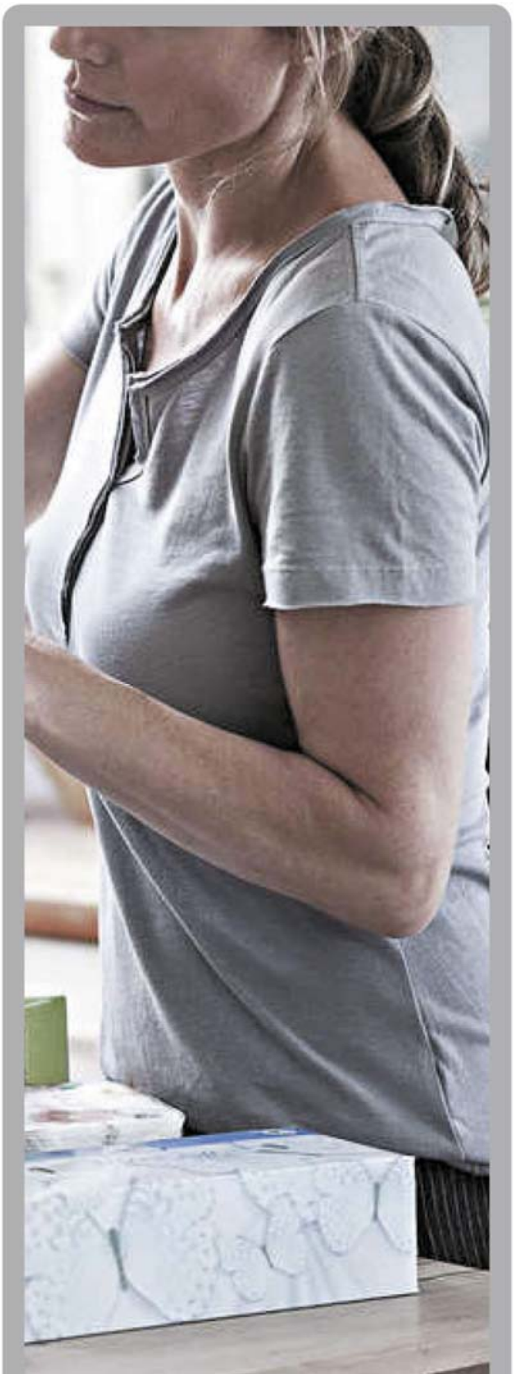
METSÄ BOARD CORPORATION
INTERIM REPORT

Q3 2014



METSÄ BOARD CORPORATION’S OPERATING RESULT EXCLUDING NON-RECURRING ITEMS FOR JANUARY–SEPTEMBER 2014 WAS EUR 100 MILLION

RESULT FOR JANUARY–SEPTEMBER 2014

• Sales were EUR 1,509.0 million (Q1–Q3/2013: 1,540.1).

• Operating result excluding non-recurring items was EUR 99.6 million (75.1). Operating result including non-recurring items was EUR 109.8 million (83.0).

• Result before taxes excluding non-recurring items was EUR 68.1 million (30.8). Result before taxes including non-recurring items was EUR 76.0 million (38.8).

• Earnings per share excluding non-recurring items were EUR 0.17 (0.08). Earnings per share including non-recurring items were EUR 0.19 (0.10).

RESULT FOR THE THIRD QUARTER OF 2014

• Sales were EUR 513.8 million (Q2/2014: 494.0).

• Operating result excluding non-recurring items was EUR 35.2 million (28.3). Operating result including non-recurring items was EUR 34.1 million (32.2).

• Result before taxes excluding non-recurring items was EUR 27.3 million (20.0). Result before taxes including non-recurring items was EUR 26.1 million (23.9).

• Earnings per share excluding non-recurring items were EUR 0.07 (0.04). Earnings per share including non-recurring items were EUR 0.06 (0.05).

EVENTS DURING THE THIRD QUARTER OF 2014

• Paperboard deliveries continued to increase.

• The delivery volumes of paper and market pulp were at approximately the same level as in the previous quarter.

• No significant changes took place in the prices of paperboard and paper. The prices of market pulp deliveries increased slightly.

• Net debt decreased to EUR 491 million as a result of strong cash flow.

EVENTS AFTER THE PERIOD

• Mika Joukio started as the CEO of Metsä Board on 1 October 2014.

NEAR-TERM OUTLOOK

• Metsä Board’s operating result excluding non-recurring items is in the fourth quarter of 2014 expected to be roughly at the same level as in the third quarter of 2014.

“The third quarter of 2014 met our expectations, and our operating result improved from previous quarter.

Profitable growth in paperboard business is the main goal of our company. Paperboard deliveries continued to increase strongly in the third quarter, and the current total delivery volume for 2014 is approximately 10 per cent higher than at the same time in the previous year. The demand for Metsä Board’s folding boxboard and fresh forest fibre linerboard has been normal in Europe and very strong in North America. This year, our paperboard deliveries in North America have increased already by more than 30 per cent.

Our cash flow continued to be good in the third quarter, and our net debt decreased clearly.

Overall, our profitability and balance sheet structure have improved significantly in 2014. However, I still see much room for improvement. Our most important measures include increasing our paperboard business at good price levels and decreasing the unprofitable paper production.”

Mika Joukio, CEO

KEY FIGURES

	2014 Q3	2014 Q2	2014 Q1	2013 Q3	2014 Q1-Q3	2013 Q1-Q3	2013 Q1-Q4
Sales, EUR million	513.8	494.0	501.2	502.3	1,509.0	1,540.1	2,019.3
EBITDA, EUR million	60.7	55.9	69.2	44.0	185.8	158.1	214.8
excl. non-recurring items, EUR million	61.8	52.0	61.8	43.6	175.6	152.5	208.0
EBITDA, %	11.8	11.3	13.8	8.8	12.3	10.3	10.6
excl. non-recurring items, %	12.0	10.5	12.3	8.7	11.6	9.9	10.3
Operating result, EUR million	34.1	32.2	43.5	19.3	109.8	83.0	113.6
excl. non-recurring items, EUR million	35.2	28.3	36.1	18.9	99.6	75.1	104.4
EBIT, %	6.6	6.5	8.7	3.8	7.3	5.4	5.6
excl. non-recurring items, %	6.9	5.7	7.2	3.8	6.6	4.9	5.2
Result before taxes, EUR million	26.1	23.9	26.0	9.0	76.0	38.8	57.8
excl. non-recurring items, EUR million	27.3	20.0	20.8	8.5	68.1	30.8	48.6
Result for the period, EUR million	20.8	16.8	24.8	7.3	62.4	32.9	64.1
excl. non-recurring items, EUR million	21.9	12.9	20.6	6.8	55.4	25.5	55.4
Result per share, EUR	0.06	0.05	0.08	0.02	0.19	0.10	0.19
excl. non-recurring items, EUR	0.07	0.04	0.06	0.02	0.17	0.08	0.17
Return on equity, %	9.8	8.0	11.6	3.6	9.8	5.2	7.5
excl. non-recurring items, %	10.4	6.1	9.6	3.3	8.7	4.1	6.5
Return on capital employed, %	9.0	8.5	11.2	5.1	9.6	6.8	7.0
excl. non-recurring items, %	9.2	7.5	9.9	4.9	8.9	6.2	6.4
Equity ratio at end of period, %	39.8	39.8	41.0	38.7	39.8	38.7	40.7
Gearing ratio at end of period, %	82	84	84	91	82	91	83
Net gearing ratio at end of period, %	57	65	69	75	57	75	70
Shareholders' equity per share at end of period, EUR	2.60	2.54	2.62	2.51	2.60	2.51	2.59
Interest-bearing net liabilities, EUR million	491.1	540.1	592.6	622.1	491.1	622.1	597.2
Gross investments, EUR million	7.3	14.0	4.7	16.0	26.0	46.7	66.9
Deliveries, 1 000 tonnes							
Cartonboard	237	226	219	225	682	662	872
Linerboard and Paper	265	250	265	247	780	776	1,027
Personnel at the end of period	3,164	3,370	3,145	3,178	3,164	3,178	3,116

EBITDA = Earnings before interest, taxes, depreciation and impairment charges

The divestment of the holding in Metsä Group Treasury Oy in September 2013 improved Metsä Board's equity ratio by approximately 5 percentage points and return on capital employed by almost 1 percentage point and reduced the company's gross debt by more than EUR 300 million, compared to the actual figures for the second quarter of 2013.

INTERIM REPORT 1 JANUARY – 30 SEPTEMBER 2014

SALES AND RESULT

RESULT FOR JULY–SEPTEMBER COMPARED TO THE PREVIOUS QUARTER

Metsä Board's sales amounted to EUR 513.8 million (Q2/2014: 494.0). Sales were up 4.0 per cent. The operating result was EUR 34.1 million (32.2), and the operating result excluding non-recurring items was EUR 35.2 million (28.3).

