our journey in 2001

HUHTAMAKI

PACKAGING WORLDWIDE

Huhtamaki – *the* name in consumer packaging

Since 1920, HUHTAMAKI has stood out as a premier name in the Finnish corporate world. As Heikki Huhtamäki's original sweets business diversified into a conglomerate, the name assumed several meanings for successive generations.

Over the past two decades, the company has refocused itself, aimed at world leadership in selected business areas by the year 2000. Following almost 200 corporate transactions, this milestone was achieved in consumer packaging, a core activity since the 1960s.

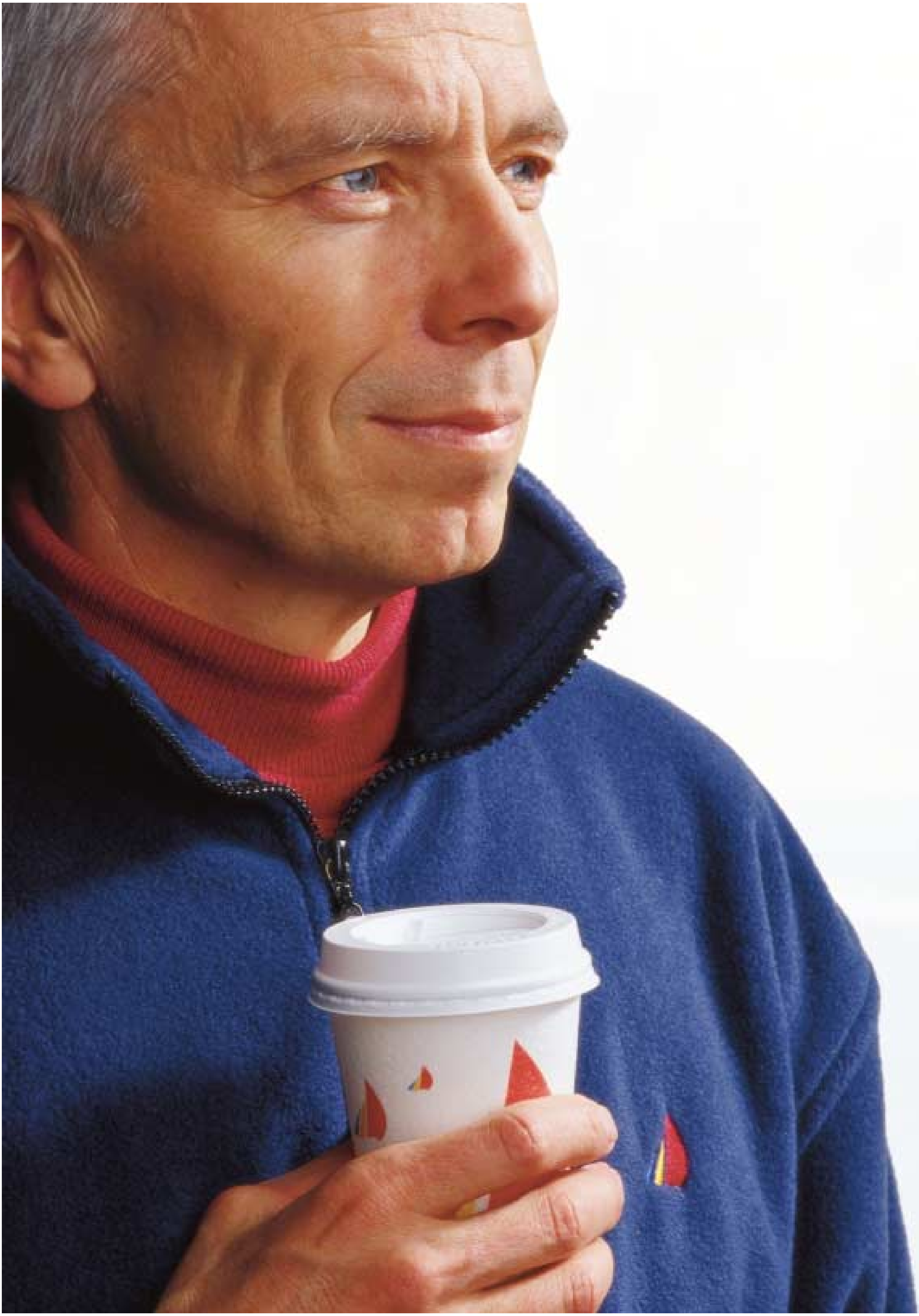
Today, Huhtamaki does nothing but consumer packaging. Its products communicate brand identity, help customers sell more, protect the integrity and freshness of the contents, and add convenience to the lives of millions of consumers every day.

With annual sales of EUR 2.4 billion and 16,000 employees in 35 countries, Huhtamaki is one of the world's largest packaging companies, and one of the few truly global players. Specifically, it is the world leader in rigid, thin-walled plastic and paper food packaging and molded fiber packaging. It also has strong positions in high-performance flexible packaging.

Having finally reached its desired structure, the company now concentrates on improving its internal operations and processes. The ultimate aim is to make Huhtamaki a synonym for superior quality, service and innovation in consumer packaging. This cannot be achieved in a vacuum, but together with customers, suppliers, shareholders and other stakeholders.

The following pages will take you deeper into the world of Huhtamaki. Chances are, it has more to do with yours than you have known.

Contents



A word from the CEO

Against the challenges of 2001, we have reason to be satisfied, even proud of Huhtamaki's progress. We reached our key structural and business targets for the year. At the same time, we took a long step towards achieving our longer-term financial objectives.

The formula for success was simple: a clear direction, a driven, professional organization – and stability after years of constant change.

We finally established Huhtamaki as a world leader in important segments of consumer packaging. This required the divestment of the Van Leer industrial packaging division, a full 30% of our consolidated sales in 2000.

During the year, we also concluded our program to divest smaller, non-core units. Further, we focused on improving our internal efficiencies through a host of measures. Raw materials prices retreated from their peak levels in 2000. All of this laid the foundations for our strong margin improvement visible from the first quarter onwards and still accelerating towards year-end.

Several clouds gathered to shade the global economy during the year, yet against that background our overall sales growth was satisfactory. I am particularly pleased with our progress in the Americas, where a strong rebound was evident after the September 11 shock.

During the year, we made a significant commitment to boost our innovative capabilities. Three dedicated Technology and Development Centers are now up and running. We also placed more emphasis and resources on category development and group-level marketing. The new activities cannot make a difference overnight. Rather, they underline our long-term commitment to increase our leadership in consumer packaging.

In 2002, the ongoing program to streamline manufacturing will come to fruition. Expect no major changes in strategy or structure. Expect further concentration on business development and enhancing customer satisfaction. Finally, expect our financial performance to improve further.

I thank the international community of Huhtamaki's stakeholders for another year of support and success.

Timo Peltola

Yesteryear's hand crafting of paper cups – one modern machine can produce over 300 cups per minute!

Roots deep in the industry's history

Perception isn't always reality. For being a fresh name in the industry, Huhtamaki combines packaging history and experience that is second to none. The family tree of a company that has come together via mergers and acquisitions is bound to have several strong roots, and so has ours.

In Europe, the oldest root leads to Ronsberg in Southern Germany. Here, on what is now one of the world's largest and most advanced consumer flexibles sites, a paper mill was founded in 1585. A couple of centuries later, another paper mill was started in Pribyslavice, Czechia. It began to produce molded fiber packaging after WW II, and is now one of our top units in the field.

Speaking of molded fiber, the process of making packaging from wet pulp or recycled paper is the invention of a Mr. Keyes in the United States from the 1920s. The company he established became known for its Chinet® brand of superior disposable tableware. Without it, Huhtamaki would not be the world leader in this environment-friendly packaging technology, with an ever-broadening range of applications.

Rigid paperboard packaging is another forte of ours. In the United States, the hygienic board made near the Oswego Falls in upstate New York since the 1870s became the foundation of our Sealright® packaging systems for the dairy and ice cream industries. Paper drinking cups have been around for a century, and we ranked early on among the industry pioneers all over the world: in Central Europe and Oceania from the 1920s, in Scandinavia the following decade, and in Asia dating from the 1950s.

The units already engaged in paper packaging were often the early adopters of the plastic thermoforming and injection molding technologies, which started to conquer the packaging world in the 1950s. In Germany and France, for example, we were among the very first thermoformers of dairy packaging. And in Finland, the first plastics lines were introduced in 1965, prompting Huhtamaki to sell its tin can operations to a competitor and establish Polarpak instead (the alternative name, Europak, was considered a bit bullish back then...).

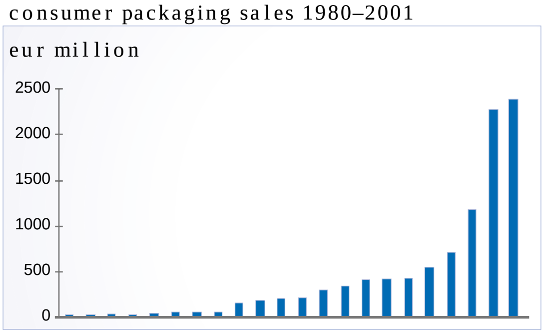
Over the years, our innovative packaging has helped many customers to successfully launch a new brand or support an old one, to enter new markets or to extend the shelf life of a sensitive product.

We were there, when the round paperboard ice cream container became an American icon. We were there, when fast food landed in Europe, Oceania and Asia, aiding its phenomenal growth. We play a leading role now that retortable stand-up pouches replace tin, glass and other materials, providing consumers superior convenience and product quality. And we will be around tomorrow, offering smarter packaging with improved barrier properties and environmental performance.

continuously serving...

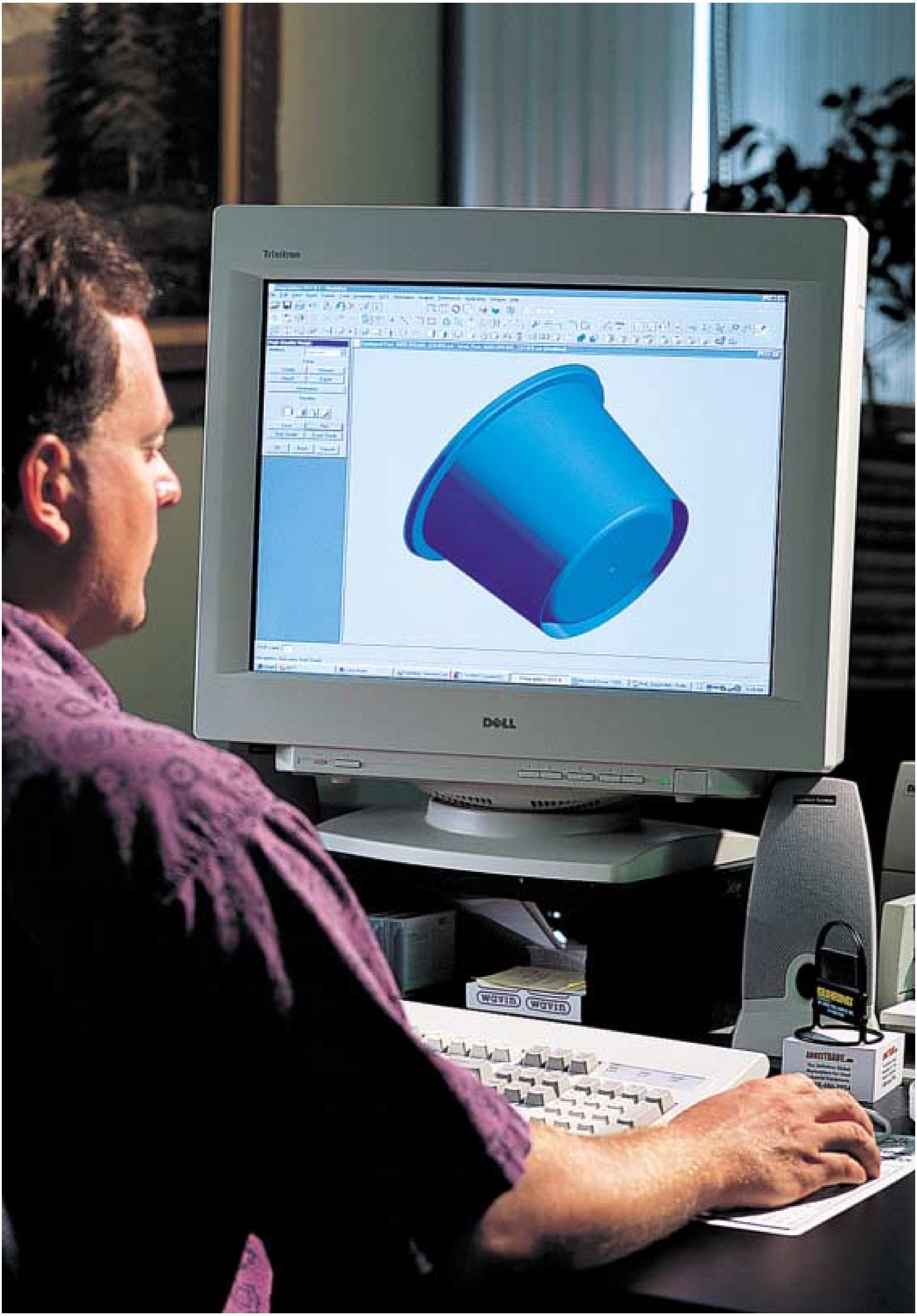
- Unilever since 1930s
- Coca-Cola since 1968
- Kraft since 1973
- McDonald's since 1983

consumer packaging sales 1980–2001



major packaging acquisitions 1987–2000

1987 **Bellaplast** (Germany)
1988 **Lilypak** (Australia, New Zealand)
1991 **Sweetheart International** (U.K., The Netherlands)
1993 **CMB thermoforming units** (France, Italy, U.K.)
1997 **Pacific World Packaging** (Australia, Hong Kong etc.),
1997 **Monoservizio Bibo** (Italy), **Güven Plastik** (Turkey)
1998 **Sealright**, **Tetra Cup** (USA)
1999 **Van Leer** (The Netherlands etc.), **Brasholanda** (Brazil)
2000 **PRI assets** (USA), **Mono Containers** (South Africa), **Malvern flexibles** (USA)


Trinitron
DELL

An unrivalled range of capabilities

As a specialty consumer packaging group, Huhtamaki ranks among the very largest in the world. Over 70% of its sales are derived from product categories and manufacturing technologies where the company is the world leader. Hence, it does not directly compete with the even larger packaging companies present in the broad metal, glass and corrugated carton categories.

Huhtamaki's strategy rests on two pillars: *a global network* enabling the company to provide its customers high quality and a variety of products wherever they operate, and a *comprehensive technology range* permitting the company to offer alternatives, combine materials for innovative solutions, and act as a one-stop shop for many customers.

Consumer Goods

The consumer goods category serves primarily the food industry but also, increasingly, the pet food, personal care and detergent sectors. Huhtamaki is the world leader in rigid, thin-walled cups, tubs, containers and lids made from plastic and paper, and a front-runner in complex, high-performance flexible packaging.

Main market segments:
ice cream, edible fats, dairy, personal care and detergents, pet food, confectionery, soups and ready meals, coffee and tea

Main customers (alphabetically):
Colgate-Palmolive, Danone, Dreyer's, Häagen-Dazs, Kraft Foods, Mars, Nestlé, Unilever

Food Service

The food service customers include all leading international quick service and beverage operators, as well as their local counterparts. Food service products are also sold to institutional caterers and vending operators. Branded food service disposables for households are another important product category. New market segments addressed include airline catering and health care disposables. Huhtamaki is the world leader in plastic and paper cups and plates. Molded fiber products play an important role in the category as well.

Main market segments:
quick service restaurants and beverage, catering, vending, retailers

Main customers (alphabetically):
Bunzl, Burger King, Coca-Cola, McDonald's, PepsiCo, Sysco, Tricon International

Fresh Foods

There is a consumer trend to switch from processed to fresh foods, which require special packaging to promote product integrity, freshness and appearance. At the same time, the portioning and packing of fresh produce, such as meat, poultry, seafood, fruit and vegetables, has largely moved from retail trade into industrial-scale operations. Sophisticated packaging solutions, such as modified atmosphere packaging and modular concepts, prolong shelf life and facilitate logistics through the supply chain.

Huhtamaki is the world leader in molded fiber packaging. Few if any competitors can offer such a comprehensive range of materials, technologies and packaging varieties suitable for this diverse category, which also includes the rapidly growing home meal replacement segment.

Main market segments:
Industrial packers and food industry:
fruits and vegetables, meat and poultry, eggs, chilled and frozen ready meals
Food retailers:
fresh produce, home meal replacement

Other operations

Through its Forchheim and Göttingen units in Germany, Huhtamaki is engaged in the manufacture of films, coatings and siliconized papers for different purposes. The Group also possesses considerable engineering skills for developing and supplying customer-operated equipment and complete packaging solutions. These include molded fiber machinery as well as in-plant container forming and filling machines for frozen desserts as well as other food and non-food products. Huhtamaki is an important paper recycler in continental Europe. The company aims to commercialize the environmentally superior EarthShell® food service packaging in Europe during 2002, with future prospects in Asia and Oceania.

Technology and development

Huhtamaki deploys six main packaging technologies:

- Paper forming
- Rigid plastic extrusion, co-extrusion and thermoforming
- Foam plastic extrusion and thermoforming
- Plastic injection molding with in-mold labeling
- Flexible plastic and paper converting and lamination
- Smooth and rough molded fiber

While most of the processes employ commonly available equipment, Huhtamaki has considerable experience in optimizing their use and developing proprietary applications. A major investment has been made to introduce state-of-the-art graphics technology all the way from product design and prototyping to high-speed, high-resolution printing lines.

Local new product development activity and dedicated Technology & Development Centers ensure a steady flow of new, innovative products. Also, combining technologies enables us to introduce novel packaging products uniting the best of both worlds.


Cuppoccino

2001 in retrospect: Europe

In 2001, Huhtamaki continued to build its European operations, addressing structural and business challenges identified over the past few years. Both external factors and our own actions led to a relatively low sales growth. However, rationalization and synergies, lower raw materials prices and a higher value added product mix all contributed to a strong improvement in operating margins and return on net assets across the region

European sales amounted to EUR 1,179 million. Sales of core packaging products were robust; the 2% decline in total sales reflects the retreat from unprofitable product lines, the divestment of two business units and the low value of waste paper trading. The underlying market development was relatively stronger in North and Central Europe, with the Czech molded fiber unit posting the highest sales growth. South Europe and the U.K. also reported significant gains in operating margins. Hence, the operating profit from Europe improved by 27% to EUR 93 million, with the final-quarter figure up by 55%.

