



Interim Report

January 1 – June 30, 2010

Huhtamäki Group is a leading manufacturer of consumer and specialty packaging with 2009 net sales totaling EUR 2 billion. Foodservice and consumer goods markets are served by approximately 13,000 people in 54 manufacturing units and several sales offices in 33 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



INTERIM REPORT JANUARY 1 – JUNE 30, 2010

Sales and earnings increased

- Group net sales grew helped by a favorable currency effect and improved price/mix
- Earnings improved due to successful cost control
- Good cash flow
- Due to progress in the ongoing strategic review, the majority of the Rigid Consumer Goods Plastics operations is classified for reporting purposes as assets held for sale and consequently reported under discontinued operations
- Based on the good first half year result, it is expected that the full year 2010 EPS will be higher than in 2009 before non-recurring charges (EUR 0.74)

Key figures EUR million	H1 2010	H1 2009	Q2 2010	Q2 2009
Continuing operations				
Net sales	970.2	939.3	522.3	492.7
EBIT*	73.2	64.1	44.3	34.6
EBIT margin %	7.5	6.8	8.5	7.0
EPS	0.47	0.33	0.30	0.20
Including discontinued operations				
EPS	0.51	0.42	0.32	0.24
ROI % (12m roll.)	10.0	-3.2	-	-

*Q2 and H1 2009 EBIT include EUR 3.8 million non-recurring charges

Overview

In the reporting period all business segments were affected by increasing raw material prices. Despite a challenging market environment and stable volumes, the Group net sales increased compared with the corresponding period in 2009 as a result of a favorable currency translation effect and improved price and product mix management.

Operating earnings improved due to successful cost control, efficient response to higher raw material cost as well as a better product mix. Earnings per share (EPS) from continuing operations improved to EUR 0.47 (EUR 0.33).

Cash flow generation was solid especially in North America and Group free cash flow was EUR 44 million. Gearing reduced during the reporting period compared to the corresponding period in 2009 to 0.47 (0.68).

The ongoing strategic review of the Rigid Consumer Goods Plastics operations progressed. The carve out process has been completed during the second quarter. Therefore the majority of the Rigid Consumer Goods Plastics operations are classified as assets held for sale and reported as discontinued operations. The strategic review will continue.

Business review by segment, continuing operations

The sales distribution by segment was following: Flexible Packaging 26% (25%), Films 8% (8%), North America 28% (30%), Molded Fiber 12% (11%), Foodservice Europe-Asia-Oceania 23% (23%) and Other activities 3% (3%).

Flexible Packaging

Flexibles are used for consumer packaging of a wide range including food, pet food, hygiene and health care products. The segment serves global markets from production units in Europe, Asia, Oceania and South America.



EUR million	H1 2010	H1 2009	Q2 2010	Q2 2009
Net sales	257.2	239.3	130.4	119.0
EBIT	17.0	13.6	7.1	4.8
EBIT margin %	6.6	5.7	5.4	4.0
RONA % (12m roll.)	10.0	0.3	-	-

The segment's volumes and net sales increased during the reporting period compared to the corresponding period in 2009. The Asian units were important contributors to the positive development. In Europe the growth slowed down during the second quarter.

The segment's earnings improved, supported by increased volumes in Asia and improved product mix.

Films

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. The segment serves global markets from production units in Europe and North America.

EUR million	H1 2010	H1 2009	Q2 2010	Q2 2009
Net sales	83.3	80.3	42.1	39.1
EBIT*	6.3	-2.9	3.8	-3.4
EBIT margin %	7.6	-3.6	9.0	-8.7
RONA % (12m roll.)	5.5	0.7	-	-

*Q2 and H1 2009 EBIT include EUR 3.8 million non-recurring charges

Sales within the segment increased during the reporting period compared to the corresponding period in 2009. Chosen core segments especially in North America contributed to a significant volume growth. Volume growth accelerated during the second quarter.

Earnings within the segment developed very positively due to higher volumes and lower cost base.

North America

The North America segment serves local markets with Chinet® disposable tableware products, ice-cream containers as well as other consumer goods and foodservice products. The segment has production in North America and Mexico.

EUR million	H1 2010	H1 2009	Q2 2010	Q2 2009
Net sales	271.4	282.2	157.8	153.1
EBIT	27.3	38.1	18.9	23.6
EBIT margin %	10.1	13.5	12.0	15.4
RONA % (12m roll.)	11.7	13.0	-	-

Soft market conditions lowered sales and earnings during the reporting period compared to the corresponding period in 2009. After a sluggish start to the year some volume improvement was visible in the Retail and Foodservice divisions.

