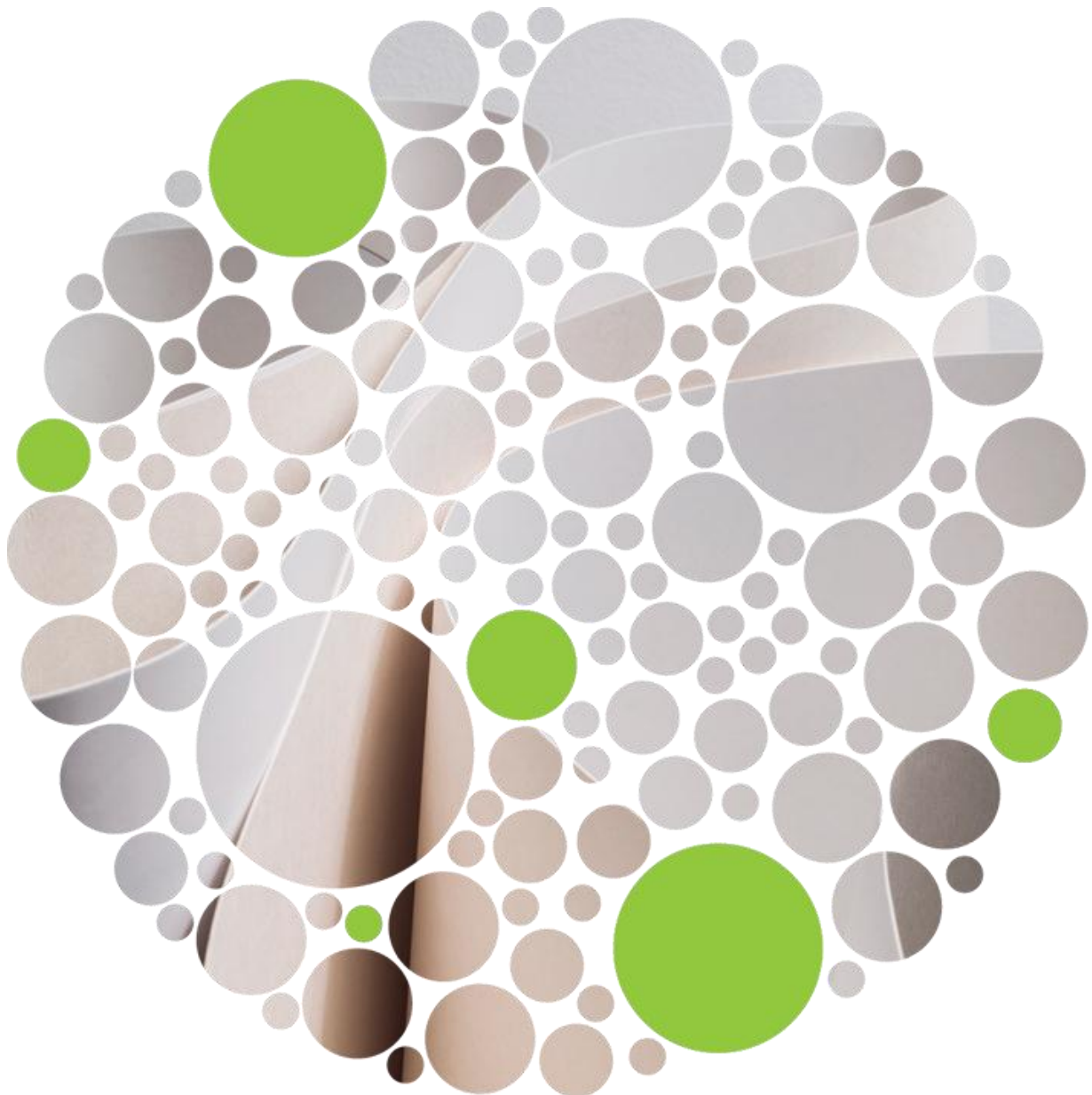




**METSÄ BOARD CORPORATION
FINANCIAL STATEMENTS BULLETIN**

2015



METSÄ BOARD CORPORATION'S OPERATING RESULT EXCLUDING NON-RECURRING ITEMS WAS EUR 180 MILLION IN 2015

JANUARY–DECEMBER 2015 (1–12/2014)

- Sales amounted to EUR 2,007.5 million (2,008.4).
- Operating result excluding non-recurring items was EUR 179.9 million (136.5), or 9.0 per cent of sales. Operating result including non-recurring items was EUR 199.0 million (116.5).
- Result before taxes excluding non-recurring items was EUR 150.2 million (99.7). Result before taxes including non-recurring items was EUR 167.1 million (77.6).
- Earnings per share excluding non-recurring items were EUR 0.34 (0.26), and earnings per share including non-recurring items were EUR 0.39 (0.20).

OCTOBER–DECEMBER 2015 (Q3/2015)

- Sales amounted to EUR 462.2 million (497.6).
- Operating result excluding non-recurring items was EUR 35.1 million (54.6), or 7.6 per cent (11.0) of sales. Operating result including non-recurring items was EUR 34.1 million (54.6).
- The result before taxes excluding non-recurring items was EUR 30.4 million (47.5). Result before taxes including non-recurring items was EUR 29.4 million (47.5).
- Earnings per share excluding non-recurring items were EUR 0.07 (0.08), and earnings per share including non-recurring items were EUR 0.07 (0.08).

DIVIDEND DISTRIBUTION PROPOSAL

The Board of Directors proposes to the Annual General Meeting to be held on 23 March 2016 that a dividend of EUR 0.17 per share be paid for the 2015 financial period. The proposed dividend equals 44 per cent of the earnings per share of 2015.

EVENTS IN OCTOBER–DECEMBER 2015

- Paperboard deliveries declined slightly due to the seasonality, and the price levels were stable.
- Metsä Board announced it would increase the price of folding boxboard in Europe starting from 1 December 2015.

- The manufacture of uncoated fine paper sheets at Husum ended.
- The integrated mill shutdown related to the investment programme in Husum had negative impact on the operating profit for the review period of approximately EUR 20 million.
- Metsä Board decided to expand its paperboard offering for food service packaging by investing EUR 38 million in extrusion coating.

EVENTS AFTER THE REVIEW PERIOD

- Husum's new folding boxboard production line is in the start-up phase, slightly behind the original schedule. The delay will have a slight negative impact on the operating result for the first quarter of 2016.
- Metsä Board's market cap segment changed in Nasdaq's Nordics listing. As of the beginning of 2016, Metsä Board's segment is Large Cap.

PROFIT GUIDANCE FOR JANUARY–MARCH 2016

Metsä Board's operating result excluding non-recurring items in the first quarter of 2016 is expected to remain roughly at the same level as in the last quarter of 2015.

Mika Joukio, CEO:

"Overall, 2015 was a record year for us. Our operating result excluding non-recurring items improved by nearly a third from the previous year. Our paperboard deliveries grew by 12 per cent, and average prices remained stable. In addition, our profitability was supported by favourable exchange rates and our exit from the loss-making paper business. We also received significant recognitions for the quality of our products and sustainability.

