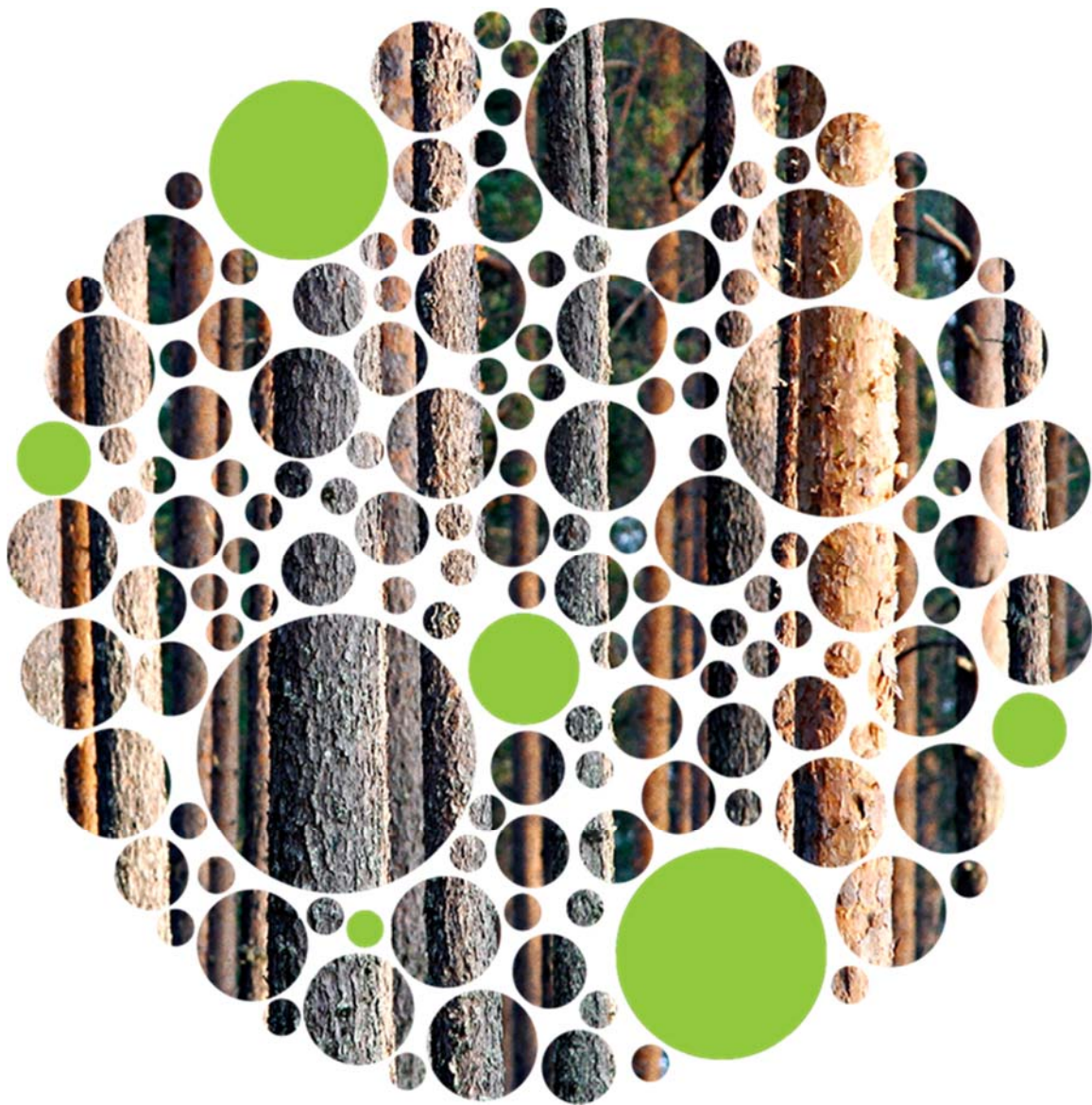




**METSÄ GROUP
INTERIM REPORT**

JANUARY–SEPTEMBER 2015



METSÄ GROUP'S OPERATING RESULT FOR JANUARY–SEPTEMBER 2015 EXCLUDING NON-RECURRING ITEMS WAS EUR 415 MILLION

RESULT FOR JANUARY–SEPTEMBER

- Sales were EUR 3,811 million (1–9/2014: EUR 3,723 million).
- Operating result excluding non-recurring items was EUR 415 million (301). Operating result including non-recurring items was EUR 414 million (333).
- Result before taxes excluding non-recurring items was EUR 358 million (238). Result before taxes including non-recurring items was EUR 355 million (262).
- Return on capital employed excluding non-recurring items was 14.2 per cent (11.1).
- Cash flow from operations was EUR 626 million (374).

RESULT FOR JULY–SEPTEMBER

- Sales were EUR 1,225 million (7–9/2014: EUR 1,204 million).
- Operating result excluding non-recurring items was EUR 149 million (104). Operating result including non-recurring items was EUR 142 million (103).
- Result before taxes excluding non-recurring items was EUR 128 million (81). Result before taxes including non-recurring items was EUR 121 million (79).
- Return on capital employed excluding non-recurring items was 14.6 per cent (10.7).
- Cash flow from operations was EUR 293 million (180).

EVENTS DURING THE THIRD QUARTER

- The construction of Metsä Fibre's bioproduct mill in Äänekoski progressed according to plan.
- Paperboard deliveries to Europe and America grew. Paperboard price levels were stable.
- The production of coated paper ended at the Husum mill.
- Metsä Tissue strengthened its tissue paper upgrading capacity at the Krapkowiec mill in Poland. Production on the new upgrading line will begin at the end of this year.
- Metsä Wood announced that it will adjust production at its pine and spruce sawmills in Finland.

EVENTS AFTER THE REVIEW PERIOD

- The sale of the entire share capital of Metsä Wood's French timber upgrading company Metsä Wood France SAS to mutares AG was completed on 5 October 2015.
- Metsä Board will continue the development of paperboards and invests approximately EUR 38 million in its own extrusion coating line and related changes in infrastructure at the Husum mill in Sweden.
- The foundation stone of Metsä Fibre's bioproduct mill in Äänekoski was laid on 12 October 2015.

NEAR-TERM OUTLOOK

- Metsä Group's operating result excluding non-recurring items in the last quarter of 2015 is expected to decline compared to the third quarter of 2015. The operating result is weakened by the shutdown of the Husum integrated mill related to the investment programme, and maintenance shutdowns at pulp mills.

"Metsä Group's profit-making ability continues to be strong. The operating result for the third quarter excluding non-recurring items improved slightly from the previous quarter and was considerably better than in the corresponding period last year. Our cash flow was strong during the third quarter.

The demand for our main products was at a good level during the third quarter, except for sawn timber, and no significant changes took place in average prices. Our profitability, on the other hand, was burdened by a demonstration against the actions of the Finnish government, which affected the forest industry particularly strongly. Operational reliability has become a significant factor in considering new investments.

I am satisfied that the bioeconomy has risen to the centre of discussion in Finland and the role of forests as the most important natural resource of our country is beginning to regain the value it deserves. Finland needs bold action and new ideas to rise out of the current uncertain economic situation and reverse the general negative trend. Metsä Group's Äänekoski bioproduct mill will respond to this challenge in a significant way. We laid the foundation stone of the bioproduct mill in October, and we are determinedly progressing towards the autumn of 2017, when the mill will begin operations. The investment programme at the Husum mill in Sweden is also progressing well. Towards the

end of the year, a new folding boxboard machine will be installed and two paper machines will be closed. The measures taken by the Finnish government to resolve the country's competitiveness issue have been correct and inevitable from the export industry's point of

view. The overall economic situation continues to be challenging. Expensive demonstrations make the situation even more difficult."

