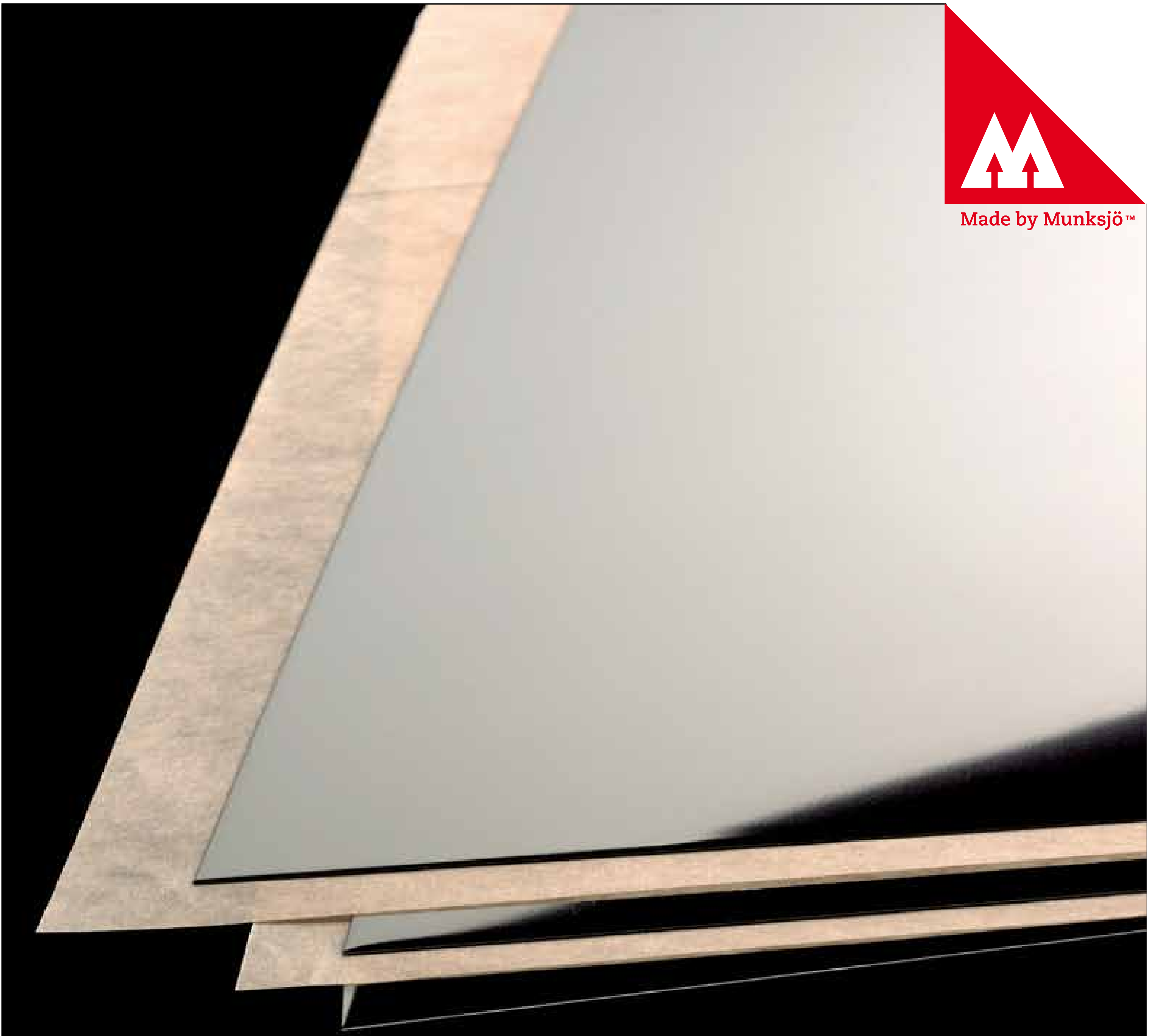


Made by Munksjö™

MUNKSJÖ OYJ
Interim Report January-March 2014

Materials for innovative product design

Positive profitability development

Highlights of the first quarter 2014

- Net sales amounted to EUR 287.9 (154.5) million. The significant net sales improvement was primarily a result of the business combination between Munksjö AB and Ahlstrom Corporation's business area Label and Processing completed in 2013.
- Adjusted EBITDA was EUR 27.4 (11.5) million corresponding to an adjusted EBITDA margin of 9.5% (7.5%).
- Operating result adjusted for non-recurring items was EUR 13.7 (5.0) million. Non-recurring items amounted to EUR -1.0 (-3.0) million and were costs for achieving synergy benefits and for the work in connection with the Statement of Objections from the European Commission.
- Operating result was EUR 12.7 (2.0) million and the net result was EUR 4.3 (-1.9) million.
- Earnings per share (EPS) were EUR 0.08 (-0.15).
- Interest-bearing net debt at the end of the reporting period was EUR 237.6 million (31 Dec 2013: 229.3, 31 March 2013: 218.3), equivalent to a gearing of 55.3% (31 Dec 2013: 54.1%, 31 March 2013: 109.2%).
- Operating cash flow was EUR -2.6 (3.5) million.

KEY FIGURES (MEUR)	Jan-Mar		Jan-Dec
	2014	2013	2013
Net sales	287.9	154.5	863.3
EBITDA (adj.*)	27.4	11.5	55.0
EBITDA margin, % (adj.*)	9.5	7.5	6.4
EBITDA	26.4	8.5	5.9
EBITDA margin, %	9.2	5.5	0.7
Operating result (adj.*)	13.7	5.0	15.7
Operating margin, % (adj.*)	4.8	3.2	1.8
Operating result	12.7	2.0	-33.4
Operating margin, %	4.4	1.3	-3.9
Net result	4.3	-1.9	-57.4
Earnings per share (EPS), EUR	0.08	-0.15	-1.97
Interest-bearing net debt**	237.6	218.3	229.3

* Adjusted for non-recurring items
** Restated to reflect the adoption of IFRS 11 as explained in the notes to the interim report

Unless otherwise indicated, the figures in parentheses refer to the figures for the equivalent period in 2013. This interim report is unaudited. It is published in Swedish, Finnish and English. In case of any discrepancies between the three versions, the Swedish text shall prevail.

Comments from Munksjö's President and CEO, Jan Åström

"The newly formed specialty paper company Munksjö has now completed its first full quarter. At the end of 2013, the business combination between Munksjö AB and Ahlstrom Corporation's business area Label and Processing was completed when the Brazilian operation was incorporated into the Group and the business area Release Liners. The organisation has delivered a good profitability growth and has also already achieved the lower synergy benefits target level.

Prices were stable during the first quarter of 2014. In the business area Decor and Industrial Applications, the growth in volumes was good compared to the same period in 2013. With adjusted EBITDA margins in the region of 14 to 15 per cent, these two business areas are generating improved results. The business areas Release Liners and Graphics and Packaging are showing the results of the company's increased focus on profitability as both business areas have improved their results compared to previous quarters.

I am proud of this organisation which is delivering a level of performance that will take us another step closer to achieving our EBITDA margin goal of 12 per cent over a business cycle."

Outlook

During the second quarter of 2014, demand for Munksjö's products is expected to remain stable after a relatively strong first quarter. Prices in local currency are expected to remain at the same level as in the first quarter.

As previously communicated, the synergy benefits of EUR 20-25 million will be achieved earlier than originally planned, as the related synergy activities are expected to be completed already during 2014, and realised during 2015.

The previously communicated prolonged intervals between the maintenance stops from 12 to 18 months at the pulp production facility in Aspa, Sweden will impact the result for the business area Release Liners negatively in the second quarter instead of in the fourth quarter this year. The effect on the result is expected to be EUR -4 million.

During the Easter holiday shorter scheduled maintenance shutdowns were carried out. Otherwise the yearly holiday shutdowns, during which planned maintenance operations are scheduled, are expected to be carried out to the same extent as in 2013.

Webcast and conference call

A live combined news conference, conference call and webcast for investors, analysts and media will be arranged on the publishing day, 8 May 2014 at 10 a.m. CEST (11 EEST) at the restaurant Palace in Helsinki, Finland (Eteläranta 10, 10th floor, Conference hall). The report will be presented by President and CEO Jan Åström. The event will be held in English.

The live webcast can be followed on the Internet and an on-demand version of the webcast will be available on the same webpage later the same day. To join the conference call, participants are requested to dial one of the numbers below 5-10 minutes prior to the start of the event.

Webcast and conference call information

Finnish callers: +358 (0)9 2313 9201
Swedish callers: +46 (0)8 505 201 10
US callers: +1 334 323 6201
UK callers: +44 (0)20 7162 0077

Conference ID: 943089

Link to the webcast: http://qsb.webcast.fi/m/munksjo/munksjo_2014_0508_q1

Forming a global leader in specialty paper – combining Munksjö AB with Ahlstrom Corporation's business area Label and Processing

Munksjö Oyj was formed when the Swedish company Munksjö AB and the business area Label and Processing of the Finnish company Ahlstrom Corporation were combined. The company consists of four business areas: Decor, Release Liners, Industrial Applications and Graphics and Packaging. The business areas are also the reporting segments.

In addition to the financial result for the reporting period, the report contains pro forma financial information of the business combination. As the combination was completed during 2013, pro forma information is only prepared up until the fourth quarter 2013. This information is presented for illustrative purposes only. Further information on how the pro forma information was compiled is available in the Financial Statements Bulletin, published on 13 February 2014.