The integrated mill shutdown related to the investment programme at Husum had a negative impact of approximately EUR 20 million on the last quarter's result. This was more than we had estimated in November. The start-up phase of the new folding boxboard production line was delayed slightly, which will naturally have some impact on our result in the first quarter of 2016. Our target is to sell 200,000 tonnes of Husum's new folding boxboard in 2016. Husum's folding boxboard deliveries

will mainly target the Americas and the food service packaging segment globally.

In 2015, we invested in product development in order to continue to offer our customers the most lightweight and high-quality paperboard on the market. Among other things, we began testing foam forming at an industrial scale and made a decision to invest in an extrusion coating line at Husum. We will also continue to develop other barrier solutions.

Our transformation from a paper company into a paperboard company is practically complete. After the investment programme at Husum, our paperboard capacity is more than 2 million tonnes per year. The remaining annual production of uncoated fine paper reels, approximately 100,000 tonnes, will end completely in 2017.

Our main goal continues to be to grow our paperboard business operations profitably together with our customers. With the new capacity and increasingly improved products, we will be able to serve our customers even better globally.”

KEY FIGURES

	2015	2015	2015	2015	2014	2015	2014
	Q4	Q3	Q2	Q1	Q4	Q1–Q4	Q1–Q4
Sales, EUR million	462.2	497.6	522.0	525.7	499.4	2 007.5	2 008.4
EBITDA, EUR million	59.1	80.8	93.3	69.3	56.4	302.5	242.2
excl. non-recurring items, EUR million	59.7	80.8	73.1	69.7	60.6	283.3	236.2
EBITDA, %	12.8	16.2	17.9	13.2	11.3	15.1	12.1
excl. non-recurring items, %	12.9	16.2	14.0	13.3	12.1	14.1	11.8
Operating result, EUR million	34.1	54.6	67.2	43.1	6.7	199.0	116.5
excl. non-recurring items, EUR million	35.1	54.6	47.0	43.2	36.9	179.9	136.5
EBIT, %	7.4	11.0	12.9	8.2	1.3	9.9	5.8
excl. non-recurring items, %	7.6	11.0	9.0	8.2	7.4	9.0	6.8
Result before taxes, EUR million	29.4	47.5	58.0	32.2	1.6	167.1	77.6
excl. non-recurring items, EUR million	30.4	47.5	40.0	32.3	31.6	150.2	99.7
Result for the period, EUR million	26.5	26.8	54.7	29.3	6.1	137.3	68.5
excl. non-recurring items, EUR million	27.5	26.4	36.9	29.4	32.7	120.2	88.1
Result per share	0.07	0.08	0.15	0.09	0.02	0.39	0.20
excl. non-recurring items, EUR	0.07	0.08	0.10	0.09	0.10	0.34	0.26
Return on equity, %	10.4	10.6	22.5	13.2	2.9	14.7	8.1
excl. non-recurring items, %	10.8	10.4	15.2	13.2	15.4	12.9	10.4
Return on capital employed, %	8.1	13.0	16.5	11.0	1.8	12.5	7.7
excl. non-recurring items, %	8.3	13.0	11.6	11.0	9.6	11.3	9.1
Equity ratio at the end of the period, %	46.5	45.6	45.9	40.8	39.2	46.5	39.2
Gearing ratio at the end of the period, %	64	66	67	73	81	64	81
Net gearing ratio at the end of the period, %	32	34	39	34	51	32	51
Shareholders' equity per share at the end of the period, EUR	2.89	2.86	2.83	2.63	2.49	2.89	2.49
Interest-bearing net liabilities at the end of the period, EUR million	333.4	344.2	389.0	318.9	426.7	333.4	426.7
Gross investments, EUR million	60.8	44.8	48.3	23.9	18.2	177.8	44.2
Net cash flow from operations, EUR million	65.9	92.5	55.8	32.5	74.3	246.7	198.2
Deliveries, 1,000 tonnes							
Paperboard	365	373	366	345	326	1,449	1,310
Non-core operations	65	118	138	156	158	478	636
Personnel at the end of the period	2,601	2,642	2,850	3,158	3,111	2,601	3,111

The 2014 earnings per share and shareholders' equity per share have been issue-adjusted. The rights issue factor was 1.030627.

EBITDA = Earnings before interest, taxes, depreciation and amortisation

FINANCIAL STATEMENTS FOR 2015

SALES AND RESULT

OCTOBER–DECEMBER 2015 (Q3/2015)

Metsä Board's sales amounted to EUR 462.2 million (497.6). Sales were reduced by the decrease in paper deliveries, in particular.

The operating result was EUR 34.1 million (54.6), and the operating result excluding non-recurring items was EUR 35.1 million (54.6).

The operating result excluding non-recurring items was, as expected, weakened by the losses in pulp production, totalling approximately EUR 20 million, due to the integrated mill shutdown related to the investment programme at Husum. The result was also weakened by reduced paperboard deliveries.

In October–December, the delivery volumes of paperboard experienced a slight seasonal decline. The delivery volume of market pulp increased. Paper delivery volumes decreased considerably according to plan. The prices of paperboards and papers were at the same level as in the previous quarter. The currency-denominated market price of long-fibred pulp decreased and the price of short-fibred pulp remained at the previous quarter's level.

There were no significant changes in the total costs. Currency hedging expenses in October–December were lower than in the previous quarter.

The delivery volume of Metsä Board's folding boxboard and white fresh forest fibre linerboard totalled 355,000 tonnes (361,000) in October–December, and the delivery volume of papers reported in the Non-core segment was 65,000 tonnes (118,000).

The net cash flow of the operations was EUR 65.9 million (92.5). The cash flow was weakened primarily by taxes, which were higher than in the previous quarter.

Financial income and expenses totalled EUR -4.7 million (-7.1) in the review period. Foreign exchange rate differences from trade receivables, trade payables, financial items and the valuation of currency hedging instruments were EUR 1.9 million (-0.6). Net interest and other financial income and expenses amounted to EUR -6.6 million (-8.3).

The result before taxes for the review period was EUR 29.4 million (47.5). The result before taxes excluding non-recurring items was EUR 30.4 million (47.5). Income taxes amounted to EUR -2.9 million (-20.7). Previously unrecognised income taxes of approximately EUR 15 million were recognised in the review period.

Earnings per share were EUR 0.07 (0.08). The return on equity was 10.4 per cent (10.6), and the return on equity excluding non-recurring items was 10.8 per cent (10.4). The return on capital employed was 8.1 per cent

(13.0), and the return on capital employed excluding non-recurring items was 8.3 per cent (13.0).

JANUARY–DECEMBER 2015 (1–12/2014)

Metsä Board's sales remained at the previous year's level and amounted to EUR 2,007.5 million (2,008.4).

The operating result was EUR 199.0 million (116.5), and the operating result excluding non-recurring items was EUR 179.9 million (136.5). In 2015, the non-recurring items in the operating result totalled EUR 19.2 million (-19.9), of which the most significant was the sales gain of EUR 17.5 million from the divestment of the Gohrsmühle mill.

The operating result excluding non-recurring items improved as a result of the paperboard delivery volumes, exchange rates favourable for the operations, and the divestment of the loss-making Gohrsmühle mill. The operating result was weakened by the integrated mill shutdown related to the investment programme at Husum.

