

Results 2010

Huhtamäki Group is a leading manufacturer of consumer and specialty packaging with 2010 net sales totaling EUR 2 billion. Foodservice and consumer goods markets are served by approximately 12,000 people in 53 manufacturing units and several sales offices in 31 countries. The parent company, Huhtamäki Oyj, has its head office in Espoo, Finland and its share is quoted on the NASDAQ OMX Helsinki Ltd. Additional information is available at www.huhtamaki.com.

Huhtamäki Oyj



RESULTS 2010

Improved profitability and strong cash flow

- Group net sales increased due to currency translation and volume growth
- Profitability improved due to continued good cost control and successful management of increased raw material costs as well as positive volume development during the second half
- Strong cash flow; net debt reduced considerably
- Majority of the European Rigid Consumer Goods Plastics operations sold
- The Board of Directors proposes a dividend of EUR 0.44 (EUR 0.38 for 2009) per share

Key figures EUR million	2010	2009	Q4 2010	Q4 2009
Continuing operations				
Net sales	1,951.8	1,831.8	481.8	432.6
EBIT	134.4	111.9*	27.7	13.4
EBIT margin %	6.9	6.1	5.7	3.1
EPS	0.92	0.57*	0.22	0.05
Including discontinued operations				
EPS	1.02	0.63	0.25	-0.02
ROI %	12.0	9.6	-	-

* Including non-recurring charges of EUR 3.8 million.

CEO Jukka Moisio:

"Huhtamaki's performance in 2010 was solid and we are very pleased with the result. The financial numbers of our 90th anniversary year are among the best Huhtamaki has achieved as a dedicated packaging company leaving us with a strong financial position at the end of the year. We are also pleased to have concluded the strategic review of the Rigid Consumer Goods Plastics operations.

We will now concentrate on our core businesses and seek to grow them through well-targeted investments, innovations and acquisitions. The positive development of all the business segments during the final quarter of 2010 strengthens our belief in an ongoing good momentum and our team is determined to pursue new growth opportunities."

Overview

Demand for consumer packaging was stable during 2010. The demand accelerated towards the end of the year, particularly in emerging markets. However, the North American markets continued to be uncertain throughout the year. The Group's net sales increased with an accelerating pace towards the year end due to positive volume development especially within the Flexible Packaging and Films business segments. Currency translations also had a positive impact on the euro-denominated value of net sales. Full year net sales from continuing operations were EUR 1,952 million (EUR 1,832 million).

The Group's profitability improved markedly, particularly during the fourth quarter. The full year Group earnings before interest and taxes (EBIT) from continuing operations were EUR 134 million (EUR 112 million, including EUR 4 million non-recurring charges). The improvement in earnings was due to volume growth, successful management of fluctuating raw material costs, efficient cost containment and favorable currency translations. The impact of sales growth on profitability was strong during the fourth quarter, where the Group EBIT from continuing operations was EUR 28 million (EUR 13 million).

Continued improvements in working capital efficiency in all business segments supported strong cash flow generation throughout the year. This, together with the proceeds from the divestment of Rigid Consumer Goods Plastics operations in Europe, contributed to a considerable reduction of net debt. The Group's return on investment (ROI) was 12.0% (9.6%).



The sale of the majority of European Rigid Consumer Goods Plastics operations to Island Acquisitions S.à r.l., an affiliate of Sun European Partners, LLP, was completed during the fourth quarter 2010. The agreed value of the transaction was EUR 52 million. The rigid plastics business in Italy continues to be under strategic review and is reported under Other activities.

Business review by segment, continuing operations

The sales distribution by business segment in 2010 was following: Flexible Packaging 27% (26%), Films 8% (8%), North America 27% (29%), 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	2010	2009	Q4 2010	Q4 2009
Net sales	524.6	464.3	134.1	110.2
EBIT	34.3	28.4	9.6	7.2
EBIT margin %	6.5	6.1	7.2	6.5
RONA %	10.7	8.8	-	-

The Flexible Packaging segment's net sales grew throughout the year, accelerating during the second half of the year. Volume growth was particularly strong in Asia where all flexible packaging units had growth rates above 20%. Volumes developed positively also in Europe especially during the second half of the year.

The segment's earnings grew steadily despite significant increases in raw material costs. Volume improvements and efficient cost control throughout the year as well as successful margin management more than compensated the effect of increases in raw material costs.

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	2010	2009	Q4 2010	Q4 2009
Net sales	163.7	154.4	36.4	32.8
EBIT	10.8	-2.7*	1.5	-1.3
EBIT margin %	6.6	-1.7	4.1	-4.0
RONA %	9.1	-2.2	-	-

* Including non-recurring charges of EUR 3.8 million.