Synergy benefits and integration

As previously communicated the annual synergy benefits arising from the business combination are related to procurement, production efficiency, economies of scale and improved organisational performance and efficiency, and are still expected to be between EUR 20-25 million. The result for the first quarter of 2014 includes realised and recorded synergies of approximately EUR 5 million. At the end of the first quarter the annual synergy benefits run-rate was approximately EUR 20 million.

The synergies have primarily been achieved within procurement and improved efficiency within the organisation. It is within the area of improved efficiency within the organisation, including the improvement programme in the business area Graphics and Packaging, that the synergies are expected to be further developed during 2014.

Non-recurring items to achieve synergies are still estimated at EUR 10-15 million. In addition to the approximately EUR 11 million recorded in the result of 2013, EUR 0.5 million in costs were recorded in the result of the first quarter of 2014. The cash flow effect in the first quarter of 2014 was approximately EUR 1.5 million in addition to the EUR 4 million which affected the cash flow in 2013. The remainder of the non-recurring items are expected to affect the cash flow during the rest of 2014.

The Munksjö Group

MEUR	Jan-Mar 2014	Jan-Mar 2013	Jan-Dec 2013
Reported [1]			
Net sales	287.9	154.5	863.3
EBITDA (adj.*)	27.4	11.5	55.0
EBITDA margin, % (adj.*)	9.5	7.5	6.4
EBITDA	26.4	8.5	5.9
EBITDA, margin %	9.2	5.5	0.7
Operating result (adj.*)	13.7	5.0	15.7
Operating margin, % (adj.*)	4.8	3.2	1.8
Operating result	12.7	2.0	-33.4
Operating margin, %	4.4	1.3	-3.9
Net result	4.3	-1.9	-57.4
Capital expenditure	5.5	2.2	22.6
Employees, FTE	2,770	1,658	2,216
Pro forma [2]			
Net sales	287.9	290.4	1,120.3
EBITDA** (adj.*)	27.4	18.9	64.1
EBITDA** margin, % (adj.*)	9.5	6.5	5.7
EBITDA**	26.4	18.2	42.3
EBITDA**, margin %	9.2	6.3	3.8
Delivery volumes, tonnes	225,600	227,000	885,300

ACQUIRED OPERATIONS MEUR	27 May-Dec 2013
Reported [1]	
Net sales	257.0
EBITDA (adj.*)	6.9
EBITDA margin, % (adj.*)	2.7
EBITDA	-3.5
EBITDA, margin %	-1.4
Operating result (adj.*)	-4.9
Operating margin, % (adj.*)	-1.9
Operating result	-15.3
Operating margin, %	-6.0
Delivery volumes, tonnes	223,400

* Adjusted for non-recurring items
** Includes stand-alone cost savings and synergies obtained after 27 May 2013
1) Includes LP Europe from 27 May 2013 and Coated Specialties from 2 December 2013
2) Includes LP Europe and Coated Specialties from 1 January 2012. As the combination was completed during 2013, the pro forma information is only consolidated until the fourth quarter 2013. From the first quarter 2014 the reported figure is used.

Reported

First quarter 2014

Net sales amounted to EUR 287.9 (154.5) million. The significant net sales improvement was primarily a result of the business combination completed in 2013.

EBITDA adjusted for non-recurring items increased to EUR 27.4 (11.5) million and the adjusted EBITDA margin was 9.5% (7.5%).

Operating profit adjusted for non-recurring items was EUR 13.7 (5.0) million and the adjusted operating margin was 4.8% (3.2%). Non-recurring items amounted to EUR -1.0 (-3.0) million. Of these costs EUR 0.5 million were costs for achieving synergy benefits and EUR 0.5 million for work in connection with the Statement of Objections from the European Commission.

The operating result was EUR 12.7 (2.0) million with a net result of EUR 4.3 (-1.9) million.

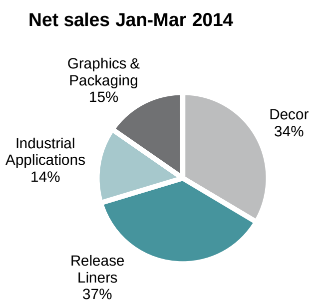
Reported figures compared to pro forma figures

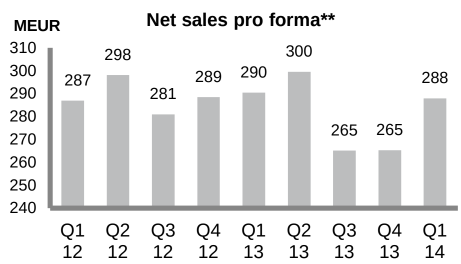
First quarter 2014

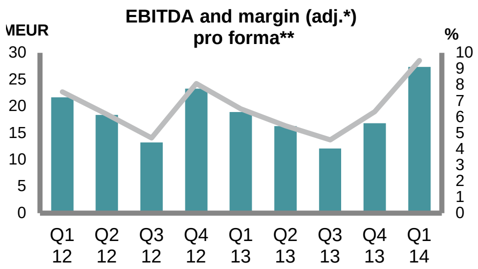
The reported net sales were slightly lower than the pro forma figures amounting to EUR 287.9 (290.4) million.

Adjusted EBITDA increased to EUR 27.4 (18.9) million and the adjusted EBITDA margin was 9.5% (6.5%). The result for the first quarter 2013 includes a positive impact on the result of approximately EUR 3 million which was a result of the release of certain accruals related to personnel liabilities.

The market conditions and financial performance in the first quarter of 2014 are discussed for the respective business areas on the following pages.







*Adjusted for non-recurring items
**From the first quarter 2014 the reported figure is used

Business Area Decor

MEUR	Jan-Mar 2014	Jan-Mar 2013	Jan-Dec 2013
Reported			
Net sales	97.5	96.0	368.2
EBITDA (adj.*)	13.6	9.7	33.7
EBITDA margin. % (adj.*)	13.9	10.1	9.2
EBITDA	13.6	9.3	26.3
EBITDA. margin %	13.9	9.7	7.1
Operating result (adj.*)	10.8	7.0	21.9
Operating margin. % (adj.*)	11.1	7.3	5.9
Operating result	10.8	6.7	14.5
Operating margin. %	11.1	7.0	3.9
Capital expenditure	1.5	0.8	4.5
Delivery volumes, tonnes	46,600	44,600	174,800
Employees, FTE	887	891	888

* Adjusted for non-recurring items
The business combination has not impacted the business area and therefore no pro forma-information is presented

Reported

First quarter 2014

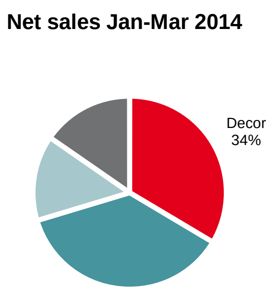
Market demand for Decor remained comparatively good during the first quarter of the year, resulting in a 4 per cent increase in delivery volumes.

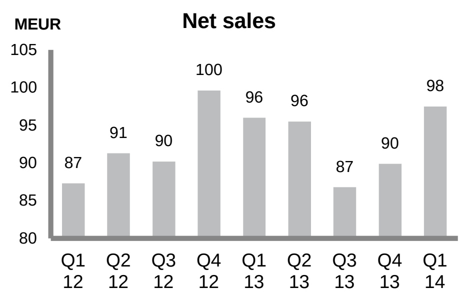
Net sales increased to EUR 97.5 (96.0) million, as a result of positive volume development. The average price was slightly lower than in the first quarter of 2013 due to a less favourable geographic mix, as the delivery volumes were higher in areas with lower price levels. No overall price reductions were made by the business area.

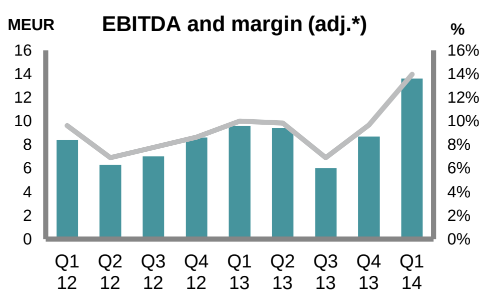
The continued lower raw material costs driven, among other things, by lower prices of Titanium dioxide and pulp had a positive effect on the result. The positive result development during the first quarter is also explained by increased productivity as a result of the higher capacity utilisation rate.

EBITDA adjusted for non-recurring items was EUR 13.6 (9.7) million and the adjusted EBITDA margin 13.9% (10.1%). In the reporting period the business area did not have any non-recurring items.

Operating result was EUR 10.8 (6.7) million and the operating margin 11.1% (7.0%).







*Adjusted for non-recurring items

Business Area Release Liners

MEUR	Jan-Mar 2014	Jan-Mar 2013	Jan-Dec 2013
Reported [1)]			
Net sales	106.9	23.4	249.1
EBITDA (adj.*)	9.0	-0.2	15.7
EBITDA margin, % (adj.*)	8.4	-1.0	6.3
EBITDA	9.0	-0.2	12.8
EBITDA, margin %	8.4	-1.0	5.1
Operating result (adj.*)	1.8	-2.0	0.4
Operating margin, % (adj.*)	1.7	-8.5	0.2
Operating result	1.8	-2.0	-2.5
Operating margin, %	1.7	-8.5	-1.0
Capital expenditure	1.2	0.5	7.5
Delivery volumes, tonnes	124,500	44,500	313,500
Employees, FTE	845	168	465
Pro forma [3)]			
Net sales	106.9	112,1	432.8
EBITDA** (adj.*)	9.0	5,4	23.9
EBITDA** margin, % (adj.*)	8.4	4,8	5.5
EBITDA**	9.0	5,4	21.2
EBITDA**, margin %	8.4	4,8	4.9
Delivery volumes, tonnes	124,500	126,600	497,500

ACQUIRED OPERATIONS MEUR	27 May-Dec 2013
Reported [1)]	
Net sales	154.6
EBITDA (adj.*)	8.4
EBITDA margin, % (adj.*)	5.4
EBITDA	5.5
EBITDA, margin %	3.6
Operating result (adj.*)	0.2
Operating margin, % (adj.*)	0.1
Operating result	-2.7
Operating margin, %	-1.7
Delivery volumes, tonnes	139,700

* Adjusted for non-recurring items
** Includes stand-alone cost savings and synergies obtained after 27 May 2013
1) Includes LP Europe from 27 May 2013 and Coated Specialties from 2 December 2013
2) Includes LP Europe and Coated Specialties from 1 January 2012. As the combination was completed during 2013, the pro forma information is only consolidated until the fourth quarter 2013. From the first quarter 2014 the reported figure is used.

