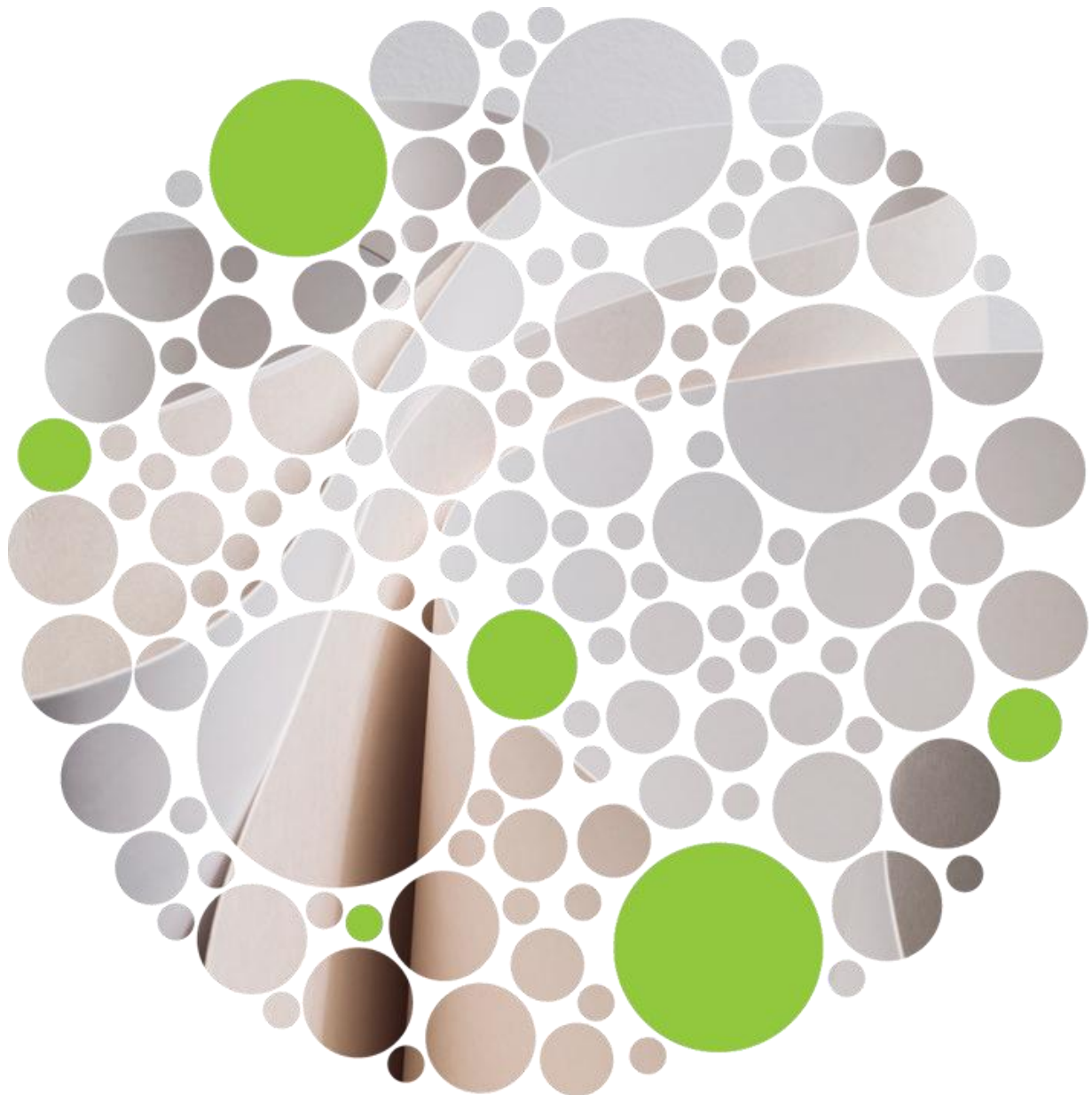




**METSÄ BOARD CORPORATION
INTERIM REPORT**

Q1/2015



METSÄ BOARD CORPORATION'S OPERATING RESULT EXCLUDING NON-RECURRING ITEMS WAS EUR 43.2 MILLION IN JANUARY–MARCH 2015

RESULT FOR THE FIRST QUARTER OF 2015

- Sales were EUR 525.7 million (Q1/2014: 501.2).
- Operating result excluding non-recurring items was EUR 43.2 million (36.1). Operating result including non-recurring items was EUR 43.1 million (43.5).
- Result before taxes excluding non-recurring items was EUR 32.3 million (20.8). Result before taxes including non-recurring items was EUR 32.2 million (26.0).
- Earnings per share excluding non-recurring items were EUR 0.09 (0.06), and earnings per share including non-recurring items were EUR 0.09 (0.07).

EVENTS DURING THE FIRST QUARTER OF 2015

- The demand for paperboard continued to be at a good level, and the delivery volumes increased from the previous quarter. The prices were stable.
- Metsä Board's Board of Directors made a decision on a share issue of approximately EUR 100 million on 26 February. The subscription period of the share issue began on 5 March and ended on 23 March. A total of 38,227,779 B-series shares were subscribed for in the share issue, corresponding to 139.8 per cent of the 27,347,134 B-series shares offered. The funds received from the share issue will be used to finance the final steps of transformation to a paperboard company.
- Metsä Board updated its public long-term financial targets. The updated targets are return on capital employed (ROCE) minimum 12 per cent from 2017 onwards and net gearing maximum 70 per cent.
- Standard & Poor's Ratings Services raised Metsä Board's credit rating by two notches, from B+ to BB. The outlook of the rating is stable.
- The renewed management and reporting structure became effective at the beginning of 2015.

EVENTS AFTER THE REPORTING PERIOD

- Metsä Board announced on 29 April that it has agreed to divest 100 per cent of its shares in Metsä Board Zanders GmbH including all related liabilities to mutares AG's fully owned holding company and its partner company. Closing of the transaction is expected to take place by the end of May 2015.

NEAR-TERM OUTLOOK

- Metsä Board's operating result excluding non-recurring items is in the second quarter of 2015 expected to be roughly at the same level as in the first quarter of 2015.

"The year 2015 started well, and our result improved from the fourth quarter of last year, as expected. The situation in the paperboard market continues to be stable, and the investment programme at Husum is progressing in line with our objectives.

The share issue completed in March was a success. It supports us in finalising our transformation. I would like to extend my thanks to our shareholders for the trust you have shown in our company.

Our paper production will be discontinued almost completely by the end of 2015, and we will launch the new folding boxboard production line at Husum at the beginning of next year. This enables us to grow our paperboard business considerably, in particular in North America.

Our most important objectives in 2015 are continued profitable growth, successful implementation of the investment programme at Husum, as well as the elimination of losses at the Gohrsmühle mill, which is expected to happen through a divestment closed taking effect by the end of May. In the future, Metsä Board will be an even stronger company."

Mika Joukio, CEO

Metsä Board is Europe's leading producer of folding boxboard and white fresh forest fibre linerboard and a market pulp supplier. It offers premium solutions for consumer and retail packaging and graphics. The company's sales network serves brand owners, carton printers, corrugated packaging manufacturers and merchants. Metsä Board is part of Metsä Group, and its shares are listed on the NASDAQ OMX Helsinki. In 2014, the company's sales totalled approximately EUR 2.0 billion. The company has approximately 3,100 employees.

