

Made by Munksjö™

Munksjö Oyj

Financial Statements Bulletin 2014

Strong result and completed integration project

Highlights of the fourth quarter 2014

- Net sales were EUR 281.0 (255.7) million. The increase in net sales was due to organic growth and the business combination between Munksjö AB and Ahlstrom Corporation's business area Label and Processing completed in 2013.
- Adjusted EBITDA was EUR 28.4 (16.0) million and the adjusted EBITDA margin was 10.1% (6.3%).
- Operating result adjusted for non-recurring items was EUR 14.4 (2.6) million. Non-recurring items amounted to EUR -3.7 (-16.6) million. The majority of the non-recurring items were costs related to the reorganisation of the sales organisation, communicated in the quarter.
- Operating result was EUR 10.7 (-14.0) million and net result EUR 2.7 (-26.2) million.
- Trading in Munksjö's shares on Nasdaq Stockholm started on Monday 8 December 2014. The purpose of the secondary listing is to facilitate trading in Munksjö's shares for both current and new shareholders.

Highlights of January-December 2014

- Net sales were EUR 1,137.3 (863.3) million. The substantial increase in net sales was primarily due to the business combination between Munksjö AB and Ahlstrom Corporation's business area Label and Processing completed in 2013.
- Adjusted EBITDA was EUR 105.0 (55.0) million and the adjusted EBITDA margin was 9.2% (6.4%). The positive result development is primarily due to the synergy benefits, volume growth and a lower cost base.
- Operating result adjusted for non-recurring items was EUR 51.0 (15.7) million. Non-recurring items amounted to EUR -5.6 (-49.1) million.
- Operating result was EUR 45.4 (-33.4) million and net result EUR 7.7 (-57.4) million. Net result was affected by a previously capitalised financing cost of EUR 7.1 million, expensed in connection with the repayment of the existing financing in the third quarter of 2014. The cost had no impact on cash flow.
- Earnings per share (EPS) were EUR 0.14 (-1.97).
- Interest-bearing net debt at the end of the reporting period was EUR 225.6 million (31 December 2013: 229.3), equivalent to a gearing of 54.5% (31 December 2013: 54.1%).
- Operating cash flow was EUR 57.8 (45.7) million.
- The project team responsible for the monitoring of the integration efforts and synergy benefits brought the project to conclusion by December 2014, one year ahead of schedule.
- The Board of Directors proposes to the AGM that EUR 0.25 per share be paid to the shareholders as return of equity from the reserve for invested non-restricted equity.

KEY FIGURES (MEUR)	Oct-Dec		Jan-Dec	
	2014	2013	2014	2013
Net sales	281.0	255.7	1,137.3	863.3
EBITDA (adj.*)	28.4	16.0	105.0	55.0
EBITDA margin, % (adj.*)	10.1	6.3	9.2	6.4
EBITDA	24.7	-0.6	99.4	5.9
EBITDA margin, %	8.8	-0.2	8.7	0.7
Operating result (adj.*)	14.4	2.6	51.0	15.7
Operating margin, % (adj.*)	5.1	1.0	4.5	1.8
Operating result	10.7	-14.0	45.4	-33.4
Operating margin, %	3.8	-5.5	4.0	-3.9
Net result	2.7	-26.2	7.7	-57.4
Earnings per share (EPS), EUR	0.05	-0.61	0.14	-1.97
Interest-bearing net debt**	225.6	229.3	225.6	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.

Comment from Munksjö's President and CEO, Jan Åström

"During 2014 Munksjö refocused from integration and transformation to bringing the integration process to completion, increasing the cash flow and improving profitability. Three of the four business areas increased the volume reflecting the annual average growth expectation of the various product segments. In terms of volumes, the year 2014 was positive, showing an increase of about 2 per cent as compared to the previous year. For the business areas Decor, Release Liners and Industrial Applications, the total volume growth was approximately 3

per cent. The volume development within Graphics and Packaging has been affected by the continuous work with adjusting the product mix to strengthen the business area's competitiveness. Our financial performance was positive and as expected.

As our net currency exposure is relatively low, the recent exchange rate developments have had no significant effect on the result.

The efforts and initiatives to achieve an EBITDA margin of 12 per cent at the end of 2016 continued during the year. The four business areas announced their respective target margins and related projects in the last quarter of the year. To achieve these goals, determined efforts were made to continue organic growth; reinforce market positions in the existing product segments, strengthen positions in emerging markets, continue the adjustments of the cost structure and measures to improve efficiency in production, and further develop the technical service offering.

I feel very happy that Munksjö today is back on Nasdaq Stockholm. The dialogue with institutional and private investors in Sweden remains active and we are looking forward to also show the Swedish shareholders what intelligent paper technology is about.

The project team responsible for monitoring the integration efforts and synergy benefits brought the project to conclusion by December 2014, one year ahead of schedule. At the end of the year, the annual synergy benefits from the business combination were EUR 26 million, which exceeds the range of EUR 20-25 million established as the target.

The market prospects for the year 2015 are stable both in terms of order stocks and prices. Our efficient organisation, strong product portfolio and close customer relations create a sound basis for long-term success."

M Outlook

The demand outlook of specialty paper products for 2015 is stable.

The market situation and demand for Munksjö's products are expected to remain stable during the first quarter of 2015 following a seasonally somewhat weaker fourth quarter of 2014. Prices of Munksjö's specialty paper products in local currencies are expected to remain at the same level as in 2014 during the first quarter of 2015.

The annual maintenance and vacation shutdowns in the second and third quarter as well as the seasonal shutdowns at the end of 2015 are expected to be carried out to about the same extent as in 2014.

The business areas will during 2015 continue to work on the ongoing programmes to achieve their respective profitability targets at the end of 2016.

The project aiming to achieve the annual synergy benefits from the business combination was completed in December 2014 and the achieved synergy benefits level of EUR 26 million at the end of 2014 is expected to have a full effect on the financial result for the full year 2015.

The new financing agreement signed in September 2014 is expected to reduce the cost of financing in 2015. At leverage levels and financial ratios at the time of the signing, the annual saving amounts to approximately EUR 5 million of reduced financial expenses. The previously capitalised financing cost of EUR 7.1 million was expensed in 2014. No such cost is expected to occur and affect the result in 2015.

M Webcast and conference call

A combined news conference, conference call and live webcast for investors, analysts and media will be arranged on the publishing day 12 February 2015 at 10:00 am CET (11:00 am EET, 9:00 am UK time) at restaurant Savoy, room Kabinetti 2 (Eteläesplanadi 14, 7th floor, Helsinki). The report will be presented by President and CEO Jan Åström. The event will be held in English.

The conference call and 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 5052 0110

US callers: +1 334 323 6201

UK callers: +44 (0)20 7162 0077

Conference ID: 950741

Link to the webcast: http://qsb.webcast.fi/m/munksjo/munksjo_2015_0212_q4/

M 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 2013, published on 13 February 2014.

Synergy benefits and integration

At the end of the fourth quarter, the annual synergy benefits run rate derived from the business combination reached EUR 26 million, exceeding the previously communicated target of EUR 20-25 million. Of the annual synergy benefits arising from the business combination, procurement accounted for about 50 per cent, improved organisational efficiency for about 40 per cent while the rest was achieved through economies of scale and production efficiency.

The result for the fourth quarter of 2014 includes realised synergies of EUR 6.5 million. The full-year result for 2014 includes realised synergies of EUR 23.0 million. The project team responsible for monitoring the integration efforts and synergy benefits brought the project to conclusion by December 2014, one year ahead of schedule.

The non-recurring costs for implementing the integration and achieving the synergy benefits were lower than estimated with a one-off revenue of EUR 1.5 million recognised in the fourth quarter. As a result, the total non-recurring items were EUR 10.0 million, representing the lower end of the previously communicated range of EUR 10-15 million. The cash flow effect was EUR -0.5 million in the fourth quarter.

The table below shows the quarterly development of synergies, non-recurring items and their impact on cash flow.

MEUR	Annual synergy run rate at the end of the reporting period	Realised synergies in result per quarter	Non-recurring costs per quarter	Cash flow effect of non-recurring costs per quarter
Q2-Q4/2013	11.0	5.0	11.0	-4.0
Q1/2014	20.0	5.0	0.5	-1.5
Q2/2014	23.0	5.5	-	-1.0
Q3/2014	25.0	6.0	-	-1.0
Q4/2014	26.0	6.5	-1.5	-0.5


The Munksjö Group

MEUR	Oct-Dec		Jan-Dec		ACQUIRED OPERATIONS MEUR	Oct-Dec	27 May-Dec
	2014	2013	2014	2013		2013	2013
Reported ¹⁾							
Net sales	281.0	255.7	1,137.3	863.3	Net sales	105.0	257.0
EBITDA (adj.*)	28.4	16.0	105.0	55.0	EBITDA (adj.*)	3.6	6.9
EBITDA margin, % (adj.*)	10.1	6.3	9.2	6.4	EBITDA margin, % (adj.*)	3.4	2.7
EBITDA	24.7	-0.6	99.4	5.9	EBITDA	-3.6	-3.5
EBITDA, margin %	8.8	-0.2	8.7	0.7	EBITDA, margin %	-3.4	-1.4
Operating result (adj.*)	14.4	2.6	51.0	15.7	Operating result (adj.*)	-1.9	-4.9
Operating margin, % (adj.*)	5.1	1.0	4.5	1.8	Operating margin, % (adj.*)	-1.8	-1.9
Operating result	10.7	-14.0	45.4	-33.4	Operating result	-9.1	-15.3
Operating margin, %	3.8	-5.5	4.0	-3.9	Operating margin, %	-8.7	-6.0
Net result	2.7	-26.2	7.7	-57.4	Delivery volumes, tonnes	90,900	223,400
Capital expenditure	4.6	8.2	35.1	22.6			
Employees, FTE	2,757	2,641	2,765	2,216			
Pro forma ²⁾							
Net sales	281.0	265.2	1,137.3	1,120.3			
EBITDA** (adj.*)	28.4	16.8	105.0	64.1			
EBITDA** margin, % (adj.*)	10.1	6.3	9.2	5.7			
EBITDA**	24.7	1.0	99.4	42.3			
EBITDA**, margin %	8.8	0.4	8.7	3.8			
Delivery volumes, tonnes	221,600	208,900	899,400	885,300			

* 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

Fourth quarter 2014

Net sales were EUR 281.0 (255.7) million. The improvement in net sales was due to organic growth and the business combination between Munksjö AB and Ahlstrom Corporation's business area Label and Processing completed in 2013.

