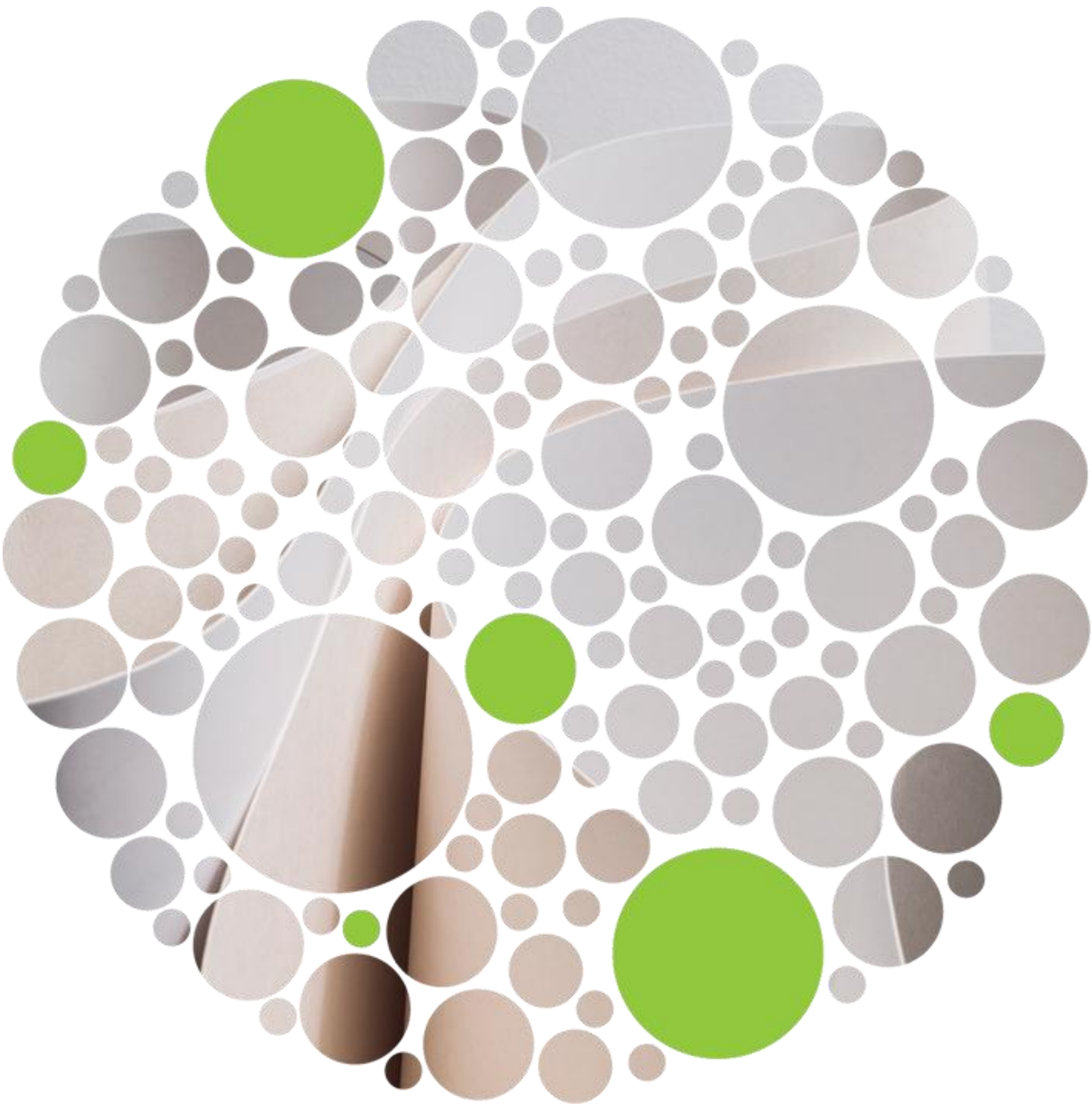
METSÄ BOARD CORPORATION
INTERIM REPORT

Q3/2015



METSÄ BOARD CORPORATION'S OPERATING RESULT EXCLUDING NON-RECURRING ITEMS FOR JANUARY–SEPTEMBER 2015 WAS EUR 144.8 MILLION

RESULT FOR JANUARY–SEPTEMBER 2015

- Sales were EUR 1,545.3 million (Q1–Q3/2014: 1509.0).
- Operating result excluding non-recurring items was EUR 144.8 million (99.6). Operating result including non-recurring items was EUR 164.9 million (109.8).
- Result before taxes excluding non-recurring items was EUR 119.8 million (68.1). Result before taxes including non-recurring items was EUR 137.7 million (76.0).
- Earnings per share excluding non-recurring items were EUR 0.27 (0.16), and earnings per share including non-recurring items were EUR 0.32 (0.18).

RESULT FOR THE THIRD QUARTER OF 2015

- Sales were EUR 497.6 million (Q2/2015: 522.0).
- Operating result excluding non-recurring items was EUR 54.6 million (47.0). Operating result including non-recurring items was EUR 54.6 million (67.2).
- The result before taxes excluding non-recurring items was EUR 47.5 million (40.0). Result before taxes including non-recurring items was EUR 47.5 million (58.0).
- Earnings per share excluding non-recurring items were EUR 0.08 (0.10), and earnings per share including non-recurring items were EUR 0.08 (0.15).

EVENTS IN THE THIRD QUARTER OF 2015

- Paperboard deliveries continued to grow, and the paperboard price levels were stable.
- The production of coated paper ended at the Husum mill.
- A strike stopped Metsä Board's entire production in Finland for 24 hours.
- Four carton packages using Metsä Board's paperboard received awards at the 2015 Pro Carton ECMA Awards.

EVENTS AFTER THE PERIOD

- Metsä Board announced it would increase the price of folding boxboard in Europe starting from 1 December 2015.
- The installation of the new paperboard machine began at Husum.
- Metsä Board expands its offering in food and food service paperboards by investing EUR 38 million in extrusion coating.
- The Finnish Tax Administration gave an opinion against the deductibility of certain losses in Metsä Board's 2014 taxation. The company recognised in its Q3/2015 result around EUR 15 million in income tax, which was previously unrecognised. Metsä Board will appeal against this opinion.
- Metsä Board scored a full 100 points in the Nordic Climate Disclosure Leadership Index (CDLI). In addition, of the eight international companies included in the global Water A List concerning sustainable use of water, Metsä Board was the only European company and the only forest sector company.

PROFIT GUIDANCE FOR THE FOURTH QUARTER OF 2015

- Metsä Board's operating result excluding non-recurring items in the fourth quarter of 2015 is expected to decline compared to the third quarter of 2015. The result is weakened primarily by the shutdown of the integrated mill related to Husum's investment programme.

CEO Mika Joukio:

"The increased paperboard deliveries improved our profitability in the third quarter of 2015. Our result was burdened by a strike, which stopped our entire production in Finland for 24 hours. After the review period, we announced a price increase of folding boxboard in Europe, which will become effective in December.

