Huhtamäki Oyj Interim Report Q3 2017

January 1–September 30, 2017

Huhtamaki

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Huhtamäki Oyj's Interim Report January 1–September 30, 2017

Continued comparable growth

Q3 2017 in brief

- Net sales grew to EUR 732 million (EUR 719 million)
- EBIT was EUR 64.3 million (EUR 66.9 million)
- EPS was EUR 0.44 (EUR 0.46)
- Comparable net sales growth was 4% in total and 5% in emerging markets
- Currency movements had a negative impact of EUR 21 million on the Group's net sales and EUR 2 million on EBIT

Q1-Q3 2017 in brief

- Net sales grew to EUR 2,243 million (EUR 2,134 million)
- Adjusted EBIT was EUR 202.7 million (EUR 202.5 million); EBIT EUR 202.7 million (EUR 202.3 million)
- Adjusted EPS was EUR 1.39 (EUR 1.39); EPS EUR 1.39 (EUR 1.39)
- Comparable net sales growth was 3% in total and 2% in emerging markets
- Currency movements had a positive impact of EUR 16 million on the Group's net sales and EUR 2 million on EBIT
- Capital expenditure increased to EUR 144 million (EUR 95 million) and free cash flow reduced to EUR 5 million (EUR 79 million)

Key figures

EUR million	Q3 2017	Q3 2016	Change	Q1-Q3 2017	Q1-Q3 2016	Change	FY 2016
Net sales	732.0	719.2	2%	2,243.3	2,133.5	5%	2,865.0
Adjusted EBITDA[1]	94.0	96.1	-2%	294.4	286.6	3%	381.8
Margin[1]	12.8%	13.4%		13.1%	13.4%		13.3%
EBITDA	94.0	96.1	-2%	294.4	286.4	3%	380.1
Adjusted EBIT[1]	64.3	66.9	-4%	202.7	202.5	0%	267.9
Margin[1]	8.8%	9.3%		9.0%	9.5%		9.4%
EBIT	64.3	66.9	-4%	202.7	202.3	0%	266.2
Adjusted EPS, EUR[1]	0.44	0.46	-4%	1.39	1.39	0%	1.83
EPS, EUR	0.44	0.46	-4%	1.39	1.39	0%	1.81
ROI[1]				13.9%	14.7%		14.7%
ROE[1]				16.4%	18.0%		17.7%
Capital expenditure	48.7	39.2	24%	144.1	95.2	51%	199.1
Free cash flow	17.0	41.0	-59%	5.2	78.6	-93%	100.3

[1] *Excluding IAC of EUR -0.2 million in Q1-Q3 2016, and EUR -1.7 million in FY 2016.*

Unless otherwise stated, all comparisons in this report are compared to the corresponding period in 2016. Figures of return on investment (ROI), return on equity (ROE) and return on net assets (RONA) presented in this report are calculated on a 12-month rolling basis.

As announced on April 24, 2017, Huhtamaki has changed the name of its Molded Fiber business segment to Fiber Packaging. The new name is taken into use as of April 27, 2017 and is used in this report.

In this report, Huhtamaki uses alternative performance measures in accordance with the guidelines issued by the European Securities and Markets Authority (ESMA). Alternative performance measures are derived from performance measures reported in accordance to International Financial Reporting Standards (IFRS) by adding or deducting the Items affecting comparability (IAC) and they are called Adjusted. Alternative

performance measures are used to better reflect the operational business performance and to enhance comparability between financial periods. They are reported in addition to, but not substituting, the performance measures reported in accordance with IFRS.

Huhtamaki

Jukka Moisio, CEO:

"Our comparable net sales growth returned to 4% during the third quarter. In emerging markets comparable growth was 5% despite net sales still declining in India. At the end of the quarter our net sales in India started to grow again as the demand for flexible packaging began to recover from the impact of Goods and Services Tax (GST) implementation.

Our profitability remained at a solid level but was affected by higher costs especially in the North America segment. In addition to costs related to major on-going investments the segment's distribution and resin costs were higher due to hurricane impact. The Foodservice Europe-Asia-Oceania segment's profitability held up well despite adverse product mix and the impact of weaker pound sterling on our UK business. The Flexible Packaging segment's net sales growth accelerated at the end of the quarter.

Three major quick-service restaurant customers recognized our North America segment with special awards for delivering outstanding service and design. This is a great credit to our North American foodservice team, reflecting our continued investment in our people and capabilities and gives us confidence our decision to invest in new capacity is well-timed. Setting up the new manufacturing unit in Goodyear, Arizona, is progressing as planned and we expect manufacturing activities to begin initial ramp-up in the fourth quarter. In China the acquisition of International Paper's foodservice packaging operations was closed during the quarter and the integration activities have started. This together with the modernization of our South China manufacturing operations makes us well positioned to serve the Greater China market.

Towards the end of the year we are completing the major expansions in the US and China. At the same time our major market India has started to recover from implemented reforms. We have work to do but the foundation for future progress is good."

Huhtamaki

Financial review Q3 2017

The Group's comparable net sales growth was 4% during the quarter, with all segments reporting positive comparable growth. Solid growth continued in the Foodservice Europe-Asia-Oceania and Fiber Packaging business segments. Despite negative development in India during the quarter the Flexible Packaging business segment reported 7% comparable net sales growth. Comparable growth in emerging markets was 5%. Growth was strong particularly in Eastern Europe, and Southeast Asia, but also Africa and Middle East developed well. The Group's net sales grew to EUR 732 million (EUR 719 million). Foreign currency translation impact on the Group's net sales was EUR -21 million (EUR -10 million) compared to 2016 exchange rates. Majority of the negative impact came from the US dollar, Chinese Yuan Renminbi, UK pound sterling and Egyptian pound.

Net sales by business segment

EUR million	Q3 2017	Q3 2016	Change	Of Group in Q3 2017
Foodservice Europe-Asia-Oceania	202.6	195.2	4%	28%
North America	235.3	244.4	-4%	32%
Flexible Packaging	229.7	216.5	6%	31%
Fiber Packaging	68.6	67.1	2%	9%
Elimination of internal sales	-4.2	-4.0		
Group	**732.0**	**719.2**	**2%**	

Comparable growth by business segment

	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Foodservice Europe-Asia-Oceania	4%	2%	3%	3%
North America	2%	1%	2%	5%
Flexible Packaging	7%	-2%	3%	-3%
Fiber Packaging	5%	8%	4%	6%
Group	**4%**	**1%**	**3%**	**3%**

The Group's earnings declined, but remained at a solid level. Earnings of the Foodservice Europe-Asia-Oceania business segment remained at the previous year's level, whereas all the other business segments' earnings declined. The positive earnings impact of Other activities is mostly related to changes in the Group's long-term incentive plan expenses. The Group's earnings before interest and taxes (EBIT) were EUR 64.3 million (EUR 66.9 million). Foreign currency translation impacted the Group's profitability by EUR -2 million (EUR -1 million).