Reported

In the first five months of 2013, the business area only consisted of Munksjö's pulp production facility in Aspa, Sweden. The part of Label and Processing Europe that primarily produces release papers for e.g. labels, special tapes, office labels, self-adhesive stickers and a range of industrial and graphics applications, was included into the business area as of 27 May 2013. The production facility in Jacarei (Coated Specialties), Brazil, was included in the Group and business area as of 2 December 2013. The Jacarei production facility delivers coated and uncoated specialty paper grades to the South American market, primarily Brazil.

First quarter 2014

Net sales was significantly higher and amounted to EUR 106.9 (23.4) million, primarily as a result of the business combination.

EBITDA adjusted for non-recurring items increased to EUR 9.0 (-0.2) million and the adjusted EBITDA margin was 8.4% (-1.0%). In the reporting period the business area did not have any non-recurring items.

Operating result was EUR 1.8 (-2.0) million and the operating margin 1.7% (-8.5%).

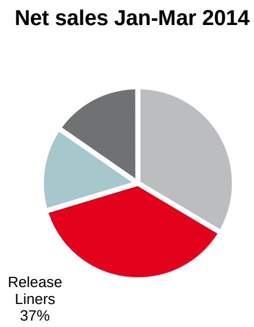
Reported figures compared to pro forma figures

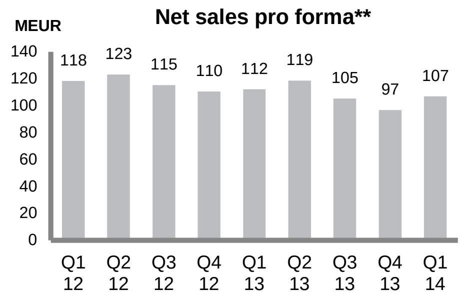
First quarter 2014

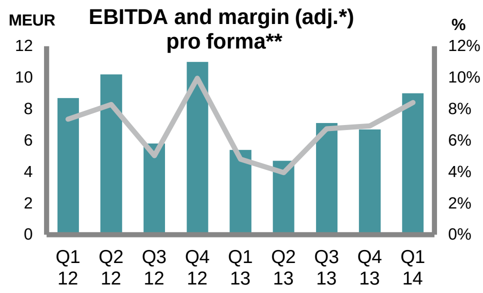
The total volume delivered by the business area declined by 2 per cent. Deliveries by the European paper business decreased compared to the corresponding period 2013, whereas both pulp volumes and deliveries from the production facility in Jacarei increased.

The reported net sales decreased compared to the pro forma net sales and were EUR 106.9 (112.1) million. While the average price was slightly lower, the business area was able to maintain the overall price level despite intense competition particularly in the European paper market. The market price for long-fibre pulp was higher. The average price, net sales and result of the Brazilian operations increased in local currency, but the weaker Brazilian Real against the Euro has impacted the net sales and result translated into Euros.

Adjusted EBITDA increased and amounted to EUR 9.0 (5.4) million and the adjusted EBITDA margin was 8.4% (4.8%). In the reporting period the business area did not have any non-recurring items. The positive effect on the result during the first quarter is a result of, among other things, the increased market price of long-fibre pulp, the effects of the business combination on the cost base and the business area's efforts to gradually lower the cost base. The result for the first quarter 2013 includes a positive impact on the result of approximately EUR 1 million as result of the release of certain accruals related to personnel liabilities.







*Adjusted for non-recurring items
**From the first quarter 2014 the reported figure is used

Business Area Industrial Applications

MEUR	Jan-Mar 2014	Jan-Mar 2013	Jan-Dec 2013
Reported			
Net sales	41.6	38.0	158.0
EBITDA (adj.*)	6.4	3.7	16.1
EBITDA margin, % (adj.*)	15.4	9.7	10.2
EBITDA	6.4	3.7	14.8
EBITDA margin, %	15.4	9.7	9.4
Operating result (adj.*)	4.5	1.8	8.6
Operating margin, % (adj.*)	10.8	4.7	5.4
Operating result	4.5	1.8	7.3
Operating margin, %	10.8	4.7	4.6
Capital expenditure	0.9	0.7	5.7
Delivery volumes, tonnes	22,800	20,300	81,500
Employees, FTE	540	563	556

* Adjusted for non-recurring items.
The business combination has not impacted the business area and therefore no pro forma-information is presented

Reported

First quarter 2014

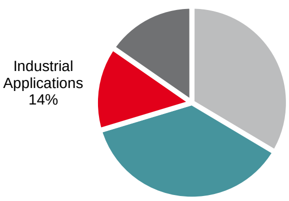
As a result of continued strong demand, particularly for abrasive backings and interleaving papers, delivery volumes increased and the capacity utilisation rate improved. The delivery volumes of abrasive backings were especially positive in the Asian market.

The positive development in volumes resulted in an increase in net sales to EUR 41.6 (38.0) million. The average price was slightly lower due to a less favourable product mix.

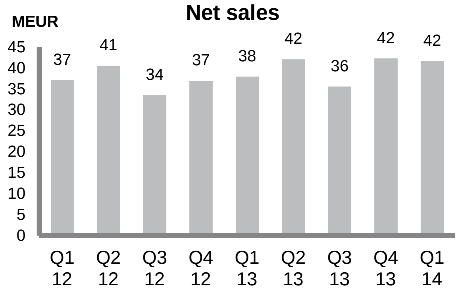
EBITDA adjusted for non-recurring items increased to EUR 6.4 (3.7) million and the adjusted EBITDA margin was 15.4% (9.7%). In the reporting period, the business area did not have any non-recurring items. The positive result development is primarily a result of a higher capacity utilisation rate but also lower raw material and energy costs.

Operating result was EUR 4.5 (1.8) million and the operating margin was 10.8% (4.7%).

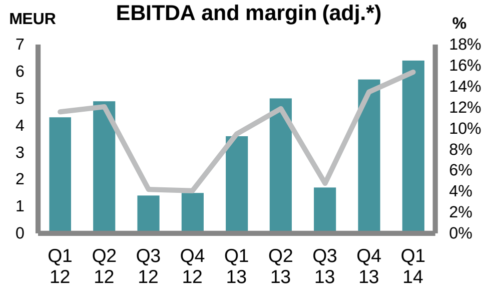
Net sales Jan- Mar 2014



Net sales



EBITDA and margin (adj.*)



*Adjusted for non-recurring items.

Business Area Graphics and Packaging

MEUR	Jan-Mar 2014	Jan-Mar 2013	Jan-Dec 2013
Reported 1)			
Net sales	44.6	-	102.4
EBITDA (adj.*)	1.3	-	-1.5
EBITDA margin, % (adj.*)	2.9	-	-1.5
EBITDA	1.3	-	-9.0
EBITDA, margin %	2.9	-	-8.8
Operating result (adj.*)	-0.1	-	-5.1
Operating margin, % (adj.*)	-0.2	-	-5.0
Operating result	-0.1	-	-12.6
Operating margin, %	-0.2	-	-12.3
Capital expenditure	0.9	-	1.9
Delivery volumes, tonnes	35,700	-	83,700
Employees, FTE	443	-	262
Pro forma			
Net sales	44.6	47.3	175.9
EBITDA** (adj.*)	1.3	1.8	-0.6
EBITDA** margin, % (adj.*)	2.9	3.8	-0.3
EBITDA**	1.3	1.8	-7.0
EBITDA**, margin %	2.9	3.8	-4.0
Delivery volumes, tonnes	35,700	38,600	145,600

ACQUIRED OPERATIONS MEUR	27 May-Dec 2013
Reported 1)	
Net sales	102.4
EBITDA (adj.*)	-1.5
EBITDA margin, % (adj.*)	-1.5
EBITDA	-9.0
EBITDA, margin %	-8.8
Operating result (adj.*)	-5.1
Operating margin, % (adj.*)	-5.0
Operating result	-12.6
Operating margin, %	-12.3
Delivery volumes, tonnes	83,700

* Adjusted for non-recurring items
** Includes stand-alone cost savings and synergies obtained after 27 May 2013
1) Includes LP Europe from 27 May 2013
2) Includes LP Europe from 1 January 2012, Coated Specialties does not affect this business area. As the combination was completed during 2013, the pro forma information is only consolidated until the fourth quarter 2013. From the first quarter 2014 the reported figure is used.

Reported

As the business area became part of the Group in connection with the completion of the first phase of the business combination on 27 May 2013, no financial result for the corresponding period last year is reported.

First quarter 2014

Net sales were EUR 44.6 million.