EBITDA adjusted for non-recurring items increased to EUR 28.4 (16.0) million and the adjusted EBITDA margin was 10.1% (6.3%). Non-recurring items amounted to EUR -3.7 (-16.6) million. Of these costs, EUR 1.0 million were related to previous business combinations, primarily the commitment to pay costs arising from the divestments of certain businesses in Osnabrück, Germany (in connection with the business combination in 2013), EUR 2.7 million to costs for the reorganisation of the sales organisation communicated in the fourth quarter 2014 and EUR 1.5 million to other reorganisation activities. The non-recurring costs for implementing the integration and achieving the synergy benefits were lower than estimated and a one-off income of EUR 1.5 million was recognised.

The extent of the seasonal shutdowns at the end of December is described separately for each business area.

Operating result adjusted for non-recurring items was EUR 14.4 (2.6) million and the adjusted operating margin 5.1% (1.0%). The operating result was EUR 10.7 (-14.0) million and net result EUR 2.7 (-26.2) million.

January-December 2014

Net sales were EUR 1,137.3 (863.3) million. The substantial improvement in net sales was primarily due to the business combination between Munksjö AB and Ahlstrom Corporation's business area Label and Processing completed in 2013.

EBITDA adjusted for non-recurring items increased to EUR 105.0 (55.0) million and the adjusted EBITDA margin was 9.2% (6.4%). The positive result development is primarily due to the synergy benefits, volume growth and a lower cost base.

Non-recurring items amounted to EUR -5.6 (-49.1) million. Of these costs, EUR 1.4 million were related to the work in connection with the Statement of Objections from the European Commission, EUR 1.0 million to previous business combinations, primarily the commitment to pay costs arising from the divestment of certain businesses in Osnabrück, Germany (in connection with the business combination in 2013) and EUR 3.2 million to costs for other reorganisation activities. Of these costs, EUR 2.7 million were related to the reorganisation of the sales organisation, communicated in the fourth quarter 2014.

The annual maintenance and vacation shutdowns in the second and third quarter, during which planned maintenance operations were scheduled, were carried out to the same extent as in 2013, with the exception of the business area Graphics and Packaging, where the shutdowns in 2014 at this business area's two production facilities

were extended by approximately one week. The extent of the seasonal shutdowns at the end of December is described separately for each business area.

Operating result adjusted for non-recurring items was EUR 51.0 (15.7) million and the adjusted operating margin 4.5% (1.8%). The operating result was EUR 45.4 (-33.4) million and net result EUR 7.7 (-57.4) million.

Net result was affected by a previously capitalised financing cost of EUR 7.1 million, expensed in connection with the repayment of the existing financing in the third quarter of 2014.

Reported figures compared to pro forma figures

Fourth quarter 2014

Net sales were EUR 281.0 (265.2) million.

Adjusted EBITDA increased to EUR 28.4 (16.8) million and the adjusted EBITDA margin was 10.1% (6.3%).

The extent of the seasonal shutdowns at the end of December is described separately for each business area.

January–December 2014

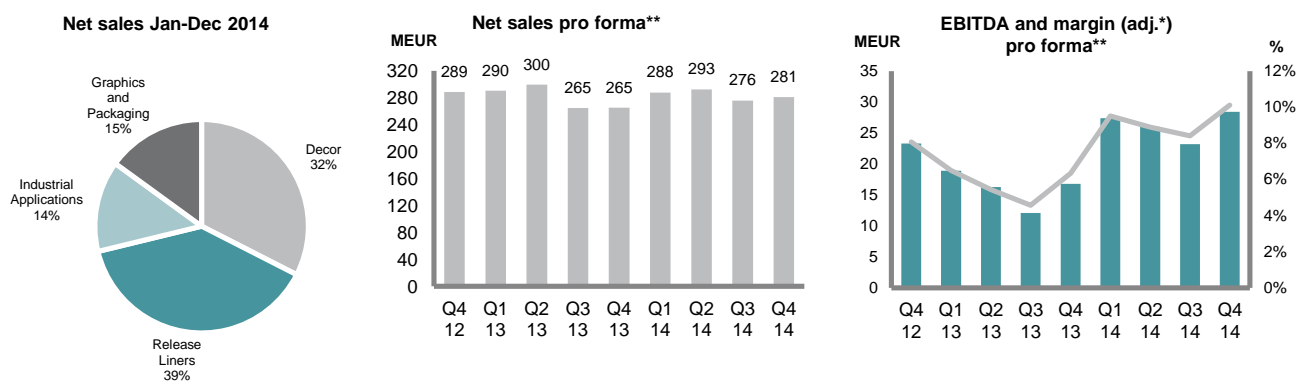
Net sales were EUR 1,137.3 (1 120.3) million.

EBITDA adjusted for non-recurring items increased to EUR 105.0 (64.1) million while the adjusted EBITDA margin was 9.2% (5.7%).

The annual maintenance and vacation shutdowns in the second and third quarter, during which planned maintenance operations were scheduled, were carried out to the same extent as in 2013, with the exception of the business area Graphics and Packaging, where the shutdowns in 2014 at this business area's two production facilities were extended by approximately one week. The extent of the seasonal shutdowns at the end of December is described separately for each business area.

The result for the first quarter of 2013 included a positive impact on the result of around EUR 3 million which was due to the release of certain accruals related to personnel liabilities.

The market conditions and financial performance of the individual business areas in the fourth quarter and January-December 2014 are presented on the following pages.



* Adjusted for non-recurring items

** From the first quarter 2014 the reported figure is used

Business Area Decor

MEUR	Oct-Dec		Jan-Dec	
	2014	2013	2014	2013
Reported				
Net sales	91.4	89.9	374.7	368.2
EBITDA (adj.*)	11.3	8.7	46.2	33.7
EBITDA margin. % (adj.*)	12.4	9.7	12.3	9.2
EBITDA	10.0	2.1	44.9	26.3
EBITDA. margin %	10.9	2.3	12.0	7.1
Operating result (adj.*)	9.0	4.6	37.1	21.9
Operating margin. % (adj.*)	9.8	5.1	9.9	5.9
Operating result	7.7	-2.0	35.8	14.5
Operating margin. %	8.4	-2.2	9.6	3.9
Capital expenditure	1.1	1.4	6.4	4.5
Delivery volumes, tonnes	44,300	42,800	180,300	174,800
Employees, FTE	864	888	877	888

* Adjusted for non-recurring items

The business combination has not impacted the business area and therefore no pro forma information is presented

Reported

Fourth quarter 2014

Demand remained good during the fourth quarter of the year resulting in a 4 per cent increase in delivery volumes.

Net sales increased as a result of the volume development, reaching EUR 91.4 (89.9) million. A less favourable geographic mix compared to the corresponding period 2013 and selective price adjustments resulted in a lower average price.

EBITDA adjusted for non-recurring items was EUR 11.3 (8.7) million and the adjusted EBITDA margin was 12.4% (9.7%). The improved result development was due to improved productivity and lower raw material costs, driven mainly by the lower price of titanium dioxide.

The seasonal shutdowns at the end of December were carried out to about the same extent as in 2013.

Operating result adjusted for non-recurring items was EUR 9.0 (4.6) million and the adjusted operating margin was 9.8% (5.1%). Operating result was EUR 7.7 (-2.0) million and the operating margin 8.4% (-2.2%).

January–December 2014

Demand remained good throughout the reporting period, resulting in a 3 per cent increase in delivery volumes.

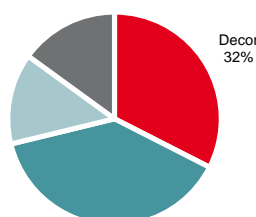
Net sales increased to EUR 374.7 (368.2) million, due to increased volumes. A less favourable geographic mix compared to the corresponding period 2013 and selective price adjustments resulted in a lower average price. The business area has not carried out any general price reductions.

EBITDA adjusted for non-recurring items was EUR 46.2 (33.7) million and the adjusted EBITDA margin was 12.3% (9.2%). The positive result development was mainly due to improved productivity and lower raw material costs, driven, among other things, by the lower price of titanium dioxide and short fibre pulp (BHKP).

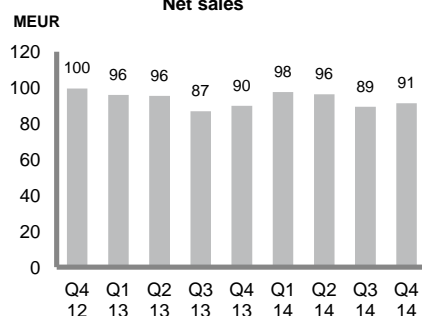
The annual maintenance and vacation shutdowns in the second and third quarter, during which planned maintenance operations were scheduled, were carried out to the same extent as in 2013. Also the seasonal shutdowns at the end of December were carried out to about the same extent as in 2013.

Operating result adjusted for non-recurring items was EUR 37.1 (21.9) million and the adjusted operating margin was 9.9% (5.9%). Operating result was EUR 35.8 (14.5) million and the operating margin 9.6% (3.9%).