The total costs remained fairly stable. The divestment of the Gohrsmühle mill reduced fixed costs. Currency hedging expenses increased considerably compared to the previous year.

The currency-denominated market price of long-fibred pulp decreased and the price of short-fibred pulp increased from the previous year.

Metsä Board announced it would increase the prices of white fresh forest fibre linerboard in Europe by EUR 40 per tonne (as of 11 May 2015) and the prices of folding boxboard by EUR 60 per tonne (as of 1 December 2015).

The combined delivery volume of Metsä Board's folding boxboard and white fresh forest fibre linerboard totalled 1,404,000 tonnes in January–December (1,256,000). The delivery volume of papers reported in the Non-core operations segment was 460,000 tonnes (591,000).

Financial income and expenses totalled EUR -32.0 million (-39.2). The financial expenses were reduced by the lower market interest rates and credit margins as well as the decrease in interest-bearing debt. Foreign exchange rate differences from trade receivables, trade payables, financial items and the valuation of currency hedging instruments were EUR -3.4 million (+2.7). Net interest and other financial income and expenses amounted to EUR -28.6 million (-41.9). Net interest in the comparison period 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. 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 167.1 million (77.6). The result before taxes excluding non-recurring items was EUR 150.2 million (99.7). The amount of income taxes was EUR -29.8 million (-9.1). Previously unrecognised income taxes of approximately EUR 15 million were recognised on the review period.

Earnings per share were EUR 0.39 (0.20). Earnings per share excluding non-recurring items were EUR 0.34 (0.26). The return on equity was 14.7 per cent (8.1), and the return on equity excluding non-recurring items was 12.9 per cent (10.4). The return on capital employed was 12.5 per cent (7.7), and the return on capital employed excluding non-recurring items was 11.3 per cent (9.1).

PERSONNEL

At the end of 2015, the number of personnel was 2,601 (3,111), of whom 1,494 (1,469) people worked in Finland. In January–December, Metsä Board employed 2,851 (3,200) people on average. Personnel expenses totalled EUR 234.5 million (252.6) in 2015.

INVESTMENTS

Gross investments in 2015 totalled EUR 177.8 million (44.2). The change compared to the comparison period was attributable to the investment programme at Husum, which had an impact of approximately EUR 132 million on the gross investments of 2015.

BUSINESS DEVELOPMENT

Demand for Metsä Board's lightweight and ecological fresh forest fibre linerboards continued to be strong worldwide, and paperboard deliveries grew by 12 per cent. Sales to the Americas increased considerably and demand for the company's paperboard was also good in Europe.

In 2015, Metsä Board implemented an investment programme of EUR 170 million at the Husum mill in Sweden. The annual capacity of the new folding boxboard machine is 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 and uncoated fine paper sheets ended at Husum. The remaining production of uncoated fine paper reels (approximately 100,000 tonnes per year) will end in 2017. It is estimated that the Husum investment programme will have a positive effect of approximately EUR 50 million on Metsä Board's annual operating result. The company esti-

mates that approximately one third of this result improvement will be realised in 2016. The result improvement is expected to be realised in full starting from 2018.

In the second quarter of the year, Metsä Board divested the Gohrsmühle mill and all related liabilities. The divestment had a negative impact of approximately EUR 37 million on the company's cash flow. 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. Slightly more than half of this was realised in the 2015 result.

Metsä Board decided to 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 increase Metsä Board's annual pulp capacity by approximately 200,000 tonnes starting from 2018. The investment will be made in the second quarter of 2016.

The company will expand its range of paperboards for food service packaging by investing EUR 38 million in an extrusion coating line and the related supporting structure at the Husum mill in Sweden. The extrusion coating line will be commissioned at the beginning of 2017, and its coating capacity will be approximately 100,000 tonnes per year. Slightly over half of the investment will be realised in 2016. The company will also continue to develop other barrier solutions.

Metsä Board received a full score for the transparency of its environmental impact reporting from the international organisation CDP and was included in the Climate Disclosure Leadership Index (CDLI). In addition, the company was included in CDP's global Water A List and awarded Leadership status in the forest programme.

Four products made with Metsä Board's paperboard 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.

STRATEGY AND FINANCIAL TARGETS

Metsä Board focuses on premium fresh forest fibre paperboards for consumer and retail packaging. The company's customers include brand owners, converters and merchant customers globally. Metsä Board's strategic objective is to grow profitably and faster than the average market growth. Profitability is based on cost-effectiveness, technical expertise, sound pricing and self-sufficiency in fibre.

On 5 February 2015, Metsä Board updated its long-term objectives to better reflect the company's position as a leading European fresh forest fibre paperboard producer.

The financial targets are:

- Return on capital employed (ROCE) minimum 12 per cent starting from 2017
- Net gearing ratio maximum 70 per cent
- In addition, the company aims to pay a dividend at least one third of the earnings per share

In 2015, the actualised financial targets were:

- Return on capital employed of 11.3 per cent
- Net gearing ratio of 32 per cent
- The Board of Directors proposes to the Annual General Meeting a dividend equalling 44 per cent of the earnings per share.

DECISIONS MADE AT THE 2015 ANNUAL GENERAL MEETING

On 25 March 2015, Metsä Board's Annual General Meeting adopted the company's financial statements for the financial year 2014 and decided to distribute a dividend of EUR 0.12 per share. The meeting also made a decision to increase the annual remuneration of the members of the Board.

The Annual General Meeting confirmed the number of the members of the Board of Directors as nine (9). The following individuals were elected as members of the Board: Mikael Aminoff, Martti Asunta, Kari Jordan, Kirsi Komi, Kai Korhonen, Liisa Leino, Juha Niemelä, Veli Sundbäck and Erkki Varis. The term of office of the Board members expires at the end of the next Annual General Meeting.

Metsä Board issued a stock exchange release on the decisions made by the Annual General Meeting and the composition of the Board of Directors on 25 March 2015. More detailed information on the decisions of the Annual General Meeting and descriptions of the Board members are available on Metsä Board's website at: <http://www.metsaboard.com/Investors/General-Meeting/>

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.

In the autumn of 2015, the Finnish Tax Administration took a stand 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 the decision issued by the Tax Administration, as the company believes the losses are deductible.

FINANCING

Metsä Board's equity ratio at the end of 2015 was 46.5 per cent (39.2) and the net gearing ratio was 32 per cent (51). The key figures were improved by the decrease in interest-bearing liabilities and the share issue. The ratio of net liabilities to EBITDA of the past 12 months excluding non-recurring items at the end of the review period was 1.2 (1.8).

The fair value of investments available for sale at the end of the review period was EUR 210.2 million (EUR 233.3). The change in the fair value, or EUR -23.1 million, was 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 3.6 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 2015, net interest-bearing liabilities amounted to EUR 333.4 million (426.7). Foreign currency-denominated loans accounted for 0.6 per cent and floating-rate loans for 38 per cent of the loans, with the rest being fixed-rate loans. At the end of the year, the average interest rate on loans was 3.8 per cent (4.0), and the average maturity of long-term loans was 2.6 years (3.5). The interest rate maturity of loans was 20.6 months at the end of the year (27.2). During the period, the interest rate maturity has varied between 20 and 28 months.