We respond to the increasing demand for paperboard by starting production of folding boxboard at Husum. The new production will mainly be marketed to Americas, as well as for food service packaging applications globally. Our key tasks next year are to successfully start-up our new paperboard machine and growing our sales.

We are investing in product development in order to continue to offer our customers the most lightweight and high-quality paperboard in the market. We will expand our offering in the food service packaging segment to end uses which require barrier properties from paperboard due to requirements for withstanding fat and moisture. Related to this, we invested in the extrusion coating line at Husum. The production of coated paper ended at Husum in September, and the production of uncoated fine paper sheets will be discontinued by the end of this year. The remaining production of uncoated fine paper reels will end by the end of 2017, at the latest.

I am very proud that our sustainability and high-quality products have been recognised across the field. Our inclusion in the Climate Disclosure Leadership Index (CDLI) and the recognition for sustainable use of water show that we are successful by operating responsibly. Receiving four awards in the Pro Carton ECMA Awards – and especially in the series for sustainable development – indicates that the excellence of our cartons and their ecological quality have been taken into account throughout the value chain."

KEY FIGURES

	2015 Q3	2015 Q2	2015 Q1	2014 Q3	2015 Q1–Q3	2014 Q1–Q3	2014 Q1–Q4
Sales, EUR million	497.6	522.0	525.7	513.8	1 545.3	1 509.0	2 008.4
EBITDA, EUR million	80.8	93.3	69.3	60.7	243.4	185.8	242.2
excl. non-recurring items, EUR million	80.8	73.1	69.7	61.8	223.6	175.6	236.2
EBITDA, %	16.2	17.9	13.2	11.8	15.8	12.3	12.1
excl. non-recurring items, %	16.2	14.0	13.3	12.0	14.5	11.6	11.8
Operating result, EUR million	54.6	67.2	43.1	34.1	164.9	109.8	116.5
excl. non-recurring items, EUR million	54.6	47.0	43.2	35.2	144.8	99.6	136.5
EBIT, %	11.0	12.9	8.2	6.6	10.7	7.3	5.8
excl. non-recurring items, %	11.0	9.0	8.2	6.9	9.4	6.6	6.8
Result before taxes, EUR million	47.5	58.0	32.2	26.1	137.7	76.0	77.6
excl. non-recurring items, EUR million	47.5	40.0	32.3	27.3	119.8	68.1	99.7
Result for the period, EUR million	26.8	54.7	29.3	20.8	110.8	62.4	68.5
excl. non-recurring items, EUR million	26.4	36.9	29.4	21.9	92.7	55.4	88.1
Result per share, EUR	0.08	0.15	0.09	0.06	0.32	0.18	0.20
excl. non-recurring items, EUR	0.08	0.10	0.09	0.06	0.27	0.16	0.26
Return on equity, %	10.6	22.5	13.2	9.8	15.9	9.8	8.1
excl. non-recurring items, %	10.4	15.2	13.2	10.4	13.3	8.7	10.4
Return on capital employed, %	13.0	16.5	11.0	9.0	13.8	9.6	7.7
excl. non-recurring items, %	13.0	11.6	11.0	9.2	12.1	8.9	9.1
Equity ratio at end of period, %	45.6	45.9	40.8	39.8	45.6	39.8	39.2
Gearing ratio at end of period, %	66	67	73	82	66	82	81
Net gearing ratio at end of period, %	34	39	34	57	34	57	51
Shareholders' equity per share at end of period, EUR	2.86	2.83	2.63	2.53	2.86	2.53	2.49
Interest-bearing net liabilities, EUR million	344.2	389.0	318.9	491.1	344.2	491.1	426.7
Gross investments, EUR million	44.8	48.3	23.9	7.3	117.0	26.0	44.2
Deliveries, 1,000 tonnes							
Paperboard	373	366	345	344	1.084	983	1.310
Non-core operations	118	138	156	158	412	478	636
Personnel at the end of period	2,642	2,850	3,158	3,164	2,642	3,164	3,111

Result per share and shareholders' equity per share in 2014 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 – 30 SEPTEMBER 2015

SALES AND RESULT

RESULT FOR JULY–SEPTEMBER COMPARED TO THE PREVIOUS QUARTER

Metsä Board's sales amounted to EUR 497.6 million (Q2/2015: 522.0). Sales declined mainly due to the divestment of Gohrsmühle mill and decreased coated paper delivery volumes. The operating result was EUR 54.6 million (67.2), and the operating result excluding non-recurring items was EUR 54.6 million (47.0).

The July–September operating result did not include non-recurring items (EUR +20.2 million).

The operating result excluding non-recurring items improved compared to the previous quarter. The delivery volumes of folding boxboard increased, whereas the delivery volumes of white fresh forest fibre linerboard decreased slightly. The delivery volume of market pulp decreased. Paper delivery volumes decreased clearly according to plan. The euro-denominated prices of paperboards and papers were at the same level as in the previous quarter. The currency-denominated prices of long-fibre market pulp decreased slightly, whereas the prices of short-fibre market pulp increased. There were no significant changes in costs. Losses from currency hedging in July–September were smaller than in the previous quarter. The result for the period under review was weakened by the maintenance shutdown at the Kemi integrated mill as well as the strike that stopped Metsä Board's entire production in Finland for 24 hours.

Net cash flow from operations in the third quarter amounted to EUR 92.5 million (55.8).

The combined delivery volume of Metsä Board's folding boxboard and white fresh forest fibre linerboard in July–September was 361,000 tonnes (354,000). The delivery volume of papers to be reported in the Non-core Operations segment was 118,000 tonnes (138,000).

Financial income and expenses totalled EUR -7.1 million (-9.2) in the review period. Foreign exchange rate differences from trade receivables, trade payables, financial items and the valuation of currency hedging instruments were EUR -0.6 million (-0.9). Net interest and other financial income and expenses amounted to EUR -6.5 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 47.5 million (58.0). The result before taxes excluding non-recurring items was EUR 47.5 million (40.0). Income taxes amounted to EUR -20.7 million (-3.3). The change from the comparison period is due to the income taxes of EUR 15 million recognised in the third quarter of the year, which had previously been left unrecognised.

Earnings per share were EUR 0.08 (0.15). Earnings per share excluding non-recurring items were EUR 0.08 (0.10). The return on equity was 10.6 per cent (22.5), and the return on equity excluding non-recurring items was 10.4 per cent (15.2). The return on capital employed was 13.0 per cent (16.5), and the return on capital employed excluding non-recurring items was 13.0 per cent (11.6).

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

Metsä Board's sales amounted to EUR 1,545.3 million (Q1–Q3/2014: 1,509.0). Sales increased due to the growing delivery volumes of paperboard. The operating result was EUR 164.9 million (109.8), and the operating result excluding non-recurring items was EUR 144.8 million (99.6).

A net total of EUR +20.1 million (+10.2) was recognised as non-recurring items in the operating result.

Compared to the corresponding period in the previous year, the operating result excluding non-recurring items improved as a result of the increased delivery volumes of folding boxboard and white fresh forest fibre linerboard, 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 white fresh forest fibre linerboard was 1,049,000 tonnes (941,000), representing an increase of 11 per cent. The delivery volume of papers to be reported in the Non-core Operations segment was 412,000 tonnes (478,000).