EBIT by business segment

EUR million	Q3 2017	Q3 2016	Change	Of Group in Q3 2017
Foodservice Europe-Asia-Oceania	18.4	18.3	1%	29%
North America	20.2	24.5	-18%	32%
Flexible Packaging	17.7	18.2	-3%	28%
Fiber Packaging	7.3	8.3	-12%	11%
Other activities	0.7	-2.4		
Group	**64.3**	**66.9**	**-4%**	

Net financial expenses decreased to EUR 5 million (EUR 7 million). Tax expense was EUR 13 million (EUR 12 million).

Profit for the quarter was EUR 46 million (EUR 48 million). Earnings per share (EPS) were EUR 0.44 (EUR 0.46).

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Financial review Q1-Q3 2017

The Group's comparable net sales growth was 3% during the reporting period with a positive contribution from all business segments. Comparable growth in emerging markets was 2%. Growth was strongest in Eastern Europe and Southeast Asia, while net sales declined in India. The Group's net sales grew to EUR 2,243 million (EUR 2,134 million). Foreign currency translation impact on the Group's net sales was EUR 16 million (EUR -49 million) compared to 2016 exchange rates. The majority of the positive impact came from the Russian ruble, Indian rupee and US dollar, while the impact from pound sterling and certain emerging market currencies was negative.

Net sales by business segment

EUR million	Q1-Q3 2017	Q1-Q3 2016	Change	Of Group in Q1-Q3 2017
Foodservice Europe-Asia-Oceania	600.5	548.0	10%	27%
North America	756.9	745.3	2%	33%
Flexible Packaging	686.0	654.7	5%	31%
Fiber Packaging	212.7	198.8	7%	9%
Elimination of internal sales	-12.8	-13.3		
Group	**2,243.3**	**2,133.5**	**5%**	

The Group's earnings were at the same level as previous year. Good earnings improvement in the Foodservice Europe-Asia-Oceania business segment supported the Group's earnings while the other business segments' earnings declined. The positive earnings impact of Other activities is mostly related to changes in the Group's long-term incentive plan expenses. The Group's Adjusted EBIT were EUR 202.7 million (EUR 202.5 million) and reported EBIT EUR 202.7 million (EUR 202.3 million). Foreign currency translation impacted the Group's profitability by EUR 2 million (EUR -5 million).

Adjusted EBIT by business segment

EUR million	Q1-Q3 2017	Q1-Q3 2016	Change	Of Group in Q1-Q3 2017
Foodservice Europe-Asia-Oceania[1]	52.2	47.9	9%	26%
North America	75.3	82.5	-9%	38%
Flexible Packaging	50.6	56.2	-10%	25%
Fiber Packaging	22.7	24.7	-8%	11%
Other activities	1.9	-8.8		
Group[1]	**202.7**	**202.5**	**0%**	

[1] *Excluding IAC of EUR -0.2 million in Q1-Q3 2016; reported EBIT for Q1-Q3 2016 EUR 202.3 million for the Group and EUR 47.7 million for the Foodservice Europe-Asia-Oceania business segment.*

Net financial expenses decreased to EUR 16 million (EUR 20 million). Tax expense increased and was EUR 41 million (EUR 35 million). The corresponding effective tax rate was 22% (19%).

Profit for the period was EUR 146 million (EUR 148 million). Adjusted EPS were EUR 1.39 (EUR 1.39) and reported EPS were EUR 1.39 (EUR 1.39).

Statement of financial position and cash flow

The Group's net debt increased during the reporting period and was EUR 741 million (EUR 681 million) at the end of September. The level of net debt corresponds to a gearing ratio of 0.64 (0.61). Net debt to EBITDA ratio (excluding IACs) was 1.9 (1.8). Average maturity of external committed credit facilities and loans was 4.8 (3.8) years.

Cash and cash equivalents were EUR 90 million (EUR 102 million) at the end of September and the Group had EUR 320 million (EUR 311 million) of unused committed credit facilities available.

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Total assets on the statement of financial position were EUR 2,912 million (EUR 2,725 million).

Capital expenditure was EUR 144 million (EUR 95 million). Largest investments for business expansion were made in the U.S., China, Poland and India. The Group's free cash flow was EUR 5 million (EUR 79 million). Free cash flow declined mainly due to higher capital expenditure.

Acquisitions

On June 29, 2017 Huhtamaki announced that it has entered into an agreement to acquire International Paper's foodservice packaging operations in China. The acquisition was completed on September 7, 2017 and the acquired business has been consolidated into the Foodservice Europe-Asia-Oceania business segment as of September 1, 2017. With the acquisition Huhtamaki expanded its manufacturing footprint into the Eastern China region and strengthened its capacity and capability to serve customers operating in Northern China. The acquisition comprised of two manufacturing units located in Shanghai and Tianjin, employing altogether approx. 200 employees. The product range of the acquired units is similar to Huhtamaki's current product range in China, including paper cups for hot and cold beverages, food containers as well as snack food and ice-cream containers. The net sales of the acquired business were approx. EUR 19 million in 2016. The debt free purchase price was EUR 15 million.

Significant events during the reporting period

On March 3, 2017 Huhtamaki announced that it will set up a greenfield paper cup manufacturing unit in Kiev, Ukraine. The new unit will manufacture a full range of paper cups for cold and hot drinks. Manufacturing operations are expected to begin during 2018 and the unit is expected to employ approx. 50 employees. The unit will become part of the Foodservice Europe-Asia-Oceania business segment.

On April 21, 2017 Huhtamaki announced that it has agreed to sell one of its manufacturing facilities and the related land usage rights in Guangzhou, China, to Guangzhou Yashao Investment Co. Ltd. The sale is part of the ongoing consolidation of Huhtamaki's foodservice packaging manufacturing operations in South China. The selling price is approx. EUR 14 million. As a result of the sale, a gain of approx. EUR 6 million will be booked as an item affecting comparability (IAC) in the Foodservice Europe-Asia-Oceania business segment once the transaction is closed.