Kari Jordan, President & CEO

KEY FIGURES

Income statement, EUR million	2015	2014	2015	2014	2014
	1–9	1–9	7–9	7–9	1–12
Sales	3 810.6	3 722.8	1 225.2	1 203.6	4 970.3
Other operating income	78.8	141.2	10.6	16.9	170.3
Operating expenses	-3 277.5	-3 342.3	-1 032.4	-1 054.5	-4 447.5
Depreciation and impairment losses	-197.9	-188.9	-61.4	-63.1	-276.2
Operating result	413.9	332.7	142.0	102.9	416.9
Share of results from associated companies and joint ventures	8.5	14.5	-0.8	-0.9	16.4
Exchange gains and losses	-3.8	-1.2	-0.6	-0.0	2.7
Other net financial items	-63.7	-83.7	-20.0	-22.6	-106.1
Result before income tax	355.0	262.3	120.7	79.4	329.9
Income tax	-91.4	-58.6	-38.4	-17.4	-69.7
Result for the period	263.6	203.7	82.3	62.0	260.3

Profitability	2015	2014	2015	2014	2014
	1–9	1–9	7–9	7–9	1–12
Operating result, EUR million	413.9	332.7	142.0	102.9	416.9
- " -, excluding non-recurring items	414.7	300.9	149.0	104.3	418.1
- " -, % of sales	10.9	8.1	12.2	8.7	8.4
Return on capital employed, %	14.2	12.0	13.9	10.6	11.1
- " -, excluding non-recurring items	14.2	11.1	14.6	10.7	11.4
Return on equity, %	16.0	13.6	14.2	12.4	13.0
- " -, excluding non-recurring items	16.2	12.0	15.4	12.6	13.4

Financial position	2015	2014	2015	2014	2014
	30.9.	30.9.	30.6.	30.6.	31.12.
Equity ratio, %	42.7	38.5	41.9	37.9	37.9
Net gearing ratio, %	29	62	34	70	46
Interest-bearing net liabilities, EUR million	682	1 258	779	1 389	938

SEGMENTS

Sales and Operating result	Wood Supply	Wood	Pulp	Paperboard	Tissue and
1–9/2015, EUR million	and Forest	Products	Industry	Industry	Cooking
	Services	Industry			Papers
Sales	1 153.2	664.3	1 071.1	1 545.3	751.9
Other operating income	6.2	4.4	12.9	37.8	2.9
Operating expenses	-1 134.0	-643.7	-778.0	-1 339.7	-706.4
Depreciation and impairment losses	-2.7	-23.6	-49.3	-78.5	-30.8
Operating result	22.7	1.4	256.7	164.9	17.7
Non-recurring items	-	22.5	-	-20.1	18.9
Operating result excluding non-recurring items	22.7	23.9	256.7	144.8	36.6
- " -, % of sales	2.0	3.6	24.0	9.4	4.9

Metsä Group is a responsible forest industry group whose products' main raw material is renewable wood from sustainably managed northern forests. Metsä Group focuses on tissue and cooking papers, fresh forest fibre paperboards, pulp, wood products, and wood supply and forest services. Its high-quality products combine renewable raw materials, customer-orientation, sustainable development and innovation. Metsä Group's sales totalled EUR 5 billion in 2014, and it employs approximately 9,800 people. The Group operates in some 30 countries. Metsäliitto Cooperative is the parent company of Metsä Group, and it is owned by approximately 120,000 Finnish forest owners.

THE INTERIM REPORT IS UNAUDITED**INTERIM REPORT 1 JANUARY–30 SEPTEMBER 2015****SALES AND RESULT**

Metsä Group's sales in January–September 2015 totalled EUR 3,810.6 million (1–9/2014: EUR 3,722.8 million).

Operating result excluding non-recurring items was EUR 414.7 million (300.9), or 10.9 per cent of sales (8.1). The operating result improved compared to the previous year due to the increase in the delivery volumes of pulp, folding boxboard and white fresh forest fibre linerboard and the weakening of the euro against the main export currencies, in particular the US dollar. Currency hedges decreased the positive impact of exchange rates.

Sales for the third quarter of the year totalled EUR 1,225.2 million, whereas the sales for the corresponding period last year were EUR 1,203.6 million. Operating result excluding non-recurring items was EUR 149.0 million (7–9/2014: 104.3).

Non-recurring items included in Metsä Group's operating result were EUR -0.8 million net in January–September (1–9/2014: +31.9). The largest positive items were the sales gain of EUR 20.8 million from Finsilva Oyj's shares and the sales gain of EUR 17.5 million from the Gohrsmühle mill. Non-recurring expenses totalling EUR 22.5 million were recognised on the divestment of Metsä Wood France SAS completed in October. Metsä Tissue recognised a total of EUR 17.1 million of cost provisions and write-offs related to the operations in Russia and the efficiency programme in the German napkin business.

Operating result including non-recurring items was EUR 413.9 million (332.7). The share of the results of associated companies and joint ventures was EUR 8.5 million (14.5), financial income was EUR 4.2 million (6.7), exchange gains/losses on financial items totalled EUR -3.8 million (-1.2) and financial expenses amounted to EUR 67.8 million (90.4).

An impairment of EUR -2.3 million has been recognised in the financial expenses as a non-recurring item associated with Metsä Group's share in the shareholder loan granted to Pohjolan Voima in the OL4 project. The investments made in the project have been written off in full. The financial expenses in the comparison period include a non-recurring item of EUR 7.6 million related to the damages paid to UPM-Kymmene Corporation and an expense of approximately EUR 6 million related to the early repayment of Metsä Board's loans.

The result before taxes was EUR 355.0 million (262.3), and taxes, including changes in deferred tax liabilities, totalled EUR 91.4 million (58.6). Metsä Board recorded approximately EUR 15 million of income taxes in its result for the third quarter related to 2014 and the first

half of 2015. Metsä Group's net result for the review period was EUR 263.6 million (203.7).

Excluding non-recurring items, Metsä Group's return on capital employed was 14.2 per cent (11.1) and the return on equity was 16.2 per cent (12.0). Including non-recurring items, the return on capital employed was 14.2 per cent (12.0) and the return on equity was 16.0 per cent (13.6).

BALANCE SHEET AND FINANCING

Metsä Group's liquidity is strong. Total liquidity at the end of September was EUR 1,816.4 million (31 December 2014: 1,725.0). This consisted of EUR 1,009.4 million (947.9) of liquid assets and investments and EUR 807.0 million (777.1) of off-balance sheet committed credit facility agreements. In addition, the Group has EUR 975.0 million in off-balance sheet committed credit facility agreements related to the bioproduct mill investment in Äänekoski.

The Group's liquidity reserve is complemented by uncommitted commercial paper programmes and credit facilities amounting to EUR 161.5 million (31 December 2014: 173.3).

The Group's equity ratio at the end of September was 42.7 per cent and the net gearing ratio was 29 per cent (31 December 2014: 37.9 per cent and 46 per cent, respectively). Interest-bearing net liabilities were EUR 682.4 million (31 December 2014: 938.2).

Cash flow from operations amounted to EUR 626.3 million (1–9/2014: 373.8). During January–September, EUR 53.8 million was released from working capital (30.6 tied up).

The equity ratio of the parent company Metsäliitto Cooperative was 67.8 per cent at the end of September and net gearing ratio was 4 per cent (31 December 2014: 63.0 per cent and 12 per cent, respectively).

In January–September, Metsäliitto Cooperative's members' capital increased by a total of EUR 39.8 million (1–9/2014: 55.0). The actual members' capital was on a par with the beginning of the year (growth of 2.4), the additional members' capital A increased by EUR 27.9 million (36.1), and the additional members' capital B by EUR 11.9 million (16.5).

PERSONNEL

In January–September, Metsä Group had an average of 10,280 employees (10,880). At the end of the review period, the Group employed 9,824 people (31 December 2014: 10,410), of whom 5,175 (5,131) were based in Finland and 4,649 (5,279) were based abroad.

Metsäliitto Cooperative employed 2,493 people at the end of September (31 December 2014: 2,471).

MEMBERS

At the end of September, Metsäliitto Cooperative had 119,810 members (31 December 2014: 121,941). During January–September, 2,657 new members joined the Cooperative, and 4,788 members cancelled their membership.

INVESTMENTS

Metsä Group's capital expenditure in January–September totalled EUR 295.6 million (96.0).

BUSINESS DEVELOPMENT

Äänekoski bioproduct mill

On April 2015, Metsä Fibre announced plans to build a bioproduct mill costing approximately EUR 1.2 billion in Äänekoski to replace the existing pulp mill. The mill's annual pulp capacity is approximately 1.3 million tonnes, which is around 800,000 tonnes higher than the current pulp production at the Äänekoski mill.

The construction project of the bioproduct mill has progressed on schedule and has reached the excavation and foundation stage according to plan. The foundation stone of the mill was laid on 12 October 2015. The bioproduct mill construction site currently employs around 400 people, mainly in piling, dredging, bridge construction and railway work. The mill will begin to rise rapidly towards the end of the year in the prefabricated element installation phase, and installing the equipment will begin early next year.

Husum mill

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 installation of the new paperboard machine began in October 2015. The machine has an annual production capacity of around 400,000 tonnes, and it will begin operations in January 2016. It is expected to reach full production capacity by the end of 2016.

In addition to the Husum mill's chemical pulp capacity, the folding boxboard production will use the high-yield pulp production of the Kaskinen mill almost in full, starting from 2016.