Financial income and expenses totalled EUR -27.3 million (-34.1).

Foreign exchange rate differences from trade receivables, trade payables, financial items and the valuation of currency hedging instruments were EUR -5.3 million (-0.6). Net interest and other financial income and expenses amounted to EUR -22.0 million (-33.5). Net interest compared to the corresponding period last year 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). An impairment of EUR -2.2 million was recognised in financial expenses as a non-recurring item associated with Metsä Board's share in the shareholder loan granted to Pohjolan Voima in the OL4 project. 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 137.7 million (76.0). The result before taxes excluding non-recurring items was EUR 119.8 million (68.1). The impact of income taxes was EUR -26.9 million (-13.6). The company recognised around EUR 15 million in previously unrecognised income taxes in its result for the third quarter.

Earnings per share were EUR 0.32 (0.18). Earnings per share excluding non-recurring items were EUR 0.27 (0.16). The return on equity was 15.9 per cent (9.8), and the return on equity excluding non-recurring items was 13.3 per cent (8.7). The return on capital employed was 13.8 per cent (9.6), and the return on capital employed excluding non-recurring items was 12.1 per cent (8.9).

PERSONNEL

At the end of September, the number of personnel was 2,642 (30 September 2014: 3,164), of whom 1,493 worked in Finland (1,488). In January–September, Metsä Board employed 2,931 (3,224) people on average.

INVESTMENTS

Gross investments in January–September totalled EUR 117.0 million (Q1–Q3/2014: 26.0). The change compared to the comparison period was attributable to the investment programme at Husum, which had an impact of approximately EUR 93 million on the gross investments of the review period.

BUSINESS DEVELOPMENT

Metsä Board continues the implementation of the EUR 170 million investment programme at the Husum mill in Sweden. The new folding boxboard machine will start up in January 2016, and its total annual capacity will be approximately 400,000 tonnes. In addition to folding boxboard, Husum produces fresh forest fibre linerboard, with an annual capacity of 300,000 tonnes. The production of coated paper ended at Husum in September, and the production of uncoated fine paper sheets will be discontinued by the end of this year. The remaining production of uncoated fine paper reels (approximately 100,000 tonnes per year) will end no later than the end of 2017. The end of the paper production means that an annual production capacity of approximately 600,000 tonnes will no longer be available on the market, compared to 2014. It is estimated that the Husum investment programme will have a positive impact 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 in 2017 and fully in 2018.

In the second quarter of the year, Metsä Board divested the Gohrsmühle mill and all related liabilities. The divestment will decrease Metsä Board's annual sales by approximately EUR 90 million and improve the operating result excluding non-recurring items by approximately EUR 20 million compared to the 2014 result. Slightly more than half of this will be realised in the 2015 result.

Metsä Board will invest EUR 24.9 million in the new bioproduct mill built by its associated company Metsä Fibre. Metsä Board's holding in Metsä Fibre remains unchanged, at 24.9 per cent, after the investment. The company has no other financial commitments in the project. The investment will grow Metsä Board's annual production capacity by approximately 200,000 tonnes.

Four products made with Metsä Board's paperboard packaging received awards at the 2015 Pro Carton ECMA Awards. One of the awards came in the Sustainability Award category, in which the jury praised the packaging's unique ecological properties. Metsä Board's paperboards were also used in the winning packaging in three other categories: Beauty and Cosmetics, Health Care and Pharmaceuticals, and Beverages.

DISPUTES

In May 2014, Metsä Board petitioned that the District Court of Helsinki revoke the judgment issued by the Arbitral Tribunal on 11 February 2014 that orders Metsä Board to pay EUR 19.7 million in damages to UPM-Kymmene Corporation. In the judgment issued in June 2015, the District Court rejected Metsä Board’s petition. Metsä Board decided in September to appeal the District Court's judgment to the Court of Appeal.

FINANCING

Metsä Board’s equity ratio at the end of September was 45.6 per cent (31 December 2014: 39.2) and net gearing ratio was 34 per cent (31 December 2014: 51). The ratio of net liabilities to 12-month rolling EBITDA excluding non-recurring items was 1.2 at the end of the review period (31 December 2014: 1.8)

The change in the fair value of investments available for sale during the review period was approximately EUR -1.0 million, related primarily to the decrease in the fair value of Pohjolan Voima Oy’s shares.

The amount of defined benefit pension obligations decreased due to the slight increase in the discount rate, and EUR 0.9 million after taxes has been recognised in other comprehensive income items this year. Furthermore, the divestment of the Gohrsmühle mill in the second quarter decreased the pension obligations by EUR 93.6 million.

At the end of September, net interest-bearing liabilities totalled EUR 344.2 million (31 December 2014: 426.7). Foreign currency-denominated loans accounted for 0.4

per cent and floating-rate loans for 38 per cent of the loans, with the rest being fixed-rate loans. At the end of September, the average interest rate on loans was 3.8 per cent (4.0), and the average maturity of long-term loans was 2.8 years (3.5). The interest rate maturity of loans was 22.8 months at the end of September (27.2). During the period, the interest rate maturity has varied between 22 and 28 months.

The cash flow from operations in January–September was EUR 180.8 million (Q1–Q4/2014: 198.2). Working capital decreased by EUR 18.4 million in January–September (Q1–Q4/2014: decreased by 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 remained strong. At the end of the review period, the available liquidity was EUR 467.3 million (31 December 2014: 396.0), of which EUR 321.7 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 11.4 million consisted of cash funds and investments and EUR 310.4 million were short-term deposits with Metsä Group Treasury. In addition, Metsä Board had other interest-bearing receivables totalling EUR 4.0 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 7.67, the lowest price was EUR 4.47, and the average price was EUR 5.88. At the end of September, the price for the A share was EUR 5.00. The average daily trading volume was 4,714 shares. 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–September, the highest price for Metsä Board's B share was EUR 6.59, the lowest price was EUR 4.47 and the average price was EUR 5.61. At the end of September, the price for the B share was EUR 5.04. The average daily trading volume was 454,217 shares. 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 shares was EUR 5.2 million and the trading volume of the B shares was EUR 476 million. The market value of the A shares was EUR 179 million and the market value of the B shares was EUR 1.6 billion at the end of September.

At the end of September, Metsäliitto Cooperative and its subsidiary together owned 42 per cent of the shares, and the voting rights conferred by these shares totalled 62 per cent. International investors held 19 per cent of the shares (31 December 2014: 15).

The company does not hold any treasury shares.

In the first quarter of the year, the company organised a share issue, which accumulated net funds of approximately EUR 98 million. The share issue offered a total of 27,347,134 new B series shares at EUR 3.66 per share. As a result of the share issue, the total number of the company's shares amounts to 355,512,746, of which 35,895,651 are A shares and 319,617,095 are B shares.