A net total of EUR -1.1 million (+3.8) was recognised as non-recurring items in July–September.

The operating result excluding non-recurring items improved compared to the previous quarter. The delivery volumes of folding boxboard and white-top fresh forest fibre linerboard increased. The delivery volume of market pulp decreased slightly. The delivery volumes of uncoated fine paper and coated papers remained unchanged. The prices of Metsä Board's main products remained at the previous quarter's level, excluding the euro-denominated price of market pulp, which increased slightly. Annual contract compensations had a positive effect on the result, while the investment and maintenance shutdown at the Kemi integrated mill had a negative effect.

Cash flow from operating activities amounted to EUR 52.0 million in the third quarter (102.3).

The total delivery volume of the Cartonboard business area in July–September was 237,000 tonnes (Q2/2014: 226,000). The total delivery volume of the Linerboard and Paper business area was 265,000 tonnes (250,000). The combined delivery volume of Metsä Board's folding boxboard and fresh forest fibre linerboard in July–September was 328,000 tonnes (305,000), representing an increase of 8 per cent.

Financial income and expenses in the review period totalled EUR -8.1 million (-8.5). Foreign exchange rate differences from trade receivables, trade payables, financial items and the valuation of currency hedging were EUR 0.0 million (-0.5). Net interest and other financial income and expenses amounted to EUR -8.1 million (-8.0). Other financial income and expenses include EUR 0.0 million of valuation gains on interest rate hedges (a valuation gain of 0.0).

The result before taxes for the review period was EUR 26.1 million (23.9). The result before taxes excluding non-recurring items was EUR 27.3 million (20.0). Income taxes amounted to -5.3 million (-7.1).

Earnings per share were EUR 0.06 (0.05). Earnings per share excluding non-recurring items were EUR 0.07 (0.04). The return on equity was 9.8 per cent (8.0), and the return on equity excluding non-recurring items was 10.4 per cent (6.1). The return on capital employed was 9.0 per cent (8.5), and the return on capital employed excluding non-recurring items was 9.2 per cent (7.5).

RESULT FOR JANUARY–SEPTEMBER COMPARED TO THE CORRESPONDING PERIOD LAST YEAR

Metsä Board's sales amounted to EUR 1,509.0 million (Q1–Q3/2013: 1,540.1). Sales were down 2.0 per cent. The operating result was EUR 109.8 million (83.0), and the operating result excluding non-recurring items was EUR 99.6 million (75.1).

A net total of EUR +10.2 million (+7.9) was recognised as non-recurring items in the operating result.

Compared to the corresponding period last year, lower production costs and higher delivery volumes of folding boxboard and white-top fresh forest fibre linerboard, as well as a weaker rate of the Swedish krona against the euro, had a positive effect on the operating result. Lower average prices for folding boxboard, and coated and uncoated papers in particular, had a negative effect on the operating result. The delivery volumes of papers decreased significantly as well.

The total delivery volume of the Cartonboard business area in January–September was 682,000 tonnes (662,000). The total delivery volume of the Linerboard and Paper business area was 780,000 tonnes (776,000). The combined delivery volume of Metsä Board's folding boxboard and fresh forest fibre linerboard was 934,000 tonnes (852,000), representing an increase of 10 per cent.

Financial income and expenses totalled EUR -34.1 million (-44.3). Financing expenses in the comparison period las year was increased mainly by approximately EUR 8 million in additional interest caused by the prepayment of the USD-denominated private note issue.

Foreign exchange rate differences from trade receivables, trade payables, financial items and the valuation of currency hedging were EUR -0.6 million (-0.2). Net interest and other financial income and expenses amounted to EUR -33.5 million (-44.1). Net interest increased by EUR 5.8 million due to the prepayment and refinancing of a loan of EUR 350 million and a standby credit facility of EUR 100 million. Other financial income and expenses included EUR 0.0 million in valuation gains on interest rate derivatives (a valuation gain of 4.6). A non-recurring item of EUR -2.2 million was recognised in financial expenses related to the penal interest on the damages paid to UPM-Kymmene.

The result before taxes for the review period was EUR 76.0 million (38.8). The result before taxes excluding non-recurring items was EUR 68.1 million (30.8). The impact of income taxes was EUR -13.6 million (-5.9).

Earnings per share were EUR 0.19 (0.10). Earnings per share excluding non-recurring items were EUR 0.17 (0.08). The return on equity was 9.8 per cent (5.2), and the return on equity excluding non-recurring items was 8.7 per cent (4.1). The return on capital employed was 9.6 per cent (6.8), and the return on capital employed excluding non-recurring items was 8.9 per cent (6.2).

PERSONNEL

At the end of September, the number of personnel was 3,164 (30 September 2013: 3,178), of whom 1,488 (1,493) worked in Finland. In January–September, Metsä Board employed 3,224 (3,287) people on average.

INVESTMENTS

Gross investments in January–September totalled EUR 26.0 million (Q1–Q3/2013: 46.7).

BUSINESS DEVELOPMENT

The market situation in the paper industry is difficult, and a programme aiming at annual cost savings of approximately EUR 15 million is underway to improve profitability at the Husum mill. The company is seeking new, more profitable products to complement and even replace the mill's current products. Examples of such products include the new lightweight uncoated fresh forest fibre linerboards that have been produced at Husum since April 2013. In December, a new coated paper delivery agreement was signed with Sappi. Through the new agreement, Metsä Board is able to increase its fresh forest fibre linerboard production, as the agreement also makes the production of coated grades possible. At the beginning of 2014, the production of coated lightweight fresh forest fibre linerboard started at the Husum mill in order to complement the linerboard product range of the Kemi and Husum mills. In all, Husum's fresh forest fibre linerboard production is targeted to amount to a minimum of 100,000 tonnes in 2014. The total positive effect of the above measures on Husum's annual operating result is estimated to be over EUR 25 million, compared to the actual figures of 2013. It is estimated that most of the improvement will take effect in 2014 and in full as of 2015.

Metsä Board divested its property in Lielahti in Tampere to the City of Tampere for EUR 26 million in a transaction concluded on 28 March 2014. A sales gain of EUR 24.8 million was recognised for the transaction. The transaction involved approximately 90 hectares of land with buildings and approximately 1,071 hectares of water area on Näsijärvi lake. Metsä Board shut down high-yield pulp production in Lielahti in 2008 and has not had production operations in the area since that time.

Metsä Board's associated company Metsä Fibre is planning to build a bioproduct mill valued at approximately EUR 1.1 billion to replace the current pulp mill in Äänekoski, Finland. The planned pulp capacity of the mill is 1.3 million tonnes. The company intends to make the final investment decision in early 2015 and operations at the mill would commence during 2017.

Metsä Board's strategy is still to be self-sufficient in high-quality pulp, thereby ensuring the profitable growth of paperboard production in the future as well. Metsä Board's role in the possible new bioproduct mill in Äänekoski will be announced at the latest when the final decision on the implementation of the project is made.

DISPUTES

In May, Metsä Board requested that the District Court of Helsinki revoke the judgement issued by the arbitral tribunal on 11 February 2014 that ordered Metsä Board to pay EUR 19.7 million in damages to UPM-Kymmene Corporation.

FINANCING

Metsä Board's equity ratio at the end of September was 39.8 per cent (31 December 2013: 40.7), and its gearing ratio was 82 per cent (83). Its net gearing ratio was 57 per cent (70).

The change in the fair value of investments available for sale during the review period was approximately EUR +0.2 million, mainly due to a decrease in the fair value of shares in Pohjolan Voima Oy as a result of a change in the market price of electricity and a decrease in interest rate levels.

Defined benefit pension obligations increased by approximately EUR 18.1 million, and EUR -13.1 million after taxes was recognised in other comprehensive income items. The increase in pension obligations resulted from the continued decrease in the discount rate.

At the end of September, net interest-bearing liabilities totalled EUR 491.1 million (597.2). Foreign-currency-denominated loans accounted for 0.5 per cent, and floating-rate loans accounted for 24 per cent, with the rest being fixed-rate loans. At the end of September, the average interest rate on loans was 4.2 per cent (4.8), and the average maturity of long-term loans was 3.6 years (2.7). The interest rate maturity of loans was 30.1 months at the end of September (18.3). During the period, the interest rate maturity varied between 17 and 34 months.

Cash flow from operating activities amounted to EUR 127.7 million (Q1–Q4/2013: 127.1). Working capital decreased by EUR 12.0 million (increased by 10.8 million). In the cash flow statement, the net financial expenses for the period include a dividend of EUR 24.9 million (24.9) paid by Metsä Fibre.

At the end of the review period, an average of 5.5 months of the net foreign currency exposure was hedged. The degree of hedging varied between 5 and 7 months during the period.