Reduction in manufacturing and distribution costs as well as a favorable currency translation effect had a positive impact on earnings in the second quarter, mitigating the impact of lower volumes and higher raw material cost.

Molded Fiber

Recycled molded fiber is used to make fresh product packaging, such as egg and fruit packaging. The segment has production in Europe, Oceania, Africa and South America.



EUR million	H1 2010	H1 2009	Q2 2010	Q2 2009
Net sales	114.7	99.6	59.2	51.3
EBIT	10.3	8.1	5.7	4.3
EBIT margin %	9.0	8.1	9.6	8.4
RONA % (12m roll.)	11.6	6.1	-	-

The segment's net sales increased during the reporting period compared to the corresponding period in 2009, mostly as a result of successful price and product mix management.

Growth in earnings was mainly based on good price and product mix management.

Foodservice Europe-Asia-Oceania

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

EUR million	H1 2010	H1 2009	Q2 2010	Q2 2009
Net sales	231.1	225.3	125.1	120.8
EBIT	11.7	8.8	8.2	6.4
EBIT margin %	5.1	3.9	6.6	5.3
RONA % (12m roll.)	8.3	-0.2	-	-

Soft market conditions continued and volumes decreased during the reporting period. Earnings continued at an improving trend, driven by good cost containment.

Discontinued operations

Rigid Consumer Goods Plastics operations have been under strategic review since autumn 2008.

Rigid Consumer Goods Plastics units in South America and Australia were divested in 2009. In Europe, the carve out process has been completed during the second quarter. The Rigid Consumer Goods Plastics operations have been segregated into separate legal entities. Income statement items, as well as assets and liabilities directly associated with those units have been separated. Therefore the units in Finland, France, Germany, Lithuania, Poland and Turkey are classified as assets held for sale. The unit in Italy is reported under other activities. For all units the strategic review is ongoing.

In this report the result for the assets held for sale is presented as a separate line item under "discontinued operations". Quarterly results for 2009 and Q1 2010 have been restated accordingly. Results of units sold during 2009 are also included in the "discontinued operations" for respective quarters.

The result for the period from discontinued operations was EUR 4 million (EUR 9 million) and in the second quarter EUR 2 million (EUR 3 million). The decrease is due to impact of divestments as well as higher raw material costs. The 2010 figures include a non-recurring charge of EUR 2 million related to the strategic review of the discontinued operations.

Assets and liabilities under the assets held for sale are reported separately from continuing operations in the statement of financial position.

Financial review

The Group EBIT in the reporting period from continuing operations was EUR 73 million (EUR 64 million, including EUR 4 million non-recurring charges), corresponding to an EBIT margin of 7.5% (6.8%). In the second quarter, the Group EBIT from continuing operations was EUR 44 million (EUR 35 million, including EUR 4 million non-recurring charges), corresponding to an EBIT margin of 8.5% (7.0%).



The net financial items for the reporting period were EUR -8 million (EUR -15 million) and for the second quarter EUR -4 million (EUR -6 million). Tax expense for the reporting period was EUR 12 million (EUR 11 million) and for the second quarter EUR 7 million (EUR 6 million).

The result for the period from continuing operations was EUR 54 million (EUR 38 million) and the earnings per share (EPS) from continuing operations were EUR 0.47 (EUR 0.33). Correspondingly in the second quarter these were EUR 33 million (EUR 23 million) and EUR 0.30 (EUR 0.20). The average number of outstanding shares used in the EPS calculations was 101,131,905 (100,426,461) excluding 4,826,089 (5,061,089) of the Company's own shares.

The result for the period including discontinued operations was EUR 57 million (EUR 47 million) and the earnings per share (EPS) were EUR 0.51 (EUR 0.42). Correspondingly in the second quarter these were EUR 35 million (EUR 26 million) and EUR 0.32 (EUR 0.24). The 2010 figures include a non-recurring charge of EUR 2 million related to the strategic review of the discontinued operations.

Statement of financial position and cash flow

Free cash flow in the reporting period was EUR 44 million (EUR 102 million) and for the second quarter it was EUR 37 million (EUR 65 million). Capital expenditure was EUR 24 million (EUR 18 million), correspondingly in the second quarter it was EUR 14 million (EUR 10 million).

Net debt was EUR 378 million (EUR 487 million) at the end of June 2010. This corresponds to a gearing ratio of 0.47 (0.68).

Total assets on the balance sheet were EUR 1,966 million (EUR 1,889 million).