In 2013, Metsä Board launched the production of uncoated fully bleached fresh forest fibre linerboards at the Husum mill and expanded the production to coated grades in 2014. The objective is to grow the linerboard production at Husum to nearly 300,000 tonnes by 2018.

The production of coated paper was discontinued at the Husum mill during the third quarter. The production of uncoated fine paper will end no later than the end of 2017.

BUSINESS AREAS

Wood supply and forest services

Metsä Forest's sales in January–September were EUR 1,153.2 million (1–9/2014: 1,177.5) and operating result excluding non-recurring items was EUR 22.7 million (20.1). After slowing down during the summer, the wood trade picked up during the third quarter but fell slightly short of previous years. The market situation for energy wood continued to be difficult throughout the Baltic Sea region. Amendments to the Kemera sustainable forestry subsidies had a negative effect on the realisation of forest management work.

Metsä Forest's sales in the third quarter were EUR 348.0 million (7–9/2014: 363.2) and operating result excluding non-recurring items was EUR 7.0 million (4.5).

Metsä Forest bought all timber grades through both standing and delivery sales throughout the country during the review period. Purchasing of forest energy continued to focus on crown wood. Demand focused on stands for summer harvesting as well as logs during the third quarter. Sales of forestry services continued to grow favourably.

Harvesting conditions in the Baltic countries and Russia were good, and the supply of all timber grades was abundant. In Sweden, the high supply of pulpwood in particular continued, exceeding demand in parts of the country.

Wood was harvested in Finland as targeted, and deliveries to production units were carried out according to plan. In January–September, Metsä Forest delivered a total of 22.8 million cubic metres of wood (22.5).

The electronic wood trade and sales of forest management services launched in June have been well received. The Metsäverkko Internet service was opened to all members in June.

Wood products industry

Metsä Wood's sales in January–September totalled EUR 664.3 million (1–9/2014: 681.0). The operating result excluding non-recurring items was EUR 23.9 million (29.2). Metsä Wood recognised a total of EUR 22.5 million of non-recurring expenses in January–September, with the most important expense being the EUR 22.3 million recognised on the divestment of Metsä Wood France SAS's share capital.

Delivery volumes grew from the comparison period in the previous year due to increased deliveries of sawn timber. The profitability of sawing operations weakened as a result of the lower delivery prices. In the sawn

timber market, oversupply continued, except for heartwood grades of pine sawn timber. The volume of sawing operations was adjusted in September due to market imbalance.

The sales of upgraded sawn timber products continued to be stable in Great Britain, but the market situation continued to be weak in France.

In construction and industrial products, the delivery prices were higher compared to the corresponding period in the previous year.

Metsä Wood's sales in the third quarter were EUR 212.0 million (7–9/2014: 207.3) and operating result excluding non-recurring items was EUR 5.9 million (6.2).

The sales of sawn timber increased from the comparison period in the previous year due to higher delivery volumes. The sales of construction and industrial products also increased during the third quarter. The delivery volumes of Kerto® products decreased, while the delivery volumes of plywood increased. The market balance of construction panels was satisfactory in Europe during the third quarter.

Metsäliitto Cooperative reached an understanding with mutares AG on the divestment of the entire share capital of Metsä Wood France SAS. The divestment was completed on 5 October 2015, and Metsä Wood's upgrading and distribution operations in France were discontinued. Metsä Wood's sales operations for sawn timber, plywood and Kerto® products will continue in France.

Pulp industry

Metsä Fibre's sales in January–September totalled EUR 1,071.1 million (1–9/2014: 958.6). The operating result excluding non-recurring items was EUR 256.7 million (143.1). The result improved primarily due to the US dollar strengthening by approximately 18 per cent against the euro. Increased sales volumes and lower variable and fixed costs also had a positive effect on the operating result.

The sales volume of pulp was 1,736,000 tonnes, which is approximately 4 per cent more than in the comparison period the previous year (1,677,000). The currency-denominated market prices of softwood pulp decreased by 6 per cent compared to the corresponding period in the previous year. The currency-denominated market prices of hardwood pulp increased by 4 per cent.

The price of softwood pulp in Europe was USD 932 per tonne at the beginning of January and USD 839 at the end of the period under review. The decrease in the price of softwood pulp was influenced by the strengthening of the US dollar against the currencies of several producer countries. The prices of hardwood pulp were USD 742 and USD 810, respectively. The price of hardwood pulp has increased due to the supply being lower and demand higher than expected.

Metsä Fibre's sales for the third quarter were EUR 349.6 million (7–9/2014: 303.8) and operating result excluding non-recurring items was EUR 85.5 million (51.8).

The production volume of Metsä Fibre's pulp mills was as planned, except for production losses caused by the demonstration on 18 September. In addition to the annual maintenance of the Kemi mill, part of the annual maintenance shutdown in Rauma, in which the odorous gas boiler was replaced, took place during the third quarter. The investment will increase the mill's capacity for treating odorous gases, thereby mini-mising odorous emissions in exceptional situations.

Paperboard industry

Metsä Board's sales amounted to EUR 1,545.3 million (1–9/2014: 1,509.0) and operating result excluding non-recurring items was EUR 144.8 million (99.6).

Compared to 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 non-recurring items recognised in the operating result totalled EUR +20.1 million (10.2), of which the most significant items were the sales gain of EUR 17.5 million related to the divestment of the Gohrsmühle mill in Germany and EUR 2.6 million related to the cancellation of the provisions made on the closure of the Alizay mill.

Metsä Board's sales in the third quarter were EUR 497.6 million (7–9/2014: 513.8) and operating result excluding non-recurring items was EUR 54.6 million (35.2).

The combined delivery volume of Metsä Board's folding boxboard and fresh forest fibre linerboard in January–September was 1,049,000 tonnes (941,000), which represents an increase of 11 per cent. The delivery volume of paper amounted to 412,000 tonnes (478,000).

Excluding non-recurring items, Metsä Board's return on capital employed was 12.1 per cent (8.9), and earnings per share were EUR 0.27 (0.16).

Metsä Board's equity ratio at the end of September was 45.6 per cent and the net gearing ratio was 34 per cent (31 December 2014: 39.2 per cent and 51 per cent, respectively).

After the end of the review period, Metsä Board announced that it will continue the development of paperboard products and invest approximately EUR 38 million in its own extrusion coating line and related changes in infrastructure at the Husum mill. The investment will be realised at the beginning of 2017, and it will allow expanding the product portfolio to end uses in the food and food service segment, which require barrier properties from paperboard due to the requirements for

withstanding fat and moisture. The annual coating capacity of the new production line is approximately 100,000 tonnes.

Metsä Board's interim report was published on 5 November 2015.

Tissue and cooking papers

Metsä Tissue's sales in January–September totalled EUR 751.9 million (1–9/2014: 755.2). The weakening of the Swedish krona and Norwegian krone against the euro and the shutdown of the operations in Russia decreased the sales from the comparison period in the previous year.

The production of tissue paper at the Vorsino mill in Russia was discontinued at the end of June. The upgrading lines of the mill were transferred to Metsä Tissue's Kreuzau and Krapkowice mills, and the aim is for the lines to be in production by the end of 2015.

The operating result excluding non-recurring items was EUR 36.6 million (41.0). Compared to the previous year, Metsä Tissue's profitability has weakened as a result of increased pulp prices due to the strengthening of the US dollar and increases in the price of recycled fibre.

Metsä Tissue recognised a total of EUR 17.1 million of cost provisions and write-offs related to the operations in Russia and the efficiency programme in the German napkin business.

Sales in the third quarter of the year amounted to EUR 249.2 million (7–9/2014: 252.4) and operating result excluding non-recurring items was EUR 13.2 million (19.6).

Serla launched a new thicker and softer grade of yellow toilet paper in the Finnish market in August. The paper is made entirely from recycled fibre. Serla also launched forest scented handkerchiefs and the new winter forest pattern in kitchen towels in Finland. A new 10-metre packaging size of SAGA baking paper was launched in the Finnish market for the needs of smaller families and those who bake less frequently.

Lambi is celebrating its 50th anniversary this year, and diverse marketing activities have been arranged to mark the anniversary.

RISKS AND UNCERTAINTIES

The estimates and statements in this interim report are based on current plans and estimates. They involve risks and uncertainties that may cause the results to differ from those expressed in such statements. In the short term, the price of and demand for end products, raw material costs, energy prices and the exchange rate development of the euro have an effect on the results of Metsä Group.

