Metsä Group's operating result excluding non-recurring items in January–September was EUR 256 million

Result for January–September

- Sales amounted to EUR 3,715 million (1–9/2012: EUR 3,773 million).
- Operating result excluding non-recurring items was EUR 256 million (185). The operating result including non-recurring items was EUR 247 million (164).
- Result before taxes excluding non-recurring items was EUR 171 million (106). Result before taxes including non-recurring items was EUR 162 million (86).
- Return on capital employed excluding non-recurring items was 9.0 per cent (6.9).
- Cash flow from operations amounted to EUR 293 million (297).

Result for July–September

- Sales amounted to EUR 1,213 million (7–9/2012: EUR 1,242 million).
- Operating result excluding non-recurring items was EUR 73 million (68). Operating result including non-recurring items was EUR 63 million (57).
- Result before taxes excluding non-recurring items was EUR 41 million (35). Result before taxes including non-recurring items was EUR 31 million (25).
- Return on capital employed excluding non-recurring items was 7.5 per cent (7.1).

Events in the third quarter of 2013

- Metsä Tissue's EUR 55 million mill investment in Poland was completed.
- Renewed Vilppula sawmill was started in September.
- Sales volume of pulp increased by almost 14 per cent from the previous quarter.
- Delivery volumes of folding boxboard and liner increased slightly in the third quarter.
- Demand for wood products was weak due to seasonal factors, as expected.
- Metsä Wood announced that it will discontinue the operations of the upgrading and distribution unit in Kaskinen, Finland.
- The market situation for papers continued to be weak in Europe.

"The operating result for the third quarter met our expectations. The operating result of Pulp improved due to price increases, and the development of Tissue and Cooking Papers was stable. Delivery volumes of folding boxboard and liner increased. Seasonally weak demand in Wood Products and planned maintenance shutdowns of the mill integrates, on the other hand, lowered the result for the quarter.

We have continued the determined development of our business operations in accordance with our strategy. We focus our investments on products with increasing demand and in which we have clear competitive advantages. The start-up of liner production in Husum, Sweden, the modernised tissue paper capacity in Krapkowice,

Poland, and the new polysulphide digestion method adopted in Joutseno, Finland, are good examples of our recent investments that improve productivity and efficiency and strengthen our market position.

The competitiveness of Finland has been under pressure for a long time. Swift action to reinforce the export industry's competitiveness and equal operational conditions is necessary if we want to secure industrial production and jobs in Finland."

Kari Jordan, President & CEO, Metsä Group

Metsä Group

Income statement, EUR million The figures for 2012 are restated	2013 1–9	2012 1–9	2013 7–9	2012 7–9	2012 1–12
Sales	3 714.7	3 773.0	1 213.0	1 242.2	5 001.0
Other operating income	56.1	51.5	16.6	14.1	76.8
Operating expenses	-3 329.7	-3 463.6	-1 098.9	-1 133.7	-4 587.2
Depreciation and impairment losses	-194.3	-196.6	-67.4	-65.6	-249.1
Operating result	246.8	164.3	63.3	57.0	241.5
Share of profit from associates	9.2	5.0	-0.2	1.1	4.8
Exchange gains and losses	-1.9	1.4	-2.0	1.7	2.4
Other net financial items	-91.7	-85.2	-30.0	-35.3	-115.5
Result before income tax	162.4	85.5	31.2	24.6	133.2
Income taxes	-45.3	-33.9	-10.6	-8.6	-31.8
Result for the period	117.1	51.7	20.6	16.0	101.4

Profitability The figures for 2012 are restated	2013 1–9	2012 1–9	2013 7–9	2012 7–9	2012 1–12
Operating result, EUR mill.	246.8	164.3	63.3	57.0	241.5
- “ -, excluding non-recurring items	255.7	184.7	73.0	67.8	255.7
- “ - % of sales	6.9	4.9	6.0	5.5	5.1
Return on capital employed, %	8.7	6.2	6.5	6.0	6.7
- ” -, excluding non-recurring items	9.0	6.9	7.5	7.1	7.1
Return on equity, %	8.4	4.1	4.4	3.5	6.1
- ” -, excluding non-recurring items	9.0	5.8	6.5	5.9	6.9

Financial position The figures for 2012 are restated	2013 30.9.	2012 30.9.	2013 30.6.	2012 30.6.	2012 31.12.
Equity ratio, %	36.1	34.2	35.0	33.6	34.8
Net gearing ratio, %	84	90	89	94	86
Interest-bearing net liabilities, EUR mill.	1 583	1 648	1 649	1 705	1 590

Segments

Sales and Operating result **January–September 2013** (EUR mill.)	Wood Supply & Forest Services	Wood Products Industry	Pulp Industry	Paperboard and Paper Industry	Tissue and Cooking Papers
Sales	1 167.6	683.3	974.0	1 540.1	741.7
Other operating income	6.4	6.3	14.7	34.4	5.1
Operating expenses	-1 151.1	-663.4	-797.1	-1 416.4	-676.6
Depreciation & impairment losses	-2.2	-30.3	-46.1	-75.1	-29.8
Operating result	20.7	-4.1	145.5	83.0	40.4
Non-recurring items	-	17.4	-	-7.9	-0.6
Operating result, excl. non-rec. items	20.7	13.4	145.5	75.1	39.8
- % of sales	1.8	2.0	14.9	4.9	5.4

Metsä Group is a responsible forest industry group whose products’ main raw material is renewable and sustainably grown Nordic wood. Metsä Group focuses on tissue and cooking papers, consumer packaging paperboards, pulp, wood products, and wood supply and forest services. Its high-quality products combine renewable raw materials, customer-orientation, sustainable development and innovation. Metsä Group’s sales totalled EUR 5.0 billion in 2012, and it employs approximately 11,500 people. The Group operates in some 30 countries. Metsäliitto Cooperative is the parent company of Metsä Group and is owned by approximately 125,000 Finnish forest owners.

The Interim Report is unaudited

METSÄ GROUP

INTERIM REPORT 1 JANUARY– 30 SEPTEMBER 2013

Sales and result
Metsä Group's sales in January–September totalled EUR 3,714.7 million (1–9/2012: EUR 3,773.0 million). Closed and restructured units decreased the Group's sales by approximately EUR 70 million year-on-year.

The operating result excluding non-recurring items was EUR 255.7 million (184.7), or 6.9 per cent of sales (4.9). The operating result was improved by a significant increase in folding boxboard and white-top kraftliner delivery volumes, as well as an increase in the prices of pulp and chemithermomechanical pulp. The operating result of Tissue and Cooking Papers strengthened clearly due to sales volume growth and changes which enabled a lighter cost structure. Furthermore, a decrease of approximately EUR 11 million in the losses of closed and restructured units improved the Group's operating result.

Sales in the third quarter amounted to EUR 1,213.0 million, whereas sales in the corresponding period in the previous year were EUR 1,242.2 million. The operating result excluding non-recurring items was EUR 73.0 million (67.8).

Non-recurring items totalled EUR -8.9 million net in January–September (1–9/2012: -20.4). A net total of EUR -9.6 million was recorded as non-recurring items during the third quarter, mainly in connection with Metsä Wood's efficiency improvement programme. Non-recurring items totalled EUR +0.8 million net in January–June.

The operating result including non-recurring items was EUR 246.8 million (164.3). Results from associated companies were EUR 9.2 million (5.0), financial income was EUR 3.6 million (13.2), net exchange gains on financial items were EUR -1.9 million (1.4) and financial expenses were EUR 95.3 million (98.4). Financial expenses include additional interest of approximately EUR 8 million, associated with the early repayment of a USD-loan in March. Financial income in the comparison year includes a EUR 7.6 million dividend paid by Pohjolan Voima Oy.