In March, Metsä Board issued an unsecured bond of EUR 225 million. The bond will mature on 13 March 2019, and it carries a fixed coupon interest rate of 4.0 per cent per annum. In March, Metsä Board signed an agreement on a new unsecured syndicated credit facility. The new facility consists of a term loan facility of EUR 150 million and a revolving credit facility of EUR 100 million, which will both mature in 2018. Most of the funds from the financing arrangement were used for the early repayment of a secured loan of EUR 350 million that would have matured in 2016. The new credit facility replaced the undrawn credit facility of EUR 100 million, which would have matured in 2015.

The financing agreement includes financial covenants related to the Group's financial performance and capital structure. Other covenants related to the loan are regular conditions which, among other things, limit the issue of collateral, relinquishment and sale of property, subsidiaries' level of debt, material changes in the business operations and changes in the statutory majority in shareholding. Metsä Board has considerable headroom in relation to covenants set in the credit agreements.

Metsä Board's liquidity has remained strong. At the end of the review period, its available liquidity was EUR 316.9 million (2013: 208.6), of which EUR 100.0 million consisted of revolving credit, EUR 14.4 million consisted of undrawn pension premium (TyEL) funds and EUR 202.5 million consisted of liquid assets and investments. Of the liquid funds, EUR 16.1 million consisted of cash funds and investments, and EUR 186.4 million were short-term deposits with Metsä Group Treasury. These deposits are comparable to cash funds and available immediately from Metsä Group's internal bank Metsä Group Treasury; as of 30 September 2013, they are recognised in financial assets on the balance sheet. In addition, Metsä Board had other interest-bearing receivables totalling EUR 7.1 million. Metsä Board's liquidity reserve is complemented by Metsä Group's internal undrawn short-term credit facility of EUR 150.0 million.

SHARES

In January–September, the highest price for Metsä Board's A share on the NASDAQ OMX Helsinki was EUR 3.98, the lowest price was EUR 2.95, and the average price was EUR 3.38. At the end of September, the price for the A share was EUR 3.50. At the end of 2013, the price for the A share was EUR 3.08. Its average price in 2013 was EUR 2.59.

In January–September, the highest price for Metsä Board's B share was EUR 3.83, the lowest price was EUR 2.92 and the average price was EUR 3.32. At the end of September, the price for the B share was EUR 3.52. At the end of 2013, the price for the B share was EUR 3.15. Its average price in 2013 was EUR 2.58.

The trading volume of the A share was EUR 2.5 million, or 2 per cent of the share capital. The trading volume of the B share was EUR 136 million, or 14 per cent of the share capital. The market value of the A and B shares totalled EUR 1,154 million at the end of September.

At the end of September, Metsäliitto Cooperative owned 40 per cent of the shares, with 61 per cent of the voting rights. International investors held 14 per cent of the shares.

The company does not hold any treasury shares.

In October 2014, Metsä Board was awarded a position in the CDP's Nordic Climate Disclosure Leadership Index (CDLI). Metsä Board achieved an excellent score of 98 out of 100 for the depth and quality of climate change data it discloses to investors and the global marketplace. Only companies with a score in the top 10 per cent are awarded a position in the CDLI, showing they have provided a high level of transparency in their disclosure of climate-related information.

CHANGES IN THE MANAGEMENT

Mika Joukio, 50, M.Sc. (Tech.), MBA, started as the CEO of Metsä Board on 1 October 2014.

Joukio joined Metsä Board from Metsä Tissue Corporation, part of Metsä Group, where he served as CEO from the beginning of 2012. Prior to Metsä Tissue, Joukio worked as the head of Metsä Board's paperboard business from 2006 to 2011. He has held various management positions in the company and its predecessors Metsä-Serla Corporation and M-real Corporation since 1990.

BUSINESS ENVIRONMENT AND NEAR-TERM OUTLOOK

Compared to the third quarter, the delivery volumes of folding boxboard and white-top fresh forest fibre linerboard are estimated to decrease in the fourth quarter of 2014, as December is a seasonally weaker month. No material changes in paperboard prices are in sight at the moment.

The delivery volume of paper in the fourth quarter is expected to be at approximately the same level as in the third quarter. The price of uncoated fine paper is expected to decrease slightly, and the average price of coated papers to remain unchanged.

The volume and average price of Metsä Board's market pulp deliveries in the fourth quarter are expected to be at approximately the same level as in the third quarter.

No material changes in production costs are expected in the fourth quarter.

Over the past few months, the trend in foreign exchange rates has been favourable for Metsä Board. The duration of the company's currency hedges is approximately six months. The recent changes in foreign exchange rates will thus not have a material effect on the operating result for the fourth quarter of 2014.

Metsä Board's operating result excluding non-recurring items is in the fourth quarter of 2014 expected to be roughly at the same level as in the third quarter of 2014.

NEAR-TERM BUSINESS RISKS

The global economy and eurozone economy continue to have considerable uncertainties, which may result in weakened demand, particularly for pulp and paper products, and reduced prices.

The sanctions issued by the EU and Russia, and the USA and Russia, due to the crisis in Ukraine have not had a direct impact on Metsä Board's operations thus far. However, the sanctions have had indirect effects on the demand for Metsä Board's products. For the time being, the crisis has affected the demand for wallpaper base paper in Russia and Ukraine. So far, however, the overall effect of the crisis on Metsä Board has been minor. Any additional sanctions could have a negative effect on the scope and result of Metsä Board's business operations.

The forward-looking estimates and statements in this interim report are based on current plans and estimates. For this reason, they contain risks and other uncertainties that may cause the results to differ from the statements concerning them. In the short term, Metsä Board's result will be particularly affected by the price and demand for finished products, raw material costs, the price of energy and the exchange rate development of the euro in relation to the Swedish krona, US dollar and British pound.

More information on longer-term risk factors can be found on pages 27–28 of Metsä Board's 2013 Annual Report.

METSÄ BOARD CORPORATION

More information:

Markus Holm, CFO, tel. +358 (0)10 465 4913
Juha Laine, Vice President, Investor Relations and Communications, tel. +358 (0)10 465 4335

More information will be available from 1 p.m. on 5 November 2014. A conference call for investors and analysts will be held in English at 3 p.m. (EET). Conference call participants are requested to dial in and register a few minutes earlier on the following numbers:

Europe: +44 (0)20 7162 0025

USA: +1 334 323 6201

The conference ID is 948479.

In 2015, Metsä Board will publish the following financial reports:

Financial statements for 2014 on 5 February
Interim report for January–March 2015 on 7 May
Interim report for January–June 2015 on 6 August
Interim report for January–September 2015 on 5 November

BUSINESS AREAS AND MARKET TRENDS

CARTONBOARD BUSINESS AREA

	2014 Q3	2014 Q2	2014 Q1	2013 Q4	2013 Q3	2014 Q1-Q3	2013 Q1-Q3	2013 Q1-Q4
Sales, EUR million	229.9	219.4	213.7	207.6	220.0	663.0	659.9	867.5
EBITDA, EUR million	26.8	31.3	27.6	22.4	24.8	85.7	77.5	99.9
excl. non-recurring items	27.9	29.8	27.6	20.7	24.8	85.3	76.9	97.6
Operating result, EUR million	16.4	21.4	17.6	11.9	14.6	55.4	49.9	61.7
excl. non-recurring items	17.5	19.8	17.6	10.1	14.6	55.0	46.7	56.9
excl. non-recurring items, %	7.6	9.0	8.3	4.9	6.6	8.3	7.1	6.6
Return on capital employed, %	12.4	15.8	13.1	8.8	10.8	14.0	12.5	11.8
excl. non-recurring items, %	13.2	14.7	13.1	7.5	10.8	13.8	11.7	10.9
Deliveries, 1,000 tonnes	237	226	219	209	225	682	662	872
Production, 1,000 tonnes	243	238	234	219	239	715	698	916
Personnel at the end of period	1,564	1,712	1,546	1,544	1,587	1,564	1,587	1,544

Delivery and production amounts are not completely comparable due to structural change.

RESULT FOR JULY–SEPTEMBER COMPARED TO THE PREVIOUS QUARTER

The operating result excluding non-recurring items for the Cartonboard business area decreased slightly from the previous quarter and was EUR 17.5 million (Q2/2014: 19.8). The demand for wallpaper base paper decreased significantly in Ukraine and Russia, which had a negative effect on the result. The profitability of speciality papers from Gohrsmühle decreased as well. The higher folding boxboard delivery volume had a positive effect on the result. The price of folding boxboard remained stable.

The result included EUR -1.1 million in non-recurring items. The result for the previous quarter included EUR +1.5 million in non-recurring items.

The deliveries of European folding boxboard producers increased by approximately 4 per cent compared to the previous quarter. Metsä Board's folding boxboard deliveries increased by 7 per cent.

RESULT FOR JANUARY–SEPTEMBER COMPARED TO THE CORRESPONDING PERIOD LAST YEAR

The operating result excluding non-recurring items for the Cartonboard business area improved from the previous year and was EUR 55.0 million (Q1–Q3/2013: 46.7). Lower production costs and the higher delivery volume of folding boxboard had a positive effect on the result. The average sales price of folding boxboard was slightly lower than in the previous year.