Personnel

The Group had 13,049 (13,712) employees at the end of June 2010.

Short-term risks and uncertainties

Volatile raw material and energy prices as well as movements in currency rates are considered to be relevant short-term business risks and uncertainties in the Group's operations. General economic and financial market conditions can also have an adverse effect on the implementation of the Group's strategy and on its business performance and earnings.

Outlook for 2010

General economic and market conditions for the second half of 2010 remain uncertain. However, based on the good first half year result, it is expected that the full year 2010 EPS will be higher than in 2009 before non-recurring charges (EUR 0.74). The Group is in a good financial position to address growth opportunities in stronghold segments when they arise. Capital expenditure is expected to be higher than in 2009 but below EUR 100 million.

Financial reporting in 2010

Huhtamäki will publish the interim report for January – September, 2010 on October 21.

Espoo, July 21, 2010
Huhtamäki Oyj
Board of Directors

Group income statement (IFRS)
Unaudited

EUR million	H1 2010	H1 2009	Q2 2010	Q2 2009	Q1-Q4 2009
Continuing operations					
Net sales	970.2	939.3	522.3	492.7	1,831.8
Cost of goods sold	-805.1	-779.9	-429.4	-408.6	-1,530.0
Gross profit	165.1	159.4	92.9	84.1	301.8
Other operating income	10.4	7.1	5.6	4.1	15.0
Sales and marketing	-36.7	-36.0	-20.2	-19.9	-70.0
Research and development	-7.7	-6.6	-4.2	-3.2	-14.7
Administration costs	-53.6	-55.8	-28.0	-28.4	-111.3
Other operating expenses	-4.3	-4.0	-1.8	-2.1	-8.9
	-91.9	-95.3	-48.6	-49.5	-189.9
Earnings before interest and taxes	73.2	64.1	44.3	34.6	111.9
Financial income	2.4	14.0	0.9	10.7	24.1
Financial expenses	-10.6	-29.5	-5.1	-17.2	-49.9
Income of associated companies	0.3	0.3	0.2	0.1	0.6
Result before taxes	65.3	48.9	40.3	28.2	86.7
Income taxes	-11.6	-10.9	-7.2	-5.6	-19.4
Result for the period from continuing operations	53.7	38.0	33.1	22.6	67.3
Discontinued operations					
Result from operations	5.5	9.1	3.8	3.5	6.2
Impairment loss recognised on the remeasurement to fair value less cost to sell	-2.0	-	-2.0	-	-
Result for the period from discontinued operations	3.5	9.1	1.8	3.5	6.2
Result for the period	57.2	47.1	34.9	26.1	73.5
Attributable to:					
Equity holders of the parent company					
Result for the period from continuing operations	52.0	36.6	32.5	21.8	64.9
Result for the period from discontinued operations	3.5	9.1	1.8	3.5	6.2
Result for the period attributable to owners of parent	55.5	45.7	34.3	25.3	71.1
Non-controlling interest					
Result for the period from continuing operations	1.7	1.4	0.6	0.8	2.4
Result for the period from discontinued operations	-	-	-	-	-
Result for the period attributable to non-controlling interest	1.7	1.4	0.6	0.8	2.4
EUR					
EPS result for the period from continuing operations	0.51	0.37	0.32	0.22	0.65
EPS attributable to hybrid bond investors	0.04	0.04	0.02	0.02	0.08
EPS continuing operations	0.47	0.33	0.30	0.20	0.57
EPS result for the period from discontinued operations	0.04	0.09	0.02	0.04	0.06
EPS attributable to equity holders of the parent company	0.51	0.42	0.32	0.24	0.63
EPS result for the period	0.55	0.46	0.34	0.26	0.71
Diluted:					
EPS result for the period from continuing operations	0.51	0.37	0.32	0.22	0.65
EPS attributable to hybrid bond investors	0.04	0.04	0.02	0.02	0.08
EPS continuing operations	0.47	0.33	0.30	0.20	0.57
EPS result for the period from discontinued operations	0.04	0.09	0.02	0.04	0.06
EPS attributable to equity holders of the parent company	0.51	0.42	0.32	0.24	0.63
EPS result for the period	0.55	0.46	0.34	0.26	0.71

Group statement of comprehensive income (IFRS)