The result before taxes for the period was EUR 162.4 million (85.5) and taxes, including changes in deferred tax liabilities, were EUR 45.3 million (33.9). The net result for the period was EUR 117.1 million (51.7).

Excluding non-recurring items, the Group's return on capital employed was 9.0 per cent (6.9) and the return on equity was 9.0 per cent (5.8). Including non-recurring items, the return on capital employed was 8.7 per cent (6.2) and the return on equity was 8.4 per cent (4.1).

Balance sheet and financing
Metsä Group's liquidity is good. Total liquidity at the end of September was EUR 1,093.9 million (31 December 2012: 1,167.8). This consisted of EUR 464.8 million

(518.5) in liquid assets and investments and EUR 629.1 million (649.3) of committed credit facility agreements not included on the balance sheet.

The liquidity reserve of the Group is complemented by uncommitted commercial paper programmes and credit facilities amounting to EUR 176.2 million (31 December 2012: 526.5). The amount of available commercial paper programmes has been adjusted to match the Group's size and needs.

The Group's equity ratio at the end of September was 36.1 per cent and net gearing was 84 per cent (31 December 2012: 34.8 and 86, respectively). Interest-bearing net liabilities stood at EUR 1,583.4 million (31 December 2012: 1,590.0).

Cash flow from operations amounted to EUR 293.3 million (296.6). EUR 47.7 million was released from working capital during the third quarter, but EUR 102.6 million has been tied to working capital since the beginning of the year (1–9/2012: released 42.9).

The change in the fair value of investments available for sale was EUR -52.9 million, related primarily to the decline in the fair value of Pohjolan Voima Oy's shares due to the change in the market price of electricity.

The equity ratio of the parent company Metsäliitto Cooperative was 62.5 per cent at the end of September and net gearing was 18 per cent (31 December 2012: 61.0 and 21, respectively).

During January–September, Metsäliitto Cooperative's members' capital increased by a total of EUR 46.9 million (30.6). The actual members' capital grew by EUR 2.3 million (2.1), the additional members' capital A by EUR 30.9 million (20.0), and the additional members' capital B by EUR 28.1 million (8.6). The additional members' capital B includes EUR 14.4 million transferred from the additional members' capital C.

At the beginning of April, Metsä Board repaid the remaining portion of EUR 450 million of the EUR 500 million eurobond issue on the due date and drew EUR 500 million of the syndicated credit agreement signed in May 2012.

In May, Moody's Investors Service raised Metsä Board's credit rating from B3 to B2. The outlook of the rating is stable. Standard & Poor's Rating Services raised Metsä Board's credit rating from B- to B. The outlook of the rating is stable. The raised credit rating did not have an impact on Metsä Board's current financial expenses.

In April, Metsä Tissue signed a syndicated loan agreement of EUR 200 million. The loan was used to refinance the syndicated loan falling due in September 2013.

On 30 September 2013, Metsäliitto Cooperative and Metsä Board entered into an agreement on an arrangement whereby Metsäliitto Cooperative fully acquired the ownership of Metsä Group Treasury Oy (formerly Metsä Group Financial Services Oy), which is the Group's internal bank. Metsä Group Treasury will remain as a separate corporation after the transaction and continues to provide treasury services as before. The arrangement had no impact on the key indicators of Metsä Group.

Personnel
Metsä Group employed an average of 11,366 people in January–September (1–9/2012: 12,153). At the end of September, the number of personnel in the Group was 10,915 (31 December 2012: 11,447), of whom 5,349 (5,414) people worked in Finland and 5,566 (6,033) in other countries. The parent company Metsäliitto Cooperative employed 2,648 people at the end of September (31 December 2012: 2,645).

Members
At the end of the review period, Metsäliitto Cooperative had 123,403 members (31 December 2012: 124,255). During the year, 1,617 new members have joined the Cooperative and 2,469 members have resigned.

Investments
Metsä Group's capital expenditure totalled EUR 133.3 million (146.8) in January–September.

Metsä Tissue's EUR 55 million investment in the Krapkowice mill in Poland was completed. The investment includes two new state-of-the-art tissue paper machines, a new away-from-home product converting line, as well as a new converting and logistics facility. Paper machine 8, the last of the new tissue paper machines, was commissioned in July.

Polysulphide digestion, started in June, advanced to the production phase at Metsä Fibre's Joutseno mill. The investment, worth approximately EUR 15 million, in the new softwood pulp process will increase the production capacity and efficiency of the mill and improve the runnability and cost-effectiveness of customers' processes.

The new infeed, saw line and green sorting lines at Metsä Wood's Vilppula sawmill started as planned in September. The benefits of the EUR 30 million investment in the sawmill include better production efficiency and the ability to respond to various customer needs as the result of flexibility.

Business areas

Wood Supply and Forest Services
Metsä Forest's sales in January–September were EUR 1,167.6 million (1–9/2012: 1,139.8) and operating result was EUR 20.7 million (13.1). Sales in the third quarter were EUR 352.5 million (7–9/2012: 350.8) and operating result was EUR 5.5 million (1.9). The operating result does not include non-recurring items.

After slowing down during the summer, the wood trade picked up during the third quarter and reached the previous year's level. Low rainfall in the summer and early autumn was favourable to harvesting and drying of forest energy. Log and fibre wood prices remained stable.

Metsä Forest actively bought all timber grades in Finland, including forest energy, through standing and delivery sales. Demand focused on logging sites harvestable in summer.

Demand was greatest for log-dominated regeneration sites, summer thinning and energy wood. Sales and implementation of forestry services continued to grow at a steady rate.

The functioning of the round softwood export licence system in Russia improved during the summer, even though the related bureaucracy still hampered exports. There was a good supply of wood, and prices were stable. There was an oversupply of fibre wood in the Baltic market, but sawmills continued to suffer from scarce availability of logs. In Sweden, the availability of timber from private forests continued to be scarce, but wood supply from company-owned and state-owned forests continued normally.

Wood harvesting and deliveries to customers' production plans progressed as planned. In January–September, wood deliveries amounted to 22.2 million cubic metres (22.6).

Various events were arranged for the members of Metsäliitto Cooperative, including the Metsäpäivä ("Forest Day") event in the Helsinki region.

Wood Products

Metsä Wood's sales in January–September totalled EUR 683.3 million (1–9/2012: 688.2) and the operating result excluding non-recurring items was EUR 13.4 million (16.8). The operating result including non-recurring items was EUR -4.1 million (15.6).

Sales in the third quarter were EUR 207.6 million (7–9/2012: 217.0) and the operating result excluding non-recurring items was EUR -2.8 million (0.5).

The approximately EUR 30 million investment in the Vilppula sawmill progressed according to plan, and the renewed sawmill was started in September. The benefits of the renewed sawmill include increased production efficiency and the ability to respond to various customer needs.

In particular, the production shutdown due to the investment in the Vilppula sawmill limited the delivery volumes of sawn timber compared with the corresponding period in the previous year. In addition, the profitability of sawmill operations was impaired by increased raw material prices. The demand for upgraded sawn timber products continued to be weak in Europe after the seasonal peak in the spring.

Sales of construction products grew as a result of favourable demand in the season. The use of Kerto solutions in industry, in particular, was promoted successfully, and delivery volumes increased.

Demand for plywood products continued to be steady. Sales of birch plywood were supported by the continued stable development of the transport vehicle industry. The market balance of spruce plywood and other construction panel products remained reasonable in Europe.

The efficiency programme launched by Metsä Wood in April was completed in the United Kingdom in September. As a result of the programme, the company will reduce its number of personnel by 135 people. The negotiations following the decision to close down the Casteljaloux sawmill and upgrading unit in France were completed after the end of the reporting period. As a result of the negotiations, the unit's operations will be discontinued and the employment contracts of 31 employees will be terminated by the end of the year.