KEY FIGURES

| | 2015 | 2014 | 2014 | 2014 | 2014 | 2014 |
|--|-------|-------|-------|-------|-------|---------|
| | Q1 | Q4 | Q3 | Q2 | Q1 | Q1-Q4 |
| Sales, EUR million | 525.7 | 499.4 | 513.8 | 494.0 | 501.2 | 2,008.4 |
| EBITDA, EUR million | 69.3 | 56.4 | 60.7 | 55.9 | 69.2 | 242.2 |
| excl. non-recurring items, EUR million | 69.7 | 60.6 | 61.8 | 52.0 | 61.8 | 236.2 |
| EBITDA, % | 13.2 | 11.3 | 11.8 | 11.3 | 13.8 | 12.1 |
| excl. non-recurring items, % | 13.3 | 12.1 | 12.0 | 10.5 | 12.3 | 11.8 |
| Operating result, EUR million | 43.1 | 6.7 | 34.1 | 32.2 | 43.5 | 116.5 |
| excl. non-recurring items, EUR million | 43.2 | 36.9 | 35.2 | 28.3 | 36.1 | 136.5 |
| EBIT, % | 8.2 | 1.3 | 6.6 | 6.5 | 8.7 | 5.8 |
| excl. non-recurring items, % | 8.2 | 7.4 | 6.9 | 5.7 | 7.2 | 6.8 |
| Result before taxes, EUR million | 32.2 | 1.6 | 26.1 | 23.9 | 26.0 | 77.6 |
| excl. non-recurring items, EUR million | 32.3 | 31.6 | 27.3 | 20.0 | 20.8 | 99.7 |
| Result for the period, EUR million | 29.3 | 6.1 | 20.8 | 16.8 | 24.8 | 68.5 |
| excl. non-recurring items, EUR million | 29.4 | 32.7 | 21.9 | 12.9 | 20.6 | 88.1 |
| Result per share, EUR | 0.09 | 0.02 | 0.06 | 0.05 | 0.07 | 0.20 |
| excl. non-recurring items, EUR | 0.09 | 0.10 | 0.06 | 0.04 | 0.06 | 0.26 |
| Return on equity, % | 13.2 | 2.9 | 9.8 | 8.0 | 11.6 | 8.1 |
| excl. non-recurring items, % | 13.2 | 15.4 | 10.4 | 6.1 | 9.6 | 10.4 |
| Return on capital employed, % | 11.0 | 1.8 | 9.0 | 8.5 | 11.2 | 7.7 |
| excl. non-recurring items, % | 11.0 | 9.6 | 9.2 | 7.5 | 9.9 | 9.1 |
| Equity ratio at end of period, % | 40.8 | 39.2 | 39.8 | 39.8 | 41.0 | 39.2 |
| Gearing ratio at end of period, % | 73 | 81 | 82 | 84 | 84 | 81 |
| Net gearing ratio at end of period, % | 34 | 51 | 57 | 65 | 69 | 51 |
| Shareholders' equity per share at end of period, EUR | 2.63 | 2.49 | 2.53 | 2.46 | 2.55 | 2.49 |
| Interest-bearing net liabilities, EUR million | 318.9 | 426.7 | 491.1 | 540.1 | 592.6 | 426.7 |
| Gross investments, EUR million | 23.9 | 18.2 | 7.3 | 14.0 | 4.7 | 44.2 |
| Deliveries, 1 000 tonnes | | | | | | |
| Paperboard | 345 | 326 | 344 | 322 | 318 | 1,310 |
| Non core operations | 156 | 158 | 158 | 153 | 167 | 636 |
| Personnel at the end of period | 3,158 | 3,111 | 3,164 | 3,370 | 3,145 | 3,111 |

2014's result per share and shareholders' equity per share have been adjusted for right issue. The right issue factor was 1.030627.

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

INTERIM REPORT 1 JANUARY – 31 MARCH 2015

SALES AND RESULT

RESULT FOR JANUARY–MARCH COMPARED TO THE PREVIOUS QUARTER

Metsä Board's sales amounted to EUR 525.7 million (Q4/2014: 499.4). Sales were up 5.3 per cent. The operating result was EUR 43.1 million (6.7), and the operating result excluding non-recurring items was EUR 43.2 million (36.9).

A net total of EUR -0.1 million (-30.1) was recognised as non-recurring items in the January–March operating result.

The operating result excluding non-recurring items improved slightly compared to the previous quarter. The paperboard delivery volume continued to grow. The paper delivery volume decreased. The euro-denominated prices of paperboard, paper and market pulp were higher than in the previous quarter due to the stronger US dollar. There were no significant changes in costs.

Cash flow from operating activities amounted to EUR 23.0 million (82.6) in the first quarter.

The combined delivery volume of Metsä Board's folding boxboard and fresh forest fibre linerboard in January–March was 334,000 tonnes (315,000). In the Non-core operations segment, the paper delivery volume was 156,000 tonnes (158,000).

Financial income and expenses totalled EUR -11.0 million (-5.0) in the review period. Foreign exchange rate differences from trade receivables, trade payables, financial items and the valuation of currency hedging instruments were EUR -3.8 million (3.3). Net interest and other financial income and expenses amounted to EUR -7.2 million (-8.3). 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 32.2 million (1.6). The result before taxes excluding non-recurring items was EUR 32.3 million (31.6). Income taxes amounted to EUR -2.9 million (4.5). The internal restructuring within the Group in the previous quarter reduced income taxes for 2014, resulting in the income taxes being positive in the previous period.

Earnings per share were EUR 0.09 (0.02). Earnings per share excluding non-recurring items were EUR 0.09 (0.10). The return on equity was 13.2 per cent (2.9), and the return on equity excluding non-recurring items was 13.2 per cent (15.4). The return on capital employed was 11.0 per cent (1.8), and the return on capital employed excluding non-recurring items was 11.0 per cent (9.6).

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

Metsä Board's sales were EUR 525.7 million (Q1/2014: 501.2). Sales were up 4.9 per cent. The operating result was EUR 43.1 million (43.5), and the operating result excluding non-recurring items was EUR 43.2 million (36.1).

A net total of EUR -0.1 million (+7.4) was recognised as non-recurring items in the operating result.

Compared to the previous year, the operating result excluding non-recurring items improved as a result of the increased paperboard delivery volume, the stronger US dollar and British pound, as well as the weakening of the Swedish krona against the euro.

The combined delivery volume of Metsä Board's folding boxboard and fresh forest fibre linerboard in January–March was 334,000 tonnes (303,000), which represents an increase of 10 per cent. In the Non-core operations segment, the paper delivery volume was 156,000 tonnes (167,000).

Financial income and expenses totalled EUR -11.0 million (-17.5).

Foreign exchange rate differences from trade receivables, trade payables, financial items and the valuation of currency hedging instruments were EUR -3.8 million (-0.1). Net interest and other financial income and expenses amounted to EUR -7.2 million (-17.4). Net interest in the corresponding period last year was increased by approximately EUR 5.8 million due to the early repayment of a loan of EUR 350 million and a EUR 100 million standby credit facility, as well as refinancing. Other financial income and expenses included EUR 0.0 million of valuation gains on interest rate hedges (valuation gain of 0.0). A non-recurring item of EUR -2.2 million was recognised in financial expenses for the corresponding period last year, related to the penal interest on the damages paid to UPM-Kymmene.

The result before taxes for the review period was EUR 32.2 million (26.0). The result before taxes excluding non-recurring items was EUR 32.3 million (20.8). The impact of income taxes was EUR -2.9 million (-1.2).

Earnings per share were EUR 0.09 (0.07). Earnings per share excluding non-recurring items were EUR 0.09 (0.06). The return on equity was 13.2 per cent (11.6), and the return on equity excluding non-recurring items was 13.2 per cent (9.6). The return on capital employed was 11.0 per cent (11.2), and the return on capital employed excluding non-recurring items was 11.0 per cent (9.9).

PERSONNEL

The number of personnel was 3,158 at the end of March (31 March 2014: 3,145), of whom 1,481 people worked in Finland (1,483). In January–March, Metsä Board employed 3,102 people (3,131) on average.

INVESTMENTS

Gross investments in January–March totalled EUR 23.9 million (Q1/2014: 4.7).

BUSINESS DEVELOPMENT

In December 2014, Metsä Board announced that it would launch new measures to complete the final steps of its transformation into a paperboard company. The company also announced that it would invest approximately EUR 170 million in a new folding boxboard machine at the Husum mill in Sweden. The machine has an annual production capacity of around 400,000 tonnes, and it will begin operations in early 2016. It is expected to reach full production capacity by the end of 2016. Paper production at the Husum mill is planned to be discontinued for the most part at the end of 2015 and completely by the end of 2017. It is estimated that these measures at the Husum mill and the growing sales volumes of fresh forest fibre linerboard will have a positive effect of approximately EUR 50 million on Metsä Board's annual operating result compared to the company's actual result for 2014. Most of the result improvement is expected to be realised as of 2017 and to take full effect as of 2018.

Metsä Board announced on 29 April 2015 that it has agreed to divest 100 per cent of its shares in Metsä Board Zanders GmbH including all related liabilities to mutares AG's fully owned holding company and its partner company. Closing of the transaction is expected to take place by the end of May 2015. The transaction is explained in more detail in section Events after the reporting period of this interim report.

Metsä Fibre, an associated company of Metsä Board, will build a bioproduct mill to replace the existing pulp mill in Äänekoski. The cost of the bioproduct mill is around EUR 1.2 billion. The mill's annual pulp capacity will be 1.3 million tonnes, which is around 800,000 tonnes higher than the current production at the Äänekoski mill. Operations at the mill are scheduled to start in the third quarter of 2017. Metsä Board will invest EUR 24.9 million in the project. Metsä Board has no other financial commitments in the project. Metsä Board's holding in Metsä Fibre will remain at 24.9 per cent even after the realisation of the Äänekoski investment.