The Films segment's net sales grew firmly throughout 2010. The sales growth was volume driven and led by the demand for films products in the North American building and construction industry especially during the first half of the year. Volume growth started to slow down towards the end of the year.

Positive volume development, product mix improvement and successful cost containment contributed to a significant improvement in the segment's earnings.



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	2010	2009	Q4 2010	Q4 2009
Net sales	535.6	528.7	127.8	117.2
EBIT	45.4	55.5	8.0	2.9
EBIT margin %	8.5	10.5	6.3	2.5
RONA %	11.9	14.8	-	-

The North America segment suffered from weak demand and challenging market conditions throughout the year. The net sales improvement was due to positive currency translation. Sales volumes to all major customers in the retail and consumer goods businesses decreased, reflecting the overall market conditions. The sales of foodservice business however, developed positively especially towards the end of the year.

The decline in the segment's full year earnings reflects the volume decline in the consumer goods and retail packaging businesses in North America. The positive development in the fourth quarter earnings is due to sales growth in the foodservice business and normalized promotional spending.

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	2010	2009	Q4 2010	Q4 2009
Net sales	232.9	207.6	61.0	56.0
EBIT	21.9	17.6	6.2	4.8
EBIT margin %	9.4	8.5	10.2	8.6
RONA %	12.7	10.5	-	-

The Molded Fiber segment's net sales continued to develop steadily. Volume development was stable throughout the year and the net sales improvement was mainly attributable to successful price and product mix management and positive currency translations.

The segment's full year earnings continued to develop positively, reflecting continued efficient cost containment.

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	2010	2009	Q4 2010	Q4 2009
Net sales	467.6	449.6	115.0	108.1
EBIT	24.5	16.3	4.1	0.7
EBIT margin %	5.2	3.6	3.6	0.6
RONA %	10.6	6.9	-	-

The Foodservice Europe-Asia-Oceania segment's volumes decreased slightly compared to the previous year and the increase in net sales is attributable to positive currency translations especially during the second half of the year. The sales trend was improving, however, during the second half of the year and volumes developed positively towards the end of the year.



The segment's earnings continued to grow especially in the fourth quarter. The improvement is attributable to efficient cost containment and efficiency improvements in operations.

Discontinued operations

The majority of the European Rigid Consumer Goods Plastics operations were sold to Island Acquisitions S.à r.l., an affiliate of Sun European Partners, LLP, on December 22, 2010. The divested units included rigid consumer goods packaging manufacturing in Hämeenlinna, Finland; Auneau, France; Siemianowice, Poland; and Istanbul, Turkey, as well as sales units in Germany and Lithuania.

The annual net sales of the divested operations were approximately EUR 160 million. The operations employed some 1,100 people. When part of the Group, the divested units were classified as assets held for sale and were reported under discontinued operations as of the interim report for the period of January 1 – June 30, 2010. The agreed value for the transaction was EUR 52 million.

The result for the reporting period from discontinued operations was EUR 10 million (EUR 6 million, including EUR 10 million non-recurring charges). The result for the reporting period includes EUR 2 million non-recurring charges related to the sale of European Rigid Consumer Goods Plastics operations. In the fourth quarter the result from discontinued operations was EUR 3 million (EUR -7 million, including EUR 10 million of non-recurring charges).

Financial review

The Group EBIT for the reporting period from continuing operations was EUR 134 million (EUR 112 million, including EUR 4 million non-recurring charges) corresponding to an EBIT margin of 6.9% (6.1%). For the fourth quarter, the Group EBIT from continuing operations was EUR 28 million (EUR 13 million) corresponding to an EBIT margin of 5.7% (3.1%).

The net financial items for the reporting period from continuing operations were EUR -14 million (EUR -26 million) and for the fourth quarter EUR -3 million (EUR -5 million). The decrease in net financial items is mainly due to reduced debt. Tax expense for the reporting period from continuing operations was EUR 16 million (EUR 19 million) and for the fourth quarter EUR 0 million (EUR 2 million). The lower tax expense was mainly resulting from a tax refund in Germany and expiration of certain potential tax liabilities earlier provided for. Corresponding tax rate for the reporting period was 13% (22%).

The result for the reporting period from continuing operations was EUR 105 million (EUR 67 million, including EUR 4 million non-recurring charges) and the earnings per share (EPS) from continuing operations were EUR 0.92 (EUR 0.57). Correspondingly for the fourth quarter the result from continuing operations was EUR 25 million (EUR 7 million) and the EPS were EUR 0.22 (EUR 0.05).

The result for the reporting period including discontinued operations was EUR 115 million (EUR 74 million, including EUR 14 million non-recurring charges) and the EPS were EUR 1.02 (EUR 0.63). The result includes EUR 2 million non-recurring charges related to the sale of European Rigid Consumer Goods Plastics operations. Correspondingly for the fourth quarter the result including discontinued operations was EUR 28 million (EUR 0 million, including EUR 10 million non-recurring charges) and the EPS were EUR 0.25 (EUR -0.02).