The result included EUR +0.5 million in non-recurring items. The result of the corresponding period last year included EUR +3.1 million in non-recurring items.

The deliveries of European folding boxboard producers increased by 1 per cent compared to the corresponding period last year. Metsä Board's folding boxboard deliveries increased by 3 per cent.

LINERBOARD AND PAPER BUSINESS AREA

	2014 Q3	2014 Q2	2014 Q1	2013 Q4	2013 Q3	2014 Q1-Q3	2013 Q1-Q3	2013 Q1-Q4
Sales, EUR million	271.0	261.8	270.6	250.3	267.4	803.4	824.8	1,075.0
EBITDA, EUR million	39.2	30.2	35.1	29.6	20.9	104.5	83.2	112.8
excl. non-recurring items	39.2	27.7	35.1	35.4	20.9	102.0	78.6	114.0
Operating result, EUR million	23.7	17.2	20.1	14.6	7.2	61.0	38.6	53.1
excl. non-recurring items	23.7	14.7	20.1	20.3	7.2	58.4	34.0	54.3
excl. non-recurring items, %	8.7	5.6	7.4	8.1	2.7	7.3	4.1	5.1
Return on capital employed, %	13.6	9.6	10.9	7.7	3.7	11.2	6.6	7.0
excl. non-recurring items, %	13.6	8.2	10.9	10.7	3.7	10.8	5.8	7.2
Deliveries, Linerboard and Paper 1,000 tonnes	265	250	265	250	247	780	776	1,027
Deliveries, Pulp 1,000 tonnes	153	158	152	146	163	463	489	635
Production, Linerboard and Paper 1,000 tonnes	256	256	272	266	244	784	782	1048
Production, Metsä Board Pulp 1,000 tonnes	320	299	337	331	296	956	918	1,249
Personnel at the end of period	1,037	1,071	1,041	1,047	1,061	1,037	1,061	1,047

Delivery and production amounts are not completely comparable due to structural change.

RESULT FOR JULY–SEPTEMBER COMPARED TO THE PREVIOUS QUARTER

The operating result excluding non-recurring items for the Linerboard and Paper business area improved from the previous quarter and was EUR 23.7 million (Q2/2014: 14.7). The delivery volume of white-top fresh forest fibre linerboard increased, and its price was at the same level as in the previous quarter. The delivery volumes of uncoated fine paper and coated papers remained at the same level as in the previous quarter, and also their average prices were stable. The delivery volume of market pulp decreased slightly, but its average sales price increased slightly compared to the previous quarter. Annual contract compensations had a positive effect on the result, while the investment and maintenance shutdown at the Kemi integrated mill had a negative effect.

The result does not include non-recurring items. The result for the previous quarter included EUR +2.5 million in non-recurring items.

Total deliveries by European uncoated fine paper producers were down by 3 per cent. Metsä Board's delivery volume of uncoated fine paper decreased by 9 per cent.

RESULT FOR JANUARY–SEPTEMBER COMPARED TO THE CORRESPONDING PERIOD LAST YEAR

The operating result excluding non-recurring items for the Linerboard and Paper business area improved markedly compared to the corresponding period last year and was EUR 58.4 million (Q1–Q3/2013: 34.0). An increase in the delivery volume of white-top fresh forest fibre linerboards, lower production costs and the weakening of the Swedish krona against the euro had a positive effect on the result. The lower sales prices and delivery volumes of papers had a negative effect on the result.

The result included EUR +2.5 million in non-recurring items. The result for the corresponding period last year included EUR +4.6 million in non-recurring items.

Total deliveries by European uncoated fine paper producers increased by 2 per cent compared to the previous year. Metsä Board's delivery volume of uncoated fine paper decreased by 3 per cent.

SALES AND RESULT BY SEGMENT

EUR million	2014 Q3	2014 Q2	2014 Q1	2013 Q4	2013 Q3	2014 Q1-Q3	2013 Q1-Q3	2013 Q1-Q4
Cartonboard	229.9	219.4	213.7	207.6	220.0	663.0	659.9	867.5
Linerboard and Paper	271.0	261.8	270.6	250.3	267.4	803.4	824.8	1,075.0
Other operations	73.8	71.4	70.7	76.2	72.3	216.0	224.7	300.8
Internal sales	-61	-58.7	-53.8	-54.8	-57.5	-173.4	-169.3	-224.1
Sales	**513.8**	**494.0**	**501.2**	**479.2**	**502.3**	**1,509.0**	**1,540.1**	**2,019.3**
Cartonboard	26.8	31.3	27.6	22.4	24.8	85.7	77.5	99.9
Linerboard and Paper	39.2	30.2	35.1	29.6	20.9	104.5	83.2	112.8
Other operations	-5.3	-5.6	6.5	4.7	-1.7	-4.4	-2.6	2.1
EBITDA	**60.7**	**55.9**	**69.2**	**56.7**	**44.0**	**185.8**	**158.1**	**214.8**
% of sales	11.8	11.3	13.8	11.8	8.8	12.3	10.3	10.6
Cartonboard	16.4	21.4	17.6	11.9	14.6	55.4	49.9	61.7
Linerboard and Paper	23.7	17.2	20.1	14.6	7.2	61.0	38.6	53.1
Other operations	-6.0	-6.4	5.8	4.1	-2.5	-6.6	-5.5	-1.2
Operating result	**34.1**	**32.2**	**43.5**	**30.6**	**19.3**	**109.8**	**83.0**	**113.6**
% of sales	6.6	6.5	8.7	6.4	3.8	7.3	5.4	5.6
Non-recurring items in operating result								
Cartonboard	-1.1	1.5	0.0	1.7	0.0	0.5	3.1	4.8
Linerboard and Paper	0.0	2.5	0.0	-5.8	0.0	2.5	4.6	-1.2
Other operations	0.0	-0.2	7.4	5.3	0.5	7.2	0.3	5.5
Group	**-1.1**	**3.8**	**7.4**	**1.2**	**0.5**	**10.2**	**8.0**	**9.2**
Cartonboard	27.9	29.8	27.6	20.7	24.8	85.3	76.9	97.6
Linerboard and Paper	39.2	27.7	35.1	35.4	20.9	102.0	78.6	114.0
Other operations	-5.3	-5.4	-0.9	-0.6	-2.1	-11.6	-3.1	-3.6
EBITDA, excl. non-recurring items	**61.8**	**52.0**	**61.8**	**55.5**	**43.6**	**175.6**	**152.5**	**208.0**
% of sales	12.0	10.5	12.3	11.6	8.7	11.6	9.9	10.3
Cartonboard	17.5	19.8	17.6	10.1	14.6	55.0	46.7	56.9
Linerboard and Paper	23.7	14.7	20.1	20.3	7.2	58.4	34.0	54.3
Other operations	-6.0	-6.1	-1.6	-1.2	-2.9	-13.8	-5.6	-6.8
Operating result, excl. non-recurring items	**35.2**	**28.3**	**36.1**	**29.3**	**18.9**	**99.6**	**75.1**	**104.4**
% of sales	6.9	5.7	7.2	6.1	3.8	6.6	4.9	5.2
Operating result, excl. non-recurring items, % of sales								
Cartonboard	7.6	9.0	8.3	4.9	6.6	8.3	7.1	6.6
Linerboard and Paper	8.7	5.6	7.4	8.1	2.7	7.3	4.1	5.1
Group	**6.9**	**5.7**	**7.2**	**6.1**	**3.8**	**6.6**	**4.9**	**5.2**

EUR million	2014 Q3	2014 Q2	2014 Q1	2013 Q4	2013 Q3	2014 Q1-Q3	2013 Q1-Q3	2013 Q1-Q4
Return on capital employed %								
Cartonboard	12.4	15.8	13.1	8.8	10.8	14.0	12.5	11.8
Linerboard and Paper	13.6	9.6	10.9	7.7	3.7	11.2	6.6	7.0
Group	**9**	**8.5**	**11.2**	**8.2**	**5.1**	**9.6**	**6.8**	**7.0**
Return on capital employed excluding non-recurring items, %								
Cartonboard	13.2	14.7	13.1	7.5	10.8	13.8	11.7	10.9
Linerboard and Paper	13.6	8.2	10.9	10.7	3.7	10.8	5.8	7.2
Group	**9.2**	**7.5**	**9.9**	**7.9**	**4.9**	**8.9**	**6.2**	**6.4**
Capital employed, EUR million								
Cartonboard	529.5	531.3	549.5	530.0	552.6	529.5	552.6	530.0
Linerboard and Paper	708.4	689.8	735.9	739.8	776.5	708.4	776.5	739.8
Unallocated and eliminations	317.2	310.3	296.1	281.1	243.6	317.2	243.6	281.1
Group	**1,555.1**	**1,531.4**	**1,581.5**	**1,550.9**	**1,572.6**	**1,555.1**	**1,572.6**	**1,550.9**

The capital employed for a segment includes its assets: goodwill, other intangible assets, tangible assets, biological assets, investments in associates, inventories, accounts receivables, prepayments and accrued income (excluding interest and taxes), less the segment's liabilities (accounts payable, advance payments, accruals and deferred income (excluding interest and taxes).