EUR million	H1 2010	H1 2009	Q2 2010	Q2 2009	Q1-Q4 2009
Result for the period	57.2	47.1	34.9	26.1	73.5
Other comprehensive income:					
Translation differences	59.4	3.8	34.7	-6.6	0.7
Fair value and other reserves	-1.9	-1.3	-1.2	1.8	1.2
Income tax related to components of other comprehensive income	0.4	0.1	0.2	-0.6	-0.5
Other comprehensive income, net of tax	57.9	2.6	33.7	-5.4	1.4
Total comprehensive income	115.1	49.7	68.6	20.7	74.9
Attributable to:					
Equity holders of the parent company					
	113.4	48.2	68.3	19.9	72.3
Non-controlling interest					
	1.7	1.5	0.3	0.8	2.6

Group statement of financial position (IFRS)

Unaudited

EUR million	Jun 30 2010	Dec 31 2009	Jun 30 2009
ASSETS			
Non-current assets			
Goodwill	407.8	394.8	396.1
Other intangible assets	30.1	32.7	32.5
Tangible assets	616.9	604.2	645.3
Investments in associated companies	3.0	2.5	2.2
Available for sale investments	1.2	1.9	2.0
Interest bearing receivables	1.1	11.0	0.4
Deferred tax assets	13.8	16.5	14.6
Employee benefit assets	67.3	57.9	60.6
Other non-current assets	4.3	3.0	4.1
	1,143.5	1,124.5	1,157.8
Current assets			
Inventory	264.4	236.1	263.8
Interest bearing receivables	34.6	19.4	12.5
Current tax assets	3.2	9.1	8.1
Trade and other current receivables	349.4	305.5	362.4
Cash and cash equivalents	90.2	64.0	84.8
	741.8	634.1	731.6
Assets classified as held for sale	78.6	-	-
Total assets	1,965.9	1,758.6	1,889.4
EQUITY AND LIABILITIES			
Share capital	360.6	360.6	358.7
Premium fund	106.8	106.8	104.7
Treasury shares	-44.4	-46.5	-46.5
Translation differences	-72.9	-130.0	-126.8
Fair value and other reserves	-5.8	-4.3	-6.2
Retained earnings	366.0	354.8	334.6
Amounts recognized in other comprehensive income and accumulated in equity relating to non-current assets held for sale	2.3	-	-
Total equity attributable to equity holders of the parent company	712.6	641.4	618.5
Non-controlling interest	24.1	20.2	19.0
Hybrid bond	75.0	75.0	75.0
Total equity	811.7	736.6	712.5
Non-current liabilities			
Interest bearing liabilities	283.3	294.3	466.3
Deferred tax liabilities	51.4	42.5	37.9
Employee benefit liabilities	106.2	102.8	103.4
Provisions	57.2	55.9	56.1
Other non-current liabilities	6.0	5.4	6.5
	504.1	500.9	670.2
Current liabilities			
Interest bearing liabilities			
- Current portion of long term loans	94.7	67.3	26.5
- Short term loans	125.9	101.1	91.9
Provisions	2.3	6.0	8.3
Current tax liabilities	6.4	10.9	5.2
Trade and other current liabilities	380.6	335.8	374.8
	609.9	521.1	506.7
Liabilities directly associated with assets classified as held for sale	40.2	-	-
Total liabilities	1,154.2	1,022.0	1,176.9
Total equity and liabilities	1,965.9	1,758.6	1,889.4
	Jun 30 2010	Dec 31 2009	Jun 30 2009
Net debt	378.0	368.3	487.0
Net debt to equity (gearing)	0.47	0.50	0.68

Statement of changes in equity
Unaudited

EUR million	Attributable to equity holders of the parent company						Discontinued Operations	Total	Non-controlling interest	Hybrid bond	Total equity
	Share capital	Share issue premium	Treasury shares	Translation diff.	Fair value and other reserves	Retained earnings					
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
Dividend						-34.1		-34.1			-34.1
Share-based payments						1.5		1.5			1.5
Interest on Hybrid Bond						-4.7		-4.7			-4.7
Total comprehensive income for the year				3.7	-1.2	45.7		48.2	1.5		49.7
Other changes						-1.3		-1.3	-0.9		-2.2
Balance at Jun 30, 2009	358.7	104.7	-46.5	-126.8	-6.2	334.6	-	618.5	19.0	75.0	712.5

Balance at Dec 31, 2009	360.6	106.8	-46.5	-130.0	-4.3	354.8	-	641.4	20.2	75.0	736.6
Dividend						-38.5		-38.5			-38.5
Share-based payments			2.1			-1.3		0.8			0.8
Interest on Hybrid Bond						-4.6		-4.6			-4.6
Total comprehensive income for the year				59.4	-1.5	55.5		113.4	1.7		115.1
Discontinued operations				-2.3			2.3	0.0			0.0
Other changes						0.1		0.1	2.2		2.3
Balance at Jun 30, 2010	360.6	106.8	-44.4	-72.9	-5.8	366.0	2.3	712.6	24.1	75.0	811.7