The average number of outstanding shares used in the EPS calculations was 101,185,001 (100,539,283) excluding 4,826,089 (5,061,089) of the Company's own shares.

Statement of financial position and cash flow

Free cash flow for the reporting period was EUR 113 million (EUR 208 million) and for the fourth quarter EUR 37 million (EUR 40 million). Cash flow continued to be strong even though it was lower than in 2009 when significant working capital efficiencies were achieved. Working capital ratios



continued to improve in 2010 but in cash flow terms a significant reduction was achieved already in 2009. Uses of free cash flow included payment of dividends, EUR 38 million (EUR 34 million), and payment of interest on the hybrid bond, EUR 8 million (unchanged).

The amount of capital expenditure for the reporting period was EUR 86 million (EUR 53 million) and for the fourth quarter EUR 38 million (EUR 21 million). Higher capital expenditure level in 2010 is reflecting the emerging growth expectations.

Net debt at the end of December 2010 was EUR 270 million (EUR 368 million). This corresponds to a gearing ratio of 0.32 (0.50). Debt reduction was achieved through strong cash flow and proceeds from divestments. Net debt to EBITDA ratio decreased during the year and was 1.2 (1.7) at the end of December 2010.

During the year the Group entered into agreements with banks and investors securing EUR 68 million of long term committed funding, including a SEK 450 million (correspondingly EUR 50 million) floating rate unsecured bond to institutional investors with a loan period of 5 years. The average maturity of external committed credit facilities and loans at the end of December 2010 was 2.0 (2.5) years.

The Group's liquidity position remained strong during the year. At the end of the year, cash and cash equivalents were EUR 119 million (EUR 64 million) and the Group had EUR 338 million (EUR 316 million) of unused committed credit facilities available.

Total assets on the statement of financial position were EUR 1,865 million (EUR 1,759 million).

Strategic review

The strategic review of the Rigid Consumer Goods Plastics business was in large measure completed in 2010, when the majority of the European Rigid Consumer Goods Plastics operations were sold at the end of the year.

The Group continued to develop its strategic stronghold businesses and further strengthen its business positions and operations especially in emerging markets. A significant part of its growth related investments were targeted at emerging markets. A new state-of-the-art foodservice manufacturing unit was opened in Poland. The new manufacturing unit provides room for additional production capacity and supports the Group's ambition to grow its foodservice business in Central and Eastern European markets.

Personnel review

The Group had 11,687 (12,900) employees at the end of December 2010. The number of employees by segment was the following: Flexible Packaging 3,701 (3,643), Films 746 (775), North America 2,500 (2,643), Molded Fiber 1,588 (1,581), Foodservice Europe-Asia-Oceania 2,864 (2,849) and Other activities 288 (54). The increase in the number of employees under "Other activities" is due to the rigid plastics unit in Italy that was reported under the Rigid Consumer Goods Plastics segment (1,355) in 2009. The average number of employees was 12,827 (13,735).

Huhtamäki Oyj employed 52 (48) people at year-end. The annual average was 51 (49).

Resolutions of Huhtamäki Oyj's Annual General Meeting

Huhtamäki Oyj's Annual General Meeting of Shareholders was held in Helsinki on March 24, 2010. The meeting adopted the Company's Annual Accounts and the Consolidated Annual Accounts for 2009 and discharged the members of the Company's Board of Directors and the CEO from liability. Dividend for 2009 was set at EUR 0.38 per share, as proposed by the Board of Directors.



Eight members of the Board of Directors were elected for a term which lasts until the end of the Annual General Meeting following the election. To the Board of Directors were re-elected Ms. Eija Ailasmaa, Mr. George V. Bayly, Mr. Rolf Börjesson, Ms. Siaou-Sze Lien, Mr. Mikael Lilius, Mr. Anthony J.B. Simon and Mr. Jukka Suominen. Mr. William R. Barker was elected as a new member of the Board of Directors.

The Board of Directors subsequently elected Mr. Mikael Lilius as Chairman of the Board and Mr. Jukka Suominen as Vice-Chairman of the Board.

The Annual General Meeting resolved, as proposed by the Board of Directors, upon authorizing the Board of Directors in connection with the Company's 90 years anniversary to grant donations of no more than EUR 700,000 through the Finnish Cultural Foundation to a national youth project "Myrsky" and no more than EUR 500,000 to support activities of Finnish universities. All donations were paid during the year.

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 2011

The improvement in the Group's trading conditions, which was visible in the second half of 2010, is expected to continue during 2011. However, market conditions in North America remain uncertain. Pressure on profit margins is likely to continue due to increasing raw material costs, especially the price of plastics. Financial charges and tax expenses are expected to increase from the exceptionally low level in 2010.