New food service products were introduced to address growth opportunities in the dynamic Coffee-to-Go and chilled drinks segments. Molded fiber carrier trays for quick service restaurants advanced sharply. In fresh foods, proprietary product development resulted in superior absorbent trays employing open cell technology. The Desto concept, which combines a plastic barrier liner inside a paperboard shell, found new applications. Multilayer barrier sheets for thermoformed food containers showed great promise. Laminate for sterilizable stand-up pouches was in good demand, and new applications were introduced.

Outside the category structure, the German-based films business continued its strong performance, and molded fiber machinery sales were up.

During the year, the Groenlo paper cup plant in the Netherlands was closed and its production relocated to other units, mainly to Göttingen, Germany. In France, the relocation of the Guegon plastics operation to Auneau was completed. A molded fiber operation in Italy and a flexible packaging unit in Turkey were divested. Overall, some 100 individual machines were transferred in order to improve manufacturing efficiencies, gain economies of scale and address growth segments.

The reconstruction of the Polish Siemianowice plant, which was destroyed by fire in late 2000, progressed on plan. In July, a warehouse fire occurred in Ivanteevka, Russia. In each case, supplies from sister units guaranteed an uninterrupted product flow to customers, proving the value of operating as a network.

The year 2002 contains important milestones for Huhtamaki's European operations. Significant growth will result from partnership agreements, recently concluded with a major pet food manufacturer and a leading global catering operator for example. New local fresh foods organizations have reached operational status in several countries, and dedicated resources will promote network sales across Europe. The European rationalization program will be concluded, with logistics as an area of special attention.

Henk Koekoek
Executive VP Europe


Cola

Americas

Overall, 2001 resulted in more than satisfactory performance for the Americas, despite the atrocious events of September 11. In North America, the newly acquired flexibles and plastics operations were integrated in a seamless process. The integration process no doubt benefited from the adoption of the Huhtamaki name for all Business Units early in the year.

Sales in the Americas advanced by 32% to EUR 826 million, mainly reflecting acquisitions in late 2000. Operating profit from the region increased by 38% to EUR 75 million.

In North America, the consumer packaging business unit was able to recover from the one-off issues that it faced during 2000. Fresh capacity additions became fully operational, and third party sources were eliminated. The conversion of the US frozen dessert market to non-round containers continued, and the unit fully participated in this process. New business was developed in both personal care and pet food packaging. This has allowed the unit to diversify its customer base beyond the traditional ice cream market, while successfully leveraging its ability to offer a full range of packaging solutions, using paper, plastics and flexibles.

The retail unit had an outstanding year, as volumes grew despite recession. The Chinet® brand of premium tableware responded positively to new designs and marketing campaigns, increasing its market share. Growth in the important grocery and warehouse clubs channels was above expectations. This is expected to continue in 2002, upon the introduction of plastic products to boost the product range.

The foodservice unit faced some difficult issues. Growth in the quick service segment stagnated and was further hampered by the negative events of September 11. The demand for frozen food declined, partly as a function of high energy costs. A perennial frozen foods customer was lost following its financial difficulties and change of ownership.

These issues were countered through streamlining manufacturing: the paper packaging operations in East Providence, R.I. were relocated to Fulton, N.Y., and fixed costs in the Waterville, Maine mill were pruned via staff cuts. The Mt. Carmel, Pa. plastics unit was closed and its production relocated to other units. The remaining plastics production in East Providence will be relocated to other units in 2002.

Latin America had an excellent year, but currency translations into euros masked growth. Both Brazilian businesses performed well. In the consumer unit, new volumes were secured in dairy and ice cream. For molded fiber, the very low apple crop dictated a more turbulent year, but the unit gained new volumes in poultry to offset the volume deficit and ended the year on track. The Argentinean unit posted record volumes despite the country's fundamental economic problems.

For 2002, the outlook in both geographies is positive; new customer commitments will lead to growth, while rationalization programs will yield savings and continued improvement in operational efficiency. Specifically, the North American food service business appears to have better prospects than in 2001. New customer commitments have been secured. The full benefit of the plastics range is expected to be seen in broadline distribution along with a renewed product development program.

Mark Staton
Executive VP Americas

KFC®
KFC
TM

Asia–Oceania–Africa

At the outset, 2001 appeared to be a stretching year for the Asia–Oceania–Africa region, as the outlook for Oceania was one of flat sales after several years of good growth. Across Asia–Pacific, business volumes dropped for several weeks after the September 11 events. Yet, gains in comparable sales were evident through the region.

Total sales for the year amounted to EUR 377 million. Currency translations into euros tempered the figure. Comparison to the previous year is further hampered by changes in the reporting structure. The region's operating profit was EUR 30 million.

In Oceania, the overall sales performance was solid apart from weakness in New Zealand flexibles and Australian fresh foods business. Rigid food packaging unit benefited from a late surge of demand, assisted by a stronger dairy performance in Form Fill and Seal sheet. The New Zealand rigid packaging business grew strongly across the board.

All Asian business units did well in 2001. Sales growth was particularly strong in both China and Thailand. The Thai flexibles business also gained significant new business for 2002 from a major multinational customer. The Hong Kong and Kuala Lumpur units made good internal progress.

The Indian flexibles business experienced a tough year with several major shocks to consumer confidence. Market softness was however countered with new products, applications and structures, which improved product mix and successfully defended both sales and profitability.

In South Africa, economic conditions remained adverse for any significant improvement in profitability. Restructuring programs were therefore announced in both rigid packaging and molded fiber late in the year.

Oceania will enter 2002 in good health, thanks to several capital expenditure projects commenced in 2001. The good momentum in Asia is expected to continue. Significant capital expenditure will be allocated to the African operations.

Tony Combe
Executive VP Asia–Oceania–Africa

Financial highlights for 2001

key figures

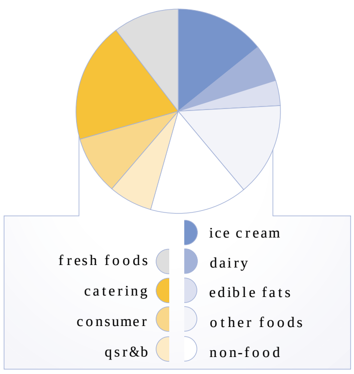
EUR million	2001	2000 (Pro forma)	Change %
Net sales	2,382	2,278	4.6
EBITDA	334	297	12.7
% of net sales	14.0	13.0	
Operating profit (EBITA)	222	184	20.4
% of net sales	9.3	8.1	
EBIT	178	144.5	23.4
% of net sales	7.5	6.3	
Profit before exceptional items, minority interest and taxes	130	118	10.7
Net income	87	80	8.6
EPS before amortization (EUR)	4.45	3.82	16.6
EPS after amortization (EUR)	2.97	2.55	16.6
Dividend (EUR)	1.25*	1.10	13.6
Personnel at year-end	16,417	16,759	-2.0

*) Board's proposal

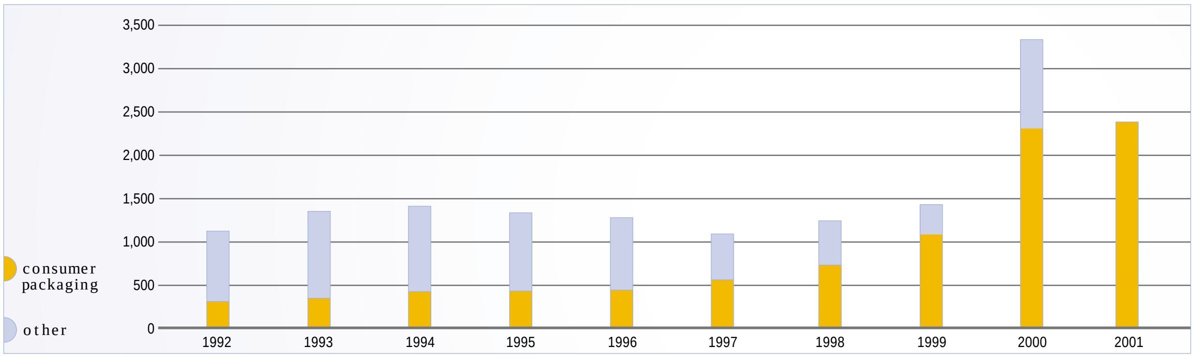
highlights

+ Record earnings per share
+ Synergy benefits accumulating
+ Healthy margin improvement
+ Capital structure in line with targets
+ Strong cash flow

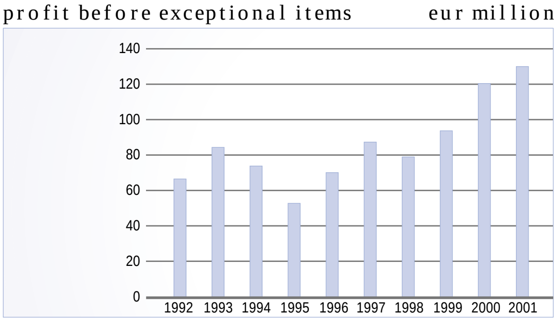
net sales by segment



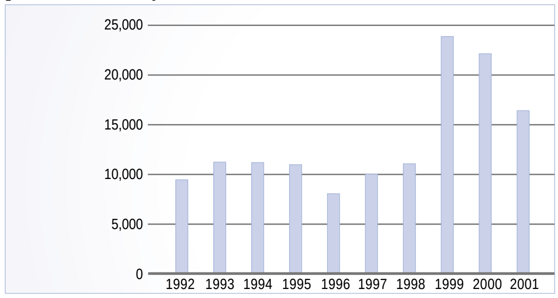
net sales eur million



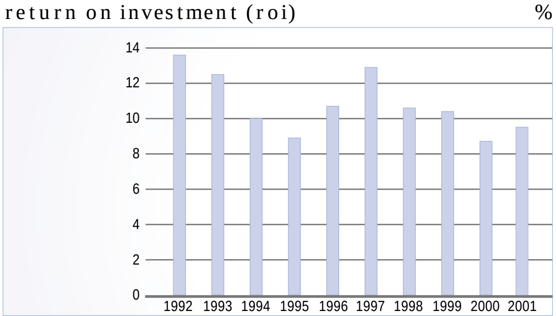
profit before exceptional items eur million



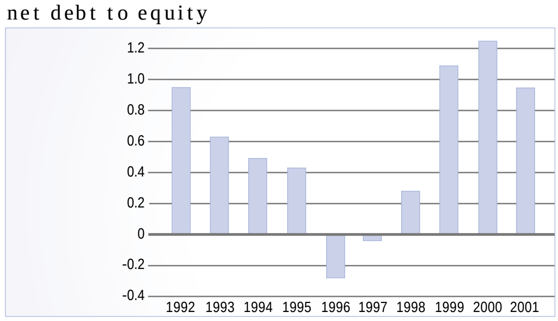
personnel at year-end



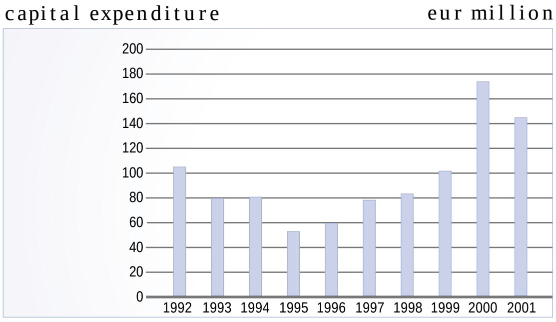
return on investment (roi) %



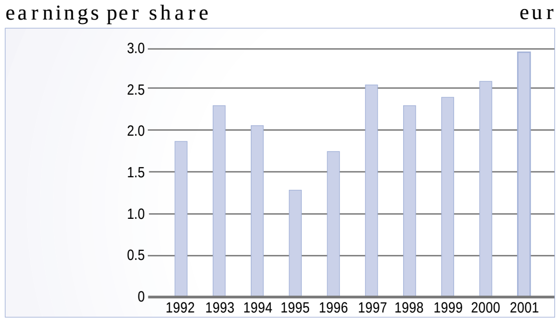
net debt to equity



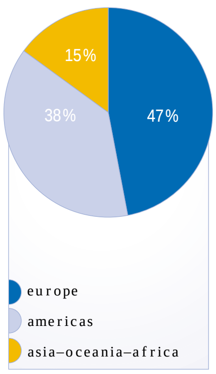
capital expenditure eur million



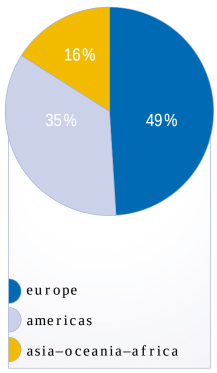
earnings per share eur



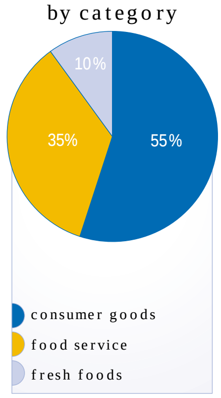
ebita by region



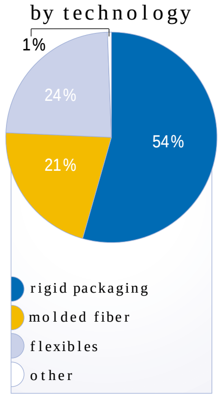
net sales by region



net sales by category



net sales by technology



The Huhtamaki share

Supported by an improving financial performance, major share repurchases and positive views widely held among equity analysts, the Huhtamaki share price increased by 21% during calendar 2001, with the upward trend continuing into early 2002. Hence, the share traded at around EUR 44.00 in mid-February 2002, some 80% above its lowest value of EUR 24.50 a year earlier. The volume of average daily trading in the share increased by 70% during 2001.

Shares and share capital

- One share class
- No physical share certificates
- Original nominal value FIM 20 abolished in 1999; accounting counter value EUR 3.40
- Shares in issue at December 31, 2001: 25,303,948
- Average number of shares in issue in 2001: 29,279,424
- Share capital at December 31, 2001: EUR 86.0 million

Registration

- Finnish Central Securities Depository Ltd., electronic Book Entry system
- Nominee registration and temporary registration for voting at General Shareholders' Meetings available to foreign shareholders

Quotations

- HEX (Helsinki Exchanges) main list since 1960
- Standard lot 50 shares
- Classification: Food Industry
- AEX (EuroNext Amsterdam) from October 1999 until de-listing in February 2001
- Over the counter trading at the Frankfurt, Munich and Berlin exchanges
- Rule 144A ADR program in the U.S. from 1990 technically valid

Symbols

HEX:	HUH1V
Reuters:	HUH1V.HE
Bloomberg:	HUH1V.FH

Authorizations

No current authorization for Board of Directors to alter share capital through issue of new shares or repurchase and invalidation of company shares. Annual General Meeting on March 25, 2002 to address the Board's proposal to launch a new share repurchase program.

Shareholders and shareholder agreement

- 15,669 registered shareholders at the end of 2001
- Largest shareholders: Finnish Cultural Foundation and the Association of the Finnish Cultural Foundation, together 18.2% of share capital
- No current shareholder agreements, following exit of Van Leer Group Foundation as shareholder on September 11, 2001

Insider provisions and shareholding

- Full compliance with HEX guidelines of March 1, 2000
- Insider register maintained by company, based on information from Central Securities Depositary Ltd
- Share ownership of Directors and Executive Committee members at year-end: 29,450 shares, corresponding to 0.10% of total
- Management's stock options: up to 1,350,000 new shares may be issued in 2002–2006, corresponding to 5.3% of total after subscriptions
- Non-executive Directors have no stock options

Trading developments in 2001

- Opening EUR 29.44 (Jan 2)
- Low EUR 24.50 (Feb 21)
- High EUR 37.00 (Oct 11)
- Closing EUR 35.50 (Dec 28)
- Total turnover on HEX 10,341,985 shares (35% of the annual average of 29,279,424 shares in issue), corresponding to EUR 322.8 million
- Average daily volume on HEX 41,534 shares, EUR 1.3 million

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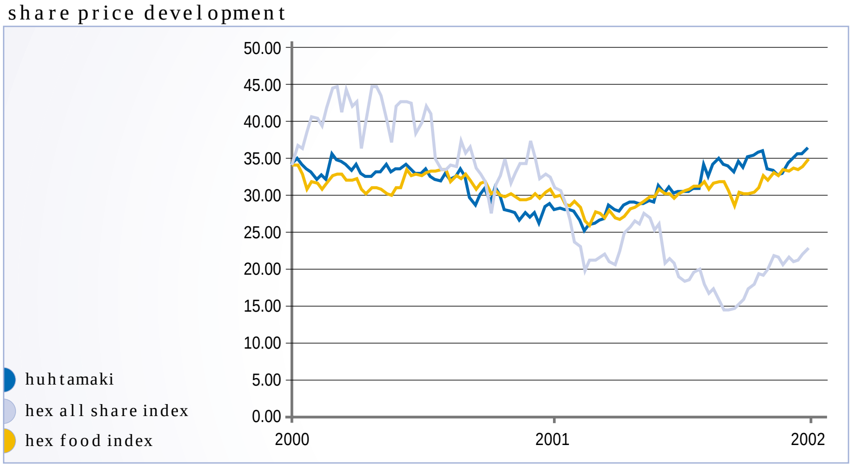
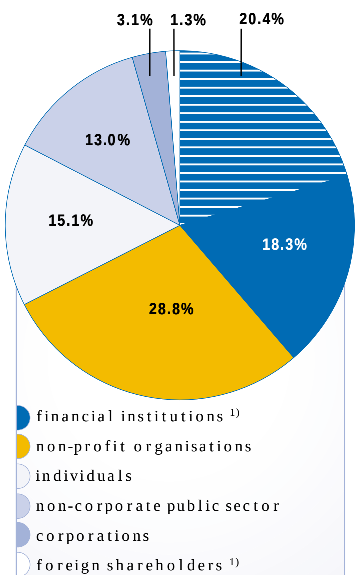
share price development



shareholding dec 28, 2001



1) Non-Finnish shareholding under nominee registration within financial institutions 20.4%

share price quotations (eur) and turnover (units) at helsinki exchanges

(HUHTAMAKI)

2001		lowest	highest	turnover
	I quarter	24.50	29.50	2,065,194
	II quarter	26.10	31.50	2,541,147
	III quarter	29.50	35.00	3,449,060
	IV quarter	32.37	37.00	2,286,584

(HUHTAMAKI VAN LEER)

2000		lowest	highest	turnover
	I quarter	31.00	36.50	2,002,397
	II quarter	31.00	35.50	1,382,884
	III quarter	28.30	34.00	1,680,453
	IV quarter	25.50	32.00	854,118

(Series I and K were united on Oct 8, 1999)

(HUHTAMAKI)