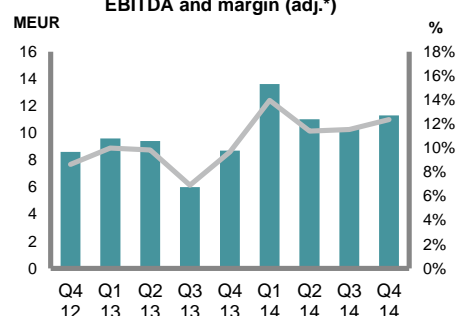
Net sales Jan-Dec 2014



Net sales



EBITDA and margin (adj.*)



* Adjusted for non-recurring items

Business Area Release Liners

MEUR	Oct-Dec		Jan-Dec		ACQUIRED OPERATIONS MEUR	Oct-Dec	27 May-Dec
	2014	2013	2014	2013		2013	2013
Reported ¹⁾					Reported ¹⁾		
Net sales	112.9	87.3	446.0	249.1	Net sales	64.6	154.6
EBITDA (adj.*)	13.4	5.9	44.3	15.7	EBITDA (adj.*)	4.1	8.4
EBITDA margin, % (adj.*)	11.9	6.8	9.9	6.3	EBITDA margin, % (adj.*)	6.3	5.4
EBITDA	12.6	4.2	43.5	12.8	EBITDA	2.4	5.5
EBITDA, margin %	11.2	4.8	9.8	5.1	EBITDA, margin %	3.7	3.6
Operating result (adj.*)	6.7	0.3	16.1	0.4	Operating result (adj.*)	0.2	0.2
Operating margin, % (adj.*)	5.9	0.3	3.6	0.2	Operating margin, % (adj.*)	0.3	0.1
Operating result	5.9	-1.4	15.3	-2.5	Operating result	-1.5	-2.7
Operating margin, %	5.2	-1.6	3.4	-1.0	Operating margin, %	-2.3	-1.7
Capital expenditure	1.7	4.1	9.2	7.5	Delivery volumes, tonnes	58,200	139,700
Delivery volumes, tonnes	128,700	100,100	512,200	313,500			
Employees, FTE	860	717	845	465			
Pro forma ²⁾							
Net sales	112.9	96.8	446.0	432.8			
EBITDA** (adj.*)	13.4	6.7	44.3	23.9			
EBITDA** margin, % (adj.*)	11.9	6.9	9.9	5.5			
EBITDA**	12.6	4.8	43.5	21.2			
EBITDA**, margin %	11.2	5.0	9.8	4.9			
Delivery volumes, tonnes	128,700	116,600	512,200	497,500			

* 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 Muncksjö's pulp production facility in Aspa, Sweden. The part of Label and Processing Europe that primarily produces release papers for example 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 Jacaré (Coated Specialties), Brazil, was included in the Group and business area as of 2 December 2013. The Jacaré production facility delivers coated and uncoated specialty paper grades to the South American market, primarily the Brazilian.

Fourth quarter 2014

Net sales increased to EUR 112.9 (87.3) million primarily as a result of the business combination.

EBITDA adjusted for non-recurring items increased to EUR 13.4 (5.9) million and the adjusted EBITDA margin was 11.9% (6.8%).

The seasonal shutdowns at the end of December were carried out to about the same extent as in 2013, with the exception of the pulp business, where the stop was shorter than in the equivalent period 2013 when the business had a scheduled maintenance stop, as well as for the European paper business, where the stops were somewhat shorter primarily as a result of the increased demand.

Operating result adjusted for non-recurring items was EUR 6.7 (0.3) million and the adjusted operating margin was 5.9% (0.3%). Operating result was EUR 5.9 (-1.4) million and the operating margin 5.2% (-1.6%).

January-December 2014

Net sales increased to EUR 446.0 (249.1) million primarily as a result of the business combination.

EBITDA adjusted for non-recurring items increased to EUR 44.3 (15.7) million and the adjusted EBITDA margin was 9.9% (6.3%).

The annual maintenance and vacation shutdowns in the second and third quarter, during which planned maintenance operations were scheduled, were carried out to the same extent as in 2013. The seasonal shutdowns at the end of December were carried out to about the same extent as in 2013, with the exception of the pulp business, where the stop was shorter than in the equivalent period 2013 when the business had a scheduled maintenance stop, as well as for the European paper business, where the stops were somewhat shorter primarily as a result of the increased demand.

Operating result adjusted for non-recurring items was EUR 16.1 (0.4) million and the adjusted operating margin was 3.6% (0.2%). Operating result was EUR 15.3 (-2.5) million and the operating margin 3.4% (-1.0%).

Reported figures compared to pro forma figures

Fourth quarter 2014

The total volume delivered by the business area continued to increase during the fourth quarter and was 10 per cent higher compared to the equivalent period in 2013. Delivery volumes were higher, compared to the equivalent period in 2013, for the European paper business, pulp business as well as for the Brazilian paper business. Volume development in the pulp business contributed most to the increase, primarily because the business did not have any scheduled maintenance shutdown compared to the equivalent period in 2013.

The reported net sales increased compared to the pro forma net sales as a result of the increased volume and a higher average price, reaching EUR 112.9 (96.8) million. The average price for the European paper business was at the same level as in the equivalent period in 2013, while the average price for the pulp business as well as the average price for the Brazilian paper business, measured in local currency, were higher.

Adjusted EBITDA increased to EUR 13.4 (6.7) million and the adjusted EBITDA margin was 11.9% (6.9%). The positive result development was primarily due to the favourable price difference between short and long fibre pulp, the impact of the business combination on the cost base and the business area's continued efforts to cut costs.

The seasonal shutdowns at the end of December were carried out to about the same extent as in 2013, with the exception of the pulp business, where the stop was shorter than in the equivalent period 2013 when the business had a scheduled maintenance stop, as well as for the European paper business, where the stops were somewhat shorter primarily as a result of the increased demand.

January–December 2014

The total volume of deliveries by the business area increased compared to the equivalent period 2013. Delivery volumes were higher for the European paper business and the development was particularly positive for the pulp business and the Brazilian paper business.

The reported net sales increased compared to the pro forma net sales, reaching EUR 446.0 (432.8) million.

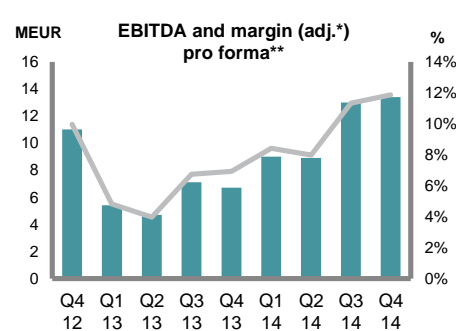
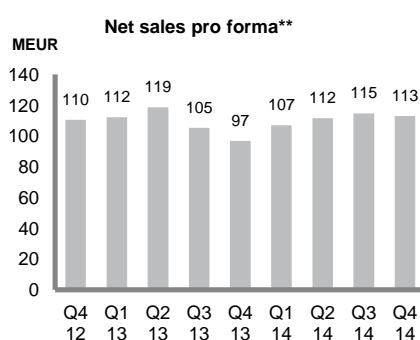
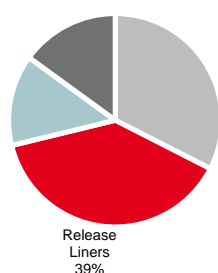
Adjusted EBITDA increased to EUR 44.3 (23.9) million and the adjusted EBITDA margin was 9.9% (5.5%). The improved result development was primarily due to the favourable price difference between short and long fibre pulp, the impact of the business combination on the cost base and the continued efforts to cut costs. The average price, net sales and financial result of the Brazilian operations have increased throughout the reporting period, but the weakening of the Brazilian real against the euro negatively impacted the net sales and result translated into euros.

The maintenance shutdown at the Aspa pulp production facility had a negative impact on EBITDA in the second quarter of 2014, in the region of EUR 4 million. As previously communicated, the interval between the maintenance shutdowns at the Aspa facility will be prolonged from 12 to 18 months. However, the next maintenance shutdown will be implemented already in the second quarter of 2015, due to an investment of maintenance nature that has been brought forward, and the change of interval thus enters into force thereafter.

The annual maintenance and vacation shutdowns in the second and third quarter, during which planned maintenance operations were scheduled, were carried out to the same extent as in 2013. The seasonal shutdowns at the end of December were carried out to about the same extent as in 2013, with the exception of the pulp business, where the stop was shorter than in the equivalent period 2013 when the business had a scheduled maintenance stop, as well as for the European paper business, where the stops were somewhat shorter primarily as a result of the increased demand.

The result for the first quarter of 2013 included a positive impact on the result of around EUR 1 million which was due to the release of certain accruals related to personnel liabilities.

Net sales Jan-Dec 2014



* Adjusted for non-recurring items

** From the first quarter 2014 the reported figure is used

Business Area Industrial Applications

MEUR	Oct-Dec		Jan-Dec	
	2014	2013	2014	2013
Reported				
Net sales	40.9	42.3	159.2	158.0
EBITDA (adj.*)	7.1	5.7	24.2	16.1
EBITDA margin, % (adj.*)	17.4	13.5	15.2	10.2
EBITDA	6.7	4.9	23.8	14.8
EBITDA margin, %	16.4	11.6	14.9	9.4
Operating result (adj.*)	5.3	3.9	16.7	8.6
Operating margin, % (adj.*)	13.0	9.2	10.5	5.4
Operating result	4.9	3.1	16.3	7.3
Operating margin, %	12.0	7.3	10.2	4.6
Capital expenditure	1.1	1.2	6.3	5.7
Delivery volumes, tonnes	20,700	20,900	84,000	81,500
Employees, FTE	555	538	556	556

* Adjusted for non-recurring items.

The business combination has not impacted the business area and therefore no pro forma information is presented

Reported

Fourth quarter 2014

Total delivery by the business area was on the same level as in the corresponding period in 2013.

Net sales amounted to EUR 40.9 (42.3) million. The average price was negatively affected by changes in the product mix.

EBITDA adjusted for non-recurring items increased to EUR 7.1 (5.7) million and the adjusted EBITDA margin was 17.4% (13.5%). The positive result development was primarily due to improved capacity utilisation and lower raw material costs.

The seasonal shutdowns at the end of December were carried out to about the same extent as in 2013.

Operating result adjusted for non-recurring items was EUR 5.3 (3.9) million and the adjusted operating margin was 13.0% (9.2%). Operating result was EUR 4.9 (3.1) million and the operating margin 12.0% (7.3%).

January–December 2014

Total delivery by the business area increased by 3 per cent compared to the corresponding period 2013. Demand has been good within all the business area's product segments throughout the reporting period, especially the demand for abrasive paper has been strong.