Group cash flow statement (IFRS)
Unaudited

EUR million	H1 2010	H1 2009	Q2 2010	Q2 2009	Q1-Q4 2009
Result for the period*	57.2	47.1	34.9	26.1	73.5
Adjustments*	51.6	68.1	28.0	36.3	134.2
- Depreciation, amortization and impairment*	40.6	48.9	20.8	27.2	88.6
- Gain on equity of minorities*	-0.3	-0.3	-0.2	-0.1	-0.6
- Gain/loss from disposal of assets*	-2.7	0.7	-0.6	1.2	5.7
- Financial expense/-income*	8.2	15.5	4.2	6.6	25.8
- Income tax expense*	11.7	11.8	7.1	6.6	20.4
- Other adjustments, operational*	-5.9	-8.5	-3.3	-5.2	-5.7
Change in inventory*	-24.1	32.3	-1.2	29.7	58.3
Change in non-interest bearing receivables*	-39.3	3.1	-26.0	-16.1	50.4
Change in non-interest bearing payables*	20.8	-16.4	13.1	5.5	-28.3
Dividends received*	0.1	0.1	-	0.0	0.5
Interest received*	2.1	1.0	1.0	0.6	2.2
Interest paid*	-5.3	-10.0	-0.8	-1.2	-21.0
Other financial expense and income*	0.8	-2.6	0.9	-2.4	-2.3
Taxes paid*	-0.8	-5.6	-1.5	-3.5	-12.5
Net cash flows from operating activities	63.1	117.1	48.4	75.0	255.0
Capital expenditure*	-24.3	-17.7	-14.1	-9.7	-52.9
Proceeds from selling fixed assets*	5.5	3.0	2.9	0.0	5.9
Divested subsidiaries	-	35.3	-	35.3	69.0
Proceeds from long-term deposits	12.2	0.4	10.6	0.0	1.3
Payment of long-term deposits	-1.3	-0.7	-	-0.3	-11.4
Proceeds from short-term deposits	3.2	2.4	0.8	0.0	13.7
Payment of short-term deposits	-15.2	-12.0	-13.5	-11.3	-29.2
Net cash flows from investing	-19.9	10.7	-13.3	14.0	-3.6
Proceeds from long-term borrowings	122.5	353.5	29.0	173.7	599.3
Repayment of long-term borrowings	-136.6	-365.4	-45.5	-181.0	-785.2
Proceeds from short-term borrowings	416.1	123.5	215.7	59.2	333.8
Repayment of short-term borrowings	-393.8	-189.7	-204.1	-85.0	-363.3
Dividends paid	-38.4	-34.1	-38.4	-34.1	-34.1
Hybrid bond interest	-	-	-	-	-7.9
Proceeds from stock options exercised	-	-	-	-	4.1
Net cash flows from financing	-30.2	-112.2	-43.3	-67.2	-253.3
Change in liquid assets	26.2	17.0	2.1	21.5	-3.8
Cash flow based	13.0	15.6	-8.2	21.8	-1.9
Translation difference	13.2	1.4	10.3	-0.3	-1.9
Liquid assets period start	64.0	67.8	88.1	63.3	67.8
Liquid assets period end	90.2	84.8	90.2	84.8	64.0
Free cash flow (including figures marked with *)	44.3	102.4	37.2	65.1	208.0

NOTES FOR THE INTERIM 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 2009.

Changes in accounting principles

The Group has adopted the following IFRS standards and interpretations considered applicable to Huhtamäki, with effect from January 1, 2010:

- Revised IFRS 3 Business Combination.
- Amended IAS 27 Consolidated and Separate Financial Statements.
- Amended IAS 39 Financial Instruments: Recognition and Measurement - Eligible Hedged Items.
- IFRIC 17 Distribution of Non-cash Assets to Owners.
- IFRIC 18 Transfers of Assets from Customers.
- Improvements to IFRSs (April 2009).
- IFRS 2 Share-based Payment: Group Cash-settled Share-based Payment Transactions.
- Amendment IAS 32 Financial Instruments: Presentation - Classification of Rights Issues.