On April 25, 2017 Huhtamaki announced that is has signed a freely transferable loan agreement (Schuldschein) of EUR 117 million and USD 35 million (approx. EUR 33 million). The loan is targeted to institutional investors. It includes several floating and fixed rate tranches with maturities of 5, 7 and 10 years. Huhtamaki will use the funds for refinancing and general corporate purposes of the Group.

Significant events after the reporting period

On October 3, 2017 an aggregate nominal amount of EUR 135,008,000 of EUR 200 million Notes issued by Huhtamaki in 2013, due on May 14, 2020 and with a coupon of 3.375 percent, were accepted to be purchased back and cancelled. All Notes that were not purchased remained outstanding.

On October 4, 2017 Huhtamaki issued a EUR 150 million fixed rate unsecured bond that matures in seven (7) years and pays a coupon of 1.625 percent.

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Business review by segment

Foodservice Europe-Asia-Oceania

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

EUR million	Q3 2017	Q3 2016	Change	Q1-Q3 2017	Q1-Q3 2016	Change	FY 2016
Net sales	202.6	195.2	4%	600.5	548.0	10%	741.0
Adjusted EBIT[1]	18.4	18.3	1%	52.2	47.9	9%	63.2
Margin[1]	9.1%	9.4%		8.7%	8.7%		8.5%
EBIT	18.4	18.3	1%	52.2	47.7	9%	61.5
RONA[1]				12.6%	13.5%		13.7%
Capital expenditure	11.5	13.8	-17%	35.8	27.3	31%	46.9
Operating cash flow	16.0	7.2	122%	41.0	30.3	35%	38.0

[1] *Excluding IAC of EUR -0.2 million in Q1-Q3 2016 and EUR -1.7 million in FY 2016.*

Q3 2017

Demand for foodservice packaging on both the quick service and specialty coffee sectors was relatively strong across all European markets. Demand for paperboard packaging was strong especially in Central and Eastern Europe, while growth in the UK has slowed markedly. Demand was soft in Asia-Oceania and weak in the Middle East. Prices for paperboard were relatively stable. Prices for plastic resins were volatile during the quarter.

The Foodservice Europe-Asia-Oceania segment's comparable net sales growth was 4%. Net sales growth was strongest in Eastern Europe, the UK and Spain driven by healthy volume development especially in paper cups. Net sales increased in China. Two new manufacturing units in China, acquired from International Paper, have been reported as part of the segment as of September 1, 2017.

Currency movements had a translation impact of EUR -3 million on the segment's reported net sales.

The segment's earnings were at previous year's level. The good volume development was not sufficient to offset the negative impact of adverse product mix and certain operational inefficiencies. In addition, the weak pound sterling impacted the profitability of the segment's business in the UK with adverse impact on the segment's earnings.

Q1-Q3 2017

Demand for foodservice packaging was at a relatively good level in Europe, while the momentum was somewhat soft in Asia-Oceania and weak in the Middle East. Prices for paperboard were relatively stable, but prices for plastic resins were at a higher level compared to previous year.

The Foodservice Europe-Asia-Oceania segment's comparable net sales growth was 3%. Net sales growth was robust across the segment's key product categories in Western and Eastern Europe. Net sales in China were at previous year's level. Businesses acquired in 2016 had a significant contribution to the segment's reported net sales growth.

Currency movements had a translation impact of EUR 3 million on the segment's reported net sales.

The segment's earnings grew mainly as a result of good net sales development. Earnings growth was further supported by improved cost position in certain markets and the successful implementation of planned actions to improve competitiveness in China and New Zealand.

During Q1 2017 Huhtamaki announced that it will set up a greenfield paper cup manufacturing unit in Kiev, Ukraine. Manufacturing operations are expected to begin during 2018 and the unit is expected to employ approx. 50 employees.

During Q2 2017 Huhtamaki entered into an agreement to acquire International Paper's foodservice packaging operations in China. The acquisition was completed on September 7, 2017 and the acquired business has been consolidated into the Foodservice Europe-Asia-Oceania business segment as of September 1, 2017. The net sales of the acquired business were approx. EUR 19 million in 2016. The debt free purchase price was EUR 15 million.

North America

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

EUR million	Q3 2017	Q3 2016	Change	Q1-Q3 2017	Q1-Q3 2016	Change	FY 2016
Net sales	235.3	244.4	-4%	756.9	745.3	2%	1,005.1
EBIT	20.2	24.5	-18%	75.3	82.5	-9%	107.6
Margin	8.6%	10.0%		9.9%	11.1%		10.7%
RONA				13.9%	16.5%		16.3%
Capital expenditure	27.0	12.4	118%	75.0	35.8	109%	97.9
Operating cash flow	9.6	21.0	-54%	6.9	53.4	-87%	40.4

Q3 2017

Overall market conditions in the U.S. became more volatile towards the end of the quarter as a consequence of hurricanes Harvey and Irma. Transport capacity was especially affected, increasing distribution costs. Plastic resin costs increased due to supply dislocations on the Gulf coast.

The North America segment's comparable net sales growth was 2%. Growth continued to be moderated by capacity constraints in some of the segment's key product categories. Growth was strongest in the retail business driven by healthy volume development in private label tableware. Foodservice packaging volume development was moderate. Ice cream packaging declined.

Currency movements had a translation impact of EUR -13 million on the segment's reported net sales.

The segment's profitability remained on a good level, but earnings declined against a strong comparison in the previous year. Solid manufacturing performance and volume growth in retail business continued to support earnings, while the increases in resin and distribution costs, caused by the hurricanes, had a negative impact on the segment's earnings. In addition, costs related to setting up manufacturing activities at the Goodyear facility had a negative impact on the segment's earnings.

Q1-Q3 2017

Overall market conditions in the United States were relatively stable. Momentum in retail tableware was good throughout the period. Demand for ice cream packaging declined. Raw material prices were generally moderate, but at a higher level compared to prior year.

The North America segment's comparable net sales growth was 1%. Growth was strongest in the retail business, particularly in private label tableware. Sales of Chinet® branded tableware also developed favorably. Sales of foodservice packaging were flat. Net sales of ice cream packaging declined.

Currency movements had a slight positive translation impact on the segment's reported net sales.

The segment's profitability was at a good level, but weakened against a strong comparison in the previous year. Good volume growth in retail and solid overall manufacturing efficiency had a positive impact on profitability, while higher input costs and product mix had an adverse effect. The higher capital expenditure throughout the reporting period is to a large extent related to the investment in a new facility in Goodyear, Arizona. The new distribution center commenced operations during the first quarter, while initial ramp up of manufacturing is expected late 2017.