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 around EUR 100 million.

Change in dividend policy

The Board of Directors decided to amend the Group's dividend policy in its meeting held on February 10, 2011. The Board decided to increase the payout ratio from the earlier approximately 40% of the EPS to a payout ratio of 40-50% of the EPS.

Dividend proposal

The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.44 (EUR 0.38) per share be paid.

Annual General Meeting 2011

The Annual General Meeting of Shareholders will be held on Wednesday, April 20, 2011 at 1 pm (Finnish time), at Finlandia Hall, Mannerheimintie 13 e, in Helsinki, Finland.

Financial reporting schedule in 2011

Annual accounts for 2010 will be published during week 8 on the Company website at www.huhtamaki.com.



Huhtamäki will publish the following interim reports during the course of the year: January 1 - March 31, 2011 on April 20, January 1 - June 30, 2011 on July 21 and January 1 - September 30, 2011 on October 20.

Espoo, February 10, 2011
Huhtamäki Oyj
Board of Directors

Group income statement (IFRS)

EUR million	Q1-Q4 2010	Q1-Q4 2009	Q4 2010	Q4 2009
Continuing operations				
Net sales	1,951.8	1,831.8	481.8	432.6
Cost of goods sold	-1,631.9	-1,530.0	-405.2	-369.5
Gross profit	319.9	301.8	76.6	63.1
Other operating income	22.0	15.0	6.0	3.7
Sales and marketing	-70.1	-70.0	-15.9	-17.0
Research and development	-16.3	-14.7	-4.2	-4.2
Administration costs	-111.9	-111.3	-31.7	-28.5
Other operating expenses	-9.3	-8.9	-3.1	-3.7
	-185.6	-189.9	-48.9	-49.7
Earnings before interest and taxes	134.3	111.9	27.7	13.4
Financial income	5.7	24.1	2.1	3.8
Financial expenses	-19.9	-49.9	-4.7	-8.4
Income of associated companies	0.6	0.6	0.1	0.1
Result before taxes	120.7	86.7	25.2	8.9
Income taxes	-16.2	-19.4	0.1	-1.9
Result for the period from continuing operations	104.5	67.3	25.3	7.0
Discontinued operations				
Result from operations	12.2	16.3	2.9	3.0
Loss relating to disposed operations	-2.0	-10.1	0.0	-10.1
Result for the period from discontinued operations	10.2	6.2	2.9	-7.1
Result for the period	114.7	73.5	28.2	-0.1
Attributable to:				
Equity holders of the parent company				
Result for the period from continuing operations	100.9	64.9	24.2	6.6
Result for the period from discontinued operations	10.2	6.2	2.9	-7.1
Result for the period attributable to owners of parent	111.1	71.1	27.1	-0.5
Non-controlling interest				
Result for the period from continuing operations	3.6	2.4	1.1	0.4
Result for the period from discontinued operations	-	-	-	-
Result for the period attributable to non-controlling interest	3.6	2.4	1.1	0.4
EUR				
EPS result for the period from continuing operations	1.00	0.65	0.24	0.07
EPS attributable to hybrid bond investors	0.08	0.08	0.02	0.02
EPS continuing operations	0.92	0.57	0.22	0.05
EPS result for the period from discontinued operations	0.10	0.06	0.03	-0.07
EPS attributable to equity holders of the parent company	1.02	0.63	0.25	-0.02
EPS result for the period	1.10	0.71	0.27	0.00
Diluted:				
EPS result for the period from continuing operations	1.00	0.65	0.24	0.07
EPS attributable to hybrid bond investors	0.08	0.08	0.02	0.02
EPS continuing operations	0.92	0.57	0.22	0.05
EPS result for the period from discontinued operations	0.10	0.06	0.03	-0.07
EPS attributable to equity holders of the parent company	1.02	0.63	0.25	-0.02
EPS result for the period	1.10	0.71	0.27	0.00

Group statement of comprehensive income (IFRS)

EUR million	Q1-Q4 2010	Q1-Q4 2009	Q4 2010	Q4 2009
Result for the period	114.7	73.5	28.2	-0.1
Other comprehensive income:				
Translation differences	32.8	0.7	6.4	2.0
Fair value and other reserves	1.9	1.2	2.6	2.6
Income tax related to components of other comprehensive income	-0.5	-0.5	-0.6	-0.8
Other comprehensive income, net of tax	34.2	1.4	8.4	3.8
Total comprehensive income	148.9	74.9	36.6	3.7
Attributable to:				
Equity holders of the parent company	145.3	72.3	35.5	3.2
Non-controlling interest	3.6	2.6	1.1	0.5