The net cash flow of the operations was EUR 246.7 million (198.2) in January–December. Working capital decreased by EUR -72.2 million (-59.0) in January–December.

At the end of the review period, an average of 3.6 months of the net foreign currency exposure was hedged. The degree of hedging varied between three and six months, on average, 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. The company has considerable headroom in relation to covenants set in the credit agreements.

Metsä Board's liquidity has remained strong. At the end of the financial period, the available liquidity was EUR 486.5 million (396.0), consisting of the following items: liquid assets and investments of EUR 321.8 million, revolving credit of EUR 100.0 million, and undrawn pension premium (TyEL) funds of EUR 64.7 million. Of the liquid assets, EUR 311.3 million were short-term deposits with Metsä Group Treasury, and EUR 10.5 million

were cash funds and investments. Other interest-bearing receivables amounted to EUR 3.7 million. In addition, Metsä Board's liquidity reserve is complemented by Metsä Group's internal undrawn short-term credit facility of EUR 150.0 million.

Standard & Poor's Ratings Services raised Metsä Board Corporation's credit rating by two notches from B+ to BB in February. Moody's Investors Service raised Metsä Board Corporation's credit rating by two notches from B1 to Ba2 in June. The outlook of both ratings is stable. The upgrade of the ratings had no impact on Metsä Board's current financing costs.

SHARES

In January–December, 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 5.98. At the end of 2015, the price of the A share was EUR 6.75. The average daily trading volume was 4,739 shares. In 2014, the adjusted closing price of the A share was EUR 4.44, while the average price was EUR 3.39 and the average daily trading volume was 4,546 shares.

In January–December, the highest price for Metsä Board's B share was EUR 7.01, the lowest price was EUR 4.47, and the average price was EUR 5.72. At the end of 2015, the price of the B share was EUR 6.86. The average daily trading volume was 438,203 shares. In 2014, the adjusted closing price of the B share was EUR 4.34, while the average price was EUR 3.34, and the average daily trading volume was 236,476 shares.

In 2015, the trading volume of the A share was EUR 7.2 million, and the trading volume of the B share was EUR 629.7 million. The market value of the A shares was EUR 242.3 million, and the market value of the B shares was EUR 2.2 billion at the end of December.

Metsä Board's market cap segment changed in Nasdaq's Nordics listing. As of the beginning of 2016, Metsä Board is included in the Large Cap segment of companies with a market value of over EUR 1 billion.

At the end of 2015, 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. Foreign and nominee-registered investors held 20 per cent of the shares (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 exist in the global economy. If realised, they may result in weakened demand and reduced prices, particularly for paperboard and pulp products.

Metsä Board is focusing on the active development and growth of its paperboard business. The company's paperboard capacity will grow considerably in 2016. 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.

There are several geopolitical risk concentrations around the world, where forecasting developments is difficult. Changes in these areas may be very sudden and unpredictable. There have been international sanctions related to these crises, and they may also have a direct or indirect impact on the demand for forest industry products and, therefore, on Metsä Board's result.

The future 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.

Additional information on long-term risks is also available on pages 25–26 of Metsä Board's 2014 Annual Report and in the 2015 Annual Report to be published in the first quarter of the year.

BUSINESS ENVIRONMENT AND NEAR-TERM OUTLOOK

Metsä Board's paperboard deliveries are expected to grow in January–March from the last quarter of 2015. Demand for paperboard is expected to remain good in Americas and the market situation to remain stable in Europe.

The average price of Metsä Board's folding boxboard will be reduced by the start-up volumes from the new FBB machine at Husum. The company estimates that the required quality objectives will be reached by the third quarter of 2016, according to the original plan. The delayed start-up phase of the new production line will have a negative impact on the production volumes of pulp and paperboard in the first quarter. According to the original plan, Metsä Board's target is to sell 200,000 tonnes of the new folding boxboard from Husum to the Americas and for food service packaging globally in 2016.

The global demand for and supply of long-fibred pulp is expected to remain fairly stable. Metsä Board's market

pulp deliveries are expected to grow from the last quarter of 2015. Paper deliveries will decrease as planned, and the prices are expected to remain stable.

Production costs in January–March are expected to remain at approximately the level of the last quarter of 2015.

It is estimated that the investment programme at Husum will have a positive effect of approximately EUR 50 million on Metsä Board's annual operating result. The company estimates that approximately a third of this result improvement will be realised in 2016. Correspondingly, the positive impact of the EUR 20 million divestment of the Gohrsmühle mill will show in the 2016 operating result in full. Of this, somewhat over a half was realised in the 2015 result.

EVENTS AFTER THE REVIEW PERIOD

- Husum's new folding boxboard production line is in the start-up phase, slightly behind the original schedule. The delay will have a slight negative impact on the operating result for the first quarter of 2016.
- Metsä Board's market cap segment changed in Nasdaq's Nordics listing. As of the beginning of 2016, Metsä Board's segment is Large Cap.

METSÄ BOARD CORPORATION

More information:

Markus Holm, CFO, tel. +358 (0)10 465 4913

Katri Sundström, Head of Investor Relations, tel. +358 (0)400 976 333

PROFIT GUIDANCE FOR JANUARY–MARCH 2016

Metsä Board's operating result excluding non-recurring items in the first quarter of 2016 is expected to remain roughly at the same level as in the last quarter of 2015.

BOARD OF DIRECTORS' PROPOSAL FOR DISTRIBUTION OF PROFIT

The distributable funds of the parent company on 31 December 2015 were EUR 454.7 million, of which the retained earnings for the financial year is EUR 69.9 million.

The Board of Directors proposes to the Annual General Meeting to be held on 23 March 2016 that a dividend of EUR 0.17 per share, or a total of EUR 60.4 million, be paid for the 2015 financial period.

The dividend will be paid to shareholders who are registered in the company's shareholder register maintained by Euroclear Finland Oy on the dividend payment record date of 29 March 2016. The Board of Directors proposes 5 April 2016 as the dividend payment date.

More information will be available from 1 p.m. on 3 February 2016. 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 3427 1913
US: +1 646 254 3362
Conference ID: 3693549

In 2016, Metsä Board will publish the following financial reports:

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	2015	2015	2015	2014	2015	2014
	Q4	Q3	Q2	Q1	Q4	Q1–Q4	Q1–Q4
Sales, EUR million	399.5	412.7	408.3	391.1	363.8	1,611.6	1,444.2
EBITDA, EUR million	66.5	81.0	75.9	76.4	66.7	299,7	246.8
excl. non-recurring items, EUR million	66.5	81.0	75.9	76.4	67.0	299,7	243.0
Operating result, EUR million	51.0	64.9	59.8	60.9	51.0	236,6	184.3
excl. non-recurring items, EUR million	51.0	64.9	59.8	60.6	50.9	236,3	180.2
excl. non-recurring items, %	12.8	15.7	14.6	15.5	14.0	14,7	12.5
Return on capital employed, %	16.6	21.4	20.2	21.3	17.6	20,0	16.4
excl. non-recurring items, %	16.6	21.4	20.2	21.2	17.6	19,9	16.0
Deliveries, Paperboard, 1,000 t	365	373	366	345	326	1,449	1,311
Deliveries Market Pulp, 1,000 t	134	123	142	150	148	549	611
Production, Paperboard, 1,000 t	375	367	376	363	348	1,481	1,370
Production, Metsä Board Pulp, 1,000 t	257	318	302	328	337	1,206	1,294
Personnel at the end of the period	1,423	1,394	1,565	1,367	1,405	1,423	1,405

The delivery and production volumes are not completely comparable due to the restructuring.