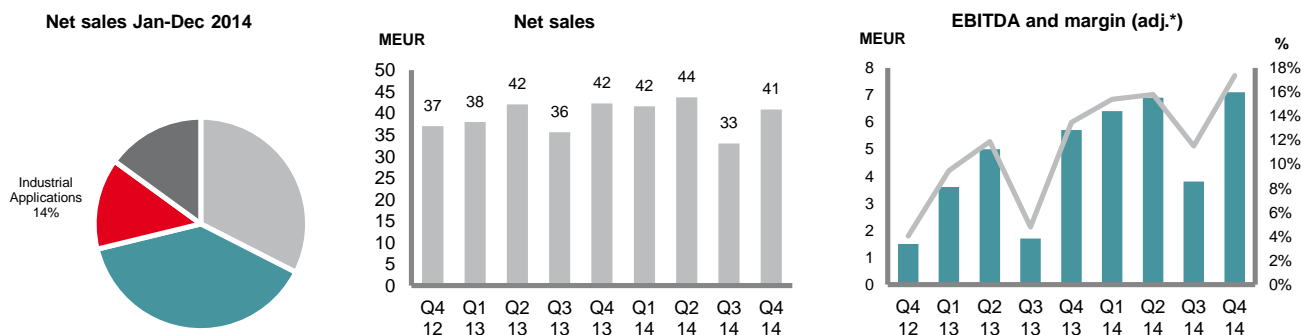
Net sales amounted to EUR 159.2 (158.0) million. The price level has been stable throughout 2014, but the average price was negatively affected by changes in the product mix.

EBITDA adjusted for non-recurring items increased to EUR 24.2 (16.1) million and the adjusted EBITDA margin was 15.2% (10.2%). The positive result development was primarily due to improved capacity utilisation and lower raw material costs.

The annual maintenance and vacation shutdowns in the second and third quarter, during which planned maintenance operations were scheduled, were carried out to the same extent as in 2013. The seasonal shutdowns at the end of December were carried out to about the same extent as in 2013.

Operating result adjusted for non-recurring items was EUR 16.7 (8.6) million and the adjusted operating margin was 10.5% (5.4%). Operating result was EUR 16.3 (7.3) million and the operating margin 10.2% (4.6%).

Net sales Jan-Dec 2014



* Adjusted for non-recurring items

Business Area Graphics and Packaging

MEUR	Oct-Dec		Jan-Dec		ACQUIRED OPERATIONS MEUR	Oct-Dec	27 May-Dec
	2014	2013	2014	2013		2013	2013
Reported ¹⁾					Reported ¹⁾		
Net sales	40.7	40.4	172.8	102.4	Net sales	40.4	102.4
EBITDA (adj.*)	1.2	-0.5	4.5	-1.5	EBITDA (adj.*)	-0.5	-1.5
EBITDA margin, % (adj.*)	2.9	-1.2	2.6	-1.5	EBITDA margin, % (adj.*)	-1.2	-1.5
EBITDA	1.2	-6.0	4.5	-9.0	EBITDA	-6.0	-9.0
EBITDA, margin %	2.9	-14.9	2.6	-8.8	EBITDA, margin %	-14.9	-8.8
Operating result (adj.*)	-0.5	-2.1	-1.9	-5.1	Operating result (adj.*)	-2.1	-5.1
Operating margin, % (adj.*)	-1.2	-5.2	-1.1	-5.0	Operating margin, % (adj.*)	-5.2	-5.0
Operating result	-0.5	-7.6	-1.9	-12.6	Operating result	-7.6	-12.6
Operating margin, %	-1.2	-18.8	-1.1	-12.3	Operating margin, %	-18.8	-12.3
Capital expenditure	0.7	0.7	9.3	1.9	Delivery volumes, tonnes	32,700	83,700
Delivery volumes, tonnes	31,200	32,700	136,100	83,700			
Employees, FTE	420	444	432	262			
Pro forma ²⁾							
Net sales	40.7	40.4	172.8	175.9			
EBITDA** (adj.*)	1.2	-0.5	4.5	-0.6			
EBITDA** margin, % (adj.*)	2.9	-1.2	2.6	-0.3			
EBITDA**	1.2	-6.0	4.5	-7.0			
EBITDA**, margin %	2.9	-14.9	2.6	-4.0			
Delivery volumes, tonnes	31,200	32,700	136,100	145,600			

* 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

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.

Fourth quarter 2014

Net sales were EUR 40.7 (40.4) million.

EBITDA adjusted for non-recurring items was EUR 1.2 (-0.5) million and the adjusted EBITDA margin 2.9% (-1.2%). In the quarter the business area had both positive and negative non-recurring items, resulting in a net effect of EUR 0 million.

The seasonal shutdowns at the end of December were shorter than in December 2013, but some of the stopping days were used for planned test runs connected to the on-going work to adjust the business area's product mix.

Operating result was EUR -0.5 (-7.6) million and the operating margin -1.2% (-18.8%).

January–December 2014

Net sales were EUR 172.8 (102.4) million.

EBITDA adjusted for non-recurring items was EUR 4.5 (-1.5) million and the adjusted EBITDA margin 2.6% (-1.5%). In the fourth quarter the business area had both positive and negative non-recurring items, resulting in a net effect of EUR 0 million.

The annual maintenance and vacation shutdowns in the second and third quarter, during which planned maintenance operations were scheduled, were extended by approximately one week at the business area's two production facilities. The seasonal shutdowns at the end of December were shorter than in December 2013, but some of the stopping days were used for planned test runs connected to the on-going work to adjust the business area's product mix.

Operating result was EUR -1.9 (-12.6) million and the operating margin -1.1% (-12.3%).

Reported figures compared to pro forma figures

Fourth quarter 2014

Total delivery by the business area decreased compared to the corresponding period 2013 due to the changes in the product mix implemented as part of the programme aiming at a substantial improvement in the business area's financial result.

The reported net sales was on the same level compared to the pro forma net sales, reaching EUR 40.7 (40.4) million. The average price increased due to price increases carried out in 2013 and 2014 and the continued adjustment of the product mix.

Adjusted EBITDA increased to EUR 1.2 (-0.5) million and the adjusted EBITDA margin was 2.9% (-1.2%). The target, communicated in the third quarter of 2014, to achieve an adjusted EBITDA margin in excess of 5 per cent during months when there are no scheduled maintenance shutdowns, was achieved in the fourth quarter.

The seasonal shutdowns at the end of December were shorter than in December 2013, but some of the stopping days were used for planned test runs connected to the on-going work to adjust the business area's product mix.

January–December 2014

Total delivery by the business area decreased compared to the corresponding period 2013 due to the changes in the product mix implemented as part of the programme aiming at a substantial improvement in the business area's financial result.

The reported net sales decreased compared to the pro forma net sales, mainly as a result of reduced delivery volumes, reaching EUR 172.8 (175.9) million. The average price in 2014 increased due to the price increases carried out in 2013 and 2014 and the continued adjustment of the product mix.

Adjusted EBITDA increased to EUR 4.5 (-0.6) million and the adjusted EBITDA margin was 2.6% (-0.3%). The target, communicated in the third quarter of 2014, to achieve an adjusted EBITDA margin in excess of 5 per cent during months when there are no scheduled maintenance shutdowns, was achieved in the fourth quarter.

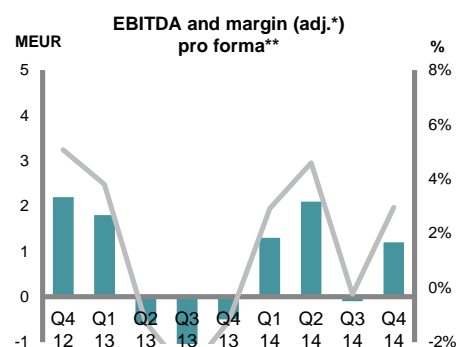
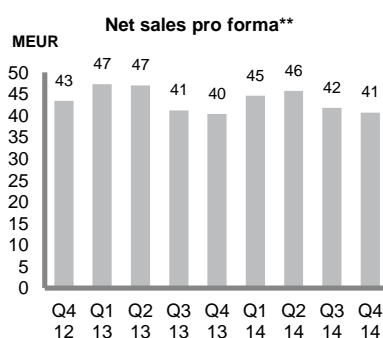
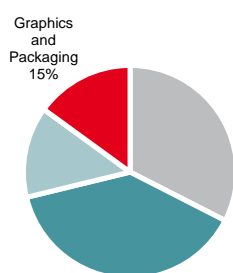
The annual maintenance and vacation shutdowns in the second and third quarter, during which planned maintenance operations were scheduled, were extended by approximately one week at the business area's two production facilities. The seasonal shutdowns at the end of December were shorter than in December 2013, but some of the stopping days were used for planned test runs connected to the on-going work to adjust the business area's product mix.

The result for the first quarter of 2013 included a positive impact on the result of approximately EUR 2 million as a result of the release of certain accruals for personnel liabilities.

The programme aiming at a substantial improvement in financial result progressed during the year. The improvement is mainly due to 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 parts of the programme related to staff reductions were brought to a conclusion as planned during the first quarter of 2014 and approved by the relevant authorities in April 2014. The costs and savings related to these measures are included in the estimated synergy costs and benefits. The aim with the programme going forward is to achieve the business area's EBITDA target of 9-10 per cent at the end of 2016.

Net sales Jan-Dec 2014



* Adjusted for non-recurring items

** From the first quarter 2014 the reported figure is used

M Balance sheet, financing, cash flow and taxes

Munksjö entered into a EUR 345 million term loan and revolving credit facilities agreement in September 2014 with a maturity of five years. The new facility increases operating flexibility and reduces the cost of financing.

The interest payable under the facilities agreement depends on the ratio of consolidated senior net debt to consolidated EBITDA. At leverage levels and financial ratios at the time of the signing, the annual saving amounts to 150 basis points on the drawn amounts, corresponding to approximately EUR 5 million of reduced financial expenses on an annual basis. In connection with the repayment of the previous financing a previously capitalised financing cost of EUR 7.1 million was expensed. The financing replaced the company's previous EUR 365 million financing agreement signed in May 2013. At the end of the fourth quarter of 2014, the weighted average interest rate was approximately 2.7 per cent (end of fourth quarter 2013: 4.2 per cent).

Interest-bearing net debt amounted to EUR 225.6 million at 31 December 2014 (31 December 2013: 229.3), resulting in a gearing of 54.5% (31 December 2013: 54.1%).

Shareholders' equity at 31 December 2014 amounted to EUR 413.6 million (31 December 2013: 423.8) and total assets decreased to EUR 1,179.5 million (31 December 2013: 1,189.4). The decrease in equity was mainly a result of a translation effect of subsidiary equity to EUR and increased pension obligations as a result of actuarial losses due to lower interest rates.