Group statement of financial position (IFRS)

EUR million	Dec 31 2010	Dec 31 2009
ASSETS		
Non-current assets		
Goodwill	400.8	394.8
Other intangible assets	26.7	32.7
Tangible assets	614.8	604.2
Investments in associated companies	3.1	2.5
Available for sale investments	1.2	1.9
Interest bearing receivables	11.9	11.0
Deferred tax assets	13.0	16.5
Employee benefit assets	61.3	57.9
Other non-current assets	4.5	3.0
	1,137.3	1,124.5
Current assets		
Inventory	265.2	236.1
Interest bearing receivables	35.4	19.4
Current tax assets	3.4	9.1
Trade and other current receivables	305.1	305.5
Cash and cash equivalents	118.7	64.0
	727.8	634.1
Total assets	1,865.1	1,758.6
EQUITY AND LIABILITIES		
Share capital	360.6	360.6
Premium fund	106.8	106.8
Treasury shares	-44.4	-46.5
Translation differences	-97.2	-130.0
Fair value and other reserves	-2.9	-4.3
Retained earnings	426.0	354.8
Total equity attributable to equity holders of the parent company	748.9	641.4
Non-controlling interest	24.8	20.2
Hybrid bond	75.0	75.0
Total equity	848.7	736.6
Non-current liabilities		
Interest bearing liabilities	283.0	294.3
Deferred tax liabilities	51.7	42.5
Employee benefit liabilities	101.7	102.8
Provisions	47.5	55.9
Other non-current liabilities	4.5	5.4
	488.4	500.9
Current liabilities		
Interest bearing liabilities		
- Current portion of long term loans	61.4	67.3
- Short term loans	91.5	101.1
Provisions	2.5	6.0
Current tax liabilities	8.8	10.9
Trade and other current liabilities	363.8	335.8
	528.0	521.1
Total liabilities	1,016.4	1,022.0
Total equity and liabilities	1,865.1	1,758.6
	Dec 31 2010	Dec 31 2009
Net debt	269.9	368.3
Net debt to equity (gearing)	0.32	0.50

Statement of changes in equity

EUR million	Share capital	Share issue premium	Attributable to equity holders of the parent company				Total	Non-controlling interest	Hybrid bond	Total equity
			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						2.5	2.5			2.5
Stock options exercised	1.9	2.1					4.0			4.0
Interest on Hybrid Bond						-7.9	-7.9			-7.9
Total comprehensive income for the year				0.5	0.7	71.1	72.3	2.6		74.9
Other changes						-4.3	-4.3	-0.8		-5.1
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
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
Corrections of previous period errors						7.7	7.7			7.7
Balance at Jan 1, 2010	360.6	106.8	-46.5	-130.0	-4.3	362.5	649.1	20.2	75.0	744.3
Dividend						-38.5	-38.5			-38.5
Share-based payments			2.1			-0.1	2.0			2.0
Interest on Hybrid Bond						-7.9	-7.9			-7.9
Total comprehensive income for the year				32.8	1.4	111.1	145.3	3.6		148.9
Other changes						-1.1	-1.1	1.0		-0.1
Balance at Dec 31, 2010	360.6	106.8	-44.4	-97.2	-2.9	426.0	748.9	24.8	75.0	848.7

Group statement of cash flow (IFRS)

EUR million	Q1-Q4 2010	Q1-Q4 2009	Q4 2010	Q4 2009
Result for the period*	114.7	73.5	28.2	-0.1
Adjustments*	102.0	134.2	23.4	30.6
- Depreciation, amortization and impairment*	81.2	88.6	20.6	23.7
- Gain on equity of minorities*	-0.6	-0.6	-0.1	-0.1
- Gain/loss from disposal of assets*	-2.2	5.7	0.8	5.3
- Financial expense/-income*	14.2	25.8	2.6	4.7
- Income tax expense*	16.5	20.4	0.0	2.0
- Other adjustments, operational*	-7.1	-5.7	-0.5	-5.0
Change in inventory*	-32.1	58.3	-10.9	21.7
Change in non-interest bearing receivables*	-3.6	50.4	-1.4	35.2
Change in non-interest bearing payables*	24.3	-28.3	36.2	-22.3
Dividends received*	0.5	0.5	0.2	0.2
Interest received*	5.3	2.2	2.2	0.7
Interest paid*	-12.8	-21.0	-1.8	-2.6
Other financial expense and income*	-0.4	-2.3	0.8	1.3
Taxes paid*	-6.6	-12.5	-2.9	-5.2
Net cash flows from operating activities	191.3	255.0	74.0	59.5
Capital expenditure*	-85.8	-52.9	-38.1	-21.2
Proceeds from selling fixed assets*	7.4	5.9	0.8	1.8
Divested subsidiaries	52.0	69.0	52.0	33.0
Proceeds from long-term deposits	12.8	1.3	0.4	0.5
Payment of long-term deposits	-12.6	-11.4	-11.2	-8.9
Proceeds from short-term deposits	6.4	13.7	1.8	10.9
Payment of short-term deposits	-18.8	-29.2	-2.2	-11.6
Net cash flows from investing	-38.6	-3.6	3.5	4.5
Proceeds from long-term borrowings	274.2	599.3	91.7	26.2
Repayment of long-term borrowings	-288.3	-785.2	-53.6	-117.0
Proceeds from short-term borrowings	1,154.6	333.8	296.2	109.7
Repayment of short-term borrowings	-1,195.6	-363.3	-341.8	-88.1
Dividends paid	-38.4	-34.1	-	-
Hybrid bond interest	-7.9	-7.9	-7.9	-7.9
Proceeds from stock options exercised	-	4.1	-	4.0
Net cash flows from financing	-101.5	-253.3	-15.5	-73.1
Change in liquid assets	54.7	-3.8	62.7	-9.4
Cash flow based	51.2	-1.9	62.0	-9.1
Translation difference	3.5	-1.9	0.7	-0.3
Liquid assets period start	64.0	67.8	56.0	73.4
Liquid assets period end	118.7	64.0	118.7	64.0
Free cash flow (including figures marked with *)	112.9	208.0	36.7	40.1