**OCTOBER–DECEMBER 2015
(Q3/2015)**

The segment's operating result in October–December weakened from the previous quarter and was EUR 51.0 million (64.9). The operating result in October–December did not include non-recurring items (EUR 0 million).

The negative result impact of the integrate shut-down related to the investment programme at Husum was approximately EUR 20 million, of which slightly less than half targeted the Paperboard segment. The result was also weakened by the seasonally lower paperboard delivery volumes. The euro-denominated average prices of paperboard remained stable.

The deliveries by European folding boxboard producers decreased by 3 per cent. Metsä Board's folding boxboard deliveries decreased by 1 per cent.

**JANUARY–DECEMBER 2015
(1–12/2014)**

The segment's operating result excluding non-recurring items improved significantly from the previous year, being EUR 236.3 million (180.2). The operating result for January–December included EUR 0.3 million (4.1) of non-recurring items.

In 2015, the operating profit excluding non-recurring items was improved by paperboard deliveries and favourable exchange rates. The operating result excluding non-recurring items was mainly weakened by the integrated mill shutdown related to the investment programme at Husum.

Production costs remained fairly stable.

The delivery volumes of Metsä Board's folding boxboard and white fresh forest fibre linerboard grew considerably, and the delivery volumes of wallpaper base paper decreased. The euro-denominated average prices of paperboard increased compared to the previous year.

Deliveries by folding boxboard producers increased by 4 per cent in Europe. Metsä Board's folding boxboard deliveries increased by 8 per cent.

NON-CORE OPERATIONS SEGMENT

	2015	2015	2015	2015	2014	2015	2014
	Q4	Q3	Q2	Q1	Q4	Q1–Q4	Q1–Q4
Sales, EUR million	50.5	85.4	108.6	128.4	126.9	372.8	517.1
EBITDA, EUR million	-0.1	8.1	26.4	6.0	-7.4	40.4	2.8
excl. non-recurring items	-0.1	8.2	6.2	6.4	5.1	20.7	16.3
Operating result, EUR million	-8.8	-1.3	16.7	-3.6	-40.5	3.0	-57.4
excl. non-recurring items	-8.4	-1.3	-3.4	-3.2	-1.8	-16.3	-17.7
excl. non-recurring items, %	-16.7	-1.5	-3.1	-2.5	-1.4	-4.4	-3.4
Return on capital employed, %	-17.5	-2.2	30.1	-7.0	-66.0	1.5	-19.5
excl. non-recurring items, %	-16.8	-2.2	-6.2	-6.2	-3.0	-8.3	-6.0
Deliveries, 1,000 t	65	118	138	156	158	478	636
Production, 1,000 t	38	113	126	153	152	430	629
Personnel at the end of period	546	631	646	1,169	1,140	546	1,140

The delivery and production volumes are not completely comparable due to the restructuring.

**OCTOBER–DECEMBER 2015
(Q3/2015)**

The segment's operating result excluding non-recurring items weakened from the previous quarter and was EUR -8.4 million (-1.3). The result for October–December included EUR -0.4 million (0.0) in non-recurring items.

The negative result impact of the integrate shut-down related to the investment programme at Husum was approximately EUR 20 million, of which slightly over than half targeted the Non-core operations segment.

The delivery volumes of Metsä Board's papers decreased considerably in the last quarter of the year. The production of coated paper ended in September and the production of uncoated fine paper sheets ended in December. The remaining production of uncoated fine paper reels (approximately 100,000 tonnes per year) will end in 2017. Paperboard price levels were stable.

Total deliveries by European uncoated fine paper producers remained at the previous quarter's level. Metsä Board's deliveries of uncoated fine paper decreased by 28 per cent.

**JANUARY–DECEMBER 2015
(1–12/2014)**

The segment's operating result excluding non-recurring items was EUR -16.3 million (-17.7). The operating result for January–December included EUR 19.3 million in non-recurring items, of which the most significant were the sales gain of EUR 17.5 million from the divestment of the Gohrsmühle mill. The operating result of the comparison year included EUR -39.7 million in non-recurring items, of which the most significant were the impairment of EUR 26.1 million of the fixed assets at the Gohrsmühle mill and the cost provision of EUR 13.4 related to the discontinuation of paper production at the Husum mill.

The segment's operating result excluding non-recurring items was weakened by the integrated mill shutdown related to the investment programme at Husum. The divestment of the loss-making Gohrsmühle mill in the second quarter of the year will improve the company's annual operating result by approximately EUR 20 million. Slightly over half of this result improvement was realised in 2015.

The delivery volumes of Metsä Board's papers declined considerably in 2015. The average prices of papers remained approximately at the previous year's level. When paper production at Husum ends completely in 2017, paper capacity of approximately 600,000 tonnes will have been removed from the market compared to 2014.

Total deliveries by European uncoated fine paper producers increased by 2 per cent compared to the previous year. Metsä Board's deliveries of uncoated fine paper decreased by 16 per cent.

SALES AND RESULT BY SEGMENT

EUR million	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2015 Q1–Q4	2014 Q1–Q4
Paperboard	399.5	412,7	408,3	391.1	363.8	1,611.6	1,444.2
Non-core operations	50.5	85,4	108,6	128.4	126.9	372.8	517.1
Other operations	76.5	62,5	71.4	69.4	71.5	279.8	287.5
Internal sales	-64.3	-63.0	-66.3	-63.3	-62.7	-256.7	-240.3
Sales	462.2	497.6	522.0	525.7	499.4	2,007.5	2,008.4
Paperboard	66.5	81.0	75.9	76.4	66.7	299.7	246.8
Non-core operations	-0.1	8.1	26.4	6.0	-7.4	40.4	2.8
Other operations	-7.3	-8.2	-9.0	-13.1	-3.0	-37.6	-7.4
EBITDA	59.1	80.9	93.3	69.3	56.4	302.5	242.2
% of sales	12.8	16.2	17.9	13.2	11.3	15.1	12.1
Paperboard	51.0	64.9	59.8	60.9	51.0	236.6	184.3
Non-core operations	-8.8	-1.3	16.7	-3.6	-40.5	3.0	-57.4
Other operations	-8.1	-9.0	-9.3	-14.2	-3.8	-40.6	-10.4
Operating result	34.1	54.6	67.2	43.1	6.7	199.0	116.5
% of sales	7.4	11.0	12.9	8.2	1.3	9.9	5.8
Non-recurring items in operating result							
Paperboard	0.0	0.0	0.0	0.3	0.1	0.3	4.1
Non-core operations	-0.4	0.0	20.1	-0.4	-38.6	19.3	-39.7
Other operations	-0.5	0.0	0.1	0.0	8.5	-0.5	15.7
Group	-0.9	0.0	20.2	-0.1	-30.0	19.2	-19.9
Paperboard	66.5	81.0	75.9	76.4	67.0	299.7	243.0
Non-core operations	-0.1	8.1	6.2	6.4	5.1	20.7	16.3
Other operations	-6.7	-8.3	-9.0	-13.1	-11.5	-37.1	-23.1
EBITDA, excl. non-recurring items	59.7	80.8	73.1	69.7	60.6	283.3	236.2
% of sales	12.9	16.2	14.0	13.3	12.1	14.1	11.8
Paperboard	51.0	64.9	59.8	60.6	50.9	236.3	180.2
Non-core operations	-8.4	-1.3	-3.4	-3.2	-1.8	-16.3	-17.7
Other operations	-7.6	-9.0	-9.4	-14.2	-12.3	-40.2	-26.1
Operating result, excl. non-recurring items	35.1	54.6	47.0	43.2	36.8	179.9	136.4
% of sales	7.6	11.0	9.0	8.2	7.4	9.0	6.8
Result, excl. non-recurring items, % from sales							
Paperboard	12.8	15.7	14.6	15.5	14.0	14.7	12.5
Non-core operations	-16.7	-1.5	-3.1	-2.5	-1.4	-4.4	-3.4
Group	7.6	11.0	9.0	8.2	7.4	9.0	6.8