DELIVERIES

1,000 tonnes	2014 Q3	2014 Q2	2014 Q1	2013 Q4	2013 Q3	2014 Q1-Q3	2013 Q1-Q3	2013 Q1-Q4
Cartonboard	237	226	219	209	225	682	662	872
Linerboard and Paper	265	250	265	250	247	780	776	1,027
Market Pulp	153	158	152	146	163	463	489	635

PRODUCTION

1,000 tonnes	2014 Q3	2014 Q2	2014 Q1	2013 Q4	2013 Q3	2014 Q1-Q3	2013 Q1-Q3	2013 Q1-Q4
Cartonboard	243	238	234	219	239	715	698	916
Linerboard and Paper	256	256	272	266	244	784	782	1,048
Metsä Fibre pulp [1)]	140	132	147	146	141	419	425	572
Metsä Board pulp	320	299	337	331	296	956	918	1,249

[1)] Corresponds to Metsä Board's ownership share of 24.9% in Metsä Fibre.

CALCULATION OF KEY RATIOS

Return on equity (%)	=	(Result before tax - direct taxes) per (Shareholders' equity (average))
Return on capital employed (%)	=	(Result before tax + interest expenses, net exchange gains/losses and other financial expenses) per (Share-holders' equity + interest-bearing borrowings (average))
Equity ratio (%)	=	(Shareholders' equity) per (Total assets - advance payments received)
Gearing ratio (%)	=	(Interest-bearing borrowings) per (Shareholders' equity)
Net gearing ratio (%)	=	(Interest-bearing borrowings - liquid funds - interest-bearing receivables) per (Shareholders' equity)
Earnings per share	=	(Profit attributable to shareholders of parent company) per (Adjusted number of shares (average))
Shareholders´equity per share	=	(Equity attributable to shareholders of parent company) per (Adjusted number of shares at the end of period)

FINANCIAL STATEMENTS

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	Note	Three months ended September 30 2014	2013	Nine months ended September 30 2014	2013	Year ended December 31 2013
Sales	2,6	**513.8**	**502.3**	**1,509.0**	**1,540.1**	**2,019.3**
Change in stocks of finished goods and work in progress		-11.0	-1.4	-0.6	4.2	31.9
Other operating income	2,6	9.6	8.0	49.0	34.4	53.0
Material and services	6	-360.1	-373.7	-1,081.0	-1,140.2	-1,513.6
Employee costs		-61.3	-62.2	-183.6	-184.2	-241.0
Share of results of associated companies and joint ventures	6	9.2	8.8	31.2	25.5	37.1
Depreciation, amortization and impairment losses		-26.6	-24.7	-76.0	-75.1	-101.3
Other operating expenses		-39.5	-37.8	-138.2	-121.7	-171.8
Operating result	2	**34.1**	**19.3**	**109.8**	**83.0**	**113.6**
Share of results of associated companies and joint ventures		0.1	0.1	0.3	0.1	0.1
Net exchange gains and losses		0.0	1.4	-0.6	-0.2	-1.1
Other net financial items	2,6	-8.1	-11.8	-33.5	-44.1	-54.8
Result before income tax		**26.1**	**9.0**	**76.0**	**38.8**	**57.8**
Income taxes	3	-5.3	-1.7	-13.6	-5.9	6.3
Result for the period		**20.8**	**7.3**	**62.4**	**32.9**	**64.1**

EUR million	Note	Three months ended September 30 2014	Three months ended September 30 2013	Nine months ended September 30 2014	Nine months ended September 30 2013	Year ended December 31 2013
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Actuarial gains/losses on defined pension plans		-7.6	-1.7	-18.1	-6.9	-4.8
Income tax relating to items that will not be reclassified		2.0	0.5	5.0	2.1	1.5
Total		**-5.6**	**-1.2**	**-13.1**	**-4.8**	**-3.3**
Items that may be reclassified to profit or loss						
Cash flow hedges		-2.5	6.4	-6.8	0.1	-7.6
Available for sale financial assets	8	10.4	-4.3	0.2	-38.5	-41.5
Translation differences		1.5	3.9	-7.4	-2.5	-9.0
Share of results of equity accounted investments		-1.1	0.0	-2.4	-3.1	-3.8
Income tax relating to components of other comprehensive income		-1.6	-0.5	1.3	9.4	19.9
Total		**6.7**	**5.5**	**-15.1**	**-34.6**	**-42.0**
Other comprehensive income, net of tax		**1.1**	**4.3**	**-28.2**	**-39.4**	**-45.3**
Total comprehensive income for the period		**21.9**	**11.6**	**34.2**	**-6.5**	**18.8**
Result for the period attributable to						
Shareholders of parent company		20.8	7.2	62.4	32.8	63.9
Non-controlling interests		0.0	0.1	0.0	0.1	0.2
Total comprehensive income for the period attributable to						
Shareholders of parent company		21.9	11.5	34.2	-6.6	18.6
Non-controlling interests		0.0	0.1	0.0	0.1	0.2
Total		21.9	11.6	34.2	-6.5	18.8
Earnings per share for result attributable to shareholders of parent company (EUR/share)		0.06	0.02	0.19	0.10	0.19

The accompanying notes are an integral part of these unaudited interim condensed financial statements.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

EUR million	Note	As of September 30 2014	As of September 30 restate 2013	As of December 31 restate 2013
ASSETS				
Non-current assets				
Goodwill		12.7	12.7	12.7
Other intangible assets		17.2	19.0	22.6
Tangible assets	4	774.3	852.3	833.8
Investments in associated companies and joint ventures		212.8	197.8	208.7
Available for sale investments	8	234.0	236.9	233.8
Other non-current financial assets	6,8	8.3	13.9	15.3
Deferred tax receivables		14.6	11.6	10.5
		1,273.9	**1,344.2**	**1,337.4**
Current assets				
Inventories		336.5	309.0	332.9
Accounts receivables and other receivables	1,6,8	342.9	366.1	332.5
Cash and cash equivalents	1,6,8	202.5	115.5	94.2
		881.9	**790.6**	**759.6**
Total assets		**2,155.8**	**2,134.8**	**2,097.0**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Equity attributable to shareholders of parent company		854.4	824.5	849.6
Non-controlling interests		0.0	0.0	0.0
Total equity		**854.4**	**824.5**	**849.6**
Non-current liabilities				
Deferred tax liabilities		79.0	105.7	84.5
Post-employment benefit obligations		104.6	94.3	92.6
Provisions	5	16.1	11.1	8.6
Borrowings	8	660.4	537.6	647.9
Other liabilities	8	9.6	9.4	11.0
		869.7	**758.1**	**844.6**
Current liabilities				
Provisions	5	12.4	25.6	28.4
Current borrowings	6,8	40.4	210.5	53.4
Accounts payable and other liabilities	6,8	378.9	316.1	321.0
		431.7	**552.2**	**402.8**
Total liabilities		**1,301.4**	**1,310.3**	**1,247.4**
Total shareholders' equity and liabilities		**2,155.8**	**2,134.8**	**2,097.0**

The accompanying notes are an integral part of these unaudited interim condensed financial statements.

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

		Equity attributable to shareholders of parent company							
EUR million	Note	Share capital	Translation differences	Fair value and other reserves	Reserve for invested unrestricted equity	Retained earnings	Total	Non-controlling interests	Total
Shareholders' equity, 1 January 2013		557.9	35.9	174.0	284.8	-201.9	850.7	5.5	856.2
Comprehensive income for the period									
Result for the period						32.8	32.8	0.1	32.9
Other comprehensive income net of tax total			-3.3	-31.3		-4.8	-39.4		-39.4
Comprehensive income total			**-3.3**	**-31.3**		**28.0**	**-6.6**	**0.1**	**-6.5**
Share based payments						0.1	0.1		0.1
Related party transactions									
Dividends paid						-19.7	-19.7	-0.5	-20.2
Disposal of subsidiary						0.0	0.0	-5.1	-5.1
Shareholders' equity, 30 September 2013		**557.9**	**32.6**	**142.7**	**284.8**	**-193.5**	**824.5**	**0.0**	**824.5**

		Equity attributable to shareholders of parent company							
EUR million	Note	Share capital	Translation differences	Fair value and other reserves	Reserve for invested unrestricted equity	Retained earnings	Total	Non-controlling interests	Total
Shareholders' equity, 1 January 2014		557.9	25.9	142.0	284.8	-161.0	849.6	0.0	849.6
Comprehensive income for the period									
Result for the period						62.4	62.4	0.0	62.4
Other comprehensive income net of tax total			-8.3	-6.8		-13.1	-28.2		-28.2
Comprehensive income total			**-8.3**	**-6.8**		**49.3**	**34.2**	**0.0**	**34.2**
Share based payments						0.2	0.2		0.2
Related party transactions									
Dividends paid						-29.5	-29.5		-29.5
Shareholders' equity, 30 September 2014		**557.9**	**17.6**	**135.2**	**284.8**	**-141.0**	**854.4**	**0.0**	**854.4**

The accompanying notes are an integral part of these unaudited condensed financial statements.