The sanctions issued by the EU and Russia, and by USA and Russia, due to the crisis in Ukraine have not had a direct impact on Metsä Group's operations thus far. However, the sanctions have an indirect impact on the demand of Metsä Group's products, for example through the development of exchange rates. For the time being, the economic impact of the sanctions on Metsä Group has been minor. Any additional sanctions could have a negative impact on the scope and result of Metsä Group's operations.

The risks related to the Group's business have been explained more extensively in Metsä Group's Financial Statements for 2014.

PENDING DISPUTES

In March 2011, the state enterprise Metsähallitus filed a claim for damages at the District Court of Helsinki, demanding that Metsäliitto Cooperative and two other forest industry companies jointly pay compensation for alleged damage caused by prohibited cooperation with regard to prices in the raw wood market. The claim is related to the 3 December 2009 decision by the Market Court which states that the aforementioned companies have violated the act on competition restrictions in the raw wood market. In addition, some municipalities, parishes and a group of individuals in Finland have instituted similar proceedings. The total amount of all claims that Metsäliitto Cooperative is aware of and that were directed at Metsäliitto Cooperative and the other aforementioned companies jointly is approximately EUR 202 million, of which approximately EUR 65 million is directed at Metsäliitto Cooperative alone. The aforementioned proceedings are associated with interest, value added tax claims and legal process expenses. In addition to the aforementioned claims, new claims for damages have been filed by private individuals and entities in January 2015, the amounts of which are not yet known by Metsäliitto. Metsäliitto Cooperative's view is that the claims for damages are unfounded, and the company has not recognised any provisions regarding them.

In May 2014, Metsäliitto Cooperative and Metsä Board demanded the District Court of Helsinki to revoke the judgment issued by the Arbitral Tribunal on 11 February 2014 that ordered Metsäliitto Cooperative and Metsä Board to pay a total of EUR 67 million in damages to UPM-Kymmene Corporation. In the judgment issued in June 2015, the District Court rejected the demands by Metsäliitto Cooperative and Metsä Board. Metsäliitto Cooperative and Metsä Board have appealed the District Court's judgment at the Court of Appeal.

NEAR-TERM OUTLOOK

Demand for stands harvested when the ground is unfrozen and crown wood will continue to be stable. The growth in the sales of forest management services is expected to continue.

Sales in the Wood Products Industry are expected to decrease slightly in the fourth quarter compared to the corresponding period of the previous year. In sawn timber, competition will continue to be intense due to oversupply, and Metsä Wood will continue to implement production curtailments during October–December. The demand for other wood products remain stable.

The global demand for softwood pulp is expected to continue its moderate growth. The utilisation rates of Metsä Fibre's mills are expected to remain at the level of the third quarter during the last quarter.

Delivery volumes and prices of paperboards are expected to be on a par with the previous quarter during the last quarter. Metsä Board has announced that it will increase the price of folding boxboard in Europe as of 1 December 2015.

The production shutdown connected with the installation of the new paperboard machine in Husum will impair Metsä Board's operating result for the fourth quarter by approximately EUR 12 million.

In the tissue paper market, demand is expected to continue to be stable in all market areas and to grow in eastern Central Europe, in particular.

Metsä Group's operating result excluding non-recurring items in the last quarter of 2015 is expected to decline compared to the third quarter of 2015. The operating result is weakened by the shutdown of the Husum integrated mill related to the investment programme, and maintenance shutdowns at Pulp Industry.

Espoo, Finland, 5 November 2015

BOARD OF DIRECTORS

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Metsä Group will publish its financial reports in 2016 as follows:

3 February 2016: Financial statements for 2015

3 May 2016: Interim report for January–March 2016

4 August 2016: Interim report for January–June 2016

2 November 2016: Interim report for January–September 2016

SEGMENTS

	2015	2014	2015	2014	2014
	1–9	1–9	7–9	7–9	1–12
Wood Supply and Forest Services					
Sales, EUR million	1 153.2	1 177.5	348.0	363.2	1 575.0
EBITDA, EUR million	25.4	20.9	7.9	5.2	29.7
- " - excl. non-rec. items, EUR million	25.4	22.4	7.9	5.2	31.2
Depreciation and impairment, EUR million	-2.7	-2.3	-0.9	-0.8	-3.0
Operating result, EUR million	22.7	18.6	7.0	4.5	26.7
- " - excl. non-rec. items, EUR million	22.7	20.1	7.0	4.5	28.2
- " -, % of sales	2.0	1.7	2.0	1.2	1.8
ROCE excl. non-rec. items, %	24.7	20.4	21.6	13.0	24.7
Capital expenditure, EUR million	4.3	3.9	1.0	1.4	4.8
Personnel at end of period	906	900	906	900	887

	2015	2014	2015	2014	2014
	1–9	1–9	7–9	7–9	1–12
Wood Products Industry					
Sales, EUR million	664.3	681.0	212.0	207.3	896.9
EBITDA, EUR million	25.0	50.4	12.4	13.5	64.5
- " - excl. non-rec. items, EUR million	44.2	50.4	12.6	13.4	66.2
Depreciation and impairment, EUR million	-23.6	-22.1	-6.7	-7.2	-30.4
Operating result, EUR million	1.4	28.4	5.7	6.3	34.1
- " - excl. non-rec. items, EUR million	23.9	29.2	5.9	6.2	37.2
- " -, % of sales	3.6	4.3	2.8	3.0	4.2
ROCE excl. non-rec. items, %	10.4	11.9	7.7	7.9	11.3
Capital expenditure, EUR million	12.5	11.3	6.8	3.8	13.7
Personnel at end of period	2 169	2 331	2 169	2 331	2 249

	2015	2014	2015	2014	2014
	1–9	1–9	7–9	7–9	1–12
Pulp Industry					
Sales, EUR million	1 071.1	958.6	349.6	303.8	1 295.7
EBITDA, EUR million	306.0	211.0	99.3	66.4	289.9
- " - excl. non-rec. items, EUR million	306.0	190.7	99.3	66.4	269.5
Depreciation and impairment, EUR million	-49.3	-47.6	-13.8	-14.6	-62.0
Operating result, EUR million	256.7	163.4	85.5	51.8	227.9
- " - excl. non-rec. items, EUR million	256.7	143.1	85.5	51.8	207.5
- " -, % of sales	24.0	14.9	24.5	17.0	16.0
ROCE excl. non-rec. items, %	45.4	28.1	44.1	31.1	29.8
Capital expenditure, EUR million	140.6	18.8	93.2	8.6	26.0
Personnel at end of period	860	864	860	864	842

	2015	2014	2015	2014	2014
	1–9	1–9	7–9	7–9	1–12
Paperboard Industry					
Sales, EUR million	1 545.3	1 509.0	497.6	513.8	2 008.4
EBITDA, EUR million	243.4	185.8	80.8	60.7	242.2
- " - excl. non-rec. items, EUR million	223.6	175.6	80.8	61.8	236.2
Depreciation and impairment, EUR million	-78.5	-76.0	-26.3	-26.6	-125.6
Operating result, EUR million	164.9	109.8	54.6	34.1	116.5
- " - excl. non-rec. items, EUR million	144.8	99.6	54.6	35.2	136.5
- " -, % of sales	9.4	6.6	11.0	6.9	6.8
ROCE excl. non-rec. items, %	12.1	8.9	13.0	9.2	9.1
Capital expenditure, EUR million	117.0	26.0	44.8	7.3	44.2
Personnel at end of period	2 642	3 164	2 642	3 164	3 111

	2015	2014	2015	2014	2014
Tissue and Cooking Papers	1–9	1–9	7–9	7–9	1–12
Sales, EUR million	751.9	755.2	249.2	252.4	1 012.8
EBITDA, EUR million	48.5	69.4	15.9	28.9	100.5
- " - excl. non-rec. items, EUR million	65.3	69.8	22.9	29.3	100.9
Depreciation and impairment, EUR million	-30.8	-28.7	-9.4	-9.7	-38.7
Operating result, EUR million	17.7	40.7	6.5	19.2	61.8
- " - excl. non-rec. items, EUR million	36.6	41.0	13.2	19.6	62.2
- " -, % of sales	4.9	5.4	5.3	7.7	6.1
ROCE excl. non-rec. items, %	7.4	8.2	7.8	11.5	9.3
Capital expenditure, EUR million	11.7	24.4	4.5	8.0	38.0
Personnel at end of period	2 762	2 833	2 762	2 833	2 805

	2015	2014	2015	2014	2014
Other operations	1–9	1–9	7–9	7–9	1–12
Sales, EUR million	3.6	7.2	0.8	2.3	9.6
EBITDA, EUR million	59.0	-34.4	4.7	3.9	-38.6
- " - excl. non-rec. items, EUR million	7.9	7.4	4.7	3.9	4.1
Depreciation and impairment, EUR million	-1.5	-1.6	-0.5	-0.5	-2.2
Operating result, EUR million	57.4	-36.1	4.2	3.4	-40.7
- " - excl. non-rec. items, EUR million	6.3	5.8	4.2	3.4	1.9
Capital expenditure, EUR million	8.3	13.8	2.9	3.7	18.0
Personnel at end of period	485	499	485	499	516

Other operations include the Metsä Group head office functions, the company Metsä Group Treasury Oy and the holding function of Metsäliitto Cooperative as well as a share of Metsätapiola's real estates.