EUR million	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2015 Q1–Q4	2014 Q1–Q4
Return on capital employed, %							
Paperboard	16.6	21.4	20.2	21.3	17.6	20.0	16.4
Non-core operations	-17.5	-2.2	30.1	-7.0	-66.0	1.5	-19.5
Group	8.1	13.0	16.5	11.0	1.8	12.5	7.7
Return on capital employed, excl. non-recurring items, %							
Paperboard	16.6	21.4	20.2	21.2	17.6	19.9	16.0
Non-core operations	-16.8	-2.2	-6.2	-6.2	-3.0	-8.3	-6.0
Group	8.3	13.0	11.6	11.0	9.6	11.3	9.1
Capital employed, EUR million							
Paperboard	1,247.2	1,210.4	1,213.5	1,160.5	1,124.7	1,247.2	1,124.7
Non-core operations	181.7	218.8	246.0	197.6	212.7	181.7	212.7
Unallocated and eliminations	258.9	256.7	219.5	261.3	187.9	258.9	187.9
Group	1,687.8	1,685.9	1,679.0	1,619.4	1,525.4	1,687.8	1,525.4

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

DELIVERIES

1 000 t	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2015 Q1–Q4	2014 Q1–Q4
Paperboard	365	373	366	345	326	1,449	1,311
Non-core operations	65	118	138	156	158	478	636
Market Pulp	134	123	142	150	148	549	611

PRODUCTION

1 000 t	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2015 Q1–Q4	2014 Q1–Q4
Paperboard	375	367	376	363	348	1,481	1,370
Non-core operations	38	113	126	153	152	430	629
Metsä Fibren pulp ¹⁾	148	143	147	147	143	586	562
Metsä Board pulp	257	318	302	328	337	1,206	1,294

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

CALCULATION OF KEY RATIOS

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

FINANCIAL STATEMENTS
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	Note	Q4		Q1–Q4	
		2015	2014	2015	2014
Sales	2, 6	462.2	499.4	2 007.5	2 008.4
Changes in stocks of finished goods and work in progress		-5.0	11.0	-15.1	10.3
Other operating income	2, 6	9.9	20.6	47.7	69.6
Material and services	6	-326.8	-368.4	-1 408.0	-1 449.4
Employee costs		-56.8	-69.0	-234.5	-252.6
Share of results of associated companies and joint ventures	6	14.7	12.4	61.3	43.7
Depreciation, amortization and impairment losses		-25.0	-49.6	-103.5	-125.6
Other operating expenses		-39.1	-49.7	-156.4	-187.9
Operating result	2	34.1	6.7	199.0	116.5
Share of results of associated companies and joint ventures		0.0	0.0	0.1	0.3
Net exchange gains and losses		1.9	3.3	-3.4	2.7
Other net financial items	2, 6	-6.6	-8.3	-28.6	-41.9
Result before income tax		29.4	1.6	167.1	77.6
Income taxes	3	-2.9	4.5	-29.8	-9.1
Result for the period		26.5	6.1	137.3	68.5

EUR million	Note	Q4		Q1–Q4	
		2015	2014	2015	2014
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Actuarial gains/losses on defined pension plans		4.5	-8.2	6.3	-26.3
Income tax relating to items that will not be reclassified		-1.8	2.7	-2.7	7.7
Total		2.7	-5.5	3.6	-18.6
Items that may be reclassified to profit or loss					
Cash flow hedges		-5.4	-4.4	-2.9	-11.2
Available for sale financial assets	8	-22.0	-0.8	-23.0	-0.6
Translation differences		6.7	-7.7	7.0	-15.1
Share of other comprehensive income of associated companies and joint ventures		-1.5	-2.0	0.3	-4.4
Income tax relating to components of other comprehensive income		5.6	1.1	5.5	2.4
Total		-16.6	-13.8	-13.1	-28.9
Other comprehensive income, net of tax		-13.9	-19.3	-9.5	-47.5
Total comprehensive income for the period		12.6	-13.2	127.8	21.0
Result for the period attributable to					
Shareholders of parent company		26.5	6.1	137.3	68.5
Non-controlling interests		0.0	0.0	0.0	0.0
Total comprehensive income for the period attributable to					
Shareholders of parent company		12.6	-13.2	127.8	21.0
Non-controlling interests		0.0	0.0	0.0	0.0
Total		12.6	-13.2	127.8	21.0
Earnings per share for result attributable to shareholders of parent company (EUR/share)					
		0.07	0.02	0.39	0.20

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

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

EUR million	Note	31 Dec 2015	31 Dec 2014
ASSETS			
Non-current assets			
Goodwill		12.4	12.7
Other intangible assets		13.7	15.1
Tangible assets	4	812.3	737.7
Investments in associated companies and joint ventures		260.2	223.1
Available for sale investments	8	210.2	233.3
Other non-current financial assets	6, 8	14.6	11.2
Deferred tax receivables	2	4.5	17.3
		1,327.9	1,250.4
Current assets			
Inventories		299.3	339.8
Accounts receivables and other receivables	6, 8	271.1	308.2
Cash and cash equivalents	6, 8	321.8	250.4
		892.2	898.4
Total assets		2,220.1	2,148.8
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity to shareholders of parent company		1,028.9	841.4
Non-controlling interests		0.0	0.0
Total equity		1,028.9	841.4
Non-current liabilities			
Deferred tax liabilities		80.2	78.2
Post-employment benefit obligations	2	14.6	112.2
Provisions	5	8.3	24.7
Borrowings	8	611.3	580.8
Other liabilities	8	11.5	7.8
		725.9	803.7
Current liabilities			
Provisions	5	13.8	10.1
Current borrowings	6, 8	47.6	103.2
Accounts payable and other liabilities	6, 8	403.9	390.4
		465.3	503.7
Total liabilities		1,191.2	1,307.4
Total shareholders' equity and liabilities		2,220.1	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	Retained earnings	Total	Non-controlling interests	Total
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						68.5	68.5	0.0	68.5
Other comprehensive income net of tax total			-19.0	-9.9		-18.6	-47.5		-47.5
Comprehensive income total			-19.0	-9.9		49.9	21.0	0.0	21.0
Share based payments						0.3	0.3		0.3
Related party transactions									
Dividends paid						-29.5	-29.5		-29.5
Shareholders' equity, 31 Dec 2014		557.9	6.9	132.1	284.8	-140.3	841.4	0.0	841.4