Flexible Packaging

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

EUR million	Q3 2017	Q3 2016	Change	Q1-Q3 2017	Q1-Q3 2016	Change	FY 2016
Net sales	229.7	216.5	6%	686.0	654.7	5%	868.6
EBIT	17.7	18.2	-3%	50.6	56.2	-10%	73.8
Margin	7.7%	8.4%		7.4%	8.6%		8.5%
RONA				10.6%	11.9%		11.6%
Capital expenditure	5.8	4.9	18%	20.4	14.7	39%	25.7
Operating cash flow	12.4	27.2	-54%	28.1	51.7	-46%	87.9

Q3 2017

Good demand for flexible packaging in Europe and Southeast Asia continued. In India, demand for flexible packaging started to recover towards the end of the quarter. Prices for plastic resins were relatively stable, but remained at a higher level compared to Q3 2016. Competitive pressures intensified as an increasing number of customers were actively initiating savings programs.

The Flexible Packaging segment's comparable net sales growth was 7% despite India still being negative during the quarter. Volumes in India started to grow after the GST reform only at the end of the quarter.

Currency movements had a slight negative translation impact on the segment's reported net sales.

The segment's earnings declined. Healthy volume growth was not sufficient to cover the adverse product mix impact and higher costs in Europe. Tight competitive situation and customer pressures also had a negative impact on the segment's earnings.

Q1-Q3 2017

Demand for flexible packaging was at a good level in Europe and Southeast Asia throughout the period. In India, demand for flexible packaging was subdued throughout the first half of the year, but started to grow at the end of the third quarter. In the first quarter, this was mostly due to the demonetization action executed by the government in November 2016. In the second quarter and for most of the third quarter, demand was negatively impacted by the GST reform. Uncertainty in trading environment due to currency fluctuations, as well as constrained availability of currency, had a negative impact on demand for flexible packaging in many African markets during the first half of the year. Prices for plastic resins were at a higher level compared to prior year. Competition was tight.

The Flexible Packaging segment's comparable net sales growth was 3%. Growth was at a good level in all markets except India where net sales declined. Packaging for coffee and other beverages, as well as packaging for pet food, accounted for the strongest growth.

Currency movements had a translation impact of EUR 11 million on the segment's reported net sales.

The segment's earnings declined primarily due to adverse earnings development in India.

Fiber Packaging

Recycled and other natural fibers are used to make fresh product packaging, such as egg, fruit, food and drink packaging. The segment has production in Europe, Oceania, Africa and South America.

EUR million	Q3 2017	Q3 2016	Change	Q1-Q3 2017	Q1-Q3 2016	Change	FY 2016
Net sales	68.6	67.1	2%	212.7	198.8	7%	267.8
EBIT	7.3	8.3	-12%	22.7	24.7	-8%	34.6
Margin	10.6%	12.4%		10.7%	12.4%		12.9%
RONA				14.8%	16.0%		16.4%
Capital expenditure	4.3	7.9	-46%	12.7	16.9	-25%	27.6
Operating cash flow	3.3	3.5	-6%	18.0	11.6	55%	16.7

Q3 2017

Demand for fiber packaging weakened during the quarter. Banned pesticide was found in poultry farms in Europe, leading to significant culling of birds and subsequent lower supply of eggs to the markets. As a result, demand for egg packaging started to weaken in Europe towards the end of the quarter. In South Africa demand for fiber packaging was negatively affected by avian influenza and a continued drought. Prices for recycled fiber were relatively stable during the quarter, but remained at a high level. Competitive situation was tight.

The Fiber Packaging segment's comparable net sales growth was 5%. Growth was mainly driven by good volume development in Oceania and Eastern Europe.

Currency movements had a translation impact of EUR -2 million on the segment's reported net sales.

The segment's earnings declined, mainly as a result of higher raw material prices and weaker performance in Europe.

Q1-Q3 2017

Demand for fiber egg packaging was on a good level across markets with the exception of South America, where the challenging economic conditions in Brazil had an adverse impact on demand. Prices for recycled fiber were at a high level.

The Fiber Packaging segment's comparable net sales growth was 5%. Growth was mainly driven by good volume development particularly in the UK, Eastern Europe and Africa, where recent capacity additions were fully utilized. Net sales declined in South America.

There was no significant foreign currency impact on the segment's reported net sales.

The segment's earnings declined. The positive earnings impact of volume growth was not sufficient to cover the adverse impact of unfavorable product mix and earnings decline in South America.

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Personnel

The Group had a total of 17,643 (17,084) employees at the end of September 2017. The number of employees by segment was the following: Foodservice Europe-Asia-Oceania 5,057 (5,162), North America 3,873 (3,658), Flexible Packaging 6,897 (6,508), Fiber Packaging 1,746 (1,685), and Other activities 70 (71).

Share capital and shareholders

At the end of September 2017, Huhtamäki Oyj's ("the Company") registered share capital was EUR 366 million (EUR 366 million) corresponding to a total number of shares of 107,760,385 (107,760,385), including 3,648,318 (3,903,846) Company's own shares. Own shares represent 3.4% (3.6%) of the total number of shares and votes. The number of outstanding shares excluding the Company's own shares was 104,112,067 (103,856,539). The average number of outstanding shares used in EPS calculations was 104,029,919 (103,810,400), excluding the Company's own shares.

There were 32,198 (24,143) registered shareholders at the end of September 2017. Foreign ownership including nominee registered shares accounted for 46% (51%).

Share trading

During January-September 2017 the Company's share was quoted on Nasdaq Helsinki Ltd on the Nordic Large Cap list under the Industrials sector and it was a component of the Nasdaq Helsinki 25 Index.

At the end of September 2017, the Company's market capitalization was EUR 3,555 million (EUR 4,306 million) excluding the Company's own shares. With a closing price of EUR 34.15 (EUR 41.46) the share price decreased 3% from the beginning of the year. During the reporting period the volume weighted average price for the Company's share was EUR 34.22. The highest price paid was EUR 36.86 and the lowest price paid was EUR 31.45.