DISPUTES

In May 2014, 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 March was 40.8 per cent (31 December 2014: 39.2), and its gearing ratio was 73 per cent (81). The net gearing ratio was 34 per cent (51).

The change in the fair value of investments available for sale during the review period was approximately EUR +12.0 million, related primarily to the increase in the fair value of Pohjolan Voima Oy's shares due to the decrease in interest rates.

The amount of defined benefit pension obligations increased due to the continued decline in the discount rate, and EUR -3.4 million after taxes was recognised in other comprehensive income items.

Net interest-bearing liabilities amounted to EUR 318.9 million at the end of March (426.7). The net liabilities decreased primarily as a result of the share issue completed in March. Foreign currency-denominated loans accounted for 0.5 per cent and floating-rate loans for 23 per cent of the loans, with the rest being fixed-rate loans. At the end of March, the average interest rate on loans was 3.9 per cent (4.0) and the average maturity of long-term loans was 3.2 years (3.5). The interest rate maturity of loans was 25.4 months (27.2) at the end of March. During the period, the interest rate maturity has varied between 25 and 28 months.

Cash flow from operating activities amounted to EUR 23.0 million (Q1–Q4/2014: 210.3). Working capital increased by EUR 29.1 million (a decrease of 59.0).

At the end of the review period, an average of 4.3 months of the net foreign currency exposure was hedged. The degree of hedging varied between four and six months during the period.

The financing agreement includes financial covenants concerning 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 strengthened. At the end of the review period, the available liquidity was EUR 505.6 million (2014: 396.0), of which EUR 360.0 million consists of liquid assets and investments, EUR 100.0 million of revolving credit, and EUR 45.6 million of undrawn pension premium (TyEL) funds. Of the liquid assets, EUR 14.0 million consisted of cash funds and investments and EUR 346.0 million were short-term deposits with Metsä Group Treasury. As of 30 September 2013, these deposits, comparable to cash funds and available immediately from Metsä Group's internal bank

Metsä Group Treasury, have been recognised in financial assets in the balance sheet. In addition, Metsä Board had other interest-bearing receivables totalling EUR 6.6 million. Metsä Board's liquidity reserve is complemented by Metsä Group's internal undrawn short-term credit facility of EUR 150.0 million.

Standard & Poor's Ratings Services raised Metsä Board's credit rating by two notches from B+ to BB. The outlook of the rating is stable. The upgrade of the rating has had no impact on Metsä Board's current financing costs.

SHARES

In January–March, the highest price for Metsä Board's A share on the NASDAQ OMX Helsinki was EUR 7.67, the lowest EUR 4.47, and the average price EUR 5.99. At the end of March, the price of the A share was EUR 5.88. At the end of 2014, the adjusted price of the A share was EUR 4.44, while the average price in 2014 was EUR 3.39.

In January–March, the highest price of Metsä Board's B share was EUR 6.13, the lowest EUR 4.47, and the average price EUR 5.49. At the end of March, the price of the B share was EUR 5.72. At the end of 2014, the adjusted price of the B share was EUR 4.34, while the average price in 2014 was EUR 3.34.

The trading volume of the A share was EUR 3 million, or 1 per cent of the share capital. The trading volume of the B share was EUR 173 million, or 10 per cent of the share capital. The market value of the A and B shares totalled EUR 2.0 billion at the end of March.

At the end of March, Metsäliitto Cooperative and its subsidiaries together owned 42.2 per cent of the shares, and the voting rights conferred by these shares totalled 61.6 per cent. International investors held 16 per cent of the shares.

The company does not hold any treasury shares.

On 7 January 2015, pursuant to section 14 of the Articles of Association, the conversion of 90,000 Metsä Board A shares into 90,000 B shares was entered into the Trade Register.

Metsä Board's Board of Directors made a decision on the approval of the subscriptions made in the share offering, which ended on 23 March 2015. According to the final result, a total of 38,227,779 B-series shares were subscribed for in the r share offering, corresponding to 139.8 per cent of the offered 27,347,134 B-series shares. The subscription price was EUR 3.66 per share issued, and the company collected net funds of approximately EUR 98 million in the share issue. As a result of the share offering, the total number of the company's shares increased to 355,512,746, of which 35,895,651 are A shares and 319,617,095 are B shares.

DIVIDEND

On 25 March 2015, Metsä Board's Annual General Meeting adopted the company's financial statements for the financial year 2014 and decided to distribute a dividend of EUR 0.12 per share, a total of EUR 39.4 million, for the financial period. The dividend was paid to shareholders registered in Metsä Board's shareholders register, held by Euroclear Finland Oy, on the dividend payment record date of 27 March 2015. The dividend payment date was 8 April 2015.

CHANGES IN THE REPORTING SEGMENTS

As of the first quarter of 2015, Metsä Board's reporting segments are Paperboard and Non-core Operations. The Paperboard segment includes the folding box-board, fresh forest fibre linerboard, wallpaper base and market pulp business operations. The Non-core operations segment includes the remaining standard paper business operations at the Husum mill until their planned discontinuation by the end of 2017, as well as the cast-coated and label paper business operations at the Gohrsmühle mill. Other operations are reported as before. The capital invested in Metsä Board's holding in Pohjolan Voima Oy, previously reported as part of other operations, has been transferred to the Paperboard segment.

EVENTS AFTER THE REPORTING PERIOD

Metsä Board announced on 29 April 2015 that it has agreed to divest 100 per cent of its shares in Metsä Board Zanders GmbH including all related liabilities mutares AG's fully owned holding company and its partner company. Metsä Board Zanders GmbH contains the business operations of Gohrsmühle mill located in Bergisch Gladbach, Germany. Gohrsmühle mill has approximately 480 employees and its main products are cast coated and label papers.

Closing of the transaction is subject to German competition authorities' approval and it is expected to take place by the end of May 2015.

The divestment would reduce Metsä Board's annual sales by approximately EUR 90 million and improve operating result by approximately EUR 20 million compared to 2014. A related positive non-recurring item of EUR 15 million is expected to be booked in Non-core operations segment's second quarter 2015 operating result.

BUSINESS ENVIRONMENT AND NEAR-TERM OUTLOOK

The paperboard delivery volume is estimated to increase slightly in the second quarter of 2015 compared to the previous quarter. No material changes in the price of folding boxboard are currently in sight. Metsä Board announced an increase of EUR 40 per tonne in the price of white fresh forest fibre linerboard in Europe as of 11 May 2015.

The global demand for softwood pulp is expected to continue to grow moderately, and softwood pulp supply and demand are expected to be in balance in the near future as well.

The market situation in the second quarter of the operations reported in the Non-core operations segment is expected to be, on average, at the previous quarter's level.

The maintenance and investment shutdown at the Husum mill is forecasted to have a slight negative impact on the result in the second quarter. A more extensive shutdown related to the investment programme at Husum is scheduled for the last quarter of the year.

No material changes are expected in production costs in the second quarter of 2015.

Foreign exchange rates developed favourably for Metsä Board in the second half of 2014 and at the beginning of 2015. The duration of the company's net cash flow hedges is somewhat less than six months. Therefore, the positive impact of exchange rate fluctuations on the result will be visible as of the first half of 2015.

Metsä Board's operating result excluding non-recurring items is in the second quarter of 2015 expected to be roughly at the same level as in the first quarter of 2015.

NEAR-TERM BUSINESS RISKS

Considerable uncertainties continue in the global economy and eurozone economy. If realised, they may result in weakened demand and reduced prices, particularly for pulp and paper products.

METSÄ BOARD CORPORATION

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The sanctions issued to one another 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 in Russia and Ukraine. So far, however, the overall financial impact 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.

Metsä Board is focusing on the development and growth of its paperboard business operations. Business development and growth require strategic choices that involve risks. These uncertainties are related to the product portfolio, targeting of investments and selection of customer segments, for example. The growth of the paperboard business operations depends on the successful increase in sales in North America, in particular. Achieving growth in sales outside the company's home market areas involves cost risks as well as uncertainty related to the introduction of new products to the market.

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 about longer-term risk factors can be found on pages 25–26 of Metsä Board's 2014 Annual Report.

More information will be available from 1 p.m. on 7 May 2015. A conference call for investors and analysts will be held in English and begin 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 952624.