Net financial items

Net financial items for January-December 2014 amounted in total to EUR -28.5 (-22.9) million, of which EUR 14.0 million is interest rate expenses, EUR 1.9 million is bank fees and the rest is mainly items not affecting the cash flow, including the previously capitalised financing cost of EUR 7.1 million, expensed in connection with the refinancing, and EUR 1.9 million of amortisations of capitalised bank fees. The net financial items for the period include realised interest rate swaps of EUR -0.3 (-0.2) million. At the end of the period, the fair value of unrealised interest rate swaps amounted to EUR -1.2 (-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 fair value of unrealised hedges excluding interest rate swaps amounted to EUR -3.1 (-1.3) million. The operating result for January-December 2014 includes realised hedges of EUR -4.2 (-0.7) million.

Cash flow

The cash flow from operating activities amounted to EUR 57.8 (45.7) million. The cash flow has been affected by EUR 1.4 million for costs incurred in connection with the Statement of Objections from the European Commission, and by EUR 16.2 million relating to the settlement of provisions recorded in 2013. Of these, EUR 8.9 million relate to the commitment to pay costs arising from the divestment of certain businesses in Osnabrück, Germany, required by the European Commission as a condition for regulatory approval. The rest relate to costs for realising synergy benefits and to other provisions such as restructuring activities and environmental commitments. The cash flow used in investing activities amounted to EUR -35.1 (-13.5) million. The new financing has a positive impact on cash flow from the fourth quarter of 2014 onwards.

Capital expenditure

The cash flow related to capital expenditure for the full year 2014 amounted to EUR -35.1 (-22.6) million. The largest investment in 2014 was the installation and start-up of two film presses within the business area Graphics and Packaging's two production facilities in France. The purpose of the investment is to ensure the technical conditions for the development of the business area's product line, and strengthen the competitiveness of the business area in accordance with the program aiming at a substantial improvement in the business area's financial result.

The other investments in January-December 2014 were mainly related to smaller investments for maintenance, for instance in connection with the maintenance shutdown at the Aspa facility in the second quarter of 2014. The comparative figure only includes investments for the acquired operations from 27 May 2013 onwards. The cash flow effect from capital expenditure for fixed assets for 2014 was as expected and amounted to about two thirds of the depreciation level.

Taxes

The income tax charge for the period was EUR -9.2 (-1.1) million representing an effective rate of 54.4% (1.9%). The effective tax rate represents an average of tax costs for profits and tax benefits for losses in certain jurisdictions. The effective rate has been affected by losses generated in low tax jurisdictions and profits generated in higher tax locations.

M Employees

The average number of employees (FTE's) in the fourth quarter 2014 was 2,757 (2,641). The increase compared to corresponding period last year is a result of the business combination. In the figures for the comparative period seven months of the acquired operations are included and the Brazilian operations are included from 2 December

2013. The average number of employees (FTE's) for December was 2,764 (2,783) and at the end of December 2014, Munksjö had 2,905 (2,893) employees. The increase in number of employees is a net effect of redundancies resulting from the business combination and new recruitments in 2014. Recruitments were made mainly to replace services previously purchased externally in order to streamline operations and achieve cost savings.

Of Munksjö's total number of employees at the end of December 38% (38%) were employed in France, 21% (21%) in Sweden, 16% (16%) in Germany, 9% (10%) in Italy, 9% (8%) in Brazil, 6% (6%) in Spain and 1% (1%) in other countries. More information about Munksjö's employees is published in the Annual report.

Long-term share-based incentive programme for senior executives and other key personnel

In May 2014, Munksjö's Board of Directors approved a long-term share-based incentive programme for Munksjö's senior executives and other key personnel, approximately 35 persons. The objective of this plan is to align the company's financial goals with the objectives of its shareholders and management by an incentive plan based on share ownership in the company.

The share plan started in 2014 with a three-year (2014-2016) performance period and potential rewards will be paid after the end of the performance period. Participation requires an initial investment (saving shares) in Munksjö shares by each participant. A maximum number of saving shares is set for each participant. The plan offers a right for a participant to receive one matching share for each saving share and an opportunity to receive a maximum of five performance shares if the performance targets set by the Board are attained. The targets are based on the Group's dividend capacity and share price development compared to a peer group of similar listed companies.

The potential incentives will be paid in Munksjö shares. The programme has a cap maximising the gross reward to an amount corresponding to 300 per cent of the participant's annual base salary. If the targets set for the programme are met in full and the maximum number of saving shares is invested, the maximum gross value of the programme will correspond to approximately 500,000 shares.

31 senior executives and other key personnel have enrolled to the programme. Based on the participants invested number of saving shares, the maximum gross value of the programme, if the targets set for the programme are met in full, will correspond to approximately 410,000 shares. The total cost for the programme will be recognised over the vesting period which ends on 31 December 2016. The expense recorded in personnel costs related to the incentive programme was EUR 0.2 million in the third quarter of 2014, and EUR 0.4 million in the fourth quarter. The total cost for the programme in 2014 was EUR 0.6 million.

Munksjö plans to reorganise its sales organisation

On 10 December 2014 Munksjö announced that the company plans to simplify its sales organisation by reorganising certain sales functions. The reorganisation is subject to consultation and approval processes in accordance with local legislation in the countries affected. The overall model is one customer service hub per Business Area in Europe, and Group sales offices in Brazil, China, the US and Russia. By moving customer service closer to supply and planning, pooling resources and avoiding sales office costs, Munksjö would improve profitability and the supply chain process would be more efficient.

As a result some regional offices may be closed or have a reduction in the number of employees. The following sales offices would be affected by the changes; Wavre in Belgium, Lingolsheim, Pont Eveque, and Fontenay-sous-Bois in France, Munich in Germany, Legnano and Turin in Italy and Spain.

The number of employees affected by the reorganisation would be approximately 30. The planned reorganisation would commence during 2015 and the expected annual savings are approximately EUR 1-1.5 million of which a majority would be realised by 2016, adding to structural savings in the sales network realized already during 2014.

▲ Product development

Munksjö's four business areas are responsible for their respective product development. Most of this work is carried out in the development centre in Apprieu in France, with full focus on meeting customer requirements for functionality and quality. The development projects are initiated and implemented in collaboration with clients, but also in the context of Munksjö's own product development.

▲ 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. 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 risks and uncertainty factors related to Munksjö's business and the company's risk management is published in the Annual report and on www.munksjo.com.

M Shares and shareholders

Secondary listing on Nasdaq Stockholm

Trading in Munksjö's shares on Nasdaq Stockholm started on Monday 8 December 2014 under the ticker MUNK1S. The share is quoted in Swedish krona. The purpose of the secondary listing is to facilitate trading in Munksjö's shares for both current and new shareholders. The Munksjö shares will continue to be traded on Nasdaq Helsinki even after the secondary listing. No new shares were issued in connection with the secondary listing. Munksjö prepared a summary document pursuant to the Finnish Securities Market Act (Chapter 4, section 9), related to the secondary listing. The document is available in Swedish on the investor website at www.munksjo.com.

Related to the secondary listing, Munksjö Oyj and Skandinaviska Enskilda Banken AB (SEB) have signed a market making agreement that meets the requirements of market making operations by Nasdaq Stockholm.

Munksjö has since March 2014 an agreement with Nordea Bank Finland Plc regarding liquidity providing for equity trading on Nasdaq Helsinki.

Share development and shareholders

The Munksjö Oyj share is traded on Nasdaq Helsinki under the trading symbol MUNK1 and as of 8 December 2014 also on Nasdaq Stockholm under the trading symbol MUNK1S. 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 amounts to 51,061,581. Munksjö does not hold any of its own shares.

The trading in Munksjö Oyj shares on Nasdaq Helsinki commenced on 7 June 2013 and hence the equivalent period January-December 2013 only comprises trading on Nasdaq Helsinki for 142 trading days. During the reporting period January-December 2014, that consisted of 250 trading days, the trading volume on Nasdaq Helsinki was 24,551,000 (2,540,515) shares, equivalent to a turnover of EUR167,525,209 (12,160,016). The daily average trading volume during the reporting period was 98,204 (17,891) shares and the volume-weighted average share price was EUR 6.92 (4.89). The highest share price in the reporting period was EUR 9.03 (6.10) and the lowest EUR 5.11 (4.62). On the last trading day of the reported trading period, 30 December 2014, the share price was EUR 8.95 (30 December 2013: 5.40) and the corresponding market capitalisation was EUR 457.0 million (30 December 2013: 275.7). In 2014, the Munksjö share price rose by approximately 66 per cent on Nasdaq Helsinki, while the index Nasdaq OMX Helsinki (OMXHPI) rose by approximately 6 per cent and the OMX Helsinki Mid Cap (OMXHMCP1) by 2 per cent.

The trading in Munksjö Oyj shares on Nasdaq Stockholm commenced on 8 December 2014 and hence there is no comparison period. During the reporting period January-December 2014, that only consists of 14 trading days, the trading volume on Nasdaq Stockholm was 1,229,597 shares, equivalent to a turnover of SEK 95,620,490. The daily average trading volume during the 14 trading days was 87,828 shares and the volume-weighted average share price was SEK 77.77. The highest share price in the reporting period was SEK 86.25 and the lowest SEK 76.25. On the last trading day of the reported trading period, 30 December 2014, the share price was SEK 85.50. In 2014, the Munksjö share price rose by 12 per cent during the 14 trading days on Nasdaq Stockholm.

Munksjö's share is also traded on alternative exchanges, such as BATS Chi-X, however the trading volume on these alternative exchanges during the reporting period was marginal.

At the end of 2014, Munksjö had approximately 11,258 shareholders registered in Euroclear Finland Ab and 311 shareholders registered in Euroclear Sweden AB. The largest shareholders at the end of 2014 were Viknum AB with a holding of 11.40 per cent of total shares and share capital, the Ahlström Capital Group with a holding of 11.05 per cent and Ahlstrom Abp with a holding of 9.40 per cent. Information about the largest shareholders in Munksjö is available on the investor website at www.munksjo.com. The information is updated on a regular basis.

Capital Markets Day

On 20 November 2014, Munksjö hosted its first Capital Markets Day. During the event the management team gave further insight to the company's strategy and business prospects, in particular on how the strategic focus will enable growth and profitability improvement. There were no changes to the previously communicated financial targets and outlook. At the Capital Markets Day, Munksjö presented details on how the profitability target of an EBITDA margin of 12 per cent over a business cycle will be achieved. The drivers for profitability development are; profitable growth, to utilise the position as a market and innovation leader, high product and service quality and increased operational efficiency.