		SERIES I			SERIES K		
1999		lowest	highest	turnover	lowest	highest	turnover
	I quarter	29.00	36.50	2,897,688	29.00	36.00	171,007
	II quarter	32.00	37.40	2,011,727	31.01	37.00	196,624
	III quarter	29.00	36.75	1,252,541	29.06	37.00	335,300
	IV quarter	27.60	34.45	1,796,551	28.80	30.00	20,330
1998	I quarter	36.66	51.30	1,796,067	36.16	49.62	311,421
	II quarter	48.77	58.87	2,317,490	47.93	56.51	567,069
	III quarter	26.41	52.81	2,102,919	26.07	51.47	107,288
	IV quarter	24.64	32.63	3,739,409	24.39	32.63	255,167
1997	I quarter	35.66	42.43	3,128,218	35.49	41.71	1,202,205
	II quarter	37.00	41.21	1,837,360	36.18	40.03	384,394
	III quarter	33.13	41.88	1,869,069	32.80	40.53	147,735
	IV quarter	32.12	39.19	1,534,220	31.96	37.51	272,089

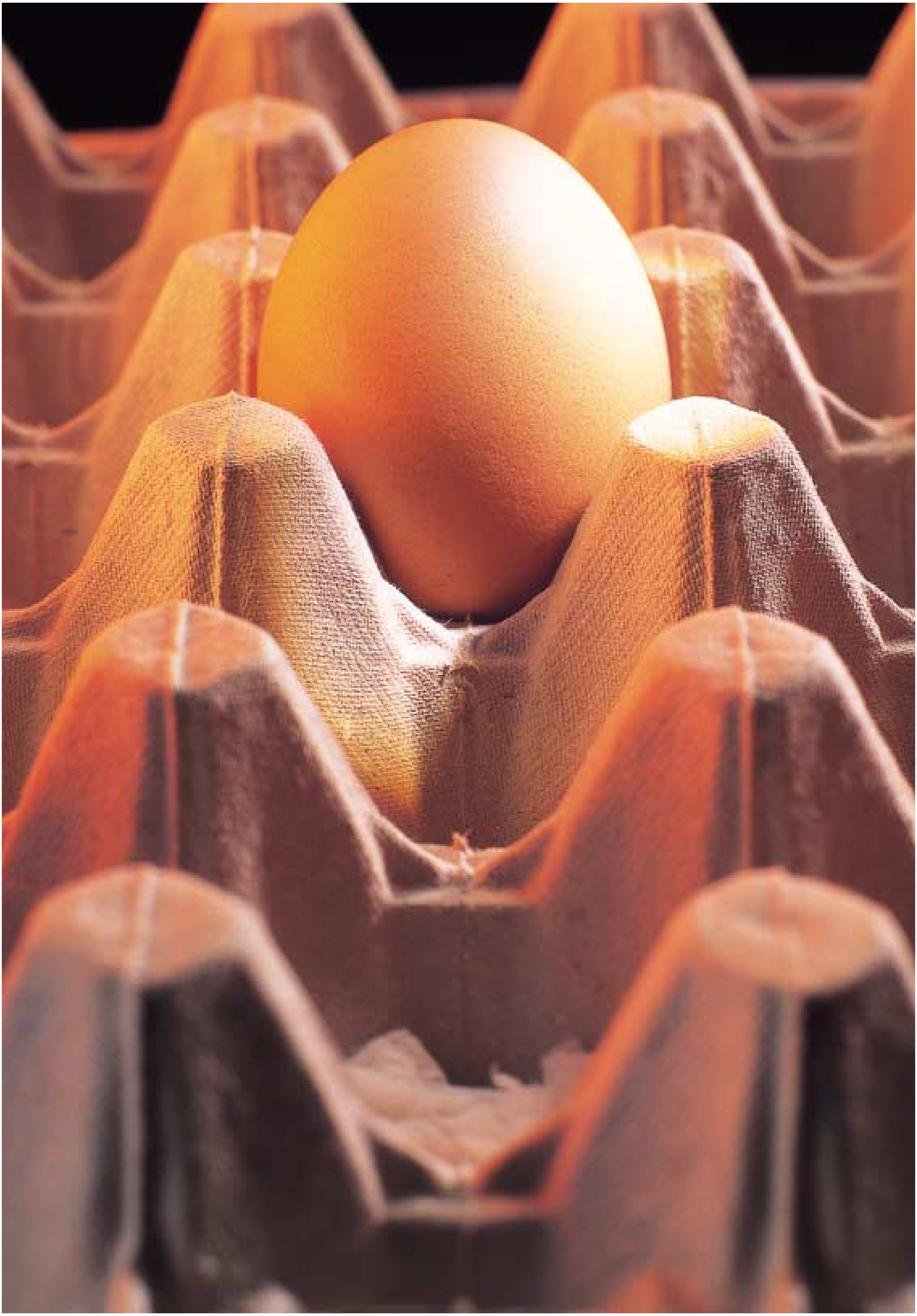
major owners at feb 15, 2002

		Shares and votes %
1.	The Finnish Cultural Foundation	12.9
2.	The Association for the Finnish Cultural Foundation	5.3
3.	Society of Swedish Literature in Finland	4.1
4.	Ilmarinen Mutual Pension Insurance Company	3.1
5.	Varma-Sampo Mutual Pension Insurance Company	2.6
6.	Suomi Mutual Life Assurance Company	2.0
7.	Pohjola Non-Life Insurance Company Ltd.	2.0
8.	Suomi Insurance Company	1.9
9.	Nordea Life Assurance	1.1
10.	Odin Norden	0.8
11.	Tapiola Mutual Insurance Company	0.8
12.	The State Pensionfund of Finland	0.7
13.	FIM Forte Investment Fund	0.7
14.	Tapiola Mutual Pension Insurance Company	0.6
15.	Pensionfund Polaris	0.6
16.	IF Non-Life Insurance Company	0.6
17.	Nordea Optima Investment Fund	0.5
18.	Kaleva Mutual Insurance Company	0.5
19.	Tapiola Mutual Life Assurance Company	0.5
20.	Aktia Capital	0.4

stock analysis

The following institutions published reports on Huhtamaki during 2001. An updated list appears on the company's website, www.huhtamaki.com

Company	City	Analyst
Alfred Berg	Helsinki	Tia Lehto
CA Indosuez Cheuvreux Nordic	Helsinki	Jan Kaijala
Conventum Securities	Helsinki	Hannu Nyman
D. Carnegie AB Finland	Helsinki	Kia Aejmelaeus
Den Danske Bank	Helsinki	Ari Järvinen
Deutsche Bank	Helsinki	Tomi Railo
Enskilda Securities	Helsinki	Tommy Ilmoni
Evli Securities Plc	Helsinki	Antti Seppänen
FIM Securities	Helsinki	Mikko Linnanvuori
Impivaara Securities	London	Jeffrey Roberts
Mandatum Stockbrokers Ltd	Helsinki	Ari Laakso
Merrill Lynch	London	Mads Asprem
Morgan Stanley Dean Witter	London	Andreas Mavrikakis
Nordea Securities	Helsinki	Ville Kivelä
Opstock Securities	Helsinki	Sanna Päiväniemi
Schroder Salomon Smith Barney	New York	George L. Staphos



Corporate governance

Huhtamäki Oyj is incorporated in Finland, and the stipulations in its Articles of Association have been derived from the Finnish Companies Act. As a publicly listed company with an international shareholder base, Huhtamaki has in recent years revised its governance system in order to align with widely accepted principles and recommendations. Hence, the company has unified its shares into one class and abolished a two-tier decision-making structure with an external Supervisory Board and an internal Board of Directors.

The most recent change in governance was adopted by an Extraordinary General Shareholders' Meeting in October 2001. The company's current Articles of Association contain no privileges to the main shareholders, and the requirement of a qualified majority of 3/4 of votes for amending certain items in the Articles was lifted.

The company is governed by Board of Directors consisting of 6 to 9 predominantly non-executive members. The Board is annually elected for a one-year term by the Annual General Shareholders' Meeting (AGM), based on a proposal from the Board's Nomination Committee. At the AGM, shareholders may propose and elect other candidates. The Board elects its Chairman and Vice-Chairman from among its members.

The Board is vested with the powers specified in Finnish Companies Act and the company's Articles of Association. It sets the company's financial and strategic objectives and decides on main policies, strategic and business plans, significant acquisitions and divestments as well as capital expenditure projects exceeding EUR 25 million. The Board also appoints the Chief Executive Officer (CEO) and other Executive Committee (EC) members, decides on executive compensation, allocates stock options to management and annually reviews the management performance. The Board meets at least six times per year, with one meeting entirely dedicated to corporate strategy. In 2001, the Board met 8 times.

In 2001, the Board had three committees. Nomination Committee, Remuneration Committee and Audit Committee. Due to the Board's compactness and availability via electronic conferencing channels between scheduled meetings, only the Nomination Committee will continue in 2002.

The company's day-to-day operation is the responsibility of the CEO, who is also Chairman of the EC. The EC convenes at least once a month and additionally on specific topics such as strategy and annual business plans.

Each EC member has a clear operative responsibility, either for a geographical region (Europe, Americas, Asia–Oceania–Africa), or a key function (Finance, Technology, Marketing). The EC members are the CEO's direct reports; additionally, the CEO supervises the Human Resources function. Individual responsibilities appear in the biographical section of this report.

The company's internal operating principles and procedures are documented in policies and guidelines subject to review by the EC from time to time. These govern such areas as reporting, finance and treasury, capital expenditure, insurance, intellectual property, sales and supply contracts, information systems, sourcing, human resources, health and safety and the environment, insider regulations and communications.

It is to be noted, however, that local laws and conditions require flexibility, and that company-wide information systems and network tools increasingly replace written procedures. A major emphasis is placed on the recruitment, training and career progression of management and specialist resources.

Remuneration and benefits

The AGM held on April 12, 2000, maintained the remuneration of the Board of Directors as follows: Chairman EUR 75,685, Vice-Chairman EUR 43,730 and other members EUR 33,638 annually. The CEO does not receive remuneration for his Board membership.

The remuneration of senior management consists of a base salary, benefits such as routine health care and company car, an annual bonus linked to corporate and personal objectives (short-term incentive; typically up to 30% of base salary depending on level of responsibility), as well as stock options issued from time to time (long-term incentive). The compensation and benefits for line managers follows local law and practice, based on an internationally recognized job grading system and an annual review of individual performance. Performance-related bonus schemes are widespread.

The EC members are entitled to retirement upon reaching sixty years of age. They, as well as certain other senior executives, have been provided with a general directors' and officers' liability insurance policy, and a severance pay exceeding the legal minimum in their respective countries of operation.

In 2001, the CEO's total compensation amounted to EUR 594,898.

The Executive Committee members have an aggregate of 229,000 stock options under schemes adopted in 1997 and 2000. In 2001, a total of 70,000 new stock options were allocated to them. Their individual positions and shareholding in the company appear in the biographical section.

Stock option schemes extend to some 120 executives and managers across the company and its subsidiaries. A total of 1,350,000 new shares (corresponding to 5.3% of the shares outstanding) may be issued in 2002–2006 assuming full use of the stock options schemes of 1997 and 2000.

Our human resources objective:

motivating 16,000 professionals in 35 countries to act and work as one company

The Human Resources function in a global company should be more occupied with the identification and development of strategically important talent and skills than just traditional personnel administration. This is why, for the past decade, Huhtamaki has continued its own international training programs aimed at junior managers and experts, as well as middle and top management. Keeping the programs alive and relevant has been a challenge during Huhtamaki's years of major structural change. With stability returning, HR programs have been developed with vigor.

Efficient management requires systems. During 2001, a major project was undertaken to set forth Huhtamaki's global HR processes. A new information system was used as a tool to create a common database for all the knowledge and skills critical to Huhtamaki's success.

The data reveals, for example, that the average age of Huhtamaki's managers and specialists is 43 years and their average length of service 11 years. However, 37% globally fall in the age group 30–39 years.

In 2001, a total of 77 employees spent 599 training days attending Huhtamaki's development programs. In addition, the local training programs were running normally. The top-level International Leadership Program was renewed. The 9th ILP course had 23 participants representing 13 nationalities. For the course, a new Huhtamaki Business Simulation Game was introduced. In 2002 it will be extended to regional and country-level programs, thus giving trainees a shared experience and the opportunity to realistically simulate business decision-making in their own environment.

The European Works Council held its statutory annual meeting and a training meeting during 2001. The Council was informed of the European restructuring projects and the Group's business outlook. The training concentrated on teambuilding and improving communication.

A new international job posting system was developed in 2001, and it will be in widespread use in 2002. This new process will allow all the employees to apply for any open positions globally, creating more international mobility and opportunities for junior employees.

Overall, international interest and participation in HR project work was higher than previous years, and a new phase in developing the global processes and working environment clearly started in 2001.

In 2002, Huhtamaki will step up its internal communication and marketing efforts. The overall aim is to create a more coherent corporate culture and ingrain it deeper into local organizations, many of which have become Huhtamaki entities only recently. Improving networking between units is a specific objective, and this makes sound commercial sense.

Such objectives cannot materialize if perceived as a top-down Headquarters dictates superimposed on local cultures and agendas. The company's vision, mission and values must be widely shared and internalized through local commitment and programs. The ongoing corporate identity and branding project will provide the necessary communications tools, platforms and core messages for both internal and external work, for years to come.

Caring for the environment

Huhtamaki recognizes its corporate responsibility to contribute to sustainable development. Environmental considerations form an integral part of our day-to-day management. Our commitment is spelled out in the Group environmental policy, originally developed on the cornerstones of the International Chamber of Commerce (ICC), Business Charter for Sustainable Development, and recently revised to take account of the company's transformation into a consumer packaging company.

highlights of 2001

Global activities

• Globally 42 Huhtamaki manufacturing units are implementing certified systems either in quality, environmental, health and safety or hygiene management

• Group environmental action plan for 2002 was drafted and approved by the Executive Committee

• Decision to start monitoring of environmental key performance indicators (eKPI) forming the basis for the environmental reporting of Huhtamaki Group

Europe

• Implemented the Garbage Gang recycling system at the world orienteering championships, Tampere, Finland. This sports event was regarded as the "world's environmentally friendliest sporting event."

• The innovative closed loop recycling system pilot test was implemented together with McDonalds Finland. Up to 95% of the restaurant kitchen waste and used packaging waste was recycled.

Americas

• Environmental Care Program was launched as an internal environmental management system ensuring improved environmental performance and reporting of environmental information

• Began development of a crisis management plan for mission-critical processes. When completed, the plan will outline a contingency for each core process vital to the successful operation of the Americas' business.

• Six plants received the superior rating in health and safety management according to the implemented standard

Australia and New Zealand

• Huhtamaki Australia became a signatory of the National Packaging Covenant and has submitted its first year's action plan

• Plastics recycling pilots in Australia have commenced involving several levels of the supply chain

• Huhtamaki New Zealand, Henderson plant, has been awarded a HACCP certification, achieving a high level of compliance with key customers, as well as meeting the national CODEX and the World Health Organisation standards

• In New Zealand, signed the national waste minimization strategy aimed at minimizing the amount of waste ending in landfills

Asia and Africa

• Thane plant in India received the first prize in the Best Safety Performance in Large Scale Industry category

Environmental policy

As a leading global provider of high-performing consumer packaging products and services, Huhtamaki recognizes its responsibility to contribute to sustainable development. The Group will continue to integrate standards for Quality, Hygiene, Safety, Health and Environment into its day-to-day business as an essential element of management.

As a matter of course, we will conduct our business in compliance with all applicable laws and regulations, and in accordance with our ethical and societal responsibilities;

We will continuously improve our management, total quality and environmental performance;

We will ensure that our packaging products, while meeting customers' requirements for functional properties and the highest standards for hygiene and safety, are developed and designed to achieve prevention at source, the use of renewable or recycled materials, and the recyclability of the packaging product itself;

We manufacture our products with the aim to minimise natural resource depletion, to optimize process efficiency, to apply the best available techniques and practices, and to reduce solid waste generation, effluent discharges and emissions to air;

We will educate, train and motivate all employees to instil a keen sense of environmental responsibility and accountability;

We will engage our suppliers to comply with our stringent standards of quality, safety, hygiene and environmental excellence;

As an industry leader, we are eager to co-operate with public, governmental and industrial organisations, both at national and international level, to develop effective and balanced environmental standards and modes of operation;

We will transpose this policy into a long-term environmental program, requiring detailed annual action plans and progress reports from our operating units;

We will communicate our environmental record to our stakeholders using widely accepted concepts and measurements.