NEAR-TERM BUSINESS RISKS

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

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 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 active development and growth of its paperboard business. Growing the paperboard business and bringing new products to the market are contingent on successful growth in sales in Europe and, in particular, in the Americas. Growing sales globally is also associated with cost and exchange rate risks.

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.

EVENTS AFTER THE REVIEW PERIOD

The installation work of Husum's new folding boxboard machine began in October. The company will install the new folding boxboard machine at the mill and shut down two paper machines during the period extending from mid-October to the beginning of January 2016.

Metsä Board will expand its offering in food and food service paperboards by investing approximately EUR 38 million in an extrusion coating line and related infrastructure at its Husum mill. The line with a paperboard extrusion coating capacity of approximately 100,000 t/a will be taken into use at the beginning of 2017. A substantial amount of food and food service packaging requires barrier properties against e.g. moisture and grease, and they can be produced with extrusion coating.

The Finnish Tax Administration gave an opinion against the deductibility of certain losses in Metsä Board's 2014 taxation. The company recognised around EUR 15 million in previously unrecognised income taxes in its result for the third quarter of 2015. Metsä Board will appeal against this opinion.

Metsä Board was ranked among the best companies in terms of climate change reporting to investors and other stakeholders. In a report published by CDP, Metsä Board received the best possible score in CDP's Nordic Climate Disclosure Leadership Index. In addition, of the eight international companies included in the global Water A List concerning sustainable use of water, Metsä Board was the only European company and the only forest sector company.

BUSINESS ENVIRONMENT AND NEAR-TERM OUTLOOK

It is estimated that the total delivery volume of paperboard will decrease slightly in the last quarter of the year due to the seasonally weaker December. The average price of paperboard is estimated to remain approximately at the level of the previous quarter. Metsä Board announced it would increase the price of folding boxboard in Europe starting from 1 December 2015.

The global demand for and the price level of long-fibre pulp is expected to remain stable. Metsä Board's market pulp deliveries are expected to decrease slightly from the previous quarter in October–December due to the shutdown of the integrated mill at Husum.

Clearly reductions are being planned in paper deliveries, and prices are estimated to decrease slightly from the previous quarter.

The production costs in the last quarter of the year will remain approximately at the level of the previous quarter.

The shutdown of the integrated mill related to the installation of the new paperboard machine at Husum will impact Metsä Board's operating result for October–December by approximately EUR -15 million.

Metsä Board's operating result excluding non-recurring items in the fourth quarter of 2015 is expected to decline compared to the third quarter of 2015.

METSÄ BOARD CORPORATION

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More information will be available from 1 p.m. on 5 November 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 0077
US: +1 334 323 6201
The conference ID is 955861.

In 2016, Metsä Board will publish the following financial reports:
3 February 2016 Financial Statements Bulletin for 2015
3 May 2016 January–March 2016 Interim Report
4 August 2016 January–June 2016 Interim Report
2 November 2016 January–September 2016 Interim Report

REPORTING SEGMENTS

PAPERBOARD SEGMENT

	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2015 Q1–Q3	2014 Q1–Q3	2014 Q1–Q4
Sales, EUR million	412.7	408,3	391.1	363.8	375.1	1,212.1	1,080.4	1,444.2
EBITDA, EUR million	81.0	75.9	76.4	66.7	60.6	233.2	180.1	246.8
excl. non-recurring items	81.0	75.9	76.4	67.0	60.6	233.2	176.0	243.0
Operating result, EUR million	64.9	59.8	60.9	51.0	44.2	185.6	133.3	184.3
excl. non-recurring items	64.9	59.8	60.6	50.9	44.2	185.3	129.3	180.2
excl. non-recurring items, %	15.7	14.6	15.5	14.0	11.8	15.3	12.0	12.5
Return on capital employed, %	21.4	20.2	21.3	17.6	15.1	21.2	15.4	16.4
excl. non-recurring items, %	21.4	20.2	21.2	17.6	15.1	21.2	14.9	16.0
Deliveries, Paperboard 1,000 t	373	366	345	326	344	1,084	985	1,311
Deliveries, Market Pulp 1,000 t	123	142	150	148	153	415	463	611
Production, Paperboard, 1,000 t	367	379	360	348	336	1,106	1,022	1,370
Production, Metsä Board Pulp 1,000 t	318	302	328	337	320	949	957	1,294
Personnel at the end of period	1,394	1,565	1,367	1,405	1,446	1,394	1,446	1,405

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 Paperboard segment improved, being EUR 64.9 million (Q2/2015: 59.8). The operating result was improved, in particular, by the increased delivery volumes of folding boxboard. The prices of folding boxboard and white fresh forest fibre linerboard remained approximately at the previous quarter level. The result for the review period was weakened by the maintenance shutdown at the Kemi mill as well as the strike that stopped the production in Finland for 24 hours.

The deliveries by European folding boxboard producers increased by 4 per cent. Metsä Board’s folding boxboard deliveries increased by 5 per cent.

RESULT FOR JANUARY–SEPTEMBER 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 185.3 million (Q1–Q3/2014: 129.3). The result improved due to higher delivery volumes of paperboard, the stronger US dollar and British pound, as well as the weakening of the Swedish krona against the euro. The cost level 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 of the corresponding period in the previous year included EUR +4.0 million in non-recurring items related to Metsä Fibre’s sales gain from Pohjolan Voima shares.

The deliveries by European folding boxboard producers increased by 4 per cent. Metsä Board’s folding boxboard deliveries increased by 7 per cent.

NON-CORE OPERATIONS SEGMENT

	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2015 Q1–Q3	2014 Q1–Q3	2014 Q1–Q4
Sales, EUR million	85.4	108.6	128.4	126.9	127.7	322.4	390.2	517.1
EBITDA, EUR million	8.1	26.4	6.0	-7.4	5.4	40.5	10.2	2.8
excl. non-recurring items	8.2	6.2	6.4	5.1	6.5	20.8	11.2	16.3
Operating result, EUR million	-1.3	16.7	-3.6	-40.5	-4.0	11.8	-16.9	-57.4
excl. non-recurring items	-1.3	-3.4	-3.2	-1.8	-2.9	-7.9	-15.9	-17.7
excl. non-recurring items, %	-1.5	-3.1	-2.5	-1.4	-2.3	-2.5	-4.1	-3.4
Return on capital employed, %	-2.2	30.1	-7.0	-66.0	-5.6	7.3	-6.9	-19.5
excl. non-recurring items, %	-2.2	-6.2	-6.2	-3.0	-4.1	-4.9	-6.5	-6.0
Deliveries, 1,000 t	118	138	156	158	158	412	478	636
Production,1,000 t	113	126	153	152	163	392	477	629
Personnel at the end of period	631	646	1,169	1,140	1,156	631	1,156	1,140

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 Non-core Operations segment improved slightly from the previous quarter, standing at EUR -1.3 million (Q2/2015: -3.4). The delivery volume of coated paper decreased according to plan, and the price was stable. The delivery volume of uncoated paper increased slightly, and the price was stable.

The result did not include non-recurring items. The operating result for the previous quarter included EUR +20.1 million in non-recurring items.