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 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	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q1-Q4 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q1-Q4 2009
Continuing operations										
Flexible Packaging	133.9	132.9	129.9	126.4	523.1	109.5	114.0	118.2	119.7	461.4
- Intersegment net sales	0.2	0.4	0.5	0.4	1.5	0.7	0.8	0.8	0.6	2.9
Films	35.2	42.9	41.0	40.0	159.1	32.1	40.4	38.3	40.0	150.8
- Intersegment net sales	1.2	1.1	1.1	1.2	4.6	0.7	0.9	0.8	1.2	3.6
North America	127.2	135.5	156.9	112.8	532.4	116.5	128.3	152.1	128.1	525.0
- Intersegment net sales	0.6	0.9	0.9	0.8	3.2	0.7	1.0	1.0	1.0	3.7
Molded Fiber	60.9	57.1	59.2	55.4	232.6	56.6	51.6	51.0	48.3	207.5
- Intersegment net sales	0.1	0.1	0.0	0.1	0.3	-0.6	0.4	0.3	0.0	0.1
Foodservice Europe-Asia-Oceania	110.7	116.6	119.9	100.7	447.9	103.8	111.2	117.8	97.1	429.9
- Intersegment net sales	4.3	4.9	5.2	5.3	19.7	4.3	5.0	3.0	7.4	19.7
Other activities	13.9	14.8	15.4	12.6	56.7	14.1	14.4	15.3	13.4	57.2
- Intersegment net sales	0.7	0.8	1.0	0.7	3.2	0.6	0.8	0.9	0.7	3.0
Elimination of intersegment net sales	-7.1	-8.2	-8.7	-8.5	-32.5	-6.4	-8.9	-6.8	-10.9	-33.0
Total continuing operations	481.8	499.8	522.3	447.9	1,951.8	432.6	459.9	492.7	446.6	1,831.8
Discontinued operations										
Rigid consumer goods plastics	37.1	40.3	40.2	37.1	154.7	43.6	47.2	55.1	60.0	205.9
- Intersegment net sales	2.4	3.5	3.5	2.8	12.2	3.7	4.1	5.0	3.6	16.4
Elimination of intersegment net sales	-2.4	-3.5	-3.5	-2.8	-12.2	-3.7	-4.1	-5.0	-3.6	-16.4
Total discontinued operations	37.1	40.3	40.2	37.1	154.7	43.6	47.2	55.1	60.0	205.9

EBIT

EUR million	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q1-Q4 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q1-Q4 2009
Continuing operations										
Flexible Packaging	9.6	7.7	7.1	9.9	34.3	7.2	7.6	4.8	8.8	28.4
Films ¹⁾	1.5	3.0	3.8	2.5	10.8	-1.3	1.5	-3.4	0.5	-2.7
North America	8.0	10.1	18.9	8.4	45.4	2.9	14.5	23.6	14.5	55.5
Molded Fiber	6.2	5.4	5.7	4.6	21.9	4.8	4.7	4.3	3.8	17.6
Foodservice Europe-Asia-Oceania	4.1	8.7	8.2	3.5	24.5	0.7	6.8	6.4	2.4	16.3
Other activities	-1.7	-1.5	0.6	0.0	-2.6	-0.7	-0.9	-1.1	-0.5	-3.2
Total continuing operations ¹⁾	27.7	33.4	44.3	28.9	134.3	13.6	34.2	34.6	29.5	111.9
Discontinued operations										
Rigid consumer goods plastics ²⁾	3.1	3.9	1.7	1.9	10.6	-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 Q1-Q4 2010 includes non-recurring charges MEUR 2.0, Q4 and Q1-Q4 2009 includes non-recurring charges MEUR 10.1.