Administration and auditors

board of directors (from april 3, 2001)

CHAIRMAN
VELI SUNDBÄCK (55)

Executive Vice President
Nokia Oyj
Shares: 1,000

VICE CHAIRMAN
PAAVO HOHTI (57)

Secretary General
Finnish Cultural Foundation
Shares: 150

MEMBERS:
JEAN PHILIPPE DESCHAMPS (60)

Professor
International Institute for Management Development
Shares: –

ANTHONY J.B. SIMON (56)

President Marketing
Unilever
Shares: –

MIKAEL LILIUS (52)

President and CEO
Fortum Oyj
Shares: 3,600

JUKKA VIINANEN (54)

President and CEO
Orion Corporation
Shares: –

TIMO PELTOLA (55)

CEO
Huhtamäki Oyj
Shares: 22,500
Share options:

1997 A	20,000
1997 B	20,000
2000 A	15,000
2000 B	20,000

HARRY LELIVELD

Executive Director Stichting Van Leer Group Foundation
Resigned on September 11

IVAR SAMRÉN

Chairman Stichting Van Leer Group Foundation
Resigned on September 11

executive committee

CHAIRMAN

TIMO PELTOLA (55)

Dr. Econ.h.c.
B.Sc. (Econ) Turku School of Economics
CEO since 1989
Joined the company in 1971
Positions of trust:
Board Member of Nordea Plc.,
AvestaPolarit Oyj and Instrumentarium Corp.
Chairman of the Supervisory Board of Ilmarinen
Mutual Pension Insurance Company
Member of the Supervisory Boards of the Finnish
Cultural Foundation and the Finnish Fair Corporation

MEMBERS:

TONY COMBE (40)

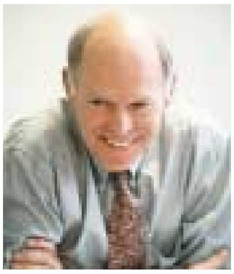
Executive VP Asia–Oceania–Africa since 2000
B.Bus. (Marketing) University of South Australia
Joined the company in 1986
Positions of trust: Board Member of Packaging
Council of Australia (PCA)
Shares: –
Share options:

1997 A	6,000
1997 B	6,000
2000 A	8,000
2000 B	10,000

MARK STATON (42)

Executive VP Americas since 2000
BA in Business Studies (hons) University of West England
Joined the company in 1989
Shares: –
Share options:

1997 A	7,500
1997 B	7,500
2000 A	8,000
2000 B	10,000



H.R. (HENK) KOEKOEK (55)

Executive Vice President, Europe since 2002
M.Sc. (Eng) Technical University Delft
Joined the company in 1973
Shares: 3,400
Share options:

1997 A	–
1997 B	–
2000 A	8,000
2000 B	10,000

kalle tanhuanpää (49)

Chief Marketing Officer since 2002
• Marketing
• Category and branding strategies
• Corporate and Marketing Communications
B.Sc. (Econ) Turku School of Economics
Joined the company in 1976
Positions of trust:
Board Member of HK Ruokatalo Oyj,
The Association of Finnish Advertisers
Shares: 1,500
Share options:

1997 A	6,000
1997 B	6,000
2000 A	–
2000 B	–

TIMO SALONEN (43)

Chief Financial Officer since 1998
• Finance
• Administration
• Legal
• Investor Relations
• Information Systems
B.Sc. (Econ) Turku School of Economics
LL.M. University of Turku
Joined the company in 1991
Positions of trust: Board Member of Pohjola Group plc
Shares: 1,500
Share options:

1997 A	7,500
1997 B	7,500
2000 A	8,000
2000 B	10,000

MATTI TIKKAKOSKI (48)

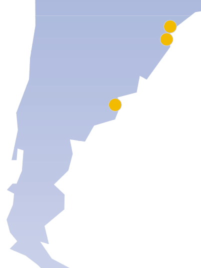
Chief Technology Officer since 2002
• Global manufacturing strategy
• R&D
• Quality, Health, Environment
B.Sc. (Econ.) Helsinki School of Economics
Joined the company in 1980
Shares: 1,700
Share options:

1997 B	10,000
2000 A	8,000
2000 B	10,000

auditors

- ESA KAILIALA, APA
- PEKKA PAJAMO, APA

Key addresses



Corporate

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D–87671 Ronsberg Allgau
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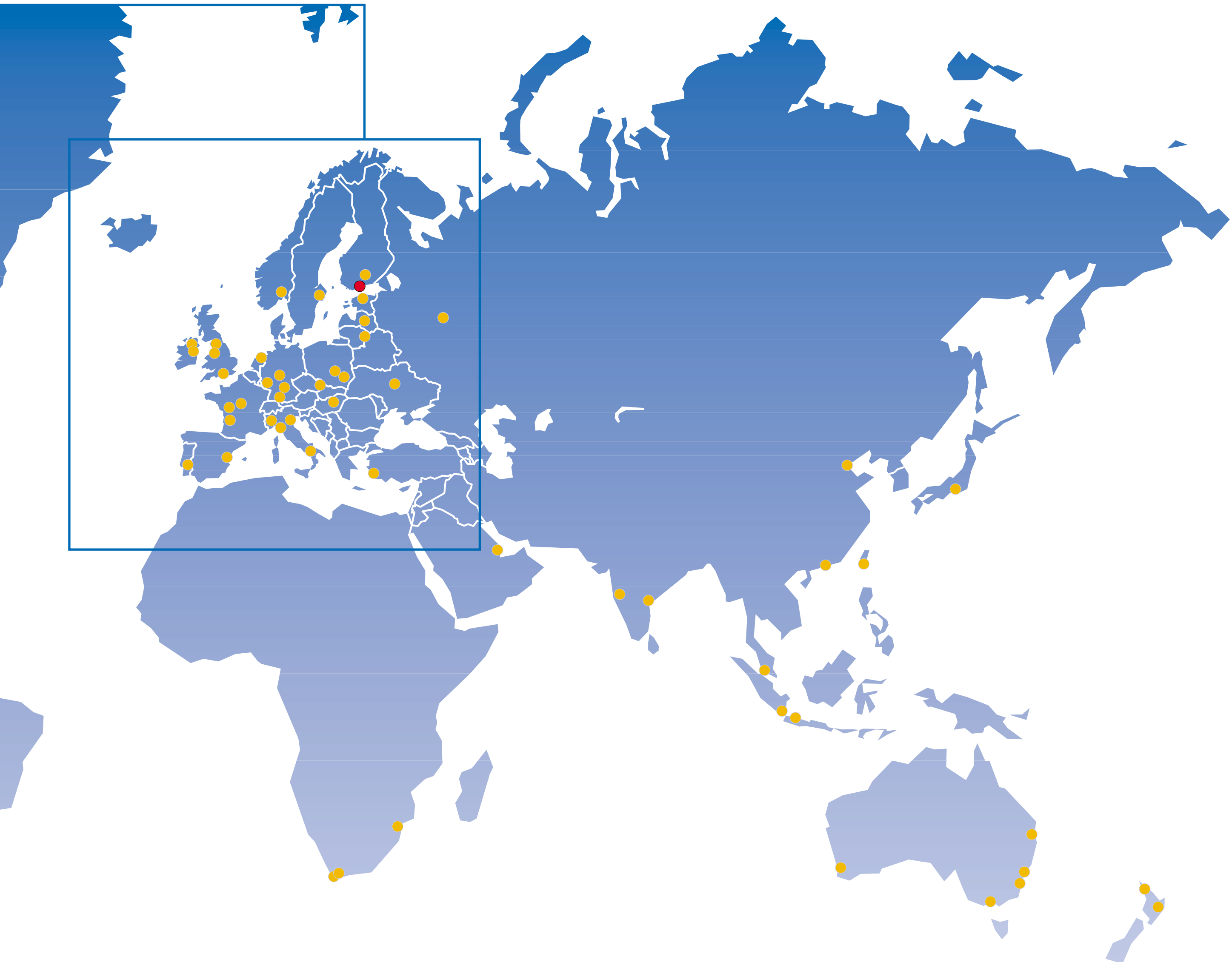
28702 Auneau Cedex
FRANCE
Tel. +33 (0) 237 917 700
Fax +33 (0) 237 318 003

Contact details for each country and unit appear in the Corporate Directory on www.huhtamaki.com



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Huhtamaki (UK) Ltd.
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PO13 OPR Gosport, Hampshire
UNITED KINGDOM
Tel: +44 (0) 23 925 122 00
Fax: +44 (0) 23 925 123 52

North America

Huhtamaki Americas
9201 Packaging Drive
DeSoto, Kansas 66018
UNITED STATES (USA)
Tel: +1 (0) 913 583 302 5
Fax: +1 (0) 913 583 875 6

Latin America

Huhtamaki do Brazil Ltda.
Rua Brasholanda, 01
Curitiba 83322–070 Pinhais–PR
BRAZIL
Tel: +55 (0) 41 661 100 0
Fax: +55 (0) 41 661 117 0

Asia–Oceania–Africa

Huhtamaki Australia Limited
406 Marion Street
2200 Bankstown, N.S.W.
AUSTRALIA
Tel: +61 (0) 2 970 874 00
Fax: +61 (0) 2 979 103 96

The Paper Products Ltd.
Lbs Marg, Majiwade
Thane West, Maharashtra 400601
INDIA
Tel: +91 (0) 22 542 705 1
Fax: +91 (0) 22 534 059 9

Huhtamaki South Africa (Pty) Ltd.
Industry Road, New Era
Springs 1560
SOUTH AFRICA
Tel: +27 (0) 11 813 120 0
Fax: +27 (0) 11 813 243 8

News headlines in 2001

February 13
Results 2000

March 2
Divestment of Van Leer Industrial to Greif Bros. completed

April 3
AGM decisions

May 11
First quarter on track

July 5
Italian molded fiber unit sold

July 19
U.S. fruit packaging unit divested

August 7
A strong second quarter

August 21
Share buyback program expected to continue

August 30
Huhtamaki streamlines manufacturing in the U.S.

September 12
Huhtamaki acquires Van Leer Group Foundation's shareholding through Dutch subsidiary

September 17
Extraordinary Shareholders' Meeting to be held on October 10, 2001

September 18
Kalle Tanhuanpää appointed to Executive Committee as Chief Marketing Officer

October 10
EGM approves lowering of share capital

October 17
New share capital and amendments to Articles of Association registered

November 6
Earnings improvement and strong cash flow continued in third quarter

November 6
Role switch in Executive Committee

November 30
Turkish consumer flexibles operation sold

HUHTAMAKI

PACKAGING WORLDWIDE

www.huhtamaki.com

HUHTAMAKI
PACKAGING WORLDWIDE

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Tel. +358 9 686 881, Fax +358 9 660 622

Business Identity Code: 0140879–6

www.huhtamaki.com

annual accounts 2001

HUHTAMAKI

PACKAGING WORLDWIDE

Contents

Announcements

Annual general meeting

The Annual General Shareholders' Meeting (AGM) of Huhtamäki Oyj will be held on Monday, March 25, 2002 at 3:00 p.m. in Finlandia Hall, Mannerheimintie 13 e, Helsinki. The proceedings will be conducted in Finnish. Simultaneous translation into English will be provided.

The main items on the AGM agenda are:
- Statutory business as expressed in Article 8 of Articles of Association
- Establishing a new program to repurchase up to 5% of the company's own shares during one year following the AGM

Shareholders registered by the Finnish Central Securities Depository Ltd. on March 15, 2002, may exercise their rights at the AGM. Beneficiary holders of nominee shares are welcome to attend and vote, provided they have obtained a temporary registration by March 15. In each case, participation should be notified to the company no later than March 21 by 4.00 p.m. Finnish time, either by telephone (+358 800 90026, "Huhtamaki AGM Services"), in writing (Huhtamäki Oyj, Länsituulentie 7, FIN–02100 Espoo, Finland), or via e-mail: (pirjo.tuuli@fi.huhtamaki.com).

Shareholders wishing to authorize another person to represent them at the AGM are requested to mail the proxy to the above address by March 21.

All documents and proposals under review at the AGM will be available for public viewing from February 25 at Group Headquarters, Länsituulentie 7, 02100 Espoo, Finland. Copies of the documents will be mailed to shareholders upon request. For further information contact Investor Relations, +358 9 6868 8361.

Dividend

The Board of Directors proposes to the AGM a dividend of EUR 1.25 per share for 2001. Dividend will be paid on April 9 to shareholders as registered on April 2.

Financial calendar

Huhtamaki will release the following financial information for 2002 in Finnish and English:

2002:
- April 25–1st Quarter Interim Report
- July 25–2nd Quarter Interim Report
- October 24–3rd Quarter Interim Report

2003:
- February – Full-year Results
- Week 11–Annual Report

As a rule, interim results will be released at or about 9.00 a.m. Finnish time. All financial releases may be retrieved instantly from the company's website, www.huhtamaki.com

On-line electronic services have become the main channel of financial information. Huhtamaki does not automatically mail its Annual and Interim Reports to registered shareholders. Interested parties wishing to receive mailed reports are kindly requested to contact Investor Relations, tel. +358 9 6868 8363, or via e-mail: IR@huhtamaki.com

financial targets

The Board of Directors of Huhtamäki Oyj has endorsed the following financial targets by 2003:
- Annual organic growth at least **5%**
- Operating margin (before amortization) at least **10%**
- Return on investment (before amortization) **15%**
- Strong cash flow
- Long term gearing ratio around 100%
- Average payout ratio 40%

Directors' report

Overview

In 2001, Huhtamaki successfully pursued the business strategies and financial objectives set during the past two years. The company's transformation into a pure consumer packaging specialist was finalized at the end of February, on the completion of the divestment of the Van Leer industrial packaging division. During the year, several small, non-core operations were also sold. Acquisition opportunities were not pursued.

Numerous processes were in motion to streamline manufacturing, and to redirect capacity to higher value added businesses. Five factories were closed. The net reduction of workforce in continuing operations was 800 persons.

The year did not provide an ideal setting for business. Three distinct factors affected Huhtamaki's markets: a slowdown in the world economy, food safety issues in Europe, and the aftermath of the September 11 terrorist attacks. While none of these had a deep or lasting influence, together they depressed volume growth to some extent. Compared to year 2000, the main positive feature was the overall stability of the raw materials market, and the softening of key polymer prices.

Against this backdrop, Huhtamaki's sales and earnings development was more than satisfactory. While net sales increased by 5% over the corresponding pro forma figure for 2000, operating profit (earnings before interest, tax and amortization) advanced by 20%. The profit improvement was particularly clear in the final quarter, when operating profit was up by 27% on the back of a sales growth of 2%.

The favorable development is attributable to three factors: 1) reduction of fixed costs, resulting from synergies and rationalization; 2) incremental sales at healthy margins; and 3) higher value added from an improving product mix and lower raw materials costs.

The repurchase of almost 20% of the company's own shares optimized the Group's capital structure, and contributed to the 30% improvement of earnings per share before amortization during the final quarter. The corresponding full-year results, EUR 4.45 before and EUR 2.97 after amortization, are both 17% above the corresponding pro forma figures for 2000, setting a new company record.

The Board carried out its annual strategy review in September but found no reason to deviate from earlier directions. Hence, the main emphasis in 2002 remains on optimizing the existing company structure, accelerating sales growth and improving profitability further.

Dividend Proposal

The Board proposes a dividend of EUR 1.25 per share, 14% more than for 2000 and representing a payout ratio of 42%.

Integration, Synergies and Restructuring

In terms of organization, the integration of Huhtamaki and the Dutch company Van Leer, acquired in 1999, was largely accomplished in 2000. In 2001, further work concentrated on improving efficiencies through streamlining the manufacturing structure and processes. Rationalization projects to this effect advanced well, but further measures remain to be implemented in 2002.

The U.S. rigid plastics and flexible packaging businesses acquired towards the end of 2000 were successfully integrated during 2001. The costs of all major integration and rationalization projects have been covered from provisions made in late 1999 after the Van Leer transaction, and in March 2001 as part of the balance sheet adustments following the sale of the industrial packaging division. At year-end, unused integration provisions amounted to EUR 35 million.

The following table summarizes restructuring accomplished during 2001:

country/unit	action
Netherlands	
Groenlo paper pkg plant	Closed, production transfered to Göttingen (Germany)
France	
Guegon plastic pkg plant	Closing completed
Auneau thermoforming	Transfer to Alf (Germany) completed
Auneau mono sheet business	Swap to multi sheet ongoing
Dourdan focus on injection molding	Downsizing ongoing
USA	
Mt Carmel (PA) plastics pkg plant	Closure completed
Los Angeles (CA) paper pkg plant	Downsizing completed
East Providence (RI)	Paper cup mfg relocation to Fulton (NY) completed Plastic pkg relocation started, closure in 2002
Waterville (MN)	Downsizing completed
Foodservice Headquarters	Relocated to Chicago (IL)
New Zealand	
Consumer Flexibles	Three plants concentrated to New Lynn

The net reduction of workforce (in full-time equivalents) was 320 in Europe, 230 in the Americas and 250 in Asia–Oceania–Africa.

Healthy Business Developments

The industrial packaging division was not consolidated during 2001.The following analysis is based on a pro forma treatment of the year 2000, in which the sales, profits, depreciation, goodwill amortization and financial expenses related to industrial packaging have been eliminated. “Actual” refers to statutory accounts in 2000, which include the industrial packaging operations.

The Group’s consolidated net sales in 2001 amounted to EUR 2,382 million, 5% above the corresponding pro forma figure in 2000 but 28% below the actual 2000 sales. Structural changes boosted sales by 2%, price changes and currency translations also by 2% and volume growth by 1%.

Geographically, the sales broke down as follows: Europe 49%, Americas 35%, and Asia, Oceania and Africa 16%. Finland’s share of the total was 3%.

European sales amounted to EUR 1,179 million. Sales of core packaging products were robust; the 2% decline in total sales reflects the retreat from unprofitable product lines, the divestment of two business units in the second half of the year, and the low value of waste paper trading. The underlying market development was relatively stronger in North and Central Europe. Operating profit from Europe improved by 27% to EUR 93 million, with the final-quarter figure up by 55%. The operating margin in Europe improved from 6.1% in 2000 to 7.9%, and RONA (return on net assets) from 11.4% to 14.7%.

Sales in the Americas advanced by 32% to EUR 826 million, mainly reflecting acquisitions in late 2000. The North American sales were buoyant most of the time. Operating profit from the Americas increased by 38% to EUR 75 million, with the corresponding margin advancing from 8.6% to 9.0%. RONA also improved slightly, to 15.8%.

Sales in the rest of the world amounted to EUR 377 million, with gains in Asia, Africa and Oceania tempered by by currency translations into euros. The comparison figure from 2000, EUR 451 million, includes divested operations. The region’s operating profit was EUR 30 million, which corresponds to 8.1% of net sales (7.0% in 2000). The region’s RONA also advanced from 10.1% to 11.8%.

The sales of the Consumer Goods category amounted to EUR 1,296 million, 54% of the total and up by 1%. The figure includes the Films business, as well as machine trade and other supporting operations. Sales growth accelerated towards year-end and was 4% in the final quarter.

Good growth in several segments, including soups, confectionery and personal care, offset the stagnant sales of dairy and edible fats packaging, which partly reflected voluntary retreat from unprofitable product areas. New take-home ice cream containers were well received in the U.S. and Oceania. As a whole, flexible packaging developed well, and significant volume growth was secured for the most important products, sterilizable stand-up pouches and toothpaste tube laminate, in 2002 and beyond.

The Consumer Goods category’s operating profit contribution improved by 17% to EUR 93 million or 7.2% net sales. The improvement in the final quarter was a remarkable 78%.

Food Service sales, including Fresh Foods packaging, amounted to EUR 1,087 million, up by 9%. Among the positive contributors were the continued good progress in European quick service markets, the new plastic packaging operations in the U.S., healthy progress for molded fiber products especially in Europe, as well as an excellent year for the U.S. Chinet® retail products.

European cattle diseases affected food service and fresh foods packaging early in the year, mainly in the U.K. and South Europe. The September 11 terrorist attack caused a short-lived stall in sales around the world; the U.S. food service markets remained hesitant towards year-end. Hence, the final quarter’s sales remained virtually flat against the previous year.

The Food Service category’s operating profit amounted to EUR 105 million, up by 32% and 9.7% of net sales. Despite a slowdown in sales, the operating margin in the fourth quarter improved by 2 percentage points to 10.7%.

Profit Improvement On Track

The improvement of the Group’s financial performance gained momentum towards year-end. Healthy margins development, declining working capital levels and lower than anticipated interest expenses all contributed to a strong free cash flow.

The operating profit from operations totaled EUR 199 million, showing an improvement of 25% over 2000 pro forma. Group royalty income and unallocated expenses showed a net income of EUR 23 million, 7% less than in 2000. Hence, the Group operating profit improved by 20% to EUR 222 million or 9.3% of net sales. After an amortization charge of EUR 45 million for goodwill and other intangible assets, the corresponding operating profit after amortization (EBIT) amounted to EUR 178 million, up by 23%. For reference, the full-year depreciation of tangible assets was EUR 111 million.

