free cash flow (including figures marked with *)	103.7	-27.8	36.8	16.8

NOTES FOR THE RESULT REPORT

Except for accounting policy changes listed below, the same accounting policies have been applied in the interim financial statements as in annual financial statements for 2007.

Changes in accounting principles

The Group has adopted the following IFRS standards and interpretations considered applicable to Huhtamäki, with effect from January 1, 2008:

- IFRS 8 Operating segments. IFRS 8 assumes that segment reporting reflects the Group's management and internal reporting structure. The five new segments are in line with Huhtamäki's internal management structure and will replace the former geographical segments.
- IFRIC 14 IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding requirements and their Interaction. The interpretation provides guidance on assessing the amount of the surplus that can be recognized as defined benefit asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement.

These newly adopted standards have not had a material impact on the reported results.

Segments

Segment information is presented according to the IFRS standards. Items below EBIT - financial items and taxes - are not allocated to the segments.

Net sales

EUR million	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q1-Q4 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q1-Q4 2007
Flexibles and Films Global	158.9	174.6	176.2	178.4	688.1	167.9	176.3	175.1	185.7	705.0
- Intersegment net sales	-0.9	1.7	1.7	0.9	3.4	0.8	1.2	1.0	1.2	4.2
Rigid Europe	138.5	159.1	173.5	149.9	621.0	148.7	161.7	172.1	146.0	628.5
- Intersegment net sales	1.4	1.0	1.5	1.1	5.0	1.5	1.6	1.2	1.1	5.4
Molded Fiber Europe	33.4	34.0	34.9	35.4	137.7	36.5	33.5	34.2	34.3	138.5
- Intersegment net sales	0.2	0.2	0.1	0.0	0.5	0.2	0.0	0.4	0.3	0.9
Rigid and Molded Fiber Americas	165.0	151.3	154.7	132.5	603.6	143.6	153.5	166.5	142.2	605.8
- Intersegment net sales	1.5	0.9	1.3	0.8	4.4	0.9	0.9	0.7	0.7	3.2
Rigid and Molded Fiber AOA	53.0	53.0	51.1	52.5	209.6	61.1	57.4	58.2	56.5	233.2
- Intersegment net sales	0.1	0.1	0.0	0.0	0.2	-0.2	0.1	0.1	0.1	0.1
Elimination of intersegment net sales	-2.3	-3.8	-4.5	-2.9	-13.5	-3.2	-3.8	-3.4	-3.4	-13.8
Total	548.8	572.1	590.5	548.6	2,260.0	557.8	582.4	606.1	564.7	2,311.0

EBIT

EUR million	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q1-Q4 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q1-Q4 2007
Flexibles and Films Global ¹⁾	-16.4	7.6	9.1	6.6	6.9	-0.5	11.8	12.5	14.7	38.5
Rigid Europe ²⁾	-103.8	3.0	0.7	1.5	-98.6	-74.3	3.5	3.3	0.2	-67.3
Molded Fiber Europe	2.3	2.6	2.5	2.9	10.3	3.5	2.5	2.3	2.4	10.7
Rigid and Molded Fiber Americas ³⁾	3.2	12.0	15.7	9.2	40.1	-6.2	13.1	19.4	17.2	43.5
Rigid and Molded Fiber AOA ⁴⁾	-34.9	1.1	-1.0	-0.2	-35.0	-1.3	1.8	2.7	3.3	6.5
Other activities	1.9	-0.1	0.0	0.0	1.8	0.3	0.5	-4.5	-0.1	-3.8
Total ⁵⁾	-147.7	26.2	27.0	20.0	-74.5	-78.5	33.2	35.7	37.7	28.1

¹⁾ Q4 2008 includes restructuring charges MEUR 1.7 (2007: MEUR 0.0), goodwill impairment charges MEUR 7.4 (2007: MEUR 8.3) and tangible asset impairment charges MEUR 8.8 (2007: MEUR 0.0).

²⁾ Q4 2008 includes restructuring charges MEUR 4.4 (2007: MEUR 1.4), goodwill impairment charges MEUR 34.5 (2007: MEUR 31.6) and tangible asset impairment charges MEUR 61.8 (2007: MEUR 46.0), Q3 2008 includes restructuring charges MEUR 0.1 (2007: MEUR 0.0), Q2 2008 includes restructuring charges MEUR 6.8 (2007: MEUR 0.0).

³⁾ Q4 2008 includes restructuring charges MEUR 2.0 (2007: MEUR 0.0) and tangible asset impairment charges MEUR 3.2 (2007: MEUR 11.7), Q4 2007 includes goodwill impairment charges MEUR 5.1.

⁴⁾ Q4 2008 includes restructuring charges MEUR 1.2 (2007: MEUR 2.3), goodwill impairment charges MEUR 30.4 (2007: MEUR 1.6) and tangible asset impairment charges MEUR 3.2 (2007: MEUR 0.0).