These newly adopted standards have not had 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	Q2 2010	Q1 2010	H1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q1-Q4 2009
Continuing operations								
Flexible Packaging	129.9	126.4	256.3	109.5	114.0	118.2	119.7	461.4
- Intersegment net sales	0.5	0.4	0.9	0.7	0.8	0.8	0.6	2.9
Films	41.0	40.0	81.0	32.1	40.4	38.3	40.0	150.8
- Intersegment net sales	1.1	1.2	2.3	0.7	0.9	0.8	1.2	3.6
North America	156.9	112.8	269.7	116.5	128.3	152.1	128.1	525.0
- Intersegment net sales	0.9	0.8	1.7	0.7	1.0	1.0	1.0	3.7
Molded Fiber	59.2	55.4	114.6	56.6	51.6	51.0	48.3	207.5
- Intersegment net sales	0.0	0.1	0.1	-0.6	0.4	0.3	0.0	0.1
Foodservice Europe-Asia-Oceania	119.9	100.7	220.6	103.8	111.2	117.8	97.1	429.9
- Intersegment net sales	5.2	5.3	10.5	4.3	5.0	3.0	7.4	19.7
Other activities	15.4	12.6	28.0	14.1	14.4	15.3	13.4	57.2
- Intersegment net sales	1.0	0.7	1.7	0.6	0.8	0.9	0.7	3.0
Elimination of intersegment net sales	-8.7	-8.5	-17.2	-6.4	-8.9	-6.8	-10.9	-33.0
Total continuing operations	522.3	447.9	970.2	432.6	459.9	492.7	446.6	1,831.8
Discontinued operations								
Rigid consumer goods plastics units held for sale	40.2	37.1	77.3	43.6	47.2	55.1	60.0	205.9
- Intersegment net sales	3.5	2.8	6.3	3.7	4.1	5.0	3.6	16.4
Elimination of intersegment net sales	-3.5	-2.8	-6.3	-3.7	-4.1	-5.0	-3.6	-16.4
Total discontinued operations	40.2	37.1	77.3	43.6	47.2	55.1	60.0	205.9

EBIT

EUR million	Q2 2010	Q1 2010	H1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q1-Q4 2009
Continuing operations								
Flexible Packaging	7.1	9.9	17.0	7.2	7.6	4.8	8.8	28.4
Films ¹⁾	3.8	2.5	6.3	-1.3	1.5	-3.4	0.5	-2.7
North America	18.9	8.4	27.3	2.9	14.5	23.6	14.5	55.5
Molded Fiber	5.7	4.6	10.3	4.8	4.7	4.3	3.8	17.6
Foodservice Europe-Asia-Oceania	8.2	3.5	11.7	0.7	6.8	6.4	2.4	16.3
Other activities	0.6	0.0	0.6	-0.7	-0.9	-1.1	-0.5	-3.2
Total continuing operations ¹⁾	44.3	28.9	73.2	13.6	34.2	34.6	29.5	111.9
Discontinued operations								
Rigid consumer goods plastics units held for sale ²⁾	1.7	1.9	3.6	-7.1	4.4	4.4	5.5	7.2

¹⁾ Q2 and Q1-Q4 2009 includes non-recurring charges MEUR 3.8.

²⁾ Q2 and H1 2010 includes non-recurring charges MEUR 2.0, Q4 and Q1-Q4 2009 includes non-recurring charges MEUR 10.1.

EBITDA

EUR million	Q2 2010	Q1 2010	H1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q1-Q4 2009
Continuing operations								
Flexible Packaging	12.1	14.6	26.7	12.6	12.1	9.3	13.3	47.3
Films ¹⁾	5.3	3.9	9.2	0.3	3.0	-2.0	2.1	3.4
North America	23.8	12.9	36.7	7.7	20.4	29.4	19.8	77.3
Molded Fiber	8.7	7.6	16.3	8.6	7.5	7.0	6.5	29.6
Foodservice Europe-Asia-Oceania	13.3	8.2	21.5	6.7	11.9	11.0	7.2	36.8
Other activities	1.0	0.5	1.5	-0.2	-0.5	-0.6	-0.1	-1.4
Total continuing operations ¹⁾	64.2	47.7	111.9	35.7	54.4	54.1	48.8	193.0
Discontinued operations								
Rigid consumer goods plastics units held for sale ²⁾	2.6	2.9	5.5	-5.5	5.9	6.6	7.7	14.7

¹⁾ Q2 and Q1-Q4 2009 includes non-recurring charges MEUR 3.8.

²⁾ Q2 and H1 2010 includes non-recurring charges MEUR 2.0, Q4 and Q1-Q4 2009 includes non-recurring charges MEUR 10.1.