EBITDA adjusted for non-recurring items was EUR 1.3 million and the adjusted EBITDA margin was 2.9 per cent. In the reporting period, the business area did not have any non-recurring items.

Operating result was EUR -0.1 million and the operating margin was -0.2%.

Reported figures compared to pro forma figures

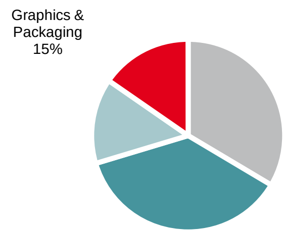
First quarter 2014

The reported net sales decreased compared to the pro forma net sales, mainly due to lower delivery volumes, and was EUR 44.6 (47.3) million. The average price in the business area increased mainly as a result of the price increases announced at the end of the second quarter of 2013 and adjustments made in the product mix.

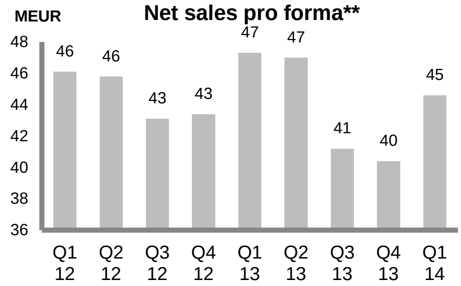
Adjusted EBITDA decreased to EUR 1.3 (1.8) million and the adjusted EBITDA margin was 2.9% (3.8%). The result for the first quarter 2013 includes a positive impact on the result of approximately EUR 2 million as a result of the release of certain accruals for personnel liabilities. Adjusted for this effect, the net result was higher than in the corresponding period the year before. In the reporting period, the business area did not have any non-recurring items.

The programme aimed at a substantial improvement of the business area's financial result continued to have a positive development during the first quarter of 2014 and the business area's adjusted EBITDA margin improved compared to the last three quarters of 2013. The improvement is mainly explained by the cost savings and synergies achieved as a result of the business combination and the programme launched in the third quarter of 2013. The programme includes measures to reduce fixed costs, improve the capacity utilisation rate and strengthen the business area's competitiveness by adjusting the product mix. The relevant trade unions have been consulted and informed of the parts of the programme involving personnel reductions in compliance with national laws and regulations. This process was brought to a conclusion, as planned, during the first quarter of 2014 and approved by the relevant authorities in April. The costs and savings related to these measures are included in the calculated synergy costs and synergies. The savings are expected to gradually have a positive impact on the result as of the second quarter of 2014.

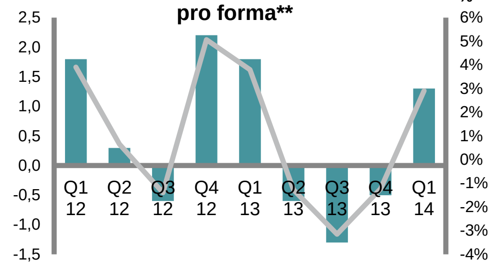
Net sales Jan-Mar 2014



Net sales pro forma**



EBITDA and margin (adj.*) pro forma**



*Adjusted for non-recurring items
**From the first quarter 2014 the reported figure is used

Balance sheet, financing, cash flow and taxes

In connection with the business combination in 2013, Munksjö Oyj entered into a EUR 365 million Term and Revolving Facilities Agreement in May 2013.

The facilities consisted of EUR 295 million term loan facilities to provide financing for the repayment of certain existing loans of Munksjö AB to credit institutions, and for the repayment of the debt assumed by Munksjö Oyj towards Ahlstrom Corporation in connection with the LP Europe demerger, and a EUR 70 million revolving credit facility to provide working capital financing for Munksjö Oyj and its subsidiaries.

EUR 100 million of the term loan facility has bi-annual repayments of EUR 10 million. The first repayment was made in December 2013. The remaining EUR 195 million is repayable in March 2018. At 31 March 2014, the total facilities amounted to EUR 355 million of which EUR 305 million had been utilised. The interest payable under the facilities agreement depends on the ratio of consolidated senior net debt to consolidated EBITDA of the Group. Currently, the weighted average interest rate is approximately 4.3 per cent.

Interest-bearing net debt amounted to EUR 237.6 million at 31 March 2014 (31 December 2013: 229.3, 31 March 2013: 218.3), resulting in a gearing of 55.3% (31 December 2013: 54.1%, 31 March 2013: 109.2%).

Shareholders' equity at 31 March 2014 amounted to EUR 430.0 million (31 December 2013: 423.8, 31 March 2013: 200.0) and total assets increased to EUR 1,203.7 million (31 December 2013: 1,189.3: 31 March 2013: 695.9).

Net financial items

Net financial items for January-March 2014 amounted in total to EUR -6.7 (-3.3) million, of which EUR 4.0 million is interest rate expenses, EUR 0.4 million is bank fees and the rest is mainly items not affecting the cash flow, including EUR 0.6 million of amortisations of capitalised bank fees. The net financial items for the period includes realised interest rate swaps of EUR -0.1 (-0.1) million. At the end of the period, the fair value of unrealised interest rate swaps amounted to EUR -0.3 (0.2) million.

Hedging

In line with its risk management policy Munksjö Oyj is hedging part of its electricity and pulp costs, as well as a part of the expected net cash flow in foreign currencies. Hedging activities are managed centrally and reported in segment 'other'. At the end of the reporting period the market value of unrealised hedges excluding interest rate swaps amounted to EUR -2.3 (0.2) million. The operating result for January-March 2014 includes realised hedges of EUR -0.2 (0.2) million.

Cash flow

The cash flow from operating activities amounted to EUR -2.6 (3.5) million, of which EUR 8.0 million relate to the settlement of provisions recorded in 2013. Of these, EUR 6.5 million relate to the commitment to pay certain costs arising from the divestment of certain businesses in Osnabrück, Germany, required by the European Commission as a condition for regulatory approval, and the rest to various restructuring activities. The cash outflow for capital expenditure amounted to EUR -5.5 (-2.2) million.

Capital Expenditures

Capital expenditure for fixed assets for January-March 2014 amounted to EUR 5.5 (2.2) million and was mainly related to smaller investments for maintenance. The comparative figure only includes investments made by Munksjö Group prior to the business combination.

Taxes

The income tax charge for the period was EUR -1.7 (-0.6) million representing an effective rate of 29.8 (46.2) per cent. The effective tax rate for the comparative period was affected by the significant level of non-deductible expenses related to the business combination.

Employees

The average number of employees (FTE's) in the first quarter was 2,770 (1,658). The increase compared to corresponding period last year is a result of the combination. The figures for the comparative period include employees in the Munksjö Group prior to the combination. At the end of March 2014, Munksjö had 2,873 (1,762) number of employees and the average number of employees (FTE's) for March was 2,769 (1,664). Of Munksjö's total number of employees at the end of March 38% (28%) were employed in France, 20% (34%) in Sweden, 17% (27%) in Germany, 9% (0%) in Italy, 8% (0%) in Brazil, 6% (10%) in Spain and 2% (1%) in other countries. More information about Munksjö's employees has been published in the Annual report for 2013.

Risks and uncertainty factors

Munksjö is exposed to changing market conditions and uncertainty caused by both macroeconomic and industry related events and is exposed to risks that may arise from its operations, changes in the business environment, developments in the global economy or potential changes in the legislative framework. The materialisation of such risks could have an adverse effect on Munksjö's operations, earnings and financial position.

Munksjö's significant risks and uncertainty factors mainly consist of developments in demand and prices of sold products, the cost and availability of significant raw materials, financial risks, as well as other business factors including developments on the financial markets. Munksjö may also have difficulties integrating the businesses of Munksjö AB and Ahlstrom's business area Label and Processing and the expected benefits and synergies of the business combination may not be realised.

The significant cost items for raw materials are wood, pulp, Titanium dioxide and energy. Munksjö's key financial risks include interest rate and currency risks, liquidity risk and credit risk. The Group has exposure to tax risks due to potential changes in tax laws or regulations or their application, or as a result of ongoing and future tax audits.

More information about business risks and risk management is published in the Annual report and on www.munksjo.com.

Shares and shareholders

The trading in Munksjö Oyj's shares commenced on the Helsinki Stock Exchange (NASDAQ OMX Helsinki Ltd) on 7 June 2013 under the trading symbol MUNK1. All shares carry one vote each and have equal rights. The share capital of Munksjö Oyj amounts to EUR 15,000,000 and the total number of shares as of 2 December 2013 amounted to 51,061,581. Munksjö does not hold any of its own shares.

For the reported trading period consisting of 62 trading days, the volume of trades on the Helsinki Stock Exchange was 3,384,373 shares, equivalent to a turnover of EUR 17,713,680. Munksjö's share is also traded on alternative exchanges, such as BATS Chi-X, however the trading volume on these alternative exchanges in the first quarter of 2014 was marginal.

The daily average trading volume during the first quarter of 2014 was 54,587 shares and the weighted average closing share price was EUR 5.25. The highest share price in the reported trading period was EUR 6.10 and the lowest EUR 5.11. On the last trading day of the reported trading period, 31 March 2014, the share price was EUR 6.06 (30 December 2013: 5.40) and the corresponding market capitalisation was EUR 309 million (30 December 2013: EUR 276 million).