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

Interim Report for January–June 2015 on 6 August

Interim Report for January–September 2015 on 5 November

REPORTING SEGMENTS
PAPERBOARD SEGMENT

| | 2015 | 2014 | 2014 | 2014 | 2014 | 2014 |
|---|-------|-------|-------|-------|-------|---------|
| | Q1 | Q4 | Q3 | Q2 | Q1 | Q1-Q4 |
| Sales, EUR million | 391.1 | 363.8 | 375.1 | 355.8 | 349.5 | 1,444.2 |
| EBITDA, EUR million | 76.4 | 66.7 | 60.6 | 60.6 | 58.9 | 246.8 |
| excl. non-recurring items | 76.4 | 67.0 | 60.6 | 56.6 | 58.9 | 243.0 |
| Operating result, EUR million | 60.9 | 51.0 | 44.2 | 45.4 | 43.8 | 184.3 |
| excl. non-recurring items | 60.6 | 50.9 | 44.2 | 41.4 | 43.8 | 180.2 |
| excl. non-recurring items, % | 15.5 | 14.0 | 11.8 | 11.6 | 12.5 | 12.5 |
| Return on capital employed, % | 21.3 | 17.6 | 15.1 | 15.7 | 15.3 | 16.4 |
| excl. non-recurring items, % | 21.2 | 17.6 | 15.1 | 14.3 | 15.3 | 16.0 |
| Deliveries, Paperboard 1,000 tonnes | 345 | 326 | 344 | 322 | 318 | 1,311 |
| Deliveries, Market Pulp 1,000 tonnes | 150 | 148 | 153 | 158 | 152 | 611 |
| Production, Paperboard, 1,000 tonnes | 360 | 348 | 336 | 349 | 337 | 1,370 |
| Production, Metsä Board Pulp 1,000 tonnes | 328 | 337 | 320 | 299 | 337 | 1,294 |
| Personnel at the end of period | 1,367 | 1,405 | 1,446 | 1,643 | 1,417 | 1,405 |

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

RESULT FOR JANUARY–MARCH COMPARED TO THE PREVIOUS QUARTER

The operating result before non-recurring items for the Paperboard segment was clearly better than in the previous quarter, being EUR 60.6 million (Q4/2014: 50.9). Paperboard delivery volumes increased slightly from the previous quarter. The foreign currency-denominated prices of folding boxboard remained stable, but the stronger US dollar improved the euro-denominated sales price slightly. Prices of white fresh forest fibre linerboard increased slightly in Europe, in addition to which the stronger US dollar strengthened the euro-denominated average price.

The result included EUR +0.3 million in non-recurring items. The operating result for the previous quarter included EUR 0.1 million in non-recurring items.

The deliveries of European folding boxboard producers increased by approximately 3 per cent compared to the previous quarter. Metsä Board's folding boxboard deliveries increased by 1 per cent.

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

The operating result excluding non-recurring items for the Paperboard segment improved significantly from the previous year, being EUR 60.6 million (Q1/2014: 43.8). The result improved as a result of higher delivery volumes of folding boxboard, the stronger US dollar and British pound, as well as the weakening of the Swedish krona against the euro. Costs remained stable. The markedly decreased demand for wallpaper base in the Russian and Ukrainian markets had a negative effect on the year-on-year result.

The result included EUR +0.3 million in non-recurring items. The result for the corresponding period last year did not include non-recurring items.

The deliveries of European folding boxboard producers increased by 4 per cent compared to the corresponding period last year. Metsä Board's folding boxboard deliveries increased by 7 per cent.

NON-CORE OPERATIONS SEGMENT

| | 2015 | 2014 | 2014 | 2014 | 2014 | 2014 |
|--------------------------------|-------|-------|-------|-------|-------|-------|
| | Q1 | Q4 | Q3 | Q2 | Q1 | Q1-Q4 |
| Sales, EUR million | 128.4 | 126.9 | 127.7 | 126.5 | 136.0 | 517.1 |
| EBITDA, EUR million | 6.0 | -7.4 | 5.4 | 0.9 | 3.8 | 2.8 |
| excl. non-recurring items | 6.4 | 5.1 | 6.5 | 0.8 | 3.8 | 16.3 |
| Operating result, EUR million | -3.6 | -40.5 | -4.0 | -6.9 | -6.1 | -57.4 |
| excl. non-recurring items | -3.2 | -1.8 | -2.9 | -6.9 | -6.1 | -17.7 |
| excl. non-recurring items, % | -2.5 | -1.5 | -2.3 | -5.4 | -4.5 | -3.4 |
| Return on capital employed, % | -7.0 | -66.0 | -5.6 | -8.6 | -6.7 | -19.5 |
| excl. non-recurring items, % | -6.2 | -3.0 | -4.1 | -8.6 | -6.7 | -6.0 |
| Deliveries, 1,000 tonnes | 156 | 158 | 158 | 153 | 167 | 636 |
| Production, 1,000 tonnes | 153 | 152 | 163 | 145 | 169 | 629 |
| Personnel at the end of period | 1,169 | 1,140 | 1,156 | 1,141 | 1,170 | 1,140 |

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

RESULT FOR JANUARY–MARCH COMPARED TO THE PREVIOUS QUARTER

The operating result excluding non-recurring items for the Non-core operations segment weakened slightly from the previous quarter, being EUR -3.2 million (Q4/2014: -1.8). The delivery volume of paper decreased according to plan, and prices were stable.

The result included non-recurring items of EUR -0.4 million net. The result for the previous quarter included EUR -38.6 million in non-recurring items related to the impairment of fixed assets in Gohrsmühle and the planned discontinuation of paper production at the Husum mill.

The total deliveries of European uncoated fine paper producers increased by 5 per cent. Metsä Board's delivery volume of uncoated fine paper decreased by 1 per cent.

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

The operating result excluding non-recurring items for the Non-core operations segment improved slightly compared to the corresponding period last year, totaling EUR -3.2 million (Q1/2014: -6.1). The result improved as a result of the weakening of the Swedish krona against the euro.

The result included EUR -0.4 million in non-recurring items. The result for the corresponding period last year did not include non-recurring items.

The total deliveries of European uncoated fine paper producers increased by 1 per cent compared to the previous year. Metsä Board's delivery volume of uncoated fine paper decreased by 8 per cent.

SALES AND RESULT BY SEGMENT

| EUR million | 2015 Q1 | 2014 Q4 | 2014 Q3 | 2014 Q2 | 2014 Q1 | 2014 Q1-Q4 |
|--|--------------|--------------|--------------|--------------|--------------|----------------|
| Paperboard | 391.1 | 363.8 | 375.1 | 355.8 | 349.5 | 1,444.2 |
| Non-core operations | 128.4 | 126.9 | 127.7 | 126.5 | 136 | 517.1 |
| Other operations | 69.4 | 71.5 | 73.8 | 71.4 | 70.7 | 287.5 |
| Internal sales | -63.3 | -62.7 | -62.8 | -59.8 | -55.0 | -240.3 |
| Sales | 525.7 | 499.4 | 513.8 | 494.0 | 501.2 | 2,008.4 |
| Paperboard | 76.4 | 66.7 | 60.6 | 60.6 | 58.9 | 246.8 |
| Non-core operations | 6.0 | -7.4 | 5.4 | 0.9 | 3.8 | 2.8 |
| Other operations | -13.1 | -3.0 | -5.3 | -5.6 | 6.5 | -7.4 |
| EBITDA | 69.3 | 56.4 | 60.7 | 55.9 | 69.2 | 242.2 |
| % of sales | 13.2 | 11.3 | 11.8 | 11.3 | 13.8 | 12.1 |
| Paperboard | 60.9 | 51.0 | 44.2 | 45.4 | 43.8 | 184.3 |
| Non-core operations | -3.6 | -40.5 | -4.0 | -6.9 | -6.1 | -57.4 |
| Other operations | -14.2 | -3.8 | -6.0 | -6.5 | 5.8 | -10.4 |
| Operating result | 43.1 | 6.7 | 34.2 | 32.2 | 43.5 | 116.5 |
| % of sales | 8.2 | 1.3 | 6.6 | 6.5 | 8.7 | 5.8 |
| Non-recurring items in operating result | | | | | | |
| Paperboard | 0.3 | 0.1 | 0.0 | 4.0 | 0.0 | 4.1 |
| Non-core operations | -0.4 | -38.6 | -1.1 | 0.0 | 0.0 | -39.7 |
| Other operations | 0.0 | 8.5 | 0.0 | -0.2 | 7.4 | 15.7 |
| Group | -0.1 | -30.1 | -1.1 | 3.8 | 7.4 | -19.9 |
| Paperboard | 76.4 | 67 | 60.6 | 56.6 | 58.9 | 243.0 |
| Non-core operations | 6.4 | 5.1 | 6.5 | 0.8 | 3.8 | 16.3 |
| Other operations | -13.1 | -11.5 | -5.3 | -5.4 | -0.9 | -23.1 |
| EBITDA, excl. non-recurring items | 69.7 | 60.6 | 61.8 | 52.0 | 61.8 | 236.3 |
| % of sales | 13.3 | 12.1 | 12.0 | 10.5 | 12.3 | 11.8 |
| Paperboard | 60.6 | 50.9 | 44.2 | 41.4 | 43.8 | 180.2 |
| Non-core operations | -3.2 | -1.8 | -2.9 | -6.9 | -6.1 | -17.7 |
| Other operations | -14.2 | -12.3 | -6.0 | -6.1 | -1.6 | -26.1 |
| Operating result, excl. non-recurring items | 43.2 | 36.8 | 35.2 | 28.3 | 36.1 | 136.5 |
| % of sales | 8.2 | 7.4 | 6.9 | 5.7 | 7.2 | 6.8 |