Net financial expenses amounted to EUR 49 million, 78% above 2000 pro forma but 21% less than the actual figure. The increase against pro forma reflects U.S. acquisitions in late 2000, as well as capital tied in share repurchases. The profit before minority interest and taxes amounted to EUR 130 million, 11% above 2000 pro forma. Taxes increased by 16% to EUR 37 million and minority interest amounted to EUR 7 million, whereby net income increased by 9% to EUR 87 million.

Share repurchases caused the average number of shares in issue to decline from 31,475,963 in 2000 to 29,279,424. This contributed to the 17% growth in earnings per share, to EUR 4.45 (before amortization) and EUR 2.97 (after amortization).

Higher profits and a tighter balance sheet led to a clear improvement in return on equity (ROE), to 12.6%, and return on investment (ROI), to 11.8%. Both figures are before amortization.

Strong Cash Flow; Balance Sheet Structure On Target

The structure of Huhtamaki’s balance sheet has been subject to sharp changes in recent years, reflecting the timing of major corporate transactions. The company's stated objective is a net debt to equity (gearing) ratio around one. This target zone was reached in October, following the divestment of the industrial packaging operations earlier in the year and the repurchase and invalidation of almost 20% of the company shares in issue. The share buybacks absorbed a total of EUR 207 million. This amount was written off from equity. The total free cash flow (cash from operations minus capital expenditure, interest and tax) for the year amounted to EUR 151 million.

At year-end, net debt amounted to EUR 901 million and gearing to 94%. Equity per share was EUR 34.56, up by 5%.

Capital Expenditure, Research and Development

The Group's total capital expenditure amounted to EUR 144 million, 13% more than in 2000 pro forma. A significant part of this was related to rationalization and restructuring. Other projects included the construction a new logistics center in Germany, and new printing capacity in several locations. The reconstruction of the Polish Siemianowice plant, which was destroyed by fire in late 2000, advanced on plan.

Reported expenditure on research and development amounted to EUR 13 million, substantially more than in 2000. The new Technology and Development Centers in Finland, Germany and the Netherlands became operational. An Innovation Board established at the start of the year endorsed several projects of Group-level interest; local innovation and development work continued as before.

Important product launches included superior-quality cups for hot beverages, several molded fiber items aimed at food service operators, new shapes and features in take-home ice containers, and a whole range of fresh foods packaging, including absorbent produce trays with proprietary open-cell technology.

The first environmentally friendly EarthShell® food service packaging line in Göttingen, Germany, was nearing completion at year-end. Trial runs are expected to commence during the first quarter of 2002.

Annual General Meeting

The Annual General Meeting convened on April 3, approving the company's accounts and the Board's dividend proposal, EUR 1.10 per share. The meeting also changed the company's name back to Huhtamäki Oyj, authorized the Board of Directors to launch a share repurchase program covering up to 5% of the company shares in issue within a year, and amended the pricing mechanism for B and C options in the company's Option Rights 2000 program.

The Board of Directors was re-elected with the exception of Mr Heikki Marttinen, who was no longer available. The Finnish Cultural Foundation nominated CEO Timo Peltola as his successor. Thus, the Board consisted of the following persons: Veli Sundbäck (Chairman), Paavo Hohti (Vice Chairman), Ivar Samrén (Vice Chairman), Jean Philippe Deschamps, Harry Leliveld, Mikael Lilius, Timo Peltola, Anthony J.B. Simon and Jukka Viinanen. Messrs. Samrén and Leliveld resigned on September 11, after Stichting Van Leer Group Foundation had sold its Huhtamaki shares to Huhtamaki Finance B.V.

Extraordinary Shareholders' Meeting Lowered Share Capital

An extraordinary shareholders' meeting was held on October 10, to decide on the lowering of the company's share capital by EUR 20.985 million to EUR 86.033 million through invalidating the 6,172,015 own shares, corresponding to 19.6% of the equity, that had come to the company's possession.

1,573,798 shares or 5.0% of the shares outstanding had been acquired in public trading via the Helsinki Exchanges between April 11 and August 17. The total price paid for the shares was EUR 47.9 million, corresponding to an average price of EUR 30.44 per share. 4,598,217 shares, representing 14.6% of the share capital, were acquired from Stichting Van Leer Group Foundation on September 11 by Huhtamaki Finance B.V., the wholly owned Dutch subsidiary of Huhtamäki Oyj. The price was EUR 34.59 per share, equal to the trade-weighted average price on Helsinki Exchanges for the two weeks preceding September 7. The total consideration thus amounted to EUR 159.1 million. The lowering of the share capital was entered to the Finnish Trade Registed on October 17.

Certain related amendments were adopted in the company's Articles of Association. The minimum share capital was lowered to EUR 80 million. The Board of Directors now consists of a minimum of six and a maximum of nine members. The right of the Finnish Cultural Foundation together with its affiliate association, and of Stichting Van Leer Group Foundation to nominate one or two Boards members each was removed, as their mutual shareholders' agreement was no longer in force.

Ownership Structure

On September 11, Stichting Van Leer Group Foundation sold its Huhtamaki shares, 14.6% of the total outstanding, to Huhtamaki Finance B.V. This left the Finnish Cultural Foundation alone as the company's largest shareholder. The Foundation, together with its affiliate association, held 18.2% of the equity at year-end. Foreign shareholding amounted to 21.7% of the equity. The company had 15.669 registered shareholders, marginally less than at the end of 2000.

Share developments

Share prices, EUR

January 2	29.44
February 21	24.50 low
October 11	37.00 high
December 28	35.50

Having strengthened sharply in the last weeks of December 2000, the Huhtamaki share opened the year to a decline. Market confidence returned in late February, whereafter an upward trend was evident during the rest of the year. The swing from the year's lowest to highest price was 51.6%, whereas the increase from the first to the last trading day was a more moderate 20.6%. Nevertheless, the share overperformed the HEX all-share index by almost 80%.

The averege daily trading volume for the share on HEX increased by over 70% to 41,500 shares. The figure was boosted by the share repurchase program active from mid-April to mid-August, but volumes remained brisk during the rest of the year as well. At the company's request, the share was de-listed from the EuroNext Amsterdam (formerly AEX) exchange on February 16 due to insignificant volumes.

Corporate Structure

The sale of the Van Leer industrial packaging division to the U.S. company Greif Bros. Corporation was completed on March 3. The final consideration was USD 555 million, including debt and other liabilities assumed by the buyer. The other divested units included molded fiber business in India (April), Keyes S.p.a., the Italian molded fiber operation (July); U.S. molded fiber fruit packaging business (July), and SAF Plastics, a Turkish flexible packaging unit (November). In each case, the buyer was a private investor group. The combined annualized sales of these units amounted to EUR 54 million. Their aggregate profit contribution was negative.

Executive Appointments

Mr. Kalle Tanhuanpää, a former Huhtamaki executive, was appointed Chief Marketing Officer and Executive Committee Member from the beginning of 2002. From the same date, Mr. Matti Tikkakoski and Mr. Henk Koekoek switched roles in the Executive Committee, with the former becoming Chief Technology Officer and the latter Executive Vice President Europe. In August, Mr. Jan Lång was appointed Group Vice President South Europe and Mr. Joel Portnoj became Group Vice President Africa.

Personnel

At year-end, Huhtamaki had 16,417 employees, 6,681 less than at the end of 2000. The reduction mainly reflects the sale of the industrial packaging operations. The divested consumer packaging operations employed a total of 510 employees, and various restructuring measures resulted in a net reduction of 800 employees. The average number of employees was 17,237, against 23,480 in 2000. The company had 73 factories and additional sales units in 35 countries at the end of 2001.

The parent company employed 751 people at year-end, comprising the Espoo Head Office (70) and the Finnish packaging operations (681). The respective annual average was 795 (752 in 2000).

The European Works Council (EWC), an information and discussion platform for employee representatives from within EEA (European Economic Area), had its first official meeting during the year.

The Outlook For 2002

In 2002, Huhtamaki will pursue further efficiency improvements, foster innovation across the company and strengthen customer relationships. A cautious market recovery now appears to be in sight, but the company's long-term volume growth target may again prove challenging. The positive momentum in margins development will nevertheless continue, as further synergies and rationalization benefits will materialize from both past and pending projects. All such projects will be completed during the year.

A year-on-year decline of 14% in the average number of shares in issue will alone strengthen earnings per share significantly, and a new share buyback program is proposed to the Annual General Meeting. Capital expenditure will remain on the level of depreciation, contributing to a strong free cash flow. All told, Huhtamaki looks forward to another year of growth and profit improvement.

main countries of operation (ranked by net sales; employees in full-time equivivalents)

Country	Employees	Net sales, EUR million
USA	3,202	749
Germany	2,620	477
UK	1,319	187
France	679	113
Australia	795	110
Italy	508	91
The Netherlands	350	87
Finland	714	81
India	1,135	61
Brazil	627	45

key exchange rates in euros

		2001		2000	
		Income statement	Balance sheet	Income statement	Balance sheet
Australia	AUD	0.5770	0.5787	0.6291	0.5963
Brazil	BRL	0.4755	0.4893	0.5924	0.5524
UK	GBP	1.6082	1.6434	1.6410	1.6023
India	INR	0.0237	0.0235	0.0241	0.0230
South Africa	ZAR	0.1295	0.0959	0.1564	0.1421
United States	USD	1.1166	1.1347	1.0824	1.0747

Annual accounts 2001

group income statement

EUR million	2001	%	2000	%
Net sales (1)	2,382.4	100.0	3,307.7	100.0
Cost of goods sold	1,821.9		2,570.4	
Gross profit	560.4	23.5	737.3	22.3
Sales and marketing	117.1		111.3	
Administration costs	132.3		240.3	
Other operating expenses	182.4		253.1	
Other operating income	-49.7		-49.5	
	382.1		555.2	
Earnings before interest and taxes (2,3)	178.3	7.5	182.1	5.5
Net financial income/expense (4)	-49.2		-61.9	
Gain/loss on equity of associated companies	+1.1		+0.9	
Profit before exceptional items, minority interest and taxes	130.3	5.5	121.1	3.7
Taxes (6)	36.6		33.6	
Minority interest	6.6		6.4	
Net income	87.1	3.7	81.1	2.5

group balance sheet

ASSETS

EUR million	2001	%	2000	%
FIXED ASSETS				
Intangible assets (7)				
Intangible rights	0.4		0.4	
Goodwill	626.8		746.8	
Other capitalised expenditure	103.5		28.1	
	730.7	27.5	775.3	21.4
Tangible assets (7)				
Land	39.6		60.7	
Buildings and constructions	235.6		319.0	
Machinery and equipment	641.9		779.8	
Other tangible assets	16.5		12.3	
Construction in progress and advance payments	76.7		105.1	
	1,010.3	38.1	1,276.9	35.2
Other fixed assets				
Shares and holdings (8,9)	7.6		189.3	
Loans receivable	4.7		4.2	
	12.3	0.5	193.5	5.3
CURRENT ASSETS				
Inventories				
Raw and packaging material	84.8		194.9	
Work-in-process	45.7		53.1	
Finished goods	155.0		204.1	
Advance payments	2.4		9.3	
	287.9	10.9	461.4	12.7
Receivables (10)				
Long-term				
Deferred tax asset (18)	93.0		82.0	
Other long-term receivables	25.1		23.7	
	118.1	4.4	105.7	2.9
Short-term				
Trade receivables	362.3		535.9	
Loans receivable	6.9		39.9	
Accrued income and other short-term receivables (10,19)	103.9		204.6	
	473.2	17.9	780.4	21.6
Marketable securities	2.9	0.1	1.0	
Cash and bank	15.2	0.6	33.4	0.9
	2,650.8	100.0	3,627.6	100.0

LIABILITIES AND EQUITY

EUR million	2001	%	2000	%
Shareholders' equity (14,15)				
Share capital	86.0		107.0	
Premium fund	343.5		339.5	
Consolidation difference	76.1		71.8	
Retained earnings – transferred	–			
from untaxed reserves	37.0		42.1	
Retained earnings available for distribution	244.9		391.0	
Net income for the period	87.1		81.1	
	874.6	33.0	1,032.5	28.5
Minority interest	80.4	3.0	85.9	2.4
Liabilities				
Long-term				
Loans from financial institutions (11)	570.2		798.8	
Pension loans (11)	0.2		0.9	
Deferred tax liability (18)	162.4		167.7	
Other long-term liabilities (12)	135.0		206.3	
	867.9	32.7	1,173.7	32.4
Short-term				
Loans from financial institutions (11)	360.4		641.7	
Trade payables (13)	213.5		295.0	
Accrued expenses (13,20)	180.9		269.1	
Other short-term liabilities (13)	73.1		129.7	
	827.9	31.2	1,335.5	36.8
	2,650.8	100.0	3,627.6	100.0

group cash flow statement

EUR million	2001	2000
EBIT	**178.3**	182.1
Depreciation	**156.1**	194.8
Gain/Loss on disposal of assets	**-5.6**	-3.4
Dividend from associated companies	**1.0**	0.3
Change in inventory	**60.4**	-75.4
Ghange in non-interest bearing receivables	**33.3**	-97.5
Change in non-interest bearing payables	**-46.0**	-39.7
Net financial income/expense	**-50.2**	-54.7
Taxes	**-19.4**	-29.6
Cash flows from operating activities	**307.9**	76.9
Capital expenditure	**-175.7**	-179.0
Change in other investments	**-0.4**	-2.5
Proceeds from selling fixed assets	**19.9**	20.9
Acquired subsidiaries	**–**	-252.7
Divested subsidiaries	**327.5**	153.4
Change in long-term deposits	**-1.1**	11.2
Change in short-term deposits	**-7.7**	-31.9
Cash flows from investing activities	**162.5**	-280.6
Change in long-term loans	**-162.8**	30.2
Change in short-term loans	**-82.2**	199.8
Dividends paid	**-34.6**	-33.1
Proceeds from share issues	**-207.0**	–
Cash flows from financing activities	**-486.6**	196.9
Change in liquid assets	**-16.2**	-6.8
Liquid assets on January 1, 2001	**34.4**	41.2
Liquid assest on December 31, 2001	**18.2**	34.4

parent company income statement

EUR million	2001	%	2000	%
Net sales (1)	102.6	100.0	95.8	100.0
Cost of goods sold	72.7		67.3	
Gross profit	29.9	29.1	28.5	29.8
Sales and marketing	8.1		6.8	
Administration costs	14.7		19.1	
Other operating expenses	9.0		7.5	
Other operating income	-39.1		-35.9	
	-7.3		-2.5	
Earnings before interest and taxes (2,3)	37.2	36.2	31.0	32.3
Net financial income/expense (4)	909.1		-43.1	
Profit before exceptional items	946.3	921.9	-12.1	-12.6
Exceptional income (5)	4.0		8.2	
Exceptional expense (5)	-0.5		-3.2	
Profit before appropriations and taxes	949.8	925.4	-7.1	-7.4
Depreciation difference, (–) increase, (+) decrease	+2.1		+2.5	
Change in voluntary reserves, (–) increase, (+) decrease	+5.1		–	
Taxes (6)	6.4		–	
Net income	950.7	926.2	-4.6	-4.8

parent company balance sheet

ASSETS

EUR million	2001	%	2000	%
FIXED ASSETS				
Intangible assets (7)				
Intangible rights	0.3		0.3	
Other capitalised expenditure	17.0		19.6	
	17.3	0.9	19.9	1.1
Tangible assets (7)				
Land	0.5		0.5	
Buildings and constructions	25.5		32.6	
Machinery and equipment	31.3		31.5	
Other tangible assets	2.1		0.4	
Construction in progress and advance payments	6.1		1.8	
	65.6	3.5	66.8	3.8
Other fixed assets				
Shares and holdings (8,9)	1,751.2		1,624.8	
Loans receivable	3.3		6.0	
	1,754.6	92.5	1,630.8	91.6
CURRENT ASSETS				
Inventories				
Raw and packaging material	2.7		2.9	
Work-in-process	0.4		0.6	
Finished goods	8.6		8.3	
	11.7	0.6	11.8	0.7
Receivables (10)				
Long-term				
Loans receivable	4.4		4.1	
Other long-term receivables	0.1		0.1	
	4.5	0.2	4.2	0.2
Short-term				
Trade receivables	12.7		11.8	
Loans receivable	–		0.3	
Accrued income (19)	26.9		32.3	
	39.6	2.1	44.4	2.5
Cash and bank	2.8	0.1	1.8	0.1
	1,896.1	100.0	1,779.7	100.0

LIABILITIES AND EQUITY

EUR million	2001	%	2000	%
Shareholders' equity (14,15)				
Share capital	86.0		107.0	
Premium fund	343.5		322.6	
Retained earnings available for distribution	-31.0		220.0	
Net income for the period	950.7		-4.6	
	1,349.2	71.2	645.0	36.3
Untaxed reserves	52.0	2.7	59.3	3.3
Liabilities				
Long-term				
Pension loans (11)	0.2		0.9	
	0.2	0.0	0.9	0.0
Short-term				
Trade payables (13)	5.8		5.4	
Accrued expenses (13,20)	11.1		20.9	
Other short-term liabilities (13)	477.7		1,048.2	
	494.6	26.1	1,074.5	60.4
	1,896.1	100.0	1,779.7	100.0
Total retained earnings available for distribution	919.6		215.5	

parent company cash flow statement

EUR million	2001	2000
EBIT	37.2	31.0
Depreciation	8.1	8.0
Gain/Loss on disposal of assets		0.1
Change in inventory	0.2	-2.0
Ghange in non-interest bearing receivables	0.5	-17.5
Change in non-interest bearing payables	1.1	-12.6
Net financial income/expense	-33.3	-40.7
Taxes	-0.1	5.3
Exceptional income/expense	2.5	1.2
Cash flows from operating activities	16.2	-27.2
Capital expenditure	-11.6	-6.5
Change in other investments		–
Proceeds from selling fixed assets	7.2	0.5
Acquired subsidiaries	-126.7	-1,3
Divested subsidiaries	1.1	–
Change in long-term deposits	2.4	1.8
Change in short-term deposits	-0.2	18.5
Cash flows from investing activities	-127.8	13.0
Change in long-term loans	-0.6	–
Change in short-term loans	-576.7	46.9
Dividends	932.2	
Dividends paid	-34.6	-33.1
Proceeds from share issues	-207.7	–
Cash flows from financing activities	112.6	13.8
Change in liquid assets	1.0	-0.4
Liquid assets on January 1, 2000	1.8	2.2
Liquid assets on December 31, 2000	2.8	1.8

Accounting principles

The financial statements of Huhtamäki Oyj and its subsidiaries have been prepared according to Finnish Accounting Standards (FAS). In the consolidated financial statements FAS enables the compliance with accounting principles that are fundamentally in accordance with International Accounting Standards (IAS). The financial statements have been prepared in Euros on the basis of historical costs and do not take into account increases in the market value of assets, unless otherwise stated.