Munksjö announced on 28 February 2014 that the company has signed a market making agreement for its share with Nordea Bank Finland Plc that meets the requirements of market making operations by NASDAQ OMX Helsinki. The market making agreement aims at increasing the share's liquidity and decreasing the share price volatility thus facilitating trading for especially private investors. According to the agreement, Nordea will provide Munksjö's share with bids and offers so that the maximum difference between the bid and offer prices is 4 per cent calculated from the bid quotation. The bids and offers quoted must be for at least 4,000 EUR worth of shares. Nordea undertakes to submit bids and offers for Munksjö's share in the trading system of NASDAQ OMX Helsinki on each trading day for at least 85 per cent of the time of trading hours as well as in the auction procedures applicable to the share during a trading day. Market making in accordance with the agreement commenced on Monday, 3 March 2014.

Largest shareholders and flagging notifications

During the reporting period Munksjö received announcements about four major changes with regards to the largest shareholders. The flagging notifications are presented below in chronological order.

Change in the holding of Ahlstrom Corporation

Munksjö Oyj received an announcement on 9 January 2014 in which the direct holding of Ahlstrom Corporation in Munksjö has decreased and fallen below the threshold of 15 per cent. According to the announcement, the direct holding of Ahlstrom Corporation has decreased to 6,767,220 shares, corresponding to 13.25 per cent of Munksjö's shares and voting rights.

Announcement regarding an arrangement which, if completed, will result in a change of the holding of Ahlström Capital Oy

Munksjö Oyj received an announcement on 10 January 2014 from Ahlström Capital Oy in which Ahlström Capital Oy's holding in Munksjö in relation to the demerger plan relating to Antti Ahlström Perilliset Oy. According to the announcement, the holding of Ahlström Capital Oy in Munksjö would at the date of the demerger increase and exceed the threshold of 5 per cent. After the completion of the demerger, the direct and indirect holding of Ahlström Capital Oy would correspond to 5.69 per cent of Munksjö's shares and voting rights.

Announcement regarding an arrangement which, if completed, will result in a change of the holding of Ahlström Oy and Antti Ahlström Perilliset Oy's holding

Munksjö Oyj has on 31 January 2014 received two announcements that can result in a change of the holding of Munksjö.

According to Ahlstrom Corporation, the holding in Munksjö in the case that the Annual General Meeting of Ahlstrom Corporation would decide upon a dividend in accordance with the proposal of the Board of Directors and the share compensation agreed upon in the price risk sharing agreement between Ahlstrom and EQT that Ahlstrom gave notice of on 9 January 2014, would not materialise, the holding would decrease and fall below the threshold of 10 per cent and the direct holding would be 4,972,197 shares, corresponding to 9.74 per cent of Munksjö's shares and voting rights.

According to Antti Ahlström Perilliset Oy, the holding in Munksjö in the case that the Annual General Meeting of Ahlstrom Corporation would decide upon a dividend in accordance with the proposal of the Board of Directors, would increase and exceed the threshold of 5 per cent and the direct holding would be 2,587,320 shares, corresponding to 5.07 per cent of Munksjö's shares and voting rights.

Munksjö Oyj has on 10 February 2014 received an announcement from Ahlstrom Corporation in which the share compensation agreed upon in the price risk sharing agreement between Ahlstrom and EQT has materialised and Ahlstrom has received 818,438 shares from EQT. The holding of Ahlstrom Corporation will consequently not fall below the threshold of 10 per cent.

After the end of the reporting period Munksjö has been informed of a significant change in the holding of the biggest shareholder. Additional information can be found under the heading "*Events after the end of the reporting period".*

Munksjö Oyj's largest shareholder is Munksjö Luxemburg Holding S.à.r.l., owned by EQT's fund EQT III. In the end of the first quarter 2014 EQT's holding was 22.8 per cent of the shares and voting rights. Information about the largest shareholders in Munksjö is available on the investor website at www.munksjo.com. The website is updated regularly.

Other issues

Munksjö operates in several countries and from time-to-time disputes arise in the course of day-to-day operations. Munksjö is involved in a number of legal actions, claims and other proceedings. The final outcome of these matters cannot be predicted and taking into account all available information to date the outcome is not expected to have a significant impact on the financial position of the company.

Munksjö and Ahlstrom have received a Statement of Objections from the European Commission

Munksjö Oyj, Munksjö AB and Ahlstrom Corporation received on 25 February 2014 a Statement of Objections from the European Commission with respect to alleged incorrect or misleading information provided in connection with the merger notification to the European Commission, submitted on 31 October 2012, regarding the business combination of Munksjö AB and Ahlstrom Corporation's Label and Processing business. The combination was completed in two phases during 2013.

Munksjö Oyj and Ahlstrom Corporation disagree with the preliminary position expressed by the European Commission. Munksjö Oyj and Ahlstrom Corporation take this matter seriously and have responded to the Statement of Objections in due course with a view to clearing any misunderstandings.

A Statement of Objections is a procedural document where the European Commission sets out its preliminary view in relation to a possible infringement of EU competition rules and allows its addressees to present arguments in response. A Statement of Objections is, consequently, a preparatory document that does not prejudge the European Commission's final decision.

Any final decision by the European Commission is subject to appeal to the European Courts. The maximum fine for any violations of the legal provision quoted by the European Commission in Article 14.1(a) of the Merger Regulation may lead to a fine not exceeding 1 per cent of the aggregate turnover of the undertakings (companies) concerned.

The European Commission's ongoing investigation does not affect the approval of the combination granted in 2013.

Events after the end of the reporting period

Decisions taken by Munksjö Oyj's Annual General Meeting and the organisation meeting of the Board of Directors

Munksjö Oyj's Annual General Meeting was held in Helsinki on 2 April 2014. The Annual General Meeting adopted the Financial Statements for 2013 and discharged the members of the Board of Directors and the President and CEO from liability for the 2013 financial year.

Resolution on the use of the profit shown on the balance sheet and the payment of dividend

The AGM resolved in accordance with the proposal of the Board of Directors that no dividend will be paid for the fiscal year 2013.

Resolution on the payment of funds as return of equity from the reserve for invested non-restricted equity

The AGM resolved in accordance with the proposal of the Board of Directors to pay funds from the reserve for invested non-restricted equity as return of equity based on the balance of December 31, 2013 adopted by the Annual General Meeting, the amount of return being EUR 0.1 per share.

The return of equity was paid to shareholders who on the record date of the payment April 7, 2014 were registered in the shareholder register of the company held by Euroclear Finland Ltd. The return of equity was paid to the shareholders on April 14, 2014.

Resolution on the remuneration of the members of the Board of Directors

The AGM resolved in accordance with the proposal of the Nomination Board that the remuneration of the Board members remains unchanged. The annual remuneration of the Chairman is EUR 70,000 and EUR 35,000 for the other Board members.

The AGM resolved in accordance with the proposal of the Board that the remuneration of the members of the permanent Board committees remains unchanged. The Chairman of the Audit Committee will receive an annual remuneration of EUR 9,000 and the members an annual remuneration of EUR 6,000. The Chairman of the Remuneration Committee will receive an annual remuneration of EUR 6,000 and the members an annual remuneration of EUR 3,000.

No remuneration will be paid to the members of the Nomination Board. Travel expenses are reimbursed in accordance with the company's travel policy.

Resolution on the number of members of the Board of Directors and the election of members of the Board of Directors

The AGM resolved in accordance with the proposal of the Nomination Board that the number of Board members be seven. The AGM resolved in accordance with the proposal of the Nomination Board that Sebastian Bondestam, Fredrik Cappelen, Hannele Jakosuo-Jansson, Elisabet Salander Björklund and Peter Seligson were re-elected. Caspar Callerström and Alexander Ehrnrooth were elected as new members of the Board. Jarkko Murtoaro had informed the company that he no longer is available for re-election. The Board members were elected for the period ending at the close of the next Annual General Meeting.

Election of Auditor and resolution on the remuneration of the Auditor

The AGM resolved in accordance with the proposal of the Board to elect KPMG Oy Ab as the company's auditor. KPMG Oy Ab has designated Authorized Public Accountant Sixten Nyman as the Responsible Auditor. The AGM further resolved that the auditor's remuneration be paid according to invoicing accepted by the company.

Authorizations to repurchase and distribute the company's own shares as well as to accept them as pledge

The AGM authorized the Board of Directors to resolve to repurchase and to distribute the company's own shares as well as to accept them as pledge in one or more instalments on the following conditions:

The number of shares to be repurchased or accepted as pledge by virtue of the authorization shall not exceed 4,000,000 shares in the company, yet always taking into account the limitations set forth in the Companies' Act as regards the maximum number of shares owned by or pledged to the company or its subsidiaries. The shares may be repurchased only through public trading at the prevailing market price by using unrestricted shareholders' equity. The rules and guidelines of NASDAQ OMX Helsinki Oy and Euroclear Finland Ltd shall be followed in the repurchase.

The authorization includes the right for the Board of Directors to decide upon all other terms and conditions for the repurchase of the company's own shares, or their acceptance as pledge, including the right to decide on the repurchase of the company's own shares otherwise than in proportion to the shareholders' holdings in the company.

By virtue of the authorization, the Board of Directors has the right to resolve to distribute a maximum of 4,000,000 own shares held by the company.

The Board of Directors will be authorized to decide to whom and in which order the own shares will be distributed. The Board of Directors may decide on the distribution of the company's own shares otherwise than in proportion to the existing pre-emptive right of shareholders to purchase the company's own shares. The shares may be used e.g. as consideration in acquisitions and in other arrangements as well as to implement the company's share-based incentive plans in the manner and to the extent decided by the Board of Directors. The Board of Directors also has the right to decide on the distribution of the shares in public trading for the purpose of financing possible acquisitions. The authorization also includes the right for the Board of Directors to resolve on the sale of the shares accepted as a pledge. The authorization includes the right for the Board of Directors to resolve upon all other terms and conditions for the distribution of the shares held by the company.