| EUR million | 2015 Q1 | 2014 Q4 | 2014 Q3 | 2014 Q2 | 2014 Q1 | 2014 Q1-Q4 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Operating result, excl. non-recurring items, % of sales | | | | | | |
| Paperboard | 15.5 | 14.0 | 11.8 | 11.6 | 12.5 | 12.5 |
| Non-core operations | -2.5 | -1.4 | -2.3 | -5.4 | -4.5 | -3.4 |
| Group | 8.2 | 7.4 | 6.9 | 5.7 | 7.2 | 6.8 |
| Return on capital employed % | | | | | | |
| Paperboard | 21.3 | 17.6 | 15.1 | 15.7 | 15.3 | 16.5 |
| Non-core operations | -7.0 | -66.0 | -5.6 | -8.6 | -6.7 | -19.5 |
| Group | 11.0 | 1.8 | 9.0 | 8.5 | 11.2 | 7.7 |
| Return on capital employed excluding non-recurring items, % | | | | | | |
| Paperboard | 21.2 | 17.6 | 15.1 | 14.3 | 15.3 | 16.0 |
| Non-core operations | -6.2 | -3.0 | -4.1 | -8.6 | -6.7 | -6.0 |
| Group | 11.0 | 9.6 | 9.2 | 7.5 | 9.9 | 9.1 |
| Capital employed, EUR million | | | | | | |
| Paperboard | 1,160.5 | 1,124.7 | 1,189.5 | 1,151.1 | 1,159.3 | 1,247.7 |
| Non-core operations | 197.6 | 212.7 | 277.9 | 289.5 | 349.7 | 212.7 |
| Unallocated and eliminations | 261.3 | 187.9 | 87.7 | 90.8 | 72.5 | 187.9 |
| Group | 1,619.4 | 1,525.4 | 1,555.1 | 1,531.4 | 1,581.5 | 1,525.4 |

The capital employed for a segment includes its assets: goodwill, other intangible assets, tangible assets, investments in associates, available for sale investments, 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 | 2015 Q1 | 2014 Q4 | 2014 Q3 | 2014 Q2 | 2014 Q1 | 2014 Q1-Q4 |
|---------------------|------------|------------|------------|------------|------------|---------------|
| Paperboard | 345 | 326 | 344 | 322 | 318 | 1,311 |
| Non-core operations | 156 | 158 | 158 | 153 | 167 | 636 |
| Market Pulp | 150 | 148 | 153 | 158 | 152 | 611 |

PRODUCTION

| 1,000 tonnes | 2015 Q1 | 2014 Q4 | 2014 Q3 | 2014 Q2 | 2014 Q1 | 2014 Q1-Q4 |
|--------------------------------|------------|------------|------------|------------|------------|---------------|
| Paperboard | 360 | 348 | 336 | 349 | 337 | 1,370 |
| Non-core operations | 153 | 152 | 163 | 145 | 169 | 629 |
| Metsä Fibre pulp ¹⁾ | 147 | 143 | 140 | 132 | 147 | 562 |
| Metsä Board pulp | 328 | 337 | 320 | 299 | 337 | 1,294 |

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 (Shareholders' 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 | | Year ended |
|---|------|--------------------|--------------|----------------|
| | | March 31 | | December 31 |
| | | 2015 | 2014 | 2014 |
| Sales | 2,6 | 525.7 | 501.2 | 2,008.4 |
| Change in stocks of finished goods and work in progress | | 1.0 | 11.7 | 10.3 |
| Other operating income | 2,6 | 8.0 | 32.8 | 69.6 |
| Material and services | 6 | -373.7 | -369.3 | -1,449.4 |
| Employee costs | | -61.7 | -59.0 | -252.6 |
| Share of results of associated companies and joint ventures | 6 | 14.8 | 10.7 | 43.7 |
| Depreciation, amortization and impairment losses | | -26.1 | -25.7 | -125.6 |
| Other operating expenses | | -44.9 | -58.9 | -187.9 |
| Operating result | 2 | 43.1 | 43.5 | 116.5 |
| Share of results of associated companies and joint ventures | | 0.1 | 0.0 | 0.3 |
| Net exchange gains and losses | | -3.8 | -0.1 | 2.7 |
| Other net financial items | 2,6 | -7.2 | -17.4 | -41.9 |
| Result before income tax | | 32.2 | 26.0 | 77.6 |
| Income taxes | 3 | -2.9 | -1.2 | -9.1 |
| Result for the period | | 29.3 | 24.8 | 68.5 |

| EUR million | Note | Three months ended | | Year ended |
|---|------|--------------------|--------------|--------------|
| | | March 31 | | December 31 |
| | | 2015 | 2014 | 2014 |
| Other comprehensive income | | | | |
| Items that will not be reclassified to profit or loss | | | | |
| Actuarial gains/losses on defined pension plans | | -3.8 | -1.2 | -26.3 |
| Income tax relating to items that will not be reclassified | | 0.4 | 0.3 | 7.7 |
| Total | | -3.4 | -0.9 | -18.6 |
| Items that may be reclassified to profit or loss | | | | |
| Cash flow hedges | | -6.9 | -5.1 | -11.2 |
| Available for sale financial assets | 8 | 12.0 | -5.5 | -0.6 |
| Translation differences | | 4.4 | -2.9 | -15.1 |
| Share of other comprehensive income of associated companies | | -0.8 | -1.1 | -4.4 |
| Income tax relating to components of other comprehensive income | | -1.0 | 2.1 | 2.4 |
| Total | | 7.7 | -12.5 | -28.9 |
| Other comprehensive income, net of tax | | 4.3 | -13.4 | -47.5 |
| Total comprehensive income for the period | | 33.6 | 11.4 | 21.0 |
| Result for the period attributable to | | | | |
| Shareholders of parent company | | 29.3 | 24.8 | 68.5 |
| Non-controlling interests | | 0.0 | 0.0 | 0.0 |
| Total comprehensive income for the period attributable to | | | | |
| Shareholders of parent company | | 33.6 | 11.4 | 21.0 |
| Non-controlling interests | | 0.0 | 0.0 | 0.0 |
| Total | | 33.6 | 11.4 | 21.0 |
| Earnings per share for result attributable to shareholders of parent company (EUR/share) | | | | |
| | | 0.09 | 0.07 | 0.20 |