Metsä Wood announced in August that it is planning to discontinue the operations of the conversion and distribution unit in Kaskinen. At the same time, the company initiated statutory labour negotiations concerning the potential closure. The negotiations were completed after the end of the reporting period, and no commercially viable options could be found to continue the operations. The operations of the unit will be closed down before the end of the year, and the number of personnel will decrease by a total of 51 people.

The deployment of Metsä Wood's unified ERP system advanced as planned in the Finnish and German units. The project will be completed as planned in spring 2014 following deployment in other international units.

Pulp

Metsä Fibre's sales in January–September amounted to EUR 974.0 million (1–9/2012: 952.5). Profitability also improved year-on-year. The operating result excluding non-recurring items was EUR 145.5 million (117.4). The operating result improved, mainly as a result of increasing pulp prices. The sales volume remained at last year's level in January–September and was 1,699,000 tonnes (1,687,000).

Metsä Fibre's sales in the third quarter were EUR 341.6 million (7–9/2012: 326.6) and the operating result excluding non-recurring items was EUR 50.7 million (40.3). The annual maintenance shutdown of the Kemi mill took place during the third quarter. The annual maintenance shutdowns of the Äänekoski and Rauma plants took place in the second quarter.

Foreign currency-denominated market prices of softwood pulp increased by 3 per cent in January–September year-on-year. The average price of hardwood pulp increased by 7 per cent. On the other hand, the euro strengthened against the dollar by almost 3 per cent, which had a negative impact on the operating result. The market price of softwood pulp in Europe was USD 809 per tonne at the beginning of January and USD 871 at the end of September. The corresponding figures for hardwood pulp were USD 775 and USD 774.

The new pulp manufacturing process started at Metsä Fibre's Joutseno mill in June, polysulphide digestion, has advanced to the production phase. The investment, worth approximately EUR 15 million, in the new softwood pulp process will increase the production capacity and efficiency of the mill and improve the runnability and cost-effectiveness of customers' processes.

A feasibility study of increasing the use and production of renewable sources of energy at the Kemi pulp mill was completed. The decisions on follow-up measures and any investments will be made later.

Paperboard and Paper

Metsä Board's sales in January–September were EUR 1,540.1 million (1–9/2012: 1,599.1) and the operating result excluding non-recurring items was EUR 75.1 million (51.4). Sales decreased as a result of the closure of unprofitable paper business operations and reorganisations.

Sales in the third quarter were EUR 502.3 million (7–9/2012: 532.3) and the operating result excluding non-recurring items was EUR 18.9 million (25.5). The result was impaired by extensive planned maintenance shutdowns at the Husum and Kemi mills. The delivery volumes of board and paper remained approximately at the previous quarter's level.

The January–September operating result excluding non-recurring items compared to the corresponding period last year was improved by the considerable increase in the delivery volumes of folding boxboard and coated white-top kraftliner, reduced losses from closed and reorganised units, as well as the increase in the prices of short-fibre pulp and bleached chemithermomechanical pulp. The operating profit was weakened, in particular, by the lower prices of coated papers and folding boxboard and the Swedish krona, which was stronger than the euro, as well as the pound sterling and US dollar, which were weaker.

Non-recurring items in the operating profit totalled EUR +7.9 million net (+130.4) in January–September. Non-recurring items in the July–September operating profit were EUR +0.5 million.

The production of lightweight fully bleached liners was launched at the Husum mill in Sweden in April. New kraftliner products aim to improve the profitability of the Husum mill, and the Modo Northern Light liner was launched in the third quarter. Husum's kraftliner production is expected to total approximately 20,000 tonnes in the second half of 2013. The targeted production in 2014 is 80,000 tonnes at minimum.

Metsä Board's operating result including non-recurring items was EUR 83.0 million in January–September (181.8). Net interest and other financial expenses were EUR 44.1 million (37.3) and exchange gains/losses recognised in financial items were EUR -0.2 million (3.9). Financial expenses, which were higher compared with the comparison period, were mainly caused by the early repayment of a USD-denominated loan. Pohjolan Voima Oy also paid a dividend of EUR 5.5 million in the comparison period.

Excluding non-recurring items, the result before taxes for the period was EUR 30.8 million (18.3), earnings per share were EUR 0.08 (0.05) and the return on capital employed was 6.2 per cent (4.4). Including non-recurring items, the result before taxes was EUR 38.8 million (148.7), earnings per share were EUR 0.10 (0.41) and the return on capital employed was 6.8 per cent (13.5).

At the end of September, Metsä Board's equity ratio was 38.7 per cent and net gearing was 75 per cent (31 December 2012: 33.2 and 73, respectively). The sale of Metsä Group Treasury Oy to Metsäliitto Cooperative at the end of September clearly decreased Metsä Board's interest-bearing liabilities and liquid assets, but the impact on interest-bearing net liabilities was low. As a result of the arrangement, the equity ratio of Metsä Board improved by approximately 5 percentage points and the return on capital employed by approximately 1 percentage point.

Metsä Board's interim report was published on 6 November 2013.

Tissue and Cooking Papers
The January–September sales of Metsä Tissue totalled EUR 741.7 million (1–9/2012: 727.4). The increase in sales was mainly due to higher sales volumes.

The operating result excluding non-recurring items was EUR 39.8 million (28.5). The operating result clearly strengthened as a result of changes made by the company to streamline its cost structure, in addition to the growth in sales volumes compared to the corresponding period last year.

Sales in the third quarter were EUR 247.8 million (7–9/2012: 248.5) and the operating result excluding non-recurring items was EUR 12.8 million (11.4).

The inauguration of the renewed Krapkowice mill in Poland was celebrated at the beginning of October. The investment of EUR 55 million made in Krapkowice is the biggest in Metsä Tissue's history. It includes two new, state-of-the-art tissue paper machines, a new away-from-home product converting line, as well as a new converting and logistics facility. Paper machine 8, the latter of the new tissue paper machines, was commissioned in July. With the investment, Metsä Tissue is seeking strong growth in Poland and nearby markets. In addition to Lambi, Mola, Tento and Katrin, the mill makes private-label products for the Polish and nearby markets.

In the third quarter, Metsä Tissue's product launches focused on the Finnish, Scandinavian, Baltic and Russian markets.

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

The risks related to the Group's business have been explained more extensively in Metsä Group's Annual Report for 2012.

Pending disputes
In March 2011, the state enterprise Metsähallitus filed a claim for damages at the District Court of Helsinki, demanding that Metsäliitto Cooperative and two other forest industry companies jointly pay compensation for alleged damage caused by prohibited cooperation with regard to prices in the raw wood market. The claim is related to the 3 December 2009 decision by the Market Court which states that the aforementioned companies have violated the act on competition restrictions in the raw wood market. In addition, some municipalities, parishes and a group of individuals in Finland have instituted similar proceedings. The total amount of all claims that Metsäliitto Cooperative is aware of and that were directed at Metsäliitto Cooperative and the other aforementioned companies jointly is approximately EUR 215 million, of which approximately EUR 72 million is directed at Metsäliitto Cooperative alone. In addition, the aforementioned proceedings are associated with interest and value

added tax claims. Metsä Cooperative's view is that the claims for damages are unfounded, and the company has not recognised any provisions regarding them.

UPM-Kymmene Corporation launched arbitration proceedings in November 2012, whereby it claims jointly from Metsäliitto Cooperative and Metsä Board primarily EUR 58.5 million in damages, and secondarily the return of a EUR 58.5 million claimed unjust enrichment. The claims are based on an alleged breach of the tag-along clause specified in Metsä Fibre's shareholders' agreement signed in 2009. Metsäliitto considers the claim unfounded and has not booked provisions related to the claim.