Consolidation principles

Acquired companies have been consolidated according to the purchase method. The difference between the acquisition cost and the subsidiary's equity at the time of acquisition has been allocated, where applicable, to the underlying assets and depreciated accordingly. The remainder of the difference is shown as goodwill on consolidation and amortized according to plan.

The consolidated financial statements include the parent company Huhtamäki Oyj and all subsidiaries where at least 50% of a subsidiary's voting power is controlled directly or indirectly by the parent company, or the parent company is otherwise in control of the company.

Subsidiaries acquired during the financial year are included in the consolidated financial statements from the date of their acquisition and subsidiaries sold are included up to their date of sale.

The financial statements of subsidiaries located in hyperinflationary economies have been locally adjusted for the effects of inflation. These adjustments are included in the consolidation.

All inter-company transactions, receivables, liabilities and unrealized profits, as well as distribution of profits within the group, are eliminated. Minority interests are separated from the net income and equity. They are shown as a separate item.

Foreign currency

Foreign currency transactions are recorded according to the exchange rates prevailing on the transaction date. Trade receivables and payables are revalued at the rate of exchange on the balance sheet date. Exchange rate differences arising from translation of trade receivables are recorded under net sales, and exchange rate differences on trade payables under costs and expenses. Exchange rate differences on translation of financial items, such as loans and deposits, are entered under financial income and expenses.

In the consolidated financial statements, in regard to the shareholders' equity, translation differences due to exchange rate fluctuations have been recorded as a separate component of equity. A similar treatment is applied to intra-group permanent loans, which due to their conditions have the character of equity.

The income statements of all foreign subsidiaries have been translated into euros at the average annual exchange rate and the balance sheets at the year-end exchange rate.

Derivative instruments

Foreign exchange forward contracts and options are used for hedging the Group's currency position. Foreign exchange forwards are marked-to-market at the rate of exchange on the balance sheet date and recorded in the income statement as an adjustment of sales and purchases only to the extent they relate to balance sheet items being hedged. The revaluation differences of forwards used for hedging forecasted cash flows are booked to the balance sheet as accruals. Foreign currency options are marked-to-market and booked to the income statement.

Foreign exchange forward contracts used for hedging financial items, such as loans and deposits, are marked-to-market and booked to other financial income and expense.

The group manages its interest rate risks using forward rate agreements, interest rate swaps and options. Interest income or expenses deriving from such instruments are accrued over the contract period. Interest rate derivative instruments not used for hedging purposes are marked-to-market on the balance sheet date and the gain/loss is recorded in the income statement.

Goodwill and other intangible assets

Goodwill and other intangible assets are amortized on a systematic basis over their estimated useful life. The period of amortization does not exceed 20 years.

Tangible assets

Items of property, plant and equipment are stated at historical cost and are depreciated using the straight line method over their estimated useful lives. Freehold land is not depreciated. Land use rights are depreciated over the agreement period.

The periods of depreciation used (years):

- buildings and other structures 20–40
- machinery and equipment . .5–15
- other tangible assets 3–12

Leases of plant and equipment under which the Group assumes substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

Investments

Investments classified as current assets are carried at market value. Any increases or decreases in carrying values are credited or charged to financial income.

Investments classified as long-term assets are carried at cost, less amounts written off to recognize permanent declines in the value of the investment. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to income.

Investments in subsidiaries are carried at cost in the balance sheet of the parent company in accordance with the valuation policy applied to long-term investments. A listing of the Group's significant subsidiaries is set out in note 8.

Investments in associated companies are carried in parent company's balance sheet in accordance with the valuation policy applied to long-term investments noted above and in Group's balance sheet under equity method. Jointly owned companies are accounted for according to the share of ownership. An associated company is one in which Huhtamaki holds, directly or indirectly, between 20% and 50% of the voting power of the company. A listing of the Group's associates is set out in note 9.

Inventories

Inventories are stated at the lower of cost, replacement cost or net realizable value. Cost for purchased inventories represent historic purchase price determined on the "first in first out" (FIFO) basis.

Cost for produced finished goods and work in process represent the historic purchase price of materials, determined on a first in first out basis, plus direct labor, other direct costs and related production overheads excluding selling and financial costs.

Income taxes

The Group income statement includes income taxes of Group companies based on taxable profit for the financial period according to local tax regulations as well as adjustments to prior year taxes and deferred taxes.

Deferred taxes

Deferred tax arising from timing differences between book and fiscal valuation of net income is calculated applying the standard tax rate applicable at the balance sheet date or the tax rate at when the tax is going to be paid. Deferred tax debits are only carried forward if there is a reasonable expectation of realization.

In the consolidated balance sheet accumulated depreciation difference and untaxed reserves (appropriations) have been divided into equity and deferred tax as well as deferred tax arising from movements on untaxed reserves during the financial year have been taken into account in net income.

Revenue recognition

Revenue is recognized at the date of delivery. Net sales is calculated after deduction of sales discounts, indirect sales taxes and exchange differences on sales in foreign currencies.

Research and development

Research and development costs are charged as an expense in the income statement in the period in which they are incurred without exception.

Pensions and other post retirement benefits

The Group companies have various pension plans in accordance with local conditions and practices. Contributions are based on periodic actuarial valuations and are charged against profits. The plans are covered according to local conditions and practices.

Some US based Group companies provide for certain post retirement health care and life insurance benefits. Unfunded part of the plans is recorded in the balance sheet as a liability.

Other operating income and expenses

Other operating income includes gains from disposal of assets and regular income, such as royalty and rental income, which have not been derived from primary activities.

Other operating expenses include losses from disposal of assets and other costs not directly related to end product such as R&D.

Extraordinary income and expenses

Extraordinary income and expenses include items which fall outside the ordinary activities of the company, e.g. items related to major divestments or restructuring operations.

Cash flow statement

Cash flow statement illustrates cash in- and outflows arising from operations, investments and financing. In the investments, acquisitions and divestments are valued at the purchase price of shares. Assets and liabilities of the acquired/divested company are neither included in the change in working capital, net investments nor financing in the cash flow statement.

1. NET SALES

EUR million	GROUP 2001	GROUP 2000	PARENT COMPANY 2001	PARENT COMPANY 2000
Net sales by categories:				
Consumer Goods	**1,295.7**	1,283.5	**27.3**	24.8
Food Service (including Fresh Foods)	**1,086.7**	994.5	**75.3**	71.0
Consumer Total	**2,382.4**	2,278	**102.6**	95.8
Discontinued operations	**–**	1,029.7	**–**	–
Total	**2,382.4**	3,307.7	**102.6**	95.8

EUR million	GROUP 2001	GROUP 2000	PARENT COMPANY 2001	PARENT COMPANY 2000
Net sales by region:				
Europe	**1,179.1**	1,202.5	**102.6**	95.8
Americas	**825.7**	624.5	**–**	–
Asia–Oceania–Africa	**377.6**	451.0	**–**	–
Discontinued operations	**-**	1,029.7	**–**	–
Total	**2,382.4**	3,307.7	**102.6**	95.8

2. PERSONNEL COSTS

EUR million	GROUP 2001	GROUP 2000	PARENT COMPANY 2001	PARENT COMPANY 2000
Wages and salaries	**428.0**	568.6	**23.8**	21.4
Pension costs	**17.9**	23.5	**3.4**	3.2
Other personnel costs	**90.5**	138.9	**2.2**	2.0
Total	**536.4**	731.0	**29.4**	26.6

The above amounts are on an accrual basis. Remuneration paid by the parent company to the members of the Board of Directors as well as the Managing Director of Huhtamäki Oyj (10 people) amounted to EUR 0.9 million. The Managing Director of Huhtamäki Oyj is entitled to retirement at the age of 60.

Personnel (average)	GROUP 2001	GROUP 2000	PARENT COMPANY 2001	PARENT COMPANY 2000
	17,237	23,480	**795**	752

3. DEPRECIATION AND AMORTIZATION

EUR million	GROUP 2001	GROUP 2000	PARENT COMPANY 2001	PARENT COMPANY 2000
Depreciation by function:				
Production	**103.8**	138.3	**3.8**	3.5
Sales and marketing	**0.5**	1.0	**0.3**	0.3
Administration	**5.0**	8.0	**0.9**	0.8
Other	**46.8**	47.4	**3.1**	3.4
Total depreciation	**156.1**	194.7	**8.1**	8.0
Depreciation by asset type:				
Land, Buildings	**10.9**	18.8	**0.7**	0.9
Machinery and equipment	**99.9**	130.3	**4.2**	4.0
Goodwill	**38.6**	42.2	**–**	–
Other intangible assets	**6.7**	3.4	**3.2**	3.1
Total depreciation	**156.1**	194.7	**8.1**	8.0

4. FINANCIAL INCOME/EXPENSE

EUR million	GROUP 2001	GROUP 2000	PARENT COMPANY 2001	PARENT COMPANY 2000
Interest income	**10.7**	16.0	**–**	–
Intercompany interest income	**–**	–	**5.9**	4.7
Dividend income	**2.7**	8.7	**–**	–
Dividend income from subsidiaries	**–**	–	**931.3**	–
Dividend income from associated companies	**–**	–	**0.8**	0.5
Other financial income	**2.4**	2.1	**1.6**	0.4
Interest expense	**-61.5**	-85.8	**–**	–
Intercompany interest expense	**–**	–	**-30.5**	-48.4
Other financial expense	**-3.5**	-2.9	**0.1**	-0.2
Total	**-49.2**	-61.9	**909.1**	-43.0

5. EXCEPTIONAL ITEMS

EUR million	GROUP 2001	GROUP 2000	PARENT COMPANY 2001	PARENT COMPANY 2000
Exceptional income	–	–	–	–
Exceptional expense	–	–	-0.5	-3.2
Group contributions, net	–	–	4.0	8.2
Total	–	–	3.5	5.0

The parent company exceptional expense comprises of structural changes within the group, that have been eliminated on the group level.

6. TAXES

EUR million	GROUP 2001	GROUP 2000	PARENT COMPANY 2001	PARENT COMPANY 2000
Ordinary taxes	-35.3	-25.7	-6.4	–
Deferred taxes	-1.3	-7.9	–	–
Total	-36.6	-33.6	-6.4	–

7. FIXED ASSETS

EUR million	GROUP 2001	GROUP 2000	PARENT COMPANY 2001	PARENT COMPANY 2000
Intangible rights				
Acquisition cost at January 1	1.0	1.1	0.4	0.4
Additions	–	0.5	–	–
Disposals	0.5	-0.1	–	–
Intra-balance sheet transfer	–	-0.5	–	–
Changes in exchange rates	-0.4	–	–	–
Acquisition cost at December 31	1.1	1.0	0.4	0.4
Accumulated amortization at January 1	0.6	0.6	0.1	0.1
Accum. amortization on decreases and transfers	0.2	-0.3	–	–
Accumulation during the financial year	0.2	0.3	–	–
Changes in exchange rates	-0.3	–	–	–
Accumulated amortization at December 31	0.7	0.6	0.1	0.1
Book value at December 31	0.4	0.4	0.3	0.3
Goodwill				
Acquisition cost at January 1	834.0	847.0	–	–
Additions	0.3	13.4	–	–
Disposals	-87.6	-33.3	–	–
Intra-balance sheet transfer	–	–	–	–
Changes in exchange rates	5.3	6.9	–	–
Acquisition cost December 31	752.0	834.0	–	–
Accumulated amortization at January 1	87.2	45.5	–	–
Accum. amortization on decreases and transfers	-0.5	-0.1	–	–
Amortization during the financial year	37.7	42.2	–	–
Changes in exchange rates	0.9	-0.4	–	–
Accumulated amortization at December 31	125.3	87.2	–	–
Book value at December 31	626.7	746.8	–	–
Other capitalised expenditure				
Acquisition cost at January 1	40.9	13.5	30.2	30.0
Additions	82.5	21.3	0.6	0.2
Disposals	-4.5	-0.6	–	–
Intra-balance sheet transfer	2.5	7.3	–	–
Changes in exchange rates	2.3	-0.6	–	–
Acquisition cost at December 31	123.9	40.9	30.8	30.2

EUR million	GROUP 2001	GROUP 2000	PARENT COMPANY 2001	PARENT COMPANY 2000
Accumulated amortization at January 1	12.8	7.0	10.6	7.5
Accum. amortization on decreases and transfers	-0.3	2.9	–	–
Amortization during the financial year	7.3	3.1	3.2	3.1
Changes in exchange rates	0.6	-0.2	–	–
Accumulated amortization at December 31	20.4	12.8	13.8	10.6
Book value at December 31	103.5	28.1	17.0	19.6
Land and land use rights				
Acquisition cost at January 1	61.7	63.2	0.5	0.9
Additions	0.3	3.0	–	–
Disposals	-21.7	-4.9	–	-0.4
Intra-balance sheet transfer	0.2	0.1	–	–
Changes in exchange rates	0.1	0.3	–	–
Acquisition cost at December 31	40.6	61.7	0.5	0.5
Accumulated amortization at January 1	1.0	0.6	–	–
Accum. amortization on decreases and transfers	-0.3	-	–	–
Amortization during the financial year	0.2	0.4	–	–
Changes in exchange rates	0.1	-	–	–
Accumulated amortization at December 31	1.0	1.0	–	–
Book value at December 31	39.6	60.7	0.5	0.5
Buildings and constructions				
Acquisition cost at January 1	391.3	371.1	63.0	62.8
Additions	32.6	15.1	0.3	0.4
Disposals	-157.0	-38.1	-13.6	-0.2
Intra-balance sheet transfer	9.1	41.3	–	–
Changes in exchange rates	2.6	1.9	–	–
Acquisition cost at December 31	278.6	391.3	49.7	63.0
Accumulated depreciation at January 1	72.3	61.8	30.4	29.5
Accum. depreciation on decreases and transfers	-42.3	-6.0	-6.9	-0.1
Depreciation during the financial year	12.0	18.4	0.7	1.0
Changes in exchange rates	1.0	-1.9	–	–
Accumulated depreciation at December 31	43.0	72.3	24.2	30.4
Book value at December 31	235.6	319.0	25.5	32.6
Revaluation of buildings and constructions (included in the above figures)	2.4	6.7	2.4	6.7
Machinery and equipment				
Acquisition cost at January 1	1,143.3	1,100.9	72.3	66.6
Additions	121.4	101.4	5.4	6.4
Disposals	-406.7	-105.2	-2.0	-0.7
Intra-balance sheet transfer	65.0	28.2	-5.5	–
Changes in exchange rates	-26.1	18.0	–	–
Acquisition cost at December 31	896.9	1,143.3	70.2	72.3
Accumulated depreciation at January 1	363.5	276.1	40.8	37.3
Accum. depreciation on decreases and transfers	-169.9	-42.7	-5.4	-0.5
Depreciation during the financial year	100.0	124.8	3.5	4.0
Changes in exchange rates	-38.6	5.3	–	–
Accumulated depreciation at December 31	255.0	363.5	38.9	40.8
Book value at December 31	641.9	779.8	31.3	31.5
Other tangible assets				
Acquisition cost at January 1	40.1	26.9	0.8	1.0
Additions	4.2	3.5	0.7	–
Disposals	-4.8	-3.1	-0.1	-0.2
Intra-balance sheet transfer	2.8	11.6	5.5	–
Changes in exchange rates	2.6	1.2	–	–
Acquisition cost at December 31	44.9	40.1	6.9	0.8

Accumulated depreciation at January 1	**27.8**	16.1	**0.4**	0.6
Accum. depreciation on decreases and transfers	**-4.9**	4.9	**3.7**	-0.2
Depreciation during the financial year	**5.8**	5.8	**0.7**	–
Changes in exchange rates	**-0.3**	1.0	**–**	–
Accumulated depreciation at December 31	**28.4**	27.8	**4.8**	0.4
Book value at December 31	**16.5**	12.3	**2.1**	0.4
Construction in progress and advance payments				
Acquisition cost at January 1	**105.1**	116.3	**1.8**	2.1
Additions	**86.2**	80.1	**10.4**	6.3
Disposals	**-43.3**	-7.8	**-6.1**	-6.6
Intra-balance sheet transfer	**-77.8**	-88.2	**–**	–
Changes in exchange rates	**6.5**	4.7	**–**	–
Acquisition cost at December 31	**76.7**	105.1	**6.1**	1.8

8. INVESTMENT IN SUBSIDIARIES

The list contains operative companies, holding companies and other subsidiaries with sufficient assets. A complete statutory list is enclosed in the official statutory accounts, which may be be obtained from the company on request. Foreign subsidiaries' nominal values are expressed in local currency (1,000). Subsidiaries' book values are expressed in holding company's currency (1,000).