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

EUR million	Note	Nine months ended September 30 2014	Nine months ended September 30 2013 restate	Year ended December 31 2013 restate	Three months ended September 30 2014 restate
Result for the period		62.4	32.9	64.1	20.8
Total adjustments	7	53.3	66.3	73.8	25.7
Change in working capital		12.0	-19.0	-10.8	5.5
Cash flow from operations		**127.7**	**80.2**	**127.1**	**52.0**
Net financial items	7	-1.5	-31.4	-45.6	0.0
Income taxes paid		-2.3	0.4	0.7	-0.7
Net cash flow from operating activities		**123.9**	**49.2**	**82.2**	**51.3**
Acquisition of other shares			-1.5	-1.5	0.0
Investments in intangible and tangible assets		-23.8	-37.8	-60.5	-5.5
Disposals and other items	6,7	35.3	-237.3	-231.0	0.9
Net cash flow from investing activities		**11.5**	**-276.6**	**-293.0**	**-4.6**
Aquisition of interest in a subsidiary from non-controlling interest				-0.1	
Changes in non-current loans and in other financial items	6,7	2.3	-65.2	-102.9	3.9
Dividends paid		-29.5	-20.2	-20.2	0.0
Net cash flow from financing activities		**-27.2**	**-85.4**	**-123.2**	**3.9**
Changes in cash and cash equivalents		**108.1**	**-312.8**	**-334.0**	**50.6**
Cash and cash equivalents at beginning of period	6,7	94.2	428.5	428.5	151.7
Translation difference in cash and cash equivalents		0.2	-0.2	-0.3	0.2
Changes in cash and cash equivalents		108.1	-312.8	-334.0	50.6
Cash and cash equivalents at end of period	6,7	**202.5**	**115.5**	**94.2**	**202.5**

The accompanying notes are an integral part of these unaudited condensed financial statements.

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

NOTE 1 – BACKGROUND AND BASIS OF PREPARATION

Metsä Board Corporation and its subsidiaries comprise a forest industry group whose main product areas are fresh forest fiber cartonboards, office papers and special papers. Metsä Board Corporation, the parent company, is domiciled in Helsinki and the registered address of the company is Revontulenpuisto 2, 02100 Espoo, Finland. Metsä Board's ultimate parent company is Metsäliitto Cooperative.

This unaudited interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, and it should be read in conjunction with the 2013 IFRS financial statements. The same accounting policies have been applied as in the 2013 IFRS financial statements with the following exception:

Depreciation of machinery and equipment during the financial year has been specified further between the quarters where applicable in order to correspond with the allocation of the use of the economic benefit of the asset.

Metsä Board has reclassified interest-bearing receivables comparable to cash funds and available immediately from Metsä Group's internal bank Metsä Group Treasury Oy from 30 September 2013 on as Cash and cash equivalents. Metsä Board disposed its 51 per cent shareholding in Metsä Group Treasury Oy to Metsäliitto Osuuskunta on 30 September 2013.

The Group has adopted the following new standards, amendments to existing standards and interpretations on 1 January 2014:

IFRS 10 Consolidated Financial Statements and subsequent amendments: IFRS 10 builds on existing principles by identifying the concept of control as the determining factor when deciding whether an entity should be incorporated within the consolidated financial statements. The standard also provides additional guidance to assist in the determination of control where this is difficult to assess. The new standard did not have any impact on consolidated financial statements.

IFRS 11 Joint Arrangements and subsequent amendments: In the accounting of joint arrangements IFRS 11 focuses on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. In future jointly controlled entities are to be accounted for using only one method, equity method, and the other alternative, proportional consolidation is no longer allowed. The new standard did not have any impact on consolidated financial statements.

IFRS 12 Disclosures of Interests in Other Entities and subsequent amendments: IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including associates, joint arrangements, structured entities and other off-balance sheet vehicles. The new standard will expand the notes the Group provides for its interests in other entities.

IAS 28 Investments in Associates and Joint Ventures (revised 2011): Following the issue of IFRS 11 the revised IAS 28 includes the requirements for joint ventures, as well as associates, to be equity accounted.

Amendments to IAS 32 Financial Instruments: Presentation: The amendments provide clarifications on the application of presentation requirements for offsetting financial assets and financial liabilities on the statement of financial position and give more related application guidance.

Amendments to IAS 36 Impairment of Assets: The objective of the amendments is to clarify that the scope of the disclosures of information about the recoverable amount of assets, where that amount is based on fair value less costs of disposal, is limited to impaired assets.

Amendments to IAS 39 Financial Instruments: Recognition and Measurement: The amendments made to IAS 39 provide an exception to the requirement to discontinue hedge accounting in certain circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations.

All amounts are presented in millions of euros, unless otherwise stated.

This interim report was authorized for issue by the Board of Directors of Metsä Board on 5 November 2014.

NOTE 2 – SEGMENT INFORMATION

The Corporate Management Team is the chief operational decision-maker, which monitors the business operations based on the operating segments.

Metsä Board Corporation renewed its management and reporting structure as of 1 January 2014 to better reflect the company's strategy and to create a better platform for growth in the folding boxboard and kraftliner businesses. The company operates through two business areas which will also be the company's reporting segments from 1Q 2014 reporting onwards: Cartonboard and Linerboard and Paper.

Cartonboard business area includes Kyro, Simpele, Tako and Äänekoski folding boxboard mills, Kyro wallpaper machine and Joutseno BCTMP mill located in Finland as well as Gohrsmühle mill in Germany. Linerboard and Paper business area includes Husum mill in Sweden as well as Kemi kraftliner and Kaskinen BCTMP mills in Finland.

Accounting for the 24.9 per cent ownership in Metsä Fibre Oy will remain unchanged. The associated company result of Metsä Fibre will continue to be allocated to business segments based on their respective pulp consumption. About 60 per cent of the result impact of Metsä Fibre ownership is expected to be booked in Linerboard and Paper business area and the rest in the Cartonboard business area.

The sales of the reportable operating segments are mainly generated by sales of board and paper, but Linerboard and Paper operating segment includes sales of pulp to external customers.

The accounting principles for the segment information are equal to those of the Group and all inter-segment sales are based on market prices.

Segment sales

	Nine months ended September 30 2014			Nine months ended September 30 2013		
EUR million	**External**	**Internal**	**Total**	**External**	**Internal**	**Total**
Cartonboard	662.5	0.5	663.0	659.9	0.0	659.9
Linerboard and Paper	796.7	6.7	803.4	817.9	6.9	824.8
Other operations	49.8	166.2	216.0	62.3	162.4	224.7
Elimination of intersegment sales		-173.4	-173.4		-169.3	-169.3
Total sales	1,509.0	0.0	1,509.0	1,540.1	0.0	1,540.1

	Year ended December 31 2013		
EUR million	**External**	**Internal**	**Total**
Cartonboard	867.4	0.1	867.5
Linerboard and Paper	1,065.6	9.4	1,075.0
Other operations	86.3	214.6	300.9
Elimination of inter-segment sales		-224.1	-224.1
Total sales	2,019.3	0.0	2,019.3

Operating result by operating segments

EUR million	Nine months ended September 30 2014	2013	Year ended December 31 2013
Cartonboard	55.4	49.9	61.7
Linerboard and Paper	61.0	38.6	53.1
Other operations	-6.6	-5.5	-1.2
Operating result total	109.8	83.0	113.6
Share of profit from associated companies	0.3	0.1	0.1
Finance costs, net	-34.1	-44.3	-55.9
Income taxes	-13.6	-5.9	6.3
Result for the period	62.4	32.9	64.1

Non-recurring items totaled EUR +7.9 million, EUR +10.2 million in operating result and EUR -2.2 in financial items.

Metsä Board's share of profit on sale of Pohjolan Voima shares disposed by Metsä Fibre was EUR 4.0 million of which EUR 1.5 million included in Cartonboard business area and EUR 2.5 million Linerboard and Paper business area. In addition Cartonboard busieness area includes other non-recurring items EUR 1.1 million.

Other operations included non-recurring items total EUR +5.0 million, EUR +7.2 million in operating result and EUR -2.2 in financial items. Metsä Board recognized EUR 24.8 million profit on sale related to divestment of property in Lielahti, Tampere to the City of Tampere for EUR 26 million. The Court of Arbitration had its judgment on 11 February 2014 related to the arbitration proceedings raised by UPM-Kymmene on 2 November 2012. Other operations include EUR 17.4 million expenses in operating result and EUR -2.2 million in financial items related to the judgment.