Near-term outlook
In Finland, demand for logging sites harvestable in the summer and for energy wood will continue to be stable, but there will be some regional variation in the wood trade.

Sales in the wood products industry are expected to grow in the fourth quarter compared with the previous quarter and remain at the level of the corresponding period in the previous year.

The utilisation rates of Metsä Fibre's pulp mills are expected to remain good in the fourth quarter. Demand and supply are in balance, and the situation is expected to be stable.

Delivery volumes of folding boxboard are estimated to decrease slightly in the fourth quarter compared with the previous quarter due to seasonal variations resulting from the December holiday period. Metsä Board has announced that it will increase the prices of folding boxboard by approximately EUR 70 per tonne during the fourth quarter. The aim is to also include the price increases in next year's annual agreements that are currently being negotiated, accounting for approximately 60 per cent of the full-year folding boxboard delivery volume. No significant changes in the average price of white-top kraftliner are in sight.

Delivery volumes of uncoated fine paper are expected to increase slightly in the fourth quarter of 2013, while delivery volumes of coated paper are expected to be approximately at the previous quarter level. No significant price changes are in sight.

Demand for tissue paper is expected to continue to grow in all of the company's market areas, increasing particularly in Central Eastern Europe and Russia.

Metsä Group's operating result excluding non-recurring items in the fourth quarter of 2013 is expected to improve from the third quarter.

Espoo, Finland, 6 November 2013

Board of Directors

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SEGMENTS
The figures for 2012 are restated
(EUR million)

Wood Supply and Forest Services	1–9/13	1–9/12	7–9/13	7–9/12	1–12/12
Sales	1 167.6	1 139.8	352.5	350.8	1 515.4
EBITDA	22.9	15.1	6.2	2.5	22.9
- " -, excl. non-recurring items	22.9	15.1	6.2	2.5	22.9
Depreciation and impairment	-2.2	-1.9	-0.7	-0.6	-2.7
Operating result	20.7	13.1	5.5	1.9	20.2
- " -, excl. non-recurring items	20.7	13.1	5.5	1.9	20.2
- " -, % of sales	1.8	1.2	1.6	0.5	1.3
ROCE excl. non-rec. items, %	24.6	14.1	18.3	9.4	17.1
Capital expenditure	3.8	3.9	1.3	1.1	5.9
Personnel at end of period	943	991	943	991	1 007

Wood Products Industry	1–9/13	1–9/12	7–9/13	7–9/12	1–12/12
Sales	683.3	688.2	207.6	217.0	904.2
EBITDA	26.3	38.5	2.3	6.8	47.5
- " -, excl. non-recurring items	35.5	39.7	4.2	8.1	49.7
Depreciation and impairment	-30.3	-22.9	-15.2	-7.6	-31.1
Operating result	-4.1	15.6	-12.8	-0.8	16.3
- " -, excl. non-recurring items	13.4	16.8	-2.8	0.5	18.6
- " -, % of sales	2.0	2.4	-1.3	0.2	2.1
ROCE excl. non-rec. items, %	5.4	6.5	-3.1	0.6	5.5
Capital expenditure	33.3	17.4	12.3	10.8	26.8
Personnel at end of period	2 544	2 806	2 544	2 806	2 749

Pulp Industry	1–9/13	1–9/12	7–9/13	7–9/12	1–12/12
Sales	974.0	952.5	341.6	326.6	1 273.9
EBITDA	191.7	161.7	64.3	55.2	207.5
- " -, excl. non-recurring items	191.7	161.7	64.3	55.2	207.5
Depreciation and impairment	-46.1	-42.1	-13.6	-14.9	-57.0
Operating result	145.5	119.7	50.7	40.3	150.5
- " -, excl. non-recurring items	145.5	117.4	50.7	40.3	148.1
- " -, % of sales	14.9	12.3	14.8	12.3	11.6
ROCE excl. non-rec. items, %	27.9	22.5	27.9	22.3	22.5
Capital expenditure	18.0	28.8	4.7	8.9	35.3
Personnel at end of period	869	900	869	900	876

Paperboard and Paper Industry	1–9/13	1–9/12	7–9/13	7–9/12	1–12/12
Sales	1 540.1	1 599.1	502.3	532.3	2 107.6
EBITDA	158.1	267.6	44.0	52.0	321.4
- " -, excl. non-recurring items	152.5	137.0	43.6	54.0	186.0
Depreciation and impairment	-75.1	-85.9	-24.7	-28.6	-100.3
Operating result	83.0	181.8	19.3	23.4	221.1
- " -, excl. non-recurring items	75.1	51.4	18.9	25.5	74.9
- " -, % of sales	4.9	3.2	3.8	4.8	3.6
ROCE excl. non-rec. items, %	6.2	4.4	4.9	5.8	4.8
Capital expenditure	46.7	37.9	16.0	10.7	66.1
Personnel at end of period	3 178	3 337	3 178	3 337	3 279

Tissue and Cooking Papers	1–9/13	1–9/12	7–9/13	7–9/12	1–12/12
Sales	741.7	727.4	247.8	248.5	981.5
EBITDA	70.2	60.3	22.6	21.3	77.8
- ” -, excl. non-recurring items	69.6	60.4	22.6	21.4	84.6
Depreciation and impairment	-29.8	-31.9	-9.7	-9.9	-42.7
Operating result	40.4	28.4	12.8	11.4	35.1
- ” -, excl. non-recurring items	39.8	28.5	12.8	11.4	41.9
- ” -, % of sales	5.4	3.9	5.2	4.6	4.3
ROCE excl. non-rec. items, %	8.2	6.1	7.8	7.1	6.8
Capital expenditure	23.6	48.4	11.6	22.9	64.3
Personnel at end of period	2 860	3 158	2 860	3 158	3 035

Other operations	1–9/13	1–9/12	7–9/13	7–9/12	1–12/12
Sales	4.2	2.8	2.1	1.0	3.3
EBITDA	-0.9	73.1	1.6	-4.8	72.7
- ” -, excl. non-recurring items	-0.9	-1.0	1.6	2.1	-0.9
Depreciation and impairment	-1.4	-1.3	-0.5	-0.4	-5.0
Operating result	-2.3	71.8	1.1	-5.2	67.7
- ” -, excl. non-recurring items	-2.3	-2.3	1.1	1.7	-5.9
Capital expenditure	13.5	12.8	3.1	4.4	17.0
Personnel at end of period	521	469	521	469	501

Other operations include among others Metsä Group’s service and holding functions as well as a 48.98% share of Metsätapiola’s real estate operations.

Internal sales and eliminations	1–9/13	1–9/12	7–9/13	7–9/12	1–12/12
Sales	-1 396.1	-1 336.7	-440.9	-434.0	-1 784.8
EBITDA	-27.2	-255.3	-10.2	-10.4	-259.2
- ” -, excl. non-recurring items	-27.2	-29.5	-10.2	-9.8	-31.9
Depreciation and impairment	-9.3	-10.7	-3.1	-3.6	-10.2
Operating result	-36.5	-266.0	-13.3	-14.0	-269.4
- ” -, excl. non-recurring items	-36.5	-40.2	-13.3	-13.4	-42.1

Metsä Group	1–9/13	1–9/12	7–9/13	7–9/12	1–12/12
Sales	3 714.7	3 773.0	1 213.0	1 242.2	5 001.0
EBITDA	441.1	360.9	130.8	122.6	490.6
- ” -, excl. non-recurring items	444.1	383.4	132.2	133.5	517.9
Depreciation and impairment	-194.3	-196.6	-67.4	-65.6	-249.1
Operating result	246.8	164.3	63.3	57.0	241.5
- ” -, excl. non-recurring items	255.7	184.7	73.0	67.8	255.7
- ” -, % of sales	6.9	4.9	6.0	5.5	5.1
ROCE excl. non-rec. items, %	9.0	6.9	7.5	7.1	7.1
Capital expenditure	133.3	146.8	50.6	58.7	204.5
Personnel at end of period	10 915	11 661	10 915	11 661	11 447