	2015	2014	2015	2014	2014
Internal sales and eliminations	1–9	1–9	7–9	7–9	1–12
Sales, EUR million	-1 378.7	-1 365.7	-432.0	-439.3	-1 828.1
EBITDA, EUR million	-95.4	18.5	-17.7	-12.7	4.9
- " - excl. non-rec. items, EUR million	-64.8	-27.4	-17.7	-12.7	-41.0
Depreciation and impairment, EUR million	-11.5	-10.6	-3.8	-3.7	-14.4
Operating result, EUR million	-106.9	7.9	-21.5	-16.4	-9.5
- " - excl. non-rec. items, EUR million	-76.3	-38.0	-21.5	-16.4	-55.4

	2015	2014	2015	2014	2014
Metsä Group	1–9	1–9	7–9	7–9	1–12
Sales, EUR million	3 810.6	3 722.8	1 225.2	1 203.6	4 970.3
EBITDA, EUR million	611.8	521.6	203.4	166.0	693.1
- " - excl. non-rec. items, EUR million	607.7	488.9	210.6	167.3	667.1
Depreciation and impairment, EUR million	-197.9	-188.9	-61.4	-63.1	-276.2
Operating result, EUR million	413.9	332.7	142.0	102.9	416.9
- " - excl. non-rec. items, EUR million	414.7	300.9	149.0	104.3	418.1
- " -, % of sales	10.9	8.1	12.2	8.7	8.4
ROCE excl. non-rec. items, %	14.2	11.1	14.6	10.7	11.4
Capital expenditure, EUR million	295.6	96.0	155.4	31.1	143.0
Personnel at end of period	9 824	10 590	9 824	10 590	10 410

EBITDA = Operating result before depreciation and impairment losses

ROCE = Return on capital employed

QUARTERLY DATA

EUR million	2015 7–9	2015 4–6	2015 1–3	2014 10–12	2014 7–9	2014 4–6	2014 1–3
Sales							
Wood Supply and Forest Services	348.0	393.5	411.8	397.5	363.2	379.5	434.9
Wood Products Industry	212.0	242.8	209.4	215.9	207.3	251.8	221.9
Pulp Industry	349.6	391.1	330.4	337.1	303.8	325.8	329.0
Paperboard Industry	497.6	522.0	525.7	499.4	513.8	494.0	501.2
Tissue and Cooking Papers	249.2	249.0	253.7	257.6	252.4	250.2	252.6
Other operations	0.8	0.9	1.9	2.4	2.3	2.7	2.3
Internal sales	-432.0	-469.1	-477.7	-462.4	-439.3	-438.9	-487.5
Sales total	1 225.2	1 330.2	1 255.1	1 247.5	1 203.6	1 264.9	1 254.3
Operating result							
Wood Supply and Forest Services	7.0	6.9	8.7	8.1	4.5	5.5	8.6
Wood Products Industry	5.7	-12.2	7.9	5.8	6.3	14.4	7.7
Pulp Industry	85.5	92.5	78.7	64.5	51.8	56.7	54.9
Paperboard Industry	54.6	67.2	43.1	6.7	34.1	32.2	43.5
Tissue and Cooking Papers	6.5	6.1	5.1	21.1	19.2	9.7	11.8
Other operations	4.2	53.9	-0.6	-4.7	3.4	3.7	-43.2
Eliminations	-21.5	-60.4	-25.0	-17.4	-16.4	38.0	-13.7
Operating result total	142.0	154.0	117.8	84.1	102.9	160.2	69.7
-%, % of sales	11.6	11.6	9.4	6.7	8.5	12.7	5.6
Share of results from associated companies and joint ventures	-0.8	3.2	6.1	1.9	-0.9	7.9	7.4
Exchange gains and losses	-0.6	-6.7	3.5	3.9	-0.0	0.9	-2.1
Other net financial items	-20.0	-22.4	-21.3	-22.4	-22.6	-23.3	-37.8
Result before income tax	120.7	128.2	106.1	67.6	79.4	145.7	37.2
Income tax	-38.4	-35.5	-17.5	-11.1	-17.4	-35.8	-5.4
Result for the period	82.3	92.7	88.6	56.5	62.0	109.9	31.8
Operating result excl. non-rec. items							
Wood Supply and Forest Services	7.0	6.9	8.7	8.1	4.5	7.0	8.6
Wood Products Industry	5.9	10.2	7.9	8.0	6.2	14.4	8.6
Pulp Industry	85.5	92.5	78.7	64.5	51.8	36.3	54.9
Paperboard Industry	54.6	47.0	43.2	36.9	35.2	28.3	36.1
Tissue and Cooking Papers	13.2	7.6	15.8	21.1	19.6	9.7	11.8
Other operations and eliminations	-17.3	-27.0	-25.7	-21.2	-13.0	-4.2	-15.0
Operating result total	149.0	137.1	128.6	117.3	104.3	91.5	105.1
-%, % of sales	12.2	10.3	10.2	9.4	8.7	7.2	8.4

CALCULATION OF KEY RATIOS

Return on capital employed (%) ROCE	=	(Result before tax + exchange gains/losses and other net financial expenses) per (Balance total – non-interest-bearing liabilities) (average))
Return on equity (%) ROE	=	(Result before tax – income tax) per (Members' funds (average))
Equity ratio (%)	=	(Members' funds) per (Balance total – advance payments received)
Net gearing ratio (%)	=	(Interest-bearing borrowings – cash and cash equivalents - interest-bearing receivables per (Members' funds))

FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	Note	2015 1–9	2014 1–9	Change	2015 7–9	2014 7–9	2014 1–12
Sales	2	3 810.6	3 722.8	87.8	1 225.2	1 203.6	4 970.3
Change in stocks of finished goods and work in progress		-14.8	9.5	-24.3	-8.5	10.2	17.7
Other operating income		78.8	141.2	-62.4	10.6	16.9	170.3
Material and services		-2 466.0	-2 502.7	36.8	-777.0	-809.0	-3 329.6
Employee costs		-516.3	-518.4	2.1	-163.1	-169.7	-699.0
Depreciation and impairment losses		-197.9	-188.9	-9.1	-61.4	-63.1	-276.2
Other operating expenses		-280.5	-330.7	50.2	-83.8	-86.0	-436.7
Operating result	2	413.9	332.7	81.2	142.0	102.9	416.9
Share of results from associated companies and joint ventures		8.5	14.5	-6.0	-0.8	-0.9	16.4
Exchange gains and losses		-3.8	-1.2	-2.5	-0.6	-0.0	2.7
Other net financial items	2	-63.7	-83.7	20.0	-20.0	-22.6	-106.1
Result before income tax		355.0	262.3	92.7	120.7	79.4	329.9
Income tax	3	-91.4	-58.6	-32.8	-38.4	-17.4	-69.7
Result for the period		263.6	203.7	59.8	82.3	62.0	260.3
Other comprehensive income							
Items that will not be reclassified to profit and loss							
Items relating to adjustments of defined benefit plans		7.6	-34.5	42.0	-2.2	-14.4	-44.7
Income tax relating to items that will not be reclassified		-2.4	8.7	-11.2	0.6	3.4	11.9
Total		5.1	-25.7	30.9	-1.7	-11.0	-32.7
Items that may be reclassified subsequently to profit and loss							
Cash flow hedges		8.9	-11.7	20.7	-12.2	-4.2	-19.7
Available for sale financial assets	8	-5.9	-49.9	44.0	-11.0	14.3	-43.6
Currency translation differences		5.1	-16.8	21.9	-13.9	-1.3	-43.3
Share of comprehensive income of joint venture		-0.1	0.0	-0.1	-0.9	0.0	-4.4
Other items		0.4	0.2	0.2	0.2	0.2	0.3
Income tax relating to items that may be reclassified		-1.7	15.7	-17.4	2.2	-1.9	15.3
Total		6.8	-62.5	69.3	-35.7	7.1	-95.4
Other comprehensive income, net of tax		11.9	-88.3	100.2	-37.4	-4.0	-128.2
Total comprehensive income for the period		275.5	115.5	160.0	44.9	58.0	132.1
Result for the period attributable to:							
Members of parent company		155.1	116.1	39.0	51.4	40.6	156.5
Non-controlling interests		108.5	87.7	20.8	30.9	21.4	103.8
Total		263.6	203.7	59.8	82.3	62.0	260.3
Total comprehensive income attributable							
Members of parent company		162.9	68.6	94.3	27.6	36.8	82.4
Non-controlling interests		112.6	46.9	65.7	17.3	21.2	49.7
Total		275.5	115.5	160.0	44.9	58.0	132.1

The notes are an integral part of this Interim Report.