EBITDA

EUR million	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q1-Q4 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q1-Q4 2009
Continuing operations										
Flexible Packaging	14.4	12.7	12.1	14.6	53.8	12.6	12.1	9.3	13.3	47.3
Films ¹⁾	3.0	4.5	5.3	3.9	16.7	0.3	3.0	-2.0	2.1	3.4
North America	13.0	14.9	23.8	12.9	64.6	7.7	20.4	29.4	19.8	77.3
Molded Fiber	9.6	8.5	8.7	7.6	34.4	8.6	7.5	7.0	6.5	29.6
Foodservice Europe-Asia-Oceania	9.5	13.8	13.3	8.2	44.8	6.7	11.9	11.0	7.2	36.8
Other activities	-1.2	-1.0	1.0	0.5	-0.7	-0.2	-0.5	-0.6	-0.1	-1.4
Total continuing operations ¹⁾	48.3	53.4	64.2	47.7	213.6	35.7	54.4	54.1	48.8	193.0
Discontinued operations										
Rigid consumer goods plastics ²⁾	3.1	3.9	2.6	2.9	12.5	-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 Q1-Q4 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	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q1-Q4 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q1-Q4 2009
Continuing operations										
Flexible Packaging	4.8	5.0	5.0	4.7	19.5	5.4	4.5	4.5	4.5	18.9
Films	1.5	1.5	1.5	1.4	5.9	1.6	1.5	1.4	1.6	6.1
North America	5.0	4.8	4.9	4.5	19.2	4.8	5.9	5.8	5.3	21.8
Molded Fiber	3.4	3.1	3.0	3.0	12.5	3.8	2.8	2.7	2.7	12.0
Foodservice Europe-Asia-Oceania	5.4	5.1	5.1	4.7	20.3	6.0	5.1	4.6	4.8	20.5
Other activities	0.5	0.5	0.4	0.5	1.9	0.5	0.4	0.5	0.4	1.8
Total continuing operations	20.6	20.0	19.9	18.8	79.3	22.1	20.2	19.5	19.3	81.1
Discontinued operations										
Rigid consumer goods plastics	0.0	0.0	0.9	1.0	1.9	1.6	1.5	2.2	2.2	7.5

Net assets allocated to the segments ¹³

EUR million	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Continuing operations								
Flexible Packaging	328.2	325.6	328.6	320.4	305.5	311.5	325.8	342.2
Films	118.8	120.4	125.0	119.3	111.0	117.5	125.2	135.8
North America	369.8	376.0	411.2	385.1	364.8	365.8	370.8	393.9
Molded Fiber	173.1	172.1	176.0	174.2	166.0	167.1	169.9	170.4
Foodservice Europe-Asia-Oceania	238.5	227.7	237.3	228.2	225.7	236.8	246.6	241.7

Discontinued operations

Rigid consumer goods plastics		44.7	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	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q1-Q4 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q1-Q4 2009
Continuing operations										
Flexible Packaging	5.5	3.6	1.5	2.2	12.8	3.3	2.3	3.2	2.1	10.9
Films	3.7	2.3	1.1	0.4	7.5	0.4	0.2	0.3	0.2	1.1
North America	6.7	7.1	5.6	2.9	22.3	6.5	6.5	2.8	1.0	16.8
Molded Fiber	8.9	4.9	0.8	1.2	15.8	3.7	0.7	0.8	1.6	6.8
Foodservice Europe-Asia-Oceania	7.7	4.4	3.5	3.0	18.6	5.1	2.7	1.4	2.3	11.5
Other activities	0.8	0.2	1.0	0.2	2.2	0.7	0.4	0.4	0.1	1.6
Total continuing operations	33.3	22.5	13.5	9.9	79.2	19.7	12.8	8.9	7.3	48.7

Discontinued operations

Rigid consumer goods plastics	4.8	0.9	0.6	0.3	6.6	1.5	1.2	0.8	0.7	4.2
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RONA, % (12m roll.)