Huhtamaki Oyj's shareholding in subsidiaries:

Name	Number of shares	Size of holding %		Nominal value		Book value	Group holding %
Huhtamaki Finance B.V.	4,900,713	100.0	NLG	490,071	EUR	1,712,765	100.0
Huhtamaki Portugal S.G.P.S., Lda	2	100.0	PTE	50,400	EUR	1,975	100.0
Huhtamäki Finance Oy	50	100.0	EUR	8,409	EUR	8,409	100.0
Pacific World Packaging (International) Ltd.	182,502	100.0	HDK	183	EUR	9,512	100.0
Partner Polarcup Oy	78,694	100.0	EUR	13,236	EUR	13,236	100.0
Huhtamaki Argentina S.A.	1,400,000	91.2	ARS	1,400	EUR	1,803	100.0
Huhtamaki Hungary Kft	1	100.0	HUF	51,060	EUR	339	100.0
Subsidiary shares owned by Huhtamaki Finance B.V.:							
Huhtamaki Istanbul Sanayi A.S.	1,650,000	100.0	TRL	1,650,000,000	EUR	25,201	100.0
Huhtamaki Holdings Pty Ltd	43,052,750	100.0	AUD	43,053	EUR	1,715	100.0
Huhtamaki (NZ) Holdings Ltd	13,920	100.0	NZD	12,250	EUR	2,637	100.0
Huhtamaki Anglo Holding Unlimited	64,000,001	100.0	GBP	64,000	EUR	102,597	100.0
Huhtamaki Finance B.V.Y. Cia,Sociedada Collectiva	–	99.9	EUR	6,003	EUR	6,000	100.0
Huhtamaki Finance Co I B.V.	200	100.0	EUR	20	EUR	241,623	100.0
Huhtamaki Holdings France S.A.R.L	489,668	100.0	FRF	7,467	EUR	7,726	100.0
Huhtamaki (Norway) Holdings A/S	28,459	100.0	NOK	28,459	EUR	3,470	100.0
Huhtamaki Sweden Holding AB	1,000	100.0	SEK	100	EUR	4,387	100.0
Huhtamaki Egypt LLC	6,000	75.0	EGP	6,000	EUR	2,024	75.0
Huhtamaki South Africa (Pty) Ltd.	167,661	100.0	ZAR	335	EUR	1,774	100.0
Huhtamaki S.p.A	20,020,000	100.0	ITL	10,410	EUR	34,796	100.0
Huhtamaki Singapore Pte. Ltd	28,000	100.0	SGD	28,000	EUR	11,977	100.0
Subsidiary shares owned by Huhtamaki Pty. Ltd:							
Huhtamaki Australia Limited	9,241,702	100.0	AUD	9,242	AUD	9,242	100.0
Subsidiary shares owned by Huhtamaki (NZ) Holdings Ltd:							
Huhtamaki (Henderson) Ltd	195,700	97.5	NZD	391	NZD	28,493	100.0
Subsidiary shares owned by Huhtamaki Holdings France S.A.R.L.:							
Huhtamaki France S.A.	71,994	100.0	FRF	7,200	FRF	4,992	100.0
Subsidiary shares owned by Huhtamaki Finance B.V.Y. Cia, Sociedada Collectiva:							
Huhtamaki Spain S.A.	430,000	100.0	EUR	12,922	EUR	24,000	100.0
Subsidiary shares owned by Huhtamaki Anglo Holding Unlimited:							
Huhtamaki Ltd	51,928,202	100.0	GBP	51,928	GBP	87,000	100.0

Name	Number of shares	Size of holding %		Nominal value		Book value	Group holding %
Subsidiary shares owned by Huhtamaki Ltd:							
Huhtamaki (UK) Ltd	11,000,004	100.0	GBP	11,000	GBP	25,513	100.0
Subsidiary shares owned by Huhtamaki Norway A/S:							
Huhtamaki Norway A/S	950	100.0	NOK	950	NOK	148,000	100.0
Subsidiary shares owned by Huhtamaki Sweden Holding AB:							
Huhtamaki Sweden AB	1,500	100.0	SEK	150	SEK	17,157	100.0
Subsidiary shares owned by Partner Polarcup Oy:							
OOO Huhtamaki S.N.G.	170,958,800	95.0	RUR	170,959	EUR	16,563	100.0
Subsidiary shares owned by Huhtamaki Portugal S.G.P.S., Lda:							
Polarcup – Embalagens S.A.	170,000	100.0	PTE	170,000	PTE	384,963	100.0
Subsidiary shares owned by Pacific World Packaging (International) Ltd:							
Huhtamaki (Malaysia) Sdn. Bhd.	21,999,999	100.0	MYR	22,000	HKD	45,915	100.0
Huhtamaki Hong Kong Limited	181,402	100.0	HKD	181	HKD	78,034	100.0
Subsidiary shares owned by Huhtamaki Hong Kong Limited:							
Huhtamaki (Tianjin) Limited	1	100.0	CNY	103,435	HKD	127,952	100.0
Subsidiary shares owned by Huhtamaki Finance Co I B.V.:							
Huhtamaki Sp. Z.o.o.	110,156	98.5	PLN	11,016	EUR	3,810	100.0
Huhtamaki Consorcio Mexicana S.A. de C.V.	130,994,500	96.9	MXP	130,995	EUR	18,746	100.0
Huhtamaki Ceská republika, a.s.	1	100.0	CZK	111,215	EUR	5,389	100.0
Huhtamaki France Investments Holding B.V.	191	100.0	EUR	19	EUR	13,385	100.0
Huhtamaki PT ASABA Indonesia	11,250	50.0	IDR	2,679	EUR	1,094	50.0
Huhtavefa B.V.	180	100.0	NLG	18	EUR	18	100.0
Huhtamaki Beheer V B.V.	182	100.0	NLG	18	EUR	241,667	100.0
Huhtamaki Beheer XI B.V.	182	100.0	NLG	91	EUR	21,121	100.0
Huhtamaki Industries B.V.	170,000	100.0	EUR	43,010	EUR	–	100.0
Huhtamaki (Thailand) Ltd.	999,993	100.0	THB	100,000	EUR	7,885	100.0
Huhtamaki New Zealand Limited	7,737,306	100.0	NZD	7,737	EUR	4,800	100.0
Subsidiary shares owned by Huhtamaki Consorcio Mexicana, S.A. de C.V.:							
Huhtamaki Mexicana, S.A. de C.V.	19,130,916	100.0	MXP	19,131	MXP	19,131	100.0
Subsidiary shares owned by Huhtavefa B.V.:							
The Paper Products Limited	6,394,093	51.0	INR	63,941	EUR	23,082	51.0
Subsidiary shares owned by Huhtamaki (UK) Holdings Limited:							
Huhtamaki (Lurgan) Limited	1,551,999	100.0	GBP	1,552	GBP	4,937	100.0
Subsidiary shares owned by Huhtamaki Beheer V B.V.:							
Huhtamaki Americas, Inc.	1,000	100.0	USD	1	EUR	241,650	100.0
Subsidiary shares owned by Huhtamaki Americas, Inc.:							
Huhtamaki North America	1,000	90.0	USD	1	USD	109,797	100.0
Huhtamaki Consumer Packaging., Inc.	1,000	100.0	USD	1	USD	123,548	100.0
Subsidiary shares owned by Huhtamaki Consumer Packaging, Inc.:							
Huhtamaki Packaging, Inc.	100	100.0	USD	1	USD	23,164	100.0
Subsidiary shares owned by Huhtamaki Beheer XI B.V.:							
Huhtamaki Brazil Investments B.V.	200	100.0	EUR	20	EUR	42,804	100.0
Subsidiary shares owned by Huhtamaki North Americas:							
Huhtamaki Delaware, Inc.	100	100.0	USD	1	USD	381,129	100.0

Name	Number of shares	Size of holding %		Nominal value		Book value	Group holding %
Subsidiary shares owned by Huhtamaki Delaware, Inc.:							
Huhtamaki Holding, Inc.	100	100.0	USD	1	USD	284,857	100.0
Subsidiary shares owned by Huhtamaki Holding Inc.:							
Huhtamaki Flexibles, Inc.	100	100.0	USD	1	USD	1,000	100.0
Huhtamaki Plastics, Inc.	1,000	100.0	USD	3	USD	1,500	100.0
Huhtamaki - East Providence., Inc.	6,445	100.0	USD	15	USD	32,463	100.0
Huhtamaki Group of Companies	100	100.0	USD	1	USD	82,830	100.0
Subsidiary shares owned by Huhtamaki Brazil Investments B.V.:							
Huhtamaki do Brazil Ltda	4,886,600	100.0	BRL	4,887	EUR	13,482	100.0
Subsidiary shares owned by Huhtamaki France Investments Holding B.V.:							
Huhtamaki La Rochelle SNC	2,499,976	100.0	FRF	25,000	EUR	206	100.0
Subsidiary shares owned by Huhtamaki Industries B.V.:							
Huhtamaki Nederland B.V.	10,000	100.0	EUR	4,530	EUR	14,006	100.0
Huhtamaki Paper Recycling B.V.	1,350	100.0	EUR	61	EUR	1,492	100.0
Huhtamaki Pulp Moulding Machinery B.V.	200	100.0	EUR	91	EUR	290	100.0
Huhtamaki Protective Packaging B.V.	250	100.0	EUR	113	EUR	113	100.0
Huhtamaki Beheer III B.V.	1	100.0	DEM	3,550	EUR	17,697	100.0
Subsidiary shares owned by Huhtamaki Beheer III B.V.:							
Huhtamaki (Deutschland) B.V. & Co Holding KG	19,391	75.1	EUR	1,939	EUR	160,439	75.1
Subsidiary shares owned by Huhtamaki (Deutschland) B.V. & Co. Holding KG:							
Huhtamaki Deutschland Operations Holding GmbH	1	100.0	DEM	38,400	DEM	119,630	100.0
Subsidiary shares owned by Huhtamaki Deutschland Operations GmbH:							
Huhtamaki Deutschland GmbH	14,850	100.0	DEM	15,050	EUR	131,073	100.0
Subsidiary shares owned by Huhtamaki (Deutschland) GmbH:							
Huhtamaki Deutschland GmbH & Co. KG	1	100.0	EUR	4,090	EUR	85,306	100.0

9. INVESTMENTS IN ASSOCIATED AND OTHER COMPANIES

Foreign subsidiaries' nominal values are expressed in local currency (1,000), while book values are in holding company's currency (1,000).

Name	Number of shares	Size of holding %		Nominal value		Book value	Group holding %
Owned by Huhtamäki Oyj:							
Joint Ventures:							
MCP Solutions Oy	4	50.0	EUR	4,000	EUR	11	50.0
Polarcup EarthShell Aps	1,000	50.0	EUR	100	EUR	634	50.0
Associated companies:							
Arabian Paper Products Co.	1,600	40.0	SAR	1,600	EUR	452	40.0
Other:							
Hex Oy	24,400	0.2	EUR	34	EUR	25	
Repligen Corporation	30,514	0.2	USD	–	EUR	271	
Suomen Osakekeskusrekisteri Osuuskunta	8	1.7	EUR	27	EUR	27	
Owned by the Group:							
Joint Ventures:							
Huhtamaki EarthShell GmbH	–	50.0	EUR	50	EUR	575	50.0
Associated companies:							
Hiatus B.V.	950	47.5	NLG	200	EUR	471	47.5
Other:							
Nordea FDR	306,000	0.0	EUR	505	EUR	968	
Pohjola-Yhtymä Vakuutus Oyj	117,664	0.3	EUR	99	EUR	1,461	

10. RECEIVABLES

EUR million	GROUP 2001	GROUP 2000	PARENT COMPANY 2001	PARENT COMPANY 2000
Current				
Trade receivables	362.3	535.9	7.3	6.8
Intercompany trade receivables	–	–	5.4	5.0
Loan receivables	6.9	39.9	–	–
Intercompany loan receivables	–	–	–	0.3
Accrued income and other short-term receivables	103.9	204.6	14.4	12.9
Accrued corporate income and other intercompany receivables	–	–	12.5	19.4
	473.1	780.4	39.6	44.4
Long-term				
Intercompany loan receivables	–	–	4.4	4.1
Other long-term receivables	25.1	23.7	0.1	0.1
Deferred tax asset	93.0	82.0	–	–
	118.1	105.7	4.5	4.2
Total receivables	591.2	886.1	44.1	48.6

11. LOANS

EUR million	GROUP 2001	GROUP 2000	PARENT COMPANY 2001	PARENT COMPANY 2000
Current				
Bank loans – current portion	16.9	13.4	–	–
Other loans – current portion	3.2	4.3	–	–
Obligations under finance leases- – current portion	0.2	0.6	–	–
Short-term loans	340.3	623.4	–	–
	360.6	641.7	–	–
Long-term				
Bank loans	565.6	787.3	–	–
Pension loans	0.2	0.9	0.2	0.9
Other long-term loans	4.8	9.7	–	–
Obligations under finance leases	0.1	1.8	–	–
	570.7	799.7	0.2	0.9

Changes in long-term loans and repayments	GROUP 2001	GROUP 2000	PARENT COMPANY 2001	PARENT COMPANY 2000
Bank loans				
January 1, 2001	800.6	825.9	–	–
Additions	118.0	218.8	–	–
Decreases	337.5	242.5	–	–
Changes in exchange rates	+1.4	-1.6	–	–
	582.5	800.6	–	–
Repayments 2002	16.9	13.3	–	–
December 31, 2001	565.6	787.3	–	–
Pension loans December 31, 2001				
From pension foundation	0.2	0.9	0.2	0.9
Repayments				
2002	20.3		–	
2003	182.4		–	
2004	310.8		–	
2005	7.6		–	
2006	7.6		–	
2007	57.2		0.2	

12. OTHER LONG-TERM LIABILITIES

	GROUP		PARENT COMPANY	
EUR million	**2001**	2000	**2001**	2000
Pension liability	**21.2**	53,4	**–**	–
Other	**113.8**	152.9	**–**	–
	135.0	206.3	**–**	–

Other long term liabilities include reserves for risks and post retirement benefits.

13. PAYABLES

	GROUP		PARENT COMPANY	
EUR million	**2001**	2000	**2001**	2000
Restructuring reserve	**34.7**	50.6	**–**	–
Other payables	**38.4**	79.1	**477.7**	1,048.2
	73.1	129.7	**477.7**	1,048.2
Trade payables	**213.5**	295.0	**4.7**	4.3
Intercompany trade payables	**–**	–	**1.1**	1.1
	213.5	295.0	**5.8**	5.4

Huhtamäki Oyj's debt mainly comprises of debt to Huhtamäki Finance Oy.

14. SHARE CAPITAL OF THE PARENT COMPANY

	Number of shares	EUR
January 1, 2001	31,475,963	107,018,274.20
Redemption of repurchased shares October 17, 2001	-6,172,015	-20,984,851.00
Outstanding December 31, 2001	25,303,948	86,033,423.20

The counter value of a share is EUR 3.40.

Members of the Board of Directors and the Managing Director of Huhtamäki Oyj owned on December 31, 2001 a total of 26,250 shares in Huhtamäki Oyj. These shares represent 0.10% of the total number of shares and voting rights.

Option Rights 1997 Plan

The Annual General Meeting held on April 9, 1997 approved the issue of up to 4.500 non-interest bearing bonds, each having a par value of FIM 100, for up to an aggregate principal amount of FIM 450.000 to certain members of the management of Huhtamäki Oyj and its subsidiaries. The bonds were fully repaid by April 1, 2000. The aggregate amount of 450.000 option rights were attached to the bonds. The option rights are marked as follows: 225.000 with A and 225.000 with B. Each option right entitles its holder to subscribe for one share. The aggregate subscription price before the deduction of the year 2001 dividend is EUR 38,72. The option rights A may be exercised from April 1, 2000 to October 31, 2004 and the option rights B from April 1, 2002 to October 31, 2004. If exercised in full, the option rights will entitle to subscription for a total of 450.000 shares, whereby the share capital would be increased by a maximum amount of EUR 1.530.000 representing approximately 1,8 per cent of the outstanding share capital of Huhtamäki Oyj. Approximately 60 persons participate in the Option Rights 1997 Plan. Huhtamäki Oyj will apply for listing of the option rights A and B on the Helsinki Exchanges as of April 1, 2002.

Option Rights 2000 Plan

The Annual General Meeting held on April 12, 2000 approved the issue of up to 900.000 option rights to certain members of the management of Huhtamäki Oyj and its subsidiaries. The option rights are marked as follows: 300.000 with A, 300.000 with B and 300.000 with C. Each option right entitles its holder to subscribe for one share. The option rights marked with A may be exercised from May 2, 2002 to October 31, 2006, the option rights marked with B from May 2, 2003 to October 31, 2006 and the option rights marked with C from May 2, 2004 to October 31, 2006. Before the deduction of the year 2001 dividend the aggregate subscription price for one share for the option rights A is EUR 34,61 and for the option rights B EUR 28,46. The subscription price for the shares under the option rights marked with C shall be the market value of the share on the Helsinki Exchanges during the period of March 1 – March 28, 2002 added with such an amount that equals to ten per cent (10%) of the market value of the share. If exercised in full, the option rights will entitle to the subscription for a total of 900.000 shares whereby the share capital would be increased by a maximum amount of EUR 3.060.000 representing approximately 3,5 per cent of the outstanding share capital of Huhtamäki Oyj. Approximately 100 persons participate in the Option Rights 2000 Plan. Huhtamäki Oyj will apply for listing of the option rights A on the Helsinki Exchanges as of May 2, 2002

General

Shares subscribed for pursuant to option rights shall entitle to the distribution of dividend for the accounting period during which such shares were subscribed and paid for. Right to vote and other shareholders' rights attached to the shares subscribed for under the option rights shall become effective as of the date on which the share subscription is entered in the Finnish Trade Register.

Pursuant to the option rights issued, an aggregate maximum number of 1.350.000 new shares may be subscribed representing approximately 5,3 per cent of the total number of votes on December 31, 2001. During the year 2001 no new shares were subscribed by exercising the option rights.

15. CHANGES IN EQUITY

EUR million	GROUP 2001	GROUP 2000	PARENT COMPANY 2001	PARENT COMPANY 2000
Restricted equity:				
Share capital January 1	**107.0**	106.0	**107.0**	106.0
Bonus issue	**–**	1.0	**–**	1.0
Share repurchase	**-21.0**	–	**-21.0**	–
Share capital December 31	**86.0**	107.0	**86.0**	107.0
Premium fund January 1	**339.5**	340.5	**322.6**	323.6
Transfer from share capital	**21.0**	–	**21.0**	–
Transfer to retained earnings	**-16.9**	–	**–**	–
Bonus issue	**–**	-1.0	**–**	-1.0
Premium fund December 31	**343.5**	339.5	**343.5**	322.6
Consolidation difference January 1	**71.8**	44.7	**–**	–
Change	**4.3**	27.1	**–**	–
Consolidation difference December 31	**76.1**	71.8	**–**	–
Total restricted equity	**505.6**	518.3	**429.5**	429.6
Non-restricted equity:				
Retained earnings January 1	**472.1**	422.4	**215.4**	253.1
Changes in exchange rates	**2.4**	1.7	**–**	–
Reversal of revaluation	**-4.3**	–	**-4.3**	–
Dividends	**-34.6**	-33.1	**-34.6**	-33.1
Share repurchase	**-207.6**	–	**-207.6**	–
Transfer from premium fund	**16.9**	–	**–**	–
Net income for the period	**87.1**	81.1	**950.7**	-4.6
Retained earnings December 31	**332.0**	472.1	**919.6**	215.4
Transfers from untaxed reserves				
January 1	**42.1**	44.5	**–**	–
Change	**-5.1**	-2.4	**–**	–
December 31	**37.0**	42.1	**–**	–
Total non-restricted equity	**369.0**	514.2	**919.6**	215.4
Minority interest:				
Minority interest January 1	**85.9**	87.7	**–**	–
Increase	**–**	0.4	**–**	–
Minority interest for the year	**6.6**	6.4	**–**	–
Decrease	**-12.1**	-8.6	**–**	–
Minority interest December 31	**80.4**	85.9	**–**	–

Third-party interest includes EUR 63.9 million of preference shares in a Group company.

16. COMMITMENTS AND CONTINGENCIES

EUR million	GROUP	PARENT COMPANY
Operating lease payments:		
2002	16.3	0.2
2003 and thereafter	44.6	0.3
Total	60.9	0.5
Capital expenditure commitments:		
2002	6.2	0.2
2003 and thereafter	–	–
Total	6.2	0.2
Mortgages:		
For own debt	7.0	0.2
Guarantee obligations:		
For subsidiaries	–	938.4
For associated companies	–	0.4
For external parties	1.1	1.1

17. MANAGEMENT OF FINANCIAL RISKS

The objective of the financial risk management is to ensure that the company has access to sufficient funding in the most cost efficient way and to minimize the impact on the company from adverse movements in the financial markets.