The EBITDA margin target will be achieved through efforts and initiatives including; continued organic growth, reinforced market positions in existing product segments, strengthened positions in emerging markets, continued adjustments of the cost structure and measures to improve efficiency in production, and further develop the technical service offering. The EBITDA margin targets to be achieved by the end of 2016 per business area were presented; 15-16 per cent for Decor, 12-13 per cent for Release Liners, 15-16 per cent for Industrial Applications and 9-10 per cent for Graphics and Packaging.

Flagging notifications

During the reporting period January-December 2014, Munksjö received announcements about major changes with regards to the holdings of the largest shareholders. The flagging notifications are presented below. Regularly updated information regarding the largest shareholders of Munksjö is available on the investor website at www.munksjo.com.

Change in the holdings of Antti Ahlström Perilliset Oy, Ahlström Capital Oy and Ac Invest Five B.V.

On 4 April 2014 Munksjö received a flagging notification from Antti Ahlström Perilliset Oy. According to the announcement, 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. According to the announcement, the shares in Munksjö Oyj owned by Antti Ahlström Perilliset Oy would be transferred to Ahlström Capital Oy in the planned demerger of Antti Ahlström Perilliset Oy.

On 28 May 2014 Munksjö received two flagging notifications. According to the announcement from Antti Ahlström Perilliset Oy, a total of 2 587 318 shares owned by the company had through the registration of the demerger of the company on 28 May 2014 been transferred to Ahlström Capital Oy, and the holding had fallen below the threshold of 5 per cent. Antti Ahlström Perilliset Oy did not hold any shares in Munksjö Oyj after the registration of the demerger.

According to the announcement from Ahlström Capital Oy, the shares owned by Antti Ahlström Perilliset Oy had through the registration of the demerger of Antti Ahlström Perilliset Oy been transferred to Ahlström Capital Oy. The holding of Ahlström Capital Oy had through the registration of the demerger exceeded the threshold of 5 per cent and the direct and indirect holding corresponded to 6.79 per cent of Munksjö's shares and voting rights.

On 4 December 2014 Munksjö received two flagging notifications. According to the announcements, the holding of Ahlström Capital Oy in Munksjö had fallen below the threshold of 5 percent and the holding of its wholly owned subsidiary AC Invest Five B.V. had exceeded the thresholds of 5 and 10 per cent. The direct holding of AC Invest Five B.V. and the indirect holding of Ahlström Capital Oy had increased to 5,637,787 shares, corresponding to 11.04 per cent of Munksjö's shares and voting rights.

Change in the holding of EQT

On 21 May 2014 Munksjö received a flagging notification from Munksjö Guernsey Holding Limited. According to the announcement, the holding of Munksjö Guernsey Holding Limited in Munksjö had fallen below the thresholds of 20 and 15 per cent. According to the announcement Munksjö Luxembourg Holding S.à.r.l. is a subsidiary to Munksjö Guernsey Holding Limited. The parent company of Munksjö Luxembourg Holding S.à r.l. is EQT's fund EQT III. After this change in the holding, the total direct and indirect holding of Munksjö Guernsey Holding Limited corresponded to 11.53 per cent of Munksjö's shares and voting rights.

On 3 December 2014 Munksjö received a flagging notification from Munksjö Guernsey Holding Limited. According to the announcement, the direct and indirect holding of Munksjö Guernsey Holding Limited in Munksjö had fallen below the thresholds of 10 and 5 per cent. According to the announcement, Munksjö Luxembourg Holding S.á r.l. is a subsidiary of Munksjö Guernsey Holding Limited. After this change in the holding, Munksjö Guernsey Holding and Munksjö Luxembourg Holding S.á r.l. do not directly or indirectly hold any shares or voting rights in Munksjö.

Change in the holding of Lannebo Fonder AB

Munksjö Oyj on 21 May 2014 received a flagging notification from Lannebo Fonder AB, according to which the company's holding in Munksjö had exceeded the threshold of 5 per cent. According to the announcement, the direct holding of Lannebo Fonder AB had increased to 3 067 572 shares, corresponding to 6.01 per cent of Munksjö's shares and voting rights.

Change in the holding of Viknum AB and Vimpu Intressenter Ab

On 19 November 2014 Munksjö received a flagging notification from Viknum AB and Vimpu Intressenter Ab. According to the announcement, Viknum AB's direct holding in Munksjö had exceeded the threshold of 10 per cent and the direct holding of Vimpu Intressenter Ab had fallen below the threshold of 5 per cent. According to the announcement, Viknum AB had acquired the total holding in Munksjö of Vimpu Intressenter Ab. As a result of this, the indirect holding of Virala Oy Ab:s had increased to 5 365 000 shares, corresponding to 10.51 per cent of Munksjö's shares and voting rights. According to the announcement, Viknum AB is a wholly owned subsidiary of Atine Group AB and Atine Group AB is a wholly owned subsidiary of Atine Group Oy. Atine Group Oy is a wholly owned subsidiary of Virala Oy Ab. After the acquisition of the shares, Viknum AB is the only subsidiary of Virala Oy Ab that holds shares in Munksjö.

Change in the holding of Ilmarinen Mutual Pension Insurance Company

On 10 December 2014 Munksjö received a flagging notification from Ilmarinen Mutual Pension Insurance Company. According to the announcement the holding of Ilmarinen Mutual Pension Insurance had exceeded the threshold of 5 per cent and increased to 3,055,783 shares, corresponding to 5.98 per cent of Munksjö's shares and voting.

Change in the holding of Ahlstrom Corporation

On 10 December 2014 Munksjö received a flagging notification from Ahlstrom Corporation. According to the announcement the holding of Ahlstrom Corporation had fallen below the threshold of 10 per cent and decreased to 4,800,981 shares, corresponding to 9.40 per cent of Munksjö's shares and voting.

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

Munksjö Oyj's Annual General Meeting (AGM) was held in Helsinki on 2 April 2014. The AGM 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.

The AGM resolved that no dividend will be paid for the fiscal year 2013 and to pay funds from the reserve for invested non-restricted equity as return of equity based on the balance of 31 December 2013 adopted by the AGM, 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 7 April 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 14 April 2014.

The AGM resolved that the number of Board members be seven. 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.

The AGM resolved 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 authorised the Board of Directors to resolve to repurchase and to distribute a maximum of 4,000,000 shares of the company as well as to accept them as pledge in one or more instalments. By virtue of the authorisation, the Board of Directors has the right to resolve to distribute a maximum of 4,000,000 own shares held by the company. The authorisations 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 AGM but will, however, expire at the close of the next AGM, at the latest.

The organisation meeting of the Board of Directors, which was held immediately after the AGM, 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.

Nomination Board appointed

Munksjö's Nomination Board comprises representatives of the three largest shareholders of the company and, in addition, two expert members: the Chairman of the Board of Directors and a person nominated by the Board of Directors. The Nomination Board prepares proposals to the AGM for the election and remuneration of the members of the Board of Directors and the remuneration of the members of the Board committees and the Nomination Board. The following three persons have been appointed as representatives in the Nomination Board:

- Christian Sinding (EQT),
- Thomas Ahlström (Ahlström Capital Oy and others) and
- Alexander Ehrnrooth (Vimpu Intressenter Ab and Belgrano Investments Oy).

The Chairman of the Board of Directors Peter Seligson will, according to the charter of the Nomination Board, act as an expert member of the Nomination Board in addition to which the Board of Directors has elected Caspar Callerström as the second expert member of the Nomination Board. The Nomination Board has among its members elected Thomas Ahlström as Chairman.

The right to nominate the shareholder representatives lies with those three shareholders whose share of all the voting rights in the company is on 31 May preceding the next AGM the largest on the basis of the shareholders' register of Munksjö held by Euroclear Finland.

Ahlstrom Corporation renounced its right to appoint a representative to the Nomination Board due to which the nomination right transferred to the next largest shareholder who would otherwise not have a nomination right. Ahlstrom Corporation has reserved the right to re-evaluate the situation, should any such changes in the composition of the Nomination Board during its term occur, that according to the charter of the Nomination Board would grant the company a new right to appoint a representative to the Nomination Board. The Nomination Board has been appointed by Munksjö Luxembourg Holding S.à r.l. (EQT) and two groups of shareholders, as described below.

Holdings by a group of shareholders, who have agreed to nominate a joint representative to the Nomination Board, are summed up when calculating the share of all the voting rights, provided that the shareholders in question present a joint written request to that effect together with a copy of such an agreement to the Chairman of the Board no later than on 30 May preceding the AGM.

Munksjö has been informed that two such agreements have been made. The first agreement has been made by Antti Ahlström Perilliset Oy, Ahlström Capital Oy, AC Invest Five B.V, Robin Ahlström, Niklas Lund, Johan Gullichsen, Kasper Kylmälä, Michael Sumelius and Carl Ahlström. The second agreement has been made by Vimpu Intressenter Ab and Belgrano Investments Oy.

Christian Sinding, appointed to the Nomination Board of Munksjö Oyj by EQT, resigned on 11 December 2014 from the Nomination Board in accordance with the charter of the Nomination Board. EQT does not as from 4 December 2014 hold any shares in Munksjö. The Nomination Board has in accordance with its charter decided that the

composition of the Nomination Board will not be complemented with a new member due to the resignation of Mr. Sinding.

The Nomination Board submitted at its meeting on 13 January 2014 the proposals for the AGM 2015. Additional information can be found under "*Events after the end of the reporting period*".

▲ The Board of Director's proposal to pay dividend

There are no distributable retained earnings in the balance sheet as of 31 December 2014 and the Board of Directors proposes that no dividend will be paid for the fiscal year 2014.

Instead the Board of Directors proposes that the AGM would decide to pay funds from the reserve for invested non-restricted equity as return of equity based on the balance of 31 December 2014 adopted by the AGM, the amount of return being EUR 0.25 per share. The return of equity shall be paid to a shareholder who on the record date of the payment 17 April 2015 is registered in the shareholder register of the Company held by Euroclear Finland Ltd. The Board further proposes that the return of equity shall be paid to shareholders on 24 April 2015.

▲ Annual General Meeting 2015

The company's Annual General Meeting will be held on Wednesday, 15 April 2015 at 1 pm EET at the Finlandia Hall in Helsinki.