Depreciation and amortization

EUR million	Q2 2010	Q1 2010	H1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q1-Q4 2009
Continuing operations								
Flexible Packaging	5.0	4.7	9.7	5.4	4.5	4.5	4.5	18.9
Films	1.5	1.4	2.9	1.6	1.5	1.4	1.6	6.1
North America	4.9	4.5	9.4	4.8	5.9	5.8	5.3	21.8
Molded Fiber	3.0	3.0	6.0	3.8	2.8	2.7	2.7	12.0
Foodservice Europe-Asia-Oceania	5.1	4.7	9.8	6.0	5.1	4.6	4.8	20.5
Other activities	0.4	0.5	0.9	0.5	0.4	0.5	0.4	1.8
Total continuing operations	19.9	18.8	38.7	22.1	20.2	19.5	19.3	81.1
Discontinued operations								
Rigid consumer goods plastics units held for sale	0.9	1.0	1.9	1.6	1.5	2.2	2.2	7.5

Net assets allocated to the segments³⁾

EUR million	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Continuing operations						
Flexible Packaging	328.6	320.4	305.5	311.5	325.8	342.2
Films	125.0	119.3	111.0	117.5	125.2	135.8
North America	411.2	385.1	364.8	365.8	370.8	393.9
Molded Fiber	176.0	174.2	166.0	167.1	169.9	170.4
Foodservice Europe-Asia-Oceania	237.3	228.2	225.7	236.8	246.6	241.7

Discontinued operations

Rigid consumer goods plastics units held for sale	42.5	47.3	41.2	72.9	71.8	104.6
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³⁾ Following statement of financial position items are included in net assets: 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

EUR million	Q2 2010	Q1 2010	H1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q1-Q4 2009
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Continuing operations

Flexible Packaging	1.5	2.2	3.7	3.3	2.3	3.2	2.1	10.9
Films	1.1	0.4	1.5	0.4	0.2	0.3	0.2	1.1
North America	5.6	2.9	8.5	6.5	6.5	2.8	1.0	16.8
Molded Fiber	0.8	1.2	2.0	3.7	0.7	0.8	1.6	6.8
Foodservice Europe-Asia-Oceania	3.5	3.0	6.5	5.1	2.7	1.4	2.3	11.5
Other activities	1.0	0.2	1.2	0.7	0.4	0.4	0.1	1.6
Total continuing operations	13.5	9.9	23.4	19.7	12.8	8.9	7.3	48.7

Discontinued operations

Rigid consumer goods plastics units held for sale	0.6	0.3	0.9	1.5	1.2	0.8	0.7	4.2
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RONA, % (12m roll.)

	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
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Continuing operations

Flexible Packaging	10.0%	9.3%	8.8%	1.4%	0.3%	0.4%
Films	5.5%	-0.6%	-2.2%	-1.0%	0.7%	5.7%
North America	11.7%	13.3%	14.8%	14.3%	13.0%	10.7%
Molded Fiber	11.6%	10.9%	10.5%	6.8%	6.1%	5.3%
Foodservice Europe-Asia-Oceania	8.3%	7.4%	6.9%	0.2%	-0.2%	-0.6%

Discontinued operations

Rigid consumer goods plastics units held for sale	1.9%	6.2%	9.6%	-114.3%	-82.3%	-66.7%
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Operating Cash Flow

EUR million	Q2 2010	Q1 2010	H1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q1-Q4 2009
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Continuing operations

Flexible Packaging	7.7	1.2	8.9	21.1	17.3	23.4	20.0	81.8
Films	-0.2	-4.8	-5.0	5.0	8.4	8.2	1.9	23.5
North America	18.4	12.6	31.0	8.9	9.6	22.9	14.5	55.9
Molded Fiber	7.3	2.3	9.6	6.1	4.3	8.6	-0.6	18.4
Foodservice Europe-Asia-Oceania	5.2	-0.3	4.9	9.6	18.3	7.1	-2.1	32.9

Discontinued operations

Rigid consumer goods plastics units held for sale	0.4	4.6	5.0	3.7	5.8	9.2	0.6	19.3
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Reportable segments net sales and EBIT forms Groups' total net sales and EBIT, so no reconciliations to corresponding amounts are presented.