During the reporting period the cumulative value of the Company's share turnover on Nasdaq Helsinki Ltd was EUR 1,813 million (EUR 1,440 million). The trading volume of 53 million (41 million) shares equaled an average daily turnover of 280,418 (213,344) shares. The cumulative value of the Company's share turnover including alternative trading venues, such as BATS Chi-X and Turquoise, was EUR 4,716 million (EUR 4,263 million). During the reporting period, 62% (64%) of all trading took place outside Nasdaq Helsinki Ltd. (Source: Fidessa Fragmentation Index, http://www.fragmentation.fidessa.com/)

Short term risks and uncertainties

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

Outlook for 2017

The Group's trading conditions are expected to remain relatively stable during 2017. The good financial position and ability to generate a positive cash flow will enable the Group to address profitable growth opportunities. Capital expenditure is expected to be approximately at the same level as in 2016 with the majority of the investments directed to business expansion.

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Financial reporting in 2018

In 2018, Huhtamaki will publish financial information as follows:

Results 2017	February 14
Interim Report, January 1–March 31, 2018	April 25
Half-yearly Report, January 1–June 30, 2018	July 20
Interim Report, January 1–September 30, 2018	October 25

Annual Accounts 2017 will be published on week 8.

Huhtamäki Oyj's Annual General Meeting is planned to be held on Wednesday, April 25, 2018.

Espoo, October 25, 2017

Huhtamäki Oyj
Board of Directors

Huhtamaki

Group income statement (IFRS) – unaudited

EUR million	Q1-Q3 2017	Q1-Q3 2016	Q3 2017	Q3 2016	Q1-Q4 2016
Net sales	2,243.3	2,133.5	732.0	719.2	2,865.0
Cost of goods sold	-1,856.9	-1,749.5	-608.5	-592.3	-2,355.8
Gross profit	386.4	384.0	123.5	126.9	509.2
Other operating income	5.1	19.5	1.5	3.4	24.7
Sales and marketing	-58.5	-55.5	-18.5	-17.6	-75.4
Research and development	-14.5	-13.5	-4.9	-4.8	-17.2
Administration costs	-110.0	-122.0	-35.3	-37.9	-162.7
Other operating expenses	-7.6	-11.8	-2.7	-3.7	-14.4
Share of profit of equity-accounted investments	1.8	1.6	0.7	0.6	2.0
	-183.7	-181.7	-59.2	-60.0	-243.0
Earnings before interest and taxes	202.7	202.3	64.3	66.9	266.2
Financial income	4.9	3.7	0.0	1.4	5.3
Financial expenses	-20.9	-23.6	-5.1	-8.1	-32.2
Profit before taxes	186.7	182.4	59.2	60.2	239.3
Income tax expense	-41.0	-34.9	-13.0	-11.9	-47.8
Profit for the period	145.7	147.5	46.2	48.3	191.5
Attributable to:					
Equity holders of the parent company	144.5	144.3	45.6	47.4	187.8
Non-controlling interest	1.2	3.2	0.6	0.9	3.7
EUR					
EPS attributable to equity holders of the parent company	1.39	1.39	0.44	0.46	1.81
Diluted EPS attributable to equity holders of the parent company	1.39	1.39	0.44	0.46	1.80

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Group statement of comprehensive income (IFRS) – unaudited

EUR million	Q1-Q3 2017	Q1-Q3 2016	Q3 2017	Q3 2016	Q1-Q4 2016
Profit for the period	145.7	147.5	46.2	48.3	191.5
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Remeasurements on defined benefit plans	0.8	0.0	-0.1	0.0	-34.1
Taxes related to items that will not be reclassified	-0.2	0.0	0.0	0.0	6.2
Total	**0.6**	**0.0**	**-0.1**	**0.0**	**-27.9**
Items that may be reclassified subsequently to profit or loss					
Translation differences	-110.4	-20.2	-31.5	-8.8	44.2
Equity hedges	23.2	9.2	5.4	2.8	-6.1
Cash flow hedges	-1.4	-2.5	-1.3	0.9	0.7
Taxes related to items that may be reclassified	0.3	0.4	0.1	-0.1	-0.3
Total	**-88.3**	**-13.1**	**-27.3**	**-5.2**	**38.5**
Other comprehensive income, net of tax	**-87.7**	**-13.1**	**-27.3**	**-5.2**	**10.6**
Total comprehensive income	**58.0**	**134.4**	**18.9**	**43.1**	**202.1**
Attributable to:					
Equity holders of the parent company	56.8	131.2	18.3	42.2	198.4
Non-controlling interest	1.2	3.2	0.6	0.9	3.7

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Group statement of financial position (IFRS) – unaudited

EUR million	Sep 30, 2017	Dec 31, 2016	Sep 30, 2016
ASSETS			
Non-current assets			
Goodwill	640.5	669.2	649.0
Other intangible assets	37.9	39.5	39.3
Tangible assets	1,023.7	1,035.8	925.5
Equity-accounted investments	5.8	7.0	6.2
Other investments	1.5	1.6	2.0
Interest-bearing receivables	3.3	4.6	3.3
Deferred tax assets	57.5	58.6	47.9
Employee benefit assets	48.3	55.8	46.3
Other non-current assets	6.2	9.6	8.3
	1,824.7	**1,881.7**	**1,727.8**
Current assets			
Inventory	446.4	401.9	408.9
Interest-bearing receivables	4.0	2.2	2.8
Current tax assets	18.3	6.8	4.2
Trade and other current receivables	528.6	476.1	479.2
Cash and cash equivalents	89.6	105.9	101.7
	1,086.9	**992.9**	**996.8**
Total assets	2,911.6	2,874.6	2,724.6
EQUITY AND LIABILITIES			
Share capital	366.4	366.4	366.4
Premium fund	115.0	115.0	115.0
Treasury shares	-33.5	-35.9	-35.9
Translation differences	-98.6	-11.4	-60.5
Fair value and other reserves	-103.8	-103.3	-77.9
Retained earnings	867.5	803.8	759.1
Total equity attributable to equity holders of the parent company	**1,113.0**	**1,134.6**	**1,066.2**
Non-controlling interest	45.4	47.6	44.0
Total equity	**1,158.4**	**1,182.2**	**1,110.2**
Non-current liabilities			
Interest-bearing liabilities	622.1	520.8	521.8
Deferred tax liabilities	96.6	92.2	77.5
Employee benefit liabilities	222.4	229.2	192.4
Provisions	31.1	26.4	30.2
Other non-current liabilities	4.7	5.5	6.6
	976.9	**874.1**	**828.5**
Current liabilities			
Interest-bearing liabilities			
Current portion of long term loans	28.3	137.0	136.8
Short-term loans	187.9	129.9	130.3
Provisions	2.8	7.7	8.5
Current tax liabilities	11.8	10.4	10.2
Trade and other current liabilities	545.5	533.3	500.1
	776.3	**818.3**	**785.9**
Total liabilities	1,753.2	1,692.4	1,614.4
Total equity and liabilities	2,911.6	2,874.6	2,724.6
Net debt	741.4	675.0	681.1
Net debt to equity (gearing)	0.64	0.57	0.61