▲ 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 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. In October 2014, the European Commission decided to close the proceedings against Munksjö Oyj, Munksjö AB and Ahlstrom Corporation.

Changes in the Management Team of Munksjö

Kim Henriksson, Executive Vice President and Chief Financial Officer, tendered his resignation from Munksjö Oyj in September 2014 to continue his career outside the company. Kim Henriksson will leave Munksjö during the first quarter of 2015 to join Access Partners, an independent financial advisory firm. Pia Aaltonen-Forsell has been appointed as his successor. Additional information can be found under "*Events after the end of the reporting period*".

▲ Events after the end of the reporting period

Proposals of the Shareholders' Nomination Board to the Annual General Meeting 2015

The Nomination Board submitted at its meeting on 13 January 2015 the following proposals to the AGM 2015:

Proposal on the composition of the Board of Directors

The number of Board members shall decrease by one and shall be confirmed at six (6). Current members of the Board of Directors; Peter Seligson, Fredrik Cappelen, Sebastian Bondestam, Elisabet Salander Björklund, Hannele Jakosuo-Jansson and Alexander Ehrnrooth shall be re-elected. Caspar Callerström, current member of the Board, has informed the Nomination Board that he is not available for re-election. The proposed members of the Board of Directors have indicated that they, if elected, will elect Peter Seligson as the Chairman of the Board and Fredrik Cappelen as the Deputy Chairman of the Board.

The CV's of the current members of the Board of Directors are available at www.munksjo.com.

Proposal on the remuneration of the members of the Board of Directors, the Board committees and the Nomination Board

The annual remuneration of the Board of Directors shall increase. The Chairman shall receive EUR 80,000 a year and the ordinary members EUR 40,000 each.

The annual remuneration of the Board committees shall remain unchanged with the exception of an increase in the remuneration of the Chairman of the Audit Committee. The Chairman of the Audit Committee shall annually receive EUR 12,000 and the ordinary members EUR 6,000 each. The Chairman of the Remuneration Committee shall annually receive EUR 6,000 and the ordinary members EUR 3,000 each.

The chairman of the Nomination Board shall annually receive EUR 6,000 and the ordinary members EUR 3,000 each.

Travel expenses are proposed to be reimbursed in accordance with the company's travel policy.

Munksjö appointed Pia Aaltonen-Forsell as CFO

On 9 February 2015 Munksjö announced that the company has appointed Pia Aaltonen-Forsell as Chief Financial Officer (CFO) and member of Munksjö's Management Team. Aaltonen-Forsell (M.Soc.Sc.) will be joining Munksjö from Vacon Plc., where she currently is the CFO. Aaltonen-Forsell's previous positions include Senior Vice President (SVP) Finance, IT and M&A, Building and Living Business Area at Stora Enso as well as other managerial positions at Stora Enso, such as SVP Group Controller. Aaltonen-Forsell will join Munksjö on 1 April 2015, and she will report to Jan Åström, President and CEO of Munksjö Oyj.

Munksjö to acquire its own shares

The Board of Directors of Munksjö Oyj has in February 2015 decided to utilise the authorization given by the Annual General Meeting held on 2 April 2014 to repurchase own shares.

In May 2014, the Board of Directors of Munksjö Oyj approved a long-term share-based incentive programme for Munksjö's senior executives and other key personnel, approximately 35 persons. The repurchased shares will be used primarily for implementing share-based incentive programmes of the company, or for other purposes defined in the authorization of the Annual General Meeting.

The Board of Directors has an authorization to acquire 4,000,000 of the company's own shares, which was given by the Annual General Meeting on 2 April 2014. The authorization is valid until the end of the Annual General Meeting 2015 to be held on 15 April 2015.

The repurchases will start at the earliest on 13 February 2015 and end on 27 March 2015 at the latest. The amount to be acquired shall not exceed 300,000 shares, corresponding to about 0.6 per cent of the total number of shares and votes. Munksjö does not before the start of the repurchases of the share hold any own shares.

The shares shall be acquired through public trading on Nasdaq Helsinki at the market price prevailing at the time of repurchase. Nordea Bank Finland Plc will act as stock broker in the repurchases.

Helsinki, 12 February 2015

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

The Annual Report 2014 will be published in electronic format at www.munksjo.com during week 12/2015. The company's Annual General Meeting will be held on Wednesday, 15 April 2015 at 1 pm EET at the Finlandia Hall in Helsinki. The notice to convene the Annual General Meeting is given through a stock exchange release by the Board of Directors.

For the year 2015, Munksjö will publish its interim reports and financial statements as follows:

January-March	Wednesday, 29 April 2015
January-June	Thursday, 23 July 2015
January-September	Tuesday, 3 November 2015
Financial Statements Bulletin for 2015	Thursday, 11 February 2016

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 a 21 day silent period preceding the announcement of financial results.

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 2,900 employees. Production facilities are located in France, Sweden, Germany, Italy, Spain, Brazil and China. Munksjö Oyj is listed on Nasdaq Helsinki and Nasdaq Stockholm. Read more at www.munksjo.com.

▲ Interim financial statements (unaudited)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME				
MEUR	Oct-Dec		Jan-Dec	
	2014	2013	2014	2013
Net sales	281.0	255.7	1,137.3	863.3
Other operating income	2.9	2.6	11.4	6.9
Total operating income	283.9	258.3	1,148.7	870.2
Operating costs				
Changes in inventories	-0.3	-2.8	1.1	2.2
Materials and supplies	-137.6	-127.9	-557.2	-447.7
Other external costs	-71.3	-77.6	-292.7	-255.5
Personnel costs	-50.0	-50.3	-200.5	-163.6
Depreciation and amortisation	-14.0	-13.4	-54.0	-39.3
Total operating costs	-273.2	-272.0	-1,103.3	-903.9
Share of profit in equity accounted investments	0.0	-0.3	0.0	0.3
Operating result	10.7	-14.0	45.4	-33.4
Net financial items	-7.5	-7.6	-28.5	-22.9
Profit before tax	3.2	-21.6	16.9	-56.3
Taxes	-0.5	-4.6	-9.2	-1.1
Net profit	2.7	-26.2	7.7	-57.4
Other comprehensive income				
Items that may be reclassified to profit or loss				
Exchange differences on translation of foreign operations for the period	-4.5	-1.5	-5.7	-1.0
Change in cash flow hedge reserve	-2.9	-3.2	-7.3	-2.8
Cash flow hedge transferred to this year's result	2.1	0.8	4.5	1.0
Items that will not be reclassified to profit or loss				
Actuarial gains and losses on defined benefit plans	-6.3	1.8	-6.3	1.8
Tax attributable to other comprehensive income	1.6	0.3	2.1	0.2
Comprehensive income	-7.3	-28.0	-5.0	-58.2
Net result attributable to:				
Parent company's shareholders	2.4	-26.3	7.0	-57.7
Non-controlling interests	0.3	0.1	0.7	0.3
Comprehensive income attributable to:				
Parent company's shareholders	-7.6	-28.1	-5.7	-58.5
Non-controlling interests	0.3	0.1	0.7	0.3
<i>Average number of outstanding shares</i>	51,061,581	42,911,457	51,061,581	29,228,454
Basic earnings per share, EUR	0.05	-0.61	0.14	-1.97
Diluted earnings per share, EUR	0.05	-0.61	0.14	-1.97

CONDENSED STATEMENT OF FINANCIAL POSITION		
MEUR	31 December 2014	Restated* 31 December 2013
ASSETS		
Non-current assets		
Tangible assets	446.4	459.2
Goodwill	226.7	226.6
Other intangible assets	55.2	56.4
Equity accounted investments	2.2	2.4
Other non-current assets	3.9	4.1
Deferred tax assets	60.2	54.6
Total non-current assets	794.6	803.3
Current assets		
Inventory	152.2	146.6
Accounts receivable	114.6	128.7
Other current assets	31.8	27.3
Current tax assets	2.2	0.4
Cash and cash equivalents	84.1	83.1
Total current assets	384.9	386.1
TOTAL ASSETS	1,179.5	1,189.4
EQUITY AND LIABILITIES		
Equity		
413.6	413.6	423.8
Non-current liabilities		
Non-current borrowings	271.7	270.8
Other non-current liabilities	1.0	0.1
Pension obligations	51.0	45.9
Deferred tax liabilities	84.7	85.0
Provisions	23.5	36.1
Total non-current liabilities	431.9	437.9
Current liabilities		
Current borrowings	41.6	45.0
Accounts payable	164.3	167.4
Liabilities to equity accounted investments	8.3	8.4
Accrued expenses and deferred income	100.0	89.1
Current tax liabilities	8.2	8.3
Other current liabilities and provisions	11.6	9.5
Total current liabilities	334.0	327.7
Total liabilities	765.9	765.6
TOTAL EQUITY AND LIABILITIES	1,179.5	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	-	-	-	-	-57.7	-57.7	0.3	-57.4
Other comprehensive income	-	-	-1.4	-1.0	1.6	-0.8	-	-0.8
Total comprehensive income	0.0	0.0	-1.4	-1.0	-56.1	-58.5	0.3	-58.2
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	-	-	-	-	7.0	7.0	0.7	7.7
Other comprehensive income	-	-	-2.2	-5.7	-4.8	-12.7	-	-12.7
Total comprehensive income	0.0	0.0	-2.2	-5.7	2.2	-5.7	0.7	-5.0
Return of equity and dividends	-	-5.1	-	-	-	-5.1	-0.3	-5.4
Employee share incentive plan	-	-	-	-	0.2	0.2	-	0.2
Balance at 31 December 2014	15.0	282.0	385.1	1.4	-273.9	409.6	4.0	413.6

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS				
MEUR	Oct-Dec		Jan-Dec	
	2014	2013	2014	2013
Operating profit	10.7	-14.0	45.4	-33.4
Depreciation	14.0	13.4	54.0	39.3
Income taxes paid	-6.0	-3.0	-13.9	-6.4
Interest paid and received	-1.3	-5.1	-17.0	-12.3
Cash flow from operating activities before change in working capital	17.4	-8.7	68.5	-12.8
Change in inventories	3.7	4.8	-5.6	4.4
Change in operating liabilities	2.5	9.8	-14.9	26.0
Change in operating receivables	9.7	24.4	9.8	28.1
Cash generated from operating activities	33.3	30.3	57.8	45.7
Cash in acquired entities	-	-	-	9.1
Purchase of intangible assets	-0.2	-0.2	-2.0	-1.6
Purchase of tangible assets	-11.1	-8.0	-33.1	-21.0
Cash flow used in investing activities	-11.3	-8.2	-35.1	-13.5
Return of equity and dividends	-	-	-5.4	-11.9
Proceeds from share issue, net of costs	-	-0.4	-	121.9
Proceeds from borrowings, net of costs	0.2	1.2	291.8	306.6
Repayment of acquired entities' borrowings to Ahlstrom	-	-	-	-154.3
Repayment of borrowings	-0.7	-13.2	-307.4	-277.5
Working capital compensation from Ahlstrom	-	9.5	-	9.5
Cash flow from financing activities	-0.5	-2.9	-21.0	-5.7
CASH FLOW FOR THE PERIOD	21.5	19.2	1.7	26.5
Cash and cash equivalents at the beginning of the period	65.5	64.3	83.1	57.1
Currency effects on cash and cash equivalents	-2.9	-0.4	-0.7	-0.5
Cash and cash equivalents at the end of the period	84.1	83.1	84.1	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 Munksjö 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 follows:

- 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, however subsequent quarters have been restated.