EBITDA = Operating result before depreciation and impairment losses.
ROCE = Return on capital employed

Quarterly data (EUR million)	2013 7–9	2013 4–6	2013 1–3	2012 10–12	2012 7–9	2012 4–6	2012 1–3
Sales							
Wood Supply and Forest Services	352.5	392.2	422.8	375.6	350.8	384.8	404.1
Wood Products Industry	207.6	260.2	215.5	216.0	217.0	249.4	221.8
Pulp Industry	341.6	309.3	323.1	321.4	326.6	300.4	325.5
Paperboard and Paper Industry	502.3	502.8	535.0	508.5	532.3	522.2	544.6
Tissue and Cooking Papers	247.8	243.8	250.1	254.1	248.5	235.4	243.5
Other operations	2.1	1.1	1.0	0.6	1.0	0.8	0.9
Internal sales	-440.9	-468.8	-486.4	-448.1	-434.0	-446.2	-456.5
Sales total	1 213.0	1 240.5	1 261.1	1 228.0	1 242.2	1 246.9	1 283.9
Operating result							
Wood Supply and Forest Services	5.5	7.7	7.4	7.0	1.9	5.3	6.0
Wood Products Industry	-12.8	4.5	4.3	0.7	-0.8	12.1	4.2
Pulp Industry	50.7	47.5	47.3	30.8	40.3	34.6	44.8
Paperboard and Paper Industry	19.3	28.9	34.8	39.3	23.4	162.0	-3.6
Tissue and Cooking Papers	12.8	13.9	13.7	6.7	11.4	7.0	10.0
Other operations	1.1	-2.5	-0.9	-4.1	-5.2	78.7	-1.7
Eliminations	-13.3	-10.7	-12.5	-3.3	-14.0	-237.4	-14.6
Operating result total	63.3	89.3	94.2	77.2	57.0	62.2	45.1
- % of sales	5.2	7.2	7.5	6.3	4.6	5.0	3.5
Share of results from associated companies	-0.2	2.8	6.7	-0.3	1.1	4.9	-1.0
Exchange gains and losses	-2.0	-0.2	0.2	1.0	1.7	-1.7	1.3
Other net financial items	-30.0	-23.0	-38.8	-30.2	-35.2	-14.5	-35.3
Result before income tax	31.2	69.0	62.3	47.7	24.6	50.9	10.1
Income tax	-10.6	-18.8	-16.0	2.0	-8.6	-16.8	-8.5
Result for the period	20.6	50.2	46.3	49.7	16.0	34.1	1.6

Operating result excl. non-rec. items	2013 7–9	2013 4–6	2013 1–3	2012 10–12	2012 7–9	2012 4–6	2012 1–3
Wood Supply and Forest Services	5.5	7.7	7.4	7.0	1.9	5.3	6.0
Wood Products Industry	-2.8	11.8	4.3	1.8	0.5	12.1	4.2
Pulp Industry	50.7	47.5	47.3	30.8	40.3	34.6	42.5
Paperboard and Paper Industry	18.9	26.0	30.2	23.5	25.5	19.8	6.1
Tissue and Cooking Papers	12.8	13.9	13.1	13.5	11.5	7.0	10.0
Other operations & eliminations	-12.2	-13.2	-13.3	-5.7	-11.9	-14.9	-15.8
Operating result total	73.0	93.7	89.0	71.0	67.8	63.9	53.0
- % of sales	6.0	7.6	7.1	5.8	5.5	5.1	4.1

Calculation of key ratios

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

FINANCIAL STATEMENTS

Unaudited
The figures for 2012 are restated

METSÄ GROUP

Condensed consolidated statement of comprehensive income, EUR million	Note	2013 1–9	2012 1–9	Change	2013 7–9	2012 7–9	2012 1–12
Sales	2	**3 714.7**	**3 773.0**	**-58.3**	**1 213.0**	**1 242.2**	**5 001.0**
Change in stocks of finished goods and work in progress		7.1	-26.3	33.4	-25.2	-3.7	-13.4
Other operating income		56.1	51.5	4.6	16.6	14.1	76.8
Material and services		-2551.7	-2590.5	38.8	-821.8	-855.2	-3462.4
Employee costs		-524.6	-536.5	11.9	-171.1	-177.2	-705.5
Depreciation, amortization and impairment losses		-194.3	-196.6	2.3	-67.4	-65.6	-249.1
Other operating expenses		-260.6	-310.3	49.7	-80.8	-97.6	-406.0
Operating result	2	**246.8**	**164.3**	**82.5**	**63.3**	**57.0**	**241.5**
Share of results from associated companies		9.2	5.0	4.2	-0.2	1.1	4.8
Exchange gains and losses		-1.9	1.4	-3.3	-2.0	1.7	2.4
Other net financial items	2	-91.7	-85.2	-6.5	-30.0	-35.3	-115.5
Result before income tax		**162.4**	**85.5**	**76.9**	**31.2**	**24.6**	**133.2**
Income taxes	3	-45.3	-33.9	-11.5	-10.6	-8.6	-31.8
Result for the period		**117.1**	**51.7**	**65.4**	**20.6**	**16.0**	**101.4**
Other comprehensive income							
Items that will not be reclassified to profit and loss							
Items relating to adjustments of defined benefit plans		-7.8	0.0	-7.8	-0.1	0.0	-25.3
Income tax relating to items that will not be reclassified		2.6	0.0	2.6	0.4	0.0	7.1
Total		-5.2	0.0	-5.2	0.2	0.0	-18.1
Items that may be reclassified subsequently to profit and loss							
Cash flow hedges		7.2	-0.8	7.9	10.8	1.6	-0.5
Available for sale financial assets		-52.9	-28.2	-24.6	-5.7	-6.6	-17.3
Currency translation differences		-9.1	22.8	-31.9	5.9	17.2	15.2
Other items		0.0	0.0	0.0	0.0	0.0	0.1
Income tax relating to items that may be reclassified		10.5	12.7	-2.2	-0.9	1.9	5.3
Total		-44.4	6.4	-50.8	10.1	14.2	2.8
Other comprehensive income, net of tax		**-49.5**	**6.4**	**-56.0**	**10.3**	**14.2**	**-15.3**
Total comprehensive income for the period		**67.5**	**58.1**	**9.4**	**30.9**	**30.2**	**86.1**

Result attributable to:						
Members of parent company	71.9	34.9	37.1	8.1	5.3	59.2
Non-controlling interests	45.2	16.8	28.3	12.5	10.8	42.1
	117.1	51.7	65.4	20.6	16.0	101.4

Total comprehensive income attributable to:						
Members of parent company	47.7	39.2	8.5	15.1	13.0	49.6
Non-controlling interests	19.9	18.9	0.9	15.9	17.3	36.5
	67.5	58.1	9.4	30.9	30.2	86.1