Assets by operating segments

EUR million	Nine months ended September 30 2014	2013	Year ended December 31 2013
Cartonboard	758.9	773.8	752.0
Linerboard and Paper	883.1	940.9	930.2
Other operations	332.2	327.7	366.1
Elimination	-43.3	-46.4	-66.7
Unallocated	224.9	138.8	115.4
Total	2,155.8	2,134.8	2,097.0

Segment assets include goodwill, other intangible assets, tangible assets, investments in associated companies, inventories, accounts receivables and prepayments and accrued income (excl. interest and income tax items).

Due to the disposal of the holding in Metsä Group Treasury Oy to Metsäliitto Cooperative in September 2013 have Other operations' and unallocated assets decreased significantly.

NOTE 3 – INCOME TAXES

Tax expense in the interim condensed combined income statement is comprised of the current tax and deferred taxes. Income taxes for the nine months ended 30 September 2014 and 2013 and for the year ended 31 December 2013 are as follows. The change in the Finnish corporate tax rate from 24.5 per cent to 20 per cent in December 2013 reduced deferred tax liabilities by EUR 0.8 million. In addition, approximately EUR 7.1 million was recognised as deferred tax receivables in the last quarter of 2013 for tax losses and provisions.

EUR million	Nine months ended September 30 2014	2013	Year ended December 31 2013
Taxes for the current period	14.4	7.3	5.3
Taxes for the prior periods	0.0	0.1	-2.1
Change in deferred taxes	0.8	-1.5	-9.5
Total income taxes	13.6	5.9	-6.3

NOTE 4 – CHANGES IN PROPERTY, PLANT AND EQUIPMENT

The following shows the components of changes in property, plant and equipment for the nine months ended 30 September 2014 and 2013 and for the year ended 31 December 2013:

EUR million	Nine months ended September 30 2014	2013	Year ended December 31 2013
Carrying value at beginning of period	833.8	894.4	894.4
Capital expenditure	24.4	36.7	52.9
Decreases	-1.3	-3.2	-5.9
Depreciation, amortization and impairment losses	-73.7	-73.0	-98.4
Translation difference	-8.9	2.6	-9.2
Carrying value at end of period	**774.3**	**852.3**	**833.8**

Depreciation, amortization and impairment losses for nine months ended 30 September 2013 included in Cartonboard business area a reverse of impairment charges of EUR 2.5 million due to sale of old impaired paper machine at Äänekoski mill. In addition Other operations included an impairment charge of EUR 0.2 million related to canceled disposal of old paper machine in Simpele mill in Finland. The paper machine was classified in December 2012 as asset held for sale according to IFRS5, Non-current assets as held for sale and discontinued operations.

NOTE 5 – PROVISIONS

The following is a summary of changes Metsä Board's provisions during the nine months ended 30 September 2014.

EUR million	Restructuring	Environmental obligations	Other provisions	Total
At 1 January 2014	**6.7**	**20.0**	**10.3**	**37.0**
Translation differences	-0.2	-0.2	-0.1	-0.5
Increases	0.1	0.0	1.4	1.5
Utilized during the year	-3.2	-5.0	-1.3	-9.5
Unused amounts reversed	0.0	0.0	0.0	0.0
At 30 September, 2014	**3.4**	**14.8**	**10.3**	**28.5**

The non-current portion of provisions was some EUR 16.1 million and the current portion some EUR 12.4 million, total provisions being EUR 28.5 million. The non-current portion is estimated to be paid mainly by the end of the year 2017.

NOTE 6 – RELATED PARTY TRANSACTIONS

Metsä Board's Board of Directors, the Corporate Management Team, Metsäliitto Cooperative and its subsidiaries and Metsä Board's associated companies are considered related parties. Metsä Board enters into a significant number of transactions with related parties for the purchases of inventory, sale of goods, corporate services as well as financial transactions. Product and service transfers and interest between Metsä Board and the related parties have been made at arm's length prices.

Transactions between Metsä Board and related parties for the nine months ended 30 September 2014 and 2013 and for the year ended 31 December 2013 are as follows:

Transactions and balances with parent and sister companies

	Nine months ended September 30		Year ended December 31
EUR million	2014	2013	2013
Sales	50.1	56.8	76.2
Other operating income	3.7	3.4	5.6
Purchases	518.0	515.1	714.3
Share of result from associated companies	31.2	25.5	37.1
Interest income	0.4	4.5	4.7
Interest expenses	1.0	1.1	1.8
Non-current receivables	0.0	3.8	3.8
Current receivables	14.4	22.2	20.0
Cash and cash equivalents	186.4	102.5	81.3
Non-current liabilities	0.0	0.0	0.0
Current liabilities	81.7	77.8	81.2

Metsä Fibre's net result is included within operating result line item "Share of result from associated companies" and transactions with Metsä Fibre are included in transactions with sister companies.

Metsä Fibre paid a dividend of EUR 24.9 million to Metsä Board during the nine months ended 30 September 2014.

Due to the disposal of the holding in Metsä Group Treasury Oy to Metsäliitto Cooperative in September 2013 current receivables and liabilities have decreased. The disposal of the holding in Metsä Group Treasury Oy decreased also the level of non-controlling interests by some EUR 5.2 million.

Metsä Board has reclassified interest-bearing receivables comparable to cash funds and available immediately from Metsä Group's internal bank Metsä Group Treasury Oy from 30 September 2013 on as Cash and cash equivalents. Metsä Board disposed its 51 per cent shareholding in Metsä Group Treasury Oy to Metsäliitto Osuuskunta on 30 September 2013.

Transactions with associated companies and joint ventures

	Nine months ended September 30		Year ended December 31
EUR million	2014	2013	2013
Sales	0.4	0.0	0.2
Purchases	5.6	5.7	7.0
Non-current receivables	0.3	0.3	0.3
Current receivables	0.2	0.1	0.2
Current liabilities	1.2	0.9	0.9

NOTE 7 – NOTES TO CONSOLIDATED CASH FLOW STATEMENT

Adjustments to the result for the period

EUR million	Nine months ended September 30 2014	2013	Year ended December 31 2013	Three months ended September 30 2014
Taxes	13.6	5.9	-6.3	5.3
Depreciation, amortization and impairment charges	76.0	75.1	101.3	26.6
Share of result from associated companies and joint ventures	-31.5	-25.6	-37.2	-9.3
Gains and losses on sale of fixed assets	-28.8	-4.0	-10.6	-1.0
Finance costs, net	34.1	44.3	55.9	8.1
Provisions	-10.1	-29.4	-29.3	-4.0
Total	53.3	66.3	73.8	25.7

Net financial items

Net financial items in consolidated cash flow statement for nine months ended 30 September 2014 include a dividend of EUR 24.9 million paid by Metsä Fibre.

Disposals and other items

Nine months ended 30 September 2014 Disposals and other items, EUR 35.3 million, include EUR 31.9 million disposals. The most significant disposals were disposals of property in Finland EUR 27.0 million and disposal of emission rights and electricity certificates EUR 4.9 million.

NOTE 8 – FINANCIAL INSTRUMENTS

Financial assets and liabilities classified according to IAS 39 for the nine months ended 30 September 2014:

Financial assets 30 September 2014

EUR million	Fair value through prof-it&loss	Availa-ble for sale financial assets	Loans and other re-ceivables	Derivatives at hedge accoun-ting	Amor-tised cost	Total car-rying amount	Fair va-lue
Available for sale financial assets		234.0				234.0	234.0
Other non-current financial assets			8.3			8.3	8.3
Accounts receivables and other receivables			342.1			342.1	342.1
Cash and cash equivalent			202.5			202.5	202.5
Derivative financial instru-ments	0.0			0.0		0.0	0.0
Total financial assets	0.0	234.0	552.9	0.0		786.9	786.9

Financial liabilities 30 September 2014

EUR million	Fair value through profit&loss	Derivatives at hedge accounting	Amortised cost	Total carrying amount	Fair value
Non-current interest-bearing financial liabilities			660.4	660.4	679.8
Other non-current financial liabilities			2.9	2.9	2.9
Current interest-bearing financial liabilities			40.4	40.4	42.0
Accounts payable and other financial liabilities			317.3	317.3	317.3
Derivative financial instruments	4.7	19.6		24.3	24.3
Total financial liabilities	4.7	19.6	1,021.0	1,045.3	1,066.3

Financial assets and liabilities classified according to IAS 39 for the nine months ended 30 September 2013:

Financial assets 30 September 2013

EUR million	Fair value through profit&loss	Available for sale financial assets	Loans and other receivables	Derivatives at hedge accounting	Amortised cost	Total carrying amount	Fair value
Available for sale financial assets		236.9				236.9	236.9
Other non-current financial assets			13.8			13.8	13.8
Accounts receivables and other receivables			364.6			364.6	364.6
Cash and cash equivalent	0.0		115.5			115.5	115.5
Derivative financial instruments	-0.1			1.2		1.1	1.1
Total financial assets	-0.1	236.9	493.9	1.2		731.9	731.9

Financial liabilities 30 September 2013

EUR million	Fair value through profit&loss	Derivatives at hedge accounting	Amortised cost	Total carrying amount	Fair value
Non-current interest-bearing financial liabilities			537.6	537.6	545.3
Other non-current financial liabilities			2.9	2.9	2.9
Current interest-bearing financial liabilities			210.5	210.5	212.2
Accounts payable and other financial liabilities			265.7	265.7	265.7
Derivative financial instruments	7.1	7.4		14.5	14.5
Total financial liabilities	7.1	7.4	1,016.7	1,031.2	1,040.6

Accounts receivables and other receivables do not include advance payments, deferred tax receivable and periodizations of employee costs.