The production of coated paper ended at Husum in September, and the production of uncoated fine paper sheets will be discontinued by the end of this year. The remaining production of uncoated fine paper reels, approximately 100,000 tonnes per year, will end no later than the end of 2017.

Total deliveries by European uncoated fine paper producers were down by 1 per cent. Metsä Board's delivery volume of uncoated fine paper was up by 3 per cent.

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

The operating result excluding non-recurring items for the Non-core Operations segment improved compared to the corresponding period last year, totalling EUR -7.9 million (Q1–Q3/2014: -15.9). The result was improved by the divestment of the loss-making Gohrsmühle mill in the second quarter of 2015.

The result included EUR +19.7 million in non-recurring items. The result for the corresponding period last year included non-recurring items of a total of EUR -1.0 million.

The total deliveries by European uncoated fine paper producers increased by 3 per cent compared to the previous year. Metsä Board's delivery volume of uncoated fine paper decreased by 9 per cent.

SALES AND RESULT BY SEGMENT

EUR million	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2015 Q1–Q3	2014 Q1–Q3	2014 Q1–Q4
Paperboard	412.7	408.3	391.1	363.8	375.1	1,212.1	1,080.4	1,444.2
Non-core operations	85.4	108.6	128.4	126.9	127.7	322.4	390.2	517.1
Other operations	62.5	71.4	69.4	71.5	73.8	203.2	216.0	287.5
Internal sales	-63.0	-66.3	-63.3	-62.7	-62.8	-192.4	-177.6	-240.3
Sales	**497.6**	**522.0**	**525.7**	**499.4**	**513.8**	**1,545.3**	**1,509.0**	**2,008.4**
Paperboard	81.0	75.9	76.4	66.7	60.6	233.2	180.1	246.8
Non-core operations	8.1	26.4	6.0	-7.4	5.4	40.5	10.1	2.8
Other operations	-8.3	-9.0	-13.1	-3.0	-5.3	-30.4	-4.4	-7.4
EBITDA	**80.8**	**93.3**	**69.3**	**56.4**	**60.7**	**243.4**	**185.8**	**242.2**
% of sales	16.2	17.9	13.2	11.3	11.8	15.7	12.3	12.1
Paperboard	64.9	59.8	60.9	51.0	44.2	185.6	133.3	184.3
Non-core operations	-1.3	16.7	-3.6	-40.5	-4.0	11.8	-16.9	-57.4
Other operations	-9.0	-9.3	-14.2	-3.8	-6.0	-32.5	-6.6	-10.4
Operating result	**54.6**	**67.2**	**43.1**	**6.7**	**34.2**	**164.9**	**109.8**	**116.5**
% of sales	11.0	12.9	8.2	1.3	6.6	10.7	7.3	5.8
Non-recurring items in operating result								
Paperboard	0.0	0.0	0.3	0.1	0.0	0.3	4.0	4.1
Non-core operations	0.0	20.1	-0.4	-38.6	-1.1	19.7	-1.1	-39.7
Other operations	0.0	0.1	0.0	8.5	0.0	0.1	7.2	15.7
Group	**0.0**	**20.2**	**-0.1**	**-30.0**	**-1.1**	**20.1**	**10.1**	**-19.9**
Paperboard	81.0	75.9	76.4	67.0	60.6	233.2	176.0	243.0
Non-core operations	8.1	6.2	6.4	5.1	6.5	20.8	11.2	16.3
Other operations	-8.3	-9.0	-13.1	-11.5	-5.3	-30.3	-11.6	-23.1
EBITDA, excl. non-recurring items	**80.8**	**73.1**	**69.7**	**60.6**	**61.8**	**223.6**	**175.6**	**236.2**
% of sales	16.2	14.0	13.3	12.1	12.0	14.5	11.6	11.8
Paperboard	64.9	59.8	60.6	50.9	44.2	185.3	129.3	180.2
Non-core operations	-1.3	-3.4	-3.2	-1.8	-2.9	-7.9	-15.9	-17.7
Other operations	-9.0	-9.4	-14.2	-12.3	-6.0	-32.6	-13.8	-26.1
Operating result, excl. non-recurring items	**54.6**	**47.0**	**43.2**	**36.8**	**35.2**	**144.8**	**99.6**	**136.4**
% of sales	11.0	9.0	8.2	7.4	6.9	9.4	6.6	6.8
Operating result, excl. non-recurring items, % of sales								
Paperboard	15.7	14.6	15.5	14.0	11.8	15.3	12.0	12.5
Non-core operations	-1.5	-3.1	-2.5	-1.4	-2.3	-2.5	-4.1	-3.4
Group	**11.0**	**9.0**	**8.2**	**7.4**	**6.9**	**9.4**	**6.6**	**6.8**

EUR million	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2015 Q1–Q3	2014 Q1–Q3	2014 Q1–Q4
Return on capital employed %								
Paperboard	21.4	20.2	21.3	17.6	15.1	21.2	15.4	16.4
Non-core operations	-2.2	30.1	-7.0	-66.0	-5.6	7.3	-6.9	-19.5
Group	**13.0**	**16.5**	**11.0**	**1.8**	**9.0**	**13.8**	**9.6**	**7.7**
Return on capital employed excl. non-recurring items, %								
Paperboard	21.4	20.2	21.2	17.6	15.1	21.2	14.9	16.0
Non-core operations	-2.2	-6.2	-6.2	-3.0	-4.1	-4.9	-6.9	-6.0
Group	**13.0**	**11.6**	**11.0**	**9.6**	**9.2**	**12.1**	**8.9**	**9.1**
Capital employed, EUR million								
Paperboard	1,210.4	1,213.5	1,160.5	1,124.7	1,189.5	1,210.4	1,189.5	1,124.7
Non-core operations	218.8	246.0	197.6	212.7	277.9	218.8	277.9	212.7
Unallocated and eliminations	256.7	219.5	261.3	187.9	87.7	256.7	87.7	187.9
Group	**1,685.9**	**1,679.0**	**1,619.4**	**1,525.4**	**1,555.1**	**1,685.9**	**1,555.1**	**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 t	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2015 Q1–Q3	2014 Q1–Q3	2014 Q1–Q4
Paperboard	373	366	345	326	344	1 084	985	1 311
Non-core operations	118	138	156	158	158	412	478	636
Market Pulp	123	142	150	148	153	415	463	611

PRODUCTION

1,000 t	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2015 Q1–Q3	2014 Q1–Q3	2014 Q1–Q4
Paperboard	367	379	360	348	336	1 106	1 022	1 370
Non-core operations	113	126	153	152	163	392	477	629
Metsä Fibre pulp [1)]	143	147	147	143	140	437	419	562
Metsä Board pulp	318	302	328	337	320	949	957	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))
Equity ratio (%)	=	(Shareholders' equity) per (Total assets - advance payments re-ceived)
Net gearing ratio (%)	=	(Interest-bearing borrowings - liquid funds - interest-bearing receivables) per (Shareholders' equity)
Shareholders´equity per share	=	(Equity attributable to shareholders of parent company) per (Adjusted number of shares at the end of period)
Return on capital employed (%)	=	(Result before tax + interest expenses, net exchange gains/losses and other financial expenses) per (Shareholders' equity + interest-bearing borrowings (average))
Gearing ratio (%)	=	(Interest-bearing borrowings) per (Shareholders' equity)
Earnings per share	=	(Profit attributable to shareholders of parent company) per (Adjusted number of shares (average))