	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Continuing operations								
Flexible Packaging	10.7%	10.0%	10.0%	9.3%	8.8%	1.4%	0.3%	0.4%
Films	9.1%	6.7%	5.5%	-0.6%	-2.2%	-1.0%	0.7%	5.7%
North America	11.9%	10.6%	11.7%	13.3%	14.8%	14.3%	13.0%	10.7%
Molded Fiber	12.7%	12.0%	11.6%	10.9%	10.5%	6.8%	6.1%	5.3%
Foodservice Europe-Asia-Oceania	10.6%	9.1%	8.3%	7.4%	6.9%	0.2%	-0.2%	-0.6%
Discontinued operations								
Rigid consumer goods plastics		0.9%	1.9%	6.2%	9.6%	-114.3%	-82.3%	-66.7%

Operating Cash Flow

EUR million	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q1-Q4 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q1-Q4 2009
Continuing operations										
Flexible Packaging	22.3	3.4	7.7	1.2	34.6	21.1	17.3	23.4	20.0	81.8
Films	5.5	5.2	-0.2	-4.8	5.7	5.0	8.4	8.2	1.9	23.5
North America	19.0	9.0	18.4	12.6	59.0	8.9	9.6	22.9	14.5	55.9
Molded Fiber	7.5	6.0	7.3	2.3	23.1	6.1	4.3	8.6	-0.6	18.4
Foodservice Europe-Asia-Oceania	5.4	11.5	5.2	-0.3	21.8	9.6	18.3	7.1	-2.1	32.9
Discontinued operations										
Rigid consumer goods plastics	-11.4	2.7	0.2	4.8	-3.7	3.7	5.8	9.2	0.6	19.3

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	Q1-Q4 2010	Q1-Q4 2009
Equity per share (EUR)	7.40	6.35
ROE, % (12m roll.)	14.5	10.1
ROI, % (12m roll.)	12.0	9.6
Personnel	11,687	12,900
Result before taxes (12m roll.)	131.2	93.9
Depreciation	75.1	82.6
Amortization of other intangible assets	6.1	5.9

Share capital and shareholders

At the end of December 2010, the Company's registered share capital was EUR 360,615,288.00 (unchanged) corresponding to a total number of shares of 106,063,320 (unchanged) 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 (EUR 17,207,702.60), representing 4.6% (4.8%) of the total number of shares and voting rights. The amount of outstanding shares net of Company's own shares was 101,237,231 (101,002,231).

There were 26,858 (22,935) registered shareholders at the end of the reporting period. Foreign ownership including nominee registered shares accounted for 25% (29%).

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 reporting period, the Company's market capitalization was EUR 1,098 million (EUR 1,029 million) and EUR 1,048 million (EUR 980 million) excluding Company's own shares. With a closing price of EUR 10.35 (EUR 9.70) the share price increased by 7% (120%) from the beginning of the year, while the OMX Helsinki Cap PI Index increased by 25% (36%) and the OMX Helsinki Materials PI Index increased by 40% (19%). During the reporting period the volume weighted average price for the Company's share was EUR 8.81 (EUR 7.25). The highest price paid was EUR 10.48 on December 23, 2010 and the lowest price paid was EUR 7.30 on July 1, 2010.

During the reporting period the cumulative value of the Company's share turnover was EUR 763 million (EUR 523 million). The trading volume of 87 million (73 million) shares equaled an average daily turnover of EUR 3.0 million (EUR 2.1 million) or, correspondingly 344,118 (289,818) shares.

In total, turnover of the Company's 2006 A and B option rights was EUR 379,397.71 (EUR 75,280.05) corresponding to a trading volume of 507,962 (100,556) shares.

Contingent liabilities

	Dec 31 2010	Dec 31 2009
EUR million		
Mortgages	14.5	14.5
Guarantee obligations	0.0	2.5
Lease payments	67.3	54.0
Capital expenditure commitments	19.7	10.2

Nominal values of derivative instruments

	Dec 31 2010	Dec 31 2009
EUR million		
Currency forwards, transaction risk hedges	47	25
Currency forwards, translation risk hedges	47	29
Currency swaps, financing hedges	116	123
Currency options	0	3
Interest rate swaps	151	167
Electricity forwards	1	1

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

		Q1-Q4/10	Q1-Q4/09
Income statement, average:	GBP 1 =	1.165	1.122
	INR 1 =	0.016	0.015
	AUD 1 =	0.692	0.563
	USD 1 =	0.754	0.718
Statement of financial position, month end:		Q4/10	Q4/09
	GBP 1 =	1.162	1.126
	INR 1 =	0.017	0.015
	AUD 1 =	0.761	0.625
	USD 1 =	0.748	0.694

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, % =	$\frac{100 \times \text{Earnings before interest and taxes (12 m roll.)}}{\text{Net assets (12 m roll.)}}$
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) =	$\frac{100 \times (\text{Result for the period}) (12 \text{ m roll.})}{\text{Equity + non-controlling interest + hybrid bond (average)}}$
Return on investment (ROI) =	$\frac{100 \times (\text{Result before taxes + interest expenses + net other financial expenses}) (12 \text{ m roll.})}{\text{Statement of financial position total - Interest-free liabilities (average)}}$