⁵⁾ Q4 2008 includes restructuring charges MEUR 9.3 (2007: MEUR 3.7), goodwill impairment charges MEUR 72.3 (2007: MEUR 46.6) and tangible asset impairment charges MEUR 77.0 (2007: MEUR 57.7), Q3 2008 includes restructuring charges MEUR 0.1 (2007: MEUR 0.0), Q2 2008 includes restructuring charges MEUR 6.8 (2007: MEUR 0.0), total amount MEUR 165.5 (2007: MEUR 108.0).

Depreciation and amortization

EUR million	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q1-Q4 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q1-Q4 2007
Flexibles and Films Global	6.4	6.8	6.1	5.9	25.2	6.3	5.7	5.8	5.2	23.0
Rigid Europe	6.6	6.9	6.9	7.0	27.4	7.7	8.5	7.8	8.2	32.2
Molded Fiber Europe	1.8	1.9	1.9	1.9	7.5	1.8	1.9	1.9	1.9	7.5
Rigid and Molded Fiber Americas	5.8	5.0	5.0	5.0	20.8	5.6	5.8	5.9	6.0	23.3
Rigid and Molded Fiber AOA	3.0	5.3	3.0	3.1	14.4	3.1	3.0	3.0	2.9	12.0
Other activities	0.6	0.3	0.2	0.2	1.3	0.2	0.2	0.2	0.3	0.9
Total	24.2	26.2	23.1	23.1	96.6	24.7	25.1	24.6	24.5	98.9

Net assets allocated to the segments⁶⁾

EUR million	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Flexibles and Films Global	492.9	535.3	513.9	526.7	542.9	547.7	528.0	513.9
Rigid Europe	251.7	381.1	378.2	399.9	407.6	494.0	502.9	494.4
Molded Fiber Europe	115.1	120.4	121.8	121.5	119.1	118.7	116.4	116.1
Rigid and Molded Fiber Americas	415.1	431.5	403.3	413.1	417.1	456.9	478.6	474.2
Rigid and Molded Fiber AOA	135.2	180.9	189.5	188.0	201.3	204.5	209.3	197.1

⁶⁾ Net assets include the following balance sheet items: intangible and tangible assets, 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

	Q4	Q3	Q2	Q1	Q1-Q4	Q4	Q3	Q2	Q1	Q1-Q4
EUR million	2008	2008	2008	2008	2008	2007	2007	2007	2007	2007
Flexibles and Films Global	5.3	3.8	9.6	6.8	25.5	15.3	15.1	12.6	8.6	51.6
Rigid Europe	6.9	4.8	3.2	2.2	17.1	9.8	8.6	7.9	9.5	35.8
Molded Fiber Europe	4.1	1.9	0.4	0.6	7.0	7.3	0.8	0.8	0.8	9.7
Rigid and Molded Fiber Americas	7.1	4.2	2.9	1.3	15.5	15.7	6.0	3.3	1.9	26.9
Rigid and Molded Fiber AOA	3.1	1.7	1.8	1.8	8.4	6.4	4.8	6.6	4.5	22.3
Other activities	0.1	0.0	0.0	0.7	0.8	0.9	0.1	0.3	0.3	1.6
Total	26.6	16.4	17.8	13.5	74.3	55.4	35.4	31.5	25.6	147.9

RONA, % (12m roll.)

	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
EUR million	2008	2008	2008	2008	2007	2007	2007	2007
Flexibles and Films Global	1.3%	4.3%	5.1%	5.7%	7.2%	10.2%	11.1%	11.5%
Rigid Europe	-27.9%	-17.6%	-16.3%	-14.6%	-14.2%	-1.3%	-3.5%	-2.8%
Molded Fiber Europe	8.6%	9.5%	9.4%	9.3%	9.0%	8.9%	9.6%	10.2%
Rigid and Molded Fiber Americas	9.6%	7.4%	7.5%	8.0%	9.5%	13.3%	13.5%	13.6%
Rigid and Molded Fiber AOA	-20.2%	-0.7%	-0.3%	1.5%	3.2%	5.8%	6.6%	6.6%

Operating Cash Flow

	Q4	Q3	Q2	Q1	Q1-Q4	Q4 *	Q3 *	Q2 *	Q1 *	Q1-Q4 *
EUR million	2008	2008	2008	2008	2008	2007	2007	2007	2007	2007
Flexibles and Films Global	26.8	-2.9	14.3	7.2	45.4	7.2	-18.9	9.6	-4.0	-6.1
Rigid Europe	13.5	1.6	30.2	1.1	46.4	17.2	16.2	-7.7	-7.7	18.0
Molded Fiber Europe	3.3	1.8	3.9	1.6	10.6	5.1	1.5	4.0	1.2	11.8
Rigid and Molded Fiber Americas	19.7	8.6	27.5	-2.5	53.3	25.6	21.9	9.7	-3.2	54.0
Rigid and Molded Fiber AOA	-1.4	5.2	4.7	3.8	12.3	-0.8	0.5	-3.1	-5.8	-9.2

*) In 2007 operating cashflow calculations the FX translation has been changed.