FINANCIAL STATEMENTS

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Q3		Q1–Q3		Q1–Q4
EUR million	**Note**	**2015**	**2014**	**2015**	**2014**	**2014**
Sales	2, 6	**497.6**	**513.8**	**1,545.3**	**1,509.0**	**2,008.4**
Change in stocks of finished goods and work in progress		-6.2	-11.0	-10.1	-0.6	10.3
Other operating income	2, 6	6.0	9.6	37.8	49.0	69.6
Material and services	6	-344.1	-360.1	-1,081.2	-1,081.0	-1,449.4
Employee costs		-52.4	-61.3	-177.7	-183.6	-252.6
Share of results of associated companies and joint ventures	6	15.4	9.2	46.6	31.2	43.7
Depreciation, amortisation and impairment losses		-26.2	-26.6	-78.5	-76.0	-125.6
Other operating expenses		-35.5	-39.5	-117.3	-138.2	-187.9
Operating result	2	**54.6**	**34.1**	**164.9**	**109.8**	**116.5**
Share of results of associated companies and joint ventures		0.0	0.1	0.1	0.3	0.3
Net exchange gains and losses		-0.6	0.0	-5.3	-0.6	2.7
Other net financial items	2, 6	-6.5	-8.1	-22.0	-33.5	-41.9
Result before income tax		**47.5**	**26.1**	**137.7**	**76.0**	**77.6**
Income taxes	3	-20.7	-5.3	-26.9	-13.6	-9.1
Result for the period		**26.8**	**20.8**	**110.8**	**62.4**	**68.5**

		Q3		Q1–Q3		Q1–Q4
EUR million	Note	**2015**	**2014**	**2015**	**2014**	**2014**
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Actuarial gains/losses on defined pension plans		-0.6	-7.6	1.8	-18.1	-26.3
Income tax relating to items that will not be reclassified		0.3	2.0	-0.9	5.0	7.7
Total		**-0.3**	**-5.6**	**0.9**	**-13.1**	**-18.6**
Items that may be reclassified to profit or loss						
Cash flow hedges		-1.5	-2.5	2.5	-6.8	-11.2
Available for sale financial assets	8	-10.4	10.4	-1.0	0.2	-0.6
Translation differences		-6.6	1.5	0.3	-7.4	-15.1
Share of other comprehensive income of associated companies		-2.4	-1.1	1.8	-2.4	-4.4
Income tax relating to components of other comprehensive income		2.5	-1.6	-0.1	1.3	2.4
Total		-18.4	6.7	3.5	-15.1	-28.9
Other comprehensive income, net of tax		**-18.7**	**1.1**	**4.4**	**-28.2**	**-47.5**
Total comprehensive income for the period		**8.1**	**21.9**	**115.2**	**34.2**	**21.0**
Result for the period attributable to						
Shareholders of parent company		26.8	20.8	110.8	62.4	68.5
Non-controlling interests		0.0	0.0	0.0	0.0	0.0
Total comprehensive income for the period attributable to						
Shareholders of parent company		8.1	21.9	115.2	34.2	21.0
Non-controlling interests		0.0	0.0	0.0	0.0	0.0
Total		8.1	21.9	115.2	34.2	21.0
Earnings per share for result attributable to shareholders of parent company (EUR/share)		0.08	0.06	0.32	0.18	0.20

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

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

EUR million	Note	30.9. 2015	30.9. 2014	31.12. 2014
ASSETS				
Non-current assets				
Goodwill		12.7	12.7	12.7
Other intangible assets		13.5	17.2	15.1
Tangible assets	4	771.6	774.3	737.7
Investments in associated companies and joint ventures		246.8	212.8	223.1
Available for sale investments	8	232.3	234.0	233.3
Other non-current financial assets	6, 8	10.8	8.3	11.2
Deferred tax receivables	2	5.2	14.6	17.3
		1,292.9	**1,273.9**	**1,250.4**
Current assets				
Inventories		302.5	336.5	339.8
Accounts receivables and other receivables	6, 8	317.1	342.9	308.2
Cash and cash equivalents	6, 8	321.7	202.5	250.4
		941.3	**881.9**	**898.4**
Total assets		**2,234.2**	**2,155.8**	**2,148.8**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Equity attributable to shareholders of parent company		1,015.9	854.4	841.4
Non-controlling interests		0.0	0.0	0.0
Total equity		**1,015.9**	**854.4**	**841.4**
Non-current liabilities				
Deferred tax liabilities		75.1	79.0	78.2
Post-employment benefit obligations	2	17.4	104.6	112.2
Provisions	5	16.0	16.1	24.7
Borrowings	8	579.8	660.4	580.8
Other liabilities	8	12.9	9.6	7.8
		701.2	**869.7**	**803.7**
Current liabilities				
Provisions	5	11.3	12.4	10.1
Current borrowings	6, 8	90.2	40.4	103.2
Accounts payable and other liabilities	6, 8	415.6	378.9	390.4
		517.1	**431.7**	**503.7**
Total liabilities		**1,218.3**	**1,301.4**	**1,307.4**
Total shareholders' equity and liabilities		**2,234.2**	**2,155.8**	**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

		Equity attributable to shareholders of parent company							
EUR million	Note	Share capital	Translation differences	Fair value and other reserves	Reserve for invested unrestricted equity	Note	Share capital	Translation differences	Fair value and other reserves
Shareholders' equity, 1 Jan 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						**0.2**	**0.2**		**0.2**
Dividends paid						-29.5	-29.5		-29.5
Shareholders' equity, 30 Sept 2014		**557.9**	**17.6**	**135.2**	**284.8**	**-141.0**	**854.4**	**0.0**	**854.4**

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 Jan 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						110.8	110.8	0.0	110.8
Other comprehensive income net of tax total			1.1	2.4		0.9	4.4		4.4
Comprehensive income total			1.1	2.4		111.7	115.2	0.0	115.2
Share based payments						0.4	0.4		0.4
Related party transactions						**0.4**	**0.4**		**0.4**
Share issue net of transaction costs					98.3		98.3		98.3
Dividends paid						-39.4	-39.4		-39.4
Shareholders' equity, 30 Sept 2015		**557.9**	**8.0**	**134.5**	**383.1**	**-67.6**	**1,015.9**	**0.0**	**1,015.9**