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

Unaudited
The figures for 2012 are restated

Condensed consolidated balance sheet EUR million	Note	2013 30.9.	2012 30.9.	2012 31.12.	2012 1.1.
ASSETS					
Non-current assets					
Goodwill		532.1	536.1	533.8	528.5
Other intangible assets		246.1	235.9	238.9	232.2
Tangible assets	4	1 989.4	2 103.2	2 073.3	2 129.0
Biological assets		11.3	8.4	8.4	8.5
Investments in associated companies		72.5	66.2	66.6	69.6
Available for sale investments		310.8	345.9	356.2	367.9
Non-current financial assets		13.8	14.1	13.9	11.5
Deferred tax receivables		66.6	67.8	70.4	65.4
		3 242.6	**3 377.5**	**3 361.4**	**3 412.5**
Current assets					
Inventories		752.8	729.1	724.8	781.3
Accounts receivables and other receivables		759.5	772.1	710.7	735.4
Tax receivables based on the taxable income for the period		5.2	23.2	8.4	34.0
Cash and cash equivalents		464.8	470.6	518.5	330.4
		1 982.3	**1 995.0**	**1 962.4**	**1 881.1**
Assets classified as held for sale		-	-	20.6	6.8
Total assets		**5 224.9**	**5 372.5**	**5 344.4**	**5 300.4**
MEMBERS´ FUNDS AND LIABILITIES					
Members' funds					
Members' funds		1 432.1	1 362.2	1 366.7	1 126.1
Non-controlling interests		447.8	473.7	491.2	358.9
		1 879.9	**1 835.9**	**1 857.9**	**1 485.0**
Non-current liabilities					
Deferred tax liabilities		294.3	340.7	319.4	362.2
Post-employment benefit obligations		160.3	132.7	154.0	135.5
Provisions	5	22.9	38.9	34.6	44.7
Borrowings		1 355.4	1 119.1	1 161.2	1 854.2
Other liabilities		25.1	31.8	34.9	32.7
		1 858.0	**1 663.3**	**1 704.2**	**2 429.4**
Current liabilities					
Provisions	5	32.5	62.3	53.8	144.8
Current borrowings		708.5	1 010.2	958.2	438.5
Accounts payable and other liabilities		732.5	797.4	765.8	790.6
Tax liabilities based on the taxable income for the period		13.4	3.4	4.5	12.2
		1 486.9	**1 873.3**	**1 782.4**	**1 386.1**
Liabilities classified as held for sale		-	-	-	-
Total liabilities		**3 345.0**	**3 536.6**	**3 486.5**	**3 815.5**
Total members' funds and liabilities		**5 224.9**	**5 372.5**	**5 344.4**	**5 300.4**

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

Unaudited

Equity attributable to members of parent company

Change in members' funds

EUR million	Members' capital	Trans-lation differ-ences	Fair value and other reserves	Retained earnings	Total	Non-controlling interest	Total
Members' funds 1.1.2012	572.6	28.9	240.2	293.5	1 135.2	359.9	1 495.2
IAS 19 restatement Note 1				-9.1	-9.1	-1.1	-10.2
Adjusted members' funds 1.1.2012	**572.6**	**28.9**	**240.2**	**284.4**	**1 126.1**	**358.9**	**1 485.0**
Result for the period				34.9	34.9	16.8	51.7
Other comprehensive income, net after tax		13.6	-9.3	0.0	4.3	2.1	6.4
Total comprehensive income		**13.6**	**-9.3**	**34.9**	**39.2**	**18.9**	**58.1**
Transactions with owners							
Dividends paid				-32.5	-32.5	-12.8	-45.2
Change in members' capital	30.6				30.6		30.6
Transfer from unrestricted to restricted			3.2	-3.2	0.0		0.0
Acquired shares from non-controlling interests, which did not change the controlling right				198.8	198.8	108.6	307.4
Members' funds 30.9.2012	**603.2**	**42.6**	**234.1**	**482.4**	**1 362.2**	**473.7**	**1 835.9**

EUR million	Members' capital	Trans-lation differ-ences	Fair value and other reserves	Retained earnings	Total	Non-controlling interest	Total
Members' funds 1.1.2013	594.5	38.2	236.1	519.0	1 387.8	500.0	1 887.8
IAS 19 restatement Note 1		-0.3	0.0	-20.9	-21.1	-8.8	-29.9
Adjusted members' funds 1.1.2013	**594.5**	**37.9**	**236.1**	**498.2**	**1 366.7**	**491.2**	**1 857.9**
Result for the period				71.9	71.9	45.2	117.1
Other comprehensive income, net after tax		-7.0	-14.5	-2.7	-24.2	-25.3	-49.5
Total comprehensive income		**-7.0**	**-14.5**	**69.2**	**47.7**	**19.9**	**67.5**
Transactions with owners							
Dividends paid				-33.5	-33.5	-36.8	-70.3
Change in members' capital	46.9			-1.1	45.8		45.8
Transfer from unrestricted to restricted			5.7	-5.7	0.0		0.0
Acquired shares from non-controlling interests, which did not change the controlling right			0.1	5.4	5.6	-26.6	-21.0
Members' funds 30.9.2013	**641.4**	**30.9**	**227.4**	**532.5**	**1 432.1**	**447.8**	**1 879.9**

Unaudited

Condensed consolidated cash flow statement EUR million	Note	2013 1–9	2012 1–9	2012 1–12
Result for the period		117.1	51.7	101.4
Total adjustments	7	278.8	202.0	260.1
Change in working capital		-102.6	42.9	82.1
Cash flow arising from operations		**293.3**	**296.6**	**443.5**
Net financial items		-87.2	-87.0	-130.3
Income taxes paid		-38.2	-58.2	-56.2
Net cash flow arising from operating activities		**168.0**	**151.5**	**257.1**
Acquisitions		-2.1	-0.5	-6.6
Investments in tangible and intangible assets		-130.4	-146.8	-201.7
Disposals and other items	7	35.3	22.4	33.4
Net cash flow arising from investing activities		**-97.1**	**-124.8**	**-174.9**
Change in members' funds		45.8	30.6	45.4
Change in shares of non-controlling interests		-21.0	306.9	306.7
Change in long-term loans and other financial items		-70.8	-173.2	-194.6
Dividends paid		-78.1	-52.3	-52.3
Net cash flow arising from financing activities		**-124.2**	**112.0**	**105.2**
Change in cash and cash equivalents		**-53.3**	**138.6**	**187.3**
Cash and cash equivalents at beginning of period		518.5	330.4	330.4
Translation difference		-0.5	1.5	0.9
Change in cash and cash equivalents		-53.3	138.6	187.3
Cash and cash equivalents in assets classified as held for sale		0.0	0.0	0.0
Cash and cash equivalents at end of period		**464.8**	**470.6**	**518.5**

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

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

Note 1 – Background and accounting policies

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

This unaudited interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, and it should be read in conjunction with the 2012 IFRS financial statements. The same accounting policies have been applied as in the 2012 IFRS financial statements with the following exception:

– Depreciation of machinery and equipment during the financial year has been specified further between the quarters where applicable in order to correspond with the allocation of the use of the economic benefit of the asset.

From the beginning of 2013 Metsä Group has adopted the following new and amended standards and interpretations:

– *Amendments to IAS 1 Presentation of Financial Statements*. The major change is the requirement to group items of other comprehensive income as to whether or not they will be reclassified subsequently to profit or loss when specific conditions are met.

– *Amendment to IAS 19 Employee Benefits*. The major changes are as follows: in future all actuarial gains and losses are immediately recognized in other comprehensive income, i.e. the corridor approach is eliminated, and finance costs are calculated on a net funding basis. The comparative figures have been adjusted to IAS 19.

– *IFRS 13 Fair Value Measurement*. IFRS 13 establishes a single source for all fair value measurements and disclosure requirements for use across IFRSs. The new standard also provides a precise definition of fair value. IFRS 13 does not extend the use of fair value accounting, but it provides guidance on how to measure fair value under IFRSs when fair value is required or permitted. IFRS 13 expands the disclosures to be provided for non-financial assets measured at fair value.

– *Annual Improvements to IFRSs 2009–2011,* May 2012). The annual improvements process provides a mechanism for minor and non-urgent amendments to IFRSs to be grouped together and issued in one package annually. The amendments cover in total five standards.