IMPACT ON CONSOLIDATED KEY RATIOS	As published	Change	Restated
	31 Dec	31 Dec	31 Dec
	2013	2013	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			
	As published	Change	Re-stated
	31 Dec	31 Dec	31 Dec
MEUR	2013	2013	2013
ASSETS			
Non-current assets			
Tangible assets	447.5	11.7	459.2
Equity accounted investments	14.5	-12.1	2.4
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 INFORMATION 2014						
Jan-Dec 2014						
MEUR	Decor	Release Liners	Industrial Applications	Graphics and Packaging	Others and eliminations	Total
Net sales, external	373.8	437.2	157.0	172.8	-3.5	1,137.3
Net sales, internal	0.9	8.8	2.2	0.0	-11.9	0.0
Net sales	374.7	446.0	159.2	172.8	-15.4	1,137.3
Operating result	35.8	15.3	16.3	-1.9	-20.1	45.4
Operating margin, %	9.6%	3.4%	10.2%	-1.1%		4.0%
Net financial items						-28.5
Taxes						-9.2
Net result						7.7
Other information						
Capital expenditure	6.4	9.2	6.3	9.3	3.9	35.1
Depreciation	9.1	28.2	7.5	6.4	2.8	54.0
Employees, FTE	877	845	556	432	55	2,765

SEGMENT INFORMATION 2013						
Jan-Dec 2013						
MEUR	Decor	Release Liners	Industrial Applications	Graphics and Packaging	Others and eliminations	Total
Net sales, external	367.4	241.4	151.7	102.4	0.4	863.3
Net sales, internal	0.8	7.7	6.3		-14.8	0.0
Net sales	368.2	249.1	158.0	102.4	-14.4	863.3
Operating result	14.5	-2.5	7.3	-12.6	-40.1	-33.4
Operating margin, %	3.9%	-1.0%	4.6%	-12.3%		-3.9%
Net financial items						-22.9
Taxes						-1.1
Net result						-57.4
Other information						
Capital Expenditure	4.5	7.5	5.7	1.9	3.0	22.6
Depreciation	11.8	15.3	7.5	3.6	1.1	39.3
Employees, FTE	888	465	556	262	45	2,216

SEGMENT FINANCIAL INFORMATION BY QUARTER												
	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
	2014	2014	2014	2014	2013	2013	2013	2013	2012	2012	2012	2012
Net sales, MEUR												
Decor	91.4	89.4	96.4	97.5	89.9	86.8	95.5	96.0	99.6	90.2	91.3	87.3
Release Liners	112.9	114.7	111.5	106.9	87.3	85.3	53.1	23.4	24.4	23.8	24.9	25.1
Industrial Applications	40.9	33.0	43.7	41.6	42.3	35.6	42.1	38.0	37.0	33.5	40.6	37.1
Graphics and Packaging	40.7	41.8	45.7	44.6	40.4	41.2	20.8	-	-	-	-	-
Other and eliminations	-4.9	-3.0	-4.8	-2.7	-4.2	-3.8	-3.5	-2.9	-2.0	-1.2	-2.7	-1.9
Group	281.0	275.9	292.5	287.9	255.7	245.1	208.0	154.5	159.1	146.3	154.1	147.6
EBITDA (adj.*), MEUR												
Decor	11.3	10.3	11.0	13.6	8.7	6.0	9.4	9.6	8.6	7.0	6.3	8.4
Release Liners	13.4	13.0	8.9	9.0	5.9	6.0	4.0	-0.2	-1.4	2.1	3.3	0.8
Industrial Applications	7.1	3.8	6.9	6.4	5.7	1.7	5.0	3.7	1.5	1.4	4.9	4.3
Graphics and Packaging	1.2	-0.1	2.1	1.3	-0.5	-1.3	0.3	-	-	-	-	-
Other and eliminations	-4.6	-3.8	-2.9	-2.9	-3.8	-1.4	-2.2	-1.6	-0.1	-0.4	-3.1	-1.5
Group	28.4	23.2	26.0	27.4	16.0	11.0	16.5	11.5	8.8	10.1	11.3	12.0
EBITDA, MEUR												
Decor	10.0	10.3	11.0	13.6	2.1	5.5	9.4	9.3	8.3	7.0	6.1	8.4
Release Liners	12.6	13.0	8.9	9.0	4.2	5.8	3.0	-0.2	-1.4	2.1	3.3	0.8
Industrial Applications	6.7	3.8	6.9	6.4	4.9	1.7	4.5	3.7	1.3	1.2	4.9	4.3
Graphics and Packaging	1.2	-0.1	2.1	1.3	-6.0	-2.2	-0.8	-	-	-	-	-
Other and eliminations	-5.8	-4.1	-3.5	-3.9	-5.8	-1.7	-27.3	-4.2	-1.6	-4.8	-5.2	-1.8
Group	24.7	22.9	25.4	26.4	-0.6	9.1	-11.1	8.5	6.6	5.5	9.1	11.6
Operating result (adj.*), MEUR												
Decor	9.0	8.1	9.2	10.8	4.6	3.5	6.8	7.0	5.6	4.5	3.7	5.9
Release Liners	6.7	5.8	1.8	1.8	0.3	1.0	1.1	-2.0	-3.1	0.5	1.6	-0.8
Industrial Applications	5.3	1.8	5.1	4.5	3.9	-0.2	3.1	1.8	-0.4	-0.5	3.1	2.5
Graphics and Packaging	-0.5	-1.7	0.4	-0.1	-2.1	-2.7	-0.3	-	-	-	-	-
Other and eliminations	-6.1	-4.5	-3.1	-3.3	-4.1	-1.8	-2.4	-1.8	-0.1	-0.6	-3.3	-1.6
Group	14.4	9.5	13.4	13.7	2.6	-0.2	8.3	5.0	1.9	3.8	5.2	6.0
Operating result, MEUR												
Decor	7.7	8.1	9.2	10.8	-2.0	3.0	6.8	6.7	5.2	4.5	3.5	5.9
Release Liners	5.9	5.8	1.8	1.8	-1.4	0.8	0.1	-2.0	-3.1	0.5	1.6	-0.8
Industrial Applications	4.9	1.8	5.1	4.5	3.1	-0.2	2.6	1.8	-0.7	-0.7	3.1	2.5
Graphics and Packaging	-0.5	-1.7	0.4	-0.1	-7.6	-3.6	-1.4	-	-	-	-	-
Other and eliminations	-7.3	-4.8	-3.7	-4.3	-6.1	-2.1	-27.4	-4.5	-1.8	-5.0	-5.3	-1.9
Group	10.7	9.2	12.8	12.7	-14.0	-2.1	-19.3	2.0	-0.3	-0.8	2.9	5.6
Delivered volume, metric tonnes												
Decor	44,300	43,300	46,100	46,600	42,800	41,500	45,900	44,600	45,500	41,200	40,900	38,900
Release Liners	128,700	131,500	127,500	124,500	100,100	101,900	67,000	44,500	46,800	46,200	43,500	48,100
Industrial Applications	20,700	18,900	21,600	22,800	20,900	18,500	21,800	20,300	18,500	17,700	20,500	19,400
Graphics and Packaging	31,200	32,600	36,600	35,700	32,700	33,600	17,400	-	-	-	-	-
Other and eliminations	-3,300	-2,500	-3,400	-4,000	-4,100	-3,000	-3,900	-3,100	-2,000	-2,000	-2,500	-1,900
Group	221,600	223,800	228,400	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	Oct-Dec		Jan-Dec	
	2014	2013*	2014	2013*
<i>Margins (adjusted)</i>				
EBITDA margin, %	10.1%	6.3%	9.2%	6.4%
Operating margin, %	5.1%	1.0%	4.5%	1.8%
<i>Return (12 months continuous)</i>				
Return on operating capital, % (adjusted)	7.3%	2.8%	7.3%	2.8%
Return on shareholders' equity, %	1.8%	-10.8%	1.8%	-10.8%
<i>Capital structure at period's end</i>				
Operating capital*, MEUR	673.2	694.8	673.2	694.8
Shareholders' equity, MEUR	413.6	423.8	413.6	423.8
Interest-bearing net debt*, MEUR	225.6	229.3	225.6	229.3
Debt/equity ratio*, %	54.5%	54.1%	54.5%	54.1%
Equity/assets ratio*, %	35.1%	35.6%	35.1%	35.6%
<i>Per share (before and after dilution)</i>				
Earnings per share, EUR	0.05	-0.61	0.14	-1.97
Shareholders' equity per share, EUR	8.1	8.3	8.1	8.3
Average number of shares	51,061,581	42,911,457	51,061,581	29,228,454
Capital expenditure, MEUR	4.6	8.2	35.1	22.6
Employees, FTE	2,757	2,641	2,765	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 Dec 2014	31 Dec 2013	Jan-Dec 2014	Jan-Dec 2013
SEK	9.39	8.86	9.10	8.65
USD	1.21	1.38	1.33	1.33
BRL	3.22	3.26	3.12	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.

	Jan-Dec	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Jan-Dec	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
MEUR	2013	2013	2013	2013	2013	2012	2012	2012	2012	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 of 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 (EPS)

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.