UNAUDITED CONSOLIDATED BALANCE SHEET

EUR million	Note	2015 30.9.	2014 30.9.	2014 31.12.
ASSETS				
Non-current assets				
Goodwill		520,0	523.8	520.3
Other intangible assets		234,3	244.1	240.8
Tangible assets	4	1 917,1	1 895.0	1 831.2
Biological assets		13,1	11.8	11.8
Investments in associated companies and joint ventures		43,2	82.8	77.7
Available for sale investments	8	252,0	252.5	257.1
Non-current financial assets	8	21,9	13.5	19.7
Deferred tax receivables		39,1	59.2	64.8
		3 040,7	3 082.8	3 023.5
Current assets				
Inventories		719.1	794.7	774.1
Accounts receivables and other receivables		723.7	743.7	690.4
Tax receivables based on the taxable income for the period		0.6	0.8	0.3
Cash and cash equivalents	8	1 009.4	653.9	947.9
		2 452.7	2 193.0	2 412.7
Assets classified as held for sale		5.7	2.8	10.8
Total assets		5 499.1	5 278.6	5 447.0
MEMBERS' FUNDS AND LIABILITIES				
Members' funds				
Members' funds		1 752.8	1 565.2	1 590.3
Non-controlling interests		589.6	464.1	467.0
		2 342.3	2 029.3	2 057.3
Non-current liabilities				
Deferred tax liabilities		221.2	232.2	230.6
Post-employment benefit obligations		84.8	178.3	184.8
Provisions	5	32.1	24.7	33.4
Borrowings	8	1 248.7	1 465.0	1 373.3
Other liabilities		19.9	23.4	21.3
		1 606.8	1 923.7	1 843.3
Current liabilities				
Provisions	5	22.4	16.8	14.0
Current borrowings	8	434.7	459.5	528.9
Accounts payable and other liabilities		1 021.2	820.4	972.2
Tax liabilities based on the taxable income for the period		39.6	26.9	25.4
		1 517.9	1 323.7	1 540.5
Liabilities classified as held for sale		32.1	1.9	6.0
Total liabilities		3 156.8	3 249.3	3 389.8
Total members' funds and liabilities		5 499.1	5 278.6	5 447.0

The notes are an integral part of this Interim Report.

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' FUNDS

Equity attributable to members of parent company								
EUR million	Note	Members' capital	Translation differences	Fair value and other reserves	Retained earnings	Total	Non-controlling interest	Total
Members' funds 1.1.2014		654.7	24.9	224.9	578.3	1 482.9	476.3	1 959.2
Result for the period					116.1	116.1	87.7	203.7
Other comprehensive income, net after tax			-10.0	-19.9	-17.6	-47.5	-40.8	-88.3
Total comprehensive income			-10.0	-19.9	98.5	68.6	46.9	115.5
Transactions with owners:								
Dividends paid					-37.3	-37.3	-42.5	-79.7
Change in members' capital		55.0			-1.5	53.5		53.5
Transfer from unrestricted to restricted				2.4	-2.4	0.0		0.0
Acquired shares from non-controlling interests, which did not change the controlling right					-3.0	-3.0	-17.9	-20.9
Sold shares from non-controlling interests, which did not change the controlling right				-0.1	0.6	0.4	1.3	1.8
Members' funds 30.9.2014		709.7	14.9	207.4	633.2	1 565.2	464.1	2 029.3

Equity attributable to members of parent company								
EUR million	Note	Members' capital	Translation differences	Fair value and other reserves	Retained earnings	Total	Non-controlling interest	Total
Members' funds 1.1.2015		719.1	-7.1	206.7	671.6	1 590.3	467.0	2 057.3
Result for the period					155.1	155.1	108.5	263.6
Other comprehensive income, net after tax			2.2	0.9	4.6	7.8	4.1	11.9
Total comprehensive income			2.2	0.9	159.7	162.9	112.6	275.5
Transactions with owners:								
Dividends paid					-38.6	-38.6	-48.3	-86.9
Change in members' capital		39.8			-1.1	38.6		38.6
Change in other equity				-0.8		-0.8	56.8	56.0
Transfer from unrestricted to restricted				3.3	-3.3	0.0		0.0
Acquired shares from non-controlling interests, which did not change the controlling right								0.0
Sold shares from non-controlling interests, which did not change the controlling right				-0.0	0.3	0.3	1.5	1.9
Members' funds 30.9.2015		758.9	-4.9	210.1	788.7	1 752.8	589.6	2 342.3

The notes are an integral part of this Interim Report.

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

EUR million	Note	2015 1–9	2014 1–9	2014 1–12
Result for the period	7	263.6	203.7	260.3
Total adjustments	7	308.9	200.7	305.0
Change in working capital		53.8	-30.6	198.6
Cash flow arising from operations		626.3	373.8	763.9
Net financial items		-50.7	-62.1	-93.9
Income taxes paid		-65.0	-35.9	-52.7
Net cash flow arising from operating activities		510.6	275.8	617.3
Acquisitions		-0.8	-1.4	-3.4
Investments in tangible and intangible assets		-295.6	-96.0	-143.0
Disposals and other items	7	38.9	122.2	139.2
Net cash flow arising from investing activities		-257.6	24.9	-7.2
Change in members' funds		38.6	53.5	67.8
Change in other equity		55.6	0.0	0.0
Change in shares of non-controlling interests		0.0	-20.9	-20.9
Change in long-term loans and other financial items		-190.6	-45.7	-73.3
Dividends paid		-94.9	-87.9	-87.9
Net cash flow arising from financing activities		-191.3	-101.0	-114.3
Change in cash and cash equivalents		61.7	199.7	495.8
Cash and cash equivalents at beginning of period		947.9	454.4	454.4
Translation difference		-0.4	-0.1	-2.2
Change in cash and cash equivalents		61.7	199.7	495.8
Cash and cash equivalents of assets classified as held for sale		0.2	-	-0.2
Cash and cash equivalents at end of period		1 009.4	653.9	947.9

The notes are an integral part of this Interim Report.

NOTES TO THE UNAUDITED CONDENSED INTERIM REPORT

NOTE 1 – BACKGROUND AND ACCOUNTING POLICIES

Metsäliitto Cooperative and its subsidiaries comprise a forest industry group (“Metsä Group” or “Group”), which operations are organised into five business segments: Wood Supply and Forest Services, Wood Products Industry, Pulp Industry, Paperboard Industry and Tissue and Cooking Papers. Metsä Group’s parent company is Metsäliitto Cooperative. The parent company is domiciled in Helsinki and the registered address is Revontulenpuisto 2, 02100 Espoo, Finland.

This 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.

In 2015 Metsä Group has adopted the following new and amended standards and interpretations:

- 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 Metsäliitto Cooperative on 5 November 2015.

NOTE 2 – SEGMENT INFORMATION

The Group's operating segments are comprised of the Group's business areas. The business areas produce different products and services, and they are managed as separate units. The operating segments are reported uniformly with internal reporting submitted to the chief operational decision-maker. The President and CEO

has been appointed as the chief operational decision-maker in charge of allocating resources to the operating segments and evaluating their performance.

The same accounting policies are applied in segment reporting as for the Group as a whole. Transactions between segments are based on market prices.