– *Amendments to IFRS 7 Financial Instruments: Disclosures*. The amendments clarify disclosure requirements for financial assets and liabilities that are offset in the statement of financial position or subject to master netting arrangements or similar agreements.

All amounts are presented in millions of euros, unless otherwise stated.

This interim report was authorised for issue by the Board of Directors of Metsäliitto Cooperative on 6 November 2013.

IAS 19, Employee Benefits. The new standard had an impact on Metsä Group's income statement and balance sheet 30.9.2012 as follows:

EUR million	Old accounting policy	New accounting policy	Impact
Balance sheet 30.9.2012			
Non-current assets			
Other non-current financial assets	15.3	14.1	-1.1
Deferred tax receivables	64.1	67.8	3.7
Non-current liabilities			
Deferred tax liabilities	340.9	340.7	-0.2
Post employment benefit obligations	119.2	132.7	13.5
Total members' funds	1 846.6	1 835.9	-10.7
Income statement 1–9/2012			
Employee costs	540.3	536.5	-3.8
Other financial income and expenses	81.4	85.2	3.8
Income taxes	33.9	33.9	0.0
Other comprehensive income 1–9/2012			
Items that will not be reclassified to profit and loss			
Items relating to adjustments of defined benefit plans		0.0	0.0
Income tax relating to items that will not be reclassified		0.0	0.0

IAS 19, Employee Benefits. The new standard's impact on Metsä Group's income statement and balance sheet 1.1.2012 and 31.12.2012 was presented in Q1/2013 interim report.

Note 2 – Segment information

The Group's operating segments are comprised of the Group's business areas. The business areas produce different products and services, and they are managed as separate units. The operating segments are reported uniformly with internal reporting submitted to the chief operational decision-maker. The President and CEO has been appointed as the chief operational decision-maker in charge of allocating resources to the operating segments and evaluating their performance.

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

The figures for 2012 are restated.

Sales Eur million	1–9/2013 External	1–9/2013 Internal	1–9/2013 Total	1–9/2012 External	1–9/2012 Internal	1–9/2012 Total
Wood Supply and Forest Services	272.3	895.3	1 167.6	262.6	877.2	1 139.8
Wood Products Industry	639.8	43.5	683.3	646.6	41.6	688.2
Pulp Industry	577.5	396.5	974.0	581.6	370.9	952.5
Paperboard and Paper Industry	1 483.3	56.8	1 540.1	1 554.6	44.5	1 599.1
Tissue and Cooking Papers	741.5	0.2	741.7	727.4	0.0	727.4
Other operations	0.3	3.9	4.2	0.3	2.5	2.7
Elimination of internal sales		-1 396.1	-1 396.1		-1 336.7	-1 336.7
Total sales	3 714.7	0.0	3 714.7	3 773.0	0.0	3 773.0

Sales EUR million	2012 External	2012 Internal	2012 Total
Wood Supply and Forest Services	349.4	1 166.0	1 515.4
Wood Products Industry	850.2	54.0	904.2
Pulp Industry	772.9	501.0	1 273.9
Paperboard and Paper Industry	2 046.7	60.9	2 107.6
Tissue and Cooking Papers	981.5	0.0	981.5
Other operations	0.3	3.0	3.3
Elimination of internal sales		-1 784.8	-1 784.8
Total sales	5 001.0	0.0	5 001.0

Operating result EUR million	2013 1–9	2012 1–9	2012 1–12
Wood Supply and Forest Services	20.7	13.1	20.2
Wood Products Industry	-4.1	15.6	16.3
Pulp Industry	145.5	119.7	150.5
Paperboard and Paper Industry	83.0	181.8	221.1
Tissue and Cooking Papers	40.4	28.4	35.1
Other operations	-2.3	71.8	67.7
Eliminations	-36.5	-266.0	-269.4
Operating result total	246.8	164.3	241.5
Share of results from associates	9.2	5.0	4.8
Financial costs, net	-93.7	-83.8	-113.1
Income taxes	-45.3	-33.9	-31.8
Result for the period	117.1	51.7	101.4

Metsä Groups operating result 1–9/2013 includes non-recurring items net of EUR -8.9 million (-20.4). Of these EUR 4.6 million relates to the sale of Metsä Board's Alizay factory, EUR 2.5 million to the sale of Metsä Board's old paper machine in Äänekoski and EUR 0.9 million to other items, EUR 0.6 million to reversed provisions from Metsä Tissue's efficiency improvement program and EUR -17.4 million to Metsä Wood's efficiency improvement programme.

Assets EUR million	2013 30.9.	2012 30.9.	2012 31.12.
Wood Supply and Forest Services	291.8	263.7	267.5
Wood Products Industry	391.9	412.4	390.4
Pulp Industry	882.4	904.7	877.9
Paperboard and Paper Industry	1 995.4	2 065.8	2 075.8
Tissue and Cooking Papers	903.1	921.2	905.4
Other operations	165.7	136.3	144.0
Elimination	-268.9	-235.4	-251.1
Unallocated assets	863.5	903.8	934.5
Total	5 224.9	5 372.5	5 344.4

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

Liabilities EUR million	2013 30.9.	2012 30.9.	2012 31.12.
Wood Supply and Forest Services	197.1	207.2	193.1
Wood Products Industry	133.6	123.4	113.4
Pulp Industry	113.1	116.2	158.5
Paperboard and Paper Industry	443.6	518.1	486.5
Tissue and Cooking Papers	267.9	260.1	272.9
Other operations	56.1	23.4	32.3
Elimination	-268.9	-235.4	-251.1
Unallocated liabilities	2 402.5	2 523.6	2 480.9
Total	3 345.0	3 536.6	3 486.5

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

Note 3 – Income taxes

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

EUR million	2013 1–9	2012 1–9	2012 1–12
Taxes for the period	50.6	61.7	75.6
Taxes for the prior periods	-0.5	-0.1	0.1
Change in deferred taxes	-4.8	-27.7	-43.9
Total income taxes	45.3	33.9	31.8

Note 4 – Change in property, plant and equipment

EUR million	2013 1–9	2012 1–9	2012 1–12
Book value at beginning of period	2 073.3	2 129.0	2 129.0
Investments	116.3	138.2	188.3
Decreases	-4.0	-1.1	-2.2
Assets classified as held for sale	-2.1	0.0	-20.6
Depreciation, amortization and impairment losses	-183.7	-186.1	-234.8
Translation differences and other changes	-10.4	23.1	13.5
Book value at end of period	1 989.4	2 103.2	2 073.3

The buildings and machinery of EUR 2.1 million in Metsä Wood GmbH, Germany, was classified as assets held for sale on 31 March, 2013. The sale was closed in April 2013.

Depreciation, amortization and impairment losses include a EUR 5.1 million impairment loss related to the close down of Metsä Wood’s upgrading and distribution unit in Kaskinen and a EUR 3,1 million impairment loss related to the close down of the extrusion coating line of Metsä Wood’s plywood unit in Suolahti.

Depreciation, amortization and impairment losses also include reversed impairments of EUR 2.5 million relating to the old paper machine of Metsä Board Äänekoski Paper.

Note 5 – Provisions

EUR million	Restructuring	Environmental obligations	Other provisions	Total
At 1 January, 2013	45.0	26.6	16.9	88.4
Translation differences	-0.1	0.0	-0.1	-0.2
Increases	3.4	0.6	0.9	4.9
Utilised during the year	-30.7	-2.3	-1.9	-34.9
Unused amounts reversed	-1.3	-1.0	-0.4	-2.8
At 30 September, 2013	16.2	23.8	15.4	55.4

Metsä Wood's restructuring provision of EUR 3.3 million relates to plans of closing down the Casteljaloux sawmill, further processing and distribution unit in France.