The authorizations for the Board of Directors to repurchase the company's own shares, to distribute them as well as to accept them as pledge are valid for 18 months from the close of the Annual General Meeting but will, however, expire at the close of the next Annual General Meeting, at the latest.

Decisions taken by the organisation meeting of the Board of Directors

The organisation meeting of the Board of Directors, which was held immediately after the General Meeting, elected Peter Seligson as Chairman and Fredrik Cappelen as Vice Chairman of the Board.

The Board of Directors appointed two permanent committees, the Audit Committee and the Remuneration Committee. The members of the Audit Committee are Elisabet Salander Björklund (chairman), Alexander Ehrnrooth and Sebastian Bondestam. The members of the Remuneration Committee are Peter Seligson (chairman), Fredrik Cappelen and Hannele Jakosuo-Jansson.

Announcement regarding a change of the holding of Antti Ahlström Perilliset Oy

Munksjö Oyj received on 4 April 2014 an announcement, according to which Antti Ahlström Perilliset Oy had as a dividend from Ahlstrom Corporation received 179,798 Munksjö shares and the holding of the company had exceeded the threshold of 5 per cent. The direct holding of Antti Ahlström Perilliset Oy is 2,587,318 shares, corresponding to 5.07 per cent of Munksjö's shares and voting rights.

According to the announcement, Antti Ahlström Perilliset Oy has on 27 June 2013 signed a demerger plan. The new expected registration date of the demerger is 27 June 2014. In the demerger, the shares in Munksjö Oyj owned by Antti Ahlström Perilliset Oy will be transferred to Ahlström Capital Oy.

Secondary listing

The Board of Directors has given the management the assignment to investigate the possibility to list the shares of the company on Nasdaq OMX also in Stockholm within the coming twelve months.

Stockholm, 8 May 2014

Board of Directors

For further information, please contact

Jan Åström, President and CEO, Tel. +46 10 250 1001

Kim Henriksson, CFO, Tel. +46 10 250 1015

Future financial reports

In 2014, Munksjö will publish interim reports as follows:

January-June	Wednesday, 23 July
January-September	Wednesday, 29 October

All financial reports are available in English, Finnish and Swedish and they will also be available on the Group's website at www.munksjo.com after the publication. Munksjö observes from 1 January 2014 a 21 day silent period preceding the announcement of financial results.

The financial calendar for 2015 will be published before the end of 2014.

Munksjö – Materials for innovative product design

The Munksjö Group is an international specialty paper company with a unique product offering for a large number of industrial applications and consumer-driven products. Founded in 1862, Munksjö is among the leading producers in the world of high-value added papers within attractive market segments such as Decor paper, Release Liners, Electrotechnical paper, Abrasive backings and Interleaving paper for steel. Given Munksjö's global presence and way of integrating with its customers' operations, the company forms a global service organisation with approximately 3,000 employees. Production facilities are located in France, Sweden, Germany, Italy, Spain, Brazil and China. Munksjö Oyj is listed on NASDAQ OMX Helsinki. Read more at www.munksjo.com*.*

Interim financial statements (unaudited)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME			
	Jan-Mar		Jan-Dec
MEUR	2014	2013	2013
Net sales	287.9	154.5	863.3
Other operating income	2.7	0.5	6.9
Total operating income	**290.6**	**155.0**	**870.2**
Operating costs			
Changes in inventories	8.7	6.1	2.2
Materials and supplies	-145.7	-82.4	-447.7
Other external costs	-77.0	-40.2	-255.5
Personnel costs	-50.3	-30.2	-163.6
Depreciation and amortisation	-13.7	-6.5	-39.3
Total operating costs	**-278.0**	**-153.2**	**-903.9**
Share of profit in equity accounted investments	0.1	0.2	0,3
Operating result	**12.7**	2.0	**-33.4**
Net financial items	-6.7	-3.3	-22.9
Profit before tax	**6.0**	**-1.3**	**-56.3**
Taxes	-1.7	-0.6	-1.1
Net profit	**4.3**	**-1.9**	**-57.4**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations for the period	2.9	1.7	-1.0
Change in cash flow hedge reserve	-1.5	1.1	-2.8
Cash flow hedge transferred to this year's result	0.3	-0.1	1.0
Items that will not be reclassified to profit or loss			
Actuarial gains and losses on defined benefit plans	-	-	1.8
Tax attributable to other comprehensive income	0.2	-0.3	0.2
Comprehensive income	**6.2**	**0.5**	**-58,2**
Net result attributable to:			
Parent company's shareholders	4.3	-1.9	-57.7
Non-controlling interests	0.0	0.0	0.3
Comprehensive income attributable to:			
Parent company's shareholders	6.2	0.5	-58.5
Non-controlling interests	0.0	0.0	0.3
Average number of outstanding shares	51,061,581	12,306,807	29,228,454
Earnings per share, EUR	0.08	-0.15	-1.97

There were no dilutive effects

CONDENSED STATEMENT OF FINANCIAL POSITION	31 March		Restated* 31 December
MEUR	2014	2013	2013
ASSETS			
Non-current assets			
Tangible assets	451.5	237.2	459.2
Goodwill	227.0	155.9	226.6
Other intangible assets	57.3	10.4	56.4
Equity accounted investments	2.4	2.5	2.4
Other non-current assets	3.7	1.8	4.1
Deferred tax assets	62.1	31.0	54.6
Total non-current assets	**804.0**	**438.8**	**803.3**
Current assets			
Inventory	157.5	95.3	146.6
Accounts receivable	137.4	86.5	128.7
Other current assets	28.8	14.8	27.3
Current tax assets	0.8	1.4	0.4
Cash and cash equivalents	75.2	59.1	83.1
Total current assets	**399.7**	**257.1**	**386.1**
TOTAL ASSETS	**1,203.7**	**695.9**	**1,189.4**
EQUITY AND LIABILITIES			
Equity	**430.0**	**200.0**	**423.8**
Non-current liabilities			
Non-current borrowings	270.9	263.2	270.8
Other non-current liabilities	0.3	1.3	0.1
Pension obligations	45.2	36.9	45.9
Deferred tax liabilities	91.2	28.9	85.0
Provisions	27.8	10.3	36.1
Total non-current liabilities	**435.4**	**340.6**	**437.9**
Current liabilities			
Current borrowings	45.4	14.9	45.0
Accounts payable	165.7	73.5	167.4
Liabilities to equity accounted investments	8.2	9.4	8.4
Accrued expenses and deferred income	98.0	49.5	89.1
Current tax liabilities	8.6	1.4	8.3
Other current liabilities and provisions	12.4	6.6	9.5
Total current liabilities	**338.3**	**155.3**	**327.7**
Total liabilities	**773.7**	**495.9**	**765.6**
TOTAL EQUITY AND LIABILITIES	**1,203.7**	**695.9**	**1,189.4**

* Restated to reflect the adoption of IFRS 11 as explained in the notes to the interim report.

CONDENSED STATEMENT OF CHANGES IN EQUITY								
MEUR	Share Capital	Reserve for invested unrestricted equity	Other reserves	Cumulative translation adjustment	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 Jan 2013	7.7	-	400.2	8.1	-220.2	195.8	3.7	199.5
Result for the period	-	-	-	-	-1.9	-1.9	0.0	-1.9
Other comprehensive income	-	-	0.7	1.7	-	2.4	-	2.4
Total comprehensive income	0.0	0.0	0.7	1.7	-1.9	0.5	0.0	0.5
Balance at 31 March 2013	**7.7**	**0.0**	**400.9**	**9.8**	**-222.1**	**196.3**	**3.7**	**200.0**
Result for the period	-	-	-	-	-55.8	-55.8	0.3	-55.5
Other comprehensive income	-	-	-2.1	-2.7	1.6	-3.2	-	-3.2
Total comprehensive income	**0.0**	**0.0**	**-2.1**	**-2.7**	**-54.2**	**-59.0**	**0.3**	**-58.7**
Dividends to Munksjö AB shareholders	-	-	-11.5	-	-	-11.5	-0.4	-11.9
Share issue for combination	7.3	165.4	-	-	-	172.7	-	172.7
Directed share issue	-	128.5	-	-	-	128.5	-	128.5
Share exchange and listing costs	-	-6.8	-	-	-	-6.8	-	-6.8
Balance at 31 December 2013	**15.0**	**287.1**	**387.3**	**7.1**	**-276.3**	**420.2**	**3.6**	**423.8**
Result for the period	-	-	-	-	4.3	4.3	0,0	4.3
Other comprehensive income	-	-	-1.0	2.9	-	1.9	-	1.9
Total comprehensive income	0.0	0.0	-1.0	2.9	4.3	6.2	0.0	6.2
Balance at 31 March 2014	**15.0**	**287.1**	**386.3**	**10.0**	**-272.3**	**426.4**	**3.6**	**430.0**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS			
	Jan-Mar		Jan-Dec
MEUR	2014	2013	2013
Operating profit	12.7	2.0	-33.4
Depreciation	13.7	6.5	39.3
Income taxes paid	-3.6	0.0	-6.4
Interest paid and received	-4.4	-2.6	-12.3
Cash flow from operating activities before change in working capital	**18.4**	**5.9**	**-12.8**
Change in inventories	-10.9	-4.5	4.4
Change in operating liabilities	-0.3	11.2	26.0
Change in operating receivables	-9.8	-9.1	28.1
Cash generated from operating activities	**-2.6**	**3.5**	**45.7**
Cash in acquired entities	-	-	9.1
Purchase of intangible assets	-0.7	-	-1.6
Purchase of tangible assets	-4.8	-2.2	-21.0
Cash flow used in investing activities	**-5.5**	**-2.2**	**-13.5**
Dividends	-	-	-11.9
Proceeds from share issue, net of costs	-	-	121.9
Proceeds from borrowings, net of costs	-	-	306.6
Repayment of acquired entities' borrowings to Ahlstrom	-	-	-154.3
Repayment of borrowings	-0.4	-0.2	-277.5
Working capital compensation from Ahlstrom	-	-	9.5
Cash flow from financing activities	**-0.4.**	**-0.2**	**-5.7**
CASH FLOW FOR THE PERIOD	**-8.5**	**1.1**	**26.5**
Cash and cash equivalents at the beginning of the period	83.1	57.1	57.1
Currency effects on cash and cash equivalents	0.6	0.9	-0.5
Cash and cash equivalents at the end of the period	**75.2**	**59.1**	**83.1**