SALES BY SEGMENTS

EUR million	1–9/2015	1–9/2015	1–9/2015	1–9/2014	1–9/2014	1–9/2014
	External	Internal	Total	External	Internal	Total
Wood Supply and Forest Services	286.9	866.3	1 153.2	288.9	888.7	1 177.5
Wood Products Industry	623.7	40.6	664.3	635.8	45.2	681.0
Pulp Industry	659.4	411.7	1 071.1	584.2	374.3	958.6
Paperboard Industry	1 489.9	55.4	1 545.3	1 458.9	50.1	1 509.0
Tissue and Cooking Papers	751.4	0.5	751.9	754.8	0.3	755.2
Other operations	-0.6	4.2	3.6	0.1	7.1	7.2
Elimination of internal sales	-	-1 378.7	-1 378.7	-	-1 365.7	-1 365.7
Total sales	3 810.6	0.0	3 810.6	3 722.8	0.0	3 722.8

EUR million	1–12/2014	1–12/2014	1–12/2014
	External	Internal	Total
Wood Supply and Forest Services	391.0	1 184.0	1 575.0
Wood Products Industry	836.4	60.5	896.9
Pulp Industry	791.1	504.6	1 295.7
Paperboard Industry	1 939.4	69.1	2 008.4
Tissue and Cooking Papers	1 012.3	0.5	1 012.8
Other operations	0.1	9.4	9.6
Elimination of internal sales	-	-1 828.1	-1 828.1
Total sales	4 970.3	0.0	4 970.3

OPERATING RESULT BY SEGMENTS

EUR million	2015	2014	2014
	1–9	1–9	1–12
Wood Supply and Forest Services	22.7	18.6	26.7
Wood Products Industry	1.4	28.4	34.1
Pulp Industry	256.7	163.4	227.9
Paperboard Industry	164.9	109.8	116.5
Tissue and Cooking Papers	17.7	40.7	61.8
Other operations	57.4	-36.1	-40.7
Eliminations	-106.9	7.9	-9.5
Operating result total	413.9	332.7	416.9
Share of results from associated companies and joint ventures	8.5	14.5	16.4
Financial costs, net	-67.4	-84.9	-103.4
Income taxes	-91.4	-58.6	-69.7
Result for the period	263.6	203.7	260.3

Metsä Group's operating result in January–September 2015 includes non-recurring items net of EUR -0.8 million (-31.9). The most significant positive non-recurring items are the gain of EUR 20.8 million from the sale of the shares in Finsilva Oyj and the gain of EUR 17.5 million from the sale of the Gohrsmühle mill .

The sale of the shares in Metsä Wood France SAS in October generated a non-recurring loss of EUR 22.5 million. Provisions and write-offs related to Metsä Tissue's Russian operations and the efficiency programme regarding Metsä Tissue's napkin business in Germany were EUR 17.1 million.

ASSETS AND LIABILITIES BY SEGMENTS

Assets	2015	2014	2014
EUR million	30.9.	30.9.	31.12.
Wood Supply and Forest Services	259.4	341.0	262.4
Wood Products Industry	377.2	420.6	392.8
Pulp Industry	798.6	747.9	709.7
Paperboard Industry	1 902.6	1 930.3	1 873.4
Tissue and Cooking Papers	896.0	922.2	899.5
Other operations	230.6	214.5	260.3
Assets classified as held for sale	5.7	2.8	10.8
Eliminations	-204.0	-305.4	-238.1
Unallocated assets	1 233.0	1 004.7	1 276.0
Total	5 499.1	5 278.6	5 447.0

Assets = intangible and tangible assets, inventories, accounts receivables and other non-interest-bearing receivables (excl. interest and tax items).

Liabilities	2015	2014	2014
EUR million	30.9.	30.9.	31.12.
Wood Supply and Forest Services	166.6	201.0	176.3
Wood Products Industry	120.9	134.3	106.7
Pulp Industry	249.1	153.0	253.6
Paperboard Industry	440.3	500.4	537.3
Tissue and Cooking Papers	295.5	270.3	269.4
Other operations	87.8	100.0	108.7
Liabilities classified as held for sale	32.1	1.9	6.0
Eliminations	-204.0	-305.4	-238.1
Unallocated liabilities	1 968.5	2 193.8	2 170.0
Total	3 156.8	3 249.3	3 389.8

Liabilities = accounts payable, advance payments and other non-interest-bearing liabilities (excl. interest and tax items).

NOTE 3 – INCOME TAXES

Tax expense in the income statement is comprised of the current tax and deferred taxes.

EUR million	2015	2014	2014
	1–9	1–9	1–12
Taxes for the period	78.9	53.9	62.9
Taxes for the prior periods	10.2	0.2	0.7
Change in deferred taxes	2.3	4.5	6.0
Total income taxes	91.4	58.6	69.7

NOTE 4 – CHANGE IN PROPERTY, PLANT AND EQUIPMENT

EUR million	2015	2014	2014
	1–9	1–9	1–12
Book value at beginning of period	1 831.2	2 012.7	2 012.7
Investments	288.4	89.4	130.8
Decreases	-11.7	-14.3	-16.5
Assets classified as held for sale	-2.0	-3.1	-3.9
Depreciation and impairment losses	-183.8	-176.4	-257.9
Translation differences and other changes	-5.0	-13.4	-34.1
Book value at end of period	1 917.1	1 895.0	1 831.2

Assets classified as held for sale include in 2015 the unsold apartments and parking places of Asunto Oy Tapiolan Pyökki.

Depreciation and impairment losses include an impairment loss of EUR 2.6 million due to the agreement on the sale of the shares in Metsä Wood France SAS. The sale was completed on October 5, 2015. In addition, depreciation and impairment losses include an impairment loss of EUR 2.3 million due to Metsä Tissue's Russian operations and to the closure of one production line in Düren, Germany.

NOTE 5 – PROVISIONS

EUR million	Restructuring	Environmental obligations	Other provisions	Total
At 1 January 2015	16.9	18.7	11.7	47.3
Translation differences	0.0	0.0	0.0	0.0
Increases	16.5	1.0	0.4	17.9
Utilised during the year	-2.3	-2.3	-2.1	-6.8
Unused amounts reversed	-0.8	-0.9	-1.8	-3.6
Liabilities classified as held for sale	-0.4			-0.4
At 30 September 2015	29.8	16.5	8.2	54.5

The increase in the restructuring provision, totally EUR 16.4 million, is due to Metsä Tissue's Russian operations and to Metsä Tissue's efficiency programme regarding the napkin business in Germany.

Unused amounts reversed is due to the provisions made for the closure of Metsä Board's Alizay mill in France and to the sale of Metsä Board's Gohrsmühle mill in Germany.

Of the Metsä Group's total provisions of EUR 54.5 million, the non-current portion was EUR 32.1 million and the current portion EUR 22.4 million. The non-current portion will mostly be paid during 2017.

NOTE 6 – TRANSACTIONS WITH ASSOCIATED COMPANIES AND JOINT VENTURES

EUR million	2015 1–9	2014 1–9	2014 1–12
Sales	6.6	7.4	9.9
Purchases	65.0	55.1	86.6
Non-current receivables	1.0	2.1	1.0
Current receivables	3.5	1.3	2.2
Non-current liabilities	0.0	0.0	0.0
Current liabilities	5.6	7.1	5.3

Metsäliitto Cooperative sold 30.13 per cent of the share capital in its associated company Finsilva Oyj on May, 28.

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

EUR million	2015 1–9	2014 1–9	2014 1–12
Taxes	91.4	58.6	69.7
Depreciation and impairment charges	197.9	188.9	276.2
Biological assets	-1.3	-0.7	-0.6
Share of results from associated companies	-8.5	-14.5	-16.4
Gains and losses on sale of non-current financial assets	-45.9	-103.5	-117.0
Financial costs, net	67.4	84.9	103.4
Pension liabilities and provisions	7.8	-13.0	-10.2
Total	308.9	200.7	305.0

Disposals and other items

Disposals and other items include the sale of Metsäliitto Cooperative's subsidiary Burt Boulton and Haywood Ltd for EUR 4.2 million, the sale of the Gohrsmühle mill for EUR -38.2 million and the sale of shares (30.13 per cent of the share capital) in Metsäliitto Cooperative's associated company Finsilva Oyj for EUR 60.1 million. In addition, disposals and other items include the sale

of apartments and parking places of Asunto Oy Tapiolan Jalava and Asunto Oy Tapiolan Pyökki for EUR 8.5 million and the sale of fixed assets and other items for 4.2 million.

Change in other equity

Change in other equity includes cash less transaction charges that the Group received from Metsä Board's share issue.

NOTE 8 – FINANCIAL INSTRUMENTS

Financial assets and liabilities classified according to IAS 39 and fair value.