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Group statement of changes in equity (IFRS) – unaudited

	Attributable to equity holders of the parent company								
EUR million	Share capital	Share issue premium	Treasury shares	Translation differences	Fair value and other reserves	Retained earnings	Total	Non-controlling interest	Total equity
Balance on Dec 31, 2015	366.4	115.0	-37.3	-49.5	-75.8	682.1	1,000.9	35.1	1,036.0
Dividends paid						-68.5	-68.5		-68.5
Share-based payments			1.4			4.0	5.4		5.4
Total comprehensive income for the year				-11.0	-2.1	144.3	131.2	3.2	134.4
Other changes						-2.8	-2.8	5.7	2.9
Balance on Sep 30, 2016	366.4	115.0	-35.9	-60.5	-77.9	759.1	1,066.2	44.0	1,110.2
Balance on Dec 31, 2016	366.4	115.0	-35.9	-11.4	-103.3	803.8	1,134.6	47.6	1,182.2
Change in accounting policy (IFRS 15)[1]						-1.1	-1.1		-1.1
Balance on Jan 1, 2017	366.4	115.0	-35.9	-11.4	-103.3	802.7	1,133.5	47.6	1,181.1
Dividends paid						-76.0	-76.0		-76.0
Share-based payments			2.4			-1.5	0.9		0.9
Total comprehensive income for the year				-87.2	-0.5	144.5	56.8	1.2	58.0
Other changes						-2.2	-2.2	-3.4	-5.6
Balance on Sep 30, 2017	366.4	115.0	-33.5	-98.6	-103.8	867.5	1,113.0	45.4	1,158.4

[1] The Group has adopted IFRS 15 Revenue from Contracts with Customers using a modified retrospective approach. An adjustment related to cash discounts has been done to the opening balance of retained earnings at the date of initial application.

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Group statement of cash flows (IFRS) – unaudited

EUR million	Q1-Q3 2017	Q1-Q3 2016	Q3 2017	Q3 2016	Q1-Q4 2016
Profit for the period*	145.7	147.5	46.2	48.3	191.5
Adjustments*	150.7	137.5	48.9	45.3	185.2
Depreciation and amortization*	91.7	84.1	29.7	29.2	113.9
Share of profit of equity-accounted investments*	0.6	0.2	-0.8	-0.5	-0.1
Gain/loss from disposal of assets*	0.2	-0.1	0.2	-0.2	-0.1
Financial expense/-income*	16.0	19.9	5.1	6.7	26.9
Income tax expense*	41.0	34.9	13.0	11.9	47.8
Other adjustments, operational*	1.2	-1.5	1.7	-1.8	-3.2
Change in inventory*	-70.9	-14.3	-23.2	-7.3	8.8
Change in non-interest bearing receivables*	-76.0	-40.3	0.8	32.9	-11.1
Change in non-interest bearing payables*	53.1	-2.4	7.8	-18.8	-7.4
Dividends received*	0.9	1.1	0.2	0.3	1.9
Interest received*	1.1	0.9	0.3	0.4	1.3
Interest paid*	-18.0	-18.7	-2.5	-3.6	-20.4
Other financial expense and income*	-1.1	-1.0	-0.5	-0.2	-1.5
Taxes paid*	-37.8	-38.1	-13.0	-17.4	-50.8
Net cash flows from operating activities	**147.7**	**172.2**	**65.0**	**79.9**	**297.5**
Capital expenditure*	-144.1	-95.2	-48.7	-39.2	-199.1
Proceeds from selling tangible assets*	1.6	1.6	0.7	0.3	1.9
Acquired subsidiaries and assets	-3.2	-117.9	-3.2	-2.3	-120.7
Proceeds from long-term deposits	1.0	1.0	0.1	0.3	1.4
Payment of long-term deposits	0.0	-0.3	0.0	0.0	-1.7
Proceeds from short-term deposits	0.7	1.3	0.1	0.0	2.0
Payment of short-term deposits	-2.9	-2.0	-2.6	-0.2	-2.0
Net cash flows from investing activities	**-146.9**	**-211.5**	**-53.6**	**-41.1**	**-318.2**
Proceeds from long-term borrowings	256.7	166.7	106.7	0.1	174.1
Repayment of long-term borrowings	-151.5	-169.7	-136.1	-15.0	-179.1
Proceeds from short-term borrowings	2,164.9	1,300.6	553.3	461.2	2,040.4
Repayment of short-term borrowings	-2,203.4	-1,186.7	-556.8	-484.9	-1,943.2
Dividends paid	-76.0	-68.5	-	-	-68.5
Net cash flows from financing activities	**-9.3**	**42.4**	**-32.9**	**-38.6**	**23.7**
Change in liquid assets	-16.3	-1.5	-24.0	-0.7	2.7
Cash flow based	-8.5	3.1	-21.5	0.2	3.0
Translation difference	-7.8	-4.6	-2.5	-0.9	-0.3
Liquid assets period start	105.9	103.2	113.6	102.4	103.2
Liquid assets period end	89.6	101.7	89.6	101.7	105.9
Free cash flow (including figures marked with *)	5.2	78.6	17.0	41.0	100.3

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Notes to the Interim Report

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. Except for the accounting policy changes listed below, the same accounting policies have been applied in the interim report as in the annual financial statements for 2016. The following new and amended standards and interpretations were adopted with effect from January 1, 2017:

- Revised IAS 7 Statement of Cash Flows. Disclosure Initiative. The amendment requires the disclosure of changes in liabilities arising from financing activities including both cash based and non-cash based changes. The amendment had no impact on the interim financial statements.
- Revised IAS 12 Income Taxes. The amendment clarifies the requirements on recognition of deferred tax asset for unrealized losses on debt instruments measured at fair value. The amendment had no impact on the interim financial statements.
- IFRS 9 Financial Instruments. The new standard replaces current IAS 39 Financial Instruments: Recognition and measurement -standard. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. The new standard had no impact on the interim financial statements.
- IFRS 15 Revenue from Contracts with Customers. The standard establishes a new five-step framework to account revenue arising from contracts with customers. The revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Group has adopted the standard using a modified retrospective approach. A minor adjustment related to cash discounts has been done to the opening balance of retained earnings at the date of initial application. The new standard had no material impact on the interim financial statements.