Notes to the interim financial statements

Accounting principles

This unaudited consolidated quarterly interim report has been prepared in accordance with "IAS 34 Interim Financial Reporting", as adopted by the EU. All figures in the accounts have been rounded and consequently the sum of individual figures can deviate from the presented sum figure. Furthermore, all percentages are subject to possible rounding differences. The accounting principles applied remain unchanged compared with the 2013 Annual report of Munksjö Oyj except for the following standards or amendments have been adopted as of 1 January 2014:

- IAS 27 (revised), 'Separate financial statements',
- IAS 28 (revised),'Associates and joint ventures',
- IFRS 10, 'Consolidated financial statements',
- IFRS 11,'Joint arrangements',
- IFRS 12,'Disclosure of interests in other entities',
- Amendments to IFRS 10, 11, 12 – Transition guidance.

The adoption of these standards did not have a material impact on the financial statements of Munksjö Oyj with the exception of IFRS 11,'Joint arrangements'. The change affects the accounting treatment of AM Real Estate S.r.l in Turin an entity established as part of the business combination with Ahlstrom Corporation's label and processing business in 2013. The purpose of the entity is to hold the assets shared by Munksjo Italia S.p.A. and the Ahlstrom business remaining at the Turin site. This entity is now treated as a joint operation and Munksjö's recognises the assets, liabilities, revenues and expenses relating to its 50 per cent interest in the joint operation. Previously this entity was accounted for using the equity method.

The change in accounting policy has no impact on published operating profit, net profit, equity or earnings per share. The primary activity of the joint operation is to hold assets therefore the impact from this change on the statement of comprehensive income and statement of cash flows is immaterial. The main change relates to the statement of financial position and is summarised as follow:

- Increase in property, plant and equipment,
- decrease in equity accounted investments,
- decrease in net debt.

As the impact from the change in policy on the statement of comprehensive income and statement of cash flows is immaterial these primary statements have not been restated. The statement of financial position has been restated as set out below. The joint operation was acquired during the second quarter 2013 therefore the statement of financial position as at 31 March 2013 remains unchanged.

IMPACT ON CONSOLIDATED KEY RATIOS	As published 31 Dec 2013	Change 31 Dec 2013	Restated 31 Dec 2013
Operating capital, MEUR	695.5	-0.7	694.8
Interest-bearing net debt, MEUR	230.4	-1.1	229.3
Debt/equity ratio, %	54.4%	-0.3%	54.1%
Equity/assets ratio, %	35.7%	-0.1%	35.6%

CONDENSED STATEMENT OF FINANCIAL POSITION MEUR	As published 31 Dec 2013	Change 31 Dec 2013	Restated 31 Dec 2013
ASSETS			
Non-current assets			
Tangible assets	447.5	11.7	459.2
Equity accounted investments	14.5	12.1	2.3
Deferred tax assets	53.3	1.3	54.6
Other non-current assets	287.1	0.0	287.1
Total non-current assets	**802.4**	**0.9**	**803.3**
Current assets			
Current assets	302.8	0.2	303.0
Cash and cash equivalents	83.1	0.0	83.1
Total current assets	**385.9**	**0.2**	**386.1**
TOTAL ASSETS	**1,188.3**	**1.1**	**1,189.4**
EQUITY AND LIABILITIES			
Equity	**423.8**	**0.0**	**423.8**
Non-current liabilities			
Non-current borrowings	271.9	-1.1	270.8
Deferred tax liabilities	83.3	1.7	85.0
Other non-current liabilities	82.1	0.0	82.1
Total non-current liabilities	**437.3**	**0.6**	**437.9**
Current liabilities			
Accrued expenses and deferred income	88.6	0.5	89.1
Other current liabilities	238.6	0.0	238.6
Total current liabilities	**327.2**	**0.5**	**327.7**
Total liabilities	**764.5**	**1.1**	**765.6**
TOTAL EQUITY AND LIABILITIES	**1,188.3**	**1.1**	**1,189.4**

Segment reporting

SEGMENT INFORMATION 2014 Jan–Mar 2014 MEUR	Decor	Release Liners	Industrial Applications	Graphics & Packaging	Others and eliminations	Total
Net sales, external	97.3	104.4	40.7	44.6	0.9	287.9
Net sales, internal	0.2	2.5	0.9		-3.6	0
Net sales	**97.5**	**106.9**	**41.6**	**44.6**	**-2.7**	**287.9**
Operating result	**10.8**	**1.8**	**4.5**	**-0.1**	**-4.3**	**12.7**
Operating margin, %	11.1%	1.7%	10.8%	-0.2%	n.a	4.4%
Net financial items						-6.7
Taxes						-1.7
Net result						**4.3**
Other information						
Capital expenditure	1.5	1.2	0.9	0.9	1.0	5.5
Depreciation	2.8	7.2	1.9	1.4	0.4	13.7
Employees, FTE	887	845	540	443	55	2,770

SEGMENT INFORMATION 2013 Jan–Mar 2013 MEUR	Decor	Release Liners	Industrial Applications	Graphics & Packaging	Others and eliminations	Total
Net sales, external	95.8	21.8	36.9	-	0,0	154.5
Net sales, internal	0.2	1.6	1.1	-	-2.9	0.0
Net sales	**96.0**	**23.4**	**38.0**	-	**-2.9**	**154.5**
Operating result	**6.7**	**-2.0**	**1.8**	-	**-4.5**	**2.0**
Operating margin, %	7.0%	-8.5%	4.7%	-	n.a	1.3%
Net financial items						-3.3
Taxes						-0.6
Net result						**-1.9**
Other information						
Capital Expenditure	0.8	0.5	0.7	-	0.2	2.2
Depreciation	2.6	1.8	1.9	-	0.2	6.5
Employees, FTE	891	168	563	-	36	1 658

SEGMENT FINANCIAL INFORMATION BY QUARTER	Jan-Mar 2014	Oct–Dec 2013	Jul–Sep 2013	Apr–Jun 2013	Jan–Mar 2013	Oct–Dec 2012	Jul–Sep 2012	Apr–Jun 2012	Jan–Mar 2012
Net sales, MEUR									
Decor	97.5	89.9	86.8	95.5	96.0	99.7	90.2	91.3	87.3
Release Liners	106.9	87.3	85.3	53.1	23.4	24.4	23.8	24.9	25.1
Industrial Applications	41.6	42.3	35.6	42.1	38.0	37.0	33.5	40.6	37.1
Graphics and Packaging	44.6	40.4	41.2	20.8	-	-	-	-	-
Other and eliminations	-2.7	-4.2	-3.8	-3.5	-2.9	-2.0	-1.2	-2.7	-1.9
Group	**287.9**	**255.7**	**245.1**	**208.0**	**154.5**	**159.1**	**146.3**	**154.1**	**147.6**
EBITDA (adj.*), MEUR									
Decor	13.6	8.7	6.0	9.3	9.7	8.7	7.0	6.3	8.4
Release Liners	9.0	5.9	6.0	4.0	-0.2	-1.4	2.1	3.3	0.8
Industrial Applications	6.4	5.7	1.7	5.0	3.7	1.5	1.4	4.9	4.3
Graphics and Packaging	1.3	-0.5	-1.3	0.3	-	-	-	-	-
Other and eliminations	-2.9	-3.8	-1.4	-2.3	-1.5	0.0	-0.4	-3.1	-1.5
Group	**27.4**	**16.0**	**11.0**	**16.5**	**11.5**	**8.8**	**10.1**	**11.3**	**12.0**
EBITDA, MEUR									
Decor	13.6	2.1	5.5	9.4	9.3	8.3	7.0	6.1	8.4
Release Liners	9.0	4.2	5.8	3.0	-0.2	-1.4	2.1	3.3	0.8
Industrial Applications	6.4	4.9	1.7	4.5	3.7	1.3	1.2	4.9	4.3
Graphics and Packaging	1.3	-6.0	-2.2	-0.8	-	-	-	-	-
Other and eliminations	-3.9	-5.8	-1.7	-27.3	-4.2	-1.6	-4.8	-5.2	-1.8
Group	**26.4**	**-0.6**	**9.1**	**-11.1**	**8.5**	**6.6**	**5.5**	**9.1**	**11.6**
Operating result (adj.*), MEUR									
décor	10.8	4.6	3.5	6.8	7.0	5.6	4.5	3.7	5.9
Release Liners	1.8	0.3	1.0	1.1	-2.0	-3.1	0.5	1.6	-0.8
Industrial Applications	4.5	3.9	-0.2	3.1	1.8	-0.4	-0.5	3.1	2.5
Graphics and Packaging	-0.1	-2.1	-2.7	-0.3	-	-	-	-	-
Other and eliminations	-3.3	-4.1	-1.8	-2.4	-1.8	-0.1	-0.6	-3.3	-1.6
Group	**13.7**	**2.6**	**-0.2**	**8.3**	**5.0**	**1.9**	**3.8**	**5.2**	**6.0**
Operating result, MEUR									
Decor	10.8	-2.0	3.0	6.8	6.7	5.2	4.5	3.5	5.9
Release Liners	1.8	-1.4	0.8	0.1	-2.0	-3.1	0.5	1.6	-0.8
Industrial Applications	4.5	3.1	-0.2	2.6	1.8	-0.7	-0.7	3.1	2.5
Graphics and Packaging	-0.1	-7.6	-3.6	-1.4	-	-	-	-	-
Other and eliminations	-4.3	-6.1	-2.1	-27.4	-4.5	-1.8	-5.0	-5.3	-1.9
Group	**12.7**	**-14.0**	**-2.1**	**-19.3**	**2.0**	**-0.3**	**-0.8**	**2.9**	**5.6**
Delivered volume, metric tonnes									
Decor	46, 600	42,800	41,500	45,900	44,600	45,500	41,200	40,900	38,900
Release Liners	124, 500	100,100	101,900	67,000	44,500	46,800	46,200	43,500	48,100
Industrial Applications	22, 800	20,900	18,500	21,800	20,300	18,500	17,700	20,500	19,400
Graphics and Packaging	35, 700	32,700	33,600	17,400	-	-	-	-	-
Other and eliminations	-4,000	-4,100	-3,000	-3,900	-3,100	-2,000	-2,000	-2,500	-1,900
Group	**225,600**	**192,400**	**192,500**	**148,200**	**106,300**	**108,800**	**103,100**	**102,400**	**104,500**