The management of financial risks is guided and controlled by a Finance Committee, led by the CEO. Risk reports on the company's interest bearing balance sheet items, commercial flows and derivatives are reviewed and required measures approved by the Finance Committee on a monthly basis.

The financial risks are managed centrally by the Treasury function at the Espoo headquarters. Huhtamäki Finance Oy, the in-house bank, is the centre point of the company's funding and risk management, serving the business units in daily financing, foreign exchange transactions and cash management co-ordination.

Currency risk

The company has production units in 35 countries and is exposed to exchange rate risk through inter-company cross-border trade, exports and imports, funding of foreign units and currency denominated equities. The largest exposures derive from export and royalty receivables in USD and raw material and trade imports in Australia, U.K. and Poland mainly from the Euro area. In inter-company cross-border trade, EUR is used in Europe and USD elsewhere.

The objective of currency transaction risk management is to identify exposures and protect the company from negative exchange rate movements. Business units are in charge of actively managing their currency risks related to future commercial cash flows. Transaction exposures are managed according to policies and limits defined by the business unit and approved by the Finance Committee. The net commercial position is monitored on a 12-month rolling basis. Eligible hedging instruments are currency forwards and in authorized subsidiaries also currency options. Business units' counterpart in hedging transactions is Huhtamäki Finance Oy.

As a main rule subsidiaries are financed in local currencies. In very high interest rate countries business units have drawn loans also in other currencies, totalling EUR 5 million at balance sheet date. The Finance Committee approves the borrowing currencies in each country.

The equity changes arising from exchange rate movements in consolidation are reported as a consolidation difference. The main exposures derive from equities in US, Australian and U.K. subsidiaries. The company may hedge its translation risks selectively by using foreign currency loans and derivatives taking into account market functionality and hedging costs. Changes in EUR values of such hedges are offset against the consolidation difference. Equity hedging decisions are made by the Finance Committee.

Interest rate risk

The interest bearing debt together with related hedging measures expose the company to interest rate risk, namely re-pricing- and price risk caused by interest rate movements. The company's policy is to maintain in the main debt currencies an average duration that matches a benchmark based on the company's estimated cash flow, selected balance sheet ratios, business cyclicality and also the shape and level of the yield curve. The objective of interest rate risk management is to maintain in the long term the lowest possible average interest rate level for outstanding and estimated debt within the framework set by the interest rate risk management policy.

The company manages interest rate risk by selection of debt interest periods and by using derivatives such as futures, forward rate agreements, interest rate swaps and options. Of net debt after hedges in the main borrowing currencies EUR and USD, 42% and 48% respectively carried a fixed rate at balance sheet date. Management of interest rate risk is centralized to the company's Treasury.

Liquidity and re-financing risk

The company maintains sufficient liquidity reserves at all times by efficient cash management structures such as cash pools and concentration accounts managed by the Treasury and by maintaining overdraft facilities. Excess cash is invested in liquid money market instruments or short-term bank deposits. Funds are invested at banks, with which the company has credit facilities, or in government bonds, treasury bills or commercial papers of borrowers with a solid investment grade rating and selected Finnish corporate issuers.

The company maintains unused committed credit facilities to ensure financing resources under all circumstances. In addition, the company has a EUR 350 M commercial paper program in Finland and uncommitted credit facilities with relationship banks.

Re-financing risk is managed by maintaining a balanced maturity structure of credit facilities. The maturity structure of debt facilities is adapted to the estimated currency specific cash flow of the company.

FOREIGN EXCHANGE TRANSACTION EXPOSURE

EUR million Currency	**31.12.2001** **Commercial** **Position**	31.12.2000 Commercial Position
USD	**34**	49
PLN	**32**	15
GBP	**23**	30
AUD	**21**	27
Other	**62**	35
Total	**172**	155

CURRENCY SPLIT AND MATURITY STRUCTURE OF OUTSTANDING NET DEBT INCLUDING HEDGES

EUR million	31.12.2001										31.12.2000		
				Rate									
	Amount	Avg.	Avg.	sensitivity1)	Debt repricing in period, incl. derivatives						Amount	Avg.	Avg.
Currency	mEUR	duration	rate	mEUR	2002	2003	2004	2005	2006	Later	mEUR	duration	rate
EUR	525	1.1 y	3.9%	3.3	363	12	50	50	50		701	0.8 y	5.3%
USD	207	2.6 y	4.7%	0.1	93	18	7	40	18	31	415	0.8 y	6.8%
AUD	48	0.9 y	6.7%	0.2	15	33					92	1.8 y	7.4%
GBP	37	0.1 y	4.2%	0.3	37						77	0.2 y	6.2%
Other	85	0.4 y	6.8%	0.5	81	2	1			1	78	0.3 y	8.2%
Total	902	1.3 y	4.5%	4.4	589	65	58	90	68	32	1,363	0.8 y	6.1%

1) Effect of one percentage point rise in market interest rates on Group's net interest expenses over the following 12 months.

DEBT STRUCTURE

EUR million	31.12.2001									31.12.2000		
	Amount	Amount		Maturity of facility/loan						Amount	Amount	
Debt type	drawn	available	Total	2002	2003	2004	2005	2006	Later	drawn	available	Total
Revolving facilities	410	234	644	13	171	460				844	110	954
Bank loans	191		191	102	61	6			22	258		258
Private Placements	85		85	16	19	7	7	7	29	101		101
Commercial Paper Program	245		245	245						238		238
Total	931	234	1,165	376	251	473	7	7	51	1,441	110	1,551

OUTSTANDING OFF-BALANCE SHEET INSTRUMENTS SUMMARY

EUR million	31.12.2001									31.12.2000	
	Market	Nominal value		Maturity Structure						Nominal value	
Instrument	value	Gross	Net	2002	2003	2004	2005	2006	Later	Gross	Net
Currency forwards											
for transaction risk	-0.5	68		68						498	
for financing purposes	0.8	57		57						481	
Interest rate forwards and futures contracts											
EUR	0.0	40	40	40						320	200
Interest rate swaps											
EUR	-1.5	150	150			50	50	50		100	100
USD	-1.4	57	57		11		35	11		56	13
other	-1.3	33	33		33					87	87

18. DEFERRED TAX ASSET/LIABILITY

Deferred tax asset

EUR million	GROUP 2001	GROUP 2000	PARENT COMPANY 2001	PARENT COMPANY 2000
Due to consolidation	**0.9**	2.3	**–**	–
Due to timing differences	**92.1**	79.7	**–**	–
Total	**93.0**	82.0	**–**	–

Deferred tax liability

EUR million	GROUP 2001	GROUP 2000	PARENT COMPANY 2001	PARENT COMPANY 2000
On untaxed reserves	**15.1**	12.6	**–**	–
Due to timing differencies	**147.3**	155.1	**–**	–
Total	**162.4**	167.7	**–**	–

19. ACCRUED INCOME

EUR million	GROUP 2001	GROUP 2000	PARENT COMPANY 2001	PARENT COMPANY 2000
Accrued interest and other financial items	**3.7**	62.3	**0.2**	0.1
Prepayments	**11.7**	33.0	**5.8**	3.6
Personnel, social security and pensions	**1.3**	2.4	**0.3**	0.3
Rebates	**2.5**	2.1	**0.4**	0.6
Accruals for income and other taxes	**19.7**	28.8	**0.4**	0.1
Miscellaneous accrued income	**23.8**	15.7	**6.5**	6.5
Accrued corporate income and prepaid expense	**–**	–	**12.4**	19.4
Other	**4.7**	4.1	**0.9**	1.8
	67.4	148.4	**26.9**	32.4
Other short-term receivables	**36.5**	56.2	**–**	–
Accrued income and other short-term receivables	**103.9**	204.6	**26.9**	32.4

20. ACCRUED EXPENSES

EUR million	GROUP 2001	GROUP 2000	PARENT COMPANY 2001	PARENT COMPANY 2000
Accrued interest expense	**9.2**	27.9	**2.1**	12.3
Personnel, social security and pensions	**61.9**	74.0	**7.6**	7.3
Purchases of material	**8.3**	16.6	**0.1**	–
Rebates	**17.4**	15.1	**0.2**	0.1
Accrued income taxes	**40.0**	44.4	**–**	0.4
Miscellaneous accrued expense	**15.7**	56.9	**0.6**	0.2
Prepayments	**0.7**	4.1	**–**	–
Other accrued corporate expense	**–**	–	**0.4**	–
Other	**27.7**	30.1	**0.1**	0.6
Total	**180.9**	269.1	**11.1**	20.9

Net sales by business sector

EUR million	1997	%	1998	%	1999	%	2000	%	**2001**	**%**
Packaging	546.9	50.9	716.0	58.4	1,412.1	100.0	3,307.7	100.0	**2,382.4**	**100.0**
Other[1]	527.4	49.1	510.1	41.6	–	–	–	–	**–**	**–**
Total	1,074.3	100.0	1,226.1	100.0	1,412.1	100.0	3,307.7	100.0	**2,382.4**	**100.0**

Operating earnings by business sector

EUR million	1997	%	1998	%	1999	%	2000	%	**2001**	**%**
Packaging	43.0	7.9	54.1	7.5	116.2	8.2	200.9	6.0	**198.5**	**8.3**
Other[1]	44.3	8.4	30.0	5.9	-2.3	–	-18.8	–	**-20.2**	**–**
Total	87.3	8.1	84.1	6.9	113.9	8.1	182.1	5.5	**178.3**	**7.5**

[1] Unallocated costs and income; revenue from divested units.
From 1999 onwards Packaging goodwill amortisation has been included in Other.

proposal of the board of directors

On December 31, 2001, consolidated non-restricted equity amounted to EUR 331,993,881.30.

On December 31, 2001, Huhtamäki Oyj's non-restricted equity was EUR 919,635,452.91
of which the net income for the financial period was EUR 950,685,803.58.

The Board of Directors proposes distribution of the retained earnings as follows:

– to the shareholders EUR 1.25 a share	31,629,935.00
– to be left in the non-restricted equity	887,005,517.91
	919,635,452.91

The Board of Directors proposes that the payment of dividends will be made on April 9, 2002. The dividends will be paid to shareholders who on the record date, April 2, 2002, are registered as shareholders in the register of shareholders.

Espoo, February 11, 2002

Veli Sundbäck	Paavo Hohti	Jean Philippe Deschamps
Mikael Lilius	Anthony J.B. Simon	Jukka Viinanen
Timo Peltola CEO		

auditors' report

TO THE SHAREHOLDERS OF HUHTAMÄKI OYJ

We have audited the accounting, the financial statements and the corporate governance of Huhtamäki Oyj for the period 1.1.–31.12.2001. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on these financial statements and on corporate governance.

We have conducted the audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. The purpose of our audit of corporate governance is to examine that the members of the Board of Directors and the Managing Director have legally complied with the rules of the Companies' Act.

In our opinion the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements in Finland. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company's result of operations as well as of the financial position. The financial statements with the consolidated financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the distribution of retained earnings is in compliance with the Companies Act.

Espoo, February 11, 2002

Esa Kailiala
Authorized Public Accountant

Pekka Pajamo
Authorized Public Accountant

huhtamaki 1997–2001

EUR million		1997	1998	1999	2000	2001
Net sales		1,074.3	1,226.1	1,412.1	3,307.7	**2,382.4**
Increase in net sales	%	-14.9	14.1	15.2	134.2	**-28.0**
Net sales outside Finland		950.1	1,099.8	1,364.5	3,251.5	**2.301.1**
Earnings before interest, taxes, depreciation and amortisation		150.0	151.4	202.1	376.8	**334.4**
Earnings before interest, taxes, depreciation and amortisation/net sales	%	14.0	12.3	14.4	11.4	**14.0**
Earnings before interest and taxes		87.3	84.1	113.9	182.1	**178.3**
Earnings before interest and taxes/net sales	%	8.1	6.9	8.1	5.5	**7.5**
Profit before exceptional items		88.0	79.6	94.4	121.1	**130.3**
Profit before exceptional items/net sales	%	8.2	6.5	6.7	3.7	**5.5**
Net income		69.3	61.4	101.8	81.1	**87.1**
Shareholders' equity		686.2	680.5	958.1	1,032.5	**874.6**
Return on investment	%	12.9	10.6	10.4	8.7	**9.6**
Return on shareholders' equity	%	10.4	8.8	9.4	7.8	**8.6**
Solidity	%	57.9	52.5	31.1	30.8	**36.0**
Net debt to equity		-0.04	0.28	1.09	1.22	**0.94**
Current ratio		1.55	1.09	0.94	0.96	**0.94**
Times interest earned		..	14.47	8.47	5.40	**6.58**
Capital expenditure		77.2	81.7	100.7	172.7	**144.0**
Capital expenditure/net sales	%	7.2	6.7	7.1	5.2	**6.0**
Research and development		5.3	6.2	7.2	10.0	**12.8**
Research and development/net sales	%	0.5	0.5	0.5	0.3	**0.5**
Number of shareholders (December 31)		16,566	16,168	15,966	15,765	**15,669**
Personnel (December 31)		9,974	11,024	23,876	23,098	**16,417**

per share data

		1997	1998	1999	2000	2001
Earnings per share	EUR	2.55	2.29	2.39	2.58	**2.97**[1]
Dividend, nominal	EUR	1.01	1.01	1.05	1.10	**1.25**[2]
Dividend/earnings per share	%	39.5	44.1	43.9	42.7	**42.0**[2]
Dividend yield						
Series K	%	2.8	3.2	–	–	**–**[3]
Series I	%	2.7	3.1	3.1	3.9	**3.5**[2]
Shareholders' equity per share	EUR	25.63	25.32	30.44	32.80	**34.56**
Share price at December 31						
Series K	EUR	36.83	31.96	–	–	**–**[3]
Series I	EUR	37.84	32.63	33.60	28.40	**35.50**
Average number of shares adjusted for share issue		26,748,354	26,835,736	27,964,032	31,475,963	**29,279,424**
Number of shares adjusted for share issue at year end		26,775,896	26,874,746	31,475,963	31,475,963	**25,303,948**
P/E ratio						
Series K		14.3	13.7	–	–	**–**[3]
Series I		14.9	14.1	14.0	11.0	**11.9**
Market capitalisation at December 31	EUR million	993.0	952.0	1,057.6	893.9	**898.3**

[1] The dilutive effect of the stock option programs of 1997 and 2000 included: EUR 2.84

[2] 2001: Board's proposal

[3] Series K and I combined on October 8, 1999

comparison against 2000 pro forma

INCOME STATEMENT

EUR million	2001	2000 Pro forma	Change %
Net sales	2,382.4	2,278.0	4.6
EBITDA	334.4	296.6	12.7
Operating profit (EBITA)	221.7	184.1	20.4
EBIT	178.3	144.5	23.4
% of net sales	7.5	6.3	
Net financial +income/-expense	-49.2	-27.6	-78.1
+Gain/-loss on equity of associated companies	1.1	0.9	24.0
Profit before minority interest and taxes	130.3	117.7	10.7
Taxes	36.6	31.5	16.0
Minority interest	6.6	6.1	8.2
Net income	87.1	80.2	8.6
Earnings per share (before amortization) (EUR)	4.45	3.82	16.6
Earning per share (after amortization) (EUR)	2.97	2.55	16.6

REGIONS – NET SALES

EUR million	2001	2000 Pro forma	Change %
Europe	1,179.1	1,202.5	-1.9
Americas	825.7	624.5	32.2
Asia–Oceania–Africa	377.6	451.0	-16.3
Total	2,382.4	2,278.0	4.6

REGIONS – OPERATING PROFIT (EBITA) AND RONA %

EUR million	2001	2000 Pro forma	Change %
Europe	93.4	73.6	26.9
% of net sales	7.9	6.1	
RONA % (12m roll.)	14.7	11.4	
Americas	74.7	53.9	38.5
% of net sales	9.0	8.6	
RONA % (12m roll.)	15.8	15.0	
Asia–Oceania–Africa	30.4	31.6	-3.7
% of net sales	8.1	7.0	
RONA % (12m roll.)	11.8	10.1	

CATEGORIES – NET SALES

EUR million	2001	2000 Pro forma	Change %
Consumer Goods	1,295.7	1,283.5	1.0
Food Service (including Fresh Foods)	1,086.7	994.5	9.3
Total	2,382.4	2,278.0	4.6

CATEGORIES – OPERATING PROFIT (EBITA)

EUR million	2001	2000 Pro forma	Change %
Consumer Goods	93.0	79.4	17.1
% of net sales	7.2	6.2	
Food Service (including Fresh Foods)	105.5	79.7	32.4
% of net sales	9.7	8.0	
Total from operations	198.5	159.1	24.8
% of net sales	8.3	7.0	
Corporate net	23.2	25.0	-7.2
Total	221.7	184.1	20.4
% of net sales	9.3	8.1	

definitions for key indicators

Earnings per share

$$= \frac{\text{Profit before exceptional items, minority interest and taxes – minority interest – taxes}}{\text{Average fully deluted number of shares}}$$

Dividend yield

$$= \frac{\text{100 x issue-adjusted dividend}}{\text{Issue-adjusted share price at December 31}}$$

Shareholders' equity per share

$$= \frac{\text{Equity + untaxed reserves – deferred tax and minority interest in untaxed reserves}}{\text{Issue-adjusted number of shares at December 31}}$$

P/E ratio

$$= \frac{\text{Issue-adjusted share price at December 31}}{\text{Earnings per share}}$$

Market capitalisation

= The number of shares issued in the different share series at December 31 multiplied by the corresponding share prices on the stock exchange

Return on investment

$$= \frac{\text{100 x (Profit before exceptional items, minority interest and taxes + interest expenses + other financial expenses)}}{\text{Balance sheet total – interest-free liabilities (average)}}$$

Return on shareholders'equity

$$= \frac{\text{100 x (Profit before exceptional items, minority interest and taxes – taxes)}}{\text{Equity + minority interest + untaxed reserves – deferred tax in untaxed reserves (average)}}$$

Net debt to equity

$$= \frac{\text{Interest bearing net debt}}{\text{Equity + minority interest + untaxed reserves – deferred tax in untaxed reserves}}$$

Solidity

$$= \frac{\text{100 x (equity + minority interest + untaxed reserves – deferred tax in untaxed reserves)}}{\text{Balance sheet total – advances received}}$$

Current ratio

$$= \frac{\text{Current assets}}{\text{Current liabilities}}$$

Times interest earned

$$= \frac{\text{Earnings before interest and taxes + depreciation and amortisation}}{\text{Net interest expenses}}$$

for notes:

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