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

		Q1–Q3		Q1–Q4	Q3
EUR million	Note	**2015**	**2014**	**2014**	**2015**
Result for the period		110.8	62.4	68.5	26.8
Total adjustments	7	58.7	53.3	82.8	34.6
Change in working capital		18.4	12.0	59.0	34.0
Cash flow from operations		**187.9**	**127.7**	**210.3**	**95.4**
Net financial items	7	-2.3	-1.5	-9.3	-1.7
Income taxes paid		-4.8	-2.3	-2.8	-1.2
Net cash flow from operating activities		**180.8**	**123.9**	**198.2**	**92.5**
Acquisition of other shares		0.0	0.0	-1.5	0.0
Investments in intangible and tangible assets		-117.3	-23.8	-42.5	-46.1
Disposals and other items	6, 7	-35.8	35.3	47.5	-0.7
Net cash flow from investing activities		**-153.1**	**11.5**	**3.5**	**-46.8**
Right issue net of transaction costs		97.9	0.0	0.0	0.0
Changes in non-current loans and in other financial items	6	-14.9	2.3	-15.6	-1.9
Dividends paid		-39.4	-29.5	-29.5	0.0
Net cash flow from financing activities		**43.6**	**-27.2**	**-45.1**	**-1.9**
Changes in cash and cash equivalents		**71.3**	**108.1**	**156.6**	**43.8**
Cash and cash equivalents at beginning of period					
Translation difference in cash and cash equivalents	6	250.4	94.2	94.2	278.3
Changes in cash and cash equivalents		0.0	0.2	-0.4	-0.4
		71.3	108.1	156.6	43.8
Cash and cash equivalents at end of period					
EUR million	6	**321.7**	**202.5**	**250.4**	**321.7**

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 fibre 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 authorised for issue by the Board of Directors of Metsä Board on 5 November 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 as well as Gohrsmühle mill's cast coated and label paper businesses until May 2015. 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.

Sales by operating segments

	Q1–Q3/2015			Q1–Q3/2014		
EUR million	**External**	**Internal**	**Total**	**External**	**Internal**	**Total**
Paperboard	1,212.1	0.0	1,212.1	1,080.4	0.0	1,080.4
Non-core operations	315.5	6.8	322.4	378.8	11.4	390.2
Other operations	17.6	185.7	203.2	49.8	166.2	216.0
Elimination of intersegment sales		-192.4	-192.4		-177.6	-177.6
Total sales	1,545.3	0.0	1,545.3	1,509.0	0.0	1,509.0

	Q1–Q4/2014		
EUR million	**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	**Q1–Q3 2015**	**Q1–Q3 2014**	**Q1–Q4 2014**
Paperboard	185.6	133.3	184.3
Non-core operations	11.8	-16.9	-57.4
Other operations	-32.5	-6.6	-10.4
Operating result total	**164.9**	109.8	116.5
Share of profit from associated companies	0.1	0.3	0.3
Finance costs, net	-27.3	-34.1	-39.2
Income taxes	-26.9	-13.6	-9.1
Result for the period	110.8	62.4	68.5

Non-recurring items in operating result amounted to EUR +20.1 million, of which EUR 0.3 million in Paperboard, EUR 19.7 million in Non-core operations and EUR 0.1 million in Other operations. Non-core operations reported the most significant non-recurring items including a EUR 17.5 million gain on sale of Gohrsmühle mill in Germany and EUR 2.6 million positive result from reversing unused provisions related to the closure of Alizay mill.

A non-recurring expense of EUR -2.2 million was recognised in financial cost due to write-off of a shareholder loan given to Pohjolan Voima for OL4 project.

Assets by operating segments

EUR million	30.9.2015	30.9.2014	31.12.2014
Paperboard	1,534.0	1,418.4	1,397.7
Non-core operations	303.8	452.5	403.4
Other operations	138.4	103.3	150.9
Elimination	-72.9	-43.3	-77.9
Unallocated	331.0	224.9	274.7
Total	2,234.2	2,155.8	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).

Divestment of Gohrsmühle mill reduced pension obligations in Non-core operations by EUR 93.6 million and deferred tax assets by EUR 10.9 million.

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 2015 and 2014 and for the year ended 31 December 2014 are as follows:

	Q1–Q3		Q1–Q4
EUR million	**2015**	**2014**	**2014**
Taxes for the current period	19.5	14.4	7.6
Taxes for the prior periods	9.8	0.0	0.3
Change in deferred taxes	-2.4	-0.8	1.2
Total income taxes	26.9	13.6	9.1

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 2015 and 2014 and for the year ended 31 December 2014.

	Q1–Q3		Q1–Q4
EUR million	**2015**	**2014**	**2014**
Carrying value at beginning of period	737.7	833.8	833.8
Capital expenditure	116.2	24.4	42.6
Decreases	-6.3	-1.3	-2.2
Depreciation, amortization and impairment losses	-75.9	-73.7	-121.0
Translation difference	-0.1	-8.9	-15.5
Carrying value at end of period	**771.6**	774.3	737.7

NOTE 5 – PROVISIONS

The following is a summary of changes in Metsä Board's provisions during the nine months ended 30 September 2015.

EUR million		Restructuring	Environmental obligations	Other provisions	Total
	1 Jan 2015	**14.9**	**10.9**	**9.0**	**34.8**
Translation differences		0.0	0.0	0.0	0.0
Increases		0.1	0.0	0.0	0.1
Utilised during the year		-0.6	-2.1	-1.8	-4.5
Unused amounts reversed		-0.4	-0.9	-1.8	-3.1
	30 Sep 2015	**14.0**	**7.9**	**5.4**	**27.3**

Reversed provision amounts are related to Alizay mill closure provisions reversal in France and sale of Gohrsmühle mill in Germany, both reported under Non-core operations segment.

The non-current portion of provisions was EUR 16.0 million and the current portion EUR 11.3 million, total provisions being EUR 27.3 million. The non-current portion is estimated to be utilised mainly by the end of the year 2017.

NOTE 6 – RELATED PARTY TRANSACTIONS

To related parties belong Metsä Board´s ultimate parent company Finnish Metsäliitto Cooperative, other subsidiaries of Metsäliitto, associated companies and joint ventures as well as Metsäliitto Employees' Pension Foundation. The members of The Board of Directors and Metsä Group's Executive Management Team and Metsä Board´s Corporate Management Team as well as their close family members also belong to 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 2015 and 2014 and for the year ended 31 December 2014 are as follows:

Transactions parent and sister companies

EUR million	Q1–Q3 2015	Q1–Q3 2014	Q1–Q4 2014
Sales	55.4	50.1	69.1
Other operating income	4.1	3.7	4.9
Purchases	507.3	518.0	674.5
Share of result from associated companies	46.6	31.2	43.7
Interest income	0.2	0.4	0.4
Interest expenses	1.3	1.0	1.0
Accounts receivables and other receivables	13.9	14.4	14.3
Cash and cash equivalents	310.4	186.4	236.0
Accounts payable and other liabilities	60.8	81.7	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 nine months ended 30 September 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	Q1–Q3 2015	2014	Q1–Q4 2014
Sales	0.4	0.4	0.7
Purchases	5.8	5.6	7.7
Other non-current financial assets	0.3	0.3	0.3
Accounts receivables and other receivables	0.1	0.2	0.2
Accounts payable and other liabilities	1.3	1.2	1.2

NOTE 7 – NOTES TO CONSOLIDATED CASH FLOW STATEMENT

Adjustments to the result for the period

EUR million	Q1–Q3 2015	2014	Q1–Q4 2014	Q3 2015
Taxes	26.9	13.6	9.1	20.7
Depreciation, amortization and impairment charges	78.5	76.0	125.6	26.2
Share of result from associated companies and joint ventures	-46.7	-31.5	-43.9	-15.3
Gains and losses on sale of fixed assets	-20.9	-28.8	-40.4	-2.5
Finance costs, net	27.3	34.1	39.2	7.1
Provisions	-6.4	-10.1	-6.7	-1.6
Total	58.7	**53.3**	82.8	34.6

Net financial items

Net financial items in consolidated cash flow statement for nine months ended 30 September 2015 include a dividend of EUR 24.9 million paid by Metsä Fibre.