		Equity attributable to shareholders of parent company							
EUR million	Note	Share capital	Translation differences	Fair value and other reserves	Reserve for invested unrestricted equity	Retained earnings	Total	Non-controlling interests	Total
Shareholders' equity, 1 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						137.3	137.3	0.0	137.3
Other comprehensive income net of tax total			7.3	-20.4		3.6	-9.5		-9.5
Comprehensive income total			7.3	-20.4		140.9	127.8	0.0	127.8
Share based payments						0.8	0.8		0.8
Related party transactions									
Share issue net of transaction costs					98.3		98.3		98.3
Dividends paid						-39.4	-39.4		-39.4
Shareholders' equity, 31 Dec 2015		557.9	14.2	111.7	383.1	-38.0	1,028.9	0.0	1,028.9

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

EUR million	Note	Q1–Q4		Q4
		2015	2014	2015
Result for the period		137.3	68.5	26.5
Total adjustments	7	66.3	82.8	7.6
Change in working capital		72.2	59.0	53.8
Cash flow from operations		275.8	210.3	87.9
Net financial items	7	-7.8	-9.3	-5.5
Income taxes paid		-21.3	-2.8	-16.5
Net cash flow from operating activities		246.7	198.2	65.9
Acquisition of other shares		-1.5	-1.5	-1.5
Investments in intangible and tangible assets		-175.0	-42.5	-57.7
Disposals and other items	6, 7	-30.6	47.5	5.2
Net cash flow from investing activities		-207.1	3.5	-54.0
Share issue net of transaction costs		97.9		
Changes in non-current loans and in other financial items	6	-27.7	-15.6	-12.8
Dividends paid		-39.4	-29.5	0.0
Net cash flow from financing activities		30.8	-45.1	-12.8
Changes in cash and cash equivalents		70.4	156.6	-0.9
Cash and cash equivalents at beginning of period	6	250.4	94.2	321.7
Translation difference in cash and cash equivalents		1.0	-0.4	1.0
Changes in cash and cash equivalents		70.4	156.6	-0.9
Cash and cash equivalents at end of period	6	321.8	250.4	321.8

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

EUR million	Q1–Q4/2015			Q1–Q4/2014		
	External	Internal	Total	External	Internal	Total
Paperboard	1,611.6	0.0	1,611.6	1,444.2	0.0	1,444.2
Non-core operations	364.8	7.9	372.8	502.1	15.0	517.1
Other operations	31.0	248.7	279.8	62.1	225.3	287.4
Elimination of intersegment sales		-256.7	-256.7		-240.3	-240.3
Total sales	2,007.5	0.0	2,007.5	2,008.4	0.0	2,008.4

Operating result by operating segments

EUR million	Q1–Q4	Q1–Q4
	2015	2014
Paperboard	236.6	184.3
Non-core operations	3.0	-57.4
Other operations	-40.6	-10.4
Operating result total	199.0	116.5
Share of profit from associated companies	0.1	0.3
Finance costs, net	-32.0	-39.2
Income taxes	-29.8	-9.1
Result for the period	137.3	68.5

Non-recurring items in operating result amounted to EUR +19.2 million, of which EUR 0.3 million in Paperboard, EUR 19.3 million in Non-core operations and EUR -0.5 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 share-holder loan given to Pohjolan Voima for OL4 project.

Assets by operating segments

EUR million	31 Dec 2015	31 Dec 2014
Paperboard	1,574.4	1,397.7
Non-core operations	246.8	403.4
Other operations	144.1	150.9
Elimination	-75.2	-77.9
Unallocated	330.0	274.7
Total	2,220.1	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 12 months in 2015 and 2014 are as follows.

Change from comparison period is due to recognition in third quarter of previously unrecognized income taxes amounting to about 15 million.

EUR million	Q1–Q4 2015	Q1–Q4 2014
Taxes for the current period	14.4	7.6
Taxes for the prior periods	9.7	0.3
Change in deferred taxes	5.7	1.2
Total income taxes	29.8	9.1

NOTE 4 – CHANGES IN PROPERTY, PLANT AND EQUIPMENT

The following shows the components of changes in property, plant and equipment for 1 January to 31 December in 2015 and 2014.

EUR million	Q1–Q4 2015	Q1–Q4 2014
Carrying value at beginning of period	737.7	833.8
Capital expenditure	176.1	42.6
Decreases	-6.8	-2.2
Depreciation, amortization and impairment losses	-99.4	-121.0
Translation difference	4.7	-15.5
Carrying value at end of period	812.3	737.7

NOTE 5 – PROVISIONS

The following is a summary of changes in Metsä Board's provisions during 1 January to 31 December 2015.

EUR million	Environmental			Other provisions	Total
	Restructuring	obligations			
1 Jan 2015	14.9	10.9		9.0	34.8
Translation differences	0.2	0.1		0.1	0.4
Increases	0.4	0.0		0.0	0.4
Utilised during the year	-3.2	-4.3		-2.9	-10.4
Unused amounts reversed	-0.4	-0.9		-1.8	-3.1
31 Dec 2015	11.9	5.8		4.4	22.1

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 8.3 million and the current portion EUR 13.8 million, total provisions being EUR 22.1 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 parent and sister companies

EUR million	Q1–Q4	Q1–Q4
	2015	2014
Sales	74.8	69.1
Other operating income	5.4	4.9
Purchases	700.3	674.5
Share of result from associated companies	61.3	43.7
Interest income	0.2	0.4
Interest expenses	2.4	1.0
Accounts receivables and other receivables	13.9	14.3
Cash and cash equivalents	311.3	236.0
Accounts payable and other liabilities	72.9	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 twelve months ended 31 December 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–Q4 2015	Q1–Q4 2014
Sales	0.6	0.7
Purchases	7.4	7.7
Other non-current financial assets	0.3	0.3
Accounts receivables and other receivables	0.2	0.2
Accounts payable and other liabilities	1.5	1.2

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

EUR million	Q1–Q4 2015	Q1–Q4 2014	Q4 2015
Taxes	29.8	9.1	2.9
Depreciation, amortization and impairment charges	103.5	125.6	25.0
Share of result from associated companies and joint ventures	-61.4	-43.9	-14.7
Gains and losses on sale of fixed assets	-23.7	-40.4	-2.8
Finance costs, net	32.0	39.2	4.7
Provisions	-13.9	-6.7	-7.5
Total	66.3	82.8	7.6

Net financial items

Net financial items in consolidated cash flow statement for 1 January to 31 December 2015 include a dividend of EUR 24.9 million paid by Metsä Fibre.