Other information

EUR million	H1 2010	H1 2009	Q1-Q4 2009
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Equity per share (EUR)	7.04	6.16	6.35
ROE, % (12m roll.)	11.2	-11.7	10.1
ROI, % (12m roll.)	10.0	-3.2	9.6
Personnel	13,049	13,712	12,900
Result before taxes (12m roll.)	103.9	-88.2	93.9
Depreciation	37.5	40.3	82.6
Amortization of other intangible assets	3.1	2.9	5.9

Share capital and shareholders

At the end of June 2010, the Company's registered share capital was EUR 360,615,288.00 (358,657,670.00) corresponding to a total number of outstanding shares of 106,063,320 (105,487,550) including 4,826,089 (5,061,089) Company's own shares. The Company's own shares had the total accountable par value of EUR 16,408,702.60, representing 4.6% of the total number of shares and voting rights. The amount of outstanding shares net of Company's own shares was 101,237,231 (100,426,461).

There were 25,891 (22,058) registered shareholders at the end of the reporting period. Foreign ownership including nominee registered shares accounted for 24.0% (26.4%).

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 June 2010, the Company's market capitalization was EUR 805.0 million (EUR 775.3 million) and EUR 768.4 million (EUR 738.1 million) excluding Company's own shares. With a closing price of EUR 7.59 (EUR 7.35) the share price decreased by 22% (+67%) from the beginning of the year, while the OMX Helsinki Cap PI Index increased by 1% (9%) and the OMX Helsinki Materials PI Index increased by 12% (-7%). During the reporting period the volume weighted average price for the Company's share was EUR 8.51 (EUR 6.12). The highest price paid was EUR 10.19 on Jan 11, 2010 and the lowest price paid was EUR 7.57 on Jun 30, 2010.

During the reporting period the cumulative value of the Company's share turnover was EUR 422.1 million (EUR 244.3 million). The trading volume of 49.6 million (39.9 million) shares equaled an average daily turnover of EUR 3.4 million (EUR 2.0 million) or, correspondingly 403,510 (327,004) shares.

In total, turnover of the Company's 2006 A and B option rights was EUR 190,119 corresponding to a trading volume of 155,486.

Contingent liabilities

	Jun 30 2010	Dec 31 2009	Jun 30 2009
EUR million			
Mortgages	14.5	14.5	14.5
Guarantee obligations	0.4	2.5	3.2
Lease payments	56.6	54.0	49.1
Capital expenditure commitments	32.2	10.2	24.4

Nominal values of derivative instruments

	Jun 30 2010	Dec 31 2009	Jun 30 2009
EUR million			
Currency forwards, transaction risk hedges	54	25	33
Currency forwards, translation risk hedges	27	29	24
Currency swaps, financing hedges	127	123	104
Currency options	-	3	1
Interest rate swaps	162	167	174
Interest rate options	-	-	8
Electricity forwards	1	1	-

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

		H1/10	H1/09
Income statement, average:	GBP 1 =	1.149	1.118
	INR 1 =	0.016	0.015
	AUD 1 =	0.673	0.532
	USD 1 =	0.753	0.751
Statement of financial position, month end:		Q2/10	Q2/09
	GBP 1 =	1.223	1.174
	INR 1 =	0.018	0.015
	AUD 1 =	0.694	0.576
	USD 1 =	0.815	0.708

Definitions for key indicators

EPS result for the period =	$\frac{\text{Result for the period - non-controlling interest}}{\text{Average number of shares outstanding}}$
EPS result for the period (diluted) =	$\frac{\text{Diluted result for the period - non-controlling interest}}{\text{Average fully diluted number of shares outstanding}}$
EPS attributable to hybrid bond investors =	$\frac{\text{Hybrid bond interest}}{\text{Average number of shares outstanding}}$
EPS attributable to hybrid bond investors (diluted) =	$\frac{\text{Hybrid bond interest}}{\text{Average fully diluted number of shares outstanding}}$
EPS attributable to equity holders of the parent company =	$\frac{\text{Result for the period - non-controlling interest - hybrid bond interest}}{\text{Average number of shares outstanding}}$
EPS attributable to equity holders of the parent company (diluted) =	$\frac{\text{Diluted result for the period - non-controlling interest - hybrid bond interest}}{\text{Average fully diluted number of shares outstanding}}$
Net debt to equity (gearing) =	$\frac{\text{Interest bearing net debt}}{\text{Equity + non-controlling interest + hybrid bond}}$
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 =	$\frac{\text{Total equity attributable to equity holders of parent company}}{\text{Issue-adjusted number of shares at period end}}$
Return on equity (ROE) =	$100 \times \frac{\text{(Result for the period) (12 m roll.)}}{\text{Equity + non-controlling interest + hybrid bond (average)}}$
Return on investment (ROI) =	$100 \times \frac{\text{(Result before taxes + interest expenses + net other financial expenses) (12 m roll.)}}{\text{Statement of financial position total - Interest-free liabilities (average)}}$