As net sales and EBIT of reportable segments form Groups' total net sales and EBIT, reconciliations to corresponding amounts are not presented.

Other information

EUR million	Q1-Q4	Q1-Q4
	2008	2007
Equity per share (EUR)	6.81	7.70
ROE, % (12m roll.)	-14.8	-2.4
ROI, % (12m roll.)	-4.8	1.8
Personnel	14,644	15,092
Result before taxes (12m roll.)	-119.7	-14.0
Depreciation	89.2	92.9
Amortization of other intangible assets	7.4	6.0

Share capital and shareholders

At the end of the reporting period, the Company's registered share capital was EUR 358,657,670.00 (unchanged) corresponding to a total number of outstanding shares of 105,487,550 (unchanged) including 5,061,089 (unchanged) Company's own shares. The Company's own shares had the total accountable par value of EUR 17,207,702.60, representing 4.8% of the total number of shares and voting rights. The amount of outstanding shares net of Company's own shares was 100,426,461 (unchanged).

In January-December 2008, no new shares were issued following share subscriptions based on option rights 2003 A, B and C as well as 2006 A. The Company's 2006 A option rights were listed on the NASDAQ OMX Helsinki Ltd on October 1, 2008.

There were 22,089 (21,424) registered shareholders at the end of December 2008. Foreign ownership including nominee registered shares accounted for 23.8% (26.1%).

Share developments

The Company's share is quoted on the NASDAQ OMX Helsinki Ltd on the Nordic Mid Cap list under the Materials sector. At the end of December 2008, the Company's market capitalization was EUR 464.1 million (EUR 856.6 million) and EUR 441.9 million (EUR 815.5 million) excluding Company's own shares. With a closing price of EUR 4.40 (EUR 8.12) the share price decreased by 46% (-45%) from the beginning of the year, while the OMX Helsinki Cap PI Index decreased by 50% (+4%) and also the OMX Helsinki Materials PI Index decreased by 50% (-20%). In January-December 2008, the volume weighted average price for the Company's share was EUR 6.29 (EUR 11.33). The highest price paid was EUR 8.36 on January 2, 2008 and the lowest price paid was EUR 4.16 on October 10, 2008.

During the reporting period the cumulative value of the Company's share turnover was EUR 707.3 million (EUR 1,483.0 million). The trading volume of 111.6 million (131.1 million) shares equaled an average daily turnover of EUR 2.8 million (EUR 5.9 million) or, correspondingly 441,220 (524,202) shares.

In total, turnover of the Company's 2003 A, B and C as well as 2006 A option rights was EUR 497,634 corresponding to a trading volume of 607,919.

Contingent liabilities

	Dec 31 2008	Dec 31 2007
EUR million		
Mortgages	14.5	14.5
Guarantee obligations	2.9	2.8
Lease payments	49.8	55.6
Capital expenditure commitments	7.3	19.4

Nominal values of derivative instruments

	Dec 31 2008	Dec 31 2007
EUR million		
Currency forwards, transaction risk hedges	49	45
Currency forwards, translation risk hedges	34	101
Currency swaps, financing hedges	105	143
Currency options	-	-1
Interest rate swaps	160	164
Interest rate options	7	-
Electricity forwards	6	1

The following EUR rates have been applied to GBP, INR, AUD and USD

		Q4/08	Q4/07
Income statement, average:	GBP 1 =	1.258	1.461
	INR 1 =	0.016	0.018
	AUD 1 =	0.575	0.612
	USD 1 =	0.679	0.729
		Q4/08	Q4/07
Balance sheet, month end:	GBP 1 =	1.050	1.364
	INR 1 =	0.015	0.017
	AUD 1 =	0.493	0.597
	USD 1 =	0.719	0.679

Definitions for key indicators

Earnings per share =	$\frac{\text{Result before taxes - minority interest - hybrid bond interest - taxes}}{\text{Average number of shares outstanding}}$
Earnings per share = (diluted)	$\frac{\text{Diluted result before taxes - minority interest - hybrid bond interest - taxes}}{\text{Average fully diluted number of shares outstanding}}$
Net debt to equity (gearing) =	$\frac{\text{Interest bearing net debt}}{\text{Equity + minority interest + hybrid bond (average)}}$
RONA, % =	$100 \times \frac{\text{Earnings before interest and taxes (12 m roll.)}}{\text{Net assets (12 m roll.)}}$
Operating cash flow =	Ebit + depreciation and amortization (including impairment) - capital expenditures + disposals +/- change in inventories, trade receivables and trade payables
Shareholders' equity per share =	$\frac{\text{Equity}}{\text{Issue-adjusted number of shares at period end}}$
Return on equity (ROE) =	$100 \times \frac{\text{(Result for the period) (12 m roll.)}}{\text{Equity + minority interest + hybrid bond (average)}}$
Return on investment (ROI) =	$100 \times \frac{\text{(Result before taxes + interest expenses + net other financial expenses) (12 m roll.)}}{\text{Balance sheet total - Interest-free liabilities (average)}}$

