

PRESS RELEASE

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Huhtamaki sells Italian molded fiber operation to Luxembourg-based investor group

Huhtamaki, the worldwide consumer packaging manufacturer based in Finland, has agreed to sell its Italian molded fiber operation, Keyes Italiana S.p.A., to Medeur S.A., a Luxembourg-based investor group. The operation is located in Fiumefreddo, Sicily, and employs approx. 60 people, producing mainly egg trays and cartons. Its sales in 2000 amounted to approx. EUR 7 million.

"This operation is small by our standards and offers limited potential for growth or synergies as part of Huhtamaki's Italian organization," said Mr. Matti Tikkakoski, Huhtamaki's Executive Vice President for Europe. "As a stand-alone entity, it will be able to focus on consolidating its position in the Italian and Mediterranean markets for egg packaging."

Huhtamaki is the world's leading provider of molded fiber packaging and technology, and has agreed to maintain strong technological and commercial links with the divested unit. Accordingly, Medeur will continue to source machinery and complementary molded fiber products from Huhtamaki. Similarly, Huhtamaki will continue to sell and distribute some of its products outside Italy.

The transaction will not materially affect Huhtamaki's position in the Italian consumer packaging markets. In 2000, the company's sales in Italy amounted to EUR 124 million, mainly derived from the well-established plastic and paper packaging operations in Torino and Parma.

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