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

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

| EUR million | Note | As of March 31 | | As of December 31 |
|---|------|----------------|----------------|-------------------|
| | | 2015 | 2014 | 2014 |
| ASSETS | | | | |
| Non-current assets | | | | |
| Goodwill | | 12.7 | 12.7 | 12.7 |
| Other intangible assets | | 15.4 | 23.6 | 15.1 |
| Tangible assets | 4 | 737.5 | 809.3 | 737.7 |
| Investments in associated companies and joint ventures | | 212.3 | 193.4 | 223.1 |
| Available for sale investments | 8 | 245.3 | 228.3 | 233.3 |
| Other non-current financial assets | 6, 8 | 10.9 | 15.5 | 11.2 |
| Deferred tax receivables | | 17.6 | 10.7 | 17.3 |
| | | 1,251.7 | 1,293.5 | 1,250.4 |
| Current assets | | | | |
| Inventories | | 344.1 | 343.2 | 339.8 |
| Accounts receivables and other receivables | 6, 8 | 340.4 | 348.2 | 308.2 |
| Cash and cash equivalents | 6, 8 | 360.0 | 121.0 | 250.4 |
| | | 1,044.5 | 812.4 | 898.4 |
| Total assets | | 2,296.2 | 2,105.9 | 2,148.8 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | | |
| Shareholders' equity | | | | |
| Equity attributable to shareholders of parent company | | 934.0 | 861.0 | 841.4 |
| Non-controlling interests | | 0.0 | 0.0 | 0.0 |
| Total equity | | 934.0 | 861.0 | 841.4 |
| Non-current liabilities | | | | |
| Deferred tax liabilities | | 77.1 | 78.6 | 78.2 |
| Post-employment benefit obligations | | 114.8 | 92.7 | 112.2 |
| Provisions | 5 | 17.6 | 19.2 | 24.7 |
| Borrowings | 8 | 580.9 | 671.8 | 580.8 |
| Other liabilities | 8 | 8.2 | 13.8 | 7.8 |
| | | 798.6 | 876.1 | 803.7 |
| Current liabilities | | | | |
| Provisions | 5 | 15.8 | 15.9 | 10.1 |
| Current borrowings | 6, 8 | 104.5 | 48.7 | 103.2 |
| Accounts payable and other liabilities | 6, 8 | 443.3 | 304.2 | 390.4 |
| | | 563.6 | 368.8 | 503.7 |
| Total liabilities | | 1,362.2 | 1,244.9 | 1,307.4 |
| Total shareholders' equity and liabilities | | 2,296.2 | 2,105.9 | 2,148.8 |

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

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

| EUR million | Equity attributable to shareholders of parent company | | | | | | | | |
|---|--|---------------|--------------------------|-------------------------------|---|-------------------|--------------|------------------------------|--------------|
| | Note | Share capital | Trans-lation differences | Fair value and other reserves | Reserve for invested un-restricted equity | Retained earnings | Total | Non-con-trol-ling inter-ests | 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 | | | | | | 24.8 | 24.8 | 0.0 | 24.8 |
| Other comprehensive income net of tax total | | | -3.5 | -9.0 | | -0.9 | -13.4 | | -13.4 |
| Comprehensive income total | | | -3.5 | -9.0 | | 23.9 | 11.4 | 0.0 | 11.4 |
| Share based payments | | | | | | 0.0 | 0.0 | | 0.0 |
| Related party transactions | | | | | | | | | |
| Dividends paid | | | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Shareholders' equity, 31 March 2014 | | 557.9 | 22.4 | 133.0 | 284.8 | -137.1 | 861.0 | 0.0 | 861.0 |

| EUR million | Equity attributable to shareholders of parent company | | | | | | | | |
|---|--|---------------|--------------------------|-------------------------------|---|-------------------|--------------|------------------------------|--------------|
| | Note | Share capital | Trans-lation differences | Fair value and other reserves | Reserve for invested un-restricted equity | Retained earnings | Total | Non-con-trol-ling inter-ests | Total |
| Shareholders' equity, 1 January 2015 | | 557.9 | 6.9 | 132.1 | 284.8 | -140.3 | 841.4 | 0.0 | 841.4 |
| Comprehensive income for the period | | | | | | | | | |
| Result for the period | | | | | | 29.3 | 29.3 | 0.0 | 29.3 |
| Other comprehensive income net of tax total | | | 5.5 | 2.2 | | -3.4 | 4.3 | | 4.3 |
| Comprehensive income total | | | 5.5 | 2.2 | | 25.9 | 33.6 | 0.0 | 33.6 |
| Share based payments | | | | | | 0.0 | 0.0 | | 0.0 |
| Related party transactions | | | | | | | | | |
| Right issue net of transaction costs | | | | | 98.4 | | 98.4 | | 98.4 |
| Dividends | | | | | | -39.4 | -39.4 | | -39.4 |
| Shareholders' equity, 31 March 2015 | | 557.9 | 12.4 | 134.3 | 383.2 | -153.8 | 934.0 | 0.0 | 934.0 |

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

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

| EUR million | Note | Three months ended | | Year ended | Three months ended |
|---|----------|--------------------|--------------|--------------|--------------------|
| | | March 31 | | December 31 | December 31 |
| | | 2015 | 2014 | 2014 | 2014 |
| Result for the period | | 29.3 | 24.8 | 68.5 | 6.1 |
| Total adjustments | 7 | 22.8 | 4.4 | 82.8 | 29.5 |
| Change in working capital | | -29.1 | -55.8 | 59.0 | 47.0 |
| Cash flow from operations | | 23.0 | -26.7 | 210.3 | 82.6 |
| Net financial items | 7 | 11.9 | 8.5 | -9.3 | -7.8 |
| Income taxes paid | | -2.4 | -0.8 | -2.8 | -0.5 |
| Net cash flow from operating activities | | 32.5 | -19.0 | 198.2 | 74.3 |
| Acquisition of other shares | | | | -1.5 | -1.5 |
| Investments in intangible and tangible assets | | -23.6 | -4.6 | -42.5 | -18.7 |
| Disposals and other items | 6,7 | 0.5 | 29.4 | 47.5 | 12.2 |
| Net cash flow from investing activities | | -23.1 | 24.8 | 3.5 | -8.0 |
| Right issue net of transaction costs | | 98.0 | | | |
| Changes in non-current loans and in other financial items | 6 | 1.7 | 21.1 | -15.5 | -17.8 |
| Dividends paid | | | | -29.5 | |
| Net cash flow from financing activities | | 99.7 | 21.1 | -45.0 | -17.8 |
| Changes in cash and cash equivalents | | 109.1 | 26.9 | 156.6 | 48.5 |
| Cash and cash equivalents at beginning of period | 6 | 250.4 | 94.2 | 94.2 | 202.5 |
| Translation difference in cash and cash equivalents | | 0.5 | -0.1 | -0.4 | -0.6 |
| Changes in cash and cash equivalents | | 109.1 | 26.9 | 156.6 | 48.5 |
| Cash and cash equivalents at end of period | 6 | 360.0 | 121.0 | 250.4 | 250.4 |

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 2014 IFRS financial statements. The same accounting policies have been applied as in the 2014 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.

The Group has adopted the following new standards, amendments to existing standards and interpretations on 1 January 2015:

Amendments to IAS 19 Employee Benefits - Defined Benefit Plans: Employee Contributions: The amendments clarify the accounting treatment under IAS 19 in respect of defined benefit plans that involve contributions from employees or third parties towards the cost of benefits.

Annual Improvements to IFRSs (2011-2013 cycle and 2010-2012 cycle, December 2013): The annual improvements process provides a mechanism for minor and non-urgent amendments to IFRSs to be grouped together and issued in one package annually. The amendments cover in total four (2011-2013 cycle) and seven (2010-2012 cycle) standards.

IFRIC 21 Levies: The interpretation clarifies the accounting treatment of levies. A liability for a levy is recognised when the activity that triggers payment, as

identified by the relevant legislation, occurs. The interpretation is applicable to all levies other than income taxes, fines, penalties and outflows that are in scope of other standards.

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 7 May 2015.

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 2015 to enable successful implementation of the company's growth strategy in paperboard businesses. Metsä Board's reporting segments from the first quarter of 2015 onwards are: Paperboard and Non-core operations.

Paperboard segment includes folding boxboard, fresh forest fibre linerboard, wallpaper base and market pulp businesses. Non-core operations include Husum's standard paper business until the planned discontinuation latest by end 2017 and Gohrsmühle mill's cast coated and label paper businesses. Capital employed related to Metsä Board's Pohjolan Voima Oy ownership, earlier reported under Other operations, has been allocated to Paperboard segment.

Accounting for the 24.9 per cent ownership in Metsä Fibre will remain unchanged. The associated company result of Metsä Fibre is allocated to Paperboard segment.

The sales of the reportable operating segments are mainly generated by sales of board, paper and pulp.