Accounts payable and other financial liabilities do not include advance payments, deferred tax liability and periodizations of employee costs.

In Metsä Board all interest-bearing liabilities are valued in the balance sheet at amortised cost based on effective interest method. Interest bearing receivables are classified according to the IAS standards. Fair values in the table are based on present value of cash flow of each liability or assets calculated by market rate. The discount rates applied are between 0.7– 3.3 per cent (30 September 2013: 0.7–5.4).

Fair value hierarchy of financial assets and liabilities nine months ended 30 September 2014

EUR million	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Financial assets at fair value through profit or loss, non-current				0.0
Available for sale financial assets	0.4		233.6	233.6
Financial assets at fair value through profit or loss, current				0.0
Derivative financial assets				0.0
Financial liabilities measured at fair value				
Derivative financial liabilities	5.4	18.9		24.3
Financial assets not measured at fair value				
Cash and cash equivalent		202.5		202.5
Financial liabilities not measured at fair value				
Non-current interest-bearing financial liabilities		679.8		679.8
Current interest-bearing financial liabilities		42.0		42.0

Fair value hierarchy of financial assets and liabilities nine months ended 30 September 2013

EUR million	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Financial assets at fair value through profit or loss, non-current				0.0
Available for sale financial assets	0.3		236.6	236.9
Financial assets at fair value through profit or loss, current				0.0
Derivative financial assets		1.1		1.1
Financial liabilities measured at fair value				
Derivative financial liabilities	4.4	10.1		14.5
Financial assets not measured at fair value				
Cash and cash equivalent		115.5		115.5
Financial liabilities not measured at fair value				
Non-current interest-bearing financial liabilities		545.3		545.3
Current interest-bearing financial liabilities		212.2		212.2

Financial assets and liabilities measured at fair value based on Level 3

	Nine months ended September 30	
EUR million	2014	2013
Opening balance	233.5	269.3
Total gains and losses in profit or loss	0.0	0.0
Total gains and losses in other comprehensive income	0.1	-38.5
Purchases	0.0	5.8
Settlements	0.0	0.0
Closing balance	233.6	236.6

Financial assets and liabilities measured at fair value have been categorized according to IFRS 7

Level 1 Fair value is based on quoted prices in active markets

Level 2 Fair value is determined by using valuation techniques that use observable price information from market

Level 3 Fair value are not based on observable market data, but company's own assumptions

The fair values of electricity and natural gas derivatives are determined by using public price quotations in an active market (Level 1).

The fair values of currency forwards and options are determined by using the market prices of the closing date of the reporting period The fair values of interest rate swaps are determined by using the present value of expected payments, discounted using a risk adjusted discount rate, supported by market interest rates and other market data of the closing date of the reporting period (Level 2).

For financial instruments not traded on an open market, the fair value is determined by valuation techniques. Consideration is used when choosing the different techniques and making assumptions, which are mainly based on circumstances prevailing in the markets on each closing date of the reporting period (Level 3).

The valuation techniques are described in more detail in the Annual report.

The greatest item at fair value not traded on an open market is the investment in Pohjolan Voima shares, reported under available-for-sale financial assets. The valuation techniques are described in more detail in the Annual report. The WACC used on 30 September 2014 was 2.94 percentage points (30.9.2013: 3.72) and 6.94 percentage points (6.72) for the Olkiluoto 3 under construction. The acquisition cost of shares in Pohjolan Voima Oy is EUR 39.1 million (39.1) and the fair value EUR 229.4 million (232.4).

The carrying amount of available-for-sale financial assets would be estimated to be EUR 0.9 million lower or EUR 0.9 million higher should the rate used for discounting the cash flows differ by 10% from the rate estimated by the management. The carrying amount of available-for-sale financial assets would be estimated to be EUR 27.0 million higher or EUR 27.0 million lower should, if energy prices used for calculating the fair value differ by 10% from prices estimated by the management.

Derivatives 30 September 2014

EUR million	Nominal value	Fair value			Fair value		
		Assets	Liabilities	Total	Fair value hedges	Cash flow hedges	Derivatives/hedge accounting not applied
Interest forward agreements							
Interest rate options							
Interest rate swaps	271.3		4.2	-4.2	3.0	-7.2	
Interest rate derivatives	271.3		4.2	-4.2	3.0	-7.2	
Currency forward agreements	528.9		12.0	-12.0		-10.1	-1.9
Currency option agreements	181.5		2.7	-2.7			-2.7
Currency swap agreements							
Currency derivatives	710.4		14.7	-14.7		-10.1	-4.6
Electricity derivatives	64.8		5.3	-5.3		-5.3	
Pulp derivatives							
Other commodity derivatives	11.6		0.1	-0.1			-0.1
Commodity derivatives	76.4		5.4	-5.4		-5.3	-0.1
Derivatives total	1,058.1		24.3	-24.3	3.0	-22.6	-4.7

Derivatives 30 September 2013

EUR million	Nominal value	Fair value			Fair value			
		Assets	Liabilities	Total	Fair value hedges	Cash flow hedges	Equity hedges	Derivatives/hedge accounting not applied
Interest forward agreements								
Interest rate options								
Interest rate swaps	283.1	0.0	3.0	-3.0	2.4	-5.4		0.0
Interest rate derivatives total	283.1	0.0	3.0	-3.0	2.4	-5.4		0.0
Currency forward agreements	369.6	1.0		1.0		1.2		-0.2
Currency option agreements	51.7	0.1		0.1				0.1
Currency swap agreements	44.3		1.5	-1.5				-1.5
Currency derivatives total	465.5	1.1	1.5	-0.4		1.2		-1.6
Electricity derivatives	83.6		9.9	-9.9		-4.4		-5.5
Pulp derivatives								
Other commodity derivatives	1.0		0.1	-0.1				-0.1
Commodity derivatives total	84.6		10.0	-10.0		-4.4		-5.6
Derivatives total	833.3	1.1	14.5	-13.4	2.4	-8.6		-7.2

NOTE 9 – COMMITMENTS AND GUARANTEES

The following shows securities and guarantees for the nine months ended 30 September 2014 and 2013 and for the year ended 31 December 2013:

EUR million	Nine months ended September 30 2014	2013	Year ended December 31 2013
Liabilities secured by pledges, real estate mortgages and floating charges	192.5	658.9	582.3
Pledges granted	75.1	593.7	535.3
Floating charges	3.0	603.0	603.0
Real estate mortgages	232.8	752.8	832.8
Total pledges and mortgages	310.9	1,949.5	1,971.1
As security for other own commitments	30.6	32.7	31.3
On behalf of associated companies and joint ventures	0.3	0.3	0.3
On behalf of others	0.1	0.2	0.1
Total	341.9	1,982.7	2,002.8

Securities and guarantees include pledges, real estate mortgages, floating charges and guarantee liabilities. Metsä Board holds operating leases for certain vehicles and equipment. Leasing liabilities are part of the table above.

The decrease of commitments is related to the fact, that Metsä Board Corporation issued in March 2014 a EUR 225 million senior unsecured bond. The bond matures on 13 March 2019,

Metsä Board has also signed an agreement on a new unsecured syndicated credit facility in March 2014. The new facility consists of a EUR 150 million term loan facility and a EUR 100 million revolving credit facility, both maturing in March 2018.

The proceeds of the new loan arrangements were mainly used to prepay the existing EUR 350 million secured term loan maturing in March 2016. The new revolving credit facility replaced the undrawn EUR 100 million secured revolving credit facility maturing in May 2015.

Open derivative contracts

EUR million	Nine months ended September 30 2014	2013	Year ended December 31 2013
Interest rate derivatives	271.3	283.1	277.2
Currency derivatives	710.4	465.6	508.0
Other derivatives	76.4	84.6	76.5
Total	1,058.1	833.3	861.7

The fair value of open derivative contracts calculated at market value at the end of the review period was EUR -24.3 million (EUR -14.9 million 31 December 2013 and EUR -13.4 million 30 September 2013). The disposal of the holding in Metsä Group Treasury Oy in September 2013 also decreased substantially the amount of derivative contracts.