* Adjusted for non-recurring items.

CONSOLIDATED KEY RATIOS	Jan-Mar		Jan-Dec
	2014	2013	2013
Margins (adjusted)			
EBITDA margin, %	9.5%	7.5%	6.4%
Operating margin, %	4.8%	3.3%	1.8%
Return (12 months continuous)			
Return on operating capital, % (adjusted)	3.9%	3.6%	2.8%
Return on shareholders' equity, %	-12.6%	-6.5%	-10.8%
Capital structure at period's end			
Operating capital*, MEUR	708.0	416.8	694.8
Shareholders' equity, MEUR	430.0	200.0	423.8
Interest-bearing net debt*, MEUR	237.6	218.3	229.3
Debt/equity ratio*, %	55.3%	109.2%	54.1%
Equity/assets ratio*, %	35.7%	28.7%	35.6%
Per share (before and after dilution)			
Earnings per share, EUR	0.08	-0.15	-1.97
Shareholders' equity per share, EUR	8.4	16.3	8.3
Average number of shares	51,061,581	12,306,807	29,228,454
Capital expenditure, MEUR	5.5	2.2	22.6
Employees, FTE	2,770	1,658	2,216

* Restated to reflect the adoption of IFRS 11 as explained in the notes to the interim report.

CURRENCY RATES	Closing rate			Average rate		
	31 March 2014	31 March 2013	31 Dec 2013	Jan-Mar 2014	Jan-Mar 2013	Jan-Dec 2013
SEK	8.95	8.34	8.86	8.86	8.49	8.65
USD	1.38	1.28	1.38	1.37	1.32	1.33
BRL	3.13	2.57	3.26	3.24	2.63	3.06

PRO FORMA SEGMENT INFORMATION

On 28 August 2012 a business combination agreement for the purpose of combining Munksjö AB and Ahlstrom Corporation's business area Label and Processing business in Europe and in Brazil into Munksjö Oyj was signed. The following table presents pro forma financial information to illustrate the financial impact of the combination. This information is presented for illustrative purposes only. The pro forma statement of comprehensive income for 2012 and 2013, have been compiled assuming that the combination had been completed on 1 January 2012. Information on how the pro forma information is compiled is described in the Financial Statements Bulletin 2013, published on 13 February 2014.

MEUR	Jan-Dec 2013	Oct-Dec 2013	Jul-Sep 2013	Apr-Jun 2013	Jan-Mar 2013	Jan-Dec 2012	Oct-Dec 2012	Jul-Sep 2012	Apr-Jun 2012	Jan-Mar 2012
Pro forma Net sales										
Decor	368.2	89.9	86.8	95.5	96.0	368.4	99.6	90.2	91.3	87.3
Release Liners	432.8	96.8	105.3	118.6	112.1	467.2	110.4	115.3	123.1	118.4
Industrial Applications	158.0	42.3	35.6	42.1	38.0	148.2	37.0	33.5	40.6	37.1
Graphics and Packaging	175.9	40.4	41.2	47.0	47.3	178.4	43.4	43.1	45.8	46.1
Eliminations and other	–14.6	–4.2	–3.8	–3.6	–3.0	–7.6	–1.9	–1.1	–2.7	–1.9
Group	**1 120.3**	**265.2**	**265.1**	**299,6**	**290.4**	**1 154.6**	**288.5**	**281.0**	**298.1**	**287.0**
Pro forma EBITDA										
Decor	26.3	2.1	5.5	9.4	9.3	29.8	8.3	7.0	6.1	8.4
Release Liners	21.2	4.8	6.5	4.5	5.4	34.2	11.0	5.8	10.2	7.2
Industrial Applications	14.7	4.9	1.7	4.5	3.6	11.7	1.3	1.2	4.9	4.3
Graphics and Packaging	–7.0	–6.0	–2.2	–0.6	1.8	2.6	2.2	–0.6	0.3	0.7
Eliminations and other	–12.9	–4.8	–1.7	–4.5	–1.9	–39.5	–1.7	–4.8	–5.2	–27.8
Group	**42.3**	**1.0**	**9.8**	**13.3**	**18.2**	**39.8**	**21.1**	**8.6**	**16.3**	**–6.2**
Non-recurring items by segment										
Decor	7.4	6.6	0.5	–	0.3	0.5	0.3	–	0.2	–
Release Liners	2.7	1.9	0.6	0.2	–	1.5	–	–	–	1.5
Industrial Applications	1.3	0.8	0.0	0.5	–	0.4	0.2	0.2	–	–
Graphics and Packaging	6.4	5.5	0.9	–	–	1.1	–	–	–	1.1
Eliminations and other	4.0	1.0	0.3	2.3	0.4	34.3	1.7	4.4	1.9	26.3
Group	**21.8**	**15.8**	**2.3**	**3.0**	**0.7**	**36.8**	**2.2**	**4.6**	**2.1**	**27.9**
Pro forma EBITDA excluding non-recurring items										
Decor	33.7	8.7	6.0	9.4	9.6	30.3	8.6	7.0	6.3	8.4
Release Liners	23.9	6.7	7.1	4.7	5.4	35.7	11.0	5.8	10.2	8.7
Industrial Applications	16.0	5.7	1.7	5.0	3.6	12.1	1.5	1.4	4.9	4.3
Graphics and Packaging	–0.6	–0.5	–1.3	–0.6	1.8	3.7	2.2	–0.6	0.3	1.8
Eliminations and other	–8.9	–3.8	–1.4	–2.2	–1.5	–5.2	0.0	–0.4	–3.3	–1.5
Group	**64.1**	**16.8**	**12.1**	**16.3**	**18.9**	**76.6**	**23.3**	**13.2**	**18.4**	**21.7**
Delivered volume, metric tonnes										
Decor	174,800	42,800	41,500	45,900	44,600	166,500	45,500	41,200	40,900	38,900
Release Liners	497,500	116,600	127,700	126,600	126,600	520,800	126,200	128,300	133,200	133,100
Industrial Applications	81,500	20,900	18,500	21,800	20,300	76,100	18,500	17,700	20,500	19,400
Graphics and Packaging	145,600	32,700	33,600	40,700	38,600	142,300	34,200	33,900	37,500	36,700
Eliminations and other	-14,100	-4,100	-3,000	-3,900	-3,100	-8,400	-2,000	-2,000	-2,500	-1,900
Group	**885,300**	**208,900**	**218,300**	**231,100**	**227,000**	**897,300**	**222,400**	**219,100**	**229,600**	**226,200**

Calculation of key figures

EBITDA
Operating result before depreciation and amortisation.

EBITDA margin

EBITDA as a percentage of Net sales.

Operating margin
Operating result after depreciation and amortisation as a percentage of Net sales.

Return on shareholders' equity
Result or the year as a percentage of average shareholders' equity.

Operating capital
Balance sheet total less interest-bearing assets. tax assets and non interest-bearing operating liabilities. including pension provisions.

Return on operating capital
Operating result as a percentage of operating capital.

Net Interest-bearing liability
Interest-bearing assets (including cash and equivalents) less interest-bearing liabilities.

Debt/equity ratio
Interest-bearing net debt divided by shareholders' equity including non-controlling interests.

Equity/assets ratio
Shareholders' equity including non-controlling interests as a percentage of total assets.

Earnings per share
Result for the period divided by the average number of shares outstanding.

Equity per share
Shareholders' equity divided by the number of shares outstanding at the end of the period.

FTE
Number of hours worked divided by normal annual working hours.

Interest bearing liabilities and assets
Liabilities and assets which have a contractual obligation/right to pay/receive interest to/from a financial institution.

Non-recurring items
Income or expense arising from activities or events outside of normal activities and of a non-recurring nature.