Disposals and other items

1 January to 31 December 2015 Disposals and other items, EUR -30.6 million, include EUR +6.5 million disposal of fixed assets, EUR +1.1 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 31 December 2015:

Financial assets 31 December 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		210.2				210.2	210.2
Other non-current financial assets			14.6			14.6	14.6
Accounts receivables and other receivables			270.7			270.7	270.7
Cash and cash equivalent	0.0		321.8			321.8	321.8
Derivative financial instruments	1.5			-1.4		0.2	0.2
Total financial assets	1.5	210.2	607.0	-1.4	0.0	817.4	817.4

Financial liabilities 31 December 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			611.3	611.3	636.3
Other non-current financial liabilities			0.1	0.1	0.1
Current interest-bearing financial liabilities			47.6	47.6	49.5
Accounts payable and other financial liabilities			355.2	355.2	355.2
Derivative financial instruments	-3.1	28.1		25.0	25.0
Total financial liabilities	-3.1	28.1	1,014.2	1,039.2	1,066.2

Financial assets and liabilities and their fair values classified according to IAS 39 at 31 December 2014:

Financial assets 31 December 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		233.3				233.3	233.3
Other non-current financial assets			11.2			11.2	11.2
Accounts receivables and other receivables			307.5			307.5	307.5
Cash and cash equivalent	0.0		250.5			250.5	250.5
Derivative financial instruments	0.0			0.0		0.0	0.0
Total financial assets	0.0	233.3	569.1	0.0	0.0	802.4	802.4

Financial liabilities 31 December 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			580.8	580.8	605.9
Other non-current financial liabilities			1.4	1.4	1.4
Current interest-bearing financial liabilities			103.2	103.2	105.0
Accounts payable and other financial liabilities			332.9	332.9	332.9
Derivative financial instruments	2.9	23.7		26.5	26.5
Total financial liabilities	2.9	23.7	1,018.3	1,044.8	1,071.7

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 0.8–2.8 per cent (31 December 2014: 0.8–3.1).

Fair value hierarchy of financial assets and liabilities 31 December 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				
Available for sale financial assets	0.1		210.1	210.2
Financial assets at fair value through profit or loss, current				
Derivative financial assets		0.2		0.2
Financial liabilities measured at fair value				
Derivative financial liabilities	24.1	0.9		25.0
Financial assets not measured at fair value				
Cash and cash equivalent		321.8		321.8
Financial liabilities not measured at fair value				
Non-current interest-bearing financial liabilities		636.3		636.3
Current interest-bearing financial liabilities		49.5		49.5

Fair value hierarchy of financial assets and liabilities 31 December 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				
Available for sale financial assets	0.4		232.9	233.3
Financial assets at fair value through profit or loss, current				
Derivative financial assets				
Financial liabilities measured at fair value				
Derivative financial liabilities	10.2	16.3		26.5
Financial assets not measured at fair value				
Cash and cash equivalent		250.5		250.5
Financial liabilities not measured at fair value				
Non-current interest-bearing financial liabilities		605.9		605.9
Current interest-bearing financial liabilities		105.0		105.0

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

EUR million	2015 31 Dec	2014 31 Dec
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	-22.7	-0.6
Purchases		
Settlements	-0.7	0.0
Closing balance	210.1	232.9

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 mainly based on circumstances prevailing in the markets on each closing date of the reporting period (Level 3).

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

The 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 31 December 2015 was 2.72 per cent (31.12.2014: 2.48) and 5.72 per cent (6.48) for the Olkiluoto 3 plant under construction. The acquisition cost of shares in Pohjolan Voima Oy is EUR 39.1 million (39.1) and the fair value EUR 206.0 million (228.7).

The carrying amount of available-for-sale financial instruments is estimated to remain unchanged if the rates used for discounting were 10 per cent higher than the rates estimated by the management. The carrying amount of available-for-sale financial instruments is estimated to be EUR 0.4 million lower if the rates used for discounting were 10 lower than the rates estimated by the management. The carrying amount of available-for-sale financial assets is estimated to be EUR 24.5 million higher or EUR 24.5 million lower should the energy prices used for calculating the fair value differ by 10 per cent from prices estimated by the management.

Derivatives 31 December 2015

EUR million	Nominal value	Fair value			Fair value		
		Derivative Assets	Liab.	Fair value Net	Fair value hedges	Cash flow	Derivatives with no hedge accounting
Interest forward agreements							
Interest rate options							
Interest rate swaps	253.4		0.9	-0.9		-4.0	3.1
Interest rate derivatives	253.4		0.9	-0.9		-4.0	3.1
Currency forward agreements	465.5	0.2		0.2		-1.4	1.5
Currency option agreements	91.8	0.0		0.0			0.0
Currency swap agreements							
Currency derivatives	557.4	0.2		0.2		-1.4	1.5
Electricity derivatives	62.6		16.6	-16.6		-16.6	
Pulp derivatives							
Oil derivatives	16.7		6.4	-6.4		-6.4	
Other commodity derivatives	5.0		1.1	-1.1		-1.1	
Commodity derivatives	84.3		24.1	-24.1		-24.1	
Derivatives total	895.1	0.2	25.0	-24.8		-29.4	4.6

Derivatives 31 December 2014

EUR million	Nominal value	Fair value			Fair value		
		Derivative Assets	Liab.	Fair value Net	Fair value hedges	Cash flow	Derivatives with no hedge accounting
Interest forward agreements							
Interest rate options							
Interest rate swaps	265.3		3.4	-3.4	3.2	-6.6	
Interest rate derivatives	265.3		3.4	-3.4	3.2	-6.6	
Currency forward agreements	564.1		11.4	-11.4		-10.0	-1.4
Currency option agreements	169.5		1.4	-1.4			-1.4
Currency swap agreements							
Currency derivatives	733.6		12.8	-12.8		-10.0	-2.8
Electricity derivatives	62.8		6.7	-6.7		-6.6	-0.1
Pulp derivatives	22.3		0.1	-0.1		-0.1	
Oil derivatives	10.8		3.6	-3.6		-3.6	
Other commodity derivatives							
Commodity derivatives	95.9		10.3	-10.3		-10.3	-0.1
Derivatives total	1 094.8		26.5	-26.5	3.2	-26.9	-2.8

NOTE 9 – COMMITMENTS AND GUARANTEES

The following shows securities and guarantees for 31 December 2015 and 31 December 2014.

EUR million	31 Dec 2015	31 Dec 2014
Liabilities secured by pledges, real estate mortgages and floating charges	157.2	180.8
Pledges granted	91.9	78.8
Floating charges	3.0	3.0
Real estate mortgages	232.8	232.8
Total pledges and mortgages	327.7	314.6
As security for other own commitments	8.5	32.4
On behalf of associated companies and joint ventures	0.1	0.2
On behalf of others	0.1	0.1
Total	336.4	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	31 Dec 2015	31 Dec 2014
Interest rate derivatives	253.4	265.3
Currency derivatives	557.4	733.6
Other derivatives	84.3	95.9
Total	895.1	1,094.8

The fair value of open derivative contracts calculated at market value at the end of the review period was EUR -24.8 million (EUR -26.5 million 31 December 2014).

Commitments related to property, plant and equipment

EUR million	31 Dec 2015	31 Dec 2014
Payments due in following 12 months	30.7	50.4
Payments due later	5.9	15.2
Total	36.6	65.6