Financial assets 30 September 2015

EUR million	Fair value through profit and loss	Available for sale financial assets	Loans and other receivables	Derivatives at hedge accounting	Amortised cost	Book value	Fair value
Available for sale investments		252.0				252.0	252.0
Other non-current financial assets	5.0		16.9			21.9	21.9
Account receivables and others			713.6			713.6	713.6
Cash and cash equivalents	32.3		977.1			1 009.4	1 009.4
Derivative financial instruments	2.6			4.1		6.7	6.7
Assets classified as held for sale			3.5			3.5	3.5
Total	39.9	252.0	1 711.2	4.1	0.0	2 007.1	2 007.1

Financial liabilities 30 September 2015

EUR million	Fair value through profit and loss	Available for sale financial assets	Loans and other receivables	Derivatives at hedge accounting	Amortised cost	Book value	Fair value
Non-current interest-bearing liabilities					1 248.7	1 248.7	1 288.0
Other non-current liabilities					4.1	4.1	4.1
Current interest-bearing liabilities					434.7	434.7	441.3
Accounts payable and others					889.6	889.6	889.6
Derivative financial instruments	1.6			33.7		35.4	35.4
Liabilities classified as held for sale					31.5	31.5	31.5
Total	1.6	0.0	0.0	33.7	2 608.7	2 644.1	2 690.0

Financial assets 30 September 2014

EUR million	Fair value through profit and loss	Available for sale financial assets	Loans and other receivables	Derivatives at hedge accounting	Amortised cost	Book value	Fair value
Available for sale investments		252.5				252.5	252.1
Other non-current financial assets	1.7		11.4			13.1	13.1
Account receivables and others			740.3			740.3	740.3
Cash and cash equivalents	20.3		633.6			653.9	653.9
Derivative financial instruments	0.0			2.2		2.2	2.2
Total	22.0	252.5	1 385.3	2.2	0.0	1 662.0	1 662.0

Financial liabilities 30 September 2014

EUR million	Fair value through profit and loss	Available for sale financial assets	Loans and other receivables	Derivatives at hedge accounting	Amortised cost	Book value	Fair value
Non-current interest-bearing liabilities					1 465.0	1 465.0	1 506.4
Other non-current liabilities					6.6	6.6	6.6
Current interest-bearing liabilities					459.5	459.5	463.3
Accounts payable and others					692.0	692.0	692.0
Derivative financial instruments	7.2			36.9		44.1	44.1
Liabilities classified as held for sale					1.9	1.9	1.9
Total	7.2	0.0	0.0	36.9	2 625.1	2 669.3	2 714.4

Fair value hierarchy of financial assets and liabilities 30 September 2015

EUR million	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Non-current financial assets through profit and loss at fair value		5.0		5.0
Available for sale financial assets	0.1		251.9	252.0
Current financial assets through profit and loss at fair value	32.3			32.3
Derivative financial assets		6.7		6.7
Financial liabilities measured at fair value				
Derivative financial liabilities	28.9	6.5		35.4
Financial assets not measured at fair value				
Financial assets		977.1		977.1
Financial liabilities not measured at fair value				
Non-current interest-bearing liabilities		1 288.0		1 288.0
Current interest-bearing liabilities		441.3		441.3

Fair value hierarchy of financial assets and liabilities 30 September 2014

EUR million	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Non-current financial assets through profit and loss at fair value		1.7		1.7
Available for sale financial assets	0.4		252.1	252.5
Current financial assets through profit and loss at fair value	20.3			20.3
Derivative financial assets		2.2		2.2
Financial liabilities measured at fair value				
Derivative financial liabilities	7.7	36.4		44.1
Financial assets not measured at fair value				
Financial assets		633.6		633.6
Financial liabilities not measured at fair value				
Non-current interest-bearing liabilities		1 506.4		1 506.4
Current interest-bearing liabilities		463.3		463.3

Financial assets measured at fair value based on level 3

EUR million	2015	2014
Opening balance 1.1.	256.8	305.4
Gains and losses in income statement	0.6	0.0
Gains and losses in other comprehensive income	-5.6	0.1
Purchases	0.8	1.7
Settlements	-0.6	-55.1
Closing balance 30.9.	251.9	252.1

Assets have been categorised according to paragraphs 27 A and 27 B in IFRS 7 Financial Instruments: Disclosures.

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

Level 2: Fair value is based on inputs observable for the asset either directly or indirectly.

Level 3: Fair value is based on company estimates and not on market data.

The fair values of electric power, natural gas and gas oil derivatives are measured on the basis of publicly quoted market prices (Level 1). The fair values of currency forwards and options are determined on the basis of market prices at the closing date of the reporting period. The fair values of interest rate swaps are measured applying a method based on the present value of future cash flows, supported by market interest rates at the closing date of the reporting period and other market inputs (Level 2). The fair value of financial instruments not traded in an active market is determined using various measurement methods. Discretion is used in choosing the methods and making assumptions based primarily on the market conditions prevailing at the closing date of the reporting period (Level 3).

The accounting policies applied in preparing the financial statements include a more detailed description of the recognition and measurement principles applied.

The most significant item at fair value not traded on an open market is the investment in Pohjolan Voima Oy shares, reported under available-for-sale financial assets. The valuation method is described in the 2014 Financial Statements. The average weighed capital cost applied in the calculation was 2.52 per cent on 30 September 2015 and for the Olkiluoto 3 power plant under construction 6.52 per cent. The acquisition cost of the Pohjolan Voima Oy shares is EUR 43.1 million and their fair value is EUR 243.9 million.

The carrying amount of available-for-sale financial assets would be estimated to be EUR 2.2 million lower or EUR 3.4 million higher should the rate used for discounting the cash flows differ by 10 per cent from the rate estimated by the management. The carrying amount of available-for-sale financial assets would be estimated to be EUR 28.9 million higher or EUR 28.9 million lower should the energy prices applied in the fair value calculation differ by 10 per cent from the rate estimated by the management.

Derivatives 30 September 2015

EUR million	Nominal value	Assets	Liabilities	Fair value total	Fair value hedges	Cash flow hedges	Equity hedges	Hedge accounting not applied
Interest rate swaps	1 050.2		6.5	-6.5	3.6	-8.5		-1.6
Total	1 050.2	0.0	6.5	-6.5	3.6	-8.5	0.0	-1.6
Currency forwards	1 132.0	6.3		6.3		1.7	1.7	2.9
Currency options	264.4	-0.3		-0.3				-0.3
Total	1 396.4	6.0	0.0	6.0	0.0	1.7	1.7	2.6
Electricity derivatives	80.6		18.5	-18.5		-18.5		
Pulp derivatives	55.3	0.7		0.7		0.7		
Commodity derivatives	46.6		10.3	-10.3		-10.2		-0.1
Total	182.4	0.7	28.9	-28.2	0.0	-28.1	0.0	-0.1
Derivatives total	2 629.1	6.7	35.4	-28.7	3.6	-34.9	1.7	1.0

Derivatives 30 September 2014

EUR million	Nominal value	Assets	Liabilities	Fair value total	Fair value hedges	Cash flow hedges	Equity hedges	Hedge accounting not applied
Interest rate swaps	470.5		14.6	-14.6	3.0	-15.0		-2.6
Total	470.5	0.0	14.6	-14.6	3.0	-15.0	0.0	-2.6
Currency forwards	1 307.7		18.1	-18.1		-16.0	-1.2	-0.9
Currency options	272.2		3.6	-3.6				-3.6
Total	1 579.9	0.0	21.7	-21.7	0.0	-16.0	-1.2	-4.5
Electricity derivatives	147.5		7.4	-7.4		-7.4		0.0
Pulp derivatives	29.7	2.2		2.2		2.2		
Commodity derivatives	42.3		0.3	-0.3		-0.3		-0.1
Total	219.5	2.2	7.8	-5.6	0.0	-5.5	0.0	-0.1
Derivatives total	2 270.0	2.2	44.1	-41.9	3.0	-36.5	-1.2	-7.2

NOTE 9 – COMMITMENTS AND CONTINGENCIES

EUR million	30.9.2015	30.9.2014	31.12.2014
Own liabilities for which commitments granted	561.1	604.4	584.7
Pledges granted	450.2	410.6	421.9
Floating charges	5.9	5.9	5.9
Real estate mortgages	382.3	382.5	381.8
Chattels mortgage	4.0	4.6	4.6
Commitments for own liabilities, total	842.3	803.6	814.2
Other commitments on own behalf	61.6	86.1	86.6
On behalf of associated companies	1.2	1.9	1.4
On behalf of others	5.8	6.8	6.0
Total	910.9	898.4	908.1

Securities and guarantees include pledges, floating charges, real estate mortgages, chattels mortgage and guarantee liabilities.

The future costs for non-cancellable operating lease contracts were EUR 31.1 million (31.12.2014: 31.7).

COMMITMENTS RELATED TO INVESTMENTS

EUR million	30.9.2015	30.9.2014	31.12.2014
Payments due under 1 year	279.1	0.0	50.4
Payments due in subsequent years	192.1	0.0	15.2
Total	471.2	0.0	65.6