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

| EUR million | Three months ended March 31 | | | Three months ended March 31 | | |
|-----------------------------------|-----------------------------|------------|--------------|-----------------------------|------------|--------------|
| | 2015 | | | 2014 | | |
| | External | Internal | Total | External | Internal | Total |
| Paperboard | 391.1 | 0.0 | 391.1 | 349.5 | 0.0 | 349.5 |
| Non-core operations | 125.2 | 3.2 | 128.4 | 132.5 | 3.5 | 136.0 |
| Other operations | 9.4 | 60.5 | 69.9 | 19.2 | 51.5 | 70.7 |
| Elimination of intersegment sales | | -63.7 | -63.7 | | -55.0 | -55.0 |
| Total sales | 525.7 | 0.0 | 525.7 | 501.2 | 0.0 | 501.2 |

| EUR million | Year ended December 31 | | |
|-----------------------------------|------------------------|------------|----------------|
| | 2014 | | |
| | External | Internal | Total |
| Paperboard | 1,444.2 | 0.0 | 1,444.2 |
| Non-core operations | 502.1 | 15.0 | 517.1 |
| Other operations | 62.1 | 225.3 | 287.4 |
| Elimination of intersegment sales | | -240.3 | -240.3 |
| Total sales | 2,008.4 | 0.0 | 2,008.4 |

Operating result by operating segments

| EUR million | Three months ended | | Year ended |
|---|--------------------|-------------|--------------|
| | March 31 | | December 31 |
| | 2015 | 2014 | 2014 |
| Paperboard | 60.9 | 43.8 | 184.3 |
| Non-core operations | -3.6 | -6.1 | -57.4 |
| Other operations | -14.2 | 5.8 | -10.4 |
| Operating result total | 43.1 | 43.5 | 116.5 |
| Share of profit from associated companies | 0.1 | 0.0 | 0.3 |
| Finance costs, net | -11.0 | -17.5 | -39.2 |
| Income taxes | -2.9 | -1.2 | -9.1 |
| Result for the period | 29.3 | 24.8 | 68.5 |

Non-recurring items totaled EUR -0.1 million. Paperboard included EUR 0.3 million and Non-core operations EUR -0.4 million.

Assets by operating segments

| EUR million | Three months ended | | Year ended |
|---------------------|--------------------|----------------|----------------|
| | March 31 | | December 31 |
| | 2015 | 2014 | 2014 |
| Paperboard | 1,433.2 | 1,372.3 | 1,397.4 |
| Non-core operations | 407.5 | 551.9 | 403.4 |
| Other operations | 144.3 | 107.2 | 150.9 |
| Elimination | -73.0 | -64.2 | -77.9 |
| Unallocated | 384.2 | 138.7 | 274.7 |
| Total | 2,296.2 | 2,105.9 | 2,148.8 |

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

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 three months ended 31 March 2015 and 2014 and for the year ended 31 December 2014 are as follows.

| EUR million | Three months ended | | Year ended |
|------------------------------|--------------------|------------|-------------|
| | March 31 | | December 31 |
| | 2015 | 2014 | 2014 |
| Taxes for the current period | 5.1 | 4.2 | 7.6 |
| Taxes for the prior periods | 0.1 | 0.0 | 0.3 |
| Change in deferred taxes | -2.3 | -3.0 | 1.2 |
| Total income taxes | 2.9 | 1.2 | 9.1 |

NOTE 4 – CHANGES IN PROPERTY, PLANT AND EQUIPMENT

The following shows the components of changes in property, plant and equipment for the three months ended 31 March 2015 and 2014 and for the year ended 31 December 2014:

| EUR million | Three months ended | | Year ended |
|--|--------------------|--------------|--------------|
| | March 31 | | December 31 |
| | 2015 | 2014 | 2014 |
| Carrying value at beginning of period | 737.7 | 833.8 | 833.8 |
| Capital expenditure | 23.2 | 4.7 | 42.6 |
| Decreases | -0.9 | -1.3 | -2.2 |
| Depreciation, amortization and impairment losses | -25.2 | -25.0 | -121.0 |
| Translation difference | 2.7 | -2.9 | -15.5 |
| Carrying value at end of period | 737.5 | 809.3 | 737.7 |

NOTE 5 – PROVISIONS

The following is a summary of changes Metsä Board's provisions during the three months ended 31 March 2015.

| EUR million | Restructuring | Environmental obligations | Other provisions | Total |
|--------------------------|---------------|---------------------------|------------------|-------------|
| At 1 January 2015 | 14.9 | 10.9 | 9.0 | 34.8 |
| Translation differences | 0.2 | 0.1 | 0.0 | 0.3 |
| Increases | 0.0 | 0.0 | 0.2 | 0.2 |
| Utilized during the year | -0.1 | -0.4 | -1.4 | -1.9 |
| Unused amounts reversed | 0.0 | 0.0 | 0.0 | 0.0 |
| At 31 March, 2015 | 15.0 | 10.6 | 7.8 | 33.4 |

The non-current portion of provisions was some EUR 17.6 million and the current portion some EUR 15.8 million, total provisions being EUR 33.4 million. The non-current portion is estimated to be paid mainly by the end of the year 2017.

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.

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

Transactions between Metsä Board and related parties for the three months ended 31 March 2015 and 2014 and for the year ended 31 December 2014 are as follows:

Transactions and balances with parent and sister companies

| EUR million | Three months ended | | Year ended |
|--|--------------------|-------|-------------|
| | March 31 | | December 31 |
| | 2015 | 2014 | 2014 |
| Sales | 19.0 | 17.5 | 69.1 |
| Other operating income | 1.7 | 1.4 | 4.9 |
| Purchases | 181.9 | 180.1 | 674.5 |
| Share of result from associated companies | 14.8 | 10.7 | 43.7 |
| Interest income | 0.1 | 0.0 | 0.4 |
| Interest expenses | 0.4 | 0.3 | 1.0 |
| Other non-current financial assets | 0.0 | 3.8 | 0.0 |
| Accounts receivables and other receivables | 14.5 | 20.7 | 14.3 |
| Cash and cash equivalents | 346.0 | 104.7 | 236.0 |
| Accounts payable and other liabilities | 113.1 | 76.0 | 77.1 |

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 three months ended 31 March

2015. Cash and cash equivalents include interest-bearing receivables comparable to cash funds and available immediately from Metsä Group's internal bank Metsä Group Treasury Oy.

Transactions with associated companies and joint ventures

| EUR million | Three months ended March 31 | | Year ended December 31 |
|--|--------------------------------|------|---------------------------|
| | 2015 | 2014 | 2014 |
| Sales | 0.2 | 0.0 | 0.7 |
| Purchases | 1.8 | 1.7 | 7.7 |
| Other non-current financial assets | 0.3 | 0.3 | 0.3 |
| Accounts receivables and other receivables | 0.1 | 0.1 | 0.2 |
| Accounts payable and other liabilities | 1.3 | 1.0 | 1.2 |

NOTE 7 – NOTES TO CONSOLIDATED CASH FLOW STATEMENT
Adjustments to the result for the period

| EUR million | Three months ended March 31 | | Year ended December 31 | Three months ended December 31 |
|--|--------------------------------|------------|---------------------------|-----------------------------------|
| | 2015 | 2014 | 2014 | 2014 |
| Taxes | 2.9 | 1.2 | 9.1 | -4.6 |
| Depreciation, amortization and impairment charges | 26.1 | 25.7 | 125.6 | 49.6 |
| Share of result from associated companies and joint ventures | -14.8 | -10.8 | -43.9 | -12.4 |
| Gains and losses on sale of fixed assets | 0.0 | -26.6 | -40.4 | -11.6 |
| Finance costs, net | 11.0 | 17.5 | 39.2 | 5.1 |
| Provisions | -2.4 | -2.8 | -6.7 | 3.4 |
| Total | 22.8 | 4.4 | 82.8 | 29.5 |

Net financial items

Net financial items in consolidated cash flow statement for three months ended 31 March 2015 include a dividend of EUR 24.9 million paid by Metsä Fibre.

Disposals and other items

Three months ended 31 March 2015 Disposals and other items, EUR 0.5 million, include EUR 0.4 million disposals.