Disposals and other items

Nine months ended 30 September 2015 Disposals and other items, EUR -35.8 million, include EUR +1.7 million disposal of fixed assets, EUR +0.4 million disposals of other shares as well as EUR -38,2 million effect on cash flow statement related to disposal of Gohrsmühle mill in Germany.

NOTE 8 – FINANCIAL INSTRUMENTS

Financial assets and liabilities and their fair values classified according to IAS 39 for the nine months ended 30 September 2015:

Financial assets 30 September 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		232.3				232.3	232.3
Other non-current financial assets			10.8			10.8	10.8
Accounts receivables and other receivables			316.0			316.0	316.0
Cash and cash equivalent	0.0		321.7			321.7	321.7
Derivative financial instruments	0.0			0.4		0.4	0.4
Total financial assets	**0.0**	**232.3**	**648.6**	**0.4**	**0.0**	**881.2**	**881.2**

Financial liabilities 30 September 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			579.8	579.8	601.1
Other non-current financial liabilities			1.4	1.4	1.4
Current interest-bearing financial liabilities			90.2	90.2	91.9
Accounts payable and other financial liabilities			348.1	348.1	348.1
Derivative financial instruments	-0.1	20.9		20.8	20.8
Total financial liabilities	**-0.1**	**20.9**	**1,019.4**	**1,040.2**	**1,063.2**

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

Financial assets 30 September 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		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	0.0		202.5			202.5	202.5
Derivative financial instruments	0.0			0.0		0.0	0.0
Total financial assets	**0.0**	**234.0**	**552.9**	**0.0**	**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

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

Accounts payable and other financial liabilities do not include advance payments, deferred tax liability and periodisations 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 0.8–2.4 per cent (30 September 2014: 0.7–3.3).

Fair value hierarchy of financial assets and liabilities nine months ended 30 September 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	0.1		232.2	232.3
Financial assets at fair value through profit or loss, current	0.0			0.0
Derivative financial assets	0.0	0.4		0.4
Financial liabilities measured at fair value				
Derivative financial liabilities	19.5	1.3		20.8
Financial assets not measured at fair value				
Cash and cash equivalent		321.7		321.7
Financial liabilities not measured at fair value				
Non-current interest-bearing financial liabilities		601.1		601.1
Current interest-bearing financial liabilities		91.9		91.9

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		223.6	234.0
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

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

EUR million	2015 30.9.	2014 30.9.
Opening balance	232.9	233.5
Total gains and losses in profit or loss	0.6	0.0
Total gains and losses in other comprehensive income	-0.7	0.1
Purchases		0.0
Settlements	-0.6	0.0
Closing balance	232.2	233.6

Financial assets and liabilities measured at fair value have been categorised 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. Judgment is used when choosing the different techniques and making assumptions, which are main-ly 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 most significant 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 2015 was 2.52 percentage points (30.9.2014: 2.94) and 6.52 percentage points (6.94) 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 228.0 million (229.4).

The carrying amount of available-for-sale financial assets is estimated to be EUR 0.7 million lower or EUR 0.4 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 is estimated to be EUR 25.4 million higher or EUR 25.4 million lower should the energy prices used for calculating the fair value differ by 10% from prices estimated by the management.

Derivatives 30 September 2015

EUR million	Nominal value	Fair value			Fair value		
		Assets		Liabilities	Total	Fair value hedges	Cash flow hedges
Interest forward agreements							
Interest rate options							
Interest rate swaps	259.4		1.0	-1.0	3.6	-4.6	
Interest rate derivatives	**259.4**		**1.0**	**-1.0**	**3.6**	**-4.6**	
Currency forward agreements	397.5		0.1	-0.1		-0.6	0.5
Currency option agreements	178.7		0.2	-0.2			-0.2
Currency swap agreements							
Currency derivatives	**576.2**		**0.3**	**-0.3**		**-0.6**	**0.2**
Electricity derivatives	62.8		14.0	-14.0		-14.0	
Pulp derivatives	6.1	0.4		0.4		0.4	
Other commodity derivatives	25.9		5.4	-5.4		-5.4	-0.1
Commodity derivatives	**94.7**	**0.4**	**19.5**	**-19.1**		**-19.0**	**-0.1**
Derivatives total	**930.3**	**0.4**	**20.8**	**-20.4**	**3.6**	**-24.1**	**0.1**

Derivatives 30 September 2014

EUR million	Nominal value	Fair value		Fair value		
		Assets	Liabilities	Total	Fair value hedges	Cash flow hedges
Interest forward agreements						
Interest rate options						
Interest rate swaps	271.3	4.2	-4.2	3.0	-7.2	0.0
Interest rate derivatives	271.3	4.2	-4.2	3.0	-7.2	0.0
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		-0.0	-0.1
Commodity derivatives total	76.4	5.4	-5.4		-5.3	-0.1
Derivates total	1 058.1	24.3	-24.3	3.0	-22.6	-4.7

NOTE 9 – COMMITMENTS AND GUARANTEES

The following shows securities and guarantees for the nine months ended 30 September 2015 and 2014 and for the year ended 31 December 2014:

EUR million	30.9.2015	30.9.2014	31.12.2014
Liabilities secured by pledges, real estate mortgages and floating charges	169.0	192.5	180.8
Pledges granted	87.1	75.1	78.8
Floating charges	3.0	3.0	3.0
Real estate mortgages	232.8	232.8	232.8
Total pledges and mortgages	322.9	310.9	314.6
As security for other own commitments	7.5	30.6	32.4
On behalf of associated companies and joint ventures	0.1	0.3	0.2
On behalf of others	0.1	0.1	0.1
Total	330.6	341.9	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	30.9.2015	30.9.2014	31.12.2014
Interest rate derivatives	259.4	271.3	265.3
Currency derivatives	576.2	710.4	733.6
Other derivatives	94.7	76.4	95.9
Total	930.3	1 058.1	1 094.8

The fair value of open derivative contracts calculated at market value at the end of the review period was EUR -20.4 million (EUR -24.3 million 30 September 2014 and EUR -26.5 million 31 December 2014).

Commitments related to property, plant and equipment

EUR million	30.9.2015	30.9.2014	31.12.2014
Payments due in following 12 months	21.3	0.0	50.4
Payments due later	6.3	0.0	15.2
Total	27.6	0.0	65.6