Segments

Segment information is presented according to the IFRS standards. Items below EBIT – financial items and taxes – are not allocated to the segments. Reportable segments' net sales and EBIT form Group's total net sales and EBIT, so no reconciliations to corresponding amounts are presented.

Net sales

EUR million	Q1-Q3 2017	Q3 2017	Q2 2017	Q1 2017	Q1-Q4 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Foodservice Europe-Asia-Oceania	596.0	200.9	204.3	190.8	734.5	191.6	194.0	192.3	156.6
Intersegment net sales	4.5	1.7	1.1	1.7	6.5	1.4	1.2	1.6	2.3
North America	750.7	233.4	272.4	244.9	996.4	257.6	242.1	263.7	233.0
Intersegment net sales	6.2	1.9	1.9	2.4	8.7	2.2	2.3	2.0	2.2
Flexible Packaging	685.8	229.6	224.0	232.2	868.4	213.9	216.5	220.4	217.6
Intersegment net sales	0.2	0.1	0.0	0.1	0.2	0.0	0.0	0.1	0.1
Fiber Packaging	210.8	68.1	71.2	71.5	265.7	68.4	66.6	65.6	65.1
Intersegment net sales	1.9	0.5	0.6	0.8	2.1	0.6	0.5	0.6	0.4
Elimination of intersegment net sales	-12.8	-4.2	-3.6	-5.0	-17.5	-4.2	-4.0	-4.3	-5.0
Total	**2,243.3**	**732.0**	**771.9**	**739.4**	**2,865.0**	**731.5**	**719.2**	**742.0**	**672.3**

EBIT

EUR million	Q1-Q3 2017	Q3 2017	Q2 2017	Q1 2017	Q1-Q4 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Foodservice Europe-Asia-Oceania[1]	52.2	18.4	18.4	15.4	61.5	13.8	18.3	17.4	12.0
North America	75.3	20.2	32.6	22.5	107.6	25.1	24.5	37.2	20.8
Flexible Packaging	50.6	17.7	14.0	18.9	73.8	17.6	18.2	19.1	18.9
Fiber Packaging	22.7	7.3	8.1	7.3	34.6	9.9	8.3	8.2	8.2
Other activities	1.9	0.7	2.5	-1.3	-11.3	-2.5	-2.4	-4.3	-2.1
Total[1]	**202.7**	**64.3**	**75.6**	**62.8**	**266.2**	**63.9**	**66.9**	**77.6**	**57.8**

[1] Q1-Q4 2016 includes items affecting comparability MEUR -1.7, Q4 2016 MEUR -1.5 and Q2 2016 MEUR -0.2.

Segments (continued)

EBITDA

EUR million	Q1-Q3 2017	Q3 2017	Q2 2017	Q1 2017	Q1-Q4 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Foodservice Europe-Asia-Oceania[1]	79.2	27.3	27.5	24.4	93.6	22.5	26.9	25.5	18.7
North America	104.9	29.5	42.6	32.8	144.9	35.1	33.6	46.2	30.0
Flexible Packaging	73.2	25.2	21.5	26.5	103.8	25.5	25.7	26.5	26.1
Fiber Packaging	34.4	11.0	12.1	11.3	48.2	12.9	11.9	11.7	11.7
Other activities	2.7	1.0	2.7	-1.0	-10.4	-2.3	-2.0	-4.2	-1.9
Total[1]	**294.4**	**94.0**	**106.4**	**94.0**	**380.1**	**93.7**	**96.1**	**105.7**	**84.6**

[1] Q1-Q4 2016 includes items affecting comparability MEUR -1.7, Q4 2016 MEUR -1.5 and Q2 2016 MEUR -0.2.

Depreciation and amortization

EUR million	Q1-Q3 2017	Q3 2017	Q2 2017	Q1 2017	Q1-Q4 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Foodservice Europe-Asia-Oceania	27.0	8.9	9.1	9.0	32.1	8.7	8.6	8.1	6.7
North America	29.6	9.3	10.0	10.3	37.3	10.0	9.1	9.0	9.2
Flexible Packaging	22.6	7.5	7.5	7.6	30.0	7.9	7.5	7.4	7.2
Fiber Packaging	11.7	3.7	4.0	4.0	13.6	3.0	3.6	3.5	3.5
Other activities	0.8	0.3	0.2	0.3	0.9	0.2	0.4	0.1	0.2
Total	**91.7**	**29.7**	**30.8**	**31.2**	**113.9**	**29.8**	**29.2**	**28.1**	**26.8**

Net assets allocated to the segments[2]

EUR million	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Foodservice Europe-Asia-Oceania	543.1	528.9	540.1	534.5	520.3	514.6	366.9
North America	729.7	736.7	756.6	727.0	654.2	654.3	631.1
Flexible Packaging	641.4	638.4	645.1	644.9	639.8	648.3	631.9
Fiber Packaging	219.3	218.5	224.6	220.5	216.6	215.1	202.6

[2] Following statement of financial position items are included in net assets: intangible and tangible assets, equity-accounted investments, other non-current assets, inventories, trade and other current receivables (excluding accrued interest income), other non-current liabilities and trade and other current liabilities (excluding accrued interest expense).

Capital expenditure

EUR million	Q1-Q3 2017	Q3 2017	Q2 2017	Q1 2017	Q1-Q4 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Foodservice Europe-Asia-Oceania	35.8	11.5	12.8	11.5	46.9	19.6	13.8	8.2	5.3
North America	75.0	27.0	23.8	24.2	97.9	62.1	12.4	13.0	10.4
Flexible Packaging	20.4	5.8	7.7	6.9	25.7	11.0	4.9	5.7	4.1
Fiber Packaging	12.7	4.3	4.1	4.3	27.6	10.7	7.9	4.7	4.3
Other activities	0.2	0.1	0.0	0.1	1.0	0.5	0.2	0.1	0.2
Total	**144.1**	**48.7**	**48.4**	**47.0**	**199.1**	**103.9**	**39.2**	**31.7**	**24.3**

RONA (12m roll.)