Related to the sale of Alizay, Metsä Board reversed provisions of EUR 2.4 million.

Of the total provisions of EUR 55.4 million, the non-current portion was EUR 22.9 million and the current portion EUR 32.5 million. The non-current portion will mostly be paid during 2015.

Note 6 – Related party transactions

The sales of Metsäliitto Cooperative's wood deliveries to the Group subsidiaries totalled EUR 570.7 million in January–September 2013 (545.4). Sales of wood deliveries to joint ventures and associated companies were EUR 16.1 million (11.7).

Metsä Group's forest holdings are centralised in Finsilva Corporation, which is an associated company of Metsäliitto Cooperative (49.9%). Finsilva sells wood to Metsäliitto Cooperative. The value of wood deliveries in January–September 2013 was EUR 14.3 million (13.9).

Transactions with joint ventures
Joint ventures have been consolidated using line-by-line method proportionate to the Group's holding. Significant joint ventures are Äänevoima Oy (56.25%) and Metsätapiola real estates (48.98%).

The Group's consolidated income statement and balance sheet include assets, liabilities, income and costs as follows:

EUR million	2013 1–9	2012 1–9	2012 1–12
Sales	10.0	9.5	12.2
Purchases	9.6	9.3	14.0
Non-current assets	59.8	51.1	47.9
Current assets	4.9	5.5	4.8
Non-current liabilities	46.8	41.8	40.8
Current liabilities	4.0	6.1	5.1

Transactions with associated companies

EUR million	2013 1–9	2012 1–9	2012 1–12
Sales	12.3	9.9	16.1
Purchases	79.2	70.3	94.1
Non-current receivables	2.3	0.6	1.5
Current receivables	1.4	2.0	1.9
Non-current liabilities	0.0	0.0	0.0
Current liabilities	6.4	6.6	6.0

Note 7 – Notes to condensed consolidated cash flow statement

Adjustments to the result for the period

EUR million	2013 1–9	2012 1–9	2012 1–12
Taxes	45.3	33.9	31.8
Depreciation, amortization and impairment charges	194.3	196.6	249.1
Biological assets	-2.9	0.1	0.2
Share of results from associated companies	-9.2	-5.0	-4.8
Gains and losses on sale of non-current financial assets	-6.7	-14.2	-20.1
Finance costs, net	93.7	83.8	113.0
Pension liabilities and provisions	-35.6	-93.1	-109.3
Total	278.8	202.0	260.1

Disposals and other items

Disposals and other items include EUR 5.4 million from the sale of Metsä Wood's subsidiary Metsä Wood Merk GmbH, EUR 28.9 million from sales of non-current assets and EUR 1.1 million from other items. The most significant items were the sale of Metsä Board Alizay's non-current assets of EUR 22.4 million and the EUR 2.5 million sale of Metsä Board's old paper machine in Äänekoski.

Note 8 – Financial instruments

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

EUR million	Fair value through p&l	Available for sale financial assets	Loans and other recei-vables	Deriva-tives at hedge accoun-ting	Amor-tised cost	Book value	Fair value
Financial assets 30.9.2013							
Available for sale investments		310.8				310.8	310.8
Other non-current financial assets			13.8			13.8	13.8
Accounts receivables and others			754.5			754.5	754.5
Cash and cash equivalet	10.1		454.7			464.8	464.8
Derivate financial instruments	-0.8			4.3		3.5	3.5
Total	9.3	310.8	1 223.1	4.3	0.0	1 547.4	1 547.4
Financial liabilities 30.9.2013							
Non-current int.-bearing liabilities					1 355.4	1 355.4	1 380.0
Other non-current liabilities					5.3	5.3	5.3
Current interest-bearing liabilities					708.5	708.5	725.9
Accounts payable and others					618.7	618.7	618.7
Derivative financial instruments	9.8			19.6		29.4	29.4
Total	9.8	0.0	0.0	19.6	2 687.9	2 717.2	2 759.3

Fair value hierarchy of financial assets and liabilities

EUR million

30.9.2013	Level 1	Level 2	Level 3	Total
Available for sale financial assets	0.3		310.5	310.8
Current financial assets througt profit and loss at fair value	10.1			10.1
Derivative financial assets		3.5		3.5
Derivative financial liabilities	6.5	22.9		29.4

Financial assets measured at fair value based on level 3

EUR million	2013
Opening balance 1.1.	355.8
Gains and losses in income statement	0.2
Gains and losses in other comprehensive income	-52.8
Purchases	7.9
Settlements	-0.5
Assets classified as held for sale	0.0
Closing balance 30.9.	310.5

Assets have been categorised according to IFRS 7 paragraph 27 A and 27 B.

Level 1	Fair value is based on quoted prices in active markets
Level 2	Fair value is based on inputs observable for the asset either directly or indirectly
Level 3	Fair value is based on company estimates and not on market data

The valuation methods are described in more detail in the 2012 Annual Report.

The most significant item at fair value not traded on an open market is the investment in Pohjolan Voima Oy shares, reported under available-for-sale financial assets. The valuation method is described in the 2012 Annual Report. The average weighed capital cost applied in the calculation was 3.72 per cent on 30 September 2013. The acquisition cost of the Pohjolan Voima Oy shares is EUR 47.8 million and their fair value is EUR 290.9 million.

The carrying amount of available-for-sale financial assets would be estimated to be EUR 3.7 million lower or EUR 3,8 million higher should the rate used for discounting the cash flows differ by 10 per cent from the rate estimated by the management. The carrying amount of available-for-sale financial assets would be estimated to be EUR 40.8 million higher or EUR 41.1 million lower should the energy prices applied in the fair value calculation differ by 10 per cent from the rate estimated by the management.

Derivatives 30.9.2013

EUR million	Nominal value	Assets	Liabi-lities	Fair value total	Fair value hedges	Cash flow hedges	Equity hedges	Hedge accou-ting not applied
Interest rate swaps	785.1		14.3	-14.3	2.4	-14.0		-2.6
Total	785.1	0.0	14.3	-14.3	2.4	-14.0	0.0	-2.6
Currency forwards	942.7	3.2	1.5	1.7		4.3	-1.5	-1.1
Currency options	73.8	0.3		0.3				0.3
Currency swaps	44.3		1.5	-1.5				-1.5
Total	1 060.8	3.5	3.0	0.5	0.0	4.3	-1.5	-2.3
Electricity derivatives	183.3		11.8	-11.8		-6.3		-5.5
Commodity derivative	7.5		0.3	-0.3		-0.2		-0,1
Total	190.8	0.0	12.1	-12.1	0.0	-6.5	0.0	-5.6
Derivatives total	2 036.6	3.5	29.4	-25.8	2.4	-16.3	-1.5	-10.5

Note 9 – Commitments and contingencies

EUR million	2013 30.9.	2012 30.9.	2012 31.12.
Own liabilities, for which commitments granted	1 068.9	622.7	591.4
Pledges granted	882.1	435.3	470.1
Floating charges	603.0	3.0	3.0
Real estate mortgages	879.6	276,6	282.2
Chattels mortgage	4.6	4.6	4.6
Commitments for own liabilities, total	2 369.3	719.5	760.0
Other commitments on own behalf	100.8	83.0	83.5
On behalf of associated companies	2.1	3.7	3.5
On behalf of others	7.0	8.8	10.4
Total	2 479.3	815.0	857.4

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

The increase in securities and guarantees is related to the syndicated credit agreement of a total of EUR 600 million signed by Metsä Board in May 2012, of which EUR 500 million was drawn in April 2013. Shares, real estate mortgages and a floating charge of EUR 600 million were pledged as collateral for the loan.

The future costs for non-cancellable operating lease contracts were EUR 35.0 million at the end of September (31.12.2012: 39.7).