NOTE 8 – FINANCIAL INSTRUMENTS

Financial assets and liabilities classified according to IAS 39 for the three months ended 31 March 2015:

Financial assets 31 March 2015

| 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 | | 245.4 | | | | 245.4 | 245.4 |
| Other non-current financial assets | | | 10.9 | | | 10.9 | 10.9 |
| Accounts receivables and other receivables | | | 338.9 | | | 338.9 | 338.9 |
| Cash and cash equivalent | | | 360.0 | | | 360.0 | 360.0 |
| Derivative financial instruments | 0.0 | | | 0.9 | | 0.9 | 0.9 |
| Total financial assets | 0.0 | 245.4 | 709.8 | 0.9 | | 956.1 | 956.1 |

Financial liabilities 31 March 2015

| EUR million | Fair value through profit&loss | Derivatives at hedge accounting | Amortised cost | Total carrying amount | Fair value |
|--|--------------------------------|---------------------------------|----------------|-----------------------|----------------|
| Non-current interest-bearing financial liabilities | | | 580.9 | 580.9 | 608.7 |
| Other non-current financial liabilities | | | 1.4 | 1.4 | 1.4 |
| Current interest-bearing financial liabilities | | | 104.5 | 104.5 | 105.9 |
| Accounts payable and other financial liabilities | | | 377.0 | 377.0 | 377.0 |
| Derivative financial instruments | 4.6 | 31.4 | | 36.0 | 36.0 |
| Total financial liabilities | 4.6 | 31.4 | 1,063.8 | 1,099.8 | 1,129.0 |

Financial assets and liabilities classified according to IAS 39 for the three months ended 31 March 2014:

Financial assets 31 March 2014

| 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 | | 228.3 | | | | 228.3 | 228.3 |
| Other non-current financial assets | | | 15.5 | | | 15.5 | 15.5 |
| Accounts receivables and other receivables | | | 347.9 | | | 347.9 | 347.9 |
| Cash and cash equivalent | | | 121.0 | | | 121.0 | 121.0 |
| Derivative financial instruments | 0.0 | | | | | 0.0 | 0.0 |
| Total financial assets | 0.0 | 228.3 | 484.3 | | | 712.6 | 712.6 |

Financial liabilities 31 March 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 | | | 671.8 | 671.8 | 681.8 |
| Other non-current financial liabilities | | | 2.9 | 2.9 | 2.9 |
| Current interest-bearing financial liabilities | | | 48.7 | 48.7 | 50.1 |
| Accounts payable and other financial liabilities | | | 260.6 | 260.6 | 260.6 |
| Derivative financial instruments | 2.6 | 18.3 | | 20.9 | 20.9 |
| Total financial liabilities | 2.6 | 18.3 | 984.0 | 1,004.9 | 1,016.3 |

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– 2.7 per cent (31 March 2014: 1.0–4.1).

Fair value hierarchy of financial assets and liabilities three months ended 31 March 2015

| 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 | | 244.9 | 245.3 |
| Financial assets at fair value through profit or loss, current | | | | 0.0 |
| Derivative financial assets | | 0.9 | | 0.9 |
| Financial liabilities measured at fair value | | | | |
| Derivative financial liabilities | 11.4 | 24.6 | | 36.0 |
| Financial assets not measured at fair value | | | | |
| Cash and cash equivalent | | 360.0 | | 360.0 |
| Financial liabilities not measured at fair value | | | | |
| Non-current interest-bearing financial liabilities | | 608.7 | | 608.7 |
| Current interest-bearing financial liabilities | | 105.9 | | 105.9 |

Fair value hierarchy of financial assets and liabilities three months ended 31 March 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 | | 227.9 | 228.3 |
| Financial assets at fair value through profit or loss, current | | | | 0.0 |
| Derivative financial assets | | 0.0 | | 0.0 |
| Financial liabilities measured at fair value | | | | |
| Derivative financial liabilities | 13.7 | 7.2 | | 20.9 |
| Financial assets not measured at fair value | | | | |
| Cash and cash equivalent | | 121.0 | | 121.0 |
| Financial liabilities not measured at fair value | | | | |
| Non-current interest-bearing financial liabilities | | 681.8 | | 681.8 |
| Current interest-bearing financial liabilities | | 50.1 | | 50.1 |

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

| EUR million | Three months ended | |
|--|--------------------|-------|
| | March 31 | |
| | 2015 | 2014 |
| Opening balance | 232.9 | 233.5 |
| Total gains and losses in profit or loss | 0.0 | 0.0 |
| Total gains and losses in other comprehensive income | 12.0 | -5.6 |
| Purchases | 0.0 | 0.0 |
| Settlements | 0.0 | 0.0 |
| Closing balance | 244.9 | 227.9 |

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 31 March 2015 was 1.69 percentage points (31.3.2014: 3.54) and 5.69 percentage points (6.54) 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 240.7 million (223.7).

The carrying amount of available-for-sale financial assets would be estimated to be EUR 1.2 million lower or EUR 1.2 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 27.7 million higher or EUR 27.7 million lower should, if energy prices used for calculating the fair value differ by 10% from prices estimated by the management.

Derivatives 31 March 2015

| 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 | 265.3 | | 2.8 | -2.8 | 3.3 | -6.1 | |
| Interest rate derivatives | 265.3 | | 2.8 | -2.8 | 3.3 | -6.1 | |
| Currency forward agreements | 452.4 | | 19.1 | -19.1 | | -17.1 | -2.0 |
| Currency option agreements | 158.1 | | 2.7 | -2.7 | | | -2.7 |
| Currency swap agreements | | | | | | | |
| Currency derivatives | 610.5 | | 21.8 | -21.8 | | -17.1 | -4.7 |
| Electricity derivatives | 65.3 | | 9.6 | -9.6 | | -9.6 | |
| Pulp derivatives | 18.9 | 0.9 | | 0.9 | | 0.9 | |
| Other commodity derivatives | 8.1 | | 1.8 | -1.8 | | -1.8 | |
| Commodity derivatives | 92.3 | 0.9 | 11.4 | -10.5 | | -10.5 | |
| Derivatives total | 968.1 | 0.9 | 36.0 | -35.1 | 3.3 | -33.7 | -4.7 |

Derivatives 31 March 2014

| 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 | 277.2 | | 3.4 | -3.4 | 2.7 | -6.2 | | |
| Interest rate derivatives total | 277.2 | | 3.4 | -3.4 | 2.7 | -6.2 | | |
| Currency forward agreements | 383.7 | | 1.5 | -1.5 | | -1.2 | | -0.3 |
| Currency option agreements | 87.7 | | -0,1 | 0.1 | | | | 0.1 |
| Currency swap agreements | 43.6 | | 2.4 | -2.4 | | | | -2.4 |
| Currency derivatives total | 515.0 | | 3.8 | -3.8 | | -1.2 | | -2.6 |
| Electricity derivatives | 67.8 | | 13.7 | -13.7 | | -13.7 | | |
| Pulp derivatives | | | | | | | | |
| Other commodity derivatives | | | | | | | | |
| Commodity derivatives total | 67.8 | | 13.7 | -13.7 | | -13.7 | | |
| Derivatives total | 860.0 | | 20.9 | -20.9 | 2.7 | -21.0 | | -2.6 |

NOTE 9 – COMMITMENTS AND GUARANTEES

The following shows securities and guarantees for the three months ended 31 March 2015 and 2014 and for the year ended 31 December 2014:

| EUR million | Three months ended | | Year ended |
|--|--------------------|--------------|--------------|
| | March 31 | | December 31 |
| | 2015 | 2014 | 2014 |
| Liabilities secured by pledges, real estate mortgages and floating charges | 180.8 | 214.3 | 180.8 |
| Pledges granted | 75.0 | 101.2 | 78.8 |
| Floating charges | 3.0 | 3.0 | 3.0 |
| Real estate mortgages | 232.8 | 232.8 | 232.8 |
| Total pledges and mortgages | 310.8 | 337.0 | 314.6 |
| As security for other own commitments | 19.1 | 31.4 | 32.4 |
| On behalf of associated companies and joint ventures | 0.2 | 0.3 | 0.2 |
| On behalf of others | 0.1 | 0.1 | 0.1 |
| Total | 330.2 | 368.8 | 347.3 |

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.

Open derivative contracts

| EUR million | Three months ended | | Year ended |
|---------------------------|--------------------|--------------|----------------|
| | March 31 | | December 31 |
| | 2015 | 2014 | 2014 |
| Interest rate derivatives | 265.3 | 277.2 | 265.3 |
| Currency derivatives | 610.5 | 515.0 | 733.6 |
| Other derivatives | 92.3 | 67.8 | 95.9 |
| Total | 968.1 | 860.0 | 1,094.8 |

The fair value of open derivative contracts calculated at market value at the end of the review period was EUR -

35.1 million (EUR -20.9 million 31 March 2014 and EUR -26.5 million 31 December 2014).

NOTE 10 – EVENTS AFTER THE REPORTING PERIOD

Metsä Board announced on 29 April 2015 that it has agreed to divest 100 per cent of its shares in Metsä Board Zanders GmbH including all related liabilities mutares AG's fully owned holding company and its partner company. Metsä Board Zanders GmbH contains the business operations of Gohrsmühle mill located in Bergisch Gladbach, Germany. Gohrsmühle mill has approximately 480 employees and its main products are cast coated and label papers.

Closing of the transaction is subject to German competition authorities' approval and it is expected to take place by the end of May 2015.

The divestment would reduce Metsä Board's annual sales by approximately EUR 90 million and improve operating result by approximately EUR 20 million compared to 2014. A related positive non-recurring item of EUR 15 million is expected to be booked in Non-core operations segment's second quarter 2015 operating result.