EUR million	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Foodservice Europe-Asia-Oceania	12.4 %	12.5 %	13.1 %	13.3 %	13.5 %	13.3 %	14.0 %
North America	13.9 %	14.8 %	16.0 %	16.3 %	16.5 %	16.6 %	14.9 %
Flexible Packaging	10.6 %	10.7 %	11.5 %	11.6 %	11.9 %	11.6 %	11.5 %
Fiber Packaging	14.8 %	15.3 %	15.6 %	16.4 %	16.0 %	16.2 %	17.1 %

Operating cash flow

EUR million	Q1-Q3 2017	Q3 2017	Q2 2017	Q1 2017	Q1-Q4 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Foodservice Europe-Asia-Oceania	41.0	16.0	11.6	13.4	38.0	7.7	7.2	13.7	9.4
North America	6.9	9.6	14.4	-17.1	40.4	-13.0	21.0	22.1	10.3
Flexible Packaging	28.1	12.4	-0.5	16.2	87.9	36.2	27.2	7.8	16.7
Fiber Packaging	18.0	3.3	9.5	5.2	16.7	5.1	3.5	4.2	3.9

Business combinations

On September 7, 2017 Huhtamaki completed the acquisition of International Paper's foodservice packaging operations in China. With the acquisition Huhtamaki expanded its manufacturing footprint into the Eastern China region and strengthened its capacity and capability to serve customers operating in Northern China. The acquisition comprises of two manufacturing units located in Shanghai and Tianjin. The acquired business has been consolidated into the Foodservice Europe-Asia-Oceania business segment as of September 1, 2017. The goodwill is expected to be non-deductible for income tax purposes. The consideration in cash amounted to EUR 6.2 million.

The draft values of acquired assets and liabilities at the time of the acquisition were as follows:

EUR million	
Customer relations	0.6
Intangible assets	3.7
Tangible assets	5.5
Inventories	2.0
Trade and other receivables	3.5
Cash and cash equivalents	3.0
Total assets	**18.3**
Deferred taxes	-0.1
Interest-bearing loans	-14.4
Trade and other payables	-3.0
Total liabilities	**-17.5**
Net assets total	**0.8**
Goodwill	5.4
Consideration	6.2

Analysis of cash flows of acquisition

EUR million	
Purchase consideration, cash payment	-6.2
Cash and cash equivalents in acquired company	3.0
Net cash flow on acquisition	-3.2

The net sales of the acquired business included in the Group income statement since acquisition date were EUR 1.7 million and result for the period was EUR -0.1 million. The net sales and the result for the period of the acquired business would not have had material effect in the Group income statement, if the acquired business had been consolidated from January 1, 2017.

Other information

Key indicators

	Q1-Q3 2017	Q1-Q4 2016	Q1-Q3 2016
Equity per share (EUR)	10.69	10.93	10.27
ROE, % (12m roll.)	16.3	17.6	18.0
ROI, % (12m roll.)	13.8	14.7	14.7
Personnel	17,643	17,076	17,084
Profit before taxes (EUR million, 12m roll.)	243.7	239.3	231.0
Depreciation of tangible assets (EUR million)	85.5	105.3	77.7
Amortization of other intangible assets (EUR million)	6.2	8.6	6.4

Contingent liabilities

EUR million	Sep 30, 2017	Dec 31, 2016	Sep 30, 2016
Lease payments	92.6	81.9	61.3
Capital expenditure commitments	78.3	70.5	50.7

Financial instruments measured at fair value

EUR million	Sep 30, 2017	Dec 31, 2016	Sep 30, 2016
Derivatives - assets			
Currency forwards, transaction risk hedges	2.2	2.5	1.8
Currency forwards, translation risk hedges	2.0	-	0.0
Currency forwards, for financing purposes	6.9	0.5	1.0
Currency options, transaction risk hedges	0.2	0.6	1.1
Interest rate swaps	3.8	5.1	4.3
Electricity forwards	0.0	0.1	0.0
Other investments	1.5	1.6	2.0
Derivatives - liabilities			
Currency forwards, transaction risk hedges	1.1	3.3	3.0
Currency forwards, translation risk hedges	0.7	8.5	0.5
Currency forwards, for financing purposes	2.0	4.5	1.3
Currency options, transaction risk hedges	0.7	0.5	0.4
Interest rate swaps	0.4	0.7	2.4
Cross currency swaps	2.4	-	-
Electricity forwards	0.0	0.1	0.2

The fair values of the financial instruments measured at fair value have been indirectly derived from market prices. Only fair values of electricity forwards are based on quoted prices in active markets. Other investments include quoted and unquoted shares. Quoted shares are measured at fair value. For unquoted shares the fair value cannot be measured reliably, as a result of which the investments are carried at cost.

Interest-bearing liabilities

	Sep 30, 2017		Dec 31, 2016		Sep 30, 2016	
EUR million	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Non-current	622.1	618.7	520.8	520.9	521.8	523.7
Current	216.2	216.2	266.9	266.9	267.1	267.1
Total	**838.3**	**834.9**	**787.7**	**787.8**	**788.9**	**790.8**

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Other information (continued)

Exchange rates

As of July 2016 the exchange rates used at the month end are the rates of the date prior to the last working day of the month, due to the change of publication time of the ECB euro foreign exchange reference rates.

Income statement, average:

	Q1-Q3 2017	Q1-Q3 2016
AUD 1 =	0.6884	0.6641
GBP 1 =	1.1463	1.2469
INR 1 =	0.0138	0.0133
RUB 1 =	0.0154	0.0131
THB 1 =	0.0262	0.0254
USD 1 =	0.8989	0.8962

Statement of financial position, month end:

	Sep 30, 2017	Sep 30, 2016
AUD 1 =	0.6643	0.6830
GBP 1 =	1.1411	1.1609
INR 1 =	0.0130	0.0133
RUB 1 =	0.0146	0.0141
THB 1 =	0.0254	0.0257
USD 1 =	0.8490	0.8912

Definitions for performance measures

Performance measures according to IFRS

Earnings per share (EPS) attributable to equity holders of the parent company =

$$\frac{\text{Profit for the period – non-controlling interest}}{\text{Average number of shares outstanding}}$$

Diluted earnings per share (diluted EPS) attributable to equity holders of the parent company =

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

Alternative performance measures

EBITDA =

EBIT + depreciation and amortization

Net debt to equity (gearing) =

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

Return on net assets (RONA) =

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

Operating cash flow =

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

Shareholders' equity per share =

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

Return on equity (ROE) =

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

Return on investment (ROI) =

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

In addition to IFRS and alternative performance measures presented above, Huhtamaki may present adjusted performance measures, which are derived from IFRS or alternative performance measures by adding or deducting items affecting comparability (IAC). The adjusted performance measures are used in addition to, but not substituing, the performance measures reported in accordance with IFRS.

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